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PROCEEDINGS AND DEBATES OF THE 93^{d} CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Wednesday, September 18, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

We know that in everything God works for good with those who love Him.—Romans 8: 28.

O God, who art the source of grace and glory and the sustainer of our daily lives, may Thy Spirit arise within us as we worship Thee in this moment of prayer. Open our hearts to receive the seeds of Thy goodness and may our faith in Thee ripen them into the fruits of righteousness, peace, and love.

Prosper our Nation in all good works and help our people to live together with good will in every heart, with justice in every mind, and with gentleness in every hand.

Bless our President, our Speaker, and these Representatives of our Nation. Breathe Thy Spirit into their hearts that with wisdom, understanding, and faith they may keep our country the land of the free and the home of the brave.

In the Spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announces that the Senate agrees to the amendments of the House of Representatives to the amendments of the Senate to the amendments of the House of Representatives to the bill (S. 3270), "An act to amend the Defense Production Act of 1950, as amended."

PERMISSION FOR MANAGERS TO HAVE UNTIL MIDNIGHT TO FILE CONFERENCE REPORT ON H.R. 16243, DEPARTMENT OF DEFENSE APPROPRIATIONS

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on H.R. 16243, a bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT (H. REPT. NO. 93-1363)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16243) "making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 9, 10, 23, 26, 30, 36, 37, 49, and 50.

That the House recede from its disagreement to the amendments of the Senate numbered 8, 11, 14, 17, 18, 19, 21, 24, 31, 35, 39, 43, 47, 48, 51, 52, and 57, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,780,263,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,679,810,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,695,456,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,229,531,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$493,800,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$211,900,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$355,000,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,151,175,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$752,643,000"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$761,453,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$276,600,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$642,500,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$69,400,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$242,800,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$681,100,000"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,775,400,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$3,062,800,000, and in addition, $153,600,000, of which $106,800,000 shall be derived by transfer from 'Aircraft Procurement, Air

Force 1974/1976' and $46,800,000"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,533,700,000"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,776,500,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,779,339,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,006,914,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,274,360,000"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "Sec. 847. None of the funds appropriated by this Act shall be available for use after May 31, 1975, to support United States military forces stationed or otherwise assigned to duty outside the United States in any number greater than 452,500, not including military personnel assigned to duty aboard United States naval vessels."; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "Sec. 848. None of the funds appropriated by this Act may be used to support more than five hundred enlisted aides in the United States Armed Forces."; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "Sec. 849. None of the funds appropriated by this Act may be used for site acquisition or construction of the Conus Over-The-Horizon (OTH) radar system receiver antenna during the period beginning with the date of enactment of this Act and ending May 31, 1975."; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "Sec. 850. No funds appropriated to the Department of Defense in this Act may be used to transfer war materials to any foreign country, unless such transfers are specifically authorized by law."; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 7, 15, 28, 34, and 38.

George H. Mahon,
Robert L. F. Sikes,
Daniel J. Flood,
Joseph P. Addabbo,
(except amendments Nos. 47, 56)
John J. McFall,
John J. Flynt, Jr.,
(except amendment No. 47)
Jamie L. Whitten,
William E. Minshall,
Glenn R. Davis,
Louis C. Wyman,
Jack Edwards,
Elford A. Cederberg,
Managers on the Part of the House.
John L. McClellan,
John C. Stennis,
John O. Pastore,
Warren G. Magnuson,
Stuart Symington,
Milton R. Young,
Roman L. Hruska,
Norris Cotton,
Clifford P. Case,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16243), making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I.—MILITARY PERSONNEL

Military personnel, Army

Amendment No. 1.—Appropriates $7,780,263,000 instead of $7,875,013,000 as proposed by the House and $7,762,213,000 as proposed by the Senate.

The conferees are in agreement that the specific changes to the request made by the House and agreed to by the Senate are to be accomplished by the Department of the Army. In addition, the conferees reached agreement with respect to the following areas of difference as explained below:

1. Reimbursable Collections—The conferees agreed to the House reduction of $10,000,000 rather than a reduction of $5,000,000 as proposed by the Senate.

2. Beginning Strength Shortfall—The conferees agreed to restore the $2,400,000 deleted by the House.

3. Superior Performance Pay—The conferees agreed to the Senate reduction of $5,000,000 and concurred in the Senate directive to terminate this form of proficiency pay by the end of fiscal year 1976.

4. Terminal Leave Payments—The conferees agreed to the Senate reduction of $8,400,000 with the proviso that the committees will consider replacement of the funds in conjunction with the fiscal year 1975 pay supplemental if the Department can prove that it is impossible to accomplish this savings through better management of military leave.

5. Support and Headquarters Manpower—The conferees agreed to restore the $18,000,000 reduction made by the Senate. The conferees are in agreement that a portion of these savings must be ultimately passed on to the taxpayer in the form of real dollar savings. However, there is a need for strong incentives to encourage the services to achieve these efficiencies. The conferees expect that this effort will continue in fiscal years 1975 and 1976. The conferees agreed that retention of this manpower in the service structure for purposes of increasing combat and combat support units does not constitute approval of the Army's 16 division force plan. The conferees agreed that further study of the specific changes in force structure proposed by each service is needed prior to the Congress taking further action to significantly reduce manpower levels.

6. Junior Enlisted Travel Benefits—The conferees agreed to the reduction of $76,100,000 as proposed by the Senate.

7. Permanent Change of Station Travel—The conferees agreed to a reduction of $5,050,000 instead of $10,100,000 as proposed by the Senate.

8. Support of Other Nations—The conferees agreed to a reduction of $5,700,000 as proposed by the Senate instead of $3,100,000 as proposed by the House.

9. Korean Deployments and Force Structure—The conferees agreed to the House direction with respect to this matter except that the Army will be given until June 30, 1975, to make those changes which the House recommended be carried out by December 31, 1974.

Military personnel, Navy

Amendment No. 2.—Appropriates $5,679,810,000 instead of $5,720,230,000 as proposed by the House and $5,665,510,000 as proposed by the Senate.

The conferees are in agreement that the specific changes to the request made by the House and agreed to by the Senate are to be accomplished by the Department of the Navy. In addition, the conferees reached agreement with respect to the following areas of difference as explained below:

1. Reimbursable Collections—The conferees agreed to the House reduction of $10,000,000 rather than a reduction of $7,000,000 as proposed by the Senate.

2. Grade Growth—The conferees agreed to the restoration of $280,000 as proposed by the Senate.

3. Recruiting Personnel—The conferees agreed to restore the reduction of $6,100,000 made by the House. The number of full-time career counselors will not be increased from current levels unless an offsetting reduction is made in the recruiting force.

4. Flight Training—The conferees agreed to a reduction of $15,000,000 as proposed by the House instead of a reduction of $7,500,000 as proposed by the Senate.

5. Terminal Leave Payments—The conferees agreed to the Senate reduction of $10,400,000 with the proviso that the committees will consider replacement of the funds in conjunction with the fiscal year 1975 pay supplemental if the Department can prove that it is impossible to accomplish this savings through better management of military leave.

6. Junior Enlisted Travel Benefits—The conferees agreed to a reduction of $30,900,000 as proposed by the Senate.

7. Support and Headquarters Manpower—The conferees agreed to restore the $19,500,000 reduction made by the Senate. The House conferees are in general agreement that a portion of these savings must be ultimately passed on to the taxpayer in the form of real dollar savings. However, there is a need for strong incentives to encourage the services to achieve these efficiencies. The conferees expect the Navy to continue this effort in fiscal years 1975 and 1976. The conferees agreed that further study of the specific changes in force structure proposed by each service is needed prior to the Congress taking further action to significantly reduce manpower levels.

8. Permanent Change of Station Travel—The conferees agreed to a reduction of $32,690,000 instead of $27,390,000 as proposed by

the House and $37,990,000 as proposed by the Senate.

9. Support of Other Nations—The conferees agreed to a reduction of $700,000 as proposed by the Senate instead of $500,000 as proposed by the House.

10. Financial Management—The conferees agreed that the budget offices of the Navy should be consolidated into a single office as proposed by the House.

Military personnel, Marine Corps

Amendment No. 3.—Appropriates $1,695,456,000 instead of $1,713,506,000 as proposed by the House and $1,686,206,000 as proposed by the Senate.

The conferees are in agreement that the specific changes to the request made by the House and agreed to by the Senate are to be accomplished by the Marine Corps. In addition, the conferees reached agreement with respect to the following areas of differences as explained below:

1. Reimbursable Collections—The conferees agreed to the House reduction of $2,000,000 rather than a reduction of $1,300,000 as proposed by the Senate.

2. Recruiting Personnel—The conferees agreed to a reduction of $800,000 instead of a reduction of $600,000 as proposed by the House.

3. Superior Performance Pay—The conferees agreed to the Senate reduction of $2,500,000 and concurred in the Senate directive to terminate this form of proficiency pay by the end of fiscal year 1976.

4. Terminal Leave Payments—The conferees agreed to the Senate reduction of $1,600,000 with the proviso that the committees will consider replacement of the funds in conjunction with the fiscal year 1975 pay supplemental if the Department can prove that it is impossible to accomplish this savings through better management of military leave.

5. Junior Enlisted Travel Benefits—The conferees agreed to the reduction of $12,500,000 as proposed by the Senate.

6. Support and Headquarters Manpower—The conferees agreed to restore the $8,500,000 reduction made by the Senate. The House conferees are in general agreement that a portion of these savings must be ultimately passed on to the taxpayer in the form of real dollar savings. However, there is a need for strong incentives to encourage the services to achieve these efficiencies. The conferees expect the Marine Corps to continue this effort in fiscal years 1975 and 1976. The conferees agreed that further study of the specific changes in force structure proposed by each service is needed prior to the Congress taking further action to significantly reduce manpower levels.

7. Permanent Change of Station Travel—The conferees agreed to a reduction of $1,750,000 instead of $3,500,000 as proposed by the Senate.

Military personnel, Air Force

Amendment No. 4.—Appropriates $7,229,531,000 instead of $7,332,151,000 as proposed by the House and $7,210,881,000 as proposed by the Senate.

The conferees are in agreement that the specific changes to the request made by the House and agreed to by the Senate are to be accomplished by the Department of the Air Force. In addition, the conferees reached agreement with respect to the following areas of difference as explained below:

1. Reimbursable Collections—The conferees agreed to the House reduction of $20,000,000 rather than a reduction of $15,900,000 as proposed by the Senate.

2. Flight Training—The conferees agreed to a reduction of $9,000,000 as proposed by the House instead of a reduction of $4,500,000 as proposed by the Senate.

3. Enlisted Degree Training—The conferees agreed to a reduction of $2,400,000 as proposed by the House.

4. Grade Growth—The conferees agreed to a reduction of $240,000 as proposed by the Senate instead of $320,000 as proposed by the House.

5. Superior Performance Pay—The conferees agreed to the Senate reduction of $7,800,000 and concurred in the Senate directive to terminate this form of proficiency pay by the end of fiscal year 1976.

6. Terminal Leave Payments—The conferees agreed to the Senate reduction of $20,500,000 with the proviso that the committees will consider replacement of the funds in conjunction with the fiscal year 1975 pay supplemental if the Department can prove that it is impossible to accomplish this savings through better management of military leave.

7. Junior Enlisted Travel Benefits—The conferees agreed to a reduction of $57,500,000 as proposed by the Senate.

8. Permanent Change of Station Travel—The conferees agreed on a reduction of $36,950,000 instead of $22,300,000 as proposed by the House and $51,600,000 as proposed by the Senate.

9. Support and Headquarters Manpower—The conferees agreed to restore the $15,000,000 reduction made by the Senate. The conferees are in agreement that a portion of these savings must be ultimately passed on to the taxpayer in the form of real dollar savings. However, there is a need for strong incentives to encourage the services to achieve these efficiencies. The conferees expect the Air Force to continue this effort in fiscal years 1975 and 1976. The conferees agreed that further study of the specific changes in force structure proposed by each service is needed prior to the Congress taking further action to significantly reduce manpower levels.

10. Support to Other Nations—The conferees agreed to a reduction of $2,250,000 as proposed by the Senate.

Other matters related to amendments 1, 2, 3 and 4

The following matters concern report language differences which were agreed to by the conferees as explained below.

Headquarters and Unified Command Structure in the Pacific—The House conferees receded to the Senate on this matter with the proviso that a detailed plan for the reorganization of military headquarters in this region will be provided to the Congress by March 1, 1975.

Military Compensation System—The conferees agree that the Department of Defense report on the modernization of the military compensation system should be submitted by January 15, 1976.

Enlisted Degree Training—The conferees established October 1, 1974 as the cut-off date for new enrollments. The military services are also directed to retain in college all enlisted personnel currently enrolled on a full-time basis from within the funds made available in this bill.

Reenlistment Travel Payments—The conferees direct the Department of Defense to take the necessary administrative steps to prevent abuses and the incurring of additional PCS costs as the result of congressional action designed to save money by stopping these payments when the travel is not performed and paid leave is not utilized.

Schedule of Gains and Losses—The conferees confirm the House requirement to provide additional detailed justification on the sources and nature of personnel gains and losses as a part of each year's budget justification material.

Use of "M" and Surplus Accounts—The conferees confirmed the House direction with respect to the performance of internal audits of transactions made in these accounts each year.

Reserve personnel, Army

Amendment No. 5.—Appropriates $493,800,000 instead of $498,600,000 as proposed by the House and $485,800,000 as proposed by the Senate. The conferees agreed to the addition of $8,000,000 to fund authorized strength increases instead of $12,800,000 as proposed by the House.

Reserve personnel, Navy

Amendment No. 6.—Appropriates $211,900,000 instead of $216,200,000 as proposed by the House and $202,900,000 as proposed by the Senate. The conferees agreed to the addition of $10,000,000 to fund authorized strength increases instead of $14,300,000 as proposed by the House. The $1,000,000 restored by the Senate for Overseas Travel was deleted by the conferees.

Reserve personnel, Marine Corps

Amendment No. 7.—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment appropriating $66,800,000 instead of $68,500,000 as proposed by the House and $67,800,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agreed to a reduction of $2,500,000 as a result of Marine Corps Reserve strength shortfalls as proposed by the Senate instead of $800,000 as proposed by the House. The $1,000,000 restored by the Senate for Overseas Travel was deleted by the conferees.

Reserve personnel, Air Force

Amendment No. 8.—Appropriates $147,865,000 as proposed by the Senate instead of $145,865,000 as proposed by the House. The conferees agreed to the addition of $2,000,000 as proposed by the Senate to increase the Air Force Reserve's ability to support airlift operations.

National Guard personnel, Army

Amendment No. 9.—Appropriates $660,800,000 as proposed by the House instead of $661,300,000 as proposed by the Senate. The $500,000 restored by the Senate for Overseas Travel was deleted by the conferees.

National Guard personnel, Air Force

Amendment No. 10.—Appropriates $204,527,000 as proposed by the House instead of $205,027,000 as proposed by the Senate. The $500,000 restored by the Senate for Overseas Travel was deleted by the conferees.

Reserve component overseas training travel

The conferees are in agreement that all overseas training travel be terminated except for aircraft and ship operations that can be accommodated within the authorized flying hour or ship steaming programs of the Reserve components.

TITLE III—OPERATION AND MAINTENANCE

Operation and maintenance, Army

Amendment No. 11.—Appropriates $6,137,532,000 as proposed by the Senate, instead of $6,228,389,000 as proposed by the House.

Camouflage Screens

The budget requested $16,600,000 to purchase camouflage screens in fiscal year 1975. The House reduced the budget request by $8,300,000. The Senate restored this reduction. The conferees agreed that these funds should be restored.

Fuel Cost

The Army requested $310,800,000 for fuel cost in fiscal year 1975. The House reduced this request by $15,350,000. The Senate made a further reduction of $20,000,000. The conferees agreed to the further Senate reduction.

Labor Relations Training

The budget requested $200,000 for labor relations training by the Army. The House funded the full amount but funding was denied by the Senate. The conferees agreed with the Senate reduction.

Unit of Choice Recruiting

For the Army's hometown canvasser program (unit of choice/station of choice recruiting) the budget requested $19,000,000. The House allowed the full amount while the Senate made a reduction of $10,000,000. The conferees agreed that a reduction of $2,000,000 is sufficient and the Senate agreed to restore $8,000,000 for total program funding of $17,000,000.

Regarding the unit of choice/station of choice recruiting programs, the conferees agreed that better management is required. Commanders should be constrained as to the number of canvassers allowed on temporary duty to recruit new volunteers. Strict guidelines should be promulgated immediately by the Army. Regulations regarding the length of time a unit canvasser is allowed to remain in his hometown area on recruiting duty should be established. The overall effectiveness of this recruiting effort should be evaluated and compared with the effect on combat readiness of the units from which the recruiters are dispatched.

The conferees further agree that the total management of the program should be placed under the Army's Recruiting Command. The conferees agreed further that the Army should seriously evaluate the need to continue this type of recruiting beyond fiscal year 1975. If the Army decides to continue this type of recruiting, it should specifically and totally justify it in the fiscal year 1976 budget request as to need and cost. The Army should also evaluate the recruiting programs of the Navy, Marine Corps, and Air Force to determine if they would be more economical, and also determine their relative effectiveness in comparison to the Army's hometown canvasser program. The conclusions should be submitted in the fiscal year 1976 justification if the program is to be continued.

Helicopter Pilot Training of Reserve Personnel

The budget requested $6,100,000 to train helicopter pilots for the Army reserve units during fiscal year 1975. The House allowed the full amount but the Senate reduced the request by $3,400,000. The conferees agreed to the Senate reduction.

Stock Fund Procurement Leadtime

For fiscal year 1975 the Army budget included a request of $80,000,000 to implement a new Defense Department stock fund procurement procedure. The proposed procedure would require advance payment for non-shelved items.

The House allowed full funding of this new procedure. The Senate denied the full amount on the basis that additional funds for the implementation of the proposed procedure is not required. The conferees agreed with the Senate position.

Civilian Personnel Strength Reduction

For fiscal year 1975 the Department of Defense requested a civilian personnel strength of 1,027,327 employees. The Congress reduced this strength request by 32,327 in passing the Defense Appropriation Authorization Act of 1975 (P.L. 93-365) and established a ceiling of 995,000. The Authorization Act allows the Secretary of Defense to allocate the reduction among the Army, Navy, Air Force, and activities and agencies of the Department. The Secretary is required to report the allocation to the Congress within 60 days after the date of enactment. The Authorization Act was enacted on August 5, 1974.

In passing the Defense Appropriation Bill for fiscal year 1975, the House allocated the reduction to specific Operation and Maintenance requests for the support of civilian personnel as follows:

Service or Agency	Number
Army	19,900
Navy	8,000
Air Force	3,139
Defense Supply Agency	1,288

The Senate agreed with the House allocation of the reduction but allows the Secretary of Defense to reallocate the specific reductions in accordance with the authority contained in the Authorization Act.

The conferees agreed to the allocation of the strength reductions and the reallocation authority allowed by the Senate report with the understanding that if there is any reallocation of either the number of civilian reductions applied to the Services or the Defense Supply Agency or of funds between the Services, Activities, or Agencies of the Department, it must be done under the Section 834 transfer authority of this bill and by prior approval reprogramming.

Regarding civilian employee strength reductions applicable to the Army, the House reduced the Army's budget request by $254,500,000. The Army had requested $2,394,972,000 for civilian personnel compensation. The Senate restored $8,000,000 of the House reduction. The conferees agreed to restoration of $4,000,000 and total funding of $2,144,472,000.

Military Personnel Strength Reduction

The House reduced the Army's Operation and Maintenance budget request by $17,048,000 for military personnel support cost included in the budget request. The Senate restored $9,443,000 of the House reduction. The conferees agreed to restore $5,443,000.

Phaseout of Air Defense Units

The Army requested $22,200,000 for support of its air defense units while they were being phased out during fiscal year 1975. The Army National Guard also requested $22,600,000 for support of its air defense units while being phased out. This is a combined request of $44,800,000.

The House reduced the request by $6,000,000 and applied it against the funding request of the Army National Guard. The Senate agreed with the reduction but applied it equally against the requests of the active Army and the Army National Guard. This has the effect of reducing the Army request by $3,000,000 while restoring $3,000,000 to the Guard.

The conferees agreed with the Senate position.

Maintenance of Real Property Facilities

Amendment No. 12.—Establishes the floor for the maintenance of real property facilities at $355,000,000 rather than the $370,000,000 set by the House and $343,000,000 set by the Senate.

The Senate had reduced the floor established by the House by $27,000,000. The conferees agreed that the Senate had set the floor too low and that it should be raised by $12,000,000.

Operation and maintenance, Navy

Amendment No. 13.—Appropriates $7,151,175,000 instead of $7,177,915,000 as proposed by the House, and $7,140,575,000 as proposed by the Senate.

Helicopter Pilot Training

For fiscal year 1975 the Navy requested $15,600,000 for helicopter pilot training and the House allowed the full amount. The Senate reduced the request by $9,000,000. The conferees agreed that the total request should be appropriated.

Stock Fund Procurement Leadtime

The Navy requested $25,000,000 to implement the Department's new stock fund procurement procedure previously discussed under Operation and Maintenance, Army, Amendment No. 11. The House allowed the full amount but the Senate denied the total request.

The conferees agreed with the Senate position.

University of Health Sciences

In support of its University of Health Sciences, the Navy requested $3,600,000 for fiscal year 1975. This is the first year of direct operational funding. The House allowed the full amount. The Senate reduced the request by $1,600,000 allowing an appropriation of $2,000,000. The conferees agreed that full funding is required for fiscal year 1975 and the $1,600,000 was restored.

Associate Degree Education Program

The Navy requested $1,300,000 to support its associate degree education program in fiscal year 1975. This program is discussed under Amendment number 2, Military Personnel, Navy.

The House allowed the full amount requested. However, the Senate denied the total request. The conferees agreed to the reduction of the Senate but also agreed that funds to continue the program as directed should be obtained within the total amount allowed for Navy training activities.

Military Personnel Strength Reduction

The House reduced the Operation and Maintenance budget request of the Navy by $12,182,000 for military personnel support cost included in the budget request. The Senate made a further reduction of $440,000, for a total reduction of $12,622,000. The conferees agreed with the further reduction of the Senate.

Operation and maintenance, Marine Corps

Amendment No. 14.—Appropriates $449,284,000 as proposed by the Senate, instead of $451,624,000 as proposed by the House.

Military Personnel Strength Reduction

The House reduced the Operation and Maintenance budget request of the Marine Corps by $4,526,000 for military personnel support cost included in the budget request. The Senate made a further reduction of $1,475,000, for a total reduction of $6,001,000. The conferees agreed with the further reduction of the Senate.

Associate Degree Education Program

The Marine Corps requested $200,000 for its associate degree education program in fiscal year 1975. The House allowed the full amount but the Senate denied the total request. The conferees agreed to the reduction of the Senate but, as in the case of the Navy, also agreed that funds to continue the program as directed should be obtained within the total amount allowed for Marine Corps training activities.

Supply Support

For fiscal year 1975 the Marine Corps requested $5,400,000 for supply support operations. The House allowed the full amount. The Senate reduced the request by $665,000, the amount of the increase over fiscal year 1974. The conferees agreed to the Senate reduction.

Operation and maintenance, Air Force

Amendment No. 15.—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment appropriating $7,062,030,000 instead of $7,113,254,000 as proposed by the House and $7,077,930,000 as proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Stock Fund Procurement Leadtime

The Air Force requested $50,000,000 for fiscal year 1975 to implement the Department's new stock fund procurement procedure previously discussed under Operation and Maintenance, Army. The House allowed the full amount. The Senate denied the total request.

The conferees agreed with the Senate reduction.

Military Personnel Strength Production

The House reduced the Operation and Maintenance budget request of the Air Force by $15,936,000 for military personnel support cost included in the budget request. The Senate made a further reduction of $1,224,000, for a total reduction of $17,160,000. The conferees agreed with the further reduction of the Senate.

Continental Operations Range

The budget requested $1,100,000 of Operation and Maintenance funds to support operations at the new Air Force continental operations range. The House denied these funds. The Senate restored the full amount. The conferees agreed that funding would not be provided for fiscal year 1975 and the Senate receded.

Strategic Airlift Crew Ratio

For fiscal year 1975 the Air Force requested $121,000,000 to increase the crew ratio for C-5A/C-141 aircraft. These funds were denied by the House.

The Senate restored $14,800,000. The conferees agreed that these funds are not required.

Operation and maintenance, Defense agencies

Amendment No. 16.—Appropriates $752,643,000 instead of $763,143,000 as proposed by the House, and $748,643,000 as proposed by the Senate.

Intelligence studies

The Department requested $5,000,000 for studies to be conducted for the Assistant Secretary of Defense for Intelligence. The House reduced the request by $1,500,000 and the Senate made a further reduction of $1,000,000. The conferees agreed to the further reduction of the Senate.

OSD—Headquarters Operations

The House reduced the Department's $57,300,000 request for Secretary of Defense headquarters by $600,000. The Senate made a further reduction of $1,500,000. The conferees agreed to the further reduction of the Senate.

Medical studies

The budget requested $16,000,000 for the study of medical operations of the Department of Defense. The House reduced the request by $6,000,000. The Senate denied the total request. The conferees agreed to allow $4,000,000 for these studies.

Overseas Dependents Education

For overseas dependents education the Department requested $203,932,000 for fiscal year 1975. The House allowed the full amount. The Senate reduced the request by $2,000,000. The conferees agreed with the Senate reduction.

Amendment No. 17.—Because of the reduction of $2,000,000 in the request for overseas dependents education, discussed above, the limitation on the use of these funds had to be reduced from $203,932,000 to $201,932,000.

JCS—Headquarters Operations

Amendment No. 18.—Appropriates $10,924,000 as proposed by the Senate instead of $11,224,000 as proposed by the House.

The budget requested $11,414,000 for headquarters operations of the Joint Chiefs of Staff. The House reduced the request by $190,000. The Senate made a further reduction of $300,000. The conferees agreed to the Senate reduction.

Office of Information

Amendment No. 19.—Appropriates $14,356,000 as proposed by the Senate, instead of $14,772,000 as proposed by the House.

The Department requested $14,787,000 for support of the operations of the Office of Information for the Armed Forces. The House reduced the request by $15,000 and the Senate made a further reduction of $416,000 applicable to an increase requested to purchase additional slides and materials. The conferees agreed to the Senate reduction.

Defense Supply Agency

Amendment No. 20.—Appropriates $761,453,000 instead of $757,453,000 proposed by the House, and $765,453,000 as proposed by the Senate.

The Department requested $646,166,000 for personnel compensation and benefits in support of operations of the Defense Supply Agency. The House reduced this request by $18,320,000. The Senate restored $8,000,000 of the House reduction. The conferees agreed that only $4,000,000 of the House reduction should be restored.

Overall Defense agencies appropriation

Amendment No. 21.—Provides a total amount of $2,350,159,000 as proposed by the Senate, instead of $2,357,375,000 as proposed by the House.

The various adjustments within the several sub-budget activities of the Defense agencies appropriation discussed above require the overall total be amended.

Operation and maintenance, Army Reserve

Amendment No. 22.—Appropriates $276,600,000 instead of $279,600,000 as proposed by the House, and $273,600,000 as proposed by the Senate.

The Department requested $22,500,000 for temporary duty travel of Army Reserve personnel in fiscal year 1975. The House allowed the full amount while the Senate reduced the request by $6,000,000. The conferees agreed that $3,000,000 of the Senate reduction should be restored.

Operation and maintenance, Air Force Reserve

Amendment No. 23.—Appropriates $286,680,000 as proposed by the House, instead of $292,580,000 as proposed by the Senate.

The Senate increased the House allowance by $5,900,000 for additional C-5A/C-141 airlift capability in the Air Reserve. The House had already provided an increase of $3,000,000 for this purpose. The conferees agreed that the additional increase by the Senate was not required.

Operation and maintenance, Army National Guard

Amendment No. 24.—Appropriates $589,500,000 as proposed by the Senate, instead of $586,500,000 as proposed by the House.

This $3,000,000 increase is an adjustment in the application of the $6,000,000 reduction made by the House to the Army's request for support of air defense units. This action was previously discussed under amendment number 11, Operation and Maintenance, Army.

Operation and maintenance, Air National Guard

Amendment No. 25.—Appropriates $642,500,000 instead of $632,500,000 as proposed by the House, and $652,500,000 as proposed by the Senate.

The Senate added $20,000,000 to the House allowance to support an increase in the Air Guard flying hour program. The conferees agreed that an increase of $10,000,000 was sufficient. This is a total increase of $30,000,000 in the Air Guard flying hour program.

Amendment No. 26.—The Senate inserted language which would have required the Air Guard to maintain 92 flying units during fiscal year 1975. Since only 91 flying units are authorized, the Senate receded.

Naval petroleum reserve

Amendment No. 27.—Appropriates $69,400,000 instead of $81,900,000 as proposed by the House, and $56,900,000 as proposed by the Senate.

The Senate reduced the $75,000,000 House allowance for exploration and development by $25,000,000. The conferees agreed that $12,500,000 of the Senate reduction should be restored.

Contingencies, Defense

Amendment No. 28.—Reported in technical disagreement. The House deleted $5,000,000 requested for contingencies. The Senate restored the House reduction and rewrote the language to make it permissible for the General Accounting Office (GAO) to audit this appropriation. Previous language prohibited GAO from reviewing expenditures made by the Secretary of Defense for emergency or extraordinary purposes.

The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment providing for $2,500,000 rather than the $5,000,000 proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

TITLE IV—PROCUREMENT

Aircraft procurement, Army

Amendment No. 29.—Appropriates $242,800,000 instead of $224,300,000 as proposed by the House and $284,200,000 as proposed by the Senate.

The conference agreement includes $18,500,000 for 48 UH-1H helicopters as proposed by the Senate and deletes the $41,400,000 proposed by the Senate for 19 CH-47C helicopters. The House had denied the funds requested for both programs.

Procurement of weapons and tracked combat vehicles, Army

Amendment No. 30.—Appropriates $344,800,000 as proposed by the House instead of $343,500,000 as proposed by the Senate.

The conference agreement includes $1,300,000 for advance procurement for XM198 Howitzers as proposed by the House. The funds had been deleted by the Senate.

Procurement of ammunition, Army

Amendment No. 31.—Appropriates $720,200,000 as proposed by the Senate instead of $726,500,000 as proposed by the House.

The conferees agreed to the general reduction of $6,300,000 proposed by the Senate

Other procurement, Army

Amendment No. 32.—Appropriates $681,100,000 instead of $669,600,000 as proposed by the House and $689,700,000 as proposed by the Senate.

The conference agreement restored $8,200,000 for 1¼-ton trucks as proposed by the Senate.

The conferees agreed to provide $1,100,000 for equipment as proposed by the Senate instead of $1,500,000 as proposed by the House.

The House provided $3,400,000 for a communications technical control center. The conference agreed to the Senate amount of $2,400,000.

The Senate provided $7,600,000 for procurement of AN/UGC-74 page printers and $7,700,000 for procurement of AN/UGC-75 tape relays. The House deleted these funds. The conferees agreed to fund the programs as proposed by the Senate but insist that the Army hold a full competition among all interested contractors before a contract award is made. The Army had planned a sole source negotiated contract.

The conferees agreed to Senate reductions of $900,000 for the AN/URM-103 signal generator, $700,000 for MD-522 signal converters, $1,800,000 for AN/USM 28 11140 oscilloscopes,

$2,400,000 for the AN/TSQ-85 video technical control center, $900,000 for the optical character reader, $9,600,000 for the switched net automatic routing system, $1,000,000 for WWMCCS automatic data processing equipment, and $1,200,000 for T5EC/KY-65 speech security equipment.

The conferees agreed to the Senate restoration of $7,900,000 for 25-ton cranes and did not agree to the restoration of $8,600,000 as proposed by the Senate for railway tank cars.

Aircraft procurement, Navy

Amendment No. 33.—Appropriates $2,775,400,000 instead of $2,814,000,000 as proposed by the House and $2,745,200,000 as proposed by the Senate.

The conference agreement provides $118,000,000 for A-7E aircraft as proposed by the Senate instead of $130,700,000 as proposed by the House and funds 30 aircraft instead of 34 as proposed by the House.

The conferees agreed to the Senate amount of $11,400,000 for 15 UH-1N helicopters instead of $14,900,000 for 20 helicopters as proposed by the House.

The conference agreement deletes funds for the AH-1J helicopter as proposed by the House instead of providing $19,500,000 for procurement and $3,900,000 for advance procurement as proposed by the Senate.

The conference agreement provides $429,400,000 for 45 S-3A aircraft as proposed by the House instead of $385,800,000 for 40 aircraft as proposed by the Senate.

The conferees agreed to appropriate $12,600,000 for P-3 aircraft modifications instead of $21,000,000 as proposed by the House and $2,600,000 as proposed by the Senate.

The conference agreement includes reductions of $7,900,000 for aircraft modifications and $6,100,000 for aircraft support equipment and facilities as proposed by the Senate.

Weapons procurement, Navy

Amendment No. 34.—Reported in technical disagreement. The managers on the part of the House will offer a motion to appropriate $729,500,000 instead of $762,000,000 as proposed by the House and $748,600,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees agreed to delete $3,700,000 proposed by the Senate for the Condor missile and to fund the Condor in the RDT & E, Navy appropriation.

The conferees agreed to delete the $15,400,000 added by the Senate for the Bulldog missile.

The conferees agreed to Senate reductions of $2,500,000 in missile spares and repair parts and $30,000,000 in the Fleet Satellite sile and to fund the Condor in the R.D.T. & E. Navy" appropriation is increased by $15,000,000 for this program.

Shipbuilding and conversion, Navy

Amendment No. 35.—Includes language proposed by the Senate making DLGN 41 and 42 follow ships of the DLGN 38 class.

Amendment No. 36.—Deletes $81,400,000 for a fleet oiler which was proposed by the Senate. The House had denied the funds.

Amendment No. 37.—Provides $3,059,000,000 for "Shipbuilding and Conversion, Navy" as proposed by the House instead of $3,140,400,000 as proposed by the Senate.

Amendment No. 38.—Reported in technical disagreement. The managers on the part of the House will offer a motion to concur in the amendment of the Senate with an amendment which will provide $70,000,000 for escalation and cost growth associated with the procurement of two submarine tenders instead of the transfer of $103,600,000 as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The two submarine tenders were funded in fiscal years 1972 and 1973. The sums appropriated are insufficient to construct the ships. The additional $70,000,000 will be obtained by the cancellation of a destroyer tender. The conferees are in agreement that the action taken is without prejudice to the requirement for the destroyer tender. If the Navy so desires, the destroyer tender can be included in the FY 1976 shipbuilding program.

The House Report required the Navy to use $29,400,000 appropriated in prior years for the now terminated Sea Control Ship to design a low cost mini-carrier. The Senate Report required a further study. The conferees agreed to the further study as proposed by the Senate.

Other procurement, Navy

Amendment No. 39.—Appropriates $1,582,600,000 as proposed by the Senate instead of $1,602,600,000 as proposed by the House.

The conference agreement provides $48,300,000 for 8,000 CBU 59/5 Cluster Bombs as proposed by the Senate instead of $68,300,000 for 11,000 bombs as proposed by the House.

Aircraft procurement, Air Force

Amendment No. 40.—Appropriates $3,062,800,000 instead of $3,190,300,000 as proposed by the House and $2,705,700,000 as proposed by the Senate. The conference agreement also provides for the transfer of $153,600,000 from prior year funds as proposed by the Senate instead of $76,200,000 as proposed by the House.

The conference agreement includes $138,000,000 for the procurement of 25 A-10 aircraft instead of $159,200,000 for 30 aircraft as proposed by the House and $118,000,000 for 20 aircraft as proposed by the Senate.

The conferees agreed on the appropriation of $328,700,000 for six AWACS aircraft and $42,000,000 for AWACS advance procurement as proposed by the House instead of $276,700,000 for four aircraft and $33,600,000 for advance procurement as proposed by the Senate.

The conference agreement appropriates $756,900,000 for 72 F-15 aircraft as proposed by the House instead of $690,700,000 for 62 aircraft as proposed by the Senate.

The conferees agreed to the appropriation of $205,500,000 for 12 F-111F aircraft as proposed by the House and the deletion of the $15,000,000 proposed by the House for advance procurement. The conferees do not intend to provide any further funds for this program unless it is sufficiently justified before the Congressional Committees.

The conference agreement provides $25,000,000 for stretch modification of C-141 aircraft instead of $31,000,000 as proposed by the House and $20,000,000 as proposed by the Senate.

The conference committee is in agreement that the existing option for the procurement of 71 F-5E aircraft be exercised. These aircraft were intended for the South Vietnamese Air Force, but in view of the reduced level of funding available in support of South Vietnam, the cost saving to the Air Force of funding this production option now, and the U.S. Air Force's stated requirements for F-5E aircraft, these aircraft are approved for procurement in the Air Force's fiscal year 1975 Aircraft Procurement Program. Funds in the amount of $77.4 million are approved for these aircraft of which $27.4 million is available from free assets in the fiscal year 1975 Aircraft Procurement account and the balance of $50 million is to be made available from sources to be identified by the Department of Defense and derived by transfer under the authority of Section 834 of this Act. This action would be subject to approval of the Committees on Armed Services and Appropriations of the House and the Senate through the usual reprogramming procedures.

The conferees agreed to the general reduction of $7,900,000 in support equipment and facilities as proposed by the Senate.

Research and development test and evaluation; Navy

Amendment No. 41.—Appropriates $1,533,700,000 instead of $1,555,200,000 as proposed by the House and $1,518,700,000 as proposed by the Senate.

The conference agreement appropriates $72,700,000 for AGM-65 Maverick missiles instead of $80,100,000 as proposed by the House and $57,700,000 as proposed by the Senate.

[Amount appropriated]

Conference item:	
Studies and Analysis Support, Navy	$9, 744, 000
Center for Naval Analysis, Navy	6, 008, 000
F-401 Engine	4, 600, 000
Electronic Warfare Counter Response	5, 146, 000
Advanced Aircraft Propulsion System	12, 725, 000
V/STOL Aircraft Development	8, 600, 000
Advanced Propulsion for V/STOL	7, 863, 000
Acoustic Search Sensors, Advanced	11, 620, 000
Aircraft Handling and Servicing Equipment	1, 578, 000
Aerial Target System Development, Engineering	13, 086, 000
VCX Aircraft Engineering	500, 000
Acoustic Search Sensors, Engineering	12, 267, 000
Fighter Prototype VFAX	20, 000, 000
Gryphon	8, 500, 000
CONDOR Missile System	5, 700, 000
Weaponizing (Prototype)	5, 993, 000
Strategic Cruise Missile	38, 000, 000
High Speed Anti-radiation Missile (HARM)	14, 100, 000
Aegis Engineering	63, 000, 000
Standard Surface-to-Surface Missile	0
Trident Missile System	641, 094, 000
Satellite Communications	42, 293, 000
Surface Sonar Modernization	5, 111, 000
Tactical Intelligence Processing Support	312, 000
Cryptologic Activities	9. 488, 000
Special Activities	123, 700, 000
Nuclear Propulsion	22, 413, 000
Ships, Submarines and Boats Technology	19, 656, 000
Submarine Sonar Development, Advanced	2, 771, 000
Shipboard Systems Component Development	1, 544, 000
Advanced Command Data System	4, 105, 000
Surface ASW	11, 044, 000
Combat System Integration	1, 046, 000
Modular Glide Weapon Improvement Program	2, 019, 000
Submarine communications	4, 233, 000
Mine Development, Advanced	5, 469, 000
Gun Systems	4, 000,000
TRI-TAC Navy	12, 247, 000
Support of MEECN	2, 350, 000
Logistic Technology	10, 200, 000
Electronic Device Technology	12, 450, 000
Energy and Environment Protection	7, 053, 000
Medical Development, Advanced	5, 145, 000
Manpower Effectiveness	2, 817, 000
Advanced Marine Biological Systems	2, 710, 000
Ocean Engineering Technology Development	9, 296, 000
Education and Training	6, 371, 000
ASW Force Command Control System	6, 882, 000

The conferees agreed to the general reduction of $14,100,000 in support equipment and facilities as proposed by the Senate.

Other procurement, Air Force

Amendment No. 42.—Appropriates $1,776,500,000 instead of $1,864,400,000 as proposed by the House and $1,772,000,000 as proposed by the Senate.

The conference agreement includes $13,400,000 for 30 mm combat cartridges instead of $26,800,000 as proposed by the House and no funds as proposed by the Senate.

The conferees agreed to the appropriation of $9,600,000 for E–O Bomb guidance kits instead of $31,400,000 as proposed by the House and no funds as proposed by the Senate.

The conference agreement includes $18,900,000 for GBU–2 bombs as proposed by the Senate instead of $30,900,000 as proposed by the House.

The $10,100,000 requested for the LVU–2 Flare-Parachute was deleted as proposed by the Senate.

The $5,000,000 requested for CRAF Materials Handling equipment was deleted as proposed by the Senate.

The $12,900,000 requested for the Continental Operations Range was deleted as proposed by the House.

The $5,600,000 requested for automated technical control was deleted as proposed by the House.

The conference agreement includes $2,900,000 for UHF/VHF conversion as proposed by the Senate instead of $8,500,000 as proposed by the House.

The conference agreement deleted $1,500,000 for a four pump fuel accounting system and $1,500,000 for a two pump fuel accounting system as proposed by the Senate.

The conferees agreed to delete the $15,000,000 requested for the tactical information processing and interpretation system as proposed by the Senate and a reduction of $2,000,000 in special activities as proposed by the Senate.

Procurement, defense agencies

Amendment No. 43.—Appropriates $98,416.000 as proposed by the Senate instead of $102,017,000 as proposed by the House.

The conferees agreed to the appropriation of $14,000,000 for the Defense Supply Agency as proposed by the Senate instead of $14,600,000 as proposed by the House and $74,000,000 for special activities as proposed by the Senate instead of $77,000,000 as proposed by the House.

Report Language Differences

Missile Procurement Study.—The conferees agreed to the Senate proposal for a study of missile procurement programs by the Department of Defense. This study is to be completed and provided to the Congress by December 1, 1974. The General Accounting Office will complete an independent analysis of the Department of Defense study by February 1, 1975.

TITLE V.—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Research, development, test, and evaluation, Army

Amendment No. 44.—Appropriates $1,779,339,000 instead of $1,831,630,000 as proposed by the House and $1,749,152,000 as proposed by the Senate.

The conference agreement provides the following amounts for the unclassified programs considered by the Managers:

Conference item:	*Amount appropriated*
Nuclear Weapons Effects Test	$5, 080, 000
Energy Pulse Applications	0
Aircraft Avionics Technology	5, 850, 000
Aeronautical Technology	15, 974, 000
Heavy Lift Helicopter	32, 725, 000
Aerial Scout	700, 000
Aircraft Avionics Equipment	2, 421, 000
Air Mobility Support	$7, 525, 000
Tiltrotor Research Aircraft	4, 750, 000
Rotor Systems Research	6, 370, 000
Aircraft Avionics	8, 820, 000
Air Mobility Support Equipment	5, 194, 000
Utility Tactical Transport Aircraft (UTTAS)	52, 660, 000
Aircraft Survivability Equipment	5, 548, 000
SAFEGUARD Defense System	45, 000, 000
Missile Technology	23, 582, 000
Hardened Ballistic Missile Defense	4, 420, 000
Advanced Forward Area-Air Defense System	27, 668, 000
Missile Effectiveness Evaluation	14, 738, 000
Site Defense	118, 000, 000
Cannon Launched Guided Projectile	6, 300, 000
Pershing II	2, 000, 000
Surface-to-Air Missile Development (SAM–D)	104, 215, 000
Kwajalein Missile Range	77, 827, 000
Navstar Global Positioning System	4, 000, 000
Nuclear Munitions	1, 420, 000
Laser Technology and Application	21, 760, 000
Nuclear Munitions and Radiacs	1, 625, 000
Weapons and Ammunitions, Advanced	5, 706, 000
Advanced Fuze Design	525, 000
Mine Neutralization and Detection, Advanced	3, 070, 000
Tank Systems	65, 000, 000
Weapons and Ammunition, Engineering	10, 869, 000
Riot Control Agents Systems	830, 000
Lethal Chemical Munitions	3, 000, 000
Mine Neutralization and Detection, Engineering	2, 127, 000
Incapaciting Chemical Munitions	287, 000
Mechanized Infantry Combat Vehicle	10, 711, 000
Bushmaster	4, 100, 000
Mine Systems	14, 308, 000
Mapping and Geodesy, Engineering	3, 250, 000
Environmental Quality Technology	9, 577, 000
Communications Security Equipment	5, 339, 000
Computer-aided Engineering Design	2, 349, 000
Electric Power Sources	2, 325, 000
Communications Devices	5, 595, 000
Mapping and Geodesy, Advanced	920, 000
Command and Control, Advanced	4, 105, 000
Manpower and Human Resources Development	7, 619, 000
Communications Engineering Development	6, 913, 000
Nuclear Surveillance Surveys	800, 000
Joint Advance Tactical Command, Control and Communications	4, 520, 000
Combat Feeding, Clothing, and Equipment	3, 945, 000
General Combat Support	8, 616, 000
Surveillance, Target Acquisition, and Night Systems, Engineering	14, 303, 000
Biological Defense Materiel	478, 000
Command and Control, Engineering	2, 075, 000
Material Concepts Evaluation	7, 923, 000
Support Operational Testing and Evaluation	1, 950, 000
Evaluation of Foreign Components	6, 950, 000
Joint Chemical Biological Contact Point Test	0
Major R.D.T. & E. Facilities Support	129, 702, 000

The managers are in agreement on a reduction of $1,400,000 in Cryptologic Activities, and that no reductions be made to either Electronic Warfare, Advanced or Engineering.

The managers are in agreement that the $7,000,000 reduction in the SAM–D antiaircraft missile system be applied to the programmed amount for alternative guidance systems.

The conference agreement provides $27,668,000 for the Advanced Forward Area Air Defense program instead of $30,668,000 as proposed by the House and $24,668,000 as proposed by the Senate. Of the total provided, $18,200,000 is for the Short-Range Air Defense Missile System.

The conference agreement provides $52,660,000 for the Utility Tactical Transport Aircraft instead of $54,060,000 as proposed by the House and $49,060,000 as proposed by the Senate.

The managers are in agreement on the appropriation of $32,725,000 as proposed by the Senate instead of $36,525,000 as proposed by the House for the Heavy Lift Helicopter.

The conference agreement provides $118,000,000 for the Site Defense Anti-Ballistic Missile System instead of $100,000,000 as proposed by the House and $123,000,000 as proposed by the Senate.

Research, development, test, and evaluation, Navy

Amendment No. 45.—Appropriates $3,006,914,000 instead of $3,065,121,000 as proposed by the House and $2,979,612,000 as proposed by the Senate.

The conference agreement provides the following amounts for the unclassified programs considered by the Managers:

Other Marine Corps Developments, Advanced	$4, 155, 000
ASW Surveillance	37, 500, 000
Long Range Acoustic Propagation	7, 844, 000
Surface Electro-Magnetic and Optical Systems, Advanced	2, 802, 000
Reliability and Maintainability	600, 000
Other Marine Corps Development, Engineering	6, 855, 000
Electromagnetic Compatability and Effectiveness	49, 000
Management and Technical Support	9, 087, 000
Anti-ship Missile Defense	8, 249, 000
Navy Telecommunications Systems Architecture Support	2, 380, 000

The Managers are in agreement on reductions as proposed by the Senate of $1,100,000 in Radar Surveillance Engineering and of $1,000,000 in Naval Special Warfare.

The conferees agreed to the House amount for Radar Surveillance Equipment, Advanced.

The conference agreement provides $4,600,000 for development of the F–401 Engine instead of $21,000,000 as proposed by the House and no funds as proposed by the Senate. The $4,600,000 is provided to pay for prior year's effort only, and not for further development effort. The conferees agreed that further development be delayed until the Navy adequately justifies a requirement for the F–401 Engine.

The Managers are in agreement on the appropriation of $20,000,000 as proposed by the Senate instead of no funding as proposed by the House for the VFAX aircraft. The conferees support the need for a lower cost alternative fighter to complement the F–14A and replace F–4 and A–7 aircraft; however, the conferees direct that the development of this aircraft make maximum use of the Air Force Lightweight Fighter and Air Combat Fighter technology and hardware. The $20,000,000 provided is to be placed in a new program element titled "Navy Air Combat Fighter" rather than VFAX. Adaptation of the selected Air Force Air Combat Fighter to be capable of carrier operations is the prerequisite for use of the funds provided. Funds may be released to a contractor for the purpose of designing the modifications required for Navy use. Future funding is to be contingent upon the capability of the Navy to produce a derivative of the selected Air Force Air Combat Fighter design.

The conferees agreed to provide $5,700,000 for the CONDOR missile program. Of this amount, $3,700,000 is for operational testing and evaluation as requested in the Weapons Procurement, Navy appropriation and $2,000,000 is for other testing as requested in the Research and Development appropriation. The $3,700,000 requested in the Weapons Procurement, Navy appropriation is provided within the appropriation. The funds requested for development of a dual-mode seeker were deleted.

The Managers agreed on a reduction of $200,000 rather than the $3,000,000 reduction as proposed by the Senate for the Weaponizing (Prototype) program.

The conference agreement provides for a reduction of $3,000,000 in the Strategic Cruise Missile program. The Senate had provided $30,971,000 and the House had provided $41,000,000. The conferees also agreed that a detailed study should be made by the Department of Defense to identify the most cost effective approach to development of a tactical cruise missile.

The Managers are in agreement with the direction in the House Report that none of the funds provided in this appropriation for Project Sanguine are to be used for full-scale development. The Senate Managers also agreed with the direction in the House report on the test of the Reserve Merchant Ship Defense System concept using funds provided for the HSX program.

The House Managers agreed that a cost effectiveness study of the Surface Effects Ship, Patrol Frigate, and Patrol Hydrofoil is required as directed in the Senate Report.

Research, development, test, and evaluation, Air Force

Amendment No. 46.—Appropriates $3,274,360,000 instead of $3,377,317,000 as proposed by the House and $3,144,460,000 as proposed by the Senate.

The conference agreement provides the following amounts for the unclassified programs considered by the Managers:

Conference item:	*Amount appropriated*
Environment	$7,810,000
Preliminary Design and Development	2,600,000
RAND	7,650,000
Analytic Services, Inc	1,500,000
F–15A	174,619,000
Aerospace Flight Dynamics	35,888,000
Aerospace Biotechnology	19,370,000
Aerospace Propulsion	32,989,000
Aerospace Avionics	49,116,000
Aircraft Propulsion	5,917,000
Flight Vehicle Technology	7,500,000
Reconnaissance Sensors	3,505,000
Aerospace Structural Material	28,280,000
Stall-Spin Inhibitors	0
CONUS Air Defense	0
F–4 Avionics	13,600,000
Advance Tanker/Cargo Aircraft	2,000,000
B–1 Aircraft	444,973,000
Flight Simulator Development	3,000,000
ABRES	119,943,000
Strategic Bomb Penetration	5,504,000
Air Launched Cruise Missile	66,500,000
Satellite Control Facility	3,200,000
Space Vehicle Subsystems	4,100,000
Space Shuttle	10,000,000
Space Surveillance Technology	18,900,000
Space Communications	23,151,000
Aerospace	11,500,000
Conventional Munitions	16,700,000
Armament Ordnance Development	9,440,000
Close Air Support Weapon System	$20,000,000
TRI–TAC	12,700,000
Over the Horizon Radar Technology	0
Base Security	2,770,000
Electronic Warfare Technology	6,613,000
Advanced Computer Technology	2,300,000
Electro-optical Warfare	4,046,000
Life Support Systems	4,100,000
Other Operational Equipment	6,621,000
Improved Tactical Bombing	8,528,000
System Survivability	6,820,000
Advanced Airborne Command Post	62,740,000
Tactical Loran	14,523,000
Improved Capability O.T. & E	6,300,000
Protective Systems	17,490,000
F–4/F–105 Protective Systems	3,400,000
AWACS	210,000,000
Advanced Fighter Protective System	15,500,000
Lincoln Laboratory	15,750,000
MITRE	7,450,000

The managers are in agreement on reductions of $1,000,000 in Advanced Radiation Technology and of $1,000,000 in Cryptologic Activities. The Senate managers receded on the Senate reduction of $7,000,000 for Surface Defense Suppression.

The conference agreement provides for an $8,000,000 reduction in the F–15A program and that the $8,000,000 be obtained from available prior year funds in the GAU–7 Gun program.

The conference agreement provides $444,973,000 for the B-1 Bomber instead of $399,973,000 as proposed by the Senate and $454,973,000 as proposed by the House.

The House managers agreed with the Senate Report language that an independent objective flight evaluation of the YF–16 and YF–17 Lightweight Fighter prototypes be conducted.

The conference agreement deletes $4,200,000 requested in the Improved Capability for OT & E program for the development of the Continental Operations Range. Other matters related to Amendments 44, 45 and 46.

The managers agreed that the reductions made to the Federal Contract Research Centers may be applied against each center's R.D.T. & E. budget rather than just the program element identified above.

The House managers agreed with the Senate Report requirement that the Department of Defense conduct a study to determine if it is desirable for the services to include allowances for inflation in budget requests and Selected Acquisition Reports.

The House managers agreed with the Senate report requirements relative to recovering an appropriate share of the research, development, test, and evaluation costs in sales of military equipment to foreign buyers.

The House managers agreed with the Senate report language on improving the Defense Selected Acquisition Reports on major weapon systems.

The Senate managers agreed with the House report language requiring the services to include the results of all development testing and evaluation and operational testing and evaluation in the Descriptive Summaries which accompany each service's R.D.T.&E. budget. In addition, separate project summaries should be provided for individual projects with budgets of $3,000,000 or more.

The managers are in agreement that the small specific reductions made during the appropriations process are not special congressional interest items under current reprogramming procedures. Consequently, the Department of Defense may reprogram funds within delegated sub-threshold reprogramming limits for those research, development, test, and evaluation programs listed in the Senate Report (Report No. 93–1104) and identified as level of effort reductions. All other programs are considered special congressional interest items, and prior approval is required for reprogramming actions.

TITLE VII.—MILITARY ASSISTANCE, SOUTH VIETNAMESE FORCES

Amendment No. 47.—Appropriates $700,000,000 for Military Assistance, South Vietnamese Forces, as proposed by the Senate instead of $622,600,000 in new obligational authority and $77,400,000 by transfer as proposed by the House.

The conferees agreed to delete a House provision which made $77,400,000 of the $700,000,000 available for support of South Vietnamese forces only for the procurement of F–5E aircraft. The procurement of F–5E aircraft is discussed under Title IV, Aircraft Procurement, Air Force in the statement of the managers.

TITLE VIII.—GENERAL PROVISIONS

Amendment No. 48.—Section 807: The conferees agreed to Senate language limiting the funds available for overseas dependent schooling to $202,343,000, a reduction of $2,000,000 from the House bill.

Amendment No. 49.—Section 823: The conferees agreed to restore a provision deleted by the Senate which prevents the payment of a price differential on contracts made for the purpose of relieving economic dislocations

Amendment No. 50.—Section 824: The conferees agreed to delete the provision proposed by the Senate which would have prevented the use of funds for the purchase of bulk milk dispensing equipment. This provision was deleted without prejudice by the conferees since the House had not held hearings on this matter.

Amendments Nos. 51 and 52.—Section 845: The conferees agreed to the Senate proposal which increased the numbers of major general/rear admiral (0–8) and the number of brigadier general/rear admiral (0–7) from 427 and 567, respectively, as proposed by the House, to 436 and 576 as proposed by the Senate.

Amendment No. 53.—Section 847: The conferees amended the Senate proposed provision which would have required a reduction of approximately 25,000 military personnel stationed overseas by March 31, 1974, to a reduction of 12,500 personnel by May 31, 1975. The provision as revised limits overseas deployments excluding personnel assigned to Navy vessels to 452,500.

Amendment No. 54.—Section 848: The conferees amended this provision to provide 500 enlisted aides instead of the 218 as proposed by the Senate.

Amendment No. 55.—Section 847: The conferees amended this provision as proposed by the Senate to prevent using funds in the bill for site acquisition or construction of the CONUS Over-The-Horizon (OTH) radar system. The original Senate provision prevented the use of funds for development of the radar.

Amendment No. 56.—Section 850: The conferees agreed to delete this provision as proposed by the Senate and inserted in lieu thereof a provision which prevents the transfer of war materials to any foreign country, unless such transfers are specifically authorized by law. The section as proposed by the Senate sought to prevent the use of funds for the purpose of stockpiling war materials or equipment for Asian countries. This section as proposed by the Senate also prevented the transfer of any equipment from said stockpile unless specifically authorized by law.

TITLE IX.—RELATED AGENCY

Defense Manpower Commission

Amendment No. 57.—Appropriates $800,000 for the Defense Manpower Commission as proposed by the Senate, instead of $1,100,000 as proposed by the House.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1975 recommended by the commitee of conference, with comparisons to the fiscal year 1974 total, the 1975 budget estimate total, and the House and Senate bills follow:

New budget (obligational) authority, fiscal year 1974	$78, 467, 446, 000
Transfer from other accounts, fiscal year 1974	503, 300, 000
Total funding available, 1974	78, 970, 746, 000
Budget estimate of new (obligational) authority (as amended), fiscal year 1975	87, 057, 497, 000
Transfer from other accounts	----
Total budget estimate, 1975	87, 057, 497, 000
House bill, new (obligational) authority, fiscal year 1975	82, 983, 570, 000
Transfer from other accounts	410, 000, 000
Total funding available, 1975	82, 393, 570, 000
Senate bill, new (obligational) authority, fiscal year 1975	81, 584, 258, 000
Transfer from other accounts	513, 600, 000
Total funding available, 1975	82, 097, 858, 000
Conference agreement, new (obligational) authority, fiscal year 1975	82, 096, 297, 000
Transfer from other accounts	480, 000, 000
Total funding available, 1975	82, 576, 297, 000
Conference agreement compared with—	
New budget (obligational) authority, fiscal year 1974	+3, 628, 851, 000
Transfer authority	−23, 300, 000
Total funding available, 1974	+3, 605, 551, 000
Budget estimate of new (obligational) authority (as amended), fiscal year 1975	−4, 961, 200, 000
Transfer authority	+480, 000, 000
Total funding available, 1975	−4, 481, 200, 000
House bill, new (obligational) authority, fiscal year 1975	−887, 273, 000
Transfer authority	+70, 000, 000
Total funding available, 1975	—817, 273, 000
Senate bill, new (obligational) authority, fiscal year 1975	+512, 039, 000
Transfer authority	—33, 600, 000
Total funding available, 1975	+$478, 439, 000

GEORGE H. MAHON,
ROBERT L. F. SIKES,
DANIEL J. FLOOD,
JOSEPH P. ADDABBO
(except amendment Nos. 47, 56),
JOHN J. MCFALL,
JOHN J. FLYNT, Jr.
(except amendment No. 47)
JAMIE L. WHITTEN,
WILLIAM E. MINSHALL,
GLENN R. DAVIS,
LOUIS C. WYMAN,
JACK EDWARDS,
ELFORD A. CEDERBERG,
Managers on the Part of the House.

JOHN L. MCCLELLAN,
JOHN C. STENNIS,
JOHN O. PASTORE,
WARREN G. MAGNUSON,
STUART SYMINGTON,
MILTON R. YOUNG,
ROMAN L. HRUSKA,
NORRIS COTTON,
CLIFFORD P. CASE,
Managers on the Part of the Senate.

SEEK FULL ACCOUNTING ON AMERICANS MISSING IN ACTION

(Mr. **MONTGOMERY** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **MONTGOMERY**. Mr. Speaker, my recent trip to Southeast Asia in search of information on U.S. missing in action turned up no leads that any Americans are still being held captive other than Emmett Kay, who was released by the Pathet Lao yesterday. However, we must continue to seek a full accounting.

The best way to obtain answers concerning the MIA's is for the Communists to allow neutral country search teams to go to the crash sites to determine the fate of the missing and return the remains of known dead for proper burial. Under paragraph 8B of the Paris peace accords, we are permitted to do this, but were fired upon by the Communists when we tried to do so in the past.

Here in the States we are releasing draft dodgers and deserters from the prisons. I must say our priorities are fouled up. President Ford should instruct Secretary Kissinger to negotiate with Russia and Red China to force the North Vietnamese, Vietcong, and Pathet Lao to let identification teams go into contested areas to determine the fate of American servicemen and to recover the remains found in or near the crash sites.

ON AMNESTY AND THE ECONOMY

(Mr. **SIKES** asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. **SIKES**. Mr. Speaker, I am disturbed by the emphasis which has been placed on amnesty and related questions. I do not comprehend the necessity to deal with these matters now. The American economy needs attention. Business in general is hurting. This is where the emphasis should be placed. I have great respect for Mr. Ford's sincerity and dedication. I know he is acting in good conscience. But these are decisions which could have waited.

I have examined the President's proposal on clemency for draft evaders and military deserters. It appears that he has bypassed Congress and established, by Executive order, a system which sets aside the laws dealing with these offenses. This I do not consider a proper procedure. I do not support the plan nor do I support any proposal which would change the basic laws and accepted procedures of our country for dealing with these offenses.

I believe in clemency within reason but I cannot overlook the thousands upon thousands of young men who wore the uniform. They braved the perils of battle and many of them never came back. I do not want it to appear in any way that we are turning our backs on these men and their families and showing special favors to those who refused to accept their responsibilities to America in time of trouble.

PROVIDING FOR CONSIDERATION OF H.R. 16371, SOLAR ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1974

Mr. **LONG** of Louisiana, from the Committee on Rules, reported the following privileged resolution (H. Res. 1373), (Rept. No. 93–1362), which was referred to the House Calendar and ordered to be printed:

H. RES. 1373

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16371) to further the conduct of research, development, and demonstrations in solar energy technologies, to establish a solar energy coordination and management project, to provide for scientific and technical training in solar energy, to establish a Solar Energy Research Institute, to provide for the development of suitable incentives to assure the rapid commercial utilization of solar energy, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Astronautics, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 16371, it shall be in order in the House to take from the Speaker's table the bill S. 3234 and to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 16371 as passed by the House.

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1373 and ask for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution.

The SPEAKER. The question is, Will the House now consider House Resolution 1373?

The question was taken; and (two-thirds having voted in favor thereof) the House agreed to consider House Resolution 1373.

The SPEAKER. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. DEL CLAWSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1373 provides for an open rule with 1 hour of general debate on H.R. 16371, the Solar Energy Research, Development, and Demonstration Act of 1974.

House Resolution 1373 provides that after the passage of H.R. 16371, it shall be in order in the House to take from the Speaker's table the bill S. 3234 and move to strike out all after the enacting clause of S. 3234 and insert in lieu thereof the provisions contained in H.R. 16371 as passed by the House.

The purpose of H.R. 16371 is to establish the administrative mechanism for a coordinated Federal program to bring solar energy technologies to commercial development at the earliest possible date; to formulate specific national goals for solar energy resource determination and assessment and to provide trained scientific and technical manpower to carry out solar energy research projects.

The bill provides for a solar energy coordination and management project to combine, on an interim basis, all Federal solar energy research, development, and demonstration activities.

Mr. Speaker, I urge the adoption of House Resolution 1373 in order that we may discuss, debate, and pass H.R. 16371.

Mr. DEL CLAWSON. Mr. Speaker, I support the resolution. Consideration was given by the Committee on Rules today for the bill (H.R. 16371). The rule provided for an open rule, 1 hour of general debate. As explained by the gentleman from Louisiana, it provides for substitution of the House language in the Senate bill.

There are several purposes of H.R. 16371, all designed to coordinate the development and use of solar energy.

The bill sets up a solar energy coordination and management project to combine, on an interim basis, all Federal solar energy research, development, and demonstration activities. If ERDA or other permanent organization is established, the project's activities will be transferred to that permanent organization. The project is to be composed of six members: one appointed by the President; an Assistant Director of NSF; an Assistant Secretary of HUD; a member of the FPC; an Associate Administrator of NASA; and the General Manager of the AEC; with the Chairman being appointed by the President. The project has the authority to approve specific projects that will be carried out by existing Federal agencies working in coordination with the project. Each agency involved shall be responsible for the operation and administration of each specific program it undertakes. The major objective is to bring specific solar energy technologies to commercial demonstration at the earliest possible date.

To carry out this legislation for fiscal 1975, $2 million is authorized to the National Science Foundation. The funds needed after 1975 have not been precisely determined.

Mr. LONG of Louisiana. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, I wish to join in support of the pending rule which has to do with research and development of solar energy. This is a step in the right direction but we all realize that exotic ways of meeting our fuel needs will not be adequately developed for a decade or so. We, of course, must move toward the development of these exotic ways of producing more energy but as we do so we cannot be unmindful of our immediate and crucial need for the exploration and development of large additional sources of oil and gas.

Mr. Speaker, this seems to be a good moment to call attention to the fact that legislation may soon be considered by the House which relates in a very important way to the production of oil and gas. If we are to become somewhat self-sufficient in oil and gas, a vastly accelerated program is required. The independent oil operator is the man who traditionally finds new oil and gas sources. More than 85 percent of exploratory wells are drilled by independent oil operators. These men must be encouraged to do the best possible job to find the sources of oil and gas which this country so desperately needs.

We have been favored this week by a visit to Washington by independent oil and gas producers from throughout the oil and gas producing areas of the United States. These men are working aggressively to find the new sources of oil and gas which the Nation requires for our domestic economy and for national defense. If they are to do their job for the Nation, they need to be encouraged, not discouraged.

Mr. Speaker, this is not the time to speak at length in regard to the energy problem but I did feel it appropriate to make reference to it. It is important that every Member of Congress consider the urgent need for allowing maximum exploration at every opportunity to find additional oil and gas in the United States in order that we may move toward a greater degree of domestic self-sufficiency.

I am hopeful that as we progress through this session of Congress we will make sure that the independent oil producer, who does more than 85 percent of oil and gas exploration, is given a maximum opportunity to do his job. This is a matter of the greatest urgency.

I thank the gentleman from Louisiana for yielding me time for these remarks.

Mr. Speaker, I thank my friend from Louisiana for yielding to me.

Mr. LONG of Louisiana. My Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill H.R. 16371.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 528]

Abzug
Adams
Andrews, N.C.
Arends
Badillo
Bafalis
Barrett
Beard
Bell
Biaggi
Blackburn
Blatnik
Boggs
Brasco
Buchanan
Burke, Calif.
Byron
Carey, N.Y.
Chappell
Clark
Clay
Cleveland
Conyers
Cotter
Culver
Davis, Ga.
Delaney
Dellums
Diggs
Donohue
Drinan
Eilberg
Esch
Eshleman
Fascell
Ford
Fraser
Froehlich
Gibbons
Gilman
Grasso
Green, Pa.
Griffiths
Gubser
Hanna
Hanrahan
Harrington
Heckler, Mass.
Helstoski
Hogan
Holifield
Holt
Holtzman
Horton
Hudnut
Jarman
Johnson, Colo.
Karth
Kluczynski
Koch
Latta
Lehman
Long, Md.
Luken
McCormack
McKay
McKinney
McSpadden
Macdonald
Mann
Maraziti
Mathias, Calif.
Mathis, Ga.
Mills
Minshall, Ohio
Mitchell, Md.
Mizell
Moorhead, Pa.
Murphy, Ill.
Owens
Pike
Podell
Powell, Ohio
Railsback
Rangel
Rarick
Regula
Reid
Roe
Roncallo, N.Y.
Rooney, N.Y.
Rosenthal
Rostenkowski
Roy
Ryan
Scherle
Shuster
Skubitz
Snyder
Steed
Steele
Symms
Thompson, N.J.
Thone
Thornton
Tiernan
Towell, Nev.
Udall
Van Deerlin
Vander Jagt
Walsh
Ware
Wilson, Charles, Tex.
Wolff
Wydler
Young, Alaska
Young, S.C.

The SPEAKER. On this roll call 317 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AUTHORIZING APPROPRIATIONS FOR THE COAST GUARD

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 13595) to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 6, after line 15, insert:

SEC. 6. (1) Section 1(b) of the Act of August 27, 1935 (46 U.S.C. 88), as amended, is further amended by inserting the words "and all vessels of not more than five thousand gross tons used in the processing or assembling of fishery products in the fisheries of the State of Oregon, Washington, and Alaska, except those constructed after August 15, 1974, or those converted to any of such services after July 11, 1978," after the words "from July 11, 1968," but before the words "are exempt".

(2) The first proviso of section 1 of the Act of June 20, 1936 (46 U.S.C. 367), as amended, is further amended by deleting the last two sentences and inserting in lieu thereof: "As used herein, the phrase 'any vessel' engaged in fishing, oystering, clamming, crabbing, or any other branch of the fishery or kelp or sponge industries includes cannery tender or fishing tender vessels of not more than five hundred gross tons used in the salmon or crab fisheries of the States of Oregon, Washington, and Alaska which are engaged exclusively in (1) the carriage of cargo to or from vessels in the fishery or a facility used or to be used in the processing or assembling of fishery products, or (2) the transportation of cannery or fishing personnel to or from operating locations, and vessels of not more than five thousand gross tons used in the processing or assembling of fishery products in the fisheries of the States of Oregon, Washington, and Alaska. The exemptions in the preceding sentence for cannery tender, and fishing tender vessels and vessels used in processing or assembling fishery products shall continue in force until July 11, 1978.".

(3) The proviso clauses of paragraph (2) of section 4417a of the Revised Statutes (46 U.S.C. 391a(2)), as amended, are further amended to read as follows:

"*Provided*, That (i) this section shall not apply to vessels having on board the substances set forth in (A), (B), or (C) above only for use as fuel or stores or to vessels carrying such cargo only in drums, barrels, or other packages;

"(ii) nothing contained herein shall be deemed to amend or modify the provisions of section 4 of Public Law 93-397 with respect to certain vessels of not more than five hundred gross tons;

"(iii) this section shall not apply to vessels of not more than five thousand gross tons used in the processing and assembling of fishery products in the fisheries of the States of Oregon, Washington, and Alaska and such vessels shall be allowed to have on board inflammable or combustible cargo in bulk to the extent and upon conditions as may be required by the Secretary of the department in which the Coast Guard is operating; and

"(iv) this section shall not apply to vessels of not more than five hundred gross tons documented in the service of oil exploitation which are not tank vessels and which would be subject to this section only because of the transfer of fuel from the vessels' own fuel supply tanks to offshore drilling or production facilities.".

(4) Section 4426 of the Revised Statutes of the United States (46 U.S.C. 404), as amended, is further amended by deleting the last two sentences and inserting in lieu thereof: "As herein, the phrase 'engaged in fishing as a regular business' includes cannery tender or fishing tender vessels of not more than five hundred gross tons used in the salmon or crab fisheries of the States of Oregon, Washington, and Alaska which are engaged exclusively in (1) the carriage of cargo to or from vessels in the fishery or a facility used or to be used in the processing or assembling of fishery products, or (2) the transportation of cannery or fishing personnel to or from operating locations, and vessels of not more than five thousand gross tons used in the processing or assembling of fishery products in the fisheries of the States of Oregon, Washington, and Alaska. The exemptions in the preceding sentence for cannery tender, fishing tender vessels and vessels used in processing or assembling of fishery products shall continue in force until July 11, 1978.".

SEC. 7. The Secretary of the department in which the Coast Guard is operating (hereinafter referred to as the "Secretary"), in cooperation with the Secretaries of Commerce, State, Defense, and the Treasury, and the Attorney General, shall conduct a comprehensive study of all feasible methods of enforcing fishery management jurisdiction, including any possible extension of such jurisdiction. In carrying out such study, the Secretary shall evaluate all available techniques of enforcement including, but not limited to, the use of satellites, remote sensing, vessels, aircraft, radar, or devices implanted on the seafloor.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. GROSS. Mr. Speaker, reserving the right to object, could I ask the gentleman from New York, do I understand that this is to concur in the Senate amendments to the bill?

Mr. MURPHY of New York. Yes. This concurs in two parts of the Senate amendment, and I will describe them to the gentleman.

A new section 6 was added which would exempt vessels of not more than 5,000 gross tons used in the processing or assembling of fishery products in the fisheries of the States of Oregon, Washington, and Alaska from the requirements of 46 U.S.C. 88 (loadlines), 46 U.S.C. 367 (inspection of motor vessels over 300 gross tons), 46 U.S.C. 391a (inspection of vessels carrying certain liquid cargoes in bulk), and 46 U.S.C. 404 (inspection of certain vessels carrying freight or passengers for hire). This amendment would give these fish processing vessels in the three States mentioned above the same exemption enjoyed by other cannery tender and fishing tender vessels in the salmon and crab fisheries of Oregon, Washington, and Alaska. Without the exemption contained in the Senate committee amendment, the vessels in question could not operate this season.

The amendment is germane and will not cost any money.

A new section 7 was added to the bill to provide the Coast Guard with a mandate to conduct a comprehensive study of all feasible methods of enforcing fishery management jurisdiction, including any possible extension of such jurisdiction. The Coast Guard will be required to report the results of the study within 1 year.

The amendment is germane and will cost $200,000 to fund the study.

Mr. GROSS. The amendment is germane to the subject matter of the bill; is that correct?

Mr. MURPHY of New York. The amendment is germane.

Mr. GROSS. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

OKEFENOKEE NATIONAL WILDLIFE REFUGE, GA.

Mr. MELCHER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 6395) to designate certain lands in the Okefenokee National Wildlife Refuge, Ga., as wilderness, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: That, in accordance with section 3(c) of the Wilderness Act (78 Stat. 890, 892); certain lands in the Okefenokee National Wildlife Refuge, Georgia, which comprise about three hundred forty-three thousand eight hundred and fifty acres and which are depicted on a map entitled "Okefenokee Wilderness Proposal" dated October 1967, revised March 1971, are hereby designated as wilderness. The map shall be on file and available for public inspection in the offices of the United States Fish and Wildlife Service, Department of the Interior.

SEC. 2. Within the wilderness designated by this Act, subject to such restrictions as the Secretary of the Interior deems necessary for public safety and to protect flora and fauna of the wilderness, (1) the use of powered watercraft, propelled by motors of ten or less horsepower, will be permitted, (2) watercraft trails including approximately one hundred twenty miles as delineated on such map will be maintained. Access to watercraft trails in the wilderness area will be provided from the Suwannee River Sill, Steven Foster State Park, Kings Landing, and Suwannee Recreation Area (Camp Cornelia).

SEC. 3. Fishing shall be permitted in the waters of the Okefenokee Wilderness, in accordance with applicable State and Federal regulations, except that the Secretary of the Interior may designate zones and establish periods when no fishing shall be permitted for reasons of public safety, administration, fish and wildlife management, or public use and enjoyment.

SEC. 4. As soon as practicable after the Act takes effect, a map and a legal description of the wilderness area shall be filed with the Interior and Insular Affairs Committees of the United States Senate and the House of Representatives, and such description and map shall have the same force and effect as if included in this Act: Provided, however, That correction of clerical and typographical errors in such description and map may be made.

SEC. 5. The area designated by this Act as wilderness shall be known as the Okefenokee Wilderness and shall be administered by the Secretary of the Interior in accordance with the provisions of the Wilderness Act.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

Mr. GROSS. Mr. Speaker, reserving the right to object, is there a money figure in this bill?

Mr. MELCHER. No, there is no money figure in this bill.

Mr. GROSS. The amendment to the bill is germane to the bill?

Mr. MELCHER. Yes, it is entirely germane.

Mr. GROSS. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

SOLAR ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1974

Mr. TEAGUE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16371) to further the conduct of research, development, and demonstrations in solar energy technologies, to establish a solar energy coordination and management project, to provide for scientific and technical training in solar energy, to establish a Solar Energy Research Institute, to provide for the development of suitable incentives to assure the rapid commercial utilization of solar energy, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 16371, with Mr. VANIK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. TEAGUE) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. MOSHER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas.

Mr. TEAGUE. Mr. Chairman, this is the second solar bill this year that ties in with the bill we passed some time ago. This bill was reported unanimously. The administration testified for the bill.

Mr. Chairman, there is a cost factor in this bill of $2 million.

Mr. Chairman, H.R. 16371, the Solar Energy Research, Development, and Demonstration Act of 1974, establishes solar energy coordination and management project to bring solar energy technologies to commercial development as soon as possible.

Before addressing the content of the bill, I think it is only appropriate to congratulate the members of the Energy Subcommittee who have worked so long and hard to provide the necessary legislation to solve our energy crisis. They have done their homework carefully, and deserve credit for what they have accomplished. The subcommittee members are:

SUBCOMMITTEE ON ENERGY

Mike McCormack, Washington, Chairman.
Don Fuqua, Florida.
James W. Symington, Missouri.
Richard T. Hanna, California.
Robert A. Roe, New Jersey.
Bob Bergland, Minnesota.
J. J. Pickle, Texas.
George E. Brown, Jr., California.
Dale Milford, Texas.
Ray Thornton, Arkansas.
Bill Gunter, Florida.
Barry M. Goldwater, Jr., California.
John W. Wydler, New York.
Marvin L. Esch, Michigan.
John B. Conlan, Arizona.
Stanford E. Parris, Virginia.
Paul W. Cronin, Massachusetts.
James G. Martin, North Carolina.
William M. Ketchum, California.

Solar energy has received a lot of attention not only here in the Congress but in the Nation as a whole. Solar energy is renewable energy, and if we can learn how to use it economically our country should never be short of energy again.

There is a lot of solar energy available, and it comes in many forms. But it will take a long time to develop ways to effectively use large amounts of solar energy. In order to have this technological option available for our children, however, we need to start on a comprehensive, well-managed R. & D. program now. H.R. 11864, the Solar Heating and Cooling Demonstration Act of 1974, which was signed into law on September 3 of this year as Public Law 93-409, establishes a demonstration program in the solar energy technology with the most attractive short-term possibility—the heating and cooling of buildings. The bill before the House of Representatives today establishes a management framework which will incorporate that program into a broad national solar energy effort.

H.R. 16371 establishes a solar energy coordination and management project, which incorporates the concept of interagency coordination and provides the additional element of managerial authority. This arrangement is almost identical to that provided in Public Law 93-410, the Geothermal Energy Research, Development, and Demonstration Act of 1974.

The solar energy bill before us today initiates a broad solar energy R. & D. program consisting of three phases: resource determination and examination; research and development; and commercial demonstrations.

Specific goals for each of these phases are listed in the bill, and provision is made for cooperative demonstration programs with non-Federal entities, whenever appropriate. The bill also provides for a beefed-up program of education in solar-related science and engineering through the National Science Foundation; a number of technology utilization activities; and the establishment of a national solar energy R. & D. laboratory.

H.R. 16371 is compatible with all of the other energy legislation which has been acted on by the Congress so far. For example, it incorporates the activities of the Solar Heating and Cooling Demonstration Act of 1974. It also contains a provision to transfer the solar program to the Energy Research and Development Administration, ERDA, or a similar agency if and when that bill emerges from conference and is signed into law.

No new authorization for fiscal year 1975, with the exception of $2 million for a comprehensive program definition, is required. The committee felt that Congress has already acted reasonably in passing the energy R. & D. Appropriations Act earlier this year. The practical immediate effect of this bill, therefore, will be to generate additional information for use during our deliberations on the fiscal year 1976 energy budget.

Before going into the details of the bill itself, I should like to make a few comments on the current technology of solar energy and its prospects for widespread use. Solar energy is diffuse—the 24-hour average in the Washington area is about 17 watts per square foot. In order to collect large amounts of solar energy, this means that a large area of the Earth's surface must be devoted to this purpose. This is true whether we are talking about collecting direct solar radiation or using solar energy in some intermediate form such as wind or photosynthetic products.

Methods of collecting thermal solar energy at the present time result in warming some heat transfer medium to a relatively low temperature. Therefore, we see that the two characteristics of solar energy—its diffuse nature and its low temperature—must be accommodated in order to make it a significant part of the U.S. energy economy.

In spite of the fact that solar energy is not commercially viable at the present time, a lot of thought has already gone into figuring out ways in which it might be put to practical use. A number of these specific solar energy technologies are identified in the bill, and include:

Solar heating and cooling of buildings;

Direct use of solar heat for industrial processes;

Thermal conversion of solar energy into electricity and commercial fuels;

Production of useful energy or fuels through bioconversion;

Direct conversion of sunlight into electricity through photovoltaic cells and other means;

Conversion of ocean temperature gradients to electricity; and

Production of electricity from wind power; and

Storage of solar energy.

As this list clearly indicates, solar energy can be used in both direct and indirect forms. We do not know at the present time what the various trade-offs are, for example, between widely different approaches such as generating electricity through exposing solar cells to sunlight directly, or letting the process of photosynthesis produce plants which can then be burned to produce electricity through a conventional thermal cycle.

Mr. Chairman, I should like to now take a few minutes to expand on my earlier brief description of what this bill will do. H.R. 16371 establishes a solar energy coordination and management project to provide a single Federal focus for solar energy research, development, and demonstration activities. This project will be composed of six members; one appointed by the President, and representatives of five Federal agencies which are either now directly involved in solar energy research and technology or would be a major user or regulator of solar energy technologies. These agencies are the National Science Foundation, the National Aeronautics and Space Administration, the Atomic Energy Commission, the Department of Housing and Urban Development, and the Federal Power Commission. The President has the responsibility for designating one of these members as chairman of the project. The chairman plays the key managerial role in establishing the comprehensive solar energy R. & D. program and in coordinating the activities of all the Federal agencies involved in carrying it out.

The objective of this bill is a simple and straightforward one: Technologies will be brought to commercial demonstration at the earliest possible time. The chairman of the project, therefore, will have the overall responsibility for effective management of three parallel activities:

First. Solar energy resource determination and assessment;

Second. Research and development in all relevant solar energy technologies; and

Third. Commercial demonstration of those solar energy technologies which have progressed satisfactorily through the development stage.

Expenditures for solar energy R. & D. have not been large compared to our investments in other fields of technology. This is true of both the public and private sectors of our economy. In fact, until fiscal year 1971, the Federal Government spent less than $1 million per year for solar R. & D. This rapidly increased to about $5 million in fiscal year 1973, and $17 million in fiscal year 1974. Congress has appropriated over $50 million for the current fiscal year for solar energy R. & D. This effort is fragmented between three agencies and there is no satisfactory centralized Federal authority at the present time. This bill will correct this managerial deficiency, reduce and eliminate parallel efforts and programs, and assure the most efficient expenditure of the taxpayer's dollars.

H.R. 16371 lays out specific goals to be accomplished, so that the research and development effort can be oriented toward the attainment of tangible objectives.

In the resource determination and assessment phase, the goals include—

First, development of better methods for ascertaining the location and availability of solar resources;

Second, development of adequate technology and instrumentation for determining solar resources as a function of time;

Third, development of programs of international cooperation in the determination of solar resources; and

Fourth, development of ways to disseminate resource information to those people and institutions that need it.

An adequate determination of solar energy resources and their distribution by geography and by time of day or year is fundamental to the development of successful solar energy utilization technologies. This has to be done on both a regional and a national scale, so that we will know where our solar resources are located and in what form they exist. This will permit the difficult and complicated issue of land utilization for solar energy to be addressed at an early date.

The goal for the research and development program is to resolve all major technical problems related to commercial solar energy development—for each of the various ways proposed to utilize solar energy. In resolving these technical problems it is expected that there will be efforts in basic research, and that a variety of studies—systems studies, economic studies, environmental studies, and so on—will be undertaken. Technology assessments should be initiated as required, and all R. & D. activities should be planned so that the entire solar energy resource base, including byproducts, is effectively utilized.

The demonstration phase will be the logical culmination of efforts in resource determination and R. & D. Only those technologies which look economically attractive after the development work has been completed will progress to commercial demonstration. Only one such demonstration seems ready to be carried out at the present time—that consists of solar heating and cooling of buildings, as provided for in Public Law 93–409. Some of the solar energy technologies which I mentioned earlier may never come to commercial demonstration. However, I hope that we will have a number of viable solar technologies to choose from in the years ahead, and I believe this bill will make it possible for our Nation to have these technological options available when they are needed.

Mr. Chairman, H.R. 16371 itself takes a systems approach to solar energy development. In addition to the managerial and technical activities which I have just described, it also provides for an expanded program of scientific and technical education by the National Science Foundation, so that we will not find ourselves in the position of having attractive technological options before us but no trained manpower to exploit them.

The NSF, at the urging of the Committee on Science and Astronautics, alrady had initiated a number of scientific and technical training programs relevant to solar technology. Transfers of funds to NSF by the chairman of the project will augment these in the future, and provide for additional training activities if needed.

The bill also establishes a Solar Energy Research Institute, which can serve as a focal point for large solar R. & D. activities. It is expected that this new national laboratory will be of adequate size so that teams of scientists and engineers, together with their scientific equipment, will reach that "critical mass" whereby they can solve complex and large scale solar energy problems beyond the scope of our existing capabilities.

The committee also realizes that just developing solar energy technology is not enough by itself. One must also make sure that this federally funded technology is utilized effectively and efficiently by the academic community and the private sector. Therefore, a solar energy information data bank is established by the bill, which would collect, review, process, and disseminate information and data in all solar energy technologies. In order to prevent duplication of effort, the bill requires that this data bank utilize the existing data banks in the Federal agencies, and coordinate or merge this data bank with other Federal energy information data banks. In particular, the solar heating and cooling data bank established by Public Law 93–409 will be incorporated into this solar energy information data bank.

A solar energy incentives task force is set up by H.R. 16371 to carry on a program of research and investigation into the possible legal and social barriers to widespread solar energy utilization.

Its recommendations, due 120 days after the enactment of the bill and to be updated annually thereafter, should be valuable to the President and the Congress in identifying additional legislative or administrative actions that are needed to implement the objectives of the bill. A variety of studies—systems studies, economic studies, environmental studies, and so on—will be undertaken. Technology assessments should be initiated as required, and all R. & D. activities should be planned so that the entire solar energy resource base, including byproducts, is effectively utilized.

Mr. Chairman, I should like to point out that this bill was not drafted in a legislative vacuum. We recognized that an Energy Research and Development Administration, ERDA, or some other Federal energy R. & D. organization may be enacted into law in the very near future. Therefore, this bill has a section which provides for the transfer of the solar energy activities under this bill to any such permanent organization with jurisdiction over energy R. & D. 60 days after the effective date of such legislation. H.R. 16371 would also enlarge the jurisdiction of ERDA as compared to the ERDA bill. Specifically, it transfers all solar R. & D. to ERDA instead of just solar heating and cooling. By "all solar R. & D.," I do not mean to include basic solar energy research which may be currently sponsored at NSF or other agencies. I do mean all applied research and development.

Other provisions of the bill provide that adequate reporting on the program activities will be made to the Congress; that the chairman of the project keep the House and the Senate fully and currently informed of its activities; and that the necessary regulations be promulgated to assure the efficient and effective implementation of the legislation.

The bill before the House today authorizes $2 million to be made available during fiscal year 1975 for carrying out a comprehensive program definition. It is expected that this program definition will serve as the basis for specific authorization requests beginning in fiscal year 1976 to implement the objectives of the bill. We feel strongly that a sound program definition is the responsible way to approach funding requirements for a significant technological effort such as this bill establishes, especially since adequate cost figures are not presently available. Let me be clear, however, as to what is meant by "comprehensive program definition." I do not mean that a committee of solar energy experts and Federal administrators should develop a program budget in the same way that previous solar energy budgets have been developed for the AEC, the Federal Energy Administration, FEA, and the Office of Management and Budget, OMB. I do mean that the methodology used by the Defense Department and some other agencies for costing a program that meets certain *specified* objectives should be applied. Given the objectives and goals in this bill, the comprehensive program definition should determine the timetable and costs for attaining those objectives and goals—and should do so with a high degree of precision and detail.

The $2 million for the chairman of the project to carry out the program definition will be funded through the National Science Foundation, the present lead agency for solar energy research activities.

Mr. Chairman, the Committee on Science and Astronautics spent many long days in hearings and carried out a lot of investigative work before recommending the legislation which is before you today. In June of 1973 we initiated an exhaustive series of investigatory hearings on solar energy technologies in the Subcommittee on Energy, chaired by Congressman Mike McCormack. Some of the specific subjects which were covered by about 40 witnesses included: Satellite solar energy, solar thermal electric generation, solar heating and cooling of buildings, energy transmission, wind energy, solar sea thermal gradient energy, solar photovoltaic energy, and bioconversion.

In addition to the large group of experts who appeared in person before the subcommittee, written statements were received for the hearing record from many others.

During these hearings and the subsequent markup sessions in the subcommittee and full committee, I believe the Committee on Science and Astronautics performed its homework in a commendable fashion. The bill today before the House of Representatives is a good bill, one which is designed to get a new and important national effort in solar energy technology off the ground.

In summary, I should like to point out that the bill before you today is an important element in the framework of energy legislation. It is compatible with other energy legislation already passed by the Congress, including the Energy Appropriations Act, the Geothermal Research, Development and Demonstration Act, the Solar Heating and Cooling Act, the ERDA bill, and the nonnuclear energy R. & D. bill.

H.R. 16371 not only has the unanimous bipartisan support of the members of the Committee on Science and Astronautics, but other congressional support has been evidenced by the fact that 93 Members of the House have introduced legislation similar to that before you today. The administration supports H.R. 16371 and the Associate Director for Natural Resources, Energy and Science, Office of Management and Budget, testified in favor of it on August 2, just last month. Similar legislation, S. 3234, passed the Senate yesterday.

I urge all the members of the House to support H.R. 16371.

Mr. Chairman, I yield such time as he may require to the gentleman from Florida (Mr. Fuqua), a member of the subcommittee that reported the bill.

Mr. FUQUA. I thank the Chairman.

I want to thank the chairman of the full committee for his leadership in helping to bring this bill to the floor, and particularly the gentleman from Washington (Mr. McCormack) for the salient leadership that he has put forth in getting this bill to where we are today.

The Solar Heating and Cooling Demonstration Act—Public Law 93-409—establishes and authorizes funds for a specific solar energy technology demonstration. This demonstration is a new program.

On the other hand, H.R. 16371 establishes the legislative framework and managerial competence for a broad national energy research, development, and demonstration program. Its activities will cover the spectrum from basic research to commercial demonstration. This omnibus solar energy program will encompass the specific demonstration activities established under the Heating and Cooling Demonstration Act, including managerial responsibility for the heating and cooling demonstrations and incorporation of the heating and cooling data bank into the data bank established by the bill before us today.

Mr. Chairman, the Committee on Science and Astronautics began its concentrated, indepth investigatons on energy research and development in July 1971. The December 1972 report of the committee's task force on energy laid out a national plan for developing energy R. & D. policy and programs. Since that time the committee has established a full Subcommittee on Energy and worked toward implementing a comprehensive program in energy with respect to sources and technology, within a time frame that is responsive to the needs of the country. As a result of diligent efforts by many members of this body, the legislative requirements necessary to satisfy the Nation's energy needs are now beginning to fall into place.

On September 3, 1974, the President signed into law two important parts of the committee's legislative package needed to implement a national energy R. & D. policy: The Solar Heating and Cooling Demonstration Act of 1974 (Public Law 93-409), and the Geothermal Energy Research Development, and Demonstration Act of 1974 (P.L. 93-410). It is now time to add the logical next step in the formulation of the comprehensive policy—H.R. 16371, the Solar Energy Research, Development, and Demonstration Act of 1974.

H.R. 16371 specifically adresses, in addition to direct solar heat, the conversion of solar heat and light into electricity, the conversion of organic wastes to energy, sea thermal power conversion to useful energy, the use of wind to generate electricity, and an important and necessary adjunct to these—the storage of energy.

This array of activities cuts across the purview of several existing Federal agencies, many industries, and many technical disciplines. In carrying out such a comprehensive program, good management and coordination is essential to prevent catastrophic conflict and confusion. The Solar Energy Research, Development, and Demonstration bill we are now considering has anticipated the problems of management and coordination that surely will develop, and has provided an institutional mechanism for their resolution.

As we build an energy policy through a series of laws, it is important that their administration not become fragmented or conflicting. H.R. 16371 insures the coordination of all aspects of solar energy technology development and implementation. Section 14 of H.R. 16371 provides, as do similar provisions in the acts previously mentioned, that the functions and authorities of the act shall be transferred to any permanent Federal organization or agency having jurisdiction over the energy research and development functions of the United States within 60 days after the effective date of the law creating such an agency. In the interim, or in the event no such agency is created, the coordination of activities is assured in this act by a solar energy coordination and management project.

As you know, the Committee on Government Operations, of which I am a member, expects to go to conference soon on the bill to create an Energy Research and Development Administration. That legislation to create ERDA is consistent with H.R. 16371. In fact, H.R. 16371 strengthens the ERDA concept by providing that all solar energy R. & D. be transferred to it, not just solar heating and cooling as provided in the House-passed version, H.R. 11510. I believe that it is very important to bring all the solar activities under a common umbrella—especially to further the activities of the technology nearest to commercial reality, the solar heating and cooling activity.

Section 5 establishes a solar energy coordination and management project. This management project is not merely another managerial layer with attendant managerial impedance, but rather the intimate involvement of existing authorities and experts in Federal energy and related activities. The management project is composed of six members:

First. One appointed by the President;

Second. An Assistant Director of the National Science Foundation;

Third. An Assistant Secretary of the Department of Housing and Urban Development;

Fourth. A member of the Federal Power Commission;

Fifth. An Associate Administrator of the National Aeronautics and Space Administration; and

Sixth. The General Manager of the Atomic Energy Commission.

The President will designate the chairman.

The management project will have authority commensurate with responsibility—an important principle of management too often overlooked in complicated programs requiring extensive coordination. The management project has responsibility for:

First, the determination and evaluation of the resource base;

Second, research and development on solar energy technologies; and

Third, the demonstration of appropriate solar energy technologies.

The management project has authority to establish or approve any programs or projects initiated under the act. Clearly, the chairman of the management project will play the key role in the success of this solar energy initiative.

The management project will carry out its functions in cooperation with the following agencies:

First. The National Science Foundation;

Second. The National Aeronautics and Space Administration;

Third. The Atomic Energy Commission;

Fourth. The Department of Housing and Urban Development; and

Fifth. The Federal Power Commission.

It is important to note that these cooperating agencies retain their areas of distinctive competence in pursuing the solar energy program, and remain responsible for the operation and administration of specific projects in their areas. The management project, therefore, carries out its role by cooperation, coordination, and delegation rather than assuming the attributes of a new and separate agency.

If the Congress passes legislation signed into law creating a new Federal energy research and development agency such as the Energy Research and Development Administration, or ERDA, now under consideration, the functions and authorities of the management project, as well as the relevent energy functions and authorities of existing agencies, will be transferred and vested in the new agency.

H.R. 16371 therefore provides for the necessary and sufficient management of the Nation's prospective program of solar energy research, development, and demonstration under all circumstances. The solution of our energy problems does not reside in any single technology nor application. New technologies, more efficient use of existing energy sources, and geographical considerations in the production and distribution of energy all contribute toward improving the Nation's energy posture. The proper management of research and development is essential to developing the most effective combinations of new resources and applications.

Coal, natural gas, oil, geothermal energy, and solar energy are all associated with particular technologies and geographical locations. In order to maximize efficiency, consideration must be given, as it is in this bill, to matching energy sources with application. This is not only a technological problem, but a geographical one. For example, it is obvious that the hydroelectric technology of the Northwest is not relevant to the Great Plains. But as we increase the kinds of our energy sources with the addition of geothermal and solar energy, the problem of how to select the most economical source for each particular application becomes more complex. Even in a state with a high incidence of sunshine, such as my State of Florida, solar energy will probably not be economical for all end uses. The ratio of solar to other sources of energy must be determined for maximum efficiency. H.R. 16371 recognizes considerations such as these in the management of research, development, and demonstration of energy technologies and fills the need for an overall coordination and management function. I would like to concentrate my remaining remarks on the ways that the present bill will supplement and coordinate with H.R. 11864, the Solar Heating and Cooling Demonstration Act of 1974. Both bills are aimed at the long-term commercial viability of solar energy, and both achieve this by authorizing demonstration programs. Despite the fine previous Federal lead role in solar energy by the National Science Foundation, this agency has been prohibited by their enabling legislation from proceeding beyond the basic and applied research stages in forwarding the Nation's efforts in solar energy. Testimony before the Committee on Science and Astronautics has clearly spelled out the need for beginning demonstration projects—especially in heating and cooling.

The transfer of responsibility for demonstration projects, which has already occurred for the solar heating and cooling program, will fit easily into the new management project team approach which we are establishing with this bill. The Federal agencies which are principals in the Heating and Cooling Demonstration Act, namely NASA and HUD, are both members of the management project team. Thus the experience gained in the solar heating and cooling demonstration will be transferable to the later electrical generation projects which we can anticipate being proposed shortly with this new bill.

This bill also carries forward several other important activities of the Solar Heating and Cooling Act, such as the information data bank and an incentives task force, as well as requiring emphasis on scientific and educational training, and program coordination. These activities will easily be taken over by this new legislation before us today.

On November 14, a prominent solar expert from my district, Prof. Erich Farber of the University of Florida, gave testimony before the Energy Subcommittee. He showed an amazing series of slides showing solar devices of all types—not only those necessary for heating and cooling. This outstanding work at the University of Florida Solar Energy Laboratory is one of the main reasons for my enthusiasm for the present readiness of solar energy for rapid movement on into demonstration programs. I strongly recommend his testimony before the subcommittee for my colleagues who may not be aware of the rapid advances that have been made in this area recently. This present readiness is also apparent in a September 10 article about Dr. Farber and his solar activities which appeared in the Christian Science Monitor. The last line of the article quotes Dr. Farber: "It is my contention we can do anything." I wish to endorse his enthusiasm by having this article printed in its entirety following my remarks. In conclusion, I would like to again state my strong support for this bill. The present slight surplus of oil supplies does not mean that our energy crisis has been solved. The rapid rise in fuel prices with its drastic effect on the cost of electricity in Florida, as elsewhere in the Nation, has convinced me that alternatives such as this bill will provide an urgent necessity for the future economic good of our Nation. This bill provides the necessary management framework for this exciting beginning. I urge unanimous support for its passage.

The article in the Christian Science Monitor is as follows:

[From the Christian Science Monitor, Sept. 10, 1974]

SUNPOWER PROPHET SEES VISION COME TRUE

(By Martha F. Van Camp)

GAINESVILLE, FLA.—Rising interest in solar energy brings a puzzled smile to the face of the University of Florida's Dr. Erich A. Farber. Puzzler, because he has urged turning to the sun for decades. He smiles because he knew people would wake up "some day."

As professor and director of the university's Solar Energy and Energy Conversion Laboratory here, he heads one of the world's largest solar-energy research efforts. Its developments include:

A 100 percent solar-heated and air-conditioned house with a solar still for recycling waste water and a solar still for purifying rainwater.

Solar-powered home lighting, television, radio, ice machines, and refrigerator.

Hot water heaters for home and swiming pools heated by the sun.

Solar-driven engines and pumps.

Power plants driven by solar steam boilers.

Solar cookers and ovens.

Using solar energy has intrigued the

Austria-born Farber since his youth. He contends that civilization grows in proportion to the amount of energy used. The fossil and nuclear fuels—oil, gas, coal, uranium—being in fixed quality, limit this growth. "Wind power, tide power—all can be used," Dr. Farber says. "But solar energy is the only large source where all people live, and it does not add to or subtract from the environment when converted to other forms of energy."

TECHNOLOGY THOROUGHLY TESTED

According to Dr. Farber, the technology already exists with which to convert and use solar energy. He feels that enough funds have been expended on studies and "writing papers to see if it will work." He alone has written more than 200 papers on the subject of solar energy. It is time to get on with practical development.

Conversion from solar energy to other energy forms should be done in the fewest possible steps. "You don't build a large power plant in Arizona and send the energy to Florida. Solar energy falls on *your* roof, *your* yard, on the walls of *your* house. It can be economically developed right where you are. You don't need large solar-energy power stations."

To be most effective, local materials should be used in the fabrication of solar energized equipment. "You don't have less solar energy in one part of the country than in another. The equipment just has to be different."

All types of collectors, and the materials from which to construct them, have been studied in the UF laboratories and then checked for efficiency and practicality at "the house." Of first importance in utilizing solar energy is to find materials which will stand up under the elements when exposed. These have ranged from plastic surfaces to hundreds of experimental coatings utilizing such things as iron oxide or graphite.

The University of Florida solar house serves as a practical day-to-day-living-with-solar-energy experiment. Ever since it was built some 20 years ago, it has been lived in by student couples. The competition to live in it is always high. Admittedly the house is no beauty. All of its pipes and working parts are exposed. Throughout are hundreds of sensors constantly checking the efficiency of methods of solar application to household problems.

ALL FUELS TRIED

Originally constructed as a conventional house, oil, gas, and utility-supplied electricity have all served as energy sources for heat and air conditioning at one time or another "to get an accurate comparison." Dr. Farber says. At present there are 12 solar-energy collectors on the roof, each measuring 2 feet by 12 feet. They take up about 40 percent of the entire roof area and are constructed of aluminum. The heating and air conditioning of the house only require 20 percent of the roof, but in the experimentation everything is over-sized.

Not only do the collectors serve the purpose for which they were constructed, collecting solar energy, but they serve as insulation as well, thus cutting down on the amount of air conditioning needed.

Various methods have been tried for air conditioning. Solar energy has been converted to mechanical energy and then used to drive a conventional compression refrigeration system. It has been used to provide steam for refrigeration or air conditioning based on steam jets. Most promising, Dr. Farber says, is the absorption refrigeration method. Basically the same as a gas air conditioning or refrigeration system, the Farber method substitutes hot water for the gas or oil flame.

The same solar system which provides domestic hot water and winter heat is used in the summer for its air conditioning. And this solar air conditioning has much in its favor. One such item is the fact that as the sunshines hotter and more air conditioning is required, the supply or energy to operate the system is in phase with the demand being made on it.

Solar distillation is also explored here. Dr. Farber's students have constructed hundreds of solar stills, using a basin to hold salt or contaminated water and a cover of sheets of inclined glass with collection troughs at the bottom. As the sun shines through the glass and the water vaporizes, steam collects upon the glass surface and can be collected as distilled water.

SALT WATER A PROBLEM

At present, salt water intrusion into Florida's underground fresh water systems is producing statewide concern. The St. Petersburg-Tampa area on the state's west coast is considering solar distillation plants to purify its increasingly brackish water.

Night-time and bad weather don't mean the end of solar-energy use. They merely make some form of energy storage necessary. This energy can be stored in rock bins, chemicals, or as heat in hot water tanks.

One such tank adjacent to the solar house contains 3,000 gallons of sun-heated water. Whenever the house needs heat the circulating pump goes into action and the heat panels (at floor level) warm up. In Gainesville's winter weather, which drops to the 30 degrees F. mark frequently, a water temperature of 130 degrees will maintain a room temperature of 72 degrees. Just about the same results could be achieved with a water temperature of 100 degrees. "When the energy crisis came last winter," Dr. Farber says with a laugh, "we didn't cut back on anything."

Most people don't know all of the things you can do with solar energy. It is a Farber contention that "if Sears-Roebuck would begin to market solar hot water heaters the picture would begin to improve." The "relative unavailability of equipment poses a problem right now," he says. "The cost is high since there is no mass production in this country. At present, there is a solar hot water heater in Florida available for about $500. A similar unit can be purchased in New York City, f.o.b. Israel, for $395. Mass produced in this country the unit would run about $200."

Israel, Australia, and Japan have mass produced solar hot water heaters stemming from developments started in the '30's. By the 1950's these countries were already hooking washing machines and dish washers to their hot water systems. So by comparison the United States lags. But everywhere work is under way. In California work is being done on salt water conversion through solar energy.

"It is my contention we can do anything," says Dr. Farber.

Mr. MOSHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this Solar Energy Research, Development, and Demonstration Act of 1974 (H.R. 16371) has the full support of the Republican committee members. It was reported out of committee without dissent. The bill also has the support of the administration.

Mr. Chairman, in the course of recent months the Congress has witnessed a great deal of debate relating to the energy crisis. In response, there has been an increasing focus on solar energy as a major solution. Many of us agree with the President's energy message in June of 1971, that "the sun offers almost an unlimited supply of energy if we can learn to use it economically."

There is no question that solar energy is an essentially inexhaustible source potentially capable of meeting a major portion of the Nation's future energy needs. Furthermore. by using solar energy, these needs can be met with a minimum of adverse environmental consequences. Clearly, it would appear that solar energy carries the most promise of any of the newly proposed energy resources.

However I am not suggesting that solar energy is a panacea. No single, simple solution is likely ever to be developed, to meet our complex and rapidly compounding energy needs. Rather, the course this country must pursue, and the course reflected in the legislation at hand, is one in which all alternative energy forms must be explored and the merits of each established.

Thus, this bill, as it proposes research, development, and demonstration relating to all facets of solar energy represents the most comprehensive effort as yet, to study and evaluate the economic and technical feasibility of harnessing energy from the sun.

It is imperative to recognize the problem is very complex, especially because of the broad spectrum of solar power options. These include developing systems for heating and cooling buildings, for producing and converting organic materials to fuels or directly to energy, and for generating electricity directly by solar thermal conversion, photovoltaics, large wind generators, ocean thermal gradients, and satellite solar power stations.

Personally I am optimistic concerning the potential for our success. For example, it is said that by using large wind generators, perhaps 250 feet in diameter, erected in selected areas where strong, steady winds are present, approximately 50 percent of the total U.S. electricity needs in the year 2000 could be met. Perhaps most surprising, no major new technology is required for reaping such energy from the wind, although work must be undertaken to develop more cost competitive system designs. In addition, efficient storage devices for large-scale applications are required.

The promise of both solar thermal electric and photovoltaic systems is equally impressive. A thermal conversion system, approximately 60 miles on a side, located in an area with maximum solar insolation, might actually meet this Nation's total estimated electricity needs in the year 2000. The key is to find an economical design for long-life operation.

Similarly, by using solar cell arrays placed over a total area approximately 100 miles on a side, again, our total estimated U.S. electricity needs could be met for the year 2000. The problems are the same: reducing equipment cost, increasing equipment lifetime, and providing a suitable storage system.

As the most futuristic of the solar power options being considered, a satellite power station could be positioned in synchronous orbit to receive solar energy for 24 hours a day. In orbit, the spacecraft would receive about six times the solar energy available on earth to an equivalent solar array. One hundred of these satellite solar power stations could also provide the total estimated demand for electrical power in the year 2000. The key to this concept is the development of lightweight, mass-produced, low-cost, solar cells plus the development of an economical space transportation system. Of course, there also are severe problems in the transmission of such energy from space to earth.

The conclusion that I draw from these various concepts is that solar energy has fantastically significant implications for the future. But harnessing this power and making it available on a national and even global scale poses formidable technical problems. Thus, the need for this legislation. We need to take that "first step" and this bill meets that precise need.

I believe it probable that our ultimate success in this endeavor will require dedication, imagination and national resources no greater, perhaps even less, than were required for the superbly successful Apollo program.

Mr. Chairman, H.R. 16371 provides for a very deliberate and well conceived approach for the full exploitation of solar energy. The National Science Foundation is authorized funding not to exceed $2 million for the present fiscal year. These funds are to be used in preparing a comprehensive program definition for an integrated effort for developing solar energy.

In doing so, NSF will be working in close cooperation with the Federal Energy Administration, the Department of Housing and Urban Development, the Federal Power Commission, as well as other appropriate Federal, State, and local government agencies and private organizations. I know that NSF accepts this exciting leadership challenge and looks forward enthusiastically to this partnership.

Mr. Chairman, as I emphasized at the outset, the many different forms of solar energy now under consideration may not prove to be any total answer to the energy crisis; but it is clear that without further study of, and support for, the concept, an inexpensive and clean energy may never be realized.

This legislation represents the first step in an overall effort which will require years of research and development, and I ask my colleagues to join with me in bringing the sun down to the earth.

Mr. GROSS. Mr. Chairman, will the gentleman from Ohio yield?

Mr. MOSHER. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, if the gentleman will please do so, will he tell me what is the cost of this, the total cost of this? I believe it is set forth on page 14 of the report.

Mr. MOSHER. The immediate cost authorization, as I am sure the gentleman from Iowa sees, is $2 million, which I understand actually is available probably in NSF funds that have been budgeted. Now as to the potential cost, frankly nobody can say for sure. The potential cost is certainly immense, ranging anywhere from one-half a billion to more than a billion spread over a great many years. That investment I might add, if we succeed, would be very minimal in terms of the results expected.

Mr. GROSS. But the report shows $56 million, does it not, for fiscal year 1975? It is on page 14 of the report, if I have that correctly.

Mr. MOSHER. The gentleman from Iowa is correct, but that has already been authorized and appropriated. It is our assumption that this $2 million would be part of that.

The bill we are considering today will not add to the cost, but will produce more managerial effectiveness for the whole program.

Mr. GROSS. That is my next question. Did we not authorize certain funds in the legislation that was enacted earlier in the session?

Mr. MOSHER. The gentleman is absolutely correct.

Mr. GROSS. Does the gentleman recall the amount authorized for fiscal year 1975?

Mr. MOSHER. It is roughly $60 million, as I remember it.

Mr. GROSS. And then a certain amount thereafter for 5 years, 4 or 5 years?

Mr. MOSHER. I think that is correct. It is a 5-year program.

Mr. GROSS. I thank the gentleman. This is not a duplication of authorization?

Mr. MOSHER. No. This, we think, is an effort to invest that money much more wisely and effectively.

Mr. GROSS. I thank the gentleman.

Mr. MOSHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. Frey).

Mr. FREY. Mr. Chairman, I rise in support of H.R. 16371, the Solar Energy Research, Development, and Demonstration Act of 1974. I had the privilege to cosponsor the original bill. I would like to compliment the full committee chairman, Mr. Teague, the ranking Republican member, Mr. Mosher, and the chairman of the Subcommittee on Energy, Mr. McCormack, for their efforts in particular on this farsighted legislation. I would also emphasize that this legislation has the unanimous support of the Republican members of the committee.

Mr. Chairman, it is well recognized that we are in a period of uncertainty concerning the availability, cost, and environmental suitability of conventional fuels. It is appropriate therefore that in H.R. 16371 the Congress declares it to be the policy of the United States to pursue a vigorous and adequately funded program to assess, develop, and demonstrate solar energy as a major energy resource. The successful development of solar energy would place at our disposal a freely available, renewable source of clean energy which would substantially lessen our dependence on imported fuels for our critical energy needs.

As we seek to harness the sun's energy within certain economic and social constraints, it is essential that we utilize our national technological resources fully. It is all the more appropriate therefore that H.R. 16371 specifically identifies NASA as a principal participant in the program. NASA has developed a great deal of advanced technology and systems management techniques which will be valuable in meeting the objectives of the legislation.

The importance of NASA's capability in helping to meet the Nation's energy needs was reflected in the authorization bill for NASA for fiscal year 1974. At that time, NASA was authorized to formulate a long-term energy program which would draw upon the technologies that the agency has developed. One of the stipulations was that NASA should specifically investigate the collection and conversion of solar energy by an orbiting satellite which would in turn transmit the energy for collection and use here on earth.

A study of this intriguing concept is currently in the program definition phase at NASA. An initial feasibility study of a satellite solar power station has been completed and the actual technology is being developed for the transmission of large amounts of energy by microwave beams to earth. In addition, the operational aspects of solar satellite power systems, and the comparative costs of satellite and terrestrial energy systems are planned for investigation.

It is also noteworthy that the major areas of technology involved in satellite power systems had application in other NASA programs. These include the development of low cost, high performance space-type solar cells and arrays; studies of large space structure configurations and their assembly and maintenance in orbit; and advanced transportation techniques for delivery of large payloads to various altitudes in space. The commonality between the various energy-oriented programs and the general space research of NASA will insure that NASA pursuit of the key technologies relating to solar satellite power systems will be at minimum cost and technical risk.

Mr. Chairman, I compliment my colleagues on the Science Committee for their initiative in moving ahead with this legislation. This Congress has already approved legislation in the areas of geothermal and solar heating and cooling, but neither reflects as massive or comprehensive a scale of activity as is contemplated in the present legislation. Clearly, H.R. 16371 represents a profound step in moving solar energy from the pages of science fiction to the realm of reality.

I urge my colleagues to join with me in supporting this legislation. I feel it imperative that our Nation make a formal declaration of public policy to develop solar energy and I seek approval of this bill as the keystone of that policy.

Mr. Chairman, I urge prompt passage of this legislation without amendment.

Mr. TEAGUE. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri (Mr. Symington).

Mr. SYMINGTON. Mr. Chairman, I rise in support of H.R. 16371, the Solar

Energy Research, Development, and Demonstration Act. It is time for solar energy to join with other available energy sources to make a contribution toward satisfying national energy demands. The Solar Energy Task Force of Federal Energy Administration reported last month that—

> Solar energy could contribute from 15 to 30 percent of the Nation's total energy requirements soon after the year 2000.

An impressive percentage, but we must lay the necessary groundwork now.

H.R. 16371 provides for an orderly approach to organizing the research, development, and demonstration projects which will lead to significant solar energy contributions to the nation's future energy inventory.

Recurring problems in previous Federal research and development projects have been schedule slippages and cost overruns—problems we would like to avoid with solar energy research. A corrective and ameliorative technique has been successfully used by the Department of Defense—that is, project definition. Based on what maybe the world's most extensive research and development experience, the DOD has refined its R. & D. techniques to include this well structured approach. The initial step is to set forth objectives so well defined that there is no doubt about where the program is going, what it is to do, nor when it has finished. This is called the program definition, and it facilitates the determination of schedules and costs.

Provision is made in H.R. 16371 to subsume this valuable technique rather than relearn it through expensive errors. In fact, all aspects of the management of the solar energy program are well conceived in this legislation. As you may know, the bill creates a solar energy coordination and management project; this project is "authorized and directed to prepare a comprehensive program definition of an integrated effort and commitment for effectivly developing solar energy resources." When a permanent Federal organization or agency having jurisdiction over the energy research and development functions of the United States is finally set up, all of the authorities and functions of the project shall be transferred to the new organization or agency.

This management scheme assures knowledge and control to plan the most effective solar energy program, and is compatible with other existing and proposed legislation. In this regard, I point out that the proposed Energy Research and Development Administration, soon to go to conference, would become the agency in which authorities and functions of this bill are vested. Previously passed energy legislation, including the Geothermal Energy, Research, Development, and Demonstration Act of 1974, has similar provision for Program Definition and transfer of authorities and functions to any new, permanent energy research and development agency.

Turning to the meaning of "demonstration" as expressed in the bill's title, as you know more and more frequently demonstration is cited with that inseparable pair, "research and development." Demonstration is a logical extension of research and development which assures that the product of the development has practical application.

The comprehensive program provision of H.R. 16371 encompasses "demonstration" and can be used to determine under what circumstances the result of research and development has utility and is competitive with other energy sources. Demonstration is actually an experiment, the outcome of which will be useful in guiding future commercial application. Demonstration is the activity which reduces the risk in taking research and development to commercial application. The inclusion of demonstration in the program definition allows the Government to assume its fair share of the risk in the ultimate goal of commercial development.

The goal of this legislation is the commercial application and consumer utilization of solar energy technology. Technical feasibility will be established through research and development. The case for commercial application and consumer utilization will be made by the demonstration.

H.R. 16371, therefore, addresses an important national need. It provides for effective management of research, development, and demonstration through program definition leading to the determination of the cost and schedule of the most efficient program to create commercial opportunities and consumer utilization. I urge my colleagues to join me in supporting this important legislation.

Mr. TEAGUE. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. BROWN).

Mr. BROWN of California. Mr. Chairman, I rise in support of H.R. 16371, the Solar Energy Research, Development, and Demonstration Act of 1974. I consider this a very important bill that has great potential in improving the quality of life through more widespread utilization of solar energy technologies. I do not need to describe the bill, that has already been done by other members of the committee. I would like to express my own personal praise and gratitude to the gentleman from Washington State, Mr. MIKE MCCORMACK, who is also our chairman of the Subcommittee on Energy. I would also like to commend the distinguished chairman of the Science and Astronautics Committee who has done much himself to further this legislation.

There are several points that I would like to make about this bill, which is a product of the Energy Subcommittee on which I have the honor to serve. During the past 2 years we have held numerous committee hearings on this subject, and we have made three field trips. I was fortunate to be able to attend most of these legislative sessions, and I gained a great deal from this experience.

Solar energy research, like solar energy itself, is diversified and dispersed. It is perhaps the last area of technology in which a creative individual can independently make a contribution and move us toward greater independence from the tightly controlled energy suppliers of fuel and electricity. Yet even this relative independence and diversity found in solar energy research and development is not really as simple as the work of the basement mechanic, except in its most primitive and inefficient stages. Advanced solar energy research and development will require capital investment, advanced training, and the use of sophisticated tools. These requirements for solar technologies are still far less than those needed for nuclear research, or even that required for oil extraction and refining.

One great advantage with solar energy technologies, and we must remember that this term includes solar heating and cooling; solar thermal conversion; wind energy conversion; bioconversion to fuels; ocean thermal conversion; and photovoltaic conversion, is that most solar energy technologies are on-site sources of energy. They can and should be tailored to fit the characteristics of the locale in which they are to be used. They are also largely free from external controls, except by the weather. Solar energy technologies, combined with backup systems and/or storage capabilities and a sound, thrifty use of energy could actually make one energy self-sufficient. This likelihood is rather remote, however, because it would still require a tremendous change in our current lifestyles and would require a rather significant boost from the current oil based technology to reach this new, imagined world of solar energy technologies.

Yet the dreams of people should not merely be pushed aside. There may be more progress in solar energy because of this inspiration, and it is this enthusiasm that I hope is encouraged by this legislation. That is certainly one of the reasons that I have supported it throughout the months of hearings and field trips by the Energy Subcommittee.

One small, but significant example of what is occurring in solar energy research is the Integrated Life Support Laboratory of Mr. Robert Reines, which is located outside of Albuquerque, N. Mex. Mr. Reines and his fellow workers have created a solar energy community that integrates a sophisticated technology with a simplified non-energy-intensive lifestyle to demonstrate a truly new type of energy lifestyle. Their community uses the Sun to provide heat through solar panels and uses wind generators to produce electricity. Both forms of solar energy have considerable storage capacity. The other characteristic of this community is the impressive conservation of energy, which is largely done by design, and required because they have no backup energy system in case the solar technology fails to provide the necessary energy. I mention the ILS Lab because it illustrates my point about diversity, but it also shows the need for advanced knowledge and financial assistance. The ILS Lab has survived, but it has cost money. They, along with other groups like them, have shown a viable alternative to our present energy-intensive lifestyle.

This bill can provide the resources that are needed to further develop these concepts. That is one of the reasons for the inclusion of a Solar Energy Research Institute and a Solar Energy Information Data Bank in this bill. The potential is great for solar energy, but it can be overstated. Solar energy can be substituted for fossil fuels in a number of areas of current energy use, but this substitution will only delay, not remove, the need to curb the energy demand curve and drastically conserve energy. A new lifestyle will be necessary in any case. A focus on solar energy may help us realize how that lifestyle can be developed and implemented.

The 6-week draft report of the "On-Site Solar Technology Assessment" which is still being conducted under the auspices of the Office of Technology Assessment pointed out that one of the principle impediments to the timely development of solar energy is the lack of a functional management approach, which can be traced to the lack of investment and the absence of a coordinated Federal policy. During the course of the hearing, both here in Washington and in the field, I found this view to be confirmed by the evidence presented to me and to the Subcommittee on Energy. There have been excellent Federal efforts, mainly by the National Science Foundation, but these research efforts do not deal with the need for a coordinated Federal policy as this bill does.

The National Science Foundation, as the lead Federal agency for solar energy research and as part of the efforts to develop the Project Independence Blueprint, has prepared a 5-year national program to develop solar technologies, as well as deal with the social, legal, political, regulatory, environmental and economic problems associated with solar energy. I, for one, intend to pursue many of the specific proposals within the Solar Energy Task Force Report to Project Independence Blueprint and maintain an advocacy role for solar energy. I see the bill before us, H.R. 16371, as a significant legislative initiative toward this goal. I suspect that vigilant committee oversight will be needed to guarantee that the legislative intent is fully carried out. One of the requirements of this bill recognizes this need when we call for the solar energy coordination and management project that is established to develop by June 30, 1975, a comprehensive program for the development of solar energy resources. This comprehensive program is at least begun in the Solar Energy Task Force Report, and the enactment of this legislation should help the administration better understand the congressional desires in this area.

That we will eventually move to a point where there is widespread use of solar energy is, in my mind, indisputable, unless we fail to survive at all. This transition to the direct use of the sun will be necessitated by the depletion of fossil fuels, which originally came from the sun, and because of the second law of thermodynamics which reminds us that heat is produced through energy conversions. That heat buildup will gradually increase to a level that would be detrimental to us by drastically altering the global climate. Only solar energy utilization would prevent us from increasing this global heat load. Other factors will probably intervene to encourage solar energy long before this physical limit is reached, but this heat-load limit is a useful concept for technological optimists to keep in mind.

Mr. Chairman, I would like to conclude by reiterating my support for this bill and the need to have solar energy technologies advocated. Other energy sources and technologies can be rather easily controlled by profitmaking organizations, and this characteristic provides our great corporations with an incentive to advocate their own controlled energy source. Solar energy cannot be controlled. It can be stifled by governmental inaction, but even that will eventually give way to use of solar technologies. The full potential contribution of solar energy is unknown, largely because future lifestyles cannot be predicted. This bill will help us broaden our options for the future.

Mr. TEAGUE. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. GUNTER).

Mr. GUNTER. Mr. Chairman, I wish to add my enthusiastic support for H.R. 16371, the Solar Research, Development, and Demonstration Act of 1974. This important energy legislation puts Congress clearly on record as declaring solar energy development to be a national priority of the highest order. I commend Chairman TEAGUE and Congressman McCORMACK for their sponsorship and favorable reports on this bill.

The limitless potential of solar energy will be thoroughly explored in this legislation. Moreover, the act will set up a mechanism to give solar energy development the administrative attention in the executive branch it deserves rather than being shunted aside in a maze of bureaucratic inaction; and it will make it easier for Congress to monitor what is, or is not, being done.

Solar energy is not some sort of exotic, far-off possibility—the sun is shining now, and development of its many energy potentials in addition to direct heat can begin now. For example, the largest solar collector is the ocean surface. In the tropics 90 percent of the Earth's surface is water. Tropical waters at the surface maintain a temperature of over 80° F., while 2,000 feet below the surface they are as cold as 35° F. This temperature difference has the potential of powering heat engines. With as little as 2-percent efficiency in the heat engine, the Gulf Stream alone could supply 75 times the energy needs of the United States.

A small plant built in Cuba in the 1920's was able to generate 22 kilowatts of electricity before being damaged by waves and currents. Modern designs of sea thermal energy plants designed by the University of Massachusetts and Carnegie-Mellon University, under National Science Foundation contracts, would submerge the plant to overcome this difficulty.

This and other solar energy technologies can stimulate a broader industrial spectrum of energy enterprise. Our oil-energy economy tends to centralize around our major oil companies, and will give OPEC sufficient capital to over 80 percent of the companies on the New York Stock Exchange by 1980. Solar energy, on the other hand, offers small business new competitive opportunities to bring about an equitable balance with big business. It offers alternatives to oil which will improve our balance of trade.

Last July, in conjunction with the introduction of my bill, the Small Business Solar Energy Development Act, hearings were conducted in Florida by myself and Representative Walter Young of the Florida House of Representatives. These hearings are also pertinent to the bill before us, and I would like to summarize them at this time.

THE FUTURE OF SOLAR ENERGY

The concept of solar energy is as old as man himself. The most primitive thinking beings on this planet recognized early that the sun was the essential source of heat and light. Their awe for that star was reflected in the various mythologies developed by different cultures, and by the prominent role that the sun played in legend. Primitive man understood in a crude way what we all know today: all energy ultimately emanates from the Sun.

Even with the discovery of fire and the substitution of steam and electrical power for the energy of muscle the sun was not entirely forgotten. Tanks heated by the sun have provided hot water for homeowners in many parts of the United States. Scientists and engineers have envisioned a day when the sun would power almost every conceivable type of machine. The designers of manned space flight conceived of Skylab, the energy of which would derive directly from the sun.

For most Americans, however, Sun power seems as obsolete as Sun worship. They see solar energy as either primitive or illusive, either the relic of a distant past or the tool of a distant future. They feel comfortable with traditional, reliable methods of providing energy: oil, coal, natural gas, even nuclear power.

But, fossilized fuel sources have been depleted and prices are rising; the time may soon come when oil is unavailable as a power source. While nuclear power has been regarded for some time as the energy source of the future, doubts have been raised about the safety of employing it throughout the United States, and about the wisdom of sending nuclear technology abroad. This country is facing a future when our energy demands may outstrip supplies.

This is a serious problem which has been recognized by energy experts for a considerable length of time. The Arab States, for example, are currently investigating nuclear and solar energy sources as alternatives to oil. They realize that petroleum—which is the necessary component in a variety of materials of mankind has lasted for so long a time. Yet the inadvertent or purposeful release of such waste would be the occasion for a disaster of untold magnitude, the death of thousands, and the pollution by ruinous radiation of large areas of land. A large nuclear accident might make the surrounding area unlivable.

Beyond this highly significant safety factor lies an economic question: is nuclear energy economically feasible for the future. As Dr. Arthur R. Tamplin, a biophysicist at the Lawrence Radiation Laboratory has written in Living Wilderness magazine, spring 1974:

> The present generation of nuclear reactors, the light water reactors, are a technological cul-de-sac. The difficulty facing them derives from their use of uranium-235 as a fuel. According to the AEC the economically recoverable supply of this fuel will last only a few decades.

The solution to this limitation is the development of the liquid metal fast breeder reactor, which utilizes common, readily available uranium, and which actually creates more fissionable fuel than it consumes. But this fast breeder is as yet undeveloped; should it, indeed, go into operation it would produce even greater quantities of plutonium-239—that fissionable fuel which it breeds—than currently exist. This material, besides having an effective toxicity of 500,000 years, has been characterized as the most polluting substance in the world—one millionth of a gram can cause cancer in an animal.

Even should the United States decide to go ahead with an extensive nuclear energy program, we will have to ask ourselves whether this is a program which we want to export around the world. For energy is a world problem, and during the next century every nation will be clamoring for fuel. If we adopt a policy of sending a reactor to every country which needs one—and there will be a considerable number of those—we run the risk of a tremendous proliferation of nuclear technology. Such proliferation could have results which very few of us even want to consider.

Solar and environmental energy present us with another alternative for the future. It is an alternative which promises us a potentially limitless, completely safe, nonpolluting power source. It is an alternative which could be freely exported around the world, encouraging the peaceful international sharing of natural resources like the Sun, wind, and sea, rather than the temptation to develop awful nuclear weapons.

For several years now, a number of leading American corporations have been engaged in an intensive examination of the potential for solar energy, under an NSF contract for the research applied to national needs program. The MITRE Corp., the TRW Systems Group, the Westinghouse Corp., and the General Electric Corp. all supported solar energy programs with varying degrees of enthusiasm. As MITRE reported—M74-21:

> By the year 1985 perhaps 2% to 4% of the total U.S. energy might possibly be supplied from the sun. This is a large amount of energy ($2.4–4.8x10^{15}$ BTU). . . . it is considered entirely feasible for solar energy to provide the majority of U.S. energy supplies by the year 2020 and conceivably at some future date could supply all of the U.S. energy needs as well as fuels for export.

General Electric also concluded—No. 74SD4219:

> If all [buildings suitable for solar energy systems] were so equipped, the yearly equivalent electric power savings would be approximately 1500 billion kilowatt hours by the end of the century—equivalent to the total electrical generating capacity of the United States in 1970. Also . . . the annual value of the solar savings of fuel would, by that time, exceed the annual additional outlay for the solar systems.

The most immediate area for a rapid advance of solar energy technology is that of heating and cooling. Solar heating is already a fact in portions of this country and throughout the world, notably in Israel and Japan. Experts concur that the chief obstacle to a wider distribution of solar heating systems in the United States is one of marketing. In Florida, and the far west, small business corporations are producing viable heating systems, reducing the hitherto prohibitive price of solar heat collectors which actually absorb the sunlight. Solar cooling, though not fully operational, is not far behind. General Electric recommends vapor compression air conditioning driven by solar energy powered engines; Westinghouse recommends lithium bromide water and ammonia water absorption air conditioners, and says:

> Solar heating and cooling systems can become competitive in most regions of the country in the 1985-1990 period.

The generally conservative TRW report finds that—

> The complete solar climate control system using the absorption refrigeration system has a cost advantage over conventional systems only if government incentives are available . . .

Other forms of solar power for use in generating electricity are also promising. Utilization of wind energy is almost cost competitive at the present date; wind driven generators in the size of 1 to 10 kw are commercially available. Only the design of a system of a larger scale is necessary for the construction of a generator that might produce up to 5 megawatts of power. As the MITRE report says:

> The major constraint to the widespread use of wind energy is basically public acceptance.

Similar possibilities apply to oceanic, geothermic, and organic modes of power production. Harnessing the ocean currents, the massive shiftings of the Earth and its expulsions of heat, our own organic waste matter, and converting these wasted resources to usable energy has a strong appeal. Such energy would be clean, nonpolluting, and, in a sense, free since, unlike the case with conventionally extracted fuels, the utilization of these sources would not require a greater input of energy on our own part.

One interesting concept conceived of by the MITRE team is a solar cell system described as follows:

> A very large solar cell array would feed electricity through an appropriate control station to a grid for distribution to factories, offices, and homes. Some electricity would also be transmitted to an electrolysis facility to convert water to hydrogen and oxygen. The hydrogen could be used directly as fuel or combined with some form of carbon to make SNG and synthetic motor fuels. The oxygen could be used in steelmaking, sewage treatment plants, etc. The hydrogen and oxygen could also be fed to a number of fuel cells for conversion back to electricity . . .

These projected applications are still not fully developed. Plans for implementation on a large scale still talk in terms of 25 to 50 years. But each year of delay in beginning proof of concept experiments means a delay in the final date of operation. It is quite simply impossible and irresponsible to wait.

SOLAR ENERGY AND SMALL BUSINESS

Much of the progress that has been made in the development of solar heating and cooling systems is due to the efforts of the small buinessman or private inventor. During the Florida hearings the panel heard from a number of small businessmen who have models on the market. But, as one such businessman, Mr. Oliver E. Netherton, said:

> Small business is the backbone of this nation, but we often feel that the government forgets that we exist. We feel that this is one of the greatest opportunities we have ever had for governmental backing.

Such backing is of the utmost importance, especially in view of the fact that projections see solar power as a multibillion dollar industry. The American experience with energy corporations that control large chunks of resources dates back to the turn of the century and the litigation undertaken against Standard Oil of New Jersey in 1911. In a concurring opinion on the Supreme Court decision in that case, Justice Harlan spoke of the time when—

> The Nation had been rid of human slavery . . . but the conviction was universal that the country was in real danger from another kind of slavery sought to be fastened on the American people, namely, the slavery that would result from the aggregation of capital in the hands of a few individuals . . . (221 U.S. 1).

Since that period the public has recognized to an even greater extent the dangers inherent in allowing the concentration of capital—or of any capital resource—to remain in the hands of the few rather than the many. But what capital could be more precious than energy, which underwrites all existence? Energy is the ultimate "gold standard" of the universe and we would be foolish to allow its distribution to be controlled by a few large corporations.

Experiences in our own day have borne out this fact. Certain countries—and certain multinational oil cartels—have gained a disproportionate influence over the policies of our Nation and the lives of our citizens because of the control they exert over oil. Not only have prices risen dramatically, but our Nation has been subjected to foreign policy blackmail, because these few parties have worked in concert to monopolize a chief source of energy.

Are we then to face the prospect of the same type of monopoly of the burgeoning solar energy technology as we have experienced in the past in other instances? Our best future policy in this regard has been excellently put forward by Mr. James T. Halverson, Director of the Bureau of Competition of the Federal Trade Commission, in testimony before these hearings:

> We have, in this instance, an unusual opportunity to keep an emerging industry freely competitive during the embryonic stages of its development. To the maximum extent possible, competition and opportunity for small and medium-size businesses in the industry should be preserved. I realize that too frequently in our discussion of antitrust enforcement policies we tend to overlook the basic objectives of these laws and the competitive system they support and foster . . . In the foreseeable future, solar energy applications promise, if the market is workably competitive, important new options to meet our national energy demands.
>
> The preservation of competitive conditions at this stage of the industry's growth is essential to prevent what can develop into an irretrievable loss of the benefits of competition through concentration of production among a few dominant firms. . . . As the demand for solar energy grows, the presence of flexible independence firms in the market would provide an impetus for strong price competition to obtain the additional business.

Has the U.S. Government directed even its limited policy on solar energy toward this end? Or, as Mr. Oliver Netherton stated in his testimony, has almost "every bill that has been passed to date regarding natural energy been in favor of the large conglomerates or the great universities"?

At this juncture, Congress has the opportunity to undertake an effort that would stimulate small business involvement in the solar energy industry. These small businesses, often operating on marginal finances, are frequently refused credit by essentially conservative lending institutions operating in a tight-money economy. Their ability to stand the rigors of competition from large corporations is further impaired by the slowness of the developing solar energy market. Large companies can frequently operate at a loss which would force small firms under. In their statement before the panel, Mr. James Orr and Mr. William Orr of the Solartec Corp., a small concern operating out of Lakeland, Fla., stated:

> Since sales of Solar Energy devices are relatively new and [since those devices are] felt by some to be "futuristic,' there is a natural resistance to providing money by private investors.

The consensus seems to agree with the previousy mentioned suggestion of the TRW research group: Government incentives are needed to give solar energy the momentum necessary to maintain progress and to provide small firms with a chance to remain operative in a field which they helped pioneer.

The Solar Energy Research, Development, and Demonstration Act, H.R. 16371, will address the needs made explicit in these hearings, and will provide the framework for the necessary action. I endorse this bill and urge its support.

Mr. MOSHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts, Mr. Cronin.

Mr. CRONIN. Mr. Chairman, I would like to thank the chairman of the committee, the gentleman from Texas (Mr. Teague), the chairman of the subcommittee, the gentleman from Washington (Mr. McCormack) and our ranking minority member, the gentleman from Ohio (Mr. Mosher), for their tremendous efforts in bringing the energy problems to the attention of our Nation.

I think if we have learned nothing else from the energy crisis, it is that this Nation can never again be dependent upon any one source of energy. This committee has been responsible for bringing bills before this House, not only on solar energy, but on geothermal energy and getting into new sources of energy through NASA in many, many different ways.

I think this is one very important, major step toward the development of solar energy.

Mr. Chairman, I rise in support of H.R. 16371, the Solar Energy Research, Development, and Demonstration Act. This bill provides strong support to the drive to bridge the gap between our energy needs and resources.

During the extensive hearings before the Subcommittee on Energy, the members learned of the many forms which solar energy can take. The innovative techniques discussed include wind power, oceanic thermal gradients, and bioconversion. Some of these concepts may seem novel, but in fact they embody very fundamental ideas. The fossil fuels we depend upon today are the result of photosynthesis and other bioconversion processes which occurred billions of years ago. We need to find ways of accelerating bioconversion processes to shorter time frames.

One particular subcommittee hearing which brought forth the great potential of solar energy concentrated on the bioconversion aspect. The members were privileged to hear the testimony of Dr. Thomas B. Reed, director of the Methanol Center at the Massachusetts Institute of Technology Energy Laboratory. Dr. Reed gave a compelling presentation for further research on bioconversion techniques.

Two important bioconversion processes are fermentation and pyrolysis which produce various alcohols and fuel gas. The pyrolysis is attractive because it can take municipal waste and convert it into useful fuels. The region near Hanscom Field outside of Boston is contemplating building a 1,000-ton-day waste conversion plant for $15 million. The same area currently pays more than $3 million a year for waste disposal. The fuel gas produced by the contemplated plant would be worth $2 to $5 million a year. Even the noneconomists would have to agree that this amortization rate is very good.

The fuel gas generated by waste conversion plants could be converted into methanol. The intriguing feature of methanol is that it may be added to gasoline to enhance automobile mileage and reduce emission pollution. Field tests at MIT have shown that adding 10 percent methanol to the average car's gas supply will increase mileage by up to 10 percent. Adding the methanol also serves to increase the octane rating by three points. The principal drawback to widespread use of methanol in our automobile is the relatively low supply of methanol. The production of methanol must be greatly increased before this technique could be used by the general public. Municipal waste bioconversion plants could provide methanol on the scale needed to make this approach viable.

Another benefit of the methanol-gasoline mixture is that it would significantly reduce air pollution. Testimony before the subcommittee indicated that methanol would not harm the new catalytic converters on 1975 model cars. The methanol would give our cars a little more zip.

Mr. Chairman, I have focused my remarks on one particular area of solar energy because it offers so much. Bioconversion could cope with the problem of city waste disposal, automobile mileage, and pollution. It is a solution based on simplicity and ingenuity rather than exotic theories and expensive equipment. I am confident that the many other approaches for utilizing solar energy will likewise offer promising results.

I believe the work which this legislation fosters will hasten the successful development of solar energy systems. Solar energy systems can make a significant contribution to our energy inventory and our vote today is a vote to start on the road to final success.

Mr. MOSHER. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. Ketchum).

Mr. KETCHUM. Mr. Chairman, I rise in support of the legislation, and would like to congratulate the chairman of the subcommittee and ranking minority member for their efforts on this subject.

I think one of the most pleasurable aspects of serving on the Committee on Science and Astronautics as a member is that it is perhaps one of the few committees in the Congress where partisanship does not mean much. Almost all the members of that committee are in accord with what the committee is doing and is trying to do.

Mr. Chairman, I certainly congratulate the chairman on his leadership in that respect. I strongly support the bill, and hope the Members of the House will join me in that support.

Mr. Chairman, I rise to add my support for H.R. 16371, the Solar Energy Research, Development, and Demonstration Act of 1974. Both the Full Committee Chairman, Mr. Teague, and the chairman of the Subcommittee on Energy, Mr. McCormack, are to be congratulated for their effort on behalf of this very farsighted piece of legislation.

The policy of H.R. 16371 is to "pursue a vigorous and adequately funded program of resource assessment, research and development, and demonstrations with the objective of utilizing solar energy as a major source for our national energy supply." I strongly concur with this policy, particularly insofar as it will encourage the study and utilization of solar energy in farming or agricultural regions.

Up to the present time, NASA and NSF investigations and studies of the terrestrial uses of solar energy have concentrated primarily on heating and cooling of buildings; electric power generation directly from solar or wind energy; and, extraction of useful energy from organic wastes and crops. These three areas involve the basic principles of solar energy collection, storage, and conversion, all of which are broadly applicable to agriculturally related needs.

Heating and cooling of buildings is one of the most immediate as well as attractive areas for direct utilization of solar energy for the farm. To heat and cool any enclosed area would only require adaptation of basic solar heating and cooling concepts for specific applications such as residences, greenhouses, drying sheds, and animal shelters.

Solar heating also has a number of interesting possibilities relating to process heat for farm needs. The needs for process heat can be most readily described by dividing those needs into low temperature, 50–100° F.; moderate temperature, below 212° F.; and higher temperature, above 212° F.

Low-temperature heat might be used to extend the growing season of crops, protect orchards and crops from freezing temperatures, and even support such special projects as inland or coastal fish farming. Such low-temperature process heat could be obtained by collecting solar thermal energy and storing it in large basins of water, for instance, in ponds or irrigation channels, or in underground tanks.

Moderate-temperature heat might be used for food processing such as in dairies or in canning, grain or silage drying, general crop drying, and timber kilns. Moderate temperature could be derived from systems comprised of solar collector panels using suitable working fluids.

High-temperature heat would be useful for steam for cleaning and sterilization, chemical reduction of farm waste products, or crops grown specifically as energy sources, and energy inputs for farm, residential, and animal waste disposal systems. Appropriate solar collector systems for providing high temperatures will be studied under the proposed legislation.

Solar energy can also be used to drive mechanical devices which could be particularly useful for remote or unattended applications. One example could be a solar-powered water pump for cattle or irrigation in remote regions. Appropriate storage devices could be designed to permit the device to operate even after nightfall.

Studies will also be initiated to evaluate large-scale electric power generating stations using direct solar and wind energy. In addition, both of these methods might be developed on a smaller scale to provide primary or auxiliary power generators for use on agricultural or farming projects. Of course, windmills have been used for pumping water and grinding grain for centuries, but new needs and more modern technology may now rapidly advance their utility.

Most of the potential applications of solar energy to farm uses discussed thus far relate to improved farm operation. But there are also applications which may substantially expand farm operation to include new economic enterprises such as cash crops grown for energy content. Historically, agriculture has emphasized high food content of crops. But in the future, it is anticipated the focus will shift to new crops with high energy content, new farm concepts, and more modern machinery and practices. However, the extraction of energy from crops will require further research and development to demonstrate it to be economically competitive with present energy sources. If it proves to be cost attractive, however, growing crops for energy conversion could become a new and significant farming enterprise.

Furthermore, historically, it has been the land that was farmed for food. We now see beginnings however of "mariculture"—the farming of water such as oceans, lakes, or ponds. With the capability of solar energy for heating water reservoirs, mariculture could produce a variety of aquatic products and become a more economically attractive proposition for inland areas. New examples of aquatic products include fish from brackish ponds, fresh or salt water algae as a food, floating water plants for cattle feed, and other plants and animals for fertilizers.

In summary, the Sun can indeed be made a more productive servant of the farm by applying solar energy techniques to increasing productivity, offering a considerable degree of energy self-sufficiency, reducing the sensitivity of farm operation and output to the weather, and providing new economic enterprises. I personally welcome strong innovative implications of this legislation, particularly as it is addressed to studying the full spectrum of solar energy applications.

Mr. Chairman, H.R. 16371 has my unqualified support and I ask my colleagues to join with me in the prompt passage of this legislation.

Mr. MOSHER. Mr. Chairman, I yield to the gentleman from California (Mr. BOB WILSON) such time as he may consume.

Mr. BOB WILSON. Mr. Chairman, I join my colleagues in congratulating the committee for reporting out this bill. I was one of the cosponsors of it.

As one of the original cosponsors of this legislation, I am very pleased to speak in support of H.R. 16371, the Solar Energy Research, Development and Demonstration Act. I hope it will receive unanimous approval by this body. The energy crisis last winter and the projected long-term energy needs of the Nation have made it abundantly clear that we must devote considerably more time, effort, and money to finding alternative sources to fossil fuels.

H.R. 16371 establishes an interagency solar energy coordination and management project, comprised of representatives of the National Science Foundation, the National Aeronautics and Space Administration, the Department of Housing and Urban Development, the Federal Power Commission, the Atomic Energy Commission, and one Presidential appointee. The project will have overall responsibility for the effective management and coordination of the Federal solar energy programs. Working in cooperation with the five member agencies, it will have exclusive authority to initiate and assign projects to be conducted and administered by each.

The authority granted by the bill directs the projects to initiate and manage a three-phase national solar energy program, as follows:

First. Resource determination and assessment;

Second. Research and development; and

Third. Demonstration.

Specific goals are set for each phase, such as the consideration of the environmental impact of large-scale solar energy use as an integral part of research and development.

I will not dwell on the full details of the legislation, which have been discussed at length during the course of this debate, but want to call attention to several noteworthy sections. To provide a focal point for solar energy research, the bill establishes a national solar energy laboratory called the Solar Energy Research Institute. In addition, a solar energy information data bank will serve as a clearinghouse for the collection and dissemination of information on solar energy, including the solar heating and cooling data bank established under the Solar Energy Heating and Cooling Act, passed earlier this year.

A program of this dimension requires a pool of scientific and technical manpower, and H.R. 16371 authorizes the National Science Foundation to support additional educational programs in this field, including fellowships, traineeships, technical training programs, technologist training programs, and summer institute programs.

Our past experience in the development of space, and subsequently ocean, technology through a unified, single agency effort shows what can be done through a coordination of resources, manpower, and technology. Solar energy has unlimited potential for both our short- and long-term energy needs. It is free, available worldwide, nonpolluting, inexhaustible, and available, regardless of international power struggles. In the past, our national effort in this field has been very limited, but I am pleased that we are now embarking on this far-reaching venture. Accomplishments will not happen overnight, but the benefits are limitless.

Mr. DON H. CLAUSEN. Mr. Chairman, as a cosponsor of the bill, H.R. 16371, I would like to take a few moments to emphasize the importance of the measure and urge my colleagues to support it.

The bill would put an end to our piecemeal approach to solar research and development by coordinating all related activities under one unified management authority. The bill provides for the establishment of an inter-agency solar energy coordination and management project consisting of six members whose overall responsibility would be for the effective management and coordination of all Federal solar energy activities.

These activities have expanded rapidly

to include far more than the traditional idea of harnessing the Sun's rays for the direct heat they provide. Solar energy can also be used for cooling, for the conversion of organic wastes to useful fuels, for wind energy conversion and the generation of electricity from ocean thermal gradients. In some of these techniques the sunlight is used directly while in others, such as wind conversion, the resource is a secondary effect of sunshine.

It has become painfully clear to us all that our fossile fuels and other nonrenewable energy sources are in finite supply and are vulnerable to control by other nations. Solar energy is a valuable supplement to our existing energy sources and will assist us in achieving the stated objective of energy self-sufficiency.

It is within our very best interest to insure the development of this energy source in a rapid and efficient manner. This bill provides the organizational framework with which we can begin to meet this challenge.

I urge favorable action on this bill.

Mr. CONLAN. Mr. Chairman, I offer my enthusiastic support for H.R. 16371, the Solar Energy Research, Development and Demonstration Act of 1974. I am very pleased at the initiative taken by our Committee in acting on this bill, and as one of its cosponsors, I look forward to its prompt passage.

Mr. Chairman, I personally see solar energy as the major hope for this Nation in its effort to achieve energy resource independence. Through solar energy, the United States will be able to provide for a portion of its total energy needs from a source that is inexpensive, inexhaustible, predictable, clean and readily available. Clearly, the sun can form one of the major sources of renewable energy as we enter the 21st century. This legislation, in conjunction with the Solar Heating and Cooling Demonstration Act recently signed into law (Public Law 39-409), will assure that as a nation we will effectively utilize the Sun's potential.

The impact of widespread use of solar energy for heating and cooling, as one example of solar energy utilization, could be quite significant. The energy used to heat and cool buildings, residential and commercial, and to heat water, represents about 20 percent of our total national energy consumption. Since the sunshine which falls on the typical single family dwelling provides two or three times the amount of energy now required to heat and cool that building by conventional means, the substantial use of solar energy for heating and cooling could result in a tremendous savings in the use of our diminishing supplies of fossil fuels. Approximately 2 million new homes are built in the United States each year. Even if solar energy were only used to provide the heating and cooling in new construction, the national energy savings would more than justify the research and development costs.

The basic technology in solar heating, and to a large extent, solar heating and cooling, is generally at hand. The basic principles are well known and have been demonstrated in the United States as well as in Australia, Japan, Israel, and other countries.

However, solar heating and cooling systems are not yet cost competitive with conventional systems. Nor have they demonstrated the reliability and useful life required for widespread commercial use and acceptance. Early test results, however, clearly indicate that cost-competitive and reliable solar heating and cooling systems can be developed and marketed.

Winds, which are sustained by solar energy, are remarkably repeatable and predictable on a monthly and yearly basis. Significant amounts of energy are potentially available from wind energy. It is calculated that a 1-percent utilization of this resource would represent 30 to 50 percent of the Nation's expected total electric energy for the year 2020. Actual utilization of wind energy, of course, will depend on economics, implementation rates, and other criteria.

The major barrier to utilization of wind energy, however, remains the relative high cost of the power system when compared to low-cost fossil fuel systems. Thus the research potential provided in this bill would be aimed at developing more economical techniques and equipment designs for utilization of windpower.

The Sun is also the source of the energy required for the growth of organic matter. These materials represent a natural storage system for solar energy and various types of organic materials may be converted to liquid, gaseous, and solid fuels having properties similar to crude oil, natural gas, and charcoal. These fuels would be suitable for use in combustion plants or oil refineries and petrochemical plants for further processing or as gases which could be introduced into natural gas pipelines.

Sunshine offers a wide range of energy options and it is obvious that research, development, and demonstration of the various forms of solar energy offer great potential to the Nation. As an Arizonan, I am optimistic at the potential solar energy offers as a means to alleviate the critical fuel shortages we now experience.

Mr. Chairman, no one needs to reemphasize that there is only a finite supply of fossil fuels—basically oil, gas, and coal. In contrast, every 3 days, the Earth receives enough solar energy to equal its estimated remaining supply of fossil fuel. One square yard of bright sunshine, for example, equals approximately 1 horsepower. Harnessing the enormous power of the Sun to ease the energy shortage is therefore one of this Nation's major technological challenges. Without question, this legislation is a major step in the proper direction and I ask my colleagues to join with me in supporting this key legislative proposal.

Mr. GOLDWATER. Mr. Chairman, I am pleased to rise today in support of H.R. 16371, The Solar Energy Research, Development, and Demonstration Act of 1974. As one of the original sponsors of the bill, I am especially pleased that this bill has moved so quickly through the legislative process of hearings, markup, and floor action. This expedited handling is indicative of the continued concern regarding our energy problems.

Mr. Chairman, earlier this year it was my privilege to participate in the passage of the Solar Heating and Cooling Demonstration Act of 1974. This act established a 5-year program to demonstrate the practicality of solar energy for heating and cooling residential and commercial buildings. In contrast, the bill before us today aims at tackling and conquering a wide variety of technical problems impeding progress in solar energy.

Hearings held by the Subcommittee on Energy have brought to our attention the many different ways in which the Sun's energy can be harnessed. Techniques holding great potential include bioconversion systems, sea thermal power, windpower, and photovoltaic conversion. While each of these concepts offer significant results, much remains to be done in order to perfect them. This legislation will focus on solving the technical hurdles to these new ways of exploiting solar energy.

The committee recognized that at the outset there was a need for focus and direction at the Federal level. To achieve this result the bill establishes a solar energy coordination and management project. The project will be composed of representatives from those Federal agencies having interest in solar energy. The project will have the responsibility of coordinating the Federal solar energy effort.

The solar energy program is one which needs to be carried out in an orderly manner. The bill provides that the project will undertake a program definition effort at the earliest opportunity. The program definition will survey the current status of solar energy development. It will set up a game plan which will serve to guide later Federal programs. This will minimize duplication and maximize the efficient use of our Federal resources.

The solar energy program is divided into three major phases. They are: Resource determination and assessment; research and development; and demonstration. The resource determination and assessment phase will undertake a regional and national appraisal of all solar energy sources. Topics to be investigated include wind, ocean thermal gradients, and photovoltaic conversion. The project will inventory all forms of solar energy resources. In performing this mission the project will utilize the latest meteorological, oceanographic, and space-related techniques. Maps, surveys, and other appropriate documents will be published in order to encourage the commercial development of solar energy resources.

The research and development phase will tackle head on the technical problems obstructing the full application of solar energy. The research will stress not only technical achievements but also pay attention to environmental effects, economic feasibility, and long-term reliability. This phase will not only foster laboratory breakthroughs but also will be concerned with bringing the results into the marketplace in an expeditious fashion.

The demonstration phase will build on the progress of the first two phases. It will concern itself with the design, construction, and operation of solar energy systems. Demonstration projects are appropriate for each of the different sources of solar energy. These demonstration projects will verify both technical and economic feasibility. In addition, the demonstration projects will serve as a test bed for a further refinement of components and techniques.

The project is directed to dispose of the electric energy and other byproducts generated by demonstrations projects. This will supplement existing power supplies even before solar energy systems become ready for wide-scale use. Likewise after a demonstration project is completed the project is to dispose of the test sites.

Closely related to the resource determination and assessment phase is a provision establishing a solar energy information data bank (bank). The bank will collect, process, and disseminate information on solar energy technologies. This data will be available to governmental bodies, educational institutions, and private enterprise groups working on solar energy programs. A solar energy incentives task force also will be set up to foster solar energy use. The task force will study commercial and consumer attitudes and make recommendations.

Mr. Chairman, I believe the Solar Energy Research, Development, and Demonstration Act is a well-drafted piece of energy legislation. It is a strong congressional response to our Nation's energy problems. I believe that solar energy can make a significant contribution to correcting our energy shortcomings.

Solar energy has been available but untapped for far too long. H.R. 16371 provides the means for exploiting the full potential of this nonpolluting, uninterrupted source of energy. I urge my colleagues to join me in support of it.

Mr. MILFORD. Mr. Chairman, I am strongly in favor of passage of the Solar Energy Research, Development, and Demonstration Act of 1974, and I urge my colleagues to support this legislation and to show that it has the overwhelming approval of the House of Representatives. As my colleagues have stated, this bill is intended to encourage the development of all practical forms of solar energy technology. One of these technologies is that of windpower conversion, and in these remarks I would like to focus on this particular aspect of the solar energy program before us today.

The wind is an indirect form of solar energy, since it is the action of the sun upon the atmosphere which causes the wind to blow. Perhaps more to the point, windpower is the same kind of clean, nonpolluting, readily available energy source as is direct solarpower. Thus it is another of the alternative solutions to the energy crisis, and it will help achieve our national goal of independence from foreign sources of oil, and ultimately of independence from fossil fuels, all of which will run out someday. While a change in something as basic to our way of life as our energy supply system must be a gradual one, to minimize the dislocations such a change must inevitably cause, it seems to me that we must move from depletable sources of energy to nondepletable sources. Oil and coal will not be here forever, but the sun will always be here—as will the wind, and the tides, and the ocean currents. Nuclear and thermonuclear energy are also nondepletable, and also must be considered as the energy sources of the future. Therefore we must look seriously at the energy sources which are the subject of this bill—the creation of useful energy from the sun, and the wind, and the oceans.

Let us return to the discussion of windpower. How practical is the use of the wind as an energy source? It may be very practical indeed. Other nations have investigated windpower in recent years, with results that were quite promising. For example, the Dutch have used small wind generators for years to provide power for pumping water and grinding grain. The Russians built a large wind conversion machine as far back as 1931. The Danes had an effective windpower system operating from 1957 through 1968. The English and the Germans have also done practical experimentation in the area of windpower. In this country, a 1,250-kilowatt wind electrical station was built at "Grandpa's Knob," in the Vermont mountains, during World War II. The station operated smoothly for 16 months, but finally fell victim to wartime material shortages and metal fatigue.

That is the recent past of windpower. What of the future? There are a variety of opinions within the scientific community as to the practicality of windpower as an energy source for the late 20th and early 21st centuries. While some analysts are skeptical, others are highly optimistic. For example, a committee appointed jointly by NSF and NASA has suggested that, by the year 2000, we could generate 1.5 trillion kilowatt-hours of electricity per year by the use of windpower. That is as much electricity as the United States consumed in 1970. A report performed for NSF by the Mitre Corp. projects that windpower could make a measurable impact on the U.S. energy pattern as early as 1980, and could account for 1 to 3 percent of the Nation's energy needs by 1985 with an accelerated R. & D. program. Thus windpower is perceived as having the greatest potential for a significant early impact of all the solar technologies under study.

One question may occur to you, What do you do when the wind stops? Well, this question is far from being a unanswerable. Windpower can be stored by at least four different possible methods. It may be used to charge DC electrical batteries. It may be used to spin a flywheel, thus storing the energy as kinetic energy that can be released when needed by allowing the flywheel to "run down." It can be used in a pumped hydrostorage system, where the energy is stored by pumping a volume of water uphill, to be released by allowing it to run back downhill again. Finally, it can be used in conjunction with a hydrogen generation system. The wind generator could provide the power to electrolyze water, breaking it down into its component parts of hydrogen and oxygen. The hydrogen may then be stored, to be used later as a source of energy when it is "burned" with oxygen to regenerate water.

So the fact that the wind is not constant is not a barrier to its practical use. In addition to the above solutions, other possibilities for dealing with the variability of the wind are to use it as a supplement to existing electrical power sources, providing extra power when it is available, or to build a very large grid containing many interconnected wind generators. The possibility of the wind not blowing in at least some portion of a large area is almost vanishingly small—thus at least some portion of the interconnected grid would be functioning and producing power at virtually all times.

The wind and the sea seem to go together in a natural way. We are all familiar with the sea breezes which blow so steadily and reliably along our seacoasts. One of the more advanced thinkers in the wind energy field, Dr. William E. Heronemus of the University of Massachusetts, has suggested that these sea breezes be put to practical use. He has proposed a system in which networks of wind-power stations would be emplaced off the Long Island and New England coasts. The wind stations would be placed either on towers planted in shallow water or on floating platforms. Dr. Heronemus believes that such a system, containing perhaps 640 wind stations, would be economically competitive with conventional electric power costs in the Northeastern States.

Is such a system actually feasible? At this point we do not know. Nor do we really know the ultimate value of a research program focusing on wind power. These things we do know: That our present and future needs for energy are great, that every promising avenue of energy research should be explored, and that windpower is promising enough as a future source of energy to be the subject of a much more intensive and better focused research program than it has yet received. The bill before us today promises to give windpower research that focus, as it will do with the other alternative energy systems it covers. Mr. Chairman, our future energy needs demand that we investigate, thoroughly and comprehensively, all of the areas of energy generation and energy storage covered in this legislation, and that we do so as speedily as we possibly can. Therefore, I urge the enactment into law—during this 93d Congress, of the Solar Energy Research, Development, and Demonstration Act of 1974.

Mr. WINN. Mr. Chairman, I rise to add my support for H.R. 16371. This innovative legislative proposal is the result of much study and discussion by my colleagues on the Science Committee and I compliment the committee chairman, Mr. TEAGUE, for his tireless efforts in formulating this legislation.

Mr. Chairman, this is the third major energy bill to be reported out of the Science Committee in this session of Congress. The first two—the Solar Heating and Cooling Demonstration Act, and the Geothermal Energy Research, Development, and Demonstration Act, were signed into law by President Ford on the 3d of this month. I personally have every hope and expectation that the bill now before us will receive the same quick action by the Congress and the administration.

The Science Committee has set a commendable example of bipartisan action focused on a high-priority national concern. The committee, in remarkably short time, succeeded in developing programs and translating these programs into laws which will have a very significant effect on this Nation's energy crisis.

It is just as important to note however that we are now able to initiate this more comprehensive program for solar energy development largely because of the excellent progress recorded by the National Science Foundation. This agency, which is under the authorizing jurisdiction of the Science Committee, is currently the lead Federal agency for solar energy research. Under the Foundation's RANN program—Research Applied to National Needs—these efforts have achieved significant results to date, especially in the heating and cooling of buildings.

This success forms the background for the action taken by the Science Committee in unanimously reporting out H.R. 16371. The members of our committee are convinced beyond question of the desirability of large-scale Federal involvement in solar energy and the feasibility of developing this energy source on an accelerated basis.

To illustrate how close we are to commercialization of this type of technology, and indeed, how close we are to transferring certain of this technology to the private sector for further development, I would like to highlight events of the past few months.

In January 1974 NSF awarded contracts to industrial concerns for installation of experimental solar heating systems in four schools in four States. These installations are among the largest solar heating systems in existence and were completed in periods of 6 to 10 months. Before the winter heating season was over, all four were in successful operation. Recent studies indicate that performance, acceptability, and durability are excellent.

Three other major steps were taken in this same period.

Three industrial corporations completed advanced research and systems analysis studies of the potential of large-scale solar heating and cooling. These studies by the General Electric Co., TRW Systems Group, and Westinghouse Corp. were reported in June to a workshop attended by more than 700 representatives of Federal, State, and local government, manufacturers, builders, architects, financial institutions, planners of new communities, and researchers. The comprehensive published reports have subsequently been distributed widely.

In addition, a transportable solar heating and cooling research laboratory has begun field operations in various parts of the country, testing advanced systems and components and collecting information on the amount of solar energy received under various weather and environmental conditions. The laboratory has already gathered preliminary data in Maryland, Virginia, Minnesota, and New Mexico and is now setting up operations in Texas. During the coming months, the laboratory is expected to visit half a dozen more States.

Finally, the Foundation and the city of Colorado Springs, Colo., are jointly sponsoring research on solar housing. This initiative by the city was stimulated by the need to develop alternative energy sources in order to end a building moratorium due to a shortage of natural gas. New solar systems are now in place and are being tested and evaluated.

There are many other examples I could cite including large experimental windmills which are designed to produce constant voltage and constant frequency electrical power regardless of wind speed, as well as programs to develop natural gas substitutes which can be produced by means of bacterial digestion of organic solid wastes. The point is, however, that these are but a few examples of progress achieved in the past few months in R. & D. programs investigating the full spectrum of experimental approaches to the use of the Sun as a new energy resource.

I would also like to emphasize that the manner in which the National Science Foundation programs are structured is designed to involve all appropriate Federal mission agencies and sectors of commerce and government. By phasing program development so as to involve both the public and private sectors, the transfer of techniques and technology has been greatly facilitated. This in turn will promote much earlier commercialization.

This historical involvement of NSF, as well as its approach to program management, is significant in that the present legislation mandates the National Science Foundation to prepare a comprehensive program definition plan detailing the manner in which solar energy resources should be developed. NSF is to do so in cooperation with the Federal Energy Administration, the Department of Housing and Urban Development, the Federal Power Commission, the National Aeronautics and Space Administration, the Atomic Energy Commission, and other appropriate Federal, State, and local government agencies and organizations. The amount of money authorized is $2 million between now and the end of fiscal year 1975 for these organizations to define an integrated effort for research, development, and demonstration of the various solar energy concepts.

I therefore look forward to our being able to successfully meet the challenge defined in this landmark legislation. I personally feel that this bill represents the first major step in terms of a comprehensive assessment of energy resource alternatives and I urge my colleagues to join with me in voting for its prompt passage.

Mr. CONTE. Mr. Chairman, I rise in support of this legislation, H.R. 16371, the Solar Energy Research, Development and Demonstration Act of 1974.

Solar energy is clean, continuous and virtually inexhaustible. Its commercial development is sorely needed by a nation that every day becomes more dependent upon foreign sources for energy supplies.

Commercial use of solar energy is especially needed in my region of the country—New England.

About 75 percent of all heat and power generated in New England comes from oil burners. No other region of the United States is as dependent upon oil as New England.

But because of its location, New England is uniquely dependent upon foreign oil supplies. We were hurt especially hard by the outrageous increase in foreign oil this past year. For instance, 90 percent of all residual fuel consumed in New England is imported. Last year the price of imported residual fuel was around $3 a barrel. Now it is over $12 a barrel.

With the price of fuel quadrupling in less than a year, the inflationary effect on New England electric utilities, industries, office buildings, schools, hospitals, and apartment buildings has been very disruptive.

Two months ago the New England regional office of the Federal Energy Administration published a study showing that fuel costs for New England consumers were more than a third, or 33 percent, higher than the rest of the Nation. This is a stiff disadvantage for our industry to overcome when competing in the national marketplace.

As long as New England remains so overwhelmingly dependent upon oil, it will remain vulnerable to periodic shortages and inflated prices. At the recent "Project Independence" hearings in Boston, one witness testified that New England's dependence upon oil will remain through the next generation—or past the year 2000.

The plight of New England demonstrates very distinctly why Federal research and development programs are needed to provide new commercial sources of energy.

In the field of solar energy, there are many private ventures now promoting the usage of experimental equipment to generate power from wind, ocean thermal gradients, organic wastes—such as municipal garbage dumps—and other natural processes. But the fruits of these efforts would come to harvest much quicker with a prod from the Federal Government.

On Monday, for instance, an inventor came to my office with a proposal to build three windmills on an island in Boston Harbor. I think he has a good idea. But before his proposal is commercially feasible, he will need some outside funding—possibly from the Federal Government—to further research and develop his ideas.

This bill before the House today would establish a Federal program to assist this windmill promoter and many other entrepreneurs like him.

This bill would establish a three-stage national solar energy program, which would conduct detailed regional assessments of available solar resources, direct research and development programs into promising areas of solar technology, and would fund and monitor solar energy demonstration programs.

Mr. Chairman, this bill presents a responsible and constructive program to help meet the energy needs of the United States. I urge my colleagues to vote for its early passage and enactment.

Mr. DOWNING. Mr. Chairman, I rise in support of H.R. 16371, the Solar Energy Research, Development, and Demonstration Act of 1974. The Nation's interests will be served by the conduct of a vigorous, coordinated program of solar resource assessment and by performance of research, development, and demonstrations in solar energy technologies, aimed at early commercial application. The large-scale use of solar energy can ease future shortages of fuel, contribute to a clean environment, and mitigate our dependence on foreign energy supplies.

In addition, I support the provisions in H.R. 16371 that call for substantial NASA participation in the solar energy program. The management skill, advanced technology, and technical manpower available in NASA comprise a major national resource directly applicable to the objectives of the legislation.

I would like to place in the record an example of a NASA initiative that supports the objectives of H.R. 16371. The initiative is the solar collector test bed project at the NASA Langley Research Center.

The objective of the Langley solar collector test bed project is to provide realistic design, construction and operating experience in the use of solar energy for the heating and cooling of large commercial buildings. The test bed project will make use of the Langley Research Center's Systems Engineering Building, for which ground was broken in June 1974, and will employ solar collectors to be located on a lot adjacent to that building. The separate location of the collectors results in least impact on the building construction and will facilitate access to the experimental equipment. The building floor plan area is 50,000 feet and the solar collector area for the first phase of the program will be 15,000 feet.

Solar energy captured by the 15,000-feet of collector area will provide about 90 percent of the Systems Engineering Building's maximum heating requirement and 35–50 percent of the maximum cooling requirement, depending on the collector efficiency.

The building, which has been planned for several years, was originally designed to use steam for heating and cooling purposes. In order to permit use of solar energy, the heating and air-conditioning systems were redesigned to permit part-time operation with hot water. The present system plan includes a 20,000-gallon hot water storage tank, a 14,000-gallon cold water storage tank, and housing for the controls and instrumentation.

The Systems Engineering Building will be heated and cooled by steam or solar-heated water, or both, as conditions require. The building and the solar experiment will be operational by the end of 1975.

In the experimental phase of the program the 15,000 feet of solar collector area will be provided by panels of various collector types. The system is manifolded to permit testing of as many as eight diffierent types of collectors simultaneously. Candidate collectors for the test bed are now being evaluated on the small scale solar simulator facility at the NASA Lewis Research Center. Further screening of candidate collectors will be performed by Lewis on its outdoor test stands and on a system simulator that duplicates on a small scale the Langley Systems Engineering Building thermal loads.

The Langley solar collector test bed will operate in an experimental mode for 3 or 4 years. It will then be converted into a permanent installation, using the best collectors available at the time.

A second phase demonstration system is also planned. It will be located adjacent to the experimental "collector farm" and will be a permanent installation, useful for long cycle performance and life testing. It is sized at 20,000–30,000 feet collector area; operating simultaneously with the experimental collectors, it will provide up to 90 percent of the summer cooling requirements of the systems engineering building. In winter, it will be able to provide heat not only to this building, but also to other nearby buildings already interconnected by hot water lines.

The 50,000-feet, one-story office building, as far as is known, will be the first building of its size in the world for which solar energy will supply a significant part of the heating and cooling requirements. The Langley Research Center solar collector test bed and the second phase demonstration system will provide valuable data and experience, and will ultimately help to demonstrate how commercial and industrial buildings can be climate-controlled by means of solar energy.

Mr. Chairman, I hope this example of solar energy technology development shows the great opportunities for utilizing this vast energy source. This bill, with the resources of agencies like NASA, can make commercial use of solar energy a reality for us and our children. I urge the passage of H.R. 16371.

Mr. HANNA. Mr. Chairman, I rise today in support of H.R. 16371, the Solar Energy Research and Development Act of 1974. This legislation marks another positive step that Congress is taking in solving our Nation's energy crisis.

As we look at the globe we find that not only is the United States facing an energy crisis, but so is most of the world. The Arab boycott this past winter led to great difficulties for almost every industrial nation. The current price of oil and oil products now places many of the emerging nations in a precarious position. The high cost of oil to run their industries may forestall or even limit the economic development of these countries. What is needed by almost every country in the world is an energy resource of its own. In nearly every nation of the world there are several forms of solar energy which fit that description.

The United States has long been an exporter of technology and technical expertise. If we can lead the world in the field of solar energy and apply our own high technological expertise to solve such problems as the direct photovoltaic conversion of sunlight to electricity, the bioconversion of municipal organic wastes to solid or liquid fuel forms or electricity, and the immense technical problem of providing large electrical generating plants utilzing the ocean's thermal gradients, we will not only develop this international resource, but establish preeminence of American industry as well.

Not only can we benefit from providing and exporting our own technology to other countries, but we can also benefit from the research done in other nations. The United States, through the National Science Foundation, already has cooperative programs looking into elements of solar energy with Australia and New Zealand. These cooperative programs include the exchange of information, equipment and personnel in such a manner that it will benefit both countries. The European countries bordering the North Sea, which include the Netherlands and Denmark, have established and are continuing efforts to utilize wind energy.

In 1957, a wind turbine was installed near Gedser, Denmark. It was fully automated and produced 200 kilowatts of electricity utilizing three blades, each nearly 40 feet long. Though experimental, it produced power for the Danish public power system for 3 years. Recent estimates in Holland have concluded that their Dutch projected electrical needs could be totally met by a wind powered system. It will be to the benefit of both the United States and Holland to exchange information on research projects in each country on the utilization of wind energy.

Recently the United States, along with many other nations, was a participant in the Law of the Sea Conference in Caracas, Venezuela. One area of research to be considered in H.R. 16371 is solar sea thermal gradient energy utilization. This resource knows no national boundary, and is found mainly in international waters. In view of the conference, we need to make plans now in case this technology should in fact become a practical reality in the future.

A similar concern arises in certain proposed biconversion schemes involving the use of the oceans, as well as use of the wind, and possibly even photovoltaic conversion. It then becomes imperative that the United States lead the way for a clear and concise agreement for the utilization of the energy stored in the ocean. Without such agreement and the accompanying spirit of cooperation, solar energy will be limited to those waters lying within national boundaries. No one will benefit from such a restriction.

As chairman of the Subcommittee on International Cooperation in Science and Space of the Committee on Science and Astronautics, I have been privileged to hear a great deal of testimony on the benefits of this scientific and technical international cooperation. I have been greatly impressed by our past successes and know that continued cooperation of the type proposed by this bill must be encouraged. At a set of hearings on advanced technology transfer with the Soviet Union less than a year ago before my subcommittee, I concluded my opening remarks by discussing the energy problem, saying:

> Technology offers a clear solution to this long-term problem and if cooperation in this field can help both countries provide long-term solutions to the energy crisis, it will have been amply justified.

The international recognition of the long-term potential of solar energy also extends to the Arab nations. At their urging, we have signed an agreement this past June with Saudi Arabia including solar technology transfer, despite their tremendous reserves of oil. Although at first this seems contradictory, it must be remembered that they have the benefits of ample sunshine. Widely dispersed population, with small electrical demand may in fact make some forms of solar electric power more economical today than the traditional forms in this country as well. I do not need to remind my colleagues that the Saudi's have ample funds to pay for this new technology. Clearly it is to our advantage to cooperate with them.

Solar energy is a worldwide resource, and we would be remiss if we did not treat it as such. While one of our major efforts must be to obtain energy self-sufficiency for this country, we should also keep in mind the need for energy self-sufficiency of other nations.

I feel that H.R. 16371 provides the legislative framework for developing the needed technologies to make solar energy a realistic energy alternative, not only to this Nation but for the benefit of all mankind.

Mr. MOSHER. Mr. Chairman, I have no further requests for time.

Mr. TEAGUE. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Solar Energy Research, Development, and Demonstration Act of 1974".

Mr. TEAGUE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Vanik, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 16371) to further the conduct of research, development, and demonstrations in solar energy technologies, to establish a solar energy coordination and management project, to provide for scientific and technical training in solar energy, to establish a Solar Energy Research Institute, to provide for the development of suitable incentives to assure the rapid commercial utilization of solar energy, and for other purposes, had come to no resolution thereon.

MR. SPACE—DR. KURT H. DEBUS

(Mr. FUQUA asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. FUQUA. Mr. Speaker, the announcement today of the retirement of Dr. Kurt H. Debus, Director of the NASA Kennedy Space Center, closes an outstanding chapter in the history of our Nation's space program.

Dr. James C. Fletcher, NASA Administrator, said:

> Kurt Debus is one of the outstanding pioneers in space exploration.

Dr. Debus' leadership in the achievements of this Nation's space programs is unexcelled. Dr. Debus is completing 30 years in Federal employment beginning back in 1945. The launch facilities at Cape Canaveral and the launch of our first Redstone ballistic missile in 1953 were under the supervision of this great American.

I want to extend my personal thanks and congratulations to Dr. Debus for his outstanding contributions and wish he and Mrs. Debus a long and enjoyable retirement.

The text of the news release announcing his retirement is as follows:

> ### Dr. Debus To Retire as KSC Director
>
> Dr. Kurt H. Debus, Director of the NASA Kennedy Space Center since its establishment in 1962, has requested retirement at an early date.
>
> KSC is the major NASA space launch facility.
>
> Pending selection of a successor, the Deputy Director, Miles Ross, will function as Acting Center Director.
>
> Dr. James C. Fletcher, NASA Administrator, expressed deep regret over Dr. Debus' decision.
>
> "Kurt Debus is one of the outstanding pioneers in space exploration," said Dr. Fletcher. "His record stands on its own—from the launch of the first American satellite in 1958 to building and operating the great launch complex at Cape Canaveral for the Apollo manned lunar landings. His leadership at the Kennedy Space Center was a key factor in this nation's achievement of space supremacy and preparation for Space Shuttle and other future programs designed to exploit space for the benefit of humankind."
>
> In a letter to Center employees, Dr. Debus said he was retiring at a time when the installation's future has been assured and construction is underway to accommodate the Space Shuttle transportation system in the 1980s.
>
> Dr. Debus is completing 30 years in Federal employment. His career in military and NASA programs began in 1945 at Fort Bliss, Tex., and White Sands, N.M., where the U.S. Army conducted research activities.
>
> In 1950, together with Dr. Wernher von Braun and others, Dr. Debus moved to Huntsville, Ala., where the Army consolidated its missile development projects.
>
> Dr. Debus supervised the construction of Army launch facilities at Cape Canaveral and the launch of the first Redstone ballistic missile in 1953. Thereafter he supervised flight testing of Jupiter, Jupiter C. Juno and Pershing missiles until the Army team was transferred to NASA in 1960.
>
> He directed the launch of the first U.S. Earth satellite, Explorer, Jan. 31, 1958.
>
> Dr. Debus supervised construction of the Kennedy Space Center while directing activities of the launch center through the entire manned and unmanned programs from the flight of Alan Shepard in 1961 to preparations for Space Shuttle operations.
>
> The Kennedy Space Center also launches NASA vehicles at the Western Test Range in California.
>
> Dr. Debus was born in Frankfurt, Germany in 1908. He attended Darmstadt University where he earned advanced degrees in mechanical and electrical engineering. While serving as assistant professor he became active in the rocket research programs conducted at Peenemuende.
>
> His unique contributions to the U.S. defense and space programs brought a number of honors including the Army's highest civilian decoration, NASA's distinguished service medal and other medals. He received honorary degrees from several universities.
>
> Earlier this year Dr. Debus received the Louis W. Hill Space Transportation Award from the American Institute of Aeronautics and Astronautics.
>
> Dr. and Mrs. Debus live in Cocoa Beach, Fla., where he intends to remain in retirement. They have two daughters, Ute, residing in Washington, D.C., and Siegrid, the wife of William Northcutt of Miami.

REMARKS OF THE PRESIDENT AT THE SUMMER COMMENCEMENT, OHIO STATE UNIVERSITY

(Mr. WYLIE asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. WYLIE. Mr. Speaker, on August 30, President Gerald Ford addressed 2,540 graduates of Ohio State University, who represented 42 States, the District of Columbia, and 33 foreign nations. Ohio State University is an important part of the 15th Congressional District which I represent and is the largest university on one campus in the United States.

Mr. Ford's speech, his first as President to an institution of higher learning, was also the first commencement address by a President to an Ohio State University graduating class in its century long history.

The President was there to honor the graduates but his words were carried across the Nation by the news media. President Ford gave his views on a number of very important issues.

It seemed to me that the speech and the occasion should be recorded for posterity in the Congressional Record:

> President Enarson, President Flemming, Governor Gilligan, Senator Metzenbaum, Congressman Sam Devine, Congressman Chalmers Wylie, Mr. Mayor, honored graduates, members of your family, and friends, and guests:
>
> It is a very great privilege and exceedingly high honor to participate in this wonderful graduation ceremony. And at the outset, may I congratulate each and every one of the graduates.
>
> But if I might add, I think appropriate congratulations to the members of your family—husbands, wives, mothers, fathers, and others who have done so much to make it possible for you to be here on this wonderful occasion.
>
> And I think it is appropriate also that we add a special tribute to the members of the faculty who have likewise contribute to this very wonderful occasion.
>
> So much has happened in the few months since you were so very kind to ask me to participate on this occasion. I was then Amer-

ica's first instant Vice President—and now, America's first instant President. The United States Marine Band is so confused they don't know wether to play "Hail to the Chief" or "You've Come a Long Way, Baby." (Applause)

Obviously, it is a very great honor for me to be at Ohio State University, sometimes known as the Land of the Free and the Home of Woody Hayes. I met Woody at the airport. We just had our picture taken together and when the picture appears in today's Dispatch, I am pretty sure what the caption will say: "Woody Hayes, and Friend."

As many of you know, I have had a great interest in football for a good many years. I played center for the University of Michigan and I still remember my senior year back in 1934. The Wolverines played Ohio in Columbus, and we lost 34 to nothing. And to make it even worse, we lost seven out of our eight ball games, but what really hurt was that my teammates, after the end of the season, voted me the most valuable player. (Laughter) I didn't know whether to smile or sue. (Laughter.) But I want you to know that I have a great feeling of kinship with this graduating class. I understand that you have all taken your final examinations this week. As your new President, I feel like I am just beginning mine. They are tough, both at home and abroad, but we will make it. Instead of dwelling on how my team lost here in Columbus in 1934, I would prefer to advance the clock to 1974 and talk about winning against the odds that confront today's graduates and all America.

The first of these problems is summed up by the editor of your campus newspaper. She reports that the one dominant question in the minds of this year's graduates is very simple: How can I get a job that makes sense as well as money?

Your professors tell you that education unlocks creative genius and imagination and that you must develop your human potential. And students have accepted this. But then Catch 22 enters the picture. You spend four years in school, graduate, go into the job market, and are told that the rules have changed. There is no longer a demand for your specialty—another educational discipline is now required.

And so one or two more years of study inevitably follows and you again return to the job market. Yes, what you now offer is saleable except that competition is very tough. To succeed you must acquire further credentials so you go back to the university and ultimately emerge with a Masters or even a Ph.D.

And you know what happens next? You go out and look for a job and now they say you are over-qualified.

In one form or another, this is a Three Shell Game. Our society has been playing tricks with our greatest natural energy source. That is you. And this has got to be stopped.

Although this Administration will not make promises it cannot keep, I do want to pledge one thing to you here and now. I will do everything in my power to bring education and employers together in a new climate of credibility—an atmosphere in which universities turn out scholars and employers turn them on.

Ever since President Abraham Lincoln initiated the concept of Land Grant colleges, set up to bring people and students closer to the land, the Federal Government has been interested in the practical application of education.

Take the example of Project Independence. Frankly, I am not satisfied with the progress we are making toward energy independence by 1980. However, this is a problem that I can appropriately discuss at a Labor Day weekend commencement. It concerns both the academic community and our great labor organizations.

I am not speaking of gasoline for a Labor Day trip to the lake or seashore. I am speaking of fuel and raw materials for our factories which are threatened by shortages and high costs. Skills and intellect must harmonize so that the wheels of industry not only hum but sing.

I propose a great new partnership of labor and educators. Why can't the Universities of America open their doors wide to working men and women, not only as students, but as teachers. Practical problem-solvers can contribute much to education, whether or not they hold degrees. The fact of the matter is that education is being strangled—by degrees.

I want to see labor open its ranks to researchers and problem-solvers of the campuses whose research can give better tools and methods to the workman. I want to see a two-way street speeding the traffic of scientific developments, speeding the creation of new jobs, speeding the day of self-sufficiency in energy and speeding an era of increased production for America and the world.

What good is training if it is not applied to jobs? What good are factories if they are shut down? What good is business and industry without those who solve their problems, perform their jobs and spend their paychecks?

Next year, I will ask Congress to extend two laws which are expiring. One provides for higher education, the other for vocational education. Both are essential because we need new jobs and we need new skills, academically as well as vocationally.

Your Government will help you create a vocational environment responsive to our needs, but the Government cannot achieve personal fulfillment for each of you. You, in this case, are the essential ingredient. Your determination, your dedication, your will will make the significant difference.

For you, the time has come to test the theories of the academic world in the laboratory of life. As President, I invite students and graduates and faculties to contribute their energies and their genius in the solution of massive problems facing America. I invite your ideas and your initiatives in fighting inflation, in providing realistic education, in making sure our free enterprise system continues to give freedom as well as enterprise.

Show us how to increase productivity. Show us how to combine new lifestyles with old responsibilities. Show us how universities can work with industry and labor unions to devise a whole new community of learning across this great land. Show us how work-study programs can become a part of the ongoing educational process. Show us how new skills can improve technology while humanizing its use.

A French statesman once observed that war is much too important to be left to Generals. Our Nation's future is far too important to be left only to Presidents or other officials of the Federal Government.

I like the phrases of a former great President, Theodore Roosevelt: "The Government is us; we are the Government, you and I." Oh yes, your vote and your voice are essential, as essential as mine if each American is to take individual responsibility for our collective future.

As you move into the job that makes sense and money to you and you will find it—you move from a position of strength. With the war over and the draft ended, your duty now to your country is to enlist in the campaigns currently being waged against our urgent domestic threats, especially inflation, which is Public Enemy No. 1.

Abroad, we are seeking now peaceful relationships, not only with the Soviet Union and the People's Republic of China, but with all peoples—industrial, underdeveloped nations, every nation, if we possibly can.

There will be continuity in our foreign policy and continued realism in our self-defense.

At home the Government must help people in doing things they cannot achieve as individuals. Accordingly, I have asked the Secretaries of Commerce, Labor, and HEW to report to me new ways to bring the world of work and the institutions of education closer together. For your Government as well as you, the time has come for a fusion of the realities of a work-a-day life with the teaching of academic institutions.

As a starter, the Department of Labor will shortly announce a pilot program to improve occupational information for graduates and others in making career choices. There will be grants for State and local initiatives to provide data on occupations available and to help channel the potential employees into positions which are not only personally satisfying but financially rewarding.

The States have always assumed the primary responsibility for public education. That tradition in my judgment is very sound and Ohio State University and my alma mater, the University of Michigan are excellent examples. But there is now too much confusion about which level of Government is to play which role in post-secondary education.

I am directing the responsible agencies of the Federal Government to make a new evaluation of where we are, where we want to go, and where we can reasonably expect to be five years from now.

Discussions will be held with Governors, State legislators, academic leaders, Federal officials, and the consumers of education.

Our goal of quality education is on a collision course with the escalating demands for the public dollar. Everyone must have a clearer understanding and a clear agreement on who is responsible for the specific aspects of direction and the financing of a college education.

Oftentimes our Federal Government tries to do too much and unfortunately achieves too little. There are, for example, approximately 380 separate Federal educational programs beyond the high school level, some duplicating others, administered by some 50 separate Executive agencies. The result inevitably is a bureaucracy that often provides garbled guidelines instead of taut lifelines to good and available jobs.

But let us look for a moment beyond the campus and beyond Washington.

In 1972, I was fortunate to visit the People's Republic of China. With four times the population of the United States, a nation growing at the rate of two New York Cities every 12 months, that vast nation is making very significant technological progress. From a personal observation as well as by records, you can see the Chinese productivity is gaining momentum, and the majority of the Chinese or the mainland today are young people, highly motivated, extremely well disciplined.

As fellow human beings, we celebrate the rising capacities of the Chinese nation, a people with a firm belief in their own destiny.

However, as Americans, motivated by free competition, we see a distant challenge. And I believe all Americans welcome that challenge.

We must compete internationally not only to maintain the balance of trade in our standard of living but to offer to the world's impoverished examples and opportunities for a better life. We should do that for humane and for perhaps even self interest.

Let this peaceful competition, however, animate the last quarter of the twentieth century. And I am confident that America's youth will make the difference. You are America's greatest untapped source of energy. But energy unused is energy wasted.

It is my judgment that we must make extraordinary efforts to apply our know-how, our capital, our technology, and our human resources to increase productivity at a faster rate. Unfortunately, inflation is creating a national state of public anxiety. Productivity, yours as well as mine, must improve if we are to have less of an inflationary economy. In the long-run, it is the only way that we can raise wages without inflationary price increases. It is essential in creating new jobs and increasing real wages. In a growing economy, every one, labor, management and the consumer, wins when productivity expands.

At this very moment of America's history, we have the knowledge and the material resources to do almost anything that any one of us, or all of us collectively, can imagine. We can explore the depth of the ocean. We can put a man on the moon. We can reach for the stars.

But great problems confront us here on earth. To face these problems, we need even more than technology, we need more than programs. We need a belief in ourselves. We need the will, the dedication, the discipline to take action.

Let us take a new look at ourselves as Americans. Let us draw from every resource available. Let us seek a real partnership between the academic community and the rest of our society. Let us aspire to excellence in every aspect of our national life.

Now, may I close with a word between friends? Sometimes deep feelings can get lost in words. I don't want that to happen here today. And so I would like to share with you something that I feel very deeply: The world is not a lonely place. There is light and life and love enough for all of us. And I ask you, and all Americans, to reach out to join hands with me—and together we will seek it out.

Thank you very much.

GEN. CREIGHTON ABRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. MONTGOMERY) is recognized for 60 minutes.

Mr. MONTGOMERY. Mr. Speaker, I would like to join the ranks of my colleagues who have recently called attention to a significant event in our Nation's history. The passing of one of the most distinguished and dedicated military leaders, the Chief of Staff of the Army, Gen. Creighton W. Abrams.

I first heard of Creighton Abrams when my armored division was sent to the European theater during the latter part of the Second World War. His reputation as a tank battalion commander in the 4th Armored Division was known throughout the theater. At that time the 12th Armored Division of which I was a member was about to relieve the 4th Armored.

At the time I was a liaison officer for CCA of the 12th Armored and we had set up headquarters several miles behind the front lines in a large villa with a small road leading to the front of the building.

I heard a terrible commotion in front of our headquarters and I assumed the enemy had broken through with their tanks. It turned out to be the arrival of Creighton Abrams. This was the first time I had ever seen Lieutenant Colonel Abrams. He and his driver in a M-4 tank had come from the frontlines to our headquarters to work on the transition plans. Most commanders would have come in a jeep, but Abrams was not like most commanders so he arrived in a M-4 tank.

I recall the tank tore up part of the road and knocked down some of our communications equipment. Nobody in the headquarters criticized Lieutenant Colonel Abrams and when he left his tank knocked down the rest of our communications.

The next time I saw him he was General Abrams and it was 27 years later in South Vietnam after he became head of MACV. I reminded him of how we met in Germany and he only chuckled.

What is so amazing about General Abrams is that he could adjust from being a daring "attack the enemy" type of commander in Europe to one who had to be diplomatic at every turn in Vietnam. In effect he was having to fight the enemy with one hand tied behind his back. However, he did adapt and was outstanding in Southeast Asia.

A bountiful supply of articles, documents and eulogies have already attested to the greatness of this man and the respect in which he is held, but I am pleased to sponsor this special order in order to pay final homage to a superlative soldier—a man among men. He was a wonderful, rare man and in his years he accomplished so much for this Nation. To paraphrase President Kennedy's famous words,

> He never asked what his country could do for him, instead he dedicated his life to doing what he could for his country.

In the end, it matters little whether the rest of us appreciate or even fully understand dedicated leaders like General Abrams and there is very little we can do to add or detract from what they have been or are. But we all do know and fully realize that this Nation would not exist were it not for men like him and for this, even though we may not have all known him personally, we all owe him an immense debt of gratitude.

His exploits in three wars and 38 years of service are legendary and one could expand at great length on his personal courage and dynamic leadership, but I believe some of his greatest feats were his latest accomplishments. He planned and executed our phaseout from Vietnam and brought the Army home from this unpopular, highly criticized war. Home unfortunately to an unappreciative and in many cases hostile public.

The Army sorely needed inspiration and a rebuilding of their confidence and pride which had been so undeservedly undermined. General Abrams did just that. He was the bright shining beacon that led the Army out of the darkness and back into the light with pride, new spirit and a rekindled dedication. He accomplished this by setting the example, by initiating sound programs and by focusing the Army's attention on its most precious asset—its people.

It is true that everyone is saddened by his loss, but it is equally true that we are not diminished by it, for as all great leaders do, General Abrams left something of himself. He left the momentum of his energy; the force of his moral strength and commitment to right; the humanity of his warmth and compassion; the leavening of his sharp wit and good humor; and the example of his deep and sincere humility.

He leaves us all a rich legacy of achievement and he has surely pointed the way for the Army in years to come. There may have been people who did not like General Abrams, although I would doubt it, but I can assure you that there are none that didn't respect him.

Mr. SPEAKER. It is with great humbleness and respect that I ask my colleagues to join with me in paying tribute to this great soldier and man, Gen. Creighton W. Abrams.

I include at this point in the RECORD the official obituary released by the Army and the general order on the general's death:

SEPTEMBER 4, 1974.

GENERAL CREIGHTON W. ABRAMS, CHIEF OF STAFF, U.S. ARMY

At 0035 today, General Creighton W. Abrams, Chief of Staff, United States Army, who had recently been referred to by Secretary of Defense James R. Schlesinger as "an authentic national hero," died at Walter Reed Army Medical Center in Washington. The general re-entered the hospital for treatment of complications following earlier surgery to remove a cancerous left lung.

Born in Springfield, Massachusetts, General Abrams would have been sixty on September 15th. He had worn his country's uniform for over forty-two years, for four years as a cadet at West Point, and for thirty-eight years as an Army officer.

A veteran of three wars, General Abrams rose to the Army's highest leadership position because he was pre-eminently a leader and commander of troops, particularly in wartime. From platoon to corps, he commanded at every level—and finally served as Joint Commander of all U.S. Forces in Vietnam.

Commissioned in the Cavalry in 1936, General Abrams served initially with various cavalry and tank units of the 1st Cavalry Division and the 1st Armored Division. Joining the newly activated 4th Armored Division in 1941, he remained with the Division throughout World War II. As a battalion commander, and then combat command commander, he participated in every campaign the Division fought and became widely known as one of the Army's most aggressive and successful Armor commanders. It was Lieutenant Colonel Abrams, in a conference on the banks of the Moselle, who pointed east and remarked: "That is the shortest way home." It was a tank unit called Task Force "Abe" that led the thrust across the Moselle; it was a tank unit commanded by Abrams that broke the German encirclement at Bastogne. It was Abrams' unit that tore from Bitburg to the Rhine—including an attack of over forty miles in less than two days. Time and time again Abrams led the thrust across the German homeland and into Czechoslovakia, often at the head of the column. His World War II commander, General George S. Patton, Jr., once said: "I'm supposed to be the best tank commander in the Army but I have one peer—Abe Abrams. He's the world champion."

The 4th Armored Division is now inactive, but its former members still meet from time to time. To these men, General Abrams was always one of them. At a 4th Armored Division Association convention last year, General Abrams was introduced to the gathering as "the Chief of Staff of the United States Army, Colonel Abe!"

During the Korean War, General Abrams served successively as Chief of Staff of I, IX, and X Corps. He participated in the defense against the last major Communist offensives of the war. He remained to help set up I Corps as a key link in the United Nations Command organization.

Following his duty in Korea, General Abrams served for a period as Chief of Staff of the Armor Center at Fort Knox, Kentucky. Returning to Europe in 1959, he was assigned as Assistant Division Commander, 3d Armored Division, and later as Commanding General of the Division. After another tour in Washington and yet another in Europe, this time as a Corps Commander, he received his fourth star and was selected as the Army's Vice Chief of Staff.

In 1967, he became Deputy Commander of the U.S. Military Assistance Command, Vietnam; a year later, he was appointed its Commander. For the four years General Abrams commanded in Vietnam, it was his task to reduce direct U.S. military involvement and to transfer increasing defense responsibilities to Vietnamese forces, as they became capable of assuming them. By the time he left Vietnam in 1972, that job had been virtually completed.

After his extensive service in Vietnam, General Abrams was nominated to be Chief of Staff, United States Army, and was confirmed by the Senate on October 12, 1972. Since that day, General Abrams' principal challenge was to knit together an Army that had suffered the double trauma of rapid reduction in size and massive repositioning of forces, both occasioned by the end of U.S. military operations in Vietnam. To add to the challenge, it was during this same period that authority for induction ended, and the Army shifted to an all-volunteer footing.

The major themes in the Army during those two years were Abrams themes, as plain and strong as the man who established them: the readiness mission; rethinking the Army's role; and taking care of the soldier. The actions that flowed from this guidance increased the readiness and effectiveness of the Army dramatically. At the same time, morale improved and disciplinary problems subsided, responding to the firm hand at the top. Just prior to his being stricken by lung cancer, General Abrams had set in motion a program to increase markedly the Army's combat capability without increasing its total strength. It was to be done the Abrams way, by cutting out entire headquarters, by making other headquarters—including his own—much smaller, and by making every element in the Army count toward the overall mission.

Direct and plain-spoken, General Abrams liked being around soldiers and was approachable by soldiers of all ranks. He understood them, and they respected and admired him. He was equally respected by his civilian superiors and by Members of Congress. Secretary of the Army Howard H. Callaway referred to him as "our number one soldier." Senator John C. Stennis, Chairman of the Senate Armed Services Committee, made reference to General Abrams as "a real soldier . . . I always thought of him as having mud on his boots." Senator Sam Nunn, another member of the Armed Services Committee, referred to him as "a great soldier."

His military superiors also thought highly of General Abrams as he assumed positions of increasing responsibility. When Brigadier General Abrams was a young Assistant Division Commander in Europe in the early sixties, his Division Commander wrote: ". . . he has attained a rare balance between his natural characteristics of a colorful, decisive, driving commander and a calculating, canny, thorough planner. . . . He knows soldiers as few men do and has no peer . . . as an armored leader."

Abrams as Division Commander was, if anything, even more highly praised. According to his Corps Commander, ". . . he is the outstanding armor commander of his generation. . . . He is open, honest, frank, sincere, completely dedicated to the Army and the highest ideals of service. . . . He is tactful but firm."

Throughout his subsequent career, General Abrams was repeatedly evaluated in terms such as "unequalled," "without peer," "the best." That he became Chief of Staff of the Army surprised none of those officers under whom he served.

Preferring to remain as far from the public eye as possible, he was well-known to the public and sought by the media, largely as a result of his straightforward, candid way of conducting the public's military business.

General Abrams was a private person, by preference. He enjoyed listening to classical music at home, and just being with his family.

He tended to limit his public appearances and speech-making, but people liked to hear him talk. He had a modest, but well-polished, collection of stories, many of them autobiographical, at least in spirit. His favorite stories tended to hark back to earlier days, to the era when he played football at West Point and to his early cavalry days. The messages he brought to the military and civilian groups he talked to reflected the basic ideas he felt most strongly about: the safety of the Nation; the need for the Army to be ready, and the dreadful human costs of unpreparedness; the importance of simple integrity; and the need—the paramount need—of remembering the soldier and his immediate leaders, the people at the end of a long chain of command.

General Abrams is survived by his wife, the former Julia Harvey, and by their children: Noel (Mrs. William) Bradley, of Cheektowaga, New York; Creighton W., Jr., an Army Major, currently a student at the U.S. Army Command and General Staff College, Fort Leavenworth, Kansas; John N., an Army Captain, currently an instructor at the U.S. Military Academy at West Point; Jeanne, a student at Trinity College in Washington, D.C.; Elizabeth, who will enter her first year at Briarcliff College, Briarcliff Manor, New York; and Robert Bruce, who will be a freshman this year at Bishop Ireton High School, Alexandria, Virginia. General Abrams is also survived by a sister, Bette (Mrs. William L.) James, of Feeding Hills, Massachusetts.

Interment will be in Arlington National Cemetery.

GENERAL ORDERS NO. 32

HEADQUARTERS,
DEPARTMENT OF THE ARMY,
Washington, D.C., September 4, 1974.

The death of GENERAL CREIGHTON WILLIAMS ABRAMS, Chief of Staff, United States Army, which occurred on 4 September 1974 at 0035 hours is announced with deep regret. Throughout his brilliant military career, which spanned more than 38 years, GENERAL ABRAMS proved himself a leader of untiring zeal and outstanding merit. With his passing, the Nation has lost a faithful servant, and the Army a distinguished and dedicated leader.

GENERAL ABRAMS was born in Springfield, Massachusetts, on 15 September 1914. He graduated from Agawam High School, Massachusetts, in 1932, and from the United States Military Academy in 1936 where he was commissioned Second Lieutenant of Cavalry. He spent his first four years as a troop officer in the 1st Cavalry Division at Fort Bliss, Texas. In 1940, he was assigned to the 1st Armored Division, where he served several months as a tank company commander before assignment to the newly-formed 4th Armored Division. He served in the 4th Armored Division from its activation in 1941 until VE Day (1945) in positions of regimental adjutant, regimental executive officer, battalion commander, and combat command commander. He participated in all campaigns of the 4th Armored Division as a battalion or combat command commander, and was one of the best known and most respected combat commanders of the war.

Following VE Day, GENERAL ABRAMS was assigned to the War Department General Staff with duty as a member of a Board which was to determine Army Post-independence base requirements in the Philippines, and later with the Plans Section of the Army Ground Forces headquarters in Washington, D.C. From 1946 to 1948, he was Director of Tactics at the Armor School. Following this, he attended the Regular Course of the Command and General Staff College. In 1949, he returned to Europe and commanded the 63d Tank Battalion of the 1st Infantry Division and subsequently commanded the 2d Armored Cavalry Regiment.

Returning to the United States in 1953, he attended the Army War College and then was assigned to Korea, where he served successively as Chief of Staff of I Corps, X Corps, and IX Corps. He returned stateside in 1955 and was assigned as Chief of Staff of the Armor Center at Fort Knox.

GENERAL ABRAMS was promoted to Brigadier General in February 1956 and assigned as Deputy Assistant Chief of Staff for Reserve Components, General Staff, Department of the Army.

In 1959, he returned to Europe to be Assistant Division Commander, 3d Armored Division. In April 1960, he was assigned as Deputy Chief of Staff, Operations, United States Army, Europe; and in June 1960, he was promoted to Major General. He returned to the 3d Armored Division in October 1960 and commanded it until he returned to Washington in May 1962 for assignment as Assistant Deputy Chief of Staff for Military Operations (International Civil Affairs). On 23 July 1962, he was appointed as Director of Operations, Office of the Deputy Chief of Staff for Military Operations. On 15 October 1962, he assumed the duties of Assistant Deputy Chief of Staff for Military Operations (Requirements and Programs). In April 1963, he was appointed Deputy Assistant Chief of Staff for Force Development. He again returned to Europe and on 15 July 1963 became Commanding General of V Corps, and was promoted to Lieutenant General on 1 August 1963.

On 3 August 1964, General Abrams was appointed Acting Vice Chief of Staff, United States Army. He was promoted to General on 4 September 1964 and sworn in as Vice Chief of Staff, United States Army.

President Johnson announced General Abrams' assignment as Deputy Commander, United States Military Assistance Command, Vietnam on 6 April 1967. He became its Commander in July 1968.

On 12 October 1972, General Abrams was appointed as Chief of Staff, United States Army.

General Abrams received the following United States decorations and awards during his career: Distinguished Service Cross with Oak Leaf Cluster; Defense Distinguished Service Medal; Distinguished Service Medal with three Oak Leaf Clusters; Silver Star with one Oak Leaf Cluster; Legion of Merit with one Oak Leaf Cluster; Bronze Star Medal with Valor Device; Joint Service Commendation Medal; American Defense Service Medal; American Campaign Medal; European-African-Middle Eastern Medal with silver service star; Asiatic-Pacific Campaign Medal; World War II Victory Medal; Army of Occupation Medal; National Defense Service Medal with Oak Leaf Cluster; Korean Service Medal with bronze service star; Vietnam Service Medal with two silver and four bronze service stars; United Nations Service Medal; Presidential Unit Citation; and the General Staff Identification Badge.

General Abrams' foreign awards and citations include: French Legion of Honor, Chevalier; French Croix de Guerre with Palm; Great Britain Distinguished Service Order; 2nd Rank Order for Bravery in Service (Russia); Czechoslovakia War Cross; Republic of Korea Ulchi Distinguished Military Service

Medal with Gold Star; Korean Order of National Security Merit, 2nd Class; The Most Noble Order of the Crown of Thailand, First Class—Knight Grand Cross; Philippine Order of Sikatuna, Rank of Lakan; Korean Order of National Security Merit, 1st Class; The Most Exalted Order of the White Elephant, 1st Class—Knight Grand Cross (Thailand); National Order of Vietnam, 1st Class; Republic of Vietnam Gallantry Cross with Palm; Order of Military Merit, Taeguk (Korea); Vietnam Armed Forces Honor Medal, 1st Class; Vietnam Civil Actions Honor Medal, 1st Class; The First Class of the Order of the Rising Sun (Japan); National Order of the Legion of Honor, Rank of Commander (France); Philippine Liberation Ribbon; Republic of Vietnam Campaign Medal; French Fourragere; and Republic of Korea Presidential Unit Citation.

As a mark of respect to the memory of General Abrams, the National flag will be fllown at half-staff at all installations, activities and vessels of the Department of the Army in the District of Columbia and throughout the United States, its Territories and possessions, and overseas, from day of death until retreat on the day of interment.

Funeral services will be conducted at Fort Myer Memorial Chapel at 1100 hours on Friday, 6 September 1974. Interment will follow at Arlington National Cemetery. Commanders having personnel and capability will render cannon salute honors in accordance with paragraph 6–6, AR 600–25.

By Order of the Secretary of the Army:

Official:

FRED C. WEYAND,
General, U.S. Army, Vice Chief of Staff.

Official:

VERNE L. BOWERS,
Major General, U.S. Army, The Adjutant General.

Distribution: To be distributed in accordance with DA Form 12–4 requirements.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the distinguished gentleman from New York.

Mr. STRATTON. Mr. Speaker, I want to express my sadness at the untimely passing, during the recent congressional recess, of Gen. Creighton Abrams, U.S. Army Chief of Staff.

I knew General Abrams when he served as deputy commander in Vietnam and later as commander. I came to know him even better here in Washington after he became the Army's Chief of Staff. He was a tough, no-nonsense, down-to-earth officer, a real GI general, the best since General Eisenhower. He was a man of few words. But the Nation owes him a debt of gratitude far greater than most people are aware. And we can ill afford to lose his leadership and his counsel today.

General Abrams more than anyone else was responsible for our successful disengagement from Vietnam. He kept our forces safe and strong even as his numbers were being steadily whittled down. No American field commander ever had a tougher assignment. General Abrams carried it out with great skills and of course consummate success.

General Abrams also has proved to be a most valuable military leader in this day of diminished military budgets and volunteer forces. While others talked and debated he acted. He was responsible for cutting down on both numbers and overhead in the Army while at the same time generating more combat capability, more real military muscle. That is a skill in all too short supply today.

Mr. Speaker, the American people are indebted to General Abrams. We will miss him greatly and the American security establishment mourns the loss of this man of few words who was a performer and a doer par excellence.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman from New York for his fine remarks.

I am certainly glad that the gentleman pointed out that at the time General Abrams took over the Army as Chief of Staff, it had many problems, maybe as many problems as the Army has ever had, and he handled them in an outstanding manner.

I appreciate very much the gentleman's remarks.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from New York.

Mr. KEMP. Mr. Speaker, I appreciate the gentleman's yielding.

I wish to congratulate the gentleman for taking this time, along with the gentleman from New York (Mr. STRATTON), to focus attention on the great service to the United States and to the cause of world peace which was carried on and carried out by General Abrams.

As one Member who does not serve on the Committee on Armed Services, I want to speak on behalf of other Members of Congress who also might not be as closely allied with armed services activities but who nonetheless appreciate the tremendous service to his country by General Abrams.

Mr. Speaker, I would like to associate myself with the remarks made by my distinguished friend and colleague, the gentleman from Mississippi (Mr. MONTGOMERY), as well as those remarks made by the gentleman from New York (Mr. STRATTON), and those of others who are going to speak, because I for one believe General Abrams' dedication to the United States and to the cause of world peace is certainly unmatched.

Mr. Speaker, I certainly appreciate the gentleman's taking the leadership on this very important special order.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman from New York (Mr. KEMP) for his remarks.

I would like to say that I personally appreciate the gentleman's participating in the last two special orders that I have taken, the one of the missing in action, and now this one on General Abrams. I certainly appreciate the gentleman's contributions very much.

Mr. BENNETT. Mr. Speaker, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Florida.

Mr. BENNETT. Mr. Speaker, as one of the minority speakers just said, General Abrams was indeed a great military leader for our country, and a man who had a real impact on international peace as a result of that. I would not like to speak specifically in detail on that, but rather to speak about my gratitude for the fine testimony that he gave before our committee on many occasions. He was always a man who was responsive to the situation before us. He was thoughtful. He was candid. He never covered anything up. He went beyond the ordinary realm of requirements to see to it that we understood what the situation was. It is always very helpful to the members of the Committee on Armed Services to have a man like that appear before us.

Truly General Abrams was a man of great military ability, great character, tremendous ability in all fields, and I am happy to have this opportunity to pay tribute to him.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman from Florida (Mr. BENNETT) for his remarks. I would like to say to my colleagues that it is a pleasure and an honor to serve with the gentleman from Florida (Mr. BENNETT) on the Committee on Armed Services. The gentleman from Florida is a dedicated, sincere, conscientious and honest man. I thank the gentleman for his remarks, and I now yield to the gentleman from Georgia (Mr. FLYNT).

Mr. FLYNT. Mr. Speaker, I thank the gentleman from Mississippi first for yielding to me so that I may speak on his special order, but, second, I want to express my deep appreciation to the gentleman for taking the time today to pay tribute to a great American.

Mr. Speaker, I join with my colleagues in the House in paying tribute to the life and service of Gen. Creighton W. Abrams, late the Chief of Staff of the U.S. Army. During my military service prior to coming to Congress and during my service in this body since that time, I have known a dozen or more Army Chiefs of Staff. I felt closer to Abe than any of his predecessors, partly because I had known him longer, but more so because we were kindred spirits.

We were contemporaries. Within a few days' time in June 1936, he graduated from the U.S. Military Academy and was commissioned a second lieutenant of cavalry in the Regular Army, and I graduated from the University of Georgia and was commissioned a second lieutenant, Cavalry reserve.

During World War II, we both became a part of the armored force and served during training and combat of armored divisions. During World War II, I admired him as an outstanding armor commander and, like many of his comrades at arms, I believed that he was destined for very high command, including Chief of Staff. His accomplishments and exemplary service between the end of World War II and 1972 fully justified a long series of promotions and commands. His appointment as Chief of Staff of the Army came as no surprise to those of us who knew him.

From the time he entered the Military Academy until his death he was a highly motivated, extremely able, and dedicated soldier.

Since his confirmation as Army Chief of Staff I had an opportunity to renew an old friendship. In my capacity as a member of the Subcommittee on Defense Appropriations I have worked very closely with him. I watched his successful efforts during the transition from a conscript Army to an all-volunteer force. He successfully carried out a congressional mandate to reduce headquarters and headquarters elements and make the Army more combat-effective.

Last May when I learned of Abe's illness, my first thought was, "If anyone can lick this, Abe can," and I wrote to him to that effect when he was in the hospital the first time in May. It somehow seemed that a man of his determination and courage could not succumb even to so treacherous a disease.

Yet he did, and this country lost as fine a soldier and patriot as ever served in the Armed Forces of the United States of America. He was those adjectives that one applies to men of action: stalwart, courageous and brave. He also had virtues that one sometimes does not associate with generals who are better known for their exploits in the field: he was a good administrator and he was judicious in his relations with those under his command.

Mr. Speaker, the life of a great man has come to an end in the death of Gen. Creighton W. Abrams. The Nation has lost one of its finest military leaders, and I have lost a warm personal friend.

To Mrs. Abrams and their children, Mrs. Flynt and my family join me in extending our condolences and our heartfelt sympathy.

Mr. MONTGOMERY. I certainly thank the gentleman from Georgia for taking this time to make his remarks. There is no question that the gentleman probably knew General Abrams well and better than any Member in the House.

General Patton at one time, speaking of the courage of General Abrams, pointed out:

> I thought I was the best tank commander in the European Theater, but I believe *Colonel* Abe is the best.

I thank the gentleman from Georgia so much for participating.

Mr. Speaker, I now yield to the gentleman from California, (Mr. Bob Wilson).

Mr. BOB WILSON. Mr. Speaker, I congratulate my colleague, the gentleman from Mississippi, for calling our attention in this special order to the great attributes of General Abrams.

I had the privilege of knowing him, not as intimately as some of the other speakers, but professionally. I visited him when he was in Japan and Vietnam. My son-in-law, who is a Navy commander, was privileged to be on his intelligence staff and always had good remarks to make about him.

General Abrams was a soldier's soldier. He had a rough exterior but a warm heart and certainly knew how to command men and to command their respect primarily.

Mr. Speaker, I want to associate myself with the remarks of all those who have appeared today.

Mr. MONTGOMERY. Mr. Speaker, I should also like to thank the gentleman from California for participating in this special order. I should like to point out to my colleagues that the gentleman from California is one of the ranking members of the Committee on Armed Services and is fully familiar with the outstanding record that General Abrams has made.

Mr. Speaker, I now yield to the gentleman from Florida (Mr. Fuqua).

Mr. FUQUA. Mr. Speaker, I want to thank the gentleman from Mississippi for taking this time so that the Members can pay their respects to a great man.

Mr. Speaker, the passing of Army Chief of Staff Gen. Creighton Abrams removes from our midst one of the Nation's authentic heroes.

General Abrams was a soldier who did his duty. He suceeded to the command of U.S. forces in Vietnam in the latter stages of our involvement in that war-torn and unfortunate land.

His was not a pleasant task for a man trained for combat, a man who had a distinguished war record in previous conflicts. Yet, he did his duty.

I guess if there were one thing that one could say about General Abrams, it was that devotion to duty.

America has lost a good and faithful servant. As long as devotion, integrity, and bravery are revered, the name of Creighton Abrams will be remembered by his countrymen.

Mr. MONTGOMERY. I should like to thank the gentleman from Florida for his strong statement, and I appreciate his participating in the special order.

Mr. Speaker, I yield such time as he might require to the gentleman from Alabama (Mr. Nichols).

Mr. NICHOLS. Mr. Speaker, I thank the gentleman from Mississippi and I commend him for taking this special order to honor a very great and outstanding leader in the U.S. military.

I am pleased to have the opportunity to participate in this special order honoring Gen. Creighton W. Abrams, who was one of our greatest military leaders.

General Abrams was always an inspiration to me each time that I had the privilege of listening to his briefings concerning our posture in Southeast Asia. His briefings were concise and to the point, and when he had finished this Member of Congress felt that he had received the picture expressed from a soldier who understood war firsthand.

As an infantry lieutenant, I can recall General Abrams' outstanding record as a colonel in World War II as he directed his tank battalion against the forces of the German Army.

His commanding officer, General Patton, said he was the best tank commander he ever knew. I recall his kind attitude—more like that of a father than a general officer of the Army wearing four stars. He was truly a leader among his men and was highly respected by all who knew him. America shall miss his good counsel, his knowledge of command of American troops, and I wish to express my deepest sympathy to his widow, Mrs. Julia H. Abrams, and to his children, Mrs. Noel Bradley, Maj. Creighton W. Abrams, III, Capt. John Abrams, Elizabeth Abrams, Jeanne Abrams, Robert Bruce Abrams.

Mr. MONTGOMERY. Mr. Speaker, I certainly thank the gentleman for participating and also for pointing out the fine and lovable family of Gen. Creighton Abrams. Two of his sons have followed in the general's footsteps in the Army.

I might say the gentleman from Alabama is experienced in combat and he was in World War II when he was severely wounded in the theater of Europe.

Mr. ADDABBO. Mr. Speaker, I rise to join my colleagues in these remarks to commemorate the distinguished career of the late Gen. Creighton Abrams.

Those of us who have had the privilege of knowing General Abrams are aware of his leadership qualities both as a general and as a man. He served our country in periods of national and international stress never before experienced in our time—or indeed our Nation's history.

As a member of the Defense Appropriations Subcommittee, I was often critical of our Asian policies, but never found General Abrams' dedication in question. He was a giant among the military leaders of the world and we owe him a debt of appreciation.

I pay tribute to the memory of General Abrams in the knowledge that his life and career will be a benchmark in world military history.

Mr. MILLER. Mr. Speaker, I commend my friend and colleague Representative "Sonny" Montgomery for taking this special order today so that we might collectively pay our respects to the late Army Chief of Staff, Gen. Creighton Abrams.

I was deeply saddened to learn of the passing of this fine soldier and gentleman. Though his distinguished military service was recognized by many long before the conflict in Vietnam ever surfaced, it was not until he assumed the awesome task of carrying out the orderly withdrawal of U.S. forces from Vietnam that he came fully into view of the public. With the last American forces now out of Vietnam, it is obvious that Creighton Abrams carried out the orders of the Commander in Chief in the most professional manner. History will record that General Abrams served America well in both war and peace.

He will be remembered for having carried out a fragile transition in our history in a manner which assured the safety of Americans returning home and the ability of the South Vietnamese to defend themselves.

Creighton Abrams was a dedicated man who put the interests of his country first. As a result, we have all benefitted from his dedication. Generations to come will hold him in the same high esteem as that in which he is now regarded.

Mr. DORN. Mr. Speaker, the American people and the world community lost a great friend with the passing of Gen. Creighton Abrams. General Abrams manifested leadership and courage under extremely trying and difficult circumstances.

General Abrams was an inspiration to his officers and men, as well as all the American people, during the critical times of his service in Southeast Asia and especially during the disengagement as he brought about a successful stabilization.

General Abrams has the gratitude of America as supreme commander in Southeast Asia and later as Chief of Staff of the U.S. Army. His outstanding abilities, his dedication and love of peace, and his concern for those under his command, as well as his dedication and love for his fine family will long be remembered. The spirit and fight he showed in his final struggle was an extension of that same special spirit he exhibited throughout his distinguished career and life.

Gen. Creighton Abrams was a true American. I extend to Mrs. Abrams and the family my sincere sympathy and my prayers and want them to know we are indeed grateful to General Abrams for his contributions and service.

Mr. SIKES. Mr. Speaker, the Army and the Nation lost a brave and able leader, one of the most effective in the Nation's armed services, when Gen. Creighton Abrams died at Walter Reed Army Medical Center on September 4.

I have watched with admiration his distinguished career as he advanced from a tank commander during the heaviest of the World War II fighting in Europe to the post he last held, that of Army Chief of Staff.

General Abrams was a soldier without peer. Fearless in battle, unwavering in his belief in his Nation, and dauntless in his pursuit of freedom wherever it was threatened, General Abrams also was a kind and gentle man. He harbored deep religious convictions. He loved literature and poetry. He watched over his men, whether they were under his command in Europe; during the waning days of the Vietnam conflict; or from the Pentagon office where he ran the entire U.S. Army.

General Abrams hated war, and he knew the best way to prevent war was to be strong. He was an inspiration to men and women in every service in his determination to keep our Nation out of war through strength. But he never turned his back on a fight. His list of decorations is evidence that he was a battlefield commander as well as an outstanding administrator.

The Army he left is a better Army for his leadership. Morally, physically, and spiritually, it is a better Army than the one over which he assumed command. Much of his work will continue to be felt and will result in a better Army in the years ahead.

He brought us out of Vietnam without mishap. He took us into the all-volunteer Army concept without disruption. He helped to keep us strong despite the continuing efforts of those who would slash America's military security.

Creighton Abrams was a man among men. He was a good man and a good soldier. He was an outstanding American, and he was my friend. I shall miss him.

Mr. FREY. Mr. Speaker, I would like to congratulate the gentleman from Mississippi, the Honorable G. V. "SONNY" MONTGOMERY, for his initiative in taking a special order to honor the life and career of Gen. Creighton Abrams. General Abrams was a man that was greatly admired by all who knew him. He was a true "soldier's soldier" and had the respect of the enlisted men and officers who served with him for the many years he so honorably served this Nation.

I had the pleasure, together with Congressmen FLOWERS, HASTINGS, and MANN, to meet with General Abrams when he was commanding our forces in Vietnam. We had just returned from a helicopter trip to the field and were requested by an aide to stop by to see General Abrams. We were appreciative of the offer but felt he had enough to do and enough problems without trying to be polite to some visiting Congressmen. We relayed this information to the aide who said the General really did want to talk with us and find out from us what we saw back in the States. A brief 5 minute courtesy call turned into a several hour visit with a great interchange back and forth. In that short period of time, we were able to understand why General Abrams was so greatly admired and respected. There is no question of what he thought and why he thought it. He leaned back in his chair, puffing his cigar, and really leveled with us about what was going on. This visit and our chance to really get beneath the surface was a true insight into a great man.

We extend our sympathies to his family for his loss. Though he will be sorely missed, the principles that he believed in and lived for and the high standards he set will live on forever.

Mr. MINSHALL of Ohio. Mr. Speaker, it is said that old soldiers never die, they just fade away. Gen. Creighton Abrams has died, but his effect on this country will never fade away.

As tank commander during World War II, he led his troops into fierce combat in Europe. The story of how he relieved the 101st Airborne Division at Bastogne will excite young people's imaginations for many years to come.

After the war General Abrams was asked to fill a new role as commander of Federal troops sent to deal with racial confrontations in the South. Such a role called for sensitivity and social awareness, attributes quite different from those associated with the gruff and forceful commander of World War II. His performance was admirable.

Most notable were his accomplishments as Vietnam field commander and as Army Chief of Staff. Called by President Johnson to oversee the half-war, General Abrams displayed deftness and diplomacy in translating the theory of "Vietnamization" into fact. As Army Chief of Staff, he streamlined the Pentagon bureaucracy, modernized the reserve forces and created a solid base for the Volunteer Army.

The scope of the man is what always impressed me. His interests varied from classical music to war strategy. He was a student of fine wines as well as of weaponry. I can well remember the interesting as well as amusing colloquies we had over issues before the Department of Defense Appropriations Subcommittee. Asked if the 45-caliber pistol was an accurate weapon, General Abrams replied:

> It is a very effective weapon if you are in a crowded elevator.

During the funeral services I found it hard to accept the fact that such an active, vital man had left us. My only consolation was that Gen. Creighton Abrams has left his fellow Americans, both old and young alike, a living legacy in his love and defense of his country.

Mr. MAHON. Mr. Speaker, I rise today to join in paying tribute to a distinguished American soldier, the late Gen. Creighton W. Abrams. His military career spanned a turbulent and exciting period in American life. I counted myself as fortunate in having known and worked with General Abrams during the past several years. He was not a flashy soldier. He did not seek fame or covet publicity. In his own quiet and unpretentious way, he simply did his job and did it effectively.

General Abrams was truly the Army's man for all seasons. He was commissioned in the horse cavalry when he graduated from West Point in 1936. As a young tank batallion commander in World War II, he earned the respect of his men and gained the reputation of being a tough, unyielding combat soldier. In Vietnam, he took over command of 546,000 men only 7 months after the Tet offensive in January of 1968. He met that test with distinction—wearing down the enemy and turning over the war to the Vietnamese without suffering a single major defeat.

In 1972 General Abrams returned home to assume command of an Army seriously demoralized by the long Vietnam struggle. One measure of his success is found in the fact that in December of 1972, only 4 of the Army's 13 combat divisions were considered as combat ready. Today all 13 are rated as combat ready.

General Abrams' untimely death 2 weeks ago cut short his life's work. President Ford called this quiet soldier an American hero in the best tradition.

We are all saddened by the loss of General Abrams, and we all will miss him. Mrs. Mahon and I extend our sincere condolences to his wife, Judie, and his children.

Mr. CONTE. Mr. Speaker, I thank the gentleman from Mississippi (Mr. MONTGOMERY) for arranging for this special order so that Members might honor the memory of Gen. Creighton Abrams, Jr.

Although I have already taken to this floor to eulogize the late General Abrams, I am proud to once again express my feelings along with my colleagues.

His life and career were of particular interest to me for I represent the town of Agawam, Mass., where Creighton Abrams grew up—where his talents in the areas of academics, athletics, and leadership were nurtured. While attending Agawam High School, he served as captain and center of the school's championship football team, he was editor of the school newspaper and president and orator of his graduating class.

He matriculated at the U.S. Military Academy and his career following graduation is well known. He served heroically during World War II as commander of the 37th Tank Battalion particularly distinguishing himself at the Battle of the Bulge.

There is no doubt that the job he undertook succeeding Gen. William Westmoreland as the top field commander of U.S. Forces in Vietnam was a difficult one. He performed his duty in that position with dedication.

This same dedication he applied to his most recent assignment—directing the transition from a conscription to an all-volunteer Army.

Once again, I offer at this time my sincere condolences to Mrs. Abrams and the Abrams family on the passing of Gen. Creighton Abrams, Jr.

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and public service of the late Gen. Creighton Abrams.

The **SPEAKER** pro tempore (Mr. Hanley). Is there objection to the request of the gentleman from Mississippi?

There was no objection.

FEDERAL SPENDING SHOULD BE LIMITED TO $295 BILLION DURING THIS FISCAL YEAR

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Kemp) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, I have today introduced a bill, H.R. 16714, to authorize the President to reduce Federal expenditures for fiscal year 1975 to $295 billion. I have been joined in this effort by distinguished colleagues on both sides of the aisle who like me believe that cutting the cost of Government is the most effective way of cutting the cost of living. Members who have joined in this anti-inflation move include Mr. Aspin, Mr. Gross, Mr. Teague, Mr. Rousselot, Mr. Bob Wilson, Mr. Bauman, Mr. Lagomarsino, Mr. Fuqua, and Mr. Flynt. And I invite all my colleagues interested in striking a blow for economy to join us in this bipartisan effort. This bill would constitute a reduction of $10 billion from the request made by the former President last January; even more from what some observers now forecast the congressionally approved appropriations to be by the time we adjourn.

There is developing a broad consensus that continued deficit spending by the Federal Government is the primary—though not sole—cause of the current inflation and that the most important anti-inflationary step which can be taken by that Government is to make a substantial cut in expenditures projected for fiscal year 1975.

Government is living beyond its means. So much so, that it has added $110 billion to the public debt since 1969, a debt which now stands at almost half a trillion—$500 billion. The consequences of this reckless policy of spending money which it does not have—of mortgaging the future—have been dire.

Two things principally occur when government runs sustained, large deficits: Inflation and inadequate capital investment.

One—inadequate capital investment—robs the Nation of its productivity; the other—inflation—robs those who remain employed of the real purchasing power of their dollars. Both seriously erode the people's confidence in their economic future, and recessions and worse can flow from such a lack of confidence.

When Government spends that which it does not have, it does two things to obtain funds with which to pay its bills.

Just like you and me, it goes out and borrows funds on the open market. It goes to a financial institution—a bank, an insurance company—and it borrows money—money which must be paid back over a stated time and at an established rate of interest.

When Government borrows large amounts of money from the open market, it deprives the private sector of the capital funds requisite to obtaining loans itself. The building and renovation of plants stops or slows; outmoded equipment cannot be replaced; higher priced inventory is harder to obtain. This results in either laying off employees or not hiring additional ones—jobs are the victim.

It also results in shortages, and we have had over 600 goods in scarce supply during the past 3 years, ranging from beef to copper.

It means a slump in national productivity which has serious recessionary implications.

It means we lose part of our edge—our place—in competing on world markets, and, as that occurs, our balance of payments weakens.

All of this flows, in great measure, from Government taking available funds out of the capital market and using them to cover government's deficits.

Another way—the second way—in which Government covers its deficits—one not available to you or me—is the printing of more money. Government realizes, for a variety of reasons, that it cannot borrow all the billions it needs to cover deficits from the open market. The remainder is simply covered by printing more money; that is called monetizing the debt. It is simple enough, but the consequences hit all of us—inflation.

When you and I hold money worth a certain amount, and then the Government prints more money behind which there is no increase in either precious metals or productivity, then that money we hold is worth less. It takes more of it today to buy what we could have bought yesterday. Instead of it taking $100—like last year—to buy a widget, if inflation is 10.4 percent, as it was in fiscal year 1974, then it now costs us $110.40 to buy the same thing. If a business or an individual has not had an increase in profits or wages, respectively, it or he suffers by cutting back on consumption, and that too has recessionary effects. All of this flows from deficit spending.

The answer is clear: Deal with the root cause—inflation arising from too much Government spending—of our various economic problems. That will be far better than trying to deal with the elusive day-to-day results of those problems.

When one comes to grips with inflation, one takes the greatest step possible in stabilizing wages and prices, eliminating shortages, reducing the costs of Government, lowering interest rates, and stimulating production and jobs.

The answer to controlling inflation, as I have indicated, is clear: Stop excessive Government spending and deficit financing. When you have the President, the Congress, and the people—Republicans, Democrats, independents, and otherwise—conservatives and liberals—traditionalists and libertarians—wealthy and poor and middle class—all in agreement on an issue, you are really working with a serious issue. And, that is the case today with respect to inflation.

All of us—no matter what our attitudes on what Government ought to do to provide services—are affected—detrimentally—by inflation. It is time we looked after the long-term economic health of the Nation, instead of capitulating to every "give me, give me, give me" demand upon the Treasury.

There are a number of ways in which Congress can help cut Federal spending. I have been part and parcel of every one of them, and I have proposed several important additional means in addition.

The first thing we can do is to cut individual authorization and appropriations bills as they come from the various committees to the House floor for consideration. By cutting some here, other there, we help to reduce the overall size of the budget—and help to eliminate the size of the deficit. I recently reviewed my voting record of last year—1973—93d Congress, 1st session. I was pleased to see that I had voted for $15.869 billion in cuts from appropriations and authorization bills, including cuts in foreign aid and farm subsidies, and my vote against the proposed congressional pay raise. This year, I have continued to vote for similar reductions, including reductions in defense spending and aid to South Vietnam substantially lower than Administration budget requests. When one aims to control spending, this simply must be done—cutting the fat out of programs, without jeopardizing their basic capabilities to function.

Another thing we can do is to insist that the newly created committees on the budget—created by the Budget Reform Act passed this year—establish priorities among the various Federal programs, funding only those which are essential, not rewarding those which have not worked by offering them still another year to try to work again. Government must develop a mechanism to stop funding programs which do not work. Only when we establish priorities among programs will the wheat be separated from the chaff. We ought to also insist, among ourselves, that no new programs be funded, unless they have been both tried and proved successful on an experimental basis first.

We should insist—by requirement of law and the rules—that every bill and resolution introduced show on its face—on the first page—exactly how much it would cost the taxpayers, if it were enacted. This should apply to all bills and resolutions coming from committees, too. I have introduced a bill—the House companion to Senator WILLIAM PROXMIRE's bill—to require this. It is also a requirement of my proposed Fiscal Integrity Act.

We have it within our power to prohibit deficit financing. If this cannot be done through cutting enough individual appropriations bills to assure that total spending will not exceed revenue, then some device—some statutory mechanism—has to be found. The Emergency Anti-Inflation Act, which I have cosponsored, would do that. So, too, would the proposed constitutional amendment set forth in my resolution, House Joint Resolution 816. And, so too, would the Fiscal Integrity Act which now has 32 cosponsors.

We also have it within our power to place a limitation on revenue. I have long felt that one of the reasons government spending continued to grow was that efforts to limit it were not directed at the real problem—the level of income received by the government. When government knows it is getting—or can get—a certain amount of income from the people in the form of taxes, then its spending rises to meet that income. We must never forget that we could double the present level of spending and never run a deficit in the process, if taxes were increased accordingly. Of course, freedom would be lost in the process. That is why the most effective way to reduce costs is to establish a limit on income, on revenue. The Fiscal Integrity Act proposes that be done as a percentage of Federal expenditures in relation to aggregate national income. That way, if the economy continued to grow, so too could the number of actual dollars received by the Government, but not as a greater percentage of the people's income. This would be an effective way to limit spending, control inflation, and arrest the growth of government in relation to our lives.

Congress has made cuts in the forthcoming fiscal year's appropriations, but there is great danger that the funds they cut from some programs will be added to others, giving us a total not too different from that which the former administration requested. In other words, priorities may have been changed, but the level of spending will remain about the same—too high.

LIMIT SPENDING TO $295 BILLION

If, for whatever reason, Congress will not cut the spending by the $10 billion needed, then we ought to give the President the authority to do it. Responsibility for cutting spending ought to be a joint one; that is the only way in which to prevent either the Executive or the Congress from passing the responsibility on to the other branch. But, if Congress cannot restrain spending, we ought to allow the President to do it. That was tried by the route of impoundment, but various court cases have shown the questionable validity of using that device, for it has no clear constitutional precedent. Impoundment has been construed by some courts to be an after-the-signing veto, and, therefore, invalid.

We must, therefore, give the President such authority by statute, by force of law. This bill which I have introduced today would do so. The bill was first introduced in the Senate by Senator JAMES L. BUCKLEY of New York and 10 cosponsors. Perhaps, the fact that only 11 men out of 100 cosponsored the measure indicates why authority ought to be given to the President to limit spending to $295 billion.

The bill would give the President authority to hold Federal expenditures for fiscal year 1975 to $295 billion, provided:

First, that expenditures for any given program will not be reduced by more than 15 percent below budgeted requests; and,

Second, expenditures will not be reduced for any program funded by an appropriation bill the total expenditures of which are at 95 percent or less of budget requests, except after 30 days written notice to each House of the Congress, identifying the program where such further reductions are intended to be made, and detailing the reasons therefor. In such event, either House of the Congress may disallow or modify the proposed reduction by a majority vote of its Members.

The effect of this bill will be to reserve to the Congress the right to determine where the necessary cuts are to be made with respect to programs covered by those appropriation bills where a special effort was made to achieve anti-inflationary reductions in spending. In other words, the President would not be allowed to substitute his judgment for that of the Congress where the amount of a given appropriation bill reflects a 5-percent cut or more over anticipated spending.

The Nation—the Government—the people—need this legislation, and I urge my colleagues to act quickly upon it. If we truly intend to do something more than talk about cutting spending—if we truly intend to cut it—then this bill gives us a vehicle on which to carry out that commitment.

RODINO OUTLINES HIS CONGRESSIONAL ACTIVITIES ON MAJOR ISSUES OF CITIZEN CONCERN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 10 minutes.

Mr. RODINO. Mr. Speaker, there have been few times in history when Congress has faced such tests as in 1974. The crisis in our Government leadership consumed much of my time for 10 months, for as chairman of the House Judiciary Committee I was responsible for conducting the impeachment inquiry of former President Nixon. Our committee report recommending impeachment articles—and particularly its unanimous vote on article I charging obstruction of justice and the 28 to 10 vote on article II citing abuse of power—was accepted by the full House. Thus we provided clear evidence for history of the case for impeachment and the House fulfilled its grave constitutional duty. With President Ford's subsequent grant of pardon, the committee's findings were reaffirmed.

Meanwhile, the American people and Congress struggled with critical problems that may force changes in their life, and I want to report on some of the major challenges and legislative actions I have taken to cope with them.

ECONOMY, INFLATION, AND UNEMPLOYMENT

The economic crisis is clearly the number one concern of all citizens. American consumers are suffering from the worst inflation in 25 years and unemployment continues to rise.

As chairman of the Monopolies Subcommittee, I have taken a number of steps to assure competition and protect consumers from monopolistic practices that cause higher prices. Last year I held hearings on the food industry and I recently asked the General Accounting Office to undertake a review of food industry practices and pricing. I have supported Government moves to prevent ownership of meatpacking and cattle raising operations by one firm. I have also sponsored legislation, now nearing final action, to more strictly regulate the commodities market where grains, meat, plywood, lumber, and other products that have a direct impact on consumer prices are bought and sold. I have protested Agriculture Department actions that could limit meat imports and opposed a proposed merger between Mobil Oil and Marcor Corp.—Montgomery Ward chain—that could affect not only oil costs but oil supplies. I have warned against the effort of Textron to take over Lockheed Aircraft. Such action could mean loss of subcontracts for small business in New Jersey—particularly in plastics, ceramics, the electrical and electronic areas.

Another most important action is my sponsorship of the Consumer Protection Act. This legislation would set up an independent Consumer Protection Agency to represent consumers before Federal agencies and the courts. Through the CPA the consumer would have an advocate to stand up for his rights and give him the fair bargaining position he now lacks. This long needed bill—the culmination of 10 years of effort—passed the House overwhelmingly and is now awaiting Senate action.

The forthcoming summit conference on the economy may yield some consensus of steps to be taken in the near future. But I am convinced we also need to deal with inflation, high interest rates and unemployment on a longer range basis. We could again face an energy crisis and all indications are that prices for oil, food, and essential resources will not go down. Therefore I have sponsored a bill to create a National Commission on the Economy to undertake a thorough review of our economic policies. This 2-year temporary Commission would focus on prices, high unemployment, and commodity shortages, and recommend actions to remedy ineffective institutions and policies.

Unemployment is beyond doubt a major concern to residents of the 10th District—in July, the national average was 5.6 percent, but for the Newark area the rate was at a shocking 7 percent. One important measure I have sponsored would authorize 900,000 public service jobs to help stricken communities such as ours. The bill would allow hiring of unemployed and underemployed to work in public service areas—health, neighborhood upkeep, recreation, education, environmental control, transportation, law enforcement, and urban renewal. Also designed to reduce unemployment and slow inflation is a bill I introduced that established the policy that all Americans able and willing to work should have the opportunity. It provides that every 6 months Congress would act on a report submitted by the President outlining steps necessary for full employment, and would create a U.S. Full Employment Service to see that every eligible person is provided with a suitable job, using public service employment until permanent jobs can be found. In addition to legislation to attack unemployment, I have taken specific actions such as my effort to obtain aid for the 4,500 workers left jobless by RCA's Woodbridge plant shutdown and the 2,500 RCA employees at the Harrison plant threatened with unemployment.

We are all feeling the pinch of inflation in making ends meet, but for the elderly their time of retirement is a nightmare. For many, even the basic necessities are no longer available. To help assure that increases in social security are truly adequate, I have introduced a bill to establish a new consumer price index for the elderly. Certainly the present index for wage earners and clerical workers does not properly reflect the spending *needs of* aged people living on fixed incomes. Rising housing costs present a terrible threat to our elderly, so I was particularly pleased that finally we recently received authority to construct a new 206-unit housing project in Newark for senior citizens that I have been supporting for 6 years.

CRIME CONTROL

Another grave problem for New Jersey's 10th District is crime. As long as crime is causing violence and breeding fear, we cannot let up in our flight. The Law Enforcement Assistance Administration, created by legislation of which I was an original sponsor, has been helpful to our area through generous funding. We have received for the fight against crime: $200,000 for use of the Essex County Prosecutor's Office to carry on the vital work of the organized crime strike forces; $95,000 for two Newark projects to reduce violent crime such as homicide, rape and robbery; under the State Law Enforcement Planning Agency, funded by LEAA, East Orange received $75,000 for the city's Youth Service Bureau and $30,000 for the East Orange Home for Boys.

While great progress has been made in reducing the aggravated assault cases and robberies in Newark, figures for murder, nonnegligent manslaughter and forcible rape all showed slight increases last year. For this reason, I have urged Attorney General Saxbe to name Newark as one of 10 cities he has decided will benefit from a new program targeted at reducing "career crime" by repeat offenders.

Statistics show that drugs and their abuse encourage high levels of crime. The agreement by Turkey to end opium poppy farming in 1972, resulting from legislation I introduced, brought a reduction in heroin available in our city streets. I was alarmed by Turkey's decision this year to resume poppy farming and immediately called for a cutoff in U.S. aid to discourage this action. A resolution to this effect has passed the House, and I have also written Turkey's ambassador and discussed the situation at length with our Ambassador to Turkey. The situation is not resolved, and I will not cease my efforts to prevent a renewed flow of deadly drugs into Newark, East Orange, Harrison and Glen Ridge.

Mr. Speaker, I intend to continue to work on these and other urgent problems as we move into the final weeks of this session. Action is needed now to help solve the serious problems facing the nation and to help restore the confidence of the American people in their government and its responsiveness to their needs.

INTRODUCTION OF LEGISLATION TO EXEMPT NEWSPAPERS AND CAMPAIGN LITERATURE FROM TITLE 18, UNITED STATES CODE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. DOMINICK V. DANIELS) is recognized for 5 minutes.

Mr. DOMINICK V. DANIELS. Mr. Speaker, many Americans who find their morning newspaper on the lawn or somewhere other than in their mailbox or on the rack below are unaware that their faithful newsboy or girl is law-abiding and not careless. Title 18 of the United States Code provides criminal penalties for anyone who inserts anything not bearing a stamp in a mailbox. In other words, even though it is your mailbox, Uncle Sam determines what goes in it and what does not.

Mr. Speaker, I have introduced a bill today to permit two exceptions to the prohibitions contained in section 1725 of title 18. First, I propose to exempt daily and weekly newspapers from this law. Clearly, if a homeowner subscribes to a newspaper he does not want it merely dumped adjacent to his property. If he has a mailbox and the box is enough for his daily or weekly newspaper there is no reason why it cannot be inserted in the box or if there is a rack below on this rack.

Second, during this political season it seems to me that with all the emphasis upon cutting campaign costs, there is no reason why we ought not to let campaign workers energetic enough to distribute literature door-to-door deposit their material in mailboxes. Surely this will enable more candidates to get their message across to the voters at a lower cost.

My bill is a most uncomplex one and I think its passage would be of benefit to all Americans.

THE PLIGHT OF THE COMMERCIAL FISHERMEN

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the commercial fishermen, among other segments of the economy, are confronted with serious problems for survival. In fact, the economic state of the commercial fishermen is more critical than that of most industries. Shrimpers appears to be hardest hit. Costs for fuel, ice, maintenance, parts, and equipment have almost doubled since 1973. Labor costs also have increased significantly. At the same time the price the fishermen are receiving for their product has dropped, by conservative estimates, as much as 50 percent in some instances. This situation is complicated by the fact that the retail price to the shoppers in the market has changed but little. High charges imposed by middlemen, shippers, and retailers have kept prices to consumers at a high level and this has interfered with sales. Consequently, fishermen in general are working at a loss and finding it extremely difficult to stay in business. Compounding the problem further are increased imports of foreign seafood, particularly shrimp, and an oversupply of domestic shrimp in cold storage.

A number of solutions have been proposed. The administration has not taken a position toward helping solve this problem, but steps for relief are under consideration in the various Federal agencies. The most promising of these is the Small Business Administration. This agency, one of the most effective in helping local businessmen, is limited in the authority which they have to deal with commercial fishermen. Efforts are being made to change this situation or to take advantage of other special loan programs such as those for disaster areas so that fishermen will be eligible for direct loans at low-interest rates.

There are funds available in reserve known as S–K funds which Florida seafood and other commercial interests feel should be released to pay for a marketing program to encourage greater consumption of seafood. Both the Office of Management and Budget and the National Oceanic and Atmospheric Administration appear sympathetic and are working toward a release of these funds.

Probably the most effective approach for commercial fishermen and other industries which are adversely affected in today's economy would be Government-guaranteed loans at low-interest rates. This probably would require new legislation and it is hoped the administration will recognize the need for early action in this area.

Very obviously it is time for action to relieve the Nation's economic problems. There has been talk, but actually little has been accomplished. More and more people are asking how it is that our Government can make or guarantee loans to foreign nations at very low-interest rates in the various foreign aid or trade programs, but appears reluctant to take positive action now which is seriously needed in American business and industrial circles.

VETERANS' EDUCATION LEGISLATION

(Mr. HAMMERSCHMIDT asked and was given permission to extend his remarks at this point in the Record.)

Mr. HAMMERSCHMIDT. Mr. Speaker, on August 22, this body approved a veterans' education bill, H.R. 12628, authorizing a 23-percent increase in monthly payments to veterans and eligible dependents attending school under the GI bill. In the case of the unmarried veteran attending school full time, this measure would increase the current $220 monthly allowance to $270, a $50 monthly increase at a first year additional cost of $767.1 million.

The other body has not yet acted upon this measure. Mr. Speaker, there has already been too long a delay in completing action on this well-deserved increase in monthly payments. Each day of further delay denies the student veterans and dependents an additional $2.1 million in sorely needed increased benefits.

The House of Representatives first approved this bill on February 19 of this year, authorizing an increase in monthly payments from $220 to $250, as well as a 2-year extension of the 8-year period during which educational benefits must be used. The first year cost of this measure was $1.1 billion.

The other body waited until June 19 to act upon the bill and then increased substantially the provisions of the House passed bill. The Senate passed measure increased the monthly allowances to $260, a $40 monthly increase; provided a tuition supplement up to $720 per year; authorized a $2,000-per-year student loan program and granted an additional 9 months of educational entitlement above the 36 months authorized by current law. This measure had a first year price tag of $2.1 billion.

Because of the excessive delay in the other body, it became necessary to enact the 2-year extension of the 8-year "delimiting" date as a separate measure in order to protect the rights of thousands of veterans who were facing the expiration of the 8-year period. The first year cost of this measure, approved by the President as Public Law 93-337, was estimated at $618.5 million, thus reducing the cost of H.R. 12628 by a similar amount.

In the ensuing House and Senate conference to resolve the differences in the bill, it was agreed to authorize a $270 monthly allowance; to provide a $1,000 annual student loan program and to authorize the 9-month additional educational entitlement. The first year cost of the measure approved by the conferees was $1.44 billion reduced of course, by the $618 million cost of the already enacted Public Law 93-337.

The conference report bill passed the Senate on August 20, but was rejected in the House on a point of order that the provisions of the compromise bill exceeded the monthly increases set forth in either House or Senate versions of the Bill.

In a last-ditch effort to have an educational benefits increase approved prior to the beginning of the fall term of school, the House immediately, after the rejection of the conference report, passed the measure that now awaits Senate action. As I indicated earlier, this measure authorizes a $50 increase in monthly payments and each day of delay costs the Nation's veterans and dependents who are attending school an additional $2.1 million.

There has been enough delay in enacting this measure into law. I would strongly urge the other body to promptly approve this measure that is both responsible to the Nation's taxpayers and responsive to the needs of veterans pursuing programs of education.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Mann (at the request of Mr. O'Neill), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. McCollister) to revise and extend their remarks and include extraneous material:)

Mr. Kemp, for 15 minutes, today.

(The following Members (at the request of Mr. John L. Burton) to revise and extend their remarks and include extraneous material:)

Mr. Addabbo, for 5 minutes, today.

Mr. Rodino, for 10 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Dominick V. Daniels, for 5 minutes, today.

Mr. Patten, for 30 minutes, September 25, 1974.

(The following Members (at the request of Mr. Fuqua) to revise and extend their remarks and include extraneous material:)

Mr. Bingham, for 5 minutes, today.

Mr. Flood, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Bob Wilson, to revise and extend his remarks during general debate on H.R. 16371, the solar energy bill.

(The following Members (at the request of Mr. McCollister) and to include extraneous matter:)

Mr. Frey.

Mr. Conlan in five instances.

Mr. Kemp in two instances.

Mr. Derwinski in four instances.

Mr. Zwach in two instances.

Mrs. Heckler of Massachusetts.

Mr. Forsythe in four instances.

Mr. Peyser.

Mr. Winn.

Mr. Conable.

Mr. Gubser.

Mr. Ashbrook in five instances.

Mr. Landgrebe.

Mr. Young of Illinois in three instances

Mr. Wyman in two instances.

Mr. Michel.

Mr. Huber in three instances.

Mr. Crane in two instances.

Mr. Bray in two instances.

(The following Members (at the request of Mr. John L. Burton) and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Rarick in three instances.

Mr. Anderson of California in two instances.

Mr. Ford in two instances.

Mr. Bergland.

Mr. Vander Veen.

Mr. Brademas in six instances.

Mr. Vanik in two instances.

Mr. Matsunaga.

Mr. Gaydos.

Mr. John L. Burton.

Mr. Long of Maryland.

Mr. Evins of Tennessee.

Mr. O'Hara.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of Representatives of the following title, which was thereupon signed by the Speaker:

H.R.10626. An act to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands in Florida to John Carter and Martha B. Carter.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3270. An act to amend the Defense Production Act of 1950 and to establish a National Commission on Supplies and Shortages Act of 1974.

ADJOURNMENT

Mr. FUQUA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 14 minutes p.m.), the House adjourned until tomorrow, Thursday, September 19, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2766. A letter from the Chairman, Cost Accounting Standards Board, transmitting a proposed new cost accounting standard entitled "Part 408—Accounting for Costs of Compensated Personal Absence," pursuant to section 719(h)(3) of the Defense Production Act of 1950, as amended by Public Law 91-379; to the Committee on Banking and Currency.

2767. A letter from the Secretary of Health, Education, and Welfare, transmitting a report of program activity for 1972 for regional medical programs, community health service, comprehensive health planning, National Center for Health Services Research and Development, and National Center for Health Statistics, pursuant to section 310B of Public Law 91-515; to the Committee on Interstate and Foreign Commerce.

2768. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended (8 U.S.C. 1154(d)); to the Committee on the Judiciary.

2769. A letter from the Assistant Administrator for Planning and Management, U.S. Environmental Protection Agency, transmitting a report on the number of employees in each general schedule grade employed by the Agency on June 30, 1973, and on June 30, 1974, pursuant to section 1310 of the Supplemental Appropriation Act of 1952; to the Committee on Post Office and Civil Service.

2770. A letter from the Secretary of Transportation, transmitting an assessment of the feasibility of developing a national scenic highway system, pursuant to section 134(a) of the Federal-Aid Highway Act of 1973; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LONG of Louisiana: Committee on Rules, House Resolution 1373. Resolution providing for the consideration of H.R. 16371. A bill to further the conduct of research, development, and demonstrations in solar energy technologies, to establish a solar energy coordination and management project, to provide for scientific and technical training in solar energy, to establish a Solar Energy Research Institute, to provide for the development of suitable incentives to assure the rapid commercial utilization of solar energy, and for other purposes. (Rept. No. 93–1362). Ordered to be printed.

Mr. MAHON: Committee of conference. Conference report on H.R. 16243. (Rept. No. 93–1363). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 16706. A bill to amend section 403(b) of the Federal Aviation Act of 1958 to require reduced-rate transportation for certain disabled veterans of the Armed Forces of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. BOLAND:

H.R. 16707. A bill to amend the Comprehensive Employment and Training Act of 1973 to provide additional jobs for unemployed persons through programs of public service employment; to the Committee on Education and Labor.

By Mr. BROOMFIELD (for himself, Mr. Brown of Michigan, Mr. Cederberg, Mr. Esch, Mr. Huber, Mr. Hutchinson, Mr. Ruppe, and Mr. Vander Jagt):

H.R. 16708. A bill to name a Postal Service and Federal Office Building in Lansing, Mich., the "Charles E. Chamberlain Federal Building"; to the Committee on Public Works.

By Mr. CAMP:

H.R. 16709. A bill to extend for 2 years the authorization for the striking of medals in commemoration of Jim Thorpe; to the Committee on Banking and Currency.

By Mr. CARTER:

H.R. 16710. A bill to direct the Secretary of Health, Education, and Welfare to make requests for appropriations for programs respecting a specific disease or category of diseases on the basis of the relative mortality and morbidity rates of the disease or category of diseases and its relative impact on the health of persons in the United States and on the economy; to the Committee on Interstate and Foreign Commerce.

By Mr. CEDERBERG:

H.R. 16711. A bill to amend the Internal Revenue Code of 1954 to deny an exemption from tax to any otherwise tax exempt organization which discriminates in certain cases against blind individuals; to the Committee on Ways and Means.

By Mr. DOMINICK V. DANIELS:

H.R. 16712. A bill to amend title 16, United States Code, to permit the deposit of newspapers and political campaign literature in letter boxes without the payment of postage; to the Committee on the Judiciary.

By Mr. GUNTER (for himself, Mr. Talcott, Mr. Helstoski, Mr. Sarbanes, and Mr. Mollohan):

H.R. 16713. A bill making a supplemental appropriation for the Department of Health, Education, and Welfare for the fiscal year ending June 30, 1975, to provide funds to conduct a study of the effects of the red tide on human health; to the Committee on Appropriations.

By Mr. KEMP (for himself, Mr. Aspin, Mr. Gross, Mr. Teague, Mr. Rousselot, Mr. Bob Wilson, Mr. Bauman, Mr. Lagomarsino, Mr. Fuqua, and Mr. Flynt):

H.R. 16714. A bill to authorize the President to reduce Federal expenditures for fiscal year 1975 to $295 billion; to the Committee on Rules.

By Mr. KYROS:

H.R. 16715. A bill to amend the act of August 24, 1966, for purposes of prohibiting the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport wagering, or entertainment; to the Committee on Agriculture.

By Mr. LANDGREBE (for himself and Mr. Won Pat):

H.R. 16716. A bill to amend the Internal Revenue Code of 1954 to provide for purposes of the personal exemption deduction that a child born of an individual shall be considered to be a child of such individual for the 9-month period before birth; to the Committee on Ways and Means.

By Mr. LUKEN:

H.R. 16717. A bill to amend title II of the Social Security Act to increase to $4,000 the amount of outside income which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder, but with a requirement that income of all types and from all sources be included in determining the amount of an individual's income for his purpose; to the Committee on Ways and Means.

H.R. 16718. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; to the Committee on Ways and Means.

By Mr. LUKEN (for himself, Mr. Steelman, Mr. Badillo, Mr. Brown of California, and Mr. Hechler of West Virginia):

H.R. 16719. A bill to provide for public ownership of all documents prepared for or by any elected Federal official in connection with the performance of the duties of such official; to the Committee on House Administration.

By Mr. O'HARA:

H.R. 16720. A bill to amend title XVI of the Social Security Act to reduce from 21 to 18 the age at which a disabled child need no longer include his parents' income in determining his eligibility for supplemental security income benefits or the amount of such benefits; to the Committee on Ways and Means.

By Mr. PEYSER:

H.R. 16721. A bill to direct the Federal Trade Commission to conduct a study of the practice whereby supermarket food chains reprice food items after the item has been initially priced and offered for sale; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELMAN (for himself, Mr. McKay, Mr. Goldwater, Mr. Horton, Mr. Koch, Mr. Nedzi, Mr. Railsback, Mr. Vigorito, Ms. Heckler of Massachusetts, Mr. Mosher, Mr. Badillo, Mr. Brown of California, Mr. Helstoski, Mr. Eilberg, Mr. Addabbo, Mr. Hechler of West Virginia, Mr. Moakley, Mr. McCormack, Mr. Stark, Mr. Duncan, Mr. Roybal, Mr. Coughlin, Mr. Ullman, Mr. Pepper, and Mr. Harrington):

H.R. 16722. A bill to enforce the first amendment and fourth amendment to the Constitution and the constitutional right of privacy by prohibiting any civil officer of the United States or any member of the Armed Forces of the United States from using the Armed Forces of the United States to exercise surveillance of civilians or to execute the civil laws, and for other purposes; to the Committee on the Judiciary.

By Mr. STEELMAN (for himself, Mr. McKay, Mr. Quie, Mr. Rosenthal, Mr. Charles H. Wilson of California, Mr. Conyers, Mr. Fraser, Mr. Riegle, Mr. Boland, Mr. Preyer, Mr. Symington, Mr. Lujan, Ms. Schroeder, Mr. Ketchum, Mr. Thompson of New Jersey, Mr. Fulton, Mr. Traxler, Mr. Gude, Mr. Frenzel, Mr. Seiberling, Mr. Studds, Mr. Obey, Mr. Long of Maryland, Mr. Sisk, and Mr. Murtha):

H.R. 16723. A bill to enforce the first amendment and fourth amendment to the Constitution and the constitutional right of privacy by prohibiting any civil officer of the United States or any member of the Armed Forces of the United States from using the Armed Forces of the United States to exercise surveillance of civilians or to execute the civil laws, and for other purposes; to the Committee on the Judiciary.

By Mr. STEELMAN (for himself, Mr. McKay, Mr. Steiger of Wisconsin, Mr. Won Pat, Mr. Heinz, Mr. Edwards of California, and Ms. Collins of Illinois):

H.R. 16724. A bill to enforce the first amendment and fourth amendment to the Constitution and the constitutional right of privacy by prohibiting any civil officer of the United States or any member of the Armed Forces of the United States from using the Armed Forces of the United States to exercise surveillance of civilians or to execute the civil laws, and for other purposes; to the Committee on the Judiciary.

By Mr. THOMSON of Wisconsin (for himself and Mr. Bergland):

H.R. 16725. A bill to amend section 22 of the Agricultural Adjustment Act of 1933, as amended; to the Committee on Ways and Means.

By Mr. YOUNG of Georgia:

H.R. 16726. A bill to provide for membership in the African Development Fund; to the Committee on Banking and Currency.

H.R. 16727. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. GUDE (for himself, Mr. Harrington, Mr. Forsythe, Mr. Mitchell of Maryland, Mr. Dingell, Mr. Moakley, and Mrs. Heckler of Massachusetts):

H.J. Res. 1130. Joint resolution to require the Watergate Special Prosecution Force to make available to the public a report on all information it has concerning Richard M. Nixon in offenses against the United States; to the Committee on the Judiciary.

By Mr. HUBER (for himself, Mr. Goodling, Mr. Hanrahan, Mrs. Holt, Mr. Kemp, and Mr. Rousselot):

H. Con. Res. 639. Concurrent resolution to provide an opportunity for an orderly and conhesive policy toward reducing the rate of inflation; to the Committee on Government Operations.

By Mr. LAGOMARSINO:

H. Con. Res. 640. Concurrent resolution expressing the policy of the Congress that the performance of the functions of the Federal Government should be attained by use of its own manpower and not by means of contracts with the private sector; to the Committee on Post Office and Civil Service.

By Mr. LANDGREBE:

H. Res. 1374. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish armed forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

By Mr. OWENS (for himself, Mr. John L. Burton, Mr. Brown of California, Mr. Conyers, Mr. Dellums, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Koch, Mr. Mitchell of Maryland, Mr. Rees, Mr. Rosenthal, Ms. Schroeder, and Mr. Stark):

H. Res. 1375. Resolution expressing the sense of the House in favor of continued legal action against Richard M. Nixon and in opposition to further Presidential pardons in connection with the Watergate matter; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CARTER:

H.R. 16728. A bill to waive the statute of limitations with regard to the tort claims of certain individuals against the United States; to the Committee on the Judiciary.

By Mr. HUTCHINSON:

H. Con. Res. 641. Concurrent resolution commemorating the 100th anniversary of the founding of Andrews University, Berrien Springs, Mich.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Petition of the City Council, East Orange, N.J., relative to the establishment of a Community Action Administration in the Department of Health, Education, and Welfare; to the Committee on Education and Labor.

506. Also, petition of the Pacific Coast Branch of the American Historical Association, Seattle, Wash., relative to the use of the new Library of Congress building; to the Committee on Public Works.

SENATE—*Wednesday, September 18, 1974*

The Senate met at 9 a.m. and was called to order by the President pro tempore (Mr. Eastland).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, Creator of Man, Giver of Freedom, Guide to Destiny, we thank Thee for this Nation which Thou hast given us. We thank Thee for durable institutions and instruments of government, especially the Constitution, erected on the law of Mount Sinai and the law of Mount Calvary. Show us once more that only by life outpoured is life redeemed and made new. Lead us to the cross where we see again the terrible cost of evil to the heart of God. Chastened, cleansed, redeemed, renewed, may we build the future of the Nation on the firm foundation of the Founding Fathers.

We pray in His name who gave our Nation birth and whose divine grace and wisdom is sufficient for our need. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, September 17, 1974, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 1102, 1103, 1104, and 1105.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COAL PIPELINE ACT OF 1974

The bill (S. 3879) to amend the Mineral Leasing Act of 1920, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Coal Pipeline Act of 1974".

FINDINGS

Sec. 2. The Congress finds and declares that—

(a) The increased use of domestic coal to create electrical and other forms of energy would promote the national interest by conserving oil and natural gas resources.

(b) Use of domestic coal resources in some situations would be facilitated by the construction of pipelines to transport coal from the mine to the consumer.

(c) The development of certain coal pipelines may be substantially impeded by difficulties in obtaining necessary rights-of-way across private lands unless such pipelines are granted the right of eminent domain.

DEFINITIONS

Sec. 3. As used in this Act—

(a) "carrier" means any carrier of coal by coal pipeline that is subject to any of the provisions of this Act;

(b) "Commission" means the Federal Power Commission.

RIGHTS-OF-WAY ON FEDERAL LANDS

Sec. 4. Subsection 28(a) of the Mineral Leasing Act of February 25, 1920, as amended by the Act of November 16, 1973 (87 Stat. 576), is further amended by inserting the words "coal" between "natural gas," and "synthetic".

EMINENT DOMAIN

Sec. 5. (a) When any carrier cannot acquire by negotiation the right-of-way required to construct, operate, and maintain any proposed coal pipeline or pipelines and the necessary land or other property, in addition to the right-of-way, for the location of pumping stations, pressure apparatus, tanks, or other stations, equipment, or appurtenances required for the proper operation of such pipeline or pipelines, such carrier may acquire the same by the exercise of the power of eminent domain in the district court of the United States for the district in which such property is located: *Provided,* That the power of eminent domain shall not be exercised to acquire (1) lands owned by the United States, or by any State, (2) lands held in trust by the United States for an Indian or Indian tribe, or (3) any right to use or develop water. The practice and procedure in any action or proceeding for that purpose in the district court of the United States shall conform to the Federal Rules of Civil Procedure.

(b) The power of eminent domain granted pursuant to this Act may be exercised only by a carrier holding a certificate of public convenience and necessity issued by the Federal Power Commission. The Commission is authorized to issue such a certificate if the Commission finds, after consultation with the Secretary of the Interior, the Administrator of the Federal Energy Administration, the Administrator of the Environmental Protection Agency and other appropriate Federal, State, and local agencies, with respect to the particular project of the carrier as to which said power is sought, that the project is in the national interest.

In making this finding the Commission shall consider and make independent findings on the extent to which the project—

(1) would help meet national needs for coal

utilization, considering, among other matters, alternate routes or means of transportation of coal and the relative cost of such alternative routes or means;

(2) may be impeded or delayed unless granted the power of eminent domain;

(3) involves disruption to the environment, as compared with disruption from other routes or modes of transportation or other methods of utilization of the coal resources involved; and

(4) considers the balance between the energy needs of the area to be benefited by the project and the water requirements and other impacts on the area from which the coal is to be transported.

The Commission's finding as to whether a project is in the national interest shall be based on the record as a whole taking into consideration each of the criteria set forth in this subsection.

(c)(1) No carrier granted the power of eminent domain under this Act shall transport any coal mined by it or under its authority or which it may own in whole or in part, or in which it may have any interest, direct or indirect.

(2) The prohibition contained in subsection (c)(1) shall not apply to the construction, ownership and operation of a feeder line for the purpose of gaining access to a coal pipeline by any person who would otherwise be ineligible if—

(A) the carrier has declined a formal request to construct, own and operate the feeder line;

(B) the owner of the feeder line will operate the line as a common carrier for any excess capacity in the feeder line; and

(C) the Commission has determined that an exemption from subsection (c)(1) is in the public interest.

PROCEDURE

SEC. 6. (a) Applications for a certificate of public convenience and necessity under this Act shall be filed with the Commission pursuant to such regulations as it may prescribe. Each carrier applying for a certificate shall reimburse the Commission for all administrative and other costs incurred in processing the application.

(b) A certificate authorized by section 5 may be issued only after public notice and public hearings in accordance with this section.

(c) The carrier shall publish, in accordance with regulations promulgated by the Commission, a notice that it has filed an application for a certificate of public convenience and necessity under this Act in a newspaper of general circulation in each county in which the project will be located. The notice shall, among other things, specify to the greatest extent practicable the land which would be subject to the power of eminent domain.

(d) The Commission shall publish in the Federal Register a notice of the receipt of each application under this Act.

(e) The Commission shall hold at least one public hearing in each State in which the project involved will be located. Any interested person may present relevant material at any hearing. After all hearings in each State are concluded, the Commission shall hold at least one public, formal adjudicatory hearing in accordance with the provisions of section 554 of title 5, United States Code, in the District of Columbia.

ANTITRUST REVIEW

SEC. 7. (a) The Commission shall not issue any certificate pursuant to section 5 of this Act unless it has received the advice of the Attorney General of the United States and the Federal Trade Commission that such action would not adversely affect competition, restrain trade, further monopolization, or otherwise create or maintain a situation in contravention of the antitrust laws. The issuance of a license under this Act shall not be admissible in any way as a defense to any civil or criminal action for violation of the antitrust laws of the United States, nor shall it in any way modify or abridge any private right of action under such laws.

(b)(1) Nothing in this section shall be contrued to bar the Attorney General or the Federal Trade Commission from challenging any anticompetitive situation involved in the operation of a coal pipeline.

(2) Nothing contained in this section shall impair, amend, broaden, or modify any of the antitrust laws.

(3) As used in this section, the term "antitrust laws" includes, but is not limited to, the Act of July 2, 1890, as amended; the Act of October 15, 1914, as amended; the Federal Trade Commission Act (15 U.S.C. 41 et seq.); and sections 73 and 74 of the Act of August 27, 1894, as amended.

ENFORCEMENT AND PENALTIES

SEC. 8. (a) At the request of the Commission the Attorney General may institute a civil action in the district court of the United States for the district in which the affected operation is located for a restraining order or injunction or other appropriate remedy to enforce any provision of this Act or any regulation or order issued under the authority of this Act.

(b) If any carrier shall fail to comply with any provision of this Act, or any regulation or order issued under the authority of this Act, after notice of such failure and expiration of any period allowed for corrective action, such person shall be liable for a civil penalty of not more than $5,000 for each and every day of the continuance of such failure. The Commission may assess and collect any such penalty.

(c) Any person who knowingly and willfully violates any provision of this Act, or any regulation or order issued under the authority of this Act, or makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this Act shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than six months, or both.

(d) Whenever a carrier violates any provision of this Act, or any regulation or order issued under the authority of this Act, any director, officer, or agent of such corporation or entity who authorized, ordered, or carried out such violation shall be subject to the same fines or imprisonment as provided for under subsection (c) of this section.

REHEARING AND JUDICIAL REVIEW

SEC. 9. The provisions of section 19 of the Act of June 21, 1938 (52 Stat. 831) as amended (15 U.S.C. 717r) shall be applicable to any decision on an application for a certificate of public convenience and necessity under this Act: *Provided, however,* That petitions for judicial review shall be filed in the court of appeals of the United States for the circuit in which the proposed project originates.

CONSTRUCTION OF LAW

SEC. 10. Nothing in this Act shall be construed—

(1) as affecting in any way any existing law governing appropriation, use or diversion of water, or any Federal, State, or private right to water;

(2) as expanding or diminishing Federal or State jurisdiction, responsibility, or interests in water resources development or control;

(3) as displacing, superseding, limiting, or modifying any interstate compact or the jurisdiction or responsibility of any legally established joint or common agency of two or more States or of two or more States and the Federal Government; or

(4) as superseding, modifying, or repealing, except as specifically set forth in this Act, existing laws applicable to the various Federal agencies which are authorized to develop or participate in the development of water resources or to exercise licensing or regulatory functions in relation thereto.

REGULATIONS

SEC. 11. The Commission is authorized to promulgate such rules and regulations as it deems necessary to carry out the purposes of this Act.

UNDERGROUND CONSTRUCTION

SEC. 12. All coal pipelines subject to this Act shall, to the maximum extent practicable, consistent with environmental protection, safety and good engineering and technological practices, be buried underground.

RELATIONSHIP TO INTERSTATE COMMERCE ACT

SEC. 13. Except where otherwise provided by this Act, the provisions of part I of the Interstate Commerce Act (24 Stat. 379) as amended (49 U.S.C. 1–40) shall be applicable to coal pipelines subject to this Act.

(Later in the day, the following proceedings occurred.)

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the vote by which S. 8879 was passed, together with the third reading of the bill, be reconsidered.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 3879) to amend the Mineral Leasing Act of 1920, and for other purposes.

The Senate proceeded to consider the bill.

Mr. **MANSFIELD**. Mr. President, I ask that the Senate consider the amendment which is at the desk.

The **PRESIDING OFFICER**. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Montana (Mr. MANSFIELD), on behalf of the Senator from Indiana (Mr. HARTKE), proposes an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Coal Pipeline Act of 1974".

SEC. 2. The Congress finds and declares that—

(a) The increased use of domestic coal to create electrical and other forms of energy would promote the national interest by conserving oil and natural gas resources.

(b) Use of domestic coal resources may be facilitated by the construction of pipelines to transport coal from the mine to the consumer.

(c) The public interest may, in some situations, be facilitated by granting the power of eminent domain to common carriers of coal by pipeline for the purpose of obtaining rights-of-way across public and private lands.

(d) Regulation of coal transportation by pipeline must be coordinated with existing transportation regulations in accordance with national transportation policy.

SEC. 3. Subsection 28(a) of the Mineral Leasing Act of February 25, 1920, as amended by the Act of November 16, 1973 (87 Stat.

576) is further amended by inserting the word "coal," between "natural gas," and "synthetic."

SEC. 4. (a) Paragraph 18 of section 1 the Interstate Commerce Act is amended by redesignating the first paragraph thereof as paragraph (a) and adding a new paragraph (b) as follows:

"(b) After 90 days after this paragraph takes effect, no common carrier of coal by pipeline subject to this part shall, by exercise of the power of eminent domain granted under the Coal Pipeline Act of 1974, (1) undertake the extension of an existing pipeline or the construction of a new pipeline, or (2) acquire or operate any pipeline or extension thereof, or (3) engage in transportation under this part, over or by means of such additional or extended pipeline, unless and until there shall first have been obtained from the Commission a certificate that the present or future public convenience and necessity requires or will require the construction, operation, or construction and operation, of such additional or extended pipeline, and no carrier of coal by pipeline subject to this part shall abandon all or any portion of a pipeline for which a certificate of public convenience and necessity has been granted under this Act, or the operation thereof, unless and until there shall first have been obtained from the Commission a certificate that the present or future public convenience and necessity permit such abandonment.

In determining whether to grant a certificate of public convenience and necessity under this subparagraph, the Commission shall:

(1) request comments on the application for such certificate from the Federal Energy Administration, the Federal Power Commission, the Department of the Interior, the Environmental Protection Agency, their successor agencies, and other appropriate Federal, State, and local agencies;

(2) hold a public hearing on the application for such certificate in each State through which such pipeline or any part of such pipeline would pass, after having met the requirements of paragraph (19) of this section; and

(3) make independent findings on, among other factors, the extent to which the proposed action—

(A) would help meet national needs for coal utilization, considering, among other matters, existing or possible alternate routes or means of transportation of coal and the relative cost of such alternative routes or means;

(B) may be impeded or delayed unless granted the power of eminent domain;

(C) involves disruption to the environment, as compared with disruption from other routes or modes of transportation or other methods of utilization of the coal resources involved; and

(D) will produce benefits in meeting the energy needs of the area to be benefited by the project in excess of the costs associated with the reduction in water supply and other impacts on the area from which the coal is to be transported.

The Commission's finding as to whether a project is required by the public convenience and necessity shall be based on the record as a whole taking into consideration funding required to be made under this subparagraph.

(b) Section 1(19)-(20) of the Interstate Commerce Act is amended by striking present paragraphs (19) and (20) and inserting in lieu thereof the following:

"(19) The application for and issuance of any certificate under paragraphs (18) and (19) of this section shall be under such rules and regulations as to hearings and other matters as the Commission may from time to time prescribe, and the provisions of this part shall apply to all such proceedings. Upon receipt of any application for such certificate the Commission shall cause notice thereof to be given to and a copy filed with the Governor of each State in which such additional or extended line of railroad or pipeline is proposed to be constructed or operated, or all or any portion of any line of railroad or pipeline, or the operation thereof, is proposed to be abandoned, with the right to be heard as hereinafter provided with respect to the hearing of complaints or issuance of securities; and said notice shall also be published for three consecutive weeks in some newspaper of general circulation in each county in or through which said line of railroad or pipeline is proposed to be constructed or operated."

"(20) The Commission shall have power to issue such certificate as prayed for, or to refuse to issue it, or issue it for a portion or portions of a line of railroad or pipeline, or extension thereof, described in the application, or for partial exercise only of such right or privilege, and may attach to the issuance of the certificate such terms and conditions as in its judgment the public convenience and necessity may require. From and after issuance of such certificate, and not before, the carrier by railroad or pipeline may, without securing approval other than such certificate, comply with the terms and conditions contained in or attached to the issuance of such certificate and proceed with construction, operation or abandonment covered thereby. Any construction, operation, or abandonment contrary to the provisions of this paragraph or of paragraph (18) of this section may be enjoined by any court of competent jurisdiction at the suit of the United States, the Commission, any commission or regulating body of the State or States affected, or any party in interest. Any carrier which, or any director, officer, receiver, operating trustee, lessee, agent or person, acting for or employed by such carrier, who knowingly authorizes, consents to, or permits any violation of the provisions of this paragraph or of paragraph (18) of this section, shall upon conviction thereof be punished by a fine of not more than $5,000 or by imprisonment for not more than three years, or both."

(c) Section 1 of the Interstate Commerce Act is amended by adding a new paragraph (23) thereto as follows:

"(23) (a) When any common carrier of coal by pipeline subject to this part cannot acquire by negotiation the right-of-way required to construct, operate, and maintain any proposed coal pipeline or pipelines found by the Commission pursuant to section 1(18) of this Act to be required by the present or future public convenience and necessity and the necessary land or other property required for the location of pumping stations, pressure apparatus, tanks, or other stations, equipment, or appurtenances required for the proper operation of such pipeline or pipelines, such carrier may acquire the same by the exercise of the power of eminent domain in a District Court of the United States for the district in which such property is located: *Provided*, That the power of eminent domain shall not be exercised to acquire (1) lands owned by the United States, or by any State, or by any local governmental agency; (2) lands held in trust by the United States for an Indian or Indian tribe; or (3) any right to use or develop water. Practice and procedure in any action or proceeding for that purpose in a district court of the United States shall conform to the Federal Rules of Civil Procedure."

"(b) No carrier granted the power of eminent domain under this Act shall transport any coal mined by it or under its authority or which it may own in whole or in part, or in which it may have any interest, direct or indirect."

(d) Section 1(9) of the Interstate Commerce Act is amended by designating the first paragraph thereof as paragraph (a) and adding a new paragraph (b) as follows:

"(b) Any common carrier of coal by pipeline subject to the provisions of this part, upon application of any party tendering interstate traffic for transportation, shall construct, maintain and operate upon reasonable terms a feeder line constructed to connect with its coal pipeline where such connection is reasonably practicable and can be put in with safety and will furnish sufficient business to justify the construction and maintenance of such feeder line. If any common carrier of coal by pipeline subject to this part shall fail to install and operate any such feeder line upon application thereof in writing by any shipper, such shipper may make a complaint to the Commission, as provided in section 13 of this part, and the Commission shall hear and investigate the same and shall determine as to the safety and practicability thereof and justification and reasonable compensation therefor, and the Commission may make an order, as provided in section 15 of this part, directing the common carrier to comply with the provisions of this section in accordance with such order, and such order shall be enforced as hereinatfer provided for the enforcement of all other orders by the Commission, other than orders for the payment of money.

(e) Section 1 of the Interstate Commerce Act is amended by adding thereto a new paragraph (24) to read as follows:

"(24) All coal pipelines subject to this Act shall, to the maximum extent practicable, consistent with environmental protection, safety and good engineering and technical practices, be buried underground."

SEC. 6. Nothing in this Act shall be construed—

(1) as affecting in any way any existing law governing appropriation, use of diversion of water, or any Federal, State, or private right to water;

(2) as granting a right to use water to a carrier holding a certificate of public convenience and necessity issued pursuant to paragraph 1(18)(b) of the Interstate Commerce Act;

(3) as expanding or diminishing Federal or State jurisdiction, responsibility, or interests in water resources development or control;

(4) as displacing, superseding, limiting, or modifying any interstate compact or the jurisdiction or responsibility of any legally established joint or common agency of two or more States or of two or more States and the Federal Government; or

(5) as superseding, modifying, or repealing, except as specifically set forth in this Act, existing laws applicable to the various Federal agencies which are authorized to develop or participate in the development of water resources or to exercise licensing or regulatory functions in relation thereto.

SEC. 6. (a) The Interstate Commerce Commission shall not issue any certificate pursuant to section 4 of this Act unless it has received the advice of the Attorney General of the United States and the Federal Trade Commission that such action would not adversely affect competition, restrain trade, further monopolization, or otherwise create or maintain a situation in contravention of the antitrust laws. The issuance of a certificate under this Act shall not be admissible in any way as a defense to any civil or criminal action for violation of the antitrust laws of the United States, nor shall it in any way modify or abridge any private right of action under such laws.

(b)(1) Nothing in this section shall be construed to bar the Attorney General or the Federal Trade Commission from challenging any anticompetitive situation involved in the operation of a coal pipeline.

(2) Nothing contained in this section shall impair, amend, broaden, or modify any of the antitrust laws.

(3) As used in this section, the term "antitrust laws" includes, but is not limited to, the Act of July 2, 1890, as amended; the Act of October 15, 1914, as amended; the Federal Trade Commission Act (15 U.S.C. 41 et seq.); and sections 73 and 74 of the Act of August 27, 1894, as amended.

Mr. MANSFIELD. Mr. President, this, likewise, has been cleared on both sides.

Mr. HANSEN. Mr. President, will the majority leader yield for a question on that?

Mr. MANSFIELD. Surely.

Mr. HANSEN. What does this bill do?

Mr. MANSFIELD. This is the Mineral Leasing Act which we passed this morning. It came out of both Interior and Commerce, as I recall. It was reported out of Interior without amendment. The Committee on Commerce was discharged, it was ordered placed on the calendar.

I do not believe they held hearings, but they were up against a time limitation.

Mr. HANSEN. Maybe the junior Senator from Montana might be able to enlighten the junior Senator from Wyoming more precisely.

Mr. METCALF. Yes, this is the slurry pipeline bill and the amendment which is under the Interstate Commerce Commission, and all of us agreed.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. May we have action on the pending bill?

The PRESIDING OFFICER. The question is on agreeing to the Hartke amendment in the nature of a substitute.

The Hartke amendment in the nature of a substitute was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (S. 3879) was passed.

Mr. MANSFIELD. I thank the Senator from Louisiana.

Mr. METCALF. I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JURISDICTION OVER CERTAIN SUBMERGED LANDS

The Senate proceeded to consider the bill (H.R. 11559) to place certain submerged lands within the jurisdiction of the governments of Guam, the Virgin Islands, and American Samoa, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with amendments on page 2, after "(iii)" strike out "all submerged lands adjacent to property above the line of mean high tide acquired by the United States, after the date of enactment of this Act, by eminent domain proceedings, purchase, exchange, or gift;" and insert in lieu thereof:

all submerged lands adjacent to property above the line of mean high tide acquired by the United States by eminent domain proceedings, purchase, exchange, or gift, after the date of enactment of this Act, as required for completion of the Department of the Navy Land Acquisition Project relative to the construction of the Ammunition Pier authorized by the Military Construction Authorization Act, 1971 (84 Stat. 1204), as amended by section 201 of the Military Construction Act, 1973 (86 Stat. 1135).

On page 4, in line 11, after the comma, insert "and subject to the procedure specified in subsection (c) of this section".

On page 4, beginning with line 18, insert:

(c) No conveyance shall be made by the Secretary pursuant to this section until the expiration of sixty calendar days (excluding days on which the House of Representatives or the Senate is not in session because of an adjournment of more than three days to a day certain) from the date on which the Secretary of the Interior submits to the Committees on Interior and Insular Affairs of the House of Representatives and the Senate an explanatory statement indicating the tract proposed to be conveyed and the need therefor, unless prior to the expiration of such sixty calendar days both committees inform the Secretary that they wish to take no action with respect to the proposed conveyance.

On page 6, beginning with line 8, insert:

(d) Nothing in this Act shall affect the status of lands beyond the three-mile limit described in section 1 of this Act.

On page 7, beginning with line 18, insert:

Provided, however, That this section shall not be construed in derogation of any of the provisions of the April 17, 1900, cession of Tutuila and Aunuu or the July 16, 1904, cession of the Manu's Islands, as ratified by the Act of February 20, 1929 (45 Stat. 1253) and the Act of May 22, 1929 (46 Stat. 4).

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

NATIONAL WILDLIFE REFUGE SYSTEM ADMINISTRATION ACT AMENDMENTS OF 1974

The Senate proceeded to consider the bill (H.R. 11541) to amend the National Wildlife Refuge System Administration Act of 1966 in order to strengthen the standards under which the Secretary of the Interior may permit certain uses to be made of areas within the System and to require payment of the fair market value of rights-of-way or other interests granted in such areas in connection with such uses, which had been reported from the Committee on Commerce with an amendment to strike all after the enacting clause and insert:

That this Act may be cited as the "National Wildlife Refuge System Administration Act Amendments of 1974".

SEC. 2. Section 4(d) of the Act of October 15, 1966 (80 Stat. 928, 16 U.S.C. 668dd(d)) is amended—

(1) by striking out "(1)" and inserting in lieu thereof "(A)";

(2) by inserting "(1)" immediately after "(d)";

(3) by amending paragraph (2) to read as follows:

"(B) subject to paragraph (2) of this subsection, permit the use of any area within the system for purposes such as, but not necessarily limited to, powerlines, telephone lines, canals, ditches, pipelines, and roads, including the construction, operation, and maintenance thereof, whenever he determines that (i) such use is compatible with the purposes for which the area is established, and (ii) after reviewing all reasonable alternatives to the use of such area, that such use is the most feasible and prudent alternative for such purpose"; and

(4) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of law, the Secretary of the Interior may not grant to any Federal, State, or local agency or to any private individual or organization any right-of-way, easement, or reservation in, over, across, through, or under any area within the system in connection with any use permitted by him under paragraph (1) (B) of this subsection unless the grantee pays to the Secretary the fair market value (determined by the Secretary as of the date of conveyance) of the right-of-way easement, or reservation. If any Federal, State, or local agency is exempted from such payment by any other provision of Federal law, such agency shall otherwise compensate the Secretary by any other means agreeable to the Secretary, including, but not limited to, making other land available or the loan of equipment or personnel: *Provided,* That (1) any such compensation shall relate to, and be consistent with, the objectives of the National Wildlife Refuge System, and (2) the Secretary may waive such requirement for compensation if he finds such requirement impracticable or unnecessary. All sums received by the Secretary of the Interior pursuant to this paragraph shall, after payment of any necessary expenses incurred by him in administering this paragraph, be deposited into the Migratory Bird Conservation Fund and shall be available to carry out the provisions for land acquisition of the Migratory Bird Conservation Act (16 U.S.C. 715 et seq.) and the Migratory Bird Hunting Stamp Act (16 U.S.C. 718 et seq.)."

SEC. 3. (a) Any request for permission to use an area within the National Wildlife Refuge System which was filed with the Secretary of the Interior under section 4(d) (2) of the Act of October 15, 1966 (as in effect before the date of the enactment of this Act), and with respect to which the Secretary has not taken final action before such date of enactment shall be treated by the Secretary as having been filed with him pursuant to section 4(d) (1) (B) of the Act of October 16, 1966 (as added by this Act) on such date of enactment.

(b) Section 4(d) (2) of the Act of October 15, 1966 (as added by this Act), shall apply with respect to any right-of-way, easement, or reservation granted by the Secretary of the Interior on or after the date of the enactment of this Act, including any right-of-way, easement, or reservation granted on or after such date in connection with any use permitted by him pursuant to section 4(d) (2) of the Act of October 15, 1966 (as in effect before the date of the enactment of this Act).

SEC. 4. That section 401(e) of the Act of January 15, 1935 (16 U.S.C. 715s(e)), is amended to read as follows:

"(e) Any moneys remaining in the fund after all payments under this section are made for any fiscal year shall be transfered to the Migratory Bird Conservation Fund and shall be available for land acquisition under the provisions of the Migratory Bird Conservation Act (16 U.S.C. 715 et seq.): *Provided,* That the funds available for the management of the National Wildlife Refuge System or for enforcement of the Migratory Bird Treaty Act shall not be diminished by the amendments made to this subsection by the National Wildlife Refuge System Administration Act Amendments of 1974, unless by specific act of Congress.

Mr. STEVENS. Mr. President, I would like to endorse H.R. 11541. I believe that if this measure is enacted into law, the Nation would benefit from the replacement of lands within the National Wildlife Refuge System that are used for purposes which require a right-of-way, easement, or reservation such as pipelines, canals, roads, and other uses. Also, the concept of allocating excess revenues from the refuge revenue sharing fund for land acquisition, as long as funds available for the management and enforcement of the refuge system or those laws affecting it are not diminished, is worthy of Senate approval.

Today, however, I would like to clear up any misunderstanding of my position on an issue which is currently being vigorously debated in Alaska. The issue is what gas line route or company should carry gas from Alaska's North Slope to points where it can be used to meet part of the energy needs of the continental United States.

I have never endorsed the trans-Canada gas pipeline route for the transportation of the gas from Alaska's North Slope.

The language in the Senate version of H.R. 11541 provides that the Secretary of the Interior is authorized to permit easements within the refuge system for purposes such as pipelines if he finds that "after reviewing all possible alternatives to the use of such area, that such use is the most feasible and prudent alternative for such purpose." This would not strengthen Arctic Gas' position. The Secretary of the Interior would still have to determine if the trans-Canada route through the Arctic Wildlife Refuge Range was the most feasible and prudent route. In doing so, the Secretary would have to assess the feasibility of the trans-Alaska route, as it might ultimately prove to be the most "feasible and prudent alternative."

Again, to reiterate my position, I have not endorsed the trans-Canada route offered by Arctic Gas. Nor, for that matter, have I endorsed the route proposed by El Paso Natural Gas Co.

I support a trans-Alaska route, and it is my hope that an Alaska group will seek to build the gas pipeline across our State.

The major issue in this dispute, in my opinion, is not in making commitments to any one company but is to ask what commitments are they willing to make to Alaska regarding the State's royalty gas. Royalty gas from State leases—one-eighth of the production or its dollar value—belongs to the people of Alaska. Before we commit that gas, there are some important things we should demand from the interested firms.

One is the total development of Alaska's gas resources. Arctic Gas and El Paso are talking about Prudhoe Bay gas, but so far neither, to my knowledge, has said anything about other fields in the State. Alaska should demand commitments on transportation of gas from other potential fields—such as the Gubik field between Fairbanks and the North Slope—before we commit our royalty gas to any company's plan.

Another important item is gas for municipal use in Fairbanks and Anchorage. Either firm must promise to make gas available—that is to transport it—to these cities for domestic use, but so far neither has. And both cities and their surrounding areas will need it. We also realize that Anchorage is now a gas-consuming city, and the Cook Inlet gas fields near Kenai will not last forever. Our State must require gas supply commitments—and the necessary pipelines to deliver gas—before tying down its royalty gas to any proposal.

The most important issue is that of Alaska's long-range economy. Committing the State's royalty gas solely for cash payments, in my opinion, would be a shortsighted proposition. However, if Alaska views this royalty gas as a raw material for industrial use, dramatic things can be done.

With a plentiful and assured supply of natural gas, Alaska could be an ideal site for petrochemical, pharmaceutical, agrichemical—fertilizer—and other industries which use natural gas as a raw material. These industries, for the most part clean and stable, provide highly paid technical jobs. Their products, light, and valuable in relation to bulk, are ideal for transport from Alaska. Alaska would guarantee to supply its royalty gas if these industries would locate in our State, thus providing a stable job market after the pipeline construction boom.

To date, neither pipeline group has adequately addressed itself to this issue. Until this issue is resolved to my satisfaction, I will refrain from endorsing any proposal. When adequate commitments to deliver Alaska's royalty gas to the areas of Alaska where we can develop long-range industry are made by a company proposing a trans-Alaska gas pipeline, I will, of course, endorse that proposal over any other route.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

BILL PASSED OVER

Mr. MANSFIELD. Mr. President, I asked that 1105 be called up. I withdraw that request. I was under the false impression that it had been cleared on both sides.

The PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I asked unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, with statements therein limited to 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PROPOSED ELEVATION OF GEN. ALEXANDER HAIG TO BE SUPREME NATO COMMANDER

Mr. ROBERT C. BYRD. Mr. President, I have serious misgivings about the wisdom of naming Gen. Alexander Haig to be Commander of U.S. Forces in Europe and his elevation to the post of Supreme NATO Commander. I do not question General Haig's abilities as a military man.

As I understand the situation, there is no specific statutory requirement that confirmation for either of the two posts to which he is being assigned is required by the Senate. His nomination for these positions has not been submitted to the Senate, although there is a general requirement that officers named to high-ranking policymaking positions should be confirmed by the Senate, as the senior Senator from Wisconsin has noted previously.

I wish to express the hope that the Senate Armed Services Committee will give serious consideration to the possibility and necessity of the conduct of early hearings on General Haig's appointments to be Commander of U.S. Forces in Europe and his elevation to the post of Supreme NATO Commander.

I also address myself at this time to the question of whether, in fact, the return of General Haig to military duty may, in some measure at least, impair military morale. To me—and I suspect to a large number of military officers—this is an important consideration.

General Haig was undeniably close to the President during the last several months of the Watergate coverup—although I certainly do not mean to imply in any way that he had a hand in its inception or execution. But it was unavoidable, as the replacement for Chief of Staff H. R. Haldeman at the most critical time of the Watergate disclosure, that General Haig could escape being involved in the decisions regarding the Watergate matter that so completely absorbed everyone at the White House at that time. He became a leading figure in Mr. Nixon's defense during the Watergate controversy.

Throughout the year that followed, the man whom he served—President Nixon—was almost totally preoccupied with Watergate, to the point that it would surely have been impossible for his Chief of Staff—one of the few men who had access to the President—to have been unaffected by the events that were then transpiring. As the crisis approached and as the denouement occurred, it was General Haig who was mostly widely credited with having brought Mr. Nixon to the actual point of going through with the resignation.

General Haig, able though he may be, cannot therefore disassociate himself from the political tag that will surely follow him into any new undertaking for the military to which he may be assigned. The impression that he is first and foremost a "political general" is bound to be reinforced by his rapid rise in rank, and the fact that he jumped over so many other Army careerists in the attainment of his four-star status.

I bear General Haig no personal ill will. But I cannot put away the feeling that his return to active duty in the sensitive and highly important posts for which he is now destined, will poorly serve the best interests both of our own forces and those of NATO in general.

The controversy that broke out yesterday over the role that General Haig may or may not have played in President Ford's pardoning of Mr. Nixon serves to underline my fears. It was both reported and vigorously denied that General Haig had a large hand in engineering the pardon. It is that kind of controversy, Mr. President, that I fear will do the military and our NATO commitments no good.

It is important at this important time in world affairs that the United States do nothing to compromise the morale of its Armed Forces or to impair the image and credibility of those who command those forces. I do not believe that Army careerists who resign from the military to take part in civilian political assignments should then be rewarded by *appointment* to positions of high command in the military.

QUORUM CALL

The PRESIDING OFFICER (Mr. BURDICK). Is there further morning business?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COTTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

GEN. ALEXANDER HAIG

Mr. COTTON. Mr. President, I am not given to indulging in long impromptu speeches, and I shall not do so now, but I listened with keen interest to the remarks of my distinguished friend from West Virginia (Mr. ROBERT C. BYRD), who is always so eloquent.

I noted his deep concern about the morale of NATO being injured by having a general who has been associated with the White House going over there as commander. While I have not been able to do much traveling over the last 2 or 3 years because of illness in my family, it was not too long ago that I was over there and traveled around some, observing NATO; and I frankly doubt whether the morale of the American troops in NATO can be damaged very much by anyone, whether he comes from the White House or not.

I would think that we could save ourselves a lot of trouble and expense by withdrawing from that organization. Though not a member of the Foreign Relations Committee, I have talked with a number of European statesmen who say that the Western European fear of the Communist bloc countries has pretty well disappeared. I do not think they want us over there very badly. As I say, we would save a lot of expense and trouble, if the Senator from West Virginia is really concerned about sending General Haig over to take charge of NATO, by just bringing our NATO forces home and not bothering about General Haig.

Frankly, Mr. President, I am not saying this just to be talking. I am pretty serious about the matter. After having cast my first vote in Congress for aid to Greece and Turkey back in 1947, and then having voted for the Marshall plan, and having supported for many years our foreign aid program it has been some years now since I have supported foreign aid, and I think we need our troops at home, and we can use our money here in the next few months in the fight against inflation, instead of worrying about General Haig and what damage he can do to Europe. I think we have more important things to worry about, because I do not believe he can do much damage in Europe.

Mr. President, I yield the floor.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 12:30 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker has affixed his signature to the following enrolled bills:

H.R. 10626. An act to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands in Florida to John Carter and Martha B. Carter; and

S. 3270. An act to amend the Defense Production Act of 1950 and to establish a National Commission on Supplies and Shortages Act of 1974.

The enrolled bills were subsequently signed by the President pro tempore.

At 1:45 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 6395) to designate certain lands in the Okefenokee National Wildlife Refuge, Georgia, as wilderness.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 13595) to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

DISTRIBUTION OF CHIRICAHUA APACHE JUDGMENT FUNDS

A letter from the Secretary of the Interior transmitting, pursuant to law, a proposed plan for the use or distribution of Chiricahua Apache judgment funds awarded in consolidated Dockets 30 and 48, and 30-A and 48-A before the Indian Claims Commission (with accompanying papers). Referred to the Committee on Interior and Insular Affairs.

REPORT OF THE FISH AND WILDLIFE SERVICE

A letter from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, the report of the Fish and Wildlife Service, Department of the Interior, on the administration of the Marine Mammal Protection Act of 1972 for the period June 22, 1973 to June 21, 1974 (with an accompanying report). Referred to the Committee on Commerce.

REPORTS OF THE COMPTROLLER GENERAL

Three letters from the Comptroller General of the United States transmitting, pursuant to law, the reports entitled "The Cost of Aerospace Ground Equipment Could Be Reduced"; "Why Performance of Automatic Voice Network (Autovon) Service Needs Improvement"; and "Fundamental Changes Needed To Achieve a Uniform Government-Wide Overseas Benefits and Allowances System for U.S. Employees" (with accompanying reports). Referred to the Committee on Government Operations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce and the Committee on Aeronautical and Space Sciences, with an amendment:

S. 2495. A bill to amend the National Aeronautics and Space Act of 1958 to apply the scientific and technological expertise of the National Aeronautical and Space Administration to the solution of domestic problems, and for other purposes (Rept. No. 93-1155). Referred to the Committee on Labor and Public Welfare.

By Mr. HRUSKA, from the Committee on the Judiciary, without amendment:

S.J. Res. 235. A joint resolution to authorize and request the President to issue a proclamation designating the fourth Sunday in September of each year as "Good Neighbor Day" (Rept. No. 93-1156).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs:

William W. Geimer, of Illinois, to be Director, Intergovernmental and Regional Relations, Federal Energy Administration.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duty constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. DOMENICI:

S. 4015. A bill for the relief of Maria Guadalupe Padilla. Referred to the Committee on the Judiciary.

By Mr. NELSON (for himself, Mr. ERVIN, and Mr. JAVITS):

S. 4016. A bill to protect and preserve tape recordings of conversations involving former President Richard M. Nixon and made during his tenure as President, and for other purposes. Referred to the Committee on Government Operations.

By Mr. BENTSEN:

S. 4017. A bill to authorize an exchange of lands for an entrance road at Guadalupe Mountains National Park, Tex., and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. GRAVEL:

S. 4018. A bill for the relief of Carlos C. Montanes. Referred to the Committee on the Judiciary.

By Mr. ERVIN (for himself and Mr. MANSFIELD):

S.J. Res. 240. A joint resolution requiring full public access to all facts and the fruits of all investigations relating to Watergate and full public access to all papers, documents, memoranda, tapes, and transcripts during the period January 20, 1969, through August 9, 1974. Referred to the Committee on Government Operations.

By Mr. MONDALE:

S.J. Res. 241. A joint resolution proposing an amendment to the Constitution of the United States with respect to congressional disapproval of Presidential pardons. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NELSON (for himself, Mr. ERVIN, and Mr. JAVITS):

S. 4016. A bill to protect and preserve tape recordings of conversation involving former President Richard M. Nixon and made during his tenure as President, and for other purposes. Referred to the Committee on Government Operations.

PRESIDENTIAL RECORDINGS PRESERVATION ACT

Mr. NELSON. Mr. President, on behalf of myself and Senator ERVIN, I am introducing legislation to require the U.S. Government to take possession of and prevent the destruction of former President Nixon's tape recordings. This is an emergency measure which will insure that those tape recordings remain available for use as evidence in pending criminal trials. This measure will also guarantee that those tapes are preserved so that, as some point in the future, the American people will learn the full story behind the Watergate scandals.

The need for this legislation is clear. Two weeks ago, the White House negotiated an agreement with Mr. Nixon concerning the disposition of papers and materials relating to his tenure as President. Under this agreement, Mr. Nixon agreed to donate the tapes to the Federal Government by 1979. However, the agreement provides that after that date Mr. Nixon can order the destruction of any tapes he chooses. The agreement also provides "that such tapes shall be destroyed at the time of [Mr. Nixon's] death or on September 1, 1984, whichever event shall first occur." Therefore, if Mr. Nixon should die tomorrow, all the tapes would have to be destroyed.

The destruction of the Nixon tapes would not only deprive the courts of criminal evidence; the destruction of those tapes would also conceal forever the full truth about the Watergate scandals. Our generation and future generations would then be unable to learn exactly what happened and why. This, in turn, might inhibit efforts to correct the institutional and legal weaknesses which made Watergate possible.

The proposed legislation would deal with this specific situation. It contains four principal provisions.

First, since the tapes are already in the custody of the Federal Government, the legislation would require the Federal Government to retain complete control and possession of the tapes. The legislation would thus vitiate the agreement negotiated by the White House with Mr. Nixon. This would not be unethical or unconstitutional—Mr. Nixon could not donate something which he did not own in the first place. In my view, it is absurd to treat these tapes as the private property of Mr. Nixon for him to control and use for his personal profit. These tapes were made on machines purchased with public funds and operated by individuals on the public payroll.

They involve conversations of individuals—including a former President—who were on the public payroll and presumably discussing public business. Because of the clear public investment in and character of these tapes, they should be regarded as the property of the U.S. Government as a trustee for the public.

I realize that this conclusion does not square with precedent. In the past, it has been generally accepted that a President's papers and materials are his private property. Because of this prior practice, the White House regarded Mr. Nixon's tapes as his private property. As stated earlier, I believe this view to be wrong. Certainly there is no judicial decision or congressional statute which expressly provides that a President's papers are his private property.

However, there is a serious question as to whether Congress can make a retroactive determination that the tapes are and have always been public property. Either the tapes are public property or they are not, and a congressional declaration now may not be able to alter their legal status.

In one sense, this is preeminently a judicial matter. The courts under our constitutional system determine what the law is and has been. A court could decide that the tapes are really Mr. Nixon's property. Such a decision, however, would not necessarily nullify the validity or effect of the proposed legislation; the Government's taking of tapes can still be constitutional under the Government's inherent power of eminent domain. The only constitutional requirement would be that Mr. Nixon be given just compensation.

In anticipation of this possibility, the second principal provision of the legislation states that Mr. Nixon will receive just compensation from the Federal Treasury if a court should ultimately decide that these tapes really are his private property.

The third principal provision of the legislation provides that the tapes can never be destroyed. The reasons for this provision are obvious. These tapes probably contain evidence relating to the commission of serious crimes. They probably also contain much information which can answer many questions as to how and why the Watergate scandals occurred. Without access to these tapes, the interests of justice and history would be unduly compromised.

The final provision of the legislation concerns public access to the tapes. The bill requires the Administrator of the General Services to issue regulations concerning public access. In issuing these regulations, the bill requires the Administrator to do the following:

Provide that the tapes shall be subject to court subpena and other legal process;

Provide that the tapes shall be kept under seal until the completion of all legal proceedings in which the tapes might be used as evidence or where disclosure might jeopardize an individual's right to a fair trial;

Provide that no access or disclosure shall be allowed where national security interests might be jeopardized; and

Provide that Mr. Nixon, in view of his status as a former President, be given unrestricted access to the tapes under safety procedures to be established by the Administrator.

I understand, of course, that the problems concerning Presidential papers is a far-reaching one which deserves close examination and probably corrective legislation. The proposed bill does not deal with that larger problem. It deals instead with the specific situation involving Nixon's tapes. This narrow and emergency treatment can be justified on two basic grounds.

On the one hand, the public's interest in these tapes is particularly acute. The Watergate scandals represented an unprecedented, dangerous, and illegal assault on our political system's most precious commodity—individual freedom. It is therefore important that these tapes be preserved pending their possible use in criminal trials. It is equally important to preserve these tapes in order to insure that, at some point in the future, there be a complete understanding of how and why the Watergate tragedies occurred. The tapes no doubt provide the information necessary to achieve that complete understanding.

On the other hand, Nixon's tapes—unlike other Presidential papers—are in imminent danger of destruction. Therefore, immediate congressional action is required.

Because this proposed legislation does deal with matters of critical national importance, it is my hope that the Congress will move quickly on it.

Mr. President, I ask unanimous consent to insert in the RECORD two newspaper articles dealing with this important matter; an editorial from the Washington Post and a column in the New York Times by Anthony Lewis.

Mr. President, I also ask unanimous consent that the text of the bill offered *today be printed* in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 4016

A bill to protect and preserve tape recordings of conversations involving former President Richard M. Nixon and made during his tenure as President, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Presidential Recordings Preservation Act."

SEC. 2. Notwithstanding any other agreement or understanding made pursuant to section 2107 of title 44, United States Code, or any other law, the Administrator of General Services shall obtain, or, as the case may be, retain, complete possession and control of all tape recordings of conversations which—

(a) involve former President Richard M. Nixon and/or other individuals who, at the time of the conversation, were employed by the Federal Government;

(b) were recorded in the White House or the Executive Office Building located in Washington, D.C.; and

(c) were recorded between January 20, 1969, and August 9, 1974, inclusive.

SEC. 3. None of the tape recordings referred to in section 2 above shall be destroyed except as may be provided by Congress.

SEC. 4. If a Federal court of competent jurisdiction should decide that the provisions of this Act have deprived any individual of private property without just compensation, than the Administrator is authorized to *provide such* compensation, from funds in the Federal Treasury, as may be adjudged just by a Federal court of competent jurisdiction.

SEC. 5. The Administrator shall issue such reasonable regulations as may be necessary to assure the protection of the tape recordings referred to in section 2 above from loss, destruction, or access to unauthorized persons.

SEC. 6. The Administrator shall issue reasonable regulations governing public access to the tape recordings referred to in section 2 above. In issuing these regulations, the Administrator shall—

(a) provide that information relating to the Nation's security shall not be disclosed, except pursuant to subsection (b) below;

(b) provide that all tape recordings may be subject to court subpena or other legal process;

(c) provide that there shall be no disclosure of or access to the tape recordings, except pursuant to subsection (b) above, until the completion of all judicial proceedings wherein (i) the tape recordings may be used as evidence or (ii) an individual's right to a fair and impartial trial may be prejudiced by such disclosure or access; and

(d) provide that Richard M. Nixon, or any person(s) whom he may designate in writing, shall at all times have unrestricted access to the tape recordings for copying or and other purposes: *Provided, That* such access shall be consistent wih such regulations as the Administrator may issue pursuant to section 5 above.

SEC. 7. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

[From the Washington Post, Sept. 15, 1974]

PRESIDENTIAL RECORDS AND THE PUBLIC INTEREST

In response to strong objections from the Special Prosecutor's office, the White House has now suspended the deal which gave former President Nixon almost complete control over the papers, tapes and other records of his presidency. To the extent that this is the first step toward renegotiating the agreement, it is welcome because the papers pact was just as ill-advised as the premature pardon which it accompanied. As the Special Prosecutor has recognized, the agreement between Mr. Nixon and GSA Administrator Arthur F. Sampson was a giveaway by the government—a giveaway which gave Mr. Nixon every opportunity to use the records of his presidency to obstruct justice and stonewall history.

Under the arrangement, Mr. Nixon would have controlled all access to the records deposited with GSA—the records of official presidential conduct and misconduct which Mr. Nixon referred to as "my presidential historical materials." The control was to be both legal and literal, since two different keys were to be required to open the vault and only Mr. Nixon would have had both. All the materials except the tapes were to be kept for three years, after which Mr. Nixon would have been able to withdraw anything "without formality" for any purpose, including publication, sale or shredding. The tapes were to be kept until Sept. 1, 1979, after which they would have been destroyed as Mr. Nixon might direct, or upon his death, or at the latest by Sept. 1, 1984.

This was an open invitation to a monumental cover-up. The pact's provisions regarding subpoenas were especially curious. In an opinion for President Ford, Attorney General William Saxbe wrote that even though Mr. Nixon owned the materials, the government would have to produce properly subpoenaed items within its possession. But the San Clemente arrangement said something else. It said that govrenment officials, if served with a subpoena, must notify Mr. Nixon so that he could respond "as the owner and custodian of the materials with sole right and power of access thereto and, if appropriate, assert any privilege or defense I may have." That, coupled with Mr. Nixon's exclusive ownership of one of the two different keys necessary to open the vault, promised only more rounds of objections, appeals, unilateral decisions that certain papers and conversations were not relevant—and probably a few announcements that some materials simply could not be found. In short, at the same time President Ford immunized Mr. Nixon against federal prosecution, he also gave his predecessor the power to undermine or frustrate other probes and prosecutions as well. It is no wonder that the Special Prosecutor has objected so forcefully.

The agreement was doubly obnoxious because the cover-up could be an endless one. Mr. Nixon has expressed his "desire" to donate "a substantial portion" of the documents, excluding tapes, for historical purposes at some future date, but absolutely no binding commitment has been made. Thus he and his family would be at liberty to write their own memoirs, to publish selected documents and transcripts, to open the files to sympathetic writers—and to bar access, forever, to everybody else. Key documents and tapes could be suppressed and eventually destroyed with their contents undisclosed. Together with the presidential pardon, this adds up to a kind of eternal immunity protecting Mr. Nixon from final and dispassionate judgment either in the courts or at the bar of history.

In authorizing such a deal, President Ford may have been pushed by the suggestions that, in the absence of some formal accord, there was little to prevent Mr. Nixon from sending over the U-Hauls and carting all his files away. That idea was based on the assumption that the records of a presidency are the President's personal property to keep, donate or dispose of as he likes. That concept, however unwise, is backed by ample precedent—but there is no precedent governing the case of a President who has resigned in disgrace to avoid impeachment, and whose former aides and closest associates are under indictment or investigation for a wide range of alleged crimes, many of which involve abuse of presidential authority. In such a case, it is incumbent on the government to take every possible step to preserve the record and to assure that potential evidence will be available so that the agencies of justice may proceed without hindrance or delay.

President Ford now has the obligation to renegotiate the agreement which was so rashly signed. That task should certainly not be entrusted to Mr. Sampson of GSA, whose inclination seems to be to give Mr. Nixon anything and everything he wants. Instead, a new and more prudent arrangement should be worked out by the White House in full consultation with the Special Prosecutor. If Mr. Nixon balks, the courts or Congress may have to intervene. But the responsibility rests first of all with President Ford. He should regard this as an opportunity to demonstrate his commitment to fair and thorough enforcement of the laws, and thus repair some of the damage caused by the precipitous pardon and the initial decision to give these vital records away.

[From the New York Times, Sept. 16, 1974]

NOW YOU SEE IT . . .

(By Anthony Lewis)

BOSTON, September 15.—The controversy over the pardon has until just now kept attention away from a related matter: the agreement made with Richard M. Nixon on the handling of the papers and tapes accumulated while he was in the White House. It is an astonishing legal document.

When Mr. Nixon left, President Ford and his Government had custody of the materials. Mr. Nixon had a claim of title in due course, but in the meantime officials could get at the files in the White House as needed for public business.

Now those necessary rights of official control and access have been virtually abandoned. They were given away by those who negotiated the agreement, supposedly on behalf of the United States. Consider these extraordinary provisions:

1. The Government agrees to provide secure storage space for the materials near San Clemente, at public expense. But no one may enter the storage area without the personal approval of Mr. Nixon, who will have a key "essential for access," given to him "alone as custodian of the materials."

2. Another key will also be needed to get into the area. It will be held by the Archivist of the United States, or his designee, but the agreement gives them no clear right to enter the space, not even to watch what Mr. Nixon may do there. Any request for access made to the Archivist, even by officials, "shall be referred" to Mr. Nixon.

3. Mr. Nixon agrees to produce items in response to court subpoenas, subject to any claims of privilege he may make. This is of course no concession, since he would have to respond to subpoenas no matter what any agreement said. The limitation of assured official access to what can be gained by subpoena is in fact a severe restriction on the rights of the Watergate Special Prosecutor. He was originally assured cooperation in access to relevant White House documents without the need for court action.

4. If a subpoena is issued for certain documents or tapes, Mr. Nixon would presumably look for them in the files. If he then reports that he cannot find them, there is no provision for an independent search or supervision by any third party.

5. A special provision for the White House tapes says that all of them shall be destroyed at the time of Mr. Nixon's death or on Sept. 1, 1984, "whichever event shall first occur."

That means that if Mr. Nixon were to die next week, the tapes would be destroyed even though some were essential to pending criminal cases. After Sept. 1, 1979, he may order any specific tapes destroyed.

By such provisions Mr. Nixon could achieve in disgrace what he could not in office—the frustration of the special prosecution force. For it needs access to the Nixon White House file not only for the forthcoming cover-up prosecution and other cases but for the final report that it must make to Congress.

Some information on the crimes and abuses of power that most deeply concern the public may be found only in those Nixon files. There are, for example, the attempts to misuse the Internal Revenue Service, the secret wiretapping and the activities of the Plumbers. The prosecutors had requests for specific materials pending with the Ford White House when the agreement to give Mr. Nixon custody was suddenly sprung on them.

In sum, that agreement on the Nixon files is about as even-handed as one negotiated between victor and vanquished—with the United States in the posture of vanquished. And the way it was arranged is just as scandalous as the terms.

No Justice Department lawyer played any part in the business or even saw the document before it was approved. The negotiator for the United States was a private lawyer of no great reputation, Benton L. Becker, whom Mr. Ford happens to know. The Special Prosecutor's office has made clear that it wanted to be consulted on the terms. It was not.

The agreement took the form of a letter of proposal for Mr. Nixon dated Sept. 6. It was signed and accepted the very next day by the Administrator of the General Services Administration, Arthur F. Sampson. That is the same Mr. Sampson who was appointed by Mr. Nixon, who approved the spending of $17 million in Government funds at Mr. Nixon's houses and who last week told Congress that Mr. Nixon should now be given large sums so he "can maintain a creative presence as an adviser in national and international life."

The whole affair raises deep questions about what kind of legal advice President Ford has had. But the immediate problem is the agreement. It is one so contemptuous of the national interest, and perhaps even in violation of the law dealing with Presidential libraries, that Mr. Ford should now declare it void. If the President does not act, Congress has the plain power and duty to vindicate the public interest in these public materials.

By Mr. BENTSEN:

S. 4017. A bill to authorize an exchange of lands for an entrance road at Guadalupe Mountains National Park, Tex., and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. BENTSEN. Mr. President, Guadalupe Mountains National Park, located in west Texas, was authorized in 1966 and formally established September 30, 1972. This new national park preserves, protects, and provides for public enjoyment the most extensive exposed fossil reef complex on record. It also presents a unique ecological association of plant and animal life. It stands like an island in the desert.

The park idea was initiated with a generous donation of land from Mr. Wallace Pratt in 1958, which included the outstanding McKittrick Canyon. This canyon is exquisite in that the bisected reef formation contains a lush assemblage of plant and animal life, supported by a cold water mountain stream, contrasting sharply with the surrounding dry desert. It presents the park visitor with a breathtaking wilderness hike between colorful steep-walled cliffs. It provides a spectacular setting for an outstanding interpretive story, telling of ancient reef geology, and remnant biotic communities which are a holdover from earlier geologic time.

A right-of-way for public access to the mouth of the canyon was included in the donation. However, subsequent surveys revealed that construction of a road along this route would be very costly and difficult because of adverse terrain.

At the present time visitor traffic is utilizing a private 5-mile road to gain access to the mouth of the canyon. Additionally, access to the Government residence near the canyon is now over private land. Visitor travel, although light at the present time, is expected to increase significantly when master plan development proposals for the park are initiated.

Mrs. Fletcher Pratt, present owner of the private land between McKittrick Canyon and U.S. Highway 62–180, has graciously consented to an exchange of land which would permit the public and administrative access road to be located essentially along the present private primitive road route to the canyon. This would provide a feasible route for a public access road to be constructed and be preferable from an environmental standpoint to routing it over undisturbed terrain.

Mr. President, the legislation I introduce today authorizes the National Park Service to negotiate the proposed land exchange with the private landowner. I urge the Senate's expeditious and favorable consideration of this bill.

By Mr. MONDALE:

S.J. Res. 241. Joint resolution proposing an amendment to the Constitution of the United States with respect to congressional disapproval of Presidential pardons. Referred to the Committee on the Judiciary.

Mr. MONDALE. Mr. President, the events of the past several days have dramatically called the attention of the American public to a little-known, little-used, but very potent Presidential power. Article II, section 2 of the Constitution gives the President the power to "grant reprieves and pardons for offenses against the United States."

As we have seen, the pardon power may be the "Catch 22" of our Constitution. The Congress can investigate, the courts can pursue the guilty, the American people can speak—but it can all be overturned by a Presidential pardon.

I believe, Mr. President, that the time has come for serious consideration of the pardon power and its role within our system of checks and balances. Because I believe that the pardon power must be restrained—to prevent its abuse and its questionable use—by the checks which control almost all the powers granted to the three branches of Government by our Constitution, I am today introducing a constitutional amendment to provide that a two-thirds vote of both Houses of Congress may overrule the grant of a Presidential pardon.

When the framers of the Constitution assembled in Philadelphia in 1787, they were no strangers to the pardon. They were familiar with the English practice, had witnessed the power cross the Atlantic embodied in colonial charters, and had enshrined the power in numerous State constitutions.

Surprisingly, however, neither of the principal plans presented to the Convention charged with drafting the Constitution contained a provision granting the pardon power.

This omission was soon rectified, when the Committee on Detail responded to a suggestion scribbled on the margin of the Virginia plan by John Rutledge and added a pardon provision. Although much debate ensued over the form of the power and where it should reside, the framers eventually adopted the language we know today.

During their debates, the framers articulated several reasons for inclusion of the pardon power. James Wilson, for instance, noted that a pardon—particularly a pardon before trial—might be necessary in order to obtain the testimony of accomplices.

The framers were also apparently concerned that there be a way to save a spy serving the Executive in time of war, when only the Executive knew of his services.

Hamilton, in the Federalist Papers, expresses the concern that there be a method, "in seasons of insurrection or rebellion," for putting a prompt end to domestic instability through a prompt offer of a pardon.

Above all else, Mr. President, the pardon power is an indispensable element of even the most perfect system of laws. The pardon is the instrument of mercy and the way to correct those grave injustices—either on their facts or by unanticipated operation of the criminal laws—which simply must be remedied.

In Hamilton's words—

> (T)he criminal code of every country partakes so much of necessary severity that without an easy access to exceptions in favor of unfortunate guilt, justice would wear a contenance too sanguinary and cruel.

In modern times, the pardon power has evolved into a seldom-used means for overcoming technical impediments to review of convictions and for removing civil disabilities resulting from convictions.

But, the pardon power was really intended to be another "check" in our balanced system of checks. It checks the abuses of the judiciary and the oversights of the legislature, while, hopefully, acting according to the best instincts of the American people.

It is with that history in mind, Mr. President, that we must view the events of the past several days. Many, including myself, have objected to President Ford's pardon of former President Nixon. For me, this action—coming as it does before trial—represented the ultimate coverup of Watergate, largely eliminating the possibility that we will ever know the truth behind that sordid scandal. It also represented the ultimate injustice—telling the American people that some are more equal than others under equal justice under law.

The suggestion that all Watergate defendants might receive similar pardons merely serves to compound an already serious mistake. The possibility of uncovering the truth would totally disappear, and our system of justice would be dealt another blow.

This is not, however, the time to debate those issues. Suffice it to say that we have been awakened to the possibilities of abuse inherent in the pardon power.

Interestingly, the framers of our Constitution were not without foresight about the context in which we find ourselves discussing the pardon power in 1974.

Returning to the constitutional language, we find that the pardon power is qualified by one exception—"except in cases of impeachment." The President cannot pardon an impeachment. Why? Mr. Justice Story tells us in his commentaries on the Constitution.

> There is an exception to the power of pardon, that it shall not extend to cases of impeachment, which takes from the President every temptation to abuse it in cases of political and offences by persons in the public service. . . . (I)t is of great consequence, that the President should not have the power of preventing a thorough investigation of (high government officials's) conduct, or of securing them against the disgrace of a public conviction by impeachment, if they should deserve it. . . . (H)e cannot, by any corrupt coalition with favorites, or dependents in high offices, screen them from punishment.

The framers saw the possibility that the truth about corruption in high office might escape via the pardon power. Unfortunately, they did not foresee the sequence of preimpeachment events of 1974.

They knew that the pardon power could be used in such a way that the truth behind political scandal could be suppressed and the guilty escape punishment. So, they precluded a pardon of an impeachment—presumably Presidential or otherwise. However, because former President Nixon was not impeached, but resigned instead, the pardon power was able to be used to accomplish precisely the result the framers sought to avoid.

To prevent the possibility and other possible abuses of the pardon power in the future, I am introducing today a constitutional amendment which will, I believe, provide a much-needed check on the exercise of that power.

My amendment provides that a two-thirds vote of both Houses of Congress may, within 180 days of its issuance, overrule the grant of a Presidential pardon. Our system is carefully designed with numerous checks and balances to keep power controlled. In my opinion, the pardon power needs a check.

Much as the Executive is allowed to veto legislation passed by Congress, Congress would be allowed to veto a Presidential pardon. This is a limitation on power, but it also provides a means for more careful consideration. Hamilton, speaking of the veto power, clearly articulated the reasons for a second review.

> (It would) increase the chances in favor of the community, against the passing of bad laws, through haste, inadvertence, or design. The oftener a measure is brought under examination, the greater the diversity in the situations of those who are to examine it, the less must be the danger of those errors which flow from want of due deliberation, or of those missteps which proceed from the contagion of some common passion or interest.

The framers considered giving the legislative branch a role in the pardon power. It is true that they rejected the idea, but it is impotrant to remember that they rejected the notion of giving the legislative branch the power to grant the pardon, not the power to review such a grant.

Moreover, an examination of their reasons reveals that they have not survived the passing time. They feared delays in the pardon consideration; modern travel and lengthy sessions remove that fear. They feared that the Congress would not be in session when a prompt pardon was necessary. As we know, the Congress could easily be called back into session due to modern conveniences. Finally, the close public scrutiny of our every action surely would prevent the safety-innumbers or corruption which the framers hinted at.

Mr. President, in proposing this amendment, I do not believe I am ignoring the late Chief Justice Warren's warning that we not, in the frenzy of Watergate and its aftermath, tamper with the system which has served us so well for nearly 200 years. Rather, I believe the amendment will fulfill the vision of the framers, provide a much-needed check to an unchecked power, and insure that the actions of the past several days not occur again.

I ask unanimous consent that the text of the joint resolution proposing a constitutional amendment be printed in the RECORD at this point.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 241

Joint resolution proposing an amendment to the Constitution of the United States with respect to Congressional disapproval of Presidential pardons

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution if ratified by the legislatures of three-fourths of the several States within 7 years after its submission to the States for ratification:

"ARTICLE ——

"SECTION 1. No pardon granted to an individual by the President under section 2 of Article II shall be effective if the Congress by resolution, two-thirds of the members of each House concurring therein, disapproves the granting of the pardon within 180 days of its issuance.

"SEC. 2. The form of the resolution referred to in section 1 of this Article shall be a concurrent resolution, the matter after the resolving clause of which is as follows: "That the Congress disapproves the pardon granted by the President on ———— to ———— for offenses against the United States.", the first blank space therein being filled with the date on which the pardon was granted and the second blank space therein being filled with the name of the individual to whom the pardon was granted.".

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 277

At the request of Mr. CRANSTON, the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 277, a bill to amend the Immigration and Nationality Act with respect to a waiver by the Attorney General, of certain grounds for exclusion and deportation, for an offense in connection with possession only of marihuana.

S. 2854

At the request of Mr. CRANSTON, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 2854, a bill to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolic and Digestive Diseases in order to advance a national attack on arthritis.

S. 3221

At his own request, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 3221, the Energy Supply Act of 1974.

S. 3418

At the request of Mr. ERVIN, the Senator from Washington (Mr. JACKSON) was added as a cosponsor of S. 3418, a bill to establish a Federal Privacy Board to oversee the gathering and disclosure of information concerning individuals, to provide management systems in Federal agencies, State and local governments, and other organizations regarding such information, and for other purposes.

S. 3952

At the request of Mr. PELL, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 3952, the Social Security Recipients Fairness Act of 1974.

S. 3955

At the request of Mr. Metzenbaum, the Senator from Maryland (Mr. Mathias) and the Senator from Minnesota (Mr. Mondale) were added as cosponsors of S. 3955, the Foreign Investment Review Act of 1974.

S. 3979

At the request of Mr. Cranston, the Senator from Oregon (Mr. Packwood) was added as a cosponsor of S. 3979, a bill to increase the availability of reasonably priced mortgage credit for home purchases.

S. 3985

At the request of Mr. Williams, the Senator from Washington (Mr. Magnuson), the Senator from Michigan (Mr. Hart), the Senator from Maine (Mr. Hathaway), and the Senator from Oregon (Mr. Hatfield) were added as cosponsors of S. 3985, the Anti-Dog-Fighting Act.

SENATE RESOLUTION 405—SUBMISSION OF A RESOLUTION RELATIVE TO AGRICULTURAL RESEARCH IN THE UNITED STATES

(Referred to the Committee on Agriculture and Forestry.)

THE AGRICULTURE RESEARCH EFFORT OF THIS COUNTRY SHOULD BE EXPANDED

Mr. BENTSEN. Mr. President, I introduce today a resolution which will place the Senate on record as recognizing the importance of agriculture research. The resolution calls for expanded agriculture research and is very similar to one recently introduced in the House by Congressman Jerry Litton of Missouri. I applaud Congressman Litton on the wisdom of the resolution.

The enviable record of agriculture in this country has been made possible by the unsurpassed productivity and efficiency of the American farmer, aided to a great extent by this Nation's firm commitment to agriculture research.

However, recently both the Secretary of Agriculture and the Chairman of the Council of Economic Advisers predicted that food costs would increase in the months ahead—continuing the already budget-busting spiral of many family food budgets.

This situation has brought at a minimum genuine concern and at maximum bewilderment to the minds of Americans. All of us must wonder how it has come to pass that a recent nationwide survey revealed that more than 40 percent of our people fear a serious food shortage within this decade. What has gone wrong in this land of plenty?

The situation is serious. For the first time in years, the percentage of the family budget being spent on food has increased. It is time that we seriously reviewed our agricultural policies toward research and development programs which directly affect the level of our farm productivity and food prices.

The salutary effects of U.S. investment in agriculture research and education are illustrated by several measures. U.S. citizens in recent years have spent less than 16 percent of their disposable income for food. This is less than any other country of the world, and it is a fact our citizens have come to expect and certainly deserve.

Past examples of agricultural research successes are dramatic:

Through the development of hybrid corn, national corn yields have doubled in the last 15 years.

Milk production per dairy cow has increased 50 percent in the last 15 years due to advances in genetic research.

The hog has been completely redesigned so that the average yield of lard per hog has dropped 27 percent while red meat has increased 11 percent.

These successes have lulled this country into a warm sense of security. We have been proud to call our country the land of plenty. However, the recent feed grain shortages, housewife boycotts, and export controls have burst that euphoric bubble of self-satisfaction. Demand has caught up with our productivity and the only feasible solution to the situation is to quickly increase our productivity.

Why has demand overcome productivity. There are two reasons:

One, increased foreign demand; and two, a dramatic decrease in emphasis on agricultural research. Everyone is familiar with our increased agricultural exports due to world demand and the opening of markets with Russia and China. Less known, but more significant, is how this country has deemphasized agricultural research.

Perhaps the clearest example of a reduction in the emphasis of agricultural research is the fact that due to the policies of the last administration, the personnel of the USDA Agriculture Research Service has been reduced by almost 10 percent since 1970. This personnel reduction coupled with the fact that our funding of agriculture research has not kept pace with inflation, has forced our research effort to remain stagnant at roughly 1960 levels—14 years behind with today's skyrocketing food prices.

In addition, Mr. President, in last year's budget, the administration indicated that it is their long-range goal to reduce the spending on agriculture research. I quote from the President's 1974 budget where it stated the intention to "Curtail anticipated growth in agricultural extension programs and reduce Federal support for agricultural research of primarily local benefit and low national priority."

The definition of this phrase is subject to question, but it is my position that we in Congress must not allow the research that can lower our food prices to be caught in this philosophy.

It is for this reason that I appeared before the Appropriation Subcommittee on Agriculture in April of this year and presented detailed plans requesting $27 million over the President's budget for agriculture research. It was a carefully thought-out budget compiled by State experiment station directors from all across the country, and represented an excellent game plan for increasing farm productivity and lowering food prices.

The Congress responded by increasing the budget for agriculture research by $10 million over the President's budget. I believe that this increase will be viewed as anti-inflationary. A decrease in our food supply of 1 percent generates a 2–3 percent price increase in the supermarket. And because agriculture research has proven its ability in increasing our food supply, its expansion must prove beneficial to the Nation's consumers.

I applaud the wisdom of the Congress in increasing the agriculture research budget. I hope this is the turning point in the amount of resources we devote to agriculture research. Rising food prices and the increasing world population demand that we continue to increase our effort in this regard. Ths resolution I introduce today will enable the Senate to assure the Nation's consumers that we intend to continue our efforts to expand our food supply. I hope my colleagues will join me in supporting the resolution.

The resolution reads as follows:

S. Res. 405

Whereas the world has nearly three billion nine hundred million mouths to feed, up more than 50 per centum in two decades, and growing at the rate of about 2 per centum per year; and

Whereas the alleviation of world tension from fluctuations in food supplies, and international political stability depend upon food production keeping pace with population until balance is achieved; and

Whereas world grain reserves, a critical measure of food supplies, have been declining during the last two years as a result of world demand and short crops; and

Whereas rising incomes are being expressed in an increasing demand for more nutritious diets in less developed countries of the world; and

Whereas the United States Department of Agriculture and the State experiment stations and cooperative extension services of the land-grant universities in the several States have demonstrated their ability to improve and expand our agricultural capacity; and

Whereas the development of new technologies through research requires an extended period of effort: Now, therefore, be it

Resolved, That it is the sense of the Senate that the prevention of widespread famine during the next ten to fifteen years and the maintenance of world order, and that the inflationary pressures brought on by increased domestic food prices, require that, as a prudent Nation, we make immediate and substantial public investments in agricultural research and technology for the express purpose of increasing food production which would—

Insure a ready supply of food at reasonable consumer food costs; and aid in the maintenance of a favorable United States trade balance; and reduce the risk of food shortages in years of adverse weather.

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY—AMENDMENT

AMENDMENT NO. 1887

(Ordered to be printed and to lie on the table.)

Mr. ERVIN submitted an amendment intended to be proposed by him to amendment No. 1817 proposed by Mr. Dole (for himself and others) to the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent

Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

AMENDMENT NO. 1888

(Ordered to be printed and to lie on the table.)

Mr. AIKEN submitted an amendment intended to be proposed by him to amendment No. 1817 proposed by Mr. DOLE (for himself and others) to the bill (S. 707), supra.

AMENDMENTS NOS. 1889 THROUGH 1893

(Ordered to be printed and to lie on the table.)

Mr. ERVIN submitted five amendments intended to be proposed by him to amendment No. 1817 proposed by Mr. DOLE (for himself and others) to the bill (S. 707), supra.

AMENDMENTS NOS. 1894 AND 1895

(Ordered to be printed and to lie on the table.)

Mr. ABOUREZK submitted two amendments intended to be proposed by him to amendment No. 1817 proposed by Mr. DOLE (for himself and others) to the bill (S. 707), supra.

AMENDMENT OF THE EXPORT-IMPORT BANK ACT—AMENDMENT

AMENDMENT NO. 1896

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to the bill (S. 3917) to amend and extend the Export-Import Bank Act of 1945, as amended, and for other purposes.

AMENDMENT NO. 1898

(Ordered to be printed and to lie on the table.)

Mr. BELLMON submitted an amendment intended to be proposed by him to the bill (S. 3917), supra.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1974—AMENDMENT

AMENDMENT NO. 1897

Mr. NELSON submitted an amendment intended to be proposed by him to the bill (S. 3585) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the national health service corps program and the national health service corps scholarship training program, and for other purposes.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1519

At the request of Mr. TUNNEY, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of amendment No. 1519, intended to be proposed to the bill (S. 3601) to amend the Urban Mass Transportation Act of 1964.

AMENDMENT NO. 1850

At the request of Mr. ABOUREZK, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of amendment No. 1850, intended to be proposed to the bill (S. 3394), the Foreign Assistance Act of 1974.

AMENDMENT NO. 1882

At the request of Mr. HATHAWAY, the Senator from Florida (Mr. CHILES) was added as a cosponsor of amendment No. 1882, intended to be proposed to the bill (H.R. 15580) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1975, and for other purposes.

NOTICE OF HEARINGS ON S. 3294 AND S. 3295

Mr. WILLIAMS. Mr. President, I wish to announce that the Subcommittee on Labor of the Committee on Labor and Public Welfare will hold hearings on S. 3294 and S. 3295, on Tuesday, October 1, and Wednesday, October 2, at 10 a.m. in room 4232, Dirksen Senate Office Building.

These bills which I have introduced and which are cosponsored—S. 3294 by Senator SCHWEIKER, and S. 3295 by Senators SCHWEIKER and INOUYE, would provide collective bargaining rights to employees of States and political subdivisions. S. 3294 would eliminate the existing exemption in the National Labor Relations Act relating to these workers. S. 3295 would create a separate statutory scheme for such public employee labor relations.

Any interested organizations or individuals who would like to testify should contact Donald Elisburg, counsel, Subcommittee on Labor, 202-225-3674.

ADDITIONAL STATEMENTS

THE DILEMMA OF THE WORLD'S LESS DEVELOPED NATIONS

Mr. McGEE. Mr. President, there is an argument being made within the Congress that less developed nations, who have not established some democratic form of government, should not be recipients of U.S. development assistance. In other words, if less developed nations do not reflect Western institutions and ideals, economic development assistance programs to these nations should be terminated.

The purpose of my remarks today, therefore, is to place this issue in its proper perspective. In so doing, I want to make it clear that my purpose is not to defend repressive dictatorships whose only concern is the perpetuations of elites in power at the expense of the well-being of their peoples. However, I do believe a distinction has to be made between repressive governments and those governments within the developing world who, while they may not reflect democratic forms of government, are, nevertheless, struggling to meet the needs of their people within their capability to do so.

In this connection, I want to note an article written by Richard Critchfield which appeared in the Los Angeles Times earlier this summer. Critchfield is presently studying peasant life and cultures in Asia under a Ford Foundation grant.

As Critchfield points out:

> There seems to be a growing contradiction in Asia between effective government and parliamentary democracy, which worries many American liberals. If liberals are defined as those who combine an interest in the whole world and the welfare of all its people with an instinct for reform, then it is they who have always been foreign aid's principal constituency.
>
> Every Asian country today is frantically trying to grow more food and, with varying degrees of zeal, trying to curb population growth. And although genuine parliamentary democracy is rare in Asia, almost every underdeveloped Asian nation is engaged in some kind of reform to bring its masses of poor people into the economic process.

I believe the overwhelming majority of less developed nations in the world are striving to achieve the same end—to bring their masses of poor people into the economic process. Involved in this process is one simple, elemental consideration—the right of survival; the most basic of human rights. Yet, as Critchfield notes, in order to achieve this end, there exists a contradiction between effective government and parliamentary democracy. Less developed nations—and each nation is unique in itself—establish those institutions which facilitate this process rather than obstruct it.

Critchfield makes another poignant observation when he notes:

> American experience is not very helpful since the United States made the shift from a traditional, agricultural economy with low population growth, low capital investment of $200 per man in industry, high achievements and low expectations, access to overseas markets and an almost unlimited base of natural resources.
>
> The Asian countries are, instead, faced with high population growth (rates of 2.2 percent to 3.3 percent per year), a rate of technological agricultural advance that has telescoped 200 years of advance into five, high capital investment rates of about $2,000 per man, high expectations and low achievements, little access to overseas markets and competition with rich countries for such finite resources as oil and minerals.
>
> Trying to repeat the American experience merely moves small Asian elites into industrialization and sudden prosperity and freezes the vast majority of people in poverty.

I would add another observation in this regard. While the establishment of democratic institutions within our Nation was a revolutionary development in the evolution of Western society, it must be kept in mind that these institutions and ideals were established solely for an elite. For example, it took decades and decades before property ownership and literacy were eliminated as principal criteria for the participation of U.S. citizens in the democratic processes. It was not until the middle 1960's that civil rights for all our citizens were legislated by the U.S. Congress. And yet, even today, Congress has yet to accord unobstructed participation for all U.S. citizens in the most fundamental, constitutionally guaranteed right we have to exercise—the right to vote. How can we expect less developed nations, the vast majority of which have achieved independence only since World War II, to achieve, in less than three decades, what we ourselves have been unable to accomplish completely over the course of 200 years? Yet, democracy in this Nation as a viable governmental process was possible only because we had a wealth of human and natural resources when our independence was achieved. In this context, we have been the most fortunate nation in the history of mankind. To impose Western institutions on nations struggling to achieve viability, particularly since these institutions do not take into consideration the uniqueness of each nation and requirements for viability, seems somewhat self-serving and shortsighted. This is particularly true when we ourselves have much left to do in the way of perfecting our institutions.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOREIGN AID AS A CURB ON INFLATION

(By Richard Critchfield)

BANGKOK.—Global inflation has produced a strong new argument for expanding the earth's food production. The United States has lifted growing restrictions from 60 million acres formerly in the "soil bank" and this year's crop forecasts are good.

But modern American agriculture is energy-intensive and expensive. It would be much more sensible to expand production in the poor two-thirds of the world where productivity is still very low. The potential exists in countries like India. Bangladesh and Indonesia to double harvests in 10 or 20 years—more than enough feed projected populations and help hold down world demand and prices.

The technology is available—sophisticated machinery and methods of cultivation, high-yield dwarf wheat, corn and rice for tropical climates and nitrogen fertilizers—but the poor countries need massive help in the form of cash, credits and technical assistance to capitalize on it. The advanced nations should supply this—through the international institutions—in their own self-interest. Every additional bushel of rice, wheat and corn produced in the world helps to relieve inflationary pressure.

This is probably the best argument yet for foreign aid, long under attack from critics who claim it is bad because it encourages intervention, helps the rich not the poor, and because growth will exhaust the planet's resources.

In fiscal year 1973–74 American bilateral economic aid totaled $1.6 billion, including emergency disaster relief for Africa and Nicaragua. This is low, but not as low as the $1.2 billion that has been the recent level of financing.

For 1974–75 the Agency for international Development, which administers the U.S. foreign aid program, has requested an appropriation of $2.568 billion for bilateral programs. In addition, U.S. contributions to world financial organizations—such as the World Bank—will total $1.348 billion in the current fiscal year.

This means that if AID receives from Congress the appropriation it has requested, total American aid to underdeveloped nations in 1974–75 would be $3.916 billion. Committees of both House and Senate are still holding hearings on the aid bill but hope to complete them this month.

Linked to the questions of foreign aid, feeding the world and resisting runaway global inflation are American attitudes toward reform and parliamentary democracy. Congress does not like to support dictators, and no society functions well under unlimited despotism; yet in Asia today country after country is being reorganized under a technocratic elite.

There seems to be a growing contradiction in Asia between effective government and parliamentary democracy, which worries many American liberals. If liberals are defined as those who combine an interest in the whole world and the welfare of all of its people with an instinct for reform, then it is they who have always been foreign aid's principal constituency.

Every Asian country today is frantically trying to grow more food and, with varying degrees of zeal, trying to curb population growth. And although genuine parliamentary democracy is rare in Asia, almost every underdeveloped Asian nation is engaged in some kind of reform to bring its masses of poor people into the economic process.

This is happening differently in each country. But the success of structural reform will be as important—if they are to grow more food—as cash, credit and technical assistance from the West.

For instance, Pakistan and the Philippines are trying to restructure essentially feudal rural societies through income and property redistribution, but are making no attempt to preserve a democratic facade while doing so.

Indonesia and Bangladesh represent two extremes, the first relying on its oil and rich natural resources to thrust its small elite forward, hoping that enough trickles down to the masses, and Bangladesh clinging to a facade of democracy while its economy disintegrates. Vast India, whose current population of 600 million equals all of the 60-odd states of Africa and Latin America put together, is a separate case since within its borders, from rich Punjab to impoverished Bengal, many varied political and economic forces are interacting.

The aim of all these countries is development—that is, to transform subsistence agricultural economies into the more prosperous kind of societies that live by buying and selling.

American experience is not very helpful since the United States made the shift from a traditional, agricultural economy with low population growth, low capital investment of $200 per man in industry, high achievements and low expectations, access to overseas markets and an almost unlimited base of natural resources.

The Asian countries are, instead, faced with high population growth (rates of 2.2% to 3.3% per year), a rate of technological agricultural advance that has telescoped 200 years of advance into five, high capital investment rates of about $2,000 per man, high expectations and low achievements, little access to overseas markets and competition with rich countries for such finite resources as oil and minerals.

Trying to repeat the American experience merely moves small Asian elites into industrialization and sudden prosperity and freezes the vast majority of people in poverty.

This means the gap between rich and poor inevitably widens. Yet, since no one has come up with a better alternative, the continuing development formula remains aid (preferably soft, untied and channeled through multilateral agencies), state control of industry, currency and trade, reliance on foreign and domestic private investment and agricultural modernization.

The World Bank and others try to circumvent such trickle-down economics with direct assistance to WPA-style public works programs, family planning, schools and so forth, but these are generally small efforts with marginal impact.

What does make a big difference is high worldwide commodity prices. While Asia's urban populations are suffering badly this year, the rural peasants, who usually number 80% or so of the population, have had their real incomes double and triple.

How long this boom will last depends partly on fertilizer. Most countries had ample supplies when the energy crisis really hit last October, but most are short 25% or more of their needs for the present rice crop to be harvested in December and for the winter wheat crop to be harvested a year from now. There is also a critical shortage of diesel fuel to run irrigation pumps, farm machinery and the trucks to move crops to market centers.

In most Asian countries the prerequisite to agricultural modernization is a wholesale transformation of the social structure.

To take a few:

The Philippines: In September, 1972, President Ferdinand Marcos ended 39 years of American-style democracy and imposed martial law on the grounds its two main social institutions were incompatible. Marcos argued that a democratic system based on political parties and a free press, inherited from the Americans, and an economically dominant landed oligarchy with a patronage system, inherited from the Spanish, along with runaway population growth, had made the Philippines ungovernable.

Marcos banned firearms; purged the civil service and police; instituted cheap rural credit and greater technical assistance; increased taxes on wealth, inheritance and income; reformed banking, customs and the tariff code, and introduced economic incentives and disincentives such as tax amnesties, stock market reforms and harsh punishments against speculation.

Within 18 months, the Philippines' GNP rose 10%, more than $100 million in new foreign and domestic investment flowed in, agriculture was revitalized and 800,000 acres of land were redistributed to tillers, one-fourth of a planned target. Marcos' strategy is to try to increase the GNP rapidly and channel the new income to the poor.

The Philippines has been badly hurt by the rising costs of oil imports, $700 million for petroleum alone. Both imports and exports will run at $2 billion this year and Marcos may have to borrow as much as $1.3 million on semicommercial, five-year-repayment terms or draw from his $750 million in foreign exchange reserves.

Pakistan: Like Marcos, Prime Minister Zulfikar Ali Bhutto has tried to restructure Pakistani society through land reform and fiscal reform. Unlike Marcos, Bhutto has nationalized 32 companies in 10 basic industries and done little to attract domestic or foreign investment, which is now at a standstill. But Bhutto's strength is Pakistan's marvelous, irrigation-based agriculture.

Now shorn of Bangladesh, the Pakistanis find themselves in a land of 66 million people in an area of 300,000 square miles. There is a favorable man-land ratio: 4 million farm families cultivate 47.5 million acres, 33 million being irrigated by a 10,000-mile canal system and 100,000 tubewells.

Pakistan has undergone a spectacular shift from traditional subsistence agriculture to modern commercial farming—comparable to what happened on the American Great Plains from the 1890s to the 1950s. It is highly vulnerable to the fertilizer and fuel shortages but has the natural gas to manufacture its own nitrogen requirements within four years.

Bhutto's main task will be to lower the present 150-acre land ownership ceilings to something closer to the 50 acres in Iran or 30 acres in India's wheat-growing region. Wages of landless laborers are still only $5 or $6 a month, less than half what they are in India.

Bhutto's problem, then, is that of Marcos—but in reverse. Marcos seeks to restructure Philippine society because otherwise its agriculture cannot modernize. Pakistan's agriculture suddenly modernized during the past 10 years and prosperity has come so fast and inequitably that Bhutto must redistribute property and income quickly to avert a violent social revolution.

Indonesia: With $2 billion a year more in oil revenues since October, Indonesia should be sitting pretty. But, as Pakistan did in the 1960s, it exemplifies trickle-down economics. Indonesia's small class of new rich, which heedlessly is becoming a conspicuous-consumer society, is riding the crest of a rapid economic comeback since Gen. Suharto saved the country from its threatened Communist coup and eased out President Sukarno in 1966.

Little is done for the poor. While the resource-rich Indonesian islands are vast but little settled, and 70% of the 130 million Indonesians are jammed onto the small, 50,000-square-mile island of Java. (Even with the new oil earnings, per capital GNP will rise only from $80 to $100, versus almost $6,000 now in the United States.)

The adoption of high-yielding rice goes slowly, but Indonesia will get all the fertilizer it needs this year from Japan, eager to keep in good graces with one of its major suppliers of oil.

So Indonesia now has the resources for major investment in job-creating public works and industry—but it has yet to show it will spend them. Indonesia has yet to start down the sobering road to social reconstruction.

Bangladesh: Some 94% of Bangladesh's people live in 65,000 rural villages, making it the least urbanized country in Asia. The soil is extremely fertile, and experts believe that if Bangladesh had efficient government and its peasants got the water, irrigation equipment, insecticides and fertilizer they need, they could easily double present outputs.

But the situation in Bangladesh now could not be worse: Lawlessness, no investment, sluggish imports and exports and the need of the government to spend money on food it should be spending on food production have brought Bangladesh as close to anarchy as so rural a society can probably get.

As Prime Minister Sheik Mujibur Rahman told me, "If I have to purchase so much food from outside and at such high prices, how can I divert money to agricultural production? It is one of my terrible problems."

A decent, fatherly sort of man Mujib strongly supports parliamentary democracy. "After liberation," he said, "the people would have given me anything—dictatorial powers. But I don't want them. Let us try the democratic process."

Yet the lack of a strong administrative hand—translated into a lack of fertilizer, pump parts and irrigation equipment, diesel fuel and insecticides—following a tide of growing lawlessness and bandit attacks on villages, feeds rural discontent.

If Asia transforms its social structures, installs economic policies that do more than trickle down but somehow fill the cisterns at the bottom, and is Asian nations receive adequate supplies of fuel, fertilizer, cash, credit and Western technical assistance, the world could grow enough food—even for the larger populations of 10 or 20 years from now. And doing this would help greatly to halt chronic worldwide inflation.

A lot has to go right in the meantime, but Asia's peasants seem to know what to do and ready to do it if they get help. And it should not be too long before the American housewife sees that a few pennies spent on Asia's peasants will saves her dollars at the supermarket.

That's the hope of it.

THE EDUCATIONAL RESOURCES INFORMATION CENTER

Mr. MATHIAS. Mr. President, the Educational Resources Information Center—ERIC—one of the strongest—if not the strongest—programs in the National Institute of Education—NIE—was established originally by the Office of Education—OE—in 1966. In 1972, the legislation authorizing NIE stipulated that ERIC be transferred to NIE as a nucleus for the Institute's dissemination arm. At that time, ERIC was firmly established as the primary mechanism for communicating the results and products of educational research to the educational community. From the beginning, ERIC has emphasized reaching the practitioners—planners, administrators, teachers, et cetera—who must put the research results to work if our educational system is to be improved.

While ERIC is young by comparison to other Government information systems, its growth has been little short of phenomenal. As long ago as 1970, when it was barely 4 years old, an evaluation study found that 10 million persons used ERIC in that year alone and that 9 out of 10 of these users found information through ERIC that would not have been found through any other source. At that time, there were, perhaps, a dozen organizations performing searches of ERIC's computer files; now, there are over 130 spread around the world, including two nationwide on-line networks which are commercial operations without Government support. The number of organizations which can perform manual searches using ERIC's two abstract journals—Research in Education—RIE, and Current Index to Journals in Education—CIJE—is certainly numbered in the thousands.

Nor is ERIC satisfied to simply tell its users about information. Over 80 percent of the documents announced in RIE would be difficult, if not impossible, to obtain for many users, if provision were not made for keeping them "in print." Through the ERIC Document Reproduction Service—EDRS—which, incidentally, is also self-supporting—these documents are microfilmed in microfiche—transparent card—format, and sold to the public. In every State in the Union, there are from one to 50 or more collections of ERIC documents of microfiche—more than 500 in all—and most of them complete from the beginning and updated monthly on standing orders. Every major library in this country—and a good number in foreign countries—maintains an ERIC collection for the use of the public. Full size paper copies as well as microfiche are always available on demand at very modest prices. This broad distribution of the collections and the immediate "hometown" access to needed information is a major factor in making ERIC an indispensable, heavily used resource for the millions of planners, administrators, teachers, and others who are trying to educate our children in the best possible way.

While ERIC relies heavily—but not exclusively—on self-supporting operations for the distribution of its products and the provision of services to the users, these operations must be provided "raw material" to work with. Under the guidance of Central ERIC, this "raw material," the research papers and reports, are collected and processed into computer files, publications, and microfiche by a network consisting of: 16 subject-specialized clearinghouses located in nonprofit organizations; for example, universities, professional associations; three contractors in the for-profit section; and the Government Printing Office. It is Government support of these basic acquisition and processing tasks which makes it possible to get necessary information to so many people, so effectively, and at so little cost.

Because of its continuing outstanding performance in providing critically needed information services to the educational community, the ERIC program should be protected from possibly drastic budget cuts which would impair its effectiveness. I recognize that the Appropriations Committee has not allowed any funds for the NIE. Nonetheless, I am encouraged by the committee's recognition of a possible agreement between the House and Senate conferees on the restoration of these funds. Should this occur, I hope that the funding for ERIC is maintained in fiscal year 1975 at a level at least equal to its fiscal year 1974 funding of approximately $4.2 million. Despite inflation, ERIC has been kept at this funding level for the past 4 years. This action will insure the preservation of the ERIC program while this body and the House consider whether it might be in the best interests of the educational community and the entire country to transfer ERIC from NIE to some other component of HEW, such as the Office of the Assistant Secretary for Education, where it could continue to perform its valuable functions with minimal impact from extraneous circumstances.

SOUND CREDIT

Mr. BENTSEN. Mr. President, each day there is more evidence that some relaxation in the growth of the money supply is in order to dampen unprecedented interest rates so that sufficient economic growth can be achieved to assist the fight against inflation on the supply side of the equation. The great majority of the economists present at the recent White House pre-economic summit who spoke to the question of monetary policy, including George Shultz, Paul McCracken, and Carl Madden of the U.S. Chamber of Commerce, suggested reducing monetary stringency. This opinion has been echoed at the labor and industry presummit meetings as well. I share the belief that some moderation in monetary policy is in order, but I also recognize the valid concern of others like Milton Friedman and Arthur Brimmer that the monetary floodgates not be reopened.

What is sorely needed under present economic conditions is adequate recognition and far more attention given to specific areas of the economy particularly those where increasing supplies can make a positive contribution to the national anti-inflation effort. In this regard, a policy of selective credit restraints would be helpful in the critical period ahead, while still permitting a course of moderate monetary restraint. When I spoke to the Nation on behalf of the Democratic Party on July 31, I said:

> In my judgment, the President should waste no time in communicating with banks, insurance companies and other lending institutions. He should urge them to launch

> a voluntary program of credit discipline—aiming the new loans they make toward the neediest and most potentially productive areas—like the housing industry. He should urge the great lending institutions to hold back on loans that do not contribute to the creation of items in short supply.

I continue to believe this recommendation is of the utmost urgency, and I am pleased to see that recently David Rockefeller, the chief executive officer of the Chase Manhattan Bank, and the Federal Advisory Council, a statutory body established by the Federal Reserve Act, have endorsed the desirability of voluntary selective credit restraints in bank lending policies.

Mr. Rockefeller, the chairman of the board of the Nation's third largest bank, speaking before a conference of the American Bankers Association, said that members of the financial community can play a role in battling inflation by—

> Selectivity and restraint in our loan policies . . . we should seek to design loan restraint programs to discourage activities which do not enhance output or productivity. Confronted by uncertainty and inflation, it is essential that our financial resources be husbanded carefully and used where they will create the greatest general benefits.

On Monday, September 12, the Board of Governors of the Federal Reserve System issued a statement on bank lending policies that was received from the Federal Advisory Council, a group of 12 prominent bankers—one from each Federal Reserve District. In releasing the Council's statement, the Federal Reserve Board said:

> Restraint (in lending policies) best serves the public interest when limited credit resources are used in ways that encourage expansion of productive capacity, sustain key sectors of national and local economies, provide liquidity for sound businesses in temporary difficulty, and take account of the legitimate needs of individuals and of small as well as large businesses.

The Federal Advisory Council underscored this concern that priority credit needs be accommodated. Under present circumstances, it describes as appropriate loans for normal operations of all established business customers; loans to finance capital investment when access to capital markets is unavailable and where investment improves productivity or satisfies clearly anticipated demand; loans to meet the basic requirements of individuals for household needs and automobiles; and loans to those sectors like housing and utilities which by their nature depend heavily on borrowing.

Furthermore, the Advisory Council's statement discourages loans made for purely finanical activities like acquisitions; loans for speculative purposes; and unwarranted loans to foreigners which are funded from domestic sources.

I welcome this constructive action on the part of the Federal Advisory Council and commend the Board of Governors of the Federal Reserve System for giving it close review and asking that it be circulated to all member banks. I hope that nonmember banks and other lending institutions as well will adhere to these criteria even if it means foregoing some loans which offer higher yields.

Obviously, this action alone does not constitute an answer to inflation, and it certainly should not dissuade the Congress from practicing fiscal restraint or moving forward on a broad front of deflationary policies to alleviate excessive reliance on monetary stringency. But I believe more selectivity in lending can help and that the Nation's lending institutions will respond positively to the difficult challenge articulated by Mr. Rockefeller and the Federal Advisory Council.

I have proposed that voluntary guidelines developed through a committee headed by the Chairman of the Federal Reserve Board similar to the Committee on Interest and Dividends would be in the interest of the entire banking system and of the economy as a whole in restoring sound credit conditions.

There are other Members in the Congress who have spoken out on this subject. Congressman Reuss, in particular, has made many thoughtful observations on the need for more selective credit policies and has introduced legislation to assure credit is made available for priority purposes. We have each responded to recent editorials in the Wall Street Journal and I ask unanimous consent that the text of the editorials and our replies along with the remarks of Mr. Rockefeller and the Federal Advisory Council be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

SENATOR BENTSEN'S SOLUTION

Sen. Lloyd Bentsen of Texas, who says he wants to be President, has some ideas on how to beat inflation. Interviewed by The National Observer, he recommended that banks and insurance companies be pushed into a policy of selective credit restraints.

"You ought to urge very strongly that banks not make new loans for things that are unproductive," he says. "Let's take an extreme example. You wouldn't make a loan for a gambling casino, for a corporate takeover. But you'd make loans for home building, or to companies that can't meet demand unless they expand their capacity."

Before we allow ourselves to be overwhelmed by this proposal, we'd like to see it tried out in a pilot project. Perhaps on a voluntary basis, all the banks of Rochester, N.Y., Butte, Mont., and Wink, Tex., should henceforth refuse to make loans for gambling casino and corporate takeovers, channeling the funds freed up into home building and industrial expansion. If, in a year's time, Rochester, Butte and Wink have inflation under control, we will recommend Sen. Bentsen to the Democratic National Convention.

BUCKING THE CREDIT MANAGERS

If central bankers could earn Bronze Stars for valorous combat Arthur Burns should get one for straight-arming Rep. Reuss, the House Democratic caucus, Senator Bentsen and others who would put the Federal Reserve Board into the business of allocating credit.

The clamor for credit controls was inevitable, given the stresses and strains in the nation's capital markets. But these latest proposals for Gosplan style central economic management are as much a prescription for economic chaos as the last one, wage-price controls, brought forth largely by the same people. It won't work, and as Mr. Burns helpfully suggested, there are alternative ways for dealing with the specific problems that the would-be credit controllers cite as the basis for their proposals.

Of those problems, the one that deserves serious thought is the credit difficulties of the housing industry. Although housing is not as destitute as controls advocates claim, its boom-bust cycles of recent years have no doubt been related to the ups and downs of the money market. There is a substantial economic waste in the lost time and planning interruptions caused by the housing cycle, not to mention the hardships for builders and would-be home buyers when housing credit becomes excessively tight.

But there are better ways of dealing with this problem than by slapping controls on all forms of credit so as to be able to allocate a generous portion to housing. The primary way—and a method which is entirely within the hands of Congress—is to balance the federal budget so as to reduce the demands on the capital market from that greatest borrower of all, the Treasury.

Another good way is to eliminate interest rate ceilings and other artificial restraints that tend to penalize savings institutions, which are a primary source of housing credit. And, as Dr. Burns suggested, another alternative is for Congress to deal directly with those sectors that it feels deserve help, providing them with new credit resources or agencies.

We wouldn't want to see this proposal carried too far, since it, too, in effect, amounts to a form of crdeit allocation by Congress. But it is preferable to a general allocation plan and doesn't make the preposterous assumption that someone at the Fed should be able to survey the total credit market in all its complexity and decide in the public interest who should get money and who should not.

In fact, there already is help on the way for housing from another wing of Congress. A Senate banking bill contains a provision that would give the Treasury authority to make an emergency loan of $2 billion to the Federal Home Loan Bank, which would be required to repay the loan once the housing "emergency" is over. As we say, we have reservations about this kind of activity but it is far better than general credit allocation.

There is every argument to be made why no central authority should try to allocate credit. And certainly that central authority should not be the Fed, as Mr. Burns argues very persuasively.

If the Fed were somehow put in the position of telling banks who they should and should not lend money to, this activity would almost certainly disrupt the board from its primary activity of trying to control the nation's money supply. It would come under intense political pressure to see it that housing, small business, farmers, and other favorite political blocs got enough money. Some money control that would be.

We hope Mr. Burns' arguments are enough to sink the credit allocation proposal without a trace. We also hope for the eventual re-education of those folks on Capitol Hill who keep coming up with ideas that would turn Washington into Moscow on the Potomac. In the interim, we're willing to give Mr. Burns his Bronze Star as a battlefield decoration.

LETTERS TO THE EDITOR

SENATOR BENTSEN'S VIEW

Editor, the Wall Street Journal:

While on my way to attend the pre-economic summit conference at the White House, I read your editorial entitled, "Senator Bentsen's Solution" (Sept. 5) in which you criticized my support of a policy of selective credit restraints. Nonetheless, the policy I propose would be helpful in the critical period ahead.

The unsettling consensus of the prestigious group of economists of all persuasions assembled at the White House was the prospect of declining real output, steadily increasing unemployment and inflation receding only by one or two percent over the next year. While there was disagreement on the remedies there was a general feeling expressed that our policies needed to direct more attention at specific areas of the economy, give far more attention to increasing supplies as a means of fighting inflation, and relieve some of the present strains on the capital markets.

Selective credit restraints, voluntary and developed through a committee headed by the chairman of the Federal Reserve Board similar to the Committee on Interest and Dividends, could assist in the anti-inflation effort, but it is only one of the "solutions" I have proposed. The re-establishment of a price and wage monitoring force which will give special attention to government actions affecting inflation has already been accepted by the Congress and the President. We have also begun to scale back federal spending, an action which the Journal has advocated editorially. I support the call for holding federal outlays to $300 billion during fiscal '75. However, it was a near unanimous belief upon the part of the economists present at the White House meeting that budget restraints, by themselves will not significantly reduce inflation. A many-faceted approach is required.

The great majority of the economists present who spoke to the question of monetary policy, including George Shultz, Paul McCracken, and Carl Madden of the U.S. Chamber of Commerce, suggested reducing monetary stringency so that sufficient economic growth could be achieved to assist the fight against inflation on the supply side of the equation. I share the belief that some moderation in monetary policy is in order, but I also recognize the valid concern of others like Milton Friedman and Arthur Brimmer that the monetary floodgates not be reopened.

Selective credit restraints on the part of banks and other financial institutions could assist in the effort to expand supplies and increase capacity in shortage areas while still preventing the total expansion in money supply from getting out of hand. It is by no means a totally new concept and has been used with varying degrees of success in the past. In view of the present problem posed by simultaneous inflation and recession, it is essential that we look for ways of relieving some of the distortions in the markets caused by restrictive aggregate monetary policy without providing the fuel for another round of inflationary expansion.

Before coming to the Senate I had management responsibility for an insurance company, a mutual fund, a savings and loan association, as well as a bank. I believe that with the present condition of our financial markets, the management of these institutions would respond to voluntary credit guidelines in order to take some of the pressure off the capital markets and bring interest rates down. I believe they would respond even though it would mean foregoing some loans which provided higher yields.

As one who has read and admired The Wall Street Journal for many years, I would hope that this paper will support ideas other than those from the conventional textbook in this effort to deal with present economic conditions. Our economy has been changing over the past decade. Mr. Walter Hoadley of the Bank of America correctly observed that the economic problems of this country are not responding to the conventional methods of the past. Solving these problems is going to require a reexamination of all our policies.

LLOYD BENTSEN,
U.S. Senator.

WASHINGTON.

REPRESENTATIVE REUSS REPLIES

Editor, the Wall Street Journal:

In your August 19 editorial "Bucking the Credit Managers" you dismiss the House Democratic Caucus' call for credit allocation as an idea "that would turn Washington into Moscow on the Potomac." The caucus, while recognizing the need for monetary restraint, recommended cushioning its impact "by channeling credit toward credit-starved areas of the economy, such as productive capital investment, housing, state and local governments, and small business, and away from speculative and inflationary use of credit."

The primary way to fight inflation, you go on to say, "is to balance the federal budget so as to reduce the demands on the capital market from that greatest borrower of all, the Treasury."

I'd like to reply.

One important reason the Federal Reserve is unable to control monetary inflation despite its restraint on the overall money supply is that inordinate amounts of credit are being siphoned by high interest rates into all sorts of inflationary lending—to bid up the price of scarce goods and real estate, to finance anticompetitive mergers, to be squirreled away into unnecessary borrowing by favored borrowers. As credit is thus diverted toward inflationary uses, it is diverted away from anti-inflationary uses, such as homebuilding that would sop up purchasing power, and investment in plant and equipment that would expand supply and reduce costs.

The impetus to inflation from business borrowing vastly outweighs that from federal borrowing. In the first half of 1974, the Treasury actually reduced the publicly-held debt by $3.6 billion, to $346.1 billion. In the same period, corporations increased their debt by more than $35 billion, to a staggering $1.15 trillion. Indeed, since inflation first started rampaging in 1968, over 50% of the growth to total public and private debt has come from corporate borrowing, and only 6% from federal borrowing.

It is this hyper-expansion of business credit, much of it speculative, that is primarily responsible for the latest staggering increase in the industrial commodity price index (34% at an annual rate). To become obsessed with Treasury borrowing while disregarding corporate borrowing is to strain at gnats and swallow camels, something I am sure The Wall Street Journal would not want to do.

There are a number of ways in which credit may be allocated, including indicative guidance on the composition of lending, and differential reserve requirements. With firm governmental leadership, it is entirely possible that much could be accomplished on a voluntary rather than a mandatory basis. During the Korean war, and again in the 1965 credit crunch, the Federal Reserve in fact did allocate credit through voluntary guidelines.

As Walter Bagehot, editor of The Economist, observed a century ago: "Money does not manage itself." Today, managing the total monetary aggregate is not enough. Responsible money management also requires thought as to where the aggregate is channeled.

HENRY S. REUSS,
U.S. House of Representatives.

WASHINGTON.

DAVID ROCKEFELLER CALLS ON FEDERAL RESERVE TO RELEASE PRESSURE ON CREDIT EXPANSION AS PART OF PROGRAM TO COMBAT ECONOMIC ILLS

ATLANTA, GA.—David Rockefeller, chairman of The Chase Manhattan Bank, today urged the Federal Reserve Board to release "its pressure on credit expansion" permitting rates to move down and "the housing industry to resume more normal production."

Addressing the National Correspondent Banking Conference of the American Bankers Association, the chief executive officer of the nation's third largest bank acknowledged that "monetary restraint must continue, that we cannot return quickly to a period of easy money" to solve economic problems.

However, Mr. Rockefeller cautioned that "interest rates have reached a point where they promise to do positive harm if relief is not soon provided."

Such relief, he noted, would be "beneficial to supporting institutions in the savings industry which have suffered severe disintermediation."

In addition to a balanced and well-timed monetary policy, the New York banker called "for progress on the fiscal side—for the curbing of government expenditures at the Federal, state and local levels."

To achieve significant fiscal restraint by government, Mr. Rockefeller proposed "that a review of existing programs be undertaken by the administration and by a bipartisan group in Congress" to determine national priorities and trade-offs.

In this context, the Chase chairman supported the upcoming economic summit meetings as a promising way to "create a climate of opinion, both in the public and Congress, that will be conducive to the application of fiscal restraint and other necessary measures which unfortunately will involve painful sacrifices on the part of all of us in the period ahead."

Mr. Rockefeller added that trade-offs may also have to be made in the environmental area.

"I would not suggest for a moment that we should go back on our national commitment to achieving high environmental standards," he said.

He added however, "that we should look carefully at the nature and the timing of the standards we impose to assure that the results fully justify the costs in terms of high prices and less capital available for productive investments."

Mr. Rockefeller further recommended a two-pronged approach for ensuring that the nation has adequate supplies of energy, food and raw materials in the years ahead.

First, he said, "we must accelerate the development of our domestic resources" such as minerals and agricultural products.

"In addition, we should take steps to conserve those basic products which are most likely to be in short supply and to develop alternative sources."

To promote conservation, Mr. Rockefeller said, "The Federal government must take the lead in a massive program, combining education and action, to alert industry, state and local governments and individuals to the extent of global shortages of critical commodities.'

He added that a parallel drive must be undertaken to stimulate business investment and improve productivity.

Mr. Rockefeller called capital spending "the main source of strength in our domestic economy over the past year and a half."

He said increased capital spending is vital "if we are to get at the heart of inflation by developing new and more efficient capacity and by increasing overall productivity.

"Indeed, it is imperative that productivity be increased if the nation's workers are to gain the higher real wages which they need to sustain or improve their standards of living," he noted.

Mr. Rockefeller added that while he opposed a return to mandatory wage and price controls, he thought "the President and Congress have been wise" in establishing the new Council on Wage and Price Stability.

The Chase chairman emphasized that inflation is an international problem which must be dealt with in a spirit of international cooperation.

On the economic ramification of worldwide energy problems, Mr. Rockefeller said, "We must begin by renewing our efforts to bring together the industrialized nations of Europe, the Far East and North America so as to devise common strategies to deal with the problems arising out of higher energy prices."

He also called for the world's investment institutions and banks to devise "imaginative new approaches" to financing the needs of oil producers while channeling capital to industrial nations.

He added that another role members of the financial community can play in battling inflation lies in the areas of selectivity and restraint in loan policies and public education about the root causes, effects and cures of inflation.

"It is essential that our financial resources be husbanded carefully and used where they will create the greatest general benefits, Mr. Rockefeller said. Specifically, he urged banks to design loan restraint programs which encourage output or productivity.

On educating the public, he said, "Unless there is greater general understanding of the facts, issues and trade-offs involved, it is unlikely that we will soon be able to arrive at the consensus essential to launching a meaningful crusade against inflation."

FEDERAL RESERVE PRESS RELEASE

The Board of Governors of the Federal Reserve System today released the attached statement on bank lending policies that was received from the Federal Advisory Council, a statutory body established under the Federal Reserve Act. The statement how banks can efficiently adapt lending policies in the current period of credit restraint.

The Board believes the Council's statement can be helpful to commercial banks in formulating their lending policies under current circumstances.

The Board regards restraint in lending policies as essential to the national effort to control inflation. Restraint best serves the public interest when limited resources are used in ways that encourage expansion of productive capacity, sustain key sectors of national and local economies, provide liquidity for sound businesses in temporary difficulty, and take account of the legitimate needs of individuals and of small as well as large businesses.

The Board noted particularly that the Council in its statement recognized "the special vulnerability of the home-building industry." An active home-building industry is vital to the well-being of local communities as well as of the nation as a whole, and it is to the interest of banks and other financial institutions to give reasonable support to the financial needs of that industry.

The Federal Advisory Council is composed of twelve leading bankers, one from each Federal Reserve District. It was created by the Federal Reserve Act and under law is required to meet with the Board of Governors at least four times a year. The attached statement stems from a discussion of bank lending policies during a recent FAC meeting with the Board.

The FAC statement, together with the Board's covering statement, is being mailed to all member banks in the Federal Reserve System.

STATEMENT OF THE FEDERAL ADVISORY COUNCIL ON COMMERCIAL BANK LENDING POLICIES

The members of the Federal Advisory Council firmly believe that inflation remains our most acute domestic problem and that the effort to reduce it deserves the full dedication of all Americans. We have been pleased recently to observe the renewed efforts of the Administration and other segments of our national government, in consultation with a broad representation of interested groups in the private sector, to identify appropriate and effective policies to deal with this problem.

As bankers we are acutely aware of the disproportionate role which a restrictive monetary policy has had to bear thus far in the fight against inflation. We are particularly hopeful that fiscal and other measures will be adopted which will soon alleviate this excessive reliance on monetary restraint and high interest rates, because government spending and budget deficits are a major cause of inflation.

We recognize, however, that regardless of the measures adopted, money and credit will necessarily remain limited in supply as long as inflationary pressures persist. We are confident that sufficient money will be made available to assure orderly operation of credit markets and to provide for the resumption of real growth in the economy. However, we foresee a period of consideration duration when the supply of lendable funds will be limited, and when, therefore, it will be necessary for banks to restrict the growth in their loan portfolios by selecting carefully and responsibly the uses to which they put their loanable funds.

It is also clear that this process contributes to the very desirable objective of reducing interest rates, a development banks welcome. Relief from the present unprecedently high rates would be particularly beneficial to those segments of the economy that are by their nature heavily dependent on borrowed money, such as housing and public utilities.

In view, therefore, of the extreme importance of bank lending policies in today's environment, we should like to describe those policies which we believe are appropriate in present circumstances and which, we feel, are already being followed by many banks.

The basic credit needs for normal operations of all established business customers should, of course, be met to assure the production and distribution of goods and services.

Loans to finance capital investment by business are also appropriate, where access to capital markets is not available and where the investment is reasonable in size and necessary to maintain or improve productivity, or to increase capacity to meet existing or clearly anticipated demand. In considering such loans, banks should weigh the relative importance of the particular business with respect to such factors as the nature of its product or service and its significance as an employer in the local area.

Particular consideration should be given to the needs of established businesses which are basically sound but which suffer a temporary lack of liquidity because of present conditions.

Loans for purely financial activities, such as acquisitions or the purchase of a company's own shares, would normally not be appropriate uses of limited bank funds.

Loans for speculative purposes, such as purchasing securities or commodities other than in the ordinary course of business, excessive inventory accumulation, or investing in land without well-defined plans for its useful development, are not generally suitable.

A regrettable aspect of restrictive monetary policy is that it tends to produce an uneven impact, bearing more heavily on some sectors of the economy than others. Therefore, banks should make an effort to utilize their limited funds equitably, giving consideration, for instance, to the special vulnerability of the home-building industry.

Similarly, consumer credit should receive its share of bank funds. The basic requirements of individuals for household needs and automobiles should be accommodated, but discretionary spending which might be deferred should not be encouraged.

Loans to foreigners which are funded from domestic sources should also be weighed against the above criteria. In addition, banks should give careful consideration to the diversion of loan funds from United States customers through such loans.

Implicit in these policies is a need for close communication and counseling between bankers and their customers to agree on ways to reduce or defer borrowing needs or to identify alternate sources of financing.

The Council recognizes that it is impossible to prescribe a precise and particular list of priorities for proper bank lending. We do feel, however, that the policies outlined describe a responsible posture that is appropriate to present circumstances. We believe that governmental credit allocations are not needed and that they would be counterproductive.

We are confident that the nation's banks will continue to cooperate with our government and all sectors of the economic community in implementing sound and necessary national policy.

A HISTORY OF BANK HOLDING COMPANY LEGISLATION

Mr. TOWER. Mr. President, I have here a research paper written by a young gentleman from Texas, Mr. Kent Ennis. Mr. Ennis, who is a regular student at the University of Texas, had just returned from a period of study at the London School of Economics prior to arriving here to work as an intern. He brought a great deal of knowledge, interest, and enthusiasm to his job, and his performance was outstanding.

I ask unanimous consent that the text of one of his papers on the history of bank holding company legislation be printed in the RECORD in order that my colleagues may share the benefits of his research.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A HISTORY OF BANK HOLDING COMPANY LEGISLATION

(By Kent T. Ennis, Senate Intern to the Banking Committee)

Overreaction to the pre-1930 regulatory atmosphere has now limited the ability of commercial banking to function as an instrument of change in improving the quality of financial services.

FEDERAL BANK HOLDING COMPANY LEGISLATION

Banking Act of 1933.—Under the Banking Act of 1933, the Federal Reserve Board was granted limited powers to regulate bank holding companies if such companies included at least one member of the Federal Reserve System. When the Board had jurisdiction over a group, it was authorized to examine both the holding company and its subsidiaries, and it was granted other supervisory controls over these firms. The Boards' power under the law stemmed primarily from the requirement that bank holding companies covered by statute had to obtain permission from the Federal Reserve before voting their stock in subsidiary banks. Denial of a voting permit was the only regulatory weapon available to the Board, and it was not very effective.

In addition to the shortcomings of authority based on a voting permit, this legislation had some general weaknesses. As the Board of Governors indicated in its annual report for 1943, it had no authority to control holding company expansion, and the Act gave no attention to the possible concentration of economic power in large areas. Also, there was no direct limitation on the combining of banks and non-bank business activities under holding company management. The Board stated that "it was axiomatic that the lender and borrower or potential borrower should not be dominated or controlled by the same management".

BANK HOLDING COMPANY ACT OF 1956

The principal purposes of the Bank Holding Company Act of 1956 were to define bank holding companies, control their formation and expansion, and require divestment of non-banking interests.

Definition.—A bank holding company was defined in the Act as any company (corporation, business trust, association, or similar organization):

(1) which directly or indirectly owns or controls, or holds with power to vote, 25% or more of the voting shares of each of two or more banks, or

(2) which controls the election of a majority of the directors of two or more banks, or

(3) for the benefit of those stockholders, 25% or more of the voting shares of each of two or more banks as held by trustees.

Notable differences from the Banking Act of 1933 were that the 1956 law covered non-member banks as well as member banks and it is refined as a bank holding company in terms of 25% ownership of two or more banks instead of a majority ownership of one bank. Companies falling under the statutory definition were required to register with the Board of Governors, to disclose prescribed information in reports to the Board, and to submit to examination by the Federal Reserve System.

The Board's consent was required before a bank holding company could be formed, before a bank holding company could acquire over 5% of the voting stock (or substantially all the assets) of any bank, or before two holding companies could merge. In deciding whether to grant approval for these actions, the Board was required to consider five factors:

(1) the financial history and condition of the company and banks concerned;

(2) their prospects;

(3) the character of their management;

(4) the convenience, needs, and welfare of the communities concerned; and

(5) whether or not the effect of the acquisition or merger or consolidation would be to expand the size beyond the limits consistent with competition and the public interest.

The first three factors essentially represented an evaluation of solvency, which was the main concern of the relevant provisions of the Banking Act of 1933. The last two factors represented significant new departures, requiring consideration of possible benefits to the public and expected effects on banking competition.

SEPARATION OF NONBANKING ACTIVITIES

Under the 1956 Act a registered bank holding company was prohibited from engaging in any business other than banking, managing banks, or providing certain services to subsidiary banks. Subject to a variety of detailed exceptions, a bank holding company could not acquire or hold shares in any company which was not a bank. Some important exceptions applied to holding company ownership or control of companies engaged solely in activities closely related to banking or to the operations of the holding company and its subsidiaries, and to situations in which ownership of non-banking assets was not regarded as violating the purposes of the Act.

Expansion Across State Lines.—A bank holding company could not acquire a bank located outside the state in which it conducted its principal operations unless such an acquisition by an out-of-state bank holding company was specifically permitted by a statute of the state where the acquired bank was located. Since no state has enacted the stipulated permissive legislation, interstate expansion by bank holding companies is effectively prohibited, although holding companies operating across state lines at the time the Act was passed were allowed to continue their operations.

Restrictions on Lending and Credit Operations.—Section 6 of the 1956 Act prohibited a bank holding company from borrowing funds from a bank subsidiary and severely limited or prohibited many kinds of loans or credit transactions among subsidiaries of a given system.

Even before the Bank Holding Company Act of 1956 was signed into law, the Board of Governors had expressed objections to some of its features, notably the two-bank definition and the inter-subsidiary loan restriction of Section 6, which effectively made participation loan operations more difficult for holding company affiliates than for banks dealing with a correspondent. Despite repeated pleas by the Board of Governors in favor of the amendments, no major changes in the law were enacted until 1966.

The 1966 Amendments.—In ruling on applications for prior approval of bank holding company formation and expansion, the Board of Governors faced a complicated problem in weighing factors of the statues. These criteria were couched in such vague language that it was difficult to interpret Congressional intent in cases where an acquisition involving some anticompetitive effects was at the same time expected to benefit the "convenience, needs, and welfare" of the affected community.

In 1966, both laws were amended to contain identical new criteria. The agencies were directed to continue consideration of the traditional "banking factors" (the first three factors in the 1956 Act) and the convenience and needs factors, but emphasis was explicitly placed on the prevention of adverse competitive effects. The law now proclaims that in judging proposed holding company formations the Board shall not approve:

(1) Any acquisition which would result in a monopoly,

(2) Any acquisition whose effect in any section of the country may be substantially to lessen competition, or tend to create a monopoly, or is in restraint of trade unless it is clear that the anti-competitive effects of the proposed transactions are clearly outweighed by the positive effects the transaction may have in servicing the community.

Several other Federal Reserve recommendations were enacted as amendments in 1966. One of the most important was the elimination of Section 6 restrictions which hampered legitimate loan participations among bank holding company affiliates.

1970 LEGISLATION

The 1970 amendments changed the definition of a bank holding company, and also changed the definition of a "company". The 1970 amendments eliminated the legal distinction between one-bank and multibank holding companies by defining a bank holding company as "any company which has control over *any* bank or any company that is or becomes a bank holding company". Also, the Board of Governors of the Federal Reserve was given leeway to extend the definition of control to meet special situations. Specifically, the Board was given discretionary power to determine that ownership, control, or power to vote of a company or bank could constitute control.

The definition of a company was extended to include partnerships, in addition to corporations, business trusts, associations, and similar organizations included in the 1956 Act. The new definitions of "company" and "control" gave the Board effective regulatory powers over chains of banks controlled through *de facto* or *de jure* arrangements.

Another major provision of the Act revised by the 1970 amendments was Section 4(c) (8) listing the criteria which non-banking activities must meet. Rather than draw up a list of certain prohibited activities, Congress gave the Board authority (subject to court review) to determine the limits of bank holding company diversification.

Section 4(c) (8) established a two-part test which all activities must meet in order to be exempted from outright prohibition. The Board must first determine whether an activity is "so closely related to banking or managing or controlling banks as to be a proper incident thereto."; and second, whether the performance of this activity by an "affiliate of a bank holding company can reasonably be expected to produce benefits to the public—such as greater convenience, increased competition, or gains in efficiency that outweigh any possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflict of interest, or unsound banking practices."

PERMISSIBILITY OF NONBANKING ACTIVITIES FOR BANK HOLDING COMPANIES

Activities Approved by the Board Under Section 4(c) (8):

1. Dealer.
2. Mortgage Company.
3. Finance Company.
4. Credit Card Company.
5. Factoring Company.
6. Operating an Industrial Bank.
7. Servicing Loans.
8. Trust Company.
9. Investment Advisor to Real Estate Investment Trust.
10. Furnishing general economic information.
11. Providing portfolio investment advice.
12. Full pay-out leasing of Personal Property.
13. Investments in Community Welfare Projects.
14. Providing Bookkeeping or Data Processing Services.
15. Insurance Agent or Broker.
16. Underwriting Credit Life Insurance.

Activities Denied by the Board:

1. Equity funding.
2. Underwriting general life insurance.
3. Real Estate Brokerage.
4. Land Development.
5. Real Estate Syndication.
6. Management Consulting.
7. Property management.

Activities Under Consideration:

1. Leasing Real Property.
2. Armored car and courier service.
3. Mortgage guarantee insurance.
4. Management consulting for non-affiliated banks.
5. Savings and loan associations.

NO BAILOUT FOR PAN AM

Mr. PROXMIRE. Mr. President, the apparent decision not to bail out Pan American Airlines is a wise and prudent course of action.

Even if the Civil Aeronautics Board voted to provide the temporary $10.2 million monthly subsidy to Pan Am, Congress may have decided not to back up such a determination with a supplemental appropriation.

It would appear that the solution to Pan Am's immediate problems lies not with a bailout but with a thorough restructuring of routes and a divestiture of the unprofitable routes that have contributed to Pan Am's declining financial position.

If the New York Times report that the President has decided against a bailout for Pan Am is accurate, the President would have my firm support.

Mr. President, I ask unanimous consent that the New York Times article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Sept. 18, 1974]

Ford Rules Out Subsidies for Beleaguered Pan Am

(By Robert Lindsey)

President Ford has decided against providing Federal subsidies to help Pan American World Airways meet a critical cash squeeze beginning next month, Government sources said yesterday.

The decision, made at a meeting with his advisers in Washington yesterday, is expected to be announced by the White House this morning and elaborated on by the Secretary of Transportation, Claude S. Brinegar, in a news conference called for 11 o'clock.

Reliable sources said a major factor in Mr. Ford's decision not to support beleaguered Pan Am's request for a $10.2-million-a-month emergency subsidy was that he saw little hope that such payments would be approved by Congress.

Contending that the subsidy was necessary to offset substantial increases in the price of jet fuel since last year, Pan Am requested the emergency subsidy Aug. 23 in a petition to the Civil Aeronautics Board.

Without the subsidy, Pan Am asserted, it "may soon experience a cash shortage and consequent inability to meet its obligations as they fall due." "This in turn, may trigger consequences of the gravest import to the national interest," it added.

The C.A.B. has not yet announced its decision on the request, but it is expected to do so today.

"The reports in town are that the board's going to turn them down, too," a participant in yesterday's White House meeting said.

Under Federal law, the regulatory agency could approve such a subsidy without direct Presidential approval and, in effect, commit the Government to make such payments. However, any significant amount of aid would have to be appropriated by Congress and approved by the President.

In the past Pan Am officials have said that they possibly might take the matter to Court if the C.A.B. approved the subsidy and Congress did not appropriate it. However, White House officials have said this did not appear to be a viable option for the troubled airline because it was unlikely that its lenders would extend payment on its debt merely on the promise Pan Am might win such a suit in a lengthy court battle.

FUEL BILL SOARS

In its request for a subsidy, Pan Am said that its 1974 fuel bill, even after a substantial curtailment of flights, would exceed 1973 fuel costs by $200-million. It forecast a loss this year of at least $76.6-million, following losses totaling more than $170-million during the last five years.

The airline said that without Federal aid it would "need to borrow money by October." It added its agreement with a 36-member bank group with which it has a $202.5-million revolving credit agreement would also be in jeopardy.

"A provision in the bank agreement calls for the airline's tangible net worth to remain above $300-million, a condition which without subsidy will no longer be met by this winter, based on current projections," it said.

The Presidential decision did not appear in itself to doom Pan Am. There still appeared to be some theoretical options to help avert the cash squeeze, such as an agreement of lenders to defer payments on part of its outstanding debt of more than $800-million.

OUTLOOK TERMED GRIM

An upsurge in passenger business, and higher revenues resulting from a series of fare increases approved this year, could also alleviate pressure on Pan Am. However, Government officials close to the situation said last night the over-all outlook for the nation's largest international airline was grim.

"The most important thing is that Pan Am must realize that this is serious, that there's no magic answer to its problems," a participant in yesterday's discussions said.

"There's got to be a very strong tightening of Pan Am's operations. They've got to wake up to the real world. Then there's got to be a massive restructing of Pan Am financially with some very substantial, very dramatic changes in their operations.

"Other airlines may have to come in and pick up some of the pieces, either through a merger or a managed liquidation of some sort, in which their routes would be parceled out," the official said, indicating that some such avenues could be suggested today by Mr. Brinegar.

CONGRESSIONAL OPPOSITION

Senator Mike Mansfield of Montana, the Senate Democratic leader, and Senator William Proxmire, Democrat of Wisconsin, among others in Congress, have strongly opposed the Pan Am request for a subsidy in recent weeks.

Awareness of this opposition—plus concern that the Ford Administration did not want the stigma of "bailing out" private companies because of criticism leveled in the past at Federal aid efforts for the Lockheed Aircraft Corporation, the Grumman Aerospace Corporation and the Penn Central Transportation Company were major factors in the Presidential decision, according to a Governmental source.

Trans World Airlines is also seeking a Federal subsidy because of higher fuel cost, but its problems are less severe than Pan Am's. The Presidential decision is expected to apply to T.W.A. as well as to Pan Am.

The chief executives of Pan Am and T.W.A. have agreed to a request by Mr. Brinegar to discuss a merger. But they have maintained that, in order for the two lines to be merged, they would need substantial amounts of Federal aid for an interim period of reorganization as well as refinancing agreement affecting Pan Am's large debt.

No merger negotiations had been scheduled as of last night.

THE OIL AND GAS INDUSTRY

Mr. HANSEN. Mr. President, last Monday, September 15, in Dallas, Tex., at the Natural Resources Economic Mini-Summit Conference the distinguished senior Senator from Texas, Mr. Tower, welcomed the delegates and made some very timely and perceptive observations about the oil and gas industry.

Drawing upon his background of knowledge and experience the comments of the Senator from Texas shed much needed light upon a complicated subject poorly understood at best.

I ask unanimous consent that his speech may be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Remarks by Senator Tower

I am most pleased to have this opportunity to share with you my views on the interface of our energy problems with the national economy. At the outset, it would be well to observe that our problems with inflation are not solely domestic in nature. Inflation is, I believe, the most critical problem facing the world's developed nations. It is an international problem by nature, and its solution is to be found through international cooperation.

Rampant inflation in the advanced nations stems from development of mixed economies and has resulted from the massive translation, through legislation, of perceived social demands into realized social costs. Unfortunately, until just recently, little attention has been paid to the real costs and economic impact of our social demands. The focus of controversy has been the issue of the social desirability of these demands, and not whether we actually can afford them. In short, we have learned the hard way that despite standards of living vastly improved in recent years, we do have finite resources from which the satisfaction of competing demands must be taken. We cannot have all we want.

But how do the costs of all of these social programs create inflation? Part of the answer is that Government spending injects money into the economy to compete for limited supplies of goods. Inflation is commonly defined, after all, as an excess of demand relative to supply.

But there is a more fundamental answer to the question, I believe. It lies in the creation of Federal deficits. This is much of the answer because it is the key to *how much* Federal money is sent chasing after scarce goods. Government, like a family, or business, buys on credit. And the Federal Reserve Board facilitates such borrowing through its policies, becoming a participant in the inflationary creation. Thus the greater difference between Government bills and Government income, the greater pressure on the Fed to create additional credit, or money, to pay for the deficit. And, as we know, the more money, the more inflation.

And how does our energy crisis fit into the picture? First, we must return to competition for capital. It is generally recognized that we must achieve some level of domestic independence in energy. We learned from the oil boycott that we must not remain vulnerable to the export policies of other nations. Oil is currently basic to our standard of living and the functioning of our economy. In the future, the degree of our dependence on petroleum products will diminish as we develop alternative sources of energy. We have other great natural resources in our own country, and it is our responsibility to develop them.

We cannot expect development of our resources in the absence of capital. Self sufficiency demands ample capital. I am sure that in the course of tomorrow's proceedings you will hear astonishing figures regarding the capital costs of the petroleum, natural gas and electric industries.

The energy industry will be competing with other elements of the private sector, which also have a role to play in providing the goods and services demanded by today's economy. It is in that context, in large part, that we must determine how much competition we can afford in the money and capital markets from the public sector.

A second factor is the cumulative relationship of social costs to energy demands. An example is environmental protection equipment. We cannot afford the proven health hazards from environmental pollution. Nevertheless we must objectively recognize that while energy production creates pollution generating a demand for pollution control equipment, such equipment creates an enormous new demand for energy. Thus, we have a problem which feeds upon itself. As with other social demands, we must make a rational decision how much pollution control we need, and beyond that, how much we can afford.

A third consideration is the nonrecurring inflationary impact of energy prices. I believe it a fact that energy has been seriously underpriced in this country for some time. During the 1960's the Federal Government held the price of crude oil well below domestic market levels through its oil import policy. Middle Eastern fields were more productive than domestic fields, to the extent that the cost of producing oil in the Middle East was far below that experienced in the United States.

Succumbing to the lure of cheap foreign oil, we encouraged its importation into the United States in competition with more expensive domestic crude. There resulted a substantial decline in domestic drilling in the middle and late '60's, and our dependence on foreign crude escalated.

The FPC has kept field prices of natural gas at artificially suppressed levels. Through a costing methodology developed in the first permian case, the FPC has continued to this day to use biased, historical data in fixing rates, and has refused to allow producers to recover substantial, legitimate costs, such as the capital expense of drilling dry holes. This failure is reflected in part in the FPC's own data. For example, in its May 1974 Report on Fuel Cost and Quality, the average price paid for natural gas on a BTU basis was 44 cents, as compared to 66 cents for coal and 188 cents for fuel oil. This is total disregard of the superior environmental results of burning natural gas!

At present, the vast majority of electrical generation in this country results from the burning of fossil fuels. By percentage, oil and gas account for almost 40% of the fossil fuel used in steam-powered, electric utility generation plants. Thus to the extent that fuel oil and natural gas are price-depressed, electric utility rates are proportionately depressed.

What this means from an economic standpoint is that federal policies have largely prevented oil and gas prices from performing their resource-allocating function. Overly cheap prices have artificially stimulated consumption of oil and gas, and thereby the more rapid depletion of these nonrenewable resources. On the other side of the equation, those policies have stifled additions to supply by making the oil and gas business relatively unprofitable in the past, and by partially shutting off the flow of internationally-generated investment capital.

We must deregulate the prices of oil and gas. Since supply is short, we must recognize that by so doing the oil and gas industry will earn profits in excess of profits earned if supply and demand were in equilibruim. But there is nothing wrong with that. Profits in the oil and gas industry are as legitimate as those in any other business. The function of such profits is to attract additional investment into the industry, resulting in supply additions which will eventualy equilibriate supply and demand.

In summary, I will say that our basic course is to reevaluate our social programs in terms of their cost. We simply must determine what we can afford and what we cannot. As to oil and gas, which supply about 40% of our energy requirements, we must move immediately to deregulation, which will internationally generate much of the capital desperately needed to improve our reserve position. Assuming that we can ameliorate the situation of our money and capital markets, it will also provide the necessary attraction for outside risk capital.

As a final note, allow me to apologize for not addressing the very substantial problems of the coal industry. Texas, with its vast resources of lignite, has a vital interest in the problems of that industry. However, I feel confident that the problems of the coal industry will be adequately discussed during the course of tomorrow.

NOMINATION OF GENERAL HAIG

Mr. HUGHES. Mr. President, there is an item of business which is not pending before us, but should be. That is the nomination of Gen. Alexander Haig to be returned to active duty and appointed to the command of U.S. Forces in Europe as well as that of Supreme Allied Commander, Europe.

The White House announced the appointment on Monday, but no nomination was sent to the Senate. In fact, the General Counsel of the Defense Department has given an opinion to the effect that such confirmation is not necessary.

The legal case may be arguable, as legal cases always are, but I believe that the constitutional issue of Senate confirmation of appointments to positions of importance and responsibility is basic.

There is no precedent known to me or cited by the Defense Department for the reactivation of a retired Army General, and his appointment to one of the designated positions "of importance and responsibility," without confirmation by the Senate.

Whatever one thinks about General Haig's qualifications for his assignment, the Senate should be given an opportunity to advise and consent to his reappointment to active duty.

General Haig's situation is unique in American history. As a competent and highly respected military officer, he rose to the rank of general in the Army under the auspices of the National Security Council. On August 1, 1973, he retired from the Army and accepted a civilian position as Assistant to the President, with responsibilities as White House Chief of Staff that ranged across the spectrum of policy, administrative, and political issues.

We know that, in the beginning, he brought with him to his civilian position a strong inclination toward the military philosophy of administration. We do not know to what extent his philosophy has been modified by his experience in the White House.

Our Constitution requires civilian supremacy over the military, and historically we have sought to isolate the military from political influence. The citizens of this Nation, through their representatives in the Senate, deserve to be assured that a high-ranking officer's military professionalism is not eroded by his experience in an intensively political job.

Obviously the command in Europe is a post of enormous importance.

It should be considered no derogation of General Haig or anyone else named to a command of this importance to review his qualifications through the duly constituted legislative authority.

This is a time and this is an instance when we should look to reasserting our constitutional system of checks and balances, rather than bypassing it.

There appears to be no statutory requirement for Senate confirmation of appointments to the command positions given General Haig in Europe. There should be such a requirement.

In any event, the law does provide, in title 10 United States Code, section 3066, that officers in the Army may be given "positions of importance and responsibility" with the rank of lieutenant general or general "by and with the advice and consent of the Senate."

With the exception of the first appointee as NATO commander, General of the Army Dwight D. Eisenhower, all subsequent officers have been four-star generals on active duty and with extensive command experience. In the last 12 years, General Haig has been assigned to combat commands for less than a year—none higher than brigade commander.

I say this not to belittle General Haig's qualifications, but rather to stress the importance of careful congressional review of his suitability for this new assignment.

In a case where an officer has been retired and then recalled to active duty in order to fill a position of importance and responsibility, I believe that Senate confirmation is required.

The law governing the Navy is unmistakably precise on this point: The Congress must act before a retired admiral may exercise command. Perhaps the law should be clarified to express the same requirement for the Army and Air Force.

Nevertheless, the annotated version of the United States Code does contain reference to an opinion of the Attorney General in 1869. (13 OAG 99 (1869)). That opinion held that Army officers retired from active service could not be reinstated on the active list except by a new appointment with the advice and consent of the Senate. Why should this ruling still not be applicable?

In his opinion on the question of confirming General Haig, Defense Department General Counsel Martin Hoffmann has argued that no further congressional action is needed since the Senate has previously confirmed General Haig for promotion to the rank of four-star general. Mr. Hoffmann then cites 11 Army officers who were subsequently recalled to active duty from retirement in their retired grades.

Five of those 11 were recalled the day after their official retirement. Four others were retired for periods of 1 to 6 months. In one case a general was retired for 2½ years, only to be reactivated for a year in order to conduct a study of overseas base requirements. The only other case was Gen. Maxwell Taylor, who was reactivated to be the military representative to the President in 1961 and who required Senate confirmation when he was named to be Chairman of the Joint Chiefs of Staff in 1962.

It is important to note, however, that in none of the cases cited was a general given a "position of importance and responsibility" upon reactivation. All had advisory or staff jobs, rather than line responsibility over troops.

When we entrust our men and women to commanders in such vital and sensitive commands as NATO, we need assurance that these commanders are fully qualified. The Senate has a right to bring its independent judgment to bear on such an important nomination.

I have long believed that the Senate has been lax in its handling of military nominations. We are swamped with all officer promotion lists, in all services, for active duty and retirement, for permanent and temporary ranks. As a result, we give little attention to the past performance or current qualifications of those nominated for the most important posts.

If we are to fulfill our constitutional responsibilities to advise and consent to nominations, we have to be much more thorough and careful about these promotions, especially of generals and admirals.

I hope that the distinguished chairman of the Armed Services Committee—Senator STENNIS—will insist, on behalf of the committee and the entire Senate, that General Haig's name in particular be referred to the Senate for consideration and approval.

If need be, the Senate may have to take further action to guarantee that this appointment does not stand unexamined. I have written Senator STENNIS to express my views on this subject. I have also requested legal opinions on the issues raised by this appointment from the Comptroller General and the Library of Congress.

THE CYPRUS QUESTION AND CONGRESSIONAL RESPONSIBILITY

Mr. BROOKE. Mr. President, as we seek to evaluate the efforts of our Government and others to find a way through the Cyprus maze, it is important that we recognize the extreme complexity of the problem and its lack of susceptibility to solution through reactive initiatives by the involved parties or ourselves.

The necessity to condemn excesses by Turkey or Greece or the Cypriot groups must not blind us to the reality that the roots of the problem lie in the injustices perpetrated by both sides over many decades. The hatreds stemming from these injustices cannot be exorcised by pious third party assigning of blame to one party or the other. Rather, the goal of third-party efforts should be to influence the belligerants, both on the island and in Turkey and Greece, to negotiate directly and in good faith some accommodation of their divergent interests so as to lessen the tragedy being experienced by the Cypriot people.

The Senate, in the near future, will be considering several measures designed to evidence its concern over events in Cyprus. Specifically, there have been several suggestions that U.S. aid to Turkey should be suspended or terminated as a means of indicating disapproval of Ankara's seizure of a third of Cyprus. I believe careful consideration should be given to this approach and that it should be evaluated using the standard of whether or not it is likely to increase the possibility of some form of nonviolent resolution of the present crisis. After such consideration, the Senate should make its difficult choice and acknowledge its share of responsibility for the events that result therefrom. If we are to insist on having a major role in policy formulation and execution, we must be willing to accept the responsibility attendant with that role.

In closing, I call the attention of my colleagues to a recent article appearing in the Economist which provides an excellent overview of the intricate nature of the Cyprus problem. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Economist, July 20, 1974]

CYPRUS—A STATE, BUT NOT A NATION

Cyprus has been the victim of geography for 3,000 years—and history has always lent a hurtful hand, too. This predominantly Greek island is only 50-odd miles from the Turkish mainland, but it is 600 miles from Athens. It may look only a speck on the map, but contemporary geopolitical factors give it a strategic significance out of all proportion to its size. Arguably, no country so minuscule has provided the world's press with more headlines, usually alarming ones, over the past 20 years. Privately, the Cypriots, spontaneous, volatile, theatrical, have rather enjoyed it—up to now.

At the outset it is important to understand what Cyprus is not. It is a state, but not a nation. Indeed, to talk about the Cypriots generically is almost misleading. The population is made up of some 520,000 Cypriot Greeks, and some 120,000 Cypriot Turks (plus a few thousand Armenians and British). After 14 years as a sovereign, independent state, Cyprus still does not have a national anthem; and the pallid Cyprus flag is significantly absent on occasions of national fervour. It is the blue and white colours of Greece or the blazing crimson of Turkey that dominate political gatherings.

In 1960 the hope was that the two communities would live in partnership, and that the hybrid state, hatched at the Zürich and London conferences of the previous year, would form a bond of friendship, rather than an apple of discord, between Athens and Ankara. This illusion was brutally shattered during Christmas week, 1963, when savage fighting in Nicosia between Greek and Turkish armed bands turned the tourist island of Aphrodite into a cauldron of hatred. (The Greek Cypriots, as the Turks are always eager to point out, were much the more heavily armed and better prepared, and the Turks inevitably were battered—but not subjugated.) After a great international flurry, a United Nations peacekeping force was rushed to the scene, with a mandate for three months. Today, over 10 years later, it is still there, and looks like being there permanently.

There are, in fact, now six different armies (or armed contingents) on the island, which for a place much less than half the size of Wales seems a disproportionate concentration of military manpower: the Greek Cypriot National Guard, the Turkish Cypriot Fighting Force, the official Greek (mainland) contingent, a corresponding Turkish contingent, the British garrison at the sovereign bases and the UN force. And, for good measure, there are still one or two private armies (very small in size but potentially dangerous politically), plus the para-military Police Tactical Reserve, which was the strong arm of President Makarios's government. The wry comment that every Cypriot regards a gun rather as an Englishman regards his umbrella is as valid as ever.

Nevertheless, the island, believe it or not, has been an oddly happy place. If that claim seems the ultimate in irrationality, it is another way of saying that any student of politics who is attracted by the paradoxical will find Cyprus a subject of inexhaustible fascination. A country where the head of the church has also been the head of state—and in tactical alliance with the communists—plainly does not conform to accepted political norms.

Yet for a small third-world state Cyprus can boast able administrators (one of the better by-products of British colonial rule) and a plethora of talent in the commercial field. Its citizens may be volatile, but—as thousands of tourists can testify—its hospitality is overwhelming. If it sorted itself out politically, it could go places. Alas, this is a big "if". Perhaps, in time, a sense of Cypriot nationhood will emerge; but many sound judges are sceptical about that. Meanwhile, the prevalent idea is that, despite the bloody events of the past few days, the island should remain an independent, sovereign state—enjoying and exploiting its 300 days of sunshine every year. This is one tourist brochure claim that cannot be falsified.

ANOTHER KIND OF MARATHON

During his brief visit to Nicosia in May for talks with Mr. Gromyko, his Soviet opposite number, Mr. Henry Kissinger is said to have told local journalists that, although he had been quite prepared to take on Vietnam and the Middle East, he would never tackle the Cyprus question. (The Cypriots took this as a compliment.) He was doubtless being facetious; but clearly if there were a solution to the Cyprus problem somebody would have thought of it long ago. Negotiations to work out a definitive settlement have been going on in Nicosia, the "intercommunal talks". The trouble is that they began six years ago (which must almost qualify them for the "Guinness Book of Records"), and are no nearer success today than they were in 1971 or 1972. Nevertheless, as always, jaw-jaw is better than war-war.

This week, the basic problem—the atavistic antagonism between the Greeks as a whole and the Turks—has been overshadowed by the coup in the Presidential Palace; but, though the eyes of the world are focused on the vendetta within the Greek community, the reaction of the Turks in the coming days could conceivably determine the island's fate. For a long time, President Makarios regarded Turkish opposition as an "artificial" factor, created by the British in a spirit of divide-and-rule. Latterly, he began to revise his ideas; but he has also been responsible for much intercommunal distrust which, historically, tarnishes his claim to statesmanship in other fields.

Understandably, the Turks make great play with the fact that, as they are outnumbered by four to one, they are physically at the mercy of the Greeks. Four to one is a tricky and, indeed, crucial ratio; if the Turks numbered about 35 per cent of the population, they would have a strong case for being treated as an equal and separate community. If they totalled only about 10 per cent, they woud have no claim to anything more than the ordinary minority rights. Eighteen per cent, the actual percentage, is in between; and what matters, anyway, the Turks say, is the essential separateness of their cultural and religious traditions. They insist that they constitute a separate community; but in the equally adamant Greek view they are merely a minority. United Nations officials have suggested that the Turks should be described as a "minority community"; but this semantic compromise does not appeal to either side. Semantics, it needs hardly to be added, is always of paramount importance in Cyprus politics.

At the root of the Turks' craving for separatism is a deep-seated fear that, if they become a mere minority within a unitary state, they will be treated as second-class citizens. For tactical reasons, they have made great propaganda out of the excesses perpetrated by the Greek Cypriot armed bands during the onslaught of December, 1963. Yet basically it is the Greek assumption of moral and cultural superiority as much as the fear of physical persecution that sustains the Turkish Cypriots' determination to go their own way. This is what raises the hackles of the educated Turkish leaders, who regard themselves as the peers of their former Greek colleagues. For their part, the Greeks argue that they are indisputably the more dynamic people and that their ancestors ran the island centuries before the Turks ever set foot in it. (And the Greeks produce about 90 per cent of the wealth.)

In terms of the island's political configuration, the net result today is a bizarre ethnic montage, which cries out for rationalisation on social and economic grounds. Nicosia is almost as divided a capital as Berlin. During the last few years the Turks have begun to cross the artificial frontier that runs through the city—the so-called "Green Line"—for business purposes or for shopping, and hundreds of them used to go daily to work in the Greek part of Nicosia; but the Greeks are still not allowed into the Turkish zone. The 17-mile road from Nicosia to Kyrenia, the island's most picturesque holiday resort, is under tight Turkish Cypriot control, the Greeks being permitted to use it only under the protection of a United Nations convoy. In the other main towns, notably Limassol and Famagusta, the sense of division is less pronounced, but by and large there is little intermingling of the two communities. In the north-west, around the town of Lefka and the hamlets of Kokkina and Mansoura, the Turks are penned into tightly controlled (and economically straitened) enclaves, which, of course, no Greek dares enter. On the outskirts of Nicosia there is a Turkish refugee centre, by now something of a township, which provides tolerable living conditions for 10,000 of the people who were driven from their homes in the fighting of 1963–64.

Over the last few years, President Makarios offered occasional inducements to the refugees to resettle in their former homes, but on the whole his policy was to leave the Turks to stew in their own juice. He clearly believed that time was on his side, and that Turkish resistance would crumble under the pressure of economic hardship. But there is very little sign of this at the moment; and the Turkish government seems prepared to go on subsidizing the Turkish Cypriots, to the tune of £12m a year, rather than let them come under Greek Cypriot rule. It is arguable that, with every passing day, the de facto partition of the island simply hardens.

Can these conflicts and contradictions yet be resolved within the framework of a new constitution? The marathon intercommunal talks have been conducted by two able and likeable men who have known each other for years and who, on the face of it, ought to be able to do a deal with each other: on the Greek side, Mr. Glafkos Clerides (who as speaker of the House of Representatives was President Makarios's deputy), and on the Turkish side Mr. Rauf Denktash, who is both the leader of his community and the vice-president of Cyprus in accordance with the 1960 constitution (which is theoretically still operative). They have the assistance of two constitutional advisers from Greece and Turkey, and the special UN representative on the island is always at hand to provide his good offices.

It was—and is—argued that if Mr. Clerides and Mr. Denktash were left to themselves, they would hammer out a settlement. Unfortunately, nothing in Cyprus is as simple as that. Today, Mr. Denktash is more adamant than ever that the Turkish Cypriots must have the maximum degree of separatism; and his attitude has been supported by the new Turkish government. To the surprise of many observers, Mr. Ecevit, who became prime minister in Ankara in January of this year, promptly came out in favour of "federation" as the best solution for Cyprus. This marked a reversion to the Turkish attitude of the mid-1960s.

Semantics are at large again. To the Greek Cypriots, the word "federation" is anathema, for rightly or wrongly they equate it with partition and with the concomitant spectre of Turkish mainland troops and officials installing themselves on Cypriot soil. Over this issue President Makarios came close this April to breaking off the negotiations once and for all. After a minor international contretemps, the talks were resumed in June, but in an unpropitious atmosphere. The atmosphere is worse now.

Of course, Mr. Clerides and Mr. Denktash could hardly have been talking away for six years without accomplishing something. By late 1971, or thereabout, the outline of a compromise had emerged. For example, the Turks agreed to relinquish the special veto rights (in defence and budgetary matters) that had been accorded them in the 1960 constitution; and broad agreement was reached on the composition of the new legislature (60 Greeks and 15 Turks, in accordance with the population ratio) and about the powers and functions of the executive and judiciary. But as the quid pro quo for relinquishing their veto rights at the top, the Turks wanted broader powers at the bottom, so to speak; hence their emphasis on regional autonomy, dressed up in the formula of "functional federation". (In plain language, this means separate Turkish street-sweepers and separate Turkish policemen.) The Greeks will have none of this; to all of them, it is inconsistent with the concept of a unitary state, on which they insist. If a new regime in Nicosia can resolve this dilemma, the world will be in its debt. But it is hard to see in the new circumstances anyone reaching a compromise with the Turkish leaders.

Even before this week's events, two dangers loomed. The first was that the talks would break down for good. Many western diplomats in Nicosia regarded the whole operation as a charade, and wondered how long it could be kept going; fortunately, neither side wanted to incur the odium of causing a final rupture. If the talks do finally end in failure, the more chauvinistic elements in the Greek camp would almost certainly clamour for a domestic economic blockade of the Turkish community (the Greeks imposed such a blockade during 1964); and that could mean the start of further trouble.

The second danger is more subtle, and more distant. If the present crisis should be resolved, the talks might yet be successful—but the end-product might be a constitution which, although meticulously fair on paper to both sides, would be so complicated as to be unworkable. Indeed. the amount of horse-trading which has already taken place over legal and constitutional minutiae is mind-boggling. The 1960 settlement produced a Frankenstein monster of a constitution which was patently unfair to the Greeks; the new constitution, if it ever is completed, will not make that mistake, but it could be of equally intolerable complexity. Even without the events of the past week, the experience of having to operate a second unworkable constitution would probably make most Cypriots despair of the whole concept of independence.

All this, however, is negative speculation. Conceivably, in Cyprus's peculiar fashion, the talks will be resumed and drag on, and on. But the recent comment of a senior UN official is apposite: "I can't see a settlement, because I don't think that either community wants one at the present moment." In other words, each side believes that time is on its side. And, after Monday's dramatic upset, further speculation about the talks seems academic now.

INSOUCIANCE WAS NOT ENOUGH

If Archbishop Makarios was reluctant to put his signature to another Cyprus settlement that rules out enosis, there were good psychological reasons for his hesitation. The signing of the Zurich and London agreements in February, 1959, was a traumatic experience for him. For the previous four years the Eoka guerrilla movement, inspired by Colonel (as he then was) Grivas, had fought for the ideal of enosis; this is what the bombs and bullets in Ledra Street were all about. At the twelfth hour, the archbishop, in Grivas's view, signed the Hellenic birthright away for a bowl of insipid pottage called independence. The fact that he did so under duress (mainly from the Greek government, although the British did their bit of arm-twisting) did not mitigate his apostasy in the eyes of Grivas and his fanatical followers. By July, 1959, Grivas was denouncing the archbishop as a traitor, and a new chapter in the Cyprus saga had begun.

To give him credit, Makarios faced the continuing threat from Eoka B (the new version of Eoka formed by Grivas on his return to the island in 1971) with apparent insouciance, fortified by pride in his remarkable capacity for survival over 20 years. Since 1960, Greece (the supposedly stable parent power which under the 1960 settlement was empowered to keep a wary eye on the rumbustious Cypriots) has suffered two military coups and one abortive counter-coup; and Turkey (similarly empowered under the Zurich agreement) has had one full coup and the so-called mini-coup of 1971. Up to this week, Cyprus had had many alarms, but parliamentary government was preserved—though there is no shortage of cynics who will tell you that it was all a facade. The archbishop himself had a narrow squeak in March, 1970, when the helicopter in which he was travelling was shot down a few moments after taking off from Nicosia; he emerged shaken but unhurt. After that, he greatly strengthened his personal bodyguard, composed of his most trusted followers; but—apart from acquiring a healthy distrust of helicopters—he displayed remarkable confidence in his own inviolability, and in his capacity to outmanoeuvre his enemies: too much confidence, perhaps.

It is fascinating to speculate on what he might have become had he not entered the priesthood at an early age—conceivably, a smooth, London-educated lawyer, with a penchant for esoteric litigation. What is incontestable is that his position as head of the Church gave him his political base. As plain Michael Mouskos (his real name) Makarios would have started off as just one more politician (though a very skillful one).

At the same time, the support of the mass of the God-fearing peasantry has proved a diminishing asset, for the gradual emergence of anti-clerical feeling has been a significant political phenomenon in Cyprus in the past few years. Indeed, criticism of the church's involvement in the affairs of this world is now openly expressed by many pro-Makarios partisans. To outside observers it is astonishing that, under the 1960 constitution, the church is wholly exempt from paying tax. How much of the island the church actually owns is hard to assess, but monuments to its affluence exist, for example, in at least three of Cyprus's luxury hotels. The archbishop did not help matters by his recent acquisition of 13 acres of land in the Seychelles, a transaction which has become a major *cause celebre* in coffeeshop politics. (Asked why he chose of all places the Seychelles—to which he was deported by the British in 1956—he replied: "For sentimental reasons.") The archbishop has always had his sense of humotr. What kind of leadership will emerge in the coming weeks is a baffling conundrum. The flamboyant Mr. Nicos Sampson was nominated president on Monday, but he is a maverick. Mr. Clerides, Makarios's heir apparent, is an able and perceptive man, admirably equipped to take on the burdens of the presidency if it were ever offered to him.

(His record includes distinguished wartime service in the Royal Air Force.) But, like many able and perceptive men, he lacks a broad political power base; and the Unified party, which he leads, must be about the most inappropriately named organisation in contemporary politics. It is certainly not unified and it is doubtful whether it is a party; rather it is a loose coalition, or front, of diverse centre or right-of-centre factions. It came out on top at the last general election in 1970, although it won only 15 out of the 35 Greek seats in the House of Representatives.

After Mr. Clerides, the most prominent figure in the Unified party is Mr. Tassos Papadopoulos, a brilliant lawyer who proved a highly capable minister of labour when still in his twenties. His ambitions are a subject of much speculation; by and large, he has contrived to keep in step with Makarios' policies during the vicissitudes of the past few years. A score of other names might be mentioned as possible future presidents, if democratic government is reestablished, not least that of Mr. Nicos Dimitriou, the able ambassador in Washington. But at the moment everything is in the melting pot. Cyprus may be undergoing a revolution of historic proportions. To many perceptive people, Makarios' position as head of church and head of state was becoming an anachronism.

POLITICS OF POLARISATION

How strong is Eoka B? This is the teaser which men of the intelligence services—who seem to be deployed in droves all over the island—find unanswerable. Until recently, the accepted theory was that, after Grivas' death in January of this year, Eoka B lost its inspiration and its momentum; and, in the early spring, the archbishop seemed serenely confident that he was the master of the island's destinies. By early July, he had changed his tune; Eoka had fallen under the control of Greek officers, and the threat to the president was greater than ever. But he continued to believe that, somehow, he could outmanoeuvre his enemies. Ironically, if Grivas were alive today, Makarios would probably be more happily placed than he is now.

At the same time, Grivas himself remains a living legend. It is hard to imagine a man with a Chaplinesque gait and a Groucho Marx moustache possessing charisma, but Grivas had it in abundance; the thousands who make the pilgrimage to his grave in Limassol testify to it still. Moreover, he was imbued with a sense of messianic mission—to unite Cyprus with Greece—and he instilled into his followers an almost religious devotion to the concept of enosis.

That there was some effective central direction of Eoka after Grivas's death seemed apparent to all perceptive observers. Without such control, the local Eoka warlords would certainly have unleashed a wave of impromptu attacks on government targets; in fact, during the past few months Eoka has been a reasonably disciplined force. It may have had only 57–70 "paid-up" guerrillas in the mountains, as Malkarios claimed, but it almost certainly had armed cells in all the main towns and many of the villages. In an underground movement of this kind, numbers are not necessarily very important. The archbishop certainly had the support of the great majority of his compatriots, but this was offset by the intensity of the hatred which his enemies bore him. And by repeatedly playing down Eoka as a minuscule, fanatical movement—a line which he unfailingly sold to visiting correspondents—the archbishop only enraged his enemies further.

Yet, until the coup on Monday the archbishop for several years displayed remarkable skills in holding the disparate Greek Cypriot factions together, and in maintaining Cyprus's status as an independent sovereign state. For a country of its size, it played a relatively significant role in the affairs of the third world and of the Commonwealth. Indeed, in the early 1960's, the archbishop aspired to play a role on a larger stage—but the outbreak of the intercommunal fighting in 1963 killed these ambitions; he could hardly tell other nations how to conduct their affairs when his own country was in such disorder. During the past few years, he travelled extensively in Europe, Africa and Asia, solely with an eye to enlisting support for the Greek Cypriot case at the United Nations and elsewhere. His latest trip was to China in May of this year, to "balance out" his visit to Russia in 1971. Only last week he announced his intention to visit five of the east European countries. (This move probably contributed to the upheaval, for to the Athens junta it was intolerable that he should be currying favour with communist countries and simultaneously demanding the expulsion from Cyprus of Greek officers.) His enemies cannot gainsay that as leader of his country he had a presence—and for a small third-world state that was no small asset.

There was another remarkable achievement of the Makarios years. Despite the bitterness of the 1950's, relations between the Cyprus government and the British were remarkably harmonious. After being Britain's enemy, he became Britain's friend.

His biggest diplomatic failure—though nobody saw it in these terms at the time—was to fall foul of a coterie of Greek officers who served in Cyprus in the 1960s. One of these was a relatively unimportant captain, called Ioannidis; he is now Brigadier Ioannidis, the strong man of the Greek junta, and the person who probably gave the signal for the attack on Makarios.

Under constant pressure from the right, the archbishop, not surprisingly, turned to the left. There are few more law-abiding communist parties in the world than the Akel party of Cyprus. (Akel is an acronym for the Greek words meaning "Progressive Party of the Working People".) Indeed, it is the only significant political group in the island which has never resorted to violence. But there were signs that the left was anxious to infiltrate the controversial Police Tactical Reserve units, the paramilitary organisation which President Makarios built up as a counterforce to the National Guard. The strong-arm methods of the PTR were an ominous portent; there is little doubt that it resorted to torture in its grilling of Eoka suspects.

In the 1970 election to the House of Representatives, Akel, for tactical reasons, put up only nine candidates for the 35 available seats; all nine were easily elected. If it had put up 15, probably all 15 would have been succesful. As it was, the communists' share of the total poll came to over 40 per cent. Yet the total paid-up membership of the Akel party is only around 12,000. The secret of its success lies in its cohesion and superior organisation.

At the moment, the communists are both stunned and enraged by this week's events. They would get short shrift from a new regime. More than any other political group, Akel wants the intercommunal talks to succeed, for this would keep Cyprus an independent, non-aligned republic, outside the orbit of Nato. At the same time, the communists are careful never to go on record as opposing enosis in principle; when they adopted an anti-enosis posture in the late 1940s they lost ground to the Nationalists, and they are not going to make the same mistake again.

The communists' greatest source of strength lies in the trade unions. They wholly control the main workers' movement, the Pan-Cyprian Federation of Labour (PEO), which has over 40,000 members (though not all are paid-up). Its secretary, Mr. Andreas Zhiartides, is respected throughout the island, and indeed internationally, for his moderation and skill as a negotiator. Paradoxically, it is the right-wing, pro-enosis workers' organisation, the SEK, that has set the pace in labour militancy, primarily with the objective of harassing the Makarios government. Its membership has increased remarkably in the last few years, and it has the services of some dedicated men, but it still lags behind the PEO in the techniques of labour-management relations.

Behind all these complexities and contradictions, there is a fundamental trend toward polarization in Greek Cypriot politics. Inevitably, the enosis-versus-independence argument is crystallising into a right-versus-left conflict, on conventional European lines, the right being spearheaded by the National Council and Eoka and the left by Akel. There is an element of oversimplification in this theory, but it has a basic validity. The joker in the pack has been Makarios himself. During the past two years, with the Greek officers breathing down his neck, he became more and more beholden to the left. The communists, after all, were amongst his most vociferous supporters when Eoka B first posed its challenge in 1972. Some of his closest counsellors were men of pronouncedly left-wing views, without being members of Akel. The most notable was Dr. Vassos Lyssarides, the archbishop's personal physician. Basically, however, President Makarios never wanted Cyprus to go communist; during his presidency, his aim always was to play one faction off against the other, walking the tightrope and riding the tiger at the same time.

THOSE DIFFERENT HISTORY BOOKS

Cyprus not merely has no national anthem, it has no university. It is an extraordinary lacuna for a country whose inhabitants, in cultural terms, can claim to be superior to much of the third world. Bright young Greeks flock to Athens or London—mainly the Inns of Court—for higher education; the Turks to Ankara and Istanbul (and London, too). Despite the bitterness of the late 1950s, the Cypriots still look to Britain as a shrine of cultural values. (In fact, because of the authoritarian nature of the present regime in Athens, an increasing number of Greek Cypriots want to study at British universities.)

There has been speculative talk about founding a national university in the island, through the possible help of one or two benefactors, but it is hard to see this happening in the foreseeable future. And what kind of university would it be? An institution where Greek and Turkish youths mixed freely together, absorbing each other's values, could contribute enormously to the growth of a sense of "nationhood". But, by the nature of thinks, it would be dominated by the Greeks, and would accentuate the ethnic division within the island.

In many ways the present system of school education is harmful politically. Through lassitude or folly, British colonial administrators permitted the educational structure to be almost a carbon copy of that in Athens, with the result that generations of schoolchildren have absorbed Hellenic values; to them the central date in history is 1821—the start of the Greek War of Independence. Many of the teachers come from Athens, or have been educated there. Schoolchildren played an extraordinarily militant role in the first Eoka rebellion, as tension-raisers, and General Grivas used them astutely. Today, teachers and pupils are usually in the van of pro-enosis demonstrations and at the end of June President Makarios had to dismiss 62 primary school teachers who were noted for their right-wing views. In slightly less pronounced fashion, the Turks' schools follow the educational guidelines of Ankara and Istanbul; and because of the rigid separation imposed by the leaders of the Turkish Cypriot Administration, a generation of Turkish youth is emerging which has never had any contact with the Greeks. Education in itself rarely solves political problems; but until the scholastic system in each community sheds its nationalist overtones—and this applies particularly to the teaching of history—the concept of Cypriot nationhood will remain a distant dream.

OIL AND WATER

Some people may argue that the convulsions of the past week are based on a political illusion; and the Cypriot's real fate will be determined by the tidal wave of inflation, now engulfing the world. The Cypriots—and more particularly the Greek Cypriots—are beginning to feel the pinch, like everybody else. Inflation is currently running at a rate of 14 or 15 per cent a year. Some pessimists forecast that before long it will be above 20 per cent—which, one is told, is the level at which democracy becomes inoperable—but these prophecies are probably too alarmist. Through the medium of the central bank, the government in March imposed severe restrictions on borrowing; and for many local entrepreneurs it is a distasteful experience to be refused easy credit.

Cyprus was not directly affected by the Arabs' oil embargo, and supplies of crude oil have continued to arrive from Saudi Arabia and Iraq (via the Sidon and Tripoli pipelines) at a satisfactory rate. But as nearly every urban Greek Cypriot family has its car, the fourfold rise in oil prices has taken a heavy toll. A gallon of petrol after tax now costs about 570 mils (about 70p in sterling); only two years ago it was about a third of this price. A wide range of industries dependent on petroleum derivatives has been hard hit; and the cost of food and drink has soared. The days when the visitor could dine agreeably for around £1 are gone for good. This is the sort of inflation which might keep tourists away.

All this has caused considerable anguish to the man in the street and, more positively, considerable heart-searching among the ministers and officials concerned with the economy. As a result, an embryonic prices and incomes policy was initiated at the start of this year, under the aegis of an "advisory prices committee," which includes representatives from the government, employers, and the trade union federations. This is a voluntary system, based on the pious hope that the local manufacturers and importers will not increase prices unless this is absolutely necessary and that the workers will show a sense of responsibility in submitting pay claims. So far it has worked moderately well, but these are early days. The possibility of introducing a statutory system has not been ruled out, although officials are reluctant to talk about it. For the moment, the coup attempt has obliterated all else.

Linked with the prices and incomes policy is a new cost of living bonus system, which is claimed to be something peculiar to Cyprus but which is not so very different from what is now happening in Britain. Every three months the salaries and wages of public servants and all employees covered by collective agreements are statutorily reviewed against a price index, the basis of which (reckoned as 100) is the cost of living average for 1973. By May the index has risen to 115, and a large section of the labour force found itself entitled to a 6.9 per cent bonus in wages in June. This no doubt brought smiles to many faces, but it has not brought a check to the inflationary spiral.

The basic problem with Cyprus's economy, however, is that it rests on a slightly wobbly tripod: agriculture, tourism and revenues derived from the British bases. The experts in the ministries of commerce and finance, who, by thirdworld standards, are capable men, know this only too well. Over the past year, agriculture has given them the worst headaches, because of the appalling droughts in 1972 and 1973. This year providence has been kinder, but the rainfall has still not been enough to replenish the reservoirs. The net result is that the growth rate in agriculture has been virtually nil since 1971. This in turn has affected the total growth rate, which last year was 6.5 per cent instead of the 7.4 per cent forecast in the present five-year plan (1972–77). In the process, the government has had to subsidise the drought-stricken farmers to the tune of around £5m annually.

What can be done to provide more water? Arguably, the government should have tackled the problem more energetically some years ago, but strenuous efforts are now being undertaken to make up for lost time. Backed by the World Bank, a £36m water development project, the biggest of its kind in Cyprus, is now under way in the Paphos district. With luck, this should boost the production of citrus fruits, grapes and bananas over much of the west of the island. There is also talk of building a desalination plant, probably near Larnaca, similar to the one already operating in the British base at Dhekelia; but desalination is a costly business. A more intriguing suggestion is that fresh water should be piped to Cyprus from the gushing streams of southern Turkey, only 50-odd miles away. This solution was mooted as long ago as 1961 by the UN special adviser on Cyprus' economy, Mr. Willard Thorp—but for political reasons the Greek Cypriots have always resisted it. They do not wish to depend on Turkey for something as essential as water, and they even conjure up nightmares of the tap being turned off in times of crisis.

With agriculture in the doldrums, the government's planners are wisely turning their attention more and more to the development of light industries; indeed, the files of the ministry of commerce bulge with memoranda about fertiliser plants, abestos goods, hygienic equipment and the like. But the essential aim is to promote those industries with some export potential, diverting capital and effort from the production of "saturation" commodities, such as footware and furniture. For new overseas markets, Cyprus is looking hopefully to Africa. Already countries like Libya and Tanzania are showing more than a modicum of interest in its light industrial goods. (Both countries were visited officially by President Makarios.) All this implies a sensible diversification of Cyprus' trade pattern, though it is hard to see Africa replacing Britain and western Europe as its most important market.

The island needs all the commercial openings it can get, for its trade deficit has risen appreciably in the last two years. There is cause for concern but probably not for alarm. Foreign exchange reserves stand at the reasonably healthy total of £105m, some £15 less than at this time last year but nevertheless enough to cover imports of the next eight or nine months. Other third world countries might be happy to be in such a position.

IN THE STEPS OF APHRODITE

"The philosophy underlying our policy is that tourism should complement our national life and should not destroy its good qualities". This unexceptionable sentiment is the motif of a prolix review by the government of Cyprus's tourist prospects during the current five-year plan; and any future Cyprus government must trust that the troubles will be quickly forgotten by potential visitors. In terms of the economy as a whole, tourism has become one of the leading sectors and the plan is that it should earn about £42m gross between 1972 and 1976. At peak levels, tourist revenue could wipe off the trade deficit, and offset the financial losses that would be incurred if the British decide to withdraw from their two bases on the island.

The figures for 1972 and 1973 were encouraging: performance surpassed the target growth rate of 20 per cent. But it will be a different story this year. Quite apart from the fighting, potential visitors from Britain and western Europe do not have the money to spend. A modest growth rate may be achieved, but for a small country which has staked its future largely on tourism it may not be good enough.

The island has an immense amount to offer. It is one of the few places where in the spring one can ski in the morning and swim in the early afternoon. Or so the brochures say. The basic issue is what sort of place the tourist planners want Cyprus to be. At the moment, they give it the image of having a bit of everything. The variety of Cyprus's attractions does, indeed, appeal to many holiday-makers. But, by and large, the local entrepreneurs, backed by foreign capital, have moved in too fast; and in particular Famagusta—which has the best beach on the island—has been turned into a hideous rash of neon-lit cement. The Germans and the Scandinavians flock there, and it is the west Europeans whom the Cyprus Tourist Organisation is particularly anxious to attract. This is now reflected in the menus of the leading hotels and restaurants.

What pains most Cyprus-lovers is the possibility that Kyrenia will go the same way as Famagusta. Paradoxically, Kyrenia's essential beauty was saved in the 1960s by the outbreak of intercommunal fighting, which temporarily scared off the property developers. After seven years of relative peace, its picturesque harbour is walled in by high-rise flats and hotels. A kind of Clovelly transplanted to the eastern Mediterranean, it has long been the haven of the retired British; a family proconsular sniff used to be in the air, and there used to be much good conversation about more leisurely days.

Now, at the height of the package tourist season, the sniff is of eggs and chips, and the golden coves on either side of the town look like being converted into plages, which sounds distasteful if not actually hideous. But it all makes for invisible earnings and the Cyprus government needs the revenue. There is good potential in the western sector of the island, particularly around Paphos, which because of its distance from Nicosia tends to be the least visited; and a local entrepreneur who is about to launch a direct air-service could be on to a good thing.

But tourism, like other sectors of the economy, revolves around oil and water. With an inadequate public transport system, many tourists want to hire cars, and the cost is now becoming prohibitive to many ordinary holiday-makers. The continuing drought means that water-supplies at the height of summer are liable to be cut off; and it is not much fun paying for comfort and excellent service in a first-class hotel if one cannot get a shower.

But this may seem carping criticism. The fascination of the island lies in its life-style, which is neither easy to harness by a government department nor open to convincing description in a brochure. It is epitomised in the sip of an Anglias in a Troodos coffee-shop, or in the hilarity of Lemonias's tavern, in Nicosia, whose owner (once a Lieutenant-Quartermaster in the Cyprus Regiment) is a Hellenic Jove with the frame of a Vulcan and a laugh that reverberates around the island like thunder. Whatever the regime, people like Lemonias are indestructible.

BASELINE

If Kyrenia is a Mediterranean Clovelly, Episkopi—the British Near East headquarters—is a Mediterranean Eastbourne. The essential point about the two British bases (Episkopi-Akrotiri and Dhekelia) is that they are as British as the Isle of Wight, being sovereign British territory. In 1960, after a marathon negotiation between President Makarios and Mr. Julian Amery (then Under-Secretary at the British Colonial Office), it was finally agreed that the British sovereign area should comprise 99 square miles. (It has never been absolutely clear to observers which sovereign state, Britain or Cyprus, owns the Salt Lake near Dhekelia; but, as its use for military purposes is problematical, to say the least, no dispute arises.)

The relationship between the British and the Greek Cypriots has long been a curious love-hate affair. If British colonial administrators made mistakes—as all colonial administrators do—the chickens came home to roost with unexpected ferocity on April 1, 1955. All-Fool's Day marked the start of General Grivas's guerrilla war to drive the British out—and to unite Cyprus with Greece. There followed nearly four years of Ulster-type terrorism, during which excesses were commited by both sides and the hatred between Briton and Greek could be cut with a knife. (The Turks were to some extent on the sidelines, but were basically pro-British.) The Greeks vehemently alleged, and still allege, that successive British governments deliberately favoured the Turkish community. Historically, that is at the root of the Cyprus problem. More recently, all has been sunshine—or almost.

After trying to kick the British out, most Greek Cypriots want the British who are left (mainly in the bases) to stay. It is not, of course, entirely a matter of sentiment, though sentiment enters into it. The basic factor is economic. Revenue, one way or another, from the bases is a pillar of the island's economy; last year it totalled over £30m. (The Makarios government, for understandable reasons, put the figure nearer £27m, but the exact total is hard to quantify.) Limassol, in particular, would become almost a ghost town if the British should quit Episkopi and Akrotiri, for one quarter of Limassol's population (around 55,000) is composed of British service families or civilians connected with the nearby base. For the Cypriots—Greeks and Turks alike—the bases mean jobs: clerical jobs, labouring jobs, catering jobs and so on. Even the police force within the two bases is composed of Cypriots, whose relations with the British authorities are harmonious.

It is a mark of the astute restraint of Mr.. Zhiartides, the union leader, that he has never pushed the communist line on the bases to crisis point. Ideologically, he wants the British to quit—and that is the declared aim of the Akel party. But realistically, Mr. Zhiartides and the other communist leaders know that, if the British do leave, thousands of their compatriots would come on the labour market, and Mr. Zhiartides did not want to embarrass the archbishop. So the communists were prepared to impose on themselves a self-denying ordinance; in the new situation the communists' tactics may change.

With the British defence review still uncompleted, the future of the Cyprus garrisons is still in doubt. It is one thing to quit Singapore, and another thing to quit the Mediterranean especially at a period of crisis in the Middle East. In the present explosive situation a hasty British withdrawal would create a dangerous vacuum in the island. Under the terms of the Cyprus treaties of 1960, the sovereign bases are to revert to the government of Cyprus in the event of a British evacuation. But the Turks have let it be known that they want at least part of the 99 square miles; and in this understandable claim there is the hint of a nasty new twist to the Cyprus problem. One possibility, obviously, is that the two bases might eventually be telescoped into one (Episkopi-Akrotiri), but this does not appeal to Britain's service chiefs, who claim that there are not really enough training grounds in the United Kingdom.

During the past decade, the Dhekelia base has served another extremely useful purpose; it has become the logistic centre for the United Nations peace-keeping force (Unficyp). Food and equipment for the 2,000-odd UN troops (who consist of British, Canadians, Danes, Finns, Swedes, Austrians and Irish) are sent through Dhekelia, and all the repairs are done there. As a result, the UN operation in Cyprus has run on oiled wheels, and UN officials are the first to admit it. Indeed, the facility with which the British have donned their blue berets has been one of the pleasanter aspects of the Cyprus story, especially after the acrimony between Britain and the UN secretariat during the Congo troubles in 1961. Over the past 10 years (March, 1964–March, 1974) Cyprus has cost the UN $350m. Arguably, it is money well spent; but one wonders what greater use it could have been put to, in development aid, if the Cypriots had settled their affairs.

The Americans have argued that Unficyp could be reduced to a mere observation force, although, probably, it is too small as it is to be effective militarily (if fighting should break out again between the two communities). Again, this sends shivers down the spines of Cypriot traders and restaurant-owners; for the free-spending UN troops, like the British troops in the bases, boost Cyprus's invisible earnings substantially. The element of artificiality which this introduces in the island's economy is all too obvious.

ON A SEE-SAW

It is almost impossible to draw the contradictory strands of Cypriot history into a rational pattern, as the past week has amply demonstrated. Cyprus is a captive of its geography, as well as of ethnic compulsions. To the Turks, it is their off-shore island. At the same time, the Greek connection has dominated its history, and will continue to do so.

However hard the Cypriots try to assert their independence, relations between Greece and Turkey will decisively sway the island's future. Even before Monday the strains between Athens and Ankara were acute; the prospect of sizeable oil deposits in the Aegean Sea has provoked a bitter dispute over continued shelf jurisdiction; the matter is being argued at the current international law of the sea conference in Caracas, but is unlikely to be resolved there.

Tension between the parent powers automatically has repercussions in Cyprus; the Greeks somehow become more Greek, and the Turks more Turkish. Even the Akel party has recently come out on the side of the Athens junta over the oil dispute, although the island's communists whisper privately that it is the inevitable result of "commercial imperialism".

On the face of it, the friction between Greece and Turkey seems to knock on the head, at least for the time being, the prospect of an imposed Athens-Ankara solution of the Cyprus problem. Such a deal has long been the aim of the Turkish government, and of the Turkish Cypriots, who feel that their destiny can be entrusted to their masters in Ankara. (President Makarios never felt any such sentiment towards successive Greek governments.) What is just conceivable, but unlikely, is that, instead of going to war, Greece and Turkey might put their heads together and make a package deal on all their contentious issues, Cyprus being the most important. The Makarios supporters bitterly resist this idea.

But would an imposed solution of Cyprus work? It was tried at Zürich in 1959, and four years later the settlement fell to pieces. On paper, there is a lot to be said for "double enosis" (which is a euphemism for partition). But the harsh reality was that President Makarios would not have it; and Cyprus has now had a history of 14 years as a sovereign independent state. The best minds in the Greek foreign ministry fully perceive this; and as a result Greece has continued to support the intercommunal talks designed to preserve Cyprus' independent status.

The 14 years of Makarios' presidency are a curious mixture of achievement and confusion. History will pronounce its verdict upon him; but to have remained president for so long was in itself a singular accomplishment. And the Greek Cypriots prospered economically.

What is incontestable now is that the politics of the whole eastern Mediterranean have never been more complex, and possibly never more explosive. Greece is at loggerheads with Cyprus and Turkey; Turkey is at loggerheads with Greece and Cyprus; and Cyprus is at loggerheads with Turkey and Greece. If there were a triangular conflict, baffled observers wonder who would be on whose side. The answer is clear; the Greeks would close ranks—temporarily—against their "traditional" enemy. Such is the strength of nationalism.

Meanwhile, the island has blundered along, under a quixotic form of de facto partition. President Makarios periodically asserted his view that "enosis is desirable, but not feasible" (which in fact probably summed up his own inner thinking). The implied ambivalence in this statement infuriated the Turks, who somehow still detect enotist implications in every word uttered by the Cyprus government, not least during the present crisis.

During his presidency, Makarios came to the conclusion that Cyprus should stay as it is. That may sound defeatist, but he had one current of events pulling his way; and time has its way of altering the configurations of political problems. For all its troubles, the island was a happy place.

(Note: This survey was written by Ken Mackenzie.)

THE GENOCIDE CONVENTION AS A MORAL FORCE

Mr. **PROXMIRE**. Mr. President, yesterday I spoke of the Genocide Convention as an essential legal weapon against the crime of genocide. Today I would like to discuss the convention of its other significant capacity as a moral force against genocide in our world. For while the convention established effective legal barriers against this crime, just as important is the moral climate which it generates.

Governments, even tyrannical ones, cannot easily begin a campaign of genocide against some people instantaneously. First the nation's leaders must condition their people to accept the ugly brutality of such a campaign by persecuting individuals, conducting a propaganda campaign against some national, ethnical, racial, or religious group and inciting the people to desire or at least allow the horrible work to be undertaken.

Such a campaign of incitement could only be undertaken in an indifferent world. During this time of preparation, the world community and individuals can exert moral pressure against the government's plans. We can refuse to accept the propaganda, to be drowned in the world of racial slurs and unbridled hatred. We can support those citizens of the potentially aggressive country who speak out against their government's madness. If need be, the world community can threaten an economic boycott to prevent the genocidal campaign.

We all hope a situation will never arise in which we would need to be so careful. But part of the way to prevent such a situation from developing is to be prepared. We must never allow the moral climate to become so polluted that we cannot recognize incipient genocidal rhetoric or action. No one must ever feel that life is so little valued that genocidal acts might be tolerated.

Mr. President, one elementary but critical way we can generate such a moral climate is through ratification of the Genocide Convention. By ratifying the treaty we would declare formally and substantively our opposition to genocide. Mr. President, let us take that step. Let us ratify the Genocide Convention.

THE 75TH BIRTHDAY OF MILTON S. EISENHOWER

Mr. BEALL. Mr. President, this past Sunday marked the 75th birthday of a distinguished American. Milton S. Eisenhower, during an outstanding career in private and public life has established an enviable record of service to his fellow man. He is known and respected the world over for his many accomplishments.

Dr. Eisenhower has many human qualities that have won him the admiration of countless numbers of people. On the eve of his birthday, I was honored to join with several hundred of his friends and admirers who gathered at Baltimore's Memorial Stadium for a birthday celebration in his honor. Dr. Eisenhower, an avid baseball fan, is one of the most loyal and dedicated supporters of the Baltimore Orioles so it was most appropriate that this party in his honor take place, preceding a game, in the home park of his favorite team.

His record of service is one that can serve as an inspiration to all Americans and the country owes this man a debt of gratitude for his many contributions in inspiring the opportunities for a better way of life for so many people.

Mr. President, the Sunday Sun of September 15 published an appropriate article about Dr. Eisenhower and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Dr. Eisenhower Has Always Hated Idleness

(By Gerri Kobren)

"I was a hick from Abilene, Kan.," he said, laughing. A bit naive back in 1924, limited in international awareness, a graduate of Kansas State University with a degree in social science from the department of journalism, he was surprised when he got the telegram from Charles Evans Hughes, Secretary of State, appointing him United States vice-consul in Edinburgh, Scotland. He didn't know Hughes, or anyone else in the State Department.

Besides, he had just been hired as a teacher at Kansas State. Hoping for a career in either education or government, he was suddenly faced with a choice between the two. The university president made it for him. "Milton Eisenhower," he said when he heard of the foreign service offer, "you're fired."

The man in the crisp gray suit flashed the famous Eisenhower grin. No one thinks of Dr. Milton Eisenhower as a hick any more. Or as naive, or unaware. His past 50 years have been studded with positions of importance in both government and education, sometimes consecutively and often simultaneously: friend and adviser to eight Presidents of the United States, one of them his older brother; university president (Kanssas State, Pennsylvania State, the Johns Hopkins), holder of 37 honorary doctorates and decorations from seven foreign countries, board member of seven corporations, chairman or member of many high-level committees and commissions.

"GREATEST GRANDPA"

And delighted recipient of the "World's Greatest Grandpa" award from his daughter's three sons.

Milton Stover Eisenhower, 75 years old today, looks forward to the publication, in October, of his new book, "The President Is Calling," with his recommendations for restructuring the presidency and his reminiscences of the presidents he has known. (He wrote of them not to boast of the acquaintance, he said, but to establish his credibility as a commentator on the office.)

Included in the book is a chapter about himself, about the things that shaped and directed his life. Not surprisingly, his family heads this list.

The youngest son of deeply religious fundamentalists, members of a sect known as Brethren in Christ, he was reared in an atmosphere of tranquility. Though theologically conservative, his mother "was a real liberal, because she cared deeply about people and about human values. She was the one who was always helping everybody in the neighborhood, no matter what the problem was. If they needed more food, she took them more food; if they were sick, she went and helped nurse them.

"I suppose Father was a conservative simply because he spent his time earning a living to raise six boys and keep a wife. But in those days people didn't talk about conservatism and liberalism because there wasn't sufficient national or international consciousness to think in those terms."

Born with an abnormality in his optic nerves that was not accurately diagnosed until he was 20, young Milton Eisenhower was uncoordinated in a family of athletes. Third string baseball player, waterboy for the footabll team, he both adored and envied his five older brothers, and needed "to achieve distinction in a way they hadn't."

In sports he has concentrated on activities that do not require quick shifts of focus, which is still difficult for him. "I'm a damn good fisherman," he said. "I swim, and I've become one of the world's good English croquet players. I'm a good gardener. I love the whole idea of physical activity, and because I wasn't good at it myself my admiration for people who had physical ability and coordination increased.

"One of the reasons I've concentrated so much on baseball—and I'm the No. 1 fan of the Orioles—is that it's an open game, and I can see it. I know the players, and I know why they do what they do." (Dr. Eisenhower's birthday was celebrated last night at Memorial Stadium, before the Oriole baseball game.)

B IN BIOLOGY

But it is in scholarship that he has always excelled. His record through high school and college of A grades is marred by a single B in biology—"because I hated cutting up frogs and mice."

Studiousness accorded well with the Eisenhower life-style. Thwarted in their own educational ambitions by economic necessity, the parents stimulated academic direction in their six sons, all of whom graduated from college. "I suspect it was because they did not achieve what they thought they should for themselves," Dr. Eisenhower said. "I've never known a good parent who didn't want the children to have something a little better than he had."

Because money was scarce, Milton Eisenhower worked his way through college as a newspaper reporter and director of information for a group of public utilities in Abilene. A federal employment examination he took during his final year at Kansas State brought him the offer of the consular post in Scotland, and with that came "the beginning of a very good international education," as, for the first time, the Kansas farm boy tried to explain his country to people from other parts of the world and to understand it from their viewpoints.

In the belief that world peace could be promoted by increasing international understanding, 20 years later he chaired the United States commission for the establishment of the United Nations Educational Scientific and Cultural Organization. Although he feels UNESCO has been thwarted by continuing censorship in much of the world, he continues to believe in its ideals. In 1972 he headed a commission on international broadcasting that recommended continued American support of Radio Free Europe and Radio Liberty.

"Only because we are penetrating the Iron Curtain and getting good information through to the people is there a demand for détente," he said. "It's as simple as that.

"As more and more people in the USSR have learned that life is better elsewhere, they have wanted a better life too. What do the communist countries have to do? First shift from the production of armaments and to the production of consumer goods. And second, they've got to trade with the rest of the world because they want the technology and science of the rest of the world to penetrate.

"Look at what science and technology have done to world communication and transportation," he marveled. "I was a freshman in high school before I traveled so far away as Kansas City, Mo., 160 miles down the Union Pacific tracks. And when I got off that train I was absolutely sure it was the biggest city in the world. Well, it wasn't too many years later that I began traveling to every continent on earth with greater ease and less fear of the unknown than I experienced on that first little trip."

Insulated, isolated, technically backward as Abilene might have been by today's standards he still considers his childhood "privileged," although he didn't realize it at the time. The schools were superb, he said. "Believe me, you had to produce, or else. There was none of this business of passing you along to a higher grade just to get you out to make room for the next generation."

At home, the young Eisenhowers were taught responsibility. "Youngsters thrive on it," he said. "But children are very sensitive to manufactured responsibility—moving the sandpile from here to there and back again."

FARM JOBS

The six Eisenhower boys had jobs to do. With a farm covering the equivalent of a square city block there were chores that had to be done. Producing, storing, selling the crops were necessary for the family's sustenance. Job rotation, each son taking turns at every job—including the indoor tasks they all hated, established the fairness of the work. At the same time, each of them learned to stand up for his own rights.

"It's a funny thing about responsibility," Dr. Eisenhower said. "When you stop to ask yourself what it is about the American system that makes it so productive, you find it is because responsibility is highly decentralized. Instead of depending upon a central authority in Washington to tell us all we have to do, decisions are made in competition between hundreds of thousands of enterprises, and in each of the enterprises are responsible people making the decisions.

"I've been in dictatorships in Latin America and in three long stays in the Soviet Union. What it does to the human spirit when somebody else makes all the decisions is amazing."

The kind of cooperation and competition that were built-ins for the Eisenhowers of Abilene can only be approximated today. At the beginning of the Twentieth Century, 25 per cent of the nation's population lived on farms; today the proportion has dropped to 5 per cent. For the Eisenhower grandsons, responsibility means mowing the lawn and keeping their rooms neat, which is not quite the same as having to work with and for the family. Teamwork for them comes from instruction in sports. "It's good wholesome activity," their grandfather said, "but it's a different thing from having responsibility."

He is enormously pleased with today's young people, believing them the best informed the world has ever known. "They not only read the newspapers and newsmagazines, they also read authoritative books. And if you start a discussion with a student on almost any subject, you'd better be damn careful, or he'll throw the authorities at you.

"Now it happens that I love working with these youngsters and associating with them. It's kept me from becoming doctrinaire, because I found out that I can be wrong and they can be right, just as they can be wrong and I can be right." During his 25 years as a university president, Dr. Eisenhower kept open house for students; while he was at the Hopkins, a light at the library entrance to his home was a signal that he was in and welcomed their company.

His faith in American youth has been translated into action. As chairman of the Commission on Causes and Prevention of Violence, he recommended in 1969 that 18-year-olds be given the right to vote.

His new book has more recommendations for changes in government. The presidency, he feels, is an unmanageable position, which no one person can fulfill. Not everyone will agree with his ideas for radical restructuring of the office, but he hopes that the book will stimulate debate.

Other Eisenhower opinions:

On Watergate—"The break-in was stupid and unimportant. It was what happened to the spirit of the government and the loss of credibility among our leaders that was important."

On inflation—Unless runaway inflation is curbed, "we are going to have a depression that will make the depression of the Thirties look like chickenfeed."

On national security—"I am going to be absolutely blunt. The danger to America is so much greater because of internal problems than it is from a foreign power. I don't mean to minimize the external threats, but the most serious single problem in this country is inflation."

On the responsibilities of the press—"I'd almost like to amend the First Amendment, not to detract from the freedom of the press, but to add the right of the people to know. No longer is the idea of the news the unusual, the rare, the controversial, the confrontation, etc. News is whatever the American people need to know so that their judgments can keep democracy working."

Milton Eisenhower retired from the presidency of Johns Hopkins University in 1967, after presiding over 11 years of unprecedented growth. When his successor abruptly resigned in 1971, the trustees asked Dr. Eisenhower, then 72, to take over again.

"What do you want me to do," he asked them, "come back in a wheelchair?"

He returned to the university on his feet, however, retiring a second time in January, 1972. A month later he began writing "The President Is Calling," which he had been thinking about for years. As active in his retirement as many men are in their working years, he is busy with corporations, committees and correspondence and is considering two more books, one on education and the other a series of essays on modern problems. He is writing a novel as well—"for the sheer deviltry of it," he grinned.

Besides, he said, "I can't stand idleness."

ANOTHER NAVY BAILOUT?

Mr. PROXMIRE. Mr. President, the Navy has short-circuited its own claims review procedures and may be engaging in another corporate bailout by agreeing to pay Litton Industries $18 million for a shipbuilding claim which the Navy formally judged to be worth less than a million dollars in 1972.

Three years ago Litton filed a claim with the Navy demanding $37 million in additional payments on a ship construction contract.

The Navy, after a careful evaluation of the claim, decided it was worth only $962,057.

The Navy, in a meeting 2 weeks ago at the Litton shipyard, reversed its earlier decision and agreed to pay $18 million for the claim.

The meeting was attended by Isaac C. Kidd, Chief, Naval Material Command, and Charles B. Thornton, chairman of the board of Litton.

The background of this claim and its handling raise serious questions in my mind as to whether the Navy is paying the true value of the claim or simply trying to help its contractor out of financial difficulties.

Are we witnessing another corporate bailout?

What I find objectionable is that the claim appears to have been settled on the basis of horsetrading negotiations rather than as a legal matter.

According to information I have received, a team of Navy employees has been instructed to prepare the paperwork justifying the agreement reached by Admiral Kidd and Mr. Thornton.

The legal and technical justification for settlement of this type of claim should be prepared before a final agreement is reached, if proper procedures are followed.

I have not yet concluded that the settlement is a bailout or that anything improper was done. But I am concerned.

I am, therefore, asking the General Accounting Office to review the Navy's actions and prepare a report of its findings.

The following is a brief outline of the facts in this case:

The Navy awarded a contract for the construction of four ammunition ships to Ingalls Nuclear Shipbuilding—later acquired by Litton—in 1968 for approximately $113 million.

In 1971 Litton filed a claim against the Government alleging the Navy owed it $37 million over and above the contract price of the four ships.

The Navy referred the Litton claim to a claims team for review and evaluation and after a detailed analysis made recommendations to the contracting officer in charge.

On July 31, 1972 the contracting officer issued a formal decision concluding that the claim was worth only $962,057.

The contracting officer's decision was contained in a 37-page report setting out the background of the claim, the contractual framework, and a discussion of the items allowed and the items disallowed.

According to the Navy, the claims team had great difficulty obtaining factual information from Litton supporting its claim. There is a great deal of evidence that Litton was uncooperative and that it would not or could not document most of the claim.

A typical item concerned the weight estimates for the ships. The contractor claimed that at the time the contract was awarded the Navy knew, as a result of inclining experiment data, that the ships would weigh more than had been estimated. The contractor alleged extra costs were incurred in modifying the existing groundways and sliding ways to accommodate the extra weight.

The contracting officer pointed out in his decision:

> It is not true that the Government had inclining experiment data available as alleged. The initial . . . inclining experiment was not performed until . . . 12 days after the Government's weight estimate was given to Ingalls. Moreover, it was the Contractor's choice whether to launch the vessel with more or less weight; any additional work on the ways was thus for the Contractor's own convenience.

This example illustrates the reason for settling claims on the basis of legal and technical analyses rather than through horsetrading bargaining sessions.

Following the contracting officer's decision, Litton appealed the matter to the Armed Services Board of Contract Appeals.

It is interesting to note that while the claim was pending before the board, Litton voluntarily reduced the amount of its claim from $37 million to $28.5 million.

The $18 million settlement agreed to by Admiral Kidd and Mr. Thornton represents 63 percent of the face value of the claim.

It is puzzling that the Navy would agree to such a high settlement in the face of the contracting officer's decision and after the hearing before the Armed Services Board of Contract Appeals had already begun.

It is also my understanding that the negotiations leading up to the recent settlement bypassed the elaborate Claims Review Board machinery established by the Navy.

NO CURTAILMENT OF HOLIDAY LIGHTING THIS CHRISTMAS

Mr. TAFT. Mr. President, I am very pleased to note and to call to the attention of the Members the fact that the Federal Energy Administration will not curtail holiday lighting this Christmas.

John C. Sawhill, FEA Administrator, while calling for prudent use of Christmas lighting in the best American tradition, made the announcement.

I am pleased to ask unanimous consent that a copy of that announcement be printed in the Record.

There being no objection, the announcement was ordered to be printed in the Record, as follows:

Prudent Use of Holiday Lights Urged, But No Ban This Year, Sawhill Announces

Federal Energy Administrator John C. Sawhill announced today that holiday lighting will not be singled out this year for voluntary or involuntary curtailment.

"Our slogan, 'Don't be Fuelish,' means be prudent—perhaps fewer Christmas lights indoors and out," Mr. Sawhill said. "Sound energy conservation practices must continue. We must all reduce commercial lighting, adjust heating and cooling thermostats, improve home and commercial building insulation, reduce our driving, and strictly observe the 55 miles-per-hour speed limit. If we do all of those things, we will save enough energy to permit the decorative lighting which means so much to so many Americans on our holidays."

Mr. Sawhill has released a brochure, "Tips for Energy Savers," including a suggestion to "Reduce or eliminate ornamental lights except on special holidays or festive occasions."

"Christmas is not only one of our most festive occasions," Mr. Sawhill said, "the holiday selling season also is recognized for its importance to the economy—locally and nationally—and this need not and should not detract from the religious event being observed. Certainly, decorative lighting, itself, can uplift the spirit and add to the enjoyment of the holidays in our homes, stores, streets, and neighborhoods.

"I suggest that we can have our holiday lights and save, too, by taking sensible and tasteful—but not wasteful—energy conservation measures. One way to do this is to use low-wattage "cooler" and midget lamps on Christmas trees and in other decorative lighting. They use considerably less electricity than larger bulbs. Another way to compensate for both outdoor and indoor holiday lighting is to turn off regular lights in the same room or area while decorative lamps are on. Prudence also is called for in the lighting of community trees and other outdoor displays. This constraint need not be anything more demanding than simply turning them off nightly at a reasonable hour (10 to 10:30 p.m., for example).

"All of these steps will reduce the energy consumed and save money as well. I commend them to you as worthy national objectives which also are in keeping with the spirit of the holidays."

GENERAL HAIG—VICTIM OF GUILT BY ASSOCIATION

Mr. GOLDWATER. Mr. President, it has not been too many years ago that we heard a lot of talk in this Chamber about "guilt by association" and similar devices whereby innuendo and allegations were used to ruin the character of men in public office. Of course, those were the days of Joe McCarthy and the liberal-radical press in this country led the complaining. Now, however, things have turned around completely and it seems that anybody associated with Richard Nixon is fair game for almost any kind of charge the press can bring against him.

I have in mind a specific example, Mr. President—a column by Joseph Kraft, of the Washington Post asking for a broad investigation of Gen. Alexander Haig and charging him with "circumstantial evidence" connecting him to "a mountain of dirty work."

If memory serves me correctly, Mr. Kraft was one of the newsmen who wanted a hasty impeachment of President Nixon or his resignation so that the Congress could settle down to handling more important affairs of state. Now, however, Mr. Kraft would like to prolong the whole Watergate situation by investigating people who just happened to be around when it happened.

Reading Kraft's column of September 17, I remembered what an old newspaper friend of mine once told me. He said jokingly:

> If you want to get somebody in public life, give me the adjectives and you can keep the facts.

The Kraft column on General Haig is shot through with evil-sounding phrases that have no basis in fact. He also uses that common device of asking sinister-sounding questions which imply evil without actually charging it. He wants to know, for example, what was Haig's role in the "Pentagon spy ring" and the White House "plumbers." He says, with great inference but no fact:

> How about the 18½ minutes missing from the most critical White House tapes?

Mr. President, it seems to me we have had enough of this kind of nonsense. If writers like Kraft know of evidence that would connect General Haig with a mountain of dirty work, they ought to be testifying before a grand jury, not writing columns. If things go on the way they are, almost anyone who dislikes someone else in the Government can run around to his favorite nonadministration columnist and have a piece like Joe Kraft wrote on September 17 fabricated to his own specifications. One of the things the anti-Haig writers seem to overlook completely is the fact that, whether they like it or not, when he served at the White House, he was an officer in the U.S. Army and subject to orders from the President as Commander in Chief. If this arrangement makes them unhappy, I suggest that the Joseph Krafts start a movement to amend our national Constitution.

NATIONAL HISPANIC HERITAGE WEEK

Mr. TOWER. Mr. President, as my colleagues know, President Gerald Ford earlier this month proclaimed the week beginning September 10, 1974, and ending September 16, 1974, as "National Hispanic Heritage Week, 1974." Since the people of Mexico each year pause to mark the date of September 16, in much the same manner as we observe July 4, the President's proclamation was especially timely and proper.

On September 16, 164 years ago, a courageous Patriot named Father Miguel Hidalgo y Costilla, in his famous "Grito de Dolores," set into motion the forces and events that ultimately brought independence to Mexico. The people of Mexico, therefore, as well as citizens of our country whose ethnic heritage and traditions derive from Mexico, have once again observed with all manner of appropriate activities that date in history that established Mexico's right to determine its own proper destiny.

In taking this opportunity to reflect upon the special meaning that September 16 has for so many people, it is clear that all Americans who share a common ancestry with the people of Mexico have every reason to be proud of the rich traditions and cultural contributions that have been made by the Hispanic people over a period of several centuries to our present way of life. Many of these fine traditions are now deeply ingrained in the very fiber that makes up our own proud society. I am pleased to say, therefore, that it is with the deepest understanding and appreciation of the true meaning of freedom and dignity that we have witnessed and shared in the observance of September 16.

ON LIBERTY AND LIBERALISM: THE CASE OF JOHN STUART MILL

Mr. BROCK. Mr. President, I have just finished reading an article concerning one of the fundamental beliefs upon which our Nation was founded.

George Carey, professor of government at Georgetown University, provides some new, interesting insights into Gertrude Himmelfarb's "On Liberty and Liberalism: The Case of John Stuart Mill."

I suggest strongly that my colleagues read this interesting and informative article, and ask unanimous consent be given for it to be printed in the Record in its entirety.

There being no objection, the article was ordered to be printed in the Record, as follows:

New Insights Into Mill's "On Liberty"

(By George Carey)

Certainly one of the most pervasive and dominant ideologies of our times is that brand of liberalism which has elevated liberty to the status of the social *summum bonum*. It is manifested at all levels in society: Supreme Court decisions relating to speech and pornography; the ascendancy of moral relativism which frees the individual from restraints of disapprobation; and the growth of a "counterculture" which thrives on railing at the "establishment" with its "repressive" customs, traditions, and values.

Indeed, the value of individual liberty has gained such a paramount position in our contemporary and social thinking one might well assume that its theoretical foundations, justifications, and defense have been the object of long and intensive examination by philosophers both modern and ancient. But, as Gertrude Himmelfarb correctly reminds us in "On Liberty and Liberalism: The Case of John Stuart Mill," this is not the case. The doctrine emerged suddenly and full grown in 1859 with the publication of John Stuart Mill's "On Liberty."

To be sure, others had concerned themselves with liberty—Milton, Locke, and, among others, certain of our Founding Fathers—but they treated of it in a partial and limited fashion. They were not bent, as was Mill, on advancing "one very simple principle," to wit, "that the sole end for which mankind are warranted, individually or collectively, in interfering with the liberty of action of any of their number is self-protection." So it is that "On Liberty" and John Stuart Mill are the focal points of this book.

Mill has long been an enigma for the student of political theory principally because there is, as Professor Himmelfarb extensively documents, an "extraordinary disparity" between the ideas and principles advanced in "On Liberty" and those found in his other works. In these other works, Mill has nothing but unkind words for comprehensive and wide ranging theories based upon a single principle or rule. Thus, for all intents and purposes, he eventually abandoned the utilitarianism of Bentham and his father, James Mill. He also wrote of the need for permanent, basic, settled and unquestioned values which alone could provide social cohesion and without which society could neither be civil nor free. Moreover, he viewed the role of education as a means of training the individual to subordinate selfish impulses which would deflect him from pursuing the higher goals and aims of society.

In a major section, entitled "Mill versus Mill," the author carefully sets forth and examines these and other telling disparities by taking the major arguments advanced in each chapter of "On Liberty" and setting them beside his other writings. The inescapable conclusion is that there are two John Stuart Mills: The Mill of "On Liberty" and the "other" Mill. The "On Liberty" Mill looked for future social progress through "the development of man's individuality." The "other" Mill, in stark contrast, envisioned this progress through "the development of the social character of man."

But the question remains, what accounts for this duality of thought on such a fundamental matter? Most assuredly, Mill must have been aware of the incompatibility of his position. It will not do to equate the "On Liberty" with an older, more mature Mill. The fact, amply documented, is that the views of the "other" Mill persisted throughout his life. Nor will it do to say that Mill in writing "On Liberty" was reacting to the oppressive conformity of the Victorian period. By any standard this period has its fair share of non-conformists and dissenters, as well as an abundance of first rate thinkers, novelists, artists, playwriters and the like.

The answer given by Professor Himmelfarb, which will, no doubt, cause some stir among Mill scholars, comes to this: Throughout his entire mature life, Mill had shown a particular sensitivity to the status and role of women in society. Precisely on this issue he perceived social oppressiveness of the kind and nature described in "On Liberty." But, beyond this, his close association with and subsequent marriage to Harriet Taylor, an ardent woman liberationist in her own right, provided the impetus for the change in Mill's position.

Evidence of this effect abounds in the second major section of the book, "On Liberty: The Biography of an Idea." For example, his dedication to "On Liberty" reads in part, "To the beloved and deplored memory of her who was the inspirer, and in part the author, of all that is best in my writings." In his autobiography he wrote that "On Liberty" "was more directly and literally our joint production than anything else which bears my name, for there was not a single sentence of it that was not several times gone through by us together, turned over in many ways, and carefully weeded of any faults, either in thought or expression, that we detected in it."

His autobiography also reveals that he most certainly regarded his wife to be his intellectual equal, if not superior. Their correspondence reveals, moreover, that it was she who "told him what subject he ought to write about, the order in which he ought to write them, and the points he should stress; and the proposed innumerable and important revisions for new editions of his works." And Mill, to an astonishing degree, complied.

If Professor Himmelfarb had stopped here, she could have rested content on having made a highly original and significant contribution to the already vast corpus of scholarly literature dealing with Mill. Fortunately, she does not do so. In her final section, "Legacy of an Idea," she shows that the central values of "On Liberty," liberty and individuality, have become the dominant and unassailable values of contemporary liberalism. Admittedly, contemporary liberals do not always give credit to Mill when it is due nor have they always been faithful to Mill in their interpretations. Nevertheless, the linkage is unmistakably there and the result is not pleasant to behold.

The insatiable demand for liberty knows scarcely any bounds, certainly not those of tradition, moderation, prudence, common sense, decency, civility, or any higher law. It also breaks with the tradition of the Western world with its complete denigration of authority which perforce, must be viewed illegitimate. It erodes and finally destroys any sense of perspective: "It is the logic that informs the recurrent pronouncements that the 'so-called' democracies are no better than dictatorships, that a flawed party system is as bad as a one-party system, that a lack of racial equality is equivalent to genocide. . . ."

But this is not all. Contemporary liberalism contains within its bosom an insolvable paradox: While pushing for individual liberty unfettered by social and governmental controls, it presses for "positive" liberty in the social and economic spheres, a positive liberty which can only be achieved by an omnipotent state. As history will attest, this mixture of liberties is highly explosive, explosive enough to destroy any semblance of liberty, individual or otherwise. In an age when the "moral capital" needed to resist this ideology is in perilously low supply and when it is fashionable to ignore or scoff at this potential danger, Professor Himmelfarb deserves thanks for her analysis and warning.

THE WORLD FOOD SHORTAGE AND U.S. FOOD POLICY INITIATIVES

Mr. HUMPHREY. Mr. President, while world food prices soar as a result of rising demand and decreasing agricultural production, it becomes increasingly evident that we are becoming more and more vulnerable to the forces of nature. World food reserves are dangerously down to the 26-day level. It is estimated that the 1974 harvest will total almost 2 percent less than last year, while there are 70 million more people in the world to feed.

President Ford today announced plans to increase food aid and technological assistance to needy countries, as well as his support for an international program of food reserves, and I wholeheartedly applaud him for these actions. This is an ideal time for the United States to initiate its own food reserve program, such as I have proposed in my bill, S. 2005. This, coupled with our plans for increased food and technological assistance to developing countries, would enable us to take a true leadership position at the November World Food Conference in Rome.

If we expect cooperation from other countries in an international effort to conquer the world food crisis, it is imperative that we, as the world's largest exporter of food supplies, take these initiatives.

Mr. President, Lester Brown and Erik P. Eckholm, fellows at the Overseas Development Council and coauthors of the book "By Bread Alone," have described the global implications of the food shortage in an article in the September 15 issue of the New York Times. I ask unanimous consent that this article, entitled "Grim Reaping: This Year the Whole World Is Short of Grain," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Sept. 15, 1974]

GRIM REAPING: THIS YEAR THE WHOLE WORLD IS SHORT OF GRAIN

By Lester R. Brown and Erik P. Eckholm

Washington.—Despite the vagaries of weather and crop disease, world grain production rises almost every year. But not this year: Most recent estimates indicate the world's 1974 harvest will be nearly 2 per cent less than in 1973, and with 70 million more people to feed, the drop is serious.

Once before in the past dozen years or so has world grain output declined significantly. That was in 1972, largely due to a poor harvest in the Soviet Union, and the world food market was thrown into disarray. But there is an important difference between 1974 and 1972; then the world had substantial grain reserves, today it does not.

This year's decline reflects sharply decreased output in the world's two principal food-producing areas, Asia and North America. In addition, the Soviet grain harvest though still the second largest in Soviet history, is down from its exceptionally high level of last year.

A drop in the Asian harvest is not surprising. This was predictable as early as last spring, based on the shortage of fertilizer for the 1974 crop. The only question now is how much it will drop.

A preview of the 1974 grain crop in Asia was provided by the Indian wheat crop planted in the fall of 1973 and harvested in the spring of 1974. The target was 30 million tons, but the harvest turned out to be closer to 23 million tons. The reasons: Shortages of fuel and fertilizer, and poor weather.

Food prospects on the Indian subcontinent, both this year and for the future, are also threatened by the ecological undermining of the food-producing system. That imbalance starts with overpopulation; it leads to overgrazing and deforestation, then more frequent and severe flooding. In August of 1973, Pakistan had the worst floods in its history. In recent weeks nearly half of Bangladesh was under water, destroying much of the rice crop. Unfortunately, but not surprising, the deforestation is accelerating. In North America the principal cause of the crop decline has been drought.

The consequences of these lower crops in Asia and North America are not what they might have been 10 years ago, in the period since World War II, the world has had two major reserves of food: the stocks of grain held in the principal exporting countries from year to year and the cropland held out of production in the United States under government farm programs.

In 1961 these two reserves combined represented 222 million tons of grain, or a "cushion" equal to 95 days of world consumption—food the world could have if it really needed it. Right now, these reserves have declined to just 26 days.

The vulnerability is further demonstrated by the world's dependence on one region, North America. The exports of Australia, the only other net exporter of importance, are only a fraction of North America's. The United States is not only the world's major exporter of wheat and feedgrains, but of rice as well. In fact, North America today controls a larger share of the world's exportable supplies of grain than the Middle East does of current world oil exports.

Between late 1972 and early 1974, world food prices rose rapidly in response to the growing excess of demand over available supplies and the decline of food reserves. Wheat and rice prices tripled and soybean prices more than doubled. In 1974 soaring food prices are contributing to the two-digit inflation which now affects almost every nation.

High food prices and shortages are an inconvenience for affluent societies and individuals, but they place poor nations and the poor within nations in a dangerous predicament. When global food reserves are low, the capacity of the international community to provide relief and respond to emergencies such as droughts or crop failures is greatly diminished. High prices help keep needed food out of the reach of the sizable segment of mankind that spends 80 per cent of its income for food.

Pressure on world food supplies is leading to the emergence of a global politics of food scarcity. This produces such actions as the Soviet use of secrecy to corner the world wheat market two summers ago, or restrictions on exports of basic foodstuffs by suppliers. Thailand has limited the export of rice; Brazil has restricted the exports of soybeans and beef; the United States imposed a soybean export in the summer of 1973.

The current precarious food outlook is not entirely accidental. As a matter of political philosophy, the Nixon Administration consciously planned the liquidation of government food stocks, but the result has been to leave consumers dependent on the marketplace and the uncertainties of weather.

The resulting situation, according to those who have discussed the situation with him, has left Secretary of State Kissinger deeply troubled by the potential consequences for United States foreign policy. Instability and insecurity in a starving world could make a mockery of efforts to bring peace to the world.

While reserves of food worldwide and idle cropland in the United States have been diminishing, another kind of "reserve" is generally overlooked: the expanding herds of livestock in the northern tier of industrial countries. Those herds consume huge amounts of grain.

If those in the affluent countries, especially in North America, were asked to do the food equivalent of turning thermostats down 6 degrees, large quantities of grain could be freed for emergency relief in threatened countries. The "sacrifice" might involve abstaining from meat consumption one day a week, or reducing consumption of livestock products by 10 per cent.

The result could be the availability of large quantities of grain for shipment to famine-threatened Asia and sub-Sahara Africa.

COMMONSENSE ABOUT NUCLEAR ELECTRICITY

Mr. GRAVEL. Mr. President, there is a recent flyer entitled "Commonsense about Nuclear Electricity," which is both important and funny.

It is funny because it tells several short, amazing stories—which are all true—about the almost unbelievable ways in which people manage to goof up serious jobs.

It is important because we cannot tolerate such normal human errors in nuclear power.

This flyer, which urges us to use our commonsense when we think about nuclear power, offers an important perspective on all the volumes and volumes of detailed technical material which has been generated during this controversy.

Mr. President, I ask unanimous consent that the flyer entitled "Commonsense About Nuclear Electricity," prepared by the Committee for Nuclear Responsibility, be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

CLEAN NUCLEAR POWER IS A FANTASY

Mr. GRAVEL. Mr. President, as the late Lenore Marshall used to say, "Someone has got to keep his eye on the ball." The ball in the nuclear power controversy is the radioactive poison which nuclear powerplants produce in such prodigious quantity.

There is no controversy over the amount of radioactivity which is produced inside a 1,000-megawatt electrical nuclear powerplant. According to the AEC's Rasmussen report (WASH-1400, page 64), a 1,000-megawatt plant which has operated 1½ years will contain 9 billion curies of radioactivity, half an hour after shutdown.

A single curie is a lethal quantity of radioactivity. By definition, a curie is that amount of radioactive material which puts out 37 billion radioactive emissions per second. Each emission carries enough energy on the average to break a quarter-million chemical bonds in living tissue.

Even the weakest radioactive isotopes create havoc in the awesomely complex chemical organization which is life. It should not be forgotten that a lethal cancer seems to begin with a single damaged cell among the 150 billion cells in a human body.

The worst nuclear power poisons must be kept isolated for 1,000 to 100,000 years. The AEC says "virtually forever."

It is simply a fantasy to call nuclear power "clean." Nuclear power is clean only the way coal is clean. They are both clean provided you manage to keep their poisons out of the environment. But nuclear fission is the only method of making electricity which creates the possibility that we will inadvertently poison the planet totally and irreversibly.

COUNTING ON A MIRACLE

In September 1973, the Environmental Protection Agency joined those who have been trying to warn us that assessment of the impact of nuclear power must include "the exposure of future generations implied by the essentially irreversible environmental commitments that result from the discharge of long-lived radioactive materials into the general environment."*

The only way to prevent devastating nuclear pollution is to be 99.999 percent successful containing the long-term radioactive poisons we are creating with nuclear plants.

Advocates of nuclear power have really lost touch with reality as well as with humility when they postulate such a miraculous level of perfection in any human endeavor. They are asking us to suspend commonsense. Nevertheless, they grow indignant and call us "fearful of the unknown" when we refuse.

I believe that the "Common Sense" flyer will help people keep their eyes on the ball. It was prepared by the Committee for Nuclear Responsibility, P.O. Box 2329, Dublin, Calif. 94566. Among the committee's board are several extremely eminent scientists, including four Nobel prize-winners. The board members are: Dr. Richard E. Bellman, Ramsey Clark, Dr. John T. Edsall, Dr. Paul R. Ehrlich, Dr. John W. Gofman, Charles E. Goodell, Dr. David R. Inglis, Richard Max McCarthy, Dr. Ian McHarg, Dr. Lewis Mumford, Dr. Linus Pauling, Dr. Harold C. Urey, Dr. George Wald, Dr. James D. Watson.

Copies of the flyer are available from Environmental Action Reprint Service, 1100 14th Street, Denver, Colo. 80202.

EXHIBIT 1

COMMONSENSE ABOUT NUCLEAR ELECTRICITY

It's time to listen to your own common sense when you hear the claim that nuclear electric power will be "clean" and "safe," or the odds on a catastrophic nuclear-power accident are "one-in-a-billion".

In order to keep those important promises—when nuclear plants will produce as much radioactivity as a million Hiroshima atomic-explosions every year—the nuclear industry will have to contain its radioactive poisons with better than 99.99% success. Total poisoning of the planet is a certainty if just 1% of the long-term radioactivity escapes into the environment. There is no disagreement over that.

No one denies the requirement for perfect performance in the nuclear power industry. The argument is over the likelihood of meeting the requirement and keeping the promises.

1. How many industries come close to 99.99% perfection in performance? Or even 99%?

2. What about mistakes and carelessness already appearing in the civilian nuclear program?

3. What about the performance-record with nuclear submarines? (Please see inside page).

SOME MISTAKES ALREADY

"Review of the operating history associated with 30 operating nuclear reactors indicated that during the period 1/1/72 to 5/30/73 approximately 850 abnormal occurrences were reported to the Atomic Energy Commission (AEC). Many of the occurrences were significant and of a generic nature requiring follow-up investigations at other plants. Forty percent of the occurrences were traceable to some extent to design and/or fabrication-related deficiencies. The remaining incidents were caused by operator error, improper maintenance, inadequate erection control, administrative deficiencies, random failure and combination thereof . . .

"The large number of reactor incidents, coupled with the fact that many of them had real safety significance, were generic in nature, and were not identified during the normal design, fabrication, erection, and pre-operational testing phases, raises a serious question regarding the current review and inspection practices both on the part of the nuclear industry and the AEC." (Source: *AEC Task Force Report: Study of Reactor Licensing Process*, by AEC Asst. Director of Regulation, L. V. Gossick and 7 additional AEC experts, the *October* 1973 version; see also *Study of Quality Verification*, AEC, Jan. 1974, p15–17).

A SHORT, AMAZING STORY

The *Guinness Book of World Records* lists park ranger Roy Sullivan as the "only living man to be struck by lightning four times."

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*Source: EPA "Environmental Radiation Protection Requirements for Normal Operations of Activities in the Uranium Fuel Cycle, Notice of Proposed Rulemaking," September 11, 1973.

On August 7, 1973, he stepped out of his truck and was zapped for the fifth time; he suffered second-degree burns.

"The bolt struck me right on the head, set my hair on fire, traveled down my left arm and leg, knocking off my shoe but not untying the lace," he explained to the Associated Press in Waynesboro, Virginia.

Sullivan was first hit in 1942, when a bolt clipped off a toenail. In 1969, lightning burned off his eyebrows and knocked him unconscious. In 1970, lightning struck and burned his shoulders. In 1972, another bolt burned off his hair. (Washington Post, August 27, 1973).

Short Amazing Stories

NOT VERY LIKELY

What are the odds that, in an 8-vehicle collision on Los Angeles' Golden State Freeway, *four* of the vehicles will be fuel trucks? It happened, on January 8, 1974 . . . and in the middle of a fuel-shortage.

THEN THERE WERE TWO

"With what one observer called 'a tremendous cracking sound', a 9-month-old, $12-million tanker operated by the Ingram Corp. split down the middle and sank in Port Jefferson Harbor on New York's Long Island. The 620-foot ship, which had cruised unscathed through two hurricanes, had already unloaded its cargo of 6 million gallons of gasoline and fuel oil, and authorities suggested that the tanker might have been under unusual stress amidships from improper ballasting." (Newsweek, 1/24/73). The odds? Human error somewhere?

DESIGNED TO PRODUCE A BETTER PRODUCT

After several months of investigation and 300 controlled tests, the Campbell Soup Co. discovered how lethal bacteria got into some chicken vegetable soup in the summer of 1971. On Nov. 20, 1971, Campbell's president, W. B. Murphy, announced that the botulism occurred by "several unusual conditions happening simultaneously—above average viscosity of the can contents, over-fill of the can, and incomplete hydration of the dry ingredients, coupled with a new process designed to produce a better product."

Said Dr. Willis Irvin, USDA inspector at the Campbell plant, "We have our men spread pretty thin. . . . It's a very large and complex plant, but I doubt if having another inspector would have prevented this. . . . It was a combination of very obscure things that no human being would have picked up." (Washington Evening Star, 11/20/71).

COULD NEVER HAPPEN TO US

Remember the hapless bank clerk in Idaho who inadvertently shredded 8,000 unprocessed checks worth an estimated $850,000? The bank president appeared on the national news saying, "We never dreamed it could happen to us", while a team of clerks were seen in the background trying to fit the right pieces back together with scotch tape. (From the C.B.S. evening news, 7/21/71).

THIS IS AN EMERGENCY ACTION

If there is one system whose credibility must be protected at all cost, it is the Army's system to warn the nation of a military emergency. Nevertheless, in February 1971, the Army's National Warning Center sent out this fully authenticated national emergency alert instead of the routine test-message:

MESSAGE AUTHENTICATOR, HATEFULNESS-HATEFULNESS. THIS IS AN EMERGENCY ACTION NOTIFICATION DIRECTED BY THE PRESIDENT. NORMAL BROADCASTING WILL CEASE IMMEDIATELY.

Scores of radio and TV stations broadcast the emergency.

It took the Associated Press and United Press only 10 minutes to find out the alert was a dud, but it took the Army 37 minutes to cancel it. The first cancellation message had no authenticator—the necessary code-word. The second cancellation message had the *wrong* authenticator. On the third try, the Army got the right code-word: IMPISH-IMPISH, and officially called off the national "emergency", which was nothing more than one human who had selected the wrong pre-punched teletype tape.

TENDER LOVING CARE

Although thousands of Americans, from people soldering circuits to computer programmers, felt personally responsible for the safety and success of the Apollo astronauts, two out of seventeen Apollo missions failed not from outer-space surprises, but from simple human errors (1967, 1970).

WIDE OPEN SPACES

Although pilots try harder than anything not to run into other airplanes, two airliners traveling in the same direction collided in the mid-morning skies over the Grand Canyon in July 1956. The odds? Pilots also try to avoid well-known buildings. On an August morning in 1945, a bomber flying under a 900-ft ceiling, flew smack into the Empire State Building.

A PERFECT RECORD . . . UNTIL

Leon Moisseiff, the famous engineer who designed and built the Manhattan, Triborough, and George Washington bridges, also built a giant suspension bridge across the Tacoma Narrows. The bridge collapsed 4 months after completion. "Moisseiff said only that the bridge failed because engineers do not yet know enough about aerodynamics". (*Time* magazine, 11/18/40)

THE MOLASSES TIDAL WAVE

In all of human history, there may have been only one killer tidal-wave made of molasses. On Jan. 15, 1919, an "incredible" 15-foot wave of molasses killed 21 people and demolished a two block area of Boston immediately after the rivets began popping from a tank holding 2.2 million gallons of the sticky goo. Damage was $2-million. (*Boston Evening Globe*, 8/12/71). Even the AEC might have said, when the 21 victims were born, that the odds were exceedingly remote that they would die in a molasses tidal wave. But that is how they died. Many more died in 1912 when, in defiance of all mathematical probabilities, the "unsinkable" Titanic sank on her maiden voyage.

Nuclear Submarines

The captains of our nuclear submarines are key-pins in our policy of deterring nuclear war, and surely they are more alert than the average man-in-the-street. You would expect them to know when a freighter is right on top of them. Nevertheless, on Oct. 6, 1972, one of our nuclear submarines—the *USS Tullibee*—collided with the West German merchant ship *Hagen* 150 miles off the coast of North Carolina. "First reports indicate the collision involved a glancing blow on the upper part of the submarine bow with no internal damage. At that time, the *Tullibee* apparently was operating just below the surface . . ." (Release issued in Norfolk, Virginia, by the Commander in Chief, Atlantic).

Nuclear submarines, which are supposed to survive the problems of wartime attack, are not supposed to sink under peacetime conditions. However, in 1963, the USS Thresher vanished and was found at the bottom of the sea. The causes: faulty pipe joints and an inadequate deballasting system, according to the Navy. In 1968, the USS Scorpion also went down forever. And imagine the Navy's dismay when a nuclear submarine sank at dockside in May 1969. Fortunately, the nuclear power plant had not yet been installed in the USS Guittaro when it suddenly flooded and sank at the Mare Island Shipyard in California. The odds?

As for the submarine missiles, in August 1973, Rear Admiral Levering Smith acknowledged that 58% of the Poseidon missiles on nuclear submarines had failed their operational tests, and that "essentially all of the missiles" would have to be recalled.

Nuclear submarines have even sent false alarms about attack. On Jan. 16, 1974, the United Press carried this story: "Emergency transmitters on Polaris submarines mistakenly signaled they had been 'sunk by enemy action' on two occasions in 1971, and raised the threat of accidental nuclear war, Rep. Les Aspin (D-Wis) said yesterday. The signals set off general military alerts until the subs themselves surfaced and advised by regular radio signals that the buoy-borne emergency transmitters had malfunctioned, Aspin said . . . The Navy confirmed that the two incidents took place . . . Spokesmen declined direct comment, however, on whether alerts resulted."

The accident-record in the nuclear submarine program is a real-life warning about what we must expect in the civilian nuclear power program. When 2 out of 125 operating nuclear submarines have completely failed to perform (just stay afloat) during peacetime, what are the odds that no civilian nuclear power plant will ever experience a disastrous failure to contain its radioactivity?

THE ANSWER

As of January 1, 1974, there were 42 nuclear reactor plants licensed to operate, 56 under construction, and 101 on order (planned). The AEC plans to license 280 for operation by 1985, and one thousand by the year 2000 (average: 20 in every state). If we permit a thousand plants to operate, and if the probability of a major accident were really as low as one-in-a-million per reactor per year, then the probability of a major accident during the 40-year lifespan of the plants would be about one-chance-in-25.

ONE-CHANCE-IN-A-BILLION?

Several stories inside this flyer show that statistically "impossible" events happen frequently, and that extremely complex systems like moon-rockets (or nuclear power plants) can be destroyed by something as common as faulty wiring or valves, a bad welding job, or a person simply doing the wrong thing. Recently, the AEC paid professors at M.I.T. two million tax-dollars to estimate the probability of a nuclear power catastrophe. The report, which is known as "the Rasmussen study", provides the AEC with figures like one-chance-in-a-billion per plant, per year, according to the AEC.

SUCH FIGURES HAVE NO MEANING

First reason is the difficulty of predicting either the frequency or the consequences of human error (and malice). Error or malice could instantly reduce the catastrophe-odds from 1-per-billion to near certainty. Estimates about the small chance of a nuclear disaster depend on the reckless assumption that operators of nuclear plants will make no serious errors during emergencies; also, that no demented or hostile people will try to destroy the plants.

Second reason is the lack of experience with operating nuclear hardware. Since the very first 1,000-megawatt nuclear plant went into operation in *June 1973*, experts have hardly one reactor-year of experience to examine. They can do little better than guess when they assign reliability estimates to nuclear hardware of this type. Furthermore, for 4 years in a row, the AEC has had to scold and to fine nuclear equipment firms, engineering firms, and utilities for *unacceptably* *sloppy quality-control,* but according to a report in the *Los Angeles Times,* Dec. 26, 1973, the industry is *still* unresponsive.

Third reason is the unjustifiable assumption that nuclear safety-systems (some of them never tested) have been properly *designed.* This assumption denies all the recent nuclear "surprises" which show that nuclear engineers are *failing* to foresee all the design problems. If the *design* of a safety-system is defective, even perfectly working hardware will not make it effective.

Fourth reason is the flaw of assuming that all possible paths leading to a catastrophe have been *recognized* and considered. As recently as October 1973, the AEC's Director of Regulation, L. Manning Muntzing, admitted to a Congressional Committee (JCAE): "I'm really concerned about some of the surprises we see". How many unsuspected paths to catastrophe are still waiting to be *discovered?*

Human Error

(By John W. Gofman, Ph.D., M.D.)

Reactor Operating Experiences in the journal *Nuclear Safety* show over and over that a human decision is required on a number of occasions.

When there are enough reactors operating, the total number of occasions requiring a human judgment will increase appreciably.

Let's play with some numbers which I think grossly minimize the danger to be faced.

Suppose you have 500 nuclear power reactors in operation. Let's further suppose that a serious human decision is required once in ten years for each reactor; a study of the literature might show that the frequency is far greater. This means 50 serious decisions requiring human judgment per year.

Suppose further that the judgments are 98 percent right and 2 percent wrong, which is a very optimistic estimate.

This finally gives us one reactor per year suffering the consequences of wrong judgment on a serious matter. Clearly if the judgmental error results in a nuclear meltdown, that's a disastrous event. Even less than melt-down accidents could be very, very serious.

The requirement for a human judgment is a source of immense weakness in nuclear safety. Even if all other safety problems *could be solved*, the human factor all by itself means that nuclear power makes no sense.

SOME NUCLEAR "SURPRISES"

Discovery in 1972 that nuclear engineering firms have built the Prairie Island and Kewaunee plants with steam lines running underneath the control rooms, where a rupture of a line could destroy the controls and kill the nuclear plant operators; extensive modifications will be required in about six plants.

Unexpected densification of nuclear fuel, one of the most tested elements of the whole nuclear power system; this discovery forced the AEC to cut back permissible power levels by 5 to 25 percent at 10 nuclear powerplants on August 24, 1973.

Failure of the vital emergency core cooling system to provide AEC experts with assurance of effective performance; the system, which has never had a large-scale test, failed six out of six miniscale tests in late 1970.

As of Spring 1974, the emergency cooling system has never had a successful large-scale test.

Discovery by the North Anna Environmental Coalition in August 1973 that two nuclear powerplants in Virginia have been built on an earthquake fault in undeniable violation of AEC policy.

Confirmation by the National Academy of Sciences in November 1972 that low-level radiation exposure is at least 500 percent more harmful than the experts had previously admitted; this surprise had already forced the AEC to suggest drastically reduced "permissible emissions" from nuclear powerplants.

Discovery in 1971 that the allegedly watertight salt mine chosen for radioactive waste storage in Kansas was full of holes; the AEC has been forced to improvise "surface storage" plans.

Apparently nuclear experts did not foresee, either that on November 11, 1972, three skyjackers would threaten to bomb the nuclear reactor at Oak Ridge, Tenn.; helpless, the AEC shut down its reactor and evacuated. The skyjackers did not carry out their threat.

DETROIT SUMMIT ON BUSINESS

Mr. BIDEN. Mr. President, currently, there are underway a series of "mini-summits" prior to the principal economic summit meeting scheduled for late this month by President Ford.

Today there is being held a summit on business and manufacturing in Detroit where Irving S. Shapiro, chairman of the E. I. du Pont de Nemours & Co. will speak about the economy, inflation, and the needs of business.

Knowledgeable men and women of good will and reputation may differ, but I am anxious that Mr. Shapiro's remarks be brought to the attention of the Congress.

As I read these remarks, Mr. Shapiro makes two principal points:

First, "the need to create a better climate for accumulating investment capital" and

Second, "the need to increase efficiency by reducing overregulation of Government; that is, those practices which create costs without commensurate benefits."

Mr. President, I ask unanimous consent that Mr. Shapiro's statement be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks by Irving S. Shapiro

Inflation affects everyone, and, therefore, it is a moral and practical imperative that proposed cures be compatible with the needs of all segments of society.

Today I speak as a businesman, believing that each segment of society must speak for itself, with conflicts resolved through compromise.

We have filed comprehensive proposals with Secretary Dent, but I would like to highlight two urgent needs: the need to create a better climate for accumulating investment capital and the need to increse efficiency by reducing over-regulation by government, i.e., those practices which create costs without commensurate benefits.

First, I believe that additional flows of investment capital are essential and that incentives for private capital accumulation are sorely needed.

For instance, private investors could be granted increased tax exclusion both for dividend income and interest income. Additionally, the capital gains tax laws could be amended to provide for lower rates. These changes would provide badly needed incentives for individual saving and investment.

Simultaneously, steps must be taken to permit producers of goods to generate additional capital from internal sources. In this regard, industry should be permitted to live in the real world with respect to depreciation allowances. The tax laws should permit industry to make depreciation charges sufficient to accumulate current replacement values.

In making these requests, I am asking merely that the laws of the nation recognize the fact of inflation. We cannot solve the problem if our laws and regulations pretend that it does not exist.

The second problem of major concern is over-regulation by government, which creates costs without commensurate benefits.

In case after case, government regulation in the fields of energy, transportation, capital markets, pollution control, safety, and employment practices has hampered productivity and increased the cost of production to a degree that has negated the intended benefits to the public.

The objectives of such regulations are almost always commendable, but the legislative process has been hasty and administrative procedures have been shortsighted and parochial.

I suggest the creation of a mechanism that would require public disclosure of the economic consequences of all Federal programs and regulations—including the benefits to be derived by one segment of society and foregone by others. The National Environmental Policy Act requires manufacturers to prepare "environmental impact statements" as a means of forcing due regard for the interest of all parties. I suggest that government should require itself to publish "economic impact statements" as a similar means of self-discipline.

In summary, I have suggested that production must have parity with consumption in tax policy and that the best means to this end is new legislation encouraging private savings and investment. Second, I have urged that the government exercise the same due care to determine the economic consequences of its actions as it does in considering the consequences to the environment.

ADDITIONAL GENERAL OBSERVATIONS

The fight against inflation involves many elements: (1) strict control of Federal expenditures; (2) appropriate restraint in the rate of growth of money and credit; (3) a broad effort to identify and remove structural causes of inflation; (4) moderation in consumption, pricing, and labor demands; and (5) tax changes designed to encourage the expansion of industrial output and productivity, so as to increase supply relative to demand. Along with these, there must be a continuing effort—led by government—to educate the public on the causes and potential cures of inflation. These cures will require trade-offs, which must be fully understood by the general public.

Government economic policies must be consistent and predictable, and yet flexible. This means we may have to make temporary compromises with long-term goals in order to deal with immediate crises. Appropriate short-term actions might include an easing of monetary policy to permit a somewhat faster rate of growth in the money supply, tax relief for individual taxpayers by adjusting tax brackets upward to reflect loss of purchasing power caused by inflation, and measures to provide jobs in the event of a significant growth in unemployment.

On the last point, let me emphasize that it is essential we not neglect the human consequences of controlling inflation. A careful balance must be established between less inflation and more unemployment. This may prolong the battle but should not be an excuse for inaction.

STRONG PLAN NEEDED TO AVOID DEEP RECESSION

Mr. HUMPHREY. Mr. President, I want to make available to my colleagues a recent article by Mr. Hobart Rowen on the state of the economy. It is a perceptive description of our ailing economy and of the inappropriateness of continuing the present policies.

Mr. Rowen begins by noting some of the signs of "stagflation." The stock market is at a 12-year low. Prices continue to soar. Inventories in some firms are large. The housing industry is stagnant. Inflation is rising throughout the free world. The "oil cartel nations" raise prices at will, while the consuming nations lack a coherent response.

Mr. President, America needs a strong economic program aimed directly at the real causes of inflation and recession. Inflation erodes income, recession destroys it. This economic program must be firm, but fair. In addition, we must strive for a coordinate international response to the oil cartel.

Mr. President, I ask unanimous consent that the Hobart Rowen article from the Sept. 15 Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ECONOMIC JITTERS: UNITED STATES NEEDS STRONG PLAN TO AVOID DEEP RECESSION

(By Hobart Rowen)

No amount of summitry can disguise the dismal state of the economy:

The stock market has plunged to a 12-year low, below the 630 mark on the Dow-Jones index, and no one in Wall Street would bet that it won't move lower.

The wholesale price index for August rose 3.9 per cent, which works out to the phenomenal annual rate of 58.2 per cent compounded. In recent past years, a figure like 3.9 per cent was considered a hefty advance for a whole year, not just one month.

The price pattern will get worse before it gets better: utilities are raising their prices, with the government's blessing; food costs are moving higher; and automobile prices are being jacked up by Detroit to a level that should encourage consumer resistance. Officially, the government concedes that double-digit inflation is here to stay for the rest of the year.

According to Economic Council Chairman Alan Greenspan, "There is a pretty large inventory overhang at the moment," which means that there will be further declines in production, and an increase in the present 5.4 per cent unemployment rate over the next four to six months.

The housing industry depression is beginning to ripple throughout the economy, with layoffs affecting not only construction workers, but those in the appliance, wood, stone, clay and glass industries.

International financial markets are verging on the edge of panic, waiting daily for new bank failures—or troubles in other institutions (worrisome signs of "illiquidity"—a money pinch—already have shown up in utilities). The rich nations' central bankers met last week at Basel, Switzerland, to talk about ways of preventing a collapse of the banking structure. Reports differ about the degree of their accomplishment, but the problems are so complex that it would have been surprising if they had found a quick solution. One probability: other nations besides Italy will be putting up part of their gold reserves as collateral for cash loans.

The oil cartel nations still have the industrial world over a barrel. But as the balance of payments deficits mount, the consuming nations have failed to evolve a response to the cartel. Finance ministers all over the world brood about the high price of oil, but do nothing while disaster stares over the horizon. In this country, Project Independence is a bust—at best, it is a public relations gimmick and nothing more.

And finally, the good feeling about President Ford that had begun to emerge in his first three weeks in office vanished over his precipitate and ill-considered pardon of former President Nixon. Those who looked to Mr. Ford to lead the nation out of an economic morass now find him enmeshed in Watergate matters again.

If there is one point that came through loud and clear at the pre-summit hearings held so far, it is the uselessness of trying to fight the current, complex economic problems just by tight budgets and tight money.

As AFL–CIO President George Meany pointed out, "Today's inflation is not caused by excessive demand, which is the classic reason for inflation—too many dollars chasing too few goods." The problem relates, instead, to shortages of some materials (food and oil are prime examples) which push prices up; and an incipient cost-push spiral which will get worse as wage demands accelerate this year.

"Inflation will not be stopped simply by continuing current overall monetary and fiscal policies aimed primarily at lowering demand, former Federal Reserve Governor Sherman Maisel told the construction presummit in Atlanta.

"Imagine the surprise of a man from outer space if he arrived today, and was told inflation was our No. 1 problem, and that we are fighting it primarily by 'cutting back on production and investment,' " Maisel declared. "Clearly, he would think we were mad to try to bring down prices by creating supply shortages. Yet, that is what present policy depends on."

The country needs a strong economic program that will avoid deep recession. Laissez-faire won't do the job. And even beyond our problems at home, we need a coordinated program out with other oil consuming nations to bring down the price of oil. There is a time-bomb ticking away in the Persian Gulf, and the Western World's politicians are ignoring it. That is the major reason for global economic jitters.

SOLAR CELLS: ARE WE LOSING THE SHOE FOR WANT OF A NAIL?

Mr. GRAVEL. Mr. President, it is possible that for a total investment smaller than $100 million, this country could bring solar cells for producing electric power down to a competitive price before the end of 1982—provided we start installments on that commitment now.

Every 6 months of delay pushes that important achievement farther away.

Solar cells, which have reliably powered 90 percent of our unmanned space vehicles for years, can convert sunlight directly into DC electricity with a potential efficiency—including light concentration—of about 20 percent or more. They are reliable, because the photoelectric effect operates in them without any moving parts.

One of the materials from which solar cells can be made is silicon. Fortunately, silicon happens to be one of the most abundant elements on Earth; it constitutes more than one-quarter of the world's crust.

The obstacle to immediate use of solar cells on Earth has been their expense.

The $100 million sum I mentioned would take inexpensive solar cell technology beyond the R. & D. stage. For less than $100 million, we would have a commercially viable solar power business. If we prefer to develop several competing companies, we might figure on a total investment of $500 million. I will get to the details in a moment.

MONEY TALKS

That figure compares with a budget of $700 million tax dollars this year for nuclear fission R. & D., and at least $7 billion more tax dollars to bring a nuclear breeder to commercial readiness over the next 10 years. It also compares with about $1 billion tax dollars in military aid to South Vietnam this year. The figure for solar cell research this year is $8 million tax dollars.

We in Congress must ask ourselves an important question: Do the people we represent really want aid to Vietnam and a program producing radioactive poisons more than they want clean, safe energy from solar cells?

I believe the answer is "No," by an overwhelming margin. Furthermore, I think most Members of Congress might agree on that. Although each of us has the best interest of the country at heart, budgets which clearly do not serve America's best interest are getting by us.

I hope that concerned citizens will be writing their Senators and Representatives about next year's budgets, which are already in preparation. We should make sure that these letters are transmitted from our offices to the new Budget Committees of the Senate and House—Senator MUSKIE and Representative ULLMAN, respectively, chairmen.

A CHUNK OF $500,000 TO GET STARTED

A leading solar cell expert, Dr. Joseph Lindmayer, has told me the following:

> It is the unavailability of money which limits all of us in the solar cell field, which keeps our cell cost up around $10 per peak watt now or $20 for the complete panel. It's not a technical breakthrough which is needed. We just need to start mass-production. Solar cells and panels are still made practically by hand. If I could get an injection of just half a million dollars of capital this year, I could start automating right now and achieve a 3-fold increase in production during the first year.

Automation is the key to increasing volume, which is only 100 kilowatts per year for solar cells now, all producers combined. Volume is the key to reducing cost. A producer would start automating now with just $500,000.

I will be distressed if an energy-hungry country like ours, with a trillion-dollar economy, lets a mere half-million dollars stand in the way of rapid cost reduction for clean, safe solar cells.

I certainly think it must be possible, now that the National Science Foundation has $8 million to grant for solar-cell work this year, to make grants large enough so that automated cell production can finally begin. Dividing the $8 million into too many small pieces would further delay progress in cost reduction.

Automation and mass production can contribute to truly impressive cost reductions. Transistors and integrated circuits, which are probably the two most feverishly accelerated technologies in our history, showed a 25-percent drop in price for every doubling of the number produced.

Graphs showing the price-volume ratio for silicon transistors and integrated circuits appear in a research proposal for a solar breeder facility submitted to the NSF jointly by the Mitre Corp. of McLean, Va., and the Solarex Corp. of Rockville, Md. Dr. Lindmayer, who developed the violet cell for Comsat, is president of Solarex.

EYE-OPENING RESULTS FROM REASONABLE ASSUMPTIONS

I have asked Dr. Lindmayer to give me his best estimate of what a small, existing company could do to help reduce the cost of solar-cell electricity as quickly as possible. He has provided me with the prices, schedules, and budgets which follow. They are fully consistent with the picture presented by the AEC's Solar Subpanel IX to the President in October 1973.

I believe Dr. Lindmayer is performing an important service to this country by thinking through in detail what it would take for the solar cell industry to reach its takeoff point. He is pleasingly explicit about his assumptions:

First, a twofold increase in sales of solar cells per year, measured in dollars.

Second, a factor of 1.6 or 37.5% reduction in cell cost per year.

Third, a 3.2-fold increase in kilowatts produced per year.

The cost-reduction factor exceeds 25 percent, because he is postulating tripling, not doubling, the volume produced per year.

These apparently reasonable assumptions produce some startling results. Together they mean that a single solar cell company, starting with a 1975 sales base of $2 million from a production of about 100 kilowatts per year, could produce over 3,000 megawatts of solar cells per year during 1984.

If five companies were each producing 100 kilowatts in 1975, the production in 1984 might be 15,000 megawatts. It could be done. The market might be big enough for five producers to get started even at the present $20 per peak watt, since demand exceeds supply already.

FASTER AND CHEAPER THAN THE NUCLEAR BREEDER

Lest I seem over-optimistic to imagine five companies, let us consider just the 3,000 peak-megawatts per year which a single solar-cell company could make in 1984. That is twice as much generating capacity as we would get from building one or two complete 500-megawatt nuclear-breeder plants, every year. And for a fraction of the cost. The first breeder plant may cost $1 billion to build, exclusive of most R. & D.

Three thousand solar-cell peak-megawatts are not the equivalent of **six** nuclear breeders because, in principle, nuclear breeders can operate 24 hours a day but solar cells can not.

With solar cells at the average U.S. location like Washington, D.C., if you need 1,000 megawatts continuously night and day over the whole year, you have to install 5,000 peak-megawatts of cell capacity and store the extra power they collect for use when the sun is down or out.

Peak watt refers to a solar panel producing one watt under optimum conditions at noon on a bright sunny day.

A ratio of 5 to 1 between installed power and available power from solar cells is the most cautious one to use. A more realistic assumption is that you need most of your power during the day, and less at night. In that case, if you need 1,000 megawatts of power during the day but less during the night, 3,000 peak megawatts of solar cells plus storage should do it.

ADVANTAGES OF SOLAR CELLS

The fact is that utilities say electric rates are soaring largely because they are building expensive nuclear plants to meet our demand for air-conditioning during a few hours of our summer days. Generating equipment may sit idle much of the time. Solar cells have the great advantage of producing power best exactly when it is most needed—during the day. No systems for storage would even be needed for that application. Solar cells could virtually eliminate the alleged need to build more nuclear plants to meet our peak air-conditioning demands.

Of course, solar cells have several additional advantages. They do not produce radioactive poisons. They have no moving parts to break down. They come in small units whose failure could not blackout whole metropolitan areas. They can often be placed right at the location where power is needed, an advantage which removes the execuse for imposing powerplants in areas which do not use the power, cuts the need for high voltage power lines, and eliminates the significant loss of electricity which occurs as power moves from a big plant to consumers through a series of transformers.

In addition, solar cells do not create thermal pollution of rivers and bays because they involve no turbine.

CAPITAL NEEDS AND COST-COMPETITION

Dr. Lindmayer calculates that it may be possible to achieve a cost-competitive price for solar-cell electric power in the 8th year of capital infusion, which could mean in 1982. His estimate relies on a company reinvesting its annual profits and on annual injections of outside capital into a single entity approximately as in the following table:

INVESTMENT-PRODUCTION TABLE

Year	Amount	Production	Kilowatts per year
1st yr (1975)	$½ to $1	Production	100
2d yr (1976)	$1 million	3.2 x production	300
3d yr (1977)	$1 million	3.2 x production	1,000
4th yr (1978)	$2 million	3.2 x production	3,400
5th yr (1979)	$4 million	3.2 x production	10,500
6th yr (1980)	$6 million	3.2 x production	34,000
7th yr (1981)	$11 million	3.2 x production	107,000
8th yr (1982)	$19 million	3.2 x production	320,000
9th yr (1983)	$42 million	3.2 x production	1,000,000
10th yr (1984)		3.2 x production	3,500,000
Total	$88 million	Cumulative	4,976,300

What Dr. Lindmayer means by cost competitive is in the range of 50 to 70 cents per peak-watt for a complete solar panel. This would be competitive for decentralized applications like private homes. For central power stations which operate around the clock and suffer large delivery losses, panels would have to be in the 30 to 40 cent range to become competitive. That will take a little longer. Of course, for certain applications, solar-cell panels are competitive now at $20 per peak-watt.

LARGE NET ENERGY GAIN

In physical principle, a solar panel can produce more energy in less than 1 year than the energy required to make the panel. If that solar panel functions for 20 years as expected, every watt it makes during the last 19 years would be a net energy gain for the economy.

This is the same as saying that less than 5 percent of a solar panel's lifetime energy output might be needed to pay back the energy required to make it.

Net energy is the amount of usable energy delivered somewhere minus the amount of energy which was required to find, mine, transport, refine, convert, and deliver it to the point of use.

Prof. Howard Odum at the University of Florida, was one of the first to remind us that there is no net energy gain if it take 10 units of energy to obtain 10 units of usable energy where we want it. It is not enough to know how much solar energy falls on the United States or how much oil, coal, or uranium we have in the ground. What really counts is how much energy we use up to make it usable.

THE SOLAR BREEDER PROPOSAL

Of course, the Mitre Corp. and Solarex are not figuring on the optimum net energy achievement for solar cells. In their solar breeder calculations, they are postulating 3 years instead of a year for a solar panel to recover its own energy.

The proposed solar breeder would be a factory which manufactures solar panels for its own roof until it becomes completely energy independent. After a few years, the factory could continue producing solar electric panels—or energy—for general use without requiring external energy input.

Strictly speaking, even a solar panel factory powered completely by solar panels is not quite self-sufficient in energy. First of all, there is the building and production equipment, which were built with energy from fossil fuels. In addition, Dr. Lindmayer says they will necessarily import some energy into the solar breeder when they buy raw materials for the solar cells and for making the panels. This external energy will be relatively minor, however, because the major energy-consuming operations will take place right inside the solar breeder plant.

If a solar panel produces enough energy to manufacture another solar panel, the Mitre-Solarex proposal calls that a breeding ratio of one. At the beginning, a panel may need about 3 years to make another panel. If the optimum net energy gain is ever achieved, a single solar panel might even be able to "breed" up to 10 new panels every year.

BREEDERS: FUEL OR GENERATING CAPACITY?

It is tricky to compare the solar breeder with the nuclear breeder.

The nuclear breeder is touted, because it will make more fossil fuel than it uses up. However, this trick is not so impressive to solar energy advocates, because there is an abundance of solar fuel available, completely without the giant effort and mammoth danger inherent in the nuclear breeder.

The time required for a nuclear breeder to make another full load of fuel—the "doubling time"—is estimated by the AEC to be 6 to 20 years. It is estimated by Dr. Hans Bethe, Nobel laureate in Cornell University, to be 7 to 61 years.

Because there is no shortage of solar energy, the solar breeder does not have to make fuel. The solar breeder has to make more fuel converters—the equvalent of nuclear plants, not nuclear fuel. A solar breeder must make solar panels.

When a solar panel generates enough power to make another solar panel, including its share of the overhead, it has truly doubled its original generating capacity. When a nuclear breeder makes another full load of plutonium, it has not doubled its generating capacity at all. However, it has sent out electric power which could be used to build another complete nuclear breeder plant. No one knows how many of its kilowatt-hours would be needed to do that job. No one even knows how many kilowatt-hours are required to build and fuel today's nuclear powerplants. Their net energy contribution is unknown.

IS CONGRESS PAYING ATTENTION?

The net energy gain from both nuclear and solar breeders is still a speculative matter.

Congress has already invested at least $3 billion precious tax dollars to start the nuclear breeder program, and another $7 billion will be required to get the answer.

Even if the Mitre-Solarex estimates on solar cells turn out too optimistic, it is obvious that we could have the answer on the solar breeder far faster and cheaper than on the nuclear breeder. The whole answer might be ours for less than $100 million.

And we would probably get far more than a piece of information for the price. If Dr. Lindmayer is anywhere near right, we can achieve clean, safe, cost-competitive solar energy production in the bargain.

Congress should make sure the solar breeder is begun without delay. I hope that interested citizens will write their Senator and Representatives about this matter.

MR. AMBASSADOR

Mr. HUDDLESTON. Mr. President, I would like to take this opportunity to rise in tribute to former Senator John Sherman Cooper of Kentucky, who is my predecessor and who has just been named our first Ambassador to East Germany.

When John Sherman Cooper left this body, he left with the reputation of being a great statesman. And I can think of nobody more qualified—either by background and experience, or by temperament—to fill this important diplomatic post at a crucial time in the development of East-West relations.

As an example of the dedication of this great man, an article in Sunday's Louisville Courier-Journal reports that he is already reading the history of Germany from Charlemagne to Bismark and beyond in preparation for his new assignment.

Diplomatic service, of course, is not new to John Sherman Cooper and his lovely wife, Lorraine. Senator Cooper served as Ambassador to India in the mid-1950's and he participated in the first meetings of the North Atlantic Treaty Organization—NATO—and the United Nations.

So we as a nation can be proud to have a man of the caliber and character of John Sherman Cooper to serve as Ambassador to East Germany. He is and always has been a man of peace and a man of honor—and he will doubtless make a great contribution to world peace and stability among nations in his newest service to his country.

Mr. President, the people of Kentucky are quite proud of Senator Cooper. And as demonstration of that pride, I now ask for unanimous consent to print in the RECORD the Courier-Journal article, as well as editorials from the Louisville Defender, Lexington Herald, Paducah Sun-Democrat, and the Frankfort Journal.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Courier-Journal & Times,
Sept. 15, 1974]

MR. AMBASSADOR—COOPER AND WIFE ARE PREPARING FOR EAST GERMAN POST

(By Charles Babcock)

WASHINGTON.—At a time of life when most couples have long since settled into retirement, Mr. and Mrs. John Sherman Cooper, of Somerset, Ky., and Washington, D.C., are preparing for a new adventure on the other side of the Berlin Wall.

As President Ford's nominee to be the nation's first ambassador to East Germany, the 73-year-old retired Republican senator has been filling his free time of late, he says, reading about Charlemagne and Bismarck and the rest of German history. And, for quite a few months now, his linguist wife Lorraine has been taking German lessons from a State Department specialist.

Ask John Sherman Cooper why he's accepting the new assignment, and he'll say something about duty and country. But if pressed a bit, he'll also admit he's anxious for a new challenge.

In an interview the other day at his law office here, Cooper sat on a couch surrounded by pictures of presidents he's known, chain-smoked Salems and talked about his latest job.

SEES A CHALLENGE

"Frankly, I wouldn't have gone to some other country," he said, in the soft deliberate way he has of speaking. "But this is a position that's new, without precedents. It's a complex situation, it's a challenge and I'm looking forward to it."

Mrs. Cooper agrees. "I always look forward to adventure," she said. "I'm like my husband. We like things that are unknown to us, things entirely different from the regular."

And like her husband, she doesn't accept the notion that older people should relax and take it easy. "The only time I think it would be fun to take it easy would be in one's 20s," Mrs. Cooper said. "I cannot imagine why old people want to hang around beaches in Florida.

"When people get old, there's only one thing to do. You've got your head, that's all. The idea of lurking around in the sun, thinking of nothing, I think, is absolute imbecility."

Cooper's age, which he cited as a reason for retiring from the Senate in 1972, might even be a plus factor in East Germany, he believes. "In some countries, they have a great respect for age," he said with a smile.

More important is the experience he brings to the post, both in politics and as ambassador to India in the mid-1950s. "In many countries an experienced foreign service officer would be better for the job," Cooper said. "But in some cases, they like to have someone they believe is more independent, someone able to speak directly to the secretary of state and the President.

"I was told simply that this could be a difficult assignment, one for which they would like to send a person who had some political experience. And I'm glad to say they picked me."

HAS PRIORITIES

Cooper said he enjoyed this type of direct communication with the top when he served in India. And from that experience in dealing with Indian leader Jawaharial Nehru, he's drawn up his own list of priorities for what an ambassador should do.

"First, you're the representative of the President in that country and you're there to carry out his policies and to make those policies known to the government there. You start with that."

There's a certain knack, of course, in communicating with heads of state, a talent which John Sherman Cooper seems to have. He left India accompanied by uncommon litanies of praise from the country's press.

William G. Miller, Cooper's long-time foreign affairs adviser in the Senate, thinks he knows why. "The senator has an unusual ability for getting other people to talk. He has a judicial temperament, he's a detached listener."

Cooper recalled one of his first meetings with Indian prime minister Nehru in 1955 as an example of knowing when to listen. "I recall I went to him one day while his parliament was in session. I talked for about five minutes and I could tell he wasn't paying attention because his mind was on these other matters.

"So I told him I could see he was busy and that I'd leave and come again another day. The next day I got a call asking me to come to his home at 9 p.m. I learned that he liked to talk and I listened," the old-and-new ambassador said with a smile.

"It turned out that I went to his home many times to talk. I usually learned what I came to find out and a lot more besides."

Cooper says he hopes to carry these same lessons with him to East Germany, once the formality of Senate confirmation is completed.

Though few people realize it, he has had a long-time acquaintance with Europe and Germany.

He served in Germany after World War II. He met many European and German leaders in the early '50s at the first meetings of the North Atlantic Treaty Organization and the United Nations. "I heard about the reunification problem at the U.N. again and again and again," Cooper said.

And though he's hesitant to talk about reunification or other policy matters such as detente or nuclear arms control, it's obvious that he still has great personal interest in the issues, developed through years on the Senate Foreign Relations Committee. "I think the control of nuclear weapons is still the most critical issue in the world," he said.

Cooper expected to get his first State Department briefings on the situation in East Germany last week, he said. But since he was asked about the post about four months ago, he's been doing some homework on his own.

"I'm reading all I can about the history of Germany," he said. "From Charlemagne to Bismarck and beyond. You get some feel about a country that way."

Mrs. Cooper, at the same time, has been studying German to add to her list of languages which also includes French, Spanish, Italian and Russian.

WILL KEEP HOUSE

"If you've lived a lot all over the place, language isn't that great a hurdle," she said. "To speak any language really well requires serious study. But to be able to patter, like on the telephone, doesn't. You can get going rather fast."

The Coopers plan to keep their Georgetown home here and will probably live in a hotel in Germany, while the new embassy is readied.

Mrs. Cooper said she wasn't sure when they'd be leaving for East Berlin, though she thought it would "probably be around November." And, she added, she hasn't started thinking yet about what it will be like to entertain Communist government officials.

Like her husband, though, she'll take along lessons learned from her experience as an ambassador's wife in India. "Before we went over there, I was given a crash course by Mrs. David Bruce, mostly about protocol," she said. (Bruce is a veteran foreign service officer who is now serving as this country's representative in Peking.)

"Every town has its own ground rules," she said. "But for the diplomatic group there's sort of an international language. For instance if someone calls on you, you give them brownies. If you call on someone from Turkey, they give you the Turkish cookie. It's just something you learn."

Cooper carries with him one particularly vivid memory of dealing with Communists.

While he was a captain assigned the job of reorganizing the judicial system in Bavaria right after the war, Cooper also worked for a time with displaced persons.

He remembers particularly the case of 12 displaced Russians who were to be returned to their country. "The Russians said only the native born could be returned. That meant that wives and children they'd acquired during the war would have to remain behind. It was one of the most cruel things I've ever heard of.

"So I took the matter to Gen. Patton's headquarters and he was only too glad to reverse the policy. It was probably the most useful thing I did."

John Sherman Cooper still wants to be that way. "I've been busy all my life. I'm used to working," he said. And with a thought ahead to the challenge to come in East Berlin, perhaps, or a thought back to those 12 repatriated Russians, he added with yet another smile, "You like to think you're of some use."

[From the Louisville Defender, Sept. 12, 1974]

AMBASSADOR COOPER

Being ambassador is nothing new to Cooper. He served as President Dwight D. Eisenhower's ambassador to India from 1954–56, and before that in various roles for the Truman administration. It was an astute move by the Ford administration to select this capable statesman for assignment abroad.

Officially, former Kentucky Senator John Sherman Cooper, more than 20 years a U.S. Senator, now 73 was nominated to be the country's first ambassador to East Germany.

Cooper confirmed to State Department officials after the White House announcement Wednesday that he would accept the ambassadorship, which still must be confirmed by the Senate.

Cooper was first considered for the ambassadorship to East Germany four months ago during the Nixon administration.

"It all hinged on resolving some other matters" Cooper said, referring to negotiations to actually establish ties between the two countries. The U.S. is the last of the NATO nations, except for Canada, to establish relations with East Germany.

Cooper had high praise for the establishment of relations.

"These measures are designed not only for better actual relationships between countries better trade and cultural relationships, but to bear upon the whole question of arms control," Cooper said.

"The growing nuclear strength of the United States and Russia and the growing nuclear capabilities of other nations and the problem of controlling them is as important. I consider, as any other issue in the world."

Cooper left the Senate in 1972, giving age as the reason for not seeking reelection.

As Senator he was recognized as liberal and a true friend of the Black and poor. His broad vision and experience will be most helpful in the new diplomatic post.

[From the Lexington Herald, Sept. 6, 1974]

COOPER A GOOD CHOICE

Kentuckians should be proud—and the nation should be pleased—with the nomination of former Sen. John Sherman Cooper to be the United States's first ambassador to East Germany.

It is a difficult and challenging post, but Sen. Cooper's long years in the Senate, in diplomacy and in other government posts has qualified him well to handle the position with wisdom.

East Germany, something of a geographic abortion, carved out of the hasty negotiations of the victors in World War II, is an entity.

Although its government is a solid expression of Communism, an anathema to most Americans, East Germany is a part of the world of the '70s and must be dealt with, just as America some day will have to deal with Castro's Cuba.

Certainly Sen. Cooper was correct in a recent interview when he said that recognition and steps toward betterment of relations was "better than brandishing weapons and the possibility of nuclear war."

His new post will be fraught with complications, working out compensation for American companies and citizens who lost assets during the Nazi oppression for example, but Sen. Cooper has the wisdom, ability and serenity to handle the job.

The country will be in good hands in its dealings with East Germany. Congratulations and good luck, Mr. Ambassador.

[From the Paducah (Ky.) Sun-Democrat]

JOHN COOPER CALLED TO SERVE AGAIN

Kentucky's John Sherman Cooper has been called upon again to assume an important position from which to serve his country. Although at age 73 he, and Mrs. Cooper, doubtless hoped they would be able henceforth to enjoy retirement, this state's most distinguished Republican said of course he would do it as a matter of duty.

John Cooper has always displayed a high sense of duty, to his county and state, and to his nation in assignments both military and civilian. So Kentuckians were not surprised that President Ford called upon the veteran former U.S. senator and former U.S. ambassador to India as this country's first ambassador to East Germany.

The position will be a sensitive one. East Germany is the Soviet Union's showpiece among the generally retarded nations of its East European buffer zone. Its industrial productivity is great and its people's prosperity the highest behind the Iron Curtain, although its home-grown autocrats are just as repressive as those of the other Russian satellite states. To keep the East German people "loyal" to the Communist block, more than half the Red Army divisions stationed outside the USSR are permanently quartered there.

But John Sherman Cooper is no stranger to sensitive positions. He occupied one before when he was the top U.S. representative in New Delhi. And he had earlier occupied another when he was elected to the Senate from heavily Democratic Kentucky. He handled both tasks admirably, simply by being his own man—which meant standing by his principles and performing his duties steadfastly without worrying very much about the politics involved.

At his age, Mr. Cooper may not intend to stay in his East Berlin post for many years; but then, he need not. He was chosen to inaugurate our embassy in East Berlin for the same sort of reasons that President Nixon picked the distinguished David K. E. Bruce as head of the new U.S. liaison office in Peking. Mr. Nixon wished to show the Red Chinese that we were sending one of our best as a measure of his administration's sincerity in seeking an open relationship there. So he sent a top man who had served previously as U.S. ambassador in London, Bonn and Paris.

Mr. Ford's motive is similar in his appointment of John Cooper.

[From the Frankfort (Ky.) State Journal, Sept. 6, 1974]

AGREE OR NOT—COOPER IS EXCELLENT

(By S. C. Van Curon)

Former U.S. Senator John Sherman Cooper is again returning to public service with his nomination as the first U.S. ambassador to East Germany, a geographic patchwork carved out in the settlement after World War II.

Kentuckians should be proud that the Senator, who has brought honor to his home state as a U.S. Senator and ambassador to India, is again chosen for a diplomatic post that may be difficult at best. But as the Senator once said that recognition of East Germany and steps toward betterment of relations is "better than brandishing weapons and the possibility of nuclear war."

Cooper also served in the United Nations and has earned respected recognition in diplomatic circles throughout the world.

NUCLEAR UTILITIES FACING TROUBLE IN RATE CASES

Mr. GRAVEL. Mr. President, nuclear powerplants are intimately connected with the soaring cost of electric power because they are so expensive to build.

Throughout the country, nuclear utilities are asking for rate increases unrelated to fossil fuel costs. Their headache is paying the ever-increasing interest on the ever-increasing cost of their nuclear powerplants.

Thanks to furious customers who take the trouble to fight back, at last the alleged need for these monstrous nuclear plants is being widely challenged.

In New England, a coalition of several dozen consumer and environmental groups is funding an independent study of the real power needs of New England. Jonathan Souweine, attorney and president of the New England Citizens Energy Study, declared:

> In their attempt to justify seemingly continuous rate increases, utilities often cite projected rises in future electricity demand requiring more and more costly electric power plants. And yet, recent events have demonstrated how erroneous, and self-serving, these estimates often are. The result is the consumers may be paying for plants they don't need—to produce electricity they can't use—at a price they can't afford. The time is long overdue for citizens, state utility Commissioners and other regulatory bodies to be exposed to more realistic—and independent—projections.

NECES is located at 233 North Pleasant Street, Amherst, Mass. 01002.

TIME-OF-DAY PRICING PROPOSED

In New York, Wisconsin, Michigan, California, and Maryland, the Environmental Defense Fund is urging that utilities price their electric power the way the telephone company prices its service—according to the time of day it is used. Meters to do that are available, and EDF asserts that reducing the demand for expensive power at peak-hours would make it unnecessary to build many of the nuclear plants now proposed. EDF is located at 162 Old Town Road, East Setauket, N.Y., 11733, with branches in Denver, Manhattan, Washington, D.C., and Berkeley, Calif.

In Iowa, Citizens United for Responsible Energy has charged that the Iowa Commerce Commission forces consumers to pick up the tab no matter how much utilities spend on high-risk nuclear plants. Citing the fact that the New York State treasury had to bail out Con Edison from its investment in a third nuke, CURE is asking if Iowa will also have to take over bad nuclear investments which the State did not consent to. Pointing out the cost of building nuclear plants is often double the cost of fossil fuel plants, CURE is pressing the Commerce Commission to study the investment practices of utilities to protect the public interest. CURE is located at 500 East Sixth Street, Des Moines, 50309.

In Washingon, D.C., Environmental Action continues to press for a national power grid so that electricity could be quickly transferred from areas with surplus power to those with peak demand. According to Senator METCALF of Montana:

> A national power system could slow down plant proliferation by as much as 25%.

CATCH-22 IN VIRGINIA

In Virginia, the Northern Virginia Citizens Consumer Council is fighting a proposed 29 percent rate increase which the utility claims it needs to finance its $3 billion nuclear construction program.

The former Lieutenant Governor is asking some pointed questions. How could the AEC rule on August 27 that Vepco is financially strong enough to go ahead responsibly with the construction of two more nukes, while the utility is testifying before the State corporation commission on September 14 that without the emergency $127 million rate increase, it may go bankrupt in 6 to 12 months. The AEC says now that it will make a fresh analysis.

Vepco is saying that it must increase rates to improve its profit picture so that it can sell $50 million in stock this November so that it can continue its building program. Testified one customer:

> To me, it is utterly ridiculous that I should supply VEPCO with $127 million in revenue so they can sell $50 million in new stock.

An economist consulting for Vepco testified to the commission that if Vepco is granted the $127 million increase and is still unable to sell its stock:

> Then the company will either have to come back and ask for higher rates again, or you will have to sit down with them and agree on some way to cut back electrical power usage.

THE ULTIMATE REVOLT

In Massena, N.Y., citizens grew fed up with paying the private Niagara Mohawk Power Co. twice as much for electricity as customers pay to a municipal power company only 90 miles away. So in May, they voted to buy out part of the private utility, and they are now negotiating the price of the equipment.

According to the most recent figures of the Federal Power Commission, in 1972, residential customers of private power companies paid 2.42 cents per kilowatt hour for electricity while customers of publicly owned utilities paid only 1.63 cents per kwh.

THE POLITICS OF NUCLEAR POWER

It is interesting to note that the administration is backing the nuclear utilities to the hilt. On September 11, Treasury Secretary William Simon told a gathering of State utility commissioners as follows:

> A good part of your challenge is to adjust the rate structure in a manner approved by your state legislature so that utilities can finance their expansion in an orderly fashion and investors will again support the industry.

John Sawhill, head of the Federal Energy Administration, told the same group:

> [The utilities] must be permitted to earn a sufficient rate of return so that their stocks will again be attractive to investors.

According to Sawhill, a 14- or 15-percent rate of return may be necessary to give utilities expansion capital—meaning an overall return on assets of 8 or 9 percent.

Meanwhile, the Senate Interior Committee took testimony from State public service commissioners. Under pressure from consumers angry about recent rate increases, some of them would rather see the utilities receive subsidies concealed in the tax structure, than to authorize rate increases. However, Alfred Kahn, chairman of the New York PSC, proposed that utilities reevaluate their construction plans.

With consumer-groups joining environmentalists, farmers, and other groups to question the desirability of nuclear powerplants, we may soon see a majority of Americans turn sour on nuclear power.

Candidates for office are discovering in some areas that the only applause they get from show-me audiences occurs when they promise to support a nuclear power moratorium.

Mr. President, I ask unanimous consent that the following items be printed here in the RECORD:

First, a report from the Environmental Defense Fund about its rate-case presentations entitled "EDF Expands Its Energy Conservation Program."

Second, "Probe of Vepco Ordered," from the Washington Post, August 29, 1974.

Third, "Vepco Customers Dispute Who Gets a Break," from the Washington Post, September 6, 1974.

Fourth, "Vepco Called Two-Faced on Rate Rise," from the Washington Post, September 14, 1974.

Fifth, "Group Scores Proposed Rise in Vepco Rates," from the Washington Post, September 15, 1974.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EDF EXPANDS ITS ENERGY CONSERVATION PROGRAM

A primary aim of EDF's Energy Program is to reduce the rate at which the demand for electricity increases. Because such demand is the largest and most rapidly growing component of energy consumption in the United States, EDP maintains that control of this demand is essential to any successful strategy for solving our nation's energy problems.

After extensive investigation, EDF concluded that the demand for electricity could be reduced if the pricing structure, or rate design, used by most utilities were modified to charge higher prices at periods of peak demand. EDF has presented its approach to rate design at hearings before the Wisconsin Public Service Commission, the New York Public Service Commission and the Atomic Energy Commission. Recently this aspect of EDF's Energy Program has been expanded to include three new rate cases in Michigan, California and Maryland.

EDF'S APPROACH TO RATE DESIGN

Because a utility must be able to meet the demands of its customers on-peak, the projected peak demand determines the rate at which new generating capacity must be added. A utility's costs are therefore determined more by the time-of-day of consumption than by the total amount of electricity consumed. Although the production of electricity on-peak is more expensive and causes more environmental damage than production during off-peak periods, rates charged on and off-peak are the same.

Economic studies and recent empirical evidence indicate that the demand for electricity is responsive to price. When faced with increased prices, consumers reduce their use of electricity. Under the present rate design, however, such reduced consumption does not help a utility; it can trap the company in a vicious cycle of rising costs, decreasing earnings and increasingly frequent requests for larger and larger rate increases.

Lacking any incentive to reduce their consumption during peak periods, consumers conserve electricity off-peak when it is more convenient for them. This decreases the total kilowatt hours sold by the utility but increases those sold at peak periods. New generating capacity is then needed to meet the growing peak demand, but the high costs of adding such capacity are spread over a smaller sales base, creating the need for a new round of rate increases.

Because demand is so responsive to price, EDF maintains that electricity must be metered and priced on a time-of-day basis to permit utility customers to make informed choices about their consumption. Equipment to implement such a system is available.

The concept of peak-load pricing is not new to utilities and has been successfully applied elsewhere. The telephone system, with off-peak rates lower than those charged during the working day, provides a good example. Such a system induces people to make *long distance* calls during hours when facilities are not taxed to capacity.

EDF QUESTIONS CONSTRUCTION OF D.C. NUCLEAR POWER PLANT

On July 5 EDF interviewed in a hearing before the Atomic Energy Commission concerning the Potomac Electric Power Company's (PEPCO) proposed $1.4-million Douglas Point Nuclear Generating Station, Units 1 and 2. The 2,200-megawatt reactor would be built on the Potomac River in Charles County, Maryland, 30 minutes from Washington, D.C.

PEPCO based the need for the plant on projected demand for electricity in the 1980's, when the Douglas Point plant is expected to be operating. EDF maintains that PEPCO's projections are overstated and completely overlook energy conservation measures such as peak-load pricing which could make construction of the plant unnecessary. EDF staff attorney Philip J. Mause represents EDF, the Sierra Club and the Prince George's Environmental Council.

EDF ENTERS RATE HEARINGS IN MICHIGAN AND CALIFORNIA

The Detroit Edison Company and the Consumers Power Company, utilities that provide most of the electric power for the state of Michigan, have requested rate increases from the Michigan Public Service Commission. On May 28 and June 21 EDF and the West Michigan Environmental Action Council intervened in hearings on these requests in order to present EDF's approach to rate design. Edward Berlin, an attorney, William J. Gillen, an economist and Dr. Ernst R. Habicht, Jr., the director of EDF's Energy Program, represent the environmental groups.

On March 11 hearings began before the California Public Utilities Commission in San Francisco concerning the Pacific Gas and Electric Company's request for a rate increase. EDF, the Sierra Club and the Planning and Conservation League are represented in this case by EDF attorney Thomas J. Graff.

Nine Mile Point: In response to testimony presented by EDF, the Atomic Safety and Licensing Board of the Atomic Energy Commission (AEC) directed the Niagara Mohawk Power Corporation to expand its study of peak-load pricing. The New York Public Service Commission had previously ordered such a study after hearing EDF's arguments concerning the utility's request for a rate increase. Niagara Mohawk should now investigate the feasibility of testing peak-load pricing on some of its customers.

The AEC ruling, issued on June 14, resulted from hearings concerning Niagara Mohawk's request to construct a nuclear generating station, Nine Mile Point, Unit No. 2, on the south shore of Lake Ontario. The AEC granted the construction permit. EDF opposed such action, asserting that the need for the 1100-megawatt plant could be eliminated if Niagara Mohawk modified its pricing structure. EDF maintains that if electricity prices reflected the increased costs of production at peak periods, the growth of peak demand and the need for expensive new facilities such as Nine Mile Point could be reduced. A delay in the need for new generating capacity would also allow utilities to take advantage of the more efficient technology that should result from today's intensive research and development programs.

PROBE OF VEPCO ORDERED

RICHMOND, August 28.—The State Corporation Commission today ordered a special investigation of Virginia Electric and Power Company's operating methods and its billion dollar-plus nuclear generating construction program.

The announcement of the probe came as the SCC spelled out procedures for a hearing beginning Sept. 13 on Vepco's request for a $127.3 million emergency temporary rate increase.

The emergency request was filed by Vepco early last week with a claim that it is facing a financial crisis. It said the high cost of borrowing money is threatening to curtail the building of needed new power generating facilities. Ultimately this could affect Vepco's ability to provide dependable service to its more than 1 million customers, the company said.

The $127.3 million rise would become effective Oct. 1, under the Vepco proposal, and would push current monthly electric bills up by some 23.2 percent. It would raise the average summer bill of a Northern Virginia customer to $58.58 a month, compared to $44.38 at present and $32.18 in June, 1973.

The filing for the emergency increase touched off criticism from across the state and also brought on calls for investigation of Vepco's management.

The SCC said it considers an investigation necessary "because of increased costs of operation and because of Vepco's tremendous construction program."

The hard look at the power company's operations will begin "as soon as practical" and will be conducted by independent consultants the SCC will hire.

"The purpose of the investigation will be to determine if all current costs of operation are reasonably necessary and if all currently planned construction is reasonably required to meet Vepco's obligation to serve the public," the SCC said.

But the SCC warned that the investigation can not be completed in time to affect the Sept. 13 hearing on the $127.3 million emergency rise.

That hearing will be limited to whether Vepco is faced with emergency conditions, and on the basis of finding there the SCC can grant all or a portion of the $127.3 million pending a full hearing on a new permanent rate structure for the company.

"Presumably some of the findings of the investigation could have a bearing on phase II of the Vepco application next spring when it seeks to write any temporary increase that may be granted into a permanent rate structure," the SCC explained.

Procedures for the Sept. 13 hearing were agreed to by attorneys representing Vepco, the state attorney general, and the SCC's own general counsel.

At the conference, the SCC said, it was decided to "go beyond requirements of the law" at the hearing and "permit public attendance and scrutiny of the SCC's investigative procedures."

State law requires that in emergency rate application the SCC only satisfy itself that an emergency exists and that a full investigation of the application cannot be accomplished within 90 days.

"Because of the magnitude of this emergency request, and the fact that it came close on the heel of a $28.3 million award to Vepco in June, it was agreed that counsel for protestants and the public would be heard, insofar as possible," the SCC said.

Although the hearing gets under way on Sept. 13, the public will not be heard until Sept. 16.

The SCC will allot about five minutes for each public witness and hear as many of them as time allows.

"Any who testify and those who may not have the opportunity to have their say in court will get the opportunity again when the hearing on permanent rates is held next spring," the SCC said.

VEPCO CUSTOMERS DISPUTE WHO GETS A BREAK

(By Paul G. Edwards)

Among the 1.1 million customers of the Virginia Electric and Power Co., suspicious are harbored by several groups—home owners, industrial concerns, commercial firms—that they are paying more than they should for electricity while the other groups are getting off easy.

Concern over fair apportioning of electricity prices has mounted with the size of electricity bills, and the size of the bills for Vepco's residential users has gone up about 40 per cent this year.

More than 80 per cent of that increase has been for oil and coal costs passed on automatically to customers. The rest, the company says, has resulted from inflation, seasonal differences in power usage that are costly to the company, an expensive generating plant construction program, and high interest rates on money borrowed to build plants.

For whatever reason, Vepco has been showing up with increasing frequency at the Virginia State Corporation Commission to ask for rate increases, and debate has been long and technical over who should pay for what.

Home owner representatives, apartment and office building owners, industrial firms, environmentalists and local governments have taken their turn at telling the commission how the costs of service should be apportioned among customer classes.

Recently, this argument has taken a rather startling turn. A technique for measuring the long-term costs of electricity, first advanced in Virginia by environmentalists like the Sierra Club and consumer advocates, and lately embraced by Vepco, has produced a tentative agreement as to who is getting a break on present rates.

That technique holds that a customer, be it industry, business or resident, should pay the cost incurred by Vepco in generating and delivering power to that customer. Included is the cost of expanding generating facilities now to supply power to that customer in the future.

Using that benchmark, it is generally agreed that those who are getting off lightly are affluent home owners and the owners and tenants of offices and apartment buildings that are heated in winter by oil or gas and cooled in summer by electricity.

Also getting a break on electricity rates in recent months are local and state governments, which negotiate rates with Vepco for the power they buy. The negotiated rate has allowed governments to avoid the oil and coal cost pass throughs that have plagued other consumers.

Somewhere near the line that divides those who are and are not paying their fair share are small businesses. Clearly paying more than they should for electricity, everyone agrees, is a class of customer that frequently thinks it is getting a break on rates—the all-electric home owner who helps balance differences in seasonal demands for power by heating electrically in the winter.

As for the "big boys"—the large industries—whether they are paying their fair share depends on whether their demand for power in the summer is considerably more than their demand for power in the winter.

For the past 17 years, it has become increasingly apparent to Vepco and utility rate watchdogs that they need to build larger and larger generating capacity to deliver the last kilowatt of power on the hottest day of the summer is the principal cause of rising utility costs, other than general inflation and runaway fossil fuel prices.

Air conditioning is the principal culprit, gulping great chunks of power to keep people cool in the summer. Generating facilities must be built to provide that power, but in the winter, when the air conditioners are turned off and the demand for power drops dramatically, much of that generating facility becomes idle.

Yet the principal and interest payments on the hundreds of millions of construction money borrowed to build those generating facilities abide by no seasonal demand and must be paid year round.

In 1957, Vepco used an average 62 per cent of its plant capacity all year around. By 1973, average use of generating capacity had fallen to 54 per cent. Also in 1973, the peak summer demand was 6.9 million kilowatts of power, 1.5 million kilowatts higher than the peak winter demand.

Vepco estimates that even with the growth of electric heating, the winter-summer gap will continue to expand to about 2.5 million kilowatts by 1980.

Charles H. Frazier of National Economic Research Associates, Inc., translated the problem into dollars during testimony on Vepco's last rate case in May. Had the average use of generating capacity stayed at the 62 per cent figure of 1957 instead of dropping to 54 per cent in 1973, Vepco would have collected $49 million more in revenues in 1973 alone.

The corporation commission granted Vepco a 6.8 per cent increase in rates on its Virginia business in the May rate case, producing $28 million in additional revenue. Were it not for the winter-summer gap, the commission could have cut rates by 5.1 per cent, thus cutting company revenues by $21 million, without reducing Vepco's profit rate.

Testifying for the company in the rate case, Frazier called on the commission to structure charges so that they "constitute an accurate measure of the burdens which increased use puts on the company and the economy."

He said, in other words, that the commission should increase charges to those responsible for the gap between winter and summer usage and the subsequent need to expand generating facilities for summer use—those who use air conditioning in summer and do not heat with electricity in winter.

According to statistics submitted to the commission by Frazier, home owners and individually metered apartments that heat with gas or oil and cool with electricity pay 2.43 cents per kilowatt hour for power, but are paying only 68 per cent of the costs of generating and delivering the power they use now and the cost of building the capacity to deliver that power in the future.

Apartment and office buildings and industrial plants pay 1.29 cents per kilowatt hour—far less than residences—but are paying about the same percentage of long run costs—67 per cent.

Small businesses pay 2.81 cents per kilowatt hour and 85 per cent of the long-term costs of service.

The residence with electric heating is paying only 1.7 cents per kilowatt hour, but because winter usage helps minimize the seasonal gap, this class of customer is paying 110 per cent of the long-run costs of service.

All of these figures were based on rates in effect before last July 1 (all rates have gone up since then) and do not include oil and coal cost pass throughs.

Raising rates to produce 100 per cent of future costs now would create an unreasonable profit rate for Vepco, so the commission is expected to use the 100 per cent factor only as a guide in apportioning charges among customer classes.

It began doing so in the last rate case by increasing charges on office buildings, apartments and industrial plants that contribute to the growing seasonal gap. Meters that measure power delivered to these big customers measure both kilowatt hour usage and peak kilowatt demand in half-hour increments, and the bills are based partly on usage and partly on peak demand.

The meter measuring peak demand operates in part as a penalty box, in effect assessing a penalty for drawing large amounts of power at peak periods. Under rates that became effective July 1, the "minimum demand charge" rose from 50 percent of the yearly peak to 90 per cent. This means, for instance, that if the peak demand part of the monthly bill reached a high of $1,000 during the highest demand period in the summer and then dropped $300 during a winter month, the customer must still pay $900 for the winter month.

The commission also took a step toward long-run cost pricing by ordering Vepco to reduce the bills of small residential users (some major appliances, no air conditioning) at the expense of large residential users, thus penalizing air conditioning excesses.

In its current application for a 23 percent emergency rate boost, Vepco anticipated further commission encouragement of long run cost pricing by asking that the increase not be applied to the winter heat portion of residential bills.

In addition to pricing based on seasonal demand, other techniques are being urged to relate electricity bills more closely to actual costs. The Environmental Defense Fund recently persuaded the Wisconsin Utility Commission to require the Madison Gas and Electric Co. to measure peak demand by large users throughout the day and charge for kilowatt hours delivered during peak consumption periods and less during low consumption periods.

The Wisconsin plan calls for extension of daily peak pricing to residential users in the future and Vepco's President T. Justin Moore Jr. said in a recent interview that he believes such a daily demand pricing system should be adopted in the future for Vepco customers.

Such a pricing system could change living habits. It would be cheaper to wash and dry dishes and clothes late at night rather than during peak daytime consumption hours. The use of timing devices could turn on dishwashers at night and switch on hot water heaters during early morning hours, long after the hot water was consumed during an early evening bath.

Conservation of electric power also is being urged as a long-term measure for reducing costs. Executives at Vepco and other utilities, however, say that conservation can have bad short-term effects on utility companies.

If people conserve power during off peak hours and seasons—foregoing air conditioning on a moderately warm day, for instance —but continue to use their air conditioners freely on the hottest days, then utility revenues fall but the need for expensive generating capacity to meet peak demand remains the same.

Utility economists disagree over how much higher rates will cut usage, partly because the recent rate surge is unprecedented.

It seems clear, however, that many consumers are beginning to look at their electric appliances in a new light. "We have a 5,000 watt electric hot water heater," Bill Lummis, an Annandale home owner said yesterday, "and it is responsible for 25 per cent of our bill. We're going back to gas."

VEPCO CALLED TWO-FACED ON RATE RISE

(By Paul G. Edwards)

Richmond, September 13.—Opponents of a proposed 29 percent rate increase for the Virginia Electric and Power Co. said today the company pictured itself as financially healthy to a federal agency but told state regulators it needed a big rate increase to survive.

The opponents said Vepco painted a picture of corporate health to the Atomic Energy Commission to win federal approval of its expensive nuclear construction program.

An AEC spokesman in Washington said today it would make a fresh analysis of the company's finances to provide "reasonable assurance" that the company can afford the billion-dollar program without sacrificing safety. The spokesman said it "has no evidence" of financial incapability.

Vepco President T. Justin Moore denied that the company had put a different face on its financial reports when seeking Atomic Energy Commission approval of construction projects.

He said Vepco's treasurer had warned the AEC staff that the company's health depended on "adequate rate relief" from the Virginia State Corporation Commission.

The exchange of charges and denials came in the first day of a hearing before the SCC on Vepco's bid for a rate increase. The 29 percent boost sought in basic rates actually would increase bills by about 23 percent because the rate increase would not affect oil and coal cost pass throughs now included in charges to customers.

The bills of residential customers of Vepco already have gone up about 40 percent in the last year. More than 80 percent of this increase has resulted from direct pass through of oil and coal costs and the rest from a 7 percent increase in Vepco rates approved by the SCC.

The company says it now needs the 29 percent increase—almost equal to the total rise in rates since 1969—because of a series of financial adversities.

As reasons for the new rate request, Vepco lists the need to attract new investors with higher profit rates to finance the $3 billion, five-year construction program, record high interest rates on bonds sold to pay for new generating plants and a growing gap between peak summer power demand and low winter demand that forces much of Vepco's plant to winter idleness.

The company also cites the inability to recover rising fuel costs from unregulated government customers that account for 13 per cent of power usage, conservation of electricity that has cut revenues while not affecting the need for capacity to meet peak demand and general inflation in the cost of doing business.

The enormousness of the rate increase request—calculated to produce $127.3 million a year in new revenue—brought to the hearing some leading political figures and consumer advocates who were absent last May when more modest rise was considered.

Leading the rhetorical charge against the proposal was former Lt. Gov. Henry E. Howell of Norfolk. He made much of the AEC financial assessment, which was brought to the hearing by John T. Schell, a lawyer representing Sen. Clive L. DuVal II (D-Fairfax).

Robert L. Weinberg, 10th District Democratic chairman, argued that the 1973 amendment to state law under which the emergency increase is being sought is unconstitutional.

The mayor of Norfolk and a Fairfax County delegation including Supervisors John Herrity and Joseph Alexander and Del. Warren Barry appeared to present petitions and resolutions opposing the increase.

The Fairfax officials, however, ran into critical questioning from state Attorney General Andrew P. Miller and the three commission members about the county's refusal to submit to SCC regulation and pay rates equal to those charged other large users.

Miller, using Vepco estimates, said local and state government agencies are paying $44 million less than they should for electricity each year under negotiated contracts, thus contributing to financial troubles of Vepco and creating higher rates for consumer customers.

In his opening statement to the commission, Howell focused on the Aug. 27 AEC staff finding that Vepco is in financial position to move ahead with construction of two more nuclear power units—North Anna 3 and 4—in Louisa County.

"Either the company has gone before the AEC and compromised this commission (the SCC) by saying, 'What Vepco wants (in higher rates), Vepco gets,' or else the company has more acorns stored away for this hard economic winter than we know about."

Referring to the low price of Vepco common stock and the general stock price depression, Howell said. "You are not going to get investors to swim upstream against the current of economic turbulence with this increase. If President Ford thought he could turn around the economy with $127.3 million in new utility revenues in each state, he would do it right quick."

Howell also alluded to charges by environmental groups that Vepco's Surry nuclear power plant is inefficient and urged the commission to consider forcing delays in further nuclear construction.

"If you bought your son Erector Set No. 1," he said, "you wouldn't rush out and buy him No. 4 until he had learned to use No. 1."

Vepco President Moore defended the Surry performance, saying it has operated at 50.5 per cent of capacity compared with the national average for nuclear plants of 53.2 per cent.

Vepco has estimated that Surry is saving Vepco customers $50 million a year because of high coal and oil costs and today, the company's star economic witness, Irwin M. Stelzer of New York, said he agreed with company estimates that a one-year delay in the North Anna nuclear units would cost customers $140 million to $160 million a year by 1979 because of fuel costs.

Stelzer testified that the $127.3 million increase is "the minimal amount required" to put Vepco in a position to continue financing its construction program.

Commission Chairman Preston Shannon asked Stelzer what should be done if Vepco is granted the $127 million increase and still finds that it is unable to sell more of its depressed common stocks, as the company plans to do in November.

"If that happens, then the company will either have to come back and ask for higher rates again or you will have to sit down with them and agree on some way to cut back electrical power usage," he answered.

Group Scores Proposed Rise in Vepco Rates

(By Paul G. Edwards)

Members of the Northern Virginia Citizens Consumer Council reacted angrily yesterday to the first round of hearings on a proposed 29 per cent emergency increase in Virginia Electric and Power Co. rates.

About 25 council members meeting at the Alexandria campus of Northern Virginia Community College drafted a long list of proposals intended to increase consumer influence over regulation of Vepco for study by council committees.

At the meeting, council member Liz Tate described the opening of hearings on the rate proposal, which comes after a 40 per cent, one-year rise in residential electric bills, caused chiefly by automatic pass through of fuel cost increases.

"Our people kept asking how Vepco could legally get an emergency increase when the law does not define what an emergency is," she said.

"It was a valid question, but Vepco never gave a valid answer. They just kept saying that they must have higher rates so they can make a higher return on their investment and sell more stock."

And Jerry Brown, moderator of the meeting, summed up the consumer outrage by asserting: "To me, it is utterly ridiculous that I should supply Vepco with $127 million in revenue so they can sell $50 million in new stock."

The Friday hearing before the State Corporation Commission, which regulates Vepco rates, drew as participants leading lawyers, influential politicians, top utility executives and prestigious economic consultants. After 10 hours of proceedings they did not get much beyond the quandary posed by the economic lay persons at the Consumer Council meeting.

The hearing will continue on Monday, with public witnesses allowed to comment after 2 p.m., and then the rate issue will be left with the three-member commission for decision.

Robert L. Weinberg, 10th District Democratic Chairman and a lawyer who appeared for himself as a Vepco customer challenged the legal status of an "emergency" rate increase at the hearing.

He moved to have the commission dismiss the application on grounds that the 1973 Virginia law providing for emergency rate changes does not define an emergency, giving the commission no standard for judgment. The statute, thus, is unconstitutionally vague, he argued. The commission took his motion under advisement and went ahead with testimony on the rate increase proposal.

T. Justin Moore, president of Vepco and himself a lawyer, testified that the company emergency is a financial one that will lead to a power service emergency if higher rates are not granted.

Moore and economist Irwin M. Stelzer, a company consultant, testified that Vepco's problem is this:

The company is in hock to the hilt for construction of generating facilities. Its operating income has sunk close to the limit below which bond buyers will purchase no more Vepco bonds. Therefore, the company must sell $50 million in common stock in November to finance its continued expansion.

But in the sagging stock market, Vepco stock is selling at $7 a share. That is half its price at the beginning of the year and 22 per cent of its 1968 value and the company's profit picture must improve to attract investors to the stock, Vepco executives say. The only way to improve the profit picture is to increase consumer rates. Thus, it is the consumer who pays the price of making the stock attractive to the potential investor.

In the course of the testimony Friday, Weinberg, former Lt. Gov. Henry E. Howell, landlord lawyer Charles Pilzer and Washington lawyer John T. Schell, representing Sen. Clive L. DuVal II (D-Fairfax), critically questioned whether this state of affairs is an "emergency" and whether $127 million in new annual revenues would cure it.

Weinberg drew from Stelzer the judgment that no rate increase at this time will force Vepco into bankruptcy in the next six to twelve months. Howell drew from Moore the statement that so far as possible power shortages are concerned, "The emergency is not today, but tomorrow."

"Tomorrow," Stelzer estimated, might be 1979. If Vepco delays construction of planned nuclear generating facilities on the North Anna River in Louisa County now, he said, the company could be caught with only a 4 per cent capacity reserve above expected peak demand by 1979.

Utilities generally accept 15 per cent as a safe power reserve, he said, and by 1979 neighboring power systems will not be in as good a position as now to share capacity in an emergency.

A. C. Epps, Richmond lawyer representing 15 large industrial companies, brought out testimony that construction at North Anna at the present rate will provide a reserve bulge of about 25 per cent for two years, suggesting that such rapid construction at today's inflated interest rates is wasteful.

The disagreement over power reserves in 1979 demonstrated nothing more than how quickly an examination of the "emergency" needs of Vepco or any other electric utility in today's economic environment and fuel inflation can drift into a debate of economic imponderables.

Vepco received a permanent rate increase of about 7 per cent last June. It almost certainly will seek another permanent increase next spring. The issues of investment capital shortages and possible future power shortages dominated the rate case last June and are expected to dominate the case next spring.

Questioned by SCC Chairman Preston C. Shannon, Stelzer was unwilling to say that granting the entire $127 million "emergency" increase by Oct. 1 will guarantee successful sale of new stock in November or avert the need for substantial additional rate increases soon.

SURVEYORS FINDS ERTS VALUABLE

Mr. MOSS. Mr. President, almost daily now new information about the usefulness of the ERTS satellite is coming to our attention. The most recent revelations come from the tri-annual International Congress of Surveyors held last week here in Washington.

Surveying is one of the most ancient of the sciences, but also one that has been in the forefront of the use of modern technology. A striking example of this is the speed with which surveyors have taken to utilizing the data received from NASA's ERTS and other satellites.

A Canadian surveying company recently completed for the Canadian Government a coast-to-coast survey of the Arctic in only 3 months, a project that normally would have taken 5 years. Not only was this task finished in one-twentieth of the time, but under some conditions the accuracies obtained were better than one meter, or about 3 feet.

This experience of the surveying profession with satellites is just one more convincing piece of evidence of the value of the ERTS data and the need to assure the continuity of space applications data.

Mr. President, I ask unanimous consent that an article from the Washington Star-News for September 11, 1974, describing surveyors' use of ERTS be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE ART OF SURVEYING SOARS TO NEW HEIGHTS

(By Ron Snider)

The ancient art of surveying has surpassed many newer professions in moving into the electronic and space age.

"Every time I look around," said one industry official, "there is a new electronic gadget that solves all the surveyor's problems."

A large collection of these gadgets is on display this week at the tri-annual International Congress of Surveyors at the Washington Hilton.

Many of the new gadgets are systems for use with satellites which are making major inroads into the surveyors' trade.

Frank Forrester of the United States Geodetic Survey said that "more satellite information is starting to pass from federal agencies for use by others."

The launching of an Earth Resources Technology Satellite (ERTS-1) July 23, 1972, by the National Aeronautics and Space Administration opened the door to the industry to collect vast amounts of data from large areas of the world quickly and accurately.

In the wake of ERTS—and other space ventures, Skylab, the Navy Navigation Satellite System—a new generation of surveying, mapping and plotting hardware has been developed to help man map his world and to plot changes on its face.

Major firms such as General Electric, Magnavox and Eastman Kodak have moved into the field as have a host of smaller firms, including many outside the United States.

The Canadian Marconi Co. of Montreal, for example, recently supplied the Canadian government with satellite receivers that allowed it to complete a coast-to-coast survey of the Arctic in three months.

Industry officials said the project normally would have taken five years. They also pointed out that satellites can offer excellent accuracy and cited the Canadian government's report that it obtained accuracy results of better than one meter, under some conditions.

The system provided by Canadian Marconi used the signals from the Navy Navigation Satellites to compute positions on the ground.

The ERTS satellite, however, has opened a wider horizon to the industry, providing a constant flow of photos and data from large areas of the earth and repeating its survey every 18 days.

The data is provided by NASA in pictures or computer tapes which now are available in great numbers to the public.

James Moser, aerial products service manager for Eastman Kodak, said the company provides a film, SO438, which is placed inside the electronic gun and records the beam of the satellite data. He said the image then can be transferred to negative film and processed into photos.

From these photo surveyors, land-use planners and others can detect changes in land areas as small as a square acre to 100 square miles.

Bausch & Lomb has designed a Zoom Transfer Scope that allows the photo to be superimposed on a map of the area so that changes can be seen quickly and in small detail.

However, Lowell H. Brigham of the space division of General Electric Co. feels that the biggest developments in the satellite-surveying field are in the use of sophisticated digital information extraction techniques.

GE has developed a Image 100 system which can interpret the data from satellites in various ways.

Brigham said the system can pinpoint land uses over large and small areas, disease in crops, flood plains and various uses.

He said that the system has the added possibility of being able to record agriculture crops, determine their ripeness and detect the spread of diseases.

GAO REPORT ON FPC SHOWS NEED FOR AN ACA

Mr. STEVENSON. Mr. President, the September 16 edition of the Washington Post has an article headlined "FPC Hit on Gas Pricing" written by Morton Mintz which describes a recently released General Accounting Office report. This report details instances where FPC officials are alleged to have failed to guard against possible conflicts of interest in the FPC. Specific conflicts of interests are alleged in the report.

The charges made in the report are worthy of further investigation, and I have asked for such an investigation by the Commerce Committee. But beyond an investigation, the charges made in the report illustrate the need for an Agency for Consumer Advocacy. Such an Agency, as proposed in S. 707, could be a watchdog against such irregularities within all Federal regulatory agencies. Congressman John Moss of California, who requested the GAO study, is quoted in the article as saying that:

> The report makes a very strong case for concluding that . . . cumulative financial exploitation of consumers by the oil and gas industry was aided and abetted by the very federal agency charged with protecting the public against monopoly and profiteering.

Mr. President, this kind of "cumulative financial exploitation of consumers" is exactly what the ACA would be empowered to advocate against and hopefully prevent.

Mr. President, I ask unanimous consent that the article by Mr. Mintz be printed in the Record, and I hope that my colleagues will read it and keep in mind when reading it that an Agency for Consumer Advocacy could be helpful in avoiding such agency irregularities. I would also hope that upon reading and so considering the article my colleagues would see fit to vote tomorrow to invoke cloture on S. 707, so that the Senate might consider that bill on its merits.

There being no objection, the article was ordered to be printed in the Record, as follows:

FPC HIT ON GAS PRICING

(By Morton Mintz)

The Federal Power Commission dropped its guard against conflict of interest among high-level officials while granting price increases for natural gas with sometimes "improper" procedures, the General Accounting Office has charged after a 10-month investigation.

Rep. John E. Moss (D-Calif.), who had requested the investigation, said yesterday that the 115-page report made by the GAO is "one of the most powerful indictments of a federal regulatory agency within memory."

The report "clearly requires the prompt attention of the Justice Department" because it reveals possible violations of criminal financial-disclosure laws, Moss said. The report by GAO, an investigative arm of Congress, gives several examples of officials owning stock in companies they were regulating.

While the department is investigating, the Ford administration should freeze applications pending at the FPC to increase gas prices at the wellhead, Moss said. President Ford has taken the same position as President Nixon in urging Congress to lift controls on wellhead prices.

Moss also urged unspecified congressional committees to undertake oversight hearings of the FPC because "most if not all of the nation's 40 million (residential) gas bills have been seriously and adversely affected."

"The report makes a very strong case for concluding that . . . cumulative financial exploitation of consumers" by the oil and gas industry "was aided and abetted by the very federal agency charged with protecting the public against monopoly and profiteering," Moss said.

Sen. Adlai R. Stevenson III (D-Ill), who held natural gas hearings last winter for the Senate Commerce Committee, said he will seek to have the committee launch "a full investigation." In the House, key jurisdiction over the issue is in a Commerce subcommittee headed by Rep. Torbert H. Macdonald (D-Mass.).

The GAO report dealt dominantly with the FPC's performance under John N. Nassikas, its chairman since August, 1969. He and the four commissioners are all Nixon appointments.

The report's most caustic criticisms were aimed at "widespread noncompliance by FPC officials with the agency's standards of conduct regulations."

The noncompliance resulted from "a breakdown in the reporting system intended to disclose financial holdings of officials that were actual or potential conflicts of interest," the report said.

The GAO assigned "primary responsibility" for the breakdown to Webster P. Maxson, executive director since October, 1969; the Office of Personnel Programs (OPP), headed since October, 1971, by Claudius L. Fike, and the Office of General Counsel (OGC), headed since July, 1972, by Leo E. Forquer. Now 63, Forquer resigned in August after 19 years in the office. The resignation will become effective Friday.

Highlights in the report's conflict-of-interest section:

Of 125 officials required on being hired to file financial disclosure forms, 55 did not do so, and nine used a less detailed form intended for lower-level officials.

The OPP "never reviewed" the forms that

did give the required data; instead, it filed them.

Five administrative law judges—who preside over quasi-judicial proceedings—disclosed prohibited holdings in forms filed between 1966 and 1969. But it was not until after the GAO discovered the disclosures last November that OPP ordered the judges to divest the holdings.

Fike and his predecessor, William N. Campbell, were responsible for personally reviewing the forms. But each operated "on the erroneous assumption" that clerical personnel were doing the job.

As of last Dec. 12, 125 upper-level officials were required to file annual financial disclosure forms—but only seven had filed properly, while 94 had not filed at all. The record for 1971 and 1972 was similar.

None of the officials responsible for carrying out the disclosure program—Maxson, Forquer and Fike—had filed disclosure forms for 1971, 1972, or 1973, although each did so after the GAO reported the omission.

As a result of the GAO investigation, OPP initially ordered 12 officials to divest holdings "that could conflict with their duties"; under GAO prodding, OPP sent divestiture orders to seven more. As of June 3, five of the total of 19 had either not responded or has requested clarification.

The 19 officials owning prohibited securities—in gas production and pipeline and electric power companies such as Exxon, Texaco, Tenneco and Potomac Electric Power—included seven administrative law judges, three officials in the Bureau of Power and two in the Office of Economics, and an engineer in charge of an FPC regional office.

In a letter included in the report, Chairman Nassikas said that every FPC official required to file a disclosure form "has on file a sworn affidavit affirming that at no time . . . has he participated in any decisional process directly involving a company" in which he or a member of his immediate household then had a financial interest.

"Inaccurate and misleading," the GAO replied. Of 144 officials supposed to have affidavits on file, 22—including 11 of 18 judges—do not, the GAO said. One of the judges presided in a case in which General Motors was a major intervenor—but did not disclose until the proceeding was well under way that he owned GM stock.

Actually, several of the judges turned out to have had similar involvements, but "were allowed to preside" by Nassikas on the ground that their interests "would not prevent participation in the cases," the GAO said.

Denying any impropriety, the commission told the GAO that the problem mainly had been inadequate record-keeping and asserted that it had cleared up all potential conflicts of interest.

The GAO's most serious objections about price increases concerned the FPC's "improper" use of claimed gas shortages to justify "emergency" sales of gas at wellhead prices in excess of those a hearing might show to be "just and reasonable."

By last spring, these emergency prices had gone as high as 75 cents per 1,000 cubic feet, even in areas where the ceiling price was 26 cents. If the entire gas supply were to increase in price by 1 cent, the additional cost to consumers would be $230 million annually.

The GAO said that the FPC authorized 96 producers to sell gas at "emergency" prices for 60 days and then extended the time period, departing both from its "stated intentions and its regulations."

General counsel Forquer claimed "plenary authority" for such extensions. Nassikas termed the extensions "legal and necessary" and "in the public interest."

But the GAO said that to accept their views would "make a sham of the regulatory process and render litigation by dissenting parties futile."

Nassikas denied that the FPC had acted improperly, but the GAO, documenting its rebuttal at length, said that he "mis-stated our position."

Some of the sales were made "at unregulated rates" for as long as 300 days, the GAO said. The report also said that eight extensions were granted to companies that had not filed applications for them. The grantor who said he had been "orally authorized" by the commission, was its secretary, Kenneth F. Plumb.

CPA LEGISLATION (S. 707) IS NOT ON PRESIDENT FORD'S LIST OF PRIORITIES; CLOTURE SHOULD NOT BE VOTED

Mr. HELMS. Mr. President, as we move toward the fourth, and what many of us trust will prove to be the last, cloture vote on S. 707 during the 93d Congress, I wish to call to the attention of my colleagues once again to the legislative priority list sent to Congress, by President Ford last week. In that list, the President outlined in detail what the administration sees as the most urgently needed legislation. I wish to note in particular that any reference whatsoever to S. 707 or any form of a consumer protection or consumer advocacy bill was missing from that list.

The President no doubt realizes that the vast majority of the American people realizes that S. 707 is simply bad legislation. It is the brainchild of several special interests and will in no way serve the public interest. It is inflationary in that it is not needed. It is a hoax in that it can never possibly fulfill the promises made on its behalf by its proponents. It is dangerous in that it creates a fourth branch of government responsiblle to no one and with unprecedented Federal powers to reach into every aspect of our everyday lives.

We must get about the business of working with the administration and the American people in solving the insidious inflation which plagues us all. We must vote against cloture and thereby put this issue behind us and begin work on substantive national issues which our responsibility demands.

Mr. President, so that my colleagues may go over this list once more before this important vote tomorrow, I ask unanimous consent that a copy of the President's message to the Congress outlining the administration's legislative priorities for this Congress be printed in the Record at the conclusion of my remarks.

There being no objection, the message was ordered to be printed in the Record, as follows:

To the Congress of the United States:

In my first address before a Joint Session of Congress, I spoke of "communication, conciliation, compromise and cooperation." The Congress responded. We have communicated, conciliated, compromised, and cooperated.

I thank the bipartisan leaders and all Members for this working partnership. So far, despite some spats, we have had a good marriage.

Landmark bills in the fields of *Education, Housing-Community Development,* and *Pension Reform were passed.* For these examples of cooperation of real benefit to so many Americans, I am grateful.

I had serious objections to the *SBA loan legislation, Public Works Appropriations,* and *D.C. Medical School bill.* Recognizing congressional interest in particular elements of each measure, I signed them.

No effort was made to override measures that I had to veto. Congress responded promptly to my request for a *Council on Wage and Price Stability.*

Of the specific proposals I am singling out today, some are in the conference stage. Others have passed only one body. A few have passed neither. But virtually all have been the subject of hearings and are in the mark-up phase.

NOMINATIONS

Of utmost importance for Congress in its fall term is the consideration of *Nelson Rockefeller* as my nominee for Vice President of the United States. The Administration will assist the Congress in all appropriate ways to expedite this nomination. The precedent for this procedure under the 25th Amendment to the Constitution has been established. I am sure there will be no inordinate delay in moving forward Governor Rockefeller's nomination.

There are other nominations before the Senate, some pending since last January. There are other candidates for Federal office in varying stages of clearance. I expect to be able to submit them to the Senate within a few days. I would hope Congress could expedite action on all these nominees so that none will have to be held over to 1975.

REDUCING 1975 SPENDING

Responding to the initiative of the distinguished majority leader of the Senate and other members of the Congress, I have convened bi-partisan summit meetings on the issue of inflation. Many of you are participating. The legislative and executive branches are working together.

We are seeking short-term answers to short-term problems and long-term answers to long-term problems.

A concerted effort must be undertaken to bring spending down to manageable proportions. An important first step in this effort is to bring Federal outlays under control in 1975, making possible a balanced budget in 1976.

I need the help of the Congress in reducing 1975 spending below $300 billion. Several important cooperative steps by the Congress will be required to achieve this difficult target.

First, the Congress must resist temptations to add to spending totals on legislation now being considered. Responsible action calls for agreements on cuts, not increases. I solicit suggestions on any programs that might be curtailed or stopped. Let me know about any spending that seems unnecessary or inflationary.

In the same vein, I would hope the Congress could pass specific legislation proposed in the February Budget submission that would reduce 1975 spending by almost $700 million.

Immediate action should be taken on the rescissions that I am proposing in my first message to the Congress under the newly-enacted Budget and Impoundment Control Act. Moreover, the deferrals transmitted to Congress under the same Act should be supported. Overturning these actions could increase spending by as much as $600 million in 1975 and by far more in 1976 and future years.

As a matter of highest priority, I need your support of my recommendation to defer the next Federal pay raise from October to January. It will be my intention to deal fairly with the just concerns of Federal workers. But I am asking them to join in the sacrifice I want all Americans to share. This action will reduce 1975 outlays by $700 million. It will also set an example of wage restraint for the private sector. Let us practice what we preach.

These efforts are essential if our cooperation is to keep spending under $300 billion. We simply cannot afford to fail.

APPROPRIATIONS

Eight of fourteen regular appropriations bills have been enacted. These measures in total represent a reduction of $532 million from the Administration's Budget in spending authority and $144 million in outlays for the current fiscal year. These are helpful moves in the right direction. I urge that this momentum be maintained.

There are seven money bills that require action during the balance of the session.

The *Agriculture* money bill was vetoed on the basis of excessive funding; the *Defense* appropriation is in conference with very sharp reductions. Levels below the House bill would be extremely unwise. *State-Justice-Commerce* is also in conference and undoubtedly will show a reduction in the Budget; *Labor-HEW* appropriations, however, appear to be moving in the direction of exceeding the Budget substantially.

Appropriations for *Military Construction* and *Foreign Assistance* have not yet passed the House of Representatives.

There is ample time to consider the remaining appropriations bills before adjournment. In addition, I will be sending essential but carefully limited *Supplemental Requests* for fiscal year 1975. I trust they will be considered an urgent priority.

LEGISLATION

It is unnecessary to submit a complete list of Administration legislative initiatives to this Congress. Leaders and Members know them as well as I do. I recognize that the inevitable consequence of any legislative Message in the twilight of the 93rd Congress is to suggest deferment of some desirable legislation in favor of imperatives that are realistic in the time we have left.

The *Trade Reform bill* has passed the House of Representatives but remains pending before the Senate Finance Committee. Efforts are underway to find a reasonable and mutually acceptable compromise to restrictive language that would deny Most Favored Nation status and Export-Import credits to the Soviet Union. I want to emphasize the importance I attach to the granting of Most Favored Nation status to the USSR. Careful attention should also be given to the importance of Title V concerning tariff preferences for developing countries and providing appropriate limits for Trade Adjustment Assistance. This legislation is close to enactment. It would be a tragedy not to pass it.

In the area of foreign policy, Congress should enact the *Export-Import Bank Authorization, Asian and African Development Bank Authorizations*, and the *Foreign Assistance Act*.

I know that a troublesome piece of legislation for me—and perhaps one of the most important for the Nation—is the Foreign Assistance Act. I am disturbed over the deep cuts in many essential and worthwhile programs which contribute to our overall efforts to attain peace and stability in the world. In addition, the bill contains several restrictions on the Executive which would reduce my ability to meet obligations to American security and that of our friends abroad. I respect and strongly support the role of Congress in the area of foreign policy. But under the Constitution, the Executive is the spokesman for the Nation and must have adequate freedom of action. I may recommend changes in our approach to foreign aid in the coming year and will propose realistic programs in the national interest. I strongly urge this Congress to continue the current programs unencumbered by amendments which prevent the effective implementation of policy.

There are several significant problems in the *State Department Authorization*. I have requested Secretary of State Kissinger to work with appropriate leaders in an effort to resolve these differences.

The *USIA Authorization* has been passed by both bodies and should be finally considered by a conference committee. The House version is preferred.

Both bodies have passed an extension of the *Defense Production Act*. I hope the differing versions will be reconciled and sent to me for signature.

To promote more effective management of the Government's approach to our national energy resources, the Administration recommended creation of an *Energy Research and Development Administration*. This key legislation has now passed both Houses and hopefully will soon be considered by a conference committee. In its consideration of this legislation, I recommend to the conference committee that the provision calling for an Energy Policy Council be deleted and several other undesirable provisions be revised in accordance with current discussions.

To increase the availability of clean natural gas through competitive pricing of newly developed gas supplies, I urge this Congress to enact the *Natural Gas Supply bill*. As we enter the winter months, our energy resources must be effectively utilized for the benefit of all Americans. Gas deregulation which would increase supply is a vital part of the Administration's response to the energy shortage.

Of major importance to our ability to provide sufficient energy in the years ahead is a proposal for the Federal Government to grant permits for construction, licensing and operation of *Deepwater Ports* beyond the three-mile limit. The House has passed a bill Hopefully, the Senate will also move forward on this key measure.

Among the many energy-related bills before Congress, is the important *Energy Tax Package*. This measure imposes a windfall profits tax on the selling price of domestic crude oil, eliminates the percentage depletion deduction for U.S. taxes on foreign production of oil and gas, and limits foreign tax credits available to U.S. oil and gas companies operating in foreign lands.

We learned from the recent oil embargo that we must be better prepared to reduce the impact of any future supply interruptions. At the time of the embargo our Naval petroleum reserves, set aside through the foresight of the Congress for the specific purpose of assuring adequate supplies of essential fuels, could not be used in time to contribute to our national defense requirements.

In a moment of need, oil in the ground is useless. We must have authority to produce and deliver our emergency petroleum reserves to the user. Presently, the *Navy Petroluem Reserves at Elk Hills*, California, have proven reserves of approximately one billion barrels. The *Navy Petroleum Reserves in Alaska*, although unexplored, have estimated reserves of up to 33 billion barrels. I intend to consult with the Congress on the best way to assure that the reserve capacities of these fields are in a state where they can contribute effectively to our national security in any future energy crisis.

The House and Senate conferees are now addressing the difficult issues involved in striking a balance between the environmental effects of surface coal mining under the proposed *Surface Mining Act* and the nation's need for coal as an essential source of energy. This issue has been under consideration throughout this Congress. It would greatly reduce the problem of opening new coal mines and increasing production if acceptable mined area legislation can be enacted. I am asking Secretary of the Interior Morton to continue discussions with legislative leaders in an effort to reach an agreement over troublesome provisions in this measure.

The *Illegal Aliens* legislation is necessary to establish clear guidelines regarding the law for employment of aliens who work in this country. The House has already passed a bill. I would hope the Senate could consider this measure during the fall term.

Real progress was made on the House floor when the Conference report on the *Veterans Education Bill* was substantially reduced in terms of Federal expenditures. I hope the Senate will now act in the same spirit. This can be done by reducing the benefit limit to the original Senate Bill. It provided a substantial increase—18.2 percent. But cost-of-living increases for our veterans in school are necessary. I urge the Senate to reaffirm its original rate increase and send the bill to me so benefits can begin.

In May of 1973, the Administration proposed the *Job Security Assistance Act*. This measure is an important part of our policy to assist in a period of rising unemployment. It would modernize the unemployment compensation system without violating the relationship between the States and the Federal government.

I recognize the concern of many that unemployment might rise because of the policies we must follow to fight inflation.

I am watching the unemployment rate very closely. This Administration will act with compassion. We will not permit the burden of necessary economic restraint to fall on those members of society least able to bear the costs.

The unemployment rate in August, announced last Friday, was 5.4 percent. While we certainly cannot be complacent about any American lacking work, we are thankful that the number is not larger.

The present situation calls for full use of available tools and dollars.

I have asked Secretary of Labor Brennan to accelerate the obligation of currently available funds under the *Comprehensive Employment and Training Act*.

The Secretary will immediately disperse $65 million to those communities in which unemployment is highest. By the end of the month he will make available another $350 million under CETA Title II. This $415 million will finance some 85,000 public sector jobs in State and local governments. Added to the almost $550 million obligated for public service employment in June from the FY 1974 appropriation, and about $50 million in other funds, currently available resources will provide 170,000 public service jobs this coming winter. The effect of these actions will be to double the number of federally funded public service jobs. In addition, $1.3 billion will be available to State and local governments for manpower programs.

Beyond this, I have requested the Secretary of Labor, in consultation with my economic advisors, and drawing on the outcome of the Conference on Inflation, to develop contingency plans against the possibility of substantially increased unemployment. In future unemployment statistics demonstrate the need, we will be ready to present plans to the Congress and to work together to assure a mutually satisfactory course of action.

There are several health authorizations that require extension this year. They are the *Health Manpower Act, Health Services Act* and the *Health Resources Planning Act.* All are necessary but, unfortunately, each currently has objectionable features in program provisions and excessive authorizations. I have requested Secretary of Health, Education, and Welfare Weinberger to cooperate fully with appropriate committees in an effort to enact reasonable legislation. I will continue to seek a sound compromise on the *Comprehensive Health Insurance Plan.*

The House recently passed the *Federal Mass Transportation Act.* While the funding was kept to a level which I can support, certain structural changes in that bill are necessary. I am asking Secretary of Transportation Brinegar to work closely with the Senate in an effort to develop an acceptable bill.

The Administration's proposal to improve the *regulatory climate in the surface transportation industry* is presently before the Congress. This bill, with certain modifications to ensure greater reliance on competitive market forces, would contribute substantially to the efficiency and vitality of this Nation's private sector transportation system. I urge the Congress to act promptly to complete its work on this important legislation.

The *Amtrak Authorization* legislation is now ready for Conference. Since major problems exist with the Senate version, I hope the Conference will adhere as closely as possible to the House measure and soon present it for my signature.

I assume the Congress will pass the *Military Construction Authorization* bill, including expansion of the support facility at Diego Garcia.

The *Export Administration Act* is ready for conference and should be reported soon.

Legislation to restore financial integrity to the *Railroad Retirement* system has not been enacted by either House. I urge legislation be adopted to accomplish this objective without resorting to a subsidy from either the Social Security System or the general taxpayers.

Court congestion impairs fair and speedy trials. The Administration supports legislation to create new *Federal District Court Judgeships.* While this measure has been slow to move, I would hope Congress could expedite consideration in order to alleviate overcrowded court calendars.

A bill to renew my authority to submit *Executive Reorganization Plans* has been sent to the Congress. During the past 25 years all Presidents have used this authority to improve management in the executive branch. I would like my Administration also to be able to utilize this effective tool of good government. I urge prompt bipartisan consideration of this bill.

It is apparent that I have referred to some legislative matters and omitted reference to others. This is not an inventory of my total legislative concerns. I will send the traditional message to the Congress in January covering the broad spectrum of legislative programs. This will afford me an interim opportunity for detailed study and review.

The 93rd Congress, in which I am proud to have served, has an opportunity to join with the Executive Branch at this turning point of history. We can respond together in the constructive harmony that ought to exist between Republicans and Democrats, between Federal and local governments, between the Executive and Legislative branches, and between America and other nations. A momentous challenge confronts me as well as the 93rd Congress. Together, we can summon forth the reserves of energy, imagination, and devotion necessary to generate a new and proud era of American achievement. We cannot and will not fail the American people.

Gerald R. Ford.

The White House, *September 14, 1974.*

CHANGE OF VOTE

Mr. GRAVEL. Mr. President, on July 24, 1974, I was recorded as having voted in the affirmative for a motion by Senator Allen to recommit the conference report on H.R. 69. I ask that the Permanent Record be corrected to show I voted against this motion.

THE FOOD SHORTAGE AND CLIMBING PRICES

Mr. HUMPHREY. Mr. President, it is likely that this year's food prices will have increased by as much as 16 percent by the end of 1974, and with our current decreased grain harvests, Americans may pay up to $20 billion more for their food next year.

Although the Midwestern drought is largely responsible for this very unfortunate situation, also to blame is the myopic view of the Department of Agriculture that there is nothing to worry about. In spite of my warnings of the strong possibility of unfavorable weather conditions and the widely publicized fertilizer shortage, Secretary Butz jubilantly predicted a bumper crop this year and, as has been his policy year after year, he neglected to take any precautionary steps to provide for a possible shortage.

The Department of Agriculture announced this week that export contracts of wheat, corn, grain sorghum, soybeans or soybean meal totaling $100,000 or more must now be reported daily. It remains to be seen just how adequately this policy will deal with the export problem, which is aggravated this year by the shortage. However, I must commend this act as a first step toward a program of effective export monitoring and as acknowledgment that a problem does exist. I have vigorously and consistently advocated a daily reporting and monitoring policy for our exports.

Secretary Butz has consistently refused to consider a program of grain reserves such as I have proposed in S. 2005. My bill would not only establish a modest food reserve but would also provide for licensing of exports during periods of short supply.

We can no longer procrastinate. Foreign governments are already buying more than last year in anticipation of the impending shortages. An article in the Washington Post of August 29 by Marian Burros, entitled "Of Scarcities, Prices, and Corn," lucidly correlates the causes and effects of our present food shortage situation. Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Of Scarcities, Prices, and Corn

(By Marian Burros)

Sen. Hubert Humphrey (D.-Minn.) says that the serious shortages in this year's feed and food grains have "laid a food economic time bomb at Ford's feet." They "have tremendous inflationary implications," and could mean as much as $20 billion in higher food prices next year.

Sen. Humphrey thinks that the U.S. Department of Agriculture is responsible for a lot of the problems because of: its refusal to institute any form of licensing for exports of commodities; its overly optimistic predictions of bumper crops in light of information then available; and its refusal to consider any kind of grain reserves.

All of these positions, Humphrey says, aggravate the actual shortages and fuel the rise in food prices, particularly for meat, poultry, eggs, dairy products and even such products as mayonnaise and margarine whose basis is soybean oil.

The USDA prediction of bumper crops required that perfect conditions be achieved, Humphrey said in a recent interview. Before the department issued such optimistic estimates, it knew that conditions were not ideal. Humphrey thinks, "The Department must be eating jolly beans for lunch. I thought I was the Number One optimist, but I have to take second place to the Department of Agriculture." Of course it is good politics to paint bright pictures.

Total harvest forecasts are down 7 percent from last year; the corn harvest is the gloomiest of all. Corn is the major American feed grain. According to Humphrey, "The biggest Agriculture Department problem is that they figured a corn harvest on an acreage yield of 97 bushels. That's ridiculous. It would only happen under perfect conditions." Last year's average yield was 91.4 bushels per acre; this year's is down to 77.8 bushels.

Last fall, Humphrey says, "We had concrete evidence that the weather cycle would be injurious to crops. The Agriculture Department pooh-poohed it."

In addition, there was a fertilizer shortage which was widely reported in the press. Without adequate fertilizer, acreage yield is reduced.

Some of the new acreage put under cultivation for the first time is marginal and does not produce as high yields as the acreage already under cultivation.

In particular, for a 97 bushel-per-acre yield of corn, all the seed planted would have to have been a high-yield hybrid. It was not.

Humphrey thinks that if the USDA had been more realistic in its original estimates, the lower yields would no have seemed quite so dramatic.

Because of the overall reduction in grains, the problem of exports is more acute than it was last year. Foreign governments, aware of American shortages, are already buying more than they had at this time last year. The uncontrolled export of American crops results in scarcity here and higher prices for consumers.

To prevent such uncontrolled exports, Humphrey has been pushing for the passage of a grain-reserve bill which would require some form of monitoring and an export license when the supply of a commodity fell below a certain level. Under present regulations, the USDA doesn't know about commodity shipments overseas until a week or 10 days after such shipments have been made and it's too late to do anything about them.

Until this most recent crop report, Secretary of Agriculture Earl Butz subbornly resisted any kind of export monitoring or licensing.

Now there are reports that Butz' office is receiving daily reports from exporters and has asked for voluntary cooperation from foreign buyers in limiting their purchases.

Humphrey's bill, S. 2005, which is currently "in limbo" calls for some governmental grain reserves, with the remainder in the hands of farmers and traders. However, the problem of grain reserves is moot for the moment. There isn't enough grain for reserves and probably won't be for several years.

The Democratic senator says that the bill would also have prevented the kind of depletion of stocks that took place when the Russians came into the American market and bought up vast quantities of wheat in 1972, leaving very little reserve. American reserves of wheat have still not recovered.

"If the American consuming public knew what was in the bill," Humphrey says, "it would be passed overwhelmingly."

Right now there is no public policy, Humphrey explains, to protect the American consumer. "When you ask the Agriculture Department 'Where are your plans?' they say, 'We have got a free market.' That means that you sell anything you've got."

As far as Butz is concerned the picture is rosy, because there are more wheat and soybeans than there were last year. But Humphrey says that the domino theory is in operation and will escalate the prices of those commodities. If there isn't enough corn for domestic and foreign needs, "When we run out of corn, we'll turn to wheat and so on."

Last week Humphrey wrote to the President, asking him to pay particular attention to the problem which he predicts could cost American consumers and taxpayers "in terms of higher prices . . . between $10 and 20 billion in additional costs in 1975."

The USDA agrees that the shortages will cause higher prices, but predicts an increase of only about 4 or 5 per cent during the rest of this year. A former Agriculture Department economist, John Schnittker, says it is more likely to be 6 to 10 per cent. If his predictions hold true, this year's prices will be up 12 to 16 per cent; last year they went up 20 per cent.

With price rises like that the problem of shortages may become moot. In recent years, consumer resistance has been felt each time prices have reached a certain level. When beef went up after price controls were removed in August, 1973, the sale of beef dropped . . . and has never recovered.

The idea that there may not be an unlimited supply of food at relatively low prices is quite new to the American public. The so-called "bread basket" of the world may not be able to feed the rest of the world any longer, even with bumper crops.

Besides the growing world population making increasing demands on a limited food supply, there is the additional factor of a growing world-wide demand for protein foods.

To produce meat, poultry, eggs and dairy products, animals consume huge quantities of grain that poorer populations, who cannot afford the luxury of such expensive protein foods, would have eaten themselves.

If weathly nations ate less animal protein, there would be more grain available. Humphrey is not so sure that eating less beef would be a bad thing. He subscribes to the idea that if every American would eat one less hamburger a week, it would free up an additional 10 million tons of grain. Humphrey is in favor of economizing generally. Americans, he thinks, "waste an awful lot of food."

If the Democratic senator's estimate of the current situation is accurate, there is no question that Americans will economize. They won't have an choice in the matter.

PBS INTERVIEW

Mr. ROBERT C. BYRD. Mr. President, on Thursday, September 5, 3 days before President Ford announced his full pardon of former President Nixon, I was interviewed on the Public Broadcasting System's "Evening Edition." Correspondent Martin Agronsky conducted the interview, and was joined by Charles Bartlett of the Chicago Sun-Times.

The half-hour interview was aired by 40 stations of the Eastern Educational Television Network, nad was seen locally on WETA-TV, channel 26.

I ask unanimous consent that the transcript of the program be printed in the Record.

There being no objection, the transcript was ordered to be printed in the Record, as follows:

Transcript From the Martin Agronsky Show, Thursday, September 5, 1974

Martin Agronsky. Senator Byrd in the wake of Watergate, a very difficult, sensitive problem was left behind by President Nixon's resignation—that's the question of what to do now about the former President. Now, you said once regarding the prospect of immunity for President Nixon—and when Senators make statements, they must be prepared to have them quoted back to them—you said, "I believe that public officials should be held to a higher standard than the private citizen, and I think that if they commit crimes, they ought to be punished." Do you still believe that, Senator?

Senator Robert C. Byrd. I do.

Charles Bartlett. Have you had many people jump you for this position? Do you feel that there is an angry group which says "Let's spare Richard Nixon from this point on?"

Byrd. Well, there is a group that says he has suffered enough, but I think we have to look at it realistically. If the President of a bank embezzles money, he loses his job; he suffers; but this doesn't mean that he shouldn't be prosecuted just because he has lost his job. If the grand jury indicts, I don't think the special prosecutor has any alternative but to press for prosecution—if the evidence is there, and if the federal grand jury indicts. It is the same grand jury that named Mr. Nixon as an unindicted co-conspirator. If it indicts, the special prosecutor has no alternative, morally or legally. He must proceed.

Agronsky. It's rather refreshing to hear a senator take a position that is so firm and so unequivocal. Everybody's approach to this problem seems to be to leave it to Leon. They all want to dump it on the shoulders of the special proscutor, Mr. Jaworski. Now, you make it very clear that you feel that if—which is the obvious condition—but if the evidence is there, that would indicate that the prosecution should go forward, you think it should. However, we now have a different situation. We have the new President, Mr. Ford, who hinted rather strongly at one of his White House news conferences that he would consider a pardon for the former President, if charges were brought against him in the courts. He said that he agreed on that occasion with the Vice President-designate, Nelson Rockefeller, who commented that former President Nixon had been hung and should not in addition, be drawn and quartered. Mr. Rockefeller was agreeing with what Senator Scott, your opposite number, in effect, in the Senate, said. Does this reflect a position on the Senate side, on the Republican side, as far as you know, from your dealings with your Republican colleagues?

Byrd. Catch phrases are often misguided. We shouldn't be lulled to sleep because of them. The President hasn't been "hung." Nobody is asking that he be "drawn and quartered." He resigned the office. He had no proprietary ownership of that office.

Bartlett. The key phrase of his supporters now has been that he has suffered enough. That's the idiom, and the House has had its role in the impeachment process. Now the question comes up about $850 thousand which the GSA wants to make available to Mr. Nixon. Part of it—$450,000—is provided by the law as the transition fund. Some of it—$90,000—is the fund for the regular staff the ex-President gets. There's about $200,000 plus—maybe $235,000—which seems to be sort of put in there to supplement these funds and to make the transition more comfortable for the ex-President. Do you figure that the Congress is likely to go along with the desire to sort of fatten the pot?

Byrd. I think it probably will go along with some of the mandatory items, which are required under the law. But the $40,000 for travel, the $100,000 for "miscellaneous allowances," I think that these should be looked at closely; and I'm sure they will be.

Agronsky. It's such a difficult situation in the sense that the former President is in limbo really—halfway between being called as a witness in the trials that are pending, for example of Ehrlichman and Haldeman, and halfway in terms of the grand jury having not yet decided whether or not they should indict him—not just as a co-conspirator, because he is no longer the President. And everybody keeps raising the point that it is the same argument we heard when impeachment was first considered—that it's too traumatic an experience, that it will divide the country, that it will hurt the nation, that we can't go forward for all those reasons. I wonder if you could address yourself to that feeling?

Byrd. We heard the same argument in respect to impeachment—that it was too traumatic. But the House proceeded, and the House would undoubtedly have impeached the President, had he not resigned. I would have dreaded the trial, but every Senator was prepared and resigned to the conduct of a trial if the House had impeached, so I don't think too much of that argument. I think we have to remember that Mr. Nixon for two years misled the American people, and that the country has gone through a terrible agony which he and those around him brought upon the country.

Today, we have problems of energy, inflation and unemployment. These are problems that went unattended throughout the last two years, because the President and the White House were pre-occupied with the problems of Watergate. I can't forget that he stonewalled the special prosecutor; that he stonewalled the district court; that he stonewalled the House Judiciary Committee—which, under the constitution, had a duty to secure evidence upon which to reach a determination as to whether or not impeachment articles should be voted. I have the same revulsion as anyone else has at seeing the former President of the United States in jail; but, at the same time, how can we ask the law to prosecute a man for setting fire to our house? How can we ask the law to prosecute the employee who embezzles money from us, unless we follow the law, regardless of station or rank or status? I think the judicial process ought to be followed, and if the President goes before a jury at the end and is acquitted, then the American people would feel that the judicial process had run its course. If a jury should convict the former President, then it would be up to the trial judge to determine whether or not leniency was merited. If he wanted to sentence the former President to ten years in prison and wanted to put him on probation, the people would at least feel that the judicial process had worked its will. I think it would be a serious mistake for the

President of the United States, Mr. Ford, to pardon Mr. Nixon. I think it is a matter for the trial judge to exercise leniency. I recognize that the President of the United States has the authority under the Constitution to grant reprieves and pardons, but unless the people believe and see that the judicial process has worked its will, then we can't inculcate in our young people a belief that this is truly a system in which justice is blind, a government of laws and not of men.

Agronsky. Chuck, I can't think of anything to ask the Senator after this.

Bartlett. That was a very strong statement. It's going to be a running controversy. I wonder how you assess the President's position. I think it's natural that he feels loyalty toward President Nixon. He must feel some gratitude towards him.

Byrd. I feel the same way toward him. I got along well with Mr. Nixon. He considered once putting me on the Supmeme Court of the United States. I liked him personally.

Bartlett. Then it's not a matter that involved personal relationships?

Byrd. Not at all.

Bartlett. The President seems to take a slightly warmer view of the situation. He keeps his base with Richard Nixon; he called to notify him of the selection of Nelson Rockefeller; for instance.

Agronsky. Senator, it is a strange country. A week ago, I think it was, Spiro Agnew, former Vice President of the United States—I think he can now legally be described as a convicted felon—a man who chose, to use the criminal parlance, to cop a plea—went to a fair, I gather, outside of Washington—Shady Grove—I don't know exactly which it was. He walked in and got a standing ovation. The people rushed up to ask him for his autograph. What does that say to you about this country, about this whole process?

Byrd. It doesn't say a great deal to me. I don't think that we can take one occurrence like that and feel that it indicates anything one way or the other. Here was a man that they knew—a former Vice President of the United States. A lot of these people may have been very young, may have been children. I don't attach any great significance to that.

Bartlett. Senator, might it not be true that the experience that Mr. Agnew had, has made it more incumbent on the government to prosecute Richard Nixon? In other words, the feeling that Agnew got off lightly, it seems to me emphasized the need to proceed with the case against the former President.

Byrd. Perhaps so. In any event, for example, I don't think that the tapes which indicated that Mr. Nixon and Mr. Haldeman had concocted a coverup can be used against Mr. Haldeman if they can't be used against Mr. Nixon. So, this is where the problem grows more difficult. To pardon the President of the United States, one has to consider also pardoning those who took their orders from him—some of whom are now serving in jail, others of whom are on their way to jail. And to pardon all of them just in order to pardon the President, would still set a double standard. So, again I think it ought to be left to the trial judge in each individual case to determine what the sentence should be and what leniency to allow, if any.

Agronsky. Senator, I quoted in the beginning the crack by Mr. Wattenberg, that Mr. Nixon resigned the Presidency and left a great political party in shambles—the Democratic party, your party. You think so?

Byrd. No. My party is pretty much accustomed to having its little fights, but at election time, as a usual thing, it is quite unified.

Agronsky. Hasn't the Ford ascendency to the presidency caused an enormous shift in your evaluation of the political prospects for '76, in particular for this coming November?

Byrd. It's a new ball game. But 1976 is 24 months away; a lot of things can happen; a lot of things may not happen. As to this fall, there is no question but that the issues will be more talked about, and I have advocated this all along—that Democratic candidates should not put too much stock in Watergate to carry them through, and that they should concentrate on the issues. I think that they will have to do this now. As far as the contests are concerned, they are local contests, senatorial contests, congressional contests; and in many instances they will rise or fall on the basis of the record of the incumbent and local campaign issues. They're also going to be determined, to some considerable extent, by what happens in dealing with inflation, dealing wtih unemployment, and the economy.

Agronsky. You know, Senator, there is always an irresistible temptation to play Presidential politics in this town—the game of Presidential politics. I think that one thing that is immediately raised in the wake of Watergate and in the wake of Mr. Nixon's resignation, is the impact that it has on those Democrats who might aspire to or have a chance to become their party's candidate for the presidency. Now, a bulletin has just come out from the former Democrat National Chairman, Lawrence O'Brien. He said that, "although Senator Kennedy is clearly the top democrat in America today, he probably shouldn't run for President because he might be assassinated as two of his brothers were." Then he said that if Kennedy did choose to run, it would be difficult for any other candidate to win the nomination. Would you agree with that evaluation?

Byrd. Yes.

Agronsky. Still despite Watergate?

Byrd. Yes.

Agronsky. Despite the shift, no difference?

Byrd. I would agree with it.

Agronsky. That's interesting.

Bartlett. Senator, I would like to go to another point you made about the elections of this year depending in some part upon what actions are now being taken in regard to the inflation and the economy. What is going to happen? We hear this talk from Siedman of the White House, who said very flatly that he didn't think that the big steps could be taken until Congress meets again in January. Isn't it true that things have to be done before January, that Congress is going to have to stay in session to do things that are indicated in order to ease the public restlessness?

Byrd. There's no question that things are going to have to be done. Roosevelt enacted probably 90% of his program in the first 100 days of his administration, and, if there ever was an individual who could look forward to the almost certain eventuality of his becoming President, at one time or the other, it was Mr. Ford. He was Vice President for more than half a year.

Agronsky. Do you feel he was not adequately prepared or did not take advantage of that waiting period?

Byrd. What I am saying is that I don't see any necessity—I see just the contrary—for waiting until next year. Mr. Seidman indicated that they would watch day by day to meet any pressing needs. The needs are here now; the needs have been here. Every time the housewife shows up at the checkout counter and goes back to the shelves to get another item, the price has gone up; that makes a point, whether it is precisely true or not. The need is now, and the President has an opportunity that he will never have again. His greatest asset today is that of believability. The people were relieved when Mr. Nixon gave up the Presidency. They all want to see Mr. Ford succeed, and now is the time that leadership is needed. The action arm in dealing with inflation has to be the executive branch. I'm concerned to hear this talk that we will wait until the President's State of the Union Message next year.

Agronsky. Senator, there is a way that that concern can be expressed on the Democratic side. You have a very substantial majority of both Houses of the Congress. The Democratic leadership in the Senate—you are the number two man—in the House, the democratic leadership is led by Mr. Albert. The feeling is that the democratic leadership, while it makes criticism of the republican economic policy—the administration economic policy—and granting that you are right, that it is the executive arm that has to initiate it—the Democratic leadershp has provided no alternative. Why don't you?

Byrd. It's amazing how short people's memories are.

Agronsky. Tell me.

Byrd. In the first place, the democratic leadership sought to provide standby wage and price controls. Mr. Nixon didn't want them. It was the democratic leadership that provided them in spite of his opposition, 3 or 4 years ago.

Agronsky. That's true.

Byrd. And then in 1971, he resorted to them. He applied a 90-day freeze. Then he applied Phase 2, which lasted throughout 1972, and which worked until it was prematurely lifted by the Nixon Administration in early 1973. Now, here aagin recently, the democratic leadership in the Senate tried to enact a program that would provide for standby wage and price controls. It was opposed by Mr. Nixon. Now, Mr. Ford says that he doesn't want it. He has taken away this option from the upcoming summit conference. Congress also created the council for wage and price stability which Mr. Ford says he wanted. That's a watch dog without teeth, really, but the Democrats in the Senate sought to provide teeth by providing authority for that council to suspend price and wage increases for 45 days, but the efforts of the Democrats were opposed by the administration.

Bartlett. I would point out that in April last year when the question of keeping this Cost of Living Council alive came up, it was then chiefly the Democratic figures like Sen. Proxmire, Congressman Patman, who really fought the enactment of the continuation.

Byrd. Not chiefly them. The majority of the Democrats supported it, but if we had had some support from the administration—which also bears a responsibility here—those controls would have been provided. Now, let's talk just a little longer about this business of Democratic leadership. It was the Democratic leadership that provided the budget reform bill, which will enable Congress to better come to grips, and discipline itself, with regard to federal spending. The Democratic leadership has not been found wanting. How did we get the war powers bill? Democratic leadership, provided the war powers bill. You have to also look at the Watergate Committee.

Agronsky. Senator if I may say, they were really dragged to it.

Byrd. Oh, no— no, no!

Agronsky. Senator, you've pointed out yourself that this is a new ball game. This is now the Ford Administration; it is not the Nixon Administration. You know it's the old story: "what have you done for us lately?" Really, there is a feeling that there is an opportunity for the Democrats—not as great perhaps as it is for Mr. Ford. If you are concerned about the pedestrian pace of this administration in dealing with the problems of the economy, I would hope that on the Democratic side you would quicken the pace yourself. Now, when are you going to do it, and what plans do you have in mind?

BYRD. We are already doing it. Under the Democratic leadership we cut the Defense Appropriations Bill by over $5 billion; we cut the Department of Transportation Appropriation Bill $154 million before it was brought to the floor, and reduced it further by $119 million on the floor. Now, we talk about cutting the budget. You know who makes up the budget; the Executive Branch makes up the budget, the administration makes up the budget. I say let the administration cut the budget; let it cut the fat; let it stop padding the budget before it is sent to Congress. Then it won't have to point the finger at Congress and urge us to cut the budget. The Democratic Congresses have reduced the appropriations budgets over the last 5 years by a total of $23-and-a-half billion. And we are going to reduce it this year.

BARTLETT. But your budget reform proposal, which is a good step forward, everyone agrees, is really a concession that the legislative arm had been sort of piling the goodies on while the appropriating arm has been trying to keep the fat down. Budget reform isn't going to begin until the budget of fiscal 1976, isn't that right?

BYRD. The point is that Congress has made a start, after many years.

BARTLETT. One of the problems in the country today is a feeling that, down here in Washington, nobody really means to come to grips within inflation, do you agree with that?

BYRD. Well, I think there has been that feeling, and perhaps it has been justified. But there is enough blame to go around, and, when it comes to cutting the budget, the President formulates the budget. He should cut it to the bone to start with.

BARTLETT. Isn't there something you could do now as the Majority Party in Congress to really manifest the determination to cut spending?

BYRD. We are doing that. I have pointed out how we have already cut some of the appropriations.

AGRONSKY. But you are not going to come up with a specific program in effect?

BYRD. I don't know. Take National Health Insurance. For example, if the President will get his people and party in the House to support National Health Insurance. I would say that the chance for at least getting something to deal with catastrophic illness in this session would be good. But I would venture to say that if you would ask Wilbur Mills, he hasn't had the support of the Republicans on the Ways and Means Committee for that program. Yet, the President says he wants it.

AGRONSKY. Senator, unfortunately, I have to invoke cloture on our time. Thank you very, very much.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION ACT, 1975

The PRESIDING OFFICER (Mr. BURDICK). Under the previous order, the Senate will now proceed with the consideration of H.R. 15580, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 15580) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1975, and for other purposes.

AMENDMENT NO. 1883

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from South Carolina (Mr. THURMOND), on which there is a time limitation of 30 minutes for debate, to be equally divided between and controlled by the Senator from South Carolina (Mr. THURMOND) and the Senator from Washington (Mr. MAGNUSON).

The clerk will state the amendment.

Mr. THURMOND. Mr. President, on yesterday I sent to the desk an amendment which is cosponsored by Senators CURTIS, FANNIN, HANSEN, GURNEY, MCCLURE, BUCKLEY, BARTLETT, GOLDWATER, and WILLIAM L. SCOTT. I ask that the clerk now report that amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the appropriate place in the bill insert the following: "None of the funds appropriated by this Act shall be expended to pay the salaries of any employees of the Federal Government who seek to assess or enforce any penalty attributable to the first violation by any employer under section 17(c) of such Act.".

Mr. THURMOND. Mr. President, it is becoming increasingly evident that there are some serious difficulties being encountered in the administration of the Occupational Safety and Health Act of 1970. One of the greatest problems lies in the area of penalties assessed for first violations of employers under section 17(c) of the act.

A presumption manifest in the act is that a first-instance citation and penalty is necessary to force employers to comply with the OSHA standards. As a result, we have a most unfortunate situation. If an employer does not fully comprehend the vast number of OSHA regulations, and this frequently happens since many of the regulations are either ambiguous or downright incomprehensible, he should be entitled to guidance from OSHA personnel as a matter of fairness. However, under the present law, if an employer does request such assistance, the OSHA inspectors may come to the work site, explain the regulations, and then immediately issue citations and assess penalties if violations are found. If the employer needs help to understand the regulations and their implementation, it is doubtful he will be in compliance at the time of the OSHA inspector's visit.

Most businessmen feel that the act is punitive rather than constructive. Most of these men believe that if the objective of the act is compliance with standards, rather than punishment for unintentional violations, then no fine should be imposed if the violation is corrected within a specified abatement period. Furthermore, businessmen feel the first inspection penalty does not contribute in a major way toward safety but merely serves to unduly punish the businessman who perceives himself to be operating in good faith.

Mr. President, I realize that the Appropriations Committee has adopted an amendment which would provide approximately $5 million to reimburse the States for providing consultation services. This is an attempt to solve, at least partially, the inequity of the first instance penalty. However, I do not think the amendment is a solution, but only a recognition that the problem exists.

In my opinion, onsite consultation cannot be provided on a large enough scale because of the excessive costs of making such services available to the large number of businesses in the country. Even with onsite consultation, however, we still need to abolish the harsh provision for first inspection penalties. The businessman who honestly believes he is complying with OSHA regulations would probably not request onsite consultation services. Moreover, such consultation would leave the correction of a deficiency to the discretion of the employer with no penalty if he fails to correct it. This is to be contrasted to a visit by OSHA inspectors who would require correction of a deficiency within an abatement period. A penalty could then be assessed upon expiration of this period if the deficiency was not corrected. This is the proper time to fine an employer, not on the initial visit.

In my opinion, it is imperative that we abolish the first inspection penalty by amending the Occupational Safety and Health Act. Until this can be done, I think we should see that no funds are provided for this purpose. Accordingly I offer an amendment to the pending legislation that would prohibit funds from being used to assses or enforce penalties attributable to the first violation by any employer.

Mr. President, the only simple and successful method at present for helping the businessman to obtain assistance from OSHA personnel without being penalized is to end the practice of citing and fining employers on the first visit. Passage of this amendment would enable employers to more comprehensively comply with OSHA regulations and serve to establish a more effective relationship between OSHA officials and business. So long as the present provisions prevail, it is a major deterrent to the formation of favorable attitudes toward OSHA and tends to undermine the furtherance of voluntary compliance among businessmen. The negative incentive of the first inspection penalty should be abolished. Without a positive approach, OSHA will continue as a destructive influence on our Nation's businesses, particularly small businesses.

Mr. President, I reserve the remainder of my time. I understood it was possible that the managers of the bill would accept this amendment and take it to conference.

Mr. COTTON. Mr. President, the chairman and manager of the bill has been delayed. He will be in shortly, but he has asked to handle the time and respond for him as well as for myself.

I regret that the managers of the bill, both Senator MAGNUSON and myself, are unable to accept this amendment, and we find ourselves in opposition to it.

Speaking for the Senator from New Hampshire alone, I have much sympathy with the endeavor of what the Senator from South Carolina wants to do, at least the purpose behind it. I guess everyone in the Senate knows I have consistently, for a number of years, fought to exempt some of the smaller businesses from this inspection. I have been very critical of some practices such as the one of having an inspector called in at the request of an employer to advise as to whether he is obeying the law, and after he has advised the employer, say that the law compels him to penalize the employer for whatever he was remiss in. We have been up and down that hill.

But, Mr. President, even as one who has been critical of some of the practices in the working of this inspection system, I am afraid I cannot go along with this amendment. In the first place, the money in the bill would probably provide for no more than a body of 1,420 inspectors. Now, because some of us have objected to the method followed, it does not mean that we do not believe in having safety of employees and having proper inspection of the industries of this country. There might be a very serious situation develop in any one of our industries, perhaps a large industry. If the inspector were not able to do anything about it until he came back the second time, there might be a considerable time which elapsed resulting in possible loss of life or danger to the workers because of that fact, because in his second visit to all of the industries which he had to cover there might be some delay.

Furthermore, I think what was accomplished yesterday and what is in the bill has gone a long way toward correcting those situations about which some of us had considerable worry. In the first place, your committee has set aside the $5 million to pay for consultants. In other words, we trust that the working of this bill as we have laid it out will put an end to this situation of an inspector being called in to advise an employer as to how to obey the law and then say, "I am sorry, I am glad to advise you, but under the law I am compelled now to penalize you."

There will not be the same personnel, and I have here a letter addressed to the Honorable WARREN G. MAGNUSON from the Secretary of Labor in which he heartily commends the idea of having a separate group respond or advise, a separate group from the inspectors who enforce the law. He indicates in his letter he would like to advise the chairman of the Department's endorsement of the amendment to the Labor-HEW appropriations bill adopted in the House which provides that States be funded to provide onsite consultative services to employers who request assistance in understanding their obligations under OSHA.

He states this will be their policy and he will carry out this policy. Now, that goes a long way toward taking care of the situation that the Senator from South Carolina has in mind in his amendment.

Furthermore, I do not believe that industries having 25 or less employees should be exempt from inspection. But the fact that the Senator from Nebraska proposed each time a lesser exemption or an exemption for a lesser number of employees, and the last vote was very close—I believe there was only a two-vote difference, 44 to 42—gives me the feeling that when we get to conference the effect of that vote, may be an agreement by the House to a smaller exemption. Of course, it is our duty to represent the Senate and we will do so.

All those things lead me to think that—and I am also speaking for my chairman, Senator MAGNUSON—this amendment at first glance appears aimed at giving an employer only a warning at the time of first inspection, before an inspector comes back and imposes a penalty for continued violation of health and safety regulations.

However, given the small size of the OSHA inspection force, it could be years before an inspector makes a second visit. Current staff can inspect only about 10 percent of U.S. business each year.

When we hit 10 percent each year, it might well be some time before he makes a second visit.

Therefore, this amendment might effectively eliminate most enforcement of violations under the act, which makes it a dangerous amendment.

In addition, since this amendment would appear to require the inspector to go off the payroll to make the first inspection it is highly unlikely a second inspection would ever be made.

If he is really going to do something, he cannot do it while he is an inspector, and we have, as I said, a consultive force.

This amendment would alter current law which requires an inspector to assess appropriate penalties at the time he finds a violation.

It would appear to be that a point of order could be made on this language in that the amendment is not even germane, because the Committee on Appropriations had no authority to change the law. It does have authority to curtail the appropriation, it does have authority to separate appropriations so that some could be used for counselors and not inspectors.

I think the point of order against this amendment would lie, but I am not going to raise it because of courtesy to my friend from South Carolina whose viewpoint in this matter has, to some degree, my personal support.

I do not raise that point of order at this time, but, Mr. President, on behalf of Senator MAGNUSON, myself, both the majority and minority managers of the bill, I am convinced that this amendment should not prevail.

I am happy to yield to the Senator.

Mr. WILLIAMS. I just want to say it impresses me, the Senator from New Hampshire is completely aware of the possible damaging effect of this amendment on the enforcement of this work safety law. I applaud his statement, I associate myself with it.

I would like to amplify my statement with the request for unanimous consent to put a more complete statement in opposition to the amendment in the RECORD.

There being no objection, the statement in opposition was ordered to be printed in the RECORD, as follows:

STATEMENT

This amendment is terribly inappropriate on three grounds: procedurally, timing, and substantively.

Procedurally, this amendment is an unwise misuse of the appropriations process and a circumvention of the regular legislative process. First instance sanctions do not constitute a cost issue in the implementation of the Act; first instance sanctions go to the heart of the theory underlying the construction of this legislation in 1970.

If the Senator from South Carolina (Mr. THURMOND) truly believes that he has evidence that the Act could be improved by the change he is proposing, he should come and testify before my Committee which has been holding hearings for just such purpose. It is clearly before the Committee on Labor and Public Welfare that such a proposition should be considered, where there is the procedure for careful deliberation of such legislative issues, and not during debate on the Appropriations bill, where we do not have time for the kind of examination this issue must have.

Substantively, I strongly oppose this amendment because it effectively revokes the enforcement of OSHA.

The Labor Committee and GAO studies on this issue show that 98.6% of all violations cited are classified as non-serious. The average penalty for a non-serious violation has been declining, from $18.00 in FY 1973 to $14.00 in FY 1974. Existing practices already utilize such factors as gravity of violation, employer good faith and previous history in determining the amount of the penalty.

If the purpose of the Senator's amendment is, again to provide relief for small businessmen, it seems to me that small business is hardly burdend with non-serious violation penalties and that the cost in terms of the loss of voluntary compliance cannot begin to be compensated for by relief from $14.00 fines.

In South Carolina, only 62 small businesses, out of 33,000 establishments, were inspected in FY 1974 through May. As a result of those inspections, 90 violations were cited; 88 were cited as non-serious. If fines for non-serious violations were eliminated, it would certainly end voluntary compliance in the State of South Carolina. The working men and women of South Carolina should not be deprived of the protection of this Act.

This issue of voluntary compliance is quite serious. When we enacted this legislation we had witness after witness tell us that the voluntary programs of the States and private companies were, for the most part, totally ineffective.

The slogan "Safety Pays" is not really taken to heart by many companies. Assistant Secretary Stender testified before our Committee that:

"Prior to OSHA, insufficient progress was made by attempts at encouraging job safety and health solely on a voluntary basis or without adequate enforcement tools . . . First instance sanctions and unannounced inspections are a major incentive for the employer to examine the workplace and eliminate hazards."

The Department of Labor has estimated that, without the compliance incentive of first instance penalties, it would take many more inspectors to accomplish the degree of compliance we have today with 754 inspectors. Are we willing to put millions more dollars into the budget along with the Thurmond amendment to maintain status quo on compliance—which, I might point out, still results in 5.7 million injuries and illnesses and 14,000 deaths a year.

I urge the Senate to reject this amendment, as non-germane to the appropriations process and secondly as bad legislation. I urge the Senator from South Carolina (Mr. THURMOND) to testify on his proposal before my Committee, where he will get every consideration for his proposal, where careful consideration will be given to his point of view and the views of other on this subject.

Mr. WILLIAMS. I suggest to the Senator from South Carolina that the point he raises might well be brought before the Labor Committee. It has not been brought there by the Senator from South Carolina. It might have the same constructive result as the hearings that have brought forth from our committee the association with the Appropriations Committee in including the $5 million for consultation services and also the conclusion of our committee and the association with the Apppropriations Committee that any exemption on the basis of the size, the number of employees, would be not right for the working people of this country.

So this whole mechanism of enforcement should be brought to us by the Senator from South Carolina. Certainly, there would be time still while we have our hearings.

I oppose this proposal.

Mr. COTTON. I yield to the Senator from Virginia.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the Senator yielding and I wish to speak in favor of the amendment by the Senator from South Carolina. The Senator might prefer that I obtain my time from the Senator from South Carolina.

Mr. THURMOND. Mr. President, I am happy to yield to the distinguished Senator from Virginia.

How much time does the Senator want?

Mr. WILLIAM L. SCOTT. Five minutes would be sufficient.

Mr. THURMOND. Five minutes.

Mr. WILLIAM L. SCOTT. Mr. President, I am pleased to be a cosponsor of the amendment of the Senator from South Carolina and commend him for offering it.

Of course, all of us believe in safety. I do not believe there is anyone in this Chamber who is suggesting any relaxing of safety requirements, but we are talking about a law that has rather complex regulations, by the enforcing agency, regulations that are not understood by the small businessman especially.

I have received considerable correspondence, and visits from the business community expressing concern regarding OHSA. Probably every Senator has received correspondence from the small businessman who does not know whether he is in violation of regulations of the OSHA law or not. He may want to comply but is unable to learn what is expected of it.

It seems reasonable for him to be able to ask those charged with the responsibility of enforcing the law to stop by and visit his operation and determine whether or not he is in violation without being subjected to a fine.

A businessman may seek to correct any situation that might endanger his employees or that is technically not in compliance with the law. He may hesitate, however, to ask an inspector to stop by if he is going to be subjected to a fine.

I believe it discourages obtaining clarification of his situation.

Mr. President, I feel this is a good amendment. I believe that it should be adopted. It is something that does meet a concern of the business community and I urge that the amendment be adopted by the Senate.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. Mr. President.

The PRESIDING OFFICER. The Senator from Washington.

Mr. MAGNUSON. I rise in opposition to this amendment.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. MAGNUSON. How much time have I got?

The PRESIDING OFFICER. The Senator from Washington has 1 minute remaining.

Mr. MAGNUSON. Mr. President, this amendment, at first glance, appears aimed at giving employers only a warning before an inspector comes back to impose penalties for continued violation of health and safety regulations. However, given the small size of the OSHA inspection force, it could be years before an inspector makes a second visit. Current staff can inspect less than 10 percent of U.S. businesses each year. Therefore, this amendment might effectively eliminate most enforcement of violations under the act. In addition, since this amendment would appear to require the inspector to go off the payroll to make the first inspection it is highly unlikely a second inspection would ever be made.

This amendment would alter current law which allows an inspector to assess appropriate penalties at the time he finds a violation. It would appear to be point of order language, and not germane .

I want to point out that most OSHA violations occur under authority of section 17(c) of the act for which this amendment would bar first instance enforcement. Most of these violations involve possible physical harm to workers, such as failure to have a safety guard on a machine such as a saw.

I would like to put in the RECORD a letter from Secretary of Labor Brennan endorsing our bill language on consultation services. I ask unanimous consent that the letter be included in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF LABOR,
Washington, D.C., Sept. 10, 1974.

HON. WARREN G. MAGNUSON,,
Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: We would like to advise you of our endorsement of the amendment to the FY 1975 Labor-HEW Appropriations bill adopted in the House which provides that States be funded to provide on-site consultative services to employers who request assistance in understanding their obligations under the Occupational Safety and Health Act.

As you are aware, the need for on-site consultation to assist employers in applying OSHA standards to their workplaces has been a recurring issue, especially among small businessmen. In our opinion the House Amendment, introduced by Congressman William Steiger, represents a viable and practical solution to this problem.

Under the Steiger amendment, OSHA would contract with State agencies whose personnel would perform on-site consultative services. This contracting authority already exists under section 7(c)(1) of the Act, which states:

> In carrying out his responsibilities under this Act, the Secretary is authorized to . . . with the consent of any State or political subdivision thereof, accept and use the services, facilities, and personnel of any agency of such State or subdivision with reimbursement.

One of the Secretary's responsibilities, enumerated in section 21(c) of the Act, is to "consult with and advise employers and employees . . . as to the effective means of preventing occupational injuries and illnesses." Accordingly, it is clear that consultative services performed by State personnel pursuant to a section 7(c)(1) arrangement are authorized by the Act.

In actual operation, I would propose that this program be implemented in the following manner:

On-site consultative services would consist of visits to workplaces at employer request by State personnel trained in OSHA standards wherein the consultant would (1) explain to the employer which standards apply to his workplace situation; (2) when necessary, explain the technical language and application of the standard, and (3) advise the employer of where and in what way he is out of compliance with OSHA standards. Where it is feasible and within the technical competence of the consultant to do so, he may advise the employer of the means by which he can come into compliance. It is recognized that since the primary obligation of the consultant is to advise the employer about violation of standards, comprehensive technical advice on engineering and administrative methods of compliance must be sought from customary private sector sources. Distinction between consultation as to violations and advice as to various methods of abatement must be recognized in order to make this type of governmental consultative service feasible and effective. A written report on the consultation visit would be provided to the employer.

Eligibility for consultation contracts under the Steiger amendment as a general matter would be limited to States without approved State plans, since States already operating under such plans may presently provide on-site consultation with fifty percent federal grant assistance.

Grants to participating States would be apportioned on the basis of objective criteria developed by the Department of Labor after consultation with the National Advisory Committee on Occupational Safety and Health and after consideration of public comment received as a result of publication in the *Federal Register* of proposed regulations relating to the consultation program.

State personnel selected to staff the on-site consultation program would have to possess occupational and educational qualifications similar to those of Federal compliance safety and health officers. State consultants would be required to complete the training which is provided to Federal compliance officers at the OSHA Training Institute in Chicago.

Consultation personnel would be functionally separate and distinct from enforcement activities, but would be kept abreast of all appropriate Federal administrative and policy developments in order to assure that the consultative services provided satisfy the need for reliability and uniformity of advice.

Consultation would be provided only upon request of the employer. If the employer has a substantial number of differing working conditions in his workplace, he would be required to refer to specific working conditions and consultation would be limited to the working conditions specified. Since resources will not be unlimited, a system of priorities will be necessary. Highest priority would be given to small business.

No citations or proposed penalties would be issued on the basis of the consultative visit. However, if an imminent danger situation were discovered, the consultant would request immediate abatement of the danger or, if abatement were impossible, removal of workers from the danger area. In the event of employer refusal to cooperate in eliminating an imminent danger, the consultant would advise OSHA of the problem immediately. The above procedure for consultant handling of imminent danger is consistent with the policy set out for state consultative services provided under state plans.

As previously indicated, enforcement activity and consultative services would be functionally separate. Therefore, Federal enforcement would continue, and an employer would still be subject to regular inspections. On the other hand, consultation would not trigger enforcement activity, with the exception of unresolved imminent danger situations.

If an employer is inspected subsequent to a consultative visit, citations would be issued for all violations identified. Citations would not be barred by the advice given by a consultant or by the failure of a consultant to point out a violation. However, the inspecting officer may, subsequent to his inspection and determination of violations, request a copy of the consultative report and consider the employer's request for consultation and efforts to comply with the advice of the consultant as an element for the purpose of determining the nature of the violation and the amount of any penalties.

OSHA and the appropriate State agencies would carefully monitor the consultative program in order to evaluate and work to improve the reliability and competence of consultative services.

The above description is intended to give you our approach to the implementation of the Steiger amendment.

Again, we endorse the Steiger amendment as a workable approach that can be implemented with a minimum of difficulty.

Sincerely,

PETER J. BRENNAN,
Secretary of Labor.

Mr. MAGNUSON. Mr. President, the Senator from Michigan was here a minute ago.

Have the yeas and nays been ordered on this amendment?

The PRESIDING OFFICER. No.

Mr. MAGNUSON. I believe my time is up.

The PRESIDING OFFICER. Will the Senator repeat his question?

Mr. MAGNUSON. Have the yeas and nays been ordered on this amendment?

The PRESIDING OFFICER. The answer is that the yeas and nays have not been ordered.

Mr. THURMOND. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

Mr. President, I ask unanimous consent that the quorum call not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislation clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MANSFIELD. I ask that it be in order at this time to ask for the yeas and nays on the Pell amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MANSFIELD. I ask unanimous consent, Mr. President, that an amendment to be offered by Senator HATHAWAY be limited to not to exceed 10 minutes, with the time equally divided between the sponsor and the manager of the bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. I ask that it be in order at this time to ask for the yeas and nays on that amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MANSFIELD. Now, Mr. President, I ask unanimous consent that when the time expires on the pending amendment, the distinguished Senator from Rhode Island be recognized; when the time expires on his amendment, the distinguished Senator from Maine be recognized, and at the conclusion of his remarks, that the votes occur one, two, three—the Thurmond amendment, the Pell amendment, the Hathaway amendment, and then final passage.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from New York (Mr. BUCKLEY) be given time before 11 o'clock to offer his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. MAGNUSON. Mr. President, it seems more and more obvious that several Members are trying to tack legislation onto this appropriation bill. We have four amendments this morning, all of a legislative nature. I may just move to table all this legislation.

This is a money bill. We spent all day yesterday talking about legislation that should properly be considered by the legislative committees. The Senator from South Carolina——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MAGNUSON. I yield myself——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MAGNUSON. I yield to myself from the time on the bill.

The PRESIDING OFFICER. The Parliamentarian informs the Chair there is no time on the bill. The Senator from South Carolina has 7 minutes.

Mr. MAGNUSON. I ask unanimous consent that I may proceed for 1 minute.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MAGNUSON. The Senator from New Hampshire and I are trying to do the best we can with these amendments. There have been no hearings on them. There cannot be such hearings in the Appropriations Committee. We know nothing about these amendments until the members come in and hand them to us. If we had some hearings and adequate time to consider the proposals, maybe they would have been accepted. I do not know why the people that want to change the law do not do it in the legislative committees, instead of in an appropriation bill.

We have enough problem with the money in this bill—$33 billion. Perhaps the Senator from New Hampshire and I should go to the Rules Committee before the session is over and see if we can do something to change the Senate Rules.

These people do not go to the legislative committees to be turned down. They do not even give us that courtesy. They might stand up and say, "We have been to the legislative committee but they turned us down. This is the only thing we can do now." But they will not do that. The sponsors want to tack all these provisions onto the appropriation bill.

We will try and get through today if we can, but every time we turn around somebody comes through the door with another piece of legislation.

As a matter of fact, half of the proposals fall under the committee jurisdiction of the Senator from New Jersey (Mr. WILLIAMS).

Mr. WILLIAMS. I did suggest to the Senator from South Carolina that we were there and we would receive him and hear his arguments in support of his amendment.

Mr. COTTON. If the Senator will yield, I hold the Senator from South Carolina in high esteem. He is a close personal friend. I was not going to raise any point of order, but I now see that we are going to have a string of these amendments. We have one from Senator PELL. I think we ought to start finding out whether they are in order or not.

Is it possible for me at this time to raise a point of order against this amendment on the ground it is legislation in an appropriation bill?

The PRESIDING OFFICER. The Senator from South Carolina still has 7 minutes left. The point has been made that the time to raise a point of order is when the time has expired.

Mr. THURMOND. Mr. President, again

I wish to say that if we are going to follow a course that helps the little business people of this Nation, we have to have the proper cooperation between the Government agencies and these little businesses. The Senate yesterday turned down a provision accepted by the House that would excuse the little business with 25 or fewer personnel from being subject to this act. It even turned down 10. It even turned down five.

That means the smallest business in this country is subject to this act.

The purpose of my amendment is simply this: Suppose a little business is uncertain about the regulations. The regulations are ambiguous; they are not clear; they are not concise. So they send for a Federal agent to come and talk with them, consult with them, advise with them, to work with them to try to determine what is necessary to conform to the law so they will not violate it.

When that agent comes, if he finds anything that is not just up to snuff in every way, not perfect, then the little, small businessman gets fined.

All we are asking in this amendment is that for the first offense, the first time, if the agent finds something wrong, he will not fine the businessman that time. He will put him on notice and tell him that the door should have been this way instead of that way, or he will give him instructions about some other matter that is important so that he can conform to the law.

The purpose here is not to evade the law. The purpose is to give these small businessmen an opportunity to know what the regulations are, to know how they are construed, to know how they are enforced and, if they find a violation there the first time, he can correct it. They can caution him so that he can correct it. Then, after that, he is on notice and he can be fined.

Mr. President, many people in this country feel that the Federal Government is going too far in too many ways; it is injecting itself into every facet of American life. I realize that the big labor bosses want this amendment. I realize that they would like to see little businesses unionized. They would like to take over and then they can have collective bargaining and maybe unionize all the big businesses in the country.

But, Mr. President, let me tell you something: the very heart and core of America depends upon the little businessman. It depends upon the average man on the street. It depends upon the so-called common man, and it hurts me when I see the influence exerted on the Senate by big labor bosses.

We see agents swarming around the Senate every day when we have labor matters being considered here, and we see tremendous contributions made to Members of the Senate by those unions, and to other Members of Congress.

Mr. President, I tell you the influence of the unions on this country, on this Government, on this Congress, is entirely too great. It is hard to get anything through the Senate when the labor union bosses object to it. I am not against labor unions. Anybody who wants to join a union has a right to do so. But I do not think a man ought to be forced to join a union unless he wants to do so.

But it has gotten now to where they are determined to make every person join a labor union.

I do not think it is right. I do not think it is right to exert all of their power to come down on the little business people of this Nation and require of them the kind of standards that they want to require, and demand of them unreasonable procedures and actions. The small businessmen are writing me and saying: "we did not know any better, we sent for the Government agent to come and help us; we sent for him to come in and advise with us. We sent for him to come and tell us what to do, and when he gets here, he slaps a fine on us. Is that right?" I do not think so.

I think what we ought to do is excuse the first violation and let the agent work with them and instruct them and advise them and consult with them. After that, if they violate the law, then they are subject to fines and penalties.

Mr. BIDEN. Will the Senator yield for a question?

Mr. THURMOND. Mr. President, I have only a limited time and I should like to complete my remarks. If I have any time left, I shall be glad to yield.

Mr. President, it has been said here that the consultation services by the State which are provided in this bill in the amount of $5 million would take care of the situation. That will not take care of the situation. These are people who will be employed by the States and they will undoubtedly do the best they can, but they will tell their construction of the regulations. The people who are going to determine whether the businessmen are fined or not, the people who are going to make the official inspections to determine whether they violated the law or not, will be the Federal people. So the State people may not be in accord with the Federal people. They may not instruct the businessman in the way that the Federal people feel he should be instructed. For that reason, Mr. President, I do not feel that this is sufficient.

I still think that we ought to excuse the first violation when the agents go there and find something wrong, to correct them, to admonish them, to tell them what is wrong, to help them, assist them, cooperate with them, and then the next time that they violate the law, let them be punished.

Mr. President, I realize that I am in a minority in my position. I realize that those who think as I do in this Senate are in the minority with regard to actions of this kind. But, Mr. President, I know this: In traveling around the country and in my State, I know how the people feel. They are sick and tired—sick and tired—of being harassed by Federal Government agents. They are harassed by so many agents coming and inspecting books, and telling them to put the door this way or another way, or to do some other little thing, or fining them right on the spot. They do not give them a chance.

The people of this country, some of these days, are going to let it be known at the ballot box because it is not right to impose so many regulations, so many unreasonable regulations, on the people of this country when we can avoid it, just to placate, in many instances, the big labor bosses.

Mr. President, I realize that I incur the wrath of these powerful people, and they are powerful people. But I am going to stand up for the average man in this country. I am going to stand up for the average citizen in this country, because it is not right for any one group to exert the influence that these powerful people exert on the Congress and on the Government of this country.

The PRESIDING OFFICER (Mr. NUNN). The Senator's time has expired.

Mr. COTTON. Mr. President, as ask unanimous consent for 1 minute on a question of personal privilege.

The PRESIDING OFFICER. Is there objection?

The Senator from New Hampshire is recognized.

Mr. COTTON. Mr. President, I ask been a little amused at the suggestions just made by the Senator from South Carolina. Everybody who knows anything about the Senator from New Hampshire and about New Hampshire knows that for more than 12 years I have been on the blacklist of the unions and that every time I run for reelection, they have people outside the polls in New Hampshire handing out pamphlets saying, "Don't vote for Cotton; he's not a friend of labor." They are absolutely dead set against me.

The Senator from South Carolina is not the only Senator who has gone ahead and voted his convictions, even through the polls. Here I am.

What the Senator is talking about was done yesterday. It was done longer ago than that in the committee. We have appropriated several millions that will be used for inspection. They will inspect, and when they find cause to prosecute, they will prosecute.

The PRESIDING OFFICER. The Senator's minute is up.

Mr. COTTON. May I have a minute more?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COTTON. $5 million more will be used for consultants, and they will do no prosecuting. They will be the ones who will go in and advise businessmen and help keep them out of trouble and let them know what they need to do.

That is common sense, and the Secretary of Labor says that he believes in that, and that is what he will carry out. So I am afraid that I cannot agree with the Senator when he talks about his amendment being necessary for the small businessman. We did that, and the committee does it. That is the credit we get.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. THURMOND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MANSFIELD. Mr. President, I yield 1 additional minute.

Mr. THURMOND. For whom?

Mr. MANSFIELD. For both of the Senators.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, again I want to state that this money provided to the States will be for the States to select people to try to help the best they can. But the people who are going to make these inspections, the people who are going to fine these business people, the little business people especially, will be Federal agents.

I want to repeat that. The instruction that they may get from a State agent may not be adequate to meet the standards set down by the Federal agency. So I do not think this is going to be adequate, and I think we ought to allow these people to call in agents and get instructions and cooperation and consultation before they are fined under this bill.

The PRESIDING OFFICER. The Senator's time has expired.

Under the previous order, the Senator from Rhode Island is to be recognized.

Mr. COTTON. Is it in order to move to lay this on the table?

The PRESIDING OFFICER. The Senator may make a motion to lay it on the table.

Mr. COTTON. I move to lay it on the table.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Does the majority leader want to put this vote aside?

Mr. MANSFIELD. Yes; that would come under the unanimous-consent request previously made.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, I send to the desk an amendment and ask that it be considered.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

> At the appropriate place insert the following:
>
> No provision or prohibition in this Act shall prohibit the implementation of Rights guaranteed by the Constitution.

Mr. PELL. Mr. President, this amendment is designed to clarify action taken by the Senate yesterday when it adopted the Helms amendment designed to restrict the use of funds for busing.

Senators will recall that the Education Amendments of 1974 which passed earlier this summer contained a modified Ashbrook amendment which prohibited the use of any Federal money—except for impact area funds—for busing.

Appropriations for the impact aid program are not contained in this bill, but will be considered in a subsequent supplemental appropriations bill later this year. Thus, the Helms amendment adopted yesterday has little practical effect.

Nevertheless, I believe it is important that the Senate go on record today in support of the principle of Federal assistance to those communities which are making an honest effort to desegregate their schools and guarantee equal rights to all their school children.

My amendment is a simple statement of that principle—that rights guaranteed by the Constitution cannot be denied. I hope all my colleagues will jont in this expression of congressional intent.

Personally I wish to refresh the memory of my colleagues and again lay before the Senate, on the record, the vote by which the Helms amendment was locked into the bill yesterday was 44 to 43. I voted against locking it in. My vote was noted by the secretary for the majority and by the official reporter of debates, but the official record kept by the reading clerk of the Senate did not have a record of it, and for that reason it was not counted and the Helms amendment prevailed.

That was the reason why I feel compelled today to take some action to rectify this error, for which I do not consider myself responsible.

Mr. BUCKLEY. Mr. President, I will always and under all circumstances uphold the Constitution of the United States. I will, of course, vote for the Pell amendment which merely states that the Constitution will prevail. I do not understand, however, that its adoption will in any way affect or dilute the intended effect of the Helms amendment for which I voted yesterday.

Mr. BROOKE. Mr. President, I would like to say a few words in support of Senator PELL's amendment. Yesterday the Senate passed the Helms busing amendment and the Bartlett abortion amendment, amendments which are in my judgment inconsistent with our responsibilities under the U.S. Constitution. Some Senators have disagreed with such an interpretation. And I certainly realize that reasonable men can differ when discussing issues of such controversy and complexity. But the passage of Senator PELL's amendment today would make it clear that it is the firm position of the U.S. Senate that no provision or prohibition in this act shall prohibit the implementation of rights guaranteed by the Constitution.

Mr. President, I urge my colleagues to vote for this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. Who is in control of the time in opposition to this amendment?

The PRESIDING OFFICER. The manager of the bill.

Mr. MAGNUSON. Mr. President, I yield my portion of the time to the Senator from North Carolina.

Mr. HELMS. I thank the distinguished Senator.

Mr. MAGNUSON. I favor the amendment.

Mr. COTTON. Mr. President, this is an unprinted amendment; I ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> No provision or prohibition in this Act shall prohibit the implementation of rights guaranteed by the Constitution.

Mr. COTTON. Mr. President, I raise a point of order on that amendment.

The PRESIDING OFFICER. The Senator will state his point.

Mr. COTTON. It is legislation on an appropriation bill. It has nothing to do with the appropriation. It is not a limitation on the appropriation, it is just pure reciting of the Constitution, and if it is anything it is legislation. I do not think it is anything.

Mr. HELMS. The distinguished Senator has made my argument for me, and I thank him.

The PRESIDING OFFICER. (Mr. NUNN). The Chair observes that this amendment is nothing but a repetition of the intention of the supremacy clause of the U.S. Constitution, and does not create any new legislation. The Chair observes further that it is innocuous.

Mr. COTTON. I did not invite the Chair to announce whether it was innocuous or not. I do not think it is the province of the Chair to instruct the Senate on whether this is a good amendment or a bad amendment. It may be innocuous, but I differ with that.

Do I correctly understand that the ruling of the Chair is that the point of order does not lie?

The PRESIDING OFFICER. The Senate may draw that conclusion.

Mr. COTTON. I do draw that conclusion. I appeal from the ruling of the Chair, and ask for the yeas and nays.

The PRESIDING OFFICER. The point of order is not in order until debate is concluded. There is a limitation of 10 minutes on debate, and then the point of order will be in order.

Mr. COTTON. Ten minutes of debate in addition to what the Chair has already indulged, is that correct?

The PRESIDING OFFICER. The Senator from Rhode Island has 2 minutes remaining, and the Senator from North Carolina, who I understand is now controlling the time in opposition, has 3 minutes remaining.

Mr. HELMS. Mr. President, the Senator from Rhode Island is way over in the boondocks of this Chamber, and I can understand his difficulty hearing me. Perhaps we could resolve this issue, at least in the mind of the Senator from North Carolina, by an answer to this question: Is it the Senator's intention to overturn the will of the Senate as expressed yesterday? Is that the effect of the Senator's amendment?

Mr. PELL. Mr. President, since I contend that the adoption of the amendment yesterday has no positive impact, what I am seeking to do is make sure that the Constitution is followed in the whole bill, and my amendment applies not just to the Helms amendment, but to the whole bill. It says that there will be no prohibition in this act that can be construed to be in violation of the Constitution.

Mr. HELMS. That certainly satisfies me. The Senator is not alone, of course, in his commendable fidelity to the Constitution. The Senator from North Carolina believes in the Constitution also, and in abiding by it.

But so that we can be absolutely certain, I reiterate my question, if the Senator cares to answer it: He is not trying to reverse the will of the Senate as expressed yesterday, at which time the Senate of the United States clearly went on record in opposition to forced busing of schoolchildren?

Mr. PELL. My answer remains as I have already stated, that I am seeking in this, in a positive sense, to make sure that there is no portion of this bill—and obviously the amendment of the Senator from North Carolina is now a portion of the bill—which is in violation of the Constitution. It applies equally to all other provisions of the bill.

Mr. HELMS. Let me go a step further. Does the Senator agree that the Constitution does not require of the Congress or State legislatures or any school district to appropriate money for the purpose of forced busing of schoolchildren? If the Constitution is interpreted in that fashion, I will be inclined to support the Senator's amendment. In fact, I shall support it.

Mr. PELL. I think neither the Senator from North Carolina nor I are the proper interpreters of the Constitution. The proper interpreters of the Constitution are the courts, upon a proper presentation. Neither the Senator nor I are lawyers, which makes us objective on this matter, but this is a matter that should be interpreted by the courts.

Mr. HELMS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Rhode Island has 2 minutes. The Senator from North Carolina has no time remaining.

Mr. PELL. Will the Chair repeat the time situation?

The PRESIDING OFFICER. The Senator from Rhode Island has 2 minutes remaining.

Mr. PELL. And the Senator from North Carolina?

The PRESIDING OFFICER. The time of the Senator from North Carolina has expired.

Mr. PELL. If the Senator would like my 2 mintues, I will bequeath them to him.

Mr. HELMS. I need only say, Mr. President, what is obvious—that the Senate went on record yesterday in opposition to forced busing of school children. The distinguished Senator from Rhode Island is simply saying that we believe in the Constitution. If that is what the Senator is saying, of course, we all believe in the Constitution.

Mr. President, yesterday I offered an amendment to the bill under consideration which provided that no funds appropriated under this bill could be used for the transportation of students or teachers—or for the purchase of equipment for such transportation—in order to overcome racial imbalance in any school or school system, or in order to carry out a plan of racial desegregation in any school or school system. Interpreted broadly, this applies, and was intended to imply, to any transportation assistance, including advice and planning.

This amendment was approved by the Senate and made a part of the bill.

The amendment offered by my distinguished colleague from Rhode Island provides that nothing in this act shall prohibit the implementation of rights guaranteed by the Constitution. I welcome this amendment, Mr. President, because it reaffirms what is implicit in the amendment that was approved yesterday. Indeed, no act of Congress which prohibits the implementation of our constitutional rights would be consistent with the fundamental law under which we live. We are a people who live under rule of law, and the Constitution is the highest law of this Nation. It is the hallmark of liberty and justice.

Certainly the reserved powers of the States, as guaranteed by the 10th amendment, are a part of that Constitution. In this respect, the field of education has traditionally been regarded since the earliest days of the Republic as a matter of concern that is reserved to the States. It is the States which establish our educational systems. At the same time, it is the Congress which has from time to time assisted the States in the operation of their educational systems—through Federal grants-in-aid. In providing these grants, Congress has often attached conditions to them, with the understanding that such funds are not to be granted unless the recipient States meet requirements laid down by the Congress. In other cases, Congress has placed restrictions on the use of such funds for educational purposes, as seen for example in national defense loans to students. The power of Congress, and the constitutional right of Congress, to establish these restrictions, is unquestioned.

The Helms amendment which passed the Senate yesterday recognizes this well-established prerogative of Congress to limit the use of the funds that it appropriates. In no way does it interfere with the implementation of constitutional rights, of course, and I am pleased that the distinguished Senator from Rhode Island has submitted an amendment which emphasizes this important consideration.

There is nothing in this bill which prohibits the implementation of rights guaranteed by the Constitution. The Helms amendment, adopted yesterday, obviously cannot prohibit the implementation of rights guaranteed by the Constitution and it was not intended to do so. The Helms amendment merely said that, in the implementation of rights guaranteed by the Constitution, no Federal funds appropriated under this act could be spent relating to transportation to overcome racial imbalance in schools.

No interpretation of the Constitution can require the Congress to appropriate funds for a specific purpose. If the Pell amendment were to require Federal funds in this appropriation bill to be spent on activities related to transportation plans to overcome racial imbalance in schools, it could rightly be criticized as legislation on an appropriation bill. But the Pell amendment does not require such expenditure. It is stated in the negative. It prohibits anything in the act from prohibiting the implementation of constitutional rights. A ban on Federal funds for devising and implementing transportation funds to overcome racial imbalance does not prohibit the implementation of constitutional rights. There is no right under the Constitution to a specific remedy, such as forced busing. Nor is there any right under the Constitution to Federal funding of a specific remedy, such as forced busing.

The Helms amendment leaves the States free to fulfill their obligations under any existing court orders. The States can use their own funds, or local funds. If the financial burden is too onerous, the States or the school districts can go back to the courts and ask for relief in the form of alternate attendance plans which do not require busing.

The constitutional right of Congress to restrict the use of Federal funds is reaffirmed in the Pell amendment, and for that reason I shall support it.

Mr. MAGNUSON. Mr. President, the Senator from Rhode Island is to do two things. He voted, and by some mistake he was not recorded, and so the Senate went on record without his vote, though he was here, standing in the well, and was not recorded. So he is seeking that, and I do not blame him for seeking it.

Mr. PELL. I thank the Senator very much.

The PRESIDING OFFICER. All time has expired

Mr. COTTON. Mr. President, if a rollcall was ordered, I ask unanimous consent to withdraw my appeal from the ruling of the Chair.

The PRESIDING OFFICER. The yeas and nays were not ordered. The appeal is withdrawn.

Mr. MANSFIELD. Mr. President, I inadvertently asked for the yeas and nays on the Hathaway amendment. I ask unanimous consent that the order for the yeas and nays be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. For the information of the Senate, the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) has been granted permission, I would assume at the conclusion of the Hathaway amendment, to address the Senate for not to exceed 20 minutes.

The PRESIDING OFFICER. Under the previous order, the Senator from Maine is recognized to call up his amendment.

AMENDMENT NO. 1882

Mr. HATHAWAY. Mr. President, I call up my amendment No. 1882, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 6, line 13, before the period insert a comma and the following: "except that such consultation services to employers shall not be performed by the same persons authorized to carry out the inspection provisions of this Act".

Mr. HATHAWAY. Mr. President, the purpose of this amendment is to make sure, under the consultation services provided for in the bill, that the same person who is the inspector who inspects the premises and reports violations and assesses penalties, will not be the person who is going to perform the consulting service. This would impose too great burden, psychologically at least, on the individual performing those dual functions, and also it would be grossly unfair to the employer. A person called in on consulting services, if he is also an inspector, of course, would make note of violations for which he was not being consulted, and might very well come back the next day and assess a penalty against the employer.

Certainly the employer should be able to feel, when he has a consultant there, that the consultant is not there to note defects and assess penalties.

I understand that the Senator from Washington (Mr. Magnuson), the manager of the bill, and the Senator from New Hampshire (Mr. Cotton) do not have any objections to this amendment. I reserve the remainder of my time.

Mr. MAGNUSON. Mr. President, I yield to the Senator from New Hampshire on this matter.

Mr. COTTON. Mr. President, I raise a point of order that this is legislation on an appropriation bill.

The PRESIDING OFFICER. The point of order is not in order because the debate is concluded.

Mr. COTTON. I thank the Chair for his advice. Forgive me, I withdraw my point of order.

The PRESIDING OFFICER. Who yields time?

Mr. MAGNUSON. I merely want to take 1 minute. At first I thought that we might be able to accept this amendment which requires a separate State staff to carry out State consultation services different from the staff performing inspections. We subscribe to that principle. The Secretary of Labor has already issued regulations requiring that the staffs be separate, so that the amendment does not seem to be necessary here. Now, it is legislation, but I yield to the Senator from New Hampshire if he wants to speak. I yield back the remainder of my time.

Does the Senator want to go ahead with his time

Mr. HATHAWAY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATHAWAY. Before any ruling is made on a point of order, is it permissible under the rules to have a vote on germaneness?

The PRESIDING OFFICER. If a point of order is raised the Senator from Maine is entitled to raise the question of germaneness before the Chair rules on a point of order.

Mr. COTTON. Mr. President, will the Senator from Maine yield?

Mr. HATHAWAY. Yes, I will be glad to yield to the Senator from New Hampshire.

Mr. COTTON. I do not like to have, after working months on this bill, unnecessary amendments come one after the other.

The Senator's purpose is perfectly good. I respect him and I respect his purpose. But it is all provided for in the bill already.

I was going to raise the point of order so that we could stop these amendments that should not be in the bill.

Mr. MAGNUSON. They are legislation.

Mr. COTTON. But what I am doing is taking up this time while the Senator raises a point of germaneness and I raise the other. If it is satisfactory to the chairman, we will accept the amendment of the Senator from Maine and write it in the bill. It will not do any harm. God bless him, I do not think it will do much good.

Mr. HATHAWAY. I thank the Senator from New Hampshire.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maine. All time has expired. [Putting the question.]

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 20 minutes under the previous order.

Mr. HARRY F. BYRD, JR. Mr. President, on yesterday I asked the distinguished chairman of the Appropriations Subcommittee, and manager of the bill, to confirm certain figures in the appropriations. My understanding is that the figures that I submitted for the Record had been confirmed. But I would yield to the distinguished Senator from Washington in the event that he wishes to clarify that point.

Mr. MAGNUSON. Mr. President, yesterday the distinguished Senator from Virginia raised a question about appropriations for the Department of HEW for the period beginning 1971 through 1975, and he asked that these figures be confirmed.

We asked the committee staff to examine the figures, and they have confirmed their validity. The figures mentioned by the Senator do not include the Labor Department appropriations, which are also in this bill, but they do include HEW appropriations which are carried on by Agriculture, Interior, and other appropriation bills.

They include all of HEW and only HEW. The figures are: fiscal 1971, $21.6 billion; fiscal 1972, $26.9 billion; fiscal 1973, $31.6 billion; fiscal 1974, $35.6 billion; and fiscal 1975, $35.1 billion.

Both the fiscal 1974 and 1975 amounts are estimates, but we expect the final figures to be close to the estimates.

Mr. HARRY F. BYRD, JR. Mr. President, if the Senator will yield——

Mr. MAGNUSON. May I finish?

The Senator also asked that the various amounts provided through the supplemental process be broken out, and the staff has done that. The figures are: fiscal year 1971, $1.2 billion; fiscal 1972, $2.4 billion; fiscal 1973, $3.2 billion; and fiscal 1974, minus $200 million.

The 1974 figure is a negative amount because the necessary supplemental appropriations were more than offset by the rescission of the $1.2 billion in surplus welfare appropriations.

The question was also raised about the amount of noncontrollables in HEW, and I will read those figures: Fiscal 1971, $13 billion; fiscal 1972, $15.5 billion; fiscal 1973, $18.2 billion; fiscal 1974, $19.6 billion; and fiscal 1975, $22.4 billion.

Here again both the 1974 and 1975 figures are estimates, but we expect the final figures to be lower by about $1.2 billion in both years.

I hope this information is responsive to the Senator's request.

Mr. HARRY F. BYRD, JR. Yes. I thank the able Senator from Washington very much, and I thank the staff for the work they did in compiling those figures.

Mr. President, I would point out that in 1960 the total HEW appropriations were $4 billion. They were $4 billion in 1961 also, and that the total appropriation now is $36 billion for 1974, and an estimated $35 billion for 1975.

I ask unanimous consent that a table I have prepared dealing with this matter be inserted at this point in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

HEW and Defense appropriations

[In billions of dollars; rounded and revised]

	DOD	*HEW*
1960	39	4
1961	40	4
1962	47	5
1963	48	5
1964	48	6
1965	48	7
1966	59	10
1967	70	13
1968	74	15
1969	77	16
1970	74	17
1971	71	22
1972	75	27
1973	78	32
1974	78	36
1975	82	[1] 35

[1] Budget estimate; appropriation not enacted.

Source: Office of Management and Budget.

Mr. HARRY F. BYRD, JR. I again thank the able Senator from Washington. I reserve the remainder of my time.

AMENDMENT NO. 1881

Mr. BUCKLEY. Mr. President, I call up my amendment No. 1881.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

On page 44, between lines 2 and 3, add the following new section:

Sec. 412. None of the funds appropriated by this Act shall be used to pay for any research program or project or any program, project, or course which is of an experimental nature, or any other activity involving human participants, which is determined by the Secretary or a court of competent jurisdiction to present a danger to the physical, mental, or emotional well-being of a participant or subject of such program, project, or course, without the written, informed consent of each participant or subject, or his parents or legal guardian, if such participant or subject is under eighteen years of age. The Secretary shall adopt appropriate regulations respecting this section.

Mr. BUCKLEY. Mr. President, this amendment which the Senator from Delaware and I have introduced is relatively modest. Essentially it simply establishes in law and somewhat broadens the protection of human subjects of research and experimentation and similar activities which is already a part of HEW regulations. Where the Secretary or a court of competent jurisdiction determines that a particular activity which is to be federally funded presents a danger to the physical, mental, or emotional health of subjects or participants of such activities, the written, informed consent of each subject or participant must be obtained.

This would broaden the coverage of existing HEW regulations to include activities carried out by HEW itself.

The Senate went on record in support of this protection for human subjects when it passed the Biomedical Research Act by a vote of 81 to 6.

This is a very simple but important measure to insure this basic protection of human subjects who may be risking physical, mental, or emotional damage to themselves.

Mr. BIDEN. Mr. President, last May, when the Senate considered the Education Amendments of 1974, I cosponsored an amendment introduced by Senator BUCKLEY, which protected parents and students from infringement on their rights.

I regretted that the Senate chose to delete the portion of that amendment which required prior informed consent of parents whose children were to participate in experimental projects.

Because I sincerely believe that parents should be consulted about all activities involving their children, and because I believe that all Americans—be they 9 or 90 years old—are entitled to the right of self-determination, I am pleased to again join Senator BUCKLEY in support of this amendment.

The amendment offered by the distinguished Senator from New York, will require the informed consent of any individual prior to his or her participation in any program or project which has been determined to present a danger to the physical, mental, or emotional well-being of the participant.

I believe that the Senate has already recognized the importance of protecting program participants from violation of their liberties—the Biomedical Research Act, passed just a few months ago, contained provision for the protection of human subjects of biomedical research. Senator BUCKLEY's amendment will reaffirm this commitment.

I would strongly urge my colleagues in the Senate to recognize the importance of this amendment and to act favorably on it.

Mr. BUCKLEY. I am advised that the distinguished managers of the bill are prepared to accept the amendment.

Mr. COTTON. Will the Senator yield for a question?

Mr. BUCKLEY. Gladly.

Mr. COTTON. I understand the intent of the Senator's amendment, and I think it is a good intent. But I am troubled by the words in——

Mr. BUCKLEY. Will the Senator be kind enough to use his microphone?

Mr. COTTON. Yes, and I will use my time; it is on my time.

Is there a time limit?

The PRESIDING OFFICER. There is no time limit.

Mr. COTTON. In the fourth line from the bottom, if we count up, it says that it requires the written, informed consent of each participant or subject.

Now, Mr. President, in my own family I have had a situation some 30 years ago where a member of my family had what we called then, and what is frowned on now, I believe, by doctors, as a frontal lobotomy operation. That member of my family was in no condition, and by no stretch of the imagination could be in a position, to give a written form of consent.

I gave the written form of consent or written consent; and I am just afraid when we are trying to deal with handicapped children some of whom may have cooperative parents or parents of standing, and some of whom may not, before anything can be done for them, it would be necessary to go through the process of having a guardian appointed by the courts. That "written, informed consent" worries me.

The activities conducted in the Health, Education, and Welfare Department are conducted when treatment has to be for human beings. Judging from the bills they charge, they have the best doctors in the country.

If that phrase "written, informed consent" could be eliminated, then it would be just simply consent of each participant or subject, or his parents or guardian, and I think it would be all right.

If the chairman agrees, I will be glad to accept it, but I just am worried that that "written, informed consent" may prove a great obstacle and delay necessary treatments.

I am not sure it would not prevent treatment.

Mr. BUCKLEY. If the Senator will yield, I would like to call two facts to his attention.

No. 1, we are not speaking about treatment, but this language is limited to research programs and projects, et cetera, of an experimental nature.

In other words, we are not talking about it being a fact situation to which he addresses himself.

Then, two, there are obviously situations where the subject of an experiment would not be in a position to give written, informed consent, in which case, the language contemplates that that consent would be given by a parent or legal guardian.

I also point out that this principle merely spells out an existing HEW regulation as it applies to contractories—

Mr. COTTON. May I ask the Senator, does he have any knowledge that the Department is performing experimental processes on human beings without their consent or without the consent of the parent or guardian?

It is incredible to me that that sort of thing is going on.

If it is going on, why does the Senator present this amendment? He has not given us time to find out what they claim the facts are.

Does the Senator, of his own knowledge, know of situations where human beings have been used like dogs for experimental purposes without consent?

Mr. BUCKLEY. We certainly know of such situations under the auspices of the Army involving experiments with syphilis, or lack of treatment of syphilis.

I see no reason to believe that merely because the Department is operating under HEW that greater care or probity would be utilized than in another branch of the Federal Government.

I also believe that the HEW itself recognizes the existence of the hazard by virtue of its having applied these regulations to control people with whom they deal.

Mr. COTTON. May I say half facetiously, but most seriously, really, does the Senator think HEW is performing the way the Army does?

I guess his amendment does not go far enough. We should recommit the bill and cut out half of it.

The committee has been listening for months to people who have been shouting at Congress and blaming all of us because we want a national defense; they say they want that money for suffering humanity; and they are all, representing both the Department and the public witnesses, seeking to aid people. I do not believe they can be compared with some of the things that go on in the Army, with all due respect to the Army, but I have some vivid recollections from my own youth.

If this bill had anything to do with the Armed Forces, it might be different.

I am just afraid of the written, informed consent. I am afraid it is going to interfere, even though the amendment talks about experimentation, I am afraid it is going to interfere with treatment. It could set a standard for doctors elsewhere.

I am apprehensive of that expression, and I wish it could be removed. If the chairman agreed, and I think he did, we will just accept the amendment and take care of it.

I may be nitpicking, but I do not think so.

Mr. BUCKLEY. Well, I have the deepest respect for the Senator from New Hampshire, but, as I say, No. 1, the Senate has recorded itself in favor of this principle in another bill, 81 to 6. HEW itself believes in this kind of consent, that it should be required when experimentation is conducted with human subjects.

Mr. COTTON. What was the bill?

Mr. BUCKLEY. A gap, and the only gap exists with respect to activities directly handled by HEW.

Mr. COTTON. To what bill does the Senator refer?

Mr. BUCKLEY. A bill passed a few months ago on biological research, H.R. 7724.

In that case, in conference, the Senate measure was not acceded to for the simple reason that existing regulation took care of the problem.

I merely point to an area where there is no existing regulation.

Mr. COTTON. Why do we not take it to conference?

I was informed, I think, by the chairman that he was willing to accept this, is that all right?

Mr. BUCKLEY. I thank my colleague from New Hampshire.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York (Mr. Buckley).

The amendment was agreed to.

Mr. HARRY F. BYRD, JR. Mr. President, I yield back the remainder of my time.

Mr. MANSFIELD. Mr. President, now we get to the votes on the amendments.

Mr. MAGNUSON. Mr. President, we inadvertently left some language out that should have been in the bill. The distinguished chairman of the Appropriations Committee is suggesting that this omission be corrected.

Mr. McCLELLAN. The committee adopted it unanimously.

Mr. MAGNUSON. That is right, the language simply requires that enforcement efforts by HEW shall apply equally to all parts of the country with respect to integration and desegregation.

The effect of the amendment is to require that laws prohibiting segregation are enforced equally throughout the country.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

On page 29, line 20, insert before the period a comma and the following: "which sum shall be available for expenditure to enforce any order, with respect to the desegregation of schools of a local educational agency, requiring the transportation of students from one school to another school only under the same circumstances and in the same manner whether the residence of the students of such school or the principal office of such local educational agency is situated in the northern, eastern, western, or southern part of the United States".

Mr. MAGNUSON. So that the record is clear, it was approved by the committee but inadvertently left out.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. MANSFIELD. Mr. President, it is my understanding through the unanimous consent agreement that we first vote on the Thurmond amendment.

The PRESIDING OFFICER. Motion to table the amendment.

Mr. MANSFIELD. That is, a motion to table.

Following that, we vote on the Pell amendment straight up and down.

Mr. COTTON. Mr. President, may I ask unanimous consent to withdraw my motion to table so that we will vote on each of them up and down?

Mr. MANSFIELD. I ask unanimous consent then that each of these two amendments be voted up and down.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Then following those two amendments, it will be third reading.

Following that, there will be final passage.

Mr. President, I will take a chance at this time and ask unanimous consent that as long as the votes will be in succession that the second and third votes be limited to 10 minutes.

I do so with the proviso that if the distinguished Senator from Oregon, who I think understands this matter quite thoroughly, raises a question about it, the other two will be 15 minutes, as well.

Mr. HUGH SCOTT. Does the Senator now indicate three successive votes back to back?

Mr. MANSFIELD. Yes, and the limitations will be lifted if the distinguished Senator from Oregon has any question.

Mr. HUGH SCOTT. Yes.

I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MAGNUSON. Mr. President, I want to take this opportunity, if I might, to say that most of the people who talked to me believe the vote will be at 11 o'clock.

Mr. McCLELLAN. Will the Senator yield for a motion?

Mr. MAGNUSON. I yield.

Mr. McCLELLAN. I move that the vote by which the committee amendment was adopted be reconsidered.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina (Mr. Thurmond).

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from Missouri (Mr. Symington), and the Senator from California (Mr. Tunney) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. Cook), the Senator from Colorado (Mr. Dominick), and the Senator from Texas (Mr. Tower) are necessarily absent.

I also announce that the Senator from Illinois (Mr. Percy) is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. Percy) would vote "nay."

The result was announced—yeas 36, nays 55, as follows:

[No. 404 Leg.]

YEAS—36

Abourezk
Allen
Bartlett
Bellmon
Bennett
Brock
Buckley
Byrd, Harry F., Jr.
Cannon
Chiles
Church
Curtis
Dole
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gurney
Hansen
Hatfield
Helms
Hruska
Johnston
McClure
McGovern
Nunn
Roth
Scott, William L.
Sparkman
Stennis
Taft
Talmadge
Thurmond
Young

NAYS—55

Aiken
Baker
Beall
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Case
Clark
Cotton
Cranston
Domenici
Eagleton
Griffin
Hart
Haskell
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Weicker
Williams

NOT VOTING—9

Bayh
Cook
Dominick
Gravel
Hartke
Percy
Symington
Tower
Tunney

So Mr. Thurmond's amendment was rejected.

The PRESIDING OFFICER (Mr. Hughes). Under the previous unanimous-consent agreement, the vote will now occur on the Pell amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Alaska, (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from Colorado (Mr. Haskell), the Senator from Missouri (Mr. Symington), and the Senator from California (Mr. Tunney) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. Cook), the Senator from Colorado (Mr. Dominick), and the Senator from Texas (Mr. Tower), are necessarily absent.

I also announce that the Senator from Illinois (Mr. Percy) is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. Percy) would vote "yea."

The result was announced—yeas 85, nays 5, as follows:

[No. 405 Leg.]

YEAS—85

Abourezk
Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Curtis
Dole
Domenici
Eagleton
Ervin
Fannin
Fong
Fulbright
Goldwater
Griffin
Gurney
Hansen
Hart
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Taft
Thurmond
Weicker
Williams
Young

NAYS—5

Cotton
Eastland
Scott, William L.
Stennis
Talmadge

NOT VOTING—10

Bayh
Cook
Dominick
Gravel
Hartke
Haskell
Percy
Symington
Tower
Tunney

So the amendment was agreed to.

Mr. MONTOYA. Mr. President, I rise with great enthusiasm today to express my support for this appropriations bill as reported by our subcommittee and as approved by the full Appropriations Committee.

I take great pride in this bill and I commend the subcommittee chairman, Senator Magnuson, and the ranking minority member, Senator Cotton, for their efforts to comply with President Ford's request for an austerity budget. The fact that the bill as reported in $629,953,000 below the budget request indicates our concern with the inflation problem and indicates our desire to curb Federal spending as a means of slowing down the inflation rate.

We on this subcommittee have the difficult task of trying to provide sufficient funds to meet the education and health needs of this country while at the same time trying to comply with the need to curb Federal spending. All of us know that, were we to appropriate the amounts actually needed to satisfy this country's health and education needs, the size of this bill would triple.

I know that every Member of this body would like to see more money for health research, more for student loans, more for education research. I can personally assure every Member that I, too, feel the same way. I can also assure every Member that our subcommittee made every effort to insure that no existing program would be seriously hurt as a result of this committee's action.

What is important to keep in mind in reviewing this legislation is that 68 percent or $21.4 billion of the $33.4 billion recommended by the committee is required to cover noncontrollable items. This fact, Mr. President, severely limits the committee's alternatives and makes it necessary for us to reduce spending in areas where larger amounts should be appropriated.

Our committee has made every effort to comply with the President's request for austerity. We have also made every effort to insure that in being austere we did not neglect the education and health needs of this country. For this, great credit must go to our chairman and the minority ranking member who resisted overwhelming pressures from various interest groups and Members of Congress while considering this budget.

In closing, Mr. President, I want to take this time to extend my best wishes to the retiring ranking minority member and my very good friend, Senator Norris Cotton. During my tenure on this subcommittee, I have had the pleasure of working with this great, distinguished and dedicated public servant. His words of wisdom and guidance will be missed by all of us as will his cooperative attitude. All of us who have worked with Norris Cotton have benefited greatly from his dedication to the Senate as an establishment and from his great love for his country and his own people in New Hampshire.

While the Senate is losing one of its best Members and his loss will be a great one, I feel that I am losing a close friend for whom I have the greatest admiration and respect.

Now Norris Cotton is going to his beloved New Hampshire for a well-deserved rest and I wish for him good health and a long life.

Mr. BUCKLEY. Mr. President, once again, and with reluctance, I will vote against an appropriation bill. The aggregate expenditures reflected in the Labor and HEW appropriations bill for 1975 are only about 1 percent less than those projected for fiscal year 1975. This falls far short of the across-the-board cuts we must achieve if we are to start bringing inflation under control. I am not convinced that large savings could not have been achieved in this bill without sacrifice to essential services.

Mr. GRIFFIN. Mr. President, before the vote is taken on this bill, I believe that a strong word of caution should be expressed. This bill came to the floor reflecting what appeared to be a net reduction of more than $600 million below the President's budget.

Senators should be aware, however, that that figure was achieved through a reduction of $1.2 billion in estimates for public assistance. In other words, if the administration's estimate is right and the committee's estimate is wrong, the bill is more than half a billion dollars above the President's budget.

Public assistance is really not a controllable item in the budget. Under the law, the Federal Government must pay its share of legitimate welfare costs incurred by the States. In the end, Congress will have no realistic choice but to appropriate amounts necessary to cover such costs.

For a number of years, both the administration and the Congress accepted the estimates of the 50 States which are made considerably in advance of the fiscal year. For 11 years in a row, the State estimates have been understated—too low—and the Congress has been required to pass a supplemental appropriation for each of those 11 years. Fiscal year 1973 was a standoff. The original estimates for that year were reasonably accurate. However, the administration requested, and the Congress passed, a supplemental which proved to be unnecessary.

In fiscal year 1974, for the first time, the pendulum swung the other way and the estimates were overstated. As a result, the administration recommended a rescision of $783 million; but then the Congress actually rescinded $1,188,000,000.

This bill reflects a judgment—or a hope—by the committee that fiscal year 1975 will be a repetition of fiscal year 1974.

On the other hand, the Department of Health, Education, and Welfare believes that the committee's assumptions are incorrect.

Accordingly, when the roll is called and the vote is taken on this bill, Senators should be aware of the fact that a due bill may be waiting in the wings in the form of a large supplemental appropriation for public assistance. The amount of that due bill could be as high as $1 billion.

I suspect that in the weeks ahead we shall hear claims made that the Senate has cut the President's budget by its action on this appropriation bill. Just for the record, it should be stated now that such is not the case at all.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 15580) was read the third time.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that I may proceed for 2 or 3 minutes—I may not even take that long—before passage.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MAGNUSON. Mr. President, this is the last time Norris Cotton and I will be working together——

The PRESIDING OFFICER. The Senate will be in order. The Senator will suspend until order is restored. The Chair asks Senators to cooperate, so that the Senator from Washington can be heard.

The Senator may proceed.

Mr. MAGNUSON. This is the last time Norris Cotton and I will be working together on the regular Labor-HEW appropriations bill. He will be leaving us at the end of his present term to retire after 28 years of outstanding service to his State and to the Nation in the U.S. Congress.

In 1954, after 8 years of service in the House, Senator Cotton came to the Senate. He joined me on the Commerce Committee in 1957, and in 1963 became ranking minority member of that committee. During this period, Senator Cotton and I have set aside partisan differences to work together on a number of measures insuring the protection and safety of citizens in consumer-related affairs.

In 1962 he added his membership to the Appropriations Committee and the Labor-HEW Subcommittee.

I think it is worthy of note that during these 12 years in which Senator Cotton has served the subcommittee, the Nation has noticed its greatest advancements in the quality of health care delivery and research, which has and will save thousands of lives and untold suffering, as well as the quality of education that is now available to all children. No one knows as well as I of the hard work, the dedication, and the perseverance of Norris Cotton in realizing these achievements. I have sat with him through many strenuous days of hearings, probing the broad spectrum of Federal programs in the areas of health, education, welfare, and labor. We have been through numerous executive sessions on this bill, and during the course of this close association, I have come to know a man who is deeply and genuinely concerned with the welfare of people. We have weathered an extensive record of vetoes, and in spite of this, NORRIS COTTON has retained a clear vision of human needs and a determined sense of priorities. He has been a strong leader in the advancement of health research, care, and delivery, and has been a special champion to this cause in behalf of Americans living in rural areas.

I witnessed one of his greatest achievements along this line when I was privileged to speak at the dedication of the Norris Cotton Cancer Radiation Therapy and Research Center in Hanover, N.H. It was through his efforts and strong determination that this badly needed center has been established to provide patients in the Northeast with up-to-date cancer treatment.

As a pointed example of his long interest in the field of education, I would say with confidence that I know no one who has battled with such persistent determination as Senator COTTON has to provide adequately qualified teachers and specialized-learning aid for handicapped and disadvantaged children.

These are just a couple of instances where the country has felt the hand of Senator COTTON at work—work which involved nonpartisanship and work which was sincerely motivated by a great understanding of the needs of this Nation.

Senator COTTON, it was once said that the only way to have a friend is to be a friend. It can truthfully be stated that this country has found a friend in you.

I thank you—the Congress thanks you—and your fellow Americans thank you.

(Applause, Senators rising.)

Mr. MAGNUSON. I want to compliment the staff that has worked so diligently and competently to complete the enormous amount of work required on this bill. It is unquestionably one of the most complicated bills in the entire Congress. We have held months of hearings and heard hundreds of witnesses. This would not be possible without the dedicated staff made up of Harley M. Dirks, Terrence Sauvain, Domenic Ruscio, James Sourwine, Gar Kaganowich, Kay Humphrey, and Barbara Kennedy. They have done a terrific job, often under the pressure of extremely tight deadlines, in all aspects of our work.

I also want to express my appreciation to the staff of the Library of Congress and the General Accounting Office who have provided valuable assistance to us in our work.

Mr. COTTON. Mr. President, if the Senator will yield, I want to say that I am very touched, and more grateful than I can adequately express, for his kind comments on my work with him and for the reception of those comments by my colleagues in the Senate. I do not wish to engage in a flower throwing contest, but I have served with the Senator from Washington all these years in the Commerce Committee, of which he is chairman. As a matter of fact, I was on the HEW Subcommittee before he took over from our beloved friend, Lister Hill. At that time, he was chairman of independent offices. I have served all these years with the Senator from Washington, and he has always been fair and most considerate. We have never once had any personal friction. It has made life much more comfortable to work under the leadership of a man who is so considerate and so fair. We have had disagreements, of course, but that is inevitable. That has never come between us, and we have always laid our cards on the table.

May I say this: As I leave this place, I have many friends. I think I have been inconsiderate of the Senator who was presiding over the Senate earlier and perhaps disagreed too sharply with the Senator from South Carolina, who has been my long-time friend. I am sorry it happened this morning. I did not know I was going to be at my funeral services. [Laughter.]

Had I known it, I would have been more careful. [Laughter.]

I have served in the Senate 20 years. I have differed vitally with some Members of this body. But there is not one Member I do not respect and for whom I do not have the warmest feeling of friendship. I cannot remember a single Member of this body who ever has been discourteous or has done me an injustice. For 20 years, that is something fairly comforting to say.

I shall miss you. There is a time for coming and a time for going. I am 74, on my way to 75, and my wife is in very poor health. I made up my mind a year ago that my duties lay elsewhere.

I also made up my mind that, having waited 20 years to be chairman of a committee for just 2 years, things did not look like I was going to be chairman if I waited another 10 years. [Laughter.] So that I felt the time had come to go.

I shall miss every one of you, and I thank every one of you for your many kindnesses and courtesies. Thank you.

(Applause, Senators rising.)

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent to proceed for 3 minutes, notwithstanding any previous order.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. HUGH SCOTT. Mr. President, I will stay within the time, although it will be difficult.

If the U.S. Senate were constituted as the Canadian Senate, or should we so constitute ourselves, I am sure that we would want the distinguished Senator from New Hampshire to be our first elected Senator for life. Since we cannot do that without a minor change in the Constitution, for which neither of us is able to wait, I think we will always continue to regard him as our honorary Senator for life.

NORRIS COTTON is of a notably gentle, tolerant, and patient disposition. He does not need to apologize to us.

Our old friend and colleague Cicero said about men like NORRIS COTTON:

> Vir et fortissimus in publica et firmissimus in re suscepta.

I ask unanimous consent to include the translation as soon as I can find it. [Laughter.]

We wish you well.

Translation:

> A man both very brave in public life and very strong in a cause which he has undertaken.

Mr. ERVIN. Mr. President, I ask unanimous consent that I may have 1 minute to say something about Senator COTTON.

The **PRESIDING OFFICER.** Is there objection? The Chair hears none, and it is so ordered.

Mr. ERVIN. Mr. President, we have had quite a controversy in North Carolina for a long, long time as to whether the words "Damn Yankee" are one word or two. But since I have come to the Senate, I have found out, beyond peradventure of a doubt, that insofar as they apply to the distinguished Senator from New Hampshire, the words are three: "Damn good Yankee."

[Laughter.] [Applause.]

Mr. BAYH. Mr. President, I wish to congratulate the distinguished senior Senator from Washington (Mr. MAGNUSON) for the fine effort that he and his subcommittee have done in bringing to the floor a bill that is $630 million below the President's budget request. Within the total, the committee has accepted my recommendations for cuts in the amount of approximately $1.3 billion.

SALUTE TO SENATOR NORRIS COTTON

I also wish to extend a special note of congratulations to the ranking minority member of the subcommittee, Mr. COTTON, who has served so ably in this capacity for many years and who plans to retire. The bill again this year, with its emphasis on medical research and with the special initiatives to provide medical care in the medically underserved rural areas such as northern New Hampshire and Vermont, and other areas, reflects the dedicated efforts of Senator COTTON. During my short time on the Appropriations Committee, I have come to an increased and heightened understanding and appreciation of the compassion and the spirited behind-the-scene efforts of Senator COTTON to support and protect Federal medical research and medical care programs. I salute Senator COTTON for his fine efforts in this area over the years and especially during the last decade. Without his efforts and constant support the medical research program of the National Institutes of Health would not be where it is today.

As Senator COTTON approaches retirement, I want him to know that he has the warm affection and high respect of his colleagues. I know that we in the Senate will miss his wise and compassionate counsel, especially in the area of medical research and medical care. I hope the citizens of New Hampshire and the country realize what a friend of medical research and medical care they will lose when Senator COTTON retires from the Senate.

Best wishes to you, NORRIS.

The **PRESIDING OFFICER.** All time has been yielded back.

The bill having been read the third time, the question is, Shall it pass? On this question the yeas and the nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from Mississippi (Mr. Stennis), the Senator from Missouri (Mr. Symington), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. Gravel), and the Senator from California (Mr. Tunney) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. Cook), the Senator from Colorado (Mr. Dominick), and the Senator from Texas (Mr. Tower) are necessarily absent.

I also announce that the Senator from Illinois (Mr. Percy) is absent on official business.

I further announce that, if present and voting, the Senator from Kentucky (Mr. Cook), and the Senator from Illinois (Mr. Percy) would each vote "yea."

The result was announced—yeas 77, nays 12, as follows:

[No. 406 Leg.]

YEAS—77

Abourezk
Aiken
Allen
Baker
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Eagleton
Eastland
Ervin
Fong
Griffin
Hart
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Taft
Talmadge
Weicker
Williams
Young

NAYS—12

Bartlett
Buckley
Fannin
Goldwater
Gurney
Hansen
Helms
McClure
Nunn
Roth
Scott,
  William L.
Thurmond

NOT VOTING—11

Bayh
Cook
Dominick
Fulbright
Gravel
Hartke
Percy
Stennis
Symington
Tower
Tunney

So the bill (H.R. 15580) was passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MAGNUSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MAGNUSON. Mr. President, I move that the Senate insist on its amendments, request a conference with the House thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Magnuson, Mr. Stennis, Mr. Bible, Mr. Robert C. Byrd, Mr. Proxmire, Mr. Montoya, Mr. Hollings, Mr. Eagleton, Mr. McClellan, Mr. Cotton, Mr. Case, Mr. Fong, Mr. Brooke, Mr. Stevens, Mr. Schweiker, and Mr. Young, conferees on the part of the Senate.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make any necessary technical and clerical corrections in the engrossment of the Senate amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that a revised table of the final figures the Senate put in the bill in relation to H.R. 15580 be printed in the Record.

There being no objection, the revised table was ordered to be printed in the Record, as follows:

Current status of Labor-HEW bill—H.R. 15580

Budget estimates, 1975	$33,531,095,000
Amount of House bill	33,156,541,000
Senate committee changes	−255,399,000
Bill as reported to Senate	32,901,142,000
Floor amendments:	
Comprehensive employment and training	+175,000,000
National Cancer Institute	+35,000,000
Current level of Senate bill	33,111,142,000
Over comparable appropriations, 1974	+3,945,320,000
Under budget estimates, 1975	−419,953,000
Under House bill	−45,399,000

Mr. MANSFIELD. Mr. President, once again the distinguished chairman of the Subcommittee on Labor, and Health, Education, and Welfare of the Senate Appropriations Committee, the Senator from Washington (Mr. Magnuson) has deftly led the Senate through a complex and controversial measure by his reasoned and expert handling of the Labor-HEW appropriations bill. The programs which most directly affect the day-to-day living of every person in this Nation are funded in this bill and Senator Magnuson has served as a highly effective and compassionate watchdog of these interests. The people of the country and his colleagues in the Senate salute Senator Magnuson and his staff for the work performed on this bill and the manner in which it was guided through the Senate.

I wish to point out as well that throughout the years Senator Magnuson has had the invaluable assistance and interest of the Senator from New Hampshire (Mr. Cotton) on which to rely. Senator Cotton is retiring from the Senate at the end of this session and the Labor-HEW appropriations bill debate represents a farewell, of sorts, to that particular aspect of his great career. He has served as the ranking member of the subcommittee and in that capacity has devotedly and thoughtfully helped to focus our attention year after year on the vitally important areas covered in the measure completed today. I salute Senator Cotton for his outstanding contributions this year and in the many years past to our enlightenment and understanding of all the ramifications involved in so complex a matter.

The entire Senate is to be commended for the diligence with which it applied itself in completing work on this bill today.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that regardless of the time limitation, I may be recognized for the purpose of making a request. I want to call this to the attention of the distinguished acting Republican leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRAVEL EXPENSE AMENDMENTS ACT OF 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote by which S. 3341 was passed, together with third reading of the bill, be reconsidered.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 3341) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes.

The Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I call up the amendment proposed by the Senator from South Dakota (Mr. Abourezk).

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the end of the bill add a new section as follows:

"Sec. —. (a) Section 111 (a) of title 38, United States Code, is amended by adding at the end thereof the following: 'In no event shall the amount paid for expenses of travel or mileage allowance under this section in the case of any veteran with a service-connected disability be less than the amount paid therefor under section 5702 or 5704, as appropriate, of title 5 in the case of employees of the United States traveling on official business.'.

"(b) The amendment made by subsection (a) of this section shall become effective July 1, 1975."

Mr. GRIFFIN. Mr. President, this is the amendment we asked on yesterday be held up in order that we could check it out on this side.

I can report there is no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 3341) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 3341

An act to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act may be cited as the "Travel Expense Amendments Act of 1974".

SEC. 2. (a) Section 5701 of title 5, United States Code, is amended—

(1) by striking out "and" at the end of subparagraph (5);

(2) by striking out the period at the end of subparagraph (6) and inserting in lieu thereof a semicolon and the word "and"; and

(3) by adding at the end thereof the following:

"(7) 'high cost locality' means any geographic location within the continental United States designated by regulations prescribed under section 5707 of this title.".

(b) Section 5702(c) of such title is amended to read as follows:

"(c) Under regulations prescribed under section 5707 of this title, the head of the agency concerned may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of the trip, not to exceed an amount named in the travel authorization, when the per diem allowance would be less than those expenses due to—

"(1) the unusual circumstances of the travel assignment, in which case the amount named in the travel authorization may not exceed—

"(A) $50 for each day in a travel status inside the continental United States; or

"(B) the per diem allowance established under subsection (a) of this section plus $23 for each day in a travel status outside the continental United States; or

"(2) a travel assignment to a high cost locality, in which case the amount named in the travel authorization may not exceed the daily amount provided in those regulations for that locality."

(c) Section 5707 of such title is amended—

(1) by striking out "Director of the Bureau of the Budget" and inserting in lieu thereof "Administrator of General Services";

(2) by inserting the subsection designation "(a)" at the beginning of the text thereof; and

(3) by adding at the end thereof the following new subsection:

"(b) The regulations prescribed by the Administrator shall include the designation of any high cost locality with respect to which the Administrator determines that the per diem allowance established under section 5702(a) of this title would be less than the actual and necessary expenses incurred in traveling to that locality. The Administrator shall establish for each high cost locality, the daily amount (not to exceed $50 for each day) that may be paid under section 5702(c)(2) of this title in traveling to that locality."

SEC. 3. (a) Section 5702(a) of title 5, United States Code, is amended to read as follows:

"(a) An employee, while traveling on official business away from his designated post of duty, is entitled to a per diem allowance. For travel inside the continental United States, the per diem allowance shall be $35. For travel outside the continental United States, the per diem allowance may not exceed the rate established by the President or his designee for the locality where the travel is performed.".

(b) Section 5703(c) of such title is amended by striking out "the per diem allowance may not exceed—

"(1) the rate of $25"

and inserting in lieu thereof "the per diem allowance shall be—

"(1) $35".

(c) Section 5703(d) of such title is amended—

(1) by striking out "much"; and

(2) by striking out "$40" and "$18" and inserting in lieu thereof "$50" and "$23", respectively.

(d) The seventh paragraph under the heading **"ADMINISTRATIVE PROVISIONS"** in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b), is amended by striking out "$25" and "$40" and inserting in lieu thereof "$35" and "$50", respectively.

SEC. 4. (a) Section 5704 of title 5, United States Code, is amended to read as follows:

"§ 5704. Mileage and related allowances

"(a) Except to the extent otherwise provided under this section, and under regulations prescribed under section 5707 of this title, an employee or other individual performing service for the Government, who is engaged on official business inside or outside his designated post of duty or place of service, is entitled to—

"(1) 9 cents a mile for the use of a privately owned motorcycle;

"(2) 16 cents a mile for the use of a privately owned automobile; or

"(3) 20 cents a mile for the use of a privately owned airplane;

instead of the actual expenses of transportation when that mode of transportation is authorized or approved as more advantageous to the Government. A determination of advantage is not required when payment on a mileage basis is limited to the cost of travel by common carrier including per diem.

"(b) In addition to the mileage allowance provided in accordance with the other provisions of this section, the employee or other individual performing service for the Government may be reimbursed for—

"(1) parking fees;

"(2) ferry fares;

"(3) bridge, road, and tunnel tolls; and

"(4) airplane landing and tiedown fees.

"(c)(1) The Administrator of General Services shall conduct a continuing investigation of the average, actual cost a mile, to the employee or other individual performing service for the Government who is engaged on official business inside or outside the designated post of duty or place of service, for the use of a privately owned motorcycle, automobile, and airplane. In conducting the investigation, the Administrator shall review and analyze the following:

"(A) depreciation of original vehicle cost;

"(B) gasoline and oil (excluding taxes);

"(C) maintenance, accessories, parts, and tires;

"(D) insurance; and

"(E) State and Federal taxes.

The Administrator, in conducting such investigation, shall meet at least once every 3 months with representatives of the General Accounting Office, the Department of Transportation, the Department of Defense, and organizations of employees of the Government of the United States, and allow them to make their views personally known to him with respect to such average, actual cost.

"(2) Not later than January 10 and July 10 of each year, the Administrator shall determine, based upon the results of his continuing investigation with respect to the 6 full calendar months preceding the month in which the determination is made, specific figures, each rounded to the nearest one-half cent, of the average, actual cost a mile during that period for the use of a privately owned motorcycle, automobile, and airplane. The Administrator shall report such figures to Congress not later than 5 days after he makes his determination. Each such report shall also include a detailed description of the factors utilized in conducting the investigation during such 6-month period. Each such report shall be printed in the Federal Register. The cent figures contained in paragraphs (1), (2), and (3) of subsection (a) of this section, or any adjustments previously made thereto and in effect under this subsection, shall be adjusted, as of the first day of the month following the submission of that report, to the figures so determined and reported by the Administrator. Those figures shall not be less than the figures in effect under subsection (a) of this section immediately after enactment of the Travel Expense Amendments Act of 1974. Those reported figures shall also be included as of such day in the regulations prescribed under section 5707 of this title.

"(d) The Comptroller General shall from time to time review the continuing investigation of the Administrator and make reports to Congress with respect to his review as he considers appropriate.".

(b) The Administrator of General Services shall begin the continuous investigation referred to in subsection (a) of this section on that January 1 or July 1 which first occurs after the date of enactment of this Act.

SEC. 5. Section 506 of the Supplemental Appropriations Act (2 U.S.C. 58), is amended—

(1) by striking out of subsection (a)(8) "actual transportation expenses" and inserting in lieu thereof "travel expenses"; and

(2) by striking out subsection (e) and inserting in lieu thereof the following:

"(e) In accordance with regulations prescribed by the Committee on Rules and Administration, an employee in a Senator's office shall be reimbursed under this section for per diem and actual transportation expenses incurred, or actual travel expenses incurred, only for round trips made by the employee on official business by the nearest usual route between Washington, District of Columbia, and the home State of the Senator involved, and in traveling within that State (other than transportation expenses incurred by an employee assigned to a Senator's office within that State (1) while traveling in the general vicinity of such office, (2) pursuant to a change of assignment within such State, or (3) in commuting between home and office). However, an employee shall not be reimbursed for any per diem expenses or actual travel expenses (other than actual transportation expenses) for any travel occurring during the 120 days immediately before the date of any primary or general election (whether regular, special, or runoff) in which the Senator, in whose office the employee is employed, is a candidate for public office. Reimbursement of per diem and actual travel expenses shall not exceed the rates established in accordance with the seventh paragraph under the heading 'Administrative Provisions' in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b). No payment shall be made under this section to or on behalf of a newly appointed employee to travel to his place of employment.".

SEC. 6. Any increase in expenses of per diem, travel, transportation, mileage, and subsistence incurred during fiscal year 1975 as the result of the enactment of this Act shall be absorbed by the departments, agencies, independent establishments, and other entities of the three branches of the United States Government and the government of the District of Columbia incurring such increases. No amounts shall be appropriated for fiscal year 1975 to pay for such increases.

SEC. 7. (a) Section 111(a) of title 38, United States Code, is amended by adding at the end thereof the following: "In no event shall the amount paid for expenses of travel or mileage allowance under this section in the case of any veteran with a service-connected disability be less than the amount paid therefor under section 5702 or 5704, as appropriate, of title 5 in the case of employees of the United States traveling on official business.".

(b) The amendment made by subsection (a) of this section shall become effective July 1, 1975.

ENERGY SUPPLY ACT OF 1974

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 3221. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill, S. 3221, to increase the supply of energy in the United States from the Outer Continental Shelf; to amend the Outer Continental Shelf Lands Act; and for other purposes.

The Senate proceeded to consider the bill.

AMENDMENT NO. 1856

Mr. HOLLINGS. Mr. President, I call up my amendment No. 1856, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HASKELL. Mr. President, I ask unanimous consent that we dispense with further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Hollings' amendment (No. 1856) is as follows:

On page 40, line 9, insert a semicolon, and on line 10, insert the following new subsections:

"(9) it is the national policy to preserve, protect, and develop the resources of this Nation's coastal zone, and to provide for the orderly siting of energy facilities therein;

"(10) the development, processing, and distribution of the oil and gas resources of the Outer Continental Shelf, and the siting of related energy facilities, may cause adverse impacts on the coastal zones of the various coastal States; and

"(11) the Coastal Zone Management Act of 1972 provides policy, procedures, and programs designed to anticipate such adverse impacts and in part prevent them by appropriate planning and management of land and water resources in the coastal zone.".

On page 40, line 23, delete the word "and". In subsection (4), page 41, line 2, remove the period after the word "environmental" and insert in lieu thereof a semicolon and add the word "and" thereafter. On line 3, insert a new subsection (4) as follows:

"(4) provide States which are directly impacted by Outer Continental Shelf oil and gas exploration and development with comprehensive assistance in order to assure adequate protection of the onshore social, economic, and environmental conditions of the coastal zone.".

On page 41, line 9, add on "s" at the end of the word "subsection" so that it reads "subsections", delete the colon after "(c)", and insert the words, "and (d):". On line 16 insert a new subsection (d) as follows:

"(d) It is hereby recognized that development of the oil and gas resources of the Outer Continental Shelf will have significant impact on coastal zone areas of adjacent States and that, in view of the national interest in the effective management of the coastal zone, such States may require assistance in protecting their coastal zone insofar as possible from the adverse effects of such impact.".

On page 42, lines 16 and 17, strike the words "so as more evenly".

On page 42, line 24, insert a new subparagraph (C) as follows and redesignate succeeding subparagraphs appropriately:

"(C) their location with respect to other uses of the sea and seabed including but not limited to fishing areas, access to ports by vessels, and existing or proposed sea lanes;".

In page 43, line 9, after the word "required" insert the words "of all existing Federal programs necessary". On line 9, delete the word "necessary" and insert in lieu thereof the word "required".

On page 44, delete lines 14 through 17 and insert in lieu thereof the following: "coordination of the program with management program being developed by any State for approval pursuant to section 305 of the Coastal Zone Management Act of 1972 and with the management program of any State which has been approved pursuant to section 306 of such Act. These procedures shall be applicable to any revision or reapproval of the leasing program.".

On page 45, line 15, after the period, insert the following new sentence: "In addition, the Secretary is authorized and directed to utilize the existing capabilities and resources of other Federal departments and agencies by appropriate agreement.".

On page 46, line 13, after the word "Secretary," insert the following: ", in cooperation with the Secretary of Commerce,", and line 14 and line 19, delete the words "topographic" and "topography" and insert in lieu thereof the words "bathymetric" and "bathymetry".

On page 47, line 18, delete the period after the word "1976" and insert the following: ", to the Secretary and to appropriate Federal agencies having responsibilities under this section.".

On page 48, line 8, after the word "Shelf" insert the following: "Where similar programs are not presently being conducted by any Federal department or agency and".

On page 48, line 23, between the words "shall," and "after", insert the following: "with the concurrents of the Department in which the Coast Guard is operating,".

On page 49, line 17, before the comma after the word "Secretary", insert the words, "of Commerce". On line 18, add a comma after the word "Navy", and insert the following: "the Secretary of the Department in which the Coast Guard is operating,". On line 20, insert a period after the word "safety" and delete the remainder of the sentence.

On page 49, line 24, strike the phrase "The Secretary shall regularly inspect" and insert in lieu thereof the following: "The Secretary and the Secretary of the department in which the Coast Guard is operating shall jointly enforce the safety and environmental protection regulations promulgated under this Act. They shall regularly inspect".

On page 50, line 8 of the bill, strike "the Secretary or his designee" and insert in lieu thereof "such Secretaries or their designees".

On page 50, line 9, insert the words ", with the concurrence of the Secretary of the department in which the Coast Guard is operating," between the words "Secretary" and "shall".

On page 50, line 18, insert the words "of the department in which the Coast Guard is operating" between the words "Secretary" and "shall".

On page 50, line 23 of the bill, strike the words "the Secretary" and insert in lieu thereof the word "he".

On page 51, line 2 of the bill, strike the words "the Secretary" and insert in lieu thereof the word "him".

On page 51, line 3, strike the word "his" and insert in lieu thereof the word "their".

On page 51, line 4, insert the words "or the Secretary of the department in which the Coast Guard is operating" between the words "Secretary" and "may".

After subsection (c) of section 21 add the following new subsection:

"(d) In any investigation directed by this section the Secretary or the Secretary of the department in which the Coast Guard is operating shall have power to summon before them or their designees witnesses and to require the production of books, papers, documents, and any other evidence. Attendance of witnesses or the production of books, papers, documents, or any other evidence shall be compelled by a similar process as in the United States district court. In addition, they or their designees shall administer all necessary oaths to any witnesses summoned before said investigation.".

On page 57, delete lines 4 through 23 and insert in lieu thereof the following:

"Sec. 25. (a) There is hereby established in the Treasury of the United States the Coastal State Fund (hereinafter referred to as the 'fund'). The Secretary shall manage and make grants from the fund according to the regulations established pursuant to subsections (b) and (c) to the coastal States impacted by anticipated or actual oil and gas production.

"(b) The purpose of such grants shall be to assist coastal States impacted by anticipated or actual oil and gas production to ameliorate adverse environmental effects and control secondary social and economic impacts associated with the development of Federal energy resources in, or on the Outer Continental Shelf adjacent to the submerged lands of such States. Such grants may be used for planning, construction of public facilities, and provision of public services, and such other activities as may be prescribed by regulations promulgated pursuant to subsection (c) of this section. Such regulations shall, at a minimum, (1) provide that such regulations be directly related to such environmental effects and social and economic impacts; and (2) require each coastal State, as a requirement of eligibility for grants from the fund, to establish pollution containment and cleanup systems for pollution from oil and gas development activities on the submerged lands of each such State.

"(c) The Secretary of Commerce, in accordance with the provisions".

On page 58, line 21, delete the entire subsection and insert a new subsection (e) as follows:

"(e) For the purpose of this Act, 'coastal State' means a State of the United States in, or bordering on, the Atlantic, Pacific, or Arctic Ocean, the Gulf of Mexico, or Long Island Sound, including Puerto Rico, the Virgin Islands, Guam, and American Samoa.".

On page 68, line 18, after the period and before the word "Section" insert the following: "(a)".

On page 69, line 10, insert the following:

"(b) Section 313(a) of the Coastal Zone Management Act of 1972 (86 Stat. 1280) is amended by striking the word "and" after the word "priority" in subsection (8); renumbering existing subsection (9) as subsection (10); and inserting the following new subsection (9): "an assessment of the onshore social, economic, and environmental impacts in those coastal areas affected by Outer Continental Shelf oil and gas exploration and exploitation; and".

On page 74, line 4, insert a new section as follows and renumber the existing section 304 as section 305:

"RELATIONSHIP TO EXISTING LAW

"Sec. 304. Except as otherwise expressly provided herein, nothing in this Act shall be construed to amend, modify, or repeal any provision of the Coastal Zone Management Act of 1972.".

Mr. HOLLINGS. Mr. President, I wanted to yield to the Senator from Oklahoma, but I do not see him on the floor at this time so I will proceed with a very brief explanation.

The PRESIDING OFFICER. Will the Senator pause for a moment while the Chair makes a statement?

The time for debate on this bill is to be limited to 1 hour, to be equally divided and controlled by the Senator from Washington (Mr. JACKSON) and the Senator from Arizona (Mr. FANNIN), with 1 hour on any amendment, except the amendment of the Senator from Oklahoma (Mr. BARTLETT) which will be 1½ hours, and 20 minutes on any debatable motion or appeal.

Mr. HOLLINGS. Mr. President, the Senate today considers an important new initiative to address our Nation's energy needs and establish national policies with regard to the use of the resources of the Outer Continental Shelf and the protection of our valuable coastal zones.

Senator WARREN G. MAGNUSON and I, on behalf of the Committee on Commerce are offering a package of amendments to S. 3221 which has the endorsement of the chairman of the Committee on Interior and Insular Affairs, Mr. JACKSON. These amendments bring into sharper focus within the bill the responsibilities of the Department of Commerce's National Oceanic and Atmospheric Administration and the U.S. Coast Guard of the Department of Transportation.

As Senator JACKSON agrees, these amendments improve and strengthen this legislation. I commend the Committee on Interior and Insular Affairs, its chairman, and Senator BENNETT J. JOHNSTON, Jr., of Louisiana, for their spirit of cooperation on these amendments. With the adoption of our amendments, we are confident the passage of this bill will be an important step toward helping the United States achieve the proper measure of energy self-sufficiency we will need in the years ahead, while at the same time aiding in establishing coastal zone management programs to assist coastal States to deal with the many and difficult problems caused by environmental, social, economic, and cultural impacts within their coastal zones caused by development of the Outer Continental Shelf.

The most important amendment to this bill revises the proposed new section 25 of the OCS Lands Act. That section establishes a $200 million fund from OCS revenues to fund grants to coastal States to ameliorate the environment, social, and economic impacts on the coastal zone caused by anticipated or actual oil and gas production. Our amendment recognizes the need for such a fund, but places responsibility for setting guidelines and making determinations on grants under the Department of Commerce instead of the Department of the Interior. This is a major policy consideration, Mr. President, which has its basis in the passage by Congress in 1972 of Senator MAGNUSON's bill, the National Coastal Zone Management Act, administered by the National Oceanic and Atmospheric Administration located within the Department of Commerce.

My colleagues will certainly remember the debate on the floor of the Senate pertaining to this legislation as well as the proposed Land Use bill. It was decided by the Senate, and later by the House, that land and water use programs within the costal zone should be administered by the Federal agency having the proper expertise and dedication to the oceans and costal environment. That agency, of course, is NOAA. The Coastal Zone Act is now being implemented by NOAA, and costal States are making great strides toward establishing their programs for dealing with all types of developments within their coastal zones, including the shoreside impacts of OCS developments such as pipelines, refineries, energy facilities of all types, highways, et cetera.

The rationale behind this section of S. 3221 recognizes the need for onshore support facilities for Outer Continental Shelf drilling and the likelihood that secondary growth will occur in the onshore areas near such facilities. Experience has certainly shown that OCS development creates onshore impacts. It has been shown conclusively, during hearings and investigations by the National Ocean Policy Study of the Senate, that in most cases, States have not been properly prepared in coping with these impacts. The fund would provide Federal assistance to be granted by the Secretary of Commerce under rules and regulations he shall prescribe consistent with national policy as expressed in the Coastal Zone Management Act of 1972 and with State programs being established pursuant to that act. This amendment would permit the Secretary of Interior to manage the fund for purposes of providing centralized bookkeeping.

Senator JACKSON has stated that he is concerned that all types of funds be created from OCS revenues and be scattered around various Federal agencies with no one knowing where they are going. He has expressed his desire that all of the warrants authorizing the issuance of drafts from the Treasury pass through the office of the Secretary of Interior. Moreover, he has agreed that the language of this amendment would in no way be interpreted as authorizing any duplication of efforts now underway at NOAA. The amendment would not permit the Secretary of Interior to exercise any discretion on making grants from this fund; that would be the sole authority of the Secretary of Commerce. Moreover, it would not be within the authority granted by this bill for the Department of the Interior to utilize this legislation to set up some new staff of civil servants to do the job now being undertaken by NOAA under the Coastal Zone Management Act.

Mr. President, the Secretary of Commerce—in this case, NOAA—would, by regulation, set up the requirements for grant eligibility and coordinate such grants with the grant programs established pursuant to the Coastal Zone Management Act. Needless Federal bureaucratic duplication will be avoided in the coastal zone and the responsibilities of these two Federal agencies will remain clear. Thus, no one could argue, for example, that the Secretary of the Interior would be in possession of a "blackmail fund" to coax reluctant coastal States into going along with OCS development off their shores, a controversy which is raging at this time in California.

At this point, Mr. President, I think it would be appropriate to point out that all, or almost all, of our coastal and Great Lakes States are making outstanding progress toward establishing their coastal zone programs. And NOAA is making every effort to abide by the mandate of Congress that such States be given all possible assistance in these endeavors. Under the act, the States make their own plans and determine their own method of management, consistent with the national policy guidelines set forth by Congress and the regulations issued by NOAA.

At present, 28 of the 30 coastal States have received initial planning grants under the act and are proceeding to develop coastal zone management programs. Two other States are due to receive grants shortly. NOAA has developed an excellent working relationship with the States and, I believe, has made the coastal zone management program responsive to State needs.

But without the amendments to S. 3221 proposed by Senator MAGNUSON and myself, and agreed to by Senator JACKSON, I fear that existing and future coastal zone management programs may be undermined, and certainly duplication will occur. To create a separate coastal States fund without guidelines, administered by the Secretary of the Interior, could very well discourage participation in the coastal zone management program. It is quite conceivable that States, lured by the prospect of easy money, would tend to opt for larger grants from this larger OCS fund, especially since without the needed changes, there would be virtually no requirements as to how the funds would be used. Also, it would be easy to contemplate the Department of the Interior and the Department of Commerce working at cross-purposes, something that the Senate clearly sought to avoid in enactment of the Coastal Zone Management Act and in passage of the National Land Use and Policy Assistance Act.

I would like to further point out, Mr. President, that S. 3221 would write additional national policies into law, policies which will have a dramatic and permanent impact in shaping future national policy with regard to the oceans and ocean resources. As chairman of the national ocean policy study, I can state that with these amendments, I consider this bill is consistent with the goals established by Senate Resolution 222. That resolution, in its preamble, determined that the oceans are of enormous benefit to the United States; that both the living and the nonliving resources of the sea will be utilized by man; that the coastal zone is under great pressure from all types of development; that serious problems exist in ocean and coastal pollution; and that it is incumbent upon the Nation to establish a clear and comprehensive national ocean policy.

Our group has conducted 6 days of public hearings on the issue at hand todaily; to wit, the development of the OCS and its impact upon the environmental, social, and economic conditions of the coastal zones.

The national ocean policy study is in the final stages of producing an issues paper on the OCS and the coastal zone, including a number of major findings. In my view, our hearings have established the need for changing the Outer Continental Shelf Lands Act. It is not likely that this bill will receive consideration in the House this year, so it will be necessary to return next year. At that time, I would think it appropriate that the broad range of policy recommendations of the ocean policy study, as well as input from the Office of Technology Assessment, be considered by the committee. I regret that all of this highly relevant information is not available as we consider this bill today.

But I think it is fair to point out that the national ocean policy study report will recommend the need for additional environmental baseline data, and this bill accomplishes this; we will recommend strengthening the Coastal Zone Act, and the amendments offered today would accomplish this; we recommend a stronger State role in planning OCS development, and these amendments would accomplish this. Therefore, Mr. President, although all of the data is not yet in, the approval of this bill is an important step in the right direction of balancing our need for OCS energy with concerns about growth, environmental degradation, and the quality of life in our precious coastal zones.

Mr. President, I ask unanimous consent to have printed in the Record an explanation of amendment No. 1856.

There being no objection, the explanation was ordered to be printed in the Record, as follows:

Explanation of Amendment No. 1856

S. 3221

1. Purpose: Under the "Findings" of Title I of S. 3221, three additional sections are recommended. Section 9 is proposed to set forth the national coastal and energy facility siting policy formulated by Congress; section 10 to note the potential impact of oil and gas exploration on coastal areas; and section 11 to make explicit the legal mechanisms available under the Coastal Zone Management Act to address those impacts.

2. Purpose: Under the "Purposes" section of Title I, Section 102, it is important to state that a purpose of this legislation is to provide assistance to States impacted by oil and gas exploration and development on the Outer Continental Shelf. A new subsection (4) to section 102 would be added to fill this void.

3. Purpose: Title II, Section 201, would be amended to include an additional statement regarding the necessity of assisting impacted coastal States. This section is similar in language to the above amendments and is placed in this section entitled "National Policy for Outer Continental Shelf" for consistency and because it is important to recognize, as national policy, the necessity of providing assistance to those States which would bear a burden from oil and gas development on the continental shelf.

4. Purpose: These words are somewhat confusing. Decisions related to the location and timing of oil and gas development on the Outer Continental Shelf should not be based on a policy of even distribution but rather on one of national need and capability of the immediate and adjacent areas to withstand developmental impacts. This amendment removes the reference concerning even distribution from Section 202 of the bill.

5. Purpose: This amendment is designed to assure that leases issued do not interfere with the direct access to ports by vessels; that debris remaining from expired lease sites are removed from the ocean floor upon termination of the lease; and that traditional fishing areas be taken into consideration by the Secretary prior to establishing a leasing program.

6. Purpose: This suggested revision of the bill pertains to section 18(c) and the estimates of appropriations and staff needed to prepare the environmental impact statements. Such estimates should be comprehensive and inclusive of all Federal programs directly related to supporting the leasing program. Accordingly, this amendment would serve to accomplish this.

7. Purpose: Section 18(e) is proposed to be amended to cite one of the major features of the Coastal Zone Management Act which provides for coordination of Federal programs with any planned or approved State coastal zone management program. Such coordination should apply not only to the initial stages of the leasing activity, but should also continue through the review and reapproval stages.

8. Purpose: Subsection (j) of section 18 would be amended to note the responsibility of the Secretary of the Interior to utilize other existing Federal capabilities in carrying out the leasing process.

9. Purpose: Under the amendment to section 19, "Federal Outer Continental Shelf Oil and Gas Survey Program", the concept of Federal agency cooperation is an important one, and therefore the provision for the Department of the Interior to consult with the Department of Commerce and Coast Guard is recommended. Likewise, under subsection (c) of section 19, where the Secretary is directed to prepare and publish various types of maps and reports on the Outer Continental Shelf, amendatory language is suggested to include the Secretary of Commerce whose department possesses relevant expertise and resources. As previously noted, the Department of Commerce has responsibility for bathymetric (sea floor) mapping and this amendment to the bill would eliminate the duplication.

10. Purpose: Section 19(g), relating to the authorization of appropriations for the conducting of a survey program, would be amended to authorize such additional sums as may be required by other Federal departments and agencies. This provision would rectify a serious omission resulting from the bill's enlisting aid from other expert agencies without providing adequate financial support for such assistance.

11. Purpose: Some limitation should be placed on the Secretary's discretion, provided by this section, to determine the adequacy of the research and development activities of other agencies. Unless this is done, efforts may result which duplicate or conflict with similar efforts already underway elsewhere.

12. Purpose: The Act being amended by this bill gives the Secretary of the department in which the Coast Guard is operating broad responsibilities respecting the promotion of the safety of life and property. (See 43 U.S.C. 133(e)(1)). This responsibility and authority should appropriately be recognized in this subsection by requiring his concurrence in the establishment of safety standards.

13. Purpose: Section 20(d) of this bill would be amended to reflect the status of the Department of Commerce (NOAA) as lead agency in conducting studies of underwater diving techniques and equipment and to include the Coast Guard as a supporting agency. The Coast Guard has had underway for several years an underwater safety project relating to the safety of submersibles.

14. Purpose: These changes will appropriately recognize the responsibility and authority of the Secretary of the department in which the Coast Guard is operating under the existing Outer Continental Shelf Lands Act for the promotion of the safety of life and property. In this regard, the Department of the Interior and the Department of Transportation have, since 1971, had a "Memorandum of Understanding" concerning their respective responsibilities under the National Oil and Hazardous Substances Pollution Contingency Plan. Inclusion of the requested language would also give recognition to the general statutory law enforcement authority of the Coast Guard on the high seas under 14 U.S.C. 89.

15. Purpose: Same as stated above.

16. Purpose: The Coast Guard has highly developed expertise in investigating marine casualties under section 4450 of the Revised Statutes of the United States (46 U.S.C. 239). It would, therefore, be appropriate to make the Secretary of the department in which the Coast Guard is operating responsible for the investigations required by paragraph (3) of this subsection.

17. Purpose: These changes will also allow the Secretary of the department in which the Coast Guard is operating to also utilize the facilities and services of other agencies in carrying out his responsibilities. Addition of language similar to that found in 46 U.S.C. 239(3) will authorize subpoena power for the investigative process required in subsection (a)(3). Subpoena power is necessary for the full investigation of these incidents.

18. Purpose: The language creating the Coastal State Fund under section 25 of the bill assigns responsibility to the Department of Interior to administer the fund. The Department of Commerce's responsibility in administering the Coastal Zone Management Act of 1972 makes it the more appropriate Federal entity to supervise this fund. Planning for the onshore impact of Outer Continental Shelf activity is an integral part of most of the coastal zone management programs being pursued by the States with Federal support. States in general have not yet progressed to the point where they are addressing the siting question surrounding the particular kinds of onshore facilities that might be needed to support a given level of Outer Continental Shelf activity. However, many States are well advanced in natural resource and environmental inventories as well as studies of the kinds of land use controls that are going to be required.

It is clear that most of the onshore facilities required to support offshore oil and gas exploration and exploitation will fall within the coastal zones now being identified as a part of the coastal zone management program development process. Planning for appropriate facilities to support offshore oil and gas activities must be a part of a comprehensive planning approach which includes consideration of such other important factors as marine recreational needs, conservation and restoration of coastal fisheries, siting of coastal electrical generation facilities, and a host of other related activities.

To place the responsibility of administering the coastal State fund to any agency other than the Department of Commerce would be self-defeating both in terms of the proposed legislation as well as the existing Coastal *Zone Management* Act. Therefore, the actual management of the fund may remain, for purposes of continuity, within the Department of the Interior and the Secretary of the Interior shall sign the warrants for grants to the States. But the program established by this section shall be administered by the Secretary of Commerce; he shall establish the regulations on how grants are issued and shall decide which states shall receive them and how much each state shall receive. He will simply notify the Secretary of Interior, whose response shall be simply clerical, and who shall have no jurisdiction or judgment over these funds beyond issuing the grants as directed by the Secretary of Commerce. Appropriate amendments to section 25 have been provided.

19. Purpose: Subsection (e) of this section would be rewritten to more closely correspond to the definition of coastal States contained in the Coastal Zone Management Act, excluding the Great Lakes States, which are inappropriate for this legislation.

20. Purpose: Section 205 of the bill entitled "Annual Report" is used as a vehicle to amend the Coastal Zone Management Act to provide that in the coastal zone management annual report, one section be devoted to an assessment of OCS and the coastal zone impact of OCS oil and gas exploration and exploitation.

Mr. JACKSON. Mr. President, I appreciate the opportunity to join with my distinguished colleague from Washington (Mr. MAGNUSON), chairman of the Committee on Commerce, as well as the Senator from South Carolina (Mr. HOLLINGS), chairman of the National Ocean Policy Study, in support of the amendments to S. 3221 offered by them today.

As the report on S. 3221 states, one of the major policy issues concerning the OCS is the impact of the development of its oil and gas resources on the coastal zones of our coastal States. The report states:

> Testimony received by the National Ocean Policy Study and the study done by the Council on Environmental Quality, "OCS Oil and Gas—An Environmental Assessment", indicates that the secondary impacts onshore are far greater than the direct impact from oil spills and the activity on the OCS lease site itself. These impacts stem from the development of onshore support facilities for OCS development and the location of petroleum refining and transportation facilities near production sites . . . The Committee believes that the Federal Government should assist the States in ameliorating adverse environmental impacts and controlling secondary economic and social impacts associated with OCS oil and gas development.

The report explains that such Federal assistance will come from a Coastal States Fund to be created from 10 percent of the Federal OCS revenues, not to exceed $200 million annually. The bill as reported by the Committee on Interior and Insular Affairs would have placed responsibility for issuing regulations and governing eligibility for grants from this fund in the hands of the Secretary of the Interior. He was directed to coordinate grants with programs under the Coastal Zone Management Act of 1972.

The coastal States already are well along the road toward establishing their programs pursuant to the Coastal Zone Management Act. However, Senators MAGNUSON, HOLLINGS, and others have pointed out that the directive to coordinate might not eliminate potential conflicts with Coastal Zone Management Act programs.

The amendment offered today, which I am pleased to accept and support, would authorize the Secretary of Interior to manage and make grants from this fund subject to the limitations of subsections (b) and (c) of the amendment. The Secretary of Commerce, who has responsibility for administering the Coastal Zone Management Act, will be responsible for drawing up regulations, which determine eligibility, amount of compensation, and the coordination of the activities funded by the grants with management programs pursuant to the Coastal Zone Management Act. When the Secretary of Commerce determines that a State is eligible for a grant pursuant to this section, he shall notify the Secretary of Interior who, in turn, will authorize the Treasury Department to issue the amount authorized by the Secretary of Commerce.

The Secretary of the Interior collects revenues from OCS lease activity. The amendment allows him to keep track of the allocations of these revenues. It is important that there exist a single person who knows how much revenue is being collected from OCS leases and where this money is going.

At the same time, it is important that the Secretary of Commerce be able to administer responsibilities under this provision of S. 3221 as well as the Coastal Zone Management Act so as to provide maximum coordination. This coordination is especially important in view of the fact that it will be the State's coastal zone management programs and agencies which will be in a posiiton to gage and justify adverse impacts caused by OCS development. The coastal zone management programs are designed to cope with and minimize the adverse impacts for which the fund is to be used.

I am pleased at the spirit of cooperation which has existed, and I am sure will continue to exist, between the Committee on Interior and Insular Affairs and the Committee on Commerce as we work together on matters of common concern in the course of the national ocean policy study.

Mr. HOLLINGS. Mr. President, I wish to accommodate the distinguished Senator from Maryland (Mr. MATHIAS), after we have acted on these en bloc, and answered any questions and explained them. We can then move on to his amendment.

I now yield to the distinguished chairman of the committee (Mr. JOHNSTON).

Mr. JOHNSTON. Mr. President, I appreciate the remarks of my distinguished colleague from South Carolina. I, too, want to commend him and the Committee on Commerce for their spirit of compromise.

The bill in the original form provided for a total administration of the Coastal States Fund by the Secretary of the Interior with no input at all by the Secretary of Commerce. Of course, we have a Coastal Zone Management Act which has not yet been fully implemented, which should be implemented and should be enforced.

It was in that spirit that the distinguished Senator from South Carolina offered to us in committee an amendment which provided for the administration of the Coastal States Fund by the Secretary of Commerce. That was unacceptable to the Committee on Interior and Insular Affairs, because this was a Coastal States Fund to ameliorate and compensate the coastal States for the effect of offshore impacts of drilling on the Outer Continental Shelf, and was not to be altogether a bill or a mechanism for the funding of the coastal zone management bill.

We, therefore, hit upon this compromise which calls for coordination with the coastal zone management bill with the Secretary of Commerce to set, by regulation, the requirements for grant eligibility, thus insuring that grants under this Coastal States Fund will be coordinated with, will be consistent with, action otherwise taken by the Secretary of Commerce and the Department of Commerce under the coastal zone management bill.

I think it is a worthwhile and excellent compromise that will help the bill rather than hurt it.

The bill does not provide that grants must be conditioned upon full participation in the Coastal Zone Management Fund, as the Committee on Commerce had initially desired. However, the bill does give to the Secretary of Commerce the right to set rules and regulations for grant eligibility which will insure that no action taken under the Coastal States Fund can be in any way inconsistent with action taken under the Coastal Zone Management Act. We will, therefore, accept and endorse the amendment proposed by the distinguished Senator from South Carolina.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina (Mr. HOLLINGS).

Mr. FANNIN. Mr. President, I ask to be recognized.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. FANNIN. Mr. President, this is basically a coastal zone type amendment which changes the language of the bill to emphasize environmental dangers of OCS operations, and grants NOAA participation in administration of the Coastal States Fund.

The Coastal States Fund is undesirable, as far as the Senator from Arizona is concerned, and should not be adopted.

I oppose this amendment. The amendment would further weaken the bill and would perpetuate an existing rivalry between NOAA and Interior regarding management of OCS programs.

Mr. President, what we are trying to do in this legislation is to provide a better method for handling the OCS leasing program in a way in which the companies that are drilling the OCS can progress without unnecessary interference.

Certainly, we all want to protect the environment. We all realize the problems as far as coastal areas are concerned. That is why there is already provided in the legislation appropriate protective measures. But I feel that this is beyond reason, it is beyond need, to give that protection.

I do oppose the amendment. I feel that it is detrimental rather than beneficial. I would hope that the Senate would consider it on that basis, that this is another barrier to accomplishing the objectives we have of being self-sufficient in energy. Every step we would be forced to take under this amendment delays the time in which we will be able to take care of our own needs and not be dependent upon foreign sources.

So, Mr. President, I hope that this amendment will be rejected.

Mr. MAGNUSON. Mr. President, I wish to indicate my sponsorship of and support for amendments which I, together with the Senator from South Carolina (Mr. Hollings) am offering to S. 3221, the proposed Energy Supply Act of 1974. S. 3221 has been brought to the floor today through the efforts of my distinguished colleague Senator Henry M. Jackson, chairman of the Interior and Insular Affairs Committee. As Senator Hollings states in his remarks, the purpose of these amendments is to highlight and clarify the responsibilities of the Department of Commerce's National Oceanic and Atmospheric Administration and the U.S. Coast Guard of the Department of Transportation under the bill. It is our goal to strengthen S. 3221 by utilizing the expertise of these two executive agencies in carrying out the purposes of the bill where their expertise and existing authority relate to such purposes. No large shifts of traditional duties is contemplated or intended.

The background of these amendments starts with studies and hearings conducted pursuant to Senate Resolution 222 establishing the National Ocean Policy Study. The thrust of those studies and hearings was aimed at understanding the impact oil and gas development on the Outer Continental Shelf would have on coastal States. Because of the likelihood that such development will stimulate growth and development in coastal States, we concluded that advance planning and preparation by the States is vital to nondisruptive Outer Continental Shelf oil and gas leasing. It was also concluded so that coastal States would need Federal assistance in handling OCS related landside development. The best mechanism presently available for assisting States in their preparation for OCS leasing is the Coastal Zone Management Act of 1972, legislation which I originally introduced. Had Senator Jackson's land use bill become law, that also would have provided the guidance and funds necessary to help coastal States prepare for the refineries, transfer facilities, tank farms, and petrochemical industries which undoubtably will be associated with OCS development.

Therefore, one prime purpose of these amendments is to insure full and complete coordination between the Department of the Interior and the Department of Commerce which administers the Coastal Zone Management Act. In addition, the amendments give the Secretary of Commerce the primary role in establishing eligibility regulations for grants from the coastal States fund. Consequently, the grants from the coastal zone management program will dovetail with the grants from the coastal States fund created by this bill. These two grant programs are complementary and our amendments will insure that they are not duplicative.

The second purpose of these amendments is to bring to bear the expertise of the Coast Guard in dealing with oil pollution prevention and enforcement and to avoid needless duplication in this area. The Coast Guard, by legislative determination in the Federal Water Pollution Control Act, is the lead Federal agency for enforcing pollution laws in the ocean areas where oil and gas development will take place. We seek here to ensure that S. 3221 mirrors this previous determination. The record of the Coast Guard on pollution matters has been good and their efforts should continue.

Mr. President, I would like to also take this opportunity to express my full support for S. 3221. The purposes of this bill are laudable and deserve the Senate's support. I urge my colleagues' approval of my amendments and final passage of this bill.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, I have been given a statement by the distinguished chairman of the Committee on Interior and Insular Affairs, the Senator from Washington, but he is not in the Chamber. I think the amendment with respect to the fund is set forth very clearly.

The amendment provides, on page 58, that the Secretary of Commerce will coordinate all grants for the management programs established pursuant to the Coastal Zone Management Act of 1972. In other words, the actual custodian of the funds is the Secretary of the Interior. The actual recommendation, both by way of qualification and by way of amount, is vested in the Secretary of Commerce.

I think that would explain the major change in some of these amendments. There are several in all.

I will be glad to try to answer any questions that the distinguished Senator from Louisiana, the manager of the bill, might have. Otherwise, we are ready for a voice vote on the amendment.

I yield back the remainder of my time, if that is the case.

The PRESIDING OFFICER. Is all time yielded back?

Mr. JOHNSTON. I yield back my time, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment. (Putting the question.)

The Chair is in doubt and calls for a division.

The Senate proceeded to divide.

Mr. HOLLINGS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Arkansas (Mr. Fulbright), the Senator from Michigan (Mr. Hart), the Senator from Indiana (Mr. Hartke), the Senator from Missouri (Mr. Symington), and the Senator from California (Mr. Tunney) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. Cook) and the Senator from Colorado (Mr. Dominick) are necessarily absent.

I also announce that the Senator from Illinois (Mr. Percy) is absent on official business.

The result was announced—yeas 73, nays 18, as follows:

[No. 407 Leg.]

YEAS—73

Abourezk
Allen
Baker
Beall
Bentsen
Bible
Biden
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Dole
Domenici
Eagleton
Eastland
Ervin
Gravel
Griffin
Haskell
Hatfield
Hathaway
Helms
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Randolph
Ribicoff
Roth
Schweiker
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Weicker
Williams

NAYS—18

Aiken
Bartlett
Bellmon
Bennett
Brock
Cotton
Curtis
Fannin
Fong
Goldwater
Gurney
Hansen
Hruska
McClure
Metcalf
Proxmire
Scott, Hugh
Young

NOT VOTING—9

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So Mr. Hollings' amendment (No. 1856) was agreed to.

Mr. HOLLINGS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1877

Mr. MATHIAS. Mr. President, I rise to call up two amendments which are at the desk. Both of them are described in today's issue of the RECORD.

The first is amendment No. 1877, entitled the fuel stamp study amendment.

Very briefly, Mr. President, this amendment would provide for a joint study, to be completed within 60 days, by the Administrator of the Federal Energy Administration and the Secretary of Health, Education, and Welfare, of *the fuel stamp* proposal, to utilize coupons which would be similar and parallel to food stamps.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. MATHIAS. I yield.

Mr. JOHNSTON. I believe this amendment has previously been introduced as a bill. I have read the statement of the Senator from Maryland. We think this kind of study would be productive of the kind of information on which the Government ought to make decisions. We do not necessarily support the idea of fuel stamps, but it is the kind of idea we ought to study, and on that basis we are willing to accept the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk proceeded to read the amendment.

Mr. MATHIAS. Mr. President, in view of the fact that I have fully described it, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS' amendment No. 1877 is as follows:

On page 73, between lines 18 and 19, insert the following new section 304 to read as follows:

FUEL STAMP STUDY

SEC. 304. The Administrator of the Federal Energy Administration and the Secretary of the Department of Health, Education, and Welfare are authorized and directed to carry out a study to determine the feasibility of establishing a fuel stamp program. The program would utilize coupons to assist those on low and fixed incomes in purchasing home heating fuels in the winter months. The Administrator of the Federal Energy Administration and the Secretary of Health, Education, and Welfare are directed to report to the Congress the results of such study, together with their recommendations with respect thereto, within sixty days of the effective date of this Act.

Mr. FANNIN. Mr. President, I support the statements made by the manager of the bill and the Senator from Louisiana. I feel that the study would be beneficial. I am not saying I would support the findings or the intent that is involved, but I do think it is essential that we make the study and make the determinations that are involved in such a study. I commend the Senator from Maryland on his amendment.

The PRESIDING OFFICER. Is time on the amendment yielded back?

Mr. MATHIAS. I yield back the remainder of my time.

Mr. JOHNSTON. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment No. 1877 of the Senator from Maryland (Mr. MATHIAS).

The amendment was agreed to.

AMENDMENT NO. 1876

Mr. MATHIAS. Mr. President, I now call up my amendment No. 1876.

The PRESIDING OFFICER. The clerk will report it.

The legislative clerk proceeded to read the amendment.

Mr. MATHIAS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

AUTHORITY OF GOVERNOR OF ADJACENT STATE TO REQUEST POSTPONEMENT OF LEASE SALES

SEC. 210. Section 8 of the Outer Continental Shelf Lands Act, as amended by this Act, is further amended by inserting at the end thereof the following:

"(l) (1) The Secretary shall give notice of the sale of each lease pursuant to this Act to the Governor of the adjacent State. At any time prior to such sale the Governor may request the Secretary to postpone such sale for a period of not to exceed three years following the date proposed in such notice if he determines that such sale will result in adverse environmental or economic impact or other damage to the State or the residents thereof. In the event of any such request, the Secretary shall postpone the sale until proceedings under this subsection are completed.

"(A) grant the request for postponement;

"(B) provide for a shorter postponement than requested provided that such period of time is adequate for study and provision to ameliorate any adverse economic or environmental effects or other damage and for controlling secondary social or economic impact associated with the development of Federal energy resources in, or on, the Outer Continental Shelf adjacent to the submerged lands of such State; or

"(C) deny the request for postponement if he finds that such postponement would not be consistent with the national policy as expressed in section 3 of this Act.

"(3) The Governor of a State aggrieved by the action of the Secretary shall have thirty days to appeal directly to the National Coastal Resources Appeals Board established pursuant to paragraph (4) of this subsection. Such Board shall hear the appeal within thirty days of its receipt and shall render a final decision within ninety days of such hearing. The Board shall overrule the action of the Secretary if it finds that (A) the State is not adequately protected from adverse environmental and economic impacts and other damages pursuant to subparagraph (3) of paragraph (2) of this subsection; or (B) the request of the Governor for postponement is consistent with the national policy as expressed in Section (3) of this Act.

"(4) (a) There is hereby established, in the Executive Office of the President, the National Coastal Resources Appeals Board (hereinafter called the 'Board'), which shall be composed of the following, or their designees—the Vice President, who shall be Chairman of the Board, the Secretary of the Interior, the Administrator of the National Oceanic and Atmospheric Administration, the Administrator of the Environmental Protection Agency, and the Chairman of the Council on Environmental Quality.

"(b) The Board shall—

"(1) hear the appeal of the Governor of the aggrieved State and to render a decision within ninety days of such hearing;

"(2) transmit a written report to the appropriate committees of Congress as to the basis for any decision rendered; and

"(3) conduct such hearings pursuant to section 554 of title 5, United States Code.

"(5) For the purposes of this section, an aggrieved State is defined as being one which has requested a postponement of a lease sale but has been denied such postponement or provided a shorter period of time in which to ameliorate adverse impacts associated with development of the Outer Continental Shelf and the Governor has determined that such period of time is not adequate.

"(6) This section shall take effect immediately upon enactment of this Act."

Mr. MATHIAS. Mr. President, I send to the desk a modification of the amendment.

The PRESIDING OFFICER. The clerk will state the modification.

The legislative clerk proceeded to read the modification.

Mr. MATHIAS. Mr. President, I ask unanimous consent that further reading of the modification be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The modification is as follows:

AMENDMENT NO. 1876

On page 71, between lines 17 and 18, insert the following:

AUTHORITY OF GOVERNOR OF ADJACENT STATE TO REQUEST POSTPONEMENT OF LEASED SALES

SEC. 210. Section 8 of the Outer Continental Shelf Lands Act, as amended by this Act, is further amended by inserting at the end thereof the following:

"(l) (1) The Secretary shall give notice of the sale of each lease pursuant to this Act to the Governor of the adjacent state. At any time prior to such sale the Governor may request the Secretary to postpone such sale for a period of not to exceed 3 years following the date proposed in such notice if he determines that such sale will result in adverse environmental or economic impact or other damage to the State or the residents thereof. In the event of any such request, the Secretary shall postpone the sale until proceedings under this subsection are completed.

"(2) The Secretary shall, not later than 30 days from the receipt of such request:

(A) grant the request for postponement;

(B) provide for a shorter postponement than requested provided that such period of time is adequate for study and provision to ameliorate any adverse economic or environmental effects or other damage and for controlling secondary social or economic impact associated with the development of Federal energy resources in, or on, the Outer Continental Shelf adjacent to the submerged lands of such State; or

(C) deny the request for postponement if he finds that such postponement would not be consistent with the national policy as expressed in Section 3 of this Act.

(3) The Governor of a State aggrieved by the action of the Secretary shall have 10 days to appeal directly to the National Coastal Resources Appeals Board established pursuant to paragraph (4) of this subsection. Such Board shall hear the appeal within 15 days of its receipt and shall render a final decision within 45 days of such hearing. The Board shall overrule the action of the Secretary if it finds that (A) the State is not adequately protected from adverse environmental and economic impacts and other damages pursuant to subparagraph (3) of paragraph (2) of this subsection; or (B) the request of the Governor for postpone-

ment is consistent with the national policy as expressed in Section (3) of this Act.

(4) (a) There is hereby established, in the Executive Office of the President, the National Coastal Resources Appeals Board (hereinafter called the "Board", which shall be composed of the following, or their designees—the Vice President, who shall be Chairman of the Board, the Secretary of the Interior, the Administrator of the National Oceanic and Atmospheric Administration, the Administrator of the Environmental Protection Agency, and the Chairman of the Council on Environmental Quality.

(b) The Board shall:

(1) transmit a written report to the appropriate committee of Congress as to the basis for any decision rendered; and

(2) conduct such hearings pursuant to Section 554 of Title 5, U.S.C.

(3) For the purposes of this section, an aggrieved State is defined as being one which has requested a postponement of a lease sale but has been denied such postponement or provided a shorter period of time in which to ameliorate adverse impacts associated with development of the Outer Continental Shelf and the Governor has determined that such period of time is not adequate.

(4) This section shall take effect immediately upon enactment of this Act.

Mr. MATHIAS. The amendment provides that purely administrative right on the part of governors, not a judicial right but an administrative right, of the coastal States to request a delay in the approval of permits.

The right that we are talking about is the right of a governor to have 100 days in which to have the needs of his State considered—and again I emphasize—as an administrative matter and not as a judicial right.

Mr. CASE. Mr. President, will the Senator yield for merely a question? At what page of the RECORD does his amendment appear?

Mr. MATHIAS. It appears on page 31367.

Mr. CASE. I thank the Senator.

Mr. MATHIAS. Excuse me, 31365.

Mr. CASE. The amendment has been altered to change the figures?

Mr. MATHIAS. The changes made by the modification just sent to the desk are deal with the time periods during which decisions and appeals will take place:

The Governor of a State aggrieved by the action of the Secretary shall have 10 days to appeal directly to the National Coastal Resources Appeals Board established pursuant to paragraph (4) of this subsection. Such Board shall hear the appeal within

And here is the modification—

15 days of its receipt and shall render a final decision within 45 days

So the net effect of these changes is to reduce the total unjustified delay from 150 days to just 100 days.

It seems to me to be a very reasonable provision and one which recognizes the rights of States and the difficulties under which a Governor might find himself, and I would urge that the Senate adopt this amendment.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, we appreciate the concern of the adjacent coastal States for the possible adverse environmental, social, and economic impact that drilling off the shores can have.

However, I think there are two proper and adequate responses provided for both in other Federal law and in this law to take care of that.

First of all, with respect to the social, environmental, and economic impact of offshore drilling, this bill establishes a fund, an annual fund, of $200 million per year with direction that the full amount be spent to take care of, to ameliorate, to compensate the adjacent coastal States for the social, economic, and environmental impact.

Second, leasing in the offshore areas is a major Federal action calling for a NEPA statement and, of course, the NEPA statement requires the balancing of the interests, requires the delays, requires public hearings, and requires all of the inputs on the question of environmental alternatives or environmental damage that the delay procedure suggested by the distinguished Senator from Maryland would do.

Our objection is twofold: not only do we think it is adequately covered under the present law and under the provisions of this bill but, second, it is giving to the adjacent Governors some jurisdiction over Federal lands located in the Outer Continental Shelf.

As a Senator from a coastal State, I wish we owned more of the Outer Continental Shelf. I wish our jurisdiction extended beyond 3 miles, but that has been settled by the Supreme Court back in 1949 in the case of United States against Louisiana where the United States, the Federal Government, is given the paramount rights beyond the 3-mile limit. It was settled in 1953 in the Outer Continental Shelf Leasing Act.

So, Mr. President, we would oppose giving to the Governor the right further to delay these matters, matters which are already delayed under NEPA statements, and where adequate provisions are already made to take care of all the concerns voiced by the distinguished Senator from Maryland.

Mr. FANNIN. Mr. President, I support the position of the manager of the bill. I agree that this would allow the States to hold up OCS leases, and that it would throw another element of doubt into the development of the Outer Continental Shelf programs.

I feel that leasing delays would occur and frustrate the attainment of the sufficiency program that we are trying to have in energy.

Mr. President, I agree that so far as land within the four corners of a State is concerned, we are in a different position. But when we are talking about the Federal land of the Outer Continental Shelf I feel that we would be setting a poor precedent if we let a Governor have this power.

Now, I realize it is merely to give him a certain length of time to further delay OCS leasing. Sometimes such delays can be very costly.

So I feel that it would be extremely detrimental, and I do oppose the amendment.

Mr. MATHIAS. Mr. President, I listened with great respect to the views that were expressed by the distinguished managers of the bill. But let me say, in response to that, there are, of course, many who feel that the rights of the coastal States are so strong and so valid that Governors of coastal States should have a veto.

I have not taken that position. I have tried to advance a reasonable compromise in which the Governors of the coastal States have not a veto but merely the right to delay for 100 days—not for a year, not for half a year but for 100 days—the issuance of a permit.

So what I am proposing is a compromise, but it is a compromise in which the decision is left totally in Federal hands. Maybe I do not like that, but that is what we are proposing. It might not be the ideal solution, but we feel it is a reasonable solution.

At no point does the decision leave Federal hands. It is a Federal decision, and I think the distinguished Senator from Louisiana has stated accurately his view of the state of the law, and I do not disagree with that. This amendment recognizes the principles to which he has addressed himself and, therefore, leaves the decision in Federal hands. But it acknowledges the problems which the Governor of a coastal State may have in respect to the initiation of some offshore drilling activities.

Now, the distinguished manager of the bill has pointed out that there is a provision for indemnification of environmental damage, for indemnification for problems that may be created, and I commend those in the committee who have drawn this bill and who have made such a provision, and I support that provision very strongly.

But I would say, what we are dealing with in this amendment is not an overlap.

The distinguished Senator from Arizona has, himself, been a Governor and he knows the kind of problems with which a Governor may be faced if a major industrial facility is about to be located or is anticipated in a given position in a State.

A Governor has to think about a lot of things. He has to think about access, he has to think about the construction of roads, he has to consider what the problems of safety may be that are raised by the proposal that lies before him.

A Governor must consider not just environmental and economic impact, but what is going to be the impact upon his State, upon his ability to govern that State, upon the existing law of the State.

It may be that to facilitate, to make easier a given project, the governor might want to call his legislature into special session to provide some sort of implementation, not to block but to promote an offshore development.

These, it seems to me, are the kinds of considerations, and all of them cannot be anticipated, all of them cannot possibly be defined or identified at this distance. But we know that things may come up in the course of the offshore drilling process which will require State action and all we are contemplating at the outside is that a governor would have the opportunity to do his job as a good governor should.

Now, we do not confer any right of action by this amendment on a governor if he should not be granted the time that he requests. It is an administrative decision and, short of some arbitrary or capricious action, he has no right of action under this legislation.

But what we do provide is reasonable respect for the States and for the public servants who have the responsibility for administering the laws within the State.

I think that in the broad spectrum of American Government, the allowance of a maximum of 100 days for the resolution of local problems is not only reasonable, but necessary.

Mr. KENNEDY. Mr. President, the pending amendment will provide essential safeguards against the leasing of offshore tracts in areas where such leasing would have adverse impacts on a State adjacent to a proposed leasing site.

The amendment would permit the Governor of such a State to request the Secretary of the Interior to grant up to a 3-year postponement of a particular lease sale, based on environmental and economic impact data which would be submitted to him by the affected State.

It would also permit the Governor, if *his request* is not granted by the Secretary of the Interior, to appeal to the National Coastal Resources Board, for a final decision on the validity of his request for postponement. Serving on this Board would be the Vice President, the Secretary of the Interior, the Administrator of the Environmental Protection Agency, the Chairman of the Council on Environmental Quality and the Administrator of the National Oceanic and Atmospheric Administration.

For the first time, Mr. President, this would give agencies other than the Interior Department the opportunity to review leasing decisions. A great deal of concern has been expressed by the State of Massachusetts, over the present situation in which the Interior Department is assigned responsibility for both promotion and regulation of lease sales. It would also permit States which are presently preparing comprehensive coastal zone management programs the option to request postponement of actual lease sales until their coastal zone plans have been completed.

The Congress appropriated $7.4 milion in fiscal year 1974 to enable States to prepare these plans, and it is my conviction that to insure their effectiveness, particularly in new leasing areas like New England, it is essential that the States be allowed sufficient time to establish guidelines to regulation and control the onshore impact of oil and gas leasing on the Outer Continental Shelf.

I recently held hearings in Massachusetts on the impact of offshore drilling, and it was made clear during those hearings that adequate planning is an essential element in any decision to go forward with lease sales. The pending amendment would insure that the States have the time they need to make those plans, and I urge its adoption.

Mr. HOLLINGS. Mr. President, I appreciate the opportunity to support the amendment posed by the distinguished Senator from Maryland (Mr. MATHIAS) which would establish a National Coastal Resources Appeals Board to deal with disputes between the States and the Federal Government regarding development of the Outer Continental Shelf.

It is my understanding that this amendment would in no way pose the likelihood of any unacceptable delay to Outer Continental Shelf development. It simply provides a mechanism wherein a Governor of a State may, if he has exhausted all other remedies provided in the bill, appeal a decision by the Secretary of Interior to open lease sales in areas adjacent to such State. The test provided by the amendment is whether the State can make a showing that such a sale would result in adverse environmental or economic impact or other damage to the State or the residents.

In my view, this amendment would go far toward overcoming the justified objections of some State government officials, particularly in California and on the east coast, who feel that decisions to open their Outer Continental Shelf are being made without due consideration for their concerns. After all, Mr. President, who is in a position to judge at this hour if the energy resources estimated in the Outer Continental Shelf are worth more to the Nation than protection, preservation and the quality of life in our coastal areas?

As chairman of the national ocean policy study, I would like to commend Senator MATHIAS, a member of our group, who spent many hours participating in our hearings on this issue last spring. In considering this legislation, I have looked at the record of our hearings and it is plain to me that the States should have some method of adjudicating their disputes, of airing their views, when they have reached a state of disagreement with the Secretary of the Interior.

It was a pleasure for me to learn that the chairman of the Coastal States Organization of the National Governor's Conference supports this amendment, as well as the package of legislation offered by Senators MAGNUSON and myself (amendment No. 1856). The chairman, State Senator A. R. Schwartz of Texas, is one of the Nation's most distinguished spokesmen for the concerns of coastal States. Although he comes from a State which produces much of our Outer Continental Shelf oil and gas, he recognizes the need for a stronger State role in advance planning for Outer Continental Shelf development.

Mr. President, I urge the enactment of this amendment. It would be in the national interest.

Mr. CRANSTON. Mr. President, I am delighted to join my colleague from Maryland (Mr. MATHIAS) and others in sponsoring this amendment to S. 3221, the Energy Supply Act of 1974.

Our amendment would vastly improve the coordination between the Federal Government and the coastal State adjacent to a proposed offshore oil and gas lease sale. Under current law the Secretary of Interior has the right to establish the time and place for an offshore oil and gas lease sale, but the Governor of the State that could be adversely affected by such sale has no opportunity to affect the Secretary's decision.

Our amendment would provide this much needed forum and would establish a procedure and timetable for the rapid resolution of a Governor's appeal.

In California, we have already suffered the consequences of offshore oil drilling. The tragedy of the 1969 blow-out in the Santa Barbara Channel serves as a stark reminder of what can happen when we proceed too hastily. And Santa Barbarans are now facing a new and even more menacing threat to their channel. On August 16, the Department of Interior announced the go-ahead for development and production from the Santa Ynez Unit in the Santa Barbara Channel Outer Continental Shelf. This approved plan includes a 940-foot offshore platform, for drilling in 850 feet of water. This is the deepest offshore production platform to date, and many people in Santa Barbara are worried that this new platform will result in yet another drilling disaster.

Mr. President, I ask unanimous consent that an article which appeared in the September 2 issue of the Los Angeles Times be printed in the RECORD at this point:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CRITICS PREDICT DRILLING DISASTER—ASSAIL PLANS TO BUILD 940-FOOT OFFSHORE PLATFORM

(By Jack Jones)

"Somewhere along the line there's going to be a failure which will spell real disaster," former state Sen. Alvin C. Weingand, a founder and director of Santa Barbara's Get Oil Out (GOO), predicted gloomily last week.

Like other Santa Barbara anti-oilers, Weingand was distressed by the U.S. Interior Department's decision to allow Exxon Co. U.S.A. to build the world's tallest offshore drilling platform and to begin pumping extensive oil and gas deposits out of federal leases in the Santa Barbara Channel.

GOO's prophesies of disaster are countered by Exxon with declarations of careful exploratory drilling and intensive safety precautions for its proposed 940-foot platform (in 850 feet of water).

"We know more about both the shallow geology and the deep subsurface geology of this field than we've ever known about any field prior to development," said Jerry Bullock, Exxon's western division manager.

Whichever way future events prove the arguments—which have varied little since last fall's public hearings that led to the Aug. 16 approval—there is no doubt that the federal government has decided offshore oil drilling is here to stay.

Federal energy chief John Sawhill made that clear in Los Angeles on Thursday when he declared, "There is oil and gas in California and it will be developed. Under the proper environmental controls, we've got to do offshore drilling."

GOO's president, Santa Barbara attorney Francis Sarguis, conceded that further legal action against the Exxon project would not be worth the effort at this point and promised a return to political strategy.

"We're going to set off a flood of telegrams and protests to the Interior Department and the White House," he said. "Exxon's claims of safety are totally unbased in fact. It has become tiresome to hear marine experts and geologists get up at all these hearings and point to the dearth of evidence."

Sarguis repeated GOO's frequently expressed argument that the science of offshore drilling is too undeveloped to support claims of environmental safety.

"Here," he said, "they're going twice as deep as they've ever gone before. This has never been tested. In effect, they're using the people of Santa Barbara as a laboratory."

But Exxon's Bullock denied that the Santa Barbara Channel bottom is "uniquely fragile." He insisted that 19 exploratory drillings have provided a thorough knowledge of the Hondo Field of the Santa Ynez unit, 5½ miles offshore and 20 miles northwest of Santa Barbara.

Furthermore, he said, Exxon plans a platform that—although more than twice as tall as any previous one—is designed to withstand the most violent storm known for 400 years and to observe the same earthquake criteria as Los Angeles highrise buildings.

"If we could predict earthquakes and knew there was one coming," said the Southern-voiced Bullock with a tap of his pointer at a wall sketch of the platform, "that's where I'd want to be."

Exxon has purchased 1,500 acres of Corral Canyon between Refugio State Beach and El Capital State Beach so it can build a treating plant and storage facility 1½ miles inland from U.S. 101.

Unless Exxon fails to win Santa Barbara County rezoning or approval from the Coastline Commission, two pipelines will carry the oil and natural gas from the platform to Corral Canyon, where, the company says, the facility will be landscaped and screened from the highway.

Oil would be separated from water and impurities, then piped aboard tanker ships through an existing marine terminal for transport to the refinery elsewhere.

Natural gas would be fed into an existing overland pipeline servicing California consumers, Exxon said.

But if the GOO people are upset about offshore drilling and platform construction—which chills them with thoughts of the 1969 Santa Barbara Channel oil blowout—they also are disturbed by the plans to build onshore facilities.

Aware that Exxon may lose in its effort to bring the oil and gas ashore at Corral Canyon, the Interior Department approved an alternative plan under which Exxon would moor a 28,000-ton tanker in federal water not far from the platform.

The tanker would be, in effect, a permanent floating storage and treating plant for the oil. Other tankers would carry it away to the refinery.

The moored tanker's capacity: daily treatment of 40,000 barrels of crude oil and storage of 200,000 barrels.

While opponents view this alternative plan as a sort of lever to force acceptance of the onshore treating and storage facilities, Exxon denies it.

But the company would much prefer to lay the pipelines ashore and forget about the offshore tanker, Bullock said. Without being able to pipe it ashore the company would have to inject the natural gas back into the ocean bottom.

This would mean, he guessed, that approximately a fourth of the Hondo Field's yield would be lost.

"Still," said Kenneth P. Fountain, public affairs manager for Exxon's western division, "it's a 'go' project for us even without the gas. If there's any point of public interest here, it would be the denial to the public of that gas."

Fountain added, "Our opponents say that what we propose will start leapfroging industrialization up the whole coast, but this is not virgin territory. There's been oil production all along."

But Weingand of GOO, now a Montecito real estate man, cited a federal environmental impact statement suggesting that the proposed Exxon development would change Santa Barbara gradually from a tourism area to one dependent upon oil.

Mr. CRANSTON. Now southern Californians are faced with another edict from the Federal Government—that 1.6 million acres of southern California Outer Continental Shelf will be put up for sale some time around May of 1975. One estimate of the potential for spills is that these 297 tracts will result in some 5,000 new wells off the coast of an area with more than 10 million people.

Mr. President, I ask unanimous consent that two editorials from the Los Angeles Times be printed in the Record at this point.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Los Angeles Times, Sept. 1, 1974]

Offshore Oil: Careful, Careful

California motorists burn well over 10 billion gallons of gasoline per year. Vast additional quantities of oil are used to fuel our factories and generate the electricity that lights our homes and offices. It is obvious, then, that federal energy chief John Sawhill was speaking the blunt truth when he told a Los Angeles audience that, like it or not, more oil drilling off the coast of California is inevitable.

Our quarrel is not with Sawhill's general conclusion, unpleasant as it is; the environmentalists who immediately demanded his resignation were badly overreacting. But we do fear that the federal government is paying too little attention to the qualification, voiced by Sawhill himself, that off-shore drilling must be done only "under the proper environmental controls."

For a variety of reasons, domestic oil production has been declining for several years, leaving this country increasingly dependent on foreign oil—especially Arab oil. People who think the United States should continue down that road should hark back to the gasoline shortage set off by the Arab oil embargo last fall. They should also keep in mind that the Arab-led cartel of oil-producing countries has increased its prices 400% since early 1973, and seems determined to force even higher prices in the future.

The object of Project Independence is to hold reliance on foreign sources of oil to a reasonable level by stepping up energy production within our own boundaries.

Increased use of the nation's vast coal reserves is involved. So is the processing of oil from the mountains of shale in Colorado and Wyoming. Further down the road, it may be possible to produce substantial quantities of energy from breeder reactors, solar cells and perhaps even thermonuclear reactors. For the rest of this century and perhaps even longer, however, the main reliance will be on oil.

Oil must be produced somewhere. And wherever it is produced, there is some hazard to the environment. The same is true of coal, oil shale and nuclear facilities. As Sawhill observed, however, "Everybody wants more energy but nobody wants the 'more' to come from their own area."

This is human nature, but it isn't a practical basis for public policy. All states with energy resources under their soil or offshore waters must share the environmental burden of meeting the nation's energy needs.

The experts are generally agreed that no more big pools of oil remain to be found onshore in this country, except in Alaska. The most promising sources of new production are the largely untapped areas offshore.

Californians do not have the moral right, much less the legal or political power, to block development of offshore reserves under these circumstances. But they do have the right to insist that an appropriate share of offshore drilling be done elsewhere—specifically, off the Atlantic Coast, where oil reserves may be much larger than here.

Before carrying through with present plans to lease up to 1.6 million acres offshore from Southern California, moreover, the federal government should take into account how much oil will be coming in from Alaska and other new sources in the 1980s. It would be a crime to tolerate unsightly drilling rigs off California beaches and to risk ugly, damaging oil spills any more than is absolutely necessary.

Specifically, we again urge the U.S. Bureau of Land Management, which expects to conduct an offshore lease sale next spring, to lease only those shallow-water areas that are far enough out for the drilling rigs to be invisible from shore. We also urge that, once oil is found, the companies be required to remove the drilling platforms and use subsurface equipment for production. Finally, this state's Coastal Commission must require that pipelines, docks, and other onshore support facilities be built and operated with the least possible harm to the environment.

[From the Los Angeles Times, Aug. 29, 1974]

Offshore Oil: Assessing the Need

The federal government should refrain from granting offshore oil drilling leases in California coastal waters until a comprehensive national energy policy is established. That is the gist of a joint resolution that passed the Assembly without a dissenting vote Tuesday and is now before the Senate for final action.

Authored by Assemblyman William T. Bagley (R-San Rafael), AJR 120 points out that the Bureau of Land Management is considering granting leases for drilling 5,000 wells offshore between Malibu and Laguna Beach despite the uncertainty of actual energy demands. Sound decisions on energy research and development, the resolution emphasizes, must be based on projected energy needs, the domestic capability for satisfying those needs and the determination of priorities to meet such needs.

The uncertain leveling of energy demands, the anticipated flow of oil from Alaskan fields and other factors, the measure continues, have created uncertainties as to the need for massive offshore drilling efforts. Since the Federal Energy Administration is now studying proposals for development of a comprehensive national energy policy, issuance of offshore leases should be held in abeyance until that policy is developed.

The resolution notes that the State Lands Commission has adopted drilling safeguards more stringent than those of the federal government, and that those safeguards are designed to protect the environment and the great beauty of the California coast from "the deleterious effects of offshore drilling for oil."

AJR 120 represents a sound assessment of the situation, and should have impact on the federal government as a concise statement of the policy and intent of the California Legislature. It should be adopted unanimously by the Senate.

Mr. CRANSTON. I also request unanimous consent to have printed in the RECORD the announcement by the Department of Interior of the tract selection for the southern California lease sale next spring, and a Los Angeles Times article reporting on the reaction of Mayor Tom Bradley to FEA Administrator Sawhill's comments several weeks ago that southern California faces inevitable offshore drilling.

There being no objection, the article ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, Aug. 31, 1974]

BRADLEY ASSAILS SAWHILL ON OIL DRILLING REMARKS

(By Tendayi Kumbula)

Mayor Tom Bradley and several other Southland officials expressed anger and dismay Friday over remarks by the federal energy chief that oil drilling off the Southern California coast is inevitable.

"I am disturbed that a high federal official would make a statement like that," Bradley said. "We have been concerned at the speed at which the federal Department of the Interior is proceeding to award leases even before we have taken protective land-use management measures."

The mayor was responding to comments made Thursday by federal energy chief John C. Sawhill, who told a Greater Los Angeles Press Club news conference that the oil and gas off the state coastline would have to be developed.

Bradley said Sawhill's statement was particularly disappointing because it appeared to contradict assertions made to him and others by high Interior Department officials who have said there will be no offshore drilling in the state if the people oppose it en masse.

The mayor said he would continue to deal with Interior rather than the energy office.

Sawhill's comments brought an immediate demand for his resignation from local environmentalists.

The Seashore Environmental Alliance issued a statement through its attorney, Robert Ornstein, asserting that Sawhill's comments had "confirmed (SEA's) worst suspicions."

The statement noted that federal officials repeatedly have claimed that no decision to lease tracts for offshore drilling has been made. It added that Sawhill's assertion that drilling is inevitable means "the forthcoming public hearings and environmental impact statement are a mere hollow exercise."

The organization formed to combat federal plans for the Southern California coast, called for Sawhill's resignation.

More criticism was leveled during a meeting called by Bradsley.

Harriett Wieder, a Huntington Beach councilwoman, said Southern Californians should not be inundated by Sawhill's remarks and should continue to oppose drilling unless strong environmental safeguards are imposed.

And Roy W. Helm, mayor of Laguna Beach, said Sawhill's statement seemed to indicate that a decision has already been made to engage in offshore oil drilling and development.

If such a directive had in fact been given, he said, then this would appear to be a direct violation of the federal government's national energy policy.

Bradley, Holm and Councilwoman Wieder were among about 20 city and county officials who attended a conference convened by Bradley to take a unified position on proposed federal offshore drilling plans.

The conference, which first met in July at Bradley's request, unanimously endorsed a task force report which:

Opposed the awarding of leases for offshore oil and gas development in the Southland until a "comprehensive" national and regional energy policy has been established.

Called upon the Interior Department for a timely submission of its proposed oil development program to the state Coastline Commission and other suitable state, local and regional agencies for review before any new leases are issued.

Requested that no new leases be awarded in federal lands until Congress has enacted stringent laws regulating drilling and development on the state's continental shelf.

The task force was headed by Mayor Joseph T. Barnett of Palos Verdes Estates. The resolutions will go to officials in Washington.

The conference also endorsed portions of S3221, authored by Sen. Henry M. Jackson (D-Wash.), especially a paragraph that would establish a payment system for oil spill liability.

An attempt by a representative for Councilman Marvin Braude to have the conference endorse a resolution to establish an oil reserve only in a national military emergency failed. The resolution was withdrawn after it ran into heavy opposition from some of the conference members.

OFFSHORE CALIFORNIA OIL AND GAS LEASE TRACTS SELECTED FOR ENVIRONMENTAL STUDY

Secretary of the Interior Rogers C. B. Morton announced today that a total of 297 tracts totalling approximately 1.6 million acres in southern California offshore waters have been selected for further environmental study prior to any decision which could lead to an oil and gas lease sale in mid-1975.

"Announcement of the tentative tract selections is needed now," Secretary Morton said, "to focus information gathering and make possible the detailed analysis necessary to prepare an environmental impact statement, leading to an informed decision."

These tentative selections do not in any way constitute a fixed commitment to include those lands in a potential lease sale. The designations may be withdrawn in whole or in part at any time prior to actual sale, particularly if it should be determined that leasing of the designated tracts would not be environmentally acceptable, the Secretary said.

"The proposed sale of oil and gas leases offshore California involves special problems in environmental protection and aesthetic considerations," Secretary Morton said. "I will make no decision as to whether a sale will even be held, whether it should be deferred, or what tracts, if any, should be sold until after there has been a thorough review of the possible environmental impacts and an opportunity for public comment, both in writing and at a public hearing."

The Department had announced in January 1974 that a portion of a 7.7 million-acre area offshore Ventura, Los Angeles, and Orange Counties would be identified for analysis and review as a potential lease area. In addition to calling for tract nominations from industry, the Department requested comments concerning environmental aspects of a potential lease sale from State and local governments, institutions, groups, and the public. Discussions were also carried on with Department of Defense officials concerning their interests and activities in the southern California area. Upon review and analysis of comments received and discussions held, the tentative area for a potential sale was reduced to 1.6 million acres.

The 1.6 million acres being considered are located in Santa Monica Bay, in the Long Beach-Huntington Beach area, and on a series of relatively shallow water banks mostly seaward of the Channel Islands. None of the tentatively selected tracts are within the Santa Barbara Channel.

The 1.6-milion-acre area will be studied intensively in the coming months, and a specific draft environmental impact statement will be public in the fall of 1974. State, county, and city officials as well as environmental groups have been asked to designate experts to work with the Department in its preparation of this statement. A public hearing will be held after the draft is published for additional public input. Public comments will be considered before a final environmental impact statement is published and submitted to the President's Council on Environmental Quality for final review.

The proposed Southern California OCS sale is one of several OCS sales being considered for 1975 as part of the Federal Governments effort to achieve greater energy self-sufficiency. The available evidence suggests that the OCS is the most promising area for finding additional large discoveries of oil and that OCS oil and gas development may be less environmentally hazardous than alternative energy development.

In connection with the proposed increase in domestic oil and gas production from the OCS, the Department is in the process of preparing an Environmental Impact Statement concerning the expansion of OCS leasing to 10 million acres in 1975. That statement is designed as a broad study of the environmental impact of a proposed policy decision to expand nationwide OCS leasing, including leasing offshore southern California. A draft statement should be available in September with public hearings scheduled in October. A final environmental impact statement on the proposed increase in OCS oil and gas leasing for 1975 is expected to be published prior to the publication of a final statement on a potential lease sale offshore southern California.

A list of the specific tracts totalling approximately 1.6 million acres that are being considered may be obtained from the Manager, Pacific OCS Office, Bureau of Land Management, 7663 Federal Building, 300 No. Los Angeles Street, Los Angeles, California 90012, and from the Director, Bureau of Land Management (130), Washington, D.C. 20240.

Mr. CRANSTON. Mr. President, our amendment would provide a forum for the Governor of California, if he determined that the May 1975 lease sale would cause environmental and economic damage to the State, to request a postponement of this lease sale for up to 3 years. He would submit this request to the Secretary of Interior who would then have 30 days to render a decision on it. If the Governor was dissatisfied with the Secretary's decision, he would then have 30 days to appeal to the National Coastal Resources Appeals Board, established by our amendment.

This Board would be composed of five members: the Vice President, the Secretary of Interior, the Administrator of NOAA, the Administrator of EPA and the Chairman of the Council on Environmental Quality. This Board would be required to render a decision on the Governor's appeal within 25 days of its receipt. This gives to the Governor a total of 100 days to complete the administrative appeals process provided by our amendment.

Our amendment provides the Governor of an affected coastal State the opportunity to request a postponement of a proposed Federal offshore lease sale—an important opportunity to represent and protect the interests of his State. At the same time the amendment establishes a strict timetable for the resolution of a Governor's request. I believe this is a necessary and reasonable addition to the bill, and I urge its adoption by the Senate.

Mr. STEVENS. Will the Senator yield?

Mr. MATHIAS. I yield to the Senator from New Jersey.

Mr. CASE. Mr. President, I associate myself with the Senator from Maryland. I think his amendment is a thoughtful, moderate solution to a very difficult problem.

As I understand it, he would have the Governnor have the right to postpone action or at least to apply to the Secretary for a postponement for 3 years.

The reason I go into that is that it is my understanding that this is to permit under existing law a State by the development of coastal zones to prevent in this 3-year period before that law becomes fully effective the kind of development on land which would render meaningless any effort to zone the coastal areas of that State and to regulate onshore development which would result from the kind that we have here, am I correct?

Mr. MATHIAS. The Senator is exactly correct.

Mr. CASE. Congress has already provided that a State may by adopting coastal zones regulate the land side development of this zone and I think, Mr. President, it is the very least that we ought to do to permit States to have that period in which to work out the very difficult problem that the development of zoning legislation involves because of all the varied interests that exist in this important area.

So I fully support the effort of the Senator and I would only say this, that if he succeeds in his amendment, as I hope he will, I would like to add one step further, but I will not embarrass him or the chances for his amendment because mine will have to stand on its own feet.

I fully support the Senator and thank him as a representative of one coastal State to another for the very intelligent, moderate action he has proposed.

Mr. MATHIAS. I thank the Senator and I think he has put his fingers on a key here that in offshore drilling activities it is very often the onshore phase of those activities rather than——

Mr. CASE. If the Senator would yield, the majority report recognizes that fact, both in substance and in words. It says so as it correctly makes that point in its text, and then it provides for a measure of relief for coastal States along that line.

Mr. JOHNSTON. Will the Senator yield?

Mr. MATHIAS. I promised to yield to the Senator from Alaska.

Mr. STEVENS. Could the Senator tell me, what is the direct impact of what would occur if the Governor exercised what we wish to give him?

Mr. MATHIAS. Well, as the Senator from New Jersey said, of course, if the Governor and the Secretary have a meeting of the minds that this problem exists, they could go from a week to 3 years by the Secretary agreeing with the Governor.

Mr. STEVENS. What if the Secretary does not agree?

Mr. MATHIAS. Then we have the appeal process provided in this amendment which provides the Governor a maximum of 100 days in which his appeal to the National Coastal Resources Appeals Board, which is established by this legislation, may be heard, and that board must act within the time specified, a maximum of 100 days, on the Governor's request.

Mr. STEVENS. I would say to the Senator from Maryland, as a Senator from Alaska I have been quite concerned with the Outer Continental Shelf problem; 65 percent of the Outer Continental Shelf is off Alaska.

The Council of Environmental Quality has found that the Outer Continental Shelf operations in the Gulf of Alaska would present the highest environmental risk in the country and the impact of plans for the Outer Continental Shelf are such that our Governor and I have opposed premature leasing in the Gulf of Alaska until we have been able to secure the basic baseline data necessary to determine wind, sea, and the true environmental risk involved in the Gulf of Alaska.

I think the Senator from Maryland is making a reasonable request to put our Governors in the position where they can protect the total environment.

If I understand his position, it would be both onshore and offshore impact that the Governor could report.

I would like to join also in supporting the Senator from Maryland because I want to try to do my best to protect the role of our Governor in this area to bring about a meaningful dialog with the Secretary to assure that these environmental risks are adequately explored, adequately defined, and that sufficient action is taken to not only obtain the data on which to measure the potential risk, but also to define those actions which must be taken to mitigate those risks.

This may be a strange comment coming from me, because I think everyone realizes that I am for the development of the Outer Continental Shelf resources. I think we must have them. I think the lesson of the Alaska pipeline today is that if you do not have the data, the environmental assessment, and the plans adequately understood by not only your own constituents but the rest of the country, you are going to face delays. We believe we will avoid delays if we are given the opportunity to have a proper preparation and a proper discussion with appropriate Federal officials to secure those protections for our State that we think are necessary.

So I join the Senator from Maryland. I would urge the managers of the bill to try to accommodate themselves in some way to the concept that the Governor must have a stronger role in defining the risks to a State and seeking the cooperation of Federal officials to meet those risks.

I am somewhat disturbed by the penchant for speed that comes from some people who look to the massive royalties that are going to come when they start leasing some of these areas. I do not think that they realize the jeopardy that they place the industry in if they have not gotten the environmental ducks in line before that leasing takes place.

To me, the Senator from Maryland has a unique suggestion. Every suggestion I have heard in the past was toward the concept that there would be a veto, or that there would be strings placed on the Federal activity that were really abhorrent to the concept of management of the Federal domain, which the Outer Continental Shelf is.

I would urge the Senator from Louisiana and the Senator from Arizona to listen to our friend as he approaches the concept of just increasing the dialog and putting some real power in the hands of the governor to secure an impartial review of what the Federal agencies want to do with our offshore lands. As a member of the Ocean Policy Study Committee I think my good friend from South Carolina would agree with me, that this is where we have been trying to go. I know we have a committee conflict here in the sense that the OCS jurisdiction is the jurisdiction of the Interior Department. But I believe we should have some protection for the coastal States, at least time—and time is not that expensive.

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. STEVENS. Some of us have other engagements and conference committees. I understand the Senator from Oklahoma has two amendments and intends to bring them up next. Could we have an order of priority? I know I have an amendment dealing with the same section, section 25. I believe my colleague has a similar amendment dealing with section 25. If we could, I would like to get a unanimous-consent agreement as to the order in which these will be presented so that we can get to the conference committee and to other engagements, and not be left waiting at the dock.

Mr. JOHNSTON. I have no authority to agree to a unanimous-consent agreement, but we have no particular preference as to order. I think the Senator from Oklahoma desired to bring his amendments up next, and we have no objection to that.

Mr. BARTLETT. Will the Senator yield?

Mr. JOHNSTON. Yes.

Mr. BARTLETT. My hope was to ask to bring up one of the amendments, which I understood would be agreed to by the floor manager, and then proceed to the second amendment on which there is an hour and a half time limit. Presumably I would probably use most of that time, if others are not going to use it.

Mr. STEVENS. I have the amendment that I presented to the committee. The committee did not include it in the bill. I would like to offer it on the floor.

The Senator from South Carolina is not prepared to have a consent agreement concerning the order in which amendments will be presented?

Mr. JOHNSTON. I think we could proceed under the assumption that the Senator from Oklahoma will be next recognized. He has been asking for that. He has an hour and a half on his amendment, and he will take his 45 minutes.

Mr. CASE. So this amendment taking an hour and a half would follow the Senator from Maryland?

Mr. JOHNSTON. As far as I am concerned, that would be perfectly agreeable.

Mr. STEVENS. Who will follow the Senator from Oklahoma?

Mr. JOHNSTON. I would think that either of the two Senators from Alaska would be the natural sequence.

Mr. STEVENS. I would be prepared to present my amendment. If my colleague wished to present his first, that would be fine with me. I just wanted to know about when we should be prepared to present this matter.

Mr. CASE. Mr. President, I have an amendment which I may or may not offer, depending upon the disposition of the amendment of the Senator from Maryland. I would be very happy to have these other amendments go before that.

Mr. STEVENS. May I inquire if my colleague wishes to follow the Senator from Oklahoma?

Mr. GRAVEL. I would be happy to follow the Senator from Oklahoma.

Mr. STEVENS. I ask that Senator Gravel be recognized following the two amendments of the Senator from Oklahoma, and that I be recognized after that.

Mr. CASE. Will the Senator also include that I be recognized after the two Senators from Alaska have offered their amendments?

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSTON. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays for my amendment.

The PRESIDING OFFICER. Is there objection?

Mr. BARTLETT. I ask for the yeas and nays on amendment 1855.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JOHNSTON. Would the Senator from Maryland yield for a question?

Mr. MATHIAS. I would be happy to yield. I am not sure what time I have. I would hope the Senator would let me yield on his time.

Mr. JOHNSTON. On my time.

Mr. MATHIAS. I yield.

Mr. JOHNSTON. The Senator has spoken of a 10-day delay. Is it not correct that the Governor of a State may appeal to the National Coastal Resources Appeal Board and that that Appeal Board has the power to stop altogether the lease sale, to disapprove it, in effect?

Mr. MATHIAS. For the 100-day period in which the administrative process is working its way through the machinery of the Appeal Board. Of course, if they come to an agreement that there is, in fact, a substantial, important reason for some further delay, then they can so order. But that really becomes a question of consensus at that point. The decision is in the hands of the Federal authorities at every step. The only arbitrary delay that a Governor gets is the 100 days.

Mr. JOHNSTON. For example, suppose that the National Coastal Resources Appeal Board determined that it would take $100 million to offset the social, environmental, and economic impacts of offshore drilling, but suppose there is not enough money in the fund in that one given year to cover those social and environmental impacts. Would not the National Coastal Resources Appeal Board then be under a duty to disapprove the sale altogether?

Mr. MATHIAS. I do not think that would necessarily follow. It seems to me that is a good example of what you can do here. Under this provision, a Governor might bring in some local circumstance which creates a particular problem in his State, and he advances that to the Secretary of Interior. The Secretary of Interior may not wish to take that responsibility on his own shoulders, so he turns the Governor down initially. The Governor goes to the Appeal Board.

In this process, they may very well conclude that they want to slow down until the next session of the Governor's State legislature. They may want to slow down until the Secretary of the Interior can bring a bill to the Congress, or an item in the next Interior Department budget. It seems to me that this is exactly what is contemplated here. It is simply a platform from which the Governor can make an appeal on some local circumstance. Unless the Federal authorities agree, unless the Secretary agrees or the National Coastal Resources Appeal Board agrees, both of whom are Federal officials, the Governor is out. This merely gives him 100 days to state his case. If they cannot make the case so that the Federal authorities themselves agree——

The PRESIDING OFFICER. The time of the Senator from Maryland has expired.

The Senator from Louisiana has 30 minutes remaining on the amendment.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the name of the Senator from Delaware (Mr. BIDEN) be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. JOHNSTON. Mr. President, the idea of input by the Governors of the adjacent States is a good one. I do not doubt that there is a way that, given the time and the committee study which this kind of amendment needs, given the deliberativeness which a committee would afford, we could work out the kind of input that concerns the Senator from Maryland. With the sentiments, we have no quarrel at all. With the mechanics of this amendment, we have great quarrel.

What we have here is making a dichotomy in the decision-making process that could very well stymie all efforts to lease offshore lands. On the one hand, you have a NEPA statement, with all the delay, all the deliberation, all the public hearings, all the possible court problems for access to the courts which that suggests.

Second, we have the Secretary of the Interior charged with the duty of giving out the amount in the coastal fund, some $200 million per year; but that is the top amount which the Secretary of the Interior can give out.

Third, we have under this amendment an appeal by the Governor and a further appeal to the National Coastal Resources Appeal Board. That appeal board has the power not to delay but, in the words of the amendment, to hear the appeal and render a final decision within 90 days of such hearing. The board shall overrule the action of the Secretary if it finds that (a) the State is not adequately protected, or adverse environmental and economic impacts and other damages pursuant to paragraph (3) and subparagraph (2), and so forth.

In other words, that appeals board has not only the power but also the duty to overrule the action of the Secretary; and the action of the Secretary, in the first place, is to lease the lands.

The Secretary of the Interior has the exclusive power to determine the amount of the grants to be given to the coastal States, but this appeal board has the power to overrule the Secretary, in effect, and say that the amount given was not adequate.

So if there is a divergence of opinion, there is no one to settle the controversy between the two, and we may well have a stalemate; because the Secretary of the Interior cannot go to court and say that the appeal board is wrong, nor can the appeal board go to court and say that the Secretary is wrong. We may have one of those Mexican standoffs, with no machinery provided for its resolution.

Second, we have an appeal board created here, given some ill-defined and vague jurisdiction over the Outer Continental Shelf, when all jurisdiction ought to be exercised by the Department of the Interior, which is charged under other laws with the administration of that part of the Federal domain; and such appeals ought to go to the courts and not to some specially created appeals board.

For that reason, Mr. President, we oppose the amendment.

I yield to the distinguished Senator from Arizona. How much time does the Senator desire?

Mr. FANNIN. Four minutes.

Mr. President, I concur with the statement of the distinguished Senator from Louisiana that this is an encouragement to delay, and that is what I am really concerned about.

I realize the sincerity of the Senator from Maryland. I feel that in his own minds he doubts that the Governor will be given a proper opportunity. But I do not have any doubt that the existing safeguards for the States amply protect the Governor. The Governor will be called upon to take action by some of his constituents just because the procedure is outlined in the legislation. I think this is detrimental, because I feel that in many instances, delays will occur if this is placed in the legislation.

The Department of the Interior requires public hearings before all OCS lease sales, and I think this is protection. The Governors usually testify, or the Governors send representatives, so they have the opportunity to present their case.

The States can control onshore facilities needed for offshore drilling and thus can prevent leasing, if they really want to. I feel that the present system gives them every protection that is needed from that standpoint. The Department of the Interior usually does not conduct lease sales unless the States support the leasing sale.

I feel that in the future it is highly essential that we do have great authority in the Secretary's hands, because we have a crisis so far as development is concerned. The opportunity for the governor to participate in NEPA litigation under section 102(2)(c) is also available. Thus, the Governor is protected in many ways including the opportunity for a Governor to sue under a number of other grounds to stop leasing, under the Administrative Procedures Act.

The distinguished manager of the bill has brought out that many protections are available to the Governor.

But I repeat that my concern is that this is an encouragement for delay. By remaining in the bill, it will result in requests to the Governor many times that certainly are not necessary. I am not saying that the Governors should not accede to the request, because I went through that for several years, and I certainly did accede. The real issue is, do we want the energy or do we want to continue our imports in increased amounts?

If we do not go forward with the leasing programs, every delay is costly. If a delay of a hundred days results and it happens to be an area where exploration is going to be successful, or is successful at a later time, then it could be of great consequence.

So I feel that we should oppose this amendment. It would detrimentally affect the legislation.

Mr. MATHIAS. Mr. President, will one of the managers of the bill yield me about 3 minutes to respond to the observations that have been made?

Mr. JOHNSTON. Mr. President, I yield 3 minutes to the distinguished Senator from Maryland.

Mr. MATHIAS. I appreciate the Senator yielding.

Mr. President, very briefly, in response to the Senator from Arizona, let me again point out that the maximum unjustified delay—and I choose that word carefully—is a hundred days. Whether we are talking about Searsport, Maine, whether we are talking about the coast of Alaska or the coast of Louisiana or the coast of Florida or even the coast of Maryland, a hundred days is not very much time to invest in the permanent condition of this country, of integral, vital parts of this country, and the people who live in it.

So I do plead for the hundred days. If there is a delay beyond the hundred days, again, it is by consensus.

This brings me to the argument of the Senator from Louisiana that this amendment would in some way create a dichotomy between the Secretary of the Interior and the authority he has to discharge and the board which is provided in the amendment. Who are the members of the board? The members of the board are the Vice President, who shall be the chairman of the board; the Secretary of the Interior, himself—he gets a second crack at it; the Administrator of the National Oceanic and Atmospheric Administration; the Administrator of the Environmental Protection Agency, and the Chairman of the Council on Environmental Quality. These are the Secretary's colleagues in the administration. How can he have a dichotomy with his own colleagues?

All we are doing is to say, "Mr. Secretary, take another look. Consult. Ask a little advice and counsel."

I know it is popular for people to say, "The buck stops here. I am going to make these decisions. I am going to do it on my own. I am going to take care of it." But it does not hurt to consult; it does not hurt to get advice; it does not hurt to review with one's colleagues what may be a better course of action.

That is all we are providing for. There cannot be any dichotomy, because these people will, in the nature of things, always be members of the same administration. They will be colleagues.

I cannot believe that there can be a dichotomy. All that we have here is a second look. That is not very much to ask for the States of the Union who have coastal areas, a second look. It is not very much to ask.

When we consider that the mistakes that might be made without this second look will be irrevocable and communities and areas will be totally altered, that the lives of people affected will be completely and totally changed, again, the second look does not seem to be an unreasonable request. That is all we are asking.

We are asking for 100 days to determine whether there should be immediate commencement of activity. I think in the total energy picture, 100 days is not going to be very long. We are asking for that second look, not by some independent outside board that might set up a different philosophy than the Secretary himself has, but a second look by the Secretary's own colleagues in the administration within which he is serving.

Mr. President, I hope the Senate will adopt this amendment.

Mr. GRAVEL. Will the Senator yield for a question?

Mr. MATHIAS. Yes, I yield.

Mr. GRAVEL. If the Senator will read the text of yesterday's RECORD, it says that a delay of 3 years will take place if the Governor so requests. That is what will be indicated by this amendment that the Senator is talking about?

Mr. MATHIAS. That is, of course, if they all agree that it should be. Something up to 3 years. It might be a week, it might be a month, it might be 3 years. It is up to 3 years. But that would be, really, a matter of consensus. That would be if everybody agrees. I am talking about a maximum period of delay for which some justification may not have to be shown, just a period of time it takes to go through the procedure.

Mr. GRAVEL. I am not disturbed about the delay. I am disturbed about what may happen if a State were aggrieved in the most grievous way; the most succor they could receive would be a 3-year delay. That is the best that could happen, is that not so?

Mr. MATHIAS. Under this amendment, that is the outside. I might respond to the Senator by reading an editorial of this morning:

OFFSHORE DRILLING: MATHIAS AMENDMENT

Interior Department procedures for leasing of offshore drilling sites clearly are inadequate, even under the requirements of the National Environmental Policy Act (which, of course, can be abrogated, as it was by Congress in the case of drilling on Alaska's North Slope). The greatest deficiency may lie in the absence of procedures assuring that the states involved will have a full role in decision making. This might not be so important if the Interior Department were more dedicated to giving full weight to environmental considerations, but as the Alaska case demonstrates Interior very often is nearly an arm of the oil industry.

So an amendment introduced by Senator Mathias to establish procedures whereby state governors might be able to delay offshore leasing is a step in the right direction. Under the Mathias proposal, states could ask the Secretary of the Interior to delay issuing offshore leases for as long as three years and could appeal adverse decisions of the Secretary to a National Coastal Resources Board. Members of the board would be the vice president, the Interior secretary, and the heads of the National Oceanic and Atmospheric Administration, the Council on Environmental Quality and the Environmental Protection Agency. With the inclusion of NOAA, instead of the Commerce secretary as in an earlier version of the amendment, the board holds promise for being an effective guardian of the Atlantic coast environment.

But the Mathias proposal has some deficiencies one of them pointed out by Thomas M. Downs, Governor Mandel's energy adviser. This is that it would apply on a lease-by-lease basis and thus would not provide for long-range planning for an entire region. Once again, Interior should be doing this kind of planning, but past history gives little assurance it will. Another, related, problem is that states might not be unified in their appeals to Interior and to the Coastal Resources Board, and thus might get involved in logrolling aimed either at securing the economic development that would come with offshore drilling or at the opposite, assuring the drilling would be done off somebody else's coast. This, of course, could throw any long-range planning into a cocked hat, especially if the planning were properly aimed at choosing sites least environmentally harmful regardless of which state might be affected.

But Mathias amendment is, as we said, a step in the right direction. If only the Atlantic outer continental shelf areas where drill-

> ing is to take place were to be affected, then decisions perhaps could properly be left to federal officials. But massive changes in coastal areas as a result of the offshore drilling are inevitable, and the states involved deserve a full consideration of their views of the desirability, or lack thereof, of offshore leases.

Mr. GRAVEL. Will the Senator from Louisiana yield to me 2 minutes so I may talk on this matter?

Mr. JOHNSTON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. HART). The Senator has 17 minutes remaining.

Mr. JOHNSTON. I yield to the Senator from Alaska.

Mr. GRAVEL. Mr. President, I ask that I be made a cosponsor of the amendment of the Senator from Maryland.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. I add only my remarks that my views are somewhat stronger than his. Unless there is some succor given to the States who are aggrieved, monetary succor, to make up the deficiencies that exist, I shall not have time to do it on this piece of legislation, but I shall certainly draft legislation to see that a referendum may be held within the States and let the people of the States vote on whether or not they want this development to take place.

I *think it is* unconscionable for the Federal Government unilaterally to go in and wreak havoc to an economy without putting forth some effort to rehabilitate these people. The rehabilitation process that we have in the bill, the $200 million, is but a mere bagatelle to what that cost could be. I support the amendment of the Senator from Maryland because, to me, it is acceptable to have delay if there are people who are going to be aggrieved. I think what can be demonstrated in that delay, or in *the 3-year delay*, will be that the Federal Government has not made provision for sufficient costs to repair the damage to the people in question. Therefore, I think it is wrong.

We find that there are natural disasters that come upon us, and we, after the fact, have to repair the damage. I think it would be disastrous for the Federal Government to go out and wreak a natural disaster on a State with forethought without putting in enough economic substance to repair the damage or to plan for the repair concurrent with the damage taking place. I think that is one of the major pitfalls of the bill. That is the reason that I am supporting this amendment.

If the bill is not corrected, I can assure my colleagues that I shall come forward at a later date with a provision to have a referendum. I think that would be a very democratic approach. Then, if the people in the various States want to wreak havoc on another State, let them vote that way; if not, let them vote it down. But I think it would be detrimental to go out and cause people in certain States to solve what is a national problem, and a very acute national problem, may I say.

Mr. JOHNSTON. Mr. President, the argument of the distinguished Senator from Maryland is that since the members of the appeals board are more or less siblings of a common sire, in that they all work with the President, they will not disagree and they will all come to some kind of unanimity with the Secretary of the Interior, who made the decision in the first place. If that argument is correct—and we have seen examples when it is not always correct in the Federal Government—if it is correct, then the Secretary of the Interior will not act unreasonably in the first place, because the act already calls for input and coordination with NEPA, with the Council on Environmental Quality, with Commerce, and with the other departments which make up the appeals board.

If these other secretaries or directors, as the case may be, feel that the action to be taken by the Secretary of the Interior is incorrect or unreasonable, they will already have had, pursuant to the mandate in the act, the opportunity, the responsibility of telling the Secretary of the Interior about it. If there is a dispute, then presumably, the boss, the President——

Mr. MATHIAS. But not subsequent to the formal registration of a Governor's views, and that is the critical point.

Mr. JOHNSTON. The Governor, too, would have input under the bill. The Governor is given a copy of the NEPA statement in plenty of time to make his views known and in plenty of time to change the action by the Secretary of the Interior that is to be taken.

Mr. President, I shall not prolong the argument any longer. I think the Senator from Maryland has made a good case for input from the adjacent coastal States. There is a case to be made. We hope we have dealt with that problem under the bill.

To the extent that it needs to be modified, we on the Committee on the Interior will work further on that problem.

I sincerely submit, Mr. President, that the amendment herein contained, which has not been held up to the critical scrutiny of a committee hearing on this very important matter, I believe that this amendment does not meet the model and is likely to wreak havoc with the whole procedure and provide, in effect, for a dichotomy of decision, with no means of settling that decision. For that reason, we urge the rejection of the amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back on the amendment of the Senator from Maryland. On this question the yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Indiana (Mr. HARTKE), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

Mr. HUGH SCOTT. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Colorado (Mr. DOMINICK), and the Senator from Michigan (Mr. GRIFFIN) are necessarily absent.

I also announce that the Senator from Illinois (Mr. PERCY) is absent on official business.

The result was announced—yeas 54, nays 39, as follows:

[No. 408 Leg.]

YEAS—54

Abourezk
Aiken
Allen
Baker
Beall
Biden
Brooke
Buckley
Byrd,
  Harry F., Jr.
Cannon
Case
Chiles
Church
Clark
Cranston
Eagleton
Eastland
Fong
Fulbright
Gravel
Hart
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Inouye
Javits
Kennedy
Mansfield
Mathias
McGovern
McIntyre
Mondale
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Ribicoff
Roth
Schweiker
Scott,
  William L.
Stafford
Stennis
Stevens
Stevenson
Taft
Tunney
Weicker
Williams

NAYS—39

Bartlett
Bellmon
Bennett
Bentsen
Bible
Brock
Burdick
Byrd, Robert C.
Cotton
Curtis
Dole
Domenici
Ervin
Fannin
Goldwater
Gurney
Hansen
Haskell
Helms
Hruska
Jackson
Johnston
Long
Magnuson
McClellan
McClure
McGee
Metcalf
Metzenbaum
Montoya
Moss
Proxmire
Randolph
Scott, Hugh
Sparkman
Talmadge
Thurmond
Tower
Young

NOT VOTING—7

Bayh
Cook
Dominick
Griffin
Hartke
Percy
Symington

So Mr. MATHIAS' amendment (No. 1876, as modified) was agreed to.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATHAWAY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under an earlier agreement, the Chair recognizes the Senator from Oklahoma for the first of two amendments.

Mr. HATHAWAY. Will the Senator yield for a unanimous-consent request?

Mr. BARTLETT. Yes.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that a member of my staff, Elizabeth Baynton, be allowed privilege of the floor during debate and vote on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1886

Mr. BARTLETT. Mr. President, I call up amendment No. 1886.

Mr. President, I would like to point out that this is not the amendment on which an hour-and-a-half debate has been submitted, but just 1 hour.

The PRESIDING OFFICER. The clerk will read the amendment.

The assistant legislative clerk read the amendment, as follows:

> On page 66, line 7, delete the word "all" and insert in its place the words "each individual".

Mr. JOHNSTON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator yield to the Senator from Louisiana?

Mr. BARTLETT. Yes.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that Paul Haygood and Bill Hoffman be allowed floor privileges throughout the vote and throughout consideration of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I ask unanimous consent to amend the bill in two respects.

On page 63, line 16, after the word "who" add the following, knowingly and wilfully." On page 49, line 18, after the last word "of" add "occupational safety and."

Mr. President, these are purely technical amendments and in the first instance it requires that any officer or director of a corporation knowingly and wilfully authorized a violation of the law before he can be held liable for any penalties under the bill.

In the second instance, it simply adds occupational safety and health to fully define the National Institute of Occupational Safety and Health.

The PRESIDING OFFICER. Does the Senator ask unanimous consent that the amendments be considered now?

Mr. JOHNSTON. Yes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendments of the Senator from Louisiana.

The amendments were agreed to.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I yield to my good friend, the Senator from Nevada.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

Mr. BIBLE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3301.

The PRESIDING OFFICER (Mr. HART) laid before the Senate the amendment of the House of Representatives to the bill (S. 3301) which was to strike out all after the enacting clause, and insert:

That the Act of October 27, 1972 (86 Stat. 1266), is hereby amended as follows:

1. By designating subsection 4(b) to be subsection 4(c), and by adding a new subsection 4(b) to read as follows:

"(b) The Board of Directors is authorized to procure the temporary (not in excess of one year) or intermittent services of city planners, architects, engineers, appraisers, and other experts or consultants or organizations thereof in accordance with section 3109 of title 5, United States Code, but at rates for individuals not in excess of the rate in effect for grade GS-18 of the General Schedule.".

2. In subsection 7(b),

(i) delete "this Act," and insert "the Act to amend the Act of October 27, 1972 (86 Stat. 1266),";

(ii) delete "within twelve months of the date of enactment of this Act," and insert "by June 30, 1975,".

3. In section 17, delete "$1,000,000" and insert "$1,750,000 for the operating and administrative expenses of the Corporation and".

Mr. BIBLE. Mr. President, the changes made in S. 3301 by the House amendment are mainly technical in nature, including extension of the moratorium on construction in the area to June 30, 1975, whereas the Senate bill extended it to December 31, 1974.

Mr. President, I have conferred with my colleagues on the Interior and Insular Affairs Committee, both majority and minority, and am advised that the House amendment is acceptable.

Mr. President, because the differences between the two bills are not substantial enough to require a conference between the two Houses, I move that the Senate concur in the amendment of the House to S. 3301.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

BOSTON NATIONAL HISTORICAL PARK ACT OF 1974

Mr. BIBLE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 210.

The PRESIDING OFFICER (Mr. HART) laid before the Senate the amendment of the House of Representatives to the bill (S. 210) to authorize the establishment of the Boston National Historical Park in the Commonwealth of Massachusetts, which was to strike out all after the enacting clause, and insert:

That this Act may be cited as the "Boston National Historical Park Act of 1974".

SEC. 2. (a) In order to preserve for the benefit and inspiration of the people of the United States as a national historical park certain historic structures and properties of outstanding national significance located in Boston, Massachusetts, and associated with the American Revolution and the founding and growth of the United States, the Secretary of the Interior (hereinafter referred to as the "Secretary") may, in accordance with the provisions of this Act, acquire by donation or by purchase with donated funds, all lands and improvements thereon or interests therein comprising the following described areas:

(1) Faneuil Hall, located at Dock Square, Boston;

(2) Paul Revere House, 19 North Square, Boston;

(3) The area identified as the Old North Church area, 193 Salem Street, Boston;

(4) The Old State House, Washington and State Streets, Boston;

(5) Bunker Hill, Breeds Hill, Boston;

(6) Old South Meeting House, Milk and Washington Streets, Boston; and

(7) Charlestown Navy Yard.

(b) In the event that the properties described in this section are not donated to the United States or purchased with donated funds, they may be acquired by the Secretary with appropriated funds: *Provided*, That, except for privately held lands within the Charlestown Navy Yard as described in subsection (d) of this section, the Secretary shall not acquire any such properties by eminent domain so long as he determines that a binding, written cooperative agreement, assuring the preservation and historical integrity of such properties remains in force and effect. Lands owned by the Commonwealth of Massachusetts, or any of its political subdivisions, may be acquired only by donation.

(c) At such time as the Secretary determines that sufficient lands, improvements, and interests therein have been acquired or that cooperative agreements satisfying the preservation and historical objective of this Act have been executed, he may establish the Boston National Historical Park by publication of notice to that effect in the Federal Register, together with a detailed description or map setting forth the properties included therein.

(d) As used in this section, the Charlestown Navy Yard shall include the United States Ship Constitution and the lands generally depicted on the map entitled " Boundary Map: Charlestown Naval Shipyard—U.S.S. Constitution, Boston National Historical Park", numbered BONA 20,000 and dated March 1974 which shall be on file and available in the offices of the Director of the National Park Service, Department of the Interior, Washington, D.C. All right, title, and interest in the Federal properties and improvements included therein shall be transferred to the Secretary of the Interior: *Provided*, That he may, by written agreement with the Secretary of the Navy, permit the continued use of any such buildings and facilities as the Secretary of the Interior determines to be necessary for the preservation and maintenance of the Constitution, which agreement shall provide that the Department of the Navy shall transfer to the Department of the Interior funds sufficient to cover the costs attributable to the functions and services which are provided by the Department of the Interior. The Secretary shall consult with repersentatives of the city of Boston and the Commonwealth of Massachusetts concerning the development of suitable transportation plans consistent with the purposes for which the Navy Yard was included in the historical park.

SEC. 3. (a) In addition to the properties described in section 2 of this Act, the Secretary shall study the properties described in this section to determine the feasibility and suitability of including them within the Boston National Historical Park. In making such studies, he may enter into tentative agreements with any owners thereof for their inclusion in said park and he may enter into options, for a nominal consideration, for the purchase of such properties, but no additional properties may be added to the park except by an act of the Congress. Studies shall be made of the following properties:

(1) Boston Common;

(2) Dillaway-Thomas House;

(3) Thomas Crease House (old Corner Book Store);

(4) Dorchester Heights; and

(5) the following burying grounds; King's Chapel, Granary, and Copp's Hill.

(b) In furtherance of the general purposes of this Act as prescribed in section 2, the Secretary is authorized to enter into cooperative agreements with the city of Boston, the Commonwealth of Massachusetts, or any private organization to mark, interpret, restore, and/or provide technical assistance for the preservation and interpretation of any properties listed in section 2, or portions thereof, which, in his opinion, would best be preserved in private, municipal, or State ownership, in connection with the Boston National Historical Park. Such agreements shall contain, but shall not be limited to, provisions that the Secretary, through the National Park Service, shall have right of access at all reasonable times to all public portions of the property covered by such agreement for the purpose of conducting visitors through such properties and interpreting them to the public, that no changes or alterations shall be made in such properties except by mutual agreement between the Secretary and the other parties to such agreements, except that no limitation or control of any kind over the use of any such properties customarily used for church purposes shall be imposed by any agreement. The agreements may contain specific provisions which outline in detail the extent of the participation by the Secretary in the restoration preservation, and maintenance of such historic properties.

(c) The Secretary may identify other significant sites of the colonial and Revolutionary periods of American history in the city of Boston, Massachusetts, and its environs, which are related to the historical park created by this Act, and, with the consent of the owner or owners thereof, may mark them appropriately and make reference to them in any interpretive literature.

SEC. 4. (a) There is established a Boston National Historical Park Advisory Commission (hereinafter referred to as the "Commission") which shall be composed of members appointed by the Secretary as follows:

(1) Three members appointed from recommendations submitted by the Governor of Massachusetts;

(2) Three members appointed from recommendations submitted by the mayor of the city of Boston; and

(3) One member to represent each owner with which the Secretary has concluded a cooperative agreement pursuant to section 3 of this Act, to be appointed from recommendations submitted by each such owner.

(b) The Commission shall terminate ten years from the date of establishment of the Boston National Historical Park.

(c) A vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment (and for the balance of the unexpired term). The Chairman of the Commission shall be designated by the Secretary.

(d) The Commission shall act and advise by affirmative vote of a majority of its members.

(e) The Secretary or his designee shall from time to time, but at least semiannually, consult with the Commission with respect to matters relating to the development of the Boston National Historical Park.

(f) Members of the Commission shall serve without compensation as such. The Secretary is authorized to pay the expenses reasonably incurred by the Commission in carrying out its responsibilities under this Act upon presentation of vouchers signed by the Chairman.

SEC. 5. The Secretary may acquire property or any interest therein by donation, purchase, or exchange for the visitor center, and notwithstanding any other provision of law, funds appropriated for the development and operation of the visitor center may be expended on property in which the Secretary has acquired less than the fee simple interest therein, including a leasehold interest.

SEC. 6. When established as provided in section 2 of this Act, the Boston National Historical Park shall be administered by the Secretary in accordance with the provisions of this Act, the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented (16 U.S.C. 1 et seq.), and the Act of August 21, 1935 (49 Stat. 666; 16 U.S.C. 461–467).

SEC. 7. For the acquisition of lands or interests in lands designated by section 2 of this Act as components of the Boston National Historical Park, there is authorized to be appropriated not to exceed $2,740,000. For development of the components designated as paragraphs 1 through 6 in section 2, there is authorized to be appropriated not more than $12,818,000. For the development of the component designated as paragraph 7 in section 2, there is authorized to be appropriated not more than $11,500,000.

Mr. BIBLE. Mr. President, the amendment of the House to S. 210, a bill to authorize the establishment of the Boston National Historical Park in the Commonwealth of Massachusetts, added two important areas to the proposed park—the area identified as the Old North Church area, 193 Salem Street, Boston, and the Charlestown Navy Yard. In order to acquire these two additional areas and develop them, it was necessary to increase the amount authorized to be appropriated for acquisition of land from $360,000, as contained in the Senate-passed bill, to $2,740,000, and the development costs are raised from $8,067,000 to $12,818,000 with an additional $11,500,000 for the Charlestown Navy Yard.

Mr. President, the Senate Interior and Insular Affairs Committee in its consideration of this legislation deemed these two areas added by the House bill to be most worthy of inclusion in the National Park System. However, at the time this legislation was considered and passed by the Senate last December, the Interior Department had not completed its study of the areas, and so the Senate placed them in the study section of its version of S. 210. Had the study been completed at that time, these two areas would have been included in the Senate bill.

One other change added by the House in its amendment to the bill involves the traditional use of the power of condemnation to acquire lands when necessary. The House included this provision which supplies the tools needed by the managers of our National Park System whenever an impasse is reached over an area which the Congress has authorized to be added to our National Park System. I do not believe that anyone on our committee or in the administration favors the use of eminent domain proceedings unless absolutely necessary. Sometime, however, in order to complete the project it may be necessary to acquire lands without the consent of the owner when no agreement can be reached. Of course, the owner will have the full protection of the courts to insure him the fair market value of his property. We would have no objection to this amendment.

Mr. President, I have conferred with the two Senators from Massachusetts and my colleagues on the Interior and Insular Affairs Committee, both majority and minority, and am advised that the House amendments are acceptable.

Therefore, Mr. President, I move that the Senate concur in the amendment of the House to S. 210.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

ENERGY SUPPLY ACT OF 1974

The Senate continued with the consideration of the bill (S. 3221) to increase the supply of energy in the United States from the Outer Continental Shelf; to amend the Outer Continental Shelf Lands Act; and for other purposes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. BARTLETT. Mr. President, I have no objection to the technical amendments that were made by the Senator from Louisiana.

AMENDMENT NO. 1886

Mr. President, I call up my amendment No. 1886, as modified, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 66, line 7, delete the word "all" and insert in its place the words "each individual".
>
> On page 66, line 7, delete the word "leases" and insert in lieu thereof "lease".

Mr. BARTLETT. Mr. President, there has been much interest for a long time in increasing the leasing activity of the Outer Continental Shelf. One of the approaches that many people have considered has been methods of reducing the amount of the bonus that would be bid and to have instead an amount of royalty that could be bid or, as is the case in this provision of the bill, a net profit consideration.

The purpose of this provision, which was an amendment of the chairman, the Senator from Washington, was to increase the activity of bidding and the activity of drilling in the Outer Continental Shelf, to make it easier for some of the smaller companies to acquire leaseholds on which they could conduct exploration and development activity.

I am afraid that the way the language was written it would interfere with that goal and actually would have resulted in the larger companies having an advantage, which I am sure was not intended.

The part I am concerned with deals with the definition of the net profit share. With the old language or the present language in the bill before the adoption of this amendment, if it is adopted, it would describe the net profits share that it shall be calculated on the basis of the value of the production saved, removed, or sold, less those capital and operating costs directly assignable to the development and operation of all oil and gas leases.

My amendment changes that to each individual oil and gas lease.

This makes a big difference in how the majors and the smaller companies might be interested in bidding. A bidder who has a developed and profit-producing lease could benefit by deducting development and operating costs of a new lease from the profits of an older and more developed lease. A new bidder in the Outer Continental Shelf, having no other leases on which there are net profits, would not be able to do this and, therefore, the leaseholder of many leases, presumably some of which have operating costs and development costs on which there is no net profit, would be able to bid more. So by and large, the larger company would have the advantage over the company that was bidding for the first time, or the company which had less activity in the Outer Continental Shelf.

Another example of this would be just the reverse. The new bidder would have only the development and operating costs on the lease on which he was bidding to deduct from the net profit; whereas, a larger operator would be able to deduct the investment and the operating costs from many leases. This undoubtedly would be reflected in the bid and would put the new bidder at a disadvantage.

Mr. President, I think this amendment does correct what I am sure was not intended, because the intent of this kind of bidding is to open up the Outer Continental Shelf to more companies so that there will be more competition and more activity.

I hope the floor manager of the bill will find this amendment acceptable and desirable.

Mr. JOHNSTON. Mr. President, we accept the amendment.

I yield back the remainder of my time.

Mr. BARTLETT. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma (Amendment No. 1886).

Mr. Bartlett's amendment (No. 1886), as modified was agreed to.

AMENDMENT NO. 1855

Mr. BARTLETT. Mr. President, I call up my amendment No. 1855, as modified, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read the modified amendment as follows:

> Strike section 26 from the bill.
>
> On page 57, beginning on line 3, strike all of section 25 through line 24 on page 58. Renumber subsequent sections accordingly.

The PRESIDING OFFICER. Under the previous order the time allowed for the consideration of this amendment is 1 hour and a half, to be equally divided between the Senator from Oklahoma and the floor manager.

The Senator from Oklahoma.

Mr. BARTLETT. Mr. President, this amendment deletes a portion of section 202 that is designated as new section 25 of the Outer Continental Shelf Act.

Mr. President, it was not until the discovery of important oil deposits in the Continental Shelf that the question of rights in such submerged lands became important. The assertion of claims to the Continental Shelf by the States of California, Louisiana, and Texas, and the issuance of oil and gas leases on Continental Shelf lands by these States—beginning as early as the 1920's in the case of California—led to the institution of litigation against them by the Federal Government for the purpose of having the Supreme Court decide whether the United States or the several coastal States had the right to develop the oil and gas deposits in the Continental Shelf.

The Supreme Court settled the question of control over and rights in the Continental Shelf and its mineral resources in three decisions dealing with California—1947, Louisiana—1950, and Texas—1950.

On June 23, 1947, the Supreme Court rendered its opinion in the original case of United States against California, holding that California—

> Is not the owner of the 3-mile belt along its coast, and that the Federal Government rather than the State has paramount rights in and power over that belt, an incident to which is full dominion over the resources of the soil under that water area, including oil (332 U.S. 19, 38–39).

A decree to that effect was entered on October 27, 1947. (332 U.S. 804.)

The Attorney General of the United States on December 21, 1948, instituted original suits in the Supreme Court against the States of Texas and Louisiana for the purpose of establishing Federal rights in the submerged lands off the shores of those States. The Supreme Court rendered decisions in favor of the United States in those two cases on June 5, 1950. In the Louisiana case the Court held that the California decision was controlling (339 U.S. 699). In the Texas case the Court held that when Texas came into the Union on an "equal footing" with all other States, she relinquished any claim that she may have had to the offshore submerged lands (339 U.S. 707).

Rather than accept these decisions as an end to the controversy, both Houses of the 82d Congress passed legislation restoring to the States submerged offshore lands within their historic State boundaries which, in all but the case of Texas, is 3 miles. The historic boundary of Texas is 3 leagues or 10½ statute miles. This legislation was vetoed by President Truman who upheld the Supreme Court's decision of Federal jurisdiction.

In the 83d Congress, Senator Spessard Holland of Florida introduced Senate Joint Resolution 13 which later became Public Law 83–31. This legislation was cosponsored by 40 Senators including 19 Senators from coastal States.

The purpose of the Joint Resolution, which was reported favorably by the Interior Committee, was:

> To determine and declare that it was in the public interest that title and ownership of lands beneath navigable waters (defined as 3 miles) within the boundaries of the respective States, and of the resources therein, be established and vested in the respective States. Insofar as the Federal Government had any proprietary rights in such lands and waters, that interest was relinquished or "quitclaimed" to the individual States.

According to statistics compiled by the U.S. Geological Survey in 1953, which were admittedly conservative, this entitled the States of California, Louisiana, and Texas to $4,375,000,000 in potential reserves. This dollar figure was determined by the going price of crude oil which at that time was $2.50 per barrel.

Opposition to giving the submerged lands to the States was strong. The following argument contained in the committee report was presented against the bill:

> During the hearings, the advocates of Senate Joint Resolution 13 were challenged to produce a single valid reason why the United States should surrender its vast oil properties in the submerged lands of the marginal sea.
>
> They undertook to submit two reasons: One was that they had enjoyed such rights over a long period of time, asserting ownership since entrance into the Union. This contention was rejected by the Supreme Court of the United States. It has no valid basis in fact or law. It is irrelevant in considering legislation on the subject.
>
> The other alledged reason was that the Attorney General of the United States, during the argument in the California case, had promised that equity would be done the States concerned. This "reason" would embrace the preposterous idea that a mere promise of "equity" meant that the United States would give up everything it won in the litigation.
>
> The complete answer is that equity—and more than equity—has already been done. California, Louisiana, and Texas have been permitted to keep all the many millions they received through their unlawful trespasses on Government property. The Government did not ask, as would be done in the case of private controversies, that the owner be reimbursed for the losses sustained. Moreover, the United States agreed to ratify and confirm existing leases in the marginal sea held by the States' lessees or assignees, an agreement that involved enormous losses for the United States, because the States retained all the down payment, or bonuses paid for such leases. So these unsound "reasons" have no basis. And without them, there is not a shadow of a pretense that any justifiable ground exists for stripping the United States of its natural resources in the submerged lands of the marginal sea.

Additional arguments were presented. Mr. President, I ask unanimous consent that additional comments from the committee report be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. Helms). Without objection, it is so ordered.

(See exhibit 1.)

Mr. BARTLETT. Yet, the Senate proceeded to pass the bill. The vote tally was as follows:

> Yeas (56): 35 Republicans, 21 Democrats.
>
> Nays (35): 9 Republicans, 25 Democrats, 1 Independent.
>
> Coastal States—Yea (32):
>
> Maryland, Beall; New Hampshire, Bridges; Connecticut, Bush; Maryland, Butler, John; Virginia, Byrd; Oregon, Cordon; Mississippi, Eastland; Texas, Daniel; Louisiana, Ellender; Delaware, Frear.
>
> Georgia, George; New Jersey, Hendrickson; North Carolina, Hoey; Florida, Holland; New York, Ives; Texas, Johnson; South Carolina, Johnston; California, Knowland; California, Kuchel; Louisiana, Long.
>
> South Carolina, Maybank; Maine, Payne; Connecticut, Purtell; Virginia, Robertson; Georgia, Russell; Massachusets, Saltonstall; Florida, Smathers; New Jersey, Smith, Alexander; Maine, Smith, Margaret Chase; North Carolina, Smith, Willis; Mississippi, Stennis; Delaware, Williams.
>
> Nay (10): Rhode Island, Green; Alabama, Hill; Washington, Jackson; Massachusetts, Kennedy; New York, Lehman; Washington, Magnuson; Oregon, Morse; Rhode Island, Pastore; Alabama, Sparkman; New Hampshire, Tobey.

At the time, 32 coastal State Senators voted for the bill. They knew that they were reaping a windfall for their States.

Mr. President, I ask unanimous consent that the House vote as annotated be printed in the Record at this point.

There being no objection, the vote as annotated was ordered to be printed in the Record, as follows:

H.R. 4198

The question was taken; and there were—yeas 285, nays 108, not voting 38, as follows:

[Roll No. 22]

YEAS—285

Abbitt, D, Va.; Abernethy, D, Miss.; Adair, R; Alexander, D, N.C.; Allen, R, Calif.; Allen, R. Ill.; Andersen, August H., R; Andrews, D.

Ala.; Angell, R, Oreg.; Arends, R; Auchincloss, R, N.J.; Ayres, R; Baker, R; Barden, D, N.C.; Bates, R, Mass.; Battle, D, Ala.; Beamer, R; Becker, R, N.Y.; Belcher, R; Bender, R; Bennett, D, Fla.; Bennett, R, Mich.; Bentley, R; Bentsen, D, Tex.; Berry, R; Betts, R; Bishop, R; Boggs, D, La.; Bolton, Frances P., R; Bolton, Oliver P., R.

Bonin, R; Bonner, D, N.C.; Bosch, R, N.Y.; Bow, R; Boykin, D, Ala.; Bramblett, R, Calif.; Bray, R; Brooks, D, La.; Brooks, D, Tex.; Brown, D, Ga.; Brownson, R; Broyhill, R, Va.; Burleson, D, Tex.; Busbey, R; Bush, R; Byrnes, R, Wis.; Camp, D, Ga.; Campbell, D, Fla.; Carlyle, D, N.C.; Carrigg, R; Cederberg, R; Chenoweth, R; Chiperfield, R; Church, R; Clardy, R; Clevenger, R; Cole, R, Mo.; Cole, R, N.Y.; Colmer, D, Miss.; Cooley, D. N.C.; Coon, R, Oreg.; Cooper, D; Cotton, R, N.H.; Cretella, R, Conn.; Crumpacker, R; Cunningham, R; Curtis, R, Mass.; Curtis, R, Mo.; Curtis, R, Nebr.; Dague, R.

Davis, D, Ga.; Davis, R, Wis.; Deane, D, N.C.; Derounian, R, N.Y.; Devereux, R, Md.; D'Ewart, R; Dies, D, Tex.; Dolliver, R; Dondero, R; Donohue, D, Mass.; Donovan, D, N.Y.; Dorn, R, N.Y.; Dowdy, D, Tex.; Doyle, D, Calif.; Durham, D, N.C.; Edmondson, D; Ellsworth, R, Oreg.; Engle, D, Calif.; Fallon, D, Md.; Fenton, R; Fisher, D, Tex.; Ford, R; Forrester, D, Ga.; Fountain, D, N.C.; Frelinghuysen, R; Gamble, R, N.Y.; Gary, D, Va.; Gathings, D; Gavin, R; Gentry, D, Tex.; Golden, R; Goodwin, R, Mass.; Graham, R.

Grant, D, Ala.; Gubser, R, Calif.; Gwinn, R, N.Y.; Hagen, D, Calif.; Hagen, R, Minn.; Hale, R, Maine; Halleck, R; Hand, R, N.J.; Harden, R; Hardy, D, Va.; Harris, D; Harrison, R, Nebr.; Harrison, D, Va.; Harrison, R, Wyo.; Harvey, R; Hays, D, Ark.; Hébert, D, La.; Herlong, D, Fla.; Hess, R; Hiestand, R, Calif.; Hill, R; Hillelson, R; Hillings, R, Calif; Hinshaw, R, Calif.; Hoeven, R; Hoffman, R, Ill.; Hoffman, R, Mich.; Holmes, R, Wash.; Holt, R, Calif.; Hope, R; Horan, R, Wash.; Hosmer, R, Calif.; Hruska, R; Hunter, R, Calif.; Hyde, R, Md.; Ikard, D, Tex.; Jackson, R, Calif.; James R; Jarman, D; Jenkins, R.

Jensen, R; Johnson, R, Calif.; Jonas, R, Ill.; Jonas, R, N.C.; Jones, D, N.C.; Kean, R, N.J.; Kearns, R; Kersten, R, Wis.; Kilburn, R, N.Y.; Kilday, D, Tex.; King, D, Calif.; King, R, Pa.; Knox, R; Krueger, R; Laird, R; Landrum, D, Ga.; Lantaff, D, Fla.; Latham, R, N.Y.; LeCompte, R; Long, D, La.; Lovre, R; Lucas, D, Tex.; Lyle, D, Tex.; McConnell, R; McDonough, R, Calif.; McGregor, R; McMillan, D, S.C.; Mack, R, Wash.; Mahon, D, Tex.; Mailliard, R, Calif.; Martin, R, Iowa; Mason, R; Matthews, D, Fla.

Merrill, R; Miller, R, Md.; Miller, R, Nebr.; Miler, R, N.Y.; Morano, R, Conn.; Morrison, D, La.; Mumma, R; Murray, D; Neal, R; Nelson, R, Maine; Nicholson, R, Mass.; Norrell, D; Oakman, R; O'Hara, R, Minn.; Osmers, R, N.J.; Ostertag, R, N.Y; Passman, D, La.; Patman, D, Tex.; Patterson, R, Conn.; Pelly, R, Wash.; Philbin, D, Mass.; Phillips, R, Calif.; Pilcher, D, Ga.; Pillion, R, N.Y.; Poage, D, Tex.; Poff, R, Va.; Poulson, R, Calif.; Preston, D, Ga.; Priest, D; Rains, D, Ala.; Ray, R, NY.; Rayburn, D, Tex.; Reed, R, Ill.; Reed, R, N.Y.; Rees, R, Kans.; Regan, D, Tex.; Rhodes, R, Ariz.; Riehlman, R, N.Y.; Riley, D, S.C.; Rivers, D, S.C.

Robeson, D, Va.; Rogers, D, Fla.; Rogers, R, Mass.; Rogers, D. Tex.; Sadlak, R, Conn.; St. George, R, N.C.; Saylor, R; Schenck, R; Scherer, R; Scott, R; Scrivner, R; Scudder, R, Calif.; Seely-Brown, R, Ga.; Selden, D, Ala.; Shafer, R; Sheehan, R; Short, R; Shuford, D, N.C.; Sikes, D, Fla.; Simpson, R, Ill.; Simpson, R, Pa.; Small, R, Md.; Smith, R, Kans.; Smith, D, Miss.

Smith, D, Va.; Smith, R, Wis.; Springer, R; Stauffer, R; Steed, D; Stringfelow, R; Taber, R, N.Y.; Talle, R; Teague, D, Tex.; Thomas, D, Tex.; Thompson, D, La.; Thompson, R, Mich.; Thompson, D, Tex.; Thornberry, D, Tex.; Tollefson, R, Wash.; Utz, R, La.; Van Pelt, R; Van Zandt, R; Velde, R; Vorys, R; Vursell, R; Wainwright, R, N.Y; Walter, D.

Wampler, R, Va.; Warburton, R, Del.; Weichel, R; Westland, R, Wash.; Wharton, R, N.Y.; Wheeler, D, Ga.; Whitten, D, Miss.; Wickersham, D; Widnall, R, N.J.; Wigglesworth, R, Mass.; Williams, D. Miss.; Williams, D, N.Y.; Willis, D, La.; Wilson, R, Calif.; Wilson, R, Ind.; Wilson, D, Tex.; Winstead, D, Miss.; Wolcott, R; Wolverton, R, N.J.; Yorty, D, Calif.; Young, R; Younger, R, Calif.

NAYS—108

Addonizio, D, N.J.; Albert, D; Andersen, H. Carl, R; Aspinall, D; Bailey, D; Barrett, D; Blatnik, D; Boland, D, Mass.; Bolling, D; Buchanan, D.; Buckley, D, N.Y.; Burdick, R; Canfield, R, N.J.; Case, R, N.J.; Celler, D. N.Y.; Chatham, D, N.C.; Chelf, D; Chudoff, D; Crosser, D; Dawson, D, Ill.; Delaney, D, N.Y.; Dodd, D, Conn.; Dollinger, D, N.Y.; Eberharter, D; Elliott, D, Ala.; Evins, D; Feighan, D; Fernandez, D; Fine, D. N.Y.; Fino, R, N.Y.; Fogarty, D, R.I.; Forand, D, R.I.; Frazier, D; Friedel, D, Md.; Garmatz, D, Md.; George, R.

Gordon, D; Granahan, D; Green, D; Gregory, D; Gross, R; Hart, R, N.Y.; Hays, D, Ohio; Heselton, R, Miss.; Holtzman, D, N.Y.; Howell, D, N.J.; Hull, R; Javits, R, N.Y.; Jones, D, Ala.; Jones, D, Mo.; Karsten, D, Mo.; Keating, R, N.Y.; Kee, D; Kelley, D, Pa.; Kelly, D, N.Y.; Keogh, D, N.Y.; Kirwan, D; Klein, D, N.Y.; Kluczynski, D; Lane, D, Mass.; Lanham, D, Ga.; Lesinski, D; McCarthy, D; McCormack, D, Mass.; McVey, R; Machrowicz, D; Madden, D; Marshall, D; Meader, R; Metcalf, D; Miller, D, Kans.; Mills, D; Mollohan, D.

Moss, D, Calif.; Moulder, D; Multer, D, N.Y.; O'Brien, D, Ill.; O'Brien, D, Mich.; O'Brien, D, N.Y.; O'Hara, D, Ill.; O'Konski, R; O'Neill, D, Mass.; Perkins, D; Pfost, D; Polk, D; Powell, D, N.Y.; Price, D; Prouty, R; Radwan, R, N.Y.; Reams, R; Rhodes, D, Pa.; Roberts, D, Ala.; Robsion, R, Ky.; Rodino, D, N.J.; Rogers, D, Colo.; Rooney, D, N.Y.; Roosevelt, D, N.Y.; Secrest, D; Sieminski, D, N.J.; Spence, D; Staggers, D; Sullivan, D; Sutton, D; Trimble, D; Watts, D; Wier, D; Withrow, R; Yates, D.

NOT VOTING—38

Brown, Ohio; Budge; Byrd; Byrne, Pa.; Cannon; Carnahan; Condon; Corbett; Coudert; Davis, Tenn.; Dawson, Utah; Dempsey; Dingell.

Dorn, S.C.; Fulton; Haley; Heller; Holifield; Judd; Kearney; McCulloch; McIntyre; Mack, Ill.; Magnuson; Marrow; Miller, Calif.

Morgan; Norblad; Patten; Rabaut; Reece, Tenn.; Richards; Shelley; Sheppard; Taylor; Vinson; Withers; Zablocki.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Sheppard for, with Mr. Withers against.

Mr. Vinson for, with Mr. Morgan against.

Mr. Richards for, with Mr. Condon against.

Mr. Judd for, with Mr. Zablocki against.

Mr. Reece of Tennessee for, with Mr. Cannon against.

Mr. Taylor for, with Mr. Byrd against.

Mr. Kearney for, with Mr. Dawson of Utah against.

Mr. Coudert for, with Mr. Rabaut against.

Mr. Haley for, with Mr. Patten against.

Mr. McIntyre for, with Mr. Magnuson against.

Mr. Marrow for, with Mr. Carnahan against.

Mr. Holifield for, with Mr. Dingell against.

Mr. Shelley for, with Mr. Byrne of Pennsylvania against.

Mr. Brown of Ohio for, with Mr. Heller against.

Mr. McCulloch for, with Mr. Mack of Illinois against.

Until further notice:

Mr. Fulton with Mr. Miller of California.

Mr. Corbett with Mr. Dempsey.

Mr. Norblad with Mr. Davis of Tennessee.

Mr. Laird and Mr. Donovan changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

Mr. BARTLETT. Let us consider for a minute what the coastal States got. Coastal States in the lower 48 got 14,979 square miles. Alaska got 19,920 square miles. Hawaii got 2,250 square miles.

Mr. President, I ask unanimous consent that a table showing the estimate of lands transferred to the States under the Submerged Lands Act be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ESTIMATE OF LANDS TRANSFERRED TO THE STATES UNDER THE SUBMERGED LANDS ACT

	General coastline (statute miles)	Square miles	Acres
United States	12, 383	37, 149	23, 775, 360
Conterminous States only	4, 993	14, 979	9, 586, 560
Alaska (Pacific and Arctic)	6, 640	19, 920	12, 748, 800
Hawaii	750	2, 250	1, 440, 000

General coastline figures are lengths of general outline of the seacoast. Measurements were made with a unit measure of 30 minutes of latitude on charts as near the scale of 1:1,200,000 as possible. Coastline of sounds and bays is included to a point where they narrow to width of unit measure, and the distance across at such point is included.

Square miles figures based on length of general coastline times 3 miles.

Acres figures represent square miles times 640. (One square mile equals 640 acres.)

Mr. BARTLETT. Mr. President, how have the coastal States which have leased their submerged lands benefited from the act? Since the act became law through December 31, 1973, Alaska produced 393,663,000 barrels of oil and 390,398,000,000 cubic feet of natural gas. California produced 1,401,231,000 barrels of oil and 544,265,000,000 cubic feet of natural gas. Louisiana produced 981,885,000 barrels of oil and 5,877,530,000,000 cubic feet of natural gas. And Texas produced 10,415,000 barrels of oil and 959,432,000,000 cubic feet of natural gas.

All told, these States produced 2,787,194,000 barrels of oil and 7,771,625,000,000 cubic feet of natural gas. The bonus rentals and other leasing fees plus royalties have netted these States many billions of dollars.

In the face of this, we now hear that a State which has been a principal beneficiary of this bill, benefiting the coastal States which have production, needs additional compensation for Outer Continental Shelf development. The Senate's chief sponsor of the Submerged Lands Act said at the time that he thought 3 miles was enough. Senator Holland of Florida stated on April 21, 1953:

> We have been asserting for a long time our rights to those submerged lands. We assert our rights to them here because we think this is the peculiar place where equity can be done and where our rights can be restored to us, after they have been questioned and have been clouded by these three decisions of Court.

Mr. President, for these reasons I think that section 25 of the bill, pertaining to the totally unnecessary coastal State fund, should be deleted and I ask that my colleagues vote "yea" for my amendment which would strike it.

EXHIBIT 1

PART 2—THE "OIL GIVE-AWAY" LEGISLATION SHOULD BE DEFEATED

III. THE VALUE OF OFFSHORE MINERAL RESOURCES

One of the reasons why the give-away legislation has not been more strenuously opposed in the past has been that most people have not realized the tremendous value of the oil and gas resources on the Continental Shelf. In fact, some supporters of the legislation have displayed an understandable interest in underestimating the great wealth that would be given away under their proposals—or in obtaining it behind a smokescreen of complicated legal disputation.

We are therefore presenting herewith official figures prepared by the United States Department of the Interior.

It should be kept in mind that geologists are traditionally conservative in their calculations and the following figures are minimum estimates. Further exploration and development of the offshore mineral resources of the Continental Shelf may multiply the figures many times.

Also the value of these resources is usually expressed in terms of current prices. The probability is that the price for both oil and gas will rise in the future—as it has in the past—and that the dollar value of these assets will therefore increase over the years.

Oil

The estimated potential reserves of our offshore oil resources in the Continental Shelf lying seaward of the coasts of California, Louisiana, and Texas is a little more than 15 billion barrels.

This figure can be compared with the 33.7 billion barrels of proved reserves for the upland area within the United States as a whole. It is 15 percent of the estimated proved reserves.

Both these estimates are set forth in the table entitled "Estimated Proved and Potential Petroleum Reserves," prepared by the Department of the Interior.

The table also shows the distribution of these reserves.

It can be seen that 9 billion barrels—three-fifths or the total for the Continental Shelf—are on the Continental Shelf off the shores of Texas. Louisiana comes next with 4 billion barrels, and California next with a little more than 2 billion barrels.

It can also be noted that in the case of California a slightly greater portion of the potential oil reserves in the Continental Shelf is found within than is found *outside* the 3-mile limit. In the case of Texas and Louisiana, the greater bulk is thought to be *outside* the 3-mile limit.

A special breakdown is provided for Texas, which claims an "historical boundary" of 3 leagues (9 nautical or 10½ statute miles) in the Gulf of Mexico. Only 400 million barrels—less than 5 percent of the Texas total of 9 billion barrels—is *within* the 3-mile limit. However, the 3-league limit includes 800 million barrels found *outside* the 3-mile limit. Thus, the total for the 3-league limit is 1.2 billion barrels—triple the amount found within the 3-mile limit. The largest proportion—7.8 billion barrels—is outside the "historical limit" of 3 leagues.

ESTIMATED PROVED AND POTENTIAL PETROLEUM RESERVES[1]

[Stated in millions]

State	Submerged coastal lands: Estimated proved reserves: Oil (barrels)	Gas (thousand cubic feet)	Estimated potential reserves[2]: Oil (barrels)	Gas (thousand cubic feet)	All lands, estimated proved reserves[3]: Oil (barrels)	Gas (thousand cubic feet)
Louisiana					3,050	30,000
Landward 3-mi line	84		250	1,250		
Seaward 3-mi limit	335	2,100	3,750	18,750		
Total	419	2,100	4,000	20,000		
Texas					18,204	107,000
Landward 3-mi line	15		400	2,000		
Landward 3-league line	15	75	1,200	6,000		
Seaward 3-mi line		75	8,600	43,000		
Seaward 3-league line			7,800	39,000		
Total	15	75	9,000	45,000		
California					4,529	9,500
Landward 3-mi line	160		1,100	2,000		
Seaward 3-mi line			900	1,500		
Total	160		2,000	3,500		
Grand total	594	2,175	15,000	68,500	23,738	146,500
Other States					7,997	50,480
U.S. total					33,735	196,980

[1] All the figures herein given are subject to the explanation as shown by the report of the Fuels Branch, Geologic Division, U.S. Geological Survey, appearing at p. 1091, transcript of hearings before the Senate Committee on Interior and Insular Affairs to the effect that, "estimation of the potential reserves * * * that underlie the Continental Shelf must be extremely speculative. * * * Almost no data are available to provide the basis for a sound estimate."

[2] Includes proved reserves.

[3] Jan. 1, 1953, the Oil and Gas Journal, Jan. 26, 1953, liquid hydrocarbons.

Note: Distances from shore are in nautical (geographical) miles; 1 nautical-mile (5,080.27ft) = 1.15 statute-mile (5,280 ft), 1 league=3 nautical-miles; approximately 3½ statute-miles,

The table also indicates that only an extremely small portion of these reserves is as yet "proved." The reason for this is that the campaign for "give-away" legislation has again and again held up congressional action on legislation to expedite exploration and development under the auspices of the Federal Government.

It should also be kept in mind that there are probably vast oil reserves in the Continental Shelf off the coast of Alaska. The total area of the shelf off Alaska is estimated to contain 600,000 square miles, more than twice the 290,000 square miles in the Continental Shelf off the United States itself. An estimate of the United States Geological Survey, based upon the studies of L. G. Weeks for the American Association of Geologists, suggests that in the case of Alaska "the reserve estimate would be 23.6 billion barrels." This would bring the total estimate up from 15 billion barrels to 38.6 barrels.

The total dollar value of the oil reserves (excluding Alaska) can be shown as follows:

	Barrels (billions)	Amount (billion dollars rounded)
Landward 3-mi line	1.75	4.6
Seaward 3-mi line	13.25	34.6
Total	15.00	39.2

This tabulation is based on the conservative assumption of $2.65 per barrel. Thus, the total value of the potential oil reserves within the 3-mile limit comes to almost $5 billion. The total value outside the 3-mile limit comes to almost $35 billion.

An estimated 800 million barrels of potential reserves are to be found outside the 3-mile limit, but inside the so-called 3-league "historical boundary" of Texas. These reserves may be estimated as worth over $2 billion.

All in all, the total value of the 15 billion barrels of oil is worth just about $40 billion.

This $40 billion figure is equivalent to the total Federal revenues from individuals and corporation taxes in fiscal 1951. It is greater than total budget expenditures for military services in fiscal 1952. It is almost one-fourth of the total current assets of American corporations, as reported by the Securities and Exchange Commission.

Even so, this $40 billion figure is an underestimate because it is based upon the current price of oil. No allowance is made for the normal increase in oil prices.

In a report entitled "Submerged Oil and Education" of February 20, 1953, the Public Affairs Institute makes the following estimate concerning the future price of oil:

"A probable average price for the oil over the next 20 years is $4.50 a barrel. The price of petroleum has been increasing at the rate of 7 percent annually. With the moderate estimate of 15 billion barrels the gross income would total $76.5 billion."

In support of this estimate, it can be pointed out that over the 12-year period from 1940 to January 1953, the index of petroleum and petroleum products prices went from 50 to 117.4 an increase at the rate of 7 percent annually. If, under the pressure of increased demand, prices were to increase at the same rate annually, the price would be $4.50 within 8 years. On this assumption, the 15 billion barrels would be worth $76.5 billion.

But these estimates do not include the 23.6 billion barrels of oil which are estimated to lie in the Continental Shelf off the coast of Alaska. As indicated earlier, when Alaskan reserves are included, the total estimate rises from 15 billion barrels to 38.6 billion barrels. At the current prices, the total offshore potential reserves would thus be worth not $40 billion, but over $102 billion.

This figure, of course, is based upon the current price. If it is assumed, however, that the price for oil over the next 20 years will average $4.50 a barrel (as estimated by the Public Affairs Institute), then the total value of the offshore-oil resources (including Alaska) will amount to over $173 billion.

It should also be kept in mind that the estimates supplied by the Department of the Interior are extremely conservative. Oil-company experts who operate close to the scene have often come forth with what are probably much more realistic estimates. Thus a group of 18 Texas geologists and registered engineers have estimated potential oil reserves off the coast of Texas of 11 billion barrels, as contrasted with the 9 billion barrels estimated by the Department of the Interior. (See appendix B for full report of Texas geologists and engineers.)

Gas

The estimated potential reserves of gas in the offshore lands as shown in the table entitled "Estimated Proved and Potential Petroleum Reserves," is 68.5 trillion cubic feet. This is more than one-third of the proved reserves of 196 trillion cubic feet within the land area of the United States.

The table also shows the distribution of these reserves. As with oil, the largest amount is off the coast of Texas and the smallest amount off the coast of California.

The dollar value of gas is extremely difficult to estimate. Prices vary from as low as 7 cents per M.c.f. (1,000 cubic feet) to 25 cents per M.c.f. Among the factors determining the price are the accessibility of the gas reserves and the extent to which the flow of gas from these reserves can be controlled.

For the purpose of simplicity, these gas reserves might be priced at an average of 15 cents per M.c.f.—the same price figure which is used in the report of the Texas geologists and engineers. This would bring the total value of the potential gas reserves in the Continental Shelf to a little more than $10 billion.

Other minerals

There is no reason to believe that oil and gas are the only mineral resources in the offshore lands.

Geologists have already found sulfur in the offshore lands off the coast of Texas. The October 1952 report of the Texas geologists and engineers estimates 120 million long tons of sulfur at a price of $25 per long ton. The sulfur reserves alone would be worth more than $3 billion.

As the offshore resources are developed during the coming years, it is highly likely that other valuable minerals will also be discovered in sizable quantities.

Potential revenues

As already indicated, the value of oil and gas resources in the offshore area can be conservatively estimated at $40 billion and $10 billion, respectively—or a total of $50 billion.

If the royalties are estimated at 12½ percent (also a bare minimum figure), the potential revenues from these $50 billion worth of assets will be $6.25 billion.

This sum is practically equivalent to the total annual interest paid each year on the national debt.

A breakdown of these revenues is as follows:

[Billions of dollars]

	Estimated value	Estimated royalties
Landward 3-mi line	8	1.0
Seaward 3-mi line	42	5.25
Total	50	6.25

These estimates, however, are extremely conservative. They do not take into account the value of either Alaskan reserves or sulfur reserves or any other things of value that may be found, such as uranium. They assume prices no higher than the present prices.

* * * * *

Section V of this report shows that this provision was inserted because of the doubtful, constitutionality of section 3(a)(1) and 3(b)(1).

It recognizes State boundaries beyond 3-mile limit, but fails to define them

Sections 2(b) and 4 of Senate Joint Resolution 13 recognize as present seaward boundaries of the original coastal States "3 geographical miles distant from its coastline." For other coastal States, seaward boundaries are set "as they existed at the time such State became a member of the Union."

The 3-mile seaward limit conforms with the traditional United States claims of territorial sea.

The actual defining of boundaries at the time States became members of the Union has never been accomplished. The full implications of this provision and its effects on our foreign relations and fishing industry are discussed in sections VIII and X of this report.

The boundaries of the State of Texas are discussed in fallacy No. 1 in section VI of this report and in appendix D.

It restates existing law on State ownership of lands beneath inland waters

Sections 2(a) (1) (2) (3), (3)a, of Senate Joint Resolution 13 gives legislative confirmation to many previous judicial and executive determinations, that "title to and ownership of" lands beneath inland navigable waters, the area between mean low and high tide, and "filled in, made, or reclaimed lands" formerly beneath these waters, is vested in the States.

At many places in this report (fallacies Nos. 1 and 2 of sec. VI, sec. VIII and X) it is shown that these provisions are included in Senate Joint Resolution 13 in order to confuse the issue and obtain unwarranted support for this legislation.

It contains a "sleeper" provision that would halt multiple-purpose development of river resources

Section 6 is entitled "Powers Retained by the United States."

But after listing in subsection (a) certain rights which the United States is to retain, it then goes on to say that the retained rights shall not include "rights of * * * use, and development of the lands * * *" involved in this joint resolution (p. 19, lines 2 and 3).

Section IX of this report demonstrates how this provision (if constitutional) would destroy the Federal Government's program for the development of water resources for the purposes of navigation, flood control, irrigation, and electric power.

It gives away accrued royalties

Section 3(b)(2) relinquishes all claims of the United States for royalties on these lands.

Section 3(b)(3) requires the "Secretary of the Interior or the Secretary of the Navy or the Treasurer of the United States" to pay back to the respective States (meaning Texas, Louisiana, and California) the revenues now being held in escrow by the United States.

Section III of this report gives the information on the $62 million which would be lost to the United States as a result of these provisions.

It provides no authority for developing resources on the Continental Shelf beyond the so-called "historic boundaries"

Senate Joint Resolution 13 confines itself to the land within the so-called "historic boundaries" of the States. They are boundaries 3 geographical miles from shore, and such boundaries beyond that may have heretofore or hereafter be approved by Congress.

These "boundaries" are loosely called "historic boundaries" by those who also misuse the word "tidelands." Senate Joint Resolution 13 does not refer to "historic boundaries; that phrase does not appear anywhere in the resolution. It will undoubtedly be used again and again in debates and in the courts, as "tidelands" was and is being used, for purposes of confusion. Nobody knows what "historic boundaries" really means, or when applicable history started or ended.

The majority of the committee has rejected the advice of Attorney General Brownell that Senate Joint Resolution 13 include provisions or a map on which a definite line be drawn to mark the seaward boundary of all coastal States. Senate Joint Resolution 13, as reported out of committee, does not do this. The failure to describe boundaries definitely, or to draw the exact lines on a map, invites litigation. Senate Joint Resolution 13 leaves the question as to the extent of State boundaries outside of the 3-mile belt, if there are to be any, in confusion. There must be further legislation to clear up the point, unless the courts find a way to settle it.

Section 9 disclaims any intention of affecting the rights of the United States outside of these boundaries.

Yet it provides no authority whatsoever for the Federal Government to develop the resources that are not taken away.

As pointed out in section III of this report, the great bulk of the oil and gas resources lie in this outer area.

As pointed out in section VII, the failure to provide Federal developmental authority impedes the use of these oil resources for national defense purposes.

It provides a procedure—and a precedent—for subsequent give-aways through the extension of State boundaries

Section 2(b) provides that State boundaries shall be such as "heretofore or hereafter approved by the Congress * * *."

A similar phrase is found at the end of section 4.

Thus the Congress would recognize in advance the propriety of future legislation extending State boundaries further out on the Continental Shelf. Furthermore, the passage of Senate Joint Resolution 13 would open the door for subsequent legislation of this type.

The PRESIDING OFFICER. Who yields time?

If a Senator desires to speak, the time will be divided equally.

Mr. JOHNSTON. Mr. President, I yield myself such time as I may require.

Mr. President, this matter of the Coastal States Fund was debated at some length last week. At that time, we quoted in some detail and to some extent the plethora of material and facts and figures that were adduced in the Committee on the Interior with regard to the social and economic impact and with regard to the environmental impact that attends the drilling of oil and gas on the Outer Continental Shelf. I shall not repeat all of that information here, but suffice to say that there has been study after study showing the economic impact as well as the environmental impact of offshore drilling.

We heard from the Gulf South Research Institute which prepared a report some 100 pages in length, which showed that in 1972, the net negative impact of offshore drilling in Louisiana exceeded $38 million.

That is not measuring the environmental impact. This was purely on the social side—schools, roads, that sort of thing.

We have had the testimony of Prof. Walter Mead from California showing that there was a net outgo, a net negative impact from California drilling.

We have the testimony and report of the Council of Environmental Quality, which is in the committee report filed with this bill, showing that there is a negative impact, social, and economic, of offshore drilling; also showing that there is a considerable risk of envronmental damage, which may or may not be totally compensable.

In short, Mr. President, there is more than adequate, there is overwhelming evidence of negative impact from the drilling for oil on the Outer Continental Shelf.

If there were no other facts, if there to prove it, if there were no testimony in the Record, one fact would speak with great eloquence to prove that this is a fact. That is simply, Mr. President, that all of the States along the Atlantic, virtually all of the States along whose coasts we could drill, now oppose that drilling. If it were such a good thing as is contended by my colleague from Oklahoma, then New York, Maine, Massachusetts, and Delaware, and all the rest would be rushing out to try to develop the oil along their Outer Continental Shelf, instead of opposing it as at present.

It is quite true that the State of Louisiana has come so far with the development of resources on the Outer Continental Shelf that we now cannot do without it, much as a man on dope cannot do without his dope. When you get 100,000 workers in a State dependent on an oil industry, you cannot do without the development off that Outer Continental Shelf.

Funds or no, in my own State, we will undoubtedly not oppose drilling. That is not to say that in my State, it has not had a negative impact and that it has not been, on balance, a good thing for the State.

Mr. President, I think the evidence is so clear. My friend from Oklahoma is from an inland State, and on that inland State, revenues from federally owned lands go, 37.5 percent, to the State of Oklahoma. So it is with all inland States that have Federal production, on federally owned land, that the State gets 37.5 percent.

Mr. President, last year the Federal Government compensated impacted areas, where there were Federal military bases that were not subject to local taxation, to the tune of some $600 million, and everybody thinks that having a military base with a big payroll in the area is a good thing. Yet $600 million of the Federal Government was seen fit to recompense these States with. All this fund does is create the very modest sum of $200 million to recompense States for the negative impacts.

Mr. President, I do not stand here to tell you that $2 million is a sufficient amount to take care of the environmental, social, and economic impact. It very frankly will not. The committee recognized that it was insufficient. But the committee also recognized that we are in a time of budgetary control, when we are trying to keep our spending down, we are trying to cut the budget. For that reason, we took the most modest amount we could, which was $200 million, which represents, Mr. President, about 2.5 percent of offshore revenues; 2.5 percent, not 37.5 percent, as the State of Oklahoma gets for federally owned lands within its borders; 2.5 percent, a more than modest request.

In my judgment, this matter should be left in the bill, because it is absolutely essential, absolutely essential not only to do equity, but to make States willing to suffer the negative impacts from offshore drilling.

I yield the floor.

Mr. BARTLETT. Mr. President, will the Senator yield on my time for a couple of questions regarding statements he made?

Mr. JOHNSTON. Yes.

Mr. BARTLETT. The Senator mentioned that one of the reasons for this fund is to take care of the environmental problems that might be involved. I ask my distinguished friend if it is not true that one of the requirements of this act and of offshore leasing on the Outer Continental Shelf is that those companies operating there are fully liable for the pollution that they would cause?

Mr. JOHNSTON. It is not true that those companies would be liable for the pollution, say, to the shrimp beds of Louisiana. No one owns those shrimp beds.

It is not true that when a road is built down to the coast at the cost of some $100 million, as we did in Plaquemines Parish, and the big equipment trucks tear up the road and we have to come in and repair it—it is true that that is not recompensed.

So it is with all of the battery of social and economic services, and so it is with many of the environmental impacts. There is simply no way to recompense these impacts.

There is liability. If one has an interest that one owns and can prove damage, then one can go in and sue under the Federal Court of Claims Act. Or one can sue, I guess, the operator of the offshore well. But one of the problems, if I may make one further comment, is that when there are 100 rigs out there off the coast and there is an oil spill during a hurricane, as we had under Hurricane Carmen, and we do not know where that oil came from—all we know is that there is oil along the coast, along the beach, the shrimp beds are hurt—whom are we going to sue? There are a hundred rigs out there that we can sue, and we do not own the shrimp beds to begin with.

What this bill would do is give some minor response to that kind of problem.

Mr. BARTLETT. Mr. President, I am pleased that the distinguished Senator agreed that the companies which would be operating in the Outer Continental Shelf would be fully liable for the pollution damages that they would cause.

He mentioned the shrimp beds, and I certainly have no knowledge of shrimp beds, but I do understand that the fishing has improved greatly and some of the best places to fish from are on the platforms operating in the Outer Continental Shelf.

Mr. President, the distinguished Senator from Louisiana talks about my being from an inland State, and the necessity that he sees for having the coastal States participate in this fund in order to encourage their cooperation in the development of the Outer Continental Shelf.

I realize that the State of Louisiana has been most cooperative in its efforts to make available the Outer Continental Shelf for development, to develop its 3-mile limit, and to develop its reserves within the boundaries of Louisiana. Louisiana is not a State that has wanted to have other States be involved in the possible pollution that might be connected with the drilling, exploration, and development of our natural resources, and Louisiana has not been inclined to export this problem to other States.

But I, for one, am certainly not in favor of bribing the coastal States for cooperation that should rightfully and legally be forthcoming.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. BARTLETT. Yes.

Mr. JOHNSTON. If 2.5 percent of the revenues from federally owned Continental Shelf is bribery, what is 37.5 percent of the revenues from federally owned land in the inland States?

Mr. BARTLETT. The distinguished Senator is raising a question I would like to answer in just a minute, but I had not quite finished making the other point.

The point is that there is, and I think the distinguished Senator realizes this, the legal right existing now for the Outer Continental Shelf to be developed, and the great need that exists for this development because of a tremendous shortage of domestic supplies of energy.

The Senator mentions that the State of Oklahoma does have receipts of 37.5 percent from Federal leases on oil and gas and other properties in our State, and I would like to read the latest figure on revenues from that source, for 1974, for the State of Oklahoma. It amounts to $170,804.99.

The distinguished Senator has placed a good deal of emphasis on the 37.5 percent, but I would like to read the figure for the State of Louisiana——

Mr. GRAVEL. Mr. President, will the Senator yield on that point, though?

Mr. BARTLETT. Just a moment; I have not made my point.

The State of Louisiana, on its Federal lands within the State, received $149,623.13; so it participates in exactly the way the State of Oklahoma and perhaps 25 other States do. But, in addition, the State of Louisiana and other States on the coast participate in the 3-mile limit. They have full participation there, and I would ask the distinguished Senator from Louisiana if he can state the figure on the receipts that his State has received from the operations, the royalties, the delay rentals, and the bonuses for the time that the State of Louisiana has had access to the 3-mile limit. We have been attempting to find out this information, and from what we can find out, the State of Louisiana commingles the dollar values and the production values in such a way that we have been unable to find it.

So I would appreciate it if the distinguished Senator from Louisiana could supply that information for the RECORD.

Mr. JOHNSTON. I do not have that figure. I think the figure is totally irrelevant. I will say that at the time the Submerged Lands Acts were passed in 1953, the ratio of State-owned land to federally owned land was about 9 or 10 to 1. Now that ratio is the opposite. Now the Federal Government is the big participant.

But that is totally irrelevant, how much Louisiana is getting within its 3-mile limit, because this bill has nothing to do with the 3-mile limit, nor are we trying to encourage Louisiana to bear its burden to meet the needs for energy of the country. Why the State of Oklahoma should want to oppose this modest 2.5 percent, Mr. President, I do not know.

Mr. GRAVEL. Mr. President, if I may address myself to the issue of the $150,000, or thereabouts, being raised in revenues for the State of Oklahoma, and the $150,000, or thereabouts, being raised in revenues for the State of Louisiana, it underscores what I consider to be wrong with the Senator's position. Some Senators may look upon this as bribery, but it may well be that others look upon the sums, not as bribery, but actually as compensation.

Say there is an impact that is going to take place; why should we not pay for the cost of that? We are doing it for a national reason, and it is going to hurt the State, so let us pay for whatever that *hurt is, and dif*fuse the cost nationally.

Whether it is 1 percent, 10 percent, or 100 percent is incidental. What the Senator has demonstrated to me is that if all his State gets in revenue is $150,000, they have very little activity and, therefore, very little impact, so they should not get any more than that. If they had a lot of impact, they should get a lot of money to cover the cost of it.

That is what this amendment tries to do: say that if you have a lot of impact, you should be paid a lot of money to cover it.

How can the Senator from Oklahoma quarrel about the fact that when you have a thousand roughnecks come into your State with increased Federal activity, you are going to have an economic impact, with a thousand or more additional children to carry on the school rolls starting September 1 of that year?

Mr. BARTLETT. Mr. President, I would like to state that there has been no case made, in my opinion, for this negative impact of Outer Continental Shelf operations.

Mr. GRAVEL. Mr. President, I happen to have been a developer of Kenai, in Alaska, and I can put in the RECORD figures——

Mr. BARTLETT. Mr. President, I would like to inform my good friend——

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. BARTLETT. That I would be happy to have him, on his time, make such a presentation. But, Mr. President, so far as the State of California is concerned, we have found the figures for fiscal years 1973 and 1974 for the royalty and the land rentals. The Long Beach payments amount to some $120 million. So it is a very significant amount of money. The bonus funds for the entire period from 1955–56 through 1973–74 amounted to $190 million. So we are talking about very sizable amounts of money that have been available.

But I know that the Senator from Louisiana knows, and mentioned as one of the arguments in favor of this bill, that this fund would help encourage cooperation of the coastal States, which up to this point have not been cooperative, and I just look upon that as bribery, because this is a right that the Federal Government already has that should not be interfered with by the States.

This fund proposes to divert revenues from the U.S. Treasury. Such a diversion of funds would be inflationary, inequitable, and constitute a poor budgetary practice. In addition, OCS receipts belong to all the people of the country who currently receive benefits through congressional appropriation from the Treasury. Diverting these revenues for coastal States only, without requirement for need, would give coastal States windfalls and would require increased taxation to make up for diverted revenues.

The Department of the Interior and the Office of Management and Budget, I remind my distinguished friend, specifically oppose this section of the Outer Continental Shelf bill.

I would point out, too, that this proposed fund violates the spirit of the recently passed Congressional Budget and Impoundment Control Act of 1974 by reducing the ability of the executive and Congress to allocate funds to the highest needs. In order to balance the fiscal 1976 budget Congress, in my opinion, must decrease uncontrolled appropriations and make them controllable, so that there will be a possibility of controlling these expenditures. This section proposes to decrease the amount of controllables and actually increase the amount of uncontrollables; so it flies right in the face of the budgetary reform that was accomplished earlier this year.

A need for this fund has not beeen convincingly presented. In fact there is considerable evidence that OCS activity on Federal lands is beneficial to the adjacent coastal States. For instance, Mr. Robert Kruegar, an OCS consultant to the Public Land Law Review Commission, said in testimony.

> It is very difficult to see what impact Outer Continental Shelf leasing does have on a coastal State. Some of the data we have indicated, for example in Louisiana, that the coastal State benefited economically from Outer Continental Shelf leasing.

Some of the data we have indicated, for example, in Louisiana that the coastal State benefited economically from Outer Continental Shelf leasing. The impacts upon adjacent coastal States should any Federal revenue assistance be needed should be provided by existing programs for community development provided by Commerce, HEW, HUD, Agriculture, and Labor, and the EPA, not by establishing overlapping and conflicting programs.

The Public Land Review Commission report of 1968 states:

> The legislative history of the Act, however, makes it clear that Congress considered that the Submerged Lands Act grant to states had satisfied adjacent state equities. With this the Commission agrees. (The Coastal States get all the royalty and bonus bids for these state coastal areas granted.) It may be that states can prove a net burden. But proof should lie with the states and the local units of government having jurisdiction over the area.

I might say that if there is a case for a negative impact, as suggested by the Senator from Alaska and, suggested by the Senator from Louisiana, then I think after that has occurred a case can be made and then it can be presented to Congress. But I do not approve of the idea of buying a pig in a poke. We certainly do not know that there is a negative impact, and we do not know that there is a role for the Federal Government to play that cannot already be played if, again, there is need in the present programs that are already in existence for community development.

Leaseholders, oil companies, already have liability obligations for pollution damage and this, of course, I think, is a very key part of this bill because it puts the burden on them for the damage for pollution and, in doing so, is going to encourage them to be very careful in their operations and to keep any pollution at a minimum.

I would like to point out, Mr. President, that the Governors of several States have expressed themselves in opposition to this Coastal State Fund and in support of this amendment. The Governors of Arizona, Kansas, Nebraska, North Dakota, and Minnesota have expressed written support of my position.

I would like to also point out to the distinguished Senator from Louisiana that the National Governors' Conference has discussed the possibility that a portion of these revenues should be allotted to interior States which may lose moneys due to increasing development of coastal State areas.

The Supreme Court has rendered its opinion that the States were not the owners of the OCS land. Congress, therefore, gave to the coastal States the lands out to 3 miles to attemp to lay the matter of OCS lands to rest.

The distinguished Senator from Louisiana mentioned a few minutes ago that $200 million, as provided in this bill, would not be enough for the coastal States, and I am sure that is what Congress will find in the future if this did become law. But this would be just the beginning. So I think the coastal States are wanting their cake and wanting to eat it in addition. I think they should be very cooperative in the operations on the Outer Continental Shelf to play their role as the State of Alaska and the State of Louisiana in developing the Outer Continental Shelf.

I think that the States are receiving many benefits from those operations, and I am pleased that they are.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. GRAVEL addressed the Chair.

Mr. JOHNSTON. Mr. President, how much time does the Senator wish?

Mr. GRAVEL. Five minutes.

I am very surprised that my colleague from Oklahoma is so oblivious to the impact that occurs as a result of development. I am not talking about a study, I am talking about what has actually occurred.

I ask unanimous consent to insert in the RECORD a statement by the Governor of Alaska, William A. Egan, submitted to the Interior Committee.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WRITTEN STATEMENT BY ALASKA GOVERNOR WILLIAM A. EGAN TO THE U.S. SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS IN SUPPORT OF S. 2389, A BILL TO AUTHORIZE CERTAIN REVENUES FROM LEASES ON THE OUTER CONTINENTAL SHELF TO BE MADE AVAILABLE TO COASTAL AND OTHER STATES

(Submitted May 10, 1974, for the record of a hearing in Washington, D.C.)

Mr. Chairman, Members of the Committee: I appreciate this opportunity to present the views and findings of the State of Alaska concerning the proposals contained in S. 2389, and to go on record in strong support of the proposed legislation. As you know, the state adjacent to, and supporting, offshore oil production activity does not now receive any share of lease and royalty revenues under existing legislation.

The question has been frequently posed as to the socio-economic impact of offshore oil development on communities which serve as the upland "base" of these operations, and in turn the impact on public expenditures at the state level, but the State of Alaska's research uncovers very little in the nature of solid data on the subject. Therefore, we have developed on our own the information in this statement, based on oil production experience in Alaska's Cook Inlet area and in anticipation of planned exploration and production in the Gulf of Alaska within the next several years.

After reviewing the method and findings of our research, this statement will present the conclusion that oil exploration and production in the Gulf of Alaska can be fully expected to cost virtually 40 cents in state public expenditures for each barrel of oil produced.

The classic economic debate regarding the benefits of development (revenue, employment opportunities, economic growth, etc.) versus the costs (police and fire protection, schools, sewers, water, streets, social services, etc.) has produced many words of spirited supposition on both sides of the matter but little substantiated to-the-point information. Therefore, the objective of our research was to develop a logical and defensible relationship between a unit of offshore petroleum production and a dollar amount of public expenditure. Since the Cook Inlet experience is the only recent instance of offshore development in Alaska, we determined that it would be the model for our study in attempting to draw a rational conclusion as to what could reasonably be expected in future instances of offshore oil development.

All available information confirms that 1968 was the peak year of activity in the development of offshore petroleum resources in Cook Inlet on the Kenai Peninsula. The symptomatic data which we can measure are:

That population in the Kenai-Cook Inlet Census Division rose rapidly from just over 8,000 persons to nearly 14,000 persons in the years from 1965 to 1970.

That employment (civilian workforce) rose from a low of just over 3,000 workers to nearly 8,000 workers in the period of 1965 to 1968.

That school enrollment rose relatively slowly until 1966 when there were 3,000 students, but increased rapidly through 1969 when there were 4,500 students. Thereafter, the enrollment has been slowly rising.

Less critical indicators reveal a similar situation confirming 1968 as the peak of the construction period, such as:

That full value of real and personal property in the Kenai Borough went from an assessed valuation of just over $100 million in 1966 to nearly $300 million in 1968.

Significant public investment was necessitated because of the impact which placed a heavy burden on the Kenai communities. In 1964, the Borough had only $6 million in public facilities, but by 1971 this had risen to over $24 million. The majority of the new construction is directly attributable to the impact of petroleum development with its attendant needs for facilities and services for the industry.

The $24 million includes school construction, new public buildings such as the Borough Administration Building, a maintenance shop, a warehouse and libraries as well as others. Over $250,000 was spent on emergency portable classrooms to temporarily accommodate the rapid increase in student population.

The basic chronology of events shows that in the beginning of the exploration and development, much of the workforce was drawn from a base of operations in Anchorage. This necessitated using bachelor living arrangements with workers commuting from the large urban area to the areas where the exploration, development, construction and production were taking place. This situation accounts for the rapid rise in civilian workforce prior to the significant rise in school enrollment figures. As industrial development traceable to the petroleum finds became more stabilized and opportunities for long term development were realized, more stable populations with families located in the area.

These nuances of demographic detail notwithstanding, it is an indisputable fact that the petroleum development which has occurred in the Cook Inlet Basin has had a profound effect on the onshore communities which provide the base for these industrial operations.

The Kenai-Soldotna area, which had a 1960 population of 810, expanded over 500 per cent to a 1970 population of 4,735.

The City of Kenai (an unincorporated village of 778 people at the time of the 1960 Census) provides an excellent example of a petroleum-impacted municipality. Kenai's municipal operating budget in 1965–66 was $438,690, or slightly over $200 per capita, assuming a population of 2,150 at that time. Capital expenditures for that year were authorized at $21,615. Illustrative of the necessity to play "catchup" in situations of explosive population growth is the 1971–72 Kenai budget, which indicates operating expenses of $1,611,634 (or $447 per capita), and a capital improvement budget of $1,483,147.

The City of Kenai presently has a municipal bonded indebtedness totalling $10,000,000 incurred during the "boom" years of the late 1960's. The records indicate that these capital expenditures were made in the following functional areas:

1. Water and sewer expansion

2. Public safety facilities (police and fire equipment, buildings, etc.)

3. Airport expansion and development

4. Street and drainage upgrading and improvements

5. Civic improvements (parks, small boat harbor, civic center, etc.).

Clearly, then, the petroleum-induced population growth to the Kenai area has necessitated significant expenditures to provide an acceptable level of public facilities and services to a greatly expanded local populace.

To determine the impact of offshore petroleum activity on public expenditures, we have settled on a set of assumptions as follows:

A. From exploration to optimum production, a five-year period appears reasonable. (Although social and economic effects on communities will be more extended, it is reasonable to assume that new revenues after that will combine with shared offshore revenues to balance out any further extraordinary expenses as the new population "settles in.")

B. Since many of the public expenditures are in response to demand, and since the Kenai model indicates a lag in gearing up to meet the community needs, we are staggering the time periods of our observations accordingly. (Exploration-production, 1964–1969; public expenditure data, 1966–1971)

C. The Collier Carbon and Chemical and Phillips-Marathon petrochemical operations are considered as spinoffs of the major exploration-development-production operations. Although their construction (1967–1969) and operation is significant, it is absorbed into the total picture of petroleum impact.

D. All figures used (population, school enrollment, capital expenditures, operating expenditures, etc.) are straight-line interpolations between known points in time.

E. 170,000 barrels per day (the average 1968–1971 production is assumed to be optimum, and is further assumed to be the objective of entire offshore operation.

F. Although a number of Kenai Peninsula communities were affected to some extent by the petroleum development, the major impact was centered in the Kenai-Soldotna area.

G. The City of Kenai budget records, the Borough School District records of Kenai-Soldotna area educational expenditures and the portion of recorded expenditures made by the Kenai Peninsula Borough in the Kenai-Soldotna area constitute the operating budgets that were used in this analysis to determine the public expenditures.

H. Because of interest rates, costs of bonding programs and anticipated useful life major capital projects, 50 per cent of the public capital investment is used in the computation of annual public expenditures traceable to petroleum impact.

I. "Impact population" is assumed as the difference between the actual (or interpolated) population for a given year, and a "base case" figure arrived at by using a "normal" 6 per cent (compounded) annual growth rate.

The following tables indicate the public expenditures (City of Kenai, Kenai Peninsula Borough, State of Alaska) that pertain to the Kenai-Soldotna area for the chosen impact years (1966–67 through 1970–71):

TABLE 1.—CITY OF KENAI POPULATION

	Base case	Actual[1]	Impact[2]
1966–67	1,106	2,480	1,374
1967–68	1,172	2,700	1,528
1968–69	1,242	2,970	1,728
1969–70	1,317	3,250	1,933
1970–71	1,496	3,533	2,037

[1] Interpolated from known data.

[2] Impact is equal to base case subtracted from actual population.

TABLE 2.—CITY OF KENAI OPERATING BUDGET

	Operating budget	Per capita expenditures
1966-67	$460,000	$185.50
1967-68	480,000	177.78
1968-69	510,000	171.72
1969-70	523,479	161.07
1970-71	1,040,000	294.37

TABLE 3.—KENAI PENINSULA BOROUGH

	Operating budget[1]	Per capita expenditures[2]
1966-67	$2,230,312	$710.29
1967-68	2,736,125	770.74
1968-69	3,621,391	925.82
1969-70	4,467,823	1,034.22
1970-71	6,078,492	1,283.74

[1] Includes school operation and maintenance, planning, assessment, and collection in the Kenai-Soldotna area.

[2] Based on actual (interpolated) total population at the Kenai-Soldotna area.

TABLE 4.—CAPITAL EXPENDITURES

	Total (1967-71)	Total/50 percent[1]
City of Kenai	$10,000,000	$5,000,000
Kenai Peninsula Borough	9,739,000	4,869,500
State of Alaska	6,600,000	3,300,000

[1] See assumption H.

The Capital expenditures have been spread evenly over the five-year period.

Applying the per capita operating expenditures to the impact population, and adding in the capital investment, we develop the following information:

TABLE 5.—*Total public expenditures*

1966-67	$4,139,598
1967-68	4,472,462
1968-69	5,015,596
1969-70	5,515,284
1970-71	6,720,170

It is, therefore, the conclusion of our research that the production of Cook Inlet crude oil at a daily average of 170,000 barrels precipitated public expenditures that, over the five-year period studied, were equivalent to a cost of 8.4 cents per barrel of oil produced.

The very different circumstances of Gulf of Alaska exploration and production will, of course, mean a much higher cost in public expenditures per barrel of oil. While the impact on Kenai and Soldotna from Cook Inlet petroleum activity was indeed substantial, as has been outlined above, those were at least established communities when such activity began. In addition, the city of Anchorage also served as a base of operations along with Kenai and Soldotna and it, of course, already possessed all the basic public utilities and other facilities essential to support economic expansion. In each of these cases, the need was only to expand public facilities. In stark contrast, the need in the case of Gulf of Alaska petroleum activity will be to start from scratch and, in fact, build a complete new city as a base of operations somewhere on Alaska's southcentral coastline. Further, construction costs are much, much higher in Alaska's remote rural areas than in the established communities and cities. Thus, it can be very conservatively estimated that the public expenditures involved, on a greatly larger scale, will be at least twice the amount per barrel of oil produced as was the case in the Cook Inlet area. That would put the cost per barrel, even before taking into account the sharp inflation of recent years, at 16.8 cents for each barrel produced.

Adding an inflation factor of 10 per cent a year for the years since 1971, the concluding year of our Cook Inlet study model for this research, and on through 1980, which allows for a five-year development period in the planned Gulf of Alaska production, brings the cost in public expenditures up to 39.6 cents per barrel of oil produced.

It is estimated that Gulf of Alaska production will be 1 million to 1.5 million barrels a day. Taking the 1 million barrel a day case applied to a five-year period after production begins—under the assumptions outlined above and even assuming that this proposed legislation would be enacted and the State would receive a substantial share from lease bonus proceeds—the State of Alaska would still be facing a shortfall of several hundred millions of dollars before any revenue was realized from the production of Gulf of Alaska oil.

Gentlemen, the front-end costs in public expenditures for the kind of undertaking planned for the Gulf of Alaska are truly staggering. Therefore, I firmly believe that anything less than the revenue sharing formula proposed in this legislation at hand would work a serious inequity on the people of Alaska and place a cruel burden on Alaska's financial resources.

I strongly urge favorable action on S. 2389, and again, I appreciate this opportunity to present information to you.

Historic Summary of Petroleum Development: Cook Inlet Area

1958:

Exploration activity high—17 oil companies had geophysical and geological exploration parties in field.

1959:

First gas discovery near Kalifonsky Beach on Cook Inlet almost 25 miles south of Swanson River Field.

1960:

Swanson River Field includes Swanson River Unit and Soldotna Creek Unit. In this area, there were 5 producing wells, 2 dry holes, and 3 new wells being drilled in the field.

Of 16 wells spudded, 13 were completed as producers.

Marine terminal at Nikiski was begun in April.

Construction of a common carrier pipeline system from the Swanson River field to Nikiski on Cook Inlet some 18½ miles to the west was begun in July, 1960.

1961:

There was a major increase in both exploratory drilling and geophysical activity.

Six companies placed a total of 7 field parties in Cook Inlet area.

1962:

Swanson River field has completed its first year of full scale production.

Oil production averaged 560 barrels per day per well.

Seven oil wells and three gas wells were completed.

1963:

Oil was discovered by Shell-Richfield-Standard in Middle Ground Shoal, Cook Inlet.

The Standard Oil Company refinery was completed on the Kenai Peninsula.

The Kenai gas field produced 3.1 billion cubic feet of gas.

Swanson River gas field produced 4.7 billion cubic feet of gas.

1965:

Two platforms under construction in the Middle Ground Shoal area are due to become operational in 1965, making year-round drilling possible.

A total of 24 exploratory drilling operations were active.

Mr. GRAVEL. The Senator from Oklahoma (Mr. BARTLETT) is on the Committee on Interior and Insular Affairs, so I am surprised that he would not be aware of this, or would be making the statement that he has made.

Certainly, I would be very quick in coming to the succor of the citizens of his State.

But I can assure him—and I supported the stripper well legislation that he has put forward—that his legislation will be even more valuable to the people of Oklahoma. Because I would take a position for Alaska opposing oil development on the Shelf of Alaska until we are compensated—properly so—for that activity.

We are not looking for a bribe—we are just looking for somebody to pay the cost of what actually transpires.

We have a case in point where we can measure what that cost was. It is interesting to note that that cost amounted to 40 cents per barrel of oil produced in Cook Inlet. We are not talking about a situation like that of Louisiana or Texas where the economics may be diffused. We are talking about a community that went from a population of 8,000 people in 1965 to 14,000 people in 1970.

We are talking about an employment work force that rose from a low of 3,000 workers to nearly 8,000 workers in the period of 1965 to 1968.

This is not a study that somebody has projected and put into a computer and tried to get some response out of it. This actually happened to human beings living in Alaska, and it shows the problems that occurred in the budget of the community.

I have as part of this report the budget of the city of Kenai, figures that show the population explosion that took place within the city of Kenai, and the budget for the Kenai Peninsula borough and the capital expenditures that the borough had to make in order to keep abreast of this unusual growth.

My colleagues can cast a winking eye, and say this is not a real situation, and that it really benefits the State. Well, I think that kind of ignorance is passé. I think we now recognize that mere growth alone is not all that good, although we have to have some degree of growth. I think that we do have to rise to our responsibility to meet a national energy need, and I would be prepared to have my State take its place like any other State.

But I wonder if my colleague from Oklahoma would be so quick to talk about the patriotism of his Oklahomans if he were going to be visited with an economic disaster as a result of the fickleness of nature, or as a result of a Federal Governmental activity?

I am prepared for Alaskans to meet their national requirements, and if it means disrupting and hurting the economy of Alaska, I am prepared to have that happen. All I want to do is to have the Federal Government pay the cost of that disruption.

My colleague from Louisiana makes a very telling case on Federal military bases. It is exactly the same thing. In Anchorage we get impacted funds because of the two military bases we have there. Does the Senator know why we have it? Because we have to educate the children of these military people who do not contribute to the economy in the normal fashion.

So if it makes sense and is just to have that, obviously it does not make sense and is not just if, without a decision of the State in question, we force an economic decision and an economic impact on the State. The Senator tells us that we should not receive any assistance as a result of that impact and, with a wink of the eye, passes it off as something which is going to be of some economic benefit.

Well, we are past the stage of the wink of the eye. What we are interested in is not bribery—the Senator can keep his money—we do not want any bribery, but just to pay us for the cost that we can measure. Do not come and tell us, "Oh, you come back to Congress after that has happened." That is like saying, "Well, after you have a flood, you know, come in and show people how you have been damaged by the flood and say, 'O.K., give us some restitution.' "

I would hope that Congress, in its wisdom, has a little more heart than to say let us wait for the disaster to occur rather than inject some money so we can plan this.

These are activities of human design, and to negate the intelligent forethought that could take place and try to treat this like a natural disaster is, I suggest, not very wise. I would hope that my colleague would reconsider his position, because I think it is most unfortunate.

I do not think it is partisan. It is a geographical posture that one takes. I can say that my heart would feel a great deal more human kindness to the Senator's constituency, and I would hope that the Senator would put bribery out of his mind, and let his bosom swell with a desire to do justice to my community which will suffer, where individuals will suffer, as a result of this legislation.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. BARTLETT. Mr. President, I yield myself such time as I shall require, and I would like to comment on the remarks of my good friend from Alaska.

When I used the word "bribery," I was referring to those States which wanted to export pollution, export the problems that might accompany oil development in the States of Alaska, California, or Louisiana.

I would like to comment on what the distinguished Senator said. He mentioned the disaster of Alaska. I think a lot of the States would like to have the kind of disaster Alaska has had with its huge resales of revenue that have had a tremendously favorable impact to the State of Alaska.

I understand why this has been so because I understand in the State of Oklahoma when the oil activity is at a high level that the revenues to the State are much higher and that the general economy is improved, and when, all things being equal, the activities in the oil business are at a lower level, then there is a recessionary economy that exists.

Then I would like to point out one other point to the Senator and I shall be glad to yield to the Senator on his time.

The Senator mentioned as a foregone conclusion that any economic development on the Outer Continental Shelf is going to impact economically negative to the State, opposite that activity.

That is just not the case. I have quoted testimony from those indicating there is no indication that would be the case.

I said, however, if it was the case that there was a negative impact, then this could be taken care of after it occurred.

But I would like to point out that the people who generally make up the oil industry and who would be involved in the State of Alaska because of Outer Continental Shelf activity, and I think the Senator will agree with me, normally have a higher-than-normal income and would, therefore, pay a higher percentage of taxes to the State of Alaska than would the average person in Alaska. Also, he would pay a higher percent or higher amount of sales tax.

Mr. GRAVEL. If the Senator will permit me on that point, when they leave they take that higher income with them.

Mr. BARTLETT. I will be happy to yield to the Senator in just a minute on his time, but I also point out that some of the very expensive costs of Government, such as the welfare area and highways, are not increased by the activity of the Outer Continental Shelf oil areas as would be the average in a State.

So I think the benefit is positive, positive economic benefit.

I certainly know a lot of States have been very jealous of the State of Alaska for the tremendous revenues it has been able to receive for some years, and we are very pleased because it helps develop our largest State.

I am glad to yield to the Senator on his time.

Mr. GRAVEL. Will my colleague yield 5 minutes?

Mr. JOHNSTON. Yes, I yield 5 minutes.

Mr. GRAVEL. The Senator may be very happy and envious of us. [illegible] would hope the emotion would be pleasure, not envy, because certainly the State of Oklahoma would not want to trade our unemployment rate, or the fact that we are still one of the poorest States in the Union. In our poverty we have been blessed to have the finding of oil.

Now, I would ask my colleague, what is the rate of inflation in Tulsa, Okla., today? The national rate is around 12 percent.

Mr. BARTLETT. It is not known in Tulsa, Okla., today, separate from the national inflation, but I assume somewhat similar.

Mr. GRAVEL. To the national.

Well, the rate in Anchorage is around 17 to 18 percent today, which is 5 points above the national average, and in Fairbanks, around 20 percent.

So I hope we will not get carried away thinking economic activity is all blessing. There are responsibilities that have to be borne. We still have a high rate of unemployment.

I might say, a lot of people come to Alaska to make money. Many are from Oklahoma, and we are going to be left with some economic responsibilities, and they will take back their wealth to the Senator's great State.

We are not envious. That is the way things happen. We understand that. All we are saying is that when the people from Oklahoma come to Alaska to do their thing, if there is a negative impact—I say "if" because I ask no money if there is not a negative impact—we ask the people of Oklahoma, the people of New York, the people of California and everyplace else, to help carry that negative impact burden, which is unfair for us alone to carry.

So what my colleague sees is an area where we have 60 percent of the Continental Shelf, where it is vital to have the Federal resources developed. We may well see a revolution, and I would be the first to lead it, to stop that development until we were compensated for the negative impact.

My colleague insists that there is no negative impact. That flies in the face of logic. The logic is very simple. The people in this country are not stupid. Most of the people in this country that live in coastal States do not want development.

So what are we saying? Very properly, since they felt the pain, they are saying "Hey, unless there is something that is set to correct this, we do not want it; solve other problems."

We had a bumper sticker in Alaska——

Mr. BARTLETT. Whether they want it or not, it provides more and better jobs, supplies some of the best jobs in Alaska, as the Senator knows.

Mr. GRAVEL. If I can finish on my time, my colleague is not listening to the point I am making.

A person coming in with a job making $100,000 a year, if he comes in with his kids and we have to build a school and he leaves the next year, he has not done anything with his $100,000 income. He has taken it back to Tulsa.

My colleague is insisting that because the oil industry is well paid, it is beneficial when it is in the location for a period of time. We gear up to absorb them, with roads, water, sewer systems, housing, and all of a sudden they leave. They leave with an adverse economic impact. Or because of the growth in question, they leave with a front adverse economic impact.

My colleague insists they come in with high pay. Sure, they do, and they leave with the same high pay and take it somewhere else.

All we are saying, whether Alaska, Massachusetts, or New York—we have got some experience in Alaska. How can my colleague so cavalierly throw aside this matter, not a study, the actual occurrence in a community, and say it will not hurt? It has hurt. Here is the proof. This is not a study. These are budget figures of the city of Kenai over that period of time.

Now, the Senator can put blinders on and say that did not happen, but——

Mr. JOHNSTON. Will the Senator yield?

Mr. GRAVEL. Yes.

Mr. JOHNSTON. There is a similar study in Louisiana conducted by the Gulf Research Institute showing facts and figures and exact dollar amounts what the impact is, some 100 pages in length.

Mr. GRAVEL. These studies are backed up by the very simple situation that the American people know they are being hurt. As a result of that, they put up a shield. They do not want this development to take place unless we can compensate them for the damages that occur to the economy.

That is all we are asking. We do not want a bribe, we want to be paid for damages.

I would like to conclude by saying that with this study, which was an unusual case because Kenai is fairly isolated, we can measure what happened to the community and the oil production that actually took place.

When this computation is done, the cost amounts to about 40 cents per barrel of production. That is the impact on the community. So when you talk of what that will mean, whether it is Alaska, Louisiana, New York, or any place else, you can translate that very simply into saying that for 1 million barrels a day of production, the impact cost to people in the United States, or people directly affected, would be 40 cents per barrel, which would amount to $146 million. I think that cost should be paid. In order to make this Nation self-sufficient, some people are going to have to carry a little extra burden. That is the fickleness of nature, the fickleness of our economic system.

But the people should be compensated for carrying that burden. I get terribly distressed that my colleagues from other States who would not directly benefit from this appropriation turn their eyes and their minds away from this burden and say, "Well, that is just tough."

I really feel badly that Members of this body would be so callous to the economic well-being of citizens of other States. I think I have tried to show my empathy to their constituents, and I hope that they can show similar empathy to mine.

The PRESIDING OFFICER. Who yields time?

Mr. BARTLETT. Mr. President, I ask unanimous consent that several letters from various Governors be inserted in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
St. Paul, Minn., September 12, 1974.
Hon. DEWEY F. BARTLETT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BARTLETT: After reading your letter and studying carefully the pros and cons on the subject of revenue sharing on the Outer Continental Shelf, it would appear to me to be in the best interest of all 50 states to support your position. To do otherwise would create a precedent that could be far reaching in other areas of concern.

Minnesota does not have fossil energy sources. We need to participate with all 50 states in the revenues and the resources that belong to all of us. I wish you well in your efforts to delete Section 25 of S. 3321.

With warmest personal regards.

Sincerely,

WENDELL R. ANDERSON.

STATE OF UTAH,
Salt Lake City, Utah, August 27, 1974.
Hon. DEWEY F. BARTLETT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BARTLETT: Thank you for your letter of August 23, 1974 regarding S. 3321, which in its present form earmarks a portion of Outer Continental Shelf (OCS) receipts for coastal state use based on the negative economic impact of OCS activities on each particular state.

Speaking as Chairman of the National Governors' Conference, I cannot give you the official position of the nation's governors since one has not been adopted. However, our Committee on Natural Resources and Environmental Management chaired by Governor Stanley Hathaway of Wyoming has discussed this matter at great length. The general direction of their discussions as a committee has been that the coastal states should receive some part of the revenues generated by OCS activities, particularly license fees and a defraying of management costs borne by the state. They have also discussed the possibility that a portion of these revenues should be allotted to interior states who may lose monies due to increasing development of coastal areas and intense use of coastal recreation areas, a sharing of the obvious assets of the coastal states.

We have currently appointed an Ad Hoc Committee on the Law of the Sea Conference composed of the governors of the coastal states. The Chairman of that Committee is Governor Daniel J. Evans of Washington. I am forwarding a copy of your letter and this reply to him for his comment.

Sincerely,

CALVIN L. RAMPTON,
Governor.

STATE OF ARKANSAS,
Little Rock, Ark., August 23, 1974.
Hon. DEWEY F. BARTLETT,
U.S. Senator from Oklahoma, U.S. Senate,
Washington, D.C.

DEAR SENATOR BARTLETT: I am glad to have your letter of August 20, 1974, with respect to the revenue-sharing provisions of S. 3321, provisions that would earmark a portion of Outer Continental Shelf (OCS) revenue receipts for use by coastal states which are adjacent to the oil and gas developments that produce the revenue. (Is this the correct bill number? Your letter to me identifies the bill as S. 3321, but the enclosed copy of your letter to Mr. Zarb of the Office of Management and Budget refers to S. 3221.)

Like you, I represent an inland state. I therefore agree that a proposal for diverting revenues belonging to all the taxpayers for the exclusive use of coastal states should be carefully examined and adopted only if there is a compelling case for it. The materials enclosed with your letter incline me to agree with your position.

I would like to know more about the details of this matter before coming to a definite conclusion. Would you be kind enough, please, to send me a copy of the bill, or at least of section 25, which I gather is the relevant section creating the Coastal State Fund of two hundred million dollars per year for payment to coastal states adjacent to the federal OCS on which oil and gas exploration and production activities are to be concluded.

I would also like to see a copy of Mr. Zarb's reply to your letter of August 14. It does not seem to be enclosed with your letter, and I would be interested to know whether OMB and the Domestic Council (if it has taken a position) are in accord with the Department of the Interior.

Thank you so much for calling this interesting matter to my attention.

Sincerely yours,

DALE BUMPERS,
Governor.

STATE OF NORTH DAKOTA,
Bismarck, N. Dak., September 4, 1974.
Hon. DEWEY F. BARTLETT,
U.S. Senator, U.S. Senate,
Washington, D.C.

DEAR SENATOR BARTLETT: I should like to comment on a paragraph in S. 3221 (the "Energy Supply Act") providing for creation of a Coastal State Fund to compensate coastal States for the impact of oil production from the Outer Continental Shelf adjacent to the coastal waters of these states.

The provision appears to be an attempt to buy the support of coastal states in what should be a voluntary national effort to improve our energy supply situation. I suggest that it is even less defensible than a hypothetical situation in which the State of North Dakota might be bribed to facilitate strip mining of its lignite deposits. After all, the adverse effects of offshore exploration beyond a coastal buffer area are far less disruptive than strip mining of the very land from which we make our living.

Sincerely yours,

ARTHUR A. LINK,
Governor.

STATE OF NEBRASKA,
Lincoln, Nebr., August 27, 1974.
Hon. DEWEY F. BARTLETT,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BARTLETT: As Governor of the State of Nebraska I wish to support your stand on S. 3321 regarding the receipts developing from development of the Outer Continental Shelf.

There would certainly be benefits for the states that would be so fortunate as to have this activity off of their coast line. I see no particular reason for earmarking a portion of the funds for their direct benefit in addition to the benefits they will already receive.

If I can be of any further assistance, please advise.

Sincerely,

J. JAMES EXON,
Governor.

OFFICE OF THE GOVERNOR,
Topeka, Kans., September 5, 1974.
Hon. DEWEY F. BARTLETT,
U.S. Senator from Oklahoma,
Russell Senate Office Building,
Washington, D.C.

DEAR DEWEY: Thank you very much for your recent letter and attachments concerning S. 3321.

Certainly I agree with your position on this, because the State of Oklahoma and the State of Kansas have similar interests in subjects of this type. I encourage you to go forward with your efforts in this connection, and if I can be of service to you in any way, I would be most glad to help.

With every good wish.

Yours very truly,

ROBERT B. DOCKING,
Governor.

OFFICE OF THE GOVERNOR,
Phoenix, Ariz., September 9, 1974.
Hon. DEWEY F. BARTLETT,
U.S. Senate,
Washington, D.C.

DEAR DEWEY: Thank you for your letter of August 20 concerning Senate Bill 3321. The information you enclosed is very informative.

I tend to agree with your position and find the supporting documentation quite compelling.

The legislation in question would appear to set a possibly dangerous precedent. A major problem is its discriminatory nature providing benefits to only a few States. There are many possible applications of this type of philosophy. The result could be a rapid expansion of Federal expenditures. I believe adequate provisions for environmental protection are contained in other legislation.

I appreciate the opportunity to comment to you on this legislation. I wish you success with your Amendment.

Yours sincerely,

JACK WILLIAMS,
Governor.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. BARTLETT. I yield.

REAL ESTATE SETTLEMENT PROCEDURES ACT OF 1974

Mr. SPARKMAN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3164, to provide for greater disclosure of the nature and costs of real estate settlement services, to eliminate the payment of kickbacks and unearned fees in connection with settlement services provided in federally related mortgage transactions, and for other purposes.

The PRESIDING OFFICER (Mr. HELMS) laid before the Senate the amendments of the House of Representatives to the bill (S. 3164) to provide for greater disclosure of the nature and costs of real estate settlement services, to eliminate the payment of kickbacks and unearned fees in connection with settlement services provided in federally related mortgage transactions, and for other purposes, which were to strike out all after the enacting clause, and insert:

That this Act shall be referred to as the "Real Estate Settlement Procedures Act of 1974".

DEFINITIONS

SEC. 101. For purposes of this Act—

(1) the term "federally related mortgage loan" includes any loan which—

(A) is secured by residential real property (including individual units of condominiums and cooperatives) designed principally for the occupancy of from one to four families; and

(B)(i) is made in whole or in part by any lender the deposits or accounts of which are insured by any agency of the Federal Government, or is made in whole or in part by any lender which is itself regulated by any agency of the Federal Government; or

(ii) is made in whole or in part, or insured, guaranteed, supplemented, or assisted in any way, by the Secretary or any other officer or agency of the Federal Government or under or in connection with a housing or urban development program administered by the Secretary or a housing or related program administered by any other such officer or agency; or

(iii) is eligible for purchase by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, or from any financial institution from which it could be purchased by the Federal Home Loan Mortgage Corporation; or

(iv) is made in whole or in part by any "creditor", as defined in section 103(f) of the Consumer Credit Protection Act of 1968 (15 U.S.C. 1602(f)), who makes or invests in residential real estate loans aggregating more than $1,000,000 per year; (2) the term "thing of value" includes any payment, advance, funds, loan, service, or other consideration;

(3) the term "title company" means any institution which is qualified to issue title insurance, directly or through its agents, and also refers to any duly authorized agent of a title company;

(4) the term "person" includes individuals, corporations, associations, partnerships, and trusts;

(5) the term "settlement services" includes the following services when provided in connection with a real estate settlement: title searches, title examinations, the provision of title certifications, title insurance, services rendered by an attorney, property surveys, the rendering of credit reports, pest and fungus inspections, and the handling of the closing or settlement; and

(6) the term "Secretary" means the Secretary of Housing and Urban Development.

REPORT OF THE SECRETARY ON THE NECESSITY FOR FURTHER CONGRESSIONAL ACTION

SEC. 102. (a) The Secretary, after consultation with the Administrator of Veterans' Affairs, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board, and after such study, investigation, and hearings (at which representatives of consumer groups shall be allowed to testify) as he deems appropriate, shall, not less than three years nor more than five years from the effective date of this Act, report to the Congress on whether, in view of the implementation of the provisions of this Act imposing certain requirements and prohibiting certain practices in connection with real estate settlements, there is any necessity for further legislation in this area.

(b) If the Secretary concludes that there is necessity for further legislation, he shall report to the Congress on the specific practices or problems that should be the subject of such legislation and the correction measures that need to be taken. In addition, the Secretary shall include in his report—

(1) recommendations on the desirability of requiring lenders of federally related mortgage loans to bear the costs of particular real estate settlement services that would otherwise be paid for by borrowers;

(2) recommendations on whether Federal regulation of the charges for real estate settlement services in federally related mortgage transactions is necessary and desirable, and, if he concludes that such regulation is necessary and desirable, a description and analysis of the regulatory scheme he believes Congress should adopt; and

(3) recommendations on the ways in which the Federal Government can assist and encourage local governments to modernize their methods for the recordation of land title information, including the feasibility of providing financial assistance or incentives to local governments that seek to adopt one of the model systems developed by the Secretary in accordance with the provisions of section 110 of this Act.

(c) Section 701 of the Emergency Home Finance Act of 1970 (12 U.S.C. 1710, note) is repealed.

UNIFORMED SETTLEMENT STATEMENT

SEC. 103. The Secretary, in consultation with the Administrator of Veterans' Affairs, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board, shall develop and prescribe a standard form for the statement of settlement costs which shall be used (with such minimum variations as may be necessary to reflect unavoidable differences in legal and administrative requirements or practices in different areas of the country) as the standard real estate settlement form in all transactions in the United States which involve federally related mortgage loans. Such form shall conspicuously and clearly itemize the charges imposed upon both the borrower and the seller in connection with the settlement, and shall indicate whether the title insurance premium included in such charges covers or insures the lender's interest in the property, the borrower's interest, or both. Such form shall include all information and data required to be provided for such transactions under the Truth-in-Lending Act and the regulations issued thereunder by the Federal Reserve Board, and may be used in satisfaction of the disclosure requirements of that Act, and shall also include provision for execution of the waiver allowed by section 105(c).

SPECIAL INFORMATION BOOKLETS

SEC. 104. (a) The Secretary shall prepare and distribute special booklets to help persons borrowing money to finance the purchase of residential real estate to better understand the nature and costs of real estate settlement services. The Secretary shall distribute such booklets to all lenders which make federally related mortgage loans.

(b) Each booklet shall be in such form and detail as the Secretary shall prescribe and, in addition to such other information as the Secretary may provide, shall include in clear and concise language—

(1) a description and explanation of the nature and purpose of each cost incident to a real estate settlement;

(2) an explanation and sample of the standard real estate settlement form developed and prescribed under section 103;

(3) a description and explanation of the nature and purpose of escrow accounts when used in connection with loans secured by residential real estate;

(4) an explanation of the choices available to buyers of residential real estate in selecting persons to provide necessary services incident to a real estate settlement; and

(5) an explanation of the unfair practices and unreasonable or unnecessary charges to be avoided by the prospective buyer with respect to a real estate settlement.

Such booklets shall take into consideration differences in real estate settlement procedures which may exist among the several States and territories of the United States and among separate political subdivisions within the same State and territory.

(c) Each lender referred to in subsection (a) shall provide the booklet described in such subsection to each person from whom it receive an application to borrow money to finance the purchase of residential real estate. Such booklet shall be provided at the time of receipt of such application.

(d) Booklets may be printed and distributed by lenders if their form and content are approved by the Secretary as meeting the requirements of subsection (b) of this section.

ADVANCE DISCLOSURE OF SETTLEMENT COSTS

SEC. 105. (a) Any lender agreeing to make a federally related mortgage loan shall provide or cause to be provided to the prospective borrower, and to any officer or agency of the Federal Government proposing to insure, guarantee, supplement, or assist such loan, at the time of the loan commitment, or, if there is no commitment, at a time to be prescribed by the Secretary after consultation with the Federal Reserve Board, upon the standard real estate settlement form developed and prescribed under section 103, or upon a form developed and prescribed by the Secretary specifically for the purposes of this section, and in accordance with regulations prescribed by the Secretary, an itemized disclosure in writing of each charge arising in connection with such settlement. For the purpose of complying with this section, it shall be the duty of the lender agreeing to make the loan to obtain or cause to be obtained from persons who provide or will provide services in connection with such settlement the amount of each charge they intend to make. With respect to any charges arising in connection with the settlement, in the event the exact amount of any such charge is not available, a good faith estimate of such charge may be provided.

(b) If any lender fails to provide a prospective borrower with the disclosure as required by subsection (a), it shall be liable to such borrower in an amount equal to—

(1) the actual damages involved or $500, whichever is higher, and

(2) in the case of any successful action to enforce the foregoing liability, the costs of the action together with a reasonable attorney's fee as determined by the court;

except that a leader may not be held liable for a violation in any action brought under this subsection if it shows by a preponderance of the evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures adopted to avoid any such error.

(c) The provisions of subsection (a) shall be deemed to be satisfied with respect to any settlement involving a federal related mortgage loan if the disclosure required by subsection (a) is provided at any time prior to settlement and the prospective borrower executes, under terms and conditions prescribed by regulations to be issued by the Secretary after consultation with the Federal Reserve Board, a waiver of the requirement that the disclosure be provided at the time specified in subsection (a) above.

(d) With respect to any particular transaction involving a federally related mortgage loan, no borrower shall maintain an action or separate actions against any lender under both the provisions of this section and the provisions of section 130 of the Consumer Credit Protection Act of 1968 (15 U.S.C. 1640).

PROHIBITION AGAINST KICKBACKS AND UNEARNED FEES

SEC. 106. (a) No person shall give and no person shall accept any fee, kickback, or thing of value pursuant to any agreement or understanding, oral or otherwise, that business incident to or a part of a real estate settlement involving a federally related mortgage loan shall be referred to any person.

(b) No person shall give and no person shall accept any portion, split, or percentage of any charge made or received for the rendering of a real estate settlement service in connection with a transaction involving a federally related mortgage loan, other than for services actually performed.

(c) Nothing in this section shall be construed as prohibiting (1) the payment of a fee (i) to attorneys at law for services actually rendered or (ii) by a title company to its duly appointed agent for services actually performed in the issuance of a policy of title insurance or (iii) by a lender to its duly appointed agent for services actually performed in the making of a loan, or (2) the payment to any person of a bona fide salary or compensation or other payment for goods or facilities actually furnished or for services actually performed.

(d) (1) Any person or persons who violate the provisions of this section shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

(2) In addition to the penalties provided by paragraph (1) of this subsection, any person or persons who violate the provisions of subsection (a) shall be jointly and severally liable to the person or persons whose business has been referred in an amount equal to three times the value or amount of the fee or thing of value, and any person or persons who violate the provisions of subsection (b) shall be jointly and severally liable to the person or persons charged for the settlement services involved in an amount equal to three times the amount of the portion, split, or percentage.

LIMITATION ON RETIREMENT OF ADVANCE DEPOSITS IN ESCROW ACCOUNTS

SEC. 107. No lender, in connection with a federally related mortgage loan, shall require the borrower or prospective borrower—

(1) to deposit in any escrow account which may be established in connection with such loan for the purpose of assuring payment of taxes and insurance premiums with respect to the property, prior to or upon the date of settlement, an aggregate sum (for such purpose) in excess of—

(A) in any jurisdiction where such taxes and insurance premiums are postpaid, the total amount of such taxes and insurance premiums which will actually be due and payable on the date of settlement and the pro rata portion thereof which has accrued, or

(B) in any jurisdiction where such taxes and insurance premiums are prepaid, a pro rata portion of the estimated taxes and insurance premiums corresponding to the number of months from the last date of payment to the date of settlement, plus one-twelfth of the estimated total amount of such taxes and insurance premiums which will become due and payable during the twelve-month period beginning on the date of settlement; or

(2) to deposit in any such escrow account in any month beginning after the date of settlement a sum (for the purpose of assuring payment of taxes and insurance premiums with respect to the property) in excess of one-twelfth of the total amount of the estimated taxes and insurance premiums which will become due and payable during the twelve-month period beginning on the first day of such month, except that in the event the lender determines there will be a deficiency on the due date he shall not be prohibited from requiring additional monthly deposits in such escrow account of pro rata portions of the deficiency corresponding to the number of months from the date of the lender's determination of such deficiency to the date upon which such taxes and insurance premiums become due and payable.

DISCLOSURE OF PREVIOUS SELLING PRICE OF EXISTING PROPERTY

SEC. 108. (a) No lender shall make any commitment for a federally related mortgage loan unless it has confirmed that the following information has been disclosed in writing by the seller or his agent to the buyer—

(1) the name and address of the present owner of the property being sold;

(2) the date the property was acquired by the present owner (the year only if the property was acquired more than two years previously);

(3) whether any options or contracts to sell are outstanding in regard to the property, and if so, the amount involved in such options or contracts; and

(4) if the seller has not owned the property for at least two years prior to the date of the loan application and has not used the property as a place of residence, the date and purchase price of the last arm's length transfer of the property, a list of any subsequent improvements made to the property (excluding maintenance repairs) and the cost of such improvements.

(b) The obligations imposed upon a lender by this section shall be deemed satisfied and a commitment for a federally related mortgage loan may thereafter be made if the lender receives a copy of the written statement provided by the seller to the buyer supplying the information required by subsection (a).

(c) Whoever willfully provides false information under this section or otherwise willfully fails to comply with its requirements shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

FEE FOR PREPARATION OF TRUTH-IN-LENDING AND UNIFORM SETTLEMENT STATEMENTS

SEC. 109. No fee shall be imposed or charge made upon any other person (as a part of settlement costs or otherwise) by a lender in connection with a federally related mortgage loan made by it (or a loan for the purchase of a mobile home), for or on account of the preparation and submission by such lender of the statement or statements required (in connection with such loan) by sections 103 and 105 of this Act or by the Truth-in-Lending Act.

ESTABLISHMENT ON DEMONSTRATION BASIS OF LAND PARCEL RECORDATION SYSTEM

SEC. 110. The Secretary shall establish and place in operation on a demonstration basis, in representative political subdivision (selected by him) in various areas of the United States, a model system or systems for the recordation of land parcels in a manner and form calculated to facilitate and simplify land transfers and mortgage transactions and reduce the cost thereof, with a view to the possible development (utilizing the information and experience gained under this section) of a nationally uniform system of land pacel recordation.

TITLE COMPANIES

SEC. 111. (a) No seller of property that will be purchased with the assistance of a federally related mortgage loan shall require directly or indirectly, as a condition to selling the property, that title insurance covering the property be obtained from any particular title company.

(b) Any seller who violates the provisions of subsection (a) shall be liable to the buyer in an amount equal to three times all charges made for such title insurance.

LIMITATIONS AND DISCLOSURES WITH RESPECT TO CERTAIN FEDERALLY RELATED MORTGAGE LOANS

SEC. 112. (a) The Federal Deposit Insurance Act is amended by adding at the end thereof the following new section:

"SEC. 24. (a) No insured bank, or mutual savings or cooperative bank which is not an insured bank, shall make any federally related mortgage loan to any agent, trustee, nominee, or other person acting in a fiduciary capacity without the prior condition that the identity of the person receiving the beneficial interest of such loan shall at all times be revealed to the bank. At the request of the Corporation, the bank shall report to the Corporation on the identity of such person and the nature and amount of the loan, discount, or other extension of credit; and the Corporation may make available to the public the information contained in any such report.

"(b) In addition to other available remedies, this section may be enforced with respect to mutual savings and cooperative banks which are not insured banks in accordance with section 8 of this Act, and for such purpose such mutual savings and cooperative banks shall be held and considered to be State nonmember insured banks and the appropriate Federal agency with respect to such mutual savings and cooperative banks shall be the Federal Deposit Insurance Corporation."

(b) Title IV of the National Housing Act is amended by adding at the end thereof the following new section:

"SEC. 412. No insured institution shall make any federally related mortgage loan to any agent, trustee, nominee, or other person acting in a fiduciary capacity without the prior condition that the identity of the person receiving the beneficial interest of such loan shall at all times be revealed to the institution. At the request of the Federal Home Loan Bank Board, the insured institution shall report to the Board on the identity of such person and the nature and amount of the loan; and the Board may make available to the public the information contained in any such report."

(c) The Federal Deposit Insurance Corporation or the Federal Home Loan Bank Board as appropriate may by regulation exempt classes or types of transactions from the provisions added by this section if the Corporation or the Board determines that the purposes of this section would not be advanced materially by their application to such transactions.

STUDY CONCERNING PAYMENT OF INTEREST ON CERTAIN ESCROW ACCOUNTS

SEC. 113. (a) The Board of Governors of the Federal Reserve System is authorized and directed to conduct a study of escrow accounts maintained by lenders in connection with mortgage loans which require borrowers to make periodic prepayments of taxes, insurance, and other items with respect to residential real property, in order to determine the feasibility of requiring lenders to pay interest on such accounts. The results of such study shall be transmitted by the Board of Governors to the Congress in the form of a report on or before June 30, 1975.

(b) The report referred to in subsection (a) shall include, but need not be limited to, the following information—

(1) the cost to lenders of maintaining such escrow accounts and the basis for the determination of such cost;

(2) the profit made or loss sustained, if any, by lenders with respect to such escrow accounts and the basis for the determination of such profit or loss;

(3) a comparison of the cost to lenders of maintaining such escrow accounts and the cost of offering other similar account services, such as limited checking and savings accounts;

(4) an estimate of the aggregate amount of moneys kept, on a national basis, and to the extent feasible on a State and regional or other appropriate geographic basis, in such escrow accounts by lenders, including separate totals with respect to the amounts of moneys in such escrow accounts for the payment of taxes, the payment of insurance, and the payment of other items;

(5) an estimate of the extent to which foreclosures have occurred on mortgaged residential property as a result of the failure to establish escrow accounts for the payment of taxes and insurance by the owners of such property;

(6) the value to State and local tax collection agencies of services performed by lenders in having borrowers make periodic prepayment of taxes with respect to residential real property; and

(7) the extent to which lenders make periodic charges to borrowers with respect to residential real property for the search of tax records on such property, and the justifications, if any, for such charges.

JURISDICTION OF COURTS

SEC. 114. Any action to recover damages pursuant to the provisions of section 105, 106, or 111 may be brought in the United States district court for the district in which the property involved is located, or in any other court of competent jurisdiction, within one year from the date of the occurrence of the violation.

VALIDITY OF CONTRACTS AND LIENS

SEC. 115. Nothing in this Act shall affect the validity or enforceability of any sale or contract for the sale of real property or any loan, loan agreement, mortgage, or lien made or arising in connection with a federally related mortgage loan.

SEC. 116. This Act does not preclude any additional requirement imposed upon any participant in any residential real estate transaction covered by this Act under the law of any State.

EFFECTIVE DATE

SEC. 117. The provisions of this Act, and the amendments made thereby, shall become effective one hundred and eighty day after the date of the enactment of this Act.

And to amend the title so as to read: "An Act to further the national housing goal of encouraging homeownership by regulating certain lending practices and closing and settlement procedures in federally related mortgage transactions to the end that unnecessary costs and difficulties of purchasing housing are minimized, and for other purposes."

Mr. SPARKMAN. Mr. President, I move that the Senate disagree to the amendment of the House to this bill, request a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. HELMS) appointed Mr. SPARKMAN, Mr. PROXMIRE, Mr. WILLIAMS, Mr. CRANSTON, Mr. TOWER, Mr. BROOKE, and Mr. BROCK conferees on the part of the Senate.

ENERGY SUPPLY ACT OF 1974

The Senate continued with the consideration of the bill (S. 3221) to increase the supply of energy in the United States from the Outer Continental Shelf; to amend the Outer Continental Shelf Lands Act; and for other purposes.

Mr. BARTLETT. I yield to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. HANSEN. Mr. President, I have been moved, as I am certain all Members have, by the earnestness and vigor with which Senators have presented their cases here today.

Let me say to my greatly admired colleagues on the other side of the aisle that I have a suggestion to make to them that came from the mayor of Rock Springs, Wyo.

My good friend, Mayor Paul Wataha, of Rock Springs, Wyo., knows something from firsthand experience of the impact that energy development has on a community. In his city of Rock Springs and in Sweetwater County the population, I am told, has more than doubled in not very many months.

Rock Springs did not go to the Federal Government saying, "Give us help." In Paul Wataha's own words, he said:

> The first job is to try to help yourself.

The Senator from Alaska has spoken about the big incomes that people have been making in his State. In Wyoming few people make salaries such as he refers to. But I can say that we do take advantage of opportunities that are open to Wyoming towns, and may indeed, if they are not already available to other cities throughout America, be made available to them. That is to do something for themselves.

As other cities may be able to do, Rock Springs passed a sales tax so that today when people come into town with high salaries and with children to be educated, to fill jobs that are available because of the development of energy, whether it is oil on the Outer Continental Shelf, whether it is coal, whether it is to help construct a powerplant, those workers start contributing, and indeed they should. I think it is very fair. As a consequence, Rock Springs has had the ability, because of the money that comes from the added sales tax authorized in that area, to take its own funds and to match Federal grant programs in order to build the sewer lines, to extend the roads, to add to the schools, to provide for more police protection. In short, to do everything that is necessary in order that life can continue in an acceptable fashion.

I say to my good friends that is the first job: See what you can do to help yourself first before you come crying to Uncle Sam for extra help.

Mr. GRAVEL. Will the Senator yield?

Mr. HANSEN. I am sorry I do not have more time. The distinguished Senator from Oklahoma has yielded to me. The Senator from Alaska has time. I will be pleased to hear from him because I learned a lot from him.

Mr. President, the Federal Government has treated the States with coastal shorelines not ungenerously. Part of that treatment was because the bill which provided that the 3-mile shoreline would become the property of the States became a law with the support of the State of Wyoming. We helped pass that bill. When it was proposed, it was suggested then by many of the inland States, the public land States, that the royalty returns should be increased from its present and long-historical record of 37.5 percent.

The coastal States said: "You are right. We want to support you. Your case is just. Your claim is fair and should be supported. But let us not muddy up the coastal waters issue by injecting the raising of the royalty return to the so-called public land States at this time. When you want to raise that royalty, we will be there to help you."

That was a number of years ago, Mr. President, as you remember. It is still exactly where it was at that time, and where it has been ever since the law was enacted.

The same thing occurred with the State of Alaska. The Senators from Wyoming supported the State of Alaska when it was given not 37.5 percent of the royalties from its public lands, and it has far more public land than any number of States—almost any combination of States in the United States—but it was given 90 percent.

Again the same story was used; the same scenario took place.

It went something like this: "Let us get this bill passed, this Alaska Statehood bill passed, and let us give Alaska—because admittedly there are some problems that a State trying to govern an area as big as is encompassed in the exterior boundaries of Alaska needs some help with—90 percent of the royalties."

And that is what was done. It was done with the help of the public land States. It was premised on the basis that we would get more than the 37.5 percent we received.

Many people may say, "Why should you get any? Why should you get 37.5 percent?"

I can tell Senators one very good reason why. In much of the West a very significant amount of State acreage is in public ownership. Despite that fact, Mr. President, the so-called public land States have the job of providing education, of building roads, of maintaining government, of doing all the things that are expected of State government and county government and city government and school district government, without the kind of base that comes from having all the lands within a State in private ownership.

I am not saying that I am under any illusion at all now that we are going to change the 37.5 percent mineral royalty return today. But I make these comments because it seems to me that, in our enthusiasm, it may be better to represent the States that we have the honor of representing here.

There are among us those who fail to recall what has taken place in the past, who may become somewhat myopic in viewing the few disadvantages that will come from the development of minerals on the Outer Continental Shelf.

I can say that I believe that a majority of the people in the United States would *indeed welcome*—in this period of relatively quiet business inactivity—the sort of economic stimulation and activity and business and jobs and payrolls that undoubtedly will result from the further exploration of the Outer Continental Shelf. The refineries, the chemical industries, everything that one can see—and it is a variegated picture as one goes along the gulf coast from Texas to the tip of Florida—means one thing. It means money. It means taxes. It means business. It means, in short, prosperity. As a consequence, let us not be unmindful of the fact that what is happening has been of great benefit to these coastal States.

I thank the Senator from Oklahoma.

The PRESIDING OFFICER. All time of the Senator from Oklahoma has expired.

Mr. JOHNSTON. Mr. President, I yield 2 minutes to the Senator from Alaska (Mr. GRAVEL).

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. GRAVEL. I yield.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that a member of my staff, Edwin Rothschild, be permitted the privilege of the floor during the consideration of and voting on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAVEL. Mr. President, I am sure the Senator from Wyoming would want the historical record corrected, with respect to Alaska having an advantage. History will record that it did not happen that way.

The Western States did not want Alaska to partake of the reclamation funds, so, in fact, with respect to the moneys from Federal lands, 37½ percent goes to the State and 52½ percent goes to the reclamation fund which is for the Western States, which they did not want Alaska a part of. That amounts to 90 percent.

So what they said, in a somewhat covetous fashion, was, "Alaska, you have newly come into the Union. We do not want you to take a share of this money because of your size, so we will give you 90 percent." The interpretation of the history, as my colleague stated it, makes it appear that Alaska ripped it off.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. GRAVEL. I yield.

Mr. HANSEN. Is it not a fact that the State of Wyoming has contributed between 38 and 39 percent of the total in the reclamation fund?

Mr. GRAVEL. I do not know.

Mr. HANSEN. It is a fact.

Mr. GRAVEL. If my colleague says that, I would be happy to take that as a fact.

Mr. HANSEN. It is a fact.

Mr. GRAVEL. That still does not alter the fact that I am sure Wyoming gets as much reclamation money as they want. I have not been an impediment to it.

I want to state the history correctly, and it is that Alaska did not have any votes at the time this was decided. It was decided by a Senate that had no Alaska representation. They said, "You cannot touch these reclamation funds. We will give you the equivalent, which is 90 percent." I hope my colleagues will not decry the 90 percent when they get the 90 percent through another formula.

Mr. HANSEN. Is it not also a fact that the reclamation fund, or what is represented by that fund, has been used in Wyoming to build dams for Colorado and the States downstream, and Nebraska and the States downstream, and Utah and the States downstream, and Montana and the States downstream, and Idaho and the States downstream?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GRAVEL. Mr. President, I ask unanimous consent to have time from the minority side.

Mr. JOHNSTON. Mr. President, I yield the Senator 1 additional minute.

Mr. GRAVEL. That may well be the case.

Mr. HANSEN. It is the case.

Mr. GRAVEL. That does not disturb me. I am happy that Colorado and other Western States share in this. That is what the fund is for. It is a reclamation fund for the Western part of the United States. But the Western part of the United States did not want to permit Alaska to join them. They left us out, so they should not criticize us because we are now out.

The calculations still amount to 90 percent. We get 90 percent in Alaska, and in the Western States they get 90 percent.

I hope the Senator from Wyoming will see no antagonism in that regard. I do not mean to cast any aspersions on my colleague, but I hope the historical facts will be represented accurately. This was not a ripoff by Alaska. The Western States wanted to keep us out.

Mr. HANSEN. I take no offense from the Senator's remarks. I have the greatest admiration for him.

Mr. JOHNSTON. Mr. President, I yield to my colleague from Louisiana such time as he may require.

Mr. LONG. Mr. President, I regret that our good friend on the other side of the aisle cannot realize that there is an impact and a burden on States to produce this oil.

I have a study done by Gulf South Research, which is a very well-regarded research organization in Louisiana. Their estimate is that the negative impact on the government of Louisiana of offshore operations, Federal in nature, off the Louisiana coast, in 1972, was $38 million.

Just take a simple item—roads. Everybody knows that the more you use highways, the more you tear them to pieces; that the steel that goes into the platforms and the steel that must go into the tubing and the pipe to drill wells is very heavy. The same is true of those huge drilling engines. I know that in Louisiana when they roll that material across the soft subsurface roads on our marshy lands, it tears those roads to pieces. Take a blacktop road that has been newly laid and go back a couple of years later, and the road is torn to pieces because of the heavy loads moving across them to remote points, where the material is loaded aboard barges and is taken out to sea.

There is the cost to educate the children of the people who work on the rigs out there. Someone has to educate the children, and we do it. But if it were an oil well within the boundary of the State, we would be collecting some taxes from that activity, which would help pay the cost of education. If the activity is beyond the State boundary, we do not get a penny.

We have to provide police protection for those families while the breadwinners are on those rigs. Somebody has to protect that man's home while his wife and children are at home alone because the man is working on that rig for a week at a time 30 to 100 miles at sea.

The amount of money provided by this bill works out to 2.5 percent of the revenue of the Federal Government in this activity.

So far as I know, they have yet to produce the first barrel of oil in the Atlantic on the Continental Shelf. Other than those States that were producing oil when the Federal Government filed the tidelands suit to claim for the Federal Government the offshore lands that the States had thought previously belonged to them, not one barrel of oil is being produced seaward of the U.S. Atlantic coast. They have yet to produce the first barrel of oil in the Atlantic Ocean.

The way it is presently going, the people of the Atlantic coast States show every prospect of delaying production of oil off their shores until hell freezes over. They will deny you every bit of cooperation that can be denied. If you find a well, they will not let you lay a pipeline through that 3-mile zone. They will not let you lay a pipeline under a highway, just as they keep you from drilling in the Atlantic Ocean, where there is as much oil as in the Gulf of Mexico.

You cannot get anywhere with it for two reasons: First, the States that are involved do not get anything out of it. It is all for somebody else and nothing for themselves. It creates pollution problems. It creates law enforcement problems. It tears up their highways.

Second, it is a burden on them. They do not get one red, copper cent out of it, and they are penalized. How would anyone like to be penalized as Louisiana is for $38 million a year and not get a copper cent out of it?

You know what you would tend to do? You do everything you can to louse the fool thing up and keep them from getting the first barrel of oil out of there, which is exactly what is happening on the entire Atlantic seaboard.

Mr. BARTLETT. Will the Senator yield?

Mr. LONG. Yes.

Mr. BARTLETT. Will the distinguished Senator tell me just how much oil is being produced within the 3-mile limit on the Atlantic seaboard?

Mr. LONG. Senator, our best estimate is that they do not have any oil in the Atlantic within the 3-mile limit, just offshore. The same people who give geophysical estimates of where the oil is tell us that there is as much prospect of finding oil out in the Atlantic as there is off the gulf, perhaps more, because there is a broader Continental Shelf out there, but the structures that should produce the oil are well out to sea.

I once served on the Committee on the Interior myself. I feel that it was a wonderful experience. I recall so well supporting our friends from the interior States. In effect, they get every nickel produced by oil for the benefit of those States. We are not trying to deny them that. They get 37.5 percent directly. They have taxing power, the power to collect taxes on what remains.

In addition to all that, they then take, aside from the cost of administration, which is about 10 percent, all the rest of it and lump that into a reclamation fund for the whole bunch of them to share.

That is all right with me. I am not complaining about their getting the whole blessed thing. I am glad to see it. All I am asking is, how can you do that and then proceed to try to impose a burden on someone else who is producing the whole cost of it there and giving you the 100-percent exclusive benefit of all that can be reduced without so much as repairing a bridge which they destroyed.

Why not let some person have some revenue to offset the negative impact on their government?

You can give a State like Louisiana the kind of raw deal that it has, where what we thought was all ours is being taken away from us, and we are being given no share in the revenue beyond that 3-mile limit. We were sufficiently committed to producing out there and made enough revenue out of it at one time that we did not feel too bad about it.

The Court decided against us, and that is it. But we are going to have a very, very difficult time getting any oil out of the Atlantic when those States have facing them, the kind of thing we people in the State of Louisiana thought was a very raw deal—and they, themselves, think it was a very raw deal, especially when it is compared to the interior States. They get, in effect, at least 90 percent of the advantage of the revenues produced in those States.

All we are asking is for these coastal States to be made whole, just to have some kind of adjustment made to recognize the burden on the States' economy to help support these kinds of operations. When we try to impose a burden on those States and then give them no revenue to offset it, we have a very, very frustrating type of operation.

Mr. President, I find it difficult to understand some of the great statesmen of this body, who have been known to say, with regard to natural gas, that we have to give somebody an incentive if we want the gas, and with regard to oil, if we want the oil produced, we have to give somebody an incentive. I find it passing strange that they cannot see the fact that if we want to produce oil off the shores of a State where we have never produced it before, we had better have some kind of incentive for the people of that area. Otherwise, they are just not going to cooperate with us. While we in the gulf are oriented to oil and gas and we advocate a superport, we have had great difficulty getting a single Atlantic State to let us build a superport off their States.

It is a niggling attitude to grab 100 percent for your own State and, for the rest of them that are producing the money and giving it to you, you do not even let them have a nickel of it to offset the damage you have done to them. That is a very shortsighted point of view, Mr. President. So long as this Nation continues such a greedy, thoughtless, inconsiderate approach it will continue to get from the Atlantic what it is getting now which is nothing, out there in the Atlantic, not getting anything, nothing. That is how it will continue to be by virtue of failing to recognize that we have to make the States feel that they are valued partners in this operation in order to develop the vast revenues of the Outer Continental Shelf.

We in Louisiana and Texas do the best we can to provide this Nation with oil out of the sea, but we are going to have a very difficult time getting help from these other States when they see a heavy burden on their State governments and no revenue whatever to offset them.

I strongly support the committee. It is a matter of good judgment and statesmanship that the majority recommended this approach. I think it is one of the things that is going to have to be done to solve the energy crisis, or to bring about the production that we so desperately need to bring this Nation into an era of self-sufficiency so that there will be enough energy that we cannot only take care of our own needs, but export some to help the rest of the world.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, I think the case was very well stated by my colleague from Louisiana. In the interest of equity, this needs to be done. In the interest of additional energy, it needs to be done. I think the amendment is totally without merit.

I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma.

Mr. JOHNSTON. Mr. President, I now move to lay on the table the amendment, and I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. HELMS). The question is on agreeing to the motion of the Senator from Louisiana (Mr. JOHNSTON) to lay on the table the amendment of the Senator from Oklahoma. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Indiana (Mr. HARTKE), the Senator from Rhode Island (Mr. PASTORE), the Senator from Missouri (Mr. SYMINGTON), and the Senator from Minnesota (Mr. HUMPHREY) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Rhode Island (Mr. PASTORE) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Kentucky (Mr. COOK), the Senator from Colorado (Mr. DOMINICK), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I also announce that the Senator from Illinois (Mr. PERCY) is absent on official business.

On this vote, the Senator from Maryland (Mr. MATHIAS) is paired with the Senator from Illinois (Mr. PERCY).

If present and voting, the Senator from Maryland would vote "yea" and the Senator from Illinois would vote "nay."

The result was announced—yeas 61, nays 29, as follows:

[No. 409 Leg.]

YEAS—61

Abourezk
Aiken
Allen
Beall
Bentsen
Bible
Biden
Brooke
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cotton
Cranston
Eagleton
Eastland
Gravel
Gurney
Hart
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
McGee
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pell
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Thurmond
Tower
Tunney
Weicker
Williams

NAYS—29

Baker
Bartlett
Bellmon
Bennett
Brock
Burdick
Church
Curtis
Dole
Domenici
Ervin
Fannin
Fong
Fulbright
Goldwater
Griffin
Hansen
Helms
Hruska
McClellan
McClure
Metcalf
Pearson
Proxmire
Scott,
  William L.
Stevenson
Taft
Talmadge
Young

NOT VOTING—10

Bayh
Buckley
Cook
Dominick
Hartke
Humphrey
Mathias
Pastore
Percy
Symington

So the motion to lay on the table was agreed to.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, September 18, 1974, he presented to the President of the United States the enrolled bill (S. 3270) to amend the Defense Production Act of 1950 and to establish a National Commission on Supplies and Shortages Act of 1974.

DISAPPROVAL OF ALTERNATIVE PLAN FOR PAY ADJUSTMENTS FOR FEDERAL EMPLOYEES—UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent——

The PRESIDING OFFICER. The Senator will suspend. The Senate will be in order.

The Senator may proceed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the agreement entered into by the distinguished chairman of the Committee on Post Office and Civil Service, Mr. MCGEE, and the distinguished ranking Republican Member, the Senator from Hawaii (Mr. FONG) begin to run after the disposition of the pending bill.

The PRESIDING OFFICER. Is there objection?

Mr. McGEE. Mr. President, reserving the right to object, to clarify the requested agreement, this means that we may end up with our discussion this evening some time?

Mr. MANSFIELD. Or late this afternoon. I understand there is an attempt being made at the present time to shorten the period of amendments.

Mr. McGEE. The Senator from Alaska (Mr. STEVENS) wishes to speak. I shall put my remarks in the RECORD.

Mr. MANSFIELD. The Senator from Alaska, as the author, will certainly be given an opportunity to speak. I would like to get this out of the way because this, too, is important to Alaska.

Mr. McGEE. The Senator from Hawaii wanted to say a few words.

Mr. MANSFIELD. He will have a chance.

Mr. McGEE. I will put mine in the RECORD.

Mr. MANSFIELD. Is that agreeable to the Senator from Alaska?

Mr. STEVENS. It is my understanding we will start after the disposition of this bill. We will have some time tomorrow morning.

Mr. McGEE. We will have a little time tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. McGEE. I withdraw my objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENERGY SUPPLY ACT OF 1974

The Senate continued with the consideration of the bill (S. 3221) to increase the supply of energy in the United States from the Outer Continental Shelf; to amend the Outer Continental Shelf Lands Act; and for other purposes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on all amendments from now on the time be reduced to 30 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Under the previous order, the Senator from Alaska is recognized.

Mr. GRAVEL. The Senator from Alaska (Mr. STEVENS) and I are trying to work out compromises so, if there is no objection by the Senator from Alaska (Mr. STEVENS) I would be prepared to yield to Senator ABOUREZK to offer his amendment while we work out the compromises.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 1867

Mr. ABOUREZK. Mr. President, I call up my amendment No. 1867.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk proceeded to read the amendment.

Mr. ABOUREZK. Mr. President——

The PRESIDING OFFICER. The Senate will be in order.

Without objection, the Senate will proceed to the consideration of the amendment by the distinguished Senator from South Dakota.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 61, line 11, change SEC. 27 to SEC. 27. (a).

On page 62 after line 2 and before line 3 add the following new subsection:

"(b) The Act entitled 'An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914 (15 U.S.C. 12–27), is amended by inserting after section 7 the following new section:

"SEC. 7A. (a) It shall be unlawful for any person engaged in commerce as an integrated energy company to enter into any business arrangement with any other person to explore, develop, produce, transport, or refine any kind of energy resource or to enter into any agreement with any other person engaged in commerce as an integrated energy company to finance the exploration, development, production, transportation, or refining of any energy resource.

" '(b)(1) It shall be unlawful for any person described in subsection (a) to engage in any activity which is prohibited under such subsection, after June 30, 1975.

" '(2) Each such person who, on the date of enactment of this section is engaged in any activity which is prohibited under subsection (a) shall, within 120 days after such date, file with the Attorney General such reports relating to each such activity as he may require, and shall, from time to time, file such additional reports relating to each such activity as the Attorney General may require.

" '(c) It shall be the duty of the Attorney General to commence a civil action for appropriate relief, including a permanent or temporary injunction, whenever any person violates subsection (a) or (b). Any action under this subsection may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation and to require compliance.

" '(d) Any person knowingly violating the provisions of this section shall be punished by a fine of not to exceed $500,000 for each day on which such violation occurs. A violation by a corporation shall be deemed to be also a violation by the individual directors, officers, receivers, trustees, or agents of such corporation who shall have authorized, ordered, or done any of the acts constituting the violation in whole or in part.

" '(e) For purposes of this section, the term—

" '(1) "integrated energy company" means any person who is engaged in the production, refining, marketing, and distribution of refined petroleum products and whose total refinery capacity (including the refinery capacity of any person who controls, is controlled by, or under common control with such company) exceeds 175,000 barrels per day;

" '(2) "business arrangement" means any partnership, contract, joint venture, consortium, or joint bidding combine entered into with one or more persons (whether domestic or foreign persons); and

" '(3) "energy resource" means crude oil, natural gas, coal, uranium, geothermal steam, shale and tar sands.' "

Mr. ABOUREZK. Mr. President, I have some modifications to this amendment that I would like to send to the desk. There is a change in date on page 2, line 9. It is changing 1975 to 1976.

On page 3, line 15, adding the sentence as a new definition of an integrated energy company. It adds: "and whose domestic crude oil production exceeds 15 percent of its refinery capacity," and the daily fine is reduced from $500,000 to $50,000.

The PRESIDING OFFICER. Will the Senator send his modifications to the desk?

The Senate will be in order. The Senator is entitled to be heard.

The assistant legislative clerk proceeded to read the amendment.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the reading of the modifications be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the Senator's amendment is so modified.

The modification is as follows:

On page 2, line 9 strike out "June 30, 1975" and substitute "June 30, 1976."

On page 3, line 15 after the word "day;" add the following new sentence, "and whose domestic crude oil production exceeds 15% of its refinery capacity."

On page 3, line 2, delete the word "$500,000" and substitute the word "$50,000."

Mr. ABOUREZK. Mr. President, this amendment does one thing. It prohibits the use of joint ventures in offshore drilling. The reason for it is to provide more competition in the energy industry. The reason is straightforward and uncomplicated in that now oil companies and, generally, major oil companies tend to dominate offshore drilling for a couple of reasons. One is the large cash payment that the Interior Department requires which, under the bill that we are considering now, will be changed.

The present system prohibits smaller oil companies from competing. The only way they can get involved in offshore drilling, for the most part, is to form joint ventures. If joint ventures are prohibited it will increase competition in the energy industry which, I think, is sorely needed.

The bill before us today, S. 3221, is designed "to increase the supply of energy in the United States from the Outer Continental Shelf." Most analysts agree that most of the remaining substantial reserves of oil and gas will be produced from the Outer Continental Shelf. Large discoveries have already been made off the coast of Louisiana and California. While "the act declares that the OCS is a vital national resource reserve held by the Federal Government for all the people," the proposed legislation only minimally addresses itself to the critical question of monopoly and competition with regard to leasing, exploring and producing oil and gas resources on the Outer Continental Shelf.

As presently written S. 3221, although recognizing that "the high initial investment required by cash bonus bidding tends to limit participation in OCS development," it does little to allow large-scale participation by smaller competitors. The bill would only authorize the Secretary of the Interior to select one of three bidding procedures, including two approaches to net profit sharing. In addition, the bill would authorize the Secretary of the Interior to "prepare and publish a report with recommendations for promoting competition and maximizing production and revenues from the leasing of Outer Continental Shelf lands." These provisions, in my estimation, do little to counteract the already entrenched and expanding concentrated economic power of the major oil companies.

Unless the issue of aggressive competition is addressed, unless there is a recognition that it is the economic power of the major oil companies that determines not only the rate of development, but much of what passes for Government policy in this area, then legislation designed to promote development of the Nation's resources will only serve to further concentrate these resources in the hands of a few companies.

It seems to me that not only have there been enough reports on how to promote competition, but there is certainly enough evidence to require enactment of stringent laws prohibiting current practices in the petroleum industry that are antithetical to the best interests of the free enterprise system.

The current leasing procedures and regulations even as amended by this proposed legislation do little to either facilitate entry into the OCS area by independent competitors or to prohibit further concentration of oil and gas reserves in the hands of the few major oil companies now dominating the market.

Substantial evidence exists to demonstrate that major oil companies enjoy overwhelming market power to enable them to successfully outbid smaller independent competitors for leases on the Outer Continental Shelf, to withhold substantial production in hopes of driving up the price and to under-report reserves. In testimony presented to a number of Senate and House committees economists from the Federal Power Commission compiled evidence showing the control over gas reserves enjoyed by just a few giant companies.

According to testimony presented before the Senate Subcommittee on Antitrust and Monopoly on June 26, 1973, by Dr. John Wilson, former chief of the Federal Power Commission's Division of Economic Studies:

> Over 80 percent of the Federal Offshore leases acquired, weighted by bonus-dollars paid, in each of 3 recent lease sales were accounted for by the 8 top bidders and their bidding partners . . . In all 3 sales combined, the top 8 accounted for 70 percent of the successful bids.

In terms of joint production arrangements on the Outer Continental Shelf, Dr. Wilson testified that:

> Only four of the sixteen largest majors with interests in the Federal offshore producing leases own 50 percent or more of their leases independently. Conversely, ten of sixteen own 80 percent or more of their offshore properties jointly with each other.

These arrangements, like similar joint ownership arrangements—pipelines and foreign concessions—promote what the Federal Trade Commission calls "co-operation" among companies rather than competition.

According to preliminary results of an investigation by the Bureau of Competition of the Federal Trade Commission, there were uncovered "numerous instances in which apparently substantial amounts of proved reserves of natural gas have been discovered in the Federal offshore area and not produced." As further evidence, former FPC economists documented the number of leases on which producible reserves have been found, but have not yet been put into production.

On October 18, 1973, Dr. John Wilson testified that:

> The top four firms account for over half of the reserves available from federally-owned acreage and the top eight account for over three quarters of the total.

On the same date FPC economist, George Donkin, pointed out that as of January 1973:

> There were 167 offshore Louisiana Federal leases classified "producing shut-in." These are leases on which wells have been drilled and which have been shown to be capable of production, but from which the petroleum industry is not producing.

Mr. Donkin further pointed out:

> In many cases, though wells were drilled years ago no production has ever taken place. Nevertheless, these companies have been able to retain exclusive ownership rights to the available resources. These leases represent more than 743 thousand non-productive acres and they account for over $767 million in lease bonus payments. Seventy-one of these 167 leases were classified "producing shut-in" prior to 1968.

The following are the top 10 owners of the "producing shut-in" leases in the Federal offshore Louisiana area:

Louisiana	Number of leases	Net working interest (acres)
1. Socal	24	91,980
2. Texaco	25	71,250
3. Exxon	11	47,784
4. Shell	9	43,004
5. Tenneco	15	42,283
6. Amoco	14	32,805
7. Continental	18	26,708
8. Mobil	9	18,619
9. Union	5	17,313
10. Arco	13	17,113

Further evidence of the domination by major petroleum companies over OCS leases was given by FPC economist Ralph Johnson on March 26, 1974. He testified that:

> Ten companies controlled 58 percent of the producible shut-in acreage in 1973 and over 63 percent in 1974. Of further significance is the fact that 10 companies had interests in 118 of the 185 producible shut-in leases as of January 1973 or 64 percent. As of January 1974, 10 companies had interests in 121 of the 168 producible shut-in leases or 72 percent. These last two comparisons indicate that ten companies control well over half of the producible shut-in acreage directly and have even larger percentage interests on a total lease basis.
>
> In January 1973, ten companies owned 85 percent of the 100 percent company-owned leases; in January 1974, ten companies owned 96 percent of the 100 percent company-owned leases. Ten companies, therefore, have virtually all of the acreage that is not owned jointly.

In July 1974 the Bureau of Natural Gas of the Federal Power Commission issued the second phase of its "Offshore Investigation: Producible Shut-In Leases as of January 1974" and found that for 168 leases there were over 4.7 trillion cubic feet of proved natural gas reserves and over 3.2 trillion cubic feet of probable reserves for a total of over 7.9 trillion cubic feet contained in producible shut-in leases on the Federal Outer Continental Shelf.

Large companies like the major oil companies can, based upon the likelihood of the FPC raising prices for natural gas or Congress deregulating prices for natural gas, defer development of their lease acreage until the price increases come about. Economist George Donkin testified:

> Provided that the producer's expectations of future price increases are sufficiently optimistic, the prudent business decision would be to "shut-in" today and reap the rewards of drawing down his inventories tomorrow. In the case of natural gas, this was recognized . . . by an Administrative Law Judge at the FPC who, in his initial decision in a producer rate case wrote:
>
> "The fact of the matter is that the seller is in a preeminent market position and may be able to refuse an offer of an interstate pipeline where there is no extant intrastate purchaser. This is so because there is a strong possibility that the carrying costs for holding gas off the market are so low compared to future possible benefits . . . that the producer may shut in the well if the application is denied even if he has no other immediate market."
>
> In that case, the judge showed that the carrying cost at even as high as 20% interest was less than $40,000 annually as opposed to a possible gain of over $2 million.

Thus, major producers have a strong economic incentive to withhold gas supplies from the marketplace. And because the current Federal Power Commission refuses to acknowledge any substantial imperfections in the competitiveness of the gas producing industry, it continually raises the expectations of gas producers by holding out the carrot of higher prices. The Commission relies on patently self-serving oil company refrains that low gas prices have created the shortages. But, what has happened is really more accurately expressed by Mr. Fred Cowan, director of Arkansas Consumer Research who testified before the Senate Commerce Committee:

> The more the Commission grants price increases, the more industry wants to keep gas off the market in anticipation of even higher prices, and the more shortage there is. The more shortage there is, the more the industry argues that it needs more money to do more exploration.

The argument also makes sense by stating that because major producers control large amounts of gas reserves and hold substantial acreage classified "producible shut-in," they have the economic power and financial incentive to "create" gas shortages in order to force either the Commission to raise gas prices, or the Congress to deregulate. It is this ability, namely, the ability to dominate exploratory activity, to control reserves, and to determine the rate of production that the major oil companies *enjoy. S. 3221 does* not directly address itself to this problem, and therefore, I believe, without this amendment, it will not substantially "increase the supply of energy in the United States from the Outer Continental Shelf."

Mr. President, my amendment, if adopted, would go a long way in reducing the kind of market power that enables major oil companies to hold reserves off the market, whether they be reserves of natural gas or petroleum. In addition, this amendment would even prove beneficial in our Nation's fight against inflation, because as Dr. Willard Mueller recently testified before the Joint Economic Committee, the existence of "market power creates a serious inflationary bias in our economy." Prohibiting joint ventures between and among large integrated oil companies would reduce market power, stimulate competition, increase production, and lower prices.

In addition to the documentation showing that major oil companies have withheld gas supplies, Congressman VANIK, on September 10, revealed that oil companies had withheld production of oil in order to take advantage of higher prices. Congressman VANIK, after examining Internal Revenue Service data on income tax deductions taken by oil companies for rents paid on shut-in properties indicated that "delayed rental" deductions totaled more than $100 million for each of the last 5 years. These higher prices were allowed by the Nixon administration in its decisions to control the price of crude oil. Raising the price by an average of $4 per barrel, oil producers have earned over $12 billion from this increase. In the meantime, crude oil production in September rather than increasing, has decreased by 500,000 barrels per day compared with a year ago. In addition, investigations last year by the Senate Permanent Investigations Subcommittee showed that the largest petroleum companies were the ones primarily responsible for restricted output which directly caused the fuel shortages in the winter of 1972–73. And in November 1973 Senator FRANK Moss noted that as a result of a staff investigation, it was found out that major companies were able to cause shortages through their control of major product pipelines.

Thus, the power of the major integrated companies, their ability to withhold natural gas and crude oil supplies derives from their ability to join together in common rather than competitive enterprises. In its antitrust complaint against the eight largest oil companies, the Federal Trade Commission clearly identified the abuses inherent in the intertwining system of joint ventures:

> One of the most significant aspects of the domestic petroleum industry is the intricate web of interrelationships which bind the respondents. Respondents are interdependent to such an extent that, in virtually every facet of their operation, they have common rather than competitive interests. While inter-company cooperation is particularly pervasive at certain levels of the industry, no level of operation is free of strong ties between respondents.
>
> Joint ventures in crude oil production are so widespread that respondents are, in effect, on a partnership basis in their exploration and development activities. Joint ownership and operation of crude oil producing leases are extremely common. Furthermore, respondents frequently enter into agreements with each other and with other firms to jointly bid on crude oil leases. Rather than competing in the production of crude oil, respondents have chosen to become partners in order to share risks and insure monopoly profits.
>
> Joint ventures also play a significant role in the transportation of crude oil and relevant petroleum products. Respondents have joined together to own and operate the major crude oil and product pipelines serving the relevant geographic market.
>
> Even refinery operations have aspects of joint ventures by virtue of cooperation among respondents at other levels of the industry. For example the common practice of crude and product exchange agreements has made respondents' refineries a matter of joint effort. Cooperation at the refinery level is further promoted by the connection of respondents' refineries to sources of crude oil supplies and product markets by joint venture pipelines. This makes information about respondents' refinery operations available to each other.
>
> Joint activities are even more prevalent in the international sphere than in the domestic industry. The development and control of private foreign reserves has taken place in the context of joint ventures in which respondents have been principal participants . . . overall these relationships reduce the incentive for aggressive competition even beyond those markets in which they have a direct anticompetitive effect.
>
> A second point is that these joint activities make each of the respondents the others' confidant. One of the essential features of a competitive industry is that each firm finds it difficult and futile to anticipate the actions of its competitors. In the petroleum industry, in contrast, joint venture and similar joint endeavors make it easy, in fact unavoidable for each respondent to be constantly aware of each others intentions and capabilities. The net effect of these interrelationships has been to create a solid community of interest among respondents, which fosters cooperation rather than competition in the industry.
>
> Finally, the community of interests shared by respondents is even more deeply rooted, in that to some extent, respondents are commonly rather than independently owned. While stockholder information for most respondents is not generally available, one example should be suggestive. Chase Manhattan Bank, through various nominees, is both the largest shareholder in Atlantic Richfield and the second largest shareholder of Mobil. Clearly, it is not in Chase Manhattan's interest to promote vigorous competition between them.
>
> Joint ventures and other cooperative arrangements contribute to this community of interest even if no single one is anticompetitive in and of itself. It is the repeated meeting of the same firms at every level of the industry that has contributed to the ability of the firms in this industry to behave confidently in an interdependent manner. It is in this context of interdependence that the series of agreements and common courses of action . . . must be viewed.

Dr. Wilson expressed it quite well when he stated:

> All of these arrangements bring horizontally and vertically juxtaposed firms into close working relationships with each other. They must work together to further their joint interests. Consequently, each becomes familiar with the others and with each other's operations. Men in such close working relationships learn to consider one another's interests. This process of learning to live together is, of course, quite laudable in certain social and political contexts. . . . But, it is most assuredly, not the kind of institutional setting within which a free market economy can be expected to function efficiently.

There is evidence to suggest that recent predictions of impending extreme shortages of natural gas in the Northeast this winter are the result not of low prices—as suggested by Dr. Sawhill and major oil company executives—but because of serious underreporting of reserves and withholding of production.

The FTC's investigation stated that:

> From the documents received and the investigation to date it appears that there has been serious under-reporting of proved natural gas reserves. Although no conclusive evidence has been found as yet of an actual conspiracy to under-report reserves, the investigation has revealed that the procedure for reporting reserves through a subcommittee composed of employees of major producers could be conducive to such a conspiracy.

But, the major point to be recognized here is that strictly speaking the major companies do not have to sit down together and actually conspire. Because they possess such enormous market power, each one implicitly recognizes the benefits of following a parallel policy. With shortages of natural gas, consumers will be hard pressed. Hard pressed consumers, especially industrial consumers, will rather pay more for supplies if the other choice is no supplies at all. While, in substance, economic blackmail may result in some temporary increase in supplies, it is hardly a praiseworthy effort on behalf of our free enterprise economy.

As documented by the hearings and investigations of the Senate Multinational Subcommittee, joint ventures have been used in the past and are being used at present to restrict free enterprise in the energy industry. When otherwise independent companies join together to either bid on a lease or produce a lease, competition is reduced by the number of companies participating in such a joint venture. In effect, this kind of economic behavior is no different from one of explicit collusion in which firms meet in advance to decide on how best to advance their mutual economic interests.

My amendment, Mr. President, would prohibit this kind of economic behavior and would result in a freeing up of the marketplace and all subsequent economic benefits derived therefrom.

Mr. President, I ask unanimous consent that a series of tables be printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 12.—UNITED STATES PIPELINE JOINT VENTURES [1]

																			Totals		
	St. Oil (N.J.)	Mobil Oil	Texaco	Gulf Oil	BP	St. Oil (Cal.)	St. Oil (Ind.)	Shell Oil	Atlantic Rich.	Continental	Phillips	Union Oil	Sun Oil	Cities Service	St. Oil (Ohio)	Getty Oil	Marathon	Clark Oil	Joint ventures involved in	Companies involved in	Working relationships
St. Oil (N.J.)		1	1			1	1	2		2		2		1			2	1	3	10	14
Mobil Oil	1		5	1	1		3	2	1	2	1	3		2			2	2	5	13	26
Texaco	1	5		3	2		3	4	2	3	2	2	1	5	2	1	2	2	8	15	38
Gulf Oil		1	3		2	1	1	2	3	5	2	3	3	2			1		8	14	31
BP		1	2	2			1		1	1	1	1		1					3	9	11
St. Oil (Cal.)	1			1				2	1	1									2	5	6
St. Oil (Ind.)	1	3	3	1	1			1	1	2	1	2		1			1	1	3	13	19
Shell Oil	2	2	4	2		2	1		1	3	1	2	1	3			2	2	6	14	28
Atlantic Rich		1	2	3	1	1	1	1		3	1	2		2		1	1		4	13	20
Continental	2	2	3	5	1	1	2	3	3		2	4	1	2			2	1	7	15	34
Phillips		1	2	2	1		1	1	1	2		1	1	2					2	11	15
Union Oil	2	3	2	3	1		2	2	2	4	1		1	3	1		3	2	6	15	32
Sun Oil			1	3				1		1	1	1		2	2				3	8	12
Cities Service	1	2	5	2	1		1	3	2	2	2	3	2		1	1	2	2	7	16	32
St. Oil (Ohio)				2								1	2	1					2	4	6
Getty Oil			1						1					1					1	3	3
Marathon	2	2	2	1			1	2	1	2		3		2				2	3	11	20
Clark Oil	1	2	2				1	2		1		2		2			2		2	9	15
Total																			75		362

[1] This table is based on data which include only the 16 largest pipeline joint ventures in the United States, based on operating revenue, 1971.

TABLE 13.—SELECTED OIL INDUSTRY JOINT VENTURES BY AREA OF THE WORLD, 1972

Size rank and company	Africa	Asia and Australia	Europe	Middle East	South America	North America	U.S. pipeline	Total [1]
1. Exxon	1	4	10	8	2	3	3	31
2. Mobil	2	7	5	9	2	2	5	32
3. Texaco	2	3	7	6	9	3	8	38
4. Gulf Oil	1	0	1	4	2	3	8	19
5. BP	7	6	12	8	1	1	3	38
6. Standard Oil (California)	1	3	4	5	1	2	2	18
7. Standard Oil (Indiana)	0	0	1	0	1	3	3	8
8. Shell Oil	9	5	15	4	6	2	6	47
9. Atlantic Richfield	0	0	0	3	3	3	4	13
10. Continental	2	0	3	2	0	0	7	14
11. Tenneco	0	0	0	0	0	1	0	1
12. Occidental	0	0	0	0	0	1	0	1
13. Phillips	0	0	0	0	1	2	2	5
14. Union Oil	0	0	0	1	0	2	6	9
15. Sun Oil	1	0	0	2	3	1	3	10
16. Cities Service	0	0	0	1	1	2	7	11
17. Ashland Oil	0	0	0	0	0	1	0	1
18. Standard Oil (Ohio)	0	0	0	1	0	2	2	5
19. Amerada Hess	1	0	1	0	0	0	0	2
20. Getty Oil	0	1	0	1	0	0	1	3
21. Signal	0	0	0	0	0	1	0	1
22. Marathon	1	0	3	0	0	2	3	9
23. Kerr McGee	0	0	0	1	0	0	0	1
27. Am. Petrofina	1	0	1	0	0	0	0	2
28. Clark Oil	1	0	0	0	0	0	2	3
29. Commonwealth	0	0	0	0	1	0	0	1
Total ventures	11	12	24	15	13	9	16	[1] 100

[1] Totals for companies are not additive since two or more may be involved in the same joint venture.

TABLE 14.—SELECTED OIL INDUSTRY JOINT VENTURE WORKING RELATIONSHIPS,[1] BY AREA OF THE WORLD, 1972

Size rank and company	Africa	Asia and Australia	Europe	Middle East	South America	North America	U.S. pipeline	Total
1. Exxon	1	10	22	29	3	14	14	39
2. Mobil Oil	8	11	13	31	2	6	26	97
3. Texaco	8	8	18	25	16	12	38	125
4. Gulf Oil	1	0	1	13	2	17	31	65
5 BP	13	6	24	24	1	1	11	80
6. Standard Oil (California)	4	6	7	21	1	8	6	53
7. Standard Oil (Indiana)	0	0	1	0	2	12	19	34
8. Shell Oil	17	10	26	17	11	11	28	120
9. Atlantic R	0	0	0	14	6	13	20	53
10. Continental	4	0	8	13	0	0	34	59
11. Tenneco	0	0	0	0	0	7	0	7
12. Occidental	0	0	0	0	0	7	0	7
13. Phillips	0	0	0	0	3	9	15	27
14. Union Oil	0	0	0	1	0	11	32	44
15. Sun Oil	1	0	0	6	7	1	12	27
16. Cities Service	0	0	0	3	2	10	32	47
17. Ashland Oil	0	0	0	0	0	7	0	7

TABLE 14.—SELECTED OIL INDUSTRY JOINT VENTURE WORKING RELATIONSHIPS,[1] BY AREA OF THE WORLD, 1972

Size rank and company	Africa	Asia and Austrialia	Europe	Middle East	South America	North America	U.S. pipeline	Total
18. Standard Oil (Ohio)	0	0	0	10	0	3	6	19
19. Amerada Hess	3	0	1	0	0	0	0	4
20. Getty Oil	0	5	0	10	0	0	3	18
21. Signal	0	0	0	0	0	7	0	7
22. Marathon	3	0	10	0	0	8	20	41
23. Kerr McGee	0	0	0	3	0	0	0	3
24. Am. Petrofina	4	0	3	0	0	0	0	7
25. Clark Oil	1	0	0	0	0	0	15	16
26. Commonwealth	0	0	0	0	2	0	0	2
Total	68	56	134	220	58	164	362	1,062

[1] Defined as individual or group discussions with joint venture partners on a once-a-year meeting basis. Multiply number by frequency of meetings per year.

TABLE 15.—JOINT VENTURE SUMMARY (100 VENTURES)

	St Oil (N.J.)	Mobil Oil	Tex-aco	Gulf Oil	BP	St. Oil (Ca.)	St Oil (In.)	Shell Oil	At-lan-tic Rich.	Con-ti-nen-tal	Ten-neco	Occi-den-tal	Phil-lips	Un-ion Oil	Sun Oil	Cities Serv-ice	Ash-land Oil	St. Oil (O.)	Am-erada Hess	Getty Oil	Sig-nal	Mar-athon	Kerr-Mc-Gee	Am. Pe-tro-fina	Clark Oil	Com-mon-wealth	Totals: Joint ven-tures in-volved in	Totals: Com-panies involved with	Totals: Working rela-tion-ships
St. Oil (N.J.)		15	15	4	9	8	2	17	2	4	1	1		3		2	1	1		2		4		1	1		31	19	93
Mobil Oil	15		18	2	12	8	4	15	2	4			1	4		2		2		2		3		1	2		32	17	97
Texaco	15	18		7	9	12	4	18	5	7	1	1	3	3	5	5	1	1		3		3		1	2	1	38	22	125
Gulf Oil	4	2	7		6	3	2	5	6	6	1	1	3	4	3	4	1	3		1	1	2					19	20	65
BP	9	12	9	6		3	1	23	2	4			1	1	1	1		2		1		2		2			38	17	80
St. Oil (Cal.)	8	8	12	3	3			6	3	2			1	1		1		1		2	1	1					18	15	53
St. Oil (Ind.)	2	4	4	2	1			2	4	2	1	1	2	2		2	1	1	1			1			1		8	18	34
Shell Oil	17	15	18	5	23	6	2		2	7	1	1	2	3	2	3	1	1	1	2		4		1	2	1	47	23	120
Atlantic Rich	2	2	5	6	2	3	4	2		4			3	4	3	6		1		2	1	2	1				13	18	53
Continental	4	4	7	6	4	2	2	7	4				2	4	2	2		1	1	1		5			1		14	18	59
Tenneco	1		1	1			1	1			1						1										1	7	7
Occidental	1		1	1			1	1			1						1										1	7	7
Phillips		1	3	3	1	1	2	2	3	2				2	2	3					1	1					5	14	27
Union Oil	3	4	3	4	1	1	2	3	4	4			2		1	4		1			1	4			2		9	17	44
Sun Oil			5	3	1			2	3	2			2	1		3		2				1	1	1	1		10	13	27
Cities Service	2	2	5	4	1	1	2	3	6	2			3	4	3			1		1	1	3	1		2		11	19	47
Ashland Oil	1		1	1			1	1			1	1															1	7	7
St. Oil (Ohio)	1	2	1	3	2	1	1	1	1	1				1	2	1				1							5	14	19
Amerada Hess							1	1		1												1					2	4	4
Getty Oil	2	2	3	1	1	2		2	2	1						1		1									3	11	18
Signal				1		1			1				1	1		1						1					1	7	7
Marathon	4	3	3	2	2	1	1	4	2	5			1	4	1	3			1		1			1	2		9	18	41
Kerr-McGee									1						1	1											1	3	3
Am. Petrofina	1	1	1		2			1														1					2	6	7
Clark Oil	1	2	2				1	2		1				2	1	2						2					3	10	16
Commonwealth			1					1																			1	2	2
Total																											323	346	1,062

TABLE 16.—JOINT VENTURES IN THE MIDDLE EAST

	St. Oil (N.J.)	Mobil Oil	Texaco	Gulf Oil	BP	St. Oil (Cal.)	Shell Oil	Atlantic Rich.	Conti-nental	Union Oil	Sun Oil	Cities Service	St. Oil (Ohio)	Getty Oil	Kerr-McGee	Totals: Joint ventures involved in	Totals: Com-panies involved with	Totals: Working relation-ships
St. Oil (N.J.)		8	5	1	3	5	3	1	1				1	1			10	29
Mobil Oil	8		5	1	4	5	4	1	1				1	1		9	10	31
Texaco	5	5		1	2	5	1	1	2		1		1	1		6	11	25
Gulf Oil	1	1	1		4	1	1	1	1				1	1		4	10	13
BP	3	4	2	4		1	4	1	2		1		1	1		8	11	24
St. Oil (Cal.)	5	5	5	1	1			1	1				1	1		5	9	21
Shell Oil	3	4	1	1	4			1	1				1	1		4	9	17
Atlantic Rich	1	1	1	1	1	1	1		1	1	1	1	1	1	1	4	14	14
Continental	1	1	2	1	2	1	1	1			1		1	1		2	11	13
Union Oil								1								1	1	1
Sun Oil			1		1			1	1			1			1	2	6	6
Cities Service								1			1				1	1	3	3
St. Oil (Ohio)	1	1	1	1	1	1	1	1	1					1		1	10	10
Getty Oil	1	1	1	1	1	1	1	1	1				1			1	10	10
Kerr-McGee								1			1	1				1	3	3
Total																56	128	220

TABLE 17.—JOINT VENTURES IN AFRICA

	St. Oil (N.J.)	Mobil Oil	Texaco	Gulf Oil	BP	St. Oil (Cal.)	Shell Oil	Conti-nental	Sun Oil	Amer-ada Hess	Mara-thon	Am. Petro-fina	Clark Oil	Totals: Joint ventures involved in	Totals: Com-panies involved with	Totals: Working relation-ships
St. Oil (N.J.)				1										1	1	1
Mobil Oil			2		2	1	2					1		2	5	8
Texaco		2			2	1	2					1		2	5	8
Gulf Oil	1													1	1	1
BP		2	2			1	7					1		7	5	13
St. Oil (Cal.)		1	1		1		1							1	4	4
Shell Oil		2	2		7	1		2		1	1	1		9	8	17
Continental							2			1	1			2	3	4
Sun Oil													1	1	1	1
Amerada Hess							1	1			1			1	3	3
Marathon							1	1		1				1	3	3
Am. Petrofina		1	1		1		1							1	4	4
Clark Oil									1					1	1	1
Total														30	44	68

TABLE 18.—JOINT VENTURES IN SOUTH AMERICA

	St. Oil (N.J.)	Mobil Oil	Texaco	Gulf Oil	BP	St. Oil (Cal.)	St. Oil (Ind.)	Shell Oil	Atlantic Rich.	Phillips	Sun Oil	Cities Service	Com-mon-wealth	Totals		
														Joint ventures involved in	Com-panies involved with	Working rela-tion-ships
St. Oil (N.J.)			1					2						2	2	3
Mobil Oil			2											2	1	2
Texaco	1	2		2				4	2	1	3		1	9	8	16
Gulf Oil			2											2	1	2
BP								1						1	1	1
St. Oil (Cal.)								1						1	1	1
St. Oil (Ind.)									1			1		1	2	2
Shell Oil	2		4		1	1				1	1		1	6	7	11
Atlantic Rich			2				1				2	1		3	4	6
Phillips			1					1			1			1	3	3
Sun Oil			3					1	2	1				3	4	7
Cities Service							1		1					1	2	2
Commonwealth			1					1						1	2	2
Total														33	38	57

TABLE 19.—JOINT VENTURES IN EUROPE

	St. Oil (N.J.)	Mobil Oil	Texaco	Gulf Oil	BP	St. Oil (Cal.)	St. Oil (Ind.)	Shell Oil	Con-tinental	Amerada Hess	Marathon	Am. Petrofina	Totals		
													Joint ventures involved in	Com-panies involved with	Working rela-tion-ships
St. Oil (N.J.)		1	4		6	1		6	1		2	1	10	8	2
Mobil Oil	1		2		2	1		5	1		1		5	7	1
Texaco	4	2			3	3		3	2		1		7	7	1
Gulf Oil								1					1	1	
BP	6	2	3			1		8	1		2	1	12	8	2
St. Oil (Cal.)	1	1	3		1			1					4	5	
St. Oil (Ind.)										1			1	1	
Shell Oil	6	5	3	1	8	1			1		1		15	8	2
Continental	1	1	2		1			1			2		3	6	
Amerada Hess							1						1	1	
Marathon	2	1	1		2			1	2			1	3	7	1
Am. Petrofina	1				1						1		1	3	
Total													63	62	134

TABLE 20.—JOINT VENTURES IN NORTH AMERICA (OTHER THAN PIPELINES)

	St. Oil (N.J.)	Mobil Oil	Tex-aco	Gulf Oil	BP	St. Oil (Cal.)	St. Oil (Ind.)	Shell Oil	Atlan-tic Rich.	Ten-neco	Occi-dental	Phil-lips	Union Oil	Sun Oil	Cities Serv-ice	Ash-land Oil	St. Oil (Ohio)	Signal	Mara-thon	Totals		
																				Joint Ven-tures In-volved In	Com-panies In-volved With	Work-ing Rela-tion-ships
St. Oil (N.J.)		1	2	2		1	1	2	1	1	1		1		1	1				3	12	15
Mobil Oil	1		1				1	1					1				1			2	6	6
Texaco	2	1		1		1	1	2		1	1		1			1				3	10	12
Gulf Oil	2		1			1	1	1	2	1	1	1	1		2	1		1	1	3	14	17
BP																	1			1	1	1
St. Oil (Cal.)			1	1					1			1	1		1			1	1	2	8	8
St. Oil (Ind.)	1	1	1	1				1	2	1	1	1				1	1			3	11	12
Shell Oil	2	1	2	1			1			1	1		1			1				2	9	11
Atlantic Rich	1			2		1	2					2	1		2			1	1	3	9	13
Tenneco	1		1	1			1	1			1					1				1	7	7
Occidental	1		1	1			1	1		1						1				1	7	7
Phillips				1		1	1		2				1		1			1	1	2	8	9
Union Oil	1	1	1	1		1		1	1			1			1			1	1	2	11	11
Sun Oil																			1	1	1	1
Cities Service	1			2		1		1				1	1					1	1	2	8	10
Ashland Oil	1		1	1			1	1		1	1									1	7	7
St. Oil (Ohio)		1			1		1													2	3	3
Signal				1		1			1			1	1		1				1	1	7	7
Marathon				1		1			1			1	1	1	1			1		2	8	8
Total																				37	147	165

TABLE 21.—JOINT VENTURES IN ASIA AND AUSTRALIA

	Standard Oil (New Jersey)	Mobil Oil	Texas	BP	Standard Oil (California)	Shell Oil	Getty Oil	Joint ventures involved in	Companies involved with	Working relation-ships
Standard Oil (New Jersey)		4	2		1	2	1	4	5	10
Mobil Oil	4		1	3	1	1	1	7	6	11
Texaco	2	1			2	2	1	3	5	8
BP		3				3		6	2	6
Standard Oil (California)	1	1	2			1	1	3	5	6
Shell Oil	2	1	2	3	1		1	5	6	10
Getty Oil	1	1	1		1	1		1	5	5
Total								29	34	56

TABLE 22.—JOINT VENTURES BETWEEN OIL COMPANIES AND OTHER INDUSTRIES, UNITED STATES, 1967-71

Company	Nuclear energy	Conglomerates	Chemical	Hotel chains	Railroad	Airlines	Steel	Banks
Gulf Oil	2		1			1		1
Shell Oil					1			
Atlantic Richfield	1							
Continental	1	2						
Occidental				1				
Union Oil	1							
Marathon	1							
Kerr McGee			2					
Diamond Sham							1	
E.G. & F. Assoc					1			
Commonwealth		2						

Source: FTC files, newspaper clippings.

The **PRESIDING OFFICER.** Who yields time?

Mr. ABOUREZK. Mr. President, I ask for the yeas and the nays on this amendment as modified.

The yeas and the nays were ordered.

Mr. JOHNSTON. Mr. President, I shall be very brief on this amendment.

I certainly endorse the idea of getting as much competitiveness as we can in OCS drilling and, indeed, in all energy endeavors of this country.

However, the Committee on the Interior very carefully considered all the means and manner in which we could get more competitiveness in OCS drilling and, indeed, we have built into this bill some procedures and some provisions that would insure as much competitiveness as possible, particularly with respect to the bidding.

We considered the question of consortium or the idea of companies going together and whether that is anticompetitive or not. We found that the problem of competition does not lie with consortia drilling on the Outer Continental Shelf.

On the contrary, it sometimes enables a smaller company to get a piece of the action, to get into the business of OCS drilling, if they invest only a percentage of their funds into an OCS deal rather than to have to swallow the whole thing at once.

Indeed, the indication was that if a company was required to put up the whole bid itself, it would thereby insure that the seven sisters, the big companies, would control virtually the whole thing.

As it is now, some of the smaller companies, large maybe by some standards, but small in comparative terms, by being able to go into joint ventures can have a piece of the action.

So, Mr. President, I think that the committee, after rather carefully considering this matter, believes it would have the opposite effect from that which my colleague from South Dakota says.

Mr. ABOUREZK. Will the Senator yield?

Mr. JOHNSTON. Yes.

Mr. ABOUREZK. Will that cash bonus plan be changed under the plan being considered in order to allow smaller companies to share a royalty plus a smaller cash bonus?

Mr. JOHNSTON. There are two additional alternative methods authorized for bidding under the bill.

Of course, the present method is a fixed royalty with a variable cash bonus, that is the present method.

Now, we authorized additionally a fixed profit with a variable cash bonus on a fixed cash bonus with a variable net profit.

Mr. ABOUREZK. Will that not allow smaller companies to get involved by themselves?

Mr. JOHNSTON. Well, it will not necessarily allow smaller companies to get involved.

Mr. ABOUREZK. May I ask why not?

Mr. JOHNSTON. If we have a smaller bonus, that makes it, to that extent, more possible for a smaller company to get in, but my colleague, I hope, will get the opportunity to see one of these offshore rigs, when drilling is being done in 500 feet of water we are talking about a multimillion-dollar undertaking and smaller companies simply cannot do that.

First, they have to go and explore. That is expensive. Then they have to be able to take a chance. Then they have to pay a cash bonus, whatever that is. In addition to that, they have to swallow the cost of drilling that well.

Mr. CHILES. Will the Senator yield?

Mr. JOHNSTON. Yes.

Mr. CHILES. I listened with interest to the remarks of the committee, carefully considering all the ways of how it would go in and drill. I do not find anything in the report, nor in the act, that deals with other than leasing.

I wonder, did the committee consider the method that is used by Venezuela and the Arab nations, and most of the countries which deal with our oil companies, in which they license our company to take their oil and allow them a fee for taking of the oil, the people's oil, out of the ground, or that country's oil out of the ground?

But the oil at all times belongs to the United States in our instance if we license, or to the Venezuelan Government, rather than a leasing arrangement.

I find nothing in the bill to allow for that.

Mr. JOHNSTON. Well, there are matters before Congress that would, in effect, create a Federal Oil and Gas Corporation, that would put the Federal Government into the business of drilling for oil.

Mr. CHILES. I think the Senator is talking about a completely different thing. I am not trying to put the Government in the oil drilling business. I am trying to put the people concerned, the people of the United States being able to earn and hold their birthright. Whether we are going to always lease it to the oil companies or to say it belongs to us, to say that we are going to license them to take it out of the ground, extract it, and get a fee for this, rather than that we are going to say we are just going to lease it and give them the right.

Mr. JOHNSTON. Well, I think we implicitly considered that by trying to come up with the best method of extracting the people's oil and gas from the Outer Continental Shelf.

Mr. CHILES. Does the Senator think the method under this bill is better than the method in which Venezuela keeps the oil and gives our oil companies 9 percent, I think it is, of the money, of the oil extracted, what they get for the oil for drilling the oil, and they keep 19 percent—I am not exactly sure of my figure there—and again, Saudi Arabia and the other countries using the licensing agreement——

Mr. JOHNSTON. Yes, we believe this is far superior, and let me explain why.

The original concession with Aramco gave Aramco the right to go find the oil and, in effect, keep it as theirs, as this bill does. It has only been in recent years that the Saudi Arabian Government has gotten more and more into the picture.

Now, there is quite a difference also in Saudi Arabia. It costs 11 cents or 12 cents to lift a barrel of oil in those terribly prolific fields. On the Outer Continental Shelf it costs sometimes as much as $5 a barrel to lift a barrel of oil. So we are talking about two completely different things.

Mr. CHILES. It seems to me if Great Britain, now Venezuela, and all the other nations I know of that have reserves, are now dealing with our companies on that basis, maybe it is time the United States at least had the right to deal with them on that basis.

Mr. JOHNSTON. Well, the concept behind this bill and behind what we have done previously is the free enterprise system and that is that by competitive bidding we get the best deal for the country and the people.

Now, it has not always worked perfectly and that is the reason why this bill provides two alternatives to the present cash bonus and fixed royalty.

We think we can make a better deal for the people at times, at least we should try, we should experiment with a cash bonus and a variable profit, or with a fixed profit in a variable of cash.

Mr. CHILES. It looks like Venezuela is getting a pretty good deal for themselves.

Now, I do not think the Senator will argue that Venezuela does not have a sort of free enterprise system. That seems to be the free enterprise system. Great Britain is doing that in the North Sea fields. So it looks to me, that is pretty good free enterprise.

Mr. JOHNSTON. Well, in effect, that is what we are doing, getting all the market can stand by a process of competitive bidding, which almost by definition is all the market can stand.

Mr. CHILES. Of course, you have two theories on which you can proceed.

One, we are going to have competitive bidding and hope for good bids.

The other theory would allow small companies to participate, to say that we are going to license to a good drilling company the right to go out and pump the oil, but we are going to own it, and then we are going to pay them a legitimate fee for what they get, and when we get it out of the ground, depending on what the market price is at that time, we will share in those benefits; where in our existing lease program, for example, where we have leased and the oil prices have gone up, the Government recoups 16 percent, or whatever the override is, but they do not recoup on the overall thing.

It seems to me again, if we are talking about the tools to use, we would certainly want to be able to use the licensing tool because that really allows you to get competition—competition for drilling—and it allows you to be able to select your companies on the basis of their merit, how well they drill, and whether they drill properly or not. You can have your competition that way. But at all times the people are protected because the ownership resides in the Government.

Mr. JOHNSTON. Under your proposition, would the driller get the same fee if he finds oil that he does if he does not find oil?

Mr. CHILES. I might ask the Senator this question: Are we going to prove any reserves out of this bill, or are we going to continue to just give the oil companies, who have all the information to start with, the right to come in and set up their competitive bids without the Government knowing what is in the ground?

Mr. JOHNSTON. I am glad the Senator asked that question because the bill deals with that precise problem. We do provide for the Federal Government to make a survey of what we have on the Outer Continental Shelf and to accumulate the information.

Mr. CHILES. If it does, then we know if there is some oil down there. Then we are licensing an oil company and we would pay them a reasonable fee if they drill and did not hit anything. On the other hand, every time they hit we are also going to pay them a reasonable fee for drilling, but they are not going to have the bonanza of being able perhaps to have much more oil than they think. I think it would be ultimately fair, very fair for the oil companies, and we should be. We do not want to take something for nothing, but at the same time you would not be selling your birthright, without knowing what it was worth, not for a bowl of porridge.

Mr. JOHNSTON. This bill deals with the problem of selling your birthright by providing for the survey and the evaluation of what we have on the Outer Continental Shelf. It is something we have not done before that I think we ought to do. We believe that the three alternative bases for bidding, plus the Federal program of making the survey, in some instances drilling contract test wells and in other instances doing the necessary seismic work, can protect the public interest.

Mr. CHILES. I appreciate the answer of the Senator. I really have some more comments, but I will wait until we get off this amendment, until we get to the third reading.

The **PRESIDING OFFICER.** Who yields time?

Mr. FANNIN. Will the Senator yield a couple of minutes?

Mr. JOHNSTON. Yes.

Mr. ABOUREZK. A parliamentary inquiry, Mr. President.

The **PRESIDING OFFICER.** The Senator will state it.

Mr. ABOUREZK. How much time is left for either side?

The **PRESIDING OFFICER.** The Senator from South Dakota has 12 minutes and the Senator from Louisiana has 3 minutes.

The Senator from Arizona.

Mr. FANNIN. Mr. President, I would just like to outline what this amendment would do.

It would prohibit integrated oil companies from joint bidding on the OCS or from entering into any other business arrangement with another integrated company relative to the financing of exploration, development, production, transportation or refining of crude oil, natural gas, coal, uranium, geothermal steam, shale, and tar sands.

It would impose a severe disincentive to the development of domestic energy resources and thereby frustrate the attainment of energy self-sufficiency. We are talking about the problems we are having today, and here we are putting another barrier in the path of attaining energy self-sufficiency. I just cannot imagine Congress would be willing to take a step like this with the devastating effect it would have.

As far as hearings are concerned, yes, it was mentioned; it was talked about in the committee, but it was not thoroughly discussed. There were not full hearings on it. Certainly, it would be more appropriate if this particular amendment were referred to the Judiciary Committee. It should have been considered by the Judiciary Committee. The amendment, I believe, would have a different wording if it were considered.

I believe with the present wording it would be disastrous to the economy of this country. It would cripple the U. S. energy industry and force nearly 100 percent dependency upon foreign oil.

Some people would like that, but I certainly think it would be devastating to this Nation.

If we guaranteed that, new energy resources, such as oil shale and all those I have talked about, would just be cast aside because of the inability to obtain the large-scale investments that would be necessary to have them developed.

So, Mr. President, I feel that we should be going the other way. We should be giving more encouragement. I am not saying that that encouragement should be given to the oil companies alone. We are talking about investments here that are of great consequence, great significance. If we take this step, I do not know just where we could make a corrective measure that would cause this country to have new sources of energy that would be sufficient to take care of the needs of this country.

The **PRESIDING OFFICER.** The Senator's time has expired.

Mr. ABOUREZK. Mr. President, rather than succumb to the alarmist statements of my colleague from Arizona, I think it would be proper to look at the amendment as modified, and look at what it would do.

It would prevent participation by integrated energy companies, which means oil companies that are involved in production, refining, marketing and distribution of refined petroleum products. That means that independent drillers will be able to get together and form joint ventures and will be able to drill offshore or anywhere else if the cost is too high for any one company to do it.

What the amendment would do is it would prohibit the giant oil companies who have so much economic power now concentrated in their hands. We have seen the results of it, the results are their ability to control the energy market, to drive up the price almost at will, and to the great detriment of the American public.

It will do nothing to make this country dependent upon foreign oil. As a matter of fact, it will promote the drilling and the production of oil within this country to a greater extent than it has in the past.

I reserve the remainder of my time.

Mr. HART. Mr. President, the adoption of the Abourezk amendment would make a good bill better. The bill, as reported from the Interior Committee, goes a long way in assuring the rapid development of our resources from the Outer Continental Shelf in an environmentally compatible manner. Of course, as chairman of the Antitrust and Monopoly Subcommittee, I was gratified also to see that the bill's intent is to get more independent competition into exploration and production on the Outer Continental Shelf. This, I believe, is needed if we are to have a competitive domestic petroleum industry. However, the Abourezk amendment would, in my opinion, make this a better bill.

Let me cite a few facts, presented by Federal Power Commission economists in hearings before the Antitrust and Monopoly Subcommittee, which graphically demonstrate what the state of competition is on the Outer Continental Shelf.

Dr. John Wilson, the then Chief of the Federal Power Commission Division of Economic Studies, set forth the concentration of available new gas supplies as of December 31, 1971, and June 30, 1972. In south Louisiana Federal offshore, the top four petroleum firms held 57 percent of the uncommitted gas reserves as of December 31, 1971, and 49.6 percent as of June 30, 1972. The top eight held 83.3 percent as of December 31, 1971, and 74.9 percent as of June 30, 1972. In the State offshore classification, the figures for the top four were 84.5 percent as of December 31, 1971, and 94.9 percent as of

June 30, 1972. For the top eight, this figure is 100 percent for both time periods.

In the Texas gulf coast for the two time periods, the top 4 had 98.5 percent and 100 percent, respectively, for the Federal offshore. The top 8 had 100 percent of the Federal offshore for both time periods. In the State offshore classification the top 4 had 100 percent in both time periods.

Of course, the same companies that are drilling for gas in these areas are the ones that control most of the oil in the areas.

Looking at the dominant firms in offshore leasing, we also find exceptionally high concentration. For instance, in each of the three lease sales from December 1970 to December 1972, we find that the top 8 firms accounted from 82 percent to 96 percent of the winning bids.

Further, an examination of offshore Federal lease sales shows that joint bidding among the major oil companes is the usual practice. For example, in the sales I referred to, Standard of Indiana submitted 6 independent bids compared to 321 which it submitted jointly with such other companies as Union and Shell. Atlantic-Richfield made 12 bids on its own, but participated in 291 bids with City Service, Getty, and Continental.

We should understand clearly that joint bidding leads to joint operation and thus a joint decision as to how soon these properties should be developed and the rate of production once they are developed. On the other hand, it is reasonable to expect that if there were more individual competitors bidding and producing, there would be more rapid development and higher production.

The rationale for the joint operations is that the large amount of money required by the bonus bid makes it difficult for even one major firm to take such risks. This bill makes an honest attempt to lower the amount of nonproductive front money required by present offshore leasing practices. Therefore, there should no longer be any necessity for the majors to pool their resources in a joint manner.

I urge adoption of the Abourezk amendment.

Mr. JOHNSTON. Mr. President, I am ready to yield back the remainder of my time.

Mr. ABOUREZK. Mr. President, I yield back the remainder of my time.

Mr. JOHNSTON. Mr. President, I move to table the amendment as modified.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment, as modified.

Mr. ABOUREZK. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JOHNSTON. Mr. President, I ask unanimous consent to withdraw the motion to table, and allow for an up and down vote on that.

The PRESIDING OFFICER. Is there objection?

Mr. FANNIN. Reserving the right to object——

The PRESIDING OFFICER. Objection is heard.

The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Indiana (Mr. Hartke), the Senator from Rhode Island (Mr. Pastore), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that if present and voting, the Senator from Rhode Island (Mr. Pastore) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Buckley), the Senator from Kentucky (Mr. Cook), the Senator from Colorado (Mr. Dominick), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

I also announce that the Senator from Illinois (Mr. Percy) is absent on official business.

The result was announced—yeas 56, nays 35, as follows:

[No. 410 Leg.]

YEAS—56

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Burdick
Byrd, Harry F., Jr.
Cannon
Case
Chiles
Cotton
Curtis
Dole
Domenici
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Helms
Hruska
Huddleston
Inouye
Johnston
Long
McClure
McGee
McIntyre
Nunn
Pearson
Proxmire
Randolph
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—35

Abourezk
Biden
Brooke
Byrd, Robert C.
Church
Clark
Cranston
Eagleton
Hart
Haskell
Hatfield
Hathaway
Hollings
Hughes
Humphrey
Jackson
Javits
Kennedy
Magnuson
Mansfield
McClellan
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pell
Ribicoff
Schweiker
Tunney
Williams

NOT VOTING—9

Bayh
Buckley
Cook
Dominick
Hartke
Mathias
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So the motion to table Mr. Abourezk's amendment was agreed to.

The PRESIDING OFFICER (Mr. Helms). Under the previous order, the Senator from Alaska (Mr. Gravel) will be recognized.

Mr. KENNEDY. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Does the Senator from Alaska yield to the Senator from Massachusetts?

Mr. GRAVEL. Mr. President, I ask unanimous consent that the previous order of business be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. KENNEDY. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 45, between lines 15 and 16, insert the following:

(k) The program developed pursuant to this section shall include the reservation of an appropriate area or areas as a National Strategic Energy Reserve. The Secretary shall confer with appropriate Federal officials to determine the extent and locations of such reserves. The Secretary shall study the most appropriate means of developing and maintaining such reserves in the national interest, including the feasibility of establishing a public entity for that purpose. The Secretary shall consult with other Federal agencies and departments and non-governmental authorities in conducting such study. The Secretary shall report to the Congress by Jan. 1, 1976 the results of such study.

Mr. KENNEDY. Mr. President, I wish first very briefly to commend the chairman of the Committee on the Interior——

The PRESIDING OFFICER. The Senator will suspend. There is not order in the Senate. The Senator is entitled to be heard.

The Senator may proceed.

Mr. KENNEDY. Mr. President, I wish to join other Members of the Senate in commending the chairman of the Committee on the Interior, and the Senator from Louisiana, for the work that has been done in this area and particularly on S. 1586 to establish a national strategic reserve.

However, S. 3221, the bill before us today simply mandates a 10-year leasing program without preserving any resources for a strategic reserve. The purpose of this amendment is to require that as part of the leasing program, a National Strategic Energy Reserve should be set aside. We then, under the amendment, require that there be consultation with other Federal agencies as to the size of the Reserve. In addition, a study is mandated as to the best means for the development and maintenance of the Reserve, including the possibility of public entity developing and controlling that reserve.

Mr. President, the idea of a reserve has been recommended by various task forces that have studied the matter. President Nixon's energy message included it on the national agenda. Four years ago, President Nixon's task force on the oil import program also suggested the need for additional storage and sparce production capacity.

I would like to quote from the testimony of Assistant Secretary of Interior Stephen Wakefield's testimony before the Interior Committee on S. 1586 to indicate the rationale for this amendment. He stated that a strategic reserve yields three major objectives:

First, it would serve as a deterrent to planned or threatened interference with a substantial portion of U.S. oil imports. Second, it would afford a cushion to avoid catastrophic shortages in the event an interruption did occur. Third, the reserve would provide time for settlement of the situation which caused the interruption.

After last winter's experience with the Arab oil boycott, when some 1.2 million to 2 million barrels per day of supply was withheld, the justification for a strategic reserve seems evident.

Also, I would emphasize that our expectation is that the reservation of areas would be based on a recognition that we need substantially more in the way of reserves than we currently have.

The Ford Foundation, in its preliminary energy report, commented: "If the Nation chooses to increase imports"—a choice that already has been forced on us with over 30 percent of our consumption now imported—"it is incumbent on us to undertake a positive program for dealing with future cutoffs—a strategic storage program. Normal practice in the United States has been for the industry to maintain inventories of 40 to 50 days supply to deal with seasonal demands and operating requirements. This is normal working inventory, and recent experience has demonstrated that it is not adequate in the event of a sudden interruption."

I also would note that in testimony before the Interior Committee, John Lichtblau, executive director of the Petroleum Industry Research Foundation, said, referring to our rising reliance on imports to meet our energy needs:

> Under these conditions, the creation of strategic reserves for security purposes becomes absolutely essential if the U.S. is not to be subject to the political, military and accidental vagaries of international oil supplies.

He also noted that contrary to our 40-to-50 day storage reserve, Western Europe and Japan have plans in progress to develop 90-day supplies in the near future. I would view even that level of supply as minimal, except in relation to an immediate on-hand storage capacity. Rather, we would view the reserve set-aside on the Outer Continental Shelf as a means to maintain that 90-day storage capacity for a substantial additional time period once it was in full production.

I think the lessons learned from the Arab boycott indicate also that such a reserve is warranted—and vital to our national interest.

The PRESIDING OFFICER. The Chair regrets to interrupt the Senator, but the Senate is not in order. The Senator is entitled to be heard.

The Senator may proceed.

Mr. KENNEDY. The Arab boycott indicated that such a reserve is entirely necessary. I think it is useful, in our relationships with other countries around the world, to indicate to friends and allies, as we develop a common strategy on the whole oil issue, that the United States has this potential.

The study would consider the opportunities for the creation of a public utility, such as TVA, as a source for the development of these resources. If the study were to make such a recommendation, Congress and the Senate would have the opportunity to pass authorizing legislation on how that strategic reserve would be developed.

The justification for my belief that a public entity—such as TVA—should be established to develop, manage, and maintain the national strategic energy reserve relates to the simple fact that it is a public resource, owned by all of the people of the United States, and the protection of their interests should be paramount. Thus, I believe with the need for a national strategic energy reserve evident, the most responsible policy is to protect that reserve through its control by a public corporation. In addition to protecting the reserve, public control would permit us to obtain valuable information on the method, costs, and technology of developing offshore oil. This information could be used as a yardstick to measure private oil company operations.

The amendment in no way makes a final determination as to who will develop the reserve; but it does include such a study by the Secretary, and it gives a time for reporting back, by 1976.

I hope that this amendment will be adopted.

I know that there are those who were involved in the development of the legislation who feel that there is already sufficient authority for this. I have not been able to discover it in the legislation.

I am prepared to withhold the remainder of my time and go into greater detail later.

Mr. JOHNSTON. Mr. President, we recognize that this bill calls for a 10-year plan that would develop the entire Outer Continental Shelf. Under the present law, as we understand it, the Secretary has the power to develop a national strategic reserve, but he has no mandate to do so.

We believe that he should do so, because if we get into another shortage situation or another embargo situation, then, indeed, we would need a national strategic reserve.

In view of the fact that this bill does mandate the leasing of the whole shelf, we believe that this amendment, in the sense that it directs the Secretary, sometime within that 10-year period, the period of time that the whole shelf is being leased, to reserve an area for a national strategic reserve, would be a salutary provision.

We believe there is one provision of the amendment which is inappropriate. The entire sentence reads as follows:

> The Secretary shall study the most appropriate means of developing and maintaining such reserves in the national interest, including the feasibility of establishing a public entity for that purpose.

Mr. President, we will accept the amendment provided the phrase "including the feasibility of establishing a public entity for that purpose" be deleted.

The reason for our request for the deletion is not that we think that should not be studied. We think that, as the first part of the sentence states, the Secretary should study all of the most appropriate means. But he should not be prejudiced in favor or biased in favor of going the public entity route. In other words, all public and private means of doing so should be studied, without indicating any bias at all.

So, with the deletion of that phrase, and with the understanding that the Secretary shall study everything without any bias or prejudice, we will accept the amendment provided that the Senator from Massachusetts will accept the modification.

Mr. KENNEDY. Mr. President, I want it clearly understood that we are not, in any manner, trying to prejudice, the determination of the specific character of how the Reserve would be managed, or which portions would remain undeveloped, which portions capped or which portions developed and the product stored.

The only thing is, I would want it clearly understood that public development is to be one of the considerations in the study. With the assurances of the manager that that would be his intention that a public utility would be considered as well as other means of development, then I shall be glad to strike the language.

Mr. JOHNSTON. That is precisely the intention of the manager.

Mr. KENNEDY. So that this would be one of variety of alternatives, that at least would be considered in making the studies?

Mr. JOHNSTON. So that we would be indicating no bias as to which should receive the most study .

Mr. KENNEDY. Mr. President, I move to amend my language to strike out, after the word "interest" the remainder of the sentence. I think that will do what the manager has in mind.

The PRESIDING OFFICER. The Senator may modify his amendment without a motion. The amendment will be so modified.

Mr. KENNEDY's amendment, as modified, is as follows:

> On page 45, between lines 15 and 16, insert the following:
>
> (k) The program developed pursuant to this section shall include the reservation of an appropriate area or areas as a National Strategic Energy Reserve. The Secretary shall confer with appropriate Federal officials to determine the extent and locations of such reserves. The Secretary shall study the most appropriate means of developing and maintaining such reserves in the national interest. The Secretary shall consult with other Federal agencies and departments and nongovernmental authorities in conducting such study. The Secretary shall report to the Congress by Jan. 1, 1976 the results of such study.

Mr. KENNEDY. Mr. President, I am prepared to yield back the remainder of my time.

Mr. FANNIN. Mr. President, before the Senator yields back his time——

Mr. KENNEDY. I yield the Senator from Arizona such time as he may require.

Mr. FANNIN. I would like to say that while the minority did not have an opportunity to examine the amendment, I do agree that it is less objectionable with the modification that has been made; but I would like to have in the RECORD the information that the FEA has contracted for a study referred to as the Kreuger study, which accomplishes the study objective of the Senator's amendment. I would also like the RECORD to show that the Outer Continental Shelf Lands Act of 1953 provides at section 212:

> The President of the United States may, from time to time, withdraw from disposition any of the unleased lands of the Outer Continental Shelf.

So I do feel that the withdrawal authority has been covered in existing law. The distinguished manager of the bill, I think, has very clearly stated essentially the same point of view in the position he has taken, and I shall not object.

The PRESIDING OFFICER. Is all remaining time yielded back?

Mr. GRAVEL. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield the Senator from Alaska such time as he may require.

Mr. GRAVEL. Mr. President, I shall not object, but I hope the Record will be clear that, with respect to any study that might be undertaken, it would make very little sense to have just one reserve, the Navy reserve we presently have, and a separate program of reserves in the sea. I would hope the study would recommend an integration of the total reserve needs of the Nation, rather than separating the two.

With that reservation, I shall not object.

Mr. KENNEDY. Mr. President, I yield back the remainder of my time.

Mr. JOHNSTON. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Helms). All remaining time having been yielded back, the question is on agreeing to the amendment, as modified, of the Senator from Massachusetts (Mr. Kennedy).

The amendment, as modified, was agreed to.

AMENDMENT NO. 1866

Mr. TUNNEY. Mr. President, I send to the desk my amendment No. 1866, as modified, and ask that it be stated.

The legislative clerk read as follows:

> On page 43, line 5, strike out the word "and" and insert the following new subsection following subsection (2):
>
> (3) timing and location of leasing so that to the maximum extent practicable areas with the least environmental hazard are leased first; and ".
>
> And renumber (3) as (4).

Mr. TUNNEY. Mr. President, the amendment which I have sent to the desk is the amendment as printed, the only difference being that in the printing of the amendment, it failed to state that subsequent subsections should be appropriately renumbered. The modification relates only to that technical aspect of renumbering the subsequent subsections.

Mr. President, the purpose of this amendment is to add as an additional factor in the creation of a long-term leasing schedule for OCS lands the criterion that the areas be considered as to potential environmental hazard, and that areas with the least potential environmental hazard should be opened up first for leasing. I ask unanimous consent that the Senator from California (Mr. Cranston), and the Senator from New York (Mr. Buckley) be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. I do not state in the amendment that this should be a determinant in any offshore leasing schedule, but it should be a factor, and the language of the amendment says that to the maximum extent practicable, the Secretary, in his leasing schedule, should lease the lands that are most fragile last and the lands that are least fragile first.

I feel that it is very important that we take into consideration the impact on the coastal area and the general environment when we undertake a leasing program in the Outer Continental Shelf. I recognize that because of the energy needs of the Nation, there are going to be times when we are going to have to make trade-offs with the environment, in order to get the necessary oil out of our offshore lands, and we are going to have to say, "When you weigh all the factors, the environmental damage potential is not sufficient to deny the country the opportunity to utilize its oil resources."

On the other hand, it does seem to me that where we have a situation in an offshore zone that there is a fragile environment, where there are, for instance, problems with earthquakes, or where we have coastal beaches that could be badly impacted by any oil seepage or leakage, that should be a factor in preparing the leasing schedule. Where it is practicable, these most fragile environmental areas ought to be leased last.

Under the bill as now before the Senate, the Secretary of the Interior will have available to him quite a range of information and data, including extensive geological and geophysical information about potential lease sites. Other Government agencies, such as the National Oceanographic and Atmospheric Administration, the Environmental Protection Agency, and the National Science Foundation, can provide additional information on seismic conditions, resources potential for fisheries, weather conditions, and onshore environmental impacts. Putting together all this information the secretary should be able to make a judgment as to which areas have greater and lesser potential hazards and adverse impacts on the environment.

The techniques for making this kind of relative environmental ranking are being developed by the Government. As many of us in this body are aware, the council on environmental quality recently completed a year-long study of environmental hazards of commencing offshore drilling in the Atlantic Coast areas and off the gulf of Alaska. A central feature of this study was an attempt to measure potential environmental hazards in selected possible lease sites, and to provide a ranking of which areas where therefore the safest for drilling to begin. The CEO put great emphasis on seismic and weather conditions, depth of drilling, likelihood of an oil spill reaching shore, and other factors.

This first attempt to make an environmental ranking was not perfect.

The National Academy of Sciences had a panel of experts which reviewed the CEO study, and they suggested that this ranking process had not been carried out thoroughly enough. The NAS said that there were additional factors which had not been considered by the CEO, and which might have changed some of the rankings. But at no time did the NAS panel say that the technique was not feasible. It seems clear to me that it is feasible, although it requires a large input of data.

It should also be clear that this proposal to lease the safest areas first would not have any direct impact on the amount of offshore leasing to be undertaken. It merely sets certain priorities for the order of leasing. It is my hope that the additional time available by foregoing leasing on environmentally hazardous areas will allow the development of new techniques, and advanced equipment which would make drilling much safer than it now is. It seems to me to be only prudent to do this.

I, therefore, suggest to my colleagues in the Senate that this amendment would be a valuable addition to the legislation as it has been drafted, and I urge its adoption.

The Secretary of the Interior in making up a leasing schedule will surely have available much more data and many more people than the CEQ did in its study. Therefore I am convinced that the environmental ranking which I favor can be carried out, and I feel that it is such an important factor in developing an acceptable, reasonable offshore development policy that it should be explicitly included in this bill as one of the criteria which the Secretary of the Interior must weigh in making a long-term leasing schedule.

Some questions were raised, when I first made the proposal for this environmental ranking in my Outer Continental Shelf Safety Act (S. 2858), whether this would require leasing safe, but very small, areas before leasing areas with greater resource potential. I do not think this is realistically a problem. One of the primary factors which the Secretary will consider in even narrowing down potential leasing areas for further consideration will be whether geological data shows a good prospect for large oil or gas deposits. I am certain that the long-term leasing schedule is only going to involve areas with significant resource potential. It is within these areas that the consideration for environmental ranking should be made.

Mr. JOHNSTON. Mr. President, with certain understandings and with one relatively minor amendment, we are willing to accept the amendment.

The requested modification in the amendment is to change the phrase "the least" to "less", the idea being that if we required the least environmental hazard in any program of leasing, then there would be the argument that the Secretary has to search the entire Outer Continental Shelf, the Atlantic, on the gulf, on the Pacific, on Alaska, and lease only those areas which are the least hazardous. If we have "less" in lieu of the words "the least" there would be that balancing act so that the Secretary would balance Santa Barbara against the Gulf of Mexico or against the Atlantic coast, and the one that is less would be the one that is favored.

Mr. TUNNEY. I think that the proposal that has been offered by the distinguished floor manager is one that is acceptable to me. I believe it states the purpose of my amendment and does not alter what I have proposed.

In any leasing program the Secretary had undertaken, he obviously would be classifying in his own mind those areas which were the least fragile environmentally, and those which were the most fragile environmentally, and those in between.

I think that the language of the amendment as originally drated would give plenty of flexibility to the Secretary within the leasing program that he had before him.

On the other hand, I do understand the concern, and there may be a bit of vagueness in the amendment as drafted, so I am prepared to accept the modification.

Mr. HANSEN. Mr. President, will the distinguished Senator yield to me?

Mr. TUNNEY. I will yield to my distinguished colleague.

Mr. HANSEN. The proposal was that we strike the words "the least" and substitute in lieu thereof the word "less"?

Mr. TUNNEY. Less.

Mr. HANSEN. It would seem indicated that that would be a helpful change because I would suggest that the place where the least environmental damage might occur would be off the coast of the State of Hawaii. There is not any oil there. And if one wants to make certain there are no oil spills that is an awfully good place to drill. It would not be a very good place to drill if one wanted to get any oil.

I think what we have got to try to do is to balance out the satisfaction, on the one hand, of our energy needs and requirements with acceptable risk.

I just say to my colleague from California that the time may come indeed, on the basis of further information, where it could be indicated that such places as Coal Oil Point and other places in the Santa Barbara Channel, with the technology which I am hopeful we would develop, can be successfully pumped so as not to run much risk of environmental damage, and certainly be very prolific areas insofar as the production of energy is concerned.

I am told that long before man ever put a drill down into the seabed there were oil seeps and spills. There are some who believe that one of the ways of alleviating those problems, that predated any drilling, would be to take the oil and gas from that area. I think the suggestion is helpful.

Mr. TUNNEY. I thank my distinguished colleague for his remarks. I know how knowledgeable he is about the entire energy issue and the importance of developing our energy resources in this country so that we can maintain the standard of living that we have. I think that his comments are helpful, and I appreciate them. I am prepared to accept that modification and offer it as a modification.

The PRESIDING OFFICER. The Senator may modify his own amendment, and the amendment is so modified.

Mr. JOHNSTON. Mr. President, as modified, we are in favor of the amendment. It is consistent with the entire thrust of this bill which calls for a balancing of the interests, a balancing of the environmental problem, against those other matters such as cost, the time it would take to extract the oil, the size of the expected development and, in that sense, the words of the amendment "to the maximum extent practicable" would take into consideration and balance the interests of environment as against the size, for example, of the prospective find. So that if we had a find that is likely to yield a billion barrels a day but which has a 1 percent greater environmental risk than a prospective find with only 10,000 barrels a day, then we would have to consider both size, cost of extracting the oil, the amount of time it would take, all of the practical considerations.

But the main thrust of the amendment highlights what we already meant to do in the bill, and which the committee meant to do, and that is to rank in priority to the maximum extent possible all sources of Outer Continental Shelf energy and take those that are the least risky first. This amendment highlights that and, to that extent, we think it improves the bill, and we would accept it.

The PRESIDING OFFICER. Do the Senators yield back the remainder of their time?

Mr. TUNNEY. Yes, I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Louisiana yield back the remainder of his time?

Mr. JOHNSTON. Yes.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from California, as modified.

The amendment, as modified, was agreed to.

AMENDMENT NO. 1872

Mr. TUNNEY. Mr. President, I send to the desk amendment No. 1872 with some modifications.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

Strike out all beginning on line 23 of page 48 through line 7 of page 49, and on page 48, line 4, insert the following new section and renumber the remaining sections accordingly:

SAFETY REGULATIONS FOR OIL AND GAS OPERATIONS

SEC. 20. (a) POLICY.—It is the policy of this section to insure, through improved techniques, maximum precautions, and maximum use of the best available technology by well-trained personnel, the safest possible operations in the Outer Continental Shelf. Safe operations are those which minimize the likelihood of blowouts, loss of well control, fires, spillages, or other occurrences which may cause damage to the environment, or to property, or endanger human life or health.

(b) REGULATIONS; STUDY.—(1)(A) The Secretary, with the concurrence and advice of the Administrator of the Environmental Protection Agency and the Secretary of the Department in which the Coast Guard is operating, shall develop, from time to time revise, and promulgate safety regulations for operations in the Outer Continental Shelf, to implement as fully as possible the policy of subsection (a) of this section. Within one year after the enactment of this section, the Secretary shall complete a review of existing safety regulations, consider the results and recommendations of the study authorized in paragraph (2) of this subsection, and promulgate a complete set of safety regulations (which may include Outer Continental Shelf orders) applicable to operations in the Outer Continental Shelf or any region thereof. Any safety regulations in effect on the date of enactment of this section which the Secretary finds should be retained shall be repromulgated according to the terms of this section, but shall remain in effect until so repromulgated. No safety regulations (other than field orders) promulgated pursuant to this subsection shall reduce the degree of safety or protection to the environment afforded by safety regulations previously in effect.

(B) In promulgating regulations under this section, the Secretary shall require on all new drilling and production operations, and, wherever practicable on already existing operations, the use of the best available technology, and wherever failure of equipment would have a substantial effect on public health, safety, or the environment.

(2) Upon the enactment of this section, the Office of Technology Assessment of the Congress shall conduct a study of the adequacy of existing safety regulations and technology, equipment, and techniques, and techniques for operations in the Outer Continental Shelf, including but not limited to the subjects listed in subsection (a) of this section. Not later than nine months after the enactment of this section, the results of the study and recommendations for improved safety regulations shall be submitted to the Congress and to the Secretary.

Mr. TUNNEY. Mr. President, I ask unanimous consent to include the Senator from Florida (Mr. CHILES) and the Senator from California (Mr. CRANSTON) as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. The purpose of this amendment is to strengthen the provisions of this bill regarding rules and regulations which govern the safety and environmental protection of offshore drilling operations.

This subject is covered in S. 3221 in only two sentences, contained in section 20(b) of the bill. My amendment does not differ radically in substance, but it goes beyond what is now in the bill, and makes the provisions more effective.

My amendment 1872 would first enact a statement of policy which I regard as an important commitment for the Congress to make. Let me read this statement of policy:

> It is the policy of this section to insure, through improved techniques, maximum precautions, and maximum use of the best available technology by well-trained personnel, the safest possible operations in the Outer Continental Shelf. Safe operations are those which minimize the likelihood of blowouts, loss of well control, fires, spillages, or other occurrences which may cause damage to the environment, or to property, or endanger human life or health.

So, it seems to me, that what we have to do is recognize that while these drilling operations go on in the Outer Continental Shelf they should be going on with the best available technology, and this is particularly true as it relates to new rigs.

I recognize that there is a different problem with the rigs that presently are in place in the gulf, particularly off the coast of Louisiana.

We have many millions of dollars worth of equipment in place, and it is not our desire to see many additional tens or hundreds of millions of dollars spent to bring those rigs up to the best available technology standard where it is not practicable to do so. Also we can take account of the fact that there is not the same threat to the environment in some areas that we have in other areas where the environment is more fragile, where there is seismological instability, such as we have off the coast of California and perhaps off the coast of Alaska, as well.

But we ought to have a high standard of technology used in this new drilling that is done and I think that the standard which should be applied is to use the best available technology, and that is what is suggested by this amendment.

I just point out to my colleagues that it appears from recent studies that man is producing 20 times the amount of oil which goes in a free form into the environment as is produced by nature, and man's spillages.

The fact is that we have crankcase oil going into our waterways, Automobiles are having their crankcase oil replenished and the spills which are producing this additional load of oil in our waterways, are having a substantial impact upon heat transfer and moisture transfer in our global environment. There does not seem to be any question about that. What the impact is, nobody really knows.

But it does seem clear that perhaps the monsoons in the sub-Sahara and in the southern part of Asia are being impacted by the fact of weather modification and heat modification. This is not only the result of oil spills, but other environmental impacts as well, such as the release of CO_2 into the environment, particularly from construction, as well as from the use of oil in our plants and gasoline in our cars.

But the point I am trying to make is that mankind puts 20 times the amount of oil into the environment as does nature, and environmentalists and scientists tell us this can have a very substantial impact upon heat transfer and moisture transfer, the amount of evaporation that takes place from the oceans.

So what I am trying to do in this amendment is make it clear that we want the best available technology to be used in the new drilling rigs and we want to have the best available technology used where practicable on the old rigs.

We recognize that sometimes that will not be practicable, to bring an old drilling rig up to the best technology standard, because of the cost of doing so and because it really would not have that much additional safeguarding of the environment involved in adding such new technology to the existing rigs.

Last year I introduced a bill called the "Outer Continental Shelf Safety Act." That bill covers much of the same subject matter that the bill presently before us does. The purpose of introducing that bill was to try to create, as I think this bill before us does, a reconciliation between various policies that we should follow as a nation to develop our energy resources as best we are able at a time that we are increasingly relying on foreign countries to provide us with the oil that we need for our domestic economy but, at the same time, to be as protective of the environment as we possibly can.

My earlier bill focused on making operations in the OCS as safe as possible. One section of my bill required the Secretary of the Interior to make a thorough review of all existing safety regulations for OSC operations and to promulgate an improved set of safety regulations within 1 year. To assist in this review, the Office of Technology Assessment of the Congress would make an independent review of safety regulations, to be completed within 9 months, so that its results would be available to the Secretary.

My amendment would incorporate both of these features of S. 2858. I believe they improve on the provisions now in section 20(b) of the bill. As presently written, section 20(b) simply authorizes the secretary to enact safety and environmental performance standards and regulations, an authority which already exists in the OCS Lands Act. My amendment would set a time limit of 1 year on the Secretary to make a complete review and recodification of safety regulations. This matter is so important that I believe some time limit should be fixed to prevent endless delay in changing the safety rules.

I have already discussed that this amendment requires the use of the best available technology in all new drilling operations, and whenever practicable in existing operations, wherever failure of the equipment would pose a substantial threat to health, safety or the environment. This is similar to the language in the existing bill. I would like to add that in my view any of the crucial elements on a drilling platform—such as the blowout preventers, the drilling pipes, the casing, structural design of the platform—are important enough to require best available technology. In other words, if failure of that piece of equipment could release oil into the ocean, or cause a fire or other accident, then the best available technology ought to be used. That is what is meant in the phrase that there must be a "substantial effect" on the environment. We are not talking about the kitchens or the living quarters, but we are talking about the central drilling and safety equipment.

I would like to discuss, for a few moments, some of the areas where I think improvement in safety regulations is needed, and which therefore prompted both my original legislation and this amendment. I think it is quite obvious to observers of this industry, that the techniques and the equipment used in offshore drilling vary enormously in sophistication and safety. Some operators do a good job, but others use shoddy and cheap equipment. Also, technological advances in this industry have been very slow, and lag very far behind what American industry is capable of. It needs only one's imagination to compare the degree of technical achievement in the space program, or the aerospace industry generally, with what happens in offshore drilling platforms, to get a sense of the enormous gap which exists.

It is of course impossible to guarantee that no accidents will ever occur in offshore drilling and production operations. But experience with the major accidents which have occurred in past years would indicate that great improvements could be made in safety regulations which could have prevented those accidents, and would prevent repetitions in the future. I know, for instance, that there were three different ways in which the terrible Santa Barbara blowout could have been prevented.

That is why I want to have the safety regulations upgraded and kept as high as possible, including using the best available technology. Whatever the additional cost would be, it is vital to prevent as much as is humanly possible the massive damage to coastline and environment of major offshore accidents.

There have been several studies made in the past few years of the technology of offshore drilling operations. All of them were agreed that major improvements were necessary. These studies were made by the National Academy of Engineering, the science policy unit of the University of Oklahoma, and the Council on Environmental Quality study. It should be noted also the National Academy of Sciences review panel concurred with the CEQ's findings that major improvements were necessary in OCS technology.

One important item which is mentioned in several studies is the need to develop specific performance standards for OCS equipment. At present, the equipment is developed and improved only as fast as the industry happens to go in its research and development. It would be much better for the regulations governing OCS operations to set the standards which equipment should have to meet: Thereafter, the industry would be able to gear its efforts to meet those standards.

Related to this is the recommendation that much more modern systems analysis techniques should be used in developing equipment. Space age techniques could certainly be applied in limited fashion to OCS technology. Indeed, this was the recommendation of a NASA panel which studied OCS operations. This type of advance, however, would probably not be incorporated in the type of safety regulations to which this amendment is applicable.

A third very important area where regulations can help increase safety is to require much better "human factors engineering." By this I mean designing equipment to minimize the risk of human error. One simple example will suffice. Several accidents have occurred because workmen turned the wrong valve or handle on a platform, and this was in part because the valves were unmarked and poorly located. Immediate requirements to have critical safety valves clearly marked would surely be in order.

Closely related to this problem is the need to train personnel better. Perhaps a well-trained workman would not have made the mistake even if the valves were badly marked. The studies have shown that more accidents have been caused by human error than mechanical failure. It is imperative for the Interior Department to move immediately to set up and oversee mandatory training programs for personnel who will operate equipment in the OCS. Some such programs already exist, but they are not regulated by the Government and are not mandatory. Training programs are also needed for the personnel who inspect offshore platforms.

Studies have indicated other areas where improved regulations and better technology will improve safety. I will briefly list some of these areas:

Equipment is needed to monitor conditions at the bottom of the drilling hole accurately; this can provide enough time for topside personnel to react to rapid changes in pressure which could presage a blowout.

Safety equipment such as blowout preventers must be made as fail-safe as possible, and there should be several remote places where they can be activated:

Requirements for the type and amount of drilling casting, mud pressure, and drilling procedure should be developed for each well with as much specificity as possible, based on all known information about the geology of the drilling site. The generalized requirements of the present "OCS orders" should be used as seldom as possible, when more particularized requirements can be made.

Multiwell platforms, as almost all production platforms are, should be designed for maximum safety in the event one well blows out. In past fires, the close proximity of the wells on the patform has hindered efforts to determine exactly which well has blown out. Of course, the Coast Guard would have major responsibility for developing these regulations, since platform safety is within its jurisdiction.

For the future, regulations should require the use of automated equipment and subsea production equipment.

Other areas of concern are covered by other provisions in the bill as it now exists. Review of pipeline safety is critical, as is development of better cleanup and spill containment equipment. In both of these areas, the Secretary should develop regulations in conjunction with other affected agencies, and consistent with the other provisions of this legislation.

This brief review shows some of the areas where improved safety regulations could go a long way to increasing the protection for our coastal areas from offshore drilling operations. I believe the review mandated by my amendment, and the requirement to use the best available technology, will force the Secretary of the Interior and the industry to face up to the challenges of modern technology, and transform the offshore drilling industry into a safer, more modern undertaking than it now is. I submit that our Nation can demand no less.

I would hope the committee would be able to accept this amendment.

The PRESIDING OFFICER. Who yields time.

Mr. JOHNSTON. Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Will the Senator yield back his time?

Mr. FANNIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TUNNEY. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. Mr. President, I have an additional modification to my amendment that is before the Senate at the desk.

The modification is as follows:

On line 9 of page 3 of the amendment, I would strike the words "the Office of Technology Assessment of the Congress" and add in their place "the National Academy of Engineering."

The PRESIDING OFFICER. The Senator may modify his amendment.

Mr. JOHNSTON. Mr. President, with that modification, we agree with the amendment and I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from California, as modified.

The amendment, as modified, was agreed to.

AMENDMENT NO. 1858

Mr. GRAVEL. Mr. President, I call up my Amendment No. 1858 and send to the desk a substitute for that amendment.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk proceeded to read the amendment.

Mr. GRAVEL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 57, line 4, insert the following:

On page 57, line 4, strike out everything down through page 58, line 24, and insert in lieu thereof the following:

"SEC. 25. (a) There is hereby established in the Treasury of the United States the Coastal State Fund (hereinafter referred to as the 'fund'). The Secretary shall manage and make grants from the fund according to the regulations established pursuant to subsections (b) and (c) to the coastal States impacted by anticipated or actual oil and gas production.

"(b) The purpose of such grants shall be to assist coastal States impacted by anticipated or actual oil and gas production to ameliorate adverse environmental effects and control secondary social and economic impacts associated with the development of Federal energy resources in, or on the Outer Continental Shelf adjacent to the submerged lands of such States. Such grants may be used for planning, construction of public facilities, and provision of public services, and such other activities as may be prescribed by regulations promulgated pursuant to subsection (c) of this section. Such regulations shall, as a minimum, (1) provide that such regulations be directly related to such environmental effects and social and economic impacts; (2) take into consideration on the acreage leased or proposed to be leased and the volume of production of oil and gas from the Outer Continental Shelf off the adjacent coastal State; and (3) require each coastal State as a requirement of eligibility for grants from the fund, to establish pollution containment and cleanup systems for pollution from oil and gas development activities on the submerged lands of each such State.

"(c) The Secretary of Commerce, in accordance with the provisions of subsection (b), and this subsection shall, by regulation, establish requirements for grant eligibility: *Provided*, That it is the intent of this section that grants shall be made to impacted coastal States to the maximum extent permitted by subsection (d) of this section and that grants shall be made to impacted coastal States in proportion to the effects and impacts of offshore oil and gas exploration, development and production on such States. Such grants shall not be on a matching basis but shall be adequate to compensate impacted coastal States for the full costs of any environmental effects and social and economic impacts of offshore oil and gas exploration, development, and production. The Secretary shall coordinate all grants with management programs established pursuant to the Coastal Zone Management Act of 1972.

"(d) Notwithstanding any other provision of law, 10 per centum of the Federal revenues from the Outer Continental Shelf Lands Act, as amended by this Act, or the equivalent of forty (.40) cents per barrel from the Federal revenues from the Outer Continental Shelf Act, whichever is greater, shall be paid into the fund: *Provided*, That the total amount paid into the fund shall not exceed $200,000,000 per year for fiscal 1976 and 1977.

"(e) There is hereby authorized to be appropriated to the fund $100,000,000.

"(f) For the purpose of this Act, 'coastal State' means a State of the United States in, or bordering on, the Atlantic, Pacific, or Arctic Ocean, the Gulf of Mexico, or Long Island Sound, including Puerto Rico, the Virgin Islands, Guam, and American Samoa.".

Mr. GRAVEL. Mr. President, I have copies of that amendment, if Members would like to have it.

Mr. President, this is quite a substantial compromise from the original amendment. It is a compromise that has been worked out between Senator JACKSON and myself, hopeful that we could accommodate the point I have made on several occasions during prior debate this afternoon. All we are seeking to do is to find some way to pay the cost which has to be unfairly borne by those areas that are impacted.

In so doing, all we do is add to the existing language of the bill as it is presently modified by the Hollings amendment—and we do not alter the Hollings amendment at all—the language which would appear in section 25 on line 13. After "social and economic impacts," we would add a new section that would state:

Take into consideration on the acreage leased or proposed to be leased and the volume of production of oil and gas from the Outer Continental Shelf off the adjacent coastal State.

All that does is add a new criterion for the Secretary to consider when he is disbursing the grant in aids.

The other section would be in addition to item D; it would read:

Notwithstanding any other provision of law, 10 per centum of the Federal revenues from the Outer Continental Shelf Lands Act, as amended by this Act, or the equivalent of 40 cents per barrel from the Federal revenues from the Outer Continental Shelf Act, whichever is greater, shall be paid into the fund: *Provided*, That the total amount paid into the fund shall not exceed $200,000,000 per year for fiscal 1976 and 1977.

That is to put a termination on it so that it comes back and we can reevaluate it at that time.

The other figure is based on the community of Kenai, where that is the impact they experienced.

I would have hoped we could have gotten in an automatic revenue sharing provision so that the money would automatically go back to the communities in question. I do not feel that it is feasible to arrive at that. So I am prepared to compromise and take what I can get in this improvement to the existing bill.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. I yield to the Senator from Washington.

Mr. MAGNUSON. I am a little bit concerned about the language here where the Senator says that there is hereby authorized to be appropriated to the fund $100 million.

Is the Senator appropriating the money in this amendment?

Mr. GRAVEL. This is in the bill, not in my amendment.

I think the Senator from Louisiana explained that this——

Mr. MAGNUSON. How can the Senator appropriate money in this bill?

Mr. JOHNSTON. Authorization.

Mr. GRAVEL. It is authorizing legislation.

Mr. MAGNUSON. The Senator does say "There is hereby authorized to be appropriated to this fund $100,000,000." It would still have to clear the Appropriations Committee, is that correct?

Mr. JOHNSTON. The $100,000,000 is only an authorization, that is correct.

Mr. MAGNUSON. One other question of the Senator from Alaska.

I wish the Senator from South Carolina were here. I am sure he would ask this question.

The Senator said that the Secretary shall coordinate all grants with such management programs established pursuant to the Coastal Zone Management Act of 1972.

Mr. GRAVEL. That, I believe, was either in the bill or in Senator Hollings' amendment.

Mr. MAGNUSON. So these matters would be cleared pursuant to the rules and regulations of the Coastal Zone Management Act.

Mr. GRAVEL. That was Senator Hollings' amendment.

Mr. JOHNSTON. That part of Senator Gravel's amendment has not been changed at all, as I understand it. Senator Hollings earlier introduced an amendment providing for coordination with the Secretary of Commerce. We have had a colloquy on it, which I believe adequately shows the coordination.

Mr. MAGNUSON. That was the first amendment we voted on?

Mr. JOHNSTON. Yes, and this changes that not at all.

Mr. MAGNUSON. Thank you.

The PRESIDING OFFICER. Who yields time? The Senator from Louisiana.

Mr. JOHNSTON. As we understand the amendment of the Senator from Alaska, it is consistent with the thrust of what the committee has done, with a couple of reasonably minor alterations. For example, the 40 cents per barrel was, I think, a response to the Kenai study in Alaska. We believe it is consistent with what the committee has done, and we are willing to accept the amendment.

Mr. GRAVEL. I am prepared to yield back the remainder of my time.

Mr. JOHNSTON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment having been yielded back, the question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

Mr. STEVENS. Mr. President——

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. STEVENS. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. Mr. Stevens' amendment is as follows:

On page 57, line 4, strike all of Sec. 25 and insert the following:

Sec. 25. Section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) is amended to read as follows:

"Sec. 9. Disposition of Revenues.—(a) All rentals, royalties, or other sums paid to the Secretary or the Secretary of the Navy under or in connection with any lease on the Outer Continental Shelf for the period beginning June 5, 1950, and ending with the day preceding the date of the enactment of this subsection shall be deposited in the Treasury of the United States and credited to miscellaneous receipts.

"(b) All rentals, royalties, or other sums paid to the Secretary or the Secretary of the Navy under or in connection with any lease on the Outer Continental Shelf on and after the date of the enactment of this subsection shall be deposited in the Treasury of the United States; and of the amount of the revenues so deposited in each fiscal year which are attributable to the portion of the Outer Continental Shelf adjacent to any State—

"(1) 12½ per centum shall be allocated to be paid by the Secretary of the Treasury in the following manner:

"a.) 6¼ per centum shall be paid to such adjacent states;

"b.) 6¼ per centum shall be paid in equal amounts to each of the several states other than such adjacent states.

(2) 87½ per centum shall be deposited in the Treasury of the United States and credited to miscellaneous receipts.

"(c) Any monies paid to the Secretary or the Secretary of the Navy under or in connection with a lease but held in escrow pending the determination of a controversy as to whether the lands on account of which such monies are paid constitute part of the Outer Continental Shelf shall, to the extent that such lands are ultimately determined to constitute a part of the Outer Continental Shelf, be distributed—

"(1) in accordance with subsection (a) if paid before the date of the enactment of this subsection, and

"(2) in accordance with subsection (b) if paid on or after the date of the enactment of this subsection.".

Sec. 3. (a) Nothing contained in this Act or in the amendments made by this Act shall be construed to alter, limit, or modify in any manner any right, claim, or interest of any State in any funds received before the date of the enactment of this Act, or of any funds held in escrow pending the determination of any controversy as to whether the submerged lands on account of which such funds were received constitute a part of the Outer Continental Shelf.

(b) Nothing contained in this Act or in the amendments made by this Act shall be construed to alter, limit, or modify any claim of any State to any right, title, or interest in, or jurisdiction over, any submerged lands.

Mr. STEVENS. Mr. President, I am offering an amendment today to S. 3221, the Energy Supply Act of 1974. The bill in its present form does make some attempt at compensating the coastal States for the adverse environmental effects and social and economic impacts associated with the development of the Outer Continental Shelf adjacent to the submerged lands of such State. However, I do not believe it goes far enough in compensating the adjacent States for the increased governmental services which must be provided in connection with this exploration and production.

This amendment will distribute the royalties from Outer Continental Shelf lands to the adjacent coastal State, 6¼ percent; the other States, 6¼ percent; and the U.S. Treasury, 25 percent.

Federal public lands producing royalty revenues already require royalty revenue distribution to the State on which the lands are located. (See 30 U.S.C. 191.)

Mr. President, although these minerals are located within Federal lands—the Outer Continental Shelf—the adjacent State provides considerable governmental services to the industries and people engaged in exploration and production. Such State governments must incur substantial expenses in connection with these activities. But they receive no share of the royalties. This is particularly unfair in view of the fact that States on which royalty-producing Federal public lands are located share in such royalties.

Mineral exploration, whether it be from Federal public lands or Outer Continental Shelf lands, is really a cooperative venture with private industry, State, and local governments, and the Federal Government all lending a hand. Because Federal royalties now are deposited in the general treasury, the adjacent coastal States must bear an unfair burden.

The funds involved are not inconsiderable. The total Outer Continental Shelf receipts, including royalties, bonuses, and rentals for 1969 were $362 million. For 1970, they were over $1.2 billion. For 1971 they were over $456 million. For 1972, they were over $2.6 billion and in 1973 they were nearly $3.5 billion. These figures do not include the very considerable royalties that will accrue after oil and gas production starts on the Outer Continental Shelf in other areas.

My amendment will, for the first time, provide that royalties will be shared directly with the other nonadjacent States—inland as well as coastal. It provides a fair revenue-sharing formula and will be easily administrable.

I urge the Senate to consider this concept as soon as possible and avert needless litigation and delay. With the current energy crisis, we can ill afford to delay the development of our Outer Continental Shelf energy potential.

I ask unanimous consent to have printed in the RECORD at this point a table of Outer Continental Shelf receipts for fiscal years 1955–73.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

OUTER CONTINENTAL SHELF REVENUE AND PRODUCTION VALUE—PERCENTAGE CUMULATIVE REVENUE OF CUMULATIVE PRODUCTION VALUE, CALENDAR YEARS 1953–73

Year	Royalties	Total revenue
All States:		
1953	$967,892	$2,358,172
1954	2,748,977	147,660,265
1955	5,140,006	117,197,082
1956	7,629,383	11,715,526
1957	11,391,245	14,840,216
1958	17,423,878	20,150,076
1959	26,539,977	118,828,715
1960	37,095,301	323,781,831
1961	47,920,332	51,345,414
1962	66,096,334	564,569,574
1963	76,999,225	98,963,285
1964	88,400,230	194,939,272
1965	102,862,540	146,445,376
1966	136,987,537	354,465,657
1967	157,607,609	675,859,202
1968	201,136,931	1,558,052,293
1969	240,090,666	362,029,240
1970	283,494,568	1,237,527,860
1971	350,042,488	456,012,307
1972	363,556,339	2,624,957,875
1973	401,126,114	3,494,981,440
Total, all States	[1] 2,625,000,000	[1] 12,577,000,000

[1] Rounded off to nearest million.

Mr. STEVENS. Mr. President, the problem I have with the bill is that it neglects the very basic problems that the States face in this new accelerated concept of Outer Continental Shelf development. I previously mentioned the studies that have been made by the Council on Environmental Quality about the great risks involved in the Outer Continental Shelf development.

In a special panel of the National Academy of Sciences they have made a critique of these areas and they have indicated that the highest environmental risk is off Alaska. The Council on Environmental Quality has agreed.

I do not see why the States that are going to have this development off their shores should go hat in hand to a Secretary and ask for moneys from this fund, when they are in the position of being adversaries from the very beginning. For instance, we, in Alaska, still oppose the development of the Gulf of Alaska until we get the basic data we need. The Interior Department and the administration say they are going to lease that land anyway. We think, or at least I think, that at the very least we should get a portion of the moneys that come from the bonuses from the very beginning. The bonus moneys so far have been the bulk of the moneys that have come from the Outer Continental Shelf development, and everybody looks at those.

The production royalties will overwhelm these bonus moneys in time. But the real problem the States face, my States and, I think, all coastal States, is for the money in the initial instance when leasing takes place, to take the action onshore necessary to protect the environment and fulfill their governmental obligations.

I have had extensive discussions with the committee on this. As a matter of fact, I appeared before the committee and presented this amendment to the committee, and urged the committee to adopt a concept of automatic revenue sharing. The committee, in its wisdom, has gone to the concept of this fund which is limited to $200 million.

I appreciate what my colleague has just done in redefining the objectives of that fund. But it is still just $200 million to be shared by the whole country. It has no relationship to the immediate impact of the leasing activity. There is no automatic entitlement of a coastal State.

A State in which there are lands leased by the Federal Government, public lands, gets an automatic percentage. It does not have to go to anyone and ask for a portion of it. It does not have to try to demonstrate what the impact will be. It automatically gets that money because the law presumes that there is an impact onshore.

The Western States automatically get 37.5 percent of the bonus and royalty money. They get it without question.

When we know the environmental conditions offshore are even greater, the risks are greater, the costs offshore are greater for the Outer Continental Shelf development, I do not know why we should be put in the position where we would have to go, as I say, with our hat in our hand and beg the people.

We are fighting to prevent them from developing this land too quickly.

With all due respect to the concept that the fund has to be apportioned according to the land under lease or potential impact, or anything else, it is still a discretionary allocation.

I spent too much time in the executive branch, and particularly in the Interior Department, to know what it means to have someone come in who is fighting you, who is at the same time asking you to exercise your discretion in his behalf. It is a tough thing to expect of anybody.

I would be most willing to withdraw this amendment and substitute a concept of an automatic percentage of the front-end money, which is the bonus money. When these leases are issued off our shores there is immediate bonus money returned to our Government. I think a fixed percentage of that should be paid to the onshore State immediately. It should be a reasonable percentage to enable them to proceed to take the action they need to protect their total environment, and take the action they need to protect their State.

We had a great lease sale on the North Slope that many people remember. I think it was the greatest lease sale that has been held by any State. We received $900 million on one bonus sale in 1968. Incidentally, that money is almost gone now. It will be gone before the money comes from the Alaska pipeline.

There will be no money that will come from this bill to the State of Alaska for 3 or 4 years.

Mr. ROBERT C. BYRD. Mr. President, could we have order in the well?

The PRESIDING OFFICER. The Senate will be in order.

Mr. STEVENS. The amendment that is before us now takes the one-eighth that is normally paid in public lands States and divides that one-eighth half between the adjacent State and half to the other 49 States. It is a direct sharing provision.

I can understand the reluctance of the managers of the bill to go into that concept now. I think eventually we must get there. I say to my friends from New England and the Eastern Shore, when these things start off your shore, you will want the front end money, too.

We do not have the money in our State budget right now to take on the environmental tasks that are associated with trying to bring about the conditions so that we can develop the Gulf of Alaska, or develop the greater Outer Continental Shelf off Alaska. Sixty-five percent of all this Outer Continental Shelf is off Alaska, and yet this provides $200 million for the whole country. If we were even to attempt to solve the environmental problems in the Gulf of Alaska alone, it would cost us that much money. It cost us some $6 million to set up one environmental monitor.

As I have said, the simple solution today is to try to bring about some concept that the bonus moneys themselves are shared with the adjacent State and shared immediately. I urge that the managers of the bill consider that.

I can understand the mood of the Senate, too, about the total concept of the Bartlett amendment, the suggestion of knocking out the fund itself. But I do not think anybody can argue with the fact that a State which has this type of development off its shores needs money now. If California had had its percentage of the bonus money in the Santa Barbara leasing, it could have taken action to protect its State at the time, and it should have taken action at that time.

I believe we need this money now, and we need it at the time the leasing takes place.

Mr. JOHNSTON. Mr. President, I have no quarrel with the statement of the Senator from Alaska relative to the need of States which have offshore drilling. Indeed, the very reason, the very gravamen, behind the coastal States fund is the need of States to have money to deal with the economic, social, and environmental impacts of Outer Continental Shelf drilling. With that, we have no quarrel. We know those needs. Those impacts are real. In most instances, they are measurable, and always they are a burden upon the State.

I am tempted, as a Senator from a coastal State, to want to get this fund as juicy, as big, as nice, as lush as possible. Under certain assumptions, the amendment of the Senator from Alaska might make that a little bigger, a little juicier, for the State of Louisiana. Under certain other assumptions, perhaps not. But I am willing to say that probably it would mean more money for the State of Louisiana and the State of Alaska—under some assumptions, at least. But, Mr. President, my opposition—the opposition of the committee—to this amendment is dictated by two reasons.

First, and very plainly and very practically, we do not believe that this bill can pass if this amendment is added. The coastal States fund was very carefully balanced and worked out in the Committee on Interior and Insular Affairs. Even as modest as it is, we would like it to be bigger. It has elicited the very strong and very sanguine opposition of the colleagues of the Senator from Alaska on the other side of the aisle. I wish we were a little more successful in getting their support. I hope they are beginning to see the justice of the cause. In any event, even with this modest amount, it has elicited massive opposition.

Finally, the Senate, as indicated on the *Bartlett* amendment, after 25 years, for the first time has recognized the justice of the claim of the coastal States. For the first time, we have that in the law.

Mr. President, out of a desire to be better compensated, we do not want to lose what we have.

Another objection we have is that it does not provide for anticipated drilling. Under the bill as we presently have it, funds can be paid to a State which does not have drilling but anticipates drilling. This was the situation with the Gulf of Alaska. They are going to need some grants in the State of Alaska for anticipated drilling. Under this bill, they are authorized to do so, and the anticipated impacts of that drilling will be taken into consideration.

On the Atlantic coast, this will be most important, to be able to give grants for anticipated drilling. Before these leases are actually made, when we are just in the process of exploration, we will need some grants for anticipated drilling.

The amendment has the further defect in that it does not take into consideration the land and water conservation fund, which would be lost, as I understand it, if this amendment were agreed to.

Mr. STEVENS. That is not my understanding. We had that checked. It just takes the money in advance. The remainder of the money would go as presently provided in the bill.

Mr. JOHNSTON. I am glad to have that understanding.

Mr. President, the entire matter of offshore revenue sharing is now being studied by the Library of Congress in connection with the oceans policy review. I hope the Library of Congress will recommend, and that Congress eventually will adopt, some form of revenue sharing which more adequately compensates the adjacent coastal States. But until we have some real chance of success with sweetening this fund a little more, we have to oppose the amendment, on behalf of the committee.

I am prepared to yield back the remainder of my time.

Mr. STEVENS. Mr. President, I withdraw the amendment, under the circumstances, and offer another amendment.

The PRESIDING OFFICER (Mr. HUGHES). The amendment is withdrawn. The next amendment of the Senator will be stated.

The assistant legislative clerk read as follows:

On page 58, after line 13, insert a new subsection (c) and redesignate the following subsections accordingly.

"(c). In addition to the payments made from the fund, there shall be paid to the adjacent coastal state by the Secretary three percent (3%) of all bonus money received from the leasing of outer continental shelf lands adjacent to such state."

Mr. STEVENS. Mr. President, this amendment provides for the very minimum that should be paid to the adjacent State. The initial bonus money, 3 percent of that money, would go to the State involved. Most of these bonuses are in the vicinity of $100 million, and it would mean that the adjacent State would receive $3 million to prepare itself for the impacts that will come from development on those leases.

As I have said, I consider this to be the absolute minimum. I must state that I am going to oppose the bill unless something is done about front-end money for States such as mine. That opposition may not mean much to the managers of the bill. It means a great deal to me, because I want to see the Outer Continental Shelf developed.

I am not sure that this bill has much chance in the other body this year, anyway. But I think we have to start making a stand, and the stand has to be that if we are going to take on these environmental problems, if we are going to try to develop the great resources of the Outer Continental Shelf through the mechanism of private enterprise, but with the work of the State and with the Federal Government, the State has to have some front-end money. It cannot be expected to dip into its own revenues for 4, 5, or 6 years before it gets this money.

My good friend says $200 million—$200 million in terms of the work that has to be done off the State of Louisiana, in terms of development in your own State, is not enough. Look at the problems that were associated with the last lease sale off Louisiana and how long it took to get it approved after going through the courts.

I respect the position of the manager of the bill. I recognize the difficult position he is in, in trying to defend his committee at the same time he represents a State that has such a vast potential in the Outer Continental Shelf.

This is the minimum amount. I think it should be at least one-eighth. But at the very beginning, in terms of the problems we face now, I believe Alaska needs some money from the sale that is coming up next year in the Gulf of Alaska, against our objection. It is coming up at a time when we do not have the revenue from the Great North Slope. We do not have much money left on the lease-sale in the North Slope, and we have to have some assistance. I do not want our Governor put in a position where he has to beg the person he is fighting in terms of that development for a portion of that fund.

I say, in all good conscience, that this bill is defective, in my opinion, unless the States involved get some front-end money. When they start leasing off New Jersey or Delaware or South Carolina, something like this is going to happen. The problem is that our State is way up there, and everybody thinks we are rich right now, which is not true. We need this money next year, and this will provide that money next year—at least, a start toward solving the great problems that are involved. And it will be great. Its production will be equal, I think, to the great production of the State of Louisiana, in time.

Again, this amendment does not apply to production royalties. It applies only to bonus money, front-end money. I hope that the manager of the bill will favorably consider it.

Mr. JOHNSTON. Mr. President, I should like very much favorably to consider this amendment, because it means additional dollars to my State. But I should like first of all to tell what this amendment does.

It will add about $240 million a year, not to the fund, but to be distributed outside of the fund. We would get a big piece of that in Louisiana, and I like that. That will be just swell and hunky-dory, as far as I am concerned. But let me tell my friend from Alaska the practical problem we face.

In the Committee on the Interior, through a lot of persuasion and a lot of quoting of facts and figures and statistics, I was able to persuade my Democratic colleagues unanimously to go along on this bill. But my Republican friends—and we work together closely, and they usually demonstrate a little more wisdom than they did in this instance—every one of them voted against our $200 million fund, every single one of them. If my colleague from Alaska has a little better luck with his Republican colleagues, then perhaps I can go back to my Democratic colleagues and get them to sweeten the fund a little bit more.

What I am really saying is I do not speak in terms of partisan politics. I mean to speak as a coastal State representative. For the first time in 25 years, we have a $200 million a year fund to help with both front-end money for anticipated drilling and for existing drilling, to take care of some of the environmental, social, and economic costs. They are real costs.

I have the greatest sympathy in the world for the plight of the State of Alaska, because I know what it means to us and what it has done for us. But for the first time, we have gotten the fund. I say to keep it, on behalf of the Committee on the Interior, because I know that they will oppose sweetening it up any more than it is.

Mr. STEVENS. Let me ask the Senator, how long does he expect it will be before we have any money in that fund? They are going to be leasing our Gulf next spring. Unless we get front-end money out of the bonuses, we will not have it. We could not even have an appropriation fast enough, next spring, to have the $100 million seed money.

Mr. JOHNSTON. We shall get about $8 billion a year out of the fund, and 10 percent of that, not to exceed $200 million, will be dedicated to the fund. So in a matter of months, we will have it funded. And it does cover potential impact.

I want to be sure my colleague understands the funding of the fund.

Mr. STEVENS. I understand the funding of the fund, and I understand and appreciate the great work that the Senator from Louisiana has done. I have just been sitting here thinking that perhaps I placed my good friend in an embarrassing position, and I did not mean to do so.

I think this bill is not going to pass, anyway, on the other side, but I think it is time that people started thinking about the environmental problems associated with the development of the Outer Continental Shelf. Those problems fall on the State. They are not federally related. The only thing federally related is when somebody leases the lands and tells the oil industry to go out there and develop it, then the Federal Government gets all the money. The States get all the problems. All the onshore problems are documented very well.

Mr. JOHNSTON. I quite agree with the Senator.

Mr. STEVENS. In the Academy of Sciences study and the environmental quality studies, they are documented. We know that they are there. In Alaska, sometimes it means creating a whole new city. It means road networks, communications networks, with all the burdens on the State governments and the local governments.

I see no reason why we should be treated any differently from the State of Wyoming or Idaho or any other Western State with regard to the impact. Congress presumed the impact when it was onshore. As I said before, the impact offshore is even greater.

The PRESIDING OFFICER. The amendment, as drafted, is directed to a section of the bill that has already been amended. Therefore, it is not in order. The Parliamentarian has just informed the Chair of this fact.

Mr. STEVENS. I accept the Chair's ruling, but it is my understanding that this portion of that section was not amended. I am putting a new section in between (b) and (c). There is nothing there that was amended.

The PRESIDING OFFICER. It was amended previously by the amendment of the junior Senator from Alaska; therefore, it is not in order.

Mr. JOHNSTON. I say to my colleague from Alaska that he states the case very well and very eloquently. I know he will join with me in the other body to keep at least what we have, and perhaps to get it increased in the other body.

Mr. STEVENS. I say in all good conscience to my friend, and I shall be happy to yield, that I do not know what the status of the amendment is. I shall put in another amendment.

Is there control of time?

The PRESIDING OFFICER. There is control of time.

Mr. GRAVEL. Mr. President, I ask unanimous consent that the senior Senator from Alaska be permitted to submit his amendment to that bill.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. Mr. President, reserving the right to object, will this be contrary to the ruling laid down by the Chair?

The PRESIDING OFFICER. Any amendments regarding this will be contrary to the previous ruling of the Chair. The Senator has the privilege of redrafting his amendment and redirecting it if he wishes to do so.

Mr. STEVENS. I shall be happy to do that. I should like to ask a question on time.

The PRESIDING OFFICER. On the question of control of time, there is time on the bill.

Mr. JOHNSTON. Mr. President, I shall be glad to yield on the bill.

How much time does the Senator need?

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. STEVENS. On the time of whoever yielded me the time.

Mr. JOHNSTON. To be equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. After conferring with the Parliamentarian, I understand that it would be in order if I amend the amendment by having that section come at the end of section 25.

The PRESIDING OFFICER. The Senator has the right to modify his amendment. It would then be in order, so modified.

Mr. STEVENS. I modify my amendment in that regard.

The PRESIDING OFFICER. The amendment of the Senator from Alaska (Mr. STEVENS) is so modified.

The amendment, as modified, is as follows:

On page 65 after line 9, insert a new section 30 to read as follows:

"SEC. 30. In addition to the payments made from the Coastal State fund, there shall be paid to the adjacent coastal state by the Secretary three percent (3%) of all bonus money received from the leasing of Outer Continental Shelf lands adjacent to such state."

Mr. BARTLETT. Will the Senator from Louisiana yield?

Mr. JOHNSTON. I shall be happy to yield.

Mr. President, how much time do we have on the amendment?

The PRESIDING OFFICER. The Senator from Louisiana has 9 minutes.

Mr. JOHNSTON. I yield 3 minutes to the distinguished Senator from Oklahoma.

Mr. BARTLETT. I wish to advise my good friend, the junior Senator from Louisiana, who was talking about the Bartlett amendment earlier and the fact that it had only partisan support—at least, that was the implication. I did put into the RECORD letters from several Governors of both parties, including the Democratic Party, showing opposition to the Senator's proposal and support of my amendment.

Also, there were a number of Senators from the party of the Senator from Louisiana in support of the amendment.

Mr. JOHNSTON. If the Senator will yield, the Senator is correct. As a matter of fact, the count for the motion to lay it on the table was 43 Democrats, and 17 Republicans joined with us. So it was a bipartisan group. Against the motion were 9 Democrats and 20 Republicans. So even though it was a majority Democratic vote, there was a bipartisan coalition.

I hope that bipartisan coalition in favor of the coastal State fund will grow, and I hope that someday it will include the Senator from Oklahoma.

Mr. BARTLETT. I think chances of that are rather limited.

Mr. JOHNSTON. If the Senator will yield, we have him on the "doubtful" list right now.

Mr. BARTLETT. I know that the Senator from Louisiana is very sincere about this legislation, but I have real concern about this kind of wanting your cake and eating it, too, which I expressed earlier. I know that the Senator from Louisiana expressed at that time that the $200 million would not be enough for the coastal States.

I say to my good friend from Alaska that his amendment, of course, proposes to make this a larger figure.

We are talking about the proceeds from an area, the Outer Continental Shelf, which belongs to the Federal Government, to all the citizens, and I think the beginning that we might be making here today—although I doubt it, because I think this bill will be dead in the House of Representatives—if it did become law, we would be starting down that road of sharing in these funds that belong to all the citizens of this country. Once that was started, it would continue.

We passed, earlier in the year, a budgetary reform bill. I think most Senators are interested in balancing the budget. I think those who are know that in the future we will have to reduce the uncontrollables and increase the controllable expenditures if that end is to be accomplished.

This bill would reduce the amount of controllables that now exist, and make it that much more difficult in the future to balance the budget or have any control over the budget.

So I think the steps being taken by the Senator from Louisiana, and this particular amendment proposed by the Senator from Alaska, fly right in the face of any kind of sensible economic and fiscal approach to sound Federal Government.

So I very strongly oppose the action of the Senator from Alaska. I think it is fiscally irresponsible, and would be starting or continuing a trend that would lead to more and more people wanting to partake in the rich Outer Continental Shelf, for no reason, in my mind, other than just having a larger share, and no reason other than selfishness on the part of some States.

Mr. JOHNSTON. Mr. President, I am

prepared to yield back the remainder of my time.

The **PRESIDING OFFICER** (Mr. NUNN). Does the Senator from Alaska yield back the remainder of his time?

Mr. **STEVENS**. Mr. President, I think, with the parliamentary situation involved, I do not want a record vote on this subject on a bill that I do not think will have much future. So I ask for a voice vote on the amendment, and I yield back the remainder of my time.

The **PRESIDING OFFICER**. All remaining time having been yielded back, the question is on agreeing to the amendment, as modified, of the Senator from Alaska (Mr. STEVENS).

The amendment, as modified, was rejected.

AMENDMENTS NOS. 1884 AND 1885, EN BLOC

Mr. **BARTLETT**. Mr. President, I call up my two amendments, No. 1884 and No. 1885.

The **PRESIDING OFFICER**. Does the Senator ask that they be considered en bloc?

Mr. **BARTLETT**. I ask unanimous consent that the amendments be considered en bloc.

The **PRESIDING OFFICER**. Without objection, it is so ordered. The amendments will be stated.

Mr. **BARTLETT**. I ask unanimous consent that the reading of the amendments be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. BARTLETT's amendments are as follows:

AMENDMENT No. 1884

On page 71, line 4, after the word "obtained" insert a period and strike the remainder of the sentence.

AMENDMENT No. 1885

On page 48, line 1, after the word "information" insert a period and strike the remainder of the sentence.

Mr. **BARTLETT**. Mr. President, these amendments are very similar. They both have to do with privileged, confidential information.

I should like to read the language in the bill as far as the first amendment is concerned. It says:

> The Secretary shall, by regulation, require that any person holding a lease issued pursuant to this Act for oil or gas exploration or development on the Outer Continental Shelf shall provide the Secretary with any existing data (excluding interpretation of such data) about the oil or gas resources in the area subject to the lease.

Then it goes on, and this is the language that my amendment would delete:

> The Secretary shall maintain the confidentiality of all proprietary data or information until such time as he determines that public availability of such proprietary data or information would not damage the competitive position of the lessee.

In the second amendment, the deleted language is very similar. It provides that—

> The Secretary shall maintain the confidentiality of all data so obtained until after the areas involved have been leased under this Act or until such time as he determines that making the data available to the public would not damage the competitive position of the permittee, whichever comes later.

Mr. President, I assert that leaving the determination of whether proprietary data would damage or not damage the competitive position of the lessee is not just, it is not sure, it would not in any way encourage the leaseholder to acquire information, and it would give him no assurance that his private property would not be taken.

Not so long ago the Department of the Interior had hearings on regulations concerning the leasing of the Outer Continental Shelf, and there were some 29 different groups testifying. Twenty-eight of those all testified that the regulations would result in less drilling activity, less exploration, less acquisition of information which would lead to further drilling and exploration, and, totaling it up, would lead to less development of the Outer Continental Shelf. Only 1 of the 29 testified in favor of the proposed regulations.

Those regulations included the taking by the Federal Government of proprietary information. Even with the proposed amendments, there would be the problem of the Secretary maintaining the confidentiality, and with the amount of leaks that take place in the Federal Government, there would still be a tremendous risk. But the Secretary would have access to this information on a confidential basis, in order to better exercise his responsibilities as to the Outer Continental Shelf.

I urge very strongly that the proprietary information be withheld as long as the person who has that information decides it is proprietary, and that it not be left up to the whims of the Secretary to decide whether or not this information would damage the competitive position of the lessee.

This proposal flies right in the face of the whole basis on which the private enterprise system functions. It is developed on the premise that people do have confidential information, and that they have a way of doing something. In fact, many of the geologists are selling their ability to interpret information; that is what they have to sell, and if their knowledge and information is taken from them, then their ability to sell their services is reduced.

These two proposals in the bill, to make available under certain circumstances the proprietary information belonging to all companies and individuals, would do much to reduce the lease activity rather than increase it, would do much to reduce drilling rather than increase it, and would do much to slow down the entire Outer Continental Shelf activity.

It would involve the taking of private property without the Federal Government paying for it, and so it would be violating a very basic premise of respect for private property that has been inherent in our form of government for many years.

I would like to read a few comments that the Society of Independent Professional Earth Scientists have made on the matter of confidential information. They say:

> The expertise of private enterprise has done a marvelous job of finding hydrocarbons.

I would certainly underscore that by reminding my colleagues that of all the efforts in the world to develop oil and gas, those carried on by the companies in the United States have been far superior to any others, private or nationally owned.

The earth scientists also say:

> Automatic release of geological and geophysical information appears to us to be a seizure of private property and trade secrets without due process of law.

They also say:

> We are the people that you say you are trying to help with these proposed rules. You are wrong. The proposed changes would drive us to the wall and hurt us to the core. Our ideas as to where it is——

Meaning oil and gas——

> and whether or not it is profitable to go get it, are our stock in trade. These trade secrets are our business, and our only business.

They say further:

> It could be the ruination of our superior, highly sophisticated geophysical industry. Or perhaps not; they might just explore for other countries to remain employed.

I also wish to read very briefly what the American Association of Petroleum Geologists said, in part.

They said:

> It is the experience of this Association of Professional Explorationists that our free enterprise system has operated in a manner that has established the worldwide standard for efficient and effective exploration. Under this system individual interests developed new technology and information which is not disclosed to other private or public interests but is retained for their own proprietary use. This system has served the public interest very well.

I know the distinguished Senator from Louisiana is very familiar with the whole process of finding oil, and I know that he understands what an important part of the whole process the exploration part is and why it is important to this country to expand the opportunity and the incentive to acquire more information rather than to reduce it.

Mr. **JOHNSTON**. Will the Senator yield, Mr. President?

Mr. **BARTLETT**. Yes, I yield.

Mr. **JOHNSTON**. I think the Senator is voicing some fears which are not present in the bill, and we would like to accommodate clearing up those fears as best we can.

First of all, I think the question is, What damage would this information released do to the evaluation of adjacent unleased acreage and to the competitive position of a lessee? Well, in my judgment, if the release of information affects the competitive position of a lessee and the evaluation of adjacent unleased acreage, then it ought to be held in confidence. As long as we have the adjacent unleased acreage which this legislation would affect, I think the Secretary would not be at liberty to release the information.

If the Senator is concerned with the untrammeled discretion of the Secretary, I am willing to modify the legislation to accommodate the amendment of the Senator from Oklahoma.

Mr. **BARTLETT**. Let me comment on that. The interpretation of geological or geophysical information is not as precise as the Senator states. The information that a person may have at a particular time may be interpreted one way, which is referred to as geophysical information, and it may be interpreted one way by one particular firm. Others may later on decide different ways of interpreting that same basic information or another well may be drilled.

Mr. JOHNSTON. Does the Senator understand that interpretative data are not included, that that may not be——

Mr. BARTLETT. Yes, I understand. But I also understand this information may be interpreted by the Federal Government in one way, and it may be the same way that that would be interpreted by the owner of the information and, based on that interpretation, which might be wrong, a well would be drilled in the wrong place. But later on the information could have real value because another well drilled perhaps in another part of this tract or another tract, providing a positive depth to a datum plane, it would be very clearly evident that the original interpretation was wrong and, therefore, in reevaluating this, this basic data could have very good value.

Mr. JOHNSTON. If I may explain to the Senator and explain what I am willing to do, perhaps his fears will be allayed.

Mr. BARTLETT. Well, the only reason I am commenting is that the Senator was setting up an example of offset acreage and that if the information of the production on one lease or one lease was fully developed, perhaps that point could be passed on.

What I am trying to point out is that the information can have value at any time, and it may appear to be valueless at one particular time and then later on be extremely valuable.

Mr. JOHNSTON. If the Senator will listen——

Mr. BARTLETT. Yes.

Mr. JOHNSTON. To what our interpretation is and, as part of the legislative history, that becomes the interpretation of the bill.

As we interpret this, as long as this information can affect the evaluation of adjacent unleased acreage then it ought to be held by the Secretary confidentially. It can in no event release interpretation of data but only of the basic data; and we are willing to go a step further if the Senator does not have full confidence in the judgment of the Secretary in this respect, and add language in both places that the permittee or the lessee, as appropriate in the two different sections, shall have a right to judicial review of the Secretary's determination prior to the information being made publicly available. We are willing to go with that.

It would seem to me that with these understandings and with that modification in both places that that ought to fully protect the Senator's fears on proprietary data.

Mr. BARTLETT. I would like to say to the distinguished Senator from Louisiana that that would be a very definite improvement, and I am very appreciative that that is the kind of intent that he has.

But let me still voice the concern that I have. The Senator said if it was determined that this information—I wish he would restate it about the offsets, then I will comment.

Mr. JOHNSTON. Yes. So long as the information, the factual data, could affect the evaluation of adjacent unleased acreage then it is our interpretation that it should be kept by the Secretary confidential. So long as it can affect that, that is what is meant by a competitive position. It does not have to be exactly contiguous, but adjacent unleased acreage.

But what we want to do is once information becomes valueless, and once all the tracts have been leased, then we want to know what we have got in the ground as best we can and, at that time, the information ought to be made public so that the public can come in and evaluate the kind of job that the Department of Interior has been doing in its leading program.

Mr. BARTLETT. I would say to my distinguished colleague certainly this is an improvement in the bill. If I understand it correctly, so long as it would affect any unleased acreage, not just offset——

Mr. JOHNSTON. That is correct.

Mr. BARTLETT. So it could conceivably go a considerable way from that particular bit of information.

Mr. JOHNSTON. Right. That would be a geologic determination. But so long as it can affect that competitive position, it may be 100 feet away, it may be, I do not know, how many yards, hundreds of yards, but so long as it can affect it, can affect any adjacent acreage in the area, then it ought to be kept confidential, and we agree with that. But once all this area has been leased, and once it is of no value to anyone except to the public to evaluate the kind of job that the Secretary has done, to measure what these dollars he got in the cash bonus, and the dollars received in income against what the value of the oil remaining in the ground is, that is why we want it, and that is what we think the public has a right to know. But we are willing to protect fully the Senator's concern, and I am glad that he has brought this to a head so we can make it crystal clear.

I will be glad, if the Senator will withdraw his amendment, to add that right of judicial review.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. BARTLETT. Mr. President, I ask for some time on the bill.

The PRESIDING OFFICER. The Senator from Louisiana has 15 minutes on amendments, if he will yield some time to the Senator from Oklahoma.

Mr. JOHNSTON. Yes. How much time would the Senator from Oklahoma wish?

Mr. BARTLETT. Five minutes.

Mr. JOHNSTON. I yield 5 minutes to the Senator from Oklahoma.

Mr. BARTLETT. I wonder if the Senator from Louisiana would accept this amendment with that provision that he suggested in it or alter this amendment to provide that, plus the judicial review?

Now, I would like to make this point to the Senator. The real reason why I am so vitally concerned about any possibility of private property, privileged information, being made available to the public against the wishes of the person who owns that property and who has paid for it, the argument is made, as the Senator knows, that because we are dealing with public lands that this should then be public information.

Mr. JOHNSTON. Once it becomes of no value for competitive purposes.

Mr. BARTLETT. In the determination of whom is it, is the problem.

If it is determined by one person, of course, the Secretary, then there is a real question. If it is determined by the person who owns the data, it makes sense.

Mr. JOHNSTON. As I say, I am willing to accede to it, and, in the first instance, the Secretary would refuse that, and if that is not sufficient then the lessee or the permittee can go to court and test it there.

I submit, it would be a fairly easy matter to show there is unleased acreage in the area that could be affected, and that is all one has to show on the right to judicial review.

Mr. BARTLETT. I would like to point out to the Senator that when this information is made public, it is not made available to the public for the benefit of the public, because the public does not have the knowledge, expertise or training to utilize this information in order to use it for any purpose that is going to fulfill the goal of the bill, to increase leasing or activity on the Outer Continental Shelf.

The Senator knows that, and that the only people who can use this information are other people in the business.

So the concern I have in accepting the Senator's offer, which certainly is a great improvement on the bill, is that what we are involved with here is taking private property and then making it available to the competitors. In the process I am afraid there would be a reduction in the activity, a reduction in the drilling, and a reduction in the exploration.

Mr. President, I suggest the absence of a quorum, to be equally divided.

The PRESIDING OFFICER. On whose time?

Mr. BARTLETT. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does the Senator from Louisiana yield back his time?

All time of the Senator from Oklahoma has been yielded back.

Mr. JOHNSTON. Yes, I will yield back the remainder of my time and, Mr. President, I move to table the amendment.

Mr. JACKSON. Mr. President, I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JOHNSTON. This is to table both en bloc.

The PRESIDING OFFICER. They are being considered en bloc.

The question is on the motion to table. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Arkansas (Mr. Fulbright), the Senator from Michigan (Mr. Hart), the Senator from Indiana (Mr. Hartke), the Senator from Massachusetts (Mr. Kennedy), and the Senator from Rhode Island (Mr. Pastore) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pastore) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. Bennett), the Senator from New York (Mr. Buckley), the Senator from Kentucky (Mr. Cook), the Senator from Nebraska (Mr. Curtis), the Senator from Colorado (Mr. Dominick), the Senator from Arizona (Mr. Goldwater), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

I also announce that the Senator from Illinois (Mr. Percy) is absent on official business.

The result was announced—yeas 68, nays 17, as follows:

[No. 411 Leg.]

YEAS—68

Abourezk
Aiken
Allen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cotton
Cranston
Dole
Domenici
Eagleton
Eastland
Ervin
Gravel
Griffin
Gurney
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Long
Magnuson
Mansfield
McClellan
McGee
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevenson
Symington
Talmadge
Thurmond
Tunney
Weicker
Williams
Young

NAYS—17

Baker
Bartlett
Beall
Bellmon
Brock
Byrd, Harry F., Jr.
Fannin
Fong
Hansen
Helms
Hruska
McClure
Metcalf
Scott, William L.
Stevens
Taft
Tower

NOT VOTING—15

Bayh
Bennett
Bentsen
Buckley
Cook
Curtis
Dominick
Fulbright
Goldwater
Hart
Hartke
Kennedy
Mathias
Pastore
Percy

So the motion to lay on the table Mr. Bartlett's amendments (Nos. 1884 and 1885) was agreed to.

Mr. JOHNSTON. Mr. President, if there be no further amendments, I ask for third reading of the bill.

The PRESIDING OFFICER (Mr. Huddleston). The bill is open to further amendment. If there be no further amendment, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. FANNIN. Mr. President, I shall just take a moment.

The minority report states the position that the five members of the minority have taken. I should like to read portions of a letter, a copy of which is on the desk of each Senator.

Mr. McCLURE. Mr. President, may we have order, so that we can hear the Senator?

The PRESIDING OFFICER. The Senator will be in order. Senators will take their seats.

Mr. FANNIN. The letter is addressed to Senator Hugh Scott.

> We understand that S. 3221 relating to the energy resources of the Outer Continental Shelf is scheduled for floor action shortly. As we have previously stated on several occasions, the Administration is firmly opposed to passage of this bill at this time and we urge your strongest efforts to see that it is not favorably considered.
>
> Enactment of S. 3221 would seriously disrupt current efforts to achieve full utilization of vitally needed OCS energy resources. Many of its provisions are unclear or redundant of existing law. Taken as a whole, the measure will inevitably result in reassessment and interruption of our present program, which includes a proposed leasing of 10 million acres of OCS lands in calendar year 1975 and will involve extensive environmental, safety and information-developing efforts.
>
> * * * * *
>
> In summary, reasons we have given for opposing enactment of S. 3221 continue to be valid and the Administration therefore recommends that S. 3221 not be enacted. Your efforts on support of this position will serve the public's interest in a sound energy program which properly balances economic, environmental and other pertinent considerations.
>
> Sincerely yours,
> Rogers C. B. Morton,
> *Secretary of the Interior.*

Mr. President, I ask unanimous consent that the entire letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Department
of the Interior,
Office of the Secretary,
Washington, D.C., September 12, 1974.

Hon. Hugh Scott,
U.S. Senate,
Washington, D.C.

Dear Senator Scott: We understand that S. 3221 relating to the energy resources of the Outer Continental Shelf is scheduled for floor action shortly. As we have previously stated on several occasions, the Administration is firmly opposed to passage of this bill at this time and we urge your strongest efforts to see that it is not favorably considered.

Enactment of S. 3221 would seriously disrupt current efforts to achieve full utilization of vitally needed OCS energy resources. Many of its provisions are unclear or redundant of existing law. Taken as a whole, the measure will inevitably result in reassessment and interruption of our present program, which includes a proposed leasing of 10 million acres of OCS lands in calendar year 1975 and will involve extensive environmental, safety and information-developing efforts.

Equally as significant as the harm which the bill will do to our present energy program are the inordinate expense and inappropriate financial provisions of the bill. For example, the OCS mapping and survey program would require extremely large expenditures of money without producing commensurate benefits. Similarly, establishment of a Coastal States Fund is wholly unwarranted either from the standpoint of best use of the Federal budget or fair allocation of resources among States.

The objectionable features of S. 3221 have been set forth in detail in two previous letters to the Senate Interior and Insular Affairs Committee dated May 4 and July 26, 1974. While the Committee reported bill was modified to deal with some of the objections, these are relatively minor and most of our previously expressed objections continue to apply to the reported bill.

In summary, reasons we have given for opposing enactment of S. 3221 continue to be valid and the Administration therefore recommends that S. 3221 not be enacted. Your efforts on support of this position will serve the public's interest in a sound energy program which properly balances economic, environmental and other pertinent considerations.

Sincerely yours,
Rogers C. B. Morton,
Secretary of the Interior.

Mr. FANNIN. Mr. President, I trust that Senators will take into consideration the request of the Secretary, that this legislation is not necessary at this time, and that they will vote in opposition to the measure.

Additionally, Mr. President, I want to stress today that, we as Americans, have a choice between an increasing dependence on unstable high priced foreign sources of oil and gas, or developing our near-term and long-term capability for energy independence, or the Nation will continue to face the prospect of imposed production limits of high priced oil from unstable foreign suppliers. Worse yet, increased dependence on unstable foreign petroleum suppliers could lead to a crisis of major proportions if the Arab Nations were to impose an oil embargo for an extended period of time when we are even more dependent on imported energy than we are now.

Consequently, if we want to achieve the goal of energy independence then we must forge ahead with development of the possibilities we have. Clearly, one of the most important is the development of our Outer Continental Shelf resources. We must accelerate the search for our oil and gas resources in the OCS area. And, the chances of finding large fields seem to be quite favorable in the frontier areas of the OCS than in mature producing regions such as the western Gulf of Mexico or onshore in this country. Therefore, additional OCS development is, simply, critical to achieving energy self-sufficiency in the years ahead.

However, I am vitally concerned that the overall result of many of the provisions of the bill, S. 3221 would result in a delay or slowing down of OCS development. I feel this proposed legislation would inhibit—rather than help—in the development of our offshore resources. The oil companies have shown great measures of responsibilities in developing the OCS—so if the objective of legislation is to expedite development—then Congress should consider more progressive legislation. Up to this point in time, the Department of Interior with the cooperation of private industry has been doing a fine job in developing the OCS and I believe S. 3221 would only delay the much needed additional development.

It appears to me, though, that the net result of S. 3221 is that it will not only fail to expedite the energy search on the OCS, but, on the contrary, will seriously obstruct that program. I agree that the Interior Department is subject to criticism for failing in the past to schedule OCS lease sales regularly and more frequently. The oil industry has frequently urged more frequent OCS lease sales. This problem, however, has resulted entirely from the administration of the OCS Lands Act, rather than from any deficiencies in the act itself. It must be recognized, of course, that in recent years environmental concerns and the highly technical requirements of the National Environmental Policy Act have contributed substantially to these delays. It is well known that the National Environmental Policy Act has been the basis for the many extreme technical objections used by various environmental groups in delaying OCS sales. The most vivid example of these tactics, of course, is the 4-year delay in the commencement of the Alaska pipeline. The most effective action that could now be taken to prevent future delays would be to consider amendment of the NEPA, to enact more practical and realistic provisions for protection of the environment.

I believe any analysis of S. 3221 would substantiate my fears of substantial delays and verify the need to work under the present law, at least for the ensuing 2 or 3 years. Just a few examples of delay of OCS development would occur from provisions found under section 202, which adds the following new section to the OCS Lands Act:

> Section 18(a) indicates that prior to 1985, a determination will be made as to the OCS areas favorable for accumulation of oil and gas and capable of supporting oil and gas development without undue environmental hazard. Nowhere in the bill is it stated how or when this determination will be made.
>
> Section 18(b): The Secretary is required to prepare a leasing program considering such things as resource values, impact on marine environment and distribution geographically in various OCS areas in accordance with the energy needs of such areas. These criteria are extremely vague and general to the extent that the Secretary is required to conduct vast research and studies in the preparation of the leasing program, which will necessarilly delay rather than expedite. Further, these vague criteria could constitute the basis for endless legal attacks.
>
> Section 18(d): The environmental impact statement required under this section would be extremely voluminous and wide in scope and, again, would require a considerable amount of time. Many exhaustive environmental statements have been prepared in connection with OCS lease sales and, since various OCS areas have many environmental characteristics in common, the additional study required by this section appears to be totally unwarranted. A course minimizing instead of exaggerating the environmental studies would be vastly more preferable.

In conclusion, I firmly believe that the stated objective to increase the Nation's energy supply from the OCS is commendable, however, S. 3221 will actually seriously obstruct the present program for expediting leasing and exploration in the OCS. Because, Mr. President, the offshore areas of this country is the key near-term solution to the problem of energy dependence on foreign nations. To promote exploration and development on the OCS, we in the Congress of the United States must establish firm, consistent, fair, long-term public policy so that industry can make their plans to meet our national goals. New legislation offered would not only create instability and disincentives to increased production but are also unnecessary.

These delays and uncertainties that this legislation would place upon the shoulders of industry in its quest for more energy on the Outer Continental Shelf is what we, as legislators, must consider—because there is no business in the world that is more uncertain than exploration for oil and gas. No matter how much data they accumulate and analyze, there is no possible way for them to know, until they drill, whether any tract will be a producer and, if so, in what amount. When it comes to the OCS, the operating problems proliferate and are aggravated by enormous capital requirements. And more often than not it takes more than one well drilled at three to five times the cost of land wells to tell the industry whether they guessed right or wrong when they made their bid. If they "luck out" and find production, platforms ranging in cost from $10 to $50 million must be built and multimillion-dollar pipelines installed. Nevertheless, all of this aside, the need for increased leasing of the OCS must be emphasized. Given adequate advance knowledge of the schedule and the anticipated size of the sales, the petroleum industry can and will accommodate itself to the increased available acreage.

According to the report of the Senate Interior Committee, S. 3221 is designed to facilitate the rapid and responsible development of the oil and gas resources of the Outer Continental Shelf. I concur with all who recognize the importance of developing these resources—estimated by the U.S. Geological Survey to be a total of 5.7 billion barrels of oil and 38.8 trillion cubic feet of gas, potentially enough oil to meet America's total needs for 15 to 20 years, and enough natural gas for 25 to 35 years.

There is certainly an intense need for this development. It must be a large part of our effort to relieve ourselves of our dependence on foreign sources of energy, and the Outer Continental Shelf can be expected to provide the largest single source of increased domestic energy at a low cost and with substantially less harm to the environment than most other sources.

We will not only increase our supplies with this development. I believe that it will also work in our favor in our relationships with the oil-producing nations. Two OPEC members recently cut back on production in order to keep oil prices at a high level. It appears that these oil-producing countries have no intention of increasing production and decreasing prices when there is no benefit in such a move for them. But they might be more receptive, for a number of reasons, to lowering the price level if they see we are making a definite and substantial effort to increase our own supplies. We certainly cannot expect their attitude to change if we do not make this effort.

We cannot in any way afford to have delays in the development of this energy source similar to the 5-year delay we experienced on the Alaska pipeline, especially when we recognize the fact that leadtimes in offshore drilling are long—generally 3 years or more from making a discovery to actually producing oil or gas commercially—and in remote areas, it can be even longer.

All of us want as rapid OCS development as possible. But, I differ with those who support S. 3221, because I believe this bill will do so much to discourage the private participation absolutely necessary for the program, thereby delaying rather than accelerating OCS development.

There are a number of provisions in the bill which discourage private participation:

Section 8 of the Outer Continental Shelf Lands Act would be revised to specify that bidding for OCS leases on a "net profit" basis is allowed in addition to bonus bidding, but royalty bidding would be excluded.

Granted, bonus bidding has historically been used for Federal OCS leasing, but the Department of Interior is committed to a royalty bid offering on 10 tracts of land some time this month. The information developed will tell us enough about bonus and royalty bidding to indicate whether we should consider other forms of bidding. A number of other methods such as profit sharing, installment, or contingency bonus payments are also being examined. I believe this is, therefore, the wrong time to be limiting the bidding system.

Royalty bidding allows for payment after the tract is producing. The Government, of course, hopes to obtain the best price for the leases and most rapid development of the tracts. At a time when an enormous amount of capital is needed for exploration and development, the upcoming experiment may prove to be very attractive to private industry, because a company would be able to take the funds it would normally have to use initially under the bonus bidding system and use them for exploration and development elsewhere, using the funds earned eventually from the production on the land to assist in repaying the purchase under the royalty bidding plan. Under the bonus bidding plan, circumstances might make other investments which do not tie up funds for so long more attractive and profitable and discourage some private industry interest in OCS tracts.

Granted, this has not been tried on OCS tracts yet, but the point is that at a time when the possibility of variety is before us, we should not use a provision such as the proposed amendment to section 8, to limit the alternatives and possibly discourage some private industry bids. We should make every effort to be sure we have the bidding plan which suits the particular circumstances for a tract, which will contribute the most to rapid OCS development, and which will encourage the most bidding competition between companies for development of the tracts.

Second, several sections in the bill are anticompetitive, specifically sections 202 and 207 which would require the Secretary of the Interior to obtain unlimited data and other information on oil and gas reserves for environmental impact statements, authorize him to require lessees and exploration permit holders to disclose "any data about the oil or gas resources in the area subject to lease" in order to conduct a mapping program, and require as a condition for the issuance of an exploration permit, that a permittee turn over to the Government all data obtained during exploration.

By enacting this bill, we run the risk of Government confiscation of proprietary information and create a situation which is anticompetitive. Private companies maintain and build their competitive positions on the strength of their own proprietary information. If this information were to be given out by the Government this competition would be destroyed and OCS development would be severely delayed.

If the risks are too high and proper incentives are not provided, the data and information disclosure requirements would discourage private efforts to obtain such exploratory data; and the result would be a substantial lessening of private exploration. Private industry just might elect to stay out of OCS development—or at least take a wait-and-see attitude at first—if the risks are too high, and our whole energy policy of moving toward greater self-sufficiency would be the very real and eventual loser.

In turn, there would be a "snowball" effect on future OCS bids, because the Government would be forced into obtaining more of the data itself, and the companies might be reluctant to risk so much of their own capital based on the exploratory information collected by the Government.

In addition to the above-mentioned sections of the bill dealing with data, a new subsection 19(b) would authorize the Interior Department to obtain information by itself conducting, contracting for, or purchasing the results of surveys and investigations and new section 19(c) would direct the Interior Department to map OCS areas to a degree of detail suitable for actually drilling for oil and gas and states that no area may be leased until such maps are published. These provisions put the Government directly into competition with private enterprise; and the availability of massive amounts of this information would, when the risks become too high for private industry and it becomes discouraged, provide a basis for the nationalization of the petroleum industry or the establishment of a Federal oil and gas exploration company.

Thus, through the creeping process of requiring data on leases and exploration, we run the risk of destroying the private oil industry in the United States and setting up a captive market with the ability to control prices. Much of the success of this country has been dependent on the free enterprise system and we are all aware from past experience, that Government operation does not always mean greater success and efficiency. This Nation's future, and the economic future of the world depend to a large extent on the assurances of an adequate energy supply in the United States. It is simply too great a risk to take to nationalize the industry or establish a Federal oil and gas exploration company at this time. If the margin of success under the Government operation were not as great as we have now under free enterprise, the end result might spell economic disaster for the United States and the rest of the world.

I, therefore, implore my colleagues to look carefully at these provisions in S. 3221 which will discourage private participation in OCS development and might delay rather than accelerate this development. Existing law provides the tools necessary for OCS development. Therefore, I hope you will vote to defeat S. 3221 and thereby prevent possible disaster in our OCS development efforts.

One knowledgeable commentator on the economic scene[1] has noted that "shortages become a crisis when Government intervenes to frustrate the ability of the free market to function." Further, the free market is not chaos, but a "continuous economic referendum," representing the decisions of an infinite number of individuals expressing in action their opinions or values. To a large extent, a scarcity of energy in the United States was assured as early as 1954 when Congress authorized the Federal Power Commission to regulate the wellhead price of natural gas at artificially low levels—this overstimulated consumer demand and dampened producer initiative—a sure guarantee of impending shortages. Ill-timed Federal stop-go policies in permitting drilling for oil and mining coal, and insufficient fragmented leasing acreage offered for exploration and development have eroded productivity and aggravated doubt and dilemma in an already uncertain economic climate. Yet, the transition period through which we are passing now requires precisely what we have hindered—decisive, pragmatic development of our domestic resources guided by a cogent natural energy policy. A nonhysterical perspective must balance all national interests and provide a choice for public consensus on the necessary tradeoffs between employment, economic and social well-being, conservation, environment, and national security. Treasury Secretary William E. Simon and others have warned that only an all-out, immediate effort to maximize domestic production of our resources will convince OPEC nations and other potential cartels of U.S. determination to withstand foreign economic and political blackmail. Federal Reserve Board Gov. Henry Wallich recently pointed out to Congress that exorbitant world oil prices have wiped out any recent gains in overcoming our balance-of-trade deficit, presently hovering at a deficit of $7 billion per year.

It becomes embarrassing to demand to be singled out for compassion by OPEC countries when other dependent European countries have permitted and solicited exploration by private companies, many of them American. Great Britain expects to be 75 percent self-sufficient by 1980, because of the North Sea production. Canada has permitted drilling, 70 wells to date, in the North Atlantic off Nova Scotia. American technology is developing the offshore reserves of Nigeria, Gabon, Indonesia, and other farflung areas. By comparison, U.S. OCS oil and gas development has been inordinately slow. Not one well has been drilled off the Atlantic coast. Though the U.S. Treasury received almost $7 billion from lease sales in the Gulf of Mexico, oil companies were granted mere "hunting licenses" to go out and search for new reserves of oil and gas. Citing materials and manpower shortages, enormous capital requirements and pending legislation such as S. 3221, industry and administration officials glumly foresee no notable reduction in U.S. dependence on foreign imports within the next decade.

It is time to cease demagogic attacks on oil companies, and recognize, as Secretary Simon warned, that a viable energy policy and increased supplies can arise only out of Government and industry cooperation. Finding and producing oil and gas in the frontier areas of the OCS is imperative when we realize that production of petroleum from underground reservoirs naturally declines at a rate of 10 to 15 percent per year. Yet, we are considering a bill, S. 3221, which, though ostensibly designed to accelerate exploration and development of our offshore energy reserves, would, in fact, frustrate, delay, and discourage production. Further, though purporting to clarify the present OCS Lands Act, S. 3221 would overlap and duplicate its provisions; its new specifications would frustrate the present law's administrative adaptability to the risky, unknown, and changing conditions of oil and gas operations' ocean environment. Further, huge budgetary expenditures would drain

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[1] *Walter B. Wriston* (Chairman, First National City Corp.), "Whale Oil, Baby Chicks, and Energy," National Review, June 7, 1974.

Government funds; the Geological Survey estimates that an oil and gas survey and mapping of the entire OCS, as section 202, 19 requires, could cost several billion dollars. And the Survey insists that much of that data would be useless to Government or prospective private operators.

DETRIMENTAL EFFECTS OF A FEDERAL OIL AND GAS SURVEY

This activity would not only consume time and diverse technical expertise away from the more urgent selection of tracts offered for leasing, but would destroy a segment of the private sector whose lifeblood depends on searching out and providing for sale, such proprietary geologic information. Both independent and integrated companies have opposed separating exploration from development to determine the precise magnitude of reserves prior to leasing as only delaying any substantial increase to our domestic energy supply. Exploration by Government will only foreclose and stifle the application of diverse exploratory ideas and will discourage competition, thereby lowering bonus bids. Thorough exploration never ceases as the operations off Nova Scotia, in the North Sea, and Gulf of Mexico demonstrate. Most independents and large oil companies attribute delays in OCS development to irregular, infrequent lease sales that offer inadequate acreage, not of deficiencies in the act or of regulations issued by the Interior Department. A start-stop, on-again, off-again Government policy has plagued exploration and development efforts long enough. The industry requires steady, competitive activity for effective exploration.

Recently, the Interior Department canvassed independent and major oil companies for their comments on revised leasing programs, including a Federal exploratory leasing and stratigraphic drilling program. All the companies agreed that such a program is wholly unnecessary, would delay programs, and would be ineffective; the best drilling structures are usually large and complex, requiring a considerable exploration program involving many wells to define potential. Even a few holes drilled on a structure do not condemn an area if they turn out to be dry, and will not significantly speed up initial exploration if traces of hydrocarbons appear. The companies pointed out that—

Two hundred holes were drilled in the North Sea before the first major oil discovery occurred.

Sixty-five holes were drilled off Nova Scotia without finding commercial quantities of hydrocarbons.

Countless unsuccessful holes were drilled in the Alaskan North Slope, except for Prudhoe Bay.

FRUSTRATION OF COMPETITION

Discounting any incentives to increase production, the companies, to a man, vehemently objected that a Federal exploratory program would destroy the independents' offshore business of finding and selling crude oil. In publicizing previously proprietary data, the Government would be selling known deposits and, thus, favor integrated companies who possess sufficient funds to meet the bids.

However, ignoring the pleas of independent firms, section 19 of S. 3221 would authorize the Interior Department to:

Obtain proprietary information through its own conduct of an extensive OCS oil and gas survey.

Require the industry to share its data about "the oil and gas resources" as a condition precedent for retaining a lease.

Restrain actual leasing until it had mapped the OCS to a degree of detail suitable for actually drilling oil and gas and published these results.

Section 207 would require disclosure to the Interior Department of data obtained pursuant to exploration permits.

Further, the companies expressed approbation of the proposed sale in 1975 of 10 million acres in several frontier areas, covering a limited number of leases and requiring unitized operations. The Government presently expects lease sales in 1975 to range from $13.2 to $29.8 billion—the actual areas being leased will significantly affect the amount of bonuses. Even so, neither the Government nor the small companies anticipate to encounter limitations in their access to capital markets or maintain that capital availability has historically prevented independents from playing a major role in recent OCS development. Offshore drilling companies, comprised of large companies and other small companies, individually or in consortia, have formed under stock offerings to specifically operate on the OCS and thereby increase competition for OCS leases.

COMPETITION UNDER PRESENT BIDDING SYSTEM

The fair market value of a tract is presently determined by competitive bidding. Based as they are on companies' interpretation of proprietary geological and geophysical data, these vary widely, underscoring the companies' insistence that value can only be arrived at by drilling. The Bureau of Land Management presently names a minimum acceptable bid for each tract through conduct of an elaborate computerized formula-based analysis of the presale value of individual tracts. A glance at the results of past offshore lease sales reveals diverse differences of opinion concerning value; opinions may vary several hundred percentage points in the same block. These are based on the analyses of data available to the bidder. The existing leasing system, with all its imperfections, appears to have contributed to a steady increase in competitive bidding by a spectrum of large and small companies. Often these combine to spread risk money over a large number of tracts:

At the February 1960 lease sale, bids from 31 companies were received on 99 tracts. A lot of 26 companies were successful bidders.

In contrast, the June 1973 lease sale attracted bids from 63 companies, with 54 being successful in acquiring a total of 100 leases.

In a recent May 1974 lease sale, 352 bids for 123 tracts resulted in the acceptance of 102 bids.

Examination of the data on the bidding reveals considerable dispersion in the bids. In some, the winning bid is 5 or more times the second place bid. In the June 1973 lease sale, 76 tracts received at least two bids. There were only seven tracts, or less than 10 percent, in which the first- and second-place bids were within 10 percent of one another. Such bidding varies according to the differing individual assessments of tract value and potential by the several bidding companies. Thus, the method of bidding on leases as presently written in the act appears to insure adequate Government compensation and promote competition.

GOVERNMENT COMPENSATION UNDER PRESENT SYSTEM

Experts maintain that the existing law provides adequately for a leasing program designed to recover the greater part of the higher potential profits that the producer might otherwise enjoy through collection of royalty and bonus payments—"economic rent." Bonus bids on recent lease sales indicate that part of the difference between cheap oil discovered and being produced from earlier leases and new, expensive oil, is recovered in high bonuses for new OCS leases. An analysis of the 1972–73 winning bids indicated that companies anticipate higher future oil prices and prepare their bonus bids on expected future prices rather than existing oil prices. Any higher profit potential attendant upon higher prices reflects in higher bonus bids for future leases. Under the present royalty payment system, any increases in product value due to higher prices for existing wells as well as future leases, are received in royalty.

REVISED LEASING SYSTEM WOULD DECREASE COMPETITION, REVENUES, AND DISCOURAGE DEVELOPMENT

As a whole, the industry has welcomed and endorsed experimental procedures promoting competition and the availability of offshore acreage to all qualified interested parties, but concur in recommendations that leasing procedures ought to reflect the higher costs and increased risks such areas pose, particularly when acreage content in the leases is expanded. However, section 203, 8, of S. 3221 would prohibit royalty bidding, which is scheduled for experiment in a lease sale later this month. To diminish the flexibility for experimentation with several bidding systems allowed by the present act, makes little sense, particularly as the specific systems have not yet been applied.

Instead, S. 3221 would tie a "net profits" concept into the cash bonus. This would effectively delay and retard OCS development that urgently needs to be accelerated now. Such a system would require the lessee to recover substantially more reserves to economically justify expenditures requisite for development. The "net profits" sharing system would constrain the lessee to recoup the costs of dry holes, lease acquisition, and the other exploratory costs of nonproductive, nonprofitable leases. This would serve to depress production and reserves and eliminate prospective tracts for bid consideration. Possibly, the level of bidding would be keyed to a minimum earning requirement and minimum expenditures level. A "net profits" leasing format might force the abandonment of many tracts earlier in their production life.

DISPOSAL OF ROYALTY

Particularly unfair is section 204, requiring the disposal of royalty oil by competitive bid for "not less than fair market value." Section 203 neglects to advise on the determination of "fair market value" and assiduously ignores the fact that the oil will be a continuous, indeterminate amount depending upon the profitability of the operations. Such legislation of the sale of "net profit oil" would disrupt the orderly economic planning encouraged in the strict royalty system by precluding the lessee from obtaining a considerable portion of oil derived from his lease. If an independent refiner bids a high amount of a small quantity of oil and then refuses to purchase, the lessee must purchase the remaining portion at such amount, even if it is higher than the fair market value. It is interesting to compare the Arabs' royalty system where the oil companies have realized substantial profits—eroded by dollar devaluation; however, besides collecting very large bonuses, initially, plus a substantial royalty, the Arabs increase royalty rates. This serves to decrease the quantity of oil able to be produced economically and will discourage marginal high cost reservoir development. U.S. producing reservoirs, in contrast, are small and would never have been developed at all under an inordinately high royalty rate system. The Middle East reservoirs historically offered "returns to scale," thus providing a lowered cost of production per barrel.

LOW PROFITABILITY OF OCS OPERATIONS VERSUS CAPITAL REQUIREMENTS

Concerning profitability of OCS operations, the Department of Interior noted that Gulf of Mexico and Pacific operations consistently suffer losses. Though larger fields have recently paid out, smaller fields which predominate. continue in the red. Estimated returns on equity from OCS leases issued through 1969 approximated less than 8 percent.

To get the job of providing any reasonable level of self-sufficiency done in such a way so as not to detrimentally affect the environment and coastal zones requires cash—cash that must be generated primarily from earnings. Further, borrowed capital is also predicated on adequate profitability. We can only expect industry to risk prohibitive exploration costs if the cash incentives, such as these are, are allowed to remain. Chase Manhattan Bank estimates that, during the past 5 years, oil companies made expenditures of $1.80 for each dollar earned. Over a 10-year period 1963–72, the average annual growth of petroleum company domestic profits amounted to no more than 2 percent. In 1972, the return on average invested capital for oil companies in the United States was 9.6 percent. In 1973, the rate of return for domestic petroleum hit 11 percent. All profit levels are well below most other industries with a lower degree of risk.

Capital requirements, for 1974 and beyond, are expected to approach $25 to $85 billion per year for oil and gas operations alone—a total of more than a quarter of a trillion dollars by 1985; $250 billion alone will be required to finance exploration, production, manpower and distribution of new domestic production between now and 1985. Operational costs of drilling rigs range from $30,000 to $50,000 per day; one well would run up costs in the $4 to $6 million range. Platforms will cost $6 million and $10 to $12 million in the Atlantic OCS and Gulf of Alaska. Seismic studies cost $10 to $20 million in the Atlantic OCS.

Though data suggested that reserve estimates are valid, only actual drilling holes into the ocean floor will verify such "guestimates":

Exploratory drilling off Nova Scotia commenced in 1965; yet, commercial production has yet to commence in spite of the discovery of hydrocarbons and the drilling of 10 wells.

Awarded its acreage in 1965, the Phillips group did not discover the Ecofish field until 1969 and 10 wells later. Only now, 10 years later, has significant production been developed.

Even mature areas, such as offshore Louisiana, require 3 to 4 years within which to bring a new discovery on stream. Though potentially able to minimize our petroleum supply shortfall, exploration and full development of the OCS frontier areas demand significant leadtime—perhaps 3 to 10 years after discovery. A shortage of tubular goods, world demand which has placed a premium on drilling rigs and platforms, the lack of engineering and semiskilled personnel impede and delay achievement of reasonable self-sufficiency.

Relaxation of the energy crisis furnishes us as a nation with a fork in the road and allows us a breathing space within which to "take stock." The present OCS Lands Act provides Government with sufficient leverage to promote competition while preserving the environment and increasing energy supplies. We do not wish to see a repeat of the recent chicken syndrome—no one who saw it on television last year will soon forget the wholesale drowning of baby chicks, done because Government froze the price of grown chickens at a level which made it uneconomic for farmers to raise and sell them. We do not wish to witness the complete emasculation of the oil industry in the manner of the railroads fiasco. We should recognize that Government cannot do the job private industry can, motivated as it is by profits. The oil industry has adjusted remarkably well to the economic shocks triggered by the Arab oil embargo. Keeping this in mind, we should allow the private sector the freedom to develop and respond to unmanipulated market conditions.

Mr. JOHNSTON. Mr. President, the committee strongly believes that this bill will help accelerate development of the OCS, will alleviate or help alleviate the burden on the adjacent State, will aid the competitiveness, will protect the environment, and will insure a maximum of public information to the public, consistent with keen competition, so that we will be able properly to evaluate how the Secretary of the Interior has been in dealing with public resources. We believe that the bill should be passed overwhelmingly.

Mr. CHILES addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. Mr. President, how much time does the Senator desire?

Mr. CHILES. Just a few minutes.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Senator have 2 minutes.

The PRESIDING OFFICER. There is time on the bill.

Mr. JOHNSTON. Mr. President, I yield 3 minutes to the Senator.

Mr. CHILES. Mr. President, I know that the vote that is about to be taken is not of great importance, because I understand that this bill is not going anywhere in the House. They have not had any hearings on it and have not done too much about it. I think the Interior Committee has done some good work on the bill—certainly, the Senator from Louisiana has, as have other members of the committee.

I am glad that this idea is going to receive further consideration next year. Everything in this bill talks about a leasing program and talks about how to accelerate a leasing program. I am concerned that there is not another option in this bill, as to how we are going to license the public's oil, because it belongs to the public.

We cannot license oil companies and allow them to drill for the public's oil and then allow the oil to be sold on the basis of the licensing agreement. This seems to be the way Venezuela deals with our oil companies. It is the way all the Arab countries deal with our oil companies. It is the way Morocco deals with our oil companies. It is the way Great Britain, in the North Sea, is dealing with our oil companies.

It seems to me that it would make sense for us to look at that method, rather than selling our birthright absolutely, or the people's birthright, by way of a lease agreement. Why not say that we are going to license? By licensing little companies and big companies, they could get into the business of exploring and finding oil. They would be paid a reasonable fee for doing that, but the actual oil and the profits from it would belong to the people.

I think there are many other areas that we have to look to before we say we are going to exploit completely this reserve that we have off our shore. I think the ocean policy studies and the studies that we are doing in that are going to be helpful. I look forward to the opportunity to participate in some of that, next year.

Mr. HATHAWAY. I would like to clarify some provisions of this bill. The strict liability section provides that strict liability shall not be imposed on a holder of a lease or right of way, or on the fund, if the holder or fund proves that the damage was caused by the negligence or intentional act of the damaged party. Is that a correct understanding?

Mr. JACKSON. Yes, that is correct.

Mr. HATHAWAY. I am concerned as to the intended meaning of the word "damage" in that provision. What will happen, for example, if an oil spill occurs, and the spill moves landward before it can be contained. Warning of the spill was broadcast over the media, but boatowners did not remove their vessels from the area of the spill and damage resulted to these boats. Would the holder and the fund be strictly liable to these boatowners for the damage resulting from the spill even though the owners might have been able to prevent such damage by moving their boats?

Mr. JACKSON. Under the circumstances you have outlined, or in similar cases, we intended that the holder, or the fund, if appropriate, be strictly liable. In this particular exemption, we were concerned with the situation where the negligence or intentional act of the damaged party caused the discharge or spill itself. In that situation, the holder or fund would not be strictly liable to such a damaged party. Negligent or intentional acts of a damaged party which result in unnecessary or intentional damage, but which did not cause the spill itself, would be an appropriate consideration in the amount of recovery allowed such a person.

Mr. HATHAWAY. I understand, then, that this exemption provision is concerned with the situation where the damaged party causes the discharge or spill itself, and is not an exemption from strict liability where the damaged party might have mitigated his damages. Is that correct?

Mr. JACKSON. Yes, that is correct.

Mr. HATHAWAY. Thank you. Now I would like to clarify a few other sections of this bill which provide public and State participation in the development of the leasing program. The Secretary is authorized to establish regulations to accomplish these purposes. I fully support public review and participation in any proposed Outer Continental Shelf leasing program. I would like to emphasize that such participation can be meaningful, however, only if sufficient information is available to the public and to the States to insure that an informed and open decisionmaking process takes place. I want to be sure that the Secretary's regulations in regard to public disclosure and participation will effectively protect the legitimate interest of the public and of the States in knowing the basis and potential effects of any proposed leasing program prior to its taking effect. Is it your intention under this bill that the Secretary promulgate regulations which will fully maximize public and State access to all information concerning Outer Continental Shelf development, while maintaining the confidentiality of only that proprietary data or information which is necessary to protect the competitive position of private interests?

Mr. JACKSON. Yes, that is the intent of this bill.

Mr. HATHAWAY. I thank the Senator from Washington for his clarifications.

Mr. CRANSTON. Mr. President, S. 3221, the Energy Supply Act of 1974, is our first attempt in nearly 25 years to amend the Outer Continental Shelf Lands Act of 1953. The amendments to this act which we are considering here today make some very important improvements in the existing procedures, especially in requiring the application of best available technology and improved safety regulations and onsite inspections.

We have improved the committee bill here on the floor today by voting to approve the right of the Governor of an adjacent State to request the Secretary of the Interior to postpone for up to 3 years any lease sale which the Governor determines will result in adverse environmental or economic impact or other damage to his State. We have also provided the Governor of such State with the right to appeal the decision of the Secretary of the Interior to a new National Coastal Resources Appeals Board, composed of five Federal officials: The Vice President, the Secretary of the Interior, the Administrator of NOAA, the Administrator of EPA, and the chairman of the Council on Environmental Quality.

I believe the approval by the Senate of this amendment constitutes an important step in the direction of improved coordination between the affected coastal States and the Secretary of the Interior. And it accomplishes this by going beyond the rhetoric and instead providing a forum for the people of an adjacent State to affect the decision of the Secretary of the Interior to put up for sale offshore oil and gas leases which may adversely affect the environment and the economy of such State.

In California, the Secretary of the Interior has scheduled a sale of 297 tracts covering some 1.6 million acres in the OCS of southern California. At the same time, the people of California have approved the establishment of a California Coastal Zone Conservation Commission and mandated this Commission to prepare a comprehensive plan for the coastal zone to be submitted to the California Legislature no later than December of 1975. Any lease sale in the OCS of California, while not specifically within the jurisdiction of the Commission, will certainly have a substantial impact on the "coastal zone" over which the Commission has responsibility. Therefore, it would certainly seem reasonable to grant the Governor of California a forum to request a postponement of the May 1975 lease sale so that the State commission can complete its work on the coastal plans.

I am in disagreement with the policy statements in this bill which call for rapid development of the oil and gas in the OCS. I am not convinced that our best national interest is served by this policy. I was pleased that the Senate approved the Kennedy amendment requiring the Secretary to consider, as part of the overall leasing program he must prepare, the establishment of national strategic reserves in the OCS.

Because this Senate vote today is more posture than substance—the House of Representatives is not likely to act this year—I will vote to pass S. 3221. However, I intend to take a close look at this legislation next year, after we have benefited from the work of the ocean policy study and other efforts, and try to make further improvements in the procedures for leasing and protecting a vital and abundant national resource.

Mr. McCLURE. Mr. President, the first essential steps toward the formulation of a Federal Oil and Gas Corporation would be taken, under the broad authority and punitive provisions created by this bill. Specifically, section 19(b) authorizes the Interior Department to obtain information by conducting, contracting for, or purchasing the results of, surveys and investigations. Section 19(h) requires the industry to share its data about "the oil or gas resources" as a condition precedent for retaining a lease. Section 207 requires disclosure to the Interior Department of data obtained pursuant to exploration permits. Section 19(c) directs the Interior Department to map the OCS and to a degree of detail suitable for actually drilling for oil and gas, and that no area may be leased until such maps are published.

Such authorities, if exercised, would cause the Interior Department to compete directly with private enterprise. In addition, the enormity of the mapping requirements creates a huge informational need which can be filled only by Government entering the data business in competition with private enterprise. Oil exploration and geophysical companies which normally sell their information to oil companies, will not want to supply geoscientific data if they know it would be made public, since its value stems from its remaining confidential. There is, therefore, a strong disincentive to the industry which could be overcome only by Government exercising its authority to perform the surveys on its own account. Because of the Government's market impact, not only would the geodata industry lose a major customer, but it would face a new, all powerful competitor which would obtain, compile, and publish the data at a fraction of its cost.

The need for increased drilling, caused by the mapping requirements and given the shortage of drilling rigs, would encourage the creation of a drilling fleet which would also compete with the drilling industry. Finally, the sections of the act which authorize the collection of industry's raw data creates a distinct competitive disadvantage and an exploratory disincentive to private enterprise. The results of such a situation would be uncertainty, court battles, and delay. Industry would be forced out of business or out of the country in an effort to seek opportunities, thus increasing the delay in OCS development and increasing costs to the consumer.

Given all the elements of a "business" opportunity, the urge of the Government to seize it would be irresistible. Once private industry has been thoroughly discouraged and delays in OCS development are apparent, the availability of massive amounts of high quality information, trained survey, drilling and geological personnel and modern, sophisticated equipment, would dictate the use of it all "in the public interest." When all the above elements are present, we would have a Federal oil and gas exploration company, complete with an unlimited supply of prospects, a captive market and the ability to control prices. Short of such a result, the Government could easily be inclined to nationalize or partially nationalize the U.S. petroleum industry as the British Government has already announced its intention to do in the North Sea area.

Such a temptation should never be presented to the Government in a nation whose economic strength is the result of its protection of free enterprise.

Mr. President, I believe that it would be pertinent to the debate on this bill to examine the offshore oil and gas policy of the United Kingdom, as an example of how the Government can move deeply into the business of exploration and production. I ask unanimous consent that a statement by Mr. Eric Varley, Secretary of State for Energy for the United Kingdom, together with his paper on offshore oil and gas policy, be included in the RECORD. In addition, I ask unanimous consent that an article from the Petroleum Economist, concerning production controls in the North Sea be included in the RECORD. The article warns that increased uncertainties, created by the Government, have placed "large-scale financing in a state of suspended animation."

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. McCLURE. I hope that these warnings will further the establishment of a rational, just policy toward development of our offshore resources—a policy which should deliberately exclude the possibility of any Government oil and natural gas corporation. All Americans, specifically consumers, would benefit from such a policy.

American consumers and American taxpayers are the same people and the budgetary impact of the necessary Federal spending required by this bill will be felt by all our people—in their taxes and in the inflationary impact of increased Federal spending. This impact is both unnecessary and avoidable. Many budgetary impacts are difficult to avoid. This is one which is not.

EXHIBIT 1

OFFSHORE OIL AND GAS POLICY

Following is text of statement by Mr. Eric Varley, Secretary of State for Energy, in the Commons today eleven July:

The Labour Party election manifesto expressed Labour's determination to ensure not only that the North Sea and Celtic Sea oil and gas resources are in full public ownership, but that the operation of getting and distributing them is under full government control with majority public participation.

The government have also made it clear that it is their intention to ensure that as a result of the exploitation of these resources, maximum benefit is conferred on the community, and particularly on Scotland and the regions elsewhere within which the older industrial revolution industries were developed and which have suffered for a generation from the decline of those industries.

I have today presented a paper, copies of which will be available to hon members in the vote office, which sets out the action which the government intend to take to achieve these objectives.

First, we propose an additional tax on profits from the Continental Shelf and the closing of various loopholes in the rules governing existing taxation of oil companies profits.

Secondly, we propose to make it a condition of future licences that the licensees shall, if the government so requires, grant majority participation to the state in all fields discovered under those licences.

Thirdly, we shall be inviting the companies to enter into discussions with us about majority state participation in existing licences for commercial fields.

Fourth, we shall set up a British national oil corporation through which the government will exercise its participation rights.

Fifthly, we shall extend our powers of physical control over offshore operations, including production, and over pipeline developments.

Sixthly, we shall set up a Scottish development agency and make similar arrangements for Wales as oil exploration develops in the Celtic Sea.

These are comprehensive and far-reaching proposals. They show the government's determination to act, and to act quickly, to ensure that the nation gets full benefit from our newly discovered wealth, while leaving a substantial role for the oil companies.

UNITED KINGDOM OFFSHORE OIL AND GAS POLICY

Following is the text of the paper presented to Parliament today, July eleven, by the Secretary of State for Energy:

INTRODUCTION

The Labour Party election manifesto expressed Labour's determination to ensure not only that the North Sea and Celtic Sea oil and gas resources are in full Public ownership, but that the operation of getting and distributing them is under full government control with majority public participation. The government have also made it clear that it is their intention to ensure that as a result of the exploitation of these resources maximum benefit is conferred on the community, and particularly on Scotland and the regions elsewhere within which the older industrial revolution industries were developed and which have suffered for a generation from the decline of those industries. This paper contains the government's proposals for achieving these objectives.

2. Britain's oil is of course already publicly owned. Public ownership was established by the last Conservative Government but one under the continental shelf act nineteen sixty four. It was therefore the government's task to work out a new structure and taxation arrangements which would combine their manifesto commitment with an assurance to the oil companies about the substantial role that would remain to them.

THE REVIEW OF POLICY

3. Accordingly, immediately on taking office the government began a fundamental review of continental shelf policy. They had very much in mind the excellent report by the public accounts committee under the then chairmanship of the present paymaster general, and the many representations which they have received from all interested parties since they came into office. That review is now largely complete. This paper summarises its conclusions under three headings: Government take and participation, corporation tax changes, and measures to help Scotland and other development areas.

GOVERNMENT TAKE AND PARTICIPATION

4. The Government published new forecasts of oil production in May. They now expect the United Kingdom's oil production to reach one hundred to one hundred-and-forty million tons in nineteen eighty and one hundred to one hundred-and-fifty million tons a year or even more, throughout the nineteen eighties. During the past year, the world price of oil has more than quadrupled: the average F.O.B. price of middle eastern oil, a year ago about two dollars a barrel, is now nine to ten dollars. If prices remain high and with the high production now expected, profits on our offshore oil will be enormous. If the current price of oil continues, and on a realistic estimate of output, annual pre-tax profits would total some four thousand million pounds sterling by nineteen eighty. Under present arrangements, tax and royalty would take a relatively small proportion of profits in the early years, and would never take much more than half. The result is that North Sea licensees would reap enormous and uncovenanted profits on their investment. As half or more of the post-tax profits are likely to be remitted overseas, by nineteen eighty the cost of such remittances to our balance of payments could under present arrangements reach, or even exceed, one thousand million pounds sterling annually.

5. This shows that an intolerable situation would arise. Prominent leaders in the oil industry themselves accept that a more equitable arrangement is essential. It also shows how much is at stake in developing this major natural resource for the benefit of the nation. This is what the government intend to do. They have two objectives:

To secure a fairer share of profits for the nation and to maximise the gain to the balance of payments. This must mean a big increase in government revenue from the continental shelf. On the other hand, the oil companies must have a suitable return on their capital investment. The government recognise that the costs of exploration and development have been very heavy.

To assert greater public control. This is essential if the government are to safeguard the national interest in an important resource which belongs to the nation.

To achieve these objectives, the government intend to take action under five heads:

First, legislation will be proposed in an early finance bill to impose an additional tax on the companies profits from the continental shelf and, as described in the following section of this paper, to close various loopholes in the rules governing existing taxation on the companies profits.

Secondly, it will be made a condition of future licenses that the licensees shall, if the government so require, grant majority participation to the state in all fields discovered under those licenses. This will broadly follow the carried interest pattern successfully developed in Norway under which the state has an option to acquire ownership of a specified proportion of oil or profits, meeting the same proportion of costs.

Thirdly, it is the government's belief that majority state participation in the existing licenses for commercial fields provides the best means for the nation to share fully in the benefits of North Sea oil without unfairness to the licensees since the state contributes its share of the costs, including past costs. Certainly this is the solution adopted with the consent of the oil companies in almost every other major oil and gas producing country in the world, not only those in the Middle East. Indeed, public sector participation has worked successfully in the British shelf without injury to oil company interests through the National Coal Board and British Gas—whose present shares will be accepted as a share in the total public participation. The government hope that the companies will recognise the strength of their views on this. They want the oil companies to continue to invest in the North Sea on profitable terms. They will be very ready to listen to what the companies say and consider with them how the common interest can best be served. They are sure the industry will want to submit their views at the earliest possible moment and to enter into talks on this basis. The government will be inviting them to do so shortly.

Fourthly, a British National Oil Corporation (BNOC) will be set up, through which the government will exercise their participation rights. This corporation will represent the government in the present consortia (and will take over the present interests of the

National Coal Board) and also build up a powerful and expert supervisory staff that will enable it to play an active part in the future development, exploration and exploitation of the continental shelf. It will also have powers to extend its activities ultimately to the refining and distribution of oil. The headquarters of the BNOC will be in Scotland.

Fifthly, the government will extend their powers to control physical production and pipelines. Experience has shown that there are many weaknesses in the current system. The government will, therefore, for current as well as future licenses, take power to control the level of production in the national interest. This does not affect their determination to build up production as quickly as possible over the next few years. The question of reducing the rate of depletion is unlikely to arise for some years but the government believes that they should take the necessary powers now. They will also take powers to receive royalty in kind, and to remit royalty in certain circumstances, to control the development of undersea pipelines, in the same way as on land, to introduce tighter control over exploration and development, and to require licensees to provide more information about their activities than is now obligatory. All these new proposed powers, together with existing powers, will enable the government also to ensure that development is carried out with a proper care for the environment and for the planning of infrastructure. The detailed implementation of these and other changes will be discussed with the companies.

6. The government intends to bring legislation on these matters, and on the establishment of a British National Oil Corporation, before Parliament as soon as possible.

7. There are other matters which are still being considered, for example how the new arrangements will apply to gas, although it is already clear that British Gas will have a continuing role to play in continental shelf exploration and production.

CORPORATION TAX CHANGES

8. In his budget statement the Chancellor of the Exchequer mentioned various loopholes in the existing rules governing taxation of the profits of the oil companies which were described in the public accounts committee report on North Sea oil and gas published on March One Nineteen Seventy-Three (HC One Two Two). He referred first to the proposals put forward last year by the previous government for dealing with losses which have arisen to the oil companies from transactions in overseas oil at artificial prices; and second, to the point made by the public accounts committee in relation to the group relief for capital allowances on investment unconnected with the North Sea (Hansard Twenty-Six March Nineteen Seventy-Four col. Three Two Zero).

9. On the artificial losses, the government's objective, as regards the computation of profits from January one nineteen seventy-three, is no doubt the same as that of the previous administration, but it is proposed to achieve it by somewhat different means from those indicated last year by the previous Chancellor. It is not proposed that the price at which oil is treated as changing hands for tax purposes should be determined by the procedure of a formal administered price, since this would raise practical difficulties, particularly in the current situation of the oil market. Instead it is proposed to strengthen the existing transfer pricing legislation in section four eight five of the income and corporation taxes act nineteen seventy so that the transactions in question are brought squarely within its scope. It is also proposed to introduce in that provision guidelines for determining a realistic arm's-length price. Certain further provisions will be needed to make the legislation effective, in particular, powers for the revenue to obtain information. These provisions, as the Chancellor said in his budget statement, will take effect from January one nineteen seventy-three.

10. Next there are the losses which had accrued to the oil companies at December thirty-one nineteen seventy-two—that is, before the new transfer pricing rises take effect. The previous government had proposed that these losses should be segregated so that they were set only against future profits from the existing business and not against profits from the continental shelf.

11. The government have given careful thought to this question and have decided that to allow these losess to go forward indefinitely against profits from existing activities (other than North Sea activities) would represent an unjustifiable cost to the revenue. The purpose of the new transfer pricing proposals described above is to ensure that the profits of the downstream activities of the oil groups are computed on a realistic basis for tax purposes. The effect of this would be largely vitiated, perhaps for years to come, if the companies were allowed to reduce their United Kingdom tax liability on these profits to nil by carrying forward the artificial losses which arose as a result of the use of artificial prices in the past. Those losses did not represent any real commercial loss and there is therefore no equitable reason why they should be used to eliminate future tax liabilities.

12. It is proposed therefore that those losses should be cancelled from today. Clearly there would be a case for saying that they should be cancelled from January one nineteen seventy-three. Nevertheless the government recognise that since cancellation of the losses goes further than the proposals put forward by the former administration, there could be said to be an element of retrospection, without warning, in applying the cancellation from January one nineteen seventy-three. The losses will therefore be available for carry forward, subject to the normal rules, against profits (other than any North Sea profits) up to today's date. Corresponding limitations will be necessary on the use of capital allowances for expenditure already incurred outside the United Kingdom continental shelf.

13. The allowance of losses against the nineteen seventy-three profits and part of the nineteen seventy-four profits will in the government's view be sufficient in general to cope with any possible genuine element in the accumulated losses. Nevertheless, in view of the uncertainty at the present time of the amount of the companies taxable profits for these years, it is also proposed that each company shall be allowed to carry forward a minimum of fifty million pounds sterling of its losses, so that if the sum of its taxable profits for nineteen seventy-three and for the period from January one nineteen seventy-four to today's date is less than fifty million pounds sterling it will be entitled to carry forward the balance against profits of the rest of nineteen seventy-four and of subsequent years (except any profits arising from the North Sea).

14. Next, there is the question of what has come to be called a ring fence for the North Sea. The likelihood that the corporation tax yield from the North Sea would be substantially reduced because of group relief for capital allowances on expenditure not concerned with North Sea production was viewed with concern by the public accounts committee. The government have reviewed this very carefully, and have decided that a ring fence is essential to protect the tax yield from the North Sea. This will of course be a departure from the normal corporation tax rules. Whatever view may be taken of the general effect of those rules, however, there is no doubt that the North Sea has created an entirely new situation. Exchequer receipts from the North Sea should not be at the mercy of allowances and losses resulting from extraneous activities.

15. It is proposed therefore that group relief should not be allowable against profits from North Sea activities. Correspondingly, the North Sea profits of a single company with other activities will not be reduced for tax purposes by losses or allowances arising from those other activities. Nor will a company with losses or excess allowances be able to use them to claim payment of the imputation tax credit on dividends received from a company within its group and paid out of North Sea profits. The ring fence will apply to accounting periods ending after today's date.

16. These tax proposals are necessary in the government's view in order to ensure that in future the exchequer derives a fair receipt from the profits of the oil industry, which between 1965 and the public accounts committee report on North Sea oil and gas paid only a negligible amount of United Kingdom tax on profits. At the same time the Government believe that they are fair to the industry itself.

SCOTLAND

17. The Government made it clear, in the gracious speech from the throne, that it was their intention to ensure that as a result of the exploitation of North Sea oil and gas resources maximum benefit is conferred on the community, and particularly in Scotland and regions elsewhere in need of development. The Government re-affirm this commitment and have reached a decision in principle upon an important special measure designed to benefit Scotland.

18. The Government have decided to set up a Scottish development agency, financed by the United Kingdom Exchequer, to strengthen, in an effective and lasting way, the instruments available for promoting the development of Scotland's economy and undertaking major environmental projects. The agency will be responsible to the Secretary of State for Scotland.

19. The precise organisation, functions and powers of the agency are being worked out in fuller detail as rapidly as possible. Legislation will be needed.

WALES

20. As oil exploration develops in the Celtic Sea, similar arrangements to the same end will be made for Wales in Wales. The nature of these arrangements is being worked out as quickly as possible. The intention would be not only to make good the deficiencies of yesterday but to ensure that the opportunities for modern industrial development do not give rise to further social, economic and environmental problems.

21. The Secretary of State for Wales has already announced an Oil Advisory Committee which will meet under his Chairmanship to review those aspects of Celtic Sea oil and gas development of particular interest to Wales, and to advise on significant issues within his own field of executive and oversight responsibilities.

CONCLUSION

22. These are comprehensive and far-reaching proposals. They show the Government's determination to act, and act quickly, to ensure that the nation get full benefit from the newly-discovered wealth. The oil companies are fully aware that the present system could not continue. The Government are confident that the oil companies will be ready to join in working out a new structure which they know will be durable because it will be accepted by the people of Britain. They are confident too that the new structure will bring substantial benefits to the whole country, and in particular to the regions in need of development.

EXHIBIT 2

WARNING ON PRODUCTION CONTROLS

A warning against governments taking to control the rate of production in the North Sea for reasons other than good oilfield practice was voiced by the chairman of Esso Petroleum in Britain (Dr. Austin Pearce) last month. Such controls would introduce a major uncertainty in planning the size and timing of production facilities, pipelines and onshore facilities. Under existing arrangements all these facilities are designed to produce oil and gas at a rate carefully calculated in relation to the economics and size of individual fields.

Mr. Pearce said that if production rates were to be controlled by the British government, there would be a significant economic penalty from not utilizing the facilities to full capacity. Furthermore, the power to fix production rates below the maximum efficient rate could also discourage exploration effort. The warning by Mr. Pearce would also apply to Norway, where the control of oil extraction is being debated (see *Petroleum Economist*, July 1974, page 255).

Reports from financial centres in Europe and America indicate that the international banks are taking a cautious view of the political manoeuvres now surrounding the North Sea, where hitherto the oil companies on the urgings of governments have worked with unique speed to find and develop oil and gas fields. With development dates of oilfields in the British sector starting to slip, the lack of international financial backing for developing the new discoveries would seriously affect the chances of the North Sea province producing at least 4 million b/d by 1980, with 3 million b/d off Britain alone. This would particularly affect Britain's shaky economy, which increasingly (by government borrowing) is being underpinned by great North Sea oil expectations. With hesitancy, Burmah Oil and Gas recently ordered on behalf of all participants a steel platform for the Thistle field, expressing the hope that future North Sea policies would not adversely affect the financing and operation of the project—which had reached such an advanced stage that deferment could have very seriously undermined the basis of development.

Although the political clouds have started to gather over the North Sea, placing large-scale financing in a state of suspended animation, the explorers continue to strike more hydrocarbons this drilling season. Mobil as operator for a group comprising Mobil North Sea (50 per cent), Amerada Hess (20), The Texas Eastern Transmission Corporation (20) and British Gas (10), last month tested oil in several zones in a well on UK block 9/13. Other zones still have to be evaluated. However, drill stem tests thus far produced up to 3,000 b/d of oil, with a gas-oil ratio of 700–800 cubic feet of gas per barrel of oil. Gas was also tested separately at up to 12 million cfd.

Texaco confirmed the extension of the huge Brent field further southward into UK block 3/4 with its 2A well in about 455 feet of water. The well attained a stabilized flow rate of 7,022 b/d of 35.7 degrees API oil through a ¾-inch choke. The gas-oil ratio was 221 cubic feet per barrel. Occidental's first delineation well in the Claymore field in UK block 14/19 at three-fourths of a mile north of the discovery well flowed 30 degree oil at a rate of 2,047 b/d. Another well will now be drillled two mies east of the second delineation well.

In the Norwegian sector, the Statoil/Mobil group in its third well on block 33/12 has encountered hydrocarbons in a separate and deeper formation than that which was oil-bearing in the first two cells. Mobil, as operator, has already secured an option on a concrete drilling and production platform for the 33/12 discovery. Elf Norge, as operator for the French-Norwegian Petronord group, has confirmed its 25/2 discovery as a gas field with a non-commercial oil layer under the gas. Statoil has an option for a 5 per cent interest in the block.

Mr. HANSEN. Mr. President, many problems posed by various provisions of the bill, while troublesome individually, taken in the aggregate would cause serious delays and inequities in expanding OCS leasing, exploration, and production programs thereby frustrating rather than expediting the achievement of domestic energy self-sufficiency.

Section 18 (f), (g), and (h) prohibit leasing any OCS area after January 1, 1978, not included in a published leasing program.

This requirement is not only unnecessarily cumbersome and rigid, but would also cause leasing delays by preventing practical and needed adjustments in areas to be included in individual lease sales. This intrusion into reasonable executive discretion may, on the one hand, require needless paperwork and establish an unenforceable requirement or, on the other hand, compel too much review and reapproval of leasing programs.

Section 18(d), which amends NEPA, lists factors which need to be included in environmental impact statements which although inflexibly restrictive in parts is also too broad to be properly applied regarding all future OCS lease sales, including those in virgin areas. It is not only unnecessary but would also cause delays in expediting the Interior Department's already expanded leasing program.

Section 19 (d) requires the Secretary within 6 months to submit to Congress a survey and mapping plan.

This subsection would require delays in both mapping and leasing programs by virtue of the fact that manpower needed for action programs would be taken away from their work to prepare a planning document of questionable utility.

Section 21 of the bill calls for an arbitrarily expanded and detailed safety program.

This is one of the bill's most classic examples of overkill. The Interior Department in its letter to the Chairman of May 4 pointed out that:

> A recent OCS study by the Council on Environmental Quality has concluded that leasing can be carried out in OCS areas if appropriate safety and environmental requirements are adhered to and the Interior Department is already requiring of industry whatever measures are needed to assure a safe and environmentally sound program. In fact it is already meeting the concerns underlying the new section 21 which the bill would add to the OCS Lands Act, including inspection, accident investigation and reporting measures.

There is no way for the Congress to be able to generalize and prescribe for all future individual platforms in the Gulf of Mexico, the Atlantic, the Pacific, and off Alaska, safety standards as all inclusive as those contained in section 21. Implementing these safety requirements would cause serious delays not only because of expanded manpower and cost requirements, but also because of litigation which would result in seeking to enjoin further OCS leasing, exploration, and production until all safety standards had been complied with.

Section 26 of the bill authorizes citizen suits.

It thereby, in addition to citizen suits already encouraged by NEPA, creates broader standing for many new and separate causes of action to be brought against both the Interior Department and any person alleged to be violating any part of the act. In light of the experience of the trans-Alaska pipeline litigation and numerous suits already brought under NEPA to enjoin OCS lease sales, this section would constitute an express invitation to each U.S. citizen to initiate lawsuits to slow down and otherwise delay the entire OCS program.

This citizens suit provision of S. 3221 is one more step toward "government by combat between attorneys."

Under this provision any citizen with an interest which is or may be adversely affected may commence a civil action to enforce the law. Any citizen may intervene as a matter of right in a suit being diligently prosecuted by the Government.

By providing a forum for private citizens to share in or become the dominant partner in the executive branch's constitutional responsibility to execute and enforce the laws of the land, the Congress is frustrating and thwarting the goal of orderly development of the Outer Continental Shelf.

Our system of jurisprudence has traditionally provided relief to persons when direct injury is involved. The language of this section, however, would substitute "interest" for "injury." It then goes one step further and attempts to create the interest by the trust concept of section 201 which states that the "Outer Continental Shelf is a vital national resource held in trust by the Federal Government for all people." Under such a concept all citizens would have a justifiable interest under the bill even though the interest is shared in common with all other citizens and there is no injury to the party bringing the suit. This is an abdiction of government. Enforcement of the law of the land, insofar as the Outer Continental Shelf is concerned, would be placed in the hands of citizens without regard to the diligence with which the Government is performing its responsibilities. The net result will be a government by vigilantes.

In any action taken by the Federal Government different lawyers may have several different views which may or may not coincide with the Government's. The sole basis for permitting this divergence of opinion to be argued in court should be whether or not a party has standing and is being injured. To provide otherwise, as this section does, will encourage a proliferation of law suits. The resultant effect will be lucrative attorney's fees and delay.

Statutes should encourage obedience to orderly process and respect for lawful authority. This provision of S. 3221 does neither. Section 26 would not only constitute an express invitation to citizens to initiate lawsuits to delay any or all parts of the expanded OCS program and thereby frustrate the early attainment of energy self-sufficiency, but would additionally substitute government by individual extremist groups for government by organized representation.

The impact on attainment of energy self-sufficiency is incalculable. Each suit could result in delay. Since continuing action is required of the Secretary—annual revision or reapproval of the leasing plan, coastal State grants, revision of lease terms, and so forth—there is no end to the delay that can be encountered if suits are filed every time the Secretary is required to act.

Some measure of the type of delay this type of litigation can cause is illustrated by the Nation's experience with the Alaska pipeline. The 5-year delay was ended only by an act of Congress at a time when due to severe petroleum shortages many were waiting in long lines to obtain gasoline.

The citizen suit concept had its origin, presumably, in instances where the Government agencies responsible for enforcing the law were failing to perform their duty. Suits by private citizens were a means of correcting that governmental dereliction. Section 26 assumes that the Secretary and other agencies of Government will totally fail to perform their respective duties. It is almost anomalous that the functions assigned to the Secretary would be spelled out, and then, in effect, provide that if any citizen who does not agree with the Secretary can bring the matter up in litigation and let the court decide whether the Secretary was right or wrong. A person who is injured should have "his day in court" and he does without citizen suit provisions. The citizen suit provision seems to encourage any person—who may not be injured—to bring policy determinations into the courthouse.

NEPA already presents sufficient opportunity for citizens to participate in the OCS decisionmaking process; in fact, too much opportunity.

The courts have become more and more liberal in recent years in granting "standing" to sue. The liberalized standing concept was somewhat narrowed by the Supreme Court in the Mineral King case—Sierra Club against Morton. In that case the Court held that the goal is to put the right to litigate in the hands of those who have a direct stake in the outcome, not those who seek to do no more than vindicate their own value preferences through the judicial process. This decision still permits suit by any individual who has in fact suffered any injury or by an organization as a representative of members who have in fact suffered an injury.

In Natural Resources Defense Council against Morton several organizations sought and were granted an injunction barring lease sale of oil and gas on OCS because the NEPA statement failed to discuss in detail alternatives to the sale. This resulted in a delay of 1 year.

The following is a list of suits which could be brought, and in all likelihood would be brought, under the provisions of section 26. The delays which could result from such litigation are evident.

List of Suits

CITIZEN V. SECRETARY—CHALLENGING 10-YEAR PLAN

18(b)(1) 1. Management does not consider all resources values properly.

18(b)(1) 2. Management does not consider potential impact oil and gas exploration on other resource values of OCS.

18(b)(2) 3. Timing and location doesn't properly distribute and decentralize exploration and development among various areas of OCS under (A), (B), (C) and (D).

18(b)(3) 4. Doesn't provide for receipt of "fair market value."

18(c) 5. Estimates of required appropriations and staffing improper.

18(d) 6. Environmental statement improperly assesses oil and gas resources of each area.

18(d) 7. Environmental statement improperly assesses rates of expected exploration and development.

18(d) 8. Environmental statement improperly assesses: geological and geophysical conditions, biological data, commercial and recreational uses of "nearby land and water areas."

18(e) 9. Challenge Secretary's regulations on procedures for receipt and consideration of nominations, public notice, participation of State and local governments and coordination program with programs under Coastal Zone Management Act.

18(h) 10. Every revision by Secretary subject to same attacks.

COMPANY V. SECRETARY—CHALLENGING 10-YEAR PLAN

18(i) 1. Challenging right of government under 18 (b) and (i) to obtain private data about location of oil and gas reserves.

18(j) 2. Challenging right of government agencies to disclose data given in confidence.

CITIZEN AND/OR COMPANY V. SECRETARY

19(h) 1. Challenge requirement that holder of lease or permit give Secretary any data about oil or gas resources subject to lease or permit.

COMPANY V. SECRETARY—CHALLENGE RESEARCH BY SECRETARY

20(a) 1. Challenge finding that research not being conducted by other public or private entity.

(a) Safety devices.
(b) Controlling blowouts.
(c) Cleanup oil spills.
(d) Drilling bits.
(e) Flaw detection for undersea pipelines.
(f) Development of wells in deep water.
(g) Subsea production.

20(b) *Citizens and/or Company and or Union v. Secretary.*—Safety and environmental standards. 1. Almost certain challenges to safety and environmental standards for OCS exploration and production equipment.

20(c) *Citizen and Company v. Secretary.*—1. Cleanup and Performance standards of oil spill cleanup too rigid. 2. Cleanup and Performance standards of oil spill cleanup too loose.

21(a) *Citizen and/or Union v. Secretary.*—All types of litigation—safety too loose, inspection not made or too lax, challenge continuation of lease.

21(b) *Company v. Secretary.*—All types litigation—safety regulations too rigid.

CITIZEN V. COMPANY

22(c) Where differences between environmentalists and Secretary over whether pollution threatens aquatic or wildlife, citizens will sue.

CITIZEN V. SECRETARY

29 1. Various challenges on Baseline and Monitoring Studies.

203 2. Leasing and accounting challenges.

204 3. Disposition of royalty oil.

206(d)4. Litigation over extension of leases—waiver development requirements.

CITIZEN AND/OR COMPANY V. SECRETARY

23. Challenging any interim agreements between the U.S. and coastal states allowing energy resources development in disputed areas.

CITIZEN AND/OR COMPANY V. SECRETARY

25. Challenging v. Federal grants made to coastal states to assist in ameliorating adverse environmental effects and control of secondary social and economic impacts associated with OCS National energy resources development.

CITIZEN V. SECRETARY

203 (a) Challenging accounting procedures and standards governing the calculation of net profits and the actual calculation of net profits.

Section 28 additionally authorizes the Attorney General to bring suits against persons subject to the act and imposes criminal and civil penalties for violations of the act.

This section is another case of "overkill" apparently designed to cause more delays. Its inclusion suggests that OCS permittees and lessees have been acting in bad faith. No such reports have been received by the committee substantiating such a notion. We conclude, therefore, that the inclusion of this section was intended to seek public favor by attacking U.S. petroleum companies in order to distract attention away from the dismal legislative record of the 93d Congress regarding energy legislation.

Section 204 which amends section 8 of the OCS Lands Act commands the Secretary to dispose of its share of the oil by competitive bid for not less than its fair market value.

There are no guidelines concerning how the Secretary will determine value. This becomes particularly important when an independent refuses to purchase as provided in subsection (k) and the lessee is obligated to purchase for not less than the highest bid. Presumably, an independent could bid a high amount for a small quantity of oil, thus compelling the lessee to purchase the remaining portion at such amount, even though it be higher than fair market value.

This is a discriminatory and highly inequitable burden to place on the lessee. If he cannot have the opportunity to bid on the royalty oil he should not be forced to pay a price higher than fair market value.

The provision is inconsistent with its title in that it attempts to legislate the sale of net profit oil as well, which oil will be a continually indeterminate amount, depending on the profitability of operations for a given period. The provision as drawn precludes a lessee from having access to a considerable portion of the oil derived from his lease as opposed to a fixed amount in a strict royalty situation which permits proper economic planning. The inability of a lessee to have access to net profits oil under his lease will thus have a negative effect on the valuation of an area and thus be reflected in his bids.

The basic right to dispose of royalty oil is spelled out at the outset. However, the provision goes on to attempt to legislate the Secretary's right to discriminate against other than "independent refiners," by limiting participation in such sales should the Secretary deem it appropriate. The authority of the Secretary to restrict the right of any parties to bid is highly questionable.

Under section 22, there is established strict liability for damages subject to a $100,000,000 limit for each incident and unlimited liability for a cleanup and removal. A liability fund is established through collection of 2½ cents for each barrel of oil produced in the Outer Continental Shelf.

The Federal Water Pollution Control Act Amendments of 1972 and well-established tort law provide full and adequate protection for damages and cleanup. To now establish new liability laws in this area is redundant and unnecessary. It is also counter to accelerating development of our domestic supplies. This results from requiring the diversion of $100,000,000 into a fund which could be more beneficially used to explore for and develop oil and gas.

In addition to the concept being ill-conceived, section 22 is deficient in the following ways:

First. A lessee is liable for damages to any person who is affected—

> (a) within the territory of the United States, Canada or Mexico; (b) in or on waters within two hundred nautical miles of the baseline of the United States, Canada or Mexico from which the territorial sea of the United States, Canada or Mexico is measured; or (c) within one hundred nautical miles of any operations authorized under this Act.

It is inconceivable that in this bill dealing with development of our Outer Continental Shelf that we are trying to establish international law on damages due to persons in foreign countries. This is the purpose and intent of numerous international conventions and conferences, which are now underway; for example, Law of the Sea Conference in Caracas, *Venezuela*. The scope of any liability section at this time should be limited to damages resulting in spills on the Outer Continental Shelf or in or on waters above the Outer Continental Shelf.

Second. Strict liability is imposed for damages even if the damages that occur are caused by an "act of God." This has been a well-accepted defense to strict liability and should be included as such under section 22(b)(2). This is particularly true when there is an absolute requirement to clean up any spills regardless of cause.

Third. There is a limit of $100,000,000 for each incident with respect to damages but not cleanup. The $100,000,000 limit should be applied to both damages and cleanup. A $7,000,000 threshold liability for the lessee and a $100,000,000 limit is more than adequate to instill incentives to operate safely and protect those damaged and affected by a spill.

Section 203.—Revision of lease terms—provides that bidding shall be at the discretion of the Secretary on the basis of a cash bonus with a fixed royalty of not less than 12½ percent or on the basis of a cash bonus with a share of the net profits derived from operation of the tract of no less than 30 percent reserved to the United States or on the basis of a cash bonus with a variable net profit bid.

The method of bidding on leases should be retained as presently written in the existing act, but there should be a study and report to Congress on all reasonable alternatives as called for in section 27. The Department of the Interior and the Federal Energy Administration both oppose changing the law in this area. Further, it is illogical to call for a study of all alternatives and then mandate what ones are to be used.

One of the alternatives is a "net profit" concept. If implemented this would severely reduce if not retard OCS development. A development program under a net profits sharing system would necessitate the recovery of substantially more reserves to economically justify the required expenditures to develop. Under this type of arrangement the lessee must recoup the tremendous costs of dry holes, lease acquisitions, and other exploratory costs of nonproductive leases from which there is no profit. This format will thus result in the elimination of any prospective tracts from bid consideration with the accompanying depression of production and reserves.

Under the existing bidding system, a bidder's evaluation of the reserve potential is the principal factor in determining the amount of bonus bid for a given tract. Under the proposed net profits-sharing system, it is possible that the level of bidding will be keyed more to a minimum earning requirement and minimum expenditure level. This could result in less development at a slower pace. The goal for the Outer Continental Shelf is to maximize production through full and accelerated development.

Many tracts awarded under a net profits leasing format would not be fully developed and would be abandoned earlier in their producing life in view of the added cost burdens, resulting in a waste of natural resources.

The recognized problem areas associated with a net profit system leasing format both at a fixed and variable bid rate fully warrants a detailed and complete review by the Department of the Interior and that the results be keenly analyzed before this applicable section of the OCS Lands Act is further considered for amendment. For the same reasons other alternative methods of bidding should be reviewed and a report thereon filed with Congress.

Failure to comply with the development plans prescribed in section 206 would result in termination of the lease, regardless of whether such failure was caused by events beyond the control of the lessee.

In the event of the termination of a lease, no provision in this section is made for notice or a hearing for the lessee or for a rebate of any part of the payments made for the leases.

The 10 problems described in detail above are but a few of the many provisions of the bill which would cause serious delays and inequities in expanding OCS leasing, exploration, and production programs thereby frustrating rather than expediting the achievement of domestic energy self-sufficiency.

Mr. METCALF. Mr. President, as chairman of the Subcommittee on Minerals, Materials, and Fuels, I strongly support the enactment of S. 3221, the Energy Supply Act of 1974. The chairman of the full committee has clearly set out the reasons why this bill is needed and I completely endorse his statement which appears in the CONGRESSIONAL RECORD of September 12—pages 30980–30982.

I would like to take this opportunity to comment briefly on the statements in opposition to the bill made by the oil industry, the administration, and the five distinguished minority members of our committee who filed minority views with the committee report. From all three, we have heard a series of similar objections. Indeed, they are so similar as to be essentially interchangeable. Their basic position is to oppose any revision of the Outer Continental Shelf Lands Act arguing that "appropriate action" can be taken under the existing law. Obviously, those of us who support S. 3221 have a different idea as to what is "appropriate."

The industry, the administration, and my friends in the minority apparently believe that requiring advance planning, public participation, intergovernmental coordination, and improving safety and preventing oil spills are not appropriate matters for Congress to consider. Apparently, the industry, the administration, and my friends in the minority believe that the Federal Government should simply turn the people's oil and gas over to the major oil companies and rely on them to meet the people's energy needs in an "appropriate" manner. Judging from events of the last 6 months, what the industry believes is appropriate are windfall profits and drastically increased gasoline prices.

Those of us who support S. 3221 believe that the programs under existing law are not adequate to protect the public interest. We believe that Congress must exercise its special constitutional responsibility to make policy for the Outer Continental Shelf rather than simply delegate its authority to the Secretary of the Interior without any policy guidelines.

For example, S. 3221 would authorize and direct the Secretary to obtain information about the nature and extent of the oil and gas resources of the Outer Continental Shelf. It would require that whenever an oil company receives an exploration permit or lease that it furnish the resource data which it obtains under the authority of the permit or lease to the Secretary of the Interior who represents the people who own this property. S. 3221 requires the Secretary to keep all proprietary data confidential. We believe that these provisions of S. 3221 balance the public's interest in obtaining better information about its resources and the public's interest in maintaining a competitive oil and gas industry.

My friends in the minority indicate that the data disclosure requirements of S. 3221 would be "the first essential step toward the formulation of a Federal oil and gas corporation." How they arrive at this conclusion is beyond my comprehension. I can only conclude that the industry, the administration, and my friends in the minority believe that the people would make different decisions about the use of their resources if they knew more about them and that somehow those decisions would be adverse to private industry. If the present program is, as they indicate, consistent with the public interest, this fear is groundless. Of course, if the present program is not consistent with the public interest it should be changed.

The Senate must keep in mind that we are not dealing with regulation of the use of private property in this bill. We are dealing with ways of assuring that the people's resources are used in the manner best designed to meet the people's needs.

My friends in the minority raise the specter of "fly by night speculators" being encouraged by information about these resources being available to the public. I applaud their concern about the need for responsible development operations on the Outer Continental Shelf. I wonder why they object to the many provisions of the bill designed to assure such operations.

My friends in the minority object to the Coastal States Fund created by the bill as being "unconscionable bribery" which would not be fair to the taxpayer, particularly citizens of inland States. This argument ignores the fact that every independent study of Outer Continental Shelf oil and gas development indicates that the most significant impacts of such development occur on shore. The Coastal States Fund is not an automatic revenue sharing mechanism. I do not support automatic revenue sharing because I believe that the coastal States and the Federal Government made an agreement about ownership of the Outer Continental Shelf when the Submerged Lands Act and the Outer Continental Shelf Lands Act were passed in 1953. However, I do believe that it is equitable for the Federal Government to compensate those individual States which bear the brunt of the development of the Federal resources. In order to obtain a grant from the fund, a coastal State must demonstrate that there are adverse environmental, social, or economic impacts from existing or proposed Federal Outer Continental Shelf oil and gas development.

I must add that when I voted for the Outer Continental Shelf Lands Act in 1953 I had no idea that I was supporting a measure so wise and so farsighted as to deserve to remain immutable for all time. I believed then and I believe now that times and conditions change.

Surely, the events of the past 21 years warrant intensive congressional review of the Outer Continental Shelf Lands Act and, as the supporters of S. 3221 believe, its modernization so as to meet the needs and concerns of the last quarter of the 20th century.

Mr. President, I was personally disappointed that the minority views indicated that the committee "ignored" the administration's comments on S. 3221. They should certainly be aware that these comments were given careful consideration and many were incorporated into the bill during the committee's markup. In fact, I took the initiative to get the administration's specific comments after they submitted a very general letter indicating that enactment of any of the seven bills which were pending before my subcommittee would create "serious delays" in Outer Continental Shelf development. The subcommittee's hearings ended on May 10. On May 20 I wrote to Under Secretary Whitaker, who was the Interior Department's witness at the committee's hearings. I asked him to specify what provisions of S. 3221 would, in his opinion, create "serious delays" and to indicate precisely how and why such delays could occur. My letter is set out on page 37 of the committee's report (S. Rep. No. 93-1140). On July 1 the Department's Legislative Counsel responded to my letter to Under Secretary Whitaker. He listed five provisions of the bill which, in the Department's opinion, could lead to delay. His response is set out on pages 136-137 of the committee report.

Four of the five provisions mentioned have been substantially modified in light of the Department's comments. The fifth is the section of the bill requiring a study of methods to encourage competition and maximize revenue. The Department objected to doing this study on the ground that if it identified needed changes, it would have to seek new legislation. The committee found this argument unpersuasive.

It is true that on July 26 the Department submitted a second letter expressing additional objections—printed in committee report, pages 54-58. Many of these objections were based on the grounds that the Department could do the same things without legislation. In effect they were asking the Congress to rely on the good judgment of the present Secretary of Interior and all future Secretaries. I certainly regret that the fact that the minority overlooked my good faith efforts to work with the administration on S. 3221.

At this point, I should remind the Senate that one Member of the minority, the distinguished senior Senator from Oregon (Mr. HATFIELD), voted in favor of S. 3221. His support is particularly encouraging to me because the senior Senator from Oregon is extremely knowledgeable about the Federal Outer Continental Shelf program. He is the only Member of the minority who served with me on the Special Subcommittee on the Outer Continental Shelf during the 91st Congress. He is the only member of the minority who serves on the Appropriations Subcommittee on Interior and Related Agencies which has been monitoring the administration of the Outer Continental Shelf Lands Act every year. He is the minority's representative from the Interior Committee on the National Ocean Policy Study, which gives him further insight into the problem of Outer Continental Shelf development.

Mr. President, the minority report indicated that quotations of the testimony at the hearings which were presented in the minority view were a "representative sample of the testimony presented to the committee." This is inaccurate and grossly misleading.

They are a representative sample of the views of the administration and the oil and gas industry. However, they ignore the testimony the committee received from a number of other witnesses including independent experts from such organizations as the Ford Foundation Energy Policy Project, the University of Oklahoma Technology Assessment Group, which has done a very exhaustive study of Outer Continental Shelf development entitled, "Energy Under the Oceans," and other academic and independent legal experts. All of these witnesses supported S. 3221. Of course, many suggested some modifications.

The one independent expert quoted in the minority views was Mr. Robert Krueger, a Los Angeles attorney. Mr. Krueger is an internationally known expert on offshore oil and gas development. He is presently under contract to the Federal Energy Administration to do a comprehensive study of the international implications of oil and gas development in other countries by U.S. companies. Mr. Krueger concluded his comments on S. 3221 with the following statement:

> S. 3221 is by far the most comprehensive of the pending bills and is consistent in most respects with the realities of the resources and industry which are affected. With the above suggested changes, it would have beneficial effect on the administration and development of the Outer Continental Shelf.

Thus, he should hardly be cited as an advocate of the status quo.

The minority report ignores the testimony of Dr. Walter Mead, professor of economics at the University of California—Santa Barbara—who for many years served as a consultant to the Office of Management and Budget on natural resource matters, particularly the Outer Continental Shelf. While Dr. Mead had a number of suggestions for amendment, he began his testimony as follows:

> In general I want to say before I begin that I think the Jackson Bill is a very good bill. It has some innovative ideas in it that I think are commendable.

In addition, the Chairman of the Council on Environmental Quality, while supporting the official administration position that no changes were needed to the Outer Continental Shelf Lands Act, indicated that the CEQ study entitled, "OCS Oil and Gas—An Environmental Assessment," concluded that many of the changes mandated by S. 3221 were highly desirable.

For example, Mr. Peterson said:

> The Council strongly recommends a balanced approach—one where measures for expanded energy supply are balanced with measures for environmental protection.
>
> If the risk from Outer Continental Shelf development is acceptable, the Council believes that we should proceed with caution and with a commitment to prevent or minimize damage.

The Council supported disclosure of data by industry. On this point it said:

> The Council also recommends that the Department of Interior consider the competitive consequences, at different stages in the process, of requiring disclosure of certain industry data and analyses.

> The Department should weigh those consequences against the benefits to be obtained and develop standards for governing such disclosure.

The Council also endorsed the performance regulations and safety standards in S. 3221 as follows:

> We have purposely called for the development of performance requirements which will encourage the development and early adoption of safer equipment and facilities, rather than lock the industry into a static technology.
>
> Specifically, we have called for the use of the best commercially available technology in critical Outer Continental Shelf operation and, at the same time, we encourage the industry to do better.
>
> The technology assessment and technical recommendations in our report cover most of the research and development topics identified in S. 3221.

CEQ also supported a Federal liability system for Outer Continental Shelf oil spills and damages and expressly endorsed inclusion of a citizen suit provision in the Outer Continental Shelf Lands Act.

I was disappointed that the minority's opening statement on the floor continued to employ misleading quotations. For example, they cited objections raised by the administration to provisions of S. 3221 which are no longer in the bill. They also cited administration objections which were specifically directed at other bills before the committee which contain provisions which are not now and have never been in S. 3221.

All this seems, Mr. President, to be a desperate effort by the industry, the administration, and my Republican friends to maintain the status quo. Those of us who support S. 3221 believe that the status quo tips the scales heavily in favor of the oil industry and against the interest of the American people who own these resources. Mr. President, we believe that the time has come to tip the scales in the other direction and to help the people regain control of their resources. We believe that S. 3221 balances the scales.

The PRESIDING OFFICER. Is all time yielded back?

Mr. JOHNSTON. I yield back my time.

Mr. JACKSON. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time is yielded back. The question is, Shall the bill pass. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Michigan (Mr. Hart), the Senator from Indiana Mr. Hartke), the Senator from Massachusetts (Mr. Kennedy), and the Senator from Rhode Island (Mr. Pastore) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. Kennedy), and the Senator from Rhode Island (Mr. Pastore), would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. Bennett), the Senator from New York (Mr. Buckley), the Senator from Kentucky (Mr. Cook), the Senator from Nebraska (Mr. Curtis), the Senator from Colorado (Mr. Dominick), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

I also announce that the Senator from Illinois (Mr. Percy) is absent on official business.

The result was announced—yeas 64, nays 23, as follows:

[No. 412 Leg.]

YEAS—64

Abourezk
Allen
Beall
Bible
Biden
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Eagleton
Eastland
Ervin
Fulbright
Gravel
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Long
Magnuson
Mansfield
McClellan
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevenson
Symington
Talmadge
Thurmond
Tunney
Weicker
Williams
Young

NAYS—23

Aiken
Baker
Bartlett
Bellmon
Brock
Chiles
Cotton
Dole
Domenici
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Helms
Hruska
McClure
Pearson
Scott, William L.
Stevens
Taft
Tower

NOT VOTING—13

Bayh
Bennett
Bentsen
Buckley
Cook
Curtis
Dominick
Hart
Hartke
Kennedy
Mathias
Pastore
Percy

So the bill (S. 3221) was passed, as follows:

S. 3221

An act to increase the supply of energy in the United States from the Outer Continental Shelf; to amend the Outer Continental Shelf Lands Act; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Energy Supply of 1974".

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TITLE I—FINDINGS AND PURPOSES

FINDINGS

Sec. 101. The Congress finds and declares that—

(1) the demand for energy in the United States is increasing and will continue to increase for the foreseeable future;

(2) domestic production of oil and gas has declined in recent years;

(3) the United States has become increasingly dependent upon imports of oil from foreign nations to meet domestic energy demand;

(4) increasing reliance on imported oil is not inevitable, but is rather subject to significant reduction by increasing domestic sources of energy supply;

(5) consumption of natural gas in the United States has greatly exceeded additions to domestic reserves in recent years, so that currently available supplies are less than demand;

(6) technology is or can be made available which will allow sufficient production and consumption of domestic energy supply to meet demands consistent with national environmental policies;

(7) the Outer Continental Shelf contains significant quantities of petroleum and natural gas, which are a vital national reserve that must be carefully managed in the public interest; and

(8) there presently exists a variety of technological, economic, environmental, administrative, and legal problems which tend to retard the development of the oil and natural gas resources of the Outer Continental Shelf;

(9) it is the national policy to preserve, protect, and develop the resources of this Nation's coastal zone, and to provide for the orderly siting of energy facilities therein;

(10) the development, processing, and distribution of the oil and gas resources of the Outer Continental Shelf, and the siting of related energy facilities, may cause adverse impacts on the coastal zones of the various coastal States; and

(11) the Coastal Zone Management Act of 1972 provides policy, procedures, and programs designed to anticipate such adverse impacts and in part prevent them by appropriate planning and management of land and water resources in the costal zone.

PURPOSES

Sec. 102. The purposes of this Act are to—

(1) increase domestic production of oil and natural gas in order to assure material prosperity and national security, reduce dependence on unreliable foreign sources, and assist in maintaining a favorable balance of payments;

(2) make oil and natural gas resources in the Outer Continental Shelf available as rapidly as possible consistent with the need for orderly resources development, and protection of the environment, in a manner consistent with the Mining and Mineral Policy Act of 1970 and designed to insure the public a fair market return on disposition of public resources;

(3) encourage development of new and improved technology for energy resource production that will increase human safety and eliminate or reduce risk of damage to the environment; and

(4) provide States which are directly impacted by Outer Continental Shelf oil and gas exploration and development with comprehensive assistance in order to assure adequate protection of the onshore social, economic, and environmental conditions of the coastal zone.

TITLE II—INCREASED PRODUCTION OF OUTER CONTINENTAL SHELF ENERGY RESOURCES

NATIONAL POLICY FOR OUTER CONTINENTAL SHELF

SEC. 201. Section 3 of the Outer Continental Shelf Lands Act is revised by adding the following new subsections (c) and (d):

"(c) It is hereby declared that the Outer Continental Shelf is a vital national resource reserve held by the Federal Government for all the people, which should be made available for orderly development, subject to environmental safeguards, consistent with and when necessary to meet national needs.

"(d) It is hereby recognized that development of the oil and gas resources of the Outer Continental Shelf will have significant impact on coastal zone areas of adjacent States and that, in view of the national interest in the effective management of the coastal zone, such States may require assistance in protecting their coastal zone insofar as possible from the adverse effects of such impact.".

NEW SECTIONS OF OUTER CONTINENTAL SHELF LANDS ACT

SEC. 202. The Outer Continental Shelf Lands Act is hereby amended by adding the following new sections:

"DEVELOPMENT OF OUTER CONTINENTAL SHELF LEASING PROGRAM

"SEC. 18. (a) Congress delares that it is the policy of the United States that Outer Continental Shelf lands determined to be both geologically favorable for the accumulation of oil and gas and capable of supporting oil and gas development without undue environmental hazard or damage should be made available for leasing as soon as practicable in accordance with subsection (b) of this section.

"(b) The Secretary is authorized and directed to prepare and maintain a leasing program to implement the policy set forth in subsection (a). The leasing program shall indicate as precisely as possible the size, timing, and location of leasing activity that will best meet national energy needs for the ten-year period following its approval or reapproval in a manner consistent with subsection (a) above and with the following principles:

"(1) management of the Outer Continental Shelf in a manner which considers all its resource values and the potential impact of oil and gas exploration and development on other resource values of the Outer Continental Shelf and the marine environment;

"(2) timing and location of leasing to distribute exploration, development, and production of oil and gas among various areas of the Outer Continental Shelf, considering:

"(A) existing information concerning their geographical, geological, and ecological characteristics;

"(B) their location with respect to, and relative needs of, regional energy markets;

"(C) their location with respect to other uses of the sea and seabed including but not limited to fishing areas, access to ports by vessels, and existing or proposed sea lanes;

"(D) interest by potential oil and gas producers in exploration and development as indicated by tract nominations and other representations;

"(E) an equitable sharing of developmental benefits and environmental risks among various regions of the United States;

"(3) timing and location of leasing so that to the maximum extent practicable areas with less environmental hazard are leased first; and

"(4) receipt of fair market return for public resources,

"(c) The program shall include estimates of the appropriations and staffing required of all existing Federal programs necessary to prepare the required environmental impact statements, obtain resource data and any other information needed to decide the order in which areas are to be scheduled for lease, to make the analyses required prior to offering tracts for lease, and to supervise operations under every lease in the manner necessary to assure compliance with the requirements of the law, the regulations, and the lease.

"(d) The environmental impact statement on the leasing program prepared in accordance with section 102(2)(C) of the National Environmental Policy Act of 1969, shall include, but shall not be limited to, an assessment by the Secretary of the relative significance of the probable oil and gas resources of each area proposed to be offered for lease in meeting national demands, the most likely rate of exploration and development that is expected to occur if the areas are leased, and the relative environmental hazard of each area. Such environmental impact statement shall be based on consideration of the following factors, without being limited thereto: geological and geophysical conditions, biological data on existing animal, marine, and plant life, and commercial and recreational uses of nearby land and water areas.

"(e) The Secretary shall, by regulation, establish procedures for receipt and consideration of nominations for areas to be offered for lease or to be excluded from leasing, for public notice of and participation in development of the leasing program, for review by State and local governments which may be impacted by the proposed leasing, and for coordination of the program with management program being developed by any State for approval pursuant to section 305 of the Coastal Zone Management Act of 1972 and with the management program of any State which has been approved pursuant to section 306 of such Act. These procedures shall be applicable to any revision or reapproval of the leasing program.

"(f) The Secretary shall publish a proposed leasing program in the Federal Register and submit it to the Congress within two years after enactment of this section.

"(g) After the leasing program has been approved by the Secretary or after January 1, 1978, whichever comes first, no leases under this Act may be issued unless they are for areas included in the approved leasing program.

"(h) The Secretary may revise and reapprove the leasing program at any time and he must review and reapprove the leasing program at least once each year.

"(i) The Secretary is authorized to obtain from public sources, or to purchase from private sources, any surveys, data, reports, or other information (excluding interpretations of such data, surveys, reports, or other information) which may be necessary to assist him in preparing environment impact statements and making other evaluations required by this Act. The Secretary shall maintain the confidentiality of all proprietary data or information for such period of time as is agreed to by the parties.

"(j) The heads of all Federal departments or agencies are authorized and directed to provide the Secretary with any nonproprietary information he requests to assist him in preparing the leasing program. In addition, the Secretary is authorized and directed to utilize the existing capabilities and resources of other Federal departments and agencies by appropriate agreement.

"(k) The program developed pursuant to this section shall include the reservation of an appropriate area or areas as a National Strategic Energy Reserve. The Secretary shall confer with appropriate Federal officials to determine the extent and locations of such reserves. The Secretary shall study the most appropriate means of developing and maintaining such reserves in the national interest. The Secretary shall consult with other Federal agencies and departments and nongovernmental authorities in conducting such study. The Secretary shall report to the Congress by January 1, 1976 the results of such study.

"FEDERAL OUTER CONTINENTAL SHELF OIL AND GAS SURVEY PROGRAM

"SEC. 19. (a) The Secretary is authorized and directed to conduct a survey program regarding oil and gas resources of the Outer Continental Shelf. This program shall be designed to provide information about the probable location, extent, and characteristics of such resources in order to provide a basis for (1) development and revision of the leasing program required by section 18 of this Act, (2) greater and better informed competitive interest by potential producers in the oil and gas resources of the Outer Continental Shelf, (3) more informed decisions regarding the value of public resources and revenues to be expected from leasing them, and (4) the mapping program required by subsection (c) of this section.

"(b) The Secretary is authorized to contract for, or purchase the results of or, where the required information is not available from commercial sources, conduct seismic, geomagnetic, gravitational, geophysical, or geochemical investigations, and to contract for or purchase the results of stratigraphic drilling, needed to implement the provisions of this section.

"(c) The Secretary, in cooperation with the Secretary of Commerce, is directed to prepare and publish and keep current a series of detailed bathymetric, geological, and geophysical maps of and reports about the Outer Continental Shelf, based on nonproprietary data, which shall include, but not necessarily be limited to, the results of seismic, gravitational, and magnetic surveys on an appropriate grid spacing to define the general bathymetry, geology, and geophysical characteristics of the area. Such maps shall be prepared and published no later than six months prior to the last day for submission of bids for any areas of the Outer Continental Shelf scheduled for lease on or after January 1, 1978.

"(d) Within six months after enactment of this section, the Secretary shall develop and submit to Congress a plan for conducting the survey and mapping programs required by this section. This plan shall include an identification of the areas to be surveyed and mapped during the first five years of the programs and estimates of the appropriations and staffing required to implement them.

"(e) The Secretary shall include in the annual report required by section 15 of this Act, information concerning the carrying out of his duties under this section, and shall include as a part of each such report a summary of the current data for the period covered by the report.

"(f) No action taken to implement this section shall be considered a major Federal action for the purposes of section 102(2)(C) of the National Environmental Policy Act of 1969.

"(g) There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this section during fiscal years 1975 and 1976, to the Secretary and to appropriate Federal agencies having responsibilities under this section.

"(h) The Secretary shall, by regulation, require that any person holding a lease issued pursuant to this Act for oil or gas exploration or development on the Outer Continental Shelf shall provide the Secretary with any existing data (excluding interpretation of such data) about the oil or gas resources in the area subject to the lease. The Secretary shall maintain the confidentiality of all proprietary data or information until such time as he determines that public availability of such proprietary data or information would not damage the competitive position of the lessee.

"SAFETY REGULATIONS FOR OIL AND GAS OPERATIONS

"Sec. 20. (a) Policy.—It is the policy of this section to insure, through improved techniques, maximum precautions, and maximum use of the best available technology by well-trained personnel, the safest possible operations in the Outer Continental Shelf. Safe operations are those which minimize the likelihood of blowouts, loss of well control, fires, spillages, or other occurrences *which* may cause damage to the environment, or to property, or endanger human life or health.

"(b) Regulations; Study.—(1)(A) The Secretary, with the concurrence and advice of the Administrator of the Environmental Protection Agency and the Secretary of the Department in which the Coast Guard is operating, shall develop, from time to time revise, and promulgate safety regulations for operations in the Outer Continental Shelf, to implement as fully as possible the policy of subsection (a) of this section. Within one year after the enactment of this section, the Secretary shall complete a review of existing safety regulations, consider the results and recommendations of the study authorized in paragraph (2) of this subsection, and promulgate a complete set of safety regulations (which may include Outer Continental Shelf orders) applicable to operations in the Outer Continental Shelf or any region thereof. Any safety regulations in effect on the date of enactment of this section which the Secretary finds should be retained shall be repromulgated according to the terms of this section, but shall remain in effect until so repromulgated. No safety *regulations* (other than field orders) promulgated pursuant to this subsection shall reduce the degree of safety or protection to the environment afforded by safety regulations previously in effect.

"(B) In promulgating regulations under this section, the Secretary shall require on all new drilling and production operations and, wherever practicable on already existing operations, the use of the best available technology wherever failure of equipment would have a substantial effect on public health, safety, or the environment.

"(2) Upon the enactment of this section, the National Academy of Engineering shall conduct a study of the adequacy of existing safety regulations and technology, equipment, and techniques for operations in the Outer Continental Shelf, including but not limited to the subjects listed in subsection (a) of this section. Not later than nine months after the enactment of this section, the results of the study and recommendations for improved safety regulations shall be submitted to the Congress and to the Secretary.

"RESEARCH AND DEVELOPMENT

"Sec. 21. (a) The Secretary is authorized and directed to carry out a research and development program designed to improve technology related to development of the oil and gas resources of the Outer Continental Shelf where similar programs are not presently being conducted by any Federal department or agency and where he determines that such research and development is not being adequately conducted by any other public or private entity including but not limited to—

"(1) downhole safety devices,

"(2) methods for reestablishing control of blowing out or burning wells,

"(3) methods for containing and cleaning up oil spills,

"(4) improved drilling bits,

"(5) improved flaw detection systems for undersea pipelines,

"(6) new or improved methods of development in water depths over six hundred meters, and

"(7) subsea production systems.

"(b) The Secretary, with the concurrence of the Secretary of the department in which the Coast Guard is operating, shall establish equipment and performance standards for oil spill cleanup plans and operations. Such standards shall be coordinated with the National Oil and Hazardous Substances Pollution Contingency Plan, and reviewed by the Administrator of the Environmental Protection Agency, and the Administrator of the National Oceanic and Atmospheric Administration.

"(c) The Secretary of Commerce, in cooperation with the Secretary of the Navy, the Secretary of the department in which the Coast Guard is operating, and the Director of the National Institutes of Occupational Safety and Health, shall conduct studies of underwater diving techniques and equipment suitable for protection of human safety.

"ENFORCEMENT OF SAFETY REGULATIONS; INSPECTIONS

"Sec. 22. (a) (1) The Secretary and the Secretary of the department in which the Coast Guard is operating shall jointly enforce the safety and environmental protection regulations promulgated under this Act. They shall regularly inspect all operations authorized pursuant to this Act and strictly enforce safety regulations promulgated pursuant to this Act and other applicable laws and regulations relating to public health, safety, or environmental protection. All holders of leases under this Act shall allow promptly access at the site of any operations subject to safety regulations to any inspector, and provide such documents and records that are pertinent to public health, safety, or environmental protection, as such Secretaries or their designees may request.

"(2) The Secretary, with the concurrence of the Secretary of the department in which the Coast Guard is operating, shall promulgate regulations within ninety days of the enactment of this section to provide for—

(A) physical observation at least once each year by an inspector of the installation or testing of all safety equipment designed to prevent or ameliorate blowouts, fires, spillages, or other major accidents; and

"(B) periodic on site inspection without advance notice to the lessee to assure compliance with public health, safety, or environmental protection regulations.

"(3) The Secretary of the department in which the Coast Guard is operating shall make an investigation and public report on all major fires and major oil spillage occurring as a result of operations pursuant to this Act. For the purposes of this subsection, a major oil spillage is any spillage in one instance of more than two hundred barrels of oil over a period of thirty days: *Provided*, That he may, in his discretion, make an investigation and report of lesser oil spillages. All holders of leases under this Act shall cooperate with him in the course of such investigations.

"(4) For the purposes of carrying out their responsibilities under this section, the Secretary or the Secretary of the department in which the Coast Guard is operating may by agreement utilize with or without reimbursement the services, personnel, or facilities of any Federal agency.

"(b) The Secretary shall include in his annual report to Congress required by section 15 of this Act the number of violations of safety regulations found, the names of the violators, and the action taken thereon.

"(c) The Secretary shall consider any allegation from any person of the existence of a violation of any safety regulations issued under this Act. The Secretary shall answer such allegation no later than ninety days after receipt thereof, stating whether or not such alleged violations exist and, if so, what action has been taken.

"(d) In any investigation directed by this section the Secretary or the Secretary of the department in which the Coast Guard is operating shall have power to summon before them or their designees witnesses and to require the production of books, papers, documents, and any other evidence. Attendance of witnesses or the production of books, papers, documents, or any other evidence shall be compelled by a similar process as in the United States district court. In addition, they or their designees shall administer all necessary oaths to any witnesses summoned before said investigation.

"LIABILITY FOR OIL SPILLS

"Sec. 23. (a) Any person in charge of any operations in the Outer Continental Shelf, as soon as he has knowledge of a discharge or spillage of oil from an operation, shall immediately notify the appropriate agency of the United States Government of such discharge.

"(b)(1) Notwithstanding the provisions of any other law, the holder of a lease or right-of-way issued or maintained under this Act and the Offshore Oil Pollution Settlements Fund (hereinafter referred to as "the fund") established by this subsection shall be strictly liable without regard to fault and without regard to ownership of any adversely affected lands, structures, fish, wildlife, or biotic or other natural resources relied upon by any damaged party for subsistence or economic purposes, in accordance with the provisions of this subsection for all damages, sustained by any person as a result of discharges of oil or gas from any operation authorized under this Act if such damages occurred (A) within the territory of the United States, Canada, or Mexico or (B) in or on waters within two hundred nautical miles of the baseline of the United States, Canada, or Mexico from which the territorial sea of the United States, Canada, or Mexico is measured, or (C) within one hundred nautical miles of any operation authorized under this Act. Claims for such injury or damages may be determined by arbitration or judicial proceedings.

"(2) Strict liability shall not be imposed under this subsection on the holder or the fund if the holder or the fund proves that the damage was caused by an act of war. Strict liability shall not be imposed under this subsection on the holder if the holder proves that the damage was caused by the negligence of the United States or other governmental agency. Strict liability shall not be imposed under this subsection with respect to the claim of a damaged person if the holder or the fund proves that the damage was caused by the negligence or intentional act of such person.

"(3) Strict liability for all claims arising out of any one incident shall not exceed $100,000,000. The holder shall be liable for the first $7,000,0000 of such claims that are allowed. The fund shall be liable for the balance of the claims that are allowed up to $100,000,000. If the total claims allowed exceed $100,000,000, they shall be reduced proportionately. The unpaid portion of any claim may be asserted and adjudicated under other applicable Federal or State law.

"(4) In any case where liability without regard to fault is imposed pursuant to this subsection, the rules of subrogation shall apply in accordance with the laws of the State in which such damages occurred: *Provided, however*, That in the event such damages occurred outside the jurisdiction of any State, the rules of subrogation shall apply in accordance with the laws applicable pursuant to section 4 of this Act.

"(5) The Offshore Oil Pollution Settlements Fund is hereby established as a nonprofit corporate entity that may sue and be sued in its own name. The fund shall be administered by the holders of leases issued under this Act under regulations prescribed by the Secretary. The fund shall be subject to an annual audit by the Comptroller General, and a copy of the audit shall be submitted to the Congress. Claims allowed against the fund shall be paid only from moneys deposited in the fund.

"(6) There is hereby imposed on each barrel of oil produced pursuant to any lease issued or maintained under this Act a fee of 2½ cents per barrel. The fund shall collect the fee from the lessees or their assignees. Costs of administration shall be paid from the money collected by the fund, and all sums not needed for administration and the satisfaction of claims shall be invested prudently in income producing securities approved by the Secretary. Income from such securities shall be added to the principal of the fund.

"(7) Subject to the limitation contained in subparagraph (3) of this subsection, if the fund is unable to satisfy a claim asserted and finally determined under this subsection, the fund may borrow the money needed to satisfy the claim from any commercial credit source, at the lowest available rate of interest, subject to the approval of the Secretary.

"(8) No compensation shall be paid under this subsection unless notice of the damage is given to the Secretary within three years following the date on which the damage occurred.

"(9) Payment of compensation for any damage pursuant to this subsection shall be subject to the holder of the fund acquiring by subrogation all rights of the claimant to recover from such damages from any other person.

"(10) The collection of amounts for the fund shall cease when $100,000,000 has been accumulated, but shall be renewed when the accumulation in the fund falls below $85,000,000. The fund shall insure that collections are equitable to all holders of a lease or right-of-way.

"(11) The several district courts of the United States shall have jurisdiction over claims against the fund.

"(c) If any area within or without a lease granted or maintained under this Act is polluted by any discharge or spillage of oil from operations conducted by or on behalf of the holder of such lease, and such pollution damages or threatens to damage aquatic life, wildlife, or public or private property, the control and removal of the pollutant shall be at the expense of such holder, including administrative and other costs incurred by the Secretary or any other Federal or State officer or agency. Upon failure of such holder to adequately control and remove such pollutant, the Secretary in cooperation with other Federal, State, or local agencies, or in cooperation with such holder, or both, shall have the right to accomplish the control and removal at the expense of the holder.

"(d) The Secretary shall establish requirements that all holders of leases issued or maintained under this Act shall establish and maintain evidence of financial responsibility of not less than $7 million. Financial responsibility may be established by any one of, or a combination of, the following methods acceptable to the Secretary: (A) evidence of insurance, (B) surety bonds, (C) qualification as a self-insurer, or (D) other evidence of financial responsibility. Any bond filed shall be issued by a bonding company authorized to do business in the United States.

"(e) The provisions of this section shall not be interpreted to supersede section 311 of the Federal Water Pollution Control Act Amendments of 1972 or preempt the field of strict liability or to enlarge or diminish the authority of any State to impose additional requirements.

"NEGOTIATIONS WITH STATES

"Sec. 24. The Secretary is authorized and directed to negotiate with those coastal States which are asserting jurisdiction over the Outer Continental Shelf with a view to developing interim agreements which will allow energy resource development prior to final judicial resolution of the dispute.

"DETERMINATION OF BOUNDARIES

"Sec. 25. Within one year following the date of enactment of this section, the President may establish procedures for settling any outstanding boundary disputes, including international boundaries between the United States and Canada and between the United States and Mexico, and establish boundaries between adjacent States, as directed in section 4 of this Act.

"COASTAL STATE FUND

"Sec. 26. (a) There is hereby established in the Treasury of the United States the Coastal State Fund (hereinafter referred to as the 'fund'). The Secretary shall manage and make grants from the fund according to the regulations established pursuant to subsections (b) and (c) to the coastal States impacted by anticipated or actual oil and gas production.

"(b) The purpose of such grants shall be to assist coastal States impacted by anticipated or actual oil and production to ameliorate adverse environmental effects and control secondary social and economic impacts associated with the development of Federal energy resources in, or on the Outer Continental Shelf adjacent to the submerged lands of such States. Such grants may be used for planning, construction of public facilities, and provision of public services, and such other activities as may be prescribed by regulations promulgated pursuant to subsection (c) of this section. Such regulations shall, at a minimum, (1) provide that such regulations be directly related to such environmental effects and social and economic impacts; (2) take into consideration the acreage leased or proposed to be leased and the volume of production of oil and gas from the Outer Continental Shelf off the adjacent coastal State; and (3) require each coastal State, as a requirement of eligibility for grants from the fund, to establish pollution containment and cleanup systems for pollution from oil and gas development activities on the submerged lands of each such State.

"(c) The Secretary of Commerce, in accordance with the provisions of subsection (b), and this subsection, shall, by regulation, establish requirements for grant eligibility: *Provided*, That it is the intent of this section that grants shall be made to impacted coastal States to the maximum extent permitted by subsection (d) of this section and that grants shall be made to impacted coastal States in proportion to the effects and impacts of offshore oil and gas exploration, development and production on such States. Such grants shall not be on a matching basis but shall be adequate to compensate impacted coastal States for the full costs of any environmental effects and social and economic impacts of offshore oil and gas exploration, development, and production. The Secretary shall coordinate all grants with management programs established pursuant to the Coastal Zone Management Act of 1972.

"(d) Notwithstanding any other provision of law, 10 per centum of the Federal revenues from the Outer Continental Shelf Lands Act, as amended by this Act, or the equivalent of forty ($.40) cents per barrel from the Federal revenues from the Outer Continental Shelf Act, whichever is greater, shall be paid into the fund: *Provided*, That the total amount paid into the fund shall not exceed $200,000,000 per year for fiscal 1976 and 1977.

"(e) There is hereby authorized to be appropriated to the fund $100,000,000.

"(f) For the purpose of this Act, 'coastal State' means a State of the United States in, or bordering on, the Atlantic, Pacific, or Arctic Ocean, the Gulf of Mexico, or Long Island Sound, including Puerto Rico, the Virgin Islands, Guam, and American Samoa.

"CITIZEN SUITS

"Sec. 27. (a) Except as provided in subsection (b) of this section, any person having an interest which is or may be adversely affected may commence a civil action on his own behalf—

"(1) against any person including—

"(A) the United States, and

"(B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution who is alleged to be in violation of the provisions of this Act or the regulation promulgated thereunder, or any permit or lease issued by the Secretary; or

"(2) against the Secretary where there is alleged a failure of the Secretary to perform any act or duty under this Act which is not discretionary with the Secretary.

"(b) No action may be commenced—

"(1) under subsection (a)(1) of this section—

"(A) prior to sixty days after the plaintiff has given notice in writing under oath of the violation (i) to the Secretary, and (ii) to any alleged violator of the provisions of this Act or any regulations promulgated thereunder, or any permit or lease issued thereunder;

"(B) if the Secretary has commenced and is diligently prosecuting a civil action in a court of the United States to require compliance with the provisions of this Act or the regulations thereunder, or the lease, but in any such action in a court of the United States any person may intervene as a matter of right; or

"(2) Under subsection (a)(2) of this section prior to sixty days after the plaintaiff has given notice in writing under oath of such action to the Secretary, in such manner as the Secretary shall by regulation prescribe, except that such action may be brought immediately after such notification in the case where the violation complained of, constitutes an imminent threat to the health or safety of the plaintiff or would immediately affect a legal interest of the plaintiff.

"(c) In any action under this section, the Secretary, if not a party, may intervene as a matter of right.

"(d) The court, in issuing any final order in any action, brought pursuant to subsection (a) of this section, may award costs of litigation including reasonable attorneys fees to any party, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

"(e) Nothing in this section shall restrict any right which any person or class of persons may have under this or any statute or common law to seek enforcement of any of the provisions of this Act and the regulations thereunder, or to seek any other relief, including relief against the Secretary.

"PROMOTION OF COMPETITION

"Sec. 28. Within one year after the date of enactment of this section, the Secretary shall prepare and publish a report with recommendations for promoting competition and maximizing production and revenues from the leasing of Outer Continental Shelf lands, and shall include a plan for implementing recommended administrative changes and drafts of any proposed legislation. Such report shall include consideration of the following—

"(1) other competitive bidding systems permitted under present law as compared to the bonus bidding system;

"(2) evaluation of alternative bidding systems not permitted under present law;

"(3) measures to ease entry of new competitors; and

"(4) measures to increase supply to independent refiners and distributors.

"ENFORCEMENT AND PENALTIES

"SEC. 29. (a) At the request of the Secretary, the Attorney General may institute a civil action in the district court of the United States for the district in which the affected operation is located for a restraining order or injunction or other appropriate remedy to enforce any provision of this Act or any regulation or order issued under the authority of this Act.

"(b) If any person shall fail to comply with any provision of this Act, or any regulation or order issued under the authority of this Act, after notice of such failure and expiration of any period allowed for corrective action, such person shall be liable for a civil penalty of not more than $5,000 for each and every day of the continuance of such failure. The Secretary may assess, collect, and compromise any such penalty. No penalty shall be assessed until the person charged with a violation shall have been given an opportunity for a hearing on such charge.

"(c) Any person who knowingly and willfully violates any provision of this Act, or any regulation or order issued under the authority of this Act designed to protect public health, safety, or the environment or conserve natural resources or knowingly and willfully makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this Act, or who knowingly and willfully falsifies, tampers with, or renders inaccurate any monitoring device or method of record required to be maintained under this Act or knowingly and willfully reveals any data or information required to be kept confidential by this Act, shall, upon conviction, be punished by a fine of not more than $100,000, or by imprisonment for not more than one year, or both. Each day that a violation continues shall constitute a separate offense.

"(d) Whenever a corporation or other entity violates any provision of this Act, or any regulation or order issued under the authority of this Act, any officer, or agent of such corporation or entity who knowingly and willfully authorized, ordered, or carried out such violation shall be subject to the same fines or imprisonment as provided for under subsection (c) of this section.

"(e) The remedies prescribed in this section shall be concurrent and cumulative and the exercises of one does not preclude the exercise of the others. Further, the remedies prescribed in this section shall be in addition to any other remedies afforded by any other law or regulation.

"ENVIRONMENTAL BASELINE AND MONITORING STUDIES

"SEC. 30. (a) Prior to permitting oil and gas drilling on any area of the Outer Continental Shelf not previously leased under this Act, the Secretary, in consultation with the Administrator of the National Oceanic and Atmospheric Administration of the Department of Commerce, shall make a study of the area involved to establish a baseline of those critical parameters of the Outer Continental Shelf environment which may be affected by oil and gas development. The study shall include, but need not be limited to, background levels of hydrocarbons in water, sediment, and organisms; background levels of trace metals in water, sediments, and organisms; characterization of benthic and planktonic communities; description of sediments and relationships between organisms and abiotic parameters; and standard oceanographic measurements such as salinity, temperature, micronutrients, dissolved oxygen.

"(b) Subsequent to development of any area studied pursuant to subsection (a) of this section, the Secretary shall monitor the areas involved in a manner designed to provide time-series data which can be compared with previously collected data for the purpose of identifying any significant changes.

"(c) In carrying out the provisions of this section, the Secretary is directed to give preference to the use of Government owned and Government operated vessels, to the maximum extent practicable, in contracting for work in connection with such environmental baseline and monitoring studies. In order to avoid needless duplications, the Secretary shall coordinate all such activities with the Administrator of the National Oceanic and Atmospheric Administration and shall, whenever possible, utilize existing Government owned and Government operated marine research laboratories in conducting research authorized by this section.".

REVISION OF LEASE TERMS

SEC. 203. Section 8 of the Outer Continental Shelf Lands Act is amended by revising subsections (a) and (b) to read as follows:

"(a) The Secretary is authorized to grant to the highest responsible qualified bidder by competitive bidding under regulations promulgated in advance, oil and gas leases on submerged lands of the Outer Continental Shelf which are not covered by leases meeting the requirements of subsection (a) of section 6 of this Act. The bidding shall be by sealed bids and, at the discretion of the Secretary, shall be either (1) on the basis of a cash bonus bid with a royalty fixed by the Secretary at not less than 12½ per centum in amount or value of the production saved, removed, or sold, (2) on the basis of a cash bonus bid with a fixed share of the net profits derived from operation of the tract of no less than 30 per centum reserved to the United States, or (3) on the basis of a fixed cash bonus with the net profit share reserved to the United States as the bid variable. The United States net profit share shall be calculated on the basis of the value of the production saved, removed, or sold, less those capital and operating costs directly assignable to the development and operation (but not acquisition) of each individual oil and gas lease issued under this Act to the lessee under a net profit sharing arrangement. No capital or operating charges for materials or labor services not actually used on an area leased for oil or gas under this Act under a net profit-sharing arrangement; allocation of income taxes; or expenditure for materials or labor services used prior to lease acquisition shall be permitted as a deduction in the calculation of net income. The Secretary shall by regulation establish accounting procedures and standards to govern the calculation of net profits. In the event of any dispute between the United States and a lessee concerning the calculation of the net profits, the burden of proof shall be on the lessee. That part of the net profit share due the United States which is attributable to oil production may be taken in kind in the form of oil and disposed of as provided in subsection (k) of this section. That part of the net profit share due in kind shall be determined by dividing the net profit due the United States attributable to the product or products taken in kind by the fair market value at the wellhead of the oil and/or gas (as the case may be) saved, removed or sold. In determining the attribution of profits as between oil and gas, costs shall be allocated proportionately to the value of their respective shares of production.

"(b) An oil and gas lease issued by the Secretary pursuant to this section shall (1) cover a compact area not exceeding five thousand seven hundred and sixty acres, as the Secretary may determine, (2) be for a period of (i) in five years or (ii) for up to ten years where the Secretary deems such longer period necessary to encourage exploration and development in areas of unusually deep water or adverse weather conditions, and as long thereafter as oil or gas may be produced from the area in paying quantities, or drilling or well reworking operations as approved by the Secretary are conducted thereon, and (3) contain such rental provisions and such other terms and provisions as the Secretary may prescribe at the time of offering the area for lease.".

DISPOSITION OF FEDERAL ROYALTY OIL

SEC. 204. Section 8 of the Outer Continental Shelf Lands Act as amended by this Act is further amended by adding a new subsection (k) to read as follows:

"(k) Upon commencement of production of oil from any lease, issued after the effective date of this subsection, the Secretary shall offer to the public and sell by competitive bidding for not less than its fair market value, in such amounts and for such terms as he determines, that proportion of the oil produced from said lease which is due to the United States as royalty or net profit share oil. The Secretary shall limit participation in such sales where he finds such limitation necessary to assure adequate supplies of oil at equitable prices to independent refiners. In the event that the Secretary limits participation in such sales, he shall sell such oil at an equitable price. The lessee shall take any such royalty oil for which no acceptable bids are received and shall pay to the United States a cash royalty equal to its fair market value, but in no event shall such royalty be less than the highest bid.".

ANNUAL REPORT

SEC. 205. Section 15 of the Outer Continental Shelf Lands Act is amended to read as follows:

"ANNUAL REPORT BY SECRETARY TO CONGRESS

"SEC. 15. (a) Within six months after the end of each fiscal year, the Secretary shall submit to the President of the Senate and the Speaker of the House of Representatives a report on the leasing and production program in the Outer Continental Shelf during such fiscal year, including a detailing of all moneys received and expended, and of all leasing, development, and production activities; a summary of management, supervision, and enforcement activities; a summary of grants made from the Coastal State Fund; and recommendations to the Congress for improvements in management, safety and amount of production in leasing and operations in the Outer Continental Shelf and for resolution of jurisdictional conflicts or ambiguities.

"(b) Section 313(a) of the Coastal Zone Management Act of 1972 (86 Stat. 1280) is amended by striking the word 'and' after the word 'priority' in subsection (8); renumbering existing subsection (9) as subsection (10); and inserting the following new subsection (9): 'an assessment of the onshore social, economic, and environmental impacts in those coastal areas affected by Outer Continental Shelf oil and gas exploration and exploitation; and'.".

INSURING MAXIMUM PRODUCTION FROM OIL AND GAS LEASES

SEC. 206. Section 5 of the Outer Continental Shelf Lands Act is amended by adding the following new subsections:

"Insuring Maximum Production From Oil and Gas Leases

"(d)(1) After enactment of this section no oil and gas lease may be issued pursuant to this Act unless the lease requires that development be carried out in accordance with a development plan which has been approved by the Secretary, and provides that failure to comply with such development plan will terminate the lease.

"(2) The development plan will set forth, in the degree of detail established in regulations issued by the Secretary, specific work to be performed, environmental protection and health and safety standards to be met, and a time schedule for performance. The development plan may apply to all leases included within a production unit.

"(3) With respect to permits and leases outstanding on the date of enactment of this section, a proposed development plan must be submitted to the Secretary within six months after the date of enactment of this section. Failure to submit a development plan or to comply with an approved development plan shall terminate the permit or lease.

"(4) The Secretary may approve revisions of development plans if he determines that revision will lead to greater recovery of the oil and gas, improve the efficiency of the recovery operation, or is the only means available to avoid substantial economic hardship on the lessee or permittee.

"(e) After the date of enactment of this section, holders of oil and gas leases issued to this Act shall not be permitted to flare natural gas from any well unless the Secretary finds that there is no practicable way to obtain production or to conduct testing or workover operations without flaring.".

GEOLOGICAL AND GEOPHYSICAL EXPLORATION

Sec. 207. Section 11 of the Outer Continental Shelf Lands Act is hereby amended to read as follows:

"Sec. 11. No person shall conduct any type of geological or geophysical explorations in the Outer Continental Shelf without a permit issued by the Secretary. Each such permit shall contain terms and conditions designed to (1) prevent interference with actual operations under any lease maintained or granted pursuant to the Act; (2) prevent or minimize environmental damage; and (3) require the permittee to furnish the Secretary with copies of all data (including geological, geophysical, and geochemical data, well logs, and drill core analyses) obtained during such exploration. The Secretary shall maintain the confidentiality of all data so obtained until after the areas involved have been leased under this Act or until such time as he determines that making the data available to the public would not damage the competitive position of the permittee, whichever comes later.".

ENFORCEMENT

Sec. 208. Subsection 5(a)(2) of the Outer Continental Shelf Lands Act is hereby amended by deleting the first sentence.

LAWS APPLICABLE TO OUTER CONTINENTAL SHELF

Sec. 209. Paragraph (2) of subsection (a) of section 4 of the Outer Continental Shelf Lands Act is amended by deleting the following words: "as of the effective date of this Act".

AUTHORITY OF GOVERNOR OF ADJACENT STATE TO REQUEST POSTPONEMENT OF LEASE SALES

Sec. 210. Section 8 of the Outer Continental Shelf Lands Act, as amended by this Act, is further amended by inserting at the end thereof the following:

"(i)(1) The Secretary shall give notice of the sale of each lease pursuant to this Act to the Governor of the adjacent State. At any time prior to such sale the Governor may request the Secretary to postpone such sale for a period of not to exceed three years following the date proposed in such notice if he determines that such sale will result in adverse environmental or economic impact or other damage to the State or the residents thereof. In the event of any such request, the Secretary shall postpone the sale until proceedings under this subsection are completed.

"(2) The Secretary shall, not later than thirty days from the receipt of such request:

"(A) grant the request for postponement;

(B) provide for a shorter postponement than requested provided that such period of time is adequate for study and provision to ameliorate any adverse economic or environmental effects or other damage and for controlling secondary social or economic impact associated with the development of Federal energy resources in, or on, the Outer Continental Shelf adjacent to the submerged lands of such State; or

"(C) deny the request for postponement if he finds that such postponement would not be consistent with the national policy as expressed in section 3 of this Act.

"(3) The Governor of a State aggrieved by the action of the Secretary shall have ten days to appeal directly to the National Coastal Resources Appeals Board established pursuant to paragraph (4) of this subsection. Such Board shall hear the appeal within fifteen days of its receipt and shall render a final decision within forty-five days of such hearing. The Board shall overrule the action of the Secretary if it finds that (A) the State is not adequately protected from adverse environmental and economic impacts and other damages pursuant to subparagraph (3) of paragraph (2) of this subsection; or (B) the request of the Governor for postponement is consistent with the national policy as expressed in section (3) of this Act.

"(4)(a) There is hereby established, in the Executive Office of the President, the National Coastal Resources Appeals Board (hereinafter called the 'Board'), which shall be composed of the following, or their designees—the Vice President, who shall be Chairman of the Board, the Secretary of the Interior, the Administrator of the National Oceanic and Atmospheric Administration, the Administrator of the Environmental Protection Agency, and the Chairman of the Council on Environmental Quality.

"(b) The Board shall—

"(1) transmit a written report to the appropriate committees of Congress as to the basis for any decision rendered; and

"(2) conduct such hearings pursuant to section 554 of title 5, United States Code.

"(5) For the purposes of this section, an aggrieved State is defined as being one which has requested a postponement of a lease sale but has been denied such postponement or provided a shorter period of time in which to ameliorate adverse impacts associated with development of the Outer Continental Shelf and the Governor has determined that such period of time is not adequate.

"(6) This section shall take effect immediately upon enactment of this Act.".

TITLE III—MISCELLANEOUS PROVISIONS

PIPELINE SAFETY AND OPERATION

Sec. 301. (a) The Secretary of Transportation, in cooperation with the Secretary of the Interior, is authorized and directed to report to the Congress within sixty days after enactment of this Act on appropriations and staffing needed to monitor pipelines on Federal lands and the Outer Continental Shelf so as to assure that they meet all applicable standards for construction, operation, and maintenance.

(b) The Secretary of Transportation, in cooperation with the Secretary of the Interior, is authorized and directed to review all laws and regulations relating to the construction, operation, and maintenance of pipelines on Federal lands and the Outer Continental Shelf and report to Congress within one year after enactment of this Act on administrative changes needed and recommendations for new legislation.

(c) One year after the date of the enactment of this Act, the Interstate Commerce Commission and the Secretary of Transportation shall submit to the President and the Congress a report on the adequacy of existing transport facilities and regulations to facilitate distribution of oil and gas resources of the Outer Continental Shelf. The report shall include recommendations for changes in existing legislation or regulations to facilitate such distribution.

REVIEW OF SHUT-IN OR FLARING WELLS

Sec. 302. (a) Within six months after enactment of this Act the Secretary shall submit a report to the Comptroller General and the Congress listing all shut-in oil and gas wells and wells flaring natural gas on leases issued under the Outer Continental Shelf Lands Act. The report shall indicate why each well is shut-in or flaring natural gas, and whether the Secretary intends to require production or order cessation of flaring.

(b) Within six months after receipt of the Secretary's report, the Comptroller General shall review and evaluate the reasons for allowing the wells to be shut-in or to flare natural gas and submit his findings and recommendations to the Congress.

OIL SPILL LIABILITY STUDY

Sec. 303. (a) The Attorney General, in consultation with the Administrative Conference of the United States and the Office of Technology Assessment, is authorized and directed to study methods and procedures for implementing a uniform law providing liability for damage from oil spills from Outer Continental Shelf operations, tankers, deepwater ports, and other sources. The study shall give particular attention to methods of adjudicating and settling claims as rapidly, economically, and equitably as possible.

(b) The Attorney General shall report the results of his study to the Congress within six months after the date of enactment of this Act.

FUEL STAMP STUDY

Sec. 304. The Administrator of the Federal Energy Administration and the Secretary of the Department of Health, Education, and Welfare are authorized and directed to carry out a study to determine the feasibility of establishing a fuel stamp program. The program would utilize coupons to assist those on low and fixed incomes in purchasing home heating fuels in the winter months. The Administrator of the Federal Energy Administration and the Secretary of Health, Education, and Welfare are directed to report to the Congress the results of such study, together with their recommendations with respect thereto, within sixty days of the effective date of this Act.

RELATIONSHIP TO EXISTING LAW

Sec. 305. Except as otherwise expressly provided herein, nothing in this Act shall be construed to amend, modify, or repeal any provision of the Coastal Zone Management Act of 1972.

SEVERABILITY

Sec. 306. If any provision of this Act, or the application of any such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRIBUTE TO SENATOR JOHNSTON

Mr. MANSFIELD. Mr. President, with the passage of the Outer Continental Shelf measure, the Senate has witnessed as superb and skillful a job of legislative ability as has ever been performed in the Senate. It is to Senator Bennett Johnston that I pay this tribute and to the manner by which he managed this measure to its overwhelming acceptance by the Senate. Perhaps BENNETT JOHNSTON has not served long in terms of quantity of years in this institution; but the quality of that service is unsurpassed in terms of the achievements he has obtained. With this measure designed to stimulate resources development with respect to the Outer Continental Shelf on a rational and far-sighted basis, Senator JOHNSTON has added another magnificent accomplishment to that already abundant record. The Senate and the Nation are deeply in his debt.

The Senate is indebted as well to the distinguished Senator from Washington (Mr. JACKSON), the able chairman of the Interior Committee, and to the other committee members whose efforts on this legislation have been outstanding.

As the ranking minority member, Senator FANNIN should also be singled out for his cooperation. To Senator HOLLINGS, Senator MAGNUSON, Senator STEVENS, and the many other Senators who participated goes the thanks of the leadership and the Senate. The cooperation of every Member has made possible this achievement obtained efficiently and with full regard for the views of all Members.

Mr. JACKSON. Mr. President, I want to commend the junior Senator from Louisiana (Mr. JOHNSTON) for his leadership and the extremely distinguished and competent manner in which he has managed this important bill.

The Senator from Louisiana has consistently provided the Interior Committee with knowledgeable leadership in dealing with the extremely important and complex energy problems facing the Nation. The Energy Supply Act will, if enacted in this session, provide an intelligent policy for accelerating development of OCS oil and gas reserves while, at the same time, protecting the environment and the legitimate interests of coastal States such as Louisiana.

I want to congratulate the Senator and the other Members who have worked for the bill's passage.

DISAPPROVAL OF ALTERNATIVE PLAN FOR PAY ADJUSTMENTS FOR FEDERAL EMPLOYEES

The PRESIDING OFFICER (Mr. HUDDLESTON). Under the previous order, the Senate will proceed to the consideration of Senate Resolution 394, which the clerk will state.

The legislative clerk read as follows:

A resolution (S. Res. 394) disapproving the alternative plan for pay adjustments for Federal employees.

The Senate proceeded to consider the resolution.

Mr. McGEE. Mr. President, President Ford's proposal to delay the statutory comparability pay adjustment for 1.3 million Federal employees and 2.2 million members of the Armed Forces has been taken in the name of fighting inflation. The President has asked these employees, civilian and military, to make a sacrifice and become a symbol of austerity for all Americans by forgoing their comparability adjustment for 3 months.

The resolution before us asks Senators to disapprove the President's proposal and thus insure that the workers and servicemen involved will get their pay increase effective October 1. The best information we have is that the raise would average 5.52 percent, which is the recommendation of the President's agents.

The issue, then, is a rather simple one. But before we cast our votes, I would like to detail for the Senate the reasons why I believe our decision should be based on fairness to the worker and equal protection from the ravages of inflation rather than on a symbolism with scant practical effect on the economy and questionable psychological impact at best.

This is not the strong signal the country needs that says Washington is deadly serious about halting inflation and righting the economy. Indeed, in many offices, shops, laboratories, and other places where Americans earn their living, this delay is being read as a signal that Washington will put the burden of fighting inflation on the wage earner, whoever his employer might be, first and foremost.

As a practical matter, the $700 million savings the proposed delay is supposed to cause would be almost totally lost in the marketplace. I am not saying it would have no impact, only that it would serve to reduce inflation by an infinitesimal amount. It is not likely to show up in the price of a 5-pound bag of sugar, you can bet.

The recommendation to the President from his agents—the Chairman of the Civil Service Commission and Director of the Office of Management and Budget—that the October 1 raise be 5.52 percent is pegged low enough in view of the times and circumstances.

The 5.52 percent adjustment is based on the Bureau of Labor Statistics' March 1974 survey of professional, administrative, technical, and clerical pay, and thus fails to take into account the private sector wage movement which has occurred since May 1, 1974, when wage and price controls expired. There is a strong suspicion among some employees affected by the Pay Comparability Act that the purpose of the President's agents in recommending a 5.5-percent increase was to keep them at the old wage ceiling which was lifted on all other American workers on April 30 with the end of the economic stabilization program.

That, at least, would be the practical effect.

For the Senate's immediate purpose, however, the agents' recommendation that a 5.52-percent increase be made effective on the first day of the first pay period after October 1 is what we have to deal with. The alternative plan is the President's, which is that the pay adjustment be delayed for 90 days, whatever its size.

The cost of implementing the recommended pay adjustment on schedule, October 1, has been amply provided for in the budget. In fact, the agents' recommendation came in under budgetary allowances, resulting in an overall cost projection, on an annualized basis, of $2,511.1 million. The budget provided for October raises with lump sum allowances and estimated the total cost at $2,625 million, though the figures were not included in various program requests since the detailed breakdown had not been determined.

In addition, as Senators are aware, the Congress has just passed H.R. 15406, adjusting the method of applying pay increases for military personnel so as to save an estimated $3 billion over a 5-year period. Some rather simple arithmetic tells me that is an average annualized saving of $600 million. For this fiscal year it will save an estimated $160 million.

On a dollar basis, approval of this resolution, then, is not going to mean the Senate is spending taxpayers' money wildly or unwisely. It is not going to bust the budget.

This pay raise does not cover all Government employees by any means. Among those whose pay is determined by different methods, and who have or will benefit from adjustments in due course, are wage board workers—the so-called blue collar group—and employees of the U.S. Postal Service.

This system of pay adjustment specifically covers 1.36 million classified employees under the statutory pay systems. This total includes employees in the General Schedule, the Veterans' Administration Department of Medicine and Surgery, and the Foreign Service schedules. In addition, certain other employees whose pay is fixed by administrative action normally receive pay adjustments corresponding to the General Schedule. One example is staff members of the legislative branch. Finally, Public Law 90–207 provides for comparable raises for members of the uniformed services. In point of fact, the Armed Services personnel so affected outnumber the civilians who benefit. In terms of costs, $1,143.5 million is accountable for under the statutory pay systems, $27.7 million under administrative pay adjustments which generally follow, and $1,340 million under the Armed Forces' application as required by law. The total annualized cost is, as I have said, $2,511.1 million.

A year ago, this body overrode the former President's recommendation for a delay in the 1973 comparability raise, thus clearing the way for a 4.77-percent increase in pay for these Government employees on October 1, 1973.

Since this year's proposed 3-month delay is postulated because of economic concerns, I ask that we consider briefly the individual employee's economic position. For the Federal employee, prices are running about 11.7 percent higher than last year, just as for every other American. There is every expectation that this rate will continue, resulting in an October price level at least 11.5 percent higher than October of 1973. Tomorrow, when the latest Consumer Price Index is published, we will have more information, but just last week we got the news that August wholesale prices were up 3.9 percent. So there obviously is no early relief in sight at this time.

We will know that home loan mortgages, for instance, have risen as high as 10½ percent in some areas. Food prices, already up 15 percent this year, are expected to continue high.

In the private sector, during the past

12 months, the hourly earnings of the average worker have risen 7.4 percent. Since May 1, when controls went off, they have been going up at an annual rate of 11.5 percent. Even so, the average paycheck buys less than it did a year ago. For the Federal employee this is most definitely the case. The suggested pay raise of 5.52 percent falls well below the increase in the cost of living, below what workers in the private sector are demanding and, by-and-large, getting, and fails to take into account the jump in private sector wages which followed the lifting of controls at the end of April. At the request of the Advisory Committee on Federal Pay, the BLS conducted a special survey covering the occupations used in the basic comparability study, in order to measure the effect of ending controls. That study found the average pay rose, in the 10 weeks immediately following the end of controls, by 1.6 percent if the pay increases to all employees in all establishments are included and by 1.1 percent if only "extraordinary" raises are included.

What I am saying is that even a 5.52-percent pay raise, because of the time lag built into the system, which is magnified by today's inflationary economy, does not represent comparability for the Federal employee. It might well be the best we can do at present, however, and there clearly is no justification, under the circumstances, for delaying it. Government workers, just as everyone else, must pay the rent, feed, clothe, and educate their families, and pay their taxes. Already, their real income has fallen behind comparability rates.

If denied, if required to wait, they also would not cause any major upheaval. Strikes will not ensue. The work of the Government will go on and some little benefit—a spit in the ocean of inflation, really—will follow for the Nation, but not without cost. The recent report on Federal productivity, covering 45 agencies for the period between fiscal years 1967 and 1972 found an overall increase in productivity of 8.7 percent in that period. That is good, but we can do better. But the productivity of the worker, public or private, is tied to the conditions of his employment, and the number one condition in times like these, with costs going through the roof, has got to be fair treatment on pay day.

On a more philosophical level, I believe there is entirely too much of a disposition to look upon the citizen who works for his government as a nonproductive drone, a drain on the Treasury. But we all know that a lot of lights burn late around this town and every other place where civil service people are at work. All through the period of what President Ford has called our "long national nightmare" the essential services of Government were performed by these very people, despite a morale-shattering chaos at the higher levels of our National Government. It is easy to say these people did only their duty, only what was expected to them. That is true; that is something.

In his message of August 31 proposing the 90-day delay, President Ford stated:

> I must call on all Americans without exception to make sacrifices in order to hold down wages and prices.

So far, other Americans have not been asked. And, were it the case that Federal employee salaries set the pace of the economy, asking them to set the pace for austerity might make more sense. But the comparability system does not put them out front. Instead, it provides, in normal circumstances, that Federal pay will follow by 6 months the rates paid by private industry.

Mr. FONG. Mr. President, I rise to urge Senate approval of Senate Resolution 394, a measure which, if passed, would result in a pay increase on October 1, for Federal white-collar employees and military personnel. This would be in lieu of the President's alternative plan to defer the increase to January 1, 1975.

Establishing the effective date of this pay increase as October 1, 1974, is only fair and equitable. I believe it is completely justified under all the facts available.

The Senate will recall that the principle that Federal pay rates be comparable with private industry pay rates for the same levels of work was established by law in 1962. However, the machinery necessary to make comparability a reality was lacking. It was not until the Pay Comparability Act of 1970 that a statutory procedure was set whereby pay comparability for Federal employees could become a reality.

As a member of the Senate Post Office and Civil Service Committee since 1960, it was my privilege to help write the comparability statutes.

Under the 1970 act, the Bureau of Labor Statistics gathers pay data from private industry in February, March, April, and May of each year. This data is processed and forwarded to the U.S. Civil Service Commission and the Office of Management and Budget for further evaluation and comparison with Federal white-collar salary levels. These agencies also consult on the BLS survey results with a five-member Federal Pay Council composed of Federal employee union representatives.

After CSC and OMB evaluate the BLS survey and consult with the Federal Pay Council, they forward their joint pay recommendation to the President. This recommendation is also referred to a three-man Presidential Advisory Committee on Federal Pay, composed of private citizens, which also submits its pay recommendation to the President after reviewing the CSC–OMB report.

After receiving these two recommendations, the President can set, within the parameters of these recommendations, a new comparability pay schedule for all Federal white-collar employees, effective October 1 of the year in which the pay surveys and evaluations are made.

Or, if the President wishes to set a lower pay increase or to delay an increase because he believes a national emergency exists or economic conditions affecting the Nation's general welfare justify such a move, he can submit an alternative pay plan.

Such an alternative pay plan must be submitted to the Congress by August 31 of the year in question, and either House of Congress, by a majority vote, can reject the alternative plan. If the President's alternative is rejected, the original pay plan recommended to the President by the Civil Service Commission and the Office of Management and Budget would go into effect on October 1.

This is the procedure that is being followed now. The Bureau of Labor Statistics conducted a survey during February, March, April and May of this year. That survey had within its scope 20,227,540 employees, in 29,205 private firms in 261 different geographical areas of the 48 contiguous States. The survey results were processed and forwarded to the U.S. Civil Service Commission and the Office of Management and Budget for evaluation and comparison with Federal job levels. The CSC and the OMB, after discussing the survey results with the Federal Pay Council, in August recommended to the President a pay increase of 5.52 percent for all Federal white-collar employees effective October 1, 1974.

In other words, the CSC and OMB, after evaluating the BLS survey results, determined that Federal white-collar pay was 5.52 percent behind the pay for the same levels of work in private industry.

The President's Advisory Committee on Federal Pay is still reviewing the Commission's recommendation prior to making its own report to the President.

However, facing the statutory deadline of August 31, the President submitted an alternative pay plan to the Congress to postpone the October 1 pay increase to January 1, 1975.

In his pay message to Congress, the President cited the need to cope with inflation as the reason for proposing deferral, stating as follows:

> At a time when inflation is the main concern of every American, the Federal Government has a special obligation to take those actions which begin to stop inflation.
>
> In this spirit and with the knowledge that the action I am taking will help to hold down the cost of living for all Americans, I now recommend a ninety-day deferral in the pending pay adjustment for Federal employees . . .

I ask that the President's entire alternative pay plan message to the Congress be printed in the RECORD at this point.

Mr. President, I deeply appreciate and I share President Ford's concern and determination to wage an all-out battle against inflation.

As a member of the Appropriations Committee, I have worked with my colleagues to reduce the fiscal year 1975 Federal budget requests and outlays. I anticipate I shall join with the President and my colleagues in Congress in other anti-inflation measures.

In this instance, however, I respectfully disagree with the President. Having worked for many years on the complex question of Federal employee salaries, I believe to postpone this salary increase would be unjust and would be contrary to the comparability principle approved by Congress.

Moreover, this is a battle involving all

Americans and the burden must be borne equitably. It is grossly unfair to impose sacrifices upon a very small segment of our national work force—4 percent—while imposing no similar sacrifice on private industry.

On the contrary, the remaining 96 percent of the national work force and all of our private businesses are left free to pursue whatever pay increases and profits they can get.

Moreover, 700,000 blue-collar Federal employees have already received or will receive during the remainder of this year, their pay increases based on private industry pay increases.

The only workers to have their pay increases deferred under the alternative pay plan are Federal white-collar employees and military personnel, numbering 3,522,970 in all.

Not only have workers in private industry already obtained pay increases without the Federal Government forcing them to forgo such increases this year, but, since the Cost Of Living Council removed its controls on private industry wages last April 30, these wages have gone up between 7 percent to 30 percent.

The BLS surveys on which the 5.5 percent pay increase was recommended by the CCS and OMB were taken before the lid was lifted on private industry wages. This means that the recommended 5.5 percent Federal pay increase is lagging far behind true comparability.

If the pay raise goes into effect on October 1, it is already at least 6 months behind the pay for comparable positions in private industry. And the 5.5 percent raise falls far short of the large pay increases in private industry since April 30.

Federal white-collar employee pay does not lead private industry, it follows the private sector.

President Ford has, most commend*ably, made* curbing inflation his top domestic priority. He is endeavoring to take various steps as opportunities arise to restrain Federal spending and to reduce the annual Federal deficits which contribute so significantly to inflation.

This year, Congress refused to extend the President's authority to control wages and prices, even on a standby basis.

Therefore, using the only statutory authority available to him for imposing wage restraints, President Ford proposed the 3-month deferral in the hope his action would set an example for the rest of the Nation to follow.

To me, however, it seems inequitable and unfair to defer pay raises for only 4 percent of our national work force, while the vast majority of other workers in the Nation continue to receive pay increases without Federal hindrance and at much higher rates.

As I have stated previously, even if the pay increase went into effect on October 1, it would still be more than 6 months behind pay for comparable positions in private industry.

With all of the ingenuity and talent at our disposal, we should be able to come up with a more equitable way to hold down Government spending in the fight against inflation.

We have 11 Federal departments and 55 independent agencies having a total outlay of approximately $300 billion. Through management improvements and prudent, careful administration, our Federal establishment should be able to effect sufficient savings in the remaining 9 months of the current fiscal year to offset the cost so as not to penalize our Federal white-collar and military personnel who are deserving of this pay increase, according to the Government's own findings.

I am confident that Federal administrators—civilian and military—can, through meticulous review and hard questioning of internal projects and programs, avoid wasteful and unnecessary spending. Maintenance work that can be delayed should be delayed. Purchase of new models to replace equipment and machinery that are still adequate should be forgone. President Ford has already ordered a cutback of 40,000 positions through attrition in Federal employment. All of this can be done without impairing necessary Government services, yet will reduce Government outlays, do what is right for Federal employees, and will help combat inflation.

Our Federal white-collar employees and our military personnel feel the pinch of inflation—an estimated 11.5 percent from last October 1 to this October 1—just as much as workers in private industry and Federal blue-collar workers.

To win the battle against inflation, there must be an all-out effort, not one in which only a tiny segment of our national work force is called on to make a sacrifice.

I am certain that if the President and the Congress call on the American people to make some sacrifices in the battle against inflation, our Federal white-collar employees and our personnel in military uniform will do their fair share.

Congress established the principle of comparability for Federal pay. Uncle Sam should keep faith with our Federal white-collar and military employees.

The pay increase for this group of Federal employees and military personnel should not be deferred, and I urge my Senate colleagues to vote for Senate Resolution 394.

Mr. President, I ask unanimous consent to have printed in the RECORD the message from the President transmitting the notice of a 90-day deferral in the pending pay adjustment for Federal employees and a Federal pay comparability alternative plan.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES TRANSMITTING NOTICE OF A 90-DAY DEFERRAL IN THE PENDING PAY ADJUSTMENT FOR FEDERAL EMPLOYEES, AND A FEDERAL PAY COMPARABILITY ALTERNATIVE PLAN

September 11, 1974.—Message and accompanying papers referred to the Committee on Post Office and Civil Service and ordered to be printed.

To the Congress of the United States:

At a time when inflation is the main concern of every American, the Federal Government has a special obligation to take those actions which begin to stop inflation.

In this spirit and with the knowledge that the action I am taking will help to hold down the cost of living for all Americans, I now recommend a ninety-day deferral in the pending pay adjustment for Federal employees. At the same time, I am also ordering the Director of the Office of Management and Budget to proceed with a reduction of 40,000 Federal civilian positions from those planned for the current fiscal year.

Therefore, as required by law, I am transmitting to the Congress a plan to defer Federal pay raises for ninety days. This is intended to meet both the needs of those who serve the Government and the common interest of the general public, all of whom must bear the burden of increased inflation.

Under this plan, a pay increase for all Federal employees based upon an appropriate comparability adjustment would become effective on the first pay period beginning on or after January 1, 1975. The level of the comparability adjustment will be determined during the next few weeks.

I regret asking for this postponement of a Federal pay increase, but I am convinced of its necessity. Federal employees who I am asking to make a sacrifice are the foundation of sound, effective and efficient Government. I am more conscious than ever of their contributions to our country.

Nevertheless, at this critical time in the economic health of our Nation, I must call on all Americans without exception to make sacrifices in order to hold down wages and prices. Federal employees, as one of the largest groups of workers in the country, have a special role to play in the fight against inflation because we in Government set the example. As we seek a noninflationary budget, it is especially important this year that Federal spending be held to a minimum.

I urge the Congress to support this action, because it is in the best interest of all Americans.

The plan to defer Federal pay raises by ninety days is attached. As required by law, the plan represents an alternative to the October effective date which would otherwise occur.

In addition, the Office of Management and Budget has now determined the specific reductions in civilian positions from those budgeted for the current fiscal year. The agencies will shortly be informed of these reductions by letters from OMB. Wherever possible, these reductions will be accomplished through normal attrition.

It is extremely important that the Federal establishment hold employment to the absolute minimum needed to get the job done. Effective use of human talents is a wise use of the tax dollar.

The pay raise deferral and the reduction in civilian positions together will reduce the 1975 budget by about $1 billion. Thus, the Federal Government is taking an essential first step in holding down the Federal budget and showing the way for restraint by all Americans.

GERALD R. FORD.

THE WHITE HOUSE, *August 31, 1974.*

FEDERAL PAY COMPARABILITY ALTERNATIVE PLAN

In consideration of the economic conditions affecting the general welfare, I hereby transmit to the Congress the following alternative plan, as authorized and required by section 5305(c)(1) of title 5, United States Code:

Such adjustments in the rates of pay of each Federal statutory pay system as may be determined under the procedures set forth in section 3(a) of the Federal Pay Comparability Act of 1970 (5 U.S.C. 5305), shall become effective on the first day of the first applicable pay period that begins on or after January 1, 1975.

Mr. STEVENS. Mr. President, the Federal Pay Comparability Act of 1970 provided a permanent method of adjusting the rates of pay for Federal employees who come under the statutory pay system. Under section 5301 of title V, U.S. Code, pay rates for employees under the statutory pay system are fixed in accordance with the following principles:

First. There be equal pay for substantially equal work;

Second. Pay distinctions be made maintained in keeping with work and performance distinctions;

Third. Federal pay rates be comparable with private enterprise pay rates for the same levels of work; and

Fourth. Pay levels for the statutory pay systems be interrelated.

In keeping with the law, the President's agent, the Chairman of the Civil Service Commission and the Director of the Office of Management and Budget have recommended a 5.52 upward pay adjustment for Federal white collar workers. This pay increase would have taken effect on October 1, were it not for the recommendation of the President to delay until January 1 as the effective date. Senate Resolution 394 would disapprove the President's request and allow the pay raise to take effect on its scheduled date. The following table shows what the 5.52 percent increase will mean to each GS pay grade, step 1 in terms of dollars.

GS:

1	$5,294
2	5,996
3	6,764
4	7,596
5	8,500
6	9,473
7	10,520
8	11,640
9	12,841
10	14,117
11	15,481
12	18,463
13	21,816
14	25,581
15	29,818
16	34,607
17	*40,062
18	*46,336

*Actual rates limited to rate for level V of the Executive Schedule, currently $36,000.

The costs of implementing the recommended pay adjustments for the 1.36 million employees under the statutory pay system is as follows—estimated:

[Millions of dollars]

Statutory pay systems	Basic pay	Fringe benefits and premium pay	Total
General schedule	$922.3	$113.3	$1,105.6
Department of Medicine and surgery schedules	20.3	3.1	23.5
Foreign Service schedules	12.6	1.7	14.4
Total	1,025.3	118.2	1,143.5

Because of rounding, the sums of individual items may not equal totals.

In addition, certain other employees whose pay is fixed by administrative action normally receive pay adjustments corresponding to general schedule adjustments. The estimated costs of these administrative pay adjustments are $27.7 million.

Under the provisions of Public Law 90–207, members of the uniformed services will receive an adjustment in the rate of their monthly basic pay comparable to the general schedule adjustment. Estimated cost of this military pay adjustment for the uniformed services is $1,340 million.

Therefore, the estimated total annualized cost of the 5.52-percent pay adjustment is $2,511.1 billion.

I would remind my colleagues that the budget for fiscal year 1975 includes $2.6 billion for just such pay increase.

My colleagues are well aware of the loss of buying power to the Federal employee caused by the constant rise in the cost of living. Employees in the private sector have had some hedge against this constant decrease in the worker's pay envelope by their ability to bargain with their employer. There is no question in my mind of the fairness of at least a 5.52-percent pay increase for Federal workers. However, I would like to stress one particular point: the 5.52-percent increase would have brought the Federal worker up to par with his colleagues in the private sector as of March 31 of this year.

This means that by October 1, the scheduled effective date of the pay increase, the Federal employee will need yet another 1.7-percent increase to bring him up to a comparable level with the private employee. In other words, to be fair and equitable with our loyal Federal employees, not only should the 5.52-pay adjustment take effect no later than October 1, but an additional 1.7-percent pay adjustment is entirely justified to take effect on that same day.

Mr. President, I know we are all concerned with the problem of inflation. I have great respect for the manner in which President Ford has gone about obtaining the necessary factual information on which to base the battle against this Nation's number one enemy, inflation. However, I do disagree with the request to delay the effective date of the scheduled pay increase for Federal employes thus requiring them to go it alone in this battle against inflation. I would like my colleagues to know just what it would mean to the Federal employee to wage this battle alone.

The Bureau of Labor Statistics maintains several indices of inflation and the cost of living, one of which is based on urban family budgets. These are tabulated on the basis of the estimated gross dollar income needed by urban families to maintain the same standard of living.

The table below shows the gross dollar income needed by families of three different budgets on October 1, 1973, the date of the last Federal pay increase. It also shows the estimated amount needed on October 1, 1974, to stay abreast of inflation:

Date	Lower budget	Intermediate budget	Higher budget
October 1973	$8,181	$12,626	$18,201
October 1974 (est.)	9,224	14,231	20,541

To subsist on a lower budget, a Federal employee on October 1, 1973, must have been at least at GS–5, step 1—$8,055—to maintain an intermediate budget, at least at GS–9, step 2—$12,573—and to enjoy a higher budget, at least a GS–12, step 2—$18,080.

Within only 9 months, however, the GS–5 employee would have had to be advanced three full steps in pay, to step 4, just to stay even with inflation; the GS–9 employee would have had to be advanced to step 5; and similarly, the GS–12 employee would have had to be at step 5. That is, each of these employees would have had to receive a three-step increase in pay, or 10 percent, just to stay even with inflation.

By October 1, the next scheduled pay increase for Federal employees, just to stay even with inflation, a Federal employee at GS–5, step 1, should be receiving approximately $9,224; a GS–9 employee at step 2 should be receiving nearly $14,231; and a GS–12 employee at step 2, in the vicinity of $20,541, just to stay even with inflation.

What does the 5.52-percent proposal do for Federal employees on October 1, 1974, to maintain their standard of living? The table below shows how Federal employees fare in terms of standard of living on October 1, 1973:

	Lower budget	Intermediate budget	Higher budget
BLS statistics	$9,244	$14,321	$20,541
Federal employee pay after 5.52 percent increase	[1] $8,500	[2] $13,269	[3] $19,077
Decrease in—			
Federal employees	−$724	−$962	−$1,437
Standard of living (percent	−7.8	−6.8	−7.1

[1] GS–5, step 1.
[2] GS–9, step 2.
[3] GS–12, step 2.

In other words, Federal employees will have suffered a 6.8 percent to 7.8 percent decrease in their living standards by October 1, 1974, after receiving the 5.52 percent increase. From that point on, given the current inflation rate, they will continue to fall progressively behind by 1 percent per month and, by September 1975, many will be 20 percent below their 1973 standard of living.

Certainly, we want to do all we can to combat inflation. In this battle against the ever constant rise in prices, we cannot be unduly unjust and unfair to any one segment of society. The Federal employee is in a unique position. He cannot strike, and I am not suggesting that he should. My point is that millions of Federal employees have no other recourse but to depend on the good conscience and judgment of the Congress on this matter. I am confident that this body will not disappoint the Federal employees. We simply cannot single out Federal workers to man the battle against inflation alone, particularly when this action of delaying the salary increase will have such a negligible effect on inflation.

Mr. President, one of the common misconceptions regarding the President's request to delay the scheduled October 1 pay adjustment for certain Federal employees is that this delay affects all Federal employees. Such is not the case and therein lies the inequity of this delay. Since October 1, 1973, 700,000 Postal Service employees, 600,000 Federal wage grade employees—blue collar employees—and 200,000 other Federal civilian employees have received significant pay increases. The following table contains a State-by-State breakdown of when wage grade Federal employees received pay increases and by what percent. I ask unanimous consent that this table be printed in the Record at this point.

There being no objection, the table was ordered to be printed in the Record, as follows:

WAGE SURVEY AREAS

State and area	Date	Percent	Date	Percent	Cumulative total (percent)
Alabama:					
Anniston-Gadsden	May 1974	2.23	June 1974	8.45	10.68
Birmingham			do	17.3	17.3
Dothan	October 1973	7.00	May 1974	.9	7.9
Huntsville			June 1974	6.92	6.92
Alaska: Alaska			May 1974	3.77	3.77
Arizona:					
Northeastern Arizona	May 6, 1974	2.18	May 26, 1974	7.74	9.92
Phoenix	do	5.41	do	8.84	14.25
Tucson	do	3.66	do	9.73	13.39
Arkansas: Little Rock	October 1973	7.85	May 1974	5.61	13.46
California:					
Fresno	April 1974	5.96	do	1.68	7.64
Los Angeles	November 1973	5.60	do	.96	6.56
Sacramento	April 1974	5.51	do	1.58	7.09
Salinas-Monterey	(1)	(1)	(1)	(1)	9.7
San Bernardino-Riverside-Ontario	November 1973	5.62	May 1974	.90	6.52
San Diego	do	5.53	do	1.24	6.77
San Francisco	do	5.51	do	5.66	11.17
Santa Barbara	do	6.15	do	1.31	7.46
Stockton	April 1974	5.50	do	4.54	10.04
Colorado:					
Denver	do	5.5	do	6.36	11.86
Southern and Western Colorado	do	6.514	do	1.903	8.41
Connecticut:					
New Haven	May 1974	1.5	July 1974	6.1	7.6
New London	October 1973	6.1	May 1974	0.8	6.9
Delaware: Wilmington	January 1974	6.1	do	1.8	7.9
District of Columbia: Washington, D.C	October 1973	6.8	do	7.3	14.1
Florida:					
Cocoa Beach-Melbourne	November 1973	5.46	do	1.45	6.91
Gainesville	October 1973	4.1			4.1
Jacksonville	March 1974	6.78	do	.85	7.63
Miami	do	6.60	do	5.84	12.44
Orlando	November 1973	6.21			6.21
Panama City	do	7.00	do	.39	7.39
Pensacola	do	7.58	do	3.08	10.46
Tampa-St. Petersburg	May 1974	2.9			2.9
Georgia:					
Albany	October 1973	7.48	do	2.30	9.78
Atlanta	May 1974	2.05	August 1974	8.46	10.51
Augusta	August 1974	8.25			8.25
Brunswick	May 1974	2.59			2.59
Columbus	October 1973	9.8	May 1974	8.4	18.2
Macon	May 1974	2.76	August 1974	7.9	10.66
Savannah	do	1.11	do	5.44	6.55
Hawaii: Hawaii	do	4.66	do	7.6	12.26
Idaho: Boise	do	10.74			10.74
Illinois:					
Champaign-Urbana	December 1973	3.52			3.52
Chicago	do	5.74	May 1974	2.74	8.48
Indiana:					
Bloomington-Bedford-Washington	do	7.04	do	5.90	12.94
Fort Wayne-Marion	October 1973	6.3	do	4.30	10.60
Indianapolis	December 1973	5.88	do	7.11	12.99
Iowa:					
Cedar Rapids-Iowa City	November 1973	5.7	do	3.5	9.2
Davenport-Rock Island-Moline	December 1973	5.50	do	2.38	7.88
Des Moines	do	6.0	do	2.6	8.6
Dubuque	do	5.65	do	10.57	16.22
Kansas:					
Topeka	January 1974	5.88	do	6.11	11.99
Wichita	do	6.32			6.32
Kentucky:					
Lexington	April 1974	4.41	June 1974	3.6	8.01
Louisville	do	5.58	May 1974	1.71	7.29
Louisiana:					
Lake Charles-Alexandria	July 1974	5.94			5.94
New Orleans	April 1974	6.84	May 1974	1.96	8.80
Shreveport	July 1974	5.2			5.2
Maine:					
Augusta	May 1974	1.2	August 1974	8.1	9.3
Central and northern Maine	do	1.43	September 1974	8.69	10.1
Portland	July 1974	6.68			6.68
Maryland:					
Baltimore	December 1973	6.56	May 1974	4.07	10.63
Hagerstown-Martinsburg-Chambersburg	March 1974	6.03	do	9.44	15.47
Massachusetts:					
Boston	November 1973	5.76	do	7.84	13.60
Central and western Massachusetts	May 1974	1.15	September 1974	6.74	7.89
Michigan:					
Detroit	March 1974	5.51	May 1974	4.05	9.56
Northwestern Michigan	October 1973	6.75	do	8.69	15.44
Oscoda-Alpena	do	5.61			5.61
Southwestern Michigan	February 1974	5.8	do	4.6	10.4
Minnesota:					
Duluth	May 1974	7.58	August 1974	9.45	17.03
Minneapolis-St. Paul	May 10, 1974	4.1	May 24, 1974	6.5	10.60

Footnote at end of table.

WAGE SURVEY AREAS—Continued

State and area	Date	Percent	Date	Percent	Cumulative total (percent)
Mississippi:					
Biloxi	December 1973	5.35			5.35
Columbus-Aberdeen	April 1974	7.85	May 1974	0.18	8.03
Jackson	do	10.96	do	14.19	25.15
Meridian	do	7.16	do	4.51	11.67
Missouri:					
Kansas City	January 1974	5.5	do	6.376	11.87
St. Louis	do	5.5	do	3.13	8.63
Southern Missouri	do	7.38	do	6.50	13.88
Montana: Great Falls	May 1974	8.42			8.42
Nebraska: Omaha	December 1973	5.96	May 1974	1.63	7.59
Nevada:					
Las Vegas	November 1973	5.59	do	2.24	7.83
Reno	May 1974	5.65	July 1974	1.64	7.29
New Hampshire: Portsmouth	November 1973	6.27			6.27
New Mexico: Albuquerque	May 1974	2.94	June 1974	8.03	10.97
New York:					
Albany-Schenectady-Troy	March 1974	6.32	May 1974	3.67	9.99
Buffalo	do	5.8	do	4.8	10.6
Newburgh	May 1, 1974	1.58	May 26, 1974	6.0	7.58
New York	March 1974	5.18	May 1974	5.36	10.54
Northern New York	May 1974	12.48			12.48
Rochester	April 1974	5.6	do	2.2	7.8
Syracuse-Utica-Rome	May 1974	11.4			11.4
North Carolina:					
Asheville	December 1973	8.4	May 1974	3.3	11.7
Central North Carolina	July 1974	8.37			8.37
Charlotte	May 1, 1974	.5	May 12, 1974	15.8	16.3
Southeastern North Carolina	March 1974	7.03	May 1974	3.87	10.9
North Dakota			May 1974	8.65	8.65
Ohio:					
Cincinnati	March 1974	5.5	do	3.4	8.9
Cleveland	May 1974	1.84	do	9.69	11.53
Columbus	March 1974	6.27	do	5.93	12.20
Dayton	do	5.50	do	3.31	8.81
Oklahoma:					
Oklahoma City	October 1973	6.89			6.89
Tulsa	do	6.96	May 1974	4.22	11.18
Oregon:					
Portland	May 1974	3.31			3.31
Southwestern Oregon	do	2.5	August 1974	9.2	11.70
Pennsylvania:					
Harrisburg	March 1974	6.26	May 1974	3.43	9.69
Philadelphia	December 1973	5.57	do	4.80	10.37
Pittsburgh	November 1973	6	do	6.3	12.3
Scranton-Wilkes-Barre	October 1973	5.54			4.54
Puerto Rico		0		0	0
Rhode Island: Narragansett Bay	March 1974	5.93			5.93
South Carolina:					
Charleston	May 1974	6.05			6.05
Columbia	do	1.52	July 1974	7.2	8.72
South Dakota: Eastern South Dakota	November 1973	6.5	May 1974	3.2	9.7
Tennessee:					
Eastern Tennessee			June 1974	7.3	7.3
Memphis	April 1974	6.41	May 1974	2.09	8.5
Nashville	May 1974	13.0			13.0
Texas:					
Austin	do	8.91	August 1974	13.2	22.11
Corpus Christi	do	3.28	do	7.0	10.28
Dallas-Fort Worth	January 1974	6.47	May 1974	3.17	9.64
El Paso			June 1974	6.54	6.54
Houston-Galveston-Texas City	May 1974	1.74	August 1974	5.97	7.71
San Antonio	do	6.043			6.043
Texarkana	July 1974	7.11			7.11
Waco	August 1974	6.17			6.17
Western Texas	do	7.76			7.76
Wichita Falls, Tex.-Southwestern Okla	October 1973	5.97			5.97
Utah	May 1974	8.39			8.39
Virginia:					
Norfolk-Portsmouth-Newport News-Hampton	do	2.58	July 1974	6.8	9.38
Richmond	January 1974	6.71	May 1974	3.0	9.71
Roanoke	do	8.1	do	5.1	13.2
Washington:					
Seattle-Everett-Tacoma	November 1973	5.5	do	6.3	11.8
Southeastern Washington-Eastern Oregon	September 1974	9.47			9.47
Spokane	May 1974	3.93			3.93
West Virginia	do	9.6			9.6
Wisconsin:					
Madison	October 1973	6.2	May 1974	1.3	7.5
Milwaukee	February 1974	5.7	do	2.8	8.5
Southwestern Wisconsin	May 1974	1.86	August 1974	9.9	11.76
Wyoming	March 1974	5.63	May 1974	6.61	12.24

[1] April 1974, 5.8 percent; May 1974, 1.3 percent; August 1974, 2.6 percent.

Mr. STEVENS. Mr. President, thus, 1.5 million Federal civilian employees are not being asked to delay their pay increases nor are the tens of millions of private enterprise employees and 15 million State, city, and municipal government employees in our Nation. It is this injustice which Senate Resolution 394 will correct by disagreeing with the President's request to delay for 3 months the October 1 Federal employees salary increases.

ORDER FOR ADJOURNMENT UNTIL 8:45 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 8:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS BAKER, WEICKER, CHURCH, AND HART TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, the following Senators be recognized, in the order stated, each for not to exceed 5 minutes: Messrs. BAKER, WEICKER, CHURCH, and HART.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, may I direct an inquiry to the distinguished assistant majority leader?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I notice in the previous unanimous-consent order that special orders were given for 5-minute presentations by myself, Senator WEICKER, Senator CHURCH and Senator HART.

The PRESIDING OFFICER. Yes.

Mr. BAKER. It was my understanding that it would be allocated as a regular part preceding the morning hour. However, it was my intention to introduce a bill at that time, and I wanted to be sure there was no question about my being able to introduce a bill at that time, even though it preceded the morning hour.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it so be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD TOMORROW

Mr. ROBERT C. BYRD. I ask unanimous consent that immediately thereafter, the Senator from West Virginia (Mr. ROBERT C. BYRD) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. I ask unanimous consent that at the conclusion of the orders for the recognition of Senators tomorrow, there be a period for the transaction of routine morning business, with statements therein limited to 3 minutes each, the period not to extend beyond the hour of 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXPORT-IMPORT BANK AMENDMENTS OF 1974

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate now proceed to the consideration of S. 3917, with the understanding that no action will be taken thereon today.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 3917) to amend and extend the Export-Import Bank Act of 1945, as amended, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the Senate will convene at the hour of 8:45 a.m.

The following Senators will be recognized in the order stated, and each for not to exceed 5 minutes: Messrs. BAKER, WEICKER, CHURCH, and HART.

Following the recognition of those Senators, the junior Senator from West Virginia (Mr. ROBERT C. BYRD) will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business, with statements therein limited to 3 minutes, such period not to extend beyond the hour of 9:30 a.m.

At the hour of 9:30 a.m., debate will be resumed on S. 707, the consumer protection bill, and that debate will ensue for 2 hours, until the hour of 11:30 a.m., at which time debate will be resumed on Senate Resolution 394, the Federal employees pay raise resolution, and debate thereon will continue until the hour of 12:15 p.m. At 12:15 p.m. debate will occur on the motion to invoke cloture on S. 707; and at 12:45 p.m. a rollcall vote will occur on the adoption of Senate Resolution 394.

At the conclusion of the rollcall vote or at 1 p.m., debate will resume on the motion to invoke cloture on S. 707, with a mandatory quorum call to occur at the hour of 1:30 p.m.

At about 1:40 p.m. or upon the establishment of a quorum, the rollcall vote will occur on the motion to invoke cloture on S. 707. Action following the cloture vote will depend upon the outcome of that vote. If the motion to invoke cloture does not carry, the Senate will take up S. 3917, the Export-Import Bank bill, under a time limitation, and rollcall votes will occur.

DISAPPROVAL OF ALTERNATIVE PLAN FOR PAY ADJUSTMENTS FOR FEDERAL EMPLOYEES

Mr. ROBERT C. BYRD. Mr. President, I ask at this time that the Senate resume consideration of Senate Resolution 394.

The PRESIDING OFFICER. The resolution will be stated by title.

The resolution was read by title as follows:

A resolution (S. Res. 394) disapproving the alternative plan for pay adjustments for Federal employees.

The Senate resumed the consideration of the resolution.

CHANGE OF REFERENCE
(S. 3509)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from the further consideration of S. 3509, a bill for the relief of Willard H. Allen, Jr., and Nicole J. Allen, and that the bill be referred to the Committee on Interior and Insular Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO 8:45 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order that the Senate stand in adjournment until the hour of 8:45 a.m. tomorrow.

The motion was agreed to; and at 6:33 p.m., the Senate adjourned until tomorrow, Thursday, September 19, 1974, at 8:45 a.m.

EXTENSIONS OF REMARKS

MACOMB COUNTY, MICH., SETS A FIRST IN CELEBRATION OF AMERICA'S BICENTENNIAL

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. O'HARA. Mr. Speaker, I have been advised today by the Honorable John W. Warner, Administrator of the American Revolution Bicentennial Administration, that Macomb County, Mich., has achieved an historic first in the celebration of the 200th anniversary of the founding of our Nation.

According to the Bicentennial Administration, Macomb County—the bulk of which lies in the 12th Congressional District which I am pleased to represent in this House—is the first county in the Nation in which all local units of government have been accorded official designation as Bicentennial communities.

The county itself and every city, township, and village—all 27 of them—have established their own Bicentennial units, have drawn up their own Bicentennial programs and are prepared, in their own way, to mark our Nation's birthday in 1976.

Mr. Speaker, I am proud of the tremendous initiative generated at the community level and county level in Macomb County, Mich. These communities are not implementing programs passed down to them from Washington; they are going to be carrying out programs that percolate up from the people, themselves. And to me, the significance of the forthcoming Bicentennial celebration is the do-it-yourself aspect—because that is so much in keeping with the heritage of those who founded this Nation nearly 200 years ago.

It is my understanding, from talking with officials of the American Revolution Bicentennial administration, that as of today some 1,500 communities across the Nation have been designated as Bicentennial communities. Up to now, however, there is not another instance on record in which a county and all of its political subdivisions have qualified for this designation.

So I would like, Mr. Speaker, to pay tribute to the public officials and private citizens in all of the communities of Macomb County. I would also like to add a special word of commendation to Mrs. Charlotte Boyd, Macomb County Bicentennial Coordinator, who has been unstinting in her efforts and unflagging in her enthusiasm. Mrs. Boyd has been a modern-day Paul Revere, going from community to community, reminding them that the Bicentennial is coming and that they should play their part in this historic celebration. The people of all of the communities in Macomb County have responded to this call with their programs of heritage, festival, and horizon—saluting past, present, and future—and I am proud, Mr. Speaker, to be their elected Representative in the U.S. Congress.

THE POLITICAL TRANSFORMATION OF AN AMERICAN POW

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. HUBER. Mr. Speaker, Mr. James H. Warner, an ex-POW, has recently written an article which appeared in Human Events on August 31, 1974, on his conversion to conservatism and the somewhat unintended role played in this conversion by Mr. Ramsey Clark. I know Mr. Warner, having met and talked with him on several occasions. I can only applaud his efforts and commend his article to the attention of my colleagues. The article follows:

The Political Transformation of an American POW

(By James H. Warner)

Ramsey Clark has said that North Vietnam is a free country, and that the people who live there were fighting for their freedom. But I have spent five and one-half years there; I have had many conversations with the political officers of Hanoi's army who were responsible for my indoctrination; I have done a fair amount of research since my return, and written several papers on the situation in Vietnam, and I have never encountered any evidence which would support Mr. Clark's thesis.

I assume that his study of the law, his practice of law, his duties as attorney general of the United States, all would tend to form in him a concept of justice. The question in my mind is: How was Ramsey Clark able to reconcile this concept of justice with the reality of the brutal regime which rules in Hanoi? I should think this to be more consistent, at least, were the same characterization to be applied to the government of Greece, or of Brazil, but I am not aware that Mr. Clark has found in either of these that freedom which he found in Hanoi.

Consistency, however, is a commodity which one does not often find on the left. Bertrand Russell, for example, excoriated Tomas de Torquemada, the Grand Inquisitor of Spain, for having used torture to extract false confessions from heretics. I was quite surprised, therefore, to discover that many of my fellow prisoners had been tortured in order to supply false confessions for use in the "Bertrand Russell War Crimes Tribunal" in Stockholm.

It is not my purpose here to write in reproof of either Mr. Clark or the late Lord Russell, their own utterances being sufficient to that task. Instead, I wish to outline the assistance which these two gentlemen have given me in the formation of my political opinions.

In the early '60s I had shared the liberal convictions of these gentlemen. But even then it was apparent to me that there were often glaring inconsistencies in the rhetoric of the left. In seeking to understand this phenomenon I discovered that there is one feature common to virtually all the pronouncements which emanate from that quarter, namely, a delirious appeal to emotion.

To be sure, I thought this emotion proper, for I was in agreement with the moral precepts upon which it was founded, but the vehemence with which it was expressed put me ill at ease. There is no force which can so impede the operations of the intellect as emotion. Whenever emotion gains the advantage over reason, injustice and cruelty grow apace. One recalls Florence under Savonarola, and Geneva under Calvin.

During the whole of my career on the left my confidence in the judgment of the spokesmen of the left was steadily eroded by the violence of their passions. Finally, I eschewed their emotion entirely, and resolved that I would form my judgments on the basis of reason, in order to be more objective. But I was not yet persuaded of the incorrectness of my opinions.

Thus, the presidential election of 1964 presented me with a dilemma. On the one hand Sen. Goldwater seemed a bit too conservative to an unregenerate, but now dispassionate, liberal. On the other hand, however, I realized that it would be difficult for me to vote for President Johnson, for there seemed to be some doubts that his integrity was all that it should be, and it seemed to me that his programs might have merited a bit more scrutiny before they were proposed.

My decision was made easier when Mr. Johnson promised not to send American boys to do the job which Asian boys should do. Shortly thereafter it was reported that the Administration had given several hundred telescopic rifle sights to a group of domestic radicals for use as "microscopes," and it seemed that they might be seeking to find some employment for those American boys at home. I decided to vote for Sen. Goldwater.

I was warned that this was a foolish thing to do, for if I did so the war would be escalated and I would likely become a prisoner of war. This was the only instance in which I know the followers of LBJ to have been correct, for I so voted and it all came to pass. It was during my detention that I abjured the remnants of my liberal convictions.

If there be any benefit from solitary confinement it is to be found in the time which it offers for reflection. I am thankful that I have read books all my life, for I had Cicero, Plutarch, et al., as companions. With their counsel I decided to pass my time in the examination of man's relationship with his society.

An interrogator had told an American prisoner that he would be forced to understand the interrogator's views. I found this significant, not because the Communists would resort to torture, but that they could believe that it would work.

It seemed axiomatic to me that torture cannot change one's opinions, and I wondered that they should not have understood this. Yet it was obvious that they did not, for they were constantly amazed to discover that the prisoner whom they tortured last week to agree with them should this week tell them that he did not believe what he said.

Tyranny, it seems, has always been so arrogant as to think itself to be more potent than nature has ordained that it should be. Recall, if you will, the pitiful figure of Canute as he ordered the incoming tide to recede. History gives no example of a government which could control the secret thoughts of men, yet governments continue to attempt to do so.

That our thoughts are private I take to indicate that nature intended that they should be so, and government has no power to rescind the decrees of nature. Tyranny is an attempt to do precisely that, and it is fore-ordained to fail. Those governments, for example, which have attempted to control the prices in the market place, such as the Emperor Diocletian, or the Committee of Public Safety in revolutionary France, have always failed because the laws of economics are a reflection of the nature of man. In spite of all that has transpired in history, man has not changed, and no government can change him.

Morality, I concluded, consists in an existence which is in harmony with the laws of nature. This thought is not original with me, but being a slow learner it was necessary for me to endure a great deal of unpleasantness to learn it. The laws of nature being open for our inspection, it is possible to determine the standard against which our actions might be compared. Thus, it is not only futile for a government to attempt to control the thoughts of its subjects, but it is immoral as well.

The apologists for tyranny often excuse this on the grounds that a few may be treated unjustly for the food of the majority. In this way, they claim, one may achieve the greatest good for the greatest number. But nature has refuted this argument.

To achieve the greatest good for the greatest number one must know the greatest good, and the greatest number; that is, one must maximize an equation in two variables. But this is not possible, and I can only conclude that those who argue *pro bono publico* in defense of injustice are either foolish or dishonest.

In September 1969 I decided that I could no longer call myself a liberal. I was troubled, however, by the accuracy of my recollections, for it might have been the case that this decision was based on incorrect information. I am, therefore, eternally in the debt of Ramsey Clark who travelled 10,000 miles to tell me that freedom is different things to different people, for he confirmed the wisdom of my decision to reject the philosophy which guides him.

It is ironic, I suppose, that the man who founded Mr. Clark's party should have said that the best government is the least government. I hope that Ramsey Clark may learn this in a less painful manner than I did.

AL QUIE—DISTINGUISHED FARM CITIZEN

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. ZWACH. Mr. Speaker, AL QUIE has been a life-long friend of agriculture. Recently Al was named the 1974 Distinguished Citizen of Agriculture by the National Milk Producers Federation.

With your permission, Mr. Speaker, I would like to insert into today's RECORD an article that appeared in the August issue of Dairymen's Digest. The article describes the award:

Congressman Quie Distinguished Farm Citizen

Congressman Albert H. Quie (R.-First Dist., Minn.) has been named the 1974 Distinguished Citizen of Agriculture by the National Milk Producers Federation.

Citing the Congressman's numerous contributions to agriculture, Federation President Glenn Lake (North Branch, Michigan, dairy farmer) said, "Nearly every piece of agricultural legislation bears Mr. Quie's stamp of leadership and innovation. He is acknowledged as a leading spokesman on agricultural matters in Congress and has played a major role in the shaping of this nation's nutritional assistance programs."

Lake continued, "Because Congressman Quie is one of the few dairy farmers left in Congress, his colleagues often seek his counsel on agricultural legislation. His understanding of agricultural marketing concepts makes him a real asset to all of agriculture and especially the dairy farmers of this nation."

Quie helped write the School Lunch Program and older Americans Act, and he has authored several extensions of the Special Milk Program and the Veterans and Armed Services Dairy Program. He has also actively campaigned for improvements in the Food for Peace Program.

When Quie was elected to Congress in 1958, he was assigned to the House Committee on Agriculture where he served on the Dairy and Poultry Subcommittee. As Ranking Minority Member of the Education and Labor Committee, he continues to be instrumental in the development and passage of agricultural and nutritional legislation.

Vice President Gerald R. Ford congratulated Quie by saying, "We are indeed fortunate in having a man of your caliber serving so capably in the House. It is a great personal pleasure to see you receive the recognition and honor you so richly deserve."

Last year's recipient, Senator Herman E. Talmadge (D.-Ga.) told Quie in a congratulatory letter, "You have an outstanding record of support of legislation and programs helpful to the producers and the consumers of agricultural products."

Numerous other members of both the Senate and the House, including Education and Labor Committee Chairman Carl D. Perkins (D-Ky.) and Agriculture Committee Chairman W. R. "Bob" Poage (D-Tex.) praised Quie in letters which were bound and presented to him.

Congressman Quie was recognized at an Award Banquet (July 15) held in conjunction with a Federation Board of Directors meeting in Washington this week.

THE DEATH OF SENATOR KARL E. MUNDT, OF SOUTH DAKOTA

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. BROYHILL of North Carolina. Mr. Speaker, it was with a great deal of sadness that I learned of the death of the distinguished former Senator from South Dakota, the Honorable Karl E. Mundt, in August.

Senator Mundt had a long and honorable career of service to our Nation, serving the people of South Dakota in both the Senate and the House of Representatives. He was known throughout the Nation as a fierce defender of individual freedoms. Unfortunately, his dedicated career was cut short by a severe stroke in 1969.

Senator Mundt was a personal friend of my family and made several visits to the State of North Carolina during his public service. I know that he will be mourned in South Dakota and throughout the Nation.

FEDERAL LOTTERY LAWS NEED CHANGING

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mrs. HECKLER of Massachusetts. Mr. Speaker, last year the Massachusetts lottery raised about $37 million for cities and towns in my State. Twelve other States have also turned to lotteries as an alternative to ever-rising taxes to raise funds for local government, schools, senior citizens and other much-needed programs.

However, the continuance of these legal State-operated lotteries is now threatened by a century-old Federal law which was intended to ban foreign and privately-run scandal-ridden lotteries.

Attorney General Saxbe discussed the problem recently with officials of the 13 States which operate lotteries. Just prior to that meeting an editorial in the Fall River (Mass.) Herald News perceptively explained the reasons why Congress must act quickly to amend this outdated statute. I commend the editorial to the attention of my colleagues:

FEDERAL LOTTERY LAWS NEED CHANGING

Atty. Gen. William B. Saxbe meets Friday with the governors of 13 states now operating lotteries, such as Massachusetts' "The Game" and Rhode Island's "The Lot." The session, Saxbe said, is necessary because century-old federal laws are being violated by some or all of the states in using this method of helping reduce tax assessments.

The Justice Department has been looking the other way for the past few years as states contended their lotteries are being conducted lawfully. What the states have contended, in brief, is that they have not knowingly violated any of the ancient federal laws.

Actually, Saxbe's purpose in calling together the governors of the lottery-operating states should be to seek and end to the present restrictions under federal law. Most anguished governors hope that is his real purpose, albeit he said last week the Justice Department is considering calling a halt to all the law-violating lotteries.

The trouble involves the interstate movement of the lottery tickets. Bay Staters buy Rhode Island tickets and Rhode Islanders pick up Massachusetts tickets. They transport them across the state lines. This, under federal law, is illegal.

Then there is the matter of the mails. Federal regulations bar the use of mails for any lottery information. That is why Greater Fall Riverites see some papers that do not have lottery advertisements in them. This is because they are mailed.

For years it has been these cob-web-laced lottery rules which have prevented the use of these games to raise tax money while gambling syndicates hauled in millions via illegal wagering on races, on numbers and on baseball, basketball and football games. Belief existed that state-run lotteries would not only swell the tax coffers, ease the burdens of the taxpayers, legalize winnings, and break up the syndicates. Whether the last goal is anywhere near achievement remains a question for syndicate-run betting does continue. But the lottery has cut into the take of the mobs in many big cities. And that is a step forward.

Then there has been the plaint of some people that states should not revert to lotteries as fund-raising means, that it smacks too much of gambling, that it takes hard-earned money out of the pockets of those who can ill-afford it and that its goal of breaking the crime-run gaming cannot be attained.

Yet the popularity of the lotteries in all states in which they have been operated is such that few participants have protested. There seems to be a determined effort on the part of those in charge of the legalized lotteries to see no untoward activity is allowed to taint the games. And from their receipts cities and towns have benefitted.

Friday's parley should concern itself with a concerted effort to modernize the federal laws, to remove those that hamper properly conducted state lotteries, and so amend those which remain that they will pertain to crushing illegally-operated lotteries.

If the people, as their patronage indicates, approve of state-run lotteries to raise needed funds for the ever-growing cost of government operation, Congress is the one which should amend the restrictive laws which Saxbe fears are being violated.

Lotteries may not be the most moral method of raising money for operating state government, but as in the country's early days, they seem a less painful one than the constantly growing taxation plans, such as temporary ones that have been in effect 40 years.

Until something better is offered and at least until scandal can be proved in the state-run games, their continuance is warranted.

ROSH HASHANA

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. ANDERSON of California. Mr. Speaker, sundown Monday evening marked the beginning of Rosh Hashana, the Jewish New Year. This begins the holy period known as the "Days of Awe" which concludes with the most sacred day in the Jewish calendar—Yom Kippur, the "Day of Atonement."

The closing of the old year and the beginning of a new one is traditionally a time of both recollection and hope. Jews the world over are remembering the tragic events of the past year—the Yom Kippur War—the Ma'alot Massacre. But out of this reflection emerges the firm hope that the year 5735, on the Hebrew calendar, will bring true peace to the war-torn Middle East and true freedom for all Jews.

Today, Americans of many religions join with our Jewish friends in their recollections and hope, and we rededicate ourselves to two goals. First, we must preserve the security of Israel and, second, we must continue our determined efforts to persuade the Soviet Government to permit the free expression of ideas, the exercise of religion, and the right of emigration by her Jewish citizens.

Mr. Speaker, during this past year, our commitment to the continuation of the State of Israel has been severely tested. We must not yield to these pressures; but rather we must stand firmly beside Israel with the assistance she needs.

Our leaders are being torn on another

front as well. The policy of détente with the Soviet Union is one which I believe should continue—but not at the price of abandoning the cause of those Soviet Jews whose desire is for spiritual and cultural expression. I therefore reaffirm my support for the Vanik amendment to the trade reform bill, which would deny favored trade status to those Communist nations which restrict the emigration of their citizens.

The beginning of one of the prayers associated with Rosh Hashana—"unite all of us in the bond of brotherhood"—is a concept on which all can agree and affirm, as we pray for individual freedom, world peace, brotherhood, and the opportunity for greater spiritual growth.

Mr. Speaker, as we recall the suffering endured by the Jewish people, and the many obstacles that have been placed in the way of Jewish religious observances, we can only emulate and join in their prayers during this holy season for freedom from persecution, from violence, and from hatred.

YOUTH IN HAWAII WORK FOR ENVIRONMENT

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. MATSUNAGA. Mr. Speaker, high school youth looking for summer jobs and asking what they can do to help the environment have been given the opportunity for both by a pilot program in Hawaii. At a time when many youths are becoming interested in the environment and looking for practical ways of learning about it and bettering it, many are frustrated by lack of information, leadership, and organization. The Hawaii National Wildlife Refuge Youth Conservation Corps has successfully provided these along with summer jobs for some high school youth.

With pride in our youth and the others who have made this program work, I submit the following article by Lahoma D. Fernandes from the Garden Island for inclusion in the RECORD:

Youth Enroll in Conservation Corps To Help Save Kauai

(By Lahoma D. Fernandes)

If cleaning ditches, doing surveys on selected streams, and making trails sounds like a lot of fun then the Youth Conservation Corps is for you. Twenty boys and girls from various parts of Kauai were recruited through the High Schools for this job.

The Hawaii National Wildlife Refuge Youth Conservation Corps is the first of its kind on this island. It is a pilot program sponsored by the Department of the Interior and the Fish and Wildlife Service. This activity gives youths an opportunity to become aware of their endangered environment and wildlife as a summer job.

For the program to reach its full potential the twenty boys and girls were split into two crews. One on the north side (Hanalei) and the other on the south side (Huleia). Several joint field trips are scheduled enabling the two teams to get better acquainted while working.

The purpose of the Youth Conservation Corps here is to help students gain a better understanding of the world around them by doing several tasks on the wildlife refuges located at Hanalei and Huleia (near Menehune). This will benefit the community, wildlife and hopefully, the worker.

The program is also educational by providing many distinguished speakers on wildlife and the environment who suggest that everyday use. All this depends on collective and individual involvement.

THE PEOPLE'S COURT

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. TEAGUE. Mr. Speaker, in the September issue of Center magazine, a publication in Bryan-College Station, Tex., there was an excellent article by Ms. Susan M. Frisbie about the Honorable Brownrigg H. Dewey, Jr.

The article tells of Judge Dewey's career of serving the people of Brazos County, Tex.

The excellent article left out one of Judge Dewey's most recent efforts to serve the citizens of Brazos County. The judge has implemented a procedure that will enable Spanish-speaking citizens who receive a magistrate's warning to completely understand their rights as a citizen. Judge Dewey's practice of this procedure came about with the help of Prof. Claude D. Davis of Texas A. & M. University's urban and regional planning department, Prof. J. H. Hinojosa, chairman of the department of urban and regional planning at Texas A. & M. University and their student, Mr. Daniel Hernandez. Professor Davis said in a recent letter:

> Judge B. H. Dewey, who I consider the most progressive Justice of the Peace in Texas, deserves much credit for this project. He has decided that before he reads his warning to the Spanish surnamed accused, he will give them a card written in Spanish and one written in English. In this way Spanish surnamed persons who might have difficulty with English will more likely understand their rights. This is, of course, a very humane and just practice and one that might well be used in other jurisdictions with significant Spanish surnamed population.

The magazine article and the magistrate's warning follow:

Judge Dewey

(By Susan M. Frisbie)

In days of what can be deemed as political turmoil, people are often prompted to ask just what does government (and each individual who served in it) do for me. In the myriad of public officials, one job which stands out for its service and closeness to the people is the Justice of the Peace.

Sometimes called "The Peoples' Court" the Justice of the Peace can and does, act as a clearinghouse of information for those who have minor legal problems and do not know where to turn. The Justice of the Peace courts have jurisdiction in criminal matters where the penalty or fine may not exceed $200 and in civil matters of cases where the amount in controversy is $200 or less and original jurisdiction is not given to another court.

Because each case and each problem deals with people and their governmental system, the Justice of the Peace must have a sense of feeling for both. He must be interested in government and politics and in people. One such Justice of the Peace is Brownrigg H. Dewey, Jr., who with many years of interest and service in government and politics to his credit, serves as Justice of the Peace, Precinct 4, Place 1.

Judge Dewey's family came to Texas from North Carolina in 1930 to get an education in Texas for the children. In 1934, Dewey graduated from Bryan High School; in 1938 from Texas A&M College; and in 1941 from the University of Texas Law School.

He returned to Bryan College Station to practice law and with his interest in government, politics and people the judge soon found himself involved in local politics. His political career includes both successes and defeats with defeats numbering but a few. Early in his political career, Dewey twice ran for a place on the Bryan City Commission but was not elected.

In 1952, Dewey was elected as State Representative from Brazos County, serving for 10 years during which he was identified as an expert in the areas of elections and appropriations.

"Election reform isn't such a new idea," says Dewey adding that various election reform measures were acted upon during his tenure. The poll tax (a fee which was charged for the privilege of registering to vote in Texas) was one such issue the then Representative Dewey took an unpopular stand against. He firmly believed that voting is a right which we all have—not one which we have to buy.

Among his other achievements in the Legislature, Dewey was responsible for A&M securing Bryan Field and appropriations for the Maritime Academy. There were many graduates of the "other University" during his time in the Legislature and Judge Dewey bore the brunt of many an Aggie joke, but his service to district and the State did not suffer and he likely gained the respect of his fellow legislators for his tolerance.

Judge Dewey has served the people of Brazos County as Justice of the Peace for 10 years. His duties in the "Peoples' Court", include providing information on such problems as affidavits for Distress warrant, stray of animals and similar problems. The Justice of the Peace Court handles Civil Suits for less than $200.00 including tax suits filed by City and School Districts, small claims suits, eviction suits, some misdemeanors and administrative hearings on habitual violators (automobile). Eviction suits and summons on hot checks, as well as securing appointments for alcoholics who volunteer for treatment and issuing warrants for defendants for a mental examination also fall in the Justice of the Peace jurisdiction.

On the brighter side of Judge Dewey's duties as J.P., he performs marriages after a license has been issued by the County Clerk.

With all of these people-oriented responsibilities, it's easy to see why the Justice of the Peace is often called "The People's Court" and why Judge Dewey, with his background of working with and for the People, is suited for the job.

Magistrate's Warning

(Art 15, 17. Texas Code of Criminal Procedure)

DUTIES OF ARRESTING OFFICER AND MAGISTRATE

In each case enumerated in this Code, the person making the arrest shall without unnecessary delay take the person arrested or have him taken before some magistrate of the county where the accused was arrested. The magistrate shall inform in clear language the person arrested of the accusation against him and of any affidavit filed therewith, of his right to retain counsel, of his right to remain silent, of his right to have an attorney present during any interview with peace officers or attorneys representing the state, of his right to terminate the interview at any time, of his right to request the appointment of counsel if he is indigent and cannot afford counsel, and of his right to have an examing trial. He shall also inform the person arrested that he is not required to make a statement and that any statement made by him may be used against him. The magistrate shall allow the person arrested reasonable time and opportunity to consult counsel and shall admit the person arrested to bail if allowed by law.

THE REAL CURE FOR INFLATION: A BALANCED BUDGET

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. CRANE. Mr. Speaker, the American people are, quite justifiably, concerned over the problem of inflation. Recent polls show that the American people, properly, believe that the Government is primarily to blame for the inflation we face. To blame any force other than Government for inflation is to misunderstand economics almost totally. Fortunately, Americans seem to have a better understanding of economics then many of their elected representatives.

Those in public life who express such outrage over the declining value of the dollar provide us with many alleged "solutions" to the problem, ranging from compulsory wage and price controls to a variety of other proposals for governmental intervention in the economy. Such "solutions" have been tried previously in our own country and elsewhere in the world. They have always failed precisely because they did not approach the real cause of inflation. That cause is an artificial increase in the money supply by the Government—primarily to pay for Government programs whose costs have exceeded Government revenues. The first step to solving the problem of inflation is, accordingly, to balance the budget.

In an open letter to the Members of the Senate and the House of Representatives, Robert Burrell of West Haven, Conn., points out that in February 1973 two joint resolutions were offered in the House proposing an amendment to the Constitution to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency and to provide for the systematic paying back of the national debt.

Mr. Burrell states:

> If passed by two-thirds of the Senate and House of Representatives and ratified by the legislatures of three fourths of the states this legislation would curb inflation.

I wish to share with my colleagues the thoughtful letter prepared by Mr. Burrell and insert it into the RECORD at this time:

EIGHT SILVER DOLLARS MEASURE ONE FOOT

(By Robert Burrell)

An open letter to the Honorable member of the Senate and Congress expressing the sentiment of millions of U.S. citizens.

The national debt is the tax payer's grief and one of the principal causes of inflation.

It is a creeping menace which will eventually explode and engulf us in economic chaos, worse than 1929.

How did a country with such a vast number of highly educated and intelligent people allow itself the illusion of Total Prosperity by means of Ever-Increasing Debt? A Keynesian myth that spells doom.

When will we stop long enough to consider, "Where are we going?"

Fifty years ago during Calvin Coolidge's first year of his second term in the presidency in 1924 he reduced the national debt to 17 billion dollars.

In January 1974 the national debt had reached the astounding figure of 500 billion dollars.

30 billion was entered in the 1973–1974 budget just to pay interest costs on the national debt.

From 1930 to 1973, a period of 43 years, the Federal budget was balanced in only 10 fiscal years. These years were 1930, 1947, 1948, 1949, 1951, 1952, 1956, 1957, 1960 and 1969.

This 500 billion is a tremendous debt.

A burden to taxpayers through the next century.

What caused this debt?

Inflation? Yes.

Congress? Yes.

The United States voters? Yes.

Inflation is a principal cause of our national debt.

Our legislators do not operate within their yearly budgets.

Year after year special expenditures are requested beyond the budget limits set by Congress.

Priorities are argued and the decision is made that special expenditures are necessary. Thus, control of the budget is lost.

New money must be obtained by the Federal Reserve Board.

This means additional bonding with its cheaper dollars and increased inflation.

Let us make a quick review.

During Franklin D. Roosevelt's term, 1932–1945 and since then, in Harry Truman's term, 1945–1952, as president, the national debt had risen to 257 billion dollars.

During Dwight D. Eisenhower's term 1952–1960 and John F. Kennedy's term 1960–1963 and Lyndon B. Johnson's term 1963–1968 the national debt had risen to 354 billion dollars.

During 1968, the last year of President Johnson's term and since then, during President Nixon's term 1969 to the present 1974 the national debt has risen to 500 billion dollars.

Could we finance our homes in this manner?

This method of management would bankrupt our wealthiest corporations.

Is not the government merely home financing in a big way?

Until March 1968 the key to international trade and commerce was gold, pegged at $35 an ounce by the United States government.

By law, the United States had to keep on hand $25 in gold for every $100 in United States paper dollars. This gold is stored in Fort Knox and other U.S. vaults.

Due to our foreign commitments, Berlin, Britain, France, Korea, Vietnam and 45 other foreign countries held over 30 billions of our dollars.

In spite of all our help they insisted on redemption in gold.

Since 1957, the dollar back-up gold in storage has been reduced from 23 to 11½ billion dollars.

Ironically, France, under de Gaulle, which country we helped save from disaster in W.W. 2 is the worst offender and was bleeding our gold supply purposely and shamefully.

Yet, France owes us over 5 billion dollars, but we refrain from collecting lest we disrupt the monetary system of friendly countries and cause financial trouble in Europe.

Russia owes us over 11 billion from World War 2 and even now we are loaning them millions on very modest interest.

Germany, a country we helped revive to prosperity after W.W. 2 refuses to help pay for our military support, yet squeals with anguish when we threaten to remove our military coverage guarding against Russia.

Britain devalued the pound-sterling on November 18, 1967 from 2.80 to 2.40, thus reducing further the value of our dollars.

50 foreign nations receive our good-will billions reducing further our trade and commercial balance of payments.

France, Russia and China watch and wait for the first signs of our economic collapse.

Each country, in its own subtle way helps to bring it about.

Due to the gold speculation in 1967 and 1968 and to the deflation of the dollar, members of the 7 countries comprising the International Monetary Fund took drastic action in Washington on March 16 and 17, 1968 to stop the flow of gold from the United States.

They created a Two-price system, one for governments only at $35 an ounce, the other, for individuals at free market prices, without regulation.

On March 19, 1968 the U.S. administration removed the gold cover from our paper dollars, thereby freeing 10.7 billion in gold to protect our dollars in foreign markets.

This is a stop-gap only which is proved by the wild rise in the price of gold by speculators since 1968.

What is a billion dollars?

Is there a unit of measurement which will show the average citizen what a billion dollars represents?

Would it help our Federal, state and local legislators to govern reasonably if we drew a picture for them?

Let you and I try it.

Let us take a flight in fancy.

Imagine you and I taking a long walk across the country laying down one silver dollar touching another, on an imaginary straight line from New York to the Golden Gate in San Francisco.

Forget the mountains and rivers and valleys.

Now we start our *imaginary journey*.

A tour in simple arithmetic.

1 Silver dollar measures 1½ inches across the diameter.

12 inches measure 1 foot.

8 Silver dollars measure 1 foot.

5,280 feet measure 1 mile.

42,240 Silver dollars measure 1 mile.

3,000 miles measure from New York to San Francisco.

126,720,000 Silver Dollars measure from New York to San Francisco.

Notice we have laid down a string of bright silver dollars clear across the country and we have only used approximately one eighth of one billion dollars.

There it is in clear hard facts.

8 Silver dollars measure one foot.

8 Silver streaks from New York to San Francisco measure practically one billion dollars.

Never again need you be in doubt.

When someone mentions one billion dollars you will see those eight Silver streaks extending clear across the country.

But our present national debt is 500 billion dollars.

Is Congress to blame? Yes.

The controlling party's mistakes and inequities are hard to correct and they multiply over the years of control by the same party.

Are the United States voters to blame for the increase in the national debt? Yes.

No matter how high the national debt the voters return a majority of legislators to both houses who have proved to be the greater spenders of the voter's own tax money. Like a paranoic seeking inevitable self ruin.

In February 1973 two joint resolutions were offered in the House of Representatives, H.J. Res. 332 and H.J. Res. 374. Proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt.

If passed by two-thirds of the Senate and House of Representatives and ratified by the legislatures of three-fourths of the states this legislation would curb inflation.

Suppose a beautiful framed picture were hung in the hall of Congress and it showed 8 silver streaks extending from New York to San Francisco.

This beautiful picture representing the distance travelled to lay down one billion dollars on our *Imaginary Journey* may cultivate thoughts in the legislator's mind of his own home financing.

Since the present national debt is 500 billion these thoughts may make him more reasonable in spending the taxpayer's money.

This picture may act as a guide to prevent that economic chaos indicated on Page 1 of this letter.

This letter may be copied by the news and other media.

This attempt is to save this great country from economic collapse.

AFGE HOLDS 24TH BIENNIAL CONVENTION

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. DULSKI. Mr. Speaker, last month the American Federation of Government Employees held its 24th Biennial Convention in Boston, Mass., and I had the pleasure of being one of the congressional guests.

National President Clyde M. Webber was elected by acclamation on August 27, and the agenda was a full and productive one. Speakers eulogized the highly respected late AFGE president, John Griner, and pledged assistance to President Webber in helping Federal empolyees achieve their goals.

Senate EDWARD KENNEDY, of Massachusetts, made the opening address to the convention, with a warm welcome to Boston for the delegates. Other congressional speakers included Senator ERNEST "FRITZ" HOLLINGS, of South Carolina; Senator GALE McGEE, of Wyoming, chairman of the Senate Post Office and Civil Service Committee; Senator JENNINGS RANDOLPH, of West Virginia; Representative DOMINICK DANIELS, of New Jersey; Representative JEROME WALDIE, of California; Representative JAMES HANLEY, of New York; Representative JOHN JOSEPH MOAKLEY, of Massachusetts; and Representative DAVID HENDERSON, of North Carolina, who is in line to assume the chairmanship of the House Post Office and Civil Service Committee in the next Congress.

Although many of the remarks were "off the cuff," I have been able to obtain copies of the following addresses, which I believe discuss legislative issues of importance to all Members of Congress:

ADDRESS OF SENATOR EDWARD M. KENNEDY

It is a pleasure for me to welcome you to Boston this morning and to have the honor to address this important national convention of the American Federation of Government Employees. To your distinguished President, Clyde Webber, to your fine Executive Vice President, Dennis Garrison, to your outstanding District 1 Vice President here in New England, Dan Kearney, to your effective Legislative Representative in Washington, Carl Sadler, and all the other leaders of this major national union, I give my praise for the extraordinary job you are doing today. As the Federal Government's largest union, you have won great victories in protecting the rights of every Federal employee.

Since its founding, the AFGE has also been a major force in the American labor movement, and I am proud to work with your able representatives in Washington and with your distinguished leaders who are here at this convention. I also pay tribute to John Griner, a man whose name for many years was synonymous with the Federation and whose death has deprived the nation of an outstanding labor leader.

Over the years, my family has had a continuing close relationship with the AFGE and the members of this Union. Every Kennedy who ever served in the United States Senate has served on the Senate Labor Committee. I am proud of the record the Committee has established in the past, and I am proud to continue that record in Congress today.

In fact, it was President Kennedy who made the modern Federal labor movement possible, with the Executive Order he issued in 1962. He was proud of that order. He knew the value of an effective civil service, and he knew the great benefits that a strong labor movement would bring to Federal employees around the country.

From that major beginning, the AFGE has grown and prospered. Today, with your 1600 locals, you are still at the ramparts, bringing progress to your 350,000 members and the hundreds of thousands of other Federal employees you represent.

Many of the major benefits that Federal employees possess today were born as AFGE proposals. In areas like pay comparability, retirement benefits, health insurance, life insurance, and occupational health and safety, you have worked hard over the years to bring decent wages and improved health and safety and job security to your members and their families.

On a wide variety of other issues, the AFGE's open lines of communication to the Civil Service Commission have headed off problems and difficulties before they turn into bitter grievances, before they create lasting harm to federal labor relations.

In many of your battles, we have stood together in the past. We were shoulder to shoulder in opposing the attempt by the Nixon Administration to close the U.S. Public Health Service Hospitals. You were with me when I took to the Senate floor in 1971 to stop the Administration when it tried to cancel federal employee pay increases under the President's Phase II program for the economy.

And we share another bond—both of us took the Nixon Administration to court and won. I overturned a pocket veto of a major health bill for training family doctors. You went to court and overturned the President's delay of the GS pay raise in October 1972. These were victories worth winning, because we helped to prove that the President must obey the law like any other citizen.

To a large extent today, the vitality of the Federal Government depends on the AFGE. Your members are the backbone of all the Federal departments and agencies—not just in Washington, but also in thousands of Federal field offices around the country where government actually touches the people in their daily lives. You are the ones on the firing line, the ones who determine whether government truly serves the people and is truly responsive to the nation's needs.

The strength of the AFGE is a vital link in the chain of public service. That is why I share so many of your goals.

It is time to end the outdated present system of labor-management relations for Federal employees. You've had enough Executive Orders. You deserve a system of labor relations based on a statute passed by Congress, just like millions of other working men and women around the country, who already enjoy the special protection of such laws.

It is time to give Federal employees the status of first class citizens in our democracy, by repealing the unfair provisions of the Hatch Act. We can no longer deny to Federal employees the basic political rights that belong to every other American citizen. The only valid purpose of the Hatch Act is to protect government workers from unfair pressures and solicitations on the job. We should confine the Act to that limited purpose only, and I shall work with you in Congress to reach that goal.

It is time the Occupational Health and Safety Act was fairly and fully implemented. We passed that law in 1970. I say that four years is too long for Federal employees to wait for the safety and job security that Congress promised to every working man and woman.

It is time to end the inadequate per diem and mileage allowances that penalize Federal employees for their travel on the job. Last week in Congress, the Senate and House Committees completed action on bills to meet this problem. Those bills ought to pass before the end of Congress in the fall. Employees in jobs in the private sector get reimbursed for their travel expenses on a fair and equitable basis, and Federal employees deserve the same.

It is time we halted the abuse in Federal contracting out procedures, by which jobs that have traditionally been performed by the Civil Service are lost to outside firms and industries. I say that's false efficiency. The Civil Service can do many of those jobs as well or better than outside firms, and the Federal Government ought to keep those jobs at home.

The list goes on and on, but I want you to know that I support you in these major goals, and I intend to work in Congress to insure not only that they are met, but also that they receive the high priority for action they deserve.

On all the national issues before the country, we are entering a period of new action and understanding and good will.

We stand at the beginning of many new directions that are possible with President Ford. We can turn our full attention to the agenda of America's unfinished business at home and overseas. On every difficult issue, there is a new sense of new cooperation between Congress and the Administration, a spirit of new optimism in the country.

You can feel the difference on Capitol Hill in Washington. You can feel it in Boston and every other city. The millstone of Watergate has been lifted off the nation's neck. The air is clear. The country can begin to move again.

In foreign policy, the nation has entered a new time of hope, of promise, and also of difficulty. We have achievements of the past to build upon. But as Cyprus clearly demonstrates the demands of foreign policy are as great today as they have ever been.

In a threatening world, we must continue to maintain a strong military defense—a defense that provides full security for the nation. There can be no compromise whatever, on America's real defense.

But you know the challenge. How much defense is enough? How much do we have to spend, to be confident of meeting any foreseeable challenge to our nation and our allies?

The solution is to put defense spending under the same microscope we use for other spending. Let us have all the defense we need—and more. But let us also get a full dollar's worth out of every dollar for defense.

Let us cut out the waste and fat. Let us devote a fair share of our nation's wealth to our other basic needs. And that means the needs of all our people—North and South, urban and rural, black and white.

This, too, is basic to the real security of America, because in the last analysis, the only security worth having is the people's faith that the nation is worth securing.

The critics complain about grade creep in the civilian agencies of the Federal Government. Why don't they complain about the creep in the highest ranks of the Army, the Navy, and the Air Force?

Look at the facts today. Every branch of our military service is top heavy with top brass. There are more high officers in our armed forces in 1974, with *two* million Americans under arms, than we had at the end of World War II in 1945, with *twelve* million soldiers under arms. We've cut our total force by a ratio of six to one, but the number of generals and admirals has actually gone up in the same amount of time.

I say, it is time for the Defense Department to put its economic house in order. It is time to end the waste and inefficiency and sloppy practices at the highest level of the Pentagon. It is time for the defense budget to go to war against inflation.

In every other area of the economy here at home we also face a serious challenge. Our greatest problem is the unprecedented seige of wartime inflation in peacetime years—vicious inflation of the sort America has not seen since the days of World War II and the Korean War.

Interest rates are higher than Skylab. Soaring prices are turning McDonalds into country clubs exclusively for the rich. How do you justify the highest profits in history for America's rich oil companies, when the price on the gasoline pump makes the neighborhood filling station a disaster area for the average American driver?

Inflation isn't our only worry. The crisis is compounded by the fact that the country is also teetering on the brink of a serious national recession. That recession is bringing real financial hardship to many firms and industries, and rising unemployment for millions of our workers.

You know these economic issues as well as I. Take the problem of rising interest rates.

How can a government employee buy a decent home, when he has to pay interest at 9 or 10% on his mortgage? For a long-term mortgage of $35,000, that means he winds up paying the $35,000 back in principal, but he also pays back the almost unbelieveable amount of over $70,000 to the bank in interest charges. That's right—$70,000, twice as much as you actually borrowed in the first place.

That's all very well for the banks and big department stores across the country that are on the receiving end of those astronomical interest rates. But how about the millions of government employees and other citizens who spend their lives on the paying end? What about the Federal worker trying to buy a home? Or trying to buy a car on time? Or trying to keep his credit at the local department store?

I say, we need to bring those interest rates down. We need a policy that means lower profits for the big lenders and wealthy banks, and better homes for the average people on Main Street, U.S.A.

And what about wages? What about the pay of Federal workers and the wages of other working men and women? After a solid year of watching prices climb continuously into the stratosphere, wages at last are getting off the ground. Yet, now the call goes up for wage restraint. Hold the line on wages, they tell us, or inflation will get worse.

Well, I ask you, where were those eloquent calls for restraint when prices and interest rates were going up? I say, economics has to go hand in hand with equity and fairness. Economics without justice is false economy. I never want to see the day when the nation adopts a policy that makes the hard-earned wages of its workers into cannon fodder in the war against inflation. And that goes for the pay raise due Federal workers on October 1 this year, just as it goes for every other working man and woman. With inflation at 12%, no other union in the country has had to settle for 5.5% this year, and neither should the AFGE.

America's national pie is big enough for all of us to share, but only if we accept the need to share it fairly for the benefit of all. Rich and poor, Wall Street and Main Street, business and labor, farmer and consumer, we're in this thing together. And, together, we will defeat inflation, but divided, we will fail.

A rising tide lifts all the boats. A sound economy is the greatest social program America ever had, the source of all our other strength. This is our most important goal, to bring our sick economy back to health.

But the economy is not our only challenge. There are many other goals as well.

We need a better health care system for the nation, capable of bringing the highest quality care to every citizen at a price he can afford to pay.

I ask you, why should the United States be the only major industrial nation in the world without a system of national health insurance? In no other country in the world do so many citizens pay so much for health and receive so little benefit.

I've seen first hand the health care crisis in this country. I've seen the ruined lives that serious illness brings to people and their families. There's not a man or woman here whose family couldn't be driven bankrupt by the cost of serious illness.

Now, in Congress, we are trying to change all that. What we need is a program of comprehensive national health insurance. That is the most important single step America can take if we are serious about bringing decent health care to the people.

I want health to be a basic right for all, not just an expensive privilege for the few.

I want a health care system where you can call a doctor and not get just an answering service.

I want every health bill stamped "paid in full by your health insurance," without any loopholes or deductions, so the bill won't be handed over to a collection agency to harass you when you're sick and can't afford it.

Never again should any working men or women lose their health insurance because they lost or changed their jobs.

Never again should any American be forced to prove the health of his bank account to enter the local hospital.

Never again should any American in any doctor's office be forced to stick out his wallet before he sticks out his tongue.

These are the principles of national health insurance. These are the principles of the legislation I have introduced in Congress. Not everyone agrees with them today. The American Medical Association does not agree. The health insurance industry does not agree. The Nixon Administration did not agree.

But I know that two hundred million citizens across America agree, and that's what Congress has to understand.

Thanks to President Ford, we have a new champion on our side. The time is short, and we may not reach our goal before the end of Congress in November. But it will not be because we didn't try. And I assure you, if we do not succeed this time, national health insurance will be back at the top of the agenda in 1975, when the new Congress comes to town next January.

I would like to be able to spend more time this morning, dealing with other issues in foreign and domestic policy that we have to face together. The list is long, but I am optimistic, for all of us see a chance for hope and progress. At last we have an Administration at full strength, willing to work with Congress, willing to devote full time to the real business of the nation.

Let me briefly name some areas where action is overdue:

We owe the people action to change our corrupt and discredited system of financing campaigns for public office. Today, we have the finest political system money can buy, and it is a disgrace to every principle on which our nation stands.

My number one reform in the wake of Watergate is to adopt a comprehensive system of public financing of elections. The way to clean up politics is to clean out the money-lenders and big campaign contributors and special interests with all their special money.

Legislation to do that job is well along in Congress. Both the Senate and the House have passed campanion versions, and I hope a final bill will go to the President for his signature early in the fall.

America needs that bill. It is time to end the shameful spectacle by which Congress and the President put themselves on the auction block in every election year. It is time we had a system where all the people pay the cost of elections in America. Let us guarantee that our elected leaders represent all the people, not just their big contributors. Let us guarantee that there will be no more Watergates in our future.

We also owe the people action on tax reform. Gaping loopholes have turned the Internal Revenue Code into America's biggest welfare bill of all, but it is a bill that stands legitimate welfare on its head, because the welfare in the tax laws goes only to the nation's wealthiest individuals and richest corporations. It is time to close those loopholes. It is time to end the special breaks the tax laws now provide. It is time to end a system that brings higher taxes to Federal employees and ordinary citizens because it requires others to pay too little.

We owe the people action on equal rights for women. I join in President Ford's proclamation that today shall be Women's Equality Day. No one in America should be denied a leadership role in government, business, law, medicine, teaching or any other profession, because she is a woman.

We owe the people action on education, so that no children in this rich land are denied the opportunity for success because of the failure of their school.

We owe the people action in every other area—on civil rights, on foreign trade, on energy, on food, on housing, on crime, on transportation, on poverty, on drug control. The list is almost endless.

We need many things to reach these goals. We need new institutions in our government. We need new arrangements in domestic and foreign policy. Above all, we need a new sense of confidence in ourselves, a new sense of where we are, a new sense of where America is going.

This nation is still young and vigorous. Its brightest days still lie ahead. Aimless drift, lack of leadership, and passive acquiescence in injustice are vices foreign to our nature, vices that are simply not acceptable if we remain faithful to the principles our fathers fought to win and keep secure.

As we meet here in Boston, let us honor those who have gone before, who have brought us to this threshold of the future. Because so much has been given to each of us, let us be worthy of our stewardship and the promise of this land. Let us give something back to America in return for all it has given us.

One final word. Better than most, you in the AFGE, you who are Federal employees, know how difficult these past two years have been for America and for our government. You lived through the daily headlines and the painful allegations. You felt the inevitable confusion and loss of leadership as corruption in government was investigated and finally rooted out.

I want you to know that Congress is proud of the way the Federal service weathered the lengthy period of hardship and disillusion. We are proud of your loyalty. We are proud of the way the men and women of the AFGE and hundreds of thousands of other Federal employees carried on their jobs, in spite of the storm that swirled around you.

It wasn't easy. But by your diligence and dedication and strong commitment, government itself was able to carry on. While others made the headlines, you were the unsung heroes of the crisis.

I say to you, well done. America is in your debt. I'm proud to stand here with you, and I look forward to the future as we work together in meeting the challenges still to come.

Remarks of Congressman David N. Henderson

It is a privilege and a pleasure to meet with you today. I only wish my schedule permitted me to spend more time with you than I am now able to do.

As you have been told, due to the retirement of my longtime friend and colleague, Thad Dulski of New York, I am in line to become chairman of the Post Office and Civil Service Committee if that committee is still in existence when the 94th Congress convenes next January.

You and your affiliated employee organizations have helped lead the fight against abolishing this committee and I appreciate your support.

I cannot help believing that the Post Office and Civil Service Committee, as it now exists, is much more attuned to the needs and desires of Federal employees than a labor committee, where labor relations in the private sector have been the longtime consideration, and civil service legislation would be a secondary matter.

I have served with the budget makers of the Kennedy, Johnson and Nixon administrations and we will get a Ford budget in January of next year. Every budget director we have ever had, whether you called his office the bureau of the budget, the office budget and management or whatever, invariably suggested cutting down on Federal employment as a means of saving money.

And just as invariably, I have argued that the only way for the Federal Government to reduce its expenditure for certain personal services is to discontinue the function which necessitates those services. If we cut out 100 civil service employees who are doing maintenance work at a military base and replace them with 100 uniformed military personnel, we have shown time after time that the costs of doing the same job usually run higher. And if we cut civil service positions and contract-out the work to the private sector, the same thing is often true.

In addition to the cost factor, other things being equal, you develop better continuity and expertise by doing the work with civil service personnel. A military man is, of necessity, mobile. He is here today and transferred elsewhere tomorrow. The contractor of today may be underbid by someone else tomorrow and bring in green men to do the job. As many of you know, I have been involved in trying to work out an equitable bill on labor-management relations in the Federal service which will provide for more bargaining rights for employee organizations, and in some sectors I have been criticized because I oppose authorizing Federal employees to strike.

Let me stress to you that one of the strong arguments for retaining the civil service in many situations as opposed to contracting-out is that, in dealing with contract employees, there is always the threat of a strike, while with civil service employees, stability is much more assured.

Finally, on the subject of reduction in Federal employment, let me make this point.

Invariably, when a decision is made to reduce Federal employment, its implementation takes the form of attrition. That means, as employees retire, their positions are permitted to remain vacant. What does this mean to you?

If you already have career status as a Federal employee, and there is a reduction-in-force, you probably can, through the exercise of the rights you have, succeed, at least, in saving yourself from losing a Federal job altogether. The people retiring from Federal service tend to be in the upper grades in their agencies. When that upper grade is left unfilled upon the retirement of the person who holds it, it freezes promotional opportunities of people all the way down the line.

I do not mean to say that I will oppose every reduction-in-force, or every decision to contract-out or every decision to militarize civil service positions. What I do mean and what I pledge to you is that in every situation where large cuts in civil service employment are proposed, I will do everything I can to insure that the final decision is not grounded on the false assumption that reducing Federal employment always automatically saves money.

Finally, I want to take advantage of this opportunity to commend the job done by your national officers. As a member of the House Post Office and Civil Service Committee for 14 years, I have come to know them intimately.

They do an exceptionally good job in always representing your best interests without forgetting that you, and they, are citizens and taxpayers of the United States, and that ultimately what is good for the country is good for you and vice-versa.

While I have not always agreed with them nor they with me, I have always found them frank, honest and understanding. If I do become chairman of the committee next year, I pledge to you that I will always be available to them: that I will listen to what they have to say and afford them every opportunity to express your views and your position to me as an individual and to the committee as a group.

I look forward to a continuation of the fine association I have had with your organization in the past and again want to thank you for inviting me to your convention.

Remarks of the Honorable Dominick V. Daniels

Mr. Webber, distinguished guests and friends, it is indeed a pleasure to have the opportunity to speak to you today about legislation directly affecting the well-being of each member of the AFGE. It is particularly appropriate that I speak to you in the historic city of Boston, since some of the issues I speak about are, in their own sense, historic.

I would be remiss if I did not first heartily congratulate my good friend Clyde Webber, national President of the AFGE, for his intensive and successful efforts on behalf of all AFGE members. He has earned the respect of those members of Congress who deal with Federal employee legislation. At the same time he has gained national status among labor leaders for his activities on important policy groups outside the AFGE. He represents the AFGE on the Federal Employees Pay Council and the Advisory Committee to the Civil Service Commission on the Federal Employees Health Benefits program. I consider him a trusted friend and important advisor on Federal employee issues.

While I have the opportunity, I would also like to commend the efforts on your behalf of my good friend Carl Sadler, the legislative director for the AFGE since 1968, and Jim Lynch, assistant director of legislation. The assistance provided by these men to the Congress concerning the needs of Federal Workers have made it possible for members of Congress to equitably and effectively legislate to meet those needs. There are some who say the Sadler-Lynch team is *too* effective.

There are two legislative matters which affect you and about which I want to speak today. Foremost is the 1974 amendments to the Federal Employees Compensation Act.

Since the last amendments to the Federal Employees Compensation Act back in 1966, greater sensitivity to problems of survivors and rights of women as well as soaring inflation have made it necessary to review the adequacy of compensation benefits for injured Federal employees. At the same time we decided to take a close look at the efficiency system of delivering those benefits.

The result of that review combined with the recommendations of the national commission on State workmen's compensation laws, led me to conclude that new amendments were required to modernize and upgrade the present method of compensating injured Federal workers. I introduced in this Congress, H.R. 9118, amending the Federal Employees Compensation Act. With the unanimous approval of the full Committee on Education and Labor, and a new bill number—H.R. 13871—as well as a lot of behind the scenes convincing and cajoling, the legislation passed the House by a voice vote on May 7, 1974, and passed the Senate with minor substantive changes on August 12. Upon referral back to the House on August 19, the bill was approved with the Senate amendments under suspension of the rules.

It is presently awaiting President Ford's signature.

This legislation as passed by the House made 27 changes in existing law for your benefit. Some of the principal changes include:

An extension of time for filing for disability compensation from one to three years, thus revising an often inequitable statute of limitations.

An extension of the time for filing notice of injury from 48 hours to 30 days.

Equalization of treatment of widows and widowers, eliminating the artificial differences in entitlement between husband and wife.

A guarantee that Federal employees who recover from disabling injuries within one year may return to their former jobs or jobs of equal rank and pay.

A "priority" provision for workers whose recovery takes longer than a year for job placement over other applicants.

To eliminate the insufferable delay between notice of injury and payment of compensation benefits a delay which averaged between 40 to 60 days—this bill would authorize Federal agencies to continue an employee's pay where a claim for wage loss has been made on the basis of a traumatic injury for a period not exceeding 45 days, during that time the office of workers compensation programs would determine the compensability of the injury. Thus, an injured worker needing funds for daily living and extraneous medical expenses would not be denied.

A provision to allow disabled employees to retain their government sponsored insurance, and let their time on the disability roll count as active service time for civil service retirement benefits.

A provision to permit the payment of a scheduled compensation award for the loss or loss of use of internal organs in job accidents. Now, only external organs, such as arms and legs are compensable.

A 5% increase of benefits to widows.

A provision to eliminate the present two-month waiting period for a matching automatic cost-of-living benefit increase once the consumer price index has maintained an advance of 3% or more for at least three months.

The Senate additions:

Extend coverage of the law to disabled employees serving as grand or petit jurors in Federal courts.

Extend coverage to Peace Corps workers who qualify as "heads of households."

Just as Federal employees compensation is critically important to your health and safety, there continues to be one area in which Federal employees have not been able to make head-way since President John Kennedy signed Executive Order 10988 in 1962. Until then, the Federal shop was a paternal one. President Kennedy's order for the first time recognized the basic principle, already accepted in America for a quarter of a century, that workers have a right to bargain collectively on their conditions of employment.

12 years later, that Executive order should have become a statute guaranteeing to Federal employees the same rights to collective bargaining enjoyed by their brothers in the private sector.

Instead, Federal employees have had to suffer the bones thrown to them in President Nixon's Executive Orders 11491 and 11646. I do not now, nor have I ever believed that collective bargaining rights should be determined by Chief Executive officers—neither of United States Steel nor of the United States Government.

I therefore strongly reaffirm to you today my unyielding support for Federal employee labor management legislation which would guarantee to every employee basic rights of collective bargaining.

The argument that 12 years is insufficient time to understand the special problems of collective bargaining in the Federal Government is sheer nonsense. Those who would continue the present system of Executive orders would have urged that the Ten Commandments were too controversial and should have been written in the sand rather than carved into stone.

We have had more than enough time to study collective bargaining in the Federal Government, in a score of State governments and a host of local governments. The time for Federal legislation is now!

I firmly believe that such legislation must include, as a measure of last resort the right of an empoyee to strike. I must add, however, that I aso believe such strikes are grossly detrimental to the national welfare, and that every reasonable means ought to be taken to prevent them.

The Federal Government and Federal employees stand in a special relationship owing a special duty to the national welfare with which private employers and employees are not burdened. Any legislation providing for Federal employee collective bargaining must therefore provide for machinery to avoid the necessity to strike to the maximum extent possible.

A strike against the Federal Government causes grievous harm to the health, safety, and security of all of the American people. Fortunately, and to their credit, Federal employees have long recognized their special responsibility. Often, however, when I saw bull headed intransigence on the part of some Federal supervisors concerning some very basic problems which might easily be resolved by reasoning together, I wonder if a strong kick in the pants might not also be written into a Federal employee relations act.

However, corporal punishment for bullheadedness has never been recognized. Instead therefore, any law governing labor relations in the Federal Government must include the maximum opportunities to resolve issues and disputes governing working conditions.

In addition to maximum opportunities such as conciliation, mediation, and in some instances arbitration, we ought to provide for dispute settlement training and education for both management and workers. I firmly believe that every supervisor should be required and every employee who desires it ought to have the opportunity to take part in a course of dispute settlement training. (Not only would it make the workplace more peaceful, it might also have a fall-off effect at home.)

Such training would prevent minor disagreements from escalating into major disputes and has been recognized as beneficial in the private sector and even in community disputes. I would hope that new legislation would also provide for federal support for dispute settlement institutes such as has been proposed by professor Nathan P. Feinsinger at the University of Wisconsin Law School, and by the American Arbitration Association as well.

As you can see, my main intent is to go to maximum lengths to avoid the need for Federal employees to strike. In addition to their effect on the national welfare, they are expensive to employees themselves who rarely are able to catch up on lost pay and benefits. They ought to be the last resort.

In addition to guaranteeing the rights of collective bargaining, Federal legislation must include a Federal labor relations board made up not of Federal managers but of independent members with a knowledge of Federal labor problems and dispute settlement.

These are only a few of the major points necessary to secure for Federal employees the basic rights of labor. I still subscribe to the basic principles enunciated in H.R. 13 which I sponsored, and firmly believe that you are entitled to these rights too long denied you. I shall fight hard to secure them as we move into the next session of Congress.

I cannot close today, however, without expressing to you the extreme gratitude of the people of the United States for your extraordinary service to the stability and welfare of this country during the last two years.

As we engage in one of the most difficult constitutional conflicts in history, you who make up the great civil service of America showed the world that the American government is made of steel.

To those who believe and perhaps hoped that we would founder in this crisis, you have shown that we are made of sterner stuff. God bless you for your loyalty, your strength, your patriotism, and your common sense.

Thank you.

Address by the Honorable Thaddeus J. Dulski

It is a distinct honor for me to participate in this, the 24th Biennial National Convention of the American Federation of Government Employees.

It is a privilege and pleasure in the presence of such distinguished company to be surrounded by so many good friends. Since I am among friends, I don't mind telling you that I said a prayer before I wrote this speech. It was the same prayer first uttered by an anonymous politician and goes like this:

"Dear God—let me choose wise words for this talk and let them not be harsh and furious, but let them be soft and gentle—because, Lord, some day I may have to eat them."

The occasion of your convention offers me an opportunity to bring to public attention the services you and the members of your organization have rendered throughout the years to the cause of better government.

Those of us who are engaged in the Government's business know that we have come a long way since the day when the AFGE was first chartered in 1932. Today, by virtue of four decades of hard work, incessant research, and close cooperation among Federal employees, the American Federation of Government Employees and Members of Congress are on the eve of securing legislation which will provide a Federal statutory base for labor-management relations.

The details of the numerous bills before Congress for improved labor-management relations in the Federal service are presently being considered by my Committee. They are being capably engineered by your National President, Clyde M. Webber, and steered through the appropriate Congressional committees by the astute handling of your National Legislative Committee, ably headed by Carl Sadler and assisted by Jim Lynch. I am confident that by their persistent efforts and by the Congressional support of my colleagues in the House and Senate, a fair Federal labor bill will be enacted into law, if not in this Congress, at least early in the next.

I did not come to Boston to tell you that by our joint efforts all matters involving Federal employment which need to be improved have been accomplished. You and I both know otherwise, for much remains to be done.

However, we are proud of the improvements that have been made during this Congress in the Health Benefits Program, veterans' benefits, early retirement advantages, and pay for all unused leave at retirement, or when Federal employees otherwise leave the Federal service. These and other Federal employee benefits represent substantial legislative progress, much of the credit for which must go to your national headquarters for their tireless determination to tell Congress the facts as they are.

Nor did I come to Boston to tell you about many of the other Federal employee benefits enacted into law during my sixteen years service on the Post Office and Civil Service Committee, and especially during my tenure as Chairman. You all know these accomplishments.

I did come to Boston to personally express my fondest farewell to each of you and to the fine officers of the American Federation of Government Employees. Your convention offers me a last opportunity to do so, for, as you know, I have decided not to seek reelection. My decision was based solely and entirely upon a strong desire to devote more time with my family and friends in Buffalo. I feel that I have done my job in Washington during the past sixteen years.

However, your needs will not go unattended because I have full faith and confidence in our democratic system. Yet, I will miss the challenging opportunities that face the Congress. In particular, I will miss my work and my wonderful association with your organization which has developed over my years of service on the Post Office and Civil Service Committee.

Although I shall not be in the forefront, leading the battle to undo years of inequity by fighting with you for your goals, I foresee continued cooperation between you and my Committee, which I encouraged and fostered during my chairmanship. Thus, your goals can be and should be achieved within the next few years.

This is as it should be, for your work is a vital part of the Government's business. It is important that you continue your fine work, individually as dedicated public servants and collectively as an organization.

I would like to conclude my address with the wish that at some time in the near future both labor and management, cooperatively, discover the key which will generate in every employee the true sense of vocation. As members of the labor movement you, as well as management, must have faith in humanity, and also the possibility of creating, with the help of ordinary men and women, a finer social and industrial order. To do something toward this end is the vocation of any labor leader, any administrator, or any man.

For I believe that by intelligent leadership, by dedication to our work in the Government, and by mutual respect for each other, there will result a better understanding of people and assure for the Government and for the American Federation of Government Employees the important benefits implicit in the spirit and philosophy of the American Labor Movement.

INFLATION

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. COLLINS of Texas. Mr. Speaker, inflation is by far the most dominant challenge facing America today. Eight out of ten people name it as their No. 1 concern.

The Dallas Morning News has one of the greatest editorial pages in the Nation. I invite my colleagues to read their excellent interpretive lead editorial on September 13, 1974. Here is the Dallas Morning News position on the inflation fight:

THE INFLATION "FIGHT"

No longer is inflation just a household word: It is a household worry. Never in its history, says the Gallup Poll, which began during the Depression's latter years, have so many Americans—77 percent—named the cost of living as their overarching concern.

"Trust in Government," "Watergate," "International Problems," "Energy Crisis," "Moral Decline-Lack of Religion"—none, say the pollsters, so worries the public as does double-digit inflation.

We are agreed, then: Something has got to be done. So is anything, in fact, being done by the entity—the federal government—most responsible for double-digit inflation? A little; not much. Worse still, indications are that less and less will get done as time goes on.

About one thing let us be plain: Doing Something does not mean Doing Something spectacular like freezing wages and prices all over again. Controls, as we very well ought to know by now, are a fraud and a failure.

No, Doing Something means Doing Something of a more gradual, yet more farsighted, nature. For example, keeping a tight rein on the money supply.

The chief cause of too-rapid currency expansion—which is the chief cause of inflation—is federal deficit spending. Accordingly, President Ford wants to cut $3 billion, and, if possible, $4 billion from the 1975 budget. But Rep. Al Ullman, chairman of the House Budget Committee, is balking. Ullman worries that Ford is unrealistic. Oh, he says, we can probably cut $3 billion—but a lot of it must come from defense spending. Ullman knows as well as anyone that the Ford administration doesn't want to undermine the nation's defenses. If he tries to meat-ax the defense budget, and not the welfare budget, it will probably mean the budget doesn't get cut at all.

Then the Senate Post Office and Civil Service Committee unanimously votes to overturn Ford's 3-month delay of a federal pay raise. Ford wants to save money; not so the Senate committee, though federal workers are even now among the country's best paid workers.

What is more, Congress is coming back into session after the November elections, and it will try to pass, heaven help us, a national health insurance bill costing maybe $40 billion a year. The goal, we had thought, was to cut, not multiply, federal expenditures.

But quick-fix answers, not lasting solutions, are what many of our leaders seem to desire. Take George Meany, who, at the White House the other day, proclaimed that "budget cuts, high interest rates and tight money supply are not going to work in today's inflation."

Not work? They are the only things that will work. What does Meany think tomorrow's inflation will be like if we give up on budget control and tight money? It is, of course, the unemployment rate—only 94.6 percent of Americans are working—about which Meany is angry. He wants jobs; inflation can take care of itself. Therefore, he is putting the heat on Congress and on Ford to start inflating again.

He is a powerful man, George Meany. Legion are the congressmen who either agree with him or are intimidated by him.

But, meanwhile, what of those 77 percent of Americans who are red to the teeth with double-digit inflation? Do they deserve no consideration? Let us hope they are watching what goes on at present in Washington. Because if they are watching they can hardly help worrying.

NATION OBSERVES HISPANIC HERITAGE WEEK

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. ANDERSON of California. Mr. Speaker, the growing importance of Latin America in the American community makes it essential that every citizen have an understanding of the cultural and spiritual origins we share with our southern neighbors.

September 16, Mexican Independence Day, brought to a climax the eventful "Hispanic Heritage Week." Observed this year by Presidential proclamation, "Hispanic Heritage Week" pays special tribute to those millions of Americans of Hispanic descent whose bold, courageous, and artistic efforts have contributed to our society for the common good.

Nearly a century and three-quarters ago, on the night of September 15, 1810, a humble member of the lower clergy, Father Miguel Hidalgo, sparked a revolutionary movement with his notorious shout of "El Grito"—the cry—for independence. From that time on it has been a continuing struggle for the Mexican-American people to obtain and sustain a dignified standard of living.

In the State of California, which I am proud to represent, our history and culture is, indeed, rich with the valuable contributions of these great people.

Their influence is strongly reflected in our architecture, food, furniture, language, customs, and clothing, just to mention a few.

Our cities, Los Angeles, San Diego, San Francisco, and many, many more were molded by the men and women of Hispanic heritage. Our educational institutions, industries, and cultural centers have, indeed, been enriched by Mexican-American endeavors.

California has had a unique relationship throughout our history with these noble people. In fact, when we first became a State, our constitution and other official documents were written in both English and Spanish; and we entered the Union in 1848 as a bilingual State.

Unfortunately, shortly thereafter, this policy of providing governmental services bilingually was altered and thus denied to millions of Mexican-Americans their right of government services.

I am pleased to state, however, that we in California are beginning to correct this inequity. We seem to have come the full circle by returning to an earlier policy of providing governmental services bilingually.

Our educational system is now bridging the language gap by placing more emphasis in bilingual education; our election codes have been revised to provide bilingual registration; and most recently the Bilingual Services Act of 1974 *which provides* that all public services must be available bilingually. These and others represent progressive steps toward equalizing public service opportunities for Mexican Americans.

Yes, many historical events have made this day worth celebrating—yet there is still so much that needs to be accomplished.

I am sorry to say that even today we have farmworkers being denied minimal labor rights. Others of the low-income bracket are being denied their humanity because we choose to provide foreign countries with aid, which is often misused; rather than provide our own citizens of Latin descent with expanded social programs which create jobs, self-respect, compassion, and dignity.

Mr. Speaker, I think we owe our Mexican-American countrymen more than they now have. The contributions of these men and women were instrumental in the development of our Nation, and future generations of Americans are sure to prosper from them.

As we celebrate Mexican Independence Day, may we again renew our pledge to oppose discrimination in any form affecting our Mexican-American friends, and join these great people in a continued effort to upgrade the quality of life for all our people.

I think it fitting to recall what the late President Kennedy said in 1961 in his inaugural address—

> The rights of man come not from the generosity of the state, but from the hand of God.

HUNTSVILLE, ALA., HIGH SCHOOL DESIGNATED FOR NATIONAL BELLAMY AWARD

HON. ROBERT E. JONES

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. JONES of Alabama. Mr. Speaker, the staff and student body at Huntsville High School are due the heartiest congratulations on being selected for the 34th annual Bellamy Flag Award.

The designation of Huntsville High as the standard bearer of quality for schools in Alabama is pleasing recognition of the splendid efforts by administrators, faculty, parents, and supporters to enhance the educational opportunities for the young people of the community.

The announcement of the National Bellamy Board of Directors cited the specific accomplishments of the school. The citation follows:

THE NATIONAL BELLAMY AWARD

The 34th Annual Bellamy Flag Award of 1975, which honors the author of the Pledge of Allegiance, Francis Bellamy, and the public schools of the United States, will be presented to the Huntsville Senior High School next year at special ceremony.

The Huntsville Senior High School has been designated by the National Bellamy Board of Directors to serve as standard bearer for quality schools in the State of Alabama for a fifty year period. The Cullman High School has been named Alternate Bellamy Award School for the State. Only one secondary school in a state may hold the honor. Huntsville Senior High School, termed one that "never rests on its laurels," has been selected for the coveted national honor for these specific reasons—

1. The proficient performance of duty by the administrators: Joe L. Anglin, principal, and Dr. V. M. Burkett, superintendent, are cited for leadership in a school and school district that strives to retain the traditional approach to education all the while bringing about the necessary changes for all-around excellence designed for an entire student body.

2. An accomplished faculty that teaches by practical, living experiences in the classroom—the true method of learning by doing: economics students learn the basics by investing in the stock market, sociology classes offer keen concepts and understanding in experimental marriage, history classes simulate the depression era for better comprehension of the times. A concerned faculty, through its educational association, works closely with administrators, students and parents for the public good. Full concentration is placed on a curriculum that meets all students' needs, whether or not they are college bound.

3. The Board of Education philosophy: ". . . the school program should be designed to assist the student . . . in recognizing the functions of constructive citizenship in a democracy and in understanding and appreciating the cultural heritage.

4. The PTA (900 strong) that speaks up with words and action for its school and city. In a day when the school dollar is microscopic, the PTA has donated substantially to the school to supplement state and federal funds.

5. A loyal and generous student body that excels academically and culturally: Seven students were chosen National Merit Scholarship finalists in 1972, and two finalists in each successive year. State and national achievements have been recorded through the years; recently in debate, languages, the arts and athletics. Senior classes have gained city-wide attention for the practice of raising thousands of dollars annually through magazine sales, primarily for school equipment and school needs. Individual student achievement plays an important role in diverse areas of learning in a large student body—among them: ballet, karate, and senate page.

6. Noteworthy current student records warrant citation of "Representative of the Best"—

The largest number of Scholastic Art Awards (23) in the State.

The top debate team in Alabama.

The band awarded all four top ratings in concert selection.

The best one-act play production for three consecutive years in State competition—Alabama Thespian Society.

Swim teams take Alabama State Championship—boys and girls swim teams compete against 29 schools in the State.

Girl netters place second in the State.

7. Outstanding school publications—

The school magazine, The Spectrum, twice selected among the best student literary magazines in the nation—Columbia Scholastic Press Association Medalist Award for 1973.

The school newspaper, Red/Blue, awarded the highest honors in three scholastic press association compositions: All-American rating by the National Scholastic Press Association, All-Southern Award by the Southeastern Interscholastic Press Association, and the General Excellence Award in the Alabama Press Association Better Newspaper Contest.

8. A distinguished and accomplished alumni eminent in the fields of the creative arts, agriculture, education, government, law and medicine.

9. A cooperative and supportive local press with excellent school-press relationships.

10. A civic-minded community, one of 63 cities selected as a Model City Center, deeply interested in the schools and school-related activities; a community where all five high schools work together readily on major fund-raising projects for mutual benefits; one of the few communities across the nation voting another school tax on itself.

"DEAR COLLEAGUE" LETTER

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. LANDGREBE. Mr. Speaker, on Friday the 16th of August I circulated a "Dear Colleague" asking for cosponsors for a bill to amend the Internal Revenue Code to provide a tax exemption for unborn children. The response to my "Dear Colleague" was less than overwhelming. In addition to receiving the cosponsorship of one Member, my staff received several telephone calls from the staffs of other Members who wanted to know whether the "Dear Colleague" was a hoax, what the purpose of the amendment was, and how the amendment would change the existing law.

In all these responses, except of course the agreement to cosponsor, there is a common denominator. The reason why some staff members thought the "Dear Colleague" was a hoax, why others could not grasp its purpose, and why still others could not understand how it would change existing law seems obvious to me: the controversy surrounding the Supreme Court decision on abortion has created a mindset in some people who do not wish to examine the legal status of unborn children. It is a pathetic situation when a Hoosier truck driver like me finds it necessary to lecture all the brilliant young lawyers working in Congress on the state of the law. Yet, Mr. Speaker, it has apparently come down to that.

Let me begin my brief survey of the law with inheritance law. American courts, both State and Federal, have continually held that unborn children may inherit property. In these cases, the will of the testator usually contained a phrase naming as his heirs those children living at the time of the testator's decease. In 1834 in *Hall* v. *Hancock* (32 Mass. 255), a Massachusetts court held that a child conceived before the death of the testator but not born until after the testator's death was a legal heir. In 1887 in *Cowles* v. *Cowles* (56 Conn. 240, 13 A. 414), a Connecticut court reached a similar conclusion. Likewise in *Barnett* v. *Pinkston,* a 1939 Alabama case (238 Ala. 327, 191 So. 371), and in *McLain* v. *Howald,* an

1889 Michigan case (120 Mich. 214, 79 N.W. 182). In a 1938 Rhode Island case, *Industrial Trust Company* v. *Wilson* (61 R.I. 129, 200 A. 467), the court decided that a child could receive income from a trust for the period prior to the child's birth. The court explicitly rejected the notion that the unborn child was a legal nonentity. In a 1941 case decided by the Supreme Court of New York, *In re Holthausen's Will* (26 N.Y.S. 2d 140, 143), the court said:

> It has been the uniform and unvarying decision of all common law courts in respect of estate matters for at least the past two hundred years that a child *en ventre sa mere* is "born" and "alive" for all purposes for his benefit.

Not only have the courts upheld the rights of unborn children to inherit property and "for all purposes for their benefit," but the courts have also upheld the rights of unborn children even when this was not conducive to their benefit. For example, in *Orange* v. *State Farm Mutual Automobile Insurance Company* (443 S.W. 2d 650), a case decided by the Kentucky Court of Appeals in 1969, the court held that a viable unborn child is a legal person with a separate existence of its own. The child is therefore a member of a class excluded from coverage by a "family" or "household" exclusion clause of an automobile liability policy. Other examples of similar decisions are the cases *Barnett* v. *Pinkston,* a 1939 Alabama case I have already mentioned, and *In re Sankey's Estate,* a 1926 California case (199 Ca. 391, 249 p. 517).

In more complicated inheritance cases, it was decided that an unborn child can have a sale of land set aside where the sale involves descendant land, a portion of which is held to vest in the unborn child prior to its birth (*Deal* v. *Sexton,* 144 N.C. 110, 56 S.E. 69, 1907); and that an unborn child can take, under a will, as a tenant in common with its own mother (*Biggs* v. *McCarty,* 86 Ind. 352, 1882). Thus we can see that in the law of inheritance the unborn child has had the continual protection of the courts. Let us now turn our attention to tort law.

In tort law, the legal status of the unborn child is equally well established. For example, in *Scott* v. *McPheeters,* (33 Cal. App. 2d. 629, 634; 92 P. 2d. 678, 681), a California case decided in 1939, the court expressly provided that a fetus must be deemed an existing person. The court said:

> The respondent asserts that the provisions of section 29 of the [California] Civil Code are based on a fiction of law to the effect that an unborn child is a human being separate and distinct from its mother. We think that assumption of our statute is not a fiction, but upon the contrary that it is an established and recognized fact by science and by everyone of understanding.

In *LaBlue* v. *Speker* (358 Mich. 558; 100 N.W. 2d 445, 1960) the court held that an unborn child is a person and can bring an action for the death of his father where the death occurred prior to the child's birth. In *Herndon* v. *St. Louis and Santa Fe Railroad* (37 Okla. 256; 128 P. 727, 1912) the court declared that the fetus is an "existing person." In *Texas and Pacific Railway* v. *Robertson* (82 Tex. 657; 17 S.W. 1041, 1891) the court held that a fetus is a surviving child.

In a number of cases—Tursi against New England Windsor Co., Damasiewicz against Gorsuch, Keyes against Construction Services Inc., Williams against Marion Rapid Transit, Mollison against Pomeroy, Seattle-First National Bank against Rankin—the courts decided that the unborn child must have reached the age of viability at the time he suffered injury in order to maintain a legal action.

But in a series of later cases—Hornbuckle against Plantation Pipe Line Co., Daley against Meier, Bennett against Hymers, Smith against Brennan, Kelly against Gregory, Sinkler against Kneale, Syliva against Gobeille—the courts discarded the requirement for viability and held that an injury suffered by an unborn child of any age was actionable.

For example, in *Porter* v. *Lassiter* (91 Ga. App. 712; 87 S.E. 2d 100, 1955) the Georgia Appeals Court decided that an action was permissible where the unborn child had not reached the "age of viability" before being killed. In an important decision by the Massachusetts Supreme Court, the court held:

> In the case at bar, where the fetus was not viable, we must decide whether there is a sound distinction from the situation where the fetus is viable . . . In the vast majority of cases where the present issue has arisen, recovery has been allowed . . . To the extent that the views of textwriters and legal commentators have come to our attention they are unanimously of the view that nonviability of a feus should not bar recovery . . . We are not impressed with the soundness of the arguments against recovery [alleged lack of precedents, the avoidance of speculation or conjecture as to causation, and the encouragement of fictitious claims]. They should not prevail against logic and justice. We hold that the plaintiff's intestate was a "person" within the meaning of the [wrongful death statute of Massachusetts]. (*Torigan* v. *Watertown News Co.,* 352 Mass. 446; 225 N.E. 2d 926.)

The principal factor in the change in the courts' attitude toward viability, when in fact there was a change, was the advance of medical knowledge.

In another series of cases, which are usually misunderstood by those who regard the unborn child as a moral and legal nonentity, the courts held that the child must be born alive in order to maintain a legal action for injuries sustained prior to birth. Worgan against Greggs and Ferrara, Inc., Steggall against Morris, Cooper against Blanck, Hall against Murphy, Shouska against Matthews Driveurself Service, Leal against C. C. Pills Sand and Gravel. These cases have been misinterpreted by some people to be examples of the nonrecognition by the courts of the legal status of unborn children.

Unfortunately such a misinterpretation stems from an ignorance of the law that is inexcusable in those who purport to be explaining the law. The fact is that under the law for an action to be sustainable the victim must survive an injury. The general principle is—or was until recently—the claim dies with the victim.

Thus, under this principle, if an adult is mortally injured, his representatives or heirs cannot bring suit, for the action dies with the victim. If the victim should survive the injury then the tort is actionable. No one would seriously suggest that this general principle of tort law is an example of the fact the adult human beings are legal nonentities. Yet those who maintain that court decisions which require that an unborn child be born alive in order to maintain a tort action are making precisely that mistake about unborn children.

In recent years, however, even this principle of tort law has been broken, for many courts have held that in fact the unborn child need not be born alive in order to maintain an action for injuries suffered prior to birth, thus doubly silencing those who would regard the unborn child as a legal nonentity. Gorke against LeClerc, Hale against Manion, Mitchell against Couch, State against Sherman, Verkennes against Corniea, Stidam against Ashmore, Poliquin against MacDonald, Panagopoulous against Martin, White against Yup, Wendt against Lillo, Valence against Louisiana Power and Light. In short, both inheritance law and tort law uphold the rights of unborn children. As the court said in the Raleigh Fitkin-Paul Memorial Hospital against Anderson case:

> We are satisfied that the unborn child is entitled to the law's protection . . . We have no difficulty in so deciding with respect to the infant child.

That, Mr. Speaker, concludes my all brief summary of the legal status of the rights of unborn children. I am asking the Congress to demonstrate its good will and knowledge of the law by amending the Internal Revenue Code so as to make it conform to the countless court decisions upholding the rights of unborn children. This may be done by recognizing such children as children and as dependents for tax purposes. My proposed amendment would bring the tax code into conformity with the great body of law that has been accumulating for decades upon decades.

One could go on at great length reciting examples of court decisions upholding the legal rights of unborn children, but I think the point I have been trying to make is now clear. The courts have continually and consistently, with very few aberrations, upheld the rights of unborn children. The great body of law established by both State and Federal courts comes clearly down upon the side of the unborn child, yet Congress has neglected to recognize the law and enact a tax exemption for unborn children. My amendment would correct this serious oversight in the tax code and bring the code into conformity with the law. My amendment would allow a tax exemption for an unborn child from the moment of its conception. That moment would be determined by calculating 280 days prior to the date of birth of the child; 40 weeks is the normal human pregnancy.

There is, of course, some uncertainty about the length of human gestation, since it is difficult at the present time to tell exactly when conception does occur. Some estimates are that gestation is 266 days, some say 273 days. I have chosen the outside limit, 280 days, or 40 weeks, for the purpose of allowing the unborn child and his parents the benefit of the medical doubt. I have chosen this method of ascertaining the date of conception in order to avoid the uncertainty of pregnancy tests in the earliest stages of pregnancy and in order to avoid the abuses that might occur were tax exemptions granted for pregnancies.

Since the Supreme Court has mistakenly struck down some State laws regulating and outlawing abortions, there might be some people who would be so base as to repeatedly become pregnant and repeatedly kill the unborn child in order to obtain additional tax exemptions. To prevent such occurrences, I have written the amendment with the "280 days prior to live birth" provision. Thus not only will such language prevent abuses that might result were the amendment written another way, but the amendment might also provide a small economic disincentive for abortion.

I urge my colleagues to pass this bill into law at once, thereby demonstrating their good will and knowledge of the law.

WHIG PARTY PLATFORM—1974

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. JOHN L. BURTON. Mr. Speaker, I am pleased to place into the RECORD this Whig Party platform adopted by the California Girls State convention:

WHIG PARTY PLATFORM—1974

We, the Whig party of California Girls State assembled at Squaw Valley, California on June 26–July 3, 1974 do hereby go on record as follows:

HOUSING AND COMMUNITY DEVELOPMENT

I. When considering urban renewal, a state advisory board should be formed to supervise the replacement of condemned housing with new low-cost housing so the evicted inhabitants can afford to move back in or find alternative housing so as not to have them totally displaced. The cost of the new housing should be compatible with the residents' income. If this is not feasible, federal grants could be sought out.

RAPID TRANSIT

II. It is hereby proposed that a fund be established for the support of low-cost (to the consumer) public transportation system that would supply a transportation alternative to the automobile in urban areas. Rapid transit (such as BART) bus lines, community shuttle buses and bike paths would be suggested examples.

NO FAULT INSURANCE

III. We propose that the government of the great State of California endeavor to find a system of automotive insurance that protects all citizens more equitably.

ENERGY

IV. Realizing the existing shortage of fossil fuels, we support the organization of a statewide program to encourage, through funding, the development of alternate energy sources such as geothermal, solar and nuclear energy.

ENVIRONMENTAL PROTECTION

V. In order to preserve the visual beauty of the State of California, we support legislation regulating the size and number of billboards in urban and rural areas.

VI. In order to prevent the continued waste of recyclable material, we suggest a statewide program of recycling, including more economically worthwhile prices for reusable materials, and tax incentives for businesses and industries to use recycled materials. We also advocate the establishment of more reclamation centers.

VII. In an attempt to reduce pollution in the State of California, we support the following proposal: that all industries which emit wastes pay fine proportionate to the amount of waste emitted and to the size of the business or corporation regardless of whether or not they violate the present danger levels. The enforcement of this fine will encourage industries to attempt to reduce pollution as much as possible. The fines collected will be used as aid or loans to finance adoptions or changes in industrial equipment in order to reduce pollution emissions.

VIII. In order to keep the ratio of developed land proportionate to open space and recreational lands, we propose the following: that a state advisory board be established to set a system of standards.

CORRECTIONS

X. In the interest of all citizens, we advocate the segregation of criminal offenders according to the crimes committed. This should be done at both County and State levels. We stand for the gradual transformation of juvenile hall into counseling boards for youths and the increasing development of rehabilitation procedures in state prisons including work and social services for parolees.

MARIJUANA

XI. We believe that the penalties for possession and use of marijuana should be decriminalized to a misdemeanor charge and that the penalty for pushers be increased. We further encourage a state-wide education program dealing with drug abuse.

RAPE

XII. In review of our current rape laws, we feel that hearings for rape should be held in closed session so as to protect both parties from undue embarrassment. We also recommend that the plaintiff possess the option to charge either sexual assault or assault and battery.

GUN CONTROL

XIII. We advocate stricter gun control laws in the State of California.

DEATH PENALTY

XIV. In order to clarify the controversy over the value of the death penalty as a deterrent to violent crimes, we urge the formation of a commission to present the facts to the legislature.

MENTAL HOSPITALS

XV. We advocate the maintenance of state mental hospitals at a higher level of standards. These hospitals will be for the criminally insane and psychologically disturbed when community resources are not available.

WELFARE

XVI. Being aware of the inadequacies of our present welfare system, we advocate the establishment of an organization of departments to deal with rehabilitation, education, and employment as they relate to welfare and the reformation of the system as deemed necessary.

ANIMAL POPULATION REGULATION

XVII. We advocate state funding for low cost community spay and neuter clinics.

EQUAL RIGHTS

XVIII. It has been resolved that every citizen of California, regardless of sex, race, color or creed, should enjoy equal economic, political, social, educational and cultural rights. Believing that this should be so, we so urge the formation of a state board to see that the enclosed provisions be enforced.

ABORTION

XVIV. Believing in the sanctity of life we feel that the current abortion laws should be made stricter until such time as a qualified panel of medical and religious advisors can determine the religious, moral, physical and mental impacts that abortion has on all those involved.

R.O.P.

XXI. We propose that in every district at every high school there be installed a Regional Occupational Program.

EDUCATION EQUILIZATION

XXII. We propose that the equilization of education be obtained through the use of state funds.

EDUCATION FOR THE HANDICAPPED

XXIII. We urge the formation of an agency to encourage special education for the mentally retarded and handicapped and to set standards on the quality of the instructor so as to improve the quality of the education.

POSTAGE STAMP

XXIV. Believing in the merits of the nationwide Girls State program we urge that a Girls State postage stamp be issued.

ZONING

XXV. Looking ahead to the need of future agricultural areas we hereby propose that presently unused farm land be preserved whenever possible through the use of long range planning programs.

FARMERS UNIONS

XXI. Believing in each person's individual rights as a citizen of California, we urge the formation of a state mediation board to insure that no one's rights to join or not to join any union are infringed upon and also facilitate a common agreement between parties.

STUDENT REPRESENTATION

XXVII. Advocating the right of all to have their views represented, we propose that it be the practice throughout the State of California to maintain an ex-officio high school student representative on local Board of Education dealing with issues on the high school level.

LIBERTY BELL TRAIN FOR BICENTENNIAL

HON. CHARLES S. GUBSER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. GUBSER. Mr. Speaker, recently an idea for helping to celebrate our Nation's Bicentennial was put forth in the San Jose News by columnist Dick Barrett. Although I will bring this suggestion to the direct attention of the American Revolution Bicentennial Administration, I thought it would also provide interesting food for thought for readers of the CONGRESSIONAL RECORD. Mr. Barrett's column and a related editorial from the San Jose News follow:

LIBERTY BELL SHOULD TRAVEL AROUND UNITED STATES

(By Dick Barrett)

"Well, Kiddo, I have a splendid idea," Fred, the Alviso seagull, said to his mate, Ernestine, today.

"How do you know it is splendid?" Ernestine asked.

"Because I thought of it myself," said Fred, "and to me there ain't any better recommendation."

"I am glad to have your unbiased view on the subject," said Ernestine. "What is this bright light which has gone on in your bird brain?"

"Well, there was this report the other day that the Liberty Bell is gonna be moved to a different spot in Philadelphia to make it more accessible for people to see during the nation's bicentennial," said Fred. "I gotta better idea than that."

"I am waitin' to hear it," said Ernestine.

"Why don't they load the Liberty Bell and some other stuff from the days of the revolution aboard a train and take 'em all over the country so that people who will never get to Philadelphia can see 'em during 1976?" said Fred. "Some years ago there was a special train aboard which they had the Declaration of Independence, the Constitution and the surrender papers from World War II, aboard and that went around so people could see them."

"Offhand, the idea sounds pretty good," said Ernestine. "Imagine people in big cities and little towns all over the country havin' a chance to see those things. It might kindle some patriotic feelings among 'em again."

"It might be just the thing to do at a time when the country is comin' out of the daily diet of impeachment and corruption in high places and all that stuff," said Fred. "It might be like a fresh breeze blowin' through the land. If folks had a refresher course on the work of the great minds of those early days it might renew their pride in the country and all that."

"About the only fly in the ointment I can see is the way the railroads are bein' run," said Ernestine. "Nobody would want anything to happen to them national treasures."

"I think this thing would have to be sponsored by the government itself to put some authority behind it," said Fred. "And the person in the government who was in charge would have to get the presidents of the railroads together and lay it before them and tell them it was important and to see that the Liberty Train or Bicentennial Train got top priority everywhere it went. I'll bet the papers and the other media would give it full coverage in every town it visited."

"If Philadelphia wanted to have the bell during 1976, it could make the trip in 1975 as an advance thing for the bicentennial to help get people hepped up for a celebration," said Fred. "A good day for it to start out would be the anniversary of Paul Revere's ride—'18th of April, '75'—like it says in the poem."

"Somebody should start a petition to Congress to get onto it as soon as it can turn its attention from pending matters," said Ernestine. "Inspirin' people to take an interest in the country's early history and what the Founding Fathers had in mind, and their courage and genius would be wholesome, like Lawrence Welk."

"There is an additional angle to this, too." said Fred. "There ain't no big centralized celebration of the bicentennial planned in Philadelphia or anywhere else. So this Liberty Train could be like a needle and thread, goin' across the country and tyin' all the little ones together, and lettin' its arrival provide an event in places which don't have much money to spend for such things."

"The more you mull it, the more good things you can come up with about it," said Ernestine.

"Folks should start writin' letters to their congressmen and senators tellin' about this idea and suggestin' they talk it up back there in Washington," said Fred. "You know, if they started the bell goin' around the country next April 18, they could time it to arrive back in Philadelphia on Fourth of July, 1976, and give it a big welcome. Holidays are usually slow news days and that would be something which the media fellers could do something with."

"I can see a big ceremony in Philadelphia with the President, whoever he may be at the time, welcoming the bell back and makin' an oration pledgin' the people of this country to continuin' to defend the Constitution, and all that sort of thing," said Ernestine. "I could practically write his speech for him myself."

"It'd be a good time to inquire whether the truths which was self-evident 200 years ago are still that way," said Fred.

LIBERTY BELL TRAIN FOR BICENTENNIAL

If the bicentennial planners at the national level have any ideas for creating excitement for the 1976 event they are keeping them mighty quiet.

Into that void we toss an idea from News columnist Dick Barrett, who also is a member of the San Jose Bicentennial Commission. Actually, Barrett attributes the plan to his Alivso seagull friend, Fred.

The suggestion is to take the Liberty Bell on tour of the United States by train.

A trainload of historical artifacts and documents made a highly successful tour of the country a few years ago. An Independence Train should be an even bigger hit. In addition to the Liberty Bell, it could carry the Declaration of Independence and all sorts of art and documents relating to the Revolution.

If Philadelphia insists on having its prize tourist attraction in that city in 1976, the train could be scheduled for 1975 as part of the buildup for the national celebration. Bicentennial plans have not stirred a great deal of interest so far. The train could be a big help.

When it visits San Jose, Fred and his chum Ernestine promise to be on their best behavior as they respectfully swoop over the Liberty Bell.

TEN ESSENTIALS ON ENERGY

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. COLLINS of Texas. Mr. Speaker, the key issues in America today are inflation and energy. The answer to our country's future growth depends on how energy relates to this inflation challenge.

It is obvious that we must emphasize incentives for more domestic exploration. In order to have reasonable energy costs, we must discover more energy reserves.

I always enjoy visits and in-depth discussions with Abbott Sparks. Mr. Sparks is the president and publisher of five oil magazines. The Petroleum Engineer is recognized the world over as an authoritative reference for the petroleum industry. It addresses itself to engineers and operating men concerned with oil.

They have just published a 1975 Petroleum Market Guide. The keynote 10-point summary is concise. I am sure my colleagues in Congress will find it informative to read Abbott Sparks, of Petroleum Engineers, as Sparks lists the 10 essentials to understand energy.

ESSENTIALS TO UNDERSTANDING ENERGY

1. Energy resources become energy supplies only after the proper technology, tools, and economics are applied to stimulate development. (Six years is required to put *new* petroleum production on stream in a stable economic environment.)

2. New supplies. One exploratory hole out of nine returns investment fully or better. One of 20 brings a major discovery of 1,000,000 barrels or more. Cost per exploratory well varies from $50,000 to $7,000,000.

3. U.S. drilling incentives can be measured by the number of "rigs running" operated by drilling contractors hired by independent producers and major companies, either exploring for new oil/gas reserves or developing existing fields. There were a record high 3028 "rigs running" during December 1955. By March of 1971 this had declined to a record low 828. "Rigs running" then rose to an average 1427 by December of 1973, due in large part to the first easing in Federal Power Commission wellhead new gas price controls in 18 years.

4. Drilling contractor is a specialized businessman who works on a contract much as a building contractor builds a building. U.S. drilling contractors declined more than 50% while "rigs running" declined from 1955 to 1971, and "wells drilled" dropped from 58,160 to 27,300.

5. Major of companies are active from exploration and production through transportation, refining, and marketing, but do not drill the majority of exploratory wells. They do not control wellhead prices of gas or oil.

6. Profits of major companies over any 5, 10, or 15 year period through 1973 were average to below earnings for U.S. manufacturing companies. Gasoline sells for 2 to 3 times more in most industrialized nations outside U.S. Major company profits average less than 2 cents a gallon of gas U.S.; but *twice* as much *outside* U.S. Petroleum industry began in the U.S., but today has taken drilling and/or production to 91 *other* countries. Industry "balance of payments" return approximately $2 billion.

7. U. S. Government has about 60 bureaus, committees and agencies having responsibility for or observing the energy industry. Best known and most often used is the Bureau of Mines which conducts programs designed to conserve and develop mineral resources, including fuels. It also publishes statistics on the mineral industries in cooperation with the states and industries, and has 3700 people.

8. Shortage of natural gas began with the Supreme Court's ruling in 1954 placing natural gas wellhead prices under FPC control. Gas at that time sold for 9.9¢ Mcf. Under FPC control, natural gas price was permitted to increase 100% from 1954 to 1972, while annual gas consumption increased 140%. A barrel of oil has six times as many Btus (British Thermal Units) of energy as a thousand cubic feet (Mcf) of gas. This means that $3.00 a barrel for oil equates to 50¢ per Mcf for gas. From 1954 to 1972, crude oil was selling $2.50 to $3.00 but natural gas was controlled at 10¢ to 20¢ per Mcf.

9. Shortage of crude oil. Crude oil price increased one penny per gallon from 1957 to 1971 (due largely to availability of imports), while consumption increased 64%. U.S. was 107% crude oil sufficient in 1958, 100% sufficient in 1965. By 1974 U.S. was only 70% sufficient, bringing obvious international vulnerability. There is growing international competition for energy, of which U.S. is now one of the competitors.

10. New energy sources such as shale oil, tar sand, coal liquefaction and gasification can only occur at economic levels of $8.00 per barrel or above in 1974 dollars depending on the source being considered. Lag time required ranges from 7 to 12 years. Some of the above would have occurred sooner had natural gas prices not been restricted to 16¢ per Mcf (overall 18-year average—1955–1972). In Btus this compared to 96¢/barrel oil, compared with an estimated $8.00/barrel that new energy forms will require.

PROPOSED PAY RAISE DELAY IS DISCRIMINATORY

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. FORD. Mr. Speaker, my feelings about President Ford's proposal to delay the Federal pay raise were expressed most admirably in a column this week by Joseph Young, of the Washington Star-News staff.

Although I agree that fighting inflation should be our Nation's No. 1 battle, I do not think that white-collar Federal employees should be drafted as shock troops in this war. Especially when corporate profits and bank interest rates are setting new records.

As Mr. Young points out, the Ford administration is not suggesting that other segments of American labor accept any 3-month delay in pay raises.

Mr. Speaker, I commend Mr. Young's article to the attention of my colleagues, and insert it herewith for the RECORD:

PROPOSED PAY RAISE DELAY IS DISCRIMINATORY

(By Joseph Young)

Imagine if you will a big industrial firm that has agreed to a contract giving its employes a pay raise.

Then, if you can, imagine the company sending a memorandum to its employes saying something like this:

"Because we want to help in the fight against inflation, we have decided to give some of our employes a pay raise right now as scheduled but make the rest wait three months before they get theirs.

"Those employes in the west wing of the building, who are getting the highest pay raises, will get their increases on schedule. But those employes in the east wing of the building, who are getting the smallest pay increase, will have to wait three months in order to get their raises."

Far-fetched? Ludicrous? Unfair? Discrimination?

Yes, all of these things.

But that is exactly what is happening in the United States government.

President Ford has proposed a three-month pay raise delay for federal white-collar employes and military personnel.

But the other half of the government establishment—federal blue-collar workers and postal employes—will get their pay raises on time without any delay.

Adding insult to injury, the blue-collar workers and postal employes are getting considerably higher pay raises than the meager 5.52 percent proposed for white-collar employes.

We say meager because even the President's Advisory Committee on Federal Pay, composed of top industrialists, has found that the increase should be at least 7.12 percent to make government salaries comparable with industry.

Federal blue-collar pay raises are averaging close to 10 percent, perhaps more.

And postal workers during their current two-year contract are receiving pay raises totaling about 25 to 30 percent.

Yet neither federal blue-collar workers nor postal employes are being asked to delay their pay raises.

We hasten to add that we are not advocating any delay in their pay raises. That would only compound the inequity involving federal white-collar employes. But it does point up the inequity and inanity of the situation.

And, of course, the Ford administration isn't asking or even suggesting that American labor agree to any three-month delay of pay raises in the private sector. Not only are private industry workers getting their pay raises on time, the increases are averaging a lot more than 5.5 percent.

PENSION REFORM

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. FORSYTHE. Mr. Speaker, on Labor Day 1974, the Employee Retirement Security Act was signed into law by President Ford. This important legislation—the product of some 6 years of study and work on the part of Congress—is aimed at protecting the retirement benefits of the 23 million American workers who are covered by private pension and welfare plans.

As a member of the House Education and Labor Committee, I was privileged to have an opportunity to play a part in developing this landmark pension reform legislation. As a result of the new act, the fears of millions of workers will be alleviated because they will know that their pension rights are protected.

Because of the importance and scope of the pension reform act, it is essential that the rights and obligations of both workers and employers under the new law are clearly understood. Thus, I am submitting the following brief guide to Public Law 93-406.

GUIDE TO PENSION REFORM

HIGHLIGHTS

The new law establishes:

Procedures for qualifying and registering plans with the Departments of Treasury and Labor.

Stringent standards for plan fiduciaries, including a broad definition of fiduciary and detailed prohibited transactions.

Reporting requirements regarding conditions and operations of all employee benefit funds (pension, welfare, etc.) to both the Departments of Treasury and Labor.

Requirements regarding disclosure to plan participants of plan contents, participants' rights and procedures.

Minimum participation (eligibility), vesting, and funding standards.

A system of insurance of nonforfeitable (vested) benefits, and contingent employer liability to the insurance corporation in event of plan termination.

A role for the Department of Labor, the new pension insurance corporation, and participants in the qualifying and registration procedures.

Regulatory authority in the Departments of Treasury and Labor with obligation to coordinate regulations and reporting.

Coverage of all employee benefit plans which seek tax qualification or which are subject to jurisdiction under the Commerce Clause.

Means by which individuals not covered by a retirement plan may set up their own plans and obtain preferential tax treatment.

New limits on deductibility of contribution to retirement plans.

Excise penalties and equitable remedies as additional methods to enforce prohibited transaction rules and the minimum eligibility, vesting and funding requirements of the labor and revenue codes.

Effective dates related to the specific titles and provisions of the Act.

COVERAGE

Excluded from the plenary coverage of the Act are:

(1) governmental plans;

(2) certain church plans;

(3) non-U.S. plans primarily for aliens;

(4) workmen's compensation and unemployment compensation plans.

(5) unfunded plans which provide benefits in excess of the Internal Revenue Code limitations on contributions and benefits.

Excluded from all but the reporting and disclosure requirements are:

(6) unfunded plans maintained by the employer primarily to provide deferred compensation for select management or highly compensated employees.

Excluded from the participation, vesting, funding and plan termination insurance requirements are:

(7) plans established by labor organizations (under Sec. 501(c)(5) of the Internal Revenue Code) which do not provide for employer contributions, and

(8) plans established by fraternal or other organizations (under Sec. 501(c)(8), (9); (18)) which do not provide for employer contributions.

Specifically excluded from the funding standards are:

(9) profit-sharing, stock bonus, and other individual account plans (except for money purchase plans), and

(10) certain qualified level premium individual insurance contract plans, and

(11) plans that have not after the date of enactment provided for employer contributions.

Also excluded from coverage under plan termination insurance are:

(12) individual account plans (e.g.: profit-sharing, stock bonus, and money purchase pension plans), and

(13) plans that have not after the date of enactment provided for employer contributions, and

(14) plans established by professional service employers and which have fewer than 26 active participants, and

(15) plans established exclusively for "substantial owners".

ADMINISTRATION AND PROCEDURE

Jurisdiction regarding registration of plans (other than welfare plans) is generally shared by the Internal Revenue Service (through the new Office of Employee Plans and Exempt Organizations) with the Department of Labor.

The plan which seeks qualification for tax benefit purposes first files with the IRS information regarding the funding, vesting and participation standards of the plan and notifies the plan participants of such action.

In the period prior to qualification, upon petition by a group of participants, the Secretary of Labor may intervene with the IRS in behalf of the participants regarding the vesting, funding or participation provisions of the proposed plan. In addition, the employer, the employees, the Labor Secretary, or the Pension Benefit Guaranty Corporation may petition the U.S. Tax Court to obtain a declaratory judgment in regard to a plan qualification.

If the IRS finds a plan qualified, it is to certify this fact to the Department of Labor, which must accept this certification as conclusive evidence of initial compliance with participation, vesting, and funding standards.

When a plan does not seek IRS qualification for tax purposes, the Secretary of Labor can through the Federal courts require compliance with the participation, vesting and funding standards of the bill.

Plans which are qualified under the tax law are to be audited by the I.R.S. Generally the Department of Labor is to limit its involvement to matters dealing with individual benefits.

The Act gives authority to the Secretary of the Treasury to write regulations on participation, vesting, and funding except that the Secretary of Labor is directed to prescribe regulations in a few select areas. The two departments are to coordinate their activities, and any regulations prescribed by one department are to be binding on the other.

DISCLOSURE TO PARTICIPANTS

The administrator of a pension or welfare plan is responsible for providing to participants and beneficiaries:

(1) a "summary plan description" (written in a manner calculated to be understood by the average plan participant) within 120 days after the effective date (or 90 days after an individual becomes a participant); and

(2) an undated summary plan description every 5th year, unless there have been no amendments, in which case every tenth year; and

(3) a summary description of any material modification of the plan within 210 days after the end of such plan year; and

(4) a copy of the statement of assets, liabilities, receipts, disbursements and other material necessary to fairly summarize the "annual report" within 210 days after the end of each plan year; and

(5) upon written request and within 30 days, a copy of the plan description, annual report, bargaining agreement, trust instrument, or other plan documents for which a reasonable charge may be made; and

(6) the information in (5) in the principal office of the administrator and certain other places; and

(7) upon written request (but not more than once every year) and within 30 days, a statement of total pension benefits accrued and the time and amount of vesting; and

(8) a statement as to a terminated vested participant's benefits and rights within a prescribed period after the end of the plan year in which such participant terminated.

REPORTING

The administrator of a pension or welfare plan is to file with the Secretary of Labor:

(1) an annual report within 210 days after the end of the plan year which is to contain an audited financial statement, a certified actuarial report and other scheduled financial items on forms the Secretary may require (E.G., a balance sheet and income statement, party-in-interest transactions, transactions exceeding 3% of the plan's assets, loans and leases in default, etc.); and

(2) a plan description within 120 days after the later of the plan's adoption or the effective date of the Act, and an updated summary at least every 5 years; and

(3) a summary plan description at the time furnished to participants; and

(4) a description of modifications and changes in the plan within 60 days after such change.

The administrator of a plan other than a welfare plan is to file with the Secretary of Treasury:

(1) an annual registration statement within a time prescribed by the Secretary and is to contain information on the names and Social Security numbers of terminated participants with deferred vested benefits; and

(2) a notice of a change in status of a plan (e.g.: merger, termination, change in names etc.), and

(3) an annual return containing such financial and other information as the Secretary may prescribe and to be filed within a period prescribed by the Secretary, and

(4) an actuarial statement of valuation before 30 days prior to a merger, consolidation, or transfer of a plan's assets or liabilities; and

(5) an actuarial report containing a statement of valuation, an actuarial opinion, and such other information as the Secretary may prescribe to be filed in a time and manner prescribed by him (at least one every 3 years).

The administrator of a plan covered under plan termination insurance is to file with the Pension Benefit Guaranty Corporation an annual report which includes a statement disclosing the occurrence of any "reportable event".

The Secretaries of Labor and Treasury and the Corporation are directed to coordinate the timing and content of the various reports required to be filed with each agency. Reports involving fewer than 100 participants would be simplified.

FIDUCIARY RESPONSIBILITY AND TRUST REQUIREMENT

All assets of an employee benefit plan are to be held in trust by one or more trustees subject to certain exceptions (e.g., insurance contracts). The Secretary of Labor may exempt welfare plans from this requirement.

In addition every plan must be maintained pursuant to a written instrument which provides for one or more "named Fiduciaries" who jointly and severally have authority to control and manage the operation of the plan.

An individual is subject to the fiduciary rules if the individual is a trustee, a "named fiduciary" a person to whom a "named fiduciary" delegates duties or if the individual—

Exercises any discretionary authority or control respecting management or disposition of a plan's assets, or

Renders investment advice for a fee or other compensation, direct or indirect, with respect to any moneys or other property of such plan, or

Has any discretionary authority or discretionary responsibility in the administration of such plan.

Fiduciaries are required to discharge their duties with respect to the fund solely in the interest of the participants and their beneficiaries and with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

A fiduciary is specifically required to diversify the investments (except in the case of employer securities purchased by profit-sharing, stock bonus, or thrift and savings plans) so as to minimize the risk of large losses unless under the circumstances it is prudent not to do so.

A fiduciary (and a "disqualified person" under the Internal Revenue Code) is specifically prohibited from letting the following transactions occur in regard to a plan:

Dealing with the plan's assets for his own account.

Acting in any plan transaction on behalf of a party adverse to the interests of the plan or participant.

Receiving personal consideration from any party dealing with the plan in connection with a plan transaction.

Transferring property to any party-in-interest.

Permitting the acquisition of property from any party-in-interest.

Extending or receiving credit from a party-in-interest.

Furnishing of goods, services, or facilities by a party-in-interest.

Acquisition of employer securities exceeding the new limitations (generally 10% of the assets of the plan).

A fiduciary may, however, engage in certain otherwise prohibited transactions; he may, e.g., receive benefits from the plan so long as the benefits are consistent with the terms of the plan, permit loans to participants if they generally benefit the plan, receive reasonable compensation for services rendered, etc. The list of exceptions to otherwise prohibited transactions can be expanded by agreement of the Secretaries of Labor and Treasury when to do so would (1) be administratively feasible, (2) be in the interest of the plan, and (3) protect the rights of participants and beneficiaries.

A fiduciary is personally liable to the plan for any breach of fiduciary duty while a disqualified person (who is generally a party-in-interest) is subject to an excise tax penalty.

Trustees may allocate their responsibilities and other fiduciaries may allocate or delegate their responsibilities; however, a fiduciary remains liable for the illegal acts of a co-fiduciary if he knowingly participates in or conceals such illegal acts.

Plans are protected against loss by reason of fraud or dishonesty by requiring fiduciaries who handle funds to be bonded.

PARTICIPATION

An employee benefit plan (other than welfare plans) is not to require as a condition of participation an age greater than 25 or a period of service longer than 1 year (3 years for plans which provide for immediate 100% vesting) whichever is the later. Certain pension plans may exclude from participation employees who are within 5 years of normal retirement age. A "year of service" is defined as a 12-month period during which the employee has not less than 1,000 hours of employment.

VESTING—NONFORFEITABLE BENEFITS

Every employee benefit plan (other than a welfare plan) is to meet one of three minimum vesting rules.

1. Ten Year Service Rule—100% vesting after 10 years of service.

2. Graded 15-year Service Rule—25% vesting after 5 years of service; then 5% additional vesting for each year of service from year 6 through 10, then 10% additional vesting for each year of service from year 11 through year 15, so that an employee is 100% vested after 15 years of service.

3. Rule of 45—50% vesting after 5 years service or, if later, when age plus service equals 45, such percentage increasing by 10% each year until 100% is reached; additionally a participant under the Rule of 45 must be 50% vested after 10 years of covered service, such percentage increasing by 10% for each additional year of covered service, so that an employee is 50% vested after 10 years and 100% vested after 15 years regardless of his age.

A plan is permitted to change its vesting rule at any time if a provision is made that accrued vested benefits not be reduced for participants at the time of change. In addition, any participant with at least 5 years of service may elect to remain under the pre-amendment vesting schedule with respect to past and future benefit accruals.

A year of service for vesting purposes is defined as at least 1,000 hours of employment in a 12 month period. A participant is to accrue benefits for each year of participation (after the first year) in which at least 1,000 hours have been worked. A plan is required to meet one of three benefit accrual rules except that benefits for past service must be at least one-half of the minimum.

Once accrued benefits become vested, they cannot be reduced or forfeited on account of "bad boy" clauses or other conditions (with limited exceptions). A plan must provide for a "buy-back" permitting recapture or forfeited vested benefits (where vesting is less than 50%) if the plan provides for such forfeiture when the participant withdraws his own mandatory contributions.

Present rules regarding plans which coordinate with Social Security benefits are changed. The benefits of a terminated participant are to be calculated without taking into account increases in Social Security benefits after the date he terminates.

Another study (to be completed within 2 years) which could impact on vesting requires the Department of Labor to determine the feasibility of issuing regulations to insure that employees under Federal procurement and other contracts be protected against forfeiture of pension rights.

The Act requires that a plan pay all benefits (including deferred vested benefits) in a joint and survivor form at age 65 or, if earlier, the normal retirement age under the plan. A pre-retirement survivor option is also to be available to participants attaining early retirement age.

FUNDING

All covered pension plans must make annual minimum contributions equal to normal cost plus 30 year (for single employer plans) or 40 year (for multi-employer plans) amortization of unfunded accrued liabilities for all plan benefits. Plans may amortize liabilities existing on the effective date over 40 years. Experience gains and losses are to be amortized over no more than 15 years for single employer plans and 20 years for multi-employer plans. An alternative method for meeting the minimum funding standard is provided for certain plans using accelerated funding methods which lead to a high degree of benefit security for participants.

An enrolled actuary is to be retained by the plan administrator on behalf of the participants to evaluate the plan's funding status (at least every 3 years) and to offer his opinion as to whether the required figures represent his best estimate of anticipated experience under the plan.

The amortization period may be extended by the Secretary of Labor if certain conditions are met. The IRS may also grant a waiver, of the funding requirements on a year by year basis (up to 5 waivers in a 15 year period) if certain hardship conditions can be demonstrated. A failure to meet the minimum funding requirements may result in an excise tax being levied on the employer.

TERMINATION INSURANCE

There is established within the Department of Labor a Pension Benefit Guaranty Corporation, to consist of the Secretaries of Labor (Chairman), Treasury, and Commerce. The Corporation is to guarantee the payment of vested benefits (up to $750 a month) to participants of plans which terminate.

A 7-member Advisory Committee, appointed by the President, is established.

Annual premiums for the first 2 years are to be $1 per plan participant for single employer plans and 50¢ per plan participant for multi-employer plans. Plans may elect a second annual premium based on a percentage of unfunded insured benefits and total insured benefits, but such premium may not be less than 50¢ per participant for single and 25¢ per participant for multi-employer plans.

Later, the Corporation may revise the premium rates and create new rates based on (1) number of participants, or (2) unfunded insured benefits, or (3) total insured benefits. Such revisions must be approved by Congress.

The employer remains liable up to 30% of net worth for any unfunded insured vested benefits of a terminated plan. The Corporation is to establish contingent liability insurance covering this employer liability. Conditions of coverage are to be defined by the Corporation and include payment of the contingent liability premium for five years. Coverage may be elected from the date of enactment with premiums set and collected on a retroactive basis. The Corporation is to explore the possibility of providing contingent liability insurance through the insurance and banking industries.

Employer liability is to be payable over a period of time specified by the Corporation. A lien with the same effect as a tax lien is imposed at such time as the employer neglects or refuses to make payments on demand.

In the case of a voluntary termination, the "date of termination" agreed to by the employer and the Corporation is the date on which the plan's benefits and assets are valued, the employer's liability is established (but with the net worth of the employer determined up to 120 days before such date), and the lien is imposed. The benefits guaranteed on such date are the vested benefits under the plan up to the lesser of $9,000 per year or 100% of the high 5-year compensation.

Benefit increases within 5 years of a plan termination are insured 20% for each year they were in effect prior to termination.

The Corporation must also provide assistance to individuals with respect to evaluating the desirabiilty of using various "portability provisions" (e.g. individual retirement accounts) under the Act.

INDIVIDUAL RETIREMENT ACCOUNTS

An employee whose employer doesn't have any qualified pension, profit-sharing, or similar plan is entitled to set up his own plan. Contributions up to the lesser of 15% of compensation or $1,500 may be contributed to an indivdual retirement account, annuity, or bond program and may be excluded from the employee's gross taxable income. Earnings on these accounts are to be tax free. Distributions from such accounts because of retirement after age 59½ or disability at any age are to be taxed as ordinary income. A 10% excise tax is levied on premature distributions.

The employee and the trustee (who must be a bank or other qualified person) must guard against the fund engaging in certain prohibited transactions. These plans may not purchase life insurance, but certain endowment type contracts to the extent of their non-life insurance elements are permissible investments.

CONTRIBUTIONS FOR THE SELF-EMPLOYED

The present contribution limits to self-employed (H.R. 10) plans is increased from $2,500 to $7,500 (or 15% of earned income if less).

LIMITATIONS ON BENEFITS AND CONTRIBUTIONS

Pension, profit-sharing, 403(b) annually, self-employed, and all other tax qualified plans are now subject to certain overall benefit and contribution restrictions. Generally, a pension plan may not provide benefits greater than $75,000 per annum. Contributions on behalf of an individual to a profit-sharing or other defined contribution plan is limited to the lesser of $25,000 or 25% of compensation. All plans of the employer are combined for the purpose of testing the limitations. A lower limit equivalent to 140% of the limit under one plan is applicable when an individual is a member of both a defined benefit and defined contribution plan. The above dollar limitations are to be increased with the cost of living.

ENFORCEMENT

Criminal sanctions may be imposed on persons who willfully violate the reporting and disclosure provisions of the Act or who use coercive force to interfere with employee rights under the Act.

Violations of the funding standards and prohibited transaction rules may result in the imposition of excise tax penalties. A plan may also be disqualified if it does not meet certain other requirements of the Internal Revenue Code.

In addition to the above, the Secretary of Labor or any participant or beneficiary may bring a civil action to enjoin any act which violates any provision of Title I, and to recover denied benefits. Dollar assessments and the removal of fiduciaries are but two examples of the types of penalties that may result from such civil actions.

EFFECTIVE DATES

Participation and Vesting:

New plans, plan year beginning after enactment.

Existing plans, plan year beginning after 12/31/75.

Accrual of certain supplementary benefits may be deferred until expiration of contract but not later than 12/31/80.

Funding:

New plans, plan year beginning after enactment.

Existing plans, plan year beginning after 12/31/75.

Collectively bargained plans, at expiration of contract but not later than 12/31/80.

Reporting and Disclosures: 1/1/75, but Labor Secretary to issue regulations immediately.

Fiduciary Standards: 1/1/75.

Termination Insurance:

Single employer plans—

Benefits to be paid for plans terminated after 6/30/74.

Employer liability and other provisions, on enactment.

Multi-employer plans 1/1/78, but Secretary may use discretionary authority to pay benefits before then.

Pre-emption of State Laws: 1/1/75.

Individual Retirement Accounts: 1/1/75.

Limitations on Benefits and Contributions: Plan years beginning 1/1/76.

APPEARANCES DIFFERENT THAN REALITY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. ASHBROOK. Mr. Speaker, the U.S. House of Representatives recently passed an educational bill which was described in a story in the Washington Post as "containing the strongest antibusing provisions ever adopted by Congress." Technically the story is right. Nonetheless, it is completely misleading.

Too often many in public life—be they elected officials, newspapermen, or television commentators—give the facts but in such a way that actual situation does not come through. This is the case with much of the commentary on the House's recently passed antibusing language. The "strongest antibusing provisions ever adopted by Congress" are contained in the final version of the bill. The only problem is that the provisions are rendered almost meaningless by carefully designed changes which were included in the conference between the House and Senate—changes which I opposed in the conference and in the House of Representatives.

The original House education bill had two major antibusing provisions. One was introduced by Congressman Esch, of Michigan, and the other was introduced by myself. Both of these were passed by the House by overwhelming margins. In addition, the House went on record three different times by votes of more than 2 to 1 to instruct House conferees to keep these busing provisions intact.

Unfortunately, all this was in vain. When the House had before it the final version of the bill from conference, it failed to uphold its previously strong antibusing stance. The bill that was passed over my objections seriously weakened the antibusing provisions.

A provision in the original House bill would have mandated the reopening of litigated cases. This would have given relief to numerous areas which are faced with court-ordered busing. This section was made meaningless by the final version.

A Senate amendment was placed in the final version which seriously restricted the House provisions that limited Court orders on busing.

My amendment which would have denied the use of Federal funds for busing was rendered largely meaningless by exempting impact aid funds from the ban.

Taking all these together, the result was to continue current busing schemes, to allow HEW to continue its experimentation in this area, and to allow future court decisions to order more busing even though a huge majority of Americans know that the busing of schoolchildren to achieve some hazy goal of racial balance neither helps anyone nor improves the quality of education.

The recent Supreme Court decision only put a stop to certain types of cross-district busing. Other kinds are still allowed. The House had a chance to make a difference in this area. Unfortunately, it chose not to. I think it is about time that the will of the American people be reflected in this area. A large number of my colleagues in the House of Representatives and Senate seem to disagree.

HERBERT HOOVER

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. LANDGREBE. Mr. Speaker, several weeks ago, on the occasion of our late President Herbert Hoover's 100th birthday, I placed in the Extensions of Remarks the biography of this great American as reported in Human Events.

At this time, Mr. Speaker, I would call to your attention and to the attention of all my colleagues the following letter that was sent to a prominent newspaper on October 20, 1964, but was unfortunately rejected.

It is my hope that this letter will help to shed even more light on the accomplishments and sacrifices of President Herbert Hoover. I think its message is as timely today as when written some 10 years ago.

The letter follows:

Boise, Idaho, *October 20, 1964.*

Dear Sir: As a young woman first exercising the right to vote in 1932, I wept at the rejection of Herbert Hoover—not so much that he was defeated, but rather the means used to discredit and destroy him. He was my No. 1 American then, and has retained that spot in my heart throughout the years.

In 1932 I had not believed such vicious injustice could be meted out to any individual, particularly one of the stature of Hoover, who could never stoop to the level of his attackers in retaliation. As years have gone by I had hoped such political chicanery was a thing of the past, but the odor of 1932 seems to permeate the air of 1964.

Today, with the announcement of the death of Herbert Hoover, I feel bereaved, and the past becomes vivid again as I saw on TV what was supposedly the highlights of his life. So much of the best was left out—the wrong twist given to other portions. Mr. Hoover did *not* have a high regard for the Soviet government, as was represented. In fact, it was not until Roosevelt took office that that regime was recognized by the United States. Hoover's compassion in the years after the war was for the Russian people, as part of the millions of the hungry and destitute of many lands. Why, in this review of his life was no mention made of the fact that all his humanitarian endeavors were without benefit of monetary reward, including his tenure as President of the United States? That in serving humanity he often used personal funds, and whenever called to serve his country, he did so without fee.

It has been said of this grand old man that he had thousands of ex-enemies but on ex-friends; that he enjoyed the heaviest fan mail of any world figure. What a tribute.

To my letter of congratulations on his 80th birthday, I received a tender acknowledgment. When his "Memoirs of Public Life" were published in 1951 I wrote him expressing gratitude on behalf of myself, my husband and daughters, that he had taken "time out" to set the record straight in many areas. His reply I have always cherished, and will cherish doubly now that he is gone. He said then:

"One of the things that makes any effort at public service deeply satisfying is the faith that families like yours have in their country."

Americans should re-read the Hoover Memoirs in these days of confusion and indecision. Mr. Hoover's life of honesty, integrity, demonstrated ability, courage, kindness and gentility, unblemished throughout the years, can serve as a guide in the selection of leadership at all levels of our government.

Sincerely,

Teressa D. Hendry.

PRESIDENTIAL PARDON

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. MICHEL. Mr. Speaker, on 3 consecutive days last week, the Peoria Journal Star carried editorials relating to the pardon granted former President Nixon by President Ford. On September 10, the editorial discusses the manner in which the pardon was reported by the television news media and raises the question as to "whether the bad habits formed by the media during the exceptional Watergate affair have become a permanent destructive feature of our democracy."

The editorial on the next day, September 11, expresses the editor's concern as to the vulnerability of the Presidency resulting from actions of the courts and the Congress during the Watergate affair.

And, finally, on September 12, the relationship between the Presidential pardon and the question of amnesty for draft evaders is discussed emphasizing the point that there is no direct relationship and the two issues are separate and apart from each other.

I include the text of these editorials in the Record at this point:

[From the Peoria Journal Star, Sept. 10, 1974]

(By C. L. Dancey)

The Pardon and the TV

There are two major concerns involving this latest flap over the presidential pardon for Richard Nixon.

One involves the pardon itself. The other involves the serious question of whether the bad habits formed by the media during the exceptional "Watergate" affair have become a permanent destructive feature of our democracy.

Regarding the pardon, itself, I feel about it personally as I did about resignation. To me the thing of ultimate long range importance to this whole affair was getting finally a definitive outline of what really happened.

The resignation reduced the chances of that. The pardon reduces them still further.

My previous concern was that the extraordinarily prejudicial "news" in such long term repetition of "ifs" and "maybes" would destroy any definitive picture, also, of just what took place.

However, in fairness, one must recognize the other reasons that are valid and judgmental.

The short-term effects are one of these, and the paralytic effects on the political process disturbed many thoughtful people on both sides of the aisle.

They also apply to both the pressure for resignation and the pardon situation.

Likewise, the real questions to be answered about the pardon are the validity of President Ford's reasons. Only if they lack validity would it be proper and useful to sail off into the "possibilities" and vicious doubts and questions that were instantly planted in people's minds by the TV reports.

First of these is the question did Special Prosectuor Jaworski, in fact, tell the President that it would be at least a year before Nixon could get a Constitutional trial?

If he did, the implications of that are enormous, including a process which does *not* imply a double standard at all—nor an "above the law" standard at all.

It would be just the opposite. If in the conditions of what we have had thus far, a "media trial," and *that* only in this case, have rendered a fair trial impossible *under the law and the Constitution,* that is something which has happened to ordinary folks including murderers and professional criminals—and the decision is "no trial" and no *possible* conviction. That is *normal* treatment under the law—not special treatment.

It presents real hazards to proceeding as things were going for it offers two very real possibilities for a Nixon acquittal both of which would have immense repercussions.

He could easily, one is tempted to say almost obviously, be acquitted on *constitutional* grounds that a fair trial is impossible—as has happened in dozens of cases far less blatant than this one.

And he could, in fact, have been acquitted on the evidence inasmuch as the only charge, among all those headlined over the years, that survived with any relation to the criminal code was a highly technical question of "obstruction of justice."

The pardon, itself, reveals how tenuous that question is as to the difference between "obstructing justice" and *legal* exercise of presidential discretion in the pardon power under our Constitution.

The facts also involve more an *attempted* obstruction that failed than a clear case, and that could also be interpreted as a step taken, tentatively, without clear criminal intent.

Those are the operative *facts* of the case as opposed to the avalanche of "media charges", and the generalizations arising that the man "is a crook" who "lied to the American people."

Removing that definitive test, the whole thing becomes open-ended again and gives everybody a *safe* license to abuse at will.

The scope of the abuse and its fairness or accuracy will not now be put to the test in a foreseeable future time.

So, his critics—and defenders, if any—can "get away" with anything from here on.

I don't think that serves the national interest in the long run, but I can appreciate the short-run pressures and maybe their reasons are better than mine.

The part of this of long concern to me, meanwhile, has surfaced again. The habits of ripping everything apart with speculation of the nastiest kind, and the device of triggering reaction and then reporting the reaction were well developed techniques during the fevers of Watergate.

I frequently expressed concern that if these became journalistic norms, we would be in for a rough time both as a functioning democracy—and in the eventual reaction when we ultimately make a serious, obvious error. And that's precisely what has happened in the "coverage" of the pardon, once again.

The validity of President Ford's reasons, as given, were not tested, researched, or examined. They were ignored in an immediate plunge into "maybeland" with a series of dangerous and unjustified "questions" about a "deal", etc. etc., all founded on the now established and accepted premise that Nixon is guilty of some horrid crime although still untried.

That premise is bad practice as a general method, and utterly destructive of any "fair" process.

If this is going to be done, routinely, now, as an outgrowth of all the bad practices Watergate stimulated us to do, we will have changed our form of government, indeed.

The Presidency will not merely be weakened, but will become a kamikaze job.

And deadly questions involving our survival at home and abroad will take a back seat to the personalized gimmick sensations that stir people's emotions instead of their minds.

Its a dangerous road we are travelling regardless of the answers that demand discretion in these closely balanced matters of high emotional content.

[From the Peoria Journal-Star, Sept. 11, 1974]

The Lid Is Off the Can

(By C. L. Dancey)

The pardon flap brings us a ready example with which to explain my serious concerns about the procedures being sanctified during the Watergate case.

It shows how easily we can get into a situation—once the road is paved—of eternally subpoenaing White House records and eternally wiping out "executive privilege."

Once the "rules" are laid out, all one has to do is manipulate events to fit those rules and you can break down the White House door just about any time and with any President—especially one of the other party from the majority in Congress.

Suppose, for example, Bella Abzug or Father Drinan or others of a like ideological bent were to now demand that the House judiciary committee undertake an investigation to make sure that there was no presidential misconduct and no "deal" and no "obstruction of justice" in the pardon decision?

By the rules plunged into during Watergate, would they be honor-bound to press such an investigation?

Would they be honor-bound to subpoena presidential aides, ignore executive privilege and put them on the witness stand? (Following the usual private interrogations and the standard selective "leaks" as to what went on. Whether it did go on or not?)

Would they not subpoena presidential logs and memos surrounding the entire time frame, and expose these, also, to public view via the "leak" process? Whether they had anything to do with the subject matter or not?

And would they be honor-bound to vote an article of impeachment of President Ford if he invoked executive privilege or defined the subpoena—without testing the matter in court?

Those are the doctrines which the House judiciary committee adopted formally and followed to set a precedent, and which they reported to the House and which the House adopted when it adopted their report!

Any President on almost any pretext can have his operations invaded and ransacked in this manner under threat of impeachment—and create a form of sensation.

As a practical matter, his political enemies will try to pick the best spot for such action.

But the problem is that we set up the processes to fit the fevers of Watergate—and now they simply sit there available for manipulation, parliamentary maneuver, and misuse to cripple the Presidency, whomever occupies the White House, ever after.

And we were capricious about the precedents being set, and the record shows it was never necessary because the only operative revelations that brought actual result were those carried out by legal process rather than rigged parliamentary ones—that is, by the Special Prosecutor in the first place.

What do all these Congressmen do, who are on the record loudly proclaiming these "principles" a few weeks ago if a Bella Abzug says that they must now discover whether President Ford has functioned improperly or "abused his power?"

That lid is off the can, once and for all.

It can be used for simple, outright sabotage.

[From the Peoria (Ill.) Journal-Star, Sept. 12, 1974]

Pardon and Amnesty

(By C. L. Dancey)

The instant thoughtless reflex pitch that a Nixon pardon requires for consistency amnesty for draft evaders is a dangerous ploy, indeed, for those who favor amnesty.

It suggests, inescapably, that if you disapprove of this pardon business, you cannot consistently approve of amnesty either!

One such gimmick makes no more real sense than the other.

"Conditional" amnesty, after all, suggests that these people in Canada should render some service to this nation to counter-balance their disservice.

They are not asked to serve in the armed force through a major war—as Nixon did.

They are not asked to bring a war to an end on grounds that still permitted this nation to hold its head up in vital negotiations on nuclear arms with Russia, or to end a war in the Middle East, or to expose a spy in the higher echelons of government, or to support an operation which puts a man on the moon for the first time, or to find a way to end the 30-year-old drafting of youth in this country, or to be individually pilloried and publicly disgraced for two years on all media, or to change the complexion of the Supreme Court, or to render any of the services the former President *did* render his country, or pay the kind of personal price the former President has been paying and will pay while he lives for his act of disservice.

Much less will be asked of them, but comparing their situation to the pardon only emphasizes the fact that *some* mitigating activity ought to be required.

And if one doesn't approve pardon for the man whose services are a matter of record, and whose disservice is still largely a matter of free-for-all allegations, one can hardly approve of amnesty for those others who have done nothing in the service of this country—but run away.

That is where we really get if we associate these two questions but while these free associations, in fact, (either way we work them) are easy, tempting and stirring—they have no real integrity and logic, actually. (Neither this one I have made nor the one that prompted it.)

It is far more responsible to deal with each situation in its full detail and on its own merits.

TRIBUTE TO ALBERT E. JENNER, JR.

HON. SAMUEL H. YOUNG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. YOUNG of Illinois. Mr. Speaker, the House has overwhelmingly voted to accept the House Judiciary Committee report on impeachment by a vote of 412 to 3. I would like to publicly acknowledge in the record of the Congress, the work and accomplishments of Albert E. Jenner, Jr. as minority counsel for the Judiciary Committee.

I have tremendous admiration for the legal ability, the diligence, and integrity of Bert Jenner. One may disagree with his conclusions but not with his sincerity. I have known him for approximately 25 years. He is a fellow graduate of the University of Illinois Law School, a past president of the Illinois Bar Association and one of the outstanding lawyers in this Nation.

He accepted the post of minority counsel in the spirit of public service. He is the senior partner of a large and successful Chicago law firm. His law office work was severely limited during the many months of the impeachment inquiry. I would also like to state that Mr. Jenner has been a dedicated Republican. He has been prominently mentioned many times by his friends as a possible Republican nominee for the offices of Senator and Governor of Illinois. In 1972, he served as chairman of a Republican Lawyers Committee supporting my candidacy for Congress. I can assure my colleagues that Bert Jenner is a longtime, staunch Republican.

I think it was unfortunate that public questions arose as to his Republican credentials. Mr. Jenner deserves the deep gratitude of the Members of this Congress for the work that he performed on behalf of the Judiciary Committee. I would like my colleagues to know that Albert E. Jenner, Jr., has performed an outstanding public service in the best tradition of the legal profession on behalf of the Judiciary Committee of this Congress. I think it is important to call attention to the outstanding job performed by Mr. JENNER, particularly in view of the criticism to which members of the legal profession have been subjected as a result of the Watergate matter.

TESTIMONY BY THE HONORABLE MICHAEL J. HARRINGTON BEFORE THE HOUSE COMMITTEE ON APPROPRIATIONS ON THE SUPPLEMENTAL APPROPRIATIONS BILL

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. MOAKLEY. Mr. Speaker, my colleague from Massachusetts, MICHAEL HARRINGTON, appeared before the House Committee on Appropriations, Subcommittee on Treasury, Postal Service, and General Government, on September 12, 1974, in opposition to the inclusion in the supplemental appropriations bill of $850,000 in transition funds for former President Nixon. Congressman HARRINGTON, in his testimony, asked the Appropriations Subcommittee to defer action on the request for $850,000 until such time as the American people and the Congress have been provided with a full account of the former President's involvement in a variety of activities, some of which were criminal in nature, others of which were raised in the recently completed impeachment proceedings of the House Committee on the Judiciary.

Congressman HARRINGTON's remarks pointing to the responsibility of the Congress to use this vehicle, perhaps the last that will be available, to make all of the information concerning Mr. Nixon's involvement public deserve the attention of our colleagues. Surely, we can all agree that Congress must take some form of affirmative action to dispel the impression which grows larger and larger, week after week, that "Congress is but an immovable object, incapable of action, and subject to the whim of the ever increasing power of the President."

The text of Congressman HARRINGTON'S remarks follows:

Mr. HARRINGTON. Mr. Chairman, first, my appreciation for your willingness to hear me. I appreciate the rather direct advice given me by an old seat companion on the Armed Service Committee, Congressman Young, that I be brief. I can readily appreciate the length of time you have taken today. I have a prepared statement that I would like to ask to have made a part of your record today.

Mr. STEED. Without objection, we will accept your statement for publication in the record at this point.

Mr. HARRINGTON. Let me, if I could, just try to briefly put into perspective what prompts my coming here today. We had a country which many thought was safely on the way toward satisfying one essential need—the restoration of confidence in Governmental process in the sense of being believed and being effective—in order to meet what had been a series of events that shattered the belief of many in the effective performance of government. A good part of that, came to a rather abrupt stop for some, I think, at 11:00 o'clock Sunday morning. The attendant confusion in what has followed over the last five days I think has tended to enforce the sense of dismay that we are returning to what we thought we had escaped from.

Let me also cite, if I could, a valedictory message given this country on the evening of August 8 by then President Nixon when there was at best a momentary illusion in 16 minutes' worth of departing remarks, which if you took it at face value, seemed to imply that political support had erroded to the point where he could no longer effectively carry on the duties of his office. That was the Presidential treatment of Watergate or whatever might in a broader sense pass as Watergate.

Sunday morning within moments of the time that the President took it upon himself, to the dismay of some and to the visible dismay of one in particular, to unilaterally pardon the former President for crimes known and unknown, there was a statement from San Clemente which indicated that the perspective of California had given the President a new view with which to assess his actions and his conduct. Then, as on August 8, there was not substantial reference to or apparent willingness to engage in an effort to satisfy questions posed and, certainly in the eyes of many Americans, unanswered as far as the activities of the Judiciary Committee and likely activities of the Special Prosecutor's Office. While I realize that the narrow definition of your jurisdiction lies only in responding to Presidential succession actions, and that perhaps you should properly confine yourself only to the propriety of the request, I cannot help but feel that what we have all felt as members of the 93rd Congress should not intrude with unseemly haste in dealing with this requested appropriation. This may be the last means we have to begin to deal wtih the former President of this country in an effort to provide a broader perspective on his involvement in events that have been described before.

Since the President, if one is to believe news stories, has failed himself in gaining some admission from the former President for culpability of some sort as a quid pro quo in consideration for his action on Sunday morning, I don't know or whether or not this is an appropriate forum to attempt to do the same thing. But I suggest to you that the kind of outrage which has again been triggered by the President's activities, which apparently are entirely in the eyes of most experts constitutionally proper, is relevant to this committee as it decides whether or not, at this point, they have to act on this request in this fashion. In addition, the problem is now compounded by the question of what now will happen to those either in jail, formerly in jail, or faced with jail as a result of their roles in the Watergate affair.

What I am asking you to do, frankly, is defer action on this request not by debating the amount of money or need for it or what the intention of the Presidential Succession Act was or was not, but really to determine whether this can be viewed in isolation to events which have been the better part of our consciousness for the past two years. In my opinion we cannot. In my opinion the brief moment of restoration of confidence that we participated in during the Judiciary Committee proceedings can be enhanced by what we decide as we put the apparent expressions of inability to act which have characterized the Congressional role to date in the matters over the last few days behind us. It seems to me that to find ourselves within a day after coming back from a recess faced with the likelihood of attempting to add this to a supplemental appropriation is in opposition to what is desired by this country, particularly in light of Mr. Bevill's comment that there is no immediate need for action. Whether it appears to be fair or relevant, what I suggest may be secondary to the fact that we have very limited leverage when it comes to dealing with the fundamental problem of what the former President of this country did that forced him to resign and what he did in a specific sense that has forced the Special Prosecutor to apparently be on the verge of considering indictment for a variety of types of conduct. I think it is the unique responsibility of this committee and others in the Congress to use what resources they can to ensure that, even if President Ford cannot or will not let the American public know more about the President's involvement, at least the Congress can use this issue as a vehicle to express the feelings of the American people. This is the reason for my coming to make this plea to you today.

I appreciate the chance to make these remarks.

Mr. STEED. We appreciate the gentleman's statement. I would like to say for the record that I am sure that the gentleman is aware that the fact of the resignation coming at the time it did, did not leave enough interim between that date and the adjournment of the Congress for its vacation to permit this item to move in the ordinary supplemental item manner. That is why it is here now.

If the Congress had been in session perhaps the matter would have already been disposed of before the announcement made last Sunday, which has created, I agree with you, a very emotional climate. It makes our consideration of this matter now immeasurably more difficult. We are operating under two acts of Congress. We have been asked by the Administration in a perfectly routine way to make appropriations under those two acts of Congress and under the mandates of the Congress.

So our problem is to determine the merits of the request in that light.

The question comes up many times about matters in which the members have a keen interest. The subcommittee seems to have appropriation jurisdiction over most of the Acts of Congress that Members have no difficulty in passing in the first place but always have second thoughts about when it comes to the point of funding. Our problem is to avoid if we can second judging the acts of Congress.

Our assumption is that once a Congress has passed a law authorizing funding, that it is a little difficult for us to say "we know you didn't mean it" and refuse to fund it. The proper way, I should think, would be if they thought these matters to be improper to repeal the Act and then we would not have the problem. This is, of course, a matter that does not happen very easily either. Our concern now, and I think the weight of the testimony today has focused on it, is if there is a public interest in the historical value of the tapes and documents.

Of course the pressure of time then would require us to act now. So, regardless of the merits of that, if we are required to move with our decision in the face of an emotional situation, it may be an exercise in futility in any event. The reason it is moving now, as the gentleman is aware, is that this item, if it is approved by this subcommittee along with some other items we have before us as supplemental items which we will take up at our next meeting Monday, will be a part of a supplemental appropriation bill.

This will be one title of that bill, along with actions of the other subcommittees of the Committee on Appropriations. This bill has a very tight schedule and must be moved before we adjourn. So our mandate by the Chairman is to have our part of that bill ready by a time certain. Therefore, we either have to approve it or disapprove it and take our action not later than next Tuesday.

So we are not independent in the sense that we can choose our own time to do this. We have to move along with the other subcommittee because all this work has to come to a point in one single action. I thought the gentleman would like to know that these are the burdens under which we are working and the pressures we have to take into account as we consider this matter.

Do you gentlemen have any comments?

Mr. Robison. Mr. Chairman, I would say to our colleague that there is no universal "public outrage" with respect to the President for his action on Sunday. It depends on one's point of view. I am not expressing my own. I am merely trying to assess opinions relative to the pardon of a substantial portion of my own constituency.

Mr. Harrington. I did not mean to say universal. I said outrage and concern, but not totality.

Mr. Robison. You spoke in the context of great waves of public outrage. There are some. Would the gentleman withhold from Mr. Nixon also the pension which is a part of the $450,000?

Mr. Harrington. My quarrel is not with the entire amount. I would not slice piece by piece the rationale that brought me in. My problem is that, as much as I can respect the rights to pension, the mandate of time and the composite picture of the supplemental appropriation, I do not know how this allocation of funds can be considered without an appreciation for the type of behavior that has been dominant during the past two years. I do not think we should look at this action with a predetermined deadline in mind. I think the constitutional problems well preceded the Nixon Administration and had its origins in the Democratic Administration of the middle-'60s.

Mr. Stokes. I would like to commend the gentleman on this testimony. I would certainly be glad to read his formal testimony before the group. I appreciate his having come. I can well understand the statement of our Chairman as to the constraints under which we operate. But as a member of this Congress, I would just say to the gentleman that it does seem to me that we are going to have to do some very serious thinking in terms of how do we alter the kind of situation which you are here to testify about in terms of our future?

It seems to me personally as a member of this committee and as a Member of this Congress and as one who has participated in the enactment of laws, that what the Members of Congress intended, acting by, for and on behalf of the people of this country who elected them to office, was to accord to those who have been privileged to serve, and very few men have, in the highest office in the world, some continued honor in terms of the honor and prestige wtih which those persons have served this country and the prestige which has been added to this nation's prestige in the world. I really do not think that the taxpayers in this country, nor the elected representatives in this country, intended that persons accorded that high privilege who disgraced that office, ought to be accorded the same kind of privileges, honorariums and emoluments of office as one who has disgraced that office. It seems to me we will have to consider exceptions in the constitution or other legislation enacted by this Congress that prevents this kind of thing from recurring in the future.

Mr. Harrington. That would have been my point. I think you made it much better than I could, Congressman Stokes. I think we should make note that the conditions under which the President left office were not those described in the Congressional intent referred to by Mr. Sampson this afternoon.

Mr. Robison. I do not want to prolong this. There is good and evil in every man just as in Mr. Nixon.

Mr. Harrington. Vengeance was not my motivation for coming here today. My intention was to point out what the Congress can do to rectify this situation.

Mr. Robison. How does one weigh off, if one does at all, the good that Mr. Nixon may have accomplished and there was some, I am sure you will agree, against the evil that brought about his downfall? I do not really know. That is one of the most difficult human problems we can have, whether one is a member of Congress or a judge sitting on a bench? Do we say he is all bad and is entitled to none of the emoluments to which other Presidents are entitled?

Mr. Harrington. If the issue were just Richard Nixon, I could find myself fundamentally in agreement. The issue is the state of the country's health. I may tend to choose words you are semantically in agreement with because of the basic problem. I think there is a serious problem which has been with our country for at least about half a generation now; can the people believe that Government can meet their needs and gain their confidence?

I suggest that the events of the last few day have to be considered when attempting to determine whether or not we have had a regression occur in what was a first step, at least, toward full recovery of the American people's confidence in their government.

I don't know how you can divorce that from a consideration of this issue. What bothers me, is the effort of the President to obtain money, whatever the sum, for the historical preservation of the papers of a past president who, in the eyes of this country, has not revealed the substance of the nature of the role he played in Watergate. We look at resignations from the Bars of California and New York which are about to occur. We look at the pardon, an action that cannot be undone. We see the confusion of others, who may find themselves not facing a trial or at least and not having the information necessary for developing additional trial evidence. Is a mere hearing, without decisive action, the sum contribution of the 93rd Congress to this crucial situation? I think the Presidential Transition Act gives us one vehicle with which to assess what else we may be doing to get this into perspective and deal with it as a totality. I think this should be considered by the committee in a fashion unlike President Ford's whose contribution would seem to have been a hastily-made decision, which gave no consideration to the conditions under which the President resigned, and not having a fuller body of opinion on what his conduct was.

I think that is our responsibility and whether it is good or bad, yours in a specific sense.

Mr. Stokes. Several times today my very good friend, Mr. Robison of New York, has made reference to the fact that he does not feel we can distinguish between a good former President or a bad former President. I would remind the gentleman of the fact that there is a distinction because had this former President gone on to have the impeachment proceedings continue in the House and had he gone on to inevitable impeachment that was awaiting him in the United States Senate, he would not have been entitled to the kinds of financial emoluments of office that a former President is entitled to ordinarily. So a distinction is made. This man narrowly escaped that fate only because he exercised a choice of resigning. I do not think we can debate that. I think it is pretty universally accepted that he was headed for an impeachment process by which he would not have been entitled to the things he is today asking us for, including the pension. So a distinction would be made in terms of a former President of the United States who was impeached and therefore entitled to none of the honors. So what he did was to exercise a smart thing and that is he got out so he could still retain some of those things.

That does not alter the fact that the circumstances were there which by the very narrow thread almost made him the one entitled to none of those emoluments.

The same disgrace is there.

Mr. Robison. We are intruding on the patience and the time of the good Chairman. I think we ought to stop.

My point was, should the Appropriations Committee attempt to classify which former President was a good President and which one was a bad President. If Mr. Nixon was half bad, should we give him half of this amount, for instance, or something of that sort? Please don't answer because if you do we will keep this going. That was my only point, that if there is something here for Congress to do and to think about—and, indeed, there are many things, including perhaps you, for instance, Mr. Harrington, getting behind S. 2951, which is a bill to require public ownership of certain documents to elected public officials—that might be a good thing for us to do and for you to do.

It might also be a good thing for Congress, their appropriate legislative committees, not the Appropriations Committee, to decide if we ought to classify or somebody ought to classify the Presidents on the basis of their contributions and adjust their pensions, let us say, upwards if they were great and good Presidents and downwards or maybe eliminate them altogether if they are bad or inadequate Presidents.

Mr. Chairman, I yield back the balance of my time.

Mr. Steed. Thank you, Mr. Harrington, for your appearance. I think we all agree on one thing, we don't have an easy problem.

The Committee will stand adjourned until 2 o'clock Monday.

Testimony of the Honorable Michael J. Harrington Before the Committee on Appropriations Subcommittee on Treasury, Postal Service, and General Government, September 12, 1974

Mr. Chairman, I appreciate the opportunity to testify before you today on the requested supplemental appropriations of $850,000 for former President Nixon. I recognize the time constraints under which this committee is acting and thus wish to thank you for your interest.

I believe it especially important for Members of Congress to come forward at this time to speak out against special treatment for Mr. Nixon. Congress must take some form of affirmative action to dispel the impression which grows larger and larger, week after week, that Congress is but an immovable * * *, incapable of action, and subject to the whim of the ever-increasing power of the President.

President Ford has just this week, apparently over the objections of every one of his major advisors, in contradiction to his confirmation testimony, and against the desire of the majority of the American people, pardoned Mr. Nixon. President Ford's decision to pardon Mr. Nixon was an unfortunate one, as I do not believe that the pardon power can, or should, be utilized to cut off the judicial process before the question of guilt or innocence has been decided.

The Congress cannot, in all likelihood, reverse this decision, nor can the American people. But the Congress can act to rescind the pension and prerequisites normally granted a retired President who has served his country with honor and good faith, and can explore the ramifications of President Ford's interpretation of the pardon power and set guidelines for the future. Congress can at least condition further governmental favors for Mr. Nixon upon his revealing the full facts of his involvement in criminal activities.

GSA is requesting $450,000 for Mr. Nixon under the Presidential Transition Act of 1973. This money is aimed mostly at covering the costs of moving Mr. Nixon's files and answering letters left over from his term in office. Quite frankly, I do not believe that Mr. Nixon should be granted any of this money, at least not until he finally puts an end to the coverup, releases the Watergate tapes, and provides answers to the many still unresolved questions as to Presidential misconduct. Since Mr. Nixon's resignation from the bar has now removed the last existing incentive for Mr. Nixon to tell the truth and to clean the air of Government, it is necessary for Congress to provide Mr. Nixon with new incentives.

Furthermore, a careful reading of the Presidential Transition Act provides no indication that it was intended to apply to a situation such as Mr. Nixon's. The Act is replete with references to the transition between a former President and the President-Elect; there now is not serving an elected President.

The purpose of the Presidential Transition Act most obviously must be to further the orderly transition and operation of our Government. The President-Elect and former President are to work together to keep the Government functioning smoothly. Money is needed for planning and hiring, orientation, and for the costs of winding up official affairs. Yet, GSA is apparently asking money for matters in no way related to the operation of the Government. Moving files to San Clemente in order that Mr. Nixon may write his memoirs and answering letters simply have nothing to do with the transition of government. If Mr. Nixon requested funds specifically to enable him to sort through papers that accumulated during his term to facilitate access to public papers for official purposes, I would probably support such a request and even include funding to allow Mr. Nixon to travel to Washington to sort out the papers. But I cannot approve paying Mr. Nixon's moving expenses from Washington to San Clemente.

The request for $450,000 is immediately suspicious if for no other reason than it is the maximum amount of money that can possibly be requested. Without a breakdown of the exact activities for which Mr. Nixon plans to use the funds, or without an explanation of why President Ford can operate the government without transition funds but Mr. Nixon needs money to aid the transition, it would be irresponsible for Congress to appropriate any money at all.

If I may add a note, I am particularly appalled at the request for $42,000 to pay Ron Ziegler's salary under the Presidential Transition Act. Mr. Ziegler and his attitude toward the press personify Watergate and I do not believe that he should remain on the Government payroll, particularly at such a high salary.

I also oppose the appropriation of $400,000 for Mr. Nixon under the Former Presidents Act. A former President is defined as a person . . . whose service in such office shall have been terminated other than by removal pursuant to Section 4 of Article II of the Constitution. Thus, the act states that Presidents removed through impeachment are not eligible for benefits. Congress, with over 175 years of history to look back upon, could not have imagined that a President, faced with the inevitability of impeachment, might resign to avoid disclosure of criminal conduct. The legislative intent is clear that a President forced to leave office through the impeachment process was not intended to receive funds under this bill. By his own admission, Mr. Nixon was forced to leave office because of the impeachment process and his loss of Congressional support.

I am particularly concerned over certain items requested. $96,000 is requested for Nixon staff; reportedly this money could be used to pay legal fees for Mr. Nixon in private suits or in cases where Mr. Nixon would appear as a witness. Since Congress cannot legislate in an appropriations bill that this money may not be used to pay legal fees, the more reasonable course at this point is to appropriate no such money at all.

The $56,000 request for furnishings and office supplies, the $21,000 for communications, and the $10,000 for printing must be closely scrutinized in light of the numerous pieces of office equipment reportedly being left at San Clemente already. The $110,000 for security of Presidential material just added to the request yesterday is no injury added to the insult of giving Mr. Nixon control over the White House tapes. The $100,000 request for miscellaneous is totally unacceptable.

With the economy close to, if not in, a recession, with the need to curb inflation, with high unemployment, the people will not and the people's representatives should not stand for the granting of $850,000 to Mr. Nixon. During the two weeks since this proposed appropriation was announced, I have not received a single letter, telegram or phone call in favor of granting Mr. Nixon the money. I have received an overwhelming number of communications opposed to the appropriation. It is time that Congress recognize what has already become clear to the people that it is not for the Government to continue to support Richard Nixon as long as his actions have led and are continuing to lead to the inability of the people to support and believe in the governmental process.

OUR NEEDLESS GUILT ABOUT AUTOMOBILES

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. HUBER. Mr. Speaker, during the recent energy crisis, we were all told by environmentalists that we should be ashamed of ourselves for the manner in which we Americans use cars. We were made to feel guilty if we even so much as owned a car. No one ever bothered to point out that an automobile has many good sides. It can, for example, speed someone to a hospital in an emergency situation. I hate to think how long it took in the good old days when one was conveyed by horse.

Which brings to mind another point; namely, that the pollution from a car sure beats the pollution that was left on the streets by the horses. And yet, there are those who tell us that the car should be banned. I cannot help but reflect that often these are the same people who accuse conservatives of living in the 19th century.

Peter Berger wrote an excellent article in the Washington Star-News on August 18, 1974, expounding on many of these points. I am hereby inserting it for the consideration of my colleagues:

[From the Washington Star-News, Aug. 18, 1974]

Our Needless Guilt About Automobiles

(By Peter L. Berger)

First of all, let us dispense with the silly notion that Americans have some peculiar love relationship with the automobile. Almost everyone in the contemporary world loves automobiles. Those who own them do, as well as those who desire ownership. Contrary to the conventional wisdom, Americans have a much more sensible attitude to their cars than the people of most other nations, for the simple reason that Americans have lived with the automobile for a very long time now. Middle-aged couples are more restrained in their passions than young lovers.

The American marriage to the automobile has been a generally happy one. It still is. What has happened, though, is that many Americans seem to feel guilty now about their affection for this mechanical spouse. Very few seem to contemplate divorce in a serious way, but some actually seem to enjoy the guilt. Ownership of a big car may soon be for liberal intellectuals what fornication used to be for Puritans, with roughly the same tension between ideology and pleasure in both instances.

It began in earnest in the late 1960s, with the counterculture, the New Left and the ecology movement each contributing to the condemnation of the proud products of Detroit's imagination. As with many other elements of this particular ideological brew, the hatred of the automobile now appears to have entered the mainstream of the liberal media.

It reached a certain climax during the recent gasoline shortage. It was all our own fault, we were told by various media pundits. We had become addicted to our cars, polluting the air, destroying the environment, and it only served us right if we were running out of gas now. All over the country editorial writers and commentators sounded off like oldtime preachers gleefully recounting the sorry end of those in bondage to Demon Rum.

Energy "czar" Simon caught these tonalities perfectly. Every time he appeared on television we were all put down in our seats like pupils in a Methodist Sunday School: "This may hurt you a bit, but it's really good for you."

Almost all of this is pernicious nonsense, and it is time to say so. The automobile has made an enormous contribution to what most people consider, and consider rightly, to be the good things in life. It has allowed people to live and work in places they wanted to. It has allowed them to discover wonderful sights and experiences that otherwise would have been inaccessible to them. It has freed people from provincial constraints. It has provided mobility accompanied by privacy, with enormous and, I think, largely desirable changes in the character of personal life. It has meant cultural enrichment and it has made possible the maintenance of close human relationships across wide distances.

All these propositions can be concretized: The worker who can raise his family in a place with trees and quiet streets, far removed from the factory where he holds his job. The suburban housewife who can attend a university. Families piling into their car in Chicago to visit the national parks in the West or to visit grandparents in the East. Children being driven to museums, concerts, amusement parks—not to mention better schools. People moving, and still retaining old friendships. People being able to lead unconventional lives away from the hostile scrutiny of their neighbors. And, in America, all these good things have not been the exclusive prerogatives of an upper crust. On the contrary, they have been gifts of the automobile to the great mass of the people.

But is the place of the automobile in our economy not a waste of labor and resources that could be employed more usefully for other purposes, such as reducing poverty? One can ask the question even if one stipulates that, at any rate, there has certainly been a reduction in the poverty of millions of people directly or indirectly employed by the automobile industry (which, incidentally, includes millions of people in the Third World). Even so, maybe there is something wasteful about the automobile. It hardly compares, however, with the wastefulness of investing labor and resources in universities, book publishing, and literary magazines.

But is the automobile not frivolous? No more so than air conditioning, I'd say.

But is it not unaesthetic? Well, that's a matter of taste. The streets of our cities are clogged with automobiles, which is both ungainly and inconvenient at times. The streets used to be clogged with horse manure, which, I daresay, was not very aesthetic either.

Is this to deny the costs of the automobile? Of course not! Nothing in history comes for free, and the automobile is no exception. It has provided new occasions for thievery and violence. It has created new hazards to life and limb. It has undoubtedly had adverse effects on the physical environment of our lives. And it may well prove to be too costly for us, as energy resources dwindle in the coming decades.

None of these facts justifies the denunciation of the automobile that has been customary of late.

All things have costs: The increase in life expectancy has meant that most of us now die of degenerative diseases. The abolition of judicial torture has made for less efficient law enforcement. Democracy is conducive to mediocrity in positions of power. Are we, therefore, to favor dictatorship, torture and early death? The more plausible course, it seems to me, is to preserve the good things we have attained, while at the same time trying to reduce their costs.

We don't know what the future holds. We may even find that we can no longer afford democracy (almost certainly, by the way, if we are moving toward the no-growth economy that many of our car-haters seem to favor). Many of the things we now cherish, material as well as nonmaterial goods, may become too costly.

If so, at least let us not delude ourselves that such deprivation would be some sort of moral achievement. If it turns out that we can no longer afford the automobile, we'll survive. But we will have lost something of great value, a portion of freedom, a sense of open spaces, even an affection that was by no means degrading.

DEFICIENCIES IN TODAY'S GOVERNMENT

HON. SAMUEL H. YOUNG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. YOUNG of Illinois. Mr. Speaker, many of the problems of Government arise from poor organization and ineffective control. There are many businessmen who agree that they share responsibility in assisting in the solving of these problems. Public accounting firms, in particular, have a high concern for the public interest, because of the nature of their profession and the need for true "independence" in reviewing and certifying financial statements.

I would like to commend Mr. Harvey Kapnick, who is one of the outstanding leaders of the accounting profession and chairman of the worldwide organization of Arthur Andersen & Co. He recently addressed Bowling Green State University on "The Business Role in Government Reform."

I commend to my colleagues a thoughtful review of this most responsible address by a leading citizen of this country, and I am setting out his remarks in full in the RECORD:

DEFICIENCY IN TODAY'S GOVERNMENT

I would like to outline what I consider some basic deficiencies in the Federal government today.

The first and overriding deficiency is the failure to establish goals, objectives and priorities. This includes the failure to eliminate programs that are no longer needed. However, it may be too much to expect the government itself to eliminate programs where huge bureaucracies have been created. When this is the case, we in the business community must identify those programs that we feel are not needed and demand that the issue of their continuation be debated.

Let us look at some business techniques that can be used in this area. Most of you are familiar with project control. If a business decides to build a major plant or initiate a major project, it establishes a project control specifically defining responsibilities for that project. This is similar to the concept of profit centers where we hold people accountable for the profits of a particular enterprise. These same techniques can be used in the Federal government.

We also have what we call zero-base budgeting—we start all over every five years. We eliminate certain programs and we start from zero. We ask if there is any need for this particular project or this particular area of concern. That makes us focus on our priorities. We have test runs for new programs. Project control, profit centers, zero-base budgeting—all of these could have a great impact on governmental efficiency if they were used.

WE HAVE AN ANTIQUATED POWER STRUCTURE IN GOVERNMENT

A second deficiency which I see in the Federal Government today, is an antiquated power structure. I believe this exists not only in our executive and congressional branches of government but also in our judicial branches.

If you cut through everything being said, there are two reasons why reform is needed in the executive branch. First, there are over 75 different agencies reporting to the President. This is far too much for any one person to handle. Second, the executive branch has never adopted what we think of as project control. An example that illustrates the problem is in the energy area. There are five departments at cabinet level and two agencies that are involved in the coordination of energy programs. Is it any wonder that we have confusion and duplication of effort among people who are responsible for programs? These people spend more time trying to coordinate their efforts with those of others than they do in decision-making. This is an unbelievable nightmare based on everything I have heard.

Congressional committees may need more reorganization than the executive branch. I happen to be Chairman of the Government Operations Committee for the Chamber of Commerce of the United States, and not too long ago we met with the Chairman of the Government Operations Committee for the United States House of Representatives. He was asked directly whether or not government had an overview of projects and whether or not government had a way of bringing together all parts of any program. His answer was, "Absolutely not!"

Senator William Roth of Delaware has spent quite a bit of time studying this problem and his recommendation is that the committees be reorganized so that everything related to one subject is under one committee. This is a tough problem because of the seniority system and because people who get elected to the Congress want to have important positions.

Further, there are inadequate controls over the financial commitments of our Federal government. The congressional process is accurately reflected in a statement that one Senator made not too long ago—"It's like 500 people writing out of the same bank account and balancing the checkbook once a year." This is essentially what we have in the Congress of the United States. We must insist, if we are to get inflation under control and if we are to get the proper social programs, that a better financial system be provided by Congress. In my judgment, unless this is brought under control in the very near future, a crisis-out-of-control situation will be inevitable. Large government programs must react with increases where inflation occurs. This can be seen in our social security system and in our defense system. We cannot hold businessmen accountable for the fact that they agree to a defense project for, say, $10 billion and because there was 20% inflation instead of 5%, the cost for the project increases beyond imagination. Yet the programs are needed, and therefore, somebody must pay for them. The issue is that we must bring the Congress under a better financial control system.

DEFICIENCY IN JUDICIAL PROCESS

The third area where we have a significant deficiency is in our judicial process.

I believe we have to recognize that there has been a change in concepts underlying proceedings of grand juries, and significant reform is needed. Too often today, alleged charges are presumed by many to be true, and yet the grand jury system in its historical concepts in England was for one purpose—to protect the people against the king. I think that the king today may well be using the grand jury system to prosecute innocent people in this country. Recently, in certain cases in which we have been involved, the government apparently presented only part of the case. I would ask you, as I have asked them, is that fair? If so, then I have misunderstood the American system for a long, long time.

Unfortunately, indictment is being confused with conviction. Instead of protecting a person against unjustified arrest, the grand jury system is becoming a shortcut to prosecution. The presumption of innocence has been lost and it may be that the grand jury system should be abandoned as it has been elsewhere.

We must also recognize that our society has been changing over the past several years. Our degree of communications sophistication has outpaced needed reforms. For example, the minute details brought out by television on a continuing basis may distort what is fact and what is fiction in the minds of people. There is no way that an accused person can counterbalance this power of the media. I am not saying there is misuse of the media; I am simply saying that we must recognize television as the powerful communication technique it is. We must also recognize that it can be damaging when used for the communication of matters that have not been clearly established as factual. In addition, as we consider the phenomenon of television, we should consider that wanting to know what the answer is, the overemphasis on the future, and the overemphasis on the forecasting of future events may be more newsworthy than the actual facts and events themselves.

Another weakness in the judicial process that we must recognize is the hight cost of judicial defense. This cost has almost destroyed the possibility of any one of us defending himself in a major trial. This is frightening.

We must also speak out against two sinister developments in our judicial system. First, there is the use of the consent decree. Many of you have seen the consent decree used against business to gain a resolution of charges. The person neither admits nor denies that he did anything wrong. But the mere fact that this consent decree becomes a matter of public record creates the attitude that the consent decree reflects facts just as a court trial does. So it becomes a presumption of victory for the government and conviction of the accused. Many consent decrees are entered into for one reason—to avoid the high cost of having the issue tried in the judicial system today. We must face up to that cost if we are to protect the freedoms that we are entitled to.

We must also speak out against plea bargaining. Plea bargaining has been used too much in recent years by those who are guilty of major indiscretions and also by those who are, in my judgment, innocent but do not have the funds to support a major defense.

I would rather see those in government who have committed indiscretions brought to trial. I would rather see the facts established under due process of law than see them swept under the rug through plea bargaining. In many of these cases, 65 or 70 counts may be brought; then the accused think they are getting away with a great deal when they only have to plead guilty or nolle contendre to one of those counts. This is an improper use of the judicial system.

Another area of the judicial system where some very severe problems exist relates to certain regulatory agencies. In some cases I have become convinced that the judicial system has been used solely as an opportunity to further a politician's or bureaucrat's personal advancement. When this happens, the question of winning becomes more important than the question of determining the actual facts. I have heard more often than I care to hear that a person's career in government depends upon whether he wins a case or he loses a case. In such an instance, winning becomes the issue rather than the search for justice.

CORRECTING DEFICIENCIES THROUGH REFORM

Let us address ourselves to what should be done about these issues and government deficiencies. First of all, we must come out strongly as a citizenry for election law reform. Some of the present proposals I hear bandied around might well end up as, what I call, the big grab. A recent proposal before the Congress to initiate a so-called checkoff system may be completely misleading, since if you don't check off a certain blank, it means you agree to have a certain amount of your taxes used for elections. However, if this doesn't generate enough money, Congress will appropriate Federal funds to make up the difference.

Who is kidding whom? That's no checkoff system. If we are going to use Federal funds to make up the difference, let's forget all about the checkoff system and admit that this is nothing but an appropriation by the government. It defies the imagination that something like this would even be presented to the American people. Do Congressmen really believe we are that naive?

Election campaign reform as it relates to money is really a very simple business problem. It comes down to two things; namely, control over funds that are received, which also goes to the conflict of interests issue; and secondly, control of the disbursement of funds. How were the funds obtained and how were they spent? Let us make sure we understand that no form of Federal funding would solve the excesses of Watergate.

I have seen many effective systems for the collection of funds and the monitoring of those funds while they were "in house." The proper reporting and the proper identification of funds can be controlled from a business standpoint. Legal limitations on contributions will not solve the problem of controlling funds upon receipt. However, legal limitations on individual contributions are appropriate for consideration, since hopefully such limitations would minimize the danger of politicians being corrupted or unduly influenced by large special interests.

Requiring a detailed disclosure of disbursements and to whom they are made is a very normal procedure where public funds are used. Therefore, we should demand a proper accounting for disbursement of campaign funds. Then we must monitor in some fashion the discipline of politicians in relation to their constituencies and supporters. Private financing of political campaigns will work better than allowing politicians to perpetuate themselves in office by using Federal funds to run their campaigns.

Another area where reform is needed is in our grand jury system. This is important—it affects the big corporations and the small, the poor and the wealthy. The one-sided picture presented to the grand jury which I referred to before is the cause of many abuses in this area. I believe that secrecy in the grand jury must be preserved, and those who leak information must be punished just as those who break the laws in other areas. More damage can be done to a person's career through these leaks than through the actual charges.

Many of you will end up in our profession, so this is especially important for you. Many times the rumors are more newsworthy than the actual facts. This must be stopped. In addition to representing the witness, the attorney for the witness should be allowed to present his understanding of the facts to the grand jurors. In this way, the facts can be weighed to make sure that no facts are being intentionally withheld by the government. In addition, it is time to challenge the usefulness of continuing the grand jury system as such.

In congressional reform, we must move fast to hold Congress responsible for developing priorities for the country. The present chaos is illustrated by the way the energy problem has been handled.

Energy is on everyone's mind today. We have the related issue of environmental control. We have the question of whether or not there is misuse of tax incentives in the energy area, the question of whether or not the foreign drilling of oil is proper for American corporations, and whether or not tax incentives should apply to such drilling. We have jobs at stake because in certain cases if allocations are cut, some people are going to lose their jobs. We have personal comfort and the housewife to deal with. We have the environmentalists concerned with strip-mining and other issues. The end result is that we have the whole population to satisfy. This cannot be accomplished without establishing proper priorities.

There is no way that we can get a proper resolution of major problems in this country when 5, 6 or 10 committees in the Congress have fractional responsibilities. They must be consolidated in some manner and Congressmen must be held accountable in the same way as businessmen in industry. Then, as I stated earlier, we must have new financial controls. When we stop to think about it, this is a typical business problem. It is not a difficult problem, except for the politics involved, because what we are talking about is project control and financial responsibility.

Another area where reform is needed is in the executive branch and regulatory agencies. Here again, we have a basic business question—how can we give effective direction to an institution of the size of the Federal government? How can we give direction to, and coordinate, the various programs for which the President is responsible?

We must organize the government around projects and programs. We have had approaches proposed by President Johnson, President Eisenhower and President Nixon; now we must have some action to get the proper organization established.

During the past two years, our Committee on Operations in the U.S. Chamber of Commerce has been involved in reviewing and making recommendations for a department of community development. One program, which the President proposed two years ago to the Congress, was a new department for community development, in which all problems related to community development would be brought together. For example, it was determined that roads were being run through every suburb in major cities, but mass transportation was not being coordinated with road development. The President's proposal was that we have a complete department for community development, but the proposal never got through the Congress and it is still a major problem.

Over two years ago the President recommended a department of natural resources to bring together all existing programs in this area. This proposal, too, is still on the back burner. In fact, one of the staff persons on a committee in Congress told me that because of the politics in Washington, there was no way the proposal would ever get through the Congress. That was before the energy crisis. There may be more realism now.

There have been great abuses on the part of some of the regulatory commissions. Business, labor and consumers must take action to hold these commissions accountable. We must look at the decisions of regulatory commissions and start asking questions, even though we may not be part of the group regulated. In many cases the actions taken by regulatory agencies are carried over to areas that would first appear only indirectly affected.

Now to the fifth and final reform proposal. For this I am going to step back into my role as an accountant. We must have better financial information. A great disservice has been done the private enterprise system by the lack of progress in accounting in the United States. Why? Because the only way we can communicate between various segments of a private enterprise economy is through reliable economic information, and the present system of communicating information must be improved.

We must have value-oriented accounting immediately. This means that when you have a security purchased in 1912 for $10, and it is worth $10,000 today, you put it in the balance sheet at $10,000, and not $10. Under the outmoded historical cost concept in use today, we would carry the whole of Manhattan, if it were still in the same entity, for about $28.

People are berating the oil companies today because of what appear to be high profits. Much of this misunderstanding results from inadequate accounting. The natural resources that were found in 1930, 1931 and 1932 are carried on the balance sheet at what it cost the oil companies to drill a hole in the ground, not at what the value of the natural resources was or is. If today's earnings were charged with the value of the resources being depleted, we would realize that profits may be woefully inadequate. Further, if we are concerned about the price of gasoline at 60 cents a gallon, wait until we have to start paying for drilling costs in 1973, 1974 and 1975 dollars to find additional oil. Thus, a big part of our energy problem can be traced to a failure to account for the true cost of our resources and to deal with values. I hold the accountants accountable for that.

It is also time that we started pricing out social costs. In another area, we should insist that government tell us what the unfunded obligations are of social security and other such programs. We are mortgaging the future incomes of all the people in this room—the obligations must be paid sometime. Until the people know what the obligations are, they cannot make meaningful decisions about these programs. It is time for the government to be held accountable too.

IN CONCLUSION

I hope that this has given you a little insight into what I believe needs to be done in government. The hope of the future is that leadership from all sectors of society will start speaking out on the issues. Who wants reform? I believe every citizen wants reform—the businessman, the black man, the rich man, the white man, the poor man.

I would like to make one last plea and that is that politicians be made responsive to the needs of the people; anyone who abhors the retaliatory action of the government must speak out loudly when he sees that retaliatory action taking place so that each and every person in the country will realize what is taking place. We can then provide a meaningful backdrop from which business, youth and everybody else can speak their minds, and hopefully we will have a better government.

HONORABLE MIKE McCORMACK WRITES CLARIFYING ANALYSIS OF ENERGY CRISIS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. EVINS of Tennessee. Mr. Speaker, the current edition of the Federal Bar Journal includes a most perceptive article by our distinguished colleague, the gentleman from Washington (Mr. McCORMACK) concerning the causes, current status and possible solutions of the energy crisis.

The article is incisive and concise—scientific evidence is adduced to support conclusions. Certainly this is an excellent article and is most helpful in understanding the many facets of the energy problem faced today.

Because of the interest of my colleagues and the American people in this most important problem, I place the article from the Federal Bar Journal in the RECORD herewith.

The article follows:

NATIONAL ENERGY POLICY

(By Hon. MIKE McCORMACK, M.C.)

The shortages of gas and other petroleum products experienced by Americans during recent months have finally accomplished what twenty years of insistent warnings from scientists could not do. They have made most Americans aware of the fact that the energy supplies of this nation are not inexhaustible, and that this nation can no longer control the policies of weaker nations to the end that they will deliver their resources to us to our advantage and to their disadvantage. They have made Americans aware of how much we depend on a prodigious consumption of energy for our standard of living.

What may not yet be apparent to the casual observer is that our consumption of energy must continue to increase even if we establish a successful program to conserve, and that we are faced with a frightening spectrum of implications associated with such increased energy consumption. Any concerned citizen may justifiably ask "What are we going to do?"—which translated into a more professional jargon would read "What is our Energy Policy?"

The sad fact is that this nation has no energy policy at all, and that we, the general public and the government, have acted as if all sources of energy were cheap, inexhaustible, and, until recently, non-polluting.

The challenge that we face today is the need to recognize that we must promptly extricate ourselves from the folly of this dream-like attitude of the past, and that we must now develop a systems approach to an integrated national energy policy—an approach that embraces a comprehensive effort taking into account all interrelationships of the factors influencing the problem. If we do create such an energy policy, and if we implement the programs to carry it into effect, the people of this country can have both adequate energy and environmental protection, and can attain a state of greatness and affluence that we have not known. If we fail, the inevitable result will be catastrophe.

ENERGY POLICY FORMATION

A national energy policy will not be a permanent inflexible, dogmatic proclamation, but rather a dynamic, working set of goals which will be flexible enough to change and evolve as new information becomes available. However, there are some guideposts which I think should be ongoing considerations, and which provide a valuable perspective for us at this time.

It is absolutely essential, if we really intend to solve the energy crisis, that we begin with a systems approach to the administration of *all* energy research, development and demonstration. We must include in such a systems approach all asssessment and management of all fuels, and managerial determination of the conservation potential, the economic impact, and the environmental feasibility of any energy-related proposal. *This is basic* to any action we may desire to take with respect to the energy crisis, and it is essential that we establish within the Executive Branch a *single administrative agency* with the authority to implement such an energy policy.

Our decisions must be made using the best information available. We cannot afford the luxury of basing policies on fantasies (such as assuming that solar or geothermal energy or suppressed carburetor designs will bail us out of our problems) or prejudices (such as anti-nuclear fanaticism) or hopes (such as the hope that we will keep finding enough natural gas to keep us going).

A national energy policy must provide the optimum conservation practices for every step of everything we do—in particular, with respect to the conversion, transmission and consumption of energy. It seems obvious to me today that in the short run we should not burn natural gas to produce electricity; in the very long run we should not be burning fossil fuels at all.

The ability to maintain a high standard of living is fundamental to our society, and we must design a national energy policy that will allow for this factor, remembering that, within certain reasonable limitations, the standard of living of any society is a function of its energy consumption.

A national energy policy should, I believe, provide energy, self-sufficiency for this nation—not by 1980 or 1985, which is a goal that has been set for purely political reasons, but as soon as is reasonably possible, and certainly by the year 2000. Of equally great importance is the necessity to plan now to export the technology that we will develop to every nation of this earth, so that no nation will be dependent upon any other nation for its energy or subject to blackmail for its survival. This is one of the most important contributions our country can make to the world in terms of reducing internal tensions and bringing true and lasting peace.

Finally, our national energy policy should provide for our ultimate reliance upon inexhaustible supplies of essentially, non-polluting sources of energy.

Our nation and its people will need to demonstrate an exceptional degree of determination to develop a national energy policy with realistic emphasis on the long-range aspects of the problem. Of course, the key to success of such an effort is appreciation of the fact that the energy crisis is not a short-range problem, but rather a long-range one. Some time ago I described the energy crisis as actually being made up of four crises[1]:

The first involving the need for this country to be able to manage the distribution and secure the availability of fuels and electricity on a short-range basis;

The second involving the inevitable conflict between environmental protection on the one hand and energy conversion, distribution, and consumption on the other;

The third relating to the necessity for this country to mitigate or eliminate our dependence upon imported fuels, particularly upon oil from the Arab nations; and

The fourth relating to the need for this nation to provide alternate sources of energy before the year 2000.

Last winter, the first three of these factors were telescoped into a single crisis which has shaken the country badly. However, the truth is that the fourth element is most important because this nation has, during the last two years, truly passed from one historical era into another. We have passed from an era of cheap and abundant energy to an era of shortages in fuels, energy, and materials, which will be with us for several decades. The implications of this transition are, I fear, far more profound than is generally appreciated.

I think it may have a salutary effect on our perspective to recognize that future historians will probably record that during the twentieth century, western man discovered and burned up as fuel virtually all of the earth's resources of petroleum and natural gas.

This may be a difficult reality to face, but the posture we must assume is that this nation has already consumed more than one-half of all the petroleum and natural gas we have found or ever will discover on this continent, on-shore or off, and that it will all be gone, insofar as a significant supply of fuel is concerned, by about the year 2000. As our supplies of petroleum and natural gas dwindle toward the end of this century, this nation will become dependent for almost all of its energy on coal and coal products, and on nuclear fission. But even these sources of energy are really only transitional; as we phase them in, we must also make plans for phasing them out in the more distant future and replacing them with other, still-to-be-developed sources.

Thus we have one generation within which to develop these new sources of energy, and while we are making this conversion we must make the necessary cultural, societal and economic adjustments that will inevitably result.

There seem to be several traits which surface when individuals or societies are faced with such disturbing realities. The first is to deny that the problem exists. Thus I have been deluged with mail stoutly insisting that there was—and is—no petroleum shortage at all.

The second escape mechanism is to find a scapegoat to kick around, as if this would somehow make the problem disappear. Thus we have had the oil companies, the Administration, and the Congress blamed for our energy crisis and our shortages. Certainly

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there is a degree of appropriate blame for each, but no amount of criticism will correct what is basically a problem of exponential demand growth exceeding essentially linear improvement in supply.

The third reaction is to look for fantasies as solutions. Thus we have had anti-nuclear spokesmen making statements to the effect that either solar or geothermal energy, if adequately funded, could solve our problems.

But finally, the mature, responsible citizen will seek the truth and try to work out constructive solutions based on facts.

The facts available to us now provide a fairly clear picture of what our course must be for the near future. Our options are severely limited during the next three to five years, and they are essentially passive. We can and must conserve, or be prepared to conserve, enough energy to provide for essential uses in any contingency. We must also, of course, initiate permanent comprehensive conservation programs in everything we do.

We must support the new Federal Energy Administration. We must obtain a large library of accurate and detailed information on energy and energy-related subjects as quickly as possible, and it must be kept up-to-date. We need good luck in our weather, and we need good international relations.

During this time, we must initiate aggressive programs of exploration and drilling for oil and gas, on-shore and off. We must develop an oil shale program, and assist Canada in the mutually advantageous exploitation of its tar sands. We must build new refineries, new ports, new pipelines, and new storage facilities for gas, petroleum and petroleum products. This is our best short-range strategy for trying to keep our energy supplies for our existing industrial and societal infrastructure as close as possible to future demands.

COAL

Of course coal is our greatest resource of fossil fuel, and we must rely heavily upon it. However, even a superficial glance should warn us against taking it for granted. We will need a completely modern coal industry with new mines that meet responsible health and safety standards and have a minimum impact on the environment. It will be necessary for us to allow coal to be stripped under realistic regulations, but provide for responsible reclamation of the land. It will be necessary to restore our railway system with new road-beds and new rolling stock. It may also be necessary to amend our Clean Air Act [2] to allow for the burning of coal to generate electricity provided that the best de-sulphurization technology is employed.

We will, of course, come to depend more and more upon coal gasification and liquefaction, but here the absolute necessity for a systems approach to an integrated national energy policy becomes overwhelmingly obvious.

For instance, reliable figures indicate that if we were to attempt to close the presently projected gap between supply and demand for natural gas in 1985 using coal gasification, the capital cost alone for the coal gasification plants would be $200 billion. Such an operation would require 140% of all the coal mined today and the equivalent of about ten percent of the flow of the Columbia River.

One can quickly grasp the implications of undertaking even one project of this magnitude. We must think in terms of coal, water, dollars, steel, manpower, logistics, environmental impact, and how each relates to the other within the same project. We must also consider those factors in every other energy-related activity for this year and the next, for 1980, 1985, and on to 2000. We must make these plans now.

It may not be apparent yet, but I am certain that one of the greatest strokes of good fortune this nation has experienced is to have our nuclear industry as far advanced as we find it today, ready *now* to provide much of the energy this nation will need during the next fifty years.

NUCLEAR ENERGY

Nuclear energy is the cleanest significant source of energy available with the least environmental impact of any viable option. If we did not have nuclear energy available to us for the coming decades, the future of this country would indeed be black in more ways than one.

Today there are forty-three nuclear power plants licensed to operate in the United States. They create energy through nuclear fission reactions—the splitting of a heavy nucleus of uranium into two approximately equal parts accompanied by the release of energy. These plants produce about six percent of this nation's electricity. There are fifty-three more plants under construction or in final testing.[3] Of these, twelve are expected to be licensed in 1974, making a total of fifty-five plants by the end of the year. One hundred eleven more are on order.

By 1980, 140 licensed power reactors should be operational, producing twenty-one percent of our electricity. By the year 2000, approximately 1000 nuclear plants will be on line. Incidentally, present projections assume that in the year 2000 we will be producing a total of 1.2 billion kilowatts of electricity, as compared to 25 million today, and sixty percent of the total electricity produced in the year 2000 will be nuclear.[4]

Nuclear electricity is cheaper (8.6 mils/kwh) than electricity from fossil plants 10.3 mils/kwh). Both these figures will, of course, inflate, but I suspect that it is fair to assume that inflation and higher "real" costs will strike harder at new fossil fuels than at nuclear energy.

One problem facing the United States' nuclear energy program is the availability of uranium. Atomic Energy Commission figures [5] indicate that known reserves (costing up to $15 per pound) total 525,000 tons, compared to a projected U.S. requirement of 38,000 tons per year in 1980 and 154,000 tons per year by the year 2000. Thus, we have an adequate supply for the next decade—but we will probably encounter problems in the mid-1980's. There are several proposed solutions to this problem, and I have asked the AEC to establish an ongoing review of the total potential inventory of fissionable material on a year-by-year basis for the balance of this century. This would be a significant undertaking in that it would require an appraisal of all known reserves of uranium ore that are yet to be mined, all potential imports and exports, the demand of domestic and foreign nuclear energy industries, the enrichment capacity available in this country and elsewhere in the free world, the impact of the breeder program (in which nuclear reactors are designed to produce more fissionable material than they use), and the use of thorium as a nuclear fuel in gas cooled fast breeders (GCFR) or molten salt breeder reactors (MSFR).

Of course it will be necessary to provide additional capacity for uranium enrichment—a process by which naturally occurring uranium which contains only about .7% of the fissionable isotope uranium-235, the only isotope of uranium that takes part in the fission reaction, is concentrated to three and one-half percent of the fuel. There is only one commercial method for enrichment used today, the diffusion method. Laboratory experiments indicate that a different technique known as the centrifuge process may be a promising technology, and may be competitive within the next decade. Perhaps as many as six new plants the size of our largest facility, which is at Oak Ridge, Tennessee, must be built in the United States by the year 2000. A new enrichment plant would cost $1.5 billion to build. If it were a new gaseous diffusion plant, it would require 2400 megawatts of electricity to operate (the equivalent to the present output of Grand Coulee Dam). If it were a centrifuge plant, it would cost about the same, but would require only 240 megawatts of power. A third technique involving the use of lasers for isotopic separation may be developed. If it were successful, it would be less expensive, both in capital and in power requirements; it would also be more efficient.

One of the major frustrations associated with nuclear energy today is the eight to ten year lead-time involved in getting a plant on line. It should be possible to substantially reduce this time without sacrificing any environmental or safety requirements. France and Japan, for instance, require only five to six years. Last April, the Joint Committee on Atomic Energy held a series of hearings [6] on nuclear power plant licensing and siting, considering legislation which I sponsored (H.R. 12823, 93d Congress) and legislation which was sponsored by the Administration (H.R. 13484, 93d Congress). These two approaches are compatible, but in the legislation I introduced, I proposed a much greater involvement by the individual states in the selection of acceptable sites for nuclear power plants. In H.R. 13484, the AEC has suggested several additional approaches including standardized plant designs, preselection of sites, and separation of site review from plant review.

One can scarcely overemphasize the significance of reducing the leadtime for getting nuclear plants on line. I mentioned earlier that there are 164 plants under construction, in final testing, or on order. It would require five million barrels of oil per day to produce the same amount of electricity that these plants will make available.[7] At ten dollars per barrel, this is equivalent to $18 billion in one year. It is easy to appreciate the beneficial impact nuclear power will have on our trade deficit, as well as the colossal amount of fossil fuels which we will save for other purposes.

Today the nuclear energy program is on track and essentially on schedule, but there is much to do. We must have a liquid metal fast breeder reactor (LMFBR) demonstration plant on line by early 1980's, and we must follow it with a gas cooled fast reactor demonstration plant. In addition, we should continue research related to a possible molten salt fast reactor. The LMFBR will require extensive research and development in advanced fuels such as carbides or nitrides to replace the present oxide fuels. So that we may increase our resource base to include more than uranium-235, we must develop fuel cycles using thorium for the GCFR and MSFR. For improved performance of current and future reactors, long-term, large-scale and expensive research and development must be undertaken to develop advanced fuels, metals and ceramics with more desirable characteristics and advanced designs for fabrication and reprocessing facilities. I am pleased that the need for these programs has been recognized, and they are being carried forward under the leadership of Dr. Dixy Lee Ray, Chairman of the Atomic Energy Commission, and Tom Nemzek, Director of the Division of Reactor Research and Development of the AEC.

During recent years, a small group of anti-nuclear zealots, including a few technically qualified individuals, have mounted a concerted anti-nuclear compaign, and promoted the concept that this nation should terminate its nuclear program. Gradually, the more extreme anti-nuclear charges, such as of the possibility of exploding power plants and a high incidence of cancer and infant

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mortality in the vicinity of nuclear reactors, have been discredited. In recent hearings before the Joint Committee on Atomic Energy,[8] individuals and spokesmen for some of these groups concentrated their attacks on three main points—the reliability of the reactor vessels, cooling systems, and containment systems; the safe handling of nuclear wastes; and the possibility of the theft of nuclear materials for the fabrication of weapons or for the threat of radioactive contamination of populated areas.

It may be appropriate for us to consider as best we can the rational aspects of these charges, and to try to put them into perspective. The nuclear industry, like all other fields, has some hazardous aspects, and will undoubtedly have accidents causing property damage, injuries and deaths. It is crucial, however, to ask how likely these accidents are and how this risk compares to that associated with other energy industries. Further, we must distinguish between the financial risk to the industry, the personal risk to the employees of that industry, and the potential risk to the public at large.

Recent studies by Dr. Norman Rasmussen of M.I.T. indicate that the probability of a loss of coolant and a simultaneous failure of the emergency core cooling system resulting in a core meltdown (in which the fuel melts, thereby destroying the core of the reactor) is from one in one million to one in ten million per reactor year.[9] Accordingly, with 1000 reactors on the line in the year 2000, the probability of such an incident would be one in one thousand to one in ten thousand per year. These are long odds, but even a meltdown doesn't guarantee the escape of fission products from a nuclear power plant. All that is guaranteed by a meltdown is a severe financial loss and a potential for harm to individuals. To minimize the possibility of such harm, reactors are built with other engineering safeguards, such as fission product suppression systems and the containment vessel itself. The possibility of the simultaneous failure of these systems at the moment of a meltdown is, of course, far more remote than that of a meltdown alone. In addition, the extreme accidents that are frequently postulated by nuclear critics assume the existence of weather conditions that will somehow trap extremely hot gases on the surface of the ground, and convey them in a contained cloud to a nearby community that has failed to evacuate. While it is essential that every conceivable accident be guarded against and every reasonable precaution taken, there is a point of absurdity beyond which the rational public should not be expected to go.

Having worked for twenty years at the AEC facility at Hanford, Washington, I am acutely aware of the extreme safety measures that the Atomic Energy Commission enforces. These have paid off in fewer man-days lost per million man-hours worked (43) than in hydroelectric plants (149) or in all fossil fuel plants (1710).[10] In addition, no deaths have resulted from the operation of licensed nuclear power plants in the United States, and no member of the public has received a radiation exposure in excess of prescribed standards due to the operation of any nuclear power plant in this country.

In 1973 the average person in the United States received 102 millirem of radiation per year from natural background, and 75.6 millirem per year from medical X-rays and therapeutic radiation. Assuming one thousand nuclear power reactors on line in the year 2000, a dose of 0.425 millirem per year from the operation of all nuclear plants and their supporting activities is projected.[11]

Dr. Ralph Lapp, nuclear consultant in the Washington, D.C. area, estimates that of the 20 million cancer deaths in the United States between now and the year 2000, about 314,000 will be radiation-induced. Of those 314,000, Lapp estimates that 200,000 will come from natural background radiation, 100,000 from medical X-rays, 7,200 from jet airplane travel, 6,800 from weapons fallout and 90 from nuclear power plants.[12]

Today, we have 54,000 deaths a year and nearly 2.5 million serious injuries from automobile accidents in the United States. Overdoses of aspirin and aspirin compounds cause more than 200 deaths per year. 1,000 persons die from electrical shock. About 160 are killed by lightning. About 3,000 choke to death on food. Not a single person has been injured or killed from a nuclear power plant.[13]

It is probable that some qualified person could make a nuclear weapon if the essential materials came into his possession. Certainly we must take every precaution to protect against any theft of material from any nuclear plant or other facility. The AEC has long-established security programs, and these have recently been strengthened because of international terrorist activity, and because of General Accounting Office criticism of the AEC.[14] I think the trade-offs involved indicate that we must live with the risk of some attempt by someone to steal nuclear materials. I think this is an acceptable risk, particularly because there seem to be so many thousands of areas in which to make serious mischief in so many easier ways than attempting to steal enough of the correct raw materials to fabricate a nuclear weapon. There are literally billions of shipments of hazardous materials in this country every year. Many of these materials, such as highly flammable liquids and organic poisons, are shipped in tank car lots through every city in the country without anyone being particularly aware of where they are, let alone providing any protection from them. If one is objective, and disengages himself from anti-nuclear fanaticism, he must see the very remote possibility of theft of nuclear materials as an acceptable risk to assume in order to enjoy the benefits of nuclear energy.

It must be pointed out that the AEC has been chartered to undertake two concurrent programs, one of which is the development of military technology, and the other of which is the development and commercialization of civilian power technology. When most critics attack the handling of radioactive wastes, they point to the leaks at Hanford, which come from the military program and have nothing to do with commercial power plants.

Another complaint made by nuclear critics is that the AEC has not settled on a specific permanent waste management program. Certainly the storage and management of radioactive wastes is a legacy that we must leave to the future as a price for our having entered the age of nuclear fission. However, this can be approached in the same sound manner which we have used in handling radioactive materials for the last thirty years. Millions of gallons of liquids and thousands of tons of solids containing billions of curies of activity have been handled in an exemplary way, with virtually no harm to anyone. Using the techniques that have been developed during recent years, the safe, permanent storage of radioactive materials is actually a simple matter of good engineering and good management.

One technique which seems attractive to me involves solidifying the wastes from reprocessed fuels immediately after separation, and encapsulating them in cannisters. Ten cannisters, one foot in diameter and ten feet long, holding about six cubic feet each, will contain the solidified wastes produced each year by a 1,000-megawatt power plant. These cannisters can be enclosed in concrete and simply placed on the surface of the ground inside some restricted area such as the Hanford reservation. It would require less than two square miles to store all of the high-level wastes that will be generated by the nuclear energy program between now and the year 2000.

While there have been leaks at Hanford it has been understood that until the solidification programs of these liquid wastes are completed, some leaks would occur from the underground tanks. The radioactive materials that have escaped from the tanks are trapped far below the surface of the ground and far above the water table, held immobile in a dry, sandy clay. When I cross-examined Dr. Harry Kendall, spokesman for the Union of Concerned Scientists, he admitted in a formal hearing before the Joint Committee on Atomic Energy that the material that had leaked from the tanks at Hanford does not and never would constitute a threat to the environment, unless deliberately disturbed by some human being.[15]

In summary, then, the safety record of the Atomic Energy Commission is unequalled. No member of the public has been harmed by any radiation from a licensed nuclear power plant. Although accidents are possible, the probability of a serious accident threatening any human being is so small that society can easily afford to live with this risk, particularly in view of the remarkable benefits derived from nuclear energy.

FUTURE ALTERNATIVES

Beyond nuclear fission lie three sources of energy which will be of great importance in our future. All three are inexhaustible and, compared to coal or nuclear fission, they are essentially non-polluting.

The first is solar energy. The House of Representatives recently passed the Solar Heating and Cooling Demonstration Act of 1974 (H.R. 11864, 93d Congress), which I authored and which would provide for a $50 million, five-year program to demonstrate the commercial feasibility of using solar energy to heat and air-condition residences and other buildings. However, I think it is important to keep the short-term potential of solar energy clearly in perspective. It would require a stupendous effort to provide solar heating and cooling in five percent of the buildings in the United States by the year 1990, yet this would represent only one percent of the total energy consumption of this country. Clearly, then, solar energy will have no impact at all in relieving our current energy shortages.

Still, we must pursue this approach for its long-term potential; the President's budget requests more than $50 million to be authorized for Fiscal 1975 for solar research and development, in addition to the heating and cooling demonstration that I have mentioned. The technology required for generating electricity from solar energy, either directly or indirectly, is still in the initial development stages and it is not likely to become economically competitive until sometime after 1990. We must push ahead to reach this goal before the year 2000, but we must not mislead ourselves about the short-range solar potential.

The same general perspective is also true for geothermal energy. My Subcommittee on Energy has been working on a new bill providing for a comprehensive geothermal energy demonstration program. Our goal is to have from six to ten demonstration plants on line by 1980. They would generate from one to ten megawatts of electricity each, using the various undeveloped types of geothermal energy such as dry hot rock and geopressured water. Here again, prudence must govern our optimism. Even with a crash program, it is highly unlikely that this country could be deriving one percent of its total energy from geothermal sources before 1990.

The third new source of energy is, of course, nuclear fusion, and here indeed may lie the fulfillment of mankind's dreams—an unlimited source of clean, cheap energy

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available to all. Nuclear fusion is the formation of a heavier nucleus from two lighter ones, such as hydrogen isotopes, which causes a release of energy.

For some time, I have been the activist/advocate in Congress for increased financial support for the fusion program. The past two years have been the most productive in the history of controlled thermonuclear research, and certainly we are now operating on a new plateau—one which we have dreamed of and sought for twenty years. Now, for the first time, we are in a position to move forward with a much more aggressive research and development program, and now we can, with considerable confidence, predict success.

In July of last year, the AEC announced that it will move more rapidly than was previously thought realistic to a "scientific feasibility" demonstration of a fusion reaction. This decision, which I support enthusiastically, may save four to five years in developing fusion power.

I am happy to report that Congress and the Administration seem to reflect my confidence in the potential of this program. Total funding for laser fusion will increase from $52 million in Fiscal 1972 to what I expect will be $177.1 million for Fiscal 1975. Within this total, the funding for magnetic confinement studies will increase from $57 million in the current fiscal year to what I expect will be $111.3 million for Fiscal 1975. This is particularly gratifying to me, because I have obtained significant increases in this program in both years.

I believe that we can have a commercially feasible fusion electric demonstration plant on line by the mid-1990's. This will require massive support, starting now, for materials research and development and for engineering studies. If this program is successful, we may be able to look forward to providing unlimited quantities of clean, cheap energy forever—not only for this country, but for all mankind.

Implicit in this potential is the prospect of mining from the sea or from low-grade ores, and thus freeing the international community from the threats and tensions that accompany shortages of energy and critical materials. In addition, we may look forward, during the first third of the Twenty-First Century, to phasing out all of our fossil and fission-powered energy conversion systems, and operating from that time forward on clean, inexhaustible fuels.

CONCLUSION

As our supplies of petroleum and natural gas decline, this nation will, toward the end of this century, depend primarily upon coal, coal products, and nuclear fission for virtually all of its energy.

The hazards associated with the development of nuclear fission are real and must be taken seriously, but the sound safety practices and management techniques of the Atomic Energy Commission can continue to be employed to maintain the outstanding safety record we have established, and allow us to benefit from the tremendous potential of nuclear fission.

In the long run, this nation can be self-sufficient in energy and ultimately depend upon inexhaustible supplies of essentially non-polluting forms of energy such as solar, geothermal and nuclear fusion.

This nation faces a serious long-range energy crisis which demands that we immediately establish a systems approach to an integrated national energy policy. Failure to do so will inevitably result in catastrophe.

However, if the people of this nation exhibit the common sense, resiliency and dedication with which we have faced previous crises, we can, by the turn of the century, enter a new era, wherein nuclear fusion will provide an unlimited supply of cheap, clean energy for all of the people of this country and the rest of the world for all time.

FOOTNOTES

[1] Address by Congressman McCormack before the National Coal Association, June 18, 1973.

[2] 42 U.S.C. § 1857–§ 1857(1), § 1858–§ 1858 (a).

[3] Address by L. Manning Muntzing, Director of Regulation, U.S. Atomic Energy Commission, before the American Nuclear Society Executive Conference on Nuclear Standards, April 25, 1974.

[4] Address by Dr. Dixy Lee Ray, Chairman, U.S. Atomic Energy Commission, before the National Press Club, January 21, 1974.

[5] U.S. Atomic Energy Commission, Nuclear Power 1973–2000 at page 14 (Wash–1139, 1972.)

[6] The hearings before the Joint Committee on Atomic Energy on "Nuclear Power Plant Siting and Licensing" were held on April 24–26 and May 1, 1974. At this writing they have not been published.

[7] The calculations were made by the staff of the Subcommittee on Energy, House Committee on Science and Astronautics, based on information furnished by the U.S. Atomic Energy Commission.

[8] The hearings before the Joint Committee on Atomic Energy on "AEC Decision on Emergency Core Cooling System and Testimony by Interested Parties on Nuclear Safety" were held on January 22, 1974. At this writing they have not been published.

[9] *See* 21 Nuclear Industry 22 (Jan. 1974).

[10] U.S. Atomic Energy Commission, Office of Planning and Analysis, Occupational Safety Experience of Central Station Power Plants (June 1973).

[11] Address by Chairman Ray, *supra* note 4.

[12] Lapp, Perspective on Radiation Hazards (unpublished paper presented before the International Radiation Protection Association, September 10, 1973).

[13] Address by Chairman Ray, *supra* note 4.

[14] U.S. General Accounting Office, Protecting Special Nuclear Material in Transit: Improvements Made and Existing Problems, B164105 (April 12, 1974).

[15] Hearings on AEC Decision on Emergency Core Cooling System, *supra* note 8.

SUPERMARKET REPRICING

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. PEYSER. Mr. Speaker, today I am introducing a bill which would direct the Federal Trade Commission to conduct an immediate study into the unconscionable practice of supermarket repricing items on the shelves.

I am sure that most of the Members in the House have heard from their constituents about this practice. Consumers all across the country are outraged that this action continues, and they have begun to organize to actively fight against this policy. I have been personally fighting this battle all year long, and have had some success. In July, Safeway Stores, the Nation's largest supermarket chain, announced that it was discontinuing this policy. Finast Stores, a supermarket chain in my area, also made this change in policy that month.

Since that time, however, no other chains have announced that they would change their policies, despite the fact that food prices are the highest that they have ever been, and repricing unconscionably adds to this consumer burden. The argument that the retailers make is that to change the policy of repricing would be "too costly and too confusing," yet the experience of Safeway and Finast has been just the opposite.

The legislation that I am introducing today will hopefully put an end to the supermarket claims and authoritativaly document just how much this outrageous practice is costing the consumer. The sooner that this documentation is provided and the sooner that we have the legislative recommendation of the Federal Trade Commission, which the legislation calls for, the sooner we can put an end to this costly anticonsumer practice.

The text of the bill follows:

H.R. 16721

A bill to direct the Federal Trade Commission to conduct a study of the practice whereby supermarket food chains reprice food items after the item has been initially priced and offered for sale

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Chairman of the Federal Trade Commission is authorized and directed to appoint a task force to study and report to the Congress on the extent and the impact of the practice whereby supermarket food chains reprice and offer for sale items already on display for sale which have previously been priced.

Sec. 2. The Chairman of the Federal Trade Commission (hereafter referred to as the "Chairman") shall, within ten days after enactment of this Act, appoint a task force to study (1) the extent that supermarket food chains engage in the practice of repricing food items after the item has been initially priced and offered for sale; (2) the financial impact that this practice has upon consumers purchasing items that have been repriced, and (3) the additional cost, if any, to supermarket food chains, that would result if such supermarket food chains did not engage in the practice of repricing items that have been initially priced and offered for sale.

Sec. 3. The Chairman shall make a report to the Congress within 90 days after enactment of this Act, on the results of the study of the task force appointed pursuant to Section 2 of this Act. Such report shall include his recommendations for such legislation as may be necessary or desirable.

Sec. 4. The term "sale", for purposes of this study, is used to mean the offering of an item for purchase in the normal course of business. It is not used to denote the discounting of an item for purchase for a particular period of time.

Sec. 5. There is authorized to be appropriated such sums as may be necessary for carrying out the purposes of this Act.

SURPLUS IN CANADA, DEFICIT HERE

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. GAYDOS. Mr. Speaker, confronted by the biggest spending program yet devised under the label of a Federal budget and entangled in continuing multibillion dollar deficits, perhaps we should take note that Canada has her financial house in good order.

The Ottawa Government announced

the other day that the first half of the year has been a fine one on the fiscal side. The initial quarter produced a $197 million surplus against a deficit last year, and second quarter figures, when tabulated, the Government estimates will prove equally beneficial.

Why, I think we ought to ask ourselves, can Canada function in the black while we, her neighbors, worry about soaring costs, staggering debt, and deficits that keep right on splashing us with red ink year after year and despite everyone's promise to end them? Our countries share the same continent. Canadians are little different from us in character and lifestyles.

While Canada has abundant natural resources, we have the advantage in that ours are developed and we have greater means here to turn them into useful products. Certainly, Canadians are no more talented in economics than are our own experts. I feel we have just as wise men in our Government as does Premier Trudeau in his.

And yet there is a big difference and this needs to concern us. Canada over the years has pursued a policy of looking after her own interests first of all and in advance of those of others. Although playing a sincere role in international affairs, Canada has refused to extend herself or to forget for a moment that her overriding responsibility is to the needs and well-being of her own people.

Meanwhile, we here have showered our diminishing wealth on others, even borrowing the money to do so in our own economy and thus competing with domestic financing needs and driving up interest rates to unprecedented levels. We have fought others' wars and, in some weird notion of global obligation, meddled in the affairs of just about every nation which has permitted it.

The payoff now is a nation in serious financial trouble while neighbor Canada reports budget surpluses. Why have the costly world burdens fallen on us alone and not on Canadians, too? An American living near the Canadian border has reason to wonder why he and not his neighbors over the line has been singled out to be everybody's patsy.

Word of the Canadian surpluses came at the very moment our globalism was being put to another test, this time in the eastern Mediterranean. Antagonists on Cyprus were fighting with arms we had furnished to both sides at high cost to the American taxpayers. Indeed, the Cypriots, both Greek and Turk, were duplicating what happened with our gift weapons in the Indian-Pakistan clash of a few years ago. It seems we never learn when handouts are involved.

And what has been our Cypriot reward? The Greeks are caught up in a rage of anti-Americanism, blaming us for a tilt to Turkey, while the Turks turn deaf ears to our diplomatic entreaties for peace. Meanwhile, I suppose, the Canadians are mutually respected. It is another ironic result of the policy we have followed—the policy which largely is the cause of our current financial crisis and also of the contrast between our fiscal condition and that of our neighbors to the North.

GOVERNOR AIDS CHAVEZ RADICAL CAUSE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. ASHBROOK. Mr. Speaker, recently Gov. John Gilligan proclaimed a "United Farm Workers Week" for Ohio in support of the United Farm Workers of America Union—UFW—and its leader, Cesar Chavez. It is regrettable that our Governor purports to speak for Ohioans in furthering the interests of Chavez, a man I consider as no leader but a rabble rouser. Chavez and his union have been attempting to organize farmworkers in a number of States, especially in California and Arizona.

For a while it appeared that Chavez through a mixture of boycotts and field organizing and getting radicals and liberals to support his movement was gaining ground. However, things have changed. It was reported that in 1971 Chavez had 200 contracts with California farmers which covered more than 40,000 workers. Now there are 11 contracts in California and 5,000 workers covered. Nationwide there are approximately 10,000 members.

Why the radical decline? There seem to be a number of reasons. One is that the Teamsters decided that they too would organize more farmworkers. The result was that Chavez's union found itself in competition with another union. Under the competition the UFW started to wilt. I think people started catching on to his demagogic appeals.

Perhaps more important is the treatment that the UFW gave to its own members. The UFW was never very successful at getting farmworkers to join voluntarily. When a secret ballot election was held in Shafter, Calif., that was run by the Federal Mediation and Conciliation Service, the UFW was turned down by the farmworkers. In March of this year workers at another California farm voted more than 2 to 1 not to affiliate with either the UFW or the Teamsters. Perhaps this is why Chavez and his supporters very seldom are in favor of elections so that workers themselves can decide if they want to join the UFW.

The more usual tactic for the UFW has been to threaten farmers and growers with boycotts if they do not sign a contract with the union. The workers have no voice in the matter at all if they want to keep their jobs. A sample contract states, "union membership shall be a condition of employment." Thus, Chavez, who is unable to gain the support of the workers, coerces the employer into signing a contract forcing his employees to join the union.

Governor Gilligan's proclamation states in part that the UFW is attempting "to gain for these laborers fair and just working wages and working conditions." It seems odd to equate "fair and just" with the tactics that I have just described but this is an election year.

But these tactics are not all that are questionable about the Chavez union. Workers have to report to union halls from which they are sent out to jobs. Large families who only have one car to get to the fields have been assigned to different areas thus making it difficult, if not impossible, to get to work. Criticisms have been leveled that benefits paid for through union dues have not been available.

It would seem that the workers themselves should be able to decide for themselves if they want to be represented by a union and if they do, by what union. It seems that many farmworkers do not want to be part of Chavez's operations and we should encourage them, not set aside official observation to aid the Chavez radical cause.

At this point I include in the RECORD an article from Ohio AFL–CIO News and Views of September 13, 1974, which contains the text of Governor Gilligan's unfortunate proclamation:

GILLIGAN SUPPORTS GRAPE-LETTUCE BOYCOTT WEEK

Governor John J. Gilligan demonstrated his support of National Grape & Lettuce Boycott Week with the signing of a proclamation urging all Ohioans "to join with me in refraining from the purchase of non-United Farm Workers lettuce and grapes from California."

The proclamation, setting aside September 9 thru 15 as "United Farm Workers Week," contained the following language:

"Whereas, the United Farm Workers of America, through their continuing efforts to gain collective bargaining agreements in the grape and lettuce fields of California, have significantly improved the lives of thousands of farm laborers throughout the United States, and

"Whereas, the support of the citizens of the United States is necessary to enable the United Farm Workers of America to continue their efforts to gain for these laborers fair and just working wages and working conditions, and

"Whereas, the union has asked Americans to support its effort by boycotting non-UFW grapes and lettuce from California, and

"Whereas, the leadership of the AFL–CIO, the United Auto Workers, church groups and political leaders all over the nation have lent their support to these efforts:

Now, therefore, I, John J. Gilligan, Governor of Ohio, do hereby declare the week of September 9–15 to be

"UNITED FARM WORKERS WEEK IN OHIO"

Time and time again, we have said Governor Gilligan understands the plight of working people. This is one example of that understanding. It's just another reason why we support John J. Gilligan for reelection as Governor.

ROMANIA WANTS FREEDOM

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. CRANE. Mr. Speaker, recent discussions about détente have caused many Americans to overlook the fact that millions of men and women continue to live under Soviet subjugation in the occupied countries of Eastern Europe.

While the United Nations and other international bodies pass resolutions on a regular basis condemning imperialism and colonialism, they say not a word concerning the hugest colonial empire in existence at this time, that of the Soviet Union.

Why Americans believe that the Communists have, in some way, changed is difficult to understand. In a recent article in Commentary magazine, Lev Navrozov, a recent émigré from the Soviet Union, notes that many Western statesmen, diplomats, and experts are lawyers:

> And they actually imagine that societies inside which not a single law has ever been observed behave like parties to a legal dispute. Let us sign agreements with them they proclaim. True, the rulers of post-1971 Russia have broken a thousand such agreements already, but why not sign another thousand? Other statesmen, cannier perhaps, are aware of the worthlessness of such agreements, but go along anyway in order to impress the American electorate.

Among those nations whose freedom and independence has been subjugated by communism is Romania. In an appeal to the American people and leadership on the 30th anniversary of Soviet-Communist misrule, two organizations—the Truth About Romania Committee and the Committee for Family Reunion—have issued a moving statement.

These committees declare that—

> Widespread misconceptions to the contrary notwithstanding, the fundamental fact is that, a quarter of a century after the termination of World War Two, and at the end of an era in which the principle of self-determination emerged triumphant through most of the world, Romania, like other East-Central European nations, is neither free nor independent.

The committees quite properly urge that—

> In a necessary move to boost the sorely tried morale of the captive peoples, the West should stop equating the Communist regimes and the peoples under their sway.

The committees also state that—

> The free nations represented at the Soviet-instituted Helsinki conference on "European Security" should reject, as a matter of both justice and enlightened self-interest, any agreement that would sanction the Soviet-imposed political and territorial status quo in East Central Europe. They should, on the contrary, avail themselves of this opportunity to raise the denial of human rights in the eastern half of the old continent.

As the sad anniversary of the beginning of the Soviet occupation of Romania is being observed, it is important that we consider the words of these Americans of Romanian descent.

I wish to share with my colleagues the statement issued by the Truth About Romania Committee and the Committee for Family Reunion in Washington, D.C., on August 23, 1974, and insert this statement in the RECORD at this time:

ROMANIA WANTS FREEDOM—AN APPEAL TO THE AMERICAN PEOPLE AND LEADERSHIP ON THE 30TH ANNIVERSITY OF SOVIET-COMMUNIST MISRULE

On this thirtieth anniversary of the invasion and occupation of Romania by the armies and police forces of Soviet Russia, the Romanian Community in North America—Americans and Canadians of Romanian descent, as well as exiles of long and recent date—feel enjoined to bear witness once again for the continued plight of the people of their ancestral land and to articulate the rightful aspirations of their silenced compatriots at a time critical for the future of freedom in the world.

I

Widespread misconceptions to the contrary notwithstanding, the fundamental fact is that, a quarter of a century after the termination of World War II, and at the end of an era in which the principle of self-determination emerged triumphant through most of the world, *Romania*, like other East-Central European nations, is neither free nor independent.

Begotten, born and reared (into a facsimile of the Soviet model) under Soviet occupation, the present regime in Romania has never dared to seek legitimacy through free and competitive elections. Extermination of the nation's true leaders and ruthless terror, under the guidance and protective shield of Soviet power, have been for years and still are today the keys to its perpetuation.

In law, the continued existence of the Soviet-imposed communist regime in Romania is in defiance of the wartime Three Power Declaration on Liberated Europe, of article 3 of the 1947 Romanian Peace Treaty, of articles 19, 20 and 21 of the Universal Declaration of Human Rights. These provide for the right of the Romanian people to a government based on the will of the people, as expressed in periodic and genuine elections; for freedom to organize and conduct political opposition, as well as for freedom of expression, assembly and association.

The absence of political rights is compounded in the so-called Socialist Republic of Romania by the total denial of the personal safeguards and social rights set forth in the Universal Declaration. The life of every Romanian is at the mercy of a murderous Security Police which can search, arrest, detain and torture at will. The Romanian peasants, forming well over one half of the population, are still herded into the neo-serfdom of the collective farms which were imposed on them by means of a veritable warfare on a scale comparable to Stalin's infamous collectivization drives in the thirties.

The churches are strictly confined to ritual while being slowly strangled to death by severe restrictions in the training of new clerics. Writers are under perpetual harassment to produce degrading political propaganda.

In sharp contrast to the high living of the new class, the white and blue collar workers' living standards are unprecedentedly low. Stalin's policy of high priority to the heavy industry has assumed a ludicrous pattern in Romania. The only Romanian products in demand in hard-currency countries are processed and unprocessed food items. So food is snatched from under the eyes of a hungry population and exported to earn foreign exchange which, in turn, serves to pay (in addition to fleets of luxury airplanes and motorcars for the rulers) for industrial installations. The latter manufacture, above all, low quality engineering products which cannot be sold to hard currency countries. The result is that they are dumped on deferred payment or payment in soft currencies in third world countries. No wonder that Romanians consider that the main products of their economy are not goods and services but misleading statistical data.

The Ceausescu regime, increasingly addicted to a ridiculously strident personality cult, would like the free world and its own subjects to believe that the harshly repressive Stalinist despotism and the more than austere and drab living conditions prevailing in Romania represent a reasonable price to pay for the independence the nation has allegedly come to enjoy. They have been quite successful in spreading this myth in the Western World, and as a result they managed to pile up more than one billion dollars in debts to Western nations. Many commentators went so far as to espouse the absurd thesis that Stalinist despotism is a pre-requisite to the assertion of national independence in East Central Europe and should, therefore, be welcomed. In sharp contrast, the efforts to deceive the people of Romania with "independence" rhetorics and gestures have fallen on deaf ears.

Romanians know that the posture of nationalism and independence the Bucharest regime has struck in recent years is largely a substitute for real internal reforms. They realize, indeed, that a communist party composed mostly of opportunists and late-joiners has good reasons to be afraid to curb terror, to relax controls and to deviate from the Stalinist model—as was done by other East Central European regimes when they began, in recent years, to hand down to their subjects some crumbs, in the form of material improvements, less terror and a modicum of spiritual and intellectual freedom.

The people of Romania are well aware that the carefully orchestrated and amply publicized "assertions of independence" coincided with a significant shift in the European strategy of Soviet Russia, *the shift from intimidation to detente*. They were not slow in understanding that the quadruple purpose of detente was (1) to detract attention from the huge military build-up in the Soviet Union; (2) to foster a false sense of security and complacency in the West; (3) to secure the formal acquiescence of the West for the Soviet-imposed *status quo* in East Central Europe, and (4) to gain easy and massive access to Western long-range credits and technology. The Romanian people came to see that the means used to advance these purposes included promoting the view that Moscow had its hands full with the "Chinese menace", and feeding Western wishful thinking with "facts" indicating "irreversible" trends toward "desatellization" (in Romania) and "destalinization" (in other Soviet satellite states.

A new perception of communism—as an increasingly loose movement, no longer capable of cohesive action, no longer dangerous—was born in the West. And this perception has already contributed to the weakening of Western unity and willingness to maintain a level of military preparedness commensurate to the ever-growing might confronting them.

Detente, to which Ceausescu made quite a contribution, has served as a smokescreen behind which, in the last ten years, Soviet Russia moved up from a one to eight inferiority to quantitative advantage in nuclear striking power, while further increasing its superiority in conventional forces. Small wonder that Romanians do not regard Ceausescu as a Maverick but rather as the most effective Trojan Horse in the Soviet arsenal of deception.

III

Having lived so long in the "valley of sorrow", the people of Romania developed a lucid sense of the possible. Aware of the deteriorating power equation, they understand that freeing them altogether or merely helping them to attain a fair degree of enjoyment of human rights are by no means short-term tasks. They nevertheless believe that much could be done now by the free nations toward achieving two practical objectives: (a) ending political and economic assistance to their oppressors, and (b) encouraging the natural allies of the West, the people of the lands held captive by Soviet Russia.

Firstly, in a necessary move to boost the sorely tried morale of the captive peoples, the West should stop equating the communist regimes and the peoples under their sway.

Secondly, the free nations represented at the Soviet-initiated Helsinki conference on "European Security" should reject, as a matter of both justice and enlightened self-interest, any agreement that would sanction the Soviet-imposed political and territorial status quo in East Central Europe. They should, on the contrary, avail themselves of this opportunity to raise the denial of human rights in the eastern half of the old continent. The Romanian people will always challenge the right of the Soviet Union to foist its political, social and economic system upon other nations. They will never resign themselves to the forcible annexation by the Soviet imperialists of the Romanian provinces of Bessarabia, Northern Bukovina and Hertza, with their three million Romanians. This anexation was carried out on the basis of the Nazi-Soviet Pact of August 1939 and represents a flagrant violation of the right of self-determination the Soviet Union so zealously champions in other parts of the world.

Thirdly, free nations should realize that long term credits and other forms of economic help enable the communist regimes to maintain, for political reasons, inhuman, economically unworkable and bankrupt systems, like collectivized agriculture. Without such help the communist regimes might be forced, by the pressure of necessity, to give priority to economic considerations, such as dissolving or radically reforming collective farming. Developments along the above lines would be apt to strengthen the economic independence and hence the political potential of the peasantry.

Fourthly, the people of Romania would like us to voice their conviction that the most serious threat to peace comes from unbridled and power-thirsty tyrants, particularly when unrestrained by any moral law and caught in the dilemma of expanding or perishing. The main task therefore is not controlling inanimate weapons, but checking the power of despotic governments. The key to world peace is not in the non-proliferation of engines of annihilation, but in the proliferation of freedom under law. All peoples under communist rule could help in this historic task should the West stop appeasing and coddling their unchosen rulers and, instead, provide encouragement and leadership to their true friends.

Fifthly, we finally appeal to the governments of Canada and the United States on two urgent matters:

1. To initiate an investigation into the presence and activities on American soil of undercover agents of the Bucharest regime, including agents disguised as clergymen, and whose task is clearly that of generating confusion, disrupting and ultimately controlling Romanian-American communities, institutions and religious organizations;

2. To lend their assistance to American citizens or residents endeavoring to enjoy the benefit of the human right set forth in article 13(2) of the Universal Declaration of Human Rights, namely the right to be joined by their Romania-resident close relatives.

Washington, D.C., August 23, 1974.

The Truth About Romania Committee, 325 East 57 Street, #14 D, New York 10022, New York.

Committee for Family Reunion, 50 West 89 Street, New York 10025, New York.

THE INFLATION FIGHT

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. TEAGUE. Mr. Speaker, a recent editorial in the Dallas Morning News of September 13, 1974, discussed the No. 1 issue today, "inflation." The editorial provides an interesting perspective on the problem. I commend it to you, my fellow Members of Congress and the general public.

The editorial follows:

[From the Dallas Morning News, Sept. 13, 1974]

THE INFLATION "FIGHT"

No longer is inflation just a household word: It is a household worry. Never in its history, says the Gallup Poll, which began during the Depression's latter years, have so many Americans—77 percent—named the cost of living as their overarching concern.

"Trust in Government," "Watergate," "International Problems," "Energy Crisis," "Moral Decline-Lack of Religion"—none, say the pollsters, so worries the pubic as does double-digit inflation.

We are agreed, then: Something has got to be done. So is anything, in fact, being done by the entity—the federal government—most responsible for double-digit inflation? A little; not much. Worse still, indications are that less and less will get done as time goes on.

About one thing let us be plain: Doing Something does not mean Doing Something spectacular like freezing wages and prices all over again. Controls, as we very well ought to know by now, are a fraud and a failure.

No, Doing Something means Doing Something of a more gradual, yet more farsighted, nature. For example, keeping a tight rein on the money supply.

The chief cause of too-rapid currency expansion—which is the chief cause of inflation—is federal deficit spending. Accordingly, President Ford wants to cut $3 billion, and, if possible, $4 billion from the 1975 budget. But Rep. Al Ullman, chairman of the House Budget Committee, is balking. Ullman worries that Ford is unrealistic. Oh, he says, we can probably cut $3 billion—but a lot of it must come from defense spending. Ullman knows as well as anyone that the Ford administration doesn't want to undermine the nation's defenses. If he tries to meat-ax the defense budget, and not the welfare budget, it will probably mean the budget doesn't get cut at all.

Then the Senate Post Office and Civil Service Committee unanimously votes to overturn Ford's 3-month delay of a federal pay raise. Ford wants to save money; not so the Senate committee, though federal workers are even now among the country's best paid workers.

What is more, Congress is coming back into session ofter the November elections, and it will try to pass, heaven help us, a national health insurance bill costing maybe $40 billion a year. The goal, we had thought, was to cut, not multiply, federal expenditures.

But quick-fix answers, not lasting solutions, are what many of our leaders seem to desire. Take George Meany, who, at the White House the other day, proclaimed that "budget cuts, high interest rates and tight money supply are not going to work in today's inflation."

Not work? They are the only things that will work. What does Meany think tomorrow's inflation will be like if we give up on budget control and tight money? It is, of course, the unemployment rate—only 94.6 per cent of Americans are working—about which Meany is angry. He wants jobs; inflation can take care of itself. Therefore, he is putting the heat on Congress and on Ford to start inflating again.

He is a powerful man, George Meany. Legion are the congressmen who either agree with him or are intimidated by him.

But, meanwhile, what of those 77 per cent of Americans who are fed to the teeth with double-digit inflation? Do they deserve no consideration? Let us hope they are watching what goes on at present in Washington. Because if they are watching they can hardly help worrying.

QUIE AWARDED DOCTOR OF LAWS

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. ZWACH. Mr. Speaker, on May 20, 1974, my good friend and distinguished colleague, Al Quie, delivered the 110th commencement speech at Gallaudet College here in Washington. In appreciation for his tireless efforts in behalf of bettering our educational system, Mr. Quie was awarded his doctor of laws by Gallaudet's chairman of the board of directors, Dr. George E. Muth.

As a fellow Minnesotan, and former member of the Gallaudet College board of directors, I congratulate Al on receiving this award and commend him for his many years of work in the area of education.

Mr. Speaker, I submit for the Record an article that appeared in the summer 1974 Gallaudet Today magazine regarding Mr. Quie's commencement address:

ALBERT H. QUIE

In 1959, Albert H. Quie of Dennison, Minnesota, was elected to Congress as a representative of the first district of Minnesota—a district which includes the community of Faribault and the Minnesota School for the Deaf.

Now the ranking Republican member of the House Education and Labor Committee, Representative Quie is acknowledged as a leading spokesman on education in the House and has played a major role in shaping education legislation in recent years. He has sponsored legislation to expand post-secondary vocational education and assist in the development of career education programs. He has been in the forefront in shaping legislation for student aid and assistance at all educational levels. And, he was one of the main authors of the Higher Education amendments of 1972. Further, he has been active in behalf of programs for preschool and early childhood education and for educational assistance for the handicapped.

Born on September 18, 1923, Albert Quie was a Navy pilot during World War II. Following the war, he enrolled in St. Olaf College, intending to become a soil chemist. However, during his college years he began his interest in politics and after being elected president of the college Young Republican Club, he changed his major field of study to political science. He graduated from St. Olaf in 1950. Four years later, he was elected to the Minnesota State Senate. He continued to operate his dairy farm while a member of the Minnesota Senate. He served as a Minnesota Senator during both 1955 and 1957 sessions. In 1958 the Minnesota Jaycees selected him as Outstanding Young Man of the Year.

In addition to his interest in education, Congressman Quie has continued his interest in agriculture since coming to Washington. He has been actively involved in all legislation and administrative rulings affecting dairy farmers. He has served as secretary of the Board of Supervisors on the Rice County Soil Conservation District, has been a member of the Extension Board of Rice County, and president of the Rice County Farm Bureau. In 1968, Mr. Quie was awarded the degree of Honorary State Farmer for Minnesota from the Future Farmers of America.

In 1973 Representative Quie became a member of the Board of Directors of Gallaudet College. As Gallaudet's 110th Commencement speaker, he stated: "For a long period of time any help for the handicapped—for those of you considered deaf—was looked on as charity or a moral obligation, but that is changing. . . . Now it is becoming a matter of right for a person to receive an opportunity through education and training to develop to his full potential. First state laws began to be enacted. Later the federal government became involved, and as each year passes the legislation provides a little bit more help.

"You, who do have the handicap of deafness, have a responsibility yourselves to make certain that all who share in that same handicap can avail themselves of the opportunity to develop to their full potential as you have had the opportunity as you attended Gallaudet College."

Albert Quie has been recognized for his work in education by the National Education Association, the Learning Disabilities Association, the Vocational Educational Association, the Council of Exceptional Children, the National Council of Local Administrators, the Minnesota State College Board, and the Minnesota Council for Exceptional Children.

For his work on the Gallaudet College Board of Directors, his interest in the Minnesota School for the Deaf, his concern and work through his legislative efforts for handicapped children, Congressman Quie was awarded the honorary degree of Doctor of Laws by Gallaudet College.

MALPRACTICE SUITS A PERIL TO YOU, TOO

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. HUBER. Mr. Speaker, again I wish to point out the increasing problem to everyone concerned with the rapid increase in health costs, and the problem of excessive malpractice suits. As we all know, the Department of Health, Education, and Welfare has studied the problem. I have introduced bills on the problem but it remains a serious obstacle to expanding good health care to more of our citizens at a reasonable cost.

One method of avoiding such suits is to practice "defensive medicine" which consists of ordering every conceivable test in the book in order that a diagnosis is less susceptible to question. Or, as has been pointed out on other occasions, a doctor can move to a lower risk area or take the extreme step of stopping the practice of his specialty. An article in the Detroit Free Press of September 6, 1974, summarizes the problem again very well. We have even come to the point where at least one lawyer characterizes himself as a "surgery chaser." I commend this timely article to the attention of my colleagues:

MALPRACTICE SUITS A PERIL TO YOU, TOO

(By Bob Talbert)

I couldn't believe I was hearing what I was hearing.

It was a typical suburban party scene—appliqued denim and blown hairstyles. Affluence and influence.

An attorney was speaking, "You guys can stop calling me an 'ambulance chaser.' I have become a 'surgery chaser.' "

Everyone laughed.

Since no-fault driver insurance this attorney has switched from liability to malpractice.

A doctor, standing to the side, did a slow burn and moved away. "Did I hear right?" I asked him.

"Unfortunately," said the doctor, who is in general practice, "you heard right. He just got himself a nice juicy million-dollar malpractice suit under way."

My practice, which has very little to do with surgery, isn't as directly affected by 'surgery-chasers,' but the rising cost of malpractice insurance and the matching increase of malpractice suits is literally digging a grave for many surgeons, anesthesiologists, neurosurgeons, orthopedic surgeons and High Risk Specialities."

He cited one example: Anesthesiologists at Providence Hospital paid $52,000 last year for malpractice insurance; recently this was raised to $168,000.

The doctor continued: "They are faced with a couple of alternatives—move their practice to a lower risk rural area, or change their specialty. Or, they can pay the increase, double the price of their work, and subject themselves to a continual harassment of cases and the unpredictability of the judicial system. And what you and the public doesn't realize, is that you are taking it in the neck for all this. You are paying in more ways than one. You ever heard of 'defensive medicine?' "

I couldn't believe what he began to tell me. With crafty legal-eagles eyeing every opportunity to find a surgical sponge in someone's stomach, the High Risk doctors live with this nagging fear that they will be slapped with a malpractice suit, so they turn to expensive "defensive medicine."

The doctors, in order to protect themselves, order extra and often unnecessary tests and X-rays and EKGs which the patient's insurance pays for. Either way, you and I, patients and potential patients, are paying for it.

"What's developing," my doctor friend explained, "is a real war involving three groups—doctors, lawyers and insurance companies. This war is being played on a battlefield of patients. Sound dramatic? You bet, because it is dramatic and traumatic."

My doctor friend was worked up by now and I knew that his emotions were entering the story. "Okay, I agree I'm not your impartial bystander, although I'm not directly hit by high malpractice insurance rates. My profession has to face up with this problem," he said, "or we will find ourselves settling for second-class medicine. One last example: did you know that a young surgeon cannot go into practice by himself if he wanted to because to afford malpractice insurance, he has to belong to a group of surgeons."

There is a group of doctors who have had it with all-talk, no-action in this vital area of their profession. In a pioneering move not necessarily endorsed by their brothers, the Physicians Crisis Committee has finally said the buck and the bull have to stop somewhere.

These dedicated Michigan physicians are collecting hard facts and figures in three basic areas, according to Dr. Arthur Eisenbrey of Children's Hospital and chairman of the Physicians Crisis Committee.

These areas are:

1. The apparent failure of the medical profession to adequately police itself.

2. The high cost of determining fault in malpractice lawsuits. Many national studies, according to the committee findings, indicate that out of the premium dollar paid by doctors for malpractice insurance, the injured patient gets approximately 25 percent, the lawyers approximately 50 percent and insurance companies get the rest.

3. The apparent failure of the insurance industry to seek and develop innovative programs to accommodate the problem.

Dr. Charles Boyce of Hutzel and a member of the executive board of the committee says that the "blame for allowing this crisis to arise is with doctors because of our failure to rock the boat when it is necessary. This is not just a problem to talk about. We need thorough honesty throughout. We believe physicians and the public are demanding this type of honesty.

"Medicine can't go back to horse-and-buggy and mother nature practices. Medicine has to realize that Marcus Welby is what 90 percent of the public knows about the medical profession. We need to educate the public about every facet of our profession but too many times in the past, malpractice has been a no-no word because doctors didn't even like to hint they ever made mistakes. There are plenty of mistakes being made in medicine, insurance and the legal fields and we plan to bring all of this out."

I'm now going to ask my doctors if they belong to this Physicians Crisis Committee. If they say "No," then I'm going to want to know why. So should you.

COMBATING INFLATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. ASHBROOK. Mr. Speaker, rising prices continue to plague every American household. The liberal economic theories of the 1960's that stated that a little inflation was a good thing and would not lead to galloping inflation have been proven wrong. As budget deficits have grown and the national debt has mounted, inflation has soared. I have continually warned that unlimited Federal spending would lead us right to where we are.

The question is: Now that we are here what do we do about it? The answer is not great sounding words empty of content and action. Action must be taken. Some of the actions that I am advocating and taking to help bring inflation under control are:

Cut Federal spending: Federal spending must be cut if inflation is to be stopped. Unfortunately, too many in the Congress talk of economy but vote for new programs and much higher appropriations for existing programs—even though their usefulness may be unknown. The immediate goal should be a $10 billion cut in spending for fiscal year 1975. Such a reduction will not disrupt needed governmental programs but will be a start in the right direction. Federal spending can be cut. A limitation can be placed on the number of governmental officials. Additionally, cuts can be made in a number of other programs, including foreign aid. Our country simply cannot afford $304 billion budgets.

Zero budgeting: I suggest that the Congress and the Administration both start using the zero-base budget concept. Under this plan each agency and department would have to justify its whole program each year. Some will ask if that is not already done. In reality departments and agencies only are asked to justify increases in their requested authorizations and appropriations of funds. The result is that many programs continue year after year with few knowing if the program has outlived its usefulness. Over the years, programs develop their own constituencies. The constituency may be made up simply of those who administer the program. Very seldom is there movement to eliminate programs that may have become outdated.

The Federal budget has grown almost 50 percent in 4 years. If, in fact, spending, and thereby inflation, is to be controlled, the zero-base budget approach must be considered and put into practice.

Economic Policy Act of 1974: I have introduced in Congress legislation entitled the "Economic Policy Act of 1974." This legislation would require every agency of the Federal Government to include a statement of the economic impact of every recommendation or report on proposals for legislation and other Federal actions which have a significant impact on the national economy. Such statements also would mandate the consideration of adverse economic results on the rate of inflation if the proposed program was put into effect. Many programs are sold to the Congress and to the American people with little idea of future costs. The adoption of the Economic Policy Act of 1974 will make tomorrow's costs part of today's consideration of new policies and programs.

Little thought was given to the impact of the great increases in governmental spending of the 1960's and 1970's on the overall national economic picture. I was one of the few to ask how such new spending schemes were to be financed. The answer was and is deficit spending and the high rate of inflation. Economic impact statements are a method by which the Federal Government can be honest with the public.

Halt to new programs: A halt should be placed on new Federal programs except those whose cost or harmful impact on the economy is counteracted by the terminating or modifying of existing programs.

Tax reform: The Internal Revenue Code should be reformed in order that investment and savings would be encouraged. The present law works against both investment and savings. Those existing provisions should be changed.

Change budgetary procedures: The Federal budget should be changed in order that all Federal expenditures are included. To accomplish this some changes will be needed in existing laws. The new Committee on the Budget in both the House of Representatives and the Senate should take into consideration the totality of Federal spending.

These proposals and those that I suggested last week will make a difference. There are a number of other activities that the Federal Government should pursue also including the Federal Reserve providing for stable monetary growth. Action on these proposals will start us on the road to controlling the ravages of inflation. The increasing cost of living can be turned around but it will take action. These suggestions will provide the framework for a policy of prosperity without inflation.

HOUSE OF REPRESENTATIVES—*Thursday, September 19, 1974*

The House met at 12 o'clock noon.

Father Robert Banome, St. Joseph's Church, Bronx, N.Y., offered the following prayer:

O God, Creator and Lord of all the universe, from the very beginning of man's presence on this Earth, You have equipped him with the wisdom and strength to share in Your creative power. Making him a little less than the angels, You have extended to him the honor of making an old world ever new.

While this great privilege should evoke in every human person a sense of wonder and thanksgiving, we also know that it should make us profoundly aware of the awesome and frightening responsibility that is ours.

O Father, take our hands and by Your Holy Spirit guide us all, especially the men and women of the House of Representatives. Inspire them to make our great Nation a light to all the people of the world, not by its display of arrogance or power or material wealth, but rather by its sincere practice of justice, its pursuit of truth and its willingness to share what it has with the whole world. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 210. An act to authorize the establishment of the Boston National Historical Park in the Commonwealth of Massachusetts; and

S. 3301. An act to amend the act of October 27, 1972 (Public Law 92-578).

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3234. An act to authorize a vigorous Federal program of research, development, and demonstration to assure the utilization of solar energy as a viable source for our national energy needs, and for other purposes;

S. 3341. An act to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes; and

S. 3879. An act to amend the Mineral Leasing Act of 1920, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 11541. An act to amend the National Wildlife Refuge System Administration Act of 1966 in order to strengthen the standards under which the Secretary of the Interior may permit certain uses to be made of areas within the system and to require payment of the fair market value of rights-of-way or other interests granted in such areas in connection with such uses;

H.R. 11559. An act to place certain submerged lands within the jurisdiction of the governments of Guam, the Virgin Islands, and American Samoa, and for other purposes; and

H.R. 15580. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1975, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 15580) entitled "An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1975, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MAGNUSON, Mr. STENNIS, Mr. BIBLE, Mr. ROBERT C. BYRD, Mr. PROXMIRE, Mr. MONTOYA, Mr. HOLLINGS, Mr. EAGLETON, Mr. MCCLELLAN, Mr. COTTON, Mr. CASE, Mr. FONG, Mr. BROOKE, Mr. STEVENS, Mr. SCHWEIKER, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3164) entitled "An act to provide for greater disclosure of the nature and costs of real estate settlement services, to eliminate the payment of kickbacks and unearned fees in connection with settlement services provided in federally related mortgage transactions, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. PROXMIRE, Mr. WILLIAMS, Mr. CRANSTON, Mr. TOWER, Mr. BROOKE, and Mr. BROCK to be the conferees on the part of the Senate.

FATHER ROBERT BANOME

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, I am proud that the prayer today was offered by a remarkable priest from my district, Father Robert Banome. He graduated from the St. Joseph Seminary, Dunwoodie in Yonkers, served 7 years in East Harlem, N.Y., and has been for 11 years the pastor of St. Joseph's Church on Bathgate Avenue in the Bronx..

A year ago I had the privilege of attending the celebration of the 100th anniversary of that church. Present was His

Eminence Cardinal Cooke, who told of the astonishing job Father Banome had done in literally saving this church from going under. It is in a transitional area, an area now inhabited increasingly by very poor people. Father Banome has done wonders, not only in preserving the church, but in building up related activities in the community, such as senior citizens programs, a drug-free program for youngsters, manpower training programs, and so on.

I have personally witnessed the extent to which Father Banome, in addition to providing leadership, gets into the work himself with his sleeves rolled up.

For example, I had the privilege of attending a Thanksgiving Day dinner for over 100 senior citizens at his center: I found Father Banome in the kitchen helping with the preparation of the meal.

So we in the Bronx are very happy to have such a spiritual leader and such a marvelous human being in our community. I am pleased that he was able to be with us here in the House of Representatives today to offer such an inspiring prayer.

APPOINTMENT OF CONFEREES ON H.R. 15580, APPROPRIATIONS FOR HEW AND RELATED AGENCIES FOR FISCAL YEAR ENDING JUNE 30, 1975

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 15580) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1975, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none and appoints the following conferees: Messrs. FLOOD, NATCHER, SMITH of Iowa, CASEY of Texas, PATTEN, OBEY, Mrs. GREEN of Oregon, Messrs. MAHON, MICHEL, SHRIVER, CONTE, ROBINSON of Virginia, and CEDERBERG.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on a joint resolution making further continuing appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

A $4.9 BILLION CUT FROM DEFENSE APPROPRIATIONS

(Mr. VANDER VEEN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. VANDER VEEN. Mr. Speaker, last night, before midnight, the conferees on H.R. 16243, defense appropriations for fiscal year 1975, filed their report. I was aware that unanimous consent would be sought by Chairman MAHON to file the report, and I did not object to his request.

Tuesday afternoon I distributed a "Dear Colleague" letter to the House, reaffirming my determination to make a privileged motion to instruct the House conferees to accept from both versions of the bill, the lower dollar figure for each line item.

After declaring my intentions to make such a motion, I discussed the matter with several House Members of the conference. I feel that these discussions, plus the possibility of a record vote on my motion, may have had the effect of helping lower the dollar amount which might have been reported otherwise.

My motion would have been in order and could have been made yesterday, September 18. The conferees had not yet filed a report. However, in discussion with the Speaker, I stated I would not initiate the motion since it could possibly lead to a rollcall vote and it was understood that rollcalls would not be held during the Jewish high holidays.

Mr. Speaker, I have studied the conference report on defense appropriations. While it certainly is not all I would like to see, it does cut almost $5 billion from the budget request. The dollar figure is $82 billion—down almost $900 million from the House bill. More, certainly, could and should be done. However, there will be further opportunities to reduce military and other spending.

It is my understanding that one of the conferees may decide to offer a motion to recommit. Depending on the particulars of his instruction, I may support such a motion, particularly if it contains mention of the $278 million savings contained in the instruction of the original Vander Veen motion.

I appreciate the phone calls of support from Members for my proposed motion. Time, the parliamentary situation, and circumstances beyond our control, have served to forestall our effort this time. However, valuable lessons have been learned and there will be a next time.

EMERGENCY LIVESTOCK CREDIT BILL

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, my colleagues undoubtedly recall that in July of this year we rushed through the House the emergency livestock credit bill for $2 billion in order to save the cattle industry. The bill passed by six votes.

As you also know, I led the opposition to this bill stating that it would accomplish nothing for the real cattle producer and merely drain our Treasury of $2 billion and bail out the banks. After 6 weeks, according to the Agriculture Department this morning, only 32 loans have been made nationally for a total of $4,613,398—less than one-half of 1 percent of the money that we rushed to authorize in order to "save" the cattle industry. It is obvious we were duped.

I visited this morning with a number of cattlemen from Texas who told me this program was useless and that their desperate needs had in no way been answered by this program. At a later time I will discuss how the major chain markets have an absolute control now over the beef industry and are using it to their own advantage and not to the advantage of the producer or the consumer.

EMMET KAY IS BACK—BUT WHAT ABOUT OUR MIA'S?

(Mr. HUBER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBER. Mr. Speaker, it was good to learn that our last known POW in Southeast Asia, Emmet Kay, was released yesterday. But how do we know for certain that the matter ends there?

There has never been any real accounting for our MIA's in Laos. When will the Pathet Lao and North Vietnamese provide some concrete information on that score? At this time when the President's amnesty plan is front page news, we must not permit the MIA issue to die of neglect or be obscured by the seemingly very quiet situation in Laos. Americans were shot down in Laos. Americans died in Laos. We should remind ourselves of that fact and show our concern.

Until we have a satisfactory accounting for our missing men there, the nagging suspicion will always be present that some Americans may still be alive in a remote corner of that land. Worse than that, if we in the Congress do not continue our interest in the issue, we will have let our fighting men down and signal to the Communist nations in Asia that we do not care enough to continue to insist on the accounting for our MIA's.

DEFICIT SPENDING IS THE CAUSE OF INFLATION

(Mr. LANDGREBE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANDGREBE. Mr. Speaker, the issue in my Second District of Indiana is inflation. My constituents are worried, they are angry, they are confused.

How is it possible, they ask me, that we have reduced the cost of the Vietnam war by over $30 billion, yet this Congress, through irresponsible spending, continues to increase our national debt at a rate of more than $30 billion per year since 1970?

Deficit spending is the irrefutable cause of inflation. If we are to restore the confidence of our citizens in this body we must balance our budget during this era of peace and prosperity and I can think of no better place to begin than right here in Congress. In fact, this Congress has flatly refused to be fiscally responsible.

Therefore, Mr. Speaker, I have today introduced a bill calling for an immediate 10-percent reduction in the salaries of all Members of Congress, of all congressional staff allowances, and of all permanent committee staff allowances, and a 10-percent across-the-board reduction in the fiscal 1975 appropriations for the legislative branch.

While some will protest that this is an impossible goal to meet, I tell you Mr. Speaker, that I have consistently held expenditures for my staff to about 80 percent of the total amount allowed while representing a geographically large and very active and complex district.

This proposal is realistic, it is possible, it will save approximately $70 million annually and it will go a long way toward restoring confidence in Government.

Charity, Mr. Speaker, begins at home; and so does fiscal responsibility.

ENDORSEMENT OF SOLAR ENERGY AS AN ALTERNATE ENERGY SOURCE

(Mr. ABDNOR asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. ABDNOR. Mr. Speaker, as a cosponsor of H.R. 16321 which is very similar to the bill, H.R. 16371, which is coming before us today, I strongly endorse this legislation. This bill is designed to provide interagency coordination to insure a well-managed solar energy research and development program. With America's increasing demand for more and more energy, and with foreign countries' demand for unreasonably higher and higher prices for oil, it is necessary that the Government encourage commercial development of alternate energy sources such as solar energy.

My State of South Dakota is known as the Sunshine State, and we are very interested in the many possible applications for solar energy in our State. On June 20, 1974, the First Annual Governor's Seminar and Technical Display on Science and Technology which focused on solar energy was held. At my urging, staff members of the Public Works Subcommittee on Energy, of which I am a member, attended that seminar.

I am proud to say that the seminar was very successful. The feasibility and mechanics of the satellite solar power station were extensively reviewed by Dr. P. E. Glaser of Arthur D. Little, Inc., of Cambridge, Mass. The essence of this project would be to convert solar energy to microwaves which would then be beamed to Earth to produce power.

These and many other potential projects need the provisions contained in this bill to encourage further research, development, and implementation of solar energy projects.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 15404, APPROPRIATIONS FOR DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES

Mr. SLACK. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill (H.R. 15404) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

CONFERENCE REPORT (H. REPT. NO. 93–1370)

The Committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15404) "making appropriations for the Departments of State, Justice, and Commerce, The Judiciary, and Related Agencies for the fiscal year ending June 30, 1975, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 23 and 27.

That the House recede from its disagreement to the amendments of the Senate numbered 9, 12, 13, 15, 17, 20, 25, 26, 29, 36, and 38. and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,350,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$54,000,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,400,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the matter proposed by said amendment insert "three hundred and seventy five"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$175,850,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$27,690,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$58,750,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$11,250,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$61,400,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,100,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,594,000"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,500,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$53,597,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$85,415,000"; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$327,500,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$218,462,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 5, 10, 11, 18, 19, 24, 28, and 33.

JOHN J. ROONEY,
JOHN M. SLACK,
NEAL SMITH,
JOHN J. FLYNT,
ROBERT L. F. SIKES,
GEORGE MAHON,
ELFORD A. CEDERBERG,
MARK ANDREWS,
WENDELL WYATT,
Managers on the part of the House.
JOHN O. PASTORE,
JOHN L. MCCLELLAN,
MIKE MANSFIELD,
FRITZ HOLLINGS,
WARREN G. MAGNUSON,
THOMAS F. EAGLETON,
J. W. FULBRIGHT,
ROMAN L. HRUSKA,
HIRAM L. FONG,
EDWARD W. BROOKE,
NORRIS COTTON,
MILTON YOUNG,
Managers on the part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the Bill (H.R. 15404) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—DEPARTMENT OF STATE

International organizations and conferences

Amendment No. 1: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriating $5,658,000 for the "International Commission of Control and Supervision" in Vietnam, to be available only upon the enactment of authorizing legislation.

International commissions

American Sections, International Commissions

Amendment No. 2: Appropriates $1,350,000 instead of $1,300,000 as proposed by the House and $1,370,000 as proposed by the Senate.

Educational Exchange

Mutual Educational and Cultural Exchange Activities

Amendment No. 3: Appropriates $54,000,000 instead of $53,000,000 as proposed by the House and $55,000,000 as proposed by the Senate.

Center for Cultural and Technical Interchange Between East and West

Amendment No. 4: Appropriates $7,400,000 instead of $7,200,000 as proposed by the House and $7,414,000 as proposed by the Senate.

TITLE II—DEPARTMENT OF JUSTICE

Legal activities and general administration

Salaries and Expenses, General Legal Activities

Amendment No. 5: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate making not to exceed $30,000 available for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on his certificate.

Immigration and Naturalization Service

Salaries and Expenses

Amendment No. 6: Permits the purchase of not to exceed 375 motor vehicles instead of 350 as proposed by the House and 400 as proposed by the Senate.

Amendment No. 7: Appropriates $175,850,000 instead of $175,350,000 as proposed by the House and $176,350,000 as proposed by the Senate. The conferees are agreed that all of the additional positions allowed are for the Border Patrol only.

Federal prison system

Buildings and Facilities

Amendment No. 8: Appropriates $27,690,000 instead of $53,200,000 as proposed by the House and $13,850,000 as proposed by the Senate. The increase of $13,840,000 over the Senate amount consists of $11,290,000 for construction of a Southeast Youth Center, and $2,550,000 for planning and site acquisition for a Northeast Adult Complex. The conferees are agreed that upon selection of sites for the Northeast Youth Complex, consideration will be given in a supplemental bill to requests for construction funds.

Support of U.S. Prisoners

Amendment No. 9: Appropriates $26,200,000 as proposed by the Senate instead of $24,700,000 as proposed by the House.

Amendment No. 10: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate providing that not to exceed $1,500,000 shall be available for expenses incurred in fiscal year 1974.

General provisions—Department of Justice

Amendment No. 11: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which places a dollar ceiling on reimbursement by the District of Columbia to the United States for expenditures of the offices of the U.S. attorney and the U.S. marshal for the District of Columbia.

TITLE III—DEPARTMENT OF COMMERCE

General administration

Salaries and expenses

Amendment No. 12: Appropriates $10,200,000 as proposed by the Senate instead of $9,800,000 as proposed by the House.

Social and Economic Statistics Administration

Periodic Censuses and Programs

Amendment No. 13: Appropriates $22,250,000 as proposed by the Senate instead of $23,000,000 as proposed by the House.

Domestic and International Business Administration

Operations and Administration

Amendment No. 14: Appropriates $58,750,000 instead of $58,500,000 as proposed by the House and $59,000,000 as proposed by the Senate.

Minority business enterprise

Minority Business Development

Amendment No. 15: Appropriates $52,000,000 as proposed by the Senate instead of $53,000,000 as proposed by the House.

U.S. Travel Service

Salaries and Expenses

Amendment No. 16: Appropriates $11,250,000 instead of $11,500,000 as proposed by the House and $11,000,000 as proposed by the Senate.

National Oceanic and Atmospheric Administration

Operations, Research, and Facilities

Amendment No. 17: Appropriates $434,300,000 as proposed by the Senate instead of $436,300,000 as proposed by the House.

Amendment No. 18: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that $500,000 of the appropriation shall be made available to certain fisheries commissions.

Amendment No. 19: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides for merging certain funds in the Special Energy Research and Development Appropriation Act, 1975, with the regular appropriation.

National Bureau of Fire Prevention

Operations, Research, and Administration

Amendment No. 20: Appropriates $6,000,000 as proposed by the Senate instead of $7,000,000 as proposed by the House.

Science and technical research

Scientific and Technical Research and Services

Amendment No. 21: Appropriates $61,400,000 instead of $60,400,000 as proposed by the House and $62,150,000 as proposed by the Senate. The increase of $1,000,000 over the House amount consists of $500,000 for computer science and technology, $250,000 for safety research on radioactive materials and x-ray equipment, and $250,000 for replacement of general laboratory equipment.

Amendment No. 22: Provides that not to exceed $2,100,000 may be transferred to the "Working Capital Fund" instead of $1,850,000 as provided by the House and $2,350,000 as proposed by the Senate.

Maritime Administration

Ship Construction

Amendment No. 23: Appropriates $275,000,000 as proposed by the House instead of $260,000,000 as proposed by the Senate.

General provisions—Department of Commerce

Amendment No. 24: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate making the availability of funds appropriated for the Maritime Administration contingent upon the enactment of authorizing legislation.

TITLE IV—THE JUDICIARY

Supreme Court of the United States

Care of the Building and Grounds

Amendment No. 25: Appropriates $687,300 as proposed by the Senate instead of $669,300 as proposed by the House.

Courts of appeals, district courts, and other judicial services

Salaries of Supporting Personnel

Amendment No. 26: Appropriates $101,822,000 as proposed by the Senate instead of $101,800,000 as proposed by the House.

Amendment No. 27: Limits aggregate salaries for secretaries and law clerks appointed by chief circuit judges to $71,093 as proposed by the House instead of $83,596 as proposed by the Senate.

Amendment No. 28: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment providing that the chief judge of each circuit may appoint a senior law clerk to the court at not to exceed $30,000 per annum, without regard to stated limitations on aggregate salaries. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Travel and Miscellaneous Expenses

Amendment No. 29: Appropriates $15,100,000 as proposed by the Senate instead of $15,200,000 as proposed by the House.

TITLE V—RELATED AGENCIES

Commission on the Organization of the Government for the Conduct of Foreign Policy

Salaries and Expenses

Amendment No. 30: Appropriates $1,594,000 instead of $1,250,000 as proposed by the House and $1,594,900 as proposed by the Senate.

Equal Employment Opportunity Commission

Salary and Expenses

Amendment No. 31: Provides not to exceed $3,500,000 for payments to State and local agencies instead of $2,500,000 as proposed by the House and $4,500,000 as proposed by the Senate.

Amendment No. 32: Appropriates $53,597,000 instead of $52,347,000 as proposed by the House and $54,847,000 as proposed by the Senate.

Marine Mammal Commission

Salaries and Expenses

Amendment No. 33: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $750,000 instead of $600,000 as proposed by the House and $900,000 as proposed by the Senate. In addition, the amendment will provide that, notwithstanding section 207 of Public Law 92-522, not to exceed $300,000 may be used for administrative expenses.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Small Business Administration

Salaries and Expenses

Amendment No. 34: Provides for the transfer of not to exceed $85,415,000 from the revolving funds instead of $84,650,000 as proposed by the House and $86,180,000 as proposed by the Senate.

Business Loan and Investment Fund

Amendment No. 35: Appropriates $327,500,000 instead of $328,000,000 as proposed by the House and $327,000,000 as proposed by the Senate.

Disaster Loan Fund

Amendment No. 36: Appropriates $90,000,000 as proposed by the Senate instead of $91,000,000 as proposed by the House.

U.S. Information Agency

Salaries and Expenses

Amendment No. 37: Appropriates $218,462,000 instead of $19,668,000 as proposed by the House and $216,462,000 as proposed by the Senate.

Salaries and Expenses (Special Foreign Currency Program)

Amendment No. 38: Appropriates $8,377,000 as proposed by the Senate instead of $8,700,000 as proposed by the House.

Conference total—With comparisons

The total new budget (obligational) authority for the fiscal year 1975 recommended by the Committee of Conference with comparisons to the fiscal year 1974 amount, the 1975 budget estimate, and the House and Senate bill for 1975 follows:

New budget (obligational) authority, fiscal year 1974	$4,717,997,300
Budget estimates of new (obligational) authority, fiscal year 1975	[1] 5,452,799,600
House bill, fiscal year 1975	5,311,454,100
Senate bill, fiscal year 1975	5,262,502,000
Conference agreement	5,290,157,100
Conference agreement compared with—	
New budget (obligational) authority, fiscal year 1974	+572,159,800
Budget estimates of new (obligational) authority, fiscal year 1975	−162,642,500
House bill, fiscal year 1975	−21,297,000
Senate bill, fiscal year 1975	+27,655,100

[1] Includes $40,990,000 in budget amendments not considered by the House.

JOHN J. ROONEY,
JOHN M. SLACK,
NEAL SMITH,
JOHN J. FLYNT,
ROBERT L. F. SIKES,
GEORGE MAHON,
ELFORD A. CEDERBERG,
MARK ANDREWS,
WENDELL WYATT,
Managers on the Part of the House.

JOHN O. PASTORE,
JOHN L. MCCLELLAN,
MIKE MANSFIELD,
FRITZ HOLLINGS,
WARREN G. MAGNUSON,
THOMAS F. EAGLETON,
J. W. FULBRIGHT,
ROMAN L. HRUSKA,
HIRAM L. FONG,
EDWARD W. BROOKE,
NORRIS COTTON,
MILTON YOUNG,
Managers on the Part of the Senate.

SOLAR ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1974

Mr. TEAGUE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 16371) to further the conduct of research, development, and demonstrations in solar energy technologies, to establish a solar energy coordination and management project, to provide for scientific and technical training in solar energy, to establish a Solar Energy Research Institute, to provide for the development of suitable incentives to assure the rapid commercial utilization of solar energy, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 16371, with Mr. ROUSH in the chair as Chairman pro tempore.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee rose on yesterday, the Clerk had read through the first section, ending on page 1, line 4, of the bill.

If there are no amendments to this section, the Clerk will read.

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open for amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The remainder of the bill is as follows:

FINDINGS

SEC. 2. The Congress hereby finds that—

(1) the needs of a viable society depend on an ample supply of energy;

(2) the current imbalance between supply and demand for fuels and energy is likely to persist for some time;

(3) the demands on nonrenewable sources of energy are rapidly becoming unacceptably large and must be augmented;

(4) solar energy offers a nonpolluting, inexhaustible source of energy available for the benefit of all mankind;

(5) insofar as practical utilization is concerned, the various solar energy technologies today are at widely differing stages of development, with some already near the stage of commercial application and others still requiring basic research;

(6) the early development and export of viable equipment utilizing solar energy, consistent with the established preeminence of the United States in the field of high technology products, can make a valuable contribution to our balance of trade;

(7) the mass production and use of equipment utilizing solar energy will help to eliminate the dependence of the United States upon foreign energy sources and promote the national defense;

(8) the national effort in research, development, and demonstration activities relating to the utilization of solar energy has been extremely limited; and

(9) the resources of the Federal Government must supplement those of private industry in research, development, and demonstration of solar energy technologies.

POLICY

SEC. 3. The Congress declares that it is the policy of the United States to pursue a vigorous and adequately funded program of resource assessment, research and development, and demonstrations with the objective of utilizing solar energy as a major source for our national energy supply.

DEFINITIONS

SEC. 4. For purposes of this Act—

(1) The term "solar energy" means energy which has recently originated in the Sun. It includes direct and indirect solar radiation and intermediate solar energy forms such as wind, ocean thermal gradients, products of photosynthetic processes, organic wastes, and others.

(2) The term "byproducts" includes, with respect to any solar energy technology or process, any solar energy products (including energy forms) other than those associated with or constituting the primary product of such technology or process.

(3) The term "insolation" means the rate at which solar energy is received at the surface of the earth.

(4) The term "Project" means the Solar Energy Coordination and Management Project established by section 5.

SOLAR ENERGY COORDINATION AND MANAGEMENT PROJECT

SEC. 5. (a) There is hereby established the Solar Energy Coordination and Management Project.

(b) (1) The Project shall be composed of six members as follows:

(A) one appointed by the President;

(B) an Assistant Director of the National Science Foundation;

(C) an Assistant Secretary of Housing and Urban Development;

(D) a member of the Federal Power Commission;

(E) an Associate Administrator of the National Aeronautics and Space Administration; and

(F) the General Manager of the Atomic Energy Commission.

(2) The President shall designate one member of the Project to serve as Chairman of the Project.

(c) The Project shall have overall responsibility for the provision of effective management and coordination with respect to a national solar energy research, development, and demonstration program, including—

(1) the demonstration and evaluation of the resource base, including its temporal and geographic characteristics;

(2) research and development on solar energy technologies; and

(3) the demonstration of appropriate solar energy technologies.

(d) (1) The Project shall carry out its responsibilities under this section in cooperation with the following Federal agencies:

(A) the National Science Foundation, the responsibilities of which shall include basic and applied research and overall funding;

(B) the National Aeronautics and Space Administration, the responsibilities of which shall include the provision of management capability and the development of technologies;

(C) the Atomic Energy Commission, the responsibilities of which shall include the development of technologies;

(D) the Department of Housing and Urban Development, the responsibilities of which shall include fostering the utilization of solar energy for the heating and cooling of buildings; and

(E) the Federal Power Commission, the responsibilities of which shall include fostering the utilization of solar energy for the generation of electricity and for the production of synthetic fuels.

(2) Upon request of the Project, the head of any such agency is authorized to detail or assign, on a reimbursable basis or otherwise, any of the personnel of such agency to the Project to assist it in carrying out its responsibilities under this Act.

(e) The Project shall have exclusive authority with respect to the establishment or approval of programs or projects initiated under this Act, except that the agency involved in any particular program or project shall be responsible for the operation and administration of such program or project.

(f) The National Aeronautics and Space Administration is authorized to undertake and carry out those programs assigned to it by the Project.

RESOURCE DETERMINATION AND ASSESSMENT

SEC. 6. (a) The Chairman shall initiate a solar energy resource determination and assessment program with the objective of making a regional and national appraisal of all solar energy resources, including data on isolation, wind, ocean thermal gradients, and potentials for photosynthetic conversion. The program shall emphasize identification of promising areas for commercial exploitation and development. The specific goals shall include—

(1) the development of better methods for predicting the availability of all solar energy resources, over long time periods and by geographic location;

(2) the development of advanced meteorological, oceanographic, and other instruments, methodology, and procedures necessary to measure the quality and quantity of all solar resources on periodic bases;

(3) the development of proposed agreements and programs with other countries to facilitate the exchange of information and data relating to solar energy resource assessment; and

(4) the development of activities, arrangements, and procedures for the collection, evaluation, and dissemination of information and data relating to solar energy resource assessment.

(b) The Chairman, acting through the National Aeronautics and Space Administration, the National Oceanic and Atmospheric Administration, and other appropriate agencies, shall—

(1) develop and carry out a general plan for inventorying all forms of solar energy resources associated with Federal lands and (consistent with property rights) non-Federal lands;

(2) conduct regional surveys based upon such general plan, using innovative meteorological, oceanographic and space-related techniques, in sufficient numbers to lead to a national inventory of solar energy resources in the United States;

(3) publish and make available maps, reports, and other documents developed from such surveys to encourage and facilitate the commercial development of solar energy resources; and

(4) make such recommendations for legislation as may appear to be necessary to establish a Federal leasing policy for solar resources (including public lands and waterways to be devoted to the collection of direct or indirect solar radiation or to the utilization of photosynthetic processes) consistent with known inventories of various resource types, with the state of technologies for solar energy development, and with evaluation of the environmental impacts of such development.

RESEARCH AND DEVELOPMENT

SEC. 7. (a) The Chairman shall initiate a research and development program for the purpose of resolving the major technical problems inhibiting commercial utilization of solar energy in the United States.

(b) In connection with or as a part of such program, the Project shall insure the conduct of—

(1) basic research in all aspects of solar energy in order that basic limitations are better understood and ultimate potentials realized, and in order that significant practical applications can be made to national energy requirements;

(2) systems, economic, social, and environmental studies to provide a basis for research and development planning and phasing;

(3) technology assessments relevant to the utilization of solar energy; and

(4) coordinated development of the means for utilizing the solar energy resource base, including any byproducts of such base, with specific attention being directed to—

(A) the improvement of technical capability to predict environmental impacts resulting from the development of solar energy resources, and the assuring of compliance with applicable standards and performing criteria;

(B) the identification of social, legal, and economic problems associated with solar energy development (locally, regionally, and nationally) for the purpose of developing and providing a framework of policy alternatives for the commercial utilization of solar energy resources; and

(C) the development of agreements and programs with other countries to facilitate the exchange of information and to support cooperative research and development programs relating to solar energy.

(c) The specific solar energy technologies to be addressed or dealt with in the program shall include—

(1) solar heating and cooling of housing and of commercial and public buildings;

(2) direct solar heat as a source for industrial processes, including the utilization of low level heat for process and other industrial purposes;

(3) thermal energy conversion, and other methods, for the generation of electricity and the production of chemical fuels;

(4) the conversion of cellulose and other organic materials (including wastes) to useful energy or fuels;

(5) photovoltaic and other direct conversion processes;

(6) sea thermal power conversion;

(7) windpower conversion; and

(8) energy storage.

DEMONSTRATION

SEC. 8. (a) The Chairman may initiate a program to design and construct, in each of the specific solar energy technologies referred to in section 7(c), facilities or powerplants of sufficient size to demonstrate the technical and economic feasibility of utilizing the various forms of solar energy. The specific goals of such program shall include—

(1) the development of economical solar heating and cooling systems and components which meet performance and environmental standards;

(2) the design and construction of solar thermal electric powerplants;

(3) the design and construction of electric powerplants utilizing direct conversion processes;

(4) the design and construction of electric powerplants utilizing windpower;

(5) the evaluation of designs (and construction, if feasible) of plants generating electricity utilizing ocean thermal gradients;

(6) the design and construction of plants utilizing organic materials (including wastes) to produce electricity or synthetic fuels;

(7) the utilization of all thermal and other byproducts from any of the plants referred to in the preceding paragraphs;

(8) the design and development of hybrid systems involving the concomitant use of solar and other energy sources;

(9) the continuous operation of such plants for a period of time; and

(10) the provision of experimental test beds for component testing and evaluation.

(b)(1) In carrying out his responsibilities under this section, the Chairman may provide for the establishment of one or more demonstration projects utilizing each form of solar energy, which shall include, as appropriate, the specific research, development, pilot plant construction and operation, demonstration plant construction and operation, and other facilities and activities which may be necessary for the generation of electric energy, the heating and cooling of buildings, the production of synthetic fuels, and the utilization of byproducts.

(2) Plants and other real property utilized or involved in any demonstration project under this section may be purchased, leased, constructed, or otherwise established or obtained by the Chairman through the appropriate Federal agencies. Such agencies may obtain such plants and other real property under appropriate contracts or arrangements with other public or private persons or agencies.

(3)(A) During the conduct of any demonstration project under this section the agency designated by the Chairman to conduct such project shall take such steps as may be necessary to dispose of all of the electric energy and other byproducts of such project, in such manner and on such terms and conditions as such agency may determine to be feasible and in support of the objectives of this Act.

(B) To the maximum extent possible the disposition of byproducts under paragraph (1) shall be accomplished through the sale of such byproducts for commercial utilization, on such terms and conditions and in accordance with such plans as such agency may prescribe or develop.

(c) The Chairman, acting through the appropriate Federal agencies, is authorized to investigate and enter into agreements with non-Federal entities for the cooperative development of facilities to demonstrate the production of energy from solar resources.

(d) At the conclusion of the program under this section or as soon thereafter as may be practicable, the responsible Federal agencies shall, by sale, lease, or otherwise, dispose of all Federal property interests which they have acquired pursuant to this section on such terms and conditions as such agencies determine to be reasonable, or in accordance with the terms of the cooperative agreements involved.

(e) In selecting solar energy technologies for demonstration under this section, preference shall be given to those with the best opportunity for commercial success and environmental acceptability.

SCIENTIFIC AND TECHNICAL EDUCATION

SEC. 9. (a) It is the policy of the Congress to encourage the development and maintenance of programs through which there may be provided the necessary trained personnel to perform required solar energy research, development, and demonstration activities under sections 6, 7, and 8.

(b) The National Science Foundation is authorized to support programs of education in the sciences and engineering to carry out the policy set forth in subsection (a). Such support may include fellowships, traineeships, technical training programs, technologist training programs, and summer institute programs.

(c) The National Science Foundation is authorized and directed to coordinate its actions, to the maximum extent practicable, with the Project or any permanent Federal organization or agency having jurisdiction over the energy research and development functions of the United States, in determining the optimal selection of programs of education to carry out the policy set forth in subsection (a).

(d) The National Science Foundation is authorized to encourage, to the maximum extent practicable and consistent with the other objectives of this Act, international participation and cooperation in the development and maintenance of programs of education to carry out the policy set forth in subsection (a).

SOLAR ENERGY RESEARCH INSTITUTE

SEC. 10. (a) There is established a Solar Energy Research Institute, which shall perform such research, development, and related functions as the Chairman of the Project may determine to be necessary or appropriate in connection with the Project's activities under this Act or to be otherwise in furtherance with the purpose and objectives of this Act.

(b) The Institute may be located (as designated by the Chairman of the Project) at any new or existing Federal laboratory (including a non-Federal laboratory performing functions under a contract entered into with the Project or with any of the agencies represented in the Project as well as a laboratory whose personnel are Federal employees).

SOLAR ENERGY TECHNOLOGY UTILIZATION

Sec. 12. (a) (1) In carrying out his functions under this Act the Chairman of the Project, utilizing the capabilities of the National Science Foundation, the National Aeronautics and Space Administration, the Department of Commerce, the Atomic Energy Commission, and other appropriate Federal agencies to the maximum extent possible, shall establish and operate a Solar Energy Information Data Bank (hereinafter in this subsection referred to as the "bank") for the purpose of collecting, reviewing, processing, and disseminating information and data in all of the solar energy technologies referred to in section 7(c) in a timely and accurate manner in support of the objectives of this Act.

(2) Information and data compiled in the bank shall include—

(A) technical information (reports, journal articles, dissertations, monographs, project descriptions, etc.) on solar energy research, development, and applications;

(B) similar technical information on the design, construction, and maintenance of equipment utilizing solar energy;

(C) physical and chemical properties of materials required for solar energy activities and equipment; and

(D) engineering performance of equipment and devices utilizing solar energy.

(3) In accordance with regulations prescribed under section 13, the Chairman shall provide retrieval and dissemination services with respect to the information described under paragraph (2) for—

(A) Federal, State, and local government organizations that are active in the area of energy resources (and their contractors);

(B) universities and colleges in their related research and consulting activities; and

(C) the private sector upon request in appropriate cases.

(4) In carrying out his functions under this subsection, the Chairman shall utilize, when feasible, the existing data base of scientific and technical information in Federal agencies, adding to such data base any information described in paragraph (2) which does not already reside in such base. He shall coordinate or merge this data bank with other Federal energy information data banks as necessary to assure efficient and effective operation.

(b) The Chairman of the Project shall establish a solar energy incentives task force comprised of such individuals and organizations as he may consider appropriate to carry out the following functions: (1) report to the President and the Congress within one hundred and twenty days following the date of the enactment of this Act, and at least annually thereafter, recommendations for a viable program of specified, time limited, incentives or modifications to existing or proposed incentive programs to accelerate the commercial application and consumer utilization of solar energy technology; (2) carry on a program of research and investigation into the barriers to innovation in the field of solar energy, the barriers to the acceleration of the commercial application of solar energy technology, and the programs needed to remove such barriers; and (3) carry on a program of research and investigation into the social, legal, and economic barriers to the full public acceptance and utilization of solar energy technology.

(c) The Chairman of the Project shall enter into such arrangements and take such other steps as may be necessary or appropriate to provide for the effective coordination of solar energy technology utilization with all other technology utilization programs within the Federal Government.

REPORTING REQUIREMENTS

Sec. 12. Each Federal officer and agency having functions under this Act shall include in his or its annual report to the President and the Congress a full and complete description of his or its activities (current and projected) under this Act, along with his or its recommendations for legislative, administrative, or other action to improve the programs under this Act or to achieve the objectives of this Act more promptly and effectively. In addition, the Chairman of the Project shall submit annually to the President and the Congress a special report summarizing in appropriate detail all of the activities (current and projected) of the various Federal officers and agencies having functions under this Act, with the objective of presenting a comprehensive overall view of such programs.

REGULATIONS

Sec. 13. The Chairman of the Project, in consultation with the heads of the Federal agencies having functions under this Act and with other appropriate officers and agencies, shall prescribe such regulations as may be necessary or appropriate to carry out this Act promptly and efficiently. Each such officer or agency, in consultation with the Chairman, may prescribe such regulations as may be necessary or appropriate to carry out his or its particular functions under this Act promptly and efficiently.

TRANSFER OF FUNCTIONS

Sec. 14. Within sixty days after the effective date of the law creating a permanent Federal organization or agency having jurisdiction over the energy research and development functions of the United States (or within sixty days after the date of the enactment of this Act if the effective date of such law occurs prior to the date of the enactment of this Act), all of the authorities of the Project and all of the research and development functions (and other functions except those related to scientific and technical education) vested in Federal agencies under this Act along with related records, documents, personnel, obligations, and other items to the extent necessary or appropriate, shall, in accordance with regulations prescribed by the Office of Management and Budget be transferred to and vested in such organization or agency.

INFORMATION TO CONGRESS

Sec. 15. Notwithstanding any other provision of law, the Chairman of the Project (or the head of any agency which assumes the functions of the Project pursuant to section 14) shall keep the appropriate committees of the House of Representatives and the Senate fully and currently informed with respect to all activities under this Act.

COMPREHENSIVE PROGRAM DEFINITION

Sec. 16. (a) The Chairman of the Project is authorized and directed to prepare a comprehensive program definition of an integrated effort and commitment for effectively developing solar energy resources. Such Chairman, in preparing such program definition, shall utilize and consult with the Federal Energy Administration, the National Science Foundation, the Department of Housing and Urban Development, the Federal Power Commission, the National Aeronautics and Space Administration, the Atomic Energy Commission, and other appropriate Federal agencies, State and local government agencies, and private organizations.

(b) The Chairman of the Project shall transmit such comprehensive program definition to the President and to each House of the Congress. Interim reports shall be transmitted not later than December 31, 1974, and not later than January 31, 1975. The comprehensive program definition shall be transmitted as soon as possible thereafter, but in any case not later than June 30, 1975.

AUTHORIZATION OF APPROPRIATIONS

Sec. 17. (a) There is authorized to be appropriated to the National Science Foundation for the fiscal year ending June 30, 1975, not to exceed $2,000,000 to be made available for use in the preparation of the comprehensive program definition under section 16.

(b) There are authorized to be appropriated to carry out this Act, for fiscal years begining after June 30, 1975, such sums as the Congress may hereafter authorize by law.

Mr. McCORMACK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is the third of a series of three energy bills prepared during this session of Congress by the Committee on Science and Astronautics. The first was the Solar Heating and Cooling Demonstration Act; the second was the Geothermal Energy Research, Development, and Demonstration Act, and now, H.R. 16371, the Solar Energy Research, Development, and Demonstration Act, is the third. Thus, the Congress has, during this session, initiated well organized, constructive programs in two important sources of energy which have been essentially undeveloped and unexploited.

I think we all have every reason to be proud of the initiative that Congress has shown in establishing these programs, and I want to pay particular tribute to the chairman of the Committee on Science and Astronautics, the Honorable Olin Teague, for his leadership and for his support of this precedent-setting legislation.

I want to emphasize that all of this legislation for these new programs has enjoyed almost unanimous bipartisan support, and that the development of this legislation has been virtually without controversy. All of this goes back to 3 years of teamwork originating with support by Chairman Teague and former Chairman George Miller and ranking minority member Charles Mosher in establishing the Task Force on Energy more than 3 years ago. The hundreds of hours of hearings, testimony, and staff work have paid off with concise, constructive legislation which will establish for this country a well managed and aggressive research, development, and demonstration program in every aspect of solar energy conversion, create a new Institute of Solar Energy, an education program for qualified manpower in solar energy research, development, and utilization, organize a data bank for public information in all aspects of solar energy, and establish a management project to coordinate the entire effort.

I believe that we in the Congress can be proud of this accomplishment for the people of this country, and we can be particularly proud of the leadership provided by Chairman Olin Teague in the preparation and enactment of this legislation.

H.R. 16371, the Solar Energy Research, Development, and Demonstration Act of 1974, is one of the most important energy bills to come before the Congress. It represents a recognition on the part of the Members of the House of Representatives that changes need to be made in the way in which priorities for energy research and development are set and the way in which the Federal Government organizes itself to carry them out.

The two major aspects of H.R. 16371 are: First, its management framework; and second, its goals for solar energy resources and technology. The bill meets head on the question of evaluating the resource base before developing the technology needed to exploit it. Furthermore, its statement of specific resource evaluation and technological goals permits the responsible managerial authorities to plan and assess the costs of carrying out each specific program, and to relate each program to the overall goals.

The Solar Energy Research, Development, and Demonstration Act of 1974 is entirely a congressional initiative. We are, of course, happy that the administration supports this legislation and look forward to working with it in its implementation. But at the same time, the credit for originating the idea and concept lie entirely in the Congress—with the Subcommittee on Energy of the House Committee on Science and Astronautics and with Senators HUMPHREY and JACKSON in the other body. As chairman of the Subcommittee on Energy, I am proud to have played a role in developing information which led to the formulation of this legislation, and in helping guide it to the floor of the House for action today.

This bill is the third major energy bill to originate in the Committee on Science and Astronautics. Two earlier ones—the Solar Heating and Cooling Demonstration Act of 1974, the Geothermal Energy Research, Development, and Demonstration Act of 1974 have already been signed into law. With the passage of the bill presently under consideration we will have a firm legislative base for developing important alternate energy sources for the benefit of the citizens of these United States.

H.R. 16371 originated with the report of the Task Force on Energy of the Committee on Science and Astronautics in late 1972. In its report the task force concluded that because of the continuous and virtually inexhaustible nature of solar energy, research and development related to it should receive increased emphasis in the programs in the Federal Government. I should like to quote from that report:

> There are many R&D approaches to large-scale terrestrial solar energy use, all of them underfunded. Though the National Science Foundation supports some solar energy research, there is no national program to assess these approaches and develop the most promising ones. It is essential that we make a national commitment to bring one or more techniques for large-scale terrestrial solar energy collection to commercial demonstration.

For those of you in the House of Representatives that are not familiar with the details and origin of the Task Force on Energy, it was created in July 1971 by Chairman George P. Miller of the Committee on Science and Astronautics. Its creation was strongly supported by the present committee chairman, OLIN E. TEAGUE. It was the foresight of Chairman TEAGUE which led to his creation of the Subcommittee on Energy at the beginning of the 93d Congress. If one were to single out the one individual in the House of Representatives who has, through his actions and interest, done more to further passage of responsible energy legislation, that person would be Chairman TEAGUE. In the years ahead, the importance and timeliness of Chairman TEAGUE's initiatives with regard to energy legislation will receive, I am sure, the widespread recognition which they are due.

Solar energy represents a tremendously large resource base. Unfortunately, however, this resource is diffuse. This means that in collecting direct solar radiation or utilizing solar energy in one of its secondary forms such as wind or ocean thermal gradients, large areas of land or water must be devoted to that purpose. It is also expensive to transport this diffuse energy to some central processing or conversion station after its collection. Furthermore, if solar energy is collected as heat, there are additional large expenses associated with upgrading that heat to the very high temperatures which are required in efficient conversion equipment.

To avoid these inherent disadvantages it is necessary to use solar energy at the point of collection for uses which require relatively low temperatures. These are the basic reasons for concentrating on solar heating and cooling technology in the short run—and explains the need for going right now to the demonstration stage only in the solar heating and cooling of buildings. That particular technology may be near at hand in the commercial sense, and the Solar Heating and Cooling Demonstration Act seeks to assure that the necessary technological input will be made.

Solar energy is clearly not only a technological problem, however. It is also a managerial one. H.R. 16371 attempts to deal with the managerial problem and assure that a single focus for the Federal effort is created and implemented. This means that the Federal Government can concentrate on a research, development, and demonstration program supported through all the relevant agencies, with each agency performing those activities which are most closely related to its own expertise. The Solar Energy Research, Development, and Demonstration Act of 1974 established by H.R. 16371 not only coordinates the Federal solar energy program but provides the necessary line management to assure efficient and timely execution of that program.

I shall not go into great detail concerning all of the provisions of H.R. 16371. Chairman TEAGUE, Congressman FUQUA, Congressman MOSHER, and other members of the committee did an eloquent job in explaining the details of this legislation during the general debate. I should, however, like to say a few words about some specific provisions.

The solar energy coordination and management project established by section 5 will be composed of six members. They represent those Federal agencies which at the present time are involved in the development of solar energy technology: the National Science Foundation, NSF, the Atomic Energy Commission, AEC, and the National Aeronautics and Space Administration, NASA. It also has representatives from the two Federal agencies which will be the primary users and regulators of solar energy technology; namely, the Department of Housing and Urban Development, HUD, and the Federal Power Commission, FPC. The sixth member will be a person appointed by the President. The President also has the responsibility for designating one member to serve as chairman of the project.

The responsibilities of the project are clearly established in section 5. It states that—

> The Project shall have overall responsibility for the provision of effective management and coordination with respect to a national solar energy research, development, and demonstration program. . . .

The legislative intent is clear in directing the project to carry out its responsibility in cooperation with the Federal agenceis which are represented in the management project. The legislative intent is also clear in giving the project sole authority with respect to the establishment or approval of programs or projects initiated under this act.

This means that, except for basic or fundamental research and associated educational programs, this Nation will have an integrated, unitary solar energy program. We will not be faced with a situation in the future where different agencies will carry on competing and perhaps overlapping solar research and development activities.

Another provision of H.R. 16371 which I should like to address is contained in section 10 which establishes a Solar Energy Research Institute. A major factor contributing to the success of our energy, space and strategic weapons programs in the past has been the existence of large, competent, well-equipped national laboratories. There are some research and development projects which by their very nature cannot be carried out on a shoestring, no matter how competent the scientists or engineers involved. A large group, perhaps interdisciplinary in nature, working together with a wide variety of special instruments may be needed to successfully deal with a particular problem. For some scientific and engineering problems there is just no alternative to this approach that has a large probability of success. It is our hope and belief that the creation and funding of such a solar energy research institute can assure that many of the problems that one faces in solar technology will be solved in the future. This Research Institute is, in a sense, an institutional advance designed to provide technological and economic answers to solar energy research managers in the future.

I should also like to comment on the provision in H.R. 16371 which provides for the transfer of the functions of the management project to any permanent Federal organization or agency having jurisdiction over energy research and development in the United States, if and when such an organization is created by law. Clearly we had in mind in drafting and approving this section the legislation which has passed both the House and Senate creating an Energy Research and Development Administration, ERDA. This provision, section 14 of the bill, is in a sense a conforming clause, making H.R. 16371 compatible with the other energy legislation which has been acted on by the House of Representatives. But this provision also has the effect of changing the responsibilities of ERDA. As passed by the House, the ERDA bill would have the effect of further fragmenting solar energy research and development. This is because the House-passed ERDA legislation transfers only *solar heating* and cooling responsibilities to ERDA. H.R. 16371 would bring together all Federal solar energy work under the authority of the management project, and if ERDA is in fact established its proposed responsibilities in the solar energy area will be expanded to include all direct and indirect forms of solar energy. I should also point out, that if ERDA does not come into being we shall have a well-managed, unitary solar energy program in operation.

Mr. Chairman, H.R. 16371 is a good bill. It represents the thought and hard work of the members of the Subcommittee on Energy and the full Committee on Science and Astronautics. It is a response to the dynamic leadership of Chairman OLIN E. TEAGUE, and the fine spirit of cooperation of the minority members under the leadership of Congressman CHARLES A. MOSHER and BARRY GOLDWATER, JR. It is the kind of legislation which this country needs to get our program in solar energy technology and demonstration off top dead center. I urge the approval of this important legislation by the House of Representatives.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, in California we have plenty of sunshine but we have not really learned how to use it. The establishment of a solar energy coordination and management project, as proposed by this bill, represents a modest but needed step toward bridging that gap. In a time when "energy blackmail" has become a common term of international diplomacy, it is fitting that we should look to a resource that no nation has a monopoly on. The power of the Sun is dispersed throughout the world—in the form of direct radiation, winds, and ocean currents—for all to use. All that is required is the technology and capital to harness that energy.

It has been estimated, Mr. Chairman, that over 25 percent of all the energy consumed in the United States is used for heating and cooling buildings. If only a third of that power could be saved by the practical application of solar heating and cooling, we could cut our national utility bill by $6 billion annually—at the same time preserving precious nonrenewable fossil fuel sources. Solar energy is clean, dependable, and virtually inexhaustible.

The solar energy panel, composed of representatives from NSF, NASA, and private organizations, projects that with a modest investment now in research and development, the state of the art could be developed to a point that within a generation, solar energy could supply 35 percent of the heating and cooling of future buildings, 30 percent of the methane and hydrogen gaseous fuels needed in the United States and eventually more than a fifth of the electrical power needs of the United States.

I submit that the funds provided in this bill are indeed a modest sum when viewed in terms of the potential long-range returns. As our finite supply of fossil fuels becomes exhausted, the cost of conventional energy sources will skyrocket, and we will become even more dependent on foreign nations for our energy needs. This measure, along with the geothermal and nuclear research and development bills we passed earlier, is a necessary part of the road we must travel to attain energy independence. If we can unlock the secrets of the Sun, we will have provided a gift to the world of incalculable value. I urge passage of this bill.

Mr. BERGLAND. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of H.R. 16371. It establishes a focal point in the Federal Government for the development of solar energy technology.

One of the energy technologies to be developed and demonstrated under the solar energy program mandated by H.R. 16371 is that of the direct conversion of electricity through the use of solar cells, devices which convert the Sun's radiant energy directly into electricity. Of all the ways of utilizing solar energy in the form of electricity, this technology is the most advanced. Yet solar cells are not being used to any significant extent.

The reason they are not being used is quite simple: Cost! Until now, the primary market has been equipment for outer space or remote areas where conventional electric power is impractical or impossible. The primary buyers have been defense and space agencies for these highly specialized applications. The assembling of solar cells has been done virtually by hand. With cost as no constraint, the price of photovoltaic arrays has been as astronomical as their use: Some $30,000 per kilowatt of generating capacity today as compared with about $500 per kilowatt for nuclear electrical generating capacity.

But this does not have to be the case forever. We should be able to bring the cost down to earth for terrestrial application. In fact, it is the intent of H.R. 16371 to demonstrate the technical and economic feasibility of producing significant amounts of electricity with solar cells.

It is my strong conviction that we as Congress and as a nation should really think seriously about the policies and patterns and organization of energy uses which now prevail in our country. When we begin to think about the inherent characteristics of the other fuel source options on which we will depend in the future, the advantages of direct solar conversion to electricity will take on new and enlarged dimensions. Use of solar energy is in the national interest. I believe that the desirability of an accelerated program in this particular area of energy development will become clearly evident to Congress and the public as a whole.

Much has been said, and needs no repetition at this time, about the technical advantages of the free, inexhaustible, and environmentally clean nature of solar energy. But little attention has been given to its equally important social and foreign policy potentials.

I would like to direct my comments in these few minutes, then, to some of these nontechnical advantages of direct conversion of sunlight to electricity, and to enlist your informed and wholehearted support for strong and rapid approval of the national policy initiatives embodied in this bill.

There are many nontechnical advantages. I should like to discuss two of them.

The first to be discussed is the potential for helping stabilize future domestic energy prices, especially as they affect electric utility rates.

First, consider the significance of the fact that there are no recurring fuel costs and the potential contribution this aspect could make toward stabilizing electric utility costs and rates. In alerting you to this potential I do not mean to say that we will not need backup systems using conventional fuels to augment solar generated supplies, whether for major central electric generating systems or for individual home and industrial consumption. We will.

Nor do I mean to ignore the large capital costs of installation: To replace, for example, the roof of a home or building is always expensive, and it will be even more expensive when shingled with photovoltaic solar panels, even if one can buy them at much lower costs than is possible today.

But that basic, increasingly ravenous bite out of everyone's budget—industry or family—which represents the rising costs of the necessary recurrent inputs of fuel—that bite can largely be muzzled if photovoltaic generation is adopted as a main source for household and industrial electrical supply with a society powered largely by solar cells, it would be possible to count on a future for our children in which the cost of light and heat and air-conditioning could be both reasonable and predictable.

Through H.R. 16371 we can begin to develop an electrical generating system in which a significant portion of the fuel used for generation is literally free. In a day in which inflation assumes nightmare dimensions, in which personal and national debts are dangerously expanding to meet annual recurring costs, this opportunity should be welcomed. Its potential as a stabilizing influence on energy pricing should be given full weight.

The second nontechnical advantage of direct conversion of sunlight to electricity which I should like to discuss with you is the basic stimulus and wide-ranging domestic opportunity for greatly increased small business economic activity and independent investment decisions.

The nature of photovoltaic technology lends itself to greatly expanded opportunities for the business sector in production, assembly, and marketing, and in adjustable and adaptable timing for the size of present or future individual, independent investment decisions. This country has historically been uneasy about large concentrations of economic power and our most recent energy crisis history has given additional reasons for continued unease. It is a fact that production of nearly all our major fuels requires very large investments of capital, long advance commitments to purchase raw materials for construction programs, and long-term leases of land and resources. Vertical ownership, operation, and control in the petroleum industry and the massive commitments of money and materials required for nuclear generating plants are examples of that fact.

The nature of photovoltaic technology and the technological nature of its expansion for mass production and use may be an exception to this rule.

This is not to say that the solar energy field—and particularly that segment of it concerned with direct generation of electricity—could not also become organized by giant corporations. In fact they are already investing in this field. But since the technology is essentially modular, once cost has been brought down by mass production techniques, possibly no further economies of scale will reduce costs even more. A public utility, or a small industrial company, can start small and, subject to modest constraints of space, can add on multiples of generating capacity as needed, off the shelf.

This aspect of photovoltaic technology brings into being a wholly new prospect and opportunity for flexibilty and adaptability in capital expansion planning and execution. There can be much more free exercise of the many individual entrepreneurial decisions which are the heart of a viable free enterprise system if electrical generating capacity can be brought off the shelf, ready to deliver, in units infinitely expansable, but also capable of being geared to a present capability to afford.

Never in the past, when basic national goals were at stake did this country let cost alone interfere with accelerated and successful technological missions: Developing our nuclear capability, Polaris, the race to the Moon. The capital investment was massive, it is true, but it was the accompanying massive investment and the will to succeed which determined the ultimate success.

Today it is reduction of cost—of photovoltaic conversion devices—which provides a national goal deserving of equal expenditures of financial resources and demanding equal commitment of a massive public will to succeed. It is a worthy goal. I ask for your support in the passage of H.R. 16371 to insure that once again our country's collective determination will succeed at the task of developing new clean sources of energy.

Mr. Chairman, the Solar Energy Research, Development and Demonstration Act of 1974 deserves the support of the Members of this body. I urge its passage.

Mr. LEGGETT. Mr. Chairman, the Committee on Science and Astronautics has presented a reasoned, coherent approach to our efforts to exploit solar energy, and for that I wish to commend my colleagues, Mr. TEAGUE and Mr. McCORMACK. I am personally aware of the need for organization of our efforts in this area through my efforts to assist the city of Davis, Calif., in obtaining Federal assistance for its experiment in solar heating and cooling.

The city of Davis has what is probably the most advanced program of its type in the United States. It has conducted basic research into the transformation of solar energy to usable form through the use of photovoltaics, and has used the results of that research to formulate a set of building codes which not only will render houses in Davis immediately convertible to solar heating and cooling through existing technology, but also has the effect of reducing a homeowner's total net outlay by about $5 per month, including mortgage and utility payments. I will insert at the conclusion of my remarks a summary of the Davis proposal. I am informed by local officials that the energy conservation ordinance will be enacted in the next few months, and that building under the new ordinances is contemplated in the next building season.

As the Davis prospectus shows, this project has been locally funded from its inception through the present time; however, it has been a costly endeavor. Since there are such far-reaching implications for solar energy use, involved elected officials in Davis felt, and I agreed, that some Federal assistance was in order. Their recent trip back to Washington, however, was an object lesson in just how diffuse the solar energy picture has become; Mayor Pro Tempore Bob Black and project coordinator Jon Hammond visited 10 different offices in 6 separate Federal agencies, including the Congress, in search of some source of funding. It should be noted incidentally, that there were other offices in other agencies that they did not see only for lack of time. From this it is obvious that we must exert some guidance to our solar efforts, lest we wind up with six or seven different agencies reinventing the wheel.

The Solar Energy Research and Development Act will give us the guidance we need to pursue our efforts to exploit cheap and unlimited solar energy in a constructive way through the solar energy coordination and management project. I strongly urge its passage.

PROPOSAL FOR MONITORING THE DAVIS ENERGY CONSERVATION CODE

BACKGROUND

In May, 1973, the City of Davis commissioned the Energy Conservation Ordinance Project to propose changes in the city's building code, subdivision ordinance, and design policies in order to assure that all new construction and planning would incorporate energy conservation as an important consideration. The final report has been submitted to the City Council and is being reviewed by Planning and Environmental Commissions. The report proposes the adoption of a code of thermal performance standards for buildings and for subdivisions that will take microclimate and solar energy utilization factors into account.

On the basis of extensive field research, a consumer survey, monitoring of Pacific Gas and Electric bills, and our solar heating and cooling prototype development program, the project has come to the following conclusions:

At least 50% of the energy presently needed for heating and 80 to 100% of the energy needed for cooling can be saved with no increase in construction costs.

Even further reductions, which would reduce the energy requirements of a structure for heating and cooling to a few percent of present averages, could be achieved with a 5 to 10% increase in construction costs and the use of proven solar heating and cooling techniques.

The City of Davis, the public, and the media including national TV have responded favorably to the Final Report (copy enclosed). We anticipate that by the end of 1974 Davis will have adopted new standards, and that the 1975 building season will bring the first flush of buildings designed under these standards.

The Final Report will give you a good idea of our field research and energy bill monitoring program. This report also includes a draft of the changes we propose for the subdivision ordinance and landscaping requirements. These changes are aimed primarily at more efficient land use and improvement of the urban microclimate, factors which will result in significant if difficult-to-quantify energy reductions. In addition, the Report contains the building code additions.

The proposed code addition has many similarities to the proposals made by NBS Report #74–452 and by new California State legislation in that it sets performance standards that require the use of good insulation and a more careful consideration of windows. However, it differs in some important respects:

(1) It is much broader in its scope, taking into account neighborhood planning, landscaping, and the whole problem of "sun rights" with a concept of envelope zoning. It is expected that the new standards will make conversion to solar energy extremely easy.

(2) All the proposed changes are very closely adapted to the special problems and opportunities of the Davis microclimate. For example, daytime summer temperatures in Davis are very high, averaging 95 degrees in the shade, however there is a regular cool sea breeze resulting in very cool nights, with lows averaging 55 degrees. To take advantage of this situation buildings must have either carefully designed natural ventilation systems or strong mechanical ventilation systems that will cool buildings quickly in the early evening when the sea breeze comes in.

(3) The proposed building code changes involve two alternative paths:

Path I sets minimum standards for insulation, requires light colored roofs, sets strong ventilation requirements, establishes a strict summer shading requirement for windows, and limits the amount of window area except in the case of south facing windows (which would be exempt from the general maximum window area requirements of 13% of the floor area if shaded in the summer and receiving sun in the winter). Buildings meeting all the requirements of Path I need present no calculations demonstrating thermal performance. It is anticipated that 80–90% of the future buildings will comply with Path I provisions.

Path II sets a minimum heat loss-heat

gain standard based on the floor area of a building, and outlines a calculation method for testing proposed buildings. It is designed for proposed buildings that do not meet the "cookbook" requirements of Path I. The calculation methods in Path II are based on a whole day's thermal performance rather than a peak hour concept. This whole day *concept* allows credit to be given to the advantage of lag time or the flywheel effect in heavy structures and also more closely reflects the energy requirements of the building. Path II has procedures for crediting winter direct solar heat gain and night time summer heat loss where this heat or cold can be stored in the thermal mass of the building. Correct solar orientation is a dominant concern in both Paths I and II.

PROPOSAL

Local funding for this effort has been exhausted. This leaves the project without "sympathetic professional guidance" at the important juncture of implementation and support for a continuation of our present work after June 1, 1974. The support would pay for the *following* work tasks:

(1) Guidance for the City Council and attendant policy making bodies such as the Design Review Commission and Planning Commission to assure that the strongest, most responsive possible Energy Conservation Code is adopted into the City's laws.

(2) Professional guidance and help in interpretation for the City staff responsible for enforcing the new code.

(3) Help for the local builders and designers to make sure that they understand the spirit and letter of the new code so that they can operate under it without increasing construction costs.

(4) Undertake a program of seminars and discussion for local builders and city staff to familiarize both groups with the provisions of the new codes. In addition, consultation should be given to builders and city staff in solving the problems arising from specific building proposals.

(5) A program for monitoring the administrative successes and failures of the code and seeking answers to the following questions: Can the local inspectors and city commissions actually enforce the code? Where are specific problem areas? Is the code unnecessarily increasing construction costs? Is it creating an impossible straitjacket for designers, forcing all buildings to look alike? Can designers actually use the calculation scheme in Path II?

(6) Field studies to be conducted in the first set of buildings constructed under the code to test their thermal performance and actual energy consumption as compared to the data base developed by the project team in 1973 and 1974. In addition, a survey should be administered to the new occupants of buildings and to real estate sales personnel to test consumer acceptance of the new buildings.

(7) An assessment of successes and failures based on the actual operation of the code and of resulting buildings over a period of time, leading to possible proposed changes in the code and in administration procedures and enforcement policies.

(8) Publication of periodic reports documenting the progress, success and failures of the code to inform the public, the building industries, and interested professionals.

(9) Development of educational program suitable for presentation to interested municipalities and other groups. This program would include a film or slide presentation showing the techniques suggested by the ordinance and demonstrating their effects on energy consumption.

It is anticipated that the work outlined above would be carried out over a two-year period in order to allow time for buildings to be built, occupied, and tested through a summer and a winter season. A detailed cost estimate has not yet been developed but a "horseback" guess would put costs at around $35,000–50,000 per year depending on the level of information dissemination desired. This would cover all costs for the project team, survey costs, computer time, etc. This estimate is for the cost of the work that needs to be done to make the Energy Conservation Code work and to get the bugs out of it once it has been operating for a while, to test the buildings and finally to report on the results. If numerous interim reports or other special work is required to satisfy the goals of the granting agency, this would of course affect the cost.

CONCLUSION

Why should the federal government support this work in Davis? The Davis City Council has gone far out on a political limb to fund the Energy Conservation Ordinance Project at a time when fiscal belt tightening is an essential for electoral success. To our knowledge no other city has commissioned such an endeavor; or has had the foresight to take a hard look at its houses, its laws, its institutions and its life style to see how it can help to find a permanent solution to the energy problem.

The implementation of the Energy Conservation Code will be a test case for the nation. It will be a demonstration of how well a city can adapt to the particulars of the unique landscape and microclimate in which it is situated. This is a courageous and unusual thing to do in an age of standardization. The code as written for Davis could be adapted with little modification to hot arid regions with cool or cold winters found throughout the Southwestern United States, and the approach and philosophy as well as many aspects of the code itself; could have broad applications in all parts of the United States. It is in the national interest to support this effort because it will test the effectiveness of a strong energy conserving code.

ROBERT N. BLACK,
Mayor Pro Tempore, City of Davis.
JONATHAN HAMMOND,
Coordinator, Energy Conservation Ordinance Project.

Mr. DRINAN. Mr. Chairman, I am pleased today to support the Solar Energy Research, Development and Demonstration Act of 1974 (H.R. 16371). The purpose of this bill is to bring solar energy technologies to commercial development at the earliest possible date, and if ever solar power was needed as an alternative source of energy, it is now. In the past year we have seen what crises can result when our total supply of oil is reduced, and from this experience, we have learned that the needs of a viable society depend on an ample supply of energy. We have also learned that the current imbalance between supply and demand for fuels and energy is likely to persist for some time, and that the supplies of nonrenewable sources of energy are rapidly becoming depleted. Consequently, we must now begin to turn to the Sun as a source of safe, virtually limitless, clean, and "free" energy.

At the present time, solar power contributes a negligible amount of energy to the U.S. total supply. This is true despite the immense potential of the Sun's rays. In this country for example, an average of 18 watts of solar power falls on each square foot of the Earth's surface, and this figure is an all-weather day and night average. From the homeowner's standpoint, three times as much energy falls upon the roof of a typical suburban home as the house consumes. And from an overall view, the National Science Foundation has disclosed that if just 10 percent of sunlight's energy was converted into electricty, that all of the electrical power consumed in the United States in 1969 could have been generated from 0.14 percent of the country's land area. There can be little question that a vast potential exists here.

Solar power has not been utilized in this country, Mr. Speaker, because with few exceptions, it is not cost competitive with more conventional energy sources. Solar cells for generating electricity directly are technically well advanced and could conceivably provide significant amounts of power at the present time. However, the installed cost of a solar cell powerplant would be over 100 times more expensive than a conventional fossil fuel or nuclear plant. No major technical barriers exist to prevent the development of practical solar powered systems, it is just that solar energy conversion is in an early stage of development. A vigorous research, development and demonstration program is clearly needed and warranted at this stage if we are to hasten the day when practical solar energy systems become readily available.

Mr. Chairman, the Solar Energy Research, Development and Demonstration Act establishes the coordination and management project as an administrative mechanism for carrying out an aggressive, coordinated Federal solar energy program. The legislation directs the project to initiate and manage a national solar energy program in three distinct areas: Resource determinations and assessment, research and development, and demonstration. Ways will be sought to use the Sun's energy in the heating and cooling of buildings, industrial process heating, thermal generation of electricity, bioconversion, photovoltaic conversion, ocean thermal gradient conversion, wind power conversion, and storage of solar energy. In addition, the act will provide for commercial demonstration projects, with Federal agencies cooperating with private industry.

The Solar Act represents another vital step forward in attempting to counter the existing and anticipated energy shortages, Mr. Chairman. Not only are we helping to reduce the dependence of the United States on foreign sources, but we are also seeking to utilize a readily available and abundant source of power. I am in full agreement with these objectives, and wholeheartedly support this legislation.

Mr. HOGAN. Mr. Chairman, one of the greatest services we can perform this year is to get the country moving on several fronts toward self-sufficiency in energy.

Solar energy research and development is only one of the avenues we must fully explore. But this R. & D. effort has tremendous significance.

It is entirely possible that more than half of the new buildings constructed by the year 2000 will use solar energy. Long before then, we can be heating and cooling tens of thousands of homes and places of business with this clean, secure energy resource.

Sunlight is not subject to political embargo, or to arbitrary price increases.

Progress in the utilization of solar energy, within the limits of existing technology, can improve our country's balance of payments by millions of dollars every year.

Such progress would create new jobs and a new industry, the manufacture and sale of solar heating and cooling equipment.

The programs in H.R. 16371, which I support, are an essential step toward the achievement of these necessary and laudable objectives. Perhaps we could do more. We cannot afford to do less.

If we adopt H.R. 16371, we will create a top-level solar coordination and management project and a national solar energy laboratory.

We will confirm as Government policy the pursuit of a vigorous, adequately funded program of resource assessment, research and development, and project demonstration, with the goal of using solar energy as a major source of energy supply.

The demonstration stage will include the development of economic solar heating and cooling systems and components, designed to meet performance standards and environmental criteria.

As adequate technology is available, the program would proceed to development of solar-thermal powerplants and plants utilizing direct conversion processes, as well as tidal energy and windpower.

I was a cosponsor of the bills that became Public Law 93–409 earlier in this session. That legislation will enable us to demonstrate the practical use of solar heating technology and of combined solar heating and cooling technology over periods of from 3 to 5 years.

Now with H.R. 16371, we move ahead—as we must—to establish a viable national program in the field of solar energy.

Unless we act favorably on this bill, we will cause needless and costly delay in a program of the utmost importance to our economic welfare and national security. I strongly urge bipartisan support for H.R. 16371.

Mr. PETTIS. Mr. Chairman, the seriousness of the energy shortage precludes any inaction or unnecessary delay in seeking to develop sources of energy as alternatives to those of fossil fuels. The day will ultimately arrive when the fossil fuels have been totally exhausted. We cannot then be caught with no substitutes. Indeed it would be devastating if that day arrived and we had neglected to find an appropriate alternative source of energy.

The Sun is not an energy source which could be controlled by any one nation—the United States could rest far easier in the future knowing that it would have this "ace up its sleeve" when the fossil fuels are no longer available as energy sources. We must be prepared. Not just prepared with ideas, but with something of substance—H.R. 16371 would provide us with the opportunity to have such a plan of action in waiting. We cannot afford to turn down such an opportunity to research and develop technology in the use of solar energy.

I am happy that my own State of California, with its abundance of sunshine, along with its advanced technical and scientific resources, might become a leader in solar energy development. Also, as the Representative of a district which includes vast desert areas, I would especially like to know that we are working toward development of a source of energy which could be readily available to the average person. I would like to see work begin as soon as possible toward that end. For these reasons I enthusiastically support this bill providing for solar energy research, development, and demonstration.

Mr. PICKLE. Mr. Chairman, I rise in strong support of H.R. 16371, the Solar Energy Research, Development, and Demonstration Act of 1974.

This legislation is both timely and necessary, and it is a good bill on which the committee has worked very hard.

Public interest in solar energy is high. This bill will go a long way toward increasing the technological capabilities of solar energy exploitation.

Yet, even with all the public interest and support of solar energy, this legislation realizes that technological advances will not be the sole solution to full use of this most promising of energy sources. To insure that the fruits of the technological advances outlined in this legislation are timely and realistically put to use, we have included in one of the sections of the legislation the establishment of a solar energy incentives task force.

I feel it would be useful to insert in the RECORD at this time that portion of the legislation dealing with the functions of this task force:

> (1) report to the President and the Congress within one hundred and twenty days following the date of the enactment of this Act, and at least annually thereafter, recommendations for a viable program of specified, time limited, incentives or modifications to existing or proposed incentive programs to accelerate the commercial application and consumer utilization of solar energy technology; (2) carry on a program of research and investigation into the barriers to innovation in the field of solar energy, the barriers to the acceleration of the commercial application of solar energy technology, and the programs needed to remove such barriers; and (3) carry on a program of research and investigation into the social, legal, and economic barriers to the full public acceptance and utilization of solar energy technology.

I now wish to discuss for a moment the three mandates contained in this section so that we have a clear understanding of what we wish this task force to do.

The utilization of solar energy needs imaginative suggestions, and, where necessary, it needs legislation to insure its timely application. The task force will be operating in two major areas: First, in conjunction with the operations of private industry and public and private utilities, research needs to be undertaken to identify what Federal, State, and local legislation should be added to the books or modified so that impediments to the construction of solar energy facilities will be removed.

For example: The manufacturer of solar heating and cooling equipment for use on individual homes or buildings will need clear and concise information as to building codes and fire standards for the design and construction of the heating and cooling equipment. We have not previously considered the construction of homes that would have an integral heating system on an exterior roof. This uncertainty on the part of manufacturers will lead to higher than necessary costs and a reluctance to enter the marketplace.

We also must not and cannot ignore the second major task force concern—the consumer. The consumer decision to purchase and utilize solar energy equipment will ultimately determine the impact of solar energy on the economy and the energy supply of this Nation. For this reason, the solar energy incentives task force should make a strong effort to identify and suggest changes that can be made to increase the attractiveness of using solar energy equipment.

For example: We currently have a tax situation that encourages the lowest possible cost of constructing new homes. Consequently a homeowner is discouraged from the addition of solar heating and cooling equipment, which would add an additional dollar amount to the value of his home. Not only does he pay with a higher down payment, he pays in higher taxes as well.

An effort must be made to resolve this impediment to solar heating and cooling. While it is certainly true that, over the lifetime of his house, the addition of the solar heating and cooling equipment may lead to an eventual savings due to lowered energy demands, the higher initial costs may often outweigh such future rewards.

Suggesting changes in legislation and regulations will not be the only role of the Solar Energy Incentives Task Force. Education must also play an important part in determining the eventual impact of solar energy on our lives. As in the previous example, one impediment that cannot be completely eliminated by law is the initial increased cost of construction. A program of education in the total cost of a home over several years, however, would show the advantage of solar energy.

In sum, without this Solar Energy Incentives Task Force, we could find ourselves providing this country with a technology that could help solve our energy crisis but that we would not know how to utilize most efficiently. I feel that the existence of the task force closes the circle and makes this legislation both timely and complete.

I hope the House will give it a speedy and overwhelming vote of support.

Mr. COTTER. Mr. Chairman, I wish to express my wholehearted support for H.R. 16371, the Solar Energy Research. Development and Demonstration Act.

As is well-known, this legislation provides for the intensive coordination of governmental and private efforts designed to harnass solar power to meet our Nation's future energy demands.

The bill provides a high-level executive coordinating body—solar energy coordinating and management project—to accomplish this role. Further, the bill encourages scientific education and systematic data collection in solar energy projects and encourages utilization of this technology. In addition, the bill establishes a Solar Energy Research Institute which is designed to encourage the development of technical expertise in solar energy research.

However, Mr. Chairman, I want to explain another important facet of this legislation. Research and development funds that will be spent under this bill will try to find a solution to one of our *most significant* energy problems: The storage of energy. As our consumption of energy has increased, a variety of methods of energy use and energy transition have been developed, but there have been relatively few innovations in the area of energy storage.

Since there are overcast days and periods of darkness, an energy storage system is an essential component in any developing solar energy technology. Only an effective energy storage system can permit solar energy to become a component of the base load of our energy system. Today, we know how to store minute quantities of electricity in capacitors—electrostatic field—or inductors—electromagnetic field. Both of these devices are highly efficient, but are presently inadequate for bulk storage of electricity. Entirely new concepts may be needed if we are to achieve methods of storing electricity as electromagnetic energy.

Other energy storage technologies involve the conversion of electrical energy to a more storable form of energy from which it can be converted back to electricity for use. Such systems would be combined with solar energy systems to provide a constant supply of energy. A simple example is the system whereby water is pumped by a solar-powered electric pump, while the sun is shining, to a higher level and let down through a water turbine when stored power is needed. In some areas large reservoirs can be easily built on high plateaus or on hills, and they can provide effective storage of power on a large scale. An example of such an operation would be a powerplant where water from below the dam in a river is pumped to the reservoir above the dam, when the demands for electric power are small. Later, when the demands for power are large, the water in the reservoir is used in the hydroelectric plant to generate electricity. With further development such hybrid systems could provide an answer to the problem of storing solar energy.

Another means of storing energy is storage by battery, a reversible device that either produces or stores an electric current by chemical action. Currently useful battery technologies such as lead-acid, nickel cadmium and nickel-iron would not be suitable for the very large scale utility applications. The higher capacities required introduce new research challenges. Design considerations would include low cost and abundant materials, minimum environmental and safety hazards, reliability and long life in addition to high energy density. New technological approaches include lithium/sulfur, sodium/sulfur, zinc/chlorine, and sodium/chloroaluminate batteries. Although these systems have undergone substantial improvement, a considerable research effort is still needed before commercial development can be evaluated. If the battery storage methodology can be perfected, it would offer some desirable features that are absent in other storage methods. Batteries would have minimal siting problems. They make no noise, emit almost no pollutants, and due to their modular structure, could be rapidly assembled in factories at any desired rate. They can also be placed close to the power load. Certainly, these advantages offer great inducement to further develop new types of batteries for energy storage.

Still another type of energy storage is thermal storage, which is the heat in a body due to its high temperature. With thermal storage the temperature of the storage material is raised, then lowered as energy is used. This technique has been used to some extent in Europe. For example, devices known as Marguerre accumulators are used in Europe to store hot water heated by waste heat from powerplants for space heating applications. For some applications which can be satisfied with low grade heat, this method has proven technically and economically feasible.

Another technique is storage of latent heat, in which the physical phase of the storage material is changed. Latent heat has the advantage of compactness because the heat of fusion or of vaporization of a material is much larger than the energy it can store without changing state.

A pound of water, for example, stores only one Btu for each degree Fahrenheit it is heated. In contrast, a pound of water converted to steam is storing about 1,000 Btu's. Steam, however, is awkward to store in large quantities. Perhaps other materials can be found to provide the advantages of latent heat storage but reduce the pressure and volume problems encountered in storing steam.

Storage via underground compressed air is another interesting concept. In a normal gas turbine, fuel is mixed with air and combusted to generate mechanical power. However, with compressed air storage, the compressor and the turbine stages can be alternately connected to a motor-generator unit. In off-peak hours, when the demand for power is low, the turbine stage can be disengaged. Electrical energy from a base load unit can then be used to run the compressor stage. Air is compressed and then pumped into an underground cavern and stored. During peak demand, the stored compressed air can be used to run the turbine. This increase in efficiency makes this option attractive, but a great deal of research is needed in the areas of siting or cavern excavation costs, environmental impacts, and system efficiency.

Fuels, such as hydrogen can be generated by windmills or other energy sources. The hydrogen can be stored for use as needed. One particularly attractive way to use the stored hydrogen is the fuel cell.

These cells are electrochemical cells in which fresh, reacting materials such as hydrogen are fed into the cell continuously to produce electricity. Unlike the battery, the structure of the cell and the electrodes remain unchanged. Fuel cells are reliable, direct-conversion devices with no moving parts. They have theoretical efficiencies as high as 90 percent and when fully developed they should be able to operate indefinitely.

The Pratt & Whitney Aircraft Division of the United Aircraft Corp. has been advancing the state of the art of fuel cells over the past 8 years with the support of natural gas utility companies such as Consolidated Edison, Southern California Edison, New England Electric Co., and others. The purpose of this program is to convert the natural gas to electricity at the user site. The efficient fuel cell conversion process can be adapted to solar energy input rather than natural gas, but more research and development is needed to do so. This is an example of how solar energy can be integrated with advances in existing technology and be compatible with efforts of public and private enterprise.

The more we study our alternatives to fossil fuels, the more obvious it becomes that energy storage systems are our key problem. H.R. 16371 provides for research, development, and demonstration on energy storage and will bring us closer to the time when we may make practical use of the limitless energy of the sun. This bill deserves the support of each Member of the House of Representatives.

Mr. VANIK. Mr. Chairman, as my colleague, the distinguished chairman of the Energy Subcommittee well knows, there have been a number of excellent reports published recently which estimate that solar energy could make an important contribution to our energy needs within the decade. These studies tell us that by the year 2000, it is reasonable to project that between 20 and 35 percent of our Nation's energy needs could be provided by the Sun.

All of these projections are predicated on an orderly but aggressive research program into solar energy. Mr. John Sawhill, Administrator of the Federal Energy Administration, testified before the Energy Subcommittee that it would be reasonable to appropriate $1 billion over 5 years for such a program.

Mr. Sawhill's estimates are apparently based on an interagency panel report completed for the Office of Management and Budget. That panel recommended a moderate budget plan for solar research of $1,072,000,000. The following table was included in the panel's report:

Program	Fiscal year—					
	1975	1976	1977	1978	1979	Total
Solar heating and cooling	17	36.5	50.7	57.5	48.6	210.3
Solar thermal conversion	10	37.0	60.3	84.0	97.5	288.8
Windpower	7	18.8	27.5	30.4	22.5	106.2
Bioconversion	5	10.0	24.6	27.1	27.8	94.5
Ocean thermal gradient conversion	3	12.0	15.8	26.5	49.7	107.0
Photovoltaics	8	40.5	63.5	73.5	85.7	271.2
Total	50	154.8	242.4	299.0	325.8	1,072.0

Source: Intra-agency Panel for Terrestrial Applications of Solar Energy.

I would hope that the chairman of the solar energy coordination and management project would take into account the findings of the panel's report in developing the comprehensive program definition referred to in section 16 of the legislation before us today. It is important to emphasize that the panel's recommendations represent a moderate program—yet a program which can set us on the course of energy independence. The program outlined by the panel could start America toward a solar economy—an economy of relatively cheap, pollution free, and secure energy. The program definition called for in this legislation should, therefore, attempt to follow the realistic goals established by the interagency panel's report.

Mr. McCLORY. Mr. Chairman, I rise in strong support of the Solar Energy Research, Development, and Demonstration Act of 1974. As I pointed out last winter, the Sun floods the Earth every day with enough light and heat to supply the whole world's energy needs many times over.

We can all be optimistic that, with the Solar Energy Coordination and Management project which this legislation establishes, our society will soon be able to make use of our most unfailing source of energy—the Sun.

As a longtime advocate of the development of solar energy, I think this legislation meets an absolutely vital need for national leadership in this field. Coordination of solar energy research and development is necessary if we are serious about making rapid progress in this field, and avoiding additional winters when the American people will have to wait in long lines for gasoline, turn their thermostats down, and watch energy resources diminish. Combined with the Solar Heating and Cooling Demonstration Act of 1974, this legislation provides the framework by which the United States can develop the tremendous potential of solar energy. The Solar Energy Coordination and Management project—mandated by H.R. 16371, can help speed us further along the path toward freedom from dependence on fossil fuels, pollution, and the energy crunch. We owe this to the American people.

Mr. Chairman, the 93d Congress has been the first in our history to exhibit the intelligent foresight to fund a realistic program of solar energy research and development. I am proud to be a Member of the first Congress which let the sunshine in.

The CHAIRMAN. If there are no amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROUSH, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 16371) to further the conduct of research, development, and demonstrations in solar energy technologies, to establish a solar energy coordination and management project, to provide for scientific and technical training in solar energy, to establish a Solar Energy Research Institute, to provide for the development of suitable incentives to assure the rapid commercial utilization of solar energy, and for other purposes, pursuant to House Resolution 1373, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FREY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 383, nays 3, not voting 48, as follows:

[Roll No. 529]

YEAS—383

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Carey, N.Y.
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Ginn
Goldwater
Gonzalez
Goodling
Green, Oreg.
Green, Pa.
Gross
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Reid
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruth
St Germain
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zion

NAYS—3

Collins, Tex.
Crane
Landgrebe

NOT VOTING—48

Anderson, Ill.
Blackburn
Blatnik
Brasco
Brown, Mich.
Burke, Calif.
Chamberlain
Conable
Conlan
Culver
Danielson
Davis, Ga.
Dellums
Diggs
Ford
Gilman
Grasso
Gray
Griffiths
Hanna
Harsha
Lehman
McSpadden
Macdonald
Mathias, Calif.
Moorhead, Calif.
Murphy, N.Y.
Nedzi
Nelsen
Owens
Podell
Rangel
Rarick
Rooney, N.Y.
Ruppe
Ryan
Sandman
Scherle
Shoup
Shuster
Steele
Symms
Talcott
Tiernan
Waldie
Wright
Young, S.C.
Zwach

So the bill was passed.

The Clerk announced the following pairs:

Mr. Murphy of New York with Mr. Culver.

Mr. Ford with Mrs. Griffiths.

Mr. Rooney of New York with Mr. Tiernan.

Mr. Wright with Mr. Chamberlain.

Mr. Rangel with Mr. Waldie.

Mrs. Burke of California with Mr. Mathias of California.

Mr. Nedzi with Mr. Anderson of Illinois.

Mr. Hanna with Mr. Conable.
Mrs. Grasso with Mr. Blackburn.
Mr. Gray with Mr. Dellums.
Mr. Danielson with Mr. Brown of Michigan.
Mr. Diggs with Mr. Davis of Georgia.
Mr. Macdonald with Mr. Conlan.
Mr. Lehman with Mr. Harsha.
Mr. Owens with Mr. Moorhead of California.
Mr. Podell with Mr. Nelsen.
Mr. Ryan with Mr. Gilman.
Mr. Rarick with Mr. Ruppe.
Mr. McSpadden with Mr. Scherle.
Mr. Blatnik with Mr. Shoup.
Mr. Sandman with Mr. Steele.
Mr. Shuster with Mr. Symms.
Mr. Young of South Carolina with Mr. Talcott.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL ANNOUNCEMENT

Mr. GILMAN. Mr. Speaker, I was unavoidably detained at the time of the rollcall on H.R. 16371, the solar energy bill.

I have strongly supported this energy legislation. Had I been present, I would have voted in favor of this bill.

Mr. Speaker, I ask that my remarks appear immediately following the rollcall No. 529.

SOLAR ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1974

Mr. TEAGUE. Mr. Speaker, pursuant to House Resolution 1373, I call up the Senate bill (S. 3234) to authorize a vigorous Federal program of research, development, and demonstration to assure the utilization of solar energy as a viable source for our national energy needs, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. TEAGUE

Mr. TEAGUE. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. TEAGUE moves to strike out all after the enacting clause of the Senate bill S. 3234, and to insert in lieu thereof the provisions of H.R. 16371, as passed, as follows:

That this Act may be cited as the "Solar Energy Research, Development, and Demonstration Act of 1974".

FINDINGS

SEC. 2. The Congress hereby finds that—

(1) the needs of a viable society depend on an ample supply of energy;

(2) the current imbalance between supply and demand for fuels and energy is likely to persist for some time;

(3) the demands on nonrenewable sources of energy are rapidly becoming unacceptably large and must be augmented;

(4) solar energy offers a nonpolluting, inexhaustible source of energy available for the benefit of all mankind;

(5) insofar as practical utilization is concerned, the various solar energy technologies today are at widely differing stages of development, with some already near the stage of commercial application and others still requiring basic research;

(6) the early development and export of viable equipment utilizing solar energy, consistent with the established preeminence of the United States in the field of high technology products, can make a valuable contribution to our balance of trade;

(7) the mass production and use of equipment utilizing solar energy will help to eliminate the dependence of the United States upon foreign energy sources and promote the national defense;

(8) the national effort in research, development, and demonstration activities relating to the utilization of solar energy has been extremely limited; and

(9) the resources of the Federal Government must supplement those of private industry in research, development, and demonstration of solar energy technologies.

POLICY

SEC. 3. The Congress declares that it is the policy of the United States to pursue a vigorous and adequately funded program of resource assessment, research and development, and demonstrations with the objective of utilizing solar energy as a major source for our national energy supply.

DEFINITIONS

SEC. 4. For purposes of this Act—

(1) The term "solar energy" means energy which has recently originated in the Sun. It includes direct and indirect solar radiation and intermediate solar energy forms such as wind, ocean thermal gradients, products of photosynthetic processes, organic wastes, and others.

(2) The term "byproducts" includes, with respect to any solar energy technology or process, any solar energy products (including energy forms) other than those associated with or constituting the primary product of such technology or process.

(3) The term "insolation" means the rate at which solar energy is received at the surface of the earth.

(4) The term "Project" means the Solar Energy Coordination and Management project established by section 5.

SOLAR ENERGY COORDINATION AND MANAGEMENT PROJECT

SEC. 5. (a) There is hereby established the Solar Energy Coordination and Management Project.

(b)(1) The Project shall be composed of six members as follows:

(A) one appointed by the President;

(B) an Assistant Director of the National Science Foundation;

(C) as Assistant Secretary of Housing and Urban Development;

(D) a member of the Federal Power Commission;

(E) an Associate Administrator of the National Aeronautics and Space Administration; and

(F) the General Manager of the Atomic Energy Commission.

(2) The President shall designate one member of the Project to serve as Chairman of the Project.

(c) The Project shall have overall responsibility for the provision of effective management and coordination with respect to a national solar energy research, development, and demonstration program, including—

(1) the determination and evaluation of the resource base, including its temporal and geographic characteristics;

(2) research and development on solar energy technologies; and

(3) the demonstration of appropriate solar energy technologies.

(d)(1) The Project shall carry out its responsibilities under this section in cooperation with the following Federal agencies:

(A) the National Science Foundation, the responsibilities of which shall include basic and applied research and overall funding;

(B) the National Aeronautics and Space Administration, the responsibilities of which shall include the provision of management capability and the development of technologies;

(C) the Atomic Energy Commission, the responsibilities of which shall include the development of technologies;

(D) the Department of Housing and Urban Development, the responsibilities of which shall include fostering the utilization of solar energy for the heating and cooling of buildings; and

(E) the Federal Power Commission, the responsibilities of which shall include fostering the utilization of solar energy for the generation of electricity and for the production of synthetic fuels.

(2) Upon request of the Project, the head of any such agency is authorized to detail or assign, on a reimbursable basis or otherwise, any of the personnel of such agency to the Project to assist it in carrying out its responsibilities under this Act.

(e) The Project shall have exclusive authority with respect to the establishment or approval of programs or projects initiated under this Act, except that the agency involved in any particular program or project shall be responsible for the operation and administration of such program or project.

(f) The National Aeronautics and Space Administration is authorized to undertake and carry out those programs assigned to it by the Project.

RESOURCE DETERMINATION AND ASSESSMENT

SEC. 6. (a) The Chairman shall initiate a solar energy resource determination and assessment program with the objective of making a regional and national appraisal of all solar energy resources, including data on insolation, wind, ocean thermal gradients, and potentials for photosynthetic conversion. The program shall emphasize identification of promising areas for commercial exploitation and development. The specific goals shall include—

(1) the development of better methods for predicting the availability of all solar energy resources, over long time periods and by geographic location;

(2) the development of advanced meteorological, oceanographic, and other instruments, methodology, and procedures necessary to measure the quality and quantity of all solar resources on periodic bases;

(3) the development of proposed agreements and programs with other countries to facilitate the exchange of information and data relating to solar energy resource assessment; and

(4) the development of activities arrangements, and procedures for the collection, evaluation, and dissemination of information and data relating to solar energy resource assessment.

(b) The Chairman, acting through the National Aeronautics and Space Administration, the National Oceanic and Atmospheric Administration, and other appropriate agencies shall—

(1) develop and carry out a general plan for inventorying all forms of solar energy resources associated with Federal lands and (consistent with property rights) non-Federal lands;

(2) conduct regional surveys based upon such general plan, using innovative meteorological, oceanographic and space-related techniques, in sufficient numbers to lead to a national inventory of solar energy resources in the United States;

(3) publish and make available maps, reports, and other documents developed from such surveys to encourage and facilitate the commercial development of solar energy resources; and

(4) make such recommendations for legislation as may appear to be necessary to establish a Federal leasing policy for solar resources (including public lands and waterways to be devoted to the collection of direct or indirect solar radiation or to the utilization of photosynthetic processes) consistent with known inventories of various resource types, with the state of technologies for solar

energy development, and with evaluation of the environmental impacts of such development.

RESEARCH AND DEVELOPMENT

SEC. 7. (a) The Chairman shall initiate a research and development program for the purpose of resolving the major technical problems inhibiting commercial utilization of solar energy in the United States.

(b) In connection with or as a part of such program, the Project shall insure the conduct of—

(1) basic research in all aspects of solar energy in order that basic limitations are better understood and ultimate potentials realized, and in order that significant practical application can be made to national energy requirements;

(2) systems, economic, social, and environmental studies to provide a basis for research and development planning and phasing;

(3) technology assessments relevant to the utilization of solar energy; and

(4) coordinated development of the means for utilizing the solar energy resource base, including any by-products of such base, with specific attention being directed to—

(A) the improvement of technical capability to predict environmental impacts resulting from the development of solar energy resources, and the assuring of compliance with applicable standards and performance criteria;

(B) the identification of social, legal, and economic problems associated with solar energy development (locally, regionally, and nationally) for the purpose of developing policy and providing a framework of policy alternatives for the commercial utilization of solar energy resources; and

(C) the development of agreements and programs with other countries to facilitate the exchange of information and to support cooperative research and development programs relating to solar energy.

(c) The specific solar energy technologies to be addressed or dealt with in the program shall include—

(1) solar heating and cooling of housing and of commercial and public buildings;

(2) direct solar heat as a source for industrial processes, including the utilization of low level heat for process and other industrial purposes;

(3) thermal energy conversion, and other methods, for the generation of electricity and the production of chemical fuels;

(4) the conversion of cellulose and other organic materials (including wastes) to useful energy or fuels;

(5) photovoltaic and other direct conversion processes;

(6) sea thermal power conversion;

(7) windpower conversion; and

(8) energy storage.

DEMONSTRATION

SEC. 8. (a) The Chairman may initiate a program to design and construct, in each of the specific solar energy technologies referred to in section 7(c), facilities of powerplants of sufficient size to demonstrate the technical and economic feasibility of utilizing the various forms of solar energy. The specific goals of such program shall include—

(1) the development of economical solar heating and cooling systems and components which meet performance and environmental standards;

(2) the design and construction of solar thermal electric powerplants;

(3) the design and construction of electric powerplants utilizing direct conversion processes;

(4) the design and construction of electric powerplants utilizing windpower;

(5) the evaluation of designs (and construction, if feasible) of plants generating electricity utilizing ocean thermal gradients;

(6) the design and construction of plants utilizing organic materials (including wastes) to produce electricity or synthetic fuels;

(7) the utilization of all thermal and other byproducts from any of the plants referred to in the preceding paragraphs;

(8) the design and development of hybrid systems involving the concomitant use of solar and other energy sources;

(9) the continuous operation of such plants for a period of time; and

(10) the provision of experimental test beds for component testing and evaluation.

(b) (1) In carrying out his responsibilities under this section, the Chairman may provide for the establishment of one or more demonstration projects utilizing each form of solar energy, which shall include, as appropriate, the specific research, development, pilot plant construction and operation, demonstration plant construction and operation, and other facilities and activities which may be necessary for the generation of electric energy, the heating and cooling of buildings, the production of synthetic fuels, and the utilization of byproducts.

(2) Plants and other real property utilized or involved in any demonstration project under this section may be purchased, leased, constructed, or otherwise established or obtained by the Chairman through the appropriate Federal agencies. Such agencies may obtain such plants and other real property under appropriate contracts or arrangements with other public or private persons or agencies.

(3) (A) During the conduct of any demonstration project under this section the agency designated by the Chairman to conduct such project shall take such steps as may be necessary to dispose of all of the electric energy and other byproducts of such project, in such manner and on such terms and conditions as such agency may determine to be feasible and in support of the objectives of this Act.

(B) To the maximum extent possible the disposition of byproducts under paragraph (1) shall be accomplished through the sale of such byproducts for commercial utilization, on such terms and conditions and in accordance with such plans as such agency may prescribe or develop.

(c) The Chairman, acting through the appropriate Federal agencies, is authorized to investigate and enter into agreements with non-Federal entities for the cooperative development of facilities to demonstrate the production of energy from solar resources.

(d) At the conclusion of the program under this section or as soon thereafter as may be practicable, the responsible Federal agencies shall, by sale, lease, or otherwise, dispose of all Federal property interests which they have acquired pursuant to this section on such terms and conditions as such agencies determine to be reasonable, or in accordance with the terms of the cooperative agreements involved.

(e) In selecting solar energy technologies for demonstration under this section, preference shall be given to those with the best opportunity for commercial success and environmental acceptability.

SCIENTIFIC AND TECHNICAL EDUCATION

SEC. 9. (a) It is the policy of the Congress to encourage the development and maintenance of programs through which there may be provided the necessary trained personnel to perform required solar energy research, development, and demonstration activities under sections 6, 7, and 8.

(b) The National Science Foundation is authorized to support programs of education in the sciences and engineering to carry out the policy set forth in subsection (a). Such support may include fellowships, traineeships, technical training programs, technologist training programs, and summer institute programs.

(c) The National Science Foundation is authorized and directed to coordinate its actions, to the maximum extent practicable, with the Project or any permanent Federal organization or agency having jurisdiction over the energy research and development functions of the United States, in determining the optimal selection of programs of education to carry out the policy set forth in subsection (a).

(d) The National Science Foundation is authorized to encourage, to the maximum extent practicable and consistent with the other objectives of this Act, international participation and cooperation in the development and maintenance of programs of education to carry out the policy set forth in subsection (a).

SOLAR ENERGY RESEARCH INSTITUTE

SEC. 10. (a) There is established a Solar Energy Research Institute, which shall perform such research, development, and related functions as the Chairman of the Project may determine to be necessary or appropriate in connection with the Project's activities under this Act or to be otherwise in furtherance with the purpose and objectives of this Act.

(b) The Institute may be located (as designated by the Chairman of the Project) at any new or existing Federal laboratory (including a non-Federal laboratory performing functions under a contract entered into with the Project or with any of the agencies represented in the Project as well as a laboratory whose personnel are Federal employees).

SOLAR ENERGY TECHNOLOGY UTILIZATION

SEC. 11. (a) (1) In carrying out his functions under this Act the Chairman of the Project, utilizing the capabilities of the National Science Foundation, the National Aeronautics and Space Administration, the Department of Commerce, the Atomic Energy Commission, and other appropriate Federal agencies to the maximum extent possible, shall establish and operate a Solar Energy Information Data Bank (hereinafter in this subsection referred to as the "bank") for the purpose of collecting, reviewing, processing, and disseminating information and data in all of the solar energy technologies referred to in section 7(c) in a timely and accurate manner in support of the objectives of this Act.

(2) Information and data compiled in the bank shall include—

(A) technical information (reports, journal articles, dissertations, monographs, project descriptions, etc.) on solar energy research, development, and applications;

(B) similar technical information on the design, construction, and maintenance of equipment utilizing solar energy;

(C) physical and chemical properties of materials required for solar energy activities and equipment; and

(D) engineering performance of equipment and devices utilizing solar energy.

(3) In accordance with regulations prescribed under section 13, the Chairman shall provide retrieval and dissemination services with respect to the information described under paragraph (2) for—

(A) Federal, State, and local government organizations that are active in the area of energy resources (and their contractors);

(B) universities and colleges in their related research and consulting activities; and

(C) the private sector upon request in appropriate cases.

(4) In carrying out his functions under this subsection, the Chairman shall utilize, when feasible, the existing data base of scientific and technical information in Federal agencies, adding to such data base any information described in paragraph (2) which does not already reside in such base. He shall coordinate or merge this data bank with other Federal energy information data banks as necessary to assure efficient and effective operation.

(b) The Chairman of the Project shall establish a solar energy incentives task force comprised of such individuals and organizations as he may consider appropriate to carry out the following functions: (1) report to the President and the Congress within one hundred and twenty days following the date of the enactment of this Act, and at least annually thereafter, recommendations for a viable program of specified, time limited, incentives or modifications to existing or proposed incentive programs to accelerate the commercial application and consumer utilization of solar energy technology; (2) carry on a program of research and investigation into the barriers to innovation in the field of solar energy, the barriers to the acceleration of the commercial application of solar energy technology, and the programs needed to remove such barriers; and (3) carry on a program of research and investigation into the social, legal, and economic barriers to the full public acceptance and utilization of solar energy technology.

(c) The Chairman of the Project shall enter into such arrangements and take such other steps as may be necessary or appropriate to provide for the effective coordination of solar energy technology utilization with all other technology utilization programs within the Federal Government.

REPORTING REQUIREMENTS

Sec. 12. Each Federal officer and agency having functions under this Act shall include in his or its annual report to the President and the Congress a full and complete description of his or its activities (current and projected) under this Act, along with his of its recommendations for legislative, administrative, or other action to improve the programs under this Act or to achieve the objectives of this Act more promptly and effectively. In addition, the Chairman of the Project shall submit annually to the President and the Congress a special report summarizing in appropriate detail all of the activities (current and projected) of the various Federal officers and agencies having functions under this Act, with the objective of presenting a comprehensive overall view of such programs.

REGULATIONS

Sec. 13. The Chairman of the Project, in consultation with the heads of the Federal agencies having functions under this Act and with other appropriate officers and agencies, shall prescribe such regulations as may be necessary or appropriate to carry out this Act promptly and efficiently. Each such officer or agency, in consultation with the Chairman, may prescribe such regulations as may be necessary or appropriate to carry out his or its particular functions under this Act promptly and efficiently.

TRANSFER OF FUNCTIONS

Sec. 14. Within sixty days after the effective date of the law creating a permanent Federal organization or agency having jurisdiction over the energy research and development functions of the United States (or within sixty days after the date of the enactment of this Act if the effective date of such law occurs prior to the date of the enactment of this Act), all of the authorities of the Project and all of the research and development functions (and other functions except those related to scientific and technical education) vested in Federal agencies under this Act along with related records, documents, personnel, obligations, and other items to the extent necessary or appropriate, shall, in accordance with regulations prescribed by the Office of Management and Budget, be transferred to and vested in such organization or agency.

INFORMATION TO CONGRESS

Sec. 15. Notwithstanding any other provision of law, the Chairman of the Project (or the head of any agency which assumes the functions of the Project pursuant to section 14) shall keep the appropriate committees of the House of Representatives and the Senate fully and currently informed with respect to all activities under this Act.

COMPREHENSIVE PROGRAM DEFINITION

Sec. 16. (a) The Chairman of the Project is authorized and directed to prepare a comprehensive program definition of an integrated effort and commitment for effectively developing solar energy resources. Such Chairman, in preparing such program definition, shall utilize and consult with the Federal Energy Administration, the National Science Foundation, the Department of Housing and Urban Development, the Federal Power Commission, the National Aeronautics and Space Administration, the Atomic Energy Commission, and other appropriate Federal agencies, State and local government agencies, and private organizations.

(b) The Chairman of the Project shall transmit such comprehensive program definition to the President and to each House of the Congress. Interim reports shall be transmitted not later than December 31, 1974, and not later than January 31, 1975. The comprehensive program definition shall be transmitted as soon as possible thereafter, but in any case not later than June 30, 1975.

AUTHORIZATION OF APPROPRIATIONS

Sec. 17. (a) There is authorized to be appropriated to the National Science Foundation for the fiscal year ending June 30, 1975, not to exceed $2,000,000 to be made available for use in the preparation of the comprehensive program definition under section 16.

(b) There are authorized to be appropriated to carry out this Act, for fiscal years beginning after June 30, 1975, such sums as the Congress may hereafter authorize by law.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "To further the conduct of research, development, and demonstrations in solar energy technologies, to establish a solar energy coordination and management project, to provide for scientific and technical training in solar energy, to establish a Solar Energy Research Institute, to provide for the development of suitable incentives to assure the rapid commercial utilization of solar energy, and for other purposes."

A motion to reconsider was laid on the table.

A simliar House bill (H.R. 16371) was laid on the table.

GILMAN EXTENDS NEW YEAR GREETINGS

Mr. GILMAN. Mr. Speaker, I want to take this opportunity to explain that my absence during the two quorum calls recorded on September 17, 1974, and September 18, 1974, requested by my Republican colleagues, was due to my observance of religious holidays, with my family in Middletown, N.Y.

As we approach the High Holy Days, permit me to extend my New Year's greeting to our brethren.

May 5735 bring freedom and peace to all people throughout the world.

MESSAGE FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On August 20, 1974:

H.R. 7682. An act to confer U.S. citizenship posthumously upon Lance Cpl. Federico Silva.

On August 21, 1974:

H.R. 69. An act to extend and amend the Elementary and Secondary Education Act of 1965, and for other purposes;

H.R. 12832. An act to create a Law Revision Commission for the District of Columbia, and to establish a municipal code for the District of Columbia; and

H.R. 15544. An act making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1975, and for other purposes.

On August 22, 1974:

H.J. Res. 1105. Joint resolution designating August 26, 1974, as "Women's Equality Day."

On August 24, 1974:

H.R. 7218. An act to improve the laws relating to the regulation of insurance companies in the District of Columbia; and

H.R. 11108. An act to extend for 3 years the District of Columbia Medical and Dental Manpower Act of 1970.

On August 28, 1974:

H.R. 15155. An act making appropriations for public works for water and power development, including the Corps of Engineers-Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1975, and for other purposes; and

H.R. 15405. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

On August 29, 1974:

H.R. 10044. An act to increase the amount authorized to be expended to provide facilities along the border for the enforcement of the customs and immigration laws.

H.R. 14402. An act to amend section 8202 (a) of title 10, United States Code, to extend for 2 years the period during which the authorized number for the grades of lieutenant colonel and colonel in the Air Force are increased.

H.R. 15791. An act to amend section 204(g) of the District of Columbia Self-Government and Governmental Reorganization Act, and for other purposes; and

H.R. 15936. An act to amend chapter 5, title 37, United States Code, to provide for continuation pay for physicians of the uniformed services in initial residency.

On August 30, 1974:

H.R. 3620. An act to establish the Great Dismal Swamp National Wildlife Refuge; and

H.R. 15205. An act to amend the Natural Gas Pipeline Safety Act of 1968, as amended, to authorize additional appropriations, and for other purposes.

On August 31, 1974:

H.R. 15581. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District and the fiscal year ending June 30, 1975, and for other purposes; and

H.R. 16027. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

On September 2, 1974:

H.R. 2, An act to provide for pension reform.

On September 3, 1974:

H.R. 6485. An act to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938;

H.R. 11864. An act to provide for the early development and commercial demonstration of the technology of solar heating and combined solar heating and cooling systems.

H.R. 14920. An act to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a Geothermal Energy Coordination and Management Project, to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, to establish a loan guaranty program for the financing of geothermal energy development, and for other purposes; and

H.R. 15842. An act to increase compensation for District of Columbia policemen, firemen, and teachers; to increase annuities payable to retired teachers in the District of Columbia; to establish an equitable tax on real property in the District of Columbia; to provide for additional revenue for the District of Columbia; and for other purposes.

On September 4, 1974:

H.R. 13999. An act to authorize appropriations for activities of the National Science Foundation, and for other purposes.

On September 6, 1974:

H.R. 15572. An act making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes.

On September 7, 1974:

H.R. 13871. An act to amend chapter 81 of subpart G of title 5, United States Code, relating to compensation for work injuries, and for other purposes.

On September 17, 1974:

H.R. 15172. An act to authorize the Secretary of State to prescribe the fee for execution of an application for a passport and to continue to transfer to the United States Postal Service the execution fee for each application accepted by that Service.

DISAGREEING TO SENATE AMENDMENTS ON H.R. 6274

Mr. DONOHUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6274) to grant relief to payees and special endorsees of fraudulently negotiated checks drawn on designated depositaries of the United States by extending the availability of the check forgery insurance funds, and for other purposes, together with Senate amendments thereto, and disagree with the Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FATHER ROBERT BANOME

(Mr. BIAGGI asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BIAGGI. Mr. Speaker, I wish to commend my colleague from New York (Mr. BINGHAM) on his comments regarding Father Robert Banome who delivered the invocation this morning.

I am pleased to welcome Father Banome to this chamber and congratulate him on his fine invocation. Father Banome presently serves as the Pastor of St. Joseph's Church in the Bronx which he has done for the past 11 years. Prior to that he served in a parish in East Harlem, N.Y.

Father Banome has provided spiritual leadership and guidance for hundreds of men, women, and children during his years as a priest. His efforts are to be commended and I extend to him my personal thanks as well as those of my colleagues here today.

CONSUMER PRODUCT WARRANTIES AND FEDERAL TRADE COMMISSION IMPROVEMENTS ACT

Mr. STAGGERS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 7917) to provide minimum disclosure standards for written consumer product warranties against defects or malfunctions; to define minimum Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 7917, with Mr. REES in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Tuesday, September 17, 1974, all time for general debate had expired.

Pursuant to the rule, immediately after the reading of the enacting clause, it shall be in order to consider the text of the bill H.R. 16327 as an amendment in the nature of a substitute for the bill, and said substitute shall be read for amendment by title.

The Clerk will read the enacting clause.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. BROYHILL OF NORTH CAROLINA

Mr. BROYHILL of North Carolina. Mr. Chairman, under the rule, I offer the following amendment in the nature of a substitute, which is to the text of the bill (H.R. 7917).

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. BROYHILL of North Carolina: That this Act may be cited as the "Consumer Product Warranties-Federal Trade Commission Improvements Act".

TITLE I—CONSUMER PRODUCT WARRANTIES

DEFINITION

SEC. 101. For the purposes of this title:

(1) The term "consumer product" means any tangible personal property which is distributed in commerce and which is normally used for personal, family, or household purposes (including any such property intended to be attached to or installed in any real property without regard to whether it is so attached or installed).

(2) The term "Commission" means the Federal Trade Commission.

(3) The term "consumer" means the first buyer at retail of any consumer product, any person to whom such product is transferred during the duration of a warranty (or service contract) applicable to the product, and any other person who is entitled by the terms of such warranty (or contract) or under applicable State law to enforce against the warrantor (or service contractor) the obligations of the warranty (or contract).

(4) The term "reasonable and necessary maintenance" consists of those operations (A) which the consumer reasonably can be expected to perform or have performed and (B) which are necessary to keep any consumer product performing its intended function and operating in the manner (if any) specified in the warranty.

(5) The term "remedy" means whichever the following actions the warrantor elects:

(A) repair,

(B) replacement, or

(C) refund;

except that the warrantor may not elect refund unless (i) the warrantor is unable to provide replacement and repair is not commercially practicable or cannot be timely made, or (ii) the consumer is willing to accept such refund.

(6) The term "replacement" means furnishing a new consumer product which is identical or reasonably equivalent to the warranted product.

(7) The term "refund" means refunding the actual purchase price (less depreciation based on actual use).

(8) The term "supplier" means any person engaged in the business of making a consumer product directly or indirectly available to consumers.

(9) The term "warrantor" means any supplier who gives or offers to give a warranty.

(10) The term "warranty" means—

(A)(i) any written affirmation of fact or written promise made at the time of sale by a supplier to a purchaser which relates to the nature of the material or workmanship and affirms or promises that such material or workmanship is defect free or will meet a specified level of performance over a specified period of time, or

(ii) any undertaking in writing in connection with the sale of a consumer product to refund, repair, replace, or take other remedial action with respect to such product in the event that such product fails to meet the specifications set forth in the undertaking,

which written affirmation, promise, or undertaking becomes part of the basis of the bargain between a supplier and the first buyer at retail of such product; or

(B) an implied warranty arising under State law.

(11) The term "service contract" means a contract in writing to perform, over a fixed period of time or for a specified duration, services relating to the maintenance or repair of a consumer product.

(12) The term "distributed in commerce" means sold in commerce, introduced or delivered for introduction into commerce, or held for sale or distribution after introduction into commerce.

(13) The term "commerce" means trade, traffic, commerce, or transportation—

(A) between a place in a State and any place outside thereof, or

(B) which affects trade, traffic, commerce, or transportation described in subparagraph (A).

(14) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Canal Zone, or American Samoa. The term

"State law" includes a law of the United States applicable only to the District of Columbia or only to a territory or possession of the United States; and the term "Federal law" excludes any State law.

WARRANTY PROVISIONS

SEC. 102. (a) In order to improve the adequacy of information available to consumers, prevent deception, and improve competition in the marketing of consumer products, any supplier warranting a consumer product to a consumer in writing shall fully and conspicuously disclose in simple and readily understood language the terms and conditions of such warranty pursuant to any rules issued by the Commission. Such rules may require inclusion in the written warranty of any of the following items among others:

(1) The clear identification of the names and addresses of the warrantors.

(2) The identity of the party or parties to whom the warranty is extended.

(3) The products or parts covered.

(4) A statement of what the warrantor will do in the event of a defect, malfunction, or failure to conform with such written warranty—at whose expense—and for what period of time.

(5) A statement of what the consumer must do and expenses he must bear.

(6) Exceptions and exclusions from the terms of the warranty.

(7) The step-by-step procedure which the consumer should take in order to obtain performance of any obligation under the warranty, including the identification of any class of persons authorized to perform the obligations set forth in the warranty.

(8) Information respecting the availability of any informal dispute settlement procedure offered by the warrantor and a recital, where the procedure so provides, that the purchaser must resort to such procedure before pursuing any legal remedies in the courts.

(9) A brief, general description of the legal remedies available to the consumer.

(10) The time at which the warrantor will perform his obligations.

(11) The period of time within which, after notice of a defect, malfunction, or failure to conform with the warranty, the warrantor will perform any obligations under the warranty.

(12) The characteristics or properties of the products, or parts thereof, that are not covered by the warranty.

(13) The elements of the warranty in words or phrases which would not mislead a reasonable, average consumer as to the nature or scope of the warranty.

(b)(1)(A) The Commission shall prescribe rules requiring that the terms of any warranty on a consumer product be made available to the consumer (or prospective consumer) prior to the sale of the product to him.

(B) The Commission may prescribe rules for determining the manner and form in which information with respect to any written warranty of a consumer product shall be clearly and conspicuously presented or displayed so as not to mislead the reasonable, average consumer, when such information is contained in advertising, labeling, point-of-sale material, or other representations in writing.

(2) Nothing in this title (other than paragraph (3) of this subsection) shall be deemed to authorize the Commission to prescribe the duration of warranties given or to require that a consumer product or any of its components be warranted.

(3) The Commission may prescribe rules for extending the period of time a written warranty or service contract is in effect to correspond with any period of time in excess of a reasonable period (not less than ten days) during which the consumer is deprived of the use of such consumer product by reason of failure of the product to conform with the warranty or by reason of the failure of the warrantor (or service contractor) to carry out such warranty (or service contract) within the period specified in the warranty (or contract).

(c) No warrantor of a consumer product may condition his warranty of such product on the consumer's using, in connection with such product, any article or service (other than a service provided without charge under the terms of the warranty) which is identified by brand, trade, or corporate name; except that the prohibition of this subsection may be waived by the Commission if—

(1) the warrantor satisfies the Commission that the warranted product will function properly only if the product or service so identified is used in connection with the warranted product, and

(2) the Commission finds that the waiver is in the public interest.

The Commission shall publish in the Federal Register for public comment all applications for waiver of the prohibition of this subsection, and shall publish in the Federal Register its decision, including the reasons therefor.

(d) The Commission may by rule devise detailed substantive warranty provisions which warrantors may incorporate by reference in their warranties.

(e) The provisions of this section apply only to consumer products actually costing the consumer more than $5.

DESIGNATION OF WARRANTIES

SEC. 103. (a) Any supplier warranting a consumer product in writing shall clearly and conspicuously designate such warranty in the following manner, unless exempted from doing so by the Commission pursuant to subsection (c) of this section:

(1) If the written warranty incorporates the Federal minimum standards for warranty set forth in section 104 of this Act, then it shall be conspicuously designated a "full (statement of duration)" warranty or guaranty.

(2) If the written warranty does not incorporate the Federal minimum standards for warranty set forth in section 104 of this Act, then it shall be conspicuously designated a "limited" warranty or guaranty.

(b) Statements or representations similar to expressions of general policy concerning customer satisfaction which are not subject to any specific limitations are excluded from sections 102, 103, and 104 of this Act, but shall remain subject to the provisions of the Federal Trade Commission Act and requirements in section 110(c) of this Act.

(c) In addition to the authority given in section 102 of this Act pertaining to disclosure, the Commission may prescribe rules to define in detail the duties set forth in section 104(a) of this Act and their applicability to warrantors of different categories of consumer products with "full (statement of duration)" warranties, and to determine when a warranty in writing does not have to be designated either "full (statement of duration)" or "limited" in accordance with this section.

(d) The provisions of this section and section 104 apply only to consumer products actually costing the consumer more than $10.

FEDERAL MINIMUM STANDARDS FOR WARRANTY

SEC. 104. (a) In order for a supplier warranting a consumer product in writing to incorporate the Federal minimum standards for warranty—

(1) such supplier must as a minimum undertake the remedy, within a reasonable time and without charge, of such consumer product in the case of a defect, malfunction, or failure to conform with such written warranty;

(2) notwithstanding section 108(b), such supplier may not impose any limitation on the duration of any implied warranty on the product; and

(3) if the product (or a component part thereof) contains a defect or malfunction after a reasonable number of attempts (determined under rules of the Commission) by the warrantor to remedy such defect or malfunction, such warrantor must permit the consumer to elect either a refund or replacement without charge of such product or part (as the case may be).

(b)(1) In fulfilling the duties under subsection (a) the warrantor shall not impose any duty other than notification upon any consumer as a condition of securing remedy of any consumer product which does not conform to the written warranty unless the warrantor can demonstrate that such a duty is reasonable.

(2) Notwithstanding paragraph (1), a warrantor may require, as a condition to replacement of, or refund for, any consumer product under subsection (a), that the replaced consumer product shall be made available to the supplier free and clear of liens and other encumbrances, except as otherwise provided by rule or order of the Commission in cases in which such a requirement would not be practicable.

(3) The duties under subsection (a) extend from the warrantor to each person who is a consumer with respect to the product.

(c) The performance of the duties under subsection (a) of this section shall not be required of the warrantor if he can show that damage (not resulting from defect or malfunction) while in the possession of the consumer, or unreasonable use (including failure to provide reasonable and necessary maintenance), caused any warranted consumer product to fail to conform to the written warranty.

(d) For purposes of this section and section 102(c), the term "without charge" means that the warrantor cannot assess the consumer for any costs the warrantor or his representatives incur in connection with the required remedy of a warranted consumer product. The obligation under subsection (a)(1)(A) to remedy without charge does not necessarily require the warrantor to compensate the consumer for incidental expenses; however, if any incidental expenses are incurred because the remedy is not made within a reasonable time or because the warrantor imposed an unreasonable duty upon the consumer as a condition of securing remedy, then the consumer shall be entitled to recover reasonable incidental expenses which are so incurred in any action against the warrantor.

(e) If a supplier designates a warranty applicable to a consumer product as a "full (statement of duration)" warranty, then the warranty on such product shall, for the purposes of any action under section 110(d) or under any State law, be deemed to incorporate at least the minimum requirements of this section.

FULL AND LIMITED WARRANTING OF A CONSUMER PRODUCT

SEC. 105. Nothing in this title shall prohibit the selling of a consumer product which has both full and limited warranties if such warranties are clearly and conspicuously differentiated.

SERVICE CONTRACTS

SEC. 106. Nothing in this title shall be construed to prevent a supplier from entering into a service contract with the consumer in addition to or in lieu of a warranty in writing if such contract fully and conspicuously discloses in simple and readily understood language its terms and conditions. The Commission may prescribe by rule the manner and form in which the terms and conditions of service contracts shall be clearly and conspicuously disclosed.

DESIGNATION OF REPRESENTATIVES

SEC. 107. Nothing in this title shall be construed to prevent any warrantor from designating representatives to perform duties under the warranty: *Provided*, That such warrantor shall make reasonable arrangements for compensation of such designated representatives, but no such designation shall relieve the warrantor of his direct responsibilities to the consumer or make the representative a cowarrantor.

LIMITATION ON DISCLAIMER OF IMPLIED WARRANTIES

SEC. 108. (a) No supplier may disclaim or modify any implied warranty to a consumer with respect to a consumer product if (1) such supplier makes any express warranty in writing to the consumer with respect to such consumer product, or (2) at the time of sale, or within ninety days thereafter, such supplier enters into a service contract with the consumer which applies to such consumer product.

(b) For purposes of this title, implied warranties may be limited in duration to the duration of an express warranty of reasonable duration, if such limitation is conscionable and is set forth in clear and unmistakable language and prominently displayed on the face of the warranty.

(c) A disclaimer, modification, or limitation made in violation of this section shall be ineffective for purposes of any action under this title or under State law.

COMMISSION RULES

SEC. 109. Any rule prescribed under this title shall be prescribed in accordance with, and shall be subject to judicial review under, section 18 of the Federal Trade Commission Act (as amended by section 202 of this Act).

REMEDIES

SEC. 110. (a) (1) Congress hereby declares it to be its policy to encourage warrantors to establish procedures whereby consumer disputes are fairly and expeditiously settled through informal dispute settlement mechanisms.

(2) The Commission shall prescribe rules setting forth requirements for any informal dispute settlement procedure which is incorporated into the terms of a warranty to which any provision of this title applies. Such rules shall provide for participation in such procedure by independent or governmental entities.

(3) One or more suppliers may establish an informal dispute settlement procedure which meets the requirements of the Commission's rules under paragraph (2). If—

(A) a supplier establishes a procedure which meets such requirements and he incorporates in a warranty a requirement that the consumer resort to such procedure before pursuing any legal remedy under this section respecting such warranty, and

(B) the Commission has not found, under paragraph (4), that such procedure or its implementation fails to comply with rules under paragraph (2),

then (i) the consumer may not commence a civil action (other than a class action) under subsection (d) of this section unless he initially resorts to such procedure; and (ii) a class of consumers may not proceed in a class action under subsection (d) except to the extent the court determines necessary to establish the representative capacity of the named plaintiffs, unless the named plaintiffs (upon notifying the defendant that they are named plaintiffs in a class action with respect to a warranty obligation) initially resort to such procedure. In any civil action arising out of a warranty obligation and relating to a matter considered in such a procedure, any decision in such procedure shall be admissible in evidence. In the case of such a class action which is brought in a district court of the United States, the representative capacity of the named plaintiffs shall be established in the application of Rule 23 of the Federal Rules of Civil Procedure for the District Courts of the United States.

(4) The Commission on its own initiative may, or upon written complaint filed by any interested person shall, review the bona fide operation of any dispute settlement procedure resort to which is stated in the consumer product warranty to be a prerequisite to pursuing a legal remedy under this section. If the Commission finds that such procedure or its implementation fails to comply with the requirements of the rules under paragraph (2), the Commission may take appropriate remedial action under any authority it may have under this title or any other provision of law.

(b) It shall be a violation of section 5(a) (1) of the Federal Trade Commission Act (15 U.S.C. 45(a)(1)) for any person to fail to comply with any requirement imposed on such person by or pursuant to this title or to violate any prohibition contained in this title.

(c) (1) The district courts of the United States shall have jurisdiction of any action brought by the Commission to restrain (A) any supplier from making a deceptive warranty with respect to a consumer produce, or (B) any person from failing to comply with any requirement imposed on such person by or pursuant to this title or from violating any prohibition contained in this title. Upon proper showing that, weighing the equities and considering the Commission's likelihood of ultimate success, such action would be in the public interest and after notice to the defendant, a temporary restraining order or preliminary injunction may be granted without bond. If a complaint under section 5 of the Federal Trade Commission Act is not filed within such period (not exceeding ten days) as may be specified by the court after the issuance of the temporary restraining order or preliminary injunction, the order or injunction shall be dissolved by the court and be of no further force and effect. Any such suit shall be brought in the district in which such person, partnership, or corporation resides or transacts business. Whenever it appears to the court that the ends of justice require that other persons should be parties in the action, the court may cause them to be summoned whether or not they reside in the district in which the court is held, and to that end process may be served in any district.

(2) For the purposes of this subsection, the term "deceptive warranty" means (A) a warranty (as defined in section 101(10)) which (i) contains an affirmation, promise, description, or representation which is either false or fraudulent, or which, in light of all of the circumstances would mislead a reasonable individual exercising due care; or (ii) fails to contain information that is necessary in light of all of the circumstances, to make the warranty not misleading to a reasonable individual exercising due care; or (B) a warranty (as so defined) created by the use of such terms as "guaranty" or "warranty", if the terms and conditions of such warranty so limit its scope and application as to deceive a reasonable individual.

(d) (1) Subject to subsections (a) (3) and (e), a consumer who is damaged by the failure of a supplier to comply with any obligation under this title, or under a warranty or service contract (as defined in section 101 (10) and (11)), may bring suit—

(A) in any court of competent jurisdiction in any State or the District of Columbia; or

(B) in an appropriate district court of the United States, subject to paragraph (3) of this subsection.

(2) If a consumer finally prevails in any action brought under paragraph (1) of this subsection, he may be allowed by the court to recover as part of the judgment a sum equal to the aggregate amount of cost and expenses (including attorney's fees based on actual time expended) determined by the court to have been reasonably incurred by the plaintiff for or in connection with the institution and prosecution of such action, unless the court in its discretion shall determine that such an award of attorneys' fees would be inappropriate.

(3) No claim shall be cognizable in a suit brought under paragraph (1) (B) of this subsection—

(A) unless each individual claim exceeds the sum or value of $25;

(B) unless the matter in controversy exceeds the sum or value of $50,000 (exclusive of interests and costs) computed on the basis of all claims to be determined in this suit; and

(C) if the action is brought as a class action, unless the number of named plaintiffs equals or exceeds one hundred.

(e) No action (other than a class action or an action respecting a warranty to which subsection (a) (3) applies) may be brought under subsection (d) for breach of any warranty or service contract, and a class of consumers may not proceed in a class action under such subsection with respect to such a breach except to the extent the court determines necessary to establish the representative capacity of the named plaintiffs, unless the person obligated under the warranty or service contract is afforded a reasonable opportunity to cure such breach. In the case of such a class action (other than a class action respecting a warranty to which subsection (a) (3) applies) brought under subsection (d) for breach of any warranty or service contract, such reasonable opportunity will be afforded by the named plaintiffs and they shall at that time notify the defendant that they are acting on behalf of the class. In the case of such a class action which is brought in a district court of the United States, the representative capacity of the named plaintiffs shall be established in the application of rule 23 of the Federal Rules of Civil Procedure for the District Courts of the United States.

(f) For purposes of this section, only the supplier actually making a written affirmation of fact, promises, or undertaking shall be deemed to have created a warranty described in section 101 (10) (A), and any rights arising thereunder may be enforced under this section only against such supplier and no other person.

EFFECT OF OTHER LAWS

SEC. 111. (a) (1) Nothing contained in this title shall be construed to repeal, invalidate, or supersede the Federal Trade Commission Act (15 U.S.C. 41 et seq.) or any statute defined therein as an Antitrust Act.

(2) Nothing in this title shall be construed to repeal, invalidate, or supersede the Federal Seed Act (77 U.S.C. 1551–1611) and nothing in this title shall apply to seed for planting.

(b) (1) Nothing in this title shall invalidate or restrict any right or remedy of any consumer under State law.

(2) Nothing in this title shall affect the liability of, or impose liability on, any person for personal injury.

(c) (1) Except as provided in subsection (b) and in paragraph (2) of this subsection, a State requirement—

(A) which relates to labeling, disclosure, or other matters (i) respecting written warranties or performance thereunder and (ii) within the scope of an applicable requirement of sections 102, 103, and 104 (and rules implementing such sections), and

(B) which is not identical to a requirement of section 102, 103, or 104 (or a rule thereunder),

shall not be applicable to warranties complying with such section (of rules thereunder).

(2) If, upon application of an appropriate State agency, the Commission determines (pursuant to rules issued in accordance with section 109) that any requirement of such State covering any transaction to which this title applies (A) affords protection to consumers greater than the requirements of this title and (B) does not unduly burden inter-

state commerce, then such State requirement shall be applicable (notwithstanding the provisions of paragraph (1) of this subsection) to the extent specified in such determination for as long as the State continues to administer and enforce effectively any such greater requirement.

(d) This title (other than section 102(c)) shall be inapplicable to any warranty the making or content of which is otherwise governed by Federal law. If only a portion of a written warranty is so governed by Federal law, the remaining portion shall be subject to this title.

EFFECTIVE DATE

SEC. 112. (a) Except as provided in subsection (b) of this section, this title shall take effect six months after the date of its enactment but shall not apply to consumer products manufactured prior to such date.

(b) Those requirements in this title which cannot be reasonably met without the promulgation of rules by the Commission shall take effect six months after the final publication of such rules; except that the Commission, for good cause shown, may provide designated classes of suppliers up to an additional six months to bring their written warranties into compliance with rules promulgated pursuant to this title.

(c) The Commission shall promulgate rules for initial implementation of this title as soon as possible after the date of enactment of this Act but in no event later than one year after the date of enactment of this Act.

TITLE II—FEDERAL TRADE COMMISSION IMPROVEMENTS

JURISDICTION OF COMMISSION

SEC. 201. (a) Section 5 of the Federal Trade Commission Act (15 U.S.C. 45) is amended by striking out "in commerce" wherever it appears and inserting in lieu thereof "in or affecting commerce".

(b) Subsections (a) and (b) of section 6 of the Federal Trade Commission Act (15 U.S.C. 46) are each amended by striking out "in commerce" and inserting in lieu thereof "in or whose business affects commerce".

(c) Section 12 of the Federal Trade Commission Act (15 U.S.C. 52) is amended by striking out "in commerce" wherever it appears and inserting in lieu thereof in subsection (a) "in or having an effect upon commerce," and in subsection (b) "in or affecting commerce".

RULEMAKING AUTHORITY

SEC. 202. (a) The Federal Trade Commission Act is amended by redesignating section 18 as section 19, and inserting after section 17 the following new section:

"RULEMAKING

"SEC. 18. (a)(1) The Commission shall have the power to issue (A) procedural, administrative, and advisory rules, and (B) rules defining with specificity acts or practices which are unfair or deceptive and which are within the scope of section 5(a)(1) of this Act. The Commission shall have no authority under this Act, other than its authority under this section, to prescribe rules.

"(2)(A) When issuing rules under paragraph (1)(B) of this subsection, the Commission shall proceed in accordance with section 553 of title 5, United States Code (not including any reference to sections 556 and 557), and shall also: (i) issue an order of proposed rulemaking stating with particularity the reason for the proposed rule; (ii) allow interested persons to comment on the proposed rule in writing and make all such comments publicly available; (iii) provide an opportunity for an informal hearing at which interested persons may comment orally on the proposed rule; and (iv) promulgate, if appropriate, a final rule together with a statement of basis and purpose based on the information and comments compiled in accordance with clauses (i), (ii), and (iii). A verbatim transcript of any oral hearing under clause (iii) shall be taken and such transcript shall be publicly available.

"(B) The Commission shall afford the following process for its hearings pursuant to subparagraph (A)(iii) of this paragraph:

"(i) Subject to clauses (ii) and (iii) of this subparagraph, a party is entitled to present his position by oral or documentary evidence and to submit rebuttal evidence, and to conduct such cross examination as may be required for a full and true disclosure of all disputed issues of material fact.

"(i) The Commission may make such rules and rulings concerning proceedings in such hearings as may tend to avoid unnecessary costs or delay.

"(iii) When parties with the same or similar interests cannot agree upon a single representative, the Commission may make rules and rulings governing the manner in which such cross-examination is limited; but when any party has the same or similar interests with other parties but is unable to agree upon group representation with these parties, such party shall not be denied the opportunity to conduct cross-examination as to issues affecting his particular interests if he shows to the satisfaction of the Commission that he has made a good faith effort to reach agreement upon group representation with the other parties having same or similar interests and that there are substantial issues which are not adequately presented by the group representative.

"(C) The agency statement to accompany the adoption of a rule shall include, among other things, statements (i) as to extent of the acts and practices treated by the rule; (ii) as to the manner in which and extent to which such acts or practices are unfair or deceptive; and (iii) as to the economic impact of the rule, taking into account the impact on small business.

"(D) When any rule under this paragraph (2) is promulgated and becomes final a subsequent violation thereof shall constitute an unfair or deceptive act or practice in violation of section 5(a)(1) of this Act, unless the Commission otherwise expressly provides in the rule.

"(E) The term 'Commission' as used in this paragraph (2) includes anyone authorized to act in behalf of the Commission in any part of the conduct of the rulemaking process.

"(3)(A) Not later than sixty days after a rule to which paragraph (2) of this subsection applies is prescribed by the Commission, any person adversely affected by such rule (including a consumer or consumer organization) may file a petition with the United States Court of Appeals for the District of Columbia or for the circuit in which such person resides or has his principal place of business for a judicial review of such rule. Copies of the petition shall be forthwith transmitted by the clerk of the court to the Commission or other officer designated by it for that purpose. The Commission shall file in the court the record of the proceedings on which the Commission based its rule as provided in section 2112 of title 28, United States Code. For purposes of this section, the term 'record' means such rule, the transcript required by paragraph (2)(A) of any oral presentation, any written submission of interested parties, and any other information which the Commission considers relevant to such rule.

"(B) If the petitioner applies to the court for leave to adduce additional data, views, or arguments and shows to the satisfaction of the court that such data, views, or arguments are material and that there were reasonable grounds for the petitioner's failure to adduce such data, views, or arguments in the proceeding before the Commission, the court may order the Commission to provide additional opportunity for the oral presentation of data, views, or arguments and for written submissions. The Commission may modify its statement or make a new statement by reason of the additional data, views, or arguments so taken and shall file such modified or new statement, and its recommendations, if any, for the modification or setting aside of its original rule, with the return of such additional data, views, or arguments.

"(C) Upon the filing of the petition under subparagraph (A) of this paragraph, the court shall have jurisdiction to review the rule in accordance with chapter 7 of title 5, United States Code, and to grant appropriate relief, including interim relief, as provided in such chapter. The rule shall not be affirmed unless the Commission's action is supported by substantial evidence in the record taken as a whole.

"(D) The judgment of the court affirming or setting aside, in whole or in part, any such rule shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code.

"(E) Remedies under this paragraph (3) are in addition to and not in lieu of any other remedies provided by law.

"(b)(1) In order to prevent unfair or deceptive acts or practices in or affecting commerce (including acts or practices which are unfair or deceptive to a consumer) by banks, each agency specified in paragraph (2) of this subsection shall establish a separate division of consumer affairs which shall receive and take appropriate action upon complaints with respect to such acts or practices by banks subject to its jurisdiction. The Board of Governors of the Federal Reserve System shall prescribe regulations to carry out the purposes of this section, including regulations defining with specificity such unfair or deceptive acts or practices. In carrying out its responsibilities under this subsection, the Board shall issue substantially similar regulations proscribing acts or practices of banks which are substantially similar to those proscribed by rules of the Commission within sixty days of the effective date of such Commission rules unless the Board finds that such acts or practices of banks are not unfair or deceptive to consumers or it finds that implementation of similar regulations with respect to banks would seriously conflict with essential monetary and payments systems policies of the Board, and publishes any such finding, and the reasons therefore, in the Federal Register.

"(2) Compliance with the requirements imposed under this subsection shall be enforced under section 8 of the Federal Deposit Insurance Act in the case of—

"(A) national banks and banks operating under the code of law for the District of Columbia, by the division of consumer affairs established by the Comptroller of the Currency;

"(B) member banks of the Federal Reserve System (other than bnaks referred to in subparagraph (A)) by the division of consumer affairs established by the Board of Governors of the Federal Reserve System; and

"(C) banks insured by the Federal Deposit Insurance Corporation (other than banks referred to in subparagraph (A) or (B)), by the division of consumer affairs established by the Board of Directors of the Federal Deposit Insurance Corporation.

"(3) For the purpose of the exercise by any agency referred to in paragraph (2) of its powers under any Act referred to in that paragraph, a violation of any requirement imposed under this subsection shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in paragraph (2), each of the agencies referred to in that paragraph may exercise, for the purpose of enforcing compliance with any requirement imposed under this subsection, any other authority conferred on it by law.

"(4) The authority of the Board of Governors of the Federal Reserve System to issue regulations under this subsection does not impair the authority of any other agency designated in this subsection to make rules respecting its own procedures in enforcing compliance with requirements imposed under this subsection.

"(5) Each agency exercising authority under this subsection shall transmit to the Congress not later than March 15 of each year a detailed report on its activities under this paragraph during the preceding calendar year.

"(c) (1) Any person to whom a rule under subsection (a) (1) (B) of this section applies may petition the Commission for an exemption from the rule based on special circumstances. If the petitioner satisfies the Commission that special circumstances are applicable to him, the Commission shall grant the petitioner an exemption from such rule. Paragraphs (2) (A), (2) (B), and (2) (E) of subsection (a) of this section shall apply to petitions for exemptions under this subsection to the same extent as such paragraphs apply to rules under paragraphs (1) (B) of subsection (a).

"(2) For purposes of this subsection, the term 'special circumstances' means factors which are applicable to a particular petitioner (as distinguished from others subject to the rule) and which are so different or unique that applying the rule to the petitioner would result in significant hardship which would outweigh any public benefit resulting from application of the rule to the petitioner.

"(3) Neither the pendency of an application under this subsection for an exemption from a rule, nor the pendency of judicial proceedings to review the Commission's action under this subsection, shall stay the applicability of such rule.

"(4) Judicial review of the Commission's action or failure to act under paragraph (1) of this subsection shall be in accordance with chapter 7 of title 5, United States Code. The Commission's action shall not be affirmed unless it is supported by substantial evidence in the record taken as a whole (including any material evidence in the record of the rulemaking proceeding for the rule from which the exemption is sought)."

(b) Section 6(g) of the Federal Trade Commission Act (15 U.S.C. 46(g)) is amended to read as follows:

"(g) From time to time to classify corporations."

(c) (1) The amendments made by subsections (a) and (b) of this section shall not affect the validity of any rule which was promulgated under section 6(g) of the Federal Trade Commission Act prior to the date of enactment of this section. Any proposed rule under section 6(g) of such Act with respect to which presentation of data, views, and arguments was substantially completed before such date may be promulgated in the same manner and with the same validity as such rule could have been promulgated had this section not been acted.

(2) If a rule described in paragraph (1) of this subsection is valid, any substantive change in the rule after it is promulgated shall be made in accordance with section 18 of the Federal Trade Commission Act (added by this section).

INVESTIGATIVE AUTHORITY

Sec. 203. (a) (1) Section 6(a) of the Federal Trade Commission Act is amended by striking out "corporation" and inserting "person, partnership, or corporation" and by striking out "corporations and to individuals, associations, and partnerships", and inserting in lieu thereof "persons partnerships, and corporations".

(2) Section 6(b) of such Act is amended by striking out "corporations" where it first appears and inserting in lieu thereof "persons, partnerships, and corporations,", and by striking out "respective corporations" and inserting in lieu thereof "respective persons, partnerships, and corporations".

(3) The proviso at the end of section 6 of such Act is amended by striking out "any such corporation to the extent that such action is necessary to the investigation of any corporation, group of corporations," and inserting in lieu thereof "any such person, partnership, or corporation to the extent that such action is necessary to the investigation of any person, partnership, or corporation, group of persons, partnerships, or corporations,".

(b) (1) The first paragraph of section 9 of such Act is amended by striking out "corporation" where it first appears and inserting in lieu thereof "person, partnership, or corporation".

(2) The third paragraph of section 9 of such Act is amended by striking out "corporation or other person" both places where it appears and inserting in each such place "person, partnership, or corporation".

(3) The fourth paragraph of section 9 of such Act is amended by striking out "person or corporation" and inserting in lieu thereof "person, partnership, or corporation".

(c) (1) The second paragraph of section 10 of such Act is amended by striking out "corporation" each place where it appears and inserting in lieu thereof in each such place "person, partnership, or corporation".

(2) The third paragraph of section 10 of such Act is amended by striking out "corporation" where it first appears and inserting in lieu thereof "persons, partnership, or corporation"; and by striking out "in the district where the corporation has it principal office or in any district in which it shall so do business" and inserting in lieu thereof "in the case of a corporation or partnership in the district where the corporation or partnership has its principal office or in any district in which it shall do business, and in the case of any person in the district where such person resides or has his principal place of business".

REPRESENTATION

Sec. 204. (a) Section 5(m) of the Federal Trade Commission Act (15 U.S.C. 45(m)) is amended to read as follows:

"(m) For the purpose of enforcing the laws subject to its jurisdiction, the Commission shall have the power, with the concurrence of the Attorney General, to appear in any civil action in its own name and through its own legal representative."

(b) Section 16(b) of such Act is amended by striking out "after compliance with the requirements with section 5(m)" and insert in lieu thereof "with the concurrence of the Attorney General".

AUTHORIZATION OF APPROPRIATIONS

Sec. 205. There are authorized to be appropriated to carry out the functions, powers, and duties of the Federal Trade Commission not to exceed $41,000,000 for the fiscal year ending June 30, 1975; not to exceed $45,000,000 for the fiscal year ending June 30, 1976; and not to exceed $49,000,000 for the fiscal year ending June 30, 1977. For fiscal years ending after June 30, 1977, there may be appropriated only such sums as the Congress may hereafter authorize by law.

PARLIAMENTARY INQUIRY

Mr. BROYHILL of North Carolina. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BROYHILL of North Carolina. Under the rule, the substitute must be read by title.

The CHAIRMAN. Yes.

Mr. BROYHILL of North Carolina. That is, title I would be read and then be open for amendment; is that correct?

The CHAIRMAN. Yes, that is correct.

Mr. BROYHILL of North Carolina (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. STAGGERS (during the reading). Mr. Chairman, I ask unanimous consent that the whole amendment be considered as read, printed in the Record, and open to amendment at any time.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia that the whole amendment in the nature of a substitute be considered as read, printed in the Record, and open to amendment at any point?

There was no objection.

The CHAIRMAN. Are there any amendments to the amendment in the nature of a substitute?

AMENDMENT OFFERED BY MR. PREYER TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. BROYHILL OF NORTH CAROLINA

Mr. PREYER. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Preyer to the amendment in the nature of a substitute offered by Mr. Broyhill of North Carolina: On page 3 strike out lines 18 through 20 and insert in lieu thereof the following:

"(8) The term 'supplier' means any manufacturer, producer, distributor, or retailer of a consumer product."

On page 4, line 6, after "undertaking" insert "by a supplier".

Mr. PREYER. Mr. Chairman, I think this is a good bill. I support it, but I hope that the amendment can be adopted to clarify the scope of the bill.

This amendment will inevitably be known as the Good Housekeeping amendment. Therefore, I should perhaps enter a disclaimer at the outset that I have no Hearst paper in my district. Hearst is the publisher of Good Housekeeping. There is none in the State of North Carolina, as far as I know. Therefore, I do not have a special interest of that kind, but I do think that we should not casually overturn several hundred years of law without realizing that we are doing so.

This amendment is also supported by others than Good Housekeeping. It is supported by the National Association of Broadcasters, American Newspaper Publishers, the Magazine Publishers Association of America.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. PREYER. I will be glad to yield to the gentleman from California.

Mr. MOSS. Addressing myself only to the opposition expressed by the broadcasters, newspaper publishers, and the magazine publishers, with the single exception of Good Housekeeping, I want to make it very clear that it is not the intent of the committee, nor was it at any stage during the consideration of this legislation, that the mere asking for the displaying of an advertisement in a newspaper or on radio or television station would confer jurisdiction upon the Federal Trade Commission.

Mr. Chairman, I think this RECORD should reflect very clearly the intent of the Congress. I believe that the gentleman from North Carolina (Mr. BROYHILL) will concur in that statement, that we did not intend to confer upon the Federal Trade Commission jurisdiction over the media acting merely as a conduit for the display of advertising.

Mr. BROYHILL of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. PREYER. I yield to the gentleman from North Carolina.

Mr. BROYHILL of North Carolina. Mr. Chairman, I agree with the statement and the conclusion reached by the chairman of the subcommittee, the gentleman from California (Mr. MOSS).

Mr. PREYER. Mr. Chairman, I appreciate receiving that legislative history. I am sure it will be very reassuring to the broadcasters and to the media, and I believe it meets their objections.

As to the Good Housekeeping problem, this may seem to present only a nice technical distinction between guarantees and warranties, but the distinction has sweeping results in the marketplace. Here is the problem:

Historically, the term "warranty" has been limited to those engaged in the manufacture, the distribution, and the retailing of consumer products. To put it another way, the courts have long recognized that it is the advertiser, not the medium containing the advertisement, which is legally responsible for the reliability of the product or service advertised. I think our colloquy has helped straighten out that point.

In short, warranties cover all of those in the distribution chain but not those outside the distribution chain, such as a magazine like Good Housekeeping carrying advertisements of products. These have always been considered guarantors.

For example, if Good Housekeeping puts its seal of approval on a blanket and promises the consumer his money back if the blanket is defective, and if the blanket were to catch fire and burn down the house, then Good Housekeeping should be liable, and is liable at the present time, for the price of the blanket, but it is not liable for damages caused by the fire.

There are practical reasons for this legal distinction. Third-party guarantors such as Good Housekeeping, unlike manufacturers and retailers, must make their representations on examining and testing only a few samples and on finding that the general design and materials used are satisfactory. They have no opportunity to test the particular product involved or to examine it as it passes through the distribution chain.

I may say that the Good Housekeeping seal is not the only one that might be covered by the language of this bill. It might also include the Kosher seal, the union bug, and other seals.

The CHAIRMAN. The time of the gentleman from North Carolina (Mr. PREYER) has expired.

(By unanimous consent, Mr. PREYER was allowed to proceed for 2 additional minutes.)

Mr. PREYER. Mr. Chairman, there are existing remedies available against third-party guarantors such as Good Housekeeping for any abuses in their programs.

No. 1, they may be used for negligent misrepresentation, although that, of course, is different from strict liability; and, second, they are subject to the "Guides Against Deceptive Advertising of Guarantees" as promulgated by the Federal Trade Commission.

Now, the hearings did not consider whether these guides were adequate or not. If they are not adequate, I suggest that we consider a bill that is a guaranty bill, not a warranty bill, and one which addresses itself to this problem. However, as far as I know, the FTC guides have proved adequate.

Mr. Chairman, there is a practical reason why, from the consumer's point of view, it is worthwhile to have the Good Housekeeping-type program. It provides a consumer service in that a manufacturer is reluctant to acknowledge a defect in a product because he may be incurring substantial product liability exposure if he admitted his product was defectively designed. Good Housekeeping has no problem in returning the purchase price since they do not have that problem.

So that from the point of view of the consumer I do not see that anything is to be gained by putting the Good Housekeeping people out of business; which is, frankly, what this bill will do, because there is no way in which they can subject themselves to the strict liabilities, or to the threat of temporary injunction halting distribution, as may be imposed under this bill, and continue to operate the kind of program they are doing. Third party guarantors do not make the kind of profit on a product that the manufacturer does, nor can they test and follow each item.

This amendment, if I may just conclude, does not gut the bill. It does not relax any existing regulatory authority over advertising. Everyone now a warrantor will continue to be under the bill. It would maintain the historical distinction between warranties and guaranties.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. PREYER. I yield to the gentleman from New York.

Mr. ROSENTHAL. Mr. Chairman, I would ask the gentleman from North Carolina if the gentleman has any information as to how much the Good Housekeeping Co. pays out a year in refunds to consumers who have made complaints, as compared to their total advertising revenues?

Mr. PREYER. I assume they take in large sums in advertising revenues. As far as the refund program is concerned, last year they had some 132 claims against them. They refunded money in 127 of them, and turned down 5. That would be a relatively modest amount, in terms of dollars, I grant, but shows good faith on the refund offer.

Mr. ROSENTHAL. I will take my own time to cover this, but I did study the Good Housekeeping program 5 or 6 years ago, and I was very, very dissatisfied with their record of performance.

Mr. PREYER. I would say to the gentleman from New York that if they should not be doing this then we ought to cut their throats from the front, but not from the back, indirectly, as this bill is doing. They were given no chance of the hearings to produce the facts, and I think that that ought to be gone into first, rather than putting them out of business.

Mr. ROSENTHAL. If the gentleman will yield still further, right off the top of my head I recollect advertising revenues of about $15 million, and returns of somewhere in the neighborhood of $18,000 to $20,000.

In other words, the people buying the products recommended by the Good Housekeeping people are doing so on the basis of the Good Housekeeping seal of approval, yet when it comes to liability or refunds that develop from dissatisfaction with the merchandise, their record of performance is abysmally poor.

Mr. PREYER. I think their record insofar as money refunds is good.

I think the point is here, should they be subject to strict liability as a warrantor, and not the effectiveness of their program?

Mr. ROSENTHAL. They have a very significant testing laboratory that they make a very big thing out of. They spend over $1 million a year in their testing laboratory. That is, they have the resources and the equipment with which to test all of those products to which they give the Good Housekeeping seal of approval.

Further, the fact of the matter is that they do not give the Good Housekeeping seal of approval to any product unless they advertise it in the magazine, and unless they agree to maintain a certain percentage of their advertising budget for the next coming year. So they do not give it lightly; that is, their seal of approval, to the testing of these products.

Since they do have the facilities and resources with which to do this job, they can do a good job, and therefore they ought to be held accountable.

Mr. PREYER. I do not argue the merits of their program, but I say that before we change the law which has been the law for several hundred years, in a way that it may put out of business, the union bug, and other seals as well, we should know what we are doing.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. MOSS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from North Carolina (Mr. PREYER) to the amendment in the nature of a substitute offered by the gentleman from North Carolina (Mr. BROYHILL).

Mr. MOSS. Mr. Chairman, there are a number of points that I think ought to be considered here, but I think perhaps the most important one was made by the distinguished gentleman from North Carolina himself. Mr. PREYER stated that this would put Good Housekeeping out of business. That has most serious implications. I have never knowingly voted to put anyone out of business. So that means that they place tremendous value upon their seal of approval.

What does that seal of approval say? It says that Good Housekeeping guarantees this product, and then in explaining the nature of their guarantee, they say:

> We satisfy ourselves by evaluation of samples and other pertinent data that the products and services advertised in Good Housekeeping are good ones, and that the claims made for them in our magazines are truthful. If any product or service advertised in Good Housekeeping proves to be defective, it will, upon request of the consumer and vertification of the complaint, be replaced, and the price which the consumer paid for it will be refunded.

They are guarantors or warrantors of the product, and in many instances the housewife shopping depends more upon the seal of approval of Good Housekeeping magazine than she does upon the actual guarantee provided by the supplier.

This does not go to the matter of the consequential damages which are still decided under State law. In the bill on page 21 is stated:

> Nothing in this title shall affect the liability of, or impose liability on, any person for personal injury.

We are not imposing here an unreasonable burden, but where a magazine undertakes a role other than that of advertising, where it undertakes the role of a warrantor of the product, then it should be willing to assume all of the responsibility imposed by this new section of the bill upon any other warrantor or guarantor of a product. I think that is a matter of elemental fairness. I see no merit in the case for Good Housekeeping to be exempted.

Clearly, Good Housekeeping had the same opportunity as any other interested party to come before the committee and be heard at length. This bill was open for hearings for a long period of time. As chairman of the subcommittee, I can assure the Members that had I had a request from Good Housekeeping for hearing, they would have been afforded full time necessary to make their case, as I think every other interested party was afforded full time.

I should like to, and I will in the well of the House, ask unanimous consent to include a letter addressed to me yesterday from the Chairman of the Federal Trade Commission who takes very strong exception to this effort of Good Housekeeping, to avoid the responsibility which they clearly represent to their readers. That seal is valuable to them, but they would not be put out of business if they modified that seal. They could seek an indemnity agreement from the advertisers advertising in their magazine. They could modify their guarantee or warranty, or have it apply only to the extent of Federal standards. This is not a guarantee or warranty required of Good Housekeeping; it is voluntarily given as an inducement to gain customers, as an inducement to gain advertisers, and they should not be exempted.

The letter referred to is as follows:

FEDERAL TRADE COMMISSION,
Washington, D.C., September 18, 1974.

Hon. JOHN MOSS,
Chairman, Subcommittee on Commerce and Finance, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The Commission has been asked to evaluate two amendments to H.R. 16327, the Consumer Product Warranty/Federal Trade Commission Improvements bill.

The first would make the following amendment to Section 101:

"(8) The term 'supplier' means any [person engaged in the business of making a consumer product directly or indirectly available to customers.] manufacturer, distributor, or retailer."

The second, a conforming amendment, would make the following change to Section 101(10)(A)(ii):

"Any undertaking in writing *by a supplier* in connection with the sale of a consumer product to refund, repair, replace, or take other remedial action with respect to such product in the event that such product fails to meet the specifications set forth in the undertaking,"

These amendments are proposed by Rep. Preyer on behalf of Hearst Magazines, Inc., with a view toward excluding the Good Housekeeping Seal of Approval Program from the operation of the warranty provisions (Title I) of this bill.

The purpose of this legislation appears to be to protect the consumer from unsubstantiated claims by both suppliers and advertisers as to the characteristics and performance of products and services. It is no reflection on Good Housekeeping to require that it be held to the same standards to be established by H.R. 16327 as others who are in the business of making a consumer product directly or indirectly available to customers.

In a decision of May 13, 1941, *In the Matter of Hearst Magazines, Inc.*, Docket No. 3872, the Commission issued a cease-and-desist order directing the respondent Good Housekeeping to refrain from guaranteeing or authorizing the use of its seals, emblems, or other insignia for any product described in advertisements appearing in its publications, unless the claims made for such product have first been substantiated by adequate tests. Subsequently, following an extensive investigation of the manner in which Hearst Magazines, Inc., had complied with its 1941 order, the Commission on March 4, 1973, notified the Hearst Company that no enforcement action was considered necessary. The purpose of this letter was to inform Hearst that it had not violated the terms of that order. At no time has the Commission indicated to Good Housekeeping a belief that it is not a warranting organization.

Under the legislation, it may well be that Good Housekeeping could be found to be engaged in the business of making products directly or indirectly available to consumers. We are not aware of any reason why this organization or any similar entity should be totally exempted from the requirements of Title I of H.R. 16327. Accordingly, the Commission opposes the recommended amendments.

By direction of the Commission.

CHARLES A. TOBIN,
Secretary.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROYHILL of North Carolina. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I hope I shall not have to take the whole 5 minutes.

Mr. Chairman, first let me explain to the members of the committee what this bill does not do. First, it does not require manufacturers or suppliers of consumer products to give a written warranty on those products. The bill provides that if anyone does offer a written warranty, it has to be clearly written. It has to provide or disclose the terms and conditions of the written warranty and provide some guidelines and standards by which those who offer warranties would have to abide.

As the gentleman from California has stated, if Good Housekeeping or any other magazine offers a guarantee for replacement or refund on a product, they are attempting, of course, to get advertisers to advertise in their magazine, and if this seal appears on the product which is a guarantee that induces a customer to purchase the product, it would seem to me only fair that Good Housekeeping abide by the same rules as the supplier or manufacturer of the consumer product.

I do not see that this bill in any way adds any other liability to Good Housekeeping other than that if the product which they put their seal of approval on does not perform as advertised, they will make good, either refund or repair or replace that product.

It seems to me that there has been an interpretation of further liability here that is not included in this bill and I would hope that this amendment would be defeated.

Mr. McCOLLISTER. Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, it is foolhardy for the gentleman from North Carolina (Mr. PREYER) and me, I am sure to speak when the might of the subcommittee in the form of its chairman and its ranking minority member are arrayed in opposition to the amendment, but I think the words of the gentleman from North Carolina (Mr. PREYER) are words that ought to be considered as Members decide how they are going to vote on this amendment.

I would like to ask the gentleman from North Carolina (Mr. BROYHILL) how much time we spent in the subcommittee on hearings and in consideration of this issue of third-party guarantors. I yield to the gentleman from North Carolina for his response.

Mr. BROYHILL of North Carolina. Mr. Chairman, there was a bill for this purpose not only in this Congress but also in the last Congress which considered the theory and the whole subject of warranties, and innumerable witnesses came in to testify about these proposals that are included in H.R. 7917 and of course the substitute which is the same.

Mr. McCOLLISTER. But I am referring specifically to the third-party guarantors.

Mr. BROYHILL of North Carolina. To my knowledge the Good Housekeeping people and others who are supposedly affected by this bill did not choose to come in and testify, not only in this Congress but also in the last Congress.

Mr. PREYER. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from North Carolina.

Mr. PREYER. It is my understanding, Mr. Chairman, that third party guarantors did not come in to testify because this is described as a warranty bill and they assumed it was a warranty bill and that it did not touch upon third-party guarantors. If we want a bill that would touch upon the so-called evils of the third-party program such as Good Housekeeping endorses we should have a guaranty bill and not a warranty bill which inadvertently sweeps them within its scope.

Mr. McCOLLISTER. I thank the gentleman from North Carolina. That is the point I wanted to make.

Very often when we legislate we do so with a given set of circumstances in mind. When the bill is enacted into law and given to an agency to administer, we discover sadly many times too late that the provisions of the law cover things not intended.

I think we in the subcommittee did not in our consideration of the bill really give adequate consideration to the effect the warranty bill would have on third-party guarantors.

I believe the gentleman from North Carolina (Mr. PREYER) is correct when he says if the Congress intends to deal with this matter that we ought to meet it face on with legislation relating specifically to this subject.

I would hope, therefore, that the amendment of the gentleman from North Carolina (Mr. PREYER) would be supported.

I yield to the gentleman from California.

Mr. MOSS. Mr. Chairman, I thank the gentleman for yielding.

Here in our moment of disagreement, I again want to confirm the statement I made the other day as to the extremely cooperative and constructive role the gentleman has taken in the committee.

I think the gentleman knows that the definitions contained on page 3 of the bill, that warranty means any written affirmation of fact or written promise made at the time of sale by a supplier to a purchaser which relates to the nature of the material or workmanship.

We had informal probings and rumblings that Good Housekeeping was dissatisfied. I fully anticipated as the chairman that I would have a communication from and request an opportunity to be heard. The fact that I did not have it was their failure and not mine.

I believe the gentleman would agree with me that I have extended every courtesy and cooperation to any party requesting an opportunity to be heard by our committee on this or any other bill.

Mr. McCOLLISTER. Mr. Chairman, I agree with that part of the statement of the gentleman from North Carolina. I think the difficulty is that the third-party guarantors were for the most part unaware they might be covered by this legislation. I think we ought to deal with it directly, as I stated before.

I yield to the gentleman from North Carolina.

Mr. PREYER. Mr. Chairman, I would like to point out that this is not an argument between Good Housekeeping and the committee. What is being done by this bill is changing the common law distinction between guarantees and warranties and it affects all third-party guarantors.

The gentleman from North Carolina (Mr. BROYHILL) made a statement to the effect that "Good Housekeeping shall abide by the same rules as a manufacturer and a retailer." Well, that is confusing the law between guaranties and warranties, which is what this bill does, I am afraid.

Mr. STAGGERS. Mr. Chairman, I rise reluctantly in opposition to the amendment of the gentleman from North Carolina who is one of the ablest members of the Interstate and Foreign Commerce Committee. I shall only speak very briefly on the amendment.

The amendment was considered in the committee and was defeated in the committtee after some deliberation.

If we adopt the amendment, we would be giving some entities special treatment under the legislation. This is a consumer bill and we are trying to protect the consumers of America. If we make this the exception, we are departing from that policy. I urge defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. PREYER) to the amendment in the nature of a substitute offered by the gentleman from North Carolina (Mr. BROYHILL).

The question was taken; and on a division (demanded by Mr. PREYER) there were—ayes 17, noes 27.

So the amendment to the amendment in the nature of a substitute was rejected.

AMENDMENT OFFERED BY MR. ECKHARDT TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. BROYHILL OF NORTH CAROLINA

Mr. ECKHARDT. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute offered by the gentleman from North Carolina (Mr. BROYHILL).

The Clerk read as follows:

Amendment offered by Mr. ECKHARDT to the amendment in the nature of a substitute offered by Mr. BROYHILL of North Carolina: On page 35, after line 26, insert the following:

CONSUMER REDRESS

SEC. 206. Section 5 (a) of the Federal Trade Commission Act (15 U.S.C. 45 (a)) is amended by inserting after paragraph (6) the following paragraph:

"(7) If any person violates any rule (other than a procedural, administrative or advisory rule, or a rule, violation of which the Commission has provided is not an unfair or deceptive act or practice in violation of this subsection) under section 18 of this Act which is applicable to such person, then the Commission may, notwithstanding section 5 (m) of this Act, in its own name by any of its attorneys designated by it for such purpose, commence a civil action in a United States District Court or in any court of competent jurisdiction of a State against the person violating such rule and the court shall have jurisdiction to grant such relief as the court finds necessary to redress injury to consumers resulting from such violation. Such relief may include, but shall not be limited to, rescission or reformation of contracts, the refund of money or return of property, the payment of damages, and public notification of the violation; except that nothing in this paragraph is intended to authorize the imposition of any exemplary or punitive damages. If (A) a cease and desist order issued under subsection (b) has become final (within the meaning of subsection (g)) with respect to a violation of a rule by any person, partnership, or corporation, and (B) an action under this paragraph is brought with respect to such violation by such person, partnership, or corporation, then the findings of the Commission as to the facts in the proceeding under subsection (b) with respect to such person's, partnership's, or corporation's violation of the rule, if supported by evidence, shall be conclusive, unless the terms of such cease and desist order expressly provide that the Commission's findings shall not be conclusive.

The court shall cause notice of an action to be given in a manner which is reasonably calculated, under all of the circumstances, to apprise the consumers allegedly injured by the defendant's acts of the pendency of such action. Such notice may, in the discretion of the court, be given by publication.

No action may be brought by the Commission under this section more than six years after the violation of the rule to which the action relates; except that if a cease and desist order with respect to a violation of a rule by any person has become final and such order was issued in a proceeding under subsection (b) which was commenced not later than six years after the violation occurred, a civil action may be commenced under this section against such person at any time before the expiration of one year after such order becomes final.

Remedies provided in this paragraph are in addition to, and not in lieu of, any other consumer remedy provided by State or Federal law. Nothing in this paragraph shall be construed as affecting any authority of the Commission under any other provision of law.

Mr. ECKHARDT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. BROYHILL of North Carolina. Mr. Chairman, reserving the right to object—and I will not—is this the amendment which would add authority to the Federal Trade Commission to seek consumer redress?

Mr. ECKHARDT. That is correct. It is the one the gentleman has in his hand. I might also state that a copy of this amendment, which is relatively short, is on the desk here for any Member who wishes to know the exact details of it.

Mr. BROYHILL of North Carolina. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ECKHARDT. Mr. Chairman, what this amendment does is to substantially reinstate the language of the subcommittee with respect to the Federal Trade Commission Act giving consumers redress for unfair and deceptive actions.

There are two slight changes. The first is that redress may be had by counsel for the Federal Trade Commission itself. It does not have to go through anyone else.

Mr. YOUNG of Illinois. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Illinois.

Mr. YOUNG of Illinois. Mr. Chairman, would the gentleman state for the record what is the present law as to whether or not the FTC can proceed with its own attorney?

Mr. ECKHARDT. It cannot proceed at all in this area because there is no such thing as a rule enforceable by the FTC's obtaining consumer redress.

Mr. YOUNG of Illinois. In other words, it would be a new grant of power to the FTC to permit it to proceed with its own attorneys in this type of situation?

Mr. ECKHARDT. That is correct.

Mr. YOUNG of Illinois. I thank the gentleman.

Mr. ECKHARDT. Of course, essentially the same thing existed in the original bill except that the Federal Trade Commission would proceed through the Justice Department, as I recall. At any rate, this is exactly the type of procedure that has been recommended by the administration with respect to Federal Trade Commission action on the violation of section 5 of the Federal Trade Act concerning unfair and deceptive practices.

As a matter of fact, in the last session of Congress, Assistant Attorney General McLaren, at that time the head of the antitrust division, recommended not only authority for the Federal Trade Commission to proceed in an action in violation of a rule or determination of that agency, but also authority for an individual to do so. He said in this connection: "Gentlemen, I would stress that we must make consumer fraud pursuable, punishable, and profitless. The President has committed his administration to take new steps to broaden consumer protection."

So, in view of that attitude and because I agree with it, I offered in the full committee an amendment which would have permitted not only the Federal Trade Commission, but an injured individual, the right to pursue his remedy. That amendment was put up, I think twice, and I think failed once by a tie vote and on another occasion by a very narrow margin.

I am not offering that amendment again. I am only offering an amendment which gives the Federal Trade Commission the right to get redress for consumers. The amendment I have offered is supported and recommended by the Federal Trade Commission as a necessary authority in order to afford full redress.

The Federal Trade Commission takes the position that if a rule is violated, where people had notice in advance of the rule, that it is not adequate merely to slap the violator on the hand and say, "Don't do it again."

Just as Administration spokesmen said a couple of years ago, "We must make consumer fraud pursuable, punishable, and profitless."

Consumer fraud continues to be profitable and not subject to full redress unless the Federal Trade Commission has the authority, in a proceeding before a court and after proof of violation of the rule, to act.

This is so unless the Federal Trade Commission has within its reach relief by any court to return to the injured party that which was fraudulently taken away from him. That is all the amendment does.

Mr. BROYHILL of North Carolina. Mr. Chairman, I rise in opposition to the amendment.

First, Mr. Chairman, let me give you some history of this amendment.

This particular amendment or amendments similar to it were not in the committee bill when the bill was before the subcommittee at the time of the hearings. There have been no hearings on a provision such as this. In other words, the subcommittee did not give any consideration to this at the hearing stage.

A similar section was adopted by the subcommittee, notwithstanding that fact; but when we got to the full committee, it was rejected by the full committee.

Admittedly, the amendment or the section which was rejected by the full committee went much further than this one, but this one is very unclear in its grant of authority. In fact, I am not really sure what the amendment does and what the limitations are.

The proceedings, as I understand, set out in this amendment may not be limited to actual injury to consumers. In other words, if a manufacturer is found to be in violation of a Commission rule, it could be a technical violation of a Commission rule. There would not have to be any proof of actual injury to consumers to make a recovery from that manufacturer, in the form of the return of property or money or whatever. Therefore, as I interpret this, I do not see that actual injury must be shown.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of North Carolina. I will be delighted to yield to the gentleman from Texas.

Mr. ECKHARDT. I want to answer the gentleman, not only to argue the language of the bill, but to make legislative history, if necessary.

The amendment expressly says that the court's order must be to redress injury to consumers resulting from such violations, and there is no intent to afford any other relief beyond that necessary to redress injuries to consumers resulting from such violations.

Mr. BROYHILL of North Carolina. I am not a learned attorney, such as the gentleman is. I can only read the English language.

As I interpret this, what it does is to let the Commission go in on what we call a class action, and they would not have to show actual injury to each and every one of the consumers who would be brought in under this class action. Furthermore, notice about this action would be given by publication, and each member of the class would not have to be identified individually. However, there are a lot of unanswered questions here.

All I am saying is, let us go back and hold hearings on this to see what, if any, authority should be given to the FTC to seek redress for injuries to consumers.

I am also concerned about another point, which is the past practice, at least of the FTC, to expand on its own rules by its own interpretation. For example, a manufacturer could be found in violation of a rule just because the FTC had expanded its interpretation of the rule.

An example of what I am talking about is that recently General Motors was charged by the FTC with violating the Federal Trade Act because they were quoting an automobile magazine's evaluation of the Vega automobile.

In other words, the FTC said that General Motors had violated the Federal Trade Act because General Motors itself had not substantiated the identified testimonial.

I do not know the answer, but it may be that the Federal Trade Commission should have this authority to prospectively prohibit reliance on testimonials. However, I believe that in this case it is certainly unfair to institute redress actions against General Motors for failing to anticipate this expanded interpretation of a Federal Trade Commission rule just because they were relying on the testimony and the experience of some other party.

Mr. Chairman, I ask that the amendment be voted down.

Mr. MOSS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the gentleman's amendment.

A somewhat broader provision was included in the subcommittee reported bill but was deleted by one vote in committee. The amendment would, under limited circumstances, authorize the Federal Trade Commission to obtain redress for consumers injured by a violation of a Federal Trade Commission rule. The Commission could obtain such redress only by establishing to the satisfaction of a Federal district court that such a remedy was warranted. Only the Commission—and not individual private parties—could be the plaintiff in such an action. It is only fair and right that consumers who have been injured by violations of the law have a right to redress. Without this amendment, the Federal Trade Commission's only power would be to issue a cease and desist order barring further violations. Such a remedy is clearly inadequate where consumers have been injured based on a violation of an FTC rule. Here are some examples of how this amendment might work:

Assume the Commission promulgated a rule requiring that mail order firms refund consumers' deposits if merchandise was not delivered within a reasonable period of time. If a firm refused to return the deposits of consumers and did not deliver the goods, in violation of such a rule this amendment would authorize the Federal Trade Commission to seek refunds.

Or suppose the Federal Trade Commission finalized a rule prohibiting misrepresentation and deception in the sale of interests in pyramid franchise distribution schemes. As you know, many of the schemes have been held to be fraudulent in that they operate like a chain letter lottery without any real possibility of the profits promised to investors. If a firm sold interests in such pyramid schemes in violation of a Federal Trade Commission rule, the Commission under this amendment, could seek restitution to the consumers who bought into the enterprise.

I would also point out that this amendment does not deal with the Federal Trade Commission's own powers to order restitution in section 5 proceedings. It deals only with the Commission's power to bring actions in court on behalf of defrauded customers. The question of the Commission's own powers is now before the courts and is not affected by this amendment.

I urge the House to adopt this important consumer protection amendment.

Mr. Chairman, I agree that the committee did not in this Congress hear direct testimony on this matter, but we had extensive testimony on it in the previous Congress, and in the course of the markup on this legislation there was indeed extensive discussion of the precise nature of the problems involved in this kind of remedy.

It has been, as I say, narrowed, and does not give to an individual the right to institute an action, but only gives to the Federal Trade Commission the right to institute on behalf of an individual or a group of individuals, where there has been a clear and knowing violation of the regulations of the Federal Trade Commission.

Mr. Chairman, I urge adoption of the amendment to the amendment in the nature of a substitute.

Mr. YOUNG of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is very important that the Members fully comprehend and understand the full extent and the full ramifications of this particular amendment offered by the gentleman from Texas. I can assure the Members that this is a radical, and I repeat, a radical change with respect to the concept of the role of Government agencies in protecting the public.

The major concern that public agencies have traditionally is to try to protect the public by injunction action based on the public interest and not on individual private interests. Government does not act as a collection agency for particular people or particular private interests.

This amendment offers a new change. It would put the Federal Trade Commission in the business of acting as a collection agency, as a lawyer, for individual private interests.

I repeat, the approach that the law has taken heretofore is, for example, the Securities and Exchange Commission and the Federal Trade Commission, to appropriately enjoin practices which are unlawful, leaving it to the individual to pursue his own remedy. Do not put the Government in the position of trying to adjudicate between two different private interests.

This difference in approach is a very radical departure that this amendment seeks to insert into the law.

Second, it seeks to do it by indirectly inferentially authorizing a new class type of remedy to be pursued by the Federal Trade Commission.

The courts have been struggling with class action remedies because of the difficulties in cases involving thousands of unknown plaintiffs, it is difficult to contact them, and many do not know they are involved in a lawsuit. It is difficult to settle class lawsuits, since the judge does not know who to give the fruits of any possible settlement to, or how to provide relief.

The Supreme Court recently determined in connection with class action cases, that it is the duty of the plaintiff to make and arrange the notifications to the other plaintiffs. This amendment does not say who is to pay for notice. Sending notices to thousands can be a very expensive situation.

This seemingly very innocuous amendment could be constructed to undo the work that the Supreme Court has recently performed in connection with class actions.

Another thing that this amendment does is to permit the Federal Trade Commission to have its own attorneys appear in these proposed class actions. This again is a radical departure from all of our usual procedures. The FTC and other agencies have to proceed through the Attorney General.

The last thing the amendment is to provide a 6-year statute of limitations on this type of action. Under the securities law a fraud action must be prosecuted within 3 years. Why should there be a 6-year statute of limitations here? Why should a 6-year statute apply to a violation of a rule. This is really an anomaly when you compare it to the seriousness of the other crimes of a much more serious nature, where the law provides a much shorter statute of limitations?

Mr. Chairman, I urge the defeat of this amendment.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Illinois. I will be glad to yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I would ask the gentleman from Illinois, when the gentleman was referring to the undoing of cases on this point, was the gentleman referring to the Supreme Court's Eisen case.

Mr. YOUNG of Illinois. I was referring to the fact that the Supreme Court recently adjudicated that it was the duty of the plaintiff to pay for and give notification to other members of the class, and at his expense.

Mr. ECKHARDT. That is the Eisen case. What the Eisen case is is where the plaintiffs can be reached, to do other than to notify individual plaintiffs is not sufficient. In that particular case it was a securities type case where everybody was listed. But this does not in any sense undo the Eisen case, it simply provides that where remedies would not be available otherwise, because the amount is too small or is not worth an attorney's time, then the Federal Trade Commission can give real relief.

Mr. YOUNG of Illinois. But this section can be construed to be an additional remedy which is exempt from or would not be subject to rule 23 of the Federal Rules of Civil Procedure with all of the protections that the courts have developed in trying to do justice in class action suits.

Mr. STAGGERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I should like to read a letter from Lewis Engman, Chairman of the Federal Trade Commission.

> DEAR MR. CHAIRMAN: In our letter of May 15 we communicated to your committee the Commission's reservations about § 207, the consumer redress provision of H.R. 7917. That section would allow the Commission to bring civil actions seeking redress against anyone who engaged in activity identical or similar to that proscribed by the provisions of Commission orders if the violators had actual or implied knowledge of the pertinent orders. We understand Mr. Eckhardt will introduce a substitute for § 207 which would provide for such suits against persons who violate the Commission's Trade Regulation Rules.
>
> We think that the substitute provision is a significant improvement and the Commission supports this alternative approach. It addresses and overcomes many of our objections to the original proposal.
>
> The Commission always welcomes the opportunity to assist the committee in its legislative work.
>
> By direction of the Commission.
>
> LEWIS A. ENGMAN,
> *Chairman.*

Mr. Chairman, I yield to the gentleman from California.

Mr. MOSS. Mr. Chairman, I am most interested in the statement of my good friend, the gentleman from Illinois, on the radical nature of this amendment, and I should like to read, therefore, from a statement of the well-known radical Mrs. Virginia Knauer who has served for some considerable period of time as the Adviser to the President of the United States on Consumer Affairs.

> Upon the termination of a successful Government action against any of the practices specified in this bill, whether by the Justice Department or by the Federal Trade Commission in one of its proceedings against any of the practices specified in this bill, any consumer, including classes of consumers, as defined in rule 23 of the Federal Rules of Civil Procedure, may bring a private action for money damages or for other relief. As in antitrust actions by the Justice Department, a final judgment or a decree in the action brought by the Justice Department may be used as prima facie evidence against the particular defendant in a subsequent action brought by consumers. Successful private consumers may also collect reasonable attorneys' fees.
>
> In conclusion, gentlemen, I would stress that we must make consumer fraud pursuable, punishable, and profitless. The President has committed his administration to take new steps to broaden consumer protection.

That statement hardly reflects a radical viewpoint. It was a conservative, protective viewpoint then; I submit that it is a fully valid viewpoint at this time. It only permits the Federal Trade Commission to act on behalf of consumers after there has been a clear finding that there has been a violation of a Federal Trade Commission rule.

Mr. YOUNG of Illinois. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Illinois.

Mr. YOUNG of Illinois. I thank the gentleman for yielding.

It is my understanding that the comments that the Chairman is reading with reference to Mrs. Knauer are with reference to another section of the bill. It is my understanding that the Chairman, the gentleman from West Virginia (Mr. STAGGERS) was notified by the Federal Trade Commission that the FTC was very troubled by this consumer redress section and that it was for that reason they advised the chairman that they felt "constrained not to endorse the legislation in its present form."

Mr. STAGGERS. The gentleman has another letter than I have, because I am reading from a letter dated May 22 in which the Chairman of the FTC says they favor Mr. ECKHARDT's amendment.

This has to do with the consumer redress provisions of the bill.

Mr. YOUNG of Illinois. Evidently there are conflicting statements, Mr. Chairman.

Mr. STAGGERS. I am reading from the original letter to me.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from California.

Mr. MOSS. Mr. Chairman, I would state the statement I read from Mrs. Knauer's testimony was to a much broader and far more comprehensive section of a different bill than is contemplated in the context of the pending Eckhardt amendment.

Mr. GUDE. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Maryland.

Mr. GUDE. Mr. Chairman, I rise in support of the Eckhardt amendment. I believe we must reject the notion of the Justice Department that they must have control over all these agencies. How can we say an agency is subject to control and would have to have permission of the Justice Department to go to court when it is quite independent?

If we accept the language of this bill I think the consumer will be better off.

I thank the gentleman for yielding.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. ECKHARDT) to the amendment in the nature of a substitute offered by the gentleman from North Carolina (Mr. BROYHILL).

The question was taken; and on a division (demanded by Mr. MOSS) there were ayes 29, noes 29.

The CHAIRMAN. The Chair votes aye.

RECORDED VOTE

Mr. BROYHILL of North Carolina. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 180, noes 209, not voting 45, as follows:

[Roll No. 530]

AYES—180

Abzug
Adams
Addabbo
Alexander
Anderson,
  Calif.
Annunzio
Ashley
Aspin
Badillo
Barrett
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Boggs
Boland
Bolling
Brademas
Breaux
Breckinridge
Brooks
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney, Ohio
Carter
Chisholm
Clark
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Daniels,
  Dominick V.
Danielson
Delaney
Dellums
Denholm
Dent
Donohue
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Esch
Evans, Colo.
Fascell
Fraser
Gaydos
Giaimo
Gibbons
Gilman
Gray
Green, Pa.
Gude
Hanley
Harrington
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Holifield
Holtzman
Howard
Hungate
Johnson, Calif.
Jordan
Karth
Kastenmeier
Kluczynski
Koch
Kyros
Leggett
Litton
Long, La.
Long, Md.
Luken
McCloskey
McCormack
McDade
McFall
McKinney
Macdonald
Madden
Maraziti
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Minish
Mink
Mitchell, Md.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murtha
Natcher
Nix
Obey
O'Hara
O'Neill
Patman
Patten
Pepper
Perkins
Peyser
Pike
Price, Ill.
Randall
Rangel
Rees
Reid
Reuss
Riegle
Rinaldo
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roybal
St Germain
Sarasin
Sarbanes
Schroeder
Seiberling
Shipley
Sisk
Smith, Iowa
Staggers
Stark
Steele
Steelman
Stokes
Stratton
Studds
Sullivan
Symington
Thompson, N.J.
Thornton
Traxler
Udall
Van Deerlin
Vander Veen
Vanik
Vigorito
Waldie
Whalen
Wilson,
  Charles H.,
  Calif.
Wilson,
  Charles, Tex.
Wolff
Wydler
Yates
Young, Ga.
Young, Tex.
Zablocki

NOES—209

Abdnor
Andrews, N.C.
Andrews,
  N. Dak.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bevill
Bowen
Bray
Brinkley
Broomfield
Brotzman
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Butler
Byron
Camp
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen,
  Don H.
Clawson, Del
Cochran
Collier
Collins, Tex.
Crane
Daniel, Dan
Daniel, Robert
  W., Jr.
Davis, S.C.
Davis, Wis.
de la Garza
Dellenback
Dennis
Derwinski
Devine
Dickinson
Dorn
Downing
Duncan
Edwards, Ala.
Erlenborn
Eshleman
Evins, Tenn.
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Forsythe
Fountain
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gettys
Ginn
Goldwater
Gonzalez
Goodling
Green, Oreg.
Gross
Grover
Gubser
Gunter
Guyer
Haley
Hamilton
Hammer-
  schmidt
Hanrahan
Hansen, Idaho
Harsha
Hastings
Henderson
Hillis
Hinshaw
Hogan
Holt
Horton
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Landrum
Latta
Lent
Lott
Lujan
McClory
McCollister
McEwen
McKay
Madigan
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Mayne
Michel
Milford
Miller
Mills
Minshall, Ohio
Mitchell, N.Y.
Mizell
Mosher
Myers
Nichols
O'Brien
Parris
Passman
Pettis
Pickle
Poage
Powell, Ohio
Preyer
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Regula
Rhodes
Roberts
Robinson, Va.
Robison, N.Y.
Roncallo, N.Y.
Rousselot
Roy
Runnels
Ruth
Sandman
Satterfield
Schneebeli
Sebelius
Shriver
Sikes
Skubitz
Slack
Smith, N.Y.
Snyder
Spence
Stanton,
  J. William
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stubblefield
Stuckey
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Towell, Nev.
Treen
Ullman
Vander Jagt
Veysey
Waggonner
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Winn
Wyatt
Wylie
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Zion

NOT VOTING—45

Anderson, Ill.
Blackburn
Blatnik
Brasco
Brown, Calif.
Brown, Mich.
Burke, Calif.
Burleson, Tex.
Carey, N.Y.
Conable
Conlan
Culver
Davis, Ga.
Diggs
Dingell
Ford
Frelinghuysen
Grasso
Griffiths
Hanna
Hansen, Wash.
Hawkins
Jones, Ala.
Lehman
McSpadden
Mathias, Calif.
Moorhead,
  Calif.
Murphy, N.Y.
Nedzi
Nelsen
Owens
Podell
Rarick
Rooney, N.Y.
Ruppe
Ryan
Scherle
Shoup
Shuster
Stanton,
  James V.
Symms
Talcott
Tiernan
Wright
Zwach

So the amendment to the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. KYROS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. BROYHILL OF NORTH CAROLINA

Mr. KYROS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. KYROS to the amendment in the nature of a substitute offered by Mr. BROYHILL of North Carolina: Amend title II, section 18 (b) (1), page 29, by striking on lines 14 and 15 the phrase "finds that such acts or practices of banks are not unfair or deceptive to consumers or it."

Mr. KYROS. Mr. Chairman, title II, section 18 (b) (1), of the bill, as reported, will require the Federal Reserve Board to issue rules proscribing acts or practices of banks which are substantially similar to those proscribed by rules of the Federal Trade Commission within 60 days of the effective date of such Commisison rules. The Board must issue these rules unless first, it finds that such acts or practices of banks are not unfair or deceptive to consumers or, second, it finds that implementation of such rules would conflict with essential monetary and payments systems policies of the Board.

My proposed amendment would remove the authority of the Federal Reserve Board to determine for banks whether an act or practice was unfair or deceptive to consumers, after this has already been determined to be the case by the FTC.

Since it is the Federal Trade Commission, not the Federal Reserve Board, which possesses the expertise in the area of unfair or deceptive acts or practices, there is no logical reason why the Federal Reserve Board should be given this additional authority. When an act or practice of a financial institution is determined to be unfair or deceptive by the Federal Trade Commission, surely such an act or practice would be unfair or deceptive when practiced by a bank.

I am also concerned that a serious competitive imbalance would result if one financial institution were able to write its own exemption while other financial institutions, subject to Federal Trade Commission trade regulations, could not. To subject sales finance companies, retailers, consumer finance companies, and nonbank credit card companies to the rulemaking authority of the Federal Trade Commission, while providing a possible loophole for banks engaged in essentially similar activities when dealing with consumers, would be to create an anticompetitive posture which, I am sure, Congress does not intend.

I would like to point out that I am not suggesting striking the language pertaining to essential monetary policy and payment system policies of the Federal Reserve Board for I am certain that this language is not intended to mean that a bank could engage in unfair or deceptive acts in order to preserve its solvency or liquidity. In fact, it would seem that a bank would best be able to protect itself from insolvency or liquidation by adhering to sound, fair, and consumer oriented principles, and that banks should follow the lead of the Federal Trade Commission when an act or practice is determined to be unfair or deceptive.

Mr. Chairman, I urge the adoption of my amendment.

Mr. BROYHILL of North Carolina. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, under the terms of this section, section 202 of the bill, which is the rulemaking section, what we are attempting to do here is to clarify the rulemaking authority of the Federal Trade Commission.

As the Members know who have read the report and have read some of the views that I have circulated to the Members, it is most important that the Congress give some attention to the procedures that the Commission uses in issuing substantive rules which must be abided by, by business and industry.

As a result of the so-called octane rating case which was handed down just recently, the Federal Trade Commission now has been granted rulemaking authority and of course, since no other language in the act itself spelled out the procedures the FTC uses in promulgating such rules, they are of course using the most informal rulemaking procedures of the Administrative Procedures Act.

So in section 202 all we are doing is trying to make sure that all interested persons not only have the right to comment on any proposed rules, but to give every protection possible to interested persons not only to be heard, but to some limited rights of cross-examination where certain facts are in dispute before the hearing officer of the Commission.

In the consideration of this section the question came up as to how to deal with the financial institutions, and it was the judgment of the committee, and this was upheld, I believe, by a unanimous vote in the full committee, that because banks have been involved in commercial activities that do compete with other businesses, such as department stores and other financial institutions, that banks should be in a way included under the authority, but that they should not be brought under the direct authority of the Federal Trade Commission.

It was our judgment that banks already are regulated to a great extent by the banking agency.

So if the Members would take time to read pages 28 and 29 of the bill they will see that regulations dealing with unfair or deceptive acts or practices, on the part of banks, will be promulgated by the banking agencies. We feel that this is only fair so that the banks should not be under the direct rulemaking authority of the Federal Trade Commission.

Mr. KYROS. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of North Carolina. I will be delighted to yield to the gentleman from Maine.

Mr. KYROS. Mr. Chairman, we are talking now that banks should be treated similarly as other financial institutions are, but is it not a fact that a bank could send out credit cards unsolicited, and the Federal Trade Commission has already made a rule that other credit card and other financial institutions can do so, so by what rationale can you possibly justify these kinds of activities by a bank? Why should it be treated the the same under the Federal Trade Commission?

Mr. BROYHILL of North Carolina. The banks traditionally by law under the Federal Trade Commission acts have been exempt from the jurisdiction of the Federal Trade Commission. It was the judgment of the members of the committee who studied this very, very thoroughly, that if banks are going to be brought under any rules and regulations defining what unfair and deceptive practices are, they should be regulated by the banking agencies, and not by the Federal Trade Commission.

That is why I oppose the amendment offered by the gentleman from Maine (Mr. Kyros).

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. Kyros) to the amendment in the nature of a substitute offered by the gentleman from North Carolina (Mr. Broyhill).

The amendment to the amendment in the nature of a substitute was rejected.

Mr. VANIK. Mr. Chairman, I would like to commend the committee for the class action provisions contained in section 110 of this legislation. These provisions establish the right of consumers to bring class actions in the case of product warranty failure. The action can be brought in any State court of competent jurisdiction or an appropriate Federal district court. In order for an action to be brought, each individual claim must amount to at least $25, the total value of the class damages in question must equal at least $50,000, and the number of named plaintiffs must equal at least 100.

It would be my hope that the right to bring class actions could be reestablished in all areas, not just in consumer warranty cases. In recent years, through a chain of unfortunate Supreme Court decisions, the remedy of class action has been destroyed. The Eisen decision established the nearly impossible requirement that each and every member of a class be notified of an action. In many cases, this is physically and financially impossible. Other recent decisions have made it more difficult to meet the $10,000 aggregation rule.

To overcome these recent Court decisions, I have introduced legislation which would permit the trial courts to use their discretion and create subclasses so that the notification requirement would be manageable. I have also introduced a bill which would provide that in any case permitted to be maintained as a class action under the Federal Rules of Civil Procedure, the aggregate claims for or against all members of the class shall be regarded as the amount in controversy.

The bill before the House today takes a first step in restoring the use of the class action device. I regret that the level of class damages has been set at $50,000 rather than $10,000. I also believe it would be best to allow the trial courts flexibility in establishing the number of plaintiffs, rather than insisting on 100 members of the class.

Finally, I appreciate the comments in the committee report relating to notification. The Supreme Court's arguments in the Eisen decision are based on congressional silence on the issue of notification. The direction provided by the committee report makes it clear to the courts that it is our legislative intent to make the class action remedy a viable tool for consumers. The language from the report relating to notification follows:

> The purpose of these jurisdictional provisions is to avoid trivial or insignificant actions being brought as class actions in the federal courts. However, if the conditions of this section are met by a class of consumers damaged by a failure to comply with a warranty as defined in Title I or a violation of Title I, Section 110(d) should be construed reasonably to authorize the maintenance of a class action. In this context, your Committee would emphasize that this section is remedial in nature and is designed to facilitate relief which would otherwise not be available as a practical matter for individual consumers. In particular, assuming that other requirements for a class action are met, your Committee does not believe that the requirement of individual notice to each potential class member should be invoked to preclude a class action where the identification and notification of the class members is not possible after reasonable effort by the plaintiff. In considering whether identification and notification of all members of the class is possible with reasonable effort, the particular circumstances of the plaintiff or plaintiffs should be carefully evaluated by the court, incuding the question of whether the financial burden of such identification and notification would be likely to deny them relief.

Mr. PRICE of Illinois. Mr. Chairman, I am pleased to join with my colleagues in support of H.R. 7917, the consumer product warranties bill. It is legislation that has long been needed and its passage should be a major concern of this 2d session of the 93d Congress.

According to the terms of H.R. 7917, the Federal Trade Commission will act as the regulatory and administrative agency in the protection of minimum standards for consumers in their fight against faulty and unclear warranties. By establishing minimum disclosure standards for consumer product warranties, the legislation goes a long way toward stripping away the uncertainty the consumer faces as he gropes along in the marketplace. In the few cases where warranties have been included with items, they have been unclear as to the terms contracted between the buyer and the supplier. And, if a claim were filed, there was no real means for the consumer to force compliance by the supplier. This problem should be remedied by H.R. 7917.

Mr. Chairman, I deem it imperative that we pass this legislation if we are to continue our fight for the protection of consumer's rights for all Americans, and I urge my colleagues in the House to support it.

Mr. MADDEN. Mr. Chairman, I urge my colleagues to join me in voting for the Consumer Product Warranties and Federal Trade Commission Improvements Act of 1974. The bill directs the Federal Trade Commission to issue rules requiring full and complete disclosure of the terms of written warranties relating to consumer products costing more than $5. It also prohibits a supplier or distributor from disclaiming or modifying any implied warranty with respect to a consumer product costing more than $10. The bill authorizes consumers damaged by the failure to comply with the above obligations to bring suit in State or Federal court. It also authorizes class actions in such cases if there are at least 100 plaintiffs.

H.R. 7917 also authorizes the Federal Trade Commission to issue substantive rules to define what practices are unfair or deceptive within the scope of warranties given by suppliers or manufacturers and broadens the FTC's investigative authority.

Mr. Chairman, with the passage of this bill consumers will have more protection than now exists when dealing with manufacturers and retailers concerning warranties of consumer products. The passage of this bill is long overdue, and I ask all Members of Congress to support it.

Mr. BINGHAM. Mr. Chairman, I rise in support of H.R. 7917, the Consumer Product Warranties and Federal Trade Commission Improvement Act. I am extremely pleased that this legislation has finally reached the floor of the House, since it contains important consumer protections which I have been advocating for over 8 years.

On February 18, 1966, I introduced H.R. 12860, the first legislation to propose sweeping regulation of consumer product warranties. That legislation would have prohibited the introduction into interstate commerce of any merchandise with a guarantee unless that guarantee met the following minimum standards:

Disclosure of the name and address of the person or firm giving the guarantee, and of any other person or class of persons authorized by the guarantor to carry out the guarantee;

The duration of the guarantee and a detailed statement of all other conditions of the guarantee; and

A detailed statement of all costs to be borne by the person to whom the guarantee is made, including, but not limited to, shipping costs, parts, and labor.

I introduced this legislation because I was deeply concerned about the proliferation of meaningless or misleading guarantees on consumer products ranging from automobiles to washing machines. Consumers across the country had been frustrated for years in their efforts to understand and utilize guarantees. Many had appaling difficulties in getting repairs for defective items, replacements for purchases which turned out to be "lemons," or refunds.

The legislation before us today incorporates the standards for warranties and guarantees which I proposed. It would not require that a warranty be given on any product, but it would authorize the FTC to prescribe rules requiring disclosure before a sale of the terms and conditions of written warranties on consumer products costing more than $5. The bill would also require that any warranty of a consumer product costing more than $10 be designated as a "full" warranty or guaranty only if it incorporates certain minimum Federal standards.

These standards would require a warrantor to "remedy" his product—as defined in the act—within a reasonable time and without charge in the case of a defect, malfunction or failure to conform with the warranty; to refrain from imposing any limitation on the duration of any implied warranty; and to allow the consumer to elect either a refund or replacement if the product continues to be defective after a reasonable number of attempts at remedy. While the bill would encourage informal settlement of warranty disputes, it also would allow consumers to bring individual or class action suits in State or Federal court.

Title II of the bill before us today contains major amendments to the Federal Trade Commission Act which the FTC at one point called "the most important consumer legislation now pending in Congress." As reported by the Interstate and Foreign Commerce Committee, H.R. 7917 would expand the FTC's jurisdiction from matters in commerce to those in or affecting commerce, and would expand its investigation authority to cover persons and partnerships as well as corporations. Both of these changes I recommended 2 years ago. The bill also would establish statutory authority and procedures for substantive rulemaking by FTC, thereby finally resolving a long legal dispute about the FTC's authority in this area.

However, the committee bill falls short of giving the FTC the full range of legal powers which it must have if it is to protect consumers forcefully and efficiently. The bill would only allow the FTC to appear in any civil litigation through its own legal representatives after it had obtained the approval of the Attorney General. Under present law, the FTC can appear in court after notifying the Attorney General and giving the Department of Justice 10 days in which to decide to take up the case itself. Since the FTC is an independent regulatory agency with a unique responsibility to enforce consumer protection laws and regulations, these provisions of present law provide adequate assurance of coordination with the Federal Government's principal law enforcement agency. Giving the Attorney General veto power over FTC decisions to go to court to seek redress of consumer grievances is extremely unwise, and I will support efforts to correct this flaw in the bill.

The CHAIRMAN. Are there any further amendments? If not, the question is on the amendment in the nature of a substitute offered by the gentleman from North Carolina (Mr. BROYHILL), which was made in order under the rule.

The amendment in the nature of a substitute was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. REES, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7917) to provide minimum disclosure standards for written consumer product warranties against defect or malfunction; to define minimum Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes, pursuant to House Resolution 1307, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BROYHILL of North Carolina. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 384, nays 1, not voting 49, as follows:

[Roll No. 531]

YEAS—384

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham

Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conte
Corman
Cotter
Coughlin
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Donohue
Dorn
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Forsythe
Fountain
Fraser
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gray
Green, Oreg.
Green, Pa.
Gross
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landgrebe
Landrum
Latta
Leggett
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruth
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion

NAYS—1

Steiger, Ariz.

NOT VOTING—49

Anderson, Ill.
Blackburn
Blatnik
Brasco
Brown, Calif.
Brown, Mich.
Burke, Calif.
Carey, N.Y.
Clausen, Don H.
Conable
Conlan
Conyers
Culver
Danielson
Davis, Ga.
Diggs
Dingell
Ford
Frelinghuysen
Grasso
Griffiths
Hanna
Hawkins
Jones, Ala.
Lehman
McSpadden
Mathias, Calif.
Mitchell, Md.
Moorhead, Calif.
Murphy, N.Y.
Nedzi
Nelsen
Owens
Podell
Rarick
Reid
Rooney, N.Y.
Ruppe
Ryan
Scherle
Shoup
Shuster
Symms
Talcott
Tiernan
Veysey
Wright
Young, Ga.
Zwach

So the bill was passed.

The Clerk announced the following pairs:

Mr. Murphy of New York with Mr. Anderson of Illinois.

Mr. Nedzi with Mrs. Griffiths.

Mr. Rooney of New York with Mr. Don H. Clausen.

Mr. Rarick with Mr. Frelinghuysen.

Mr. Jones of Alabama with Mr. Nelsen.

Mr. Carey of New York with Mr. Blackburn.

Mr. Dingell with Mr. Moorhead of California.

Mr. Diggs with Mr. Davis of Georgia.

Mr. Danielson with Mr. Mathias of California.

Mr. Mitchell of Maryland with Mr. McSpadden.

Mr. Reid with Mr. Scherle.

Mr. Hanna with Mr. Blatnik.

Mr. Conyers with Mr. Culver.

Mr. Podell with Mr. Conable.

Mr. Young of Georgia with Mr. Tiernan.

Mr. Wright with Mr. Ruppe.

Mrs. Burke of California with Mr. Brown of Michigan.

Mr. Brown of California with Mr. Conlan.

Mr. Ryan with Mr. Shoup.

Mr. Ford with Mr. Symms.

Mrs. Grasso with Mr. Talcott.

Mr. Hawkins with Mr. Owens.

Mr. Lehman with Mr. Shuster.

The result of the vote was announced as above recorded.

The SPEAKER. Pursuant to the provisions of House Resolution 1307, the Committee on Interstate and Foreign Commerce is discharged from the further consideration of the Senate bill (S. 356) to provide disclosure standards for written consumer product warranties against defect or malfunction; to define Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. STAGGERS

Mr. STAGGERS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. STAGGERS moves to strike out all after the enacting clause of the Senate bill S. 356, and to insert in lieu thereof the text of H.R. 7917, as passed, as follows:

That this Act may be cited as the "Consumer Product Warranties-Federal Trade Commission Improvements Act".

TITLE I—CONSUMER PRODUCT WARRANTIES

DEFINITIONS

SEC. 101. For the purposes of this title:

(1) The term "consumer product" means any tangible personal property which is distributed in commerce and which is normally used for personal, family, or household purposes (including any such property intended to be attached to or installed in any real property without regard to whether it is so attached or installed).

(2) The term "Commission" means the Federal Trade Commission.

(3) The term "consumer" means the first buyer at retail of any consumer product, any person to whom such product is transferred during the duration of a warranty (or service contract) applicable to the product, and any other person who is entitled by the terms of such warranty (or contract) or under applicable State law to enforce against the warrantor (or service contractor) the obligations of the warranty (or contract).

(4) The term "reasonable and necessary maintenance" consists of those operations (A) which the consumer reasonably can be expected to perform or have performed and (B) which are necessary to keep any consumer product performing its intended function and operating in the manner (if any) specified in the warranty.

(5) The term "remedy" means whichever the following actions the warrantor elects:

(A) repair,
(B) replacement, or
(C) refund;

except that the warrantor may not elect refund unless (i) the warrantor is unable to provide replacement and repair is not commercially practicable or cannot be timely made, or (ii) the consumer is willing to accept such refund.

(6) The term "replacement" means furnishing a new consumer product which is identical or reasonably equivalent to the warranted product.

(7) The term "refund" means refunding the actual purchase price (less depreciation based on actual use).

(8) The term "supplier" means any person engaged in the business of making a consumer product directly or indirectly available to consumers.

(9) The term "warrantor" means any supplier who gives or offers to give a warranty.

(10) The term "warranty" means—

(A) (i) any written affirmation of fact or written promise made at the time of sale by a supplier to a purchaser which relates to the nature of the material or workmanship and affirms or promises that such material or workmanship is defect free or will meet a specified level of performance over a specified period of time, or

(ii) any undertaking in writing in connection with the sale of a consumer product to refund, repair, replace, or take other remedial action with respect to such product in the event that such product fails to meet the specifications set forth in the undertaking,

which written affirmation, promise, or undertaking becomes part of the basis of the bargain between a supplier and the first buyer at retail of such product; or

(B) an implied warranty arising under State law.

(11) The term "service contract" means a contract in writing to perform, over a fixed period of time or for a specified duration, services relating to the maintenance or repair of a consumer product.

(12) The term "distributed in commerce" means sold in commerce, introduced or delivered for introduction into commerce, or held for sale or distribution after introduction into commerce.

(13) The term "commerce" means trade, traffic commerce, or transportation—

(A) between a place in a State and any place outside thereof, or

(B) which affects trade, traffic, commerce, or transportation described in subparagraph (A).

(14) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Canal Zone, or American Samoa. The term "State law" includes a law of the United States applicable only to the District of Columbia or only to a territory or possession of the United States; and the term "Federal law" excludes any State law.

WARRANTY PROVISIONS

SEC. 102. (a) In order to improve the adequacy of information available to consumers, prevent deception, and improve competition in the marketing of consumer products, any supplier warranting a consumer product to a consumer in writing shall fully and conspicuously disclose in simple and readily understood language the terms and conditions of such warranty pursuant to any rules issued by the Commission. Such rules may require inclusion in the written warranty of any of the following items among others:

(1) The clear identification of the names and addresses of the warrantors.

(2) The identity of the party or parties to whom the warranty is extended.

(3) The products or parts covered.

(4) A statement of what the warrantor will do in the event of a defect, malfunction, or failure to conform with such written warranty—at whose expense—and for what period of time.

(5) A statement of what the consumer must do and expenses he must bear.

(6) Exceptions and exclusions from the terms of the warranty.

(7) The step-by-step procedure which the consumer should take in order to obtain performance of any obligation under the warranty, including the identification of any class or persons authorized to perform the obligations set forth in the warranty.

(8) Information respecting the availability of any informal dispute settlement procedure offered by the warrantor and a recital, where the procedure so provides, that the purchaser must resort to such procedure before pursuing any legal remedies in the courts.

(9) A brief, general description of the legal remedies available to the consumer.

(10) The time at which the warrantor will perform his obligations.

(11) The period of time within which, after notice of a defect, malfunction, or failure to conform with the warranty, the warrantor will perform any obligations under the warranty.

(12) The characteristics or properties of the products, or parts thereof, that are not covered by the warranty.

(13) The elements of the warranty in words or phrases which would not mislead a reasonable, average consumer as to the nature or scope of the warranty.

(b) (1) (A) The Commission shall prescribe rules requiring that the terms of any warranty on a consumer product be made available to the consumer (or prospective consumer) prior to the sale of the product to him.

(B) The Commission may prescribe rules for determining the manner and form in which information with respect to any written warranty of a consumer product shall be clearly and conspicuously presented or displayed so as not to mislead the reasonable, average consumer, when such information is contained in advertising, labeling, point-of-sale material, or other representations in writing.

(2) Nothing in this title (other than paragraph (3) of this subsection) shall be deemed to authorize the Commission to prescribe the duration of warranties given or to require that a consumer product or any of its components be warranted.

(3) The Commission may prescribe rules for extending the period of time a written warranty or service contract is in effect to correspond with any period of time in excess of a reasonable period (not less than ten days) during which the consumer is deprived of the use of such consumer product by reason of failure of the product to conform with the warranty or by reason of the failure of the warrantor (or service contractor) to carry out such warranty (or service contract) within the period specified in the warranty (or contract).

(c) No warrantor of a consumer product may condition his warranty of such product on the consumer's using, in connection with such product, any article or service (other than a service provided without charge under the terms of the warranty) which is identified by brand, trade, or corporate name; except that the prohibition of this subsection may be waived by the Commission if—

(1) the warrantor satisfies the Commission that the warranted product will function properly only if the product or service so identified is used in connection with the warranted product, and

(2) the Commission finds that the waiver is in the public interest.

The Commission shall publish in the Federal Register for public comment all applications for waiver of the prohibition of this subsection, and shall publish in the Federal Register its decision, including the reasons therefor.

(d) The Commission may by rule devise detailed substantive warranty provisions which warrantors may incorporate by reference in their warranties.

(e) The provisions of this section apply only to consumer products actually costing the consumer more than $5.

DESIGNATION OF WARRANTIES

SEC. 103. (a) Any supplier warranting a consumer product in writing shall clearly and conspicuously designate such warranty in the following manner, unless exempted from doing so by the Commission pursuant to subsection (c) of this section:

(1) If the written warranty incorporates the Federal minimum standards for warranty set forth in section 104 of this Act, then it shall be conspicuously designated a "full (statement of duration)" warranty or guaranty.

(2) If the written warranty does not incorporate the Federal minimum standards for warranty set forth in section 104 of this Act, then it shall be conspicuously designated a "limited" warranty or guaranty.

(b) Statements or representations similar to expressions of general policy concerning customer satisfaction which are not subject to any specific limitations are excluded from sections 102, 103, and 104 of this Act, but shall remain subject to the provisions of the Federal Trade Commission Act and requirements in section 110(c) of this Act.

(c) In addition to the authority given in section 102 of this Act pertaining to disclosure, the Commission may prescribe rules to define in detail the duties set forth in section 104(a) of this Act and their applicability to warrantors of different categories of consumer products with "full (statement of duration)" warranties, and to determine when a warranty in writing does not have to be designated either "full (statement of duration)" or "limited" in accordance with this section.

(d) The provisions of this section and section 104 apply only to consumer products actualy costing the consumer more than $10.

FEDERAL MINIMUM STANDARDS FOR WARRANTY

SEC. 104. (a) In order for a supplier warranting a consumer product in writing to incorporate the Federal minimum standards for warranty—

(1) such supplier must as a minimum undertake the remedy, within a reasonable time and without charge, of such consumer product in the case of a defect, malfunction, or failure to conform with such written warranty;

(2) notwithstanding section 108(b), such supplier may not impose any limitation on the duration of any implied warranty on the product; and

(3) if the product (or a component part thereof) contains a defect or malfunction after a reasonable number of attempts (determined under rules of the Commission) by the warrantor to remedy such defect or malfunction, such warrantor must permit the consumer to elect either a refund or replacement without charge of such product or part (as the case may be).

(b) (1) In fulfilling the duties under subsection (a) the warrantor shall not impose any duty other than notification upon any consumer as a condition of securing remedy of any consumer product which does not conform to the written warranty unless the warrantor can demonstrate that such a duty is reasonable.

(2) Notwithstanding paragraph (1), a warrantor may require, as a condition to replacement of, or refund for, any consumer product under subsection (a), that the replaced consumer product shall be made available to the supplier free and clear of liens and other encumbrances, except as otherwise provided by rule or order of the Commission in cases in which such a requirement would not be practicable.

(3) The duties under subsection (a) extend from the warrantor to each person who is a consumer with respect to the product.

(c) The performance of the duties under subsection (a) of this section shall not be required of the warrantor if he can show that damage (not resulting from defect or malfunction) while in the possession of the consumer, or unreasonable use (including failure to provide reasonable and necessary maintenance), caused any warranted consumer product to fail to conform to the written warranty.

(d) For purposes of this section and section 102(c), the term "without charge" means that the warrantor cannot assess the consumer for any costs the warrantor or his representatives incur in connection with the required remedy of a warranted consumer product. The obligation under subsection (a) (1) (A) to remedy without charge does not necessarily require the warrantor to compensate the consumer for incidental expenses; however, if any incidental expenses are incurred because the remedy is not made within a reasonable time or because the warrantor imposed an unreasonable duty upon the consumer as a condition of securing remedy, then the consumer shall be entitled to recover reasonable incidental expenses which are so incurred in any action against the warrantor.

(e) If a supplier designates a warranty applicable to a consumer product as a "full (statement of duration)" warranty, then the warranty on such product shall, for the purposes of any action under section 110(d) or under any State law, be deemed to incorporate at least the minimum requirements of this section.

FULL AND LIMITED WARRANTING OF A CONSUMER PRODUCT

SEC. 105. Nothing in this title shall prohibit the selling of a consumer product which has both full and limited warranties if such warranties are clearly and conspicuously differentiated.

SERVICE CONTRACTS

SEC. 106. Nothing in this title shall be construed to prevent a supplier from entering into a service contract with the consumer in addition to or in lieu of a warranty in writing if such contract fully and conspicuously discloses in simple and readily understood language its terms and conditions. The Commission may prescribe by rule the manner and form in which the terms and conditions of service contracts shall be clearly and conspicuously disclosed.

DESIGNATION OF REPRESENTATIVES

SEC. 107. Nothing in this title shall be construed to prevent any warrantor from designating representatives to perform duties under the warranty: *Provided*, That such warrantor shall make reasonable arrangements for compensation of such designated representatives, but no such designation shall relieve the warrantor of his direct responsibilities to the consumer or make the representative a cowarrantor.

LIMITATION ON DISCLAIMER OF IMPLIED WARRANTIES

SEC. 108. (a) No supplier may disclaim or modify any implied warranty to a consumer with respect to a consumer product if (1) such supplier makes any express warranty in writing to the consumer with respect to such consumer product, or (2) at the time of sale, or within ninety days thereafter, such supplier enters into a service contract with the consumer which applies to such consumer product.

(b) For purposes of this title, implied warranties may be limited in duration to the duration of an express warranty of reasonable duration, if such limitation is conscionable and is set forth in clear and unmistakable language and prominently displayed on the face of the warranty.

(c) A disclaimer, modification, or limitation made in violation of this section shall be ineffective for purposes of any action under this title or under State law.

COMMISSION RULES

SEC. 109. Any rule prescribed under this title shall be prescribed in accordance with, and shall be subject to judicial review under, section 18 of the Federal Trade Commission Act (as amended by section 202 of this Act).

REMEDIES

SEC. 110. (a) (1) Congress hereby declares it to be its policy to encourage warrantors to establish procedures whereby consumer disputes are fairly and expeditiously settled through informal dispute settlement mechanisms.

(2) The Commission shall prescribe rules setting forth requirements for any informal dispute settlement procedure which is incorporated into the terms of a warranty to which any provision of this title applies. Such rules shall provide for participation in such procedure by independent or governmental entities.

(3) One or more suppliers may establish an informal dispute settlement procedure which meets the requirements of the Commission's rules under paragraph (2). If—

(A) a supplier establishes a procedure which meets such requirements and he incorporates in a warranty a requirement that the consumer resort to such procedure before pursuing any legal remedy under this section respecting such warranty, and

(B) the Commission has not found, under paragraph (4), that such procedure or its implementation fails to comply with rules under paragraph (2),

then (i) the consumer may not commence a civil action (other than a class action) under subsection (d) of this section unless he initially resorts to such procedure; and (ii) a class of consumers may not proceed in a class action under subsection (d) except to the extent the court determines necessary to establish the representative capacity of the named plaintiffs, unless the named plaintiffs (upon notifying the defendant that they are named plaintiffs in a class action with respect to a warranty obligation) initially resort to such procedure. In any civil action arising out of a warranty obligation and relating to a matter considered in such a procedure, any decision in such procedure shall be admissible in evidence. In the case of such a class action which is brought in a district court of the United States, the representative capacity of the named plaintiffs shall be established in the application of rule 23 of the Federal Rules of Civil Procedure for the District Courts of the United States.

(4) The Commission on its own initiative may, or upon written complaint filed by any interested person shall, review the bona fide operation of any dispute settlement procedure resort to which is stated in the consumer product warranty to be a prerequisite to pursuing a legal remedy under this section. If the Commission finds that such procedure or its implementation fails to comply with the requirements of the rules under paragraph (2), the Commission may take appropriate remedial action under any authority it may have under this title or any other provision of law.

(b) It shall be a violation of section 5(a) (1) of the Federal Trade Commission Act (15 U.S.C. 45(a) (1)) for any person to fail to comply with any requirement imposed on such person by or pursuant to this title or to violate any prohibition contained in this title.

(c) (1) The district courts of the United States shall have jurisdiction of any action brought by the Commission to restrain (A) any supplier from making a deceptive warranty with respect to a consumer product, or (B) any person from failing to comply with any requirement imposed on such person by or pursuant to this title or from violating any prohibition contained in this title. Upon proper showing that, weighing the equities and considering the Commission's likelihood of ultimate success, such action would be in the public interest and after notice to the defendant, a temporary restraining order or preliminary injunction may be granted without bond. If a complaint under section 5 of the Federal Trade Commission Act is not filed within such period (not exceeding ten days) as may be specified by the court after the issuance of the temporary restraining order or preliminary injunction, the order or injunction shall be dissolved by the court and be of no further force and effect. Any such suit shall be brought in the district in which such person, partnership, or corporation resides or transacts business. Whenever it appears to the court that the ends of justice require that other persons should be parties in the action, the court may cause them to be summoned whether or not they reside in the district in which the court is held, and to that end process may be served in any district.

(2) For the purposes of this subsection, the term "deceptive warranty" means (A) a warranty (as defined in section 101(10) which (i) contains an affirmation, promise, description, or representation which is either false or fraudulent, or which, in light of all of the circumstances would mislead a reasonable individual exercising due care; or (ii) fails to contain information that is necessary in light of all of the circumstances, to make the warranty not misleading to a reasonable individual exercising due care; or (B) a warranty (as so defined) created by the use of such terms as "guaranty" or "warranty", if the terms and conditions of such warranty so limit its scope and application as to deceive a reasonable individual.

(d) (1) Subject to subsections (a) (3) and (e), a consumer who is damaged by the failure of a supplier to comply with any obligation under this title, or under a warranty or service contract (as defined in section 101 (10) and (11)), may bring suit—

(A) in any court of competent jurisdiction in any State or the District of Columbia; or

(B) in an appropriate district court of the United States, subject to paragraph (3) of this subsection.

(2) If a consumer finally prevails in any action brought under paragraph (1) of this subsection, he may be allowed by the court to recover as part of the judgment a sum equal to the aggregate amount of cost and expenses (including attorney's fees based on actual time expended) determined by the court to have been reasonably incurred by the plaintiff for or in connection with the institution and prosecution of such action, unless the court in its discretion shall determine that such an award of attorneys' fees would be inappropriate.

(3) No claim shall be cognizable in a suit brought under paragraph (1) (B) of this subsection—

(A) unless each individual claim exceeds the sum or value of $25;

(B) unless the matter in controversy exceeds the sum or value of $50,000 (exclusive of interests and costs) computed on the basis of all claims to be determined in this suit; and

(C) if the action is brought as a class action, unless the number of named plaintiffs equals or exceeds one hundred.

(e) No action (other than a class action or an action respecting a warranty to which subsection (a) (3) applies) may be brought under subsection (d) for breach of any warranty or service contract, and a class of consumers may not proceed in a class action under such subsection with respect to such a breach except to the extent the court determines necessary to establish the representative capacity of the named plaintiffs, unless the person obligated under the warranty or service contract is afforded a reasonable opportunity to cure such breach. In the case of such a class action (other than a class action respecting a warranty to which subsection (a) (3) applies) brought under subsection (d) for breach of any warranty or service contract, such reasonable opportunity will be afforded by the named plaintiffs and they shall at that time notify the defendant that they are acting on behalf of the class. In the case of such a class action which is brought in a district court of the United States, the representative capacity of the named plaintiffs shall be established in the application of rule 23 of the Federal Rules of Civil Procedure for the District Courts of the United States.

(f) For purposes of this section, only the supplier actually making a written affirmation of fact, promise, or undertaking shall be deemed to have created a warranty described in section 101(10) (A), and any rights arising thereunder may be enforced under this section only against such supplier and no other person.

EFFECT ON OTHER LAWS

SEC. 111. (a) (1) Nothing contained in this title shall be construed to repeal, invalidate, or supersede the Federal Trade Commission Act (15 U.S.C. 41 et seq.) or any statute defined therein as an Antitrust Act.

(2) Nothing in this title shall be construed to repeal, invalidate, or supersede the Federal Seed Act (77 U.S.C. 1551–1611) and nothing in this title shall apply to seed for planting.

(b) (1) Nothing in this title shall invalidate or restrict any right or remedy of any consumer under State law.

(2) Nothing in this title shall affect the liability of, or impose liability on, any person for personal injury.

(c) (1) Except as provided in subsection (b) and in paragraph (2) of this subsection, a State requirement—

(A) which relates to labeling, disclosure, or other matters (i) respecting written warranties or performance thereunder and (ii) within the scope of an applicable requirement of sections 102, 103, and 104 (and rules implementing such sections), and

(B) which is not identical to a requirement of section 102, 103, or 104 (or a rule thereunder),

shall not be applicable to warranties complying with such sections (or rules thereunder).

(2) If, upon application of an appropriate State agency, the Commission determines (pursuant to rules issued in accordance with section 109) that any requirement of such State covering any transaction to which this title applies (A) affords protection to consumers greater than the requirements of this title and (B) does not unduly burden interstate commerce, then such State requirement shall be applicable (notwithstanding the provisions of paragraph (1) of this subsection) to the extent specified in such determination for as long as the State continues to administer and enforce effectively any such greater requirement.

(d) This title (other than section 102(c)) shall be inapplicable to any warranty the making or content of which is otherwise governed by Federal law. If only a portion of a written warranty is so governed by Federal law, the remaining portion shall be subject to this title.

EFFECTIVE DATE

SEC. 112. (a) Except as provided in subsection (b) of this section, this title shall take effect six months after the date of its enactment but shall not apply to consumer products manufactured prior to such date.

(b) Those requirements in this title which cannot be reasonably met without the promulgation of rules by the Commission shall take effect six months after the final publication of such rules; except that the Commission, for good cause shown, may provide designated classes of suppliers up to an additional six months to bring their written warranties into compliance with rules promulgated pursuant to this title.

(c) The Commission shall promulgate rules for initial implementation of this title as soon as possible after the date of enactment of this Act but in no event later than one year after the date of enactment of this Act.

TITLE II—FEDERAL TRADE COMMISSION IMPROVEMENTS

JURISDICTION OF COMMISSION

SEC. 201. (a) Section 5 of the Federal Trade Commission Act (15 U.S.C. 45) is amended by striking out "in commerce" wherever it appears and inserting in lieu thereof "in or affecting commerce".

(b) Subsections (a) and (b) of section 6 of the Federal Trade Commission Act (15 U.S.C. 46) are each amended by striking out "in commerce" and inserting in lieu thereof "in or whose business affects commerce".

(c) Section 12 of the Federal Trade Commission Act (15 U.S.C. 52) is amended by striking out "in commerce" wherever it appears and inserting in lieu thereof in subsection (a) "in or having an effect upon commerce," and in subsection (b) "in or affecting commerce".

RULEMAKING AUTHORITY

SEC. 202. (a) The Federal Trade Commission Act is amended by redesignating section 18 as section 19, and inserting after section 17 the following new section:

"RULEMAKING

"SEC. 18. (a) (1) The Commission shall have the power to issue (A) procedural, administrative, and advisory rules, and (B) rules defining with specificity acts or practices which are unfair or deceptive and which are within the scope of section 5(a) (1) of this Act. The Commission shall have no authority under this Act, other than its authority under this section, to prescribe rules.

"(2) (A) When issuing rules under paragraph (1) (B) of this subsection, the Commission shall proceed in accordance with section 553 of title 5, United States Code (not including any reference to sections 556 and 557), and shall also: (i) issue an order of proposed rulemaking stating with particularity the reason for the proposed rule; (ii) allow interested persons to comment on the proposed rule in writing and make all such comments publicly available; (iii) provide an opportunity for an informal hearing at which interested persons may comment orally on the proposed rule; and (iv) promulgate, if appropriate, a final rule together with a statement of basis and purpose based on the information and comments compiled in accordance with clauses (i), (ii), and (iii). A verbatim transcript of any oral hearing under clause (iii) shall be taken and such transcript shall be publicly available.

"(B) The Commission shall afford the following process for its hearings pursuant to subparagraph (A) (iii) of this paragraph:

"(i) Subject to clauses (ii) and (iii) of this subparagraph, a party is entitled to present his position by oral or documentary evidence and to submit rebuttal evidence, and to conduct such cross examination as may be required for a full and true disclosure of all disputed issues of material fact.

"(ii) The Commission may make such rules and rulings concerning proceedings in such hearings as may tend to avoid unnecessary costs or delay.

(iii) When parties with the same or similar interests cannot agree upon a single representative, the Commission may make rules and rulings governing the manner in which such cross-examination is limited; but when any party has the same or similar interests with other parties but is unable to agree upon group representation with these parties, such party shall not be denied the opportunity to conduct cross-examination as to issues affecting his particular interests if he shows to the satisfaction of the Commission that he has made a good faith effort to reach agreement upon group representation with the other parties having same or similar interests and that there are substantial issues which are not adequately presented by the group representative.

"(C) The agency statements to accompany the adoption of a rule shall include, among other things, statements (i) as to extent of the acts and practices treated by the rule; (ii) as to the manner in which and extent to which such acts or practices are unfair or deceptive; and (iii) as to the economic impact of the rule, taking into account the impact on small business.

"(D) When any rule under this paragraph (2) is promulgated and becomes final a subsequent violation thereof shall continue an unfair or deceptive act or practice in violation of section 5(a) (1) of this Act, unless the Commission otherwise expressly provides in the rule.

"(E) The term 'Commission' as used in this paragraph (2) includes anyone authorized to act in behalf of the Commission in any part of the conduct of the rulemaking process.

"(3) (A) Not later than sixty days after a rule to which paragraph (2) of this subsection applies is prescribed by the Commission, any person adversely affected by such rule (including a consumer or consumer organization) may file a petition with the United States Court of Appeals for the District of Columbia or for the circuit in which such person resides or has his principal place of business for a judicial review of such rule. Copies of the petition shall be forthwith transmitted by the clerk of the court to the Commission or other officer designated by it for that purpose. The Commission shall file in the court the record of the proceedings on which the Commission based its rule as provided in section 2112 of title 28, United States Code. For purposes of this section, the term 'record' means such rule, the transcript required by paragraph (2) (A) of any oral presentation, any written submission of interested parties, and any other information which the Commission considers relevant to such rule.

"(B) If the petitioner applies to the court for leave to adduce additional data, views, or arguments and shows to the satisfaction of the court that such data, views, or arguments are material and that there were reasonable grounds for the petitioner's failure to adduce such data, views, or arguments in the proceeding before the Commission, the court may order the Commission to provide additional opportunity for the oral presentation of data, views, or arguments and for written submissions. The Commission may modify its statement or make a new statement by reason of the additional data, views or arguments so taken and shall file such modified or new statement, and its recommendations, if any, for the modification or setting aside of its original rule, with the return of such additional data, views, or arguments.

"(C) Upon the filing of the petition under subparagraph (A) of this paragraph, the court shall have jurisdiction to review the rule in accordance with chapter 7 of title 5, United States Code, and to grant appropriate relief, including interim relief, as provided in such chapter. The rule shall not be affirmed unless the Commission's action is supported by substantial evidence in the record taken as a whole.

"(D) The judgment of the court affirming or setting aside, in whole or in part, any such rule shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code.

"(E) Remedies under this paragraph (3) are in addition to and not in lieu of any other remedies provided by law.

"(b) (1) In order to prevent unfair or deceptive acts or practices in or affecting commerce (including acts or practices which are unfair or deceptive to a consumer) by banks, each agency specified in paragraph (2) of this subsection shall establish a separate division of consumer affairs which shall receive and take appropriate action upon complaints with respect to such acts or practices by banks subject to its jurisdiction. The Board of Governors of the Federal Reserve System shall prescribe regulations to carry out the purposes of this section, including regulations defining with specificity such unfair or deceptive acts or practices. In carrying out its responsibilities under this subsection, the Board shall issue substantially similar regulations proscribing acts or practices of banks which are substantially similar to those proscribed by rules of the Commission within sixty days of the effective date of such Commission rules unless the Board finds that such acts or practices of banks are not unfair or deceptive to consumers or it finds that implementation of similar regulations with respect to banks would seriously conflict with essential monetary and payments systems policies of the Board, and publishes any such finding, and the reasons therefor, in the Federal Register.

"(2) Compliance with the requirements imposed under this subsection shall be enforced under section 8 of the Federal Deposit Insurance Act, in the case of—

"(A) national banks and banks operating under the code of law for the District of Columbia, by the division of consumer affairs established by the Comptroller of the Currency;

"(B) member banks of the Federal Reserve System (other than banks referred to in subparagraph (A)) by the division of consumer affairs established by the Board of Governors of the Federal Reserve System; and

"(C) banks insured by the Federal Deposit Insurance Corporation (other than banks referred to in subparagraph (A) or (B)), by the division of consumer affairs established by the Board of Directors of the Federal Deposit Insurance Corporation.

"(3) For the purpose of the exercise by any agency referred to in paragraph (2) of its powers under any Act referred to in that paragraph, a violation of any requirement imposed under this subsection shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in paragraph (2), each of the agencies referred to in that paragraph may exercise, for the purpose of enforcing compliance with any requirement imposed under this subsection, any other authority conferred on it by law.

"(4) The authority of the Board of Governors of the Federal Reserve System to issue regulations under this subsection does not impair the authority of any other agency designated in this subsection to make rules respecting its own procedures in enforcing compliance with requirements imposed under this subsection.

"(5) Each agency exercising authority under this subsection shall transmit to the Congress not later than March 15 of each year a detailed report on its activities under this paragraph during the preceding calendar year.

"(c)(1) Any person to whom a rule under subsection (a)(1)(B) of this section applies may petition the Commission for an exemption from the rule based on special circumstances. If the petitioner satisfies the Commission that special circumstances are applicable to him, the Commission shall grant the petitioner an exemption from such rule. Paragraphs (2)(A), (2)(B), and (2)(E) of subsection (a) of this section shall apply to petitions for exemptions under this subsection to the same extent as such paragraphs apply to rules under paragraphs (1)(B) of subsection (a).

"(2) For purposes of this subsection, the term 'special circumstances' means factors which are applicable to a particular petitioner (as distinguished from others subject to the rule) and which are so different or unique that applying the rule to the petitioner would result in significant hardship which would outweigh any public benefit resulting from application of the rule to the petitioner.

"(3) Neither the pendency of an application under this subsection for an exemption from the rule, nor the pendency of judicial proceedings to review the Commission's action under this subsection, shall stay the applicability of such rule.

"(4) Judicial review of the Commission's action or failure to act under paragraph (1) of this subsection shall be in accordance with chapter 7 of title 5, United States Code. The Commission's action shall not be affirmed unless it is supported by substantial evidence in the record taken as a whole (including any material evidence in the record of the rulemaking proceeding for the rule from which the exemption is sought)."

(b) Section 6(g) of the Federal Trade Commission Act (15 U.S.C. 46(g)) is amended to read as follows:

"(g) From time to time to classify corporations."

(c)(1) The amendments made by subsections (a) and (b) of this section shall not affect the validity of any rule which was promulgated under section 6(g) of the Federal Trade Commission Act prior to the date of enactment of this section. Any proposed rule under section 6(g) of such Act with respect to which presentation of data, views, and arguments was substantially completed before such date may be promulgated in the same manner and with the same validity as such rule could have been promulgated had this section not been enacted.

(2) If a rule described in paragraph (1) of this subsection is valid, any substantive change in the rule after it is promulgated shall be made in accordance with section 18 of the Federal Trade Commission Act (added by this section).

INVESTIGATIVE AUTHORITY

Sec. 203. (a)(1) Section 6(a) of the Federal Trade Commission Act is amended by striking out "corporation" and inserting "person, partnership, or corporation" and by striking out "corporations and to individuals, associations, and partnerships", and inserting in lieu thereof "persons, partnerships, and corporations".

(2) Section 6(b) of such Act is amended by striking out "corporations" where it first appears and inserting in lieu thereof "persons, partnerships, and corporations,", and by striking out "respective corporations" and inserting in lieu thereof "respective persons, partnerships, and corporations".

(3) The proviso at the end of section 6 of such Act is amended by striking out "any such corporation to the extent that such action is necessary to the investigation of any corporation, group of corporations," and inserting in lieu thereof "any such person, partnership, or corporation to the extent that such action is necessary to the investigation of any person, partnership, or corporation, group of persons, partnerships, or corporations,".

(b)(1) The first paragraph of section 9 of such Act is amended by striking out "corporation" where it first appears and inserting in lieu thereof "person, partnership, or corporation".

(2) The third paragraph of section 9 of such Act is amended by striking out "corporation or other person" both places where it appears and inserting in each such place "person, partnership, or corporation".

(3) The fourth paragraph of section 9 of such Act is amended by striking out "person or corporation" and inserting in lieu thereof "person, partnership, or corporation".

(c)(1) The second paragraph of section 10 of such Act is amended by striking out "corporation" each place where it appears and inserting in lieu thereof in each such place "person, partnership, or corporation".

(2) The third paragraph of section 10 of such Act is amended by striking out "corporation" where it first appears and inserting in lieu thereof "persons, partnership, or corporation"; and by striking out "in the district where the corporation has its principal office or in any district in which it shall do business" and inserting in lieu thereof "in the case of a corporation or partnership in the district where the corporation or partnership has its principal office or in any district in which it shall do business, and in the case of any person in the district where such person resides or has his principal place of business".

REPRESENTATION

Sec. 204. (a) Section 5(m) of the Federal Trade Commission Act (15 U.S.C. 45(m)) is amended to read as follows:

"(m) For the purpose of enforcing the laws subject to its jurisdiction, the Commission shall have the power, with the concurrence of the Attorney General, to appear in any civil action in its own name and through its own legal representative."

(b) Section 16(b) of such Act is amended by striking out "after compliance with the requirements with section 5(m)" and insert in lieu thereof "with the concerrence of the Attorney General".

AUTHORIZATION OF APPROPRIATIONS

Sec. 205. There are authorized to be appropriated to carry out the functions, powers, and duties of the Federal Trade Commission not to exceed $41,000,000 for the fiscal year ending June 30, 1975; not to exceed $45,000,000 for the fiscal year ending June 30, 1976; and not to exceed $49,000,000 for the fiscal year ending June 30, 1977. For fiscal years ending after June 30, 1977, there may be appropriated only such sums as the Congress may hereafter authorize by law.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "To provide minimum disclosure standards for written consumer product warranties against defect or malfunction; to define minimum Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 7917) was laid on the table.

GENERAL LEAVE

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 14214, HEALTH REVENUE SHARING AND HEALTH SERVICES ACT OF 1974

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 14214) to amend the Public Health Service Act and related laws, to revise and extend programs of health revenue sharing and health services, and for other purposes, disagree to the amendments of the Senate, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? The Chair hears none, and appoints the following conferees: Messrs. Staggers, Rogers, Satterfield, Kyros, Preyer, Symington, Roy, Devine, Nelsen, Carter, Hastings, Heinz, and Hudnut.

APPOINTMENT OF CONFEREES ON S. 1283, NATIONAL ENERGY RESEARCH AND DEVELOPMENT POLICY ACT

Mr. HALEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1283) to establish a national program for research, development, and demonstration in fuels and energy and for the coordination and financial supplementation of Federal energy research and development; and for other purposes, with a House amendment thereto, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

The Chair hears none, and appoints the following conferees: Messrs. UDALL, BINGHAM, SEIBERLING, TEAGUE, MCCORMACK, RUPPE, DELLENBACK, and MOSHER.

ANNUAL REPORT OF THE FEDERAL PREVAILING RATE ADVISORY COMMITTEE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-359)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Post Office and Civil Service and ordered to be printed with illustrations:

To the Congress of the United States:

In accordance with section 5347(e) of title 5 of the United States Code, I hereby transmit to you the Annual Report of the Federal Prevailing Rate Advisory Committee covering the period December 7, 1972 through December 31, 1973.

GERALD R. FORD.

THE WHITE HOUSE, *September 19, 1974.*

TWENTY-EIGHTH ANNUAL REPORT ON U.S. PARTICIPATION IN THE WORK OF THE UNITED NATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-360)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I am pleased to send to the Congress the 28th annual report on United States participation in the work of the United Nations.

This report, covering Calendar Year 1973, encompasses the wide range of activities carried on by the United Nations and its subsidiary organizations. It demonstrates the growing conviction of United Nations members that many problems of international concern are best resolved through multilateral action, utilizing the machinery of mature international institutions.

In the fall of 1973 the United Nations demonstrated once again its ability to foster peace by the crucial role it played in the Middle East. Following the outbreak of war, the Security Council arranged a ceasefire and deployed United Nations troops to supervise disengagement agreements between Israel and Egypt and, later, between Israel and Syria. We cannot know what might have happened in the absence of such United Nations action. However, it is clear that the efforts of the United Nations, combined with bilateral diplomacy, are still crucial to promoting a just and lasting settlement of the Middle East dispute.

One area of increasing concern is the production and distribution of adequate supplies of food. Our concern with feeding the world can no longer be limited to relief activities in aid of victims of natural disasters. Population growth and better living standards have increased the total demand for food which in turn has increased the demand for energy sources and fertilizer. The pressure of these interlocking demands has pushed against limited supplies and caused spiraling prices. This is a worldwide problem requiring worldwide action for its solution. Secretary Kissinger proposed to the United Nations General Assembly in September 1973 that the organization sponsor a World Food Conference. The General Assembly acted favorably on this proposal and the Conference will be held in Rome in November 1974. The United States also took an active participation in the preparation for the first United Nations Conference on World Population, convened in Bucharest in August 1974.

The Third United Nations Conference on the Law of the Sea, which convened an organizational session in December 1973, is another example of how the United Nations can be utilized to attack contemporary world problems. The goal of the Law of the Sea Conference is a comprehensive international convention to govern man's use of the oceans. We need new understandings to govern international navigation, rational management of the ocean's living and non-living resources, and the protection of the life-sustaining processes of the marine environment. Success in the efforts to resolve conflicting claims over ocean jurisdiction would remove a major and growing source of conflict from the international arena.

The regular economic and social activities of the United Nations' family of organizations continued to absorb over 90 percent of its funds and personnel during 1973. In addition to the traditional operational programs, many special conferences during the year provided opportunities for nations to enlarge their understanding of and work toward consensus on such major international economic and social issues as development assistance, the role of multinational corporations, commodity agreements, and the economic rights and duties of states. Perhaps the most important series of negotiations were those held to carry out the first biennial review and appraisal of the progress toward the goals of the Second United Nations Development Decade. In these negotiations delegations from all parts of the world worked for months to formulate a report that refined the broad measures necessary to improve the world's economic and social situation. The United States played a leading role in these negotiations.

Unfortunately, not all international problems dealt with by the United Nations were successfully approached in 1973. For example, it is generally believed in the United States that terrorism against innocent third parties, including the hijacking of aircraft, is a matter of international concern that calls for international solutions. The divergence of political views among member states, however, has made it impossible to agree on either a general definition of terrorism or a remedy for it. Despite the limit thus placed on the effectiveness of the United Nations forum in dealing with the problem, a start was made in 1973 with the adoption by the General Assembly of the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, Including Diplomatic Agents. On the other hand, neither the International Conference on Air Law nor the Assembly of the International Civil Aviation Organization, which met simultaneously, made progress on measures to improve security for aircraft passengers.

An important part of the United Nations record in 1973 was the admission to membership of the Federal Republic of Germany, the German Democratic Republic, and The Bahamas—admissions the United States supported. The United Nations has thus become still more representative of the world community.

Our participation in the United Nations reflects our fundamental belief that to assure a peaceful world it is necessary to cooperate with other nations in a multilateral framework on mutually agreed upon activities. This report records the successes and failures, the hopes and frustrations of many of those activities. Above all it records what we tried to accomplish through the United Nations to further the many interests that our citizens and our country share with the world community.

GERALD R. FORD.

THE WHITE HOUSE, *September 19, 1974.*

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. YOUNG of Texas. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEGISLATIVE PROGRAM FOR THE WEEK OF SEPTEMBER 23, 1974

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I take this time in order to ask the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL) if he is in a position to inform the House as to the program for the balance of the week and for the following week.

Mr. O'NEILL. Mr. Speaker, if the minority leader would be kind enough to yield, I will be happy to respond.

Mr. RHODES. I yield to the majority leader.

Mr. O'NEILL. Mr. Speaker, the program for the House of Representatives for the week of September 23, 1974, is as follows:

Monday is District day, and no bills are scheduled.

On Monday we will consider the House joint resolution providing for continuing appropriations for the fiscal year 1975, it has an open rule with 1 hour of debate.

Following that, we will consider the conference report on H.R. 16243, Defense appropriations for the fiscal year 1975.

On Tuesday we will call up the conference report on H.R. 15404, State-Justice-Commerce-judiciary appropriations for the fiscal year 1975.

Also, H.R. 16032, changing the composition of the penny and authorizing grants to Eisenhower College and Rayburn Library, under an open rule with 1 hour of debate.

On Wednesday we will have the ceremonies for the 200th anniversary of Congress, after which we will take up H.R. 11666, the Asian Development Bank, votes on amendments and the bill. We have already adopted the rule.

Thursday, being a Jewish holiday, we will follow the normal process of no legislation on that day. But we will have a pro forma session that day and hopefully adjourn for the week.

Of course, conference reports may be brought up at any time, and any further program may be announced later.

If the conferees on the campaign reform finish, then we would take up that conference report on Wednesday of next week.

I made reference to the fact that on Wednesday we will have a ceremony commemorating the 200th anniversary of Congress. At that particular time the gentleman from Washington (Mr. McCORMACK), the chairman of the Special Committee on Arrangements To Commemorate the 200th anniversary of the First Continental Congress, has announced that Alistair Cooke will be the principal speaker during the commemoration ceremony which will begin at 12:30. Alistair Cooke is the creator of the special television series "America," which formed the basis for his best-selling book of the same title.

Miss Cecelia Kenyon, Charles N. Clark, professor of government at Smith College, and Merrill Jensen, Vilas research professor of history at the University of Wisconsin, will also address the House during the ceremony. Music from the period will be provided by the Old Guard Colonial Fife and Drum Corps playing "Chester" and "Yankee Doodle," and the Camerata Chorus of Washington singing "Free America" and "The Liberty Song." The distinguished gentlewoman from Texas (Miss BARBARA JORDAN) will give the opening reading.

I think that this will be a very excellent program to commemorate the 200th anniversary.

May I say that it is anticipated that this will last some 45 minutes, and it will appear live on NBC and BBC television. The entire show will be run on public television at 8 p.m. that night.

May I also say to the distinguished gentleman from Arizona that there has been much concern expressed as to when we are going into recess. I would like to state that we are still striving to recess on October 11. However, the one bill that would hold us up is the tax reform bill. We have talked to the gentleman from Arkansas (Mr. MILLS), the chairman of the Committee on Ways and Means, and the gentleman has informed us that his committee is trying to make the October 11 deadline, but if he does not finish in that time, we would recess by October 16 at the latest. That is our anticipation, unless, of course, there is objection that we do not foresee on the other side of the aisle.

As I say, we hope to get through by the 11th, and we will leave on the 11th if we can finish the tax bill, but if we cannot, then we will leave on October 16.

I trust that this meets with the agreement of the minority leader.

Mr. RHODES. Mr. Speaker, I would ask the distinguished majority leader if the gentleman could inform us as to whether or not there is any assurance that the other body will take up this tax reform bill?

Mr. O'NEILL. No, I cannot do that but, of course, we are both going to come back after the elections. We will have a postelection session. I cannot anticiapte and I cannot predict the actions of the other body, but I would hope that if we do go through the tremendous effort that will be required to change the tax law, that the other body will take it up.

Mr. RHODES. I would certainly echo that hope of the distinguished majority leader, but it would seem to me that unless we have some assurances that the other body will act on that bill, that it would otherwise be love's labor lost for just this body to act upon it.

Mr. RHODES. I also would reiterate my previously expressed hope that it will be found possible to confirm the Vice President-designate before we recess for the election. In fact, I have said before I think it would be unconscionable for us not to do so, and I still think it would be unconscionable.

Mr. O'NEILL. I do not agree that it would be unconscionable, to be truthful. We have had such periods so many, many times in the past where we have been in the exact position as we are in now. I have talked with the chairman of the Committee on the Judiciary, anticipating that the minority leader would be asking this, and he said at the present time he anticipates that no full report will be in from those investigating committees until October—and I know he said the date October 11, and that is the date that we anticipate leaving here—so then there would be committee hearings by the Committee on the Judiciary.

There is nothing that the House is doing to try to hold it up. We are trying to expedite the matter as quickly as possible. We are trying to do the honorable thing. I am sure there is no political significance either way as far as the elections are concerned whether Mr. Rockefeller is the Vice President or whether he is not the Vice President. I just want to reiterate to the gentleman that we are doing everything we possibly can.

Mr. RHODES. It just strikes me as being rather singular that the other body will be able, apparently, to move on the confirmation of the Vice President-designate and this body will not. I am sure it is the desire of the Committee on the Judiciary to proceed with caution and to proceed to get whatever evidence it deems necessary, but I am wondering why the Committee on the Judiciary of the House feels impelled to put a higher degree of test on this Vice President-designate than the other body does. After all, if he is confirmed, he will be the President of the Senate ex-officio, and it seems to me that they would be more concerned even than this body would.

Mr. O'NEILL. All I can say to the gentleman is that I think we are all proud of the job that the Committee on the Judiciary has done. It has enhanced the image of the Congress. We appreciate the position they are in, and I know they are acting with thorough conscientiousness.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the distinguished minority leader for yielding.

Could it be possible that the House would undertake the consideration of a tax increase bill before calling up, and hopefully defeating, the foreign giveaway bill?

Mr. O'NEILL. As I understand it, the foreign aid bill has not been reported by the committee yet.

Mr. GROSS. Of course, the tax bill has not been reported either, but there is no reason why, if the House Committee on Foreign Affairs would get right down to business, they could not report out a foreign handout bill. I should think that it would be incompatible, incongruous, and incredible for the House to even think about increasing taxes while it is spewing out $4 or $5 billion in one bill on foreign aid. Can it be possible Congress would do this to the people of this country?

Mr. O'NEILL. It could very well be possible.

Mr. GROSS. I should hope not.

Mr. O'NEILL. Very interestingly, I appreciate the fact that the gentleman is opposed to President Ford's foreign aid program. The committee has not reported as yet, and when the committee reports, then my obligation is to schedule it, and it will be scheduled.

Mr. GROSS. I think the cart is before the horse in that instance. I think the foreign handout bill ought to come out first, and then in light of what happens to that, play around with the tax bill.

Mr. O'NEILL. The gentleman is referring, of course, to the foreign aid bill?

Mr. GROSS. Yes, the handout bill, the giveaway bill for foreigners.

Mr. O'NEILL. I do not have any further response to the gentleman.

Mr. GROSS. One further question, if

the gentleman will yield further, there is no golf tournament programed for next week; is there?

Mr. O'NEILL. We anticipate going home on Wednesday evening, but if the gentleman is interested in arranging for something for Friday, I will see if I can get some Members to join him.

Mr. GROSS. I thank the gentleman.

ADJOURNMENT OVER TO MONDAY, SEPTEMBER 23, 1974

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ANNOUNCEMENT OF HEARINGS ON RESOLUTIONS DEALING WITH PRESIDENTIAL PARDON AND SPECIAL PROSECUTOR

(Mr. HUNGATE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNGATE. Mr. Speaker, I would like to notify my colleagues that the Subcommittee on Criminal Justice of the Committee on the Judiciary has scheduled a hearing on bills and resolutions pending before the subcommittee relating to the following issues: First, the pardon of former President Richard M. Nixon; two, the issuance of additional pardons for persons involved in Watergate-related activities; and three, the ability and appropriateness of the Office of the Watergate Special Prosecution Force to issue a report on all information within its possession relating to former President Nixon.

The hearings on these bills and resolutions will begin on Tuesday, September 24, 1974, at 10 a.m., and will be held in room 2141 of the Rayburn House Office Building. On the first day of hearings, testimony will be received from Representatives Stewart, McKinney, Bella Abzug, Gilbert Gude, Jonathan Bingham, Pierre du Pont, Edward Koch, and John Conyers, Jr., sponsors of legislative proposals being considered. The subcommittee will hold additional hearings on these subjects in the near future.

CONTINUING THE IMPEACHMENT PROCESS

(Mr. KOCH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. KOCH. Mr. Speaker, the pardon of former President Nixon by President Gerald Ford has outraged the Nation. And, I share that outrage.

I believe that the following measures must be taken to meet the requirements of justice.

First. The House should continue with the impeachment proceedings. We should vote on the articles of impeachment and the Senate should try the matter notwithstanding the resignation of former President Nixon. At the present time, the former President is eligible for a Presidential pension and can hold public office. To pay a pension or permit him further opportunity to hold public office would be wrong in view of his gross assaults upon the Constitution.

First, Mr. Nixon thwarted the House's impeachment proceedings by resigning. Then President Ford thwarted judicial proceedings against the former President by granting him a pardon. While the Congress must leave to the courts the validity of the immunity President Ford gave Mr. Nixon from prosecution, trial and conviction, we can and must complete the impeachment process.

If we do not formally "remove" Mr. Nixon from office, there is no doubt that with the passage of time he and his small group of supporters will seek to establish the myth that he was driven from office by radicals. They will do so despite the fact that 38 members of the Judiciary Committee, Democrats and Republicans, liberals and conservatives alike, supported at least one of the three articles of impeachment, as do almost all of the Members of Congress. Look at what is happening with former Vice President Agnew. He and his friends are contending that he was not found guilty of any criminal offenses and that his nolo contendere plea in advance of his resignation did not import guilt, when in fact that is exactly what it meant. We can see the same thing happening in Mr. Nixon's refusal to admit guilt when given the pardon by President Ford.

History must record the truth before the memory of man fades. And that truth can only come out in the House impeachment proceedings and Senate trial.

Second. Notwithstanding the impeachment and trial, we should not vote a single dollar, including alleged pension rights for Mr. Nixon, except to guard him by Secret Service agents so long as he is at large. He does have vital national security information which must be protected.

There are some Members who have told me that notwithstanding their accord with me on every other aspect of this matter, they feel compelled to vote for the former President's pension, because of the court's finding in the case of the Alger Hiss' pension. Mr. Hiss had been deprived of his pension after he was found guilty of perjury by a Federal court, but was able to sue successfully to recover that pension. I believe there is a distinction to be made in the two cases and will leave it to the Federal courts to decide whether I am right on it.

Third. Mr. Nixon should be disbarred and I hope that both the California bar and the New York bar will not permit him simply to resign.

Fourth. All tapes and other records relating to the former President's conduct of his office and in particular, but not limited to the "Watergate" matter, should be made the property of the United States and subject to court and public scrutiny. These tapes and records were made with the use of Government personnel and equipment and I believe are presently the property of the United States. But if not, for any legalistic reason, the U.S. Government should exercise the power it presently has of eminent domain and retain them even if due process requires a payment to the former President for their value. That payment, if any, could be offset against what he owes the Government.

Fifth. The Special Prosecutor, Leon Jaworski should test the legitimacy of the Presidential pardon given to Mr. Nixon prior to indictment, prosecution, and conviction. There are legal scholars who already have commented on the matter believing that the granting of the pardon at this time was unconstitutional. This question should be raised before the Supreme Court. We have a government of laws, not of men. The highest and the lowest are subject to criminal process. There has been an attempt to deprive the American people of justice vis-a-vis Mr. Nixon. This injustice should be corrected.

Sixth. The Federal Government, through the General Services Administration, should pursue civilly to recover Federal dollars spent improperly on the Nixon homes in San Clemente and Key Biscayne.

Mr. Speaker, there are those who think that to complete the record on Watergate and the former President's involvement in it and to question the constitutionality of the pardon before the Supreme Court, would be vindictive. I disagree. The American people have been deprived of their right to a full disclosure of all wrong-doing by Richard Nixon and prosecution for offenses he committed against the Constitution. This must be corrected.

DESERTERS TREATED TOO LIGHTLY

(Mr. NICHOLS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. NICHOLS. Mr. Speaker, my mail has been overwhelming in recent days concerning President Ford's recent announcement to grant amnesty to draft dodgers and deserters.

It is my judgment that the President's plan is entirely too lenient in dealing with those individuals who have evaded military service. An article in this morning's Washington Post, however, is extremely disturbing to me for if its contents are correct, I believe there will be little public service rendered by those who deserted military service.

The article states that once a deserter reaffirms his allegiance to this country and promises to complete up to 24 months of alternative service, he then receives an undesirable discharge, which completely terminates him from any further military jurisdiction whatever. This individual then is completely outside of military control even if he elects not to report for alternative public service.

Mr. Speaker, there would be nothing to be gained by a deserter to elect to spend 24 months in order to qualify for a clemency discharge. Both types of discharges are less than honorable, so I submit that the large majority of those deserters who elect to return will take the oath, receive the undesirable discharge and will enter into the mainstream of American society.

I do not believe President Ford intended for this loophole to be available to the deserter. If this is allowed to happen it will amount to nothing short of total and complete amnesty for this group of deserters, and will be grossly unfair to those who have served this country in time of need. Since the entire amnesty matter is, by the U.S. Constitution, reserved to the discretion of the President, I urgently call on President Ford to close this loophole as expediently as possible.

Mr. Speaker, the article from the Washington Post of September 19 follows:

United States Concedes Amnesty Plan Has Loophole for Deserters

(By Austin Scott)

President Ford's amnesty proposal contains a loophole through which military deserters can quickly pass to civilian status without any period of alternative service, the Defense Departemnt acknowledged yesterday.

The only penalty would be an undesirable discharge instead of a clemency discharge.

A Justice Department spokesman said the Pentagon knew about the loophole before President Ford made the program public, and had "discussed it at great length," but "it was the only thing they could do."

The amnesty program calls for military deserters to reaffirm allegiance and pledge to complete up to 24 months of alternative service.

Once a deserter makes those pledges, "he receives an undesirable discharge which terminates any military jurisdiction over him," said Pentagon spokesman Ken Pease.

"At that point the military no longer has control over him for any type of military action," Pease said, even if he decides not to report to his alternative service civilian job.

Justice Department spokesman John Russell said his agency would not be able to do anything either.

As the plan is supposed to work, a deserter who completes his alternative service would then get his undesirable discharge changed to a clemency discharge by the military.

If he didn't complete the service, he wouldn't get the clemency discharge—but that, both departments said, is the only penalty they know of.

One defense official argued that that would be a significant penalty in itself. He told Associated Press military writer Fred Hoffman that undesirable discharges would be a serious liability to any deserters trying to get private employment.

The Justice Department does not face the same problem with draft evaders, because U.S. attorneys are free to resume prosecution of those who don't satisfactorily complete their alternative service.

In another aspect of the amnesty issue, the Defense Department announced that from 10 to 20 per cent of the 12,554 fugitive deserters will face criminal charges other than desertion if they choose to turn themselves in.

For that reason, officials said, they urge deserters to call or write first to make sure of their status.

"We have no intention of trapping anybody," a Pentagon official said.

Any prison sentence given for other crimes would have to be served before the presidential Clemency Review Board would consider a case, officials said.

All but one of the 84 imprisoned draft evaders eligible for 30-day amnesty furloughs have been released from federal prisons, the Bureau of Prisons announced yesterday.

The one holdout is Stephen Bezich, who decided to stay in his cell at El Reno, Okla., unless he is granted an unconditional pardon. He's also turning down offers to make his prison life easier.

"We offered to transfer him to a community treatment center in Chicago, his home town, which would permit him to go home at night," said the Justice Department's Russell.

"He refused. We offered to transfer him to a minimum security facility at Seagoville, Tex. He said if he's transferred there he'll jump the fence.

"The trouble is the fence at Seagoville is only six feet high; it's there to keep the animals out."

San Franciscan John Barry, who left four years of living underground Tuesday only to discover the government didn't even know he'd skipped out without registering for the draft became the first evader to sign up for the clemency program yesterday.

He agreed to do 24 months' alternative service, and was to report back before Oct. 18 to say whether he had found a satisfactory job.

Paul Webster, a 23-year-old deserter, didn't fare nearly as well when he tried to enter the United States from Canada late Tuesday seeking amnesty.

He was arrested at the Detroit end of the tunnel between the two countries, and held by police for three hours until released on orders from the military.

Local Customs officials had promised no war resisters would be detained.

"It was a screw-up, the instructions that were given out weren't followed," said Frederick Lawrence, director of inspection and control for U.S. Customs in Detroit. "We are sorry. The other cases will be handled more smoothly. The duty agent hadn't received the instructions."

The Defense Department reported that military officials received 86 telephone calls and one letter yesterday from deserters inquiring about clemency.

That was an increase of about 70 over the first day.

The Justice Department reported 47 calls from draft evaders, and 23 from deserters.

Those figures did not seem to include many calls reported by different officials around the nation.

U.S. Attorney Robert E. J. Curran in Philadelphia said he has received about a dozen phone calls from draft resisters in Canada who are less interested in the possibility of clemency than whether they can use its terms to visit relatives in the United States.

Attorney John Liss, who represents many U.S. war resisters in Canada, said in Toronto it is possible for them to report at the border, enter the United States, visit their homes, and then return to Canada before the end of the 15 days Mr. Ford's proposal gives them to report to authorities.

He urged caution in doing so, however. "First, if you even start looking the wrong way by indicating you're not going to follow through with the program at the end of 15 days, you could be arrested, maybe when you were booking a flight back to Canada . . . or at any time on the drive north," he said.

PERSONAL EXPLANATION

Mr. BARRETT. Mr. Speaker, as you know last week, I was out of Washington on Wednesday and Thursday attending the economic conference on housing being held in Atlanta, Ga. Several recorded votes were held during that time and I would like to take this opportunity to state how I would have voted on those rollcalls, had I been present.

On rollcall No. 521, the question on the amendment to H.R. 13565, offered by Mr. Fuqua to the amendment in the nature of a substitute offered by Mr. Udall, I would have voted "no."

On rollcall No. 522, final passage of H.R. 13565, I would have voted "aye."

On rollcall No. 525, final passage of H.R. 15928, I would have voted "aye."

On Thursday there were two votes. On rollcall No. 526, I would have voted "no" and on rollcall No. 527 I would have voted "aye."

HOUSE DOORMEN'S SOCIETY'S ANNUAL PICNIC

(Mr. CHARLES H. WILSON of California asked and was given permission to address the House for one minute and to revise and extend his remarks and include extraneous matter.)

Mr. CHARLES H. WILSON of California. Mr. Speaker, this past weekend I had the pleasure of enjoying a wonderful outing at the sixth annual family picnic of the House of Representatives Doormen's Society at Indian Head, Md. At this time one of our colleagues and five employees of the House of Representatives were honored by the Doormen's Society.

The gentleman from Ohio, Honorable Charles J. Carney, received a plaque from the Doormen's Society for his outstanding contributions to this society. This is a significant award, not only because of the recognition shown to our colleague's efforts on behalf of the society but also because it highlights the valuable role of the Society plays as a service and fraternal organization.

Suffice it to say, Mr. Speaker, that the constructive work done by the Doormen's Society since its inception several years ago is a credit to all its members, and especially to Warren Jernigan, chief doorman and society president.

This annual picnic at which the gentleman from Ohio (Mr. Carney) was honored, was attended by more than 200 persons, including members of the society, their families, and guests. Honored, in addition to our aforementioned colleague, were:

Irvin "Obie" Oberman, assistant chief doorman, recognized for his contributions to the society;

Kenneth Burkhead, a member of the U.S. Capitol Police Force, named Outstanding Police Officer of the Year;

Stephen G. Elder, also a member of the Capitol Police Force, who received a special award for courage and valor;

James A. Rohan, cited as Outstanding Doorman of the Year in the Gallery of the House of Representatives; and

Puett J. Clemmer, recognized as Outstanding Doorman of the Year on the House floor.

It is a special source of pride to note, Mr. Speaker, that telegrams paying tribute to the above listed honorees were received from President Ford, Speaker ALBERT, Majority Leader O'NEILL, and Minority Leader RHODES.

Since the doormen are a most congenial group, the picnic was a great success. Capt. S. P. Gary, base commander of the Indian Head Naval Ordnance Station, was kind enough to lend his beautiful facilities for the event, and Dr. Rhinole Schenk, Consul General of the West German Embassy, enhanced the Bavarian picnic atmosphere by his attendance.

Mr. Speaker, it is to the credit of the fine men who supervise and guard the entrances to the House Chamber and Gallery that they have built the House of Representatives Doormen's Society into a large, highly regarded organization. Not only does the society membership gather regularly to honor deserving Members of Congress, their own members, and others, it also provides a clearinghouse of information and service for the Capitol community and the Washington, D.C., community-at-large.

I know that all our colleagues join me in paying just tribute not only to those honored by the Doormen's Society this week, but to the society itself.

RESULTS OF 1974 LEGISLATIVE QUESTIONNAIRE

The SPEAKER pro tempore (Mr. DRINAN). Under a previous order of the House the gentleman from Missouri (Mr. RANDALL) is recognized for 10 minutes.

(Mr. RANDALL asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. RANDALL. Mr. Speaker, each year I solicit the views of our constituents in the Fourth Missouri District by means of a legislative questionnaire.

This year the questionnaire was distributed in early July. Ten questions were submitted. I have observed that many Members use a computer card system which has the advantage of more rapid computation of results. I decided against this procedure because the smaller computer cards have room for no more than four or five questions.

The tabulation of the conventional type form has taken longer. Approximately 20,000 responded to our questionnaire. Considerable time has been devoted by the staff to tabulation of results, but I can assure all respondents and any interested persons that there was an actual and accurate tabulation of responses to each of the questions on the questionnaire.

A substantial portion of the responses contained interlineated comments. Many sent a supplementary letter.

I am most grateful to those who took the time to respond to the questionnaire. These responses have helped me better represent our constituents.

The questions, exactly as worded on the questionnaire, with all responses reduced to percentages, follow:

RESULTS OF 1974 LEGISLATIVE QUESTIONNAIRE

1. Who do you think is most responsible for the energy crisis?

	Percent
(a) Big oil companies	43
(b) The Executive Branch of Government	15
(c) Congress	13
(d) Careless conservation practices	15
(e) There is no crisis	9
(f) Other	5

2. When a new national health plan is considered, which proposal do you favor?

	Percent
(a) Medical care for everyone (mostly financed from Federal revenues)	30
(b) A government-sponsored plan covering only long lasting illness	2
(c) Reliance on private health insurance with the government paying premiums for the poor	24
(d) No new program	25

3. In your opinion has there been a noticeable improvement in local government services since Federal revenue sharing began in 1972?

	Percent
Yes	30
No	52
No opinion	18

4. Do you believe the President should be impeached?

	Percent
Yes	42
No	47
Undecided	11

5. Our families cannot have everything they want all at once. Neither can government. Which of the following do you think should receive the highest consideration for Federal expenditures? Please rank in order of priority.

National defense	1
Develop mass transit	9
Crime control	2
Federal aid to education	6
Programs for senior citizens	8
Medical research	4
Reduction of national debt	5
Research for new sources of energy	3
Space exploration	10
Water and air pollution control	7

6. In the area of campaign expenditure reform, which choice comes closest to your views?

	Percent
(a) Maintain present method of financing elections	9
(b) Set strict limits on amount of spending and on amount of each contribution	73
(c) Limit individual contributions to be matched by equal amount of public funds	5
(d) Federal elections financed entirely from Federal funds, barring private contributions	13

7. If Land Use regulations are enacted, should these be under the control of:

	Percent
The Federal Government	21
The States	79

8. If you engage in farming or agri-business, what are your worst problems at present:

	Percent
High costs	67
Unstable prices	19
Government policies	9
Other	5

9. Should all candidates for public office publish a summary of their latest income tax returns?

	Percent
Yes	63
No	37

10. What do you believe is the most serious problem facing our Nation today?

	Percent
1. Inflation	40
2. Confidence in Government	22
3. Moral and Spiritual Decline	10
4. Crime	7
5. Foreign Policy and Softness on Communism	3
6. High Taxes	1
7. Biased News Media	1

Other choices totaled 16% but each less than 1% per choice as follows:

Prolongation of Watergate.
Federal Government Power.
Pollution.
Labor Unions.
Drug Abuse.

REMODELING THE HOUSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. STEIGER) is recognized for 10 minutes.

Mr. STEIGER of Wisconsin. Mr. Speaker, in the opening days of the 93d Congress, the House of Representatives determined that there was serious need for making changes in the committee system that has been in effect since the reorganization of 1946. We concluded that a substantial overhaul of the existing committee process was necessary if we were to effectively deal with the broad range of national issues, such as energy and the environment, that have become of greater concern in the past 28 years.

Because of the antiquated system under which we are conducting our business, we have seen a serious erosion of congressional power vis-a-vis the executive branch. All the while we have criticized recent Presidents for assuming greater powers and for acting without adequate consultation with Congress, we have helped to create this very situation through our inaction.

Thus, those of us who feel very strongly about the need for reform were pleased back in the early days of 1973 when we established the Bolling committee, giving it the mandate to recommend an efficient, effective House committee system. Chairman BOLLING and the nine of us who served with him on the committee worked long, hard hours, listening to scores of fellow members and experts from the many fields that have some relationship with Congress and thus might have some input into how we could improve our workings.

We devoted many nights and weekends to drawing up a plan which we felt dealt fairly and effectively with the various problems and considerations involved, and earlier this year, we hoped for rapid, affirmative consideration of our recommendations. Those recommendations have yet to come before the House, and there has been, in fact, a serious effort to gut them altogether, or to replace them with a package of weaker proposals prepared by a Democratic caucus committee.

What is needed is for the Bolling Committee plan to be brought before the House for debate and, I would hope, approval. It is tragic and ironic that our present system is being used as a means of preventing reform of itself. I commend for your consideration the following editorials, which state clearly and well why we must not allow the 93d Congress to pass without acting:

[From the Washington Post, Sept. 12, 1974]

Remodeling the House

The House Rules Committee may decide this week whether the House will have a chance this year to overhaul its committee system for the first time since 1946. The immediate question is not whether any specific reorganization plan will be approved, but whether the opponents of change will be able to stall and frustrate a broadly-based movement for institutional reform.

The focus of the fight is the ambitious reorganization plan devised by the Select Committee on Committees, a bipartisan panel chaired by Rep. Richard Bolling (D-Mo.). The committee's aim is to inject more rationality and coherence into the workings of the House. Predictably, this effort has aroused powerful forces because it would, among other things, drastically reduce the jurisdiction of the Ways and Means Committee, disturb the influence of labor by splitting the Education and Labor Committee, take campaign regulation away from House Administration Committee Chairman Wayne Hays (D-Ohio), and limit the power of other entrenched legislators and lobbying groups.

Those hostile to the Bolling plan first tried to shelve it in the House Democratic caucus last spring by referring it to a caucus committee chaired by Rep. Julia Butler Hansen (D-Wash.). As expected, the Hansen panel's recommendations on committee jurisdiction are much closer to the status quo. To the surprise of some reformers, however, the Hansen group did suggest some major changes in House rules, including a very controversial plan which would allow committee chairmen, with the backing of the Speaker and the caucus, to circumvent the Rules Committee and bring legislation directly to the floor.

The generally constructive, though limited, nature of the Hansen report reflected a general recognition among House Democrats that some changes are overdue. The caucus finally deferred the showdown between the Bolling and Hansen camps by voting to send both plans to the House floor. Meanwhile, the outnumbered House Republicans have been trying to define their own position, primarily on the question of minority staffing, and a third reorganization plan has been offered by Rep. David T. Martin (R-Neb.), co-chairman of the select committee and the Rules Committee's ranking Republican.

With adjournment approaching those who wish to shelve the issue entirely have now focused their efforts on the Rules Committee. That panel was persuaded to postpone a scheduled meeting on the subject last month, but another is scheduled for today. If the Rules Committee and the House leadership act expeditiously, the House will still have ample time to debate and decide how extensively its committees and procedures should be changed. Killing the issue by further delay would be a sad way to conclude a Congress which began with an encouraging interest in modernization and reform.

[From Newsday, Aug. 25, 1974]

Putting Congress Back in the Picture

The proper division of power between President and Congress has been debated since the nation's beginnings. "It squints toward monarchy," complained Patrick Henry after looking over a draft of the Constitution. "Your President may easily become king." Nearly two centuries later, Lyndon Johnson scoffed at charges that he and other Presidents had stripped Congress of much of its constitutional authority. "Power? The only power I've got is nuclear—and I can't use that."

If he really believed that, Johnson greatly underestimated his authority. Since Jefferson, Presidents have been impounding funds voted by Congress. Since Lincoln, they have been calling up troops and committing them to battle. Since Teddy Roosevelt, they have been making and enforcing foreign treaties. Since Wilson, they have been manipulating the national economy to suit White House policy. The Constitution grants the President none of these powers; they belong exclusively to Congress.

Presidents have not so much seized power as had it thrust upon them by Congresses either unwilling or unable to fulfill their constitutional function. The process has been greatly accelerated during the last 50 years by world wars, economic depressions and the complexities of the atomic age. Befuddled Congresses now routinely pass resolutions transferring their power to the White House. The Tonkin Gulf resolution authorized Johnson to "take all necessary measures" to secure peace in the Far East. The Economic Stabilization Act of 1971 empowered Richard Nixon to "take all necessary measures" to combat inflation.

Gerald Ford, a child of Congress, has all but pleaded with that body to take on more of the burdens of government. But at the moment Congress is in no position to resume what James Madison called "its proper place" as a co-equal partner of the executive. First it must pull itself into the last quarter of the 20th Century.

Fortunately, many in Congress are well aware of its failings, and some steps have been taken to correct them. The recently enacted budget reform bill gives Congress the tools it needs to reassert its authority over federal spending. It spells out specific budgetary procedures and establishes a budget office, complete with fiscal experts and computers, to place Congress on a more equal footing with the White House's powerful Office of Management and Budget.

Congress is on the verge of passing badly needed campaign funding reforms, but something also must be done to control lobbyists and to encourage full financial disclosure by congressional candidates. The men and women who are now preparing to scrutinize every aspect of Nelson Rockefeller's career should do so with clean hands.

Perhaps the most hopeful harbinger of a congressional resurgence is the effort some House members are making to change outmoded rules of procedure. Thanks to the so-called "sunshine" rule, there were fewer closed committee hearings in the House this year than ever before. Televising key committee hearings would let in even more sunshine and, as the recently televised House impeachment hearings demonstrated, help to rebuild Congress's badly tarnished prestige.

In the end, the restoration of that prestige—and of Congress's ability to discharge its constitutional responsibilities—rests on efforts to overhaul the outmoded committee system. Six months ago, a special House panel headed by Richard Bolling, a Missouri Democrat, recommended a massive reorganization that would place responsibility for each broad policy area—energy, transportation and the like—in a single committee. No congressman could serve on more than one of the 15 key committees. The plan would end the overlapping that now frequently hogties Congress.

The Bolling committee's eminently sensible recommendations are under attack by entrenched committee chairmen who see them as a threat to their vast powers and by liberal Democrats who fear the loss of seats on key committees. A Democratic caucus is now in the process of watering down Bolling's recommendations even before they reach the floor of the House. And no one on either side of the aisle has suggested challenging the congressional seniority system that frequently rewards longevity at the expense of talent.

Perhaps it's too much to expect Congress to kick over the traditions of half a century and reform itself overnight. Still, real progress has been made in recent months and we're convinced that the trend toward modernization is irreversible. Members of Congress, after all, know better than anyone else just how close they came to accepting one-man rule.

[From the Philadelphia Bulletin,
Aug. 30, 1974]

Another Stall? Reforming House Committees

After all sorts of parliamentary maneuvering, it appears that the U.S. House of Represenatives is in danger of flunking a test of its sincerity about reform.

Is it or is it not willing to get on with restructuring its cumbersome committee setup into a somewhat more logical and efficient pattern and so curtail a bit the power of some of its dominant chairmen?

The House Rules Committee rescheduled for September 12, the day after the House returns from its recess, consideration of two committee reform bills. One was produced by the bipartisan House Select Committee on Committees headed by Representative Richard Bolling of Missouri and a weaker proposal is from a Democratic Caucus group headed by Representative Julia Butler Hansen of Washington.

The Rules Committee is under Democratic Caucus instructions to let these rival plans go to the House floor for a vote. Only a few weeks in this session of Congress remain. If the Rules Committee stalls—and there has already been plenty of stalling from the Democratic Caucus itself—then the reform proposals will die at the end of this Congress. A lot of ground will have to be replowed.

What reform is being proposed is little enough, but it is a step toward helping the House of Representatives to conduct the public business in a more effective fashion and to make it somewhat less baronial. It's understandable that some powerful committee chairmen who would lose part of their territories would object, as well as individual congressmen who might lose prized committee assignments and special interests who have grown cozily accustomed to dealing with committees as they are.

But the question, to repeat, is how sincere the House is about improving its performance. There should be no stall. The issue should be put to a vote by the full House.

[From the Cleveland Plain Dealer,
Sept. 3, 1974]

Putting the House in Order

About a year and a half ago a bipartisan committee started work on a plan to reorganize the committee structure of the U.S. House of Representatives to make the House more efficient and effective in responding to the needs and wishes of the American people.

At some point last spring, House Democrats concerned about keeping their perches in the power structure began to take seriously the possibility of reform legislation—seriously enough to start pulling the levers which the present system offers to defeat its improvement.

The result was that in May a caucus of House Democrats voted to shunt the proposed legislation to a study committee.

At the time, Rep. Richard Bolling, D-Mo., chairman of the bipartisan committee, said the caucus' action had "badly wounded" hopes for action this year. Events are bearing him out. The study committee reported back to the caucus with a bill of its own. The caucus asked the House Rules Committee to report Bolling's bill out to the floor but with an "open rule," making it possible to substitute the study committee's ideas.

The Rules Committee was supposed to meet on this a couple of weeks ago, but it did not. The meeting has been rescheduled for Sept. 12.

"The postponement of the Rules Committee meeting until after the House recess," said Bolling, "could turn out to be the first of a series of steps designed to prevent action this year. The opponents of House Resolution 988 (the bipartisan reform plan) having failed in all their previous efforts to kill it, may now be attempting to bury it in the Rules Committee by stalling it to death . . .

"With apparently only about three weeks or a month of this session of Congress remaining after the House returns Sept. 11 from its recess, it is obvious that a strategy of delaying House Resolution 988 to death might succeed."

The bill offered by Bolling's committee would more logically divide House committee responsibilities and make it possible for urgent bills to get to the House floor after clearing only one committee. Most members would be permitted to serve on only one committee.

As the majority party, the Democrats can make or break this legislation. If they break it, they will have a great deal of explaining to do.

[From the Los Angeles Times, Sept. 3, 1974]

LIPSERVICE TO REFORM

There is now only a faint chance that the House of Representatives will vote at this session to reform its committee system—a tangle of chaotic entities that are at best obsolete and at worst overly responsive to special-interest pressures.

Rep. Richard Bolling (D-Mo.) is chairman of a bipartisan select committee that months ago wrote a reorganization plan that has considerable merit. Among other reforms, House Resolution 988 would limit each congressman to service on a single major committee, guarantee the minority party a third of each committee's staff members, reassign many categories of legislation to more appropriate committees and eliminate a number of redundant committees.

Given the lipservice that Democrats have been paying to reform, one would have thought HR 988 would receive prompt consideration. But no. Lobbyists representing big labor and big business were against it because it would diminish their influence on powerful committees that have been sympathetic to their interests. Rep. Wilbur D. Mills (D-Ark.), chairman of Ways and Means, was against it because it would take away certain of his committee's powers. And a host of other Democrats who chair less important committees and subcommittees were also unwilling to surrender one iota of their authority.

The tactics of those opposing HR 988 soon became clear. Rather than let it come to a vote on the floor, they would stall it to death until the end of the session.

One of the first maneuvers was a secret vote by the House Democratic caucus in May to sidetrack the Bolling reforms to a caucus committee whose chairwoman is Rep. Julia Butler Hansen (D-Wash.). Their secrecy was a shabby tactic because it meant that Democrats who were against reform would not have to explain their vote to their constituents back home in an election year. The Hansen committee, as everyone knew it would, wrote a much weaker reorganization plan.

While all this was going on, the House was preparing for lengthy impeachment proceedings against Richard M. Nixon—and even if the Democrats had been willing to let reform go to the floor, time probably would have run out at this session before the House could consider it.

But Nixon quit, and there was clearly time for action this year. The Bolling and Hansen proposals were then in the hands of Rep. Ray J. Madden (D-Ind.), chairman of the Rules Committee, who set a hearing for Aug. 20. But he abruptly postponed the hearing—he claims at the request of Rep. Hansen—until Sept. 12. That is only three weeks to a month before the House will adjourn. Even if Rules were to report the resolutions out quickly, that leaves little time for floor debate and a vote.

It's up to Rep. Madden now. If he and the Democratic majority on Rules continue to stall, it will only confirm what is already apparent—the Democrats don't want reform, despite all their rhetoric that Watergate demonstrates the necessity for more open and responsive government.

JOHN MILLER—HERO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Florida. Mr. Speaker, it warms my heart to tell my colleagues of the courage of 20-year-old John Miller, a home delivery carrier for the Fort Lauderdale News and Sun-Sentinel. It is not often we hear of acts of courage and valor by our young people. Generally we do not hear of the many fine things they do, so I am particularly proud and pleased to point with pride to the example set by this young man of selfless daring to save the life of another human being.

On February 4, 1974, John Miller saw an automobile leave a parking lot in the city of Tamarac, Fla., and proceed across two lanes of heavily traveled highway, cross the shoulder of the roadway, and finally plunge into a canal filled with water 12 feet deep. Although he could not swim, John dived into the canal and succeeded in rescuing the driver of the car, 70-year-old Leon Cherner, of Washington, D.C., from the sinking vehicle.

The National Legion of Valor has presented John Miller with its silver cross award for valor and awarded it to him at the organization's 84th annual reunion in Washington, D.C., last July. John is believed to be the first newspaper carrier ever to receive the legion award. I would like to note that he had earlier received the American Newspaper Publishers' Association's and the International Circulation Managers Association's Newspaper Carrier's Award for Valor because of his outstanding act of heroism taken by him without regard for his own safety.

John Miller has been a newspaper carrier for the Gore Newspapers since November 1973. He is a graduate of the police science course at Broward Community College and aspires to join the police force and eventually become a detective. It is my hope that he succeeds in his ambitions, because rare human beings who put the welfare of others above their own would enrich any vocation they choose, but especially those where they serve their fellow men. I am proud to extend to him my own personal acknowledgment of his act of heroism.

LEGISLATION INTRODUCED TO PROVIDE ASSISTANCE TO EPILEPTICS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. QUILLEN) is recognized for 5 minutes.

Mr. QUILLEN. Mr. Speaker, I have introduced a bill which would directly benefit those unfortunate Americans whose lives have been affected by epilepsy. This measure, H.R. 15417, would provide free medicine to the victims of this disease.

From the time a seizure is first suspected as a symptom of epilepsy, a patient is faced with frightening physical problems and unexpected social adjustments.

Epilepsy, a disorder of the central nervous system, is probably the most misunderstood disease today. It is associated with superstition and has carried a social stigma through the ages.

A hundred years ago, epileptics were dismissed from humanity. Today, many families still fear to admit their child has seizures, and they bear their pain and expense in silence. Some States even forbid driving permits or marriage licenses to be issued to known epileptics.

Medical records show that this disease affects more Americans than cancer, tuberculosis, cerebral palsy, muscular dystrophy, and multiple sclerosis combined. The Epilepsy Foundation of America estimates that about 4 million people in the United States have some form of epilepsy.

According to medical authorities, the use of anticonvulsant drugs, so far, is the most effective method for controlling epileptic seizures. Between 50 and 60 percent of those suffering from epilepsy can control their seizures with this medication and lead useful, productive lives. Another 20 to 30 percent can partially control their seizures with these drugs.

However, the sad fact remains that continued medication for a lifetime of seizure control can be very expensive. The estimated medical cost of epilepsy is $4.25 million per year. According to the Epilepsy Foundation of America, the cost for drugs alone runs approximately $2 million a year.

While 80 percent of those with epilepsy can achieve control of seizures with proper medication, specialists estimate that less than 20 percent receive truly adequate treatment, because the medical cost is so staggering.

My bill would provide aid to those suffering from epilepsy by enabling them to obtain the medication necessary to control their seizures.

Medical authorities believe epilepsy to be among the oldest ailments known to man. Medical references to the disorder date back 200 years and include such famous victims as Alexander the Great, Julius Caesar, Napoleon, Socrates, Peter the Great, Van Gogh, and Pascal. Patsy Curtis, George Washington's stepdaughter, suffered from epilepsy and died at the age of 16. Mark Twain's daughter was also a victim of epilepsy, as well as an untold number of others throughout the ages.

Today, epilepsy is still of immediate concern to millions of Americans and the problem continues to be shamefully neglected. In this age of social and scientific enlightenment, the victims of epilepsy still face the ignorance, indifference, superstition, even fear from a darker age.

Progress is being made in terms of medical research, knowledge of the disorder, and means of control over its convulsive symptoms, and H.R. 15417 will provide the much-needed assistance to enable epileptics to lead more productive lives and to free them from the legal and social restrictions accompanying this disease.

PROVIDING FOR PROTECTION OF THE CONSUMER'S SPENDING DOLLAR

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, legislation before us today significantly improves the lot of the weary American consumer—often plagued by ambiguous and meaningless warranties and left frustrated by no effective means of recourse. The Consumer Product Warranties and Federal Trade Commission Improvement Act lays the groundwork for more effective protection of the consumer's spending dollar.

This bill seeks to right the widespread abuses suffered by consumers who are the target of deceptive advertising and warranty language in addition to being thwarted by companies that fail to honor stated warranty obligations. H.R. 7917 authorizes the Federal Trade Commission to issue regulations which require complete, conspicuous, and easily understandable disclosure of written consumer product warranties and service contracts. These rules will apply to all consumer products costing more than $5 and must be made available prior to purchase. The legislation also expands the judicial channels open to the consumer with a legitimate warranty complaint.

In addition, H.R. 7917 confirms the previously unclear authority of the FTC to issue substantive trade regulation rules and calls for a more effective, formal rulemaking procedure. This process will insure a more thorough study of consumer products.

Enactment of this legislation guarantees clearer, more complete warranties to the individual consumer and also expands the watchdog role of the FTC on a trade by trade basis.

Mr. Speaker, the American buyer deserves more than empty promises and worthless guarantees. This legislation sees that he gets it.

BUSING COMES TO BOSTON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. MIZELL) is recognized for 15 minutes.

Mr. MIZELL. Mr. Speaker, last week in the city of Boston, Mass., the citadel of liberal attitudes in this country, there occurred an episode which, though regrettable, was nevertheless quite instructive and quite an important landmark in the odyssey of the "forced busing" issue from its origin in the South to its arrival in the North.

Some 10,000 people gathered in downtown Boston to demonstrate their displeasure at the prospect of massive forced busing being imposed upon their children and their city.

When Senator EDWARD KENNEDY, who has always supported massive busing programs, sought to address the assembly, he was shouted down and was the target of eggs and tomatoes hurled from the midst of the crowd.

After advancing upon the John F. Kennedy Federal Building, in which the Senator had sought refuge from the crowd, and after shattering a window at the front of the building, the group dispersed and the stage was set for forced busing to make its debut in Boston.

Following this episode, Senator KENNEDY was quoted by United Press International as saying:

> If they had allowed me to speak, I would have told them I share their concern. I know there are parents out there who are concerned about the safety of their children, and they shouldn't be considered bigots.

There are several things that should be pointed out about this confrontation, Mr. Speaker.

First of all, it should not have happened. No court in this country should have the power to impose the kind of disruption that massive busing involves on any community of people. This is an old refrain for those of us who have opposed forced busing for years, but it looks as though the chorus may be swelling as busing orders spread throughout the country.

And the confrontation should not have happened, in any event, because outbursts of violent conduct, no matter what their motivation, are not appropriate as a means of redressing grievances.

It is interesting, I think, to note that the Commission on Civil Rights 2 years ago, that the people of Winston-Salem and Forsyth County, N.C.—my constituents—could be said to support massive busing because they did not demonstrate any violent opposition to it.

Now, this struck me as a curious gage of support when it was first proposed, and I remember very well making a speech in this Chamber in March of 1972, saysaying:

> The Civil Rights Commission's contention that the people of this area approve of this (busing) plan, simply because they are law-abiding citizens who have chosen not to create violent disruption, as has been the case in other areas of the country, is either an admission of ignorance of the realities in this situation, or a victory of predilection over investigation.

I pointed to the results of a poll I had conducted among residents of my district, which found that 93 percent of my constituents opposed forced busing simply to achieve an arbitrary racial balance in our public schools.

The second thing to note about this confrontation is that it did, in fact, happen. The citizens of Boston staged a demonstration larger than any we ever experienced in the South. Furthermore, boycotts and sporadic incidents of violence have been the order of the day in Boston ever since the busing plan went into effect there.

I am anxious to see the Civil Rights Commission's evidence of support for busing in Boston.

Third, Senator KENNEDY's statement following the demonstration, which he repeated in Cincinnati on Friday, is as interesting a statement as any I have heard him make.

Senator KENNEDY said:

> I know there are parents out there who are concerned about the safety of their children, and they shouldn't be considered bigots.

I have always maintained, as have most of my colleagues in the House who vote in overwhelming numbers for antibusing measures, that busing was not a racial issue, that it was not the code word for racism that some people argued it was.

It is as encouraging as it is surprising that Senator KENNEDY has now apparently acknowledged that the busing controversy is not, either literally or figuratively, a "black and white" issue, that there are other legitimate concerns that enter into the equation.

The Senator mentioned parents' concern for the safety of their children.

He might have added, as others have, concerns about the tremendous expense involved in massive busing programs that must be borne by local taxpayers.

He might have mentioned the very difficult administrative duties that local school systems must cope with to operate an extensive student transportation system.

He might have mentioned the heightened racial tensions that, far from being alleviated, are aggravated by what is essentially forced companionship in a largely artificial environment.

Finally, I believe we may fairly ask if busing is indeed contributing to the goal its proponents stress—a quality education for all our children.

Many studies conducted in cities where forced busing has been in effect in the past have shown that the learning process is not enhanced, but may actually be impaired as a result of traveling long distances to and from school, and operating within the strained, tense atmosphere that massive busing imposes on our children.

Beyond that, the taxpayer—black or white—may reasonably ask whether his tax dollar is better spent for court-ordered transportation to a school far beyond his own neighborhood school, or whether instead those funds should go for better teachers' salaries, better educational equipment, better school buildings and other educational essentials.

With a relatively fixed amount of local revenues, busing programs must compete with these basic educational requirements for the tax dollar.

And so it seems that, if busing does indeed promote equal education—and even this contention cannot be supported in fact—then the equality must necessarily be on a plane that is unacceptably low for all our children.

We can have better educational equipment or more buses, better teachers' salaries or more buses, better school facilities or more buses. We cannot have it both ways, because we cannot afford it.

We can see to our children's legitimate educational needs, or we can forfeit education for experimentation, and the rule of reason for the madness of ratios and quotas. That is our only real choice.

The reality and severity of that choice can be forcefully demonstrated in the case of the Winston-Salem/Forsyth County school system in North Carolina.

Last May, a team of civil rights officers from the Department of Health, Education, and Welfare made an inspection of the school system to determine if discriminatory practices existed—this in a system which has complied fully with some extremely complex and, in some instances, frankly ridiculous court desegregation orders, including the use of extensive busing.

These HEW officials found the discrimination they were looking for, not in any actual instance, but in the numbers game they so love to play.

These officials found an apparently disproportionate ratio of minority students enrolled in some remedial classes in the school system, and charged that a similar disproportionate ratio existed in the number of disciplinary actions recorded in the school system in the last school year.

No complaint was lodged in any individual incident of discrimination, for none was found. The sole basis for the discrimination charge was the impersonal, numerical ratio which the HEW investigators found unacceptable.

As a result of this investigation, nearly $360,000 in Federal education funds were withheld from the school system, pending its correction of the objectionable ratios.

To their credit, the members of the local school board stood firm against this bureaucratic tyranny, and withdrew its application for the funds, voting instead to find the necessary funds elsewhere.

This defiance, admirable and justifiable as it was, nevertheless has created a hardship upon the school board and upon the children it serves. Money for these programs has to come from somewhere, and this Congress voted that it should come from the Federal Government.

But the fourth branch of Government—the bureaucracy—decreed that these funds should be denied to the school system of Winston-Salem and Forsyth County, N.C., because the bureaucrats' obsession with ratios and quotas was not stated.

Compounding this insulting and disgraceful abuse and arrogance of power, the Secretary of Health, Education, and Welfare this past weekend announced he did not favor the use of such threats and punitive actions in the North—though finding them perfectly acceptable in the South—preferring a more "conciliatory" approach toward our northern friends who share our disdain for extravagant Government power.

Whether the people of Boston are prepared to conciliate in return is, at this point, an open question.

And so, unfortunately, is the matter of whether or not the Congress will ever see fit to overthrow this judicial and bureaucratic tyranny and restore a bit of reason—and local control—to the American educational process.

More than 3 years ago, on the day the Supreme Court handed down its decision in the Swann against Charlotte-Mecklenburg Board of Education case, in which the Court approved the use of massive busing, I was the first Member of Congress to stand up in this Chamber in opposition to that decision.

Since that time, I have introduced a constitutional amendment to prohibit forced busing and have supported measure after measure to curb its use. I have testified at every congressional hearing having to do with busing. I was the keynote speaker at the first nationwide antibusing convention in Alexandria, Va., 3 years ago.

The closest we have ever come to putting meaningful restrictions on the use of massive busing was in passage of the House version on H.R. 69, the Elementary and Secondary Education Act Amendments of 1974.

In our original version of that bill, we firmly reestablished the principle of the neighborhood school, and mandated seven remedies for segregation to be exhausted before busing can even be considered, and even then only under strictly controlled conditions.

But the Senate, led, incidentally, by Senator KENNEDY, made a mockery of those provisions by adding a clause to permit busing if courts decree it to be necessary.

The end result, of course, was that nothing had been changed by this legislation, despite the best efforts of a sizable majority of this House.

But now busing has come to Boston, and Senator KENNEDY is talking now about his concern for the safety of Boston's children, just as I talked about my concern for the safety of Winston-Salem's children for the past 3 years.

Mr. Speaker, surely now is the time for forced busing to be banned in Boston, in Winston-Salem, and in every other city in America.

The people obviously do not support it, despite the best efforts of the Civil Rights Commission to reach a contrary conclusion. If people supported massive busing, it seems apparent to me it would not have to be forced upon them.

It is a policy that frustrates, and often defeats, its own purpose of improving the quality of our children's education, as several studies have shown.

Now is the time, Mr. Speaker, to stop those buses in their tracks, not by acts of violence, but by an act of Congress in 1974.

FIRST U.S. PLANT OF CADBURY CORP. TO OPEN AT HAZLETON, PA.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutees.

Mr. FLOOD. Mr. Speaker, on Friday, September 20, 1974, it will be my pleasure to attend the dedication of the first U.S. plant of the Cadbury Corp. at ceremonies to be held at the Humboldt Industrial Park at Hazleton, Pa.

This manufacturing plant consists of 52,000 square feet located on a 30-acre site, and the cost of construction is in excess of $8,000,000 upon completion. Ground was broken for its construction in March 1973.

In its initial phase, Cadbury will employ about 150 persons for the manufacture and distribution of chocolate products from its Hazleton facility.

Cadbury Corp. is a U.S. unit of Cadbury-Schweppes, Ltd., of the United Kingdom.

I would like to take this opportunity to congratulate Dr. Edgar L. Dessen, Arthur A. Krause, Attorney Louis G. Feldman, Robert Miorelli, Hugh Campbell, Joseph Yenchko, and John Chaplinsky, all of the Greater Hazleton Community-Area New Development Organization, Inc., better known as Can Do, Inc., as well as the Pennsylvania Department of Commerce and the Pennsylvania Power & Light Co., for their successful efforts in bringing this new plant to the Hazleton area. It will be a great asset to the area and to our congressional district.

At this point, Mr. Speaker, I would like to insert a history of the Cadbury Corp. as well as a press announcement released by Can Do, Inc., on the occasion of the plant's groundbreaking on March 31, 1973:

HISTORY OF CADBURY CORP.

Cadbury, producer of the world's largest selling chocolate bar, has roots that date back to 1824 when John Cadbury, a 23-year-old English shopkeeper, began to sell cocoa as a sideline at his coffee and tea store.

At first he roasted and ground his own beans by hand but by 1831 demand had expanded to the point that he rented a small factory to produce cocoa for his customers. Some 19 years later, he turned over his retail operation to a nephew so he could concentrate exclusively on his thriving new business.

The business continued to grow and, in 1861, then 60 years old and suffering from ill health, John Cadbury passed the management of the firm to his two sons, who were in their early 20s. They extended the company's activities to the manufacture of chocolate in 1866.

By 1879, Cadbury had outgrown its rented facilities and construction was begun on the first company-designated plant. Situated in Bournville, England, it is today the largest complex in the Cadbury network and employs over 11,000 people.

The most dramatic period in Cadbury's growth began in 1905 with its discovery of the process for making whole dairy milk chocolate. This development gave rise to the greatest success in the chocolate industry and broke the Swiss near monopoly of the milk chocolate market. To this day, Cadbury's Dairy Milk Bar continues as the largest selling chocolate product in the world.

In 1919 Cadbury, then known as Cadbury Brothers Ltd., merged with J. S. Fry & Sons Ltd., the oldest chocolate manufacturer in the world—founded in 1728.

Three years later, the company began its penetration of foreign markets, including the establishment of a sales organization in the U.S. following World War II.

In 1969, Cadbury Group Ltd. merged with Schweppes Ltd. to form Cadbury Schweppes Limited, one of the largest food and beverage organizations with 45,000 employees worldwide and annual sales approaching $900 million. The continuity of Cadbury family management is being maintained today by Adrian Cadbury, great grandson of the founder, who is deputy chairman and managing director of the merged company.

At the present time Cadbury Schweppes has 25 factories in the U.K. as well as plants in Canada, Australia, West Germany, Sweden, Austria, Italy, Ireland, New Zealand, India, Ghana, Nigeria, Switzerland, Kenya, South Africa and Jamaica. It also maintains sales organizations in most countries throughout the world.

Arthur A. Krause, President of Cando, acknowledged the decision of Cadbury to locate in the Hazleton area is indicative of the prestige and respect Cando has earned over the years since 1956 and of the image the Hazleton area and its people are able to portray to Industrial Prospects.

Krause said, "I'm extremely proud to welcome Cadbury to our growing family of Prestige Industries locating in the Hazleton area. The tireless efforts of the volunteer forces of Cando Manpower; the attractiveness of our area and its people to new industry as a good place to locate in and grow with are evidenced with this latest addition to Humboldt Industrial Park".

Cando's President also cited the Penna. Dept. of Commerce and the Penna. Power and Light Co. for their assistance in Hazleton's Industrial successes. PP & L Co. deserves our utmost praise and thanks for their contributions financially and otherwise to the Humboldt Park Venture and Penna. Ind. Dev. Authority of the Department of Commerce have cooperated magnificently in our endeavors. "We are most grateful", he said.

Dr. Edgar L. Dessen, Chairman of the Board for Cando, had this to say, "Once again the people, the financial institutions, all businesses and employees, labor groups and all who contributed to the initial Cando drives, whether small or large, share in the joy and exultation of the addition of another new industry to our growing diversified industrial base. I am extremely proud that we could attract an internationally known and respected company as Cadbury-Schweppes to our community. It behooves all of us to work together and continue our efforts to make Hazleton the type of community we can all be proud of and induce our industries to want to grow and expand with us".

Cando's Solicitor, Atty. Louis G. Feldmann noted, "The selection of Hazleton as the site for the Giant Cadbury complex first venture into a U.S. Manufacturing facility was no mere accident. The decision by Cadbury was made after intensive and exhaustive search into many areas in Continental United States. I know that much thought and consideration went into locating a $10,000,000 facility in any community and Hazleton can be exceedingly proud to have been selected by Cadbury as their first choice location. We must all work together to merit the trust and faith they have put in us".

Robert Miorelli, Cando Site Chairman and Joseph Yenchko, Director of Industrial Development for Cando expressed high regard for Cadbury's intensive research and weighing of the Hazleton site advantages. Both said, "We have a lot to offer new industry in our fully developed Industrial Parks and it is gratifying to know our foresight and planning fully equipped industrial sites has paid off handsomely".

Pres. Krause concluded, "We have a lot going for us, much valuable land for sites, know-how and expertise to handle prospects, reputable and reliable volunteers and Executive Director, and a good labor force, as well as a growing all America community. We welcome Cadbury to Hazleton."

In addition to the above good news, Cando already has plans, with cooperation and assistance from PP & L Co. to erect another shell building in Humboldt Industrial Park. Cadbury becomes the third company to locate in Humboldt since its inception early in 1972. Ryder Truck Rental Inc. was the first company to occupy a building in the park and is now in production. American Cyanamid Co. purchased the original 80,000 sq. ft. shell building and in the process of expanding it to 140,000. They expect to be in partial operation by late Summer.

Cando has a fourth industry close to final commitment for the park also. Officials noted that as the 1140 acre park is opened for more sites, additional costs will be incurred for sewers, roads, grading, etc. The possibility for another fund drive comes into view as the mileage derived from the original monies in the prior Cando Drives is being rapidly depleted. "Success Costs", is the way Director of Industrial Development, Yenchko put it, "but we know our successes have paid dividends never thought possible".

A BILL TO INSURE RACIAL BALANCE IN ALL SCHOOLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. MATHIS) is recognized for 5 minutes.

Mr. MATHIS of Georgia. Mr. Speaker, I am today introducing a resolution which would express the sense of this House that the Department of Health, Education, and Welfare use every legal means available to them to insure a proper racial balance in all schools regardless of geographical location.

The people of this country have heard enough about double standards of justice for the past few months to last a lifetime. Now Mr. Weinberger, Secretary of Health, Education, and Welfare, has added insult to injury by applying a double standard in his own agency.

In criticizing a private civil rights study which charged that HEW was dragging its feet on the desegregation of Northern schools, Weinberger said and I quote:

> Federal civil rights enforcement often can achieve better results by convincing local school boards to design their own desegregation plans than by going in with a blunderbuss, taking away their Federal funds and putting them in a frame of mind and attitude in which they would make no effort to try to comply with the law.

Mr. Weinberger goes on to say that:

> We are doing our job under very difficult circumstances where there is a very strong divergence of view points between what the law says and what the public wants.

Mr. Speaker, this is a very profound statement. It makes me wonder if this all-powerful agency recognizes the views of our citizens from one geographical area of this Nation to the other.

To show to what ends the school systems in the South were forced by HEW in order to receive Federal funds, I am inserting a letter sent to a school in my district by HEW:

MARCH 28, 1972.

Mr. EDWARD C. LEICHNER,
Superintendent, Cook County Schools,
Hutchinson Street, Adel, Ga.

DEAR MR. LEICHNER: Pursuant to your telephone conversation with Mr. Everett Gill of my staff on March 28, 1972, we will conduct a review of the civil rights related aspects of your Emergency School Assistance Program. Mr. Gill and Mr. B. T. Middlebrooks will meet with you in your office at 10:00 a.m., Tuesday, April 11, 1972.

During the review, we will need to visit schools and review certain portions of your records. We would also like to meet with the adult bi-racial committee one evening and with the student bi-racial committees during school hours.

Please have the following information prepared for the team when it arrives on April 11, 1972. (This is the same information Mr. Gill requested over the telephone):

1. Class schedules of each teacher showing the teacher's name and race and the numbers of black and white students in each class.
2. The district's full policy with regard to discipline.
3. Names and race of all teachers dismissed or contracts not renewed for the school years 1969–70 and 1970–71.
4. Those students suspended or expelled for the last three school years (including the current year) giving name, race, reason for action, grade and school. If possible, also state the name of the teacher who initiated the action and the principal who administered it.
5. A complete staff directory (including administrative, cafeteria and other non-professional as well as professional staff), noting the race of each person.
6. Teachers newly hired to serve for the current (1971–72) school year by schools, giving: name, race, years of experience, certification, and subject or grade taught.
7. The district's policy on student assignment to class by ability or other factors.
8. The district's policy on inter-district and intra-district transfer.
9. A list by schools showing numbers and race of students participating in extracurricular activities.

If you have further questions, please call upon us.

Sincerely yours,

DEWEY E. DODDS,
Chief, Education Branch,
Office for Civil Rights.

I wonder if any school district in the North has been asked to supply this type information. Mr. Speaker, I think the people of this country have witnessed enough double standard administration of justice and I call upon Mr. Weinberger to reconsider his position of politically motivated enforcement of Federal law.

OTTO KERNER, JR.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. COLLINS) is recognized for 60 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, "It is my personal concern that no person in need, whether poor, sick, disabled or bowed by the weight of years be caused a single moment's sorrow or pain as the result of harsh or inhumane State policy."

These are words spoken by Otto Kerner, Jr., just 10 short years ago.

For over 40 years this man, Otto Kerner, Jr., of Illinois has devoted his life, his talents and his energies to public service. In 1934, he joined the Illinois National Guard as a private.

At the outbreak of World War II, his military experience resulted in his rapid promotion to a position of leadership as a major in artillery; as an aide to Gen. William Westmoreland he saw combat in north Africa, Sicily, and later in the Pacific.

At the end of the war, Kerner was a brigadier general and commander of the Illinois National Guard. He retired in 1947 with the rank of major general.

President Truman appointed Kerner, in 1947, as the U.S. attorney for the Northern District of Illinois, a post he held until 1954 under reappointment by President Eisenhower.

From 1954 to 1960, he served as county judge for Cook County. By 1960, Kerner's main interests were in the areas of the most urgent human needs. He became active in mental health reform, penal reform, adoption reform, health services, and other areas of direct concern to the disadvantaged.

Upon being elected Governor of Illinois in 1960, a position that he held for 8 years, he concentrated heavily on improving education, housing, hospitals, and employment. He overhauled the Illinois court system; he brought mental health and adoption reform; he reformed the criminal code; he instituted the first educational program in Illinois prisons; he developed the first work release program in Illinois history.

In August 1967, the summer of urban riots, President Johnson appointed Kerner as Chairman of the National Advisory Commission on Civil Disorders. The Kerner Commission report, issued in March 1968, brought vividly home to Americans the depth of urban disorder and discontent. The report urged a compassionate and rational response to problems of urban poverty.

In May 1968, Otto Kerner was nominated by President Johnson and confirmed by the Senate as U.S. circuit judge for the Seventh Circuit.

Today, this man occupies a tiny room in the Federal Correctional Center in Lexington, Ky., serving a sentence scheduled to last until July 29, 1977.

Otto Kerner is 66 years old. He suffered a heart attack last May and has numerous physical ailments: chronic heart ailment; chest and leg pains; blood clots in his lungs and mild diabetes. In October of last year, his wife of 40 years, the former Helena Cermak, passed away. His children are living together in his Chicago apartment.

If we in this Nation are genuinely to begin an era of compassion as suggested by President Ford, then should we not look with compassion on that man who himself has devoted 40 years of compassionate work for the disadvantaged people in our society—Otto Kerner, Jr.? If compassion is to be shown to former President Nixon, a man not always known in his career for that virtue, then should not the first measure of compassion be extended to a man who has himself been so concerned in his life with the plight of others less fortunate than himself?

If a general pardon is to be granted to one man for any and all crimes he may have committed while President, before any charges have even been brought, then must not the pardon power also be applied in its more proper and traditional fashion to a man who has paid his full debt to society?

If President Ford's action toward former President Nixon was truly taken for the humane reasons stated in his pardon announcement, and not out of loyalty to a friend and political ally, should not President Ford demonstrate his genuineness by extending his hand of pardon to a man like Otto Kerner, for no motive other than true compassion?

Otto Kerner, Jr., has lost his Federal judgeship by resignation. He is financially drained and physically ill.

Is there a single reason given by President Ford in pardoning Mr. Nixon that is not also applicable to Otto Kerner?

Let us examine each of the reasons given by President Ford for pardoning Richard Nixon, and let us ask if those reasons do not apply even more aptly to Otto Kerner.

For Judge Learned Hand has told us that if we are to preserve our liberties we must keep one great commandment: "Thou shalt not ration justice." If the awesome, absolute and unreviewable Presidential pardon power is not to be abused, then it must not be rationed out to one man and denied to another equally deserving of it.

First, President Ford has said that he pardoned Mr. Nixon because the former President has suffered enough. Perhaps Mr. Nixon has suffered greatly by giving up the highest office in the land. But can it possibly be said that Otto Kerner has suffered less? Indeed, he has been subjected to even more suffering. For unlike Mr. Nixon, Mr. Kerner has undergone the ordeal of a grand jury investigation, an indictment, 2 years of furious and sustained pretrial publicity, an 8-week trial, the expense of appeal and the ignominy of entering prison, the loss of his wife, the loss of his own health, economic ruin—and his resignation of a lifetime Federal judgeship.

Has Richard Nixon suffered? Of course he has—but has he been stripped of everything? No. Today he enjoys freedom and economic security with his family, while Kerner spends evenings alone in his cell, separated from his children. Is his private anguish less than Richard Nixon's?

Second, President Ford has said that Mr. Nixon's health was a consideration. I have already pointed out that Otto Kerner is a sick man. He is assigned to an out-patient medical unit of the prison and he takes daily medication for his heart disease.

Third, President Ford has said that Mr. Nixon could not get a fair trial. I question whether our system of justice should be halted merely because a man is a high public official and in the public eye; if this were so, public officials would be above the law.

Finally, President Ford spoke of the need to heal the Nation's wounds by preventing the public strain of a trial of Richard Nixon. But is not our system of justice and its equal application more important than the temporary strain on the populace? And if our system of justice is to survive, is it not equally important that Otto Kerner be shown the same mercy extended to Mr. Nixon?

For what crimes would Otto Kerner be pardoned? Unlike the case of Mr. Nixon, we know exactly what crimes were charged to Mr. Kerner, because he has already stood trial.

The power to pardon is the most absolute power granted to the President under the Constitution. In granting a pardon, the President is beholden to no one. No one can overturn or overrule his action. He may grant a pardon for any reason whatsoever. In pardoning Mr. Nixon, President Ford has set an extremely important precedent, for he has not merely given a pardon; he has given reasons for it, thereby laying down criteria under which a pardon will be considered. Having done so, President Ford must live with that precedent and grant pardons to other men who fulfill the criteria which he set forth. Otherwise, pardons will become political instruments to be granted arbitrarily. As I have demonstrated, every single criterion set forth by President Ford is applicable to Otto Kerner. Shall President Ford therefore deny to Otto Kerner that which is Mr. Kerner's due under President Ford's own criteria?

In 1968 in his Kerner Commission report, Otto Kerner awoke the Nation with his assessment of the causes of civil disorder, and he said that unless corrected our society was being polarized into two societies, one white and one black. Shall we amend that statement to say that our two societies consist of the privileged who are above the law and the unprivileged who suffer under it?

If Otto Kerner's landmark 1968 study contributed in any small way toward greater domestic harmony and urban peace in this country, then that alone is an unassailable reason to pardon him.

Could President Ford ever explain to the children of Otto Kerner why their father languishes in prison, sick and ruined, while Richard Nixon walks the sunny shores of the Pacific contemplating his $2 million memoirs?

Can President Ford explain to Tony

and Helena Kerner why their dad has had to suffer the ordeal of a grand jury investigation, indictment, trial, appeal, and imprisonment while Richard Nixon is freed from any responsibility to account for his conduct?

I am certainly not alone in urging a pardon for Otto Kerner. Thousands of people in Illinois remember his humane governorship and have voiced their desire for Kerner's release. Twelve great men and women testified as character witnesses that Otto Kerner was a man of honesty and integrity—from Roy Wilkins to William Westmoreland—educators, politicians, and businessmen. The pardon of Otto Kerner would be met with a crescendo of appreciation by the people of Illinois, by his family, and his friends.

As a chief executive during the turbulent 1960's, Otto Kerner was himself confronted with the problem of balancing justice with mercy. In a speech in Chicago on June 5, 1965, Governor Kerner acknowledged the pain of that responsibility when he said that "as a practicing politician and as Governor of this State I have had to attempt to balance off justice and mercy innumerable times." In that speech, Governor Kerner tried to explain how he approached the dispensation of justice with mercy. He asked:

> How can we be both just and merciful?

His own answer to this difficult question surely stands as a hallmark of reason:

> We cannot and should not forget our long range ideals and purposes, the dispensation of justice. Nor can we ignore our short term, immediate needs and obligations, to grant mercy to those in need. For if we want to walk humbly with God we can do no better than to follow the teaching of the Proverbs which tell us that "he who is gracious unto the poor lendeth unto the Lord."

In urging a pardon for Otto Kerner, I do not seek mercy in the sense of special favor; I ask only for mercy as the highest attribute of justice. I ask it for Otto Kerner.

U.S. FOOD POLICY: THE TAIL WAGS THE DOG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 5 minutes.

Mr. ALEXANDER. Mr. Speaker, in his first major foreign policy address yesterday, President Ford urged that all nations must substantially increase production of foods and emphasized the U.S. special responsibility as the world's largest producer of food.

Ironically at about that hour yesterday the House Rules Committee failed to grant a rule to H.R. 15263, the Rice Act of 1974, which could unshackle the American rice farmer and allow him to produce more food for a hungry world. This is a bill supported by Secretary of Agriculture Butz, Secretary of State Kissinger, Secretary of Commerce Dent, and Secretary of Treasury Simon. They realize the positive effect this legislation will have on our balance of payments, inflationary food costs, and feeding the world's citizenry.

The existing rice program was formulated for the bygone era of agricultural surplus and will not work efficiently during a period of inflation and shortage.

How can we produce more food to supply world demand when congressional actions and special interests are massed to defeat this aim of American foreign policy?

NATO AND GENERAL HAIG: A POLITICAL GENERAL FOR A CRUCIAL MILITARY JOB?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. FULTON) is recognized for 5 minutes.

Mr. FULTON. Mr. Speaker, the President's decision to appoint Gen. Alexander M. Haig, Jr. as Supreme Commander of the North Atlantic Treaty Organization raises some very serious questions which should be debated. Central to this issue is the question as to whether or not General Haig is qualified by background, training, and experience to hold this position.

The position of supreme commander has traditionally, and rightly so, been held by a man of broad military training and experience as well as one who possess an adequate and operative knowledge of diplomacy.

While there is considerable acknowledgment that General Haig is one of the brightest military men to reach four-star rank in recent time and that he is exceptionally able and uncommonly diligent, nonetheless there are glaring deficiencies in his professional military background.

As NATO commander General Haig will undertake two very important functions for which it appears he has very limited qualifications: planning for NATO forces in the event of armed combat and insuring NATO command readiness, and heading NATO land, sea, and air forces in the event of combat.

General Haig would seem simply not qualified on the basis of experience for this responsibility. His combat command experience is limited in duration and scope. In 1966 and 1967, in Vietnam, he was a battalion and then brigade commander as a lieutenant colonel.

In addition his higher echelon staff experience is practically nil. For a few brief weeks in 1973 he served as Vice Chief of Staff of the Army but left that job almost immediately to become civilian Chief of Staff for President Nixon at the White House.

From colonel to four star general, General Haig rose like a meteor. He bridged this gap in less than 4 years. But his promotions did not come as a result of military assignment and achievements. They were more of a political nature, important politically no doubt, but definitely nonmilitary. Most of this time was spent working for Dr. Kissinger on the National Security Council.

In other words, General Haig's almost unprecedented rise to four star rank came through service to the Executive not the military.

All this is not to say that a man of General Haig's unquestioned intellect and ability might not make a good or perhaps outstanding NATO commander. It is to say that there is nothing concrete in General Haig's record other than potential to qualify him for this position.

It is known that some of the NATO allies are very skeptical of this appointment while others may be silently opposed. However, for the sake of unity these opponents are apparently keeping their reservations quiet.

All of this, it seems to me, is risky. In the Senate there is a move afoot to hold hearings on the appointment based on the premise that General Haig may volunteer to appear or that there is a precedent going back to the Civil War to require Senate confirmation for generals who must be reinstated.

It seems to me such action by that body is both wise and advised to proceed with these hearings and that General Haig likewise would be well advised and wise to cooperate in every way possible.

THE BUDGET CONTROL ACT AND IMPOUNDMENTS OF HOUSING SUBSIDY FUNDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. BARRETT) is recognized for 15 minutes.

Mr. BARRETT. Mr. Speaker, during House debate August 15 on the conference report on the recently-signed Housing and Community Development Act of 1974, Congressman GARRY BROWN inserted a statement in the RECORD concerning the deliberations of the Housing Act conferees on the effect of the Budget Control Act on various provisions of the Housing Act.

Mr. BROWN noted that it was the conferees' understanding that the anti-impoundment provisions of the Budget Control Act of 1974, "did not apply to funds appropriated before the date of its enactment." He went on to say that section 1001(3) of that act, which provides that the act does not affect the claims or defenses of any party to any litigation concerning impoundment, applied clearly to the suspension by the administration of the sections 235 and 236 programs, the subject of a recent lawsuit.

Mr. Speaker, the conferees were very much concerned—in extending the sections 235 and 236 programs—over the potential impact of the Budget Control Act's impoundment provisions, and discussed those provisions on a number of occasions. However, I believe both Senate and House Members would agree that there was no clear understanding of the applicability of those provisions to extensions of the homeownership and rental programs. In my opinion, Mr. BROWN's statement really goes beyond the actual understanding of the conferees.

During the conference, I directed the Housing Subcommittee staff to obtain a definitive understanding of the applicability of the new Budget Act to extensions of the 235 and 236 programs. They conferred with several staff members of the House Appropriations Committee and expert consultants of the Congressional Research Service who had worked on that act. However, there was no definitive interpretation provided to them.

In my opinion, the applicability of the new act's provisions to the homeownership and rental programs must await a final decision by the Comptroller General and others who are given various responsibilities under the act. Hopefully, that decision can be made expeditiously, so that the future use of existing impounded funds under these programs can be determined.

BLOW FOR THE POSTAL SERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MURPHY) is recognized for 5 minutes.

Mr. MURPHY of Illinois. Mr. Speaker, I want to bring to the attention of my colleagues a letter sent to me by Mr. Roy Warshawsky. Mr. Warshawsky who is president of Warshawsky & Co. wrote to the Postmaster General E. T. Klassen to advise him of the company's decision to discontinue shipping parcels through the Postal Service.

Citing inefficiency in mail service plus substantial increases in third-class mail, the company transferred its mail deliveries to the United Parcel Service. This move results in a loss of more than $6 million worth of business to the Postal Service.

Mr. Warshawsky, moreover, has advised me that since the last increase in postal rates 200 people have been laid off. This comprises 18 percent of their work force.

When Congress reorganized the post office it certainly envisioned something other than the present situation. All classes of mail have been raised significantly with the greatest increases coming in third class mail. With these increases mail service has not improved. The reverse is true. My office is receiving more complaints about mail delivery. There seems to be no recourse except to rely on UPS and other such services.

I regret that such action was necessary by Mr. Warshawsky but with the Postal Service facing a large deficit and considering further rate increases, his decision is understandable.

At this point, Mr. Speaker, I would like to include in the RECORD the letter from Mr. Warshawsky to the Postmaster General:

AUGUST 12, 1974.

Postmaster General E. T. KLASSEN,
U.S. Postal Service,
Washington, D.C.

DEAR POSTMASTER GENERAL: It is with a great deal of regret that I have to advise you that as of today, we have discontinued shipping parcels with over $6,000,000.00 in postage per year by the Postal Service. We have tried for some time, without success, to get the Postal Service to pick up our shipments as they are doing for other mail order houses. This and the other extra costs of the Postal Service have forced us to make this move to United Parcel Service.

I am afraid that the Postal Service can look forward in the future to losing substantial portions of its profitable third class mail business as a result of its 35% increases per year, for the last few years, which is allowing room for competitors, as has happened with parcel post, to take this business away from the Postal Service. As an example, I am enclosing a copy of a brochure of one of the many competitors that third class mail is developing, showing what the Postal Service has to look forward to.

Sincerely yours,

ROY I. WARSHAWSKY,
President, Warshawsky and Co., J. C. Whitney and Co.

THE LATE JOSEPH A. BEIRNE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 5 minutes.

Mr. THOMPSON of New Jersey. Mr. Speaker, the labor movement and the Nation at large have suffered a grievous loss with the death of Mr. Joseph A. Beirne, the brilliant and progressive president of the Communication Workers of America. We in New Jersey were particularly distressed and saddened at Mr. Beirne's untimely death because he was one of ours. Mr. Beirne was born in Jersey City, went to night school there and continued his education at St. Peters College and the New York University. He began his career in labor organization in the late 1930's, and became president of one of the local affiliates of the National Federation of Telephone Workers in 1937. Due in no small part to Mr. Beirne's enormous and effective organizing ability, the federation grew over the years into the organization that we now know as the Communication Workers of America. He was an early advocate and fighter for the principle that women should receive equal pay for equal work, legislation with which I am proud to have been associated. I know of no better description of a dedicated labor leader than that contained in Mr. Beirne's own words in the New York Times:

> "When you are a head of a union," Mr. Beirne said, "you have to be a sociologist, marriage counselor, father confessor, psychiatrist and legal expert wrapped into one. You must have the desire to help people help themselves."

Mr. Speaker, Joe Beirne spent his lifetime in the cause of labor and, on the broader scale, in the service of his country. He served on many Presidential panels and commissions and was always an effective voice for working men and women. We shall all miss him. Our sympathy goes out to his lovely wife, Anne, and his children.

INFLATION AND THE POOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY), is recognized for 20 minutes.

Mr. MOAKLEY. Mr. Speaker, writing in the Boston Globe, the gentleman from New York (Mr. RANGEL) eloquently expressing the concerns of the Black Congressional Caucus about the uneven burden poor and working class Americans are likely to bear in the fight against inflation.

What is needed is a careful examination of our budget priorities. We must cut the Federal budget but we also must face the reality that some programs cannot be cut while others must be vigorously examined.

Mr. Speaker, I commend the gentleman for his forceful presentation of this issue and I am pleased to afford my colleagues and opportunity to read this statement:

FIGHT INFLATION, DON'T STEP ON POOR

(By Charles B. Rangel)

President Ford has labeled inflation "Domestic Enemy Number One." In his recent meeting with the Congressional Black Caucus, he emphasized his determination to cut government spending and control inflation.

The effects of the mismanagement of the economy during the Nixon years fell most heavily on minorities and the poor. Unemployment was consistently high, yet the Federal government refused to create a large-scale public employment opportunities program.

We in the Congressional Black Caucus cannot quarrel with the President's commitment to reduce the inflation rate. It is the poor family and the working class family who can no longer afford a full grocery cart. Rent, clothing, and fuel costs are continuing to climb.

A random cutting of Federal programs will not be an effective way to deal with the effects of inflation. As we warned President Ford, budget cuts in such areas as housing, health and education will be counter-productive. Those who can least afford to lose Federal aid will be hurt the most. For example, if day care funds are cut, thousands of working mothers will be forced to give up their jobs and go on welfare. If money for drug rehabilitation is reduced, ex-addicts who do not receive necessary supportive services will return to drugs and crime. Our nation will pay 10 times more in the long run if the Ford Administration adopts a short-sighted approach!

This is not to say that more efficient management of human services programs is impossible. Federal money can be saved and the quality of the programs can remain undiminished—but not by using the meat-axe method.

Substantial reductions in federal spending are possible in many agencies. The Defense Department budget is an excellent place to begin. Other programs worthy of in-depth reexamination are Federal highway building, aid to dictatorships overseas, and the numerous space shots now under consideration. Government spending can surely be cut here without significant adverse effects on the poor.

The Census Bureau has just released a report showing that the income gap between blacks and whites has widened each year since 1971. In contrast, the gap narrowed significantly during the 1960's. In 1973, the median income of a black family of four in the United States was only 58 percent of the median income of a white family of the same size. In hard cash, the difference is $5326. Spiraling inflation will make this gap grow even more.

Our concern as black representatives is to prevent the goal of controlling inflation from worsening the economic status of the poor. It is the poor—whose belts are already pulled tight—who are being forced to pull

those belts the tightest. It is they who are being asked to give up the necessities since they have no luxuries to give up.

NOT CLEMENCY, BUT PUNISHMENT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 5 minutes.

Ms. ABZUG. Mr. Speaker, today a group of relatives of draft resisters convened at the Capitol to protest the fraudulent offer of clemency for those who refused to fight in the undeclared war in Vietnam.

I would like to insert in the RECORD their petition for redress of grievances which they presented to Speaker ALBERT and attempted to present to Senator MANSFIELD and President Ford.

It is bitterly ironic that President Ford is willing to grant a full and complete pardon to the Nation's foremost war criminal, but insists upon punishing those who resisted the crime.

The Nuremburg trials established the principle that no one can be excused for immoral acts simply because he was ordered to commit them. Those who resisted the Vietnam draft or deserted from the Armed Forces because they no longer wanted to take part in an illegal war are now being punished for fulfilling their obligations to the Nuremburg principle.

Mr. Ford's program is not amnesty and not even clemency; it is merely a system of administrative guidelines that Mr. Ford hoped would silence the call for universal and unconditional amnesty. Not many people, apparently, are planning to use the mechanism; the war resisters and their families are not about to be diverted by half-a-loaf.

The so-called clemency plan is punitive and demeaning. Those who accept it must agree to perform alternative service, and to reaffirm their allegiance to this country—as though they had been somehow disloyal in refusing to fight in an undeclared war to maintain a corrupt dictator's power. On the contrary, most believed that their act was the highest form of patriotism. They could not say, My country, right or wrong. They said, Let my action help to set my country right. And eventually, the cumulative effect of these acts was felt throughout the land; the overwhelming majority of the American people were educated about the war by the very people Mr. Ford would now punish. It is the leaders who perpetuated that hated war who should be punished; but they are exonerated instead. Where is justice?

The alternative service specified under the new plan is grossly unfair. We must remember that 90 percent of draft-age young men in this country did not enter the Armed Forces during the war in Vietnam. For reasons acceptable to their draft boards, such as college deferment, this 90 percent continued their lives uninterrupted and accepted deferment without penalty.

We cannot truly evaluate their motives to determine why they did not wish to go to war; but they paid no price for avoiding the draft, and Vietnam. Why then should we empower a commission to evaluate the motives of draft resisters? What recourse would a young man have who had already been refused conscientious objector status by his draft board? As one mother pointed out, the opportunity for "alternative service" that was denied her son when he sought it 4 years ago is now being made a precondition of his return.

Others refused alternative service, preferring jail or exile or a perilous life underground. To accept alternative service, they felt, was to condone the war. This they would not, could not, do. Nor are they willing to do so now. A spokesman for the American Exile project in Sweden calls Mr. Ford's plan "punishment, not amnesty. To accept it must be an admission of guilt. I doubt seriously that many exiles will return after this."

These men and their families have suffered the complete disruption of their lives and relationships. Even former Secretary of the Army Froehlke has stated that convicted draft evaders who have served a prison term should not be required to perform additional service to qualify for amnesty. "Their service in prison should be considered service to country," he said in congressional testimony. In just the same way, those who faced self-imposed exile, those who lived precariously in the underground, those who cannot find work because of questionable discharges from military service, have suffered enough. So have their families.

Still more unjust is the fact that this plan does nothing to ease the plight of those objectors who received less-than-honorable discharges. Almost half a million men received less-than-honorable discharges for acts that would not be considered crimes in the civilian world. Many were motivated by objection to the war. They do not receive even token consideration. On the contrary, "deserters" who agree to the terms will be given an undesirable discharge, which will be replaced by a new "clemency discharge" when the alternative service is completed—which can take up to 2 years. This new discharge does not entitle the veteran to any benefits—regardless of the years of honorable service he may previously have spent. Further, a "clemency discharge" will surely follow a man all his life with the same economic implications as a less-than-honorable discharge. Families will continue to suffer while jobs are denied to the man with a questional discharge.

Furthermore, there is as yet no mention of full civil rights being restored to any category of resisters, nor will the charges be expunged from their records.

Obviously, Mr. Ford's fraudulent program has achieved neither mercy, justice nor reconciliation. It may yet prove necessary for the Congress to act. Congress as well as the executive has the power to grant amnesty, and Congress, if it wishes, can go beyond any executive reprieves. For example, after the American Revolution it was Congress, rather than the President, that moved to restore civil rights to British loyalists. It was Congress that established the first truly universal amnesty for all Civil War offenses. As people begin to realize that this is an unamnesty just as the pardon for Richard Nixon is an unpardonable pardon, it may become essential for Congress to act for unconditional, universal amnesty, such as I have introduced with several cosponsors in H.R. 236. The petition of the families of draft resisters follows:

PETITION OF FAMILIES OF DRAFT RESISTERS

We the families of men presently in exile, by reason of resistance to the Selective Service Act or long-term absence from the armed forces; of men whose whereabouts are unknown; of men who have served or are serving prison sentences; of veterans with less than honorable discharges, all by reason of their opposition to the war in Southeast Asia, do herewith petition the Congress of the United States for a redress of our grievances according to the First Amendment.

We are from Canada, Minnesota, Michigan, Washington, New Jersey, California, Ohio, New York, Massachusetts, Vermont, and Maryland, representing thousands more American families whose lives have been similarly affected. Families of men killed in Vietnam stand with us in support of this petition.

THE GRIEVANCES

Whereas there has been and continues to be serious division of responsible opinion in this nation regarding the constitutionality, legality and morality of the war in Southeast Asia.

Whereas the Selective Service Act was inequitably conceived and administered, resulting in geographic, economic, and race discrimination.

Whereas the Uniform Code of Military Justice was arbitrarily administered against citizens conscripted against their will resulting in similar discrimination as cited above.

Whereas information regarding provisions for conscientious objector status, both in the armed forces and under the Selective Service Act, was not made equally available to all citizens and was never clearly defined or equitably administered by any authority.

Whereas our husbands, sons, and brothers, along with their compatriots who served honorably in the armed forces or were wounded or died therefrom have borne, far out of proportion to the whole population, or even to the total number of draft age young men, the burden of the suffering, which has continued long enough.

Whereas those who were responsible for prosecuting the war will not be called to judgment for their actions;

We respectfully petition our elected representatives in the Congress to suspend judgment on the actions of our sons, husbands, and brothers, and redress these heretofore described grievances by removing the punitive and demeaning conditions imposed by the President's Proclamation on those who could not participate in the conflict, and at the same time by ministering more generously to the needs of those who did participate. We request the enactment, under its legislative power, of a broad and non-punitive amnesty. Only in this way do we envision the healing and reconciliation of this troubled nation.

REPORT OF THE NATIONAL COMMANDER OF THE AMERICAN LEGION TO THE 56TH ANNUAL NATIONAL CONVENTION

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, I have before me some of the resolutions passed by the 56th National Convention of the American Legion which took place in Miami Beach, Fla., August 20, 21, and 22, 1974. The resolutions are most interesting as an expression of the views of this very important group of Americans. It is my purpose to place in the CONGRESSIONAL RECORD appropriate ones of these resolutions so that my colleagues will have an opportunity to peruse them as I have done.

However, I cannot let this occasion pass without pointing out that Robert E. L. Eaton, national commander of the American Legion for the year 1973–74, spent a number of years as a legal resident of my district. His lovely wife, Jo Kathryn, is from Belleville, Ill., in my district and many of us in the district have watched with interest Bob Eaton's career. He graduated from West Point in 1931, and after serving more than 30 years in the Air Force, he retired as a permanent major general. Subsequent to that, for the past 13 years, he has devoted himself to a great extent to the affairs of the American Legion in the State of Maryland which is his present home. We feel that he has discharged his responsibilities as national commander well, and we, his friends and relatives in my district, are proud of him.

During Bob Eaton's year as national commander, the American Legion undertook in a major way to make its weight felt in support of adequate national defense. The American Legion has always had as one of its important objectives, major support of a proper posture of preparedness in our country. As patriotic Americans, all of us look with pride upon their efforts in behalf of our country. Of particular interest has been their support in the area of strategic weapon systems. The American Legion supported the B–1 bomber weapon system, the Trident submarine system as well as the modernization of the Minuteman system. A measure of the effectiveness of the efforts of the American Legion in support of these strategic systems is best expressed by Adm. R. Y. Kaufman, director of the Navy's Strategic Submarine Division and Trident submarine program coordinator, who, in testifying before the American Legion National Security Commission, said:

I would be remiss if I did not mention the fact that one of the reasons we got the Trident program was because of the American Legion coming in with a resolution supporting this program.

A second area of major interest of the American Legion during the past year has been in support of the total force policy which was first advanced by former Secretary of Defense Melvin Laird. The total force policy envisions using Reserve Forces to the maximum as an integral part of the defense structure. Full implementation of this policy would increase our defense capability while simultaneously reducing our annual defense budget 20 to 30 percent by taking advantage of major reductions in manpower costs—costs which now run in excess of 55 percent of our annual defense budget and which will continue to increase for the foreseeable future. Unfortunately, implementation depends, among other things, upon elimination of parochialism in the services, and their willingness to "man the force, equip the force, and train the force." Unless this is done the total force policy becomes an empty concept.

Bob Eaton expressed the Legion's support of the total force policy in a speech which he gave to the Industrial College of the Armed Forces at Murfreesboro, Tenn., on May 19. In this speech he not only pointed out the importance in saving dollars but more importantly the idea that the Reserve Forces must be a part of the total force if our Armed Forces are going to be able to meet the challenges of all-out war. The importance of the Reserve Forces is recognized by the action of the Congress with its action for 3 years in furnishing to the Air National Guard new production line airplanes.

Let me quote excerpts from General Eaton's Murfreesboro presentation:

> We believe that National safety with freedom from militarism is best assured by a National Citizens Army based on the Democratic and American principles of the equality of obligation and opportunity for all.
>
> Today, however, it is National policy to build toward an all-volunteer, professional Armed Force. Without participation by the citizens in Selective Service, we are moving away from the concept of citizen soldiery.
>
> There is a belief—in which I concur—that the principal cause of the Southeast Asia disaster was the Professional Army approach. There were draftees in the Armed Forces, but the Army fighting the war was primarily professional. The Reserves were never called into action and for that reason the Nation never realized the full participation of its people.

This belief was shared by the distinguished late Senator from Georgia, Richard Russell, as well as the present chairman of the Armed Services Committee of the Senate—the distinguished Senator JOHN STENNIS.

A measure of the recognition by other organizations of the importance of the American Legion's position in support of the Reserve Forces can be taken from the fact that the Reserve Officers Asso-6, awarded Bob Eaton their Minute Man Hall of Fame Award, the most important award of that fine organization. This award recognizes not only the action of the American Legion but the leadership of its commander, Bob Eaton.

But, the American Legion has not forgotten the veteran. Their efforts during the past year in the area of support of the veteran were outstanding. The Legion has extended vigorous support, not only to the old veteran, but to the young veteran as well. National Commander Eaton expressed the concern of the American Legion for the older veteran in his report to the national convention when he said:

> It is difficult to live with the vision of the 82-year-old veteran who turns to the American Legion with tears in his eyes because he has lost his meager pension through a Social Security increase that did not nearly compensate for his pension loss. He turns to the American Legion because he has no other place to go.

But too, the American Legion has vigorously supported adequate educational benefits for the Vietnam veteran. The World War II GI bill is universally hailed as epoch making in the history of our country. Under the World War II GI bill the returning veteran was offered adequate support so that he could finish his college education, and many who would not otherwise have gone to college were able to accept college training. The country has been paid back manifold in the differences in our economy, in the health, and well-being of our people, and in countless other ways. It is universally recognized as one of the great things that came out of World War II.

Unfortunately the Vietnam veteran does not get the same level of educational support that a grateful country furnished the World War II veteran. Efforts of the American Legion were not supported by the other large veterans organizations, and this same situation prevailed when the World War II legislation was under consideration. The matter of educational benefits for the Vietnam veteran is not yet settled in the Congress. It is hoped that the position of the American Legion in favor of adequate educational support for the Vietnam veteran will be recognized and lead to appropriate action by the Congress.

In turning over the helm of the American Legion to the able and distinguished James M. Wagonseller of Ohio, the national commander for next year, I know that we can look forward with confidence to continuing the progress made during the past year in bringing the American Legion to the position of strength and respect that we expect from the great organization.

Bob Eaton's speech at Murfreesboro, Tenn., his report to the national convention, and the resolutions concerning the matters referred to above are placed in the record so that my colleagues will be able to read them in detail:

AN ADDRESS BY ROBERT E. L. EATON, NATIONAL COMMANDER, THE AMERICAN LEGION, BEFORE INDUSTRIAL COLLEGE OF THE ARMED FORCES AT MURFREESBORO, TENN., MAY 17, 1974

Thank you very much.

I am delighted to be here this morning and to have this opportunity to share with you attending this seminar some current American Legion philosophy regarding our Armed Forces. We believe, as I'm sure you do, in the continuing need for a strong national defense. We also believe that our reserve forces should figure prominently in our defense structure. It is to these points that I shall address myself today.

The American Legion holds that there is substantial room for improvement in the general area of defense manpower utilization.

Specifically, we feel that the Department of Defense is not adequately exploiting its reserve potential.

We feel that increased reliance on reserve forces offers the greatest promise for maximum security within the limits of our resources.

We feel that certain parochial attitudes on the part of the active establishment are restricting the development of that promise.

We intend to press vigorously our contention that the interests of national defense are best served by elevating, rather than depressing, the status of our reserve components.

Today it is more than customarily difficult to convince the American public of the need for continued maintenance of a strong deterrent posture.

One reason is the fact that we have recently ended our involvement in a war. It seems to be an American tradition—a regrettable one—that a war's end inevitably brings a clamor for dismantling the force structure so laboriously and so expensively constructed. As a nation we seem incapable of absorbing the often-repeated lessons of previous experience.

Once again there is a demand for "reordering priorities." To some Americans that phrase suggests that we could finance increases in social programs by paring the defense budget beyond the limit of sanity. Certainly we should do everything within our power to improve the quality of life for all who are part of this Nation. But when considering priorities, we should remember that defense is itself a social service, the most important one because it guarantees our freedom and our very existence.

Advocates of reduced defense expenditures point to a degree of thaw in our relationships with the Soviet Union and the Chinese Communists as evidence of a diminishing need for military strength.

That is a wishful approach. It accepts the promise of lasting peace as if it were already fact. It is not. The attitudes of the Soviets and the Chinese appear to augur some hope for the future. But, speaking for the American Legion, we remain unconvinced that these adversaries have totally abdicated their plans for military superiority and conquest.

Another reason why there is some resistance to maintaining a strong deterrent force is the ever-rising cost of defense. The fiscal 1975 budget now before the Congress contemplates defense outlays some $6 billion greater than those of the current fiscal year. That makes the defense budget a prime target for sniper fire.

However, the increase is illusory. Anyone who has bought a steak or a gallon of gasoline recently is aware of the eroding effect of inflation on defense purchasing power as well as personal purchasing power. There are additional factors compounding the problem of defense costs. There is the essential demand for greater performance in each new generation of weapon systems; this means greater complexity, hence higher costs. There are also the dramatic funding increases associated with the zero-draft, all-volunteer defense force.

Viewed in proper perspective, the proposed defense budget is anything but munificent. It amounts to a smaller percentage of the gross national product than in any year since 1950. It represents 29 percent of the total Federal budget, where six years ago it was 44 percent. The American Legion supports the administration's defense budget, with this qualification: it provides only the minimum level required for American preparedness, dollar increases notwithstanding.

Clearly, rising costs dictate a greater-than-ever quest for efficiencies in utilizing our defense resources. The alternative is further reduction in force, which is not tolerable in today's unsettled international climate.

In the search for new efficiencies, defense manpower appears a particularly promising area for focus of attention. In fiscal 1975, the average per capita pay of military personnel will reach $11,000, approximately double the figure for 1968. Despite large-scale reductions in personnel strength, manpower costs in 1975 will be up almost 50 percent above the 1968 level.

Manpower is now the largest major component of the defense budget. It takes a larger bite of the total budget than the combined sum of operations, procurement, construction, research and development. In both the current fiscal year and the coming year, manpower outlays amount to 55 percent of the defense budget.

How can we improve efficiency in manpower utilization? By really implementing the total force concept, the complete integration of U.S. Reserve Forces into the combat-ready force in being. I stress the word really. Although the total force concept has been a matter of Department of Defense policy since 1970, its implementation has been something less than vigorous.

Inherent to the total force concept are these tenets:

First, the difference in combat effectiveness between regular and reserve forces is insignificant, as has been demonstrated by studies, tests and actual combat experience;

Second, reserve units can be organized, manned, equipped, trained and operated at costs dramatically lower than the costs for similar regular force units. For example, a combat infantry battalion can be maintained in the reserve forces for about 20 percent of the cost of maintaining an Active Army infantry battalion.

The essence of the total force policy is that necessary reductions in active defense strength can be offset by greater reliance on reserve capabilities. Toward that end some Reserve Forces—particularly the National Guard—have been assigned high-priority missions once considered the sole province of Active Forces.

I submit that there is an opportunity for greater cost effectiveness in manpower utilization through further steps in this direction. The Department of Defense should give full consideration to a substantial shift in emphasis, roles, missions and resources from the regular forces to the Reserve Forces.

There is, of course, a requirement for a hard core of regular forces. This hard core must include, among other things, an adequate rotational base for the maintenance of overseas units. The balance of the total defense requirement could be met by strong, well-equipped, combat-ready Reserve components.

Such a shift involves nothing more than full acceptance of the total force policy already established. It could prove immensely advantageous to the Nation.

If the mandate is maintenance of a given level of force, it could be accomplished at far lower cost.

If the determining factor is cost ceiling, we can obtain a higher level of force within the monetary limitation.

Will the total force policy work in practice? There is ample evidence that it will. Witness, for example, the rapid response and effective deployment of the Israeli reserves in the most recent Middle East conflagration. Our own reserves have on several occasions provided similar testimony. The National Guard has already demonstrated its ability to meet the challenge of total force by attaining the highest level of combat-readiness in its history.

However, if the total force policy is to work it must be fully implemented. Full implementation means this:

The force has to be manned;

The force has to be equipped; and

The force has to be trained.

Full implementation of the total force policy will require a commitment greater than we have yet witnessed on the part of the active establishment. If we are to get that commitment, we must first effect a radical change in Department of Defense thinking concerning the role of the reserves. Despite lip service to the concept of total force and the advantages it offers, there are still many in important positions who regard the reserves as a "mobilization" force, something to be called up in the late innings of a war rather than a component of the force-in-being.

That word "mobilization" is one I would like to remove from the dictionary, at least insofar as it pertains to reserve forces.

It is true that the Reserves were conceived as a mobilization force in the Defense Act of 1916, before our entry into World War I. The legislators of that day envisioned the mobilization force as one that could be activated at the start of an emergency but equipped and trained over long months—or even years—thereafter. It was a military second string for use in a long-term war.

But that was six decades ago. The leisurely-mobilized reserve force of 1916 would be useless in today's—and tomorrow's—environment. We will never again experience an emergency in which long-term mobilization is possible. Thus, today's reserve force cannot be a mobilization force. It must be a ready force, complementary but not inferior to the active force. Where there are deficiencies in readiness level or equipment, the department of defense should bend every effort to bring the deficient units to an appropriate level of capability.

Because of the parochial views I mentioned, the Department of Defense is not moving toward full implementation of the total force policy. In fact, and perhaps for the same reason, the Defense Department would like to move in the opposite direction. There was a recent decision to deactivate a number of Air National Guard units, and there were indications of further cuts in the Reserve components.

Because of pressure from Congress these planned and announced reductions never actually took place, but as yet, no firm plans have been announced for implementation of the total force policy in the area of manning, equipping, and training the Reserve Forces. This lack of action is completely inconsistent with the objective of getting the most defense for the dollar outlaid.

It is difficult to understand the rationale of Defense management with regard to Reserve Force reductions, actual and contemplated.

The Keystone tenet of the Total Force Policy is this: when considerations of the National Economy dictate reductions in active strength, the impact must be counterbalanced by improvement in Reserve capability. Yet look at what is happening.

Over the past three years, the Soviet Union has increased its active forces from 3 million to 3.8 million men. The USSR has not reduced the size of its reserve establishment.

The United States, on the other hand, has been in a steady decline with respect to active personnel strength. In 1968, the peak year of the Vietnam conflict, there were 3.5 million military personnel on active duty. In the coming fiscal year, that figure will drop to 2.2 million.

Thus, at a time when our active forces are at the lowest level in more than 20 years, there are moves afoot to cut the Reserve Forces as well. This is a rejection of the basic principle of the total force concept.

It is also a foolish way to achieve economy. We of the American Legion deplore any reductions in defense strength at a time of uncertain international atmosphere. But if there absolutely must be reductions it is upside-down philosophy to cut the Reserve Forces rather than the active establishment.

Look at it this way. If it became absolutely imperative to cut your family budget, how would you go about it? Would you turn out all the lights in your home to save a few dollars a month? Or would you give up your country club membership to realize a much more significant reduction with less real hardship?

Defense management is turning off the lights so to speak. Because the Reserve unit is far less costly to operate, its elimination saves relatively few dollars. To put it another way, we lose more defense capability by cutting the reserves than we do by reducing the Regular Forces.

There is one other aspect of defense management's attitude toward the Reserves.

Recently, I wrote the Secretary of Defense protesting Reserve reductions. I received a reply from the Assistant Secretary of Defense for Manpower and Reserve Affairs. There was nothing in the reply which in any way changed the views I have enunciated today. There was, however, one paragraph which merits public airing. I quote:

"It is essential that units, active and reserve, that provide little effectiveness because they are performing a marginal mission or because they are manned and equipped in a manner that is an inefficient use of defense dollars be eliminated."

Ths is another attitude to which I take exception. It constitutes a lack of understanding of the Reserve role. It ignores the fact that a Reserve unit—however outmoded—is a valuable defense asset. Elimination of a Reserve unit is a waste of the time, funding, recruiting and training that brought it into being.

Is it not more logical to convert the outmoded unit to new capability? If it is performing a marginal mission, give it a new one. If it is under-equipped, equip it properly. It takes but a stroke of the pen to dissolve an active duty unit or to reactivate it. But a Reserve unit, once broken up, takes years to rebuild.

Until now, I have presented the case for proper utilization of the Reserve Forces in strictly pragmatic terms. I have outlined the cost effectiveness and other gains that can accrue from real implementation of the total force policy.

There is another side to the subject—the philosophical side.

From the earliest days of the republic, Americans have embraced the fundamental doctrine that the cornerstone of defense is the citizen army. The first article of the Constitution empowered Congress to "call forth the militia to execute the laws of the union, suppress insurrection and repel invasions."

Since its formation, the American Legion has espoused that doctrine. At the Legion's second national convention in 1920, the military affairs committee stated a policy for insuring the readiness of our citizen soldiery. I quote:

"We recognize the constitutional principle that a well-trained and disciplined citizen soldiery is essential to the peace and safety of both State and Nation. In conformity with the spirit of our organization, we pledge our efforts in aid of the constituted authorities of the United States, and of each of the several States, in the formation, recruiting and maintenance of the National Guard of the United States at that standard of strength and dependability required by the adopted military policy of our Government and the welfare of our national and State institutions.

"We believe that national safety with freedom from militarism is best assured by a national citizen army based on the democratic and American principles of the equality of obligation and opportunity for all. The National Guard and organized reserves, which should and must be the chief reliance of the United States in time of war, should be officered in peace and in war as far as practical by men from their own ranks."

That statement was advanced in the wake of World War One. The thinking of that day envisioned the slow mobilization of forces and, as I have said, long term mobilization is no longer appropriate. However, the concept of citizen soldiery remains as valid today as in 1920 and at the founding of the Republic.

Today, however, it is national policy to build toward an all-volunteer, professional armed force, without participation by the citizens in selective service, we are moving away from the concept of citizen soldiery.

The American Legion supports the personnel of our armed forces. We are convinced that they represent the highest type of individuals who serve our Nation. But we are not convinced that the professional armed force is in keeping with the American idea of free government.

Nor are we convinced that it is an effective way to fight our Nation's wars. There is a belief—in which I concur—that the principle cause of the Southeast Asia disaster was the professional Army approach. There were draftees in the armed forces, but the Army fighting the war was primarily professional. The reserves were never called into action and for that reason the Nation never realized the full participation of its people.

I believe that a military effort which lacks the full support of the American people is foredoomed to failure.

The total force policy provides an opportunity for active participation of our citizenry. But if it is to be a viable program, it must be fully and intelligently implemented. We must have a commitment to man the force, to equip the force and to train the force. The American Legion, and others who share our convictions must carry the fight to insure that commitment.

Report of Robert E. L. Eaton, National Commander, the American Legion, to 56th Annual Convention, Miami Beach, Fla., August 20, 1974

Comrades, the hour of accounting to you for my stewardship of the office of national commander of The American Legion has arrived.

I have talked to American Legionnaires throughout the United States and in many foreign lands during this past year, and it is rather a saddening thought that this convention marks the final time I will be speaking with you as national commander.

This has been a busy year. In some respects it has been a most rewarding experience. For one thing, I visited every one of our 58 departments during my term as national commander. In some areas we have encountered disappointment. Everywhere we have met new challenges, new problems, as we sought to keep The American Legion relevant to the times, and meaningful in service to God and country and to our fellow man.

I believe we gave real meaning to our national theme of "Be Counted Again" with vigorous pursuit of the objectives of The American Legion, and enthusiastic support to those causes for which The American Legion was founded.

The mandates of our Honolulu convention were realistic, and were pursued with varying degrees of success, some of which I will review in more detail in this report.

We were off to a good start from the national convention, and between that time and the time of the fall meetings I was privileged to travel to the Far East on your behalf and to renew American Legion contacts in that area of the world.

Even though American involvement in the fighting in Southeast Asia is ended, America still has commitments in that area of the world. Fighting continues in Vietnam and Cambodia and as long as it continues, we can't help but be apprehensive about Southeast Asia. It is like waiting for the other shoe to drop.

When fighting again erupted in the volatile Middle East, The American Legion was in a position to move quickly to update our mandates since our national executive committee was in session. We gave our support to America's peace making efforts and, at the same time, called upon our government to provide Israel with the materiel she needed to maintain her integrity as a free and independent nation.

WDe are, of course, delighted that a cease fire was arranged, and we hope that a just, lasting and meaningful peace can be negotiated for that area of the world to help insure peace for all the world.

We met with better than average success in our efforts in support of America's military budgets as we appeared before appropriate congressional committees to offer American Legion testimony.

This is no small accomplishment when you consider the fact we are in one of the most difficult periods of our national life for maintaining the strength of the Nation's Defense Establishment.

The post war antipathy for the military, which seems characteristic of a free and democratic society, was evident in the debate over this year's defense budget. That voice will become even more powerful in the months and years immediately ahead. It will remain a strong challenge for the American Legion to make its voice heard on behalf of an adequate system of national security through the foreseeable future.

Practically every major weapons system improvement and refinement which was backed by American Legion testimony remains a part of the overall national defense picture. I believe part of the credit for that accomplishment belongs to the American Legion, and we were publicly given such credit by Admiral R. Y. Kaufman, director of the Navy's strategic submarine division and Trident submarine program coordinator.

Admiral Kaufman told our National Security Commission meetings during the 1974 Washington Conference, and I quote: "I would be remiss if I did not mention the fact that one of the reasons we got the Trident program was because of the American Legion coming in with a resolution supporting the program."

We must pursue this matter vigorously and relentlessly, just as we must continue to battle the cause of the total force policy, for while we know it is policy, we also know it is not being implemented to the extent that it must be to make it effective. I've said it repeatedly during this year, and I say it again, we must have the commitment to man the force, to equip the force and to train the force. It must be a total commitment, for everyone knows mere lip service won't get the job done.

We are going to continue our support for improved benefits for the Vietnam era veteran who isn't getting a fair shake in educational benefits. We want to make his opportunity for a good education equal to that of the World War II G.I. We offered our testimony to the veterans affairs committees of both Houses of the Congress in March of this year during our mid-winter conference.

The Senate Committee was more responsive to our presentation and we are giving our support to the legislation offered by the Senate committee which calls for an increase of 18 percent in subsistence benefits and up to $720 per school year toward the cost of tuition, fees and books.

We stood virtually alone in this fight, almost as isolated as we were in the battle for the original G.I. bill back in 1943 and 1944. No other veterans organization sided with us at that time and only the Jewish War Veterans and National Association of Concerned Veterans stand with us now.

We believe we are as right in this struggle as we were for the original G.I. bill and as long as there is a glimmer of hope for it, we must never give up the cause.

For another year we have seen the integrity of the Veterans Administration as a one-stop agency for veterans affairs remain intact. We can't relax on this one. The proposals for national health insurance in one form or another continue to surface.

At our Washington conference, Secretary of Health, Education and Welfare, Casper Weinberger, told us in so many words that it is contemplated that a national health insurance plan will utilize all existing facilities including the hospital-medical program of the Veterans Administration.

We are opposed to any plan that would have the VA hospital-medical program become a part of any other health delivery system. The Veterans Administration was created at the insistence of veterans, for veterans and the American Legion will fight to keep it that way.

The thought of a veteran waiting in line for either medical or hospital care behind a non-veteran, at what had once been a VA facility is most repugnant to this organization. We must remain on the alert for any political-legislative maneuver that would reduce the effectiveness of the VA in any way, and be prepared to pull all the stops in contacts with our own Senators and Representatives to prevent the passage of any legislation that would cripple the capabilities of the Veterans Administration in providing service to America's veterans.

We achieved partial success in having pension compensation and dependency indemnity compensation increased. The Congress passed and the President signed into law a measure that increased those payments by 10 percent. The American Legion had sought a 15 percent hike. We believe it should have been as much as we recommended and we should continue the fight for the other five percent. Perhaps it should be more by this time as the last increase was voted in December, 1973, and the cost of living has continued to climb since then.

Certainly we were grateful for the 10 percent increase, but I think we have lived with the half a loaf philosophy for long enough. It is not a good approach and we find ourselves always in the position of trying to catch up but never quite making it.

One of the real tragedies among current inequities in the veterans benefits program is the older veteran losing pension rights because of social security increases that in no way compensate for the loss of pension. The American Legion is seeking to have income limitations, for the purpose of determining pension eligibility, raised to more realistic levels.

It is difficult to live with the vision of the 82-year old veteran who turns to the American Legion with tears in his eyes because he has lost his meager pension through a social security increase that did not nearly compensate for his pension loss.

He turns to the American Legion because he has no other place to go. This is why I believe it is so important for the American Legion to go all out for the veteran and for what we know his needs to be. This is a part of our job—A part of the job the American Legion took on during the founding days back in 1919. That job is no less important today than it was in 1919. If we don't represent the veteran, no one will. I lay the challenge before this American Legion right here and now to resolve to represent the cause of all of America's veterans, from the very oldest to the very youngest, seeking for them those benefits we know they need, not just what we think we can get.

Every newspaper carries stories of economic uncertainty—inflation, recession, possible depression, increasing unemployment, etc. It has been predicated that the unemployment rate will increase to about six percent by the end of the year—but the Vietnam veteran already has a higher rate of unemployment than six percent—the younger group over 10 percent. To most of us a job is most important, the basic economic tool we have, and the American Legion has pioneered in assuring jobs for veterans, including legislation to enhance their employment and job training opportunities. The Department of Labor administers in its Veterans Employment Service, the second largest Federal program for veterans, and, in the Government its over 50 percent of all employees are veterans. But constant vigilance is necessary to see that gains achieved through legislation are not eroded by bureaucratic inertia and indifference to veterans.

At my very recent meeting with Secretary of Labor Brennan—perhaps prompted by the legion's persistence that the Department of Labor should live up to its obligations as mandated by Congress—he pledged a strengthened and intensified effort to find jobs for veterans. A veteran who goes to the local employment office to seek job assistance and finds a qualified, motivated and fully manned staff dedicated to finding him a job one way or another, may, hopefully thank the American Legion.

As we contemplate the challenges that lie ahead, let's reflect for just a moment on the accomplishments of the past. In thinking on those things we come to the realization that the machinery to achieve our goals still exists. All we have to do is to make it work effectively.

One thing we must do to keep this machinery well oiled and working properly, is to maintain the membership strength of the American Legion and to build on it.

Congressmen have told me that if the American Legion could increase its membership to 3,000,000, an increase of just 10 percent over our present membership, we could write our own ticket in any area of legislation, not just veterans affairs, but anything, any area in which we have a legitimate interest.

Another 300,000 members would provide new evidence that the American Legion is a vibrant and viable organization. In the course of the Vietnam war a new pool of eligibles was created, a pool of some 7,000,000 young men and women, who wore the uniform of the Armed Forces of the United States under honorable conditions in a period of hostilities.

We have not done too badly with the Vietnam era veteran considering we have nearly a half million Vietnam veterans now enrolled in the American Legion, but you and I know we can do better, and our objective should be always to do better.

The American Legion, however, lives on the basis of what is done at the local post level. If the local legion post is a good, active entity in the community, if the legion post and its members are active in community service programs, other eligible veterans in that community are going to be convinced that the American Leigon is a good place to belong.

Don't misunderstand me. The American Legion isn't hurting today. However, the trend back to the membership growth cycle must be re-established and right now.

Our challenge now is as strong as it was back in 1919. Our potential for meaningful service to America and to her veterans is greater now than it was in 1919, and you and I know we can and will meet that challenge.

It has been suggested from time to time that the American Legion should have an interest in some new and glamorous programs. I submit to you that the American Legion already has the great programs, designed to deal with the toughest problems, and as we continue to make these programs meaningful, we are fulfilling our mission of service as visualized by our founders.

You know what these programs are. There is the area of veterans care. There really is no greater responsibility than in that area for, as I have mentioned earlier, if the American Legion doesn't do it, no one is going to do it. We must give our very best effort to the continuing process of protecting and improving upon the program of veterans benefits.

We have talked some of national security, and we know that the business of maintaining America's military strength always is most difficult in the period immediately following a war, and doubly difficult after a war as divisive as was the Vietnam conflict. We of the American Legion know we must remain strong to avoid war, and there is no more challenging task than that.

We are concerned with nourishing the spirit of patriotism throughout the land and our Americanism programs are designed to deal with the problem. In the face of all of our great Americanism programs, at the end of the war in Southeast Asia the spirit of patriotism was at its lowest ebb in the history of our country. Not one, but many Members of Congress would talk about what a shameful country we were. They tore us down and divided us rather than uniting us and strengthening our spirit. Patriotism was at a low ebb and all of our programs were going. The challenge to rekindle the fires of patriotism is with us here today, and it isn't getting any smaller.

In service to Children & Youth, the things we do are great and good. Since 1925 when Child Welfare, now Children & Youth, first became a formal program of the American Legion, the Legion and its affiliated organizations have contributed a total of just under $300-million—that is correct, three-hundred-million dollars—of our own money to causes to improve the well-being of young Americans from the economic, social and health standpoints. There is no greater challenge than that.

We've got the programs, and we are making them work.

Finally, let me say a brief thank you to all who have worked so hard and sacrificed so much to help make this American Legion year one in which the Leigon was truly counted again in service to America.

To those in my home department of Maryland, who helped me achieve this office and who stood loyally at my side during this year, I am grateful for your support.

To Legionnaires and auxiliary members throughout the land who helped to make our department visits so successful, our thanks go out to you.

To the members of the national headquarters staff, under the able direction of National Adjutant Bill Hauck, thank you for your loyal and untiring support.

To my own family, my thanks for your understanding, and for the help you have given me this year, a year in which I was away from you so much as I sought to serve the causes of the American Legion.

Thank you all. God bless all of you, and may we always conduct ourselves and the affairs of our great organization in such a manner as to give Americans cause to say, God bless the American Legion.

Resolution 42 (Maryland) "Triad Concept and B-1 Bomber" as Consolidated With Res. 248 (Va.) and 346 (Ky.)

Whereas, the SALT I agreement was based on approximate strategic parity between the Soviet Union and the United States with Soviet quantitative advantages being balanced by American qualitative advantages; and

Whereas, American technology advantages tend to decrease if the Soviets deploy Multiple Independently Targetable Re-entry Vehicles (MIRVs), obtain better accuracy, and improve warheads; and

Whereas, the Soviets are presently demonstrating some of these advances in a rapidly-paced ICBM test program involving new strategic missiles; and

Whereas, the TRIAD concept is deemed vital to the security of our nation in providing insurance against technological breakthroughs that might neutralize any one of our offensive systems, in posing a major defense problem to an aggressor, and in offering a great variety of options and unique capabilities for response; and

Whereas, in our efforts to maintain effective credible deterrence in the face of growing Soviet strategic capabilities the role of the bomber has acquired increased importance; and

Whereas, strategic bombers are not a part of the interim SALT agreement, but are an essential part of the TRIAD; and

Whereas, bombers can help provide suitable options for highly selective, discriminate, and controlled responses, thus enhancing over-all deterrence by providing the President a known capability to respond at a variety of levels well short of an all-out nuclear war, without degrading our secure second-strike capability; and

Whereas, we must insure that the strategic bomber force maintains into the 1980s its present high pre-launch survivability against enemy offensive forces and its ability to penetrate projected improvements in enemy air defenses; and

Whereas, the B-1 bomber has been specifically designed to have a shorter escape time than the B-52s and much better resistance to nuclear effects, and by virtue of its lower flight altitude, greater speed and smaller radar cross-section, it should have a much better capability to penetrate improved Soviet air defenses; and

Whereas, based upon the findings of an independent review of the B-1 program, the Air Force has revised its flight test program to provide a very realistic basis for transition from development to production; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Miami Beach, Florida, August 20, 21, 22, 1974, that the Administration and Congress again be urged to support and promote the TRIAD concept and support the urgently needed program of rapid development and procurement of the B-1 bomber by providing adequate authorization and appropriations therefor in current and future fiscal years as a vital element of the TRIAD concept.

Resolution 278 (Massachusetts) "Trident System" as Consolidated With Resolutions 57 (Md.), 343 (Ky.), 89 (Wash.), 213 (N.H.), and 198 (D.C.)

Whereas, Our sea launched ballistic missiles are an integral part of this Nation's TRIAD defense deterrent; and

Whereas, By the late 1970's the first generation Polaris submarines will be nearly 20 years old, with no potential for significant improvements; and

Whereas, It has been announced that the Soviet Union has an operational 4,000 nautical mile range SLBM, the SS-N-8; and

Whereas, The first generation TRIDENT submarine will incorporate the latest technology to improve their survivability and will have a range of almost 5,000 miles; and

Whereas, This greater range would reduce U.S. dependence on foreign basing for our ballistic missile submarines; Now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Miami Beach, Florida, August 20, 21, 22, 1974, to urge the Congress and the Adminitration to fully fund and cooperate in the rapid development and deployment of the TRIDENT system.

Resolution 453 (Pennsylvania) "Improve the Minuteman Missile Force as an Integral Part of Our Triad Concept" as Consolidated With Res. 44 (Md.); 174 (Mont.) and 249 (Va.)

Whereas, under the provisions of the interim SALT agreement Soviet strategic forces are numerically superior to those of the United States and the Soviets deploy three times the missile throw-weight of comparable United States forces; and

Whereas, except for the size of ICBM silos, the interim SALT agreement places no significant constraints on the qualitative characteristics of the missiles or the launchers, nor does it restrict the development of land-based mobile ICBMs; and

Whereas, the Soviet Union has initiated new ICBM programs representing a massive effort in the form of new missiles, new bus-type dispensing systems, new MIRVed payloads, new guidance systems, new-type silos, new launch techniques and probably new warheads; and

Whereas, operational flight tests of ICBMs from operational silos are routinely conducted by the Soviet Union and it is believed that it has undertaken the development of a land-based mobile missile; and

Whereas, faced with such Soviet technological advances, it is critical to the future deterrent posture of the United States that a vigorous program of research and development be undertaken to maintain technological superiority in strategic weapons; and

Whereas, the Air Force and Department of Defense have proposed programs to improve the accuracy and yield of its missiles including improved guidance to increase the accuracy of the Minuteman force, the Maneuvering Re-enry Vehicle (MaRV) with terminal guidance for increased accuracy, and Mark 12A to increase the yield of the Minuteman force; and

Whereas, The American Legion is vitally concerned in the defense posture of the United States; and

Whereas, the Minuteman Missile Force is an integral part of this defense; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Miami Beach, Florida, August 20, 21, 22, 1974, that we urge the Administration and the Congress to fully support all Air Force programs designed to improve the accuracy, survivability, retargeting capability, and yield of our Minuteman Force as an integral part of our TRIAD concept and specifically urge that the Air Force (1) replace all older Minuteman missiles with Minuteman III missiles; (2) undertake operational flight tests of Minuteman missiles from operational silos; (3) initiate advance development of a terminally guided MaRV and engineering development of a new higher

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Resolution 50 (Maryland) "Total Force of Providing Funds, Training and Equipment to National Guard and Reserve Units" as Consolidated With Resolution 100 (Tenn.), 124 (Ill.), 188 (D.C.), 315 (Minn.), 345 (Ky.), and (Nebr.)

Whereas, despite encouraging signs of better relations with the People's Republic of China and the USSR, detente has not yet proved to be a reality; and

Whereas, the USSR continues to improve the size and readiness of its military forces across the entire spectrum of military preparedness; and

Whereas, the United States must at all times maintain a creditable military defense to protect its citizens and our vital national interests while preserving our economic stability; and

Whereas, there have been drastic manpower reductions in our active duty forces following our withdrawal from Vietnam; and

Whereas, it is a valid defense doctrine that significant reductions in active forces must be offset by strengthening and improving our Reserve forces; and

Whereas, the Department of Defense in 1970 declared that in the future the Reserves and National Guard would be the initial and primary augmentation forces for the active forces and further that Congress in 1973 declared its intention that the Reserves would be used to meet additional manpower needs of the active forces before any inductions would be made; and

Whereas, the Department of Defense has developed the Total Force Policy to obtain the most defense for the least cost and with shorter delay; and

Whereas, the Total Force concept dictates equipping both the regular and Reserve forces with modern first line equipment; and

Whereas, today National Guard and Reserve Units comprise more than 30% of the force-in-being that would have to respond immediately to any future military emergency; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Miami Beach, Florida, August, 20, 21, 22, 1974, that we fully support the Total Force Policy and urge the Congress, the Defense Department and the military services to provide adequate funding and sufficient training and equipment to insure the immediate availability and combat readiness of the Reserves and the National Guard.

Resolution 41 (Maryland) "F-100 Aircraft"

Whereas, the modernization of the tactical air units of the Air National Guard has been a matter of serious concern to the National Guard Association of the United States for a number of years; and

Whereas, these Air National Guard units are now, as a matter of defense policy, the nation's first source of added strength to the Tactical Air Command of the United States Air Force; and

Whereas, under the announced Total Force Policy, defense policies include the simultaneous commitment of these forces with the Active forces; and

Whereas, the squeeze between inflationary trends and increasingly severe scrutiny by the Congress for funding is resulting in stretching of new fighter aircraft production programs; and

Whereas, the attrition of active tactical fighter forces in Southeast Asia has impacted seriously on prospects for modernization of Air National Guard units from Regular forces; and

Whereas, the change in defense policy has not yet been matched by a corresponding modernization plan for the tactical air units of the Air National Guard; and

Whereas, unfilled modernization programs in the past—programs relying upon availability of reasonably modern aircraft of the Active forces—have proved the fallaciousness of further reliance upon acceptable equipment from such sources; and

Whereas, in order to train effectively, safely, and accomplish existing and planned tasks, maintain personnel strength, and operate in an era of reduced funding, it is essential that as a matter of priority the F-100 tactical fighter units of the Air National Guard be reequipped and modernized with new production aircraft that are consistent with contemporary taskings, potential commitment, and acceptable in light of anticipated budgetary limits; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Miami Beach, Florida, August 20, 21, 22, 1974, that we propose and support such legislation as is necessary to the Congress of the United States and continue to exert our influence through all available means, to keep the vital issue of modernization of the F-100 and other increasingly obsolescent units of the Air National Guard before the Congress, the Department of Defense and the United States Air Force.

Vocational Rehabilitation and Education

No. 153 (Idaho)—Sponsor and support legislation to amend 38 USC, chapter 34, to authorize payment of up to $1000 to cover costs of tuition and other fees and charges

Whereas, war veterans' readjustment programs, such as education and training assistance, were enacted as a recognition of the fact that members of the Armed Forces in service to their country during a period of war are compelled to make greater economic sacrifices than other citizens; and

Whereas, the purpose of the education and training assistance program for Vietnam Era veterans was to restore to them vocational and educational opportunities which they might normally have aspired to and attained had they not served their country; and

Whereas, despite the recent generous increases in educational assistance provided by the Congress, the costs of tuition, fees, books, room and board, and other expenses, in many instances, continue to exceed the educational assistance payable by the Veterans Administration; and

Whereas, it is the consensus of The American Legion that failure to include partial or total reimbursement of tuition, fees, and books in the recent improved educational assistance provisions continues to deny Vietnam War veterans their freedom of choice as to which institution of higher education they wish to attend; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Miami Beach, Florida, August 20, 21, 22, 1974, that The American Legion shall continue to sponsor and support legislation to amend 38 USC, Chapter 34 so as to provide that in the case of an eligible veteran not on active duty who is pursuing a program of education or training at an approved educational or training institution on a half-time or more basis, the Veterans Administration shall pay directly to the eligible veteran the customary cost of tuition, and such laboratory, library, infirmary, or other similar fees customarily charged as are generally required for the successful pursuit and completion of the course by other students in the institution, but in no event shall the payment authorized exceed such tuition cost and fees or $1000, whichever is the lesser, for an ordinary school year.

FEDERAL EMPLOYEES ARE FIRST-CLASS CITIZENS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, President Ford has recommended that the Federal cost-of-living pay raise be delayed for 3 months: from October 1974, to January 1975. I disagree with the President and will vote against the delay.

I believe in fairness. If we are to have wage controls, then we must have wage controls across the board, not just for Federal employees. And, if we are to have wage controls, we also must have across-the-board price and profit controls. The President has consistently opposed wage, price, and profit controls in the private sector. I will continue to urge that so long as we have galloping inflation, we should employ strict, across-the-board controls. But, these have to be applied to everyone. To single out Federal employees as the only group is wrong. It would impose a double burden on these wage earners. They will suffer a loss in income and at the same time have to pay the higher prices of the noncontrolled sectors of the economy.

Because Federal employees do not have the right to strike, the Congress has given them automatic cost-of-living increases in an attempt to keep them current with private employment salaries. Therefore, it is wrong for the administration to try to delay this cost-of-living increase and thus penalize Federal employees. My vote will be cast against the delay. Federal employees are first-class citizens and should be treated as such.

DAN AGAINST GOLIATH

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, everyone is complaining about electric bills but I suspect that few have the problem that Dan Greenberg has had with Con Edison as evidenced by the letter which follows:

NEW YORK, N.Y.,
September 13, 1974.

Mr. CHARLES F. LUCE,
Consolidated Edison,
New, York, N.Y.

DEAR MR. LUCE: I have just received a notice that you intend to turn off my electricity on September 18 if I fail to pay the $1,002.14 I allegedly owe you.

I have been informed that my account is under your personal supervision. Therefore you must know that: (1) my case is being handled by Ms. Janet Stebins of G.E.T. Consumer Protection who is working with your Mr. Norman Haynes, (2) that I have agreed to pay the bill when it is corrected to Ms. Stebins' satisfaction, (3) that I have already sent you $190.00 on account to show good faith, (4) that Mr. Haynes has thus far been unable to provide Ms. Stebins with all the information that she requires, and that it's *we* who are waiting on *you* rather than the reverse, (5) that much of the problem is that Con Edison itself is confused about what I actually owe, as evidenced by your having revised my bills already at least four times.

Your decision to send me a turnoff notice while this dispute is still pending is most peculiar and forces us to now demand a formal investigation by the Public Service Commission. Since I trust you are moderately familiar with the regulations of the P.S.C., you must know that any attempt you make to turn off my power while this bill is in dispute is a violation of the law. Since you have sent the turnoff notice anyway, it is obvious that violation of the law does not bother you. Therefore I shall explain this to you quite carefully:

If my power is illegally turned off while my bill continues to be in dispute I shall hold you criminally responsible, both corporately and personally, and I shall take all possible legal actions against you and against any other members of Con Edison involved in the turnoff, both corporately and personally, and there will be full media coverage.

If the subtleties of this message still escape you, consult your attorneys and your public relations people for an interpretation.

Sincerely yours,

DAN GREENBERG.

P.S.—At the request of Ms. Stebins, I enclose the consumer rights Request for Review Form and a check for $13.80, representing four months' minimum usage requirement charges at $3.27 plus 18 cents tax.

PRISONS—A TARGET OF REVOLUTIONARIES

(Mr. ICHORD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ICHORD. Mr. Speaker, an extremely interesting and timely article entitled "Prisons—A Target of Revolutionaries" appeared in the September 1974 issue of the FBI Law Enforcement Bulletin. The article summarizes a 3-day national symposium on this topic which was held at the FBI Academy in Quantico, Va., last July. I was privileged to deliver the keynote address to the symposium—the first of its kind—which was attended by approximately 100 ranking Federal, State, county, and military correctional officers from across the Nation and representatives of the FBI.

Last year the Committee on Internal Security, which I chair, conducted an extensive inquiry into allegations that revolutionary Marxist groups were promoting prison unrest by exploiting grievances, real and imagined, and by extolling the virtues of revolutionary violence. Committee investigation showed that such groups did indeed have an adverse effect on discipline in penal institutions; that a substantial amount of revolutionary literature was flowing into penal institutions and that study groups were being formed in prisons under sponsorship of subversive organizations.

At the conclusion of its investigation and hearings, the Committee on Internal Security issued a report titled "Revolutionary Target: The American Penal System" which recommended that correctional officers be made aware of the nature of revolutionary groups and their activities. As a result, FBI Director Clarence M. Kelley, with the approval of Attorney General William B. Saxbe, proposed the FBI-sponsored national symposium to instruct correctional officials on the ramifications of the problem and to arrange closer cooperation between law enforcement and correctional officials.

Mr. Speaker, I congratulate FBI Director Kelley for his vigorous leadership and recommend the FBI Law Enforcement Bulletin article, which I would like to include in the RECORD at this point, to all of my colleagues:

PRISONS—A TARGET OF REVOLUTIONARIES

"All prisoners are political prisoners!"
"Prisoners will lead the revolution!"
"Tear the prisons down!"
"Frameup!" "Repression!" "Concentration camp!"

These slogans, and many similar ones, have often been heard in connection with prison disturbances in recent years. In some instances, such expressions were apparently intended to evoke a violent and "revolutionary" response. Was that their real purpose? Who are these sloganeers? Do they seek reform or riot in the prisons? What is their effect on prison inmates?

HCIS INVESTIGATION

By means of extensive investigation conducted last year, the Committee on Internal Security of the House of Representatives (HCIS), under Chairman Richard H. Ichord of Missouri, undertook to provide answers to the questions at left. One outgrowth of the valuable HCIS work in this area was a 3-day meeting, at the FBI Academy in Quantico, Va., of approximately 100 ranking correctional officials from across the Nation and representatives of the FBI. These men came together not only to exchange information concerning revolutionary activity directed against the penal system but to discuss and analyze that problem and to "hammer out" specific proposal for responding to it. With a foundation of cooperation and dedication that was evidenced by all participants, the symposium was highly successful. An understanding of how this remarkable meeting came about, and exactly what it involved, requires a closer look at the work of HCIS.

In February 1973, HCIS resolved to examine allegations that groups committed to Marxist revolutionary theories and practice were exploiting the issue of prison reform and had become a source of some of the unrest then afflicting the Nation's prisons. As noted in its report entitled "Revolutionary Target: The American Penal System" (prepared and released by HCIS, 93d Congress, 1st session, December 18, 1973), HCIS did not focus primarily on the sociological problems involved in prison reform, since these were outside its purpose. The issues of probation, parole, sentencing, inmate living conditions, availability of legal services, inmate crime, prisoner's rights, rehabilitation, recidivism, and the like, were dealt with, Chairman Ichord said, only to the extent these matters were affected in some way by the activity of revolutionary groups. The HCIS report also noted that various other committees of the Congress had studied problems related to prison reform. In the HCIS report, he stressed that committee members were by no means insensitive to these other problems concerning prisons and noted that, under the committee's mandate, HCIS is restricted to investigations of organizations and groups which seek to overthrow the Government by unlawful means.

In beginning its investigation, HCIS gave consideration to population, geography, and reported locations of activity by revolutionary groups and decided to concentrate its investigation on the States of New York, California, and Ohio. Numerous witnesses were heard, representing Federal and State correctional systems, and much investigation was done by the committee staff. Evidence was produced and documentation accumulated that Marxist revolutionary groups were indeed making a substantial effort toward prison agitation and disruption.

The committee concluded that the degree to which revolutionary efforts contributed to inmate unrest and actual rioting could not be measured but noted testimony by correctional officials that there was such a relationship.

In concluding its report, HCIS said that the correctional officer must know the nature of revolutionary groups, their leaders, and their activities which might affect his ability to maintain a safe and effective institution. Some correctional officers do not have sufficient information of this nature, the committee found. A solution which should provide needed information to correctional officers was suggested by HCIS. This solution was the involvement in this problem of the Department of Justice, through the joint efforts of the FBI and the Federal Bureau of Prisons.

Director Clarence M. Kelley of the FBI promptly advised Attorney General William B. Saxbe that he shared the expressed concern of HCIS and that he intended to assist correctional officers in this matter. Representatives of the FBI, Director Kelley said, were being authorized to contribute to the training programs held by correctional systems.

NATIONAL SYMPOSIUM

Director Kelley, in response to the Attorney General's query as to what the FBI could do, proposed that the FBI sponsor a "National Symposium on the American Penal System as a Revolutionary Target." This symposium was held June 19–21, 1974, at the FBI Academy and was opened by Director Kelley, attended by members of his staff, and by approximately 100 officials from the Federal Bureau of Prisons and from Federal, State, county, and military correctional institutions. In their remarks to attendees, both Director Kelley and the Honorable Norman A. Carlson, Director of the Federal Bureau of Prisons, observed that this symposium was a notable "first" in that it provided the first opportunity for such a varied group of correctional officials to meet with each other and with the FBI.

In his welcoming address to members of the symposium, Director Kelley conveyed his personal desire that the FBI provide assistance to correctional officials "whenever and wherever appropriate and possible as we pursue our responsibilities." He referred to the HCIS report as an excellent study which focused attention on the efforts of outside revolutionaries to influence the behavior of prison inmates. Director Kelley also spoke of the HCIS conclusion that prison authorities needed more information concerning these revolutionary elements and said he had instructed that the FBI "promptly furnish to correctional officials all pertinent information regarding revolutionary groups and their activities touching on the prison system."

While law enforcement and corrections may be at opposite ends of the criminal system and far apart in terms of their responsibilities and even in their attitudes toward crime and criminals, Director Kelley pointed out that "both provide critical functions in society's response to crime." "Certainly," he said, "the threat represented by those of revolutionary mind and practice requires that all of us team up in a thoughtful, rational, and cooperative manner to reduce that risk and danger to an orderly society. Our efforts, however, must provide for the legitimate rights of all those involved—law enforcement, the correctional system, and the inmates themselves."

Chairman Ichord of HCIS was the keynote speaker to the symposium on its opening day. To the issue of advocacy of violent revolution, he said, "Commonsense supported by experience tells those of us who live in the real world that there is a causal relationship between words of incitement and action. If the idea of violent revolution is consistently advanced, it just might be that someone will act unlawfully upon it. . . ."

In recognition of the extremely difficult and complex job of correctional officers, Chairman Ichord said to them: "You necessarily do your work in an unnatural environment with unwilling subjects in whom the flaws of human nature are aggravated. You are required to bring expertise to bear on your work from the fields of public administration, sociology, psychology, psychiatry, medicine, manufacturing, labor relations, education, housing, nutrition, religion, and probably many others I know nothing about.

"Your work has usually been ignored by the general public and the government, except for the public's periodic attacks of conscience or legislative grandstanding leading to reform proposals such as you have been experiencing the past several years.

"You must deal with legislatures which have been notoriously tight-fisted when it came to spending money on those whose acts prompt vengeful feelings on the part of the taxpayer.

"You are afflicted by the do-gooder who accepts without question the inmate's sad description of maltreatment at your hands.

"And then you have the hardliner who thinks you are soft if you take any progressive steps to improve the inmates' condition and encourage rehabilitation."

Chairman Ichord said the problems faced by correctional officers were well expressed by Supreme Court Justice Powell in the case of *Procunier* v. *Martinez*, decided in April 1974: "Prison administrators are responsible for maintaining internal order and discipline, for securing their institutions against unauthorized access or escape, and for rehabilitating, to the extent that human nature and inadequate resources allow, the inmates placed in their custody. The Herculean obstacles to effective discharge of these duties are too apparent to warrant explication. Suffice it to say that the problems of prisons in America are complex and intractable, and, more to the point, they are not readily susceptible of resolution by decree. Most require expertise, comprehensive planning, and the commitment of resources, all of which are peculiarly within the province of the legislative and executive branches of government.

Chairman Ichord praised the men of correctional systems for their motivation in "doing in a professional way a job which must be done, with the knowledge that you are serving society and—in probably more cases than the public knows—helping to restore human beings to positions of worth and dignity."

On the point of "issue exploitation" by revolutionaries, Chairman Ichord recalled the antiwar movement had previously been used by those "trying to drive a wedge between the people and the Government." When the antiwar movement waned, prison reform was, he said, a "readymade issue for exploitation by revolutionary groups." He added: "In a society which is traditionally compassionate to the underdog, it was easy to portray Government as repressive and the inmate as its victim."

The principal problems identified by HCIS in its study were summarized by Chairman Ichord as those involving the influx of revolutionary literature into the prisons, inflammatory correspondence between inmates and known revolutionaries, and personal contacts with inmates by members of revolutionary groups under the guise of the attorney-client relationships. Basic to these, he said, was the problem of educating correctional officers concerning subversive activities. He emphasized that HCIS by no means concluded that all prison problems could be attributed to revolutionaries: "All we are saying is that this is just one in a whole series of problems connected with the work you do, but it is one which seems to have been neglected, probably because it was outside the experience of most correctional officers."

On the afternoon of opening day, the symposium was privileged to hear an informative address by Director Norman A. Carlson. He highlighted the change in the type of offender received by the prisons. While the number one offense category in the Federal prisons 10 years ago was car theft, today the number one offense category is for armed bank robbery, followed by narcotics violations. Director Carlson noted that roughly 50 percent of the total inmates committed during the past 2 or 3 years were committed for either armed bank robbery or for major narcotics violations, primarily the sale, transportation, and importation of heroin and cocaine.

Inmates today, Director Carlson said, present a far greater challenge to prison officials than in former years and are more difficult to deal with in terms of their concept of authority. Many offenders see themselves as political prisoners, regardless of their type of offense, who should not be held responsible for their criminal acts. This notion, as analyzed by Director Carlson and the Federal prison system, comes primarily from groups outside the prisons and obviously gives the inmates a distorted image of themselves and the system. Such groups, however, are few, he said, compared to the number of others, such as religious groups, bar associations, and chambers of commerce, which have shown a great interest in trying to help improve the correctional system.

In addition, Director Carlson pointed out that only a very small percentage of the total inmate population becomes involved with groups that want to destroy the system. This small group of inmates, however, requires a tremendous and disproportionate investment of resource allocation from prison administrators. "There is no question in my mind," he said concerning revolutionary groups, "that these groups do present a very definite threat to the internal order and security of the (penal) institutions. The question is: How do we respond?" In answer, Director Carlson recommended correctional staff training to assure that the staff understands what the revolutionary agitators are trying to do. He cautioned, however, that prison authorities can always expect criticism. Rather than seeking excuses or placing blame for prison problems on agitators, the courts, or the press, he asked that correctional officials increase contact with the courts, the press, and the public at large to explain the job and goals of corrections systems. There must also be, Director Carlson said, a willingness to change policies and procedures when deficiencies are found. He quoted Attorney General Saxbe to the effect that what is needed is neither liberal nor conservative, but only effective, correctional systems.

Following Director Carlson, Warden John Norton of the Federal Correctional Institute in Danbury, Conn., and Warden Loren Daggett of the U.S. Penitentiary at Leavenworth, Kans., spoke on specific problems of interest at their institutions, relative to the subject matter of the symposium.

DISCUSSIONS AND WORKSHOPS

During the symposium, several FBI spokesmen worked toward bridging the information gap identified by HCIS. Detailed presentations were afforded correctional officers on the origin and tactics of urban guerrilla warfare and on the nature and activity of extremist and subversive groups attempting to influence prison inmates. Information was furnished on the history of a number of revolutionary and violence-prone organizations, with emphasis on their efforts to exploit the legitimate issue of prison reform. Literature originating with these groups which was aimed at prison populations was identified and exhibited. Instances were related where individual leaders and members of these organizations have been convicted and committed to prison for crimes of violence. Such instances were of particular interest to members of the symposium since some inmates, previously trained by outside revolutionary groups in tactics of disruption, have continued efforts to employ these tactics inside the prisons.

Very pertinent and enlightening presentations were also made concerning prison problems by Correctional Sgt. William E. Hankins, California State Prison at San Quentin, Calif., and by Det. Lt. Insp. William A. Miller, Massachusetts State Police.

An evening session of the symposium was devoted to workshops of 10 to 12 participants each. For several hours, each workshop labored to answer distinct and pressing questions, such as those concerning the handling of revolutionary literature directed toward prison inmates, the question of causal relationships between words of incitement and action, additional training of correctional staffs, and many others. On the final morning of the symposium, an elected representative of each workshop reported the results to the entire assemblage. That the workshops were productive was evident from the skillful and knowledgeable presentation by each workshop spokesman and from the enthusiastic response each report received.

RECOMMENDATIONS

Some of the conclusions and recommendations developed in these workshops were: A training program is necessary to enable correctional staffs to intelligently and effectively cope with the challenge posed by revolutionary activists outside the prisons and their inmate allies inside; coordination between prison authorities and law enforcement should be increased and maintained through regular liaison; legal counsel trained in prison problems must be readily available to prison administrators; and a continuing public relations campaign is needed by prison systems to better acquaint the public, and specifically bar associations, judges, chambers of commerce, and civic groups with prison procedures, problems, and achievements.

Mr. W. R. Wannall, Assistant Director of the FBI, in his closing remarks to the symposium, on Friday June 21, 1974, said the FBI greatly appreciates the assistance given in the past to its investigations by officials of correctional systems. He said he felt assured this assistance would continue and would increase. In return, he said he wanted each correctional officer to understand that the avenue of assistance and cooperation is a two-way street, and he pledged the intent of the FBI to be of every possible assistance to correctional officials, consistent with the jurisdiction and capabilities of the FBI. After Mr. Wannall had thanked all attending for their hard work and great interest, the symposium ended.

This was, though, just the beginning, for the accomplishment of closer and more effective coordination of the "opposite ends of the criminal justice system" still lies ahead. All of the criminal justice system is dedicated to that goal.

As Director Kelley indicated on the opening day, this symposium was a symbolic as well as a real step toward closer cooperation between law enforcement and correctional officials.

VETERANS' ADMINISTRATOR-DESIGNATE DICK ROUDEBUSH SPEAKS AT THE NATIONAL CONVENTION OF WORLD WAR I VETERANS

(Mr. RANDALL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RANDALL. Mr. Speaker, workloads in our own congressional offices so frequently prevent us from doing things we should in a more timely manner and I am remiss in that I have waited now over 2 weeks to comment upon the merits of an address made by the Deputy Administrator of Veterans' Affairs, the Administrator-designate, the Honorable Richard Roudebush before the convention of World War I veterans in Kansas City, Mo., on Labor Day, September 2, 1974.

This organization has honored me to be one of their speakers immediately preceding my former colleague, Dick Roudebush, and for this reason I was privileged to remain and hear his remarks. The large attendance was quite a tribute to the gentleman from Indiana. He was well accepted and enthusiastically cheered. This is understandable because many of these World War I veterans are also members of the Veterans of Foreign Wars of the United States, and recognize Dick Roudebush as a former national commander of the VFW.

Mr. Roudebush's remarks were not only interesting and informative but hardhitting in that they pointed the way as a kind of prelude to the kind of administration he would provide in the likely event that he would be confirmed by the Senate.

As I listened he enumerated the inventory of hospitals and outpatient clinics and I thought it was noteworthy that he pledged that there would be an expansion of such facilities and services where there is a demand.

It is most significant that he pledged that as long as he was Administrator he would fight for the integrity of the Administration in an effort to alter its scope.

Most of his listeners knew he was referring to the suggestions that we hear so frequently that there may be an effort in the near future to compromise the independence of the VA hospital system. Or, it may well be an effort to change the pension and compensation program and put it under some other agency associated with general welfare rather than a specialized program for veterans who have served their country honorably in time of national emergency.

For my part, I was impressed by his reference to the expenditures of the VA when he suggested that such expenditures are part of the expense of war, they are not only necessary and inevitable but, as he so well put it, they are morally necessary expenditures.

All in all it was a thrill to be able to sit on the platform with our former colleague from Indiana and to join all those who were delegates to the National Convention of World War I Veterans in enthusiastic applause for his comments.

The text of Hon. Richard Roudebush, Deputy Administrator of the VA, follows:

TEXT OF REMARKS BY HON. RICHARD L. ROUDEBUSH

Comrade Commander, my buddies of World War I, it has been my privilege to address conventions of your organization many times in the past. Just a few weeks ago at their kind invitation I attended the Veterans of World War I convention in my home state of Indiana and appeared briefly on the program.

Today, as you know, I am with you in a somewhat different role from ever before.

But let me assure you that the fact that President Ford has honored me so greatly by nominating me as Administrator of Veterans Affairs alters in no way my basic philosophy toward veterans programs and veterans needs and will have no effect on my relationship with the great veterans organizations of this nation except to give me greater ability to consider your needs and objectives.

To be designated head of the largest independent agency in the Federal government is something for which I am most grateful to the President. It gives me an opportunity to continue work which has occupied me for most of my adult life and to do so at a new level.

But I feel more than gratitude for this great new opportunity. No man can consider an assignment of such magnitude in strictly personal terms.

I know that the success of VA—the way VA responds to its responsibilities—and to its possibilities—over the period just ahead of us has great meaning for the nation and for the private lives of millions of its citizens.

It is my opinion, based on nearly four years of experience, that VA is a solid agency doing a good job. I believe VA to be well-organized, well-equipped, properly motivated. I know its employees to be hardworking, skilled and dedicated.

I also know that VA's tasks and responsibilities in the period ahead will be difficult and complex, that they will challenge us and test us as never before.

So what I have to say to you on the subject of VA's future is this:

In areas where what we are doing today is not good enough, we shall improve. Where we need to change, we shall change. Where we are weak we will strengthen ourselves. What we are doing well, we will continue to do well, constantly aware that we can do even better.

And always we will seek the help and advice of our friends, of those who know from long and productive experience of the programs we work with and of the needs of the people we serve.

President Ford said at the time he announced my designation that it must be recognized that veterans are more than claim numbers to be processed by a computer system.

He said that he wanted no arrogance or indifference to any individual, veteran or not, that the government's machinery exists to serve people, not to frustrate or humiliate them.

Certainly, I subscribe to these views. I will go even further and say that although VA is a huge agency and there will likely always be some mistakes in our functioning . . . we will never recognize any ratio of permissible error because of our size.

We will seek to bat a thousand at all times. We will consider no mistakes excusable. If they occur, we will want to know why so they won't happen again.

The President also said that we must get the most from our tax dollars in the operation of VA, that VA management must be the very best possible.

I have made this point myself in speeches before other veterans organizations this summer and I would like to reiterate it.

VA spending will be about $14 billion this year. This is a figure comparable to the cost of the entire federal government in 1918 when you and your comrades were in uniform and the nation was fighting the most expensive war in history up to that time.

We know that expenditures to care for those who have fought wars are part of the expense of war and are necessary, inevitable and morally indispensable expenditures. We also know that there is no disposition on the part of the American people, the Congress, the President or anyone else to reduce providing money for veterans.

But I know you want the American people's gratitude to veterans to be expressed as efficiently as possible with the American people's tax money.

I know that you want, as the President wants, each dollar spent to do its job fully for those who have so much need and are so deserving.

President Ford said he thought it was time that we stopped thinking of veterans in terms of different wars, that all who saw service in defense of the nation and its principles deserve equal treatment and that he salutes veterans of all wars.

I am sure, however, the President applauds the spirit and the dedication that are basic to an organization such as this one and commends the constancy and the loyalty that lead men once linked in a cause to remain associated for more than half a century thereafter.

I know that you are an inspiration to me, the way you still care for each other, the way you remember long-fallen comrades, the way you remember the principles that brought you together in the first place.

But, then, the service of World War I veterans has long been an inspiration to me. This was so when I was growing up and came to know the story of your great war, your experiences and the sacrifice of those men just a few years older than I who were the most numerous veterans of that time.

It was so when I came to know a little more about history and became aware of the meaning of what you did in World War I. You saved the armies of our allies, you saved western Europe and you saved the right of America to live with and be friendly with other peoples of the world.

And, certainly you were an inspiration to me and others of my generation when the time came for us to answer a call to war. You gave us your example of what a serviceman representing his country should be and how he should perform. And many of you gave us your advice and your friendship.

Later when I became active in veterans affairs, along with so many other veterans of World War II, men of your war were there to advise us and to help us and to give us the benefit of their knowledge and experience.

But I know you want to do more this afternoon than look to the past as I have been doing. What of the future of VA and the future of veterans programs?

I said earlier that I thought VA was well-equipped, well-organized and well-motivated to do a good job, that the tasks ahead would be large and difficult, and that I was determined that we improve as an agency.

Today VA has 171 hospitals, 111 of them affiliated with 91 of the nation's best medical schools. There are 212 outpatient clinics.

I think we would agree that our objectives for the years ahead should include continued expert care in the best facilities possible and the improvement of such care plus expansion of facilities and services where there is demand.

Today VA makes compensation and pension payments to nearly 5 million persons, totaling more than $7¼ billion a year.

I think you would agree that our objectives for the years ahead should include continued improvement of these programs, that there be generous and equitable consideration of claims, that the programs be administered with concern and dignity, and that the rates change with the times, and the need of our veterans.

I think you would also agree that other veteran benefits should continue, improve and expand as needed in the years ahead, readjustment programs for our younger veterans, including education and training, home loans, life insurance, vocational rehabilitation, and burial benefits, including our National Cemetery System.

I stand with you on all these programs—and others—that I feel are a national obligation and that indicate the appreciation all Americans feel for those who have defended and protected them.

I would like to go a little further and pledge that as long as I am the Administrator of VA I will fight for its integrity as an agency—your agency—and against any plans to narrow its scope or alter its mission.

I do not make this statement as an alarmist who thinks that a serious attack against VA autonomy or VA tradition is imminent. I do not believe such a thing is likely in the near future.

But we must recognize that it is possible and I believe I owe you the assurance that I will be for no plan that would compromise the independence of the VA hospital system or any plan which would change our pensions and compensation programs and allow them to be invaded or subverted by other systems.

I might add that President Ford in his speech in which he announced my nomination and what he expects of me made a special point of declaring that VA hospitals will *not* lose their identity.

He went on to say something of special importance to you, so I will quote him directly;

"One of America's great challenges today is the older veteran. The VA medical and nursing care system for older people must be a showcase for the nation."

I was there when the Persident said this. I consider it a direct order.

There are now some 7,000 nursing care beds in 85 VA installations. An increase to 10,000 beds is authorized for this fiscal year.

We will follow the President's directive and seek to make the care provided with these facilities the most helpful, the most compassionate—the best—care possible.

We will try to make the care for older veterans the showcase care the President called for: an example for all other hospitals and institutions.

More importantly, we will try to make it care that is adequate to the needs of older veterans who served their nation well and deserve the best the nation has to offer in a time of need.

Let me conclude my visit today by expressing my appreciation to you for the ways you are helpful to the Veterans Administration, in our hospitals as volunteers, by your alert attention to the needs of those who need our care and your helping establish contact, with your wisdom and wise counsel.

Let me add that I am tremendously gratified to be associated with you. I know you to be proud of your service in World War I and with good reason.

But I know that your civilian accomplishments are even more outstanding and that in your hearts you are citizens first and veterans second, that you are for those things that are good for the nation, your communities and your fellow citizens and will always be.

I wish you well. I hope your convention is your most successful and that the coming year will be the best you have ever had. May God bless you individually and may his blessing flow in abundance on your fine organization.

THE RESERVE OFFICERS ASSOCIATION DEDICATES THE LIVING FOUNTAINS AT THE TRUMAN LIBRARY

(Mr. RANDALL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RANDALL. Mr. Speaker, it was my privilege to be present at the Truman Library on Saturday, September 7, upon the occasion of the dedication of the two beautiful memorial fountains described as the "Living Fountains" which were placed at the entrance to the Harry S. Truman Library in Independence, Mo., under the leadership of the Reserve Officers Association and, in part, the Kansas City Chapter No. 1 which was organized by Harry S. Truman in 1922.

This significant event deserved a much earlier recognition on the floor of this House for which omission I express herewith my apology.

Saturday afternoon, September 7, was a beautiful fall afternoon. There was a large crowd of interested persons in attendance at the beautiful setting in front of the south or main entrance to the Truman Library. There were many significant aspects to this program which was under the leadership of many constituents of mine who today are members of Kansas City Chapter No. 1 of the Reserve Officers Association. Col. James Kuhn was master of ceremonies for this dedication, and Col. William H. Wymore, of Independence, Mo., was chairman of the committee which raised funds to build these fountains.

As many of you know, President Truman is considered the leading founder of ROA, which is in its 53d year serving the cause of national security in this Nation, and it was in tribute to Col. Harry

Truman as ROA's founder, that the ROA "Living Fountains" were dedicated.

Furnishing martial music for this occasion was the 312th U.S. Army Band of the 89th Army Reserve Command—the first all Women's Army Corps Band in the United States.

The invocation for the ceremony was delivered by Col. Charles Thomas, the ROA national chaplain, who is a distinguished professor of District of Columbia Teachers College; the Pledge of Allegiance was led by Capt. Newman L. Shaver, of Raytown, Mo., and appropriate remarks were made by Col. John T. Carlton, the executive director of ROA.

The official passing of the title to the fountains followed brief remarks by Brig. Gen. Ted Sorensen, of LaGrange, Ill., who is the ROA national president, and the fountains were accepted for the library by Dr. Benedict K. Zobrist, director of the Truman Memorial Library.

The principal address for the occasion, in the form of a moving eulogy to the late President Truman, was delivered by a member of Mr. Truman's own personal staff, Maj. Gen. Donald S. Dawson, formerly of Eldorado Springs, Mo., whom we all know as an outstanding Washington attorney and one of the great past presidents of the Reserve Officers Association.

General Dawson's address is a significant one, and should be preserved for posterity, and therefore I, with a feeling of pride, submit it for publication in full in the Record:

Address of Maj. Gen. Don Dawson at Dedication of Living Fountains for Truman Library, September 7, 1974

I am happy to join in the welcome to all of you on behalf of the Reserve Officers Association, which it is my honor to represent.

We have come to present and dedicate these two beautiful fountains, which were a part of the original dream of President Truman for completion of this great and useful library.

Although these fountains represent fulfillment of the ultimate design, it is true to say this noble edifice—which belongs to all the people—by his gift will never reach fulfillment because its work will never cease—in bringing history into true perspective and in providing lessons for the future from the experience of the past.

The great public service record of President Truman is here—a record that will forever stand in the front ranks of achievement on behalf of our country and the world.

There are many here who have been close to President Truman. Many who have known him intimately: those who were comrades in arms—other in the life of Jackson County—and still others in Government service and simply as a friend. Each of you have your own cherished memories of him that will never die.

But in a larger sense, all Americans have felt a closeness to Harry S. Truman, the 33rd President of our country, for he was in the highest sense one of the people we somehow felt we knew as a true American and as a friend.

He knew and understood the lives of the people in every walk of life. He knew from his own experience what life was all about in America, for he shared a broad cross-section of the lives so many of us have lived on a more limited basis.

From the farm—to the small town—to the city—from bank clerk to merchant—through the ranks as a Reservist and a fighting soldier in World War I—in politics from precinct to President.

Yes, he knew the joys and sorrows that have made our country great, and understanding them, made him great.

We in the Reserve Officers Association are honored by the presence of all of those assembled here. We are happy you are here on a day when we again pay tribute to one of the great men to lead our country.

President Truman was a founder of the Reserve Officers Association and participated actively and in person through the years.

He believed in its mission as laid down by the Congress—"To support a military policy that will provide adequate national security," for he was dedicated to a strong national defense in the broadest meaning of the term. To him national security was not a political or partisan issue, but one of common purpose.

Harry Truman's personal patriotic commitment of selfless service to his country was exemplified by his record as commander of Battery D of the 129th Field Artillery, 35th Division on the battlefields of Europe during World War I. He not only was a commander who gave leadership that all the officers and men in his battery recognized, but he maintained a personal relationship with each of them which lasted through the years. He was never too busy to see any of them and enjoy old times whenever they happened to be in Washington, or wherever he was throughout the country.

He attended every reunion, even as President, and marched in their ever-thinning ranks on parade.

Captain Truman learned the hardest and most important lesson which came out of World War I, that a nation unprepared for war was only inviting aggression and condemning to the casualty rolls many young men who would go into battle to save our freedom without the necessary military training, and leadership.

It was out of recognition of this historic principle that he joined in founding the Reserve Officers Association of the United States, with one of its mother chapters here in Kansas City, Chapter No. 1 of Missouri—this was an organization that was to become the great association we have today with nearly 100,000 members. Harry Truman was proud of the Reserve Officers Association and he has received acclaim many times for his patriotic foresight in developing a great and influential organization, whose only purpose is—adequate military preparedness, to maintain the eternal vigilance which is the price of freedom.

We of ROA have been fostering the national defense in general and the Reserves in particular for the past fifty years. I am confident that the next half century will see ROA continuing the battle for a strong America. A famous British general, remarked a quarter of a century ago that "It is a law of life that has yet to be broken that a nation can only earn the right to live soft by being prepared to die hard." We of ROA have lived with this precept for the past fifty years. We will continue to live with it for the decades to come.

During his years as a private citizen, as an elected official, as United States Senator, as Vice President and President, he did his part in the fight for preparedness. He not only worked for a policy for adequate defense but he himself continued to be an active Reservist, receiving promotions to major, lieutenant colonel and then colonel, and as commander of the 379th Army Art. Regiment with headquarters in Kansas City.

Colonel Harry Truman remained active in the reserves even though he was in public office which placed great demands upon his time and energies because he fervently believed that the safety and security of this country rested upon the Minute Man concept. He was a colonel in the Army Reserve when Pearl Harbor was attacked and although he was serving in the Senate he promptly offered his services to the military. He did this because he knew he was a trained Reserve leader of which the nation had too few at that time—his services were not accepted and he continued in the Senate to render even far greater service to national security. However, his example was and has been an inspiration to our Reserve forces.

As Commander in Chief Harry Truman gave every support within his power to the Reserves. It is in a large measure due to the leadership he provided during those critical years that our Reserve programs flourished to the extent they did. It is truly in the Harry Truman pattern that the Congress this year has again reaffirmed the nation's commitment to the total force concept—the minute man tradition—which he believed in and which he advanced, hopefully, into the perpetual tradition of this nation.

This Congress has insisted upon maintaining reserve strengths of nearly one million men and women, and it is from the Harry Truman example that have come the strong statements in support of the reserves and the strong demands from the Congress that the Reserves be maintained, properly managed, fully supported, and equipped, and kept in a high state of readiness. Because, as Colonel Truman so often stated as did George Washington, this country could not survive without its Reserves—a broad based Reserve involving a major proportion of the national community.

In the Senate, as the war clouds gathered on the horizon, and the build-up of America's military strength began in ernest, he was named chairman of a Senate committee investigating inefficiency in the armed services. Here, again his courage and his ability, as he often said, to withstand the heat of the kitchen, boldly stood forth. His committee exposed waste in Government war contracts wherever it was found—saving the United States countless millions.

His outstanding work as chairman of that committee earned him the Vice-Presidential nomination in 1944.

His humility which is the basis of christian character came through clearly when the death of President Roosevelt thrust upon him the crushing burdens of the office of the President. It was then he asked the grief stricken people of the United States to pray for him, to ask God to give him the strength, the courage and the wisdom to make the decisions which were necessary to save this nation and to preserve our hard earned freedom.

In the troubled world that confronted him then, there was no such thing as unanimity of opinion, or a true consensus in this Nation. The problems of restoring the world and bringing the United States back to a peacetime basis were too great and too diverse.

Many of you recall—and some of you saw—the sign which he kept on his desk, stating "the buck stops here," time after time, many times in a day, "the buck" reached him and he made the hard decisions. Many of them were controversial, because the issues of the day were born and nurtured in controversy—his decisions were hard ones but he made them with a remarkable degree of promptness and then withstood cheerfully, with serenity and fortitude the criticism he knew in advance, would inevitably come from some sources.

President Truman guided the destiny of this nation through almost eight full years. He became not only the leader of his own people, but the recognized leader of the entire free world during the period of turmoil and stress—and the period of restoration and rehabilitation—that followed World War II. Winston Churchill said to him ". . . You, more than any other man, have saved Western civilization."

Harry Truman was a great student of history—particularly the history of the American Presidency. He called the Presidency—I heard him say it many times—the greatest office in the history of the World. But, he drew a clear distinction between himself as a person and the great office he was privileged to hold. He was determined with an absolute and simple faith that no word or deed of his would ever bring discredit to the Presidency. His guiding principle always was to do what was right for all the people.

I mentioned that all of us had some particular memory of him close to our hearts. Mine is of one day when as his assistant, I was suggesting perhaps too vigorously various ways he could make a certain decision and get this advantage, or that credit from it, when he looked up at me from the paper before him and said, Don, "What is best for the country?" It was on that fundamental principle "What is best for the country?" that he made his decisions as President. Nothing could make him hedge or trim or deviate from that rule.

Although Harry Truman did not seek the Presidency, he fully accepted its awesome responsibilities when they fell upon him. He knew it was his job and that he was the only one who could do it. Few people have ever understood the powers of the Presidency as well as he. No one has ever exercised those powers with more fidelity and courage. And the verdict of history is becoming clearer every day that few American Presidents have acted with such wisdom and foresight—and with such deep understanding of the forces that control the behavior and shape the destiny of mankind.

Many of those decisions stand out today as great landmarks in the history of our times.

The decision to go forward with the United Nations.

The use of the atomic bomb to save the lives of hundreds of thousands of American soldiers.

The North Atlantic Treaty Organization.

The Greek-Turkish aid program to stem the tide of communism.

The Marshall plan to restore Europe.

The Point Four program to give aid and assistance to developing nations.

His program for civil rights and the end of discrimination in the military service and the civil service.

His national health program, which has now become so popular.

And the decision to maintain an adequate military defense to secure our freedom when the pressure of public opinion was for almost total disarmament.

Yes, these were great decisions that altered the course of history. They are widely acclaimed and properly so. But there were countless other decisions as well—some of much importance and some perhaps less so—and all made with the same single-minded devotion to the welfare of his people and all mankind.

One of our blessings is the simple fact that Harry Truman liked people. He wanted to help everybody. In his personal life, his acts of kindness were without end. I never knew him to do a mean thing. In that character as steadfast as the Rock of Gibraltar, there was also the compassion of a kind and loving heart.

The thousand of ROA members who contributed to build these fountains in tribute to his memory did so out of their full hearts and perhaps sometimes from a slim pocketbook because what they felt for a man who was our association's founder had a higher value than money. These fountains flowing perpetually into the future are a demonstration of affection, admiration and loyalty to a man who was a great American before he was a great President—and he was both in the fullest measure.

To each of us, and to those to come, these fountains will have their own symbolic meaning and, thus, will be dearer to the hearts of his fellow countrymen, because in each of us there will be our own identification with him, as a man and as the President of our country.

We must, however, dedicate ourselves—not just these fountains—to the great principles he believed in, for as he said in his State of the Union address in 1952:

"If we are to be worthy of all that has been done for us by our soldiers in the field, we must be true to the ideals for which they are fighting.

"We must reject the counsels of defeat and despair. We must have the determination to complete the great work for which our men have laid down their lives.

"In all we do we should remember who we are and what we stand for. We are Americans. Our forefathers had far greater obstacles than we have, and much poorer chances of success. They did not lose heart, or turn aside from their goals. In that darkest of all winters in American history, at Valley Forge, George Washington said: 'We must not, in so great a contest, expect to meet with nothing but sunshine.' With that spirit they won their fight for freedom.

"We must have that same faith and vision. . . .

"Let us prove, again, that we are not merely sunshine patriots and summer soldiers. Let us go forward, trusting in the God of peace, to win the goals we seek."

This then is the challenge he has given us and the challenge to go forward we must meet.

In that spirit we dedicate these fountains.

THE CONGRESS SHOULD NOT PLACE THE ENDORSEMENT OF THE FEDERAL GOVERNMENT ON GAMBLING

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, in recent weeks, there has been a great flurry of activity about giving States some kind of blanket exemption from Federal laws so that they might operate gambling enterprises.

A number of bills have been introduced to accomplish this endorsement of State-operated gambling operations, but I am hopeful that the Congress will be very careful about this legislation and that it be given the fullest consideration before any action is taken.

Frankly, Mr. Speaker, I see no justification for the Congress to go along with these ill-thought-out gambling promotions.

Of course these State lotteries and other gambling activities are billed as "revenue raisers" and invariably the people are told that they are gambling for the benefit of education or some other worthwhile governmental activity. As we all know, gambling is not the only way that these States and localities have to raise the necessary money to maintain essential services.

We are also told that this is a "painless" manner in which to extract money from the people. But, gambling is the most regressive form of taxation that can be devised. These gambling schemes are designed to pick the pockets of the poor and the unsuspecting while the big boys—the rich—continue to enjoy low tax rates and a multitude of tax loopholes. Obviously it is much easier to devise a scheme for legal gambling operations than to face up to the huge lobbies which protect and maintain the tax loopholes for the banks, for the corporations and the wealthy.

We are also told that these State-operated gambling enterprises play on an already existing weakness and that people are going to gamble anyway. We are told that State-operated lotteries and gambling casinos will take these games of chance and their huge take away from organized crime. This is simply untrue and there is nothing to support this often repeated contention.

Earlier this year, the New York Police Department released a "White Paper" that showed a 62-percent increase in illegal betting and a greater influx of mob-connected figures into bookmaking since the city started operating legal off-track betting parlors.

Chief Paul F. Delise of the Public Morals Division's Organized Crime Control Bureau said in an interview:

> A climate has been created to gamble. Because it now is possible to bet legally on horses, thousands of people who never in the world would have thought of betting on football or basketball or baseball are now betting with the bookies.

The same conclusion was reached by the famous Kefauver committee investigation of organized crime. At the conclusion of this investigation, Senator Kefauver stated:

> The legalization of gambling would not terminate the widespread predatory activities of criminal gangs and syndicates. The history of legalized gambling in Nevada and in other parts of the country gives no assurance that mobsters and racketeers can be converted into responsible businessmen through the simple process of obtaining State and local licenses for their gambling enterprises. Gambling, moreover, historically has been associated with cheating and corruption.
>
> The Committee has not seen any workable proposal for controlled gambling which would eliminate the gangster or the corruption.

In the end, Mr. Speaker, gambling is a very poor source of revenue. The overhead costs are extremely high—fantastically higher than they would be for any type of taxation program.

In fact, it appears that the overhead is about 50 cents on every dollar. States are lucky if they are able to put 50 percent of the gambling revenues into their treasuries.

But the craze of gambling has caught on and today at least 13 States are actively engaged in some form of this type of revenue raising. Now they are seeking a blanket forgiveness and exemption from any kind of Federal statutes.

Attorney General Saxbe has warned the States that they cannot continue to operate lotteries and other gambling activities in violation of the various Federal statutes. He has stated that he plans to bring injunctions after 90 days unless Congress acts within this period to exempt the States from antigambling laws.

Mr. Speaker, I sincerely hope that the Attorney General will proceed with the plans for these injunctions and I trust that this Congress will not go along with the schemes to place the endorsement of the Federal Government on gambling and all of the evils associated with these operations.

Mr. Speaker, in the coming weeks, I plan to continue to gather material on the sad history of gambling and to place in the Record this information.

HONORABLE SERVICE

(Mr. ALBERT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. ALBERT. Mr. Speaker, with the recent passing of State Representative Hugh Martin Sandlin, of Holdenville, the State of Oklahoma lost one of its most distinguished citizens. Mr. Sandlin had only just retired in July from a legislative career which spanned 16 years, including 4 years in the Oklahoma State Senate and 12 years in the House of Representatives. Throughout these years of faithful public service Sandlin's accomplishments were many and varied. He submitted the first Oklahoman bill aimed at pollution control and received special commendation from the Soil Conservation Department in behalf of his work in the environmental arena. He was also a successful and influential advocate for governmental reform. He led legislative drives for judicial reforms as chairman of the Senate Investigating Committee on County Government, as well as movements for election, absentee ballot, and tax reforms within the state. As further evidence of his broad span of issue interests, Sandlin was made an honorary chief of the Chickasaw Indian Nation and honorary member of the Creek Indian Nation Tribal Council subsequent to his work for Indian housing measures.

It was my honor and privilege to work closely with Mr. Sandlin in the interest of our great State for many years. He was a dear friend as well as a constituent and fellow worker. To his wife and three daughters I extend sincere sympathy.

Mr. Sandlin himself once commented:

> I believe that I have been able to accomplish many things that have contributed to the lives of my constituents and to all Oklahomans.

As a confirmation of this hope, and to act as inspiration for all public officials, I would share the following editorial, reprinted from the Daily Oklahoman, September 9, 1974:

> Death has taken one of the most respected and influential members of the Oklahoma legislature, Hugh Sandlin of Holdenville. The passing of this veteran lawmaker focuses attention, if only briefly, on the kind of honorable and necessary service which many of our legislators perform year after year with little public notice.
>
> Sandlin had been an author of and influential in the enactment of some of our most progressive laws. He was an author of the district attorney system, of laws to curb oilfield pollution, and of the free textbook system. For 17 of the past 21 years, he had been an active member of the House of Representatives and the state Senate, known as a thorough student of the problems encountered as the state developed. His counsel was sought and heeded by younger members, and his voice often carried far beyond legislative halls.
>
> Such men, often little-known outside their own communities and the legislative chambers, are vital to tranquility and progress of Oklahoma. Sandlin was a lawyer, and while he sometimes suggested that the legislature could become topheavy with lawyers, his legal training and experience added to his ability to serve his state.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Don H. Clausen (at the request of Mr. Rhodes), for the remainder of this week, on account of attending Economic Summit Conference on Transportation in Los Angeles.

Mr. Conable (at the request of Mr. Rhodes), on account of official business.

Mr. Ryan (at the request of Mr. O'Neill), for Wednesday, September 18 and Thursday, September 19, on account of official business of the Committee on Foreign Affairs.

Mr. Veysey (at the request of Mr. Rhodes), for the remainder of today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Randall, for 10 minutes, today.

(The following Members (at the request of Mr. Pritchard), to revise and extend their remarks and include extraneous material:)

Mr. Hogan, for 5 minutes, today.

Mr. Steiger of Wisconsin, for 10 minutes, today.

Mr. Burke of Florida, for 5 minutes, today.

Mr. Quillen, for 5 minutes, today.

Mr. Hosmer, for 5 minutes, today.

Mrs. Heckler of Massachusetts, for 5 minutes, today.

Mr. Mizell, for 15 minutes, today.

(The following Members (at the request of Mrs. Schroeder), to revise and extend their remarks and include extraneous material:)

Mr. Flood, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Mathis of Georgia, for 5 minutes, today.

Mrs. Collins of Illinois, for 60 minutes, today.

Mr. Alexander, for 5 minutes, today.

Mr. Murphy of New York, for 5 minutes, today.

Mr. Fulton, for 5 minutes, today.

Mr. Barrett, for 15 minutes, today.

Mr. Murphy of Illinois, for 5 minutes, today.

Mr. Thompson of New Jersey, for 5 minutes, today.

Mr. Moakley, for 20 minutes, today.

Ms. Abzug, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Randall in two instances.

Mr. Price of Illinois and to include extraneous matter notwithstanding the fact that it exceeds five pages of the Congressional Record and is estimated by the Public Printer to cost $1,390.

(The following Members (at the request of Mr. Pritchard) and to include extraneous matter):

Mr. Broyhill of Virginia in two instances.

Mr. Gilman.

Mr. Ashbrook in five instances.

Mr. Derwinski in four instances.

Mr. Arends.

Mr. Pettis.

Mr. Landgrebe in 12 instances.

Mr. Baker.

Mr. Bray in two instances.

Mr. Walsh.

Mr. McClory.

Mr. Steiger of Wisconsin in three instances.

Mr. Cronin in two instances.

Mr. Railsback.

Mr. Young of Florida.

Mr. Gross in two instances.

Mr. Eshleman.

Mr. Findley in three instances.

Mr. Hosmer in three instances.

Mr. Frey in two instances.

Mr. Frenzel in three instances.

Mr. Hanrahan.

Mr Hudnut

(The following Members (at the request of Mrs. Schroeder) and to include extraneous matter:)

Mr. Won Pat.

Mr. Vanik in six instances.

Mr. Madden.

Mr. Fisher in four instances.

Mr. Gonzalez in three instances.

Mr. Rarick in three instances.

Mr. Anderson of California in two instances.

Mr. Vander Veen in three instances.

Mr. Mathis of Georgia.

Mr. Ichord.

Mr. Wolff in three instances.

Mr. Badillo in five instances.

Mr. Nix.

Mr. Murtha.

Mr. Roybal.

Mr. Long of Maryland in two instances.

Mr. Rees.

Mr. Gaydos.

Mr. Leggett in two instances.

Mr. Charles H. Wilson of California.

Mr. Jones of Oklahoma.

Mr. Roe in two instances.

Mr. Flood in five instances.

Mr. Milford in three instances.

Mr. Hungate.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 6395. An act to designate certain lands in the Okefenokee National Wildlife Refuge, Georgia, as wilderness;

H.R. 12000. An act to enable egg producers to establish, finance, and carry out a coordinated program of research, producer and consumer education, and promotion to improve, maintain, and develop markets for eggs, egg products, spent fowl, and products of spent fowl; and

H.R. 13595. An act to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The **SPEAKER** announced his signature to enrolled bills of the Senate of the following titles:

S. 210. An act to authorize the establishment of the Boston National Historical Park in the Commonwealth of Massachusetts; and

S. 3301. An act to amend the act of October 27, 1972 (Public Law 92-578).

BILL PRESENTED TO THE PRESIDENT

Mr. **HAYS**, from the Committee on House Administration, reported that that committee did, on September 18, 1974, present to the President, for his approval, a bill of the House of the following title:

H.R. 10626. An act to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands in Florida to John Carter and Martha B. Carter.

ADJOURNMENT

Mrs. **SCHROEDER**. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 58 minutes p.m.), under its previous order, the House adjourned until Monday, September 23, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2771. A letter from the President of the United States, transmitting a proposed change in appropriation language for fiscal year 1975 for the Department of Housing and Urban Development (H. Doc. No. 93-356); to the Committee on Appropriations and ordered to be printed.

2772. A letter from the President of the United States, transmitting proposed supplemental appropriations for fiscal year 1975 for the Department of Commerce (H. Doc. No. 93-357); to the Committee on Appropriations and ordered to be printed.

2773. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Peter M. Flanigan, Ambassador-Designate to Spain, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2774. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-Designate Edward S. Little, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2775. A letter from the Secretary of Health, Education, and Welfare, transmitting the final report on the administration of title VIII (Nurse Training) of the Public Health Service Act, pursuant to section 12 of Public Law 92-158; to the Committee on Interstate and Foreign Commerce.

Received From the Comptroller General

2776. A letter from the Comptroller General of the United States, transmitting a report on the examination of financial statements of the Student Loan Insurance Fund for fiscal year 1973 (H. Doc. 93-358); to the Committee on Government Operations and ordered to be printed.

2777. A letter from the Comptroller General of the United States, transmitting a report on the U.S. magistrate system; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FISHER: Committee on Armed Services. H.R. 14401. A bill to authorize military band recordings in support of the American Revolution Bicentennial; with amendment (Rept. No. 93-1364). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce H.R. 8266. A bill to amend section 303 of the Communications Act of 1934 to require that radio receivers be technically equipped to receive and amplify both amplitude modulated (AM) and frequency modulated (FM) broadcasts; with amendment (Rept. No. 93-1365). Referred to the Committee of the Whole House on the State of the Union.

Mr. FISHER: Committee on Armed Services. H.R. 14349. A bill to amend section 3031 of title 10, United States Code, to increase the number of authorized deputy chiefs of staff for the Army staff (Rept. No. 93-1366). Referred to the Committee of the Whole House on the State of the Union.

Mr. FISHER: Commitee on Armed Services. H.R. 15148. A bill to extend the time limit for the award of certain military decorations; with amendment (Rept. No. 93-1367). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. House Joint Resolution 1131. Joint resolution making further continuing appropriation for the fiscal year 1975, and for other purposes (Rept. No. 93-1368). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 1379. Resolution providing for the consideration of H.J. Res. 1131. Joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes (Rept. No. 93-1369). Referred to the House Calendar.

Mr. ROONEY of New York: Committee of conference. Conference report on H.R. 15404. (Rept. No. 93-1370). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BERGLAND:

H.R. 16729. A bill to further the purposes of the Wilderness Act by designating certain lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BEVILL:

H.R. 16730. A bill to authorize the Secretary of the Interior to convey certain mineral interests of the United States to the owner or owners of record of certain lands in the State of Alabama; to the Committee on Interior and Insular Affairs.

By Mr. PHILLIP BURTON (for himself, Mr. Taylor of North Carolina, Ms. Mink, Mr. Vigorito, Mr. Won Pat, Mr. de Lugo, Mr. Don H. Clausen, Mr. Bingham, Mr. Lujan, Mr. Meeds, and Mr. Ketchum):

H.R. 16731. A bill to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands; to the Committee on Interior and Insular Affairs.

By Mr. CLARK:

H.R. 16732. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 with respect to certain seatbelt standards under such act; to the Committee on Interstate and Foreign Commerce.

H.R. 16733. A bill to amend title 18 of the United States Code to permit the mailing, broadcasting, or televising of lottery information and the transportation, mailing, and advertising of lottery tickets in interstate commerce but only concerning lotteries which are lawful; to the Committee on the Judiciary.

By Mr. COTTER:

H.R. 16734. A bill to amend title II of the Social Security Act to provide for voluntary agreements between ministers and their employers to treat ministers as employed persons; to the Committee on Ways and Means.

By Mr. COUGHLIN (for himself, Mr. Crane, Mr. Devine, Mr. Flowers, Mr. Nedzi, Mr. Tiernan, Mr. Abdnor, Mr. Conyers, Mr. Fish, Mr. Frey, Mr. Lent, Mr. Miller, Mr. Preyer, Mr. Roncallo of New York, Mr. Sarasin, Mr. Shoup, Mr. Towell of Nevada, Mr. Traxler, and Mr. Winn):

H.R. 16735. A bill to amend the Internal Revenue Code of 1954 and certain other provisions of law to provide for automatic cost-of-living adjustments in the income tax rates, the amount of the standard personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States; to the Committee on Ways and Means.

By Mr. DORN:

H.R. 16736. A bill to further the purposes of the Wilderness Act by designating certain lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FISH:

H.R. 16737. A bill to amend the Immigration and Nationality Act to provide for the immigration of children of individuals suffering from Hansen's disease; to the Committee on the Judiciary.

By Mr. FOLEY:

H.R. 16738. A bill to amend the act of August 24, 1966, as amended, to assure humane treatment of certain animals, and for other purposes; to the Committee on Agriculture.

By Mr. FOLEY (for himself, Mr. Udall, Mr. Eckhardt, and Mr. Charles Wilson of Texas):

H.R. 16739. A bill to amend the Mineral Leasing Act of 1920, and for other purposes;

to the Committee on Interior and Insular Affairs.

By Mr. GUBSER:

H.R. 16740. A bill to amend the section of title 5, United States Code, dealing with foreign gifts and decorations, to preclude the sale of such gifts and to direct the display of certain such gifts in the Smithsonian Institution; to the Committee on Foreign Affairs.

By Mr. GUDE (for himself, Mr. Huber, Mr. Gunter, Mr. Gibbons, Mr. Young of Georgia, Mr. Won Pat, Mr. Andrews of North Dakota, Mr. Harrington, Mr. Traxler, Mr. Mitchell of Maryland, Mr. Dingell, Mr. Robinson of Virginia, Mr. McEwen, Mr. Edwards of California, Mr. Winn, Mrs. Holt, Mr. Ichord, and Mrs. Chisholm):

H.R. 16741. A bill to amend title 39, United States Code, to require the Postal Service to consult with agencies of State and local governments with respect to the construction of certain Postal Service facilities, to establish hearing procedures with respect to proposals for such construction, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GUYER (for himself and Mr. Latta):

H.R. 16742. A bill to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or grave national emergency declared by the Congress, and to provide for systematic reduction of the public debt; to the Committee on Ways and Means.

By Mr. HUDNUT:

H.R. 16743. A bill to terminate certain authorities with respect to national emergencies still in effect, and to provide for orderly implementation and termination of future national emergencies; to the Committee on the Judiciary.

By Mr. HUNT:

H.R. 16744. A bill to amend title 37, United States Code, to provide reimbursement of certain moving expenses of members of the uniformed services; to the Committee on Armed Services.

By Mr. JOHNSON of Pennsylvania:

H.R. 16745. A bill to exclude from gross income the first $1,000 of interest received from savings account deposits in home lending institutions; to the Committee on Ways and Means.

By Mr. JONES of Alabama (for himself, Mr. Bevill, Mr. Buchanan, Mr. Dickinson, Mr. Edwards of Alabama, Mr. Flowers, and Mr. Nichols):

H.R. 16746. A bill to amend the Public Health Service Act to provide for additional medical scholarships to be known as Lister Hill Scholarships; to the Committee on Interstate and Foreign Commerce.

By Mr. KETCHUM (for himself, Mr. Lagomarsino, and Mr. Derwinski):

H.R. 16747. A bill to provide for the establishment of a National Voluntary Medical and Hospital Services Insurance Act; to the Committee on Ways and Means.

By Mr. KOCH:

H.R. 16748. A bill to provide a remedy for sex discrimination by the insurance business with respect to the availability and scope of insurance coverage for women; to the Committee on Interstate and Foreign Commerce.

H.R. 16749. A bill to provide increased employment opportunity by executive agencies of the U.S. Government for persons unable to work standard working hours, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. KOCH (for himself, Mr. Anderson of California, Mr. Badillo, Mr. Boland, Mr. Brown of California, Mr. John L. Burton, Mr. Conyers, Mr. Cronin, Mr. Drinan, Mr. Hechler of West Virginia, Ms. Mink, Mr. Mitchell of Maryland, Mr. Rosenthal, Mr. J. William Stanton, Mr. Stark, Mr. Studds, Mr. Thompson of New Jersey, Mr. Waldie, Mr. Won Pat, and Mr. Yates):

H.R. 16750. A bill to provide for public access to all Watergate-related facts produced by any investigation conducted by any Federal executive office and to all Watergate-related documents which were produced from January 20, 1969, through August 9, 1974, and which were in the custody of the United States on August 9, 1974; to the Committee on the Judiciary.

By Mr. KOCH (for himself and Mr. Harrington):

H.R. 16751. A bill to provide for public access to all Watergate-related facts produced by any investigation conducted by any Federal executive office and to all Watergate-related documents which were produced from January 20, 1969, through August 9, 1974, and which were in the custody of the United States on August 9, 1974; to the Committee on the Judiciary.

By Mr. LANDGREBE:

H.R. 16752. A bill to provide for a 10 percent reduction in the compensation of Members of the Congress and in the amount of funds available of salaries of officers and employees of the legislative branch of the Federal Government; to the Committee on Post Office and Civil Service.

By Mr. LITTON:

H.R. 16753. A bill to exclude from gross income the first $1,000 of interest received on savings deposits; to the Committee on Ways and Means.

By Mr. LITTON (for himself and Mr. Hechler of West Virginia):

H.R. 16754. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. McKINNEY:

H.R. 16755. A bill to amend the Internal Revenue Code of 1954 to allow a credit against the tax imposed on interest on savings; to the Committee on Ways and Means.

By Mr. McKINNEY (for himself, Mr. Badillo, Mr. Stark, Ms. Abzug, Mr. Sarasin, Mr. Dellums, Mr. Mitchell of Maryland, Mr. Dingell, Mr. Frenzel, Mrs. Heckler of Massachusetts, Mr. Lent, and Mr. Steelman):

H.R. 16756. A bill to make available to Congress the information obtained by the Special Prosecutor; to the Committee on the Judiciary.

By Mr. MACDONALD:

H.R. 16757. A bill to extend the Emergency Petroleum Allocation Act of 1973 until August 31, 1975; to the Committee on Interstate and Foreign Commerce.

By Mr. MOLLOHAN (for himself, Mr. Bevill, Mr. Conlan, Mr. Davis of South Carolina, Mr. Ginn, Mr. Hastings, Mr. Kemp, Mr. Mayne, Mr. Moss, Mr. Perkins, Mr. Rarick, Mr. Riegle, Mr. Won Pat, and Mr. Zwach):

H.R. 16758. A bill to repeal sections 102 and 202 of the Flood Disaster Protection Act of 1973 which make flood insurance coverage and community participation in the national flood insurance program prerequisites for approval of any financial assistance in a flood hazard area, and for other purposes; to the Committee on Banking and Currency.

By Mr. PEYSER:

H.R. 16759. A bill to prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering or entertainment; to the Committee on the Judiciary.

By Mr. ROBISON of New York:

H.R. 16760. A bill to amend the Public Health Service Act to assure that the public is provided with safe drinking water, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RODINO (for himself and Mr. Hutchinson):

H.R. 16761. A bill to amend the act incorporating the American Legion so as to redefine eligibility for membership therein; to the Committee on the Judiciary.

By Mr. ROE:

H.R. 16762. A bill to incorporate the U.S. submarine veterans of World War II; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 16763. A bill to amend title XVI of the Social Security Act to require that the value of maintenance and support furnished an individual by a nonprofit retirement home be excluded from income for the purpose of determining eligibility for supplemental security income benefits under such act; to the Committee on Ways and Means.

By Mr. SHRIVER:

H.R. 16764. A bill to prohibit any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code, until the provisions of the Paris Peace Accord of January 27, 1973, have been fully complied with, and for other purposes; to the Committee on Armed Services.

H.R. 16765. A bill to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in, Huntington's disease; to the Committee on Interstate and Foreign Commerce.

By Mr. STRATTON:

H.R. 16766. A bill to prohibit any increase in the price of certain consumer commodities by any retailer once a price is placed on any such commodity by such retailer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELE:

H.R. 16767. A bill to increase the availability of reasonably priced mortgage credit for home purchases; to the Committee on Banking and Currency.

By Mr. STEELE (for himself, Mr. John L. Burton, Mr. Conyers, Mr. Davis of South Carolina, Mr. Dellums, Mr. Drinan, Mr. Fraser, Mr. Frey, Mr. Helstoski, Mr. Mathis of Georgia, Mr. Minish, Mr. Moorhead of Pennsylvania, Mr. Morgan, Mr. Moss, Mr. Peyser, Mr. Rangel, Mr. Roncallo of New York, Mr. Stark, Mr. Vigorito, and Mr. Young of Georgia):

H.R. 16768. A bill to provide financial assistance to the States for improved educational services for exceptional children; to establish a National Clearinghouse on Exceptional Children; and for other purposes; to the Committee on Education and Labor.

By Mr. STEELMAN (for himself, Mr. McKay, Mr. O'Hara, Mr. Jones of Oklahoma, Mr. Anderson of California, Mr. O'Brien, Mr. Litton, Mr. Young of Alaska, and Ms. Holtzman):

H.R. 16769. A bill to enforce the first amendment and fourth amendment to the Constitution and the constitutional right of privacy by prohibiting any civil officer of the United States or any member of the Armed Forces of the United States from using the Armed Forces of the United States to exercise surveillance of civilians or to execute the civil laws, and for other purposes: to the Committee on the Judiciary.

By Mr. STEPHENS:

H.R. 16770. A bill to further the purposes of the Wilderness Act by designating certain lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TAYLOR of North Carolina:

H.R. 16771. A bill to amend title II of the Social Security Act to increase to $7,500 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. WHITE (for himself and Mrs. Boggs):

H.R. 16772. A bill to amend title 44, United States Code, to strengthen the authority of the Administrator of General Services with respect to records management by Federal agencies, and for other purposes; to the Committee on Government Operations.

By Mr. CHARLES WILSON of Texas (for himself, Mr. Eckhardt, Mr. Foley, Mr. Johnson of California, Mr. Meeds, and Mr. Udall):

H.R. 16773. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WOLFF:

H.R. 16774. A bill to provide for the issuance of a commemorative postage stamp in honor of the 50th anniversay of the trans-Atlantic airplane flight of Charles A. Lindbergh; to the Committee on Post Office and Civil Service.

By Mr. WON PAT:

H.R. 16775. A bill to waive the visa requirements for aliens visiting Guam for not more than 15 days; to the Committee on the Judiciary.

By Mr. WYLIE:

H.R. 16776. A bill to exclude from gross income the first $1,000 of interest received from savings account deposits in home lending institutions; to the Committee on Ways and Means.

By Mr. YOUNG of Florida:

H.R. 16777. A bill to amend the Marine Mammal Protection Act of 1972 in order to prohibit the issuance of general permits thereunder which authorize the taking of marine mammals in connection with commercial fishing operations, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MAHON:

H.J. Res. 1131. Joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes; to the Committee on Appropriations.

By Mr. BADILLO:

H.J. Res. 1132. Joint resolution proposing an amendment to the Constitution of the United States with respect to congressional disapproval of Presidential pardons; to the Committee on the Judiciary.

By Mrs. HANSEN of Washington:

H.J. Res. 1133. Joint resolution proposing an amendment to the Constitution of the United States to repeal the 25th amendment to that Constitution (relating to Presidential disability and Vice Presidential succession); to the Committee on the Judiciary.

By Mr. REES:

H.J. Res. 1134. Joint resolution endorsing the Pacific 21 bicentennial celebration; to the Committee on the Judiciary.

By Mr. ROUSH:

H.J. Res. 1135. Joint resolution to designate the last week in November of each year as "National Family Week"; to the Committee on the Judiciary.

By Mr. SANDMAN:

H.J. Res. 1136. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Ms. COLLINS of Illinois:

H. Con. Res. 642. Concurrent resolution expressing the sense of Congress that President Ford should grant a pardon to Otto Kerner, Jr., for the same reasons a Presidential pardon was granted to Richard M. Nixon; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Mr. Anderson of California, Mr. Badillo, Mr. Brown of California, Mr. John L. Burton, Mr. Clay, Mr. Conyers, Mr. Dellums, Mr. Fauntroy, Mr. Fulton, Mr. Hechler of West Virginia, Mr. Long of Maryland, Mr. Luken, Mr. Mitchell of Maryland, Mr. Murphy of Illinois, Mr. Nedzi, Mr. Pike, Mr. Rosenthal, Mr. Charles H. Wilson of California, Mr. Winn, and Mr. Yates):

H. Con. Res. 643. Concurrent resolution expressing the sense of Congress with respect to certain pardons granted or which may be granted by the President; to the Committee on the Judiciary.

By Mr. STEELE:

H. Con. Res. 644. Concurrent resolution expressing the sense of Congress regarding Presidential pardons in the Watergate affair; to the Committee on the Judiciary.

By Mr. CLARK (for himself and Mr. Grover):

H. Res. 1376. Resolution authorizing the printing of proceedings unveiling the portrait of the Hon. Leonor K. Sullivan; to the Committee on House Administration.

By Mr. MIZELL:

H. Res. 1377. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish armed forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

By Mr. ROE:

H. Res. 1378. Resolution concerning the safety and freedom of Valentyn Moroz, Ukranian historian; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GUBSER:

H.R. 16778. A bill to validate the conveyance of certain land in the State of California by the Southern Pacific Transportation Co.; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of Pennsylvania:

H.R. 16779. A bill for the relief of Upper Allegheny Sand and Gravel Co., Inc.; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 16780. A bill to validate the conveyance of certain land in the State of California by the Southern Pacific Transportation Co.; to the Committee on Interior and Insular Affairs.

By Mr. ROUSH:

H.R. 16781. A bill for the relief of Sylvester G. Schneider; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

507. By the SPEAKER: Petition of the Oklahoma chapter, the Wildlife Society, Stillwater, Okla., relative to inclusion of the Illinois River in Oklahoma in the National System of Wild and Scenic Rivers; to the Committee on Interior and Insular Affairs.

508. Also, petition of the American Association for Automotive Medicine, relative to motor vehicle safety standards; to the Committee on Interstate and Foreign Commerce.

509. Also, petition of Irma Zigas, New York, N.Y., and others, relative to amnesty; to the Committee on the Judiciary.

510. Also, petition of the International Alliance of Theatrical Stage Employees and Moving Picture Machine Operators of the United States and Canada, New York, N.Y., relative to national health insurance; to the Committee on Ways and Means.

SENATE—*Thursday, September 19, 1974*

The Senate met at 8:45 a.m. and was called to order by Hon. Howard H. Baker, Jr., a Senator from the State of Tennessee.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Hear the words of the psalmist:

"Who shall ascend into the hill of the Lord? or who shall stand in His holy place?

"He that hath clean hands, and a pure heart; who hath not lifted up his soul unto vanity, nor sworn deceitfully.

"He shall receive the blessing from the Lord, and righteousness from the God of his salvation."—Psalms 24:3–5

Let us pray.

O God our Father, grant unto us grace and wisdom to follow Thy will and not our own and to be mastered by conscience so that we fear not Thy searching light upon our inner being. Help us to shed old faults and to gain new virtues. May we grow stronger, purer, kinder, more like the Master. Though the day be long and the hours crowded may we never cease to be aware of Thee. When evening comes may we know the contentment of work well done and the peace of those whose minds are stayed on Thee. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., September 19, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Howard H. Baker, Jr., a Senator from the State of Tennessee, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. HOWARD H. BAKER, JR., thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of proceedings of Wednesday, September 18, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all *committees* be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

U.S. NAVY

The legislative clerk proceeded to read sundry nominations in the U.S. Navy.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

DEPARTMENT OF STATE

The legislative clerk proceeded to read sundry nominations in the Department of State.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered en bloc with the exception of the nomination of Mr. Frank C. Carlucci.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered, and without objection, the nominations are considered and confirmed en bloc.

CIVIL AERONAUTICS BOARD

The legislative clerk read the nomination of Richard Joseph O'Melia, of Maryland, to be a member of the Civil Aeronautics Board.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

INTERSTATE COMMERCE COMMISSION

The legislative clerk read the nomination of Robert Coleman Gresham, of Maryland, to be a Commissioner.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

FEDERAL ENERGY ADMINISTRATION

The legislative clerk read the nomination of William W. Geimer, of Illinois, to be a Director.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK—DIPLOMATIC AND THE FOREIGN SERVICE

The legislative clerk proceeded to read sundry nominations in the diplomatic and Foreign Service which had been placed on the Secretary's desk.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 1105 and 1106.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR GSA TO ENTER INTO MULTIYEAR LEASES

The Senate proceeded to consider the bill (S. 2785) to authorize the Administrator of General Services to enter into multiyear leases through use of the automatic data processing fund without obligating the total anticipated payments to be made under such leases, which had been reported from the Committee on Government Operations with an amendment to strike out all after the enacting clause and insert in lieu thereof:

That section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) is amended by adding at the end thereof the following:

"(h) Notwithstanding any other provision of law, the Administrator is authorized to enter into multiyear contracts under this section financed through the fund and may incur or authorize obligations in excess of the amount available in the fund, except that (1) the amount of unfunded obligations incurred during any fiscal year shall not exceed the amount specified in an appropriation Act for that fiscal year, (2) the cash balances of the fund shall be maintained in such amounts as are necessary at any time for cash disbursements to be made from the fund, and (3) the term for the performance of any such contract shall not exceed ten years.

"(i) As used in this section, automatic data processing equipment also includes, but is not limited to, hardware, software, maintenance, related equipment and supplies, and related services."

Mr. PERCY. Mr. President, I am pleased that the Senate passed S. 2785 today. This bill authorizes the Administrator of General Services to enter into multiyear leases through the use of the automatic data processing fund without obligating the total anticipated payments to be made under such leases.

I am most grateful to my colleagues Senators CHILES, HUDDLESTON, ROTH, and BROCK for their cosponsorship of this legislation and for their support in the Subcommittee on Federal Procurement. This legislation was originally proposed by the General Accounting Office in a 1971 report, was supported by the Commission on Government Procurement, and was formally transmitted to the Congress by the General Services Administration which considers it as one of its highest priority proposals for the 93d Congress.

Ever since 1965, the General Services Administration has had the authority, provided by law, to administer a fund, called the ADP fund, for the efficient acquisition and maintenance of automatic data processing equipment for the entire executive branch. Through the ADP fund, GSA presently has the authority to lease computer and related equipment on a multiyear basis, which is the least costly method of leasing this equipment.

However, present law requires the amount payable over the entire period of the multiyear lease to be obligated from the fund at the time of contracting. Because the fund cannot support such large outlays, GSA must normally enter into short-term—1 year—leases, or long-term leases with termination rights. Neither of these methods is as economical as firm-term multiyear leases.

The bill I introduced, S. 2785, would permit GSA to contract for multiyear leases of ADP equipment, without having to obligate the full amount at the time of the contract.

The use of the ADP fund, from which all executive agency computer equipment can be acquired, will provide the necessary protection against termination of any one agency's contracts. The fund can absorb the risk of any one agency incurring termination liability charges because of unforeseen budgetary restraints.

This bill allows GSA to convert a large portion of the Government's present computer inventory to multiyear leases under new contracts.

The result will be a substantial long-term saving to the Government in the costs of acquiring and maintaining ADP equipment. GSA estimates savings of $35 to $75 million over a 2-year period, from conversion of present contracts alone.

Mr. President, the U.S. Government is the world's largest user of ADP equipment, yet it is currently unable to take advantage of multiyear lease savings that are available to any private user. My bill would correct that situation.

This legislation had the full support of the General Services Administration, the General Accounting Office, the Office of Management and Budget, and was supported by the final report of the

Commission on Government Procurement. I firmly believe it will permit a much more efficient and less expensive method of contracting.

Therefore, I am delighted the Senate acted affirmatively on this legislation today.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 93–1153), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Excerpts

I. PURPOSE

This bill amends section 111 of the Federal Property and Administrative Services Act of 1949, 79 Stat. 1127, as amended (40 U.S.C. 759) by adding two new subsections (h) and (i). These subsections would permit the Administrator of the General Services Administration (GSA) to enter into multiyear leases (not to exceed ten years) of automatic data processing (ADP) equipment at amounts in excess of what is available in the fund, provided the amount of unfunded obligations authorized is not needed and the balances of the fund are maintained in such amounts as are necessary at any time for cash disbursements to be made therefrom. Thus, the United States Government, the world's largest user of ADP equipment, would be able to take advantage of multiyear lease savings that are available to any private business. The bill also clarifies that the authority to enter into multiyear leases of automatic data processing equipment extends to collateral maintenance, software and other kinds of supplies and services that normally flow with ADP equipment acquisition.

II. NEED FOR THE LEGISLATION

The Government is expending $35 to $75 million more for installed computer equipment under short-term leases than it would under firm-term multiyear leases. Millions of dollars of additional savings are possible through the use of multiyear contracting for new equipment and maintenance services associated with long-term leases. S. 2785 would permit the Government to obtain better terms, more effective competition and, in short, operate in the marketplace in a manner comparable to commercial lessees of automatic data processing equipment.

Presently, GSA has multiyear leasing authority for acquisition of automatic data processing equipment through the ADP Fund. However, since, under 31 U.S.C. 665(a), "No officer or employee of the United States shall make or authorize an expenditure—in excess of the amount available therein;" the amount payable for the entire period of the multiyear lease must be obligated from the fund at the time of contracting. This provision severely limits the use of the ADP Fund for multiyear leasing; therefore, GSA and other Federal agencies are generally forced to enter into short-term leases, or long-term leases with termination rights. Both of these types of leases are considerably more expensive than firm-term multiyear leases.

The General Accounting Office (GAO), in a report to the Congress entitled "Multiyear Leasing And Government-wide Purchasing Of Automatic Data Processing Equipment Should Result In Significant Savings,"[1] recognized the advantages of not having to obligate all payments at the outset, the potential cost savings of multiyear leasing, and the desirability of utilizing the ADP Fund to undertake a Government-wide multiyear leasing program.

S. 2785 would enable GSA to convert a large portion of the Government's installed computer inventory (currently under short-term leases) to firm-term multiyear leases or lease/purchases. In its report, GAO estimated that resultant savings could range from $70 million under three-year leases to $155 million under five-year leases. Although the base on which GAO computed these savings (fiscal year 1969 installed inventory—$390 million) has diminished significantly, GSA still expects savings of $35 million under three-year leases to $75 million under five-year leases.

GAO only reported the potential savings in converting the installed inventory; however, this is only one area in which firm-term multiyear leasing may be applied. This method of acquisition without full-term obligation of funds will have a dramatic effect on new equipment procurements as well. The lower degree of risk assumed by the original equipment manufacturer or the third party vendor in firm-term multiyear leases will result in significant savings over the life of a system.

The Senate Report on H.R. 4845, which was enacted as Public Law 89–306, popularly known as the Brooks bill, said, "The bill also recognizes the desperate need to improve the Government's bargaining position in equipment acquisition."[2] S. 2785 would remedy a condition that inhibits the Government's ability to achieve the economic and efficient lease of ADP equipment, thereby contributing to a fuller achievement of this objective of the Brooks bill.

III. LEGISLATIVE HISTORY

Public Law 89-306 added section 111 to Title I of the Federal Property and Administrative Services Act of 1949. This Act authorized the Administrator of the General Services Administration to provide for the economic and efficient purchase, lease, and maintenance of automatic data processing equipment by Federal agencies. It also established an ADP Fund to facilitate the work of the Administrator.

The GAO report entitled "Multiyear Leasing And Government-wide Purchasing Of Automatic Data Processing Equipment Should Result In Significant Savings" states that—

"The rental of equipment under multiyear leases, as an alternative to short-term rentals, has become essential if the Government is to make maximum use of its limited funds for acquiring ADP equipment."

In addition, the GAO report said that the ADP Fund appeared to be the appropriate vehicle for the Government to use when agencies are barred from entering into multiyear leases. GAO pointed out that before the ADP Fund could be used extensively to obtain the benefits of multiyear leasing its capitalization must be increased substantially, or authority granted to GSA to contract on a multiyear basis without obligating the total anticipated payments at the time of entering into the leases. In view of the large capitalization that would be required (Mr. Meeker of GSA estimated $800 million to a billion dollars in his appearance before the Subcommittee), it was clear that the most practical approach would be to give GSA legislative authority to contract on a multiyear basis without committing the total amount needed to cover the life of the lease.

The Commission on Government Procurement recommended that funding policies regarding multiyear leasing contracts be revised to permit Government agencies to procure ADP equipment on a cost-effective basis. The report documented the savings that are possible by the use of multiyear rather than one-year rentals and pointed out that most industrial firms obtain ADP equipment on a long-term basis.[3]

The Administrator of GSA forwarded to the President of the Senate on August 20, 1973, draft legislation that would permit GSA to implement, without additional appropriations, a Government-wide multiyear leasing program for ADP equipment. This legislation would amend section 111 of the Federal Property and Administrative Services Act of 1949, 79 Stat. 1127, as amended (40 U.S.C. 759), by adding a new subsection (h). On December 6, 1973, Senator Percy (Illinois) introduced S. 2785, as requested by GSA with the cognizance of the Office of Management and Budget (OMB).

As a result of suggestions by GAO and the Legislative Counsel of the Senate, the bill was amended to provide better congressional control over the amounts that may be obligated for ADP leasing and added assurance that the bill does not conflict with the Anti-Deficiency Act.

GSA expressed approval of the Subcommittee amendment and suggested two changes which were accepted. One of these changes was to add a new subsection (i) to clarify that the authority in subsection (h) applies to not only leases of hardware but also to contracts for software development and other related services and supplies. The need for this clarification surfaced during the hearings on the bill. The language which was adopted conforms to the GAO interpretation of automatic data processing equipment as used in the Brooks bill.

IV. ANALYSIS OF THE BILL

The bill amends section 111 of the Federal Property and Administrative Services Act of 1949 by adding two subsections.

Subsection (h) would enable GSA to enter into multiyear leases at amounts in excess of what is available in the ADP Fund. Restrictions are placed on this authority to enable Congress to maintain visibility and control over the Fund. An additional provision limits the term for performance of multiyear leases placed under the authority of this subsection to ten years.

Following is a further elaboration on each of the above three elements of subsection (h):

Firm-Term Multiyear Leases

GSA's authority to execute firm-term multiyear leases for automatic data processing equipment is severely restricted because governing laws require obligation of the total cost for the entire period of the lease at the time of contracting. These laws provide, in part, that:

"No officer or employee of the United States shall make or authorize an expenditure from or create or authorize an obligation under any appropriation or fund in excess of the amount available therein; nor shall any such officer or employee involve the Government in any contract or other obligation, for the payment of money for any purpose, in advance of appropriations made for such purpose unless such contract or obligation is authorized by law [31 U.S.C. 665(a)]

"No contract or purchase on behalf of the United States shall be made, unless the same is authorized by law or is under an appropriation adequate to its fulfillment. . . ." [41 U.S.C. 11]

Subsection (h) would remove this restriction, thereby permitting GSA to use firm-term multiyear leases rather than short-term rentals of one year or less.

During the hearings on S. 2785 the Computer and Business Equipment Manufacturers Association (CBEMA) representative cautioned that if the Government applies the authority of this bill in such a manner as to conflict with normal commercial operations, then counter-costs would arise which would offset the advantages of true multiyear leasing. He pointed out that in return for payment of a lesser sum over a specific number of years, the ADP vendor

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Footnotes at end of article.

expects a long-term commitment of cash flow which can be discounted by a bank or used as collateral for a loan. The Committee took the position that the objective of the bill is to gain for the Government the same benefits that are available to the private setcor from multiyear contracts. Accordingly, the Committee desires the Government's use of multiyear ocntracting to be consistent with normal commercial practice. The Committee expects GSA to use a multiyear contract that is, in fact, a marketplace mechanism.

Another point that arose during the hearings was whether the multi-year contracting authority should be extended to user agencies. CBEMA suggested that S. 2785 is unnecessarily restrictive in limiting multiyear leasing to GSA's ADP Fund. After a thorough evaluation of this suggestion, the Committee determined that the CBEMA objective of maximizing use of the multiyear authority could best be accomplished within the framework of Public Law 89-306 that established GSA as the focal point of ADP management within the executive branch.

The approach adopted in S. 2785 of establishing the ADP Fund as the single source of funding for multiyear ADP contracts has a number of advantages:

GSA can consider the useful life of ADP equipment to the Government as a whole Individual agencies, either from annual appropriations or from revolving funds, would only be able to commit funds for their individual needs.

The provisions in the bill that, "the amount of unfunded obligations incurred during any fiscal year shall not exceed the amount specified in an appropriation Act for that fiscal year," assures congressional control over these expenditures. Broadening the bill to authorize other agencies, through annual appropriations or revolving funds, to contract on a multiyear basis would diffuse fiscal accountability to such a point that Congress could lose a great measure of fiscal control.

By funding all firm-term multiyear contracts through the ADP Fund (including those procurements delegated to other agencies), single payment discounts from vendors of 2 to 4 percent annually are expected.

One source of ADP funding to interface with the market and its supporting financial institutions would enhance the Government's bargaining position for the acquisition of ADP equipment.

The concept in S. 2785 of the ADP Fund serving as the single source of funding for multiyear ADP contracts is entirely consistent with the responsibilities assigned to GSA by Public Law 89-306. Senate Report 89-938, pertaining to this law, discussed the need for the fund and GSA's operation of the Fund in these terms:

The Fund would afford an effective means of attaining economic acquisition of Government ADP equipment.

Were all ADP purchase and lease money in "one pocket," the Government would be in a stronger bargaining position in dealing with manufacturers.

But the most compelling need for the revolving fund is in establishing the single purchaser concept in Government ADP acquisition.

Essentially, all Federal agencies would lease equipment from the the GSA revolving fund.[4]

By proper use of the authority conveyed in the Brooks bill, as amended by S. 2785, all of the above advantages can be realized, while maximizing use of the multiyear contracting authority. It will also be possible to use selectively, the capabilities for ADP procurement that exist within the user agencies. The procedure to be employed by GSA in implementing S. 2785, is explained in the Agency's letter of April 5, 1974.[5] It should be noted that in recent years GSA has delegated approximately 81 percent of the ADP procurements to user agencies (in terms of dollar value).

Under the GSA procedure, when a procurement delegation is made to an agency to enter into a firm-term multiyear lease without full obligation of funds, the authority to cite and obligate the ADP Fund will also be delegated. The Fund then would underwrite the contract and make payments to the vendor, and the user agency would reimburse the Fund from annual appropriations.

To insure that there is no legal impediment to GSA delegating an agency authority to cite and obligate the Fund, the General Accounting Office was asked for an opinion.[6] GAO confirmed that there is no prohibition against this practice, as long as GSA maintains adequate overall supervision of Federal agencies procurement of ADP equipment and provided the amount of unfunded obligations authorized is not exceeded and that there is sufficient balance in the ADP Fund to make required cash disbursements.[7]

ADP Fund

Use of the Fund, as prescribed by S. 2785, is consistent with the principles of congressional visibility and control as set forth in the Senate's budget reform legislation (S. 1541, as amended). The provisions in the bill that (1) the amount of unfunded obligations incurred during any fiscal year shall not exceed the amount specified in an appropriation Act for that fiscal year, and (2) the cash balances of the Fund shall be maintained in such amounts as are necessary at any time nor cash disbursements to be made from the Fund, will enable Congress to exercise control over the amounts that may be obligated for ADP leasing. These restrictions conform to the requirements established in Public Law 89-306 for operation of the ADP Fund.

Contract term

The limitation of ten years on the term for the performance of a multiyear lease provides an essential control but permits flexibility in the negotiation of multiyear leases. One reason for selecting ten years is that the current life of ADP systems is eight to ten years. Another reason is that it corresponds to GSA's contracting authority in the telecommunications area. The fact that multiyear contracts may cover up to ten years does not alter the requirement that multiyear leases are to be justified on a case-by-case basis as the most cost-effective method of acquiring needed ADP equipment.

Subsection (i) was included in the bill to make it clear that the authority in subsection (h) applies to more than leases for hardware. Software development, related equipment, maintenance, supplies, and services may also be procured by firm-term multiyear contracts. The description of automatic data processing equipment in subsection (i) is compatible with the General Accounting Office interpretation of automatic data processing equipment as it is used in the Brooks bill.

V. HEARINGS

One day of public hearings were held by the Ad Hoc Subcommittee on Federal Procurement, March 27, 1974, during which the following four witnesses testified:

Hon. Charles H. Percy, a United States Senator from the State of Illinois.

Peter F. McCloskey, President, Computer and Business Equipment Manufacturers Association.

Michael Creedon, President, Computer Lessors Association.

M. Shy Meeker, Commissioner, Automated Data and Telecommunications Services, General Services Administration.

In lieu of testimony, GAO submitted its April 30, 1971 report on multiyear leasing and Government-wide purchasing of ADP equipment (B-115369)[8] and its written views and recommendations on S. 2785 (B-151204, March 26, 1974). Both of these documents are included in the Committee record of the hearings.

Summary of testimony

All four of the witnesses voiced strong support of the bill's objective of giving GSA authority to enter into multiyear leases through use of the ADP Fund without obligating the total anticipated payments under the lease. They said that the Government should avail itself of the advantages of multiyear contracting in the same manner and extent as private business and industry.

There was also agreement by the witnesses that the legislation should facilitate the widest possible use of the multiyear leasing authority without interfering with the controls and authorities provided by Public Law 89-306. The Computer and Business Equipment Manufacturers Association suggested that this could best be done by granting all agencies the authority to make multiyear leases as prescribed by the bill. The position of the General Services Administration was that the objective could best be accomplished by retaining the ADP Fund as the single source of funding for firm-term multiyear ADP contracts. After reviewing all facets of the problem, the Subcommittee determined that delegation by GSA to other agencies to cite and obligate the ADP Fund in firm-term multiyear contracting would achieve the objective sought by CBEMA, while retaining the integrity of the central management concept prescribed by Public Law 89-306.

Another point on which there was general agreement was the need to clarify that the authority to enter into multiyear leases applies not only to leases for hardware, but also to contracts for software development and other related services and supplies. This was accommodated by the addition of subsection (i).

FOOTNOTES

[1] U.S. Comptroller General. *Multiyear Leasing and Government-wide Purchasing of Automatic Data Processing Equipment Should Result in Significant Savings.* Washington, U.S. General Accounting Office, B-115369, April 30, 1971.

[2] Senate Committee on Government Operations, *Automatic Data Processing Equipment.* Report of the Committee, Senate Report 89-938, 89th Congress, 1st Session, 1965, page 36.

[3] The Report of the Commission on Government Procurement, December 1972, Vol. 3, pages 48-49.

[4] See note 2, *supra*, pp. 21, 28, 30.

[5] See appendix A.

[6] See appendix B.

[7] See appendix C.

[8] See note 1, *supra*.

GOOD NEIGHBOR DAY

The joint resolution (S.J. Res. 235) to authorize and request the President to issue a proclamation designating the fourth Sunday in September of each year as "Good Neighbor Day" was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the fourth Sunday of September of each year as "Good Neighbor Day", and calling upon the people of the United States and interested groups and organizations to observe such day with appropriate ceremonies and activities.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93–1156), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

PURPOSE

The purpose of the joint resolution is to authorize and request the President to issue a proclamation designating the fourth Sunday of each year as "Good Neighbor Day."

STATEMENT

Our Nation is undergoing a cultural revolution together with a steady exodus from the intercity to suburban areas and out of such movement there is created a need for cooperation in the building of new communities and happier quality of life for all.

A Presidential proclamation designating a "Good Neighbor Day" would encourage all people to practice brotherly love and to produce a lasting peace and a better world.

The committee is of the opinion that this resolution has a meritorious purpose and accordingly recommends favorable consideration of Senate Joint Resolution 235, without amendment.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mr. TOWER. I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time be charged against the time allotted to me under the order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ROBERT C. BYRD). Without objection, it is so ordered.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee (Mr. BAKER) is recognized for not to exceed 5 minutes.

PROPOSED ESTABLISHMENT OF A JOINT COMMITTEE ON INTELLIGENCE OVERSIGHT

Mr. BAKER. Mr. President, I, along with Senators WEICKER, HART, CHURCH, MANSFIELD, HUMPHREY, CRANSTON, MONTOYA, INOUYE, BROOKE, PEARSON, and JAVITS, send to the desk for appropriate reference a bill to create within the Congress a Joint Committee on Intelligence Oversight.

This legislation establishes a 14-member joint House-Senate committee, not dissimilar to the Joint Committee on Atomic Energy, specifically entrusted with primary oversight and legislative responsibility for the Federal intelligence community.

While a Joint Committee on Intelligence Oversight will provide increased assurance that the various intelligence and law-enforcement agencies are abiding by the Constitution and the Federal statutes by which they were created, I believe that the committee also will strengthen our legitimate intelligence gathering capacity through insuring better coordination between the CIA, FBI, Secret Service, DIA, NSA, and other agencies possessing intelligence jurisdiction, and through eliminating much of the current duplication and apparent jealousy and competition in the intelligence community. Moreover, it is hoped that increased congressional oversight would render the intelligence community more responsive to legitimate Presidential and congressional requirements.

My concern regarding congressional oversight of the Federal intelligence community, as well as the extent and thoroughness of the information provided Congress by the intelligence community, stems, in large part, from my service on the Select Committee on Presidential Campaign Activities. Both in the Watergate Committee report and in other select committee documents, there is found a substantial body of evidence regarding the activities of the Central Intelligence Agency, the Federal Bureau of Investigation, the National Security Council, and other governmental intelligence gathering and investigative organizations, which provides insight into the activities, as well as the abuses, of these organizations.

Unfortunately, I believe, the select committee staff investigation or inquiry into the Central Intelligence Agency connection to the Watergate breakin and coverup was effectively ended after we received a letter from Director Colby, dated March 7, 1974, stating that the Agency would make certain critical classified information "completely available to inspection by any member of the CIA Subcommittee of the Senate Armed Services Committee" but that he did not "think it appropriate to turn over to the select committee" any of this material. And the committee was then confronted by another, perhaps more effective, stonewall. I suggest that this is the only instance of a categorical refusal by any agency or department of the Government to cooperate with the select committee.

Nevertheless, I directed the committee staff to assemble a report and to file it with the committee. I delivered a copy of that report to the chairman of the Appropriations Committee and the Armed Services Committee, for the use of their CIA Oversight Subcommittees.

The staff report was later "sanitized" for sensitive and classified material by the CIA. Mr. President, I shall ask unanimous consent that a copy of this "sanitized" report be printed in the RECORD at the conclusion of these remarks.

Based on that experience, meaning the staff CIA report and other investigations, I believe there is no question that the Central Intelligence Agency was "involved" in Watergate; the question is rather on whose order and for what purpose.

Clearly, the factual circumstances outlined in the staff report are, in many cases, inconclusive and lend themselves to varying inferences and interpretations. I believe, however, that this very uncertainty and the inadequacy of the explanations provided by the CIA, the White House, and the other agencies involved, highlights the need for a more effective, single purpose oversight capability within the Congress of the United States. It seems apparent that current congressional committee oversight does not function effectively as a deterrent to those who may seek to utilize governmental intelligence and investigative agencies for unlawful or unauthorized purposes. I wish to say that I have nothing but the highest respect and regard for the members of the current oversight committees, particularly Senators STENNIS and MCCLELLAN, but I think their obvious burdens and responsibilities in the conventional fields of appropriations and armed services are such that their committees are unable to accord more than cursory attention to the oversight function—witness the fact that according to committee staff, the Armed Services Central Intelligence Subcommittee has conducted only two formal meetings during the 93d Congress.

The recommendation of the Select Committee on Presidential Campaign Activities that congressional oversight of the intelligence community be strengthened, as well as my own calling for the creation of a Joint Committee on Intelligence Oversight, were, of course, based on the knowledge before the committee and in the public domain as of July of this year. Since that time, the compelling need for increased congressional oversight has been increased by the recent revelation that there are alleged major discrepancies in sworn testimony submitted to the Senate Foreign Relations Committee by high State Department and Central Intelligence Agency officials regarding covert CIA operations in Chile. Apparently, the House and Senate Foreign Relations Committees were misled regarding the expenditure of $11 million, as authorized by the so-called Forty Committee, to preserve the opposition press and political parties during the administration of the late Salvador Allende.

This circumstance has prompted, I understand, legislation, including bills introduced by our distinguished colleague from Minnesota (Mr. MONDALE) and Congressman HARRINGTON, designed to provide for increased congressional foreknowledge and oversight of such activities. I commend them for their efforts. Moreover, displaying remarkable foresight, the distinguished majority leader of the Senate, Senator MANSFIELD, introduced legislation in 1953, 1954, and 1955, to establish a Joint Committee on Central Intelligence. This legislation eventually was defeated on April 11, 1956; but I hope that intervening circumstances now will compel a different result.

In closing, I wish to urge that the 93d Congress enact this legislation, after appropriate committee consideration, before adjournment. I am pleased that, during his most recent press conference,

President Ford indicated that he was going to meet with the responsible congressional committees to discuss the need for changes in the intelligence review process; but I think that we need more than a change in the review process, we need a change in the committee structure. Thus, because of the cost, the secrecy, the lack of effective supervision, the uncertainty of domesic activities, and the extreme difficulty in obtaining access to classified materials, I am of the opinion that congressional oversight of governmental intelligence operations must be entrusted to a committee solely charged with that responsibility; and that consideration of this proposal deserves priority consideration in the waning days of this session of the 93d Congress.

Mr. President, I ask unanimous consent that the aforementioned Senate Select Committee staff report and the text of the bill which I am introducing be printed in the RECORD at this point.

There being no objection, the bill and staff report were ordered to be printed in the RECORD, as follows:

S. 4019

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Joint Committee on Intelligence Oversight Act of 1974."

ESTABLISHMENT OF JOINT COMMITTEE ON INTELLIGENCE OVERSIGHT

SEC. 2. (a) There is hereby established a Joint Committee on Intelligence Oversight (hereinafter referred to as the "Joint Committee") which shall be composed of fourteen members appointed as follows:

(1) seven members of the Senate, four to be appointed by the majority leader of the Senate and three to be appointed by the minority leader of the Senate; and

(2) seven members of the House of Representatives, four to be appointed by the majority leader of the House of Representatives and three to be appointed by the minority leader of the House of Representatives.

(b) The Joint Committee shall select a chairman and a vice chairman from among its members at the beginning of each Congress. The vice chairman shall act in the place and stead of the chairman in the absence of the chairman. The chairmanship and the vice chairmanship shall alternate between the Senate and the House of Representatives with each Congress. The chairman during each even-numbered Congress shall be selected by the Members of the House of Representatives on the Joint Committee from among their number and the chairman during each odd-numbered Congress shall be selected by the Members of the Senate on the Joint Committee from among their number. The vice chairman during each Congress shall be chosen in the same manner from that House of Congress other than the House of Congress of which the chairman is a Member.

(c) A majority of the members of the Joint Committee shall constitute a quorum for the transaction of business, except that the Joint Committee may fix a lesser number as a quorum for the purpose of taking testimony. Vacancies in the membership of the Joint Committee shall not affect the power of the remaining members to execute the functions of the Joint Committee and shall be filled in the same manner as in the case of the original appointment.

(d) Service of a Senator as a member or as chairman of the Joint Committee shall not be taken into account for the purposes of paragraph 6 of rule XXV of the Standing Rules of the Senate.

DUTIES OF THE JOINT COMMITTEE

SEC. 3. (a) It shall be the duty of the Joint Committee to conduct a continuing study and investigation of the activities and operations of (1) the Central Intelligence Agency, (2) the Federal Bureau of Investigation, Department of Justice, (3) the United States Secret Service, (4) the Defense Intelligence Agency, Department of Defense, (5) the National Security Agency, and (6) all other departments and agencies of the Federal Government insofar as the activities and operations of such other departments and agencies pertain to intelligence gathering or surveillance of persons; and to consider proposals for the improvement and reorganization of agencies and departments of the Federal Government within the jurisdiction of the Joint Committee.

(b) The Director of the Central Intelligence Agency, the Director of the Federal Bureau of Investigation, the Director of the Secret Service, the Director of the Defense Intelligence Agency, and the Director of the National Security Agency shall keep the Joint Committee fully and currently informed with respect to all of the activities of their respective organizations, and the heads of all other departments and agencies of the Federal Government conducting intelligence activities or operations or the surveillance of persons shall keep the Joint Committee fully and currently informed of all intelligence and surveillance activities and operations carried out by their respective departments and agencies. The Joint Committee shall have authority to require from any department or agency of the Federal Government periodic written reports regarding activities and operations within the jurisdiction of the Joint Committee.

(c) (1) All bills, resolutions, and other matters in the Senate or the House of Representatives relating primarily to the functions of the Central Intelligence Agency, the Federal Bureau of Investigation, the United States Secret Service, the Defense Intelligence Agency, the National Security Agency, or to intelligence or surveillance activities or operations of any other department or agency of the Federal Government shall be referred to the Joint Committee.

(2) No funds may appropriated for the purpose of carrying out any intelligence or surveillance activity or operation by any office, or any department or agency of the Federal Government, unless such funds for such activity or operation have been specifically authorized by legislation enacted after the date of enactment of this Act.

(3) No bill or resolution, and no amendment to any bill or resolution, and no matter contained in any bill or resolution, in either House, dealing with any matter which is within the jurisdiction of the Joint Committee shall be considered in that House unless it is a bill or resolution which has been reported by the Joint Committee of that House (or from the consideration of which such committee has been discharged) or unless it is an amendment to such a bill or resolution. Nothing in this subsection shall be construed to deprive any committee of either House from exercising legislative oversight with respect to intelligence and surveillance activities and operations related to the jurisdiction of such committee.

(4) Members of the Joint Committee who are Members of the Senate shall from time to time report to the Senate, and members of the Joint Committee who are Members of the House of Representatives shall from time to time report to the House, by bill or otherwise, their recommendations with respect to matters within the jurisdiction of their respective Houses and which are referred to the Joint Committee or otherwise within the jurisdiction of the Joint Committee.

ADMINISTRATIVE POWERS

SEC. 4. (a) The Joint Committee, or any subcommittee thereof, is authorized, in its discretion: to make expenditures; to employ personnel; to adopt rules respecting its organization and procedures; to hold hearings; to sit and act at any time or place; to subpena witnesses and documents; with the prior consent of the Federal department or agency concerned, to use on a reimbursable basis the services of personnel, information, and facilities of any such department or agency; to procure printing and binding; to procure the temporary services (not in excess of one year) or intermittent services of individual consultants, or organizations thereof, and to provide assistance for the training of its professional staff, in the same manner and under the same conditions as a standing committee of the Senate may procure such services and provide such assistance under subsections (i) and (j), respectively, of section 202 of the Legislative Reorganization Act of 1946; and to take depositions and other testimony.

(b) Subpenas may be issued over the signature of the chairman of the Joint Committee or by any member designated by him or the Joint Committee, and may be served by such person as may be designated by such chairman or member. The chairman of the Joint Committee or any member thereof may administer oaths to witnesses. The provisions of sections 102–104 of the Revised Statutes (2 U.S.C. 192–194) shall apply in the case of any failure of any witness to comply with a subpena or to testify when summoned under authority of this subsection.

CLASSIFICATION OF INFORMATION

SEC. 5. The Joint Committee may classify information originating within the committee in accordance with standards used generally by the executive branch for classifying restricted data or defense information.

RECORDS OF JOINT COMMITTEE

SEC. 6. The Joint Committee shall keep a complete record of all Joint Committee actions, including a record of the votes on any question on which a record vote is demanded. All records, data, charts, and files of the Joint Committee shall be the property of the Joint Committee and shall be kept in the offices of the Joint Committee or such other places as the Joint Committee may direct.

EXPENSES OF JOINT COMMITTEE

SEC. 7. The expenses of the Joint Committee shall be paid from the contingent fund of the Senate from funds appropriated for the Joint Committee, upon vouchers signed by the chairman of the Joint Committee or by any member of the Joint Committee authorized by the chairman.

INTRODUCTION

This report is submitted at Senator Baker's request to summarize the highlights of an investigation of CIA activity, if any, in connection with the Watergate incident and aftermath. It is based on material in the possession of the Committee, both classified and unclassified. It does not attempt to deal with all the matters deemed pertinent and important to a full and complete inquiry, but is designed to generally describe the areas of interest and concern pursued during the staff investigation and executive session interviews since the conclusion of the Committee's public hearings.

In view of the fact that the Committee has chosen to have no further public hearings; that the Committee staff is in the process of being reduced in size; that further cooperation by the Agency seems more likely on the request of the standing jurisdictional committees rather than on the request of the Watergate Committee, and that the total buden of additional work to complete the investigation thoroughly is probably beyond the competence of the remaining staff in terms of numbers and time, Senator Baker requested that this memorandum be prepared for submission to the full Committee for further disposition as the Committee may determine. It is pointed out that, while the report itself is not classified, it makes reference to, and in some instances quotes from, material which is classified. Therefore, each copy of this report has been treated for security purposes as if it were classified. They are numbered and accounted for as in the case of classified material.

The report is broken down into seven categories, tabbed as follows:

(1) *Background:* A recitation of the first references to CIA connections on the part of the Watergate burglars, reference to the possibility of CIA involvement by the President in his speech of May 22, 1973, and certain other published information and correspondence.

(2) *Mullen:* The fact that the Mullen Company and its president, Bob Bennett, had an established relationship with the CIA is described in some detail in this section of the report. Most of the information contained in this section was discovered after Volume IV was requested by Senator Baker. The CIA arranged to release this volume and subsequent documents to the Watergate Committee in the custody of George Murphy serving as security officer for the Committee through an arrangement with the Joint Committee on Atomic Energy.

(3) *Pennington:* This section derives from a CIA supplied memorandum dated February 22, 1974, from the then Director of Security, detailing the information that Lee R. Pennington, a CIA operative, had entered James McCord's house and/or office shortly after the Wategate breakin for the purpose of destroying evidence of a CIA connection with McCord.

(4) *Tapes:* This section derives from information supplied to Senator Baker by Director Colby that there was a central taping capability at the CIA; that the tapes had been destroyed, and the possibility that some of the tapes may have been Watergate related. Director Colby stated that he did not know whether Watergtae related tapes had been destroyed.

(5) *TSD:* The initials stand for Technical Services Division of the Central Intelligence Agency, and the section deals with rather extensive contacts between Hunt and the Agency and the support supplied by the Agency to Hunt and Liddy, which was used in a wide variety of undertakings. A number of factual discrepancies appear in this section which cannot be effectively reconciled on the basis of the information we now possess—such as Hunt's receipt of certain Agency technical assistance and contemporaneous participation in the preparation of the Ellsberg psychiatric profile.

(6) *Martinez*: This tab refers to Eugenio Martinez, one of the Watergate burglars. The section delineates the Martinez-Agency relationship, Hunt's early activities in Miami, the actions taken or not taken by the Agency's office in Miami, and certain unresolved questions.

(7) *Recommendations*: The seventh tab is self-explanatory and constitutes the recommendations of the staff for further inquiry.

BACKGROUND

In a speech on May 22, 1973, President Nixon stated in part the following in connection with the Watergate matter:

"Within a few days, however, I was advised that there was a possibility of CIA involvement in some way.

"It did seem to me possible that, because of the involvement of former CIA personnel, and because of some of their apparent associations, the investigation could lead to the uncovering of covert CIA operations totally unrelated to the Watergate break-in.

"In addition, by this time, the name of Mr. Hunt had surfaced in connection with Watergate, and I was alerted to the fact that he had previously been a member of the special investigations unit in the White House. Therefore, I was also concerned that the Watergate investigation might well lead to an inquiry into the activities of the special investigations unit itself."

* * * * *

"I also had to be deeply concerned with insuring that neither the covert operations of the CIA nor the operations of the special investigations unit should be compromised. Therefore, I instructed Mr. Haldeman and Mr. Ehrlichman to insure that the investigation of the break-in not expose either an unrelated covert operation of the CIA or the activities of the White House investigations unit—and to see that this was personally coordinated between General Walters, the Deputy Director of the CIA, and Mr. Gray at the FBI."

One of the matters to which the President was evidently referring was explored by Senator Baker in his questioning of John Ehrlichman when Ehrlichman appeared before the Select Committee on July 26, 1973. Ehrlichman was questioned with regard to missing paragraph five of a memo from Egil Krogh and David Young to John Ehrlichman dated August 11, 1971.[1]

This was the same matter which had been brought to the attention of the Minority staff in July of 1973 which resulted in a briefing of Senator Ervin, Senator Baker, Sam Dash, and Fred Thompson by White House Counsels Fred Buzhardt and Leonard Garment. The subject of that briefing is what is now referred to as the "Admiral Moorer-Yeoman Radford Incident."

With regard to involvement of the CIA in the Watergate affair, it should be noted that since June 17, 1972, there have been numerous newspaper articles pointing out the fact that many of those involved in the Watergate break-in were former CIA employees; that CIA equipment was used by Hunt, and other possible CIA links to Watergate.

In the September 14, 1973, issue of the *National Review*, Miles Copeland wrote an article entitled "The Unmentionable Uses of a CIA"[2], suggesting that McCord led the Watergate burglars into a trap.

In the November, 1973, issue of *Harper's* Magazine, an article entitled "The Cold War Comes Home"[3], By Andrew St. George, indicated strongly that former CIA Director Helms had prior knowledge of the Watergate break-in. As a result of the St. George allegation, Senator Baker asked Senator Symington and the Senate Armed Services Committee to conduct the inquiry into those allegations. The Senate Armed Services Committee held hearings on this matter and heard testimony from CIA officials that the Agency was not knowledgeable on the Watergate break-in before it occurred; had not led the burglars into a trap; and, that the magazine allegations had no basis in fact.

It would appear that no information relative to this Committee's mandate was developed from the testimony adduced during the hearings before the Senate Armed Services Committee on the St. George matter.

However, in the aftermath of the St. George inquiry, Senator Baker propounded a number of questions to the CIA on November 8, 1973, one of which follows:

7. Question: On or after June 17, 1972, did any of the individuals associated with these break-ins in any way communicate with any individual associated with CIA to discuss the Watergate break-ins or the Ellsberg psychiatrist office break-in, other than Mr. McCord who wrote letters to CIA which are part of the Watergate hearing record?

Answer: On 10 July 1972 an officer of a commercial concern communicated to an employee of CIA information which had come to his attention concerning the "Watergate Five." The relationship of this informant and his company to the Agency was and is classified. Since this information was hearsay, contained a repetition of then current published speculation, and indicated that the informant had appeared before the Grand Jury on the matter, no action was taken. The employee's hand-written memorandum for the record on this matter is contained in sensitive material which Agency officers have made available for review, but not retention, by the staffs of the four CIA Subcommittees as well as the staffs of the Senate Select Committee on Presidential Campaign Activities and the Federal Prosecutor. Aside from this, the Agency had no communication of the type referred to in this question.

An examination of the aforementioned "sensitive material"[4] revealed more than was theretofore known about the scope of the CIA's dealings with Robert Bennett and Mullen and Company and led to a further intensification of the staff's investigative efforts in other CIA-related areas.

ROBERT BENNETT AND THE MULLEN AND CO.

The Mullen and Company has maintained a relationship with the Central Intelligence Agency since its incorporation in 1959.[1] It provided cover for an agent in Europe and an agent in the Far East at the time of the Watergate break-in.[2]

Hunt left the CIA in 1970 and joined Mullen and Company with what founder Robert Mullen understood to be Director Helms' blessing.[3] Hunt's covert security clearance was extended by the CIA [4]; he was witting of the Mullen cover[5]; and, on occasion he undertook negotiations with the Agency with respect to that cover—even after becoming employed at the White House (according to Agency records).[6]

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[1] *See* Public Testimony of John Ehrlichman dated July 26, 1973, at 2702–2704.

[2] *National Review*, September 14,, 1973, "The Unmentionable Uses of a CIA," at 996.

[3] *Harper's* Magazine, November, 1973, "The Cold War Comes Home," at 82.

[4] This material was produced as a part of Volume IV of the documents furnished to us by the CIA.

[1] Executive Session Testimony of Robert R. Mullen, February 5, 1974, at 3.

[2] Executive Session Testimony of Robert F. Bennett, February 1, 1974, at 25–26; Executive Session Testimony of (Mullen and Company Case Officer), February 4, 1974, at 5.

[3] CIA Memorandum, undated, Subject: Wrap-Up of Agency's Association with Robert R. Mullen and Company, found at Tab 3 of CIA Supplemental Material, Volume III, at 3; Executive Session Testimony of Robert R. Mullen, *supra* note 1, at 8; Executive Session Testimony of Robert F. Bennett, *supra* note 2, at 67.

[4] *See* Memorandum for Deputy Director for Plans, October 14, 1970; Subject: E. Howard Hunt—Utilization by Central Cover Staff, found at Tab 16, CIA Supplemental Materials, Volume II.

Robert Bennett, who is Senator Bennett's son, joined Mullen and Company and became its President in 1971. He was introduced to the Mullen CIA case officer in April of last year.[7] Bennett brought the Hughes Tool account with him to Mullen.[8] CIA records indicate that Agency consideration was given to utilizing Mullen's Hughes relationship for a matter relating to a cover arrangement in [South America], and to garner information on Robert Maheu.[9]

Bennett's accessibility to the CIA has raised questions concerning possible Agency involvement in, or knowledge of, Bennett's activities in regard to Hunt/Liddy, to wit: Mott interview regarding Chappaquidick; [10] Bennett coordinated the release of Dita Beard's statement from Denver, after contacting Beard's attorneys at the suggestion of a Hughes executive; [11] Bennett suggested that Greenspun's safe contained information of interest to both Hughes and the CRP; [12] Bennett asked for and received from Hunt a price estimate for bugging Clifford Irving for Hughes; [13] Bennett coordinated the employment of political spy Tom Gregory by Hunt and *discussed with Gregory the latter's refusal to proceed with bugging plans on or about June 16, 1972.*[14] Bennett received a scrambler from Hughes personnel for use on Mullen telephones; [15] Bennett and Liddy set up dummy committees as a conduit for Hughes campaign contributions; [16] and *Bennett served as the point of contact between Hunt and Liddy during the two weeks following the Watergate break-in.*[17] Futhermore, Robert Oliver, Mullen's Washington lobbyist for Hughes Tool, is the father of R. Spencer Oliver, Jr., whose telephone was tapped at the Democratic National Committee. Bennett met with the Olivers after the break-in to discuss the bugging.[18]

The true nature of Bennett's relationship to the CIA was not known to us until late November of 1973 when, at Senator Baker's request, the CIA produced another volume of CIA documents (Volume IV). The following information was adduced from this volume.

On July 10, 1972, Bennett reported detailed knowledge of the Watergate incident to his CIA case officer. The case officer's report of this meeting was handwritten [19] and carried to Director Helms on or before July 14, 1972, in this form because of the sensitivity of the information.[20] It revealed that Bennett had established a "back door entry" to E. B. Williams, the attorney for the DNC, in order to "kill off" revelations of the Agency's relationship with the Mullen and Company in the course of the DNC lawsuit. He agreed to check with the CIA prior to contacting Williams.[21] Our staff has confirmed that Bennett did funnel information to Williams via attorney Hobart Taylor and *that this information was more extensive than the information Bennett had previously provided the Grand Jury.*[22] *The CIA has acknowledged paying one-half of Bennett's attorney fee for his Grand Jury appearance.*[23]

Although Bennett was supplying information to the CIA about many aspects of the Watergate incident and was at that time serving as liaison between Hunt and Liddy, there is no indication that these facts were disclosed to the FBI.

The aforementioned July 10 report contains mysterious reference to a "WH flap." [24] The report states that if the Mullen cover is terminated, the Watergate could not be used as an excuse.[25] It suggests that the Agency might have to level with Mullen about the "WH flap." [26] Nonetheless, a July 24, 1972 contact report shows that the CIA convinced Robert Mullen of the need to withdraw its Far East cover through an "agreed upon scenario" which included a falsified Watergate publicity crisis.[27] The Agency advises that the "WH flap" has reference to a (deletion at Agency request) that threatened to compromise Western Hemisphere operations,[28] but has not explained sufficient reason to withhold such information from Mullen nor explained the significance of same to Watergate developments.

This Agency explanation is clouded by conflicting evidence. The Assistant Deputy Director of Plans has testified that he is very familiar with the matter and that it had no unique effect on Mullen's cover.[29] The Mullen case officer testified that the flap concerned cover.[30] Bennett, who thought the reference concerned a "White House flap," did advise of information received from the European cover that a (compromise) adversely affected a former Mullen cover (deleted at Agency request).[31]

A memorandum drafted by the Chief of the Central Cover Staff, CIA, on March 1, 1973, notes that *Bennett felt he could handle the Ervin Committee if the Agency could handle Hunt.*[32] Bennett even stated that he had a friend who had intervened with Ervin on the matter.[33] The same memorandum suggests that Bennett took relish in implicating Colson in Hunt's activities in the press while protecting the Agency at the same time.[34] It is further noted that Bennett was feeding stories to Bob Woodward who was "suitably grateful"; that he was making no attribution to Bennett; and that he was protecting Bennett and Mullen and Company.[35]

PENNINGTON MATTER

The results of our investigation clearly show that the CIA had in its possession, as early as June of 1972, information that one of their paid operatives, Lee R. Pennington, Jr., had entered the James McCord residence shortly after the Watergate break-in and destroyed documents which might show a link between McCord and the CIA. This information was not made available to this Committee or anyone else outside the CIA until February 22, 1974, when a memorandum by the then Director of Security was furnished to this Committee.[1]

The evidence further shows that in August of 1972, when the FBI made inquiry about a "Pennington," *the Agency response was to furnish information about a former employee, (with a similar name), who was obviously not the man the FBI was interested in, and to withhold the name of Lee R. Pennington, Jr.*[2]

The Pennington information was known within the CIA at least at a level as high as the Director of Security, according to the (former Chief of the Security Research Staff, hereinafter referred to as Chief, Security Research Staff), by whom Pennington was retained at $250 per month until December of 1973.[3] In January of this year (Director of Security), ordered that the Pennington materials be removed from the CIA Watergate files when those files were about to be reviewed by the CIA's Inspector General's office in connection with the CIA furnishing this and other Congressional committees certain information on the taping capacity at the CIA.[4] Our information is that, since the revelation of the Pennington matter in February of this year, (Director of Security's) early retirement has been "accepted."[5]

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[5] *Id.;* Executive Session Testimony of Robert R. Mullen, *supra* note 1, at 9.

[6] Executive Session Testimony of (Former Deputy Director of Plans, hereinafter DDP), February 5, 1974, at 6–10; CIA Memorandum, undated, Subject: Wrap-Up of Agency's Association with Robert R. Mullen and Company, *supra* note 3, at 2.

[7] Executive Session Testimony of (Mullen and Company Case Officer), *supra* note 2, at 12.

[8] Executive Session Testimony of Robert F. Bennett, *supra* note 2, at 132.

[9] See [Mullen and Company Case Officer] Memorandum for Record, April 30, 1971, Subject: Association of Robert R. Mullen and Company with the Hughes Tool Company. This document is found at Tab 16, Supplemental CIA Material, Volume II.

[10] Executive Session Testimony of E. Howard Hunt, December 18, 1973, at 69–70; Executive Session Testimony of Robert F. Bennett, *supra,* note 2, at 62–65.

[11] Executive Session Testimony of Robert F. Bennett, *supra* note 2, at 93–94.

[12] Executive Session Testimony of E. Howard Hunt, *supra* note 19, at 6–8; *But see* Executive Session Testimony of Robert E. Bennett, *supra* note 2, at 79–84. Bennett indicates that Hunt suggested Bennett coordination with Hughes.

[13] Executive Session Testimony of E. Howard Hunt, *supra* note 10, at 72–73; Executive Session Testimony of Robert F. Bennett, *supra* note 2, at 121–124.

[14] Staff Interview of Thomas J. Gregory, September 1, 1973, at 5; Executive Session Testimony of E. Howard Hunt, *supra* note 10, at 17; Executive Session Testimony of Robert F. Bennett, *supra* note 2, at 69–75.

[15] Staff Interview of Linda Jones, September 6, 1973, at 3; Executive Session Testimony of Robert F. Bennett, *supra* note 2, at 140.

[16] Staff Interview of Linda Jones, *supra* note 15, at 9; *See* Summarized Highlights of Linda Jones Interview, dated September 10, 1973.

[17] Staff Interview of Linda Jones, *supra* note 15, at 8; Executive Session Testimony of Robert F. Bennett, *supra* note 2, at 153–157.

[18] Executive Session Testimony of Robert F. Bennett, *supra* note 2, at 100–101.

[19] (Mullen and Company Case Officer) Memorandum for Record, July 10, 1972, Subject: Meeting with Robert Foster Bennett and his comments concerning E. Howard Hunt, Douglas Caddy, and the "Watergate Five" Incident (sic), found in CIA Supplemental Material, Volume IV.

[20] Executive Session Testimony of (Mullen and Company Case Officer), *supra* note 2, at 20–21, 28–29.

[21] (Mullen and Company Case Officer) Memorandum for Record, *supra* note 19, at 11–12.

[22] Robert F. Bennett, Memorandum for Record, dated January 18, 1973, at 17; Executive Session Testimony of Robert F. Bennett, *supra* note 2, at 129. *See also* Hobart Taylor Interview Report, dated February 11, 1974.

[23] CIA Memorandum, undated, Subject: Wrap-Up of Agency's Association with Robert R. Mullen and Company, *supra* note 3, at 5.

[24] (Mullen and Company Case Officer) Memorandum for Record, supra note 19, at 13–14.

[25] *Id.* at 12–13.

[26] *Id.* at 13.

[27] (Mullen and Company Case Officer) Memorandum for Record, July 24, 1972. Subject: Withdrawal (Far East) Cover, found in CIA Supplemental Material, Volume V, at 1–2.

[28] Executive Session Testimony of (DDP), supra note 6, at 39; Executive Session Testimony of (Mullen and Company Case Officer), supra note 2, at 43.

[29] Executive Session Testimony of (Former Assistant Deputy Director of Plans), February 28, 1974, transcript not presently available.

[30] Executive Session Testimony of (Mullen and Company Case Officer), *supra* note 2, at 43.

[31] Executive Session Testimony of Robert F. Bennett, *supra* note 2, at 17–24.

[32] (———) Memorandum for Deputy Director for Plans, March 1, 1973, Subject: Current *Time Magazine* Investigation of Robert R. Mullen & Company Connection with the Watergate Incident, found in CIA Supplemental Material, Volume IV, at 4.

[33] *Id.*

[34] *Id.*

[35] *Id.*

[1] *See* "Memorandum for Director of Intelligence," February 22, 1974, Exhibit 1 to the Executive Session Testimony of Lee R. Pennington, February 23, 1974.

[2] Executive Session Testimony of (Personnel Security Officer No. 1,) February 25, 1974 at 11–14, 15, 17–18; Executive Session Testimony of (Assistant Deputy Director of Personnel Security), March 2, 1974 (transcription not presently available.)

It seems that the Pennington matter was extremely sensitive not only because of the above-mentioned facts, but because Pennington may have been a "domestic agent," possibly in violation of the CIA's charter.[6] The Agency has advised that the Security Research Staff was abolished in August of 1973.[7]

All of the above information was produced by the CIA only as a result of the position taken by a staff employee of the Personnel Security Division, [Personnel Security Officer #1. Because of the Senator's and the staff's request for documentation and information relating to the destruction of CIA tapes and other matters, Deputy Legislative Counsel prepared a statement for Director Colby's signature on February 19, 1974. In it was the blanket assertion that the CIA had produced all Watergate-related information for this Committee as well as its Congressional oversight committees.[8] Because he was aware of many of the above facts, (Personnel Security Officer #1) made it clear that he could not and would not subscribe to such a statement.[9] *(Personnel Security Officer #1) was so concerned that the documentary evidence of the Pennington information would be destroyed by others in the CIA that he and a co-employee copied the relevant memoranda and placed them in their respective personal safes.*[10] This matter was subsequently brought to the Inspector General's attention and the (Director of Security's) memorandum of February 22 was drafted and made available to this Committee, the oversight committees, and the special Prosecutor's office.[11]

Our investigation in this area also produced the fact that, contrary to previous CIA assertions, the CIA conducted a vigorous in-house investigation of the Watergate matter, starting almost immediately after the break-in.[12] *As one member of the Security Research Staff stated they were in a state of "panic."* [13] In November and December of 1972, (Executive Officer to Director of Security) was specially assigned to then Executive Director/Comptroller Colby to conduct a very secretive investigation of several Watergate-related matters. *(Executive Officer to Director of Security) was instructed to keep no copies of his findings and to make no records. He did his own typing and utilized no secretaries.*[14]

Less clear than the aforementioned efforts to suppress the Pennington information, is an understanding of Pennington's actual role or non-role in the destruction of documents at the McCord home shortly after the Watergate break-in. Pennington has testified that he did not go to the McCord home for the purpose of searching for or destroying CIA-related documents, but does acknowledge witnessing the destruction of documents by Mrs. McCord and others.[15] It is clear from the testimony of others [16] that the CIA received information, evidently from Pennington, indicating more active participation by operative Pennington.

TAPES

In a meeting in Senator Baker's office with Director Colby and George Murphy, following a discussion of the Cushman tape, Murphy asked Colby if there were other tapes, and he replied in the affirmative. In response to a question from Senator Baker, Colby further acknowledged the prior existence of central taping capability at the CIA. Senator Baker then requested that relevant tapes be reviewed and delivered to the Committee, to which Colby agreed. Shortly thereafter, Colby confirmed to Senator Baker recent press accounts that the tapes had been destroyed. In that same connection it should be pointed out that the staff had previously interviewed Victor Marchetti, who stated upon questioning that he suspected that there was a central taping system at the CIA. When the staff broached this subject with the Agency's (Deputy Legisative Counsel) he stated that if there had been such a system, it was no longer in existence.

Shortly before Director Helms left office, and approximately one week after Senator Mansfield's letter requesting that evidentiary materials be retained,[1] *Helms ordered that the tapes be destroyed.*[2] Although the CIA is apparently unable to state with any degree of precision the date on which the tapes were actually destroyed, testimony indicates that it was during the week of January 22, 1973.[3] While the CIA claims that the destruction was not unusual and was one of several periodic destructions, two facts seem clear. First, the only other destruction for which the CIA has any record was on January 21, 1972, when tapes for 1964 and 1965 were destroyed (there are no records of periodic destruction); [4] and secondly, never before had there been a destruction of all existing tapes.[5] It should be noted that there exists a separate taping system for the Office of Security.[6] That system is still operative, and the O/S tapes presumably are still in existence. The Agency has advised that it has reviewed all Office of Security tapes, watch office tapes, and duty office tapes to determine the relevancy of same but has not provided these tapes to the Select Committee, despite the Committee's request. The Agency has provided the Committee with two selected transcripts which purport to constitute, in the opinion of the Agency, the only Watergate related material contained on any tapes.

The January, 1973, destruction pertained only to recordings of room conversations. However, on Helms' instruction, his secretary destroyed his transcriptions of both telephone and room conversations.[7] *The evidence*

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[3] Executive Session Testimony of (Chief, Security Research Staff) February 24, 1974, at 25–26; Executive Session Testimony of Lee R. Pennington, *supra* note 1, at 29. (*Note*: The Chief, Security Research Staff, was the recipient of certain of the McCord letters.)

[4] Executive Session Testimony of (Personnel Security Officer No. 1), *supra* note 2 at 46–49, 50–51, 52–54, 57–59, 69–72.

[5] The CIA, through its legislative liaison, has informed this Committee that (Director of Security) "retired" on or about February 26, 1974, shortly after his Executive Session Testimony before this Committee on February 25, 1974 .

[6] *See* Executive Session Testimony of (Chief, Security Research Staff), *supra* note 3, at 25–26, 30; Executive Session Testimony of Lee R. Pennington, *supra* note 1, at 4–7, 10, 29. In this regard, Volume VIII CIA Supplemental Materials references an apparent CIA file on a United States citizen, Jack Anderson (#349691). This reference is contained in CIA memoranda in November and December of 1972 which discuss Pennington's providing his CIA case officer with a memorandum allegedly written by McCord about Jack Anderson and others. It should be noted that the CIA file on Mr. Pennington was not provided to this Committee and also apparently has portions "missing" from it, *see* Action Required section of this memorandum, *infra*, at Miscellaneous, No. 9.

[7] Executive Session Testimony of (Director of Security), February 25, 1974, at 17–18.

[8] Supplemental CIA Materials, Volume VIII; see also Executive Sesssion Testimony of (Personnel Security Officer #1), *supra* note 2, at 61–63.

[9] Executive Session Testimony of (Personnel Security Officer #1), *supra* note 2, at 45–52. In his Executive Session Testimony, (Personnel Security Officer #1) states that, at a meeting on January 22, 1974, to discuss whether the "Pennington matter" should be withheld from or disclosed to the appropriate authorities and Congressional committees, he informed his supervisory CIA personnel that (tr. 52):

"Up to this time we have never removed, tampered with, obliterated, destroyed, or done anything to any Watergate documents, and we can't be caught in that kind of bind now. We will not do it." (Personnel Security Officer #1) added that he "didn't cross the Potomac on (his) way to work in the morning, and that the Agency could do without its own L. Patrick Gray" (tr. 53). Subsequently, (Personnel Security Officer #1) prevailed and the information was made available to this and other appropriate Congressional Committees.

[10] Executive Session Testimony of (Personnel Security Officer #1), *supra* note 2, at 49, 45–52.

[11] See "Memorandum for Director of Central Intelligence," *supra*, note 1.

[12] Executive Session Testimony of (Personnel Security Officer No. 1), *supra* note 2, at 1–4; Executive Session Testimony of (Security Research Staff Officer), February 25, 1974, at 5, 31–32, 42, 49.

[13] Executive Session Testimony of (Security Research Staff Officer), *supra* note 12, at 5.

[14] Executive Session Testimony of (Executive Officer to Director of Security), March 3, 1974 (transcription not presently available).

[15] Executive Session Testimony of Lee R. Pennington, *supra* note 1.

[16] Executive Session Testimony of (Security Research Staff Officer), *supra* note 12;

Executive Session Testimony of (Personnel Security Officer 1), *supra* note 2.

Executive Session Testimony of (Chief, Security Research Staff), *supra* note 3.

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[1] Letter from Senator Mansfield to DCI Helms, dated January 16, 1973.

[2] Executive Session Testimony of (Director Helms' Secretary), February 6, 1974, at 14. See also CIA memorandum for Director of Security, dated January 31, 1974, at 3. She states that she told the technicians to destroy only Helm's tapes and not all of the tapes (Executive Session Testimony at 34-35). However, there seems to have been no doubt in the minds of the technicians that they were to destroy all of the tapes on hand. Executive Session Testimony of (Office of Security Technician #1), February 6, 1974, at 23, Executive Session Testimony of (Office of Security Technician #2), February 6, 1974, at 53.

[3] Executive Session Testimony of (Office of Security Technician #2), *supra* note 2, at 36. See also CIA memorandum for Director of Security, *supra* note 2.

[4] Executive Session Testimony of (Office of Security Technician #1), *supra* note 2 at 10. Executive Session Testimony of (Office of Security Technician #2), *supra* note 2 at 36–37.

[5] Executive Session Testimony of (Office of Security Technician #2), *supra* note 2 at 20.

[6] CIA memorandum for Director of Security, *supra* note 2 at 4.

[7] Executive Session Testimony of (Director Helm's Secretary, *supra* note 2 at 14, 17, 19; Executive Session Testimony of Richard Helms, March 8, 1974 (transcription not yet available).

indicates that among those telephone transcriptions were conversations with the President, Haldeman, Ehrlichman, and other White House officials.[8] Helms and (Director Helm's Secretary) have testified that such conversations were non-Watergate related.[9] Unfortunately, any means of corroboration is no longer available. We have examined summaries of logs made available by the CIA, but it is impossible to determine who was taped in many of the room conversations. In this regard, even the CIA's analysis does not provide this vital information. There are several references to a "Mr. X." The CIA has not produced the actual logs for our examinations. However, we were informed that there are "gaps" in the logs.

The circumstances surrounding the transcriptions of room and telephone conversations of former Deputy Director Cushman are bizarre to say the least. When Cushman testified before the Watergate Committee on August 2, 1973, he presented a transcription of the Cushman/Hunt conversation of July 22, 1971.[10] We recently discovered that there exists an original, more complete transcription; that the original transcription contained an insignificant but uncomplimentary reference to the President; and, that the original was available to the CIA at the time of the Committee's hearings in August of 1973. *In fact, the original transcript was not produced until February of this year, the day before Senator Baker was to listen to the Cushman/Hunt tape, per his request.*

The Cushman/Hunt conversation and one other were the only two room transcriptions saved by Cushman's secretary, (presently Director Colby's Secretary, hereinafter referred to as Cushman/Colby's Secretary), and his assistant (Executive Assistant to Deputy Director of CIA, he hereinafter referred to as Exec. Asst. to DDCI), when Cushman's safe was cleaned out in December of 1971.[11] They claimed that they made a search for the original transcription shortly after the Watergate break-in but that it was not found, and therefore an abbreviated transcription was typed.[12] Therefore, we have a search by (Exec. Asst. to DDCI) shortly after the Watergate break-in in June of 1972 and another search in May of 1973, the original transcript not having been found until May of 1973.

In February of this year (Deputy Legislative Counsel) hand-delivered to Senator Baker a very significant document. It was the transcription of a portion of the Ehrlichman/Cushman telephone conversation. (Deputy Legislative Counsel) stated it had been recently discovered by (Exec. Asst. to DDCI).[13] *It was discovered during (Exec. Asst. to DDCI's) third search for Watergate-related materials, and it was located in the same file as the Cushman/Hunt transcript.*[14]

The document is especially significant in that it quotes Ehrlichman as saying that Hunt was working for the President and that the CIA was to give Hunt "carte blanche." This, of course, substantiates the CIA's claim that Ehrlichman made the original call with regard to the CIA's assistance to Hunt. Surprisingly, we learned that *(Cushman/Colby Secretary), although she says she was told that Mr. Cushman did not have his calls monitored, did, in fact, monitor certain of his calls anyway, especially with people at the White House, without Cushman's knowledge.*[15] The Cushman/Ehrlichman transcript was a result of the shorthand notes she took of a monitored call.[16]

There are two interesting aspects to this transcription. First, only the Ehrlichman portion of the conversation was transcribed, contrary to normal practice;[17] and secondly, Cushman does not recall any reference to the President or to "carte blanche." [18]

HUNT—TSD SUPPORT—ELLSBERG PROFILE

The Committee has received much testimony over the past several months detailing the extensive support of Howard Hunt by CIA personnel with CIA materials and the CIA's role in the preparation of the psychological profiles of Daniel Ellsberg. Howard Hunt was involved in a wide variety of domestic undertakings with the use of CIA equipment and the assistance of CIA personnel, *e.g.*, the burglaries of Dr. Fielding's office and the DNC, the preparation of psychological profiles on Daniel Ellsberg and the investigation of the Chappaquidick incident. *In light of the facts and circumstances developed through the documents and conflicting testimony of CIA personnel adduced by this Committee, which are summarized below, the question arises as to whether the CIA had advance knowledge of the Fielding break-in.* The Fielding burglary was not made public until May of 1973.

While the CIA has previously belatedly acknowledged some of the technical support it provided to Hunt and Liddy prior to the Fielding break-in, the CIA has continually downplayed the extent of that technical support as well as the specific approval and detailed knowledge of such support by high level CIA officials.[1] The scenario of events culminating in the Fielding break-in caused a wealth of conflicting testimony among CIA officials as referred to hereinafter.

The CIA's assistance to Hunt began on July 22, 1971, when Hunt met with General Cushman, then Deputy Director of the CIA, in Cushman's office to request physical disguise and phony identification to effect a "one time operation, and out." [2] This meeting was tape recorded by Cushman. Thereafter, pursuant to the specific approval of both Cushman and then Director of the CIA Richard Helms, a member of the CIA's Technical Services Division was assigned to provide Hunt with the assistance and materials he requested.[3] During the next thirty days, the CIA technical staff met with Hunt on four separate occasions. Most meetings were held at CIA "safe houses" (dwellings owned or leased by the CIA for clandestine meetings).[4] At those meetings Hunt was provided with the CIA equipment and assistance described in earlier Committee testimony, i.e., a wig, voice alteration devices, heel lift to cause a limp,[5] fake glasses, phony driver's licenses and identification cards, a Uher 5000 tape recorder disguised in a typewriter case, a camera hidden in a tobacco pouch, preliminary steps toward a phony New York telephone answering device, and the developing of the film of Hunt and Liddy's reconnaissance trip to Los Angeles to "case" Dr. Fielding's office.[6] This assistance was abruptly terminated on August 27, 1971—one week before the Fielding burglary of September 3, 1971.[7]

Recent testimony and documents have developed several matters of considerable import with regard to the assistance provided Hunt and Liddy. The technician who dealt with Hunt has testified that he received approval for each and every request of Hunt from his supervisory officials at the CIA.[8] He also testified that, contrary to earlier and other CIA testimony, Hunt informed him early in August that he would be introducing a second man (Liddy) to the technician for the provision of disguise and false identification.[9] CIA officials heretofore had claimed that Hunt introduced Liddy unannounced late in August and that this introduction had been one of the leading causes for the CIA's ultimate termination of its support for Hunt.[10]

Testimony and documents have also revealed, again contrary to the testimony of high CIA officials, that Hunt's request for a New York "backstopped" telephone (a telephone with a New York number which would in reality be answered by a Washington CIA switchboard) answering service was well on its way to completion.[11] A detailed memorandum of the TSD technician, dated August 27, 1971, reveals that the backstopped telephone request was about to be implemented.[12] This memorandum includes the actual relay number to be called. Previous CIA testimony had always been to the effect that this telephone request was so unreasonable that it was immediately disapproved and that it was also a leading cause of the ultimate termination of Hunt's support.[13]

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[8] Executive Session Testimony of (Director Helm's Secretary), *supra* note 2 at 22.

[9] Executive Session Testimony of Helms, *supra* note 7; Executive Session Testimony of (Director Helm's Secretary), *supra* note 2 at 23.

[10] Public Testimony of General Robert E. Cushman at 3291.

[11] Executive Session Testimony of (Cushman/Colby Secretary), February 21, 1974.

[12] Id. at 64; *see also* memorandum of (Exec. Asst. to DDCI), July 23, 1973, Supplemental CIA Mterials, Volume IV.

[13] *See* Ehrlichman/Cushman tape transcription, CIA memorandum "For All Employees" dated January 31, 1974, at Tab B.

[14] Affidavit of (Exec. Asst. to DDCI), February 5, 1974, and Executive Session Testimony of (Exec. Asst. to DDCI), March 6, 1974 (transcription not yet available).

[15] Executive Session Testimony of (Cushman/Colby Secretary), *supra* note 11 at 12–13.

[16] *Id.* at 17, 18.

[17] *Id.* at 80–81.

[18] Executive Session Testimony of General Robert E. Cushman, March 7, 1974 (transcription not yet available).

[1] *See* affidavits of Cushman (Exec. Asst. of DDCI), and (Deputy Chief, TSD), Original CIA Materials, Volume II, Tab D.

[2] Partial tape transcript of July 22 meeting, Original CIA Materials, Volume II, Tab K, at 1; *see also* Cushman's affidavit, *id.*, and complete unabridged tape transcript of July 22 meeting, CIA Supplemental Materials, Volume II, Tab 4.

[3] *See* Executive Session Testimony of General Robert E. Cushman, March 7, 1974, at 10, 12; *contra*, Executive Session Testimony of Richard Helms, March 8, 1974, and Testimony of Richard Helms before the Senate Committee on Appropriations, May 16, 1973, at 195–196.

[4] *See* Executive Session Testimony of (TSD Technician # 1), February 5 and 6, 1974, at 3–25 (February 5 tr.), and Exhibit 1 to that testimony (notes of (TSD Technician #1) compiled contemporaneously with the support of Hunt) also found in CIA Supplemental Materials, Volume VII, Tab 8.

[5] Staff interview with Howard Hunt, February 4, 1974.

[6] Public Testimony of Richard Helms and General Robert E. Cushman, August 2, 1973; affidavits of (TSD Technician #1, TSD Technician #2, Deputy Chief, TSD, and Exec. Asst. to DDCI), Original CIA Materials, Volume II, Tab D.

[7] *Id.*

[8] Executive Session Testimony of (TSD Technician #1), *supra* note 4 at 10 (February 6 tr.), at 57 (February 5 tr.).

[9] *Id.* at 55–57 (February 5 tr.); *see also* notes referred to in note 4, *supra.*

[10] Affidavits of (Exec. Asst. to DDCI), (Deputy Chief, TSD), Cushman, *supra* note 1; *memoranda* (of Exec. Asst. to DDCI) dated August 23, 26, and 30, Original CIA Materials, Volume II, Tab K; *compare* Executive Session Testimony of (TSD Technician #1), *supra* note 4 at 55–56 (February 5 tr.) *with* Executive Session Testimony of (Deputy Chief, TSD), February 5, 1974, at 24.

[11] Executive Session Testimony of (TSD Technician #1), *supra* note 4 at 8–10, 12 (February 6), and Exhibit 1 to (TSD Technician #1)'s testimony at 5, which details the steps taken by the CIA to implement Hunt's request.

[12] *Id.*

Recent testimony also established that the CIA created a file on Hunt's activities entitled the "Mr. Edward" file. This file was maintained outside the normal CIA filing system, and this Committee's requests to obtain this file have not been granted, despite the fact that testimony has established that this file was turned over to Director Colby after the Watergate break-in.[14] Moreover, recent testimony also indicates that a "bigot list" (CIA term for treatment of especially sensitive case restricting access to a limited number of persons) was created for Hunt's activities.[15]

Testimony has indicated that the film developed for Hunt and Liddy was, in fact, of Dr. Fielding's office.[16] Not only was the film developed, however, but it was reviewed by CIA supervisory officials before it was returned to Hunt.[17] One CIA official who reviewed the film admitted that he found the photographs "intriguing" and recognized them to be of "southern California."[18] *He then ordered one of the photographs to be blown up. The blow-up revealed Dr. Fielding's name in the parking lot next to his office.*[19] Another CIA official has testified that he speculated that they were "casing" photographs.[20] Recent testimony has shown that *the CIA official who reviewed these photographs immediately reported their content to Cushman and his assistant in the office of the Deputy Director of the CIA.*[21] With a degree of incredulity, however, he denies telling his superiors that he blew up one of the photographs and that it revealed the name of Dr. Fielding.[22] Moreover, both Cushman and his assistant denied ever having been told about the content of the photographs by (Deputy Chief, TSD) or anyone else.[23] In any event, recent testimony shows that it was only after these photographs were developed and examined that the CIA technician dealing with Hunt was ordered to cut off all support for Hunt.[24] This decision was made by the Deputy Director of the CIA (Cushman) and/or the Director of the CIA (Helms).[25]

Finally, while previous public CIA testimony claimed that the CIA "had no contact whatsoever with Mr. Hunt subsequent to 31 August, 1971,"[26] recent testimony and secret documents indicate that Hunt had extensive contact with the CIA after that date. Not only did Hunt play a large role in the CIA's development of psychological profiles on Daniel Ellsberg (not completed until November of 1971), but he actually contacted the CIA's External Employment Assistance Branch (EEAB) and approached active CIA personnel regrading several operations, including, e.g., Hunt's requests to the CIA for person(s) skilled in lockpicking, electronic sweeping, and entry operations.[27]

It is significant that during the same period as the ongoing support of Hunt by the CIA, August of 1971, the CIA was also compiling a psychological profile on Daniel Ellsberg. Recent testimony has revealed that Hunt was deeply involved in that project as well.

The preparation of this profile was specifically approved by then Director Helms in late July of 1971.[28] The actual compiling of the profile was done by the CIA's medical services staff and, in particular, its chief psychiatrist.[29] Testimony has indicated that a meeting was held on August 12, 1971, in which both Howard Hunt and Gordon Liddy participated. They told the CIA psychiatrist that Ellsberg had been undergoing psychiatric analysis. Hunt and Liddy discussed with him their desire to "try Ellsberg in public," render him "the object of pity as a broken man," and be able to refer to Ellsberg's "Oedipal complex."[30] *At the close of the meeting, Hunt asked the psychiatrist not to reveal his presence in the profile discussions to anyone at the CIA, stating that he already had been in contact with General Cushman and was on good terms with Director Helms. The psychiatrist has testified recently that he was extremely concerned about Hunt's presence and remarks. He so reported this to his CIA superiors, both in memoranda and in a meeting on August 20, 1971. Access to the memoranda of both the psychiatrist and his superiors has been refused to this Committee.*[31]

The CIA psychiatrist also was given the name of Dr. Fielding as Ellsberg's psychiatrist and numerous FBI reports of interviews with Ellsberg's associates, as well as a memorandum of a reported telephone conversation between Ellsberg and another party.[32] and *recent testimony has revealed that it was reported back to the psychiatrist that Director Helms was advised of his concerns regarding Hunt's participation and comments.*[33] While Director Helms has denied that he was ever told that Hunt was involved in the CIA's Ellsberg profile project,[34] it is not without significance that the time period during which the CIA psychiatrist was briefing his superiors of his concerns regarding Hunt was circa August 20, 1971—a week prior to the developing of Hunt's film of "intriguing" photographs of medical offices in southern California which impressed at least one CIA official as "casing" photographs.[35]

With the aforementioned background, we are reminded that when the second profile on Ellsberg was completed (completion was delayed until November of 1971), Director Helms took pains to inform the White House that:

> "I do wish to underline the point that our involvement in this matter should not be revealed in any context, formal or informal" (emphasis added).[36]

In his recent testimony before this Committee, Director Helms stated that the above quoted language represented his concern only for the professional reputations of the CIA psychiatrists and *not* any concern over the possible illegality of the profile.[37] It should be noted, however, that in a memorandum from the psychiatrists' CIA supervisor to Helms in November of 1971, which accompanied the completed profile, their concern is expressed as follows:

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[13] *See* affidavits of (Exec. Asst. to DDCI), (Deputy Chief, TSD), Cushman, and memoranda of (Exec. Asst. to DDCI), *supra* note 10; Executive Session Testimony of Cushman, March 7, 1974, at 10–21. Moreover, Executive Session Testimony of Richard Helms, *supra* note 3, indicates that it was Hunt's request for a secretary which caused him to order the cut-off of support. This request, however, occurred on August 18 and was denied the same or next day, *see* Executive Session Testimony of (Exec. Asst. to DDCI), March 6, 1974 (transcription not presently available), *contra,* testimony of Richard Helms before the Senate Committee on Appropriations, *supra* note 3, at 197.

[14] Executive Session Testimony of (Deputy Chief, TSD), February 5, 1974, at 14–15; Executive Session Testimony of (Chief, TSD), February 5, 1974, at 29–30.

[15] Executive Session Testimony of (TSD Technician #1), *supra* note 4, at 2–4 (February 6 tr.)

[16] Executive Session Testimony of (Executive Officer to Director of Security), March 3, 1974 (transcription not presently available); Staff interview of Howard Hunt, *supra* note 5 (wherein Hunt indicates that the film the CIA developed included shots of a "close-up of (Fielding's office) door, a close-up of the directory of (Fielding's) building, photographs of the ingress and egress of the parking lot . . ." as well as shots of the inside of Fielding's office, including the top of Fielding's desk.

[17] Executive Session Testimony of (TSD Technical #1), *supra* note 4 at 20–24, 52–53 (February 5 tr.); Executive Session Testimony of (Deputy Chief, TSD), *supra* note 14 at 43–47.

[18] Executive Session Testimony of (Deputy Chief, TSD), *supra* note 14 at 44.

[19] *Id.* at 45–46.

[20] Executive Session Testimony of (Chief, TSD), February 5, 1974, at 19–20.

[21] Executive Session Testimony of (Deputy Chief, TSD), *supra* note 14 at 47–49.

[22] *Id.*

[23] Executive Session Testimony of General Robert E. Cushman, March 7, 1974, at 22–23; Executive Session Testimony of (Exec. Asst. to DDCI), March 6, 1974 (transcription not presently available).

[24] Executive Session Testimony of (TSD Technical #1), *supra* note 4, at 59–60, and Exhibit 1 to that testimony.

[25] Executive Session Testimony of General Robert E. Cushman, March 7, 1974, at 21–22, 16–20; Executive Session Testimony of Richard Helms, March 8, 1974, *contra* (transcription not presently available).

[26] Lieutenant General Vernon A. Walters Memorandum for Record, July 28, 1972, Original CIA Materials, Volume I, Tab S.

[27] Contacts after August 31, 1974, indicated in the Secret Supplemental CIA Materials, include the following:

(a) Hunt was referred to (Former CIA employee) by (Chief, EEAB) of the CIA's EEAB, (Chief, EEAB) retired on June 9, 1972) when Hunt requested a "retired lockpicker" and entry man in the time period of March-May, 1972. CIA Supplemental Materials, Volume I, Tab 4, Memorandum of June 19, 1973.

(b) Hunt, in late 1971, requested some "'security types' to check physical security and monitor telephones in Las Vegas," in connection with Hunt's work on the Hughes account with Mullen and Company. Hunt was referred by (Chief, EEAB) to an (Agency proprietary (name deleted at Agency request) (CIA Supplemental Materials, Volume I, Tab 4.)

(c) Hunt contacted (deleted at Agency request) (an active CIA employee until November 10, 1972) sometime in late 1971 regarding a weekend entry operation.

(d) Hunt contacted CIA employee (deleted at Agency request) in October of 1971 concerning certain Indo-China War documents (Original CIA Materials, Volume II, Tab D).

(e) On December 8, 1971, Hunt requested and received a CIA computer name trace, by CIA employees, on a person who had allegedly formed the (deleted name of Latin American country at Agency request) National Independent Party in December of 1971 (Original CIA Materials, Volume II, Tab D).

(f) The CIA acknowledges that the Deputy Director of Plans of the CIA did meet with Hunt on October 15, 1971 to discuss Mullen and Company problems.

[28] Affidavit of (Deputy Director of Support, hereafter referred to as the DDS) and (Director of Medical Services Staff, hereinafter referred to as the DMSS) and (Chief of Psychiatric Staff on Medical Services Staff, hereinafter referred to as Chief Psychiatrist), Original CIA Materials, Volume I, Tab U; Volume II, Tab D.

[29] *Id.*

[30] Exexcutive Session Testimony of (Chief Psychiatrist), March 6, 1974 (transcription not presently available).

[31] *Id.*, see also Colby letter refusing access, *infra.*

[32] *Id.*

[33] *Id.*

[34] Executive Session Testimony of Richard Helms, *supra* note 3; Testimony of Richard Helms before the Senate Armed Services Committee, May 17, 1973, at 17.

[35] See Executive Session Testimony of (Chief, TSD), *supra* note 20.

[36] Memorandum from Richard Helms to David Young, November 9, 1971, Original CIA Materials, Volume II, Tab. J.

"(DMSS) and (Chief Psychiatrist) . . . confirmed that their worries *did not . . . involve* professional ethics or credibility. Instead, they are concerned lest the Agency's involvement . . . become known and particularly that it might come to light during any proceeding. * * * We will be guided by your determination after you have had an opportunity to read the new paper." (Emphasis supplied.)[38]

The facts and circumstances related above, as derived from the recently curtailed investigation of this Committee, would appear to raise many unanswered questions as to the involvement of the CIA in matters outside its legislative parameters.

HUNT—MARTINEZ—CIA

Director Helms, upon being questioned about Martinez, has consistently testified to little more than the fact that Eugenio Martinez was on a $100 per month retainer with the CIA as an informant on Cubans of interest to the Agency.[1] Our investigation has revealed relevant information concerning Martinez' CIA relationship, as set out below, not previously brought forward in testimony by CIA officials.

Because of Hunt's close relationship with Martinez at a time when Martinez was a paid CIA operative, *the basic question arises as to whether the CIA was aware of Hunt's activities early in 1972 when he was recruiting Cubans to assist in the Watergate break-in.*

Prior to assuming a retainer status in the summer of 1971, Martinez had been a full-salaried operative involved in Agency [deleted at Agency request] endeavors.[2] In November of 1971, a month after his participation in the Fielding break-in, Martinez mentioned his contact with Hunt in an allegedly innocuous fashion to his case officer and the Miami Chief of Station.[3] There is also evidence that Martinez had mentioned Hunt even earlier to his case officer.[4] *In March of 1972, Martinez advised the Miami Chief of Station that Hunt was employed by the White House and asked the Chief of Station if he was sure that he had been apprised of all Agency activities in the Miami area.*[5] This concerned the Chief of Station who sent a letter to CIA headquarters requesting information on Hunt's White House status.[6] On March 27, 1972, the Chief of Station received a cryptic response at the direction of the Assistant Deputy Director of Plans advising the Chief of Station not to concern himself with the travels of Hunt in Miami, that Hunt was on domestic White House business of an unknown nature and that the Chief of Station should "cool it."[7] (It should be remembered that this was after the Agency provided Hunt with TSD support in July and August of 1971. It is not explained why Hunt, who had "used" the CIA, was not of more interest to the Agency, especially when he was contacting a current operative, Martinez.) The tone of this letter infuriated the Chief of Station and left him uneasy about the matter.[8] Accordingly, the Chief of Station requested that Martinez prepare in Spanish a report on the Hunt information provided the Chief of Station in March.[9] Martinez compiled a "cover story"[10] on April 5, 1972, after being told by his case officer not to put anything in the report which might come back to haunt him.[11] The Spanish report, which did not contain any of the alarming innuendos suggested earlier by Martinez, was maintained in the Chief of Station's file until after the Watergate break-in.[12]

It is known that Martinez had two case officers during 1971 and 1972. There is conflicting evidence concerning the precise date of the spring, 1972 case officer change-over.[13] It is known that Martinez met with his last case officer on June 6, 1972, and at that time had at least two reporting requirements, i.e., maritime operation information and information pertaining to possible demonstrations at the Miami conventions,[14] contrary to earlier testimony by CIA officials.[15] The Agency has not afforded this Committee an unabridged examination of the case officer contact reports, despite requests for same.

The Agency has advised that Martinez' first case officer was on an "African safari" throughout June of 1972.[16] The second case officer has testified that the former case officer was in Miami on June 19, 1972.[17] The first case officer has been transferred to (Indochina) and was not made available for interview by our Committee. The second case officer stated in his interview that he was rushed to CIA headquarters the week following Watergate and told that he would be required to stay there, until September for reason related to his involvement with Martinez.[18] This case officer remains assigned to CIA headquarters.

On the morning of June 18, 1972, the Miami Chief of Station dispatched a cable to CIA headquarters regarding the activities of Martinez but deliberately omitting Martinez' prior reference to Hunt's activities.[19] On June 19, 1972, the Chief of Station received correspondence from CIA headquarters advising him to keep in better touch with his operatives in Miami.[20] This prompted the Chief of Station to forward a copy of the Martinez report in Spanish to headquarters.[21] The Chief of Station was confounded as to why he was not told to terminate the Martinez relationship if the CIA headquarters suspected the involvement of Hunt in political activities.[22] He later brought this matter up with the Assistant Deputy Director of Plans, who told him that the Agency was uneasy about Hunt's activities for the White House in "March or May" of 1972.[23] The Assistant Deputy Director of Plans testified that he assumed in March of 1972 that Hunt was involved in partisan political work for the White House and that this assumption formed the basis for his guidance to the Miami Chief of Station at that time.[24] He further testified that the Miami Chief of Station wanted to check on Hunt's activities domestically,[25] an allegation denied by the Chief of Station[26] and not reflected in any of the CIA correspondence made available to us.

Despite conflicting evidence from the FBI and the CIA,[27] it is known that the Agency received information on June 19, 1972, from an operative that Martinez' vehicle was at the Miami airport and contained compromising documents.[28] The Agency contacted the FBI with this information on June 21, 1972.[29] Our staff has yet to receive a satisfactory explanation regarding the aforementioned time lag and an accounting of Agency actions during the interim.

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[37] Executive Session Testimony of Richard Helms, *supra* note 3.

[38] Memorandum from (DDS), CIA Deputy Director of Support, to Richard Helms, Director of Central Intelligence, November 9, 1971, Original CIA Materials, Volume II, Tab. J.

[1] Senate Foreign Relations Committee Report of Richard Helms Testimony, February 7, 1973, at 24, 50; Senate Select Committee Transcript of Richard Helms, Testimony, August 2, 1973, at 6733–6734, 6814–6815.

[2] Executive Session Testimony of (Miami Chief of Station, hereinafter COS), February 7, 1974, at 5–9.

[3] (Martinez' Case Officer (1971–1972), hereinafter referred to as Case Officer #1) Memorandum for the Record (excerpt), November 19, 1971, Agent (Martinez' Code Name), found at Tab 1, CIA Supplemental Materials, Volume II; Executive Session Testimony of (COS) *supra* note 2, at 14–18.

[4] (Case Officer #1) Memorandum for the Record (excerpt), *supra* note 3; Executive Session Testimony of (COS), *supra* note 2, at 13.

[5] Executive Sessions Testimony of (COS), *supra* note 2, at 23–27.

[6] *Id*, at 25–27; See (COS) Memorandum for Chief, (deleted at Agency request), March 17, 1972, Subject: Miscellaneous Information from (Martinez' Code Name), found at Tab 1, CIA Supplemental Materials, Volume II; (COS) (sensitive) letter, March 17, 1972, found at Tabe 1, CIA Supplemental Materials, Volume II.

[7] Executive Session Testimony of (COS), *supra* note 2, at 31–34; (Chief, Cuban Operations Branch, Western Hemisphere Division, hereinafter referred to as Chief, COB) letter to (COS), March 27, 1972, found at Tab 1, CIA Supplemental Materials, Volume II.

[8] Executive Session Testimony of (COS), *supra* note 2, at 32, 80.

[9] *Id.* at 33–34, 38–40; (Case Officer #1) Cable (deleted at Agency request), December 15, 1973, found at Tab 2, CIA Supplemental Materials, Volume II; Executive Session Testimony of Eugenio Martinez, December 10, 1973, at 45–47.

[10] Executive Session Testimony of (COS), *supra* note 2, at 91; *see* Executive Session Testimony of Eugenio Martinez, *supra* note 9, at 11.

[11] Executive Session Testimony of Eugenio Martinez, *supra* note 9, at 53, 58–59. (Case Officer #1) Cable (deleted at Agency request), *supra* note 9.

[12] Executive Session Testimony of (COS), Spanish Report and Translated Spanish Report, found at Tab 1, CIA Supplemental Materials, Volume I (attention to discrepancies).

[13] Tab 2, CIA Supplemental Materials, Volume VII (indicating April 14, 1972 change-over); Tab 10, Original CIA Materials, Volume III (indicating a March, 1972 change-over); Executive Session Testimony of (COS), *supra* note 2, at 36 (indicating April 23–30, 1972 change-over).

[14] Executive Session Testimony of (Case Officer #2), February 4, 1974, at 25–26, 41–42.

[15] *Supra* note 1.

[16] CIA Deputy Legislative Counsel showed this staff a printed itinerary for the first case officer which contained the referenced entry. Legislative Counsel has not made that itinerary a part of the supplemental materials furnished the staff.

[17] Executive Session Testimony of (Case Officer #2), *supra* note 14, at 73.

[18] *Id.* at 49–50.

[19] *Id.* at 36–37, 78.

[20] (Chief, Western Hemisphere Division) "Dear Friend" letter June 20, 1972, found at Tab 2, CIA Supplemental Materials, Volume II.

[21] (COS) "Dear Friend" letter, June 20, 1972, found at Tab 2, CIA Supplemental Materials, Volume II; Executive Session Testimony of (COS), *supra* note 2, at 73–75.

[22] Executive Session Testimony of (COS), *supra* note 2, at 80–82.

[23] *Id.* at 82–83.

[24] Executive Session Testimony of ADDP, February 28, 1974, transcript not presently available.

[25] *Id.*

[26] Executive Session Testimony of COS, *supra* note 2, at 84.

[27] *Id.* at 62–65; Report of Interview of Agent Robert L. Wilson, dated January 11, 1974, at 4. A comparison reveals a discrepancy as to manner in which FBI was notified and raises questions concerning what the FBI found.

[28] Executive Session Testimony of COS, *supra* note 2, at 58–60; Executive Session Testimony of Case Officer #2, *supra* note 14, at 15–17.

[29] Report of Interview of Agent Robert L. Wilson, *supra* note 27, at 3.

ACTION REQUIRED

The following is a breakdown by area of interest of action desirable to complete the Watergate-related CIA investigation commenced by this staff.

Martinez relationship

1. Interviews:

(a) Chief, Western Hemisphere Division (1971–April, 1972).

(b) Chief, Western Hemisphere Division (April, 1972–1973).

(c) Chief, Cuban Operations Branch, Western Hemisphere Division (1971–1972).

(d) Martinez' case officer (1971–March, April, 1972). Prior efforts to interview this individual have been frustrated by virtue of his present assignment in (Indochina).

(e) Executive Assistant to the ADDP (1971–1973).

(f) Executive Assistant to the DDP (1971–1973).

The aforegoing interviews are necessary in order to determine the extent of the CIA's knowledge of Hunt's activities.

(g) Chief, Miami Office of Security (June, 1972).

(h) Miami Chief of Station's informant with regard to Martinez' car.

(i) Above informant's source with regard to Martinez' car.

These interviews are necessary to explain the time lag in giving notice to the FBI; to identify CIA actions (particularly the Miami Office of Security) regarding this information; and to determine the scope of information received by the Agency and transmitted to the FBI.

2. Documents:

(a) All Martinez case officer contact reports (1971–July, 1972). We have repeatedly requested access to unabridged reports, but the Agency has made available only an abridged version of early reports. Access is necessary to determine the scope of Martinez' relationship in the relevant time frame and whether he provided any Watergate-related information to his case officer.

(b) All CIA correspondence re: Martinez car (cables, etc.). This information, although not previously requested per se, is critical to the documentation of Agency action on this issue and to resolve conflicting evidence supplied by the FBI.

(c) All reports or memoranda relating to the debriefing of Martinez' last case officer upon his return to Washington, D.C., after the Watergate break-in. This information has been previously requested but not provided to this staff.

Mullen and Co. relationship

1. Interviews:

(a) Mullen and Company secretaries (1971–1972). This is needed to confirm or deny suspicions relevant to the indicated Agency/Bennett/Hughes link.

(b) Far east cover (June, 1972).

(c) European cover.

The aforegoing interviews are necessary to a meaningful understanding of the "WH flap" and to gauge any relationship of same to the Watergate break-in.

(d) Chief, Central Cover Staff (1971–1972). This interview is necessary to clarify the "WH flap" and to ascertain the Agency's response to the Bennett information contained in the summer, 1972 memoranda.

2. Documents:

Any and all reports of contacts between (Mullen and Company Case Officer) and Mullen, Bennett, Hunt and anyone else at Mullen and Company from April 30, 1970 to January 1, 1974, including but not limited to logs, records, or memoranda reflecting such contact or the content of that contact. This information was requested during the February 4, 1974 Executive Session of (Mullen and Company Case Officer) along with data reflecting changes in the procedure for maintaining and/or making reports of contacts outside the Agency.

TSD support of Hunt

1. Interviews:

(a) (TSD Technican #3)—TSD technican who developed the photographs for Hunt and blew up a particular photograph for (Deputy Chief, TSD). Determination needed as to what was done with blow-up and whether it was subsequently used for briefing others at CIA.

(b) (TSD Technician #2)—TSD technician who purchased the Uher 5000 tape recorder and equipped it for Hunt's purposes.

(c) (Executive Assistant to DDP)—Consulted during initial stages of TSD support and relayed the TSD requirement to the DDP.

2. Documents:

(a) "Mr. Edward" file—The file containing all memoranda and other materials relating to the CIA's TSD support of Hunt. This file has been requested, but has not been produced, despite the fact that the file was given to Director Colby after the Watergate break-in.

(b) All memoranda prepared by (Executive Officer to Director of Security), or any other CIA employee, regarding the TSD support of Hunt, including but not limited to all internal memoranda concerning the TSD support which is not contained in the "Mr. Edward" file.

Psychological profile of Daniel Ellsberg

1. Interviews:

(a) (DMSS)—Director of Medical Services who supervised and participated in the preparation of both Ellsberg profiles.

(b) (DDS)—The immediate supervisor of the Medical Services staff who prepared the psychological profile and who served as liaison between Director Helms and the psychiatric staff.

(c) Executive Assistant to DDS—Knowledgeable with regard to the psychological profile.

2. Documents:

(a) All information received by the CIA from the FBI or the White House which served as raw data for preparation of both psychological profiles. Testimony has established that this data contained FBI reports of interviews with female associates of Ellsberg, as well as a report of a purported telephone conversation between Ellsberg and another party.[1] The data should establish the extent of the CIA's admitted knowledge of the name of Ellsberg's psychiatrist as well as the CIA's knowledge of the activities of Hunt.

(b) All documents, reports, or memoranda relating in any way to the psychological profiles, including but not limited to the internal memoranda prepared by (Chief Psychiatrist), (DMSS), and (DDS) regarding the two psychological profiles. Testimony has established that memoranda for the record were written detailing the concerns about Hunt. Director Helms has testified that he has no knowledge of same.

(c) The so-called "psychological profile file", presently located in the office of the Director of Medical Services, CIA, containing all materials regarding the preparation of the psychological profiles. Note: This file was previously requested, as well as the materials described in parts (a.) and (b.) above. By letter dated March 8, 1974, Director Colby indicated that he would release this information to the oversight committees only.

Tapes

1. Log maintained by the Office of Security with reference to known tapings of which transcripts are thought to be available. This has been previously requested, but not furnished.

2. All logs, memoranda, or notations reflecting communications into or out of the Office of Security for the time period from June 16, 1972 to June 22, 1972. This information has been requested but it is available to the Senate Armed Services Committee only. Such information is critical to any determination as to the chronology of Watergate notification and related actions.

3. Access to the five inch reel of tape labeled, "McCord Incident/18–19 June 1972," which was found in the Office of Security on March 1, 1974. It is not known what is contained in this tape, but its importance is obvious.

Miscellaneous

1. Access to the special Watergate file formerly maintained in the Office of Security. This file was requested as early as mid-January, 1974, and its existence at that time was denied by legislative liaison. Sworn testimony has since confirmed existence of such a file, now under control of the Inspector General.

2. Any and all CIA files relating to the activities of E. Howard Hunt. This was requested in January of 1974 and was ignored by the Agency. We are aware of at least an executive registry file in which information on Hunt was placed in 1971 and suggest that this would be a good starting point for compliance with this request.

3. Any and all CIA files relating to G. Gordon Liddy during the time frame of January, 1970, to the present. When this request was made in January of 1974, the staff was advised that CIA information on Liddy was limited to sensitive briefings, the subject matter of which was beyond the purview of this Committee.[2] Files relative to these briefings need to be examined, particularly in light of the time period of same, i.e., August and September, 1971.

4. Any and all CIA files pertaining to attorney (name deleted at Agency request) and/or his law firm from the period January 1971 to the present. While the CIA has confirmed that (attorney) is a former case officer and that (potentially significant information deleted at agency request) during the period of time that (attorney) served as counsel for the Committee to Re-Elect the President,[3] contact reports and memoranda must be reviewed in raw form before a determination can be made as to the impact of the aforementioned facts.

5. Office calendars for Director Helms, General Cushman, and the Deputy Director of Plans for the time frame from January of 1971 through June of 1973. These calendars have been previously requested and are critical to a thorough investigative analysis of knowledge available to these respective officials at the critical times. These calendars have not been made available to this staff for review.

6. All record pertaining to Agency financing of Egil Krogh's activities, as evidenced by sworn testimony before this Committee. Also, interviews of superiors of (Secretary to Chief, CIA Narcotics Control Group).[4]

7. Interviews of (Chief, EEAB), (former outplacement director), (Agency employee), (Agency employee), (former Agency employee), (former Agency employee) and attorney (former Agency employee), all of whom were either in the employ or were former employees of the Agency at the time they discussed Hunt operation activities (including entry operations) during 1971 and 1972.

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[1] Executive Session Testimony of (Chief Psychiatrist), March 7, 1974 (transcription not presently available).

[2] *See* CIA's response to this inquiry regarding Liddy, Supplemental Materials, Volume II, Tab 13.

[3] *See* CIA's response to this inquiry regarding (attorney), CIA Supplemental Materials, Volume II, Tab 14; IV (CIA Memorandum, June 28, 1973).

[4] *See* Executive Session Testimony of (Secretary to Chief, CIA Narcotics Control Group), March 2, 1974, (transcription not presently available).

8. A review of all CIA activities (regardless of nature or degree of support) in Mexico during the calendar year, 1971–1972. This information, which is relevant to an objective assessment of CIA's post-Watergate posture and pre-Watergate potential involvement, has been requested (to an extent consistent with national security) since February 1, 1974.[5]

9. The "Pennington File," which was previously requested and made available only to the House Armed Services Oversight Committee. This file contains memoranda and other documents dealing with the activities of the CIA operative, Pennington, who was alleged to have participated in the burning of documents in the McCord home after the Watergate break-in. This file also contains data regarding the "domestic activities" of Pennington, and the CIA has made it known that there are "gaps" in this file during certain relevant time periods.

10. At the conclusion of his Executive Session on Friday, March 8, 1974, Ambassador Helms testified concerning an individual in a peculiar position to know the activities of both the Agency and the FBI. While Helms knew of no Watergate information in this individual's possession, other evidence suggests the contrary. Consideration should be given to interviewing this individual who has already commenced preparation of a Watergate-related memorandum in response to a previous request by the staff.[6]

11. Michael Mastrovito of the Secret Service should be interviewed concerning his Agency communications on June 17, 1972. Agency documents indicate that Mastrovito agreed to downplay McCord's Agency employment; that Mastrovito was being pressured for information by a Democratic state chairman; and that Mastrovito was advised by the CIA that the Agency was concerned with McCord's emotional stability prior to his retirement.[7]

The **PRESIDING OFFICER**. Under the the previous order, the Senator from Connecticut (Mr. WEICKER) is recognized for not to exceed 5 minutes.

Mr. **WEICKER**. Mr. President, I rise in support of the legislation submitted by the distinguished Senator from Tennessee (Mr. BAKER).

As I have said on other occasions, the job which was started a little over a year ago by the Senate Select Committee will only be considered a job well done if we take the facts learned and construct legislation around those facts—more particularly, if we construct legislation to see to it that the abuses uncovered will never occur again. Unless we do that, it can be said, with basis in fact, that the only purpose of the committee was to indulge in acts of sensationalism rather than in acts of legislation.

Insofar as the abuse of the Constitution and the laws of this country by the law enforcement intelligence community, it cannot be said that Watergate was a bad dream. It was a fact. The bill introduced by the distinguished Senator from Tennessee and the Senator from Michigan (Mr. HART), the Senator from Idaho (Mr. CHURCH), the Senator from California (Mr. CRANSTON), and myself is intended to prevent a reoccurrence not of a dream but of a fact.

Indeed, for many years the American intelligence community has ignored Congress; or, to put it the other way around, Congress has ignored the American intelligence community. The abuses uncovered cannot be considered illogical. Rather, they are the logical ending to a practice of total unaccountability.

In the preparation of my remarks for delivery this morning, one of the members of my staff had written, "While the intelligence activities of Federal agencies have been within the law and in the national interest." I turned to him and said, "I can't say that. I don't know that they have been."

That is the problem. It is not a problem that can be resolved solely by the President of the United States. It is as much our responsibility and our job.

I find it interesting that we read in the newspapers today and viewed on television last night that there is to be a briefing of congressional leaders by the President as to what was going on in the CIA. Is that not something that the congressional leaders should have known, without getting a briefing from the President of the United States? Is that not something on which perhaps we should brief the President? Of course, we are in no position to do so, because we do not know anything about it.

Whereas I have uncovered certain abuses in the CIA, the FBI, the military intelligence, and the Secret Service, I cannot honestly stand here and say that that is all that went on. There has been no agency accountability to Congress. This is not to say that we do not have oversight functions in the various committees, but as the distinguished Senator from Tennessee pointed out, it is an ancillary duty; it is not the principal duty of those committees. The chairmen and the members of those committees have substantial burdens in the areas of the judiciary, foreign relations, and defense. So oversight of the law enforcement intelligence community suffers.

The **PRESIDING OFFICER** (Mr. ROBERT C. BYRD). The time of the Senator has expired. Does the Senator desire additional time?

Mr. **WEICKER**. I request an additional 2 minutes.

The **PRESIDING OFFICER**. Without objection, the time will be taken out of the time allotted to the Senator from West Virginia (Mr. ROBERT C. BYRD).

Mr. **WEICKER**. Congress itself has long been reluctant to ask the hard questions, and insist on the policy supervision that assures the accountability of agencies such as the CIA, the FBI, the Secret Service, the Defense Intelligence Agency, the National Security Agency, and numerous others charged with gathering intelligence and surveillance of persons.

With no accountability, we can readily anticipate abuse of agency powers and constitutional rights. The record of these abuses in the last few years cannot be dismissed as isolated instances of individual excesses. It is a record that tears at the very fabric of our constitutional democracy.

The lesson of these abuses of the national intelligence function is that accountability cannot be assured without congressional oversight, oversight that has constancy, purpose, and real power to get the facts out.

It is in this interest of strengthening this congressional oversight responsibility, that Senator BAKER, Senator CHURCH, Senator CRANSTON and I are today introducing legislation to establish the Joint Committee on Intelligence Oversight, with broad powers to authorize, investigate, and legislate on matters related to the intelligence agencies, as well as to the intelligence activities of all other Federal agencies and departments.

In this way, we seek to consolidate the congressional intelligence oversight function in one joint committee with sweeping powers to demand full and current accountability.

Mr. President, this is the opportunity for Congress to act. The facts are on the table, and now the American people look to us for leadership. Otherwise, the abuses that occurred de facto become a part of the laws of this Nation. What a tragedy that would be, in light of what those facts say.

The joint committee would be composed of 14 members evenly divided between the House and Senate, chosen by the leadership. In order that this important committee remains independent and healthily skeptical, we would encourage the leadership of both Houses to consider some form of rotating membership for the joint committee.

The joint committee would possess primary authorization and legislative jurisdiction over all activities and operations of: the Central Intelligence Agency, the Federal Bureau of Investigation, the U.S. Secret Service, the Defense Intelligence Agency, and the National Security Agency, as well as over all intelligence or surveillance activities or operations of any other department or agency of the Federal Government.

The bill clearly states that the directors of the above-named agencies—

> shall keep the Joint Committee fully and currently informed with respect to all of the activities of their respective organizations, and the heads of all other departments and agencies of the Federal Government conducting intelligence activities or operations or the surveillance of persons shall keep the Joint Committee fully and currently informed of all intelligence and surveillance activities and operations carried out by their respective departments and agencies.

The joint committee may require from any department or agency of the Federal Government periodic written reports regarding activities and operations within the jurisdiction of the joint committee. To back up requests for relevant information, the committee would have full subpena powers.

Furthermore, the proposed legislation provides that:

> No funds may be appropriated for the purpose of carrying out any intelligence or surveillance act or operation by any office, or any department, or agency of the Federal Government unless such funds for such

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[5] The CIA, through its legislative liaison, has confirmed that Mexico is an "important country" to the CIA, but has refused to provide any other information regarding CIA Mexican activities during the 1971–72 time period.

[6] *See* CIA Supplemental Material, Volume II, Tab 18.

[7] *See* CIA cable traffic shortly after the Watergate break-in, CIA Supplemental Material, Volume VI.

activity or operation have been specifically authorized by legislation enacted after the date of enactment of this act.

Therefore, the budgets of secret agencies like the CIA and NSA could not be hidden in Defense appropriation bills, and no blanket authorizations could be used to avoid the committee's scrutiny of intelligence agency budgets.

While the creation of the joint committee would not deprive the current oversight committees—Armed Services, Appropriations, Foreign Relations, and so forth—of the opportunity to exercise oversight over intelligence matters related to the jurisdiction of these committees, no legislation or no provision contained in any legislation dealing with any matter within the jurisdiction of the joint committee can be considered by either House unless such legislation has been reported by the joint committee or is a floor amendment to committee legislation.

And, given national security considerations, the joint committee would be empowered to take any and all precautions necessary to maintain the confidentiality of sensitive information before it.

The hearings last year before the Senate Select Committee on Presidential Campaign Activities documented the systematic abuse of governmental agencies.

The facts of the White House responsiveness programs which pressured Federal agencies to favor political friends and disadvantage enemies are startling indeed. But the litany of White House domestic and foreign intelligence operations conducted under the banner of "national security" can only be termed a national disgrace.

The executive branch had at its disposal a massive intelligence apparatus—the CIA, the FBI, the National Security Agency—NSA—and the Defense Intelligence Agency—DIA. The Nixon administration simply used at home what had been developed in clandestine operations abroad.

This was the proposal of Tom Charles Huston in his July 1970 memorandum to White House Chief of Staff H.R. Haldeman. Houston wrote:

> In the past there has been no systematic effort to mobilize the full resources of the intelligence community in the internal security area. . . . Domestic intelligence information coming into the White House has been fragmentary and unevaluated. . . . Unlike most of the bureaucracy the intelligence community welcomes direction and leadership from the White House.

In other words, the intelligence community was available, acquiescent and unaccountable.

And what did this facade of "national security" really cover up?

These were the sordid activities it justified:

In a massive operation, mail sent to a Democratic Party was opened and photographed by the U.S. Army.

Military agents spied on a group of McGovern supporters in Berlin.

Internal Security Division of the Justice Department on a daily basis, provided the Committee to Re-Elect the President information on individuals of a political and nonpolitical nature.

An FBI agent was used by the White House to spy on Newsday which was doing an article on one of the President's friends.

The FBI conducted an investigation on Daniel Schorr, an investigation designed by the White House to embarrass and harass.

The CIA provided support materials to E. Howard Hunt for the purposes of an illegal entry and burglary into offices of Daniel Ellsberg's psychiatrist.

This litany could run for pages, but the message is clear and convincing: Unless Congress exercises its oversight responsibility over the intelligence community, our constitutional democracy is vulnerable to continued subversion.

Congress must act now to reaffrm the accountability of the American intelligence community.

Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the final Watergate report.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPTED FROM FINAL WATERGATE REPORT

(By Senator LOWELL WEICKER)

THE INTELLIGENCE COMMUNITY

The attitudes and policies that led to Watergate had a profound impact on the intelligence community, from the FBI and the CIA to the lesser intelligence sections of other agencies.

Soon after the new administration took office in 1968, there seems to have been a basic dissatisfaction within the White House as to our existing intelligence capabilities. They were variously considered too timid, too bound by tradition, and generally incapable of acting effectively with respect to what the White House perceived as necessary intelligence.

One of the responses by the White House was to set up a plan, an intelligence plan, so that the objectives, methods, and results of the intelligence community would coincide with the White House. This plan was drafted by Tom Charles Huston in early 1970,[197] and came to be known as the 1970 Domestic Intelligence Plan, or the Huston Plan.

Much of the plan, which has been described previously,[198] was illegal, either in its objectives or in the methods it proposed.

Nevertheless, there are numerous indications, in evidence received by this Committee, that the types of activities recommended in the plan were carried out in the following years. The net effect was to subvert or distort the legitimate intelligence functions of the government.

The plan recommended an expanded use of electronic surveillance. However, the expanded wiretapping that took place in succeeding years was done outside legitimate channels, such as the 17 so-called Kissinger taps,[199] the tap on Joseph Kraft,[200] the Watergate wiretaps, and even the wiretap on the President's brother.[201]

The second element of the plan called for surreptitious entries. Burglaries in fact took place at the office of Dr. Ellsberg's psychiatrist,[202] at the Democratic National Committee, at the office of publisher Hank Greenspun, according to multiple evidence;[203] and were suggested or planned for the offices of the Potomac Associates,[204] The Brookings Institute,[205] and Senator McGovern's campaign headquarters.[206]

Mail sent to an affiliate of the Democratic party was opened and photographed by the United States Army, in a well-documented and apparently massive operation,[207] and military agents spied on the Concerned Americans in Berlin, a group of McGovern supporters who were officially recognized by the Democratic party.[208]

The specific actions proposed by Huston are only one aspect of the plan. Equally important are the policy recommendations. The heart of this new policy was better coordination and use of existing intelligence from all areas of the government.[209] The means of carrying it out was to be a new intelligence "Committee" sitting above all the agencies. Again, the plan was carried out.

On September 17, 1970, an Intelligence Evaluation Committee was set up in the White House.[210] It was to receive information from the CIA, the FBI, the National Security Agency, and other intelligence sections. Notwithstanding the fact that the statutes prohibit the CIA from participating in any domestic intelligence function, it was called upon to evaluate domestic intelligence-gathering by the other agencies when the Intelligence Evaluation Committee was set up. This intelligence was to be digested by the CIA experts and then disseminated for use wherever useful, regardless of the statutory limits placed on the agency that collected the information.[211]

What was important about setting up that Committee was not the work it actually did, but rather the legitimization of a concept. That concept was that intelligence functions of the various agencies were there for whatever purpose the Executive decided it wanted, not for the purposes Congress decided by statute.

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[197] According to Mr. Haldeman, "the President set up an interagency committee consisting of the Directors of the FBI, the CIA, the Defense Intelligence Agency and the National Security Agency," and "Mr. Huston, the White House staff man for this project, was notified by a memorandum from me of the approval of the President." Testimony of H. R. Haldeman, Vol. 7, 2875.

[198] See, notes 183–186.

[199] Testimony of Robert Mardian, Vol. 4, pp. 2392–2393; John Ehrlichman, Vol. 4, p. 2529; and John Dean, Vol. 3, p. 920.

[200] Testimony of John Dean, Vol. 3, p. 919. In June, 1969, Ehrlichman directed Caulfield in lieu of the FBI to place a national security tap on Kraft's home phone. Caulfield contacted Jack Regan, former FBI agent, who ultimately installed the tap. Executive Session of John Caulfield, March 23, 1974.

[201] Presidential Press Conference, November 17, 1973.

[202] Testimony of Howard Hunt, Vol. 9, p. 3663.

[203] Testimony of Howard Hunt, Vol. 9, p. 3687. See Transcripts of Presidential Conversations, Sept. 15, 1972.

[204] White House memo, July 6, 1971, from John Caulfield to John Dean, stating in part, "a penetration is deemed possible if required."

[205] Testimony of John Dean, Vol. 3, p. 920; Executive Session of John Caulfield, March 23, 1974.

[206] Testimony of Howard Hunt, Vol. 9, p. 3686.

[207] See, testimony of Senator Lowell P. Weicker, hearings on Warrantless Wiretapping and Electronic Surveillance, relating to intelligence activities of the United States military directed against "The Concerned Americans in Berlin," an affiliate of the American Democratic party. (Exhibit 8)

[208] Id.

[209] This was the final section of the 1970 Domestic Intelligence Plan, entitled "Measures to Improve Domestic Intelligence Operations." Vol. 3, Ex. 35, p. 1323. See testimony of John Dean, Vol. 4, p. 1457.

[210] The memo to the Attorney General describing the setting up of the IEC was quoted in full in the text of the hearings. Vol. 3, p. 1063.

[211] Testimony of John Dean, Vol. 3, pp. 916–919, 1057–1974, and Vol. 4, p. 1457.

As an illustration, Mr. McCord testified that he eventually received information for use by CRP from the Internal Security Division of the Justice Department, on a daily basis.[212] It included information from the FBI, pertained to individuals, and was of a political as well as non-political nature.[213] This arrangement was made pursuant to a request sent to Mr. Mitchell from Mr. McCord, which led to a call from Assistant Attorney General Mardian in which he relayed the Attorney General's approval and told McCord to work through the Internal Security Division.[214]

The Internal Security Division of the Justice Department also provided political legal assistance to the White House. For example, it provided information regarding demonstrators, and information that would embarass individuals in connection with their relationship with demonstrators and demonstration leaders.[215]

Another illustration of misuse of intelligence was the request made to the IRS, on July 1, 1969, by Mr. Huston, to set up a means of "reviewing the operations of Ideological Organizations."[216] Soon the IRS had set up an "Activists Organizations Committee,"[217] collecting intelligence to "find out generally about the funds of these organizations." An internal memo pointed out that "its activities should be disclosed generally only to those persons who need to know, because of its semi-secretive nature." "We do not want the news media to be alerted to what we are attempting to do or how we are operating because the disclosure of such information might embarrass the Administration." "The type of organization in which we are interested may be ideological . . . or other." "In effect, what we will attempt to do is to gather intelligence data on the organizations in which we are interested and to use a Strike Force concept."[218] This was not tax collection; it was the IRS being converted into an intelligence agency; and it was stopped in the midst of this Committee's hearings in mid-1973.

The next step was when the IRS began gathering intelligence from other parts of the government, with no attempt made to restrict this to tax-related information. Arrangements were made with the military, the Internal Security Division of the Justice Department, and the Secret Service to turn over information on individuals or groups.[219] So long as the IRS has the power to be a potential harassment for the average citizen if audits are not conducted on an objective basis this procedure of developing files on dissenting citizens must be questioned. The more important point is that IRS duties and responsibilities are spelled out by the Congress, and such an operation is not one of them.

The IRS and the Justice Department were not the only agencies pressured into assisting White House intelligence demands. A Secret Service agent spied on Senator McGovern,[220] when supposedly protecting him during the campaign. When the White House was informed of this, no objection was made.

An FBI agent was used by a White House staff member to spy on a Long Island newspaper doing an article on one of the President's friends.[221] The Commerce Department was called on to provide commercial information in a project that it was hoped would embarrass Senator Muskie.[222] The Department of Defense was used to find out information as to Senator McGovern's war records, at a time when there were public charges that he may have acted with cowardice.

There was testimony to the effect that there was nothing short of a basic policy to use any governmental agencies to seek politically embarassing information on individuals who were thought to be enemies of the White House. The so-called "enemies list" was maintained in the White House for this purpose, and a memo was prepared to implement a means of attacking these enemies.[223]

Apparently it was not enough to maneuver the intelligence community and related agency functions. Plans were made to take what is clearly a function of government outside the government, to set up an independent intelligence operation.

The first plan was put forth by Mr. Caulfield, in proposals to Messrs. Dean, Mitchell and Ehrlichman. He suggested a private security entity that would be available for White House special projects, thereby insulating the White House from its deeds. It was called Operation Sandwedge.[224]

Mr. Caulfield rejected the Sandwedge plan, and it was apparently replaced with an operation that came to be known as the "Plumbers." In the meantime, Caulfield began conducting intelligence functions from a position on the White House counsel's staff, functions that properly belong in the agencies, if anywhere.

Caulfield was instructed, for example, to develop political intelligence on Senator Kennedy, including instructions from the Assistant Attorney General to obtain certain information about the travels of Mary Jo Kopechne.[225] When he took the job, he told Mr. Ehrlichman that he would hire an ex-New York City policeman to do investigative work.[226]

Mr. Ulasewicz was then used to collect information on various enemies, political, ideological, and personal. A sample of his activities reveals not only why intelligence should not be outside the checks of a professional organization, but also the rather broad scope of what the White House was in fact doing. His investigations included such things as Richard Nixon's old apartment in New York, a Kennedy official trip to Hawaii, name checks on White House visitors, the President's brother, political contributors to a dozen Senators who opposed the administration, Jefferson Hospital in Philadelphia, Louis Harris Polls the Businessmen's Education Fund, the House of Mercy home for unwed mothers, the U.S. Conference of Mayors, a comedian named Dixon, Mrs. Rose Kennedy's secretary, and Birmingham, Alabama City Council, Mayor, and Executive Staff.[227] And that is just a sample of the much larger number of his investigations. Many of them are clearly the responsibility of established agencies, if they are anybody's responsibility at all.

Eventually, a semi-official unit, the Plumbers, was established within the White House, with a combination of police and intelligence duties. It conducted what Mr. Mitchell referred to in his testimony as the "White House horrors".[228] According to Mitchell, these operations were so wrong that if the President had heard about them he would have "lowered the Boom", even though there is other evidence that the President did know about them and didn't lower any boom.[229]

The legitimate intelligence agencies were used to support this operation, specifically by providing materials for their operations. General Cushman of the CIA testified that after a personal request from Mr. Ehrlichman, CIA technical services people provided Mr. Hunt with a drivers license, social security card, wig, and speech altering device, which were delivered to a "safe house" off CIA premises per Hunt's instructions.[230]

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[212] McCord received information, including FBI data, from the Internal Security Division of the Justice Department, upon his request to Attorney General Mitchell. Mitchell told Mardian to direct McCord to I.S.D., where McCord's contact was John Martin, Chief of the Evaluation Section. Testimony of James McCord, Vol. 1, p. 178.

[213] Id., at 181.

[214] Id., at 178.

[215] Testimony of John Dean, Vol. 3, pp. 916–919.

[216] Memo from Tom Huston to Roger Barth, Asst. Commissioner of IRS, August 14, 1970.

[217] See testimony of Senator Lowell P. Weicker, hearings on Warrantless Wiretapping and Electronic Surveillance, April 8, 1974 (Exhibit 1, memo by D. O. Virdin of the IRS; report of meeting to set up an "Activists Organizations Committee").

[218] Id.

[219] For example, on December 4, 1969, D. W. Bacon, Asst. Commissioner, IRS, contacted Colonel Heston C. Cole, Counterintelligence Division, Directorate Office of Special Investigations, and on January 26, 1970 the IRS contacted Director Rowely of the Secret Service, in both cases to coordinate intelligence-gathering operations through the Activists Organizations Committee. See, testimony of Senator Lowell P. Weicker, hearings on Warrantless Wiretapping and Electronic Surveillance, April 8, 1974.

[220] White House memo from Steve Karalekas to Charles Colson, August 16, 1972, referring to the activities of Agent Bolton. See also, testimony of John Dean, Vol. 3, pp. 923, 1071.

[221] John Caulfield testified that he requested a New York City FBI agent to go out to the *Newsday* offices. This was done, and included a report of the newspaper's confidential publication schedule. Executive Session of John Caulfield, March 23, 1974.

[222] Memo to Charles Colson from Thomas Thawley, Deputy Asst. Secretary of Commerce, April 16, 1971.

[223] White House memo from John Dean, August 16, 1971, entitled "Dealing With Our Political Enemies." Vol. 4, Ex. 48, p. 1689.

[224] Drafted in late summer 1971, Operation Sandwedge called for an offensive intelligence-gathering operation for infiltration of campaign organizations and headquarters with "undercover personnel, surveillance of Democratic conventions and meetings, derogatory information-seeking investigations, and "black bag" activities. Though dropped from active consideration by late 1971, Operation Sandwedge can be seen as a precursor of the Gemstone Plan which achieved the capabilities championed by Caulfield. See, Caulfield Executive Session, March 23, 1974; See also, Campaign Practices Section of Select Committee Report, exhibit of memorandum of Caulfield to Dean entitled "Operation Sandwedge." See also, Vol. 2, p. 786; Vol. 3, pp. 924–6; Vol. 6, p. 2537.

[225] In the summer of 1969, when Dean was working at the Justice Department, "then Deputy Attorney General Kleindienst called (Dean) into his office and told (him) that the White House wanted some very important information . . . regarding the foreign travels of Mary Jo Kopechne." Dean was directed to obtain the information from Mr. De Loach, Deputy Director of the FBI, and give it to John Caulfield from the White House. Vol. 3, p. 922.

[226] Ehrlichman appointed Caulfield to the White House staff on April 8, 1969, as a liaison with various law enforcement agencies, with the understanding that the services of Mr. Ulasewicz, a retiring New York detective, would be obtained. Commencing July, 1969, Ulasewicz reported on his investigatory activities to the White House through Caulfield, on the orders of Mr. Ehrlichman and Mr. Dean. Vol. 1, p. 251.

[227] See, Committee interviews with Mr. Ulasewicz, Mr. Dean, Mr. Caulfield, Anne Dawson, Tony LaRocco.

[228] Mr. Mitchell described the Plumbers' activities which he learned of from Mr. Mardian and Mr. LaRue, as the "White House horror stories." Vol. 4, pp. 1624–25.

[229] On March 22, 1973, the day after Mr. Dean told the President of the Watergate-related White House horrors and other facts, the President, according to Mitchell, discussed the possibility of using Dean as a liaison with the Ervin Committee, rather than lowering any boom. Vol. 5, p. 1894.

Around August, 1971, Hunt began to make additional demands on the CIA: first, for a stenographer to be brought in from Paris, which Cushman and Director Helms considered merely a face-saving move and rejected. Later demands were made for a tape recorder in a typewriter case, a camera in a tobacco pouch, for film development, and for an additional alias and false papers for another man ("probably Liddy"), which requests came to Cushman's attention after they had been granted by the technical services people.[231]

After Hunt's additional demands and a subsequent request for a New York address and phone services, Cushman and Helms decided Hunt's requests had exceeded his original authority. On August 31, 1971, Hunt made a final request, for a credit card, which was denied.[232]

Mr. Young of the Plumbers unit asked the CIA to do a psychological profile of Dr. Ellsberg. It was clearly a domestic project, the only one of its type ever requested, according to Gen. Cushman of the CIA, who also testified that such profiles are reserved for foreign leaders. Nevertheless, it was done, but Mr. Young considered it unsatisfactory, so another profile was prepared and sent.[233] Other projects spanned a broad range, such as spiriting Dita Beard from the East Coast to a Denver hospital, and a subsequent trip to Denver by Hunt in disguise to question her about the ITT affair.[234] To bring the full influence of the White House to bear on this extraordinary activity, Mr. Ehrlichman testified that he personally introduced Messrs. Krough and Young, who headed up the Plumbers to the heads of various agencies, such as the Secretary of Defense, the Attorney General, and the Director of the CIA.[235]

Members of the Plumbers eventually went on to similar work for the Committee to Reelect. Although they were clearly outside the government, they again used the legitimate agencies. Ex-CIA employees were recruited on the basis of their loyalty to the CIA. National security responsibilities were misused. Mr. Barker was even told that the interests of national security he was serving were above the FBI and the CIA.[236] To reinforce this position, classified and critical information about the mining of Haiphong harbor was relayed to Barker the day before the President's announcement.[237] This was not only a misuse of secret Defense Department intelligence, but it also furthered a misuse of national security entrustment in the executive branch.

In a different type of situation, Mr. Haldeman was appointed "the Lord High Executioner of leaks". This technique of attacking and solving the leaks problem illustrates the contempt for normal government functions. It resulted in Mr. Caulfield, by his own testimony, being directed by Ehrlichman to wiretap a newsman's telephone (Joseph Kraft) in pursuit of a leak,[238] outside the safeguards of government wiretap procedures and regulations. There are capabilities within the legitimate operations of our government for handling such a problem. The attitude that these problems had to be treated independently was the same attitude that led to the 17 Kissinger taps being installed outside normal FBI channels and Mardian's instructions from the President regarding the disposition of those wiretap logs "that related to newsmen and White House staff suspected of leaking",[239] and that led to unusual and perhaps illegal White House involvement in the Ellsberg case itself.

There is a reason for demanding that government officials use only the tested and accountable facilities of government. It has been illustrated by the kind of projects undertaken independently by the White House.

The final contempt for the intelligence community can be seen in efforts to exploit them in the coverup. Mr. Ehrlichman said that he and Mr. Haldeman had spoken to General Walters and Mr. Helms of the CIA shortly after the Watergate break-in.[240] Ehrlichman further said that Walters was a friend of the White House and was there to give the White House influence over the CIA.[241] Dean testified that Ehrlichman asked him to explore the possible use of the CIA with regard to assisting the Watergate burglars.[242]

On June 23, 1972, Mr. Haldeman and Mr. Ehrlichman met with Director Helms and General Cushman of the CIA. According to Director Helms, Haldeman said something to the effect that it had been decided that General Walters was to go talk to FBI Director Gray and inform him that "these investigations of the FBI might run into CIA operations in Mexico" and that it might be best if they were tapered off—or something like that.[243] According to General Walters, Haldeman directed Helms to inhibit the FBI investigation on grounds that it would uncover CIA assets in Mexico. Haldeman also indicated he had information the CIA did not have, and that five suspects were sufficient.[244] When Director Helms and Director Gray of the FBI scheduled a meeting between themselves on June 28, 1972, Mr. Ehrlichman intervened and canceled the meeting, thus preventing any independent contacts.

At a later time, Mr. Dean discussed with General Walters the possibility of using covert CIA funds to pay the Watergate defendants.[245] In February 1973, the CIA was asked by the White House to take custody of Justice Department files on Watergate, but the request was denied.[246]

Mr. McCord testified that at the time of the Watergate trial, pressure was brought on himself and other defendants to claim for purposes of a defense that Watergate was a CIA operation.[247]

The FBI was likewise abused in numerous ways. Some of these, such as turning over Hunt's files to Mr. Gray, have been well documented. But there were other examples. The FBI set up the so-called Kissinger wiretaps outside channels, effectively insulating them from routine discovery and accountability, and at the President's instructions, Mr. William Sullivan (who had supervised the wiretaps) turned over all evidence of them to the White House when it was reportedly related to the President that Hoover might use them to preserve his job.[248] The FBI ran an investigation of CBS newsman Daniel Schorr, in what was a White House tactic to embarrass him, according to one witness.[249]

Mr. Ehrlichman testified that he was instructed after the Watergate break-in to see to it that the FBI investigation did not uncover the Ellsberg break-in or get into the Pentagon Papers episode.[250]

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Michigan now be recognized under the order previously entered, without prejudice to the distinguished Senator from Idaho (Mr. CHURCH).

The ACTING PRESIDENT pro tempore (Mr. METCALF). Without objection, it is so ordered.

Mr. HART. Mr. President, I am delighted to have the opportunity today to join the Senator from Connecticut (Mr. WEICKER), the Senator from Idaho (Mr. CHURCH), and the Senator from Tennessee (Mr. BAKER) in introducing proposed legislation for a joint committee to oversee and evaluate the intelligence gathering, surveillance, and covert political action undertaken by our national intelligence establishment.

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[230] Vol. 8, pp. 3292–93.

[231] Id.

[232] Id.

[233] Id., at p. 3311.

[234] Shortly after the ITT memo was published in February, 1972, Mr. Liddy transported Dita Beard from Washington to a hospital in Denver. In his interview there, Mr. Hunt elicited from Dita Beard a public statement that the memo was a fraud. Testimony of Robert Mardian, Vol. 6, p. 2359; Howard Hunt, Vol. 9, pp. 3752–53.

[235] Mr. Ehrlichman testifies further that Mr. Krogh and Mr. Young "described the function of the special unit" (the Plumbers) to the heads of the various agencies. Vol. 7, p. 2691.

[236] Testimony of Bernard Barker, Vol. 1, p. 360.

[237] Mr. Hunt testified that he was "in very general terms aware of" the President's speech announcing the bombing of Haiphong harbor prior to the speech. Hunt requested that Mr. Barker "attempt to have as many telegrams as possible sent to the White House . . . manifesting approval of the President's move." Testimony of Howard Hunt, Vol. 9, pp. 3745–46.

[238] See note 21, supra.

[239] The President instructed Mr. Mardian in the fall of 1971 to transfer the logs from Mr. Sullivan, Assistant Director of the FBI, to Mr. Ehrlichman, who kept them in his safe for over a year. Testimony of John Dean, Vol. 3, pp. 920–21.

[240] Ehrlichman and Haldeman were instructed to insure that covert CIA activities were not exposed by the Watergate investigation being conducted by the FBI. Vol. 6, p. 2557.

[241] On June 26, 1972, Mr. Dean on Mr. Mitchell's suggestion, sought through Mr. Ehrlichman to contact the CIA as to the Watergate break-in. Vol. 3, p. 946.

[242] Mr. Dean indicated to Gen. Walters that witnesses were wobbling and could cause problems, and asked if the CIA could raise bail for some of these defendants. Testimony of John Dean, Vol. 3, p. 1037; Vol. 4, p. 1461.

[243] Testimony of Richard Helms, Vol. 8, p. 3238.

[244] Memorandum of General Walters, Vol. 7, Ex. 101, pp. 2948–49.

[245] Testimony of John Dean, Vol. 3, p. 1937.

[246] On February 9, 1973, Mr. Dean called the new Director of the CIA, Mr. Schlesinger, and suggested that the Justice Department be required to return to the CIA a package of all the materials turned over to Justice regarding Hunt and the break-in at Dr. Fielding's office. Mr. Schlesinger and General Walters decided this was "out of the question". Testimony of General Walters, Vol. 9, pp. 3417–19.

[247] Testimony of James McCord, Vol. 1, pp. 193–98.

[248] In July, 1972, Mr. Sullivan, Associate Director of the FBI, informed Mr. Mardian of the existence of "some very sensitive national security surveillance logs that were not . . . in-channel", that Mr. Hoover might use to preserve his job. Mr. Mardian then flew by courier plane to see the President in San Clemente, who directed him to obtain the reports from Mr. Sullivan and deliver them to Mr. Ehrlichman. Testimony of Robert Mardian, Vol. 6, pp. 2392–93.

[249] Mr. Haldeman requested Mr. Higby to direct the FBI to investigate Daniel Schorr. But "to the dismay of the White House, Mr. Hoover proceeded with a full field wide-open investigation" which became apparent and "put the White House in a rather scrambling position to explain what had happened." Ultimately the White House attempted to explain that Mr. Schorr was being considered for a Presidential appointment in the environmental field. Testimony of John Dean, Vol. 3, 1071.

[250] Testimony of John Ehrlichman, Vol. 6, p. 2544.

Such an idea is not new. It has been proposed and sidetracked in the past. But as the distinguished Senator from North Carolina (Mr. ERVIN) often reminds us, the Bible speaks of a time and a season for everything. Now is the time, the season, for such a committee.

Hopefully, one legacy of Watergate and of *revealed efforts* to subvert elected governments abroad will be this overdue step to reassert democratic control over foreign policy and to preserve a free environment here in America.

To create such a committee does not require criticism of past efforts by existing oversight subcommittees in each House of Congress to monitor particular portions of the intelligence community. We can recognize the sharp increase in public concern over the threat of improper surveillance and other clandestine activity by Government agencies. We can recognize as the Senator from Connecticut has just emphasized, that Congress needs the benefit of comprehensive scrutiny of all Government intelligence, surveillance and covert political operations if it is to carry out its constitutional responsibilities and to reassure the public.

And finally, we can recognize that such systematic evaluation and monitoring can best be done by a joint committee with the broadest charter, the resources and the status comparable to the Joint Atomic Energy Committee.

Mr. President, we have had considerable discussion in the past year of such problems as the alleged national security wiretaps on newsmen and others, the so-called plumbers' operations, the FBI "Co-Intel-Pro" effort to disrupt and discredit dissident political groups, and Army surveillance of American citizens. These and many other issues which would be addressed by the joint committee proposed here today will be the subject of further comment as the merits of this bill are debated. Today, let me confine my remarks to another important area of oversight covered by this proposal: covert political operations in foreign countries.

Last week the Center for National Security Studies held a very significant conference on the conduct of covert political operations—as distinct from intelligence gathering—by our clandestine agents in other countries. Participants included former CIA officials, CIA Director William Colby, others who have held responsible positions in the national security machinery of our Government, and informed journalists and scholars. One point which emerged from the conference sessions was that several strawman arguments might easily divert attention from the real issues in regard to covert operations. It is important to keep in mind what the issues are and what they are not.

Those who defend the present operations of the CIA and its oversight by Congress suggest that critics naively fail to appreciate our need for accurate intelligence. That is nonsense. No one, including those of us introducing this bill, doubts the importance of intelligence about what is happening in the world—or about what might happen which could endanger American security. And, of course, we appreciate that the balance of nuclear deterrence particularly requires accurate, strategic intelligence.

To question the extent of our covert political capability and activities is neither to imply that intelligence is bad nor that we do not need a CIA. Some intelligence gathering must be covert. But we must keep in mind that much of it is derived from careful analysis of open sources or diplomatic reporting. Most of the rest, especially in the crucial area of strategic intelligence on nuclear weapons, comes from technical means such as satellite reconnaissance.

Moreover, evaluation of intelligence is done by the analysts of the CIA's Directorate for Intelligence—and their counterparts at other agencies—and not by the covert operators. Indeed, one of the concerns about covert operations is that they not only may have a distorting effect on our professed foreign policy goals but also that they distort the priorities of the intelligence community. I think this is true particularly for the CIA. In some instances, the past or current, operations, or future plans, of covert operations may even affect the objectivity of the intelligence analyses provided our top policymakers and to Congress.

In short, the organization of the national security establishment to obtain and use intelligence is an important question for our proposed committee to examine. But it is distinct from the more pressing question of the impact which covert political operations have, both in other countries and ultimately in our own society.

Second, if our concern is to enhance the intelligence function and not to do away with it, neither are we saying that the United States should never, under any circumstances, interfere with the internal affairs of other nations. We could not rid ourselves of that option entirely even if we wanted to do so.

But there is a legitimate concern about the far-flung empire of thousands of agents or contract employees, of large commercial cover operations, airlines, banking operations, and a large bureaucracy which together create a tremendous momentum to use the Agency's covert "assets" because they are there.

While we may hear a lot about the threat posed by Russia's nuclear arsenal, covert political operations have long since proved of little value against such closed societies. Such operations are not aimed in any significant degree at Moscow or Peking today.

Rather they are aimed at so-called third-world countries where penetration and political corruption or clandestine use of force may be easier but the threat posed to national security of the United States is also much more difficult to perceive.

As Director Colby noted in a speech before the conference on covert operations last week, the world and our perception of our interests have changed substantially and this has affected the importance of covert operations. Let me quote briefly from what he said:

> It is advocated by some that the United States abandon covert action. This is a legitimate question, and in light of current American policy, as I have indicated, it would not have a major impact on our current activites or the current security of the United States. I believe, however, that a sovereign nation must look ahead to changing circumstances. I can envisage [sic] situations in which the United States might well need to conduct covert action in the face of some new threat that developed in the world.

As he clarified in response to questions at the conference, it is Mr. Colby's view that no operations currently underway or contemplated are vital to our security at this time.

His main argument seems to be that we should maintain this capability because times may change.

No one can deny that the future is uncertain, but against that we must weigh the known costs of maintaining this capability under current executive branch decision procedures and congressional oversight.

In Laos the President waged a secret war financed and run by the CIA. The Constitution says nothing about a secret war—a concept which the Executive now seems to take as its perogative. The Constitution does not give the President power to order advisers who are nominally civilians into the field to make war in the secret name of the United States.

In Chile we admittedly spent millions of dollars over many years. First we tried to keep former President Allende out of power, and then when he was duly elected, to "destabilize" his government. We are now told that the latter effort, which even a high school student could suspect would spark a coup, was necessary to "preserve the forces of democracy in Chile."

Indeed, former CIA officials and present representatives of the State Department have suggested that Allende's government was not to be taken seriously because it was elected by a mere plurality. Well, so are many elected officials in the United States, including U.S. Senators.

I am afraid we may be glimpsing an attitude all too reminiscent of the American military officer in Vietnam who blandly explained to newsmen that we had to destroy a Vietnam village in order to save it. Are we also prepared to subvert the democratic political process in other countries in order to "promote the forces of democracy?" The result in Chile at least has been to precipitate a repressive abolition of constitutional government and widespread violation of minimal civil liberties.

We had best extricate ourselves from the quicksand of such Orwellian doublespeak before it is too late. The first step is to take a very careful look at our covert operations.

At home the consequences have been equally troubling: The perceived need to deny covert operations has led official after official in successive administrations to lie to the Congress, or, as the Executive seems to prefer to describe it, to deceive without actually lying. Thus, Congress was not told about the secret war in Laos because, as one official later explained, the right question was not asked. When Mr. Helms was asked the right question about Chile, he seems to have lied.

Nothing is more corrosive to constitutional government than deception of Congress by the Executive. If that is the price for covert operations, it is too high a price. It becomes an absurd price when even the Director of Central Intelligence asserts that cancelling all such operations would not now have a major impact on our security.

The existence of this covert apparatus tempts Presidents to use it for illegitimate purposes. It is unnecessary to recite again the degree of CIA involvement in Watergate, much of it denied until exposed in Senator Baker's extremely important report. But we must ask if we have learned anything. Are we simply to count on the hope that no future President will be equally tempted?

It is virtually impossible for Congress to exercise its responsibilities when it is ignorant of the facts. Congress could not long be kept in the dark about operations such as the Laotian one if a majority of both Houses were to insist—by exercising their power of the purse—that Congress should be informed. Catch 22, of course, is that we cannot demand to be told information unless we know what that information is, and if we knew in the first place, we would not need to be told.

As Morton Halpern and Jeremy Stone put it in an earlier analysis of this problem—

> The Executive branch thrives on secrecy because secrecy frees it from Congressional, judicial and public scrutiny. But the Congress suffers from secrecy because its power is based on the ability to expose, to rally public opinion, to maintain dialogue between constituents and elected officials and the press.

In a sense this problem is simply one part of the larger question of secrecy in regard to all aspects of national security affairs—Congress cannot obtain all the information it needs, or if it does obtain it, cannot use it to make a case to the American people, because the information is secret.

To a great extent, the best approach to this larger difficulty may be the most direct: simply to point out that the Emperor has no clothes and that much of the withheld material need not be secret for any reason other than to protect the Executive from criticism or embarrassment.

But covert operations are inherently secret. If they are made public they then become, by definition, part of our overt foreign policy. One cannot say: "Make them public and let us have a national debate on whether we should engage in this particular covert operation." But one can ask: "Is this trip really necessary? Do such large scale and frequent covert operations make sense. When should we be undertaking them?"

We can discuss and demand information regarding past covert operations. We can insist that the Congress and the American people be made aware of, and understand the implications of the kinds of covert activities we engage in abroad and the extent and frequency with which we undertake them.

All of this is essential for Congress to be able to conduct meaningful oversight of foreign policy—oversight which does not prove superficial or irrelevant in light of subsequently revealed secret operations.

But for me the most important long-range issue is the understanding by the American people of the impact such operations can have on our own society. What is its impact on the Government's general attitude toward deception, on the Government's general attitude toward dissident political views viewed as a threat to stability or on its attitude toward using dirty tricks and other questionable means to achieve desired ends?

Mr. President, Disraeli once said of a political opponent that his conscience had become an accomplice rather than a moral guide. It is important we make sure that our national conscience remains a guide and does not become our mere accomplice. Strengthened oversight of all clandestine activity is an essential element of that resolve.

Mr. President, I ask unanimous consent that the entire article by Morton H. Halperin and Jeremy J. Stone on this subject from which I quoted be included in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

Secrecy and Covert Intelligence Collection and Operations

(By Morton H. Halperin and Jeremy J. Stone)

We aim in this paper to assess the effects of secrecy on the conduct of American covert intelligence collection and covert operations, and the effects of those programs on American society and foreign policy. We begin with a description of the structure by which the executive branch plans and carries out covert intelligence collection and operations and then briefly discuss covert activities in which the United States has engaged since World War II. This is followed by an analysis of the costs of such operations, with particular emphasis on the decision-making within the executive branch, the effect on American society, and the effects on American foreign policy. We conclude with an analysis of the covert operations and intelligence programs and some specific recommendations.

I. THE STRUCTURE OF COVERT INTELLIGENCE AND OPERATIONS

The only Congressional authorization for covert intelligence operations is contained in the Congressional Act of 1947, which created the entire national security system as well as the Central Intelligence Agency. The Act listed the primary functions of the CIA as advising the National Security Council on intelligence matters and correlating and evaluating intelligence related to national security. The fifth item listed under the functions of the CIA, under the direction of the National Security Council, was: "to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct."

Based upon this very general Congressional authority, Presidents have authorized the CIA to engage in covert intelligence collection and covert operations. Over the years, a structure has grown up within the American government for devising such programs and for implementing them.

At the heart of the covert operations is the CIA. Within the CIA such operations are centered in the "Plans Directorate," under the Deputy Director of the CIA for Plans (known as the DDP). Under the DDP there is an assistant in charge of each region of the world and operators dealing with particular countries or areas. These officials are drawn largely from a career service of covert operators within the CIA. This group is distinct from the career intelligence analysts, who serve only in Washington and only in the evaluation of intelligence material. The covert operators (who have a "cover" identification indicating that they work for the Department of Defense, the State Department, or some other agency or private organization) alternate between assignments in the CIA headquarters in Langley, Virginia, and assignments overseas.

American embassies have a separate section staffed by career covert intelligence operators from the CIA. The head of this unit, who is one of the senior officials of the embassy below the ambassador, is known as the CAS (apparently standing for Chief at Station). This unit maintains its own communications systems with Washington. In friendly countries, its members often operate as liaison with the local intelligence services, but in all cases they are available for the planning of covert intelligence collection and operations.

The only other resources known to be in the field to conduct covert intelligence operations are the military attachés attached to most American embassies. In addition, the service intelligence divisions operate intelligence-collection stations on land, and aboard ships and airplanes. Many of these operations are under the auspices of the National Security Agency, the group charged with the collecting of communications signals and their evaluation.

The National Security Council Act provided that other activities should be conducted only when the National Security Council shall direct them from time to time. In fact, procedures have grown up which provide for continuing authorization to the CIA to conduct covert operations and which put the initiative in the hands of the CIA to come forward with proposals. Beginning in the late 1950s, covert intelligence collection and operations have been approved by a committee chaired by the Special Assistant to the President for National Security Affairs. The existence of the committee and its membership have never been publicly announced, and its name (or rather the number by which it is designated) has changed from time to time. It is now apparently known as the Forty Committee, because its duties were redefined in National Security Decision Memorandum number 40.

In addition to the Assistant to the President for National Security Affairs, the members of the Forty Committee are the Deputy Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the Under Secretary of State for Political Affairs, and the Director of Central Intelligence. Each member is staffed by his own department or agency. For the Director of Central Intelligence, the staffing is done by his Deputy Director of Operations and staff; for the Under Secretary of State, by a small group under an Assistant Director of the Bureau of Intelligence and Research in the Department of State; for the Chairman of the Joint Chiefs, by the Special Assistant to the Chairman for Counter Insurgency and Special Activities (SACSA). Until very recently, the Deputy Secretary of Defense was staffed simply by one of his military assistants, who relied primarily on the evaluations from the Joint Chiefs of Staff. It is possible that this function has more recently been taken over by the new Assistant Secretary of Defense for Intelligence. The Chairman of the Forty Committee, the President's Assistant for National Security Affairs, has in the past been staffed simply by a liaison officer assigned by the CIA.

Proposals for covert intelligence collection or operations normally come from the section of the DDP charged with the relevant geographic area, and, after informal discussion among the staffs of the members of the Forty Committee, they are approved by the Committee itself. In some cases, the proposals come from other members of the committee.

Evaluation of the proposals is limited to the members of this Committee and the staffs designated for this purpose. Under normal procedures, a proposal for a covert operation in Latin America, for example, would not be cleared by the State Department desk officer dealing with that Latin American country or by the Deputy Assistant Secretary, or even, in some cases, the Assistant Secretary for Latin American Affairs. Likewise, it would not be cleared by the Regional Deputy Assistant Secretary in the Office of International Security Affairs in the Pentagon, or even by the Assistant Secretary or the military officers in the Joint Staff charged with planning and policy toward the particular Latin American country. Within the CIA itself, proposals for covert operations are normally not staffed by the Intelligence Branch of the CIA charged with collating and evaluating intelligence materials from all sources. In exceptional cases, particular people from these various organizations may be brought in to consult on a particular problem, but only at the sufferance of the officials formally involved.

Covert operations and intelligence-gathering is conducted, then, under a cloak of what we will call Super Secrecy. Executive Order 10501 specifically prohibited any classification other than the three categories it set out ("top secret," "secret," "confidential") and others authorized by law (such as those involving cryptology and atomic energy). Nevertheless, covert operations carry additional classification markings, and access to them depends on an additional set of clearances whose very existence is classified. Thus, information about them is limited very severely, even within the executive branch. Most of this paper is devoted to an analysis of the consequences of this Super Secrecy for executive-branch decision-making, for the American constitutional system, and for the conduct of American foreign policy.

II. THE RANGE OF COVERT INTELLIGENCE COLLECTION AND OPERATIONS

Covert intelligence operations are of many different kinds and raise quite different issues. The best known concern covert intelligence-gathering. At the beginning of the cold war, the United States had planes engaged in short dashes into Soviet territory. Later, the U-2 flights overflew the territory and a special technology was developed for just this purpose. Stationed around the "Communist bloc," there are planes and ships gathering electronic intelligence—information on the planes flying through Soviet airspace, transcripts of the conversations of the pilots in them, characteristics of Soviet radars, information on Soviet space and missile firings, and so on. The *Pueblo*, captured off North Korean shores, was such a ship. More information comes from satellites encircling the globe and transmitting or dropping information to earth. From satellites, very good pictures of the ground can now be developed.

Covert intelligence gathering also involves the more traditional spy, although the relative effectiveness of spying has greatly decreased. Spies run the gamut from agents injected into a foreign territory, to foreigners recruited for this purpose, to paid informers in friendly or neutral governments, to sympathizers of many kinds and degrees. The Soviet colonel Oleg Penkovsky is probably the best-known example of a spy.

Beyond covert intelligence-gathering lie the activities in support of political groups in a foreign country. Here a line is crossed between efforts to get information and efforts to manipulate. Political parties, labor unions, student groups, and military officers, etc., may be given funds, information, or other help in an effort to win influence over them and to advance shared aims. The first such operation was apparently the massive American intervention in the 1948 Italian election. Later, the United States apparently sought to buy votes in the French National Assembly to secure ratification of the European Defense Community Treaty.

Still greater involvement occurs when insurgent movements get covert support. Here, the United States takes a hand in active struggle. Examples include Indonesia in 1948. Tibet after 1949, Cuba under Batista, China immediately after the Communist revolution, and Katanga. In Iran, the United States sponsored a countercoup to restore the Shah.

Still greater support is involved when the United States seeks to give covert aid to foreign military forces. Here we have assistance to the South Vietnamese against the North, to the secret army in Laos, and to the King of Jordan.

At the end of this spectrum lie major covert military operations. In 1949 the United States air-dropped hundreds of agents into Albania in an effort, much like that of the Bay of Pigs (another example), to overthrow the Albanian government. Tipped off by the Soviet spy Harold Philby, the Albanians had no trouble putting down the revolution.

Sometimes, covert operations involve domestic manipulations, and foreign operations abroad require domestic covers. Travel organizations, student organizations, businesses, foundations, and American labor unions may all be asked to help in providing a base for covert CIA operations. Alternately, they may be infiltrated—with few, if any, of their own higher-ups being aware of it.

Lastly, the United States government cannot credibly deny any involvement in dramatic attacks or incidents abroad, a coup in Cambodia or an Israeli attack on Lebanon promptly brings charges of CIA involvement.

III. DISTORTIONS IN DECISION-MAKING

The Super Secrecy system under which decisions about covert operations are made increases the chances that such operations will be chosen over more desirable alternatives, reduces the effectiveness with which they are designed and carried out, distorts decision-making within the executive branch, and reduces the effectiveness of intelligence evaluation.

The Super Secrecy of covert operations increases the chances that the President will choose covert action rather than other, desirable options, which might be adopted given a free and open debate within the executive branch—and even more clearly if the Congress and the public were involved.

American Presidents face multiple audiences. Whatever the President does is seen not only by the foreign group against which he may be directing his action but also by leaders and active groups in other countries, by the Congress, and by the American public. One of the major attractions of covert operations is that with them one avoids the multiple-audience problem. If something is conducted in secret, then one can avoid the fight over means (as well as ends) which erupts when other audiences perceive an ongoing operation. For example, when President Nixon was asked in the summer of 1970 why the United States had been willing to send military forces to Vietnam to prevent the Communist take-over but was not willing to send American military forces to Chile to prevent a Marxist government from coming into power, he replied that the United States could not send military forces to Chile without provoking an adverse political reaction in the rest of Latin America. Though he did not make it clear at the time, it was later revealed that the United States government had engaged in *covert* operations in Chile. These operations avoided the political outcry which would come from an overt step, such as the introduction of American forces.

As compared to alternatives, the necessary approval for covert operations is easier to obtain. The President himself can often usually authorize them without having to go to Congress for funds or to make a public justification. They also seem cheap and easy because they can usually be disavowed, if necessary. Indeed, the working definition of a covert operation appears to be that it is one which can be disavowed with impunity. As with many other aspects of covert operations of this kind, extreme optimism seems to accompany the evaluation of this factor. Thus, in the cases of both the U-2 and the Bay of Pigs, an explicit element of the calculation leading to the authorization of the plan was the belief that it could be disavowed with a cover story if it was discovered.

The mechanism of decision-making also tends to bias the system toward the choosing of covert options. When the United States government is faced with a problem, meetings are held to discuss the range of overt possibilities; they are weighed against each other in an adversary procedure that will permit critics of one proposal to be heard while the proponents of that proposal are present. Covert operations are not discussed at such meetings, but are considered separately at meetings from which advocates of other proposals, and critics of covert operations, are excluded. Indeed, participants in meetings considering overt options are often not aware that covert alternatives are being considered at other meetings. Those advocating covert operations can bring them up through the mechanism of the Forty Committee, and thus do not have to compete for the time and attention of top-level decisionmakers.

These same factors serve to reduce efficiency in the design and execution of covert operations. The Super Secrecy increases the probability that covert operations will be designed and implemented poorly and with little regard for the realities of the external world or for appropriate principles of American behavior. Many problems arise precisely because the circle of people involved in covert operations is kept so very small and is limited to people who tend to be sympathetic to such operations.

Other aspects of covert operations add to the general difficulties of getting any operation evaluated by the people responsible for devising it and later responsible for its execution. For example, the "play god" aspect of covert work—involving as it often does intervention in the internal affairs of other nations—tends to attract people who are likely to be insensitive to the difficulties of the work and to its implications for American constitutional procedures. Moreover, the cabalism—the close working relationship between the small number of people involved—substantially reduces the chance that any insider will object to somebody else's favorite scheme. Officials involved from other agencies are often simply on loan from the CIA or intimately connected with CIA operations.

As in all policy areas, the responsible officials have an interest in keeping the number of participants down and to exclude those who are likely to be critics. In covert intelligence operations, a special tool facilitates such exclusion: the special clearances required for such operations. A "top secret" clearance is not sufficient; one must get special clearances the existence of which are not even known to officials who do not have such clearances. Moreover, authority to grant them is in the hands of the officials who manage the programs, who can use this tool to exclude anyone they fear might be skeptical or critical.

Normally, an official observing an ongoing policy which he sees as a threat to his organization's interests, or to the national-security interest as he defines it, would attempt to fight his way into the process. He would argue that he has a special expertise to contribute or that the interests of his organization are involved. In covert operations, Super Secrecy makes it extremely difficult for this to occur.

First of all, the official usually does not know that the activities are under consideration or being implemented. The existence of the special clearances makes it difficult to assert a right to be involved, since one is asserting the need for a clearance whose existence one is not supposed to know and which is supposedly kept to a small number of people. Thus, someone attempting to fight his way into the evaluation of a covert operation faces not only the normal difficulties of getting into a new policy arena but special problems of appearing to be jeopardizing security requirements.

As a result, a person who finally does get cleared for a particular operation is likely to feel that he has been admitted on the sufferance of the planners. He knows he will continue to be involved only if he accepts the basic principles involved and presents his criticism on the edges of the operation. Someone who is skeptical about covert operations in general, or covert operations in a particular area, is likely not to get the necessary clearances. If he does, he may feel that he must mute his views or find himself isolated and, ultimately, have his clearance withdrawn.

With the circle of those "in the know" kept so small, those in it tend to discount the views of other government officials who are not aware of the details of covert operations. For example, expert estimates of the unlikelihood of a successful anti-Castro operation in Cuba in 1961 were discounted by the officials who knew about the Bay of Pigs operation. These officials knew they were the only ones receiving all the reports from our covert operations in Cuba; intelligence analysts in the CIA and State Department were discounted because they had not received some of the reports from covert agents operating within Cuba.

The process by which proposals for covert operations move up through the narrow group of those with necessary clearance reduces the likelihood that the senior officials on the Forty Committee will examine them critically. Proposals that come before the Committee are unanimous because of the close working relationships of the staffs involved, and they tend to be rubber-stamped by the committee. Presumably, they are also rubber-stamped by the President when they are brought to his attention. The lack of vigorous dissent, so common with other proposals of a controversial nature, leads to routine approval.

The inability of top officials to maintain control is particularly acute when an operation is very large. For then the danger of adverse political consequences exists if the operation is halted after it is well on its way. In the case of the Bay of Pigs, President Kennedy was confronted with statements from Allen Dulles that if the operation were to be canceled, Cuban refugees who had been recruited would talk about it and cause political problems because of the intense anti-Castro feeling then rampant in the United States.

One form of monitoring is often entirely absent in the case of covert activities. The press provides one critical aspect of the monitoring system over the President and other top officials. This does not occur with a covert operation unless it reaches such proportions that the press in the field begins to learn of it. (Paradoxically, in such cases the press may serve to alert other parts of the United States government to what is going on. This appears to have been the case in Laos through the 1960s, where covert activities came to the attention of many government officials through press reports from Laos.)

Super Secrecy also reduces the possibility of effective monitoring within the American government. The acknowledged need for flexibility in covert operations often makes it easy to justify discretionary authority for officials in the field to implement an approved plan. Ambassadors who sometimes provide effective monitoring or control often do not know, and do not want to know, about CIA operations in their countries. Moreover, the CIA controls its own money, people, and communications channels to Washington, often enabling it to move without normal internal executive-branch monitoring, bypassing skeptics who might otherwise try to persuade the President that it was an error and should be abandoned.

Super Secrecy of decision-making and execution of covert operations also casts a shadow over executive-branch decision-making in general on national security matters. Creating a special class of those with a "need to know" for covert operations tends to give people a sense that on all matters they are better informed than others.

Moreover, within the government, lying becomes an accepted habit. In order to protect the existence of additional clearances and of covert operations, officials with access to information about these things must routinely deceive other officials. This lying breeds cynicism and contempt for those who are lied to, and this must influence the entire pattern of decision-making.

The most obvious demonstration of how Super Secrecy distorts executive-branch decision-making is in the CIA itself. The CIA was envisioned by President Truman, who called for its creation, and by the Congress that authorized it, primarily if not exclusively as an intelligence-evaluation organization. Prior to its creation, President Truman received intelligence reports from each of the armed services and from the State Department. He felt the need for a single agency which would collate and evaluate these reports and which would do so without the bias that an operating agency had in favor of its own programs. Thus, Truman wanted a professional and independent intelligence capability.

This conception of the CIA's role differs markedly from reality because of covert intelligence operations. The CIA has always been dominated by officials whose primary concern has been covert operations rather than intelligence or evaluation. The only career officials to be named heads of the CIA—Allen Dulles, Richard Helms, and William Colby—rose through the covert side of the agency, and Helms and Colby were former DDP's before becoming Directors. The dominance of covert operations within the CIA has diminished the quality of personnel on the intelligence side. The officials who work on intelligence evaluation recognize that they are not operating in a totally hospitable environment and are unlikely to rise to the top.

Moreover, because of its involvement in operations, the CIA is not the neutral intelligence-evaluation organ that President Truman and others envisioned. It has a policy ax to grind concerning its covert operations. The Director of Central Intelligence is reluctant to put out intelligence reports that contradict a view that the CIA is pressing in the Forty Committee or in other covert intelligence channels. Super Secrecy of covert operations also reduces the quality of its intelligence over-all in that the evaluators are often uninformed of covert operations and of matters that would enhance their ability to make sensible intelligence inputs.

Thus, the covert operations staff dominating the CIA weakens it in its primary function of providing objective intelligence evaluation of ongoing problems. The Vietnam war illustrates this well. The Pentagon Papers reveal that intelligence analysts in the CIA frequently produced much more sensible estimates of the situation in Vietnam than other parts of the intelligence community did. What the Pentagon Papers do not indicate, because they did not draw on the files of American covert operations, is that the DDP was as wrong on Vietnam as any other part of the government. The CIA was heavily involved in covert operations in Vietnam, including the training and arming of ethnic minorities. The CIA operators were optimistic about the success of their programs, and the great weight of the CIA effort within the government was to defend these programs rather than to push the consequences of the pessimistic intelligence evaluations.

IV. HOW COVERT OPERATIONS DISTORT THE AMERICAN CONSTITUTIONAL SYSTEM

The American constitutional system is fundamentally distorted by secrecy—although the different branches of government are affected in different ways.

The executive branch thrives on secrecy because secrecy frees it from Congressional, judicial, and public oversight. But the Congress suffers from secrecy because its power is based on the ability to expose, to rally public opinion, to maintain a dialogue between constituents and elected officials and with the press. When a Congressman is told that CIA operations are Super Secret, self-interest makes him prefer not to know anything about it. These secret operations are dangerous to him—he may be accused of having breached secrecy if the matter gets out, yet the information is of no political use to him unless it can be made public. Only a sense of duty can sustain his willingness to participate in hearings on such matters. Indeed, in the House of Representatives, the CIA subcommittee of the Appropriations Subcommittee has a membership that is secret. The Congressmen do not want it known who they are!

The Congressmen risk being asked whether they knew of covert operations. In 1971 Senators John Stennis and Allen Ellender—the Chairmen of the Armed Services and Appropriations committees, as well as of their CIA oversight subcommittees—said that they knew nothing about the CIA-financed war in Laos, surely the CIA's biggest operation. It is hard to know whether to believe these denials, which would suggest enormous laxity in oversight.

Covert operations are especially difficult for Congressmen to come to grips with because they involve, or seem to involve, men in the field—"our boys." Every effort has to be made to protect these men and to bring them back if caught. Thus the flag is wrapped around the personnel, if not the funds, that go into covert operations.

So Super Secrecy is at the heart of Congress' problem in fulfilling its function of oversight of CIA operations. Even the authorization for CIA activities was promptly distorted in secrecy. The National Security Act authorized the CIA to: "perform *for the benefit of the existing intelligence agencies* such additional services of common concern as the National Security Council determines can be more effectively accomplished centrally; perform such other functions and duties *related to intelligence* affecting the national security as the National Security Council may from time to time direct" (italics added).

But secret directives promptly expanded these functions. Overthrowing governments, secret wars, assassinations, and fixing elections are not done "for the benefit of the existing intelligence agencies," nor are they duties "related to intelligence." It is entirely possible that a court might rule such actions unauthorized by statute. Yet within the executive branch, secret directives authorize special operations of all kinds provided they are small enough to be plausibly deniable. Unfortunately, these directives do not cover the impossible-to-deny operations: U-2 *flights, Bay of Pigs,* the Iranian coup, the Laotian war, etc.

A traditional method of Congressional control is through the power of the purse—the control of funding. The Constitution explicitly supports this power of Congress when it asserts in Article I, Section 9, Clause 7, that: "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; *and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time*" (italics added.). CIA expenditures are in violation of this constitutional clause, since no accounting whatsoever is made public. Indeed, the burial of CIA expenditures in the accounts of other departments puts the latter accounts in violation of law. They cease to be accurate.

Complete control of funding for covert operations is evidently delegated only to subcommittees of the Armed Services and Appropriations committees. This, Senator Stuart Symington would not be permitted to discuss CIA appropriations, although he is on the Appropriations Committee and the CIA oversight subcommittee of Armed Services, because he is not one of the five senior members who make up the CIA oversight subcommittee of appropriations. The full committees do not vote on these matters, nor are they discussed on the floor of the Senate sessions on the CIA.

The failure of Congress to approve covert operations hampers its activities in other ways as well. Congressmen cannot properly assess the implications of many foreign events unless they understand the extent to which these events were shaped by covert American operations. The Gulf of Tonkin affair may have been encouraged by ongoing covert operations in the Gulf, but ignorant of these activities, Congressmen considered any attack on U.S. ships to be "unprovoked."

Similarly, interpretations of the true desires of Chileans may have been based on election results in Chile which in fact were manipulated by covert American campaign contributions. The Laotians may desire to avoid fighting, but a secret war financed by a covert operation may persuade Congressmen that Laotians want to continue the struggle.

Today covert operations are what most require the Super Secrecy of the CIA. Electronic intelligence-gathering does not require it, nor does intelligence assessment. It is the potentially explosive disclosure of interference in the internal affairs of other countries that does.

CIA employees must take a special oath to maintain CIA secrets. By restricting them from discussing these matters with their Congressmen or Senators, the oaths interfere with our political system. Moreover, they constitute a special security system, unauthorized—on top of a variety of other unauthorized systems ("sensitive," etc.)

Super Secrecy has led to the widespread use, inside the CIA, of lie detectors. This may be a handy method for detecting double agents and for other use in covert operations. But their use spreads to all CIA employees, to other branches of government, and into the society at large. The funds available to the CIA make it possible for it to pioneer in a technology that undermines traditional judicial and ethical processes.

Super Secrecy as required by covert operations threatens the freedom of the press. For fifteen days, in the first prior restraint order in the history of the country against a daily newspaper, The Washington Post and The New York Times and other papers were restrained from publication of the Pentagon Papers. Part of the government's objection to publication was its fear of revealing covert operations and intelligence collection. And the only permanent injunction against free speech in the history of the United States has been issued against Victor Marchetti, a former CIA official—based partly upon his secrecy oath and partly on the need to keep secret the covert operations of which he might have knowledge.

Covert operations have led to Presidential requests to the press not to publish articles. In the case of the Bay of Pigs, President Kennedy urged *The New York Times* to do just that. When the covert operations are based in the United States, they can also interfere with individual rights. An effort to hide the fact that Tibetans were being trained in Colorado mountains led armed men to surround, and hold at gunpoint, a number of civilians who happened to witness their departure. And then the government apparently asked *The New York Times* not to publish the story.

Covert operations tend to distort the perceptions of foreign policy held not only by Congressmen but also by scholars and, in turn, the public. The entire image of U.S.-Soviet relations during the cold war would have been significantly different if U.S. penetrations of Soviet airspace had been made known. It would have shown that not all the Russians' fear of encirclement was "paranoia."

It is possible, with covert operations, to induce reactions from other nations which are self-fulfilling. Castro's anti-American attitude can be shaped by American sabotage of which he is cognizant but the American public is not. The Chinese knew that Downey and Fecteau were CIA agents; the American public did not. The North Vietnamese gauge our willingness to stay in Indochina by assessing, in part, the commitment shown through covert operations; the American public can not. In these matters, Super Secrecy is effectively directed only at the American public. The "enemy" may understand only too well what is happening, and sophisticated observers in third countries may also. But the American public is the last to know.

Government credibility suffers not only from acts of omission but also from the necessity to lie, to cover up. It was a sensation when President Eisenhower lied to cover up the U-2 incident. The extensive lies covering up the Bay of Pigs included Ambassador Adlai Stevenson's unwittingly untrue assertions in the U.N. Security Council. (Such acts are less sensational now because government credibility has sunk so much lower.) Even Presidential candidates are forced to lie. During the Kennedy-Nixon debates in 1960, both candidates were forced to wrestle with their secret knowledge of plans for the invasion of Cuba. What to say about Cuban policy in the face of this knowledge?

The Watergate affair amply documents the corruption of the political process by graduates of the CIA covert operations branch. Some of the CIA operatives hired at the lower level of the caper thought they were still working for the Agency. A more sophisticated operative is said to have gotten help in locating a suitable locksmith from a CIA roster. Throughout, the skills and techniques of CIA operators were ready and waiting. And those at higher levels directing the operatives had seen *Mission Impossible* and knew, or thought they knew, how the game was played.

The public's response to Watergate was to question why anyone should take such risks for so little. The answer probably lies in the fact that the administration had "institutionalized" dirty tricks. The same people had performed other "mission impossible" assignments, including breaking into a safe in Las Vegas, into Daniel Ellsberg's psychiatrist's office in Los Angeles. The resistance to covert operations was lowered; those who otherwise might have warned of the danger were, to that extent, silenced.

Watergate also reveals the dangers of permitting "hardened" operatives to work freely in American society. Ordinarily, only a criminal would be available to do these break-ins. The criminal element would have few contacts with a normal administration and would lack the sophistication and reliability. But a gang of Cubans led by a covert master spy like Howard Hunt is another matter. They can inspire confidence and encourage assignments from an administration.

The use of private institutions for covert operations tends to bring them all under suspicion. This is what happened when it became known that the CIA had financed the National Student Association and about 250 front organizations and conduits. President Johnson appointed a panel headed by Under Secretary of State Nicholas Katzenbach to review the ground rules for such operations. It concluded.

1. It should be the policy of the United States Government that no Federal agency shall provide any covert financial assistance or support, direct or indirect, to any of the nation's educational or private voluntary organizations.

2. The Government should promptly develop and establish a public-private mechanism to provide public funds openly for overseas activities or organizations which are adjudged deserving, in the national interest, of public support.

The first resolution was adopted. But it left a number of loopholes. In the first place, organizations that seemed to be "private voluntary" might not be. They could be quietly organized as "for profit" and few would know. Alternatively, philanthropists might be enriched, perhaps through stock-market operations, and they would then endow organizations with covert uses. Meanwhile, private businesses could continue to be funded by CIA.

The second recommendation does not seem to have been adopted. The infiltration of private organizations forces people to defend their "covert stories" and lose their integrity. Friends become unsure whether they can believe each other. Persons wonder whether they should accept funds from this foundation or that. To this day, legitimate "Stern Foundations" are confused with the conduit "Stern Foundation," which the CIA used in 1966. The Asia Society and the Asia Foundation have both suffered from the decision of the latter to accept CIA funds. Suspicion spreads.

V. DISTORTIONS OF AMERICAN FOREIGN POLICY

When foreign countries are aware of U.S. covert operations and the American public is not, the possibility arises of having our government blackmailed by foreign governments. For example, they may insist on foreign aid they might not otherwise receive in return for participating in our covert activities. They may seek ransom for captured pilots—as Indonesia did in a case much like that of Gary Powers. They may hold prisoners until the United States admits they were CIA agents—apparently China's approach. And since covert operations, unlike electronic intelligence, require assets in place, the sensitive problems of purchasing and maintaining such assets can increase the risk of blackmail.

But even when pressure is not applied, CIA covert operations can lead to greater recognition of or commitment to a government. A U-2 base at Peshawar can buttress a particular regime in Pakistan. A country that gives us a base for invading Cuba, as Guatemala did, can discover that we are committed to maintaining stability there, if only to protect the base.

Because these commitments are undertaken indirectly and without full debate, it is difficult for anyone to be sure where they will lead. Laos is a good example. The commitment and involvement may outrun the conflict in Vietnam which reinforced them. Meanwhile, the secret war may decimate the population and otherwise dramatically change the original conditions of conflict.

For businesses abroad, the charge of their possible involvement with CIA cannot be answered. The Johnson administration took the view that one could not legislate "private morality" and that, in any case, it was not improper for businesses to cooperate with a government agency in securing information. But here, as elsewhere, the securing of information is something of a "cover concept" for covert operations. While it might not be immoral, it is poor policy to permit a government agency like the CIA to get involved with businesses around the world. In the long run, American business relations will suffer and the inevitable charges of government interference wherever American business rears its head do our foreign policy no good.

The ITT case shows how successive levels of degeneration in function are revealed when dirty tricks are institutionalized. First, the NSC is requested to order covert operations on an occasional basis. In time, the CIA is proposing these operations to a passive NSC. Then, in turn, the businesses through which the CIA operates, as in the ITT case, make proposals to the CIA and try to use the Agency for its own ends. Thus work expands to fill the covert possibilities available. Secrecy debases control.

The credibility, efficiency, and authority of State Department officials are undermined by the presence of covert CIA operatives. The CIA has better communications, better logistics, larger and more available sources of secret money, and greater security of communications. Under these circumstances, its authority in the field can hardly be matched. If there are CIA operatives around, why should sources of information talk to diplomats? The reported closeness of the late President Nasser to American CIA representatives rather than to Foreign Service representatives is a case in point. Nasser may have thought that the real power lay with the CIA.

CIA operatives undermine the effectiveness of the Foreign Service not only by competing with it but by implicitly smearing it. The legitimate diplomatic operations abroad cannot prove that they are legitimate. While some sources are attracted to the CIA, others are repelled. Members of diplomatic missions are suspected of being CIA agents much as American civilians might wonder if a Soviet diplomat is really a KGB agent.

The internal power balance in a foreign country can be distorted by the alliance of the CIA with certain elements in it rather than with others. Ramon Magsaysay in the Philippines may have risen to power on the basis of help or information provided him by the CIA. Others who do not cooperate find themselves disadvantaged, relatively, even if no action is taken against them. From the CIA's point of view, small services can be of great significance—a few weapons, money, some investment advice, dirt on other members of the government, and so on.

Part of the purpose of CIA political operations is to gain just such influence as these operations make possible. But even when these "benefits" are not intended, CIA covert operations can still pervert a foreign government's structure. It is hard for a CIA operative to be passive. Some sources will be cooperating with him; others will not. Gradually, even without direct effort, the CIA—and the United States—may become aligned with and encouraging X rather than Y.

Covert operations seem to encourage rebellions or revolutions without hope. In Laos, teenagers were encouraged to fight against the North Vietnamese troops until they were destroyed. In Tibet, guerrillas fought against the Chinese in hopeless uprisings. In the Bay of Pigs, miscalculations only somewhat less obvious were made. The dynamic of covert activities seems to have a logic that can produce violence which, on later reflection, is not worth it.

VI. CONCLUSIONS AND RECOMMENDATIONS

The very existence, much less the mode of operation, of the CIA's Directorate of Plans is a legacy of the World War II Office of Strategic Services (OSS). In the hot war of the OSS, any and all tricks were considered consonant with the world-wide struggle against the Axis. Many imaginative and creative persons were drawn into its operations. After World War II, the OSS was institutionalized in the CIA. Many of the OSS operatives left, but some stayed. The pattern of imaginative involvement in covert operations remained. The cold war was seen, as late as the early 1960s, as a "long twilight struggle"; CIA covert operations fell neatly into that twilight—a gray area, whose propriety was buried in secrecy.

Today, with the cold war waning, the CI is bidding for permanent institutionalization of its structure and role. Richard Helms argued that America's role as a "great power" demands a CIA even if the cold war does not. Thus what began in a hot war and grew in a cold war may come to base its right to exist simply on the permanent fact of American power.

Meanwhile, the effectiveness of the CIA's covert operations in the industrialized world has vastly diminished. In Europe, the instability of the post-World War II period is over. We no longer need to bribe Italian dockworkers to unload our goods. In the Communist industrialized world (and in China), CIA covert operations are of little effect, even if desirable. And electronic intelligence is providing more than we want to know about most subjects of interest.

As a result, the institutionalization of covert operations is certain to lead to its influence being applied to the Third World—an area with which we are not at war, and from which we are not in danger. The governments are penetrable. The agents have room for maneuver. But there is little work that needs to be done.

In the Third World, nationalism is a proven force against the rapid Communist expansion once feared. Soviet, Chinese, and American interference in Third World states tends only to produce resistance to a large power's further involvement. The problem ceases to be one of fighting fire with fire. It becomes one of giving competitors enough rope to hang themselves. No situation better illustrates these principles than Egypt. Unusual needs in Egypt, and unusual Soviet willingness to help, has nevertheless produced a history of strained relations between the Egyptians and the Soviets and a drain on Soviet resources.

The time has come for America to change its strategy from covert intervention to nonintervention. When there is no emergency, it should be an easy choice to stand for principle. In the long battle for respect and support in the Third World, principles and integrity will be the most important force. The short-run opportunist approach embodied in the CIA's Directorate of Plans sells the long run short.

Furthermore, it will be increasingly difficult to keep covert operations secret. As each operation is "blown," our reputation will suffer; we live in an era that is increasingly impatient with such manipulations. Each covert operation is a time bomb waiting to go off.

Covert operations diminish the flexibility of American foreign policy when it is most required, in a stage of disengagement. They tend to link us to established forces and to encourage the existing tendency of American policy to resist the popular aspirations in underdeveloped countries.

Especially important, covert operations pose a serious threat to democracy at home. James Madison wrote to Thomas Jefferson on May 13, 1798: "Perhaps it is a universal truth that the loss of liberty at home is to be charged to provisions against danger, real or pretended, from abroad." The effort to suppress information about covert operations abroad has already damaged freedom of the press and freedom of speech in America. The Pentagon Papers case and the Marchetti case may be precedents for still more ominous incursions on the First Amendment. Covert interference abroad is interference with freedom at home.

Finally, the greatest Presidential scandal of modern times has arisen from the injection of covert CIA methods, used by CIA graduates, into American society. No greater signal can be given of the danger of these methods to the highest interests of Americans.

We believe, therefore, that it is time for a drastic overhauling of the Super Secrecy system surrounding the planning and conduct of covert intelligence collection and covert operations. We recommend that certain operations and structures be abolished and that the secrecy surrounding others be eliminated.

The United States should continue to conduct operations involving the collection of intelligence materials by technical means, but not in any greater secrecy than other government activities. Implementation of this purpose would mean the elimination of the special classifications surrounding these programs and a public acknowledgement of their existence.

In this category we would put the various satellite collection programs for the gathering of data by photographic and other means, as well as ships and planes carrying electronic equipment. The government should carefully review all such programs to determine which ones in fact produce information of significant importance to the United States. An assessment should be also made of which programs are provocative—running high risks of penetrating the air spaces or territorial waters of other countries. The United States should make a public statement in general terms about the activities to be continued. The budgets for such programs should be publicly identified and be a regular part of the budget of the Defense Department. Officials of the Defense Department should be required to justify them as they justify all other programs. The organizations that operate and conduct them and the responsible officials for them should be publicly identified and be made a matter of public record.

There is, of course, a case for keeping some aspects of a program secret. For example, the technology of the most advanced cameras in satellites might justify continued secrecy. However, such secrecy should be within the context of an ongoing classification system and should be treated within the government like other classified material.

We do not believe that electronic intelligence-collection programs, if any, which penetrate the air spaces or territorial waters of other countries (or run a high risk of such penetration) should be continued.

Our proposals regarding covert operations are more drastic. We believe that the United States no longer needs a large establishment whose function is to conduct covert operations and gather intelligence covertly. Accordingly, the entire covert-operations section of the CIA should be dismantled. The CIA should become what it was originally meant to be—an intelligence evaluation and coordinating organization with no operational responsibilities. This would mean eliminating the entire Plans division of the CIA and the career service of covert operators. It would mean also that the CIA would no longer have clandestine agents in overseas embassies. Their clandestine contacts with government officials and opposition groups abroad should be taken over, to the extent necessary, by State Department officials and military attaches.

Adoption of this proposal would permit the CIA to emerge from the shadows. Its functions would be discussed publicly. Its budget could be publicly identified and its functions largely explained in a public defense of its budget and operations. The intelligence-analysis branch of the CIA would become the dominant career service, with intelligence analysts rising to top positions, including that of Director.

The gains from these proposals would include the elimination of the costs to executive-branch decision-making, American society, and to American foreign policy discussed above. The adverse consequences would be minimal. If the United States government decided to conduct a limited covert operation—for example, obtaining information from a spy within a potentially hostile government—it could be carried out either by the Military attachés or by State Department officials. But there would no longer be a group whose *raison d'être* was such operations, a group constantly looking for ways to employ covert means as an instrument of American foreign policy.

VII. DISCUSSION

Mr. Lowenfeld. I am not quite sure why I was asked to be a commentator here. I was told by the organizers that they wanted somebody who had government experience in foreign affairs. As I read the paper and listened to Mr. Halpern and Mr. Stone, I realized what they meant. I was one of those guys who had all the appropriate clearances and worked on some things that I thought was critical and important, and for the most part I did not know about all those other meetings, the Super Secret meetings.

It did come across to me once. I remember in August 1964 I was Acting Deputy Legal Adviser of the State Department. Bill Bundy called up and said, "I want a resolution authorizing the President to act in Southeast Asia." It turned out that my boss, the Acting Legal Adviser, was on leave—it was the middle of August—and I was the one who picked up the phone. I said, "What happened?" He said, "Never mind; just write a resolution."

It was fairly easy to write the resolution. As any good lawyer, I had a form book. We had the Cuba resolution, the Formosa resolution, the Lebanon resolution, all contained in a nice little book called *Legislation on Foreign Affairs*. It was not too hard to dictate a Vietnam resolution. But I said, "Tell me what happened, so I can put in the appropriate "whereas" clauses." The answer was, "You are not authorized," and I never did find out.

A few days later my boss came back. He had not yet been confirmed. There was some doubt whether he could see the reports from Tonkin Gulf. I think ultimately he did briefly, but only looking over somebody's shoulder. So I knew there was something going on in Tonkin Gulf, and also that there was an attempt to limit access to the information. Whether the news was actually managed, I don't know.

I am sort of depressed by Mr. Halpern's and Mr. Stone's essay. I thought one of the excitements of my job as a government official was that I was really in on a lot of important decisions. Since then, as a teacher and scholar, I have tried to write about them. Now I have to consider that maybe I was just misinformed.

I think it may well be true that espionage is a good thing, a stabilizing influence, a force for peace. Take, for example, Soviet maneuvers in East Germany and Czechoslovakia in 1968. If you had no idea what they were doing, you thought maybe they were going to march to the Rhine or the English Channel, and maybe you got your contingency plan for the Strategic Air Command out of Omaha ready. If, on the other hand, you knew what they were doing, that they were only worried about Dubcek, and you had already decided you could not really protect Dubcek, you calm down. I think there is a lot of that in both directions. So it may well be that a certain level of espionage is a stabilizing rather than a destabilizing force.

Where does espionage tilt over into operations? That is very hard to say. Take, for example, the U-2—was that an operation or was it information-gathering? It is a bit of both. I am not sure that you can really make the separation that Messrs. Stone and Halpern suggest.

Mr. Ransom. I am an academic observer of this subject. The only time I ever worked with the government was quite a while back, when I joined the U.S. forces to stamp out fascism—which I see returning, I am afraid, in a different uniform. I find the Halpern-Stone essay is a very original analysis, and I think I have read everything else on the subject in English dealing with how Super Secrecy and Super Secret agencies can subvert our policy-making system.

I want to say a word about definitions, because while this may seem elementary and pedantic, I think we have all discovered recently that definitions are important. At the highest levels of our government we have discovered with Watergate that there are people who don't know the difference between war and politics.

Intelligence means evaluated information. Espionage is one of the several techniques for gathering information and is by definition illegal. Counterintelligence is a police and security function. Covert or clandestine political operations are activities having no direct relation to intelligence or espionage functions, although they produce some and use some intelligence. That is all very simple, and I restate it because I feel that at the highest levels of government these distinctions are thoroughly confused.

What did Congress intend when it set up the Central Intelligence Agency? My reading of the legislative history is that Congress did not intend to create a clandestine or covert political action organization. We need further research into the legislative history—and scholarly research on this subject encounters many obstacles—but I am convinced from my research to date that Congress did not intend to authorize anything but a Central Intelligence Agency whose functions were to be related to intelligence, that is, *information*.

If Congress did not intend covert political action, how did it come about? I think it was an American reaction to Stalin and communism. The covert political activities of the last twenty-five years have been justified in the same way that we justify activities in time of war generally. We have been in a gray zone between a war declared by Congress and what has in fact been a wartime condition—a cold war since 1947.

The first big covert operation was the Italian election of 1948. Our government felt that we had to make that election come out right. Ever since then, at least until 1967, we have secretly intervened in a major way in elections all over the world. I was startled to see in *The New York Times* a few days ago that we subsidized one wing of the Italian Christian Democratic party to the tune of three million dollars a year between the early 1950s and 1967. I had no idea that as an American taxpayer I was contributing to a particular wing of an Italian political party. I think most of you here didn't know that.

Since 1948, I estimate that the CIA has conducted hundreds of "Watergates" around the globe. That is, it has waged secret political warfare, has attempted to give history a push here and there and make things happen in what our government considers its favor. As the cold war intensified after Korea, covert operations were stepped up, and came to include the secret subsidy of U.S. domestic organizations. You might say, as the cold war stepped up, covert operations came to be used internally and included, as Messrs. Halpern and Stone have indicated, the secret CIA subsidy of an estimated two hundred and twenty-five domestic organizations between the early 1950s and 1967. The most famous, of course, was the National Students Association, whose budget at one time was supported ninety per cent by a secret subsidy from the CIA.

These widespread domestic subsidies were perhaps the second greatest mistake in the history of the CIA. I would say the program of subsidizing domestic organizations was clearly against the law. What, then, was the greatest mistake? The greatest mistake was to allow CIA personnel and equipment to be used for doubly illegal acts at home—illegal because burglary is illegal, and illegal because Congress had very explicitly prohibited the use of the Central Intelligence Agency for internal purposes.

In 1971, the then Director of the Central Intelligence, Richard Helms, gave a rare public speech defending the CIA. He raised the problem of the compatibility of its activity with American democracy. He said explicitly and clearly, "We do not target on American citizens." Was he telling the truth? Because I thought he *was* telling the truth, I found something else he said even more shocking. "The nation must to a degree take it on faith we who lead the CIA are honorable men, devoted to the nation's services." I don't think that any government officials at any level should ask the American people to take it on faith that they are honorable men, because we, I hope, are a government of laws and not of men.

I recommend a thorough audit of all CIA activities, foreign and domestic, by a Hoover Commission-type study, independent of the government. It is an ordinary suggestion, but I remind you that not since 1955 has such a study been made. There have been dozens of studies of the CIA's problems by secret government committees; the government was investigating itself. In 1955, the Hoover Commission task force on intelligence activities, a very Establishment-oriented group, called public attention to the dangers that we now see have become real. We need another such study. I believe such a study should go forward separate and apart from the CIA involvement in the Watergate scandal. Watergate is going to be thoroughly investigated, but there is a much, much larger question: the policy, organization and controls of the intelligence system.

I predict such a study will recommend what Messrs. Stone and Halpern have recommended: that the CIA become again an intelligence agency, as Congress intended, and that covert operations be abolished. If we need a reserve force for covert operations, then we will create and use it. I don't rule out all overseas use of covert operations. But such covert activity is an act of war, so let's call it war and get the CIA out of it.

I predict that such a study will also call, as the Hoover Commission did in 1955, for a joint Congressional committee on intelligence activities. I realize that this is a close question. The Congressional Joint Atomic Energy Committee has not worked the way we wanted it to work. But Congress needs a sustained surveillance group for the intelligence community. Congress gave far too much away in 1947 and 1949. Congress did give the CIA the right to spend funds secretly. Congress did give the director of intelligence the right to tell Senator Fulbright and others, "Sorry, Senator, I cannot tell you that, because Congress has given me the discretion to decide whether I should tell you this or that." Now that the CIA has been disgraced—disgraced to some extent by Watergate in the public eye—I think we have an opportunity to organize for a new Hoover Commission-type study. In 1945 Harry Truman, as President, told his Budget Director, and these are Truman's words, "I am very much against building up an American Gestapo." Tragically, Watergate demonstrated that Truman's fears were not unfounded.

Mr. Kronfeld. I think we have to take a rather jaundiced view of Congressional oversight in this area. When something comes up before the Congress, the Congressmen often don't know what they are voting on. They go by what the committee leadership says; it gets down to a very few people. The Armed Services Committee does have an oversight role now, but the oversight is done by the staff. A good example of the quality of the oversight is suggested by the fact that the just-retired chief counsel of the House Armed Services Committee was also a major general in the Marine Reserves. Most of the senior staff on the Armed Services Committee treat the junior dissident Senators with a certain disdain. They don't talk to them. They don't give them information. These junior members and some middle-rank members don't have a chance. They can't get through to the chairman, they can't get through to the staff, they have to rely on outside people.

Mr. Lewis. I am skeptical of the suggestion that covert operations could continue safely if they were scrutinized by an effective Congressional committee. I don't believe that a joint Congressional committee is ever going to deal effectively with these matters. It won't be in on the operation early enough. It won't have the expertise. Even supposing a Senator thought landing people in Cuba was a bad idea, by the time he found out about it everybody would be all cranked up on the operation and would say, Senator, it is too late to change. It is just not a realistic notion that you can control such operations. Their whole nature is that you cannot control them, and that is the danger.

Mr. Lowenfeld. It may be possible to build in some notion of regular accountability. I am skeptical too, but it may be worth the effort.

One footnote to what Professor Ransom said about the historical record. I am more and more skeptical of the historical record. I am skeptical of the notion that in 1947 Congress did not intend the Central Intelligence Agency to do anything but evaluate. I realize that is what the statute says and that is what the formal record says, but that's just the point.

Mr. Dorsen. Are you suggesting there were separate meetings in the Congress, with a record that might not have been made public?

Mr. Lowenfeld. Sure.

Mr. Callen. I wish to comment on intelligence-gathering, as distinct from covert operations. I worked at the National Security Agency for eight years, sometimes helping among other things to develop analytical interception and surveillance apparatus. I agree with Professor Lowenfeld that a great deal of what goes on, in NSA at least, is very much in the interests of peace, because you don't really trust what any other government says. You really have much more confidence in what you intercept, in what they are saying among themselves.

Much of what used to be done by people is now done by satellites. You can ring the Soviet Union with interception apparatus, but that only gets at long-range communications. Microwave communications, which are short range, can be intercepted by satellites. You send the satellites high up and they swoop down low over the Soviet Union and gather stuff. So satellites play a major role in the interception of foreign communication.

The thing that interested me for all those years was how little of the surveillance technology actually diffused into our own economy, though some of it was developed right here in this country. This was, I think, because there was no force for such diffusion. Now, there is such a force—the fight against crime. The Law Enforcement Assistance Administration [LEAA] poses a very definite threat to the right of privacy and to civil liberties by funding the use of this technology in domestic affairs. For example, in Washington, we fought very hard and successfully against a group which was going to receive money from LEAA. It was going to have some $150,000 worth of equipment for an electronic surveillance van to use, they said, for fighting organized crime and heavy drug traffic. We are going to see more and more of this across the United States, funded by LEAA.

Mr. Schwartz. I want to make two brief points. The first point is with regard to Congressional oversight. I think few people really feel Congressional oversight is adequate. All too often it turns into the primary dictionary meaning of the term. Yet we must use the tools we have. This is, in our constitutional governmental structure, the only real instrument we have for controlling executive action.

Secondly, as one who is not involved in this area at all, my sympathies are with the suggestions made in the paper and discussion. This bloated, elephantine apparatus that has grown up completely distorts the constitutional center of gravity. Of course, it ought to be pruned, refined, improved, and maybe abolished, and yet one has a lingering doubt. You all remember Secretary Stimson's famous remark when he dismantled this kind of operation, at what now seems a very elementary if not infantile level: "Gentlemen don't open other people's mail," he said. But what happens if, in the world, you are not dealing with gentlemen, and all other governments have this kind of thing?

Mr. Halpern. I want to distinguish between two things. Mr. Stone and I were not proposing the abolition of reading other people's mail. That is precisely one of the things we are proposing to continue. It is very hard to make estimates; but I don't know anybody who has been in the government who would challenge the notion that something over ninety per cent, I would say ninety-eight per cent, of the useful information the United States government has comes either from overt sources: newspapers, public radio broadcasts, or thing of that kind—or from technical and intelligence-gathering: satellites, reading other people's mail, the kinds of things the National Security Agency supposedly does.

We are not proposing to abolish that range of activity. What we are proposing is to move it out of its Super Secrecy. For example, it is now clear to anybody who reads anything that the United States has a very large satellite program. It is still the case that anybody with a security clearance is violating the law if he says so publicly: The budget for spy satellites and the offices that runs them are buried. If you go as a Congressman or a citizen and say, "Who runs the satellite program which we read about in the newspapers all the time?" you can't find out. If you say, "How much does it cost?" you can't find out.

There is absolutely no reason in the world for either of those two facts to be secret, and no reason in the world for Congress not to be able to get into that program in executive session on a classified basis, the way it gets into the Minuteman missile program or any other military program.

Mr. HART. Again I want to acknowledge the work of Senator Weicker and Senator Baker in this area.

Mr. CHURCH subsequently said: Mr. President, earlier this morning I understand that a colloquy took place here in the Senate Chamber with respect to the policy pursued by the CIA in Chile, which has now been revealed by Mr. Colby, the CIA Director, and confirmed by the President.

In connection with that colloquy, I further understand that a bill is to be introduced which would establish a joint committee of Congress with jurisdiction over the CIA, mandated to exercise surveillance over its operations.

I believe such a bill to be necessary, and I intend to join as a cosponsor of the measure.

It was not possible for me to be on the floor at the time that the colloquy took place, but I do have some newspaper columns which relate to the Chilean affair that I think could appropriately be made a part of the record in reference to the colloquy.

Mr. President, I submit for your approval and ask unanimous consent that the following articles be printed in the Record at the conclusion of my remarks: An article by Tom Wicker, the New York Times columnist entitled, "Secret War on Chile," and an editorial from the September 11, 1974, edition of the Christian Science Monitor.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CHURCH. Mr. President, it seems to me that these two articles eloquently sum up the issues which are raised for this country arising out of the CIA's intervention in Chile for the purpose of "destabilizing" the government of the constitutionally elected President of Chile, Salvador Allende Gossens. Mr. Allende was a Marxist, and I would not have chosen him or the ideas he advocated for my own country. But the fact is that he was elected, in accordance with the electoral process established by the constitution of Chile, as President of that country.

As the Christian Science Monitor states:

> It apparently is permissible for the CIA to maneuver against local governments which Washington does not like—this is deemed in the national interest but when the U.S. declines to use its influence to dissuade repressive regimes from anti-democratic excesses—as in South Korea or Greece—this is justified as "non-interference in another country's internal affairs.

Or, as Mr. Wicker pungently puts it:

> The real questions are whether this supposedly peace-loving and democratic nation has any legal or moral right to conduct covert operations abroad, and whether any Administration of either party has the constitutional authority to order taxpayers' money spent for clandestine warfare against the legitimate government of a sovereign country.

EXHIBIT 1

CIA AND CHILE

Now the facts are coming to light. The Central Intelligence Agency was not the innocent bystander in Chile that the United

States Government tried to imply it was at the time of the overthrow of Salvador Allende.

The CIA, it turns out, engaged for years in clandestine activities against the late Chilean President. CIA director William Colby acknowledged in secret testimony to the Congress that some $8 million had been authorized by a high-level intelligence committee headed by Henry Kissinger to "destabilize" Allende's Marxist government and bring about its downfall after 1970.

The disclosures are shocking and dictate *the urgent* need for a public scrutiny of national security policies, a reform of CIA functions, and a system of strict accountability for CIA actions. They also point again to the deception practiced by previous administrations.

The State Department sticks by its guns. It stated this week it backs the testimony of high officials who previously told Congress that the U.S. had not intervened in the domestic affairs of Chile after Allende's election.

Clearly the full story has yet to be told. In light of the developing dispute we favor full-scale public hearings into the CIA's role in Chile, as called for by Congressman Michael Harrington.

This is not the first time the CIA has been involved in questionable covert operations against foreign states. Its record includes the aborted Bay of Pigs invasion, the secret war in Laos, and efforts to overthrow governments in Iran and Guatemala. More recently, the domestic front, it furnished the White House "plumbers" with technical aid and a psychiatric profile of Daniel Ellsberg—acts that violated its mandate.

The record is disturbing.

However distasteful, clandestine operations sometimes are necessary. If a foreign power, for instance, is engaged in activities in a country that could impair American interests, it stands to reason the U.S. must know what it is up to. But gathering information and exposing Communist subversion, say, are one thing. Attempts to undermine or overthrow legitimate governments are quite another.

A distressing aspect of all this is the double standard which the U.S. has set for its international conduct. It apparently is permissible for the CIA to maneuver against local governments which Washington does not like—this is deemed in the national interest. But when the U.S. declines to use its influence to dissuade representative regimes from anti-democratic excesses—as in South Korea or Greece—this is justified as "noninterference" in another country's internal affairs.

If the CIA is permitted to abet the disintegration of constitutionally elected governments—however unpalatable their ideology— does not the U.S. lose its moral authority to condemn similar subversive action by a Communist power?

The Allende regime was hardly a model for Latin America. But the late President did carry on his Marxist experiment within the constitutional framework. If Washington chose not to render help—except to the Chilean military—that at least was an overt if debatable, position.

But by colluding in the effort to undermine the Chilean Government by covert means, Washington has only helped destroy the credibility of the argument that Communists should participate in the democratic process rather than seek power through violent means.

SECRET WAR ON CHILE

(By Tom Wicker)

On the very day that President Ford extended preventive pardon to Richard Nixon, another high crime of the Nixon Administration was being disclosed in The New York Times. Public outrage because of the pardon must not be allowed to obscure this sordid story of indefensible American intervention in the internal affairs of Chile, in the years just before the violent overthrow of the Allende Government and the death of President Salvador Allende Gossens.

Secretary of State Henry Kissinger appears to have been a principal force in this covert intervention, and is being charged once again with not having told the whole truth to a Senate committee. Demands are being heard for a reopening of the hearings which recommended his confirmation as Secretary.

The Times story, by Seymour Hersh, was based on a letter from Representative Michael Harrington of Massachusetts to Chairman Thomas E. Morgan of the House Foreign Affairs Committee. The Harrington letter gave an account from memory, of testimony to a House Armed Services subcommittee by William E. Colby, the director of the Central Intelligence Agency.

Mr. Harrington said he had twice read a transcript of the Colby testimony. As he described it to Mr. Morgan, Mr. Colby said that the Nixon Administration had authorized about $8 million to be spent covertly to make it impossible for President Allende to govern. Specifically, $500,000 was authorized in both 1969 and 1970 to help Mr. Allende's election opponents, and $350,000 was later authorized for bribing members of the Chilean Congress to vote against ratifying Mr. Allende's election.

Later $5 million was authorized for clandestine "destabilization" efforts in Chile; and in 1973, $1.5 million was provided to help anti-Allende candidates in municipal elections. The authorizing body for all this C.I.A. activity was the so-called "40 Committee" of the Nixon Administration—a committee chaired by Henry Kissinger.

But Mr. Kissinger told the Senate Foreign Relations Committee during his confirmation hearings that "the C.I.A. had nothing to do with the coup, to the best of my knowledge and belief." While that may have been true in the narrowest sense, it was at best one of those torturous non-lies in which governments specialize and at worst a concealment of the true nature of U.S. policy toward the Allende Government and the scope of American activities to undermine that Government.

Similarly, Edward M. Korry, ambassador to Chile during most of the period in question, denied under oath to a Senate subcommittee that there had been American attempts to "pressure, subvert, influence a single member of the Chilean Congress." Charles A. Meyer, a former Assistant Secretary of State for Latin-American affairs, also swore that the United States had scrupulously followed a policy of non-intervention in Chile.

No wonder, then, that Senator Frank Church, to whose subcommittee this sworn testimony was offered, was reported to be outraged upon learning of the Colby testimony. He has properly raised not only the possibility of perjury charges but the question of comprehensive hearings by the full Foreign Relations Committee on the intervention in Chile.

If such hearings are held, or if Mr. Kissinger's confirmation hearings should be reopened—as they already have been once, to inquire into charges that he did not tell the whole truth about wiretaps on reporters and some of his associates—the inquiry should press much further than the candor of official testimony, important as that question is.

But as one Government official pointed out to Mr. Hersh, if covert activities against another country are authorized, Government officials—sometimes including Secretaries of State and Presidents—have to lie about them. Lies are part of the business. The real questions are whether this supposedly peace-loving and democratic nation has any legal or moral right to conduct covert operations abroad, and whether any Administration of either party has the constitutional authority to order taxpayers' money spent for clandestine warfare against the legitimate government of a sovereign country.

These questions are long overdue for full and open debate; the Colby testimony, for example, said the first intervention against Mr. Allende was ordered by Lyndon Johnson in 1964. Congress, the press, Presidential candidates—all have consistently shied away from this subject. Supposed liberals have pled the supposed need to be "hard-nosed." The real need is to face the fact that gangster schemes of bribery, violence and even assassination are being carried out, in the name of the great American people.

The C.I.A. may be only an instrument, but it seems to have its own sinister vitality. The Chilean efforts, in fact, were authorized by the lineal descendent of a body set up by the Kennedy Administration to "control" the C.I.A. Isn't it clear at last that such "control" can be achieved only by a Government with the political will to cut the C.I.A. in half, or kill it altogether?

ORDER VACATING ORDER FOR RECOGNITION OF SENATOR CHURCH

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the recognition of Mr. CHURCH be vacated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. If any Senator wishes time, I have time under an order which I shall be delighted to yield.

Mr. President, there being no request for such time, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia yields back the remainder of his time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 9:30 a.m., with the statements therein limited to 3 minutes.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair, with the understanding that the recess not extend beyond the hour of 9:30 a.m. today.

There being no objection, the Senate, at 9:14 a.m., recessed subject to the call of the Chair; whereupon, the Senate reassembled at 9:27 a.m. when called to order by the Acting President pro tempore (Mr. Metcalf).

QUORUM CALL

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 12:30 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 15580) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1975; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Flood, Mr. Natcher, Mr. Smith of Iowa, Mr. Casey of Texas, Mr. Patten, Mr. Obey, Mrs. Green of Oregon, Mr. Mahon, Mr. Michel, Mr. Shriver, Mr. Conte, Mr. Robinson of Virginia, and Mr. Cederberg were appointed managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 6274) to grant relief to payees and special indorsees of fraudulently negotiated checks drawn on designated depositaries of the United States by extending the availability of the check forgery insurance fund, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has affixed his signature to the following enrolled bills:

S. 210. An act to authorize the establishment of the Boston National Historical Park in the Commonwealth of Massachusetts;

S. 3301. An act to amend the act of October 27, 1972 (Public Law 92–578);

H.R. 6395. An act to designate certain lands in the Okefenokee National Wildlife Refuge, Ga., as wilderness;

H.R. 12000. An act to enable egg producers to establish, finance, and carry out a coordinated program of research, producer and consumer education, and promotion to improve, maintain, and develop markets for eggs, egg products, spent fowl, and products of spent fowl; and

H.R. 13595. An act to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. Baker).

At 4:10 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House insists upon its amendments to the bill (S. 1283) to establish a national program for research, development, and demonstration in fuels and energy and for the coordination and financial supplementation of Federal energy research and development, and for other purposes; disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Udall, Mr. Bingham, Mr. Seiberling, Mr. Teague, Mr. McCormack, Mr. Ruppe, Mr. Dellenback, and Mr. Mosher were appointed managers of the conference on the part of the House.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 14214) to amend the Public Health Service Act and related laws to revise and extend programs of health revenue sharing and health services, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Staggers, Mr. Rogers, Mr. Satterfield, Mr. Kyros, Mr. Preyer, Mr. Symington, Mr. Roy, Mr. Devine, Mr. Nelsen, Mr. Carter, Mr. Hastings, Mr. Heinz, and Mr. Hudnut were appointed managers of the conference on the part of the House.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Baker) laid before the Senate the following letters, which were referred as indicated:

Supplemental Appropriations for the Department of Labor (Sen. Doc. 93–111)

A communication from the President of the United States proposing supplemental appropriations for the fiscal year 1975, involving transfers of $7,400,000 from other appropriations, for the Department of Labor (with accompanying papers). Ordered to be printed and referred to the Committee on Appropriations.

Supplemental Appropriations for the Department of Labor (Sen. Doc. 93–110)

A communication from the President of the United States proposing supplemental appropriations for the fiscal year 1975 in the amount of $9,650,000 for the Department of Labor (with accompanying papers). Ordered to be printed and referred to the Committee on Appropriations.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Baker):

A resolution adopted by the Council of the city of Cleveland, Ohio, memorializing the Congress to design and implement an effective program of food price control. Referred to the Committee on Banking, Housing and Urban Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MUSKIE, from the Committee on the Budget:

S. Res. 406. An original resolution authorizing supplemental expenditures by the Committee on the Budget for inquiries and investigations (Rept. No. 93–1157). Referred to the Committee on Rules and Administration.

By Mr. CANNON, from the Committee on Rules and Administration, without amendment:

H.R. 5507. An act to authorize the conveyance to the city of Salem, Ill., of a statue of William Jennings Bryan (Rept. No. 93–1158);

S. Res. 382. A resolution authorizing additional expenditures by the Committee on Armed Services for routine purposes (Rept. No. 93–1159);

S. Res. 388. A resolution relating to the printing of legislative proceedings with respect to the death of former Senator Ernest Gruening (Rept. No. 93–1160); and

S. Res. 396. A resolution relating to the printing of legislative proceedings with respect to the death of former Senator Karl E. Mundt (Rept. No. 93–1161).

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

H.R. 16102. An act to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 to exempt from its provisions the period from the last Sunday in October 1974, through the last Sunday in February 1975 (Rept. No. 93–1162).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BAKER (for himself, Mr. Weicker, Mr. Hart, Mr. Church, Mr. Mansfield, Mr. Javits, Mr. Humphrey, Mr. Cranston, Mr. Montoya, Mr. Inouye, Mr. Brooke, and Mr. Pearson):

S. 4019. A bill to establish a Joint Committee on Intelligence Oversight. Referred to the Committee on Government Operations.

By Mr. NELSON:

S. 4020. A bill to amend the Small Business Act to authorize Federal revenue sharing grants to States to develop model programs to demonstrate the effectiveness of the use of independent State and local small business enterprise centers to provide technical assistance and other useful and practical services to small businesses, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. DOMINICK:

S. 4021. A bill to exclude from the gross income of individuals the interest on an amount of savings not in excess of $20,000. Referred to the Committee on Finance.

By Mr. McGOVERN (for himself, Mr. Abourezk, and Mr. Curtis):

S. 4022. A bill to amend the Small Business Act to provide for compensation for small business and other losses arising out of the disturbances at Wounded Knee, S. Dak. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. DOMINICK:

S. 4023. A bill to amend the Internal Revenue Code of 1954 to eliminate certain limitations on medical and dental expense deductions. Referred to the Committee on Finance.

S. 4024. A bill to establish within various agencies an Office of Consumer Advocacy. Referred to the Committee on Government Operations; and

S. 4025. A bill for the relief of Laszlo Sebo. Referred to the Committee on the Judiciary.

By Mr. BELLMON:

S. 4026. A bill for the relief of Filemon J. Inocencio, Sr., Noemi S. Inocencio, Pamela Ann Inocencio, Filemon Jose Inocencio, Jr.; and

S. 4027. A bill for the relief of Nur Badshah. Referred to the Committee on the Judiciary.

By Mr. BELLMON (for himself, Mr. CURTIS, Mr. DOLE, Mr. HELMS, Mr. McGOVERN, and Mr. YOUNG):

S. 4028. A bill to authorize the Secretary of Agriculture to carry out an emergency assistance program to assist States in relieving severe drought conditions that threaten to destroy livestock or crops. Referred to the Committee on Agriculture and Forestry.

By Mr. HELMS:

S. 4029. A bill to require the reduction of the rate of compensation of Senators, Representatives, and Cabinet officers by the percentage by which nontrust fund outlays of the U.S. Government exceed nontrust fund receipts during a fiscal year. Referred to the Committee on Post Office and Civil Service.

By Mr. GRAVEL:

S. 4030. A bill to amend section 5 of the Food Stamp Act of 1964 to provide that certain benefits received by persons under the Alaska Native Claims Settlement Act shall be disregarded in determining the eligibility of the households of which such persons are members to participate in the food stamp program. Referred to the Committee on Agriculture and Forestry.

By Mr. McCLURE:

S. 4031. A bill to authorize the Secretary of the Army to delegate to the States certain functions with respect to the location and plans for structures, excavations, or fills in or on certain navigable waters. Referred to the Committee on Public Works.

By Mr. DOLE:

S. 4032. A bill to amend the Congressional Budget Act of 1974 to require the Congressional Budget Office to prepare inflationary impact statements in connection with legislation reported by Senate and House committees. Referred, by unanimous consent, to the Committee on Government Operations and the Committee on Rules and Administration.

By Mr. HUMPHREY (for himself and Mr. MONDALE):

S.J. Res. 242. A joint resolution designating the National Air and Space Museum, as the Charles A. Lindbergh National Air and Space Museum. Referred to the Committee on Commerce.

By Mr. McGOVERN:

S.J. Res. 243. A joint resolution to provide direction to the U.S. delegation to the World Food Conference. Referred to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BAKER (for himself, Mr. WEICKER, Mr. HART, Mr. CHURCH, Mr. MANSFIELD, Mr. JAVITS, Mr. HUMPHREY, Mr. CRANSTON, Mr. MONTOYA, Mr. INOUYE, Mr. BROOKE, and Mr. PEARSON):

S. 4019. A bill to establish a Joint Committee on Intelligence Oversight. Referred to the Committee on Government Operations.

(The remarks of Mr. BAKER and other Senators on the introduction of the above bill appear earlier in the RECORD.)

By Mr. NELSON:

S. 4020. A bill to amend the Small Business Act to authorize Federal revenue sharing grants to States to develop model programs to demonstrate the effectiveness of the use of independent State and local small business enterprise centers to provide technical assistance and other useful and practical services to small businesses, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

SMALL BUSINESS DEVELOPMENT ACT OF 1974

Mr. NELSON. Mr. President, this is a bill to amend the Small Business Act to authorize Federal revenue sharing grants to States to develop model programs to demonstrate the effectiveness of the use of independent State and local small business enterprise centers to provide technical assistance and other useful and practical services to small businesses, and for other purposes.

I am proposing this model grant legislation because we tend too often to ignore the general problems of small businesses in our overall approach to preserving and strengthening American free enterprise. For while other laws, and even other provisions of the Small Business Act itself, are designed to help particular groups of small business concerns—such as agriculture businesses or minority businesses—or are designed to help all small business concerns with particular types of problems—such as governmental procurement policies or obtaining small business loans, there is no program designed to aid small business concerns with the entire range of problems they face.

This program represents a new step toward the goal of strengthening the position of small businesses in our sagging economy. It is designed as an experimental program, with the purpose of developing and analyzing methods and techniques so that we may utilize the more successful ones to realize that goal.

Such a model program requires considerable flexibility, and for that reason I propose to allow individual States wide latitude in designing and conducting their own model programs.

Accordingly, this act authorizes the Small Business Administration to distribute the funds appropriated under its provisions to participating States with a minimum of strings attached. States entering into agreements with the administration for use of these funds must only specify the type of centers or training programs they expect to fund or establish, the goals of those programs, and the availability of non-Federal funds to match the revenue-sharing grants on a dollar-for-dollar basis.

The latter requirement is necessary, I feel, to insure that participating States make a positive commitment to aiding small business concerns, and to get the maximum effect out of the expenditure of each Federal dollar. States desiring to participate in the program and meeting the minimal requirements spelled out in the act will divide the funds available, based on their population relative to the total population of the participating States, except that no individual State may receive more than 10 percent or less than one-half of 1 precent of the available funds.

The Small Business Administration shall have no authority to withhold more than 10 percent of the funds appropriated pursuant to this act for purpose of administration and evaluation of the program, and it may withhold a model grant from a State making a timely application only upon a finding that the State's proposal would abuse the purposes of the act.

Thus, as you can see, the model grants will allow participating States a wide flexibility in molding and shaping their own responses to the problems in their communities. I sincerely believe that out of such model programs will come fresh new ideas and new approaches that might otherwise be impossible to obtain through programs run entirely at the Federal level.

Under this bill, Congress would authorize a Federal expenditure equal to approximately one program dollar for each of the 12.5 million small business concerns in America today. Out of the model programs that will be developed under this act, I expect to lay the groundwork for a network of local enterprise centers, coupled with a centralized system for gathering, storing and dispersing information, that would begin to give small business concerns the ability to compete on a more equal footing with the corporate and institutional giants that are currently moving toward total dominance of the American economy.

This model grantmaking authority is in no way designed to replace existing public and private assistance programs, such as are authorized under other legislation. Rather, it is intended that the programs established at the State and local level pursuant to these model grants will strengthen and draw together the assistance available from such other sources, and through vigorous outreach methods, bring other public and private services to the attention of all small businessmen.

It is envisioned that the programs and techniques developed under these model programs will evoke the spirit of success and adaptability to change found in the services provided by the Department of Agriculture Extension Service to farms and agricultural small businesses. Agents and centers operating under the Agriculture Extension Service have fostered the rapid dissemination of new managerial and technical knowledge, working to coordinate such disparate elements as State university systems and research stations, banking centers, equipment manufacturers, Federal price support administrations, Federal, State, and local tax structures, and much more, into a usable package of resources for the busy American farmer and agricultural small businessman.

Mr. President, I believe assistance of this sort for the nonfarm small business is necessary today, and that existing programs simply fail to provide it. An examination of the existing programs would bear me out.

The Small Business Administration, for example, has recognized the need for technology transfer to prospective and operating small businesses, and the need for an increased effort in spreading good management techniques, "particularly through motivating the private sector." To that end, individual counseling is available through SBA field offices, but to date such counseling comes nowhere near the scale necessary to reach into communities separated by distance and inadequate channels of communication.

Volunteer retired and active executives, through the SCORE—service corps of retired executives—and ACE—active corps of executives—programs, provide management counseling to small businesses. This volunteer program has been transferred from the SBA into the ACTION agency, as directed in the President's reorganization plan in 1971. Concern has been expressed by some of my colleagues on the Senate Select Committee on Small Business that this transfer may affect levels of support and effectiveness of these efforts, and we are awaiting an evaluation of its impact.

The technology utilization program, which identifies and provides to interested small businesses technological advances resulting from federally financed research and development, began as a program of great potential. The Senate Select Committee on Small Business found in 1970 that about 6,000 small firms benefited through this program and estimated an increase in profits of $8.3 for every Federal dollar expended in this program. Yet, SBA has proposed to terminate this program, in a move which has met strong congressional objections. A subcommittee of the House Permanent Select Committee on Small Business held a hearing in June 1973, in which the value of this program to small business concerns was well documented. Requests were subsequently sent by members of both Senate and House Committees on Small Business to the SBA to continue and to expand the technology utilization program, but the future of this program remains precarious, unless the SBA fully commits its support to such activities.

The Small Business Institute, begun in September 1972, uses senior and/or graduate business students from schools in major metropolitan areas to advise local businessmen and women, who are SBA borrowers and are encountering difficulties. But this program ignores the many million nonborrowers or emerging small businesses who could benefit from such advice.

The need exists for a clearinghouse run by knowledgeable business agents to process the information, advice, and services available to the small business concern, and to develop additional expertise in areas important to the small businessman and women. What is more, such a clearinghouse must be available to the businessman at the local level, in his own community, if it is to have the desired effect. And the only way to provide these services effectively is through States and localities in close touch with the local business situation.

In my home State of Wisconsin, for example, I can see widely disparate types of assistance available, with no adequately funded effort being made to bring them together so that they might be effectively utilized by a nonfarm small businessman. In Wisconsin alone there are 83 resource agents operating under the Department of Agriculture who devote some of their time and energies assisting nonfarm small businesses in rural areas.

There are several Department of Defense people devoting full time as well as 41 persons on the payroll of the Small Business Administration, and at least 10 college professors assisting small business on a recognizable basis or teaching related programs for big and small business alike. Wisconsin has the Northern Wisconsin Development Center with six full-time professionals dealing mostly with struggling small businesses in the poor northern counties of Wisconsin. The Department of Business Development of the State of Wisconsin has several people who deal almost exclusively with the small business sector. In addition to all these, there is a multitude of small business consultants, trade associations, as well as general small business associations, bankers, accountants, and lawyers. Each of these latter organizations and individuals may spend as little as 5 percent of its time solving general small business problems—but even that 5 percent can be of little help to Wisconsin enterprises unless there is some way to draw their various offerings together.

Out of the model programs established under this bill the various States should be able to pool their ideas and come up with flexible responses to the needs of small business. And since States must match the Federal money they receive on a dollar-for-dollar basis, we can expect the States electing to utilize this money to be highly motivated toward fulfilling those needs.

Mr. President, I urge my colleagues to join me in sponsoring this vital piece of legislation. Small business deserves equal access to information and technology, and we now realize that the Government will have to take steps to protect our small businesses and the large number of people they employ against the debilitating effects of an increasingly complex technocracy. The need for this governmental assistance does not arise because America's system of true free enterprise does not work—but because it is too rapidly being replaced by a system of welfare for corporate giants.

As the Small Business Administration stated in its 1971 Annual Report,

> The primary requirement for entry and survival in business in the years ahead will be the acquisition of the appropriate technical and managerial skills.

Through this bill—through the expenditure of just one Federal dollar for every small business in America—I sincerely hope our States can begin to develop a system in which the small business man and woman can redress the economic balance that has swung so precariously against them.

I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 4024

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Small Business Development Act of 1974."

SEC. 2. The Congress hereby finds and declares that—

(1) A small business concerns rarely have access to useful and practical advice, information and services, of a type which can generally be purchased by large corporations or is available through the Department of Agriculture Extension Service to farms and agricultural business concerns, such as assistance in obtaining loans, in obtaining advice and information with respect to production methods or managerial, marketing or produce development, or in obtaining technical advice and assistance with respect to government policies or legal problems affecting such concerns, and that such concerns are often harmed thereby through no fault of their own to the detriment of our nation's economy;

(2) State and local governments are better aware of local problems and local conditions in business communities than the Federal government and are therefore better equipped than the Federal government to develop and establish programs designed to aid small business concerns in such communities; and

(3) A model grant program of limited cost and duration giving each State wide flexibility in developing and establishing centers to aid small business concerns will best serve the interests of the American economy at this time and guide Congress in determining the need for and best method of providing such aid in the future.

SEC. 3. Section 8 of the Small Business Act is amended by adding at the end thereof the following new section:

"(f) The Administration is empowered to enter into agreements with States to make model program revenue sharing grants to such States out of funds appropriated pursuant to this subsection for the purpose of developing and establishing State and local centers to provide technical assistance and other useful and practical advice, information and services to small business concerns; for the training, where necessary, of personnel to provide such services; and for the study of the effectiveness of providing such assistance through such small business enterprise, State and local centers. Model program grants made by the Administration pursuant to such agreements shall be subject to the following restrictions and limitations:

"(1) The application of a State for a model program grant under this subsection shall specify among its program goals the number and types of small business enterprise centers to be established, the types of assistance and services to be provided to small business concerns, and the program or programs to be utilized, where necessary, for the training of professional employees of such centers.

"(2) The Federal share of any State model program funded pursuant to this subsection shall not exceed 50 percent of the total cost of such program, and any State which seeks to enter into an agreement with the Administration pursuant to this subsection shall specify the availability of non-Federal funding for at least 50 percent of the model program it proposes. Model program grants to a State under this subsection may be shared by such State with local governments or private, nonprofit institutions in such State.

"(3) All States submitting valid applications for a model program grant pursuant to this subsection within 180 days of its enactment into law for fiscal year 1975, and thereafter within 90 days immediately preceding the commencement of the fiscal year for each subsequent fiscal year, shall be eligible to divide all funds appropriated by Congress pursuant to this subsection for such fiscal year among themselves in proportion to the population of each State relative to the combined population of all States submitting valid applications within the prescribed time, except that no such State shall be eligible to receive more than 10 percent of the total amount available for dispersal in any fiscal year and no such State shall receive less than ½ of 1 percent of such total amount.

"(4) The Administration shall not withhold a model program grant pursuant to this *subsection* from any State whose timely application describes its program goals as specified in paragraph (1) and guarantees the availability of non-Federal funding for at least 50 percent of the program as specified in paragraph (2). The Administration may withhold such grant only if it determines that the program described in a State's application represents an abuse of the purposes of this subsection or that a State does not intend in good faith to establish a model program to assist small business as described in its application or does not intend to make available from non-Federal sources at least 50 percent of the total cost of such model program.

"(5) Each State entering into an agreement to establish model programs under this subsection shall monitor and evaluate such programs and submit such evaluations to the Administration within one year of the receipt of each model program grant under this subsection, and the Administration shall evaluate the experiences of each State participating in this program and submit such evaluations, together with the evaluations made by each State, to Congress."

"(6) There is authorized to be appropriated to the Small Business Administration $15 million for the fiscal year 1975, and such sums as may be necessary for the fiscal years 1976 and 1977, to fulfill the purposes of this subsection. No more than 10 percent of funds appropriated pursuant to this subsection shall be utilized by the Administration for the purpose of administering the model grant program and reviewing the results of the State programs and reporting to Congress, as required in paragraph (5), or for any purpose other than making model program grants to States."

By Mr. DOMINICK:

S. 4021. A bill to exclude from the gross income of individuals the interest on an amount of savings not in excess of $20,000. Referred to the Committee on Finance.

Mr. DOMINICK. Mr. President, I am introducing a bill to encourage citizens to increase their savings and thus to reduce the inflationary pressures in our economy. This bill would exclude from the personal income of any person any interest earned on up to $20,000 in savings.

The economy is plagued by shortages and inflation. Expanding our industrial capacity is essential to our anti-inflation battle. Capital investment in job creating new plants and equipment must result from increased savings. A direct way to increase the supply of capital which may be invested in new plants and equipment is to encourage more people to save money. There are few incentives to save, however, when there is a prevailing attitude of "spend today because tomorrow's prices will be higher." This bill would help to stem the flight of money out of savings accounts and thus provide more needed capital for investments in housing, in industry, in energy projects and in other areas of our economy where shortages exist.

Savings and loan institutions are experiencing disintermediation—an outflow of savings—to other, higher yielding debt instruments. This is drying up funds in the housing market. The short supply of mortgage money has sent homebuyers' interest rates to record levels. This bill would stimulate the housing market and preserve a competitive savings and loan industry.

Another purpose of this bill is to provide some relief for the retired person who must live on the interest from his life savings. With the prevailing double digit rate of inflation the person with interest income is barely earning one-half the inflation rate. This bill would protect the pensioners and other people who rely on savings from the ravages of inflation and allow them to enjoy the fruit of their earlier labor.

Mr. President, both dividends and capital gains income receive tax advantages, but income from savings receive none. I am hopeful that the Finance Committee recognizes this unfairness and will soon hold hearings on my bill.

By Mr. McGOVERN (for himself, Mr. ABOUREZK, and Mr. CURTIS):

S. 4022. A bill to amend the Small Business Act to provide for compensation for small business and other losses arising out of the disturbances at Wounded Knee, S. Dak. Referred to the Committee on Banking, Housing and Urban Affairs.

PROPERTY COMPENSATION FOR WOUNDED KNEE VICTIMS

Mr. McGOVERN. Mr. President, in May of 1973, Senator ABOUREZK, Senator CURTIS and I introduced two bills which would have made possible a reimbursement to those who lost property during the Wounded Knee occupation and in related instances of violence and destruction in Nebraska and in other places in South Dakota.

Those who bore these losses were in a serious financial condition then. A year and a half later, their condition is critical. Many are in extreme distress, with their livelihoods gone, their possessions destroyed, and their homes still not replaced after having been vandalized or burned.

I remain convinced that the Federal Government has a moral obligation to help the innocent victims of Wounded Knee to restore their homes, farms and businesses. At this late date I do not want to debate the wisdom of the Department of Justice in refraining from earlier, decisive action to end the occupation. But it is clear that a great deal of damage would have been avoided had they moved more promptly. And it is also clear that much of the damage people are still suffering came as a direct result of Government decisions. I contend that gives the Federal Government a clear responsibility to compensate.

Therefore, I propose today a new bill which would amend the Small Business Act. It would set up machinery to administer the appropriate relief.

I hope, Mr. President, that we can act promptly on this bill. The proposals are modest. Preliminary reports indicate the cost would not exceed $5 million. Yet this small investment would enable the innocent victims of Wounded Knee to return to normal, self-supporting lives after these many months of hardship.

I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 4022

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Small Business Act is amended by adding at the end thereof the following new section:

"SEC. 21. (a) The Congress finds that—

"(1) many innocent persons suffered injuries and losses as a result of the disturbances at Wounded Knee, South Dakota, in 1973, and other related disturbances;

"(2) many such injuries and losses occurred as a result of the forebearance of the Department of Justice in dealing with the disturbances; and

"(3) the Government of the United States has an obligation to compensate innocent persons for injuries and losses for which they would not otherwise receive compensation.

"(b) As used in this section—

"(1) 'Commission' means the Wounded Knee Compensation Commission established under subsection (c) of this section;

"(2) 'innocent person' means any person or entity as to whom the Commission has reasonable grounds to believe (A) was not willfully engaged in such disturbances when that person or entity suffered the loss or injury as the result of such disturbances or related disturbances, and (B) was not responsible for such loss or injury;

"(3) 'uninsured loss or injury' means any damage to property, personal or real (including livestock, loss of earnings, or damage to business), or any personal injury which would not have occurred but for such disturbances and for which compensation would not otherwise be received; and

"(4) 'related disturbance' means any disturbance or event occurring during the period January 1, 1973, to and including May 9, 1973, within the States of Nebraska and South Dakota in which any nonresident of Wounded Knee occupying Wounded Knee during all or part of such period was involved.

"(c) (1) There is established a temporary commission to be known as the Wounded Knee Compensation Commission.

"(2) (A) The Commission shall—

"(i) receive and accept claims filed with it within 1 year after the date of enactment of this section by any person seeking compensation for injuries and losses which arose out of, or were caused by, the disturbances at Wounded Knee, South Dakota, or any related disturbance;

"(ii) determine whether a person filing such a claim is an innocent person and therefore is entitled to such compensation;

"(iii) determine the amount of such compensation to which any such innocent person is entitled; and

"(iv) make an award to any such innocent person in a sum equal to 100 percent of the amount of such compensation.

"(B) (i) Any final decision of the Commission pursuant to subparagraph (A) of this paragraph may be appealed to the Court of Claims.

"(ii) The Court of Claims shall have jurisdiction to review by appeal any final decision of the Commission with respect to a claim filed under this section.

"(d) (1) The Commission shall submit to the Congress such interim reports as it deems advisable, including a report, not later than six months after the date of enactment of this section, relating to the amount and extent of damage resulting from such disturbance and all related disturbances.

"(2) Not later than 18 months after the date of enactment of this section, the Commission shall submit to the Congress and the President a final report, together with such recommendations, as it deems advisable.

"(3) The Commission shall cease to exist 60 days after the submission of its final report.

"(e) (1) The Commission shall be composed of 5 members appointed by the President.

"(2) Three members shall constitute a quorum, but a lesser number may conduct hearings. The Chairman shall be selected by a majority of the members of the Commission.

"(3) Members of the Commission shall, while serving on the business of the Commission, be entitled to receive compensation at a rate fixed by the Director of the Office of Management and Budget but not in excess of $125 per day, including traveltime; and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code.

"(4) (A) The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out the provisions of this section, hold hearings, administer oaths for the purpose of taking evidence in any such hearings, take a testimony, and receive documents and other matter. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission, or any subcommittee thereof.

"(B) Each department, agency, and instrumentality of the executive branch of the United States Government shall furnish to the Commission, upon request made by the Chairman, such information as the Commission deems necessary to carry out its functions under this section.

"(C) The Commission, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchaper III of chapter 53 of such title, relating to classification and General Schedule pay rates, shall have the power—

"(i) to appoint and fix the compensation of such personnel as it deems necessary;

"(ii) to procure the services of experts and consultants in accordance with section 3109 of such title; and

"(iii) to adopt such rules and regulations as it deems necessary to carry out this section.

"(f) Any right of action of any person compensated under subsection (c) of this section, arising out of the disturbance at Wounded Knee, South Dakota, or any related disturbance, shall, at the time payment of the compensation required under such subsection is made, be assigned by that person to the United States Government and such right of action shall inure to the Government.

"(g) The Commission shall certify to the Treasurer of the United States, and the Treasurer of the United States shall pay, all awards made pursuant to subsection (c) of this section."

SEC. 2. There are hereby authorized to be appropriated such funds as are necessary to carry out the amendment made by this Act.

By Mr. DOMINICK:

S. 4024. A bill to establish within various agencies an Office of Consumer Advocacy. Referred to the Committee on Government Operations.

Mr. DOMINICK. Mr. President, once again the Senate has failed to invoke cloture on S. 707, a bill to create an Agency for Consumer Advocacy, which means this legislation will not be enacted during the 93d Congress.

I have received criticism in my home State of Colorado for the position I have taken against this bill. Ralph Nader, who helped thrust those universally hated seatbelt interlock systems upon the American public, was so strongly behind this bill that he dropped by my State to tell everyone to write to me urging that I support it.

Mr. Nader, unintentionally I am sure, has given some Coloradans the impression that my opposition to this bill means I am anticonsumer. However, I am confident that those who have followed my voting record closely during my 14 years in the House and Senate know the opposite is true. I have always supported legislation I believed to be in the consumer's interest. I voted for the Fair Packaging Act, the Truth in Lending Act, the Federal Meat Inspection Act, the Deceptive Sales Act, and a host of other bills in the consumer interest.

Furthermore, I am not insensitive to the complaints that the consumer's interest is not always represented in decisions made by Federal agencies—the complaints, I might add, that led to the attempt to create the Agency for Consumer Advocacy that was defeated today.

I recognize the need to have the consumer's viewpoint represented in governmental decisions, but the Congress has been going about doing this in the wrong way. Creating a super agency as proposed in S. 707 causes more problems than it solves, as I pointed out on the Senate floor in a statement on August 20, 1974. Is it not a far better solution to have a consumer advocate representing consumer interests placed within each agency? I think it is, and I have today introduced legislation to provide for such advocates within 16 Federal agencies.

These advocates would represent the interests of consumers with respect to matters under consideration by each of the 16 agencies and would participate in all agency proceedings, including any rulemaking, adjudicatory, or license proceeding which may substantially affect the interests of consumers.

The head of each of these 16 agencies in which there would be established an Office of Consumer Advocacy would be required, under my bill, to assign to such office sufficient personnel to enable that office to carry out the functions assigned to it and to delegate such powers as he may have to require the production of testimony, documents, or other information as may be necessary to enable the office to carry out its functions in the consumer's interests.

The agencies in which I propose to place consumer advocates are:

The Atomic Energy Commission, the Civil Aeronautics Board, the Consumer Product Safety Commission, the Environmental Protection Agency, the Farm Credit Administration, the Federal Communications Commission, the Federal Home Loan Bank Board, the Federal Maritime Commission, the Federal Power Commission, the Federal Trade Commission, the Interstate Commerce Commission, the National Credit Union Association, the National Labor Relations Board, the Securities and Exchange Commission, the U.S. Postal Service, and the Postal Rate Commission.

Mr. President, I hope my colleagues on the Government Operations Committee, to whom I believe this bill will be referred, will give it speedy consideration. It is not too late to act upon this bill this session, particularly if the Congress reconvenes after the November elections.

By Mr. BELLMON (for himself, Mr. CURTIS, Mr. DOLE, Mr. HELMS, Mr. McGOVERN, and Mr. YOUNG):

S. 4028. A bill to authorize the Secretary of Agriculture to carry out an emergency assistance program to assist States in relieving severe drought conditions that threaten to destroy livestock or crops. Referred to the Committee on Agriculture and Forestry.

Mr. BELLMON. Mr. President, the purpose of this bill is to provide matching funds to States and their political subdivisions for weather modification to provide immediate long-term relief from drought.

I chaired a Senate Agriculture Committee field hearing on August 19, 1974, in Lawton, Okla., on S. 3313, the emergency drought act of 1974. As a result of the hearing in Lawton, I am introducing this bill which incoporates most of the features of S. 3313 plus some additional elements. Basically, it authorizes the Secretary of Agriculture to use up to $5 million annually in CCC funds to cost share with the States on weather modification programs designed to prevent or alleviate damage to crops and livestock and crops due to drought.

At the hearing the Secretary of the Oklahoma Water Resources Board testified that a $250,000 expenditure for cloud seeding in five southwestern Oklahoma counties in 1972 produced a 20 to 1 cost-benefit ratio in terms of increased crop production alone.

Dr. Merlin Williams, director of the South Dakota State Weather Modification program, testified that a program in that State produced a 30 to 1 cost-benefit ratio on increased crop production.

The Federal Government has had experimental programs going for a number of years through the Department of Interior and the Department of Commerce, but Congress has never taken the step necessary to create an operational program.

The drought we have seen this summer and the effect it is having on crop production, dramatically points to the need for an operational weather modification program.

The Agricultural Stabilization and Conservation Service estimates they will pay farmers $500 million in drought relief in 1974 and some estimates have run closer to $1 billion. In 1973, the Farmers Home Administration made $557 million in disaster loans to the agriculture sector to unfavorable weather conditions. Approximately 70 percent of these were forgiveness loans, with the remainder of the loans being made at 1 percent. The

Federal Crop Insurance Corporation paid $31 million in indemnities in 1973 with 34 percent of this being drought relief. Mr. President, it is obvious that an expenditure of up to $5 million for weather modification annually would save the Treasury many millions each year as well as preventing widespread hardship.

In a time when agriculture crop production is becoming increasingly important, the United States must effectively use the technology we have to manitain our upward trend of production to help fight inflation.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 4028

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agriculture and Consumer Protection Act of 1973 is amended by adding a new paragraph (28) as follows:

"DROUGHT PREVENTION"

"(28) (a) In order to help reduce the necessity for drought disaster payments as provided in paragraphs (8) (D), (18) (B), and (20) (C) of this Act, the Secretary is authorized and directed to formulate and carry out an emergency drought assistance and prevention program in any State in which livestock or crops are threatened because of drought conditions.

"(b) Assistance under this Act shall be made available in the form of financial grants to States or political subdivisions thereof, or organizations approved by the Secretary for the purpose of assisting and initiating weather modification measures designed to provide immediate relief from drought conditions. The Secretary shall not make any funds available to any State or political subdivision thereof, or organization under this section unless (1) a detailed outline of the proposed action intended to be taken with funds available under this section is presented and (2) agreement is made to utilize for such proposed action an amount of non-Federal funds equal to not less than the amount to be made available by the Secretary.

"(c) Nothing herein shall prohibit any State, or political subdivision thereof, or organization from undertaking weather modification efforts independent of the provisions contained herein.

"(d) The Secretary is authorized and directed to coordinate with all appropriate Federal and State agencies in monitoring and reporting the results of any assistance granted under any of the provisions of this paragraph.

"(e) The Secretary is authorized to enter into contracts with Federal, State, or political subdivisions thereof, private firms, institutions, and individuals for the conduct of research or surveys, and the preparation of reports and other activities necessary to carry out and monitor weather modification programs.

"(f) The Secretary shall define by regulations the conditions under which grants shall be made available under this section.

"(g) The Secretary shall transfer from the funds of the Commodity Credit Corporation not in excess of $5,000,000 annually to provide the assistance herein authorized."

By MR. HELMS:

S. 4029. A bill to require the reduction of the rate of compensation of Senators, Representatives, and Cabinet officers by the percentage by which nontrust fund outlays of the U.S. Government exceed nontrust fund receipts during a fiscal year. Referred to the Committee on Post Office and Civil Service.

SALARIES OF CABINET OFFICERS AND MEMBERS OF CONGRESS SHOULD BE REDUCED IN PROPORTION TO THE FEDERAL DEFICIT

Mr. HELMS. Mr. President, I send to the desk the Congressional Cabinet Salary Control Act of 1974. It would provide that beginning with the next year following its enactment, the rate of compensation of Senators, Representatives, Delegates, the Resident Commissioner from Puerto Rico, and each officer listed in level I of the Executive schedule in section 5312 of title 5, United States Code—the members of the President's Cabinet—be reduced by the same percentage that nontrust fund outlays of the U.S. Government exceed nontrust fund receipts during the preceding fiscal year.

The bill is simple. At the end of a fiscal year, one need only compute the percentage by which the Federal budget—in terms of nontrust fund receipts and expenditures—was not balanced, and the salaries of Members of Congress, Delegates to the House, the Resident Commissioner from Puerto Rico, and the members of the President's Cabinet will be reduced during the following fiscal year by that same percentage.

The logic behind the bill is also simple. Congress is the body responsible for appropriating more money than the U.S. Treasury is expected to collect, and the members of the Cabinet are the senior officials overseeing the functioning of the Departments. By penalizing our own salaries to the extent of our improvidence and mismanagement, we will all be more directly aware of the value of a dollar. Our problem in Congress is that it is relatively painless to vote for billions of dollars which do not come directly out of our pockets. After all, it is the American taxpayer at large who must pay up. But if our own paychecks are penalized directly in proportion to our mismanagement of the taxpayers' funds, then we will be more scrupulous in observing fiscal prudence.

A few months ago, the Senate voted not to allow the salaries of its Members to be raised. I was one of those voting against the salary increase. I did so because I felt, and I still feel, that excessive Government spending and our unbalanced budget was one of the primary causes of the current rate of spiraling inflation. If economy is needed to curb inflation, and in my view it is very much needed, there is no better place for economy to begin than right here in the Congress of the United States. I was very pleased by the Senate's action on that occasion. Though the compensation of Members of Congress is a very small percentage of the entire national budget of over $305 billion, it is important that the Members of this body lead by example. If Federal expenditures are to be cut, there is no better place than here.

Under this bill, Congress will have a choice of two ways to reduce Federal expenditures. It can appropriate less money, and thereby balance the budget, or it can continue the excesses of the past, and correspondingly reduce the salaries of its Members.

And, I might say, that this is a much better choice that we are offering to the American people. The high rate of inflation caused by Federal deficit spending has driven interest rates to an astonishingly high level. As my colleagues are aware, the savings institutions of our country are suffering financial ruin. The housing industry is facing possible disaster, and the lumber and furniture industries have for some time been caught in the spiraling economic chaos.

Certainly, I need not remind my colleagues of the ever-increasing food prices—or, for that matter—the ever-increasing price of just about everything.

Mr. President, I remain convinced that we will not solve our economic problems unless and until we balance the Federal budget, and stop living today on tomorrow's money. On six separate occasions, the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) and I have cosponsored legislation to require the President to submit a balanced budget to Congress.

I have pointed out, on many occasions, that the interest on the national debt alone was $30 billion a year, or about $54,000 a minute—almost $1,000 every time the clock ticks.

On September 17, 1973, the total debt—rounded into millions—was $460.4 billion. A year later, on September 17, 1974, it was $480.8 billion, an increase of about $20.4 billion during the preceding 12 months.

One might well wonder where it will end. Of course, the end is obvious. If action is not taken to stop deficit spending, the result will be economic disaster. The American people know it. The polls show it. Depression is feared in every part of the country.

The simple fact of the matter is that Congress created this situation, and only Congress can do something about it. It is not pleasant to contemplate one's own folly—but, I, for one, believe it is time for Congress to look the American people in the eye and confess: We caused it—we and our predecessors, who permitted the Government of the United States to wander around so long in the swamps of deficit financing—and, worse still, let the people believe that it was sound economics to do so.

The time has come to bite the bullet, to admit our economic mistakes of the past, and to turn to logic and simple arithmetic for an honest solution to our problem. A solution must address the cause of the problem, not just the symptoms. For the sake of the well-being of the people we represent, we simply must balance the budget and begin the hard and painful task of bringing this inflation to an end. This bill will make the consequences of improvident spending apparent to us all.

Mr. President, I ask unanimous consent that the bill I am introducing be printed in the RECORD at this point in my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 4029

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this

Act may be cited as the "Congressional-Cabinet Salary Control Act of 1974".

SEC. 2. Notwithstanding any other provision of law, beginning with the next fiscal year following the date of enactment of this Act, and every succeeding fiscal year, if the outlays of the United States Government (excluding outlays for trust funds) for the preceding fiscal year exceed receipts (excluding receipts of trust funds) of the Government for such preceding year, then during the immediately succeeding fiscal year the rate of compensation that each Senator, Representative, Delegate, and the Resident Commissioner from Puerto Rico, and each officer listed in level I of the Exectuive Schedule in section 5312 of title 5, United States Code, would have been paid but for the enactment of this Act shall be reduced by a percentage equal to the percentage by which such outlays exceed such receipts.

By Mr. GRAVEL:

S. 4030. A bill to amend section 5 of the Food Stamp Act of 1964 to provide that certain benefits received by persons under the Alaska Native Claims Settlement Act shall be disregarded in determining the eligibility of the households of which such persons are members to participate in the food stamp program. Referred to the Committee on Agriculture and Forestry.

Mr. GRAVEL. Mr. President, in 1884, the Congress of the United States entered into a solemn covenant with the Native people of Alaska. It stipulated that some future Congress would determine the means by which the Native people of Alaska would be compensated for land already taken from them.

Mr. President, Public Law 92-230, the Alaska Native Claims Settlement Act was a sincere effort to faithfully adhere to the conditions of that covenant. The Committee on Interior and Insular Affairs spent more time on the Alaska Native Claims Settlement Act than it had on any other issue in its entire history. The committee, led by its distinguished chairman, was unceasing in pursuing the goal of enacting a just settlement. That goal was achieved. A just settlement was reached.

And now, because of administrative misjudgment, a Federal agency is in direct disregard of the congressional intent of the Alaska Native Claims Settlement Act.

The U.S. Department of Agriculture's Washington headquarters has notified its regional offices that payments to individuals and households under the Settlement Act were not to be disregarded as income for determining the eligibility of those seeking benefits under the food stamp program. However, the USDA's directive went on to say that stock held in the various native corporations and land granted under the Settlement Act were to be disregarded as assets available to individuals and households applying for food stamps.

The Department has misinterpreted the intention of Congress in enacting the Alaska Native Claims Settlement Act. It was not the intention of Congress to have payments considered as personal income for the purpose of determining eligibility for various Federal programs. Unless action is taken, the present policy will result in a fluctuation of those eligible for food stamp benefits. Certain persons will lose their food stamp eligibility, only to reestablish it once their claims payments have evaporated and their income level has again fallen.

Mr. President, the Alaska Native Claims Settlement Act was not a welfare bill. It was a just settlement. The provisions of the Settlement Act should not be construed as to make those for whom the settlement was made ineligible for Federal programs. Food stamp benefits are for all eligible citizens of the United States. But because Congress enacted legislation that gave just compensation for that portion of land that was taken, Alaskan Natives are now ineligible for food stamp benefits.

In order to rectify this matter, I am introducing legislation today that will amend section 5 of the Food Stamp Act of 1964. This legislation will enable Alaskan Natives to share in the benefits of the food stamp program.

Alaskan Natives should be treated like all Americans. Administrative callousness must end. The food stamp program has provided aid to countless Americans and Alaskan Natives should not be disregarded.

I ask my colleagues to reaffirm a covenant that was made 91 years ago and to act favorably on this measure.

By Mr. McCLURE:

S. 4031. A bill to authorize the Secretary of the Army to delegate to the States certain functions with respect to the location and plans for structures, excavations, or fills in or on certain navigable waters. Referred to the Committee on Public Works.

Mr. McCLURE. Mr. President, today I introduce a bill to authorize the Secretary of the Army to delegate to the States certain functions with respect to the location and plans for structures, excavations or fills in or on certain navigable waters. The purpose of this legislation is to allow the Secretary to delegate his permit authority on waterways which meet the definition of navigable waters, but which in fact are not regularly used for commercial transportation, to those States which have adopted a similar permit system which the Secretary determines is satisfactory to protect the interests of the United States on those waterways.

To fully understand the history of this problem, we have to go back to the 1899 Rivers and Harbors Act. Section 10 of that act states that a permit must be obtained from the Corps of Engineers before a structure, excavation, or fill can be placed on navigable waters. However, the act does not go on to define what a navigable waterway is. Therefore, over the years, through legal actions, the courts of the United States have established the definition of navigable waters. The latest definition is set out in section 209.260 of title 33 of the Code of Federal Regulations. Generally, that definition is that navigable waters of the United States are those waters which are presently, or have been in the past, or may be in the future susceptible for use in purposes of interstate or foreign commerce.

Up until a few years ago, the corps was using a loose interpretation of this definition which stresses the existing commercial navigability of the waterway. Not much attention was paid to previously commercial waterways or to waters with the potential for commerce. The waterway also had to go from commercial starting point in one State to the final destination in another State, with no land links in between. Therefore, if the water was presently being used for commerce and if the commercial transportation was entirely waterborne, then the waterway was considered navigable. Permits were then required from the corps, under the 1899 act to insure that structures built out into the water would not interfere with the flow of commerce.

However, in the late 1960's, the Nixon administration was very concerned about the effects of pollution on the waterways of the United States and sought ways to control it. One way was to start enforcing other provisions of the old 1899 Rivers and Harbors Act, provisions which deal with discharges into navigable waters. And to insure that all waters would be included and thereby protected from pollution, the definition of "navigable waters" was expanded to use an earlier definition which includes any waterway in which a log could float in high water. The end result was to broaden the Corps of Engineers' jurisdiction so that permits would be required for discharges, as well as structures, on the Nation's waterways. In this way, the corps became highly active in water pollution control.

Eventually, the jurisdiction for the control of pollution was transferred to the Environmental Protection Agency, and the corps reverted back to its traditional jurisdiction over structures. However, the experience of being concerned with environmental matters had a lasting effect on the corps. Instead of going back to their traditional concern over structures which interfere with only the commercial flow, they were now also concerned with the effects of structures on fish and wildlife in the water, on the quality of the water, on the recreation resources and so on. The corps would say that they changed their emphasis from what is good for commercial navigation to what is good for the public interest.

Subsequently, they started using a more strict interpretation of the definition of navigable waters so that the permits would be applied to more waterways. They were no longer concerned with only waters which were presently being used for interstate commerce: they were now also concerned with waters which were once used for and/or could possibly be used in the future for commercial navigation. And they were no longer concerned only with waters which provided entirely waterborne transportation: They were now also concerned with waters which would or could serve as one line, in conjunction with land transportation or other water links, with the interstate movement of commerce.

This interpretation had a profound effect on the corps' scope of jurisdiction. Before the shift in emphasis, many bodies of water had been investigated by the corps to determine if they were navigable Because the original emphasis was on existing commerciability, many of these waterways were not subject to corps jurisdiction because they were either not then being used for commercial transportation, or if they were they did not provide the entire commercial route. However, after the shift in emphasis, the corps went back and looked at several previously undesignated waters, applied the new interpretation and declared them navigable and thus subject to permits.

This is what has happened at Lake Coeur d'Alene and its feeder lakes and rivers in the State of Idaho. In 1932, the corps made a navigability study of the Spokane, St. Joe, St. Maries, and Coeur d'Alene Rivers and determined them to be non-navigable under the then-existing interpretation of the definition of navigable waters. In 1950, the corps evaluated the navigable status of Lake Coeur d'Alene and determined that it and its tributaries were not considered to be navigable waters of the United States.

And yet on January 2, 1974, Lake Coeur d'Alene, Lake Chatcolet, Round Lake, Hidden Lake, and the lower reaches of the St. Joe River were declared navigable waters and made subject to permits. In the two earlier studies it was determined that these waters were not being used as the sole highway for commerce; in 1974 it was determined that they form a viable link in a chain of transportation which carries commerce between the States. And yet there is no appreciable difference in the navigable status since the earlier studies—and there was no change in the law by any legislative body.

Of course, the corps is quick to point out that the 1899 act does not say that permits are applicable to those waters which the corps determines are navigable, but rather those which simply are navigable. Therefore, if a waterway meets the definition as handed down by the courts, it is subject to permits whether the corps gets around to enforcing it or not. And while there are few who would deny that Lake Coeur d'Alene is navigable according to that definition, there are many who would object to the corps' whimsical application of the 1899 act. It is one thing to administer the law as it was intended and quite another to shift back and forth between interpretations of its administration.

The situation is not unique to North Idaho. I know of at least two other examples; namely, Kuapa Pond in Hawaii and Lake Oswego in Oregon. In each case, these are waters which would meet the legal definition of a navigable water and yet are not being used for commercial navigation. In fact, they have become essentially recreation-oriented waters.

This is particularly true at Lake Coeur d'Alene in Idaho. The shoreline property is mostly privately owned and the lake is lined with lovely summer and permanent homes. With few exceptions, the use of the water is now dominated by recreation endeavors—boating, fishing, swimming, sailing, et cetera. Cruise ships offer scenic trips the length of the 30-mile long lake and up into the St. Joe River and annual hydroplane boat races have been held on Lake Coeur d'Alene. The lake lies on a major east-west thoroughfare, and tourism has become one of the most important industries of the community—and that is mostly water-oriented.

And yet the corps has declared this a navigable waterway and is requiring permits for the construction of any additional docks or piers for the boats and for any excavation or fills to perhaps add a patio or deck to a summer home. It seems to me that there are many other waterways which are truly supporting commercial navigation and which are more deserving of the corps' time and attention. In situations such as that at Lake Coeur d'Alene, it seems more appropriate to let the State handle the matter of permits and to let the corps devote its efforts to areas more truly navigable. Such is the purpose of this bill.

There are certain stipulations, however. The bill does not allow the Secretary of the Army to delegate this permit authority to just any State which might have a situation comparable to that of Lake Coeur d'Alene, Kuapa Pond or Lake Oswego. The bill specifies that the authority will be delegated only to those States which themselves have adopted a program to regulate and control developments along such navigable, but not commercially navigable, waters. The issue here is not whether or not the permits should be required, but rather whether or not it is necessary for the Federal Government to be involved in such a function. I maintain that it is not.

I might further add that the intent of this bill is not objectionable to the Corps of Engineers. During recent hearings before the Senate Public Works Committee, I raised the question of navigability to representatives of the corps, and specifically asked whether or not they would deem it desirable to have a provision for cession of jurisdiction to the State where the State has appropriate statutes. Brig. Gen. James Kelly responded that they would not object and that in fact they were endeavoring to do that very thing. However, since there is no provision in the law which would allow them to completely delegate their authority, the best they can do now is to try to set up a parallel operation with the States that are exercising similar authorities. I am now proposing the law by which the Corps would delegate the authority.

I ask unanimous consent that the text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 4031

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army is authorized to delegate to any State his functions and the functions of the Chief of Engineers under the two provisos in section 9 and section 10 of the Act of March 3, 1899 (30 Stat. 1151; 33 U.S.C. 401, 403), relating to the approval of the location and plans for any structures on or in, or any excavation or fill in, the navigable waters of the United States but such delegation may be made only with respect to such waters in such State as are not used regularly for commercial transportation by water and shall be upon condition that such State has enacted into law a program providing for the exercise of such functions in a manner which the Secretary determines is satisfactory to protect the interests of the United States in such waters.

Sec. 2. The Secretary of the Army shall prescribe by regulation criteria for State programs meeting the requirements of the first section of this Act and such other regulations as may be necessary to carry out the provisions of this Act.

By Mr. DOLE:

S. 4032. A bill to amend the Congressional Budget Act of 1974 to require the Congressional Budget Office to prepare inflationary impact statements in connection with legislation reported by Senate and House committees. Referred, by unanimous consent, to the Committee on Government Operations and the Committee on Rules and Administration.

Mr. DOLE. Mr. President, last Wednesday, September 11, I introduced S. 3992—the Inflationary Impact Statement Act of 1974. Before inviting cosponsorship of what I consider this very worthwhile measure, however, I am today introducing a substitute bill which contains minor technical corrections and refinements in language.

The major thrust of the proposal remains unchanged, and my remarks accompanying S. 3992 on the above date are still descriptive of the general purpose and intent of the legislation. The bill—to which I shall henceforth refer by the new number being assigned today—will require that a statement regarding the inflationary impact of legislation reported to either House of Congress be prepared by the Congressional Budget Office.

Because it is designed to amend the Congressional Budget Act of 1974—which was itself considered by both the Committee on Government Operations and the Committee on Rules and Administration—I ask unanimous consent that this bill likewise be referred to both those committees for consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 4032

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

That this Act may be cited as the "Inflationary Impact Statement Act of 1974".

SEC. 2. FINDINGS.

The Congress finds that—

(1) inflation is the number one problem facing Americans;

(2) Federal programs and expenditures which Congress authorizes have **a significant** impact on the economy and can play a major role in the fight against inflation; and

(3) it is imperative that Congress be informed of the inflationary impact of any program which comes before it for consideration so that the inflationary impact can be balanced against the beneficial aspects of the program.

SEC. 3. INFLATIONARY IMPACT STATEMENTS.

(a) Section 403 of the Congressional Budget Act of 1974 is amended—

(1) by striking out "and" at the end of paragraph (1),

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and",

(3) by inserting after paragraph (2) the following new paragraph:

"(3) a statement of the probable inflationary impact of such bill or resolution in the fiscal year in which it is to become effective and in each of the 9 fiscal years following such fiscal year, based on the amount of new budget authority authorized by such bill or resolution and the assumption that new budget authority will be authorized by subsequent legislation which will result in outlays in each of such 9 fiscal years, unless, with respect to any such fiscal year, the Director determines that it is improbable that outlays will occur in such fiscal year.", and

(4) by striking out "estimate and comparison" in the last sentence and inserting in lieu thereof "estimate, comparison, and statement".

(b) The provisions of subsection (a) are enacted by the Congress as an exercise of its rule making power as provided by section 904(a) of the Congressional Budget Act of 1974.

By Mr. HUMPHREY (for himself and Mr. MONDALE):

S.J. Res. 242. A joint resolution designating the National Air and Space Museum, as the Charles A. Lindbergh National Air and Space Museum. Referred to the Committee on Commerce.

NATIONAL AIR AND SPACE MUSEUM SHOULD BE NAMED IN HONOR OF CHARLES A. LINDBERGH

Mr. HUMPHREY. Mr. President, I am today submitting for myself and my distinguished colleague from Minnesota (Mr. MONDALE), a Senate joint resolution which would designate the National Air and Space Museum, as the Charles A. Lindbergh National Air and Space Museum.

This new museum would proudly announce to the world the role played by America's pioneer in aviation, Charles A. Lindbergh. It is fitting that we honor Lindbergh and his distinguished accomplishments with a living monument, the National Air and Space Museum.

Lindbergh's solo flight to Paris in the *Spirit of St. Louis* captured the imagination of America and the world. It expressed the soul of America and the coming of the age of international air transportation. Lindbergh symbolized the best of America. He was one of the best-loved American heroes, yet he was a quiet and humble man. We in Minnesota, the State where he was raised, feel a special loss in his passing.

I believe Congress should provide for an appropriate commemoration of Charles Lindbergh's lifetime of service to this Nation. Therefore, I propose that we designate the National Air and Space Museum as the Charles A. Lindbergh National Air and Space Museum.

Mr. President, I ask unanimous consent that the text of the joint resolution, as well as an editorial in the Christian Science Monitor, of August 28, 1974, and articles on the life of Charles Lindbergh, appearing in the August 27, 1974, issue of the New York Times, be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S.J. RES. 242

Whereas Charles A. Lindbergh was a distinguished pioneer in aviation;

Whereas he captured the imagination of America and the world with his 1927 solo flight to Paris in the "Spirit of St. Louis;"

Whereas he made a major contribution in the field of aviation and in the evolution of international air transportation;

Whereas it is appropriate that a lifetime of service to the United States of America by Charles A. Lindbergh be commemorated: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Air and Space Museum located between Fourth and Seventh Avenue on Independence Avenue, Washington, District of Columbia, is hereby designated, and shall be known, as the Charles A. Lindbergh National Air and Space Museum.

THE LINDBERGH JOURNEY

Although he was called "the Lone Eagle," Charles Lindbergh never ceased to be fully engaged in the great issues of the century he grew up with.

At a time when people looked for mighty individual feats and heroes to worship, his pioneering nonstop solo flight from New York to Paris across the full expanse of the Atlantic Ocean provided the era with its most celebrated example.

The fame and excessive public idolatry that followed brought tragedy into his life, and pushed him toward controversial views such as his early opposition to America "intervening" in World War II. But once America had entered the fighting he made extensive contributions to strengthening the nation's air power, "to carry on this war as intelligently, as constructively, and as successfully as we can."

It was this devotion to excellence, to meeting the great challenges, and to the need for control by "a higher moral force" that dominates any overall view of the life of Charles Lindbergh.

It led him to close collaboration with some of America's outstanding scientists, including rocket pioneer Robert Goddard, whose work he supported and contributed to. At the same time, he was coming to realize, as he wrote in 1948, that "to progress, even to survive, we must learn to apply the truths of God to the actions and relationships of men, to the direction of our science."

This spiritual concern led him finally to a strong active role in the conservation movement, where he helped to bring about protective measures for endangered whale species and primitive tribes in the Philippines. It led him ten years ago to say: "I realized that if I had to choose, I would rather have birds than airplanes."

While the world was still remembering most that fabulous flight of a little single-engined airplane across the ocean, it was an inward journey of the spirit that was clearly engaging the fullest endeavors of Charles Lindbergh.

LINDBERGH DIES OF CANCER IN HAWAII AT AGE OF 72

KIPAHULU, MAUI, HAWAII, August 26.—Charles A. Lindbergh, the first man to fly the Atlantic solo nonstop, died this morning at his simple seaside home here. He was 72 years old.

The cause of death was cancer of the lymphatic system, according to Dr. Milton Howell, a longtime friend. With him when he died at 7:15 A.M. local time were his wife, Anne Morrow Lindbergh, the writer, and Land, one of his three sons.

Mr. Lindbergh was buried about three hours later in the cemetery adjoining the tiny Kipahulu church. He was dressed in simple work clothing and his body was placed in a coffin built by cowboys employed on cattle ranches in the nearby town of Hana. Dr. Howell said that the aviator had spent the last weeks of his life planning his funeral.

In tribute to Mr. Lindbergh, President Ford said last evening:

"Nearly a half century has passed since his courageous flight across the Atlantic, but the courage and daring of his feat will never be forgotten. For years to come, we will also remember the selfless, sincere man himself, Charles A. Lindbergh, one of America's all-time heroes and a great pioneer of the air age that changed the world."

Mr. Lindbergh arrived here eight days ago after a 26-day stay in Columbia-Presbyterian Medical Center in New York for treatment of his illness. He was flown to Honolulu on a United Airlines flight on Aug. 17 and then was brought to this island by small plane. The trip had been kept secret at his request.

"When he knew that he would not recover, Mr. Lindbergh requested that he be taken here from Columbia so he could die," Dr. Howell said. "He had made his vacation home here for many years and he wanted to die here."

Mr. Lindbergh, whose New York-to-Paris flight in 1927 in the monoplane Spirit of St. Louis brought him lasting celebrity, built an A-frame cottage here in 1971. It looked out on the Pacific, and it was the place where he had hoped to retire after years of restless global wanderings as a consultant for Pan-American World Airways. He had hoped to write a long-postponed book outlining his philosophical and conservationist views.

Mr. Lindbergh slipped into a coma late last night, Dr. Howell said, but until then he had been fully alert and aware of his surroundings. The aviator made no final statement, according to the physician, who said Mr. Lindbergh's final theme was that he would like for his actions in coming to Maui and having a simple funeral to be—in itself—a constructive * * *.

Mr. Lindbergh's whole life centered on aviation, but in recent years he developed an active concern with conservation. This interest brought him into the news after a quarter-century of self-imposed obscurity. One of his last public appearances occurred last summer in Little Falls, Minn., where he was born, to dedicate a public park in honor of his father, C. A. Lindbergh Sr., a former United States Representative.

Before Mr. Lindbergh left New York, he talked with his two other sons, Scott of Paris and Jon of Seattle. He also saw his daughters, Anne and Reeve. Anne, who also lives in Paris, was visiting her parents at their home in Darien, Conn.

Mr. Lindbergh was ill last fall, suffering from what was then diagnosed as shingles. He lost about 20 pounds, but by last spring he had managed to regain about 10 of them. Just before he entered the hospital he came down with what was officially described as influenza.

But when his temperature rose to 104 degrees, his physicians admitted him to Columbia-Presbyterian. About three weeks ago his wife said that he had perceptibly improved and that she expected him to be discharged shortly. He took a turn for the worse, however, and his condition was diagnosed as lymphatic cancer.

In addition to his widow and five children, Mr. Lindbergh is survived by 10 grandchildren.

PARISIANS STOP, RECALL "LE JUENE AMERICAIN"

PARIS, August 26.—Jean Ordonnier still remembers listening as a boy of nine years to the crowds who sang the May evening away on the night that Charles A. Lindbergh landed at Le Bourget Airport, just north of Paris.

Le jeune Americain, il la fait, nom d'un chien...

"My God, he did it! They sang it all night. They sang in the streets, and in cafes. It seemed so impossible," Mr. Ordonnier said, leaning wistfully across the newsstand he now operates.

René Maury, a lawyer, stopped before catching the Metro home, and saw the headlines of the papers that morning once again. "I was 13 at the time. They were the largest headlines I had ever seen. I did not know what had happened. I remember the pictures of crowds trying to tear the cloth off Lindbergh's airplane. There wasn't a front page that wasn't covered with him."

All across Paris last night the French, whose Louis Bleriot was an early and heroic pioneer of aviation, whose Antoine de Saint-Exupery wrote gripping novels about flying, a people whose history is entwined with aviation stopped to remember the young Mr. Lindbergh's moment of glory, one they had shared.

Francois Davy, a taxi driver, also sang from the terrace of his apartment in the north of Paris that night. He was 19 at the time. A 32-year-old doorman at a hotel was not alive when Mr. Lindberg landed, but was struck, nonetheless. "He was in all our history texts. He was a very important figure.

"He was a champion, but his politics I disagree with," the doorman said. "His flight was grand, but his enchantment with Germany before the war was horrible."

Maurive Fauvet, a doctor, turned away *from his coffee* and talked of the headlines and the singing he, too, remembers.

"Lindbergh was the first. He did it. Today my children have grown up traveling by air. My son is in New York. He flies frequently, and is accustomed to it. But you cannot imagine how big an event it seemed—that Lindbergh had done it alone."

By Mr. McGOVERN:

S.J. Res. 243. A joint resolution to provide direction to the U.S. delegation to the World Food Conference. Referred to the Committee on Foreign Relations.

PRESIDENT FORD'S INITIATIVES AND THE WORLD FOOD CONFERENCE

Mr. McGOVERN. Mr. President, President Ford capitalized yesterday on the opportunity of his first address to the United Nations to demonstrate to the rest of the world that America is still a nation of compassion and generosity—a nation that, in time of need itself, can still recognize the even greater needs of others.

I wish to state my sincere appreciation to the President for the forthrightness with which he stated the willingness of this Nation, in cooperation with others, to provide increased assistance to less-developed nations in the ongoing struggle against hunger.

The President's specific recommendations—increased U.S. food assistance, greater technological assistance, and establishment of a system of food reserves—follow the lines of proposals advanced by some of us in the Congress in recent months.

I believe that I can assure the President that, to the extent that these recommendations are backed up by action, he will find even greater support here in the Congress.

As a first step to indicate to the President and to the world the unanimity between the legislative branch and the executive on this critical issue, I introduce today a resolution on the World Food Conference and the policy of the United States with respect thereto.

It is my hope that the resolution will offer a means by which the Congress can assist in building on the start which the President made on yesterday, in the development of a U.S. policy for the upcoming World Food Conference which will be worthy of our posture in the world.

We should recall that the conference itself, which will bring representatives of more than 100 nations to Rome from November 5 through 15, was convened as a result of U.S. initiatives. I am looking forward to attending this conference as a U.S. Senate delegate.

The conference will face an awesome responsibility. It is unlikely that there will be another major summit on food problems in the near future, especially if this one does not produce constructive action. It should be clear, then, that future generations will not judge us kindly if we forego this opportunity to address food security issues now—before we are backed into an insoluble global food crisis.

The United States is the largest single supplier of staple food to the world. It is not only appropriate, but essential, that we stand behind the commitments made first by Secretary Kissinger in his first address to the United Nations, and reaffirmed yesterday by President Ford.

For the challenge we face is not a comforting one. World grain production must increase 4 percent—25 million tons—each year merely to keep pace with demand. While technological breakthroughs have been able to keep food supply and demand roughly in balance over recent years, this most delicate balance is threatened on several fronts.

The Secretariat of the World Food Conference estimates that, unless food production capability can be accelerated from current trends, the developing world will encounter annual food deficits of over 85 million tons. Such deficits would not only destroy any further hope of improvement of the nutritional standards in developing countries, but would mean death by starvation on a regular basis on a scale we have never encountered. The facts of increased food requirements are not to be taken lightly.

Attempts to curb population expansion have been unsuccessful to date. The world population growth rate has nearly doubled from about 1 percent per year in the 1940's to 1.9 percent in recent years. One must consider that it took almost 2,000 years for the world's population to double before 1650, but that the world's numbers are now doubling every 34 years.

Not only are there more people to stake a claim on the world's resources, but per capita consumption of resources has increased steadily. As the level of affluence rises, individuals demand an increasing share of the planet's wealth. Of the 25-million-ton annual increase in grain production which is necessary to meet increased demand every year, about one-fourth of this increase is wiped out by increased per capita consumption.

Availability of basic agricultural inputs—land, water, energy, and plant nutrients—has become an important constraint on agricultural production. Many agricultural economists feel that most of the good farmland in the world is now in production. No longer are there vast acreages of fertile land waiting to be put into production; land that is available cannot, in general, be expected to yield at the levels we have achieved on our most productive land.

FAO estimates that global demand for water will increase 240 percent by the end of the century. Dr. Lester Brown, of the Overseas Development Council, estimates that most of the "easy" irrigation projects have been undertaken between the end of World War II and today. Dr. Brown states:

> From now on, they are going to be much more difficult and much more costly and much more marginal. . . . We need to recognize that the possibilities for maintaining anything like the pace of expansion of irrigated areas we have recently seen simply does not exist.

Energy has become an inseparable component of modern agriculture. From field preparation through retail food distribution, energy is an essential input in our system of food production.

The disruptions caused by the petroleum shortages last year continue to be felt throughout our entire food economy. It is beyond doubt that growth in energy consumption just cannot be supported indefinitely by current supplies and technology. New sources of energy will be tapped at considerably higher cost.

Clearly, the threats to our food supply system cannot be ignored. We may spend hours in this body debating troop levels and funding for sophisticated military hardware. But no aspect of national security is as crucial as assuring our citizens of adequate food supplies.

Food security will come only if we start from a rational and measured review of the problem—however discomforting. But upon this base we must take the next step—one that most certainly will demand sacrifice—measures to meet present and future threats to world food security.

The first meeting of the preparatory committee for the conference, in New York City in February, was devoid of leadership. When the preparatory committee met again in June, a necessary sense of direction remained undefined. And the signs of polarization at the preparatory meetings, much like the ideological differences which hampered action at the World Population Conference last month, do not cause optimism about the November conference. Without concrete proposals, it is almost certain to founder on directionless, ideological rhetoric.

Therefore, it is essential that the United States go to Rome with a strong and complete position with which we can offer our leadership.

I am fully aware of the political and economic realities which have constrained the development of a U.S. position. But I cannot accept them as causes for inaction. I do agree that our precarious supply situation with respect to grains is legitimate cause for hesitation. Certainly we must be prudent in making any commitments requiring increased Federal expenditures; we should review most carefully what we might do and its impact on domestic interests.

But we cannot cripple the chance of long-term progress for short-term considerations. Indeed, the short-term strains we face today should only underline the need for immediate attention to provide for the longer term food needs we are certain to face.

Ambassador Edwin Martin has done an outstanding job as coordinator of the U.S. participation in the World Food Conference, but he alone cannot orchestrate the cooperation of other agencies of Government necessary to establish a U.S. position. We must join together in giving our delegation the tools with which the United States can provide the leadership in this endeavor.

A few weeks ago I spoke of "Plowshares for Peace," a proposal to take our Government beyond the notable contributions which our food-for-peace program has made to world food security, to direct our resources to increasing food production in the developing world.

I sought increased basic research in agriculture and food production, new investment in fertilizer production and other critical farm inputs, increased technological assistance in harvesting, storing, processing, and distributing food supplies in the developing world, and the establishment of a minimum level of food reserves to meet emergency and disaster relief requirements.

The President's address to the United Nations was in that vein. Therefore, Mr. President, I offer these concepts today in a legislative proposal which I hope will offer at least a beginning.

First, I propose increasing our commitments of food assistance in a proportion to similar commitments of other developed nations, and the establishment of a famine relief reserve for emergencies throughout the world.

This does not imply that we would go immediately on tight world markets and begin massive purchases, thus exacerbating the present situation. It means rather that we make a commitment now to increase food aid over the coming years as our own supply situation permits.

For certain commodities—rice, for instance, and to some extent wheat—the world supply situation would permit us to begin making modest purchases now.

I have suggested that each nation tailor its assistance to its own particular resources. During the recent negotiations to extend the Food Aid Convention, Britain and other food-deficit signatories to the convention complained that it was unfair that food-producing countries contributed in real resources while they were required to contribute in cash.

Certainly, the pressing food needs of the developing world require more than food donations. Fertilizer and other agricultural inputs are needed in many developing countries in order that they may reach their potential for producing their own food. Expanding the concept of multilateral food assistance to permit nations to contribute assistance in the form of food, capital, fertilizer, technological expertise, transportation facilities, and other real resources with which the donating country is best equipped would provide a more efficient and equitable means of foreign assistance.

I have suggested also that food aid procurement policies be modified to reduce program costs and minimize the impact on domestic prices and supplies. By making procurements early in a marketing year, the market can better predict demand and make adjustments for a more predictable supply situation.

Food programs in the developing world have been hampered by the lack of a longer term perspective. If our goal is truly to make the need for foreign aid obsolescent, we must encourage longer term planning which, among other things, permits countries to coordinate food assistance into their own development goals. My measures call for food assistance commitments under our donation (Public Law 480, title II) program to be made on a 5-year basis and to afford priority in times of short supply to ongoing food programs in the developing world within our food for peace program.

A major gap in agricultural development research lies in the storage and distribution techniques in tropical climates and the marketing structures for foodstuffs in the developing world. Farmers in such countries cannot be expected to increase their production unless means are found to assure them the incentives which spring from stable markets for the risks of increased production.

Finally, we must establish a mechanism to carry the work of the conference beyond the ending session. Proposals for constructive action can succeed only to the extent that machinery is provided to implement them.

In this regard, my resolution calls for our support of the "World Food Authority" proposed by the Secretariat of the World Food Conference. Such a body would, through existing organizational machinery, coordinate implementation of constructive action which might come from the conference.

Mr. President, the United States must not go to the World Food Conference without the tools to provide substantive leadership. And if the United States does not provide such leadership, no one else will.

If we are not able to make the conference a useful enterprise, the developing countries of the world, which at considerable expense will send their delegations to participate in the World Food Conference, are going to view future cries for cooperative action on food security by the developed world as hollow indeed.

What will be the product of the World Food Conference? Will the millions of dollars and manhours of the world's top agricultural leaders be justified by its outcome?

We need more than files of forgotten conference reports. It is with a sense of our responsibility to assure some measure of food security to future generations that I offer today these modest proposals for a real and meaningful U.S. position for the World Food Conference.

And it is with a new sense of optimism that I greet the President's initiatives. Mr. President, I ask unanimous consent that the text of the President's address to the United Nations and the text of my resolution be printed at this point in the RECORD.

There being no objection, the joint resolution and address was ordered to be printed in the RECORD, as follows:

S.J. RES. 243

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States shall, in fulfillment of the commitments made by the President to the United Nations, participate fully in the World Food Conference of the United Nations Food and Agriculture Organization, to be held November fifth through fifteenth in Rome, and the United States, as primary initiator of the Conference, shall insofar as possible exercise leadership in this Conference appropriate to our role as a major supplier of food to the world.

EMERGENCY FOOD RELIEF

SEC. 2. In accordance with the above objective, there is hereby authorized, insofar as other major developed countries of the world set forth similar commitments, the establishment of a contingency supply of basic food commodities to be released on a grant basis only for emergency food relief to regions of the world suffering from natural and man-made disasters and to encourage other countries to commit facilities such as transportation, or other contributions commensurate with each country's respective resources, within an internationally coordinated emergency food relief program.

INCREASED FOOD AND FERTILIZER ASSISTANCE

SEC. 3. The President shall under existing authority, increase annual United States food assistance under the donation section of our food assistance programs to that level equal to one-third of the total of increased food or fertilizer assistance commitments made by the rest of the world over and above the present levels of assistance, and not exceeding in value $500 million. Countries with surplus fertilizer resources would be able to receive in kind credit for contributions of fertilizer committed through a multilateral assistance program.

FOOD AID PROCUREMENT POLICIES

SEC. 4. With respect to sections (2) and (3), the President shall make all necessary procurements in an orderly manner so as to minimize impact on domestic commodity prices as possible. In subsequent annual procurements of food commodities for emergency food assistance reserves and other food assistance programs the President shall seek, insofar as possible, to make procurements early in the crop year for any particular commodity to reduce impact on domestic prices and to minimize program costs.

SUPPLY CONTINUITY AND MEDIUM TERM PLANNING

SEC. 5. To provide a reasonable level of supply assurance for established food programs in the developing world, the President shall seek, insofar as feasible, to make regular food assistance grant commitments on a multiyear basis. These commitments should be made in conjunction with a multiyear utilization program formulated by the recipient country or organization within such country in consultation with the United States Government. In times of short domestic supply of commodities shipped under our food aid programs, priority in the allocation of supplies available for food assistance should be afforded those established programs for which a regular and stable supply of food commodities is essential for the continuance of their program.

AVAILABILITY OF FERTILIZER AND FARM INPUTS

SEC. 6. The President should call on the other nations of the world to review the availability of farm inputs such as fertilizer which represent possible constraints to increased food production and to provide appropriate incentives such as investment incentives or credit facilities to encourage the availability of such inputs.

FOOD TECHNOLOGY AND BASIC AGRICULTURAL RESEARCH

SEC. 7. The President is authorized and directed to establish projects of research by extension branches of land grant colleges in cooperation with American farmers' cooperatives and American industry toward the purpose of adapting relevant areas of American food and technology to the needs of the developing world. Such a research effort should include (1) the distribution and most efficient utilization of our food assistance resources within agricultural development goals and with particular emphasis on ways to improve harvesting, processing, storage, and distribution techniques for food commodities in tropical climates and (2) the market structure in developing countries and ways the market structure must be improved to encourage domestic food production. Furthermore, the United States calls for greater cooperation in the area of basic agricultural research including more efficient utilization of energy and other agricultural inputs, in conjunction with intensification of its own efforts in regard to weather prediction, control, and modification.

WORLD FOOD AUTHORITY

SEC. 8. The United States hereby supports, in concept, the creation of a "World Food Authority" as proposed by the Secretary-General of the World Food Conference to coordinate the execution of measures for action emanating from the World Food Conference while utilizing existing institutional machinery insofar as possible to effect their implementation.

SEC. 9. The President shall report to the Congress within sixty days following the conclusion of the Conference on the achievements of that meeting and the disposition of the foregoing provisions of this Resolution.

TEXT OF PRESIDENT FORD'S ADDRESS AT U.N. ASSEMBLY

(Following is the text of President Ford's address yesterday at the United Nations General Assembly:

In 1946, President Harry Truman welcomed representatives of 55 nations to the first General Assembly of the United Nations. Since then, every American President has had the great honor of addressing this assembly. Today, with pleasure and humility, I take my turn in welcoming you, the distinguished representatives of 138 nations.

When I took office, I told the American people that my remarks would be "just a little straight talk among friends." Straight talk is what I propose here today in my first address to the representatives of the world.

Next week Secretary of State Henry A. Kissinger will present in specifics the overall principles which I will outline in my remarks. It should be emphatically understood that the Secretary of State has my full support and the unquestioned backing of the American people.

As a party leader in Congress and vice president and now as President of the United States of America, I have had the closest working relationship with Secretary of State Kissinger. I have supported and will continue to endorse his many efforts as Secretary of State and head of our National Security Council system to build a world of peace.

Since the U.N. was founded, the world has experienced conflicts and threats to peace. But we have avoided the greatest danger: another world war. Today, we have the opportunity to make the remainder of this century an era of peace and cooperation and economic well-being.

The harsh hostilities which once held great powers in their rigid grasp have now begun to moderate. Many of the crises which dominated past General Assemblies are fortunately behind us. And technological progress holds out the hope that one day all men can achieve a decent life.

Nations too often have had no choice but to be either hammer or anvil: to strike or to be struck. Now we have a new opportunity—to forge, in concert with others, a framework of international cooperation. That is the course the United States has chosen for itself.

On behalf of the American people. I renew these basic pledges to you today:

We are committed to a pursuit of a more peaceful, stable and cooperative world. While we are determined never to be bested in a test of strength, we will devote our strength to what is best. And in the nuclear era, there is no rational alternative to accords of mutual restraint between the United States and the Soviet Union, two nations which have the power to destroy mankind.

We will bolster partnerships with traditional friends and allies in Europe, Asia and Latin America, to meet new challenges in a rapidly changing world. The maintenance of such relationships underpins rather than undercuts the search for peace.

We will seek out and expand relations with old adversaries. For example, our new rapport with the People's Republic of China best serves the purposes of each nation and the interests of the entire world.

We will strive to heal old wounds reopened in recent conflicts in Cyprus, the Middle East and in Indochina. Peace cannot be imposed from without, but we will do whatever is within our capacity to help achieve it.

We rededicate ourselves to the search for justice, equality and freedom. Recent developments in Africa signal the welcome end of colonialism. Behavior appropriate to an era of dependence must give way to the new responsibilities of an era of interdependence.

No single nation, no single group of nations, no single organization can meet all of the challenges before the community of nations. We must act in concert. Progress toward a better world must come through cooperative efforts across the whole range of bilateral and multilateral relations.

America's revolutionary birth and centuries of experience in adjusting democratic government to changing conditions have made Americans practical as well as idealistic. As idealists, we are proud of our role in the founding of the United Nations and in supporting its many accomplishments. As practical people, we are sometimes impatient at what we see as shortcomings.

In my 25 years as a member of the Congress of the United States, I learned two basic practical lessons:

First, men of differing political persuasions can find common grounds for cooperation. We need not agree on all issues in order to agree on most. Differences of principle, of purpose, of perspective will not disappear. But neither will our mutual problems disappear unless we are determined to find mutually helpful solutions.

Second, a majority must take into account the proper interest of a minority if the decisions of the majority are to be accepted. We who believe in and live by majority rule must always be alert to the danger of "tyranny of the majority." Majority rule thrives on the habits of accommodation, moderation and consideration of the interests of others.

A very stark reality has tempered America's actions for decades—and must now temper the actions of all nations. Prevention of full-scale warfare in the nuclear age has become everybody's responsibility. Today's regional conflict must not become tomorrow's world disaster. We must assure by every means at our disposal that local crises are quickly contained and resolved.

The challenge before the United Nations is clear. This organization can place the weight of the world community on the side of world peace. And this organization can provide impartial forces to maintain the peace.

And at this point I wish to pay tribute on behalf of the American people to the 37 members of the U.N. peacekeeping forces who have given their lives in the Middle East and in Cyprus in the past few months and I convey our deepest sympathy to their loved ones.

Let the quality of our response measure up to the magnitude of the challenge. I pledge to you that America will continue to be constructive, innovative and responsive to the work of this great body.

The nations in this hall are united by a deep concern for peace. We are united as well by our desire to ensure a better life for all people.

Today, the economy of the world is under unprecedented stress. We need new approaches to international cooperation to respond effectively to the problems that we face. Developing and developed countries, market and nonmarket economies—we are all part of one interdependent economic system.

The food and oil crises demonstrate the extent of our interdependence. Many developing nations need the food surplus of a few developed nations. And many industrialized nations need the oil production of a few developing nations.

Energy is required to produce food and food to produce energy—and both to provide a decent life for everyone. The problems of food and energy can be resolved on the basis of cooperation—or can, I should say, be made unmanageable on the basis of confrontation. Runaway inflation, propelled by food and oil price increases, is an early warning signal.

Let us not delude ourselves. Failure to cooperate on oil, food, and inflation could spell disaster for every nation represented in this room. The United Nations must not and need not allow this to occur. A global strategy for food and energy is urgently required.

The United States believes four principles should guide a global approach:

First, all nations must substantially increase production. Just to maintain the present standards of living the world must almost double its output of food and energy to match the expected increase in the world's population by the end of this century. To meet aspirations for a better life, production will have to expand at a significantly faster rate than population growth.

Second, all nations must seek to achieve a level of prices which not only provides an incentive to producers but which consumers can afford. It should now be clear that the developed nations are not the only countries which demand and receive an adequate return for their goods. But it should also be clear that by confronting consumers with production restrictions, artificial pricing, and the prospect of ultimate bankruptcy, producers will eventually become the victims of their own actions.

Third, all nations must avoid the abuse of man's fundamental needs for the sake of narrow or national bloc advantage. The attempt by any country to use one commodity for political purposes will inevitably tempt other countries to use their commodities for their own purposes.

Fourth, the nations of the world must assure that the poorest among us are not overwhelmed by rising prices of the imports necessary for their survival. The traditional aid donors and the increasingly wealthy oil producers must join in this effort.

The United States recognizes the special responsibility we bear as the world's largest producer of food. That is why Secretary Kissinger proposed from the podium last year a World Food Conference to define a global food policy. And that is one reason why we have removed domestic restrictions on food production in the United States. It has not been our policy to use food as a political weapon despite the oil embargo and recent oil price and production decisions.

It would be tempting for the United States—beset by inflation and soaring energy prices—to turn a deaf ear to external appeals for food assistance, or to respond with internal appeals for export controls. But however difficult our own economic situation, we recognize that the plight of others is worse.

Americans have always responded to human emergencies in the past and we respond again here today.

In response to Secretary General Waldheim's appeal and to help meet the long-term challenge in food, I reiterate:

To help developing nations realize their aspiration to grow more of their own food, the United States will substantially increase its assistance to agricultural production programs in other * * *

Next, to ensure that the survival of millions of our fellow men does not depend upon the vagaries of weather, the United States is prepared to join in a worldwide effort to negotiate, establish, and maintain an international system of food reserves. This system will work best if each nation is made responsible for managing the reserves that it will have available.

Finally, to make certain that the more immediate needs for food are met this year, the United States will not only maintain the amount it spends for food shipments to nations in need, but it will increase this amount.

Thus, the United States is striving to help define and contribute to a cooperative global policy to meet man's immediate and long-term need for food. We will set forth our comprehensive proposals at the World Food Conference in November.

Now is the time for the oil producers to define their conception of a global policy on energy to meet the growing need—and to do this without imposing unacceptable burdens on the international monetary and trade system.

A world of economic confrontation cannot be a world of political cooperation. If we fail to satisfy man's fundamental needs for energy and food, we face a threat not just to our aspirations for a better life for all our peoples, but to our hopes for a more stable and a more peaceful world. By working together to overcome our common problems, mankind can turn from fear towards hope.

From the time of the founding of the United Nations, America volunteered to help nations in need, frequently as the main benefactor. We were able to do it. We were glad to do it. But as new economic forces alter and reshape today's complex world, no nation can be expected to feed all the world's hungry peoples. Fortunately, however, many nations are increasingly able to help and I call on them to join with us as truly United Nations in the struggle to provide more food at lower prices for hungry and, in general, a better life for the needy of this world.

America will continue to do more than its share. But there are realistic limits to our capacities. There is no limit, however, to our determination to act in concert with other nations to fulfill the vision of the United Nations Charter: "to save succeeding generations from the scourge of war" and "to promote social progress and better standards, better standards of life in a larger freedom."

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2854

At the request of Mr. Cranston, the Senator from Idaho (Mr. Church) was added as a cosponsor of S. 2854, a bill to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolic, and Digestive Diseases in order to advance a national attack on arthritis.

S. 3860

At the request of Mr. Kennedy, the Senator from Maryland (Mr. Beall), the Senator from Delaware (Mr. Biden), the Senator from Missouri (Mr. Eagleton), and the Senator from New York (Mr. Javits) were added as cosponsors of S. 3860, a bill to study and control the disclosure of voter registration lists for non-election purposes.

S. 3903

At the request of Mr. Brock, the Senator from Utah (Mr. Bennett) and the Senator from Oklahoma (Mr. Bellmon) were added as cosponsors of S. 3903, a bill to extend the State and Local Fiscal Assistance Act of 1972 for 7 years.

S. 3934

At the request of Mr. Montoya, the Senator from Wyoming (Mr. McGee) was added as a cosponsor of S. 3934, a bill to amend the Internal Revenue Code of 1954 to prohibit disclosure of tax returns without consent of the taxpayer, and for other purposes.

S. 3968

At the request of Mr. McGovern, the Senator from South Dakota (Mr. Abourezk) was added as a cosponsor of S. 3968, the Pine Ridge Indian Reservation Economic Development Demonstration Act.

SENATE RESOLUTION 406—ORIGINAL RESOLUTION REPORTED AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON THE BUDGET

(Referred to the Committee on Rules and Administration.)

Mr. MUSKIE, from the Committee on the Budget, submitted the following resolution:

S. Res. 406

Resolved, That, in holding hearings, reporting such hearings, and making investigations as authorized by sections 134 (a) and 136 of the Legislative Reorganization Act of 1946, as amended, in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on the Budget, or any subcommittee thereof, is authorized from the date this resolution is agreed to, through February 28, 1975, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable basis the services of personnel of any such department or agency.

Sec. 2. The expenses of the committee under this resolution shall not exceed $421,000, of which amount not to exceed $5,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202 (i) of the Legislative Reorganization Act of 1946, as amended).

Sec. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 1975.

Sec. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SENATE RESOLUTION 407—SUBMISSION OF A RESOLUTION TO REFER A BILL TO THE COURT OF CLAIMS

(Referred to the Committee on the Judiciary.)

Mr. DOMINICK submitted the following resolution:

S. Res. 407

Resolved, That the bill (S. 4025) entitled "A bill for the relief of Laszlo Sebo", now pending in the Senate, together with all the accompanying papers, is hereby referred to the chief commissioner of the United States Court of Claims; and the chief commissioner shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code, and report thereon to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States or a gratuity and the amount, if any, legally or equitably due from the United States to the claimant.

ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTIONS

SENATE CONCURRENT RESOLUTION 110

At the request of Mr. Kennedy, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of Senate Concurrent Resolution 110, a concurrent resolution relating to the situation in Cyprus.

SENATE CONCURRENT RESOLUTION 113

At the request of Mr. Percy, the Senator from Ohio (Mr. Taft) and the Senator from Tennessee (Mr. Brock) were added as cosponsors of Senate Concurrent Resolution 113, relating to world food shortages and rapid population growth.

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY AMENDMENTS

AMENDMENT NO. 1899

(Ordered to be printed and to lie on the table.)

Mr. ERVIN submitted an amendment intended to be proposed by him to Amendment No. 1817 proposed to the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests intended to be proposed by him to

AMENDMENTS NOS. 1900 AND 1901

(Ordered to be printed and to lie on the table.)

Mr. STEVENS submitted two amendments intended to be proposed by him to Amendment No. 1817, proposed to the bill (S. 707), supra.

AMENDMENTS NOS. 1902 THROUGH 1909

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted eight amendments intended to be proposed by him to the bill (S. 707), supra.

AMENDMENT NO. 1910

(Ordered to be printed and to lie on the table.)

Mr. AIKEN submitted an amendment intended to be proposed by him to Amendment No. 1817, proposed to the bill (S. 707), supra.

AMENDMENT NO. 1911

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill (S. 707), supra.

AMENDMENT NO. 1912

(Ordered to be printed and to lie on the table.)

Mr. TAFT submitted an amendment of consumers, and for other purposes. Amendment No. 1817, proposed to the bill (S. 707), supra.

AMENDMENT NO. 1913

(Ordered to be printed and to lie on the table.)

Mr. MOSS submitted an amendment intended to be proposed by him to Amendment No. 1817, proposed to the bill (S. 707), supra.

AMENDMENT NO. 1918

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to amendment No. 1817 proposed to the bill (S. 707), supra.

FEDERAL PRIVACY BOARD ACT—AMENDMENT

AMENDMENT NO. 1914

(Ordered to be printed and referred to the Committee on Government Operations.)

HALTING USE OF THE SOCIAL SECURITY NUMBER AS A UNIVERSAL POPULATION IDENTIFIER

Mr. GOLDWATER. Mr. President, I am introducing today for myself and the senior Senator from Illinois (Mr. PERCY) an amendment to halt the spread of the social security number as a universal population identifier. I am delighted that the Senator from Illinois, who is the ranking Republican member of the Senate Committee on Government Operations, is joining with me today as a coauthor of this amendment to S. 3418, a privacy bill which was ordered favorably reported by that committee on August 20.

Mr. President, the amendment which we are offering today is similar to S. 2537, a bill which I introduced last year to provide that no individual may be compelled to disclose his social security number for any purpose not specifically required by law. An identical bill, H.R. 9968, had been introduced in the House of Representatives last year by my son, Congressman BARRY GOLDWATER, Jr., of California.

Mr. President, when parents cannot open bank accounts for their children without obtaining social security numbers for them; when all schoolchildren in certain ninth grade classes are compelled to apply for social security numbers; when a World War I veteran is asked to furnish his social security number in order to enter a Veterans' Administration hospital; and when the account number is used and required for numerous other purposes totally unrelated with the social security program; then it is time for society to stop this drift toward reducing each person to a number.

There already have been issued a total of over 160 million social security numbers to living Americans. There is no statute or regulation which prohibits or limits use of the account number.

To the contrary, a directive President Roosevelt issued 32 years ago, is still in effect requiring that any Federal agency which establishes a new system of personal identification must use the social security number.

Numerous Americans deplore this development. They resent being constantly asked or required to disclose their social security number in order to obtain benefits to which they are legally entitled. They sense that they are losing their identity as a unique human being and are reduced to a digit in some bureaucratic file.

Scholars who have studied the situation have fears which run far deeper. These specialists consider use of the social security number as a population number will make us all become marked individuals.

What is meant is that once the social security number is set as a universal identifier, each person would leave a trail of personal data behind him for all of his life which could be immediately reassembled to confront him. Once we can be identified to the administrator in government or in business by an exclusive number, we can be pinpointed wherever we are, we can be more easily manipulated, we can be more easily conditioned, and we can be more easily coerced.

Mr. President, the use of the social security number as a method of national population numbering is inseparable from the rapid advances in the capabilities of computerized personal data equipment. The state of the art in computer data storage is now so advanced that the National Academy of Sciences actually reported in 1972 that—

> It is technologically possible today, especially with recent advances in mass storage memories, to build a computerized, on-line file containing the compacted equivalent of 20 pages of typed information about the personal history and selected activities of every man, woman, and child in the United States, arranging the system so that any single record could be retrieved in about 30 seconds.

Where will it end? Will we allow every individual in the United States to be assigned a unique identification number for use in all his governmental and business activities? Will we permit computerized personal data systems to interlink nationwide so that all the details of our personal lives can be assembled instantly for use by a single person or institution?

The time to think about the future is now. We must build into the law safeguards for personal privacy while a national numbering system is still a concept and not an accomplished fact.

Accordingly, I am introducing today with Senator PERCY an amendment to the Federal privacy legislation that will impose a moratorium on the use of social security numbers for purposes unrelated to the original social security program. Our amendment will make it unlawful for any governmental body at the Federal, State, or local level to deny to any person a right, benefit, or privilege because the individual does not want to disclose his social security account number. The amendment also provides that it shall be unlawful for anyone to discriminate against another person in any business or commercial dealings because the person chooses not to disclose his social security number.

Recognizing that what we are proposing will cause a significant change in the identification methods of a great many agencies and institutions, we provide for the phasing in of these prohibitions beginning on January 1, 1975. Any information system started after that date will be subject to the restraints of our amendment and any information system in existence before then is exempted from the amendment.

In addition to the prohibitions on the spread of the social security number in the future, the amendment includes a requirement that all agencies and persons who request of a person the disclosure of his social security number must inform the person whether disclosure is mandatory or voluntary, state the specific authority for compelling disclosure, tell what uses will be made of it, and notify what rules of confidentiality will protect these uses.

Mr. President, medical and sociological evidence proves that the need for privacy is a basic, natural one, essential both to individual physical and mental health of each human being and to the creativity of society as a whole. It is for us to determine today just how much privacy shall remain for the individual in the future, and I hope the Senate will shortly have the opportunity to act favorably upon the amendment which we have offered to protect against a national numbering system.

Mr. President, I ask unanimous consent that a copy of the amendment by myself and Senator PERCY, as coauthors, be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1914

MORATORIUM ON USE OF SOCIAL SECURITY NUMBERS

SEC. 307. (a) It shall be unlawful for—

(1) any Federal, State, or local government agency to deny any individual any right, benefit, or privilege provided by law because of such individual's refusal to disclose his social security account number, or

(2) any person to discriminate against any individual in the course of any business or commercial transaction or activity because of such individual's refusal to disclose his social security account number.

(b) The provisions of subsection (a) shall not apply with respect to—

(1) any disclosure which is required by Federal law, or

(2) any information system in existence and operating before January 1, 1975.

(c) Any Federal, State, or local government agency which requests an individual to disclose his social security account number, and any person who requests, in the course of any business or commercial transaction or activity, an individual to disclose his social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by what statutory or other authority such number is solicited, what uses will be made of it, and what rules of confidentiality will govern it.

Mr. PERCY. Mr. President, the issue of the social security number, SSN, as a universal identifier, which increasingly is required to be supplied by an individual in his transactions with both the Government and with private businesses, and which may soon make it possible for anyone to link and gain access to a wide variety of different databanks, is a matter of deep concern to me and to other Members of the Senate and the House. I am pleased to join Senator GOLDWATER, who over an extended period of time has taken a very active, constructive concern in this issue, as cosponsor of an amendment to S. 3418 which addresses this concern and commend Senator GOLDWATER, my distinguished colleague, on his leadership in this important matter to every citizen.

S. 3418 is the privacy legislation that I have cosponsored with Senators ERVIN, MUSKIE, and RIBICOFF. The bill, which was unanimously reported by the Committee on Government Operations on August 20, establishes certain rights of privacy that apply to an individual's personal information. The bill also establishes a study commission, the Federal Privacy Commission, whose primary functions will be to oversee and assist Federal agencies in the implementation of this Act and to conduct a study of a wide variety of privacy issues that, for lack of adequate information and understanding, are not covered in S. 3418.

A very important subject that the Commission will study is the use of the SSN as a universal identifier. This study will respond to concerns of a wide variety of individuals who have expressed their resentment in letters to Members of Congress in recent years about having to furnish their SSN for purposes completely unrelated to social security.

The purpose of the amendment we are proposing is to halt the expansion of the use of the SSN. Its primary importance is to hold the problem to a fixed dimension until the Privacy Commission completes a study and decides upon appropriate legislative recommendations to Congress. It follows the key recommendations of the widely cited Report of the Secretary of HEW's Committee on Automated Personal Data Systems, published in 1973 under the title "Records, Computers, and the Rights of Citizens." On page 126 of the report, the HEW Committee gives specific recommendations on the SSN concerning the right of an individual to refuse to disclose the social security number:

SPECIFIC RECOMMENDATIONS ON THE SOCIAL SECURITY NUMBER: RIGHT OF AN INDIVIDUAL TO REFUSE TO DISCLOSE THE SOCIAL SECURITY NUMBER

Increasing demands are being placed on individuals to furnish an SSN in circumstances when use of the SSN is not required by the Federal Government for Federal program purposes. For example, the SSN is demanded of individuals by State motor vehicle departments, by public utility companies, landlords, credit grantors, schools, colleges, and innumerable other organizations.

Existing Federal law and Social Security regulations are silent on such uses of the SSN. They provide no clear basis for keeping State and local government agencies and private organizations from demanding and using the number. As a practical matter, disclosure of one's SSN has been made a condition for obtaining many benefits and services, and legal challenges to this condition under State law have been almost uniformly unsuccessful.

If the SSN is to be stopped from becoming a "de facto" universal identifier, the individual must have the option not to disclose his number unless required to do so by the Federal government for legitimate Federal program purposes, and there must be legal authority for his refusal. Since existing law offers no such clear authority, we recommend specific, preemptive, Federal legislation providing:

(1) That an individual has the right to refuse to disclose his SSN to any person or organization that does not have specific authority provided by Federal statute to request it;

(2) That an individual has the right to redress if his lawful refusal to disclose his SSN results in the denial of a benefit, or the threat of denial of a benefit; and that, should an individual under threat of loss of benefits supply his SSN under protest to an unauthorized requestor, he shall not be considered to have forfeited his right to redress;

(3) That any oral or written request made to an individual for his SSN must be accompanied by a clear statement indicating whether or not compliance with the request is required by Federal statute, and, if so, citing the specific legal requirement.

In response to these recommendations, our amendment to S. 3418 prohibits Government agencies from conditioning any right, benefit, or privilege provided by law upon an individual's decision not to disclose his SSN. It would also prohibit discrimination against any individual who, in the course of any business or commercial transaction or activity, chooses not to furnish his number. Finally, the amendment requires that whenever a Federal agency or private organization requests an individual to supply his SSN, it must inform him whether disclosure is mandatory or voluntary, by what statutory authority the number is requested, what uses will be made of it, and what rules of confidentiality will govern it.

I would like to point out that our amendment fills a void created when an earlier provision was dropped from S. 3418. It would have prohibited Government and private organizations that currently rely on the SSN from compelling an individual to furnish his number except when specifically required by law. The members of the Government Operations Committee voted to delete this provision after several important objections were identified. These objections centered around the disruption of established procedures and the uncertain but large cost involved in changing recordkeeping procedures nationwide. The earlier provision would have meant redesigning forms and reprograming computers to an unknown extent. It would have had the undesirable effect of requiring the Army to change their identification system for military personnel.

Our amendment overcomes the flaws in the earlier provision. It does not interfere with existing uses of the number. It specifically exempts any disclosure which is required by Federal law and it exempts any use of the SSN by any information system that is in existence and operating prior to January 1, 1975. Thus it will not disrupt established procedures and it will not create unwarranted cost burdens. Instead, it serves the important function of blocking further expansion of the use of the number as a universal identifier until needed policy recommendations can be developed by the Federal Privacy Commission. And finally, it brings needed congressional attention to an issue of long standing.

NATIONAL HEALTH INSURANCE ACT AMENDMENTS

AMENDMENTS NOS. 1915 AND 1916

(Ordered to be printed and referred to the Committee on Finance).

NUTRITION AND HEALTH

Mr. McGOVERN. Mr. President, we all accept the importance of nutrition to health as a fact of life. And we all agree, too, that the prevention of illness rather than its treatment should be our priority. Yet, all too frequently we find that nutritional care is not a covered service in medical care programs or national health insurance programs. This omission works against the public interest.

It seems a certainty that some form of national health insurance will be enacted in the near future. Whatever measure is approved should recognize the importance of nutrition to health. To this end, I am introducing two amendments to S. 3286 which is known as the Kennedy-Mills national health insurance proposal. These amendments are equally appropriate to other national health insurance proposals and I trust that they will be considered as if offered to those bills.

The first amendment would change the provisions of S. 3286 which would prohibit reimbursement for a home visit for nutritional care by a registered dietician employed by a home health agency. S. 3286 is very specific about the home health visits that are a covered service. It includes nursing services, physical therapy, occupational therapy, speech therapy, and medical social services; but, not nutritional care. My amendment would remedy this deficiency by including nutritional care in the definition of home health services. The amendment would not increase the number of home health visits that are authorized nor change the conditions of eligibility for home health services.

My second amendment would make it clear that registered dietitians could serve as physician extenders. Under the provisions of S. 3286 as introduced the national health insurance program would cover reimbursement for services of physician assistants, nurse practitioners and "other individuals" under the supervision and control of a physician but not necessarily in his office. My amendment would make it clear that the category of "other individuals" includes registered dietitians. They would be specifically named in the legislation.

The physician extender provisions should contribute greatly to improved utilization of health manpower which is in short supply.

The amendments that I introduce today would significantly improve the health care system and the health status of our citizens. Both amendments are supported by the American Dietetic Association.

I ask unanimous consent to include at the conclusion of these remarks the testimony of the American Dietetic Association on national health insurance before the House Ways and Means Committee:

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Statement of the American Dietetic Association on National Health Insurance

The American Dietetic Association is the professional association for 25,000 dietitians. Its objective is: "To improve the nutrition of human beings; to advance the science of dietetics and nutrition and to improve education in these and allied areas."

We are most appreciative of this opportunity to express the views of our membership to you today. In November 1971, you graciously listened to our opinions on National Health Insurance. Since that time there have been several additional developments both in the concept of a national health insurance program as well as mounting concern for the nutritional well-being of the population in this country.

Well aware of the value of time and with every desire to comply with your instructions relative to repetition of previous statements regarding national health insurance we will confine our remarks to changes which have taken place since 1971. Any review of the past will be brief and will be presented only for information and emphasis.

Progress has been made in meeting the nutritional needs of some segments of the population. Since 1967 when the National Nutrition Survey was authorized both the government and the public have become increasingly aware of the importance of nutrition to health. The work of the Senate Select Committee on Nutrition and Human Needs, the recommendations of the 1969 White House Conference on Food, Nutrition and Health, the 1971 White House Conference on Aging, the 1970 White House Conference on Children, the expansion of the child feeding programs, and the food stamp program are all evidence of both recognition of nutrition related problems and concern for their solution.

The steps that have been taken to solve the problems are highly commendable but the emphasis has been on curative and rehabilitative measures. We believe that this can become a never ending process if measures are not employed to prevent many of the known conditions that predispose individuals and groups to nutritional problems.

The concept underlying each of the bills under consideration today appears to be the expansion of more comprehensive health benefits to all of the population. Coverage, benefits, administration and financing vary to some degree in each of the proposals. In our remarks today we want to state the position of The American Dietetic Association relative to the benefits, standards for providers of services and reimbursement of providers of services that we consider essential in any national health insurance plan.

We believe that nutrition services under the supervision of qualified nutrition personnel should be a component of all health and health related programs and should be designed to reach the total population with priority to such nutritionally vulnerable groups as infants, children and youth in the growing years, women in the child bearing years and the older age population.[1]

H.R. 1, does not make such provision. For this reason we supported a bill in the previous Congress that would have amended H.R. 1, to authorize reimbursement for the home health visits of dietitians. The full range of nutrition services is available to the Medicare patient as long as he is in the hospital. Upon discharge to a home health agency his eligibility for the services of a dietitian through home health visits is denied under existing law.[2]

A Medicare patient must first be hospitalized to become eligible for home health services but is eligible only for services for the condition related to the hospitalization. Elderly persons who are afflicted with several chronic conditions may be treated for only the illness that required hospitalization. The ten State nutrition survey indicated that the elderly suffered from secondary malnutrition rather than primary. We also know that this same age group is prone to underuse of health care services and overuse of fads and quackery.

According to the Annual Statistical Supplement, 1971, of the Social Security Bulletin, between 1969 and 1971, reimbursement for home health services dropped from $48.5 million to $40.6 million while reimbursements for inpatient hospital care increased from $4.5 billion to $5.2 billion. Under the present conditions of the Hospital Insurance Program of Medicare the utilization of home health services has declined while the cost of inpatient hospital care has risen sharply.

In 1971, forty-five percent of the health bills in this country were paid by those sixty-five and over while this group represented only ten percent of the population. The average daily rate for hospital care now exceeds $110, according to figures quoted by the Secretary of Health, Education and Welfare. Services that would assist in keeping patients from hospitalization or rehospitalization certainly are worthy of serious consideration.

The American Dietetic Association's position is that the inclusion of nutrition as a component of health care will significantly reduce the number of people requiring sick care service.[3]

Home health services account for less than one percent of the Medicare dollar. It is estimated that the extension of home health benefits to include nutritional care would cost less than $5 million. Offering such service should offset this cost by decreased hospital utilization.

Dietitians would be the first to tell you that not all beneficiaries of home health services need nutritional care. There are those who do need it and are not having it under the present terms of Medicare simply because they cannot afford it.

Supportive of this viewpoint is an article written by Dr. Lawrence Power, Chief of Medicine and Chief of Endocrinology at Detroit General Hospital, published in the *Journal of Nutrition Education,* Vol. 5, No. 4, October-December 1973. The article is entitled "New Approaches to the Old Problem of Diabetes Education." I will quote from this only in part: ". . . the average patient today is disabled by a disease that has been present for five or ten more years. The leading causes of death in the United States are now coronary artery disease, obesity, emphysema, hypertension, diabetes and cerebral vascular disease. They are all characterized by progressive (often a symptomatic) stages of development evolving over many years. Yet 'the system' continues to address itself to 'the crisis.' Its emphasis, for example, is on the heart attack and its management, not the coronary artery disease that leads to it and its prevention.

"Most patients presently in need of medical care do not have traditional illnesses. . . . Most patients have long term, quietly grumbling disabilities that are manageable for protracted periods of time. Diabetes and arthritis come readily to mind. Such patients require the kind of supportive services that few existing health care centers are able to give. Such patients need a new kind of health provider. They need new ways of being instructed in the management of their disorders. In addition of course, they need new ways to finance these services."

Dr. Powers describes the population whom he serves as mostly elderly, slow to learn or change, the majority black with a few Appalachian whites. Chicanos or European immigrants. As for the average outpatient department he says "(it) provides the diabetic with much opportunity for waiting and little opportunity for learning. . . . Little does the patient realize that there are more important shortcomings in his care than waiting. The average patient is taught little or nothing about his medication and even less about the aims of therapy. As an example of these shortcomings in the diabetic area, many patients recently selected at random from within our own waiting population could not indicate what a food exchange was, why they were testing their urine for sugar, and the meaning of ketones if they found them."

In describing nutrition services in a scene which he paints as "an area of hustle, crowding, unfamiliar patients, misplaced records and framentary care." Dr. Powers says: "The dietitian's handicaps in this arrangement simply compound the problem. . . . She is routinely called at the last minute to instruct patients who have been hospitalized for several weeks and are now dressed for discharge with waiting relatives double-parked on the street below.

"Even without these routine impediments, the dietition is expected in a consultation or two to change the life long habits of a group of slowly comprehending patients for whom truly effective training would require hours of time and weeks of visits."

H.R. 13870, Title XVIII amendments, Section 1883, does provide for nutrition services provided in the place of resident of those qualifying for benefits, such services to be given by a professional nutritionist if the need for such services is certified by the individual's physician. We endorse this part of the proposed legislation and recommend

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Footnotes at end of article.

that it be kept as a part of the statutory requirements.

Further, we recommend that "nutritional care," the application of nutrition science to the health care of people, be integrated into preventive, diagnostic, curative and restorative health services provided under any national health insurance program and that nutritional care, as a component of health care, be available to all people on a continuing and coordinated basis.[4]

In a position statement adopted by The American Dietetic Association in 1971, our members recommended that "Any national health insurance program adopted include incentives for the development of preventive health services. Nutritional care should be identified in the legislation as an essential component of preventive health care service."[5]

The Ten State National Nutrition Survey authorized by Congress which was completed in 1970, pointed up the need not only for remedial measures but for preventive ones if we are not to continue past mistakes.

The reports from this survey prompted the establishment by DHEW of a continuing national nutrition surveillance system. The Health and Nutrition Examination Survey (HANES) has been conducted by the National Center for Health Statistics since 1971 as a continuing national system to measure and then to monitor nutritional status in the United States.

A preliminary report was released in late February of this year on the most recent HANES findings. Data are based on information collected in 1971–72 from one-half of a total population sample of about 30,000 persons designed to be representative of the civilian, noninstitutional population 1–74 years of age.[6]

The preliminary report covers dietary intake of calories, protein, iron, calcium, vitamins A and C, and biochemical findings for hemoglobin, hematocrit, and percent transferrin saturation—all related to iron levels—and for serum vitamin A, protein and albumin.

Biochemical analysis of iron levels in the blood show that iron deficiency with anemia is most marked among persons aged 1–17 years, with the greatest problem among very young children.

Relative calcium intake (mean intake per 1,000 calories) is lower for blacks than for whites in each of the age, sex, and income groups examined. For black women 18–44 years, mean calcium intake is also low compared to either the standard or the reported intake for white women of these ages. The proportion of black women who reported calcium intakes below the standard was clearly greater especially in the low income group, than for white women.

Average intake of calories and protein, as of the specific nutrients, varied considerably with family income levels, and between black and white persons.

Over 29 percent of people ages 60–74 years with incomes below the poverty level reported an intake of less than 1,000 calories for the twenty-four hour period prior to interview, as compared with 16 percent of such age persons with incomes above poverty level.

Intake of less than 1,000 calories was reported for a higher proportion of black children aged 1–5 years than for white children of these ages.

These figures represent individuals who are "noninstitutional" but certainly they could profit health-wise from appropriate dietary counseling and prescribed preventive measures if they were available as a covered service to those who needed them. A comprehensive health insurance plan cannot ignore such data.

In a DHEW publication, "Malnutrition, Learning and Intelligence" published in 1973, Herbert G. Birch, M.D., Ph.D., of the Albert Einstein College of Medicine said: "It has long been recognized that the nutrition of the individual is perhaps the most ubiquitous factor affecting growth, health, and development. Inadequate nutrition results in stunting, reduced resistance to infectious disease, apathy and general behaviorial unresponsiveness. In a fundamental sense it occupies a central position in the multitude of factors affecting the child's development and functional capacity."

After reviewing considerable data and research Dr. Birch concludes: "On the basis of the evidence so far set forth it may be argued with considerable justification that one can reasonably construct a chain of consequences starting from the malnutrition of the mother when she was a child, to her stunting, to her reduced efficiency as a reproducer, to intrauterine and perinatal risk to the child, and to his subsequent reduction in functional adaptive capacity."

Reports such as this have served to make the public aware of their nutritional needs and the gaps that exist in services that could help to meet these needs and thus become vital preventive measures.

The report of Forum No. 10, of the 1970 White House Conference on Children was entitled, "Keeping Children Healthy: Health Protection and Disease Prevention." In summing up their discussion of the Forum reported, "This Forum considers preventive health care to include not only good physician and dental care but also adequate housing, quality education, sufficient clothing, good nutrition, good sanitation, as well as opportunities to experience love, achieve self-respect, participate in play and become meaningfully involved with others."

In this Forum's recommendations related to preventive and constructive health services they urge that there be a comprehensive child health care program rather than the fragmented, isolated programs that now exist. Specifically in regard to nutrition they said: "Nutrition concern is seen as an indispensable component in programs for children and families, and hopefully, with nutritionists as part of the health teams in direct service or consultant roles."

One recommendation from the 1971 White House Conference on aging was "It is recommended that nutrition services and nutrition counseling be a required component of all health delivery systems, including such plans as Medicare, Medicaid, health maintenance organizations, home health services, extended care facilities and prevention programs."

There appears to be sufficient evidence that the need for nutritional care exists; that the consumer views this as a legitimate, desirable service for all age groups and expects to find this as a covered benefit in any acceptable and viable health care legislation. We recommend, therefore, that the "Part A—Scope of Benefits—Benefits Provided-Covered Services" in H.R. 13870 be amended to include "Nutrition Services." These services to be provided on both an outpatient or consultation basis and so eligible for reimbursement to the beneficiary.

We believe that it is not only nutritionally unsound to offer treatment for only a part of a problem i.e., curative and rehabilitative as the proposed legislation does, but that it is also medically and financially unsound.

To plan a health program of the vastness of any of those proposed with limited or no provision for nutritional care when accumulated supportive data is available appears to be an oversight that needs prompt attention. To neglect the opportunity to insure more positive health for the population is not being totally responsive to a major health concern in this country.

"Nutritional Assessment in Health Programs" is a report based on proceedings of the Conference on Nutritional Assessment held in 1972, and sponsored by the American Public Health Association, Inc. A brief paraphrase will help to summarize the need for more attention to nutritional needs throughout the life cycle regardless of economic environment.

The "Assessment" points out that good nutrition in infancy and childhood is essential for normal growth and development. Because of the acceleration of growth during adolescence nutrition may strongly influence growth and maturation. Nutrition requirements at this stage in life are increased in both amounts and types.

Poor maternal nutrition can result in perinatal deaths and low birth-weight infants who are more subject to morbidity and mortality, whether they are premature or full term.

Public health statistics indicate that the major cause of mortality in the adult population are heart disease, stroke and cancer. Some of the risk factors associated with heart disease and stroke are related to nutrition. Presently certain kinds of foods are suspect regarding cancer of the intestinal tract.

Diabetes mellitus, obesity, gout, hyperlipidemias, various anemias, intestinal enzyme deficiences all have interrelationships with nutritional practices of both adults and children. It is also recognized that obesity may contribute to the risk of coronary heart disease, especially through its association with diabetes mellitus and hypertension. Obesity commonly has its origin during childhood thus emphasizing the need for special attention to proper nutritional patterns throughout the life cycle.

In conclusion we should like to include a quotation from testimony given by William J. Darby, M.D., Chairman, The Nutrition Foundation, Inc., before the Senate Select Committee on Nutrition and Human Needs, "Although the majority of the cases of nutrition disease that we see in our hospitals are those occurring with other medical conditions, practically all of the deficiency disorders could have been prevented had the patients and their physicians utilized proper understanding of nutrition and diet."

We believe that the time is now for any comprehensive national health insurance plan to offer bold programs in primary prevention.

Footnotes at end of article.

FOOTNOTES

[1] Promoting Optimal Nutritional Health of the Population of the United States. Policy statement of The American Dietetic Association. J. Am. Dietet. A.55:452, 1969.

[2] Statement of The American Dietetic Association before the Committee on Finance, U.S. Senate, concerning provisions of H.R. 1.

[3] The Nutrition Component of Health Services Delivery Systems. Position paper of The American Dietetic Association. J. Am. Dietet. June. 58:538, 1971.

[4] Ibid.

[5] Ibid.

[6] Health and Nutrition Examination Survey 1971–72 (HANES Preliminary) U.S. DHEW, Feb. 27, 1974.

White House Conference of Food, Nutrition and Health. Final Report. Washington, D.C., Gov't Prtg. Off., 1970.

White House Conference on Aging. Final Report. Washington, D.C., Gov't Prtg. Off., 1970.

White House Conference on Children. Final Report. Washington, D.C., Gov't. Prtg. Off., 1970.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1974—AMENDMENT

AMENDMENT NO. 1917

(Ordered to be printed and to lie on the table.)

Mr. PELL submitted an amendment intended to be proposed by him to the bill (S. 3585) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1853

At the request of Mr. Schweiker, the Senator from Nevada (Mr. Cannon), the Senator from Idaho (Mr. Church), the Senator from Montana (Mr. Mansfield), and the Senator from Wisconsin (Mr. Proxmire) were added as cosponsors of amendment No. 1853, intended to be proposed to the bill (S. 3917) to amend and extend the Export-Import Bank Act of 1945, as amended, and for other purposes.

AMENDMENT NO. 1878

At the request of Mr. Kennedy, the Senator from Minnesota (Mr. Humphrey), the Senator from Maryland (Mr. Mathias), and the Senator from Colorado (Mr. Haskell) were added as cosponsors of amendment No. 1878, intended to be proposed to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

AMENDMENT NO. 1879

At the request of Mr. Eagleton, the Senator from West Virginia (Mr. Randolph) was added as a cosponsor of amendment No. 1879, intended to be proposed to the bill (S. 3917), to amend and extend the Export-Import Bank Act of 1945, as amended, and for other purposes.

ADDITIONAL STATEMENTS

AN OBSESSION WITH NIXON

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent to have printed in the Record an editorial from the Washington Star-News of Wednesday, September 18, 1974, entitled, "An Obsession With Nixon."

There being no objection, the editorial was ordered to be printed in the Record, as follows:

An Obsession With Nixon

President Ford's press conference Monday night was hardly an inspiring event. About the only thing it proved was that the nation—or at least the nation's press corps—has an obsession about Richard Nixon.

Fifteen of the 21 questions dealt with Nixon or related matters. The question has to be asked: Is this continuing preoccupation with Watergate and Nixon a healthy thing? We believe it is not.

Yes, Ford had indicated he would wait until legal processes had been allowed to run against Nixon before he considered a pardon. Yes, he went ahead without waiting. Does that mean he is insensitive to public opinion? Does that mean he is a liar or a cheat? No, it does not.

It means that he changed his mind because of what he thought were good and sufficient reasons, which is something that presidents before him have done and presidents after him will do. Perhaps he did it with a certain amount of ineptness, without conditioning the public and without consulting congressional leaders. But that does not make it wrong.

It was said after the press conference that Ford shed no new light on his reasons for giving Nixon the pardon. Is it possible that there is no new light to shed? The President said he issued the pardon because he thought it would hasten the healing of wounds opened by Watergate. Cannot that be accepted, or must the search go on for some sinister motive?

What good will it do to badger the new administration over the pardoning of Nixon, an act that most Washington observers and probably most Americans felt would come eventually anyway? Is the timing of the pardon really that important? Do we really want to try to discredit an administration only six weeks old when the nation still is reeling from the excruciating process of getting rid of an unwanted president?

By every measure of public opinion, the biggest worry on the mind of the people is the state of the economy. Yet Ford was asked only one question on that subject. Discussions on the economy tend to be dull—in contrast to the sensationalism of Watergate and crime in high places—but it is the most important domestic concern at the moment and it deserves attention at White House press conferences.

Matters of great moment must be dealt with all over the world but the only questions Ford was asked in the area of foreign affairs involved one subject—what the Central Intelligence Agency had done in Chile. National health insurance is of utmost importance to Americans but that was not even brought up.

It is past time for the focus to shift from Watergate and Nixon. President Ford deserves a chance to grapple with the great problems facing this nation and the world.

J. ED "BRICK" TRAVIS INDUCTED INTO FOOTBALL HALL OF FAME

Mr. EAGLETON. Mr. President, I would like to make official recognition of the fact that Mr. J. Ed "Brick" Travis of Missouri will be inducted into the National Football Hall of Fame on Saturday, September 21, in ceremonies to be held during the half-time of the Missouri University-Baylor football game in Columbia, Mo.

Brick's career was an illustrious one: he played tackle for the Missouri Tigers in 1919 and 1920 and spirited the team to a conference championship during the 1919 season; he was on the All-Missouri-Valley Team 2 years in a row in 1919 and 1920; he played pro ball for 2 years in the early 1920's with the Rock Island Independents and the St. Louis All Stars, both forerunners of the present-day professional football teams.

Brick Travis has played an instrumental part in the history of football in this country, and it is most fitting that his distinguished career be rewarded by this induction into the National Football Hall of Fame.

TRIBUTE TO DR. FORREST C. "PHOG" ALLEN

Mr. DOLE. Mr. President, today in Lawrence, Kans., final tribute is being paid to a great figure in the world of American collegiate athletics, Dr. Forrest C. Allen. He will be remembered by most around the country as the father of collegiate basketball coaching. He will be remembered by many, who like myself knew him personally, for his genuine qualities as a leader, as an inspiration, as, in short, a great individual.

Dr. Allen played basketball under the game's inventor, James Naismith, at Kansas University. For 46 years, 41 of them also at Ku, Allen coached college basketball and compiled a list of 771 victories, a record in intercollegiate play that stood until 1968 when Adolph Rupp, one of Dr. Allen's former students, eclipsed it.

He has a lengthy list of accomplishment and service not only to college athletics but to his community. And while he has earned a niche in the history of American sports, it is primarily for his personal and important contributions to my life that he will always have a special place in my memory.

Back in the twenties, an Eastern sportswriter upon whom history has bestowed anonymity, dubbed Dr. Allen the "foghorn" as much for his unabashed and vocal boosterism of Kansas and KU as for his outspokenness on the need for clean amateur sports.

The nickname "Phog" stuck with him, but in my own personal recollection of the man, it was a misnomer.

I had the privilege of playing on his freshman team at KU before entering the Army. When I returned to Topeka and was admitted to Winter General Hospital there Phog Allen was among the first of my visitors.

He cleared up many things and helped me get a better perspective on what was ahead. He convinced me that there was more to life than football and basketball—a large lesson for a young man with expectations like those I had entertained before the war—and he helped me to realize that there could be other challenges and other rewards in my future.

I felt an immediate sense of personal loss when I learned of his death on Monday. I shall always be in his debt.

Mr. President, I ask unanimous consent at this time to print in the Record two editorial tributes to this great man. The first appeared in the Lawrence Journal World, whose editor, Mr. Dolph Simons, Sr., knew and worked with Phog Allen in service to the community of Lawrence for many years, and the second appeared in the University Daily Kansan, the newspaper published at the university Allen served so faithfully.

There being no objection, the editorial tributes were ordered to be printed in the Record, as follows:

Dr. Forrest C. Allen

Dr. Forrest C. Allen was an outstanding man in the history of this community. He came about as close to greatness as any man could attain, and it was primarily because of his general leadership and inspirational qualities which benefited others in so many ways.

He will be best known in years to come for his outstanding record as a coach and athletic director but beyond that, his ability to lead and inspire others was something far beyond the talent of the average individual.

Phog Allen, who died early today, was a great competitor; hundreds of young men were better prepared to meet the problems of life because of his influence and his ability to make men extend their normal talent and ambition. He was an all-around good citizen and he was quick to accept responsibility in supporting programs for general benefit. He was a devoted family man and a loyal friend.

Those who associated with this warm and personable man were indeed fortunate. He was something special: good, capable, talented, an outstanding athlete and coach, and a first-class citizen in every way.

Sounds of the "Phog" Still Echo

(By Jeffrey Stinson)

"One of the most common dangers to college athletics is the athlete who, under the guise of amateurism, wants to get paid for his athletic services."

These words came from "the foghorn"—Dr. Forrest C. "Phog" Allen—in 1922. He was dubbed "The Foghorn" by eastern sportswriters because of his outspoken, unequivocal views on clean amateur athletes and his loud promotion of Kansas and the University.

The "Phog" died yesterday, but he left with us more than a strong tradition of outstanding athletic teams and all-star athletes. He left us with sage counsel on amateur and inter-collegiate athletic competition culled from almost fifty years of devotion to it.

He scorned what he termed "the athletic tramp" who sought payment for his competition. He warned that amateur sport could be ruined by phoney scholarships that allowed players to loaf through school. He despised gambling.

In the present day of the free ride, illegal recruiting, underhanded payments and bribes, side bets and promotional huckstering, the foghorn should again be sounded.

"The evils growing from athletic contests are merely functional evils;" Allen said in 1923, "they are not inherent to the system." "They should be remedied if possible, but the system should not be abolished until some other has been proposed to satisfy the desire for play and furnish wholesome recreation. Clean athletic sports must at all hazards be saved."

A TRIBUTE TO I. ROBERT KRIENDLER

Mr. RIBICOFF. Mr. President, on August 18, 1974, funeral services were held for I. Robert Kriendler, known to his friends and intimates as Bob. All who knew and loved Bob were deeply saddened by his death.

The eulogy was delivered by Col. Alexander W. Gentleman, USMC (Ret). It was most touching and reflected the feelings of all Bob's friends. I ask unanimous consent that it be printed in the Record.

There being no objection, the eulogy was ordered to be printed in the Record, as follows:

A Tribute to I. Robert Kriendler—1914–74

[Colonel, United States Marine Corps, (Ret.) Founder/Officer—Kriendler/Berns Foundation]

Thirty years ago, on the embattled island of Guam, in the South Pacific, something wonderful happened to me. I met the man destined to be my dearest friend and one of the most important persons in my life. That man was a dedicated young Marine who had left his post at "21" to serve his country—and his name was Bob Kriendler.

From that important day in my life to this very sad occasion, no friends could have been closer. Mindful of our mutual devotion, Bob's wonderful family asked me to express a few of my thoughts on this day.

In doing this, I think of Bob's four great loves and of his deep devotion to each of them.

First, of course, his love of family. He was a husband, father, brother and grandfather without peer. No man could have been more devoted to or more completely involved with each and every member of his family. Indeed, Bob was happiest with family around him. Their interests and activities became his—and he stimulated their achivements with his constant enthusiasm and loving guidance. This soft-spoken man, in his kind and generous manner, always thought first of others. This love was reflected and I am certain this is why Bob was a happy man, abounding with family pride. No family could ever be given a better foundation of love and happiness upon which to build.

Next, Bob's love of country and his complete dedication to the United States Marine Corps—which made him a truly great American and a most distinguished Marine. His outstanding service to country and to the Marine Corps is evidenced by the many personal decorations and honors bestowed upon him. These decorations include:

The Legion of Merit, with Combat "V";

The Bronze Star;

The Purple Heart;

The Leatherneck Man of the Year Award; and

The Congressional Medal of Honor Society Award.

Bob's distinguished career in the Marine Corps ran the complete gamut from a Combat Marine in three wars to a peacetime staff officer, acting as an aide to the Commandant of the Marine Corps. His abiding interest in the Marines and his untiring efforts on their behalf knew no bounds. Dedicated and loyal, in peace as in war, serving with distinction on Guadalcanal, Bougainville, Guam, Iwo Jima, Korea and Vietnam, Colonel Kriendler remained always "The Marine's Marine," and in peacetime continued his devoted support of his beloved Marines. For example:

His Trusteeship of the National Marine Corps Scholarship Foundation;

His Trusteeship of the Marine Military Academy in Texas; and

His Directorship of the Third Marine Division Association, which honored him in San Diego only last month.

Among Bob's loves, also, was his Alma Mater, Rutgers University. As a member of its Board of Trustees, Bob contributed in large measure to its growth and success through the years. In recognition of those achievements. Rutgers honored Bob with the degree of Doctor of Humane Letters.

Such a degree befitted no man more than Bob Kriendler. His deep concern for his fellowman was a dominant force in Bob's life and as a result he worked with vigor as a member of the Board of Trustees of Mount Sinai Hospital and of the Hamptons Hospital Medical Center, and for countless charitable causes. To each activity, he devoted himself completely, unselfishly and always productively.

Primarily the love—of youthful origin—in Bob's life was, of course "21." To this great institution Bob brought his tremendous enthusiasm, dynamic personality, boundless energies and true business expertise. Under Bob's leadership, as President, "21" reached new heights—not only as a great restaurant but as a way of life.

With all these honors, achievements and activities, Bob Kriendler still remained a kind and sweet man, unaffected by his many accolades and ever devoted to a multitude of friends in all corners of the world. In each of us, blessed by his wonderful friendship, he leaves a void, never to be filled . . . but forever and always he will live in our hearts.

To summarize those qualities of greatness which endeared Bob Kriendler to so many, I quote from a toast made to him on his last birthday by a dear mutual friend from Arizona, Bob von Lutzow, who said:

"I have made a short list of qualities which depict Bob's personality, as follows:

Thoughtful, charming, generous, kind, witty, capable, honest, entertaining, gregarious, punctual, a fabulous host, brilliant, efficient, patriotic, a master of the toast, handsome, strong, gracious, adoring grandfather, wonderful father, devoted husband.

And as it would happen, these qualities number exactly "21."

FIRST STATE BANK OF DIME BOX, TEX., HAS LOWERED ITS PRIME INTEREST RATE

Mr. TOWER. Mr. President, I would like to bring an extraordinary action by a financial institution in the town of Dime Box, Tex., to what I am sure will be the appreciative attention of my colleagues in the Senate. Dime Box has a population of only 313, but in spite of its size, it has enormous resources in both spirit and leadership. Under the guidance of chairman of the board Frank Head, the First State Bank has lowered its prime rate from 12 to 11½ percent.

This unselfish act in a time of extreme monetary crisis is proof of the continuing value of individual initiative, and I am proud that, once again, the example has been set in the State of Texas. I hope that the great vaults of institutions like the Chase Manhattan, the Bank of America, and the First National City Bank will open with the same generosity shown by the significantly smaller coffer of Dime Box.

PUBLIC DOCUMENTS ACT

Mr. BAYH. Mr. President, 8 months ago I introduced S. 2951, the Public Documents Act designed to clarify the law as to the public's right of ownership of the official papers and materials of their elected representatives. Since the introduction of my bill, there has been an increasing amount of public comment about these papers and documents. I was particularly pleased to note that President Ford in his press conference this week endorsed the concept of public ownership. I hope the President's support will mean that this legislation can be acted upon favorably during the 93d Congress. I ask unanimous consent that a series of newspaper articles and editorials on this important question be printed in the Record.

There being no objection, the articles and editorials were ordered to be printed in the Record, as follows:

[From the Stars and Stripes, Feb. 25, 1974]

Presidential Papers: Who Owns Them?

(By Don McLeod)

President Nixon has history on his side in claiming title to the documents and records of his vice presidency. But nothing in the lawbooks says they belonged to him.

There is no definitive answer to just who owns the documents which pass through the hands of public officials. The balance of evidence indicates that many of those claimed as private papers actually belong to the government.

In the case of vice presidential or presidential papers, the question of ownership was not raised until $482,000 in deductions showed up on Nixon's federal income tax returns over the past four years for papers he gave to the government.

The Internal Revenue Service and a joint congressional committee are rechecking the deductions. And the federal courts have been asked to rule on the ownership issue in a suit seeking access to the papers, which are now closed to the public.

Whatever the courts rule, every president since George Washington has treated the documents generated by his office as private property. The tradition appears to have arisen more by accident than by design.

When Washington left office in 1797, he took all his papers with him. If he hadn't and if incoming President John Adams hadn't wanted them, they probably would have wound up in the White House trash bin.

The young government had no provision for preserving its records. The Library of Congress wasn't created until 1800. The National Archives came into existence in 1934.

One theory is that the early presidents were following the tradition of European monarchs who owned state papers because they owned the state. A king's papers, like his kingdom, passed to his heirs. So have those of presidents.

The government eventually recovered Washington's papers by paying his heirs $45,000 for them. It paid $20,000 to the estate of Thomas Jefferson for some of his papers.

Mrs. James Madison sold her husband's papers to the government for $65,000. James Monroe's were recovered for $20,000 and Andrew Jackson's for $18,000.

By gift or purchase the Library of Congress has the papers of 23 former presidents. None of the collections is complete and some were heavily depleted while in private hands.

For example, White House papers of William Henry Harrison, John Tyler and Jackson were destroyed or partially lost in fires.

Other presidential papers were destroyed deliberately, principally those of Warren G. Harding's scandal-ridden administration. Mrs. Harding gathered them up after her husband's death and disposed of most of them.

Martin Van Buren is believed to have personally purged his papers. Ulysses Grant and Franklin Pierce also destroyed some of theirs. Most of Chester A. Arthur's have disappeared.

Robert Todd Lincoln held onto his father's papers until 1923 before finally giving them to the government. But first he removed and destroyed those he didn't want history to record.

Other presidential collections have been preserved but never returned to the government.

For a president to cart off his papers upon leaving the White House was an easy matter in the old days. There weren't that many papers, and storage was no problem.

Abraham Lincoln's son stored his papers in a trunk. But when Franklin Roosevelt died after 12 years in the Oval Office, his papers filled 500 file cabinets.

Although the presidents continued to claim ownership of their White House papers, Roosevelt recognized the impracticality of private preservation and started the trend of leaving them to the government.

Roosevelt's papers were turned over to the Franklin D. Roosevelt Library in Hyde Park, N.Y., which since 1939 has been operated as part of the National Archives. Herbert Hoover then contributed most of his White House papers to a presidential library in West Branch, Iowa.

In each case, however, the transfer was treated as a gift of private property.

Presidents giving up their papers have held the right to see, use and remove them at will. They also have required that some be kept private if disclosure might be embarrassing, betray a confidence or imperil national security.

In most cases, though, the bulk of the papers was freed immediately for research by scholars or viewing by museum visitors, and the remaining secrets revealed as the people and events involved passed into history.

The deeds transferring Nixon's vice presidential papers to the government stipulate that no one, other than the archivists processing them, may see any of the documents regardless of content without written permission from Nixon.

The last time such a tight clamp was placed on a presidential collection in government custody was before the days of presidential libraries when Calvin Coolidge's papers were limited to those obtaining permission from his widow. They are now open.

Federal law now allows the presidential libraries to keep papers sealed no more than 25 years, except for lingering defense classifications.

The longest restriction on record was on the Adams papers, which were closed by the family until 1956, more than 150 years after the second president left office. Lincoln's papers were sealed at his son's insistence until 1947. Most of Harding's, still in private hands, remain closed.

A major difference between Nixon's donation and most other presidential papers given to the government is that he, and apparently Johnson, used the gifts as the basis for income tax deductions.

In the face of criticism over his taxes, Nixon said he would be happy to take the papers back and pay the tax because the documents are worth more than the deductions he got for them.

This raises the additional question of whether a president could sell such papers to the highest bidder.

The difficulty in resolving this problem is that everything is based on historical practice. None of the laws dealing with presidential papers directly address the question of which are private and which public.

Obviously, there has to be a dividing line somewhere. For example, if a president goes to a foreign capital to sign a treaty, the document does not become his personal property. But a letter home to the first lady about the weather or the dinner menus clearly would be theirs.

The Nixon vice presidential papers include documents official in nature. Among them are reports to the White House on his official travels abroad.

There are arguments that a president's official papers should not be separated from his private correspondence and memorabilia despite the ownership questions.

"Aside from the difficulties of classification, the major objection to this proposal is that it would be a crime against history to break up the presidential collection and place its components in separate depositories" David Lloyd, the man who set up the Truman library, has said.

Another argument is that the office of the presidency is constitutionally immune from any interference with its papers.

"Under our constitutional system," former U.S. Archivist Wayne C. Grover once told Congress, "it is logical that the separate and independent status of the office should extend to and embrace the papers of the incumbent of the office."

However, this argument rests entirely on the sanctity of the office, not the property rights of the man. And by invoking the Constitution it implies that the property of the office is at stake.

The other half of the constitutional argument is that the Constitution by implication guarantees confidentiality to presidential business.

"Few would write to a president in confidence, and few presidents would put their private thoughts on paper, if the expiration of the presidential term were to be a signal for disclosure," Lloyd said.

"And as a consequence," he added, "the ability of the president to function as an independent officer of the government would be curtailed, if not crippled, and our constitutional framework would be damaged."

Although the law has never distinguished specifically between private and official presidential papers, it spells out the ground rules rather clearly for government officials and employes in general.

First of all, federal law says no government employe may copyright anything he writes for the government.

The leading court case in this area is the 1967 suit between a publishing company and Vice Adm. Hyman G. Rickover concerning the publication rights to some of his speeches.

The courts held that what Rickover did on his own was his business and such speeches belonged to him, even if the information used in the talks was drawn from his Navy experience. On the other hand, speeches made for the Navy belong to the government.

The Nixon administration made this same argument in the Pentagon Papers case when it contended that documents about Vietnam prepared in connection with official duties belonged to the government and not the men who wrote them.

Among Nixon's vice presidential papers claimed as private property are official reports on government missions and recommendations to President Eisenhower.

In defense of the Nixon gifts and tax deductions, the White House cites legislation setting up the presidential libraries and authorizing the General Services Administration to receive contributions to them.

These statutes set up machinery and facility for housing and preserving these materials. But none of them ascribe to a president ownership of official documents. On the contrary, they recognize that some of the material for the libraries would be personal and some would be official.

The Senate report on a 1950 bill authorizing receipt of material for libraries said it would "make it possible for the personal papers and other personal historical documentary materials (motion pictures, sound recordings, etc.) of the president and other high level government officials to be preserved by the government with related official records."

The White House says that Nixon's claim of ownership is valid because this has been the tradition of past presidents.

"Historically, presidential papers since the time of George Washington have always been considered the personal property of the president," a White House official said. "This president followed the practice of every other president in so considering his papers his property."

But the Supreme Court has held, in a case involving the size of juries, that historical record is not the equivalent of legal precedent.

[From the Washington Star-News
Aug. 20, 1974]

PUTTING PAPERS IN THEIR PLACE

(By Garry Wills)

Geeorge Washington, whose sense of duty was his ruling principle, told all his executive officers to live with a corrective awareness that their acts would be appealed to, ever after, as a precedent. They were the government's beginning. They would set its course for many years.

Washington knew that what applied to his subordinates applied trebly or more to him—he led the most scrutinized and scrutinizable presidency of all time. What he did, even inadvertently or by accident, became a rule.

Unfortunately, that applied to his private papers. The very existence of these papers came from a special attention to the documents that belonged to the nation. There was an emphasis on the binding first public documents, which were filed in the State Department. Nobody cared much, yet, for the slim file of things that did not bind the young nation.

Washington, a man about to free his slaves and strike a blow at his own wealth, did not seek any precuniary advantage from owning his papers. He took them away, simply because there was no place to leave them.

Mount Vernon already existed, but it was not turned into a monument; and certainly no new "library" was raised to celebrate him. His adopted son showed people his memorabilia, but at his own house, Arlington; and there was never any question of making money from their display.

Admittedly, politics was an aristocratic occupation at the outset, and universal sufferage introduced a different kind of president into the executive mansion. But that is why we have granted latter-day presidents a very generous pension.

But these later presidents, given Cabinet salaries all the rest of their lives, and top-executive expenses, not to mention extensive protection and privileges, have taken their papers and based a further wealth upon them.

This means that the public has paid for these papers three times over—once, when they were made, on paper the taxpayers bought, typed by secretaries on our payroll, using increasingly expensive machinery of duplication; twice, when we have given the presidents who donated these public papers a big tax write-off for giving back what we paid for in the first place; and thrice, when we gave tax advantages to the donors who built grandiose libaries to put these papers in.

That is the way it has been; and it was not fair to the nation when LBJ or JFK in effect built themselves monuments at public expense without a public decision in their regard. Nixon's lawyers, who unilaterally declared that the White House tapes belong to Nixon personally, can indeed appeal to this custom—but it is a custom that badly needs changing, and what better time to change it than now?

President Ford has ordered the Nixon tapes and documents held pending the resolution of Watergate and related legal issues, and the special prosecutor's office is reported researching the matter. Congress should instantly draft a bill stating that papers generated during a presidency belong to the nation, and no further profit or tax advantage can be derived from them.

The Nixon tapes, purchased with public funds, played on government recorders operated by civil servants, were made—Nixon claims—for historical purposes. Some of them have been demanded as criminal evidence, and others of them could well be demanded in the future. Neither of these purposes would be served by giving the tapes to Nixon. Both would best be served by sealing those adjudged as harmful to the public good and releasing those that are needed in trials.

We should discourage the building of expensive monuments to each president's papers. This just leads to the production of a mass of trivia that can fill the mausoleum. Indeed, one reason for Nixon's tapes being made in the first place may have been to provide more documents for his memorial library. It would be fitting if the tapes served the higher purpose of discrediting this whole practice. We are not living in ancient Egypt. We don't need to raise pyramids to our dead kings.

Trials, Taxes Tangle Nixon's Papers

(By Bob Kuttner)

Picasso used to doodle on 10-franc notes, a habit that instantly kited their value a hundredfold. French monetary officials eventually persuaded him to desist, on grounds that even so eminent a private citizen shouldn't go around impetuously inflating currency.

The same Midas sensation must have occurred to appraiser Ralph Newman as he turned the dross of yellowing official papers from the Nixon vice presidency into the gold of tax deductions. Newman certified the worth of thank-you notes from Girl Scouts and diplomatic notes from the Russians in neat denomination of $1, $25, and $250; in all, 400 cubic feet—a small roomful—of pre-presidential papers worth over $2 million.

On that basis, the 27,000 cubic feet of papers, documents and tapes from the Nixon presidency should be worth tens of millions of dollars. While the loophole giving official papers their tax value was closed in 1969, it is widely assumed that the presidential papers are still Mr. Nixon's to keep, donate, sell or burn.

"We consider every piece of paper accumulated in the White House during the Nixon administration to be his personal property," said Richard Q. Vawter, spokesman for the General Services Administration.

But the Nixon presidential papers and tapes are currently reposing in a peculiar limbo, and until Mr. Nixon's own fate is settled and the Watergate cover-up trial concluded, it is unlikely they will be carted off to San Clemente—even though President Ford concedes they are probably Mr. Nixon's personal property.

But despite Mr. Ford's concession, the question of ownership of the papers has been referred by the White House to Attorney General Saxbe for a ruling, and it is likely to crop up again.

Indeed, like so much else shaken by Watergate, the tradition that public documents can also be personal property has been twice tarnished—by Mr. Nixon's unsuccessful attempt to claim deductions on his vice presidential papers before the tax law changed, and by the unprecedented need to preserve his presidential record as possible evidence in a criminal trial.

In its report last April on Mr. Nixon's personal finances, a congressional committee on taxation observed that Presidents have customarily considered their papers to be personal property, but noted a question "as to whether it is desirable for Presidents of the United States to derive profit from the sale of materials that were produced while they were public servants," and the committee invited Congress to reconsider the entire matter.

At a news briefing May 7, Mr. Nixon's lawyer James D. St. Clair said he thought the White House tapes should be considered government property.

Sen. Birch Bayh (D-Ind.) has introduced legislation requiring all elected officials to turn over to the National Archives "all papers and documents dealing with official business" within 180 days after leaving office.

Last week, a group of historians, including Lewis Hanke, president of the American Historical Association, Gerald Ham, president of the Society of American Archivists, James MacGregor Burns and others petitioned Congress to pass a law stating explicitly that documents prepared at public expense "cannot be regarded as private property" to be "sold, concealed, or destroyed at the whim of present or former public officials acting in their personal capacity."

Washington historian M. B. Schnapper, who circulated the petition, advertised last December offering a $1,000 reward to anyone who could point to a law permitting official documents to be taken as personal property. The reward was never claimed.

The Nixon pre-presidential papers, donated in 1968 and 1969, are also the subject of new controversy. On the eve of his resignation, Mr. Nixon wrote GSA Administrator Arthur F. Sampson amending his earlier deeds, which had provided the papers would become public when Mr. Nixon left office.

The letter, dated Aug. 8, 1974, closed the papers to the public until 1985.

Sampson accepted the change, but his decision is likely to be challenged.

Robert Brandon, director of the Tax Reform Research Group, filed suit last December demanding access to the papers under the Freedom of Information Act. Brandon argues that if Mr. Nixon retains the power to change the term of the "gift," he should not have been permitted a tax deduction in 1968.

Conversely, since the 1968 gift was deemed valid for tax purposes, Brandon reasons, Mr. Nixon has no right to restrict it now.

Mr. Nixon's 1968 and 1969 deeds provided that he could "modify or remove" the restrictions on access to the papers. But according to Brandon, when investigators questioned whether that provision gave Mr. Nixon as taxpayer a "future interest" in the papers and therefore negated the gift for tax purposes, they were assured by the lawyers who prepared the deed that it was only intended to permit a relaxation of the restrictions.

Brandon argues that GSA therefore has no right to accept new restrictions on public access to the papers.

According to James E. O'Neill, deputy Archivist of the United States, it is "not a typical" for restrictions to be added once a gift of papers has been donated. But there is no other case on record of a former President's adding new restrictions to donated papers.

"Obviously, Nixon didn't contemplate leaving office suddenly," said GSA spokesman Vawter.

"It's perfectly natural that he should want more time to sort out his papers," added Vawter, who takes the position that Mr. Nixon's right to add new restrictions was so clear cut that it was not necessary to seek a legal ruling.

Privately, however, some archivists are unhappy about the decision to accept the new restriction on the pre-presidential papers, and nervous about the future of the Nixon presidential papers.

Given the incalculable historical value of the papers, Archives officials are reluctant to do anything that might ruffle the former President, lest some of the papers be sold or destroyed.

If Mr. Nixon actually were to sell some of the papers, as has been widely speculated, he would be the nation's first President to do so.

As the Joint Committee on Internal Revenue Taxation reported, presidential papers have been considered personal property since George Washington took his papers home to Mr. Vernon. But the history is rather ambiguous, and few Presidents regarded their papers as property to be used for personal enrichment.

The idea that presidential documents might be worth a bundle, however, dates back to the earliest days of the Republic. One early former president with financial troubles, James Monroe, was advised by Nicholas P. Trist, a diplomat and lawyer, to "avail yourself of the value of yr papers by pledging the proceeds of their future publicn in considn of a loan."

Monroe wrote back, "Your suggestion as to the sale of my papers, or pledge of them merits attention . . . ," but Monroe ultimately used the documents only as raw material for two books, and the papers themselves were willed to heirs.

In 1782, Gen. Washington wrote that he considered his Revolutionary War papers "a species of Public property, sacred in my hands," but Washington willed his presidential papers to a nephew, Bushrod Washington, who in turn left them to his nephew, George Corbin Washington, who sold them back to the government for $25,000 in 1834.

Throughout the early 19th Century in fact, Congress regularly appropriated funds to buy back presidential documents from heirs. The government purchased two batches of President Madison's papers from Dolly Madison in 1837 and 1848.

President Polk's papers were sold to the Library of Congress by Polk's niece in 1903 "*after some* haggling over price," the record reports.

But by the late 19th Century, it had become the custom for Presidents or their heirs to donate papers to the Library of Congress and later to the National Archives, with no remuneration. The last President whose papers were sold to the government was Andrew Johnson, and the first to systematically use his papers for income tax purposes while in office was Lyndon Johnson.

Between the two Johnsons, there is no evidence of financial enrichment connected with presidential papers, although President Eisenhower could have taken tax deductions for his after leaving office. Typically, the President or his heirs simply deposited the papers with the Library of Congress, and after 1934, the Archives.

After President Wilson's widow donated his personal papers to the Library of Congress, a library official visited the White House in 1924 seeking additional material from the Wilson administration. "There I found some 70 boxes of the Wilson administrations," he wrote. "Ostensibly they were the official files, as distinguished from the personal files, which are taken away at the close of a President's term."

FDR announced in December, 1938, that he considered his papers to be the property of the American people, and he began shipping batches of documents to his library in Hyde Park, N.Y., in 1940. He died without ever deeding the papers to the United States, but a Surrogates Court declared in 1947 that his intent has been clear enough and that the documents were public property.

Similarly, a memorandum by President Kennedy's family and a ruling from the Internal Revenue Service established that JFK had intended to donate his papers to the Archives. In both cases, the heirs were spared having to pay estate taxes on the inherited papers themselves, although no additional tax deductions to offset other income resulted.

In 1969, rumors of President Johnson's *innovation of* deeding increments of papers for income tax purposes led Sen. John J. Williams (R-Del.) to insist that Congress close the loophole. Ironically, the main victim of the reform was not Johnson, but Mr. Nixon.

Other unintended victims have been artists and writers, who no longer get a tax advantage from donating manuscripts or paintings to museums and libraries. Sen. Frank Church (D-Idaho) has introduced a bill to reinstate partially the deduction for donations of creative works, but not for documents produced by officeholders.

If and when the Congress reopens the prickly issue of who owns public documents, it will be under pressure from authors, historians and museums to restore the tax deduction for private documents.

If Congress fails to act, historians fear, public officials and private artists alike, guided by neither tax incentives nor clear policy mandates, may scatter documents of historic importance to the highest bidder or the lowliest heir, as was done in the 19th Century.

[From the Christian Science Monitor, Aug. 20, 1974]

PRESERVING THE PUBLIC'S PAPERS

The recent pulling and hauling over Mr. Nixon's tapes and papers now that he is out of office could have been avoided.

A bill submitted to the Senate six months ago by Sen. Birch Bayh would have declared all such documents, prepared by elected federal officials in the course of public duty, to be the property of the government. Congressmen Delbert Latta and Tennyson Guyer of Ohio have submitted similar bills in the House.

It is only custom, not explicit law, that has given to presidents since Washington free rein over the disposition of their office papers once their term expires. The nebulous nature of the custom was shown in recent days when former president Nixon's own legal counsel led in rendering the opinion that the ex-president's papers were "legally" his—an opinion put into question after Mr. Ford appointed his own legal counsel and it was decided the tapes should be kept handy in Washington for Mr. Jaworski's team.

The arguments for considering the official papers and documents of an outgoing elected official—congressmen as well as presidents—government property are several.

Such papers are part of the official history of the United States. If custom permits high officials to keep their papers it also permits them to destroy or suppress them for private, not public ends. The Bayh legislation would continue the practice of letting officials set conditions and timetables for making sensitive documents public.

The National Archives is well equipped to take charge of such collections. It already oversees the operations of the several presidential libraries scattered about the country. Scholars give the presidential libraries system high marks for professionalism.

Setting guidelines for restrictions on papers given to the public will continue to be awkward. The simple, understandable motive of not wanting a successor to rummage around in your records was expressed by John Adams when Thomas Jefferson followed him into office. Mr. Nixon just before resigning sought to seal his presidential papers, already donated to the government, until 1985—possibly to control access to them and protect any publishing ventures. To these political and personal safeguards must be added precautions for the national defense.

In the past, the handling of presidential papers has often been capricious. Officials looking for an original copy of the Treaty of Versailles could not locate it for a year after President Wilson's death, and it took another six months to get Mrs. Wilson to retrieve it from her attic. And many of FDR's most significant war memos quickly became available to scholars because they had been too sensitive for military classification, while classified documents were impounded.

Ironically, a leading motive behind the Bayh bill—to keep elected officials from profiting from materials created at public expense—is not much of an issue among scholars. Indeed, as Harvard historian Frank Freidel points out, the 1969 legislation that wiped out the income tax deduction for papers donated by public and private individuals has done a disservice to scholarship. The financial incentive of the tax deductions kept many individuals and families from simply throwing out papers of marginal commercial value but of historical interest. Declaring that the papers and documents of elected officials are government property might encourage a return to tax deductions for donating private collections of nonofficials to libraries or universities.

It is unfortunate that the question of who owns the official papers and records of elected officeholders has been raised by Mr. Nixon's tax and Watergate problems. But now that the issue stands in front of Congress, the appropriate committees in the House and Senate should step up to it and design an orderly system for retaining documents generated in high offices.

[From the Minneapolis Tribune, Aug. 25, 1974]

TAPES THAT OUSTED NIXON MAY BECOME HIS RICHEST ASSET

(By Finlay Lewis)

Barring a successful legal challenge, Richard Nixon is likely to end up some day as the owner of an enormously valuable collection of tape recordings.

Ironically, the tapes which may become Nixon's most precious financial asset are the same ones that caused his fall from power. But, before the ex-president can savor his reward, he will have to assert a claim that may be of dubious legal validity.

Already working its way through the federal courts is a lawsuit brought by Ralph Nader's Tax Reform Research Group that is attacking the broad proposition that presidential documents belong to the office holder, not the public.

A more direct legal attack is being planned by a historian and editor named M. B. Schnapper who has devoted the better part of a professional lifetime to asserting the public's right to own and control the books, documents, papers and other records generated by government officials in pursuit of their duties. His suit would deal directly with the issues raised by the tapes question.

Schnapper was outraged when Nixon's former White House lawyers declared in one of their last official acts that their former boss was the rightful owner of the presidential tape recordings. He was only slightly mollified when the Ford administration ordered the recordings to be held in the White House at the urging of special Watergate prosecutor Leon Jaworski.

Schnapper describes the situation as a "great hoax" and cites reporters and congressional tax experts as unwitting accomplices.

Basically Schnapper contends that there is no legal basis to support Nixon's claim and that there is constitutional language to support the contention that presidential records are public property.

For example, the constitutional provision prohibiting a president from receiving "emoluments" other than his salary would be violated if a president were able to sell official documents at a profit, Schnapper argues. And if that's true, Schnapper says, there is no logical basis for assuming that an ex-president acquires property rights that were denied him while in office.

Another section of the Constitution makes government documents ineligible for protection by copyright, which is a guarantee of literary ownership, Schnapper says. Yet another constitutional provision gives Congress the sole power to dispose of property belonging to the United States.

"Congress," Schnapper says, "has never enacted a law sanctioning the ownership of official documents by ex-presidents or any of the hundreds of officials and former officials who have treated their documents as private property for personal gain."

Indeed, he claims that the news media and the congressional staff of the Joint Committee on Internal Revenue Taxation fostered the mistaken impression that Nixon would have been in compliance with the law in 1969 if he had made a timely donation of his papers to the National Archives.

The joint committee staff and the Internal Revenue Service (IRS) earlier this year disallowed a huge tax deduction claimed by Nixon, partly on the grounds that the gift was made after the law was changed in July 1969.

In fact, Schnapper argues, the tax laws have at no time expressly sanctioned charitable donations of official documents. Nixon and several other presidents who made similar successful donations were simply attempting to take advantage of a general provision covering charitable contributions by broad classes of taxpayers, Schnapper says.

Schnapper's contention on that point was confirmed in another interview last week with an IRS official.

In 1950, Schnapper says, Congress passed an act, now known as the Presidential Libraries Act, which, among other things, provides for the "deposit" of presidential documents. According to his research, at least two earlier draft versions of the measure contained language recognizing presidential documents as the private property of the office holder. But that language was dropped from the final bill.

Schnapper also disputes the principal claim that has traditionally been advanced in support of private ownership of official documents. That claim centers on the assertion that departing presidents and other office holders have customarily taken their papers and records with them into retirement.

On the contrary, Schnapper lists 19 former presidents who either deposited their papers with the Library of Congress or turned them over to other depositories, such as historical societies, "without any financial quid pro quo deals."

The Whitt House opinion asserting that Nixon owns the tapes was issued by J. Fred Buzhardt and James St. Clair.

Neither lawyer was available for comment last week, but their side of the argument has generally been supported in the past by references to history, tradition and the absence of any law expressly prohibiting private ownership of official papers.

Schnapper, in an attempt to fill that legal void, has petitioned Congress to pass a law explicitly stating that official documents are public property. Supporting the petition are individuals such as Lewis Hanks, president of the American Historical Association; Gerald Ham, president of the Society of American Archivists, and James MacGregor Burns, political science professor at Williams College.

[From the New York Times, Aug. 18, 1974]

The President's Papers

By James Reston

WASHINGTON, Aug. 15.—One of these days the moving vans will be backing up to the White House and carting off all of President Nixon's personal and official papers to San Clemente, Calif. This is the way it has been since the beginning of the Republic: By tradition, which now has the force of law, the departing President decides which papers he wants to take away, and they are regarded as his "private property."

This means that these papers, which are the memory of the nation, are very largely under the control of the departing President and his heirs, who can edit them selectively, or even destroy them, or under the will of the President upon his death, arrange to conceal their contents for as long as he chooses.

Nevertheless, the principle that Presidential papers "belong" to the departing President and can be trucked away, and disposed of as he and succeeding generations of his family see fit, raises some awkward questions.

For example, the White House has just announced that all the tape recordings of Mr. Nixon's conversations, those published and those still secret, are his "personal property." Is he, therefore, free to lock up the still-secret White House tapes for a hundred years, like the Adams papers, or burn them as Warren Harding's widow is reported to have destroyed some of the records of the Harding scandals?

Also, the modern Presidency, since the invention of the transoceanic telephone and the tape recorder, now contains official records of conversations that are vital to an understanding of foreign relations.

President Nixon bugged not only his political "enemies" and members of his own staff, but also his conversations with visiting Presidents and Prime Ministers, without their knowledge. What promises or commitments, if any, did he make to foreign governments in thesse talks, which succeeding Presidents have to recognize? And how will President Ford know what promises were made if the records are under the sole control of Mr. Nixon?

It is important to be clear about what is not at issue here. The question is not whether the departing President has a right to the records of his Administration—of course he has—but whether he has the sole right to take them away under his own and his family's control, without at least leaving behind copies.

In some cases he does have this right. For example, in his private correspondence about appointing members of his Cabinet or members of the Supreme Court, there will undoubtedly be letters opposing his appointments on the ground that his nominees were drunkards or womanizers. This could be inaccurate, vindictive gossip, harmful to the characters of the people concerned, so obviously the President has the right and duty to edit out scurrilous personal attacks.

But issues of policy, official conversations with other heads of government, tapes of conversations that produced the first resignation of an American President, are quite different. These have to do with the history of the country, and should not be entirely under the control of the departing President.

Since Franklin Roosevelt, the papers of the Presidents have gone back to memorial libraries in their home towns, and the system has worked very well. The libraries have been built by the financial contributions of their friends and supporters. They have been maintained by the Federal Government, which has paid professional librarians and archivists, who have organized, copied, computerized, and in the Lyndon B. Johnson Library in Austin, Tex., even captured the voice and pictures of the departed President.

The way things are now at San Clemente, what students and scholars see and hear depends entirely on what the departed President and his family, not only in this, but in the next and succeeding generations, want them to hear. It is all up to him and his heirs to decide: To turn the record over to the national archives, to leave the whole record to history and succeeding generations or to edit it, or fiddle with it, or burn it.

Nothing in the law obliges Mr. Nixon to turn all his papers over to the Federal archives and let the Government maintain a Nixon library in San Clemente. By tradition and present law he can keep them to himself and turn them over in his will to his children and grandchildren. They are his "personal property," as things now stand, and, on the record, nobody is full of trust about what he will do.

The chances are that, like the Presidents from Roosevelt to Kennedy and Johnson, he will want that library in San Clemente, and submit to the vague rules of what papers now belong to him and what really belong to the nation, and from his point of view, it's a good deal.

Giving the President all the papers he wants to take home is okay, letting him and his family control them, and exploit them is understandable, but in the end they are not really personal papers or private property. They are the record and memory of the nation, and should be preserved in the original or by copies for that purpose.

[An article in the American Archivists, April, 1974]

Public Ownership of the Papers of Public Officials

(By F. Gerald Ham, president of the Society of American Archivists)

In all of American archival history, no affair has raised so many issues of fundamental concern to the archival profession as has Watergate. Several of these issues will be examined at the annual meeting in Toronto in a session on "Watergate: The Archivist and the Public Interest." Briefly, I want to focus on a basic issue arising from the $576,000 tax deduction for President Nixon's donation of his vice-presidential papers to the National Archives: that is, who owns or should own the papers of the President and other elected and appointed government officials? These records, as a former SAA president points out, were "created for and paid for by you and me, the citizens of the United States." Prior to the release of information from Nixon's income tax returns, the question of who owns the papers of the President and other public officials, according to H. G. Jones, was of concern only to a "tiny fraternity of ineffective archivists." And even among our profession, there is heated and fundamental disagreement about what constitutes public records and about the wisdom of statutorily designating as public records the papers of presidents, governors, and congressmen. Some archivists, including this one, essentially agree with Jones when he argues that what is produced on government time, at government expense, and for a government purpose, is a public record. "The key," in Jones's opinion, "is whether the papers were developed for a government purpose." Articulating a different point of view is Herman Kahn, who labels himself, a pragmatist" in this matter. "I am in favor of whatever system will make the papers of the Presidents most quickly available or scholarly use, and experience indicates that this can most effectively be done by continuing the present pattern in dealing with Presidential papers." Many archivists who share this view would agree with Kahn that it may be as difficult to separate the public records from the private papers of elected officials as it is to separate their governmental functions from their political sensitive material, and, consequently, with the integrity of the papers, the "pragmatists" believe that legislation will only create additional and unnecessary problems.

The press does—and I suspect the populace would—find these arguments unconvincing. Rather they would make certain that never again will a President make the arrogant statement: "I'll be glad to have the papers back, and I'll pay the tax because I think they're worth more [than the deduction claimed]." "Clearly," the *New Year Times* editorialized, "there is need for a law expressly establishing the Government's proprietary right to speeches, letters, memorandums and other documents compiled by public officials on Government time and at public expense." Though acknowledging the difficulty, if not the impossibility, of drawing a line between official and nonofficial documents, the *Milwaukee Journal* asserted that "when there's doubt, the public character should prevail." The editorial advocated that "an archival agency should oversee" that determination and should not leave such decisions solely to the departing officeholder.

Aroused by the Nixon tax scandals, Congress may yet take corrective action. Currently there are three bills pending in Congress that would deal directly with the ownership of the papers of public officials. Senate Bill 2951, introduced by Senator Birch Bayh of Indiana, would require the President, vice president, and members of Congress, within 180 days of leaving office, to deposit in the National Archives that portion of their papers determined by the Administrator of General Services to be "public documents." Identical bills by Representatives Delbert Latta and Tennyson Guyer of Ohio (H.R. 12116 and 12243), now bottled up in the Committee on the Judiciary, which has more pressing work on its hands, would apply to the public papers of "any officer or employee of the United States" and would expressly "prohibit the sale or use for personal gain of such property."

For those archivists who think this issue should be resolved through federal legislation, the Bayh bill is probably the most *promising. True,* the bill has several provisions (as well as omissions) with which most archivists will take issue, particularly the section providing for the deposit of the papers of members of Congress with the National Archives. Provisions and wording of the proposed legislation need to be clarified and modified—but that is not the point. As Senator Bayh stated in a letter to several members of the profession, the underlying purpose of the bill is evident: "to clearly establish in law the public's ownership of the official papers of the President and members of Congress and to provide for their preservation." And the senator solicits our professional opinion. He writes, "I am very much open to suggestions as to how it [the bill] might be improved."

Four years ago in his presidential address, Herman Kahn told his colleagues that one condition of behaving like a professional was involvement with the "larger aspects of the role that archival activity plays in our society." He urged them to consider and to discuss the important issues being publicly debated in connection with the creation, preservation, and use of records. Archivists, do just that.

MEXICAN INDEPENDENCE DAY

Mr. FANNIN. Mr. President, last Monday, September 16, was a day of special significance in Mexico and in our Southwestern States which have close cultural and ethnic ties with Mexico. It was Mexican Independence Day.

During the weekend, fiestas were held around my State of Arizona to celebrate this occasion.

In last Sunday's Arizona Republic, Jack Crowe, one of the finest reporters in the State, described the celebration and gave some of the background which makes this such an important occasion for all persons of Mexican heritage.

Mr. President, I ask unanimous consent to have this article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Mexico's Independence Is Celebrated

(By Jack Crowe)

Mexican history went on parade through central Phoenix Saturday as the Mexican-American community started celebrating Mexican Independence Day with a two-day observance.

Police estimated that 8,000 to 10,000 persons lined the parade route along North Central Avenue and West McDowell to Encanto Park. The celebration continues at the park bandshell from noon to midnight today with entertainment and fiesta booths.

Although there were only about 20 entries, including bands and units from the Arizona National Guard and Luke Air Force Base, the mounted charros, vaqueros and traditionally costumed senoritas effectively told the oft-repeated story of Mexico's struggle for independence.

Glendale residents will observe the day with a similar parade at 10 a.m. today through downtown Glendale and with a fiesta at Rose Lane Park, 51st Avenue and Marlette. Fiesta booths at the park will be open from 5 p.m. to 11:30 p.m. today and all day and evening Monday.

Sal Gonzalez, chairman of the sponsoring Organizaciones Unidas Patrioticas y Culturales, a confederation of 10 Mexican-American organizations, said at least 20,000 persons are expected to attend the Phoenix fiesta during the two days.

The fiesta is officially known as the 16th of September, and it commemorates the first of two annual Mexican independence days. It honors the overthrow of Spanish rule in Mexico in 1821, a struggle sparked on Sept. 16, 1810, by Miguel Hidalgo, a Catholic priest.

Father Hidalgo issued a call to arms on that day in a stirring oration delivered in his little church in the village of Dolores in central Mexico. Known as the "Grito de Dolores," the speech will be re-enacted at 11 p.m. today at Encanto Park Bandshell.

Mexicans celebrate a second independence day known as the Cinco de Mayo on May 5. It commemorates the ouster of the French rule in Mexico, through the puppet emperor Maximillian. That struggle started with a Mexican victory at Puebla on May 5, 1862 and ended in 1867, two years after Maximillian was executed.

"We've had a fiesta before," Gonzalez said, "but they haven't involved as many groups. Next year, we hope to expand the celebration. There are many other Mexican-American organizations and other groups that should be involved."

While the Phoenix parade was composed predominantly of Mexican-costumed participants, the presence of the units from the Arizona National Guard was not without significance to older Mexican-American onlookers.

Mexican-Americans from Arizona formed the bulk of the Arizona National Guard during World War II, when the unit was known as the 158th Regimental Combat Team, nicknamed the Bushmasters.

Gen. Douglas MacArthur termed the Bushmasters "the finest regimental combat team ever deployed for battle." The unit served as his honor guard following U.S. recapture of the Philippines.

VIOLINIST GERALDINE O'GRADY: IRELAND'S MUSICAL AMBASSADOR

Mr. HUMPHREY. Mr. President, the Irish American Cultural Institute, whose international headquarters is in Minnesota, has over the past 10 years become the premier international Irish Organization. Under its annual Irish Fortnight, scholars, musicians, performers and artists are now brought to some 10 U.S. cities each March, giving Americans a new and unprecedented view of Irish civilization and contemporary culture. The IACI's quarterly journal Eire-Ireland is the first new journal of its kind issued under American auspices. And citizens of Minnesota, notably Mr. Patrick Butler and Mrs. Dennis Geaney, are working through the Institute to provide more than $100,000 in literary and artistic awards to artists and writers in Ireland itself. The IACI's inspiring founder and President is Dr. Eoin McKiernan, a resident of St. Paul.

On January 18, 1975, the institute will celebrate its 10th anniversary with a dinner dance in New York City, with HSH Princess Grace of Monaco, the IACI's international chairman, as honored guest.

Another element of the institute's program has recently been the cosponsorship of the U.S. Air Force Band's annual St. Patrick's Day Concert in Constitution Hall, Washington, D.C. Both in 1973 and 1974, over 4,000 persons jammed this hall to hear Irish musicians and music.

Musical ambassadors are among the finest ambassadors of any nation, and in 1973 and 1974 the IACI has, through the work of Dr. Frank Gannon, introduced some of the finest Irish classical talent into several of our principal cities: San Francisco, Boston, Newark, and Washington, D.C.

The most distinguished of these Irish performing ambassadors on the internatonal musical scene today is violinist Geraldine O'Grady. On May 31, 1974, Miss O'Grady was soloist in works of Beethoven and Saint Saens for Arthur Fiedler and his famous Pops Orchestra Symphony Hall in Boston. On November 12, 1974, Geraldine O'Grady returns to New York City to perform for the Irish American Historical Society's annual dinner, the major Irish event of 1974 in New York.

Geraldine O'Grady has truly become the musical ambassador between Ireland and America today. Knowing of the great personal interest of members of this body in Irish culture today, I include at this point additional information on Miss O'Grady.

Mr. President, I ask unanimous consent that a review of Geraldine O'Grady's musical accomplishments be included in the Record.

There being no objection, the review was ordered to be printed in the Record, as follows:

Geraldine O'Grady

For Ireland and beyond her native shores, violinist Geraldine O'Grady is to instrumental music what John McCormack was to song: a brilliant exponent of both classical and Irish music. A distinguished performer in the entire classical repertoire, Miss O'Grady's style also personifies the authentic reflection of Ireland's sensibilities and musical tradition.

At sixteen she had won all the major violin awards in Ireland and then graduated, after further years of study, from the Conservatoire National Superieur de Paris where an international jury unanimously awarded her the honor of Premier Prix and First Place. This was a rare tribute for a foreign national, and previous recipients of the prize included Fritz Kreister and Jacques Thibaud. Miss O'Grady also won three special prizes: Prix Sarasote, Prix Milanova, and Prix Christine Nilson.

Since then Geraldine O'Grady has toured most European countries and Brazil, performing solo recitals accompanied by pianists such as Carol Zecchi, Fritz Jank, Havelock Nelson, and Charles Lynch, as well as soloing under many conductors, including Sir Charles Groves (English), Tibor Paul (Hungarian), Francesco Mander (Italian), Carol Zecchi (Italian), Albert Rosen (Czech.), Franz-Paul Decker (German), Tauno Hannikainen (Finnish), Maurice Miles (English), and Milan Horvat (Yugoslavian).

For a four-year period, Miss O'Grady also served as leader (concert-master) of Ireland's Radio Telefis Eireann Symphony Orchestra, at that point one of three women holding this post in a major symphony. Her capacities in this demanding role were highly lauded by leading conductors, including Igor Stravinsky, Constantin Silvestre, and Hans Schmidt Isserstedt.

"The name O'Grady in Ireland is like the name Redgrave in England or Barrymore in America, but the O'Gradys are musicians," commented The Washington Evening Star, in describing Miss O'Grady and her three well-known musical sisters: Eily (piano), Sheila (violin), and Moya (cello). Under the label of The Geraldine O'Grady Ensemble, O'Grady family performances are a regular feature of the Irish musical and television landscape.

Beyond her concert performances, Geraldine O'Grady has also served as a professor at the Royal Irish Academy of Music. She has played on BBC radio and television, Paris radio, American radio in principal cities, Radio Hilversum, Vatican radio, Telefis Eireann, and Brazil television.

With the cooperation of the United States Air Force Band, the Irish American Cultural Institute (with international headquarters in St. Paul, Minnesota) and Aer Lingus—Irish Air Lines of North America, Geraldine O'Grady made her first American tour in 1973–74, performing in principal halls in San Francisco, California; St. Paul, Minnesota; Newark, New Jersey; and Washington, D.C. In the American capital, Miss O'Grady's concert drew 4,000 persons to Constitution Hall, the first solo performance by an Irish musician in this national auditorium.

Miss O'Grady's much acclaimed American tour ended in Boston with solo performance of works by Beethoven and Saint-Saens with the Boston Pops Orchestra in Symphony Hall under the baton of maestro Arthur Fiedler.

Geraldine O'Grady's recitals, soundly based on Bach, Beethoven, and Brahms, and covering all major violin music up to contemporary composers, have been praised for their sensibility, intelligence, warmth of feeling, and lovely singing tone. She is making a special contribution to international music by including the works of contemporary Irish composers such as E. J. Moeran, A. J. Potter, Seoirse Bodley, James Wilson, Brian Boydell, and T. C. Kelly in her standard repertoire.

By commissioning and performing special violin arrangements of ancient and well-known Irish airs, Miss O'Grady has also carved out for herself, according to Irish musical authority Ciaran MacMathuna, an island in the sea of traditional music, bringing a "grace and a sensitivity to these airs which will attract a very wide audience both inside and outside the world of traditional music." She has been recorded on the sound track for the film "Ryan's Daughter" and her EMI recordings of Irish airs, accompanied by pianist-harpist, Eily O'Grady, have made her a household word in Ireland and especially to a growing and appreciative American audience.

SENATOR THURMOND'S STATEMENTS ON AMNESTY AND NIXON PARDON

Mr. HELMS. Mr. President, I feel that our colleagues will be interested in recent statements by the distinguished Senator from South Carolina (Mr. Thurmond) relating to two controversial issues now on the minds of the American people.

As always, the Senator from South Carolina has stated his position cogently and forthrightly.

On September 9, Senator Thurmond commented on the pardon of former President Nixon. A week later, his statement concerned President's announcement that a Clemency Board was being established for draft dodgers and draft evaders.

I ask unanimous consent, Mr. President, that these two statements be printed in the Record.

There being no objection, the statements were ordered to be printed in the Record, as follows:

Statement By Senator Strom Thurmond (R-SC) Concerning the Pardon Granted to Former President Richard M. Nixon by President Gerald R. Ford

September 9, 1974.

The actions of President Ford in granting, under his Constitutional powers, a full pardon to former President Nixon, was proper and in the interest of the country.

I feel a majority of the people in the United States wanted neither the prosecution nor the imprisonment of Mr. Nixon, as they feel he has already suffered enough, especially in view of the nature of the offense with which he was charged. A trial of our former President would have certainly perpetrated divisions among the people and President's pardon should hasten the end of this national controversy. Prudence would suggest a national acceptance of the President's action.

It is my hope that President Ford's act of mercy to Mr. Nixon will be recognized by all Americans as an appropriate conclusion to this tragic situation.

Statement By Senator Strom Thurmond (R-SC) Regarding President Ford's Executive Order Concerning Amnesty

September 16, 1974.

Today President Ford, pursuant to the Constitution, signed an executive order creating a Clemency Board of nine prominent citizens to make recommendations for conditional amnesty for those who evaded service in the Vietnam War.

This board will review, on a case by case basis, applications for amnesty, and is authorized to recommend the imposition of alternative service for up to 24 months. The act of President Ford is not subject to review by the Congress.

My position has always been to oppose the granting of a general amnesty to draft dodgers and service deserters. It is not only unjust to those who served their country when called, but it would make it difficult to maintain unity and would encourage similar action in future crises.

I have great respect for President Ford, but I disagree with his action in adopting a general policy of leniency to those who refused to serve their country in time of war.

ELIOT JANEWAY'S ANTI-INFLATION PROPOSALS

Mr. ALLEN. Mr. President, as the time approaches for the President's economic summit meeting and as the Congress considers measures to stabilize the economy and bring inflation in check, the world-renowned economist, Eliot Janeway, has made interesting suggestions as to traps to avoid and affirmative actions that should be taken. These suggestions by Mr. Janeway are contained in an article by him appearing in newspapers across the country during the week of September 9, 1974. The Los Angeles Times carried Mr. Janeway's article on the editorial page and I ask unanimous consent that this article be printed in the Record for the information of Members of the Senate and House and for the public in general.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Los Angeles Times, Sept. 9, 1974]

What Is To Be Done About Inflation?—Janeway: Six Trails for the President To Blaze

(By Eliot Janeway)

No realist can fairly fault President Ford about his sense of direction on the money front. He's on the right road when he commits himself to reducing the inflationary load of federal borrowing on the credit reservoir. But everyone within hearing distance of the time-bomb of bankruptcy—now ticking worldwide—is anxious to see him move more quickly.

No one clued in to the danger of big borrowers going bad, not only overseas but in this country as well, thinks that time will favor the side of solvency—until the White House starts moving full speed ahead to shore up the world's splintering credit structure.

Spotting traps is easier than blazing trails, and until the White House gets specific about the proposals summarized below, here are four traps that face President Ford:

Trap 1: Wage-Price Controls—Wage-price controls make no sense, least of all as an affirmation of faith in the ability of free-market forces to restabilize the U.S. economy, especially in a world unstabilized by anti-American cartels. Mr. Ford is right to steer clear of this trap because another go at purely domestic wage-price controls would be foredoomed in the absence of simpler, more practical controls on U.S. foreign trade. Adopting these would ease the pressure for domestic controls. Eliminating causes is always sounder than coping with consequences.

Trap 2: Gold Ownership—Delaying the effective date of the act that allows private ownership of gold is a "must" so long as we are suffering from runaway interest rates, if a run on bank deposits is to be avoided. President Ford found the bill on his desk and signed it. I have discussed the need for a presidential request for a congressional stay with Rep. Wilbur D. Mills (D-Ark.), chairman of the House Ways and Means Committee, and he agreed that the crisis of illiquidity calls for it and that Congress would grant it.

Trap 3: Foreign Trade—Delaying the pending bill liberalizing foreign trade is necessary for two reasons: First, to avoid having red faces in the White House when the Administration restricts exports of scarce feed grains (as it will be forced to do); and, second, to soften up the bargaining stances of trading partners whose initiatives are urgently needed to defuse the danger of major bankruptcies in Britain and Italy (bankruptcies now threatening to trigger a worldwide crash).

Trap 4: Public Service Jobs—Going slow on those easily given commitments for federal funds to provide public service jobs at the local level as insurance for a "soft landing" against the recessionary consequences of the money squeeze would be prudent politically as well as fiscally. It's a new twist for liberal Democratic mayors to be against getting federal payroll cash because they have to come up with the also-necessary fringe-benefit money from their own taxpayers. Relying on more public employment when inflation is a problem is like cooling off in the fire when the frying pan is sizzling. Reversing the pressures responsible for intolerable interest rates would eliminate the pressure for public employment, as it would for wage-price controls.

On the positive side, six trails are long overdue for blazing:

Trial 1: Federal Borrowing—The need for cutbacks in federal borrowing cuts across the spent-tax controversy. The Nixon administration was skimming liquidity off the national credit reservoir at a rate of $100 billion a year. A 50% cutback in federal borrowing is a "must" if interest rates are to be brought back within tolerable limits. Foreign giveaways are the place to begin. A Hoover-type commission auditing the cost-benefit ratio to America of all government dollar outflows—country by country, dollar by dollar—is the way to do it.

Trail 2: Feed Grains—The need for giving U.S. feeders of animals, poultry and fish first crack at America's unique feed grain reservoir cuts across the arguments over domestic controls and trade liberalization. Priority *allocations* for American feeders will lower food costs in this country. It will also give Washington the muscle needed to club oil prices down. The Arab oil gougers are now more dependent on U.S. agripower than the United States now is on Arab petropower.

Trail 3: Tax Credits—The need for tax credits for bottlenecked industries is being blocked by arguments over equity for labor, agriculture and consumers. Cutting back interest, food and fuel costs, as suggested above, would free this Republican Administration to ask this Democratic Congress for selective tax credits to break bottlenecks in time to save jobs now jeopardized in the basic industries which, at present, are running out of supplies faster than customers.

Trail 4: Help for Banks—The spectacle of U.S. banks paying up to 25% for overnight money they are relending for much less calls for replenishing the ammunition of the Federal Deposit Insurance Corp. Raising the FDIC's insurance charges on deposits is one way to do it. Authorizing it to insure foreign deposits in U.S. banks up to $1 million for one year is another. (This is an action that would bring in massive injections of liquidity from abroad, spread it all around the country and force interest rates down.) Freeing savings and loan institutions to pay the going rate of 12% plus on insured deposits of $20,000 or less is another way to do it. Enacting the S&L proposal authorizing swaps of below-market mortgages for local government bonds that pay the same rate would free billions more for housing than federal aid could—and at interest rates brought down to levels that builders and buyers could afford. Bringing interest rates down is easier than trying to help housing with interest rates so high.

Trail 5: Help for Wall St.—Saving the stock market from its own 1929 of deflation-amid-inflation calls for getting the Securities and Exchange Commission off its crusade against fixed commissions; for cutting capital gains tax rates on vintage holdings; and for liberalizing deductions for capital losses against ordinary income. I favor liberalizing the bill sponsored by Sen. Lloyd Bentsen (D-Tex.) which offers a $4,000 deduction. I would supplement it by requiring investors claiming losses of more than $25,000 in any one year to use part of their tax savings for the purchase of five-year Treasuries.

Trail 6: Action Abroad—Saving Europe from stumbling into another 1929 for everyone calls for moving full steam ahead on Chairman Mills' depression defense schedule. He has made an urgent call for Germany, her European partners and Japan to use their massive dollar reserves to tide Britain and Italy over in their growing need for financial oxygen. This approach recognizes the vulnerability of America's multinational banks and businesses to hard knocks from tumbling overseas dominoes. It also assumes that Mr. Ford will bring America's bargaining power to bear on the powers abroad before their weaknesses knock our financial structure for a loop.

Rep. Mills went public with his appeal to Germany and America's other foreign clients to have Britain and Italy the day after he saw Mr. Ford in private. His approach puts Mr. Ford's foreign financial problems at the top of America's emergency agenda—including her emergency budgetary agenda: Government borrowing for foreign boondoggles is the borrowing to cut first. This same aproach calls for freeing the secretary of the treasury to function as the equal of the secretary of state on the financial front.

I agree with Rep. Mills, especially with his recommendation that Treasury Secretary William E. Simon be given the mandate to begin. Simon's recognition of the need—and the opportunity—to use American food supplies as the weapon to knock down Arab oil prices qualifies him for it.

QUESTIONABLE PRACTICES BY FHA LENDERS IN CHICAGO?

Mr. PERCY. Mr. President, the Chicago Tribune reports that John Waner, the director of the Chicago area office of the Department of Housing and Urban Development has turned up evidence of questionable practices in the handling of FHA-insured mortgages by lending institutions in the Chicago metropolitan area.

According to the Tribune report, the data Mr. Waner has collected and analyzed suggest that low-income families are the victims of a pattern of hasty foreclosure of Government-backed mortgages. Lending institutions collect the FHA insurance for the full value of the mortgages and at the same time pocket money the Federal Government gives to the institution to maintain the foreclosed property. This practice, in turn, contributes to neighborhood deterioration.

Mr. President, I have been aware of Mr. Waner's efforts to build and use a computerized data retrieval system to obtain a fuller picture of FHA mortgage activity in the Chicago area. I believe the Tribune report suggests the vast potential of this system for identifying problem areas and for improving the management of FHA programs.

Probably the full story has not yet been told. We do not know all the facts and we have not heard from all the parties. If fraud and abuse in FHA programs exist in the Chicago area or elsewhere, then they must be rooted out. If changes in the law are required to end these abuses, then I am sure the Congress will enact these changes quickly.

I commend Mr. Waner and his staff as well as the Chicago Tribune for bringing this story to the public's attention. I urge them to make the full story known as soon as possible.

I ask unanimous consent that the article from the Chicago Tribune headlined "HUD Official Charges Home Loan Cheating" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Chicago Tribune]

HUD Official Charges Home Loan Cheating

Some financial institutions are cheating the federal government and needlessly forcing low income families out of their homes, John Waner, federal housing chief here, has charged.

Waner, Chicago area director for Department of Housing and Urban Development, said he uncovered both schemes during a recent computer study of federally-insured home mortgages here.

Though the study is still in progress, Waner said he believes the operations are nationwide in scope and involve millions of dollars in federal funds.

He said a number of large savings and loan associations and mortgage companies appear to be involved.

Here is the way Waner said the schemes work:

First, cash-hungry lending institutions go out of their way to foreclose their government-backed mortgages so they can collect immediately the money from the U. S. treasury and loan it out again.

Then, after forcing families from their homes, the institutions collect money from the federal government to maintain the abandoned houses, but pocket the money rather than provide the maintenance.

Waner said the over-quick foreclosures violate federal mortgage guidelines and could result in the lenders being suspended from participation in federal housing programs.

He said pocketing maintenance money is possible fraud and could result in criminal charges. It also causes abandoned house that lead to deterioration of neighborhoods.

Waner said his findings have been forwarded to James T. Lynn, the secretary the U.S. Department of Housing and Urban Development, and Sheldon Lubar, Federal Housing Authority commissioner, in Washington. A nationwide probe is in the planning stages.

FHA guidelines require lending institutions to make special efforts to avoid foreclosing on government-backed home mortgages.

When a foreclosure occurs the government provides funds to the lender to maintain the house until a new buyer is found or until HUD can take over the building.

Waner said in these tight-money times the safety of a government-backed mortgage is what attracts unscrupulous lenders. If they foreclose, they get their money back immediately rather than in 20 years or more as if the mortgage were in force.

Waner said the victims are usually low income, inexperienced home owners who lack the knowledge and resources to defend themselves.

To illustrate how much money could be involved, HUD officials said that since the home loan program began in 1940, the federal government has insured 8.9 million mortgages worth more than $104 billion. In the Chicago area alone there have been 372,841 federally insured mortgages worth $4.4 billion.

Waner said that in the Chicago area only about 4,500 FHA-insured mortgages are in default and subject for foreclosure. But his studies show that in many of these cases lenders are moving much too quickly to foreclose.

In every instance the wedge is the homeowners' failure to meet a mortgage payment.

But Waner said he found that many lenders are far less understanding toward defaults by homeowners with FHA-insured mortgages than they are of those with conventional financing.

One man, two months behind in his $200-a-month payments, was turned down when he mailed the institution a $400 check to cover the debt.

The institution returned the check with a curt letter informing the man that he now owed $420—$20 to cover a penalty for late payments.

A few weeks later, when the financially strapped homeowner mailed a check for $420 the institution returned it telling him that the penalty was now $40.

Waner and others point out that the final decision whether to issue a mortgage loan is up to the lending institution. If the lender doesn't consider the buyer a good risk he can refuse the loan.

But, they add that once agreeing to a federally-insured mortgage the lender is expected to follow the rules and do as much as possible to help the home owner retain his property. The fact that the mortgage is backed by the federal government should encourage the lender to take more financial risks than usual.

Concerned by the computerized findings, Waner recently sent letters to dozens of Chicago area lending institutions reminding them of HUD rules.

One rule states that lenders "are expected to make a concerted effort to avoid the foreclosure or assignment of HUD-insured mortgages and to utilize acceptable methods of forebearance relief wherever feasible."

The rules also urge the lenders to counsel the homeowners, whenever possible, make allowances for missed payments due to illness or temporary joblessness, and to permit owners to sell the property if it becomes clear they will never be able to keep up with their mortgage payments.

PREDATORY RATE CUTTING

Mr. INOUYE. Mr. President, on October 12, 1973, I introduced S. 2576, a bill to provide for minimum rate provisions for nonnational carriers in the foreign commerce of the United States. Subsequently, on December 6, 1973, hearings were held before the Merchant Marine Subcommittee of the Senate Commerce Committee. Representatives of the Government and shipping industry testified in support of this legislation. This bill is intended to prevent steamship companies of third flags plying between the other nations, from cutting rates unreasonably and destroying the tranquility of the trade. The bill generally would provide that such third-flag carriers may not reduce their rates below the national flag rate for the same commodity in the trade unless the new rates are fully compensatory. At the time of the introduction of this bill, the situation was serious, and it has become even more so. Because of the exigencies of the situation in the Congress today, it may not be possible before the Congress adjourns to enact this particular legislation into law.

However, I wish to make very clear to those who are engaging in predatory rate cutting, that congressional inaction on this bill should not be misconstrued. The Congress simply may lack sufficient time because of the election campaign and the political upheavals this year to give the legislation adequate attention.

If the bill does not pass in this session, I shall make it my first order of business in the next session to move for enactment of this legislation into law so that the American flag carriers operating under our laws would at least have a fair chance of remaining competitive in our own foreign trade.

PROGRESS BY STATES NOTED

Mr. BROCK. Mr. President, James J. Kilpatrick, one of the Nation's most eminent journalists, has written a timely article which suggests that the tide of political power may at last be turning, and flowing from Washington back to the States and localities where, indeed, it belongs.

Referring to a book recently published by the National Governors' Conference, entitled "Innovations in State Government," Mr. Kilpatrick cites encouraging examples of State and local initiatives in solving the complex problems of our society today.

I firmly believe that the task of assigning priorities in spending belongs in the hands of State and local officials, who are closest to our people and their problems. Such leadership is to be applauded and encouraged, for we are much in need of it today.

Mr. President, I ask unanimous consent that this article be printed in the RECORD for all of my colleagues to see.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PROGRESS BY STATES NOTED

(By James J. Kilpatrick)

"It may be . . . that we are approaching a watershed point in the history of American government. For the past hundred years, political power has flowed from the states and localities toward Washington. Possibly, just possibly, that flow may be ebbing and turning.

"Granted, it seems unlikely. When one looks at the calendar of pending bills in Congress, there is little to suggest that the federal flood has crested. Proposals still are floating around for national health insurance, national no-fault auto insurance, national consumer protection, and all the rest. Federal land-use guidelines are not dead; they are sleeping.

"Yet a book has just come to hand, so encouraging and so persuasive, that a dispirited states righter may well take heart. The book is 'Innovations in State Government,' published by the National Governors' Conference. It advances the proposition, on behalf of the states, that for any student of government, this is where the action is.

"Surely this is where much of the action was meant to be. The Constitution makes it clear—explicitly in the Tenth Amendment, implicitly throughout the document—that the national government was to have responsibility only for truly national concerns. Everything else was to be left to the states respectively, or to the people. The thesis of federalism, as Alabama's Gov. George C. Wallace observes, is that 'officials closer to the people and their problems were better informed and better equipped to assign priorities on expenditures of funds than were congressmen and bureaucrats in far-off Washington.'

"Look at the record: While the federal bureaucracy flounders in the morass of public welfare. Such states as California and New York are fighting clear of the swamp. North Carolina is doing good things in rural health. Alabama is working boldly in rural water supplies.

"One of our most pressing social problems has to do with the needs of elderly persons. It is not the federal government, but the state of Pennsylvania, that is providing leadership in this field. Pennsylvania's statewide program of free offpeak transportation for the aged is a humble program, but it has great human value.

". . . Wyoming instituted certain land-use regulations, especially as to open-cut mining, in 1969. Vermont in 1970 embarked upon a plan of district environmental commissions, coupled with an ingenious scheme of tax relief. Oregon is pioneering with anti-litter laws, Hawaii with scenic preservation. Nevada has created 25 natural resources districts based upon river systems. Colorado's ambitious land-use program seeks to maintain an indigenous 'quality of life.' Florida is issuing land conservation bonds. Montana, North Dakota, Maine and Kentucky all are moving ahead in the regulation and conservation of energy resources. The catalog of state innovations goes on and on.

"In an introduction to the book, Washington's Gov. Daniel J. Evans inserts a proper word of caution. Some of the innovations 'are quite modest or limited, others may prove overfly ambitious or hopeful, some may not stand the test of time.' Right on! This is what federalism is all about. Our 50 state houses are so many crucibles for the compounding and testing of experiments in government. We must let these lively laboratories do their job."

THE ROLE OF GEN. ALEXANDER HAIG IN THE NIXON ADMINISTRATION

Mr. PROXMIRE. Mr. President, I have asked Gen. Alexander Haig to voluntarily appear before the Senate Armed Services Committee to clear the air before assuming his post as Supreme Allied Commander Europe.

Regardless of the legal dispute as to whether or not General Haig is required to submit himself for Senate confirmation, he should voluntarily seek out such hearings in order to answer questions and clear the air about his role in the Nixon administration, his military career, and the post to which he has been appointed by the President.

I call on him to make this expression of good faith and not hide behind any narrow interpretation of Army regulations.

The post of Supreme Allied Commander Europe, and his previous role as White House Chief of Staff, have focussed great public attention on General Haig. He would serve the country and Congress well by responding in an open and candid manner by coming before the Senate Armed Services Committee in open session.

Mr. President, a number of other Senators have told me that they would like to see hearings on General Haig's appointment. Yesterday, the distinguished assistant majority leader made a public statement that General Haig should appear before the Armed Services Commitee. I would also like to report that Senators MCGOVERN, ABOUREZK, WEICKER, HUGHES, KENNEDY, SYMINGTON, CLARK, METZENBAUM, and TUNNEY have joined me in calling for General Haig to come before the Senate.

A New York Times editorial from September 18 addresses the question of the separation of military and political careers. This has been my primary concern in the General Haig appointment. If other officers are led to believe that a successful career depends upon political service to one party or the other, then we are not far from a breakdown in the American system of civilian control.

Mr. President, I ask unanimous consent that the New York Times editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RECYCLING GENERAL HAIG

In the face of considerable opposition in this country and abroad, President Ford has proceeded with the appointment of Gen.

Alexander M. Haig Jr. as Supreme Allied Commander in Europe as well as commander of United States Forces in Europe.

The most serious objection to General Haig in this new role is not that he has never held a major Army field command, nor that he was catapulted over 240 general officers when President Nixon abruptly raised him to four-star rank and named him vice chief of staff of the Army in 1972, nor that he has had little experience of dealing with America's allies in Europe. Indeed, even his critics concede that General Haig is a man of high intelligence and outstanding administrative talents.

What raises such serious questions about the appointment is the fact that it will further blur the vital dividing line between political and military authority. General Haig once again dons his uniform and returns to active duty, only seventeen months after making the deliberate decision to resign his commission and retire from the Army in order to serve in the White House in a position that incredibly placed him in the center of President Nixon's political struggle for survival.

During those months, as the Watergate case against the President was moving to its inexorable conclusion, General Haig became more and more Mr. Nixon's protector and defender and, on occasion, his hatchet man as well. His leading part in the so-called Saturday night massacre last October that brought the abrupt departures from office of the Attorney General, his deputy and the special Watergate prosecutor will not soon be forgotten.

General Haig unquestionably played a useful role in persuading Mr. Nixon to resign last month and in easing the transition to President Ford's Administration. Yet, reports persist—despite his direct denials—that he was a major influence in bringing Mr. Ford to the premature unconditional pardon of Mr. Nixon.

The issue, however, is not General Haig's role or position on any particular occasion or issue; the crucial point is the wisdom of a policy that permits him now to go back on his decision of June, 1973, to leave the military—to wear Army stars again and act as though this "civilian" interlude had meant no change whatsoever.

In a world full of examples of the folly of military ascendancy over civilian authority and *in* a country presumably dedicated to the principle of civilian control over men in uniform, the resurrection of the military career of Alexander Haig is a blunder President Ford should have been alerted by his advisers to avoid.

PETITIONS FROM THE STATE OF ILLINOIS

Mr. PERCY. Mr. President, I ask unanimous consent to have printed in the Record at this point four petitions from the State of Illinois.

There being no objection, the petitions were ordered to be printed in the Record, as follows:

House Resolution 985

Whereas, The Congress and the President of the United States have enacted a change in the observance of Memorial Day to the last Monday of May; and

Whereas, The State of Illinois for one year followed the example of the United States government in celebrating Memorial Day on a floating Monday; and

Whereas, In their wisdom, the General Assembly and the Governor of the State of Illinois in 1973 enacted a statute returning the observance of Memorial Day to the traditional day, May 30, in Illinois; and

Whereas, It is the sense of this body that the celebration of a holiday on a fixed date encourages the recognition by the citizenry of the reason and basis for the holiday and that its celebration on a floating "long weekend" basis encourages the casual treatment of holidays as mere "days off work"; and

Whereas, The artificial creation of long weekends annually results in unnecessary loss of lives on the nations' highways because of the convenience of travel; and

Whereas, It is the sense of this body, as illustrated by its action in 1973, that holidays should be regarded as commemorations and not as "days off work" to be linked whenever possible to weekends; and

Whereas, A great deal of confusion reigns among Illinois citizens with respect to the observance of Memorial Day; and

Whereas, Memorial Day is a holiday of great importance to all Americans, as we commemorate our valiant servicemen who have given their lives that we may remain a free people; now, therefore be it

Resolved, By the House of Representatives of the Seventy-eighth General Assembly of the State of Illinois, that we do memorialize the Congress and the President of the United States of America to enact a law calling for the annual observance of Memorial Day on May 30; and, be it further

Resolved, That a copy of this preamble and resolution be transmitted by the Office of the Secretary of State to the President of the United States and to the members of the Illinois delegation to the United States Congress.

House Resolution 821

Whereas, There is now pending in the Congress of the United States proposed legislation to amend the 1965 Immigration and Naturalization Act; and

Whereas, The State of Illinois and the United States have been enriched by the significant contributions of immigrants to their cultural, social, economic and spiritual growth; and

Whereas, The 1965 Immigration and Naturalization Act has severely limited the immigration of nationals of Austria, Belgium, Britain, Finland, France, Germany, Ireland, the Netherlands and Sweden into the United States; and

Whereas, This Act has had adverse effect upon the number of persons from these European nations who are allowed to settle in the United States permanently, and particularly hard-hit are the peoples of Germany and Ireland; and

Whereas, The United States and the State of Illinois have ample reason to remember with gratitude the past and present contributions of its immigrants, particularly those of the European nations; and

Whereas, Congress has before it S. 2634, H.R. 4452, and H.R. 4983, each of which would remedy this situation and make U.S. immigration policy fair and equitable for all peoples, without increasing the total number of persons allowed to enter and remain each year; therefore, be it

Resolved, By the House of Representatives of the Seventy-eighth General Assembly of the State of Illinois, that we strongly urge the passage of legislation designed to correct inequities of the 1965 Immigration and Naturalization Act; and, be it further

Resolved, That the Secretary of State of Illinois be directed to transmit to each member of the Delegation of the State of Illinois to the Congress of the United States a copy of this preamble and resolution.

House Joint Resolution 102

Whereas, The United States Supreme Court has struck down a 70 year old Massachusetts law that made it a crime to treat the U.S. Flag with contempt because the court ruled the law was unconstitutionally vague—the case involved a defendant who was wearing a 4 x 6 inch flag sewn on the seat of his pants; and

Whereas, Several other cases of flag desecration are pending before the U.S. Supreme Court which will probably be decided similarly because our U.S. Flag Code needs revision to update it, so that the general public, and even Legionaires and military men, know how to honor our revered National symbol, and know what action will constitute error in honoring our country's flag, or constitute its dishonor or desecration; therefore, be it

Resolved, By the House of Representatives of the Seventy-eighth General Assembly of the State of Illinois, the Senate concurring herein, that it is the sense of this body that the Congress take action to revise and update our U.S. Flag Code to the end that the National symbol of our beloved country for which hundreds of thousands of valiant Americans have died and millions who love their country live and fervently revere, be not dishonored or desecrated with impunity because of the vagueness or ambiguity of our U.S. Flag Code; and, be it further

Resolved, That a suitable copy of this preamble and resolution be forwarded by the Secretary of State to the Chairman of the U.S. Senate Judiciary Subcommittee where Senate Joint Resolution 91 on the U.S. Flag Code updating is being held, and to each member of the Illinois delegation in Congress.

H. Res. 1037

Whereas, Certain railroads are attempting, by petition to regulatory agencies, to abandon various lines which serve many smaller communities in this State; and

Whereas, These lines, for which abandonment is contemplated, are the lifeblood of many smaller communities, and the only economical means of moving certain supplies to the farmer and taking his produce to market; and

Whereas, Many smaller communities, attempting to preserve their existence and way of life, are trying to attract industry, and a lack of rail transportation to and from these communities would cripple or kill that effort; and

Whereas, Greater demand for Illinois coal may bring a Renaissance to many areas of this State, benefitting its inhabitants by increased employment and tax revenues, and the entire Nation by providing a source of energy safe from the threat of embargo and blockade, and much of this coal can be transported economically only along the rail lines which the companies are attempting to abandon; therefore, be it

Resolved, By the House of Representatives of the Seventy-eighth General Assembly of the State of Illinois, that we place ourselves on record as opposed to the abandonment of these vital rail lines; and, be it further

Resolved, That the Secretary of State forward a copy of this Resolution to each member of the Illinois delegation in the Congress of the United States and to the Honorable Claude S. Brinegar, Secretary of Transportation of the United States.

IN SEARCH OF ANSWERS TO THE ENERGY PRICE CRISIS

Mr. HART. Mr. President, the work of the Subcommittee on Multinational Corporations of the Foreign Relations Committee, chaired by Senator Frank Church, has been most helpful to those of us who have been searching for answers to the energy price crisis. The subcommittee's work on the structure of the international petroleum industry, the history of antitrust enforcement and the lack of it and the nature of the intercompany arrangements among major oil companies has given the Senate a factual record from which a case for remedial action can be made.

Although its work on the oil industry has received the greatest amount of public attention in recent months, Senator CHURCH's subcommittee has had other accomplishments and has a number of other important projects underway. Its work on the Overseas Private Investment Corporation focused public attention on the questionable role of the Federal Government as the insurer of corporate activities abroad and its hearings on investment in the Eastern European countries focused attention on the role of the company in negotiations on behalf of the United States with foreign governments. A report and recommendations on the petroleum industry, an investigation of multinational banking and case studies of American investment in a number of lesser developed countries are all expected.

Two recent articles which summarize the work of the subcommittee and examine the issues which its investigations have raised have recently appeared in The New Republic and The Nation. The articles are well written and deserve wide attention. Mr. President, I ask unanimous consent that "Taming the Beast: The Multinationals," by David Ignatius which appeared in the September 14, 1974, issue of The New Republic and "Socialism for the Rich" by Representative LES ASPIN which appeared in the September 14, 1974, issue of The Nation be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

TAMING THE BEAST: THE MULTINATIONALS

(By David Ignatius)

In May 1972 the Senate Foreign Relations Committee—jarred by Jack Anderson's revelation of ITT efforts to sabotage the 1970 Chilean presidential election—voted to establish a new subcommittee under Sen. Frank Church (D, Idaho) to investigate the activities of multinational corporations. Having the ITT-Chile affair as the starting point for a probe of such an immense, forbidding topic was a mixed blessing. The facts assembled on the corporation's conspiratorial alliance with the CIA to protect ITT's $160 million Chliean investment forced the five senators on the subcommittee to take seriously the threat multinational corporations pose to American foreign policy. But if it implied that the world has not changed much since the days of Teddy Roosevelt, the ITT-Chile case was misleading.

Even in the relatively clear-cut ITT case, there were anomalies suggesting that however threatening the power of multinational corporations, the problems that arise from their control of about one-third of all international trade will not be solved easily. One of these anomalies is an ITT memo, buried among scores of others published by the subcommittee as an appendix to its hearings, describing a meeting on March 10, 1971 between ITT Senior Vice President (and now President) Tim Dunleavy and Chile's late President Allende to discuss the future of ITT's Chilean holdings. Most of the time was taken up with exploratory bargaining, but after about an hour of subtle threats and counterthreats, Allende turned to Dunleavy and floated a new business proposition:

[Allende] said he had invented something which would indicate an incoming phone call while a person was speaking on the telephone. He suggested ITT might wish to develop it—but, he said, he wanted royalties. Dunleavy said we would be pleased to take a look at it.

The discovery that even socialist Salvadore Allende was not immune to the lure of multinational business must have persuaded the Church subcommittee of the complexity of its task.

Two years after completing its ITT investigation, the subcommittee is still at work, piecing together the first systematic public critique of American overseas investment. Following ITT came an examination of government insurance of foreign investment through the Overseas Private Investment Corporation (OPIC) and a general debate over "who benefits" from multinational investment. Then, in the midst of the energy crisis, the subcommittee began a study of the major oil companies. Most recently it has focused on the role of US corporations in détente. Reading through the thousands of pages of testimony and evidence that have been gathered is disturbing because it substantiates charges against the corporations *and* explodes simplistic theories of multinational enterprise. Are the multinationals neo-imperialist agents of American capitalism? If so, then why did the oil companies help the Arabs manage their 1973 oil embargo against the US and agree to oil price rises that threaten the monetary stability of the capitalist world?

Are they instead enlightened servants of economic development? If so then why do UN and World Bank figures show that income distribution has failed to improve significantly in less-developed countries favored with multinational investment? Are the multinationals private enterprise? If so why do they demand, and receive, US tax foreign policy? If not then why do they have sole responsibility for highly strategic negotiations in the Middle East and the Soviet Union? And if they are acting on behalf of the US, then why aren't they regulated more closely in the public interest? Prodded by these questions, the subcommittee is building a case for a reorientation of American economic policy abroad as far-reaching as the critique of American military policy that has resulted from the Vietnam war.

The investigation of the Overseas Private Investment Corporation (OPIC) was a natural follow-up to the ITT-Chile hearings, for there was evidence that ITT had tried to use its OPIC expropriation insurance as a club to beat the US government into action against Allende. A statement by former CIA Director and current ITT Director John McCone particularly intrigued the subcommittee:

"I feel that our government should be alerted to the consequences of the [Chilean] election, not only because of its effect on the business interests, but also because of its effect on the taxpayer. Because there were, you know, several hundred million dollars of OPIC guarantees, of which approximately $100 million were ITT's."

How did the government and the US taxpayer come to have a vested interest in defending the investment of ITT and other corporations? The story of OPIC tells a lot about American foreign policy since World War II. Established in 1969, OPIC inherited the "political risk" insurance policies—covering expropriation, war and inconvertibility of currency—which had been written for corporate customers during the Marshall Plan and later under AID. It also inherited the ideology of global economic development through American investment which had sustained these earlier programs. In the simplest terms OPIC's ideological premise has been that American investment abroad is good for the United States and good for the foreign countries—and should therefore be underwritten by the US government. All three assumptions were challenged in the Church hearings.

The five senators were most concerned with the benefits of OPIC-insured investment for the United States. From OPIC and corporate witnesses, they heard the traditional arguments for investment overseas; it returns profits that aid our balance of payments; it develops new markets for American goods; and it promotes a climate of international stability and free trade serving American economic and political interests. Against these asserted benefits, other witnesses weighed the costs of overseas investment. Former Treasury Department tax counsel Stanford G. Ross noted that because of provisions in the Internal Revenue Code for foreign tax credits, loss carry-over and deferral of foreign income, multinationals receive indirect tax subsidies and are a drain on the US Treasury. In a colloquy with Ross, Sen. Clifford P. Case (R, NJ), the ranking Republican, established that because tax laws allow *credits* for foreign income taxes, but only *deductions* for domestic state and local taxes, there is "a very sizable tax benefit on the company that chooses to build a plant in Mexico rather than in New Jersey."

The AFL–CIO has strongly criticized such tax incentives for foreign investment, arguing that they are "eroding the industrial base" at home. Voicing the AFL–CIO line, Benjamin A. Sharman of the International Association of Machinists told the subcommittee that multinationals are exporting jobs abroad to "open shop" countries, where the absence of labor unions guarantees low wage rates. By insuring direct investment in these countries, Sharman said, OPIC is fostering union busting—hardly in the interest of American trade union members. Critics also questioned whether OPIC really serves the US business community. For example Boston University Business School Dean Peter P. Gabriel suggested that OPIC may be governed by a Catch-22 logic. He testified that "the terms and conditions which host countries find increasingly difficult to accept are precisely the ones OPIC insures: the ownership rights associated with direct investment. . . ." By fostering unregulated direct investment, OPIC increases nationalistic feeling, resentment of US companies and the very political risks it is writing insurance against.

If the benefits to the US of OPIC-insured multinational investment are mixed at best, what of the multinational "white man's burden?" Are OPIC's clients speeding economic progress in the Third World?" A number of witnesses testified that while the multinationals may provide jobs and stimulate GNP growth, they do not invariably contribute to real economic development. Rather, in the words of *Fortune* magazine, by expanding its operations across national frontiers, "the corporation finds multiplying opportunities to buy cheap and sell dear . . ."—often to the detriment of host countries. To take one example, a witness from Motorola described his company's OPIC-insured innovation in the production of electric components. Motorola now air-freights millions of partially manufactured semiconductors to Korea, where the manual assembly is completed by Koreans—mostly unmarried women between 17 and 21 who want to build a dowry. The finished semiconductors are then air-freighted back to the US. Including fringe benefits the women receive a wage equivalent to about 21 cents per hour. Because its capital investment in the Korean operation is limited, Motorola probably would relocate if Korean unions were able to force wages up. Meanwhile Korea—with OPIC's blessing—develops expertise in finishing partially manufactured semiconductors.

The evidence against OPIC was persuasive, and Sen. Church—who describes himself as a believer in old-fashioned free enterprise—drafted legislation to phase out OPIC over a seven-year period and turn its functions over to private insurance companies. Paradoxically profit considerations might force private insurance companies to accomplish some of the progressive goals to which OPIC is nominally committed. For unlike OPIC, private insurers would insist on strict actuarial principles for underwriting foreign investment. Premiums for "bad risks"—a hypothetical example would be an ITT copper mine in Indonesia—would be prohibitive. Thus the market would establish a strong incentive for corporate responsibility. The Church proposal sounded like the "invisible hand" of capitalism at work. But after a strong lobbying campaign from those with an interest in the survival of OPIC—its employees and the multinationals that receive its subsidized insurance—the Church bill was defeated and OPIC was funded for another three years.

Oil companies are a special case among multinational corporations, even in their use of the English language. Corporate newspeak—as in the employment of the term "free market" to designate oligopolistic, tax-subsidized enterprise—has found its most articúlate expression in the mouths of oil industry executives. Meeting in the crisis atmosphere of January 1974, the Church subcommittee began an attempt to cut through the jargon to an understanding of the role of the major oil companies in the Middle East. The story they have pieced together, in the view of subcommittee Associate Counsel Jack Blum, "has elements of a Greek tragedy."

The tragic flaw in the drama has been the collusion of the US government in policies of the oil companies that were moving the world inexorably toward the present energy crisis. Page after page of testimony confirms that the Organization of Petroleum Exporting Countries (OPEC) cartel—and the enormous threat it now poses to international political and economic stability—is the almost inevitable result of anti-competitive production and marketing tactics pursued by the major oil companies, with the endorsement of the US, for the last 50 years. For the producers the oil problem has always been a potential oversupply that might erode profits. The oil private cartel of companies, fixing prices and rationing supply, has given way to a cartel of governments—and the "oil weapon."

The story of the oil cartel has been kicking around the Justice Department since 1952, when a criminal case was initiated against Exxon, Mobil, SoCal, Texaco and Gulf. The cartel criminal investigation was shelved the next year, in the interests of "national security." But the evidence remains. It shows, in the words of David I. Haberman, a Justice Department lawyer who has spent most of his working life in a vain attempt to enforce the antitrust laws against the oil companies, how the companies became "a vast corporate government without portfolio." Haberman laid out the basic history of the cartel for the subcommittee. Following World War I the major American and British companies expected an oil shortage and expanded their foreign exploration and production, particularly in the Middle East.

But by the late 1920s rapid exploitation of new reserves had created a desperate fear of a glut on the market. So much oil was being produced abroad that the US Gulf Coast "posted price"—in effect the optimal monopoly price—was being undermined. In 1927 the excess oil had fueled a price war in India that threatened to spread to Europe. In 1928 the largest international companies met in secret to establish a cartel for mutual protection of the oligopoly. In the "Red Line" and "Achnacarry" agreements, they promised to work together to hold production and marketing at levels that would not disturb the "posted price." New cartel agreements in '30, '32, '34 and '39 tightened the clamp on competition.

A new crisis developed in the 1950s, however, and by the time it had run its course, the power of the oil cartel—symbolized by the "posted price"—had been transferred to the Arabs. Like earlier crises, this was one of oversupply.

Discovery of new reserves in the Middle East, entrance of oil-hungry "independent" U.S. companies and demands from Arab sheiks for increased revenues were combining to produce a new glut that threatened to drive prices down. With the blessing of the U.S. government the majors developed two new mechanisms for holding down production: increased royalties, in the form of "taxes" to Arab governments, which swelled the sheiks' revenues while offsetting the oil companies' US taxes; and rationing systems such as "aggregate programmed quality" (APQ) in Iran, through which the majors designate how much oil would be drawn out of the ground by the various consortia operating in the Middle East. Even with these innovations, the problem of oversupply persisted into the 1960s. Howard W. Page, a retired Exxon troubleshooter in the Middle East (who has been described as "the Kissinger of the oil industry") testified that "all during the 1960s," Exxon's major problem was having more oil than it could market at acceptable prices. Sen. Charles Percy (R, Ill.) elicited from Page a striking admission of Exxon's dilemma in playing off its various Middle Eastern sources of supply.

Sen. Percy. If you had been using the production capacity [of all reserves] up to the fullest extent, obviously it would have driven prices down considerably.

Mr. Page. . . . I mean if we had used any one [country's reserves] to capacity, then we would have to shut the other back. There was no place to go with it. You can't dump it in the sea. There's a law against it.

As Page and others told the story, it became clear that the majors' attempts to play off the Arabs—holding each country's production at an acceptable level—had finally pushed the Arabs toward formation of their own cartel. By controlling and drastically increasing the posted price, the Arabs were able to gain the increased revenues they wanted without having to plead with the companies to favor them with quicker exploitation of reserves. They also gained the ability to use oil as a political weapon. With the Yom Kippur war, the traditional political arguments used by the oil companies to justify exemption from US antitrust laws were put to a severe test. For decades the companies have claimed that they should be given a free hand in the Middle East because American management of oil production would give the US enormous strategic leverage in the event of a crisis. When the crisis finally came in October 1973, where were the oil companies? The Church subcommittee found that far from working to circumvent the oil embargo, these American companies helped the Arabs to administer it, making sure that no oil leaked out to the US. Moreover in negotiating with the Arabs over increases in the "posted price"—potentially far more damaging to the US than the embargo—the companies had no economic incentive to restrain the Arab demands. In fact the companies' profits have increased in almost direct proportion with the "posted price." Most remarkable of all is that at the same time the oil companies were allied with the Arabs to defeat the strategic interests of the US, they were harvesting tax subsidies.

Outwitting the Internal Revenue Service is a major preoccupation of the multinational oil companies. Recently the subcommittee got hold of a financial planning document prepared by one of the major companies. The document—in effect a tax "game plan"— shows how, in the words of the staffer who is now at work analyzing it, "the company handles US tax liability and what it does to minimize that liability." This may be a major investigative breakthrough, since the industry's manipulation of transfer prices, loss carry-over, revenue deferral and other accounting devices has been so complicated that few people outside the industry understand how the companies keep their books. But the general public has understood the end result of all the calculations: the bottom line of the oil company tax returns. In 1972, with the standard corporate tax rate at 48 percent of profits, the effective rate for Gulf was 1.2 percent; for Mobil, 1.3 percent; for Texaco, 1.7 percent; for SoCal, 2.5 percent; and for Exxon, 6.5 percent.

These pitiful contributions to the US Treasury are the most obvious area for reform. A drastic solution would be to abolish the present credit for foreign taxes and instead allow only deductions. This proposal has, in fact, been endorsed by the AFL-CIO, to a chorus of denunciation from multinational executives. The executives claim that without credit for foreign tax payments, their companies would have to pay a double tax rate (Bertram Witham, treasurer of IBM, estimates that without a credit IBM's total tax bill would be over 70 percent of revenue) and would thus be unable to compete with foreign corporations. Short of abolishing the tax credit, Sen. Church has proposed a 10 percent minimum tax on foreign source income similar to the minimum tax now in effect for personal income. This would strike hard at the oil companies, and it has failed to generate much congressional support.

The implications of the oil probe—with its emphasis on oversupply rather than shortage—are staggering, and the subcommittee is still debating other possible reforms of the multinational petroleum companies. Two ideas may be endorsed when the staff completes its final report on the hearings: new regulations requiring the companies to get US government approval for contracts negotiated with foreign governments; and new antitrust legislation aimed at breaking up the cartel system of joint production ventures among the major companies. Given the size and power of the companies, such fundamental reforms may be politically unrealistic. Worse, they may be economically meaningless. As a committee assistant notes: "The size and complexity of the industry is such that any remedy will present serious difficulties in implementation. It's not completely clear what we do now. How do you unravel history?"

In its investigation of the role of multinationals in détente, the Church subcommittee deepened its understanding of the power of corporations to adapt to historical trends in diplomacy and shape them to their own purposes. The subcommittee confronted the new pro-Soviet lobby of former anti-Communist businessmen turned open-door free-traders.

One of their spokesmen, Donald Kendall, president of Pepsico and chairman of the US/USSR Trade and Economic Council, argued that if Congress spends any more time worrying about the fate of Soviet dissidents, "we are going to end up sitting on the sidelines watching the French and the Germans and British and everyone else take the business." Kendall began his business activity in the Soviet Union at the 1959 Moscow Trade Fair, alongside then Vice President Nixon and Soviet Premier Nikita Khrushchev. Since then Kendall has continued to expand the market for his product. The latest recruit to the "Pepsi generation" is Soviet Premier Kosygin, who personally approved Pepsico's 10-year contract to market Pepsi in the Soviet Union and distribute Russian vodka in the U.S.

While hardly ushering in a new era of international relations, the exchange of "Pepski" and vodka is harmless enough. What concerns the Church subcommittee is the delegattion to American businessmen of responsibility for trade negotiations with important political and economic ramifications. The Russians don't seem to mind.

As Sen. Church noted during the hearings, "American capitalists have special status in the Soviet Union. . . ." But the catastrophic domestic effects of the wheat deal of 1972 show the problems inherent when private companies—interested only in maximum profits—negotiate with Soviet officials who have both economic and political objectives. In his testimony J. Fred Bucy, executive vice president of Texas Instruments, gave an example of what trading with the Soviets may do to the electronics industry. The Soviets badly want the advanced technology used in the manufacture of semiconductors. Currently this technology is controlled by about 100 small semiconductor companies. Bucy described how a small company losing money could make a handsome profit selling the technology to the Soviets.

While the company would benefit from the deal, it might cripple the industry, since the Soviets could mass produce semiconductors and flood the world market. Bucy testified that the Soviets are often tougher negotiators than American capitalists, and specialize in the "whipsaw"—by which they play off one company against another to gain maximum concessions. To cope with the "whipsaw" and other potential problems of détente, Sen. Church is considering legislation to expand US ability to regulate export agreements.

The détente debate crystallizes a theme that runs through each of the subcommittee's investigations: The transfer of responsibility for key economic and political decisions from the public sector to the private. As the multinational corporations have moved to exploit business opportunities and coordinate planning across national borders, the Western democracies have failed to keep pace. The volume and complexity of business activity has overwhelmed the regulatory capacity of any single country, including the United States.

The reason for this disjunction between an expansive, adaptive private sector and a lethargic, befuddled public sector is fairly obvious. Despite their immense size, the multinationals remain responsible to a small number of managers and directors, and are able to measure their business decisions against one yardstick of economic efficiency: achievement of a satisfactory rate of profit. Democratic governments, on the other hand, are responsible to millions of voters and must balance multiple economic, social and political interests in deciding on policies. As a result the governments are hamstrung, and more and more key decisions are passing by default to the neo-feudal realm of the multinational corporations.

Ultimately regulation of the multinationals will depend on the development of multinational political institutions. But as the Church subcommittee has discovered, there is a lot that can be done while waiting for world government. The most immediate task is to gather information, for the arrogance of the multinationals in large part stems from the fact that they alone understand how their business is transacted—and who pays and who benefits. To gain the information needed for fundamental reform of the corporations, Sen. Church will conduct at least two more years of investigation. There will be a study of international banking, examining the role of multinational corporations in the current monetary instability. There will also be case studies of multinational investment is Brazil and Mexico. Some 300 firms trading in these two countries have already been sent detailed questionnaires. There may also be case studies of the Philippines, Indonesia and Malaysia.

But information alone will not be enough. There is a long list of substantive reforms that would assert badly needed political limits on the swollen power of the corporations. The most important ideas being considered by the subcommittee are: reform of the corporate income tax system; establishment of new regulatory bodies to monitor and control US-based corporations; new antitrust initiatives; new incentives for contractual operations abroad, rather than direct investment; and the creation of public enterprises to compete with and oversee private enterprises. Enactment of any one of these reforms would require a political resolve to discipline business in the public interest that is rarely displayed. But as Church presses forward with his investigation, the possibility of such a confrontation increases.

The lines of battle were drawn early by Emilio G. Collado, executive vice president of Exxon, the world's largest corporation. In an ominous warning to the subcommittee, Collado spoke of the determination of Exxon to block unwanted meddling from the public sector:

> We have not given up by a long shot. We have the international logistics system. Someone may take it away from us, but we have it today. No government oil company has ever found a major oil find. No one in government ever drilled at 3000 feet of water. . . . Maybe someday, the governments will get all the expertise and we will be pushed out. But we have it today.

SOCIALISM FOR THE RICH

(By Representative LES ASPIN)

WASHINGTON.—OPIC, the Overseas Private Investment Corporation, is a sterling example of a program of socialism for the rich. It sells cut-rate insurance to multinational corporations to protect their overseas investments. Founded in 1969 as a so-called independent government corporation, OPIC now carries $9.1 billion worth of insurance to protect multinational corporations from foreign expropriation, revolution and war, and possible restriction on the convertibility of foreign currency into dollars. Expropriation insurance, which was previously administered by the Agency for International Development (AID), accounts for $3.3 billion of OPIC's insurance coverage.

OPIC is backed by the "full faith and credit of the government of the United States," which means that the American taxpayer conceivably could be asked to cough up the entire $3.3 billion if governments around the world suddenly decided to expropriate all insured OPIC investments The American people could also be forced to pay the full $9.1 billion to ITT and others if all insured U.S. investments overseas were lost at one time.

A group of Senate and House conferees met recently to consider what should be done about this dubious insurance company. The Senate wanted to order a phaseout of all OPIC's expropriation insurance by 1979, turning it over to private hands, while the House sought only to encourage the phase-out. In the traditional spirit of compromise, the conferees did order the expropriation insurance ended by 1979, but with the caveat that the proposed dropping of OPIC insurance "will be reviewed in the light of OPIC's actual experience during 1975 through 1977."

OPIC claims that it is financially solvent and is a self-sustaining entity that should, in the future, cost the taxpayer nothing. Officials say the premiums and fees collected by the agency totaled $207.8 million and disbursements have been only $46.3 million, leaving an excess reserve fund of $161.5 million.

But the Foreign Relations Subcommittee on Western Hemisphere Affairs, of which Sen. Frank Church is chairman, reported last February to the full Senate that, "by ordinary financial standards, OPIC is on the brink of insolvency. If OPIC were a private insurance company, under generally accepted accounting principles it would have had to set aside a reserve against outstanding claims This reserve would have likely reduced OPIC's available resources to a negative figure."

According to Church's subcommittee, if OPIC honestly calculated its total reserves, minus total outstanding claims, including a $92.5 million claim by ITT for its holdings in Chile and another $152 million claim by Anaconda Copper for expropriated Chilean mines, the corporation would be in the red to the tune of $227.4 million. Since OPIC is backed by the full faith and credit of the U.S. Government, that $227.4 million would come out of the taxpayers' hide to pay off such malevolent giants as ITT and Anaconda.

The reason why OPIC is in trouble politically, however, has little to do with its financial condition. Many conservative lawmakers, including Sen. Harry F. Byrd, Jr. (Ind., Va.), oppose OPIC because they think it wrong for the government to subsidize any insurance program. The conservative "less government the better" attitude is reinforced by many Congressmen who are tired of supporting any program that looks even remotely like "foreign aid." Now, this more traditional opposition is being reinforced by some liberals and radicals who view such programs more as a mechanism of U.S. political manipulation than as assistance to the impoverished masses.

Many labor-oriented members of Congress, such as Rep. John Dent (D., Pa.), have expressed concern that OPIC only accelerates the process of job exportation by making it safer for U.S. industry to move capital and operations overseas. The General Accounting Office, the Congressional watchdog agency, which studied OPIC for the Church subcommittee, found that OPIC never bothered to check whether certain insurance policies were being extended to so-called "runaway industries." For instance, the GAO investigators learned that "OPIC insurance coverage for investment in electronic industry includes a high percent of projects that are primarily exported to the United States." The U.S. taxpayer subsidized expropriation insurance for companies that manufactured TV sets, radios, phonographs and electronic components for eventual sale in the United States. These insurance policies take a double bite out of the American workers—they subsidize insurance with their tax money so that giant multinational corporations can export their jobs!

But of all the problems, the one that bothers the liberals the most is that OPIC insurance programs increase the likelihood that the United States will become embroiled in the internal affairs of the countries where OPIC policyholders have investments. OPIC's coverage of ITT and Anaconda in Chile is one example. Another is OPIC's $500 million insurance policy on various bauxite holdings in Jamaica.

Former U.S. Ambassador to Jamaica, Vincent De Roulet, admitted to Church's subcommittee that he felt a heightened responsibility to make sure that Jamaican Government policy was favorable toward the U.S.-owned bauxite industry, since OPIC had a $500 million commitment to Jamaica backed by the "full faith and credit of the United States."

DeRoulet frankly conceded to the subcommittee that in 1972 he attempted to convince the leaders of Jamaica's two leading parties not to make the 100 per cent ownership of Jamaica's bauxite and aluminum industry a key political question in parliamentary elections. DeRoulet approached centrist

Michael Manley, the ultimate victor, to persuade him to keep the bauxite question out of the election. DeRoulet acknowledged that "I told him that I was prepared to give him my commitment as a gentleman ... in exchange for these commitments from him ... we would not, repeat not, interfere in his election in any way. . . ."

John M. McCoy, a former director of the CIA and a director of ITT, told Church's subcommittee that he cited the Treasury's liability via OPIC-insured investment in Chile as an important justification for intervention in the 1970 Chilean elections. Similarly, former U.S. Ambassador to Chile Edward Korry warned Washington that the perils of an Allende election included the high cost to the Treasury of any Chilean expropriation.

Jamaica and Chile are not isolated examples. Officials in Taiwan told a visiting Senate investigator that they believe that continued U.S. support was virtually guaranteed by the existence of OPIC-insured investments and the continued willingness of OPIC to underwrite U.S. economic ventures on the island.

One of the casualties of the debate over OPIC's future may have been the traditional assumption that overseas investment automatically helps a country to develop. Testimony on OPIC projects show that too often they have been aimed at capital intensive industries, when the development process would be better served by labor intensive enterprises which create jobs. Sean Gervasi, an economic consultant to the U.N., told the Church subcommittee that capital investments typified by OPIC-insured ventures tend to make the already rich in the less developed countries richer while the vast majority of the population sinks deeper into poverty.

Gervasi's assertion is substantiated by Robert S. McNamara, president of the World Bank, who told the U.N. conference on trade and development on April 14, 1972, that Brazil, a country which has attracted a large amount of foreign investment (much of it OPIC-insured), and achieved a high growth rate, has seen "the share of national income received by the poorest 40 per cent of the population decline from 10 per cent of the national income in 1960 to 8 per cent in 1970." At the same time the richest 5 per cent increased their share of the wealth from 29 per cent to 38 per cent of the national income. McNamara concluded that "throughout the decade the poorest 40 percent of the population benefited only marginally" from massive foreign investment.

In addition to insuring multinational corporations' overseas investments, OPIC makes low-interest, so-called development loans for specific projects. OPIC has established a $40 million fund to make direct loans, with interest rates based on OPIC estimates of the risk involved and allowing five to fifteen years for repayment. In fiscal year 1973. OPIC made commitments on nine projects worth $14 million.

Surprisingly, one of OPIC's favorite ventures for direct development loans are luxury hotels. For instance, in 1971 OPIC floated a $415,000 loan to finance a new jet-set watering hole in Haiti. Haiti is Latin America's poorest country with a per capita income of $78 *per year*. Rooms at the hotel—the Habitation Le Clerc—cost $150 *per day*. So it seems the hotel will not be used much by the average Haitian and it is also doubtful that the project will benefit the overall economy very substantially. Profits will be almost entirely repatriated to the United States.

One recent visitor to Haiti reported that the hotel project was "another stupid error on the part of our government to aid underdeveloped countries." The late Harry Sions, a respected senior editor at Little, Brown & Co., who visited the new hotel last January, noted, "We had not imagined it could be so unwise, so insensitive to the real needs of the Haitian people. The place itself is outlandishly vulgar and almost defies description . . . the appeal to the so-called beautiful people, purple-passioned in concept and corny enough to embarrass any self-respecting American, much less anyone else."

Mr. Sions adds, "Let's forget about the service—which was dreadful; the food—which was atrocious; the cost—which was ridiculous; the location—which was one of the most slum-ridden and the most difficult to reach sections of Port-au-Prince. But most important seems to me is the cost of the hotel of $1.2 million, of which we were told 40 per cent was borne by the U.S. taxpayers."

In short, the whole OPIC program looks like a real stinker. This program of socialism for the rich merely increases the probability that the United States will become involved in the internal affairs of other countries while offering but marginal benefit to the vast majority of impoverished people living in the Third World. The government should not be an insurer of multinational corporations that operate overseas. The unhappy outcome of this policy has been little help for the poor abroad and more foreign policy headaches for us.

NEEDED: CAMPAIGN REFORM, NOT CAMPAIGN SPEECHES

Mr. BROCK. Mr. President, if there is one thing that this country needs in the aftermath of the last 2 years of daily revelations of campaign irregularities, it is good and true campaign reform. We in the Senate have passed two major reform bills, S. 372, passed in the summer of 1973, and S. 3044, passed this spring. The House acted on our bills this summer and, as you know, there is now a conference going on to iron out the differences.

There are many, many differences between the House and Senate bills. However, there are also major similarities and in the spirit of political compromise and because the congressional year is coming to a close, I heartily recommend that we get on with campaign reform.

At the same time, I want to issue a very strong warning. We today are acutely aware of what has become known as the confidence crisis, that gap between the people and Congress called trust and integrity. What we must guard against is allowing ourselves to approve a campaign reform measure which would perpetuate the advantages that are afforded an incumbent candidate, in fact, an incumbent's protection law.

First, Mr. President, I would like to address myself to two major areas that both the House and Senate have agreed upon in campaign reform, areas which I think can be passed quickly. These areas are: The nonpartisan election control board to enforce the regulations; the use of single repositories to eliminate the multitudinous campaign committees that have been used in the past to hide or launder money.

First, the election supervisory board. As the law now stands, elections are policed by three bodies, the Clerk of the House of Representatives, the Secretary of the Senate for Senators, and the Comptroller General for Presidential elections. Besides the inefficiency of having three separate bodies to do essentially the same job, the argument is rightly made that having the Secretary of the Senate police Senators or the Clerk of the House to police Representatives poses obvious potential for conflict. The Clerk of the House, Pat Jennings, and the Secretary of the Senate, Frank Valeo, are extremely honorable men, but the fact remains they are employees of the people they are supposed to police, and this puts an intolerable burden on these two fine gentlemen. Therefore, it is fitting and proper that we have an independent agency. Both the House and Senate agree to this concept, and the minor differences could be easily ironed out and a bill passed.

Second, the single repository is endorsed to eliminate all the "committees". I am particularly proud that this provision is in both the House and Senate versions of the bill, because it is the cornerstone of my own bill which I first announced in May of 1973. The provision would make enforcing and policing the laws much, much easier, and is in keeping with my own campaign reform philosophy of "full and open disclosure."

Mr. President, these are not by any means minor reforms. These are extremely significant ones that we could proudly take back to our constituents. And, they are reforms that could be passed by both Houses of Congress and signed by the President within 2 weeks, if we really wanted meaningful reform. That still remains a major question.

Apparently, the problem that is holding up the conferees is the question of public financing with very low limits on challengers. There are proposed ceilings of $60,000 on challengers in House races.

Mr. President, with that low a ceiling, such legislation could be no more than a measure to virtually insure an incumbent's reelection—simply because of the advantages that his office affords him, name recognition, free mail privileges, and so on. Public financing is, according to many learned scholars and journalists, the biggest boon for incumbents that has ever appeared on either floor of Congress. One scholar has estimated that the incumbent's advantage over a 2-year period in monetary terms comes to around three-quarters of a million dollars. Given equal amounts of money, especially equal low amounts, such as the suggested $60,000 in the House bill, a challenger simply would be overwhelmed. We must guard against provisions that turn campaign reform into incumbents' protection laws. I have tried to curb one incumbent's advantage by adding an amendment to the Senate bill forbidding the use of the frank for 60 days, prior to elections, and, although this was accepted by the Senate, the House version of the bill does not have this provision. I think that this is an important amendment, and should be included. Under any circumstances, if public financing is passed, it becomes imperative that provisions like my prohibition on franking during campaign periods be passed.

In short, Mr. President, what this country needs now is meaningful campaign reform, not another incumbent protection act. We could have this if the major provisions I have suggested are reported out immediately. I hope the conferees will pass campaign reform. I do not care to have a crisis of confidence hanging over Congress and the Nation like a pall.

PRESIDENT MAKES RIGHT DECISION ON PAN AM

Mr. PROXMIRE. Mr. President, when President Ford decided not to assist Pan Am with a bail-out of $10.2 million a month, he reaffirmed belief in the free market system. We have had too many bail-out precedents in recent years. It was beginning to appear that every major corporation in financial difficulty looked first to the Federal Government for a handout.

Now that chain has been broken, and I hope, for good.

It must be admitted that many of Pan Am's problems were not of its own making. But that is not to overlook those critical financial factors that were caused by Pan Am's management.

With unprofitable routes, high overhead, rapid changes in top management, and simple bad forecasting, Pan Am must share the burden of responsibility with the uncontrollable element of fuel prices.

Pan Am is not finished. The recommendations by the Secretary of Transportation, when coupled with tough management policies by the company itself, could lift Pan Am out of its financial distress or at least open up new lines of commercial credit.

I hope that the Civil Aeronautics Board will now move swiftly to take corrective action throughout the airline system—realining routes, raising fares if necessary, allowing unprofitable schedules to be dropped and generally creating a more energetic, competitive, and profitable international airline system.

Mr. President, I ask unanimous consent that today's Wall Street Journal editorial on Pan Am be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PAN AM ON SOLO

President Ford's decision not to help Pan American World Airways out of the soup is a significant one for the relationship between government and private industry. It is not without its risks but it nonetheless seems necessary if a spreading pattern of private dependency on government is to be reversed.

Let us hasten to say that Pan Am's problems stem heavily from factors beyond its control. Its management cannot be blamed for the oil cartel's price-boosting successes, which have raised Pan Am's jet fuel costs an estimated $200 million this year over last. Nor can it be blamed entirely for whatever bruising the airline has taken in the complex politics of international agreements and CAB regulation.

But this is not so much a question of assigning blame as it is a question of finding a viable public policy towards economic reverses suffered by important private concerns. Past public policy, in connection with the threatened collapse of Penn Central, Lockheed and Franklin National, has raised some knotty questions.

One of those questions was touched upon by Transportation Secretary Brinegar yesterday in announcing that the administration would not support Pan Am's request for a new $10.2 million-a-month subsidy from the CAB. Such a subsidy is "not now fair to the nation's taxpayers," he said.

The question of fairness is important, particularly in a political sense. It is not stretching a point too far to say that taxpayers are being asked to help support not just Pan Am's employees, but its bondholders and other creditors, its stockholders, excessive landing fees at foreign airports and even, if you want to carry the argument far enough, those rowdy Arab oil sheiks.

There is a bit more to the problem than that, however. There is also the question of whether the collapse of a large private enterprise poses a substantial risk to the public welfare, or, on the other hand, whether the public welfare would be better served if private managers were faced more often with the necessity of adapting to adversities without benefit of a safety net somewhere beneath.

We have no doubt that the collapse of a Penn Central or a Franklin National or a Pan Am poses certain public risks. The threat is variously posed but probably the most serious is the potential jolt to the nation's banking system. Large troubled companies typically have large amounts of loan paper outstanding and the argument has been made repeatedly that it would be adverse to the public interest to let that amount of paper go sour all at once. In the Penn Central and Lockheed cases there also was the argument that no new operating entity could easily and quickly take over vital functions performed by the endangered firms, specifically, transportation and advance weapons production.

However, that kind of argument can be reversed. It can be argued that when a federal bail-out is fairly likely, private corporations, and banks in particular, do not calculate their risks as narrowly as they should. And when a federal bail-out actually occurs it may impede, rather than foster, a necessary adaptation by the private firms to changed conditions.

This last point may be the most telling in the Pan Am case. It hardly serves the public interest for the CAB to try to shield established carriers by turning down, as the CAB recently did, a British firm that wants to run a cheap airbus across the Atlantic. It is futile to try to subsidize airlines to make up for higher fuel costs, since that simply delays a necessary adaptation. It is economicaly inefficient for a government to encourage loss-producing operations out of some arbitrarily perceived view of convenience and necessity.

These are the kinds of questions that need to be asked in the Pan Am case and others if American taxpayers are not to find themselves some day helping support a vast load of privately based economic inefficiency. The next stage from that phase will be a transfer to state management, which also is likely to be inefficient.

If there is to be pain, it will be better to bear it now than later. And it is not impossible that Pan Am might yet find itself able to solo if it gets rid of some of its excess weight.

HEALTH INSURANCE

Mr. DOLE. Mr. President, in a recent bulletin of Washington Information: National Health Insurance—which I have found to be a very interesting and informative publications—there appeared the report of an interview between the editor of that periodical commentary, Jeffrey Prussin, and Ned Parish, president of the National Association of Blue Shield Plans.

While I do not necessarily endorse the substance of all of Mr. Parish's remarks, I do feel that he expresses some opinions and observations which are worthy of my colleagues' attention. Certainly, national health insurance is still a very timely topic of discussion, and this particular interview relates very well to the major questions associated with the various proposals before us.

I ask unanimous consent, therefore, that the complete text of that article be printed in the RECORD for the benefit of all who are evaluating the merits of this important congressional initiative.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NATIONAL HEALTH INSURANCE: SPECIAL REPORT: INTERVIEW WITH NED PARISH

In an exclusive interview, *Ned Parish*, President of the National Association of Blue Shield Plans (NABSP), told *Washington Information: National Health Insurance* editor *Jeff Prussin* that NABSP is not endorsing any particular piece of NHI legislation. Rather, NABSP's "contribution to the NHI issue has taken the form of a position paper which we produced about three years ago at the outset of the discussion. That document has served remarkably well. We moved to update it a short time ago and found that practically no changes, other than timing, were necessary."

CHIP SUPPORTS FREE ENTERPRISE

When asked whether NABSP would choose the Long-Ribicoff catastrophic plan, CHIP, or CNHIA, if forced to choose one without being able to make any amendments, *Parish* replied that NABSP "would have to go with the Administration bill because it relies heavily on the free enterprise system and hereby offers the best system for the public."

The Long-Ribicoff and CNHIA proposals, according to *Parish*, "at best" would leave health insurers in an intermediary role, "and even more important than that, they would rely on Federal financing."

While the private sector has been "far from perfect," it has been "substantially better than anybody else;" and, according to *Parish*, a system in which government would "call all of the shots . . . would be fatal."

CHIP DEDUCTIBLES AND COINSURANCE TOO HIGH

One problem NABSP sees in CHIP are the deductibles and coinsurance features. NABSP would like to see several options offered—such as deductibles, first dollar coverage and HMOs—as "a basis for competition."

GOVERNMENT PARTICIPATION SHOULD BE LIMITED TO THE POOR

While "there is only a relatively small segment of the population that does not have some kind of health care coverage, that is not to say that coverage is all good or anywhere near as good as it should be." Therefore, NABSP would welcome an NHI bill in which financing by the Federal government would be limited to "the areas of the poor, the near poor, and the medically indigent."

FEDERAL STANDARD SETTING ACCEPTABLE

NABSP has also urged passage of an NHI bill which would contain "requirements for insurance that would be applicable to the entire population of the country," if the bill would guarantee that private carriers, who have demonstrated their effectiveness, would stay in the picture.

NHI must specifically permit private insurers to deal with employers and employees as they "have done for the past 30–35 years, thus preserving the collective bargaining process." *The government, for example, should mandate a minimum level of benefits but also provide enough flexibility in order* *to permit implementation of benefits beyond minimum levels of protection, and consistent with what the public needs and wants.*

ALTERNATIVE DELIVERY SYSTEMS NEEDED

It is essential that any NHI proposal allow the private sector enough flexibility to develop alternative ways of delivering services. In fact, Blue Shield has sought, and continues to seek, "the right combination" between the consumer, the physician, and the insurer. "Throughout history, Blue Shield has been rather innovative. We are proud of the record of innovation. We started out with 50% coverage for the worker only. . . . The contract today is unrecognizable in comparison to that of twenty years ago."

NHI SHOULD NOT OFFER INCENTIVES FOR ALTERNATIVE DELIVERY SYSTEMS

Parish was particularly opposed, however, to the government prejudging the acceptability of various health delivery systems. He did not "think anyone sould categorically state that one method of delivering health care is better than another for any one subscriber . . . It is everybody's business, however, to make sure that the options are available on an equal basis so that people can make up their own minds." For people to say, for example, that HMOs are "the best and only way to deliver quality medical care at a reasonable cost is nonsense." It is up to the private sector "to see that all the options are available and then to let people decide what they want."

VOLUNTARY ENROLLMENT UNDER NHI SHOULD BE TESTED

According to *Parish*, participation in NHI should be voluntary for the individual. While there will always be "a relatively small number of individuals" who would not elect to accept coverage, this number can be kept to a minimum by making a plan "so attractive that a person would feel compelled to join."

Employers, on the other hand, should be compelled to offer an adequate minimum benefits package under NHI, but should not be required by law to pay the full premium. The government, however, should "hang out an assortment of carrots so that the employer has a very strong incentive to upgrade the benefits package he buys as well as the dollars he pays."

Parish said that a complementary system of carrier regulation will be necessary to assure that whatever choice of carrier programs is made produces an equitable and efficient program.

STATE ADMINISTRATION UNDER FEDERAL GUIDELINES URGED

Administration of NHI, as well as regulation of insurers, should be at the state level, according to *Parish*. However, there should be Federal guidelines which include *"authority for the Federal government to intervene if a state, after a reasonable period of time, fails to implement the program properly."*

MEDICARE BENEFITS EXPANSION NEEDED

When *Parish* had no particular feelings on whether Medicare should or should not be integrated under NHI, he did indicate that "the benefits under Medicare should be substan*tially* upgraded to meet the new level under an NHI plan."

COMPREHENSIVE NHI PLAN WOULD COLLAPSE SYSTEM

Parish emphatically agrees with the concern that a comprehensive National Health Insurance program would hold out false promises in that it would overburden the delivery system. *Parish* cited Senator *Abraham Ribicoff's* (D-Conn) testimony before the House Ways and Means Committee as supporting the position that a *comprehensive NHI program "would collapse, literally collapse, the system."* In addition, to put a comprehensive NHI program under the Social Security Administration, would totally collapse that system. "The difference between paying cash benefits to a group of people, as Social Security does now, and doing a fine job as far as I know, and moving into something as complex as health care, would literally inundate the system. . . . God knows, it would be bad enough for us. We took on Medicare with twenty million people and found out what a job that was."

MINIMUM BENEFITS PACKAGE SHOULD EXCLUDE MENTAL HEALTH, LONG-TERM CARE, DENTAL AND DRUG BENEFITS

The mandated minimum benefits package under NHI should not include preventive services, such as physical examinations, comprehensive mental health services, comprehensive long-term care services, comprehensive dental services, or comprehensive drug benefits, according to *Parish*. Comprehensive mental heatlh and long-term care services, however, might be inclued "under some sort of supplemental shared cost program." The problem with mental health services is the impossibility of estimating the cost. In the case of long-term care, "something needs to be done," but *Parish* believes that "there is not money enough in the world to take care of this one right now. It is a whole new problem and it is something that has to be addressed; but it cannot be addressed at this time." Comprehensive dental services, "while terribly desirable," would be "unrealistically expensive." Indeed, the provision of comprehensive dental care would "close to double the cost of NHI." Drug benefits present a different problem. The small dollar increments represented by drugs cost more to process than to pay. Therefore, "when drug coverage does come in, there is going to be some kind of front end accumulation before bills are paid."

BLUE'S ADMINISTRATIVE COSTS LOW

Parish met head on the claim that administrative costs for private health insurance are unnecessarily high. "We feel very strongly that the private sector's—speaking of the responsible side of the private sector, not talking about fly-by-night mail order houses that peddle some pretty horrible junk to people—record in administration stands up very favorably with anyone's, and particularly with that of the government."

Considering Blue Cross and Blue Shield together, 93–94% of each dollar is paid out in benefits for health care services. Administrative costs are approximately 6.5%. Of the 6.5% total administrative costs, only 1.5% represents marketing costs. More important, however, according to *Parish*, is the fact that only 0.3.1% represents advertising and selling costs. The other 1.19% of the marketing costs is for servicing accounts after they are sold, which is "the kind of work that would have to be done no matter who runs the program. Somebody has to be on the spot to make sure peoples' questions and complaints are handled." Indeed, since there is virtually no "new business" in the health insurance field, the servicing of accounts after they are sold is most important. "Competition, therefore, serves to better the performance of insurers, because if a company is lax, a competitive carrier will take the account away."

CHANCES OF NHI PASSAGE THIS YEAR: LONG-RIBICOFF MOST LIKELY

Parish indicated that there is a possibility of an NHI measure passing Congress in 1974 and that the Long-Ribicoff approach has a better chance than any of the other proposals. However, *"Long-Ribicoff, as it stands cannot get by,"* so modifications would be necessary. *Parish*, however, declined to speculate on the nature of the changes which would have to be made in the Long-Ribicoff proposal before it could pass.

KENTUCKY LOOKS FORWARD TO FURTHER ERTS RESEARCH AND DEVELOPMENT

Mr. MOSS. Mr. President, the Commonwealth of Kentucky has been using ERTS data, on a continuous basis, for 24 months and is actively engaged in the ERTS follow-on investigation program.

Governor Wendell H. Ford has written me:

> We are looking forward to furthering research and development in this area, which will provide a system with greater resolution and wider spectral capabilities and which will require less time, manpower, and money for interpretation and application.

Mr. President, I ask unanimous consent that Governor Ford's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE GOVERNOR,
Frankfort, Ky., July 26,1974.

Hon. FRANK E. MOSS,
Chairman, Committee on Aeronautical and Space Sciences, Washington, D.C.

DEAR SENATOR MOSS: During the past twenty-four months, the Commonwealth of Kentucky's Department for Natural Resources and Environmental Protection has utilized, on a continued basis, data supplied by the existing ERTS system.

The Department has recently been notified that a proposal entitled "A Feasibility Analysis of the Employment of Satellite Data to Monitor and Inspect Surface Mining Operations" has been tentatively selected as one of the investigations for the ERTS Follow-on Investigation as one of the investigations for the ERTS Follow-on Investigation Program. The Department is also conducting a project, funded in part by the Appalachian Regional Commission, which is entitled "Surface Mine Pollution Abatement and Land Use Impact Investigation." ERTS data will be utilized throughout the conduct of that project. The Department is currently investigating the use of the ERTS computer compatible tapes for estimating location and size of small water impoundments. In addition, the University of Kentucky and several other Universities throughout the Commonwealh are utilizing ERTS data in various research and demonstration projects.

At the present time, we are not convinced that the existing ERTS system can be considered operational for routine use in the Commonwealth's program of natural resources management and environmental protection. We are looking forward to furthering research and development in this area, which will provide a system with greater resolution and wider capabilities and which will require less time, manpower, and money for interpretation and application.

If legislation on ERTS operations is to be passed at this time, we would prefer legislation which would enhance the National Aeronautics and Space Administration's operational pervue. This type of legislation would allow the Commonwealth to deal directly with one agency responsible for research, development, and operation of an earth resources survey system. We believe that such an arrangement would make NASA more aware of the needs of user agencies such as the states, and would in turn make the user agencies more aware of the system capabilities.

Thank you for the opportunity to comment on this pending legislation. If I, or any of my staff, can be of further assistance, please do not hesitate to contact us.

Sincerely,

WENDELL FORD.

THE ENERGY SUPPLY

Mr. BARTLETT. Mr. President, my colleagues in the Senate who subscribe to the contention that the supply of energy is directly related to the investment made to provide that supply will be interested in the remarks made by Mr. John G. Winger, vice president, the Chase Manhattan Bank, before the Subcommittee on Governmental Regulations, Senate Select Committee on Small Business, on August 13, 1974.

I ask unanimous consent that Mr. Winger's statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY JOHN G. WINGER

Mr. Chairman and members of the subcommittee. My name is John G. Winger. I am a vice president of the Chase Manhattan Bank in New York and am manager of the bank's energy economics division. I have been associated with the bank as an energy economist for the past 25 years. I am appearing before you today to discuss the capital and other financial needs of the petroleum industry.

My testimony will prove more meaningful if two vitally important facts are understood at the outset. First, we should recognize that the satisfaction of virtually all needs for goods and services involves the use of energy. In fact, I cannot think of a single business activity that is not dependent upon energy to some degree. Because of that dependence, as much as 70 percent of all energy consumed in the United States is for business related purposes. And for a long time, there has been a close relationship between the utilization of energy and the nation's gross national product. No significant change in that relationship is now in prospect. We will doubtless be able to become more efficient in our use of energy in the future by limiting waste. But the gains are not likely to be greater than those achieved in the past. Obviously, an adverse economic impact cannot be avoided if our future supply of energy proves inadequate.

And that development would create many social as well as economic problems. The level of employment in the United States is closely tied to the gross national product. If the future expansion of the G.N.P. is slowed because of a lack of energy, the growth of employment will also be slowed. But the Nation's labor force will continue to grow, nevertheless, at a steady rate for many years to come. That is a mathematical certainty. A lack of energy, therefore, can lead to an intolerable level of unemployment. Clearly, it is very much in the best interests of all of us that our supply of energy always be sufficient.

And that leads me to the second important fact that we should keep uppermost in mind. The supply of energy is directly related to the investment made to provide that supply. That principle applies to all forms of energy—oil, natural gas, coal, water power, nuclear power, and the more exotic forms not yet in use. If the expenditures required to find, develop, or otherwise make available a supply of any form of energy are insufficient, a shortage will be the certain consequence no matter how abundant the basic energy resources.

The United States does not lack basic energy resources to be developed. An enormous additional supply of energy could be made available if the necessary investment were made. Although the existing energy shortage is the result of several factors, the most important by far is underinvestment. The first signs of underinvestment were apparent as long as twenty years ago and they have become progressively more visible over the years. But as a nation we failed to heed the warning signs and bring corrective forces into play. And now we must suffer the consequences. At best, our over-all supply of energy is going to be tight for many years to come. And, if corrective actions are not taken soon enough, the Nation can suffer severe economic and social reversals.

It is vitally important that we understand why there has been prolonged underinvestment in respect to the supply of energy. Two related factors were involved. First, neither the petroleum industry nor the coal industry have been able to achieve adequate capital formation for the past two decades. And, second, the climate for investment in that period compared unfavorably with other investment opportunities. That condition led to a flight of capital away from the energy industries.

Here is an example of how these factors have operated, with the lifting of wartime price controls in 1946, the price of crude oil increased in successive stages over a period of several years. As a result, the petroleum industry was able to generate enough capital funds to support a rapidly expanding level of capital spending. Major companies and independent producers as separate groups both made a fourfold increase in their investment devoted to the search for more petroleum between 1946 and 1956. By the end of that period, however, the impact of natural gas price regulation had become great enough to prevent adequate capital formation. And the incentive to reinvest available capital funds was no longer sufficient. Independent producers reacted by cutting their annual rate of capital spending in half over the next decade. In terms of constant dollars, they reduced their annual outlay by as much as two-thirds. The majors also reduced their rate of spending, but to a lesser degree. As a result of the reduced spending, a great deal of petroleum that otherwise would have become available has remained undiscovered.

If we are to resolve our energy problems, we should make the climate for investment at least as good as anywhere else—and preferably better. And I can report to you that we have made a start. As a result of improved earnings, the petroleum industry's capital investment for finding and developing more petroleum was twice as great in 1973 as in 1971. Major companies were responsible for about 60 percent of that spending increment and independent producers accounted for the other 40 percent. For more than three decades our bank has conducted a continuing study of the financial performance of a large group of petroleum companies. And we now have in hand the results for the first half of 1974. In that period the group's profits in the United States amounted to 2.9 billion dollars—45 percent more than in the same period a year ago. The higher level of earnings has provided a major stimulus to capital spending. The group of companies in the first half of this year invested 6.5 billion dollars in the United States—122 percent more than in the first half of last year. And the group's capital expenditures were well over twice as large as it profits.

The much higher level of new investment on the part of the petroleum industry is cause for much encouragement. And, in my judgment, it is a development that should be nurtured and encouraged to a major degree. I think it is by far the most important force of correction that has come into play thus far. And if the higher level of spending can be sustained and progressively accelerated, the prospects for expanding this Nation's petroleum supply will be greatly enhanced. We should not, however, expect immediate results. Historically, there has been a lag period ranging from 4 to 7 years following a capital investment to find more petroleum before additional quantities of oil and natural gas are available to the market place. And that period is expected to become longer as the search is extended increasingly to offshore areas.

If the petroleum industry is to make the capital investment required to satisfy the Nation's expanding petroleum needs, it must have the financial wherewithal—its capital formation will have to be adequate. The group of companies that I referred to earlier could not possibly have invested more than twice as much money as it earned in the first half of this year if it did not have other sources of funds. Those other sources were capital recovery, borrowed capital, and profits earned outside the United States.

The combined capital and other financial needs of the various energy industries in the United States are expected to exceed one and a quarter trillion dollars during the 15-year period ranging from 1970 to 1985. We expect the capital markets will be asked to provide as much as 60 percent of that huge amount of money. But, as of now, it is by no means certain that the capital markets will be able to provide so much. Even now, there are frequent, disturbing announcements by electric utilities that they are postponing much needed projects because of financing difficulties. Such delays, of course, raise additional doubts about the adequacy of generating capacity in the future.

Because of the higher degree of risk associated with its activities, the petroleum industry cannot utilize the capital markets to as high a degree as the utilities. It is widely believed that the industry's borrowed capital should not exceed 25 percent of its over-all financial needs. Therefore, at least three-fourths of the needed money should be generated internally from profits and capital recovery. No segment of the capital markets can make funds available unless there is assurance of an orderly expansion of the borrower's cash flow leading to a sound balance sheet at the end of the loan period. Therefore, if restraints placed upon profits or capital recovery or both restrict the necessary expansion of cash flow, the availability of borrowed capital will also be limited as a consequence. And, in that event, the industry will not be able to make the capital investment required to satisfy the expanding needs for petroleum.

The industry's cash flow relative to its capital needs has not been sufficient for a long time. For the period ranging from 1955 through 1970, profits grew at an average annual rate of only 8 percent. But there were actual needs for a growth twice that large. Between 1968 and 1973 the large group of companies that I have cited earlier saw its profits in the United States grow at an average rate of only 2 percent a year.

Underinvestment has existed for as long as profits have been too small. And now there is a shortage of petroleum not only in the United States, but worldwide. Considering both the size and the geographic distribution of the world's proved reserves of petroleum, they are much too small relative to the indicated future needs. And the petroleum industry is now faced with the enormous task of finding enough new oil to satisfy expanding market demand and also raise underground inventories to satisfactory levels, particularly in areas other than the Middle East.

Before the latest crisis in the Middle East, we had calculated that the petroleum industry's financial needs for capital investment and other purposes would amount to nearly 1.4 trillion dollars for the period ranging from 1970 to 1985. Now, as a result of the inflationary effects of the actions taken by foreign governments to raise the price of their oil, the financial needs of the petroleum industry are likely to be substantially higher. We are not going to be able to make a new, realistic measurement until conditions stabilize and we have more evidence in hand.

If the petroleum industry is to achieve a cash flow sufficient to permit adequate capital formation, its profits should grow by approximately 18 percent a year between 1970 and 1985. That rate of growth may seem small compared with the gains reported by many companies in 1973 and the first half of this year. But we should be mindful that numerous abnormal forces have been at work during that period and they are not going to be effective permanently.

If the industry is able to generate enough money to support an adequate level of capital spending, there will be beneficial effects of that investment flowing through the economy to many business activities, large and small. But, if the investment cannot be made because of inadequate capital formation, there will be adverse effects for both large and small businesses. As a representative of a bank that deals with a great many businesses, large and small, throughout the entire economy, I can say to you that we are much concerned about the ability of the petroleum industry, and the other energy industries as well, to make the necessary capital investment. We all have a lot at stake.

WILL THE DEFENSE DEPARTMENT ASK FOR ANOTHER SUPPLEMENTAL?

Mr. **PROXMIRE**. Mr. President, an article in today's New York Times by respected reporter John W. Finney indicates that Defense Department officials are complaining that the $82.5 billion defense budget is not enough.

Apparently they are saying that the Pentagon needs about $11.5 billion more to fund major weapon programs.

This will undoubtedly come as a surprise to many in Congress. After having spent 8 months examining the defense budget in great detail by four committees of Congress, all of a sudden we find that the ante has been raised by another $11.5 billion.

There is even the possibility that the Pentagon will ask for a supplemental request for this fiscal year, although I hope that Secretary Schlesinger has better judgment than that about the mood of Congress.

If a supplemental is requested, it would mean that the Congress would be called upon to fund three major DOD bills this one calendar year. We first had the fiscal year 1974 supplemental request of $6.2 billion, subsequently reduced slightly. Then came the major DOD bill of some $92.5 billion in budget authority. And now there is the possibility of yet another major bill of up to $11.5 billion.

There is a clear lesson here, Mr. President. If the Defense Department does not get their full request the first time around, they either ask for a supplemental later in the year or put it off until early the next year. The strategy is divide and conquer—divide the attention of Congress and aggregate the various supplementals until the full request is reached.

Mr. President, I ask unanimous consent that the New York Times article by John Finney be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Budgets Cuts and Inflation May Curb Arms Prospects

(By John W. Finney)

Washington, September 18.—Between inflation and budget cuts by Congress, the Defense Department finds itself more than $11-billion short of funds to carry out its planned procurement of weapons and materials, Pentagon officials said today.

Unless there is budgetary relief from the White House and Congress, which seems highly unlikely, the Defense Department, according to Pentagon officials, faces the prospect of cutting back substantially on its planned procurement of major new weapons.

The final size of this year's defense budget was worked out yesterday by a conference committee of the House and Senate Appropriations Committees. The conference committee approved $82.5-billion in appropriations for the military services, $4.5-billion less than requested by the Defense Department.

Not all of the appropriations, however, will be spent in the current fiscal year, since Congress provides funds for weapons that will not be produced for a few years. The net effect of the Congressional action will be to reduce defense spending by $2.6-billion below the projected spending level of $86-billion.

Under past circumstances, high-ranking defense officials say, the Pentagon would have been able to absorb such a Congressional cut within the overall defense budget. But this year, policy-making officials explain, the Defense department finds its ability limited to absorb the annual Congressional cut in the defense budget because inflation is driving up the cost of its major programs fasters than had been anticipated.

Because of inflation, officials said, the Defense Department finds itself $9-billion short of funds to pay for major programs approved by Congress this year and in earlier years. On top of this $9-billion shortage in funds, the Pentagon must find ways to absorb the $2.6-billion spending cut by Congress.

NO TROOP CUTBACK

Short of a Presidential decision, officials said the Defense Department had no intention of cutting back the size of the armed forces.

The only way the Pentagon will be able to offset the combined impact of inflation and Congressional reductions, therefore, officials said, will be to slow down or postpone the procurement of major weapons and defer the maintenance and overhaul of existing weapons.

High-ranking officials in the Pentagon are suggesting that the Ford Administration is approaching a major policy decision on whether, in its anti-inflation campaign of holding down Federal spending, it is willing to see a deterioration in the readiness of the armed forces.

The obvious hope of Pentagon officials is that the Defense Department will be given some budgetary relief by being permitted to ask Congress for supplementary appropriations to offset at least some of the inflationary rise in procurement costs. It seems unlikely, however, that such Pentagon hopes will be fulfilled.

ADMINISTRATION'S INTENTION

Roy L. Ash, director of the Bureau of Management and Budget, has made clear that it is the Administration's intention that the Defense Department live within its original budget, thus, in effect, absorbing the inflation that was not anticipated or budgeted for when the military budget was presented to Congress in January.

Even if the White House should approve a supplementary budget request by the Pentagon, it seems likely that such a request would be rejected by Congress.

In its report on the defense bill, the House Appropriations Committee made clear that it would not look favorably upon supplemental appropriation requests. The committee acknowledged that the Defense Department would probably not have sufficient funds to finance all its programs but suggested it should offset unanticipated inflation by eliminating and stretching out lower priority programs.

Somewhat ruefully, defense officials suggest the military programs are being hit doubly by inflation, first by budgetary procedures that do not permit the Pentagon to make full allowance for inflation and then by moves to cut back the defense program in order to hold down inflation.

In a statement on the conference committee action, Senator John L. McClellan of Arkansas, chairman of the Senate Appropriations Committee, observed that the Congressional cut "strikes a fair balance between the requirements of the nation's defense establishment and the need for reduced Federal spending to deal with inflation."

UNUSUAL PROCEDURES

Because of unusual budgetary procedures, Pentagon officials feel that defense programs are more vulnerable to inflation than other Government programs. Military and civilian pay increases to offset inflation are automatically included in the budget by law, but that is not true of procurement programs, which account for about 50 percent of the defense budget.

For a procurement of a major weapon system, the Defense Department must obtain all the funds in one year, although the weapon may not be produced until several years after the money is appropriated. The weapon, therefore, is particularly vulnerable to inflation beyond that projected by the Budget Bureau.

On major weapons systems, the Budget Bureau permits the defense department, in making its original appropriations request, to add 3.5 percent annually for inflation. This has been insufficient to cover inflation on major procurement, which the Defense Department estimates is running at at least 9 percent and much higher in such areas as shipbuilding.

FOOD AND OIL AND WORLD HARMONY

Mr. **DOMENICI**. Mr. President, the two most prominent headlines in this morning's Washington Post are most interesting and indicative of the perplexing complexities abounding in this world we live in.

The major headline reads, "Ford Warns U.N. Food, Oil Must Not Be Weapons," and the article following the headline details our President's laudable speech at the United Nations yesterday. In that speech President Ford reiterated this Nation's continuing commitment to sharing our blessings with less fortunate or less prosperous nations of the world. In the particular area of food, Mr. Ford said:

> The United States recognizes the special responsibility we bear as the world's largest producer of food.

He then outlined those specific actions we would undertake as a nation to fulfill our commitment and our responsibility to meet humanitarian needs the world over.

The other headline in the Post, to which I earlier refered, reads, "Payments Balance Plunges" and the article under that headline related the disastrous experience of our balance of payments in the second quarter of 1974. The article pointed out quite correctly that $1.6 billion of this huge deficit was due to an adverse balance in our foreign trade. The "high cost of foreign oil" was specified as the "chief factor" in our worsening balance of trade.

Mr. President, in his remarkable speech to the United Nations containing his eloquent plea that oil and food not be used as weapons, the President stressed the need for world cooperation regarding those two commodities and the third problem of global inflation.

My concern today, Mr. President, is that this plea will fall on deaf ears and that oil producing nations will continue to use their favorable position of control over such a great portion of the world's oil to promote their own selfish interests. I have seen very little to indicate otherwise.

I foresee, Mr. President, this circumstance: The oil producing nations, principally those in the Middle East will continue to charge blackmail prices for crude oil while at the very same time refusing to participate or even cooperate in efforts by other more benevolent nations to share the burden of meeting the humanitarian needs of the world.

I am afraid that those nations, despite their ever-increasing income from oil, will fail to meet the needs of their own poor and hungry people and will also turn their backs on other middle countries not fortunate enough to be a part of the oil bonanza or, to use a more descriptive term, the oil ripoff.

Mr. President, I fervently hope I am wrong. I hope that all nations will see the validity of President Ford's call for international cooperation on food, oil, and inflation. As I see it, oil holds the key, and I must admit that the holders of that key have thus far failed to impress me that they can see beyond their own shortsighted, near-term self-interest.

If my fears should prove to be well founded, which we should know very quickly, I will urge that the United States and oil importing nations develop a program to survive without Middle East oil and at the same time discharge our humanitarian obligations to the rest of the world.

Mr. President, I ask unanimous consent that the two articles to which I have referred be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, Sept. 19, 1974]

FORD WARNS U.N. FOOD, OIL MUST NOT BE WEAPONS

(By Murrey Marder)

United Nations, September 18.—President Ford cautioned the world's oil-producing nations today that manipulation of energy prices can lead to counteraction using food as a political and economic weapon.

"Failure to cooperate on oil, food and inflation could spell disaster for every nation represented in this room," the President bluntly told the 138 member nations of the United Nations, 29th General Assembly.

"The United Nations must not and need not allow this to occur," the President said. He said the United States "recognizes the special responsibility we bear as the world's largest producer of food," and he pointedly noted that "it has not been our policy to use food as a political weapon despite the oil embargo and the recent oil price and production decisions." He emphasized that "energy is required to produce food, and food to produce energy."

President Ford reiterated U.S. readiness to increase food aid to other nations, to aid them in agricultural production, and to establish an international system of food reserves, if the world choice is economic cooperation—not "confrontation."

The President interjected into the opening of his speech unusual praise for Secretary of State Henry A. Kissinger. This departure was obvious reinforcement, in an exceptional forum, of the White House denials yesterday that Mr. Ford was considering stripping Kissinger of his powerful second post as the President's national security adviser.

Mr. Ford said, "It should be emphatically understood that the Secretary of State has my full support and the unquestioned backing of the American people."

He said he long has had "the closest working relationship with Secretary of State Kissinger," and that "I have supported and will continue to endorse his many efforts as Secretary of State and in our National Security Council system to build a world of peace."

This tribute to Kissinger brought the only applause during the President's 20-minute address, but in fact many of the delegates were unaware of what prompted the statement. Kissinger, and the President, apparently felt that the disclaimers of any intention to curb Kissinger's extraordinary dual power in the administration had received inadequate attention the day before.

During a brief visit to the U.S. Mission to the United Nations, across the street, the President also praised John Scali, U.S. ambassador to the U.N., and again repeated his effusive tribute to Kissinger in both his posts.

The President said, "We are lucky and fortunate to have Secretary Kissinger as our Secretary of State and the head of our National Security Council." Kissinger actually is head of the council's staff.

The exceptionally emphatic denials over two days that Kissinger's power might be pared in fact have served to intensify speculation about what was behind the reports which produced the disclaimers.

Kissinger has been involved in controversy in recent days over covert U.S. political intervention in Chile against the government of the late President Salvador Allende, authorized by the intelligence-coordinating "40 Committee," which Kissinger directs in his National Security Council post.

Mr. Ford wrote the endorsement of Kissinger himself at the United Nations headquarters while he was awaiting the noon hour when he would speak, according to Deputy White House Press Secretary John W. Hushen.

Another controversy over U.S. policy abroad loomed just beyond the President's sight during his five-hour visit here. A crowd of hundreds of angry demonstrators protesting U.S. policy in the Cyprus crisis was held back by police just across the street from U.N. headquarters.

President Ford was making his first major foreign policy address and it was the first time an American president had spoken to the United Nations since 1970. He received a courteous but restrained response from the assembly delegates. Cuba's delegation, as is its habit when Americans speak, was missing from the assembly hall, choosing the delegates' lounge instead, despite the fact that the Ford administration is moving toward ending the long U.S. estrangement from Cuba.

The Israeli delegation was absent from the hall also, because of the Jewish New Year holiday.

In a luncheon toast after the President's remarks, Secretary General Kurt Waldheim described his address as "a source of inspiration to all of us."

The President's blunt notice to the oil-producing nations, while omitting specific identification of the main target, the Arab producers, was, not surprisingly, rather coolly received by delegations from the Arab nations. Many of the nonaligned nations, hoping to see more specific pledges of American food aid, also reacted coolly.

The President essentially was repeating the same offers, and the same caution, about an energy-food confrontation that were made by Kissinger at a special session of the U.N. General Assembly here last April. Since then, however, the consequences of the fourfold increase in oil prices which grew out of the pressure applied during the Arab-Israel war have loomed even more darkly over the economies of many nations, with no alleviation in sight, and the President's language today was sterner than Kissinger's.

Mr. Ford today said that "by confronting consumers with production restrictions, artificial pricing, and the prospect of ultimate bankruptcy, producers will eventually become the victims of their own actions." Today, he said, "the economy of the world is under unprecedented stress" and "a global strategy for food and energy is urgently required."

The President said that Kissinger next week will present to the United Nations the specifics of the U.S. offers he outlined today.

The United States is prepared to "not only maintain the amount it spends for food shipments to nations in need, but it will increase this amount this year," Mr. Ford said.

American Agriculture Department estimates, however, show that it would cost $12 billion to maintain U.S. world food aid simply at last year's level of $300 million, because of the soaring increases in commodity prices. President Ford, it was noted, committed the United States only to increasing the amount it spends on food aid, without pledging to increase the quantity.

President Ford said "America will continue to do more than its share. But there are realistic limits to our capacities." He said, "No nation can be expected to feed all the world's hungry peoples," and he repeatedly coupled energy cooperation with food cooperation.

The United States, he said, will set forth its "comprehensive proposals" at the World Food Conference in Rome in November.

He immediately added, "Now is the time for the oil producers to define their conception of a global policy on energy to meet the growing . . . without imposing unacceptable burdens on the international monetary and trade system."

Industrial nations appeared generally pleased that, as several of their diplomats said, the President had "talked so openly" to the Arab oil producers.

Saudi Arabia's Ambassador Jamil M. Barody, however, said Mr. Ford had "put the emphasis on oil—the emphasis should be on inflation."

Kuwait's foreign minister, Sabab A. A. Sabah, also representing one of the major oil-producing nations, said of the President's remarks. "I could not agree with everything he said."

[From the Washington Post, Sept. 19, 1974]

Payments Balance Plunges—Deficit Reaches $2.7 Billion in Second Quarter

A big increase in overseas investments and the high cost of foreign oil plunged the nation's balance of payments into a $2.7 billion deficit in the second quarter of the year, the Commerce Department reported yesterday.

The three-month deficit marked a dramatic reversal from the first quarter's $1.8 billion surplus. The balance-of-payments deficit means more money flowed out of the country than came in.

The deficit was attributed largely to an increase of $1 billion in overseas investments by Americans, and a $1.6 billion adverse balance in the nation's foreign trade. The high cost of foreign oil was the chief factor in the worsening trade picture.

In normal times, a big payments deficit could lead to a weakening in value of the U.S. dollar, which prompted the 1971 and 1973 devaluations of the dollar.

But a Commerce Department spokesman pointed out these are abnormal times and that U.S. dollars are in great demand by other countries as payment for their own oil purchases.

The United States has never had an annual surplus in the category of balance-of-payments known officially as the current account and long-term capital, which was reported yesterday.

However, the 1973 deficit was under $900 million, which represents a big improvement over earlier years.

Foreign investments during the second quarter totaled $1.6 billion, up from $600 millon in the first quarter. Part of this increase may have been due to investments by oil companies in their overseas subsidiaries, a spokesman for the Commerce Department said.

He said about $800 millon was invested abroad by U.S. banks.

There also was an increase in foreign investments in the United States, although it was less pronounced. Investments by foreigners totaled $1.5 billion during the period, an increase of $200 million from the first quarter.

The second quarter deficit was the biggest quarterly deficit in the balance of payments since the third quarter of 1972 when it reached $2.9 billion.

The Commerce Department also revised its earlier report of the nation's liquidity balance to show a total deficit in the second quarter of $6.2 billion.

The liquidity balance measures the flow of short-term money—loans and investments of less than a year in duration. The huge deficit was largely due to the lending of U.S. dollars to other nations for oil purchases, a spokesman said.

Higher average hourly earnings accounted for a $4.7 billion increase in private wages and salaries in August, the department said. There was little change in average employment and working hours.

Government wages and salaries declined $2.3 billion in August.

Manufacturing payrolls increased $2.5 billion as increases in hourly earnings and the length of the work week offset rising unemployment, the department said.

Farm income increased $1.5 billion in August because of higher prices for livestock and crops.

In other income categories, dividends and interest income increased only slightly.

For the first eight months of 1974, adjusted annual income was $1.13 trillion compared with $1.04 trillion in the same period last year.

In another economic announcement, the Commerce Department said yesterday that personal income in the United States rose $6.7 billion in August to an adjusted annual rate of nearly $1.2 trillion.

MORT HENKIN: SOUTH DAKOTA BROADCASTER

Mr. McGOVERN. Mr. President, the broadcasting industry in my home State of South Dakota lost a long and faithful servant and I lost a good friend in the death of Morton Henkin of Sioux Falls. His lovely wife, Sylvia, and his family have my deepest sympathy in their great loss.

Mort Henkin was the son of a pioneer South Dakota broadcaster, who carried on the family enterprises—which included both radio and television station operations over the years—and at the same time made notable civic contributions to his State and his community.

I ask unanimous consent that an editorial from Mr. Henkin's home newspaper, the Sioux Falls Argus-Leader, for August 28, 1974, be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Morton Henkin's Fine Service

In the death of Morton Henkin, Sioux Falls loses an outstanding and cheerful voice for his city and an effective civic leader.

Mr. Henkin, in his business career which spanned 38 years in this city, took an active role both in the communications industry of which he was a vital part and in the cultural and promotional activities affecting Sioux Falls.

As president of KSOO and KPAT–FM Radio, Morton Henkin kept in close touch with the ebb and flow of the news and the countless developments in the growth that characterized Sioux Falls during his business career. He was always a friendly and fair, although aggressive, competitor in the news and advertising business. The Argus-Leader and KSOO Radio in recent years cooperated on election coverage in Sioux Falls—an effort in which Mr. Henkin took personal interest.

He contributed notable service to the Sioux Empire Farm Show, and as president (1969) and a leader of the Sioux Falls Chamber of Commerce, an organization to which he gave countless hours. His interests and activities extended to other civic organizations in which he contributed much of his time and efforts. He was an accomplished musician.

Morton Henkin was proud of the mid-America from which he sprung. He liked to recount boyhood days at Madison and his association in business with his father, the late Joseph Henkin, a pioneer Sioux Falls broadcaster. He took pride in his community and family. He was a good friend.

This outgoing, stalwart voice of Sioux Falls will be missed by all who knew him!

THE CONTRIBUTION OF DEFICIT SPENDING TO INFLATION

Mr. FANNIN. Mr. President, in recent testimony before the Senate Committee on the Budget, Dr. Arthur Burns, Chairman, Board of Governors of the Federal Reserve System, testified that the reported budget deficit for fiscal year 1974 was vastly understated. This occurred because we did not include off-budget agencies and certain new extrabudgetary credit programs in our calculations of the deficit. Dr. Burns stated that—

> In the fiscal year just concluded, the conditions of the Federal budget failed to improve significantly. True, the reported budget deficit declined to about $3½ billion—a much smaller deficit than in the three preceding years. But in a year of such powerful inflationary forces, the Federal budget should have been in surplus. Moreover, when off-budget outlays and expenditures of governmentally-sponsored agencies are taken into account, as I believe they should be, the total Federal deficit reached $21 billion last year, which is not much lower than the extraordinary deficits of the three previous fiscal years.
>
> The financing of these huge Federal deficits has contributed powerfully to the upward pressure on interest rates and the tension in financial markets, which have been so troublesome of late. The disturbing effect of Federal borrowing on the flow of funds was illustrated dramatically earlier this month, when the Treasury went to the market to refinance some maturing debt obligations. Long lines of people formed at the doors of the Treasury and the Federal Reserve Banks to bid for the new securities offered by the Treasury. Half of the total $4.4 billion sought by the government was obtained through noncompetitive bids—that is, from relatively small investors. A large share of these funds undoubtedly came out of deposit accounts, and thus further reduced the ability of our financial institutions—particularly savings banks and savings and loan associations—to support homebuilding activities.

An editorial from the Wall Street Journal on August 28 commented on this problem. The editorial pointed out that—

> Just as there is a supply of goods there is a supply of credit. The federal government taps this supply when it borrows to cover deficits. Individuals and corporations also need to tap it, and when they do not get enough credit the whole economy slows down. When the government takes a larger share of the pie, there is less for others and economic slowdown threatens sooner. But the Fed controls the supply of credit through its control over bank reserves, and to head off the slowdown expands credit by inflating the money supply. Unfortunately, this sends more money chasing the same goods, and making prices go up.

Mr. President, I ask that the full text of the Wall Street Journal editorial be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Aug. 28, 1974]

Deficits, Borrowings and Inflation

There is a breed of economist that can be depended upon to find whatever argument exists for not cutting federal spending. At the moment they are reduced to arguing that if you throw in state and local governments as well as federal the budget is in balance anyway so why worry. And it's true that if you search through enough statistics, you come upon some numbers in the National Income Accounts.

Now, this is not exactly a picture of robust health. The chart's commanding feature is not the current precarious balance but the huge cumulative deficit run up since 1966; we would venture to suggest that this has something to do with the current difficulties. The current balance has been fueled by inflation's effect on tax revenues, and probably will vanish with the federal deficit expected in fiscal 1975. Finally, we presume a good fiscalist fine-tuner would prescribe a larger surplus, since we haven't noticed that the current balance has cured inflation.

More significantly, a simple-minded look at the National Income Accounts obscures the whole question of why deficits matter. Inflation is of course defined as too much money chasing too few goods. Government purchases represent money chasing goods, and deficits mean more government money chasing the same amount of goods. And looking at the NIA figures makes sense if you believe that is the end of the inflationary effect of deficits.

It is, however, barely the beginning. How much money chases the current store of goods depends far less on how much money the government spends through the Treasury than on how much money it creates through the Federal Reserve System. For the Fed's actions create not only money spent by the government, but money loaned by banks and spent by everyone. The deficits matter principally because of what they induce the Fed to do.

Just as there is a supply of goods there is a supply of credit. The federal government taps this supply when it borrows to cover deficits. Individuals and corporations also need to tap it, and when they do not get enough credit the whole economy slows down. When the government takes a larger share of the pie, there is less for others and economic slowdown threatens sooner. But the Fed controls the supply of credit through its control over bank reserves, and to head off the slowdown expands credit by inflating the money supply. Unfortunately, this sends more money chasing the same goods, and makes prices go up.

From this standpoint, what matters is not actually the deficit, but how much of the credit pie is taken up by government borrowings.

Once upon a time the federal deficit was a reasonably good measure of federal borrowings and thus demands on the credit supply and expansionary pressures on the Fed. So the conventional wisdom was that deficits cause inflation and budget balance cures it. This created a bit of discipline for Congress, which with its typical ingenuity evaded the discipline by inventing off-budget financing. The idea was that so long as the numbers didn't show up in the federal deficit, Congress could dream up a lot of new agencies that made demands on the credit pool.

Thus we have Fannie Mae, Ginny Mae, the Federal Land Banks, the Federal Home Loan Banks, the Export-Import Bank, the Postal Service, an Environmental Financing Authority, a new Federal Financing Bank and on and on, all making credit demands but not showing up in the budget. The Morgan Guaranty Survey dubs this process "debudgeting the budget."

Salomon Brothers' flow of funds analysis shows that borrowing by federal agencies increased to $21.5 billion in 1973 from $9.2 billion in 1972. The analysis estimates that their borrowings in 1974 will remain at $21.1 billion. In essence, the increase in borrowings by the agencies has offset declining borrowing to fund the deficit; over the last three years the government sector has continued to demand roughly the same high percentage of the available credit.

This means that the Fed continues under the same pressure to choose between slowing the economy or expanding the money supply. Or in other words, the impact of the government sector remains highly inflationary. Of course, you can deny this whole analysis if you believe it's simply government purchases that count. But let's settle the matter empirically: Which chart is consistent with the rate of inflation we currently observe in the economy?

THE U.S. ROLE IN THE DRAFTING OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, it is especially ironic and tragic that the Senate has refused to act on the Genocide Convention for a full quarter-century when we remember how instrumental the U.S. delegation was in the drafting of the treaty. The United Nations resolution which instructed the Economic and Social Council to consider preparation of a convention for the prevention of genocide was passed unanimously in 1946 with strong American support. The critical second draft of the Convention, the one finally to be adopted by the Assembly, though with some substantial changes, was prepared in the spring of 1948 by an ad hoc Committee on Genocide which was chaired by the U.S. representative.

This leadership is reflected in the language and underlying legal theory of the Convention itself. This is particularly noticeable in article III where genocide is defined as acts committed with the intent to destroy certain groups of people, in whole or in part, as such. It was the American legal genius which insisted that proof of intent as well as of the deed was necessary to convict a person of genocidal acts. Further, the Americans revised an earlier draft to preserve territorial jurisdiction, so that genocide would not be treated like piracy, the accused put on trial wherever they are apprehended. The crimes punishable under article III such as conspiracy, attempt, and complicity are all familiar to American lawyers.

The American delegation led the fight for the adoption of the Convention to which they had contributed so much. Just before the Assembly vote, the chief of our delegation, Assistant Secretary of State Ernest A. Gross said to the delegates:

> It seems to the United States delegation that, in a world beset by many problems and great difficulties, we should proceed with this convention before the memory of recent horrifying genocidal acts has faded from the minds and conscience of man. Positive action must be taken now. My government is eager to see a genocide convention adopted at this session of the Assembly and signed by all member states before we quit with our labors here.

Mr. President, those words were spoken 25 year ago. In all the time since then, the Senate has refused to ratify this treaty on which our delegation labored so diligently. That is outrageous. I call on the Senate to vote on the Genocide Convention before the end of this session.

REQUEST FOR CONSTITUENCY VIEWS ON THE NOMINATION OF NELSON ROCKEFELLER FOR VICE PRESIDENT OF THE UNITED STATES

Mr. WILLIAM L. SCOTT. Mr. President, I ask unanimous consent to print a copy of my current newsletter to constituents in the RECORD for the information of our colleagues.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WILLIAM L. SCOTT. Mr. President, you will note that the lead item requests the views of constituents on the nomination of Mr. Rockefeller to be Vice President of the United States. In my opinion, we have a major responsibility because we are acting in a field that is generally reserved for the voters of the entire country and, therefore, it seems reasonable to obtain as wide an expression of opinion from our respective States as we can before determining our vote for this important post.

EXHIBIT 1

BILL SCOTT REPORTS

CONSTITUENT VIEWS

It has been said that no king ever wielded a scepter more powerful than a lead pencil in the hand of an American citizen when he sits down to write his Congressman. Many Virginians are exercising their persuasive authority by contacting us regarding the pardon granted former President Nixon and also the nomination of Nelson Rockefeller to be Vice President.

Under Article 2, Section 2 of the Constitution, the pardoning power is vested exclusively in the President and court decisions have indicated that Congress has no authority to modify the exercise of executive clemency in individual cases.

The Rockefeller nomination, however, must be approved by both Houses of the Congress pursuant to the 25th Amendment of the Constitution. It is a substitute for the regular procedure under which the President and the Vice President are elected by the voters of the country. Therefore, I feel that this nomination is different from the customary right of the President to name his own Cabinet or the heads of the government commissions and agencies and welcome the opinions of constituents as to whether the nominee should be confirmed. It is expected, however, that the Senate will vote on the Rockefeller nomination within the next two weeks and if you desire to express your views, please do so as soon as possible.

MILITARY CONSTRUCTION

The Senate recently passed the Military Construction Bill for 1975 which authorized expenditures of $3 billion to construct and modernize our military facilities located here and abroad. About $1.2 billion will go to building new family housing, leasing units, maintaining present units, and to pay the interest and principal on mortgage obligations. The bill calls for the construction of about 100 family units at Fort Eustis.

The House-passed measure authorized expenditures of about $2.9 billion. As a result the two Houses will meet in conference to work out the differences between the bills.

A section of the bill provides $18.1 million to upgrade the naval and air support facilities on Diego Garcia in the Indian Ocean upon a Presidential finding that the expenditure is in the national interest. As you know, the Russians have their fleet in the Indian Ocean and the Defense Department considers it desirable that we maintain supply and support flexibility to counteract the Russian presence.

CARGO SHIPPING BILL

A few weeks ago, the Senate considered a measure that could have had a major impact on the shipbuilding industry in the Tidewater area of Virginia. The bill provides for an increase in the use of U.S. flag vessels in importing oil into this country. Proponents said that it would help strengthen the American shipbuilding industry and provide more jobs for our seamen and shipyard workers. It was argued that our national security posture would be improved by reducing dependence on foreign-flag vessels to meet our energy transportation needs.

However, opponents of the legislation said that it would be inflationary and raise the cost of oil to consumers. Some pointed out that the government already pays substantial subsidies for construction and $38,000 on the average toward the salaries of merchant marine officers and this measure would add to these costs. Some argued it would create an undesirable precedent, causing other nations to retaliate by putting similar restrictions on other imports to the United States. The bill, however, did pass the Senate, 42 to 28.

As you may know, we were successful on the Floor in knocking out a committee amendment that would have diverted government cargo from ports in Virginia and other coastal states to the Great Lakes. It appeared to be a bad precedent for the country to pit one section against another, and contrary to the best interest of the country.

It seems preferable to consider legislation that benefits the Nation as a whole and this amendment did appear to favor the Great Lakes region over coastal states. A copy of my remarks is available upon request.

PENSION REFORM

Congress recently enacted a pension reform bill which will give added protection to approximately thirty million employees in private business covered by company pension plans. It is understood that committees of both Houses of Congress have worked for several years to obtain a measure acceptable to both labor and business, and the complex measure finally approved, containing more than 200 pages, does appear to be very worthwhile.

While private pension plans reportedly have increased substantially in recent years, *there are instances* reported of workers losing all benefits even after relatively long service because they gave up their rights to benefits upon leaving their employment prior to retirement age. Others were reported to have incurred hardships because their companies went out of business without funds in the pension plan to pay the accrued benefits.

Enactment of this bill, the Employee Retirement Income Security Act, should give workers assurance that their retirement benefits will be available when needed. It will establish standards for employee participation in private plans to encourage earlier participation and longer periods over which benefits can be earned. In addition, the new law will provide for "vesting" rights so that workers entitled to retirement benefits actually obtain them and it will permit employees to transfer some of their pension benefits to other plans or to their individual retirement accounts.

FOREIGN SERVICE JOBS

The Department of State has asked that we let constituents know that jobs are available in the Foreign Service. We are told that applicants must be American citizens and at least 21 years old as of the date of the written examination, which is scheduled for December 7, although an exception is made for those who are 20 if they have successfully completed their junior year of college. Persons wishing more information may contact our office or write directly to: Board of Examiners for the Foreign Service, Rosslyn Station Box 9317, Arlington, Virginia 22209.

SEATBELTS AND BIG TRUCKS

An interesting discussion was had in the Senate a few days ago with regard to mandatory interlock devices on automobiles. As you may know, Federal regulations now require that all new automobiles have a locking device which prevents the starting of an automobile motor until seatbelts are fastened. One Senator recalled that he couldn't start his car even though his seatbelt was fastened and walked several miles to find a mechanic to help him. The mechanic found the cause of the trouble to be a loaf of bread and a pound of cheese on the seat beside the Senator had activated the interlocking device, preventing the starting of the automobile.

Most citizens favor the use of seatbelts and undoubtedly they reduce the number of deaths and injuries in automobile accidents. However, the views were expressed that a warning light would be sufficient and that a driver should not be prevented from even starting the motor of his car because the seatbelt was not fastened. It does appear to be an undue restriction on his freedom to decide for himself whether or not he wants to wear a seatbelt. Most of the Senate agreed to eliminate the mandatory feature and it is hoped, since the House had a similar provision in a bill it passed, that the Federal regulation will be eliminated.

The seatbelt requirement was a part of a general Federal-Aid Highway Bill which also included a controversial section increasing the permissible weight of trucks on interstate highways. Opponents of heavier trucks expressed concern over the safety of motorists and the adverse effect of the heavier weight on bridges and roads, while supporters argued that the increase was needed for economic reasons. Of course, we recognize the importance of the trucking industry as one of our major methods of transporting goods throughout the country and would not want to unduly burden this industry.

Nevertheless, it does seem reasonable that we consider safety features and the cost of maintaining our highways. At a time when people seem to be moving toward smaller cars, it does not seem consistent with safety that we have an increasing number of smaller passenger cars and larger trucks on our highways. A copy of my floor statement on these matters is available upon request.

NORFOLK FEDERAL BUILDING

General Services Administration has recommended that a new Federal Building be constructed in downtown Norfolk to serve the general Tidewater area. It indicated that existing Federal or leased structures in the Norfolk area are inadequate and asked that authority be given by the House and Senate Public Works Committees to proceed with plans for a new facility to house various Federal agencies serving the area. A hearing on the project was held by our Subcommittee on Buildings and Grounds a few days ago and it appears that the proposal will be approved.

PAMPHLETS AVAILABLE

Our office has a supply of the government publications listed below. Let us know if you would like copies of any of them.

The Real Facts About Food
American Revolution Bicentennial Adm., information pamphlet
Keeping Food Safe to Eat
House Plants

INFLATION

President Ford has been criticized for a number of decisions during his first few weeks in office. However, there is little doubt of his correctness in naming inflation as our number one domestic problem. Among the actions taken by the Congress in the economic field is the passage of a budget control law and the creation of new committees on the budget. The budget committees of the House and Senate will determine how much revenue may be expected to be received in advance of the President's budget message to the Congress next January, as well as how much should be expended. While the President will not be bound in his recommendation by any limit set by the committees, it will undoubtedly be persuasive. The new law will strengthen the position of the Congress in dealing with the Executive budget, and, of course, the Congress has ultimate control over government spending.

A Senate resolution also suggested that an economic summit meeting be held with participation of top government, business and labor leaders to help develop a sound program for improving our economy. The President agreed with the Senate suggestion and a series of such meetings sponsored by the White House are now being held. The summit meetings and the new budget control law should both be helpful in finding ways of reducing the inflationary pressures and strengthening the economy.

I personally believe that deficit financing by the government has been a major contributor to inflation but a lack of confidence in the economy has also contributed to stock market declines and some retrenchment by the business community. Congress, of course, must assume responsibility for the national debt now approaching the half trillion mark with interest on the debt costing approximately $60,000 a minute. Perhaps we need to depend less on government to solve individual problems. We might also note that inflation is not restricted to this country but is a worldwide problem with many nations experiencing a much higher degree of inflation than our own. This recognition, however, is of little comfort when we see the continual rise in prices we must pay for the purchases we make and if you have any constructive suggestions in this important and complex field, they would be most welcome.

DAYLIGHT SAVING

The Senate recently adopted an amendment to the Energy Reorganization Act to eliminate daylight saving time during the months of November, December, January, and February. As you will recall, daylight saving was extended to a year-round basis during the energy crisis. However, last winter a government study concluded that the time change had a very limited effect in reducing the amount of energy consumed. Many parents expressed their concern over the safety of their children while waiting for school buses during predawn hours. Farmers were having to perform chores before daybreak and construction workers complained that they could not do their jobs until after sunup.

It seemed reasonable to profit from last year's experiences, and to retain daylight saving for eight months of the year but to eliminate it during the four winter months when the days are shortest. Copies of my remarks on this proposal are available upon request.

MIKE MANSFIELD

Mr. CRANSTON. Mr. President, Mike Mansfield is a man of few words. I shall try to emulate him.

Mike Mansfield is a great Democratic leader. He is also, and more importantly, a great democratic leader.

To be a successful leader in a democratic society calls for wisdom, intelligence, integrity, candor, honesty, and understanding. It also demands humor, humility, patience, compassion, courage, and above all, a profound respect for one's fellow man.

Mike Mansfield epitomizes all these attributes. In spades. He is the kind of man all of us would like to be. Only a very few ever make it.

FORMER SSA CHIEF ACTUARY ENDORSES NATIONAL SOCIAL SECURITY COMMISSION PROPOSAL

Mr. FONG. Mr. President, for some time I have been urging creation of an independent, bipartisan national commission to maintain continuous overview of the social security system and to make regular reports to the Congress, the President, and the American people. To accomplish this, Senator Fannin and I introduced Senate Joint Resolution 48 early in the first session of this Congress.

I am pleased to report receipt of a letter in support of the Fong-Fannin proposal for a national commission from one of the most distinguished authorities on social security, Mr. Robert J. Myers, who served for more than 20 years as Chief Actuary of the Social Security Administration.

No individual is better qualified as an expert on the social security system than Mr. Myers. His involvement with this important program as an actuary began before enactment of the Social Security Act in 1935.

He became chief actuary in 1947, serving the Social Security Administration in that capacity until his resignation in 1970. At that tme he became professor of actuarial science at Temple University, a post he now holds.

A past president of both the Society of Actuaries and the American Academy of Actuaries, Mr. Myers has published two books: "Social Insurance and Allied Government Programs"—1965, and "Medicare"—1970. He has served for many years as a consultant to various committees of the Congress.

Mr. Myers' worldwide reputation as an authority is attested by his missions of technical assistance in connection with social security or pension programs in Bermuda, Bolivia, Colombia, Cyprus, Dominican Republic, Ethiopia, Greece, Honduras, India, Iran, Israel, Japan, Jordan, Liberia, Malaysia, New Caledonia, Nicaragua, Panama, Peru, Puerto Rico, Saudi Arabia, South-West Africa, Surinam, Ryukyu Islands, Trust Territory of the Pacific Islands, Venezuela, Vietnam—South, and West Germany, and his missions to study social security systems of Ceylon, England, Greece, Lebanon, New Zealand, Philippines, Soviet Union, Sweden, Turkey, and United Arab Republic.

Mr. Myers' letter was prompted by my floor statements on July 11 and 22 on behalf of Senate Joint Resolution 48 when I invited attention of the Senate to an article in U.S. News & World Report and an editorial in the Wall Street Journal about financial problems facing social security. Both articles were triggered at least in part by the report this year by the social security trustees that the retirement benefits program is now underfinanced by 3 percent of payroll subject to social security taxes.

On numerous occasions I have described social security as the Nation's biggest business. I am committed to doing all I can to be sure that it continues to perform its essential role on behalf of our people with maximum efficiency and equity.

Every citizen has a serious personal interest in the social security system's present and future. Millions of people depend on it for income today. Millions more rely on it for the future. Payments to current beneficiaries and taxes necessary to its support run into billions of dollars each year. Foreseeable obligations of the system amount to hundreds of billions of dollars. That such a massive and vital program is not now subject to continuing and through-going review by an agency charged with no other responsibilities is, in my opinion, indefensible. It is to correct the present overview deficiency in the Social Security Act that the Fong-Fannin proposal for a National Social Security Commission was introduced. Mr. Myers' endorsement of it is most welcome.

The Fong-Fannin resolution would create a permanent blue ribbon panel of highly qualified persons, including experts in actuarial science and economics, who would maintain a constant surveillance of the social security system with regard to its benefit adequacy, fiscal integrity, equitable treatment of beneficaries and the system's interrelationship with and impact on America's whole economy.

National Social Security Commission members would be named on a bipartisan basis by the President pro tempore of the Senate, the Speaker of the House of Representatives, and the President, with Senate confirmation of Presidential appointees. It would be assisted by a permanent staff totally independent of the Social Security Administration.

The proposed permanent commission would be a replacement for the Advisory Council on Social Security, which is currently charged under the law with responsibility for a quadrennial review of social security. The limited kind of overview now provided through the Advisory Council is hardly adequate to the needs of such an important part of American life. That it is appointed but once every 4 years, with an obligation to make its report within a year or less, virtually assures that independent, in-depth analysis of the factors important to a successful social security system will be difficult, if not totally impossible.

This weakness in the present approach is emphasized in Mr. Myers' letter. That his comments are based on direct personal observations of the Advisory Council's work since its establishment gives them special weight. Mr. Myers accords full recognition to abilities of distinguished members of the present council and its predecessors, as I have done in previous statements, and also reiterates my contention that the method of appointment and conduct of the Advisory Council's business puts insurmountable obstacles in its path—at least if the object is comprehensive review and the best possible recommendations for the future of social security.

I am pleased to see, as reported in Mr. Myers' letter, that the current Advisory Council has had the foresight to engage outside consultants to assist in its deliberations. I fear that the council will, however, remain too dependent on the system's administrative staff, a circumstance which will not permit the kind of independent review that social security should be receiving on a continuing basis. Mr. Myers comments on the extremely short period of time the present council will have had available to it for its work. Even under the most favorable circumstances, it is likely that its report will leave unanswered many serious questions of interest to the Congress and the people.

We live in a highly dynamic society in which factors important to social security, and the millions we want it to serve, are undergoing constant change. We need a review system that is immediately responsive to them and which will maintain a constant check on the impact, favorable and negative, of this dynamism. This is impossible under the type of quadrennial review now in effect.

Changes in birth rates, spiraling rates of inflation, and shifting patterns of wages are but a few examples of developments which have occurred in recent years that have impact on social security. Others to which careful study and attention should be given include changes in life expectancy and retirement practices. Not the least of the matters which deserve most careful analysis is the interrelationship between the growing private pensions system, other governmental programs offering income assistance to the aged and the social security system's old-age, survivors, and disability insurance program.

It is vital for the future that the American public and the Congress have readily available to them the information and expert opinion, including divergent views as appropriate, which would be produced through the National Social Security Commission envisioned in the Fong-Fannin resolution.

In his letter, Mr. Myers suggests some possible changes in Senate Joint Resolution 48, which he feels would make it more effective. I welcome them. I would appreciate any other recommendations.

I believe I can speak for both Senator FANNIN and myself when I say that we are not wed to the precise language or details of Senate Joint Resolution 48. We are interested in making the social security system more effective in meeting the needs of the American people.

To do this, we believe it is important to provide for continuous review of social security by an independent agency composed of highly qualified persons. We believe its appointment, as envisioned in the Fong-Fannin proposal, should be on a truly bipartisan basis. As noted by Mr. Myers in his letter, we also feel it would be helpful to have appointment by the Congress as well as the executive branch. We are willing, indeed eager, to accept other changes in our proposal. We are firm in our view, however, that the fundamental elements in the proposed National Social Security Commission be retained in any legislation which is adopted.

I would like to publicly thank Mr. Myers for taking time to write to me offering his support of Senate Joint Resolution 48. I urge all Members of Congress to give careful reading to his letter, and I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ROBERT J. MYERS, F.S.A., M.A.A.A.,
Silver Spring, Md., August 28, 1974.
Hon. HIRAM L. FONG,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FONG: I read with great interest the statements that you made on the floor of the Senate on July 11 and July 22 in connection with publications commenting on the financial situation of the Social Security program.

You quite correctly point out that the solution of this serious problem could probably more readily be found if there were in existence the independent National Social Security Commission which would be created by Senate Joint Resolution 48 introduced by you and Senator Fannin. I most certainly agree with you on this important proposal.

The present approach of having a statutory Advisory Council on Social Security appointed every four years by the Secretary of

Health, Education, and Welfare and functioning for only a temporary period has had certain beneficial results in the past. However, I believe that a permanent Commission, with its own independent staff, such as you propose, would have all of the advantages of the present advisory council approach and many more as well.

The weaknesses of the present procedure are several. The members of the advisory councils have been distinguished persons, with many of them having previously had significant knowledge of the working of this intricate program. However, they are *all very busy* and important people with many demands on their time, and so, in the short period available, they cannot build up as deep a knowledge and experience as would be possible with a permanent Commission. For example, the present council was not appointed until April of this year, and so it has less than nine months to complete its important task.

Another difficulty with the present procedure that would be solved under your proposal is the failure of the advisory councils *to have* completely independent staffs of their own; rather, in the past, they have relied largely upon the staff of the Social Security Administration. The present Council, however, has made some changes in this manner of operation by having a number of independent consultants of its own. The difficulty with relying on the Social Security Administration staff is that, naturally, they are under the control of the Executive Branch and its political appointees so that bias can result.

One further difficulty that I have seen over the years—and I believe that I am the only person who has been associated in one way or another with every advisory council and committee since the program was inaugurated in 1934—is that the staff always seems to flood the council members with vast quantities of reports at the last moment. Thus, the council members, being very busy people, cannot wade through all this material and at the same time do the necessary and desirable independent thinking about the major policy problems.

Still another difficulty with the present procedure of having advisory councils is that they are named entirely by the Executive Branch and thus, in essence, by only one political party. Although there has usually been the attempt to have good representation of different groups and interests, there have been times when real diversified representation was not obtained. And this has been true in both Democratic and Republican administrations. On the other hand, your proposal would quite adequately assure good political diversification, although it might be further improved if the Commission also included one member recommended by national business organizations and one member recommended by national labor organizations.

Sincerely yours,

ROBERT J. MYERS.

THE LYRIC OPERA OF CHICAGO

Mr. PERCY. Mr. President, the year 1974 is a landmark year for the Lyric Opera of Chicago, for it marks the 20th season of grand opera in Chicago, an anniversary of which all Chicagoans can be justifiably proud.

In 1954, the Lyric Opera of Chicago was founded by Miss Carol Fox, who has been singularly instrumental in building the organization to its current internationally renowned status, and who has served as the opera's general manager since its beginning. In this, its 20th season, it is entirely appropriate that we pay national tribute not only to the Lyric Opera of Chicago but to Miss Carol Fox as well.

Born and reared in Chicago, Miss Fox studied music in Chicago, New York, and Italy before forming the Lyric Opera of Chicago, originally known as the Lyric Theatre of Chicago. Under her outstanding leadership for the past 20 years, the Lyric Opera has presented nearly 100 different works and has attracted the attention and respect of opera and ballet lovers around the world.

Miss Fox has been honored with numerous awards from organizations and institutions here and in Europe, but perhaps the greatest honor for Miss Fox and for the opera comes this year: the Lyric Opera of Chicago has been selected to host the Fourth International Verdi Congress, honoring the great Italian composer Giuseppe Verdi. This distinguished event will attract experts and scholars from around the world, and the Lyric Opera and Miss Carol Fox deserve warm praise from all of us.

I offer my own congratulations and those of my colleagues, who, I am certain, share my appreciation for the fine accomplishments of the Lyric Opera of Chicago, in this its 20th season.

I also commend those distinguished men and women who have contributed so much in financial support and personal time as board members and in other capacities to insure the great achievements of Lyric Opera throughout the past 20 years. They have made it a glittering jewel in the cultural life of Chicago and thereby enriched the quality of life of our Nation and the great city of Chicago.

FATHER THORNING—PADRE OF THE AMERICAS

Mr. MATHIAS. Mr. President, a parish priest who is known to several generations of western Maryland residents has managed to combine his mission at home with far sighted efforts to foster better relation with Latin America. Rev. Joseph F. Thorning has been untiring in his work as a rural priest and in his additional careers as author, lecturer, educator and internationalist.

In the years before improved roads and urban sprawl, Father Thorning travelled the byways of Frederick County and western Maryland, serving the people of Urbana, Buckeystown, and other communities as remote as Point of Rocks.

In those same years, he established a record as one of the early foresighted Americans to look south, and perceive the importance of developing the inter-American community. In 1944, he helped in bringing about congressional action to establish the annual Pan American Day Celebration in the U.S. Capital. Each year, for the past 30 years, he has been on hand to offer the opening House prayer on that day. Father Thorning has been honorary chaplain of the Inter-American Defense College since 1945, and has won the praise of the U.S. Marine Corps in a citation for his valuable contributions over the years. He has earned the accolade "Padre of the Americas."

These many varied pursuits have not been at odds, because the context of his activities has always been a religious one. In a book published on the eve of World War II, a chapter titled "True Internationalism" used an apt phrase, which not only summarizes his attitude, but also has a message for the entire American people. He has said:

> Every nation in the world may be pictured in the imagination as surrounded by two walls, one of flesh and one of spirit. The weaker the wall of spirit, the higher must rise the wall of flesh. The stronger the wall of spirit, the more easily and more securely may it dispense with the outlying wall of steel.

THE ECONOMY

Mr. ROTH. Mr. President, I was pleased to participate in the annual Labor Day celebration in Wilmington. This year's program was a particularly meaningful one because it was held in memory of the late Clement Lemon, a fine man and an outstanding labor leader who headed the labor movement in Delaware for a number of years.

Through the years, the labor movement has been joined by members of this body in transmitting concerns about problems into meaningful action. The concerns of labor frequently are the concerns of us all and today, as in the past, we have a commonality of interest as we look at the problems of the economy. A speech which summed up the situation facing the working man, woman, and the Nation far better than anything I have heard in a long time was given by J. Thomas Schranck, Delaware's Secretary of Labor, and I would like to share it with my colleagues as well as others in Government here in Washington.

Mr. Schranck points to the strength of our system of government in withstanding shocks which would topple other governmental systems. He emphasizes the interdependence of our economy with that of the rest of the world. He calls for labor statesmanship which recognizes that employer and worker have more in common than they do in conflict. Most importantly of all, he emphasizes the need for a partnership of labor, business, industry, and Government.

This is an approach I too have advocated as a way to solve this country's problems and I commend Mr. Schranck for the approach he is taking to meet the economic dilemma of double digit inflation and recession. His speech is worth the attention of those of us in Government. Truly today we are badly in need of intelligent, well thought out ideas such as these if we are ever to lick these difficult problems.

I ask unanimous consent to have the speech of Mr. Schranck printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

LABOR DAY ADDRESS

(By J. Thomas Schranck)

Labor Day is and should be one of the most important holidays on our calendar, for today we pay tribute to the working men and women of this country and the labor movement which has accomplished so much.

It has been the work of millions of men and women which built this country from the days when the earliest settlers hacked their homes out of the wilderness. And, thanks to unions, today's workers enjoy more of the fruits of their labor and ability than their parents did even a generation ago.

The debt we owe to such men as Samuel Gompers, Phillip Murray, John L. Lewis, George Meany, Walter Reuther and Clem Lemon cannot be repaid except by dedicating ourselves to responsible and creative union leadership.

There could not be a more critical time for the worker than today, with the value of his paycheck pared down more and more by the sharp, cutting edge of what the President calls "domestic enemy number one"—inflation.

In normal times we have more or less taken our paychecks for granted, but we cannot do so today. And what happens to the individual worker's paycheck is taking on greater and greater significance with each rise in the cost of living index, because we are, basically, a nation of wage earners. Eight out of ten workers depend completely on their paychecks to provide for themselves and their families. Only a relatively few work for themselves.

In effect, we have what is frequently called a job economy.

Our economic well-being as a nation depends on the size and regularity of that wage or salary on which we depend for all of the necessities and all the niceties of life.

That's one side of the coin.

Our workers are the backbone of this country, every worker is important and each one makes a real and tangible contribution to our economic well being.

The economists in the ivory towers of academia or modernistic computer-equipped offices call our system capitalism. But it has been the achievements of our workers which have given this nation the highest standard of living in the world. And to do that, their achievements have been staggering in comparison to those of workers in other nations. So I call our system the worker's economy.

The American worker has made our society the strongest and most creative in the world while we have built a political system which can withstand shocks which would have reduced other nations to chaos.

It is appropriate today to look at how much government has contributed and continues to contribute to productivity and the job security of the American worker. We sometimes forget how much government has helped to produce conditions which make the American wage-earner the best paid and the best protected worker in the world.

And I'm not talking only about what has been done in Washington. I'm talking about what's happened here in Delaware, too.

This doesn't mean that I can't understand the workers' beef about many of the things government has done, or failed to do, and may still be doing today. There are always two sides to a coin.

I don't need a hearing aid to hear the howl of workers whose wages are losing purchasing power because of inflation. But we must remember that inflation is not only hitting American workers, but inflation is world-wide and some solutions to the problem must be world-wide, even though there is even more to be done here at home.

As we all know, the President has made his primary target what he calls "domestic enemy number one"—inflation, and Congress has responded. Now it is time for business, industry and labor to respond, too.

Then, hopefully, within a few months the cutting edge of inflation will be dulled considerably, although it will take longer to bring it under full control.

In Delaware, under the leadership of Governor Sherman W. Tribbitt, we have an effective, statewide unemployment insurance program, which pays to all insured workers who are jobless through no fault of their own. In the past years we have increased the maximum weekly unemployment compensation from $50 to $85. We have a workmen's compensation law.

We have an effective, statewide employment service with ties to the employment services of all the other states.

The employment service also administers tests to all persons taking examinations for apprenticeship training.

The statewide apprenticeship and training program also involves the employment service, as well as unions, employers, the State Apprenticeship and Training Council, the U.S. Bureau of Apprenticeship and Training, the State-County CETA Manpower Consortium and the State Vocational Education System.

Career education—that is education and training in our schools aimed at preparing youth for successful working careers—is a major component of our public education system, including vocational education.

So, as you can see, government at all levels is deeply involved in serving the working man, as, for example, in the public services jobs provided by city, county and state governments under the emergency employment act and various uses of revenue-sharing funds.

There are many other programs to promote the skills, earnings and effectiveness of individual workers and job security to the limit of our ability to provide it.

The services provided workers are many, but nevertheless, the worker's mainstay is his paycheck, which is where he is hurting most right now.

I wonder how many of us realize, however, just what our paychecks mean to us and to the national, state and local economy. It's the consumer who pays the bill, and the bulk of our consumers are working men and women.

Without jobs we cannot earn these necessities and amenities, but as the value of our pay and fringe benefits decreases, we earn less and less of the things that are vital to both our welfare and our standard of living.

So what happens, when we have to stretch our dollars?

Something has to give, and we go without what we can't afford, and, as a result, somebody's job is affected and in the end many jobs are affected.

And what do we do to offset the effects of inflation?

Of course, we push for higher wages, personally or through collective bargaining. When millions of workers get higher pay, prices go up, as we all know, and the inflationary spiral just keeps going higher and higher.

In the end, as you know, something else has to give before prices can come down and our earnings can match our needs—or so we hope.

Many economists, who think in broad, really inhuman terms, say that the best way to curb inflation is to allow for—actually encourage—a higher unemployment rate, with "acceptable limits."

To me this is inhuman. Why should even one person be penalized because business, labor, government and industry, working together cannot find ways to curb inflation without a severe cost to individual human lives?

After all, this is a nation of workers, and workers who are willing and able to give good service in return for an equitable wage should not be made to suffer.

Probably the most dangerous factor in the continuation of the inflationary spiral is what could be called a game of "catch up." When prices of raw materials rise, the businessman raises his prices, when retail prices rise, salary and wage demands rise, when an employer's salary or wage costs rise, he raises prices. We all know that. Then, when there are shortages, prices rise again as businessmen try to take advantage of demand.

The result is everybody keeps trying to keep ahead or catch up and the inflationary spiral mounts higher and higher.

The job we have to do in this country is to break up this vicious game, but one segment of the economy cannot do it while the others don't. Usually, there is a lag between wages and prices, which is why the worker is hardest hit. So you can't have a ceiling on wages unless there is a ceiling on prices, and you can't have a ceiling on prices unless you have a ceiling on profits.

So somewhere along the way something has to give. And I don't believe workers should be the first to be penalized, either—by an arbitrary wage freeze with no adjustments on prices and profits.

The game of "catch up" must stop!

Congress and the President are going to be giving this problem first priority and will begin working hard on the problem immediately after the Labor Day weekend.

But we can't just rely on the President and Congress.

We have to get into the action here as well, and we have to make our views felt by our state legislators as well as by Congress and the White House.

If there is going to be sound economic statesmanship, we have to do our part to make sure that no part of our economy is penalized, especially the worker, who is, as I have already said very emphatically, the backbone of our economy.

And that means we must not stand still while bankers, bureaucrats and economic theorists tinker with monetary policy to reduce inflation on the basis that a certain level of unemployment is "acceptable." That kind of thinking reminds me of something I once heard. When your neighbor down the street is out of a job, there's a job shortage. When your brother-in-law is out of work, there's a recession; but when you're out of work, there's a depression for sure.

All joking aside, there is no acceptable unemployment rate!

To say so is to deny one of the fundamental principles of our democratic society—the individual's opportunity to work and provide for himself and his family.

This means that we must exert our joint influence and exert pressure on all government—Federal, State and local—to insure economic justice.

That requires a type of labor statesmanship which recognizes that employer and worker have more in common than they do in conflict—the health and stability of our economy.

That means that we have to begin talking with each other on the basis of the economic well-being of society as a whole—of our whole economy. This all adds up to the security and welfare of the people who create the goods and services upon which our Nation's greatness depends and upon which a healthy world economy must be based.

We cannot sacrifice the welfare of individual workers for some abstract economic good.

What I'm talking about, really, is the type of leadership at all levels of government and in all segments of our national community which puts the common good first.

While our business executives and labor leaders are working on this aspect of the problem, there are still other things which can be done by the Federal, State and local government, by unions and by employers.

Among these are: Upgrading the skills and productivity of workers, particularly the less skilled ones who have no secure place in a highly sophisticated world of work where training, education and experience paid off in dollars.

We are doing this with various programs.

We must develop new industries which can absorb the hard-core unemployed, before or after training. We need to do a better job of matching jobs and workers.

We need to learn to use available knowledge and skills more effectively to reduce the cost of doing business, and we need to make room for improving technology without jeopardizing individual workers' jobs.

These things are in the works in one place or another, but it's time for government here to form a partnership with business, industry and labor to see what we can do with *these various* approaches to reduce unemployment, raise productivity and wages and bring new industry in to absorb our growing surplus of workers.

This is the time for action, and what better day to call for action to serve the state through better services for workers and employers than on Labor Day.

It's taking the narrow view which we must avoid, and it's up to us through pressure on our leaders to make sure that the right action—the action which serves us all best—is what is taken, not action which serves one group at the expense of the other.

I won't say the outlook is rosy: I won't say it's all gloom and doom.

What I will say, is that we have the power in our hands, through the democratic processes of government and of our union organizations to decide which it is going to be and to put our brains and brawn behind the effort.

The choice is ours, and on this Labor Day, 1974, I believe it is the time for organized labor in the United States to prove that it can continue to produce the George Meanys, the John L. Lewises, the Phillip Murrays, Walter Reuthers and Clem Lemons who have made labor an equal partner with business and industry in the dynamic growth of this country.

So, as soon as the holiday is over, let's get to work!

A REPORT ON THE AGRICULTURAL SITUATION

Mr. THURMOND. Mr. President, the National Grange has long been recognized as one of the foremost spokesmen for the farmer and rural America. Likewise, the South Carolina State Grange is one of the most prominent and respected farm organizations in our fine State.

Recently the agriculture committee of the South Carolina Grange issued a very broad and comprehensive report identifying the issues and concerns of South Carolina's farmers and rural citizens. Many of the problems and recommendations identified by this South Carolina agricultural group are now or should be concerns of the entire Nation. I would like to commend the agriculture committee of the South Carolina State Grange for a very thorough and thoughtful summary of the agricultural situation. Mr. President, I ask unanimous consent that portions of this report which pertain to the national agricultural scene be printed in the RECORD immediately following the conclusion of my remarks.

There being no objection, portions of the report were ordered to be printed in the RECORD, as follows:

REPORT OF THE AGRICULTURE COMMITTEE OF THE SOUTH CAROLINA STATE GRANGE

We commend the Secretary of Agriculture, Earl Butz, for his role in the defense of agriculture and request that he make available more funds for publicity of the farmer's plight, emphasizing agriculture's role in our nation's economy.

We commend the Agriculture Committees of the U.S. House of Representatives and the U.S. Senate for diligently working to pass the Agriculture Act of 1974; however, we believe that the support prices are inadequate and that the target prices should be raised in order to insure farmers a fair return on their investment.

We heartily commend the Land Grant Colleges and the Cooperative Extension Service for keeping the farmers informed regarding progress in agriculture.

Resolved: that the American people be assured that imported food products meet the same high standards as required for domestic producers.

Resolved: that the Secretary of Agriculture continue research on marketing American farm products while maintaining an adequate supply of foodstuffs for American animal agriculture.

Resolved: that the National and State Grange use their influence and resources to educate the public regarding the use of insecticides, herbicides, and other farm chemicals needed to produce food and fiber for our survival.

Resolved: that all farm products be cleaned, packaged and marketed in a creditable manner, giving correct weights and measures in order to encourage trade.

The Agriculture Committee of the South Carolina State Grange recommends the following:

1. That a Rural Environmental Conservation Program (R.E.C.P.) continue to be made available to conserve our land and natural resources for future generations.

2. That proper departments make a thorough study of the existing Welfare and Food Stamp Programs which deny the individual the incentive to work and result in shortage of labor.

3. That the United States Department of Agriculture and the Congress oppose acreage control of soybeans and request a greater research program for a more varied use of soybean products.

4. That USDA and the Food and Drug Administration set up, at the earliest possible date, tolerance levels for antibiotics, food and fiber for human consumption, and that no insecticide be banned unless it can be proven beyond reasonable doubt to be harmful to mankind.

5. That USDA, the National Wildlife Service, and the Department of Wildlife of the State of South Carolina provide for increased and speedier research for blackbird, starling and cattle egret control.

6. That county boards of education, high school superintendents and principals be strongly encouraged to maintain adequate vocational agriculture and home economics departments in high schools attended by rural youth.

7. That the State Grange voice its opposition to the tactics of the UFWOC, stating that the growers should not be forced into recognizing unions that their workers do not want, and that the State Grange use all its influence to strongly and vigorously oppose all boycotts of all food and fibers.

8. That the S.C. State Grange recognizes the necessity of a reserve food supply to meet the needs of America, and that we prefer that the food supply be stored by producers of cooperatives as far as is practical.

9. That the S.C. State Grange and the National Grange request USDA to lower the interest rate on loans for farm-stored products to a reasonable rate.

10. That the S.C. State Grange is concerned about the approaching land use legislation, and we urge our members to participate in groups of districts in order to have a part in formulating land use regulations or laws; that Grangers should serve on boards or committees; and that we must make our thoughts known and try to protect the farmers' interests.

11. That whereas, the farm population has become a very low percentage of the total population and continues to decline; and whereas, the Farm Coalition, representing some thirty-two farm organizations and commodity groups, presents the view of agriculture (with the exception of one organization); therefore, be it resolved that we support the efforts of the Coalition and urge that they seek the active support of nonagricultural groups to secure effective farm legislation.

TOBACCO

We commend the Secretary of Agriculture and the Tobacco Associates for their efforts to assist tobacco growers to maintain and promote the sales of flue-cured tobacco. We commend Mr. L. T. Weeks of the Agricultural Stabilization Board for his work on Title 16.

We recommend that tobacco growers be allowed to sell, lease, or transfer their tobacco allotments within the state.

We strongly recommend that USDA continue the grading service for tobacco, but that the grade cards be turned over so that the grade will not be visible to the buyers.

We favor the tariff reduction on tobacco and other products and feel that this will promote free trade on all commodities.

We strongly recommend that Congressmen and Senators continue quotas and price supports on tobacco.

We urge that all markets on the flue-cured industry have the same sales opportunity.

The S.C. State Grange earnestly solicits USDA and other departments concerned with production and marketing of tobacco to continue necessary study and research for improvement of present prices and marketing methods.

COTTON

We recommend that price differentials between grades of cotton be cut in half.

We believe that acreage should not be increased until absolutely necessary, resulting in demand market control.

We recognize that research is the foundation of knowledge, improved methods and new techniques in agriculture production and marketing. Therefore, we urge adequate funding for continued and accelerated research by USDA, the land grant colleges, industry and other agencies in the field of crop disease, pest and insect control, and new or expanded uses for cotton.

We support the Cotton Research and Promotion program and give full endorsement to the $1.00 per bale contribution for these purposes, as supported by growers in referendum.

LIVESTOCK

Whereas, the current market prices of livestock are forcing many farmers out of production; therefore, be it resolved that the S. C. State Grange, with the cooperation of the National Grange, asks that a study of the discrepancies of prices between the producers of livestock and consumers of meat be made by the proper officials.

The S. C. State Grange encourages the consumption of S. C. livestock products and supports such legislation as would protect the consumer against foreign imported meats by making it mandatory that the label show the kind of percentage of imported meats contained therein.

We recommend that a severe penalty be imposed on anyone convicted of livestock rustling.

We recommend that research in disease and disease control in swine and cattle be continued.

We recommend a more rigid enforcement of inspection for disease in cattle, swine, and all classes of livestock, especially those transported into South Carolina.

We urge that livestock producers seek closer cooperation between all segments of the livestock industry, particularly with county, state, and national livestock associations that are fighting to keep the livestock industry free of production.

FORESTRY

Whereas, the use of forest products has continued to increase to the extent that some areas in South Carolina are harvesting timber faster than the annual growth; and

Whereas, forest products rank high in the dollars produced in South Carolina; and

Whereas, new forest products, newly built industries, and other industries presently under construction all will greatly increase the pressure on our present acres, which could severely cripple the forest industry, employment and economy of our state.

Therefore be it resolved:

That it is imperative that efforts be immediately started to reforest and improve a large acreage in order to meet the expected doubling of demand for forest products by the year 2000.

That the S. C. State Grange requests an increase in the amount of funds appropriated for site preparation, planting, re-stocking stands, and control of fire, disease and insects, on privately owned timberlands and unneeded agriculture lands; and that the FICP program be continued.

That forest management officials use any necessary controls to eliminate the southern pine beetle in South Carolina.

That more funds be made available for research on the recycling of products derived from our woodlands.

FRUITS AND VEGETABLES

The State Grange favors a stepped-up program of research for new by-products in fruits and vegetables and continued research for insecticides to be used that are not harmful for human consumption.

DAIRY

We support the efforts being made by our government in attempting to maintain satisfactory prices on dairy products, whereby the dairy farmer can reasonably expect to stay in business and produce sufficient dairy products for the consumer at reasonable prices.

NATIONAL FOOD RESERVE DEBATE

Mr. HUMPHREY. Mr. President, I was pleased to participate yesterday morning in a debate with Senator DOLE at the annual convention of the American Bakers Association on the issue of food reserves. Morton Sosland, editor of the Milling and Baking News, presided.

It was a delightful, free-wheeling session. I stressed the urgency of the issue, and the need for the United States to adopt a sound food reserve program.

We have no hesitation in spending whatever is considered necessary for our national security needs. What need is more critical than adequate food for our national security?

Any sound reserve program must start with the basics and recognize the problems faced by our farmers and the need to provide both the right incentives and a measure of security to avoid boom and bust markets.

We cannot follow a policy of allowing any country to buy whatever it may desire if it places our own food supplies in jeopardy. All of our consumers—including the livestock and poultry producers—are entitled to being assured of adequate supplies of food and fiber.

To date we have not had to face the prospect of world food shortages, but the world now is knocking at the door for our products. We want and need a large volume of exports, but we also must not neglect our own needs.

Mr. President, I ask unanimous consent that my statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR HUBERT H. HUMPHREY

I am happy to appear here at the American Bakers Association convention to discuss the issue of food reserves.

I am somewhat amazed at the criticism your organization received last spring when you pointed out that we might run low on wheat.

Today, our Secretary of Agriculture is doing some jaw-boning to make certain that we have adequate crops for our needs. He has finally begun to realize that our exports must be monitored with greater care in order to protect our own consumers.

But he will not give consideration to the idea of a reserve program.

In spite of the unwillingness of the Secretary to debate the problem forthrightly, discerning individuals are raising the issue.

A grain reserve is especially important when we have shortages or an excess in production.

The recent discussion of grain reserves has been triggered because crop estimates have been sharply reduced. We have seen how, in recent weeks, adverse weather reports, the announcement of a grain purchase or the rumor of purchases have caused sharp fluctuations in the market.

We no longer have some of the old stabilizing mechanisms available. As a result, American farmers and housewives are subject to uncertainty and volatile price fluctuations.

MY GRAIN RESERVE LEGISLATION

We have developed a bill which I feel usefully addresses the needs of all our people. S. 2005 was originally introduced on June 15, 1973, and subsequently amended on February 19, 1974, and May 21, 1974.

A great deal of work has gone into the bill over the past year. Hearings were held in March, in addition to the sessions with farm groups, Senate staff members and the Congressional Research Service.

There are three main features of the bill. First, a modest Government-held reserve program is proposed for wheat, feed grains, soybeans and cotton. The Government-held reserve would be only one-third of the total reserves.

The total reserve level serves to give us a warning that we are nearing the danger point, and that we need to exercise added caution in our export sales. The two-thirds not owned by the government would be held by farmers and traders, and it would move freely in the open market.

The quantities envisioned under the reserve bill are as follows:

Wheat—600 million bushels in total reserve amounts and 200 million bushels is government owned.

Feed grains—40 million tons in total reserve amounts and 15 million tons is Government owned.

Soybeans—150 million bushels in total reserve amounts and 50 million bushels is government owned.

Cotton—5 million bales in total reserve amounts and 1.5 million bales is Government owned.

A second major feature of the bill is its market stabilizing features. These provisions come into play when the estimated total carryover is less than the total reserve amounts under the bill. The licensing system and the more careful monitoring of sales are examples of the increased attention to be paid if our reserves go below the total reserve levels.

The third main feature of the bill is the proposed increases in the floor or target prices to reflect the increased costs of production. The USDA concedes that farm production costs have risen, on the average, at least thirty percent in the last two years.

My bill would attempt to establish increased floor and loan prices which are realistic in terms of present production cost levels as follows:

Target or floor prices

Present law and proposed new level:

Wheat	$2.05	$3.00
Corn	1.38	2.00
Cotton	.38	.50

The loan levels would also be increased accordingly and would be not less than 66⅔ percent of the target price.

OTHER FEATURES OF THE LEGISLATION

The bill would also extend the period of nonrecourse loans from one to three years. This would provide greater flexibility for the farmers in marketing their crops and enable them to sell at the time which is most advantageous to them.

The bill would also require that, when the total reserves drop below the levels set in the bill, the government could not sell from its reserve stocks for less than 135 percent of the target price.

And at no time could the government sell any of its stocks for less than the floor price. This would help seal off these reserves and assure that government sales did *not* serve to depress the market.

Another feature of the bill would be to move up the application of the cost escalator clause from 1976 to 1975. This would automatically adjust target prices to costs of production.

In my view this is a good bill, and I hope that Congress and the Administration begin to face up to the need for a food and fiber reserve program.

NATIONAL SECURITY IMPLICATIONS

Our government has no qualms about spending whatever sums are viewed as needed for our military establishment. There is no hesitation to procure and store ammunition for contingency purposes. These supplies are located at points all around the world, and the storage costs are far greater than what is involved in my modest food reserve proposal.

Our government has failed to recognize that food is a form of security. Other governments, as world food reserves declined to the 27-day mark, have scrambled to acquire a reserve to reduce their vulnerability.

FOOD RESERVES AND THE ECONOMY

With our vast productive capacity, there is no need for any American to go hungry, and there also is no excuse for continuing to subject the economy to the wild price gyrations of the past two years.

I have never seen a corporation which did not see the need to maintain an inventory, or a sound bank which did not have a reserve. Yet, our government has shown little hesitation about selling whatever foreign buyers will buy, without consideration for the needs of the American consumer.

We are told that reserves are a good thing for other countries, but not for the United States. It seems ridiculous to me that we do not have a reserve program if it is a good idea.

The notion that the private traders and dealers will maintain all the needed reserves is just not convincing. The companies are rightfully in business to make a profit, regardless of whether the buyer is Indian, Chinese, or American.

What is to prevent excessive sales to foreign buyers who make decisions on political as well as economic grounds? Who is to guarantee that food will be available for emergency needs at home or abroad?

These are public interest responsibilities which private traders are not prepared to handle, nor should we expect them to do so.

STORAGE COSTS OF A RESERVE PROGRAM

The opponents of a reserve program also argue that storing crops would entail great storage costs and would be a severe drain on the Treasury.

This argument has been used to throw sand in the eyes of those interested in a serious discussion of the issue.

A study carried out on this bill indicates that, with the government buying at lower prices during times of surplus production and selling at higher prices during periods of scarcity, there would be little if any net.

WILL RESERVES DEPRESS CROP PRICES?

Opponents of a government reserve allege that a reserve program would automatically depress agricultural prices. But a fair question would be the cost to farmers and consumers of our present agricultural policies. What have we all paid as a result of the price gyrations of the last two years?

I would concede that sizeable reserves, such as we had in earlier years, could be a price depressant.

However, it is hard to imagine that a government-held reserve of 200 million bushels of wheat, about one-tenth of this years' expected production, would seriously affect prices.

The reserve amounts in my bill are very modest, and some small stabilizing influence on crop prices would actually be desirable. Farmers confirm that they have almost no idea what to expect in the way of prices for their crops or cattle. How can they plan with any certainty under these circumstances?

And yet, Secretary Butz talks as if our farmers control their production like an assembly line.

While no one wants to see a return of the days where production was far above demand, it is clear that today's wildly fluctuating prices are leading to ruin for many of our most capable farmers who have been farming all their lives.

In this capital intensive era, we need to provide our farmers with some assurance of stable markets plus the expectation of a reasonable return. Agriculture is still one of the most risky ventures imaginable. My bill would help the farmer to minimize those risks.

My bill also would be beneficial to both our urban and rural consumers. It would be hard to even calculate the increased costs that our farmers and urban consumers have paid as a result of our depleted food reserves.

The Administration must recognize the need for a reserve program. This would give the family farmer a fair chance by avoiding the boom and bust prices which are beneficial to no one. Our consumers, which includes farmers, need a reliable supply of food and fiber and at reasonable prices. To do less invites continuing economic chaos which is disastrous for both farmers and consumers alike.

MEDICARE SUBCONTRACTING

Mr. RIBICOFF. Mr. President, tomorrow I am sending the following letter to the conferees on the HEW appropriation:

Dear Colleague,

As a conferee on the Labor-HEW Appropriations bill you should be aware of a specific section of that bill (section 210) which would hinder efforts to provide efficient administration of the Medicare program. This section should be deleted from the bill. It is a consumer rip-off.

As a former Secretary of Health, Education, and Welfare and as a member of the Senate Finance Committee I can testify to the importance of sound administration of our Medicare program whose cost already exceeds $10 billion. We must assure the best use of Medicare dollars in providing health benefits for older Americans.

Section 210 would prevent a medicare carrier or intermediary—principally Blue Cross, Blue Shield and some private insurance companies—from directly undertaking responsibilities which they now subcontract out to private companies unless they can show, under a distorted, discriminatory and unworkable formula that estimated costs of direct operation in the first year would be the same or less than they would have been if put out for bids. This clearly is an almost impossible task since a potential subcontractor must include his start-up and conversion costs.

Look at the effect of Section 210:

First. Once a medicare carrier had subcontracted data processing functions, for whatever reason, it could not return to performing those functions itself without incurring the liability of exposing its own private funds to potential non-reimbursement of costs incurred in administering a Government program.

Second. There is no provision whatsoever for an analysis of the quality of performance or results of the opposing operations.

Third. It seems incongruous to impose a potential liability on one carrier which, perhaps for very good reason, decided for a specific period of time to subcontract its data processing, without imposing the same obligation on those who have operated their own in-house systems from the beginning. This latter group would include Aetna, Prudential, Equitable, Occidental, and other major organizations.

Fourth. Because of the actual facts of the history of medicare subcontracting, only one organization would profit in any way from such a provision because if conversion, installation, and startup costs are to be included in the computation, it would be virtually impossible for even another potential subcontractor to be successful.

Fifth. Particularly the Blue Shield plans woudl have a serious legal problem in taking a course of action which could expose their own subscriber funds to nonreimbursement from medicare. The attitude of State insurance commissioners to such an action would seem apparent even if the strictly legal implications were overcome. Plans which are now contemplating or have decided to resume their own data processing responsibilities would find it extremely difficult to do so in view of the potential loss. A very reasonable question on their part would seem to be, why should we assume this liability for the administration of a Government program if we can totally escape it by continuing to subcontract?

Sixth. The basic medicare law provides that intermediaries and carriers will be fully reimbursed the actual cost of their operations so long as those costs are reasonable. To the extent that they are unreasonable, the program can deny reimbursement and the matter is then subject to review and decision by the Armed Services Contract Appeal Board. This is quite foreign to either a legislative provision or an administrative directive that could ultimately require every carrier to provide data processing services on a subcontracting basis. This latter decision, under the intent of the law, should remain the prerogative of the private sector organization. If it fails to perform its contractual responsibilities, the ultimate protection to the Government lies in nonrenewal.

Who benefits from this special interest provision embodied in Section 210?

It appears that the major beneficiary is H. Ross Perot's company, Electronic Data Systems, Inc. which does subcontracting work for at least 10 of the 47 carriers who administer Medicare. Contracts held by EDS in several states are expiring. This amendment, which appears to have been drafted with the assistance of EDS, would make it more difficult for Medicare carriers to terminate EDS services.

Under Section 210 if a Medicare carrier's contract with a computer firm is expiring and the carrier wants to begin doing the computing work itself, the carrier must show that its cost would be less than if it continued to use the computer firm. And the carrier could not obtain reimbursement for the initial start-up costs usually involved in switching to a new system.

This might discourage the carrier from dropping the subcontractor, even though in the long run the carrier might be able to operate more cheaply doing its own computer work. We should be encouraging competition to provide the best Medicare administrative services, not looking in companies which may or may not be doing an effective job.

This amendment clearly and simply is a consumer rip-off of Medicare and the taxpayer. It provides special protection for a big business interest at the expense of the consumer, the Medicare program and efficient government.

If Americans are to have confidence in Medicare it must be administered fairly and efficiently.

I hope you will delete section 210 from the bill.

Mr. President, I ask unanimous consent to have printed in the Record an article from the Des Moines Register.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Des Moines Register, Sept. 14, 1974]

Proposed Law Seen Aiding Perot's Medicare Contracts

(By James Risser)

Washington, D.C.—Legislation that would assist Texas millionaire H. Ross Perot in retaining his contracts for the computer processing of government Medicare claims has been approved by the Senate Appropriations Committee, it was learned Friday.

The provision was added to a $33-billion labor, health and education bill during a closed-door committee session Wednesday. The bill is slated for Senate floor debate Monday.

THE EFFECT

The measure would, in effect, discourage carriers who administer Medicare in various states from dropping Perot's firm—Electronic Data Systems, Inc. (EDS)—and doing the computer work themselves.

Six-year contracts held by EDS in several states are on the verge of expiring, and some of the state carriers are reportedly considering not renewing them.

An aide to Senator Ted Stevens (Rep., Alaska), who sponsored the provision in the committee, acknowledged that a Perot lobbyist had been consulted in its preparation.

But the original idea for the measure came from Steven's own concern about the high costs and slow processing of Medicare claims, the aide, Lyle Rushton, said.

The legislation will foster competition and reduce costs for Medicare computer work, he said.

The EDS lobbyist was Carl Arnold, a former oil lobbyist who was identified recently as having funneled sizable contributions from an oil company and others through dummy committees and into the 1972 presidential campaign of Representative Wilbur Mills (Dem., Ark.).

MILLS CONTRIBUTIONS

Two top EDS executives also have been identified as having secretly given $100,000 to Mills, who as Chairman of the House Ways and Means Committee has primary jurisdiction over Medicare.

Medicare carriers in each state—often that state's Blue Cross-Blue Shield organization—may do their own computer processing and get reimbursed by the federal government. Or, they can hire a subcontractor to do the work and obtain federal reimbursement for the amounts paid to the subcontractor.

Perot's firm is now the only one with any significant Medicare processing business, and a special government study committee recently criticized the lack of competition in the field. It was not clear Friday how the Stevens amendment could encourage other firms to compete.

Rushton said Blue Cross-Blue Shield opposes the Stevens amendment.

The House intergovernmental relations subcommittee has criticized the fees paid to EDS as possibly being excessive, has questioned the quality of EDS' work, and has heard testimony that EDS makes profits on Medicare business of up to 100 per cent.

The firm processes Medicare claims in 10 states, including Iowa. Its contracts include such large states as Pennsylvania, New York and California.

KANSAS SAVINGS

Kansas recently dropped the Perot firm and reportedly is doing its own computer work at substantial savings.

Gary Sellers, a Senate Appropriations Committee staff member who worked with Senator Stevens' office in preparing the amendment, said it would work this way:

If a carrier's contract with a computer firm is expiring and the carrier wants to begin doing the computer work itself, the carrier must show that its costs during the first year would be less than if it continued to use the computer firm. And the carrier could not obtain reimbursement for the initial start-up costs usually involved in switching to a new system.

This might discourage the carrier from dropping the subcontractor, even though in the long run the carrier might be able to operate more cheaply doing its own computer work. Sellers acknowledged.

Under present law, a Medicare carrier who switches to an "in-house" computer system is reimbursed for "reasonable" start-up costs. Sellers said the reimbursement provision is being abused.

When a carrier decides to do its own computer work, it is "squeezing out" its subcontractor and reducing competition, Sellers said. "There's a value to maintaining competition," he said.

Once initial costs are taken care of, many carriers probably can process Medicare claims more cheaply themselves than by hiring a subcontractor, Sellers admitted, predicting that eventually all carriers will do their own computer processing despite the obstacles of the Stevens' amendment.

TRANSPORTATION OF HAZARDOUS MATERIALS BY AIR

Mr. HARTKE. Mr. President, for several years I have been concerned about the transportation of hazardous materials in passenger aircraft. Most people who ride commercial airplanes do not realize what is in the cargo hold beneath their seats.

Mr. President, WNEW Radio News in New York City has been running a series on the transportation of hazardous materials by air. I ask unanimous consent that an installment in that series be printed in the Record.

There being no objection, the installment was ordered to be printed in the Record, as follows:

The Hidden Passenger—An Update

(By John and Christine Lyons)

THE HIDDEN PASSENGER: PART 16

Liz Rich. I first became aware of the problem of carrying hazardous or radioactive materials on passenger planes . . .

Lyons. Liz Rich . . . of the organization, "Stewardesses for Women's Rights.

Liz Rich. . . . and I found all of the various frightening things that are carried on passenger flights like explosives and acids and radioactive materials, disease viruses . . . things I had no idea of. Even if they're controlled and packed properly, I wonder to myself what happens if that flight has an emergency.

Lyons. The Airlines and the FAA say the hazardous material going on passenger planes is safely packed and carefully loaded.

Fowler. A 727 aircraft . . . one man would unload, load all the baggage or cargo that was to be loaded and complete the operation in 30 minutes.

Lyons. Robert Fowler . . . an official of the union which represents cargo handlers for several airlines in San Francisco. He told me about the general practice of having one man sitting in the cargo bin of an airliner loading it by himself.

Fowler. Here's this conveyer belt shootin' everything back up to him and he' just a receiver like a baseball catcher . . . and he just takes it and whips it . . . you know. He'll throw it, toss it, and then closes it up and that's it.

Lyons. Next . . . "The Twin Cities Take Action" . . .

THE HIDDEN PASSENGER: PART 17

Mayor Cohen. What the ordinance does is provide a method to monitoring radioactive shipments that come into our airport. . .

Lyons. Mayor Lawrence Cohen of St. Paul, talking about an ordinance recently passed by the Twin Cities Airport Commissioner. Starting on the fifteen of July, all radioactive material moving thru the Twin Cities Airport will be monitored with geiger counter devices to ensure they are not giving off more radioactivity than the law allows. Cargo handlers at the airport will begin wearing radiation sensitive badges to make sure they are not exposed to too much radioactivity. Mayor Cohen says the plan is simply to enforce the Federal laws.

Mayor Cohen. The Feds . . . they say, Oh, don't do anything; we're doing something about it. Well, hell! They haven't even enforced the restrictions that they enacted way back when. They object to anybody doing something in the field that they're not doing anything in. We've been hearing from Air port Commissioners and union representatives. They want to start enacting this all around the country. And I think what we may just have done here is gotten a whole lot of people thinking about a problem that weren't thinking about it before and maybe we'll be responsible for the Fed to get off their dead asses and start doing something about a rather significant problem.

Lyons. Next . . . "Some Pilots are Taking Action". . .

THE HIDDEN PASSENGER: PART 18

Lyons. On Friday, pilots at TWA informed the company. "Either you kick hazardous materials off passenger planes by the 15th of June or we will." This afternoon, the pilots and the company met and the pilots say TWA may, be ready to cooperate, possibly making any pilot action unnecessary. There are others very interested in what's going on.

Mayor Cohen. This is a safety factor and I'm with the airline pilots. I'm with them 100 percent.

Lyons. Mayor Lawrence Cohen of St. Paul, who has been crusading against hazardous cargo on passenger planes for several years.

Mayor Cohen. They're responsible for that airplane. They're in charge. They're in charge really of the safety of their passengers and God bless 'em. If they say that they're not gonna carry 'em, I'm with 'em 100 percent and I'd like to see them push it.

Lyons. Liz Rich of the organization, "Stewardesses for Women's Rights."

Liz Rich. The TWA pilots who are making an issue of this with this one company certainly are a courageous example for the rest of the industry. I wish every airline pilots association would take that similar action. We would certainly join them.

Lyons. Next . . . "How's Willie Evans?"

THE HIDDEN PASSENGER: PART 19

Willie Evans. (phone ring) Hello.

Lyons. Hi. John Lyons. How ya doin'?

Evans. Oh, pretty good.

Lyons. Feelin' any better?

Evans. No. I can't do nothin' without those pills in my stomach yet.

Lyons. Willie Evans is a delivery truck driver in Baton Rouge, Louisiana. He picked up a package of unshielded radioactive material at the airport in the beginning of April . . . after the package traveled on two passenger flights. There have been estimates, Evans received a potentially fatal dose of radioactivity. I asked him what the doctors say.

Evans. Nobody told me nothin'. Nobody wrote me a letter and say, Well, Willie, you're good . . . and like that. All the doctor told me in New Orleans with the radioactive people was: You gonna live; you gonna live. I don't feel like I'm dying now . . . gonna die. I know I'm gonna die someday, but I don't feel like I'm . . . you hear what I'm talkin' about. It's just that they should tell me something. I mean . . . I'm human . . . I ain't no kid and I ain't no animal.

Lyons. The Louisiana Board of Nuclear Energy says Evans did not receive a fatal dose of radioactivity, but that only doctors can judge whether he is sick because of radiation. Willie is still trying to get an answer.

Next . . . "The Pilots Say 'No' " . . .

THE HIDDEN PASSENGER: PART 20

Jim McEntyre. Trying to chase down what's permitted on passenger airplanes is like trying to chase down a will o the whisp.

Lyons. Captain Jim McEntyre . . . Airline Pilots Association Hazardous Materials Chairman at TWA . . . talking about a demand the pilots have made of the company.

McEntyre. What we want to do right now is simply say, Okay . . . we'll restrict the carriage of all hazardous materials other than the radioactive isotopes properly shielded down where they won't do any damage to the people above and put it all on the cargo airplane. Then we can concentrate our efforts in this area and I think we can come up with some solutions.

Lyons. The pilots have told the company they will not carry hazardous materials on passenger planes after Friday. Following a meeting with TWA, a pilots' spokesman said there appear to be areas of cooperation which may make the pilots' action unnecessary. They'll be meeting with the company again tomorrow.

Next . . . "This is Serious Stuff" . . .

THE HIDDEN PASSENGER: PART 21

Jim McEntyre. When we talk about hazardous . . . we're not talking about something that is kind of nice to play around with, but don't get too close. We're talking about something that's gonna kill you.

Lyons. Captain Jim McEntyre . . . Airline Pilots' Association Hazardous Materials Chairman at TWA. The pilots at TWA have told the company either you keep hazardous materials off passenger planes or we will by refusing to fly the materials. The pilots say they're hopeful of getting an agreement from the company before a Friday deadline.

McEntyre. I've been in the accident investigation business for the Airline Pilots *Association* for about fifteen years, but you never forget the first time you walk up to a stinking hulk that was once a beautiful airplane . . . you never forget it as long as you live. And the first thing you say when you walk into something like that is. . . . Someday, I want to be able to prevent one. And that's where we are right now.

Lyons. I'm John Lyons.

UTILIZING THE REDUCED-PRICE SCHOOL LUNCH PROGRAM

Mr. HUMPHREY. Mr. President, today's Washington Post carries a very timely article on the reduced-price school lunch program, by Marian Burros.

It points out that many parents are not aware of the existence of a reduced-price school lunch program. Many school officials know about the program but do not want to be bothered with the additional paperwork.

According to the USDA, 9.3 million of the 11 million children eligible for free lunches received them during last year. However, reduced-price lunches went to only 1 million of the 5 to 6 millon children eligible for them.

In this period of rapidly increasing food prices, this program meets an urgent need, and it should be given greater public attention. States can "make" 10 cents on each reduced-price school lunch which can be utilized to meet the administrative costs.

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Lunch That's Not for Sale

(By Marian Burros)

Only five per cent of the school children throughout the country who were eligible for reduced-price school lunches last year received them.

In hundreds of instances, school systems simply refused to offer them, because of the extra work it would entail.

The reduced-price lunch, which costs from 10 to 20 cents, will be available to many more children this year, including all those in the metropolitan Washington area. But the American Food Service Association and federal school lunch officials are worried about "foot dragging school superintendents" who think "the added paper work is just too much trouble."

Josephine Martin, an association official and administrator of the Georgia school lunch program, is convinced that if school officials realized they could "make" 10 cents on each reduced-price lunch they sell, they'd stop worrying about the extra work.

For each reduced-price lunch served, the federal government pays the school 39½ cents; for each free lunch it pays 49½ cents. In other words, if the school system charges 20 cents for a reduced-price lunch, the school can "make" 10 cents on it. Officials are entitled to keep this "profit" to offset any losses in the free lunch program.

Edward Heckman, Administrator of the Food and Nutrition Service in the U.S. Department of Agriculture, says "the 10 cent differential was deliberate." It is the "carrot" to entice school administrators to participate.

But there has been a lack of communication between USDA and many school food service directors who do not realize the profit potential in reduced-price lunches.

The Virginia director of the school lunch program, John Miller, was unaware that the regulations could be interpreted to earn extra money for the program until a reporter called it * * * dictions in Virginia, 49 will not be offering reduced-price lunches this year.

The situation is different in Maryland. The state will not allow schools to charge more than 10 cents for the lunches. Maryland has three counties which definitely will not have the cheaper meals: Anne Arundel, Carroll and Dorchester; three others have not made a decision. According to the school lunch director for the state, Ruth Gilgash, "Many teachers don't realize the impact a lunch could have on a child."

A Yonkers, N.Y. administrator said that the city was "losing too much money" on (the lunches) but was going to reconsider its position if "that extra dime really worked."

Mrs. Martin, administrator of the Georgia school lunch program, says those who have turned down "that extra dime" feel "they are not in the business of feeding children; they are in the business of educating them.

"But they miss the point. They think only about what is administratively feasible and not what is in the best interests of the child. Besides, they say, moderate-income families will not apply; they have too much pride."

The USDA estimates that last year, 9.3 million of the 11 million children eligible for free lunches, received them. Reduced-price lunches went to only one million of the five or six million children eligible.

It is mandatory for the nation's school systems to offer free lunches to all who qualify. Part of the regulation requires public announcement of free lunch availability.

But federal law makes the availability of reduced-price lunches a local option. Many parents are not even aware of their existence.

The government-approved school lunch is called Type A and whether it's paid for, free or offered at a reduced price, it must be the same for each child in the school.

The school is required to have a ticket system for lunches which does not indicate whether the child has paid for the lunch or not.

These cheaper meals are available to families whose income is 75 per cent higher than the income level of families whose children receive free lunches. Federal legislation temporarily establishing this figure, was passed in November, 1973, but was not implemented by USDA until January, 1974. The provision was made a permanent part of the National School Lunch Act this July.

Mrs. Martin calls the legislation a "congressional response to the economy by making provision for moderate, or near poor, families."

With the soaring rate of inflation and increasing costs of school lunches, more and more families are becoming eligible for reduced-price lunches.

Further, USDA studies show that for each penny the price of a school lunch rises, one per cent of the students drop out of the program. The price of school lunches rose by five cents this year in Alexandria, Fairfax, Montgomery and Prince George's counties. Prices were increased last year in the District, Arlington, Loudoun and Prince William counties.

If the American School Food Service Association reaches its goals of free school lunches for everyone by 1980, administrators won't have to worry about paper work for different kinds of meals. Mrs. Martin says, "The sagging economy may cause it to happen sooner."

PUGWASH CONFERENCES ON SCIENCE AND INTERNATIONAL AFFAIRS

Mr. KENNEDY. Mr. President, for the past 2 decades, the Pugwash Conferences on Science and International Affairs have been drawing together many of the world's top scientists and international affairs specialists to discuss important issues of public policy, and to make recommendations for action.

These conferences, initiated by Albert Einstein and Bertrand Russell with the support of Cyrus Eaton, have contributed to increased understanding among nations, even at times when communication has been poor between statesmen and political leaders. For example, Pugwash must be given considerable credit for establishing contracts and relations that have developed into today's détente between the United States and the Soviet Union. In the future, forums such as the Pugwash Conference may be invaluable in helping to improve relations with China.

From August 28 to September 2, the 24th Pugwash Conference was held in Baden-bei-Wien, Austria; 120 scientists and specialists in international affairs from 31 countries took part, along with 15 observers from 8 international organizations. The conference took decisions on a number of important issues affecting peace and security. Its six working groups dealt with arms control, European security, the Middle East, arms control in other areas, scientific cooperation, and the energy problem. Two plenary sessions dealt with the spread of nuclear weapons and the ethical and social problems of molecular biology.

The Conference was particularly concerned with the problem of nuclear proliferation, and strongly supported early conclusion of a Comprehensive Test Ban Treaty.

It is especially interesting to note that the Middle East working group included individuals from Israel, Egypt, and the Palestine Liberation Organization, and successfully drafted a report on the critical issue of security in the Middle East.

Mr. President, I ask unanimous consent to print in the Record a statement on the Pugwash Conference, prepared by its Continuing Committee, and I commend his statement to my colleagues.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement From the Continuing Committee of the 24th Pugwash Conference Held in Baden, Austria, August 28–September 2, 1974

The 24th Pugwash Conference on Science and World Affairs, organised by the Austrian Pugwash Group, was held in Baden from 28 August–2 September 1974. It was attended by 120 participants from 31 countries. In addition, 15 observers from 8 international organizations assisted in the discussion.

As in previous Pugwash Conferences, the participants, acting as individuals but utilizing their technical competence and governed by their concern for the security and well-being of mankind, attempted—in an informal and free exchange of views—to find solutions to some of the most pressing problems of the day, particularly those arising from the progress of science and technology.

Despite continuing deténte, events of the past year—including the October war in the Middle East and the associated oil crisis, the explosion of a nuclear device in India and the continued high level of nuclear weapons tests by the nuclear weapons states, the agreements to provide nuclear technology to countries in the Middle East and Persian Gulf area, the continued growth of nuclear arms in the nuclear powers, the widespread starvation and suffering resulting from continued conditions of drought in the sub-Sahara, and the conflict in Cyprus—all serve to underline the fragility of the international situation. There was a very widespread feeling among the participants in the Conference that the present critical world situation requires firm and resolute, if not drastic, measures on the part of all the nations of the world, but most especially on the part of the great powers, to reverse the current trends with constructive initiatives.

All these events emphasized the need for Pugwash to renew its pledge—stated in the Russell-Einstein Manifesto which gave rise to the Pugwash Movement, as well as in the Vienna Declaration adopted at one of the earlier Pugwash Conferences in Austria—to maximise its efforts towards halting the arms race, to prevent the spread of nuclear weapons to other nations, to close the economic gap between rich and poor countries, and ultimately to achieve general and complete disarmament.

The theme of the Conference was "Disarmament, Energy Problems, and International Collaboration". Under this heading, the Conference divided into six Working Groups on: "Current Problems of Arms Control and Disarmament", European Security and Force Reductions", "Peace and Security in the Middle East", "Security and Arms Problems in Other Areas", "Different Approaches to International Cooperation in Science and Technology", and "The Energy Problem".

In addition, there was a plenary session in which the present status of the nuclear arms race and of the negotiations to achieve meaningful arms control measures, mainly in relation to the Non-Proliferation Treaty, and with particular reference to the events mentioned above, was debated by the whole Conference. This debate provided useful background material for the more detailed discussions in the Working Group on "Current Problems of Arms Control and Development".

An informal evening's discussion was devoted to scientific and social implications of certain recent developments in molecular biology. These developments involve the production on a large scale for experimental purposes of common micro-organisms endowed with new properties. Such micro-organisms could escape the laboratory and be widely disseminated in human and animal populations with potentially dangerous effects that are unpredictable at our present level of knowledge. The meeting endorsed a call issued earlier by a group of American molecular biologists for a moratorium on this area of research until the matter had been thoroughly explored by an international group of qualified scientists early next year.

The Conference was opened by Dr. Hertha Firnberg, Minister for Science and Research, and in the closing session the Conference was privileged to be addressed by the Federal Chancellor of Austria, Dr. Bruno Kreisky, a friend of Pugwash of long standing, on the subject of Science and Politics.

The following was prepared by the Continuing Committee on the basis of the main conclusions and recommendations from the Working Groups.

CURRENT PROBLEMS OF ARMS CONTROL AND DISARMAMENT

In spite of positive trends in international relations, a number of developments are causes for concern about the increase in nuclear weapons in the present nuclear weapons states (vertical proliferation) and the likelihood of their spread to nations not now possessing them (horizontal proliferation). These include:

A number of new strategic weapons programmes; the likelihood that changes in doctrine and weapons may be in the offing which will make nuclear war a more credible instrument of policy and, therefore, possibly more likely.

The recent test of a nuclear device by India, and continued testing by the five nuclear weapon powers including in the case of France and China, tests in the atmosphere; and conclusion of agreements to supply nuclear power reactors to states in the Middle East and Persian Gulf area, some of which are not parties to the Nuclear Non-Proliferation Treaty (NPT).

It is to be hoped that the promises of the June 1974 Moscow summit of progress in SALT will be speedily realized; but it must be noted that there has been little concrete progress in limiting strategic arms so far.

The viability of the NPT is also in jeopardy. Widespread accession to it is a matter of great urgency.

Although opinions differed about the value of the threshold test ban treaty proposal, there was unanimity that a comprehensive treaty banning all nuclear weapons tests should be concluded as soon as possible.

In the view of some members of the Group there is substantial economic benefit to be derived from the use of peaceful nuclear explosion (PNE). Others disputed this, and in particular believe that the likelihood of the use of PNE's, making the horizontal proliferation of nuclear weapons more likely, offsets whatever economic advantage there might be. There was a view that if PNE programmes are to be continued, they should be carried out under effective controls. Others believed no more nuclear explosions of any kind should be conducted.

There was considerable discussion on the subject of nuclear-free zones, and in particular about the possibility of one in the South Asian region. There was agreement that further study of a South Asian zone and others would be desirable.

The merits of unilateral arms control and disarmament moves were discussed. There was agreement that in several instances unilateral moves followed by reciprocated responses have been an effective technique for arms control and disarmament. It was, however, noted that this approach cannot be a substitute for a comprehensive and agreed disarmament plan. It was also pointed out that several arms control and disarmament initiatives could now be undertaken that would increase the national security of the parties involved even in the absence of reciprocation. Examples provided by various participants were the reductions in military budgets and the elimination of less reliable components of strategic forces.

The usefulness of unilateral initiatives in bringing about the only real disarmament achieved thus far, namely the elimination of biological weapons, was noted. The timeliness and usefulness of such an approach to the elimination of chemical weapons was emphasized.

The presentation in April of the Japanese draft chemical weapons convention, aiming at comprehensiveness, and the intention of the governments of the United States and the Soviet Union to undertake a joint initiative within the CCD, as a potential way out of the impasse in the CW negotiations, was welcomed. It was also noted that chemical weapons are not solely a superpower problem. The security implications of chemical weapons for the confrontations that exist between certain of the smaller countries, as in the Middle East, should therefore be given greater emphasis in the present multilateral negotiations.

It was emphasized that proliferation of chemical weapons is a very real danger against which new internationally-agreed constraints are urgently needed. Attention was drawn to the great urgency of the ratification by all countries, preferably without any reservations or limitations, of the 1925 Geneva Protocol on chemical and biological warfare.

Ratification without further delay of the 1972 Biological Weapons Convention by the depository governments was urged.

The tendency for military expenditures to increase, despite the settling of a number of acute international problems and despite developments towards détente, was deplored. It was emphasized that the reduction of military expenditures as a result of multilateral, regional or bilateral agreements, or by unilateral action, was highly desirable, and that a portion of the savings should be devoted to improving the economic and social development of the less developed nations.

Some participants emphasized that the fact that the arms race has neither been halted nor even slowed down, in spite of many agreements arrived at in the field of arms control and disarmament, implies the need for a more comprehensive approach. Such an approach would not only lead to faster progress towards disarmament, but might also reduce the significance of temporary asymmetries, lessen the demand for essential equivalence at each step and enable the reinforcing effect of verification for several types of measures to overcome some of the problems of verification.

There was unanimous agreement that a world disarmament conference, in which all nuclear powers and other military significant states participated, could help promote the cause of disarmament, either by facilitating agreement on disarmament measures or by alerting the world to the present lack of progress in this direction.

EUROPEAN SECURITY AND FORCE REDUCTIONS

The prevailing trend in today's Europe is the process of détente and growing confidence among states. Peaceful co-existence between all states has now become an established principle of international relations in Europe. Further confidence-building between East and West must involve organizations, groups, and individuals as well as governments. Maintenance of peace in Europe would also have great importance for the promotion of peace in other parts of the world.

Security cannot be considered in military terms alone. Political, economic, historical, social, cultural and psychological factors all play an important role in perceptions of security. In particular, increased co-operation among all states in these fields would contribute to their security.

The discrepancy between the improving political climate and the lack of any reduction in armaments or forces is a cause of grave concern. While there is currently no basis for concern that either NATO or Warsaw Treaty powers would deliberately attack the other, the heavy deployment of weapons and forces in Europe increases the chances that any eruption of violence will escalate very rapidly. In particular, the large number of nuclear weapons in Europe constitutes a major risk.

The Conference on Security and Co-operation in Europe (CSCE) is a major positive element in the ongoing process of détent. This conference, reported to be making good progress, should be brought to a successful conclusion as soon as possible, and some kind of organized continuation is necessary to achieve a number of long-range goals as defined by the Conference. Measures for their achievement could be codified in an all-European Treaty, or a number of treaties.

Measures of arms control and disarmament must provide undiminished security for all the states of Europe. Thus, the Vienna negotiations should preserve the existing military balance but at lower levels of armaments, manpower, and costs.

The key to success at Vienna would lie less in details and formulae than in the political will of the nations involved. Otherwise it will always be possible for technical complexities and asymmetries to frustrate achievement of real force reductions. Eventual disbandment of the military structures of NATO and the Warsaw Pact seems to be desirable.

The existence of multilateral talks should not rule out measures for arms reduction taken outside the framework of those talks. Such measures could greatly activate the negotiations. Because of the dangers associated with the present levels of tactical nuclear weapons in Europe, and the general agreement that these levels are excessive on both sides, reduction of these weapons is an especially important possibility for action both inside and outside the Vienna talks.

Another suggested possibility could be bilateral agreements, between individual East and West European countries, for early force reductions and reduction of defence budgets. The same "twinning" could also help reach economic, cultural and other exchanges on a bilateral basis.

Fears were expressed that a Western European nuclear force would have an adverse effect on the sense of security and détente, accelerate the arms race, and perpetuate the existing division of Europe. The full implementation by all European countries of existing arms limitation treaties, including the Partial Test Ban Treaty and the Non-Proliferation Treaty, should therefore be completed.

Specific proposals to estabilsh nuclear-free zones in the Nordic countries, in Central Europe, in the Balkans, in the Mediterranean and in the Middle East were discussed, as was a combination of several such zones to form a large one—possibly reaching from the Mediterranean to the Arctic. It was agreed that the establishment of such zones would constitute a major disarmament measure.

Finally, neutral and non-aligned states in Europe could play a positive role in negotiations on European security, and should take part in implementing the general confidence-building measures. In addition, these states contribute to arms control by remaining neutral and non-nuclear. The territory of non-aligned states, which covers a large part of the dividing line between East and West in Europe, is in itself a valuable military constraint, and should be respected as such.

PEACE AND SECURITY IN THE MIDDLE EAST

The Working Group on Peace and Security in the Middle East met in the same constructive atmosphere as all the other groups. The discussions of problems of the confrontation between Israel and the Arab states and of the problems of the Palestinian people, which included participants from all the parties concerned, served to advance understanding of the issues. It is our fervent hope that such discussions, in the same atmosphere, can be continued on appropriate occasions in the future, and that the forthcoming negotiations in Geneva will be appreached in an equally constructive manner.

SECURITY AND ARMS PROBLEMS IN OTHER AREAS

There has recently been a considerable increase in the arms trade in relatively sophisticated weapons. This is due partly to the increased accumulation of oil revenues, especially in the Persian Gulf area. The escalation in military expenditure by less developed countries has dangerous implications, not only affecting the political relationships between states but also the prospects for development and for promoting human welfare. The fact that this situation has occurred at the same time as famine in several parts of the Third World highlights the need for fresh initiatives. A limitation on arms transfers on the part of the main producers must be linked to steps towards disarmament. With more government control over the trade in arms there is perhaps a better opportunity for direct popular pressures to limit such trade.

The fluid international economic situation might, on the other hand, lead to sudden changes in relative military strengths in different parts of the world, and stimulate arms sales and purchases.

The problem of Southern Africa emphasizes the particular responsibility of advanced countries in Europe and elsewhere to consider carefully the consequence of their actions in transferring weapon and other military technology to South Africa. The white minority regime there is expanding facilities for the enrichment of uranium and the development of nuclear technology. The Group urged that the scientific community should not contribute, directly or indirectly, to South Africa's military programmes, and to influence the full enforcement of the UN resolution on arm sales; oil sanctions might be reconsidered.

Other matters discussed included the composition and functions of UN Peacekeeping forces and the importance of preventing the development of techniques for control of the climate and changing the environment for military purposes.

DIFFERENT APPROACHES TO INTERNATIONAL CO-OPERATION IN SCIENCE AND TECHNOLOGY

International co-operation in Science and technology may have different objectives which cannot be maximised in any one programme. While collaboration among more developed nations normally has as its main objective the production of new knowledge related to their own development, this collaboration should also include components of direct value to science and technology in the less developed countries (LDC's), such as training opportunities.

International co-operation in science and technology for accelerating development in the LDC's has hitherto been characterized by two main approaches: (a) collaboration between scientists of the more and the less developed countries to deal with the problems of less developed regions of the world; (b) strengthening the scientific and technological capabilities of the developing world to respond to national and regional needs.

These two approaches are not mutually exclusive. Some existing institutions and programmes follow both approaches, but too many others are directed solely towards the first and too few towards the second. We urge that from now on international ventures, such as the UN World University, should emphasize the second approach.

International collaboration has so far taken the easier path by concentrating on scientific prograss rather than on technological development in the LDC's. Medicine and agriculture are notable exceptions, but even in these fields scientific concerns have sometimes taken precedence over the effective application of knowledge to immeate problems of developing societies.

The promotion and application of science and technology for development would be greatly served by encouraging more collaboration among LDC's. This would not only increase indigenous capabilities but would also permit more effective utilization of the limited resources available for the development of their technology and science. Furthermore, collaboration between LDC's who share common problems would help in the selection, adaptation and exploitation of imported technologies. However, the introduction of imported technologies must not interfere with either the development or utilization of indigenous technologies. All too often considerations based on short-sighted economic assessments hinder the development of local research and development as well as of industries.

In recent years, considerable efforts have been directed towards the establishment of international institutes, by governments as well as international organizations. Such institutions are frequently designed to fulfill very specific objectives, for example, acquisition of new scientific information of world-wide interest, or provision of centralized research facilities which cannot be afforded by the individual countries. However, at times it may be more effective and economical to build on existing institutions. This would enable better integration of the effort into the local institutional fabric, including the universities, and would provide greater opportunities for long-term funding. When such an approach is not possible, creating a network of regional institutes may be preferable to establishing a single institute.

Identification of problems suitable for international collaboration has suffered from inadequate mechanisms for determining research priorities at national, regional and international levels. Misinformed, although well-meaning efforts of international collaboration have sometimes led to the distortion of national and regional priorities. On other occasions the selection of research areas has been based more on political than scientific considerations, particularly in some bilateral agreements. At present the main responsibility for these problems is outside the scientific community. We feel that greater involvement of scientists and technologists in decision-making and programme management would help greatly to remove these deficiencies.

Important questions yet to be answered are:

1. Can international co-operation contribute constructively to the development of indigenous capability and, if so, how?

2. Can international co-operation be applied to the processes of selection, adaptation and innovation in those areas of technology which are now largely controlled by commercial interests?

THE ENERGY PROBLEM

The present global energy problem is not a matter of exhaustion of the potential energy resources. Among its principal elements, instead, are: the conflict between energy's positive contribution to human well-being in terms of material prosperity and its negative contribution through environmental damage; the inequitable distribution of energy use and energy resources among the countries of the world; selection, timing, and financing of energy technologies in the face of environmental and economic uncertainties and rapid growth; and economic pressures arising from rising oil prices. The main conclusions and recommendations of the Group were as follows:

1. The prosperity gap between rich countries and poor ones is unacceptable and dangerous, and should be narrowed. The complex link between energy use and prosperity varies with the social and economic context, but it is a reasonable generalization that narrowing the prosperity gap will require much higher levels of energy use in the poor countries than now prevail there. Owing to environmental, technical and economic considerations, however, the global rate of growth of energy use should be substantially reduced from its recent value of 5% per year.

These points imply that growth of energy use should be drastically slowed in the richest countries, and the leeway provided by these "savings" used to maintain and accelerate growth of energy use and corresponding development in the poor countries. The needed progress along this path would require massive transfer of capital and technical resources from richer countries to poorer ones, extensive programmes to increase the amount of material prosperity derived from each unit of energy used in both rich countries and poor ones, and a major slowing of population growth in both rich countries and poor ones. The difficulties of achieving these goals were recognized. However, the majority of the Group felt that the stresses which would accompany a continuation of historical trends of energy use and allocation would be so severe that these trends must be altered despite the obstacles.

The following tentative suggestions for implementing the needed rich-poor transfer of capital and resources were offered for further study: a graduated tax on energy use in rich countries to subsidize energy prices in the poor ones; higher prices in the world market for materials and goods produced by poor countries; a special UN fund to finance expansion and fruitful utilization of energy in poor countries.

2. Diversity of energy technologies, within countries and globally, is desirable for several reasons: e.g. geographical variations in conditions and needs, and insurance against uncertainty. Options considered were fossil fuels, fission, fusion, solar energy, geothermal energy, and more efficient utilization of available resources. The certainty of continued heavy use of fossil fuels demands more research and development to increase efficiency and reduce environmental impact in the extraction, transportation, and utilization of these fuels, and to understand their considerable climatic, ecological and health effects in more detail.

Many members had misgivings about the expansion of fission power, owing to the difficult problems of reactor safety, disposal of radioactive wastes, and diversion of fissile materials for illicit purposes; this majority view held that the extent and duration of civilization's dependence on fission should be minimized. Some disagreed on the grounds that the probabilities of disasters associated with fission are too small to be taken so seriously. It was generally agreed, however, that the certainty of some use of fission in some countries means that expanded research to minimize the associated hazards is essential. A strong majority held that universality of the Non-Proliferation Treaty must be achieved if fission power is to be further deployed. Concerning alternative approaches to fission power technology, strong disagreements existed about the urgency of developing breeder reactors, while the potential advantages of heavy water reactors (with particular reference to developing countries) were mentioned.

By far the most important immediate alternative to expansion of use of fossil fuels and fission in rich countries, is energy conservation. Major new programmes of research and implementation are called for to reduce waste and introduce more efficient productive processes. In the poor countries, an alternative technology deserving immediate effort is conversion of organic wastes to portable fuel, while holding out essential nutrients and some organic matter for fertilizer. The principal long-term alternatives are fusion, solar energy in many forms, and geothermal energy from hot dry rock. Fusion research, already substantial, should continue to receive all the support it can productively absorb. Solar and geothermal energy should receive greatly increased support, for example, by the formation of specialized international institutions.

In discussing the need for an international institute for world energy problems, the Group was opposed to the formation of a large and comprehensive new energy institute. Instead, existing institutions and links between them should be strengthened. There was much support, however, for a small independent institute on lines similar to the Stockholm International Peace Research Institute (SIPRI), that would identify, and promote for thorough investigation elsewhere, problems in danger of being overlooked, and which would continually reexamine basic premises and assumptions in the energy field. Such an institute might most appropriately be organized and sponsored by Academies of Sciences and similar learned bodies.

THE FRANCHISE GAME—II

Mr. HARTKE. Mr. President, I ask unanimous consent to print in the Record the second in a series of articles published by the Chicago Tribune on the subject of franchise fraud after a 2-month investigation covering 30 States and Canada.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Chicago Tribune, July 22, 1974]

Flim-Flam Men Turn American Dream Into a Nightmare

Sheldon Serlin has a plan to put the chain-food stores out of the meat business, and for $5,000 he's offering you a chance to get in on the ground floor.

The way he tells it, it's a better deal than McDonald's one of the most successful franchising efforts in history, and even if you fail you'll still earn $20,000 a year by accident.

Serlin is peddling door-to-door frozen meat franchises, and last summer's beef shortages have been skillfully woven into his sales pitch.

"We're going to change the buying habits of America," Serlin predicted during one of his efforts with two reporters he believed were interested in buying into the operation.

"You saw what happened with the meat shortage, didn't you?" Serlin asked. "You saw the price rise. You know people in the area I am offering you spend $25 million on meat each year?"

Maybe so. But for a pitchman with hundreds of persuasive facts and figures on the meat industry, Serlin offers precious little to the unwitting customer on his business background.

And for the person preparing to sink his life savings into one of these schemes, that is perhaps the most valuable information available. Because each year, thousands of persons looking for financial independence and security in the world of franchising spend their last dime on a scheme that sounded good in their living room but was destined to fail in the marketplace.

Serlin's latest gimmick is a good example. Despite the facts and figures he tosses around in a sales pitch, Serlin does not have the meat warehouses he claims to control; he has no agreements to purchase meat from anyone; and he has no legal agreements with the major packing house he claims to have behind him.

And his whole deal is based on your ability to recruit 20 full-time distributors.

In addition, Serlin is the former President of Cardet International, Inc., a firm that claimed to offer franchise opportunities to operate a "door-to-door department store." The operation has folded and faces numerous civil lawsuits. It is also under scrutiny by the United States attorney's office.

Now Serlin, according to Serlin, is about to take over the meat market.

"We'll be a household word in two years, and then you'll be making $100,000 a year," he promised. "I've seen every franchise there is to offer around the country, but this is the best I've ever seen. It's better than McDonald's."

It is better, he said, because his system would be built on "the rock of friendship," with the people you recruit selling frozen meat to their friends and determining your profits.

Nobody knows how many Serlins are at work in the trick sales business. However, there is little doubt that the booming franchise field has provided a haven for scores of con men bent on the easy dollar.

And it is just as uncertain how many people they have bilked.

"There is no way to know how many victims there are," said Sen. Vance Hartke [D., Ind.], whose bill to protect franchise investors has languished in Congress for three years. "This is a bigger problem than most people know, because a person who is fleeced is not likely to talk about it."

But even the ones who will talk build into an army of disenchanted investors. Each thought at one time he was getting into another McDonald's, and each was encouraged by a consummate con man to think that way, whether the words were the same or not.

Tho the products change and the deals are different, most of the men who peddle them have locked themselves into general patterns of salesmanship and techniques of closing the deal.

One of their favorite techniques is to boggle the interested buyer with a barrage of figures that inevitably "prove" that the buyer can get rich.

"One of the experts in the art is Irving H. Kaufman, a Chicagoan who has marketed all sorts of franchise schemes from abortion clinics to gas-saving devices. Kaufman ran thru an amazing set of figures to convince a prospective buyer to invest in his X–6 Energy Intensifier, a gas-saving device that experts say doesn't work.

"Let's assume you buy into the X–6 at a level where you have 10 locations in Florida," he said. "Your profit on each sale is $3.73.

"Now, three installations per hour over an 8-hour period is 24, times 10 locations, or 24 installations a day. That figures times a 6-day week gives you 1,440 such locations. That figure times the $3.73 you get means you gross $5,371.20 a week, or nearly a quarter of a million dollars a year."

But Kaufman's pitch leaves little time for the buyer to consider the odds against any single service station operator selling and installing three devices every hour, every day, of every month.

The potential investor also can expect this sort of salesman to be miles from his home office, and the technique didn't happen by chance. Many deliberately keep their headquarters in one state and work in another because they know there is no federal law to follow them across state lines.

And they know very well that it is difficult, bothersome, and time-consuming for Illinois officials to pursue a California company or Minnesota officials to pursue an Illinois company.

"They simply run between the paths of jurisdiction," one New York prosecutor complained. "They have become expert at it."

Another trick is the prosperous-looking offices opened wherever the salesmen go to work and designed to give the illusion of stability and corporate wealth. The paneled walls, the well-dressed secretary, and the lavish waiting room may be rented by the week, but the impressionable prospective investor doesn't know that.

One firm operating in Philadelphia, for instance, rented everything in its instant office, right down to the flowers on the table and the rubber tree plant in the corner.

Like the others, it would move quickly when the prospects in the area dried up or when the arm of the law came a little too close.

"Our law doesn't do much good when the company is based in California," said James Kaiser, an assistant attorney general in Washington. "It's like having only one net to catch a swarm of bees. They fly all over—not into your net."

Perhaps the most brazen offer the investor can expect from the consummate salesman is the "exclusive territory" that the package contains.

"For $5,000 you're buying Oak Park," Serlin said during his pitch for a distributorship in his frozen-meat enterprise. "It's yours for life. No one can take it away from you."

In truth the exclusiveness of a territory often mean a little because no one else would want it anyway. But even worse, the companies often sell the same "exclusive territory" to several unrelated buyers.

And if the idea of having something "exclusive," something of his own, appeals to the buyer, the salesmen are just as quick to realize the buyer may be panicked at the thought of missing out on a chance.

"The salesman told me that he had two other persons in the McKeesport area who were interested in buying this area," remembers Mrs. Jean Livingston, who eventually lost $2,500 investment to a Chicago-based firm selling perfume distributorships. "He said he had to have a down payment right then, if I wanted to hold the distributorship for me."

But that pressure is only one of the psychological tricks the investor can expect from the determined salesman. Here are examples of some of his best and most devious:

A minister's wife in Virginia was given a complex psychological test before being sold a $2,500 deal to distribute cologne she never received.

"He said he wanted to make sure I was cut out for selling," she said. "He said his company was very careful about whom they chose to do their selling. Then he glanced at the test and said he didn't think there would be any problem."

A faltering prospective buyer of a gas-saving device was ridiculed by a salesman when the prospect said he had to discuss the subject with his wife before parting with any money. "In my home, my wife bought the refrigerator and I bought the house," said salesman I. H. Kaufman, "but I pay for both."

A suburban Schaumburg couple was thoroughly questioned about their social habits because they had to be "good enough" people to be accepted by the company. "We had to be religious, community-minded, upstanding people with a good credit rating—good citizens," said James Sanford, who lost a $2,000 investment to a vending-machine company which sent them only broken machines and gave them no assistance. "I guess when we made the down payment that night we were automatically good enough citizens."

Mr. HARTKE. The unscrupulous few who bait their hook with the promise of the American Dream are transforming the lives of many unsuspecting people into an American Nightmare.

The franchise system developed as a means of extending to the small entrepreneur the benefits of large-scale, centralized purchasing, bookkeeping, and advertising. As such it is an important and valuable response to contemporary conditions. But every system has its subverters, and the extent to which present-day franchise charlatans are bilking our fellow citizens is frightening.

As I already stated to this body, I have submitted to the Commerce Committee a piece of legislation designed to meet at least some of the more obvious problems. That there is need for such legislation cannot be doubted. The Tribune reported that those who play the franchise game "deliberately keep their headquarters in one State and work in another because they know there is no Federal law to follow them across State lines."

FACING THE WORLD FOOD CRISIS

Mr. HUMPHREY. Mr. President, yesterday President Ford addressed the United Nations and indicated that the United States would increase its food aid, expand its technical assistance to step up agricultural production and support a program of international food reserves.

On September 16, I wrote to President Ford urging an increase in our food aid to meet the food crisis and in advance of the World Food Conference.

The President at the U.N. called on other nations to make appropriate contributions and urged cooperation in the area of food and fuel. He urged that nations cooperate and avoid confrontation over basic raw materials.

The President also pledged that the United States would take a strong leadership role at the World Food Conference.

Mr. President, I have been supporting similar positions for some time. In August 1973, I wrote to President Nixon urging that a world food conference be called to address the world food crisis.

At the confirmation hearings of Secretary Kissinger, I again raised the issue, and Dr. Kissinger agreed that such a conference was needed. Later, at the United Nations, he suggested that such a conference be held, and the World Food Conference resulted from that recommendation.

In my May 9 New York speech, I suggested a 4-step world food action program to deal with the food crisis.

Senate Resolution 329—which I introduced on May 22 with three other colleagues—was passed without opposition on August 7. This resolution built on the world food action program, and it particularly emphasized the need for expanded food aid, technical assistance, increased fertilizer production, and the cooperation and contributions of other nations, particularly the oil-rich Arab countries.

Mr. President, I am hopeful that our Government will take a strong leadership role at the World Food Conference and also after its conclusion.

We in the United States—as well as other nations—have to make some rather fundamental decisions with regard to our food policy.

The United States cannot continue to ignore the need for our own food reserve program. It is hardly consistent to recommend a reserve for others and then ignore the need for a domestic reserve program for the United States.

Mr. President, I ask unanimous consent that the statement of President Ford, my September 16 letter to him, my world food action program and Senate Resolution 329 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 19, 1974]

TEXT OF PRESIDENT FORD'S ADDRESS AT U.N. ASSEMBLY

In 1946, President Harry Truman welcomed representatives of 55 nations to the first General Assembly of the United Nations. Since then, every American President has had the great honor of addressing this assembly. Today, with pleasure and humility, I take my turn in welcoming you, the distinguished representatives of 138 nations.

When I took office, I told the American people that my remarks would be "just a little straight talk among friends." Straight talk is what I propose here today in my first address to the representatives of the world.

Next week Secretary of State Henry A. Kissinger will present in specifics the overall principles which I will outline in my remarks. It should be emphatically understood that the Secretary of State has my full support and the unquestioned backing of the American people.

As a party leader in Congress and vice president and and now as President of the United States of America, I have had the closest working relationship with Secretary of State Kissinger. I have supported and will continue to endorse his many efforts as Secretary of State and head of our National Security Council system to build a world of peace.

Since the U.N. was founded, the world has experienced conflicts and threats to peace. But we have avoided the greatest danger: another world war. Today, we have the opportunity to make the remainder of this century an era of peace and cooperation and economic well-being.

The harsh hostilities which once held great powers in their rigid grasp have now begun to moderate. Many of the crises which dominated past General Assemblies are fortunately behind us. And technological progress holds out the hope that one day all men can achieve a decent life.

Nations too often have had no choice but to be either hammer or anvil: to strike or to be struck. Now we have a new opportunity—to forge, in concert with others, a framework of international cooperation. That is the course the United States has chosen for itself.

On behalf of the American people, I renew these basic pledges to you today:

We are committed to a pursuit of a more peaceful, stable and cooperative world. While we are determined never to be bested in a test of strength, we will devote our strength to what is best. And in the nuclear era, there is no rational alternative to accords of mutual restraint between the United States and the Soviet Union, two nations which have the power to destroy mankind.

We will bolster partnerships with tradition friends and allies in Europe, Asia and Latin America, to meet new challenges in a rapidly changing world. The maintenance of such relationships underpins rather than undercuts the search for peace.

We will seek out and expand relations with old adversaries. For example, our new rapport with the People's Republic of China best serves the purposes of each nation and the interests of the entire world.

We will strive to heal old wounds reopened in recent conflicts in Cyprus, the Middle East and in Indochina. Peace cannot be imposed from without, but we will do whatever is within our capacity to help achieve it.

We rededicate ourselves to the search for justice, equality and freedom. Recent developments in Africa signal the welcome end of colonialism. Behavior appropriate to an era of dependence must give way to the new responsibilities of an era of interdependence.

No single nation, no single group of nations, no single organization can meet all of the challenges before the community of nations. We must act in concert. Progress toward a better world must come through cooperative efforts across the whole range of bilateral and multilateral relations.

America's revolutionary birth and centuries of experience in adjusting democratic government to changing conditions have made Americans practical as well as idealistic. As idealists, we are proud of our role in the founding of the United Nations and in supporting its many accomplishments. As practical people, we are sometimes impatient at what we see as shortcomings.

In my 25 years as a member of the Congress of the United States, I learned two basic practical lessons:

First, men of differing political persuasions can find common ground for cooperation. We need not agree on all issues in order to agree on most. Differences of principle, of purpose, of perspective will not disappear. But neither will our mutual problems disappear unless we are determined to find mutually helpful solutions.

Second, a majority must take into account the proper interest of a minority if the decisions of the majority are to be accepted. We who believe in and live by majority rule must always be alert to the danger of "tyranny of the majority." Majority rule thrives on the habits of accommodation, moderation and consideration of the interests of others.

A very stark reality has tempered America's actions for decades—and must now temper the actions of all nations, Prevention of full-scale warfare in the nuclear age has become everybody's responsibility. Today's regional conflict must not become tomorrow's world disaster. We must assure by every means at our disposal that local, crisis are quickly contained and resolved.

The challenge before the United Nations is clear. This organization can place the weight of the world community on the side of world peace. And this organization can provide impartial forces to maintain the peace.

And at this point I wish to pay tribute on behalf of the American people to the 37 members of the U.N. peacekeeping forces who have given their lives in the Middle East and in Cyprus in the past few months and I convey our deepest sympathy to their loved ones.

Let the quality of our response measure up to the magnitude of the challenge. I pledge to you that America will continue to be constructive, innovative and responsive to the work of this great body.

The nations in this hall are united by a deep concern for peace. We are united as well by our desire to ensure a better life for all people.

Today, the economy of the world is under unprecedented stress. We need new approaches to international cooperation to respond effectively to the problems that we face. Developing and developed countries, market and nonmarket economies—we are all part of one international economic system.

The food and oil crises demonstrate the extent of our independence. Many developing nations need the food suplus of a few developed nations. And many industrialized nations need the oil production of a few developing nations.

Energy is required to produce food and food to produce energy—and both to provide a decent life for everyone. The problems of food and energy can be resolved on the basis of cooperation—or can, I should say, be made unmanageable on the basis of confrontation. Runaway inflation, propelled by food and oil price increases, is an early warning signal.

Let us not delude ourselves. Failure to cooperate on oil, food, and inflation could spell disaster for every nation represented in this room. The United Nations must not and need not allow this to occur. A global strategy for food and energy is urgently required.

The United States believes four principles should guide a global approach:

First, all nations must substantially increase production. Just to maintain the present standards of living the world must almost double its output of food and energy to match the expected increase in the world's population by the end of this century. To meet aspirations for a better life, production will have to expand at a significantly faster rate than population growth.

Second, all nations must seek to achieve a level of prices which not only provides an incentive to producers but which consumers can afford. It should now be clear that the developed nations are not the only countries which demand and receive an adequate return for their goods. But it should also be clear that by confronting consumers with production restrictions, artificial pricing, and the prospect of ultimate bankruptcy, producers will eventually become the victims of their own actions.

Third, all nations must avoid the abuse of man's fundamental needs for the sake of narrow or national bloc advantage. The attempt by any country to use one commodity for political purposes will inevitably tempt other countries to use their comodities for their own purposes.

Fourth, the nations of the world must assure that the poorest among us are not overwhelmed by rising prices of the imports necessary for their survival. The traditional aid donors and the increasingly wealthy oil producers must join in this effort.

The United States recognizes the special responsibility we bear as the world's largest producer of food. That is why Secretary Kissinger proposed from this podium last year a World Food Conference to define a global food policy. And that is one reason why we have removed domestic restrictions on food production in the United States. It has not been our policy to use food as a political weapon despite the oil embargo and recent oil price and production decisions.

It would be tempting for the United States—beset by inflation and soaring energy prices—to turn a deaf ear to external appeals for food assistance, or to respond with internal appeals for export controls. But however difficult our own economic situation, we recognize that the plight of others is worse.

Americans have always responded to human emergencies in the past and we respond again here today.

In response to Secretary General Waldheim's appeal and to help meet the long-term challenge in food, I reiterate:

To help developing nations realize their aspiration to grow more of their own food, the United States will substantially increase its assistance to agricultural production programs in other countries.

Next, to ensure that the survival of millions of our fellow men does not depend upon the vagaries of weather, the United States is prepared to join in a worldwide effort to negotiate, establish, and maintain an international system of food reserves. This system will work best if each nation is made responsible for managing the reserves that it will have available.

Finally, to make certain that the more immediate needs for food are met this year, the United States will not only maintain the amount it spends for food shipments to nations in need, but it will increase this amount.

Thus, the United States is striving to help define and contribute to a cooperative global policy to meet man's immediate and long-term need for food. We will set forth our comprehensive proposals at the World Food Conference in November.

Now is the time for the oil producers to define their conception of a global policy on energy to meet the growing need—and to do this without imposing unacceptable burdens on the international monetary and trade system.

A world of economic confrontation cannot be a world of political cooperation. If we fail to satisfy man's fundamental needs for energy and food, we face a threat not just to our aspirations for a better life for all our peoples, but to our hopes for a more stable and a more peaceful world. By working together to overcome our common problems, mankind can turn from fear towards hope.

From the time of the founding of the United Nations, America volunteered to help nations in need, frequently as the main benefactor. We were able to do it. We were glad to do it. But as new economic forces alter and reshape today's complex world, no nation can be expected to feed all the world's hungry peoples. Fortunately, however, many nations are increasingly able to help and I call on them to join with us as truly United Nations in the struggle to provide more food at lower prices for hungry and, in general, a better life for the needy of this world.

America will continue to do more than its share. But there are realistic limits to our capacities. There is no limit, however, to our determination to act in concert with other nations to fulfill the vision of the United Nations Charter: "to save succeeding generations from the scourge of war" and "to promote social progress and better standards, better standards of life in a larger freedom."

U.S. SENATE,
Washington, D.C., Sept. 16, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As you know, I have been vitally concerned over the level of our assistance under the Food for Peace program in the face of present world food shortages.

I have discussed this issue at length with Secretary Kissinger, who made a pledge at the United Nations to increase our food assistance.

I have previously urged that we make a solid effort to try to get the commodity levels for both titles I and II back up to where they were in 1972.

Despite our reduced crop estimates and the need to hold federal expenditures to a minimum, we must make every effort to increase those levels, and I would suggest by about forty to fifty percent for a total program of $1.4 or $1.5 billion.

I understand that you will be making a decision on this question in the next few days. A positive decision by the United States would represent strong leadership, especially as preparations are being completed for the World Food Conference.

Respectfully,

HUBERT H. HUMPHREY.

A WORLD FOOD ACTION PROGRAM

(Address by Hubert H. Humphrey)

We have been waging a battle to improve the quality of life in the developing world for 25 years. Today this battle against global poverty and disease is being lost.

As the world's military powers seek accommodation to reduce the risks of nuclear holocaust, new dangers to political and economic stability have arisen.

The threat of widespread famine is on the increase. Fertilizer shortages are growing and the affluent continue to consume a disproportionate amount of the world's food resources.

Worldwide inflation continues to take a heavy toll on the developing and the developed countries alike. This erodes political stability and depletes what little hard currency the poor nations have amassed.

The rich and poor nations are in danger of entering a new era of confrontation fueled by economic desperation. All realize that they are vulnerable to economic blackmail. This situation is causing a breakdown of the traditional rules of the game governing access to supplies and raw materials.

We are today at a crossroads of history comparable to the years following the end of the Second World War.

Today, as before, our nation faces a crisis of maintaining our growth in relative affluence while others face a crisis of sheer survival.

Today, as before, we must fashion an adequate response to the plight of a great mass of people—over one billion people in more than 30 countries who are the worst victims of the doubling and trebling of world food, fuel and fertilizer prices. These most severely affected countries might be described as a new Fourth World.

The bill the developing countries as a whole must pay in increased petroleum prices is an estimated $10 billion. Food and fertilizer price rises are expected to add an additional $5 billion.

And today, as before, the American response to these global problems must draw upon what is best in our people. We must recognize the interdependence of our security with the well-being of all mankind. And the progress of Americans can flow from the progress of others, as it has with the impressive postwar improvement in Europe.

On the other hand, if the opportunity for economic progress is denied one fourth of the human race, no institutional structure, no concept of world order, no "structure of peace" can long survive.

It is imperative that our leaders recognize this essential fact of life.

President Nixon has recently submitted an expanded foreign assistance program.

At the recent U.N. General Assembly special session on raw materials and development, Secretary Kissinger announced our intention to provide emergency assistance, in a cooperative framework, to the stricken Fourth World.

Most recently, we offered an emergency proposal at the U.N. urging the creation of a $4 billion special fund to which the U.S. would contribute its "fair share." This fund would supply additional assistance to the most severely affected to enable them to buy fuel, fertilizer and other essential commodities.

Though well-intentioned, American efforts thus far lack specific financial commitments which the Fourth World expects and needs.

I have come here today to discuss a specific proposal—a proposal which I believe could prevent chaos and suffering. It will allow our nation to fulfill its humanitarian obligation to the world community.

It will respond to an urgent request of the recent U.N. session for "an emergency relief operation to provide timely relief to the most seriously affected developing countries."

It is not a program of charity, for charity is not the way to develop human potential and foster a viable world order.

It is, rather, a program designed to lead the world back from the precipice of famine. It will afford millions with the opportunity to go beyond mere survival and develop the potential of their economies and their lives. It is also a program which recognizes the urgent need to develop new standards and institutions to ensure access to supplies of essential commodities to all nations, rich and poor.

Today I am proposing a World Food Action Program which involves important initiatives for the United States on four broad fronts: expanded food aid, a program of food reserves, an improved system of fertilizer distribution and production and an increased emphasis on agricultural development.

The United States is a country blessed with great industrial and military power. But this power shrinks in magnitude compared to the power of food. We are the world's breadbasket. Our natural tendency to produce food in abundance gives us today enormous power over the lives and fortunes of a majority of the world's people.

Used wisely, America's food power can be a force for enlightened and compassionate ends. Used only for narrow, short-term advantage, it becomes a precious resource squandered in the face of great human suffering.

I believe our contribution to the growing economic crisis in the Fourth World should be primarily in the form of food and the means and technology to produce it. I propose a food action plan in the hope that it will serve as a model for initiatives by other nations who can afford to be generous at a moment of growing need.

Twenty-five years ago Europe was threatened with economic and political disintegration. The United States responded strongly and generously in the face of crisis and despair. The Marshall Plan can again serve as an example of effective assistance to those in distress.

Today, when the lives and well being of hundreds of millions in Africa, Asia, and Latin America are at stake, we can do no less. We need to respond in the same bold and generous manner.

We cannot wait for the World Food Conference in November. Time is running out for millions.

My four-point action program includes the following provisions:

First, food aid must be expanded.

At a time when world needs have reached crisis proportions, our food aid shipments have been slashed severely. And a significant part of our availabilities go for security related programs in Southeast Asia.

All nations must immediately take steps to expand their food production. But this simply is not enough. The food surplus nations must also set aside a portion of their increasingly profitable food exports for transfer to the poorest nations. And the transfer must be on terms poor nations can afford. Present world food prices are simply beyond the financial means of the poorest nations.

Specifically, I propose a three-year emergency food aid effort. It would be aimed at the nations hardest hit by food and energy price rises and fertilizer shortages. It would include the following steps:

The United States will offer the sale of at least $1 billion worth of food annually at today's market price. Countries purchasing this food will pay the going market price of July 1, 1972 commercial terms.

The difference between today's higher prices and the July 1, 1972 price would be in the form of long-term concessional credits.

This American proposal should be conditioned on a comparable offer from other nations with a major food surplus—notably the Canadians and Australians. Their fair share of the total aid effort would be proportionate to their share of world grain exports in recent years—about 70% from the U.S., 20% from Canada and 10% from Australia.

I believe this new program of expanded food aid should be matched immediately by reciprocal assistance measures on the part of the oil exporting nations.

Recent oil price increases and energy shortages have already begun to decrease world food production. Therefore, a decline in oil prices will help spur world food production.

For the very poorest nations and those already suffering famine, we should expand our PL 480 Food for Peace sales program on terms softer than the proposal I have just made.

The PL 480 food grants for the nutritionally vulnerable and for food-for-work programs have also been cut dramatically. Approximately 20 million people have been removed from these important programs. We must move to expand this grant food aid program.

Our much diminished PL 480 program must be restored at least to the 1972 commodity levels.

The United States is a major contributor to the international World Food Program under the direction of the United Nations. This program carries out vital emergency relief and nutrition activities.

Sharp food price increases have reduced the availability of food for this international effort. Many worthwhile new projects have been abandoned. The United States, which has presently pledged to provide $140 million in food and cash in 1975–76, must increase its own pledge to at least $200 million. We must encourage other nations to increase their contributions so that the commodity level can be restored to the 1972 level.

Again, this should be looked upon as only a minimum effort to deal with an emergency.

People must understand that the severe world food crisis will not miraculously disappear even if we have the bumper harvests anticipated for this year. Last year we had record crops. Despite this fact, world food reserves are today dangerously low. They are approaching a level of supply which could last only three weeks.

Second, we must establish a food reserve program.

We have a moral obligation to establish a buffer against the threat of mass starvation. We simply cannot rely on ideal weather and no major crop diseases to assure a safe supply of food.

The world's leading food producer and exporter—the United States—has no national food reserve policy. We blithely assume all will work out for the best.

Grain reserves provide an important measure of stability in the world food economy. They also ensure the capability of the internal community to respond when droughts or crop failures occur.

It is essential, then, that the U.S. Congress act quickly to pass the legislation I have proposed establishing a national food reserve policy.

Closely related to a reserve policy is the need to assure fair prices to farmers for their products. It is a fair price which is the incentive for production. The existence of sizeable reserve stocks must not be used to deny farmers of a reasonable return on their investments and efforts.

The international community must also establish a new global food reserve system. FAO Director-General Boerma's plan for the international coordination of national food reserve policies must be given concrete form at the World Food Conference, and then implemented without delay.

Third, world fertilizer production must be expanded.

The global shortage of chemical fertilizers is already causing disastrous consequences in the developing world. This is especially true in South Asia. Not only have prices soared, but many poor countries have been unable to purchase required amounts at any price. Japan, the United States, and European nations have reduced their fertilizer exports because of their domestic needs.

Every dollar's worth of fertilizer denied a country such as India now may well force it to import five dollar's worth of food next winter. This is an economic loss that these nations and the world can ill afford.

The United States and other fertilizer exporting nations must take steps to ensure that critical fertilizer needs in the developing countries are met without endangering domestic agricultural production.

We must restore our fertilizer exports to reasonable levels, both through commercial channels and our aid program.

This will require expansion of fertilizer production facilities. If necessary to insure this expansion, the Government should stand ready to offer credits and tax incentives.

More fertilizer needs to be sent to developing countries this summer and fall. The industrial countries need to consult urgently on the means for doing so.

We must ask the American people to reduce the non-critical and non-farm uses of fertilizer which now total nearly 3 million tons of nutrient—well above the anticipated fertilizer deficit in Asia this year.

A major cooperative effort is needed to increase the efficiency of production in existing developing-country nitrogen fertilizer plants. Many are now producing at below two-thirds their capacity. Additional technical assistance and spare parts will be necessary from the United States and other industrialized nations.

It is now clear that the comparative advantage in nitrogen fertilizer production lies with those nations with abundant energy supplies. The United States and other industrial nations should assure the oil exporting nations—which are blessed with natural gas, the feedstock of nitrogen fertilizer—that we will share with them our technologies to open new supplies of fertilizer.

The World Bank could take the lead in coordinating this effort.

The battle against global hunger cannot be won without abundant supplies of fertilizer at reasonable costs.

Fourth, agricultural production in the food deficit nations must be increased.

The developing countries constitute the world's greatest reservoir of untapped food production potential. Vast increases in food production are possible in these nations. These increases can be achieved at a far lower cost in the use of energy and fertilizer than in the agriculturally advanced nations.

The realization of this potential is crucial if the world's food supply is to grow rapidly enough to meet the needs of population growth and rising affluence.

Special emphasis needs to be placed on effectively involving the world's small farmers in the effort. A generation of experience has taught us the benefit of intensively cultivated small farms. They more than hold their own in comparison with large farms and output. They also supply jobs for the growing legions of the unemployed in the developing world.

This approach to rural development contributes greatly to the motivation of smaller families that is the prerequisite of a major reduction in birth rates.

Agricultural development will not come easily.

It will require supplying farmers with education, credit, extension services, fertilizers, improved seeds, appropriate machinery, and water supplies.

It will require expanded multilateral and bilateral economic assistance programs.

It will require expanded world research efforts to discover even more productive seed varieties.

It is imperative that the U.S. Congress act quickly to approve the U.S. replenishment of funds for the International Development Association. The World Bank, under the leadership of Robert McNamara, is increasingly, focusing its efforts on this area of greatest need—rural and small farm development.

Special attention in the developing countries must be given to the problems of food spoilage and waste. Poor storage, inefficient marketing practices and inadequate facilities result in massive losses of food and fiber. A special effort, perhaps led by the FAO, to reduce global food losses is vital.

At the same time, we cannot ignore the different but very real form of waste occurring in the more affluent nations. Each day enough uneaten food is scraped from restaurant and home dining room plates to sustain millions.

The Food Action Program which I have outlined would begin to meet the urgent need for immediate international cooperation to avert famine.

It would also do much more. It could establish new standards by which nations deal with global resource scarcities. Many of the fundamental questions raised by these shortages are present also in the case of food.

We should use American food to set a new standard for international economic conduct. We have too much at stake to miss the guaranteeing access to supplies and markets opportunity to see that there are rules for all countries.

One of the most important components of the food action program I have outlined—expanded food aid—could be implemented in a matter of weeks.

The legislation giving the President the authority to act already exists in our PL 480 legislation.

Although Congressional approval is not necessary, Congressional consultation is imperative.

In the coming days I will introduce a World Food Action Resolution with my colleagues. This resolution will urge the President to take immediate action in expanding our food assistance to meet the growing crisis of human suffering in the developing world.

Some have suggested that the American people will not support an expanded food aid program.

I do not believe this has to be the case. The American people have always responded generously in times of crisis. We at least need to ask them. We cannot afford to reach such a conclusion without an informed national dialogue. The American public has only recently begun to hear of the world food crisis.

One frequent objection to increase government food aid is that domestic prices will tend to be pushed higher. I do not believe this to be the case. We can provide expanded food assistance in the manner I have suggested—without price increases.

This can be accomplished by limiting our sales on the commerical market. We must reserve part of our supplies for sales to the poorest countries threatened by famine on cash and credit terms that they can afford to pay. This food program—to save lives and create an environment conductive to peace—will cost less than three Trident submarines.

In the final analysis, a fundamental moral choice canot be evaded. Can a nation whose nutritionalists proclaim obesity to be a leading health problem share its bountiful food resources with those whose very survival is at stake?

When our own life styles affect the basic well-being of others, can we avoid making the necessary minor adjustments?

A decision by Americans to eat one less hamburger a week would make some 10 million tons of grain available for food assistance.

It is also in the self interest of the United States to take the lead in developing this program. Starvation and hunger are the breeding grounds for political instability and economic chaos.

Americans do have a stake and a vital interest in social progress. As Pope John said: "Development is the new name for peace."

The countries we would be helping provide vitally needed resources for all nations—particularly the industrialized and more affluent nations.

While I urge my country to take the lead in the effort, I would expect others to follow.

The United Nations has already set the stage for the cooperative effort in meeting the crisis of the Fourth World.

If the nations of the world confront the global food crisis head on, we shall be taking a step toward saving millions of lives in peril.

By undertaking this food action program, the human community shall be reaffirming its ability to cope with a world crisis.

If we do not take the initiative now and begin defining our future, we should not be surprised when tragic events define it for us.

S. Res. 329

Resolution relating to the participation of the United States in an international effort to reduce the risk of famine and lessen human suffering

Whereas world food reserves are at a dangerously low level with less than four weeks supply remaining; and

Whereas dramatic increases in the prices of petroleum, food, and industrial commodities have placed needed quantities of these critical items beyond the financial reach of some forty of the poorest and most seriously affected developing countries with over one billion people; and

Whereas the American people have a long and proud tradition of acting to combat famine and to relieve the needs of hungry people at home and abroad; and

Whereas it is in the self-interest of the United States to relieve starvation and hunger, which are the breeding ground for economic and political instability; and

Whereas the United States has recently announced its willingness to work with other nations in a cooperative effort over the next eighteen months to help those nations most severely affected by the recent price rises and food supply shortages; and

Whereas the dimensions of the present crisis call for an immediate response on the part of all governments over and above what has been forthcoming in the past: Now, therefore, be it

Resolved, That it is hereby declared to be the sense of the Senate that—

(1) while the United States Government must continue to emphasize and support the expansion of population planning activities as being essential to the long-range curtailment of global food demand, the United States should also contribute to alleviating the immediate economic and human crisis of the developing world by providing assistance in the form of food and the means and technology to produce it;

(2) the President, the Secretary of State, and the Secretary of Agriculture and their advisers should (A) give the highest priority to the immediate expansion of American food assistance through the existing authority of the Public Law 480 legislation restoring title I sales and title II grants to at least the 1972 commodity levels and (B) take such additional steps as might be necessary to expedite the transfer of American food commodities on concessional and donation terms to those nations most severly affected.

(3) the President and the Secretary of State should (A) negotiate with other major food exporting nations to seek to obtain their participation in this emergency effort proportionate to their share of world food exports; and (B) strongly encourage oil exporting nations to contribute a fair share to these efforts to assist the most severely affected nations;

(4) the United States should announce its desire to work with the oil exporting and other nations in a major effort to increase world fertilizer production with the possibility of including the offer of American technology and capital; and

(5) the President should encourage the American people to reduce their noncritical, non-food-producing uses of fertilizer which now total nearly three million tons of nutrient a year, to make available increased fertilizer supplies for raising food production at home and in the developing world.

SEC. 2. It is further declared to be the sense of the Senate that the President of the United States and the Secretaries of State and Agriculture should, and are hereby urged and requested to (A) maintain regular and full consultation with the appropriate committees of the Congress and (B) report to the Congress and the Nation at regular intervals on the progress toward formulating an American response in a cooperative framework to the world food crisis and the needs of the most severely affected developing countries.

SEC. 3. The Secretary of the Senate is directed to transmit copies of this resolution to the President, the Secretary of State, and the Secretary of Agriculture.

THE SITUATION IN VIETNAM

Mr. McGOVERN. Mr. President, I am sure that no one has the impression that there has been an end to congressional responsibility for what occurs in Indochina.

The accounts I have seen and heard point to a status quo in Vietnam that is bloody, expensive, and hopeless. As we approach a decision on a proper level of U.S. assistance for the Thieu government, I believe we must make every effort to determine whether a given sum will improve or worsen the situation.

In this context, I commend to my colleagues a number of recent newspaper articles, primarily from the New York Times and the Washington Post, which are most useful in developing an understanding of internal Vietnamese reality. Several points emerge:

First. Despite public relations to the contrary, it is the Thieu government that has been primarily responsible for continuing warfare in defiance of the Paris Agreement.

Second. Although there have been some cutbacks, South Vietnamese Government Forces are still wasting ammunition in massive quantities.

Third. Mr. Thieu is continuing to conduct a dictatorial kind of politics in which free expression is denied not only to Communists but to all opposition. Thus, his political base remains extremely narrow.

Fourth. Mr. Thieu continues to arrest, detain, and torture political prisoners.

Fifth. The Thieu government will not let refugees go home—another express violation of the Paris Agreement—because he would then lose political control over them.

Sixth. The human toll is still extremely heavy, out of all proportion to what anyone could hope to win.

In summary, the Paris agreement in which we invested so much life and fortune is treated as a dead letter. And with $700 million in military aid plus some $580 million in economic aid, including food for peace, Thieu would receive only slightly less than he received in fiscal year 1974. Unless those figures are scaled back, Mr. Thieu will have no incentive to make the political concessions necessary to make the agreement work. He will instead continue his hopeless quest for a military victory, and he will continue to demand that the United States underwrite both his arms budget and his war economy.

Put simply, the question is not whether we will set our aid high enough to make a difference; it is whether we will set it low enough to make a difference—low enough to move Mr. Thieu to observe the agreement which was supposed to end the war.

At this point, Mr. President, I ask unanimous consent that there be printed in the RECORD a current analysis of the military situation in Vietnam by a longtime observer on the scene, followed by several newspaper articles which bear on the same subject.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MILITARY SITUATION IN VIETNAM

The surprising thing is not that the attacks on Saigon positions are occurring, openly and with considerable publicity by the PRG itself, but that they did not come sooner.

Under constant military pressure from Saigon's ARVN (Army of the Republic of Viet Nam) troops in the year and a half since the signing of the Paris Agreement, the PRG has seen a significant portion of its zone of control eroded. Estimates vary, ranging from five to fifteen percent. The situation was demonstrated graphically to one foreign correspondent on his most recent trip to Viet Nam. The southern part of My Tho province, between highway four and the Mekong River, where he had taken a tour as a guest of the PRG just after the cease-fire has now been almost completely taken over by Saigon.

The PRG/DRV forces have not been turning the other cheek. For months there have been reports of ARVN units up to battalion size virtually wiped out at dinner time after an uneventful day's thrust into a liberated area. And PRG troops have harassed and overrun several ARVN camps—mostly mountain-top outposts deep in otherwise liberated territory.

Almost a year ago, on October 15, 1973, the PRG issued a warning to Saigon against trying for a military solution. On that date the PLAF (People's Liberation Armed Forces) high command sent out a general order authorizing units to strike "at any time and at any place" against Saigon bases and units involved in raids against the liberated zone.

The current series of attacks—one group concentrated in Quang Nam and Quang Ngai provinces in central Viet Nam, another in the central highlands, and a third in the provinces northwest of Saigon—is the first large-scale implementation of that order.

Although Saigon is once again sounding the alarm for the long-heralded "general offensive", the PRG insists that the objective of the attacks is much more modest. The PRG wants to convince Saigon that it would be foolish to attempt a military solution, and that the only practical course is to adopt a serious attitude towards the now suspended negotiations for the implementation of the Paris Agreement.

Confirmation of this interpretation is provided, in part, by an official at the US consulate in Da Nang, who did not see the attacks as an all out offensive. He pointed out to a correspondent who toured the area recently that the areas of heavy fighting in that part of the country are zones where ARVN troops had been conducting large scale sweeps for weeks before the PLAF struck back.

In principle the PRG seems to have demonstrated its point. All Saigon's main forces are already in the fight, while US/Saigon intelligence reports say the PRG and DRVN still have at least half of their main force units in reserve. And the formidable anti-aircraft defenses now reported to be set up in several parts of the liberated zone have remained quietly under camoflage.

Vietnamese journalists report that ARVN morale—never exceptionally high—is sagging still further. The military police have, in their way, confirmed the situation by stepping up their patrols in the city, checking streets and alleys for deserters.

Saigon, however, doesn't seem to have got the message. There have been no signs that Thieu is willing to create conditions for a fruitful resumption of the stalled cease-fire talks in Saigon, and the negotiations on political issues in France.

The most basic requirement is a written guarantee by Saigon of the PRG and DRVN delegations' diplomatic privileges and immunities. The current breakdown in discussions grew, in a complicated way, out of Saigon's unilateral cut-off of these privileges and immunities in early April. The PRG insists that Saigon guarantee them as one of its obligations under the Paris Agreement, not as a gesture of "goodwill" which Saigon may revoke at its whim.

It is reported that the PRG military thrusts have taken pressure off a number of the liberated areas, such as some in the Que Son valley.

Reports reaching Saigon through people with friends and relatives in the area say that in one village which used to be a contested area, constantly harrassed by ARVN sweeps and artillery fire, there is now a large open-air "liberated market". People from the Saigon zone cross over to sell cloth, canned milk, batteries and other light industrial products. People from the PRG zone sell them agricultural produce in return.

In other areas the fighting rages over regions which had been relatively stable, and the papers in Saigon are filled with the all-too-familiar photographs of farmers fleeing battle with what few of their possessions they can manage to carry along.

It appears, from scattered reports, that a significant number of people are moving from refugee camps in Saigon controlled areas into secure parts of the PRG zone. In at least one case, the PRG provided transportation for returning farmers in a convoy of trucks captured from an ARVN resupply column. In other cases transportation has been arranged by relays of Hondas or sampans.

The ground is certainly ripe. In Quang Ngai province shortly before the attacks began, a reporter found several refugee camps where people had been set down five years, six years or more ago after American troops uprooted them from their native villages, or after they fled combat areas on their own initiative. Now they are hungry, with no decent fields and no work. They want to return to their old homes, often less than ten miles away. But all expressed a fear of ARVN operations. As several women put it, "They'll pick us up and bring us back and beat us to death."

[From the New York Times, Sept. 9, 1974]

CUT IN U.S. AID FORCES SAIGON TO SHIFT ITS STRATEGY AND YIELD SOME OUTPOSTS

(By David K. Shipler)

SAIGON, SOUTH VIETNAM, September 2. Cuts in American military aid have begun to force shifts in strategy by the South Vietnamese Army.

In an effort to save fuel and ammunition, Government forces have abandoned some isolated outposts, have virtually ended the "harassment and interdiction" artillery fire that once peppered Communist territory and have replaced some large-unit operations with small, long-range infantry patrols that penetrate and attack deep inside North Vietnamese and Vietcong strongholds.

Army officers, foreign military men and Government civilians who describe these changes differ on their military significance.

Some think the withdrawals from outposts will effectively cede contested land to the Communists, thereby sharpening territorial divisions between the two sides and perhaps facilitating any future effort to draw a map delineating areas of control. Such delineation was prescribed by the Paris truce agreement of Jan. 27, 1973, but has been resisted by both sides.

Other military men argue, however, that many of the outposts are important only sym- * * * claims to valueless territory and causing some damage to the army's effectiveness by spreading the forces too thinly. They also believe that the spotty configuration of control will persist, especially in the Mekong Delta.

WASTE OF AMMUNITION SEEN

As for harassment and interdiction fire—in which an enemy's territory and supply routes are shelled almost at random—military men have long debated the value of the practice in Vietnam.

Some regard it as a waste of ammunition that causes suffering mostly among the civilian population of Communists-held areas. Others contend that the unpredictable shelling keeps opposing troops tense, denies them rest and damages their morale.

* * * $1.45-billion Administration request to $700-million for this fiscal year.

"We are not going to have much money," said one well-placed army officer, "so these outposts serve very little purpose since we cannot afford to do anything with them."

"Unless a position has some political value, like a big city," he continued, "no position—especially in a sparsely populated area—is considered important enough for us to stick and fight and die."

According to informed sources, about 500 of the 3,000 outposts in the Mekong Delta will be "consolidated" in an effort to conserve ammunition. Some are well within secure Government areas, but others, surrounded by Communist forces, have caused large drains on fuel supplies since they have to be resupplied by air,

Elsewhere, abandonment has been related to Communist attacks. Without abundant artillery shells and bombs with which to support the small forces of local militiamen who often man the outposts commanders have taken to making fast retreats in the early stages of an assault before casualties become high.

Some analysts believe the main military impact of the emerging Government attitude toward outposts will be logistical. "If you have an outpost on a canal, for example," one remarked, "it makes it more difficult for the enemy to get past by night, and it provides early warning of troop movements."

But a South Vietnamese officer disagreed. "When the North Vietnamese Army moves, it moves in big units," he said, "so, the existence of a small outpost of maybe 10 people doesn't make any difference. And two or three Vietcong can go anywhere—they know their way around."

The usefulness of small outposts—which often serve as bases for patrols into the neighboring countryside—has declined also as a result of a transformation of the North Vietnamese logistics system into a modern network of roads, oil pipelines and supply routes. This has happened in the absence of American bombing in the 19 months since the Paris cease-fire agreement.

Maj. Gen. John E. Murray, who recently left the post of United States defense attaché in Saigon, observed in an interview last month that while North Vietnamese Army units coming south used to spend a month or more "squirreling around" uncovering caches of supplies and getting their logistics in order, they could now go into battle immediately upon arrival because the supply system was already functioning for them.

"There's a logistics genius back there," General Murray declared.

FIREPOWER INCREASED

One result has been an increase in the volume of ammunition and firepower used by the North Vietnamese in the fighting of the last few months. One foreign military officer said that many outposts had been given up after heavy Communist artillery barrages with no ground attack.

There is widespread agreement that the third element of the strategic change—the increased use of long-range patrols—will work to the benefit of the South Vietnamese Army, which is normally restricted to a defensive posture around population centers and along major highways. The patrols involve 6 to 30 men who are sent for several days at a time to attack specific targets in Communist territory they have been used mostly in the northern half of South Vietnam.

The abandonment of outposts has been the most dramatic and controversial change in strategy. It first emerged six to nine months ago as nothing more than an occasional exception to President Nguyen Van Thieu's directive that not one inch should be given to the Communists.

But the exceptions have become the rule in recent weeks as the Communists have stepped up their attacks and as Congress has voted cuts in American military aid to South Vietnam, trimming a

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HEAVY COMMUNIST PRESSURE

Uncounted outposts have been given up along the central coast in Quang Ngai and Quang Nam Provinces under heavy pressure by North Vietnamese troops. Some of the Government positions reportedly had been established after the cease-fire as a way of asserting Government control over fertile riceland. "The Communists are just taking back what they consider to be theirs," a Western diplomat remarked.

In Tay Ninh Province 50 miles northwest of Saigon, the North Vietnamese overran two Government outposts on Aug. 20 in what one Western military officer called an attempt to open a logistical corridor along the western bank of the Vam Co River.

This would provide the Communists with an infiltration route from Cambodia into the western provinces of the Mekong Delta, where a Government offensive routed the North Vietnamese from an important base area called Tri Phap.

He noted that while the Government once used about 10 times the amount of ammunition that the Communists used in battle, the ratio had recently shrunk to two to one. "And the Communists get cost effectiveness out of every round " he explained. "They're sitting up in the hills looking down on a town, while the Government shoots up in the bloody hills and hopes it hits something."

Few believe that the strategy changes will suddenly break the military stalement between the two sides. However, as a South Vietnamese army officer put it, "We know we don't have enough troops to occupy the whole country. But we also know they don't have enough troops to occupy the whole country."

[From the New York Times, Sept. 5, 1974]

MORE AID IS GOING TO NORTH VIETNAM

(By David K. Shipler)

SAIGON, SOUTH VIETNAM, September 1.—According to Western intelligence reports, North Vietnam is getting increased economic aid from China, the Soviet Union, and Eastern European countries, but with new strings attached.

Moscow apparently decided some months ago to make its aid contingent on North Vietnam's keeping better records, drawing up a detailed economic plan and taking a national census.

The demands were reportedly made after Soviet investigators found donated equipment and machinery unused on docks and in warehouses. They were also said to have discovered that Hanoi had no complete picture of its stocks of equipment and, one Western analyst explained, "no clear-cut idea of what kind of labor force they had—how many truck drivers, for example."

The census has now been taken and a two-year economic plan drafted. The aid is pouring in.

WHEAT FROM SOVIET UNION

Basing their estimates on deliveries so far this year, the analysts here say that North Vietnam will receive about a million tons of grain—including rice, wheat and corn—from China and the Soviet Union in 1974. This is about 20 per cent of North Vietnam's annual consumption.

Much of the wheat has come from the Soviet Union, while the rice has generally been shipped from China, often in the form of local trade between border areas. Officials believe that while the North Vietnamese barter for some of the rice, much of it is simply sent as deficit trade, or as a sort of loan that will probably never be repaid.

The bulk of the other aid is in petroleum, machinery and technical assistance, the analysts say. The Soviet Union has provided locomotives, helicopters, bulldozers, machinery for power plants and technicians to help maintain heavy equipment.

According to intelligence reports and public statements by Hanoi, the Chinese have helped in mining, bridge construction and steel and cement production. In May, Radio Hanoi announced the opening of part of a power plant built with Chinese assistance, and last January a Chinese-built tile factory went into operation.

AID FROM EAST GERMANY

The analysts here report that East Germany has agreed to aid the North Vietnamese telecommunications network and has sent technicans to oversee the reconstruction of the city of Vinh. A 500-man team of Cuban engineers is helping rebuild roads.

Hungary has reportedly agreed to build a hospital in Hanoi and has already provided drugs and medicines. Japanese companies have signed contracts with Cuba to provide construction equipment to North Vietnam, the analysts say.

The intelligence men usually find it difficult to place a dollar value on the aid. The most reliable statistic, they say, is tonnage, which they calculate simply by keeping track of the shipping that goes into North Vietnam. But without closer examination of the goods, they say, dollar values are mere guesswork.

A recent study by the staff of the Senate Foreign Relations Committee reported that North Vietnam received $425-million in economic aid from the Soviet Union and China in 1973 and $290-million in military aid. In the same year, the United States gave $491-million in economic aid to South Vietnam, and military aid was $1.2-billion in the last fiscal year.

This year, Congress is being asked for $750-million in economic aid for South

Vietnam. Some analysts in Saigon estimate that if deliveries to North Vietnam continue as they have so far, economic aid to Hanoi this year will total $1-billion to $1.2-billion, mostly from Communist countries.

INDUSTRIALIZATION AN ISSUE

One knowledgeable Western diplomat said that the Hanoi leadership, in the course of writing a five-year plan, was apparently involved now in an effort to decide to what extent the country should be industrialized. Farming now occupies about 8.5 million of the labor force of 10 million.

"They are talking about converting about 1.5 million to 2 million of those into industrial workers" the analyst explained. But such conversion is expensive he noted. According to a United Nations study, it costs $5,000 to change a worker from agriculture to industry.

Furthermore, the first North Vietnamese census since 1960 disclosed last week, put the population at 23,787,875, as against an estimate of 21 million.

"This means all of the economic problems and demands are worse than we thought they were," an analyst remarked.

[From the Washington Post, Sept. 5, 1974]

TRIMS IN U.S. AID FORCES AIR CUTBACKS

SAIGON, September 4.—Government forces in South Vietnam have cut back sharply on air strikes in response to cuts in American military aid, military sources said here today.

The reduction, stemming mainly from concern over gasoline supplies and prices, was believed to have become sharper in the past week, the sources said.

Saigon's armed forces have been trying to reduce their use of munitions and fuel for several months as the U.S. Congress shows more reluctance to keep up past aid levels. Congressional votes last month to hold military aid here to $700 million in this fiscal year have now prompted sterner measures, the sources said.

Fighting has flared for the first time in many months in South Vietnam's northernmost province of Quangtri, where last year's cease-fire agreement had been relatively effective, the Saigon command said today.

Communist units attacked government troops about 10 miles southwest of Hilang, the command said, and three government troops were killed and three wounded, while Communist losses were put at four.

In Phnom Penh, South Vietnam delivered a formal protest to Cambodia today over oil exploration in disputed waters off their coasts, Cambodian government sources reported.

The text of the note was not disclosed. Earlier reports from the South Vietnamese capital had said Saigon's navy would tear down the drilling rig if it were not removed by Sept. 12.

Both Thailand and South Vietnam have staked out mineral claims to waters off the Cambodian coast.

[From the Christian Science Monitor]

RED'S RETALIATE FOR SOUTH VIETNAMESE ARMY'S LAND GRABBING

(By Daniel Southerland)

SAIGON.—The South Vietnamese Army has paid a price for its land grabbing in the northern part of South Vietnam.

Retaliation by the Communists in this area has led in recent weeks to the heaviest fighting since the ceasefire was declared more than a year and a half ago. The North Vietnamese have regained a good part of the territory they held in the northern-most region at the time of the ceasefire.

Casualties have been high. One well-informed military officer reports that there are more wounded South Vietnamese soldiers in hospitals at the moment than at any time since the cease-fire was supposed to have begun.

But veteran analysts say that the Communists' aims for the moment appear to be limited. The attacks that have occurred are not intended to be knockout blows, they say. In fact, Hanoi is far from releasing the full force of its war machine in the northern region.

"What we are seeing is first an attempt to roll back 'pacification' and second an attempt to make the GVN [Government of Vietnam] more reasonable from the Communist point of view," said one Saigon analyst.

"They [the Communists] are attempting to regain the territory which they claim was theirs on which in fact was theirs at the time of the signing of the peace agreement," this analyst said.

MOBILITY SHOWN

Some analysts think that the current attacks may also turn out to be a prelude to some sort of new Communist political initiative coming perhaps as early as the beginning of next year.

One thing which the recent fighting has clearly demonstrated is the improved mobility of the Communist forces in South Vietnam. One Communist regiment, the 29th, appeared quite suddenly and unexpectedly during the fighting around Thuong Duc last month. The soldiers in this regiment were rapidly deployed in trucks, thanks to new roads developed by the Communists since the cease-fire.

Intelligence experts agreed that the North Vietnamese currently have enough material stockpiled in South Vietnam to launch a general offensive lasting many months.

South Vietnam's President, Nguyen van Thieu, has been predicting such an offensive for more than a year now. His information minister announced that a major offensive was imminent five months ago. But the much-predicted offensive has not come.

President Thieu's predictions are seen by many observers as part of a South Vietnamese public-relations effort designed to secure continuing support and sympathy from the United States.

The predictions may also be designed to help maintain South Vietnamese Army discipline and to provide a pretext for Mr. Thieu's continuing refusal to agree to certain political provisions called for in the Vietnam peace agreement.

Contrary to Mr. Thieu's predictions, there are a number of reasons for believing that a major offensive is far from imminent:

The rate of conscription and the rate of military training in North Vietnam are both currently at low levels. One would expect them to be at high levels before an offensive.

While Hanoi has the supplies to carry out a major offensive, it has not been sending troops into the South in large enough numbers to indicate preparations for an offensive. Nor has it distributed its supplies in a manner that would signal an imminent offensive.

North Vietnam's strategic forces have not shifted their posture in a way that would point to an offensive.

There are numerous indications that the North Vietnamese are putting much of their energy into solving major economic problems and that they have given their highest priority to the repair of war demage in the North.

CUT IN SUPPLIES HINTED

Some analysts are convinced that while the Soviet Union and China continue to provide considerable military and economic assistance to North Vietnam they have actually cut down on deliveries of military supplies.

These analysts are equally convinced that if the North Vietnamese launch a major offensive they cannot count on having the Soviets and Chinese replace all their lost ammunition and equipment. If these analysts are correct, the North Vietnamese stand to gain more from a step-by-step approach to gaining control in the South than they do from organizing an all-out offensive.

[From the Manchester Guardian, Aug. 31, 1974]

CAN HANOI'S TACTICS TIP THE BALANCE?

(By Martin Woollacott)

The Vietnam war, still by far the biggest and bloodiest in the world, seems sometimes no more than a wearisome re-enactment of the same battles against a familiar background of ruins and fleeing refugees.

The South Vietnamese army is now trying to contain North Vietnamese thrusts in two areas—the "Iron Triangle" north of Saigon, and the valleys and hills south of Da Nang—that are ancient killing grounds of the war.

But the sameness is misleading. The last few months have seen significant changes in the nature of the war that have been maturing gradually since before the cease fire and are summed up by the remarks of an American military man. "The equilibrium is shifting."

The equilibrium has shutted in the sense that the North Vietnamese have now embarked for the first time since the 1973 cease-fire, on a limited national offensive campaign aimed at taking key territory—and people—from the Saigon Government.

This is not a general offensive like that of 1972. It is nevertheless no small affair, the South Vietnamese have as many men committed to the two biggest battles as the Turks have in Cyprus.

To put it into perspective you have to go back to the fighting around the time of the ceasefire when the South Vietnamese basically won most of the little battles that erupted when the Communists tried to fly their flags in large tracts of the countryside. For the rest of that year the South Vietnamese continued essentially in an offensive spirit.

The Communists of course responded but in a fairly localised way although they also conducted their own offensive against Saigon positions in or on the fringes of what they considered to be their undisputed territory, taking about 150 such outposts.

But it was mainly the South Vietnamese who set the pace and President Thieu made it explicit in January this year when he called on his commander to seek out the enemy in their base areas. About the same time the South Vietnamese air force began to fly routine air strikes against Communist zones.

In a major two-division-size operation the South Vietnamese entered the region west of the Saigon River and cleared it, at least temporarily, while in the delta the South Vietnamese 7th and 9th Divisions attached Tri Phap, a key North Vietnamese base area. When the North Vietnamese began to move their 5th Division southwards in possible response to this, the South Vietnamese moved on the Communist division from both sides and hurt it badly.

Throughout the year since the ceasefire the Communists had pursued a policy of comparative restraint as they tried by diplomatic means to put pressure on Saigon to accept the political provisions of the Paris agreement. Representations to the U.S. Government and meetings with Kissinger leading nowhere, they seem to have decided some time this spring, to go over to a limited offensive which they announced on their radio and elsewhere, in a public way.

They showed their hand first at Ben Cat, North of Saigon where the North Vietnamese 9th Division took up carefully chosen positions on comparatively high, dry land in May and waited for what the South Vietnamese would throw at them. Saigon put the 18th Division in. Six weeks later the 18th withdrew having taken 2,500 casualties—and the North Vietnamese still held the most important positions, although they had conceded a few.

In the last few days what is essentially the same battle has begun again south of Ben Cat in the overgrown tract of land between the Saigon River and a lesser stream, the apex of the famous Iron Triangle. The positions which held near Ben Cat now protect the left flank of the Communist forces. Not that the North Vietnamese have any intention of driving on closer to Saigon, but rather to secure a base area and a corridor of approach for some later stage in the conflict.

In the same month that they moved at Ben Cat the Communists began a campaign in the central coastal area to close the main North-South road, Route One, but succeeded in this only very briefly. Farther North they moved two regiments into the valley of the Thu Bon south-west of Da Nang.

Brushing aside small outposts at the very head of the valley they surrounded a town called Duc Duc, although only after a fierce and bloody encounter with a North Vietnamese regiment.

Another North Vietnamese regiment coming into the valley from the northern side took the town of Thuong Duc. Saigon's reaction was to order to the valley—the second most productive rice-growing area in the north and a strong Vietcong region in the past—two brigades of the Airborne Division. One came from Saigon, where it constituted the whole of the Strategic Reserve the other from the Quang Tri front.

The fact that the North Vietnamese are once again on the offensive in response to what they see as Saigon's political intransigence and military provocation is not the only change in the war. The more basic shift in balance is that the North Vietnamese are becoming more and more of a conventional army as the South Vietnamese are becoming largely through lack of funds less of a sophisticated one.

North Vietnamese troops now ride to battle in lorries just like the South Vietnamese and with the improvement of the Ho Chi Minh trails into virtual highways, for much of their length all their old problems of battlefield supply are much diminished.

In the old days the North Vietnamese needed six months to prepare a battlefield. Now they have large stockpiles and the movement of both troops and supplies is infinitely easier. Their troops go into combat with towed antiaircraft guns, and supported by ample field artillery and in fact, except in the extreme South, with every appurtenance of modern war except air cover itself.

Meanwhile the South Vietnamese have already had to cut their fuel consumption by half, restricting their mobility and their use of armoured personnel carriers as well as lorries. Their massive edge in field guns over the North Vietnamese has been cut into by ammunition rationing and their air force, too, is hampered by shortages of ordnance.

The technical superiority of the South Vietnamese forces is in other words, being eroded both by improvements in the mobility and the equipment of the North Vietnamese and by the reluctance of the US to continue the supply of arms, fuel, and ammunition at the old rates.

This shift in the balance essentially in favour of the North Vietnamese, does not mean most informed people here believe that the Communists will soon go over to a general offensive. A recent report of the Senate Foreign Relations Committee suggested that the Communists are "unable to acquire the decisive edge required to defeat the South militarily."

Only a general offensive itself could test that assertion but in any case there is ample evidence that the North Vietnamese and the Vietcong think the gamble involved a pointless one.

[From the Washington Post, Aug. 24, 1974]

GUNS TELL A FAMILIAR STORY ON THE ROAD TO TAYNINH

(By Philip A. McCombs)

TAYNINH, SOUTH VIETNAM.—Graham Greene had a couple of characters in his book, "The Quiet American," who got stuck overnight in a roadside outpost between Saigon and this provincial capital, 55 miles to the northwest.

They had driven here from Saigon safely during the day but when they ran out of gas in the late afternoon, halfway back, they found themselves dodging bullets and barely surviving the night.

It has been nearly two decades since "The Quiet American" was published. Much has changed in Vietnam, but not the security conditions on that road.

Fighting in Tayninh Province during the past week has been the heaviest since the Paris cease-fire agreement was signed 19 months ago. Fighting has also intensified in Haunghia Province to the south, through which the road also runs.

Fighting seems to have intensified throughout South Vietnam during the past two months. Analysts in Saigon are not sure why, or whether it might ease off or develop into a countrywide general offensive by the Communists.

Outposts here have been shelled and overrun. Villagers have been uprooted. Cannonfire sounds across the landscape, and some of the fighting has come close enough to menace Tayninh's road link with Saigon.

The road is flanked by traditional Communist strongholds, and it is out of these areas that many of the new threats are coming—the woods to the southwest of here and near the Cambodian border, the Boiloi and Hobo woods farther south.

At several locations 10 or 15 miles south of here, neat rows of plantation rubber trees come right down to the road.

At one of these places, a smiling national policeman dressed in a gray uniform stopped a car from turning in a dirt road that led off the main highway and deep into the rubber plantation.

"An outpost was overrun about a mile in there the other day," he warned, "and the Vietcong aren't letting the plantation workers go in there to work today."

He added that the Vietcong "usually allow them to go in to work," suggesting a kind of peaceful, informal arrangement between the two sides that now seems to have broken down.

The policeman said there were probably Vietcong only a few hundred yards down the road.

"Anyway," he smiled, "I'm not going more than a few steps in that direction myself." His outpost was located right on the main highway.

A few miles further on, on the way to Tayninh, was a dirt fort located right beside the main highway. The sergeant in charge said the Communists had dropped several rockets and shells a day into the area—some quite close to the main highway—for three days.

He said this had not hindered the flow of traffic on the highway, but that a nearby outpost like his, with about seven men, was overrun a few days ago.

The sergeant seemed nervous—starting violently at the sound of an artillery round being fired nearby.

About five miles south of Tayninh, soldiers told of battles that had been fought during the past few days when the Communists moved in and attacked outposts.

In Truongluu hamlet, for example, soldiers said the Vietcong had gone through the hamlet warning all the people to get out because they were going to attack the outpost. The Vietcong attack was then driven back.

The soldiers proudly showed off the assorted boots and items of clothing left by their enemies, splotches of earth where mortar rounds had fallen, and the red, blood-soaked ground where they said Communist troops had died.

"I've been actively fighting the Communists for 15 years," said a proud lieutenant. "I fight very carefully, and I always beat them I always win."

He was not at all nervous.

A mile farther on, near the hamlet of Truongxuan, several hundred persons were gathered by the roadside. They were excited.

"The Vietcong are in our hamlet right now," said an old man, pointing down the road.

The people said that there had been fighting all morning as government troops tried to take back the hamlet, but now the government soldiers had knocked off for lunch and so there was no fighting. Maybe it would start up again later in the afternoon, they said.

One man said, "I was working in the field when the Vietcong came up and as soon as I saw them I took off."

Another said, "the Vietcong kept several of us for a few hours and made us haul bodies around. Then they let us go."

Several of the men made clear that they were not so much afraid of the Vietcong as they were of the fighting itself.

"Some helicopters came in shooting and we were afraid of getting killed," said one. "What else should we be afraid of?"

One old man said, "The people are not afraid of the Vietcong or the government. They're all the same to us. We're afraid of the fighting and stray bullets."

The hamlet chief drove up on his motorcycle from the direction in which the fighting was supposed to be, and this candid conversation with the villagers came to an abrupt end.

The hamlet chief, Tran Binh Dai, said there were 1,700 people in the hamlet. He said about 120 Communist troops entered a couple of days ago and were driven out.

Then they came in again this morning, he said, and were still there, controlling about one-third of the land area of the hamlet.

He said, "Their purpose is to destroy the hamlet office and kill all the hamlet officials, overrun the outpost, and then grab the land and live there."

He said most of the Communists appeared to be regular North Vietnamese army soldiers with the rest local Vietcong.

Then the hamlet chief led the way down the road toward the Communist positions and showed how the hamlet office had been attacked.

He pointed to a splotch of blood on the earth and said the female leader of the attack on the hamlet office had been killed there.

Suddenly some of his men trotted toward the jungle just behind the hamlet office, a small stucco building, and with big smiles on their faces pointed their rifles into the brush.

"Three of the Vietcong have just jumped up and run in this direction to circle behind us," explained the hamlet chief.

Some of the heaviest fighting is taking place near the Cambodian border several miles west of Tayninh.

The area of this fighting was inaccessible, but about halfway there, beside the road, the government has set up an artillery position with at least five 155-mm guns, half a dozen 105-mm, cannons, and other big guns.

It was an extraordinary concentration of firepower for this area, and most of the guns were firing regularly—five or ten rounds a minute.

A government spokesman in Saigon said he does not think the current fighting poses a threat to Tayninh city itself.

About 230,000 people live in and around the city. The province's total population is 427,000 and the government is thought to have firm control over about 80 per cent.

The wilder parts of the province north of Tayninh city, and the cross-border areas inside Cambodia, have been traditional Communist base areas and infiltration routes.

[From the Washington Post, Aug. 26, 1974]

SAIGON ABANDONS OUTPOSTS

(By Philip A. McCombs)

SAIGON, August 25.—In a significant shift in policy, South Vietnam has for several months been abandoning military outposts throughout the country that it no longer has the resources to defend.

The shift is being forced by diminishing U.S. military aid to Saigon, observers say, and it marks the first time in the Vietnam war that Saigon has followed a general policy of drawing its forces back to stronger lines of defense in the interior.

In the past, Saigon has consistently followed an aggressive defense policy, cutting off Communist supply routes, preempting attacks when possible and setting up outposts deep in Communist-controlled areas.

"Now we're drawing back," an official said privately. "We have no choice. Remote outposts are being closed down to save the large amounts of fuel and ammunition that it takes to keep them going."

In addition, the official said, positions along highways are being consolidated, and outposts in relatively secure areas are being closed down when it is judged that they are not essential.

Official figures are not available, but sources said 120 of Saigon's approximately 3,000 outposts in the Mekong Delta—the rich rice-growing region south of Saigon where nearly half the nation's population lives—have been shut down recently.

There are tentative plans to shut down as many as 500 more, sources said, but it is not known how soon this might take place.

The Delta appears to be the only place where the closings are going on in a systematic fashion. Outposts are being closed elsewhere in the country as the military situation dictates or permits.

An aggressive defense policy was in force when American troops were in Vietnam, and even after the cease-fire agreement went into effect 19 months ago Saigon had a seemingly limitless supply of ammunition and other military aid with which to carry on a similar policy.

For more than a year after the cease-fire, huge sweeps were conducted through Communist base areas and even across the Cambodian border.

Before and even after the cease-fire, the government forces set up many outposts to monitor Communist activities in contested and Communist-controlled areas, and these outposts also directed interdiction and harassment efforts.

Massive quantities of ammunition were used, especially artillery ammunition, some of it fired at random into Communist areas, as American soldiers had done in the past.

Vietnamese and American officials decline to give precise figures, but they say the amount of ammunition available to the South Vietnamese forces has gone steadily downward and has now reached critically tight levels.

Ten months ago, it was easy for a reporter in Vietnam to gather stories from peasants and soldiers of massive artillery use by government troops, even on small and relatively insignificant operations.

For the last several months this kind of story could no longer be gathered, having been replaced by equally convincing stories from soldiers that they had been ordered to conserve every shell and bullet.

The cutbacks are the result of action by the U.S. Congress to limit military and economic aid to the Saigon government.

Officials are fearful of what the trend means. Closing outposts and drawing back, they say, means the Communists have a freer hand to continue the development of their logistics system deep into the south and to plan and carry out attacks without interference.

"We'll just tighten up our defenses and pray that we can deal with the crunch when it comes," said a South Vietnamese official.

No one is sure when the crunch—a countrywide Communist general offensive—might come, but right now the level of fighting is the highest in South Vietnam since the cease-fire.

Some informed officials believe that the fighting will continue in this level through November, when the dry season will begin again over the Communist road network from the north, and then possibly, if Saigon continues to appear weakened by U.S. military aid cutbacks, turn into a general offensive.

Other observers believe that, while Hanoi is keeping open the option of starting a general offensive, no decision to do so has yet been reached, and there may be none for a year or more.

Apprehensions about Saigon's weakness come at a time when there are thought to be roughly 200,000 North Vietnamese army troops in the South, equipped with more tanks and sophisticated weaponry and ammunition than ever before.

The Communists have the capacity, according to intelligence estimates, to launch a countrywide general offensive and sustain it for as long as a year.

Reliable sources say there are six North Vietnamese combat divisions in reserve in North Vietnam, one of them poised above the Demilitarized Zone and capable of being fully committed in action in the northern part of South Vietnam within two days.

The other five divisions could be in action in the South within a period ranging from several days to several weeks, the sources said.

But if the aid cutbacks are forcing Saigon to close down outposts, they are also forcing government forces to adopt some effective new tactics, observers say.

When Communist troops occupied a hilltop position north of Danang recently, for example, government forces did not pound the hill with artillery and air strikes.

Instead, they surrounded the bottom of the hill, cutting off all supplies to the Communists, and waited. While they waited, they probed constantly with small infantry actions. After two weeks, the defenders were out of ammunition and the government regained the hill.

Aside from outposts the government has abandoned, Vietnamese military sources say that since the cease-fire the Communists have overrun and captured 150 government platoon-sized, eight battalion-sized and two regimental-sized outposts.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The period for the transaction of morning business is closed.

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY

The ACTING PRESIDENT pro tempore. Under the previous unanimous-consent agreement, the hour of 9:30 having arrived, the Senate will now resume consideration of the unfinished business, S. 707, which the clerk will state by title.

The assistant legislative clerk read as follows:

> A bill Calendar No. 857, (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants in order to protect and serve the interests of consumers, and for other pruposes.

The Senate resumed the consideration of the bill.

The ACTING PRESIDENT pro tempore. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, I yield myself such time as I may require.

I see the distinguished Senator from Ohio (Mr. TAFT), has come on the floor, and if he is ready to proceed with his remarks, I will yield to him because I know he has another important engagement he needs to fill, so I yield such time as the distinguished Senator from Ohio may require.

Mr TAFT. Mr. President, Senate bill 707 is legislation which in good conscience I must oppose as a Member of this body, as a consumer, and as a lawyer. This proposed legislation might be more properly entitled the Lawyers Relief Act of 1974 rather than the Agency for Consumers Advocacy Act of 1974. This legislation would do nothing more than complicate and impede the orderly administration process within our Federal agencies. It would set up a conflicting requirement in the law to protect the consumer interests against actions which are duty bound to be taken to protect the public interest.

For example, the laws which resulted in the establishment of the Federal Trade Commission and other regulatory agencies provide that they shall act in "the public interest." But who are the members of the public? Every member of the public is a consumer. Moreover, what a consumer consumes, he or someone else produces. Therefore, it is in the interest of the public that the regulatory agencies act to protect all aspects of the interests of consumers; from obtaining raw materials, through the production and distribution chain, to final marketing.

All these things must be included when action is taken in "the public interest." Do we wish to splinter such proceedings so as to have a proceeding undertaken which would be only for the enhancement of the consumer interest in his purchase of goods to the detriment of his interest in the production or sales of such goods?

The elements are inextricably intertwined. The impact of S. 707 would be to splinter and impede action of regulatory agencies which under the law they are required to take.

The consumer interest and the public interest ought not to be considered at variance as the proposed legislation appears to assume. Rather, the public interests and the consumer interests are bound together, and it would be foolhardy to attempt to determine the public interest without also considering the specific interest of consumers as well as the other competing interests which play in our economy.

But, proponents, of this legislation would establish an agency for consumer advocacy because they allege the existing regulatory agencies do not properly consider the public interests. The proponents of S. 707 go so far as to State that the regulatory agencies are under the influence of the very interests they are supposed to regulate. In other words, it assumes that the regulatory agencies are corrupt.

If we have corrupt regulatory agencies, the corruption is in the people who operate the agencies, not in the law that created the agencies. Nor would the corruption be in the brick and stone which are used in the housing of such agencies. Therefore, the cure for the corruption would be the removal of the corrupt people and not the creation of another agency which, because of its broader powers, is even more likely to be headed by corrupt people to oversee agencies said to be headed by corrupt people.

This lethal defect with the underlying philosophy of the Agency for Consumer Advocacy, however, has been cleverly obscured by the rhetoric of the proponents of this legislation. At the outset I stated that this legislation could be more appropriately named the Lawyers Relief Act of 1974—and, I say this with much conviction.

Cleverly disguised within the technical language of the provisions of this bill are powers given to the Consumer Protection Agency which will impede the work of existing regulatory agencies prescribed by legislative mandate. This effect of the ACA bill is not readily apparent, however, and, indeed, it takes a thorough knowledge of administrative law and administrative process before one can begin to comprehend the adverse impact of this legislation.

If we were, for example, to look at the intervention provisions within section 7 of the bill with a critical eye trained in the background of the applicable law, then it would become apparent to all of us that this legislation will have two effects. First, it will build new banks of attorneys on all sides of every issue; and second, it will hopelessly delay and impede the administrative process.

If my colleagues within this body will bear with me, I would like to review recent developments in the administrative law which have led me to these conclusions. The story begins in 1967 with the Supreme Court decision of Cascade Natural Gas Corp. against El Paso Natural Gas Co. In that case, the Court ruled that the State of California, Southern California Edison, and Cascade Natural Gas as parties should have been allowed to intervene as of right pursuant to Rule 24 (A) of the Federal Rules of Civil Procedure, because it appeared that these parties had a special direct substantial interest in the outcome of the litigation involved.

Over the years, the courts have been careful to avoid allowing intervention unless such standard as that has been met. This has been especially true where the parties seeking to intervene did not rely upon a specific statute authorizing invocation of the judicial process through intervention. In other words, the courts have held that where a party seeks to intervene, it should be established that such a party has a recognizable stake in the outcome of the controversy.

The administrative saga then jumps to 1972 with the Supreme Court's decision in Sierra Club against Morton. There the Court held that a group of citizens having a mere passing interest in the problem, no matter how longstanding the interest and no matter how qualified the organization might be in evaluating the problem, it is not sufficient by itself to render such organization "adversely affected" or "aggrieved" within the meaning of the Administrative Procedure Act. To have ruled otherwise would have meant that the Supreme Court of the United States would have been laying down a rule that would permit all sorts of mischief in the handling of adjudicated proceedings in the courts, because it would have allowed every Tom, Dick, and Harry who cared to become involved in litigation to intervene. This, I submit, is in effect what is provided for in S. 707. True, it appears that the proposed legislation would permit intervention only by the Administrator of the ACA, but in section 7(f) there is the language:

> The Administrator is authorized to represent an interest of consumers which is presented to him for his consideration upon a petition in writing, by a substantial number of persons or by an organization which includes a substantial number of persons.

In other words, if a club should have turned out to be a consumer organization—or if a club or association argues that it is representing a consumer interest—and wishes to have an appearance made before the Federal Trade Commission or the Federal Power Commission and appeals to the Administrator of the Consumer Protection Agency to intervene on their behalf, then, in this proposed legislation, there is the authorization for the Administrator to do so.

This proposed legislation provides that the Administrator of the ACA may intervene as of right as a party or otherwise participate with the purpose of representing the interests of consumers in already adjudicated proceedings before the Federal regulatory agencies. This is a vital and deliberate change from existing law. For example, section 5(B) of the Federal Trade Commission Act now provides as follows:

> Any person, partnership or corporation may make application and upon good cause shown may be allowed by the Commission to intervene and appear in said proceeding by counsel or in person.

I emphasize the requirement that good cause must be shown. Under the proposal now before Congress, however, the parties through the name of the Administrator of the ACA would be permitted to intervene as of right as a party. There is no limitation on the extent of such intervention. This would mean participation by such party at each and every stage of the proceeding.

For example, intervention could be demanded as soon as it is known that a proceeding is being undertaken by an agency against a party for what the agency would believe to be a probable violation of law. This would include the stage at which representatives of the agency of the Government and representatives of the party expected to be charged with the violation would be engaged in efforts to conclude any possible controversies by entering into consent agreement correcting practices that need to be corrected.

This would be especially true at the stage when a determination upon a complaint or a proposed complaint had been made by the Federal Trade Commission that it would issue a consent agreement. Under the rules of the FTC that agency is required to undertake negotiations with the party expected to be charged. This is for the purpose of determining whether the proposed litigation might be avoided by negotiations for a consent settlement of the matter.

An example of this is the proceeding entitled, "In the Matter of Campbell Soup Company" which came before the Federal Trade Commission questioned an advertisement by the Campbell Soup Co. The representatives of the Commission under the Commission's rules had successfully negotiated a consent agreement settlement of the matter which contained provisions for a cease and desist order prohibiting the practice for all times in the future. Pursuant to its consent order procedure, the Commission placed the agreement on the public record for a period of 30 days for comment. A group of students who had organized what they call Students on Unfair Practices petitioned the Commission to reopen the matter and allow them to intervene so they could, during the course of an adjudicative hearing, advise the FTC on the need for a more stringent cease and desist order.

That request was denied, principally because the case did not justify the expenditure of additional resources which an adjudicative hearing would have entailed. However, the FTC did grant the students a hearing and allowed them to file statements of their views and advice. The Commission also pointed out that under existing law and its rules of practice there was no provision for intervention in consent order proceedings.

It was also pointed out that the Commission's practice of placing proposed consent agreements on the public record for a period of 30 days to permit comment thereon provided for greater participation by members of the public in the formulation of agency decisions than had been the practice years in the past.

Moreover, it was pointed out that this practice would insure that the Federal Trade Commission would be able to get from the petitioners or any other parties information which would advise it on whether or not it was entering into inappropriate agreements through the lack of awareness of important factual considerations or serious miscalculations of what constituted an appropriate order in the circumstances involved.

The Commission, in the Campbell Soup case, pointed out that the resources factor was one primarily responsible for the denial of the request for intervention. That factor is perhaps one of the most crucial and at the same time probably the least understood among those that are involved in the denial of the petitions for intervention in adjudicative matters. This is intertwined with the matter of unnecessarily loading down adjudicative matters with multiplicity of parties and issues particularly in instances where petitions for intervention are not made by parties who have a personal stake and a direct interest in the outcome of the proceedings as was the case in the El Paso gas matter to which reference has been made.

In other words, efforts should be made to avoid widespread intervention unless there is a direct personal stake by the party who seeks to intervene and who would be subject to direct injury by the possible outcome of the proceeding rather than just having a general interest in the proceeding.

Another example of situations where intervention probably interferes with the orderly conduct of public business and the appropriate resolution of adjudicative proceedings is when intervention occurs at the stage where the parties to the adjudicative proceeding are endeavoring to refine, clarify, and reduce the issue to avoid protracted litigation.

The effort to clarify, refine, and reduce issues as well as to enter into consent settlements sometimes occurs during the course of prehearing conferences between counsel for the parties. Heretofore, efforts to settle lawsuits through negotiation by the parties has been considered one of the most valuable tools for conserving the time of the courts and the time of the administrative agencies in their efforts to reduce protracted adjudicative proceedings.

The use of pretrial hearings, particularly in our Federal courts, is designed to try to achieve that purpose.

If those efforts fail, or if they are interfered with so that the majority of all the cases move through litigation rather than being brought to conclusion through negotiation, then all members of the public will suffer including the consumer.

Particularly, those will suffer who require justice to be done because, as we know it more even today, I think, than ever, a justice delayed can be justice denied.

It is clear to all of us who have had experience in adjudicative proceedings that parties will not be very likely to engage in conferences for the purpose of determining whether they can give and take and enter into consent arrangements for the resolution of their issues if others are present or if all of their negotiating efforts are to be made public.

If adjudicative proceedings are to become intertwined and hamstrung and loaded down with such interferences, consent settlement proceedings will almost cease to exist because parties will not permit themselves to get involved in arguments with others than those representing the public in the lawsuit.

Instead they will resort to litigation on the public record even though it is more costly and time-consuming than to settle the matter by negotiation. Who loses in such instance? It is the public. The taxpaying public, the consuming public, and all others.

According to available information, approximately 85 percent to 90 percent of all formal adjudicative matters which are filed by the Federal Trade Commission are now settled by consent settlement. They do not go to litigation. If the parties in such proceedings decide to avoid consent negotiating conferences because others than the parties to the lawsuit are to be sitting in and participating in the efforts to settle such suits. Then the procedure for settling by consent will be rarely used. Very few cases will be settled by consent. Most will go through lengthy litigation. At present the Federal Trade Commission is settling probably 280 out of a little over 300 cases filed. Only 20 to 30 cases per year go to litigation. If all of its cases should be compelled to be litigated it is likely that the Agency's litigating force will have to be expanded tenfold in order to accomplish the same number of actions it is presently undertaking and concluding. To carry out its mission, the Consumer Advocacy Agency could justify a similar staff.

An outstanding example of the use of existing law to effectuate successfully an important formal proceeding by consent settlement after negotiation of counsel for the public and counsel for the accused is the case brought by the Federal Trade Commission entitled "In the Matter of the American Iron and Steel Institute." There, the American Iron and Steel Institute and approximately 100 large corporations included in its membership were charged with illegal price fixing through their use of an agreed upon basing point system of pricing.

The hundred or so corporations were steel producers, including the United States Steel Corp., Bethlehem, Republic, and other prominent steel producers. The prospect was for a decade or more of litigation. However, after several months of negotiation, the matter was settled through an agreement providing for a consent cease and desist order.

It was provided that the order and the findings upon which it was to be based were to be placed upon the public record for a period of 30 days within which anyone who felt that it did not properly serve the public interest would have the opportunity of commenting and advising the Federal Trade Commission before it finally approved the consented and agreed upon settlement.

No comment and no objections to the proposed agreed upon settlement were filed and finally, the Commission agreed to accept and approve the settlement which was done. In that case, those accused had employed more than 80 attorneys to represent them. The negotiations were possible only because the companies, through their counsel, agreed to undertake negotiations through a committee selected by themselves. A committee of three who met and conferred with counsel representing the public.

It is almost certain that if additional persons had been involved in such negotiations as would be provided for under the pending and proposed legislation in S. 707, then the negotiations in the Iron and Steel Institute case could not have been carried forward successfully and the case thereby concluded. Instead, it is possible that that case could have gone on for more than a decade with the public being the loser and the objectionable practices continuing in the interim.

The Federal Trade Commission, once it has found a basis for determining that there is good cause for allowing intervention in its cases, has moved to permit such intervention. for example, "In the Matter of Firestone Tire and Rubber Co.," the Federal Trade Commission, upon request permitted groups of attorneys who allegedly represented public interest aspects of the problem to intervene and participate in that proceeding. There, the intervenors not only participated, but filed briefs and participated in the arguments before the Commission to state their points of view concerning the type and extent of injunction that should be issued in the case against the Firestone Co.

The action of the Commission in permitting intervention was not one of arbitrary action, but one based upon what the Commission had concluded was, perhaps, a showing of good cause. This is the way it should be and not as provided for in the proposed pending legislation provided in S. 707 where the Commission would have no authority whatsoever to deny the application of the Agency of Consumer Advocacy representative.

Years ago, the Federal Trade Commission, "In the Matter of Federal Trade Commission Docket No. 760," involving the United States Steel Corp., permitted intervention by representatives of various States and some other parties through their attorneys. This was after those parties had, to the satisfaction of the Commission, shown good cause why they should be permitted to participate. In other words, the Commission had concluded they had shown good cause.

In other cases, including that one entitled "In the Matter of Kennicott Copper Corp.," complaint issued May 8, 1970, the Commission denied the request of the United States Steel Workers Association intervention in the case. There, the United States Steel Workers Association admitted that its sole purpose in seeking status as an intervenor was to be eligible to appeal a Commission decision if the Commission should dismiss the complaint.

The Commission did not consider that USWA had shown a basis of good cause to justify the Commission's granting intervention. Indeed, following the Commission's decision in that case, after the issuance of an order to cease and desist, based on a litigated record, the USWA withdrew its petition to intervene.

In that case, if the Federal Trade Commission had ruled that USWA had met the good cause requirement simply by saying that it should be given an opportunity to appeal a decision with which it was not satisfied then that would mean any applicant with a claimed interest in a proceeding could do the same. That result would obviously have proven impractical and would have been a result which Congress sought to avoid in order to prevent the Commission from becoming a trade court settling private controversies, instead of being required to act only in the interests of the public. The Supreme Court held, in the 1929 case of FTC against Klesner that section 5 of the Federal Trade Commission Act does not provide private persons with an administrative remedy for private wrongs.

If certain organizations of persons should come to the Administrator of the proposed Agency for Consumer Advocacy and persuade him to intervene on their behalf before the Federal Trade Commission as provided for under the pending legislation, S. 707, then it would mean that the Federal Trade Commission would be turned into a sort of trade court for the settling of wrongs or imagined wrongs to a particular group instead of acting in the interests of the public generally. Thus, there is a distinction between an agency such as the Federal Trade Commission acting in the interests of the public and the U.S. district courts, acting under rule 24 of the Federal Rules of Civil Procedure. Rule 24 permits intervention by a private party based upon potential injury to private interests alone. That is the place for real or imagined wrongs by one or more in a group of consumers to have their cause heard instead of interfering with proceedings before regulatory agencies who are acting in the interests of the public generally.

I apologize to my colleagues for having had to bear with me through this tortuous, but I believe necessary, exposition of the administrative law in the area of intervention in agency proceedings. I think I have demonstrated that under existing law, when and where parties can show that they are entitled—because of a showing of good cause and because of the equities of the situation—to intervene and participate in proceedings they have been allowed to do so. For example, in the El Paso case intervention was permitted when it was brought under the antitrust laws by the Department of Justice. The same rule was followed by the Federal Trade Commission when a case involving the Firestone Tire & Rubber Co., was instituted.

I have concentrated today upon adjudicated matters. That is, with adversary proceedings in which particular issues are litigated between the moving party and the defendant in the matters. The law and rules of practices providing for the right of parties in such a formal adjudicated proceedings, where there is a trial of precise issues, are quite different from the applications of law and rules of practice where you have proceedings involving industry-wide and community-wide problems being heard before administrative law bodies. These industry-wide and community-wide problems are quite susceptible of being heard by administrative law agencies in rulemaking and general hearing proceedings such as are provided for in the Administrative Procedure Act, under the general heading of "rulemaking."

There the rights of parties and of interested persons to participate as well as the procedures for their participation are set forth. Under this provision of the law, the hearings of Federal regulatory agencies have been opened to members of the public who appear as interested persons in the proceeding.

The Supreme Court of the United States has held, in effect, through a denial of petition for certiorari in Scenic Hudson Preservation Conference against Federal Power Commission, of 1966, that in such proceedings arising under this section of the law, persons having an interest in the proceeding, have standing to have the decision of the agency reviewed.

Likewise, other Federal courts, such as, for example, the U.S. court of appeals in the case of Office of Communication of the United Church of Christ against Federal Communications Commission, decided in 1966, held that under certain circumstances a genuine and legitimate interest is sufficient reason for granting standing to intervene and to participate in such proceedings as that one before the Federal Communications Commission.

There the intervenor sought to appear and present evidence and arguments opposing the renewal of an application for a license for a broadcasting station. Thus, it is seen that where industrywide and communitywide problems are of interest to great numbers of consumers, the consumers, under existing law, have, as a matter of right, the opportunity to appear and present their views and participate in the proceeding, and even to the extent of appealing to a court to reverse the regulatory agency if it should erroneously decide the matter. For such purposes existing law is sufficient to meet the needs of any particular group of citizens.

What all this means is that there is no need to institutionalize any consumer proponent individual or organization as the proponents of S. 707 would have this body do. Rather, within the framework of the existing law, there is ample opportunity for aggrieved consumers, whether individually or as a group, to appeal the decisions and even to participate in certain of the decisionmaking processes of the administrative agencies. There is no demonstrable need for a Consumer Protection Agency.

Furthermore, as I stated at the outset, it is impossible to determine what is the consumer's interest as distinct from the public interest. From this standpoint, if nothing else in my argument persuades you, that should be reason alone for this body to reject the proposed legislation. However, as I have indicated, the existing law does provide for the needs and concerns which the proponents of this legislation have surfaced. The enactment of legislation which creates another layer of bureaucracy would only further confound and impede the resolution of problems which come before the administrative agencies. For these reasons, I urge you to vote with me and reject this Agency for Consumer Advocacy.

Mr. President, the Washington Star-News on July 9, 1974, printed an editorial entitled "A Consumer Bureaucracy," which comments on some of the matters that I have covered more fully here this morning.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star-News, July 9, 1974]

A CONSUMER BUREAUCRACY?

Only the highest motivation propels all those people and groups now pleading—with good chance of success, we fear—for creation of a federal Consumer Protection Agency. They want to rid the marketplace of flimflam and faulty products. They see vast benefits if the consumer becomes really entrenched in Government with a watchdog agency of vast power. And, having scored a three to one victory for this proposition in the House, they now are knocking on the Senate's door.

The Senate should be very cautious, we think. Behind the idealistic gloss, there are many nettles in this plan. The House was stampeded into approval by election-year pressures, and the vote does not reflect the grave reservations which many members had about the proposal. But the Senate need be in no such hurry. It can take time to ponder the reforms passed in haste heretofore that have grown into monstrosities, costly beyond anyone's prior imagination.

This new agency would be stoutly independent, with incomparable authority to take action—legal and otherwise—over a sweeping spectrum of government, industry and business. Its administrator, needless to say, immediately would be one of the most powerful persons in the country—intervening in affairs of other government agencies as well as the private sector. A good question is whether any single person should have the awesome power to speak for the consumer that's envisioned here. And not only business is troubled by this: Though the AFL–CIO supports the measure generally, it wants all labor affairs exempted from scrutiny by the consumer czardom. Unless this is done, it may oppose the bill. "We don't regard labor relations as having a consumer interest," a spokesman said. "We don't want another government agency intervening in labor-management relations, sticking their noses in our affairs."

Sounds a lot like business speaking, doesn't it? If labor affairs—which even get into the uses of certain prefabricated products—don't affect consumers, what does? No doubt other segments of society also will want to be exempted. The trouble is that about everything is consumer-related; the consumer agency operatives will have to cover an incredible field. They'll be authorized to do it, too, under this bill, often duplicating protective functions of other agencies, as in safety and public health, for examples.

And the immeasurable scope of this assignment makes one thing inevitable: a ballooning new bureaucracy. An agency that theoretically can be called upon to seek amends for every faulty toaster, and premature tire blowout in the country will have thousands of people on the payroll before long, including an army of lawyers. Another good question is whether it will cost more than it saves the consumers.

Private consumer groups are doing remarkably well in striking terror into cheaters of the public, as are consumer agencies in some states. Neither are the existing federal regulatory agencies impotent. The Senate should, we think, turn this superagency idea aside. If that isn't possible, it must at the very least put some sensible limitations on the proposed agency, which cannot attempt to do everything for everybody without winding up in chaos.

Mr. RIBICOFF. Mr. President, I yield myself as much time as I may need.

Mr. President, today the Senate will soon vote for the fourth time on whether to end the debate on S. 707.

Since rule 22 was adopted in 1917, the Senate has only twice before held four cloture votes on a single proposal.

Four cloture votes were taken during the Senate's consideration of open housing legislation in 1968. The only other occasion, until today, when a fourth cloture vote was taken occurred during a 1971 effort to amend rule 22 itself.

This cloture vote today will also mark the seventh time in the last 2 years that the Senate has voted on whether to limit debate on a consumer protection bill. With the single exception of efforts to amend rule 22 itself, I do not believe that any other single issue has provoked as many total cloture votes over the years as this legislation.

It should be clear by now that this is a bill a majority of the public may much want to see enacted into law.

Well, over 100 national, State and local groups and organizations actively supported the bill. These groups range from such large organizations as the United Auto Workers and Common Cause, to such grass roots organizations as the Louisiana Consumers League, the Tennessee Consumer Association, and the Vermont Public Interest Research Group.

The National Association of Attorneys General and the U.S. Conference of Mayors support the bill. Since these people see everyday on a first hand basis the problems consumers encounter, their support is clear proof that consumers need help, and that it must come from strong action on the Federal level.

Numerous individual consumers have taken the time to write me in support of this legislation. These unsolicited letters all sound the same themes. They protest the skyrocketing prices of the basic essentials of life. They complain about shoddy goods and unfair business practices. They express the feeling that no one in the vast and remote Federal Government cares about their problems.

The public does not expect this bill to be a panacea for all their troubles, but the bill will at least mean that there will be someone in Washington with authority to speak up effectively for consumer interests.

It is said that this is an antibusiness bill, but yet many business groups favor this bill because they realize it is not antibusiness.

As debate on this bill has progressed, and the bill's true impact has been understood, a growing number of businesses have expressed their support. Just yesterday the names of some 30 businesses from all parts of the country appeared in a full-page ad in the Washington Post strongly supporting this bill.

I ask unanimous consent that a copy of this advertisement be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. HASKELL). Without objection, it is so ordered.

(See exhibit 1.)

Mr. RIBICOFF. The advertisement I have referred to included such companies as Connecticut General Life Insurance Co., the Dreyfus Corp., Kimberly Clark, Montgomery Ward, Motorola, Polaroid, and Zenith. The endorsement of such major corporations as these proves that the highly vocal business groups that have opposed this bill do not represent, by any means, the entire business community.

The Senate has had 4 years to consider and study the consumer protection bill. Over that length of time the sponsors of the legislation have agreed to modifications in approximately 16 major areas in the bill. Specific safeguards to protect the legitimate rights of businesses are included in some 10 different areas of the bill. The bill is very different, as a result, from the legislation first considered by the Senate in 1972.

The proposed Dole substitute deletes previous provisions providing for a consumer council, for agency intervention in State and local proceedings, for a grant program to the States, and for the use of subpenas in informal agency proceedings. It substantially cuts back on the agency's authority to participate in informal proceedings, and on its ability to publicize consumer complaints, to institute judicial review proceedings, and to obtain the records of other agencies. It provides new protections for small businesses and places the Administrator more directly under the control of the President.

Since the Senate has last voted on a cloture motion August 20, each Senator has had a full month to study the latest proposed changes contained in the amendment offered by the junior Senator from Kansas. Since S. 707 was first discussed on the floor of the Senate July 16, the Senate has had, in all, over 2 full months to become familiar with the exact terms of the bill. Very few bills have been on the floor of the Senate as long as this bill has been.

Clearly, the time for debate on S. 707 has long since come, and gone. It is now time for a simple up and down vote on the merits of the legislation.

Even after adoption of this cloture motion, the Senate will have up to another hundred hours of debate on the legislation. This will provide more than enough time to conclude debate on this measure, and any amendments that have been proposed to it.

The choice before the Senate today is a clear one. On the one hand, the Senate can permit a minority of the Senate to talk this bill to death. On the other hand it can decide that after all these years it is now time to let the will of the majority prevail.

I strongly urge adoption of the pending motion.

EXHIBIT 1

DEAR SENATOR: The consumer advocacy bill, S. 707, comes up for the fourth and final time on Thursday, Sept. 19. Sixty-four Senators have already voted to end the filibuster. Just three more votes are needed. We are depending on you. All 210 million of us.

THE AMERICAN CONSUMER.

IT IS ABOUT TIME WE GAVE THE CONSUMER A VOICE

The agency for Consumer Advocacy is a sensible step toward giving the consumer a voice in government policymaking.

S. 707 focuses in one small agency an ability to marshal the facts concerning the health, safety, and economic rights of consumers—and to present these facts on behalf of consumers.

It is not a regulatory agency. It will not harass. It will not stall government action. It will help restore balance in decision-making by considering impact on the consumer.

It is not anti-business. It is not anti-anybody. It is pro-consumer. Pro You and Me. The most unrepresented, unorganized constituency in today's society.

Regulatory proceedings are intricate and involved. Thousands of skilled professionals—lawyers, economists, scientists, and other technical experts—speak for the interests of business. And there are Departments of government charged by law to promote and advocate the interests of industry and commerce.

The consumer, if heard at all, is represented by a few outnumbered, underfinanced groups often donating time and services. It is time consumers had an advocate in government.

As one former FTC Commissioner testified before the U.S. House of Representatives, *the Commission always heard from business and its representatives, but seldom were the views of consumers presented.*

Our efforts to cope with the many complex technical issues which arise in today's marketplace, as well as our fight against inflation, require regular dialogue between business, government and consumers. Maybe if we had an orderly mechanism for listening to the consumer's point of view, we wouldn't be in quite the economic mess we are in today.

By voting to end the filibuster, Senators do more than show their willingness to give consumers a fair shake in government decision-making. They also clear away the barriers to the kind of mutual trust that will benefit business and consumers alike.

End the filibuster.

Let a vote on the merits take place.

Let the dialogue begin.

(The National Consumers League, 1785 Massachusetts Ave., N.W., Washington, D.C.)

Esther Peterson,
President.
Robert R. Nathan,
Chairman of the Board.
Alice Shabecoff,
Executive Director.

As evidence that this consumer advocacy bill is not anti-business, look at the companies which have declared their support for it:

Alexander Hamilton Life Insurance Company of America, Farmington, Michigan; American Income Life Insurance Company, Waco, Texas; AMFAC, Inc., Honolulu, Hawaii; Amivest Corporation, New York, New York; Ar-Ex Products Company, Chicago, Illinois.

Bantam Books, New York, New York; Brands Mart, Long Island City, New York; Chief Auto Supply, Cerritos, California; Condamatic Co. Inc.: Dyna-Day Plastics, Inc., American Sound Corp., Warren, Michigan; Connecticut General Life Insurance Company, Hartford, Connecticut.

Consumers Cooperative of Berkeley, Inc., Berkeley, California; Consumers Cooperative Society, Palo Alto, California; Consumers United Insurance Co., Arlington, Virginia; Co-op Supermarkets, SCAN Co-op Contemporary Furniture, Silver Spring, Maryland.

Cummins Engine Co., Columbus, Indiana; The Dreyfus Corporation, New York, New York; Executive Life Insurance Co. of New York, New York, New York; Federation of Cooperatives, Inc., New York, New York; GRT Corporation, Sunnyvale, California.

Harper Systems, Little Rock, Arkansas; International Group Plans, Inc., Washington, D.C.; Kimberly-Clark Corporation, Neenah, Wisconsin; King Super Markets, Inc., Irvington, New Jersey; Maxell Corporation of America, Moonachie, New Jersey; Monogram Industries, Inc., Los Angeles, California.

Montgomery Ward, Chicago, Illinois; Motorola, Inc., Franklin Park, Illinois; Polaroid Corporation, Cambridge, Massachusetts; Stride Rite Shoes, Boston, Massachusetts; Zenith, Inc., Chicago, Illinois.

Mr. ALLEN. Mr. President, I yield myself such time as may be required. Since we are speaking of a so-called consumer bill, I might yield myself such time as I might consume.

Mr. President, first, I commend the distinguished senior Senator from Connecticut (Mr. Ribicoff) for the truly fine job he has done through the years with respect to so-called consumer protection legislation. He has been chairman of the subcommittee of the Committee on Government Operations which has considered this measure. He has held many hearings on the subject and has been most courteous and most cooperative with those who entertain opposing views, and certainly he has been dedicated to the principle he supports. I commend him for his hard work, for his untiring efforts, and for his stand for the principle in which he believes.

Also, I commend the distinguished Senator from Illinois (Mr. Percy), who has taken a major role in leadership with respect to this measure. They have done an outstanding job in pushing the bill to this point.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. RIBICOFF. Mr. President, I do appreciate the gracious remarks of my distinguished colleague.

The Record should be clear that although the Senator from Alabama and the chairman of the Government Operations Committee, the Senator from North Carolina, have been strongly opposed to this legislation, not once, either in subcommittee or in full committee, have they impeded the progress of the hearings, the markup of this bill, or the bringing of this bill to the floor of the Senate.

Of course, their opposition reflects the fact that their basic philosophy runs counter to the nature of this bill. But the Record should show very clearly that at no time in committee were these two Senators less than cooperative, despite their strong feeling about the bill.

Mr. ALLEN. I thank the distinguished Senator from Connecticut. I am hopeful that we will not have this measure to contend with after today, after the vote on the cloture motion, and then there will not be a piece of legislation that will hold us apart, I say to the distinguished Senator from Connecticut.

Mr. President, I was very interested and intrigued by the remarks of the distinguished Senator from Connecticut about the full-page ad that appeared in the newspaper by—I understand him to say—some 30 corporations, in support of consumer protection legislation.

I believe that the bill in the Senate, at least, has been changed to call this agency, which has not yet sprung into being, the Agency for Consumer Advocacy, inasmuch as by the terms of the bill this is not a regulatory agency that would be set up and would not, in the strict sense of the word, be a consumer protection agency, but merely an agency for consumer advocacy.

On one hand, we hear proponents of this legislation say that the big corporations, big business, are opposing this legislation, indicating that there is something sinister about the opposition of business to the legislation. Yet, when 30 major corporations in the country go to the expense of inserting in a newspaper a full-page ad advocating the legislation, that is very fine and very good and very altruistic, and there is nothing sinister about that. But let business oppose it, and there is something very sinister about that.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. TAFT. I was somewhat intrigued by the advertisement that appeared in the paper yesterday. I made inquiry as to what the cost of such a page might be, and it varies up and down with the conditions. It is approximately $2,000.

I share the feelings of the distinguished Senator from Alabama with regard to the question of business backing or not backing this bill. I am not concerned that business is or is not backing this bill. I am concerned with the public. Throughout the statements I have made with regard to the bill, I have been concerned with the public.

The very fact that apparently people are lining up on one side or the other in the business community as to this legislation does not impress me a bit. In fact, it worries me a good deal; because I think the question arises in one's mind as to whether or not the Agency for Consumer Advocacy may not be looked upon as a way in which the regular proceedings of the various regulatory agencies in the interest of the public might be interfered with. I have some misgivings as a result of seeing this type of support in the matter, one way or the other.

Mr. ALLEN. I thank the distinguished Senator from Ohio for his comments. I certainly agree with him on the comments he has made.

What we should be interested in is the public interest. That is one thing that has been forgotten in the thrust of the proposed legislation. The bill is supposed to support consumer interests, when there is no such thing as unanimity of consumer thought.

What we should be concerned with is the larger scope, the larger area, which, as the distinguished Senator from Ohio has said, is the general public interest.

I recall in the debate on the floor of the Senate—and I am sure the distinguished Senator from Ohio will recall—when we were seeking to knock out the exemption that big labor has under the bill, the labor management, the distinguished Senator from New York said:

> Big labor can take care of itself, and big business can take care of itself. Therefore, we do not need consumer advocacy input into this legislation.

He missed the entire thought that should be behind the bill: That the public interest is what is at stake and what needs to be fostered and protected, not the interests of big labor and not the interests of big business. So it seems to the Senator from Alabama that the question of whether business is for or against it is immaterial. It should be immaterial. What we should look for is the general public interest.

I have also been interested, in this debate—I speak of debate. I do not know that there has been a whole lot of debate on this bill; possibly 2 or 3 days. The opponents of the legislation have stood aside, have not insisted on carrying on the debate.

As a matter of fact, it has been almost exactly 1 month since a single word has been uttered on the floor with respect to this bill. There has been no logjam of legislation. There has been no holdup of any matter. The opponents of the bill could have insisted that the matter be reached.

We have certainly been reasonable in this regard. Whenever the leadership would say, "Let us lay this aside and take up something else," those of us who opposed the bill have certainly cooperated in every way. When they wanted to set the time for the cloture vote, it was first agreed that it would be on yesterday and then, I assume on account of the absentees, and in an effort to present the strongest front, it was suggested that it be moved forward to today. That was agreed to.

We have given the proponents of the legislation every opportunity to control the time of the debate, the stopping of the debate, the taking up of any other legislation, and this has not hampered the orderly flow of legislation at all. So it is not an obstructionist effort in any manner or means.

It is the feeling that we should not set up a new agency, a new echelon of Federal bureaucracy, at a time when we need to be cutting back on escalating of Federal bureaucracy, at a time that we need to be cutting back on Federal expenditures, rather than creating a new agency, with the sky the limit in the future as to expenditures by this agency.

I recall a program—Senators are familiar with it—that started some 10 years ago, a social services program, where the Federal Government matched, on a 3-to-1 basis, funds put up by the States for social services programs.

Well, they got to the point, as time went on, where this program, which started out with a $40-million appropriation some 10 years ago, grew by leaps and bounds until it got to the point where their request some 2 years ago was for $4 billion.

One of the States of the Union had such a large social services program that the Federal Government was being called on to pay more into that program in that State than the State's entire budget for the year. Congress finally had to set a ceiling on the amount that would be appropriated under this program of $2.5 billion. That is quite a rise, from $40 million to $2.5 billion, in the course of 8 years.

We do not know what we are getting as far as the escalation of a program that we are called on to set up by this bill.

The statement has been made on the floor also that at the end of 3 years, this program is going to have to be renewed in order to stay in existence. I notice here an editorial in the New York Times setting forth that fallacy. The editorial is on the Senators' desks. It is dated August 19, 1974.

I do not know whether they have come out with a later bit of advice to the Senate or not. It says:

> Lest any fears of a burgeoning bureaucracy still linger—

And they certainly do, in the mind of the Senator from Alabama—

> The whole existence of the new agency would come up again for review in three years' time.

Well, let us analyze that a little bit. If there is anything in this bill that says that this agency will grind to a halt in 3 years' time and that affirmative action must be taken to continue it in existence, I challenge the proponents of this legislation to come up with that wording, where that is stated in the bill.

I see someone is searching for the paragraphs in the bill. I would certainly look with much more favor on the bill if there were such a provision. There is no such provision. This agency will have perpetual existence. It will have perpetual existence unless repealed by the Congress.

Failure to appropriate funds for it will not kill the agency. We are setting up an agency that has perpetual existence, that does not grind to a halt in 3 years, as the proponents of the bill have argued on the floor.

While I was at home during the recess, a cartoon appeared in the Birmingham News on this bill. It showed a great laboratory, and there was a figure on an operating table. It looked very much like the pictures in the motion picture of the Frankenstein monster.

There was another figure there, standing up, rubbing his hands in glee. That was depicted as being Mr. Ralph Nader.

Everywhere, bolts of lightning were jumping from one fixture in the laboratory to another, and the Frankenstein monster was labeled as the CPA bill. Dr. Frankenstein was there depicted as being Mr. Ralph Nader.

The thrust of it—and you recall that the Chinese proverb is that one picture equals a thousand words—has a certain truth, because we are creating a Frankenstein monster when we set up this Agency for Consumer Advocacy.

Mr. President, I am hopeful that the Senators will stand firm, those Senators who want the debate to continue. I hope they will stand firm. There has been an effort, I shall say a desperate effort, on the part of the proponents of this legislation to convince Senators—I notice the newspaper accounts refer to them as wavering Senators. I should hate to have that description applied to me, I shall say to the distinguished Senator from North Carolina. I should hate to be called a wavering Senator.

But the news media, practically all of which are for this legislation, call these Senators "wavering Senators."

I was interested also in the exceptions from coverage by this bill that are written into the bill.

I do not favor the bill. I do not believe it is necessary. I believe it would be bad for the country for it to be enacted. But I do say that if we are going to have it, let us put everyone in the same box. Let us not grant exceptions to people who can help get the bill passed, people who can work for the passage of the bill.

When they talk about a big lobbying effort on this bill, I certainly agree on that, but who has been carrying on the lobbying effort? It seems to me it is the proponents of the bill more than the opponents of the bill.

Mr. President, if this bill applied to everyone equally, I would feel a lot better about the passage of the bill. But it leaves out, for example, labor-management relations. The consumer advocate cannot interfere with or participate in labor-management relations or contract negotiations. He cannot do that. They say that does not have anything to do with consumers.

How naive can one be, to say that such relations have nothing to do with the consumer?

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. ALLEN. I am happy to yield to the distinguished Senator from North Carolina.

Mr. ERVIN. Is that not like saying the price of an article has nothing to do with the consumer?

Mr. ALLEN. In effect, it is.

Mr. ERVIN. Does the Senator from Alabama know of anything that has anything to do with the consumer interest, except the price of the article and the quality of the article?

Mr. ALLEN. And its availability.

Mr. ERVIN. I do not know what the reading of the Senator from Alabama has been, but the reading of the Senator from North Carolina as to the cost of producing goods and services is that at least 75 percent of the costs of goods and services consists of the cost of the labor which is necessary to produce them.

Mr. ALLEN. Yes; I believe that is a good estimate.

Mr. ERVIN. Is it not a snare and a delusion, to put it in its mildest form, to say that it is not in the interest of the consumer for the consumer advocate to have any power in matters that have anything to do with the fixing of contracts for the prices of labor?

Mr. ALLEN. I certainly agree with the Senator.

Mr. ERVIN. Does the Senator agree with the Senator from North Carolina that some of those who have been induced to join the proponents in this fight have exchanged their votes for some meaningless linguistic acrobatics?

Mr. ALLEN. Yes; I would say they are running that risk.

Mr. ERVIN. I do not know whether they ever had horsetrading in Alabama like they used to have in my county in North Carolina, which is Burke County. When court week came, they brought in all the swayback horses and worthless horses and traded them off to the beguiled. Does the Senator not believe there is a parallel between that and trying to gain support for this measure by exempting those who are in favor of the legislation?

Mr. ALLEN. Yes, I think there is quite a parallel there.

Mr. ERVIN. I thank the Senator.

Mr. ALLEN. Mr. President, one of the top labor leaders very wisely put the issue this way, or in substance this way. That if labor-management relations are included in the bill, labor would oppose it; if labor-management relations are excluded from the bill, labor would support it.

That shows that they did not want to offend the labor interests, who say very frankly, "We do not want the Federal Government to be poking its nose into our business."

I agree with them. I do not want the Federal Government to be poking its nose into their business, or poking its nose into any area of activity that is not absolutely necessary.

Mr. ERVIN. Mr. President, will the Senator yield for a question?

Mr. ALLEN. Yes.

Mr. ERVIN. Is not the action of a labor leader who says he will oppose the bill if labor is included and support it in case labor is excluded analogous to the physician who will not take the medicine he prescribes for his own patients?

Mr. ALLEN. Yes, I think that is a very good analogy. So I endorse that view.

I think this is a very bad piece of legislation. They say:

> We do not want it applying to us; if you apply it to the other fellow, we will join in.

I find no fault with that attitude. They are looking after their own interests. That is what they are in business to do, is look after their own interests, and I think they do a good job. Speaking of lobbying, there is quite a little bit of lobbying from that direction.

Another exclusion was the exclusion of the FCC in the area of granting licenses and renewing licenses. No less an authority than Mr. Ralph Nader is highly critical of that exemption. So why do they exempt them?

Why, on account of the restraints of the media in molding public opinion. If the media had been included, the radio and TV media, we would find them against the bill instead of for it.

So there are two areas where exemptions were given for the purposes of obtaining passage of this bill. It is as simple as that.

Mr. ERVIN. Will the Senator yield for a question on that point?

Mr. ALLEN. Yes, I am delighted to yield.

Mr. ERVIN. Is not one of the major elements in the cost of any article the cost of advertising that article on either TV or radio?

Mr. ALLEN. Yes; that is right.

Mr. ERVIN. And if the TV and radio are to stay in business, they have to pass the cost of that advertising on to the consumer when they sell their goods or their services, do they not?

Mr. ALLEN. That is correct, yes. And of course the public does have an interest. The consumer has an interest in who is going to be receiving a radio or TV license. And that has to do with this 3-year or 5-year fight on the length of licenses. When someone is not carrying out the obligations that are imposed on him when he gets a television or radio license, consumer groups or the public generally can come in and protest the renewal of that license.

What better area for a consumer advocate than in this area where the public, where the consuming public, is very much involved? But are the sponsors of this legislation worried about that element of the public? I suppose people who listen to radio and TV programs must constitute over 100 million people, but they are not given any protection at all under this bill, this great Consumer Protection Agency. Do they turn their back on that portion of the consuming public? They are given no consumer protection at all.

Well, why? Well, they just handed out the exemptions for aid in the passage of the bill. It is just as simple as that.

Mr. President, S. 707, perhaps more than any proposal to come recently before this Chamber, illustrates the value of full and frank debate.

Swaddled as it is in myth, complexity, and good intentions, S. 707 is not what it seems, is not what is intended, and certainly is not what is needed.

S. 707 IS NOT WHAT IT SEEMS

Let me begin at the beginning.

S. 707 would create another independent Federal agency which is to be called a Consumer Protection Agency—or Agency for Consumer Advocacy if the Senate amendment survives the conference. It will come out Consumer Protection Agency.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. ALLEN. Yes.

Mr. RIBICOFF. I have accepted the amendment to change the name to "Agency for Consumer Advocacy."

Mr. ALLEN. Yes, sir.

Mr. RIBICOFF. I happen to think it is a very descriptive term. If we get cloture, and the bill passes and goes to conference, I will assure the Senator from Alabama that I will try to save the name "Agency for Consumer Advocacy."

Mr. ALLEN. I thank the distinguished Senator from Connecticut for this expression. I did not doubt that in the slightest that the distinguished Senator, who agreed to the amendment—it was not forced upon him, he agreed to the amendment—because in his judgment it better described the functioning of the agency. But it occurred to the Senator from Alabama that when the conferees get together and the House insists on its language that in order to get a bill the Senator from Connecticut would not hold out for this name, and understandably so.

Another thing, Mr. President, as to these wavering Senators, as they are called in the media, if they would vote for cloture in order to get some innocuous amendment with their name on it adopted, I say again that this business of saying, "I will accept the amendment and take it to conference," that a whole lot takes place after that, and such amendments do not have a great deal of chance of surviving a conference. So I am hopeful that the waivering Senators will not waiver too much in hopes of getting an amendment with their names attached that has any chance of surviving a conference.

Mr. ERVIN. Mr. President, will the Senator yield for a question?

Mr. ALLEN. Yes.

Mr. ERVIN. Does the Senator not recall an Aesop's Fable about the lion who invited another animal to come into his den and pay him a visit? The other animal refused to go, saying, "I notice all the tracks leading into your den and none coming out." [Laughter.]

Mr. ALLEN. Yes, sir.

Mr. ERVIN. Does the Senator not think that any Senator who may be—to use the media term—waivering in the hope and expectation that he will get an amendment which is not consistent with the overall tyrannical objectives of the bill, will have reason to meditate on Aesop's Fable, that his amendment might go in but it will never come out of conference? The tracks will only lead one way.

Does not the Senator from Alabama think that is a very apt illustration of the situation in which the Senators find themselves?

Mr. ALLEN. I guess that is a very fine analogy. I think some of these amendments will go into the bill, but they will not come out of the conference, if past experience is a proper guide.

If we were in the business of selling legislation to the general public, rather than forcing them to take what we divine, I wonder whether the term Consumer Protection Agency could be considered as deceptive packaging.

What does such a term conjure up in the minds of reasonable consumers? First, they would probably think that this was to be a regulatory agency, because its name is of the type which would only be granted to a regulatory agency.

But, no. The sponsors of S. 707 consistently deny that this new unit is to be a regulatory agency, and admit that the CPA or ACA would, indeed, have no power to protect consumers in the marketplace.

Second, reasonable consumers would probably think that the Consumer Protection Agency or Agency in Consumer Advocacy was designed to pursue shady operators, to capture fly-by-night salesmen, to seize products harmful to consumers either physically or economically and to solve other, typical consumer problems at the local level.

But, no, again. The CPA or ACA will have no authority to do any of these things and will not operate on the levels at which most consumers are having problems they associate with a need for a consumer protection agency.

That is what the public thinks of as a consumer protection agency, somebody who is going to make his garage fix his car because of a shoddy repair job; that somebody is going to make somebody give him a new TV set when his TV set breaks down after 2 weeks from the date of purchase. It is somebody who solves his problem with the man who puts a defective roof on his house or puts some defective siding on his house or possibly sells him some lightning rods that are supposed to have great effect in warding off lightning.

Any shoddy job of that sort, the average person feels a consumer protection agency would solve his problems; the sale of an encyclopedia that they think they are getting for little or nothing, and their bill is a couple of hundred of dollars for it.

These local matters are not within the purview of the CPA. They would be forwarded back to the local consumer affairs agency of the State. Now, these agencies are consumer protection agencies because they go into the matter of protecting the consumer in these consumer products.

The CPA or the ACA will have no authority to do any of these things, and will not operate at the levels on which most consumers are having problems which they associate with the need for a consumer protection agency.

In point of fact, this so-called CPA has no authority to protect anyone but itself. You know, the only agency of Government where the consumer would have no standing, where all decisions are made for him by the administrator, who would be a law unto himself, the only agency of Government that would not afford any consumer input would be the CPA, incredible as that sounds. He would be out solving everybody else's problems for him, intervening here and there, appealing final orders, requiring answers to interrogatories, creating more redtape, more paperwork, more working for the Government without compensation; he would be intervening in other governmental agencies and other levels of Government, but the consumer would not have any standing at all in the CPA.

Mr. TAFT. Will the Senator yield?

Mr. ALLEN. Yes, I am glad to yield to the Senator.

Mr. TAFT. I think the Senator makes a very excellent point regarding that, but I would like to go on and point out that it is not only the consumer who would have no relief against the advocate, it is the public and the people generally who would have no standing insofar as making any approach to the consumer advocate.

That is the very reason and the very logic which led the Senator from Ohio to introduce an amendment, which is still pending, which in effect sets up a supposed consumer watchdog.

It seems to me that should be vital if the consumer advocate is going to come into these various proceedings affecting the public generally. There should be somebody designated there to represent the public because the assumption is that the agency itself is being intervened in, but the Consumer Advocacy Agency is somehow not charged with watching the public. But if they are not, somebody ought to be. That is why I advocated that we have an approach to this, a man representing the public generally, the right to intervene in any proceeding in which the Consumer Agency Advocate comes in and represents the consuming party of the public.

The PRESIDING OFFICER. All time of the Senator from Alabama has expired. The Senator from Connecticut has 50 minutes.

Mr. ALLEN. Mr. President, how can that be? I yielded myself such time as I might require, has the whole time been used?

Mr. RIBICOFF. Mr. President, I will be pleased to yield part of my time.

Mr. ALLEN. I have more time.

Mr. RIBICOFF. I will be pleased to yield part of my time to the distinguished Senator from Alabama. I have one request for about 15 minutes of time from the distinguished Senator from Wisconsin, but I am more than pleased to yield a portion of my time to the Senator from Alabama.

Mr. ALLEN. I appreciate that, but we have an hour, has the whole hour been consumed?

The PRESIDING OFFICER. Yes, the Chair is informed that 33 minutes were consumed by the Senator from Ohio and 27 by the Senator from Alabama.

Mr. RIBICOFF. I will be pleased to yield 10 minutes of my time.

Mr. ALLEN. Just 2 minutes.

Mr. RIBICOFF. Two minutes.

Mr. ALLEN. To comment on the suggestion of the distinguished Senator from Ohio.

I appreciate the suggestion of the Senator from Ohio, and I am glad to see him pounding in this point that the bill overlooks the public interest. It seeks to advocate the interest of only a section of the public; namely, the consumers, leaving the overall basic public interest to fend for itself.

Certainly, that is the case. But even narrowing it down to the consumer interest alone, the consumer has no way to make input officially through the CPA because the Administrator of CPA alone decides what is best for the consumer, even though they might have any number of separate interests, and I will point that out at a later time during our discussion before the vote.

If all the time of the Senator from Alabama has expired and all the time allotted to him by the distinguished Senator from Connecticut has expired, I yield the floor.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that Paul Leventhal, of the staff of the Committee on Government Operations, be allowed the privilege of the floor during the debate and vote on the consumer protection bill, S. 707.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I know the Senator would like to speak, and I will be pleased to yield some of my time, if the Senator from New York, or the Senator from Alabama, would like time.

The only request I would make is that the Senator from Wisconsin, who is on his way to the Chamber, have 15 minutes. I yield, subject to the Senator from Wisconsin having 15 minutes when he arrives.

Mr. BUCKLEY. I am pleased, Mr. President, to proceed on that basis.

Mr. RIBICOFF. Subject to that basis, would the Senator like 15 minutes?

Mr. BUCKLEY. That will be fine.

Mr. RIBICOFF. I yield 15 minutes to the distinguished Senator from New York.

Mr. BUCKLEY. I thank the Senator.

The PRESIDING OFFICER. The Senator may proceed.

Mr. BUCKLEY. Mr. President, as we approach the vote on the question of closing debate on S. 707, it is imperative that the facts and issues be clarified so that the Members and the public understand what is happening. As far as I know the opposition to this proposal bases its case on questions which are fundamental in nature. The bill is being opposed because the idea of an Agency for Consumer Advocacy is not a sound idea. Tinkering or technical changes have not and probably cannot make the proposal acceptable.

Any claims, and there have been some, that amendment No. 1817 could meet the objections of the bill's opponents must be looked at soberly. Nothing in the amendment would change or even touch upon the fundamental concerns of the opponents. There is still no definition of the concept of "interests of consumers." The amended jurisdictional language provided in section 15(11) in no way speaks to the definitional problem as to what is the best interests of consumers.

Interestingly, the longer the Senate debate goes on and the more questions asked, the harder it has become for the sponsors to cope with the failure to provide a substantive definition of "interests of consumers." They are not to be blamed for that failing because there is no way to define it. The inherent contradictions which exist within a whole Nation make a single definition impossible. It is only through the complex operations of the economy that sufficient reconciliation of interests, basically through the exercise by consumers of differentiation of value placed on goods and services, are we able to have a total definition and understanding of the varieties of consumer interests. No administrator is able to perform such a function.

Unfortunately, the questions raised some weeks ago by the Senator from Kansas (Mr. DOLE) concerning the impact of the bill on agriculture, remain unanswered. They are unanswered, no doubt, because they are unanswerable. To be sure some cosmetic changes were agreed to by the bill's sponsors. But as I understand it the questions asked involved a determination whether high and increasing levels of agricultural exports are in the "interests of consumers." The answer came in the form of a denunciation of the Soviet wheat deal, which is not exactly responsive, but, perhaps, indicative.

Again, the reason the sponsors were not responsive is that consumers of agricultural products are always interested in securing those products at the lowest possible price. Farmers, who are also consumers, desire just the opposite. The free market is the mediator, and the only mediator that can be fair to all concerned.

Farmers want low-cost credit and relatively inexpensive machinery; the savings account holders want high yields from their accounts and union members working in farm machinery manufacture wish rapid sales at prices sufficiently high to provide future production, and, at the same time they want credit terms that will encourage the manufacture of more machinery. How is it possible that an administrator can take such a complex economic interrelationship and come out with a declaration of what constitutes the true "consumer interests?" Is it served by a limitation of agriculutral exports? Perhaps some city dwellers might think so. Or by guaranteed low cost credit?

However, consumers with savings accounts are seeking more attractive rates. The manufacturer and union member producing farm machinery want a highly profitable agricultural economy or else fewer machines will find a market. The best a Government administrator could do would be to do an injustice to all consumers with whom he did not side.

Herein lies the reasons for the increasing difficulty for the sponsors to explain away the obvious problems. It is easy for Ralph Nader to make a decision; it is for any person individually. Mr. Nader has his own hierarchy of desires and wants; we all do. But for the U.S. Government to presume that it can fairly represent the diverse interests of consumers is both simplistic and dangerous.

I would now like to proceed to an analysis of S. 707 and the substitute language that was offered by way of compromise which strongly suggests the conclusion that the substitute before us is for all practical purposes a bill so similar in effect to S. 707 that a contention of compromise and change is unwarranted.

Mr. President, as my colleagues recall, in an effort to attract additional supporters to the cause of S. 707 the bill's sponsors joined a few weeks ago to announce a major "compromise." The so-called agreement was proclaimed in floor speeches and newspaper headlines. The objections raised by the bill's opponents, we were told, have been met. There is less here than meets the eye.

Previously I took note of the fact that most of the objections raised over this bill were in the nature of fundamental criticisms. Technical changes and some minor tinkering simply do not reach the heart of the problem. Today I would like to address myself to a portion of the "compromise," specifically section 17(b), which reads:

> Nothing in the Act shall be construed and no authority in the Act shall authorize the Administrator to intervene in any United States Department of Agriculture proceeding without considering the consumers' interest in an adequate food supply, and without considering the interests of farmers in maintaining an adequate level of income and production.

This language which conditions the activity of the ACA Administrator should be analyzed from the proposition that it is effective language which will serve to protect agricultural interests from the Agency. In addition, the section should be looked at from the point of view that it does no such thing.

If we assume the language is effective, then we are confronted with the problem of consistency. If it is effective and good, then why not extend the condition to every other possible economic category? If agriculture is to be helped by the insertion of this condition then why not do so for plumbers, bakers, engineers, and maybe even taxpayers, for they are consuming more government than any other item within their budget. That would be a nice touch, I believe, to require government to assess just how much and what kind of government the consumers of government are getting for their money.

The likelihood of each of these groups of consumers being recognized separately is small, unless, of course, this bill is laid aside for now and all time to come. But let us assume for a moment that the bill passes with this condition and the other two sections which provide for special treatment.

Mr. President, does anyone actually think that we do the cause of good government any good by so blatantly exempting three special interest groups. It is very understandable why labor organizations, radio and television licensees, and agricultural interests want a special status: they know the operation of this agency is going to frustrate their ability to operate and to do the job they have to do. That, in our society, Mr. President, is to meet the needs of the consumers as determined in the marketplace where there is freedom of choice.

However, it should not be assumed that the language of section 17(b) does anything for anyone. A close reading of the language of the section clearly shows that it is a condition without teeth. There is literally nothing prohibited in the section which would not have been otherwise authorized under the original committee language. The directive to the ACA Administrator requires him to consider adequate food supply levels, farmers' income and production. I suppose the suppressed premise of 17(b) is that without the language the Administrator would have his decisions without reference to those items.

It is important that we understand that whatever the Administrator would have been allowed to do and say under S. 707, he will continue to be allowed to do under the substitute. We cannot, therefore, contend that the additional section will serve anyone's interest, special or otherwise. The Administrator, and the Administrator alone, shall determine what is in the best interests of consumers. After such a determination, which is unreviewable, the Agency may move into action to establish in law and Government policy the interest the ACA determines will magnify the "consumer interest."

In addition, by invoking the word of art, "proceeding" in the section, the language specifically exempts the vast bulk of the Department of Agriculture's activity. Proceedings, as used here and under section 15(15), do not cover the informal activities of agencies and departments. The condition is limited to participation in rulemaking, adjudication, and licensing. Therefore, if the condition extended any substantive protection to agrciulture—and I have concluded that the contrary is so—then employment of the word "proceedings" so vastly limits the protection that persons interested in exempting agriculture from this bill should be seeking substantially firmer language which covers all Government functions relating to agriculture.

In addition a great deal has been made of the restrictions on the ACA's power to compel responses interrogatories. In my opinion it would be more accurate to conclude that the process has been made more complex, rather than more restricted.

What is required in the substitute amendment's section 10, "Information Gathering," is that the Agency for Consumer Advocacy obtained the information it desires indirectly through the offices of the "host agency," that is, the agency of Government whose jurisdiction is primarily involved. The assumption which justifies the procedure is somewhat vague. Granted that the power would be restricted if the "host agency" were given special authority over the use of the authority. This it does not have. The host agency must comply with the ACA request unless the head of the "host agency" finds that the information sought does not substantially affect the health or safety of the consumer, is not relevant to the purposes for which the information is sought, or would be unnecessarily burdensome to the company or companies involved. In any case the ACA may appeal any determination on any of the three foregoing grounds. As a practical matter it would seem highly unlikely the host agency would invite a suit over any interagency determination.

Whatever may be the advantages or disadvantages of the required procedures, it does not seem entirely accurate to conclude that the power has been severely restricted. It does not warrant the contention of meaningful compromise.

The arguments against S. 707 remain essentially the same. The substitute in no major way alters that fact. Of course, it is hard for practicing politicians to vote against any bill where the enabling clause recites that its purpose is to protect consumers. The headlines compound the problem because they speak in the same simplified language of the enabling clause. But the Senate has an obligation to go beyond the titles and headlines. If the Senate does so, I am confident that all Americans will be, as they should be exempted from this bill.

Mr. President, I would like to close by referring to the most devastating analysis of the so-called Dole Compromise that I have yet seen. It shows in devastating detail that it fails to deal with a single substantive objection to S. 707. It is, in short, an exercise in cosmetics, and nothing more.

Mr. President. I ask unanimous consent to have printed in the RECORD the document to which I have referred.

There being no objection, the document was order to be printed in the RECORD, as follows:

PROPOSED "COMPROMISE" AMENDMENT TO S. 707, AS SUBMITTED AND DISCUSSED, AUGUST 17, 1974

CONCLUSION

This proposed amendment is no compromise. It is a collage of the worst provisions of S. 707, the bill currently under consideration in the Senate, and H.R. 13163, the bill which passed the House of Representatives in April of this year.

All—yes, all—of the major objections raised to S. 707 on the Senate floor and in the Minority Views are applicable to this "compromise."

The new proposal remains philosophically unsupportable and pragmatically unworkable.

This bill demonstrates the need for continued debate—the proponents obviously still do not understand the issues, and this new language must be thoroughly considered.

A. Theory still unrealistic

All of the general objections raised in the Minority Views relating to S. 707 are applicable to this bill, including the fact that this proposal still rests on the unsupportable contention that Federal agencies are not working as intended by Congress, therefore the solution is to create another Federal agency.

B. Major specific problem areas in "compromise"

1. Total Independence

(a) The bill still would limit the President's removal power over the single ACA Administrator to the grounds reserved for the muti-member regulatory agencies, Sec. 3(a), p. 3.

(b) The bill still fails to contain what the sponsors of the bill during the past Congress called the "most important safeguard": A 3-man commission structure to avoid autocracy.

(c) The bill still allows the ACA administrator to define what is best for consumers for the purposes of advocacy and prohibits anyone from challenging that initial determination. Sec. 6(a) and (c), pp. 8–11; Sec. 22(b), pp. 31–32.

(d) The bill still defines "consumers" as everyone and "interest of consumers" as anything. Sec. 15(7) and (11), pp. 25–26.

2. Advocacy Powers Still Excessive

The bill still grants to the ACA the strongest advocacy powers available to regulatory agencies, without the responsibilities that go along with these powers; it still adds to these the strongest rights of private citizens available to no governmental unit, and it still further provides the ACA with rights enjoyed by no governmental unit or private citizen:

(a) The bill still provides the sweeping power to intrude disruptively into any informal, nonstructured activity of a Federal agency, such as trade negotiations between Secretary of State Henry Kissinger and representatives of other agencies. Sec. 6(a)(2), pp. 9–10.

(b) The bill still provides that federal agencies, such as the State Department, must give the ACA full notice of proposed actions (such as fall-back negotiating positions) prior to ACA intrusion. Sec. 13(b), p. 24.

(c) The bill still requires a Federal decisionmaker to give the proposals of the ACA "full consideration" before taking action, thus delaying informal activities such as trade negotiations which move from stage to stage quickly. Sec. 6(a)(2), pp. 9–10.

(d) The bill still contains the language interpreted in the Majority Report on S. 707 as requiring a forum agency to give the ACA equal opportunity to present its views as is afforded to any other party, including ministers of state negotiating with Secretary Kissinger. Sec. 6(a) (2), pp. 9–10.

(e) The bill still would allow the ACA to become a dual prosecutor in agency adjudications of violations of law. Sec. 6(a)1, p. 9.

(f) The bill still would grant the ACA unprecedented automatic standing to seek judicial review, with its own lawyers, of any act or failure to act of any other Federal agency. Sec. 6(c), pp. 10–11.

3. Inquisition Powers Remain

(a) The bill still empowers the ACA to test and rate consumer products and services, based upon its own subjective criteria, even though it was agreed during the prior Congresses that the ACA would, itself, conduct no such tests. Sec. 5(a) (2) and (5), pp. 7–8; Sec. 8(a), pp. 14–15; Sec. 9, p. 16.

(b) The bill still contains an improper interrogatory function for the ACA, although it adopts a modified version of the House provisions under which the ACA would force other agencies to issue interrogatories. Sec. 10(a), pp. 16–18.

This provision is far stronger than the version in the House-passed bill because it would allow for unprecedented use of the Federal Trade Commission as a general receptable for ACA interrogatory requests—if no other agency has subject matter jurisdiction, the bill provides that the FTC will be considered as having it. This would greatly expand FTC's authority into areas never intended by Congress (e.g., food and drug), and could result in an imbalance in FTC's priorities.

Another improvident feature of this modified provision is that the ACA is given a choice when it comes to enforcing these interrogatories against a person who fails to comply. If the issuing agency does not wish to enforce, the ACA can be substituted for the issuing agency in court under this provision. Or, under the judicial review provisions of the bill, of course, the ACA has power to take the issuing agency to court to force it to enforce the information requests.

(c) The bill still makes the existing Federal agencies a sieve for confidential information, including trade secrets, in their hands by requiring them to turn it over to the ACA. Sec. 10(b), pp. 18–21.

(d) The bill still provides that information cannot be given in confidence to a Federal agency with assurance that it will not be turned over to the ACA, if that Federal agency could have gotten the information through mandatory process—thus, this provision will result in nobody volunteering information to the Federal Government. Sec. 10(b)(7)(B), p. 20.

(e) The bill still provides the ACA with unprecedented power to release to the public trade secrets and other confidential information which even regulatory agencies cannot so release. Sec. 11(a)(1), p. 21.

(f) The bill still would transfer the Consumer Product Information Coordinating Center to the ACA, thus ensuring that all of the vast stores of consumer product information in this agency could be accessible and published by the ACA without any safeguard to the contrary. Sec. 23, p. 33.

4. Unconscionable Exemptions

The bill still contains unconscionable exemptions—it takes the House bill's exemption provision, *deletes* the exemptions for national security and intelligence functions of the State Department (thus showing the intent of Senate sponsors to have the ACA deeply involved in foreign policy), and *adds* the current exemptions for Big Labor and TV broadcasters that appear in S. 707. Sec. 17, p. 28.

C. Need for more debate

The fact that this is no "compromise" indicates that the proponents of this new substitute have failed to grasp the real issues; thus debate must be continued on this proposal or it should be withdrawn from the floor for Committee reconsideration.

Further indication of need for more extended debate or thorough reconsideration is found in some new concepts introduced in this bill.

1. New, Unwise Court Determinations

If the ACA seeks to gain judicial review of an action arising out of a proceeding or activity in which the ACA did not appear, the court must determine whether such a suit "would frustrate the interests of justice." Sec. 6(c), p. 10.

This is a totally new, untried and unwise imposition on the courts, without any Congressional guidelines proposed to help them. Moreover, it controverts directly the American Bar Association position on CPA/ACA legislation which opposes such mandatory findings of the courts. This subjection should be discussed at length.

2. Inconsistent Provisions on State Advocacy

Subsections (g) and (h) of section 6 on page 12 provide that the ACA "is not authorized to intervene" in state and local court and agency proceedings, but that the ACA may "communicate" with these units in any manner consistent with law or agency rules.

These provisions should be discussed in detail to ascertain intent, then to amend the bill so as to provide for what is intended. Significant questions arise:

(a) Do they mean that ACA may participate in rulemaking and ratemaking at the state and local levels, because one does not "intervene" in these, but merely "communicates" through participation?

(b) Do they mean that the ACA may seek judicial review of state and local actions, because, technically, it would not be intervening?

(c) Do they mean that it is intended for the ACA to become involved in the informal "activities" of state and local units, as opposed to their "proceedings"?

D. Failure to meet administration objections

The proposed "compromise" contains what then Minority Leader, now President, Gerald R. Ford termed on behalf of the Administration the "extreme in consumer protection" when he objected to certain proposals in the 92d Congress. These "extremes," first proposed in the so-called "Nader-Rosenthal-Moorhead" amendment to the 1971 House CPA bill, have been incorporated into the House-passed bill of this year, as well as this "compromise."

More importantly, only one of the many changes requested by the Administration to S. 707 has been put into this bill. Under the May 15 letter by OMB Director Roy L. Ash to Chairman Sam Ervin, the Administration set forth certain necessary changes that would have to be made to S. 707 in order for it to be consistent with the President's program. These are discussed below—

1. Interrogatories

The Administration submitted a proposed interrogatory provision which is considerably more restrictive than that proposed in this "compromise."

It is highly unlikely that the Administration could support the concept of using the FTC as an ACA wastebasket for interrogatory issuance, as proposed in this "compromise." It is also unlikely that the Administration would support the idea of the ACA being able to support enforcement actions, with its own lawyers, under the interrogatory powers of other agencies.

2. Term and Removal of the ACA Administrator

The Administration opposed granting the ACA Administrator a fixed term and insulating him from removal except for cause. This was totally ignored in the "compromise." See Sec. 3(a), pp. 2–3.

3. Simultaneous OMB-Congress Recommendations

The provision in S. 707 requiring simultaneous submissions of the ACA budget to Congress and the OMB has been deleted. This is the only Administration recommendation accepted.

4. Judicial Review

The Administration's requests in this area were also totally ignored.

The Administration requested that the ACA be placed under an affirmative duty to show that permitting it to seek judicial review of actions arising out of agency process in which it did not participate would further the interests of justice. The "compromise" puts a negative duty on the courts, instead.

Secondly, the Administration requested the mandatory rehearing process prior to such judicial review take place within a "reasonable time," rather than within the 60 days required under S. 707 and the "compromise."

5. Information Availability and Disclosure

The Administration objected to the provision in S. 707 under which existing Federal agencies could not prevent AGA access to confidential information volunteered to them. This objection was ignored.

6. Representation in Judicial Proceedings

The Administration requested that the Justice Department be allowed to determine whether the ACA should use its own lawyers or be represented by the Justice Department in litigation. This request was ignored.

7. Participation in Structured Proceedings

The Administration objected to a provision in S. 707 under which the ACA could participate or intervene as of right as a full party or participant in any hearings conducted merely by "regulation or practice" (e.g., internal budget hearings). This objection was ignored and the provision remains in the "compromise." See Sec. 6(a) (1), p. 9.

8. Specific Appropriations Authorizations

Finally, the Administration also objected to providing for specific authorizations for the ACA. This, too, was totally ignored. See Sec. 20, p. 30.

Mr. RIBICOFF. Mr. President, I am waiting for the Senator from Wisconsin to arrive. If my friend from Alabama would like more time, I will yield to him at this point, subject to his yielding the floor when the Senator from Wisconsin arrives. I would be more than pleased to yield time to the Senator from Alabama or the Senator from North Carolina.

Mr. ALLEN. I thank the distinguished Senator.

We have used all the time allotted to us, plus the time given to us by the distinguished Senator from Connecticut. I believe we will use only the time later allotted to us on this subject.

Mr. RIBICOFF. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. INOUYE). Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, subject to the Senator from Wisconsin coming to the Chamber, I yield such time as the distinguished Senator from Alabama desires.

Mr. ALLEN. I thank the distinguished Senator from Connecticut. Inasmuch as we have used all the time allotted to us at this time, though we will have two other times to speak, I do appreciate the Senator yielding time at this time. When the Senator from Wisconsin arrives, I will yield the floor to him.

Mr. President, I see on the desk of the Senator an editorial from the Washington Post and the New York Times urging cutting off discussion on this bill and urging passage of the bill.

Of course, an editorial is only the opinion of either the editorial writer or the editorial board, by and large, I assume. Since they have someone designated as editorial page editor, I assume that it is pretty well the expression of one person.

Some of the recommendations made by these two newspapers do not cause me to place a great deal of confidence in these expressions from the Washington Post and the New York Times with respect to this bill. I have two columns here, and there is one from Mr. Hempstone, also, that I do not have at this time. But I have two columns, both by Mr. James J. Kilpatrick, in which he denounces this bill in no uncertain terms. He wrote one column one day.

I ask unanimous consent that these columns be inserted in the RECORD. The first one is entitled: "In Name of Consumerism: A Monstrously Bad Bill." That is the description of S. 707 by James J. Kilpatrick, nationally syndicated columnist, whose views I respect greatly more than I do the editorial page writer for the Washington Post or the New York Times.

He wrote one day on the bill. He was so outraged by it that he came back a few days later and wrote another column with respect to the bill. This one is entitled "Producing a Commissar." That was his analysis of the bill.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Star-News]

IN NAME OF CONSUMERISM: A MONSTROUSLY BAD BILL

(By James J. Kilpatrick)

WASHINGTON.—The Senate continues debate this week on a measure that merits a splendid superlative title. It is the Worst Bill of the 93rd Congress.

Admittedly, that takes in a considerable sweep; but the bill to create a Consumer Protection Agency is not merely a bad bill. It is a monstrously bad bill. In the holy name of consumerism, one of the more fashionable religions of the day, the Congress is about to create a bureaucratic nightmare.

The sponsors and defenders of this bill make it sound so simple. Out of whole cloth they have fashioned a speechless dummy named "the consumer." This poor creature, it is said, has no one to defend his interests. Business and industry have highly paid lobbyists whose insidious talent is to manipulate the agencies set up for their own regulation. The consumer, by contrast, is an abandoned babe in a forest of wolves. The bill would create a new agency with authority to fight back on his behalf.

The theory rests on a false premise, that there is such a thing as "the consumer." Under the definition contained in Section 4 of this bill, every human being who uses or purchases any goods or services whatever is a consumer. But unless one assumes that all human beings have identical personal and economic interests, it is plain that no advocate possibly could serve all consumers alike.

Let us examine the best interests of this hypothetical "consumer" in such areas as milk, lumber, textile products. Presumably, consumers have an interest in cheap milk; but the human beings in the dairy industry, who also are consumers, have an interest in higher milk prices. People who build houses want cheap lumber; people who produce lumber find that idea unappealing. The country is flooded with textiles imported inexpensively from the Far East, and doubtless this suits some consumers very well; but the consumer who works in a North Carolina mill has a different view.

The bill is a fraud. It defines the "interest of consumers" partly in terms of their "economic concern," which is to say, in terms of the price the consumer pays for goods and services. In the determination of such prices, no factor of cost is more important than the cost of labor. Yet labor is exempted from this bill.

The bill is administratively impossible. Under this measure, the new agency would have an administrator. He would be responsible to no one. He could intervene in any governmental proceeding (except as to labor) throughout the realm of federal authority. His determination of the "interest of consumers" would be virtually unreviewable. He could be removed by a president only at the risk of another Saturday night massacre.

Under this legislation, the new agency would have some $20,000,000 to spend on advocacy. It is a small sum, perhaps, in a $300,000,000,000 budget, but it is a large sum indeed in terms of lawyers, lobbying and litigation. Far from putting the "consumer" on an equal platform with business spokesmen, the authorized sum would make the administrator King of the Lobbyists, the fattest cat in town.

Our present system of consumer protection may not be perfect, but such old-line agencies as the courts, the Food and Drug Administration and the Federal Trade Commission do a reasonable job, and such new agencies as the Consumer Products Safety Commission are coming on strong. A case for further bureaucracy cannot be made.

PRODUCING A COMMISSAR

(By James J. Kilpatrick)

Just as we were interrupted last weekend, we were talking about the bill to create a Consumer Protection Agency. It is an extraordinary bill—a profoundly un-American bill—and it merits your careful thought.

One version of this bill, H.R. 13163, passed the House in April. A Senate version, S. 707, is now pending in the upper chamber. If the Senate succumbs to the virus of galloping consumerism, eventually the two bills will be reconciled, and with President Ford's approval, we will wake up some morning to find we have voted ourselves a wet blanket.

Perhaps Ford will not approve. His conservative instincts run deeper than those of his predecessor. As he reminded us a few days ago, he takes office beholden to no man—not even to Ralph Nader. And who's afraid of Virginia Knauer? Let us hope this well-intentioned but fundamentally bad bill never becomes a public law.

In describing this bill as "un-American," I have this in mind: One of the first principles of the American way of life is that ours is not a monolithic society. Ours is a free society, composed of men and women with different interests and different values. The idea of state-decreed uniformity is alien to us.

Another cherished American principle is the principle of political accountability. Over the years we have created an intricate system of checks and balances, of reviews and controls, of restraints upon power. Working in tandem, the public sector and the private sector have operated in an effective state of tension. The system may not be perfect, but it has given America a reasonably free and reasonably prosperous economy.

Now comes this bill to create a Consumer Protection Agency. The agency would be headed by an administrator whose first duty is to define the "consumer interest." A few days ago, before the interruption, I was saying that no such singular consumer interest can possibly be defined. The longer one reflects upon this duty, the more impossible the task becomes.

What is the consumer interest in automobiles? The administrator would have power to intervene in every proceeding of the Department of Transportation having to do with automobile safety and design. The Administrator would be expected to intervene in every environmental proceeding having to do with air pollution.

Is it in the consumer interest to require that new automobiles come equipped with air bags, hydraulic bumpers, and catalytic emission controls? Perhaps it is. But these devices may add as much as $400 to the cost of a car. Is it in the consumer interest to have inexpensive cars? Perhaps it is. But these two opposing interests cannot possibly be reconciled.

A hundred such examples could be offered.

> It is anticipated that the administrator would define a consumer interest as to the packaging of goods. But what is the consumer's interest? Does the consumer want packages that are secure, very secure, or practically impenetrable? Does he want his pound of bacon sealed once or sealed twice? The difference inevitably must be reflected in the price of the product.
>
> The Federal Register bulges with regulations affecting everything from peanut butter to cherry pies. How can one administrator prescribe a universal taste?
>
> In every other agency of the federal government, the decrees of a commissioner or secretary or department head are reviewable. The checks and balances of due process of law operate to provide restraints against an abuse of power. Congress provides some oversight. An overweaning official can be fired.
>
> But as this bill is now set up, the administrator of the Consumer Protection Agency would have a virtually unreviewable power to do as he pleases, and it would be almost impossible to dismiss him.
>
> In a different society, under a different concept of state supremacy, we would call such an officer a commissar. What in the world do we want with a commissar here?

Mr. ALLEN. I read from one of his columns. This is the second of two articles:

> Just as we were interrupted last weekend, we were talking about the bill to create a Consumer Protection Agency. It is an extraordinary bill. . . .

I think we would all agree on that, pro and con, as to the issue.

> It is an extraordinary bill.

We might differ on this next expression:

> . . . a profoundly un-American bill—and it merits your careful thought.
>
> One version of this bill, H.R. 13163, passed the House in April. A Senate version, S. 707, is now pending in the upper chamber. If the Senate succumbs to the virus of galloping consumerism, eventually the two bills will be reconciled, and with President Ford's approval, we will wake up some morning to find we have voted ourselves a wet blanket.
>
> In describing this bill as "un-American," I have this in mind: One of the first principles of the American way of life is that ours is not a monolithic society. Ours is a free society, composed of men and women with different interests and different values. The idea of state-decreed uniformity is alien to us.

Reading, then, from the first column by Mr. Kilpatrick—this is some time ago. It is not in the last few weeks:

> WASHINGTON.—The Senate continues debate this week on a measure that merits a splendid superlative title. It is the Worst Bill of the 93rd Congress.

See how Mr. Kilpatrick describes the bill.

"It is the worst bill of the 93d Congress." That covers a lot of ground. While I always like to agree, whenever possible, with Mr. Kilpatrick, I might be able to come up with one or two or three bills that I feel are worse than S. 707—

> Admittedly, that takes in a considerable sweep; but the bill to create a Consumer Protection Agency is not merely a bad bill. It is a monstrously bad bill. In the holy name of consumerism, one of the more fashionable religions of the day, the Congress is about to create a bureaucratic nightmare.
>
> The sponsors and defenders of this bill make it sound so simple. Out of the whole cloth they have fashioned a speechless dummy named "the consumer." The poor creature, it is said, has no one to defend his interests. Business and industry have highly paid lobbyists whose insidious talent is to manipulate the agencies set up for their own regulation. The consumer, by contrast, is an abandoned babe in a forest of wolves. The bill would create a new agency with authority to fight back on his behalf.
>
> The theory rests on a false premise, that there is such a thing as "the consumer." Under the definition contained in Section 4 of this bill, every human being who uses or purchases any goods or services whatever is a consumer. But unless one assumes that all human beings have identical personal and economic interests, it is plain that no advocate possibly could serve all consumers alike.
>
> Let us examine the best interests of this hypothetical "consumer" in such areas as milk, lumber, textile products. Presumably, consumers have an interest in cheap milk; but the human beings in the dairy industry, who also are consumers, have an interest in higher milk prices. People who build houses want cheap lumber; people who produce lumber find that idea unappealing. The country is flooded with textiles imported inexpensively from the Far East, and doubtless this suits some consumers very well; but the consumer who works in a North Carolina mill has a different view.

I might say that the consumer who works in an Alabama mill has a different view, also—

> The bill is a fraud. It defines the "interest of consumers" partly in terms of their "economic concern," which is to say, in terms of the price the consumer pays for goods and services. In the determination of such prices, no factor of cost is more important than the cost of labor. Yet labor is exempted from this bill.
>
> The bill is administratively impossible. Under this measure, the new agency would have an administrator. He would be responsible to no one. He could intervene in any governmental proceeding (except as to labor) throughout the realm of federal authority.

That is a pretty frightening thought right there: He would be responsible to no one.

I might say he overlooked, except as to FCC in granting licenses for radio or TV stations, or in renewals of such licenses. They cannot include the media because, as I stated earlier, they had to exempt the media to get media support.

They had to exempt labor to get labor support—

> His determination of the "interest of consumers" would be virtually unreviewable. He could be removed by a president only at the risk of another Saturday night massacre.
>
> Under this legislation, the new agency would have some $20,000,000 to spend on advocacy.

I might say I notice the distinguished Senator from Massachusetts, (Mr. KENNEDY) offered an amendment and was on the point of calling it up at one time, which would double the initial cost, the initial authorization for this Agency in the area of grants to local bodies and public interest groups. So even before the bill passes the Senate, talking about the small cost of the thing, they are already doubling the cost; more than doubling it, as a matter of fact. From the figures I have seen, it is safe to say the amendment more than doubles the cost of the Agency before it is even enacted into law in the first instance.

Under this legislation—

Says Mr. Kilpatrick—

> the new agency would have some $20,000,000 to spend on advocacy. It is a small sum, perhaps, in a $300,000,000,000 budget, but it is a large sum indeed in terms of lawyers, lobbying and litigation.

At a time when we want to get action by the Federal Government, at a time when we want to close out matters pending before an agency to have a final decision, this agency can go in and needlessly prolong the time required for a decision—

> Far from putting the "consumer" on an equal platform with business spokesmen, the authorized sum would make the administrator King of the Lobbyists, the fattest cat in town.
>
> Our present system of consumer protection may not be perfect, but such old-line agencies as the courts, the Food and Drug Administration and the Federal Trade Commission do a reasonable job, and such new agencies as the Consumer Products Safety Commission are coming on strong. A case for further bureaucracy cannot be made.

That is the end of the quotation from Mr. Kilpatrick's article.

That is another deficiency in the legislation, in the opinion of the Senator from Alabama, in that we have governmental agencies, governmental bureaus, and various governmental offices set up by law to take action in these areas. Apparently the argument is made that those people are falling down on their jobs, so we have got to set up another agency to see that the first group does its job.

How long is it going to take the proponents of this legislation to become as dissatisfied with the new agency, and say, "Well, they are falling down on their job; let us set still another agency to make this agency make this other agency do its job?"

There is just no end to it. If the existing agencies are not doing their job, why not discharge the appointees, reform the law under which they operate, and require that they perform their duties, and not set up another echelon of bureaucracy to stand behind these various agencies and see that they do the jobs for which they were created?

This article by Mr. Kilpatrick, talking about the monolithic form of government that this new agency would seem to presuppose and the monolithic form that the consumer is supposed to take, so that there is no doubt about what a consumer interest is, certainly is very interesting, because here on this floor the distinguished Senator from Illinois (Mr. PERCY) has stated that he views this as an example of an area of activity that this agency would engage in. It was rather shocking to me, because he said that this Administrator who decides what is best for consumers would go before the Federal Tariff Commission advocating—he used the example of shoes—lower tariffs on shoes, so that shoes could come into this country with a lower tariff on them, and a consequent lower selling price to the public.

That is fine for that segment of the public. We would all, I assume, like to buy a good product at a low price.

What about the workers in shoe factories? They are consumers, too. But the consumer administrator has already decided that we are going to try to get these shoes in at the lowest possible price, and let the workers look after themselves. During one of these hearings that we had on the bill, I asked one of the witnesses in favor of the bill, "What would be the consumer interest in an area of this sort, where the lowering of the tariff might result in the closing of shoe factories throughout the country?" Many in New England, I might say. "What would be the consumer interest here? Would the consumer advocate be in favor of lowering tariffs and getting cheap products into this country, as against the loss of thousands of American jobs?"

The answer was, "We would go for the cheap product."

That is the consumer interest, to get the cheap product. Do not worry about the people over here losing their jobs.

Mr. President, that is the reason why we cannot have a single consumer interest. The consumer is not a monolithic body of people. We have as many different economic interests as we have people; so we cannot say that this is good for all consumers.

Also, as the distinguished Senator from Ohio (Mr. Taft) has pointed out time and time again, what is the public interest? Who is looking after the public? Someone is looking after the consumers; someone is looking after business. I almost said someone is looking after labor, but labor-management relations are exempt. Who is looking after the general public interest? That should be paramount, and not the interest of some nameless, faceless, supposedly monolithic consumer.

If the truth be known, the central theory behind the CPA is to attack the very Government of which the CPA is to be a part. Unfortunately, the consumer will not be protected from the CPA, yet the vested interests of big labor are to be.

Third, during our markup session of this bill in the Government Operations Committee, as the printed transcript clearly shows, primary sponsors of this bill were in general agreement that the name of the agency should be changed—but only on the floor during debate; after this compelling appellation has done its job in securing the support of the unsuspecting.

In any case, if this is to be an expediting unit, so be it. I have filed an amendment to change the name of the Agency to the Federal Expediting Agency to reflect what the bill is intended to do.

S. 707 IS NOT WHAT WAS INTENDED

Speaking of intent, a remarkable document appeared in the RECORD of June 27, a document authored by the distinguished senior Senator from the State of Connecticut, the primary sponsor of this bill, its floor manager and leading proponent.

This document, spread upon nine pages of the RECORD, was an attempt to find errors in the minority views issued by Senators ERVIN, BROCK, NUNN, and myself which accompany S. 707 as reported by the Government Operations Committee.

The remarkable aspect of the document was that it found no errors in the minority views, yet it clearly demonstrated that S. 707 did not accomplish what its sponsors intended. Hence, S. 707 is in need of major amendment if it is to accomplish what was intended.

That is, this June 27 document purported to show errors in the minority views by citing safeguard provisions which have yet to be put into S. 707, and which were never put into previous versions of the bill.

For example, according to the sponsor's June 27 insertion in the RECORD, the sponsors intended to make the CPA's intervention or participation into another agency's proceedings or activities subject to immediate challenge by the forum agency holding the proceeding or activity.

S. 707, particularly subsections 7 (a) and (b) and 14(e), provides just the opposite—no one may challenge the CPA's decision to intrude into another agency's decisionmaking process; not that other agency, not someone who might be adversely affected. No one. The CPA must be allowed in, for better or worse.

For another example, in the information powers area of the bill this time, the primary sponsor cited to subsection 12(b) as the "extreme" safeguard in the bill, saying that existing Federal agencies may prevent the CPA from publicly disclosing information which they would not have released under the Freedom of Information Act, yet which they are forced to give to the CPA under this bill.

Unfortunately, the existing Federal agency with the major duty of collecting consumer product information from other agencies—the GSA's Consumer Product Information Coordinating Center—will not be subject to that "extreme" safeguard.

Under section 15 of this bill, the CPICC becomes an integral part of the CPA. Thus, the safeguard will operate to allow the CPA to decide what CPICC information the CPA should release, and the CPICC will continue to glean information from other agencies, but as a working division of the CPA.

There are nine pages of RECORD material constituting similar proof of self-deception.

This is such a critically important document that I introduced into the July 17 RECORD, at the opening of the debate, a chart comparing the sponsors' views, the minority views, and the actual provisions of the bill and majority report.

This was a long comparison, yet I would strongly urge that it be read by anyone who believes in consumer protection, particularly the sponsors of S. 707. The bill achieves the opposite of what you intend, and this chart proves it merely by citing the full provisions of the bill.

S. 707 IS NOT WHAT IS NEEDED

While we are on the subject of needed amendments to conform the bill to its stated intent, let us also look at S. 707 from the perspective of a respected consumer advocate.

1. AN ADVOCATE'S VIEW

Yes, it has taken a while, but we finally have a candid appraisal of some of the major weaknesses in S. 707 from a consumer activist who will support S. 707 if amended in major and "necessary" part.

We are indebted to the distinguished senior Senator from Minnesota for bringing these views to light.

I wish to comment upon these views, because they burst the key bubbles of myth which have been launched during our consideration of S. 707 on the floor.

The views are those of John F. Banzhaf, professor of law and legal activism at the George Washington University National Law Center and a noted and effective consumer activist himself.

They are found in the June 24 RECORD at page 20738 in a letter to Senator MONDALE, and they concern an amendment to S. 707 which was introduced by the distinguished Senator that day. The amendment would provide Federal assistance, via the CPA, to consumer organizations who wish to intervene or participate in Federal agency and court proceedings.

Professor Banzhaf says that Senator MONDALE's proposal is a "necessary addition to the bill, and goes a long way toward remedying what many have suggested are weaknesses in the bill." I repeat, a "necessary" addition is needed.

While the amendment of the senior Senator from Minnesota may go a long way in making this bill workable—in the opinion of some—it alone would not, in my opinion, go far enough to make the bill acceptable to many others. I shall indicate why a little later in my remarks.

However, this amendment, and Professor Banzhaf's comments, do show us that there are other alternatives to a CPA in protecting consumers—alternatives which should be considered before we take the traditional approach of throwing another Federal agency at one of our problems.

Had we had Professor Banzhaf's views before support for this bill became entrenched, the entire thrust of this legislation might have been changed. I wonder if at this point, however, there are many people with open minds on this subject.

Professor Banzhaf makes four points of the current bill's weaknesses, and offers to back them up with "concrete examples." It is refreshing to find someone talking about this bill from the point of view of actual knowledge and experience.

In speaking of the CPA, Professor Banzhaf asks:

> What guarantee is there that such an agency will be different from all others and will continue to effectively represent this point of view as the years go by? Indeed, is it not possible that 10 years from now Congress will be asked to set up still another agency to represent the consumer or public interest point of view before the Consumer Protection Agency, to insure that it, in turn, represents this viewpoint before federal regulatory agencies?"

This highlights the central fallacy of S. 707. As the minority views on this bill point out:

> The genesis of this CPA bill is dissatisfaction over Federal agencies which have not done as their supporters thought they would. And, if the potential supporters of the CPA

> accept this theory ... then we must assume that the CPA will not act as they think it will.

In short, this bill is a monument to our being unable to learn from experience.

But, proponents will say, this CPA is to be different, it will not have any direct regulatory power, only regulatory power by proxy—the power to get other agencies to use their regulatory power. Therefore, they assume, the CPA will be insulated from outside pressure.

Professor Banzhaf confronts that argument directly—and I quote:

> With all due respect, I think that argument is erroneous. To whatever extent the Consumer Protection Agency is effective in influencing proceedings at other agencies related to strong vested interest, these interests will, in turn, seek to neutralize the effectiveness of the Consumer Protection Agency, presumably by using the same techniques which have proven so effective at other government agencies.

From a business representative's viewpoint, what could possibly be the difference between a Federal Trade Commission which directly regulates his company in the name of consumers and a CPA which regulates his company through the FTC in the name of consumers? They will both be staffed by fallible human beings.

Professor Banzhaf, as do many, apparently equates the public interest with the interest of consumers, and he points out:

> The extreme difficulty, even impossibility, of determining what "the Public Interest" is in any given situation.

With respect to the CPA specifically, the consumer activist points out that:

> No matter how the proposed Consumer Protection Agency would determine which positions it wishes to espouse, these positions may not accurately or completely reflect the consumer interest it seeks to protect. No one entity, whether private or governmental, can always be sure that the view it is advocating on behalf of consumers is the most appropriate one.

As the minority views on S. 707 ask:

> What is the consumer interest in an automobile? Cost, safety, availability, power, appearance, fuel consumption, speed, impact on the environment, size, comfort? In point of fact, it is all of these. . . . To advocate for safety (for example, mandatory seat belts) can mean to advocate against cost and convenience, two other valid consumer interests.

Similarly, Professor Banzhaf points out:

> It is very difficult for an individual attorney or organization to forcefully advocate two or more different approaches to the same problem. Thus, it is more likely to choose one which it believes to be the most appropriate and to advocate that to the exclusion of all others.

Finally, Professor Banzhaf points out why the CPA could not possibly do what its proponents wish it to do:

> Consumers have a very wide spectrum of interests, many falling in areas of great legal and technical complexity. Were the Consumer Protection Agency forced to develop sufficient expertise in each of these many areas so as to present and espouse the consumer interest, it would do so only with an inordinant expenditure of time and resources. Moreover, as the individual responsible for a given area—e.g., food product labeling—educated himself on these issues, it is not unreasonable to suppose that he would leave the agency, creating a lack of continuity and the need to re-educate a new staff member. To put the same thought in different words, it is impossible for an agency the size of the Consumer Protection Agency to develop a continuing expertise in the many areas of direct interest and impact on consumers.

Mr. President, just let me now address two of the reasons why I feel that Senator MONDALE's amendment, itself, would not accomplish what is intended.

I shall treat these very briefly because they are discussed more fully in the minority views on this bill—which are entirely consistent with Professor Banzhaf's concerns, and which I urge all my colleagues to read in conjunction with Professor Banzhaf's comments.

First, Senator MONDALE's amendment would not grant private consumer activists the extraordinary and unprecedented advocacy powers to be granted to the CPA. Therefore, the CPA will clearly be more powerful than the private activists who are intended to provide a productive counterbalance. In fact, the CPA could intimidate these groups with its vast powers and fund dispensing activities.

Second, under S. 707, it is to be the CPA, itself, which determines by law what is "the interest of consumers" in any particular proceeding—and this determination is not to be reviewable in court or elsewhere by anyone, including a private consumer advocate with a different viewpoint.

2. AN INFLATIONARY APPROACH

Rather than adding to the billowing bureaucracy in the good name of consumers, we could do considerably more good by cutting back.

But no, we are expected to solve the problems created by Federal agencies with the creation of yet another agency, an agency with an enormous proposed budget for the purposes to which it is to be put.

This CPA is to be the largest, most powerful, most highly financed public interest law firm yet conceived. Let us look at some fiscal facts in relation to this agency.

First of all, section 20 of S. 707 authorizes a total of $60 million for the CPA's first 3 years of existence, and the estimated costs which are required by the Legislative Reorganization Act of 1970 to be stated in the report echo these figures at page 45 of the majority report.

That same estimate of costs requirements applies to the House of Representatives as well, of course. If we look into that body's report on the bill which they sent to us—a bill with virtually no differences from S. 707 as far as financial needs of the CPA—if we look into the House report on H.R. 13163, at page 20, you will find an estimated cost of $20 million for the agency's first 3 years of operation.

That is, the Government Operations Committee of the Senate thinks the CPA will need $60 million and the Government Operations Committee of the House thinks the CPA will need $20 million for 3 years of operations.

If two expert bodies of Congress can have almost a 67 percent difference of opinion on the needs of the CPA, imagine the percentage of error that the CPA will have in determining the needs of the consumer about whom far less is known.

The point is, neither body can explain these figures. Just as with many of the provisions of the respective bills, and the determination of the interests of consumers, this represents sheer guesswork and arbitrary decisionmaking.

Since we are considering S. 707, let us return to its $60 million authorization for 3 years, and consider this in relation to its advocacy powers.

Proponents of this bill will say that $60 million is a "paltry" sum. It may be paltry compared to some of the overly fat existing Federal agencies which have been granted substantive programs. But it is a huge sum for a public interest law firm and an immense sum compared to the money which will be available to advocates of differing viewpoints in the Federal forums in which the CPA will use most of this money.

And this is not to mention two significant facts pertaining to the inflationistic tendency of this bill: First, the CPA is to draw upon, free or at cost, the limited resources of existing agencies to make sure it wins its point; and second, the major activities of the CPA will drive up the operating costs of existing agencies and businesses—and you know who eventually pays these costs.

The advocacy functions of the CPA are its prime purpose in life, as the proponents have made clear, not to mention the findings in the bill, itself. The proponents also make clear that it is intended that the CPA concentrate its resources on relatively few proceedings and activities of other Federal agencies, because that is all it will have time for in the huge multiringed Federal forums of action.

A very conservative estimate of the amount of CPA resources which are intended to be devoted to its advocacy function, I would say then, is 75 percent per year. Taking the figure of $60 million for its first 3 years of operation, this would mean that we could, very conservatively, expect at least $45 million spent on or in support of consumer advocacy by the CPA in these 3 years alone, not to mention all of the free services it will have other Federal agencies perform for it. And not to mention the cost it would impose on others.

Concentrating such resources into the expected relatively few proceedings, and using the extraordinary powers granted to it, will, indeed, make the CPA a super advocate.

What is continually forgotten by adherents to the parity myth is that the CPA's business will be such litigation with the Government, and that the business firm's role is to attempt to avoid such litigation. There will be no private party who will be able to match the resources or the powers that the CPA could put into any one proceeding.

Another commonsense element never mentioned by those who propound this parity myth is that you cannot equate all business advocacy and treat it as an entity worthy of matching Federal consumer funds. The same companies do not exercise advocacy powers in relation to the same Federal programs.

A car manufacturer will care little what the Federal Food and Drug Administration proposes as a proper percentage of peanuts in peanut butter.

In addition, there is most often no unified business front on any given Federal proposal—a reading of any rulemaking file will show that businessmen are advocating against businessmen most of the time, each attempting to protect as best he can his own legitimate interests. And, none of these has millions of dollars to spend annually for this purpose.

One of the very few situations where you will find unity of diversified, legitimate businesses is in relation to this bill—with minor exceptions, they oppose it.

Finally, completely overlooked in this parity myth is the fact that many businesses simply cannot afford adequate counsel and advocacy themselves—small, medium and even large companies often cannot keep up with the layers upon layers of bureaucracy propounding regulations and adjudicating issues. It also would seem obvious and fair to say that, in terms of numbers, small businessmen are the targets of more Federal actions than are large businessmen.

Now, I warn you that proponents of this bill are fond of comparing the CPA to the Commerce Department when it suits their purposes. And when it comes to the 60 million dollars we are expected to hand this agency for its first 3 years, this is no exception.

Most often cited is the budget for the entire Department of Commerce with its armies of employees and its thousands of substantive programs.

I submit that if the proponents cannot see the difference between the Commerce Department and the CPA, Congress is, indeed, in bad shape. There simply is no comparison, other than, perhaps the cost of a torpedo compared to the value of a freighter it is intended to sink.

The Commerce Department—or any other agency, for that matter—does not have the advocacy powers or mission that the CPA is to have. In fact, the more money you add to the CPA's advocacy arsenal the more likely that the Commerce Department's appropriations will have to be increased. This is so because the Commerce Department is to be a target of the CPA and, of course, will have to defend itself and expand its proceedings to accommodate the CPA and its extraordinary powers.

There is no doubt that a CPA will cause more regulation to be imposed by the Federal Government on our citizens—that is at the heart of its purpose. What disturbs me is that we constantly forget who, ultimately, pays the costs of such regulation, much of which is overregulation.

3. THE PARITY VIEW

Speaking of additional Federal activity which will be instigated by the CPA, I ask you to consider this dilemma.

If we were to enact this bill to give super rights to Federal agents of the special interests of consumers, how could we logically say no to a similar request for an Environmental Advocacy Agency, or a Labor Protection Agency, or a Small Business Protection Agency, or a Taxpayer Protection Agency, or a host of other agencies to represent special interests that are at least equal to those of the consumer?

Scenting possible enactment of this legislation, at least one consumer group is already laying plans for the next advocacy agency. The May issue of Nutrition Action, a publication of the Center for Science in the Public Interest, urged in an editorial that a Nutrition Advocacy Agency be created to take informal and legal action to encourage Federal agencies to shape policies with up-to-date concepts in preventive medicine.

Where will it stop, logically? Perhaps only when the entire Government is reformed, as urged I believe by Senator RIBICOFF in his June 27 statement. But if we are going to reform the Government, let us at least admit that this is our intent, and let us take the proper steps to do it openly, not by guerrilla warfare.

UNEXPLAINABLE CHANGES

Let me now turn to some of the extraordinary changes in S. 707 as compared to some of its predecessors for this misnamed Consumer Protection Agency.

1. THE MISSING LINK

First, let us discover for you what can be called "the Missing Link" of this legislation. It is symbolic of the entire bill.

As you can see from your copies of S. 707, the first 50 pages are struck through and omitted. This is the bill as originally introduced. The remaining portion, pages 51 through 90, constitute S. 707 as reported by the Government Operations Committee.

If you will turn to page 2, you will see the original proposed statement of congressional findings in support of this bill, which, of course, has been revised.

Now look on line 22 of this page 2, and you will see that Congress was supposed to find that the CPA would represent consumers in a manner consistent with—and I quote—"efficient, fair" government, as well as effective and responsive government.

Now turn to the present findings on page 51 of S. 707, line 15. The findings of efficiency and fairness in government have been exercised from this provision.

Why? The answer is obvious. A vote for this bill is a vote against efficiency and fairness in government—it is patently obvious that it would be neither efficient nor fair to allow anyone to enter the regulatory process with the unprecedented powers proposed for the CPA, an agency which will answer to no one.

2. THE MISSING COMMISSION

Second, let us not forget the missing commission.

As Chairman ERVIN pointed out, the CPA bill reported during the last Congress contained an amendment by the distinguished senior Senator from Arkansas which would have spread the risk of autocracy by subjecting the CPA to administration by a three-man commission.

All of the sponsors praised this amendment as the major safeguard in the bill. Only Ralph Nader opposed it. It is now gone.

When we attempted to reinsert it in the full committee markup session, we were told that the committee decided to follow the recommendations of President Nixon's Advisory Council on Executive Organization. This is the so-called Ash Council—which took a negative view toward the use of multimember commissions in some, but not all, regulatory areas.

Such rationalization is truly amazing in light of two facts: First, this report was available and known to the proponents of this bill at the time they thought Senator McCLELLAN's commission amendment was the most important safeguard in the bill; and second, even more astounding is the fact that the Ash Council report specifically recommended against the establishment of any CPA whatsoever, urging instead that the powers proposed for the CPA be granted to the Federal Trade Commission—page 93, Report on Selected Independent Regulatory Agencies, "Ash".

3. THE NEW EXEMPTION

Hidden away in the recesses of the functions section of this bill, at page 59, is an exemption for the interests of organized labor.

The controversy over whether the Government Operations Committee exemption or the Commerce Committee exemption for organized labor, which we have already experienced, is nothing but a controversy over whether the labor interests shall dictate to us if all or most of the proceedings affecting them and consumers shall be spared from CPA attack.

I do not blame organized labor for wishing to get out from under this bill. I suppose big business would actively and enthusiastically support this bill if all of its interests were similarly exempted.

Proponents of these exemptions will first tell you that the reason for this exemption is that the interests of business and labor are well represented in labor dispute proceedings.

When you remind them that we are supposed to be talking about the interests of consumers, they will say that the AFL–CIO states that the interests of consumers are not affected by labor disputes.

Federal activities to foreshorten shipping strikes—which would be exempted by either committee version—would surely affect consumers just as much as trade negotiations and antitrust proceedings, two favorite CPA targets cited by proponents.

Why, in a recent 18-month period, such strikes cut off shipping between the west coast and Hawaii for a total of 6 months—1 day out of 3. This cut off the necessities of life for many.

Who is kidding whom? Many, if not most, strikes are aimed at coercing consumers into pressuring business management to raise salaries. On page 22 of the July 16 New York Times, for example, there is a story concerning a union which—and I quote—"voted today to 'shut down the state of Ohio' " in an attempt to gain a 40 cents an hour wage raise for State workers.

Conversely, we have seen boycotts used continuously in an effort to implement consumer power. Indeed, Miss Betty Furness testified at our hearings on S. 707 as to the effectiveness of the recent beef boycotts.

In fact, it is expected that the CPA would also encourage consumers to boycott companies and products.

While acting as consumer adviser to President Lyndon Johnson, Mrs. Esther Peterson did just that. We could have a new form of regulation by federally encouraged boycott.

EXTRAORDINARY POWERS OF THE CPA

Finally, let me briefly touch upon some of the extraordinary powers S. 707 proposes to grant to this new Consumer Protection Agency.

I shall be brief because these have been explained in great detail in the minority views, in Chairman ERVIN's extremely instructive and characteristically brillant opening statement and in my remarks and analysis in the July 17 RECORD.

I wish merely to supplement these statements with some observations.

1. MAKING THE COURTS AN ADMINISTRATIVE BATTLEGROUND

In a bill riddled with controversial provisions, the right of a CPA to challenge the regulatory agencies in court is perhaps the most controversial. It is clear now, why the sponsors decided against calling this bill "efficient." What greater inefficiency is imaginable than ordaining that this new agency use the Federal courts as the battleground for administrative civil war.

Under this bill, the CPA having applied its expertise to decide what single interest is best for all consumers, is empowered by a grant of legislative standing, to challenge the final decisions of the regulatory agencies which are supposed to be the Government experts in their fields. And, the CPA can mount this challenge whether or not it presented its views in the agency proceeding or activity which led to the decision. Of course, the bill requires that if the CPA did not appear, and where authorized, it must first petition the agency to reopen its proceeding or activity—presumably holding in abeyance the decision already reached while it considers the petition, before instituting a judicial review proceeding. The bill provides that a court may dismiss the CPA's petition for review, only where the CPA sat on its administrative rights, and did not appear in the agency proceeding, and only where such review would "adversely affect the interests of justice."

Now, that is a test the CPA can never fail. The CPA can be prevented from initiating court review of an action in which it did not participate only where the review would adversely affect the interests of justice. No court can restrain this legislatively ordained expert with legislatively granted standing, under that flimsy standard. And, frail as that safeguard is, it does not apply to CPA intervention in cases initiated by anyone else or court cases initiated by the CPA when it appeared in the agency proceeding below.

When you combine the definition of "interest of consumers," the unchallengeable CPA determination of what agency action substantially affects those interests, and the standard that section 8 of this bill establishes of actions "reviewable under law," the end result is that the CPA has an unrestricted right to sue for judicial review of any agency action if anyone, anywhere, anyhow, under any circumstances, could have sued.

That is the most far-reaching right to judicial review ever conceived, and, if enacted, will strip the courts of any shred of discretion to control their calendars.

2. THE CPA AS A TRADE NEGOTIATOR

Another of the unprecedented grants of unprecedented power in S. 707 is the extent to which the CPA can insinuate itself into the operation of other agencies. As Senator RIBICOFF has acknowledged, the CPA will participate in the negotiations of the State Department with foreign governments. Indeed, he states that the recent Middle East negotiations "perfectly illustrates" the need for CPA participation in trade matters, such as oil imports, which affect both national security and substantial consumer interests.

Thus, as the minority views point out, whenever Dr. Kissinger negotiates with the Arab representatives of the Organization of Petroleum Exporting Countries (OPEC), he would have to notify the CPA and give the CPA views full consideration at each step of the negotiations. Dr. Kissinger is a man of many talents who was able to achieve an agreement between the Arabs and the Israelis, but I am not confident he could achieve an agreement between the Arabs and the CPA. It is just incredible that the sponsors of S. 707 think that trade negotiations could be carried out in such circumstances. Either the CPA would have to travel along with the Secretary, or he would have to carry out "commuter diplomacy" between the Arab nations and the CPA headquarters in Washington.

The further grant of uncontrolled discretion of the CPA to determine when substantial interests of consumers may be involved would allow unlimited CPA intrusion into delicate foreign policy negotiations. For example, Dr. Kissinger may think he is negotiating peace in the Middle East, but to the CPA he is negotiating oil.

3. THE CPA AS A SECOND PROSECUTOR

The proponents of the CPA have cited, perhaps more than any other agency activity, the proceedings of the Federal Trade Commission to determine whether a deceptive act or practice has been committed in violation of the FTC Act. This is an area that requires special expertise. For this reason, and because of the efficiency of handling such matters administratively, the Congress has delegated quasi-judicial powers to the FTC to adjudicate this type of violation.

By the grant of unchallengeable right contained in section 7, the CPA can intervene as a party in these FTC adjudications. While these proceedings are referred to as adjudications, they are, in effect, trials.

The agency preserves the due process rights of the accused party, by conducting a trial on the merits, with a record of the proceedings. The FTC staff prosecutes the charge. Competitors of the accused respondent have no right to appear as full parties. Neither do the consumers of his products or services. There are witnesses, cross-examination, the subpena power of the agency is available for use by both the agency staff and the accused.

The Commission decision is made on the basis of the evidence contained in the record.

The FTC has never allowed consumerists the right to intervene in these proceedings as full parties. In a letter dated July 26, 1972, the then FTC Chairman, stated that the Commission was "reluctant to support his—the CPA's—active intervention in the Commission's adjudicative proceedings."

The Commission has consistently refused to all consumerists the right to intervene as full parties in adjudications. Now, it is proposed that the CPA be granted that right, with no discretion left to the Commission. Let us briefly consider what will happen when the CPA does intervene.

First, while the CPA would have authority to intervene on either side, it is unrealistic to suppose that he would do so other than to oppose the accused businessman. Thus, when the CPA intervenes in an agency adjudication, it will do so as a second prosecutor. Note that the first prosecutor, the Complaint Counsel of the FTC, has no choice but to accept the "help" offered by the CPA. This is an offer he cannot refuse.

To the extent that the CPA follows the line of prosecution taken by the FTC counsel there is useless, delaying, and expensive duplication; to the extent that the CPA prosecution diverges from the FTC prosecution, we have the situation where the accused businessman is subject to dual, and conflicting, prosecutions.

When there are two prosecutors, representing different interests, competing in the prosecution of a single accused, there are some very serious due process questions raised. That, I think, is obvious to everyone. They will not disappear. And, saying they are not there will not make them disappear.

More than any other provision in this invidious bill, the proposal to outfit a dual prosecutor explains why the words "fair" and "efficient" were stricken from the findings in S. 707. I have been speaking to those matters in this bill that I oppose. However, lest I be viewed as too negative, I do want to commend the sponsors for striking the words "fair" and "efficient." They obviously recognize that this pernicious bill is anything but fair and efficient and that it would be improper to allege otherwise.

4. BIG BROTHER 10 YEARS EARLY

While the three foregoing unprecedented powers are certainly enough to raise the hackles of any American citizen who still believes that the function of our Federal Government should be to serve us rather than rule us, perhaps the most sinister sections of S. 707 remain to be discussed. These sections deal with information gathering and disclosure by the CPA. I say these provisions are sinister not only because of the intrinsic dangers which they pose to our free enterprise system, but also because the proponents of the bill have sought—through the use of convoluted, complicated, and even downright misleading language—to make the extraordinary powers which the CPA is given in these areas look like Pablum.

If there ever were a legislative wolf in sheep's clothing, this is it. The minority views were entirely correct when they said that, under S. 707, the CPA would have the most far-reaching information gathering powers of any existing Federal agency, bar none. This power, when coupled with the expansive authority the CPA is given to disseminate what it has gathered, clearly makes the S. 707 CPA a threat to our cherished constitutional right to privacy.

For the purpose of clarity, however, I will separately discuss the proposed CPA powers to gather and the powers to disseminate information.

5. THE GREAT INFORMATION GRAB

As the bill is presently drafted, the CPA Administrator is authorized to utilize at his discretion court enforceable interrogatories whenever he feels they are necessary to "protect the health or safety of consumers or to discover consumer fraud or other unconscionable conduct detrimental to the interests of consumers."

Now the sponsors of this measure would have us believe that these qualifications are tightly constructed limitations on the Administrator's information gathering power, and at first blush they are. But look again.

The language does not require that the Administrator know of some fraud or an unconscionable act before he utilizes his interrogatory power—he can use it to discover them. With this kind of power, a CPA could unquestionably require any businessman to file under oath reports and answers to questions dealing with trade secrets and other previously protected confidential business information.

This strikes me—and I would defer to Senator ERVIN if he feels otherwise—as congressional authorization for a search warrant without a prior finding of probable cause. These are the kinds of assaults on liberty which our forefathers fought a revolution over almost 200 years ago.

But the bill's proponents point to a list of so-called "safeguards." These include a prohibition against the actual inspection or copying of documents, the disclosure of information which would violate any relationship privileged by law and the admonition that information demands should not be "unnecessarily or excessively burdensome." That all sounds just fine, but what does it mean?

It means that the CPA will not be allowed to pillage a citizen's private files, that the CPA will not be allowed to invade the attorney-client relationship—and certain other limited legally protected information categories—and that he must not be totally outrageous in his demands on private citizens. I call these very small restrictions indeed—especially when one considers that there are Federal criminal penalties for false answers to any CPA questions.

Private citizens and businesmen are not the only ones who will be subject to the CPA information gathering powers. Federal agencies will also have to open up their files to the Administrator's scrutiny. Again the so-called safeguards are numerous, but insignificant.

As a matter of fact, this legislation may end up requiring us to grant every other agency of the Federal Government the same information gathering authority that we are asked to give the CPA here. The reason is that section 11 (c)(7) of S. 707, if enacted, will dry up the necessary information sources which all other agencies depend on. By precluding those other agencies from guaranteeing confidentiality in return for voluntary data submission, S. 707 will force businessmen to withhold trade secrets and business information which their competitors could use to their advantage. The result is that agencies with mandatory processes will be forced at great expense of time and taxpayer dollars to go to court for the information they need, and those with insufficient authority or funds to litigate will come to Congress seeking it.

But let us assume that the CPA has all of the information it wants—what can the Administrator do with it?

6. THE GREAT INFORMATION GIVEAWAY

Section 12 of this bill grants to the Administrator the right "to disclose to the public or any member thereof so much of the information subject to his control as he determines appropriate to carry out the purposes of this act." Subsection 12(a) makes clear that the only limitations placed upon this authority are those which are contained in the section—no other existing legal limitations on Federal agency disclosure would apply.

At the risk of oversimplification, I would merely say to my colleagues that the CPA can, under this bill, disclose to the public just about anything which it wishes—including trade secrets and confidential business information—without the traditional time-tested protections which apply to all other agencies of Government. I urge my colleagues to study the point-by-point analysis of section 12 which is included in the minority views for a detailed explanation of this matter.

CONCLUSION

In summary, I would simply say that there is good reason why this bill is as the press has said "the most heavily lobbied piece of legislation to come before Congress in recent years." That reason is that it is the worst bill to come before Congress in recent years. Anyone who will take the time to read the bill and consider its impact knows that. For the rest, I ask if the glamour of consumerism is enough for them.

Forty years ago Mr. Justice McReynolds in an extemporaneous dissent to an opinion he felt was disastrous said something which I believe bears repeating now. He stated:

> We protest. That never was the law, it never ought to be the law, and the shame and the humiliation of it all no one of us can foresee.

Those of my colleagues who oppose S. 707 feel the same.

DISAPPROVAL OF ALTERNATIVE PLAN FOR PAY ADJUSTMENTS FOR FEDERAL EMPLOYEES

The **PRESIDING OFFICER.** Under the previous unanimous-consent agreement, the hour of 11:30 a.m. having arrived, the Senate will now resume consideration of Senate Resolution 394, which the clerk will now report.

The assistant legislative clerk read as follows:

> Calendar No. 1089, S. Res. 394, a resolution disapproving the alternative plan for pay adjustments for Federal employees.

The Senate resumed the consideration of the resolution.

The **PRESIDING OFFICER.** The Senator from Wyoming is recognized.

Mr. **McGEE.** Mr. President, I ask unanimous consent that the staff members required by members of the committee responsible for this legislation be permitted the privilege of the floor.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **McGEE.** Mr. President, we had to cancel a 2-hour timeframe yesterday afternoon for the discussion of this question because there were not Senators present who wished to speak publicly in opposition to the proposal, and so we have been waiting this morning for this 45-minute interval for the appearance of those who might want to raise some question about the resolution before us.

While we wait for them, Mr. President, I would like to say two or three things very quickly about this measure that is pending.

This is not a cost-of-living adjustment. This is a comparability pay adjustment under the law. The Federal employees, through the Comparability Act of 1970, are to be paid wages comparable to those paid the work that they do in the private sector. This is simply an attempt to keep public service on a comparable level with service in the private sector of our economy.

The factor that is a shortcoming on this proposed pay raise is that when we are talking about comparability we are talking about last March—that is when the reading was taken that enabled the President's agents to recommend a 5.5 percent comparability adjustment for Federal employees.

It had nothing to do with the cost of living. It only had to do with Federal employees being paid an equitable salary in relation to their counterparts outside the Government.

Mr. President, there is one further point that I think we need to stress here, and that is in all of our country's vast economic activity, wage earners have acquired through sophisticated development various means of bargaining for their equities, so that they, at least, approach bargaining equality with management. This is true of virtually all of the private sector; it is true of some of the public sector. In some municipalities this is true. Among the Postal employees, this is true. They now have collective bargaining. But there is only one wage earning group of any measurable size that has no bargaining agency at the table, and those are the Federal employees.

Now, they have a representative. That voice is the Congress of the United States. In effect, we are their agent in this instance. Under the Comparability Act of 1970, the President is to take a reading on what the Federal employees require to achieve comparability.

His own people, the President's agents, advise him on that, and the President's own people advised him that it would require 5.5 percent for Federal employees and military personnel to catch up with last March. What has happened in wage negotiations since controls went off last spring is not touched by this. The fact that new labor agreements have added 7.5 percent to salaries, 8.1 percent to salaries, 11.2 percent to salaries since last spring is not an issue at stake here, except it reminds us that there is no true comparability even now as we address ourselves to this question.

The other and remaining point that has been raised in regard to this is that the President of the United States has asked us to get tough on the inflationary processes in this country, and he suggests that the place to start is here with the Federal employees.

We had a discussion on this down at the White House the other night—many of us were there—and it was necessary to say to our President that this has no relevance to the question of inflation. This is comparability, and that if we are really going to attack inflation by rolling back wages then, Mr. President, I will have to say let us roll them all back. There is no Federal employee that I know who wants special favor; there is no Federal employee that I know who asks to be coddled, who says, "Give me a consideration that not everybody else can have."

But the Federal employee does resent being singled out, when he is already nearly a year behind, as a token sacrifice to make some people think it is an assault on the inflationary practices in this country and, Mr. President, that is bunk, plain unadulterated bunk.

To ask Congress to welch on its commitment as the agent for the Federal employees who are not entitled to sit at the table and bargain for themselves, is an imposition, I must say, on the Members of Congress.

So I would say, Mr. President, that it is important that Congress honor its responsibility on this measure.

The President is not proposing to cancel this; he wants to put it off a while. President Nixon tried to put it off twice and the Congress overrode him because the mechanism for equity for Federal employees required this. And if the President chooses to delay it, Congress is required under the law to take positive or negative action on it, and that is why we are here today on this question.

In the discussions that we have all had on inflation everyone agrees we are not going to stop inflation or slow it down with this kind of a gimmick, but we are going to hurt a lot of meritorious people who are already being chewed up by the forces of increasing costs that they are not permitted to keep pace with even so.

So, Mr. President, equity requires that the Senate disallow the President's request, with all due respect to our President. It is not a relevant issue in stopping inflation, and even as we concern ourselves with rampant inflation, we ought to be equally concerned with rampant injustice, and that would be the consequence if the Senate fails to reject the President's recommendation here today.

Mr. President, we have a total of 45 minutes, 22.5 minutes on each side, is that correct?

The PRESIDING OFFICER. Forty-five minutes have been set aside for this debate but no time has been allocated to either side.

Mr. McGEE. Mr. President, I yield such time as the distinguished minority member or ranking minority member of the Post Office and Civil Service Committee may desire.

Mr. FONG. Mr. President, I thank the chairman of the Post Office and Civil Service Committee for yielding me this time.

Mr. President, I again rise to strongly urge Senate approval of Senate Resolution 394, a measure disapproving deferral of a Federal white-collar employee and military personnel pay increase from October 1, 1974, to January 1, 1975.

As I stated in my full floor statement yesterday on this resolution, deferral would be unfair and grossly inequitable.

Approximately 1,360,000 Federal white-collar employees and 2,162,970 military personnel would have their 1974 pay increases deferred under Presidential alternative plan which Senate Resolution 394 would negate.

This group makes up only 4 percent of our national work force.

In contrast, the remaining 81.5 million other workers in the United States, including approximately 700,000 Federal blue-collar workers, have already received or will receive before this year is up, their 1974 pay increases.

The pay increase these Federal white-collar employees and military personnel are scheduled to receive follows that of private industry. We are not setting the pace here, we are just following that of private industry.

The U.S. Civil Service Commission and the Office of Management and Budget have remommended a pay increase of 5.5 percent for these Federal employees in order to bring them up to comparability with private industry as of March of this year. However, the lid on pay increases in private industry was lifted on April 30 this year and unofficial reports are that since that date, private industry pay has increases from 7 to 30 percent more. This means that the Federal pay is even further behind the pay for comparable positions in private industry than the 5.5 percent recommended by OMB and CSC.

I deeply appreciate and I share President Ford's concern and determination to wage an all-out battle against inflation. However, this is a battle involving all Americans and the burden must be borne equitably. It is grossly unfair to impose sacrifices upon a very small segment of our national work force—4 percent—while imposing no similar sacrifice on private industry, which constitutes the other 96 percent.

Instead, the remaining 96 percent of the national work force and all of our private businesses have been left free to pursue whatever pay increases and profits they can get.

As I stated yesterday in my statement, our Federal white-collar employees and our military personnel feel the pinch of inflation—an estimated 11.5 percent from last October 1 to this October 1—just as much as workers in private industry and Federal blue-collar workers.

To win the battle against inflation, there must be an all-out effort, not one in which only a tiny segment of our national work force is called on to make a sacrifice.

I am certain that if the President and the Congress call on the American people to make some sacrifices in the battle against inflation, our Federal white-collar employees and our personnel in military uniform will carry their fair share.

Congress established the principle of comparability for Federal pay. Uncle Sam should keep faith with our Federal white-collar employees and military personnel.

The pay increase for these dedicated and responsible Federal employees and military personnel should not be deferred. I urge Senate approval of Senate Resolution 394.

Mr. STEVENS. Mr. President——

Mr. McGEE. May I ask how much time the Senator needs?

Mr. STEVENS. Just 3 or 4 minutes.

Mr. McGEE. I yield 4 minutes.

Mr. President, how much time do we have left on this side?

The PRESIDING OFFICER. Thirty minutes.

Mr. McGEE. That is on the total time, but we are trying to reserve equal time for those who want to represent the President's position.

We will try to respect that.

Mr. STEVENS. Mr. President, as the sponsor of the resolution, I deeply regret that we are in the situation where the President has taken a position contrary to what I believe to be the proper one.

To me, agreement to this resolution disapproving the President's request is a matter of simple justice.

Under the Comparability Pay Act, Government employees are brought up to, although about a year late, comparable wage rates paid in the private and non-Federal Government sector. This means that people in my State who are Federal employees are now waiting for the October 1 pay raise in order to make their wages comparable to the average wage paid other workers in Alaska as of March 31.

I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an article from the Anchorage Daily News of September 9, concerning food and housing costs and how these costs have pinched the Alaskan wallets.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENS. Let me point out, for instance, that a 10-pound bag of sugar sold for $1.09 in Anchorage, wholesale, in July 1973. Today in Anchorage, that same 10-pound bag of sugar costs $4.24, a 294-percent increase.

There has been an average wage increase of 15 percent for laborers, 11 percent for carpenters, 7 percent for plumbers. The roughnecks and drillers won a $5 per hour raise spread over the next 3 years, the teamsters have a new pact with Sea-Land, which gives the office-workers $2.50 an hour boost over the next 2 years; the International Association of Structural and Ornamental Iron Workers accepted $4.50 an hour increase over the next 2 years.

All this has taken place since the comparability survey was computed as of March 31 of this year.

I placed in the Record the other day a private industry survey by Business Week magazine of 22 States that showed an average of 7.63 percent salary increase in those States since March of this year.

Under these circumstances, I do not see how we can yield to a fourth recommendation to postpone pay increases for the white-collor civil service employee, in an attempt to have that employee alone try to wage the battle against inflation.

These wage rates are necessary for them to come up to the point where the average worker was as of March 31.

To me, it is unfortunate that the President has selected this issue to wage a campaign against inflation. I think it is unfortunate that his aides apparently did not point out to him that the former President had tried it on three occasions and his recommendations were not accepted.

They were not accepted for good and valid reasons. In my opinion, to ask 4 percent of the employees of the country to defer a raise in wages for 3 months would be a cosmetic approach in this battle against inflation. It would not solve the inflation problem. It would not have a perceptible impact on the inflation in this country. Rather, over this 3-month period—and I think we should mention it, the period between October 1 and January 1, the holiday season, the Christmas season—we ask this one group of people to defer getting the raises they were entitled to as of March 31. I think that would be grossly unfair.

I am hopeful that my colleagues will support the resolution which will overrule this recommendation of the President. Again I say I do it in the concept of wanting to support this President in the fight against inflation, and wanting to give him every possible assistance that Congress can give him in true steps—good, solid steps—which will have an impact on inflation.

I can think of a great many ways to combat inflation, Mr. President. Above all would be some way to control the interest rates that the Federal Government is paying to borrow money. In any event, we will get to those matters later. Those will be solid, constructive steps to attempt to control inflation, and not a cosmetic step to try to place the burden of this fight on the Government employees alone to face the battle that the whole country must face together or it will not be won.

Exhibit 1

[From the Anchorage Daily News, Sept. 9, 1974]

Food and Housing Costs Pinch Alaskan's Wallets

Ask Alaskans how this year's inflation has affected them most and you're likely to get one answer: in the grocery cart.

Nearly all the persons who talked to The Daily News about coping with cost of living increases last week said they'd been forced to cut down their standard of eating. None of them were happy about it.

Jack White, an economics major at the University of Alaska and father of four, said he thought wage and price controls should be put back into effect immediately. "School lunches alone have gone from 55 cents in 1972 to 90 cents today," he said. "That's $3.60 a day, $20 a week and $80 a month for my four kids. It adds up to $720 a year for school lunches, and that's ridiculous."

White also complained about the rising price of milk—up to $1.05 or more a half-gallon today from 87 cents last summer—and said the price of gasoline had increased 11 cents a gallon in the last five months. He predicted that before long non-union wage earners in Alaska would hardly be able to afford the bare necessities of life.

Bernardine Bald, mother of one young daughter, said the grocery bill for her family of three had risen from $40 a week last year to $60 a week. "And that's with cutting down on fresh meat and produce," she said. "Sure, I worry about it. That's why we both work."

Kevin and Shala Earp, married for just two weeks, pondered the prices on the shelves at the University Center Safeway and said they bought only the cheapest brands. "We try not to skimp too much on food, though," said Shala.

John and Evelyn McQueen, who are retired and living on a fixed income, said they hadn't bought good beef for about two years. "There are just too many people trying to make money now and saying to heck with tomorrow," said John. "The attitude is 'get it while the gettin's good.' "

Richard Washington, who was born in Anchorage, said he was worried about the price of food and the price of housing—the second highest complaint voiced by everyone. He said he was forced to move to a smaller apartment last week after his rent was increased from $295 to $315 a month.

Mr. McGEE. Mr. President, what is the total time that has elapsed?

The PRESIDING OFFICER. Exactly 23½ minutes.

Mr. McGEE. If the distinguished minority whip is prepared to place the case before the Senate that represents the other point of view on this question——

Mr. GRIFFIN. Will the Senator yield me 5 minutes?

Mr. McGEE. I yield such time as the Senator would like.

Mr. GRIFFIN. Mr. President, yesterday in one of the afternoon newspapers I read a story to the effect that the vote today would represent a major test for the new President. I respectfully suggest that, instead, the vote today will be a major test for the Senate as to whether we are serious about the fight against inflation.

The question is: Will the Congress—particularly the Senate, on a bipartisan basis—support President Ford in his program to cope with the most serious problem facing the Nation, which he has called domestic enemy No. 1: Inflation.

In view of the pressures generated by union organizations which represent Federal employees—quite appropriately—I realize that it is difficult for many to support the President on this issue. But I suggest that it is very, very important, that the Senate provide that support. If this Senate says no on this occasion, then the floodgates will be open, so to speak. It will be more difficult for the President to call on others in our society to sacrifice and to exercise restraint.

The argument has been made: Why single out this particular group, this small percentage of the work force? The answer is that we have to start somewhere.

What is the President asking? He is not calling upon these employees of the Federal Government to forego the pay raise altogether. He is only asking them to sacrifice to the extent of deferring the effective date of the pay raise for 90 days.

It should be noted, incidentally, that the scheduled pay raise we are discussing will not affect Federal judges, Members of Congress, and others in the higher levels of the executive branch. Government personnel in those categories have been sacrificing for 5 years, because it has been that long since they have had a salary adjustment.

On the other hand, the 3½ million white-collar Federal and military personnel who would be affected have had regular pay adjustments, year in and year out. In fact, during the past 5 years, employees in this group have received pay raises totaling more than 30 percent.

Congress has seen to it over the years that pay raises for this particular group of Federal employees has kept pace, roughly speaking, with the cost of living. There are many others in our society, unfortunately, whose income has not kept pace with the cost of living.

The vote we cast today will be important from several points of view. First, it will be important in terms of the amount of money that can be saved by supporting the President—$700 million.

When added to the savings to be realized by eliminating 40,000 Federal jobs through the process of attrition, as the President has announced, that will amount to a saving of $1 billion in this fiscal year.

In his campaign against inflation, the President has called for a reduction of $5 billion in this fiscal year in the level of Federal spending. The vote today will determine whether $1 billion of the proposed $5 billion reduction will be realized.

I know we will hear arguments made that "Congress has already been reducing the budget submitted by the administration." To that I will have to say "baloney."

For example, yesterday there was a HEW appropriation bill on the floor. The report indicated that the committee had reported a bill $600 million below the administration request. But how did the committee arrive at that figure?

The committee reached that figure by reducing the amount requested for welfare assistance. But as everyone knows, the Congress will have to provide whatever amount is required to fulfill the Federal Government's obligation under the law—until we do something to reform the welfare laws. Accordingly, if the administration's estimate of the amount needed is correct—and the committee's estimate is wrong—the HEW appropriation bill approved yesterday can turn out to be only the first step. Later on it is likely that Congress will be required to pass a supplemental appropriation bill *for as much* as another $1 billion to provide the Federal share of welfare assistance.

Viewed in that light, the bill passed yesterday was merely a cosmetic sleight-of-the hand kind of a cut. It looked good yesterday but it will not look good at the end of the fiscal year when the final figures are tallied up.

I am concerned that a vote against the President today can be very demoralizing for those who are watching and waiting to see whether Congress is serious and sincere about its role in the battle against inflation.

It is not reasonable to expect only the housewife who goes to the grocery store to make the sacrifices. If the battle against inflation is to be won, others must be willing to sacrifice as well, including Federal employees.

I am certain that a great many people around the country and around the world will be watching this vote today—to see whether the Federal Government really is willing to set an example. This is our opportunity to set an example and to provide the kind of leadership that is desperately needed.

So, I urge my colleagues to consider what this vote will mean, not only in terms of actual dollars to be saved, but also in terms of what it will mean psychologically. In many respects, as we know, the battle against inflation is a psychological battle. How the people on Wall Street view our actions—what the people at bargaining tables who represent management and unions think—how people in foreign capitals and money centers around the world react—the psychological impact of what we do—or fail to do—is all important in determining whether the battle against inflation can be won.

Accordingly, I urge my colleagues to vote against this resolution of disapproval, and thereby to support the President's request.

Mr. McGEE. Mr. President, we have two requests for time. I yield 3 minutes to the distinguished Senator from Maryland and 4 minutes to the distinguished Senator from Arizona, in that order.

Mr. BEALL. I thank the distinguished chairman of the committee, the Senator from Wyoming, for yielding to me.

Mr. President, I am reluctant to oppose my good friend from Michigan, the assistant minority leader, on any issue, but I am afraid that I do have to rise in opposition to him and in opposition to the President's request on this issue.

In his message to Congress on the Federal pay raise, President Ford said:

> I must call upon all Americans without exception to make sacrifices in order to hold down wages and prices.

However, this proposed postponement does not call on all Americans to make sacrifices. Rather, it once again singles out one segment of our population to carry an unnecessarily heavy burden in the fight against inflation.

Mr. President, I am fully aware of the difficult actions which this Congress and the American people must make in the coming weeks in order to halt inflation. On Monday of this week, I was privileged to serve as a cohost of the Conference on Inflation, dealing with business and industry, held in Pittsburgh, Pa. The point was made quite clearly that inflation is our No. 1 national problem.

I am sure that my mail, as does the mail of every other Member of this body, reflects the concern of the American people that inflation is indeed our most pressing national problem. But we cannot effectively fight inflation by denying this relatively small pay raise to Federal employees. On the contrary, the only result of this action would be to unnecessarily increase the price squeeze on a small group of American families.

The purpose of the 1970 Federal Pay Comparability Act was to insure that Government workers receive earnings comparable to those in the private sector. In fact, I remind my colleagues today that this increase is not a cost-of-living rise designed to bring the pay of Federal white-collar workers up to parity with the Consumer Price Index. Instead, it is a comparability increase prescribed by law, to make the pay of Federal workers comparable to their counterparts in private industry as of March 1974.

Thus, the Federal employee, even if he was to receive this raise on October 1, would still be 6 months behind a similar employee in the private sector.

I also remind my colleagues that price controls were lifted on May 1, 1974, and there have been a lot of independent actions in the private sector of our economy since that time. Thus, Government employees lag even further behind than they would had the wage controls stayed on.

Inflation is indeed Public Enemy No. 1; but, in my opinion, it is not fair for us to use the Federal employee as a scapegoat every time we want to trim the budget. I do not believe that, at a time of 12-percent inflation and countless double-digit wage increases in private industry, one particular group should be called on to fight inflation when the same restraints do not apply throughout the rest of the economy.

I should like to make an observation about the remarks of the distinguished Senator from Michigan. He related this pay raise to a pay raise for Members of Congress or for high-level Federal employees or for members of the Judiciary. I do not think there is any relation between the two. I recall several months ago when the chairman of the committee and the distinguished ranking member very diligently took the floor and vehemently argued for a pay raise for this group of people. I voted for it, but it did not pass. But that is our fault, and Federal employees should not be forced to bear the burden for what was really a "chicken" action on the part of Congress, because the Members of Congress were afraid of the political consequences that might result from raising their own salaries and thus raising the salaries of judges and other high-level Federal officials.

Just because we were "chicken" for ourselves should not cause the Federal employees and those housewives who have to go to the marketplace and pay exceedingly high prices for their food to bear an undue burden.

So I suggest, Mr. President, that it is not contrary to the national interest to allow this pay raise to go into effect, and it is very much in the interest of a group of very loyal and dedicated people, to see that they are able to fight inflation, just as are members of the private sector of our country.

Therefore, I urge the Senate to agree to this resolution of disapproval.

Mr. McGEE. Mr. President, I yield 4 minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, at the opening of each of the three terms that I have served in the U.S. Senate, I have placed my hand on the Bible and sworn to uphold the Constitution of the United States against all enemies—foreign and domestic. However, my feeling with that responsibility goes deeper. Not only should I defend the Constitution, but I feel that I should defend the Government of the United States and all its people against all enemies—foreign and domestic—or, just to defend the United States against all enemies—foreign and domestic.

The foreign enemies are obvious and rather clear, but the domestic enemy—which is more of a threat against the future of freedom and our way of life—is inflation, and up until recent times it has been all but hidden in the minds of the Members of Congress.

Yesterday, when the final vote came on the passage of the health, education, and welfare bill, I voted "No" because this bill was over $4 billion in excess of what it had been last year and even though the report indicated that there had been a reduction. This is what I call "legislative hokey pokey"—this was not true.

I want to protect my country and protect our people, so I am going to vote against every appropriation bill that comes across the floor that is more than last year or in excess of this year's budget.

My colleagues might say, "But what about military spending?" I remind them that I have gone along with the Appropriations Committee on their reduced spending, and I intend to go along with the conference report on the same subject.

We are faced today with the resolution that calls for going around President Ford's request to delay the automatic increase of pay for civil employees which is to go into effect in October. The politically wise thing for me to do, of course, would be to vote against the President, but if I am going to vote in consonance with my conscience, I intend to vote to uphold the President's request because sometime, someplace, in spite of all the threats, in spite of all the problems that we know will occur, this Congress has to begin to show enough courage to do something about inflation.

Inflation is far more insidious than depression. I know; I lived through the major depression of this century, and I never want to have that happen again to any America. But we have lived in a period of growing inflation, now, for a number of years, and it is painful for me to go home and see a man or woman trying to live on a fixed retirement income, not really being able to make it work. I know that there are those amongst us who argue that we will not have any major depression because our Gross National Product is only down a small percentage, because workers are protected by unemployment insurance, by strong unions, by minimum wage law and social security and private pensions help. I will suggest that these things mean nothing if the dollar is valueless.

They will argue further that Government has greatly expanded its power to tax, to spend, and to regulate the money supply—all of which might be used to ward off a business crisis. This is very true providing the money has some value.

They will argue that the stock market is more tightly regulated; they will argue that bank savings and loan deposits are insured by the Government and that home loans are dragged out over a longer period and many of these are backed by Federal funds. "Another big depression?" some of these folks say, "We're not even close to it."

But. I say, "Show me the difference between a dollar rapidly declining and a depression. It is hard to tell between them as far as human suffering goes."

The thing that can be done in this country to slow down the rate of inflation and eventually stop it is to begin right here in the Federal Congress by cutting appropriations, by attempting to balance the budget, by trying to spend within our means. It has been estimated, for example, that if we do not take these necessary steps today, the total income from taxes in 1976—which was estimated to be around $330 billion—has dropped to $325 billion; and if we do not do anything about the budget, the budget that year could well be $335 million which is another massive deficit that this country yet can not stand, nor can its dollar, and if this occurs it will be necessary for the Federal Government to tax over 50 percent of the earnings of the people, thereby diminishing their ability to spend the money that they have earned—a right that they are well guaranteed.

As I said before, these votes are going to take courage, and I know that my actions yesterday and today will bring unprecedented complaints from my home States. But I keep remembering what I swore on the Bible to do—to protect not only the Constitution, not only the Government, but the people.

I think, Mr. President, it is time we thought about 210 million people and not a handful here or there who can raise their complaint and come here to Washington and put political pressure on this body to do what is wrong for the United States.

Mr. McGEE. Mr. President, how much time remains?

The PRESIDING OFFICER (Mr. HATHAWAY). Three minutes remain.

Mr. McGEE. Mr. President, the distinguished minority whip was characterized this as a test of the Congress, not a test of the President. I think that is a correct way to put it, and I accept that. The question is, Is it the prerogative of Congress in its test to give away somebody else's equity?

That is really what is at stake here. Congress is not giving up anything itself. We are not giving up projects in our home States. We are addressing ourselves to an entitlement of Federal employees that is already 6 months overdue.

Congress, as the only bargaining agent those employees have left, has a moral responsibility to honor that obligation. That is the real test here.

I say to the distinguished Senator from Arizona, who rightfully says that he wants to stay within the budget, that if he would examine the budget, he would find that this item is budgeted. The President's budget includes allowances for this pay adjustment.

We are not adding something to the budget; it is there now. But the proposal from the President is to withdraw this from the budget in order to provide a cosmetic, I suppose to convince somebody that he is fighting inflation.

Well, Mr. President, the Federal employees are willing to take their lumps, but they do not want to be the scapegoat. If we really mean it when we say we can go after inflation all-out, as the Senator from Arizona has just said we must, then let us do it to all wages and all profits and all interest rates and all dividends. Then we have the American people committed to this noble enterprise. But do not pick on a group that is already behind on equity. That is what the Senate has to look after.

The distinguished minority whip used the word, "baloney," and then he appeared to wish he had not used it. He kind of apologized for it. I do not think he has to apologize for it; it is one of the highest-priced words in our vernacular. But now, Federal employees have to look forward to living on it as well as living with the baloney.

Mr. President, we believe that equity requires denying the President's request to delay this modest adjustment.

Mr. STEVENSON. Mr. President, the President's proposal to defer Federal pay raises by 3 months will save the Federal Government $700 million, and by no conceivable means affect the rate of inflation.

The proposal is addressed to the wrong problem. The problem is not excess demand, but inadequate supply and productivity. The issue is how to produce more food and insure its equitable distribution. The issue is how to reduce extortionate energy costs and generate more supplies. The issue is how to make our economy more competitive, to expand industrial capacity, and to increase the supply of housing. The issue is how to reduce wasteful Government spending, and we do not do that by penalizing those who are trying to make Government work better. The elimination of just one Trident submarine would more than double the saving which would be achieved by the deferral.

The deferral would cost Federal employees $200 each, and like other citizens, these public servants are struggling to keep up with the cost of living. It would be hard on them, and it would be unfair. I do not approve an effort to single out one group simply because it consists of public servants.

The fight against inflation is fast becoming an ugly effort by special interest groups, each seeking to place the burden on someone else. They each say the belt must be tightened—and then propose to tighten someone else's belt.

Our President promised to be a President of all the people, and it is saddening to see him join the effort to place the burden on the fight against inflation on those who can least afford it. He is not taking on the oil companies who fatten on the crisis they helped create. He proposes to deregulate "old" oil and "new" natural gas, increasing oil company profits and burdening the people still more.

There are ways in which Federal spending can and should be cut—but they are not suggested by the new President. Such poposals would put a burden on the military industrial complex, instead of on working men and women, professional public servants included.

The Administration opposed the enactment of general authority to defer excessive wage and price controls. This inconsistent proposal is an effort to cover up the administration's failure to advance any proposals which would effectively control runaway inflation without causing a more serious recession. There is no other explanation for a proposal which will not affect the rate of inflation and singles out unfairly public servants.

Having said all that, I will reluctantly vote to defer this pay raise. Inflationary psychology is an undeniable factor in runaway inflation. The Government must attempt to break that psychology, for if it does not, a vicious wage price spiral will continue to be fueled. This, tragically, is the only action so far proposed by the administration. For the Congress to disapprove the deferral would have an adverse effect. It would signify to an anxious Nation, however wrongly, that the Congress and the Government are unprepared to act and confirm an anxiety which already is causing high prices which, in turn, cause higher prices, then higher wages and still higher prices. But it must be followed by other action. Everyone must bear equal sacrifices. Wasteful military spending must be cut. Interest rates must be reduced. Tough measures to stimulate productivity must be forthcoming.

But, instead of action, the Ford administration is treating us to a conference on the economy. I cannot recall an occasion in history when the United States in the midst of a crisis substituted a conference for action. And judging from my own experience at the Regional Economic Summit Conference in Chicago and the reports from the other regional conferences, this summit conference is nothing more than a ritualistic exercise by special interest groups at the altar of old time religion—with each special interest group seeking to tighten the public's belt at the expense of someone else.

I found the public excluded from the regional conference in Chicago, and representatives of the public were hard to find. Instead, the good folks who gave us 12-percent interest rates, 12-percent inflation, 6-percent unemployment, and 100-percent economic incompetence for the last 5 years were gathering to suggest more of the same. They have still not seen the light. The old time religion they are practicing is a prescription for economic disaster—more recession and more inflation.

Because of the danger that this economic conference is being used to develop support for a predetermined conclusion, namely, indiscriminate, across-the-board budget cuts and continued tight money, I think it behooves us in the Congress to commence our own debate on the economy as representatives of the people and to reflect the more enlightened economic thinking in the Nation. Otherwise, the country will be brainwashed, and the disciples of Herbert Hoover and Ebenezer Scrooge will combine to give the Nation and the world what their predecessors contributed in 1929—world depression with political instabilities that are more threatening in some ways in the nuclear age than they were in the 1930's. What we need is some new time religion.

With that in mind I struck a discordant note in Chicago and propose to share it with my colleagues. These comments were necessarily given in a summary form, but they are for the most part supported by serious analysis, in many cases by legislative proposals already prepared—and by a growing body of opinion among economists. I ask unanimous consent that my statement at the Chicago Economic Conference be inserted in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Senator Stevenson Before President's Food and Agriculture Conference

It is painfully clear that the dangers of inflation and recession are acute, that inflation and recession inflict untold suffering on millions, that the burdens fall unevenly and that a concerted national effort is essential.

The danger now is that solutions will be addressed to the wrong problem:

That inflation will be seen as a problem of excess demand;

That demand management policies will be invoked which call for a decline in economic activity;

That reduced purchasing power and increasing unemployment will be seen as the way to alleviate the pressure on prices;

And that the nation will head into an ever-deepening recession, with declining production, more people out of work, greater security, and still higher prices.

For the first time, both inflation and recession have struck at the same time. In the last year, consumer prices have risen by almost 12% and are expected to continue rising at over 10% for at least another year. If wholesale prices continue increasing at their current annual rate of almost 47%, consumer price increases could be even higher. Production has declined over each of the last two quarters and is not expected to pick up significantly—if at all—during the remainder of the year. Unemployment now stands at almost 5½% and is expected by some economists to rise to almost 7% during the next year.

Under these circumstances, the old time religion of across the board budget cutting and a restrictive monetary policy is a prescription for disaster. It will exacerbate shortages. It will mean fewer goods in a shortage-plagued world. It will put more people out of work, and by reducing the overall level of supply, bring still higher prices. In short, old time religion will produce more old time penance, and by ignoring today's realities, inflict more suffering and hardship.

Reject the notion that economic slowdowns is the cure for today's economic problems.

The demand-pull pressures of the late sixties are behind us. We now face a new situation where business and labor outbid each other to escape the consequences of past price increases. Dramatic jumps in the prices of food and fuel are sending shock waves throughout the economy. In the case of fuel, soaring prices are the result of concerted action by foreign producers and the acquiescence of a noncompetitive oil industry. In the case of food, skyrocketing prices are the result of dollar devaluations, worldwide demand, increased costs of energy, shortages of fertilizer, and diminished crop yields due to bad weather in the United States and elsewhere—not to mention wheat deals, soybean embargoes and other misguided government interventions.

Under these conditions it would be ironic if the United States deliberately embarked on a program of producing less—of reducing the total supply of goods and food available for itself and the world.

We must produce more. We need increased investment, not reduced capital spending. We need increased productivity, not more people out of work. We need a more competitive and vigorous economy, not one bogged down by recession.

This conference will attempt to identify the causes of inflation and find solutions. Let me suggest matters which I believe deserve special attention. These suggestions are in summary form, but they are backed up by analysis, can be elaborated and in many cases are in the form of legislative proposals already pending in the Congress.

First, in agriculture, we must face up to the fact that worldwide demand for food is rapidly outpacing our ability to keep up with supply.

In less than a generation, the world's population may double. If incomes rise, per capita grain consumption will rise, as people turn to meat instead of grains for protein. But the ability to expand production is constrained by limited resources of land, water, fertilizer, and energy and by apparent limits on the possibilities for genetic improvements.

We may be in for a prolonged—if not permanent—period of food scarcity. Grain reserves are at their lowest levels since World War II. This year's reduced crop projections in the United States and Canada, an uncertain Soviet crop, drought in the Sahel, and the failure of the monsoon in India mean that no immediate relief is in sight.

For too long our policy was geared to decreasing instead of maximizing production. That must be changed.

We need a policy which insures that United States farmers have adequate supplies of fuel, fertilizer, and transportation facilities so that they produce at full potential.

We must stop such senseless policies as according DISC tax incentives for the export of fertilizer, and we must take steps to insure that fertilizer is allocated to priority needs. Americans now apply some three million tons of fertilizer to lawns, gardens, and golf courses, more than all the fertilizer used by farmers in India and half as much as the current shortage in the less developed countries.

We must take steps to minimize the impact of fuel costs on agricultural prices. Over the last year as much as 40% of the rise in food costs was attributable to increased energy costs alone.

We must insure a balanced transportation system, including the availability of railroad cars, track and roadbeds.

We must develop an international marketing policy which recognizes the vulnerability of United States grain reserves and prices to massive unexpected purchases by other countries. We need a policy which accords traditional customers and needy nations an opportunity to share in the American harvest. We need an export policy which identifies developing short supply situations before they reach crisis proportions and a plan to insure that the export earnings potential of American agriculture is maximized without creating shortages at home. Such needs are addressed in the Senate passed version of the Export Administration Act.

The second area needing careful attention is energy.

Nothing is bought, sold, grown, or manufactured without energy. Last year's 75% increase in the wholesale price index for energy inflates the price of everything we buy and ripples throughout the economy. Massive balance of payments deficits for all oil consuming nations are undermining the international financial system and gravely impairing economic growth, especially in the less developed countries. The high cost of oil causes shortages of such commodities as fertilizer and forces a shift to heavy reliance on an energy source which is dangerous to the peace and stability of the world—nuclear power.

The supply of energy is controlled by a cartel of multi-national oil companies and oil producing nations. Their stranglehold must be broken. The United States should lead a major bargaining effort with foreign producers to bring down international oil prices. If foreign governments restrict access to essential supplies either through embargoes or prohibitive prices, the United States, with other consumers, should, after exhausting efforts at the bargaining table, retaliate.

I might add that a new round of trade negotiations is desirable, but the GATT framework includes few major raw materials producers. Bargaining for oil and international export rules will have to take place outside that framework.

The United States must also restore competition to the energy industry and bring down domestic oil prices. The present industry structure permits unchecked price increases and profit levels without increased production. In fact, the oil companies and foreign producers are reducing production in order to keep supply tight and profits high.

We need to put America's energy interests first. A United States oil and gas corporation would do that. We also need reform of natural gas regulation to provide new producer incentives, protection from extortionate prices and a supply for essential purposes, including the protection of nitrogen fertilizers. We need to promote rapid development of clean alternate fuel sources utilizing coal and oil shale as well as solar and geothermal energy. And we need a major effort to conserve energy use, through better insulation of our buildings, more efficient use of lighting, and more efficiently designed automobiles and transportation systems.

Third, we must cut wasteful Government spending.

The prime candidate is the Pentagon budget—the largest single part of the Federal budget. Spending for unnecessary weapons systems, swollen military payrolls, foreign military aid, and a space program that is out of all proportion to possible domestic benefits is inflationary. It produces no new goods for people. It results in no new hospitals, schools, homes, farm land, transportation systems, or any of the other sources of economic well being. Instead, it reduces the resources available for the production of goods, including food, and it creates new purchasing power without increasing supplies.

Fourth, we must identify and eradicate governmental programs, laws, and regulations which have the effect of stifling competition, perpetuating wasteful practices, and blocking innovation. A cost of living council with appropriate powers could monitor the public as well as the private sectors.

Fifth, we must bring interest rates down.

High interest rates do not stop inflation. In today's circumstances, they cause it.

They increase the prices of everything we buy—homes, farm machinery, electricity. And their effects are felt long into the future.

A home or farm mortgage at today's interest rates means higher monthly payments for the next twenty or thirty years. Industrial plant and equipment financed at record-high interest rates means higher costs of production which are eventually passed on to the consumer. Today's interest rates have imposed tremendous cost pressures on electric utilities, and, together with increased oil costs, are sending utility bills skyrocketing. Productive capacity which should be increased—is decreased by tight money. Record high interest rates have already virtually halted new home construction causing depression in the construction industry—and inflated housing costs.

Sixth, we must improve the competitive structure of the economy.

Corporations must not be allowed to accumulate monopoly power and then use it to manipulate the market to secure higher prices at the expense of increased production. The antitrust laws must be vigorously enforced. In addition, we need a major effort to identify and root out restrictive practices, such as tacit concerted action and discriminatory pricing.

Seventh, we must reform the tax system, so that those who have suffered most from inflation are not saddled with the added double burden of unfair taxes which erode their limited purchasing power still further.

It is increasingly burdensome for those in the middle and lower income brackets. If their incomes rise to make up for inflation, they move into higher brackets. The result of their efforts is increased taxation and a decline in real income.

Payroll taxes account for the greatest proportion of Federal taxation and hit the lowest income groups hardest. They should not be increased—to say the least.

Loopholes which permit the wealthy to evade their fair share of the cost of government should be closed.

Eighth, the Federal Government must take the lead in identifying the causes of inflation.

It must pinpoint irresponsible action. It must act to secure necessary restraint. And it must make a major effort to increase productivity.

Last Spring, I warned that complete abandonment of the economic stabilization program would lead to new burst of inflation. That prediction has come true. Consumer prices are rising at an annual rate of almost 10%. And, wholesale prices, after rising at the astronomical rate of 44% in July, jumped still further to almost 47% in August. They are a sign of what is to come.

I do not advocate a return to wage and price controls except for price controls in the petroleum sector. But the President should have a stick in the closet for special interest groups which seek to profit at the expense of others while we are all engaged in a common effort to fight inflation.

The monitoring agency which the Congress recently approved is not enough. When the President identifies excessive increases, he is powerless to act. What he needs is authority for effective jawboning, including authority to postpone excessive increases when necessary—as suggested by the chairman of the Federal Reserve Board.

Ninth, and finally, we must put a "safety net" under those workers who lose their jobs in the fight against inflation.

This means an adequate program of public service employment for those who cannot find work in the private sector, and a strengthened program of unemployment compensation to provide a measure of security to families who are the victims of recessionary job cuts.

These are only some of the steps which must be taken.

Throughout our effort must run an appreciation of the strength of the American economy. It would be tragic to embark on a course of action which deliberately reduces the Nation's wealth. Our basic problem is untapped potential—as two successive quarters of declining output and rising unemployment demonstrate. The challenge is in tapping that potential. And probably our greatest potential for economic well-being at home and in the world lies here at the heartland on the farms of America.

Mr. DOMENICI. Mr. President, during my tenure in the Senate, I have consistently advocated budget restraint. Recently, I have made it my prime task to review all appropriations bills and to recommend cuts in these bills where they appeared inflationary.

Budget restraint is merely one of the many devices we must use in the battle against inflation. And because budget restraint translates into sacrifice by the public—either through lower wages or unemployment due to fewer Government projects—we should especially try in this area to make sure that budgetary restraint is undertaken in a fair and equitable manner. When it is undertaken in such an across-the-board fashion, everyone will equally share the sacrifice and struggle.

After reviewing President Ford's proposal, I am convinced that one small group of Federal employees are being discriminatorily singled out to fight the battle against inflation alone. Let us examine the record: while consumer prices are up almost 12 percent over last year, Federal employees will only get a 5.5 percent raise. At that, the raise will only conform to what comparable jobs in the private sector were paying last March. Furthermore, Federal employees other than military and white-collar workers have already received pay hikes for the year—and some of those increases exceeded 16 percent. In my State of New Mexico blue-collar workers received an 11.24 percent raise this summer. Why should their white-collar counterparts not receive a 5.5 percent raise? Even with such a raise, they will have suffered a 7-percent decrease in their standards of living.

When President Ford proposes a uniform approach to Federal wage restraint, and an overall Federal budgetary program of constraints in all sectors, which I believe he should do as part of the economic summit conference, then he will have my whole-hearted support. Such a plan should include an across-the-board, uniform wage raise deferral. Thus, we can show the private sector that we support fair and equitable restraint and the private sector must then be asked to do likewise in the interest of our country. It must agree to do so, and follow our lead, or most certainly controls and formal allocation systems will follow.

And so, I support Senate Resolution 394, and urge my colleagues and the President to arrive at a more equitable plan to fight inflation.

Mr. HOLLINGS. Mr. President, I join my colleagues on the Post Office and Civil Service Committee in recommending that the Senate favorably approve Senate Resolution 394. As we all know, on September 11 President Ford called for a postponement until January of the proposed 5.5 percent pay raise for Federal white-collar employees and military personnel. Senate Resolution 394, which we are considering today, would assure that these Federal employees receive their pay raise on October 1.

Since the consumer price index has increased 11.8 percent over the past year, the proposed pay increase of 5.5 percent will give this group less than half of the increase in the cost of living. During the past year, the private sector has received incremental increases to meet inflation averaging 7.8 percent and 22 percent for their executives. I believe it is unconscionable that one group should be singled out to suffer the burden of the spiralling inflation in our country.

We all agree with President Ford's statement that the Government has the responsibility of initiating a plan to stop inflation and spending is certainly an important factor. Further, I recognize the need to balance our Federal budget, and I have helped in the Senate efforts which have resulted in a cutback of some $6 billion in the fiscal year 1975 budget. The day after President Ford made his recommendation to delay the Federal pay raise, he went down and gave a bigger increase to the District of Columbia employees, praising them for their fine work. I think Federal employees have done equally fine work and should not be singled out. I had recommended to Arthur Burns—and he agreed with me—that to make it uniform what we should do was cut the 5.5 percent to 4.5 percent and make it apply to public and to private labor contracts as a guideline for all employees—private and public. In this way we would have saved the $700 million and more—and not just temporarily.

The proposal to delay this increase is unfair, and accordingly I cannot support such a move. I urge my distinguished colleagues in the Senate to voice their approval for Senate Resolution 394.

Mr. HARRY F. BYRD, JR. Mr. President, I have given a great deal of thought to President Ford's recommendation that the October 1 pay increase for Federal employees, as provided by the Federal Pay Comparability Act of 1970, be postponed for 3 months and that Federal employment be reduced by 40,000 workers through attrition.

President Ford's purpose in each case is to help in the war against inflation.

I shall discuss these two items separately.

Under the act, the mechanism allows for a 5.52-percent pay increase effective October 1. President Ford would delay the effective date to January 1, 1975.

While I approve his purpose, I have not been able to convince myself that it is fair and appropriate for the President to ask only one group within the economy to forgo a salary increase. The President has ruled out wage controls and price controls for private industry, a position with which I am in agreement.

With reference to the President's proposal to reduce Federal employment by 40,000 by attrition, namely by not filling vacancies, I support this, but it does not go far enough.

The report of the Joint Committee on Reduction of Federal Expenditures shows that for the 6-month period January through June 1974, the number of Federal employees increased by 91,044. I see no justification for such a tremendous increase in public employees.

A sharp increase in the number of Federal employees adds greatly—and permanently—to the total cost of Government, and I believe results in less efficiency. The deferral of a pay increase, besides being inequitable, can yield at best only a one-shot saving.

Because the deferral singles out one group for financial sacrifice, I shall vote against delaying the 5.52-percent increase for Federal employees.

Mr. BUCKLEY. Mr. President, as is so often the case, this is not an easy vote to cast.

In the instant case, the President has asked, as his first major proposal for a reduction in Federal expenditures, that we postpone for 90 days a comparability increase in pay affecting statutory, or white collar, employees. It is discriminatory in its effect as other categories of Federal employees have already received increases larger than the 5.52-percent pay increase projected for the employees in question. Furthermore, that projected increase is less than would be required to cover the effects of inflation.

On the other hand, it is now universally agreed that it is of paramount importance to every citizen of this country that we move effectively to bring the forces of inflation under control. It is further agreed that this can be done only by reducing Federal expenditures to a level that will eliminate inflationary deficits. These necessary cutbacks will have an unequal impact on various segments of our population and our economy. They will create hardships. On the other hand, all of us must be prepared to assume a portion of the burden—even a disproportionate share of the burden—if we are to have ourselves the more serious and potentially devastating effects of a runaway inflation.

Mr. President, over the past 6 months, mine has been among the most persistent voices in calling for significant reductions in Federal expenditures. I have authored legislation that would authorize the President, with appropriate safeguards, to cut outlays to the level of $295 billion for fiscal year 1975 without the necessity for further review by the Congress. I have voted against a number of appropriation bills that failed to reflect serious attempts at cutting expenditures. Under all these circumstances, I do not see how I can plausibly vote against the President's first action in support of a general policy that I and so many others of us have been urging on him since he took office.

In saying all this, Mr. President, I am deeply concerned with the fact that the $700 million that will be saved—a substantial portion, incidentally, of the target savings of $10 million urged by Dr. Burns and others—will be made at the expense of a group that cannot be accused of having made excessive demands on their fellow citizens. I believe, however, that there are offsetting considerations that should be taken into consideration, given the fact that any reducion in expenditures will have its impact on a specific group.

In this instance, no one will lose his job as a result of the proposed action—this in direct contrast to the effect of other measures that have and will be taken in order to achieve our necessary national economic objectives. Furthermore, a deferral in the pay increase will be of a short duration. I might note, in passing, that in this respect the affected employees will fare better than have thousands of others in higher grades whose pay has been frozen for the past 5 years by virtue of the Congress rejection of comparability increases in its own case.

Mr. BAYH. Mr. President, there have been times during my 12 years in the Senate when I would have liked to vote for or against "half a resolution" or "half a bill"; times when the legislation before us was called for in some respects and unwise in others.

The resolution now before us is another of these difficult choices.

We must vote either an unqualified "yes" or an unqualified "no" on the question of whether the regular Federal pay raise should be permitted to go into effect as scheduled on October 1.

Faced with this choice I have determined that the Federal pay raise should, on balance, be approved and am prepared to vote accordingly for reasons I shall explain in a moment.

First I want to emphasize that my reference to voting for "half a resolution" is not facetious. I had, in fact, instructed my staff to find out if there was a proper legislative means to amend the resolution now pending to grant the Federal pay raise as scheduled on October 1 to low- and middle-income Federal employees, while, at the same time, deferring the pay raise for 90 days for higher income Federal employees.

I inquired into the possibility of amending the resolution in this fashion because of my conviction that low- and middle-income Federal employees confronted with double-digit inflation, like other Americans of the same income level, need the modest cost-of-living raise to which they are regularly entitled on October 1. I also feel strongly that Federal employees at the upper end of the income level could make the sacrifice of postponing their pay increase for 90 days.

Such a postponement of the recommended 5.52-percent pay increase for higher income civil servants would meet the two objectives set out by President Ford when he proposed delaying the pay increase for all Federal employees. It would help evidence the commitment of the Federal Government to fighting inflation by asking our own people to make sacrifices, although limiting the sacrifices to those who could really afford it. In addition, delaying the pay raise for those Federal employees at the higher end of the income spectrum would help us reduce Federal expenditures in the current fiscal year.

But, Mr. President, this approach of giving the cost-of-living increment to those who need it the most, while asking others to make a small sacrifice in the national fight against inflation, is not available to us under the rules whereby we are considering the President's request to postpone the regular cost-of-living adjustment in Federal wages.

Denied this opportunity to vote for "half the resolution" I have studied the matter carefully and decided the pay increase for civil servants should be approved.

My reasons are as follows:

First. By voting as I did earlier this year against the congressional pay raise, by which we would have benefitted, and against a pay increase for Federal employees—including our own staffs—at the top of the Federal pay scale, I have made clear my belief that we can and should make sacrifices in the cause of fighting inflation. My vote against our own congressional pay raise was not an attempt to set an arbitrary value on the worth of the congressional service, but a means of demonstrating that we must set the example of restraint as we seek to cope with inflation that has gotten out of hand. So I opposed the congressional pay raise.

Second. On the specific issue now before us, Federal employees are no more exempt from the ravages of inflation than other Americans. For the majority of Federal workers who fit into the low and middle income levels, the current inflation of about 12 percent is causing havoc with family budgets, forcing more and more civil servants to take on second jobs to make ends meet, and posing a severe and very real burden. To deny these loyal Federal workers a 5.52-percent cost-of-living adjustment to which they are entitled would be to single out Federal employees unfairly and to ask them to make a significant sacrifice which we are not asking of other Americans faced with the same economic circumstances.

Third. The probable cost-of-living adjustment is really quite reasonable. Prices are about 12-percent ahead of where they were just a year ago, so even with this cost-of-living adjustment in Federal salaries we are still asking Federal workers to accept a real drop of about 6 percent in their income. That, after all, is a very real sacrifice, something which should not be taken lightly and which should help evidence our firm commitment to bringing inflation in check.

Fourth. Delaying this limited cost-of-living adjustment in Federal wages would have a broader impact than many realize. A primary example is the case of coal miners, in my own State of Indiana and elsewhere, who are receiving Federal assistance under the black lung program. Disabled coal miners receive black lung benefits that are pegged to civil service pay scales, and postponing the Federal pay raise means postponing a desperately needed cost-of-living increase in disability payments to black lung afflicted coal miners. Black lung benefits are not especially generous, and with the major impact of inflation on even these minimal benefits, the beneficiaries of the black lung program in Indiana and other coal mining States desperately need the slight increment they would receive if the Federal pay raise is approved.

Fifth. The amount of money that might be saved by delaying the pay raise for 90 days, estimated by the President to be $700 million, is not a true test of our ability to reduce Federal spending. Funds for the increase were allowed for in the budget. And while I firmly agree that Federal spending must be reduced, we are making significant progress in that regard, and can do even better, if we are willing to take the funds from the areas and programs that will be least harmfully affected by reduced spending. For example, conferees have agreed to cut about $5 billion from the proposed military budget without impairing our national security one iota. Also the Senate agreed yesterday to the Labor-Health, Education, and Welfare appropriation which included amendments I offered to strike $1.3 billion from the budget for unnecessary welfare spending and for frills such as new furniture, bureaucratic travel and the like. In addition, we are yet to consider the proposed $5 billion foreign aid budget, and I am satisfied we can make very major reductions in that program. The fact is, Mr. President, there are many more responsible places to hold down Federal spending than to deny Federal employees a partial catch-up with the soaring cost-of-living.

Sixth. While some higher income Federal employees will benefit from the pay increase, the majority of the beneficiaries are the low- and middle-income workers who truly need this pay adjustment. And, in no event, will the increase go to the highest paid civil servants whose maximum salaries are already fixed by law.

Seventh. The pay adjustment is based on salaries paid in the private sector last March, before the sharpest rise in the cost-of-living and before wage and price controls expired on April 30. Since the expiration of wage and price control authority, salaries in the private sector have moved forward sharply and with the 5.52-percent adjustment Federal employees will continue to lag far behind their counterparts in the private sector.

Eighth. This is the fourth consecutive year that the executive branch has sought to postpone the statutory October 1 pay adjustment for Federal employees. Twice before the Congress overruled the President, and once the pay raise was delayed only to be subsequently ordered by the courts to be paid retroactively. It is increasingly obvious that the executive branch would like to subvert the Federal Pay Comparability Act of 1970 which was designed to provide periodic and regular adjustments in the Federal pay scale in accord with pay scales in the private sector. If the executive branch is so unwilling to abide by the law in this regard, it should seek to change the law, not to undermine it on an annual basis.

What we have here, Mr. President, is an imposing list of reasons why the pay adjustment, itself less than half of the rise in the cost-of-living in the past year, should be approved. These arguments, I am convinced, far outweigh the arguments for postponing the pay adjustment and I am therefore prepared to vote for the pending resolution to disapprove of the delay and to grant the cost-of-living increment on its properly scheduled date of October 1.

Mr. DOMINICK. Mr. President, I had planned to spend this week in the State of Colorado discussing the issues which will be foremost in the minds of the voters of my State in this fall's general elections. However, when I learned that a vote would be held today on whether to allow our Nation's 2.2 million uniformed military personnel and 1.3 million affected Federal civilian employees to receive the October 1 pay adjustment to which they are entitled, I deemed it a higher priority to return to Washington for this important vote.

I know that President Ford has acted in good faith in asking that the pay adjustment be delayed until January 1, 1975, and I am sure that politically speaking it would be far more advantageous for me to support the President's request, since there obviously are more voters who are non-Federal workers in Colorado than there are Federal employees. Despite this knowledge, I cannot in good conscience support the postponement of the pay adjustment.

Federal employees have been affected just as much as other Americans by inflation. Furthermore, their pay increases always lag behind those received by non-Federal employees. This October adjustment, for example, will bring Federal employees into equality with what private industry paid its employees last March. To make our Federal workers wait an additional 3 months for an increase is simply discrimination, and I cannot support an action that discriminates against one segment of our population.

Mr. President, earlier this year, I had the honor of being named to the new Budget Committee as its ranking Republican member. From that position, I have worked with President Ford in his series of economic summit meetings to seek a cure for inflation. If one point clearly has emerged from these summit conferences, it is that we must have a total anti-inflation program that encompasses labor and management, agriculture and industry, Federal workers and non-Federal workers alike. We must beat inflation by working together and sacrificing together—not by trying to make one segment or another bear the burden in this battle.

I hope my colleagues in the Senate will join me in approving Senate Resolution 394 which will allow the pay adjustments to Federal workers to which they are entitled.

Mr. MUSKIE. Mr. President, in the midst of historic and grave inflation, the President has presented to Congress the question of whether or not Federal employees should receive a 5.52 percent increase in pay to offset cost-of-living increases—increases which have raised prices paid by consumers by almost 12 percent in the past year. The Federal Civil Service Commission, and the Office of Management and Budget, under the provisions of existing law, have recommended this increase as reflecting comparable changes in non-Government salaries throughout the Nation. The increase would automatically take effect October 1, but for the President's request it be delayed 3 months. By approving Senate Resolution 394 the President's deferral of this increase would be disapproved, and the pay adjustment would take effect on October 1 when originally scheduled.

Mr. President, inflation has eroded the earning capacity of Federal employees just as it has for most Americans. The recommended pay increase would partially compensate Federal employees for the loss in earnings because of price increases over the past year. Consumer prices in the last year have risen more than twice as much as the recommended 5.52 percent raise—at a rate of 11.7 percent in the last 12 months. The procedures for determining the recommended Federal pay raise have set the level at only 5.52 percent because they are based on data collected 5 months ago, and so do not include a further private-sector salary increase of about 1.7 percent in the months since then. So the recommended pay raise would provide only partial compensation for the erosion of earning power caused by inflation.

The figures on Federal employees in my own State of Maine bear out the national trend. In Maine, there are about 15,000 whitecollar Federal employees and military personnel—over 6,000 military personnel, 600 National Guard technicians, and over 8,000 whitecollar Federal employees. For all employees in Maine—Federal and non-Federal—the latest figures show an annual rate of increase in weekly earnings of 8.7 percent for comparable work—enough to make up for only part of the inflation in consumer prices. But the Federal employees in our State have received no increase, yet are hit just as hard by inflation as other citizens. They deserve a modest 5.52 percent pay raise now.

Sound policy to deal with current inflation should, I believe, include restraint on Federal spending, and on inflationary wage and price increases. But wage and price restrictions should be applied on the entire economy, not just the 4 percent of the Nation's workforce affected by these Federal pay levels. In fact, if wage increases in the private sector were no higher than the 5.52 percent level, they would contribute significantly to the moderation of the cost-and-wage spiral which is a primary cause of present inflation. There is no indication that the recommended wage increase for Federal employees would be inflationary; it could certainly not cause unnecessary consumer spending during our current recession, at a time when demand for consumer products is slack.

Finally, Mr. President, a reduction in the overall level of Federal budget outlays this year does not depend upon the $700 million savings which would be achieved by deferring the Federal pay raise 3 months. So far this year, action completed by the Congress, and measures pending before the Senate, would reduce budget outlays by about $2 billion from the latest administration estimate—and we will give careful examination to further proposals to make deeper cuts. Spending reductions can be—and are being—made without denying to Federal employees a modest pay raise which only partially compensates them for losses in earning power caused by inflation.

Mr. President, restraining inflationary wage increases, and reducing wasteful or less important Federal spending, are important goals in the fight against inflation. But deferring the modest Federal pay raise would serve neither goal well. The deferral should be disapproved.

Mr. GRAVEL. Mr. President, once again the executive branch has decided that combating inflation hinges on postponing scheduled Federal pay raises. This time—as in the past—I have joined with a number of my colleagues in cosponsoring a bipartisan resolution disapproving any delay in the scheduled pay raise for military and civilian Government workers.

These pay raises have been an ongoing process since Congress decided in 1970 that Federal employees were lagging behind workers in private industry. Regrettably, Presidential efforts to thwart that law have been an equally ongoing process, almost every year since the 1970 congressional action.

Few would deny that Government employees lag behind workers in private industry, or that public pay rates should indeed be comparable to private enterprise pay rates for the same levels of work.

As an early cosponsor of Senate Resolution 394, I want to make clear that neither I nor any of the other cosponsors of this measure oppose President Ford's efforts to halt the domestic inflationary spiral: We disagree with the means, not the ends.

Why are Government workers being singled out to bear the burden of the battle against inflation? Do our Federal employees suffer less than others from rampant inflation and the failures of past economic policies? In Alaska, where the cost of living is much higher to begin with than in the lower 48, it is especially important that our many Government employees—including military personnel—get a decent living wage.

In terms of population, Mr. President, I represent the Nation's smallest State. But this is no reason to ignore our unique needs, to dismiss our problems as alien to the rest of the country.

Like all Americans, Alaskans, too, worry about the decreasing buying power of the dollar. And like other Americans, we, too, share a strong sense of fairness. President Ford's "nonsolution" to the problems of inflation does nothing to right the real problem: Our Government's misguided and ill-conceived policies to restore the Nation's productivity.

There is no real reason why 17,361 Federal workers in Alaska must be singled out to make the main sacrifice. It is simply unfair.

The bipartisan backing of the Senate resolution now being debated points up the nonpolitical nature of this measure. The pay raise is lawful; it is badly needed; and it deserves unanimous support.

Mr. THURMOND. Mr. President, I rise in support of President Ford's decision to defer the scheduled October pay raise for Federal employees.

The postponement of such a pay raise would result in a savings of approximately $700 million to our country. Furthermore, the delay of this pay raise would have a significant impact on our attempt to keep the national budget within the $300 billion limit for this year.

I am well aware that the deferral of this pay raise would necessitate that each Federal employee make a sacrifice; however, such a sacrifice is essential if inflation is to be curbed. By delaying the Federal pay raise, we will set an example that could and should be followed by the entire Nation. If Federal employees are to make their contribution to the effort to fight inflation, then others should also make this contribution.

Along these lines, I urge the private business and labor sectors of our country to weight their wage and price decisions with the national economy and the problems of inflation in mind. The gravity of our inflationary problems cannot be overstated.

In order to reach sound solutions to these problems, each one of us in Government, in business, and in labor will have to make a total commitment in the fight against inflation. The deferral of the scheduled pay raise for Federal employees is only one of many steps that need to be taken in our battle against inflation.

I was pleased that the Senate set the example in this matter in March of this year by voting against their own pay raise.

I urge my colleagues to support the decision of the President on this issue as it represents a positive step to curb inflation and reduce the national budget.

Mr. DOLE. Mr. President, the vote on this resolution today has been billed as the "first major test" for President Ford in winning congressional endorsement of his "anti-inflation" policies. I disagree with that analysis, however, and feel that the real test here is with each one of us.

By that I mean that every member of this body is being called upon to decide, by his vote, whether he is willing to allow one small segment of the American people to bear the burden in the fight against inflation, or whether he is going to insist that that burden be shared equally—without singling out any one group. I would certainly hope, Mr. President, that the latter feeling will prevail.

DISCRIMINATION AND FAIRNESS

Much has been said already in our discussion about the unfair discrimination that would result from a delay in implementation of the Federal employees' pay adjustment—which by law is scheduled to take place on October 1 of each year. The simple truth of the matter is, if we condone a practice of "targeting" the paychecks of Federal white collar workers and military personnel while permitting normal wage increase agreements between Government blue collar workers and post office employees—and indeed, between private industry management and unions—to take effect as made, then we are clearly being discriminatory.

If we were to make a 90-day postponement in negotiated pay arrangements apply "across the board"—to every American wage earner, I would have no hesitation whatsoever in supporting the proposal as it applies to Federal employees. But the inescapable reality of anything short of that is that would be endorsing "wage controls" for only a portion of the work force—and that to me would be a violation of the fundamental principle of "fairness."

FEDERAL SPENDING AND INFLATION

Mr. President, I firmly believe that every Senator here is committed to the cause for curbing inflation, and that most of us see reductions in Federal spending as a primary mechanism in dealing with the problem. However, those reductions should come about by "trimming unnecessary fat" off Government programs—not by cutting legitimate, modest "catch-up" adjustments for only 1.3 million civil servants and 2.2 million in the military.

What I am saying is that it is very difficult for me to rationalize the $700 million intended to be "saved" by the President's alternative plan as a genuine "anti-inflation" device. I can understand to a degree its use as a "signal to industry that the Government is willing to act on inflation," and if it were just a question of setting the example—with assurances that it would be followed—then I would say "Fine, I am all in favor." But we all know that just will not happen.

CONSISTENT TIGHTENING

I have been very consistent, I feel, in striving to "tighten the belt" of spending programs wherever feasible and equitable. Most prominent among my recent personal efforts in this regard was a very painful vote against an excessive agriculture appropriations bill—which was vetoed for that very reason and is now in the process of being reworked.

In addition, I supported a 6.3-percent reduction in the defense appropriation bill and a motion to require a 3-percent cut in the HUD appropriation. I also moved to cut the Treasury appropriation by 3.3 percent and the Public Works appropriation by 3 percent, and cosponsored efforts to reduce the Transportation figure by 3.5 percent and the Interior amount by 5 percent.

FISCAL RESPONSIBILITY

The point I am trying to make is that I am genuinely concerned about fiscal resposibility and am ready to demonstrate my dedication to that cause again and again—no matter how onerous a particular decision might be—until we finally beat this "No. 1 domestic enemy." It is vitally important that this be done evenly, judiciously, and in a spirit of uniform sacrifice, however—or we will likely find ourselves breeding internal resentment and divisiveness, while on the road to what is supposed to be a mutual national objective.

APPEAL TO ALL AMERICANS

In his August 31 message to Congress, the President announced that he must "call on all Americans without exception to make sacrifices in order to hold down wages and prices." I enthusiastically support that appeal, and sincerely hope that it can become an affirmative manifestation of our anti-inflation goals.

The key words are "without exception," though, Mr. President, and for that reason I cannot identify with the conflicting exception which has been proposed. While I, in all sincerity, wish I could support the President on this measure which he truly feels is "right," I must search my own conscience and do what I also believe to be just.

In the best interests of all Americans, I urge my colleagues to be honest with their own sense of fairness, and join me in approving this resolution.

Mr. President, when I cosponsored this resolution as introduced by Senator STEVENS on September 5, 1974, I made a general statement which I ask unanimous consent to have printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATE RESOLUTION 394—SUBMISSION OF A RESOLUTION DISAPPROVING THE ALTERNATIVE PLAN FOR PAY ADJUSTMENTS FOR FEDERAL EMPLOYEES

(Referred to the Committee on Post Office and Civil Service.)

Mr. DOLE. Mr. President, again the subject of comparability pay adjustments for Federal employees is upon us. And again we are faced with the difficult task of deciding whether a proposed deferral of such an increase is in fact wise and just.

I have read the President's August 31, 1974, statement to the Congress in this regard, and agree wholeheartedly with his conviction that the Federal Government has a special obligation "to take those actions which begin to stop inflation." However, I am compelled to disagree that a 90-day postponent in implementing a very important salary recomputation for Federal white-collar workers is appropriate for inclusion among "those actions."

I have the greatest admiration and respect for President Ford, and feel that he deserves every commendation for his determination and initiatives to cure our Nation's economic woes. Moreover, I support him fully in that effort, and only after deep thought and careful consideration of the factors involved do I submit that the situation warrants an essential "exception"—if indeed it is one—to the established anti-flation policy.

ANNUAL ARGUMENTS

Mr. President, since its adoption by Congress in 1970, we have heard almost annually the arguments for carrying out the provisions of the "comparability" law for Federal employees according to the designated October 1 date. These traditional defenses run generally along the lines that the pay adjustments are not really inflationary at all; that they have already been "deferred" for 6 months; and that it is unfair to single out Federal white-collar workers and military personnel.

The Senate, by an overwhelming margin of 72 to 16, agreed to those points last fall in voting to approve the "regular" effective date as scheduled by law. I supported the resolution at that time, and am again demonstrating my interest in fairness and reason on behalf of Federal employees by acting as a principal sponsor of the similar resolution being introduced today.

POPULAR STAND

It might, of course, be popular among many of my constitutents at home to take a firm and politically-expedient stand against any pay adjustment at all for Federal workers. Indeed, for a Senator from Kansas—where there are few more than just 10,000 such employees—who is seeking to maintain the confidence of his electors at the polls this November 5, it would be very easy to voice strong opposition to any salary increases whatsoever amid the "anti-inflation" clamor.

I have never chosen any course which I did not firmly believe to be "right" before, however, and do not intend to do so now. I voted against the congressional pay raises for the very reason that high-level Government officials should set the example and could, by contrast, make the sacrifices necessary to combat inflation. But that sentiment just does not apply to the great number of Federal workers who are struggling with everyone else to cope with staggering cost-of-living figures.

TRIM THE FAT

Mr. President, I consider myself as much or more committed to the cause for fiscal restraint in the battle against inflation as any Member of Congress. And to manifest this commitment, I have consistently strived to take responsible action whenever measures containing unnecessary "fat" have been before us.

Just recently, in fact, I voted against an "inflated" agriculture appropriations bill—a very anguishing decision for a representative of so many farmers and other steadfast supporters in related industries—and then followed through with votes to make across-the-board reductions, or recommit certain legislation for further study of ways to "trim the fat." But the nominal 5.5 percent "catchup" pay adjustment for Federal employees cannot, in my judgment, be equitably rationalized as part of such "fat."

SHARING THE BURDEN

Mr. President, I have no doubt that the vast majority of Government workers are more than willing to do their part to stop inflation. Many in fact have stated this publicly during "on the street" press interviews. But at the same time, they express the mutual feeling that unless everyone has to make a sacrifice, it simply is not right that only they should bear the burden.

If the U.S. blue-collar workers and postal employees were being asked to accept deferral of their pay increases, or more significantly, if unions in the private sector would agree to a similar delay in obtaining pay raises for their members, the situation would be different. We all know that that is not the case, however, and that other priorities must receive our attention instead as anti-inflation alternatives.

FOR THE GENERAL WELFARE

The President's plan for a 90-day deferral of comparability pay adjustments begins with the language:

"In consideration of the economic conditions affecting the general welfare. . . ."

It is because of that word "general" that the scheduled October 1 date should be allowed to stand, for to me that means "everyone"—including more than 3 million affected civilian and military employees.

As a member of the Post Office and Civil Service Committee who is genuinely concerned with curbing inflation through any method possible—without abandoning our basic obligations of responsibility and fairness—I strongly urge my colleagues in the Senate to act affirmatively on this resolution before the September 30 deadline. In so doing, I have every confidence that this large sector of civil servants, whom we are attempting to bring into equality with the remaining 93 percent of the American work force, will continue to do their individual parts to stem the tide of inflation and restore economic stability—"for the general welfare" of everyone.

Mr. HELMS. Mr. President, it is with great reluctance that I will vote against disapproval of the President's wage deferral plan. I believe that the Federal pay increase should be deferred because of the acute economic crisis of the Nation.

I realize that we are calling upon Federal employees, including military personnel, to sacrifice pay increases for 3 months at a time when inflation is destroying the ability of all Americans to keep up with ordinary expenses. But unfortunately, Government spending is one of the chief causes of the very inflation which is eating up the dollar. And unless we take every step we can to cut Government spending, there is no way to stop inflation.

The saving of $700 million is not a small item. We are so used to talking in billions that there is a tendency to think of $700 million as "only $700 million." Yet I dare say that $700 million is beyond the practical conception of most of us here in the Senate today. In more practical terms, $700 million over 3 months is $7.7 million every day—$5,341.88 per minute. Any time that we can save over $5,000 a minute, we ought to do so.

At the time when we are asking others to make sacrifices, it is clear that we ought to make sacrifices ourselves. I voted against the attempt to raise the salaries of Senators and Congressman and I will do it again while we are in a financial crisis. Moreover, today I am introducing a bill which reduces the salaries of Members of Congress and of the Cabinet by the same proportion as we fail to balance the budget in the non-trust fund accounts.

Nevertheless, I know that there is a substantial lack of equity in many aspects of the pay raise deferral. I am greatly concerned that the burden will fall heaviest on the personnel of the Armed Forces, the 2.2 million military uniformed personnel. I am also greatly concerned that 1.3 million civilians on the Federal payroll will have wage increases deferred, while 1.5 million other civilians on the Federal payroll will receive wage increase in the same period. These include 700,000 Postal Service employees, 600,000 wage-grade—blue collar—employees, 200,000 in miscellaneous categories.

The Postal Service employees are due for a one-time cost-of-living bonus on November 1.

The wage-grade employees have already been granted comparability raises since last October as high as 25.15 percent and averaging 9.63 percent. Many of these raises are scheduled to take effect, on a rotating basis, in October, November, December, et cetera.

Mr. President, I have the wage survey data on 137 areas which show the percentage of wage increases already granted to Federal blue-collar employees since October 1, 1973, and I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, this is the same period for which the so-called catchup increases for the classified service and the military are being deferred. It is not equitable for wage increases to be given in this category, but not in the other. Yet the structure of our law and pay system makes it impossible at this time to delay pay raises across the board, as should be done. Therefore, I feel that we should do as much as is possible under the present circumstances, and I will vote against disapproval of the President's deferral plan.

EXHIBIT 1

WAGE SURVEY AREAS

State and area	Date	Percent	Date	Percent	Cumulative total (percent)
Alabama:					
Anniston-Gadsden	May 1974	2.23	June 1974	8.45	10.68
Birmingham			do	17.3	17.3
Dothan	October 1973	7.00	May 1974	.9	7.9
Huntsville			June 1974	6.92	6.92
Alaska: Alaska			May 1974	3.77	3.77
Arizona:					
Northeastern Arizona	May 6, 1974	2.18	May 26, 1974	7.74	9.92
Phoenix	do	5.41	do	8.84	14.25
Tucson	do	3.66	do	9.73	13.39
Arkansas: Little Rock	October 1973	7.85	May 1974	5.61	13.46
California:					
Fresno	April 1974	5.96	do	1.68	7.64
Los Angeles	November 1973	5.60	do	.96	6.56
Sacramento	April 1974	5.51	do	1.58	7.09
Salinas-Monterey	(1)	(1)	(1)	(1)	9.7
San Bernardino-Riverside-Ontario	November 1973	5.62	May 1974	.90	6.52
San Diego	do	5.53	do	1.24	6.77
San Francisco	do	5.51	do	5.66	11.17
Santa Barbara	do	6.15	do	1.31	7.46
Stockton	April 1974	5.50	do	4.54	10.04
Colorado:					
Denver	March 1974	5.5	do	6.36	11.86
Southern and Western Colorado	do	6.514	do	1.903	8.41
Connecticut:					
New Haven	May 1974	1.5	July 1974	6.1	7.6
New London	November 1973	6.1	May 1974	0.8	6.9
Delaware: Wilmington	January 1974	6.1	do	1.8	7.9
District of Columbia: Washington, D.C.	October 1973	6.8	do	7.3	14.1
Florida:					
Cocoa Beach-Melbourne	November 1973	5.46	do	1.45	6.91
Gainesville	October 1973	4.1			4.1
Jacksonville	March 1974	6.78	do	.85	7.63
Miami	do	6.60	do	5.84	12.44
Orlando	November 1973	6.21			6.21
Panama City	do	7.00	do	.39	7.39
Pensacola	do	7.38	do	3.08	10.46
Tampa-St. Pertersburg	May 1974	2.9			2.9
Georgia:					
Albany	October 1973	7.48	do	2.30	9.78
Atlanta	May 1974	2.05	August 1974	8.46	10.51
Augusta	August 1974	8.25			8.25
Brunswick	May 1974	2.59			2.59
Columbus	October 1973	9.8	May 1974	8.4	18.2
Macon	May 1974	2.76	August 1974	7.9	10.66
Savannah	do	1.11	do	5.44	6.55
Hawaii: Hawaii	do	4.66	do	7.6	12.26
Idaho: Boise	do	10.74			10.74
Illinois:					
Champaign-Urbana	December 1973	3.52			3.52
Chicago	do	5.74	May 1974	2.74	8.48
Indiana:					
Bloomington-Bedford-Washington	do	7.04	do	5.90	12.94
Fort Wayne-Marion	October 1973	6.3	do	4.30	10.60
Indianapolis	December 1973	5.88	do	7.11	12.99
Iowa:					
Cedar Rapids-Iowa City	November 1973	5.7	do	3.5	9.2
Davenport-Rock Island-Moline	December 1973	5.50	do	2.38	7.88
Des Moines	do	6.0	do	2.6	8.6
Dubuque	do	5.65	do	10.57	16.22
Kansas:					
Topeka	January 1974	5.88	do	6.11	11.99
Wichita	do	6.32			6.32
Kentucky:					
Lexington	April 1974	4.41	June 1974	3.6	8.01
Louisville	do	5.58	May 1974	1.71	7.29
Louisiana:					
Lake Charles-Alexandria	July 1974	5.94			5.94
New Orleans	April 1974	6.84	May 1974	1.96	8.80
Shreveport	July 1974	5.2			5.2
Maine:					
Augusta	May 1974	1.2	August 1974	8.1	9.3
Central and northern Maine	do	1.43	September 1974	8.69	10.12
Portland	July 1974	6.68			6.68
Maryland:					
Baltimore	December 1973	6.56	May 1974	4.07	10.63
Hagerstown-Martinsburg-Chambersburg	March 1974	6.03	do	9.44	15.47
Massachusetts:					
Boston	November 1973	5.76	do	7.84	13.60
Central and western Massachusetts	May 1974	1.15	September 1974	6.74	7.89
Michigan:					
Detroit	March 1974	5.51	May 1974	4.05	9.56
Northwestern Michigan	October 1973	6.75	do	8.69	15.44
Oscoda-Alpena	do	5.61			5.61
Southwestern Michigan	February 1974	5.8	do	4.6	10.4
Minnesota:					
Duluth	May 1974	7.58	August 1974	9.45	17.03
Minneapolis-St. Paul	May 10, 1974	4.1	May 24, 1974	6.5	10.60

Footnotes at end of table.

WAGE SURVEY AREAS—Continued

State and area	Date	Percent	Date	Percent	Cumulative total (percent)
Mississippi:					
Biloxi	December 1973	5.35			5.35
Columbus-Aberdeen	April 1974	7.85	May 1974	0.18	8.03
Jackson	do	10.96	do	14.19	25.15
Meridian	do	7.16	do	4.51	11.67
Missouri:					
Kansas City	January 1974	5.5	do	6.376	11.87
St. Louis	do	5.5	do	3.13	8.63
Southern Missouri	do	7.38	do	6.50	13.88
Montana: Great Falls	May 1974	8.42			8.42
Nebraska: Omaha	December 1973	5.96	May 1974	1.63	7.59
Nevada:					
Las Vegas	November 1973	5.59	do	2.24	7.83
Reno	May 1974	5.65	July 1974	1.64	7.29
New Hampshire: Portsmouth	November 1973	6.27			6.27
New Mexico: Albuquerque	May 1974	2.94	June 1974	8.03	10.97
New York:					
Albany-Schenectady-Troy	March 1974	6.32	May 1974	3.67	9.99
Buffalo	do	5.8	do	4.8	10.6
Newburgh	May 1, 1974	1.58	May 26, 1974	6.0	7.58
New York	March 1974	5.18	May 1974	5.36	10.54
Northern New York	May 1974	12.48			12.48
Rochester	April 1974	5.6	May 1974	2.2	7.8
Syracuse-Utica-Rome	May 1974	11.4			11.4
North Carolina:					
Asheville	December 1973	8.4	May 1974	3.3	11.7
Central North Carolina	July 1974	8.37			8.37
Charlotte	May 1, 1974	.5	May 12, 1974	15.8	16.3
Southeastern North Carolina	March 1974	7.03	May 1974	3.87	10.9
North Dakota			do	8.65	8.65
Ohio:					
Cincinnati	March 1974	5.5	do	3.4	8.9
Cleveland	May 1974	1.84	July 1974	9.69	11.53
Columbus	March 1974	6.27	May 1974	5.93	12.20
Dayton	do	5.50	do	3.31	8.81
Oklahoma:					
Oklahoma City	October 1973	6.89			6.89
Tulsa	do	6.96	May 1974	4.22	11.18
Oregon:					
Portland	May 1974	3.31			3.31
Southwestern Oregon	do	2.5	August 1974	9.2	11.70
Pennsylvania:					
Harrisburg	March 1974	6.26	May 1974	3.43	9.69
Philadelphia	December 1973	5.57	do	4.80	10.37
Pittsburgh	November 1973	6	do	6.3	12.3
Scranton-Wilkes-Barre	October 1973	5.54			5.54
Puerto Rico		0		0	0
Rhode Island: Narragansett Bay	March 1974	5.93			5.93
South Carolina:					
Charleston	May 1974	6.05			6.05
Columbia	do	1.52	July 1974	7.2	8.72
South Dakota: Eastern South Dakota	November 1973	6.5	May 1974	3.2	9.7
Tennessee:					
Eastern Tennessee			June 1974	7.3	7.3
Memphis	April 1974	6.41	May 1974	2.09	8.5
Nashville	May 1974	13.0			13.0
Texas:					
Austin	do	8.91	August 1974	13.2	22.11
Corpus Christi	do	3.28	do	7.0	10.28
Dallas-Fort Worth	January 1974	6.47	May 1974	3.17	9.64
El Paso			June 1974	6.54	6.54
Houston-Galveston-Texas City	May 1974	1.74	August 1974	5.97	7.71
San Antonio	do	6.043			60.43
Texarkana	July 1974	7.11			7.11
Waco	August 1974	6.17			6.17
Western Texas	do	7.76			7.76
Wichita Falls, Tex.-Southwestern Oklahoma	October 1973	5.97			5.97
Utah	May 1974	8.39			8.39
Virginia:					
Norfolk-Portsmouth-Newport News-Hampton	do	2.58	July 1974	6.8	9.38
Richmond	January 1974	6.71	May 1974	3.0	9.71
Roanoke	do	8.1	do	5.1	13.2
Washington:					
Seattle-Everett-Tacoma	November 1973	5.5	do	6.3	11.8
Southeastern Washington-Eastern Oregon	September 1974	9.47			9.47
Spokane	May 1974	3.93			3.93
West Virginia	do	9.6			9.6
Wisconsin:					
Madison	October 1973	6.2	May 1974	1.3	7.5
Milwaukee	February 1974	5.7	do	2.8	8.5
Southwestern Wisconsin	May 1974	1.86	August 1974	9.9	11.76
Wyoming	March 1974	5.63	May 1974	6.61	12.24

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[1] April 1974, 5.8 percent; May 1974, 1.3 percent; August 1974, 2.6 percent.

FEDERAL EMPLOYEES DESERVE FAIR COMPENSATION—SENATOR RANDOLPH SUPPORTS SENATE RESOLUTION 394

Mr. **RANDOLPH**. Mr. President, the Senate of the United States is considering today an issue that should never have been presented to it by the executive branch. We are being asked to disregard the clear provisions of law regarding equal pay for equal work by denying a justified pay raise to the entire 2.2 million uniformed persons in our active military forces and the 1.3 million Federal civilian employees who constitute only half of the Federal civilian work force.

In the first place, there is the issue of the law itself. It was not Congressional intent, in passing the Federal Pay Comparability Act of 1970, that the executive branch would submit alternative plans deferring the effective date of any pay increase beyond October 1 of any current year. Our purpose was to have the comparable pay increase effective on every October 1 of every year and, only in the event of a national emergency or economic conditions clearly affecting the general welfare, to have an "alternative plan," also effective on October 1.

The law was written to assure that pay increases would be given to achieve comparability and not for purely political or public relations reasons. It is misleading for any government to pretend that Federal employees are getting an annual pay increase of 5.52 percent if the effective date is delayed by 3 months. Obviously, such a delay would reduce the so-called annual 5.52 percent by one-fourth, producing an annual pay increase of only 4.14 percent.

This leads me to my second point—equity.

I am very deeply concerned that the executive branch has singled out for economic discrimination all our military uniformed personnel, who have borne and will bear again the brunt of sacrifice. Can we expect a successful volunteer army or a disciplined army if its members feel that they are called upon to make monetary sacrifices others are not being forced to make?

The other citizens who are affected by the President's actions are the approximately 1.3 million classified general schedule employees and the 100,000 members of the Department of Medicine *and Surgery* of the Veterans' Administration and Foreign Service whose pay is linked to the general schedule. But they are only half of the Federal civilian work force.

The 500,000 Federal employees in the so-called wage grade system and 650,000 Postal Service employees are not affected.

The President justifies his "alternative plan" solely on the basis that he is concerned with inflation.

But inflation has other causes, far more serious than the pay of military and civilian employees. Let me cite just one obvious example of the complexity of these causes. In just 1 year the total payment by the Federal Government on interest charges went up $6.5 billion, rising from $22.8 billion in fiscal year 1973 to $29.3 billion in fiscal year 1974. This rapid rise in interest rates is itself the result of complex causes—among these are the sale of wheat to the Soviet Union at subsidized prices; the draughts in the Midwest affecting agriculture; the repeated devaluations of the dollar; the oil crisis and the rise in oil and gasoline prices; and the declining efficiency of the entire world economy,

I am intensely aware of the skyrocketing inflation and disruptions in the economy confronting this Nation. It has been my continuing purpose in public statements and in meetings with Members of this body and representatives of the executive branch to emphasize the urgent need for affirmative action to cope with these critical problems and to restore the confidence of citizens in their Government. My efforts will be continued through participation in the minisummit on transportation and the economic summit a week from now. However, it is clear that the President's pay proposal will not materially affect the state of the economy and it is equally clear that his proposal does not constitute affirmative action.

When the problems of inflation are so complex—when everyone else is allowed to receive compensation in an economy freed from controls, can anyone support a proposal that only our military personnel and only half of our Federal civilian work force should be denied what is due them? I cannot. It is my belief that the Senate cannot.

Because I believe the President's alternative plan is inequitable and discriminatory I shall vote in favor of Senate Resolution 394 to disapprove the alternative plan submitted on August 31. It is my hope that the Senate will approve this resolution.

Mr. **KENNEDY**. Mr. President, I regard it as a most unfortunate development that one of President Ford's few innovative approaches of his own to our economic crisis so far is his attempt to delay the Federal pay raise for Government workers.

I believe that any delay of this pay recommendation would be eminently unfair. Virtually all economists agree that rising wages are not the villains of today's inflation, especially not where Federal employees are concerned.

What we are voting on today, therefore, involves an issue of elementary fairness in economic policy. Economics has to go hand in hand with equity and fairness, because economics without justice is false economy. That fundamental principle applies for the benefit of Federal employees, just as it applies for the benefit of every other sector of our economy, business and labor, farmer and consumer alike.

The rate of inflation has now risen to over 10 percent a year, and a pay increase of half that amount is hardly even adequate, much less out of line. In fact, the recommendation of a 5.5 percent pay increase for Federal workers was based on a comparability survey of wage rates in the private sector. If anything, the increase is too low; other studies support a larger increase on comparability grounds alone. A fortiori, therefore, the Senate should give its overwhelming support to this resolution, opposing the deferral of the 5.5 percent pay increase. Postponement of the increase would have little effect, if any, on the problem of inflation, but delay would do an especially grave injustice to every Federal worker.

There are also other major objections to the President's pay proposal, objections that bring the credibility of his economic policy into doubt. Again and again, the President has said he does not intend to rely on price and wage controls.

He strongly opposed us in Congress last month, when we sought to give him the standby authority he might need for such controls in the future. He even opposed us when we sought to give him the power to defer price and pay increases for up to 90 days, on the grounds, he said, that such authority could be read as a harbinger of future controls to come.

So what are Federal workers to believe? What is Congress to believe? What are business and labor to believe, what are the people to believe, when one of the President's first concrete actions on the economy, after all of these denials, is to place controls on a wage increase for Federal employees for up to 90 days. That is exactly the approach he has said he does not want to take. Yet here he is, taking it today.

The action on the pay increase also raises other questions about whether the administration's economic policy is truly evenhanded between business and labor. The President let General Motors off the hook with a token 10-percent reduction in the major price increases for the 1976 model year. How then can he make Federal workers take it on the chin, by asking them to give up 25 percent of their modest wage increase?

Unfortunately, these actions on the part of the administration only serve to reinforce the idea that is widely held by many—that controls have been applied unfairly in the past and that the present administration intends to continue the old uneven policy.

We need strong new directions in policy if we are to win the war against inflation. We need vigorous and forthright leadership by the President. And the most important ingredient of such leadership is that the economic policies of the Nation must have the confidence of all the people.

Working together, we can win the fight against inflation, but divided we will fail. America's national pie is big enough for all of us to share, but only if we accept the obligation to share it fairly for benefit of all.

And so I support this resolution, because it guarantees fairness to one of the most important groups in our population—the hard-working men and women who serve the Federal Government. I urge the Senate to reject the administration's unfair and unwise move to turn their wages into cannon fodder in the war against inflation, and I urge the administration to get its policy back onto an evenhanded course.

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

The **PRESIDING OFFICER**. The hour of 12:15 now having arrived, under the previous order, the Senate will proceed to debate the motion to invoke cloture on S. 707 for one-half hour.

Mr. **McGEE**. Mr. President, a parliamentary inquiry.

The **PRESIDING OFFICER**. The Senator will state it.

Mr. **McGEE**. Does that mean that the vote on the pay issue will begin at 12:45?

The **PRESIDING OFFICER**. The Senator is correct. The Senator from Connecticut is recognized.

Mr. **RIBICOFF**. I yield to the distinguished Senator from Wisconsin (Mr. PROXMIRE) 10 minutes.

Mr. **PROXMIRE**. Mr. President, I support S. 707 which is, of course, a bill to create an independent Agency for Consumer Advocacy to represent and advocate the interests of consumers before other Federal agencies and Federal courts, and I do so on the simple ground that this Agency will be a clear, simple, and powerful anti-inflationary weapon, one we need right now.

Mr. President, I understand that opponents of this legislation have made what to me seems to be a fantastic argument, that creation of this agency will increase inflation. Mr. President, are they kidding? How can any sane person attack an agency whose prime mission will be to fight to hold down price increases that are inflationary and that are unjustified?

The Agency for Consumer Advocacy will be the one Federal agency whose mission will be to stop many unjustified price increases. How? Here is how: It is obvious that the Agency for Consumer Advocacy will be a potent force for bringing down price of goods and services for the American consumer.

For example, take the Civil Aeronautics Board. The Civil Aeronautics Board sets airline fares.

Anybody who has traveled on the airlines is, I think, aware of the fact that we have had enormous increases in recent years. Every time we buy a ticket and compare it to what it cost a few years ago, we are aware of that. The Civil Aeronautics Board is made up of some eminent citizens, but they are palsy-walsy, sympathetic buddies of the airlines, and for good reason. They are the people they know, that they see day after day. The CAB is lobbied constantly by the airline industry. That is the mission of the airline industry, to see that the CAB is sympathetic to them and will give the kind of rate increases the airlines like.

In the last 5 years, the CAB has rubber-stamped price increase requests by the airlines, and the cost of domestic flights has gone up as much as 50 percent. If anybody doubts that, anybody who has been in the Senate or in the House any length of time, or who has been here in Washington, have him simply compare the prices we pay now to fly home with the price of an airline ticket 10 or 15 years ago. I did that the other day and was astonished.

Are these price increases justified? As far as the consumer is concerned, it appears that these airlines, with their protected routes and markets, are making more now and doing less for their passengers.

American Airlines reported this morning that their profits are up now to the highest level they have ever been in their history. The lead story in the Wall Street Journal this morning reported that Delta Airlines in paying its principal pilots $100,000 a year.

Now, that is more than twice as much as a U.S. Senator receives.

Mr. President, one of the things that this agency can do is zero in publicly, emphatically, on increases of this kind in airline fares, challenging cost increases of the kind I just cited as far as pilots are concerned, and other cost increases and get some results.

The Federal Power Commission sets the price of natural gas. That is a vital energy source for millions of consumers and for millions of businesses. Natural gas prices have risen at an alarming rate in the past year. The agency is under extreme pressure from producers to raise prices still farther, or even to take the lid off altogether.

Furthermore, it has been a matter of concern to me for some time that the Commission membership is heavily weighted with industry representatives. I remember standing on the floor of the Senate some 13 years ago and fighting an appointment by President Kennedy of an oil lobbyist to the FPC. My fight was unsuccessful. He was appointed anyway. The way the FPC has operated so much in the past, it is clear that they are very friendly, supportive, sympathetic, and understanding as far as industry is concerned.

Well, that is all right if they get the consumer viewpoint, too, but they do not get the other viewpoint now, and the purpose of the Consumer Advocacy Agency that the bill would provide would be to see that they get that viewpoint, that the whole record is before them and before the public, and they get some kind of public pressure to counteract the intensive, day-after-day, enormous, well-organized, heavily financed industry pressure that they frequently get on the side of raising prices.

We need the same kind of representation before the Federal Communications Commission, which sets telephone rates, before the ICC, which sets freight rates that add to the cost of food and other goods, and before a host of other Federal agencies which influence the prices paid by all of us as consumers, whether we are aware of this or not.

One of the points made at one of the first summit conferences held at the White House was the point made by witness after witness that if the Government would do its job, a good part of this inflationary problem would be solved. A part of that job is to see that excessive, unjustified price increases under regulated industries are not approved, but they are approved. Why? Because we have no adequate regulatory procedure. The point that the consumers are being exploited simply is not made, and that is what this agency would do.

Who can doubt that an Agency for Consumer Advocacy, monitoring the actions of Federal agencies and stepping in to challenge actions taken or contemplated, will be a powerful force for fighting inflation? Look at what might have been done to help the hard-hit consumer in the past couple of years, if this agency had only existed then.

Take the Russian wheat deal. What if an ACA had been bird-dogging the Agriculture Department in July of 1972, when USDA agreed to subsidize the export of 25 percent of the U.S. wheat crop to the Soviet Union? What were the results of the wheat deal? The price of wheat on the domestic market rose from $1.34 to $5 a year later.

As a result of that, we not only had higher bread prices, but much higher meat prices, because, of course, wheat is substitutable for corn and soybeans, and all of them constitute feed grains. If anyone wonders what happens to the price of meat when the price of feed grain goes up, all he has to do is follow agricultural economics for a few days, and he can see it. If the price of wheat goes up, the price of meat is certain to follow, and it did, inexorably. The price of beef, pork, poultry and dairy products rose as well, due to higher feed grain costs, as a result of the Russian wheat deal in part—a deal that was not challenged, was not visible to the public, was not visible to Congress, and was not generally apparent. This is the kind of agency that can make it visible.

Consumers paid and paid and paid—37 percent more for hamburger by August 1973, 37 percent more for chicken, 35 percent more for eggs, and 15 percent more for flour. The repercussions of the wheat deal are still resounding throughout our economy.

We cannot afford the risk of another wheat deal. We cannot afford to let the consumer remain voiceless and powerless in the face of dealings of large companies aided by sympathetic Federal agencies. We cannot afford to let inflation run rampant.

There are numerous other examples. Many of the decisions of the Cost of Living Council—the agency specifically entrusted with the task of keeping prices down—reflected the interests of producers rather than the interests of the consuming public. For example, in December 1973, the CLC announced a price rise on old crude oil of $1 per barrel, flying in the face of normal procedures and contrary recommendations—wholly unjustified and not challenged.

The **PRESIDING OFFICER.** The Senator's time has expired.

Mr. **PROXMIRE.** Mr. President, will the Senator from Connecticut yield me an additional 2 minutes?

Mr. **RIBICOFF.** I yield the Senator 5 additional minutes.

Mr. **PROXMIRE.** Mr. President, I have asked the head of the Federal Energy Agency again and again to justify that, and he admits that this is one increase he cannot justify on the basis of cost. We have had very serious inflation in this country because the cost of energy enters into everything. But here is an increase, a big one and a comprehensive one, which can be justified in no way. They did not have that cost increase at all, but they have had a tremendous increase in profits because of it. This one abrupt and arbitrary decision by the Cost of Living Council cost each consumer between $12 and $14 a year. Had the ACA been in existence then, it would have both challenged the substance of the Council's decision and also required it to conduct decisionmaking process according to procedures set down in law.

Mr. President, one other point I would like to make is that this morning a very fine article by Hobart Rowen, the excellent economic commentator of the Washington Post, discussed the prospect of our selling airplanes, a number of them, to the NATO countries, and pointed out that we are in competition with the French in that area.

It may be, of course, that a strong argument can be made that we should fight hard to get that contract. At the same time, a strong argument can be made on the other side. One aspect of the argument that even Hobart Rowen, excellent analyst though he is, did not consider is the inflationary aspect of this transaction.

He pointed out that we would sell $10 billion to $15 billion worth of airplanes, if the deal goes through, in the Middle East and Europe. If we sell $10 billion to $15 billion worth of airplanes to Europe and the Middle East, it would have an inflationary effect, and there is no way to avoid it. Take the steel industry, which claims we will have a shortage of its products for the next 5 years. They have increased their prices 44 percent in the last year—the first time in history they have increased their prices more than 22 percent in 1 year.

Obviously, if we are going to sell arms all over the world—maybe we should and maybe we should not, but one point that has not been made before, has not been made publicly or documented, or made before a public agency—it should be made before the Defense Department, and the public ought to know about it—is the effect of that $10 billion to $15 billion sale, if we make it, on prices here at home.

This is the kind of investigation that a consumer advocacy agency could make.

Mr. President, I think the case is clear. We need this Agency and we need it now. In the fight against inflation, the consumer—indeed the economy as a whole—needs all the help he can get. The Agency for Consumer Advocacy will be a major force in the fight against inflation. I think very few people here have considered that fact, but it is a fact, and a very important one, too.

Mr. President, I yield the floor.

Mr. RIBICOFF. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to the distinguished Senator from Connecticut.

Mr. RIBICOFF. The Senator from Wisconsin may recall that a few years back, the Antitrust Subcommittee, chaired by our distinguished colleague from Michigan (Mr. HART), made an extensive study of business practices. As a result of this study, Senator HART came to the conclusion that the consumers of this country were losing billions of dollars a year because of fraud, overcharges, price gouging, anticompetitive practices, and shoddy merchandise. Money that is spent without value received certainly flames the inflationary fires that much higher. Is that not correct?

Mr. PROXMIRE. There is no question but that that is the most inflationary kind of action, without value received; yes, indeed.

Mr. RIBICOFF. As I listened to the distinguished Senator from Wisconsin, the greatest expert, I believe, on the problem of economics in this whole body, there was no question in my mind but that the issue of inflation is the key issue facing the country today. The Senator from Wisconsin has very capably pointed out that if this bill becomes law, the consumer advocate will be in a position to have billions of dollars for the consumers. The Agency will thus help dampen down the inflationary pressures we have in this country.

I commend the Senator from Wisconsin for his contribution to this debate.

Mr. PROXMIRE. I thank the Senator.

Mr. ERVIN. Mr. President, I ask unanimous consent that all amendments which have been introduced prior to the vote on cloture be considered as read for purposes of satisfying the requirement of rule XXII.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ERVIN. Mr. President, in view of the fact that we do not—whether the ultimate vote will be on the original version of S. 707 or on the so-called substitute, the Dole-Ribicoff substitute—I ask unanimous consent that anyone who has an amendment to either the original bill or the substitute be allowed to adapt it so as to conform it to the proper sections of the other.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. Mr. President, if the consumer advocacy bill had been in existence when the writer of the Book of Ecclesiastes wrote that book he would have had to omit from it the statement that there is nothing new under the Sun. There is certainly something new under the Sun in the pending legislation. It is the first legislation in the history of this Nation of which I am aware where an administrator is the one who determines whether the court has jurisdiction to review, to grant judicial review. Under all other statutes of the United States it is the court which determines whether it has jurisdiction to grant judicial review.

This bill, in effect, says that the court will have jurisdiction where review is permitted under any circumstances of appeal from an agency ruling by the administrator if the administrator determines—not the court but the administrator determines—that the interests of a consumer are substantially affected.

Now, in view of the all-inclusive, universal, unlimited definition of what constitutes consumer interests, anything could be a consumer interest and substantially affected in the opinion of the administrator, and the court would not be able to review even though the court did not agree with the administrator at all.

Since consumer interest involves anything that a consumer has any concern about, except his spiritual welfare in the next world, why, the Consumer Advocate Administrator has got great power that confers jurisdiction upon the courts. I am not certain that the Consumer Advocate Administrator does not have much to do with the spiritual welfare of the average consumer in the next world because most consumers get their ideas about religious matters from holy books, and the Consumer Advocate Administrator could have very much to say about what the cost of those religious books is going to be.

So he has got more jurisdiction than any official in the United States has ever been entrusted with, and this bill gives him authority which would make an absolute Eastern potentate turn green with envy.

This bill, as I pointed out previously, is repugnant to the free enterprise system. There is really nothing but a conjured up necessity for this bill because, as Ralph Waldo Emerson said:

> If a man makes a better mousetrap, the world will beat a path to his door even if he lives in the midst of the forest.

The law of economics is that those producers of goods and services who produce the best goods or render the best services are the people who get the patronage of consumers. So we have a competitive free market which, in effect, guarantees to Americans the best quality of goods and the best quality of services to be found in any nation on earth because we do have a competitive free market.

Here we have one official who not only prescribes the jurisdiction of the court, but he can interject himself into practically every agency of Government.

He can even interject himself into the affairs of the Department of Defense when it undertakes to devise a new weapons system. There is no limit on his authority to throw monkey wrenches into governmental machinery.

Also he can ride herd on virtually all of the producers of America. Not only that, this bill gives him the power to issue any statement he sees fit to issue concerning a business, any business, in the United States, concerning the quality and the utility of any product offered to the public in the United States, and any services offered to the public. Yet this bill, in effect, grants him a total immunity from responsibility for the injury which is done by any false statement he makes. That ought not to be. If Congress is going to set up an agency and give a man authority to speak about all goods and all services on the market, then Congress ought to take and give those who are injured by his false statements some recompense.

I propose, if cloture is voted, to offer an amendment to that effect.

Mr. President, this is a bill which ought to be studied more than it has been studied. The average American, and especially the average newspaperman who comments on this bill favorably, the average commentator, I would bet my bottom dollar has never read the bill, and does not have any idea of the provisions of the bill or its implications insofar as it relates to the free enterprise system which has made this country the greatest Nation on earth.

I have noticed since I have been in the Congress that the worst bills have the best titles and, unfortunately, many people who are engaged in carrying on the work of the news media never read anything except the title. Sometimes, I suspect—although I would not charge this because it might be a violation of the Senate rules, and I certainly want to abide by the Senate rules—but I suspect sometimes many Congressmen have not read the bills and do not know what is in them.

This, in my judgment, is about the most unnecessary piece of legislation. It is based upon a total misconception of the free enterprise system. It is based upon the theory that all producers of goods and services sit up all night to think of new ways to cheat and defraud the customers on whose good will they depend for their prosperity.

It proceeds upon the theory that every consumer is somewhat lacking in mental capacity to look after himself and needs to be put under bureaucratic guardianship. It proceeds upon the theory that the big trouble in this country today is that we have too much Federal bureaucracy, and I agree with that proposition. But the way it proposes to deal with this matter is to cure the ills of Federal bureaucracy by adding another Federal agency, and if that Federal agency exercises one-half of 1 percent of the power which this bill gives to the Administrator, we will have another agency that will be about twice the size of the present Department of Justice. I say that because the present Department of Justice operates in a restricted field compared to the field in which this Administrator would operate. The Department of Justice deals with a few civil lawsuits and some criminal prosecutions and some investigations. But this Administrator can investigate everybody in the United States who produces goods or services.

They can interfere in all Federal agencies, they can make pronouncements about everybody's business in this Nation, and I think that no human being has yet been created that could exercise the power that this bill gives to the Administrator with any degree of wisdom.

So I hope that the bill will be defeated if it comes to a vote and that cloture will be defeated and not have any gag rule imposed on those of us who wish to spend the time that is necessary to point out the infinite number of legislative and economic inequities which are shrouded in both this original bill and the proposed substitute for it.

I yield the floor.

EXECUTIVE SESSION

Mr. **MANSFIELD.** Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Frank C. Carlucci, of Pennsylvania.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

DEPARTMENT OF STATE

The legislative clerk proceeded to read the nomination of Frank C. Carlucci, of Pennsylvania, to be a career minister.

The **PRESIDING OFFICER.** Without objection, the nomination is considered and confirmed.

Mr. **MANSFIELD.** Mr. President, I request that the President be notified.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. **MANSFIELD.** Mr. President, I request that the Senate return to legislative session.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

REPORT ON U.S. PARTICIPATION IN THE UNITED NATIONS—MESSAGE FROM THE PRESIDENT

The **PRESIDING OFFICER** laid before the Senate a message from the President of the United States transmitting the 28th annual report on U.S. participation in the work of the United Nations, which, with the accompanying report, was referred to the Committee on Foreign Relations and ordered to be printed. The message is as follows:

To the Congress of the United States:

I am pleased to send to the Congress the 28th annual report on United States participation in the work of the United Nations.

This report, covering Calendar Year 1973, encompasses the wide range of activities carried on by the United Nations and its subsidiary organizations. It demonstrates the growing conviction of United Nations members that many problems of international concern are best resolved through multilateral action, utilizing the machinery of mature international institutions.

In the fall of 1973 the United Nations demonstrated once again its ability to foster peace by the crucial role it played in the Middle East. Following the outbreak of war, the Security Council arranged a ceasefire and deployed United Nations troops to supervise disengagement agreements between Israel and Egypt and, later, between Israel and Syria. We cannot know what might have happened in the absence of such United Nations action. However, it is clear that the efforts of the United Nations, combined with bilateral diplomacy, are still crucial to promoting a just and lasting settlement of the Middle East dispute.

One area of increasing concern is the production and distribution of adequate supplies of food. Our concern with feeding the world can no longer be limited to relief activities in aid of victims of natural disasters. Population growth and better living standards have increased the total demand for food which in turn has increased the demand for energy sources and fertilizer. The pressure of these interlocking demands has pushed against limited supplies and caused spiraling prices. This is a worldwide problem requiring worldwide action for its solution. Secretary Kissinger proposed to the United Nations General Assembly in September 1973 that the organization sponsor a World Food Conference. The General Assembly acted favorably on this proposal and the Conference will be held in Rome in November 1974. The United States also took an active participation in the preparation for the first United Nations Conference on World Population, convened in Bucharest in August 1974.

The Third United Nations Conference on the Law of the Sea, which convened an organizational session in December 1973, is another example of how the United Nations can be utilized to attack contemporary world problems. The goal of the Law of the Sea Conference is a comprehensive international convention to govern man's use of the oceans. We need new understandings to govern international navigation, rational management of the ocean's living and non-living resources, and the protection of the life-sustaining processes of the marine environment. Success in the efforts to resolve conflicting claims over ocean jurisdiction would remove a major and growing source of conflict from the international arena.

The regular economic and social activities of the United Nations' family of organizations continued to absorb over 90 percent of its funds and personnel during 1973. In addition to the traditional operational programs, many special conferences during the year provided opportunities for nations to enlarge their understanding of and work toward consensus on such major international economic and social issues as development assistance, the role of multinational corporations, commodity agreements, and the economic rights and duties of states. Perhaps the most important series of negotiations were those held to carry out the first biennial review and appraisal of the progress toward the goals of the Second United Nations Development Decade. In these negotiations delegations from all parts of the world worked for months to formulate a report that refined the broad measures necessary to improve the world's economic and social situation. The United States played a leading role in these negotiations.

Unfortunately, not all international problems dealt with by the United Nations were successfully approached in 1973. For example, it is generally believed in the United States that terrorism against innocent third parties, including the hijacking of aircraft, is a matter of international concern that calls for international solutions. The divergence of political views among member states, however, has made it impossible to agree on either a general definition of terrorism or a remedy for it. Despite the limit thus placed on the effectiveness of the United Nations forum in dealing with the problem, a start was made in 1973 with the adoption by the General Assembly of the Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, Including Diplomatic Agents. On the other hand, neither the International Conference on Air Law nor the Assembly of the International Civil Aviation Organization, which met simultaneously, made progress on measures to improve security for aircraft passengers.

An important part of the United Nations record in 1973 was the admission to membership of the Federal Republic of Germany, the German Democratic Republic, and The Bahamas—admissions the United States supported. The United Nations has thus become still more representative of the world community.

Our participation in the United Nations reflects our fundamental belief that to assure a peaceful world it is necessary to cooperate with other nations in a multilateral framework on mutually agreed upon activities. This report records the successes and failures, the hopes and frustrations of many of those activities. Above all it records what we tried to accomplish through the United Nations to further the many interests that our citizens and our country share with the world community.

GERALD R. FORD.

THE WHITE HOUSE, *September 19, 1974.*

REPORT OF THE FEDERAL PREVAILING RATE ADVISORY COMMITTEE—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER laid before the Senate a message from the President of the United States transmitting the annual report of the Federal Prevailing Rate Advisory Committee, which, with the accompanying report, was referred to the Committee on Post Office and Civil Service. The message is as follows:

To the Congress of the United States:

In accordance with section 5347(e) of title 5 of the United States Code, I hereby transmit to you the Annual Report of the Federal Prevailing Rate Advisory Committee covering the period December 7, 1972 through December 31, 1973.

GERALD R. FORD.

THE WHITE HOUSE, *September 19, 1974.*

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, September 19, 1974, he presented to the President of the United States the following enrolled bills:

S. 210. An act to authorize the establishment of the Boston National Historical Park in the Commonwealth of Massachusetts; and

S. 3301. An act to amend the act of October 27, 1972 (Public Law 92–578).

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. I yield such time as I may require within the confines of the time allocated to us.

Mr. President, I think that the time allocation on this debate indicates the cooperation that the opponents of this bill have given to the leadership in the matter of scheduling legislation.

This is the first opportunity that we have had in 1 month to debate the merits or demerits of this legislation.

The debate has not caused any logjam in the Senate. Even today, when some debate has been agreed upon, we have had to take three separate segments in order to have an opportunity to discuss this measure and to point out why we feel the debate should not be brought to a close.

Mr. President, last week the Baltimore Sun asked the distinguished Senator from Connecticut (Mr. RIBICOFF) and myself to write short articles in behalf of our position with respect to the bill under consideration and in the few minutes remaining to me in this segment of our time, I will comment from the article which I wrote.

I will ask unanimous consent that both my article and Senator RIBICOFF's article be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ALLEN. Mr. President, the article states:

The bill to create an Agency for Consumer Advocacy now undergoing debate in the Senate is a product of myth, mistake and mischief.

Contrary to popular belief, this is not a consumer protection bill. The agency to be created by this proposal, as its sponsors admit, would have no regulatory authority to protect consumers from dangers in the marketplace. It would have to rely on existing federal agencies to do this.

In fact, the new agency would have no authority to protect anyone but itself, and it has no power to enter into the areas in greatest need of consumer protection efforts—the pursuit of swindlers and scoundrels who operate at the state and local levels.

Recognizing that it would be fraudulent to continue to call this proposed new bureaucracy a "Consumer Protection Agency," the Senate by an overwhelming majority of 87–5 adopted an amendment by Senator Robert Byrd and myself to change the name of the proposed unit to the "Agency for Consumer Advocacy."

That is only one of many amendments which are necessary to make this ACA bill worthy of enactment, but its real problem lies in the fact that the underlying theory is fundamentally faulty.

We are asked to believe that existing federal agencies are incapable of protecting consumers because not enough consumers appear before them or because those agencies are headed by incompetents or malfeasants.

The PRESIDING OFFICER. The Senator's time has expired.

EXHIBIT 1

CONSUMER AGENCY: BOON OR BOONDOGGLE?

(By ABRAHAM RIBICOFF)

None of the new movements that has grown up over the past decade is as potentially powerful—yet so powerless—as the consumer movement.

Together we represent the single largest interest in the country—bigger than business, labor, and government combined. But the trouble is, the buying public has no real voice in the high levels of government where so many consumer decisions are reached.

Today there is a pathetic imbalance in the halls and hearing rooms of government.

Faced with the question of raising the price of air fares or telephone calls, or approving a new drug or appliance—any regulatory agency is assaulted by special economic interests.

Their lawyers are extremely adept at getting next to the bureaucrats who will ultimately set federal standards. To no one's surprise, they outnumber anyone speaking up for the consumer 100 to 1.

No decision-maker, no matter how honest and competent, can be expected to take full and accurate account of consumer interests if their views are not presented to them, and presented in an effective manner.

I would like to see that imbalance corrected with a new agency that belongs to the consumer. After all, we already have an Agriculture Department for the farmers. We have a Labor Department for labor. We have the Commerce Department for business. But we have nothing for the consumer.

Since July 19 the Senate has been considering a bill that Ralph Nader called the most important piece of consumer legislation ever before Congress.

The bill establishes an independent, nonregulatory consumer protection agency to bring the consumer's voice into the federal agencies and courts which make daily decisions affecting the quality and safety of what we buy.

The bill represents a new concept of government. It will not be just another large government agency. It will not dictate to people, or ignore their wishes. With no regulatory powers of its own, its role will be to bring the consumers in this country and the large, and too often unwieldy, federal government closer together. It will make the federal government more responsive, not less. It will help restore the public's faith in the integrity of the governmental process.

Yet the most powerful business lobbies in the country are out to stop the consumer from reaching Washington.

The fact is, that a consumer protection agency will be good for business.

A strong agency will be a shield for good businessmen selling quality goods and services—and a watchdog against fly-by-night operators out to cheat the unwary buyer.

If anything, the bill gives the consumer the confidence to buy what good business is selling. A growing number of major companies have spoken out in favor of this bill because they realize it would be good for their businesses.

The new agency will number 250 men and women with an annual budget of $15 million—about the same as after-taxes profits that GM makes every four days.

Twice before we fought for this bill—and twice we were shut out. And this year again an overwhelming majority in the Senate wants to pass a consumer protection bill. But a majority today in the Senate is often not enough to get a bill passed. And once again we confront a filibuster—the parliamentary device for minority rule. A few men are holding up the overriding will of the Senate and the protection of millions of powerless consumers.

So far we have tried three times to gain the necessary two-thirds vote to kill the filibuster, and each time we come a little closer.

This Thursday we will make the fourth and final attempt to break the filibuster and bring the bill to the Senate floor for a vote.

I believe more than ever that an independent consumer agency is perhaps the most critical undertaking by Congress to promote faith of Americans in "government for the people."

And I also believe that enough of my colleagues realize this and will join in defeating the filibuster and defeating, as well, those who want to keep the consumer forever gagged.

AGAINST

(By James Allen)

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Contrary to popular belief, this is not a consumer protection bill. The agency to be created by this proposal, as its sponsors admit, would have no regulatory authority to protect consumers from dangers in the marketplace. It would have to rely on existing federal agencies to do this.

In fact, the new agency would have no authority to protect anyone but itself, and it has no power to enter into the areas in greatest need of consumer protection efforts—the pursuit of swindlers and scoundrels who operate at the state and local levels.

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This is only one of many amendments which are necessary to make this ACA bill worthy of enactment, but its real problem lies in the fact that the underlying theory is fundamentally faulty.

We are asked to believe that existing federal agencies are incapable of protecting consumers because not enough consumers appear before them or because those agencies are headed by incompetents or malfeasants.

Yet, instead of devising ways for more consumers to appear before these agencies and instead of using congressional oversight to weed out incompetents and malfeasants, what are we offered as a solution?

We are told we must create yet another federal agency before which consumers also are not expected to appear in any significant number, headed by unknown bureaucrats who will be no better or worse than existing officials.

What will a new level of bureaucracy do, besides providing a full employment act for lawyers who are already appearing before federal agencies and courts? It will determine, in its absolute discretion, what is best for consumers in relation to any possible federal decisionmaking and use extraordinary advocacy powers to make sure that its position prevails as that of the federal government.

The ACA bill does not tell us how the new agency will determine what is or is not in the best interest of consumers, but the bill does tell us that, once the ACA makes such a determination, it is not challengeable in court or elsewhere by anyone, including consumers themselves.

Thus, if the ACA tells us that abortions are or are not in the best interest of consumers of medical services, or that ignition-seat belt interlocks are or are not in the best interest of consumers of automobiles, or that trade with the Arab nations is or is not in the best interest of the consumer of fuel—so be it; the consumer expert has spoken and may take any other Federal agency with a contrary view to court.

Although the bill does not protect consumers from the new ACA, it does protect certain vested interests. The sponsors of the bill have excluded from ACA intrusion and court appeal all labor disputes.

I share big labor's fear of this new agency. But if labor lobbyists can convince the dedicated and intelligent proponents of this bill that there is no important consumer interest in such things as the settlement of strikes—how are we to have faith in an untried new bureaucracy's ability to determine what is in the best interest of consumers in the remaining sectors of the economy?

Let me conclude these necessarily brief comments on this complex subject by making one final observation. Opposition to this particular bill should not in any way be considered as a negative attitude toward consumer protection.

Many opponents of this ACA bill, including myself, have not had the slightest hesitancy to actively support true consumer protection legislation, as we did recently for the bill to enact the present Consumer Product Safety Commission.

AGRICULTURE AND THE AGENCY FOR CONSUMER ADVOCACY

Mr. CLARK. Mr. President, in today's economy, the small farmer, no less than the urban consumer, faces a multitude of hazards and injustices in the marketplace as he shops for himself and his family. To the extent that the Agency for Consumer Advocacy can advocate governmental policies which will make products and services used by most Americans safer and more cost-effective, the farmer and his family will benefit along with everyone else. ACA would be authorized to speak on behalf of "consumers"—individuals who use, purchase, or acquire goods, services, or credit for personal, family, or household purposes. ACA can thus speak for farmers as consumers of clothing and household goods, and as consumers of farm equipment, fertilizer, seed, and other farm production products and services needed to raise commodities.

ACA would also speak for farmers when it speaks for food consumers, advocating their interest in a safe, abundant food supply at a fair price. To the extent that farmers have been forced to raise their prices because they are themselves faced with outrageous, oligopolistic costs in the marketplace, the farmers' interest in bringing these costs down to reasonable levels is identical with that of food consumers. To the extent that farmers have been squeezed by avoidable fertilizer and baling wire shortages, their interest in avoiding such shortages is identical with that of other food consumers. And to the extent that farmers have been blamed for price increases in reality caused by "middlemen," the farmers' interest in reining in the middleman is identical with that of other food consumers.

Farmers, no less than consumers, need this voice to carry their case to the decisionmakers in our Government—a voice backed by the power to get information necessary to prepare a cogent case and by the power to participate as a full party in proceedings affecting them. Too often the agencies which should bear the responsibility for promoting the farmers' welfare have failed to do so, as interests counter to those of the small farmer have influenced policies so as to harm rather than help him. In many of these instances, the food consumer has suffered along with food producers, because neither had the opportunity or the ability to present a cogent case to the decisionmakers whose policies impinge so directly upon them.

A few examples illustrate this point all too well:

Farmers, and other residents of rural areas, have suffered greatly from the recent doubling and tripling of propane gas prices. Propane gas is an indispensable commodity in rural America where it is used not only for home heating but for farm production as well. Propane is used to dry grain crops, to heat facilities where young chicks are raised, and to drive the irrigation pumps so essential during this period of severe drought in the Midwest. Bill Brier, Director of Energy Resources for the National Council of Farmer Cooperatives, testified at a July 24, 1974, hearing of the Senate Agriculture Committee that:

> Agriculture's needs are expected to increase significantly—much more propane is being used for irrigation this year and the late maturity of particularly corn will increase the probable need for crop drying.

On February 6, 1974, representatives from the governments of Alabama, Arkansas, Georgia, Illinois, North Carolina, and Texas met with officials of the Federal Energy Office to protest the high price of propane gas. Farmers and others in these States were suffering—as they continue to suffer today—from these high costs. John Weber, Assistant Administrator for Operations, Regulations and Compliance of the Federal Energy Administration, recently testified before a subcommittee of the House Government Operations Committee that FEA's investigations of propane pricing policies have revealed "an aggregate in excess of $25 million in overcharges to the public."

The pricing policies of FEO permitted the price of propane gas to rise as much as 350 percent in 1973. The wholesale price rose from 6 cents to 26 cents per gallon, while the retail price skyrocketed to 39 cents per gallon. Congressman HAMMERSCHMIDT estimated on the House floor that as many as 21,200 farm families in Arkansas were spending about 30 percent of their income to meet the propane costs necessary for heating, cooking, and agricultural production.

Those who favored a reduction in propane prices argued that because propane is refined from only 3 percent of crude oil, its price should reflect only the increase in the cost of producing propane—not the increase in the cost of the whole barrel of crude. FEO responded in a half-hearted way by promulgating new regulations which put a lid on propane prices, but they allowed the producers to keep the windfall profits already received and refused to roll back prices to a level which would reflect actual increases in production costs. Congress responded with the Alexander amendment to the Federal Energy Administration Act, stating that the price of propane on May 15, 1973, should be used as the base price, with increases to reflect only actual increases in production costs.

Today FEA insists that this statutory language is merely discretionary and it has chosen not to implement this policy. In response, a suit has been filed by the attorney general from Arkansas.

Had there been an ACA during this period, it could have helped farmers and rural families in their struggle for relief from these high prices. Speaking for rural consumers of propane for home heating and for food consumers threatened by further price increases, ACA could have petitioned FEO to change its early pricing policies much sooner than it chose to act. When FEO adopted its "put the lid on" policy, ACA could have submitted its views strenuously objecting to the windfall profits enjoyed by the propane producers.

Had this decision been taken in any case, ACA could have sued for judicial review. In the latest phase, ASA could petition FEA to implement the Alexander amendment and, meeting with a refusal, could seek review of this refusal as arbitrary and capricious.

Another example is food prices, for which farmers undeservedly have taken so much of the blame.

In April 1972, Weldon Barton of the National Farmers Union testified about food prices before the Price Commission. He attacked the Commission's volatile pricing rule under which food processors were allowed to pass on to their buyers any market price increases of their raw materials, including farm products. The Commission allowed such passthrough if processors could show that they customarily priced items in a manner immediately responsive to frequent and customary market price fluctuations of the raw materials used in that item.

Dr. Barton argued that statistical evidence indicated that food processors failed to qualify under the volatile pricing rule because they had not over the years responded to decreases in the cost of livestock and other farm products by decreasing their own prices proportionately. When NFU requested the substantiating data submitted by the major processors, the Commission said that the information was classified and unavailable to the public. Effective advocacy is simply not possible without access to crucial information.

Had there been an ACA to speak for food consumers, this spokesman would have been armed with the facts and figures necessary to refute the processors' arguments. Farmers and consumers both would have been well-served by an advocate pushing for a response to Dr. Barton's agonized question:

> Why has your Price Commission not been more aggressive and effective in getting at these "middlemen" between the farmers and the consumer, whose administered-pricing patterns are the real culprit behind the marked food price increase?

Today the middlemen continue to reap their profits at the expense of both farmers and consumers. As farm prices have dropped in recent months, grocery store prices have continued to rise. According to Department of Agriculture figures, the middlemen—processors and distributors—have absorbed two-thirds of the increase in food prices over last year.

ACA could be an active advocate, urging the FTC to investigate possible violations of the volatile pricing rules where processors have failed to lower their prices as farm prices have dropped. ACA could also urge FTC and Justice Department to look into overconcentration in food processing and marketing business—overconcentration which has harmed consumers and farmers alike. Is there any wonder why the Grocery Manufacturers of America and the National Association of Food Chains have been among the most vigorous opponents of legislation to create a consumer advocate in the Federal Government?

The fertilizer shortage is still another example.

Fertilizer is, of course, an essential commodity for food production. The farmers' inability to obtain fertilizer earlier this year resulted in a serious problem both for consumers and farmers.

Early this spring, many farmers received letters from their fertilizer dealers explaining that, because of a continuing nationwide shortage, farmers would not be able to purchase all the fertilizer they wanted for the upcoming growing season. Dealers in most cases limited old customers to what they had purchased last year or to a reduced percentage of that amount. New customers were turned away. Thus many farmers found that their plans for a large planting and a bumper crop had to be strictly curtailed.

Manufacturers had been unable to produce enough fertilizer to meet demand in part because of the energy crisis. The Federal Power Commission's rules allowed pipelines to suspend service to some fertilizer producers, interruptions which have reduced production by over 500,000 tons in the last 2 years. More recently, FPC decided to allow higher natural gas prices at the wellhead, a decision which has led to higher costs for fertilizer. Here again, the consumers' interests and the farmers' interest in lower prices and more equitable distribution of gas supplies are the same. ACA could have been their advocate before the FPC.

Because about 60 percent of fertilizer materials move by rail, availability of boxcars is crucial for an uninterrupted supply. As the nationwide shortage of railroad cars developed, ACA could have gone to ICC on behalf of consumers and farmers dependent upon fertilizer for production of food supplies to stress the importance of timely fertilizer deliveries. Shortages of railroad cars have plagued the fertilizer industry. For instance, in 1973, ICC had to take special action in Florida to insure that manufactured fertilizer would be moved to a nationwide market. ACA would be in a position to anticipate future car shortages and, when necessary, petition ICC to employ its emergency powers.

The small farmer has also been ill-served by the Department of Agriculture's tendency to promote technology adapted to the needs of agribusiness but irrelevant to the needs of the smaller farmer. ACA's functions include a mandate to "encourage the application and use of new technology, including patents and inventions, for the promotion and protection of the interests of consumers"—section 6(a). In the interest of a more abundant, reasonably priced food supply, ACA could encourage research into technological advances specifically directed at the needs of the smaller farmer both under its own auspices and by petitioning the Department of Agriculture to take similar action.

ACA could also petition the Department of Agriculture to undertake educational programs designed specifically for small farmers. Small farmers could be informed, for example, about new methods for making use of manure as a cheaper method for fertilizing in these times of exorbitant artificial fertilizer costs. Similarly, ACA could petition the Department of Agriculture to educate farmers about new methods for measuring infestation so that farmers can make more economical, more sparing use of pesticides and other chemicals.

Clearly, the Agency for Consumer Advocacy would serve our farmers well, both as consumers and as food producers. In these times of inflation and economic hardship, our farmers need a consumer spokesman in Washington, D.C.

Mr. KENNEDY. Mr. President, I believe that the legislation before us to establish an Agency for Consumer Advocacy is one of the most important pieces of legislation on which the 93d Congress will act. We have recognized for years that the consumers' voices have gone unheard or unheeded in Government proceedings, and we now have an opportunity to do something about it.

The Consumer Advocacy Agency has the potential to affect all Americans, and despite some popular methodology to the contrary, I think that this effect will be clearly beneficial. Inside influence, special interest pleadings, and official actions against the public interest have become hallmarks of the governmental processes. The Consumer Advocacy Agency can wrest our captive Government agencies from the hands of special interests and return them to the people.

Americans who are disgusted with the dishonest advertising and merchandising practices in our commercial world will have a new ally in their battles to protect their rights. Americans who purchase faulty, ineffective, or unsafe products will have someone in Washington to stand up for them. Americans who work under unsafe conditions, or who travel on regulated trains, buses and airlines, will have their own advocate in agency proceedings affecting their interests. Those agencies set up to look out for the public interest, to promote public convenience, and to respond to public necessity will receive a shot in the arm in the carrying out of their statutory mandates. Ultimately the frustration, exasperation, and helplessness which presently characterize consumer attitudes toward Federal indifference to their interests can give way to a new sense of pride and confidence in our institutions. But this can occur only if we allow the process to begin.

The establishment of the Agency for Consumer Advocacy is imperative to give the consumer the basis of support which he needs to fight against interests which would take advantage of him.

This agency will be a nonregulatory public advocate for the consumers of this Nation. Consumer protection agency legislation has been evolving for 15 years and has undergone a great deal of revision and modification. An examination of the series of bills which leads up to S. 707 provides substantial insight into the value of this mature and comprehensive piece of legislation.

The first proposal for strengthening the consumer protection programs in the Federal Government came in 1959—a full 15 years ago—when the late Senator Estes Kefauver proposed that the existing Federal consumer-related programs be consolidated under a single bureau. As this idea developed during the next 10 years, the centralization of Federal consumer programs into a single Cabinet-level Department of Consumer Affairs became the most popular proposal. The Cabinet approach was founded on the conclusion that there was need not only for a well-organized and quality-staffed agency, but also for a high-level spokesman for the consumer in the executive branch of Government. The Department of Consumer Affairs would have been a high-powered regulatory body which would test products, establish standards and rules, and enforce compliance with consumer laws and regulations.

This agency would no doubt have evolved into the massive superstructure with strong regulatory powers over American business that many critics of S. 707 mistake the currently proposed agency for.

During the 1960's congressional committees held extensive hearings on the consumer department approach—hearings which revealed the complexity and enormity of such a restructuring of Federal activities. Detailed assessments of such a reorganization were made, and in 1969 Mrs. Virginia Knauer, President Nixon's Special Assistant for Consumer Affairs, concluded that the new department would likely encompass 413 units of the Federal Government which were administering 938 consumer-related services and activities. At this point, it began to apear that consumer regulatory policies were too deeply entrenched in too many other Federal agencies to make practical a unilateral extraction and consolidation of such services. The Cabinet-level approach for unified consumer protection regulation and policymaking was subsequently, and I believe wisely, abandoned.

With the demise of the concept of a Department of Consumer Affairs came the birth of a new proposal for a consumer advocate at the Federal level. The practicality of that idea—of an agency which does not have regulatory, testing, and standardizing authority over products and services, but rather one which studies and advocates consumer interests—gained increasing support among Government officials and consumer leaders.

During the ensuing sessions of Congress, numerous consumer advocacy bills were introduced. The utility consumer counsel bill, the Independent Consumer Council Act, and the Transportation Consumers' Information and Counsel Act were all of a type which called for independent consumer advocacy agencies working, primarily in Washington, for the interests of consumers.

In 1970 I introduced a bill to create a public counsel corporation—a strictly advocacy agency with no regulatory functions. Extensive hearings were held before my Administrative Practice and Procedure Subcommittee and witness after witness urged the establishment of an institutional voice in Government to speak for the unrepresented public. I ask unanimous consent that my statement of February 10, 1970, upon introduction of the public counsel bill, be reprinted in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KENNEDY. The Consumer Advocacy Agency bill before us, I am pleased to observe, picks up many of the elements of my public counsel corporation bill. S. 707 goes further, is more complete, and has my full support.

The principle of the consumer advocate soon gained broad-based support, and committees in both Houses of Congress reported out a consumer protection agency bill during the 91st Congress. These bills, S. 4459 and H.R. 18214, proposed an independent advocate for consumer interests vested in an Office of Consumer Affairs. In addition, a system of grants-in-aid to State and local consumer programs was provided for.

The ensuing events are familiar to all of us. S. 4459 passed the Senate overwhelmingly in 1970, and H.R. 18214 became trapped in the House Rules Committee and never got to the House floor.

During the 92d Congress, the House acted rapidly and drafted H.R. 10835, which was very similar in nature to the bill of the preceding Congress. It passed the full House by a convincing 8 to 1 margin. The Senate, too, considered a new consumer protection bill, S. 3970. I addressed my colleagues on that occasion in support of the Consumer Protection Agency legislation, and the statement I made then is as pertinent today. I ask unanimous consent that it be included in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. KENNEDY. However, on the Senate floor, S. 3970 faced a most unfortunate demise: It was filibustered to death. Three attempts to invoke cloture failed, and for the second straight Congress, parliamentary maneuvers deprived the American people of sorely needed legislation.

Now, in the 93d Congress, we again have the opportunity to provide the American public with a Consumer Protection Agency. Last year the House of Representatives considered a similar bill which was a modified and greatly improved version of previous bills. H.R. 13163 passed the full House by a 293 to 94 vote on April 4 of this year.

And now the bill is again in our court. We have on the floor S. 707, a markedly improved and very comprehensive proposal—the culmination of 15 years at the drawing board and in the hearing rooms. Some of the modifications unique to this version of the bill are:

First, a single Administrator replaces a multimember board or commission as the executive head of the ACA.

Second, the Agency as now proposed is not authorized to intervene in State and local court proceedings, as it was before.

Third, S. 707 places much more stringent controls on the amount of information which the ACA may obtain from other Federal agencies.

Fourth, under the present legislation, the ACA will not represent itself in court, but will be represented by the Justice Department, except in cases involving agencies of the Justice Department.

Fifth, S. 707 guarantees that the views of small businesses will be heard by the ACA before any regulations affecting their services will be instituted.

Mr. President, the bill before us is a strong bill and it is a fair bill. In some ways it could be stronger, but I can certainly understand the balances struck in the development of the legislation. The Commerce and Government Operations Committees have drawn on years of study, research, and analysis and have done an outstanding job of carrying forward the strong facets of previous proposals while seeding out the weaker or harsher ones. Further improvement has occurred by floor amendment during the past few months. The result is a bill which will best serve the interests of the consumers of this country, so that they might obtain the goods and services for which they pay, so that they will not be harmed by faulty products, and so that they might have a greater voice in the formulation of Federal consumer-related policies. At the same time it is fair and considerate of the interests of the business community which may be challenged in regulatory proceedings.

This bill represents 15 years of proposals and developments, but it also represents 15 long years of inaction on the part of the Congress. S. 707 is now long overdue, and we cannot allow it to die another honorless death. The American public needs and wants a strong Consumer Protection Agency. The Congress has a mandate to act from the American people, and in these days when public confidence is at a low ebb, it is a mandate we can ill-afford to ignore.

I commend the leadership of Senators RIBICOFF, MAGNUSON, JAVITS, and PERCY in developing this important legislation. The distinguished Senator from Connecticut (Mr. RIBICOFF) pinpointed the issue before us thusly:

> The basic issue is simple—should the consumer interest be represented within the Federal regulatory process in the same manner as the interest of private business concerns and trade associations? This is not a revolutionary idea. This bill seeks to establish a rough equality for the consumer with the businesses and trade associations which are now well represented. I believe that fundamental fairness to the consumer demands that his economic, health and safety interests be represented just as the interests of General Motors and the pharmaceutical manufacturers are.

In summary, Mr. President, S. 707 would establish an agency for consumer advocacy as an independent, nonregulatory, advocacy agency, designed to represent the interest of consumers before other Federal agencies and courts. The establishment of such an advocate is imperative. Until now the interests of consumers have lacked the effective continuing representation which the other interests have had. This imbalance in representation has resulted in a system which has frequently given the consumers' interests inadequate consideration. There is no substitute for a presentation marshaling the relevant facts as they pertain to the consumer interest and providing vigorous advocacy of suggested conclusions by an advocate independent of the decisionmaking process.

The bill before us would establish a fair and equitable mechanism for representing the interests and the rights of the consumers of our Nation. The time has come for us to cease playing parliamentary games and to act positively on this most important piece of legislation.

I urge the full support of my colleagues for cloture so that the Senate might at last enact S. 707.

EXHIBIT 1

STATEMENT OF SENATOR EDWARD M. KENNEDY UPON INTRODUCTION OF PUBLIC COUNSEL CORPORATION BILL, FEBRUARY 10, 1970

Mr. President, the Federal administrative rulemaking processes reach almost every activity of every American. Children attend federally assisted schools; laborers work on

Federal or federally assisted construction projects or in industries contracting with or regulated by the Government; the Indian, the Alaskan native, the farmer, the disabled veteran, the widow, often rely heavily on Government assistance. The tax system is administered through regulations of the Internal Revenue Service; the meat we eat has been inspected pursuant to Department of Agriculture regulations; the products we buy—food, drugs, appliances, cosmetics, automobiles—are all manufactured and distributed within the framework of rules and regulations worked out by the FTC, the FDA, the Department of Transportation and other agencies of the Federal Government.

Yet how many of the people know of, much less participate in the determination of, the rules and regulations that so vitally affect them? Surely, the Washington law firms specializing in administrative practice follow closely and participate vigorously in any proceeding affecting the interests of their paying clients. But who looks out for the interests of the poor, the consumer, the elderly? Who is their advocate in the decisionmaking process? In fact, until now they have been unrepresented.

At present, practically the only resort for the unrepresented public is to complain to congressional offices, where staff generalists, usually not lawyers, may contact agencies regarding particular constituents or groups of constituents. Yet congressional staffs have neither the time nor resources adequately to handle all matters of administrative decisionmaking "appealed" to Capitol Hill, and often their involvement in administrative proceedings, however well intentioned or casual, creates problems of appearance.

One recent study undertaken for the Administrative Conference of the United States by Prof. Arthur Bonfield examined the extent to which Federal agencies attempt to ascertain the views of one element of the unrepresented public; namely, poor people, with respect to those rulemaking proceedings aimed at or having a substantial impact on them, and the extent such persons participate in those proceedings. The results were not surprising. To begin with, a number of agencies did not even recognize that programs they administered had a substantial impact on the poor. For example, the Department of Agrriculture omitted from its enumeration of programs having a substantial impact on the poor the Rural Electrification Administration programs and the Federal Extension Service programs. In fact, these programs have a major influence on areas where a substantial part of the population is poor.

Even when agencies recognize that their programs substantially affect the poor, Professor Bonfield's study reports that about one-third of these agencies had not attempted to ascertain the views of those affected by the programs, and of the two-thirds stating they made some efforts to ascertain the views of the affected class, the efforts described appeared haphazard, unsystematic, and sporadic. Of those agencies acknowledging that they administer programs substantially affecting the poor, about half reported that no particular groups or organizations had intervened or otherwise participated in their rulemaking proceedings.

Often an agency feels that it has done all that is expected of it when it publishes in the Federal Register notices of proposed rules and regulations and of rulemaking proceedings. Yet, how many television watchers or automobile purchasers can pay the $25 a year for the Federal Register, will read it regularly will recognize a notice of a rule or proceedings by the Federal Communications Commission, Federal Trade Commission, or Highway Safety Administration affecting their interests, and will be able to understand that notice when they focus on it? Most importantly, how many consumers have the expertise, time, and financial ability to represent themselves or obtain counsel to represent their interests before the relevant agency?

Many bureaus and agencies, of course, have advisory panels, groups, or commissions, which are set up by statute or by regulation to assist them in obtaining the views of those outside of Government in a regular and orderly fashion. Yet the presence of a representative of any consumer or lay organization, or minority group, is almost totally lacking on any of these panels. For example, the Federal Communications Commission has a number of advisory committees, manned by representatives and employees of licensees, equipment manufacturers, broadcasters, and the like; but one wonders who advises the agency on the needs, and interests of the radio listeners, telephone users, and television watchers.

This past fall the Subcommittee on Administrative Practice and Procedure published a compilation of responses from members of the major regulatory agencies to a questionnaire I sent to them on citizen involvement and responsive agency decisionmaking. The same theme echoed on page after page. The Chairman of the Civil Aeronautics Board observed that "ordinarily, the Board does not specifically seek out the views of persons who would not otherwise be likely to present their views to the Board." That's a short-hand way of saying that only commercial interests regulated or directly affected are involved in agency decisionmaking. Commissioner Nicholas Johnson of the Federal Communications Commission observed the "citizen participation in the Federal Communications Commission's decisionmaking process is virtually nonexistent." Former Chairman Lee White of the Federal Power Commission wrote:

"On the whole, I believe meaningful citizen involvement in the administrative process is sorely lacking."

And even the Interstate Commerce Commission, which maintained that basically everything was fine in the agency, admitted that citizen participation before that agency is "somewhat limited."

This phenomenon is certainly not limited to the regulatory agencies. How often do aliens participate in rulemaking by the Immigration and Naturalization Service? What input do draft-age men have into the policy formulation of the Selective Service System? How often are passengers represented in ICC rulemaking proceedings? How is the automobile driver's interest represented before the various subagencies of the Department of Transportation? How often is the Indian heard before the Bureau of Land Management or the Bureau of Reclamation?

Obviously no one can insure that the public's voice will be followed in administrative rulemaking proceedings. And it certainly is not a monolithic voice. But presently there is no way we can be sure that diverse segments of the unrepresented public will be given an opportunity to be heard in those proceedings. A number of bills have been introduced in this Congress to give the consumer, the poor, and other segments of the unrepresented public a vehicle through which their interests can be translated into effective representation and channeled through the proper administrative processes to reach Government decisionmakers. Specifically, there are bills to establish a Department of Consumer Affairs, a Utility Consumers Counsel, and in Independent Consumer Council, and to authorize the Attorney General to contract for representation of the poor before Federal agencies. Each approach has its advantages and disadvantages, and many of these have been brought out and will continue to come out in hearings on the bills. We no longer question the need for effective representation of the public interest in the agencies of the Government. We are now searching for the means for more of such representation.

Today, I am introducing a bill to amend the Administrative Procedure Act to provide for the establishment of a Public Counsel Corporation. This bill is based on the premise—reinforced time and again in the studies by the Administrative Conference, in articles and books on administrative law and procedure, and in volumes of testimony before a number of House and Senate committees—that large segments of the American public are not adequately represented in the Federal rulemaking process, and thus that the views of those directly affected by administrative agencies of all types are frequently not heard in the formulation of policy.

There are a number of privately funded organizations, many with offices in Washington, that are now making first efforts at representing before Government agencies segments of the heretofore unrepresented public in specific substantive areas. Examples of these are the Center for the Study of Law and Social Policy, the Center for the Study of Responsive Law, the Washington Research Project, the Citizens Advocate Center, the Citizens Communications Center, the Consumer Federation of America, Action on Smoking and Health, Citizens Board of Inquiry into Health Care, and the Welfare Rights League, to name but a few.

These are beginning to take their place beside the older organizations, for example, the Legal Defense Fund, the NAACP, the ACLU, and the Sierra Club. These organizations have performed and will increasingly perform important functions in representing citizens' interests before Federal agencies. But the demand for such representation far exceeds that which they can on their own supply. They are all dependent on individual contributions or foundation funding, and thus they often have neither the present resources nor the long-range financing to budget complex projects or long-range activities, both of which are necessary for effective participation on administrative proceedings. Thus there remains a huge public representation gap which only public resources can fill.

The Public Counsel Corporation I propose would be a nonprofit Corporation modeled after the Public Broadcasting Corporation, funded by the Federal Government and directed by a board of presidential appointees. The Corporation would be authorized to represent directly or by contract the interests of the unrepresented public in agency proceedings, either on its own initiative or by request of the agency. It could initiate rulemaking proceedings and could represent individuals or groups seeking judicial review or consideration of administrative actions or inactions where the issues involved substantially affect the interests of the unrepresented public.

The Corporation would also serve a clearinghouse function of collecting and disseminating information concerning rulemaking affecting the unrepresented public.

The term "unrepresented public" is generally defined in the bill as "persons or groups of persons whose collective interests are not likely to be adequately represented in regulatory agencies of the United States because such persons or groups lack resources or institutional mechanisms to provide such representation." I believe that the Board of the Corporation can determine the precise substantive areas of involvement based on input from presently existing public interest organizations and on a study of areas where the public is not at present adequately represented by any groups or organizations.

The Public Counsel Corporation cannot insure that Government regulators will consider the needs of the consumer, the poor, the elderly, the minority groups, and other citizens. It is not an exclusive remedy. The Corporation set up by the bill might exist side by side with a Utility Consumers Counsel, or might be incorporated into and utilized to expand the representational elements of the Independent Consumers Counsel.

I hope that hearings on my proposal will bring out not only the value of independent representation of public interests before Government agencies, but how the various proposals currently before Congress can be amalgamated to insure that the processes of Government are opened to widespread public participation.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3434) to amend title 8, United States Code, to provide for the establishment of a Public Counsel Corporation to insure full participation by and on behalf of unrepresented citizens in administrative rulemaking proceedings, introduced by Mr. Kennedy, was received, read twice by its title, and referred to the Committee on the Judiciary.

EXHIBIT 2

STATEMENT OF SENATOR EDWARD M. KENNEDY IN SUPPORT OF S. 3970, 92D CONGRESS, SEPTEMBER 21, 1972

Mr. President, the establishment by Congress of a full-time consumer advocate is long overdue. Through the years our Government has experimented with various methods of promoting advocacy of the consumer's interest within the various agencies and departments, dating back to the Consumers' Counsel established in the Coal Commission in 1935. President Johnson established an Office of Consumer Counsel in the Justice Department in the mid-1960's; recent legislation setting up the Postal Service provided for a public counsel to participate in rate proceedings. The Consumer Protection Agency represents a culmination of decades of these piecemeal efforts, and would build into the federal system generally an independent voice for the interests of the American people as consumers.

Much of the administrative process works in an adversary manner, even when rulemaking is involved. But too often the adversaries all represent special interests vying for a favored position in the marketplace. The interests of big business are never forgotten in proceedings affecting their interests; the Washington lawyer sees to that, perennially subjecting the agencies to lopsided pressures. The large economic blocks in our society can afford to hire agents who keep tabs on agency activities and are alerted usually before actions affecting their interests are initiated. Whether over cocktails or at lunch, or through the Federal Register or trade journals, industry's representatives stands ready to do battle. At hearings they appear with an army of engineers, economists, and other experts—in quadruplicate—to persuade the agency that the public interest or the public convenience and necessity coincide with their position. Yet all the while the voice of the consumer is drowned out by competition of these more particularized interests.

It is no secret that particiularized interests have found effective representation within the structure of the Federal Government. Hardly a day goes by without the newspapers carrying further evidence that the agencies have become captives of the industries they regulate. The Department of Agriculture represents the farmer. The Department of Commerce represents the businessman. The Interstate Commerce Commission represents the carrier. So far, however, the consumer does not have his own, independent, exclusive spokesman.

Last year a study completed for the National Product Safety Commission analyzed the scope and adequacy of the automobile safety, flammable fabrics, toys, and hazardous substances programs of the Department of Transportation, Commerce, and Health, Education, and Welfare. That study concluded:

"To counter industry arguments and institutional constraints limiting vigorous agency action, an independent voice speaking for the generalized consumer interest should be intruded into the administrative process. That voice should be heard in the critical phases of standard setting before specific proposals are published, and later, when formal proposals have been formulated. The ubiquitous presence of the consumer spokesman should stiffen the spine of the most timid official."

At last count, over 50 separate bills had been introduced in Congress to provide, in some manner, representation for the consuming public—often broadly defined—before Federal agencies. All of these would, among other things, give consumers a vehicle through which their interests could be translated into effective representation and channeled through the proper administrative channels to reach Government decisionmakers.

Proposed legislation would have placed this public advocate in a Cabinet-level agency, in an independent agency, in the Executive Office, in the Justice Department, or in an independent public corporation. Each approach had its advantages and disadvantages, and many of these have been brought out in hearings on the bills. In short, the need for a full-time consumer advocacy agency at the Federal level has been well established. After hearings extending over 3 years in various committees, the Consumer Protection Agency established by S. 3970 has been determined to be best designed to meet this need.

I, myself, authorized a bill to create a Public Counsel Corporation—an independent Federal agency to represent the views of the public in administrative proceedings. This bill was one of the first, if not the first, proposal for a strictly advocacy agency, with no regulatory or product-testing functions. Hearings were held before my Administrative Practice Subcommittee and witness after witness brought out the urgent need for the establishment of an institutional voice in Washington for the consumer. I am most pleased to see that the proposed Consumer Protection Agency will be able to shoulder the burdens for which my Public Counsel Corporation was designed; in many respects it is a stronger, more comprehensive bill, and it has my full support.

As has been pointed out on numerous occasions, hundreds of Federal consumer protection activities are spread out among dozens of departments and agencies. Thousands of decisions are made each day affecting every aspect of our lives, while we often stand by wondering whether the Government—our Government—exists of the people and for the people, or whether it merely exists for its own sake. The average consumer does not know who makes the decisions here in Washington, or how they are made. And he is not involved in the process by which they are made. But he knows one thing: those decisions affect him, and he must live with their outcome. The consuming public want to be heard on decisions affecting them, and the decisionmakers desperately need to hear fully and forcefully the views of consumers. But in the past the consumer's voice has seldom reached the decisionmaker, and the quality public regulation and administration has suffered the consequences. The Consumer Protection Agency can fill the void, providing a new, vigorous advocate to assist all government agencies in responding more directly to the real needs of the American public.

Mr. MATHIAS. Mr. President, a vigorous Agency for Consumer Advocacy can begin to redress the alienation that many citizens feel toward their National Government. That so many citizens believe they have no voice in governmental decisionmaking is one of the most serious problems of our society. Unfortunately, this belief is not unjustified. Citizens are effectively excluded from our Government's decisionmaking process. Agency secrecy blocks public access to the background of a decision and raises additional suspicions that the Government acts without full consideration of citizen interests. In many areas—notably Government economic policy—the public has reasonably felt shut out of the most crucial decisions. Now the revelation of widespread political pressure on all levels of government has multiplied feelings of citizen helplessness.

The exposure of political influence on Justice Department prosecutions—such as the ITT antitrust case—undermines public belief that the laws are being equally enforced. When the Government seems helpless to control modern problems like computer data banks, citizens legitimately question its effectiveness. Government has caused this problem and strong Government action is needed to solve it. The Agency for Consumer Advocacy can help to return to Federal decisionmaking the voice of the consumer—that is, the voice of the average citizen. Through active and vocal participation in decisions affecting consumers, it can let citizens know that the Government advocates their interests. It can provide the mechanism for redressing vast consumer grievances, especially important since the recent Supreme Court rulings on class action lawsuits. This new agency is sorely needed if we are to regain that most crucial element of democracy—public confidence that the Government is working for the good of its citizens.

It is for these reasons, Mr. President, that I feel it is of the utmost importance that we vote here today to invoke cloture and break the filibuster on S. 707. I urge my colleagues to do so, and thereby pave the way for further action on this much-needed piece of legislation.

Mr. AIKEN. Mr. President, the Senate is currently considering a bill, S. 707, to establish an independent Consumer Protection Agency. I am concerned about the possible effect this bill could have on the expeditious conduct of administrative and court proceedings.

I am especially concerned the bill not result in any administrative delays which injure farmers, businessmen, and other persons who at times needed decisive and immediate action from the Federal Government.

As I understand it, it is not the intent of the drafters of S. 707 that the Administrator of the Agency for Consumer Advocacy can misuse his powers by creating delays in administrative and court proceedings.

The amendment to S. 707 that I am proposing should clarify this point and prevent the Administrator of the ACA from so misusing his powers. The amendment reads as follows:

On page 40, between lines 16 and 17, insert the following new subsection:

(c) Consistent with his authority under

> section 6 of this Act, the Administrator shall endeavor to expedite any agency action, activity, or proceeding in which he intervenes or participates, and shall not delay any such action.

I have spoken to the chief cosponsors of this legislation and they have assured me that they support this amendment.

My amendment guards against excessive delays at the agency or court level in the following ways:

The amendment to section 22 of the Dole substitute first requires the Administrator to avoid steps which would delay the conduct of proceedings.

It thus makes it absolutely clear that the Administrator of the ACA may not seek to delay agency or court proceedings just for the sake of delay.

To the contrary, the Administrator will be subject, just as any other person, to agency rules or court proceedings designed to avoid delay or to expedite proceedings.

The amendment to section 22 also charges the Administrator with the affirmative duty of doing everything he reasonably can to actually expedite proceedings in which he gets involved.

I would expect the Administrator will always try to resolve matters in which he is involved as quickly as possible, consistent with his duties to represent the interest of consumers.

In addition, my amendment will charge the Administrator with a duty to point out to the agency or the court the ways to expedite proceedings wherever he sees an opportunity for doing so.

He will be under a duty to oppose efforts to unreasonably delay proceedings by other parties including corporate interests, middlemen and speculators.

In connection with this question of delay, I would like to ask a few questions to make sure my understanding of the bill is correct.

Will the ACA be able to exert pressure on an agency by threatening to engage in long administrative hearings, or by threatening to appeal a decision in court if the agency refuses to do what ACA wants?

Specifically, will the ACA be able to so force its views on an agency where that agency must take immediate action on a matter, and consequently, cannot afford to be slowed down by any legal action the ACA might take?

Mr. JAVITS. First of all, an agency has a number of ways to assure the expeditious completion of its hearings under its powers to regulate hearing procedures.

Because of this fact, ACA threats to delay proceedings would not have much effect on the agency.

Second, a number of agencies are empowered to take immediate action on a temporary basis, pending completion of the administrative process.

For example, if the Federal Power Commission does not complete its review of a proposed new rate schedule within 5 months, the rate schedule goes into effect anyway and remains in effect until agency review of the matter is completed (16 U.S.C. 824(d)).

If the ACA seeks to challenge a proposed hike in the price of natural gas it would not be able to block the price rise simply by delaying final agency action on the matter.

Third, where speed is of the utmost importance, a court reviewing an agency's proceedings can take steps to resolve the matter as quickly as possible.

Under the circumstances, the threat of a possible appeal by ACA unduly delaying proposed action the agency must take quickly should not be a matter of great concern to the agency involved.

Finally, the only way the ACA would be able to block immediate agency actions in other cases where an agency feels immediate action is necessary is by obtaining a court order staying the proposed action.

It is not the intent of the sponsors of S. 707 that the ACA could, regardless of the circumstances, obtain a stay of the agency action pending a review of the matter on its merits.

It will be up to the court to decide whether a preliminary injunction should be issued pending review of the agency action.

The law is clear that unless there is a specific statutory provision to the contrary, such stays may not be granted if issuance of the stay would cause such serious or irreparable injury to others as to be contrary to the interests of justice.

The ACA would be entitled to obtain such a stay only if it made a strong showing that it would ultimately win its case and that it is more in the public interest to have the stay granted than if it were not granted.

A number of cases, including *Abbott Laboratories* v. *Gardner*, 387 U.S. 136; *Eastern Air Lines* v. *CAB*, 261 F. 2d 830 (2d Cir. 1958); and *Associated Securities Corporation* v. *SEC*, 283 F. 2d 773 (10th Cir. 1960) have made it clear that such requests for stays should be refused under a variety of circumstances.

A provision of the Administrative Procedure Act (5 U.S.C. 705) is a statutory recognition of this case law.

It would be as fully applicable to ACA as any other party that seeks to stay agency actions.

In the *Abbott* case, the Supreme Court stated:

> The institution of this type of action does not by itself stay the effectiveness of the challenged regulation. There is nothing in the record to indicate that petitioners have sought to stay enforcement of the . . . regulation pending judicial review. . . . If the Agency believes that a suit of this type will significantly impede enforcement or will harm the public interest, it need not postpone enforcement of the regulation and may oppose any motion for a judicial stay on the part of those challenging the regulation . . . It is scarcely to be doubted that a court would refuse to postpone the effective date of an Agency action if the Government could show, as it made no effort to do here, that delay would be detrimental to the public health or safety.

Mr. AIKEN. Let me take a hypothetical example.

Suppose a Federal agency issues an order pertaining to the production, harvesting, processing or marketing of perishable fruits or vegetables.

Could ACA appeal that decision to the court and thereby prevent farmers from handling their crops until the appeal had been decided, even though such a delay could result in the crops spoiling?

Mr. JAVITS. There is no way this could happen.

A court could not grant a stay if it would result in farmers seeing their crops jeopardized.

This is just the kind of irreparable injury which would require the court not to grant a stay.

Mr. AIKEN. I would like to ask the Senator whether it is his understanding that under the bill, as clarified by my amendment, the new Agency will be under a legal obligation not to misuse its powers by unnecessarily delaying Agency actions?

Mr. JAVITS. This is certainly the case. It was never the intent of the sponsors of S. 707 to permit the ACA to disrupt normal agency or court procedures.

I wish to commend the senior Senator from Vermont for introducing his proposed amendment.

It is a very useful and important amendment which should make the legislative intent on this matter absolutely clear.

Speaking for myself and Senator PERCY, Senator RIBICOFF, Senator DOLE, and Senator MAGNUSON, I can say we wholeheartedly support the amendment and hope it will be adopted by the Senate.

Your amendment makes it clear that the ACA may not act in a way designed simply to delay agency or court proceedings. Quite to the contrary, the Administrator will be charged with the affirmative duty of trying to expedite procedures in which it is involved in every reasonable way possible.

Furthermore, section 6(a)(2) of the Dole substitute specifies that when ACA intervenes in an informal agency proceeding, it must do so "in an orderly manner and without causing undue delay."

Mr. AIKEN. What measures can an agency take under the bill, as amended, to make sure that ACA does not just become an instrument for delay?

Mr. JAVITS. The specific measures an agency is empowered to take to prevent ACA from delaying procedures are numerous.

For example, an agency can require ACA and other participants to introduce any testimony they have in written form rather than in oral form. Among the provisions to which the ACA will be subject which provides for such procedures are the Administrative Procedure Act (5 USC 556(d)) and the rules of the Federal Power Commission (18 CFR sec. 1.22(b)) and the Interstate Commerce Commission (49 CFR sec. 1100.77).

The agency can prevent hearings from taking time-consuming recesses, and it can establish accelerated schedules for briefing or for oral argument where necessary.

It can make sure that in order to avoid unnecessary delay the evidence the ACA introduces, and the questions it asks on cross-examination, are relevant and material and neither repetitive nor merely cumulative of what has already been said. See for example 5 U.S.C. 556(d) and the Food and Drug Administration rules (21 CFR sec. 2.81).

It can limit the number of witnesses that may be heard on a particular issue. See for example the FPC rule (18 CFR sec. 1.20(i)) and the Interstate Commerce Commission rule (49 CFR sec. 1100.76).

Where the parties are especially numerous, the agency can require parties with common interests to select one attorney among them to conduct the cross-examination.

The agency can rigidly control the length and extent of pretrial discovery permitted the ACA and other parties before the agency proceedings actually start.

It can force the ACA and other parties to the proceeding to agree before the start of hearings what issues are in dispute, what issues are not in dispute, what facts can be stipulated, and what facts are in dispute. See, for example, the Administrative Procedure Act (5 U.S.C. 556(c)(6) and the rules governing stipulations and prehearing conferences in Federal Power Commission hearings (18 CFR sec. 1.18; 1.25).

Under the procedures already followed by some agencies, such as the Federal Trade Commission, summary judgments may be issued without a time-consuming hearing where there is no material dispute about the facts of the case (16 CFR sec. 3.24).

Interlocutory appeals can at the same time be carefully limited to prevent unnecessary delay in the proceedings. See for example, the Federal Trade Commission and the Federal Communications Commission rules (16 CFR 3.23(b) and 47 CFR 1.301(b)).

Many agencies permit a hearing examiner to bar a person from the proceedings if he repeatedly adopts dilatory tactics. The Food and Drug Administration provides for this, for example, see 21 CFR 2.62. The ACA would be just as subject as any party to the terms of this regulation.

Agencies are authorized to take these and other similar measures to control ACA's participation by provisions in S. 707, as well as other laws which will apply.

Section 6(a) of the Dole substitute states that when the Administrator participates in agency proceedings it must comply with all agency statutes and rules of procedure of general applicability governing the conduct of such proceedings, and the participation of parties in such proceedings.

Further, section 6(i) directs each Federal agency to issue whatever additional procedural rules are necessary to assure that ACA participates in agency activities in an orderly manner. Finally section 6(a) imposes on an agency the responsibility for assuring that the ACA's participation in a proceeding shall not deny other parties procedural fairness.

General agency regulations would also endorse wide use of such measures as I have already mentioned as a way to expedite proceedings in which ACA is involved.

The ACA will be subject, for example, to the regulation governing Federal Trade Commission proceedings (16 CFR 3.42(c)) which requires the administrative law judge "to take all necessary action to avoid delay in the disposition of proceeding." The regulations grant the judge all powers necessary to achieve that end. The Interstate Commerce Commission regulations specify that the rules of evidence shall be applied in such a way as to assure "that needful and proper evidence shall be conveniently, inexpensively, and speedily produced, while preserving the substantial rights of parties" (49 CFR Sec. 1100.75).

Agencies and courts have long been aware of the need to regulate public participation in its proceedings so that agency activities are not unduly delayed. The courts have pointed out that when additional, interested persons intervene in agency proceedings, the agency can avoid undue delays by adopting procedural rules of the type I have just described. See, for example, *Virginia Petroleum Jobbers Association* v. *FPC*, 265 F.2d 364, 368-8. (D. C. Cir. 1959).

Because S. 707, other statutes and agency rules permit an agency to take the necessary steps to expedite its proceedings, I am confident ACA involvement will not hinder an agency's effectiveness through delay or other means.

Mr. AIKEN. Can the Administrator participate or intervene in an agency proceeding to prevent others from delaying action. In other words, can he intervene to speed up an agency decision?

Mr. JAVITS. S. 707 provides the Administrator the authority to intervene or participate in agency proceedings, or activities when he determines a substantial consumer interest is involved.

The Administrator may well find that the paramount consumer interest is for the agency to reach a decision promptly.

Your amendment would also empower the Administrator to work to expedite an agency activity once he does intervene or participate.

So, the Administrator has a dual responsibility, as you have underscored, to both avoid actions of its own which produce delay, and to oppose delaying actions of others.

Mr. AIKEN. The goal of this legislation is to assure that the consumer has representation before business and Government.

My second amendment would assure that this representation covers all Government activities. As it now stands, the Administrator may represent the consumer and consumer interests before Federal agencies and the courts. Left out is the Congress, except for his responsibility to keep appropriate congressional committees advised as to the activities of his agency.

My second amendment would give the Administrator the authority as long as he is requested by one member of the committee, to appear before any congressional committee and on any consumer issue.

This amendment would assure the consumer of having a voice in the activities of one branch of the Government which affects him in every way in his every day life, and it reads as follows:

(1) On page 10, line 6, strike out all after line 6 and insert in lieu thereof "Federal agencies, courts and the Congress to the extent authorized by this Act".

(2) On page 11, line 5, before the semicolon, insert "and when requested by a member of the Committee, may personally appear before any Committee of the Congress on any consumer issue".

DISAPPROVAL OF ALTERNATIVE PLAN FOR PAY ADJUSTMENTS FOR FEDERAL EMPLOYEES

The Senate continued with the consideration of the resolution (S. Res. 394) disapproving the alternative plan for pay adjustments for Federal employees.

The **PRESIDING OFFICER.** Under the previous unanimous-consent agreement, the hour of 12:45 having arrived, the Senate will proceed to vote on Senate Resolution 394, which the clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 394) disapproving the alternative plan for pay adjustments for Federal employees.

Mr. **MANSFIELD.** Mr. President, I ask for the yeas and nays.

The **PRESIDING OFFICER.** Is there a sufficient second? There is a sufficient second. The yeas and nays are ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. **ROBERT C. BYRD.** I announce that the Senator from Arkansas (Mr. FULBRIGHT) is necessarily absent.

The result was announced—yeas 64, nays 35, as follows:

[No. 413 Leg.]

YEAS—64

Abourezk
Aiken
Allen
Bayh
Beall
Bentsen
Bible
Brooke
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Church
Cranston
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fong
Gravel
Hart
Hartke
Haskell
Hathaway
Hollings
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pell
Proxmire
Randolph
Schweiker
Sparkman
Stennis
Stevens
Symington
Talmadge
Tunney
Weicker
Williams
Young

NAYS—35

Baker
Bartlett
Bellmon
Bennett
Biden
Brock
Buckley
Chiles
Clark
Cook
Cotton
Curtis
Fannin
Goldwater
Griffin
Gurney
Hansen
Hatfield
Helms
Hruska
Huddleston
Mansfield
McClure
Nunn
Pearson
Percy
Ribicoff
Roth
Scott, Hugh
Scott,
  William L.
Stafford
Stevenson
Taft
Thurmond
Tower

NOT VOTING—1

Fulbright

So the resolution (S. Res. 394) was agreed to.

Mr. **ROBERT C. BYRD.** Mr. President, may we have order in the galleries and in the Chamber?

The **PRESIDING OFFICER.** The galleries will be in order.

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY

The Senate continued with the consideration of the bill (S. 707) to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

The PRESIDING OFFICER. Under the previous unanimous-consent agreement, the Senate will now proceed to debate the motion to invoke cloture on S. 707 for an additional one-half hour.

Who yields time?

Mr. ALLEN. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order. The galleries will be in order.

Mr. ALLEN. Mr. President, I yield myself 5 minutes.

We now approach the time for decision with respect to S. 707; and, in effect, the vote is going to be an up-and-down vote—a vote in favor of an agency for consumer advocacy, or consumer protection, as the case may be, or a vote against it.

We really approach an anomalous situation. Ordinarily, a cloture vote is taken for the purpose of shutting off debate, ending debate. But I submit that in this case a vote for cloture is a vote to continue the debate. That comes about by reason of the fact that this is the fourth vote we have had in the Senate seeking to invoke cloture—that is, cutoff debate—on S. 707.

The majority leader has decreed and all sides have accepted the fact that this is to be the last vote on cloture on this bill in this session of Congress. Ordinarily, as the Senator from Alabama recalls, a cloture vote has been had only three times, and then the bill would be drawn down by the majority leader. This time, the majority leader, following his uniform spirit of fairness, has decreed that there will be a fourth vote. I do not know whether it is an unprecedented fourth vote, but it is certainly an unusual fourth vote on a cloture motion.

So, Mr. President, a vote against cloture is a vote to end debate. A vote in favor of cloture will continue the debate, as provided by rule 22, for many hours, possibly even many days, because each Senator has an opportunity to speak for at least an hour, and there is opportunity for a vote on many amendments, many motions. Frankly, if the opponents of the measure were so minded, the debate could continue for days and days and days, if the opposition to the bill saw fit to take that action.

So the way to end the debate is not to vote for cloture; it is to vote against cloture. That would bring this bill down. If cloture fails, the bill will be withdrawn, it will be defeated, and then doubtless an effort will be made to come up with a better and perfected bill at the next session of Congress.

Apparently, from all accounts, this bill is showing improvement from time to time; because the 1971 bill, the one that was considered in the House in 1971—it passed the House and died in the Senate—was denounced by the chief consumer advocate as being a fraud on consumers. It has been changed, as has been stated by the Senator from Connecticut, some 69 or 67 times since then.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLEN. I yield myself 3 additional minutes.

Mr. President, I do not think anything would be lost by consumer advocacy if cloture is defeated.

I read in the news media and hear in the media that this issue is going to be decided by some five uncommitted Senators. How can there be five uncommitted Senators when we have already had three votes on this issue? How would a Senator be considered to be uncommitted after having voted three times?

So if all Senators who have been voting against bringing this debate to a close will stand firm, the bill will be defeated.

I also note in the media that some of the Senators—the so-called uncommitted Senators—are also referred to as wavering Senators. I do not believe we have any wavering Senators, waffling Senators. I believe that the Members of this body stand on their convictions. I do not believe they could waver by the persuasion of the siren voice of the advocate of the proposed legislation.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLEN. I yield myself 1 additional minute.

I also hear that various Senators have offered amendents they want to use to crack the ice on this stalemate. The distinguished Senator from North Carolina earlier today pointed out the analogy between the Senators who want amendments, who say they will vote for cloture if their amendments are accepted, and one of Aesop's fables.

It is the story of the lions who had a den and invited all the denizens of the jungle to visit them in their den. There were many tracks going into the den, but none coming out. If these amendments are accepted in the Senate and go to conference, we will see very few, if any, of them coming out of conference.

We hear a manager of a bill say on the floor of the Senate, "We will accept that amendment and take it to conference." We all know that that is the last of the amendment.

I hope that these so-called wavering Senators will not be wavering Senators.

I reserve the remainder of my time.

Mr. RIBICOFF. Mr. President, I yield 3 minutes to the Senator from Kansas.

Mr. DOLE. Mr. President, I have listened with great interest to my distinguished colleague from Alabama. As I view it, today we are going to conduct a very historic fourth cloture vote on the Agency for Consumer Advocacy bill.

I sincerely hope that every Senator here will consider the merits of this bill, making what he considers to be the proper judgment. And in an effort to demonstrate that there are those of us who can have honest convictions—and then have just as honest a change of opinion—I should like to make it clear that if cloture is invoked, the pending matter will be the so-called Dole substitute.

Although I recognize that in the eyes of some there may yet be some weaknesses in the proposed substitute, I would hope that each of my colleagues will take note of the very significant and meaningful changes. Foremost among these, of course, is the basic element of the compromise measure which places the Administrator of the ACA in substantially the same legal position as private parties before the Federal agencies and courts.

This conforms with the principle of parity which was so badly lacking in the original version of S. 707. It is also among the recommendations for improvement which have been made by the administration.

My substitute—which has been cosponsored by the original proponents of S. 707—is based on the House-passed bill, H.R. 13163. But it also incorporates all the best provisions of the Senate bill as well.

It includes numerous safeguards for business; it adopts the House language with respect to Federal labor proceedings; and it requires the ACA to protect the interests of farmers when they stand in the role of consumers. This it does by insuring that there will be consultation with farmers to take into account their special needs when formulating policy.

I believe the substitute is a well-balanced measure and a very acceptable compromise. It has resolved most of the major objections expressed by the administration as well as those advanced by many concerned individuals in business and agriculture.

Only those in this Chamber can resolve the final question, however, and I firmly believe the time has come: after so many years of hard work and consideration—to commit ourselves to act affirmatively on consumer protection legislation.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

The Senator is recognized for 1 more minute.

Mr. DOLE. Thank you, Mr. President. As I have indicated, I am well aware that there are some strong views about the necessity and propriety of this bill. But as I travel around my State of Kansas, one of the most frequent questions I am asked is, "What are you doing about inflation? What is the Congress doing about inflation?"

I might suggest—even though there are some who would disagree—that perhaps the Agency for Consumer Advocacy could be of some help to consumers in their individual fights against inflation. For when a person is involved with some Federal agency—whether it be the CAB, the FEA or USDA—a representative of his interests might be able to have some impact on the economic considerations which are important to him.

Finally, Mr. President, in an effort to summarize my views on this matter, I would like to call attention to a letter which I sent to President Ford on August 23. I believe it sets forth rather clearly the differences between the original Senate bill and the substitute which I developed with the original sponsors, and ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., August 23, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The Senate has been considering since July 16 legislation to create the Agency for Consumer Advocacy. As you know, final approval has been blocked by a filibuster.

In an effort to meet remaining concerns about the nature of the proposed agency, I introduced on August 20 a new compromise bill which in its key provisions is close to the House-passed consumer bill. My substitute bill is supported by all the chief sponsors of the original Senate bill, S. 707. As a result, the Senate has scheduled, for only the third time in its history, a fourth cloture vote on September 19.

I hope that you will give careful consideration to supporting this legislation now that a broad based compromise has been reached.

My initiative is based on the House-passed bill, H.R. 13163, which itself was a compromise between two other bills in the House Government Operations Committee. Those bills were the Brown-Fuqua bill, on the one hand, and the Rosenthal bill on the other. By confining the agency to an entirely *amicus* status, the Brown-Fugua bill would have given the agency even less power than private parties have to advocate their views before the courts and Federal agencies. This *amicus* approach would thus result in no real improvement over current representation of consumer interests within the Federal government. At the same time, the Rosenthal concept, bordering on establishment of a miniature Department of Justice with its own investigators, independent interrogatory powers and other excessive authority, was no more acceptable. Neither approach was acceptable to the House Committee or to a majority of the House, and would not be acceptable to a majority of the Senate either. The compromise position was, and is, the principle of parity.

The Dole substitute adheres to the compromise principle of parity which was supported in the House in 1972 and again in 1974. This parity principle places the Administrator in the same legal position as private parties before Federal agencies and courts. My substitute represents an even further compromise between the bill worked out in the House and the Senate bill. It retains changes made in the Senate bill as a result of several months of negotiations between the Senate sponsors of S. 707 and representatives of the Office of Mangement and Budget. Further, my bill meets other key objections subsequently raised by the Administration. As a result, my compromise cuts back considerably on the powers granted to the agency in the original version of the bill considered by the Senate.

The key elements of the Dole substitute are:

1. Interrogatories. Previously, the Senate bill permitted the agency to submit requests for information directly to private businesses. My substitute limits the agency to submitting requests through the auspices of a host Federal agency. This will assure that only requests conforming to the statutory authority of both the ACA and the host agency are sent out.

2. Subpoena Power. The Senate bill would have permitted the ACA to request use of an agency's subpoena authority when it submits views in informal agency proceedings. The Dole compromise deletes this subpoena power.

3. Removal for Cause. The Senate bill would have provided that the ACA Administrator be subject to removal only for "inefficiency, neglect of duty, or malfeasance in office". The compromise deletes this limitation and restores the normal removal of the President.

4. Independent Submission of Budget. The Senate bill would have required the ACA to submit its proposed budget to the Congress at the same time it is submitted to OMB. The Senate bill would also have permitted the agency to submit any legislative proposal it might have directly to Congress without first submitting the proposals to OMB. My compromise deletes these provisions and restores the normal review functions within the Executive.

These changes meet the chief objections posed by Mr. Roy Ash, Director of OMB, in his letter of May 15 concerning the original Senate bill to Chairman Sam Ervin.

My substitute, based on the best features of the House bill, is an amalgam incorporating additional safeguards for businesses which were added for the first time during Senate consideration of the legislation.

Among the safeguards are the following:

1. The exemption from the interrogatory section for small businesses.

2. The provision requiring the ACA to consult with small business and to take their special needs into account when setting policy.

3. The provision denying the ACA the right to be present when other interested persons appear before the agency in connection with informal agency activities.

4. The bar against the ACA using its information-gathering powers to obtain prosecutorial recommendations from other agencies.

5. The bar against the ACA obtaining from other agencies data from bank examination reports which would constitute an invasion of an individual's personal privacy.

6. The wording providing for the expiration of the agency's authorization at the end of three years.

7. Protection against public disclosure of complaints submitted to the agency on a confidential basis by members of the public.

Because of my concern about the effect of the act on farmers, the compromise contains additional provisions on agriculture not in either the House or Senate bill. An addition to Section 17 requires the ACA, in its efforts to lower food prices, to consider the income needs of farmers. Amendments to Sections 5 and 15 expand the definition of consumers to include farmers, and specifically direct the agency to assure that farmers can obtain at a pair price the goods and services they need. This should benefit farmers and consumers as well.

The shape of the final compromise also reflects in a number of ways the fruits of the discussions sponsors of the legislation have held over many months with Administration officials. A number of important changes were made as a result of these discussions.

These include (1) deletion of the provision creating a separate Council of Consumer Advisors, (2) deletion of the provisions authorizing the agency to intervene in state or local agency or court proceedings, and (3) deletion of the provision authorizing grants to state and local agencies to promote consumer interests and education. A significant number of important technical changes in the wording were also made at the request of the Administration.

It is encouraging to me that my substitute is similar to concept to a measure which passed the House in 1972 with your endorsement. My substitute and the 1972 House measure both rely upon the principle of parity as a basis of legislative compromise. My substitute thus takes the best from four year of legislative history and would result in a Consumer Advocacy Agency which would assure a fairer balance among the interests represented before Federal agencies.

The Consumer Advocacy Agency would help in the fight against inflation by making known the impact upon consumers of increased Federal spending or higher prices. The contributions the agency could make in this area will far more than justify the cost of its very small budget.

I very much hope you can support the efforts of a majority of the Senate to pass legislation creating a Consumer Advocacy Agency.

Sincerely yours,

BOB DOLE,
U.S. Senate.

Mr. DOLE. I want to close by underscoring again what I consider two of the major safeguards in this bill; that is, the exemption from mandatory interrogatories for small businesses, and the provision requiring the ACA to consult with those businesses, and take into account their special needs in establishing policy.

With that, Mr. President, I yield back any time which I may have remaining.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ALLEN. I yield 1 minute to the Senator from North Carolina.

Mr. ERVIN. Mr. President, unlike the distinguished Senator from Kansas, I cannot see any substantial difference between the original bill and the substitute. The distinction between Tweedledum and Tweedledee is as wide as the gulf which yawns between Lazarus in Abraham's bosom and dives in hell, as compared with the difference between the original bill and the substitute bill.

The PRESIDING OFFICER. Who yields time?

Mr. RIBICOFF. I yield 3 minutes to the senior Senator from New York.

Mr. JAVITS. Mr. President, the coming vote is not a test for the Consumer Protection Agency bill, it is a test for the Senate because, Mr. President, the question is whether the Constitution is amended so that one-third of the Senate decides whether we shall legislate or not legislate.

It has always been said here that when an overwhelming majority of the Senate wants something, it is going to get it. Well, Mr. President, 64 Members out of 100 want this bill. Certainly we shall see now whether the Senate is able to vote its will or whether it is tied up in its own bureaucracy and its own rules so that it cannot.

Mr. President, I welcome very much the words "I am persuaded." I think they are the proudest words in the language. I wish to commend the remarkably statesmanlike action of Senator DOLE and other Senators—I do not want to name them, because that might in some way anticipate their vote and they may change their view. But our effort, Mr. President, has certainly been to make this legislation a better bill. It has been to make this a piece of legislation in which the men who are going to support it now on this vote can have confidence.

I think, Mr. President, it is epitomized best by the statement of ABC commentator Howard K. Smith last night: "It will have no special power," he says of the Agency, "except to ask questions about goods and prices and argue for the consumer."

That is it, period. It will be the job of those of us who fought so hard for this bill and for the entire Congress to monitor this agency to see that that particular commitment—and I consider it a commitment—is performed.

I again wish to commend my colleagues who have worked so hard to achieve success in our long effort to create this agency—in the face of an extraordinary lobbying effort on the other side. Senators RIBICOFF, PERCY, MAGNUSON, and CRANSTON have done an outstanding job. I repeat that Senator DOLE's compromise amendment was critically important.

Finally, Mr. President, this is the age of the consumer. Ours is a consumer society. While it is a fact that every department and agency is supposed to look after the public, the fact is that what is the job of many is the job of none, and that is the way it has worked. We are consolidating many important consumer activities of the Government in this agency and creating a strong voice for the consumer.

Mr. President, I hope very much that this is that happy day for the millions of American consumers. I hope that after 5 long years of debate and delay, a majority of the Senate will prevail, and there is no question about the fact that the millions of Americans who are consumers will prevail, too.

I thank my colleague for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, how much time remains to the Senator from Alabama?

The PRESIDING OFFICER. There are 5 minutes remaining.

Mr. ALLEN. I yield 3 minutes to the distinguished Senator from Ohio (Mr. TAFT).

Mr. TAFT. Mr. President, I wish to make a few comments on the remarks of the distinguished Senator from Kansas with regard to the amendment No. 1817 to which he refers. I am sorry he is not on the floor at the moment, but I think the distinguished Senator from North Carolina has made the point very well of what is likely to happen to that amendment if it even gets so far as the conference. I view it as sort of a nice, fat water buffalo wandering into that lion's den. I do not think the tracks are going to be coming back out again.

Even if it should come back, let the Senate not be deluded about the effect of the so-called Dole substitute. It is still subject to the same objection, that it rejects the basic premise that those who have a duty to act for the public, the consumer, which is everybody in the regulatory agencies—the FTC, the FPC, the ICC—all of these agencies have a duty not only to act for the consumer but for the entire public.

When the distinguished Senator from New York says that we are going to wrap all consumer protection into one agency, Lord help us if that is true. The fact of the matter is that every public agency we have ought to be worrying about the consumer. If they are not, it is our duty to straighten it out to see that they do worry about the consumer.

Moreover, the compromise would still limit the President's removal power. The compromise would still limit the Presidents removal power over the single ACA administrator to the grounds reserved for the multimember regulatory agencies those being inefficiency, neglect of duty or malfeasance in office. (Sec. 3(a).)

The President effectively has no control over this man.

The bill would retain the right to intervene as a party in any Federal agency proceeding whenever the Administrator of the ACA determines that the result of the activity may substantially affect an interest of consumers. This, as I indicated at great length earlier in the discussions on this bill, I think would paralyze the regulatory agencies.

Moreover, the compromise still contains an interrogatory function for the ACA which Senator DOLE claims is no longer independent. He says it is derivative, and interrogatories must be submitted through the Federal agency involved.

The compromise empowers the ACA to seek enforcement proceedings of the Agency's refusal to transmit interrogatories.

The bill continues to contain certain unconscionable, I think, exemptions by taking the House bills exemption provision, deleting the exemptions for national security and intelligence functions of the State Department, and adding the current exemptions for labor and TV broadcasters that appear in S. 707. (Sec. 17.)

For all these reasons, I do not believe the bill is the answer in that it does not do away with many of the deficiencies of the bill.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. How much time does the Senator from New York desire?

Mr. BUCKLEY. A minute and a half.

Mr. ALLEN. I yield to the Senator from New York.

Mr. BUCKLEY. Mr. President, I rise again in opposition to what I think is undoubtedly the best-intended but most ill-considered legislation to come before the Senate in the 4 years I have been privileged to be a Member of this body. We have legitimate complaints that consumer-oriented agencies have not been working. What we should do is see that they do work and not try to cover up the whole situation by adding a superlayer that will do nothing but slow down the process, increase costs, limit consumer choice, and, furthermore, mislead the consumer into believing that some general protections will be afforded.

I believe this bill will be seen as nothing short of consumer fraud. We have to understand that there is no such thing as a single consumer interest. Any one of us here, in looking for an automobile, will be looking for safety, or size, or gasoline economy, or some other aspect. To try to pretend that it is possible for one individual to act as the overall czar in determining what is best for each one of us is to try to hope for the impossible.

I believe, Mr. President, that the Senate can best serve the interests of the American people by allowing the debate to continue, so that we may return next year and do something that is sensible, something that will in fact help the consumer, something that will not create an administrative morass that will paralyze our procedures.

Finally, Mr. President, I want to say that I have made a careful analysis of the so-called compromise substitute submitted by the Senator from Kansas (Mr. DOLE).

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BUCKLEY. It does nothing, Mr. President, to change of correct the abuses that have so frequently been cited in this body.

The PRESIDING OFFICER. Who yields time?

Mr. RIBICOFF. Mr. President, I yield the remainder of my time to the Senator from Illinois (Mr. PERCY).

Mr. PERCY. Mr. President, I should like to begin by saying I am very grateful indeed for the wonderful help and support that a great number of enlightened businessmen have given to the proponents of this legislation. Further, I commend Virginia Knauer, the President's Assistant for Consumer Affairs, and another wonderful woman—Mrs. Esther Peterson of Giant Foods—for their untiring efforts. I also commend the principal sponsors who have joined me, and whom I have joined, in this effort—namely, the Senator from Connecticut (Mr. RIBICOFF), the Senator from New York (Mr. JAVITS), the Senator from Washington (Mr. MAGNUSON), the Senator from California (Mr. CRANSTON), the Senator from Kentucky (Mr. COOK), and the Senator from Utah (Mr. MOSS)—for their unending work on behalf of this most important piece of consumer legislation ever to be before the Congress.

And, I wish to express my deep appreciation to several colleagues on this side of the aisle for the spirit of compromise in which they have worked to further the interests of the proponents of this legislation, to meet objections, and in support of the legislation. At the head of that list, because of his yeoman efforts on behalf of consumers throughout America is the Senator from Kansas (Mr. DOLE), who has done such an outstanding job. But there are many others, such as the Senator from New Mexico (Mr. DOMENICI), the Senator from Alaska (Mr. STEVENS), the Senator from Vermont (Mr. AIKEN), both Senators from Maryland (Mr. MATHIAS and Mr. BEALL), and others, who have helped immeasurably.

Mr. President, I cannot believe that, at this late date, any of my colleagues could possibly be taken in by the argument advanced by the opponents of this bill that there has been too little time to debate its merits. We have now had Consumer Protection Agency legislation before the Congress for almost 6 years.

We have had this particular piece of legislation in the Senate since mid-July, and yet today, 2 months later, the opponents are still asking for more debate on the bill.

If we permit that, the bill will have been killed by too much talk about there not having been enough talk.

The time for talking is over. It is now time for action. Whoever was misled earlier by claims that more time was needed to discuss this measure should now see clearly that there has been a deliberate attempt by the opponents to avoid any such discussion of the merits. The sponsors have time and again attempted to have amendments dealt with in due course, but instead the opponents have done everything possible to see to it that those amendments could not be taken up.

And so, what we have is a small group of Senators, backed by one of the most powerful and lavishly financed lobby efforts ever seen on any piece of legislation, frustrating the will of the large majority of the Senate of the United States. They are able to make a laughing stock out of the Senate by completely tying its hands under the pretense that the public interest is served by idle chatter and by the unenlightened and uninformed nature of it.

Some of my former colleagues in business, as of this morning, were phoning me, urging that I vote against this legislation. I know that many of them have not read the bill. I know they are not familiar with its provisions. Yet they were telling me, one of the principal sponsors of the bill, after 4 years of work, to vote against it.

I have spoken to a number of heads of businesses appearing in my office, and in committee sessions, on this legislation. Upon asking them to describe the details of the bill they were speaking against, they have become silent. It is in light of these experiences that I especially appreciate the efforts of those business leaders who have worked with us to give us a finely balanced bill, which is not anti-anything—a bill that I can defend without any qualms.

Have we not had enough of idle chatter? Have we not had enough of long-winded, tiresome, and inaccurate characterizations—even within the last half hour on the floor of the Senate—of what the Agency for Consumer Advocacy is all about?

It is past time to restore dignity to this body by permitting it to discuss and debate the merits of this bill, which is only possible after cloture is voted. It is past time to let the public interest take precedence over the narrow special interests which have combined to literally line halls of the Senate office buildings over the past several weeks with the big-money lobbys that have mispresented this bill from the outset.

Shall we not, once and for all, permit the American consumer to have a voice in the day-to-day deliberations of Government agencies and Federal courts as to matters which affect the fundamental health and safety, and the pocketbooks of each and every buyer of goods and services? Shall we not attempt, through this legislation, to mark the beginning of the end of consumers being taken for a ride and robbed of their dignity and dollars? Shall we not give consumers an equal chance to have their fair say, to express their deeply felt grievances, as to poor quality goods and services? as to bait-and-switch merchandising? as to deceptive packaging? as to misleading warranties and guarantees? as to false and fraudulent advertising?

And shall we not, permit consumers to have a mechanism within Government to express their views and to voice their legitimate concerns as to the cruel inflationary pressures which are preventng consumers from buying or building homes, which are impeding consumers from obtaining needed credit, and which are ravaging the dearly held savings and fixed-income pensions of so many Americans. There can be no more pressing concern, no greater priority, to which the ACA should address itself at this time.

This is what the legislation before us today is all about. And all we are asking of our colleagues to do is to summon up enough fortitude and enough muster to say to the opponents of the bill: prove your case. Only by voting to end this deathly filibuster can we begin to truly deal with the legislation on its merits.

Or, to put it another way, only by tolerating this travesty that argues for more talk, will we succeed in corroborating the view which so many Americans now hold that the Congress is unworthy of respect. For to engage in such obvious sham—to permit a small minority to utterly frustrate the will of the majority of this body and of this country—we will have only corroborated the worst-held fears of many. And in the process, we will have dashed the hopes of so many citizens who thought that, after Watergate, the Congress would initiate steps to reform the agencies and institutions of Government to make them more responsive to the public interest.

An Agency for Consumer Advocacy would do just that. It would make sure that those agencies which we have set up to be the watchdogs of the public interest no longer merely persist as lap dogs for private interests.

As a result of the outstanding efforts of so many of our colleagues, we now have a delicate, refined, balanced measure which is fair to consumers and business alike. To accede to the arguments of the opponents now, is to denigrate the legislative process by which this excellent legislation was arrived at. I know of no better way to frustrate the hopes and spirit of so many Americans—outstanding businessmen and consumers alike, who have rallied to the support of this measure—than to prevent an open and honest debate on the merits of S. 707 by failing to vote cloture at this time.

As I have emphasized time and again, an Agency for Consumer Advocacy would begin to redress the imbalance in the regulatory process which permits the voices of special interests and big money to silence the voices of consumers.

An Agency for Consumer Advocacy would afford consumers a voice in dealing with the No. 1 issue before the country at this time—inflation—and help to put a halt to the unending spiral of prices which undercuts the hard-earned American dollar.

An Agency for Consumer Advocacy would restore integrity to the U.S. economy and to the free enterprise system by helping to restore the bargaining power of consumers when they deal with producers and suppliers of goods and services.

An Agency for Consumer Advocacy would help correct the tarnished image of American business by focusing directly and immediately on the action of those few unscrupulous or callous firms which have held the rest of American industry up to scorn and disrepute.

An Agency for Consumer Advocacy would be a catalyst for timely, effective actions in the public interest by those very Government agencies and bureaucracies which have too often ignored the legitimate health, safety, and economic concerns of American consumers in every region of the country and from every walk of life.

Mr. President, this filibuster must be stopped, and stopped now. A reasonable time has expired for so-called extended debate. The bill has been debated in committees and on the floor since 1970. It is time now to allow any amendments to be voted up or down and to permit the measure to be voted up or down. Accordingly, I urge an "aye" vote so that we may limit further debate to a maximum of 100 hours.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "A Crucial Vote for Consumers," published in today's Washington Post, and an editorial entitled "Consumer's Last Chance," published in today's New York Times.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 19, 1974]

A CRUCIAL VOTE FOR CONSUMERS

It is usually three strikes and you're out, but today the Senate has scheduled a fourth try to offer help to consumers where it is needed. At issue is the creation of the Agency for Consumer Advocacy. Obstructionists, rallied by Sen. James B. Allen (D.-Ala.), have been filibustering the bill since mid-July. Unfortunately, the Senate has let them get away with it. Three efforts have been made to end the stalling, but by ten, seven and four votes, each cloture motion failed to gain the needed two-thirds of the Senate.

It is not the bill that has failed so far; it is the Senate. The House has already passed legislation for the agency by a forceful 293 to 94 vote. In 1970, the Senate itself gave its approval in an even stronger vote of 74 to 4. In addition, as a letter from Ralph Nader on the opposite page notes, many in the business community support this year's bill. It appears clear from these facts that the merits of the legislation have been well debated and that the will of Congress is on the side of this proposed non-regulatory agency. It is ironic that the opponents of this agency have no other weapon—not the facts, not public support—except that of talk. They refuse to give the other side a voice, which would be exactly one of the main functions of the new agency: giving the consumer a voice in the government and in the courts.

So the issue now is whether the Senate, with already a majority of 60-plus members in favor of the bill, will allow itself to be manipulated by a minority of its members. After the recent shames that American politics has had to endure, it might be thought that the Senate would be eager to act on behalf of the consumer's interest, rather than line up for a private interest. Because the vote today is expected to be close, success for either side may involve the basic tactic of "getting out the vote." No doubt, many of those who have stood with the bill all along are now weary or bored with the struggle. But there is nothing more politically useful for these Senate supporters than to be present today to end the filibuster. The few votes that may be picked up by their presence might be just enough to provide the opportunity for this important measure to be judged on its merits rather than on the capacity of a few senators to talk it to death.

[From the New York Times, Sept. 19, 1974]

CONSUMER'S LAST CHANCE

With commendable perseverance, a bipartisan majority of the Senate plans a fourth attempt today to break a technical filibuster to prevent establishment of a Federal consumer advocacy agency. This minimal step toward protection of consumer interests has already been approved overwhelmingly in the House, and opposition to it has eroded significantly even in the Senate, where cloture was defeated last month by only three votes.

The arguments have been hashed and rehashed throughout the summer's debates. The point seems finally to be getting through that the proposed agency would not be some kind of super regulatory body; it would simply be positioned to inject a variety of consumer viewpoints, alongside the well-conveyed business and trade association arguments, before Federal regulatory proceedings.

A growing number of corporations has come out in support of the bill, undermining the charge that the measure would necessarily be harmful to American business. Reservations raised by such influential but undecided Senators as Howard H. Baker Jr., of Tennessee have been heeded and their suggested changes willingly incorporated into the final version awaiting passage.

It is inconceivable that a few still wavering Senators could want to face their constituents to explain why they let a diehard minority of the Senate frustrate long-pending legislation of such broad public interest and benefit.

CLOTURE MOTION

The PRESIDING OFFICER. The time for debate under the unanimous-consent agreement having expired, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The second assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the bill, *S. 707*, to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Abraham Ribicoff.
Gaylord Nelson.
Edmund S. Muskie.
Harrison A. Williams.
Warren G. Magnuson.
Frank E. Moss.
Henry M. Jackson.
Mark Hatfield.
Floyd K. Haskell.
Philip A. Hart.
James Abourezk.
Edward M. Kennedy.
Jacob K. Javits.
Mike Mansfield.
Joseph R. Biden, Jr.
Robert C. Byrd.
Walter F. Mondale.
Clifford P. Case.
Charles McC. Mathias, Jr.
Thomas F. Eagleton.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll and the following Senators answered to their names:

[No. 414 Leg.]

Aiken
Allen
Baker
Bartlett
Beall
Bible
Biden
Brooke
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cook
Cranston
Curtis
Dole
Dominick
Eagleton
Ervin
Fannin
Griffin
Hathaway
Helms
Hruska
Hughes
Javits
Mansfield
McClure
McIntyre
Metcalf
Mondale
Moss
Nelson
Pearson
Percy
Randolph
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Taft
Talmadge
Tower
Weicker
Young

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names:

Abourezk
Bayh
Bellmon
Bennett
Bentsen
Brock
Burdick
Cannon
Case
Chiles
Church
Clark
Cotton
Domenici
Eastland
Fong
Goldwater
Gravel
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hollings
Huddleston
Humphrey
Inouye
Jackson
Johnston
Long
Magnuson
Mathias
McClellan
McGee
McGovern
Metzenbaum
Mondale
Muskie
Nunn
Packwood
Pastore
Pell
Proxmire
Randolph
Roth
Schweiker
Scott, William L.
Stevenson
Symington
Thurmond
Tunney
Williams

The PRESIDING OFFICER. A quorum is present.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the bill—S. 707—to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. GURNEY. Regular order, Mr. President.

Mr. ALLEN. Regular order, Mr. President.

The PRESIDING OFFICER. Regular order is called for.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate preceding and following announcement of the vote, and in the galleries?

The PRESIDING OFFICER. The Senate will be in order and the galleries also will be in order.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT) and the Senator from Massachusetts (Mr. KENNEDY), are necessarily absent.

I further announce that, if present and voting, the Senator for Massachusetts (Mr. KENNEDY), would vote "yea."

The yeas and nays resulted—yeas 64, nays 34, as follows:

[No. 415 Leg.]

YEAS—64

Abourezk
Aiken
Bayh
Beall
Bentsen
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Dole
Domenici
Eagleton
Fong
Gravel
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Tunney
Weicker
Williams

NAYS—34

Allen
Baker
Bartlett
Bellmon
Bennett
Bible
Brock
Buckley
Byrd, Harry F., Jr.
Cotton
Curtis
Dominick
Eastland
Ervin
Fannin
Goldwater
Griffin
Gurney
Hansen
Helms
Hruska
Johnston
Long
McClellan
McClure
Nunn
Scott, William L.
Sparkman
Stennis
Taft
Talmadge
Thurmond
Tower
Young

NOT VOTING—2

Fulbright
Kennedy

The PRESIDING OFFICER. On this vote there are 64 yeas and 34 nays. Two-thirds of the Senators present and voting not having voted in the affirmative, the cloture motion is not agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HELMS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from Mississippi (Mr.

STENNIS) be recognized for not to exceed 15 minutes and that following the conclusion of his remarks, S. 3917, a bill to amend and extend the Export-Import Bank Act of 1945, as amended, be made the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I thank the majority leader.

U.S. NAVAL POWER

Mr. STENNIS. Mr. President, I shall not detain the Senate very long. I have a speech with respect to the Navy—a subject that I think needs to be covered.

As chairman of the Committee on Armed Services, I feel that it is my duty to present some views on the subject of the Navy and our naval power.

Let me say, with emphasis, that the idea of making this speech, on this subject, is solely mine and the content is solely mine. I did confer somewhat with the Navy as to the meaning and possible interpretation of certain sentences with respect to the subject matter I wanted to cover.

Mr. President, as the Congress concludes action on both the authorization and appropriation legislation for the Department of Defense, a discussion of U.S. sea power is timely—particularly as to how the U.S. Navy compares with the Soviet Navy. Recent reports, publications and statements have suggested that the balance of naval power between the United States and Russia has shifted in favor of the Russians. A variety of sources have charged that the Soviet Navy should be rated above the American Navy.

As chairman of the Armed Services Committee, I feel it is my duty to present my own views on this important matter. Let me emphasize that as a longtime member of our committee, I have never known of any U.S. plans or any desire to wage aggressive war against Russia or any other Nation.

MY GENERAL VIEW

The question of the capabilities of American and Soviet sea power—that is which side might be superior in various types of engagements—is highly complex depending on many variables and circumstances. At the outset, however, I state that the alarmist charges and speculation on the weakness of U.S. sea power greatly disturb me. I think the thrust of these charges is false. Moreover, these charges can be dangerous since they undermine U.S. naval power in the eyes of our allies, our own seamen, and the American people and could encourage the Soviet Navy to react recklessly or belligerently.

In my view I think we must admit that the U.S. Navy faces some difficult problems. However, based on current forces and the progress we are presently making, the U.S. Navy is without doubt superior to the Russian Navy. On a navy-to-navy basis, the Soviet Navy does not match the capability of the U.S. Navy. The U.S. Navy should be able to fulfill its missions, both now and in the foreseeable future, except under the most adverse and extreme circumstances such as being subject to massive land-based air attack without sufficient air defense.

I cover that part, Mr. President, because that is a possibility that always has existed since there was modern air power, and it is something of a trap that is obvious if we should go into an area where we know the great odds are against us. For instance, during World War II, we did not venture close to the enemy's coastline until the war was virtually over.

NUCLEAR CONFLICT NOT AN ISSUE

Mr. President, should there be an all-out nuclear war, who and what will survive on either side are impossible to predict. Very likely a large portion of all military and naval forces on both sides, as well as civilian populations will be destroyed. The issue of comparative naval power therefore has focused largely on conventional naval forces.

I would interject that as far as nuclear conflict is concerned the United States would by no means be second best. The United States and the Soviet Union have a vast arsenal of submarine-launched ballistic missiles and the submarines launching these missiles are virtually invulnerable on both sides. The Trident submarines, with unmatched capability, will become operational by 1980. I see no danger in the near future of U.S. Strategic Naval Forces being put in jeopardy.

HISTORICAL BACKGROUND

No meaningful discussion of conventional power is possible without an appreciation of certain historical developments in the United States and Soviet navies.

U.S. NAVY—WORLD WAR II TO PRESENT

Mr. President, the U.S. Navy will probably never enjoy the status it had at the immediate end of World War II. At that time it outnumbered and was superior to all other navies. It displayed a substantial naval presence throughout the world and had a global capability to sustain itself. In short the U.S. Navy exercised uninhibited command of the seas.

Despite its World War II preeminence, however, the U.S. Navy, even at that time, was subject to significant limitations. During World War II, U.S. carrier forces could not operate within 100 miles of Japan until the last few months of the war. U.S. carrier forces never operated in the Baltic Sea and operated only to a limited degree in the Mediterranean Sea prior to the final stages of the war. U.S. surface ships could operate within range of an enemy land-based aircraft only at great risk. These same inherent type of limitations apply to the U.S. Navy today.

Since World War II the U.S. Navy has undergone dramatic improvements. The U.S. carrier force has been modernized with the introduction of the Forrestal class carrier. This was followed by a nuclear carrier program, of which one is now operational and three are under construction. Accompanying this carrier modernization program was a program to provide nuclear escorts such as the nuclear frigates. Approximately 60 destroyer escorts have been built and a 30-ship destroyer program was started in the late 1960's. Throughout this period, the United States has vigorously pursued a program leading to an all nuclear attack submarine force. Similarly, support forces have been continuously modernized and upgraded during the 1950's and 1960's. With the strong support of the Congress, the U.S. Navy has continually modernized as new technologies and new weapons were developed.

SOVIET NAVY—WORLD WAR II TO PRESENT

Mr. President, throughout World War II it is accurate to say that the Soviets did not possess a sea-going navy. The primary purpose of the Soviet fleet was coastal protection and support of Soviet land forces. Even though the Russians had a great many submarines during World War II, they were limited in capability. The Russians could not project naval power away from their own shores, lacking aircover and logistical support, both of which are necessary for effective fleet operation.

There were sound reasons for this limited type of Soviet naval strategy. As a continental power the Soviet Union was and remains largely self-dependent economically and is land-connected with its allies.

During the 1950's in order to project their political power abroad and other foreign policy reasons the Soviets began to build a navy which could be deployed far from their shores. Not until 1960's did they begin any significant deployment of Soviet Navy units. At this time the Soviets began deployments to the Mediterranean and occasionally to the Caribbean and Indian Ocean.

Given its meager position after World War II, the Soviet Navy inevitably made greater progress than the United States in improving its naval power; yet, this is not to say that by any means the relative positions of the two navies have been reversed.

I cover those matters, Mr. President, because so many statements have been made which seek to make comparisons—statements that I think fall short of being complete and, therefore, carry the wrong impression.

REASONS WHY THE U.S. NAVAL POWER IS NOT INFERIOR

I should like to address, in turn, some of the charges and criticisms that have been recently leveled against the U.S. Navy. Because of the differing missions and structural asymmetry of the United States and Soviet navies, statistical comparisons between the two navies are inherently misleading. I shall not attempt to demonstrate through a "numbers game" that one Navy is superior to the other. Nevertheless I would like to comment on some of the statistical charges and comparisons that have received so much recent attention.

First. One criticism of the U.S. Navy is that the Soviet Navy has roughly four times the number of ships as the U.S. Navy.

In comparing navies, the number of ships alone is misleading; tonnage and capability must also be considered. Many of the Soviet ships are small, coastal defense vessels which can pose no substantial threat in the oceans of the world.

The United States has over twice the tonnage of the Soviet Navy in major surface combatants. The U.S. carrier force alone represents more tonnage than the entire Soviet fleet of major surface combatants. When the allied navies are compared to the Soviet Navy, the allies have better than a 3-to-1 advantage in tonnage for major surface combatants.

Admiral Zumwalt, former Chief of Naval Operations, in testimony to the *Senate Armed* Services Committee this year reaffirmed that "on a side-by-side basis, the Soviet Navy does not match the capability of the U.S. Navy."

Second. It has been stated that there has been a dramatic decrease in the number of U.S. ships during the last 5 years and this has resulted in a reduction of U.S. naval capability.

Again this statement is misleading. The reduction in U.S. ships was carefully planned and coordinated with the Congress; the retired ships were largely obsolete and are being replaced by modern ships of much greater capability. In general, our existing combatant ships have more range and weapons per ship than their Soviet counterparts—one of our nuclear attack carriers contains more explosive charge potential, that is more munitions, than the entire Soviet surface fleet of ships 1,000 tons or more.

Third. It has been stated that the average age of Soviet ships is 13 years while the average age of U.S. ships is approximately 15 years.

The United States has recently retired a large number of World War II ships while the Soviet Union will soon be faced with block obsolescence of large numbers of ships constructed during the 1950's.

In the near future, the age differential between the two navies will continue to narrow. By 1980, the average age of U.S. combatants will approach 10 years.

Fourth. It has also been stated that during the 10-year period from 1962 to 1972, the Russians built approximately three times as many ships as the United States.

In response, it should be emphasized that the Russians have built just slightly more than the United States in the area of major surface combatants. In terms of tonnage of major surface combatants, the United States has outbuilt the Soviet Navy. Moreover our allies have been building major surface combatants at almost the same rate as the United States. Hence, together the United States and its allies have greatly outbuilt the Soviets.

With the programs presently authorized by Congress, deliveries of new U.S. warships and submarines will accelerate in the near future. Soviet deliveries of new ships have been relatively constant since the late 1960's. There is no evidence that their shipbuilding rates or shipbuilding capacity will increase in the near future.

It is estimated that the Soviet Union devotes approximately 10 percent of its defense budget to its naval forces; the United States has consistently devoted somewhat over 30 percent of its defense budget to naval forces.

COMPARISON OF PRESENT NAVIES

None of the statistical comparisons either taken alone or collectively can be decisive in assessing the United States and Soviet navies. Rather one should more appropriately focus on the operational strengths and weaknesses of each Navy.

SOVIET NAVY

Soviet naval missions and capabilities have expanded. The Soviets have greatly increased and improved their nuclear attack submarine force—the greatest single naval threat to the U.S. Navy. This has enhanced the Soviet ability to interdict U.S. sea lines of communications and supply routes. Indeed it has increased the Soviet Navy's overall ability in the mission of sea denial, that is, preventing the U.S. Navy from carrying out its missions at sea.

The Soviet Navy has developed an impressive cruise missile capability which has substantially added to the fire power that can be brought to bear against a U.S. surface fleet. The Soviet Navy has increased its deployment and sustaining capability. In addition, the Soviet Navy has established a significant naval presence in the Mediterranean Sea. This naval presence is giving the Soviets a new ability to insert themselves in crisis situations; for example, the Middle East, Cyprus, et cetra.

At the same time, there are at least two very important limitations on the Soviet Navy.

The Soviet Navy is unable to project a formidable offensive capability. The Soviet Navy has no significant sea-based air power and no major amphibious assault forces. Although the Soviets are constructing an aircraft carrier, it lacks the capability of an attack carrier and could probably be categorized as a noncombatant. Several other navies of the world have attack carriers and hence a greater strike capability than the Soviets in this area. The British and French have particularly effective carrier forces.

Second, the Soviet Navy has no significant sustaining capability for operations in areas outside the Mediterrean Sea.

U.S. NAVY

The missions of the U.S. Navy have always been broader than the Soviet Navy.

The U.S. Navy has an extensive base structure in both the Atlantic and the Pacific. The U.S. Navy enjoys critical advantages in resupply, endurance and reload capability. The Vietnam experience again highlighted with great emphasis the staying ability of the U.S. Navy.

The U.S. Navy personnel are combat-experienced in virtually all aspects of seapower. The U.S. Marine Corps represents a seasoned amphibious assault capability that is without peer.

The U.S. Navy has a carrier force that is unmatched. The capability of the carrier task force with its variety of air power makes it by far the most potent strike force on the seas. The carrier task force is the embodiment of U.S. naval power and provides the most visible and credible reminder of U.S. military presence. The U.S. Navy has the capability to achieve local dominance of sea lanes and areas. The United States has a sophisticated and comprehensive surveillance and antisubmarine capability. Unquestionably, the U.S. Navy can operate in major sea lanes without substantial interference from Soviet surface combatants.

Nevertheless there remain certain limitations on the operational capability of the U.S. Navy. U.S. carrier forces can operate in high threat areas only at great risk. U.S. carriers are especially vulnerable to the threat of Soviet land-based aircraft. Under "worst case" assumptions, such as a coordinated surprise attack by enemy landbased aircraft, surface combatants and submarines, U.S. carriers might well be overcome in the Mediterranean. Yet U.S. carrier vulnerability in the Mediterranean under "worst case" circumstances does not mean that the U.S. naval capability in the Mediterranean is inferior to the Soviet capability.

The U.S. Navy's ability to protect supply convoys in wartime could be jeopardized by the Soviet submarine forces. Inevitably at the outset of a conflict U.S. shipping losses would be substantial. Nevertheless, when predeployments and airlift are combined with the antisubmarine forces of the U.S. Navy, I believe the United States could withstand the Soviet submarine threat and provide sufficient resupply to United States and allied forces in an extended conflict in Europe.

Despite the limitations to the U.S. Navy resulting from a formidable Soviet threat, the U.S. Navy should on balance be able to fulfill all of its essential missions, particularly in light of what can be expected to be the circumstances of naval engagements.

It is likely that any major naval engagement will involve other components of the Armed Forces. Land-based aircraft as well as ground forces will necessarily affect any engagement at sea. The U.S. Navy can be expected to operate in full coordination with all U.S. Armed Forces.

Any major naval engagement would inevitably include the naval forces of our allies operating in conjunction with U.S. naval forces. Collectively the navies of our allies represent a balanced and formidable force which should be considered in overall seapower assessments. The NATO allies could provide over 88 major surface combatants, including three attack aircraft carriers.

FUTURE PROSPECTS

Congress has authorized a range of programs for the Navy which will continue the modernization and augment the strength of our naval forces. Congress has authorized and financed 4 of an expected 50 ship patrol frigate program which is expected to be continued next year. This program is designed to and will strengthen the escort of convoys. The Harpoon missile program will provide and enhance antisurface ship capability. In the area of aircraft, the high performance F–14 fighter is now entering the fleet; it will be added to each year and will provide more complete overall fleet air defense. Similarly, the introduction and building of the S–3A, a new antisubmarine aircraft, will significantly augument our carrier antisubmarine capability. At the same time the nuclear attack submarine program of building several each year will be continued.

In addition, the Navy, along with the Congress, has been exploring new concepts to further strengthen our forces. One example is the so-called surface effect ship.

Our allies can and should be expected to make a continuing contribution to naval force at approximately the same level as the U.S. contribution.

To be sure, financial pressures are continuing; inflation will cause inevitable cost growth. Technically sophisticated and more powerful weapons systems will raise cost geometrically. Moreover, the U.S. Navy will experience increased competition for shipbuilding capacity from commercial shipping. We can and we shall meet this challenge.

The U.S. Navy will have to accommodate higher costs without sacrificing sufficient numbers of new naval vessels.

The Navy, just as our Army and Air Force must always meet changing times. It must meet the challenge of exchanging high performance, high cost of vessels for greater numbers of lower cost, lower performance vessels. The carrier, because of its high construction cost and potential future vulnerability, must be constantly evaluated as the dominant component of U.S. naval power. The U.S. Navy may have to reconsider present deployment strategies to compensate for fewer numbers of vessels.

CONCLUSION

Mr. President, of course, I speak as one who is not a naval expert. I do speak as one who is responsible to the American people, who are entitled to know the facts. I think that for some time those who are overzealous or overconcerned or have something to sell, have oversold the strength of our possible adversaries and have undersold our own strength. This is a cause for discouragement to our own people and to our own naval men at sea. It is certainly an encouragement to our possible adversaries.

Although the Soviet Navy is making it increasingly difficult, the U.S. Navy can presently carry out all of its essential missions. The U.S. Navy has the greatest capability of any Navy in the world. It symbolizes the strongest guarantee of freedom on the high seas. It is our greatest deterrent. Through the continuing efforts and commitment of the American people, its deterrent power will remain unsurpassed.

Mr. President, I do not accept the myth of a second-class U.S. Navy.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STENNIS. Mr. President, again I thank Senators for their attention.

EXPORT-IMPORT BANK AMENDMENTS OF 1974

The PRESIDING OFFICER (Mr. Helms). Under the previous order, the Chair lays before the Senate S. 3917, which the clerk will state.

The legislative clerk read as follows:

> A bill (S. 3917) to amend and extend the Export-Import Bank Act of 1945, as amended, and for other purposes.

The PRESIDING OFFICER. Under the previous order, there is a time limitation of 3 hours on the bill, with 1 hour on amendments, 30 minutes on amendments to amendments, and 20 minutes on debatable motions and appeals.

Who yields time?

Mr. STEVENSON. Mr. President, I ask unanimous consent that the following members of my staff, Senator Jackson's staff, and the staff of the Committee on Banking, Housing and Urban Affairs be granted the privilege of the floor during the consideration of this measure and any votes thereon:

Charles Levy, Bill Staszak, June Roth, Charles Horner, Richard Perle, Dudley O'Neal, Kin McLean, Steve Paradise, Carolyn Jordan, William Weber, Stan Marcus, Howard Beasley, Edward Kemp, Anthony Cluff, Pat Abshire, and Eleanor Bachrach.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I yield myself such time as I may require.

S. 3917 is the culmination of a lengthy reexamination of the Export-Import Bank and its role in U.S. economic and foreign policy. Together with an amendment which Senator Packwood and I will offer today, the bill will improve the capacity of the Bank to respond to changing economic and political conditions, make it more responsive to U.S. domestic and international interests, and insure that it serves the interests of the American people efficiently and effectively.

In recent years the Bank's prominence has grown as international economic interdependence has grown. Export policy has become a vital part of domestic economic policy. International trade and finance now play critical roles in worldwide growth and development. And economic policy has become an integral part of foreign policy. With such crucial issues as détente, shortages, inflation, balance of payments, and the allocation of scarce public resources now confronting the United States and the world community, there is every reason to focus attention on the multibillion dollar operations of the Export-Import Bank. The Bank itself under the direction of Chairman Casey is moving with commendable dispatch to increase interest rates, rely to a greater extent on loan guarantees, open its operations, to greater congressional scrutiny and in other ways to respond to emerging realities at home and in the world.

In the course of extensive hearings on the Bank, the International Finance Subcommittee explored such questions as:

The impact of flexible and floating exchange rates on the need for Export-Import Bank financing;

The consequences of public export financing for the American economy as a whole;

The impact of Exim export assistance on American labor and industry and the availability of goods which are in short supply;

The effectiveness of the Bank in stimulating U.S. exports;

How to respond to foreign government export assistance;

The role of private financing in Export-Import Bank activities;

The access of small businesses Export-Import Bank assistance; and

The role of the Export-Import Bank in U.S. foreign policy, with special attention on relations with the Soviet Union.

S. 3917, with the Stevenson-Packwood amendment supported by Senators Jackson, Ribicoff, Javits, Cranston, Mondale, Tower, Bennett, McIntyre, Johnston, Humphrey and others will help to resolve many of the issues generated by the Bank's operators. Included are provisions for:

A 4-year extension of the Bank's life;

An increase of $5 billion or $25 billion in the Bank's overall commitment authority;

An opportunity through prenotification for congressional review of major Exim transactions;

Careful assessment of the impact of Export-Import Bank financing on the U.S. economy, including competition, shortages, and employment;

A $300 million ceiling on new authority for financing of benefit to the Soviet Union;

A 2-year limit on authority for Communist country transactions, with provision for specific Presidential determination that major Communist country transactions are in the national interest;

Greater reliance on private participation in Exim-assisted transactions;

Increased flexibility in the Bank's guarantee and insurance authority;

A reduction in international export credit competition;

Increased participation by small businesses in the activities of the Bank;

A prohibition on Export-Import Bank financing for sales of military articles and services; and

Increased scrutiny of Export-Import Bank financing for parent-subsidiary transaction.

EXPORT-IMPORT BANK POWERS

AUTHORITY TO INSURE, COINSURE, AND REINSURE

Under present law, the Bank's authority to insure, coinsure, and reinsure exporters against political and credit risks of loss is limited to $10 billion in the aggregate. In addition, present law limits the amount of guarantees and insurance which can be charged on a fractional basis to $10 billion.

S. 3917 would remove these limitations on the Bank's insurance and guarantee authority. Section 2(1) of the bill would place the Bank's insurance authority under the general powers section of the Export-Import Bank Act. Section 7 of the bill would remove the $10 billion ceiling on the Bank's insurance authority and would increase the amount of guarantees and insurance which may be charged on a fractional basis from $10 to $20 billion. The effect will be to permit all of the Bank's authority to be used for guarantees and insurance and up to $20 billion of that to be charged on a fractional basis.

Taken together, these changes will permit the Bank to place greater reliance on guarantees and insurance and reduced reliance on direct loans in providing export assistance. It will permit the Bank's resources to go further and increase the participation of private loan funds in U.S. export transactions. Both changes are highly desirable, particularly under current conditions of domestic capital shortage and record high interest rates.

AUTHORITY TO ENGAGE PRIVATE COUNSEL

Section 2(2) of the bill would amend the act to permit the Bank to contract for legal representation in legal and arbitration proceedings outside the United States. Presently, neither the Bank nor Justice Department attorneys are permitted to appear on behalf of the Bank abroad.

While the Export-Import Bank now employs foreign counsel after obtaining a waiver from the Justice Department, there is some question as to whether the Justice Department possesses the necessary authority to provide such a waiver. This amendment would clarify the situation. However, it is expected that the Bank will exercise this new authority only to employ foreign counsel, not U.S. attorneys, and to make maximum possible use of the resources of the Justice Department.

AUTHORITY TO ARRANGE FOR PRIVATE PUBLICATION

Section 2(3) of the bill would further amend the act to permit the Bank to arrange for private publication of documents, reports, contracts, and other materials rather than using the Government Printing Office when GPO publication is impracticable.

The committee was advised by the Bank that it is occasionally impossible to secure GPO publication in sufficient time for the Bank to fulfill its responsibilities. The authority conveyed by this section is intended to permit private publication in such circumstances. It is expected, however, that principal reliance will continue to be placed on the GPO, and private publication will be utilized only as a last resort.

OPERATING POLICY

Section 3 of the bill would amend the act to make several technical changes in the law as well as a number of major substantive changes in the Bank's policy guidelines.

COMPETITION WITH FOREIGN GOVERNMENT SUPPORTED EXPORT CREDIT

Under existing law, the Bank is "directed" to provide export credit at rates and on terms and conditions which are competitive with Government-supported credit available from other countries. Under the bill, the Bank's authority to meet foreign government-supported export credit would be made permissive instead of mandatory.

Competition among Government export credit agencies should be discouraged, not stimulated. Attempts to outdo each other are counterproductive. They create conditions conducive to export credit wars.

In the long run, no one gains from such competition. Below market export credit constitutes a subsidy to both the seller and purchaser, distorts capital allocation, and can reduce foreign exchange earnings.

It is for these reasons that removal of the Bank's general mandate to meet all foreign credit competition is desirable. The Bank, as a matter of policy, should attempt to discourage international credit competition, not foster it. Under the bill, the Bank would retain its authority to meet foreign competition in those specific instances where an export sale would be lost to a foreign exporter because the buyer can obtain more favorable credit terms for the purchase of comparable goods and services from a foreign government-supported export bank. But as a general policy, it will no longer be subject to a general directive to compete with foreign credit suppliers.

COOPERATION TO MINIMIZE COMPETITION

In conformity with that new policy, section 3 of the bill would add a new mandate to the act to require that the Bank, in cooperation with the export financing instrumentalities of other countries, actively seek to minimize competition in government-supported export financing.

International cooperation offers the best and most realistic vehicle for reducing export credit competition. Absent such cooperation, each exporting nation has an incentive to meet, and indeed better, the credit terms offered by others. No nation can afford to ignore its competition without risking a substantial loss in export sales. But if all nations agree that attempts to outdo each other are self-defeating, the need for export interest rate subsidies would be significantly reduced. Export goods would compete in the international market place on the basis of price, quality, and delivery instead of on the degree of support the government is willing to supply.

SEMIANNUAL REPORTS

To further reflect this new policy, section 3 of the bill would change the current requirement that the Bank report semiannually to the Congress on the ways in which the Bank's credit terms are "equal or superior" to those offered by other governments. Instead, the Bank would be required to show the ways in which the Bank's rates, terms, and other conditions "compare with" those offered by other governments.

This change would remove any implication that the Bank is under a general directive to provide more favorable credit terms than those offered by other countries. Instead, the Bank would be directed to provide an objective analysis of how its credit terms and conditions compare with those available elsewhere, irrespective of whether they are equal, superior, or less favorable.

AVAILABILITY OF PRIVATE FINANCING

Section 3 would further amend the act to add a requirement that Export-Import Bank financing be provided "only to the extent that sufficient private financing is unavailable." The present requirement that the Bank "should supplement and encourage, and not compete with, private capital" would be retained. But it would be amplified to make it clear that Congress intends private capital to play the major role in export financing and that Export-Import Bank assistance should be provided only where, and to the extent, necessary to permit an export sale to occur.

The Export-Import Bank's resources are limited. The Bank's effectiveness can be maximized only if its resources are carefully allocated to those transactions where Exim assistance is essential, such as where private financing is either unavailable or available only on such terms and conditions as preclude the transaction. Even then, Export-Import Bank assistance should be provided only in such amounts as may be necessary to make up for the private financing deficiency.

The International Finance Subcommittee received testimony from the General Accounting Office that Export-Import Bank's internal procedures are inadequate to determine the extent of the need for Exim credit in any given instance. The GAO acknowledged that no system can be devised to provide absolute assurance that regular commercial financing is unavailable or that Export-Import Bank assistance is a crucial factor in influencing a given sale. However, improvement can be made, and by this amendment the Bank is expected to establish procedures to insure that Exim assistance is not provided unnecessarily, such as might be the case with respect to goods and services for which there is no substantial foreign competition or where sufficient private capital is available to finance a given transaction. The Bank is also expected to review its policies and internal procedures carefully and make appropriate changes.

With respect to terms, the Bank has for years maintained a policy of providing half the necessary loan funds in each export financing package participated in by the Bank. Thus, regardless of variations in circumstances or need, the foreign buyers would invariably receive half of his required loan funds at the favorable rates provided by the Export-Import Bank. Moreover, the required down payment also remained fixed at 10 percent of the total export cost.

In the International Finance Subcommittee's hearings on the Export-Import Bank, the need for, and wisdom of, this policy was questioned. Such fixed arrangements are not only unnecessary but also have the effect of keeping the level of private capital participation in U.S. export sales lower than it otherwise would be. The corollary, of course, is that the level of public funds allocated to export sales is higher than it need be.

Recently, the Bank began to make changes in this practice. Now, both the proportion of Exim participation and the size of the required downpayment vary. Thus, increased reliance will be placed both on the resources of the foreign buyer and the resources of private financial institutions.

It is expected that the Bank will continue the policy of varying financing arrangements to fit the circumstances of each transaction. Even greater flexibility in the level of loan participation and the size of downpayments may be possible. The goal of maximum private capital participation in Government-assisted export financing can best be achieved by tailoring each financing package to the needs of the particular transaction. The amendment contained in S. 3917 makes it clear that avenues for achieving that goal should continue to be explored.

SMALL BUSINESS PARTICIPATION

Section 3 of the bill would add to the act a requirement that the Bank give due consideration to the Small Business Act policy of aiding, consulting, assisting, and protecting the interests of small business concerns. To further that policy, section 3 would require the Board of Directors to designate an officer of the Bank to be responsible for matters concerning or affecting small business concerns. His duties would include responsibility for advising small businesses of Exim Banks opportunities. He would also be responsible for maintaining liaison with the Small Business Administration and other Federal departments and agencies in matters affecting small business concerns. In addition, section 11 of the bill would require that the Banks annual report contain a description of actions taken by the Bank to aid, counsel, assist, and protect the interests of small business concerns. The effect of these amendments will be to increase the sensitivity of the Bank to small business problems and increase its capacity to extend to them the benefits of its programs.

EFFECTS ON THE U.S. ECONOMY

Section 3 of the bill would add to the act a new policy provision that the Bank should not authorize loans, guarantees, or insurance to assist an export which may have serious adverse effects on the competitive position of U.S. industries, the availability of materials which are in short domestic supply, or on U.S. employment. Under existing law, the Bank must merely "take into account" possible adverse effects on the U.S. economy. This does not go far enough.

Export-Import Bank financing may have adverse effects on the competitive position of U.S. industries. For example, the Export-Import Bank assists the financing of aircraft purchases by foreign airlines which are in direct competition with U.S. air carriers. In addition, Exim financing for exports of materials which are in short supply, such as oil refining, drilling, and exploration equipment or for the construction of fertilizer plants abroad at a time when fertilizer is in short supply in the United States may exacerbate domestic shortages. Exim financing for the construction of manufacturing facilities abroad could result in the loss of American jobs.

By enjoining the Bank from assisting exports which may have serious adverse effects on the U.S. economy, this amendment will encourage the Bank to engage in a careful analysis of the consequences of its financing before approving any transaction.

DEFENSE ARTICLES

Section 5 of the bill would amend the act to prohibit Export-Import Bank assistance for sales of defense articles or services. Presently, such assistance is prohibited only with respect to certain economically less developed countries.

No part of the Bank's credit should be used to promote arms sales. Military assistance goes beyond the Bank's intended purposes and utilizes limited credit resources which should be reserved exclusively for civilian export expansion. Moreover, such assistance raises questions which fall within the province of the Departments of State and Defense and not within the province of an export expansion facility. To the extent that military assistance is needed, other governmental programs should be utilized.

INTEREST RATE ON BANK OBLIGATIONS

Section 8 of the bill would amend the act to require the Bank to pay interest on its future borrowings from the U.S. Treasury at a rate not less than the current average yield on outstanding marketable obligations of the United States of comparable maturity during the immediately preceding month. The purpose of this change is to preclude the Bank from raising capital through the Treasury at rates which are lower than the cost of money to the Treasury itself.

EXPIRATION

Section 10 of the bill would extend the life of the Bank for 4 years, to June 30, 1978.

PARENT-SUBSIDIARY TRANSACTIONS

Section 11 of the bill would amend the act to require that the Bank's annual report contain a complete description of all Export-Import Bank loans, guarantees and insurance which assist purchases by the foreign subsidiary or affiliate of an American company. The description is to include the identity and legal relationship of all parties to the transaction, the goods or services exported; the amount of Bank participation and private financing and the terms and conditions thereof; the reasons why Bank participation was needed; the availability of alternative sources of supply for the same or similar goods; and the availability of alternative sources of credit.

This provision is necessary in order to subject Export-Import Bank financed parent-subsidiary transactions to closer scrutiny. Such transactions raise questions about the need for Export-Import Bank credit. In many cases, a controlled subsidiary or affiliated entity might have a distinct preference for the purchase of goods or services from its parent. In such cases, Export-Import Bank financing would not appear to be crucial to the sale or necessary to prevent its being made by a foreign competitor of the parent. To the extent that is true, the extension of Export-Import Bank credit assistance would amount to no more than a gratuity.

On the other hand, there may be circumstances where a foreign subsidiary would turn to a foreign supplier if the benefit of Export-Import Bank credits were not available. In those circumstances, parent-subsidiary financings raise no question of propriety. Therefore, an outright prohibition on parent-subsidiary transactions would be inappropriate at this time. But this provision will insure that those transactions are subjected to closer scrutiny in order to avoid potential abuses and insure that Export-Import Bank financing is provided only where necessary.

BORROWINGS FROM NATIONAL BANKS

Section 12 would amend section 5202 of the Revised Statutes (12 U.S.C. 82 (1970 ed.)) to permit national banks to exclude borrowings from the Export-Import Bank from the limitations on their aggregate indebtedness under the National Bank Act. That law places limits on a national bank's aggregate indebtedness with exceptions for certain kinds of liabilities. These exceptions include liabilities incurred in connection with sales of mortgages or participations therein to the Federal National Mortgage Association, liabilities incurred under the provisions of the Federal Reserve Act and liabilities incurred under the provisions of the Federal Deposit Insurance Act.

In their effort to expand their support of American exports, banks frequently borrow funds from the Export-Import Bank under its discount programs, yet at the present time such borrowings are charged against their overall borrowing authority. In many cases this puts the international departments at a competitive disadvantage with the banks' domestic departments in obtaining allocations of funds.

This exception will provide additional private funds for exports and is in accord with the Export-Import Bank's efforts to encourage greater private bank participation in financing international trade.

The next three provisions are the subject of the Stevenson-Packwood amendment which will be offered later. They relate to congressional oversight of major Eximbank transactions and Exim assistance to the Soviet Union and other Communist countries.

CONGRESSIONAL REVIEW OF MAJOR TRANSACTIONS

Section 5 of the bill would amend the act to subject all proposed Export-Import Bank loans of $50 million or more to congressional review. This is an outgrowth of committee concern about a number of recent multimillion dollar Export-Import Bank credits, many of which involve assistance to major industrial development programs of other nations. The committee believes that such credits should be subject to more careful scrutiny.

Under the new procedure established by section 5 of the bill, the Bank would be required to notify the Congress of all proposed loans of $50 million or more at least 30 days prior to final approval. Within those 30 days, the Congress would have an opportunity to review the transaction and, if warranted, disapprove it. Disapproval would require a majority vote of both Houses. On the other hand, if either of the respective Banking Committees, acting within those 30 days, approved the loan before the full Congress disapproved, the transaction could go forward. By the same token, if the Congress took no action within the allotted 30 days, the transaction could proceed.

These procedures are similar in many ways to those applicable to congressional review of proposed Presidential reorganization plans. The principal difference is the opportunity for the Banking Committee of either House to short-circuit the process by approving the transaction within the 30-day review period and, thus, preclude further congressional consideration of the matter.

AUTHORITY FOR CREDITS TO COMMUNIST COUNTRIES

Section 5 of the bill gives the Congress a yearly opportunity to disapprove Export-Import Bank authority for credits to Communist countries. Under the procedure established by the bill, 3 months prior to the start of any fiscal year, Congress could disapprove the Bank's authority for Communist country transactions for all succeeding years.

Disapproval would require action by both Houses pursuant to the same reorganization act-type procedures applicable to congressional review of proposed $50 million loans. However, unlike the procedures applicable there, the respective Banking Committees would have no right of affirmative approval. Instead, the Bank's authority for Communist country transactions would automatically be extended for each succeeding fiscal year unless both Houses pass a concurrent resolution repealing such authority.

This provision is the outgrowth of a desire to give Congress a better opportunity to review Bank transactions with Communist countries. There is considerable concern about the rapid increase in credits to the Soviet Union in the relatively short period since credits were first extended in February of 1973. In the 14 months from approval of the first $11 million loan for electrical supplies to the recent $180 million chemical complex loan, a total of almost $470 million in loans has been extended to the Soviet Union. Moreover, to date, the total of loans, guarantees, and insurance to the Soviet Union, Yugoslavia, Poland, and Romania combined has amounted to over $1.5 billion, with applications for well over another billion dollars still pending.

Among the pending projects in the Soviet Union are a $110 million oil and gas exploration project in the Yakutzk and a $50 million tractor factory. Two natural gas and pipeline projects, estimated to require over $3 billion in export financing, have been reported as possibilities for assistance, although no application has yet been made to the Bank and indications are that both projects are still in very preliminary stages. For Yugoslavia, Romania, and Poland, the Bank has under consideration over $300 million in additional credits, including credits for nuclear and conventional power projects, computer systems and electronics manufacturing facilities.

Communist country credits deserve careful review. International economic policy can be a powerful instrument of foreign policy. There is an obvious relationship, for example, between détente and the extension of Export-Import Bank credits to the Soviet Union and Eastern Europe. An opportunity for frequent review of authority for Communist country transactions is intended to keep the Congress current with the long-term implications of a massive infusion of credits to the Soviet Union and other Communist countries.

NATIONAL INTEREST DETERMINATION FOR COMMUNIST COUNTRY CREDITS

Section 4 of the bill requires a Presidential finding that Communist country transactions are in the national interest. Current law in this regard is ambiguous.

The General Accounting Office has issued an opinion to the effect that existing law requires a separate national interest determination for each transaction in a Communist country. The Senate, in a recently adopted amendment to the second supplemental appropriations bill, H.R. 14013, expressed agreement with GAO. But the Export-Import Bank and the Attorney General of the United States take the position that existing law requires only a single determination that all credits to a given Communist country are in the national interest. The Bank, accordingly, has extended credits to Communist countries on the basis of national interest determinations on a country basis without the benefit of a separate national interest determination for each transaction.

With one exception, the amendment adopted by the committee in section 4 of the bill would resolve the controversy in favor of existing practice. The exception applies to loans of $40 million or more. For each such loan to a Communist country, a separate national interest determination would be required. Taken together, these changes would require that before any Communist country receive the benefit of Export-Import Bank credits, the President must determine that credits to such country are in the national interest; and for each proposed loan of $40 million or more to that country, the President must determine that that particular loan is in the national interest. In each case, the President's finding must be reported to the Congress either within 30 days of its issuance or on the day the Bank takes final action on the proposed credit, whichever is earlier.

Mr. PACKWOOD. Mr. President, established as part of the executive branch in 1934, the Export-Import Bank has been, since 1945, an independent agency of the Federal Government guided, encouraged, and nurtured by the Congress. As originally stated in the Export-Import Bank Act of 1945, the essential purpose and objective of the Bank is "to aid in financing and to facilitate exports—and the exchange of commodities between the United States or any of its Territories or insular possessions and any foreign country or the agencies or nationals thereof." [1] That purpose is as valid, the objective as compelling, today as it was nearly three decades ago when first written into the law.

ECONOMIC CONDITIONS

In recommending adoption of what was to become the Export Expansion Finance Act of 1971,[2] the Senate Banking Committee advised the Senate as follows:

> The United States has, over the past decade, experienced a persistent imbalance in its international payments accounts. More recently, this imbalance has been aggravated by the failure of U.S. exports to keep pace with greatly increasing imports. At the same time, the growth of U.S. exports has failed also to keep pace with the growth of world trade.
>
> Domestically, the United States is experiencing serious economic difficulties. Unemployment is the highest it has been in years. Business is struggling to recover from a slump caused by the recent high interest rate period. The committee believes that it is desirable to make available to business the means with which to sell its products in as many markets as possible. Increased sales abroad mean more jobs at home and a quicker business recovery.
>
> The committee also believes that a rapid increase in exports is a critical part of the longrun balance-of-payments solution, and that such an increase in U.S. exports is heavily dependent upon an expansion of export financing which is competitive with the export financing available to foreign exporters vying with U.S. exporters in the international marketplace.[3]

Those words are as meaningful today as they were 3 years ago. Once again, an economic malaise in our business activity dictates that we continue to make available alternative markets wherever possible. We continue to suffer from fluctuations in our balance of trade with surpluses vanishing into deficits from month to month. Unfortunately, there is scant evidence at best to indicate that we will do anything other than continue to labor under these uncertainties.

For instance, under the best of circumstances, the United States will find it necessary to pay some $24 billion for petroleum product imports alone in 1974. In 1973, we paid $9.3 billion for a larger volume of petroleum products. If this Nation is to remain internationally solvent, if we are to pay our bill, not to mention the bills for all of the other goods that our consumers and industry demand, we must continue to encourage exports of those goods in the production of which we enjoy a comparative advantage. In addition, we will find it increasingly in our national interest to continue to provide the financing necessary to enable American producers of generally available goods to remain competitive in international markets. It is at this point that the Export-Import Bank becomes so important.

Concerns have been expressed with regard to the need for caution in expanding our exports. This Nation's Government has a responsibility to its people to exercise certain restraints. We must not allow the export of goods and technology that contribute to the military capability of our potential adversaries. We must act to protect our domestic economy from the serious adverse effects of shortages of critical goods that are brought about by foreign demand. However, these are decisions and actions to be made by agencies and departments other than the Export-Import Bank. There have been suggestions that the Bank should take a more active role in determining the appropriateness of the exports they are being asked to finance. The Bank should not determine such matters. The Bank is simply neither equipped nor designed to handle such a task. Inherent in the administration of this Nation's trade policy is a certain diversity of opinion. This can often be helpful to the formulation of sound policy. The controllers can exercise a certain restraint on the promoters. Conversely, the promoters can insure that the controllers do not become either too complacent or unduly rigid in the exer-

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cise of their responsibilities. The more appropriate vehicle for expression of concern with respect to export restraint is through implementation of the policies contained in the Export Administration Act, which was recently considered by the Senate and is presently before a conference committee.

COMMERCIAL ASSISTANCE

In a typical commercial transaction—whether domestic or international—the sale is made after careful consideration by the buyer of a variety of factors. The initial selling price, quality, availability of spare parts, reliability of service, timeliness of delivery, and the terms of financing each contribute to the buyer's decision. In a world in which each of these factors is becoming more nearly constant among producers of the same goods, it is precisely the availability and cost of financing—interest rate, term, and other conditions—that frequently tips the scale in favor of one producer over another.

Something that seems to be lost sight of during recent debate on the Export-Import Bank is the fact that the Bank is essentially a commercial enterprise. The Bank furnishes credit and other financial aids to assist American producers to compete with their foreign counterparts. Eximbank assistance is provided in such a manner as to not compete with private financial enterprises.

The Export-Import Bank Act provides that it is ". . . the policy of the United States to foster expansion of exports of goods and related services, thereby contributing to the promotion and maintenance of high levels of employment and real income and to the increased development of the productive resources of the United States."[4] That same section of the act goes on to state that, in order to meet this policy objective, the Bank shall ". . . provide guarantees, insurance, and extensions of credit at rates and on terms and conditions which are competitive with the Government-supported rates and terms and other conditions available for the financing of exports from the principal countries whose exporters compete with the United States exporters."[5] The countries to which that requirement applies are France, Germany, Italy, Japan, and the United Kingdom. In order to illustrate this requirement, I have a table outlining the effective interest rates of the Bank's foreign counterparts is provided.

COMPARISON OF EFFECTIVE INTEREST RATES ON EXPORT-IMPORT BANK FINANCING AND FOREIGN BANK FINANCING

[Amount in percent]

	Medium term, 6 mo. to 5 yr.	Long term, over 5 yr.
France	5.95 to 6.75	6.60 to 6.95.
Germany	9.50 to 11.50	9.00 to 10.00.
Italy	6.00 to 7.50	6.00 to 7.50.
Japan	7.00 to 8.75	6.25 to 8.75.
United Kingdom	7.50 to 7.80	6.40 to 9.00.
United States	13.00 to 14.00[6]	8.50 to 11.00.

As can be seen from this table, the Export-Import Bank is at the high level of the range with respect to the rates furnished by its primary competitors. Aside from the actual interest rates described above—which are adjusted to reflect the relative mixes between Government-supported financing and private financing—the terms of credit offerings are nearly identical among the different institutions.

In his testimony on this issue, the chairman of the Export-Import Bank, Mr. William Casey, said:

> We are in a position where if we set our rate a little lower, we are charged with subsidizing and if we set it a little higher, we can be criticized with not carrying out our mandate to offer competitive terms. Fortunately, I believe we can walk this thin line because the interest rate is not the only element in measuring the relative value of credit terms. There are many important elements in the support which Eximbank extends to the American exporter, including the marshaling of private credit, financial expertise, assuring availability of financing, and the flexibility to develop a financing package adapted to the requirements of a project and the cash flow it will produce.[7]

The Export-Import Bank Act of 1945 contains several provisions which will insure that business considerations remain foremost in the mind of the Bank's managers. The principal statutory language in this respect is that the loans made by the Bank shall "offer reasonable assurance of repayment."[8] The Bank's adherence to this statutory dictum is evident in its financial record. Since its inception four decades ago, the Bank has suffered losses amounting to only 0.02 percent of the total credit is has extended.[9]

This compares quite favorably wtih the average write-off factor of around 0.5 percent of commercial financial institutions in their international lending. The Bank intends to continue to exercise the sort of scrupulous attention to the commercial feasibility of each proposed transaction that has made this record possible.

However, noncommercial factors can affect the normal course of the Bank's operations. This is true in two important respects.

The first is more or less obvious. The Bank will not participate in the financing of exports to a nation with which the United States has unfriendly relations. There are legal prohibitions against Bank participation in trade with nations with which the United States is engaged in armed conflict,[10] the limitations placed on doing business with Communist countries,[11] and the restrictions placed on the financing of military goods and service.[12]

The second is, if less obvious, likely more important. This is a recognition of the fact that economic actions of any consequence taken by this country have an impact on our foreign relations. Whether that action is directed primarily toward a domestic matter, for example, monetary policy, or an international interest, for example, export expansion, because of America's position in the world that action will have an international economic effect, and, as such, has a bearing on our foreign policy.

The Bank is not insulated from this condition of dynamic interaction. It would be naive to presume that the Bank's Board of Directors operate—or could or should operate—in a political vacuum. The Bank is presently receiving applications to finance export transactions in excess of their annual statutory authority. Under these conditions of excess demand, the Bank could logically be expected to approve an application, all other things being equal, which will further the interests of the United States over one which have a neutral, or less positive, effect.

Nonetheless, to the extent that the Bank operates in a foreign policy element, such considerations are largely incidental to the basic commercial responsibilities of the Bank.

EMPLOYMENT

Furthermore, the Bank has been a positive force in stabilizing and increasing employment in those sectors of our economy oriented toward world trade. In fiscal year 1973, the value of exports that were financed to one degree or another by the Bank totaled nearly $10.5 billion. Those exports translate directly into 619,500 jobs in this country. In fiscal year 1974, the Bank supported export sales of $13 billion worth of American goods and services. That represents 767,000 jobs. These figures only entail those jobs directly related to exports. Obviously, they would be much higher if the indirect employment were also included. At a time when domestic unemployment is rising, it hardly seems appropriate to take any action that would, as a direct result, have the effect of further aggravating our unemployment problem. Furthermore, the exports being supported by the Bank's activities tend largely to be produced by highly skilled and highly paid workers. Accordingly, the employment contribution of the Bank is, if anything, more important than the bare numbers would suggest, although those numbers in and of themselves are significant. If the Bank is cut back or in some other manner restricted from achieving its statutory purpose, the Nation would not risk losing just jobs. We would jeopardize critical jobs held by some of our most highly qualified, technically expert, and highly paid workers.

INTERNATIONAL COOPERATION

There are paradoxical, yet hopeful, signs that the major trading nations of the world are coming closer together in their agreement of the need for limitations on barriers to trade and export promotion activities at the very time when it is increasingly in each nations' own self-interest to export more and import less. These very nations are working more closely together than ever before to insure that these individual needs do not overwhelm the more essential need for balance in world trade.

The agreement among the member states of the Organization for Economic Cooperation and Development—OECD—to refrain from undertaking disruptive trade actions on a unilateral basis is extremely important. The discussions presently taking place among the major trading nations of the world are of equal long-range value in establishing a sense of order and uniformity in the nature and extent of official export supports of

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the sort provided by the Export-Import Bank.

It is important to note that the United States was not the first country to recognize the important role to be played by an official export financing bank. Most of the European nations had long since instituted and depended upon their export-financing agencies when the U.S. Export-Import Bank came on the scene in 1934. Our major trading partners established their counterparts to our Eximbank in the following order:[13]

Italy	1912
Germany	1917
United Kingdom	1919
Belgium	1921
Denmark	1922
Netherlands	1925
France	1927
Norway	1929
Sweden	1933
Switzerland	1934
United States	1934
Brazil	1940
Canada	1945
Austria	1946
Japan	1950
Pakistan	1953
Australia	1957
India	1957
Israel	1958
South Africa	1958
Republic of China	1960
Mexico	1961
Spain	1962
Finland	1963
New Zealand	1965
Rhodesia	1965
Argentina	1966
Hong Kong	1966
Yugoslavia	1967
Greece	1968
Korea	1969

Within the framework of the multinational negotiations presently taking place and involving many of the nations listed above, the United States can best aid in the development of the rules of procedure that are to govern the day-to-day operations of export banks around the world. For the United States to take action unilaterally at this time—either in a direction that may incite others to participate in an all-out credit war, where each nation would try to undercut its competitors by offering more favorable terms than anyone else, or in the direction of retreat that would weaken the ability of American businessmen to compete in world markets—would be dangerously disruptive.

The Banking Committee has recognized the need for international cooperation in export financing policy by recommending the adoption of the following language:

> The Bank shall, in cooperation with the export financing instrumentalities of other governments, seek to minimize competition in government-supported export financing.[14]

The delicate network of agreements—both tacit and explicit—that have been laboriously developed among the major trading nations of the world should not be taken lightly. That a basic law of physics—for every action there is an equal and opposite reaction—also applies to international economics has seldom been more apparent than now. Were we to take unilateral action to disrupt this delicate balance, the consequences would be substantial. In today's interdependent world, it is vital that the United States act as a responsible member of the community of nations and that we not set forth on a course of action that will seek to deny our responsibilities as a member of that community. To do so will only serve to be self-deceptive and result in consequences of incalculable harm to future generations both here and abroad.

We find ourselves in a world increasingly cognizant of the need for and benefits of world trade. True, the United States is marginally less dependent on world trade for our well-being than are many other countries. Presently, export activity accounts for 12 percent of America's output of goods, that is, those products that can be exported. The nations of Europe, Canada, and Japan have tended historically to export much greater proportions of their total national economic output. Nevertheless, world trade is a vital element of our national economic activity and is of increasing importance as the world in which we live becomes ever more closely economically interdependent.

The United States cannot for a moment consider retreating back toward a condition of general economic isolationism. To do so would cause not only considerable hardship to our own people and industrial base, but also near chaos in world markets. In such a world, it is imperative that the United States maintain a vigorous and viable Export-Import Bank. The continuing need for the Bank in today's increasingly competitive world should be apparent. Nevertheless, suggestions have been made that the Bank has outlived its usefulness—that it is no longer needed as an agency of the Government participating in international trade. Such suggestions are most ill-advised.

Failure on the part of Congress to continue the operations of the Export-Import Bank would be a giant step backward toward isolation. Simply stated, the Bank performs an essential function in enabling American producers to compete with their foreign counterparts in world trade. Without the support furnished by the Bank, many of these producers, through no fault of their own, would be unable to compete in world markets. In addition, some domestic producers may very well be encouraged to establish operations in foreign countries thereby causing an additional loss of jobs and benefits in the United States.

AMERICAN EXPORTS

In meeting its responsibilities under the Export-Import Bank Act of 1945, the Bank has proved to be an operation of remarkable resilience due solely to the flexibility that the Congress has wisely written into that act. In general, the Bank serves to foster the Nation's international economic interests in two ways: First, by insuring that American producers of generally available goods are able to provide financing comparable to that available to their foreign counterparts and thereby meet foreign competition, and second, by insuring that American producers of goods and related services in the production of which the United States enjoys a strong competitive advantage or monopoly, are not supplanted by foreign sources of supply that are developed in response to the unavailability of sufficiently favorable financing arrangements.

Increasingly, there are suggestions that the Bank ought to be restricted from participating in the financing of exports of goods and related services in the production of which the United States enjoys a dominant position. To do so would be shortsighted. By arbitrarily restricting the Bank from exercising its responsibilities to aid in the financing of such exports, we will have caused an increase in the effective price of that goods to a potential foreign purchaser.

The effect of such an increase likely will be evidenced in one of two actions taken by foreign purchasers. On the one hand, they may simply forgo the purchase altogether, in which case the U.S. economy loses the sale, and related income and employment. On the other hand, if the product is one which is needed at any cost, foreign buyers will purchase the goods.

However, they likely will be encouraged, to the extent of the increased price, to develop a capability of their own to produce the goods that were previously produced only in the United States. That, too, would not be in the best interests of the United States, from the points of view of either national income, employment, or balance of trade. In short, to restrict the Bank arbitrarily with respect to its ability to aid in the financing of certain goods, simply because American producers currently enjoy a decided advantage in world markets, would nearly insure the development of a condition of competition that will work to the long-run disadvantage of the American economy and our labor force.

CONCLUSION

From time to time, Congress has found it helpful to alter the Bank's Charter Act. This is as it should be. Just as the Bank cannot long survive without changing, so too, must the law be changed on occasion to meet changing conditions and needs.

It is in order that the Bank may continue to respond to the will of the Congress as well as to the needs of American exporters that this legislation is being presented.

After a long and arduous inquiry into the operations of the Bank that began last October, the Banking Committee has concluded that several changes in the Export-Import Bank Act of 1945 are necessary.

I am pleased to join the chairman of the subcommittee in sponsoring a set of amendments to the bill which each of us will discuss later. I firmly believe that the bill, with these changes, is a good bill. It purposely seeks to meet a host of concerns and, I believe, does so quite well. I heartily join with Senator STEVENSON in urging my col-

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leagues to approve the bill with our amendments.

For now, however, I believe it is appropriate to point out that the committee, having considered and rejected several proposals directed at further restricting the Bank in its operations, concluded that no further amendments should be made to restrict the Bank's activity.

To the extent that any additional changes in the act would further limit or prohibit the Bank from continuing to meet competition from foreign export-financing agencies in a flexible and innovative manner, such changes clearly would be unwise.

To the extent that the Congress continues to exercise extremely close control over the operations of the Bank—annually through the appropriations process, less frequently through extensions of authority, and continuously through our oversight function—any such changes would be unnecessary.

FOOTNOTES

[1] Export-Import Bank Act of 1945, section 2(a)(1).

[2] PL 92-126.

[3] Report No. 92-51, to accompany S. 581, Committee on Banking, Housing and Urban Affairs, United States Senate, March 31, 1971, p. 2.

[4] Export-Import Bank Act of 1945, section 2(b)(1).

[5] IBID.

[6] The Export-Import Bank does not provide direct credit on medium-term financing. Their involvement in such cases is limited to guarantees and insurance of private financing.

[7] *The Role of the Export-Import Bank and Export Controls in U.S. International Economic Policy*, Hearings Before the Subcommittee on International Finance of the Senate Committee on Banking, Housing and Urban Affairs, April 2, 1974, p. 35.

[8] Export-Import Bank Act of 1945, section 2(b)(1).

[9] This figure does not include loans that have been rescheduled for whatever reason. Were such rescheduled loans to be included, the figure would be 0.05 percent. The data for private financial losses do not include reschedulings either.

[10] Export-Import Bank Act of 1945, section 2(b)(3).

[11] IBID., section 2(b)(2).

[12] IBID., sections 2(b)(4) and 2(b)(5).

[13] Those nations marked by an asterisk are not associated with the Berne Union, the principal international forum for government-supported export financing agencies.

[14] Export-Import Bank Act of 1945, section 2(b)(1)(A), as proposed to be amended by section 3 of S. 3917.

Mr. TOWER. Mr. President, as the ranking minority member on the Senate Banking Committee, I have had the opportunity over the years to become intimately acquainted with the operations of the Export-Import Bank, and to gain a deeper appreciation of its purpose and the importance to the U.S. economy of its effective operation. The Bank is a unique Government institution in that it does not spend—it lends. Its only essential mission is to permit the maintenance and expansion of that $70 billion part of our economy that depends upon sales to foreign purchasers. Its dealings are in the commercial world in support of U.S. business and U.S. jobs.

The committee bill which authorizes a 4-year extension of the corporate charter and new commitment authorities is indispensable to the effective operation of the Bank and the absolutely essential increase in export earnings rather than by a devaluation of the dollar.

While I urge support of my colleagues for passage of the committee bill, I find myself totally in opposition to section 5 of that bill which sets up an enormously complex and cumbersome procedure for prior congressional review of all Eximbank loans over $50 million.

I will support the Packwood-Stevenson amendment to the committee bill which substitutes for section 5 and I urge that the committee bill be passed without any further amendments by this House. I specifically refer to amendments that may be offered on such subjects as the interest rate Eximbank charges, its return to the budget before the Budget Committees have had an opportunity to review the matter, and other efforts to use this committee bill as an opportunity to legislate in other areas such as export control licenses, and foreign relations.

It is important that the Bank continue to have flexibility to act responsibly and effectively in support of U.S. exports. Amendments which would tie the hands of the Bank in responding to the real world of international competition could be of serious consequence to our domestic economy and frustrate our efforts to obtain agreements from the official export agencies of our competitors to avoid a credit war. Negotiations on this subject are being actively conducted at very high levels. The recent meeting in Brussels in which the United States was represented by Mr. Casey was productive though an agreement has not yet been reached. Congressional direction imposing rigid interest rate requirements could well result in failure to reach an agreement on officially supported export financing and this would be a significant loss completely at odds with the thrust of our bill.

The PRESIDING OFFICER. Who yields time?

AMENDMENT NO. 1879

Mr. EAGLETON. Mr. President, I call up my amendment No. 1879.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

At the end of the bill add the following new section:

ELIGIBILITY OF TURKEY FOR FURTHER MILITARY ASSISTANCE

SEC. 13(a) The Congress finds and declares that—

(1) section 505(d) of the Foreign Assistance Act of 1961 and section 3(c) of the Foreign Military Sales Act provide that any foreign country which uses defense articles or defense services furnished such country under either such Act in substantial violation of any provision of such Act or any agreement entered into under such Act shall be immediately ineligible for further assistance under such Act; and

(2) the President of the United States in a 1964 letter to the Prime Minister of Turkey warned the Government of Turkey that the use of United States defense articles or defense services "for a Turkish intervention in Cyprus" would be contrary to article IV of the July 1947 bilateral agreement between Turkey and the United States, which article requires Turkey to obtain the approval of the United States for the use of defense articles and defense services (furnished by the United States) for any purpose other than those for which such articles and services were furnished; and

(3) the Government of Turkey has, since July 20, 1974, used defense articles and defense services furnished to that country under the Foreign Assistance Act of 1961 and the Foreign Military Sales Act for the purpose of intervening militarily on the island of Cyprus.

(b) It is therefore the sense of the Congress that the President should immediately declare Turkey ineligible for further assistance under the Foreign Assistance Act of 1961 and ineligible for further cash sales, credits, or guarantees under the Foreign Military Sales Act and, in compliance with the provisions of such Acts, make no further military assistance available to such country under either such Act.

Mr. EAGLETON. Mr. President, there are 26 cosponsors to amendment No. 1879 which deals with military assistance to Turkey. I ask unanimous consent that seven additional Senators be added as cosponsors to this amendment, to wit: the Senator from Texas (Mr. BENTSEN), the Senator from New Mexico (Mr. MONTOYA), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Minnesota (Mr. HUMPHREY), the Senator from New York (Mr. BUCKLEY), the Senator from Iowa (Mr. CLARK), and the Senator from West Virginia (Mr. RANDOLPH).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, before delivering my rather brief speech with respect to this amendment, I wish to pay tribute to the distinguished Senator from Illinois, my colleague, Mr. STEVENSON. He is the principal cosponsor with me of this amendment, and I appreciate his willingness to expedite the matter so that this amendment could be brought before the Senate today.

Both he and I realize that because of the parliamentary procedure of the House if this amendment is adopted by the Senate, as I hope it will be, it would have a difficult time of prevailing in conference. But all is not lost. I understand the House is proceeding, and will continue next week, to consider an amendment similar to this one before us today. In due time, the sense of both Houses of Congress will be on record with respect to this important international matter.

Mr. President, the amendment I propose today is intended to demonstrate that the rule of law in this Nation must prevail over the policies of men. The law governing the use of American military assistance is not subject to varying interpretations—it is not a complicated statute—and it contains virtually no discretionary authority. The pertinent sections of the Foreign Assistance Act and the Foreign Military Sales Act explicitly state the requirement:

> Any country which hereafter uses defense articles or defense services furnished such country under this Act . . . in substantial violation of the provisions of this (Act) or any agreement entered into pursuant to (this Act) shall be immediately ineligible for further assistance.

Since July 20, 1974, the executive branch has tried—unsuccessfully—to look the other way while American arms are used by Turkey against the nation of Cyprus. The State Department wants President Ford to overlook the legal requirement to stop military aid to Turkey for misusing our weapons. It is a painful irony in this post-Watergate era that individuals at the highest levels of Government persist in trying to undercut the law in favor of their own perceptions of what is best for America and *what is best for* the world.

Mr. President, what are the provisions and purposes of the acts which authorize assistance? According to a legal memorandum prepared by the Library of Congress:

> U.S. military aid is intended for the sole and exclusive purpose of permitting recipients to defend themselves against aggression.

The Library concluded its memorandum with the following statement:

> Use of articles and services for other than defensive purposes, i.e. for aggression purposes, is barred by law.

The dictionary definition of the word aggression is "the violation by one country of the territorial integrity of another." If we use this definition, there can be no doubt that Turkey committed an aggressive act in violating the territorial integrity of the nation of Cyprus. Even with no further guidance from precedent or legislative history, Turkey is clearly guilty of using American arms in violation of the provisions of our military assistance programs.

But in this instance we need not depend upon dictionary definitions. In 1964 the then President of the United States, President Johnson warned the Prime Minister of Turkey that using American arms "for a Turkish intervention in Cyprus" would violate our bilateral arms agreement with that country. Documents on hand in the executive branch—prepared for President Johnson in support of the 1964 letter—indicate that the President knew full well that it would have been his statutory responsibility to cut off military aid to Turkey had that nation moved on Cyprus.

The July 1947 bilateral agreement between the United States and Turkey requires Turkey to obtain the approval of the United States for the use of American defense articles for any purpose other than for the defensive purposes for which our arms are furnished. American law requires Presidents to consumate such agreements before the United States can offer military assistance.

In the Turkish invasion and occupation of Cyprus, our agreement with Turkey is being openly and substantially violated. Turkey has not asked our permission to use American arms on Cyprus. And in violating their agreement with the United States, the Turks have become ineligible to receive any further American assistance.

Mr. President, we do not give arms to nations so that they can be used against the friends and allies of the United States. The preamble of title II of the Foreign Assistance Act emphasizes the control we place over American weapons. Let me read from that preamble:

> It remains the policy of the United States to continue to exert maximum efforts to control weapons . . . under adequate safeguards to protect complying countries against violation and evasion.

If this principle of statutory control is to be preserved, then our Government cannot ignore violations of this type. The world must know that American law is applied equitably and that policy considerations, however well-intentioned, must always be consonant with the requirements of our domestic law.

Mr. President, the State Department has apparently decided that its policy must prevail to the exclusion of other considerations. But let us not be mistaken, American law is already a part of the complicated Cyprus equation. Turkey and Greece both understand what the President's legal obligation is, and if the President fails to fulfill that obligation to cut off aid to Turkey, it will no longer be even arguable that our policy is even-handed.

If the United States continues on its present course, in spite of the law, we risk the total loss of Greece as a NATO ally. And if Greece fully withdraws from NATO, the American naval presence in the eastern Mediterranean will be severely crippled.

Our ports in mainland Greece and in Crete are vital if we are to match the Soviet Navy in that area. It would be a serious miscalculation if we were to encourage the Caramanlis government to close our ports by attempting to circumvent a clear requirement to penalize Turkey's aggression.

It would be equally improper to recommend to President Ford that he pardon Turkey for its misuse of American arms.

The President can waive the provisions of the Foreign Assistance Act if he determines that it is—and this is the legislative purpose—"important to the security of the United States."

But because we risk losing our ports in Greece, it is inconceivable that a waiver would in fact enhance our security posture.

According to the law, the President, before granting a waiver, must make a determination that the purposes for which the United States gives military assistance are furthered by his action. The law is explicit on this point—our military assistance cannot be used for aggression. Using the waiver clause to advance such a negative cause would violate both the letter and the spirit of the law. The military intervention by Turkey cannot, therefore, be pardoned, nor should it be.

Despite the State Department's most recent plea for kingly powers in the realm of foreign affairs, Congress has a constitutional responsibility to enact statutory controls over programs and policies when it perceives such controls to be in the national interest. Congress long ago recognized the potential dangers of military assistance and enacted laws strictly controlling the use of American weaponry by recipient nations. It is this principle of control which is at stake in the administration's ongoing refusal to properly execute the law.

The United States was universally admired some weeks ago when the rule of law prevailed providing a smooth transition of executive power. Would our Nation be any less respected, even by Turkey, if we were to subordinate a policy advanced by a few men to the law which governs all men?

I urge my colleagues to vote for the rule of law and to voice the displeasure of the Senate over the State Department's extralegal Cyprus policy. Much is at stake in the vote we cast today. Our refusal to tolerate the accession of policy perceptions over legal obligations could go far in putting our Nation back on the course set by the framers of our Constitution.

Mr. President, may I inquire, are we under a 1-hour time limit?

The PRESIDING OFFICER. The Senator is correct.

Mr. EAGLETON. With that hour equally divided?

The PRESIDING OFFICER. That is correct.

Mr. EAGLETON. Mr. President, I yield 5 minutes to the distinguished Senator from Illinois (Mr. STEVENSON).

Mr. STEVENSON. Mr. President, I join with Senator EAGLETON to support this amendment, so I will yield control of the time in opposition to the amendment to the Senator from Texas (Mr. TOWER).

Mr. President, it was the initiative of the Senator from Missouri which brings this matter to the Senate floor and it is my privilege to join him.

Approval of this amendment will make it clear that the Senate intends for the laws of the United States to be obeyed. It will also signal Senate disapproval of a policy which rewards aggressors and oppressive regimes which punish innocent people.

That policy sustained the Greek junta, alienated the Greek people, toppled the legitimate government of President Makarios in Cyprus, brought Turkey into Cyprus and forced Greece out of NATO. By all indications, the administration intends to continue its defiance of the law and its preferential treatment of Turkey.

This amendment emphatically disapproves this policy. It is brought forth today not by a vindictive attitude toward a valued ally, Turkey, but by Turkey itself which violated the conditions upon which it accepted assistance from the United States and forfeited its claim to further assistance by its own actions.

Mr. President, I want to commend the Senator from Missouri for offering this amendment and, as I know he understands, express my own regret that it will probably be impossible to hold the amendment in conference with the House because of parliamentary obstacles, but, nonetheless, does offer the Senate today an opportunity to express in the most emphatic terms its feelings on this issue.

Mr. EAGLETON. Will the Senator yield for a brief statement on that point?

Mr. STEVENSON. Yes.

Mr. EAGLETON. So as to make the record clear, the Senator is correct, this may well be sacrificed in conference by parliamentary obstacles on the House side, but the Senator is aware certain sponsors in the House intend to take up a similar amendment to this in the House next week, so, in practical analysis, within a week or so we more than likely will have the sense of both Houses, in any event.

Mr. STEVENSON. The Senator is correct, both Houses will have an opportunity to express their views on this issue and, hopefully, the views of both Houses will be expressed emphatically that the law should be obeyed and will be observed and respected by the executive branch of our Government.

Mr. President, the Turkish invasion of Cyprus is a tragedy for the cause of world peace, the NATO alliance, the people of Cyprus, and now it raises questions about the rule of law in the United States.

Recognizing that military assistance was an important, but inherently dangerous, instrument of foreign policy, the Congress passed legislation carefully circumscribing the use of arms provided by the United States. The Foreign Assistance Act and the Foreign Military Sales Act state categorically that a nation which violates the conditions upon which the United States provides military assistance "shall be immediately ineligible for further assistance." Those conditions have been violated by Turkey's armed intervention in Cyprus.

According to the Department of State, Turkey is scheduled to receive an estimated $232 million in economic and military assistance in fiscal 1975. Greece is scheduled to receive only $71 million. The new Government of Greece is not responsible for the actions of the military junta in Cyprus. Turkey, on the other hand, resorted to armed intervention in Cyprus and disregarded the resolutions of the United Nations, as well as the terms upon which it accepted aid from the United States under these circumstances, it is difficult to understand why the United States should be signaling support for Turkey by providing it any assitance, not to mention three times the assistance it intends to provide Greece.

The U.S. failure in the past to perceive that morality and self interest can coincide has already cost us the good will of the Greek people and the new Greek Government. U.S. support for the Greek junta and disdain for the legitimate Government of Cyprus are the proximate causes of the Cyprus coup, the Turkish invasion and now NATO's loss of Greece. Now, in order to repeat its mistakes of the past the administration seems prepared to violate the law.

Section 505, subsection (a)(1)(c) of the Foreign Assistance Act states in part:

> No defense articles shall be furnished to any country on a grant basis unless it shall have agreed that . . . it will not, without the consent of the President, use or permit the use of such articles for purposes other than those for which furnished.

In return for U.S. military assistance, Turkey consented to that and other conditions in a bilateral agreement with the United States signed in July 1947. Article IV of that agreement requires Turkey to obtain U.S. approval for the use of American supplied arms for purposes other than those for which such assistance was furnished. This bilateral agreement is still in force and remains the controlling document for the purpose of furnishing Turkey with military assistance.

Subsection (b) of section 505 of the Foreign Assistance Act clearly and directly states the purposes for which we furnish a nation with weapons under military assistance programs, and requires the President to determine that each of the four following conditions be met before defense articles can be furnished on a grant basis to any country at a cost in excess of $3 million:

> (1) That such country conforms to the purposes of the charter of the United Nations;
>
> (2) That such defense articles will be utilized by such country for the maintenance of its own defensive strength, or the defensive strength of the free world;
>
> (3) That such country is taking all reasonable measures, consistent with its political and economic stability which may be needed to develop its defense capacities; and
>
> (4) That the increased ability of such country to defend itself is important to the security of the United States.

Subsection (d) of section 505 clearly states:

> Any country which uses defense articles or defense services furnished such country under this chapter . . . in substantial violation of the provisions of . . . this title or any agreements entered into pursuant to any of such acts shall be immediately ineligible for further assistance.

The Foreign Military Sales Act is equally specific in defining the purposes for which military sales are authorized. Section 4 reads as follows:

> SEC. 4. PURPOSES FOR WHICH MILITARY SALES BY THE UNITED STATES ARE AUTHORIZED.—Defense articles and defense services shall be sold by the United States Government under this act to friendly countries solely for internal security, for legitimate self-defense to permit the recipient country to participate in regional or collective arrangements or measures consistent with the charter of the United Nations, or otherwise to permit the recipient country to participate in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security, or for the purpose of enabling foreign military forces in less developed friendly countries to construct public works and to engage in other activities helpful to the economic and social development of such friendly countries.

Section 3 of the Foreign Military Sales Act specifies the penalty for violations:

> Any foreign country which . . . uses defense articles or defense services furnished such country under this chapter in substantial violation of any provision of this chapter or any agreement entered into under this chapter, shall be immediately ineligible for further cash sales, credits or guarantees.

Mr. President, the words "immediately ineligible" strongly suggest that the President must make an expeditious determination that the conditions upon which the United States furnished military assistance continue to be met by Turkey—or have been violated. More than a month has passed since the Turkish invasion of Cyprus, and President Ford has not yet made such a determination.

It is obvious that Turkey violated the conditions. Its resort to force in Cyprus is a clear violation of the purpose and principles of the U.N. Charter. The Turkish military forces have deliberately interfered with U.N. peacemaking forces and humanitarian efforts on Cyprus. In addition, its resort to force in Cyprus was an aggressive action. Turkey's military intervention cannot be characterized under section 505 as "legitimate self defense" or "internal security" or "public works" or "helpful to the economy or social development" of Cyprus. It can only be characterized as an aggressive action distinguished by the fact that Turkey was armed, in large part, by the United States.

Mr. President, Turkey's aggressive actions are in direct violation of the conditions upon which it received U.S. military assistance, and, consequently, continued assistance violates the law.

If the cited provisions of law are not enough to convince the President and the Secretary of State that they are not faithfully executing the laws of the Nation, then let them also take into consideration section 620(i) of the Foreign Assistance Act which states in part that—

> No assistance shall be provided under this or any other act . . . to any country which the President determines is engaging in or preparing for aggressive military efforts . . . directed against . . . any country receiving assistance under this or any other act.

Cyprus receives both Public Law 480 food assistance and regular foreign aid grants. The President cannot escape this provision of law by denying the obvious. Turkey is engaged in aggressive military efforts against two nations which receive assistance from the United States—Cyprus and Greece.

Greece and Turkey are U.S. allies. They are the crucial eastern flank of the NATO alliance. Consequently, the U.S. Government has purported to deal with the Cyprus crisis with "even-handed" appeals for restraint. Throughout the crisis, Secretary of State Kissinger has implied that it would not be in our national interest to eliminate military aid to Turkey at this time.

Yet during this time, Turkey violated two cease-fire agreements. It continues to violate resolution 353 adopted by the United Nations Security Council on July 20, 1974, which "demands an immediate end to foreign intervention in the Republic of Cyprus" and "requests the withdrawal without delay from the Republic of Cyprus of foreign military personnel present otherwise than under the authority of international agreements." It continues to use force to set up a separate Turkish administration on Cyprus, and has now split that small nation in half displacing over 200,000 Cypriot citizens.

It is evident that "even-handed" appeals for restraint by the United States have failed. They may have encouraged the unilateral Turkish action on Cyprus, and this action, undertaken with impunity by Turkey, could encourage such transgressions by other aid recipients.

Designed to preserve the NATO alliance, the continued "even-handed" approach by the United States in the face of repeated Turkish aggression in Cyprus has instead resulted in the withdrawal of Greek military forces from NATO. Moreover, the Turkish acts and the failure of the United States to restrain Turkey are undermining the new democratic Greek Government of Constantine Karamanlis. It is in the interest of the NATO alliance and the United States to restrain Turkey so that our relations with Greece can be repaired, so that Greece, hopefully, will resume its place in NATO, so that Makarios can be returned to his rightful place as President of Cyprus, and so that the govenment of Karamanlis can be sustained in power.

And let us not forget the welfare of the people of Cyprus. They have a right to govern their own affairs, and those displaced by the Turks should be able to return to their homes.

The United States cannot have it all ways. That should be obvious by now. The best course is the moral course. Only the United States, the principal ally and arms supplier of both Turkey and Greece, has the necessary leverage to influence Turkey to negotiate a Cyprus settlement in good faith and withdraw its troops from Cyprus in order to permit the United Nations to secure and protect the rights of all Cypriot citizens until a settlement can be agreed upon. It is now time for the United States to use its leverage in order to bring peace to the people of Cyprus.

The most effective way to do so is to cut off all further U.S. military assistance and military sales to any country which has troops currently involved in Cyprus in violation of international agreements and conditions of U.S. assistance. Such an action is dictated under our law by Turkey's action—not by any unilateral or vindictive action of the United States.

The President has a special waiver authority under section 614(9) of the Foreign Assistance Act which states in part that—

> The President may authorize . . . the use of funds made available for use under this chapter . . . without regard to the requirements of this chapter or any other law . . . when the President determines that such authorization is important to the security of the United States.

However, there has not been a presidential determination that continued military assistance to Turkey "is important to the security of the United States," and it is questionable whether the President could make such a determination in light of the facts.

As a result of the Turkish invasion of Cyprus and continued U.S. military support of Turkey, the eastern Mediterranean has become militarily and politically unstable—two NATO allies have been on the verge of war, Greece has withdrawn its military forces from NATO, and now is threatening to close down naval and air bases which service our 6th Fleet. It is clear that continued military support of Turkey has undermined, rather than enhanced, our national security.

Our national security must also be evaluated in terms of our moral commitments. It is not in our national interest to give support to politically repressive or militarily aggressive regimes. Such support will only isolate the United States in the world and further undermine our national security.

President Johnson acknowledged his statutory responsibility during the Cyprus crisis in 1964. In a letter to the Prime Minister of Turkey, President Johnson warned that using American-supplied arms "for a Turkish intervention in Cyprus" would be considered an act of aggression and would violate the bilateral agreement entered pursuant to the provisions of the Foreign Assistance Act.

President Johnson said in his letter:

> You have your responsibilities as chief of the Government of Turkey; I also have mine as President of the United States.

It seems clear that had Turkey invaded Cyprus in 1964, President Johnson would have complied with the law and declared Turkey "immediately ineligible" for military assistance. The President is bound by a sound law. He should determine that Turkey is "immediately ineligible" for military grants, sales, credits, and guarantees.

President Ford inherited the Cyprus crisis as well as many other pressing problems. It is my hope that he is not deliberately failing to execute the law, but is rather being ill-advised or being kept ill-informed of the legal ramifications of his inaction.

I call upon the President to make the determination he is required to make under the law and cut off military aid to Turkey. And I call upon my colleagues in the Senate to express their support for the law and their abhorrence for armed aggression by voting for this amendment.

Because of procedural difficulties in the House, I probably cannot retain this amendment in conference—but we can emphatically make our feelings known by approving the Eagleton-Stevenson amendment.

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. Will the Senator yield?

Mr. EAGLETON. I yield 3 minutes.

Mr. JACKSON. Mr. President, I am pleased to join as a cosponsor of this important resolution, offered by my good friend from Missouri as an amendment to the Export-Import Bank reauthorization legislation.

Mr. President, I commend the distinguished junior Senator from Missouri for his initiative in this regard.

In July of this year, the Turkish Government resorted to the large-scale use of military force in order to impose its own "solution" to the Cyprus question on all the people of Cyprus. Rather than acting in the role of guarantor of Cypriot independence and integrity—a role shared as well by Greece and Britain—Turkey became the major force in unraveling the international and domestic political arrangements that had secured the independence of Cyprus.

The Turkish military's fait accompli was made possible in part by the American program of military assistance to Turkey. Over the years, Congress supported such a program, seeing in Turkey an important member of the West's collective security structure. But in no sense did the Congress ever authorize military assistance to Turkey for any reason other than the strengthening of the collective defense effort. Indeed, the foreign assistance statutes clearly state that our military assistance is for "legitimate self-defense"; it is designed to enhance a nation's ability to resist aggression, not participate in it.

The Cyprus crisis is a problem not only for American foreign policy, it is also a challenge to the integrity of American law. In the view of the cosponsors, the statutes impose upon the President an obligation to place a moratorium on military assistance to Turkey, precisely because Turkey's use of this assistance clearly contradicts the Congress' intentions in funding the program.

It is fair to say that, thus far, the administration's approach to the Cyprus question—and to relations with Greece and Turkey alike—has been a failure. It is a policy that has been strategically, ethically, and legally unsound. It is in the realm of law especially that the Congress has a prime responsibility, and it is this responsibility that we act upon today. It is clearly time for the President to act in placing a moratorium on military assistance to Turkey. The administration has evaded its obligations in this area far too long, and this resolution will be, I hope, the last congressional reminder necessary.

I trust that the President will appreciate the depth of congressional concern over this issue. It is not our intention to interfere with the orderly conduct of U.S. foreign policy, but rather to urge a policy which is in accordance with American law and a policy which reflects the deep convictions of the American people that the United States should not be a party to military adventures which pit one ally against another. I urge my colleagues to support this amendment, and I call on the President to act forthrightly in behalf of an independent Cyprus and a strengthened North Atlantic Alliance.

Mr. BUCKLEY. Mr. President, I am a cosponsor of the Senate amendment proposed by the junior Senator from Missouri expressing the position that the Department of State should comply with statutes regarding disposition of American aid and other components of American policy with specific reference to Turkey. It is important that the intent of the Congress not be frustrated because of a preoccupation by the executive branch with a particular facet of our diplomatic relationships.

We are all deeply concerned about the situation in Cyprus. Whatever the provocation resulting from the attempted coup by 650 Greek officers, the fact is that Turkish Army has seized by force and now occupies a substantial portion of the Island of Cyprus, and in the process has violated existing understandings with respect to the proper use of military equipment provided by the United States.

It is the intention of the Congress that U.S. assistance be made in a context consistent with U.S. diplomatic objectives. Limitations imposed by the Congress on military and economic assistance to the Government of Turkey must be observed and faithfully enforced by the executive branch. As in the case of congressional concern over the contribution of Turkish opium production to the illicit drug markets, it is a legitimate concern of the Congress that our economic and military assistance not be utilized by one ally at the direct expense of another. Here again, the intent of Congress should be faithfully pursued by the executive branch. This amendment reinforces this position and I therefore urge its support.

PROTOCOL TO THE TREATY ON THE LIMITATION OF ANTI-BALLISTIC-MISSILE SYSTEMS—REMOVAL OF INJUNCTION OF SECRECY

Mr. MANSFIELD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the protocol to the treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic-Missile Systems, signed in Moscow on July 3, 1974 (Executive I, 93d Congress, second session), transmitted to the Senate today by the President of the United States, and that the protocol with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message is as follows:

To the Senate of the United States:

I transmit herewith the Protocol to the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems. This Protocol was signed in Moscow on July 3, 1974. I ask the Senate's advice and consent to its ratification.

The provisions of the Protocol are explained in detail in the report of the Department of State which I enclose. The main effect of the Protocol is to limit further the level and potential extent of ABM deployment permitted by the 1972 ABM Treaty. The Protocol furthers fundamental United States objectives set forth in President Nixon's message to the Senate of June 13, 1972 transmitting the Agreements reached at SALT ONE.

The ABM Treaty prohibits the deployment of operational ABM systems or their components except at two deployment areas, one centered on a Party's national capital area and the other in a separate area containing ICBM silo launchers. The Protocol would amend the Treaty to limit each Party to a single ABM deployment area at any one time, which level is consistent with the current level of deployment. However, each side would retain the right to remove its ABM system and the components thereof from their present deployment area and to deploy an ABM system or its components in the alternative deployment area permitted by the ABM Treaty. This right may be exercised only once.

This Protocol represents a further advance in the stabilization of the strategic relationship between the United States and the Soviet Union. It reinforces the ABM Treaty provision that neither Party will establish a nationwide ABM defense or a base for such a defense.

I believe that this Protocol strengthens the ABM Treaty and will, as an integral part of the Treaty, contribute to the reduction of international tension and a more secure and peaceful world in which the security of the United States is fully protected. I strongly recommend that the Senate give it prompt and favorable attention.

GERALD R. FORD.

THE WHITE HOUSE, *September 19, 1974.*

EXPORT-IMPORT BANK AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3917) to amend and extend the Export-Import Bank Act of 1945, as amended, and for other purposes.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. I yield to the Senator from Texas.

Mr. TOWER. Mr. President, this is a very unwise amendment. I feel reasonably sure that it will pass, because the politics of the issue are such that it, in all probability, will pass, even though it is admitted that there is little prospect it will survive in conference because a point of order will lie against it.

Mr. President, I submit that this is no way to conduct foreign policy. We in Congress have to recognize that the formulation and implementation of foreign policy is, and historically has been, regarded as primarily a function and responsibility of the executive branch.

Congress cannot engage in negotiations with foreign powers. The unwieldy mechanism of the legislative process does not lead itself to the flexibility required to deal with fast-changing times.

The amendment apparently proceeds on the supposition that we offer aid to Turkey, because of some unselfish motive that we have, because we are simply desirous of helping the Turks defend themselves, and have no particular national interest involved ourselves.

One needs only to look at a map to observe the geographic and strategic importance of Turkey and its essentiality to the North Atlantic Treaty Organization in terms of their ability to offer a viable defense for Western Europe.

Turkey is on the flank, and Turkey is in a strategic position. We proffer aid to Turkey not for any great altruistic reason, but because it is in our own national interest to do so. It is in our national interest to do so, because it is in our national interest that Western Europe have a viable defense. Why we should consciously weaken ourselves on our flank I cannot understand, but that is what we do should the amendment offered by the Senator from Missouri become law and become binding on the executive branch. Then we would be cutting off our noses to spite our faces. We would be denying ourselves the participation of the Turks in the defense of Western Europe. We would be denying ourselves sources of intelligence. We would be denying ourselves the opportunity to observe the naval movements of the Soviet Union in the Black Sea.

So let us understand that the amendment of the Senator from Missouri is not in the national interest. It may satisfy an emotional whim we have at the moment. It may allow us to vent our fit of heat. But it is not in the national interest, and it is not in the interest of the defense of Western Europe.

Therefore, I fervently hope that this amendment will be rejected.

We have to have a certain degree of flexibility in the successful implementation of foreign policy. Legislative strictures such as proposed here deny us that flexibility and give our potential adversaries a tremendous advantage over us.

Let us understand that we are playing into their hands so we can satisfy ourselves that we have slapped Turkey on the wrist for even having violated an understanding that we have with them.

I hope we will reflect carefully before we vote this amendment as a part of the pending legislation.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. Mr. President, I hate to disagree with my distinguished colleague from Texas, but what are we to do when we pass laws in Congress, when we make agreements between our executive branch and the Government of Turkey as to how weapons are to be used or any other form of foreign aid that are granted, and then they violate the agreement? Blatently, clearly. There is no question about the violation. But we stand here and say, "Well, all right, we will tolerate that." Do we say that if they happen to use the weapons in a way that we like, that may be all right?

I do not approve of the way they used the weapons in this case, but if they happen to use the weapons in a way we do not like, we then exert our influence and pressure? They have made a mockery out of the law that Congress passed.

Either the law should be repealed and they be allowed to have whatever discretion they want in Turkey to us the weapons they want, or the law should be observed. But I do not think we can have it both ways.

It is for that reason that I join with the Senator from Missouri in support of his amendment today.

The PRESIDING OFFICER. Who yields time?

Mr. EAGLETON. Mr. President, I take it there is no other Senator who desires to speak in opposition to the amendment. I shall speak briefly and ask for the yeas and nays.

I listened with great interest to my distinguished colleague and friend from Texas (Mr. TOWER), an able and articulate spokesman. He is even able and articulate as a spokesman for an improper cause.

He knows, as I do, that the law is the law. We are not talking about tying the hands of our negotiators, about the improvements in foreign policy, and the lack of wisdom in not giving to those in the State Department the discretionary power to operate.

They do not talk about those bromides when the law is clear on its face. The law is being violated not only by Turkey—they are in violation of the bilateral agreement—but the U.S. Government, the executive branch is in violation of the law.

The law says that aid shall be cut off to a recipient nation, in this instance Turkey, when that nation uses our equipment for aggression. That is the sum and substance of what the law says. They can use it for only limited purposes of self-defense or for NATO-assigned reasons. Thus, when Turkey used our equipment to invade Cyprus, that act violated the law and the President of the United States was to forthwith terminate any future aid to Turkey.

That occurred 2 months ago, on July 20.

On August 19, the Secretary of State, Dr. Kissinger, in a press conference was asked about the violation of the law in this. "Are you checking this out?"

Dr. Kissinger in his clever use of language—and he is one of the most articulate and cleverest wordsmen of modern times—said, yes, he was going to check this out, and they would have a legal opinion forthcoming.

That was a month ago. Where is that celebrated legal opinion? Is it on Dr. Kissinger's desk? Where is that opinion that he promised to the American public a month ago?

We do not need the opinion, Mr. President, because the law is clear. Dr. Kissinger can hire every Philadelphia lawyer and every Wall Street lawyer he wants and you cannot get around the clear wording of this statute.

There is no discretion allowed. The aid is to be terminated forthwith.

Can there ever be a prudent foreign policy in contravention of an existing, valid enactment of Congress.

What are we to do? Are we to wait for Dr. Kissinger when he is good and ready to tell us what he thinks the law is? We already know. Do we wait for Dr. Kissinger to decide what he thinks is in the national interest, even though the law is clear? Are we going to wait for one of those secret meetings with Dr. Kissinger where he says, "Now, listen, I know things you do not know, and things are delicate over there; please have faith in me"?

How much faith did we have through the years of a whole host of Secretaries of State beginning with Dean Rusk and later William Rogers insofar as Southeast Asia is concerned?

"Be a little more patient. Wait for the light at the end of the tunnel." Whether it was Rusk, McNamara, or Rogers. We were told the same thing—have faith in me. I know things you do not know.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. EAGLETON. In 1 minute I will yield.

Now we are asked to let Dr. Kissinger work it out.

Yes, he is a bright man, a facile man, an agile man, and he is clever with his use of words. But even he, the esteemed and prestigious Secretary of State, is not above the law. If we have learned one thing in the wake of a 2-year nightmare, it is that no man is above the law. With what anguish and bitterness did we learn that lesson? But how quickly we learn and how equally quickly we forget.

I say that the Senate must go on record in protection of its own statutes and say to our Secretary of State that he is not above the law. The law is clear. It is to be read. It is to be observed. It is to be enforced.

There is a remedy for Dr. Kissinger if he says this is imprudent policy. He can come to Congress and say, "Congress, your law is unwise." Come before the committees of Congress and testify, "I seek an amendment to the law to get around what is the clear force of law."

Do it in an open way, aboveboard. Do not do it in the corridors of Foggy Bottom or in the corridors of the Capitol. Do not just whisper to certain "legislative leaders." Speak out, speak forth to the entire United States through the medium of Congress, before a duly constituted committee of Congress. Ask for a change in the law, if you think it is unwise—but do not ignore it. Observe the law. That you must do, Dr. Kissinger. That any American citizen must do.

Mr. President, I am pleased to yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, as I understand the amendment offered by the Senator from Missouri, the purpose of it is to have the executive branch of Government comply with the law which already has been enacted by Congress.

Mr. EAGLETON. The Senator from Virginia is absolutely correct.

Mr. HARRY F. BYRD, JR. The amendment does not add new law. The amendment by the Senator from Missouri does not change the law. It merely says to the executive branch, "You must comply with the law that Congress enacted."

Mr. EAGLETON. The Senator from Virginia is absolutely correct once again.

Mr. HARRY F. BYRD, JR. As I understand the argument just made by the distinguished Senator from Missouri, if the executive branch feels that the present law is a hindrance, if the executive branch feels that diplomatic negotiations require an action which the present law does not permit, then the executive branch should come to Congress, give the reasons why the law should be changed, and recommend the change to Congress.

Mr. EAGLETON. I could not agree more with those fine words of the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I thank the Senator from Missouri. It is my intention to support his amendment.

The PRESIDING OFFICER. Who yields time?

Mr. EAGLETON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. EAGLETON. I yield 4 minutes to the distinguished Senator from Minnesota (Mr. HUMPHREY).

Mr. HUMPHREY. Mr. President, I have given very serious consideration to the amendment offered by the Senator from Missouri. I have been troubled, as he knows, about the application of it and all the implications that are involved. But I rise to support the amendment because I believe it is the right way to proceed.

Shortly before the Senate's Labor Day recess, I considered offering a similar amendment. At that time I believed that the supply of arms to Turkey was an express violation of section 505(d) of the Foreign Assistance Act of 1961 as amended. However, I discussed this issue directly with the Secretary of State and came to the conclusion that it would be best to wait on offering such an amendment until there had been adequate time for negotiations to begin.

My support of the Eagleton amendment stems from my frustration and disappointment that there has been no substantial progress toward the resolution of the crisis in Cyprus.

It has been argued that if our Nation cuts off its military or economic assistance to another nation that we automatically lose any leverage we normally would have with the recipient country. In the case before us today, I believe that the President should strictly follow the law and end American arms shipments to Turkey. We seem to have little or not influence on our Turkish friends as a result of our massive arms shipments.

It was clear when the Congress drafted and passed this law that we did not provide arms to other nations so that they could make war. The arms provided by the American taxpayer were for legitimate self-defense purposes and in the context of specified treaty relationships.

I invite the attention of Senators to section 502, entitled "Utilization of Defense Articles and Services," and I ask unanimous consent that that part of the Foreign Assistance Act of 1961, as amended, be printed at this point in the RECORD.

There being no objection, section 502 of the Foreign Assistance Act of 1961, as amended, was ordered to be printed in the RECORD, as follows:

SECTION 502

Utilization of Defense Articles and Services.—Defense articles and defense services[200] to any country shall be furnished solely for internal security, for legitimate self-defense, to permit the recipient country to participate in regional or collective arrangements or measures consistent with the Charter of the United Nations, or otherwise to permit the recipient country to participate in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security,[201] or for the purpose of assisting foreign military forces in less developed friendly countries (or the voluntary efforts of personnel of the Armed Forces of the United States in such countries) to construct public works and to engage in other activities to the economic and social development of such friendly countries. It is the sense of the Congress that such foreign military forces should not be maintained or established solely for civic action activities and that such civic action activities not significantly detract from the capability of the military forces to perform their military missions and be coordinated with and form part of the total economic and social development effort.

Excess Defense Articles.—Excess defense articles shall be provided whenever possible rather than providing such articles by the procurement of new items.

Conditions of Eligibility.—(a) In addition to such other provisions as the President may require, no defense articles shall be furnished to any country on a grant basis unless it shall have agreed that—

(1) it will not, without the consent of the President—

(A) permit any use of such articles by anyone not an officer, employee, or agent of that country,

(B) transfer, or permit any officer, employee, or agent of that country to transfer such articles by gift, sale, or otherwise, or

(C) use or permit the use of such articles for purposes other than those for which furnished;

(2) it will maintain the security of such articles, and will provide substantially the same degree of security protection afforded to such articles by the United States Government;

(3) it will, as the President may require, permit continuous observation and review by, and furnish necessary information to, representatives of the United States Government with regard to the use of such articles; and

(4) unless the President consents to other disposition, it will return to the United States Government for such use or disposition as the President considers in the best interests of the United States, such articles which are no longer needed for the purposes for which furnished.

(b) No defense articles shall be furnished on a grant basis to any country at a cost in excess of $3,000,000 in any fiscal year unless the President determines—

(1) that such country conforms to the purposes and principles of the Charter of the United Nations;

(2) that such defense articles will be utilized by such country for the maintenance of its own defensive strength, or the defensive strength of the free world;

(3) that such country is taking all reasonable measures, consistent with its political and economic stability, which may be needed to develop its defense capacities; and

(4) that the increased ability of such country to defend itself is important to the security of the United States.

(c) The President shall regularly reduce and, with such deliberate speed as orderly procedure and other relevant considerations, including prior commitments, will permit, shall terminate all further grants of military equipment and supplies to any country having sufficient wealth to enable it, in the judgment of the President, to maintain and equip its own military forces at adequate strength, without undue burden to its economy.

(d) Any county which hereafter uses defense articles or defense services furnished such country under this Act, the Mutual Scurity Act of 1954, as amended, or any predecessor foreign assistance Act, in substantial violation of the provisions of this chapter or any agreements entered into pursuant to any of such Acts shall be immediately ineligible for further assistance.

Mr. HUMPHREY. Mr. President, it is clear that Turkey has used American arms for purposes that our Nation never intended. It is the duty of the President to review this situation and then to enforce the law.

Mr. President, Cyprus was once a booming economic sucess. It relied on a heavy tourist trade and some agriculture to provide its citizens with a fairly high standard of living. The economic situation of the island has deteriorated. The refugee situation is grave. It is imperative that a political solution be reached which provides for the withdrawal of Turkish forces. As long as the Turks know that they have almost an unlimited supply of arms and ammunition from the United States, it will not be likely that they will come to the conference table and participate in a settlement that is satisfactory to all parties. I believe we must realize that the great political leverage we have wrongfully provided the Turks through our supply of arms will not work in the interest of a peaceful and lasting solution to the crisis in Cyprus.

I call upon the President and the Secretary to take heed of this resolution, to recognize that nonaction is a violation of the law.

Mr. President, I have long been a staunch friend of Turkey. I am not unmindful of its great role in NATO. I am not unmindful of its participation in the struggle in Korea. I must say that one of the first areas of international policy that met with my interest and approval was the Greek-Turkish aid program. So what I do today, I do with heavy heart and with reluctance; but I do not think there is any other way out, other than to obey the law.

The PRESIDING OFFICER (Mr. GRIFFIN). The time of the Senator has expired.

Mr. EAGLETON. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the following items be inserted in the RECORD:

The New York Times, September 14, 1974, "Turkey Is Ineligible."

The New York Times, August 27, 1974, "How To Lose An Ally."

The Washington Star-News, September 10, 1974, "Turkey Aid Poses Legal Problem."

The Washington Star-News, September 13, 1974, "Foreign Aid Focus Moves to Turkey."

The Washington Post, September 18, 1974, "U.S. Arms Flow to Persian Gulf."

Legal opinion by the Library of Congress, Congressional Research Service, "Military Aid Cutoff to Aggressor-Recipients."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sept. 14, 1974]

TURKEY IS INELIGIBLE

Cutting off American military aid to Turkey may, as Secretary of State Kissinger contends, be "ineffective and counterproductive" so far as getting the Turks to roll back their occupation of Cyprus is concerned; but it is mandatory under the law. In pretending for nearly a month to be studying this question, the State Department is clearly stalling, as it has stalled at every point since the outset of the Cyprus tragedy when action was called for to demonstrate this country's disapproval of aggression.

The revelant laws cite specific purposes for which American military assistance may be used by recipient countries, including internal security, legitimate self-defense, regional and collective defense activities consistent with the United Nations Charter or undertaken under U.N. authorizations. They provide that any country employing aid for other purposes "shall be immediately ineligible for further assistance."

A Library of Congress analysis of pertinent legislation, inserted in the Congressional Record by Representative John Brademas of Indiana, supports the contention of Mr. Brademas and three colleagues in a letter to Mr. Kissinger that the cutoff in aid to Turkey "is not discretionary as a matter of policy, but is mandatory under the terms of the Foreign Assistance Act. . . ."

Senator Thomas F. Eagleton of Missouri charges that President Ford is being deliberately kept "uninformed" of the mandatory cutoff for Turkey "in order to protect erroneous policy judgments made by the foreign affairs bureaucracy." But it has been not so much the State Department bureacracy that has so bungled American policy in the Cyprus crisis as Mr. Kissinger himself.

The stalling on the aid cutoff, in violation of the laws, is of a piece with Washington's earlier unwillingness to condemn Greece's disintegrating junta for the coup against the legal Government of Cyprus—a reluctance that encouraged Turkey to intervene on the island. It is also consistent with Washington's refusal to to condemn Turkey's subsequent massive occupation of a third of Cyprus in flagrant breach of solemn cease-fire pledges.

Senator Eagleton, Representative Brademas and their colleagues are to be applauded for persisting in their demand for an end to Mr. Kissinger's illegal appeasement of Turkish aggression.

[From the New York Times, Aug. 27, 1974]

HOW TO LOSE AN ALLY

(By Graham Hovey)

Secretary of State Kissinger still seems oblivious to the dimensions of the disaster sustained by United States foreign policy in the Cyprus tragedy and insensitive to the hurt of people who feel let down by Washington.

How else explain his ill-timed offer to mediate the Cyprus crisis and his bland invitation to a harried Greek Premier to come to Washington to talk things over—at a time when Turkey was grabbing the northern third of Cyprus and drawing only a wrist tap from the State Department?

Did Mr. Kissinger really believe that Greece's Premier Caramanlis or Foreign Minister Mavros could accept a summons to Washington at that point and survive? As former United States Under Secretary of State George Ball said, the Kissinger mediation offer in that context exhibited "an insensitivity beyond belief."

And at whom was Mr. Kissinger aiming his warning of last week that "a foreign government must not expect that every time there is a crisis, the Secretary of State will come rushing into the area and spend all his time settling that particular crisis?" Was anyone asking for what he grandly calls "the personal shuttle diplomacy of the Secretary of State"?

Mr. Kissinger did promise that in any negotiation, Washington would "take into full account Greek honor and dignity," but he felt it necessary to add a warning that this country would "not be pressured by threat of withdrawal from the [NATO] alliance" nor by unjustified anti-American demonstrations.

But the Secretary surely misread the political signals from Athens if he regards the pull-out of Greek forces from NATO and the anti-American demonstrations merely as ploys by the Caramanlis Government, rather than reflections of utter disillusionment with an alliance and a superpower ally that could not prevent Turkey's blitz and Greece's humiliation on Cyprus.

In fact, Mr. Kissinger's trouble from the onset of the Cyprus crisis has been a lack, in dealing with allies, of the sensitivity that was an ingredient of his success in the Middle East and Vietnam negotiations, as well as in the initiatives that led to President Nixon's visits to China and the Soviet Union.

The United States is not omnipotent and, as Mr. Kissinger reminds us, cannot stop "every local war between smaller nations." No one can prove that any feasible Washington effort this time would have halted Turkey's invasion of Cyprus.

One is forced to recall, however, that President Johnson twice got Turkey to call off a scheduled invasion of Cyprus: in 1964, with a tough letter to Premier Inonu; in 1967, through a skillful, even-handed negotiating job by envoy Cyrus Vance.

Once a shaky military regime in Athens had staged a putsch against President Makarios, clearly aimed at enosis—the union of Cyprus with Greece—there was only one way to prevent Turkish intervention: to demonstrate that Greece would not be allowed to get by with it. Washington could have made the point by backing Britain in refusing to recognize the new Cyprus regime and in demanding that Athens recall the Greek officers who had directed the coup.

Instead, the United States gave Turkey and the world every reason to believe it accepted the coup. Washington refused to pin responsibility for it on the Greek dictatorship and even hinted that on Cyprus it preferred the swaggering murderer, Nikos Sampson, to the devious Makarios.

Turkey's initial invasion of July 20 was the inevitable result. This at least accomplished the salutary secondary results of blasting out of power both Sampson and the Athens junta. At that point the imperative was to persuade Turkey to go no further.

Ankara had made its point: it would not accept enosis and it intended at any cost to protect the Turkish Cypriote minority. The Turks could now negotiate from strength. They could expect American and British backing for constitutional revisions to give the Turkish Cypriotes a large measure of autonomy.

But the invasion had been heady wine for Turkey and Washington again seemed to blow a timid trumpet. At the showdown in Geneva, Turkey presented a drastic plan for division of Cyprus as an ultimatum, refusing to give the Greeks and Greek Cypriotes even a 36-hour recess to consult.

Turkey's blitz killed hundreds, displaced some 200,000, sowed new seeds for protracted intercommunity strife, provoked Greece into pulling its forces out of NATO, and increased instability in the eastern Mediterranean and the Middle East. It also dealt a heavy blow at United States credibility and the reputation of Henry A. Kissinger. More's the pity that he seems not to understand why.

[From the Washington Star-News, Sept. 10, 1974]

MOVE ON HILL—TURKEY AID POSES LEGAL PROBLEM

(By Oswald Johnston)

After weeks of temporizing, the Ford administration is nearing a moment of reckoning on the politically loaded question of continuing military aid to Turkey after the Turkish invasion of Cyprus nearly two months ago. The outcome may prove a deep embarrassment.

In Congress, a movement is gathering force to cut off all of the $209 million in military aid earmarked for Ankara this year. Opponents were bolstered today by a Library of Congress legal opinion maintaining that continuing aid after the July 20 invasion violates congressional limits on U.S. aid programs.

At the same time, according to informed sources, Secretary of State Henry A. Kissinger's own legal staff has come up with a bill unpublished legal opinion which, if accepted within the administration, would sharply curtail the policy of continuing aid to Turkey.

A legal study has been underway at State ever since Kissinger, responding to a critical questioner at a news conference Aug. 19, conceded that the legality of continued military aid to Turkey would have to be studied. Up to that time, the decision to continue aid after the July 20 invasion had been based on other policy criteria, Kissinger explained.

Since the news conference, department officials have declined any public discussion of the issue, except to say it is a "complex, complicated matter" that is under study.

The study is being conducted under the aegis of Carlyle E. Maw, undersecretary of state for security assistance, who until a few months ago was legal adviser to the State Department and who, in private life, has served as Kissinger's private counsel.

Maw declined yesterday to respond to questions relating to the study. But an authoritative official disclosed that Maw late last month rejected an early draft of the legal study as "incomplete . . . not adequate . . . too hasty a job."

According to a variety of sources close to the department, an early draft of the study and a later version which the legal staff is still working on concluded that continued U.S. aid to Turkey without a special presidential intervention violates both the letter and the spirit of the Foreign Assistance Act of 1961. Under that law, military aid is limited to purposes of self defense or to participation in regional defensive alliances such as NATO.

According to this inhouse reading, the only justification for continued aid to Turkey would be a narrowly circumscribed loophole in the law. This waiver clause would empower Ford to authorize up to $50 million a year in aid to a nation making aggressive war "when the President determines that such authorization is important to the security of the United States."

Congressional sources speculated privately that a presidential appeal to "national security" on this issue would aggravate still further the strained U.S. relationship with Greece, which has announced withdrawal from NATO over the Cyprus issue and is threatening to take over U.S. military bases.

State Department spokesman Robert Anderson acknowledged, however, that Kissinger met Saturday with Maw and other top advisers to discuss the issue. Kissinger will raise the question with Ford in the next few days, Anderson said, and Ford himself would soon be conferring with congressional leaders.

Congress is definitely shaping up to be a problem for the administration. The seven-page Library of Congress opinion delivered today unequivocally comes down on the side of a rigid congressional prohibition against supplying arms for purposes unrelated to national self-defense or regional defense.

"That U.S. military aid is intended for the sole and exclusive purpose of permitting the recipients to defend themselves against aggression . . . seems to permeate the laws governing this matter," the opinion declares. "The principal purpose of U.S. military aid was intended for defensive, rather than aggressive purposes."

Accordingly, the opinion concludes that it is "beyond debate" that U.S. military aid "is intended for defensive purposes exclusively . . ." Further, that use of U.S. military supplies "for other than defensive purposes . . . is barred by law."

The opinion was prepared at the request of Sen. Thomas F. Eagleton, D-Mo., who last week issued a statement denouncing continued aid to Turkey as a violation of the law. Eagleton has also proposed a Senate resolution against the aid policy, claiming that the U.S.-Turkish bilateral aid agreement of 1947 was directly violated by the Turkish invasion of Cyprus.

Amendments to the current Foreign Assistant Act which would summarily cut off aid to Turkey are now pending in both houses.

[From the Washington Star-News, Sept. 13, 1974]

FOREIGN AID FOCUS MOVES TO TURKEY

(By Oswald Johnston)

South Vietnam provided the public focus of President Ford's first foreign policy message to Congress. But the practical effect of the administration's likely strategy for salvaging its foreign aid programs would benefit Turkey almost exclusively.

The message Ford sent up to Capitol Hill yesterday inveighed against "deep cuts" in the aid programs he inherited from the Nixon administration. In his meeting with congressional leaders as described by Acting Press Secretary John Hushen, the President expressed alarm at the congressional decision to halve the administration's $1.4 billion military aid request for Saigon.

But in conversation with reporters later, Senate Minority Leader Hugh Scott, R-Pa., let the cat out of the bag. Abandoning the foreign aid bill at least until after November's congressional elections and making do instead with an extension of last year's programs is "a real possibility," he said.

Doing that would have no effect on the congressional decision to cut Saigon's military aid to $700 million. That economy move is contained in the defense budget, which has been passed by Congress and for practical purposes is untouchable.

At the same time, temporarily abandoning the aid bill would hold economic aid to Saigon to a level some $70 million below the most drastic cuts imposed in the Senate on the administration program.

Resorting to a "continuing resolution" to maintain foreign aid at last year's levels would nullify the growing campaign in Congress to cut off military aid to Turkey at least until a post-election lame duck session if there is one, or more likely into next year.

Congress reacted to what was widely seen as a seriously flawed administration policy during the Cyprus crisis with a frontal attack on Secretary of State Henry A. Kissinger's decision to keep up military aid to Turkey after the Turkish invasion of Cyprus.

Many congressmen are convinced those aid shipments violate legislation limiting U.S. military supplies to purposes of self-defense, and a Library of Congress study earlier this week supported this view.

According to informed reports which have not been denied by State Department officials, an in-house legal study prepared for Kissinger has concluded that the only way to justify continued aid to Turkey is for Ford to invoke a special waiver clause in the Foreign Assistance Act. Under this special exception, the President must certify that continued aid "is important to the security of the United States."

To force the issue, amendments to current foreign aid legislation are pending in both houses to cut off all aid to Turkey until the Cyprus issue is resolved. Kissinger is known to feel such a cutoff—however mandated in theory by law—would play havoc with his design of offsetting the Cyprus policy fiasco by appeasing the Turks and wooing the Greeks back into the North Atlantic Treaty Organization's military alliance.

Accordingly, abandonment of the administration aid program this year, as Scott hinted, would certainly kill off the anti-Turkey amendments and probably give Kissinger a chance to circumvent the legal issue for a few more months.

Congressional limitations on foreign assistance, Hushen told White House reporters yesterday in a virtual word-for-word echo of Kissinger's own rhetoric on this kind of issue, would "drastically reduce (the administration's) ability to conduct foreign policy."

The statement obviously was an allusion to the Turkish aid question, but most of the direct references at the White House yesterday were to South Vietnam.

The cuts in military aid to Saigon, Hushen said in a declaration that could have been made at any time in the past 10 years, "severely reduce South Vietnam's ability to defend itself . . . in the face of increasing North Vietnamese military actions."

[From the Washington Post, Sept. 18, 1974]

U.S. Arms Flow to Persian Gulf

(By Jim Hoagland)

Beirut, September 17.—Kuwait is to sign a contract this week for $450 million worth of American arms and equipment, including advanced design Hawk surface-to-air missiles, and will shortly open final negotiations for American fighter bombers, Arab military sources said today.

The Kuwaiti purchases and large-scale buying of aircraft by Saudi Arabia form part of a heated arms-buying campaign that is turning the Persian Gulf into a gigantic armory.

Arab oil producers have already committed themselves to buy more than $2.7 billion worth of airplanes, missiles, tanks and other equipment from the United States and Western Europe this year.

Iraq is reported by Western diplomats to be receiving about $1 billion in arms supplies from the Soviet Union this year and neighboring non-Arab Iran has placed orders for more than $2.5 billion in arms.

Kuwaiti officials stress that their arms buildup is a defensive one. An incursion by Iraqi forces into northern Kuwait last year has heightened fears of the Connecticut-sized sheikhdom's being swallowed up by its bellicose neighbor to the north.

The Kuwaiti decision to buy U.S. warplanes instead of British Jaguar aircraft represents a commercial and strategic victory for the United States in the escalating race to sell rich countries of the Persian Gulf.

But the pending negotiations emphasize a growing U.S. dilemma on arms sales to Arab countries. Prospective Arab customers reportedly are pressing for more sophisticated fighters with greater range and firepower than Washington appears willing to provide.

Strong reaction from Israel and its supporters in Washington can be expected if the Arab desires are met.

But Arab military analysts are saying privately that the United States runs the risk of being accused even by its Arab friends of trying to pawn off inferior goods on the Arabs and thereby losing sales that would help the economically depressed American aerospace industry and give the United States more leverage in the Arab world.

Kuwait, which is involved in a billion dollar expansion of its tiny armed forces, has already rebuffed American efforts to push the Northrop F-5E in sales negotiations that began nearly 18 months ago.

The Kuwaitis turned to the British Jaguars rather than accept the smaller plane. But American hints that a large arms package deal would imply a strengthening of American-Kuwaiti defense ties and a willingness to offer larger aircraft, have brought the Kuwaitis back around to committing themselves to buy American.

Kuwait, concerned about a continuing Russian arms buildup in neighboring Iraq, is shopping for 38 fighter bombers to go with one squadron of French Mirage F-1 jets ordered earlier this year.

American planes under discussion are the McDonnell Douglas phantom F-4, one of the mainstays of the Israeli air force, and the more recent, longer range Ling-Temco-Vought A-7 Corsair.

The Corsair, a U.S. Navy light attack bomber, is capable of reaching the borders of Israel from Kuwait. It has been exported to only a few countries in Western Europe.

The Pentagon is said to have recommended to Kuwait the A-4F, an older model of the McDonnell Douglas Skyhawk than that possessed by the Israelis, who have made significant modifications in the aircraft.

In Saudi Arabia, the United States faces a similar problem King Faisal is reported by reliable Arab sources to be under pressure from young Saudi pilots and high-ranking Egyptian officers, who have a formal advisory role in Saudi Arabian arms purchases, to reject American efforts to sell 32 F-5Es to the Saudi air force.

The Saudis have been rankled by reports circulating in Riyadh that a U.S. Defense Department evaluation team that visited Saudi Arabia this summer concluded that Saudi pilots are not sufficiently prepared to handle and maintain more sophisticated aircraft. The team reportedly stressed the ease of maneuverability and maintenance of the F-5E, which is in wide use in developing countries.

Saudi Arabia has purchased three squadrons of the Northrop fighter on order and would like to build its air force to 200 combat aircraft. It has already ordered deep penetration French Mirage bombers, which Arab observers here believe are destined for Egypt.

Egyptian President Anwar Sadat recently said that friendly countries were buying warplanes for him to replace Egyptian losses in the October War with Israel.

Kuwait will be filling its immediate priority of air defense by signing $125 million contract with Raytheon this week for Superhawk missiles, an advanced version of the air defense weapon already supplied to Israel and Saudi Arabia and which Jordan is seeking.

The rest of the contract will be for radar, computer systems and buildings to support the air defense system. Yugoslavia will also help Kuwait build airport facilities under a separate contract to be signed this week.

Kuwait has reportedly opted for a defense plan that will have its air force scattered at four or five locations in Kuwait and in neighboring Arab states to prevent a first strike destroying the air force. This is a major factor in the Kuwaiti desire for longer range aircraft, according to Arab sources.

[From the Library of Congress, Congressional Research Service]

Military Aid Cutoff to Aggressor—Recipients

Reference is made to your inquiry of August 30, 1974, requesting information on the above matter. Specifically, you ask whether statutes limit extending U.S. military aid to nations which employ same for aggressive purposes inimical to world peace and domestic interests.

That U.S. military aid is intended for the sole and exclusive purpose of permitting recipients to defend themselves against aggression, whether from internal or external sources, seems to permeate the laws governing this matter. Title II of the Foreign Assistance Act of 1961, as amended, relating to the extension of military assistance, rests on the congressional finding that "the efforts of the United States and other friendly countries to promote peace and security continue to require measures of support based upon the principle of effective self help and mutual aid." Accordingly, it is the purpose of this title "to authorize measures in the common defense against internal and external aggression, including the furnishing of military assistance, upon request, to friendly countries and international organizations." Taking note of the dangers to world peace and national security posed by international communism, and so-called wars of liberation, Congress declares that "in the administration of [title II] priority shall be given to the needs of those countries in danger of becoming victims of active Communist or Communist—supported aggression or those countires in which the internal security is threatened by Communist—inspired or Communist—supported internal subversion."

That the principal purpose of U.S. military aid was intended for defensive rather than aggressive purposes is clearly implied by various other statements contained in Title II's statement of policy. Thus, Congress states that the furnishing of military assistance notwithstanding," it remains the policy of the United States to continue to exert maximum efforts to . . . control weapons of mass destruction and universal regulation and reduction of armaments, including armed forces, under adequate safeguards to protect complying countries against violation and evasion." Elsewhere, Congress declares that "[i]n enacting this legislation, it is" its "intention . . . to promote the peace of the world and the foreign policy, security, and general welfare of the United States by fostering an improved climate of political independence and individual liberty, improving the ability of friendly countries and international organizations to deter or, if necessary, defeat Communist or Communist-supported aggression, facilitating arrangements for individual and collective security, assisting friendly countries to maintain internal security, and creating an environment of security and stability in the developing friendly countries essential to their more rapid social, economic, and political progress." § 501; 22 U.S.C. 2301.

The operative provision of the Act is, if anything been more explicit regarding the exclusively defensive purposes of the military and authorized title II. Thus, section 502 provides, in relevant part, that—"Defense articles and defense services to any country shall be furnished solely for internal security, for legitimate self-defense, to permit the recipient country to participate in regional or collective arrangements or measures consistent with the Charter of the United Nations, or otherwise to permit the recipient country to participate in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security, or for the purpose of assisting foreign military forces in less developed friendly countries (or the voluntary efforts of personnel of the Armed Forces of the United States in such countries) to construct public works and to engage in other activities helpful to the economic and social development of such friendly countries. . . ." § 503, 22 U.S.C. § 2302.

In authorizing military assistance to friendly foreign countries and international organizations, Congress wrote into the Act the express requirement that the President has to find that the extension of such assistance will strengthen the security of the United States and promote world peace. § 503; 22 U.S.C. § 2311.

In order to be eligible for defense articles on a grant basis, an applicant country, inter alia, must agree, "that . . . it will not, without the consent of the President . . . use or permit the use of such articles for purposes other than those for which furnished. . . ." § 505(a)(1)(c); 22 U.S.C. § 2314(a)(1)(c). Similarly, Congress enjoined the President from furnishing defense articles on a grant basis to any country at a cost in excess of $3,000,000 unless he determines "that such country conforms to the purposes and principles of the United Nations; that such defense articles will be utilized by such country for the maintenance of its own defensive strength, and the defensive strength of the *free world;* . . ." § 505(b)(1), (2); 22 U.S.C. 2314(b)(1), (2).

Any doubt regarding the mandatory (as distinguished from discretionary) nature of the aforementioned restrictions on foreign military assistance authorized by the 1961 Act should have been dispelled by a significant amendment which was added one year later. Public Law 87-565, Pt. II, § 201(a), 76 Stat. 259 (1962) 22 U.S.C. 2314(d). That amendment which added section 505(d) provides that use by any recipient nation of materials in violation of the terms and conditions contained in this and related laws, past and present, "shall [render it] . . . immediately ineligible for further assistance." Section 505(d) reads as follows:

"Any country which hereafter uses defense articles or defense services furnished such country under this chapter, the Mutual Security Act of 1954, as amended, or any predecessor foreign assistance Act, in substantial violation of the provisions of this chapter [§§ 2311–2320] of this title or any agreements entered into pursuant to any of such Acts shall be immediately ineligible for further assistance."

The substance of section 505(d) was proposed in the House version of the Foreign Assistance Act of 1962, H.R. 11921, § 201. The House Report that accompanied the bill (H. Rept. No. 1788, 8th Cong., 2d Sess. pp. 26–27) states, in relevant part, that—

"Section 201(a) amends Section 506 [subsequently renumbered sections 505], relating to conditions of eligibility, by adding a new subsection (c) [subsequently redesignated (d)] providing that any country which hereafter uses defense articles or defense services furnished such country under this act, the Mutual Security Act of 1954, as amended, or any predecessor foreign assistance act in violation of any of the provisions of this chapter or any agreements entered into pursuant to any of these acts shall be immediately ineligible for further assistance under this chapter.

"The present act requires that military assistance furnished either through grants or sales shall be solely for the purposes of internal security, legitimate self-defense or the participation in collective arrangements or measures consistent with the United Nations Charter or as requested by the United Nations for maintaining or restoring international peace and security. It also provides for certain conditions of eligibility which include the reaching of agreements as to the use, observation, protection, and disposition of the assistance furnished.

"This amendment will provide the positive penalty not now contained in the law for the future violation of the requirements of this chapter or agreements under which the equipment or services are furnished.

"The committee believes that such a penalty is necessary and will serve notice or agreements as having little or no effect. It is not intended that every small disagreement between the United States and recipient countries on the deployment of units or uses of equipment would serve to make such country ineligible for further assistance. However, where a country actually undertakes an act of aggression or refuses to allow continuous observation of the equipment, diverts substantial quantities of the items furnished, or otherwise violates the terms of its agreements, further assistance under this chapter would be prohibited by this Amendment."

The conference appointed to iron out differences in the measure as passed by the Senate and the House, accepted the latter's recommendation relative to conditions of eligibility with the addition, of the qualification that the violation must be substantial in order for the prohibition to apply. The conference report (H. Rept. No. 2008, 87th Cong., 2d Sess., pp. 17–18) states, in relevant part, that—

"Section 201(a) of the House Amendment provided that any country which hereinafter used defense articles or defense services furnished such country under this act, the Mutual Security Act of 1954, as amended, or any predecessor foreign assistance act, where such use was in violation of the provision of the military assistance chapter or any agreements entered into pursuant to any of such acts, should be immediately ineligible for further assistance.

"The Senate bill contained no comparable provision.

"The committee of conference accepted the House provision with an amendment which provided that in order for the section to become operative there must be a 'substantial' violation of the provisions of the military assistance chapter or applicable agreements. The purpose of this amendment is to make clear that minor instances of diversion or improper uses would not work to make countries ineligible for further military assistance."

In keeping with traditional practice, the apparent absolute prohibition contained in section 505(d) is subject to the President's special waiver authority in section 614(a), 22 U.S.C. 2364(a), which reads, in relevant part, that—

"The President may authorize . . . the use of funds made available for use under this chapter and the furnishing of assistance . . . without regard to the requirements of this chapter or any other law, any law relating to receipts and credits accruing to the United States, any Act appropriating funds for use under this chapter, or the Mutual Defense Assistance Control Act of 1951, in furtherance of any of the purposes of such Acts, when the President determines that such authorization is important to the security of the United States . . ." See H. Rept. No. 1788, *supra,* at p. 18.

That military aid under title II is intended for defensive purposes exclusively seems beyond debate. As noted, such assistance was conceived as operating hand in glove with economic aid by enabling recipients to defend themselves sufficiently to allow improvement in economic circumstances which in turn would make communism a less appealing alternative. Use of articles and services for other than defensive purposes, i.e., for aggressive purposes, is barred by law. However, neither the Act nor its legislative history make clear what kinds of activities separate defensive from aggressive purposes. Similarly, aside from the noted statement that a substantial violation which makes section 505(d)'s prohibition applicable is not intended to apply to minor violations, Congress provided little or no guidance for clearly distinguishing between the two. It is not unlikely that Congress had common sense standards in mind, i.e., general notions of the differences between offense and defense.

RAYMOND CELADA,
Senior Specialist in American Public Law.
SEPTEMBER 9, 1974.

Mr. DOMENICI. Mr. President, I am constrained to vote in opposition to the amendment submitted by my colleague from Missouri. This decision was reached only after carefully weighing both sides of the matter, and I feel that it would be helpful if I explained my vote.

There is no question in my mind that the people of Cyprus have been the victims of a cruel and savage war. It is no secret that this war has been waged on both sides with American arms. And it cannot be denied that those who have suffered the most are the Cypriots of Greek extraction.

However, these undeniable facts must be weighed against the importance of maintaining the NATO alliance. NATO has already been seriously weakened by the withdrawal of Greece. If we provoke Turkey's withdrawal, we could perhaps crumble the allied front against the expansionism of Warsaw Pact countries. I consider this risk too great to justify support of the Senator's amendment.

Furthermore, I can see no beneficial purpose flowing from enactment of Senator EAGLETON's amendment. Turkey is presently possessed with military power which by far surpasses that of Greece. That power could be used to reescalate hostilities on Cyprus even without further American military aid. I believe that the maintenance of American friendship with Turkey may be the only bargaining strength we have in helping to establish peace in this area. Senator EAGLETON's amendment destroys that strength. By voting for the Senator's amendment I would be vindicating a principle, but tempting further tragedy.

I cannot in good conscience support a proposition which runs such a risk.

Mr. EAGLETON. Mr. President, I am prepared to yield back the remainder of my time, which is meager indeed.

Mr. PACKWOOD. Mr. President, I yield back the remainder of my time.

Mr. EAGLETON. I see no other Senator who desires time. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Missouri. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Florida (Mr. CHILES), the Senator from Arkansas (Mr. FULBRIGHT), and the Senator from New Mexico (Mr. MONTOYA) are necessarily absent.

I further announce that the Senator from West Virginia (Mr. RANDOLPH) is absent on official business.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. GOLDWATER), the Senator from Maryland (Mr. MATHIAS), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER) and the Senator from Maryland (Mr. MATHIAS) would each vote "yea."

The result was announced—yeas 64, nays 27, as follows:

[No. 416 Leg.]

YEAS—64

Abourezk
Allen
Bayh
Beall
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Church
Clark
Cotton
Cranston
Dole
Eagleton
Gravel
Griffin
Hart
Hartke
Hatfield
Hathaway
Helms
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Ribicoff
Roth
Schweiker
Scott,
  William L.
Sparkman
Stafford
Stevenson
Symington
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So Mr. Eagleton's amendment (No. 1879) was agreed to.

Mr. EAGLETON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. STEVENSON. Mr. President, I yield to the distinguished majority leader.

The PRESIDING OFFICER. The Senate will be in order.

LEGISLATIVE BUZZERS AND SIGNAL LIGHTS

Mr. MANSFIELD. Mr. President, I think I should make a statement on the vote for cloture.

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will please be in order. The Senator will suspend until the Senate is in order.

Mr. MANSFIELD. Mr. President, I think I should make a statement on the vote for cloture which was defeated earlier this afternoon.

Immediately after the vote was announced a Senator who was not here to vote came through the door to the right of the Chamber from where I am standing. On inquiry at the desk concerning the halfway mark when the five bells ring warning Senators that the vote is halfway through, I found that the five bells were rung between 1 and 1½ minutes after the half time.

I do not blame anyone at the desk because it is a human error, and it could happen no matter who was looking after that function. Furthermore, it is a little difficult to keep the tally, call the names, and watch the clock at the same time.

But because of the fact that the regular order was called for at the end of the 15 minutes—and was in order and the Chair ruled that there would be regular order, and that was the correct ruling—I take this occasion to point out that had the bells rung at 7½ minutes rather than 8½ to 9 minutes, this Senator would have been here in plenty of time to cast his vote.

It is the intention of the leadership to acquire an automatic calculator which will be used to definitively mark off the half-time on 15 minute votes, and the 2½-minute period on the 10-minute votes.

I make this explanation just so that the Senate will know where the leadership stands on this matter, which might seem unimportant, but is important as far as an individual Senator is concerned, and I make it for the record with the promise that this matter will be attended to automatically, although it will have to be attended to manually as well so that as far as any Senator is concerned when he looks at the five lights or hears the five bells and see the five lights he can be definitely assured that he will have the full 7½ minutes to get to the floor and vote when votes are of 15 minutes duration, as they almost always are. It is the exception when we agree to a 10-minute time limitation.

Mr. STEVENSON addressed the Chair.

Mr. MANSFIELD. Mr. President, if the Senator will yield further, and even at the 10-minute vote, with the bells ringing the Senator will still be assured of 7½ minutes to get to the floor and vote, at the end of 2½ minutes.

EXPORT-IMPORT BANK AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3917) to amend and extend the Export-Import Bank Act of 1945, as amended, and for other purposes.

Mr. STEVENSON. The Senator from Oregon (Mr. Packwood) and I have an amendment at the desk which I call up.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. STEVENSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Section 1. On page 5, beginning on line 6, strike all through page 6, line 16, and insert in lieu thereof the following:

Sec. 4. Section 2(b)(2) of the Export-Import Bank Act of 1945 is amended to read as follows:

"(2) The Bank in the exercise of its functions shall not guarantee, insure, or extend credit, or participate in any extension of credit—

"(A) in connection with the purchase or lease of any product by a Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961), or agency, or national thereof, or

"(B) in connection with the purchase or lease of any product by any other foreign country, or agency or national thereof, if the product to be purchased or leased by such other country, agency, or national is, to the knowledge of the Bank, principally for use in, or sale or lease to, a Communist country (as so defined),

unless the President determines that guarantees, insurance, or extensions of credit in connection therewith to such Communist country would be in the national interest. The President shall make a separate determination with respect to each transaction in which the Bank would extend a loan, or guarantee, or combination thereof, to such Communist or such other country, or agency, or national thereof an amount of $40,000,000 or more. Any determination required under the first sentence of this paragraph shall be reported to the Congress not later than the earlier of thirty days following the date of such determination, or the date of which the Bank takes final action on a transaction which is the first transaction involving such country or agency or national after the date of enactment of the Export-Import Bank Amendments of 1914, unless a determination with respect to such country or agency or national has been made and reported prior to such date of enactment. Any determination required to be made under the second sentence of this paragraph shall be reported to the Congress not later than the earlier of thirty days following the date of such determination or the date on which the Bank takes final action on the transaction involved.".

Sec. 2. On page 6, beginning on line 17 strike all through line 22 on page 14.

"Sec. 5. Congressional Notification. Section 2(b) of the Export-Import Bank Act of 1945 is amended—

(1) by striking out paragraph (5);

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(3) by inserting after paragraph (2) the following new paragraph:

"(3) No loan, or guarantee, or combination thereof in an amount which equals or exceeds $60,000,000 shall be finally approved by the Board of Directors of the Bank unless the Bank has submitted to the Congress with respect to such loan, guarantee, or combination thereof a detailed statement describing and explaining the transaction at least thirty legislative days prior to the date of final approval. Such statement shall contain the following:

"(A) A description of the purpose of the transaction; the parties thereto, including the buyer and seller; the goods and services to be exported; the terms and conditions of Bank and private sector participation therein; and a full explanation of the need for Bank participation therein; and

"(B) A detailed statement of the impact of the proposed loan or guarantee, or combination thereof, on the national security and economy of the United States, including the effect on (i) employment in the United States; (ii) the competitive position of United States industries; (iii) the availability and price of goods in the United States of the kind to be exported; and (iv) the availability of technology, technical data, or other information not otherwise available to the purchaser."

Sec. 3. On page 16, line 7, strike "$30,000,000,000 and insert the following:

"$25,000,000,000: *Provided,* That after the date of enactment of the Export-Import Bank Amendments of 1974, the Bank shall not approve any loans or guarantees, or combination thereof, in connection with exports to the Union of Soviet Socialist Republics in an aggregate amount in excess of $300,000,000."

Sec. 4. On page 16, line 11, strike "June 30, 1978" and insert the following:

"June 30, 1978: *Provided,* That after June 30, 1976, the Bank shall issue no loan, guarantee, or insurance in connection with the purchase of any goods or services by a Communist country (as defined by section 620(f) of the Foreign Assistance Act of 1961, as amended, excluding Romania and Yugoslavia) or any agency or national thereof".

Sec. 5. On page 14, line 24, and on page 15, line 1, strike "(6)" and insert in lieu thereof "(5)".

Mr. STEVENSON. This amendment is offered on behalf of myself, Mr. Packwood, Mr. Sparkman, Mr. Jackson, Mr. Ribicoff, Mr. Javits, Mr. Tower, Mr. Bennett, Mr. Cranston, Mr. Mondale, Mr. McIntyre, Mr. Johnston, Mr. Humphrey, Mr. Hathaway, Mr. Tunney, Mr. Brock, Mr. Case, and Mr. Williams.

Mr. President, there is general agreement that close congressional scrutiny of the Export-Import Bank is in order. The Bank is a public institution with many billions of dollars in public resources at its command.

In today's international economic and political environment, it is a powerful instrument of U.S. policy. But prescribing the proper role for the Congress in exercising closer scrutiny without injecting it into the day-to-day operations of the Bank involves delicate balances which are not easy to strike.

S. 3917 contains a number of flaws. First, it contains no ceiling on authority for future Soviet Union transactions despite the intense concern raised by the recent infusion of massive credits to the Soviet Union—$469 million in direct loans at 6 percent interest in little more than a year.

Second, the provision for congressional reassessment of Communist country transactions is inadequate. Instead of requiring the Bank to come back to Congress and explain its Communist country activity, S. 3917 shifts the burden to the Congress. Under the bill, unless Congress takes affirmative action to disapprove authority for Communist country transactions prior to the start of any fiscal year, the Bank can continue to extend credits to Communist countries for the full 4-year extension period without having to explain its actions to Congress.

Third, the requirement that the President make a national interest determination for each major Communist country transaction applies only to loans, not both loans and guarantees. Their exclusion creates an anomaly and a loophole.

Fourth, and perhaps most important, congressional review of major Eximbank transactions not only fails to cover guarantees as well as loans, but also permits the Banking Committee of either House to short circuit the entire review process by granting approval of a given transaction before the full Congress had an opportunity to act. The review process omits an essential element of effective oversight—that the Bank make and submit to the Congress an assessment of the impact of a proposed major transaction on such vital matters as employment in the United States, the competitive position of U.S. industries, shortages, and technology transfers.

While I and many others see these flaws in S. 3917, my distinguished colleague from Oregon, Senator Packwood, and others see it differently. They raise constitutional and pragmatic objections to congressional review and possible veto of major transactions. They believe that Congress is inadequately equipped to scrutinize and make final decisions about whether any given transaction should be consummated. They believe that it is a violation of separation of powers to have the Congress intimately involved in the day-to-day functions of the Bank. Moreover, they also believe that the intense scrutiny which has been given the Bank over the last year makes specific Soviet Union or Communist country limitations unnecessary. They believe that in the future the Bank will pay more careful attention to the concerns of the Congress in its Soviet Union and Communist country transactions.

After long negotiations, involving Senators Packwood, Jackson, Ribicoff, the Export-Import Bank, and others, a compromise has been reached which is addressed to these issues and endeavors to strike that delicate balance between the operational requirements of the Bank and the responsibilities of Congress.

Its essential elements, incorporated in this amendment, are as follows:

First, congressional review of major Eximbank loans with provision for disapproval is deleted. In its place is prenotification to the Congress of all major transactions—both loans and guarantees which separately or in the aggregate equal or exceed $60 million—together with a detailed impact statement assessing the effect of the proposed transaction on the national security and economy of the United States. To be included is an assessment of the effect on such matters as: First, employment in the United States; second, the competitive position of U.S. industries; third, shortages; and fourth, technology transfers. While this provision does not provide a vehicle for congressional veto, in many ways it provides a more effective method of congressional oversight, especially when combined with the other elements of the compromise.

Second, the Bank's overall authority will be increased by $5 billion—to $25 billion—instead of by $10 billion. This will mean that the Bank will be required to come back for new authority in a shorter time than would be the case with a $30 billion authorization. Having been kept informed of all major Eximbank transactions in the interim, the Congress will be in a better position to assess the need for any subsequent increase in the Bank's commitment authority.

Third, the Bank's authority to make new commitments to the Soviet Union will be limited to $300 million. When that ceiling has been reached, the Bank will have to seek new authority for Soviet Union transactions. This will insure closer oversight of the Bank's activities in the Soviet Union and permit a more precise assessment of the progress in U.S.-U.S.S.R. relations.

Fourth, the Bank's authority to provide assistance to Communist countries will be extended for only 2 years instead of for the full 4 years otherwise provided. This limitation will not apply to Yugoslavia and Romania. Again, this will insure the Congress of a greater oversight role and provide it with an opportunity to reassess in a relatively short time the progress being made in U.S. relations with Communist countries.

And finally, the required Presidential national interest determination for each $40 million Eximbank Communist country transaction will be expanded to include guarantees as well as loans. This will close what would otherwise constitute a serious loophole.

Taken together, the provisions of this amendment will insure closer congressional oversight without involving the Congress in the day-to-day decisions of the Bank. It will insure greater Bank attention and responsiveness to the concerns which have been expressed in the Congress—concerns relating to the economic consequences of special public assistance to the export sector, U.S. financing of industrial development abroad, the impact of Eximbank activity on U.S. labor and industry, and U.S. foreign relations, including its relations with the Soviet Union. At the same time it maximizes the Bank's flexibility and insures that it will continue to play a significant role in promoting U.S. exports.

Together with the other provisions of the bill, it will strengthen and improve the Bank. It will resolve much of the controversy which has surrounded its activities in recent years. And it will insure that the Bank serves the Nation's best interests.

Mr. PACKWOOD. Mr. President, these last several months have witnessed one of the most exhaustive exercises in legislative investigation I have seen as the Senate and the Banking Committee has proceeded to study the Export-Import Bank of the United States and its Charter Act. We have undergone a most arduous inquiry, a most taxing experience in arriving at this point today. Each of us have had our differences in terms of the appropriateness of various suggestions for changing the Export-Import Bank Act.

For these reasons, I am particularly pleased to be able to join today with Senator Stevenson and others in urging the adoption of a series of amendments which will serve to strengthen the legislation before us, as well as to strengthen the role of Congress in oversight on the Bank's operations.

I am certain it comes as no surprise to many of my colleagues that I have been concerned for some time now over the future viability of the Bank as a functioning institution. For these last 4 years as the ranking Republican member of the Subcommittee on International Finance, I have studied the Bank's operations extremely closely. Generally, I have been pleased with what I have seen. The Bank performs a needed service to the Nation as it seeks to encourage and enable American producers of goods and services to compete in world trade. Especially at the current time, the United States must continue to do everything necessary to encourage our manufacturers to produce for world markets as well as domestic. We must work mightily to maintain our role in world commerce if we are to be able to continue to import petroleum, raw materials, and other goods that our economy and our citizens demand. The Bank is a major force in this endeavor.

The amendments that we are offering this afternoon are designed to meet the conflicting views of many of us. Each of us has yielded a bit from what we might have wanted in a pure sense in order to attain what each of us can embrace in a real sense. In this respect, what we are considering now is, in the best meaning of the word, a compromise among competing interests and positions. It is a good compromise, one with which we can all live easily.

Let me take just a few moments to outline the elements contained in this amendment.

First, we will remove section 5 from S. 3917. This section would have provided for congressional review and disapproval of selected loans by the Bank. It would also have made it possible for the Congress to disapprove of the Bank doing further business with any or all Communist countries at any time.

Second, we will add several provisions in lieu of that material:

The Bank will be required to notify the Congress at least 30 days prior to taking final action on any loan, loan guarantee, or combination of the two in an amount of $60 million or more. This notice will be accompanied by a detailed economic and strategic impact statement setting forth the details of the pending transaction;

The President will be required to certify that each loan, loan guarantee, or combination of the two in an amount of $40 million or more to a Communist country is in the national interest;

The act will be extended for 4 years, but the commitment authority ceiling will be raised to $25 billion instead of the $30 billion in the committee's bill. This will insure that the Bank will return to Congress within 2 years for an increase in authority at which time we can continue our examination into their operations;

There will be a subceiling on loans, loan guarantees, or combinations of the two to the Soviet Union in an aggregate amount of $300 million; and

There will be a separate expiration date for Communist countries—except for Yugoslavia and Rumania—set at June 30, 1976.

Adoption of these amendments will perfect this legislation in a manner designed to insure that Congress is kept fully informed of the Bank's activities. In so doing, Congress will be able to exercise its oversight function from a position of knowledge. We will be able to judge the continuing role of the Bank in furthering American trade interests. We will be able to make intelligent and informed judgments on United States international economic policy and the role of the Bank in the development and implementation of that policy.

What is equally important, however, is that we will be able to do this under the terms of these amendments with a minimum of political interference in the business-like operations of the Bank. The Bank will continue to be in a position to exercise its best judgment on individual cases under the terms of the law.

The most important objective of this entire legislative pursuit, and the most important aspect of this legislation and these amendments is the fact that the United States will continue to compete fully in world trade.

We will signal to the world that we have no intention of crawling back into our shell and retreat from the world simply because the going has gotten a bit tough. We will be signaling our allies that we mean business when we send Bill Casey to Brussels or wherever to negotiate changes in the structure of official export-credit supports. In short, the Congress is signaling the world that the United States is very much alive and well and a force with which to be reckoned in world trade.

Now let me return for just a few moments to the amendments to discuss a few points that deserve additional clarification. The amendment provides that loans, loan guarantees, and combinations of the two of $60 million or more will be reported to Congress at least 30 days prior to the Bank's taking final action on the case. As the committee pointed out in its report on this legislation, we fully expect the Bank to be above-board in its calculations of total value in these cases. We do not expect the Bank to allow foreign purchasers to so structure their requests as to undercut the prior notice provisions in these amendments. I have every confidence that the Bank will be its own best guard in insuring that this does not happen.

At the same time, we in Congress must be sensitive to the limitations of the Bank in its ability to report to us on individual loans and guarantees under the provisions of these amendments. We must be realistic in our expectations. Certain information that will be made available to Congress will be, at best, an approximation. For instance, the reporting requirement has the Bank outlining the terms and conditions of the proposed loan and loan guarantee. Under the Bank's current method of floating its interest rate as well as the percent of participation, in short, of tailoring their participation terms and conditions to each individual case, they simply will often be unable to pinpoint with a degree of certified precision exactly what the terms and conditions of a particular loan package will be 30 days in advance of their decision. They will, of course, be called upon to furnish as nearly precise information as is available.

Along this same line, the amendments require the Bank to identify the "sellers" of the goods and services to be exported. In some cases, the "seller" is really nothing more than a prime contractor of sorts who draws from a variety of sources—secondary "sellers," if you will—in fulfilling the terms of the transaction. In such a case, the Bank will be able to identify the so-called prime contractor, but may very well not be in a position to identify all of the "sellers" of goods and services in a specific transaction before actual shipments occur. We must be realistic in recognizing and accepting such limitations.

Furthermore, the reporting requirement calls on the Bank to detail the terms and conditions of private financial participation in a particular transaction. Here, especially, we must be careful lest we do damage to the principle of confidentiality under which private enterprises, including private financial enterprises, operate. We must be ever watchful lest we do irreparable damage to the commendable pursuit by the Export-Import Bank to encourage private financial institutions to get more involved in financing world trade. If we are not careful in our scrupulous adherance to the principle of maintaining such private information in the strictest confidence, we could very well be acting to discourage private financial institutions from participating with Eximbank in financing world trade. I am confident that none of us wishes this to happen and that each of us will strive to insure that it does not.

Working together in an atmosphere of reason, trust and common purpose, we can secure what is best for this Nation. I firmly believe that the legislation with these amendments meets this objective.

I urge the Senate to adopt these amendments.

Mr. HARRY F. BYRD, JR. Will the Senator yield?

Mr. STEVENSON. Yes, I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I was not clear as to the point made by the Senator from Illinois in regard to the $300 million credit to Russia.

As I understand it, Russia has already received $469 million in credit, which exceeds the $300 million limit.

Is the $300 million mentioned, in addition to the $469 million?

Mr. STEVENSON. The Senator is correct, that would be in addition to the $469 million, which is already outstanding.

Mr. HARRY F. BYRD, JR. Under the proposed amendment the Senator has just sent to the desk, it would then permit another $300 million over and above the $469 million?

Mr. STEVENSON. That is correct, subject also to the authority for continued transactions in all Communist countries over a period of 2 years as opposed to 4 years for transactions elsewhere in the world.

Mr. HARRY F. BYRD, JR. May I ask this, does not the Senator from Illinois feel that $469 million for one country is adequate without including another $300 million?

Mr. STEVENSON. I do. I am sure many of the Senators are concerned.

There are other provisions in this amendment which are addressed to those concerns, concerns which I share.

Many of the transactions in the Soviet Union are large development-type transactions, and those are the ones most likely to have adverse economic consequences in the United States. They could start manufacturing trucks in competition with American manufacturers, and so forth.

So, in addition to the $300 million ceiling and the 2-year ceiling, there is another provision which requires submission of all transactions of more than $60 million to congressional review. That is to say, the Bank will be required to give Congress advance notice in such transactions and then with that notice Congress, if so disposed, could move to prevent them.

Mr. HARRY F. BYRD, JR. But the *Bank is authorized* under the pending amendment, as I understand it, to make an additional loan up to $300 million to the Government of the Soviet Union?

Mr. STEVENSON. Well, it is not additional authority. The authority is contained in the $25 billion figure.

This figure is a ceiling, a limit on additional credits which could be extended to the Soviet Union.

Mr. HARRY F. BYRD, JR. It permits the $300 million over and above the $469 million already committed to the Soviet Union?

Mr. STEVENSON. The Senator is absolutely correct, and without such a ceiling the Bank would have a $25 billion blank check, as it has had historically, with which to make loans in any country in the world.

Mr. HARRY F. BYRD, JR. Since the Senator from Illinois has expressed concern about the total amount available to the Soviet Union under this legislation, I wonder if the Senator from Illinois would not be willing to lower that $300 million, bearing in mind that the Soviet Union already has got almost half a billion dollars of American tax funds at 6 percent interest when the American working people are paying 12 percent interest?

Mr. STEVENSON. Well, the Senator from Illinois is very sympathetic to the viewpoint of the Senator from Virginia, but as I tried to mention earlier, there are a number of provisions in this amendment, they are delicately balanced, and they reflect a compromise which includes many provisions.

I personally would be sympathetic to a slightly lower figure, but I think this is reasonable in light of the other safeguards the amendment entails.

Mr. HARRY F. BYRD, JR. What are the other aspects of this amendment. That is one aspect. What else is delicately balanced?

Mr. STEVENSON. The amendment also—and I know the Senator had an interest in this provision—reduces the overall authority of the Bank from $30 billion to $25 billion.

It provides for prenotification to Congress of Ex-Im transactions not only in the Soviet Union but everywhere in the world of $60 million or more.

It requires an impact statement to accompany such prenotification. That statement will assess the impact on national security, the economy, labor, industry, shortages, and technology transfers.

It enables Congress to disapprove such transactions. It places a $300 million ceiling on new commitments to the Soviet Union.

Mr. HARRY F. BYRD, JR. What does that mean, if I may interrupt the Senator at that point. Does that mean the loans have to be repaid in 2 years?

Mr. STEVENSON. No, this refers to the time during which the loans can be made.

As the Senator knows, these are long-term loans that go out for a period of many years, but the Bank would have no authority to make any additional loans for the benefit of the Soviet Union.

I remind the Senator that U.S. exporters are the beneficiaries of these loans.

Mr. HARRY F. BYRD, JR. In other words, this $300 million would have to be committed between now and June 30, 1976?

Mr. STEVENSON. It would not have to be, but on that date the authority to use any part of that $300 million would expire.

Mr. HARRY F. BYRD, JR. Then may I ask this question, Does the entire act expire at the end of 2 years?

Mr. STEVENSON. No, the entire act expires at the end of 4 years. This is a subceiling for transactions in Communist countries.

Mr. HARRY F. BYRD, JR. So there would be no transactions carried out between the United States and foreign countries except within the 2-year period.

At the end of that time, what happens?

Mr. STEVENSON. Well, at the end of that time the Bank will still have the authority to finance U.S. export transactions in all other parts of the world except in Communist countries.

At that time, in order to continue financing U.S. exports in Communist countries, except for Rumania, Yugoslavia, the Bank would have to come back to Congress for authority to do so.

Mr. HARRY F. BYRD, JR. Well it just occurs to me, we are doing an awful lot for Russia. There is $469 million that Russia has already gotten of American tax funds on which they pay 6 percent interest. The working people of this country, when they go to the bank to borrow money on their homes, or to buy a refrigerator, or whatever they might need, are paying 12 percent.

Does this bill have any floor on interest rates at which money can be loaned?

Mr. PACKWOOD. May I respond to the Senator from Virginia?

Mr. HARRY F. BYRD, JR. Please.

Mr. PACKWOOD. The Senator from Pennsylvania (Mr. SCHWEIKER) is going to be presenting an interest rate amendment, and the Senator from Tennessee (Mr. BROCK) will offer a substitute. We will have a general discussion on the subject of interest rates, and whether or not the bank should be loaning at the rates they are loaning. This would apply generally to all bank loans, however, not just to Russia.

As far as the particular interest rates in the amendment offered by the Senator from Illinois and myself, they would not vary as between what might be a credit to a Communist country and a credit to Germany or a credit to Mexico. That subject will be argued.

But I think the point to look at—and it is a fair philosophical point, when we get to the interest rate amendment—is do we want to encourage competitive exports from this country with other countries, and other countries in one form or another subsidize exports? Maybe we do not. That is a point we will argue.

But in terms of total credits to Russia, when you realize that with the $300 million limit in this bill, $469 million outstanding, at the zenith they could have $769 million in credits outstanding against a $25 billion authorization.

So it is not an overwhelming amount in terms of the Bank's commitment, and they will be up to their $25 billion authorization in 2 years. Russia is a good commercial credit risk.

I am not here to argue with the Senator about their World War II lend-lease debt. But they are a good commercial credit risk. They pay their bills and they have been financing exports in a variety of Western European countries for years. They have been buying from us for years, partially in cash; partially in credit. I think this provision is a good compromise. Senator STEVENSON and I and the Banking Committee have worked on it at length. It will allow, unless we positively come back in 2 years and approve it, extension of credits only for those 2 years to the Soviet bloc countries.

I think it is a fairly satisfactory compromise when you consider a $25 billion loan guarantee capacity for the Bank.

Mr. HARRY F. BYRD, JR. I say to my friend from Oregon, I do not blame the Soviet Union for dealing with us when they are paying for the goods with our money, which they are getting at 6 percent, which is way below what they can get in any part of the world.

Mr. PACKWOOD. They are not getting it at 6 percent.

Mr. HARRY F. BYRD, JR. That is what the Senator from Illinois said. He said $469 million with 6 percent interest.

Mr. PACKWOOD. Those are past loans.

Mr. HARRY F. BYRD, JR. That is what I am talking about. That has actually been done.

Mr. PACKWOOD. They are not getting them at 6 percent now.

Mr. HARRY F. BYRD, JR. They said they had been getting them within the past year, if I recall.

Mr. STEVENSON. It has been about a year-and-a-half since the first credits to the Soivet Union.

Mr. HARRY F. BYRD, JR. We know what the interest rates in this country have been in the year-and-a-half.

Mr. PACKWOOD. This is not money given to the Soviet Union. It is not money that ever leaves the United States.

Mr. HARRY F. BYRD, JR. It is money loaned to the Soviet Government at a subsidized interest rate, at an interest rate of about one-half of what the American working people are paying for their money.

Mr. PACKWOOD. No. The Senator is off on his percentage by a fair amount at the time the loans were made.

Mr. HARRY F. BYRD, JR. The United States does not have a ceiling on the present loan of $300 million?

Mr. PACKWOOD. What does the Senator mean by ceiling?

Mr. HARRY F. BYRD, JR. On the interest rate, or floor on the interest rate.

Mr. PACKWOOD. No. But we are going to get to it.

Mr. HARRY F. BYRD, JR. But we are talking about this amendment now.

Mr. PACKWOOD. This amendment here, whether or not you leave in or leave out the argument about Communist Russia, you can make the same argument about interest rates in terms of a guarantee to Germany or a guarantee to Great Britain, as to whether or not interest rates should be allowed to represent roughly what the Bank's cost of borrowing money is, or whether you want to raise it up to the prime rate as the Senator from Pennsylvania will offer when he offers his amendment.

Mr. HARRY F. BYRD, JR. What I am trying to understand is that the proposal submitted by the Banking Committee to the Senate does not put a floor on the interest rate, as I understand.

Mr. PACKWOOD. Does not put a floor, does not put a ceiling, that is correct.

Mr. HARRY F. BYRD, JR. I am not speaking about what amendment the Senate might or might not adopt. Under the bill as presented to the Senate, Russia can continue to get loans at 6 percent if the Export-Import Bank is willing to loan at 6 percent?

Mr. PACKWOOD. No. First, the Export-Import Bank, under law, is required to loan at competitive rates, and 6 percent is no longer a competitive rate.

Second, they have to recover the cost of the money they borrow. They have a lot of long-range borrowings out running through 1989 that they borrowed at 5 and 5¼ percent. They average the cost of money on the borrower in order to make loans. Their recent borrowings have been quite high. They have been paying in the range of 9 or 9½ percent for money. But the Export-Import Bank does not cost the people of the United States any money.

Mr. HARRY F. BYRD, JR. They subsidize the interest rates involved in this so the taxpayers do subsidize the interest rates.

Mr. PACKWOOD. When you say subsidize, it is like there is an appropriation from the Treasury, that there was money of the taxpayers being put into this. The taxpayer does not put money into the Export-Import Bank. The bonds are sold on the market, and they gather money this way. They then loan their money, with guaranteed credits or otherwise, to help us make exports. But they do not come to the Treasury and ask for money. They are a break-even operation and so far they have been able to make loans over the years at what has been the average cost of their obtaining money.

Mr. SCHWEIKER. Will the distinguished Senator yield?

Mr. PACKWOOD. I yield to the distinguished Senator from Pennsylvania.

Mr. SCHWEIKER. I would like to say to my distinguished colleague from Virginia that I have an amendment that goes to the heart of this issue, that provides that any loans made from Eximbank must be at comparable prevailing rates in this market. So there would be an even-steven deal and there would be no subsidy. Foreign businessmen would have to compete equally with American businessmen.

Mr. HARRY F. BYRD, JR. The Senator from Pennsylvania mentioned a subsidy, so I assume he does not agree with the Senator from Oregon.

Mr. SCHWEIKER. That, in substance, is correct, too.

Mr. HARRY F. BYRD, JR. May I ask another question about guarantees? We have been speaking of loans. What about guarantees to the Soviet Union? Have there been any guarantees?

Mr. STEVENSON. There have been no guarantees to the Soviet Union, out of the limitation which I mentioned, the $300 million limitation, and the $60 million prenotification requirement include guarantees as well as loans.

Mr. HARRY F. BYRD, JR. In other words, any guarantees would be within that?

Mr. STEVENSON. It would be treated just as a loan.

Mr. HARRY F. BYRD, JR. It would be treated as a loan for the purpose of this?

Mr. STEVENSON. That is correct.

Mr. PROXMIRE. Will the Senator yield?

Mr. STEVENSON. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, on the amendment on page 2 it states:

> Section 2 on page 6, beginning on line 17, strike out all through line 22 on page 14.

I notice that at the top of page 7 in the bill, and this is language that is stricken by the Stevenson-Packwood amendment, it provides that the bank shall transmit to the Committee on Banking, Housing, and Urban Affairs in the Senate and the Committee on Banking and Currency in the House, a written report with respect to any loan proposed by the Bank in the amount of $50 million or more, and may not grant final approval of such transaction if, during the period of 30 calendar days, the Senate and the House of Representatives agree by resolutions of their respective Houses expressing disapproval of such transaction.

In other words, we have a veto power in the bill.

The amendment by the two Senators would knock out that veto power and weaken our ability to act with respect to large Export-Import Bank Loans. Is that correct?

Mr. PACKWOOD. It is correct that the amendment changes the language in the bill.

Mr. PROXMIRE. Does it not take away from the Congress, if we pass this amendment, the authority that we would have without this amendment to veto a large loan of $50 million or more?

Mr. PACKWOOD. Yes, that is correct.

Mr. PROXMIRE. I thank the Senator.

Mr. HARRY F. BYRD, JR. Will the Senator yield for a question at that point?

Mr. PACKWOOD. Yes.

Mr. HARRY F. BYRD, JR. Why does the Senator want to take that out of this bill? The committee worked on this bill and brought it in with a veto. Why take it out?

Mr. PACKWOOD. The committee worked on it. We had great disagreements of opinion. We finally came to the conclusion that the purpose of this body was to set policy. Do we want to encourage exports out of this country at a rate roughly competitive with what other countries are willing to encourage exports from their country? The policy answer up to today has been yes. We may change that by the time we finish our discussion today, but it has been yes. Once we determine the policy that we want to encourage exports, you may then next want to say do we want to exempt Communist countries. What we have finally said in this bill is we want to encourage exports. We will make a slight differentiation in terms of rates for Communist countries as to how much they can borrow and certain reports that are required, but we think the execution of that policy is an administrative function.

Mr. HARRY F. BYRD, JR. I was directing my inquiry more to the point raised by the Senator from Wisconsin.

Mr. PACKWOOD. That is what I was answering right at the last.

Mr. PROXMIRE. If the Senator will yield, this has nothing at all to do with encouraging or discouraging exports. It gives the Congress the opportunity to have an input. We want to encourage exports. We recognize that is in the national interest. If the Congress feels and recognizes that some large loan is wrong, I think we should have the opportunity that the committee bill gives us to express our position. It would be an extraordinary situation when we would exercise that authority, but why take it away?

Mr. STEVENSON. I think the amendment strengthens the provision in the bill. The congressional review provision in the committee bill was very weak.

Mr. PROXMIRE. It is even weaker if we do not have the authority to veto a large loan. All we can do is get the information and let it go.

Mr. STEVENSON. It applied to $50 million loans, not guarantees. There would be very few such loans. In the case of such loans, the committee bill provided that the Banking Committee of either house, could approve the transaction and foreclose any further action in either branch of Congress. The provision in the amendment applies to guarantees as well as to loans, and to any transaction, whether it is loans, guarantees, or a combination thereof, of $60 million or more anywhere in the world.

Mr. PROXMIRE. In the amendment language, we do not have the veto power.

Mr. STEVENSON. Congress has 30 days to act.

Mr. PROXMIRE. If we have the authority to veto loans we can reach guarantees since as a practical matter, most large deals involve a mix of loans and guarantees. If we can veto the loan portion of a deal we in effect veto the guarantee portion.

Mr. STEVENSON. Under the committee bill, virtually no transactions would be submitted to congressional scrutiny because there are very few loan transactions of $50 million or more. They are million in loans and $30 million in guarantees. Such transactions would escape the scrutiny of Congress. But not under the amendment.

Mr. PROXMIRE. Under the amendment, we might be able to scrutinize those proposed loans but then what do we do?

Mr. STEVENSON. Congress has the right and the opportunity to take affirmative action to prevent the transaction, not only because of the notice, but also because the amendment requires, as the committee bill did not, a total statement by the bank describing the impact of the transaction on the Nation's strategic interests, on labor, on technology, on technology transfers, and the competitive position of U.S. industry.

Mr. PROXMIRE. But with respect to any specific loan, we have in the bill that was reported by the committee a provision that the Bank may not grant final approval if during the period of 30 calendar days Congress—either body, the House of Representatives or the Senate—shall disapprove the transaction. Moreover, a resolution of disapproval could not be so filibustered. We take that out. We lose that. Having lost that, I do not understand how our power is strengthened.

Mr. PACKWOOD. We have left in a 30-day notice provision.

Mr. PROXMIRE. Yes.

Mr. PACKWOOD. Although we have to affirmatively disapprove the loan if we do not like it.

One of the problems we ran up against was not with Communist or Socialist countries, but with private borrowers not wanting to negotiate final terms with the Bank and then have them subject to approval by Congress.

I think that is a valid objection with a private borrower, that he does not want to let his terms and conditions become known and let his competitors know what they are or let other countries know what they are. That is one reason for the compromise. If in 30 days the bank guarantees a $240 million loan to Russia to build a fertilizer plant, we have 30 days to disapprove it. But to say that for every loan of a certain size, before the bank can guarantee it, it has to come to Congress to approve it, puts us in a disadvantageous position.

Mr. PROXMIRE. The amendment weakens our power, because positive action, which can be filibustered or delayed, is more difficult to get than the simple 30-day veto provided in the committee bill.

Mr. STEVENSON. The amendment has to be looked at in all its parts. If opposition to a particular transaction mounts in Congress, as it did with the fertilizer transaction, I suspect that it is very unlikely that such a transaction would go forward.

The PRESIDING OFFICER. The time of the Senator from Illinois on the amendment has expired.

Mr. PACKWOOD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Thirty minutes.

Mr. PACKWOOD. I yield 5 minutes to the Senator.

Mr. JACKSON. Mr. President, will the Senator yield 1 minute?

Mr. STEVENSON. I yield 1 minute to the Senator from Washington.

Mr. JACKSON. Mr. President, I take this opportunity to commend the chairman of the subcommittee, my good friend, the Senator from Illinois (Mr. STEVENSON), for his extremely constructive and successful effort to bring the operations of the Export-Import Bank in much needed measure of congressional control.

Arrangements we have been able to work out, in working with him, with the cooperation and invaluable counsel of the distinguished minority member of the subcommittee, Mr. PACKWOOD, represent an effort to see that responsibility for this basic policy direction for the Bank is shared between the management of the Bank and Congress.

I say, for the benefit of my colleagues, that I had some other suggestions I made that were far more restrictive; but I find, in the last analysis, that the Stevenson-Packwood approach is the soundest and the best and the most effective we can undertake at this time. At least, we ought to try this course; and if it does not work, we can try something else. I commend both Senators for their contribution.

Mr. STEVENSON. I thank the Senator from Washington.

This is an effort of many months of work to strike a reasonable balance between the operational requirements of the Bank and the responsibilities of Congress. In all those points, the Senator from Washington as well as the Senator from Oregon have been extremely helpful.

I might add, in response to some comments by the Senator from Wisconsin and the Senator from Virginia, that we started with a position that was very close to the position stated by Senator PROXMIRE and Senator HARRY F. BYRD, JR. But after studying the matter, after negotiating, after trying to take into full account the operational necessities of the Bank and the competitive equality of U.S. exporters, we concluded that this was about as far as we could go without seriously jeopardizing the efforts of the bank to give our exporters competitive equality in the world.

With that, Mr. President, I am prepared to yield back the remainder of my time.

Mr. HELMS. Mr. President, will the Senator yield for a question?

Mr. STEVENSON. I yield.

Mr. HELMS. I just want to make sure that I understand what is meant by a subceiling of $300 million. I believe I am correct that the outstanding balance is now $469 million, as concerned with the Soviet Union.

Mr. STEVENSON. The Senator is correct.

Mr. HELMS. This would mean another $300 million, or a total of $769 million?

Mr. STEVENSON. The Senator is correct.

Mr. HELMS. I thank the Senator.

Mr. STEVENSON. Without the subceiling it would be a $25 billion blank check.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. STEVENSON. I yield.

Mr. AIKEN. As I understand it, 45 percent of the cost of the fertilizer plant in Russia is supplied by American banks, the banks which have branch offices in Moscow, and they receive their going rate plus three-fourths of 1 percent for insurance, making it about 14 percent. In that 14 percent rate are the Chase Manhattan and other banks getting subsidized in any way by the United States? It is the 45 percent of the cost, which comes from other means, that it subsidizes. Is that right?

Mr. STEVENSON. To the extent that the Export-Import Bank was unable to provide long-term financing for such a transaction in the Soviet Union, the Chase Manhattan Bank would be unable to participate under the terms of the agreement.

Mr. AIKEN. Forty-five percent of that loan is provided for at a rate of 7 or 8 percent, plus the insurance costs of three-fourths of a percent. Forty-five percent is loaned by international banks—American banks—there are four of them in Moscow.

Mr. STEVENSON. I do not know the percentage.

Mr. AIKEN. And 10 percent from other sources. I do not know where that comes from. I was wondering how much of those loans is subsidized.

Mr. STEVENSON. The participation is not subsidized. In fact, the banks have to pay a fee for the guarantee they get. But there is no cost to the Treasury or to the taxpayers for participation.

Mr. AIKEN. No subsidization in any way by the taxpayers, then?

Mr. STEVENSON. Not that I can conceive of.

Mr. AIKEN. Because we were told—this was 6 weeks or 2 months ago—that 45 percent would be——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. AIKEN. I think the Eximbank rate is 8 percent, plus three-fourths percent for insurance that borrowed from the private banks would be at the going rate, which I understand was around 13 percent at the time, plus three-fourths.

Mr. STEVENSON. The Senator is correct. Private banks loan at a market rate, and then in addition they pay the guarantee fee.

Mr. AIKEN. Assuming Eximbank loaned at 5 percent, would that represent a subsidy?

Mr. PACKWOOD. No. I can answer that. Eximbank, as all banks, borrows money wherever it can and lends money at a rate sufficient to remain solvent. It does not get an appropriation from the Treasury. Over the years, it has had to borrow money for its bonds at any rate from 4 to 7.5 percent. Its loans are self-sustaining.

Mr. AIKEN. And the Senator believes that system is proper?

Mr. PACKWOOD. We are going to argue on the next amendment whether or not that should be proper, but at the moment, they are not costing the taxpayers any money.

Mr. JACKSON. Mr. President, I want to take this opportunity to commend the chairman of the subcommittee, my good friend the Senator from Illinois, for his extremely constructive and successful effort to bring to the operations of the Export-Import Bank a much-needed measure of congressional control. The arrangement we have been able to work out, with the cooperation and invaluable counsel of the distinguished ranking minority member of the subcommittee, Mr. PACKWOOD, represents an effort to see that responsibility for some basic policy direction for the Bank is shared between the management of the Bank and the Congress.

At a time when the stability of the American economy is gravely threatened, along with the economy of the industrial world, by the vast accumulation of capital in the hands of the international oil cartel, it is essential that our program aimed at promoting exports be subject to close congressional scrutiny. The measure we will be adopting today will help to accomplish this. By giving Congress an opportunity to examine large scale Eximbank loans before they are made, we will be in a position to bring our judgment to bear in a constructive and timely manner. In the negotiations that preceded the offering of the Stevenson-Packwood amendments the Bank has proved most helpful and constructive. I am delighted that the management of the Bank can live with the changes we have proposed and that the spirit of cooperation will mark the beginning of a close and cooperative relationship between the Bank and the Congress.

Many Americans are properly concerned about the export of jobs from the United States. We in the Congress have urged the Bank in the past, and will continue to urge it in the future to give full consideration to the impact on employment in the United States when reviewing contemplated loans abroad. The multifaceted impact statement that is required under our amendments will help to assure that adequate weight will be given to this crucial issue.

Mr. President, I have been concerned for some time that the Bank has not acted in concert to an adequate degree with other agencies of the Government in order to work out coordinated national strategies with respect to such crucial issues as the development of domestic energy resources. Several hundred million dollars worth of oil drilling equipment, tubular steel, submersible pumps and the like were, just this last year, financed by the Export-Import Bank. Thus the oil-producing countries, who have as a deliberate policy the economic strangulation of the Western industrial world by cartel-managed oil producing and pricing policies, have been buying the equipment with which to produce oil at subsidized interest rates with American capital.

At a time when we face a liquidity crisis, owing in large measure to the accumulation of our reserves by the oil-producing countries, this is sheer folly. Our own domestic producers, whose increased output of oil and gas is crucial to Project Independence, have been unable to obtain adequate supplies of this same equipment. I intend to watch very closely the activities of the Bank to assure that there is close coordination between the Bank and the FEA and other Government agencies who, one continues to hope, can be roused from their slumber to move on the crucial energy problem facing this Nation.

Mr. STEVENSON. Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senators from Illinois and Oregon (putting the question).

The amendment was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania (Mr. SCHWEIKER) is recognized.

Mr. SCHWEIKER. Mr. President, I call up my amendment No. 1853.

The PRESIDING OFFICER. The clerk will state the amendment.

The second assistant legislative clerk proceeded to read the amendment.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

( ) The Bank shall conduct its operations on a self-sustaining basis, and shall require the payment of interest on the unpaid balance of any extension of credit by the Bank at a rate which is not less than the prevailing private market rate on loans of comparable maturity, as determined by the Secretary of the Treasury as of the last day of the month preceding the date of the extension of credit.

Mr. BELLMON. Will the Senator yield?

Mr. SCHWEIKER. I yield to the distinguished Senator from Oklahoma.

Mr. BELLMON. I ask for the yeas and nays on my amendment 1898.

The PRESIDING OFFICER. The amendment is not before us. Does the Senator ask unanimous consent that it be in order?

Mr. BELLMON. I ask unanimous consent that it be in order to ask for the yeas and nays.

The PRESIDING OFFICER. Will the Senator repeat for the Chair's information the number of the amendment?

Mr. BELLMON. No. 1898.

The yeas and nays were ordered.

Mr. SCHWEIKER. Mr. President, this amendment requires all Eximbank direct loans to be made at the prevailing private market rate of interest for loans of comparable maturity.

I am very pleased that my distinguished colleague from Nevada (Mr. CANNON) is a principal cosponsor of this amendment. He has been very helpful and constructive in support of this amendment. We shall be hearing from him in a few minutes.

I ask unanimous consent that, in addition to Senator CANNON, the following cosponsors be listed on this amendment: The distinguished Senator from Montana (Mr. MANSFIELD), the Senator from Wisconsin (Mr. PROXMIRE), and the Senator from Idaho (Mr. CHURCH).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHWEIKER. The Eximbank loaned $3.9 billion under its direct loan program in fiscal year 1974, at interest rates of 6 and 7 percent in the same period, the commercial prime rate soared to 12 percent, crippling many domestic business activities and virtually drying up the home mortgage market. As the Washington Post editorialized in recommending elimination of the Eximbank interest differential, the disparity between Eximbank rates and private rates has produced a "mindlessly lavish pattern of export subsidies."

The standard defense for cut-rate Eximbank loans is they are required to allow American exporters to meet stiff foreign competition. The foreign competition may be stiff, Mr. President, but the plain fact is that fully 96 percent of all U.S. exports are made without Eximbank direct loan assistance.

I should like to repeat that statistic, because I think it is not clearly understood: 96 percent of our national exports are made without this kind of interest subsidy.

So cut-rate Eximbank loans are not vital to our national export level, because the overwhelming majority of exporters never get one. Who does get these subsidized loans? Is it the exporters in fields where foreign competition is especially fierce? No—in fact, ironically it is the opposite. Nearly one-third of all Eximbank direct loans—by far the largest single category—go to finance the sale of American aircraft to foreign airlines, despite the fact that the United States is the only producer in the world capable of making most of the aircraft sold. I ask unanimous consent to have printed in the RECORD a statement by the Air Transport Association of America, listing 199 separate Eximbank loans for the benefit of foreign airlines, all but one at 6 percent interest.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

The Air Transport Association of America represents virtually all of the U.S. scheduled airlines including all U.S. flag international air carriers conducting scheduled passenger operations between the United States and 89 foreign countries. The U.S.-flag international carriers compete for traffic between the United States and foreign points with some 59 foreign air carriers.

The extremely serious financial situation of the major U.S. flag airlines is well known. Competitive inequality contributes to that condition and one aspect of the competitive inequality is aircraft financing.

Foreign air carriers are often afforded an advantage over U.S. flag carriers as a consequence of statutory provisions governing Export-Import Bank arrangements for financing purchases by foreign carriers of U.S. manufacturer aircraft.

Under present law, the Eximbank assists foreign airlines who are in direct competition with the U.S. flag carriers in the financing of their aircraft acquisitions. Interest rates made available to the foreign carriers by the Eximbank are, in many cases, lower than those the U.S. flag carriers are able to obtain in the commercial market. In order to finance the enormous outlays required for the purchase of aircraft, U.S. companies must pay prime or in excess of prime interest rates in the U.S. money market. Today that rate is about 11¼ percent at the nation's largest banks. For some time the prime rate has exceeded 10 percent. Appendix C is a summary of the debt burden now being serviced by the two largest U.S. International carriers. The rate presently available from the Eximbank, however, which includes the guarantee to private lenders is now set at 7 percent and only recently was raised from 6 percent.

Accordingly, we propose that the Export-Import Bank Act of 1945 be amended in order to add a provision to Section 2 (b) (1) directing the Export-Import Bank to make guarantees; insurance and extensions of credit available to United States air carriers for the purchase of U.S. aircraft to be used in international air transportation on terms at least as favorable as those made available to foreign air carriers for the purchase of such aircraft.

The advanced aircraft equipment equipment used by the modern airlines of the world are, for the most part, built in the United States. The export of these aircraft and related services are a vital part of the export program of the country and make a very valuable contribution to our balance of payments.

The ability of U.S. manufacturers to maintain their technological supremacy in the manufacture and sale of highly sophisticated aircraft equipment in the international market has been supported by the activities of the Export-Import Bank. In keeping with the objectives set by the Congress, the Bank has been involved in a high level of activity for the sale of these aircraft. In recent years export financing of aircraft has accounted for the single most important group of investments supported by Eximbank.

The U.S. airlines support and encourage the sale of U.S. manufactured aircraft to foreign flag air carriers. The suggested amendment simply asks for equal treatment of U.S. air carriers in purchasing U.S. aircraft.

In the seventeen years ending with fiscal year 1973, the Bank extended credit (including loans and guarantees) for the export of aircraft amounting to $4.7 billion. These loans and guarantees represented a total aircraft sales value of approximately $9.4 billion. In 1973, credits for aircraft financing accounted for 28.6 percent of the total credits extended by the Bank. Appendix A is a list of the Export-Import Bank credit authorizations extended for aircraft purchases for the period from July 1, 1970 through January 31, 1974. As may be seen from this tabulation most of the major foreign flag airlines of the free world have taken advantage of the excellent financing terms available from the Export-Import Bank. U.S. and foreign flag carriers alike have found that these U.S. built aircraft best answer their needs for serving the traveling public. The activity continues today and attachment D is a listing of Eximbank announced loans and credits to foreign air carriers since January 1, 1974.

Japan Air Lines, the principal competitor of U.S. airlines in the Pacific, appears to have received by far the largest amount of Eximbank loans among the foreign airlines. From 1956 through fiscal 1972 Japan Air Lines had received 19 Eximbank loans totaling $282.7 million to assist in acquiring aircraft purchases from U.S. manufacturers. These loans cover sales of approximately $839 million. For the 5 year period ending in fiscal 1972, Eximbank loans to Japan Air Lines amounted to approximately $200 million supporting aircraft purchases of about $500 million. These credits for an airline whose country's balance of payments relations with the United States was in a very favorable position indicate the substantial desirability to foreign carriers of not using the open market to obtain financing of aircraft purchases.

Another example of the use by major foreign carriers of Eximbank financing involves the recent sale of 747's to British Airways (BOAC). In August of 1973 BOAC obtained a direct loan of $21,380,000 or 40% of the U.S. cost of this aircraft. Additional private financing of $13.3 million or 25% of the total was made available by private British financial sources and $7,980,000 or 15% by a New York bank. BOAC made a cash payment of $10,640,000. The rate of interest to be applied to the Eximbank portion of the financing was 6% and repayment scheduled to be in 10 semi-annual installments beginning in May 1979. The repayment to Eximbank was to follow after the other debts incurred in this transaction have been repaid. It is interesting to note that British Airways has purchased a total of fifteen 747's, all of which have been financed with Eximbank's assistance.

To give the Committee some idea of the importance of the difference between private financing of aircraft by U.S. carriers as opposed to Eximbank supported financing for foreign carriers, attached to this statement (Appendix B) is a tabulation of typical financing terms for the purchase of one $30 million aircraft. As may be seen, the outlay required for U.S. carriers far exceeds that of foreign carriers for the purchase of the same plan. To compare typical commercial financing covering a period of 10 years amortization, the U.S. purchaser will pay over $7 million additional in financing costs because of the difference between an 11% financing rate and the Eximbank guaranteed financing rate of 7%.

The fares and rates which U.S. international airlines charge are negotiated with foreign airlines and subject to the approval of governments. The cost experience of foreign carriers who have purchased equipment under Eximbank guarantees is substantially lower than that experienced by U.S. carriers. Many other costs of foreign flag airlines are also lower. This difference in equipment and other costs increases the financial pressure on U.S. carriers who seek, as every private enterprise must, to obtain sufficient income to cover costs and make a profit.

Foreign air carriers have made substantial inroads into the U.S. international passenger and cargo market. Despite the fact that in 1972 U.S. citizens comprised 68% of the North Atlantic traffic between the United States and Europe, the U.S. scheduled airlines obtained only 42% of the total traffic flying on scheduled services. Foreign carriers which have received the assistance of the Eximbank under this program are dominating the scheduled service market on this most important and highly competitive route.

The financial pressures on U.S. international airlines have become extremely intense. They are faced with enormous increases in fuel costs. They have for years had to cope with substantial differentials in wage rates. They must compete in the marketplace, with government owned, controlled and financed, foreign national carriers for the U.S. international passenger and cargo business.

Underwriting by the U.S. Government, of the purchases of aircraft for foreign carriers, is a desirable objective for the export of U.S. manufactured equipment, provided U.S. carriers are given equally favorable treatment in such financing. More favorable financing of foreign carriers aircraft purchases has become too much of a burden for the privately owned and financed U.S. carriers to bear. We believe that this major cost of doing business must be equalized for U.S. flag airlines operating in competition with the foreign flag carriers.

We do not propose to diminish the support that Eximbank has granted for the sale of U.S. equipment overseas. We firmly believe, however, that the discriminatory burden which U.S. airlines have borne for years must be ended and financing be made available for aircraft used by U.S. airlines in the international commerce of the United States on terms and conditions no less favorable than have been made available to foreign carriers.

There is precedent for this requested treatment in the maritime industry. The Merchant Marine Act of 1936 provides for a construction differential for the building of ships in the United States. These ships, to be purchased by U.S. flag carriers may only be used in international commerce and not built to compete within the domestic commerce of this country. The Congress recognized the importance of equalizing the cost perspective of the U.S. and foreign flag carriers competing for business on the international routes of the world. We believe that the Congress must recognize that the same principle applies in the case of aircraft.

The intercontinental movement of passengers is almost totally by air, (over 98%) and the value of cargo moving by air is a substantial portion of the international commerce of the United States (17.6%). It is most important that United States international airlines be afforded a more equitable opportunity to compete for the carriage of this cargo and passenger traffic. The amendment we propose is one important step in that direction.

We strongly urge the Committee to include such an amendment in the extension legislation.

SUGGESTED AMENDMENT TO H.R. 13838

Section 2(b)(1) of the Export-Import Bank Act of 1945, as amended, is hereby amended to read as follows:*

"(b)(1) It is the policy of the United States to foster expansion of exports of goods and [related] services, thereby contributing to the promotion and maintenance of high levels of employment and real income and to the increased development of the productive resources of the United States. To meet this objective, the Export-Import Bank is directed in the exercise of its functions to provide guarantees, insurance, and extensions of credit (*A*) at rates and on terms and conditions which are competitive with the Government-supported rates and terms and other conditions available for the financing of exports from the principal countries whose exporters compete with United States exporters; *and (B) to make such guarantees, insurance and extensions of credit equally available at the same rates and on at least as favorable terms and conditions as those provided by it for the purchase of United States aircraft (including spare parts and supporting equipment) by foreign air carriers to United States air carriers for the purchase of United States aircraft (including spare parts and supporting equipment) used predominantly in international air transportation in competition with such foreign air carriers.* The Export-Import Bank shall, on a semiannual basis, report to the appropriate committees of Congress its actions in complying with *these directives.* In this report the Export-Import Bank shall survey all other major export-financing facilities available from other governments and government-related agencies through which foreign exporters compete with United States exporters and indicate in specific terms the ways in which Export-Import Bank rates, terms, and other conditions are equal or superior to those offered from such other governments directly or indirectly. Further, the Export-Import Bank shall at the same time survey a representative number of United States exporters and United States commercial lending institutions which provide export credit to determine their experience in meeting financial competition.

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*New material in italics.

APPENDIX A

EXPORT-IMPORT BANK CREDIT AUTHORIZATIONS

Obligor	Equipment	Amount	Payment terms	Interest rate (percent)
JULY 1, 1970 TO JUNE 30, 1971				
Argentina: Aerolineas Argentinas	Two 737–20 jet aircraft, related spare parts, engines, equipment and services.	$4, 590, 000	9 semiannual payments beginning 11/15/77	6
Austria: Austrian Airlines	Five DC–9 jet aircraft, related goods and services	11, 056, 500	10 semiannual payments beginning 11/15/76	6
	Two DC–9 jet aircraft, related goods and services	4, 455, 000	10 semiannual payments beginning 2/15/75	6
	One DC–9 jet aircraft with related parts	2, 025, 000	10 semiannual payments beginning 2/15/78	6
	One DC–9 jet aircraft and related goods and services	2, 025, 000	10 semiannual payments beginning 5/15/78	6
Australia: Commonwealth of Australia	One 747 jet aircraft, spare engines, spare parts and related equipment and services.	7, 377, 600	11 semiannual payments beginning 11/15/79	6
Brazil:				
Viacao Area Sao Paulo, S.A	Two 727 jet aircraft, spare engines, spare parts and related services.	5, 928, 750	10 semiannual payments beginning 5/15/76	6
S.A. Empresa de Viacao Area Rio Grandense	One used 707–385C jet aircraft and related equipment	2, 400, 000	7 semiannual payments beginning 2/15/72	6
Canada: Nordair Limited	One 737 jet aircraft, spare parts and related services	1, 746, 000	7 semiannual payments beginning 8/15/75	6
Democratic Republic of the Congo (Kinshasa): Air Congo, S.P.A.R.L.	One DC–8–63 jet aircraft, spare engines, spare parts and services.	5, 891, 085	7 semiannual payments beginning 8/15/75	6
Denmark: A/S Conair, Consolidated Aircraft Corporation.	Five used 720 jet aircraft, spare engines, related spare parts, equipment and services.	1, 962, 000	6 semiannual payments beginning 2/15/72	6
Finland: Finnair Oy	Two DC–10 jet aircraft, spare engines, spare parts, tools, equipment and related services.	16, 800, 000	20 semiannual payments beginning 8/15/75	6
	Eight used DC–9 jet aircraft, spare engines, DC–9 and DC–8 spare parts, other equipment and related services.	9, 011, 250	8 semiannual payments beginning 8/15/75	6
France:				
Union de Transports Aeriens, S.A	Two DC–10 jet aircraft, related spare engines, spare parts, equipment and services.	11, 424, 000	8 semiannual payments beginning 11/15/79	6
	Aircraft and spare engines, spare parts and services	4, 000, 000	20 semiannual payments beginning 2/15/77	6
Union de Transports Aeriens, S.A	Three DC–10 jet aircraft, spare engines, parts, equipment and services.	19, 871, 000	7 semiannual payments beginning 5/15/82	6
Compagnie Nationale Air France	Three 727 jet aircraft, spare engines, parts, related equipment and services.	8, 390, 016	7 semiannual payments beginning 2/15/76	
	Three 747 jet aircraft, spare engines, parts and related equipment and services.	20, 401, 900	7 semiannual payments beginning 2/15/80	6
Germany: Deutsche Lufthansa, S A	Seven DC–10 jet aircraft with GE CF6 engines installed	53, 800, 000	14 semiannual payments beginning 8/15/74	6
	Three 727 jet aircraft and one 747 jet aircraft with engines installed.	17, 100, 000	14 semiannual payments beginning 8/15/72	6
India: Air-India Corporation	One 747 jet aircraft, support equipment and related spare parts.	12, 352, 500	8 semiannual payments beginning 11/15/75	6
Iran: Iran National Airlines Corporation	Three 737 jet aircraft, spare parts and related services	6, 678, 000	7 semiannual payments beginning 11/15/75	6
Italy: Istituto Mobiliare Italiano	One 747 jet aircraft and related engines, parts, equipment and services.	6, 883, 500	7 semiannual payments beginning 5/15/79	6
	Four DC–10 jet aircraft and related engines, spare parts, equipment and services.	26, 970, 150	7 semiannual payments beginning 5/15/74	6
	One DC–9 jet aircraft, one spare engine, related equipment and services.	1, 980, 000	7 semiannual payments beginning 11/15/76	6
Republic of the Ivory Coast: Air Afrique	Increase in financing for an additional DC–10 jet aircraft	6, 589, 640	6 semiannual payments beginning 8/15/80	6
Jamaica: Air Jamaica	One L–1011 airframe, related spare parts, equipment and services.	3, 522, 086	7 semiannual payments beginning 6/15/79	6
Japan: Japan Air Lines Co., Ltd	Six DC–8 jet aircraft, and related goods and services	23, 220, 000	7 semiannual payments beginning 8/15/75	6
	Two used DC–8 jet aircraft and related goods and services	5, 205, 600	7 semiannual payments beginning 5/35/75	6
Kenya: East African Airways	Three DC–9–30 jet aircraft, three spare engines, spare parts and related services.	7, 875, 000	10 semiannual payments beginning 5/15/76	6
Republic of Korea: Korean Air Lines, Inc	One 707–320C jet aircraft, spare engines, spare parts and related services.	3, 960, 000	7 semiannual payments beginning 8/15/75	6
Federation of Malaysia: Government of Malaysia	One 737–200 jet aircraft, spare parts and related equipment and services.	1, 800, 000	7 semiannual payments beginning 8/15/75	6
	One 737–200 jet aircraft, spare parts and related equipment and services.	1, 800, 000	7 semiannual payments beginning 2/15/76	6
Mexico: Arrendadora Comermex S.A. de C.V	One used DC–9–10 jet aircraft, spare parts and equipment.	898, 875	7 semiannual payments beginning 8/15/74	6
Netherlands: KLM Royal Dutch Airlines	Three 747 jet aircraft, spare engines, parts and related equipment.	22, 239, 000	9 semiannual payments beginning 11/15/77	6
New Zealand:				
Air New Zealand, Ltd	Three DC–10 jet aircraft, spare engines and related spare parts, equipment and services.	25, 224, 000	7 semiannual payments beginning 2/15/80	6
New Zealand National Airways Corp	One used 737 jet aircraft	1, 555, 100	7 semiannual payments beginning 11/15/75	6
Air New Zealand, Ltd	Two used DC–8–52 jet aircraft and related parts, equipment and services.	1, 480, 000	5 semiannual payments beginning 5/15/73	6
Nigeria: Nigeria Airways, Ltd	One 707 jet aircraft, two spare engines, related spare parts, equipment and services.	4, 320, 000	7 semiannual payments beginning 4/30/75	6
Pakistan: Pakistan International Airlines Corporation.	Three 707–32C jet aircraft, spare parts, spare engines and services.	13, 950, 000	7 semiannual payments beginning 11/15/74	6
Peru: Government of Peru	Two L–100–20 cargo aircraft, spare parts and services	4, 310, 240	7 semiannual payments beginning 11/15/74	6
Philippines: Philippine Air Lines, Inc	One 747 jet aircraft, spare engines and related equipment and services.	9, 840, 970	8 semiannual payments beginning 8/15/78	6
Portugal: Transportes Aereos Portugueses S.A.R.L	One 727-100 jet aircraft, spare parts and related services.	2, 027, 610	14 quarterly payments beginning 11/15/74	6
	Two 747 jet aircraft, spare engines, spare parts and related services.	15, 101, 700	15 quarterly payments beginning 8/15/78	6
Sweden: Scandinavian Airlines System, et al	Five DC–9 jet aircraft with related goods and services	9, 828, 000	7 semiannual payments begnning 2/15/76	6
	One DC–8–63 jet aircraft with related goods and services.	4, 176, 000	7 semiannual payments beginning 5/15/76	6
Switzerland:				
GATX/Boothe Finance, A. G	Two used DC–8–21 jet aircraft, spare parts and related goods and services.	2, 114, 000	7 semiannual payments beginning 2/15/75	6
	One used 707–321 jet aircraft, spare parts and related goods and services.	1, 215, 000	7 semiannual payments beginning 11/15/74	6
Swiss Credit Bank	Three used 720 jet aircraft with related goods and service.	1, 706, 056	10 semiannual payments beginning 6/30/72	6
Turkey: Turk Hava Yollari, A.O	Four DC–9–30 jet aircraft, two spare engines, related spare parts and services	9, 461, 450	7 semiannual payments beginning 8/15/74	6
United Kingdom: British Overseas Airways Corporation.	One 707 jet aircraft, and related spare parts and services	3, 600, 000	14 semiannual payments beginning 11/15/71	6
Yugoslavia:				
Jugoslovenski Aerotransport	Three DC–9 jet aircraft, spare parts, engines and services.	6, 237, 000	8 semiannual payments beginning 10/1/75	6
Interexport	One DC–9 jet aircraft, spare parts, engines and services	2, 127, 050	8 semiannual payments beginning 11/15/71	6

APPENDIX A—Continued

EXPORT-IMPORT BANK CREDIT AUTHORIZATIONS—Continued

Obligor	Equipment	Amount	Payment terms	Interest rate (percent)
JULY 1, 1971 TO JUNE 30, 1972				
Algeria: La Compagnie Nationale Air Algeria	Increase in financing for aircraft, coml jet (1) 737	$280,000	14 semiannual payments beginning 5/15/72	6
	Aircraft, cml jet (1) 737	2,600,000	20 semiannual payments beginning 5/15/73	6
Australia:				
Ansett Transport Industries	Aircraft, coml jet (4) 727's	15,304,000	10 semiannual payments beginnng 5/15/78	6
Commonwealth of Australia	Aircraft, coml jet (4) 727's	16,062,000	16 semiannual payments beginning 5/15/78	6
Belgium: Sabena	Aircraft, jumbo jet (2) DC-10's	13,804,250	7 semiannual payments beginning 2/15/75	6
Brazil:				
Blanco Real S.A	Jet aircraft	424,020	7 semiannual payments beginning 5/15/76	6
Viacao Aerea Sao Paulo S. A	Aircraft, coml jet (1) 737	2,125,000	10 semiannual payments beginning 12/15/77	6
Federal Republic of Cameroon: Cameroon Airlines	Coml jets (1) 707 and (2) 737's	10,400,000	10 semiannual payments beginning 2/15/78	6
Canada: Pacific Western Airlines Ltd	Aircraft, coml jet (2) 737's	4,617,282	10 semi annual payments beginning 11/15/77	6
Republic of China: China Airlines Ltd	Coml jet (1) used 707	2,790,000	5 semiannual payments beginning 5/15/75	6
Colombia: Aerovias Nacionales de Colombia	Coml jets (3) used 727's	6,120,000	7 semiannual payments beginning 11/15/75	6
Denmark: Maersk Air I/S	Coml jets (3) used 720's	3,019,474	5 semiannual payments beginning 3/31/76	6
Dominican Republic: CIA Dominicana de Aviacion	Aircraft, conl jet (1) 727	2,925,000	10 semiannual payments beginning 12/15/77	6
France:				
Lurafrep S. A	Coml jets (2) used 727's	4,896,000	14 semiannual payments beginning 5/15/75	6
Union de Transports Aeriens	Aircraft, jumbo jet DC-10	6,288,000	8 semiannual payments beginning 9/15/81	
Hong Kong: Cathay Pacific Airways Limited	Coml jets (2) used 707's	3,600,000	5 semiannual payments beginning 2/15/75	6
Israel:				
Israel Aircraft Industries Ltd	Coml jets (13) used 707's	2,400,000	5 semiannual payments beginning 2/15/75	
El Al Israel Airlines	Aircraft, jumbo jet (2) 747's	4,240,000	7 semiannual payments beginning 2/15/76	6
Italy: Istituto Mobiliare Italiano	Aircraft, Coml Jet (1) DC-9	2,040,000	10 semiannual payments beginning 8/15/78	6
Jamaica: Air Jamaica Limited	Coml Jet (1) used DC-8	1,103,512	6 semiannual payments beginning 5/15/75	6
	Aircraft, coml jet (1) DC-8	1,275,000	6 semiannual payments beginning 11/15/75	6
Japan:				
Japan Air Lines Co. Ltd	Aircraft, jumbo jet (7) 747's	47,511,255	7 semiannual payments beginning 5/15/79	6
All Nippon Airways Co. Ltd	Coml jets (8) 727's & (3) 737's	29,880,000	7 semiannual payments beginning 5/15/76	6
Japan Airlines Co. Ltd	Coml jets (3) used DC-8's	6,982,500	10 semiannual payments beginning 3/31/73	6
Federation of Malaysia: Malaysia Airline System Berhad.	Aircraft, coml jet (6) 737's	18,800,000	10 semiannual payments beginning 5/15/78	6
Mexico: CIA Mexicana de Aviacion	Coml jets (3) used 727's	3,850,000	7 semiannual payments beginning 12/15/75	6
	Aircraft, coml jets (2) 727's	7,140,000	10 semiannual payments beginning 12/15/78	6
Netherlands:				
Transavia Holland N.V	Coml Jet (1) used 707	1,440,000	7 semiannual payments beginning 2/15/76	6
Luchtvervoermaatschappij N.V	Aircraft, Jumbo Jet (1) DC-10	7,488,865	7 semiannual payments beginning 11/15/80	6
KLM Royal Dutch Airlines	Two DC-10 widebody jets	22,370,000	10 semiannual payments beginning 11/15/79	6
Nigeria: Nigeria Airways Ltd	Coml Jets (1) 707 & (2) 737's	10,400,000	10 semiannual payments beginning 5/15/78	6
Saudi Arabia: Saudi Arabian Airlines Corp	Aircraft, coml jet (5) 737's	13,428,000	7 semiannual payments beginning 5/15/76	6
Singapore: Mercury Singapore Airlines Ltd	Coml Jets (3) used 707's	9,300,000	7 semiannual payments beginning 11/15/76	6
Spain: Iberia Lineas Aereas de Espana S.A	Aircraft, coml jets (11) DC-9's	24,300,000	7 semiannual payments beginning 6/15/75	6
	Aircraft, jumbo jets (3) DC-10's	29,100,000	10 semiannual payments beginning 10/15/78	6
	Aircraft, coml Jets (16) 727's	56,100,000	12 semiannual payments beginning 11/15/77	6
Sweden: Scandinavian Airlines System	Aircraft, jumbo jet (2) DC-10's	13,920,000	8 semiannual payments beginning 8/15/82	6
	Aircraft, parts and services	4,000,000	20 semiannual payments beginning 11/15/76	6
	One used DC-8-63 jet aircraft	3,936,000	7 semiannual payments beginning 3/15/77	6
United Kingdom:				
Laker Airways Ltd	Aircraft, jumbo jet (2) DC-10's	18,000,000	10 semiannual payments beginning 3/31/78	6
Airlease International	2 L-1011 widebody aircraft	16,220,846	10 semiannual payments beginning 8/31/78	6
Yugoslavia:				
Interexport	Aircraft, coml jet (1) DC-9	2,362,500	10 semiannual payments beginning 8/15/78	6
Jugoslovenski Aerotransport	Aircraft, jumbo jet (6) DC-10's	14,748,750	11 semiannual payments beginning 11/15/73	6
JULY 1, 1972–JUNE 30, 1973				
Algeria: Air Algerie	One 737 coml jet aircraft	2,800,000	10 semiannual payments beg. 2/5/79	6
	One 737 coml jet aircraft	2,300,000	10 semiannual beg. 5/10/79	6
Argentina: Aerolineas Argentinas	One 737-200 coml jet aircraft	3,102,190	10 semiannual beg. 5/5/79	6
Australia: Commonwealth of Australia	One 747 jumbo aircraft	11,284,000	10 semiannual beg. 2/10/79	6
Belgium: Sabena	Modify aircraft for loading	2,000,000	10 semiannual beg. 10/15/74	6
Brazil:				
Servicos Aereo Cruzeiro Do Sul	One 727-100 coml jet aircraft	1,620,000	7 semiannual beg. 11/5/76	6
Viacao Aerea Sao Paulo SA	Three 737 coml jet aircraft	8,100,000	10 semiannual beg. 3/10/79	6
Varig SA	Two DC-10 Jumbo jet aircraft	28,522,800	10 semiannual beg. 11/30/79	6
	Two 727 and Three 707 commercial jets	11,700,000	14 semiannual beg. 12/5/73	6
Canada:				
Air Canada	One 737-200 Coml jet aircraft	2,619,632	10 semiannual beg. 11/5/78	6
	One 747 jumbo aircraft Jet	12,645,000	10 semiannual beg. 11/5/78	6
	One 747 jumbo jet aircraft	10,192,000	20 semiannual beg. 11/15/73	6
Canadian Pacific Ltd	Refurbish Eleven DC-8 Jet aircraft	1,930,000	10 semiannual beg. 11/5/73	6
	Two 747 jumbo jet aircraft	29,320,000	10 semiannual beg. 5/10/79	6
Air Canada	One 737 Coml jet aircraft	2,610,000	10 semiannual beg. 5/5/79	6
	One used DC-9 Jet aircraft	2,050,000	7 semiannual beg. 5/15/77	6
Pacific Western Airlines	One 737 coml jet aircraft and parts	2,771,235	10 semiannual beg. 7/5/79	6
Republic of China (Taiwan): China Airlines	One used 707 jet aircraft	2,000,000	7 semiannual beg. 8/5/77	6
Denmark: Sterling Airways A/S	Three 727 Coml jet aircraft	12,600,000	10 semiannual beg. 5/31/79	6
Dominican Republic: Corp Dominicana Empresas Estat.	One 727 Coml jet aircraft	4,275,000	10 semiannual beg. 9/5/79	6
Finland: Kar-Air Dy	One used DC-8 jet aircraft	1,485,000	7 semiannual beg. 11/15/76	6
France:				
Union de Transports Aeriens	One used DC-8 jet aircraft	4,174,400	14 semiannual beg. 11/10/73	6
Air France	Three 747 jumbo jet aircraft	31,800,000	10 semiannual beg. 8/10/79	6
Airbus Industries	One Guppy aircraft	3,000,000	7 semiannual beg. 8/5/77	6
Fedl Republic of Germany: Lufthansa	Six 727 Coml jet aircraft	19,720,000	20 semiannual beg. 8/10/73	6
Honduras: Servicio Aereo de Honduras SA	One 737 Coml jet aircraft	3,273,750	10 semiannual beg. 4/5/80	6
Indonesia: Bouraq Indonesia Airlines	Two used 707 jet aircraft	4,169,250	9 semiannual beg. 5/10/77	6
Iran: Iran National Airlines Corp	One 707 and One 737 Coml jets	7,840,000	10 semiannual beg. 11/15/74	6
Israel: E. Al Israel Airlines	One 747 jumbo jet aircraft	13,725,045	10 semiannual beg. 11/15/78	6
Japan: All Nippon Airways Co. Ltd	Four 727 Coml jet aircraft	11,900,000	7 semiannual beg. 8/5/77	6
Jordan:				
Alia-Royal Jordanian Airline	One 727 and parts Jet aircraft	4,320,000	10 semiannual beg. 2/10/80	6
Alia-Royal Jordanian Airline	Two used 720B jet aircraft	1,562,330	6 semiannual beg. 8/15/76	6
Republic of Korea: Korean Air Lines	Two 747 jumbo jet aircraft	28,800,000	10 semiannual beg. 2/5/79	6
Mexico:				
Cia Mexicana de Aviacion	Two 727-200 coml jet aircraft	7,352,500	10 semiannual beg. 5/5/79	6
Nacional Financiers SA	Six DC 9-30 coml jet aircraft	15,124,500	11 semiannual beg. 11/5/79	
Morocco: Cia Nat de Transports Aeriens	One 727 coml jet aircraft	3,540,000	7 semiannual beg. 6/15/77	6
Norway: Braathens Safe	One B-737 coml jet aircraft	2,475,000	10 semiannual beg. 10/15/78	6
Pakistan: Pakistan Intl Airlines Corp	Three DC-10 jumbo jet aircraft	28,210,000	12 semiannual beg. 9/15/79	6
Panama: Leyburn Panama	One 747 jumbo jet aircraft	8,370,000	6 semiannual beg. 2/5/77	6
Philippines: Republic of the Philippines	One new and three used cargo aircraft	8,865,000	7 semiannual beg. 12/1/77	6

Obligor	Equipment	Amount	Payment terms	Interest rate (percent)
JULY 1, 1971 TO JUNE 30, 1972—Continued				
Portugal: Transportes Aereos Portuguese	One 747 jumbo jet aircraft	$12, 080, 000	10 semiannual beg. 12/15/79	6
Romania: Tehnoimportexport	Three 707 coml jet aircraft	20, 018, 689	10 semiannual beg. 12/15/79	6
Singapore: Singapore Airlines Ltd	Two 747 jumbo jet aircraft	29, 537, 500	10 semiannual beg. 2/10/79	6
Spain:				
Spantax	One used DC-8 jet aircraft	2, 250, 000	7 semiannual beg. 2/5/77	6
IberiaLineas Aereas	Two DC-10 jumbo jet aircraft	19, 880, 000	9 semiannual beg. 5/10/80	6
Iberia Lineas Aereas	Eleven 727 coml jet aircraft	38, 560, 000	semiannual beg. 2/10/80	6
The Sudan: Sudan Airways	Two 707 coml jet aircraft	10, 331, 250	10 semiannual beg. 2/10/80	6
Sweden:				
Scandinavian Airlines	One used DC-8 jet aircraft	3, 722, 400	7 semiannual beg. 2/15/78	6
	Three DC-10 jumbo jet aircraft	18, 624, 000	14 semiannual beg. 6/5/79	6
	Aircraft engines and products	6, 000, 000	20 semiannual beg. 11/15/76	6
	Twelve DC-9 jet aircraft	29, 088, 000	21 semiannual beg. 8/10/79	6
Switzerland:				
Swiss Air Transport Co. Ltd	Two DC-10 jumbo jet aircraft	11, 736, 000	14 semiannual beg. 8/10/78	6
	Spare engines and parts	4, 000, 000	20 semiannual beg. 12/31/75	6
Tunisia: Societe Tunisienne de L'Air	One 727-200 coml jet aircraft	3, 150, 000	7 semiannual beg. 8/15/77	6
Tu rkey: Turk Hava Yollari A. O	Three DC-10 jumbo jet aircraft	30, 492, 000	10 semiannual beg. 7/5/78	6
United Kingdom: British Overseas Airways	One 747 jumbo jet aircraft	11, 400, 000	10 semiannual beg. 11/15/78	6
West Indies-Netherlands: Netherlands Antilles Cos	One 737 coml jet aircraft	3, 073, 590	10 semiannual beg. 11/5/79	6
Yugoslavia/ Interexport	One DC-9 coml jet aircraft	2, 338, 459	10 semiannual beg. 12/15/78	6
JULY 1, 1973 TO JANUARY 31, 1974				
Australia: Ansett Transport Industries	One B 727 Flight Simulator related equipment and services.	765, 000	5 semiannual beg. 2/10/77	6
Belgium: Sabena Airlines	Ten 737-200 jet aircraft related goods and services	28, 005, 360	10 semiannual beg. 12/1/79	6
Canada:				
Eastern Provincial Airways	One 737-200 jet aircraft related goods and services	2, 610, 000	10 semiannual beg. 5/5/79	6
Canadian Pacific Ltd	One 747 jet aircraft related goods and services	13, 000, 000	10 semiannual beg. 5/15/79	6
Air Canada of Montreal	One 747 and Five 727-200 related goods and services	29, 800, 000	10 semiannual beg. 11/20/80	6
Transair Ltd	One 737-2A9 jet aircraft related goods and services	3, 033, 000	10 semiannual beg. 6/15/80	6
Republic of China (Taiwan):				
China Airlines	One used 707 jet aircraft	2, 160, 000	7 semiannual beg. 11/5/78	6
	One used 707 jet aircraft related spare parts and services	2, 000, 000	7 semiannual beg. 8/5/78	6
Denmark: Maersk Air I/S	Two used 720B jet aircraft related goods and services	1, 560, 000	5 semiannual beg. 2/5/77	6
France: Union de Transports Aeriens SA (UTA)	One used DC 8-63 related goods and services	4, 725, 000	7 semiannual beg. 1/10/78	6
Republic of Gabon	One L 100-30, related spare parts and ground equipment	3, 338, 000	7 semiannual beg. 7/10/79	6
Honduras:				
Transportes Aereos Nacionales (TAN)	One 737-200 jet aircraft related spares and equipment	3, 273, 750	10 semiannual beg. 4/5/80	6
Servicio Aereo de Honduras (SAHSA)	One 737-200 jet aircraft related spares and equipment	3, 273, 750	10 semiannual beg. 4/5/80	6
India: Indian Airlines	Three 737-200 jet aircraft related goods and services	8, 640, 000	10 semiannual beg. 4/15/80	6
Iran: Iran National Airlines	Three 727-200 and Two 747 SP jet aircraft related spares, equipment and services.	45, 360, 000	10 semiannual beg. 2/15/80	6
Republic of Ivory Coast: Ministry of Finance	One used Grumman Gulfstream I	607, 500	5 semiannual beg. 1/10/77	6
Jamaica: Air Jamaica Ltd	Two DC 8-61 and One DC 8-62 used jet aircraft related and services.	9, 450, 000	7 semiannual beg. 11/5/78	
Malaysia: Malaysian Airline System	One 737-200, related spares equipment and services	2, 925, 000	10 semiannual beg. 3/15/80	6
Mexico: Compania Mexicana de Aviacion	Three 727-200 jet aircraft related spares, equipment and services.	11, 925, 000	10 semiannual beg. 1/6/08	6
Netherlands Antilles: Transavia Holland N. V	One 737—200C jet aircraft, spare parts and engines and related requipment and services.	3, 073, 590	10 semiannual beg. 11/5/79	6
Spain:				
Iberia Air Lines	Eleven 772—100 jet aircraft, related goods and services	38, 560, 000	9 semiannual beg. 5/10/80	6
	Two DC-10 jet aircraft, related goods and services	19, 880, 000	9 semiannual beg. 5/10/80	6
Aviacion Y Comercio S. A	Six DC-9 jet aircraft, related goods and services	15, 352, 244	9 semiannual beg. 3/15/81	6
Switzerland: Swissair	Ten DC-9—50 jet aircraft, related spare parts and engines, equipment and services.	34, 160, 000	10 seminanual beg. 9/30/82	6
Trinidad and Tobago: British West Indies	One used 707—320 jet aircraft, spare parts and modifications.	3, 780, 000	7 semiannual beg. 2/15/77	6
United Kingdom:				
British Overseas Airways	Two 747 jet aircraft, related goods and services	21, 280, 000	10 semiannual beg. 5/15/79	6
Britannia Airways	Two 737—200 jet aircraft, related goods and services	5, 100, 000	10 semiannual beg. 8/10/79	6
Laker Airways Ltd	One DC-10—10 jet aircraft, related goods and services	8, 961, 750	10 semiannual beg. 10/10/79	6

APPENDIX B

CASH FLOW COMPARISON OF AIRCRAFT FINANCED WITH EX-IM PARTICIPATION VERSUS COMMERCIAL FINANCING AT 11 PERCENT

[In thousands of dollars]

	Foreign carrier			U.S. carrier with commercial financing		Foreign carrier cash flow advantage [5]	
Year	Commercial financing [1]	Ex-Im financing [2]	Total	10 yr.[3]	16 yr.[4]	10 yr.	16 yr
1	4, 058. 6	1, 050. 0	5, 108. 6	5, 094	4, 065. 5	(14. 6)	(1, 043. 1)
2	4, 058. 6	1, 050. 0	5, 108. 6	5, 094	4, 065. 5	(14. 6)	(1, 043. 1)
3	4, 058. 6	1, 050. 0	5, 108. 6	5, 094	4, 065. 5	(14. 6)	(1, 043. 1)
4	4, 058. 6	1, 050. 0	5, 108. 6	5, 094	4, 065. 5	(14. 6)	(1, 043. 1)
5	4, 058. 6	1, 050. 0	5, 108. 6	5, 094	4, 065. 5	(14. 6)	(1, 043. 1)
6		3, 658. 4	3, 658. 4	5, 094	4, 065. 5	1, 435. 6	407. 1
7		3, 658. 4	3, 658. 4	5, 094	4, 065. 5	1, 435. 6	407. 1
8		3, 658. 4	3, 658. 4	5, 094	4, 065. 5	1, 435. 6	407. 1
9		3, 658. 4	3, 658. 4	5, 094	4, 065. 5	1, 435. 6	407. 1
10		3, 658. 4	3, 658. 4	5, 094	4, 065. 5	1, 435. 6	407. 1
11					4, 065. 5		4, 065. 5
12					4, 065. 5		4, 065. 5
13					4, 065. 5		4, 065. 5
14					4, 065. 5		4, 065. 5
15					4, 065. 5		4, 065. 5
16					4, 065. 5		4, 065. 5
Total	20, 293. 0	23, 542. 0	43, 835. 0	50, 940	65, 048. 0	7, 105. 0	21, 213. 0

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[1] $15,000,000 at 11 percent for 5 yr with equal annual payments (0.2705703095 times $15,000,000).

[2] $15,000,000 at 7 percent for 5 yr with repayment beginning at the 6th yr. Interest for 1st 5 yr is paid annually (0.07 times $15,000,000; 0.2438906944 times $15,000,000).

[3] $30 000,000 at 11 percent for 10 yr with equal annual payments (0.1698014271 times $30,000,000).

[4] $30,000,000 at 11 percent for 16 yr with equal annual payments 0.1355167470 times $30,000,000).

[5] Cash flow advantage crosses from U.S. carrier to foreign carrier in the 6th yr.

APPENDIX C

MAJOR U.S. INTERNATIONAL AIRLINES

PRINCIPAL LONG-TERM DEBT AND GUARANTEED LOAN CERTIFICATES (AS OF DEC. 31, 1972)

	Interest rate	Amount (thousands)
PAN AMERICAN WORLD AIRWAYS, INC.		
Long-term debt:		
Bank loans	(1)	$175,000
Notes payable, purchase agreement	8.125	17,900
Institutional loan agreements:		
Due 1989	4.37	60,000
Due 1989	4.82	30,000
Due 1989	6.00	50,000
Due 1990	5.25	100,000
Due 1991	6.50	162,050
Convertible subordinated debentures: various	4.50-5.50	409,072
Guaranteed loan certificates:		
Due October 1986	11.25	77,359
Due December 1986	11.125	82,836
TRANS WORLD AIRLINES, INC.		
Long-term debt:		
Senior notes, series A to F: various	5.375-6.50	340,050
Revolving credit notes	(2)	46,875
Credit agreement notes, equipment	(1)	46,875
Sterling notes 1982-85	5.50-6.50	30,616
Subordinated debentures 1992 and 1994	4.00-5.00	249,988
Subordinated income debentures	6.50	96,438
Guaranteed loan certificates:		
Due May 1985	10.00	70,000
Due May 1987	11.00	53,600
Leased obligations capitalized (Kansas City Airport)	7.875	13,462

[1] ½ of 1 percent above prime rate.
[2] ¼ of 1 percent above prime rate.

Source: 1972 annual reports.

EXIMBANK ANNOUNCEMENTS 1974 LOANS TO FOREIGN AIRLINES

January 16: $3,033,000 loan to Canadian carrier Transair toward purchase of 737 for $6,740,000. 6% interest.

*January 17: $29.8 million loan to Air Canada toward purchase of one 747 and three 727 aircraft for $74.5 million. 6% interest.

*January 21: $8,640,000 loan to Indian Airlines toward purchase of three 737 aircraft for $19.2 million. 6% interest.

*January 28: $8,961,750 loan to Laker Airways toward purchase of DC–10 for $19,915,000. 6% interest.

*February 20: $2,385,000 loan to Niagara Finance Company, Ltd. toward purchase of used 727 aircraft for $5.3 million; aircraft is to be leased to Pacific Western Airways, Ltd. for 10 years. 6% interest.

February 25: $1,260,000 loan Manufacturers Hanover Leasing Nassau, Ltd. toward purchase of used DC–9 aircraft for $2.8 million. Aircraft to be leased to Venezuelan carrier LAV for seven years. 6% interest.

*February 27: $9,202,500 loan to Jugoslovenski Aerotransport (JAT) toward purchase of two Boeing 727 aircraft for $20,450,000. 6% interest.

*February 28: $4,080,000 loan to Iberia toward purchase of spare parts equipment and services for $10.2 million. 6% interest.

*March 4: $11,640,000 loan to Air Canada toward purchase of one Boeing 747 for $29.1 million. 6% interest.

March 8: $400,950 loan to Air Mauritania toward purchase of two used F–27 aircraft for $891,100. 7% interest.

March 27: $6.8 million loan to Instituto Mobilaire Italiano (IMI) toward purchase of three DC–9 aircraft for ATI, wholly owned subsidiary of Alitalia. 6% interest.

*April 8: $11,804,400 loan to Air France toward purchase of one Boeing 747 for $29,511,000. 6% interest.

* April 9: $3,880,000 loan to Royal Jordanian Airline (ALIA) toward purchase of one Boeing 727 aircraft for $9.7 million. 6% interest.

April 10: $22,698,000 loans (2) to VASP (Brazil) toward purchase of five new and four used Boeing 737 aircraft for $50,440,000. 6% interest.

April 12: $1,289,250 loan to Invicta International Airlines, Ltd. (UK) toward purchase of one used Boeing 707 aircraft for $2,865,000. 6% interest.

* April 16: $2.7 million loan to Eastern Provincial Airways, Ltd. (Canada) toward purchase of one Boeing 737 for $6 million. 6% interest.

April 16: $5.6 million loan to Austrian Airlines toward purchase of two DC–9 aircraft for $14 million. 6% interest.

April 19: $19,575,000 loan to Cruzeiro (Brazil) toward purchase of six Boeing 737 aircraft for $43.5 million. 6% interest.

April 25: $18.9 million loan and guarantee of $18.9 million private loan to THY (Turkey) toward purchase of four Boeing 727 aircraft. 6% interest.

May 1: $2,880,000 loan to Air Algerie toward purchase of one Boeing 737 for $6.4 million. 6% interest.

* May 8: $8,699,400 loan to Pacific Western Airlines, Ltd. (Canada) toward purchase of three Boeing 737 aircraft for $19,332,000. 6% interest.

* May 8: $43,245,000 loans (2) to Varig (Brazil) toward purchase of ten Boeing 737 and one DC–10 aircraft for $96.1 million. 6% interest.

* Foreign airlines which directly compete with U.S. carriers.

Mr. SCHWEIKER. I think it is very appropriate that only this morning there was an advertisement that was run in the Washington Post by the employees of Pan American Airlines. We all know that Pan American Airlines has just said that they are in trouble and they want a $10-million-per-month Government subsidy to bail them out. Here, in this morning's paper, by sheer coincidence, is a full-page ad signed by the 32,500 employees of Pan American.

I read just one paragraph of this open letter to the American people from the employees of the "World's Most Experienced Airline:"

> Ask our own government, why the U.S. Export-Import Bank loans money to airlines of "underdeveloped" nations, like France, Japan and Saudi Arabia, at six percent interest while Pan Am pays twelve percent. Their low interest loans are used to buy airplanes that they use to compete against Pan Am. Not allowing Pan American access to these same interest rates means that we pay seven million dollars more than the foreign airlines for the same Jumbo jet.

This is really the height of irony. Here we have Pan American bankrupt. Yet, they have to pay $7 million more to buy their planes than the U.S.-subsidized foreign competitor does, and now they are back to the Government asking for another subsidy to save it from the first subsidy. Only in America would we come up with two subsidies to solve the same problem. That is exactly what we are confronted with now.

I have a sheet that shows very clearly what this means in dollars and cents. Basically, it shows that we discriminate horribly against our own domestic airlines, who get the kind of licking and pasting that Pan American took.

To explain why this massive subsidy is required to enable U.S. aircraft manufacturers to profitably export aircraft which no one else can make, the Eximbank has prepared a fact sheet. It is titled: "Eximbank support is necessary even though certain products may be available only in the U.S." This fact sheet warns that the Europeans now have their A300 Airbus in production, and argues that the only way to insure that our wide-bodied jets remain competitive is through more Eximbank subsidies.

Mr. President, the American companies who make 96 percent of our export sales—without Eximbank help—compete with dozens or hundreds of firms for each sale. The U.S. wide-bodied aircraft manufacturers have one foreign competitor—a competitor which at last count had peddled orders for only 14 aircraft.

That is the competition we allegedly are competing with and why we so badly need these subsidized loans.

If our airlines cannot compete without subsidies, I wonder how anyone can.

I think one other interesting statistic is that to buy an airplane worth $30 million, a foreign airline pays $43 million, with the interest subsidy given to it. If an American carrier bought the same $30 million airplane on a 10-year basis, it costs him $50 million, or $7 million, as Pan Am says in its ad, more. But if they have to go to 16-year financing, and many of them do because of big expense, it costs them $65 million.

So, here we have an airplane that sells for $30 million. If a foreign airline buys it, it costs it $43 million. If an American airline buys it on a 16-year basis, it costs double the original price, or $65 million. Every time one of Pan Am's foreign competitors buys a $30 million aircraft with Ex-Im financing, it gets a whopping $7 million to $20 million discount below the price paid by Pan Am.

Mr. PROXMIRE. Will the Senator yield on that point?

Mr. SCHWEIKER. I am glad to yield.

Mr. PROXMIRE. I congratulate the Senator on making that point, because it so beautifully illustrates the futility of this kind of policy. After all, if the foreign airline could not buy their 747 or other long-range jet from Boeing, whom would they buy it from? They might buy it from McDonnell Douglas, but they cannot buy it from another country, because they are all built in this country.

Is it not true that 85 percent of these planes are built in this country, and that the competition is overwhelmingly within the United States?

Mr. SCHWEIKER. That is correct.

Mr. PROXMIRE. So this does not secure business for us, or increase our exports; all it does is lower the costs for foreign airlines competing with the airlines operating in the United States.

Mr. SCHWEIKER. The Senator is quite correct. In fact, all it does is put our airlines out of business.

It is not just Pan American I am talking about. I ask unanimous consent to have printed in the RECORD a letter from the president of Northwest Airlines, Donald W. Nyrop, in which he details the adverse impact of Eximbank Subsidies to Northwest's foreign competitors.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NORTHWEST AIRLINES, INC.,
St. Paul, Minn., September 5, 1974.

Hon. RICHARD S. SCHWEIKER,
U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR SENATOR SCHWEIKER: Congress is currently considering a bill to extend the life of the Export-Import Bank and an amendment has been proposed which would put the Bank on a self-sustaining basis requiring it to charge interest at not less than the prevailing market rate for comparable loans.

In the past, foreign air carriers have been able to purchase U.S. manufactured aircraft with funds borrowed from the Export-Import Bank at interest rates substantially below that paid by U.S. carriers. In the last year and one-half interest rates have risen sharply for those U.S. carriers while the Export-Import Bank made no effort to raise the rates charged to foreign air carriers. As a consequence, U.S. carriers competing with those foreign carriers are at a significant competitive disadvantage. In effect the Bank has been subsidizing foreign air carriers.

Northwest Airlines does not take the position it should be entitled to purchase aircraft at the favorable Export-Import Bank rate, but believes that the Bank should, indeed, be on a self-sustaining basis and all loans should be extended at the private market rate prevailing in the U.S. as proposed by your amendment.

Sincerely,

DONALD W. NYROP.

Mr. SCHWEIKER. The fact is, Mr. President, that Eximbank has subsidized U.S. sales to foreign airlines so lavishly that Congress and the taxpayers are now being asked to subsidize the U.S. airlines. This does not make any sense to me, and my amendment will end this expensive interest subsidy.

My amendment will also ease the current capital crunch now facing every American business. The Eximbank does not get money out of the air—it borrows it from the U.S. Treasury and the private capital market, competing with all other borrowers, public and private. And so when the Eximbank siphons off $1.2 billion from the private capital market, as it will in fiscal year 1975, it aggravates our capital shortage—and it then lends this money at half the going rate, depriving the Treasury—and indirectly the taxpayer—of a fair return.

The Eximbank response to this charge is that it operates profitably, and returns $50 million each year to the U.S. Treasury. The Bank does not point out that this $50 million amounts to only a 5-percent return on the $1 billion originally invested by the Treasury in the Bank. If Eximbank loans were made at prevailing market rates, as my amendment requires, the Eximbank dividend to the Treasury could be raised to give the American taxpayer a fair return.

In closing, I would like to emphasize that my amendment will not cripple the Bank—only about 25 percent of the Bank's business is in the direct loan area. It will not undercut the Bank's objectives—the Overseas Private Investment Corporation, with similar objectives has loaned only at the market rate for years. And my amendment will not adversely affect U.S. export levels or balance of trade, since 96 percent of our exports are made without any Eximbank loans.

Mr. President, I refer again to one other case. Recently a refinery was to be built in the Caribbean for oil refining. It turned out that the reason they were building an oil refinery in the Caribbean and shipping the oil into the United States was strictly because they can get a 5-percent interest subsidy; so instead of building the oil refinery in the United States, where we probably ought to have it, they put it the Caribbean, and ship the oil here, because we are subsidizing it to the extent of 5 or 6 percent of the prime rate.

I can think of no worse distortion of the tight money situation that we have in this country than thus subsidizing the building of oil refineries in the Caribbean.

Mr. President, I urge the adoption of the amendment, and I yield to the Senator from Nevada (Mr. CANNON).

Mr. CANNON. Mr. President, I strongly urge my colleagues to give favorable consideration to the Schweiker-Cannon amendment No. 1853 requiring the Export-Import Bank to loan money to foreign businessmen at a rate comparable to that paid by Americans domestically.

It is presently no secret the U.S. economy is suffering badly through an overrestrictive monetary policy. The Department of Commerce is reporting new home construction last May was off almost 40 percent from the previous year. SBA-guaranteed bank loans to small businesses have been as high as 11 percent and small business failures have risen to 190 per week as compared to 170 last year. The total debt of small businesses going bankrupt is up to $200 million per month, 50 percent over 1973. Commercial prime rate has soared over 12 perent with adverse negative impact on our credit-sensitive sectors such as home mortgages.

Mr. President, while domestic business activity is coming to a crippling halt, the Export-Import Bank financed almost $4 billion in direct loans to foreign businessmen at interest rates of 6 and 7 percent, sapping some $1.2 billion from the critically short private-market money supply.

This money went to some of the largest corporations to subsidize only 4 percent of our export activity. Fully 96 percent of U.S. export activity survives at competitive market rates.

Lastly Mr. President, let us look at some effects of this banking activity. For example when a foreign airline buys a jet it can do so at $7 to $20 million less than an American carrier because of cut-rate Eximbank loans. Domestic carriers, already in dubious financial condition, cannot compete with the lower costs of foreign lines driving them further into debt. Pan Am will reportedly need some $10 million a month from the American taxpayer to stay in business. Is this how the Eximbank helps keep our economy healthy?

I must say, Mr. President, as chairman of the Aviation Subcommittee, that we are concerned very much with the problem of the ailing airlines of the United States today. To see this kind of a competitive situation exist, a situation which we permit to continue to the detriment of our own carriers—among many other things that we permit, I might say—really disturbs me very much.

The Wall Street Journal, one of the most respected financial publications, on June 28 called upon Congress to delay extending the Eximbank's authorization. We should go at least as far as requiring that it lend at competitive market rates.

I thank my distinguished colleague for yielding to me.

Mr. PACKWOOD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Oregon.

Mr. SCHWEIKER. Mr. President, I yield as much time as he may consume to the distinguished Senator from Idaho (Mr. CHURCH).

Mr. PACKWOOD. I was going to ask the Senator a question.

Mr. SCHWEIKER. Very well, if the Senator will let me yield first to the distinguished Senator from Idaho.

Mr. PACKWOOD. Mr. President, who has the floor?

The PRESIDING OFFICER (Mr. McCLURE). The Senator from Oregon was recognized. However, the Chair would state to the Senator from Oregon that the time is under control. The Senator from Pennsylvania and the Senator from Illinois control the time. The Senator from Pennsylvania is recognized.

Mr. SCHWEIKER. I yield to the Senator from Idaho.

Mr. CHURCH. Mr. President, I strongly commend both the distinguished Senator from Pennsylvania and the distinguished Senator from Nevada for offering this amendment. I am happy to speak up in support of it, and I would propose, in doing so, to analyze the various reasons that have been given in justification for the subsidized interest rates that now prevail.

I think that these arguments can easily be answered, and that in view of changing circumstances, this policy can no longer be justified in the public interest.

The Export-Import Bank's low interest rates have an adverse impact on the domestic U.S. economy, nowhere better dramatized than in the case of the airlines, I might say. Subsidized export credits distort the operations of private capital markets by setting a higher priority on financing export loans than on domestic loans. The cost to the U.S. economy, therefore, is basically an opportunity cost in the sense that the Eximbank diverts private capital resources to alternative uses. The amount of funds available for domestic interest will be higher than otherwise.

In effect, cheaper export credit terms are achieved at the cost of higher domestic interest rates. To the extent that higher interest rates discourage domestic investment, the cost will become manifested in a loss of domestic production and employment that would have been generated by the investment. The lower interest rates for exports than for domestic borrowing creates ludicrous situations such as that faced today by the U.S. airline industry. U.S. carriers have to pay domestic rates while their foreign competition pay the lower Exim rates for the same equipment.

It has been suggested by the supporters of the Eximbank that there are countervailing benefits derived from the Bank's subsidy of exports. Let us examine the various rationale for continuing to support the Export-Import Bank's subsidized interest rates.

First, there is the rationale that the subsidies given by the Export-Import Bank should be continued for balance-of-payments reasons. There was some justification for this rationale when there were fixed exchange rates but today we have floating exchange rates and so what happens when we increase exports is that we tend to upvalue or appreciate the dollar. This in turn decreases foreign demand for U.S. products and tends to reduce exports and to do away with any export benefits which might have been derived from the export subsidy. Those who gain in such a situation are the foreign borrowers who get U.S. products at reduced interest rates, not in the long run, the U.S. consumer.

It is clear that such Export-Import Bank action is not necessary for a country to have a very vigorous export sector. Germany, probably the world's economically healthiest exporter—save the oil-rich Middle East—has almost no Export-Import Bank-subsidized interest rates at all.

The second justification often stated for the U.S. Export-Import Bank low interest loans is that other governments are doing it so we need to. Well, Mr. President, I think it is a fine idea for other governments to subsidize our purchase of goods, especially in a time of galloping inflation. Indirectly these foreign Export-Import Banks are loaning money to U.S. consumers to purchase their products. If they want to enter into such a subsidizing of our consumption that is fine, it will help cut the rate of inflation here, but there is certainly no reason that we have to reciprocate. The balance of payments, as I have said, will be taken care of by exchange rate adjustments, which under the floating exchange rate system fluctuate with market conditions. In effect, the outcome of the whole transaction will be to have a transfer from foreign taxpayers to U.S. taxpayers in the form of a subsidy.

That is the business of foreign governments, and it certainly is no argument for continuing these subsidized rates through our own Export-Import Bank.

The final rationale is that the Export-Import Bank operations are needed to shield exporters from tight monetary policy. I see no reason why we should favor one sector of our economy over another. It would seem that if we were going to favor any consumers that they should be domestic consumers, not those of foreign countries.

In sum, it appears clear that the rationale for the Export-Import Bank subsidized interest rates is based upon premises which are no longer valid. It is neither necessary nor desirable to give special subsidies to the exporting sector of our economy at the expense of domestic consumption.

For that reason, the time clearly is at hand to reevaluate this program in the light of existing conditions, and I submit the arguments upon which the program rests, the three pedestals upon which this continuing subsidy is sought to be justified, are very unconvincing arguments, indeed. For that reason, I am glad to join in what I regard as a very wise and timely amendment being offered by the Senator from Pennsylvania and the Senator from Nevada, and I hope that the Senate will adopt it.

Mr. STEVENSON. Mr. President, I yield to the Senator from Oregon such time as he may require.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, will the Senator from Pennsylvania yield for a question?

Mr. SCHWEIKER. I am pleased to yield for a question.

Mr. PACKWOOD. I want to make sure I understand how the Senator's amendment works. The Senator first says: The Bank shall conduct its operations on a self-sustaining basis. Now, are we agreed they do that today?

Mr. SCHWEIKER. No, they do not do it today because of the interest subsidy.

Mr. PACKWOOD. What interest subsidy?

Mr. SCHWEIKER. The interest subsidy where a foreign operation can get 6- or 7-percent money. That is not self-sustaining because the commercial rates are must higher than that.

Mr. PACKWOOD. When the Senator says self-sustaining, I assume he means the Bank wants to have over a period of years as much money going out in loans as it has repayments coming back in.

Mr. SCHWEIKER. I mean that, I also mean that the Bank must pay its fair share of the costs as they go along.

Mr. PACKWOOD. Pay what share of their costs?

Mr. SCHWEIKER. What my amendment says, the prevailing market rate. If it is not carrying the prevailing private market rate, it is not carrying its fair share of the load. Somebody else is subsidizing something.

Mr. PACKWOOD. No, nobody else is subsidizing something. The Bank operates on a self-sustaining basis. It has borrowed money in the past years at 5 or 5.5 percent; it sells bonds in the market, and it gathers in money from the sale of bonds; sometimes it sells it a 9 or 9.5 percent, but it operates on a self-sustaining basis. It gets no appropriations from the Treasury. It had an initial appropriation from the time it started.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. PACKWOOD. Yes.

Mr. PROXMIRE. Is it not true that the Bank is able to lend money in part because they are able to borrow on their capital stock of $1 billion at 5 percent? Is it not also true they have retained earnings which really belong to the U.S. Government, or the taxpayers of this country, and they can borrow on that at 10 percent, and when we include all of that, we might say that they operate on a self-sustaining basis. But the fact is that the taxpayers of this country are ill-served because ordinarily that would go into the Treasury and reduce the debt, and the Treasury would not have to borrow at more than 8 percent.

Mr. PACKWOOD. Then an argument could be made for every Government corporation or quasi-government corporation that was ever given an initial Treasury appropriation and pays it——

Mr. PROXMIRE. Absolutely. If that agency ever loaned at the rate at which the Treasury borrowed money, they would indeed not be on a self-sustaining basis but rather on a subsidy from the taxpayers, no question about it.

Mr. STEVENSON. Mr. President, if the Senator will yield. One of the provisions in the bill is a new provision to prevent the Bank from borrowing from the Treasury at rates lower than that which the Treasury borrows from the public. That subsidy is eliminated from this bill.

Mr. PROXMIRE. That does not apply to retained earnings, and it does not apply to the capital stock.

Mr. BROCK. There is no borrowing on retained earnings.

Mr. PROXMIRE. But there is none on capital, either one.

Mr. BROCK. We do not take retained earnings and use them as collateral to borrow from the Treasury.

Mr. PROXMIRE. They use the money, they turn it over and use the money that they have.

Mr. BROCK. That is absolutely correct. If the Senator will note their record, since their inception the bank paid back on what they originally received plus dividends and collected enough interest and fees to build a reserve of a billion and a half dollars. That is not a subsidized operation. That is a pretty profitable operation by Government standards. I do not know of anybody who has done a better job than they have.

Mr. PROXMIRE. How can anybody loan money at 6 percent without having a subsidized operation?

Mr. BROCK. They are not loaning any money at 6 percent.

Mr. PROXMIRE. They are lending out money that would otherwise be turned back into the Treasury.

Mr. BROCK. In this case they are not loaning money at 6 percent, they have not been doing that.

Mr. AIKEN. Does not that 5 or 6 percent that we refer to time and again apply to loans or guarantees that were made a few years ago, and is not that rate 8 percent plus today?

Mr. PACKWOOD. Yes.

Mr. AIKEN. If it is not, then somebody has not told us the truth.

Mr. PROXMIRE. We are talking about what this legislation would permit them to do, and what it would permit them to do is to continue to use their retained earnings that they hold at zero percent interest capital stock on which they pay a dividend of 5 percent, and it would enable them to lend at an average, as I calculate it, of about 5½ percent.

Mr. PACKWOOD. I wonder if I might pursue his amendment further with the Senator from Pennsylvania.

What I do not understand, assuming we agree that we want to have the Bank be on a self-sustaining basis, the Senator next says that it "shall require the payment of interest on the unpaid balance of any extension of credit by the Bank at a rate which is not less than the prevailing market rate."

If the British Power Authority buys a generator from Westinghouse for $100 million, and it is to be paid back over 10 years, the Bank gives Westinghouse the $100 million which they are paying back over 10 years, does that rate fluctuate year by year on the unpaid balance remaining or is it a firm rate of interest at the time the loan is made?

Mr. SCHWEIKER. The Senator is correct in assuming that it is a prime rate of interest at the time the loan is made.

Mr. PACKWOOD. What does this mean "it shall require the payment of interest on the unpaid balance of any extension of credit by the Bank at a rate which is not less than the prevailing private market rate?"

Mr. SCHWEIKER. That is for the term of the loan and as determined by the Secretary of the Treasury at the time the unpaid balance comes due in terms of the initial transaction.

Mr. PACKWOOD. All right. The Senator means—wait a minute, when it comes due or does the Senator mean at the time the initial loan is made?

Mr. SCHWEIKER. I meant what I said, I meant exactly at the time the loan is made.

Mr. PACKWOOD. Very well. So it does not fluctuate during the term of the loan.

Mr. SCHWEIKER. The Senator is correct.

Mr. PACKWOOD. Now, let us take another assumption with the British Power Authority and Westinghouse, and let us make it clear it is understood this money does not leave the country. This is not a gift to Russia or a grant to Great Britain. The British Power Authority decides it wants generators, it takes bids, Switzerland, Germany, United States, and England, and finally decides they would like to buy Westinghouse generators if they can get the appropriate amount of credit and the Export-Import Bank agrees to finance this.

The cost of borrowing from the Bank is, let us say it is 8½ percent, which is higher even now than the average cost of borrowing, are we saying that if the commercial rate in this country is 12 percent, the Eximbank cannot guarantee that loan or underwrite that loan at less than 12 percent?

Mr. SCHWEIKER. Mr. President, whose time is this on?

Mr. PACKWOOD. I will take it on the bill, if necessary.

Mr. SCHWEIKER. Will you restate that then?

Mr. PACKWOOD. Yes. If the Bank can borrow at 8.5 to 9 percent and they are willing to help Westinghouse sell generators to Great Britain and underwrite them at a sustaining cost, if the prevailing market rate is 11 or 12, the Bank cannot loan at less than that.

Mr. SCHWEIKER. This amendment is designed very simply to make the same business opportunities available to our Eximbank system as are currently available on the going rate market.

It could not be clearer than that, in spite of the Senator's questions, I can stand here and go back and forth, but it is very clear.

It is an equalizing amendment between what we are doing commercially in this country and what is being done——

Mr. PACKWOOD. I think it is clear, could the Bank loan at 2 or 3 percent more than it costs them to get the money?

Mr. SCHWEIKER. I want them to be competitive so we do not force Pan Am to the wall and so that we do not build a refinery in Jamaica when it should be in this country, that is the purpose of my amendment.

Mr. BROCK. Will the Senator yield?

Mr. PACKWOOD. Yes.

Mr. BROCK. Would the Senator take as his next premise, that we should abolish loans——

Mr. PACKWOOD. Would the Senator repeat his question?

Mr. BROCK. Should we take the next step and attack FHA and VA loans or any other form of Federal support including small business loans. The premise is the same, is it not?

They are not at the prevailing rate of credit, not even close to it, but I think many are in the national interest.

Now, if the Senator finds it is not in the interest to employ people on a particular industry that is exporting, why should he want to employ people in housing rather than those who are not in housing?

Mr. SCHWEIKER. Again, I do not think it is to our national interest to force Pan Am to the wall, nor make every foreign airline far more advantageous credit-wise than domestic airlines.

I do not think it is in the national interest to encourage refineries built abroad instead of this country.

It is in the national interest to give veterans and other groups, students, for example, the preferential rate of interest.

I do not think it is in the national interest to loan money to put our own companies out of business or scatter our export technology abroad.

Actually, many businesses would rather export their technology abroad than we need in this country, because we give them 5 percent to do it.

So we are greasing the slide to export more abroad by this, and that is not in the national interest.

Mr. BROCK. But this is to prohibit the veteran from working. If he had a job with an aircraft or Westinghouse plant that is exporting we would be denying him his job.

So we will give him a low-interest housing loan, subsidize it, but where will he get the money to repay that loan if he has no job?

There are 3 million people involved in this, in this country, that is not an inconsequential number of individuals.

They have no opportunity under the present circumstances——

Mr. SCHWEIKER. The Senator is correct about the number of people, but he probably did not hear my earlier statement that 96 percent of the export trade we now have is done without these cheap interest loans. So we are not crippling anybody, because 96 of the business will go on as usual. Four percent has been getting preferential treatment and a few deals will not——

Mr. BROCK. Now, the Eximbank was not set up to get deals. The law says they do not get involved if there is credit available from private sources at a competitive rate. If there are funds available in the marketplace, they have to get them there.

Second, the Eximbank does not get involved in any circumstances in 100-percent financing. Generally Eximbank financing is about 30 percent of an export sale. The only purpose of this is to help our firms to compete; help our people to compete with rates that are less than half, less than half of ours internationally because of direct subsidy the foreign banks gain.

The word should not be used lightly around here. There is no Treasury expenditure of funds for this Eximbank program. I do not see how the Senator can call it a subsidy when there is none. The fact is that when business loans were 4½ percent, Exim was charging 6.

One of the reasons they wanted a profit is because they knew, certainly, we would come up with a situation where the rate was over——

Mr. PACKWOOD. If I might——

Mr. BROCK. They had to have that kind of thing, but to take off the top of the curve would prohibit them from giving our people a chance—a chance at the market price.

That is what I find fault with.

Mr. SCHWEIKER. A point in my speech was that one-third of the Exim loans deal with airframe and aircraft construction which is 95 percent competitive, so the Senator's argument does not hold up there because we do not have competition, and 95 percent of the airframe business, so that the Senator is on shallow ground.

We will make a special deal for a special thing. It puts Pan Am out of business. We are not helping industries that do need it. We are helping noncompetitive industries to be competitive.

Mr. PACKWOOD. The only airframe to be called noncompetitive is the 747, the wide-bodied air bus. We are fighting a French combine all over the world. To sell any kind of a plane smaller than that, we are in competition with foreign airplane manufacturers all over the world.

The 747 at the moment is a unique exception, but I do not think the Senator should generalize to the entire airline industry on the basis of that one plane.

Mr. BROCK. Nor should the Senators say that Pan Am is in trouble because of Eximbank loans—there are not that many 747's out there and not that much competition.

We have a problem with Pan Am, because that they are attempting to compete with government airlines in England, France, Germany, they do not have any requirement that subsidizes their loans in order to acquire the traffic, for the purposes of national prestige, and they do not care about the airline.

Mr. CANNON. Will the Senator yield?

Mr. PACKWOOD. I yield to the Senator.

Mr. CANNON. Let us not oversimplify the problem of Pan Am and blame it on other things.

With Pan Am, a part of their difficulty does stem from this source, but other sources the U.S. Government has permitted to exist.

Mr. BROCK. The Senator is correct.

Mr. CANNON. We pay a higher rate to foreign carriers than we do Pan Am for carrying mail over the exact same route—Pan Am or TWA.

We permit that sort of condition to exist as a detriment against our own carriers.

We permit the charge of exhorbitant landing fees in foreign countries to Pan Am and TWA, and other U.S. carriers, and do not turn around and take retaliatory action.

I think it is about time we did something along that line.

Just a short time ago here on the Senate floor we had a situation of an aerospace company that had gotten an advance on loans and because of the change in the interest rate had turned around and invested in a short-term note and made a profit of $2 million.

So I propose to write in on the floor on future advances on loans they would have to pay the Treasury rate, what it cost the Government plus a half percent, or the short-term rate, whichever was higher.

The distinguished Senator from Wisconsin came up with an amendment to prohibit any kind of advance payments at all.

So that is the way we treat our operators here, yet we want to turn around and benefit some foreign country.

Here is a foreign country, get in the airplane business, loan them money.

They could load half the population of their country into a 747 for one trip.

That is about the way it has been in some of these cases. So let us be a little realistic. Let us start looking after the United States a little more instead of looking after some of these foreign countries as much as we are doing.

I thank the Senator for yielding.

Mr. BROCK. I could not agree more with the Senator's last point, nor could I agree more with the fact, and it is a fact, that all of these factors are making it almost impossible for our international carriers to compete the actions of this Government and the competition of the foreign governments. But I honestly do not think that you can penalize all America for one particular industry problem. That is what this amendment does. This amendment is not going to bail out Pan Am if it passes 20 times. Nothing here is going to bail them out. Let us be factual about that. But the amendment goes beyond Pan American. The amendment goes to 3 million jobs in this country. People are involved in those jobs. And these are not big industries alone; they are also small businesses.

Last year we had 79 percent of the authorizations of this program supporting sales of less than a quarter million dollars. That is small business. Those are not giant, international organizations. They would not have been made, these sales would not have been made, and the jobs filled by American working people were it not for this program. That is what the debate is all about.

I am sympathetic with what the Senator from Pennsylvania is trying to do, but the effect of his amendment goes far beyond his stated intent. That is why I am going to offer a substitute.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. STEVENSON. The purpose of the Eximbank is to retain competitive positions for American companies in world markets. International trade becomes more competitive as industrial nations promote their exports with subsidized rates in order to generate the revenues with exports with which to pay their high oil bills. The effect of this amendment, and I think it ought to be made clear, is to abolish the Eximbank. This amendment, if adopted and made law, would telegraph to every competitor of the Eximbank in the world the rate at which it could make its financing available, and permit every such competitor the opportunity to undercut the financing of the Eximbank.

At the rate required by this amendment, which I suspect would be somewhere in the neighborhood of 10 or 11 percent, depending upon the term of the loan, there would be no business for the Eximbank. In fact, there would be no need for an Eximbank.

If financing is going to be made available by the Bank at those rates exporters might as easily look to private money markets for their financing. For those who are trying to finance exports to parts of the world where credit is risky or not available there just would not be any sales.

I think the proponents of this amendment raise some very legitimate concerns. I do not want to suggest that the whole question of whether there should be an Eximbank is not a legitimate issue. But if that is the purpose, then it seems to me it ought to be laid bare to abolish the Eximbank, and we ought to make the decision on that basis today.

If, on the other hand, the purpose of the amendment is to prevent the bank from having an adverse impact on U.S. industries—as, for example, happens in the case of Pan Am and the acquisition of Boeing Aircraft by JAL—then the concerns are already met by the bill. The amendment becomes redundant.

I will cite three or four provisions of the bill to make that point. It is a concern I might add that the Senator from Oregon and I share, and share in full. We have held lengthly hearings on this. As a matter of fact, we heard from TWA and from Pan Am. The existing law directs the Bank to provide export credit rates and on terms which are competitive with the government-supported credit available from other countries.

One of the more significant changes is to delete that word "direct" and make it permissive.

In addition, the bill mandates the Bank to cooperate with other export financing instrumentalities in the world to seek to minimize competition by raising, through agreement, the interest rates of all such instrumentalities.

Section 3 of the act adds a new provision which says that financing will be provided "only to the extent that sufficient private financing is unavailable." That is addressed to one of the concerns raised by the proponents of this amendment.

Another provision added to existing law states that the Bank shall not authorize loans, guarantees, assistance, or insurance to assist in exports which may have serious adverse effects on the competitive position of the U.S. industries.

All of the concerns which have been expressed by the proponents of this amendment are already addressed in the bill, except for one concern which has been unexpressed. That concern is a legitimate one. Simply stated, it is whether there should be an Eximbank at all.

The effect of this amendment is to say no, there should not be an Eximbank. That fact would be the effect of this amendment. It would simply put the Eximbank out of business.

I would suggest if that is the decision, we ought to face up to it. We ought to face up to the issue for what it really is and debate it on that basis. But the concerns which have been expressed have been, to the extent possible, already addressed in this bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. STEVENSON. On the bill.

The PRESIDING OFFICER. Equally divided on the bill?

Mr. STEVENSON. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BROOKE. Mr. President, I ask

unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. STEVENSON. Mr. President, I yield 5 minutes to the Senator from Illinois.

Mr. PERCY. Mr. President, I respectfully disagree with my colleague (Mr. Schweiker) and support the amendment introduced by Mr. Brock. I do so for two reasons: First of all, the tremendous importance of the Eximbank to our entire export field. Though the Export-Import Bank finances about $13 billion out of our $70 billion of exports, about 18 percent, it should be taken into account that if you exclude agricultural exports, fuels, chemicals, and materials, which do not require this type of financing, it comes closer to one-third of our total exports.

The second point is that it does support essentially the capital goods exports of this country. These are the types of goods that require a longer term credit, the kind that commerical banks are simply not in a position, ordinarily, to support.

Also, these are the very kinds of goods that expand production, increase availability of supplies and equipment available for American manufacturers, and which tend then to bring down prices and help in the problem of worldwide inflation.

The question has been raised as to whether or not we are simply helping a lot of big manufacturers. It should be pointed out that subcontractors play an immensely important role in American industry. For example, we have discussed 747's. When we discuss financing and supporting the export of 747's, we are talking about supporting the work of 16,500 U.S. suppliers that work for Boeing and help manufacture those products. Our major complexes are dependent upon thousands of subcontractors and small businessmen who are supported by this effort.

Westinghouse and General Electric indicate that they have approximately 5,000 subsuppliers for every nuclear plant, the financing of which we help support through Export-Import.

The argument is made that we are just giving help and assistance to the wealthiest countries. That is untrue. Two-thirds of the countries that receive these exports are not in the wealthiest category, and even in the one-third that are in the wealthy category, not everyone in that country is being helped. It may be a wealthy country, but the loan might be made to help finance a purchase by an importer who cannot be financed in any other way.

It should be noted that approximately one-half of 1 percent of Exim loans in fiscal year 1973 went to wholly owned subsidiaries of U.S. multinational corporations.

Certainly, these are not just gifts to big business in America. This is to provide the kind of exports we need in this country to finance and pay for the higher priced fuel, the higher priced raw materials that are coming into this country and keeping American industry going. To destroy this availability, I think, would strike a mortal blow at American enterprise and the American economy itself.

We have to take into account that 800,000 people are dependent upon exports for their jobs in this country, and this bill is designed to protect 800,000 American jobs. We have to find an answer. We cannot let that great American enterprise fail.

Airlines in India and other countries will offer 21-day packages to get you to stay in their country for 21 days and spend American dollars there, and they will subsidize the air transportation to get you over there to spend and buy. That is the kind of competition American companies have. This is the same kind of competition American enterprise is up against.

A fair and reasonable rate should be paid, but I think we must have a realistic one in order to hold our export markets.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum, with the time to be taken from the time on the bill.

The PRESIDING OFFICER (Mr. Stennis). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. STEVENSON. Mr. President, I am prepared to yield back the remaining time on the Schweiker amendment.

The PRESIDING OFFICER (Mr. Clark). Does the Senator from Pennsylvania yield back the remainder of his time?

Mr. SCHWEIKER. Mr. President, I yield back the remainder of my time, and I send to the desk a substitute for my amendment.

The PRESIDING OFFICER. The substitute amendment will be stated.

The assistant legislative clerk read as follows:

(7) Notwithstanding any other provisions of this Act, any loan, extension of credit, or participation therein by the Bank shall bear interest at a rate no less than the lower of the prevailing average private market rate of loans of comparable maturity or the average of the prime lending rates of the 25 largest commercial banks in the United States, as such average rate is determined by the Secretary of the Treasury as of the last day of the month preceding the date of the loan, extension of credit, or participation therein.

Mr. SCHWEIKER. Mr. President, I accept this substitute in behalf of the distinguished Senator from Montana (Mr. Mansfield); the distinguished Senator from Wisconsin (Mr. Proxmire), and the distinguished Senator from Nevada (Mr. Cannon). It is just a clarifying amendment in that it simply gives one or two targets to shoot at. It says "or the commercial banks," whichever is lower. This will eliminate some of the argument. I do not need anymore time to discuss this as far as I am concerned, since this is clarifying language.

Mr. HATHAWAY. Mr. President, there has been a great deal of misunderstanding and controversy recently about the interest rate Eximbank charges on the loans it makes to foreign purchasers of our exports. Much of the debate appears to have been caused by the recent sharp increase in the rates of interest our citizens must pay when borrowing money to buy a home or expand a business. The difference between the rate that Eximbank charges and the rate our citizens pay seems at first glance unfair and one immediately concludes that there must be a subsidy somewhere.

Mr. President, Eximbank determines the rate of interest it charges on its loans by looking at its interest cost for the money it borrows and to the competition our exporters face from their foreign counterparts who receive official export assistance from their countries. I do not believe that Eximbank should be given an absolutely unfettered and free hand in determining the interest rate it charges, but I do believe it must have flexibility so as to be able to fulfill the purpose for which we set up the Bank.

First of all, let us look at the competition that Eximbank and our U.S. exporters are facing.

The official export credit agencies of other major industrial countries currently provide a lot more financial support to their exporters than does Eximbank. For almost all medium- and long-term export transactions, these agencies will provide low interest rate financing—as low as one-half the prevailing market rates of interest—for as much as 85 percent of the contract price. In contrast, most of the exports assisted by Eximbank are largely financed by private commercial banks at their prevailing interest rate—usually prime plus ½ to 2 percent. In the minority of cases where Eximbank does provide financing, the loans never cover more than 45 percent of contract price and often as little as 30 percent. The net result is that the foreign government supported interest rates can be as much as 3¼ percent lower than the financing available for U.S. exports.

Eximbank is currently working to achieve an international "gentlemen's agreement" that will bring other countries' export interest rates more in line with our own and with their cost of money. If we can achieve agreement on interest rates and on other export financing terms, the facilities of the Bank will continue to be competitive with those offered by other governments although Eximbank will still be offering substantially less overall support in terms of the percentage of the export price which is financed.

Our most recent figures indicate that Western Europe and Japan covered about $68 billion of export shipments through official support against about $7 billion of exports shipments covered by Eximbank in calendar 1973. The export credit agencies of England, France, Japan, and Germany alone provided support for eight times as much in shipments as were supported by Eximbank despite the fact that our economy is somewhat larger than the economies of these four countries combined.

Part of the reason for the difference in the amount of export support is that Eximbank's programs are designed to supplement and complement, rather than compete with private sources of capital. In the U.S. private sources have been willing to finance substantial amounts of short- and medium-term export credit without Eximbank participation. For this reason, the Bank's activity has centered more heavily than its foreign competitors on long-term financing where Eximbank's facilities are particularly necessary to provide appropriate repayment terms and interest rates.

Eximbank continues to place primary reliance on private capital to achieve U.S. export objectives and carefully monitors the activities of foreign export support agencies in order to be sure that U.S. exporters remain competitive with their foreign counterparts.

The Bank must not only look to foreign competition in determining its interest rates but must also look to the cost of its borrowed money. For 10 of the last 14 years and as recently as last year, Eximbank was charging as much or more than the prime rate. Since May 1973 the prime rate has rapidly moved upward. Current rates which are abnormally high hopefully will not persist. It would seem to me to be most unwise for Eximbank to introduce into its own lending rate structure the uncertainty and volatility demonstrated by the prime rate movements in the last year and a half.

Until mid 1973 the Bank's lending rate of 6 percent was equal to or above its average cost of borrowed money. In February 1974, in response to an increase in its average cost the Bank raised its lending rate to 7 percent. In July, the Board of Directors adopted a policy of charging rates on a case-by-case basis within a band ranging from 7 to 8½ percent per annum, most of which recently have been fixed at 8 percent.

Over the years the Bank has been able to compete successfully with foreign competition and still pay an annual $50 million dividend to the Treasury. In setting its interest rate, I believe the Board of Directors of the Bank should continue to keep its eye on both its cost of money and the desirability of maintaining the Bank's earning power and accumulating appropriate reserves. Any rigid requirement that it tie its interest rate to the prime rate would deprive the Bank and our exporters of the ability to compete.

I think all the arguments that have been made in response to the arguments in behalf of the earlier Schweiker amendment apply to this amendment.

Mr. BROCK. Will the Senator yield just for a clarifying point?

Mr. STEVENSON. Yes.

Mr. BROCK. I think it is important to point out to our colleagues that this amendment, for all practical purposes, is identical to the original Schweiker amendment. The intent of it is to preclude any subsequent offering on the part of the Senator from Tennessee. But the practical effect, in terms of the legislation, is to keep the Eximbank from operating in any competitive sense at all, and force them to the highest possible interest rate, even though that interest rate is considerably in excess of their cost of borrowing money.

It effectively precludes the operation of the Bank, and, as the distinguished Senator from Illinois has said, we may as well vote on whether we want an Eximbank, because this amendment, if passed, would preclude any effective operation of Exim credits.

Mr. STEVENSON. The practical effect of this amendment, as in the case of the prior amendment, is to put the Eximbank out of business.

Mr. President, if there is nothing more to be said, I move to lay on the table the substitute amendment by the Senator from Pennsylvania.

The PRESIDING OFFICER. Has all time been yielded back?

Mr. SCHWEIKER. Mr. President, I ask for the yeas and nays on my amendment when this substitute for it is disposed of.

ORDER FOR HALF-HOUR LIMITATION ON ALL AMENDMENTS

Mr. MANSFIELD. Will the Senator withhold that request briefly?

Mr. SCHWEIKER. Yes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, with the exception of the Proxmire amendment, there be a half-hour limitation on all amendments, the time to be equally divided on the same basis as before.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROCK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BROCK. The Senator asked for the yeas and nays on his original amendment. Is it possible to do that before we dispose of the substitute?

The PRESIDING OFFICER. It is in order.

Mr. BROCK. Without unanimous consent?

The PRESIDING OFFICER. Without unanimous consent.

Is there a sufficient second?

Those who wish to second, please raise their hands.

Mr. PACKWOOD. Was the motion to lay on the table made?

The PRESIDING OFFICER. The motion to lay on the table is not in order until all time is yielded back.

Mr. PACKWOOD. I thought all time had been yielded back.

Mr. STEVENSON. I have yielded back my time, Mr. President.

Mr. SCHWEIKER. I yield back the remainder of my time.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The yeas and nays are ordered.

Has all time been yielded back?

Mr. PACKWOOD. It has now, Mr. President.

Mr. SCHWEIKER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment in the nature of a substitute.

Mr. STEVENSON. Mr. President, I move to table the amendment by Senator SCHWEIKER and ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. SCHWEIKER. A point of order, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. SCHWEIKER. Does that substitute lay on the table also my original amendment?

The PRESIDING OFFICER. It does not. Only the amendment in the second degree.

Mr. BROCK. Would a motion to lay on the table the original motion be in order?

The PRESIDING OFFICER. The motion to lay on the table the amendment in the first degree is in order.

Mr. BROCK. Mr. President, I move to lay on the table the amendment in the first degree, and I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to lay on the table the amendment in the first degree, which will carry with it the amendment in the second degree, if agreed to.

Mr. SCHWEIKER. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. SCHWEIKER. Do I correctly understand that the motion to lay on the table is on the original Schweiker amendment and that is the issue we are now about to vote on?

The PRESIDING OFFICER. That is correct, but it should be understood that it will carry with it the amendment in the second degree.

Mr. SCHWEIKER. I thank the Chair.

The PRESIDING OFFICER. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Florida (Mr. CHILES), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Minnesota (Mr. MONDALE), and the Senator from New Mexico (Mr. MONTOYA) are necessarily absent.

I further announce that the Senator from West Virginia (Mr. RANDOLPH) is absent on official business.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Nebraska (Mr. CURTIS), the Senator from Colorado (Mr. DOMINICK), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from Alaska (Mr. STEVENS), and the Senator from North

Dakota (Mr. Young) are necessarily absent.

The result was announced—yeas 46, nays 37, as follows:

[No. 417 Leg.]

YEAS—46

Aiken
Baker
Bartlett
Beall
Bennett
Biden
Brock
Brooke
Clark
Dole
Domenici
Fannin
Fong
Goldwater
Gravel
Griffin
Gurney
Hansen
Hatfield
Hathaway
Hruska
Humphrey
Inouye
Jackson
Johnston
Kennedy
Magnuson
McGee
Moss
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Scott, Hugh
Sparkman
Stafford
Stennis
Stevenson
Taft
Talmadge
Thurmond
Tower
Tunney
Williams

NAYS—37

Abourezk
Allen
Bellmon
Bible
Buckley
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Church
Cotton
Ervin
Hart
Hartke
Haskell
Helms
Hollings
Huddleston
Hughes
Long
Mansfield
McClellan
McClure
McGovern
McIntyre
Metcalf
Metzenbaum
Muskie
Nelson
Proxmire
Ribicoff
Roth
Schweiker
Scott,
William L.
Symington
Weicker

NOT VOTING—17

Bayh
Bentsen
Chiles
Cook
Cranston
Curtis
Dominick
Eagleton
Eastland
Fulbright
Javits
Mathias
Mondale
Montoya
Randolph
Stevens
Young

So the motion to lay on the table was agreed to.

AMENDMENT NO. 1898

Mr. BELLMON. Mr. President, I have an amendment No. 1898 at the desk, and I ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk proceeded to read the amendment.

The PRESIDING OFFICER. The Senators will please come to order. Senators will please take their seats.

The Senators will please come to order. Senators will please take their seats.

Mr. BELLMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, line 16, at the end of the sentence after the word "involved.", insert the following: "The President may not determine a transaction subject to the second sentence of this paragraph to be in the national interest if such transaction would or may result in the United States becoming dependent upon any Communist country as so defined for essential materials, articles, or supplies which are or may become in short supply.".

Mr. BELLMON. This is a very simple amendment: it provides that the President may not determine a transaction with a Communist country for over $40 million to be in the national interest if such a transaction would result in the United States becoming dependent upon such a country for essential materials, articles or supplies which are or may become in short supply.

Mr. President, this amendment accomplishes two objectives. First, it clarifies the scope of the national interest determination that the President is required to make pursuant to section 4 of the bill. Second, it will avoid materials shortages by safeguarding the availability to American consumers of scarce resources.

Mr. President, most Americans applaud détente. However, while expanded East-West trade is an important step toward a generation of peace, we must not be so naive as to forget our national interests. This point is well made in the September 23, 1974, issue of U.S. News & World Report, and I ask unanimous consent that the full text of the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Is United States Giving Away Too Much to Russia?

Americans in rising numbers are growing apprehensive over the steadily expanding export of U.S. advanced technology and industrial know-how to the Soviet Union.

What the critics are charging is that this aspect of détente is giving the Russians significant military and economic gains, while the United States is getting very little—if anything—in return.

In Congress and across the nation, the feeling is widespread that America is giving away the main advantage it still has left over the Communist superpower—technological superiority—and is financing this "giveaway" with loans underwritten by U.S. taxpayers.

One complaint: that acquisition of American "high technology" products such as computers, sophisticated electronic equipment and scientific instruments is adding a new dimension to the Soviet Union's massive program of weapons development.

Another: that American help in building up Soviet industry—in such large enterprises as the Kama River truck-manufacturing project—is easing internal pressures on the Kremlin while laying the groundwork for competition that in the long run could cost American jobs. Details of the Kama River undertaking are on page 72.

Argument for trade. Faced with mounting criticism of the course being taken by U.S.-Soviet trade, Secretary of State Henry A. Kissinger—who with Richard Nixon achieved the "breakthrough" with the Kremlin—maintains that détente, with trade as a key element, is essential to avert the threat of a nuclear holocaust in today's world.

Other officials who support present trade policies argue that U.S. Government safeguards—and the hard-nosed common sense of American businessmen who deal with the Russians—are sufficient to protect this country's technological advantage.

But there is far from a united front even within the Government.

The Defense Department, for example, has frequently protested specific trade deals with Russia and, according to Senator Henry M. Jackson (Dem.), of Washington, has been overruled 59 times on protests against shipments of what it considered to be material of military significance. Nine instances involved U.S. companies; 50 involved non-American companies in Allied nations which belong to the Co-ordinating Committee, formed in 1949 to keep strategic and military items out of Communist hands.

The Pentagon protests led to an amendment, sponsored by Senator Jackson, to the Defense Procurement Act for fiscal year 1975, which was signed into law by President Nixon on August 5—three days before he resigned. The amendment gives the Secretary of Defense a much stronger voice in deciding what military or strategic material must be withheld from the Soviets.

Critics insist that the Jackson amendment should be viewed as only the first step toward a tighter system of export controls.

Among those speaking out on the dangers of technology exports is Robert C. Seamans, Jr., president of the National Academy of Engineering and former Secretary of the Air Force. His views are spelled out in an interview that begins on page 73.

ONE-WAY STREET?

A foreign-policy task force of the Coalition for a Democratic Majority, under the chairmanship of Eugene V. Rostow, former Under Secretary of State, asserts that "the economy of the United States—as distinct from some individual business interests—has little to gain from an expansion of trade with the Soviet Union.

But, the task force declares, "the Soviet Union has a great deal to gain from trade with the United States . . . both to raise the standard of living of its people, and to obtain for its military program some of the advanced technology it has been unable to develop itself—in the field of computers, for example."

George Meany, president of the AFL–CIO, charges that trade with the Russians has turned into "a giveaway program—a welfare program for the Soviet Union."

Mr. Meany and others point out that the Export-Import Bank, which is funded by the U.S. Treasury, has granted since early 1973 loans totaling about 469 million dollars to help finance 15 major contracts between American firms and the Soviet Union.

Production facilities being developed in Russia under these contracts include the Kama River truck complex, ammonia and fertilizer plants with pipelines, tank cars, port facilities and storage at both plants and ports, production lines to pelletize iron-ore waste for use in making steel, and plants and production facilities to turn out flywheels, pistons, clutch valves and machine friction drums.

In addition to contracts with Export-Import Bank financing, there are many more. American exports to Russia, which totaled only 162 million dollars in 1971, more than tripled to 547 million in 1972, and doubled again to nearly 1.2 billion in 1973—when sales of U.S. wheat, corn and soybeans accounted for 860 million.

Co-operation agreements—to which no monetary value has yet been affixed—include:

Lockheed Aircraft—navigation systems, oceanographic apparatus, medical electronics and air-traffic-control systems.

Armco Steel—metallurgical, chemical and oil-field equipment.

Monsanto—computers for use in production of chemical and rubber-compound products.

Control Data Corporation—computer equipment.

International Telephone & Telegraph—telecommunications electronic and electromechanical components, consumer products and scientific and technical data.

Stanford Research Institute—a wide range of scientific, technological and economic activity.

General Dynamics—ships, telecommunications, aircraft and microfilm equipment.

MILITARY TOOLS

The charge is made that much of the American scientific and technical output to which the Russians are gaining access has military applications.

For example, says a congressional source, most of the oscilloscopes—devices which measure the properties of various materials—now in Soviet laboratories are American-made. The source adds: "These are extremely important to high technology with military application."

One area of special concern to those monitoring the flow of U.S. technology to

Russia is "avionics"—the sophisticated items that go into the "black boxes" of missiles and aircraft—lumped, technically, under the name "semiconductors." Included are electronic gear for control and guidance of missiles, electronic countermeasures to protect aircraft, and precise navigational equipment.

A subcommittee headed by Senator Jackson is preparing for hearings on the whole issue of U.S.-Soviet trade.

One allegation due to be sifted by the Senate group is that Soviet scientists, aircraft designers and computer experts are *being given* access to American technological secrets through guided tours and seminars in key industrial plants across the U.S.

Also to be aired are charges that American producers of sensitive technology give away significant information to Soviet negotiators when bidding for contracts. Critics say this "transfer of technology" is made during precontract talks which are not adequately controlled. U.S. Government officials maintain that the controls are adequate.

The Jackson subcommittee is investigating complaints that Communist "end use" of sensitive equipment bought from firms in the U.S. and other Allied countries is not sufficiently controlled, or even monitored.

UNWISE SUBSIDIES?

The role of the Export-Import Bank in U.S.-Soviet trade is coming under increasingly sharp criticism. Mr. Meany, for instance, asserts:

"This bank was originally set up to encourage American exports by making loans available to foreign buyers. In this way it was supposed to promote American sales and jobs. But what it is doing now is subsidizing overseas production that will hurt American exports and employment, and one of the prime beneficiaries is the Soviet Union."

The AFL-CIO chief noted that Export-Import Bank loans to the Soviets have been made, for the most part, at 6 per cent interest, with a small proportion at 7 per cent. This, he declared, is "an economic-aid program," not to an undeveloped nation but to a superpower. He added:

"The prime rate in the United States now is 12 per cent. We have been lending hundreds of millions, however, to the Soviet Union at a time when millions of hard-working Americans cannot get mortgage money to buy a home."

Mr. Meany pointed out that one Export-Import Bank loan of 180 million dollars was made to help the Russians produce nitrogen fertilizer. He commented:

"In other words, if we are short of fertilizer, then instead of investing in fertilizer plants at home, we invest in fertilizer plants in the Soviet Union, so they can export and sell fertilizer to us."

Another complaint heard is that the Soviets seek to make use of American expertise in ways that will improve Russia's position in economic competition with the U.S. on a global scale. An example cited:

Maynard Shipbuilding, a division of H. B. Maynard & Company, management consultants, is negotiating with Russia on engineering plans for what is intended to be the largest shipbuilding facility for tankers ever constructed. The project is planned for a site on the shore of the Black Sea.

BAITING A TRAP?

The Coalition for a Democratic Majority hoists a warning signal against the Soviet proposal to export large quantities of oil and natural gas to the United States if America provides the necessary technology and capital. The task force headed by Mr. Rostow declares:

"It would be politically and economically unwise for us to become dependent on significant amounts of energy whose flow could be shut off any day by the Soviets—as it was recently by the Arabs on Soviet prodding."

The task force holds that "there is no need to pay a political price or an economic subsidy" for materials available for export by the Soviet Union.

The argument made is that "the strong Soviet need for dollars and other Western currencies will keep them exporting" their salable commodities.

Also, says the Rostow group, "the Soviet Union will continue to need Western technology, large amounts of capital, equipment and know-how of the widest variety on a large scale so long as its basic policy is to concentrate so much of its resources on military expenditures."

Reinforcing Mr. Meany's arguments, the Rostow task force warns: "The Soviet asquisition of advanced Western technology and large sums of capital may enable them to utilize their tightly controlled and economically exploited labor force to compete unfairly with American labor and business in ways that will adversely affect our entire economy."

IN THE AIR

Senator Jackson has emphasized repeatedly his concern about Soviet moves to make massive use of American know-how in the manufacture of large aircraft. He declared in a Senate speech.

"The Soviets have asked all three of our wide-bodies jet manufacturers to build a large-capacity aircraft-manufacturing complex for the quantity production of wide-bodied transport aircraft.

"This aircraft-manufacturing complex would be more advanced than anything in the United States.

"It would produce in one place everything from the airframe and the engine to the fasteners.

"No such integrated aircraft-manufacturing complex now exists anywhere in the world. The aircraft it would produce would be 60 per cent faster, carry 25 percent more, and fly 20 percent farther than the world's now largest wide-bodied jet, the 747.

"The production rate of this plant would be approximately equal to the total annual production of all three of our wide-bodied jet manufacturers."

U.S. officials vigorously dispute Senator Jackson's statement. They acknowledge that the Russians have been talking with Boeing, Lockheed and McDonnell Douglas about the possibility of building the huge plant. But Government spokesmen say that no license for American participation in such a project has been issued—or is likely to be.

Says an official involved in export controls: "We tell the companies that the sale of individual airplanes to the Soviets may be all right—but there is no way they will get a license to sell the plants, machinery, training and servicing that would enable the Russians to build these jets themselves."

SENSITIVE FIELDS

Production of computers is another field in which Senator Jackson sees dangers. His contention:

"Recently one of our largest computer companies signed a protocol of intent with the Soviet Union which calls for the joint development of the next generation of large high-speed computers.

"In addition, this protocol calls for the American company to create a plant for manufacturing this new computer and for manufacturing the most modern peripheral devices. This plant, in the usual Soviet style, would be one of the largest in the world.

"This venture, if allowed, would not only create, fullblown, a most serious competitor for our overseas computer sales, but it also would, by moving the Soviets 10 years into the future, enormously upgrade their military potential across the board."

A U.S. Government official's reply: "Even if we licensed such a sale—which we are most unlikely to do—the Russians wouldn't be likely to use these computers for military purposes.

"If you know anything about computers, you know that the people who make them have to keep servicing them. They have to be around all the time—so they know what the computers are being used for. Can you imagine the Russians letting Americans or any other foreigners work on computers they are using for military purposes?"

Still another source of worry to Senator Jackson and those who share his critical views is Soviet interest in integrated circuits, which miniaturize electronic gear of all kinds. They were developed by the U.S. Air Force for its Minuteman missile program.

A committee of the U.S. and its allies, which passes on export of strategic goods to the Communists, permitted France to build an integrated-circuit plant in Poland and to train Polish technicians to operate it.

More recently, according to Senator Jackson, a U.S. firm contracted with a Soviet-bloc country to set up a complete "turnkey" production line to make integrated circuits for hand calculators. The Senator said:

"The production of integrated circuits for hand calculators sounds like an ordinary commercial transaction. But it has implications far beyond that.

"Because the technology lies not in the circuits but in the production line, such a production line, with at most minor changes, can produce almost the entire range of circuits used in military applications."

A CIA ASSESSMENT

The Soviet Union's pressing need for U.S. and other Western technology was stressed in recent congressional testimony by William E. Colby, Director of the Central Intelligence Agency. Russia's "technological gap," he said, "is an across-the-board one, from intercontinental-ballistic-missile systems to electric razors."

The Soviets, Mr. Colby added, thus have a special need to trade more with the United States, "especially for high-technology products." The CIA director added, however, that if trade relations with the U.S. were broken, the Russians "could find most of what they want in Western Europe and Japan."

That latter point, often cited by protrade advocates, carries little weight with critics who maintain that the U.S. is giving too much away in trade deals that narrow the technology gap, help Russia's productivity and bolster its military position.

Mr. BELLMON. Commonsense tells us that we should examine every transaction for the possible impact it might have on the domestic supply of essential materials.

Mr. President, it is one function of the Bank to assist American businesses in the export of their products. Since 1973, the Export-Import Bank has loaned $469 million for 15 major contracts between American firms and the Soviet Union. In fact, American exports to Russia, which totaled only $162 million in 1971, amounted to nearly $1.2 billion in 1973. It is quite clear that in the face of these huge transactions, the President must be empowered to examine the impact that the transactions will have on the availability of scarce resources. For example, the Export-Import Bank loan of $180 million in order to assist the Russians to build a fertilizer plant raises important questions in light of the fertilizer shortage in the United States. If this Nation is deficient in fertilizer, then as a matter of public policy it might be wiser to utilize funds to build a fertilizer plant in the United States rather than depending upon the Soviet Union to build the plant and sell the fertilizer back to us.

Mr. President, it would be politically and economically unwise for us to engage in a trade policy in which we become dependent on the Soviet Union for important resources.

Mr. President, I urge the Senate to adopt this amendment and protect American businesses from becoming dependent upon foreign sources for essential materials, articles, or supplies which are or may become in short supply.

Mr. President, I ask unanimous consent that the order for the yeas and nays be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered, and the yeas and nays are vacated.

Mr. BELLMON. Mr. President, this amendment is a relatively simple amendment. It simply provides that the President may not determine a transaction subject to the second sentence of this paragraph which is page 6, line 16, to be in the national interest if such transaction would or may result in the United States becoming dependent upon any Communist country as so defined for essential materials, articles, or supplies which are or may become in short supply.

The purpose is simply to avoid our getting into a position we are in already with the Arabs on oil. We want to be careful that we do not allow this country to become dependent on such materials as fertilizer, so that other countries can cut off our supply and use that as a political tool the way the Arabs are using the oil supply.

Mr. President, I have——

Mr. PASTORE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senators will please take their seats.

Mr. BELLMON. I have discussed this——

The PRESIDING OFFICER. The Senate will please come to order. The Senator from Oklahoma.

Mr. BELLMON. I have discussed the amendment with both the author and the minority member of the committee and I believe they are more or less agreeable to it.

Mr. STEVENSON. I have discussed this amendment with the Senator from Oregon, and we are prepared to accept the amendment offered by the Senator from Oklahoma.

The PRESIDING OFFICER. Has all time been yielded back?

Mr. BELLMON. I yield back the reremainder of my time.

Mr. STEVENSON. I yield back the mainder of my time.

Mr. BELLMON. Mr. President, I ask unanimous consent that the Senator from Kansas (Mr. DOLE) and the Senator from Tennessee (Mr. BROCK) be listed as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

All time having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma. [Putting the question.]

The amendment was agreed to.

AMENDMENT NO. 1896

Mr. HELMS. Mr. President, I have an amendment at the desk numbered 1896, and I ask that the clerk state it.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

On page 6, between lines 16 and 17, insert the following:

Notwithstanding any other provision of law, the Bank in the exercise of its functions shall not guarantee, insure, or extend credit, or participate in any extension of credit to a Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961) or agency, or national thereof unless the President of the United States finds and shall certify to the Congress of the United States that neither slavery nor involuntary servitude is practiced in that country.

With respect to any such guarantee, insurance, or extension of credit which is the first such transaction with each such Communist country, or agency, or national thereof following the enactment of the Export-Import Bank Amendments of 1974 or the convening of a new session of Congress, such finding and certification shall be made by the President of the United States and reported in writing to the Congress of the United States no less than thirty calendar days prior to the date on which the Bank requests that the transaction become effective.

The PRESIDING OFFICER. Will the Senate please come to order and will the Members of the Senate please take their seats?

The Senator from North Carolina.

Mr. HELMS. Mr. President, I send to the desk a modification which I have discussed with the distinguished manager of the bill and with the distinguished Senator from Oregon and ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

On page 6, between lines 16 and 17, insert the following:

Notwithstanding any other provision of law, the Bank in the exercise of its functions shall not guarantee, insure, or extend credit, or participate in any extension of credit to any country (as defined in section 620(f) of the Foreign Assistance Act of 1961) or agency, or national thereof unless the President of the United States finds and shall certify to the Congress of the United States that neither slavery nor involuntary servitude is practiced in that country.

With respect to any such guarantee, insurance, or extension of credit which is the first such transaction with each such country, or agency, or national thereof following the enactment of the Export-Import Bank Amendments of 1974 or the convening of a new session of Congress, such finding and certification shall be made by the President of the United States and reported in writing to the Congress of the United States no less than thirty calendar days prior to the date on which the Bank requests that the transaction become effective.

Mr. HELMS. Mr. President, this amendment would prohibit the Export-Import Bank from guaranteeing or extending credit to any country which allows the practice of slavery or involuntary servitude. The bill as reported by the committee would require the President to make a determination in the national interest for loans to Communist countries over $40 million. I support that provision, because large loans by their very size could have a direct bearing upon the national interest. But I believe that we should go further and ban any Exim Bank loans or credits to Communist countries or other countries which practice slavery or involuntary servitude.

There may be some Communist countries which do not have such practices. But no matter what the dollar amount is, we cannot finance the expansion of such economies to any extent. Before the Eximbank could act, the President would have to find that slavery and involuntary servitude did not exist in the country under discussion, and certify so to Congress 30 days before the effective date of the transaction. This would only have to be done for the first transaction after enactment, or after the beginning of a new session of Congress.

It would be optimistic to assume that this amendment would affect the domestic policies of another country; however, it would help to assure that the U.S. Government does not participate in the exploitation and degradation of human beings. We cannot permit an agency of the U.S. Government, in collusion with American businesses and financial institutions, to make an end run around the U.S. Constitution and the principles of freedom which we have legislated for ourselves.

Naturally, it would be gratifying if countries which are guilty of these exploitative practices would ameliorate their domestic conditions in order to qualify for trade deals backed by the Eximbank; the prime purpose of the amendment, however, is to satisfy our own domestic standards of decency and conduct. The amendments address our own conscience. The issue is whether governmental policy should assist the private pursuit of profit based upon human oppression in other lands.

I know that there is a tendency on the part of some to use the word "profit" as a term of indecency. I happen to believe that profit is the legitimate inducement that leads to the maximizing of economic resources so as to raise the standard of living for all. But I also believe that profit must be restrained by standards of common decency, standards which, if not self-erected by the entrepreneur, will inevitably be set by the community. For the most part, we can give the benefit of the doubt to other societies which have a different perception of values and a different historical development. But I think that we can safely draw the line at the use of slave labor, and the denial of elemental rights of free association to its workers.

One could be purely pragmatic, and point out that participation in such oppressive economic practices undercuts the standards of labor in the United States. An economy in which slave labor is an important component can always underbid a free economy. The existence of the camps inhibits the actions of the ordinary workers and keeps wages and prices down. When workers are not allowed to organize freely, or when their organizations are subverted for the ulterior motives of those in leadership positions, their production undercuts the output of the workers in the United States.

But these arguments I will lay aside.

I simply propose that Congress should go on record in passing this authorization *in support* of the principles of freedom.

We need to do business with the world, but we don't need to do business so desperately that we can deny the principles of our own freedom. The Government of the United States should not lend its faith and credit to proposals that enslave human beings and destroy their freedom.

Mr. President, it is no secret that a prime reason for the major increase in the authorization for the Eximbank is the expansion of trade with the Soviet Union.

Now I know that there are those in this Body who say that they don't like the Soviet Union's domestic policies any more than any other American, but that we must learn to get along with the Soviets in one way or another. Through trade, they say, we will soften those harsh principles, and tie her policies to ours with a network of interconnections so tight that it will not be in the Soviet interest to attack us any longer.

But this reasoning is based upon a fallacy.

The truth of the matter is that trade—and especially the kinds of trade that seem to be under contemplation—will directly increase oppression in the Soviet Union, rather than soften oppression. This judgment is not based upon ideological considerations, but upon the practical requirements of the deals in which we are asked to participate.

Let us look, for example, at the twin gas projects in Siberia, the "North Star" project to exploit the West Siberian fields at Urengoiskoe, and the Yakutsk project in the empty reaches of East Siberia. Both involve extensive drilling and the construction of thousands of miles of pipeline across the permafrost from Urengoiskoe to Murmansk and from Yakutsk to Nahodka.

Now, who will perform these gigantic construction feats where temperatures routinely reach 40° to 50° F. below zero in Arctic steppes where man has never made permanent settlements?

Can anyone name one major project that was ever built in Siberia by the Soviet government without the aid of slave labor? It is a plain fact that the Soviets have never been able to get enough free men to suffer the privations of labor in Siberia. Specialists, technicians, and supervisory personnel can be given special economic inducements; but common laborers have always been supplied through the prison camp system organized by the State Security Administration, the GULAG of which Solzhenitsyn has written so eloquently.

A major expansion of development in Siberia means a major expansion of labor; and a major expansion of labor in turn means new waves of arrests and new prison camps arising, not only at the development sites, but all along the pipeline routes.

Some may say that this is mere speculation and that there is no proof that such camps exist any longer. But such assertions are contrary to everything which we know about the Soviet system, its historical development, and its continued oppression of dissent and fundamental human liberties. Only last year a subcommittee of the Senate Judiciary Committee took extensive testimony from Avraham Shifrin, who is now a citizen of Israel, but spent years in the GULAG system. The three volumes of Shifrin's testimony contains scores of case histories, of which he had personal knowledge, as well as much documentation of current campsites and present prisoners. There can be no doubt that it is still a political crime punishable by a term at slave labor to come from the wrong ethnic group, to profess the right to religious beliefs and practices, or to initiate political activity.

Mr. Shifrin's estimate is that there are still at least 5 million slaves in the work camps. Mr. Solzhenitsyn believes that the camps at their height held 12 million, but that it may be as low as 3 million now. The exact number cannot be set with certitude, but there can be no doubt that slave labor is a fundamental aspect of the Soviet politico-economic system. For, aside from the direct economic impact of the labor itself, the system hangs over every Soviet citizen destroying his incentive to think, and his ability to act on the political level. Thus the existence of the slave labor camps has a depressing effect on the freedom of the so-called free worker as well.

Thus every dollar that Eximbank loans or guarantees is another dollar for wooden labor camp bunks, another dollar for barbed wire stretched across the wintry desert, another dollar for the gruel by which dissidents are kept alive for another 18-hour day.

Not long ago, Eximbank set up a $180 million bank credit in a $400 million deal to supply eight ammonia fertilizer plants, chemical storage facilities, railroad tank cars, and a 1,200-mile pipeline. More recently, it appears that the pipeline may be dropped, with a greater emphasis upon railway transport. It would also involve the construction of new port facilities at Odessa and Ventspils.

Once again we are speaking in terms of slave labor. The railroad involved will be the Baikal-Amur railroad, the so-called BAM railroad, which is the most notorious of all Soviet construction projects. Roughly paralleling the better-known Trans-Siberia Railroad, which hugs the southern frontier with China, the BAM has been under construction across the permafrost off and on since 1952, and has already claimed the lives of at least one-half million slaves from the work camps. Now that the fertilizer deal is approved, construction is being rushed to completion.

Are we to believe that today, after so many have died over the years, the BAM railroad is being constructed by "volunteers"? And can anyone be really sure how the Kama River automobile plant is being constructed in a territory spotted with labor camps?

Solzehnitsyn's Gulag gives a brilliant exposition of the way in which unfortunates are volunteered for such work, and the kind of "due process" by which they are sentenced to slow death.

The U.S. economy is not so bad that we need to earn foreign exchange by building death camps, or warm ourselves with natural gas provided by those who conveniently froze to death in its production. If the U.S. Government is going to back such projects officially through the Eximbank, the least that Congress can do is to insure that minimum standards of human decency are observed. The language of my amendment is simply that of the U.S. Constitution. Whenever credits or loans are guaranteed, insured, or extended, Congress must determine that the country involved does not practice slavery or involuntary servitude therein.

This is essentially a political determination, and it ought to be made by a politically responsible organ. The Eximbank's decisions should be made strictly on a business basis. The Bank, with all due respect to the abilities of its administrators, is simply not in a position to make political determinations. It has no resources, and no expertise to make evaluations in the field of human rights. In this field, Congress should lay down the guidelines in the enabling legislation, and the President should make the determination. My amendment provides for this process.

Mr. President, the material documenting the existence of slave labor camps for political and religious dissenters is so voluminous that it would be inappropriate to insert it all in the Record at this time. I have selected three items, however, that tell the tale, from Senate documents published with the Schifrin testimony by the Internal Security Subcommittee. The first is a list of nearly 100 slave labor camps in the Soviet Union, with their location and addresses; the second is an account of the trial of Baptist leaders in the Soviet Union; and the third is a partial list of Jewish prisoners of conscience held in such labor camps. These lists are illustrative only.

Mr. President, I ask unanimous consent that these materials be printed in the Record at the conclusion of my remarks.

There being no objection, the items were ordered to be printed in the Record, as follows:

APPENDIX

I. PARTIAL LIST OF SOVIET CONCENTRATION CAMPS

[Source: *Posev*, Mar. 1969, p. 3–4]

Location and address

Abkhazskaya ASSR, Gal'skiy rayon, s. Sida	P/ya 123/35
Alma-Atinskaya oblast, st. Chemolgan	P/ya 154/9 "Zh"
Altayskiy, Barnaul 23	P/ya UB 14/1
Altayskiy, Barnaul 37	P/ya UB 14/12–2
Altayskiy kray, Barnaul, pos. Krusta	P/ya UB 14/3**
Altayskiy kray, Zimeinogorsk	P/ya UB 14/10**
Altayskiy kray, Novoaltaysk	P/ya UB 14/1
Altayskiy kray, Novoaltaysk	P/ya UB 14/4
Altayskiy kray, Novoaltaysk	P/ya UB 14/8
Altayskiy kray, Rubtsovsk 9	P/ya UB 14/9
Arkhangel'skaya oblast, st. Ertsevo	P/ya 233/3**
Burkharskaya oblast, Navoi	P/ya 64/29 "M"
Vibebskaya oblast, Novo-Polotsk	P/ya UZh 15/10 "I"
Vitebskaya oblast, Orsha	P/ya UZh 15/6 "B"**
Vitebskaya oblast, Orsha	P/ya UZh 15/2 "B"
Vitebskaya oblast, Orsha	P/ya UZh 15/12
Vitebskaya oblast, Orsha	P/ya UZh 15/12–1
Vitebskaya oblast, Orsha	P/ya UZh 15/12—"E"
Vitebskaya oblast, Orsha	P/ya UZh 15/12—"'Zh"
Gorkovskaya oblast, Gorkiy 28	P/ya UZ 62/5 "E"
Gorkovskaya oblast, Dzerzhinsk	P/ya UZ 62/9 "B"
Gorkovskaya oblast, st. Sukhobezvodnoye	P/ya UZ 62/3**
Grodnenskaya oblast, Volkovysk	P/ya UZh 15/11
Dnepropetrovskaya oblast, Zheltye Vody	P/ya YaE 308/26
Dnepropetrovskaya oblast, Solonyanskiy rayon, St. Privol'noye	P/ya YaE 308/21
Donetskaya oblast, Shaktersk	P/ya Yu 312/57, d 5/13
Zaporozhskaya oblast, Berdyansk	P/ya YaYa 310/20a
Zaporozhskaya oblast, Berdyansk	P/ya YaYa 310/77 otr. 7
Ivano-Frankovskaya oblast, Kolomyyskiy rayon, s. Tovmachik	P/ya YaA 128/41–4
Kabardino-Balkarsk, ASSR, Nal'chik, Gazovay Str	P/ya OL 49/1*
Karagandinskaya oblast, p/o Dolinskoe	P/ya 154/40**
Kemerovskaya oblast, Kemerovo	P/ya 16/12/5**
Kemerovskaya oblast, Kemerovo	P/ya 49–39/1**
Kievskaya oblast, st. Belichi, p/o Kotsyubinskoe	P/ya 128/75
Kievaskaya oblast, Borispol'skiy rayon, s. Martusovka	P/ya YaA (No. unknown)
Kirgizovskaya SSR, Frunze, pos. Kainda	P/ya 36/1 "P"
Kirgizovskaya SSR, Frunze, sovkhoz Prigorodnyy	P/ya 36/1 "P"
Kirgizovskaya SSR, Frunze, sovkhoz Prigorodnyy	P/ya 36/12–3*
Kirgizovskaya SSR, Frunze, sovkhoz Prigorodnyy	P/ya 36/12–9*
Kirgizovskaya SSR, Frunze, sovkhoz "Prigorodnyy"	P/ya 36/12–6
Kirgizovskaya SSR, Frunze 9	P/ya 36/12–8*
Kirgizovskaya SSR, Kirovskiy rayon, Kirovo	P/ya 36/6
Kirovskaya oblast, Verkhnekamskiy rayon	P/ya 231/23
Kirovskaya oblast, Verkhnekamskiy rayon	P/ya 231/25
Komi ASSR Mikun', p/o Vevhayka	P/ya 400/4–II
Komi ASSR, Knyazhpogostskiy rayon, st. Veslyana, p/o Zaimka	P/ya 248/3–5*
Krasnodarskiy kray, Abinskiy rayon, pos. Novosadovyy	P/ya 68/1 "A"**
Krasnodarskiy kray, Krasnodar	P/ya 68/6 "I"**
Krasnodarskiy kray, Ust'-Labinsk	P/ya 68/3
Krasnodarskiy kray, Primorsko-Akhtarskiy rayon, st. Ol'shinskaya	P/ya 68/12
Krasnodarskiy kray, Primorsko-Akhtarskiy rayon, st. Ol'shinskaya	P/ya 68/12/9
Krasnodarskiy kray, Kurganinskiy rayon, pos. Pervomayskiy	P/ya UO–68/19
Kurskaya oblast, Kursk	P/ya OK 30/1 "I"
Kurskaya oblast, Kursk	P/ya OK 30/1 "D"
Kurskaya oblast, Kursk	P/ya OK 30/1 "E"
Mariyskaya ASSR. p/o Mar'ino	P/ya OSh 25/1
Minskaya oblast, Minsk 47	P/ya UZh 15/7–1
Minskaya oblast, Minsk	P/ya 35/6*
Mogilevskaya oblast, Bobruysk	P/ya UZh 15/2
Mogilevskaya oblast, Bobruysk	P/ya UZh 15/2 "A"
Mogilevskaya oblast, Gorki	P/ya UZh 15/9–6*
Mogilevskaya oblast, Mogilev	P/ya UZh 15/15
Mordovskaya ASSR, p/o Yavas	P/ya ZhZh 385/17–7*
Mordovskaya ASSR, st. Pot-ma, p/o Yavas	P/ya 385/2
Mordovskaya ASSR, st. Pot'ma	P/ya 385/5
Mordovskaya ASSR, st. Pot'ma	P/ya 385/7**
Mordovskaya ASSR, st. Pot ma	P/ya 385/17
Nikolayevskaya oblast, p/o N. Grigorovka	P/ya YaA 128/53
Odesskaya oblast, Odessa	P/ya YuG 311/74
Omskaya oblast, Omsk	P/ya UKh 16/3 "A"**
Omskaya oblast, Omsk 29	P/ya UKh 16/3 "N"**
Orlovskaya oblast, Kromskiy rayon, s. Shakhovo	P/ya 22/3
Pavlodarskaya oblast, Pavlodar–12	P/ya 154/25
Pavlodarskaya oblast, Ekibastuz	P/ya 154/53 "D"
Pavlodarskaya oblast, Kizel, p/o Talyy	P/ya 201–10 "A"
Permskaya oblast, Kungur	P/ya 389/18–4
Poltavskaya oblast, s. Kustolovo-Sukhodolka	P/ya YaA 128/9
Pskovskaya oblast, Sebezhskiy rayon, pos. Kuritsa	YaYa 61/3 "V"
Rovenskaya oblast, s. Rafelovka	YaYa 128/76 st. 5
Rostovskaya oblast, Sal'skiy rayon, p/o Yulovskoye	YaYa 398/3
Rostovskaya oblast, Matveevo-Kurbanskiy rayon, pos. Novykovka	YaYa 398/5
Rostovskaya oblast, Aksayskiy rayon, p/o Grushevskoye	YaYa 398/6 "B"
Rostovskaya oblast, Aksayskiy rayon, p/o Grushevskoye	YaYa 398/6 "V"
Rostovskaya oblast, Shakhty 19	YaYa 398–9–1 **
Ryazanskaya oblast, st. Sten'kina	YaYa 25/6
Sverdlovkaya oblast oblast, Nizhniy Tagil	P/ya UShCh 349/6 E–12
Tashkentskaya oblast, Tashkent 5	P/ya UShCh 64/7
Kharkovskaya oblast, Kharkov 35	P/ya UShCh YuZh 313/54–5
Khersonskaya oblast, Kherson	P/ya UShCh YuZ 17/61–4*
Chelyabinskaya oblast, Chelyabinsk 51	P/yu UShCh YaV 48/5
Chelabinskaya oblast, Satkinskiy rayon, Bakal	P/ya UShCh YaV 48–9–5
Chelyabinskaya oblast, Katav-Ivanovsk	P/ya UShCh YaV 48–12–7
Chitinskaya oblast, Karymskiy rayon p/o Tyrgetuy	P/ya UShCh 14/2
Chuvashskaya ASSR, Alatyr	P/ya UShCh YuL 34/2 "A"
Chuvashskaya ASSR, pos. Kozlovka	P/ya UShCh YuL 34/5 "A"
Chuvashskaya ASSR, pos. Kozlovka	P/ya UShCh YuL 34/5 "V"
Chuvashskaya ASSR, pos. Kozlovka	P/ya UShCh YuL 34/5 "G"

NOTE. One asterisk denotes intensified regime camps, two asterisks denote strict regime camps. In addressing mail these asterisks should not be used.

PERSECUTION OF THE JEWS

REPRESSION OF THE JEWS IN THE SOVIET UNION

(Edited by Louis Rosenblum, Union of Councils for Soviet Jews)

INTRODUCTION

The Jewish minority in the USSR is subjected to singularly repressive treatment. Special prohibitions are placed upon Jewish education, religious observance, and culture. Discrimination is practiced against Jews in employment and schooling. Anti-Semitism is inflamed by a stream of news articles, books, and cartoons from the government press. As a consequence, an estimated ¼ million Jews have sought permission to leave the Soviet Union. Most desire to reunite with families in Israel.

All but a small number of the applications have been denied, in spite of the fact that the demands to emigrate are legitimate and in keeping with Soviet Constitution, law, practice, and international treaty. The record shows that the Soviet government has allowed the reunion of families and has indeed supported the repatriation of entire ethnic groups living in the USSR, e.g., several thousand Spaniards, 1956–60 and 200,000 Poles, 1957–8. Additionally, the Presidium of the Supreme Soviet on January 22, 1969 ratified the International Convention on the Elimination of Racial Discrimination. Article 5, paragraph d, subsection 2 of the Convention provides that each contracting party to the treaty "guarantees the right of everyone to leave any country, including his own, and to return to his country."

To check the growing "exodus" movement the Soviet government has resorted to three major strategems: 'silence' vocal dissidents by letting them leave; discourage application for emigration by intensifying the financial and procedural requirements; and repress Jewish national feeling by arrest of persons possessing Jewish history or Hebrew language books on criminal charges of anti-Soviet activities.

The present wave of repression began with the arrest of Boris Kochubyevsky in Dec. 1968 and his trial in May 1969. Following this came the secret trial in Riazan, Feb. 1970, the infamous Leningrad hi-jacking trial of Dec. 1970, and the recent trials in Riga, Leningrad, Kishinev, Odessa, Sverdlovsk, Kharkov, and Chernovitz. In general, those arrested have been charged with "political crimes" under RSFSR Criminal Code Statute 70 (anti-Soviet propaganda) and Statute 72 (anti-Soviet organization). In *addition*, defendants in the Leningrad hijacking trial were charged with treason and theft of government property. Sentences up to 15 years in *strict* or *special* regime labor camps were meted out.

STRICT REGIME

"they condemn you to an empty belly"

Reproduced below is a brief sketch of the strict regime from *My Testimony*, E. P. Dutton and Co., New York, 1969 pp. 224–7.

"Well, and what about a prisoner's rights? There is his right to correspond (with limitations and censorship). His right to have visits from relatives. His right to buy up to five rubles' worth of food in the camp shop, though only with money earned inside the camp. If he has nothing left after deductions have been made—too bad, he can make do without, even if his relatives are prepared to send money. Not on sale in the camp shop and forbidden because of the regime regulations are: sugar, butter, tinned meat and fish, bread. All you can buy is tinned vegetables or fruit (hardly anybody buys these because they are too dear, they take your whole five rubles), cheap tobacco, toothbrushes, envelopes, notebooks, and you can buy camp clothing if you like—not that anybody does on five rubles a month.

"But these rights are no better than a dream, a mirage. Admin (the camp authorities) has the right to deprive a prisoner of all of them. This is done for violations, and who can say that he commits no violations—if Admin wants to find some? And so they take away your rights—to the shop for instance, for a month, two months, three. And then you have to get by on "basic"—on camp rations that have been worked out on scientific principles to be just enough to keep you from dying off.

"The daily norm is 2,400 calories: 25 ozs. of bread, 3 ozs. of cod, 2 ozs. of meat (the sheepdog guarding the cons gets 1 lb.), 1 lb. of vegetable—potatoes and cabbage, about 1 oz. of meal or noodles, ¾ oz. of fat and ½ oz. of sugar. And that's all. It adds up to one and a half times less than a normal man needs on light work. You will say: What about the shop? But then they deprive you of the shop? Keeping strictly to all the rules and regulations they condemn you to an empty belly!

"But anyway, not even all of this finds its way into the prisoner's bowl. A cart, for instance, comes into the compound carrying meat for the whole camp, 300 lbs. for three thousand men. You look at this meat and you know what to think: is it carrion, or something still worse? All blue, it seems to consist entirely of bone and gristle. Then it goes to be stewed and you're lucky if half an ounce finds its way into your mouth.

You are eating cabbage and you can't make out to begin with what it is: some sort of black, slimy, stinking globs. How much out of the established quota gets thrown on the rubbish heap? And in spring and summer the cookhouse hands can't even bring themselves to throw out the bad potatoes any more, otherwise there would be nothing to put in the soup. And so they throw in the black and rotten ones. If you go near the cookhouse in summer the stench turns you over. Stinking cod, rotten cabbage. The bread is like we had in the war. In number seven we had a bakery in which we baked two kinds of bread, black for camp, white for outside. Sugar, though you would think was foolproof. It won't rot, you don't have to measure it. But then they give it to you damp so that it weighs more. And they give you ten days' ration at a time—5 ozs.—because if they give you your 1 oz. daily, it wouldn't be a question of having nothing to eat as of nothing to see.

"During six years in camp and jail I had bread with butter twice—when I received visits. I also ate two cucumbers—one in 1964 and another in 1966. Not once did I eat a tomato or an apple. All this was forbidden . . .

"And that is what strict regime looks like today. Soviet regime, for the most part, is for political prisoners, because among criminals only the persistent offenders get put on strict regime, or those who commit a crime or a violation already in the camps, and even then not for their whole term—they do a stint on strict regime and then go back to normal regime again. For criminals and civil prisoners strict regime is the harshest form of punishment. But for us politicals it is the mildest, our imprisonment begins with this, because it is the minimum awarded by the courts. From strict regime political prisoners can go only to special regime or to the clink. And that is even worse.

PRISONERS OF CONSCIENCE

Presently, more than 40 victims of show trials, staged to repress the growth of Jewish national feeling, are serving sentences in strict and special regime labor camps. Many of these unfortunate people are in need of medical care for serious ailments. All are in physically weak condition as a result of the extended interrogation and imprisonment between the time of their arrest and trial and as a result of the semi-starvation diet in the labor camps.

Brief sketches of several of these prisoners of conscience follow.

PRISONERS OF CONSCIENCE

Name	Born	From	Status	Occupation	Arrested	Trial	Sentence (strict regime unless otherwise noted)
Kochubyevsky, Boris	1936	Kiev	Married (1)	Engineer	December 1968	May 16, 1969	3 years.
Ontman, Liliya	1937	Chernovitz	do		Jan. 8, 1970		2½ years.
Dzhindzikhashvili, Avraham	1941	Tbilisi			June 1970		
Dzhanashvili, Benjamin	1923	do			do		
Vudka, Yuri [1]	1947	Riazan		Student		Feb. 10–19, 1970	7 years.
Grilius, Shymeon [1]	1945	Klaipeda		Engineer	August 1969	do	5 years.
Vudka, Valeri	1950	Riazan		Student		do	3 years.
Jrolov, Oleg		do		do		do	5 years.
Dymshits, Mark	1927	Leningrad	Married	Pilot	June 15, 1970	Dec. 15, 1970	Death, commuted to 15 years.
Altman, Anatoly	1942	Riga	Bachelor	Engraver	do	do	12 years, reduced to 10 years.
Zalmanson, Izia	1949	do	do	Student	do	do	8 years.
Zalmanson, Wolf [1]	1939	do	do	Officer, engineer	do	Jan. 7, 1971	10 years.
Khnokh, Leib [1]	1944	do	Married		do	Dec. 15, 1970	13 years, reduced to 10 years.
Mendelovich, Iosif [1]	1947	do	Bachelor	Student	do	do	15 years, reduced to 12 years.
Penson, Boris [1]	1946	do	do	Artist	do	do	10 years.
Zalmanson, Sylva [1]	1944	do	Married	Engineer	do	do	Do.
Kuznetsov, Eduard [1]	1941	do	do	Interpreter	do	do	Death, commuted to 15 years, special regime.
Fedorov, Yuri [1]	1944		do	Worker	do	do	15 years, special regime.
Murzhenko, Aleksey [1]	1943			do	do	do	14 years, special regime.
Mogilever, Vladimir	1940	Leningrad	Married (1)	Engineer	do	Mar. 11, 1971	4 years.
Kaminsky, Lassal	1930	do	Married (2)	do	do	do	5 years.
Chernoglaz, David	1940	do	Married (1)	Agronomist	do	June 21, 1971	Do.
Butman, Hillel	1933	do	do	Engineer	do	May 11, 1971	10 years.
Kornblit, Lev	1922	do	do	Mathematician	do	do	3 years.
Yagman, Lev	1940	do	Married (2)	Engineer	do	do	5 years.
Drezner, Shlomo	1932	do	Married (1)	do	do	do	3 years.
Goldfeld, Anatoly	1946	do	Bachelor	do	do	June 21, 1971	4 years.
Boguslavsky, Viktor	1940	do	do	do	do	May 11, 1971	3 years.
Bodnya, Mendel	1937	Riga	Married	Worker	?, 1970	Dec. 15, 1970	4 years.
Galperin, Aleksander	1946	Kishinev		Engineer	July 24, 1970	June 21, 1971	2½ years.
Maftser, Boris	1947	Riga	Married		Aug. 4, 1970	Mar. 24, 1971	1 year.
Shpilberg, Arkady	1938	do	Married (2)		do	do	3 years.
Shur, Hillel	1936	Leningrad		Engineer	Aug. 5, 1970	June 21, 1971	2 years.
Kirshner, Harry	1946	Kishinev			August 1970	do	Do.
Volashin, Arkady	1946	do			do	do	Do.
Rabinovich, David	1947	do		Technician	do	do	1 year.
Trakhtenberg, Avraham	1947	do			do	Feb. 21, 1971	2 years.
Aleksandrovich, Ruth [1]	1947	Riga	Married	Nurse	Oct. 7, 1970	May 24, 1971	1 year.
Shepshelovich, Mikhail	1943	do	Bachelor	Worker	Oct. 16, 1970	do	2 years.
Shtilbans, Viktor	1947	Leningrad		Physician	November 1970	May 11, 1971	1 year.
Kornblit, Mikhael	1937	do		Stomatologist	do	do	7 years.
Borisov, Igor	1942	do	Married		do	Dec. 23, 1970	
Levit, Semyon	1947	Kishinev	do	Physicist	Nov. 17, 1970	June 21, 1971	2 years.
Palatnik, Raiza [1]	1936	Odessa	do	Librarian	December 1970	June 22, 1971	Do.
Renert, Khaim	1921	Chernovits		Physician	March 1971		5 years.
Kukui, Valeri	1938	Sverdlovsk	Married (1)	Engineer	do	June 15, 1971	3 years.

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[1] Sketch of prisoner presented herein.

ALEXANDROVICH, RUTA ISAACOVNA

Twenty-three years old, born in Latvia, Jewish, student nurse, single. Applied on several occasions with her father, mother, and younger brother for repatriation to Israel. Repeatedly refused. Arrested October 7, 1970, Riga. Charged in accordance with Latvian SSR Statute 65 (RSFSR equivalent—Statute 70) anti-Soviet propaganda. Sentenced May 27, 1971, to one year strict regime. She is due for release in October, 1971. [Now released in Israel]

According to Dr. V. Portnoy, the prisoner's former personal physician presently residing at Ulpan Etsim, Jerusalem, Israel, Miss Alexandrovich suffers from an asthmatic condition and "exacerbation of chronic pyelonephritis."

The latest information on Miss Alexandrovich is as of the last week in July. Her father Isaac Alexandrovich visited Ruth in the camp. He said that Ruth and Sylvia Zalmanson are in the same barracks and both girls work in a factory making canvas gloves with fur lining. But since neither can produce the high production "norm" required, they receive only one-half the food ration.

Relatives: Isaac Alexandrovich, father, Riga, Latvian SSR, USSR Suvorova 16, Kv. 120.

Rivka Alexandrovich, mother, Ein Tzurin 201-03 Talpiot, Jerusalem, Israel.

FEDOROV, YURY PAVLOVICH

Twenty-seven years old, Russian. Convicted and sentenced when he was 17 years old for anti-Soviet views. After his prison sentence his health was poor. He was kept under surveillance by the KGB (secret police) which made him extremely nervous and fearful. Arrested with eleven others in connection with alleged "hi-jacking" attempt in Leningrad, charged in accordance with RSFSR Statutes 64–15 (treason—to flee abroad) and 93–15 (theft of government property). Sentenced to 15 years special regime, without confiscation of property, in absence of such.

Relative: N. V. Buzyreva, wife, Moscow, USSR, Serfinisovicha 2, Kv. 167.

GRILLUS, SIMONAS ARONOVICH

Twenty-six years old, Jewish. Engineer, worked on ship repairs in the Lithuanian harbor town of Klaiperdea. He was arrested in August, 1969, after a search of his apartment revealed possession of books for studying Hebrew and records of Hebrew songs. Charged in accordance with RSFSR Statute 70 (anti-Soviet propaganda) and Statute 72 (anti-Soviet organization). Tried by a secret tribunal. Sentenced February 19, 1970, to five years strict regime.

Earlier this year Grillus was deprived of the right to receive parcels and was put into solitary confinement for 15 days for refusing to take off his *kipa* (skull cap) on Saturdays and other religious holidays.

KHNOKH, LEIB GIRSHEVICH

Born in 1944 in Insar, Mordovskaja ASSR, Jewish. After the war moved to Varaklyany, Latvian SSR. After completing seven years at school, entered the Railway Technical Institute in Daugavpils. Worked as an electrician. In 1965 was called up to the Army but a few months later was declared unfit for military service because of a chronic dislocation of the shoulder. In 1969 he requested permission to leave for Israel but was refused. Married Mary Mendelevich in 1970. Repeatedly signed individual and group appeals to various Soviet and foreign organizations requesting help in leaving for Israel. Arrested with eleven others June 15, 1970, in connection with alleged "hi-jacking" attempt in Leningrad. Charged in accordance with RSFSR Statutes 64–15 (treason—to flee abroad), 93–15 (theft of government property) and Statutes 70 and 72 (anti-Soviet acts). Sentenced on December 25, 1970, to 13 years strict regime without confiscation of property, in absence of such. Reduced on December 30, 1970, by the Supreme Court of the RSFSR to 10 years strict regime.

Relatives: P. B. Khnokh, brother, Daugavpils, Latvian SSR, USSR Virsku 48, Kv. 100.

KUZNETSOV, EDUARD SAMUILOVICH

Twenty-nine years old, born of a Russian mother and a Jewish father, his internal passport states he is Russian but he considers himself to be a Jew. Studied at the philosophy faculty of Moscow University. Spent seven years in prison on charge of anti-Soviet activities. Deprived of right to live in Moscow, Leningrad, and other large cities. Became aware of being a Jew while in prison and talked about his dream to live in a Jewish state. Worked as an English-Russian interpreter in the Riga psychiatric hospital. Married Sylva Zalmanson in 1970. Arrested with eleven others in connection with alleged "hi-jacking" attempt in Leningrad, charged in accordance with RSFSR Statutes 64–15 (treason—to flee abroad) and 93–15 (theft of government property) and Statutes 70 and 72 (anti-Soviet activities). Sentenced to death, without confiscation of property, in the absence of such. Commuted on December 30, 1970, by the Supreme Court of the RSFSR to 12 years strict regime.

MENDELEVICH, IOSIF MOZUSOVICH

Born in 1947, Jewish. His father sells newspapers. His mother died tragically in 1969[?]. After graduating from school in 1965, entered the Riga Polytechnic. In 1968, applied together with his relatives to leave for Israel, but was refused. In 1969 left the Institute, considering that his being a student there could be an obstacle to the granting of permission to leave for Israel. In 1970, requested permission and was again refused. He has signed various appeals to Soviet and foreign organizations for permission to leave for Israel. In 1970, two weeks after receiving a *Kharakteristika,* a character reference, for the OVIR (Office of Visas and Registration), he was dismissed from work under the pretext of redundancy. Arrested with eleven others June 15, 1970, in connection with alleged "hijacking" attempt in Leningrad, charged in accordance with RSFSR Statutes 64–15 (treason—to flee aboard), 93–15 (theft of government property) and Statutes 70 and 72 (anti-Soviet acts). Sentenced December 25, 1970 to 15 years strict regime, without confiscation of property, in the absence of such. Reduced on December 30, 1970, by the Supreme Court of the RSFSR to 12 years strict regime.

Relatives: M. A. Mendelevich, father and E. M. Mendelevich, sister Riga, Latvian SSR, USSR, Kirova 18, Kv. 3

MURZHENKO, ALEKSEY

Twenty-eight years old, Ukrainian. Convicted at age 19 for anti-Stalin utterances and served 6 years in a prison camp for political prisoners. Has command of five languages. Twice after he served his term of imprisonment he tried to enter an institute of higher education but both times he was not admitted although he passed a competitive exam. He was told that with his past he 'cannot count on becoming a translator.' Recently Murzhenko worked in a factory at Lozovaya station and was elected chairman of the local trade union committee. Arrested with eleven others in connection with alleged "hi-jacking" attempt in Leningrad, charged in accordance with RSFSR Statutes 64–15 (treason—to flee abroad) and 93–15 (theft of government property). Sentenced to 14 years special regime, without confiscation of property, none being owned.

PALATNIK, RAIZA ANATOLYEVNA

Age 35, Jewish, worked in Odessa as a librarian. Shortly after she had written to Israel requesting that her relatives there be located, a search of her apartment was made on October 14, 1970, by the KGB (secret police), and followed by a 4-hour interrogation on October 15. Interrogation and searches continued until her arrest on December 1. Charged under paragraph 187/1 Ukrainian Criminal Code with slandering the Soviet Union. Sentenced June 24, 1971 to two years.

In August 1971, Yekatrina Palatnik, Raiza Palatnik's sister, sent a letter to the International Red Cross and to the Red Cross of Russia describing the deterioration of Raiza's health and asking them to intercede.

"A short while ago when I visited my sister in prison I was shocked that the state of Raiza's health is now worse than it was before her detention. In July Raiza had a heart attack that left her left hand paralyzed. She had become very thin from undernourishment. It is stifling and hot in her cell and the sanitary conditions are very difficult. Raiza is very ill now as a result of 8 months detention under difficult conditions. Before she was sent to prison she was healthy. Please use your influence on the prison authorities in Odessa to improve the nourishment given to Raiza and her living conditions."

The latest address available is an Odessa prison, Odessa, Ukrainian SSR, USSR, GSP 514 PYA YUG 311/192.

Relative: Sister, Katia Palatnik, Odessa, Ukrainian SSR, USSR, Yakir 23, Kv. 3. [Raiza Palatnik arrived in Israel in December 1972.]

PENSON, BORIS

Aged about 25, Jewish, worked in Riga as an artist in advertising. Did a great deal of painting independently, has a series of works which have never been exhibited because he is not a member of the Union of Artists. In 1969 requested permission to leave for Israel with relatives (elderly parents) but permission was refused. Arrested with eleven others on June 15, 1970 in connection with alleged "hi-jacking" attempt in Leningrad. Charged in accordance with RSFSR statutes 64–15 (treason—to flee abroad) and 93–15 (theft of government property). Sentenced December 25, 1970 to ten years strict regime with confiscation of property, i.e., his paintings. He is presently in a labor camp for political prisoners in the Potma area.

VUDKA, YURY Z.

Twenty-four years old, Jewish. Student at Riazan Institute of Radio Technology. Applied to emigrate to Israel. Arrested in August, 1969. Charged in accordance with RSFSR Statute 70 (anti-Soviet propaganda) and Statute 72 (anti-Soviet organization). Tried by a secret tribunal. Sentenced February 19, 1970, to 7 years strict regime.

ZALMANSON, VOLF IOSIFOVICH

Born November 2, 1939 in Riga, Jewish. In 1962 graduated from the Riga Agricultural Academy, becoming a mechanical engineer. Worked as such in Riga up to 1968. Called up into the Army in 1968: this was an obstacle in his application to leave for Israel. Served as a lieutenant in Kaunas, Lithuanian SSR. Arrested with eleven others on June 15, 1970, in connection with alleged "hi-jacking" attempt in Leningrad. Tried separately by a military court under articles of the criminal code covering treason by flight abroad, theft of state property, and military desertion. Sentenced January 8, 1971, to ten years strict regime.

Relatives: I. V. Zalmanson, father and Z. I. Zalmanson, brother, Riga, Latvian SSR, USSR, Veidenbaum 45, Kv. 22.

ZALMANSON, SYLVIA IOSFOVNA

Born October 25, 1944 in Siberia, Jewish. In 1968 graduated from the Riga Polytechnical Institute, becoming a mechanical engineer. Worked as a designer at the "Sarkana Zvaigzne" factory in Riga. In 1968 tried in vain to obtain permission to leave for Israel. Appealed to Soviet and foreign organizations. In 1970 married Kuznetsov, Eduard Samuilovitch. In 1970, was deprived of the possibility to appeal again for permission to leave for

Israel as the management of her factory refused to give her a personal reference.

Arrested with eleven others on June 15, 1970, in connection with alleged "hijacking" attempt in Leningrad. Charged in accordance with RSFSR Statutes 64–15 (treason—to flee abroad), 93–15 (theft of government property), 70 (anti-Soviet propaganda), and 72 (anti-Soviet organization). Sentenced December 25, 1970, to ten years strict regime without confiscation of property, in absence of such.

Sylvia has suffered a severe loss of hearing in prison and is likely to go deaf. Her general *physical condition* is very poor. See letter from her uncle, reproduced below. Address: Mordovskaja ASSR, USSR, St. Potma, Posiolok Yavas, Uchrezdenie ZK X 385.

Relatives: I. V. Zalmanson, father and Z. I. Zalmanson, brother Riga, Latvian SSR, USSR, Veidenbaum 45, Kv. 22.

Baptist Trial in Odessa, February 2–7, 1967

["Russian Christians on Trial: Eye Witness Report From a Soviet Courtroom," Published by "Jesus to the Communist World," Diane Books, Glendale, Calif. 1971]

The trial was due to take place at 10 a.m. on 2 February in the club of the mill combine. Its location was altered 24 hours beforehand without any reason being given. Representatives were summoned from a number of places, mainly Party officials and prominent workers, and given leave from work to attend.

By 10 a.m. about 100 believers had assembled, by which time the courtroom was already full of Party workers. Numerous police and the security (KGB) agents were standing outside the building where the trial was to be held. Not only did they prevent the believers from getting into the courtroom, they even stopped them standing outside the building. They chased them some distance away from the clubhouse, round the corner, threatening them with fines and 15 days' imprisonment. Many friends did not go away, but stood at a distance, despite the intense cold.

They let only the defendants' nearest relatives through, claiming that there was no more room in the court.

The defendants N. P. Shevchenko, Ya. N. Krivoi, S. P. Solovyova and V. I. Alexeeva, who had already been in custody for some considerable time, were brought into the courtroom. Then further defendants who had been bound over not to leave the town, G. G. Borushko, V. T. Timchak and V. M. Zaborsky, came in.

The members of the court entered and the trial was officially opened. A representative of the police called out (addressing himself to the rest of the court) "Rise!" The defendants took their places, N. P. Shevchenko and V. Alexeeva knelt down and the former prayed aloud. Everyone present stood speechless with surprise.

Then there was a murmur throughout the room and you could hear people say: "They're praying!" Three policemen went up to them and made Valya get up, but Nikolai went on praying and when he finished, all the defendants and other believers said "Amen". The defendants were taken out of the courtroom straight away and brought back a little while later.

The court noted the following personal deails of the defendants:

Shevchenko, Nikolai Pavlovich, born 1913.

Krivoi, Yakov Nikiforovich, born 19—(date not given in text)

Solovyova, Svetlana Pavlovna, born 1940.
Alexeeva, Valentina Ivanovna, born 1939.
Borushko, Grigori Grigorievich, born 1939.
Zaborsky, Viktor, Mikhailovich, born 1936.
Timchak, Vasili Terentievich, born 1929.

Charged under Article 138, Section II, of the Ukrainian Penal Code, Case No. 16827.

The judge defined the defendants' rights.

Judge. (to the defendants) What are your requests?

All the defendants asked that their fellow-believers be allowed into the courtroom and requested the right to conduct their own defense.

G. Borushko and V. Zaborsky demanded that the prosecution witnesses N. V. Kuzmenko, district superintendent of the Odessa Region, and his deputy F. A. Balaban, and also senior police lieutenant Shamrai, be called.

Solovyova and Krivol asked permission to use a Bible in their defense.

Judge. Alexeeva, why are you refusing to have a defense counsel?

Alexeeva. I invited Jesus Christ to be my defense a long time ago (she quotes a Bible text but the judge interrupts her).

Judge. For what reasons are you refusing a defense counsel?

Krivoi. "My witness is in heaven, and my record is on high" (Job 16:19).

Shevchenko. As a believer, I can't be defended by an atheist; God is my defence.

Solovyova. If a person is mentally balanced (according to Art. 146) he has the right to conduct his own defense.

Prosecutor. I consider it admissable to grant the defendants' request about dispensing with counsel and giving them the right to conduct their own defence. The request for the summoning of additional witnesses is inadmissable. As to the request for believers to be present in court, the door is open and entry is free to all, everyone who wanted to come in is already here. With regard to the request by Solovyova and Krivoi for a Bible to use in the defence, this question will resolve itself in the course of the trial. The opportunity to use a Bible will be given as necessary.

The defence lawyers requested that the defendants' plea for permission to use a Bible and for the calling of additional witnesses be granted, then they left the courtroom.

The judge asked the defendants' opinion on how the trial should be conducted.

Solovyova and Borushko suggested that interrogation begin with the witnesses. The prosecutor suggested that they begin with the defendants. There was an interval while the members of the court left for a consultation. After the interval, none of the believers was admitted into the court. The judge declared that the interrogation would begin with the defendants.

Judge (to Shevchenco). What relevant testimony can you give the court?

Shevchenko. I won't give my testimony until all my fellow-believers who are outside are admitted to the courtroom. They are freezing out there, I can imagine what it's like. How can we consider the case calmly here in these circumstances?

The judge demanded that the actual names be given of those whom the defendants wanted to see admitted. They let a few in and said that that was all there were.

N. P. Shevchenko addressed himself to the gallery and asked: "Brothers and sisters, are there some outside who want to come in?"

From the gallery came the reply: "Yes, there are!"

In the gallery, the atheists began to ask "Who on earth's in charge here, the court or the Baptist?" But just then the believers outside were being chased further away from the courthouse.

Judge. Krivoi, give your testimony.

Krivoi. I won't give my testimony until all those who want to have come in.

The rest of the defendants also refused to testify until all the believers had been admitted.

Judge. Defendant Borushko, go out with the police lieutenant-colonel and call everybody to come in.

Borushko went out and gathered all the believers who were in the next street, round the corner, and brought them in.

Judge. Shevchenko, what relevant testimony can you give? Tell us your work record. When did you become a Christian? How and in what circumstances did you become an invalid from work?

Shevchenko. I began to work at the age of 16 and became an invalid in 1934 as the result of an accident at work. I became a believer in that same year.

Judge. How long have you been a pastor?

Shevchenko. The Church elected me as a an elder in 1946 and in 1940 as pastor.

Judge. But why were you elected as a pastor in 1949?

Shevchenko. Because the Church had to test my manner of life. It is only when the Church has ascertained whether a man's life corresponds to the gospel and is convinced that its servant is worthy, that it elects him as a pastor.

Judge. What is the difference between the office of pastor and the office of elder?

Shevchenko. An elder can lead a Church meeting, but only a pastor can fulfill spiritual needs.

Judge. Was there any break in your activity as pastor?

Shevchenko. A pastor is elected for life.

Judge. When you were in places of imprisonment, were you still a pastor?

Shevchenko. Yes, I was still a pastor during those times too.

Judge. Tell us why registration was suspended from your congregation, when and for what reasons?

Shevchenko. Registration was suspended in 1958 because an official representative of the Council for Religious Affairs was not invited to the opening of the prayer house and because children were present at services.

Judge. Did you continue to meet after the congregation was dissolved?

Shevchenko. Yes we did, but we kept on requesting to be registered the whole time. We applied to Kiev and Moscow for registration several times.

Judge. Up to 1958 you accepted the legislation on religious cults?

Shevchenko. It wasn't in operation.

Judge. Do you accept the legislation on cults now?

Shevchenko. Yes, I accept it, but I can't agree with certain points.

Judge. Name these points.

Shevchenko. We aren't allowed to admit children to services, but it's written in the gospel: "Suffer the little children to come unto me and forbid them not." We weren't allowed to baptize believers under 30 years of age. According to the gospel baptism is carried out on the basis of faith, not age.

We don't agree with the section that forbids freedom to preach outside our own congregation.

Only the Church must elect and dismiss pastors and preachers, but according to the legislation, the official state representative appoints them. The Church is best able to judge who is fit to serve in it, not a secular functionary.

I have already been tried once before and the same charges were brought against me. I served 2 years and 7 months in prison. The Prosecutor-General protested against my sentence, the court reviewed the case and in the absence of proof of criminal action I was rehabilitated, but now the same accusations are being brought again.

Judge. At that time there was no such law, but now these activities are countered under the March 1966 decree.

Prosecutor. When you were under detention, did you maintain your link with the church?

Shevchenko. We were behind barbed wire fences and you know perfectly well that there's no chance there of maintaining any link.

Judge (undoes a parcel and takes out the collection: "Ray of Light"). Look, these aren't just written things, you can tell by the format that they've been done by a specialist. Look at this binding. **Where did** you get the money for it? Have you any specific funds?

Shevchenko. We don't have any funds. When there's a need, we have a collection. At all our funeral services we get financial help and also believers collect money to buy paper and materials.

Judge. Give us the names of those who did the printing.

Shevchenko. I won't answer that question.

Judge. Do you know who brought illegal literature to your congregation?

Shevchenko. All believers.

Judge. What do you mean, all believers? Who specifically? You say you didn't help to distribute literature. Yannu Shmidt testifies that he got the "Fraternal Leaflet" in your house.

Shevchenko. I didn't consider this as distribution; I was sharing with my brother the Word of God, since the Word of God is the bread of life and spiritual food and our Christian duty is to share.

YA. N. KRIVOI'S TESTIMONY

Judge. What have you to say about this case?

Krivoi. In 1937 I was sentenced to 10 years for my faith in God. I was in prison for 9 years and 6 months. After that my case was reviewed and in the absence of criminal proof I was rehabilitated. Along with me my fellow believers were sentenced to 25 years' imprisonment and to the supreme punishment—execution. And they were shot. After the review of their cases they were posthumously rehabilitated.

Judge (interrupting him). We aren't asking you about that. You were rehabilitated and the previous trial doesn't count. What congregations did you belong to before? When did you become a member of Peresyp congregation?

Krivoi. In 1963.

Judge. Why did you leave the registered congregation? What were your disagreements with them?

Krivoi. Because a state official was interfering in the internal life of the Church.

Judge. You were a member of the illegal all-Ukrainian conference; what documents did you sign there?

Krivoi. I signed a document, but I don't remember the contents now.

Judge. Did you preach at the May-Day celebration?

Krivoi. No, I wasn't there.

Judge. What part did you have in organizing the May-Day meeting?

Krivoi. I have already answered.

Prosecutor. In the pre-trial investigation you said (he quotes): "I stood leaning against a tree. . ."

Krivoi. That's false. The investigator wrote that himself, I didn't say it.

Prosecutor. The court will check on that (he refers to the report on the affair).

Judge. It can't be checked. The defendant hasn't signed it. What were you doing on that day?

Krivoi. I have proof that I was working on 2nd May.

Prosecutor. The court will find out whether you were there or not. Who preached in Gomenyuk's house?

Krivoi. I was outside and I didn't see the speakers.

Judge. Witnesses have testified that you preached.

Krivoi. I've already answered.

Prosecutor. You're obviously avoiding a reply. Who distributed the literature?

Krivoi. I've nothing to do with that side of things.

Judge. You say that in your literature there's nothing but evangelical teaching (he reads an extract from an "appeal" to all believers of registered congregations).

Krivoi. Read the whole "appeal"—I can't answer from extracts.

Prosecutor. I'll read you the exact quotation from this document (he reads it).

Krivoi. Read on, so that the audience can understand what it's about.

Prosecutor. Do you remember what documents you signed?

Krivoi. Yes, I remember. I don't repudiate those documents that I signed and I'm fully in agreement with their contents.

SVETLANA PAVLOVNA SOLOVYOVA'S TESTIMONY

Judge. Defendant Solovyova, do you admit your guilt?

Solovyova. No. I'm charged with distributing literature. I don't consider that a crime. It's my duty.

Judge. What's your profession?

Solovyova. Painter.

Judge. Have you been working as a painter recently too?

Solovyova. No, I've been on watch duty.

Judge. But you also worked in a laundry?

Solovyova. Yes, I did both.

Judge. Tell us, do you enjoy your work?

Solovyova. Yes, I do.

Judge. When did you become a believer?

Solovyova. Can I start from the beginning?

Judge. By all means.

Solovyova. I came to Odessa as a child. My father had reenlisted and worked at headquarters, and remained there as a painter. I went to evening classes. At home I often heard about God and about believers, but it didn't interest me. I wanted to live like everybody else. My mother was illiterate, she didn't make me go to meetings or believe in God. I grew up with the same aims and the same desires as my fellow-pupils, thinking that only uneducated and old folk believed in God. In school I joined the *Komsomol*. After I had finished school, I was faced with the question of where to go and what to do then. I got a job. I didn't want to stay at home because the conversations about God and my mother's continual prayers and all that religious environment disturbed and haunted me.

I decided to leave home. I told my parents that I was going to enter an institute in Novosibirsk. I said it deliberately, knowing it was a lie. But I couldn't see any other way out and I deceived my relatives and went to Novosibirsk. I took my personal documents with me but I hadn't given in my notice at work, having arranged with my own people that if I didn't pass the exams I'd come back. In Novosibirsk I applied to the institute, but as I hadn't prepared for it and wasn't really keen on it, I didn't get in. But I sent a telegram home: "Passed exams, give notice at work. Staying to study." That's how my life away from home started, a life that began with deception.

Sometimes I used to think: "Does God exist or not?"

Judge (interrupting her). This thought stayed with you because they knocked it into you in childhood.

Solovyova. They didn't knock it into me. If my mother had brought me up in that spirit, I wouldn't have been there, I wouldn't have deceived my parents. I simply knew that believers existed and that they believed in God and sometimes I thought about that, but the cinema, the theatre and all the worldly pursuits didn't leave room for such thoughts and I forgot about them.

After working for a year in Novosibrisk, I came home on leave for 10 days. At home my mother invited me to a meeting, and so as not to grieve her, I went. There I heard about God more fully. This though stayed in my mind and I began to think about this question more seriously. It didn't leave me in Novosibirsk either, it followed me everywhere. I couldn't stay in those circumstances any longer and I was tortured in my conscience for having deceived my parents. It was a difficult time for me, these were the fruits of the world's education. And then I had the idea of going home. All this happened very quickly. I gave in my notice at work, broke with everything that held me back and came home. At home I straight away began to seek satisfaction and peace for my soul. The world no longer satisfied me. Everything in it revolted me.

Once I went to a meeting at Peresyp. There I heard comforting words. I saw the joyful, happy faces of girls and boys just like me, I saw their goal in life and I understood that here I could find what I had long been seeking—peace for my soul. Here was my happiness, Christ became my goal in life. The Church at Peresyp became my spiritual mother. I found my place in life, I found happiness.

Prosecutor. Defendant Solovyova, you have taken up too much time with the story of how you became a believer. It would be better if you would tell us how you distributed illegal literature and whether you consider this a crime.

Solovyova. I distributed illegal Christian literature and I don't consider this a crime, since it's my duty to give bread to the hungry. I did it with a feeling of compassion, people were interested and I couldn't refuse them. I did distribute literature and I shall go on doing so, if I still have the opportunity, for it's my duty.

Judge. You also preached and you don't consider that a crime?

Solovyova. I haven't preached in the sense that you mean, but all believers are preachers of the Kingdom.

Judge. Just imagine what it would be like if everybody in this country began to preach what he liked and wherever he liked, no matter whether people listened to him or not.

Solovyova. I did not more than speak about Christ—and only where people listened or where they asked me to.

Prosecutor. You say you preach only about Christ and that your literature is purely spiritual, but look at this: (he reads an extract from a copy of *Fraternal Leaflet* about the May delegation (1966), where it says that believers were beaten up outside the Central Committee building and remarks indignantly): Is that about Christ? Why, that's slander against Soviet reality.

Solovyova. It certainly is Soviet reality: I well remember the first blow I got outside the Central Committee building—after that I don't remember the others.

Judge. 14 copies of *Fraternal Leaflet* were taken from your flat. Where did you get them? Somebody must have done them and given them to you.

Solovyova. I'm not going to tell you that. I just got them.

Judge. How many did you distribute? 50, 100, 200 copies?

Solovyova. I don't remember. I tried to give out as many as I could.

Judge. Were you there at the May-Day meeting? Do you remember how many people were there?

Solovyova. I can't tell you. I didn't count them.

Judge. But roughly—a hundred, two hundred, five hundred people?

Solovyova. I don't know, maybe even more. (In the gallery there are astonished exclamations: "You see!")

Judge. Do you know the people who were there on May Day?

Solovyova. I know that they were my brothers and sisters.

Judge. Was the defendant Krivoi there?

Solovyova. No.

Judge. How can you tell—could you see all 500 people?

Solovyova. Yes, I saw them all.

Judge. Please tell us what your relations are with the registered congregation.

Solovyova. What should my relations with them be? They're my brothers and sisters there.

Prosecutor. Defendant Solovyova, you said that you were convinced the cinema is a means of agitation—what sort of agitation?

Solovyova. What do you mean, agitation? It's a means of taking people away from God.

Prosecutor. You said that the people in the central congregation are your brothers and sisters?

Solovyova. Yes, that's right.

Prosecutor. Why don't you go there?

Solovyova. In the first place, as I already said, the church at Peresyp is my spiritual mother. It's my family, that's where I was born.

Judge. You mean that in your family you have 'brothers' and 'cousins'?

Solovyova. Yes, that's right.

Judge. What do you consider to be wrong in the central congregation?

Solovyova. The authorities interfere in the Church there and poison the minds of believers against each other.

Judge. Did they do that to you personally?

Solovyova. Not to me personally. I remember once when I was still going there often—they took a woman out of the meeting; she was a small person and they thought she was a *minor*.

Judge. Who took her out?

Solovyova (uncertainly). Believers.

Judge. What have the authorities to do with that?

Solovyova. What do you mean, what have they to do with it? It was they who ordered her to be taken out and they had the power to do it.

Judge. Do you read books?

Solovyova. Yes, I used to. Even in prison now I still read.

Judge. But there aren't any books about Christ there.

Solovyova. I can get something precious out of anything.

Judge. Very true. Tell us, did you preach at the May-Day meeting?

Solovyova. I don't remember whether I ever preached at meetings.

Judge. Are you a member of the Council of Twenty (Church Council)?

Solovyova. Yes.

Judge. Why did the Church elect you particularly?

Solovyova. Why do you want to know about me particularly? There are 19 others besides me.

Judge. Did you stand out in some way from the rest of the rank and file?

Solovyova. No, I don't think so. I'm not worthy of that. I'm not worthy to stand before you today, since only the best Christians are brought to trial.

Judge. When your flat was searched, they took copies of the Kiev declaration. Why did you keep them?

Solovyova. To give to others.

Judge. Have you already given out a lot?

Solovyova. I don't remember. I gave them out when necessary.

Judge. What would happen if everybody preached his own beliefs and got a crowd of followers around him? Maybe there are some people who don't want to listen to you.

Solovyova. I'd be very glad if I had the chance and the strength to gather a crowd around me. If some people didn't want to listen, I wouldn't force it on anybody.

Judge. Why did you give your boss copies of your pamphlet-letters at work?

Solovyova. Every day at work a policeman used to come to see me. All the workers began to get curious about why he came. I started to explain and gave them out for people to read.

Judge. Did you preach?

Solovyova. You keep calling me a preacher. In your sense I'm not, but as a Christian I must preach by my life and I spoke about Christ wherever I could, when I had the chance. I speak about Christ on trams and now in this hall and I'll go on doing so.

While their friends were being taken out, all the believers stood in flanking rows and when the defendants passed between them they greeted them with raised hands. Both the defendants and their friends had joyful expressions on their faces. Thus finished the first day of the trial.

On the second day everybody who wanted to came into the courtroom. They brought in the defendants. Valya Alexeeva came first and greeted everybody aloud: "Greetings to all brothers and sisters!" From the audience came the reply, "Greetings to you." The defendants took their places and prayed standing.

The trial was declared open.

Judge. Alexeeva, what have you to say about the case?

Alexeeva. First of all I want to know whether all my friends have been let in. (They answered that everybody had come in.)

Judge. Tell us about yourself. Where did you come from to live in Odessa?

Alexeeva. From the Vologda Region.

Judge. What was the reason for your coming here?

Alexeeva. I was fulfilling the command of Christ: "If they persecute you in one town, flee to the next".

Judge. But how were you being oppressed there?

Alexeeva. Well, there was only a small group of believers there and atheists and lecturers used to visit me systematically.

Judge. So you were frightened?

Alexeeva. No, I enjoyed chatting with them. But when they realized that their visits were pointless, then the press started up. They wrote a lot of slanderous articles about me. You know very well how we hold baptisms, but in the paper they wrote a lot of lies—even that my veins were cut and believers drank my blood.

Judge. They wrote about you personally in the paper?

Alexeeva. Yes, directly about me. Once they did it using a false name, but in such a way that it was obvious it was me. They never let me alone, neither at home nor at work. That was why I left.

Judge. Were you invited to come to Odessa?

Alexeeva. No, I tried to find out where there was a prayer house and young believers.

Judge. Is there a prayer house in Razdelnaya?

Alexeeva. No, but there are some not far away.

Judge. Did you distribute literature?

Alexeeva. Yes I did.

Judge. Do you know the Gubanovs?

Alexeeva. Yes, they're my good friends.

Prosecutor. Did you send letters to them?

Alexeeva. Yes.

Prosecutor. Did they ask you to send them?

Alexeeva. No, but they wanted to meet me personally to have a talk. But I couldn't manage that, and I wrote to them about the life of our family (the Church) and sent them the *Fraternal Leaflet*.

Judge. Are you in agreement with the legislation on religion?

Alexeeva. Yes, except for some points.

Judge. What points do you not agree with?

Alexeeva. We're forbidden to help each other. That contradicts the gospel. We can't disobey the commands of Christ. Our faith must be accompanied by works, for faith without works is dead. It says in the gospel: "Add to your faith virtue; and to virtue knowledge; and to knowledge temperance; and to temperance (the judge tries to interrupt) patience; and to patience godliness; and to godliness brotherly kindness; and to brotherly kindness charity."

Judge. Were you there on May Day?

Alexeeva. I wasn't there on 1st, but I was on 2nd.

Judge. Who else was there of the defendants?

Alexeeva. I remember Nikolai Pavlovich Shevchenko was, we sat together, away from the crowd and listened.

Judge. Who preached? What part did you take?

Alexeeva. Guests preached and read poems. I had a poem, but I gave my place up to others who had come from other towns.

Judge. Does the literature which was taken from Tikhenko belong to you?

Alexeeva. Yes.

GRIGORI GRIGORIEVICH BORUSHKO'S TESTIMONY

Judge. Defendant Borushko, what have you to say?

Borushko. Your honour, I resquest permission first of all to clarify the contents of the charge brought against me. Then I am ready to answer any questions the court wants to put. I am accused of the systematic distribution of illegal literature during 1965–66 on the premises of the prayer house of the Odessa Church. That's a lie. I never distributed any literature on the premises of the Odessa Church.

Judge. You said at the pre-trial investigation that at one time this literature used to be at your house.

Borushko. I didn't sign the protocol of the pre-trial investigation—the investigator wrote what he wanted to.

I have been charged with organizing and holding a service on 2nd May in the forest plantation near Shevchenko's farm, which was supposed to have caused a public nuisance by disrupting normal running of road and rail transport in the said district and to have caused material damage to the forest plantation. I've been in Odessa 10 years now and every year I've been at the May-Day service and it's never been brought against me. The court has photographs of the May-Day service in 1965, at which believers from other congregations were also present. That tells you that the May-Day service is something traditional and there's no special organization needed for it.

I personally came to the plantation about 9 a.m. Some fellow-believers were already there. We found our clearing and began to make ready. We hung up a text: "You who remember the Lord, do not be silent!" The meeting began at 11 a.m. I took an active part in conducting the service. Krivoi wasn't there at all, Shenvchenko took absolutely no part in it. I preached on the theme of "God the Creator of the universe" on the basis of Romans 1:20.

I spoke of how the world is regulated and develops according to certain laws as revealed by the scientists, but there must also exist the One Who made these laws, that is God. If we look at the world around us, we see many different objects made by the hand of man, but there are things—animals and the plant world—the author of which we have difficulty in identifying. They didn't create themselves. But there wasn't any appeal in my sermon to break the laws on religion. I can't even imagine how that could be associated with such a theme. We played and sang, and generally spent a good day. Then some auxiliary police came up, but they behaved properly. In the end they listened for a bit, stayed a little longer and then gradually dispersed. We picked up all the litter and burned it. What's wrong with that?

Prosecutor. Why did you break the law and meet without being registered?

Borushko. I don't consider that we broke the law, according to one basic law, the decree of Lenin, point 5: "Free celebration of religious rites is guaranteed, insofar as they do not disturb public order and do not infringe the rights of citizens of the Soviet republic." Our meetings in flats do not cause a public nuisance and are not connected with any infringement of the rights of other citizens. So the 1929 law contradicts Lenin's decree in this matter.

Prosecutor. You aren't interpreting it properly. If you read on, point 6 is: "A citizen's first obligation is the duty to keep Soviet law."

Borushko. I consider my first obligation as a citizen is my duty to work. I work in a factory . . .

Prosecutor. What else do you disagree with in the legislation?

Borushko. It violates the principle of the separation of church and state. State officials have the right to remove a pastor.

Prosecutor. You appoint another one.

Borushko. He's removed again and a month is given to elect a new one. Otherwise they suspend registration. Shevchenko was removed, Logvinenko was elected, and he was removed by the official, too.

Prosecutor. Is there anything else you don't agree with?

Borushko. General meetings for church members can be held only with the permission of the Party district executive committee. For example, if we need to elect a pastor, we have to ask permission from the committee. They may not allow the meeting to take place. That's interference by the state in the internal affairs of the Church.

Prosecutor. You signed and duplicated copies of a Declaration on the suspension of Article 124 of the Constitution.*

Borushko. That was the first such declaration, since we knew that a new constitution was being worked out and we as citizens placed our request with the Legal Draft Commission that Article 124 be formulated in such a way as to guarantee complete freedom of conscience. As believers, we did what Christ said: "Ask and it will be given unto you, knock and it will be opened unto you."

Judge. In the letter "On unity" you criticize the religious decree which allows believers to participate in cultural life, to go to the cinema and the theatre, and you add: "It's impossible to imagine a more satanic programme."

Borushko. That decree is a document of the official religious body (All-Union Council) and the state has nothing to do with it. So you're condemning us for not fulfilling that decree?

Judge. For what reason did you write that letter?

Borushko. Our whole Church at Peresyp went to the town Church to talk about unity. But when that discussion didn't materialize, we had to address them by letter.

People's Assessor: You said that the legislation was adopted in the period of the cult of personality. You don't know your history.

Borushko. Let me correct that. In the period of Stalin's activity, when there were significant religious restrictions.

Assessor. The last Baptist congress was in 1926. When did you finish at the institute?

Borushko. They finished me.

Assessor. Why did they expel you from the institute?

Borushko. For my religious convictions. They told me I wouldn't get through in the subject of atheism.

Assessor. Quite right too.

Borushko. You know, this man (pointing to the Assessor) should be tried under the same law.

Assessor. Did you pass in histology?

Borushko. Yes, with the assessment "excellent".

Assessor. So you studied embryology, the science of the development of man. How did you reconcile that with your convictions?

Borushko. In order to speak about the emergence of life, you have to go back to the question of the emergence of the first living cell. There's Oparin's hypothesis, which is still only a hypothesis, that is, a surmise, and unproved.

Assessor. What do you mean? It's been proved by science.

Borushko. It's been proved. When I was at college, Professor Olga Borisnova Lepeshinskaya experimented on a chicken embryo and made a cell out of a noncellular substance. They gave her the Order of Lenin. Then they checked it and the experiment proved to be false. So the Order of Lenin had to go back. (Laughter in the court, the Judge makes a remark to the People's Assessor.)

Prosecutor. Why are children present at your meetings?

Borushko. I'm amazed that our comrade the Prosecutor says children have no right to go to the meetings. I don't know any law that forbids children to attend meetings. The existing law forbids only the organization of meetings specifically for children.

Assessor. You came to Odessa as a young man—were you already a believer?

Borushko. My views were formed during my time as a student.

Assessor. Didn't your elder brother Sergei have any influence on you?

Borushko. Maybe to some extent. But really a man is born again by the Word of God.

Assessor. Is your wife a believer too?

Borushko. She shares my views.

VICTOR MIKHAILOVICH ZABORSKY'S TESTIMONY

Zaborsky. I plead not guilty to the charge against me.

Judge. How long have you been in Odessa?

Zaborsky. Since 1956.

Judge. Where did you come from? In what connection and to whom?

Zaborsky. I came from Khabarovsk, after being demobilized. I came to relatives.

Judge. When did you become a believer?

Zaborsky. When I was in the Soviet Army.

Judge. When did you have a chance to occupy yourself with such matters there?

Zaborsky. You don't need a long time to become a believer.

Judge: What's your job?

Zaborsky. Stoker.

Judge: Did you help to organize the distribution of literature?

Zaborsky. I'm charged with distributing illegal and slanderous literature. I didn't distribute any such literature.

Prosecutor. But witnesses have testified that you did.

Zaborsky. I asked that they should say it to my face.

Prosecutor. Did you preach?

Zaborsky. Yes, I did.

Prosecutor. Did you speak in Gomenyuk's house, on May Day?

Zaborsky. No, I wasn't there at all on 1st May.

Prosecutor. Were your children there?

Zaborsky. Yes, they were.

VASILI TIMCHAK'S TESTIMONY

Judge. Tell me about yourself, why did you come to Odessa?

Timchak. I came here from Tarnopol Region in 1956 and I liked Odessa.

Judge. Were you already a believer?

Timchak. Yes.

Judge. Where did you meet other believers?

Timchak. At the prayer house.

Judge. What did you do in Odessa?

Timchak. I worked in a factory, first as a brick-layer, then as a tinsmith.

Judge. When you came, was there a prayer house at Peresyp?

Timchak. No, we met in people's houses.

Judge. Did you go to conferences in Moscow?

Timchak. Yes, I did.

Judge. Did you preach?

Timchak. Yes. But you accuse me of calling people to ignore Soviet laws. I never made any such appeal in my sermons.

Prosecution. Were you at the All-Union Conference in Moscow?

Timchak. Yes I was. We adopted a declaration, but there wasn't any appeal in it not to obey Soviet laws.

Prosecutor. Were you summoned to the district executive committee?

Timchak. Yes.

Prosecutor. You were at the conference—what resolutions did you make there?

Timchak. Yes I was there. We decided Church matters.

Prosecutor. Why did you, personally, particularly go to Moscow?

Timchak. The Church elected me.

Prosecutor. Why did you all go to Moscow?

Timchak. Because we weren't being allowed to have a congress, to which we had a right.

Prosecutor. Do you accept the legislation on religious cults?

Timchak. Yes, but I disagree with certain points.

Prosecutor. Which ones?

Timchak. The legislation forbids us to give one another practical assistance. It gives state officials the right to remove a pastor. (He enumerates other points.)

Judge. What questions did you decide at the Moscow conference?

Timchak. We wrote a declaration to the government and asked them to recognize our brethren, the Council of Churches. The Council itself was elected.

Judge. Where did the regional conference take place?

Timchak. I can't answer that question.

(Here follow the testimonies of the witnesses. First to be called is Nikolaev, a *Komsomol* official. His testimony against the defendants contradicts what he said at the pre-investigation and reveals, as do later testimonies of other witnesses, the manipulation of the case for the prosecution.

(In the testimony of the witness L. A. Kuprianov there is still further evidence of the difficulties besetting believers on account of the legislation on religion.)

Judge. Do you respect Soviet laws?

Nikolaev. Why shouldn't we respect them? You ask at work how often I do two shifts in a row; that shows you how I respect them.

Judge. All right; but the legislation on religion is also a Soviet law.

Nikolaev. The legislation on religion affects believers only. We can't fulfill those points in the legislation which are contrary to the gospel. For example, we as believers elect a man for spiritual work, then a state official interferes and has the right to remove him. We elect somebody else, and he doesn't like him either.

Judge. Whom precisely did you elect?

Nikolaev. In our congregation we elected Logvinenko, but the state official turned him down.

There's another point I don't agree with. The legislation forbids us to give each other material help. Now I'm in a trade union, and if somebody falls ill or dies, we help towards the funeral wreaths or assist the sick person. Is that wrong?

Judge. But what if he's not working?

Nikolaev. If he doesn't work then he should be tried as an idler. There's a law about that. But how can we refuse to help if there's an old woman among us who gets 13 rubles pension (£6 a month)—you have to buy her wood and coal.

Judge (reads points from legislation). This giving of financial help is forbidden, but nobody forbids you to give practical help.

Nikolaev. What do you mean, nobody forbids it! Some believers once went to the home of an old blind lady to dig her vegetable garden and vineyard—the auxiliary police came along and chased them away. Suppose my house burned down, for example, do you think the believers wouldn't help me? Would you help, brothers and sisters? (He turns to the gallery, answers are heard "Yes, yes!") ... And another thing, if a man is elected to serve in one congregation, for example in Shevchenkovo, or Peresyp, or in town, then the minister of Peresyp congregation isn't allowed to preach in town and vice versa. But the Lord says, "Go ye into all the world and preach the Gospel to every creature."

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* Guaranteeing the "freedom to hold religious services and the freedom of anti-religious propaganda". Lenin's original constitution had proclaimed the rights to "religious propaganda."

(The testimony of several witnesses follows).

Judge. Have you seen believers gathering for a meeting?

Witness Yakovchenko (an unbeliever). Yes, they come in one way and go out another. They gather in an orderly and quiet way, and by 9 o'clock they're all gone, not a trace of a soul.

Judge. What do they do at meetings?

Witness. They sing and play, very nicely. They've even got a string orchestra, you can hear it through the whole village.

Judge. So they cause a public nuisance?

Witness. God forbid, they're such quiet folks, they couldn't be a public nuisance.

Borushko. Tell us, witness, was there an appeal in my sermons not to obey the legislation on religion?

Witness Paradovskaya (17 years old). Yes there was.

Boruskho. What form did it take?

Witness. You said, "God is love". (Laughter in court).

S. P. SOLOVYOVA'S DEFENSE SPEECH

Comrade Judges! For 4 months now, while the investigation was going on, they've been trying to prove to me that I'm not accused because I'm a believer, but because I've broken the Soviet legislation on religion.

In 1918 Lenin's decree on the separation of church and state was promulgated, guaranteeing all citizens freedom of conscience.

I'm charged with misinterpreting the concept, "freedom of conscience"—that is, they want to convince me that the legislation on cults doesn't contradict Lenin's decree, but makes it more explicit.

Obviously you can interpret the words "freedom of conscience" differently, but it's a shameful thing for our state, the most democratic in the world, when believers can't meet on May Day and spend it as believers.

The prosecutor was very interested as to whether or not we sang revolutionary songs on May Day. If we'd sung revolutionary songs, we wouldn't have been called up before the authorities.

Isn't that a violation of the Constitution, art. 124, which "guarantees freedom of conscience", and gives us the right to sing religious songs?

A lot's been said about giving material help. The legislation on religion, article 17 (b) says: "It is forbidden to render material assistance to other members." I went to tell the court that I don't know of any other state, even the most backward one, where the law demands such a thing—that someone should have the right to control what purposes I can use my honestly-earned money for, and should forbid me to use it to help those in need.

Isn't this point in the legislation a limitation of the freedom of conscience?

In the existing legislation there are points forbidding the activity of circles for children, adolescents, young adults, men and women. But if in our congregation there are young people who want to play instruments, by what international law can you forbid the activity of such circles?

In the legislation there are points limiting the activity of a preacher and of a choir to the area of residence of the congregation in question. This isn't considered a violation of the principle of freedom of conscience. But after all everybody knows that the artists of the Moscow theatre travel not only to different towns, but even to different countries. They aren't restricted in this, let alone called to account for it. If a believer visits another congregation, whether he simply goes as a guest or whether he is in another congregation while on a business trip, or if a choir particularly wants to go to a wedding in some other village, then doesn't the law which forbids this contradict Lenin's decree, article 2?

That point in the legislation where it talks about the right of the official representative to have the presbyter removed, isn't that a violation of Lenin's decree on the separation of church and state? There was a case in our Church: the removal of V. Ye. Logvinenko. Only one reason is known for his removal—the fact that he is a young man; but he's of age, and the Church put its trust in him when they elected him.

Don't all these points, which really restrict freedom of conscience, have one aim in view; to drain all the sap out of believers?

One of the main points of the charge is that according to the existing legislation, any religious society can become active only after registration. Registration is given only on conditions which are contrary to our doctrine. Therefore we as Christians cannot neglect to meet, even though we are deprived of registration.

The charge against us of causing material damage during our celebration of May Day in the plantation is a deliberately-concocted lie. The record of the trees being broken down was put together long after our arrest.

I don't consider the distribution of literature a crime. Instead of giving us freedom to print, you condemn us for this. I did distribute literature and I will continue to do so at the slightest opportunity.

Why are we being tried for breaking the Soviet legislation on religion? The fact that the congregation is unregistered is seen as a crime when Shevchenko and Bondarenko, after being sentenced for precisely the same thing, were rehabilitated while the same legislation was in operation.

The legislation has continued to exist—it's the authorities themselves who are interpreting it differently at different times.

I want to ask the court: when was the mistake made, when they were sentenced, or when they were rehabilitated?

You gave me a great honour when you described me as an organizer. I'm not an organizer, as you accuse me of being. I have friends who are spiritually above me and have worked harder than I. I don't say this because I'm afraid, but because I don't consider myself worthy of such a great honour—to suffer for my Lord.

(Shevchenko asks for postponement of his defence speech, but is deprived of it altogether.)

GRIGORI BORUSHKO'S DEFENCE SPEECH

I consider myself happy to be able to stand before the court, not as a criminal, but as a Christian. I am grateful to you, comrade Judges, for giving those who wanted to be at this trial the opportunity to be convinced of our innocence. And now, dispensing with my legal right to a defence counsel, I shall defend my own case, in the hope that you will graciously hear me out.

Comrade Judges, I am grieved by the fact that the main prosecution witnesses have not been called; Yuleshkin, Shamrai and Kuzmenko. I am beginning to get the impression that the Prosecutor has been absent from court and that our fate has already been decided long ago.

The aim of my defence speech is to demonstrate my innocence of the charges against me, also to show that I am being tried for my religious convictions; to show that the whole indictment did not issue from an actual crime, but was artificially constructed and is the result of an official directive.

The defence is significantly complicated by the fact that witnesses have not been called and therefore the conclusion cannot be a logical one.

Comrade Judges, I was expelled from the medical institute because of my religious convictions. You heard from the witness Moroz's testimony that without having any grievance against me at work, they nevertheless decided at the Party office to dismiss me. And even now in the First Aid section they're threatening me with dismissal. All this is, moreover, a violation of the legislation and if you were to put both our actions in the scales, isn't it obvious that theirs is worse?

And if I'm deprived of freedom, nobody can take away my right to suffer for my Christ.

"Whoever wishes to bear the cross once will be crucified forever . . ."

Judge (interrupting). Keep to the point.

The Church lives as long as it suffers. If you look at the history of Christianity, its faithfulness to Christ, Christianity kept its vitality as long as it suffered. And on the other hand, when the Church moved away from the commands of Christ it ceased to suffer.

Comrade Judges, it is in your hands today, in the name of the law, either to justify arbitrary recriminations, or to show all present that there is justice on earth too. Otherwise I say in Lermontov's words: ". . . There remains the judgment of God . . .!" That's all I have to say.

VASILI TIMCHAK'S DEFENSE SPEECH

I consider myself fortunate that I am on the defendants' bench today as a Christian, not as a thief or a murderer or as someone who has violated another's property. And I rejoice in this fate which has befallen me for Christ.

As a Christian, I believe in Christ and I preached about Him and will continue to do so in future.

The Prosecutor was present in the courtroom and apparently she didn't hear a thing the witnesses said—she read out something that had been decided on and written down already and didn't make a single extract from the witnesses' testimonies.

I'm charged with being a preacher. Yes, I am a preacher and preaching the Word of God isn't a crime before the law.

I'm charged with participating in activity intended to stir up disobedience to the legislation on religion. This wasn't confirmed by any of the witnesses. Nobody said that I appealed to people not to obey the legislation on religion. We don't preach about state legislation at our divine services, we preach the Word of God which says that all people should repent and accept the Kingdom of God. I preached this Kingdom of God and the witnesses confirmed that. In my sermons I spoke about the love of God, how Christ loved man even to the death on the cross, so that everyone who believes in Him might have eternal life. That's what I preached, what I still preach and will continue to preach.

Everything the Prosecutor says is untrue; we have the right to write to our government; it isn't a crime for us to write a declaration to the government.

In Moscow a declaration was written to Brezhnev to the effect that we had elected the Council of Churches and asked for recognition of it, and that it should not be hindered in the work for which we had elected it. This request of ours had nothing to do with non-recognition of the legislation.

I'm charged with being at a conference of the Odessa, Kherson and Nikolaevsk regions. Yes, I was there, and we were deciding Church matters. We also wrote a declaration to the government, requesting that they recognize our brethren from the Council of Churches. There wasn't any infringement of the rights of citizens in it. As for the congress, we are still asking for it to be allowed under the leadership of its initiators, although we get no reply.

The March law of 1966,[*] consolidating Art. 138, part II, has no retrospective power over those things which were done before it was promulgated. But you are charging us concerning a conference which took place in 1965.

The prosecutor has said that we completely reject the legislation. That isn't true; I disagree only with a few points. I didn't influence believers against obeying the legislation on cults, this accusation wasn't confirmed by the witnesses and I deny it. I preached Christ crucified.

The prosecutor said that the celebration on 2 May 1966 was organized under my leadership. Not one of the witnesses confirmed this. How could I have organized it when I wasn't there? I went away to the country about that time.

YA. N. KRIVOI'S DEFENCE SPEECH

"The sun of righteousness will arise with healing in his wings," said the prophet, and the folk proverb says, "Truth is like the sun, you can't cover it up with your hand." I believe in truth, but "Faith is the substance of things hoped for."

20 years ago I was sentenced to 10 years' imprisonment for the same crimes for which I am now standing before the court. Along with me, many were sentenced to 25 years, and some to the supreme punishment.

During that term I worked hard and built two brickyards, for which they let me out ten months early. During my imprisonment and after it the workers and management agitated for us and, as I learned later, truth triumphed and after 20 years I was rehabilitated. And those who were sentenced to 25 years and those who didn't return from prison were also rehabilitated, the latter posthumously.

And now, too, you know perfectly well that I've done no harm to society or to the state.

You are entrusted, comrade Judges, with the fate of a human being.

I'm charged with organizing activity directed against recognition of the Soviet legislation on religion. Nobody confirmed this. I admit that I disagree with some points of the legislation which deprive believers of freedom of conscience.

We have a law about freedom of conscience, and it's forbidden to intrude on another's conscience according to these laws. Our Council of Twenty, which you call a "guiding body," of which I too was a member, lost all power after we were refused registration.

Yes, I was at the conference in Kiev, but there was nothing illegal in the appeal that we adopted there, it was of a purely religious character. We met for a considerable time, and we didn't write to the government until we were disturbed, but the prosecutor states that you don't interefere in our questions of dogma. The election of a pastor is for us a matter of dogma. Nobody should interfere in this. We aren't against control, that's why we always wrote that we live quietly and meet together, and asked to be registered.

I'm charged with distributing appeals among citizens, but which one of them confirmed this?

As for preaching, it's not only Church leaders who can take part in this, but also ordinary members. I'm a preacher and I don't deny it.

I'm charged with organizing the celebration of 2nd May when I wasn't there, because I was doing some plastering for a Christian brother.

The whole trial has confirmed the falsity of the charges against me.

On the basis of the laws of our state I have committed no crime either against society or against the state, But if I suffer as a Christian, I'm ready to wear handcuffs. I've been a believer for 40 years and you can't re-educate me whatever you do, and you won't break me with any threats.

V. I. ALEXEEVA'S DEFENSE SPEECH

I thank the Lord that on this my spiritual birthday I have been counted worthy to sit on the defendants' bench.

Comrade Judges, if faith in God has brought me happiness and my heart is overflowing with Him, do you really think I wouldn't tell people? Even the Constitution grants freedom of conscience. So I told everybody who wanted to listen to me that Christ loves every sinner and that the Lord says today: "Do I desire the death of a sinner, and not that he should turn to me and live?"

As for the distribution of literature, I want to say that when this trial is over it will be published in the paper, and we too have the right to write to the government and to our friends in the Church.

For example, I distributed the "Kiev Declaration" which reports certain unjust incidents. If these had not occurred, there wouldn't have been any declaration either.

Secondly, when the article "Prophets and Victims" came out, filled with slander and unjust accusations against the believers Kryuchkov and Vins, the mother of one of them, who was well acquainted with her son's life and had followed it carefully, wrote a declaration to the government in which she refuted the injustice of this article. That was the reason for that letter. Our declarations concern only our Christian life.

I'm charged with going to Moscow, where I was a delegate from the congregation at Peresyp. We're Soviet citizens and every year we cast our votes for those who are to guard our constitutional rights and we have the right to turn to them with our declarations.

For our part we render unto Caesar what is Caesar's and unto God what is God's.

Comrade Judges, you charge me with organizing the distribution of literature and with inciting believers not to obey the legislation on cults. In the course of this trial all these charges have been refuted. The Council and all the congregations that support it, including ours. I consider to be legal, since we have appealed to the authorities many times and still do with requests for registration. But up to now our declarations have been ignored.

Our methods and our actions are open for all to see. The Word of God says: "The way of the just is uprightness" (Is. 26:27).

Pascal said: "Woe to those who do not know their life's aim." Our aim in life is to fulfill the commands of Christ. The first commandment is: "Thou shalt love the Lord thy God" and the second: "Thou shalt love thy neighbour as thyself". If we fulfill these commandments, we don't break state laws in so doing; on the contrary, wherever we can we try to help and give good advice. In the Holy Scriptures it says: "There is no other name under heaven by which men may be saved except the name of Jesus Christ".

N. P. SHEVCHENKO'S FINAL ADDRESS

In 1962 I was sentenced to 4 years imprisonment and 3 years exile for not obeying the "Letter of Instructions" and the Baptist Statutes, for making my home available for prayer meetings, for baptizing believers.

I served 2 years and 7 months in prison, after which I was rehabilitated for lack of criminal evidence. I was re-instated at work and paid a pension for the time in prison.

After my release I worked for 4 months and because I went to Moscow with an appeal to the government I was again suspended from work.

Was anyone responsible for all this?

I stand again before a court, accused of the same thing.

You charge us with slander of the press. I won't touch on the article "Prophets and Victims" in the central paper *Izvestia*—Solovyova has already talked about that; but I want to mention our local paper, *Chernomorskaya Kommuna*, which carried an article saying that believers in the village of Usatovo, Odessa Region, burnt down a house and an old woman in it, as if to say that they made a ritual sacrifice of her. Anyone who wants to look into it can find out for himself that this is a lie, everybody in Usatovo knows the believers.

I was born and brought up in that village, I know everybody there—there isn't even an old woman of that name.

Even now I can't understand how they could pass something like that in a newspaper—to write about something absolutely fictitious. It's just done to arouse popular hatred against believers.

I have no doubt that you're capable of writing a slanderous article about us, too.

JUDGE. That has nothing to do with the case—keep to the point.

SHEVCHENKO. What do you mean, it has nothing to do with the case, when we're accused of slandering the press?—the fact is it's the other way round: you write slanders about believers.

JUDGE. (interrupts) . . .

SHEVCHENKO. I accept this imprisonment with joy, as did the apostle Peter; when they wanted to crucify him he said, I'm not worthy to be crucified like my Teacher, Christ—crucify me upside down" . . .

JUDGE. (interrupts) . . .

SHEVCHENKO. Comrade Judges, I'm not asking you for mercy, but the fate of many people is in your hands, you are expected to judge justly. When King Solomon was entrusted with the judging of the people, he asked the Lord for wisdom.

JUDGE. (interrupting) We're not interested in Solomon.

SHEVCHENKO. "Be wise now therefore, O ye kings; be instructed, ye judges of the earth" (Ps. 2:10).

JUDGE. Sit down, Shevchenko.

G. G. BORUSHKOS' FINAL ADDRESS

I came to Odessa when I was 18. By 1958 I had done two years of higher education and I decided to enter the Medical Institute, but since you had to have three years behind you for this, I decided to try and get into the State University. I went there as a production worker in biological faculty.

And it was there, while I was studying science, that the question of religion came to me in a completely different light. I realised that the greatest scientists, the pillars of science, like Kepler, the discoverer of the laws of planet motion, Newton, discoverer of natural laws relating to the earth, the naturalist Linnaeus, who gave us the classification of the whole animal and plant world, the mathematician Euclid, physician and mathematician Pascal, our first Russian universalist Mikhail Lomonosov, Copernicus, and in our own time, Filatov, Voino-Yasenetsky and others, had been men of profound religious faith. Therefore I decided to find out myself a definitive answer to the question: does God exist or not—that is, should I be a believer or not? At that time I read the Bible a lot and I came through strong doubts to faith in God. My atheism and unbelief were based on an ignorance of the Bible. I particularly liked the Gospels.

But however strange it may seem, it was just at that time that I went through a most intense inner struggle and uncertainty. I looked at the Bible . . . it was through not knowing it that people didn't believe. I remember during a conversation in the institute, the Vice-Dean said to me: "The Bible says the world stands on three whales". I asked her: "Did you read that yourself?" and she was uncomfortable because she was a scientist but she'd never read the book that so much has been spoken about in every century, the book that people base their lives on, and for which they will give their lives. (The judge interrupts: "Don't start making propaganda").

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[*] Tightening up on the production of religious literature and public acts of witness, as well as being even more specific than before on the outlawing of Sunday Schools.

Well, I liked the Gospels, but I couldn't find in myself the strength to live them out until I realised that to do this you had to be born again, that is, to accept Jesus Christ in your heart—and I turned to Him.

"With His holy freedom
He took the chains from the soul, torments from the heart,
And stains from the guilty conscience" . . .

At that time occurred the first persecutions, but this was according to Christ's words; it ended with my being expelled from the institute, but I had already decided on this path:

Whoever wants to bear the cross once
Will be crucified forever,
And whether there is happiness in life
He will be happy in eternity.

You are appointing us to suffer, but in fact this is preordained by God, for not a hair of our head falls to the ground without His will.

Suffering is Christianity's vital nerve. The Church is alive as long as it suffers, for Christ suffered and called us to do likewise.

I'm an optimist—in other words I believe that if things are bad today, they'll be better tomorrow; if they sentence you today, they'll acquit you tomorrow; if injustices meet you on earth today, tomorrow there'll be justice.

Such a dialectic, if it isn't confirmed on earth, will still triumph in heaven, as it's written: "According to the promise we wait for a new earth and a new heaven in which righteousness dwells."

JUDGE: Borushko, have you any more quotations?

BORUSHKO: Yes I have.

"I want to walk in such a way
That my weary brother
Should hear the rhythm of my steps
And be shaken out of his slumber and inspired
To step out more quickly towards the sacred vision.
That my step should convince the unfaithful
Of the holy, blessed truth,
And that day by day the ranks of warriors
On the way to the goal should be filled with brothers
Whom God's Spirit has awakened to life.
I want to walk so that the children of paradise,
The angels in heaven, should draw men's hearts
And in joyful praise, blessing my path,
Should sing a hymn to the Saviour of the world.
Their praise is poured out at God's throne
Poured out unchanging in sacred harmonies.
In its precious beauty
It has drawn so many sinners to God.
And today the angel choir is not silent . . .
When history's course is run,
To Him who went His way without turning back
Will sound their hundredfold hymn of praise."

V. T. TIMCHAK'S FINAL ADDRESS

I've been a Christian since childhood. My mother brought me up as a Christian from my early childhood, and I am before you today on the defendants' bench as a Christian. Yes, I believe in God, and the Word of God says that it is given to us not only to believe in Him but also to suffer for Christ. I am happy that I have the chance to carry out these words of Christ, one thing I know—He will never leave me. Christ Himself bore sufferings and has never left His followers who have trodden the same path. And I rejoice in this lot—to suffer for Christ. Many of my brothers have been unjustly sentenced and later rehabilitated and I know that you are trying us today, but tomorrow we will be rehabilitated, for lack of criminal proof. Then those who today are asking for these terms of imprisonment will be ashamed.

Many of our brethren have already gone the way of suffering in faithfulness to our Lord, but the Word of God says: "Regarding their end, imitate their faith".

And now today you are separating us from our relatives and loved ones, but I believe that we will meet again on earth, and in eternity we will receive for all our sufferings a joy that will have no end, when we meet our Saviour.

V. M. ZABORSKY'S FINAL ADDRESS

Before I came of age, I decided to leave home so as not to hear about God. I signed up and went to Novosibirsk. They didn't want to take me, but I persuaded the official. They understood my circumstances and did it as a favour.

In a worldly atmosphere I learned to swear like a trooper.

I was soon called up. There among my friends I was the most active composer and teller of dirty stories and I always found a circle of friends to listen. Nobody could beat me at it. I didn't drink wine or vodka there, I only drank some stuff that had a skull and crossbones on the bottle—it's called methylated spirits. I was summoned before a military tribunal to explain my way of life.

It was there, walking on the bank of the Amur, that I remembered the words of my mother: "Son, when you get into trouble, remember God." And then I took off my soldiers' cap and said: "Lord, if you save me from this trial, then from this moment on I'll be your preacher". And it all worked out. There was a complete change in my life. I became a new man, people began to be grateful to me. I was put in charge of a group but without any rank. Then the men began to get interested in me, when they saw that I no longer joined with them in their former bad ways; I was sumoned by the officers, from the lowest to the highest. The commander summoned me and after some inconclusive conversation, he suggested: "If you deny God, we'll give you rank, you'll get more money".

"I've got a rank higher than commander of a regiment".

"What's that?"

"As a Christian," I answered.

Soon they summoned me again and said:

"You know that your faith is a relic of capitalism?"

"You're wrong about that. Our faith existed under Nero and the Roman Empire before capitalism came, it's existed under capitalism, it exists under socialism and, if God wills, it'll exist under communism".

They asked me to go, and when I was summoned again they said:

"You know, Zaborsky, that spies conceal themselves under the mask of your fatih "

"I can't argue about that, because I've never heard such a thing before—but practical experience has shown that spies can get through the Party net, but not through the religious one—Beria for example, and Penkovsky."

A bit later the commanding officer summoned me and said:

"Listen Zaborsky. We had a soldier once who wore a cross round his neck. We had a talk with him and he took it off, put it on the table and said: 'Give me a *Komsomol* card'."

I'd do that too, but my God isn't on a crucifix, but in my heart. I can't put Him on the table—to do that I'd have to tear out my heart, in other words stop living, which is impossible. Later, I was demoted to be a reservist. The deputy political officer said:

"Well, Zabrosky, off you go now with your God."

"Exactly, comrade major."

"Goodbye, you block-headed Baptist, just go on the way you are doing".

Then I came to Odessa, I was baptized and became a member of the Peresyp Church. I went to the meetings at the prayer house for two years, but after it was closed I and my brothers and sisters met during the cold winter of 1958 outside the wall of the closed prayer house. When our prayer house was given to the poultry farm to use, we tried to meet in flats. That's what we've done up to now. It was only in the summer of 1966 that I found out about the existence of the Soviet legislation on religion, which prohibits Gospel teaching and Lenin's decree. On the basis of this legislation the "Statute" and the "Letter of Instructions" were issued back in 1960, which led to the great and visible schism in the Church. Believers were in such a situation that they had to violate something—either man's or God's law.

(The judge interrupts). It is precisely for this reason that I stand before the court today, as a Christian.

Judge: (to the police) Please restore order.

(Three policemen quickly go up to Valya and make her sit down).

SENTENCE

SHEVCHENKO, Nikolai Pavovich,
BORUSHKO, Grigori Grigorievich,
KRIVOI, Yakov Nikiforovich,
SOLOVYOVA, Svetlana Pavlovna,
ALEXEEVA, Valentina Ivanovna,

Sentenced to 3 year's imprisonment in ordinary regime camps.

TIMCHAK, Vasili Terentievich
ZABORSKY, Viktor Mikhailovich

Sentenced to 1 year's imprisonment in ordinary regime camps.

Mr. HELMS. Mr. President, it is my understanding that the manager of the bill is willing to accept this amendment.

Mr. PACKWOOD. I wanted to ask one question, if I may. In the reading of it, I thought he said "any country—as defined in section 620(f)." My understanding was any country, period. I am not sure what is specified in that section.

Mr. HELMS. That section lists the countries that may be involved in involuntary servitude.

Mr. PACKWOOD. I wonder if I might suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. PACKWOOD. On the time on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. Preisdent, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. I yield to the Senator from North Carolina.

Mr. PASTORE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate come to order. Will the Senators please take their seats before we proceed?

Mr. ROBERT C. BYRD. Will the Senator yield to me briefly for a unanimous-consent request?

Mr. HELMS. Yes, I yield.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1974 — UNANIMOUS CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared with the Republican leadership and with the Senators on my side of the aisle.

I ask unanimous consent that at such time as S. 3585, the Health Professions Educational Assistance Act of 1974 is called up and made the pending question before the Senate, there be a time limitation on the bill of 6 hours to be equally divided between Mr. KENNEDY and Mr. JAVITS; that there be a time limitation on a substitute by Mr. BEALL of 6 hours; that there be a time limitation on any other substitute of 2 hours, if offered; that there be a time limitation on any other amendment of 1 hour; that there be a time limitation on amendments to amendments, debatable motions or appeals, of 30 minutes; and that the agreement be in the usual form, with the further proviso that Mr. BEALL may have until midnight Friday to offer his substitute and have it printed.

Mr. PROXMIRE. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. PROXMIRE. The usual proviso excludes any nongermane amendments and this has been very, very strictly construed. This is the health bill. I have an amendment that has been printed, it is at the desk, and I would ask that amendment be qualified.

Mr. GRIFFIN. Mr. President, would the Senator from Wisconsin describe his amendment, indicate what it is?

Mr. PROXMIRE. Yes; the amendment deals with the FDA's ruthless attitude toward people who would sell vitamins.

I have 47 cosponsors on that amendment.

Mr. PASTORE. Sell what?

Mr. PROXMIRE. Vitamins.

I think it is an amendment whose time has come.

Mr. HUMPHREY. If the Senator will yield, I compliment the Senator.

Mr. PROXMIRE. I thank the Senator.

Mr. HUMPHREY. I join in the defense of vitamins. I take them, I feel good.

Mr. PROXMIRE. The Senator is the best example I know of for their efficacy.

The **PRESIDING OFFICER.** The Senator from West Virginia.

Mr. PROXMIRE. Would the Senator from West Virginia qualify my amendment?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the amendment by Mr. PROXMIRE be in order regardless of whether or not it is germane.

The **PRESIDING OFFICER.** Is there objection to the unanimous consent agreement? The Chair hears none.

Without objection, it is so ordered.

The text of the unanimous-consent agreement is as follows:

SEPTEMBER 19, 1974.

Ordered, That during the consideration of S. 3585, the so-called "Health Professions Educational Assistance Act of 1974," debate on any amendment (except an amendment in the nature of a substitute to be offered by the Senator from Maryland (Mr. Beall), on which there shall be 6 hours debate, and any other amendment in the nature of a substitute for the bill, on which there shall be 2 hours debate) shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and debate on any amendment in the second degree, debatable motion or appeal shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the Minority Leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received, except an amendment to be offered by the Senator from Wisconsin (Mr. Proxmire), which may or may not be germane.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 6 hours, to be equally divided and controlled, respectively, by the Senator from Massachusetts (Mr. Kennedy) and the Senator from New York (Mr. Javits): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

ORDER OF BUSINESS TODAY—ANNOUNCEMENT OF INTENTION TO ADJOURN UNTIL MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, will the Senator from North Carolina yield to the majority leader for an announcement?

Mr. HELMS. I yield.

Mr. ROBERT C. BYRD. Mr. President, I am authorized by the distinguished majority leader to state that the Senate will remain in session today until the pending business is completed, and by virtue of the agreement having been entered into which has just been consummated, the Senate then will go over until Monday at 12 noon.

I thank the Senator.

The **PRESIDING OFFICER.** The Senator from North Carolina.

Mr. HELMS. Mr. President, the managers are willing to accept my amendment.

The **PRESIDING OFFICER.** The Senate will please come to order. Will Members take their seats? Members of the staff take their seats and Senators will take theirs.

The Senate is still not in order.

The Senator from North Carolina.

Mr. HELMS. Mr. President——

Mr. MAGNUSON. Will the Senator yield, to allow me or the Senator from Rhode Island to ask the Senator from West Virginia a question?

The **PRESIDING OFFICER.** Will the Senator yield?

Mr. MAGNUSON. The last unanimous consent announcement, no one could hear, we could not even see, let alone hear.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HELMS. Yes.

Mr. ROBERT C. BYRD. May I say in response to the distinguished Senator from Washington that I announced on behalf of the majority leader that in view of the fact that the Senate had entered into the agreement on the health services bill that the Senate would therefore stay in session today until the pending matter is disposed of, upon which further condition the Senate would then go over until 12 o'clock on Monday.

Mr. PASTORE. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. PASTORE. I want to congratulate the Senator, but can we determine just how many amendments we have and just about how long we might be here?

Mr. ROBERT C. BYRD. May I ask Senators to raise hands if they have amendments?

Five, and we have a time limitation on each of six amendments of 30 minutes, to be equally divided, which hopefully will not be used. There is a time limitation on the amendment of Mr. PROXMIRE of 1 hour, which hopefully will not be utilized.

Mr. PASTORE. So we may be here until 10 or 11 o'clock tonight?

Mr. ROBERT C. BYRD. I doubt it.

Mr. BIDEN. Will the Senator yield?

Is there any estimate on the part of any of these about amendments that can take an hour, take half an hour?

Mr. ROBERT C. BYRD. May I say to the Senator, we will work on each amendment, one at a time, case by case, to see if we can cut time on them.

EXPORT-IMPORT BANK AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3917) to amend and extend the Export-Import Bank Act of 1945, as amended, and for other purposes.

The **PRESIDING OFFICER.** The Senator from North Carolina.

Mr. PASTORE. May I ask a question of the Senator from North Carolina?

Mr. HELMS. Yes, sir.

Mr. PASTORE. Do I understand the Senator's amendment to mean that we are against slavery?

Mr. HELMS. It means that the U.S. taxpayer ought not to be forced to furnish money for loans to countries that practice slavery.

Mr. PASTORE. I am for it.

Mr. HELMS. I am glad to hear it.

Mr. President, I have no further comment.

Mr. STEVENSON. Mr. President, we are prepared to accept the amendment and take it to conference.

I am prepared to yield back the remainder of my time.

Mr. AIKEN. Will the Senator yield and give us the correct definition of "involuntary servitude"? Why is it restricted only to Communist countries?

Mr. HELMS. I did not understand the Senator's question.

Mr. AIKEN. The amendment is directed to Communist countries, involuntary servitude.

Mr. HELMS. I will say to the distinguished Senator, we modified the amendment to resolve what I anticipate will be the Senator's next question.

Mr. AIKEN. That covers the United States, too, then.

Mr. HELMS. Yes.

Mr. AIKEN. All right, that is fine.

The PRESIDING OFFICER. Did the Senator from North Carolina yield back his time?

Mr. HELMS. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on the amendment of the Senator from North Carolina (Mr. HELMS).

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, I yield to the distinguished assistant majority leader.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time on any remaining rollcall vote today be limited to 10 minutes with the warning bells to be sounded after the first 2½ minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JACKSON. Mr. President, I call up my unprinted amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the appropriate place in the bill insert the following:

ADDITIONAL DIRECTOR

SEC. —. Section 3(c) of the Export-Import Bank Act of 1945 is amended—

(1) by striking out "three" in the first sentence and inserting in lieu thereof "four";

(2) by striking out "five" in the second sentence and inserting in lieu thereof "six"; and

(3) by inserting after the second sentence the following: "One of the members of the Board shall be appointed from among persons who are representatives of or affiliated with one or more labor organizations.".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time on this amendment be limited to 15 minutes, to be equally divided in the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Washington.

Mr. JACKSON. Mr. President, the amendment I am proposing is simple. It would add one additional statutory member to the Board of Directors of the Bank. It further specifies that this additional members shall be appointed "from among persons who are representative of or affiliated with one or more labor organizations."

Mr. President, one of the principal issues that the Board of Directors of the Bank must face as it considers loan applications is whether financing the transaction will lead to the export of American jobs. This is particularly true where the export of productive capability—plant and equipment—is involved, as it is increasingly in the operations of the Bank. The addition to the Board of a member with labor experience will help to assure that this consideration is given sufficient weight early in the Board's consideration of each transaction. It will help to correct the communications gap that has developed between the Bank and the trade unions; it will foster a spirit of understanding and cooperation.

Mr. President, I would hope the amendment will be accepted.

Mr. PACKWOOD. Mr. President, I will accept the amendment.

Mr. STEVENSON. I will accept the amendment.

Mr. PACKWOOD. I yield back the remainder of my time.

Mr. STEVENSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Washington. (Putting the question.)

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BARTLETT. Mr. President, I send to the desk my unprinted amendment, as modified, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The legislative clerk read as follows:

At the end of the bill add the following new section:

Title 12, United States Code, section 635 (b), is amended by adding a new subsection (6) as follows:

"(6) The bank shall not guarantee, insure or extend credit, or participate in any extension of credit to any foreign country, agent, national or business organization thereof, in connection with the purchase or lease of any product which is necessary for the production, refining, and transportation of oil and/or gas and which has been determined by the National Advisory Council in consultation with the FEA and the Department of Commerce to be in short supply and with such exception as the President may determine necessary.".

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time on the amendment by Mr. BARTLETT be reduced to 10 minutes, to be equally divided in accordance with the usual rule.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BARTLETT. Mr. President, I think the amendment speaks for itself. I would merely says that Mr. Casey of the Eximbank testified before the Interior and Insular Affairs Committee that there were a number of drilling rigs and a number of strings of tubular goods that were financed by the Eximbank. This flies right in the face of the efforts to increase the sufficiency of energy in this country.

Therefore, I think this amendment will be very helpful to achieving energy self-sufficiency.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I wanted to ask him a question, but I just found out the answer.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. I am prepared to accept the amendment.

Mr. STEVENSON. I have discussed this amendment with the Senator from Oregon. We are prepared to accept it and yield back the remainder of our time.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield back the remainder of his time?

Mr. PACKWOOD. I do.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified, of the Senator from Oklahoma. (Putting the question.)

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

RELATIONSHIP TO THE TRADE REFORM ACT

SEC. 13. Until such time as the bill H.R. 10710, cited as the Trade Reform Act of 1973, is approved by the Congress and signed into law by the President, no loan, guarantee, insurance, or credit shall be extended by the Export-Import Bank of the United States to the Union of Soviet Socialist Republics.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HUMPHREY. Mr. President——

The PRESIDING OFFICER. Will the Senate please come to order?

Mr. HUMPHREY. These amendments are very important. If anybody knows what we are doing around here, it will be one of the great revelations of all time. I suggest that we have some order here. We are talking about a bank that does billions of dollars worth of business. God himself is the only one who knows what we are doing here, and He is not telling us.

The PRESIDING OFFICER. The Senator's point is well taken. Will the members of the staffs please take their seats and also the Senators? Will each Member of the Senate please take their seat.

The Senator from Oregon.

Mr. PACKWOOD. Mr. President, as the Senate is quite aware, one of the controversies that this country has been involved in over the past year is the emigration of Soviet Jewry. It is one of the issues that has tied up the trade bill for an extensive period of time. I am a supporter, with Senator JACKSON and others, of the amendment that would prohibit the extension of most-favored-nation status for Russia unless they are willing to admit to free emigration. This particular amendment that has been offered here is very substantive. It simply says that until the trade bill that is now before Congress passes, there will be no extension of export-import credits to Russia, period. That is the end of the amendment. That puts, we hope, the burden on Russia to be willing to open up the emigration for Soviet Jewry, because it is the one stumbling block left, and that we can reach a reconciliation of that impasse.

If they are not willing to reach a reconciliation, then they will have no extension of credit from the Export-Import Bank, period. That is the amendment, pure and simple.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENSON. I am prepared to accept the amendment.

Mr. HARRY F. BYRD, JR. Mr. President, I commend the Senator from Oregon, and I am glad to support the amendment.

Mr. PACKWOOD. Thank you.

Mr. STEVENSON. If there is no opposition to the amendment, I am prepared to yield back the remainder of my time.

Mr. BUCKLEY. Will the Senator from Oregon list me as a cosponsor to that amendment?

Mr. PACKWOOD. Mr. Presdent, I would like to list the Senator from New York (Mr. BUCKLEY), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from New Jersey (Mr. CASE) as cosponsors of this amendment.

I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment having been yielded back, the question is on agreeing to the amendment of the Senator from Oregon. (Putting the question.)

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Wisconsin.

AMENDMENT NO. 1860

Mr. PROXMIRE. Mr. President, I call up my amendment No. 1860 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end of the bill add the following new section:

SEC. 13. Section 2(a)(2) of the Export-Import Bank Act of 1945 (12 U.S.C. 635) is repealed.

Mr. PROXMIRE. Mr. President, what this amendment would do would be to put the Export-Import Bank back in the Federal budget, and subject it once again to annual expenditure and net lending limitations. It never should have been taken out of the budget. I think it is clear on the basis of the debate we have had so far that it should be back in the budget. It should compete with all other Federal programs for limited funds.

Mr. President, I ask that the Senator from Florida (Mr. CHILES) and the Senator from North Carolina (Mr. HELMS) be added as cosponsors.

I opposed the action taken in 1971. In light of subsequent developments I believe it is essential that we reconsider the question of exempting the Export-Import Bank from the Federal budget. No Federal program should be excluded from the budget. The whole purpose is to place all Federal programs—loans and direct expenditures—in competition with one another—the limited supply of funds available in any fiscal year, so that national priorities can be set and resources allocated in the most efficient way.

Taking a program out of the budget removes it from the discipline of the budgetary process. In effect, it gives that program a higher priority than all the other programs which remain in the budget. I see no reason to single out Eximbank loans for such favorable treatment when other Federal loan programs for desirable purposes, such as housing lower income people or aiding small businesses, are included in the budget and subject to the restrictions thereby imposed.

Keeping the Export-Import Bank out of the budget totals does not alter its real impact on the budget and on the economy as a whole. It simply conceals that impact. Moreover, it permits the Bank to expand its lending and borrowing activities almost without limit, which drives up interest rates and diverts credit resources away from domestic needs, such as housing and business investment.

Excluding the Bank's disbursements and receipts from the budget understates the budget deficit. The deficit impact of the Bank has increased sharply in the years since it was taken out of the budget—rising from $145 million in fiscal year 1972 to $498 million in fiscal year 1973 to the fiscal year 1974 figure of $1.18 billion. Mr. President, the Banking Committee considered this, and only by an 8 to 7 vote did it decide not to put it in the budget. GAO officials have testified that with additional expansion planned—expansion made possible in large degree by the release from budget constraints—the deficit impact of Eximbank spending could easily mount to billions of dollars.

The Comptroller General says it ought to be in the budget. The Chairman of the Federal Reserve Board, Arthur Burns, has made his position very clear—that it is a serious mistake to exclude the Bank from the budget. Of course, nobody is more expert or authoritative on monetary policy or the impact of borrowing on our economy and on limited credit resources than the Chairman of the Federal Reserve Board. He has the respect of all of us.

How can we control Federal spending, how can we fight inflation, if we permit an agency which in effect adds over a billion dollars a year to our budget deficit to remain outside of the budget process—free from the discipline imposed by OMB budget review, and in particular, free from adequate congressional control.

Mr. President, I want to speak further about this matter, but it is my understanding that the Senator from Idaho has an amendment he would like to offer, which may be accepted by the committee. In order to accommodate him and in order to accommodate the committee, I ask unanimous consent that my amendment be set aside temporarily while the Church amendment is considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 1871

Mr. CHURCH. I thank the distinguished Senator from Wisconsin for his courtesy.

Mr. President, I call up my amendment No. 1871.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CHURCH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following:

The President of the Export-Import Bank shall transmit to the Congress a special message with respect to any proposal for Bank assistance for the purchase, lease, or procurement of any product or service which in any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961) involves (a) research, (b) exploration, or (c) production of fossil fuel energy resources. The Bank in the exercise of its functions shall not guarantee, insure, or extend credit, or participate in any extension of credit, in connection with any such purchase, lease, or procurement unless the Congress shall by concurrent resolution first approve the same.

Mr. CHURCH. Mr. President, during the course of the hearings of my Subcommittee on Multinational Corporations, we have had occasion to explore two proposals that are in the advanced state of negotiation between a consortium of large multinational oil companies and the Soviet Government. If these negotiations work out as planned, we face the possibility of financing, through the Export-Import Bank, two immense projects, the first being the North Star liquefied natural gas project and the second being the Yakutsk project, which would involve billions of dollars.

Our examination of these two projects convinced the subcommittee that everything was wrong with them that could be wrong.

First of all, all the risk capital would be extended either through the Export-Import Bank directly, or indirectly through guaranteed loans; 90 percent of the total would be public money. If the Soviet Union, in which most of these facilities were to be constructed, developing both oil and natural gas, reneged on its agreement, it would not be the private companies that would stand to lose but, rather, the taxpayers, through the guarantees extended by the Export-Import Bank.

Second, we discovered that if we were to go forward with these projects, it would impose a very serious demand upon equipment and expertise that is presently in short supply in the United States.

Mr. President, the amendment requires affirmative congressional approval of Export-Import Bank financing of equipment or expertise for the exploration and production of fossil fuel energy resources in any Communist country. The amendment is necessary because of the unique economic and diplomatic importance of oil and gas projects in today's world.

Careful examination of the proposed financing for Siberian oil and gas projects convinces me that we must make an exception in this case to the general principle that Congress should give broad policy guidelines and leave case decisions to the executive branch. The Amercan taxpayers are now being asked to underwrite the financing of oil and gas equipment to Communist countries at a time when the equipment and expertise is in short supply here in the United States. American companies wanting to increase domestic reserves and production are now wait-listed for the equipment. The waiting time for drilling rigs and bits is several years. If we are serious about wanting to decrease American dependence on foreign energy *supplies, it* is folly to subsidize Soviet purchases of the very equipment we need to do it.

The Subcommittee on Multinational Corporations heard testimony about the North Star and Yakutsk projects to develop Siberian natural gas. The companies involved claim that they are taking great financial risks to secure foreign sources of natural gas for the U.S. consumer. But a closer examination of these projects shows that the real risk taker will, as usual, be the U.S. taxpayer. The U.S. companies which are negotiating these projects ask that 90 percent of the facilities to be constructed in the Soviet Union will be financed by Export-Import Bank credits and guarantees, amounting to $4 billion. That is 10 times the present Eximbank exposure on sales to the Soviet Union. The only financial stake the private companies will have in these ventures is the LNG tankers and the regasification plants located in the United States—facilities which could easily be transferred to other uses, should the Russians choose to renege on their contractual obligations.

These credits are to be repaid by the Russians over a 12- to 15-year period, through the sale of natural gas to the United States in volumes that would leave the east and west coast markets dependent on the Soviet Union for as much as 10 to 15 percent of their demand for natural gas. And the price of this Russian gas is expected to be at least three times higher than the present price of domestically produced gas.

The Soviet request for $49.5 million in Eximbank credits currently pending for the Yakutsk project is for exploration to prove that there are sufficient gas reserves in Siberia to justify laying pipe and building LNG port facilities. The Export-Import Bank and the companies involved claim that participation in the exploration phase in no way implies a commitment to go ahead with the actual development phase requiring $900 million in additional Eximbank commitments. But it hardly makes sense to pour scarce capital and equipment into exploration and then not go ahead with development once adequate reserves are approved.

Therefore, this $49.5 million request is most likely only the opening wedge to a much larger Eximbank commitment, but would allow the companies to circumvent the $50 million limit provided in the "congressional veto" section of the Banking, Housing and Urban Affairs Committee bill. In my judgment, there must be an absolute requirement of congressional approval for Export-Import Bank assistance for the purchase or lease of any equipment or service relating to exploration for, or production of, fossil fuel energy resources in Communist countries.

The amendment which we have before us today provides for such congressional approval.

I should think, Mr. President, after our recent experience with oil embargoes in the Middle East, there would be no disposition in Congress to approve elaborate developmental projects of oil and gas inside the Soviet Union, financed through the public credit of the United States.

It is true that there are provisions in this bill which would require a certain amount of congressional surveillance for loans above $50 million. But even these provisions do not reach the proposed Yakutsk project, since the initial stage of that project involves $49.5 million in Export-Import Bank credits, which will be used to do the initial exploration work to determine whether these natural gas reserves are there in sufficient magnitude to justify the project.

I submit that once we have put in nearly $50 million to ascertain whether or not the reserves are there, it will then be said that we have committed ourselves and that in order to avoid the waste of this money, we should then go forward with the rest of the money entailed in the development project itself.

So, in effect, the present provisions of the bill do not reach these particular projects. I think that the importance of our own effort to achieve a larger measure of self-sufficiency in fuel supplies, plus the obvious risks here that are being assumed not by the private companies but by the Federal Government, through the Export-Import Bank, make these projects so questionable and so contrary to professed policies of this Government in terms of self-sufficiency in fuel supplies that we should make an exception of loans in the credits to be extended for the purpose of developing fossil fuels inside the Communist countries.

That exception should require the advance consent of Congress. That is the purpose of this amendment. It merely will assure us that before any such deals are entered into, Congress first has an opportunity to review and scrutinize the proposal and to give its consent before the money is committed to the project in question.

I think this is a wise precaution; given the importance of our own effort to achieve self-sufficiency, it is fully justified.

I hope for these reasons, the managers of the bill will find it possible to accept the amendment.

Mr. STEVENSON. Mr. President, there are a couple of points I should like to clarify in connection with this amendment.

In the first place, the Senator from Idaho said that the bill subjected $50 million transactions to the approval of Congress. That provision has been changed to require prenotification to Congress by the Bank of all transactions, including those guaranteed anywhere in the world, to $60 million or more.

Mr. CHURCH. That is what I meant to say with reference to the provision in the bill.

Mr. STEVENSON. There is one point about that that I should like to have very clear in the Record, if we have not made it clear in the bill. It is not contemplated that that $60 million prenotification requirement can be evaded by dividing up a large transaction into small parts. That requirement applies to all of the parts, the aggregate.

That being the case, I believe it would apply to the Yakutsk transaction, to which the Senator referred.

Nevertheless, the bill deos not require the congressional approval which the Senator requires in his amendment. My concern is not over the applicability of congressional approval to large Yakutsk-like transactions, but to smaller transactions which might be picked up by the broad language of this amendment. It speaks of any product or service which involves research, exploration, or production of fossil fuel energy resources.

I think, first of all, that it ought to be made clear in the Record—perhaps it is already—that by reference to research and exploration the Senator refers to research or exploration in connection with the development or the production of fossil fuel energy resources, not to other activities. Is that correct?

Mr. CHURCH. The Senator is correct.

Mr. STEVENSON. Then I wonder if the Senator would clarify his intent by suggesting why this would not pick up and subject to prior congressional approval every U.S. export of a Caterpillar tractor or a truck or a piece of pipe, or some small commodity which might be used in connection with exploration or production of fossil fuel energy resources.

A computer, for example, could be used for research on fossil fuels as well as on other matters. A truck could be used in connection with oil exploration and perhaps for other purposes. Are they not all caught up by the broad language of this amendment?

Mr. CHURCH. I really think that if the amendment is read in context, as a whole, this problem should not arise. The amendment speaks of the requirement, first of all, to transmit to Congress a special message in respect to any proposal for Bank assistance for the purchase, lease, or procurement of any product or service which, in a Communist country, involves research, exploration, or production of fossil fuel energy resources. I think if that sentence is taken as a whole, it is clear that the requirement is to transmit to Congress a special message with respect to any proposal to use this credit of the Bank for the purpose of doing research or exploration or production of fossil fuel energy resources.

I really do not think that the happenstance that a truck which is purchased might be used later in Russia in connection with the development of an oil well there falls within the scope of the language. The language relates to a proposal, and the proposal is for the exploration and the conducting of exploration work in connection with the production of fossil fuel energy resources.

Mr. STEVENSON. Is it not the Senator's intention to subject to Senate approval a proposal for, let us say, the financing of Caterpillar tractor exports which might very well be used, if not full time, partly on fossil fuel production or exploration?

Mr. CHURCH. As the Senator knows, there is no effective way to follow the uses to which trucks or tractors may be put once they are purchased. We have enough difficulty trying to ask our own allies, to whom we furnish large quantities of weapons at our own expense, not to use those weapons for purposes of which we disapprove. In fact, we cannot succeed.

It is not the object of this amendment to try to follow the end uses to which the trucks or tractors in the Senator's example are put. Rather, it is the intention to require prior congressional consent for the financing of any proposal having to do with the development of fossil fuel resources inside a Communist country.

Mr. STEVENSON. By that the Senator intends to subject to prior congressional approval large development projects. You mentioned the Yakutsk project as an example.

Mr. CHURCH. Exactly so. I think the legislative history made on the floor tonight is very helpful to clarify the purposes of the amendment.

Mr. STEVENSON. I think with that purpose of the amendment made clear—that it is intended to subject the large Yakutsk-type project for the exploration and the development of fossil fuel energy resources in the Soviet Union to congressional approval—I am not only prepared to accept it, but I wish to be added to the list of cosponsors.

Mr. CHURCH. I thank the Senator. I shall be pleased to add his name as a cosponsor.

I understand that the distinguished Senator from Pennsylvania also would like to have his name added as a cosponsor.

I yield to the Senator from Pennsylvania.

Mr. SCHWEIKER. I thank the Senator for yielding. I am pleased to be a cosponsor of this amendment. I had a similar amendment, but in view of the situation developed here and the chairman's willingness to accept it, I am pleased to be a cosponsor of this amendment.

I hope that it will be accepted. I think it is a very important amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. STEVENSON. I yield back the remainder of my time, Mr. President.

Mr. PACKWOOD. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. Mr. President, I yield to the Senator from Oregon.

Mr. PACKWOOD. Mr. President, it is on my time, chargeable to my time on the bill.

I am submitting in Senator JAVITS' behalf an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

On page 3, line 23, insert the following: After the period add the following new sentence: "The Bank shall also include in the semi-annual report a description of each transaction assisted by the Bank involving the export of any product or service related to the production, refining or transportation of any type of energy or the development of any energy resources with a statement assessing the impact, if any, on the availability of such products, services, or energy supplies thus developed for use within the United States."

Mr. PACKWOOD. The purpose of this amendment is to provide a continuing review from Eximbank, in its semiannual reports, of all energy related transactions in order to determine the impact of the transactions on;

First, the domestic availability of the products and services to be exported; and

Second, the domestic requirements for the energy supplies produced by the Exim-financed projects.

Such an approach is far preferable to a mandated cut-off of energy projects, or the requirement for congressional approval of every energy related transaction with a Communist country.

Mr. President, I think the purpose of the amendment is obvious. It simply directs the Bank to include in its semiannual reports a description of transactions involving the export of energy resources.

I yield back the remainder of my time.

Mr. STEVENSON. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon (Mr. PACKWOOD) in behalf of the Senator from New York (Mr. JAVITS).

The amendment was agreed to.

AMENDMENT NO. 1860

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the names of the Senator from Delaware (Mr. ROTH) and the Senator from Pennsylvania (Mr. SCHWEIKER) be added as cosponsors of the amendment, No. 1860, now pending, which is to put Eximbank back in the budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, putting the Eximbank back in the budget is essential to gaining greater congressional control of the Bank's activities. It will give the Appropriations Committee the chance to review its operations on a yearly basis and approve its net outlays. It will enable those committees to examine the Bank's lending activities and determine whether they are meeting the criteria set forth in this new authorizing legislation.

In this legislation, we are extending the Export-Import Bank's authority for another 4 years. With all their many responsibilities, it may take the budget committees a couple of years to complete their study. The merits of the case are clear. We should act now to put the Bank back in the budget and insure the integrity of both the Federal and congressional budget processes.

Repealing the Eximbank's exemption is necessary to achieve the objectives of the new Congressional Budget Act. The budget committees are supposed to assert congressional control over all budget outlays, including expenditures and net lending of funds. They cannot do their job properly if an agency of the size and impact of the Export-Import Bank is left out altogether.

The framers of the budget legislation recognized this fact. Indeed, the Senate voted to put Eximbank and five other off-budget agencies back in the budget. A compromise reached in conference called for continuing study of the off-budget agencies, with recommendations for changes.

I have no doubt that the budget committees will do this study, and do it well. But the legislative history made with the budget reform as was adopted made it clear that the Congress would be free to incorporate exempted agencies into the budget at any time.

Members of the conference committee on the Budget Act have assured me that there was no intent to preempt the authorizing committees from acting to change the status of off-budget agencies. In fact, only the authorizing committees can take such action, with or without a study by the budget committees.

Members of the Senate Budget Committee have informed me that they have no objection to my offering this amendment at this time. In fact, several of them have said they would support the amendment, and one committee member, Senator CHILES, is a cosponsor .

Now, Mr. President, I would like to spend just a minute or two answering some of the arguments which have been used against putting the Eximbank back in the budget.

The first such argument is that the Bank should not be included in the budget because it does not receive any appropriated funds.

The fact is that under current budget procedures, Federal lending programs are included in the budget along with direct expenditures.

The President's Commission on Budget Concepts, in its 1967 report setting up the unified budget, recommended unanimously that all loan programs operated by entities in which the capital stock is owned by the Government or which have recourse to Federal funds be included in the budget on a net lending basis. That is, the budget totals should reflect the difference between loan outlays or disbursement, on one side, and loan repayments, on the other side.

The Commission considered the question of the budget treatment of lending programs in some detail before making the recommendation that the net lending figure be included in the budget, and thus in the calculation of the budget deficit or surplus. They concluded that Government loans do have an overall effect similar to that of government expenditures, in that they redirect resources to meet social needs which would not be met through the operations of the private market. I quote in part from the Commission's study:

> Federal loan programs represent a redirection of national resources to comply with social priorities. They establish claims on resources and demands for current output of the economy that are very hard to distinguish from the demands and claims that arise from Federal expenditures for grants, transfer payments, or subsidies—transactions which are clearly included in anyone's measure of Government "expenditures." . . . In any event, the burden on the Treasury to finance loans through taxes or borrowing is not less than—or different from—the burden associated with financing any other Government expenditure.

It is argued that the Bank's loans should not be treated as budget outlays because they are paid back and "have proven 99.98 percent collectible" over the years.

The fact that the repayment record is excellent does not make Eximbank's loans any different in kind from other Federal Government direct loans which are also paid back over time with interest and are included in the budget. The Farmers Home Administration, for instance, gives mortgage loans for housing in rural areas and has a foreclosure rate of less than 3 percent; FHA is in the budget.

It might also be added that Eximbank's repayment record is achieved in part by refinancing of delinquent loans on very favorable terms. (These include refinancing at the former rate of interest rather than the current rate, and folding interest due into the principal.) Incidentally, these generous terms are not available under most Federal loans programs.

Also, the argument is made that putting the Bank back in the budget would change it from an agency capable of financing a rising level of American exports to one which would burden the annual budget to the tune of $1.5 billion and up.

The Bank's effect on the deficit remains the same, whether it is revealed in the budget totals or concealed outside of the budget. The fact is that the Bank's outlays net of its receipts for any one fiscal year are what determines its immediate impact on the economy, on fiscal policy and on the money markets. Its long-term prospects for expansion and repayment are also important factors, but that does not make it any less essential to consider the immediate budget impact on an annual basis.

It has also been argued, Mr. President, that Congress has adequate control over the Bank's activities through the limitation it places on the amount of loans the Bank can make it any 1 fiscal year.

As this procedure is presently set up, it is just a technical bookkeeping exercise for the Appropriations Committees. As former chairman of the Foreign Operations Subcommittee, which handles Eximbank matters, I know that the Appropriations Committees do not have adequate authority at the present time to oversee and control the Bank's lending activities.

The only way to achieve real congressional control of the Export-Import Bank's operations is to set out fully in the budget its net lending on a year-by-year basis and its impact on the budget deficit. Congress needs to have the full picture, in order to decide what priority to give to export loans and what resources to allocate for this purpose, in both the short and long term.

As chairman of the subcommittee, you see that item over there in parenthesis not affecting obligational authority and you simply do not focus attention on it. You are busy trying to do what the Appropriation Committee is measured by—what it does on obligational authority. The Eximbank—outside the budget—does not affect that so you do not give it any attention, and I challenge any one to point to any time when it has received any degree of attention or control.

I was chairman of that subcommittee for 3 years, and at no time did we have any discussion in conference, in the subcommittee, or in the full committee concerning the Export-Import Bank.

Of course, Bill Casey, as head of Eximbank, likes it this way—so would I if I had his job. He is out from under effective congressional control, and does not have to compete on his lending. But that is wrong, and we know it is wrong.

Finally, Mr. President, we have the argument that we need to have the Export-Import Bank out of the budget to relieve our balance-of-payments problems, by permitting a higher level of Eximbank lending to increase U.S. exports.

This was the main argument made in 1971 for taking the Bank out of the budget. In 1971 the United States experienced its first balance-of-payments deficit since 1888. I found the argument dubious at the time, and now I question still more its validity.

The first problem with it is that it is not necessary to take an agency out of the budget to expand its activities. If you want to assign exports top priority, you can simply assign them a higher level of budget outlays, and either reduce outlays for other programs or run a higher deficit. Taking the agency out of the budget means we avoid facing the choices we have to make, while making them anyway. That is exactly what happened in the decision to remove the Eximbank from the budget, and in similar decisions on other agencies.

A second point is that there is considerable argument as to whether Eximbank lending activities do increase exports or whether they simply substitute public financing for private financing of exports which would have occurred in any event. The fact that Exim has financed the export of such goods as 747 jet airliners, which are not produced anywhere but in the United States, tends to support the substitution theory. To the extent that Eximbank loan substitute U.S. Government financing for foreign financing of exports, the effect on the balance of payments is negative rather than positive.

Even more importantly, experts have questioned whether the whole concern over balance of payments is justified, particularly with recent changes in the international monetary system leading to the adoption of flexible exchange rates.

In a time of rising inflation, one can even question whether it is wise to assign any priority to exports. There is logic in the argument that exports are inflationary, in that they reduce the supply of goods available on the domestic market while leaving the level of domestic demand unchanged, thus causing prices to rise.

I think there are times, of course, when we need exports more than at other times. At any rate, I think under present circumstances we ought to have the Bank in the budget, so that we can measure the priorities, and decide whether the funds ought to go into housing, into small business, or into export subsidies of the kind we have here.

Mr. President, I am happy to yield the Senator from Virginia such time as he may require.

Mr. HARRY F. BYRD, JR. Mr. President, I rise to support the amendment of the distinguished Senator from Wisconsin to put the Export-Import Bank back in the budget.

There are some arguments to be made that the Eximbank should be exempt from the budget. The most telling is that if Eximbank were included in the budget, our deficits would look worse than they do.

The fact is that in the budget or out of the budget, the Eximbank has an impact on net Government outlays.

To substantiate that statement, Mr. President, I refer my colleagues to page 16 of the committee report on the pending bill (S. 3917). It is clearly stated on page 16 of the committee report that the Eximbank will contribute $1.6 billion in net outlays in fiscal year 1975.

One of the most disturbing trends in recent years has been taking agencies out of the budget. "De-budgeting the budget" one economic analyst called it.

As the able Senator from Wisconsin pointed out Chairman Arthur Burns of the Federal Reserve Board said that off-budget agencies including the Eximbank are responsible for $40 billion of outstanding debt—not included in the astronomical sum we call the national debt.

Since 1971, the Eximbank has been classed as one of the off-budget agencies and in that class it has been joined by six others including the new Postal Service.

The Senate, in the Congressional Budget Act voted to include Eximbank and five other agencies back in the budget.

This provision was, unfortunately, deleted in conference.

I hope the Senate will reaffirm its position and include this agency in the budget. The Federal budget is the best way the taxpayer can see how his money is being spent, and he deserves to see how this portion of his money is used.

I am pleased to support the amendment offered by the Senator from Wisconsin.

Before closing, I would like to say that I am sorry that the Senate concluded to table the amendment offered by the Senator from Pennsylvania (Mr. SCHWEIKER). Foreign governments and foreign companies get a tremendous interest rate advantage in borrowing from the Export-Import Bank, even more so of an advantage than appears on the surface.

I say that for this reason: That even though the Export-Import Bank is charging around 8 percent for loans, it makes to Russia and to other countries now the prevailing interest rate is 12 percent. But that does not tell the whole story. A domestic company, an American company, borrowing money for its own operations here in the United States must pay not just the 12 percent but it must keep, the normal banking practice is to require that company to keep, a compensating balance of 20 percent. So that means that the effective rate for most American companies to finance their operations here in the United States is somewhere between 14 and 14.5 percent. That is a tremendous difference from the 8 percent at which the Export-Import Bank loans funds to foreign governments and companies.

I think, bearing all of that in mind, Mr. President, is a good reason—there are many good reasons, including that—for the Senate to support the amendment offered by the Senator from Wisconsin.

Mr. PACKWOOD. I have sat on the Banking Committee since I came to the Senate in 1969, and I have heard the arguments for and against, including the Export-Import budget in the Federal budget.

I voted initially, as I think many of us did, to exclude it, and was impressed with the argument of the balance of payments.

I think were it not for the fact that we have just created a Budget Committee I would be inclined to support the amendment of the Senator from Wisconsin. But the Budget Committee has been specifically charged—and I think if any of the members of the Budget Committee are here, they may speak on behalf of excluding this from the budget—that the Budget Committee should be given at least 1 year to look not only at this budget but at a variety of other budgets that are at the moment outside of the general Federal budget.

I know Senator MUSKIE, the Senate chairman of the Budget Committee, is opposed to this.

I speak against it with mixed feelings, and I can assure the Senator from Wisconsin if the Budget Committee reaches no resolution of this problem one way or the other, makes no recommendation or passes it over after a year, I would be inclined to join with him in supporting including it in the budget. But I am compelled at the moment to vote against it until the Budget Committee has had a chance to take care of it.

Mr. PROXMIRE. If the Senator will yield, I think he raises a point that troubles many Senators. The Budget Committee is divided. Senator CHILES, a sponsor of this amendment, is a member of the Budget Committee. I spoke to Senator MUSKIE and other members. There are no strong feelings on their part. They do not intend to oppose the amendment. They did indicate in the RECORD that was made when the Budget Reform Act was adopted that any time Congress wished to put these off-budget agencies back in the budget they could do it and, of course, we did do this once before.

So, for that reason, it seems to me that we would not be offending the members of the Budget Committee if we acted to give them the kind of jurisdiction which I think they should have if they are going to be in position to decide on priorities.

Mr. PACKWOOD. I am not worrying about offending them. I am just wondering if we should let a year pass and let them look at this or some variety of budgets some of which are in, some of which are out, of the budget so that we could have a consistent policy.

So I say again at the end of what is a reasonable time for that committee to look at it, if they come up with no consistent policy I would be inclined to support the Senator.

Mr. PROXMIRE. One more point in response. Frankly, I think the time to put the Export-Import Bank into the budget is now. If we do not do it now we never will. Why? Because right now the American people are concerned about interest rates. They know about the competition for available funds. I talked to a group of papermakers the other day. None of them were sophisticated economists. I doubt if any of them had studied economics. But this was something they felt very strongly about. They go to borrow mortgage money for a home and they pay 10 percent. They see the Export-Import Bank financing exporters at 7 or 8 or 9 percent, at any rate below what they have to pay for money. This is true of many small businessmen throughout our country.

Now is the time when we have that sensitivity. Another year or two and we may well not have it, and there is always a tremendous pressure by any group, including the well-organized, articulate exporters in this country, and the Export-Import Bank people who were up here ringing our doorbells and telling us how they feel.

So I think if we are going to put the Bank back in the budget, this is the best time, although I understand the argument of the Senator from Oregon. I think it is a responsible argument and a very honest argument.

I think that realistically if we do not put the Export-Import Bank back in the budget now, it is going to be a lot harder later on.

Mr. STEVENSON. Mr. President, I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I oppose the amendment introduced by the distinguished Senator from Wisconsin which would include the activities of the Export-Import Bank in the Unified Budget.

The Bank is currently excluded from the Budget under a law which we enacted in 1971. That action was taken after thorough hearings and deliberation because the Bank does not use appropriated funds and because its expenditures result in and are offset by obligations payable to the Bank which have proven to be 99.98 percent collectable. Eximbank not only operates without appropriated funds but has paid a total of $906 million in dividends to the U.S. Treasury. It has paid for its own operating expenses and has built up reserves of $1.5 billion from its profit.

Under present budget accounting policies, disbursements by Eximbank pursuant to its loan agreements are treated the same way as expenditures of appropriated funds but are not offset by either the promissory notes which Eximbank receives from the borrower and which past experience shows are collectible assets or by receipt of the funds obtained by Eximbank from the sale of its debentures in the private money markets.

To place Eximbank within the Budget under current budgetary accounting procedures misleads the American public and the Congress by impacting the budget with a deficit of approximately $1.5 billion annually even though no appropriated funds are used.

This would result in pressures on the Bank to reduce its operations in the real world of international trade so that the unreal deficit can be diminished.

I believe it is essential to the continued strength of our economy that Eximbank be supported, not hampered, in its efforts to further U.S. exports. It is clear that our need for imported raw materials will increase in the years to come. Unless we can increase our volume of exports at a level which will keep pace with our rising volume of imports, payments for these imports will place a severe strain on our foreign exchange reserves and could cause further devaluation of the dollar with its inflationary results. For example, in the months of May and June, the United States had a deficit in our merchandise trade balance of $1.033 billion and a trade deficit in excess of $2 billion is expected for the whole year 1974. This is no time to be hampering with the effective operation of the Bank without first having the benefit of the careful study which will shortly be undertaken by our own Budget Committee.

Eximbank's being out of the budget in no way weakens congressional control over the level of Eximbank's activities because—

Annually, the Bank reviews pending loan applications, loan forecasts, and availabilities of private funds for export financing. It justifies required activity levels for the fiscal year to the Office of Management and Budget and the Congress. These levels are part of the Bank's annual budget, are printed in the budget of the U.S. Government, and are transmitted by the President to the Congress;

In accordance with the provisions of the Government Corporation Control Act the President transmits annually to the Congress the budget for program activities and administrative expenses of the Bank;

Specific annual authorizations and expense ceilings are recommended each year by the Appropriations Committees of both Houses and acted on by Congress in the Foreign Assistance and Related Program Appropriations Act. At this time an estimate of the impact on the budget if Eximbank were included is made available to committee members; and

The overall limitations on the Bank's activities during its statutory life are recommended by the Banking Committees of both Houses and approved by the Congress in the Bank's enabling legislation.

When the Congressional Budget and Impoundment Act was under consideration just a few months ago, there was deliberation on whether some off budget agencies including Eximbank should be included in the budget. The conferees determined that such action should only be taken after further study and thus specifically wrote section 606 into the Budget Act as follows:

> The Committees on the Budget of the House of Representatives and the Senate shall study on a continuing basis those provisions of law which exempt agencies of the Federal Government, or any of their activities or outlays, from inclusion in the Budget of the United States Government transmitted by the President under Section 201 of the Budget and Accounting Act, 1921. Each committee shall, from time to time, report to its House its recommendations for terminating or modifying such provisions.

I do not believe that we should precipitously return the activities of this important institution to the budget. The Budget Committee which has just recently been formed is about to undertake a full evaluation of the complicated issues and many considerations which surround this matter. Just last month the House rejected a similar amendment.

For those reasons and other reasons stated in my statement, I oppose the amendment.

Mr. STEVENSON. Mr. President, I supported this amendment in the Banking Committee. It was decisively defeated in the committee.

I am sympathetic to the purpose of the Senator from Wisconsin, but I do agree with the Senator from Oregon that it would be best first if either the Budget Committee or the Government Operations Committee consider this matter and recommend a uniform treatment for all such agencies.

If those committees do not act, do not make a recommendation, within another year to the Senate, I, at that point, would be very much prepared to take the matter up on the floor and put the Export-Import Bank in the budget. But not now.

For that reason only, I must oppose the amendment.

Mr. MUSKIE. Mr. President, I oppose the amendment introduced by the distinguished Senator from Wisconsin which would require the immediate inclusion of the Export-Import Bank in the unified budget.

The Senate Budget Committee, of which I am chairman, was specifically directed in section 606 of the Budget Impoundment Act we passed this summer to make recommendations on this issue after a thorough study. We intend to do just that but we will be preempted if this amendment is passed. The issue is not uncomplicated and should be acted upon only after we have had an opportunity to clearly focus on the implications of including Exim under existing accounting rules or whether some adaptation of accounting rules should be made.

The Bank is currently excluded from the Budget under a law which the Congress enacted in 1971. That action was taken after thorough hearings and deliberations. At that time it was strongly argued that it was not appropriate to include the Bank in the Budget because it does not require appropriated funds and the Bank's disbursements result in and are offset by obligations payable to the Bank.

Under present budget accounting procedures, disbursements by Eximbank would be treated the same way as expenditures of appropriated funds and would not be offset by either the promissory notes which Eximbank receives from the borrower or by the receipt of the funds obtained by Eximbank from the sale of its debentures in the private money markets.

Let me point out that excluding Eximbank from the budget does not deprive the Congress of control over the level of the Bank's activities because—

Specified annual authorizations and expense ceilings are acted upon each year by Congress in the Foreign Assistance Act;

Required activity levels for the Bank are part of the Bank's annual budget printed in the Budget of the U.S. Government, and submitted by the President to the Congress; and

Overall limitations on the Bank's activities will, under the legislation now before us, be again subject to full congressional review by the Banking Committees of both Houses 2 years from now when the present loan authorization is expected to be used up.

There thus seems to be little reason to precipitously return the activities of this institution to the budget before the Congressional Budget Committee have had the chance to undertake a full evaluation of the issues which surround this matter.

I urge you to support me in opposing this amendment to the pending bill.

Mr. PROXMIRE. Mr. President, I am ready to yield back my time. I do want a rollcall.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDENT OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. PROXMIRE. Then I yield back——

The PRESIDING OFFICER. There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Hathaway). All time having been yielded back, the question is on agreeing to the amendment of the Senator from Wisconsin (Mr. Proxmire). The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Florida (Mr. Chiles), the Senator from California (Mr. Cranston), the Senator from Missouri (Mr. Eagleton), the Senator from Mississippi (Mr. Eastland), the Senator from Arkansas (Mr. Fulbright), the Senator from Colorado (Mr. Haskell), the Senator from Massachusetts (Mr. Kennedy), the Senator from South Dakota (Mr. McGovern), the Senator from New Hampshire (Mr. McIntyre), the Senator from Minnesota (Mr. Mondale), the Senator from New Mexico (Mr. Montoya), and the Senator from Mississippi (Mr. Eastland) are necessarily absent.

I further announce that the Senator from West Virginia (Mr. Randolph) is absent on official business.

I further announce that, if present and voting, the Senator from West Virginia (Mr. Randolph) would vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Utah (Mr. Bennett), the Senator from Kentucky (Mr. Cook), the Senator from Nebraska (Mr. Curtis), the Senator from Colorado (Mr. Dominick), the Senator from Michigan (Mr. Griffin), the Senator from New York (Mr. Javits), the Senator from Maryland (Mr. Mathias), the Senator from Pennsylvania (Mr. Schweiker), the Senator from Alaska (Mr. Stevens), and the Senator from North Dakota (Mr. Young) are necessarily absent.

I further announce that the Senator from New Mexico (Mr. Domenici) is absent due to illness.

I further announce that, if present and voting, the Senator from New York (Mr. Javits) would vote "nay."

The result was announced—yeas 41, nays 32, as follows:

[No. 418 Leg.]

YEAS—41

Allen
Bartlett
Bible
Brock
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Church
Clark
Cotton
Ervin
Fannin
Goldwater
Gravel
Hansen
Hart
Hartke
Helms
Hollings
Huddleston
Hughes
Johnston
McClellan
McClure
Metcalf
Metzenbaum
Nelson
Nunn
Pastore
Proxmire
Ribicoff
Roth
Stennis
Symington
Talmadge
Tunney
Weicker
Williams

NAYS—32

Aiken
Baker
Beall
Biden
Brooke
Dole
Fong
Gurney
Hatfield
Hathaway
Hruska
Humphrey
Inouye
Jackson
Long
Magnuson
Mansfield
McGee
Moss
Muskie
Packwood
Pearson
Pell
Percy
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stevenson
Taft
Thurmond
Tower

NOT VOTING—27

Abourezk
Bayh
Bellmon
Bennett
Bentsen
Chiles
Cook
Cranston
Curtis
Domenici
Dominick
Eagleton
Eastland
Fulbright
Griffin
Haskell
Javits
Kennedy
Mathias
McGovern
McIntyre
Mondale
Montoya
Randolph
Schweiker
Stevens
Young

So Mr. PROXMIRE's amendment was agreed to.

Mr. **PROXMIRE**. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. **ROBERT C. BYRD**. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The **PRESIDING OFFICER**. Are there further amendments?

Mr. **BROCK**. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The **PRESIDING OFFICER**. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. **BROCK**. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. BROCK's amendment is as follows:

At the end of the bill add the following new title:

TITLE IV—APPLICABILITY OF STATE USURY CEILINGS TO CERTAIN OBLIGATIONS ISSUED BY BANKS AND AFFILIATES

SEC. 501. Section 19 of the Federal Reserve Act is amended by adding at the end thereof the following new subsection:

"(k) No member bank or affiliate thereof, or any successor or assignee of such member bank or affiliate or any endorser, guarantor, or surety of such member bank or affiliate may plead, raise, or claim, directly or by counterclaim, setoff, or otherwise, with respect to any deposit or obligation of such member bank or affiliate, any defense, right, or benefit under any provision of a statute or constitution of a State or of a territory of the United States, or of any law of the District of Columbia, regulating or limiting the rate of interest which may be charged, taken, received, or reserved, and any such provision is hereby preempted, and no civil or criminal penalty which would otherwise be applicable under such provision shall apply to such member bank or affiliate or to any other person."

SEC. 502. Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended by adding at the end thereof the following new subsection:

"(k) No insured nonmember bank or affiliate thereof, or any successor or assignee of such bank or affiliate or any endorser, guarantor, or surety of such bank or affiliate may plead, raise, or claim, directly or by counterclaim, setoff, or otherwise, with respect to any deposit or obligation of such bank or affiliate, any defense, right, or benefit under any provision of a statute or constitution of a State or of a territory of the United States, or of any law of the District of Columbia, regulating or limiting the rate of interest which may be charged, taken, received, or reserved, and any such provision is hereby preempted, and no civil or criminal penalty which would otherwise be applicable under such provision shall apply to such bank or affiliate or to any other person."

SEC. 503. Section 5B of the Federal Home Loan Bank Act (12 U.S.C. 1425b) is amended by adding at the end thereof the following new subsection:

"(c) No member or nonmember association, institution, or bank or affiliate thereof, or any successor or assignee, or any endorser, guarantor, or surety thereof may plead, raise, or claim, directly or by counterclaim, setoff, or otherwise, with respect to any deposit or obligation of such member or nonmember association, institution, bank or affiliate, any defense, right, or benefit under any provision of a statute or constitution of a State or of a territory of the United States, or of any law of the District of Columbia, regulating or limiting the rate of interest which may be charged, taken, received, or reserved, and any such provision is hereby preempted, and no civil or criminal penalty which would otherwise be applicable under such provision shall apply to such member or nonmember association, institution, bank, or affiliate or to any other person."

SEC. 504. The amendments made by this title shall apply to any deposit made or obligation issued in any State after the date of enactment of this title, but prior to the earlier of (1) July 1, 1977 or (2) the date (after such date of enactment) on which the State enacts a provision of law which limits the amount of interest which may be charged in connection with deposits or obligations referred to in the amendments made by this title.

The **PRESIDING OFFICER**. The Senate will be in order.

Mr. **ROBERT C. BYRD**. Mr. President, may we have the aisles cleared of staff people, and ask the Senators to take their seats? We cannot hear. We cannot see the Senator who is speaking.

The **PRESIDING OFFICER**. Will the Senators please take their seats?

Mr. **BROCK**. Mr. President, I would point out very simply this is the bill the Senate has already acted affirmatively on, I think without dissent, and passed to the House. We are adding it in order to get it into the conference. I have discussed it with the chairman of the committee, the subcommittee, and the ranking minority member. I do not believe there is any particular objection to the amendment. It incorporates an amendment which was sponsored by the Senator from Montana and myself, as well as the Citicorp bill, and the amendment of the Senator from Wisconsin related to revenue bonds.

Mr. **PROXMIRE**. I understand the Senator is talking about S. 3838.

Mr. **MANSFIELD**. I would point out that three States—Tennessee, Arkansas, and Montana—are set apart and this is needed for equity.

Mr. **BROCK**. That is correct.

Mr. **SPARKMAN**. And it includes Citicorp?

Mr. **PROXMIRE**. And S. 3838 as it passed the Senate?

Mr. **BROCK**. That is correct.

The **PRESIDING OFFICER**. The Senator from Arkansas.

Mr. **McCLELLAN**. I understand this is the bill we previously passed dealing with the interest rate, trying to accommodate these States that have no usury laws, usury limits?

Mr. **BROCK**. That is correct; States affected by title III of S. 3838.

Mr. **McCLELLAN**. I hope it will be accepted and retained in the bill.

The **PRESIDING OFFICER**. Who yields time?

Mr. **BROCK**. I yield back the remainder of my time.

Mr. **STEVENSON**. I yield back the remainder of my time.

The **PRESIDING OFFICER**. The question is on agreeing to the amendment of the Senator from Tennessee. [Putting the question.]

The amendment was agreed to.

Mr. **BROOKE**. Mr. President, I rise in support of S. 3917, which extends the life of the Export-Import Bank and increases its commitment authority.

Over the past few years, the Bank has become the focus of several very controversial and difficult foreign policy issues. This bill reflects the long and reasoned attempts of the Banking Committee, and particularly its International Finance Subcommittee, to deal with these issues as they apply to the Bank's activities. With the addition of the floor amendment offered by the chairman and ranking minority member of the subcommittee, and one which I wholeheartedly support, this legislation goes a long way toward making the Bank an even more effective and responsive participant in American foreign trade.

In considering the bill as reported, we must bear in mind the Bank's primary function: providing export financing for American business. At a time when the strength of our economy is being sapped due to high interest rates and lack of available credit for many essential business transactions, it is important for the Export-Import Bank to remain strong and effective so that the Bank can continue to provide essential support for our exports.

Under the pressure of dramatic price rises for oil and foreign raw materials, we have seen the 1973 U.S. trade surplus diminish in recent months to the second quarter deficit of $2.7 billion announced yesterday. As a result, a trade deficit is likely for the full year, and some economists are even predicting it could be well over $2 billion.

The primary negative factor influencing the U.S. balance of trade is the soaring cost of imported petroleum with the fuel bill expected to exceed $25 billion in 1974 compared to $7.5 billion in 1973. But we also are in trouble in manufactured goods with the deficit in this category running at an annual rate of close to $9 billion. Partially offsetting these imbalances, are export surpluses in agricultural commodities and machinery and transport equipment. A continuing high level of export of capital goods and agricultural commodities is vital to the economic well-being of the United States.

The Export-Import Bank has demonstrated that it can do a job our exporters need. It has assured over the past years that necessary financing is available to the exporter who cannot obtain from commercial sources the financing he needs to win his export sale—whether the reason be the credit amount, risk, or foreign credit competition.

To meet the growing need for financial support as U.S. exporters pursue foreign markets in the interest of a trade balance, Eximbank has responded with assistance for $13 billion in export sales in fiscal year 1974, an 88-percent increase over fiscal year 1971.

The Export-Import Bank does not use

appropriated funds in providing this vital assistance. To raise the funds, the Bank borrows from the private market for the medium term and from the U.S. Treasury for the short term. It repays these moneys at the prevailing interest rates. Since 1945, Eximbank has paid $906 million in dividends to the U.S. Treasury out of the profits from its operations and has accumulated reserves of $1.5 billion which are fully utilized in furtherance of the Bank's function. In fiscal year 1974, the Bank made a profit of more than $105 million and paid a $50 million dividend to the U.S. Treasury. Eximbank has made a profit of more than $100 million each year for the past 13 years.

Now is not the time to shackle the Bank with new restrictions on its ability to respond to the demonstrated needs of the U.S. exporters. Placing the Bank back under the budget would do just that. Moreover, technical application of the unified budget and accounting rules to the Bank is unreal and artificial. The money the Bank borrows in a budget year to relend would not appear as a budget receipt to offset the Bank's loan disbursements which would be charged as budget expenditures. Budget receipts would only be recorded in later years when the loans and repaid. Thus, artificial deficits would be added to an already overloaded Federal budget for technical accounting reasons, even though no appropriations of tax moneys would be involved.

Let us agree that this accounting morass is not in the interest of the United States. We do not need it immediately because the Bank already is properly under congressional control. Accordingly, the resolution of the complicated issues involved in placing Eximbank in the unified budget should await the study and recommendation of our new Budget Committee. I urge defeat of the proposed amendment to now include Exim in the budget.

I am also not persuaded by the arguments of those who have attacked the Bank's policies in setting the interest rate it charges on its loans. The Bank is now charging a rate between 7 percent and 8½ percent depending upon the circumstances of each particular loan. This flexible approach by the Bank permits it to charge the rate that covers its cost of borrowed money and, at the same time, provide the competitive financing necessary if our U.S. exporters are going to successfully compete abroad. For example, prior to June 1973, the Bank's average cost of borrowed money was less than 6 percent. However, when its cost rose above this in February 1974, the Bank raised its lending rate to 7 percent. Further increases in money costs have led the Bank to increase its rate to its present level. This is exactly what we intended the Bank to do. I will not support an amendment which will tie the Bank's hands in setting interest on its loans by some formula related to the volatile prime rate. Indeed, if controls on the Bank's lending rate are deemed advisable, such controls should be tied to the Bank's cost of funds, and not the prime rate.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. STEVENSON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 15977.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill.

Mr. STEVENSON. Mr. President, I move to strike out all after the enacting clause and insert the text of S. 3917, as amended by the Senate.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 15977) was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. MANSFIELD. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Dakota (Mr. Abourezk), the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Florida (Mr. Chiles), the Senator from California (Mr. Cranston), the Senator from Missouri (Mr. Eagleton), the Senator from Arkansas (Mr. Fulbright), the Senator from Colorado (Mr. Haskell), the Senator from Massachusetts (Mr. Kennedy), the Senator from South Dakota (Mr. McGovern), the Senator from New Hampshire (Mr. McIntyre), the Senator from Minnesota (Mr. Mondale), the Senator from New Mexico (Mr. Montoya), and the Senator from Mississippi (Mr. Eastland) are necessarily absent.

I further announce that the Senator from West Virginia (Mr. Randolph) is absent on official business.

I further announce that, if present and voting, the Senator from West Virginia (Mr. Randolph), would vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Utah (Mr. Bennett), the Senator from Kentucky (Mr. Cook), the Senator from Nebraska (Mr. Curtis), the Senator from Colorado (Mr. Dominick), the Senator from Arizona (Mr. Mr. Fannin), the Senator from Michigan (Mr. Griffin), the Senator from New York (Mr. Javits), the Senator from Maryland (Mr. Mathias), the Senator from Pennsylvania (Mr. Schweiker), the Senator from Alaska (Mr. Stevens), and the Senator from North Dakota (Mr. Young) are necessarily absent.

I further announce that the Senator from New Mexico (Mr. Domenici) is absent due to illness.

The result was announced—yeas 67, nays 5, as follows:

[No. 419 Leg.]

YEAS—67

Aiken
Allen
Baker
Bartlett
Beall
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Cannon
Case
Clark
Dole
Fong
Goldwater
Gravel
Gurney
Hansen
Hart
Hartke
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Johnston
Long
Magnuson
Mansfield
McClellan
McClure
McGee
Metcalf
Metzenbaum
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams

NAYS—5

Byrd, Robert C.
Church
Cotton
Ervin
Helms

NOT VOTING—28

Abourezk
Bayh
Bellmon
Bennett
Bentsen
Chiles
Cook
Cranston
Curtis
Domenici
Dominick
Eagleton
Eastland
Fannin
Fulbright
Griffin
Haskell
Javits
Kennedy
Mathias
McGovern
McIntyre
Mondale
Montoya
Randolph
Schweiker
Stevens
Young

So the bill (H.R. 15977) was passed.

Mr. STEVENS. Mr. President, I move that consideration of S. 3917 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendment to H.R. 15977 and that the bill be printed as passed by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I move that the Senate insist on its amendment and request a conference with the House of Representatives, and the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Sparkman, Mr. Proxmire, Mr. Williams, Mr. Cranston, Mr. Stevenson, Mr. Tower, Mr. Brooke, Mr. Packwood, and Mr. Brock, conferees on the part of the Senate.

DAYLIGHT SAVING TIME AMENDMENT—REPORT OF THE COMMITTEE ON COMMERCE

Mr. MAGNUSON. Mr. President, I send to the desk the report of the Senate Commerce Committee on H.R. 16102, an act to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973.

Last winter, we all recall the severe energy shortages which faced our Nation. The President requested that the Nation use every possible way to save energy. In particular, he asked Congress to pass a temporary change in the Nation's time law and place the Nation on year-round daylight saving time. The Congress responded immediately, and the Emergency Daylight Saving Time Energy Conservation Act of 1973 was passed within a few days of the President's energy message. New Public Law 93-182 provided that the Nation remain on daylight saving time through April 1975.

The Secretary of Transportation conducted a study of the national experience under year-round daylight saving time for the first few months of 1974. His interim report on the impact of daylight saving time was forwarded to the Congress on June 30, 1974. That report shows significant but small energy savings in electricity consumption due to daylight saving time in the winter months. Unfortunately, the data base was insufficient to draw final conclusions. And, it is clear from the public opinion polls that people's attitude toward winter daylight saving time changed significantly after the time change on January 4, 1974, and probably a change that is surely justified under the interim report from the Department of Transportation.

H.R. 16102 amends Public Law 93-182 to reflect the change in popular opinion with regard to winter daylight saving time. The bill proposes to place the Nation back on nonadvanced time beginning the last Sunday in October this fall and continuing through the last Sunday in February 1975. So the Nation will be on an 8-month daylight saving time, 4-month regular time system over the next 12 months.

The bill amends the temporary Daylight Saving Time Act. It does not change the underlying Uniform Time Act of 1966. When the Emergency Act expires on the last Sunday in April 1975, the Nation will revert to the Uniform Time Act of 1966, and we will again be on a 6-month daylight saving time, 6-month standard time system nationwide. Next summer, the Secretary of Transportation will again forward to the Congress a report on the overall national experience under advanced time in winter months. The Senate Commerce Committee will review then the time laws of the Nation and determine whether or not a permanent change in the time statutes is warranted based on the evidence at hand.

I sincerely hope that H.R. 16102 will pass the Senate in the very near future and be forwarded to the President.

We can do it tonight, but I do not know if there are enough of us here. I hope it will be forwarded to the President in the very near future. I am sure that the leadership will cooperate with us. Time is running out. Many industries across the Nation are dependent upon advanced schedule planning based on clock time. We owe it to all our citizens to provide certainty as to the time changes ahead as quickly as possible.

I sincerely believe that the Committee on Commerce and the House committee, which both endorsed this bill—we now have it on the calendar as H.R. 16102—is a consensus bill that will be widely acceptable to all the citizens in the Nation.

I wish to say one thing: I personally would have liked a 9-to-3, because we in the Northern States are a little different from other people. I see the Senator from Kansas, who urged this, standing over there. We are a little different from the people in his State. I think this will be acceptable.

I think the Senator from Kansas has an amendment on the bill.

Mr. DOLE. Yes, I remember.

Mr. MAGNUSON. That would have been all right, but that would have had to go to the House, and now we have it in definite, concrete legislation. I am sure that he is pleased with this report.

Mr. DOLE. Will the Senator yield?

Mr. MAGNUSON. Yes.

Mr. DOLE. I am pleased with the report. Many in my State would prefer a 6-to-6, but I think it is essential, as the distinguished Senator from Washington has indicated, that we act on H.R. 11602 as quickly as possible, because there are airline schedules, and so on, that look to this.

I hope that the leadership will call it up early next week, because there are schedules that need to be printed in advance, and people need to make their plans based on the action taken in Congress. I know that there is no resistance, or very little, because the amendment has already been acted upon.

Mr. MAGNUSON. I am going to suggest, since the leadership are both here, that since we have a lot of time allotted to the health and manpower bill, the Senator from Kansas and I might have a little time scheduled for us, maybe 20 minutes or a half hour, someplace at the first of the week to get this done. If we wait until the week after, we are running close to the time that the change should be made, and all kinds of people, the whole country, have to know.

I am sure we can work this out. I shall report the bill so that we are ready whenever the Senate wants to bring it up.

ORDER FOR ADJOURNMENT UNTIL 12 NOON ON MONDAY, SEPTEMBER 23, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR GRIFFIN AND SENATOR ROBERT C. BYRD AND FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY, SEPTEMBER 23, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on Monday next, the junior Senator from West Virginia be recognized for not to exceed 15 minutes; that he be preceded by the assistant Republican leader, Mr. Griffin, for not to exceed 15 minutes; and that there then be a period for transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 3585 ON MONDAY NEXT AND FOR THE UNFINISHED BUSINESS TO BE TEMPORARILY LAID ASIDE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the routine morning business on Monday, the Senate proceed to the consideration of S. 3585, and that the unfinished business be laid aside temporarily and remain in a temporarily laid-aside status until the close of business on Monday.

Mr. ALLEN. Reserving the right to object, and I state to the distinguished Senator that I shall not object out of courtesy to the leadership, I should like to make inquiry as to why it will be necessary to continue the unfinished business—that is, S. 707—why it will be necessary to lay it aside temporarily when, having had the agreed four cloture votes, it seems to the Senator from Alabama that it would be postponed indefinitely, or else returned to the calendar.

Mr. ROBERT C. BYRD. Mr. President, I was trying to guard against a call for the regular order, which could again force the unfinished business back before the Senate on Monday. It was for that purpose only. I wanted to be sure that no call for the regular order would bring the unfinished business before the Senate on Monday.

Mr. ALLEN. That is the very point the Senator from Alabama is making. Why would it be necessary merely to lay the bill aside, when under the stipulation that has been made the bill should be drawn down?

Mr. ROBERT C. BYRD. Because the bill is still on the calendar. It is still the unfinished business until such time as it is indefinitely postponed or laid on the table. Until such time as that occurs, it is still the unfinished business.

Mr. ALLEN. It would be the preference of the Senator from Alabama that S. 707 remain before the Senate until it is disposed of, but the Senator from Alabama stated that he would not object to the request of the acting majority leader, and I shall not interpose an objection. But I am hopeful that at an early time, possibly on Monday, the bill will be drawn down and we will take up another bill that will be the unfinished business, and not have the calendar cluttered and the procedure in the Senate stalemated by the pendency of S. 707 as the unfinished business. I express that hope to the distinguished Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I certainly have empathy with the distinguished Senator from Alabama. I surely appreciate his position in the matter, and I am sure that the leadership is going to take under very careful consideration the sentiment expressed by the distinguished Senator.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I wonder if the Senator will allow me to get in one further unanimous-consent request. Would the Senator from Alabama object to my asking unanimous consent that upon the disposition of the health bill, the Senate proceed to the consideration of the foreign aid authorization bill?

Mr. ALLEN. No, I have no objection. As I stated, I certainly want to cooperate with the leadership, and am not going to interpose any objection, though my preference is that S. 707 be disposed of finally and permanently.

I would like to make the request of the distinguished Senator from West Virginia that if a time limitation is set on S. 3585, I have an amendment to offer to that bill, and, along with the distinguished Senator from West Virginia, I shall be engaged in the Rules Committee hearing on the nomination of Mr. Rockefeller to be Vice President.

I wonder if there might be a time designated when the Senator from Alabama might offer his amendment. It is an amendment that will be agreed to by the manager of the bill and the leadership on the other side. What time does the distinguished Senator feel that S. 3585—during what time will it be pending before the Senate?

Mr. ROBERT C. BYRD. I would guess that by the hour of 12:30 or 12:45 on Monday, the bill would come up.

Mr. ALLEN. Would the Senator, as a cooperative move with the Senator from Alabama, be willing to stipulate that at a given time the amendment of the Senator from Alabama might be brought up, so that I could come over to the Senate Chamber, spend a few minutes in getting this amendment adopted, and then go back to the hearing?

Mr. ROBERT C. BYRD. I wonder if we could talk with the distinguished Senator from Massachusetts (Mr. KENNEDY), who will be managing the bill. I am sure he will want to make an opening statement, and there will be other pending statements that will need to be made.

I am confident, however, that that bill will not be disposed of on Monday.

Mr. ALLEN. Oh, the Senator thinks not?

Mr. ROBERT C. BYRD. I am quite sure, because under the time limitation agreement entered into today, there is a 6-hour limitation on the bill and a 6-hour limitation on a substitute to be offered by the Senator from Maryland (Mr. BEALL); I know that at least the Senator from Wisconsin (Mr. PROXMIRE) has an amendment; and there is a 2-hour limitation on any other substitute.

So by virtue of the time limitations on the bill and various substitutes and amendments, I am sure the Senate will still be on that bill on Tuesday.

Mr. ALLEN. I thank the Senator. That will allow the Senator from Alabama to come in late in the day on Monday and have his amendment considered.

Mr. ROBERT C. BYRD. Yes. I will be happy to work with the Senator in discussing this matter with the manager of the bill, to be sure that a time can be reached when the distinguished Senator from Alabama can offer his amendment, keeping in mind that he will be busy in the Rules Committee and its hearings on the confirmation of Mr. Rockefeller.

Mr. ALLEN. I thank the distinguished Senator.

ORDER FOR CONSIDERATION OF S. 3394 FOLLOWING DISPOSITION OF PUBLIC HEALTH SERVICE BILL

Mr. ROBERT C. BYRD. Then, Mr. President, I ask unanimous consent that upon the disposition of the public health service bill, the Senate proceed to the consideration of the Foreign Assistance Act amendments, which is S. 3394, I believe.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Along about this time of the day, I have difficulty reading without my glasses.

ORDER THAT THERE BE NO ROLLCALL VOTES PRIOR TO THE HOUR OF 4 P.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be no rollcall votes prior to the hour of 4 p.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at the hour of 12 o'clock noon on Monday.

After the two leaders or their designees have been recognized under the standing order, the Senator from Michigan (Mr. GRIFFIN) will be recognized for not to exceed 15 minutes, after which the Senator from West Virginia (Mr. ROBERT C. BYRD) will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

At the conclusion of the period for the transaction of routine morning business, the Senate will take up S. 3585, a bill to amend the Public Health Service Act, on which there is a time limitation agreement. Rollcall votes may occur on amendments that day.

I have serious doubts that the Senate will finish action on the public health service bill on Monday, but in any event, upon the disposition of that bill, under order previously entered, the Senate will take up the bill to amend the Foreign Assistance Act (S. 3394).

ADJOURNMENT TO MONDAY

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12 noon on Monday next.

The motion was agreed to; and at 7:29 p.m. the Senate adjourned until Monday, September 23, 1974, at 12 noon.

CONFIRMATIONS—SEPTEMBER 19, 1974

Executive nominations confirmed by the Senate September 19, 1974:

FEDERAL ENERGY ADMINISTRATION

William W. Geimer, of Illinois, to be Director, Intergovernmental and Regional Relations, Federal Energy Administration.

CIVIL AERONAUTICS BOARD

Richard Joseph O'Melia, of Maryland, to be a member of the Civil Aeronautics Board for the term of 6 years expiring December 31, 1980.

INTERSTATE COMMERCE COMMISSION

Robert Coleman Gresham, of Maryland, to be an Interstate Commerce Commissioner for a term of 7 years expiring December 31, 1981.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

IN THE NAVY

Rear Adm. Shannon D. Cramer, Jr., U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

Rear Adm. Robert C. Gooding, U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

Rear Adm. Earl F. Rectanus, U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

Rear Adm. Joe Williams, Jr., U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

Rear Adm. James B. Wilson, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

DEPARTMENT OF STATE

The following-named Foreign Service officers for promotion from class 1 to the class of Career Minister:

Alfred L. Atherton, Jr., of Florida.
Frank C. Carlucci, of Pennsylvania.
Richard T. Davies, of Wyoming.
Arthur W. Hummel, Jr., of Maryland.
Robert J. McCloskey, of Maryland.
Terence A. Todman, of the Virgin Islands.
George S. Vest, of Virginia.
Charles S. Whitehouse, of Virginia.

DIPLOMATIC AND FOREIGN SERVICE

Diplomatic and Foreign Service nominations beginning Richard W. Berg, for promotion to a Foreign Service Officer of class 2, and ending Jack J. Rudolph, Jr., to be a consular officer of the United States of America, which nominations were received by the Senate and appeared in the Congressional Record on July 31, 1974.

EXTENSIONS OF REMARKS

OCCUPATIONAL SAFETY AND HEALTH ACT: SMALL BUSINESS EXEMPTION

HON. ROBERT DOLE

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Thursday, September 19, 1974

Mr. DOLE. Mr. President, although we disposed Tuesday of the amendments to the Labor-HEW Appropriations bill which would have affected the enforcement of the Occupational Safety and Health Act, I would like to add just a few remarks to the relevant discussion today. Primarily, I wish to express my disappointment over the Senate's failure to provide at least a margin of relief for the many small businesses oppressed by that law.

NO FUNDS FOR INSPECTIONS

On June 27, 1974—during consideration of the Labor-HEW Appropriations bill in the House—that body adopted an amendment to prohibit the use of any funds for inspection of firms having fewer than 25 employees. This Tuesday, unfortunately, the committee was successful in deleting that language from the Senate bill.

What I find still more grievous, however, is our unwillingness to grant the small business "exemption" even to firms employing fewer than 10, or only 5 workers. I refer, of course, to the rejection—by votes of 30 to 56 and 42 to 44, respectively—the amendments proposed by my very good friend and colleague from Nebraska (Mr. CURTIS).

PROBLEM AWARENESS

I was pleased to have been here to support both those efforts to resolve the plight of the many fine businessmen who find themselves shackled by the overreaching enforcement standards of OSHA. I was extremely distressed, however, that not even a majority of those present could bring themselves to "give a break" to what amounts in practicality to be just the self-operated or "Mom and Pop" enterprises.

Apparently, there are just not enough of us aware of the untenable difficulties in compliance which OSHA has created for the small businessmen in all our States. At least I hope it is only a matter of being uninformed, and not a case of allowing virtuous illusions about preserving the body and soul of every working man to overcome a sense of reasonableness, fairness, and good judgment.

OCCUPATIONAL PREOCCUPATION

The simple fact of the OSHA situation is that no employer is opposed to taking every legitimate step possible to assure safe and healthy working conditions for those under his supervision. At the same time, however, he cannot afford to become so preoccupied with forecasting potential hazards—in order to avoid being fined—that the economic viability of his business is jeopardized.

That is the whole purpose behind structuring an amendment to lift the small businessman—who is unable financially to employ a full-time safety engineer—out from under the arbitrary and dogmatic authority of unscrupulous OSHA inspectors. Without reconciling himself to regular citations and fines for what usually amount to less-than-significant "violations," the average employer is hard-pressed to satisfy any OSHA representative—and still run a business.

ATTITUDES IN KANSAS

I think the hundreds of complaints I have received from small businessmen in Kansas are probably pretty representative of the attitudes toward the Occupational Safety and Health Act nationwide. Most of them consider it not as the genuine mechanism to encourage safe working standards that it was supposed to be, but as another form of punitive regulatory harrassment to which they are compelled to submit.

One employer, in advocating outright repeal of the act, even described a recent, unannounced "visit" by an OSHA inspector who advised him: "You have one of the best-run shops I've even seen," and then promptly fined him $30 for not having a safety poster prominently displayed. The point is, no one objects to being reasonable—so long as they are dealt with on a corresponding basis.

NO FORESEEABLE MODIFICATIONS

The old argument that we are going to see improvements and changes in OSHA pursuant to hearings, studies and investigations on the effects of the law just is not realistic, Mr. President. And just as unacceptable is the premise that it is inappropriate to initiate any modifications through the "appropriations process."

For as the distinguished Senator from Nebraska (Mr. CURTIS) so aptly pointed out Tuesday, we have been promised those revisions and reforms for 3 years now—with no action having yet been taken. Meanwhile, the heavy handed, far-reaching implementation of the act goes on, with no outlook in sight for substantive legislative corrections.

TIMELY ACTION

Therefore, it was a completely timely gesture, I believe, to entertain remedial action coincident with the appropriation of moneys for 1975 funding of OSHA. Although the outcome was not encouraging, we still have the hope that the House Conferees will remain steadfast in the position which they adopted.

I think I should point out that we were not trying to overhaul the system, put workers at the mercy of the goods and services they produce, or do away with the many good intentions which are incorporated into the OSHA legislation. All the amendments to H.R. 15580 would have done is provide small businessmen some additional, unpressurized time to learn more about, and come into "good faith" compliance with, the voluminous, complex OSHA standards—thereby improving safe and healthy working conditions for their employees during a 1-year "grace period" of relief from the excessive OSHA demands.

A DAY OF IRONY

Mr. President, I could not help but philosophize about the fate of the proposed OSHA amendments early Tuesday morning when I heard a particular "news quip" on the way to the Senate buildings. I found it indeed ironic that, on the day we were to consider this small business "exemption" proposal, the story came over the radio that the Director of OSHA had tripped over a typewriter cord in his office and fractured his arm!

My immediate reactions were: "I wonder if he will cite himself for a violation and fine?" and "Who's protecting whom here?" Certainly, the occasion for cynicism was there—but then we have had too much of that already with no constructive relief to show for it.

I sincerely feel that the thousands of small businessmen seeking to eliminate their own hazards, in a spirit of consultation and fairness, deserve a better chance—and I would hope that that opportunity will soon be forthcoming.

MEDICAL CARE FOR MEMBERS OF GUAM COMBAT PATROL

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. WON PAT. Mr. Speaker, on September 11, I introduced a bill which would extend hospital and domiciliary care and medical services to the American citizens of Guam who served in patrol forces against the Japanese enemy during World War II.

As you are aware, Guam was the only U.S. territory during the Second World War which was invaded, captured, and occupied by enemy forces. After U.S. forces landed on Guam on July 21, 1944, to liberate the island, they organized a local security force composed entirely of Guamanians to perform the dangerous task of routing out Japanese stragglers.

In the course of their hazardous duties, the members of the patrol force performed courageously. Several members died in battle with the enemy, and others were wounded. Their bravery was officially recognized by the U.S. Government, which awarded some of them the Silver Star, Bronze Medal, and Purple Heart awards.

Sad to say, the members of the Guam Combat Patrol have never received any Government benefits, as did their fellow counterparts in the Philippines who were granted official recognition by the U.S. Congress and given certain veterans benefits rights.

Mr. Speaker, today only about 40 members of the original Guam Combat Patrol are still alive. For 30 years, they

have waited for the Congress to recognize their brave deeds and compensate them by granting them certain veterans benefits.

Because some of the survivors of the combat patrol are old and in need of hospital and medical care, I am introducing legislation today which would grant them the much needed help. It is my earnest hope that the Members of the House will support me in this endeavor.

SUGAR ACT DEFEAT NOT RESPONSIBLE FOR HIGH PRICES

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. FINDLEY. Mr. Speaker, although the Sugar Act does not expire until the end of the year, current high sugar prices are being blamed on the defeat of the act. There are many reasons why sugar is getting more expensive—none related to the defeat of the act.

These reasons were clearly summarized by Congressman PETER PEYSER in a letter to the editor of the New York Times on September 5, 1974.

Text of that letter:

[Letters to the Editor in the New York Times, Sept. 5, 1974]

SUGAR: ANATOMY OF A PRICE SPIRAL

To the EDITOR:

Sugar prices are at an all-time high and every indication for the balance of this year is that they will maintain this level or go even higher.

Many sugar producers are very quick to say that because of the defeat of the Sugar Act by Congress this year the price of sugar is spiraling. There is absolutely no truth to this statement. The Sugar Act does not expire until Dec. 31 of this year. The tremendous increases in the price of sugar over the past year, a time in which the Sugar Act was in effect, clearly indicate that the Sugar Act itself was totally incapable of maintaining a reasonable price for sugar. What many of these producers also overlook is the fact that the taxpayers of this country, who are also the consumers, have been paying over $90 million a year in subsidies to these same sugar growers. The real problem in sugar is being caused by the increasing world consumption and lagging production.

The U.S. sugar policy presently and for the past forty years has been marketing limitation through quotas for both domestic production and foreign imports of the commodity.

This system of control was designed to operate like a valve regulating the supply during the era of surplus and thus also regulating U.S. sugar prices. When the surplus disappeared the system failed, as it was geared solely to cope with the excess sugar supplies.

Concurrently, with the change in the world sugar supply, there were a number of economic forces at work which also contributed to the sharp price rises in sugar. Among these were the monetary crisis, worldwide commodity shortages, inflation, tight money and the energy crisis.

The energy crisis had a double-barreled impact on sugar prices. It increased the cost of production and shipment as well as putting large amounts of dollars and other currencies in the hands of the Arab countries, which bought aggressively, adding to the rise in prices.

It takes between 24 and 36 months for sugar to get from the planning board to the grocery shelf. During this period of time, with the termination of the Sugar Act, the effect of the free market will come into play and the amount of available sugar will increase and the price to the public will come down.

For too long the consumer and taxpayers have been bearing the burden of the farm programs through high prices and billions of dollars in tax revenues. The Sugar Act was defeated by the House on June 5. I am certain the increasing consumer concern in Congress will result in the termination of this quiet little game of unjustifiable farm subsidies which has come to typify many sectors of our agricultural economy.

PETER A. PEYSER,
Member of Congress.

CHROME BAN WOULD INJURE U.S. ECONOMY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. ASHBROOK. Mr. Speaker, some Americans seem to believe that our foreign policy has no bearing on our domestic economy. Foreign policy decisions, however, can have a highly detrimental impact on our economic well-being. The current move in Congress to halt the importation of Rhodesian chrome is a case in point.

Rhodesia has approximately two-thirds of the world's supply of metallurgical grade chromite. This is an essential ingredient in our domestic economy, as it is the only grade economically suitable for steelmaking applications.

A bill now before Congress would prohibit the entry of Rhodesian chrome into the United States. This would leave the Soviet Union as virtually the only supplier of metallurgical chrome to the United States.

The likely result is a sharp increase in price. During the period of the last embargo, from 1967 to 1971, the price of Soviet chrome ore doubled. If the sanctions are reenacted, American consumers would have to pay double or triple the Rhodesian price to buy chrome from the U.S.S.R. As they did in the past, the Soviets would exploit their monopoly position in the U.S. market to gouge American chrome users.

Such an action would also have a serious impact on America's specialty steel industry. Other nations that buy cheaper Rhodesian chrome would be able to produce steel products at a lower cost than in the United States. For example, chrome accounts for about 20 percent of the raw materials cost of stainless steel. If our foreign competitors have access to low-cost, high-quality chrome, and we are forced to pay premium prices to Russian suppliers, the American steel industry simply will not be able to compete against imported stainless steel. The U.S. specialty steel industry would be seriously harmed and thousands of jobs for American workers would be lost.

In addition, the proposed embargo probably would create shortages of the tough steel needed by the petroleum industry for items such as rock bits, drill collars, and offshore platforms. According to an officer in the Armco Steel Corp.—

> Working men and women in the steel companies as well as employes of oil equipment and other user firms would be among the losers.

We cannot afford this blow to our economy. Following is the text of an article from the September 13 edition of the Oil Daily.

[From the Oil Daily, Sept. 13, 1974]

CHROME BAN AFFECTING OIL'S STEEL

(By Jim Drummond)

HOUSTON.—A proposed United Nations boycott on chromium exported from Rhodesia threatens to create shortages of the tough steel needed by the petroleum industry. Armco Steel Corp.'s western division vice president told The Oil Daily.

George Hansen referred to steels for such items as rock bits, drill collars and offshore platforms.

Rhodesia supplies 43% of the world's chromium, he said, so its disappearance from the marketplace would force the U.S. to rely on the only other major supplier, the Soviet Union, or upon Rhodesian chromium reaching this country through "third or fourth parties," undoubtedly at sharply higher prices.

"Working men and women in the steel companies as well as employes of oil equipment and other user firms would be among the losers," he declared.

He said Armco is "working on the problem" both as a member of the American Iron & Steel Institute and as an individual company.

WHAT PRICE STATUS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. WOLFF. Mr. Speaker, an excellent article by Smith Hempstone which originally appeared in the Washington Star-News was reprinted in the September issue of the Reader's Digest. It accurately describes the cost of India's nuclear explosion development program in terms of dollars which were diverted from her starving citizens. I would like it inserted in the RECORD so that my colleagues will have a chance to know the statistics and implications of India's decision to produce an atomic bomb.

The article follows:

WHAT PRICE STATUS?

Detonation by India of a nuclear device is likely to have a destabilizing effect in both South Asia and the world. India claims, naturally, that it has no intention of developing nuclear weapons; but the technology for producing a nuclear explosion is precisely the same whether the intent is pacific or warlike. Thus, India's move could well produce a domino effect as other nations that feel themselves threatened by their neighbors develop their own nuclear capabilities. Most likely candidates include Israel, Iran, Egypt, South Africa and, perhaps, Brazil.

In five years from 1969 to 1974—when an estimated 80 percent of her children were suffering from malnutrition—India spent

$173 million on her nuclear program. Moreover, with her population of 580 million increasing at the rate of 13 million annually, an economy on the verge of collapse because of food shortages, inflation and the fourfold increase in the cost of oil and petroleum byproducts, India plans to spend another $315 million on nuclear development over the next five years.

India has joined an exclusive club. But she has done so at the expense of her own people. The new member remains barefoot and hungry. She is simply more dangerous.

MEDICAL SOCIETIES THROUGHOUT THE WORLD

HON. PAUL W. CRONIN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. CRONIN. Mr. Speaker, I would like to insert in the RECORD, for the benefit of my colleagues, a letter and accompanying statement from the Hellenic Paediatric Society in Athens. This letter attests to the continuing atrocities being committed daily by the Turks against helpless women and children in Cyprus. As I have said in the past, this is not a people concerned with the welfare of humanity. We have seen indications of their disregard for the people of the world through massive annihilation of the Armenians in 1915—the first modern example of genocide. The Turkish Government is now encouraging the production of poppies—poppies that will end up as heroin on American streets.

It is the responsibility of the American Government to demonstrate our respect for human rights by cutting off aid to Turkey and supporting humanitarian assistance to the island of Cyprus. The letters follow:

HELLENIC PAEDIATRIC SOCIETY,
Athens, Greece, August 29, 1974.

To Medical Societies Throughout the World:

The Greek Paediatric Society unable to ignore the dramatic consequences of the military invasion and the violence applied upon children and unarmed inhabitants of an independent state, appeals to Medical Societies throughout the World to use their prestige in helping to restore the crumbling principles of justice and moral order in Cyprus.

The disregard of fundamental human principles must be denounced by all members of the Medical Societies who by the nature of their profession are particularly sensitive whenever cruelty is applied in the treatment of children whose human rights bodies and souls are nowadays intolerably violated.

The Greek Paediatric Society aware of the unbearable physical and mental suffering of the Children of Cyprus appeals to all Medical Societies to raise a strong voice of indignation against violence applied upon innocent victims. Such flagrant disregard of human principles by armies of supposedly civilized members of the international community is indeed inconceivable.

The Greek Paediatric Society declares its faith in the ideals of Humanism, expresses its most profound concern over the adoption of inhuman methods in international dealings and strongly believes that every Medical Society throughout the world must spare no effort in order to bring to an end vandalism in Cyprus.

Sincerely yours,
C PAPADATOS,
President, Hellenic Paediatric Society.
P. VLACHOS,
Secretary, Hellenic Paediatric Society.

HELLENIC PAEDIATRIC SOCIETY,
Athens, Greece, August 31, 1974.

Hon. PAUL W. CRONIN,
Congressman,
Washington D.C.

SIR: The Hellenic Paediatric Society has taken the initiative of addressing physicians all over the world as well as their Societies, the attached appeal, which refers to the dramatic situation of children in Cyprus.

The tragic consequences of the acts of brutal violence of the Turkish troops upon children and women of Cyprus, creates a problem, not only for paediatricians throughout the world but also for those who, as responsible members of parliamentary bodies influence the destinies of all nations.

This is why we address ourselves to You, believing, that you will do everything in your power, in defending children and women of Cyprus, whose human rights are openly violated.

Hoping to have your active support, I remain,

Sincerely yours,
Prof. C. PAPADATOS,
President, Hellenic Paediatric Society.

ROSS A. SCIARROTTA: OUTSTANDING CIVIC LEADER

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. CHARLES H. WILSON of California. Mr. Speaker, Samuel Johnson said:

> Few things are impossible to diligence and skill . . . great works are performed, not by strength, but perseverance.

During his 12 years of service on Torrance, Calif., City Council, Ross A. Sciarrotta, in dedicating his efforts to his community, has achieved remarkable results. For, because of his total commitment to making Torrance a well-balanced city with healthy industry and commerce, Ross Sciarrotta has entered into virtually every aspect of community activity and made life better for all Torrance residents as a result.

Ross' originality of approach to all things was indicated early as, in 1949, he, his wife, and their eight children traveled from Ohio to Torrance in a 42-passenger reconverted schoolbus. Armed with a masters degree from the University of Pittsburgh, Ross immediately obtained a position as a political science instructor at Long Beach City College where he has remained.

From the first time that he took his students to city hall as part of their instruction, Ross knew that municipal government was a place where he could put his energy and ideas to work. He then obtained a position with the Civil Service Commission where he served for 7 years, including 2 years as chairman.

This valuable experience led to his election to the Torrance City Council in 1962—and I doubt if the citizens of Torrance ever made a wiser choice. By contributing his expertise on government and sound judgment on how tax money should be spent, Ross made his dreams for Torrance into reality. His foremost concern has always been young people, for as the father of 6 sons and 2 daughters and the grandfather of 23, he has firsthand knowledge of the needs of our children.

Ross was instrumental in establishing an independent library system for Torrance which now boasts five branches. He has worked vigorously to develop small neighborhood parks and sparked the formation of the youth welfare commission. Also, he initiated a recreational program which has won countless awards.

But, although Ross' dedication has brought about many improvements for the city of Torrance, he has never lost sight of his goals of keeping Torrance's budget balanced without imposing additional real estate taxes.

I know Ross' retirement years will be rich, indeed, as he has long enjoyed a variety of hobbies ranging from woodworking to poetry. His service on the city council will be greatly missed, however, although I know that he will continue to serve his community in a private capacity. His contributions to Torrance will never be forgotten, for he leaves many industrial and shopping centers, libraries, parks, and—most of all—grateful young people as his legacy.

THE PRECARIOUS BALANCE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my Washington Report entitled "The Precarious Balance":

[From Lee Hamilton's Washington Report, Sept. 18, 1974]

THE PRECARIOUS BALANCE

Man's ability to produce food is not keeping pace with his need. Despite all the efforts to solve the world problems, more people are hungry today than ever before. Hundreds of millions of people are undernourished, and population growth adds about 75 million people each year. Within the next 25 years, the world's population will grow from 4 to 7 billion, and they must all be fed.

In recent years the world's food supply took a sharp turn for the worse. While the world's population was expanding last year with the largest increase ever, surplus stocks of grain were exhausted, food prices reached new highs, the supply of cheaper protein foods (fish and legumes) declined, and fertilizer and fuel shortages reduced food production.

The food shortage is beginning to take shape as one of the greatest peacetime problems the world faces. In 1974 the balance between world food supply and demand is precarious. A poor harvest in a major producing country or substantial changes in the climate, now foreseen by many weather scientists, could send shock waves throughout the world.

Everyone agrees that the long term solution lies in increasing food production, especially in the developing countries. The vast productivity of American farms, which has stood as a buffer between enough to eat and famine for millions, cannot forever make up the world's food deficits simply because population is growing too large.

The permanent solution depends on fundamental changes in the policies and the practices of countries where agriculture is poor to make them as nearly self-sufficient as possible. These changes in the social, political, and economic ways of a nation will not come easily, and without strong commitments by the governments the needed agricultural production will not occur.

Major efforts are now being made to increase the world's food production. Scientists are working on a "super plant" which would combine the most desirable characteristics of a variety of crops, and would resist insects, survive drought, and produce large yields of highly nutritious food. Some scientists think it is possible in coming years to double the global yields of food and to increase production in step with the population explosion—at least for another 30 years.

Elaborate computerized studies of all factors bearing on food production are being made to identify measures likely to avoid catastrophe and to increase production. Food experts are convinced that generous supplies of fertilizers are a key to growing the food the world needs, and efforts are underway toward producing more generous supplies of fertilizer a few years from now. The best place to use fertilizer is in the developing countries where extra yields come from relatively small applications of fertilizer. The U.S. has substantial reserves of agricultural resources that can help feed the world's hungry, assuming the use of additional land, continuing advances in technology, and incentives for farmers, including attractive prices.

The U.S., the food and fertilizer center of the world, must take the lead in developing a global food policy within a total strategy of development. The World Food Conference, proposed by Secretary Kissinger, will be meeting this November in Rome. My feeling is that if the U.S. really wants to make friends in the world it will focus on the ways and means of solving the world food crisis, and the Rome Conference will be a good place to exert U.S. leadership.

High priority must be given by the nations of the world to increasing food and fertilizer production, including a global agricultural research program and a crash effort to develop fertilizer production capacities. The U.S. should expand its technical assistance program, exporting its agricultural expertise to enable developing countries to become self-sufficient in food. Population policies must be developed which respect the right of each couple to decide for themselves the size of their families, and allows governments to provide their people with the information and the means to exercise that right. A global system of food reserves to meet the emergency needs of the developing countries must be established to provide grain that can be sold only when there is a shortage and only at a price that provides the farmer a fair profit. These reserves need not endanger the farmer's income. Trade policies must be liberalized to allow the flow of food among nations, and world information on the supply and availability of food must be improved.

THE WORLD IS AN OYSTER FOR THOSE WHO CAN AFFORD TAX HAVENS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. VANIK. Mr. Speaker, several weeks ago, the New Yorker magazine carried a full-page advertisement for investment in the tax free British Crown Colony of the Cayman Islands. According to the text of the advertisement, for the person who buys a home in the Cayman Islands, "the world is his oyster."

> Cayman is just one hour by air out of Miami . . . the home of the friendliest people in all the world . . . a stable British Crown Colony by choice . . . and the world's leading tax haven by destiny. This is an island paradise, and a home here, where there are no real estate taxes for an individual or a corporation, is worth its weight in gold.

It is obviously a place for investments by the wealthy. As the advertisement subtly and snobbishly states—

> Write on your personal stationery or corporate letterhead for detailed information.

Our Nation is suffering a hemorrhage of capital overseas. Many of these investments are going to tax havens like the British Cayman Islands. Yet the Cayman Islands are not tax havens "by destiny." They are tax havens by choice. It is time that we amended our tax laws to control investments in places like the Caymans. It is time that the United States and other major nations of the world developed a tax treaty outlawing and working against the type of tax shelters flaunted by the Cayman Islands.

DEPRESSION DOOMSAYERS DEBUNKED BY CITIBANK

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. HANRAHAN. Mr. Speaker, many persons in this country are extremely concerned over the possibility of an economic depression. A depression such as the one which occurred in the 1930's is virtually impossible according to Citibank. I wish to insert the following article from the Chicago Tribune pertaining to this matter for the benefit of my colleagues:

DEPRESSION DOOMSAYERS DEBUNKED BY CITIBANK

(By Joseph Egelhof)

NEW YORK.—Boldly tackling one of the bugaboos of the post Nixon stock market drop, the First National City Bank Wednesday said that replay of the Great Depression of the 1930s is "virtually impossible."

New York's largest bank blasted "doomsayers" writing bestseller books and the press for spreading fear of a repetition of the catastrophe among people too young to have any first-hand knowledge of the Depression. Only about 30 per cent of the population is old enough to remember it.

"In proclaiming the world to be on the brink of another calamity, the doomsayers are tearing the crisis of the 1930s out of its historical context and transplanting it in the very different soil of 1974," said Citibank in its monthly economic letter.

It is an analogy, in short that just doesn't work.

The bank acknowledged that this is "a time of financial uncertainty."

"It is true that the current recession in industrial countries appears to be the worst, in real terms of the postwar period" it said.

However, the economic differences from the early 1930s are "far greater" than the similarities it added, "in fact, the preconditions of a major banking crisis are not present today."

"The chief point to grasp is that in the 1930s a U.S. recession, induced by monetary restraint, was allowed to get out of hand," Citibank said.

When a gust of panic touched off a stampede of withdrawals from United States banks, the Federal Reserve clung to its tight-money policy, letting hundreds of banks go to the wall.

This intensified the monetary contraction and its devastating effects was transmitted far beyond U.S. borders by the rigid machinery of a world monetary system based on the gold-exchange standard.

The impact was particularly severe in Germany, which had relied heavily on an inflow of U.S. capital to support its currency, the bank said. From there the pressure spread to Britain.

"No central bank today would—or politically could—repeat the Fed's dismal 1928–32 performance," Citibank said. "With this crucial element missing, a catastrophe of the 1930s type is not likely to recur."

Citibank said 1974 is unlike 1931 in many other ways citing the following:

The early 1930s had fixed exchange rates tied to gold. To defend its gold parity a central bank applied stiff monetary restraints even in the depths of recession. Today's exchange rates are floating.

In 1974, every central bank is alert to its role as "a lender of last resort" ready to help its commercial banks. Central banks didn't assume this role in the 1930s.

Four decades ago, when confidence weakened in sterling and then in the dollar, conversion of these assets into gold wiped out a large volume of international liquidity and compressed the world's money supply. Today, no currency is convertible into gold.

Today the Federal Deposit Insurance Corp. guarantees bank deposits up to $20,000. Citibank said this "destroys most of the seeds of public panic," such as that of the 1930s.

Citibank said no central bank ignores the lessons of the 1930s and "in fact, present monetary institutions are prone to create too much rather than too little money."

The Citibank economists who made the analysis concluded that to talk as if the preconditions of a major banking crisis were, or might be, present today "is not only mistaken but risky."

"An attempt to interpret 1974 in terms of 1931 will not recreate the past," the banks said. "But it might lead to costly and avoidable errors."

VOTING RECORD

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. HUNGATE. Mr. Speaker, I think it is important that constituents be aware of the actions taken by their elected officials. It is for this reason that I send newsletters, special reports, and questionnaires to all Ninth District constituents. But, because of the limited space available in my newsletters, I am unable to keep my constituents informed on all of the votes taken by the Congress. For this reason, I herewith submit my voting record for the first session of the 93d Congress in order that 9th District Missourians might know my vote on all the hundreds of issues considered by the Congress:

VOTING RECORD—WILLIAM L. HUNGATE, 93D CONG., 1ST SESS.

Rollcall No.	1973	Measure, question, and result	Vote
1	Jan. 3	Call of the House	Present.
2	do	Election of Speaker (Albert 236—Ford 188)	Yes.
3	do	H. Res. 6: On ordering the previous question on the resolution adopting the rules of the House of Representatives for the 93d Congress (passed 208-206).	Yes.
4	Jan. 15	Quorum call	Present.
5	Jan. 23	do	Present.
6	Jan. 29	do	Present.
7	Jan. 31	do	Present.
8	do	H. Res. 176: On ordering the previous question on the "rule" under which to consider the resolution creating a select committee to study the operation and implementation of the Rules of the House of Representatives (passed 205-167).	No.
9	do	H. Res. 176: On adoption of the "rule" under which to consider the resolution creating a select committee to study the operation and implementation of the Rules of the House of Representatives (passed 238-135).	Yes.
10	do	H. Res. 132: On adoption of the resolution creating a select committee to study the operation and implementation of the Rules of the House of Representatives (passed 282-91).	Yes.
11	Feb. 5	H.J. Res. 123 (S.J. Res. 42): On a motion to suspend the rules and pass the joint resolution establishing the Commission on Highway Beautification (passed 283-40).	No.
12	Feb. 6	Quorum call	Present.
13	Feb. 7	do	Present.
14	do	H. Res. 188: On ordering the previous question on the "rule" under which to consider H.R. 2107, the rural environmental assistance program (passed 237-150).	Yes.
15	do	H.R. 2107: On an amendment to the rural environmental assistance program which sought to reduce funds in the bill by $85,000,000 (defeated 176-217).	No.
16	do	H.R. 2107: On an amendment to the rural environmental assistance program which sought to restrict REAP payments to farmers with an average annual net income during the preceding 3 years of $10,000 or less (defeated 132-260).	No.
17	do	H.R. 2107: On final passage of the rural environmental assistance program (passed 251-142).	Yes.
18	Feb. 20	Quorum call	Present.
19	do	H.R. 3694: On a motion to suspend the rules and pass the bill amending the joint resolution establishing the American Revolution Bicentennial Commission (passed 286-72).	Yes.
20	Feb. 21	H.J. Res. 345: On passage of the resolution making further continuing appropriations for fiscal year 1973 (passed 311-73).	Yes.
21	Feb.22	H.R. 1975: On an amendment of the emergency loan program which allows eligible applicants in natural disaster areas designated by the Secretary of Agriculture to apply for 1-percent disaster loan. 18 days after the effective date of this act (passed 196-160).	No.
22	do	H.R. 1975: On passage of the emergency loan program under the Consolidated Farm and Rural Development Act (passed 269-95).	Yes.
23	Feb. 27	Quorum call	Present.
24	do	H.R. 3577: On passage of the Interest Equalization Tax Extention Act of 1973 (passed 358-23).	Yes.
25	Feb. 28	Quorum call	Present.
26	do	H. Res. 256: On passage of the resolution creating a select committee to investigate all aspects of crime affecting the United States (passed 317-75).	Yes.
27	do	H. Res. 18: On ordering the previous question on the resolution authorizing the Committee on Banking and Currency to conduct investigations and studies of all matters within its jurisdiction (passed 204-191).	Yes.
28	do	H. Res. 257: On passage of the resolution authorizing the Committee on the District of Columbia to conduct studies and investigations (defeated 153-234).	Yes.
29	Mar. 1	Quorum call	Present.
30	do	H.R. 3298: On passage of the bill to restore the rural water and sewer grant program under the Consolidated Farm and Rural Development Act (passed 297-54).	Yes.
31	Mar. 5	Quorum call	Present.
32	do	H.R. 4278: On a motion to suspend the rules and pass the bill assuring that Federal financial assistance to the child nutrition programs be maintained at the level budgeted for fiscal year 1973 (passed 352-7).	Yes.
33	do	H.J. Res. 393: On a motion to suspend the rules and pass the joint resolution extending the authorization of the National Commission on the Financing of Postsecondary Education (passed 332-29).	Yes.
34	Mar. 6	Quorum call	Present.
35	Mar. 7	do	Present.
36	do	H. Res. 272: On ordering the previous question on the resolution under which to consider H. Res. 259 to amend the rules of the House of Representatives to strengthen the requirement that committee proceedings be held in open session (passed 197-196).	Yes.
37	do	H. Res. 259: On an amendment to the resolution to amend the Rules of the House of Representatives which authorizes departmental representatives to attend closed committee meetings if authorized by that committee (passed 201-198).	No.
38	do	H. Res. 259: On passage of the resolution amending the Rules of the House of Representatives to strengthen the requirement that committee proceedings be held in open session (passed 371-27).	Yes.
39	Mar. 8	Quorum call	Present.
40	do	do	Present.
41	do	H.R. 17: On an amendment to the Vocational Rehabilitation Act which sought to authorize $600,000,000 for fiscal year 1973, $630,000,000 for fiscal year 1974, and $650,000,000 for fiscal year 1975 for the continuation of programs authorized under the Vocational Rehabilitation Act (defeated 165-213).	No.
42	do	H.R. 17: On passage of the Vocational Rehabilitation Act of 1973 (passed 318-57).	Yes.
43	Mar. 13	Quorum call	Present.
44	Mar. 13	H.R. 71: On an amendment to the Older Americans Act which sought to substitute the text of H.R. 4318 (defeated 168-229).	No.
45	do	H.R. 71 (S. 50): On passage of the Older Americans Act (passed 329-69).	Yes.
46	Mar. 14	Quorum call	Present.
47	do	Quorum call	Present.
48	do	S. 583: On passage of the bill promoting the separation of constitutional powers by securing to the Congress additional time in which to consider the rules of evidence for U.S. courts and magistrates, the amendments to the Federal Rules of Civil Procedure and the amendments to the Federal Rules of Criminal Procedure which the Supreme Court of Nov. 20, 1972, ordered the Chief Justice to transmit to the Congress (passed 399-1).	Yes.
49	Mar. 15	Quorum call	Present.
50	do	H.R. 2246: On passage of the bill amending the Public Works and Economic Development Act of 1965 to extend the authorization for a 1-yr period (passed 278-108).	Yes.
51	Mar. 20	Quorum call	Present.
52	do	H. Res. 285: On passage of the resolution authorizing funds for the Committee on Public Works (passed 372-9).	Yes.
53	Mar. 21	Quorum call	Present.
54	do	H.R. 5446: On passage of the bill to extend the Solid Waste Disposal Act for 1 yr (passed 392-2).	Yes.
55	Mar. 22	Quorum call	Present.
56	do	H. Res. 308: On passage of the resolution providing funds for House Committee on Internal Security (passed 289-101).	Yes.
57	do	H.R. 5445: On passage of the bill to extend the Clean Air Act for 1 yr (passed 387-1).	Yes.
58	Mar. 27	Quorum call	Present.
59	Mar. 28	do	Present.
60	Mar. 29	do	Present.
61	do	H.R. 5293: On a motion to recommit the Peace Corps Authorization bill to the Committee on Foerign Affairs with instructions to report it back forthwith containing an amendment that would limit authorization to 1 yr and reduce funds by $17,000,000 (defeated 132-238).	Yes.
62	do	H.R. 5293: On passage of the bill authorizing continuing appropriations for the Peace Corps (passed 299-72).	Yes.
63	Apr. 2	H.R. 3153: On a motion to suspend the rules and pass the bill to amend the Social Security Act to make certain technical and conforming changes (passed 340-1).	Yes.
64	do	H. Res. 330: On a motion to suspend the rules and pass the resolution regarding U.S. ocean policy at the Law of the Sea Conference (passed 303-52).	Yes.
65	Apr. 3	Quorum call	Present.
66	do	do	Present.
67	do	do	Present.
68	do	do	Present.
69	Apr. 4	do	Present.
70	do	H.R. 3577: To approve the conference report on the bill to provide an extension of the interest equalization tax (passed 396-18).	Yes.
71	do	H. Res. 337: On ordering the previous question on the "rule" under which to consider H.R. 5683 the bill amending the Rural Electrification Act of 1936 (passed 244-170).	Yes.
72	do	Quorum call	Present.
73	do	do	Present.
74	do	H.R. 5683: On an amendment to the bill to amend the Rural Electrification Act of 1936 which sought to insert the text of H.R. 5536 (defeated 162-244).	No.
75	do	H.R. 5683: On passage of the bill to amend the Rural Electrification Act of 1936 to establish a Rural Electrification and Telephone Revolving Fund (passed 317-92).	Yes.
76	Apr. 5	Quorum call	Present.
77	do	H. Res. 340: On passage of the resolution authorizing additional investigative authority to the Committee on Interior and Insular Affairs (passed 281-70).	Yes.
78	Apr. 9	Quorum call	Present.
79	do	H.R. 4586: On passage of the bill incorporating in the District of Columbia the National Inconvenienced Sportsmen's Association (passed 328-0).	Yes.
80	do	H.R. 342: On passage of the bill authorizing the District of Columbia to enter into the Interstate Agreement on Qualification of Educational Personnel (passed 331-1).	Yes.
81	Apr. 10	Quorum call	Present.
82	do	H.R. 3298: To override the President's veto of the bill to restore the rural water and sewer grant program under the Consolidated Farm and Rural Development Act (defeated 225-179; a ⅔ vote being necessary).	Yes.
83	do	H. Res. 348: On passage of the resolution providing a rule for the consideration of H.J. Res. 205 to create an Atlantic Union delegation (defeated 197-210).	Yes.
84	Apr. 11	H. Res. 349: On ordering the previous question on the "rule" under which to consider H.R. 3180, the bill clarifying the proper use of the franking privilege by Members of Congress (passed 371-14).	No.
85	do	H.R. 3180: On passage of the bill clarifying the proper use of the franking privilege by Members of Congress (passed 354-49).	No.
86	Apr. 12	H.J. Res. 496: On passage of the joint resolution making supplemental appropriations for fiscal year 1973 for the Civil Aeronautics Board and the Veterans' Administration (passed 367-0).	Yes.
87	Apr. 16	Quorum call	Present.
88	do	H. Res. 357: On ordering the previous question on the "rule" under which to consider H.R. 6168, the bill to amend and extend the Economic Stabilization Act of 1970 (defeated 147-258).	No.
89	do	Quorum call	Present.
90	do	H.R. 6168: On an amendment to a substitute amendment to the bill to amend and extend the Economic Stabilization Act of 1970 which sought to impose a ceiling on prices at levels no higher than those on Apr. 16, 1973, except agricultural prices at the farm level (defeated 139-263).	No.

VOTING RECORD—WILLIAM L. HUNGATE, 93D CONG., 1ST SESS.

Rollcall No.	1973	Measure, question, and result	Vote
91	Apr. 16	H.R. 6168: On an amendment to a substitute amendment to the bill to amend and extend the Economic Stabilization Act of 1970 which requires that hearings be held before an agency reduces wages or salaries and that a statement of explanation shall be written to the parties involved within 30 days (passed 271–132).	Yes.
92	do	H.R. 6168: On a substitute amendment to a substitute amendment to the bill to amend and extend the Economic Stabilization Act of 1970 which sought to extend the act for 60 days and direct the President to develop a program to stabilize interest rates, rents, prices, and wages and transmit the program to Congress by May 15, 1973 (defeated 151–253).	No.
93	do	H.R. 6168: On an amendment to a substitute amendment to the bill to amend and extend the Economic Stabilization Act of 1970 which sought to authorize and direct the President to stabilize rents at levels prevailing on Jan. 10, 1973 (defeated 173–225).	No.
94	do	H.R. 6168: On an amendment to a substitute amendment to the bill to amend and extend the Economic Stabilization Act of 1970 which sought to authorize the President to stabilize rents at levels prevailing on Jan. 10, 1973, and allow for a 2.5-percent increase annually (defeated 147–250).	No.
95	do	H.R. 6168: On an amendment to a substitute amendment to the bill to amend and extend the Economic Stabilization Act of 1970 which sought to impose a ceiling on all food prices at levels no higher than those prevailing on Mar. 16, 1973, and to stabilize rents at levels prevailing on Jan. 10, 1973 (defeated 101–303).	No.
96	do	H.R. 6168: On a motion to recommit the bill to amend and extend the Economic Stabilization Act of 1970 to the Committee on Banking and Currency (defeated 164–243).	Yes.
97	do	H.R. 6168: On passage of the bill to amend and extend the Economic Stabilization Act of 1970 (passed 293–114).	No.
98	Apr. 17	Quorum call	Present.
99	do	do	Present.
100	do	H.R. 6691: On an amendment to the 1974 Legislation Appropriation Bill which sought to strike out $58,000,000 for the extension of the west front of the Capitol (defeated 189–195).	No.
101	Apr. 18	Quorum call	Present.
102	do	H.R. 6691: On a motion to recommit the 1974 Legislative Appropriation Bill to the Committee on Appropriations with instructions to report it back to the House deleting $58,000,000 for the extension of the west front of the Capitol (defeated 185–215).	No.
103	do	Quorum call	Present.
104	do	H. Res. 360: On ordering the previous question on the "rule" under which to consider H.R. 4204, Emergency Employment Act Amendments of 1973 (defeated 193–209).	Yes.
105	do	H. Res. 360: On ordering the previous question on the amendment to the resolution under which to consider H.R. 4204, Emergency Employment Act Amendments of 1973, which sought to substitute the text of H.R. 6710 for the committee bill, H.R. 4204 (defeated 157–245).	No.
106	do	Quorum call	Present.
107	do	H. Res. 360: On a motion to table the motion to reconsider the "rule" providing for the consideration of H.R. 4204, Emergency Employment Act Amendments of 1973 (passed 183–173).	No.
108	do	S. 50: On concurring to the Senate amendment to the amendment of the House to the bill to strengthen and improve the Older Americans Act of 1965 (passed 348–0).	Yes.
109	Apr. 19	Quorum call	Present.
110	do	S. 502: On an amendment to the Federal Aid Highway Act which sought to permit local officials in urban areas to use $700,000,000 from the Highway Trust Fund for nonhighway transit needs (defeated 190–215).	Yes.
111	do	S. 502: On an amendment to the Federal Aid Highway Act which deletes language which earmarks funds for cities with a population of more than 400,000 from the urban system funds (passed 292–93).	Yes.
112	Apr. 30	Quorum call	Present.
113	do	do	Present.
114	do	S. 398: To approve the conference report on the bill to extend and amend the Economic Stabilization Act of 1970 (passed 267–155).	No.
115	May 1	H.Res. 351: On adoption of the "rule" under which to consider H.R. 3932, the bill requiring confirmation of the Director and Deputy Director of the Office of Management and Budget (passed 318–56).	Yes.
116	do	H.R. 3932: On an amendment in the nature of a substitute to the bill requiring confirmation of the Director and Deputy Director of the Office of Management and Budget which sought to exempt the current Director and Deputy Director of OMB but require confirmation of all future nominees for those posts (defeated 130–263).	No.
117	do	H.R. 3932: On passage of the bill requireing confirmation of the Director and Deputy Director of the Office of Management and Budget (pass 229–171).	Yes.
118	May 2	H. Res. 370: On adoption of the 'rule" under which to consider H.R. 6388, the bill to amend the Airport and Airway Development Act of 1970 to increase the U.S. share of allowable project costs under such act and to amend the Federal Aviation Act of 1958 to prohibit certain State taxation of persons in air commerce (passed 385–2).	Yes.
119	do	H.R. 6388: On passage of the bill amending the Airport and Airway Development Act of 1970 to increase the U.S. share of allowable project costs under such act and to amend the Federal Aviation Act of 1958 to prohibit certain State taxation of persons in air commerce (passed 386–16).	Yes.
120	May 3	Quorum call	Present.
121	do	H.R. 982: On an amendment to the bill to amend the Immigration and Nationality Act Which sought to strike out the 3-step civil and criminal penalty procedure for imposing sanctions on employers who knowingly employ aliens in the United States (defeated 96–266).	No.
122	do	H.R. 982: On passage of the bill to amend the Immigration and Nationality Act (passed 297–63).	Yes.
123	May 7	Quorum call	Present.
124	do	H.R. 4967: On a motion to suspend the rules and pass the bill authorizing appropriations for the Indian Claims Commission for fiscal year 1974 (passed 336–8).	Yes.
125	do	H.R. 6574: On a motion to suspend the rules and pass the bill encouraging persons to join and remain in the Reserves and National Guard by providing full-time coverage under Servicemen's Group Life Insurance for such members and certain members of the Retired Reserve (passed 342–1).	Yes.
126	do	H.R. 2828: On a motion to suspend the rules and pass the bill establishing a National Cemetery System within the Veterans' Administration (passed 340–1).	Yes.
127	do	H.R. 29: On a motion to suspend the rules and pass the bill providing for payments by the Postal Service to the Civil Service Retirement Fund for increases in the unfunded liability of the fund due to increases in benefits for Postal Service employees (passed 344–0).	Yes.
128	May 8	H.R. 5452: On a motion to suspend the rules and pass the bill extending and making technical corrections to the National Sea Grant College and Program Act of 1966 (passed 368–9).	Yes.
129	do	H.R. 5451: On a motion to suspend the rules and pass the Oil Pollution Act Amendments of 1973 (passed 370–1).	Yes.
130	May 9	Quorum call	Present.
131	do	H.R. 7445: On passage of the bill to amend the Renegotiation Act of 1951 to extend the act for 2 years (passed 388–0).	Yes.
132	do	H.R. 6370: On an amendment to the bill to extend certain laws relating to the payment of interest on time and savings deposits which sought to delete language that prohibits against Negotiable Order of Withdrawal savings accounts (defeated 98–264).	No.
133	do	H.R. 6370: On passage of the bill to extend certain laws relating to the payment of interest on time and savings deposits (passed 376–4).	Yes.
134	May 10	S. 394: To approve the conference report on the bill to amend the Rural Electrification Act of 1936 (passed 363–25).	Yes.
135	do	H. Res. 389: On ordering the previous question on the "rule" under which to consider H.R. 7447, the bill making supplemental appropriations for fiscal year 1973 (defeated 184–222).	No.
136	do	H.R. 7447: On an amendment to the bill making supplemental appropriations for fiscal year 1973 while in the Committee of the Whole that deletes language which would authorize the transfer of $430,000,000 by the Department of Defense (passed 219–188).	Yes.
137	do	H.R. 7447: On an amendment to the bill making supplemental appropriations for fiscal year 1973 that sought to postpone the provisions of the amendment which prohibits the use of funds to finance combat activities in Cambodia (defeated 180–219).	No.
138	do	H.R. 7447: On an amendment to the bill making supplemental appropriations for fiscal year 1973 that prohibits the use of funds by the Department of Defense to finance combat activities in Cambodia by U.S. forces (passed 224–172).	Yes.
139	do	H.R. 7447: On an amendment to the bill making supplemental appropriations for fiscal year 1973 that increases the funding for category B impacted aid school assistance from 54 percent to 68 percent (passed 211–178).	Yes.
140	do	H.R. 7447: On an amendment to the bill making supplemental appropriations for fiscal year 1973 that deletes language which would authorize the transfer of $430,000,000 by the Department of Defense similar to rollcall 136 in Committee (passed 194–187).	Yes.
141	do	H.R. 7447: On passage of the bill making supplemental appropriations for fiscal year 1973 (passed 284–96).	Yes.
142	May 15	Quorum call	Present.
143	do	H.R. 6768: On an amendment to the bill to provide for participation by the United States in the United Nations environmental program which sought to reduce funds from $40,000,000, available until expended, to $2,500,000, available for fiscal year 1974 only (defeated 164–216).	No.
144	do	H.R. 6768: On an amendment to the bill to provide for participation by the United States in the United Nations environmental program while in the Committee of the Whole to reduce funds from $40,000,000, available until expended to $5,000,000, available for fiscal year 1974 only (passed 200–184).	Yes.
145	do	H.R. 6768: On an amendment to the bill to provide for participation by the United States in the United Nations environmental program which sought to reduce funds from $40,000,000 available until expended, to $5,000,000, available for fiscal year 1974 only similar to roll call 144 in committee (defeated 194–198).	Yes.
146	do	H.R. 6768: On passage of the bill to provide for participation by the United States in the United Nations environmental program (passed 266–123).	Yes.
147	May 16	Quorum call	Present.
148	do	H.R. 5777: On passage of the bill to protect hobbyists against the reproduction or manufacture of certain imitation hobby items and to provide additional protection for American hobbyists (passed 382–7).	Yes.
149	May 21	H.J. Res. 512: On a motion to suspend the rules and pass the joint resolution extending the authority of the Secretary of Housing and Urban Development with respect to the insurance of loans and mortgages and extending authorization under laws relating to housing and urban development (passed 357–1).	Yes.
150	do	H.R. 6330: On a motion to suspend the rules and pass the bill amending section 8 of the Public Buildings Act of 1959 relating to the District of Columbia (passed 270–98).	No.
151	May 22	Quorum call	Present.
152	do	H.R. 6717: On a motion to suspend the rules and pass the bill to amend section 210 of the Flood Control Act of 1968 (passed 307–90).	Yes.
153	do	H.R. 7200: On a motion to recommit the bill to amend the Railroad Retirement Act of 1937 and the Railroad Retirement Tax Act and the Interstate Commerce Act of the	No.

Rollcall No.	1973	Measure, question, and result	Vote
		Committee on Interstate and Foreign Commerce (defeated 10–393).	
154	May 22	H.R. 7200: On passage of the bill to amend the Railroad Retirement Act of 1937 and the Railroad Retirement Tax Act and the Interstate Commerce Act (passed 387–5).	Yes.
155	May 23	Quorum call	Present.
156	do	S. 518: To override the President's veto of the biil providing that appointments to the offices of Director and Deputy Director of the Office of Management and Budget shall be subject to confirmation by the Senate (defeated 236–178; a ¾ vote being necessary).	Yes.
157	do	Quorum call	Present.
158	do	H.R. 7528: On an amendment to the bill to authorize appropriation; to the National Aeronautics and Space Administration which sought to prohibit the use of funds for tracking and data acquisition in South Africa (defeated 104–294).	Yes.
159	do	H.R. 7528: On passage of the bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management (passed 322–73).	No.
160	May 29	H. Res. 408: On adoption of the "rule" under which to consider H.R. 6912, the bill to amend the Par Value Modification Act (passed 299–9).	Yes.
161	do	H.R. 6912: On an amendment to the bill to amend the Par Value Modification Act which sought to permit private purchase, sale, and ownership of gold after Dec. 31, 1973 (defeated 162–162).	Yes.
162	do	H.R. 6912: On an amendment to the bill to amend the Par Value Modification Act which sought to strike out language that provides for Presidential determination and approval of private gold ownership (defeated 100–218).	Absent.
163	do	H.R. 6912: On passage of the bill to amend the Par Value Modification Act (passed 281–63).	Absent.
164	May 30	Quorum call	Present.
165	do	do	Present.
166	do	H.R. 5857: On passage of the bill to amend the National Visitors Center Facilities Act of 1968 (passed 288–75).	Yes.
167	do	H.R. 5858: On passage of the bill authorizing further appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts (passed 260–100).	Yes.
168	May 31	Quorum call	Present.
196	do	H.R. 7806: On passage of the bill extending through fiscal year 1974 certain expiring appropriations authorizations in the Public Health Service Act, the Community Mental Health Centers Act, and the Developmental Disabilities Services and Facilities Construction Act (passed 372–1).	Yes.
170	do	H.R. 7724: On an amendment to the National Biomedical Research Fellowship, Traineeship, and Training Act of 1973 which prohibits live fetus research (passed 354–9).	Yes.
171	do	H.R. 7724: On passage of the National Biomedical Research Fellowship, Traineeship, and Training Act of 1973 (passed 361–5).	Yes.
172	do	H.R. 6458: On passage of the bill authorizing assistance for planning, development and initial operation, research, and training projects for systems for the effective provision of health care services under emergency conditions (passed 261–96).	Yes.
173	June 4	Quorum call	Present.
174	do	H. Res. 398: On a motion to suspend the rules and pass the resolution providing for the promotions to positions of a suspervisory capacity on the U.S. Capitol Police force authorized for duty under the House of Representatives and to reduce by 15 positions the total number of positions on such force under the House (passed 299–0).	Yes.
175	June 5	Quorum call	Present.
176	do	H.R. 8070: On a motion to suspend the rules and pass the bill authorizing grants for vocational rehabilitation services (passed 384–13).	Yes.
177	do	Quorum call	Present.
178	June 6	do	Present.
179	do	H.R. 7935: On an amendment to a substitute amendment to the bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act and to expand the coverage of that act which sought to increase the minimum wage rate for agricultural employees equal to that of industrial employees (defeated 186–232).	No.
180	do	H.R. 7935: On an amendment in the nature of a substitute to the bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under the act and to expand the coverage of that act which sought to substitute the provisions of H.R. 8304 (defeated 199–218).	No.
181	do	H.R. 7935: On an amendment to the bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under the act and to expand the coverage of that act which sought to set the minimum wage rate for employees covered before 1966 at $1.90 per hour for the 1st year, $2.10 for the 2d year, and $2.20 per hour thereafter (defeated 193–225).	No.
182	do	H.R. 7935: On an amendment to the bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act which sought to set the minimum wage rate for employees covered before 1966 at $2.10 per hour for the year beginning July 1, 1974, and to $2.20 per hour after June 30, 1975 (defeated 189–224).	No.
183	do	H.R. 7935: On the amendment in the nature of a substitute to an amendment to the bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act and to expand the coverage of that act which sought to set the minimum wage rate for agricultural workers at $1.50 per hour for fiscal year 1974. $1.70 per hour for fiscal year 1975, and $1.85 per hour thereafter (defeated 195–224).	Yes.
184	do	H.R. 7935: On an amendment to the bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act and to expand the coverage of that act which sought to increase the minimum wage rate for agricultural employees equal to that of industrial employees (defeated 102–313).	No.
185	June 6	H.R. 7935: On an amendment to the bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act and to expand the coverage of that act which sought to strike out extended coverage for Federal employees (defeated 167–249).	No.
186	do	H.R. 7935: On an amendment to the bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act and to expand the coverage of that act which sought to strike out extended coverage for local and state governmental employees (defeated 182–233).	Yes.
187	do	H.R. 7935: On an amendment to the bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act and to expand the coverage of that act which deletes the section on seasonal industry employees (passed 251–163).	Yes.
188	do	H.R. 7935: On an amendment to the bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act and to expand the coverage of that act which sought to establish a subminimum wage rate for workers under the age of 18 or full-time students at 80 percent of the applicable minimum wage of $1.60 per hour ($1.30 per hour for agricultural employees) whichever is higher (defeated 199–215).	No.
189	do	H.R. 7935: On an amendment to the bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act which freezes the minimum wage rate in the Canal Zone at its present level (passed 213–203).	No.
190	do	H.R. 7935: On passage of the bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act and to expand the coverage of that act (passed 287–130).	Yes.
191	do	Quorum call	Absent.
192	do	On a motion to adjourn (defeated 9–143)	Absent.
193	June 7	Quorum call	Present.
194	do	H. Res. 382: On passage of the resolution disapproving Reorganization Plan No. 2 (defeated 130–281).	No.
195	do	H.R. 7645: On passage of the bill authorizing appropriations for the Department of State (passed 331–57).	Yes.
196	do	H.R. 7446: On passage of the bill to establish the American Revolution Bicentennial Administration (passed 344–14).	Yes.
197	June 8	H.R. 2246: To approve the conference report on the bill to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 1-yr. period (passed 276–2).	Yes.
198	do	H. Res. 426: On adoption of the "rule" under which to consider H.R. 7670, to authorize appropriations for fiscal year 1974 for certain maritime programs of the Department of Commerce (passed 274–0).	Yes.
199	do	H.R. 7670: On passage of the bill to authorize appropriations for fiscal year 1974 for certain maritime programs of the Department of Commerce (passed 266–10).	Yes.
200	June 11	Quorum call	Present.
201	do	do	Present.
202	do	On a motion to dispense with calendar Wednesday business of June 13 (defeated 221–119; a ⅔ vote being necessary).	No.
203	do	H.R. 4083: On passage to the bill to improve the laws relating to the regulation of insurance in the District of Columbia (passed 330–0).	Yes.
204	do	H.R. 6713: On passage of the bill amending the District of Columbia Election Act regarding the times for filing certain petitions, regulating the primary elections for delegate from the District of Columbia (passed 330–12).	Yes.
205	do	H.R. 8250: On passage of the bill to authorize certain programs and activities of the Government of the District of Columbia (passed 268–84).	Yes.
206	do	H.R. 4771: On passage of the bill to regulate the maximum rents to be charged by landlords in the District of Columbia (passed 210–144).	Yes.
207	June 12	H.R. 5293: To approve the conference report on the bill authorizing additional appropriations for the Peace Corps (passed 329–64).	Yes.
208	do	H. Res. 423: On adoption of the "rule" under which to consider H.R. 77, to permit employee contributions to jointly administered trust funds established by labor organizations to defray costs of legal services (passed 307–91).	Yes.
209	do	H.R. 77: On an amendment to a committee amendment to the bill to permit employee contributions to jointly administered trust funds established by labor organizations to defray costs of legal services which allows employees to select attorney of their choice rather than the choice of their union (passed 279–126).	Yes.
210	do	H.R. 77: On an amendment to an amendment to the bill to permit employee contributions to jointly administered trust funds established by labor organizations to defray costs of legal services which sought to strike out language that specifies as an unfair labor practice the unilateral modification or termination of the legal services trust fund agreement, or failure or refusal to bargain in good faith in the next subsequent contract negotiation between the same parties (defeated 111–293).	No.
211	do	H.R. 77: On an amendment to the bill to permit employee contributions to jointly administered trust funds established by labor organizations to defray costs of legal services which sought to specify legal service trust funds as a "permissive" subject of collective bargaining and refusal to bargain in good faith would not constitute an unfair labor practice (defeated 177–223).	No.
212	do	H.R. 77: On passage of the bill to permit employee contributions to jointly administered trust funds established by labor organizations to defray costs of legal services (passed 257–149).	Yes.
213	June 13	Quorum call	Present.
214	do	H. Res. 437: On ordering the previous question on the "rule" under which to consider H.R. 8410, the bill to continue the existing temporary increase in the public debt limit through Nov. 30, 1973 (defeated 21–395).	No.

VOTING RECORD—WILLIAM L. HUNGATE, 93D CONG., 1ST SESS.

Rollcall No.	1973	Measure, question, and result	Vote
215	June 13	H. Res. 437: On ordering the previous question on the amendment to the "rule" under which to consider H.R. 8410, the bill to continue the existing temporary increase in the public debt limit through Nov. 30, 1973 (passed 254–160).	No.
216	do	H. Res. 437: On an amendment in the nature of a substitute to the "rule" under which to consider H.R. 8410, the bill to continue the existing temporary increase in the public debt limit through Nov. 30, 1973, which struck out language in the rule that made it in order to consider the text of H.R. 3932, to provide that appcintments to the Office of Director and Deputy Director of the Office of Management and Budget shall be subject to confirmation by the Senate (passed 248–163).	No.
217	do	H. Res. 437: On adoption of the "rule" under which to consider the bill to continue the existing temporary increase in the public debt limit through Nov. 30, 1973 (passed 271–141).	No.
218	do	Quorum call	Present.
219	do	H.R. 8410: On passage of the bill to continue the existing temporary increase in the public debt limit through Nov. 30, 1973 (passed 261–152).	No.
220	June 14	Quorum call	Present.
221	do	do	Present.
222	do	H.R. 3926: On an amendment to the bill to extend the National Foundation on the Arts and the Humanities Act which sought to cut funding to $81,000,000, a reduction of $64,000,000 (defeated 141–248).	
223	do	H.R. 3926: On an amendment to the bill to extend the National Foundation on the Arts and the Humanities Act which sought to delete the authorization for funding in fiscal years 1975 and 1976 (defeated 146–235).	Yes.
224	do	H.R. 3926: On passage of the bill to extend the National Foundation on the Arts and the Humanities Act (passed 309–63).	Yes.
225	do	Quorum call	Present.
226	June 15	do	Present.
227	do	do	Present.
228	do	H.R. 8619: On an amendment to the bill making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1974, which forbids funds for payment of salaries for "Cotton, Inc." (passed 234–125).	Yes.
229	do	H.R. 8619: On a substitute amendment to an amendment to the bill making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1974, which forbids funds for salaries of personnel who formulate or carry out programs of which the price support limit exceeds $20,000 per crop (other than sugar and wool) or a program which sanctions the sale or lease of cotton acreage allotments (passed 195–157).	No.
230	do	H.R. 8619: On passage of the bill making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1974 (passed 304–3).	Absent.
231	June 18	Quorum call	Present.
232	do	do	Present.
233	do	H.R. 8658: On passage of the bill making appropriations for the government of the District of Columbia for the fiscal year ending June 30, 1974 (passed 321–64).	Yes.
234	do	Quorum call	Present.
235	do	H.R. 8152: On an amendment to the bill to improve law enforcement and criminal justice which would make optional rather than mandatory the stipulation that State planning agencies and regional planning units shall include representatives of citizen, professional, and community organizations (passed 227–162).	No.
236	do	H.R. 8152: On an amendment to the bill to improve law enforcement and criminal justice which adds language stating that nothing in the bill shall be construed to require the adoption by a grantee of a quota system or other program to achieve racial balance or to deny or discontinue a grant because of the refusal of a grantee to adopt such a quota system (passed 231–161).	Yes.
237	do	H.R. 8152: On passage of the bill to improve law enforcement and criminal justice (passed 391–0).	Yes.
238	June 19	H.R. 689: On a motion to suspend the rules and pass the bill to prohibit persons attempting to collect their own debts from misusing names to convey the false impression that any agency of the Federal Government is involved in such collection (passed 399–0).	Yes.
239	do	H.R. 6129: On a motion to suspend the rules and pass the bill providing for the continuance of civil government for the Trust Territories of the Pacific Islands (passed 387–14).	Yes.
240	do	H.R. 7127: On a motion to suspend the rules and pass the bill establishing a program for the preservation of additional historical properties throughout the Nation (passed 385–16).	Yes.
241	do	H. Res. 434: On adoption of the "rule" under which to consider H.R. 5464, the bill to authorize appropriations for the saline water program for fiscal year 1974 (passed 389–4).	Yes.
242	do	H.R. 5464: On an amendment to the bill to authorize appropriations for the saline water program for fiscal year 1974 which raises the funds authorized from $2,500,000 to $9,100,000 (passed 281–125).	Yes.
243	do	H.R. 5464: On passage of the bill to authorize appropriations for the saline water program for fiscal year 1974 (passed 399–4).	Yes.
244	do	H.R. 5094: On passage of the bill to provide for the reclassification of positions of deputy U.S. marshal (passed 319–84).	Yes.
245	June 20	Quorum call	Present.
246	do	H.R. 8760: On an amendment to the bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1974, which sought to cut $1,600,000 for moorings for the Coast Guard cutter Mackinaw at Cheboygan, Mich. (defeated 107–309)	No.
247	do	H.R. 8760: On an amendment to the bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1974, which sought to add $3,000,000 for research and development under the urban mass transportation program for alleviating the transportation problems of handicapped persons (defeated 204–213).	Yes
248	do	H.R. 8760: On an amendment to the bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1974, which sought to add $9,700,000 for research and demonstration for a personal rapid transit system (defeated 137–277).	No.
249	do	H.R. 8760: On a substitute amendment to the bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1974, which sought to eliminate all funding for research, development, and demonstrations for the urban mass transportation program (defeated 17–392).	No.
250	do	H.R. 8760: On passage of the bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1974 (passed 414–2).	Yes.
251	do	H. Res. 435: On adoption of the resolution providing for the consideration of and 2 hours of general debat on H.R. 6824, to establish a Legal Services Corporation (passed 358–34).	Yes.
252	June 21	Quorum call	Present.
253	do	do	Present.
254	do	H.R. 7824: On an amendment to the bill to establish a Legal Services Corporation which prohibits the corporation from undertaking, by grant or contract, activities in backup research centers (passed 245–166).	Yes.
255	do	H.R. 7824: On an amendment to the bill to establish a Legal Services Corporation which sought to insert language allowing persons to bring suit against the corporation and reimbursing costs and fees to plaintiffs who win such court actions (defeated 159–237).	Yes.
256	do	H.R. 7824: On an amendment to the bill to establish a Legal Services Corporation which includes administrative advocacy in the bill's prohibition against legislative adovcacy (passed 200–181).	Yes.
257	do	H.R. 7824: On an amendment to the bill to establish a Legal Services Corporation which prohibits full-time attorneys of the corporation from engaging in political activities (passed 107–171).	No.
258	do	H.R. 7824: On an amendment to the bill to establish a Legal Services Corporation which prohibits legal services with respect to any proceeding or litigation relating to the desegregation of schools (passed 221–150).	No.
259	do	H.R. 7824: On an amendment to the bill to establish a Legal Services Corporation which strikes language authorizing activities of backup research centers (passed 233–139).	No.
260	do	H.R. 7824: On a motion that the Committee of the Whole "do now rise" and report the bill back to the House with recommendation that the enacting clause be stricken out (defeated 91–283).	Yes.
261	do	H.R. 7824: On a substitute amendment to the bill to establish a Legal Services Corporation which prohibits legal assistance in litigation to compel nontherapeutic abortions contrary to religious beliefs (passed 316–53).	Yes.
262	do	H.R. 7824: On an amendment to the bill to establish a Legal Services Corporation which prohibits legal assistance in litigation regarding abortion (as amended by the previous substitute amendment) (passed 301–68).	Yes.
263	do	H.R. 7824: On passage of the bill to establish a Legal Services Corporation (passed 276–95).	No.
264	do	Quorum call	Present.
265	do	H.R. 8510: On an amendment to the bill authorizing appropriations for activities of the National Science Foundation which sought to strike the proportional obligation requirement and insert language reestablishing the budget transfer authority under which the NSF has operated in prior years (defeated 109–238).	No.
266	do	H.R. 8510: On an amendment to the bill authorizing appropriations for activities of the National Science Foundation which prohibits funds for research on human living fetuses (passed 288–73).	No.
267	do	H.R. 8510: On passage of the bill authorizing appropriations for activities of the National Science Foundation (passed 364–6).	Yes.
268	do	Quorum call	Present.
269	do	H.R. 8825: On an amendment to the bill making appropriations for the Department of Housing and Urban Development; for space, science, and veterans for fiscal year ending June 30, 1974, which sought to raise by $75,000,000 the appropriation for community comprehensive planning grants (defeated 168–184).	No.
270	do	H.R. 8825: On an amendment to the bill making appropriations for the Department of Housing and Urban Development for space, science, and veterans for the fiscal year ending June 30, 1974, which sought to raise by $400,000,000 the appropriation for urban renewal programs (defeated 106–241).	No.
271	do	H.R. 8825: On passage of the bill making appropriations for the Department of Housing and Urban Development; for space, science, and veterans for the fiscal year ending June 30, 1974 (passed 316–21).	Yes.
272	June 25	Quorum call	Present.
273	do	H.R. 7447: On a motion to recede from its disagreement to Senate amendment No. 83 to the bill making supplemental appropriations for the fiscal year ending June 30, 1973, which prohibits use of funds to support directly or indirectly combat activities in Cambodia or Laos (passed 235–172).	Yes.

Rollcall No.	1973	Measure, question, and result	Vote
274	June 25	H.R. 7447: On a preferential motion that the House concur in Senate amendment No. 83 with an amendment to the bill making supplemental appropriations for the fiscal year ending June 30, 1973, which sought to prohibit use of funds to support directly or indirectly combat activities in Cambodia or Laos after Sept. 1, 1973 (defeated 204–204).	No.
275	do	HI Res. 454: On adoption of the resolution authorizing the Speaker to entertain motions to suspend the rules during the week of June 25, 1973 (passed 276–129).	Yes.
276	do	Quorum call	Present.
277	do	H.R. 8662: On an amendment to the bill to authorize appropriations to the Atomic Energy Commission which sought to permit States to set standards for radiation emissions stricter than those established by the AEC (defeated 136–266).	Yes.
278	do	H.R. 8662: On passage of the bill authorizing appropriations to the Atomic Energy Commission (passed 398–4).	Yes.
279	do	Quorum call	Present.
280	do	do	Absent.
281	June 26	do	Present.
282	do	H.J. Res. 636: On passage of the motion limitiing debate to 20 min. on the amendment and all amendments thereto to the bill making continuing appropriations for the fiscal year 1974 (passed 275–136).	Yes.
283	do	H.J. Res. 636: On an amendment to the substitute amendment to the bill making continuing appropriations for the fiscal year 1974 which eliminates the 60-day grace period and prohibits all funds appropriated by the resolution and all funds previously appropriated from being used for combat activities in Cambodia or Laos (passed 218–194).	Yes.
284	do	H.J. Res. 636: On a substitute amendment as amended by the previous roll call No. 283 to the bill making continuing appropriations for the fiscal year 1974 which allowed a 60-day grace period after which no funds appropriated under the resolution could be used for combat activities in Cambodia or Laos (passed 232–181).	Yes.
285	do	H.J. Res. 636: On an amendment as amended by the previous rollcall No. 284 to the bill making continuing appropriations for the fiscal year 1974 which prohibited the use of funds to support military activities by U.S. forces in, over, or off the shores of North and South Vietnam, Cambodia, and Laos without the consent of Congress (passed 240–172).	Yes.
286	do	H.J. Res. 636: On pass oe of the joint resolution making continuing appropriations for the fiscal year 1974 (passed 325–86).	Yes.
287	do	H. Res. 455: On adoption of the "rule" under which to consider H.R. 8877, the bill making appropriations for the Departments of Labor and Health, Education and Welfare for the fiscal year ending June 30, 1974 (passed 395–3).	Yes.
288	do	Quorum call	Present.
289	do	do	Present.
290	do	H.R. 8877: On an amendment to an emendment to the bill making appropriations for the Departments of Labor and Health, Education, and Welfare for the fiscal year ending June 30, 1974, which sought to reduce the funds for the Office of Economic Opportunity by $100,000,000 (defeated 110–288).	No.
291	do	H.R. 8877: On an amendment to the bill making appropriations for the Departments of Labor and Health, Education, and Welfare for the fiscal year ending June 30, 1974, which sought to reduce by $632,000,000 the appropriation for HEW and for the Office of Economic Opportunity (defeated 186–213).	No.
292	do	H.R. 8877: On an amendment to the bill making appropriations for the Departments of Labor and Health, Education, and Welfare for the fiscal year ending June 30, 1974, which sought to add $15,000,000 for bilingual education programs (defeated 161–244).	No.
293	do	H.R. 8877: On an amendment to the bill making appropriations for the Department of Labor and Health, Education, and Welfare for the fiscal year ending June 30, 1974, which sought to restrict grants to local education agencies for each State to a minimum of 90 percent of the amounts made available in fiscal year 1972 (defeated 190–218).	No.
294	do	H.R. 8877: On a motion to recommit the bill making appropriations for the Departments of Labor and Health, Education, and Welfare for the fiscal year ending June 30, 1974, to the Committee on Appropriations with instructions to report it back forthwith with an amendment that sought to delete $632,000,000 from the bill (defeated 186–219).	No.
295	do	H.R. 8877: On passage of the bill making appropriations for the Departments of Labor and Health, Education, and Welfare for the fiscal year ending June 30, 1974 (passed 347–58).	Yes.
296	June 27	Quorum call	Present.
297	do	H.R. 8215: On the committee amendments to the bill to provide for the suspension of duty on certain copying shoe lathes until the close of June 30, 1976 (passed 403–0).	Yes.
298	do	H.R. 4200: On passage of the bill to amend section 122 of the Internal Revenue Code of 1954 (passed 402–0).	Yes.
299	do	H. Res. 470: On adoption of the "rule" under which to consider H.R. 8917, the bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1974 (passed 401–12).	Yes.
300	do	H.R. 7447: To override the President's veto of the bill making supplemental appropriations for the fiscal year ending June 30, 1973 (defeated 241–173; a 2/3 vote being necessary).	Yes.
301	do	Quorum call	Present.
302	do	do	Absent.
303	do	do	Absent.
304	do	H.R. 8917: On passage of the bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1974 (passed 405–4).	Absent.
305	June 28	Quorum call	Absent.
306	do	H.R. 8537: On a motion to instruct the conferees to insist on the House disagreement to title III of the Senate amendment to the bill making permanent certain provisions of the Dependents Assistance Act of 1950 (passed 238–175).	Yes.
307	June 28	Quorum call	Present.
308	do	H.R. 8947: On an amendment to the bill making appropriations for public works-AEC for fiscal year 1974 which sought to reduce the operating expenses for the AEC by $3,800,000 (defeated 108–303).	No.
309	do	H.R. 8947: On an amendment to the bill making appropriations for public works-AEC for fiscal year 1974 which adds $4,700,000 for geothermal research by the AEC (passed 206–205).	Yes.
310	do	H.R. 8947: On passage of the bill making appropriations for Public Works-AEC for fiscal year 1974 (passed 384–26).	Yes.
311	do	H.R. 8548: On passage of the bill to amend the International Economic Policy Act of 1972 to change the membership of the Council on International Economic Policy (passed 322–62).	Yes.
312	June 29	Quorum call	Present.
313	do	H.R. 9055: On an amendment to an amendment to the bill making supplemental appropriations for the fiscal year ending June 30, 1973, which sought to extend the ban on combat activities to cover hostilities in any sovereign state (defeated 57 346).	Yes.
314	do	H.R. 9055: On an amendment to the bill making supplemental appropriations for the fiscal year ending June 30, 1973, which sought to provide for an immediate and complete cutoff of funds for combat activities in Cambodia and Laos (defeated 169–236).	Yes.
315	do	H.R. 9055: On passage of the bill making supplemental appropriations for the fiscal year ending June 30, 1973 (passed 278–124).	No.
316	do	Quorum call	Present.
317	do	H.R. 8916: On an amendment to the bill making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, and related agencies for the 1974 fiscal year which adds $2,100,000 for salaries for additional probation officers and increases by $709,000 funds for travel by the Judiciary (passed 220–164).	Absent.
318	do	H.R. 8916: On passage of the bill making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, and related agencies for the 1974 fiscal year (passed 370–11).	Absent.
319	do	H.R. 8410: On a motion to recede from its disagreement to the amendment of the Senate to the bill to continue the existing temporary increase in the public debt limit through Nov. 30, 1973 (defeated 185–190).	Absent.
320	June 30	Quorum call	Absent.
321	do	H.R. 8410: On a motion to recede and concur to the Senate amendment to the bill to continue the existing temporary increase in the public debt limit through Nov. 30, 1973 (passed 294–54).	Absent.
322	do	H.J. Res. 636: On adoption of the conference report on the bill making continuing appropriations for the fiscal year 1974 (passed 266–75).	Absent.
323	do	H.R. 7445: On a motion to recede and concur with the amendment in Senate amendment No. 2 to the bill to amend the Renegotiation Act of 1951 to extend the act for 1 yr (passed 327–9).	Absent.
324	July 10	Quorum call	Present.
325	do	H.R. 8860: On an amendment to the bill to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices which reduced the subsidy per crop for farmers from a $37,500 limit to $20,000 (passed 313–89).	Yes.
326	do	H.R. 8860: On an amendment to the bill to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices which reduced the subsidy limitation to $20,000 per farmer and prohibits farmers from leasing or selling part of their cotton allotments (passed 246–163).	Yes.
327	do	H.R. 8860: On an amendment to the bill to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices which sought to prohibit the use of any Commodity Credit Corporation funds to finance any future wheat sales to Russia or China (defeated 139–264).	Yes.
328	July 11	Quorum call	Present.
329	do	H.R. 8860: On an amendment to the bill to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices which ends the $10,000,000 annual authorization for cotton promotion and research by Cotton, Inc. (passed 241–162).	No.
330	do	H.R. 8860: On an amendment to the bill toextend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices which sought to remove the escalator clause providing for annual adjustment of target prices (defeated 174–239).	No.
331	do	H.R. 8860: On an amendment to the bill to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices which sought to add language allowing the Secretary of Agriculture to extend loan provisions to noncooperators under the wheat, feed grains, and cotton programs (defeated 160–247).	Yes.
332	do	H.R. 8860: On an amendment to the bill to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices which sought to restore the farm program to a market-oriented system by providing a 3-year phaseout of income payments and by shifting the set-aside program to a cropland basis (defeated 186–220).	No.
333	July 12	Quorum call	Present.
334	do	H.R. 8860: On a motion that the Committee of the Whole "do now rise" while considering the bill to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices (passed 325–67).	No.
335	do	H.R. 8606: On an amendment to the bill to amend the Small Business Act which sought to strike the disaster loans provisions from the bill (defeated 167–245).	No.

VOTING RECORD—WILLIAM L. HUNGATE, 93D CONG., 1ST SESS.

Rollcall No.	1973	Measure, question, and result	Vote
336	July 12	H.R. 2990: On passage of the bill to provide for annual authorization of appropriations to the U.S. Postal Service (passed 328-65).	Yes.
337	July 16	Quorum call	Present.
338	do	H.R. 8860: On an amendment to the bill to extend and amend the Agricultural Act of 1970 for the purposes of assuring consumers of plentiful supplies of food and fiber at reasonable prices which strikes the cotton program provisions from the bill (passed 207-190).	Yes.
339	do	Quorum call	Present.
340	do	H.R. 8860: On an amendment to the bill to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices which strikes from the bill the section transferring from the Labor Department to the Department of Agriculture the authority to establish regulations to protect field workers from exposure to dangerous pesticides (passed 221-177).	No.
341	July 17	Quorum call	Present.
342	do	S. 504: On adoption of the conference report on the bill to amend the Public Health Service Act to provide assistance and encouragement for the development of comprehensive area emergency medical services systems (passed 306-111).	Yes.
343	do	H.R. 6078: On a motion to suspend the rules and pass the bill to include inspectors of the Immigration and Naturalization Service or the Bureau of Customs within the provisions of section 833(c) of title 5, United States Code, relating to retirement of certain employees engaged in hazardous occupations (passed 296-123).	Yes.
344	do	H.R. 8949: On a motion to suspend the rules and pass the bill to amend title 38 of the United States Code relating to basic provisions of the loan guaranty program for veterans (passed 412-3).	Yes.
345	do	H.R. 9048: On a motion to suspend the rules and pass the bill to provide improved medical care to veterans (passed 421-0).	Yes.
346	do	S. 2120: On a motion to suspend the rules and pass the bill to amend the Federal Railroad Safety Act of 1970 and other related acts to authorize additional appropriations (passed 409-7).	Yes.
347	do	S. 1752: On a motion to suspend the rules and pass the bill prescribing the objectives and functions of the National Commission on Productivity and Work Quality (defeated 174-237).	No.
348	July 18	Quorum call	Present.
349	do	H.J. Res. 542: On an amendment in the nature of a substitute to the joint resolution concerning the war powers of the Congress and the President which sought to require Congress to specifically approve or disapprove by bill or resolution the commitment of forces by the President in the absence of a declaration of war within 90 days of such Executive action (defeated 166-250).	No.
350	do	H.J. Res. 542: On an amendment in the nature of a substitute to the joint resolution concerning the war powers of the Congress and the President which sought to prohibit the President from committing troops unless Congress declared war or authorized such commitment, or if the President found such action within his constitutional authority (defeated 153-262).	No.
351	do	H.J. Res. 542: On an amendment to the joint resolution concerning the war powers of the Congress and the President which sought to require Congress to specifically approve or disapprove the commitment of troops within 120 days by a declaration of war or by passage of a resolution (defeated 200-211).	No.
352	do	H.J. Res. 542: On passage of the joint resolution concerning the war powers of the Congress and the President (passed 244-170).	No.
353	July 19	Quorum call	Present.
354	do	H.R. 8860: On an amendment to an amendment to the bill extending and amending the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices which deletes language making recipients of supplemental security income eligible for food stamps and the food distribution program (passed 238-173).	No.
355	do	H.R. 8860: On an amendment to an amendment to the bill extending and amending the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices which prohibits strikers from receiving food stamps unless they were previously eligible (passed 213-203).	No.
356	do	H.R. 8860: On an amendment to the food stamp provisions of the bill extending and amending the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices which removes the requirement of a prior certification of eligibility, restores the eligibility of students for stamps, and permits the use of food stamps to purchase imported foods (passed 210-207).	No.
357	do	H.R. 8860: On an amendment to the bill extending and amending the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices which sought to add language prohibiting Government subsidies to a producer of agricultural commodities for any crop planted or harvested during a labor dispute involving the producer or his employees (defeated 85-326).	No.
358	do	H.R. 8860: On an amendment to the amendment in the nature of a substitute to the bill extending and amending the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices which adds language prohibiting strikers from receiving food stamps unless they were previously eligible (passed 208-207).	No.
359	July 19	H.R. 8860: On an amendment to the amendment in the nature of a substitute to the bill extending and amending the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices which reinserts a cotton program in the bill but eliminates funds for Cotton, Inc. (passed 250-165).	No.
360	do	H.R. 8860: On a motion that the Committee of the Whole "do now rise" and report the bill back to the House with the recommendation that the enacting clause be stricken (defeated 73-338).	No.
361	do	H.R. 8860: On an amendment to the motion to recommit the bill extending and amending the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices which strikes the "escalator clause" for cotton (passed 248-165).	No.
362	do	H.R. 8860: On a motion (as amended by rollcall No. 361) to recommit the bill extending and amending the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices to the Committee on Agriculture with instructions to report it back to the House with the "escalator clause" provisions stricken (defeated 184-225).	No.
363	do	H.R. 8860: On passage of the bill extending and amending the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices (passed 226-182).	Yes.
364	July 20	Quorum call	Present.
365	do	H.R. 8538: On an amendment to the bill to amend the Communications Act of 1934 to extend certain authorizations for the Corporation for Public Broadcasting which sought to withhold grants for construction unless the recipient was found to be in compliance with all laws prohibiting discrimination in employment practices (defeated 189-190).	Yes.
366	do	H.R. 8538: On passage of the bill to amend the Communications Act of 1934 to extend certain authorizations for the Corporation for Public Broadcasting (passed 363-14).	Yes.
367	July 23	H. Res. 493: On adoption of the "rule" under which to consider H.R. 5356, the bill to regulate interstate commerce to protect health and the environment from hazardous chemical substances (passed 351-4).	Yes.
368	do	H.R. 5356: On an amendment to the bill regulating interstate commerce to protect health and the environment from hazardous chemical substances while in the Committee of the Whole which directs the Administrator to use the Water Pollution Control Act, Clean Air Act, or another act under his jurisdiction, where appropriate, to regulate chemical substances (passed 193-192).	Yes.
369	do	H.R. 5356: On an amendment to the bill regulating interstate commerce to protect health and the environment from hazardous chemical substances which sought to specify that no rule shall be promulgated until a hearing is conducted, with full opportunity for cross-examination (defeated 159-236).	Yes.
370	do	H.R. 5356: On an amendment to the bill regulating interstate commerce to protect health and the environment from hazardous chemical substances which sought to direct the Administrator to use the Water Pollution Control Act, Clean Air Act, or another act under his jurisdiction, where appropriate, to regulate chemical substances similar to rollcall 368 in committee (defeated 189-202).	Yes.
371	do	H.R. 5356: On passage of the bill regulating interstate commerce to protect health and the environment from hazardous chemical substances (passed 324-73).	Yes.
372	do	Quorum call	Present.
373	do	H. Res. 495: On adoption of the "rule" under which to consider H.R. 8929, the Educational and Cultural Postal Amendments of 1973 (defeated 180-202).	No.
374	July 24	S. 1888: On ordering the previous question on the motion instructing House conferees to insist on language in the House amendment which prohibits the sale of agricultural commodities to North Vietman to the Agriculture and Consumer Protection Act of 1973 (passed 244-155).	Yes.
375	do	S. 1888: On a motion to instruct House conferees to insist on language in the House amendment which prohibits the sale of agricultural commodities to North Vietnam to the Agriculture and Consumer Protection Act of 1973 (passed 371-35).	Yes.
376	do	Quorum call	Present.
377	do	H.R. 8480: On an amendment to the Impoundment Control and 1974 Expenditure Ceiling bill which sought to empower the Comptroller General to exempt those impoundments he determines to be in accordance with the Anti-Deficiency Act (defeated 180-229).	No.
378	do	H.R. 8480: On an amendment to the Impoundment Control and 1974 Expenditure Ceiling bill which sought to require both Houses of Congress to disapprove impoundments by concurrent resolution (defeated 205-206).	No.
379	July 25	Quorum call	Present.
380	do	S. 1423: On adoption of the conference report on the bill to permit employer contributions to jointly administered trust funds established by labor organizations to defray costs of legal services (passed 256-155).	No.
381	do	Quorum call	Present.
382	do	H.R. 8480: On an amendment to the Impoundment Control and 1974 Expenditure Ceiling bill which sought to provide for a halt of impoundment after 60 days unless the impoundment is ratified by Congress by passage of a concurrent resolution (defeated 96-318).	Yes.
383	do	H.R. 8480: On an amendment to an amendment to the Impoundment Control and 1974 Expenditure Ceiling bill which sought to reduce the spending ceiling by $7,100,000,000 (defeated 156-252).	No.
384	do	H.R. 8480: On an amendment to the Impoundment Control and 1974 Expenditure Ceiling bill which sought to reduce the spending ceiling by $3,800,000,000 (defeated 205-206).	No.

Rollcall No.	1973	Measure, question, and result	Vote
385	July 25	H.R. 848: On a motion to recommit the Impoundment Control and 1974 Expenditure Ceiling bill to the Committee on Rules with instructions that it be reported back forthwith containing an amendment that would require both Houses of Congress to disapprove impoundments by concurrent resolution (defeated 208–212).	No.
386	do	H.R. 8480: On passage of the Impoundment Control and 1974 Expenditure Ceiling bill (passed 254–164).	Yes.
387	July 26	Quorum call	Present.
388	do	do	Present.
389	do	do	Present.
390	do	do	Present.
391	do	H.R. 3960: On an amendment to the bill to amend the Foreign Assistance Act of 1961 which sought to reduce funds authorized for population planning and health by $75,000,000 (defeated 131–271).	Yes.
392	do	H.R. 9360: On an amendment to the bill to amend the Foreign Assistance Act of 1961 which sought to strike the section of the bill authorizing $93,000,000 for selected development problems (defeated 203–204).	Yes.
393	do	H.R. 9360: On an amendment to the bill to amend the Foreign Assistance Act of 1961 which sought to strike language authorizing $60,000,000 for assistance to selected countries and organizations (defeated 173–232).	Yes.
394	do	Quorum call	Present.
395	do	H.R. 9360: On an amendment to the bill to amend the Foreign Assistance Act of 1961 which adds language prohibiting foreign assistance to any nation which seizes U.S. property unless the President determines that effective compensation will be made (passed 278–102).	Yes.
396	do	H.R. 9360: On an amendment to the bill to amend the Foreign Assistance Act of 1961 which strikes out the section which sought to establish the U.S. export development credit fund (passed 240–137).	Yes.
397	do	H.R. 9360: On a motion to recommit the bill to amend the Foreign Assistance Act of 1961 to the Committee on Foreign Affairs with instructions to report the bill back to the House with amendments reducing the total authorization by $68,000,000 (passed 232–139).	Yes.
398	do	H.R. 9360: On passage of the bill to amend the Foreign Assistance Act of 1961 (passed 188–183).	No.
399	July 30	H.R. 8947: On adoption of the conference report on the bill making appropriations for public works for fiscal year 1974 (passed 373–9).	Yes.
400	do	H. Res. 512: On adoption of the "rule" under which to consider S. 1989, the bill to amend section 225 of the Federal Salary Act of 1967 with respect to certain executive, legislative and judicial salaries (defeated 156–237).	Yes.
401	do	S. Con Res. 42: On adoption of the resolution providing for a conditional adjournment of the two Houses from Aug. 3 until Sept. 5, 1973 (passed 370–22).	Yes.
402	do	H.R. 9474: On a motion to suspend the rules and pass the bill to increase the monthly rates of disability and death pensions, and dependency and indemnity compensation (passed 385–0).	Yes.
403	do	Quorum call	Present.
404	do	do	Present.
405	do	H.R. 9286: On an amendment to the military procurement authorization bill for fiscal year 1974 which sought to strike $657,000,000 for the CVN-70 nuclear aircraft carrier (defeated 88–323).	Yes.
406	do	H.R. 9286: On an amendment to the military procurement authorization bill for fiscal year 1974 which sought to delete $473,500,000 for research and development of the B-1 bomber (defeated 96–313).	Yes.
407	do	H.R. 9286: On an amendment to the military procurement authorization bill for fiscal year 1974 which sought to add language setting a deadline of June 30, 1974; for maintaining U.S. forces in any nation for defense if that nation pays a smaller portion of its gross national product for its defense than does the United States (defeated 130–282).	Yes.
408	do	H.R. 9286: On an amendment to the military procurement authorization bill for fiscal year 1974 which sought to reduce the total of U.S. troops overseas by 322,000 and to place a ceiling of 300,000 on the number of troops to be assigned overseas after fiscal year 1974 (defeated 67–339).	Yes.
409	do	H.R. 9286: On an amendment in the nature of a substitute to an amendment to the military procurement authorization bill for fiscal year 1974 which requires a report to the House by Apr. 1, 1974, from the Committee on Armed Services on the advisability of maintaining the present U.S. military commitment in Europe in view of the current European economic and military situation (passed 242–163).	No.
410	do	H.R. 9286: On an amendment to the military procurement authorization bill for fiscal year 1974 which reduces the funds authorized by $950,000,000 by setting a ceiling equal to the fiscal year 1973 level plus a 4.5 inflation increase (passed 242–163).	Yes.
411	do	H.R. 9286: On passage of the military procurement authorization bill for fiscal 1974 (passed 367–37).	No.
412	Aug. 1	H.R. 8825: On adoption of the conference report on the bill making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, and corporations for fiscal year 1974 (passed 401–9).	Yes.
413	do	H.R. 8825: On a motion that the House insist on its disagreement to the amendment of the Senate numbered 44 to the bill making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, and corporations for fiscal year 1974 (passed 222–189).	No.
414	do	Quorum call	Present.
415	do	H.R. 9590: On an amendment to the bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for fiscal year 1974 which sought to reduce funds for salaries and expenses of the Office of Management and Budget by $800,000, a 5-percent reduction (defeated 199–209).	Yes.
416	Aug. 1	H.R. 9590: On an amendment to the bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for fiscal year 1974 which sought to reduce the appropriation for salaries and expenses of the Office of Telecommunications Policy by $518,000, a 25-percent reduction (defeated 190–217).	Yes.
417	Aug. 2	Quorum call	Present.
418	do	H. Res. 515: On adoption of the "rule" under which to consider H.R. 9130, the bill to amend section 28 of the Mineral Leasing Act of 1920 and to authorize a trans-Alaska oil and gas pipeline (passed 401–11).	Yes.
419	do	H.R. 9130: On an amendment to the bill to amend section 28 of the Mineral Leasing Act of 1920 and to authorize a trans-Alaska oil and gas pipeline which sought to make the Mineral Leasing Act on rights-of-way inapplicable to national parks and refuges unless it is in the public interest and the proposed right-of-way meets environmental protection tests (defeated 160–261).	Yes.
420	do	H.R. 9130: On an amendment to the bill to amend section 28 of the Mineral Leasing Act of 1920 and to authorize a trans-Alaska oil and gas pipeline which sought to delete language which removes from judicial review under NEPA the grant of authorizations necessary for the construction of the pipeline and expedite the proceedings in any U.S. Federal court with respect to the provision of NEPA and the proposed pipeline (defeated 198–221).	Yes.
421	do	H.R. 9130: On an amendment to the bill to amend section 28 of the Mineral Leasing Act of 1920 and to authorize a trans-Alaska oil and gas pipeline which sought to assure all regions of the United States equitable allocations of crude oil (defeated 179–233).	Yes.
422	do	H.R. 9130: On an amendment to the bill to amend section 28 of the Mineral Leasing Act of 1920 and to authorize a trans-Alaska oil and gas pipeline which requires all articles, materials, and supplies for the pipeline to be manufactured in the United States after Aug. 2, 1973 (passed 334–65).	Yes.
423	do	H.R. 9130: On an amendment to the bill to amend section 28 of the Mineral Leasing Act of 1920 and to authorize a trans-Alaska oil and gas pipeline which sought to direct the Secretary of the Interior to grant rights-of-way and permits as are necessary for the construction of the pipeline (defeated 177–228).	Yes.
424	do	H.R. 9130: On passage of the bill to amend section 28 of the Mineral Leasing Act of 1920 and to authorize a trans-Alaska oil and gas pipeline (passed 356–60).	Yes.
425	Aug. 3	S. 1636: On adoption of the conference report on the bill to amend the International Economic Policy Act of 1972 (passed 335–71).	Yes.
426	do	H. Res. 518: On adoption of the "rule" under which to consider S. 1264, the bill to authorize and direct the Secretary of the Treasury to make grants to Eisenhower College in Seneca Falls, N.Y., out of proceeds from the sale of silver dollar coins bearing the likeness of the late President of the United States, Dwight David Eisenhower (defeated 183–230).	No.
427	do	S. 502: On adoption of the conference report on the bill to authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code (passed 382–34).	Yes.
428	do	H.R. 7935: On adoption of the conference report on the bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act to expand the coverage of that act (passed 253–152).	Yes.
429	do	S. 1888: On ordering the previous question on the motion to concur with amendment to the amendment of the Senate to the House amendment to the bill to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices (defeated 349–54).	Yes.
430	do	S. 1888: On a motion to concur with amendment to the amendment of the Senate to the House amendment to the bill to extend and amend the Agricultural Act of 1970 for the purpose of assuring consumers of plentiful supplies of food and fiber at reasonable prices (passed 252–151).	Yes
431	do	H.R. 8658: On adoption of the conference report on the bill making appropriations for the Government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1974 (passed 342–47).	Yes.
432	do	H.R. 8760: On adoption of the conference report on the bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1974 (passed 359–5).	Yes.
433	Sept. 5	Quorum call	Present.
434	do	H.J. Res. 512: On a motion to recommit the conference report on the resolution to extend through June 30, 1974, the various insuring authorities of the Federal Housing Administration to the committee of conference (passed 202–172).	No.
435	do	H.R. 8920: On passage of the bill to amend the Lead Based Paint Poisoning Prevention Act (passed 368–11).	Yes.
436	do	H.R. 8449: On passage of the bill to expand the national flood insurance program by substantially increasing limits of coverage and total amount of insurance authorized to be outstanding and by requiring known flood-prone communities to participate in the program (passed 359–21).	Yes.
437	Sept. 6	H.R. 6912: On adoption of the conference report on the bill to amend the Par Value Modification Act (passed 322–59).	Yes.
438	do	H.R. 8351: On passage of the bill to provide financial assistance to the National Railroad Corporation (passed 357–37).	Yes.
439	do	H. Res. 484: On adoption of the "rule" under which to consider H.R. 8547, the bill to amend the Export Administration Act of 1969 (passed 304–84).	Yes.
440	do	H.R. 8547: On an amendment to the bill to amend the Export Administration Act of 1969 which sought to require the Secretary of Commerce to report to the Speaker of the House and the President pro tempore of the Senate any decision he makes on prohibition or curtailment of commodities exported and permit either House of Congress to disapprove such decision by simple resolution (defeated 154–211).	Yes.

VOTING RECORD—WILLIAM L. HUNGATE, 93D CONG., 1ST SESS.

Rollcall No.	1973	Measure, question, and result	Vote
441	Sept. 6	H.R. 8547: On passage of the bill to amend the Export Administration Act of 1969 to protect the domestic economy from the excessive drain of scarce materials and commodities and to reduce the serious inflationary impact of abnormal foreign demand (passed 220–133).	No.
442	Sept. 10	H. Res. 536: On passage of the resolution directing the Speaker of the House of Representatives to certify a certain report of the Committee on Armed Services of the House of Representatives to the U.S. Attorney for the District of Columbia (passed 334–11).	Yes.
443	do	H.R. 7482: On passage of the bill amending the Federal Cigarette Labeling and Advertising Act of 1965 amended by the Public Health Cigarette Smoking Act of 1969 to define the term "little cigar" (passed 287–63).	Yes.
444	Sept. 11	Quorum call	Present.
445	do	H.R. 7645: On a motion to reject sec. 13 of the conference report on the bill to authorize appropriation for the Department of State which sought to halt funds for foreign affairs agencies which do not comply within 35 days with any request for information by the House Foreign Affairs Committee or the Senate Foreign Relations Committee (passed 213–185).	No.
446	do	H.R. 2096: On passage of the bill to prohibit the imposition by the States of discriminatory burdens upon interstate commerce in wine (passed 248–152).	Yes
447	do	H. Res. 511: On adoption of the "rule" under which to consider S. 1697, the bill to require the President to furnish predisaster assistnace in order to avert or lessen the effects of a major disaster in the counties of Alameda and Contra Costa, Calif. (defeated 163–233).	Yes.
448	Sept. 12	Quorum call	Present.
449	do	S. 504: To override the President's veto of the bill amending the Public Health Service Act to authorize assistance for planning, development and initial operation, research, and training projects, for systems for the effective provisions of health care services under emergency conditions (defeated 273–144; a ⅔ vote being necessary).	Yes.
450	do	H.R. 7974: On passage of the bill to amend the Public Health Service Act to provide assistance and encouragement for the establishment and expansion of health maintenance organizations (passed 369–40).	Yes.
451	do	H.R. 8789: On passage of the bill to provide a new coinage design and date emblematic of the bicentennial of the American Revolution for dollars, half-dollars, and quarters (passed 396–4).	Yes.
452	Sept. 13	H.R. 8619: On a motion to instruct the conferees to insist on House language to the bill making appropriations for agriculture, environmental and consumer protection programs for the fiscal year ending June 30, 1974, which limits the Federal farm subsidy to $20,000 per farm and bars payment for cotton acreage allotments after Dec. 31, 1973 (passed 231–160).	Yes.
453	do	H.R. 6576: On passage of the bill authorizing the Secretary of the Interior to engage in feasibility investigation of certain potential water resource development ((passed 321–74).	Yes.
454	do	Quorum call	Present.
455	do	H.R. 9639: On an amendment to the bill to amend the National School Lunch and Child Nutrition Act for the purpose of providing additional Federal financial assistance to the school lunch and school breakfast programs which sought to delete a section of the bill which raises the reimbursements by the Federal Government for school lunches from 8 cents per lunch to 10 cents per lunch (defeated 127–272).	No.
456	do	H.R. 9639: On passage of the bill to amend the National School Lunch and Child Nutrition Act for the purpose of providing additional Federal financial assistance to the school lunch and school breakfast programs (passed 389–4).	Yes.
457	do	H.R. 9553: On passage of the bill to amend the Communications Act of 1934 with regard to the broadcasting of certain professional sports clubs' games (passed 336–37).	Yes.
458	Sept. 17	H.R. 7265: On a motion to suspend the rules and pass the bill to provide for the operation of programs by the ACTION Agency, to establish certain new such programs (passed 339–14).	Yes.
459	Sept. 18	H.R. 8070: On adoption of the conference reports on the bill to authorize grants for vocational rehabilitation services (passed 400–0).	Yes.
460	do	H.R. 7730: On a motion to suspend the rules and pass the bill to authorize the Secretary of the Interior to purchase property located within the San Carlos mineral strip (defeated 236–164).	No.
461	do	H.R. 37: On a motion to suspend the rules and pass the bill to provide for the conservation, protection, and propagation of species or subspecies of fish and wildlife that are threatened with extinction or likely within the foreseeable future to become threatened with extinction (passed 390–12).	Yes.
462	do	Quorum call	Present.
463	do	H. Res. 420: On a motion to suspend the rules and pass the resolution to establish as part of the congressional internship program an internship program for secondary school teachers of government or social studies in honor of President Lyndon Baines Johnson (passed 345–64).	Yes.
464	Sept. 19	Quorum call	Present.
465	do	H.R. 7935: To override the President's veto of the bill amending the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act and to expand the coverage of that act (defeated 259–164; a ⅔-vote being necessary).	Yes.
466	do	H.R. 9715: On an amendment to the bill authorizing appropriations for the U.S. Information Agency which is designed to withhold funds from the Agency should the Agency not furnish any information that congressional committees may request (passed 240–178).	Yes.
467	do	H.R. 9715: On passage of the bill authorizing appropriations for the U.S. Information Agency (passed 305–108).	No.
468	Sept. 19	H. Res. 546: On adoption of the "rule" under which to consider H.R. 9256, the bill to increase the contribution of the Government to the costs of health benefits for Federal employees (passed 311–81).	Yes.
469	Sept. 20	Quorum call	Present.
470	do	H.R. 8917: On adoption of the conference report on the bill making appropriations for the Department of the Interior and related agencies for fiscal year 1974 (passed 385–14).	Yes.
471	do	H.R. 8917: On a motion that the House recede and concur with amendment to Senate amendment No. 40 on the bill making appropriations for the Department of the Interior and related agencies for fiscal year 1974 (passed 325–73).	Yes.
472	do	H.R. 9281: On a motion to recommit the bill regarding the retirement of certain law enforcement and firefighter personnel to the Committee on Post Office and Civil Service with instructions to report it back forthwith containing several amendments (defeated 116–282).	No.
473	do	H.R. 9281: On passage of the bill regarding the retirement of certain law enforcement and firefighter personnel (passed 299–93).	Yes.
474	do	H.R. 9256: On the passage of the bill to increase the contributions of the Government to the costs of health benefits for Federal employees (passed 217–155).	Yes.
475	Sept. 25	H.R. 8619: On adoption of the conference report on the bill making appropriations for agriculture, environmental, and consumer protection programs for fiscal year 1974 (passed 348–24).	Yes.
476	do	H.J. Res. 727: On a substitute amendment for an amendment to the bill making further continuing appropriations for fiscal year 1974 which provided for fiscal 1973 funding levels for local school districts on a per pupil basis (defeated 184–198).	Yes.
477	do	H.J. Res. 727: On an amendment to the bill making further continuing appropriations for fiscal year 1974 which is designed to insure 85 percent of the funds authorized for local school districts (passed 286–94).	Yes.
478	do	H.J. Res. 727: On an amendment to the bill making further continuing appropriations for fiscal year 1974 which prohibits fines for the Cost of Living Council to formulate or carry out a program which discriminates among petroleum marketers in the method of establishing prices for petroleum (passed 371–7).	Yes.
479	do	H.J. Res. 727: On passage of the joint resolution making further continuing appropriations for fiscal year 1974 (passed 368–7).	Yes.
480	Sept. 26	Quorum call	Present.
481	do	H.R. 981: On an amendment to the bill to amend the Immigration and Nationality Act which sought to provide a maximum allocation of 35,000 visas each for Canada and Mexico and 20,000 for other foreign states (defeated 174–203).	Yes.
482	do	H.R. 981: On an amendment to the bill to amend the Immigration and Nationality Act which sought to add language providing for a 5-year aggregate limit on the extension of 1-year visas for H-2 migrant workers and specifying employment contract requirements and working conditions (defeated 70–310).	No.
483	do	H.R. 981: On passage of the bill to amend the Immigration and Nationality Act (passed 336–30).	Yes.
484	Oct. 1	Quorum call	Present.
485	do	H.R. 8029: On a motion to suspend the rules and pass the bill to provide for the distribution of funds appropriated in satisfaction of certain judgments of the Indian Claims Commission and the Court of Claims (passed 331–33).	Yes.
486	do	S. 2419: On a motion to suspend the rules and pass the bill to correct typographical and clerical errors in Public Law 93–86 (passed 330–28).	Yes.
487	do	H.R. 10387: On a motion to suspend the rules and pass the bill to extend the authorization of appropriations for the Cabinet Committees on Opportunities for Spanish-Speaking People (defeated 241–130; a ⅔ vote being necessary).	No.
488	Oct. 2	S. 795: On adoption of the conference report on the bill to amend the National Foundation on the Arts and Humanities Act of 1965 (passed 294–106).	Yes.
489	do	S. 1914: On passage of the bill to provide for the establishment of the Board for International Broadcasting, to authorize the continuance of assistance to Radio Free Europe and Radio Liberty (passed 313–90).	No.
490	Oct. 3	Quorum call	Present.
491	do	H. Res. 372: On adoption of the "rule" under which to consider H.R. 6452; the Urban Mass Transportation Assistance Act of 1973 (passed 282–131).	Yes.
492	do	Quorum call	Present.
493	do	H.R. 6452: On an amendment to the Urban Mass Transportation Assistance Act of 1973 while in the Committee of the Whole to strike a section which provides for Federal grants for operating expenses of urban mass transportation (passed 206–203).	
494	do	H.R. 6452: On a preferential motion to the Urban Mass Transportation Act of 1973 which sought to strike the enacting clause (defeated 143–268).	No.
495	do	H.R. 6452: On an amendment to the Urban Mass Transportation Assistance Act of 1973 which sought to strike a section which provides for Federal grants for operation expenses of urban mass transportation similar to rollcall 493 in committee (defeated 205–210).	No.
496	do	H.R. 6452: On passage of the Urban Mass Transportation Assistance Act of 1973 (passed 219–195).	Yes.
497	do	H.R. 10088: On passage of the bill to establish the Big Cypress National Preserve in the State of Florida (passed 376–2).	Yes.
498	Oct. 4	Quorum call	Present.
499	do	H.J. Res. 748: On an amendment to the committee amendment to the joint resolution making an appropriation for special payments to international financial institutions for the fiscal year 1974 which sought to reduce the appropriation from $2,200,000,000 to $477,000,000 (defeated 129–237).	Yes.

Rollcall No.	1973	Measure, question, and result	Vote
500	Oct. 4	H.J. Res. 748: On passage of the joint resolution making an appropriation for special payments to international financial institutions for the fiscal year 1974 (passed 274-90).	Yes.
501	Oct. 9	Quorum call	Present.
502	do	H. Res. 581: On adoption of the "rule" under which to consider H.R. 9682, the District of Columbia Sefl-Government and Governmental Reorganization Act (passed 346-50).	Yes.
503	do	Quorum call	Present.
504	Oct. 10	do	Present.
505	do	H.R. 9682: On an amendment to the amendment in the nature of a substitute to the District of Columbia Self-Government and Governmental Reorganization Act which retains the Presidential appointment of judges to the District of Columbia Court of Appeals and the District of Columbia Superior Court (passed 228-186).	No.
506	do	H.R. 9682: On an amendment to the amendment in the nature of a substitute to the District of Columbia Self-Government and Governmental Reorganization Act which sought to authorize a right for the Congress of the President to veto any legislation by the City Council (defeated 138-273).	No.
507	do	H.R. 9682: On an amendment to the amendment in the nature of a substitute to the District of Columbia Self-Government and Governmental Reorganization Act which establishes a Federal enclave (passed 209-202).	No.
508	do	H.R. 9682: On an amendment to the amendment in the nature of a substitute to the District of Columbia Self-Government and Government Reorganization Act which sought to create a 3-man police commission to submit 3 nominees from which the President would appoint 1 as the chief of police (defeated 132-275).	No.
509	do	Quorum call	Present.
510	do	H.R. 9682: On an amendment to the amendment in the nature of a substitute to the District of Columbia Self-Government and Governmental Reorganization Act which sought to exclude Maryland and Virginia from the planning for Federal establishment by the National Capitol Planning Commission (defeated 130-278).	No.
511	do	H.R. 9682: On a substitute amendment for the amendment in the nature of a substitute to the District of Columbia Self-Government and Governmental Reorganization Act which contains the provision of H.R. 10692 (defeated 144-273).	No.
512	do	H.R. 9682: On passage of the District of Columbia Self-Government and Governmental Reorganization Act (passed 343-74).	Yes.
513	Oct. 11	Quorum call	Present.
514	do	do	Present.
515	do	H.J. Res. 727: On a motion to recommit the conference report on the resolution making further continuing appropriations for the fiscal year 1974 to the committee of conference (defeated 182-225).	No.
516	do	H.J. Res. 727: On adoption of the conference report on the resolution making further continuing appropriations for the fiscal year 1974 (passed 309-99).	Yes.
517	do	Quorum call	Present.
518	do	H.R. 10614: On passage of the bill to authorize certain construction at military installations (passed 359-26).	Yes.
519	Oct. 12	Quorum call	Present.
520	do	H.J. Res 542: On adoption of the conference report on the resolution concerning the war powers of Congress and the President (passed 238-123).	No.
521	do	H.R. 10203: On passage of the bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation and flood control (passed 337-14).	Yes.
522	do	Quorum call	Present.
523	Oct. 15	do	Present.
524	do	do	Present.
525	do	S. 907: On a motion to suspend the rules and pass the bill to authorize the appropriation of $150,000 to assist in financing the artic winter games to be held in the State of Alaska in 1974 (passed 306-54).	Yes.
526	do	H.R. 8346: On a motion to suspend the rules and pass the bill to amend the Housing and Urban Development Act of 1970 to provide a more effective approach to the problem of developing and maintaining a rational relationship between building codes and related regulatory requirements and building technology in the United States (defeated 108-258).	No.
527	Oct. 16	Quorum call	Present.
528	do	H.R. 9590: On adoption of the conference report on the bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for fiscal 1974 (passed 403-10).	Yes.
529	do	H.R. 9590: On a motion to recede and concur to Senate amendment No. 14 to the bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for fiscal 1974 (passed 253-153).	No.
530	do	H.R. 9590: On a motion to recede and concur to Senate amendment No. 15 to the bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for fiscal 1974 (passed 302-107).	No.
531	do	H.R. 6691: On adoption of the conference report on the bill making appropriations for the legislative branch for the fiscal year ending June 30, 1974 (passed 400-11).	Yes.
532	do	H.R. 10717: On a motion to suspend the rules and pass the bill to repeal the act terminating Federal supervision over the property and members of the Menominee Indian Tribe of Wisconsin as a federally recognized sovereign Indian tribe (passed 404-3).	Yes.
533	do	H.R. 9681: On an amendment to the bill to authorize and require the President of the United States to allocate crude oil and refined petroleum products to deal with existing or imminent shortages which sought to add language providing that an allocation of crude oil should not apply to producers unless the President finds that it is necessary to carry out the purposes of the bill (defeated 136-245).	No.
534	do	H.R. 9681: On a motion to the bill to authorize and require the President of the United States to allocate crude oil and refined petroleum products to deal with existing or imminent shortages which sought to limit time for debate on pending amendments to 15 minutes (defeated 161-124).	No.
535	Oct. 17	Quorum call	Present.
536	do	H. Res. 601: On adoption of the "rule" under which to consider the conference report on H.R. 9286, the Military Procurement Authorization for fiscal year 1974 (defeated 193-216).	No.
537	do	H.R. 9681: On an amendment to the bill to authorize and require the President of the United States to allocate crude oil and refined petroleum products to deal with existing or imminent shortages which sought to transfer the monitoring or allocation programs from the Federal Trade Commission to the General Accounting Office (defeated 152-256).	No.
538	do	H.R. 9681: On passage of the bill to authorize and require the President of the United States to allocate crude oil and refined petroleum products to deal with existing or imminent shortages (passed 337-72).	Yes.
539	do	S. 2016: On adoption of the conference report on the bill to provide financial assistance to the National Railroad Passenger Corporation (passed 346-51).	Yes.
540	Oct. 18	Quorum call	Present.
541	do	H.R. 10397: On passage of the bill to extend the authorization of appropriations for the Cabinet Committee on Opportunities for Spanish-Speaking People (passed 273-97).	No.
542	do	H.R. 9639: On a motion to concur to the Senate amendments to the House amendment to the Senate amendment No. 5 to the bill to amend the National School Lunch and Child Nutrition Acts for the purpose of providing additional Federal financial assistance to the school lunch and school breakfast programs (defeated 145-218).	No.
543	Oct. 23	Quorum call	Present.
544	do	H.R. 10586: On passage of the bill to authorize the use of health care maintenance organizations in providing health care (passed 345-41).	Yes.
545	do	Quorum call	Present.
546	Oct. 24	do	Present.
547	do	H. Res. 600: On adoption of the "rule" under which to consider H.R. 3927, the bill to extend the Environmental Education Act for 3 years (passed 369-15).	Yes.
548	do	Quorum call	Present.
549	do	H.R. 3927: On an amendment to the bill to extend the Environmental Education Act for 3 years which sought to limit the bill to a 1-year rather than a 3-year authorization (defeated 140-252).	Yes.
550	do	H.R. 3927: On passage of the bill to extend the Environmental Education Act for 3 years (passed 335-60).	Yes.
551	Oct. 25	H. Res. 655: On adoption of the "rule" under which to consider H.R. 10956, the Emergency Medical Services Systems Act of 1973 (passed 380-2).	Yes.
552	do	H.R. 10956: On passage of the Emergency Medical Services Systems Act of 1973 (passed 364-18).	Yes.
553	Oct. 30	H. Res. 656: On adoption of the "rule" under which to consider H.R. 9456, the bill to extend the Drug Abuse Education Act of 1970 for 3 years (passed 376-4).	Present.
554	do	H.R. 9456: On passage of the bill to extend the Drug Abuse Educational Act of 1970 for 3 years (passed 372-13).	Yes.
555	Oct. 31	Quorum call	Present.
556	do	H.R. 9286: On a motion to the conference report on the military procurement authorization bill for fiscal year 1974 which sought to delete sec. 817 (defeated 103-290).	No.
557	Nov. 6	Quorum call	Present.
558	do	H.J. Res. 735: On a motion to suspend the rules and pass the joint resolution authorizing the Secretary of the Navy to receive for instruction at the U.S. Naval Academy two citizens and subjects of the Empire of Iran (passed 343-38).	No.
559	do	H.R. 5874: On a motion to suspend the rules and pass the bill to establish a Federal Financing Bank (passed 349-25).	Yes.
560	do	H.R. 8219: On a motion to suspend the rules and pass the bill to authorize the President to extend certain privileges and immunities to the Organization of African Unity (passed 340-39).	Yes.
561	do	H.R. 10937: On a motion to suspend the rules and pass the bill to extend the life of the June 5, 1972, grand jury of the U.S. District for the District of Columbia (passed 378-1).	Yes.
562	Nov. 7	Quorum call	Present.
563	do	H.J. Res. 542: To override the President's veto of the bill concerning the war powers of Congress and the President (passed 284-135).	Yes.
564	do	H. Res. 687: On ordering the previous question on the "rule" under which to consider H.R. 11104, the bill to provide for a temporary increase of $13,000,000,000 in the public debt limit and to extend the period to which this temporary limit applies to June 30, 1974 (passed 274-135).	No.
565	do	Quorum call	Present.
566	do	H.R. 11104: On an amendment to the bill to provide for a temporary increase of $13,000,000,000 in the public debt limit and to extend the period to which this temporary limit applies to June 30, 1974, which reduces the increase in the debt limit by $2,300,000,000 (passed 263-147).	Yes.
567	do	H.R. 11104: On passage of the bill to provide for a temporary increase of $13,000,000,000 in the public debt limit and to extend the period to which this temporary limit applies to June 30, 1974 (passed 253-153).	Yes.
568	do	H. Res. 688: On adoption of the "rule" under which to consider H.R. 9142, the Regional Rail Reorganization Act of 1973 (passed 393-2).	Yes.
569	do	Quorum call	Present.
570	do	H.R. 9142: On an amendment to the Regional Rail Reorganization Act of 1973 which sought to add language providing that no payments be made to any protected employee for longer than 6 years beyond the acquisition of the railroad by the Corporation (defeated 148-245).	No.

VOTING RECORD—WILLIAM L. HUNGATE, 93D CONG., 1ST SESS.

Rollcall No.	1973	Measure, question, and result	Vote
571	Nov. 7	H.R. 9142: On an amendment to the Regional Rail Reorganization Act of 1973 which sought to limit the payment of the monthly displacement allowance for employees who are transferred to another railroad to 6 years (defeated 187–198).	Yes.
572	do	H.R. 9142: On passage of the Regional Rail Reorganization Act of 1973 (passed 306–82).	Yes.
573	Nov. 12	Quorum call	Present.
574	do	S. 1081: On a motion to recommit the conference report on the bill to authorize a trans-Alaska oil pipeline to the committee on conference with instruction to the managers on the part of the House to insist on disagreement to title III (subpena and injuncture relief) and to sections 601 (confirmation of the Director of the Energy Policy Office) and 602 (confirmation of the head of the Mining Enforcement and Safety Administration) of the Senate bill (defeated 162–213).	No.
575	do	S. 1081: On adoption of the conference report on the bill to authorize a trans-Alaska oil pipeline (passed 361–14).	Yes.
576	Nov. 13	Quorum call	Present.
577	do	H.R. 8916: On adoption of the conference report on the bill making appropriations for the Department of State, Justice, Commerce, the Judiciary, and related agencies for fiscal year 1974 (passed 394–11).	Yes.
578	do	H. Con. Res. 378: On adoption of the resolution providing for an adjournment of the House from Thursday, Nov. 15 to Monday, Nov. 26 (passed 215–190).	No.
579	do	H.R. 8877: On a motion to recommit the conference report on the bill making appropriations for the Departments of Labor, Health, Education, and Welfare, and related agencies for fiscal year 1974 to the committee of conference (passed 272–139).	Yes.
580	do	Quorum call	Present.
581	do	S. 1570: On adoption of the conference report on the Emergency Petroleum Allocation Act of 1973 (passed 348–46).	Yes.
582	Nov. 14	H. Res. 128: On adoption of the resolution expressing the sense of the House of Representatives with respect to actions which should be taken by Members of the House upon being convicted of certain crimes (passed 388–18).	Yes.
583	do	Quorum call	Present.
584	do	Quorum call	Present.
585	do	H.R. 11459: On passage of the bill making appropriations for military construction for the Department of Defense for fiscal year 1974 (passed 366–29).	Yes.
586	Nov. 15	Quorum call	Present.
587	do	H. Res. 702: On ordering the previous question on the committee amendment to the resolution providing funds for the Committee on the Judiciary (passed 230–182).	Absent.
588	do	H. Res. 702: On ordering the previous question on the resolution providing funds for the Committee on the Judiciary (passed 233–186).	Yes.
589	do	H. Res. 702: On a motion to recommit the resolution providing funds for the Committee on the Judiciary to the Committee on House Administration with instructions to report the resolution back forthwith an amendment that sought to earmark ⅓ of the funds to the minority and prohibit the use of any funds until the Committee on the Judiciary defines the nature and scope of the studies and investigations (defeated 190–227).	No.
590	do	H. Res. 702: On adoption of the resolution providing funds for the Committee on the Judiciary (passed 367–51).	Yes.
591	do	H.R. 11333: On an amendment to the bill to provide a 7-percent increase in social security benefits beginning with March 1974, and an additional 4-percent increase beginning with June 1974, and to provide increases in supplemental security income benefits which deletes language which sought to allow States to raise supplemental security income benefits by amounts provided in the bill to qualify for their "hold harmless" protection (passed 246–163).	Yes.
592	do	H.R. 11333: On passage of the bill to provide a 7-percent increase in social security benefits beginning with March 1974 and an additional 4-percent increase beginning with June 1974, and to provide increases in supplemental security income benefits (passed 391–20).	Yes.
593	Nov. 26	Quorum call	Absent.
594	do	H.R. 11238: On passage of the bill to provide for an improved system of adoption of children in the District of Columbia (passed 350–0).	Absent.
595	Nov. 27	H.R. 7446: On adoption of the conference report on the bill to establish the American Revolution Bicentenial Administration (passed 357–34).	Yes.
596	do	H.R. 11324: On a motion to consider the rule under which to consider the bill to provide for daylight savings time on a year-round basis for a 2-year trial period (passed 349–40).	No.
597	do	H.R. 11324: On passage of the bill to provide for daylight savings time on a year-round basis for a 2-year trial period passed (311–88).	Yes.
598	Nov. 28	H. Res. 719: On adoption of the "rule" under which to consider H.R. 11010, the bill to assure opportunities and training to unemployed and underemployed persons (passed 386–7).	Yes.
599	do	H.R. 11010: On an amendment to the bill to assure opportunities and training to unemployed and underemployed persons which reduces the population requirement for receiving assistance from manpower programs from 100,000 to 50,000 (passed 248–149).	Yes.
600	do	H.R. 11010: On an amendment as amended by the substitute amendment to the bill to assure opportunities and training to unemployed and underemployed persons which adds language which permits areas where the units of local government have an aggregate population of 100,000 or more to qualify for financial assistance (passed 200–140).	Yes.
601	do	H.R. 11010: On an amendment to the bill to assure opportunities and training to unemployed and underemployed persons which sought to raise from $500,000,000 to $1,000,000,000 the funds appropriated for 1975 to be reserved for public employment programs under title II (defeated 107–292).	No.
602	do	H.R. 11010: On passage of the bill to assure opportunities and training to unemployed and underemployed persons (passed 369–31).	Yes.
603	Nov. 29	H. Res. 721: On adoption of the resolution disagreeing to the Senate amendments of H.R. 11104, the bill to provide for a temporary increase of $10,700,000,000 in the public debt limit and to extend the period to which this temporary limit applies to June 30, 1974 (passed 347–54).	Yes.
604	do	Quorum call	Present.
605	do	H.R. 11575: On an amendment to the bill making appropriations for the Department of Defense for fiscal 1974 which sought to restore $1,250,000 for race relations training in the Army, Navy, and Air Force (defeated 178–226).	Yes.
606	Nov. 30	Quorum call	Present.
607	do	H.R. 11575: On an amendment to the bill making appropriations for the Department of Defense for fiscal 1974 which sought to strike language providing that not more than $851,600,000 be available for repair, alteration, and overhaul of vessels in Navy shipyards (defeated 170–203).	No.
608	do	H.R. 11575: On an amendment to the bill making appropriations for the Department of Defense for fiscal 1974 which sought to require funding of the $3,500,000,000 of the total appropriation from backlog "pipeline" funds left over from prior years (defeated 118–250).	Yes.
609	do	H.R. 11575: On an amendment to the bill making appropriations for the Department of Defense for fiscal 1974 which sought to reduce the end strength troop level by 22,000 (defeated 160–210).	Yes.
610	do	H.R. 11575: On passage of the bill making appropriations for the Department of Defense for fiscal 1974 (passed 336–23).	Yes.
611	do	Quorum call	Present.
612	do	H.R. 11576: On an amendment to the bill making supplemental appropriations for the fiscal year ending June 30, 1974, which sought to raise by $35,000,000 the funds appropriated for grant programs for State social rehabilitation services, thereby restoring the appropriation to the level of $650,000,000 provided in the authorization (defeated 160–164).	Yes.
613	do	H.R. 11576: On passage of the bill making supplemental appropriations for the fiscal year ending June 30, 1974 (passed 295–8).	Yes.
614	Dec. 3	Quorum call	Present.
615	do	S. 1191: On a motion to suspend the rules and pass the bill to provide financial assistance for a demonstration program for the prevention, identification, and treatment of child abuse and neglect, and to establish a National Center on Child Abuse and Neglect (passed 354–36).	Yes.
616	do	H.R. 11710: On a motion to suspend the rules and pass the bill to insure that the compensation and other emoluments attached to the Office of Attorney General are those which were in effect on Jan. 1, 1969, to amend title 39, United States Code, and to clarify the proper use of the franking privilege by Members of Congress (passed 261–129).	No.
617	do	H.R. 9437: On a motion to suspend the rules and pass the bill to amend the International Travel Act of 1961 to authorize appropriations for the fiscal year 1974–76 (passed 272–120).	Yes.
618	Dec. 4	Quorum call	Present.
619	do	H. Res. 725: On adoption of the rule waiving all points of order against the conference report on S. 1443, the bill to authorize the furnishing of defense articles and services to foreign countries and international organizations (passed 265–137).	No.
620	do	S. 1443: On adoption of the conference report on the bill to authorize the furnishing of defense articles and services to foreign countries and international organizations (passed 210–193).	No.
621	do	H. Con. Res. 173: On a motion to suspend the rules and pass the concurrent resolution relating to the U.S. fishing industry (passed 405–0).	Yes.
622	Dec. 5	H.R. 8877: On adoption of the conference report on the bill making appropriations for the Departments of Labor, and Health, Education and Welfare and related agencies for fiscal year 1974 (passed 371–33).	Yes.
623	do	H.R. 8877: On a motion to recede and concur with amendments in Senate amendment No. 1 on the conference report on the bill making appropriations for the Departments of Labor, and Health, Education and Welfare and related agencies for fiscal year 1974 (passed 263–140).	No.
624	do	H.R. 7130: On an amendment to the bill to amend the Rules of the House of Representatives and the Senate to improve Congressional control over budgetary outlay and receipt totals and to provide for a Legislative Budget Director and staff which sought to prohibit consideration of authorizing legislation after July in lieu of Mar. 31 of each year (defeated 106–300).	No.
625	do	H.R. 7130: On an amendment to the bill to amend the Rules of the House of Representatives and the Senate to improve Congressional control over budgetary outlay and receipt totals and to provide for a Legislative Budget Director and staff which sought to require the pilot-testing of all Federal programs prior to the implementation unless the committee report on such legislation indicates why this is unnecessary (defeated 185–218).	No.
626	do	H.R. 7130: On an amendment to the bill to amend the Rules of the House of Representatives and the Senate to improve Congressional control over budgetary outlay and receipt totals and to provide for a Legislative Budget Director and staff which sought to provide for a maximum limitation on authorizations for appropriations to 3 yr except those funded through user taxes (defeated 192–217).	Yes.
627	do	H.R. 7130: On an amendment to the bill to amend the Rules of the House of Representatives and the Senate to improve Congressional control over budgetary outlay and receipt totals and to provide for a Legislative Budget Director and staff which sought to require all appropriations bills be sent to the President at the same time with no exceptions (defeated 117–389).	No.
628	do	H.R. 7130: On an amendment to the bill to amend the Rules of the House of Representatives and the Senate to improve Congressional control over budgetary outlay and receipt totals and to provide for a Legislative Budget Director and staff which sought to delete the title on impoundment control (defeated 108–295).	No.

Rollcall No.	1973	Measure, question, and result	Vote
629	Dec. 5	H.R. 7130: On an amendment to the bill to amend the Rules of the House of Representatives and the Senate to improve Congressional control over budgetary outlay and receipt totals and to provide for a Legislative Budget Director and staff which sought to require both Houses of Congress to take action before a Presidential impoundment is disapproved and to allow selective disapproval of impoundments by Congress (defeated 186–221).	No.
630	do	H.R. 7130: On an amendment to the bill to amend the Rules of the House of Representatives and the Senate to improve Congressional control over budgetary outlay and receipt totals and to provide for a Legislative Budget Director and Staff which sought to make title II (impoundment control) effective on Oct. 1, 1975 (defeated 185–221).	No.
631	do	H.R. 7130: On passage of the bill to amend the Rules of the House of Representatives and the Senate to improve congressional control over budgetary outlay and receipt totals and to provide for a Legislative Budget Director and staff (passed 386–23).	Yes.
632	Dec. 6	Quorum call	Present.
633	do	H. Res. 638: On adoption of the "rule" under which to consider H. Res. 735, the resolution confirming the nomination of Gerald R. Ford of the State of Michigan to be Vice President of the United States (passed 389–15).	Yes.
634	do	H. Res. 735: On adoption of the resolution confirming the nomination of Gerald R. Ford of the State of Michigan to be Vice President of the United States (passed 387–35).	Yes.
635	Dec. 7	H.R. 11459: On adoption of the conference report on the bill to make appropriations for military construction for the Department of Defense for the fiscal year ending June 30, 1974 (passed 329–40).	Yes.
636	do	H. Res. 673: On adoption of the "rule" under which to consider H.R. 9107, a bill to provide increases in certain annuities payable under chapter 83 of title 5, U.S.C. (passed 295–70).	Yes.
637	do	H.R. 9107: On passage of a bill to provide increases in certain annuities payable under chapter 83 of title 5, U.S.C. (passed 270–95).	Yes.
638	Dec. 10	Quorum call	Present.
639	do	H. Res. 657: On adoption of the "rule" under which to consider H.R. 10710, a bill to promote the development of an open, nondiscriminatory, and fair world economic system and to stimulate the economic growth of the United States (passed 230–147).	No.
640	do	Quorum call	Present.
641	do	do	Present.
642	Dec. 11	do	Present.
643	do	H.R. 10710: On an amendment to the bill to promote the development of an open, nondiscriminatory, and fair world economic system and to stimulate the economic growth of the United States which denies loans, credits, and guarantees to nonmarket countries denying freedom of emigration (passed 319–80).	Yes.
644	do	H.R. 10710: On an amendment to the bill to promote the development of an open, nondiscriminatory, and fair world economic system and to stimulate the economic growth of the United States which sought to strike title IV (failed 106–298).	No.
645	do	H.R. 10710: On passage of a bill to promote the development of an open, nondiscriminatory, and fair world economic system, and to stimulate the economic growth of the United States (passed 272–140).	Yes.
646	do	H.R. 11088: On an amendment to the bill to provide emergency security assistance authorizations for Israel and Cambodia which sought to support the implementation of United Nations Security Council Resolutions 242 and 338 (failed 82–334).	No.
647	do	H.R. 11088: On passage of a bill to provide emergency security assistance authorizations for Israel and Cambodia (passed 364–52).	No.
648	do	Quorum call	Present.
649	do	do	Present.
650	do	H.R. 11771: On an amendment to the bill making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1974 which sought to delete funds for and prohibit aid to Chile (failed 102–304).	Yes.
651	do	H.R. 11771: On an amendment to the bill making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1974 which sought a $100 million reduction in emergency military assistance funds for Cambodia (failed 147–256).	Yes.
652	do	H.R. 11771: On an amendment to the bill making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1974 which sought to deny Export-Import Bank credits to nonmarket economy countries (failed 134–266).	Yes.
653	do	H.R. 11771: On passage of a bill making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1974 (passed 219–180).	No.
654	Dec. 12	Quorum call	Present.
655	do	do	Present.
656	do	H. Res. 744: On adoption of the "rule" under which to consider H.R. 11450, a bill to direct the President to take action to assure, through energy conservation, rationing and other means, that the essential energy needs of the United States are met (passed 272–129).	No.
657	do	Quorum call	Present.
658	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met which sought to strike the provision requiring that the President submit all energy conservation plans to Congress for appropriate action, and instead permit either House of Congress to veto any plan, provided that the disapproval come within 15 days (failed 152–256).	No.
659	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met which strengthens and clarifies antitrust provisions of the bill (passed 286–112).	Yes.
660	Dec. 13	Quorum call	Present.
661	Dec. 13	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which removes coal from the "windfall profits" section of the bill (passed 256–155).	Yes.
662	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which bans the allocation of petroleum for busing of public school students to schools further than the school nearest their home (passed 221–192).	Yes.
663	do	H.R. 11450: On a motion to limit debate (failed 58–351)	No.
664	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which sought to redefine "windfall profits" (failed 188–213).	No.
665	Dec. 13	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy nedds of the United States are met, which relaxes emission control standards under the bill (passed 199–180).	Yes.
666	Dec. 14	Quorum call	Present.
667	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which sought to strike sec. 114, the antitrust exemptions on retail business voluntary agreements (failed 170–223).	No.
668	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which sought to delay by three years the effective date for emission controls (failed 180–210).	Yes.
669	do	H.R. 11450: On an amendment to the bill to direct the President to tkae action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which sought to remove from energy controls school busing that was voluntarily entered into by a school board or appropriate school authority (failed 185–202).	No.
670	do	H.R. 11450: On a motion to limit debate (passed 197–196)	No.
671	do	H.R. 11450: On a motion to strike the enacting clause (failed 56–335).	No.
672	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met which limits the number of fuel inefficient vehicles used by the Federal Government (passed 299–89).	Yes.
673	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which osught to exempt producers of less than 25,000 barrels of oil per day from the restrictions on "windfall profits" (failed 189–194).	No.
674	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which requires that the energy conservation plans submitted under the bill include proposals for Federal aid to stimulate mass transit use and subsidize low fares (passed 197–184).	No.
675	do	H.R. 11450: On a motion that the Committee rise (failed 104–280).	No.
676	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which directs the President to make grants to States to provide unemployment benefits to workers displaced as a result of the act (passed 311–73).	Yes.
677	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which prevents discrimination against businesses which operate at hours other than 9 to 5, Monday through Friday (passed 301–60).	Yes.
678	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure. through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which includes marine activities within the category of agriculture (passed 332–19).	Yes.
679	do	H.R.11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which authorizes the Energy Administrator to restrict exports of coal, petroleum products, or petrochemical feedstocks if these exports would contribute to unemployment in the United States (passed 327–27).	Yes.
680	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which sought to protect the naval petroleum reserves and other reserves under the jurisdiction of the Defense Department from the crude oil production requirements imposed on oilfields on Federal lands (failed 174–202).	No.
681	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which sought to exempt certain oil producers from the "windfall profits" provisions (failed 140–226).	Yes.
682	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which directs the Interstate Commerce Commission to eliminate discrimination against the shipment of recycled materials (passed 349–8).	Yes.

VOTING RECORD—WILLIAM L. HUNGATE, 93D CONG., 1ST SESS.

Rollcall No.	1973	Measure, question, and result	Vote
683	Dec. 14	H.R. 11450: On a motion that the Committee rise (failed 86-290).	No.
694	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which sought to prohibit the export of crude oil, residual fuel oil, and refined oil, and refined petroleum products unless approved by the President (failed 152-205).	No.
685	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which sought to delay by 2 years the effective date for emission controls (failed 170-205).	No.
686	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which prohibits the exportation of petroleum products for use in military operations in South Vietnam, Cambodia, and Laos (passed 201–172).	Yes.
687	do	H.R. 11450: On an amendment to the bill to direct the President to take action to assure, through energy conservation, rationing, and other means, that the essential energy needs of the United States are met, which sought to prohibit the exportation of petroleum products for use in military operations in South Israel (failed 50-320).	Yes.
688	do	H.R. 11450: On a motion to recommit the bill (failed 173-205)	Yes.
689	do	H.R. 11450: On passage of a bill to direct the President to take action to assure, through energy consrvation, rationing, and other means, that the essential energy needs of the United States are met (passed 265-112).	No.
690	Dec. 17	Quorum call	Present.
691	do	do	Present.
692	do	S. 1435: On a motion to recommit the Conference Report on an Act to provide an elected Mayor and City Council for the District of Columbia (failed 80-259).	No.
693	do	S. 1435: On adoption of the Conference Report on an Act to provide an elected Mayor and City Council for the District of Columbia (passed 272-74).	Yes.
694	do	S.J. Res. 180: On a motion to suspend the rules and pass a joint resolution relative to the convening of the 2d sess. of the 93d Cong. (passed 263-91).	Yes.
695	do	S. 2482: On a motion to suspend the rules and pass an act to amend the Small Business Act, as amended (passed 339-21).	Yes.
696	Dec. 18	Quorum call	Present.
697	do	H.R. 9256: On adoption of the conference report on the bill to increase the contribution of the Federal Government to the cost of health benefits for Federal employees (passed 307-82).	Yes.
698	do	H. Res. 746: On agreeing to the resolution to authorize the Speaker to entertain motions to suspend the rules on Wednesday, Dec. 19, 1973, and for the balance of the week (passed 284-101).	Yes.
699	do	S. 2166: On a motion to suspend the rules and pass an act to authorize the disposal of opium from the national stockpile, as amended (passed 270-122).	No.
700	do	S. 2316: On a motion to suspend the rules and pass an act to authorize the disposal of copper from the national stockpile and the supplemental stockpile, as amended (passed 315-73).	No.
701	do	H.R. 11714: On a motion to suspend the rules and pass a bill to provide for the development of improved design, lighting, insulation, and architectural standards to promote efficient use in residential, commercial, and industrial buildings, as amended (passed 230-160).	Yes.
702	do	H.R. 11763: On a motion to suspend the rules and pass a bill to amend the National Visitor Center Facilities Act of 1968, as amended, to facilitate the construction of an intercity bus terminal (passed 356-18).	Yes.
703	Dec. 19	Quorum call	Present.
704	do	H.R. 11576: On a motion to recommit with instructions the conference report on the bill making supplemental appropriations for the fiscal year ending June 30, 1974 (passed 216-180).	No.
705	do	Quorum call	Present.
706	do	H.R. 11510: On an amendment to the bill to reorganize and consolidate certain functions of the Federal Government in the new Energy Research and Development Administration and in a Nuclear Energy Commission in order to promote more efficient management of such functions, which sought to add one additional administrator designated for energy conservation (failed 112-271).	Yes.
707	Dec. 19	H.R. 11510: On passage of the bill to reorganize and consolidate certain functions of the Federal Government in the new Energy Research and Development Administration and in a Nuclear Energy Commission in order to promote more efficient management of such functions (passed 355-25).	Yes.
708	Dec. 20	Quorum call	Present.
709	do	S. 1559: On a motion to recommit the conference report on the act to provide financial assistance to enable State and local governments to assume responsibilities for job training and community services (failed 93-264).	Yes.
710	do	S. 1559: On adoption of the conference report on an act to provide financial assistance to enable State and local governments to assume responsibilities for job training and community services (passed 330-33).	Yes.
711	do	H.R. 11575: On a motion to recommit the conference report on bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1974 (failed 88-280).	Yes.
712	do	H.R. 11575: On adoption of the conference report on a bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1974 (passed 336-32).	Yes.
713	Dec. 20	H.R. 11171: On adoption of the Conference Report on the bill making appropriations for foreign assistance and related programs for the fiscal year ending June 30, 1974 (passed 216-149).	No.
714	do	S. 1983: On adoption of the Conference Report on an act to provide for the conservation, protection, and propagation of species or subspecies of fish and wildlife that are threatened with extinction or likely within the foreseeable future to become threatened with extinction (passed 355-4).	Yes.
715	do	H. Res. 754: On a motion to suspend the rules and agree to a resolution to take from the Speaker's table the bill (H.R. 6186) to amend the District of Columbia Revenue Act of 1974 regarding taxability of dividends received by a corporation from insurance companies, banks, and other savings institutions, with Senate amendments thereto, and agree to the Senate amendments numbered 1 and 2 and agree to Senate amendment number 3 with an amendment (passed 319-26).	Yes.
716	do	H.R. 9142: On adoption of the Conference Report on a bill to restore, support, and maintain modern efficient rail service in the northeast region of the United States, to designate a system of essential rail lines in the northeast region, to provide financial assistance to rail carriers in the northeast region, to improve competitive equity among surface transportation modes, to improve the process of Government regulation (passed 284-59).	Yes.
717	do	H.R. 11576: On adoption of the Conference Report on a bill making supplemental appropriations for the fiscal year ending June 30, 1974 (passed 329-10).	Yes.
718	do	Quorum call	Present.
719	do	H.R. 11333: On concuring in the Senate amendment to the bill to provide a 7-percent increase in social security benefits beginning with March 1974, and an additional 4-percent increase beginning with June 1974, and to provide increases in supplemental security income benefits (passed 301-13).	Yes.
720	Dec. 21	H. Res. 759: On a motion for a second to the resolution to take from the Speaker's table the Senate bill S. 921, to amend the Wild and Scenic Rivers Act, with a Senate amendment (S. 2589) to the House amendment thereto, and agree to the Senate amendment to the House amendment with an amendment (H.R. 12128—energy bill with windfall profits provision) (passed 148-113).	Yes.
721	do	H. Res. 759: On a motion to suspend the rules and agree to the resolution to take from the Speaker's table the Senate bill S. 921, to amend the Wild and Scenic Rivers Act, with a Senate amendment (S. 2589) to the House amendment thereto, and agree to the Senate amendment to the House amendment with an amendment (H.R. 12128—energy bill with windfall profits provision) (failed 169-95).	Yes.
722	do	H. Res. 760: On a motion to suspend the rules and agree to the resolution to take from the Speaker's table the Senate bill S. 921, to amend the Wild and Scenic Rivers Act, with a Senate amendment (S. 2589) to the House amendment thereto, and agree to the Senate amendment to the House amendment with an amendment (H.R. 12129—energy bill with windfall profits provision deleted) (failed 22-240).	No.
723	do	H. Res. 761: On a motion to suspend the rules and agree to the resolution to take from the Speaker's table the Senate bill S. 921, to amend the Wild and Scenic Rivers Act, with a Senate amendment (S. 2589) to the House amendment thereto, and agree to the Senate amendment (failed 36-228).	No.
724	do	H. Con. Res. 411: On agreeing to the concurrent resolution providing for the adjournment sine die of the 1st Session of the 93d Congress (failed 74-171).	No.
725	Dec. 22	On a motion to adjourn (failed 39-160)	No.
726	do	Quorum call	Present.

NEW YORK MARITIME COLLEGE CELEBRATES 100TH ANNIVERSARY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. BIAGGI. Mr. Speaker, for the last 6 years I have had the distinct honor to represent the oldest State maritime academy, the State University of New York Maritime College. This magnificent institution based at Fort Schuyler, N.Y., is celebrating its 100th anniversary this year. To the dedication of the officers faculty, and administrators of the school, and to the loyalty of the cadets and the alumni, I want to pay special tribute here today.

The idea for a Maritime College in New York sprung up in the midst of a devastated U.S. merchant marine following the Civil War. Our merchant shipping had fled to foreign flags, and American seamen—unprotected from exploitation by U.S. laws—were leaving to serve other nations' shipping. A group of concerned New Yorkers, including members of the Chamber of Commerce, the Board of Underwriters, and the shipping community, convinced the New York State Legislature to help establish a nautical school. On April 24, 1873, that body authorized the city of New York, the Nation's greatest seaport, to "Provide and maintain a nautical school in said city, for the education and training of pupils in the science and practice of navigation."

An executive committee was soon appointed and with the guidance of Adm. J. L. Warden, U.S. Navy, then Superintendent of the Naval Academy, and Adm. S. B. Luce, U.S. Navy, one of the foremost experts on educating and training seamen, a curriculum was designed and the decision was made to seek a ship on which to conduct the school.

Following an act of Congress, the Secretary of the Navy authorized the transfer of the USS *St. Mary's* to New York State for the new nautical school. The same act authorized the President to detail naval officers as superintendents of and instructors in such schools. Thus began the long history of Federal support and cooperation with State maritime schools, a working relationship that continues to this day.

After being fitted at the Boston Navy Yard, the *St. Mary's* sailed for New York arriving on December 10, 1874. With the transfer of control to the city of New York, Cmdr. R. L. Phythian, U.S. Navy, commanding officer of the *St. Mary's*, became the first superintendent of the New York Nautical School.

By January 1875, the first group of 26 boys boarded the vessel at her berth at East 23d Street. By July of that year, with a full complement of 123 aboard, the USS *St. Mary's* departed on her shakedown cruise as a schoolship.

The initial curriculum was designed to make competent seamen out of city boys in 2 years. Yet even in those early years, the school saw the need to educate boys in more than just seamanship. Lessons in arithmetic, grammar, and geography were also given. By November 20, 1876, the first group of 58 students was graduated, a fitting tribute to the efforts of the ship's officers who also served as the instructors.

By 1905, courses were added in steam and electrical engineering, marking yet further progress in American seamanship. At the same time, other States founded their own seamen's academies based on the successful New York experiment.

During the Spanish American War, the Navy officers assigned to the ship were returned to the ranks of the regular fleet. With the postwar rise in American seapower, instruction of the school had to be taken over by civilians. The command was given to an officer of the New York Naval Militia.

First commissioned in 1843, the *St. Mary's* was beginning to show a great deal of wear. A partial overhaul had been performed in 1893, but funds were not available for the complete job. By 1907, the ship was ready for retirement. A new vessel, the USS *Newport* was assigned to the school in October 1907.

The Department of Education of the State of New York took over control of the school in 1913 and began to seek new permanent facilities for the school, a search that was to last almost 20 years.

During the First World War, graduates and cadets from the school served with distinction. Many commanded ships, and several cadets served as ship's officers, even while cadets, to meet the national emergency. At one point, a contingent of cadets under arms was sent aboard a vessel to suppress a mutiny:

By 1934, the site of Fort Schuyler on Throggs Neck in the western portion of Long Island Sound was selected as the permanent shore site for the school.

First established as a Revolutionary War embattlement, Fort Schuyler was made a permanent military facility with completion of the fort in 1845. Named after Revolutionary War hero Gen. Phillip John Schuyler, the fort is built of Connecticut granite, in the shape of an irregular pentagon. Designed to accommodate a garrison of 1,250 men, the fort still stands today serving the cadets of the Maritime College.

With a permanent shore-based campus, the superintendent, Capt. J. H. Tomb, U.S.N. retired, proposed the first 4-year baccalaureate program in 1937. By 1940, the first such class entered the school, but the outbreak of World War II thwarted the plan.

In June 1940, control over all merchant marine training school ships were turned over to the Maritime Commission by the Navy Department. The successor of that organization, the Maritime Administration, continues to supervise the State maritime academies. During this period, cadets were also first sworn into the Naval Reserve as "cadet, Merchant Marine Reserve."

The school and its facilities once again played an important role in the war effort serving as a base of operations for the Army and Navy operating in the area and as a major training facility for Naval Reserve officers and merchant marine cadets.

Following the war, Arthur Tode, the chairman of the Board of Visitors, sought once again to establish a baccalaureate program at the school. The State of New York's Board of Regents authorized the school to grant a bachelor of marine science degree and on October 8, 1947, the first such degree was awarded to Eugene Norman Starbecker.

In March 1948, the Maritime Academy became one of the original 32 colleges to comprise the State University of New York under an act of the New York State Legislature. The original baccalaureate degrees in marine engineering and marine transportation were expanded to include degrees in meteorology and oceanography, nuclear science, naval architecture, electrical engineering, mathematics, and a humanities concentration.

In the early sixties, the university undertook a multimillion-dollar construction program at Fort Schuyler. Modern dormitories, classrooms, and dining halls were built; a major physical education complex and waterfront activities building was added; and a major refurbishing of the old fort was undertaken. The library was constructed in the old fort during this period and has received wide acclaim from architectural groups. It contains one of the finest collections of nautical literature in the country.

While the mission of the college has remained basically unaltered, recently the college council permitted the enrollment of students who, though not physically qualified for a life at sea, nevertheless desired a maritime education. These students attend classes with their uniformed counterparts, but do not participate in military drill and nautical training.

During the academic year, the training shop is used as a floating laboratory model and is maintained by a skeleton crew of 10. During the summers, the cadets—as did the generations of cadets before them—man the training ship performing all duties of a ship's crew except for food preparation and stewards' duties. In the nautical language, they hand, reef and steer. Future engineering officers act as firemen, watertenders, oilers, and so on.

Their deck counterparts are ship's linehandlers, navigators, and quartermasters. With the exception of the ship's officer/instructor, the cadets are the only professional seamen on the ship. Deck and engine cadets must pass rigid qualifying exams as they proceed up the ladder from apprentice through artificer to officer status. Ultimately, as first classmen in their fourth year, they act as junior officers in the ship.

The ship, however, is not just out on a training cruise. It provides valuable service to the Nation by gathering oceanographic and atmospheric data. Several times a day bathymetric and meteorological observations are made and recorded. The ship is equipped with a bottom profiler which has been used by the Smithsonian Institution to survey fissures in the seabed off the Ballaeric Islands. Considerable data relevant to precipitation nuclei has been gathered; water samples have been taken to measure mercury levels in the North Atlantic and pollution paths in the Mediterranean.

The SUNY Maritime College, the oldest such institution in the United States, has and will always be the leader in the field. It was the model for many of the other maritime academies including the Federal Academy at Kings Point, whose first superintendent was previously a superintendent at Fort Schuyler.

It was the first maritime school to offer a baccalaureate degree and is the only one with a graduate school and Engineers' Council for Professional Development Accreditation. Its curriculum is the broadest of all such schools and it continues to keep pace with new developments in the maritime field. There is no doubt in my mind that on its 200th anniversary it will still be the recognized leader in the field.

As a member of the House Merchant Marine and Fisheries Committee, and as an individual with a deep interest in furthering the U.S. merchant marine, I am proud that this institution lies within the district I represent here in Congress.

GEN. CREIGHTON ABRAMS TRIBUTE

HON. DICK SHOUP

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. SHOUP. Mr. Speaker, in time of strife we lean heavily on our military leaders. Then, when the sounds of battle fade into history, we often neglect or forget what they have contributed to our freedom.

It is fitting that we do not let this happen to Gen. Creighton Abrams, whose untimely death recently shocked the Nation and our military establishment. General Abrams served his Nation honorably and well in the finest tradition of *those who* are trained in lasting devotion to duty, honor, country. He was a good man, a quiet man, a military man who believed in civilian leadership of our national defense forces. I extend, on behalf of the people of Montana, my respects to his service, his memory and his loved ones who can be proud that he served his Nation long and well.

VACATION IN CYPRUS

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, under leave to extend my remarks, I take this opportunity to bring to the attention of my colleagues and the American people, the observations of one of my constituents, Mrs. Jane Loizou of McLean, Va., who was vacationing with her family in Cyprus during the recent outbreak, as well as the text of my letter addressed to the Secretary of State regarding this situation:

HOUSE OF REPRESENTATIVES,
Washington, D.C., August 23, 1974.

Hon. HENRY KISSINGER,
Secretary of State, U.S. Department of State, Washington, D.C.

DEAR MR. SECRETARY: A number of my constituents had the misfortune of being caught vacationing in Cyprus during the recent outbreak. In checking on their whereabouts, in behalf of their families, I was disturbed at my inability to obtain information. My success in gaining information came about through my direct wires to the Embassy in Cyprus, rather than through the State Department as I might have expected.

I share in your concern for the recent events in Cyprus. And, as you are most likely aware, legislation reflecting my views on the war is being appropriately channeled in the Congress. At the moment, however, my purpose in writing is to express my dismay at the way our U.S. citizens were treated when they found themselves stranded on the island. I would think immediate arrangements would have been made for their evacuation, and that every effort would have been made to ensure their safety and well being. The enclosure shows this was not the case.

Mrs. Jane Loizou, of McLean, Virginia, was stranded in Cyprus with her family. She has just returned to the U.S., and while thankful to be alive, she is seriously concerned about the situation she witnessed prior to her evacuation. Mrs. Loizou is a highly respected member of our community, and I place great value in her ability to assess a situation objectively. I asked her to put her observations in writing, which she did, and which I am enclosing with my letter. I think these observations deserve your personal attention and consideration.

While I am deeply saddened by the recent death of Ambassador Davies, I cannot sit quietly until a more appropriate time. The question I raise involves the personal safety of those I represent in the Congress, the issue being their lives.

There is no question in my mind that a review is warranted, a review of the procedures which should rightfully extend the very best service by the very finest talent to our citizens traveling abroad at all times—most particularly at a time of war.

I will look forward to hearing from you and will greatly appreciate your attention to this most important matter.

With best wishes, I am
Sincerely,
JOEL T. BROYHILL,
Member of Congress.

LIST OF GRIEVANCES

1. Inability of American Embassy in Nicosia to direct and advise American citizens in time of crisis.

2. American Embassy was unable to protect American citizens in a forewarned crisis.

3. Americans, should be told at time passports are issued, if exit visas are required of their nationals traveling abroad.

a. Exit visas, however, should not be required of any American citizen travelling in a so-called "friendly nation", particularly when that nation's economy and military is dependant on U. S. aid.

b. "Dual nationality" should be clearly defined in the future. Is it determined by your parents nationality? How does this affect second and third generations? (Our Congressmen of Greek extraction can then be construed to have dual nationalities.)

c. Conscription by a foreign country of American citizens is in direct contradiction of Statement 5 (Loss of Nationality) as stated in our passports.

"You may lost your U.S. nationality . . . by serving in the armed forces of a foreign state."

4. Immediate communication break-down at Embassy. No way Americans could contact Embassy. No clear cut instructions issued and no clear cut policy for evacuation. Auxilliary communication set-up should somehow be made available. (B.B.C. was our only source of information.)

5. Complete disregard of American citizenship by both Sampson's government and Turkish soldiers.

a. Passports held by Ministry of Interior in order to issue exit visas.

b. Taken into custody by armed Turkish soldiers. Purses searched and jewelry, money and valuable papers taken. (This, in addition to house search, which is to be expected I presume, under the circumstances of war.)

c. Turkish soldiers showed distinct disdain for American flag by tearing it up and informing me that it was best for our safety to use the Union Jack only. (In hiding with a Canadian citizen.) * * *

6. Disregard of Turkish troops for United Nations contingent.

a. Jeeps, helicopters and small boats were shot at while U.N. and British Navy attempted to evacuate tourists from Kyrenia area.

b. British fleet informed that it had till 3 p.m. to evacuate British citizens and "friendly nationals" from Kyrenia, however, Andromeda was forced to leave at 2 p.m. as Turkish tanks advanced on the town, 1 hour ahead of scheduled time. Not all refugees evacuated.

c. International Red Cross and United Nations still cannot get into Kyrenia or Bellepais with supplies for British and Greek Cypriots stranded in Dome Hotel in Kyrenia and in surrounding Bellapais.

d. Since cease fire of July 22, Turkish troops have, using American weapons and expertise, advanced their land holdings on Cyprus. Directives of U.N. Security Council have been pointedly ignored. Cease fire of July 22 was not observed.

e. In view of above facts, why are Americans supplying arms to countries or country that does not live up to any of the Geneva resolutions.

7. American government knew, according to London Times, July 7th, Jack Anderson, etc., that a Cypriot crisis was in the making. Why then weren't American citizens evacuated as they were in 1967?

8. Using our TWA tickets, the British evacuated us to London, where on contacting the United States Embassy, I was told that new passports must be re-issued. To add insult to injury I had to pay $36.00 to our government, for passports to the States!

9. On arriving home, I requested an appointment with the State Department to air my grievances regarding the above. The Cyprus and Turkish desks listened, then informed me that as an American citizen I abrogated my rights when I went abroad. Further, when I recounted my experiences with the Turkish soldiers, I was told that my grievances were obviously with the "Embassy of Turkey"! I was further told that it was unreasonable of me to expect the State Department to change International law—"after all don't expect to take the Bill of Rights everywhere you go."

10. By the attitudes of our officials abroad and our policy makers at home, I believe we have lost the moral leadership and respect of free-thinking people everywhere. In the final accounting, it is these "small individuals that determine world leadership not massive military build-up alone.

EXPORT CONTROLS POTENTIALLY DISASTROUS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. FINDLEY. Mr. Speaker, Jim Thomson, editor of the Prairie Farmer, in the magazine's September 7, 1974, editorial, and C. Fred Bergsten, a senior fellow at the Brookings Institution, in the August 23, 1974, Washington Post, succinctly outlined the dangers of export controls.

I hope that others will see the logic of their arguments and realize that this country and its economy could be irreversibly damaged by restrictions on food exports.

Text of these splendid statements follow:

THE CASE AGAINST EXPORT CONTROLS

(By C. Fred Bergsten)

In the desperate search for policies to fight inflation, it is understandable that the sober outlook for this year's harvest has rekindled proposals for export controls. Such controls would aim to keep our farm production at home in order to moderate food prices to American consumers.

In practice, however, export controls—which The Washington Post proposed on Aug. 16—would be more likely to increase United States inflation than to decrease it. In addition, they would adversely affect several other major United States national interests.

First, export controls—especially total embargoes—would hurt the United States balance of payments. Since exchange rates are now floating, this would reduce the international value of the dollar. As a result, our imports would become more expensive. In addition, other countries would buy more of our goods, adding to the pressures of demand on our economy. These factors alone could very quickly offset most or all of the antiinflationary effects of the export controls themselves. Indeed, the devaluations of the dollar in 1971–73 probably accounted for more than one-fourth of our recent inflationary surge.

Second, these offsets would be reinforced over the longer run by the domestic and foreign reactions to United States export controls. American farmers will naturally expand their production less zealously if they see their returns limited by export controls for a second straight year. Indeed, controls would force our trading firms to break contracts which they had already signed, since it is much too late in the crop season to regulate foreign buying comprehensively through licensing requirements or other relatively orderly procedures.

At the same time, foreign purchasers will seek to reduce their dependence on United States suppliers. The Japanese responded to our embargo of last summer by committing $1 billion to grow soybeans in Brazil. This effect is almost certain, because any new controls would wholly hit our traditional and reliable customers; there is no disruptive new buyer which is causing the present problem, as did the Soviet Union with its grain purchases. Such losses of business for the United States weaken the dollar over time in the exchange markets—which means more inflation for Americans.

Third, United States adoption of export controls encourages other countries to adopt export controls. Such reactions from others are particularly likely at this time because United States export controls would violate the "standstill agreement" negotiated among the major industrial countries in June to bar export (or import) controls for one year as they seek to deal constructively with the oil crisis.

And the United States is heavily dependent on imports of a number of key products which might be subjected to such controls by others. Indeed, the United States export controls of July 1973 provided ample license for the Arab export controls since October 1973 on oil—which account for much of the current United States inflation—the Brazilian export controls on coffee and several other products, and the recent Jamaican export controls on bauxite. A world free for export controls is likely to increase, not decrease, United States inflation.

In the 1930s, virtually every country tried to export its national unemployment to other countries through placing controls on its imports. The result was to deepen and broaden the Great Depression. All countries suffered badly as a result.

In the 1970s, countries are beginning to try to export their national inflation to other countries through placing controls on their exports. The result can only be to heighten and broaden the Great Inflation from which we are all now suffering. All countries, including the United States, would suffer badly as a result.

After the Second World War, the world erected a set of international rules and institutional arrangements, embodied primarily in the GATT—the General Agreement on Trade and Tariffs—to outlaw import controls and provide for retaliation against anyone who broke that law. These arrangements have proved remarkably successful, and there have been no more trade wars of import controls.

However, no rules were created to deal effectively with export controls. Thus countries, such as the United States at the present, are tempted to apply such controls themselves and have no assurance that other countries will not control sales to them. In such an environment, unilateral controls such as those now contemplated in this country would almost certainly add to the spiral of international emulation and even retaliation.

The highest priority should thus be given to the creation of such rules with institutional arrangements to enforce them. There are of course cases where export controls may be needed and justified, but their impact on other countries is so great that they can be safely undertaken only if based on international consultations beforehand and surveillance afterwards. Negotiators to develop such arrangements should top the agenda for the proposed Multilateral Trade Negotiations.

To enable the United States to provide the needed leadership in those negotiations, the Congress should promptly pass the Trade Reform Act, including the far-sighted amendments proposed by Senator Mondale in late 1973 which called for international negotiations to assure the access of consuming nations to supplies produced by others. Only by thus completing the GATT can the world avoid new trade wars of export controls. Needless to say unilateral imposition of more export controls by the United States would significantly dim the prospect for negotiating new international rules—and could even jeopardize the whole negotiation.

Finally, humanitarian considerations argue strongly against export controls. Millions of human beings in Africa and Asia can be saved from starvation only by shipments of United States food. Yet if the United States were to adopt controls, our domestic politics virtually guarantee that the limited amounts allowed to enter the foreign market would go to cash customers. It would be almost criminal to limit our exports in order to build a United States food reserve, as The Washington Post suggested last week, in the face of such human suffering. And United States citizens are so profligate and wasteful in their consumption of food that few norms of "justice" can be served even by denying our product to Europeans and Japanese, whose per capita consumption is far below our own. For all of these reasons, export controls are not the answer.

EXPORT RESTRICTION: IS THIS THE WAY WE SHOULD GO?

(By Jim Thomson)

Farmers have mixed feelings about trade restrictions on scarce farm products. So they told Prairie Farmer in recent visits to farms in Indiana and Illinois. But are embargoes and export quotas really the way to go?

We cannot sidestep the fact that farmers suffer the consequences of trade restrictions in farm products more than anyone else. Yet of the farmers we interviewed, 45.5% said they favored such trade restrictions; 42.3% said they preferred letting the free market ration the supply with higher prices; the remaining 12.2% were undecided.

Poor crops generally mean higher farm prices. Higher farm prices stimulate greater food production, minimize waste, and ration the supply to those who really must have it. Thus the current problem of drouth and scarcity would eventually correct itself.

UNDER INTENSE PRESSURE

But that's assuming that the politicians will not foul up the works with controls. And that's just too good to be true. They are already under intense pressure from consumer groups and labor leaders to impose embargoes or quotas on food exports.

These groups want consumers to be protected from foreign buyers who are willing to pay more for U.S. agricultural products.

They insist that U.S. consumers should come first and "are entitled to plentiful food supplies at reasonable prices" even if it means shutting off farm exports.

Already political influences are at work in Washington to stave off rising food prices. The public has been reading newspapers reports of serious cuts in food production due to drouth and other factors.

The corn crop is down 12% from a year ago and down 34% from the high hopes expressed by the USDA at planting time. Soybeans are down 23% from what the USDA expected. The USDA estimates that food prices will rise about 14% this year.

But as of July, food compared favorably with other items in the cost of living. At that time food prices were rising at an annual rate of 4.6% compared with housing, 13.8%; transportation, 30.6%; clothing, 6.4%; and fuel, 19.8%.

Many consumers are panicked by the thought that food and feed crops could dwindle to a mere month's supply by Oct. 1, 1975. They want export controls placed on corn. soybeans, and wheat regardless of the economics and long-term damage to our foreign trade.

To the majority of the American people, embargoes and quotas on scarce grains seem to be the answer. It goes without saying that such a move would send farm prices plummeting.

That's the general idea—to hold food prices at present levels or send them heading downward. Thus the public would be served with at least half of its dream world—cheap food and cheap energy. Eventually President Gerald Ford will have to make the decision.

He can make a political decision and please congressmen who want to be reelected in November. Or he can fly in the face of public opinion and opt for principle by insisting on the liberalization of world trade that can help all of us. It is a difficult decision, but it will give us perhaps the first clue to his stature as our chief executive.

Ford is listening attentively to both sides of the argument in which farmers have a tremendous stake. One side, the political, says we must conserve our food supplies for our own people. Otherwise we will encourage a new round of inflation if we allow scarce food to flow overseas without hindrance.

Higher consumer food prices, politicians say, would set off spiraling wage demands, rev up inflation, anger the voters, and ruin their chances of reelection in November.

The economist says that there is no way that the U.S. or the world can escape the inflationary consequences of our crop losses. The world economy is integrated and will be forced to adjust to higher food prices.

CONSUMERS CAN'T WIN

If we restrict food exports, trade deficits will result in dollar devaluation. Uncontrolled prices of other goods traded will rise and offset any savings we might realize on domestic food consumption. Thus farm prices would hold or drift downward while farm costs would continue to rise.

Actually we can no longer afford to restrict exports. In July we had the third largest trade deficit in history, $728.4 million. This is caused by high priced imports, particularly petroleum, tourism, etc.

In the long run, some economists think that the inflationary effects of U.S. export controls would be even worse because of the distortions to world trade. We earned more than $9 billion in farm exports last year. Without it, we could suffer severe trade deficits and balance of payments problems.

In its notable sardonic style, the Wall Street Journal says, "When presented with these alternative arguments, almost any politician . . . would choose the export controls, which is why the world's economies are in such a dismal state.

"Even tho there are no immediate economic benefits, the popular belief is that domestic gains to be had at the expense of foreigners can be translated into political gains. The idea that these would have to be paid for down the road at an even higher economic price means little to a politician striving for . . . survival."

The U.S. Department of Agriculture is also being accused of tunnel vision in seeing export controls as mainly harmful to overseas buyers. Altho this is true, the total dimension of the problem seems to be overlooked—dislocation of world trade that harms everyone, especially U.S. farmers.

The effect on other countries should not be minimized. Hunger is already a serious problem. It could get worse. Export controls would shake the governments of some countries to their foundations and result in continuing instability.

ACCUSED OF DIRTY DEALING

The Japanese, for example, buy more than $3 billion worth of U.S. farm products. About a year ago they were panicked by our export embargo on soybeans. The French accused us of dirty dealing. Secretary Earl Butz was irritated and embarrassed by the soybean embargo.

He protested that it was a serious mistake and that it wouldn't happen again. If it does happen again, we will have lost much good will that we had in the world's capitals. If a world leader like the U.S. chooses selfish self-interest in place of enlightened leadership, we will have no credibility left.

Cornbelt farmers export 25% of their production. Millions of dollars have been spent in market development. Must it all be thrown away just to please shortsighted consumers?

Some will ask if restraints won't be needed if panic buying breaks out as it did in 1973. Perhaps this will be necessary. But it should come after we have tried voluntary restraints and foreign buyers themselves decide that this is best for all of us. There is good reason to believe that the supply will be adequate because high prices will cut back consumption.

But farmers should never lose sight of the fact that export controls are another way for consumers to try to shift the burden of inflation to the shoulders of farmers. But in the long run it can't be done.

Let's not kid ourselves. All of us must pay the price of a short crop. There is no way of sweeping this problem under the rug with political expedients.

TERMINATING EXISTING DECLARED EMERGENCIES

HON. WILLIAM H. HUDNUT III

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. HUDNUT. Mr. Speaker, I am introducing a bill today to terminate certain emergency powers which have been given the executive branch over the years.

A Special Senate Committee on Termination of the National Emergency has been reexamining the powers of the Presidency and what it has found is frightening.

For example: On March 9, 1933, only days after he took office in the midst of the depression, President Roosevelt declared a state of national emergency.

On December 16, 1950, in the midst of the Korean war, President Truman declared a state of national emergency.

On March 23, 1970, in the midst of a postal workers strike, President Nixon declared a state of national emergency.

On August 25, 1971, in the midst of a frightening decline in the Nation's balance of payments, President Nixon declared a state of national emergency.

These four proclamations are still in effect. Under 470 provisions of the Federal law, they give a President virtual dictatorial powers. He can seize property, organize and control the means of production, transportation and communications, restrict travel.

There is, in fact, now almost no limit on the powers a President can exert. My proposed bill would terminate these proclamations and statutes that give them force. An identical bill has been introduced in the Senate.

I am also concerned about the bill pending on the House Calendar (H.R. 13320) extending civil defense emergency authorities. The principle here is the same: That of practically absolute power in the executive branches of Government unchecked by the Congress. While there may be a recognized need to have a law on the books to provide for action to be taken under grace emergency conditions, in my judgment such a law should include restraints and guidelines to prevent the potential abuse of the powers granted therein. For this reason, I urge the Armed Services Committee to give this subject the comprehensive hearings intended in 1951.

In the meantime, I feel amendments should be adopted to H.R. 13320 to extend the emergency authority for 2 rather than 4 years in order to allow time for necessary congressional review. Also, I support the proposed amendment which will apply the same basic check to civil defense emergencies that Congress has applied to war powers, specifically, the amendment would require the President, if he declares an emergency, to notify Congress within 2 days of the reasons for his declaration and the measures he plans to take. Congress would then have 30 days to approve or the emergency authority would expire.

While these two amendments are no substitute for the broad review of civil defense emergency powers that Congress should undertake, they will improve the legislation and provide time for the review.

READER'S DIGEST EDITOR BLASTS FOREIGN AID

HON. H. R. GROSS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. GROSS. Mr. Speaker, in the September issue of Reader's Digest, roving editor, Robert Strother, has written an excellent article exposing one of the most important facets of the monstrously wasteful foreign aid program.

The fact is that the press and the networks, year after year, either do not know or deliberately conceal from the American people the size and magnitude of the international giveaway program which has siphoned off so much of this Nation's treasure during more than a quarter of a century.

Mr. Strother's article is a valuable contribution on behalf of the U.S. taxpayers who must bear the heavy burden of this program and it should be required reading for every Member of Congress before this year's vote on the foreign aid bill.

I include the article for insertion at this point in the Record:

Foreign Aid: What Does It Really Cost?

(By Robert S. Strother)

Every year before Congress votes new foreign aid, an attempt is made to emphasize the small and shrinking scale of the program. In the debate over fiscal 1974 aid, for example, Robert S. McNamara, president of the World Bank, charged that the United States contributes less to development-type aid in proportion to gross national product than almost any other major Western industrial nation. Newspaper headlines, focusing on core aid programs, give a similar impression: "Arms, Economic Aid Is Set at $2.4 Billion," said the Washington Post of November 15, 1973. For years the feeling has been left that foreign assistance is slight—$2 billion or so a year, and shrinking.

Quite the reverse is true, however. Foreign aid for fiscal 1974 (July 1, 1973, through June 30, 1974) totaled at least five times $2 billion—almost 11 billion—and no downward trend is in view.

The $2.4-billion budget request in the headlines referred solely to the mainline programs established under the Foreign Assistance Act—in the words of Sen. Daniel K. Inouye (D., Hawaii), who conducted the Senate hearings, "only the tip of the iceberg." By the time the actual appropriations bill passed last December, "emergency" additions—including $2.2 billion for Israel to replace equipment destroyed in last year's Yom Kippur war—had swelled the total to $5.8 billion. But there are always emergency expenses. And on top of this $5.8 billion came an additional $4.9 billion in aid-related outlays that one rarely hears about.

For the truth is that, partly by design, partly by historical accident, partly through chaotic budgeting of runaway programs, foreign aid of many kinds is fragmented or hidden throughout the federal budget. Last year, for example, a State Department witness, testifying before a House appropriations subcommittee, outlined an $8.8-million request for migration and refugee assistance. Questioning revealed that this sum was not the entire picture: $36.5 million from a previously approved continuing fund would go to Russian Jews settling in Israel; $90 million for refugees from Communist Cuba was included in HEW's budget; and funds for Palestine refugee camps would be financed by the State Department through the United Nations Relief and Works Agency. It all added up to $150 million. "When you scatter the programs everywhere," declared one Congressman in exasperation, "it is almost impossible for the most astute member of Congress to know what any program is costing in total."

Other assistance is not listed as "aid" at all. Here are some examples from 1974:

$5 million approved for road construction in the "Darién Gap"—a stretch through the jungles of Panama and Colombia—to complete the inter-American highway there. The highway will benefit the Latin economies and is clearly foreign aid. But it was in the Federal Highway Administration budget, and the U.S. contribution is expected to reach $100 million by the project's completion in the early 1980s.

$554 million set aside for global shipments of "Food for Peace." This was in the Department of Agriculture budget.

Numerous aid expenses weren't identified anywhere in the budget—for example, U.S. defense equipment, mainly Navy vessels, loaned at no charge to foreign countries. Since 1966, Ecuador has seized 97 American fishing vessels off its coast with patrol boats which were, in some cases, provided by U.S. military-assistance programs. U.S. taxpayers have had to reimburse shipowners for more than $5 million in "fines" paid to Ecuador.

It would take an army of accountants to comb through the federal budget and total up all aid. Yet at a time when aid is under increasing attack, when the pendulum could swing too far toward isolationism, it is vital for us to understand how much money we actually spend abroad, and what we get in return. Nobody does.

Varying Approaches. In 1971, Senators William Proxmire, D., Wis.) and Clifford Case (R., N.J.) tacked a clause onto the aid bill requiring that in future years the Administration list in one place the total of all foreign assistance. But the required report is published long after the close of each fiscal year. The totals for spending in fiscal 1974 will not be released until December, at earliest, months after Congress began considering fiscal 1975 requests. The accounting for fiscal 1973 was $8.5 billion but the information went virtually unnoticed when it was quietly delivered to Congress last February.

Attempts have been made to consolidate new requests, but there is much disagreement and confusion over which programs should be classified as foreign aid—not to mention tracking them all down. For example, a Senate appropriations subcommittee study estimated that requests for 1974 would total $11 billion, while a House study set the figure at $20 billion. One debatable item included in the House estimate was some $7 billion for lending activities of the Export-Import Bank, which finances the sale of U.S. commodities and provides substantial revenues to the U.S. Treasury. On the other hand, neither figure included any estimate of how much of the annual interest on the national debt—currently $30 billion—should be attributed to foreign assistance, as some Congressmen, notably Rep. H. R. Gross (R., Iowa), think is proper.

In the midst of these conflicting notions of what to include, however, it is possible—with the help of Congressmen and governmental reports—to arrive at a responsible estimate. This includes neither interest on any national debt incurred to finance aid, nor any expenditures connected with the Export-Import Bank. Nonetheless, the total comes to nearly $11 billion—exceeding the visible-aid bill by $4.9 billion.

To see where the money went, take a look first at the $5.8 billion appropriated under the 1974 aid bill itself.

Title I of the act, called "Foreign Assistance Act Activities," approved $1.9 billion in grants and loans in 69 nations. Of this, $1.4 billion went to the Agency for International Development (AID) for economic and technical assistance. Title I also included $450 million in military assistance for Cambodia, Korea, the Philippines, etc., and $113 million in "security supporting assistance." Some of this latter was really "budget assistance," to help governments getting military assistance to balance their budgets.

Title II, "Foreign Military Credit Sales," appropriated $325 million in loans to enable other countries to buy American weapons. Why include them here? Because any repayment is usually reused to make more loans.

Title III, "Foreign Assistance (Other)," covers several aid programs run by agencies other than AID, such as the Peace Corps ($76 million). Title III appropriated $1 billion, most of it going to the big international development banks—the Asian Development Bank, the Inter-American Development Bank and the International Development Association.

Title IV, headed "Emergencies," totaled $2.5 billion. Here was the $2.2 billion for Israel. Here, too, was $150 milion in emergency security assistance for beleaguered Cambodia, and $150 million in disaster relief for Pakistan, the Sahel and Nicaragua.

ONLY THE BEGINNING

These four titles covered the visible-aid bill—$5.8 billion. Now let's look at the aid scattered elsewhere in the budget—another $4.9 billion.

While 54 percent of the visible-foreign-aid bill ($3.1 billion) went for military assistance, that was only the beginning. The Department of Defense had its own $1.1-billion "military assistance" budget. Furthermore, as the General Accounting Office reported in March 1973, "the magnitude of U.S. military assistance to foreign countries is not readily apparent because some assistance flows through pipelines outside the regular funded programs approved by the Congress." For example, during the six-year period ending in mid-1969, Congress was not informed that the United States was giving other nations defense materials costing $690 million.

Other aid—more than in the past, Administration spokesmen claim—is given in loan form. But many of these loans are virtually gifts, with nominal or nonexistent interest, and repayment dates far in the future. Sen. Stuart Symington (D., Mo.) calls them "no loans at all," and, indeed, loans are often written off entirely later on. Recently, for example, we wrote off the equivalent of $2.2 billion of India's aid debt to the United States.

Many aid loans flow through the big international development banks, with the United States contributing about $15 billion so far. When lenders repay, they pay the banks, not the United States—and yet the banks are always asking us for more money. Congress had to appropriate an additional $788 million to increase the capital of three of these banks in 1974. And this was far from being the total appropriation: because the dollar was devalued in 1971 and 1973 for a total of almost 20 percent, the Treasury had to make up the difference by special "maintenance of value" repayments. Counting all payments, the development banks got over $2 billion last year.

Aid has other indirect costs—enormous ones. To take one significant example: there is no doubt that for years aid spending has played a major role in wrecking the U.S. balance of payments. Critics have long warned that continued deficit spending would cause inflation and ultimately force devaluation of the dollar. Those predictions have come true. U.S. gold reserves fall from $24.9 billion at the start of the aid program in 1947 to $10.5 billion when President Nixon had to slam down the Treasury's gold window in August 1971. The dollar has, as mentioned, been devalued twice.

FOUR CORRECTIVES

Against this somber background, Congress is now considering fiscal-1975 aid requests. What can it do to bring order from the aid chaos that drains our economy?

1. Congress must receive consolidated aid totals of appropriations requests so that it can know the real cost of all spending proposals *in time* to make sound decisions. As Senators Proxmire and Case said, "The American taxpayer should at least know what he is paying for."

2. Current pressures for huge *new* increases in aid must be resisted. Aid advocates call for hikes of more than $3 billion in economic assistance in fiscal 1975.

3. Congress should launch a full-scale debate (with public participation) of all aspects of aid's effectiveness and basic aims. Today some Senators are asking whether countries *can* be developed by massive outside funds. Others, including majority leader Mike Mansfield (D., Mont.), urge sharp cutbacks because our resources are limited. A searching analysis made for the State Department by Ambasador Edward M. Korry concluded: "We appear to be developing the entire world, an undertaking that is simply not credible."

4. Ultimately, appropriations for some poorly managed aid programs must be drastically scaled down—if only to find money for more urgent needs.

America's means are limited, and the world's requirements are desperate. All recent Administrations have regarded aid as essential, and some kind of program should certainly continue. But we must do the best we can with what we can afford. Foreign aid must be realistic, its results measurable, and the requests for your money and mine presented in coherent, consolidated form.

CIA INVOLVEMENT IN CHILE WARRANTS THOROUGH PUBLIC INVESTIGATION

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. BADILLO. Mr. Speaker, in recent weeks we have been informed that the Central Intelligence Agency authorized over $8 million for covert activities aimed at thwarting the election of the late Chilean president, Dr. Salvador Allende Gossens and, when this ill-considered effort failed, undermining his administration through various political and economic moves. While it is no secret that the CIA has engaged in similar activities throughout its 27-year existence, I believe there is simply no justification for the United States to actively work to undermine—and in the process bring about the downfall—of a freely elected government in any nation.

There are a number of very troubling aspects to this whole sordid affair. In his news conference of the other evening the President confirmed that the CIA had been actively involved in internal affairs in Chile. He defended this action by declaring that "Communist nations spend vastly more money than we do for the same kind of purpose." This is a wholly inadequate defense—for an indefensible policy—and it is an unacceptable response. Regardless of what "the other side" may be doing, a democracy cannot afford to engage in such activities. Also, it is rather curious that this Nation's Chief Executive should defend a policy which, when engaged in by other hemisphere nations, draws this country's overwhelming response, such as Cuba's activities of a decade ago and the subsequent imposition of sanctions against Cuba.

Further, there appears to be a definite conflict in the sworn testimony presented by certain former and present Government officials. The American Ambassador at Santiago at the time claims that he was attempting to reach an understanding with President Allende while the CIA was doing what it could to destabilize the Chilean Government. The lack of candor in discussing this whole affair is most disconcerting and warrants a complete and thorough airing by the appropriate committees of the Congress. I am encouraged that the Senate Foreign Relations Committee has initiated steps to investigate the matter and I am hopeful that our own Foreign Affairs Committee will soon take parallel action. Earlier in the week I addressed a request to Chairman Morgan that his committee undertake full public hearings of the CIA involvement in Chile particularly in light of the possible damage to the conduct of relations with other Western Hemisphere States. I insert herewith, for inclusion in the Record, a copy of my letter to our distinguished colleague from Pennsylvania.

I also insert an editorial and an article which appeared in the New York Times earlier this week. These timely and perceptive articles warrant full and careful attention and I am hopeful they will be carefully considered by our colleagues:

U.S. House of Representatives,
Washington, D.C., September 16, 1974.
Hon. Thomas E. Morgan,
Chairman, Committee on Foreign Affairs, House of Representatives, Washington, D.C.

Dear Mr. Chairman: I have been very deeply disturbed over reports that from 1970 to 1973 the Central Intelligence Agency authorized over $8 million for covert activities to prevent the election of Dr. Salvador Allende Gossens as president of Chile and, following Dr. Allende's election, to economically and politically undermine his administration and make it very difficult for him to effectively govern.

I find it unconscionable that an agency of the United States Government should take deliberate steps to work toward the destruction of a freely elected government anywhere in the world. This ill-conceived action certainly highlights the hollowness of this nation's Latin American policy and serves only to further exacerbate relations between the United States and our Western Hemisphere neighbors.

Particularly disturbing is the distinct possibility that former and present government officials may have been less than candid in testifying on the nature and extent of U.S. involvement in internal Chilean political and economic affairs. A former U.S. ambassador to Chile, for example, has claimed that he was engaged in secret negotiations with Dr. Allende with a view toward continuing American cooperation and aid to Chile while, at the same time, the CIA was reportedly taking steps to subvert the Allende regime.

Because of the many vital questions which have been raised in recent weeks about the CIA involvement in Chile and the apparent involvement of the U.S. Government in certain actions which significantly weakened the Allende government and eventually led to its overthrow, I believe that the full story must be promptly and thoroughly examined. I urge, therefore, that you move to conduct comprehensive and public hearings on this entire sordid affair in an effort to reveal all the facts and to bring into the open the exact nature of any overt and/or covert intervention in internal Chilean affairs and the degree of such involvement.

I am fearful that our country's ability to conduct meaningful relations with other hemisphere nations may be seriously jeopardized by the absence of any substantive answers to the questions which have arisen over the role of the CIA in Chile and I feel that the Congress has an obligation to secure these answers. The CIA is not so sacrosanct as to be above public scrutiny and examination of its activities and I am hopeful that you will move to call hearings on this matter within the near future.

Sincerely,

Herman Badillo,
Member of Congress.

[From the New York Times—Sept. 16, 1974]

The CIA in Chile

Disclosure that the Central Intelligence Agency authorized more than $8 million for covert activities aimed first at preventing Salvador Allende's election as President of Chile and then at "destabilizing" his Marxist Government would be appalling enough by itself. It is doubly so when stacked against flat denials of any such United States intervention or policy to intervene, some of it in sworn testimony before committees of Congress by former and present Government officials.

In secret testimony before a House subcommittee last April. C.I.A. Director William E. Colby said his agency authorized $500,000 to aid Dr. Allende's opponents in the 1970 election; $350,000 to bribe Chilean legislators to vote against him when the election was thrown into the Congress, and $6.5 million for subsequent "destabilization" activities and for helping anti-Allende candidates in the 1971 municipal elections.

This conflicts directly with testimony before a Senate Foreign Relations subcommittee by former Ambassador Edward M. Korry that "the United States did not seek to pressure, subvert, influence a single member of the Chilean Congress" during his four years in Chile, and by former Assistant Secretary of State Charles A. Meyer that "we bought no votes, we funded no candidates, we promoted no coups."

During part of the period when Mr. Colby says the C.I.A. was financing "destabilizing" activities, Ambassador Korry says he was carrying on secret negotiations with President Allende, looking toward uninterrupted American cooperation and financial aid, provided Chile did not act with undue hostility toward the United States. These efforts, he says, were undermined by extremists in Dr. Allende's Popular Unity coalition.

Are we to believe that Ambassador Korry and the State Department were endeavoring to stabilize Dr. Allende's Government while the C.I.A. was trying to "destabilize" it? Could the American Ambassador in Santiago and the Assistant Secretary of State for Inter-American Affairs have been ignorant of what the C.I.A. was doing—or was the C.I.A. in truth a law unto itself?

And what of the role of Henry A. Kissinger in this sordid affair? Throughout the period he headed the so-called Forty Committee which supervises C.I.A. operations, and according to Mr. Colby, approved in advance the covert activities in Chile. Yet, Mr. Korry says that on a trip to Washington in 1971 he got approval from both Mr. Kissinger at the National Security Council and Secretary of State William P. Rogers for his proposal of cooperation with Chile in a compensated take-over of American copper interests. Mr. Kissinger told the Senate Foreign Relations Committee that "to the best of my knowledge and belief," the C.I.A. "had nothing to do" with the military coup that overthrew Dr. Allende.

It is now up to President Ford to find out who is actually in charge of United States foreign policy in sensitive areas of the world, and whether anyone in fact controls the operations of the C.I.A.

Of far greater importance than the bizarre spectacle of two United States agencies trying simultaneously to stabilize and "destabilize" an elected Government is that fact that an inadequately controlled C.I.A. badly served the American national interest by its dirty work in Chile. It matters not that the Soviet Union does far worse, that Fidel Castro intervened far more outrageously in Chile than did the United States, or that extremists in Dr. Allende's camp would in any event have destroyed the Chilean democracy on their own.

Clearly, the so-called C.I.A. "oversight" committees in Senate and House are failing to do their job. Representative Harrington of Massachusetts has asked the House Foreign Affairs Committee for hearings on the C.I.A.'s role in Chile. Senator Church of Idaho will ask similar action from the Senate Foreign Relations Committee.

If this enormously powerful agency is ever to be brought under effective oversight, Congress must rise to this distasteful but imperative responsibility.

[From the New York Times, Sept. 15, 1974]

Allende's Fall, Washington's Push

(By Laurence R. Birns)

The disclosure that the United States had directly participated in the economic and political undermining of the Government of President Salvador Allende Gossens of Chile between 1970 and 1973 is only part of the dismal tale of what took place between Washington and Santiago during the three years he held office.

Viewed in its entirety, this tale reveals the poverty of this nation's Latin-American policy, the staggering immorality of the policy's architects and the ineffectuality and irrelevance of most scholars, journalists and Congressional leaders, whose professional obligation it was to oversee executive policies toward Chile during this period.

Now we know that William E. Colby, the Director of Central Intelligence, in secret testimony last April, told Congress that the Nixon Administration had authorized more than $8 million for covert Central Intelligence Agency activities between 1970 and 1973 in an effort to make it impossible for Dr. Allende to govern.

Those of us who had watched United States policy at the time felt in our bones that this country was intent on establishing the climate for the overthrow of the democratically elected President—Dr. Allende died in a violent coup d'état Sept. 11, 1973—but we lacked the proof. Our dilemma was plain in that we did not have the data to support our instincts, when such evidence would have been of most use in attempting, if futilely, to influence Washington's policy. But we knew that the workings of what we considered Washington's invisible government would be revealed only long after the events had become the raw material for footnotes in history books and the people involved had minced off to some new assignment.

Still, in spite of our incredulity, of our skepticism, we were reluctant to believe that the former Ambassador to Chile, Edward M. Korry; the former Assistant Secretary of State for Latin-American Affairs, Charles A. Meyer; and our respected Secretary of State, Henry A. Kissinger, would practice such professional duplicity and such public deception.

After all, they were as one in repeatedly saying that the United States had played no role in the violent ending of Chile's constitutional regime or had not carried out any other previous form of intervention, and when they did hint at the truth in Congressional inquiries after the coup they were always heard in the secrecy of executive session, as if the public was too immature to know, or the officials too embarrassed to tell.

Even before this, it was known that this nation had maintained a calculated campaign to strangle Chile economically. Richard M. Nixon as President, and his Treasury Secretary at the time, John B. Connally, had in 1971 initiated a policy of economic denial in United States lending agencies, as well as in the regional and international aid organizations, and Chile became a fiscally besieged island.

This was done though internatioanl law (that historic handmaiden of the Western trading nations) had not been fully served in that Chilean administrative procedures had not been exhausted when the United States policy of retribution for the legal nationalization of Kennecott Copper Corporation's mines had begun.

Leading United States apologists of the fall of the Allende Government previously have tended to give an economic justification for it. The scenario was a rather plain one. The economic policies of the President, a Marxist, polarized the population. The opposition political parties that supported the coup did so when Dr. Allende closed the political road. In any event, Dr. Allende was a minority President and did not have the necessary concensus to undertake such radical changes. Thus, it was not United States policy that cut Dr. Allende off from the possibilities of surviving, but rather the result of his own haphazard domestic policies.

The apologists neglected to mention that only once in this century has Chile had a majority President—from 1964 to 1970— and that some two-thirds of the population had voted in 1970 for candidates espousing policies of nationalization and reform.

The apologists' view was upheld by Prof. P. N. Rosenstein-Rodan, director of the Center for Latin American Development Studies of Boston University, in a lengthy contribution to this newspaper recently in which he asserted that "Allende died not because he was a socialist, but because he was an incompetent."

But apparently now, in his view, things have improved. Dr. Rosenstein-Rodan stated in a report to an agency for the Alliance for Progress, Chile has a "strong and intelligent" economic policy and a "Jean Monnet" directing it. This, as the people starve.

Professor Rosenstein-Rodan has had little to say about the civic decencies that Dr. Allende had strived to maintain, which the military now has cruelly destroyed, or the contribution that the Opposition Christian Democratic party had made to the "polarization" and "chaos" of Chile's national life. He thinks of himself as dispassionate, but by his choice of themes, elimination of untidy evidence and priorities, he is ideological to the marrow.

For a host of other academics, editorial writers and some leading United States intellectuals, such as Arthur Schlesinger Jr., the thin reed of their case that Dr. Allende had brought "it" upon himself has all but vanished in the disclosure of the C.I.A.'s role.

It would be more accurate to have said that it was the intent of our nation's policy to bring "it" upon him because our goal was to "destabilize" Chile by pouring millions of dollars into vulnerable corners of that nation's national life, not to heal but to kill.

Americans who earlier in the year witnessed the effects of the United States national truckers' strike and the breakdown of petroleum supplies in our own nation could well imagine the frailties of the infinitely weaker economy of the intended victim.

It would seem that Dr. Allende's sole crime was that he felt that foreign control of Chilean copper resources was intolerable, just as Mr. Nixon felt that the United States could not allow a continuing dependence on foreign oil supplies.

For Chile, the United States Government had two possible roads to travel: one of correct diplomatic relations (perhaps even favored treatment, since Chile's was one of the few remaining representative governments in the region) or political chicanery. Regrettably, Mr. Kissinger, a recipient of the Nobel Peace Prize, systematically chose the latter—a course that helped to bring on a brutal military takeover that cost thousands of lives, with Chile now being dragged into the Stone Age.

Present conditions in Chile have been carefully noted by a number of impartial investigative teams that have traveled to that nation, as well as by repeated utterances of church groups inside and outside Chile. The jails are crammed with political prisoners, military law operates and the civil courts are defunct, total press censorship exists, the political parties of all persuasions are banished, and trade union activity has been terminated. The nation is now a barrack, and freedom of expression has been sent to the wall.

During his administration, Dr. Allende was scrupulously correct in maintaining unimpaired, under unrelieved internal and external pressure, all the nation's institutions. Not a single political prisoner could be found in jail, not a single newspaper was censored by the civilian authorities and opposition political parties could rage at will against the Government.

Why does Mr. Kissinger prefer the present over the past? Chile now over Chile then? Why was this clever and capable man so simplistic in conceiving of Chile as an allegedly "Communist" nation that must be suborned and so sophisticated in treating with such self-identified Communist nations as China, the Soviet Union and, most recently, East Germany?

In retrospect, his sins are more than the lies and deceptions; he has transduced the meager remains of our international reputation and the honor of this nation by espousing a plan of action that was not only vulgarly cruel, but amateurishly and patently ineffective given the current state of Chile's economy.

If, in the recent chaotic past, he felt moved to offer the nation his resignation on an issue of personal honor in the Watergate wiretap affair, surely our nation has the obligation to solicit and, if refused, to demand his resignation over this far more sobering matter of not only attempting to bribe Chile's democratically elected Congress to withhold ratification of Dr. Allende's taking office, and fomenting civic disorder, but denying it in sworn testimony as well. If a resignation is not forthcomng, an honorable United States Congress must move to impeach.

America and certain Americans bear a heavy hand in the unjustified torment that has been visited upon Chile. That lovely little land and its good people deserved a more benign fate, and, for that matter, so did we.

DR. KURT H. DEBUS RETIRES

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. FREY. Mr. Speaker, after 30 years of dedicated and loyal service on behalf of our Nation's space program, Kurt H. Debus is retiring as Director of the Kennedy Center, Fla.

Because the space center is located in my congressional district, I am personally aware of the contributions Dr. Debus has made not only to our area, but to the whole country.

The entire Science and Astronautics Committee, of which I am a member, will also miss Dr. Debus and his untiring efforts as he worked to advance our space program.

There have been many highlights in Dr. Debus' career, ranging from the launch of the first UW earth satellite in 1958 through the planning of the Space Shuttle. But I do not think any of us will forget the day when Dr. Debus' organization landed the first men on the moon—July 16, 1969.

I want to take this opportunity to thank Kurt for the work he has done and wish him and his wife Gay all the best in the world. I am happy to report that the Debus' will continue residing in Cocoa Beach and I am sure we will be able to consult with Kurt again and again.

Following is a biographical sketch of Kurt H. Debus:

BIOGRAPHICAL SKETCH OF DR. KURT H. DEBUS

Dr. Debus came to the United States in 1945 to participate in ballistic missile systems development programs of the U.S. Army at Fort Bliss, Texas. In 1950 the group was relocated to Redstone Arsenal at Huntsville, Alabama, which became the focal point of the Army's rocket and space projects. The rockets were launched from Cape Canaveral.

Dr. Debus supervised the development and construction of rocket launch facilities at Cape Canaveral for the Redstone, Jupiter, Jupiter C, Juno and Pershing military configurations beginning in 1952 and continuing through 1960. The organization he directed was transferred from the Army to NASA. Beginning in 1961, he directed the design, development and construction of NASA's Apollo/Saturn facilities on Cape Canaveral and the adjacent John F. Kennedy Space Center.

He launched the first U.S. ballistic missile, the Redstone, on August 20, 1953. Subsequently, he launched the first U.S. missiles carrying atomic warheads in the Pacific Ocean area during a series of tests, and supervised developmental firings of the Jupiter Pershing, and other Army rockets.

The launch organization he personally directed conducted more than 150 launches of military missiles and space vehicles, including the first U.S. Earth satellite, Explorer 1, January 31, 1958; the first U.S. space probe to orbit the Sun, Pioneer IV, March 3, 1959; the first flight of primates in a Jupiter rocket, December 13, 1958; the first Mercury program primate, January 31, 1961; the first two manned Mercury missions, Freedom 7, May 5, 1961, and Liberty Bell 7, July 21, 1961; four Mercury orbital missions during 1962 and 1963; 10 successful Saturn 1's; and eight successful Saturn 1B's, including Apollo 7, the first manned Apollo mission on an 11-day Earth-orbital flight in October 1968; and three manned Skylab missions.

Dr. Debus' organization has successfully launched 13 Saturn V's: Apollo 4, the first unmanned flight of the 363-foot, 7.5-million-pound thrust launch vehicle, November 9, 1967; Apollo 6, an unmanned Apollo/Saturn V, April 4, 1968; Apollo 8, that carried the first men to lunar orbit, December 21, 1968; Apollo 9, the first manned test of the Lunar Module, March 3, 1969; Apollo 10, in which men orbited the moon in the Lunar and Command/Service Modules, May 18, 1969; Apollo 11, which landed the first men on the Moon, July 16, 1969; Apollo 12, which landed the second U.S. astronaut team on the Moon, November 14, 1969; Apollo 13, which circled the Moon and returned to Earth; Apollos 14, 15, 16 and 17 which continued manned lunar exploration; and the Skylab Orbital Workshop.

Since October 1, 1965, he also has been responsible for NASA unmanned launch operations at the Eastern and Western Test Ranges. These operations include launching of meteorological and communications satellites, and lunar and planetary space probes.

Born in Frankfurt, Germany, in 1908, Dr. Debus received all his schooling in that country. He attended Darmstadt University where he earned his initial and advanced degrees in mechanical and electrical engineering. He served as a graduate assistant on the faculty for electrical engineering and high-voltage engineering while studying for his master's degree. In 1939 he obtained his engineering doctorate with a thesis on surge voltages and was appointed assistant professor at the University. During this period he became actively engaged in the rocket research program at Peenemunde.

In recognition of his unique accomplishments, a number of honors have been conferred upon Dr. Debus. He holds the U.S. Army's highest civilian decoration, the Exceptional Civilian Service Medal; the Scott Gold Medal of the American Ordnance Association's Missile and Astronautics division and NASA's Outstanding Leadership Award. *In July 1965,* he was awarded the first Pioneer of Wind Rose Award, Order of the Diamond, by the International Committee of Aerospace Activities for his historical contributions to launch technology and science. In February 1967, he was awarded an honorary Doctor of Laws degree by Rollins College. He was also named co-winner of the American Astronautical Society's Space Flight Award for 1967. In 1968, he was awarded an Outstanding Achievement Award from the U.S. Treasury Department, and in 1969, he received the U.S. Treasury Patriotic Service Award.

In January 1969, he received the NASA Distinguished Service Medal for Apollo 8. In June 1969, he received the Career Service Award of the National Civil Service League and the Daughters of the American Revolution Americanism Medal. In September 1969, he received his second Distinguished Service Medal from NASA for Apollo 11, man's first landing on the Moon. In December 1969, he was awarded an honorary Doctor of Engineering Science degree by Florida Technological University. He was elected to the National Space Hall of Fame in 1969. He received an honorary Doctor of Science degree from the Florida Institute of Technology in September 1970. He was awarded the Commander's Cross of the Order of Merit of the Federal Republic of Germany and the Hermann-Obersh Gesellschaft Honor Ring in 1971. In February 1974, he was signally honored as recipient of the Louis W. Hill Space Transportation Award. Presented by the American Institute of Aeronautics and Astronautics.

He is a Life Member of the American Ordnance Association; a fellow of the American Institute of Aeronautics and Astronautics; Honorary Member, Instrument Society of America; Advisory Member, Marquis Biographical Library Society; Honorary Member, Hermann-Oberth Gesellschaft; Honorary Member, Deutsche Gesellschaft for Raketentechnik and Raumfahrt, e.V.; Ex-Officio Member of the Florida Council of 100 from 1969–1971, and is a member of the Advisory Board of the British Interplanetary Society. He is a member of NASA's Management Council for the Office of Manned Space Flight, the Senior Management Council for the Office of Space Science, and the Application Board.

GAO REPORTS USDA HAS INADEQUATE KNOWLEDGE OF STATE OF WHEAT EXPORTS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. VANIK. Mr. Speaker, on January 29, I asked the General Accounting Office to provide me with a report on the status of American wheat exports, the adequacy of export information collected by the Department of Agriculture, and ways and means by which American wheat exports could be managed for the benefit of Amercan consumers.

On July 30, the GAO completed its report, entitled, "Information Concerning Reports of a Possible Wheat Shortage" (B–176943). Previously, the GAO provided me with a report on the Canadian system of regulating wheat stocks and the role of domestic international sales corporations in exporting agricultural (B–176943, May 23, 1974). In addition, the GAO has made a general report to the Congress on the failure of the Government to develop a commodities export program. This major report was entitled, "U.S. Actions Needed To Cope With Commodity Shortages," (B–114824, April 29, 1974).

From the information provided by the commodity shortages report, it is obvious that the United States has no rational export policy. It would be entirely possible for foreign purchasers to buy up all available supplies of a particular commodity. Certain nations which now have massive, uncommitted foreign reserves could buy up the futures on an entire year's crop.

The Secretary of Agriculture advises the American people not to panic over our food reserve situation—yet the Secretary of Agriculture has little or no accurate knowledge on export bookings and the true status of our commodity reserves.

Following is an article from the New York Times of September 17, which points out that the Department of Agriculture's new wheat export reporting system is still not strong enough to protect American consumer's from excessive, sudden exports of wheat. I would also like to enter at this point in the RECORD that portion of the GAO report of July 30 which explains other weaknesses in the present USDA wheat export statistics. The Department has not yet acted to close the loopholes listed in the GAO report. I urge the Department to improve its reporting procedures as quickly as possible.

DAILY REPORTS SET ON WHEAT EXPORTS

WASHINGTON, September 16.—To prevent depletion of United States agricultural supplies, large exports of wheat and certain other products must be reported daily to the United States Government beginning this week.

Exporters must give daily notification on contracts for 100,000 tons or more of wheat, corn, grain sorghum, soybeans or soybean meal. Penalties include fines up to $25,000, or up to one year in jail for "knowing" violations.

There is nothing in the regulations, officials said in weekend interviews, to prevent a foreign buyer or an exporter desiring a few extra days of secrecy from signing two 50,000-ton contracts on successive days.

According to the regulations, transactions under 100,000 tons made with any one trader on any business day need not be included in the daily reports. They may be held for inclusion in an already existing program of weekly reports.

The new daily reporting system was announced Friday, after weeks of confusion over the Agriculture Department's plans, to satisfy heavy pressure from lawmakers including Chairman Herman E. Talmadge, of the Senate Agriculture Committee.

With grain supplies cut by drought this year, the Georgia Democrat and others demanded closer government monitoring of the export flow to prevent a heavy overseas drain on United States supplies.

GAO EVALUATION OF THE DEPARTMENT'S EXPORTS REPORT

The Exports reports could furnish a better basis for evaluating weekly the foreign demand for wheat if they showed the true nature of sales with unknown destinations and if they gave information on (1) changes in previously reported sales, such as sales canceled, deferred, or bought back, or substitutions of other grain, (2) cumulative exports by type of wheat, and (3) cumulative exports of wheat flour and products.

The Department started publishing the Exports report in November 1973 in response to section 812 of the Agriculture and Consume Protection Act of 1973 (87 Stat. 238) approved August 10, 1973. That section requires exporters of wheat, wheat flour, and other designated commodities to report weekly to the Secretary, for any contract for export sales entered into or modified during the reporting period, information on (1) the types, class, and quantity of the commodity sought to be exported, (2) the marketing year of shipment, and (3) the destination, if known. Although individual reports are to remain confidential, the Secretary is to publish a weekly compilation of them.

The Exports report classifies sales of wheat and other commodities not shipped as outstanding export sales, most of which are reported under two categories—sales with known destinations and with unknown destinations. Although the Secretary may require from exporters any information on export sales, neither the 1973 act nor Department regulations require exporters to report for such sales information identifying the buyers, sales between parent companies and their subsidiaries, and unit prices. Also the Exports report does not disclose that reported sales—particularly those in the unknown destinations category—may never be consummated.

In a recent report to the Congress, entitled "U.S. Actions Needed to Cope with Commodity Shortages" (B–114824, Apr. 29, 1974), we said that such transactions could present an exaggerated picture of foreign demand and could contribute to projections of tight or short supplies resulting in higher cash and futures market prices. We believe that adequate disclosure and a better description of sales with unknown destinations in Exports reports would be helpful in independently evaluating the wheat foreign-demand situation.

Our Exports reports analyses indicated also that some sales with known destinations had been canceled or had been bought back and resold. For example, the Exports report for the week ended April 14, 1974, showed that outstanding export sales to Russia included no wheat for the 1973–74 crop year but included 34.7 million bushels for the 1974–75 crop year. The Exports report for the next week, however, showed outstanding export sales to Russia of 9 million bushels of wheat for the 1973–74 crop year and 23.7 million bushels for the 1974–75 crop year. This indicated that sales of 9 million bushels had been transferred from the 1974–75 crop year to the 1973–74 crop year and that sales of 2 million bushels had been either canceled or bought back. The report, however, did not explain what had occurred.

Department officials told us that, in addition to sales being canceled and bought back, sales could be deferred or other grains could be substituted for wheat in some transactions. They said that this information also would not be disclosed in the report.

Although the Exports report shows cumulative exports of all wheat, it does not show cumulative exports of wheat by type, such as hard red winter wheat, soft red winter wheat, hard red spring wheat, white wheat, or durum wheat. Such information is important because different types of wheat are used for different purposes. For example, hard red winter wheat is used to make bread and durum wheat is used to make macaroni.

The Exports report also does not show cumulative exports of wheat flour and products which, according to Department officials, should total about 40 million bushels for the 1973–74 crop year.

Department officials told us that information on cumulative exports of wheat flour and products would be shown in the Exports reports starting July 1, 1974, and that other changes involving minor and technical modifications of the reporting requirements were being considered. They said, however, that these changes were not concerned with adequately describing the sales with unknown destinations, providing information on changes in sales, or reporting cumulative exports of wheat by type. We believe that changes concerning these matters are needed to make the reports accurate and meaningful.

RECOMMENDATIONS TO THE SECRETARY OF AGRICULTURE

We recommend that, to provide an adequate basis for weekly evaluations of foreign demand for wheat, the Exports report disclose (1) the contingent nature of sales with unknown destinations and (2) significant changes in previously reported sales. We recommend also that the report show cumulative exports of wheat by type.

We plan to further assess the Department's export-reporting system to identify other ways in which it might be improved.

A CALL FOR NATIONAL BICENTENNIAL LEADERSHIP

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, under leave to extend my remarks, and at the request of Mr. Allen Turner, president of the Cultural Laureate Foundation, Inc., I offer the following address for insertion into the RECORD, which was given before the Virginia Bicentennial Commission on September 9, 1974. Also included is the article relating to this presentation from the Northern Virginia Sun, September 11, 1974:

A CALL FOR NATIONAL BICENTENNIAL LEADERSHIP

An educated nation venerates wisdom and culture, and so we feel it is a wise step we ask you to take today.

Gentlemen, these men we brought with us today, pledged their lives, their fortunes and their sacred honor . . . in accord with the problem they had before them . . . our cause is to celebrate the product of their work . . . the problem before us is a celebration . . . the solution is leadership . . . the question is will Virginia do less today than in 1776.

Our signature on history will be, not solely that we lived and accomplished under freedom, but that all in the world benefited by our example. We have much to say, looking back on the past 200 years, and it is considered the Laureate method of telling the tale has a gracious element in it and excitement, pride, purpose, dignity, forcefully revealing the merits of our achievements and attainments.

The program we propose is an act of importance in itself, it permits everyone to know what is happening of importance about us . . . . to know the cultural world we live in. We inherited much from others. We are today the pre-eminent leaders of the technological age now unfolding before mankind. We stand for much more. We should identify it more precisely and display it pridefully. We say you have an opportunity to bring this about today.

In 1974 as in 1776 the nation requires experienced leadership in many things. The national bicentennial program has been abandoned by the Federal government, States are being asked to do the job. A national unifying program will not emerge from Federal hands. In 1976 the people will either have developed a program or will come to realize that more than the recent past Administration let them down. There is time to do it, just give people leadership and direction. Every American is vested with an interest in accomplishing the task . . . it is a happy one . . . but lets do it! Let the leadership come from Virginia, the father of Presidents . . . and be the spark to the Bicentennial.

We feel that the Bicentennial requires first a funding with leadership. That attained, the Laureate can then position to serve the entire fifty states and four territories and D.C.

Each of you has received a brochure and a copy of the document "here is your State and National Bicentennial Centerpiece"; 1,300 copies have been mailed out nationally. Our foundation has had tax exempt status for more than a year. Close to $140,000 has gone into the development of the program presented to you today. Value of personal professional secrecies provided by many have exceeded this figure twice over. The funding plan is to have the American people provide the Awards and the commercial-business sector fund the cost of operation. Two of our Directors have raised funds in the $100,000,000 category. We have not proceeded to fund raising for a special reason . . . this presentation today comes to you unfettered by commitments to anyone, unobligated to quid pro quos. Cash funds which have flowed to it have come solely from myself and Clifton Mayhew, an Arlington Businessman. It is deliverable clean and fresh and unsullied to the American people . . . exactly who it was designed to serve.

Let's put the horse before the cart for we must have some horsesense leadership first before we're going anywhere nationally. Financing is important, but let us not forget that it is the National Bicentennial we have come to serve . . . to get underway . . . with Virginia's leadership. The interests of the nation are in your hands. Let the national celebration begin here today with your act to get it underway. Take the Laureate in your hands as a program to serve the entire United States and Virginia will retain its role as Statesman of the Nation.

The hallowed ground of the 13 original states is a fitting place for origin of such purposefulness. The State of Virginia which has long played the national leadership role . . . can step forward today and reassert its historic role and . . . 1976 will find America engaged in a celebration and not a let down . . . engaged in activities recognizing that each State of the Union no matter the admission date . . . has much to celebrate . . . The Laureate will be expressive of our entire cultural history . . . how more importantly can we do it . . . the Laureate will do the moment credit.

We say, "Let's turn to America," and "Let Freedom Ring".

Maybe we should not do this for our country? . . . Maybe you will think we should?

Thank you,

(NOTE: An address delivered to the Virginia Independent Bicentennial Commission meeting in the House of Delegates Committee Room 1 of the Virginia Capitol, in Richmond, by Allen E. Turner, President of the Cultural Laureate Foundation, on September 9, 1974.)

[From the Northern Virginia Sun, Sept. 11, 1974]

REALTORS BACK "LAUREATE" GOAL

The Northern Virginia Board of Realtors endorsed the Cultural Laureate Foundation before the Virginia Bicentennial Commission Monday, and announced a nationwide program to enlist state associations of realtors in chartering state Laureate Foundations as cultural centers.

The Arlington-based Cultural Laureate Foundation proposed annual awards based on cultural achievement from the local to international level to be granted initially in 1976 as the focus of the national Bicentennial celebration.

Col. Aubrey Gaskins, executive director for public affairs of the Northern Virginia Board of Realtors and Allen Turner, Foundation president, asked the Bicentennial Commission to endorse the laureate awards as a bicentennial project.

S. Gordon Abramson, a local realtor of the Cultural Laureate Foundation, said Commission response to appoint a committee to study the program and present an endorsement was "favorable."

In his presentation to the Commission, Turner displayed oil paintings of the original signers of the Declaration of Independence who came from Virginia.

Turner owns reputedly the only complete set of oil portraits of the Declaration of Independence signers.

Tac Laureate Foundation's presentation to the Bicentennial Commission pointed out that the President, members of Congress and state governors all received a booklet entitled the "Bicentennial Centerpiece" describing its non-profit organization, with copies of congressmen's support and a bid for endorsement of The Laureate program.

A response from the Vermont Bicentennial Commission executive director, James Hermel, inquiring who the Foundation prefers to charter the organization, prompted Abramson's concern the Virginia Board of Realtors act quickly to establish the initial cultural center in Virginia.

"We want Virginia to be first in leading the country," Abramson said, noting the local roots of the organization in Arlington.

"THE MONTH WAS JUNE"

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. FREY. Mr. Speaker, as we approach our Bicentennial, we will want to remember those Americans whose dedication was given to preserving our individual freedom. Such was the life of Abraham Lincoln. I would like to share with my colleagues a narrative poem written by Mrs. Thalia S. Woods of Orlando, Fla. The verse is in celebration of the marriage of Thomas Lincoln and Nancy Hanks who were Abraham Lincoln's parents.

The month was June! Kentucky's sun was warm and bright!
Tom Lincoln's head was high and his heart was light
As he rode toward Beechland where Nancy Hanks lived
With widowed "Aunt Rachael Berry," her beloved relative.
The Richard Berrys felt that Nancy well earned her way
With her fine spinning and sewing—"Abundant pay

For what we can give her." They loved Nancy's way.
She was gentle and kind, tall, graceful and slim,
With serious grey eyes, dark hair, olive skin,
Great native intelligence, logical mind,
And deeply religious—"Just one of her kind,"
The Berrys told Tom who for seventeen years
Had lived near the Berrys, sharing pioneer fears,
As well as laughter at stories and jokes
Which were always welcomed by Beechland folks.

Now three years had passed since Tom bought a farm
In Hardin County where he served somewhat as gendarme:
Often called to help at the County Court House
With jobs of trust or in quelling carouse.
Tom was sturdily built; his muscles were strong,
And he had strict convictions for the right against wrong.
On his farm lived his mother, Bathsheba by name,
Proud of her son, a carpenter too, of sizable fame.

Tom's interest in Nancy continued to grow.
Just when it ripened to love even he didn't know;
But now on the twelfth of June in eighteen-o-six,
Came the hoped-for day when he was "right proud" to affix
His name with that of the late Richard Berry's son
To the marriage bond of the girl he had won.

No wonder Tom rode straight with his head well back!
He wore a new black suit and a fine beaver hat;
Silk suspenders he'd bought from the Bleakley store,
And a "tipt" which with shivery pride his favorite horse wore.

Though Tom rode with head high, how could he know
About his ancestors of the then long ago:
Of the early Lincolns first to forsake
Their home in Old England on "the hill by the lake,"
And move on to Hingham in County Norfolk
Where for generations they lived, modest, resolute folk?
He didn't know Thomas was first of that family tree
To come to Massachusetts in sixteen thirty-three;
Nor that four years later young Samuel sailed from
The family in England to join brother Tom.

It was Sam who helped build Hingham's Old Ship Church;
(This came to light in later years of research).
Many there were from this Lincoln clan
Who fought for the freedom of their new land.
Amos was one of the hosts at the Boston tea,
And General Benjamin ranks high in U.S. history.

From Samuel's sons came a governor of Maine,
And two served in Massachusetts from the same strain.
Samuel's grandson, Mordecai Jr., by name
Sired John Lincoln, a man of no little fame,
A respected land-owner in Virginia's great State,
Who earlier on what proved an eventful date
Had welcomed, in Pennsylvania, a lusty wee one
Whom he called Abraham. He was John's third son.
This Abe fell heir to Virginia acres, two hundred ten;
But Daniel Boone's influence was at its height then;
And his friend, Captain Abraham, chattels in hand,
Took the wilderness trail to Kentucky's "rich" land.
Alas! A few years went by, then Abe clearing the wood
Was shot. "Injuns" came a wild shriek from where little Tom stood.
Mordecai, Tom's oldest brother was quick to fire back
From a peephole in the cabin, merely a crack,
Killing the Indian with his sure aim;
But Mordecai, Josiah and Thomas (note each Bible name)
Were left to grow up in a land still wild and untamed.

Of course none of this past was in Tom's jubilant mind
On this twelfth day of June when the whole world seemed kind!

At the Berry home all had been working for days,—
Nancy making her clothes; the household and slaves
Preparing "fixins" for the infare to follow along
After the wedding—good food, good stories and song.

Nancy's long dark hair was becomingly done;
Highlights gleamed through it in the bright morning sun;
Her serious grey eyes in an unusual way
Seemed almost a hazel, like Tom's on that day.

Nancy was known by the whole countryside
For her fine needle work, pride of any young bride!
She made her own wedding dress of linen and silk,
With touches of red. "It gave just the right lilt,"
A fashion critic of today might have said,
"To the slim figure from ankle to head."
Cousin Sarah Thompson exclaimed, "It fits to a tee,
You're the purtiest bride I ever did see!"

The marriage vows were pronounced at high noon;
Then came the infare, for some none too soon.
Relatives and friends had started early that day,
Many traveling on horseback a very long way.
The Hanks and the Lincolns came first so that they
Could help with "the cookin or jist anyway."
The Brooners, the Thompsons, the Brumfields came too;
The Daniels, the Sparrows, Isaac Bush, tried and true.
Even the Washington Court House had closed,
For so many friends and relatives chose
To see sweet-natured Nancy wed to well-thought-of Tom,
And enjoy a rare feast, a willnig gift from
Nancy's Aunt Rachel—of generous fame
And her son, Richard, Jr., reputed the same.
Their comfortable cabin was larger by far
Than many a neighbors'; and nothing could mar
The joy of a wedding: good jokes, songs and a feast
Of barbecued sheep, wild turkey, bear meat;
Properly hung and apple-stuffed roseate duck;
Saddle of venison from a ripe, tender buck;
Honey and butter made from dried flavory peach;
Brownish maple sugar lumps always in reach.
Though Tom didn't "cuss" or drink like most men,
No infare was thought of without whiskey then.

A Methodist preacher, the Reverend Jesse Head,
Had been called by his friends, the Berrys, to wed
Young Nancy and Tom. But the newlyweds spiritual search
Was to lead to the little Mount Baptist Church
North of Elizabethtown—where they were to go
To a new log cabin on two lots, records show.

At the height of the singing, "yarn swappin" and fun,
Tom stole Nancy away; on horseback they sprung
And rode toward the west and the fast setting sun.

Yes, the month was June; soon the stars silver bright!
Who could ask for a more perfect night
To ride through still woodlands to a new cabin site?

PLIGHT OF FARMING COMMUNITY

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. MATHIS of Georgia. Mr. Speaker, since I have been a Member of the Congress, I have stressed the plight of the farming community in this country. It has been extremely perplexing to me to hear and see the actions taken by the present Secretary of Agriculture when he continually stresses how great the farmers of this Nation are doing.

I have received a letter signed by more than 50 young farmers in my district which I feel should be read by every Member of Congress. I feel it outlines the many problems they are facing and I am inserting the letter to share its contents with my colleagues:

ROUTE 1, PELHAM, GA.,
September 4, 1974.

Congressman DAWSON MATHIS,
U.S. House of Representatives,
Washington, D.C.

CONGRESSMAN MATHIS SIR: I am a young young farmer in the southern part of Mitchell County.

A number of young farmers (whose names you will find on this list) and I are trying to express our views on the farm problems that are facing us today.

The challenges which are placed on the farmers of our nation today present to them a very difficult decision about whether to stay in farming or quit. Some of the problems are the increasing prices on fertilizer, fuel, seed, insecticides, interest on money, property taxes, etc.

We as young farmers have the task of growing the food and other products for the nation for the next ten to twenty years, and without the help of our leaders and the people of our country there will be a shortage on food that will be unlike anything seen before in this great nation of ours.

In this section of the country the farmers from fifty to sixty-five years old outnumber the twenty to forty-five year old farmer 40 to 1. Within a five to ten-year period the production will be cut in half because the young man cannot show enough profit to stay in business. He can only go to the city or seek out other sources to make a living for his family.

What the leaders of our nation and the people of the cities do not understand is that today's farming is a business and not just a way of life, and without a profit we cannot stay in business.

When the government pays these people to ride around the farming belt, which is a waste of the taxpayer's money, and predict what the crops will be for the year, they lead people in other walks of life to believe there will be a surplus of products for that year. Then a drought or flood comes along and wipes out entire counties or states. Who suffers the loss, the people who have been lied to, or the farmer?

I, sir, would like to ask one question: Why is the farmer, who is the sole producer of the food we eat (this includes the poultryman, dairyman and rancher) the only businessman who cannot put his price on his product? Whatever price he is offered, even though it is below production cost, he has to accept because the product is perishable and the farmer has no way to store it.

Mr. Butz made a statement that the farmer today was living better than he had ever lived before. What Mr. Butz and the leaders of our country have not considered is the increased value of our land in the last twenty years. Our land increased in value some five to six times which only makes it possible to borrow more money on it. We are only staying in business on paper and not on profit.

Sir, when the steelworker, the railroad worker or anyone in a labor union decides to strike for more pay or better working conditions, he can go on welfare and draw food stamps. When the farmer lacks $10,000 to pay his running note for the year, can he go on welfare, or does he ask that his note be renewed which makes his interest twice as much, in which case he can only hope he can make it up next year and also live on what little profit there is, if any?

If today's housewife and these other people who are hollering about today's high prices on food would go to wholesalers and retailers, they would see where the profits are, and it is not in the farmer's pocket.

Sir, I would like to ask any of these people, starting with Mr. Butz, who think the farmer has it made, to come spend one week on a farm and sit on a tractor 12 to 15 hours a day, worry with the laborers we have, and fight the weather, insects and disease. I think this would bring about a new outlook on farming.

Mr. Mathis, the point I am stressing is that if the farmer is not recognized as a businessman and get some help to keep the young farmer on the farm, we will have to lay our plows, hoes and shears in a fence corner and let the people of our country starve to death.

The young man of today who is thinking about going into farming does not stand a chance unless the farm is given to him by his family. To start farming today it would take $100,000 and at least 500 acres of land to provide a living for a farm family.

So where does the young man get this kind of money and land? So what does he do, go to the city where working hours are shorter and money is better with a lot less risk?

If, sir, ever there is an occasion to visit any of the farms in our area, please come to the farms that are family farms and not those that are owned by some politician or those who are not dependent directly on farming for a living.

Thank you,

T. J. ADAMS
(And Cosigners).

ARGUMENTS REGARDING TAX REFORM

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. MILFORD. Mr. Speaker, I have received a cogent argument regarding tax reform as it pertains to the private foundation. The concerns herein stated merit our consideration as we deal with the multiple problems of tax reform.

I urge my colleagues to study this report and weigh it carefully before deliberations begin.

The report follows:

CONCERNS OF A PRIVATE FOUNDATION RELATIVE TO THE TAX REFORM ACT OF 1969

DISTRIBUTION RULES OF SECTION 4942

The minimum distribution rule of Section 4942 requires that private foundations make annual distributions in the amount of the greater of either their earned income or a fixed percentage of the current market value of their investment assets. The rationale behind this concept was to insure that current distributions to charity are sufficient to justify tax benefits donors might have received, and to prevent private foundations from delaying charitable expenditures by investing in non-income producing assets or in stocks of companies which retain most of their earnings. To avoid this delay of benefit to charity, Section 4942 requires private foundations to make annual distributions at a prescribed level, even if an invasion of capital may be necessary.

Philosophically we support the concept of minimum annual charitable distributions. However, the 6% pay-out requirement is historically unrealistic and mandates the continuing invasion of corpus by private foundations, an unsound practice in prudent fiscal management. Studies show that the 6% pay-out rule results in short-term increases to charity but that the diminution of assets of private foundations to meet the pay-out requirement is so drastic as to cause long-term reductions in their philanthropic distributions for charitable purposes.

It is recommended that the 6% minimum distribution rule of Section 4942 be reduced so that it will not progressively impair the effectiveness of all foundations and even eliminate many of them.

The "1965 Treasury Report on Private Foundations" submitted to the U.S. House of Representatives Committee on Ways and Means noted that the income of assets held by foundations should be on a parity with other tax-exempt entities such as colleges and universities. Also, it stated that the retention of capital by foundations is justifiable. The report concluded that a reasonable income equivalent would be in the range of 3 to 3½%. Thus, it is obvious that the Report did not intend to require foundations to distribute to charity an amount that would require diminution of corpus as Section 4942 clearly requires.

4-PERCENT TAX ON INCOME AND ON REALIZED CAPITAL GAINS

Section 4940 imposes on private foundations a 4% excise tax on "investment income" obtensibly for the purpose of defraying the costs of auditing and supervising the foundations. The excess revenue raised by this tax beyond the amounts needed for proper auditing and supervision of foundations represents a serious loss to the activities supported by foundations. For 1973, the IRS reports that the tax collected was $76 million but that the costs of auditing private foundations were only $12.9 million. In other words, after the costs of auditing and supervision were met, over $63 million that should have been available to various operating charities was denied to them by the 4% tax.

In its consideration of the TRA–69, the Senate voted for an audit fee tax of one-tenth of 1% of a foundation's assets. Not only was that rate equivalent to roughly half of the 4% investment tax subsequently arrived at by the Joint House-Senate Conference Committee and enacted into law, but the Senate version had previously tied the rate to the costs of administering the new law. It is recommended that the rate be set again at a level closer to the actual auditing and supervisory costs, that it be earmarked for that purpose, and that the tax be redesignated as a fee for auditing and supervision.

This 4% excise tax is levied on "net investment income." In defining "net investment income," the Act includes realized long-term capital gains. A substantial percentage of the $76 million collected by the IRS from this tax during 1973 was from the 4% levied on realized long-term capital gains rather than just a 4% tax on investment income per se. As foundations are forced to sell capital assets, either to meet the pay-out requirements of Section 4942 or the divestiture requirements of Section 4943, the amounts available to charity are further reduced by the levying of this 4% tax on capital gains. It is recommended that the definition of "net investment income" in Section 4940(c) be modified to exclude capital gains as an income item.

DIVESTITURE RULES OF SECTION 4943

Section 4943 generally prohibits a private foundation, its managers and trustees, and other persons and organizations closely affiliated with it from holding collectively more than 20% of the voting stock of any business enterprise. Private foundations existent prior to May 26, 1969 and having business holdings in excess of the 20% were given varying periods to divest themselves of such excess holdings. Section 4943 also requires the disposition within five years of any gifts which would cause the holdings by a private foundation in any one business enterprise to be in excess of the 20%, and provides for the imposition of taxes of as much as 200% for failure to meet the divestiture requirements. The stated intent of this section was to prevent situations where business enterprises would be "controlled" by private foundations.

It is recommended that divestiture not be required in instances where the "controlled" company is a publicly held company having its stock listed on a major stock exchange, and for that reason subject to all of the rules and regulations of the Securities and Exchange Commission, the exchange on which the stock is listed, and all other agencies of the federal government with the power to regulate publicly held business entities.

DISINCENTIVES TO FOUNDATION PHILANTHROPY

TRA–69 contains several disincentives to foundation philanthropy which are causing a sharp decline in both the birth rate of new foundations and in the contribution of additional capital to existing foundations.

These negative impacts result principally from three provisions which directly discourage contributions to private foundations:

1. Section 170(e), in effect, permits all nonprofit charitable organizations except private non-operating foundations to receive gifts of appreciated property without subjecting the donor to a tax on the long-term capital gain.

2. Section 4943, in effect, prevents a foundation from receiving a gift of the donor's corporate stock unless the combined voting interest of the foundation and the donor is brought below 20% within five years.

3. Section 170 categorizes private non-operating foundations as other than "preferred" charities generally limiting income tax deductions by individuals to 20% on gifts to such foundations as opposed to the 50% deductibility on gifts to what the code now defines as "public" charities.

The significance of these three provisions can be appreciated in the light of the fact that prior to TRA-69,

1. Approximately 80% of gifts to foundations with more than $1 million in assets were composed of gifts of appreciated property;

2. More than half of the foundations with more than $10 million in assets had, at some time, held stock of companies in which the foundation and the donor together held more than a 20% interest.

The retarded flow of assets to private foundations which will result from these provisions will have an unhealthy impact on the field of private charitable enterprises for the following reasons:

1. There are only about 350 foundations in the $10 million-and-over class.

2. Only a handful of these 350 foundations may operate in a given field of work (e.g., mental health, pollution control) or in a given geographic sector. A declining flow of new funds into the foundation field will further reduce the already limited options available to those charities which seek foundation financing.

No persuasive rationale is found in legislative history for imposing these harsh rules solely on the private foundations. Moreover, the abuses to which the excess business holdings provision was addressed can be cured by specific remedies less drastic than divestiture.

Because there is not an adequate public justification for imposing the appreciated property and excess business holdings restrictions solely on the private foundations, and because such discrimination restricts the flow of new funds into the foundation field and thereby impairs the health of private charitable enterprise, we recommend that these discriminatory features of TRA-69 be eliminated.

INCREASED COSTS AND STAFFING REQUIRED BECAUSE OF TRA-69

Congress should be made aware that the mass and intricacy of the regulations implementing the 1969 Act are very great. The complex provisions relating to restrictions on program are especially troublesome. While the final regulations for this area were issued only in December 1972, we have already seen real concern on the part of many foundations with their potentially stifling effect on giving programs. Much time of staff, attorneys, and accountants must now be spent on determining the precise tax category of each grantee, on assessing the potentially negative effects of a grant on some categories, and on obtaining and filing with the IRS increased formal reports required from certain grantees. Congress should be apprised that foundations are experiencing increased administrative costs because of the complexities of the Act and the subsequent regulations, that these costs and complex regulations are particularly burdensome to the smaller foundations, and that the increased administrative costs further reduce philanthropic funds which would otherwise be available to charity.

Congress should also be apprised that 51 months following enactment of this complex legislation regulations have not yet been promulgated on some sections of the Act. During this 51-month period the conduct of foundation philanthropy has been complicated by the absence of regulations for what is perhaps the most complicated tax legislation ever written—legislation which imposes upon foundations and foundation managers the severest of tax penalties for innumerable infractions newly defined by the Act.

NEGATIVE EFFECTS OF TRA-69 ON LOCAL COMMUNITY PHILANTHROPY

In considering TRA-69, the Congress was apparently unduly influenced by two erroneous concepts:

1. There are too many foundations, and legislation should be enacted to discourage both the proliferation of new foundations and the flow of new monies into existing foundations.

2. Philanthropy through private foundations is less desirable than through other media.

Not only has TRA-69 created an "overkill" of both the creation of new foundations and the flow of new capital to existing foundations BUT the Act is also having a deleterious effect on philanthropy at the local community level.

Consider the following: Of the thousands of foundations created under historic legislation designed to foster and encourage our pluralistic society, only a small handful operate as national and international charities. For example, in 1972 only 46 foundations were known to have assets of over $100 million.

Only 304 more foundations have assets of over $10 million—thus having a capability for significant impact in specified programmatic or regionally geographic areas.

Thus the great preponderance of U.S. private foundations are small family foundations having as their principal areas of concern the local geographic community. Only 1,650 of these foundations have assets of over $1 million each.

Thousands of family owners of small private businesses have found the small private foundation as the ideal vehicle for directing their charitable giving. This local-foundation charitable giving has, for the most part, taken two forms:

1. The "conduit foundation" where the family and/or small local business has created a foundation for the manageable and professional annual consideration of its philanthropic giving—apart from the parallel considerations of the profit-motive for operation of their business interests.

2. The "holding foundation" where the family has retained only sufficient of its equity holdings for personal needs and has directed for charitable purposes the great bulk of its corporate or family holdings. There are thousands of instances throughout the country where significant percentages of the annual earnings of family-controlled, or once-family-controlled, business and industry are thus benefiting local charities.

There is no doubt that this was an area in which abuses were being detected in the tax exemption field. However, the abuses could be corrected with far less drastic legislation than the death-dealing pay-out requirements of Section 4942 and divestiture requirements of 4943. The overkill of these two sections on the small private family foundation can be simply illustrated:

1. Many small foundations having equity holdings in family businesses will be forced to sell their own business holdings to meet the 6% pay-out requirements of Section 4942 and the divestiture requirements of Section 4943. Obviously, this is contrary to the intent of the family when it created its charitable foundation. Small family foundations should not be forced into public disposition of equity holdings to meet newly imposed obligations of TRA-69. Also, in many instances small businesses either cannot find a ready market for their stock or cannot legally dispose of the stock in the quantity and within the time limitations defined by the Act.

2. The TRA-69-imposed discriminatory taxes on gifts of appreciated property has the effect of forcing family donors to make such distributions to other charities rather than to their own foundations. Likewise the discriminatory deduction limitation placed upon gifts to private non-operating foundations has the effect of placing limitations on gifts by family donors to their own foundations.

The net effect of these disincentives to foundation funding is a reduction in the resources available to charity through the private non-operating foundations. Charities supported by private foundations are labor-intensive service sectors of the economy in which it is difficult to achieve the gains in productivity that are experienced in goods-producng industry. Thus, the cost increases in the charitable field are vastly greater than cost increases in other sectors of the economy such as cost increases traditionally measured by the Consumer's Price Index. It is recommended that the several disincentives to foundation funding incorporated into TRA-69 be reconsidered by the Congress so as to increase, rather than reduce, resources available to charity through private non-operating foundations.

ONE LONG PARTY A U.N. LANDMARK

HON. H. R. GROSS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. GROSS. Mr. Speaker, many of us have long known that the United Nations is one of the most useless and expensive organizations ever conceived by the mind of man. It has served no other discernible purposes than to provide a haven for international leeches, a sounding board for anti-American sentiments from around the globe, and a permanent cocktail party for the delegates and their staffs.

As bad as I knew this Tower of Babel to be, I must admit that it appears to have outdone itself this summer with its so-called Law of the Sea Conference in Venezuela.

An article by Mr. Barry Newman, in the August 27, 1974, issue of the Wall Street Journal, vividly describes the carnival atmosphere that reigned all summer in Caracas as 5,000 diplomats and assorted hangers-on staged one party after another and even invented a holiday when holiday-happy Venezuela failed to provide one during a week's stretch.

I include the Wall Street Journal article for insertion in the RECORD at this point with the hope that it will be remembered when next the Members of the House are called upon to pick our people's pockets for another "contribution" to the gigantic farce known as the United Nations:

THE "LAW OF THE SEA" IS STILL UNWRITTEN, BUT PLEASE DON'T FRET: UN'S CONFEREES IN CARACAS WILL BE MORE THAN HAPPY TO SET UP MORE MEETINGS

(By Barry Newman)

CARACAS, VENEZUELA.—The United Nations' Law of the Sea Conference, which winds up Thursday, has produced a certain amount of petty bickering (China called Cambodian leaders a "handful of national scum"), hours of irrelevant grandiloquence (an entire morning devoted to praise of Simon Bolivar), some slapstick crisis (a flood the Caracas fire department had to clean up), and some unfortunate accidents (the president of the conference broke a kneecap playing tennis).

But as far as the subject at hand is concerned—an international law that will define who owns what in the oceans—concrete accomplishments are elusive. In 10 full weeks the representatives of 150 countries at the biggest international meeting in history haven't even gotten down to hard negotiations. They've just been stating and restating their positions.

"Progress has been made not in bringing the sides closer together," says C. W. Pinto, the representative of Sri Lanka, "but in clearly defining where they are farthest apart." Without such diplomatic delicacy, a member of the United States delegation says: "The reality is that nobody has made any concessions that hurt."

THEIR LIVES' WORK

So after 70 days of talk about a law to govern use of the oceans and their resources the conference is making only one firm decision: to hold more conferences. But this isn't discouraging the 5,000 diplomats and experts who have passed through this brassy Latin capital over the summer. Drafting a treaty acceptable to the myriad national and business interests involved is a task of monumental complexity, and many of the conference participants seem resigned to making the law of the sea their lives' work. Many of them say the conference has been a moderate success; in any event, life at this giant meeting hasn't been entirely agonizing.

The site is the Parque Central, a brand new set of 43-story, concrete-slab condominiums sitting on several layers of meeting halls, conference rooms, supermarkets, boutiques and restaurants, all set off by warm sunlight, palm trees, waterfalls and art exhibits. Granted, the place is being guarded by what seems to be at least half the Venezuelan military, the terrazzo floors are buffed slick as a skating rink, the elevators don't work, and the air conditioning works too well. But despite all this it is hard to imagine a more spectacular setting.

Venezuela, moreover, is a land of many holidays, and they have been respected by the international community in this springlike climate. (When Venezuela didn't provide a holiday one week, the UN declared a special one.) There has been time to take jaunts to places like the racetrack and the oil fields of Lake Maracaibo, and hotel pools and Caribbean beaches haven't been off limits either. "Diplomats can best learn of the oceans and can become 'diplonauts,'" says a sign near a conference room, "by getting into the water."

Caracas "night life" has gained some favor at the conference too, driving up prices of certain services. A conference official eagerly recommends a plush bar called Les Robles. "You'll find delegates there—shopping," he says, Les Robels turns out to be as multilingual as the plenary hall, and the call girls there say they've been kept busy the last two months. "After *la conferencia,*" says Marta, a silver-blonde woman gulping scotches at the bar, "business will drop."

A HAPPIER BUNCH

Some diversion also has been available at the conference itself. "It's a much happier lot than the bunch of sourpusses you see at the General Assembly in New York," says another official. "There has been and continues to be," he adds, "a lot of sexual activity at this conference." Whether or not that's the case, there certainly have been a lot of parties here.

"We are having so much fun, you have no idea," says a young female secretary. "There are so many parties. I love it. I love to go dancing." At which point she hands over an invitation to a huge cocktail party set for that evening, sponsored by the president of the conference, who is the ambassador from Sri Lanka. About 1,800 elegantly appointed people showed up, jamming a broad patio. Dozens of white-coated waiters carrying silver trays offer shrimp, smoked salmon, small egg rolls and large drinks to an assemblage babbling loudly in any number of languages while a musician plays rhumbas on an electric piano. "All talk," shouts a young diplomat from Kuwait above the din. "All talk and no communication."

He might be talking about the cocktail party, but he isn't. He is talking about the conference.

The volume of verbiage is staggering. There are actually three meetings—one dealing with coastal waters, one with the deep sea and one with pollution and ocean research—and each is struggling with several issues that would each merit conferences of their own. The UN has 90 mimeograph operators grinding away at 27 machines around the clock, spewing forth 250,000 pages of documents a day. Each is prepared in three, and sometimes five, languages by teams of translators and typists. (Chinese is an exception: the UN didn't bring any Chinese typewriters, so all the Chinese documents are laboriously inscribed by hand.) The list of documents produced so far is itself 160 pages long.

Most of these are records of formal public meetings at which, almost everybody agrees, almost nothing ever happens. After weeks of reading position papers, a semblance of debate began about three weeks ago. But that tends to get bogged down in diplomatic niceties as well.

The committee concerned with ocean pollution holds a typical public meeting in a big room with rows of white-plastic desks interrupted by mirrored columns. The soberly dressed delegates (with the exception of a man at San Marino's desk who doesn't have any shoes on) plug in their earphones and receive an earful from speaker after speaker who deeply regret an oil tanker accident near Chile. Finally the chairman asks everyone to dispense with the condolences and get down to business. He then recognizes the representative from Spain, who proceeds at length to express his sympathies to "our brother country, Chile" over the accident.

WHICH DELEGATE IS WHICH

Such volubility is especially irksome to the army of nearly 1,000 journalists who have tramped through here. Only 30-odd delegations have offices in the Parque Central and nobody knows where the others are holed up, so to find out what goes on behind the scenes the press is reduced to hanging around in hopes of nabbing delegates as they rush out of their numerous private meetings. The problem is that none of them wear readable name tags, so a journalist rarely knows which delegate to corral. A common sight is a television or radio crew wandering through the halls interviewing just anybody, including other journalists.

Sometimes the stories that come out don't have anything at all to do with the conference. The Peruvian ambassador draws a crowd when he calls a press conference to defend the nationalization of the newspapers in his country. At the meeting a young man who says he is from Newark N.J., gets up and loudly demands political asylum in Peru. The press jumps all over him, since there's little else to write about.

Delegates from some smaller countries have slipped into quagmires at the conference. Over 50 states have never taken part in law of the sea deliberations before, and they've found the complex issues hard to understand, much less negotiate. "It's fair to say that most of them are completely overwhelmed," one diplomat says. Some of the small countries have hired experts from Europe or the U.S. to help them pull through Oman, for instance, is a small Persian Gulf state that has on its four-member delegation a young man named Charles Black, who is Shirley Temple Black's son. Msgr. Cyril North, a delegate from the Holy See, admits that "we're sort of learning; our job is to collect the material and try to grasp the trends." But the Vatican representatives have made at least one expert contribution they sponsored a Mass last week to pray for the success of the conference.

At least the smaller delegations have the virtue of simplicity. The U.S. is holding a hectic miniconference of its own on a whole floor of rented office space a few blocks from the conference center. The place amounts to a jerry-built U.S. mission, a chaos of cardboard file cabinets, Xerox machines and piles of newspapers, documents and maps.

MORNING CONFERENCES

Over 100 people representing federal agencies concerned with the sea (which includes the Commerce, Defense and even Treasury departments) have been coming and going all summer, along with outside "advisers" from environmental groups and the oil, mining and fishing industries. Every morning before the conference itself meets, as many as 80 of these people get together to hash out strategies and tactics. "In the style of true participatory democracy," one overwrought member of the delegation says, "we've brought the country with us."

For all the confusion, though, there has been a little movement at the conference that may some day result in a treaty to govern the seas. The U.S. and the Soviet Union, for example, are both backing a crucial compromise that would create a 200-mile "economic zone" of the shorts of coastal countries, giving them control of ocean resources but falling short of absolute sovereignty.

Compromise hasn't even been suggested on other hotly contested issues, such as a face-off between industrialized and developing states over how deep-sea minerals should be mined. But the countries have at least arrived, after all the talk, at the jumping-off point for what one diplomat calls "the most rough-and-tumble, sophisticated, tactically involved international negotiation that has ever taken place."

So the Law of the Sea Conference will meet again, probably for two long sessions in 1975 and, despite insistance by the U.S. that a treaty be concluded by next year, possibly at least once more in 1976. The only real question left is where to meet. The next meeting had been scheduled for Vienna, but a proposal will be presented today to hold it instead in Geneva during March and April, and in Caracas again next summer. One official, though, doesn't see much point in going to "bloody cold" Geneva. "Everybody wants to stay in Caracas," he says, "including me."

THE SIXTH DISTRICT SPEAKS OUT—1974: INFLATION, ENERGY PRIME ISSUES

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. BRAY. Mr. Speaker, a public opinion poll has tremendous value. Not only is it possible to sound out a district on the questions asked, but the poll generates interest in other topics, as well. In all the years I have taken annual polls, I have never failed to receive returns that go into every imaginable question, international and domestic, that is of importance to the American Republic.

I have also noticed that a period of some weeks must be allowed for returns to come in to really get an accurate indicator of preference on the questions asked. Following, in percentage of those who responded with a Yes or No to each of the six questions, are the returns from this year's poll:

1) If busing school children for racial *reasons is not* banned by the Supreme Court, would you favor a constitutional amendment? Yes, 91; No, 9.

2) Should there be Federal legislation requiring registration of rifles and shotguns, and prohibiting private ownership of handguns? Yes, 18; No, 82.

3) Should the U.S. keep control over the Panama Canal? Yes, 93; No. 7.

4) Should there be Federal Government regulation of the use of privately-owned and state-owned land? Yes, 8; No, 92.

5) Should political campaigns be financed out of the Federal Treasury? Yes, 27; No, 73.

6) Should there be a Federal law setting the death penalty for "terrorist" crimes, such as kidnapping where the victim is harmed, sky-jacking and assassination? Yes, 90; No, 10.

QUESTION NO. 1—BUSING

Many of the answers to the busing question stated opposition to busing to obtain a racial balance, but also expressed opposition to a constitutional amendment as asked in the questionnaire. Some stated that such an amendment should not be necessary. From recent actions, it appears that this group may possibly be correct. Only the next few months will tell for sure.

The month of July 1974, will go down as a landmark month in two respects for stopping the tide of busing pupils for so-called "racial balance." Both the Supreme Court, and the Congress, for the first time, made part of the law of the land, the fact that there were definite limits to the use of busing for racial balance. Both actions were taken after the questionnaire was mailed.

The action by the Supreme Court came on July 25. A 5 to 4 ruling all but barred the busing of children across school district lines to achieve desegregation—a situation similar to the residents of Indianapolis and surrounding communities, where such an order had been pending. Chief Justice Burger, writing for the majority of the Court, said:

> The notion that school district lines may be casually ignored or treated as a mere administrative convenience is contrary to the history of public education in our country.

This decision reversed a lower court order that had called for cross-country busing in Detroit and 53 surrounding communities. It means, in essence, that busing stops at the city limits. While there is some difference between the Detroit case and the Indianapolis case, there is much similarity.

Then, on July 31, the House passed the Conference Report on H.R. 69, Education Amendments of 1974; the Senate had passed it on July 24. Again, for the first time, some very specific antibusing provisions were written into law. The final version was not as strong as the stand taken by the House of Representatives, but the provisions are significant.

The House, on three separate occasions, by 2 to 1 margins, approved and ordered its conferees to insist on strong antibusing regulations when this bill was in a House-Senate Conference. The Senate repeatedly refused to agree to the strong antibusing version passed by the House.

On August 1, 1974, the Seventh Circuit Court of Appeals in Chicago acted on the Indianapolis busing case following the Detroit case which was decided by the Supreme Court. Still left undecided is action in certain school districts in Marion County.

The battle on busing is by no means over. As forced busing is attempted, the anger and violence flares as it did a few days ago in Boston. The probusing enthusiasts apparently intend to fight to the last ditch for forced busing. The irate parents, taxpayers, pupils and teachers appear equally adamant that forced busing should not interfere with education.

More people are becoming interested in this battle. Derrick A. Bell, Jr., a black professor of law at Harvard, recently expressed his views on busing:

> The insistence on integrating every public school that is black perpetuates the racially demeaning and unproven assumption that blacks must have a majority white presence in order to either teach or learn effectively.

On one of the returned questionnaires was written:

> The busing concept is an insult to both races, and has caused unnecessary and violent social conflict for far too long. It is time it is ended.

From recent actions, it appears that such forced busing may be approaching an end.

QUESTION NO. 2—GUN CONTROL

The phrasing of this question represented the most drastic measures that some would like to take, and see be enacted into law, concerning firearms. There is always legislation introduced to do just this; however, in the past Congress nothing of substance was done and, frankly, I doubt that at least in the near future that legislation will be passed to force the registration of rifles and shotguns and banning private ownership of handguns.

What is often overlooked is the fact that there are, quite literally, thousands of laws on the books—Federal, State, local—concerning firearms, and especially dealing with their use in commission of a crime. Enforcement of these laws already in existence—and along with the tightening up penalties for those who use firearms in committing crimes—may be the answer to the "gun problem" that so many make so much about.

On one of the returned questionnaires this was written:

> If criminals want guns, they will always be able to get them. The honest citizen should not be penalized.

QUESTION NO. 3—THE PANAMA CANAL

Reports earlier this year that there would be "renegotiation" of a new Panama Canal Treaty concerned many.

United States took over construction of the canal after a French company had spent 20 years, at a cost of 20,000 lives from disease, and failed. Ten years of major investment, energy, and medical and engineering skills completely transformed not only the country but the zone itself.

This investment was to be for the ages. In 1903 a United States-Panama treaty gave full rights of sovereignty, in perpetuity, for a 10-mile-wide zone embracing the canal; in 1901 a treaty had been made with Great Britain to operate the canal at no special privilege for U.S. shippers but for the benefit of all world commerce.

To date, the net cost to the United States, including defense but not including investment interest, is estimated at $6 billion.

Under the 1903 treaty, U.S. authority and jurisdiction in the Canal Zone are legally unchallengeable. But under proposed return of sovereign powers to Panama, Panama would get sovereign rights and authority over both operation and defense of the canal. The United States would then hold any such rights only by virtue of its treaty with Panama, and there would be no legal standing against eviction by a hostile government.

Panama, legal considerations aside, is not remotely fitted to handle administration or defense of the canal. We would be put into a possible position of either using force against Panama, or completely withdrawing from the canal, and allowing its control to pass into other hands.

QUESTION NO. 4—LAND-USE LEGISLATION

This highly controversial measure was killed by the House this year. It certainly will not come up again this year, and its future is doubtful.

Basically, the bill would have authorized $800 million for grants to States to help them set up "comprehensive land use planning." It goes without saying that the Federal Government, as dispenser of this $800 million, would have a lot of say in how the money would be put to use. This was described, correctly, I think as the carrot and stick approach.

There is a very real possibility that in addition to another layer of Federal bureaucracy, a very quick result might have been miles of redtape that would tie up acre after acre in this country, meaning long delays for persons looking for places to live, or to expand their businesses.

The States themselves are moving on their own, which is as it should be, as this leaves land-control authority in local hands, where it belongs. There are Federal laws on the books, such as environmental protection and coastal zone management regulations, that are already being seriously questioned by some. Who is to do the planning, for one thing? Is the planning really needed at this time? How far will it expand?

The Wall Street Journal commented, editorially, on defeat of this measure, which I had opposed:

> The House acted with considerable wisdom . . . it seems to us that the House deserves some praise for knowing when to say no.

QUESTION NO. 5—PUBLIC FINANCING OF POLITICAL CAMPAIGNS

The House has since passed legislation for Government participation to a degree in Presidential elections but refused to permit Government participation in Congressional campaigns.

Debate on this question has had more heat than light. On the surface, the idea can be made to look like a good thing. But under the surface there are some very grave questions, and even the most ardent backers of the idea admit it might sound good in theory, but in practice would be most difficult to make work.

And where do you draw the line? If you begin with Presidential candidates, then, of course, the next step is congressional and senatorial races. But why stop there? Why not go down to the very lowest levels of elective officeholders? What would be the ultimate cost? No one knows.

And what sort of formula is going to be drawn up for guidelines? That is still very, very hazy, and there is nothing at this moment that could satisfy everyone, even the backers of the idea.

A direct subsidy, out of the Federal Treasury, raises a very serious problem on freedom of political expression. It is a form of compulsory political activity; it limits the freedom of those who would not wish to participate as well as those who chose to do so.

One question raised is this: If there were subsidies, how many people would rush to become candidates? If there were literally unrestricted access to public money for a campaign, elections could well become, in the words of one expert, an "anarchic jungle," and policy issues would totally disappear.

All too often, what seems to be an easy answer turns out to raise more questions than anything else. So, it seems, is the matter of public financing. And, from the poll returns, the Sixth District disapproves.

QUESTION NO. 6—DEATH PENALTY FOR TERRORIST CRIMES?

Contrary to popular belief, the Supreme Court, in its decision 2 years ago, did not outlaw the death penalty as such. It merely said it had to be more evenly applied, and left the way open for State and Federal legislation to be rewritten in line with what the Court felt was required.

As of this date, over half the States have acted to write new legislation reinstating the death penalty in specifically defined cases. On the Federal level, Congress cleared, this past summer, an antiskyjacking measure that carries a mandatory death penalty provision. It was signed into law early in August.

This particular law has some qualifiers, but it is significant that Congress has moved to take this step. There is, with good reason, great uneasiness in the country over these crimes of terror, of which skyjacking certainly is one. I believe it is quite likely the States will continue to act on their own, as will the Congress, to put the death penalty back in force when such crimes are committed, especially when innocent victims are harmed or killed.

I think the majority of our citizens would share the sentiments of Senator JOHN McCLELLAN (Democrat of Arkansas) during the Senate debate on the skyjacking bill:

> What it all boils down to is whether it is ever "just" to impose the death penalty. Can man ever be found to have acted so viciously, so cruelly, so much like an animal as to justify society imposing upon him the ultimate punishment? I firmly believe he can. . . .(persons committing such crimes) have merited the clearest statement that such inhuman action cannot and will not be tolerated . . . Nothing less will provide ample protection for the innocent, or ensure a safe society.

THE UNASKED QUESTIONS: INFLATION—ENERGY

I have never sent out a questionnaire that the returns did not bring comments on matters other than those asked in the questions. This one was no exception. Two topics, inflation and energy, that is, the shortage and price of oil today, dominated the added comments.

INFLATION

This inflationary cycle is worldwide, not confined to the United States alone. Our rate over the last 12 months was an 11.8 percent increase. Only West Germany, among eleven selected nations, was lower, with 6.9 percent. It ranged as high as 37.5 percent for the same period for Israel. Dr. Arthur Burns, Chairman of the Federal Reserve Board, put it quite bluntly:

> Inflation now is the dominant economic force in every major nation around the world.

Why should it be? The American citizen, understandably, is confused and worried, with inflation eating the heart out of his savings, assets and paycheck.

It boils down to a common phrase: "Too much money chasing too few goods." Where does too much money come from? The answer is simple in the United States: principally, the most guilty part is the Government and its deficit spending. As Congress appropriates and the Treasury spends more than it takes in, the Treasury issues I O U's in the form of Treasury bills, bonds, and so forth, for the difference.

Where has it brought us today? According to the latest figures, at the end of fiscal year 1975, June 30, 1975, the total Federal debt, it is estimated, will be $509.1 billion. The annual interest alone will be very close to $40 billion a year, or, around $175 apiece for every man, woman and child in the country.

It is a vicious cycle. Federal deficits grow; so does the national debt; so does the cost of interest on money borrowed at what are now the highest rates in U.S. history and going up every day. This skyrocketing interest adversely affects us all. It adds to the cost of everything. What can Congress do? Several things, but first it can cut appropriations! This will take courage but it can and must be done. The United States can accomplish breaking this ever-extending spiraling cost better than any other country. Our country has the know-how, enormous resources and a highly productive labor force; our farms are the most productive in the world. The United States can and must be the first to break this spiraling inflation and racing interest rates. The Government must quit spending money it does not have. This type of money is the most expensive in the world.

Other Members of Congress, including myself, have introduced legislation known as the Fiscal Integrity Act that, if passed, would fill a major gap in congressional control of spending. It would set, for each fiscal year, a revenue and budget outlays limit for the Federal Government. No appropriation could be made over that limit; in other words, a balanced budget. It would also require that all bills and resolutions introduced would have to have full details on the first page showing direct and indirect expenditures resulting from them. That would put the brake on spending where it belongs. However, unless Congress shows the courage to follow its own regulations and quit spending money it does not have, no legislation that Congress passes will be of any avail.

Everyone suffers from inflation. Stopping it is, equally, everyone's business. There are hard choices to make, but if we do not make them, and make them soon, then there will be economic difficulties forced upon us that we have no choice about. That would be the worst tragedy of all.

ENERGY

The energy situation, although relieved somewhat from that of a few months ago—higher prices for gasoline, fuel oil, et cetera, aside; at least it is available—has contributed substantially to our inflation and financial difficulties due to the sudden quantum jump in the price we have had to pay for foreign oil. Our country has neglected its own great fuel supply because of foreign oil which has been so convenient and cheap. Today, we are paying the price for being dependent on foreign sources of energy. Take coal, for example. We have half the world's coal reserves, yet it accounts for only 19 percent of the Nation's fuel consumption. We have enough coal easily obtainable in the United States to last more than 200 years—probably several times that amount.

On the other hand, at present rates of consumption, oil supplies are calculated to be good for only 30 years. Engineers and technicians make no bones about it: coal may one day become the primary source of synthetic gas, oil, gasoline and methanol. Estimated coal reserves in Indiana, that are recoverable, come to 17 billion tons.

Electric power utilities in Indiana are generally burning coal instead of oil and Indiana has a surplus of electric power. Despite this, the air is cleaner over Indiana than over most of the States in the Union. There are several resources we can develop for energy to a greater degree than we are now using such as, nuclear and solar energy, but the source of energy we have in abundance today, and must rely on, is coal. Yet, there has been a constant effort on the part of many to block the use of coal. These same people blocked the construction of refineries, nuclear energy plants and for 5 years blocked the construction of the Alaskan pipeline. We have the coal resources to solve our problems. We must have the courage to use them.

The Federal Power Commission has estimated that nearly half the electric power generating capacity that uses oil as a fuel, today, could easily be converted to coal. That would save our country 93.9 million barrels of oil a year. Given a year's time for conversion, the total would run up to an oil saving, annually, of 181.3 million barrels of oil or 43.4 percent of the total consumption, which would assist in alleviating our energy as well as our financial problems.

If all electric power were generated by coal instead of oil? Roughly, a surplus of close to 400 million barrels of oil annually. We must have the commonsense and courage to solve our energy problems. This will also go a long way in solving our mounting costs, that is, our inflation problem.

CONGRESSIONAL ACTION SOUGHT FOR HUMAN JUSTICE AND FREEDOM FOR VALENTYN MOROZ AND THE UKRAINIAN PEOPLE IN THE SOVIET UNION

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. ROE. Mr. Speaker, today, on behalf of the Bergen-Passaic County Ukrainian Congress Committee of America, the Ukrainian community of my congressional district, Americans of Ukrainian heritage residing in the United States, the citizens of the Ukraine Republic in the Soviet Union, and all freedom-loving people throughout the world, the following resolution calling upon the President of the United States to intervene with the Soviet Union in seeking the release from imprisonment of Valentyn Moroz, distinguished citizen, historian and writer of the Ukraine, whose suffering and personal sacrifice in the noble cause of human justice and human rights clearly manifests and has brought international recognition of the inhumane transgressions that the Soviet Government and the Ukrainian SSR are practicing in flagrant violation of the Universal Declaration of Human Rights to which they are signatory parties. The resolution is as follows:

H. RES. 1378

Resolution concerning the safety and freedom of Valentyn Moroz, Ukrainian historian

Whereas Valentyn Moroz, historian, writer, and spokesman for the cultural integrity of the Ukrainian people, is currently imprisoned in the Soviet Union on the charges of anti-Soviet agitation and propaganda; and

Whereas such charges are without basis as in his valiant attempts to preserve and defend the rights of the Ukrainian people and the culture of the Ukraine and to defend the principle of basic human rights, Valentyn Moroz has done no more than exercise rights granted him by the Constitution of the United Soviet Socialist Republics; Now, therefore, be it

Resolved, That the House requests the President to express the concern of the United States Government for the safety and freedom of Valentyn Moroz, historian, writer, and spokesman for the cultural integrity of the Ukrainian people.

SEC. 2. The Clerk of the House shall transmit copies of this resolution to the President and the Secretary of State.

Mr. Speaker, let us not permit the supreme sacrifice of martyrdom for human justice undertaken by Valentyn Moroz stain our Nation's conscience as a "voice crying in the wilderness." We have long been aware of the cruel exercise of authority that the U.S.S.R. has flaunted for too many years on the vital issue of the responsibility of human rights and the policy that they have adopted in oppression and tyrannical abuse against the people of the States of Ukraine, Latvia, Lithuania, Estonia, and Byelorussia which they occupy. The Congress has spoken out many times through the adoption of measures condemning their imperialistic policies and usurpation of the rights of the peoples of these states to self-determination and national independence.

Since coming to the Congress I have joined in sponsoring legislation and petitions to the Office of the President seeking the intervention of the United States on these most vitally important human rights issues. I was particularly pleased that legislation I had sponsored last year, my bill House Joint Resolution 101, and joined in introducing with our colleagues, Congressmen MILLS and VANIK, and others, my bill H.R. 3917, culminated in the measure which was adopted by the House as an amendment to the trade reform legislation which was passed by the House in December 1973 and is now awaiting Senate action. This amendment denies loans, credits, and guarantees to nonmarket countries denying freedom of emigration.

On January 22, 1974 upon the convening of the Congress for the second session of this 93d Congress, I joined with Congressman ICHORD et al. in sponsoring a resolution, my bill House Resolution 774, instructing the Export-Import Bank of the United States to make no further loans to the Soviet Union until the Congress has taken final action on this trade reform legislation with the express goal that we will be able to maintain the freedom of emigration of citizens of the Soviet Union. I also joined with many of my colleagues in a House resolution, my bill House Concurrent Resolution 325, requesting that the President take immediate and determined steps to secure an end to the repression of political dissenters in the Soviet Union. This action was only a renewal of my long standing commitment to seek more fair and equitable treatment of the citizens of the Soviet Union and was prompted by my deep concern for the physicist Andrei Sakharov, novelist Alexander Solzhenitsyn, historian Pyotr Yakir, economist Viktor Krasin and other citizens of the Soviet Union who have demonstrated enormous courage and intellectual honesty in advocating and defending the aims and fundamental civil and political liberty of people. This resolution calls upon the President to impress upon the Soviet Government the grave concern of the American people with the intimidation of those within the Soviet Union who do not adhere to the prevailing ideology and to call upon the Soviet Union to permit a free expression of ideas and free emigration by all of its citizens in accordance with the Universal Declaration of Human Rights.

Mr. Speaker, on September 12 I joined in sponsoring the House Concurrent Resolution, my bill House Concurrent Resolution 635, expressing the sense of the Congress that the President, acting through the United States Ambassador to the United Nations organization, take such steps as may be necessary to place the question of human rights violations in the Soviet-occupied Ukraine on the agenda of the United Nations organization. On that same day the New York Times carried the following editorial on Ukrainian injustice:

UKRAINIAN INJUSTICE

Despite alternating tactics of persuasion and oppression, the Soviet authorities in Moscow still find themselves stymied by the tenacity of the dissendent nationalist movement in the Ukraine, second most populous republic of the Soviet Union.

Ukrainian nationalism has had a checkered history in the twentieth century, bounced as it has been between the forces of German fascism and Soviet Communism. In recent years, however, it has gained influential champions among the other disident groups of Moscow and Leningrad.

The current symbols of the Ukrainian campaign against Russian domination are a 38-year-old historian named Valentyn Moroz reportedly held by the Soviet secret police in Vladimir prison, and 35-year-old Leonid I. Plyushch, a cybernetics specialist associated with the Ukrainian Academy of Sciences until his "psychiatric detention" in 1972. Both men were openly engaged in the civil rights struggle which has tied together many of the Soviet dissidents. Such distinguished teachers of that movement as Andrei Sakharov and Pavel Litvinov have repeatedly protested the inhumane and illegal conditions of their detention.

Moroz and Plyushch are not well known in the West, and their plight has attracted little attention outside the circles of Ukrainians in this country and Canada. Perhaps for this reason, Soviet authorities have so far turned deaf ears to pleas in their behalf from international civil libertarian groups. Moscow's policymakers should not be deluded into waiting until some specific outrage against the two Ukrainians makes the protest genuinely universal.

Mr. Speaker, In Valentyn Moroz' presentation entitled, "Instead of a Last Plea," delivered at this secret trial on November 17, 1970, in the city of Ivano-Frankivsk in Ukraine, he stated:

A Silence More Deafening Than Thunder.

Only a submissive Moroz would prove useful to you, for by "confessing" he would repudiate himself . . . But for a Moroz of that breed you have to wait forever . . . I am being tried behind closed doors; but your secret trial will ""boomerang" regardless of whether I am heard, or whether I remain silent, isolated from the world in a cell of Vladimir Prison. There is a silence more deafening then thunder and it cannot be muffled, even should you destroy me. Liquidation is an easy answer, but have you ever considered the truth—that the dead often count more than the living? The dead becomes a symbol—they are the substance that nourishes the will and strength of noble men. . .

Mr. Speaker, the resolution I am introducing today on behalf of Valentyn

Moroz was introduced in the Senate by our colleague, the Honorable ROBERT TAFT, JR., and I appeal to you and our colleagues here in the House to join in supporting this resolution of congressional concern for Mr. Moroz:

First. To adjudicate the interminable sentencing of the rich cultural national heritage of the Ukrainian people and their neighboring states which are presently stifled and condemned under the yoke of Soviet political domination and control; and

Second. To restore the Universal Declaration of Human Rights as a viable working document of the standards of excellence and achievement of the conscience of mankind.

Mr. Speaker, our congressional outrage against the conditions of Valentyn Moroz' imprisonment is also a manifestation of our Nation's unrelenting resolve to seek freedom and justice for all mankind.

KITTY LITTER JOURNALISM

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. FINDLEY. Mr. Speaker, two men who are fine journalists and astute observers of the passing scene recently noted the obsession of many of their colleagues with Watergate and anything else that remotely concerns the Presidency—to the exclusion of items much more newsworthy.

One is David Broder, syndicated columnist who learned the reporter's trade well at the Bloomington, Ill., Pantagraph, before heading for the big cities. The other is Allan A. Seiler, editor of the Pike Press, Pittsfield, Ill., who brought his gifted writing to Illinois from Missouri. Seiler happens also to be my partner in the newspaper business.

Here is what each wrote:

KITTY LITTER JOURNALISM

(By Allan A. Seiler in the Pike Press, Sept. 11, 1974)

Ford pardoned Nixon and probably few people are totally satisfied. At one extreme were those who couldn't sleep nights until the former President had been tarred and feathered. At the other were those who remain convinced he was railroaded out of office by a frenetic and partisan mob.

But at some point there had to be some kind of action taken and President Ford did so out of conscience and deep conviction that it was in the best interest of the country. Surely he knew it was a controversial step.

But at least he made a crucial and courageous decision, fast on the heels of another one: qualified amnesty for Vietnam draft evaders. And there must be others, especially relating to inflation.

Watching one Sunday night network television program on the Presidential pardon we experienced a further strong disagreement with the way news is sometimes handled by this medium. The lead newsman for the program said at one point that the question of possible suicide by Mr. Nixon had been raised by one reporter. The commentator added that nobody had seriously suggested this possibility but the fact that the question had been raised gave it some semblance of validity, or words to that effect.

What an utterly ridiculous line of reasoning. This is what we're being handed by a presumably responsible branch of journalism? It would be equally logical to ask, without the slightest basis, "Is it true a bomb was found in the White House last night?" To which the same illogical "news" interpretation would be, "Nobody had suggested anything about a bomb, but the question indicated there could have been one."

While we're on the subject, the Washington news media seems glad to have Watergate back to kick around again. We noticed CBS brought Dan Rather back on radio Monday morning after they had presumably moved him out of Washington when his favorite target had departed for San Clemente. Mr. Rather is like a little dog about Nixon. If anything stirs, he immediately sets up a shrill bark.

During the Ford "honeymoon" period—now reportedly at an end—we had concluded it was high time a lot of editors dispatched their reporters out of Washington anyway. We felt it was time they headed for the boondocks where they might find some news worthy of publication. They had begun to scrape the bottom of the news barrel in Washington with Watergate no longer a subject.

The first case in point was the earth shattering report that the President and First Lady are retaining their double bed in the White House.

The second was that the cat litter for Susan Ford's Siamese cat Shan is kept in Susan's room.

People sometimes make fun of the Pike Press and its community correspondence, reporting who had Sunday dinner with whom. We say it's more interesting and newsworthy than reporting on White House beds and cat litter.

But is there no choice between cat litter and more about Watergate?

[From the Washington Post, Sept. 18, 1974]

GOVERNMENT: MORE THAN THE PRESIDENCY

(By David S. Broder)

In all the frantic discussion these past ten days about the Nixon pardon, one interesting question has barely been addressed. There has been endless speculation and comment about Mr. Nixon's conditions, President Ford's leadership capacity and the influences operating in today's White House.

But not much has been said about what the Washington reaction reveals about the character and climate of this capital. And that is, all things considered, perhaps the biggest cover-up of all.

What it shows, I am afraid, is that this political community is as hopelessly addicted to the distortion and magnification of the President and the presidency as it has ever been—that, in this fundamental sense, it has learned nothing at all from the painful experience of the past decade.

There is no question, obviously, that a President issuing a blanket pardon to his predecessor is big news—especially when the action comes in dramatic fashion on a Sunday morning, with no advance preparation and no very thorough explanation.

But the sirens that went off inside the heads of journalists and politicians here made it sound like a declaration of war had been issued or a man from Mars had just landed. Newspaper staffs were assembled, instant TV specials rushed on the air, and every press secretary on Capitol Hill went racing for his mimeograph machine.

To a journalist on assignment halfway across the continent, the Washington reaction betrayed, at least in part, an emotional backlash to a self-induced high. The press was betrayed, not by the real Gerald Ford, but by the mythical super-President created by the press' own artifice during the previous month.

As has been said here before, the Ford succession offered the Washington press corps the opportunity to get the presidency back into normal focus, by accepting him as the quite ordinary, unpretentious working politician he is, and by covering his official actions, rather than glamorizing his private life. Instead of that, what we produced was a tidal wave of guff about the euphoria of dancing parties in the East Room, poolside picnics at television correspondent's homes, and the internationally famous toasted English muffin caper.

Despite this flood of puffery, most Americans were able to make quite sensible judgments about their new President. The day before the pardon, interviewing voters in a barometer precinct in Denver, one heard complimentary remarks about the personality of Mr. Ford and his apparent desire to be open and candid in his dealings. But when one asked those voters if they planned to support him in 1976, nearly everyone said, "It depends on how he does between now and then."

The common-sense view seems to escape us in Washington. We are congenitally incapable of getting it in our heads that the President is just another politician who ought to be viewed with tolerant skepticism as a human being, and be judged over some reasonable length of time on the basis of the inevitable successes and failures of public policy for which he can be held to account.

Instead, we seem determined to take him with us on a roller coaster ride—elevating him to paragon status for no good reason and then condemning him utterly when, in our view, he makes his first mistake.

Above all else, we seem unable to broaden our view beyond the White House and let people know the government is larger and more complex than one man.

The result of that tunnel vision is that far worse examples of irresponsible behavior go by unheeded and unchecked every day in Washington than those presidential aberrations that preoccupy us.

Why is it, for example, that almost no one has pointed out that most of those same senators and representatives who have been waxing indignant about the Nixon pardon were so conspicuously silent, during the previous month, when the Special Prosecutor looked to Capitol Hill for guidance on whether he should proceed with the Nixon case?

Why are those who are so vocally insistent on equal treatment before the law too busy to notice that Wilbur Mills is once again about to legislate new loopholes for the wealthy and increase the inequity in a tax system that affects far more people prejudicially than the presidential pardon?

Could not some of that relentless publicity focusing on the search for the mysterious person or persons who influenced Mr. Ford's decision shift, for a moment, to the four senators—George Aiken, Howard Baker, Peter Dominick and Ted Stevens—whose cloture votes on Thursday will decide whether the Agency for Consumer Advocacy bill is killed or saved in the Senate?

Why does the vigilance of the press not extend to the House Rules Committee, where the most serious, significant effort in a quarter-century to sort out the jumbled jurisdiction of House committees is slowly being talked to death by a combination of special-interest lobbies and seniority-conscious legislators?

Where were we all when a young Vietnam veteran named Kowalski asked the members of the New York congressional delegation to explain and justify a parliamentary sleight-of-hand by which the House reduced benefits for handicapped Vietnam veterans and killed a promised fifth year of schooling, supposedly in the interest of economy?

The answer to all these questions is that we are still acting as if the President were the entire government, and each of his actions the be-all and end-all of his entire public career. Where the devil is our sense of perspective?

GEN. CREIGHTON W. ABRAMS, SOLDIER AND HUMANITARIAN

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. CHAPPELL. Mr. Speaker, the people of the United States have suffered the loss of one of their greatest heroes, one of their most brilliant military leaders, our late Chief of Staff of the U.S. Army, Gen. Creighton W. Abrams. I cannot add to what has been said about these outstanding qualities of this great American soldier. I want to add, however, a tribute to a unique quality of General Abrams that was not too well known to the general public, though it is one deeply appreciated by the military commanders who served with him in combat.

General Abrams was likely the greatest humanitarian this Nation has ever produced. Certainly his wartime experiences gave him many opportunities to exercise this quality under the most difficult situations, where so many lives were at stake. An expert combat soldier, he knew well that in some instances saving the lives of the innocent in war required great sacrifices of his own men and in some instances cost them their own lives.

General Abrams was ever alert to impress upon his combat leaders before every military engagement the necessity for taking every possible action to insure that the risk of civilian casualties was held to an absolute minimum. His commanders, to a man, knew that his humanitarian concern for people, friend or foe, military or civilian, was a must factor in every military decision he made.

His reluctance for the limelight and his avoidance of publicity for himself often shielded his humanitarian qualities from public view. Few knew of his intense concern for the families of the Vietnamese military commanders who paid the supreme price for their country. Much of his limited leisure time was spent laboring with the problems of the widows and families of his fallen Vietnamese comrades. His personal funds were often used to ease the burden of their personal grief.

Undoubtedly, it was this great quality—his love and compassion for his fellow man—that best epitomizes the greatness of General Abrams. Truly, Gen. Creighton W. Abrams was one of our greatest military leaders. His example will set aflame the courageous best in our future generations of Americans. We will all miss his physical presence but his great spirit will live with us forever. We thank God for his life and ask the Great Master to bless and comfort his wonderful family.

CONFIRMATION HEARINGS OF ADMINISTRATOR OF VETERANS' AFFAIRS—RICHARD L. ROUDEBUSH

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. TEAGUE. Mr. Speaker, today the Honorable Richard L. Roudebush testified before the Senate Committee on Veterans' Affairs for the purpose of his confirmation as Administrator of the Veterans' Administration. My years of friendship with the former Congressman from Indiana and now Acting Administrator of the Veterans' Administration have taught me to hold only the highest respect for him.

I consider him to be a most capable man and well qualified to hold this high office.

Mr. Roudebush's opening remarks before the Senate Veterans' Affairs Committee follow:

STATEMENT OF RICHARD L. ROUDEBUSH

MR. CHAIRMAN AND MEMBERS: I am pleased to appear before you this morning in response to your request.

President Ford's nomination of me to become Administrator of Veterans Affairs was his first agency appointment since assuming the awesome responsibilities of President of these United States.

To be so honored by a man I have worked with and admired is truly a humbling experience.

President Ford is my friend and former colleague dating back to my ten years of service in Congress. For me to tell you that I was not visibly moved by his announcement on August the 19th at the Convention in Chicago would be less than the truth.

My devotion to my country, my President and to the Veterans of this Nation has never been stronger.

In preparing for this hour, I have re-read and carefully studied President Ford's remarks at the time of my nomination. To me those remarks are far more than just a speech. They constitute a clear blueprint for VA guidance and action.

Without a doubt he clearly and decisively set the tone for the administering of veterans health care and benefits programs in the Ford Administration.

I fully subscribe to the President's words and I intend to follow the character and spirit in which he emphatically stated the goals for the Ford Administration in matters relating to serving the needs of veterans and dependents.

To do less would be a betrayal of the President's trust and a lifetime-devotion to the cause of veterans.

The important objectives established by President Ford will be the objectives of the VA under my administration.

All Americans want their government to look upon the veteran as a human being and not as a claim number processed by an impersonal computer.

All Americans want our government's machinery to serve our people in a way that will not frustrate or humiliate them in their dealings with the VA or any agency of the Federal Government.

All Americans want and expect our VA system of hospitals to be adequately staffed and equipped to deliver high quality medical care for eligible veterans.

To accomplish these goals and others is not beyond our reach. Because we have a foundation upon which to build and the support of this Committee and the Congress, as evidenced by the enactment of P.L. 93–82, the Veterans Health Care Expansion Act of 1973.

I am aware, as you are, that the eyes of the nation are going to be on what we say and do in the months ahead. This is as it should be. But at the outset I want to pledge to you, Mr. Chairman and the Members of this Committee, an atmosphere of open communication, cooperation, conciliation, and compromise as we work together to solve our problems.

I am not under any illusion that VA does not have problems . . . many problems. In an organization as vast as the Veterans' Administration; with over 200,000 employees in all 50 states; with a budget of over $14 billion serving a constituency of nearly 30 million there are bound to be problem areas. VA operations are complex and varied.

However, in keeping with my pledge to do the best job that I can with the help and assistance of the dedicated employees that comprise our VA family, I do not intend to countenance error as a natural consequence of bigness.

During my administration there will not be any withholding or covering up of information that if revealed would indicate substandard performance or less than satisfactory conditions. This will be in keeping with the President's mandate of openness and I can assure you we will make every effort to solve our problems as expeditiously as is humanly possible.

I am going to devote my energies toward making sure the American people are getting from the Veterans' Administration the kind of service they are paying for through their hard-earned tax dollars.

To accomplish this, I intend to take a determined new look at VA's structure and the services rendered to our veterans to improve the management and productivity of VA.

I intend to get the job done effectively and efficiently and this will be the standard that I will set for the Veterans' Administration in identifying and appointing executives in our agency.

As employees of the Federal Government we have a special commitment to our fellow citizens.

But as employees of the Veterans' Administration our commitment goes beyond the normal standard of service for it is our charge to care for him who has borne the battle and for his widow and his orphan. With the help of God we intend to do this.

Thank you—I will be pleased to answer your questions.

NIXON PARDON

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. LONG of Maryland. Mr. Speaker, President Ford was wrong to grant a "fill in the crime later" pardon to former President Nixon. Most Americans do not want to see Mr. Nixon jailed, but they cannot accept a blanket excusal of whatever wrongs the former President might have committed.

Due deliberation and process would have required that Mr. Nixon's liability for various criminal charges be presented and tried in an open court of law. In this way, the facts of Watergate would have come out.

If Mr. Nixon were not guilty, as he has contended, there would have been no need for a pardon. If Mr. Nixon were convicted—or even indicted—President Ford could have appropriately reviewed the case and the unique circumstances for a pardon.

The American people have the right to expect that their system of law will be used to bring forth the facts, and that only after the facts are known, will mercy be applied.

EFFECT OF FOREIGN INVESTMENT ON OUR DOMESTIC ECONOMY

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. WOLFF. Mr. Speaker, during the congressional recess I held a conference in New York concerning foreign economic policy and the effect of foreign investment on our domestic economy. This subject is of utmost importance and as the world's economy becomes more interdependent the factors which influence one country have spillover effects on us all. We paid special attention to the impact that petrodollars are having and will have on our economy in the future.

I would like to insert the statements of Congressman GILMAN, Eliot Janeway, and my own opening remarks so that my colleagues will have the benefit of some of the information which was brought out at this discussion.

Other members who participated in the discussion were: Mr. Thomas D. Willett, Deputy Assistant Secretary for Research, Department of the Treasury; Mr. Andrew P. Steffan, Director of Policy Planning, Securities and Exchange Commission; Mr. Richard Erb, Council on International Economic Policy; Mr. Rutherford Poats, Overseas Private Investment Corp; Mr. Robert Rendell, Deputy General Counsel, Export-Import Bank; Mr. Robert Malito, city of New York, economic development administrator; Joseph Fraites, New York Coffee and Sugar Exchange; Mr. Josema Waller, Chase Manhattan Bank; David Levey, Business Week; and Joe Spiers, Industry Week.

The material follows:

STATEMENT OF LESTER WOLFF

Congressman Gilman and I have arranged this session this morning because, as members of the Foreign Economic Policy Subcommittee of the House Committee on Foreign Affairs, we have noticed over the last few years an increasing concern among members of our committee and the economic community at large over the striking interdependence between the shape of our domestic economy, foreign investment in the United States, and our security as a nation. We believe that serious effort must be made in the coming months to bring the facts of this new interdependence to the American people and their representatives, because of the urgency of this situation and its growing importance to our citizens, this nation is going to have to deal in a sensible and coherent way with the problems that international economics have wrought for our economy.

While it is important to focus on the broad range of international economic challenges facing our nation, I would like to briefly examine the central issue of energy policy, and commodity scarcities and the ominous threats to the international order. As we all know, several small oil producing states have suddenly become the leading actors in the world drama, flooded with petrodollars, seeking investments for their new-found wealth. What is the effect today—what will be the effects in the future of this avalanche of foreign funds when a trillion surplus petrodollars are used to manipulate governments, economies, and foreign policies in the United States and other free-world industries? I think the implications are pretty clear.

With a critical world need for oil as the vehicle, these small states have already begun to invest, overtly and covertly in vital industry, financial institutions, defense production, real estate, natural resources, and other critical areas of our economy. Through absentee ownership, these small states could take our dollars and buy us back with our own money, little by little, piece by piece. No corporation, however large, no bank, no board of directors is immune from takeover. They can buy our nation, like meat in the market place, and the industries of our traditional allies.

We have already seen the spectre of such raw economic power as it seeks to alter longstanding foreign policies inimical to their wishes. And if this is transpiring in developed nations, what will be the effect on developing nations, potential allies with fledgling industries and vital natural resources? They will be forced in the interest of survival to take positions which contribute to disintegration of the world order, which feed the flames of discord and hatred. Alliances will be sent asunder, the very security of the west, which in strength has maintained the peace of the world in the nuclear age, will be challenged. The most basic tenets of independence and self-determination will fall victim to the new international blackmail.

And what will be our reaction? It becomes clearer, day by day, that we must urgently seek to use whatever means are available to us to assure that we and the entire free world, now so heavily dependent on Mideast energy sources take firm steps to call a halt and set up safeguards and structures against these ominous and unwelcome intrusions. We must direct our attention to this new war—this economic war in which energy and other economic commodities are employed as the major weapons. The attacks upon our stability and security cannot be complacently received. The counter attack I propose is a Mutual Economic Defense Organization, as far reaching on the economic front as NATO is on the military. This organization would join for mutual benefit the economic and natural resources, the industrial capacities and technological know-how of our allies—Nothing less will save the world from domination by a few small states which, in alliance with a super power, now possesses weapons more threatening than the nuclear bomb.

This proposal must deal also with the whole range of economic problems which pit country against country, interest against interest. It must look at trade, currency problems, private investment. It must consider imports and exports of vital resources, food, and technological capacity. The Economic Defense Organization must be all encompassing to stave off disaster. No cosmetic approaches or recommendations will suffice.

If we are to be faced with an economic war—and I believe we are—then we must institute domestic and international wartime measures necessary to provide for this nation's security. And, we must concern ourselves too with nations that hold monopolies on strategic materials and given courage by the success of the oil embargo. These nations will attempt to hold our country hostage while they sit in lofty command. Rigid strictures must be placed upon domestic producers and those who fail to cooperate must be penalized. We must forge agreements to provide for the economic defense. The time is now to act. And where do we obtain the money to mount this gigantic effort? What is the price of freedom?

We found $25 billion to go to the moon; we found $160 billion for Vietnam. Yet today our economy flounders and our policy is anything but coherent, and our self-interest is not served. We must find whatever is necessary to save our people and our nation.

Let us today consider the broad range of problems in this area, keeping in mind that no longer is our foreign economic policy merely the meat of economists but the vital lifeline of our nation.

REMARKS OF ELIOT JANEWAY

I am here to endorse your Bill, Congressman Wolff, for licensing the export of American feed grains, and am encouraged to learn that 29 other members of Congress have signed it. The thrust of your Bill, Congressman Wolff, incorporates my conception of American agripower and formulates an action plan for which I have been pressing ever since I testified on June 1, 1973, before the Senate Finance Committee's Subcommittee on International Finance and Resources, chaired by Sen. Harry F. Byrd, from Virginia.

Events since then have confirmed my warnings that America and the world would pay an exorbitant price if she failed to move to force a rollback of the oil price gouge perpetrated by the Arab petro-politicians. The runaway in food prices—inside America, and therefore, everywhere else—is now reckoning the toll taken by America's systematic and stubborn failure to play her food hand to trump the oil hand the petro-politicians have been playing against us.

The inflationary imbalance created by the oil gauge was fated either to be reversed or confirmed by a follow-through inflation in food prices. Either action taken by America was going to bring oil prices down or inaction tolerated by America was going to put food prices up. America has tolerated inaction. Oil prices have not been brought down. Food prices have been put up. The inflationary imbalance has passed the point of tolerability.

The time has come to redress this imbalance. The way to do it, as outlined by your Bill, is to authorize the government to order a domestic set-aside giving American feeders of animals, poultry and fish the first allocation of American feed grains for domestic consumption; and to arrange for an export licensing system to distribute the balance. There will be enough of each and every one of the feed grains America produces for her own use and for export to avoid the need for anything like the altogether inappropriate embargo the Nixon Administration ordered on soy beans to Japan. Even the shortfall of American corn and other feed crops will support an export flow to every country enjoying friendly relations with America. But to pretend that America's flow of feed is sufficient to support both a minimum American diet and a maximum export movement is to subordinate the practical imperatives of fighting inflation at its source to the theoretical incantations of economists in ivory towers about the supposed workings of markets in the real world.

All year long, American opinion has been traumatized by the coverup of Watergate, but Watergate has not been the only American scandal subjected to a self-serving coverup. Nixon's Department of Agriculture did a better job of its coverup than Nixon's White House did on his. During the long season of its success in covering up the failure of American feed crop production, we nurtured the illusion that American feeds would be plentiful enough to permit the world to feed at America's table in the style to which it has become accustomed. I have been warning that clinging to this illusion would send America's food prices sky high, and force America's feeders to the wall. The facts have confirmed this grim forecast.

The first effect of activating the proposed system of domestic allocations and export licensing would be to give an overdue reprieve in the nick of time to America's fatally squeezed feeder industries. The second would be to set in motion a reversal of the present calamitous trend of food costs through the pipeline to the supermarkets. The third would be to give American consumers and employers, and therefore, bankers as well, some solid confidence that a defense line is being built and held against the cost surge. The fourth would be to force a higher rate of food price inflation on the countries which are America's feed customers than American consumers are being forced to absorb.

This fourth effect sounds worse than it need be. I intend to offer no rationalization of it based on any American claim to get her own back in consideration of having subsidized a cheaper diet for her foreign competitors. Reference to the news stream supports my conclusion. It has been full of talk pointing in one direction to the world population explosion, and in the other to the world food shortage. It has ignored a third phenomenon which may prove even more formative in the next chapter of world history because of the handle it is offering America to reverse the engines of inflation and anarchy now loose in the world.

I now refer to the explosion in the world's population, not of humans, but of animals and poultry. The reverse trend in the world's fish population is accentuating the dependence of the world on the explosion of its animal and poultry population. Meanwhile, tragically, thanks to the feed squeeze and the rest of the arsenal of inflationary pressures unleashed against America's feeder industries, America's animal and poultry population is in the throes of a drastic shrinkage. This shrinkage will continue so long as the inflation does: and the inflation will continue until America grasps the handle on inflation her agripower is offering her.

Without exception, each and every one of the countries benefiting from an animal and poultry baby boom is becoming dependent on American feeds as fast as it programs new protein production. Providentially, therefore, forcing higher food cost on America to no risk of losing export business. But it does expose all the countries dependent on American feeds to the very serious risk of landing at the bottom of the overdue American list of export allocations, or even being pushed clear off it.

I submit that not one of these feed dependent customers of America will dare to stand up against such an American agripower counter offensive. The petropowers will be the first to crumble. They have been the biggest and hungriest new entries into the race for American feeds. Turkey, Congressman Wolff, which has been the target of your critical investigations in the matter of the poppy scandal, is now reconfirming her dependence on American agripower by placing large wheat orders here.

The irony of the present imbalance, and of America's failure to redress it in her favor, is shown by the contrast between the oil position and the feed position. World oil supplies are suffering from a glut again. Nevertheless, the petropolitical cartel has frozen its prices at new highs. By contrast, American feed crops are commanding premiums for shortages. Yet the American position on the oil front remains in disarray; and the inflation is not only being tolerated, but fed. Mobilizing American agripower is the way to give all the countries which need America's feeds the opportunity to buy the tickets entitling them to sit at America's table.

Remarks of Benjamin A. Gilman

We thank our experts for appearing before us this morning. As leaders in the economic community you are more than superficially aware of the important and crucial role our Nation plays in worldwide economic contests. Our economic problems and those of the shrinking globe are of extreme importance. Accordingly, we welcome the opportunity of receiving your comments and suggestions.

Our interdependent world, which daily grows smaller as improved technology and rapid communications weave close-knit patterns from the problems and quandaries we face, requires cooperation and understanding among all nations of the world.

As a major industrial nation, we are assuming a larger role. Our economic policy has vast ramifications for other nations, which in turn have an enormous impact on our collective well-being.

We share many problems with our friends and enemies around the globe. The inflationary spiral is not privy to our Nation, but has manifest itself even more severely in many other parts of the world. The problems our Nation faces in seeking materials and minerals in short supply is critical to our economy and is felt even more harshly in many nations who are not as abundantly gifted as we are. The high costs of oil and petroleum products are burdensome to us but are even more of a problem to our neighbors in Europe and in the 3rd world. The problems of money, its worth and who has it, the problems of materials, their worth and who has them. The problems of oil, its worth and who has it are the most critical problems our world will confront in the years ahead, both economically and politically.

If our Nation is to continue to lead the world in productivity, in its standard of living and in distribution of wealth, we must also take the lead in finding viable remedies for our present economic malaise. What measures we take to control our own economic problems will have an impact on every facet of our international relationship, trade, aid, military assistance. Our future course will determine not only how we will be treated, but will influence the shape of the world's economy.

How we resolve these problems. How we can follow a course of cooperation rather than competition are central issues on which we will welcome your thoughts.

There are many challenges ahead. We will welcome learning what you envision America's role to be as we face these challenges and as we seek their resolution.

GEN. CREIGHTON ABRAMS

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. MURPHY of New York. Mr. Speaker, throughout his full career, Gen. Creighton Abrams has exemplified for all of us in civilian life—and especially those of us in the legislative branch—what a professional soldier should be. As a competent commander in three wars, he led aggressively and accomplished his missions, but with the fewest casualties possible. In peacetime and in staff positions, he was a competent, articulate, and diligent officer who did not seek the limelight personally but sought only to support his superiors and his subordinates in the best way possible to achieve the required results.

His leadership in the most divisive foreign war in American history—Vietnam—was the high point of his career. In this most emotional and controversial war, Creighton Abrams did his job without becoming enmeshed in or professionally damaged by the disagreements that split our Nation into two camps.

Having myself served as a soldier and officer in the U.S. Army for 12 years, I can only say Creighton Abrams was the sort of leader under whom I would have been proud to serve. I regret that my son, John Murphy, Jr., who will graduate from ROTC next summer, will never have the opportunity to serve under this sterling American.

It is with deep regret that my colleagues and I pay this final tribute to one of the great American soldiers, Gen. Creighton Abrams. Armored commander—soldier—statesman—and all around great American.

CLEARINGHOUSE ON ELECTION ADMINISTRATION

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. NIX. Mr. Speaker, I am sure that the campaign reform bill which is now being considered in conference committee will make major improvements in the way we finance and conduct Federal elections. However, I want to call attention to one provision of existing law which I hope will be continued—the Clearinghouse on Election Administration.

The Federal Election Campaign Act, which went into effect in 1972, directed the Comptroller General to serve as a clearinghouse for information on the administration of elections. the clearinghouse was set up in the Office of Federal Elections and has published a great deal of information that has proven to be very worthwhile to local election boards and to those interested in improving the machinery of elections. The Senate bill that is now in conference continues this valuable clearinghouse function and places it under the new supervisory board. I have written to the House conferees to urge them to accept this provision.

The Clearinghouse on Election Administration has published a number of important studies. In May they published the results of a comprehensive survey of all election boards in the Nation.

Regular publications include a monthly survey of State and Federal legislation and judicial decisions dealing with election law and a quarterly information bulletin. The clearinghouse now has in preparation studies of State campaign finance laws, voter registration systems, election machinery, computers and elections, absentee registration and voting, and training of election officials.

Mr. Speaker, I believe that the clearinghouse in its short period of existence has shown itself to be a valuable source of information for everyone concerned with improving the administration of elections, and I hope it will be continued in existence under the new legislation.

PHOG ALLEN—LEGENDARY SPORTS FIGURE

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. WINN. Mr. Speaker, on Monday of this week, this Nation lost one of its all-time sports greats, Forrest C. "Phog" Allen. Everyone who knew Dr. Allen, and that included thousands of people, knew that he was a man of great courage, a man who stood for the very best in sportsmanship.

I had the pleasure of knowing Phog personally, both as a student, and later as a friend. Along with many other students at the University of Kansas, I considered it a privilege and an honor to have had him as an instructor. In the classroom, he imparted the basic fundamentals not only of sports, but of life in general. And he was not afraid to stick by his principles, placing his athletes on probation when he felt they broke his training rules.

Phog was also a great storyteller, and for those who haven't had the opportunity, I would recommend a reading of "Phog Allen's Sports Stories," a book chronicling both the humor and the humanity of this man.

As the one-time winningest coach in basketball, Phog kept his interest in the sport long after he retired in 1956. In fact, up until the last few years, he rarely missed a KU game.

As a tribute to his outstanding contributions to the sport of basketball, Phog Allen was elected to the Naismith Hall of Fame in 1959. And as a tribute to his long tenure at the University of Kansas, the 17,000-seat Allen Field House is named in his honor.

Mr. Speaker, I am deeply saddened by the death of this great constituent of mine, and I could go on at length about the legend he has left behind. At this time, however, I will place in the RECORD for the benefit of my colleagues, an Associated Press article which I feel is a fitting tribute to his many outstanding accomplishments.

COACHING GREAT PHOG ALLEN DIES

LAWRENCE, KANS., September 16.—Forrest (Phog) Allen, who produced many outstanding players during 39 years as basketball coach at the University of Kansas, died today at his home in Lawrence. He was 88.

Dr. Allen's coaching career spanned 49 seasons, including seven at Central Missouri State, two at Baker University in Kansas and one at Haskell Institute.

He guided Kansas teams in 1908–09 and from 1920 through 1956. During those years, the Jayhawks won 591 games and lost 219. When he retired in 1956 he was the top winning coach in basketball history with 771 victories.

That record stood until 1968 when one of Dr. Allen's former pupils, Adolph Rupp of Kentucky, broke it.

Dr. Allen starred as a player at Kansas under Dr. James A. Naismith, who invented the game of basketball. When he first thought about coaching basketball as a career he consulted Dr. Naismith, who told him "You don't coach basketball, Forrest, you just play it."

Dr. Allen would have no part of Naismith's philosophy. He believed basketball should be coached, and proceeded to make history teaching the game to players.

Dr. Allen's Kansas teams won 24 Missouri Valley and Big Six and Big Seven Conference championships, before the league became the Big Eight. His 1952 team won the National Collegiate Athletic Association championship, and his 1940 and 1953 teams won NCAA Western championships before losing in the national finals.

He considered as one of his greatest accomplishments his getting basketball added to the Olympic Games. He crusaded during the late 1920s and early 1930s to persuade Olympic officials to include the sport which they did in 1936.

Some of Dr. Allen's foremost pupils include Clyde Lovelette, Dutch Lonborg, John Bunn, Ralph Miller and Frosty Cox.

Dr. Allen helped found the National Basketball Coaches Association and headed the organization in 1927–29. He was instrumental in starting the NCAA tournament in 1939.

He was named coach of the year in 1950 and was elected to the Naismith Hall of Fame in 1959.

The University of Kansas' Allen Field House, third largest on-campus playing arena in the nation, is named after Phog Allen. It seats about 17,000.

He continued his practice until late 1965 when arthritis in his knees made it painful for him to be on his feet for long periods of time.

FUNDS FOR PRESIDENT NIXON TRANSITION

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. LONG of Maryland. Mr. Speaker, the administration has made the astonishing request for $850,000 to pay for former President Nixon's so-called transition expenses and to establish a personal office for the former President.

Although some prudent sums may well be necessary to wind up Mr. Nixon's official business as a Federal officer, the amount sought by the administration goes far beyond these needs. Under the Presidential Transition Act of 1965, the Congress authorized funds for transition periods which would normally cover several months—between election and inauguration. A quick transition of power is not as expensive.

The administration's request for funds for Mr. Nixon is more than double the amount granted to President Johonson when he left office. Considering the circumstances under which Mr. Nixon left office, he should not be awarded benefits beyond those essential to the continued proper operation of the Government.

AN EFFORT TO ASSIST UNDERSTANDING

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. LANDGREBE. Mr. Speaker, I wish to submit to you and the Members of this Congress the following article which is, in my opinion, the finest discourse I have read regarding the pardoning of Richard M. Nixon:

AN EFFORT TO ASSIST UNDERSTANDING

(By E. Blanche Pritchett, Ph. D.)

On Sunday, September 8, 1974, Gerald R. Ford, the President of the United States, "took the bit between his teeth" and did what he *had* to do! There was no way that President Ford could have *not* done what he *had* to do! He went before the nation on television and he pronounced a pardon for former President Richard Nixon. He stated, *as clearly as he could,* the basis for and the conditions of that Presidential pardon. He was the *only person* who could have exercised that Presidential right! He was the only person who comprehends the circumstances that caused President Nixon to resign, even though you may have heard numbers of theories and opinions. President Ford knew what his liabilities were, and he knew that self-serving motives would have caused him not to do what he knew was the right thing to do! Yes, he knew! And he went forth, courageously, to bring some measure of balance to a situation that was badly tilted out of perspective. For his sheer courage alone, he is to be respected and honored. The future will guarantee that the wisdom of his judgment was superb and timely! Of that, I am absolutely certain!

Perhaps I am carried away with my own ability to understand; it is surely not conceit on my part when I *can* view the situation and evaluate the possibilities. I *can* offer a view of my own, which you may caption as "theory" but I will feel better for having said it publicly.

For over two years now, I have been aware of the possibility that important state secrets were in danger by persons in positions of trust in the Executive branch of our government. I seemed to know from the start that President Nixon *could* have done many things differently if it were not for his own built-in respect for national security. A President has to be aware of national security and has to guard and defend it if he is to live up to his oath of office. My view tells me that Richard Nixon withheld things to his own detriment, and ultimately to his own downfall. He did what he did because he believed it was what he *should do.* The extreme loyalty of his own subordinates shows a tremendous sense of loyalty and respect for confidences, and this example was set by the "Chief" himself! In being true to his own ideals, President Nixon withheld things that could have explained many things that would have caused members of the Congress to side with him. But . . . he didn't take the risk.

My view tells me that Dan Ellsberg, having once been a staff member of the National Security Council, had stolen "Top Secret" documents and disseminated them to the press, and that this one act alone by a person in a "security position" would have been enough to give any truly responsible Chief Executive nightmares! President Nixon had to make decisions. His decisions had to be made in strict accordance with his own concepts of the national interest. He had to find the leaks in the White House and he had to use any method that he could use.

That should be an indisputable statement! He had to do what he could, and, as Chief Executive, he could do almost anything. He chose to keep his investigations confined to as few people as possible, and only highly trusted and proven people at that! He believed within his heart that he could defend his people and handle any contingency that may have arisen. His mistake was in not realizing that any little thing would be blown all out of proportion due to the avowed Nixon-haters. In other words, he underestimated his enemy. That was a mistake, and it is a mistake to which he has referred several times. He has never claimed infallibility!

As to the pardon . . . President Ford had almost one full month to view things from the exclusive position of the Chief Executive, and then he knew! He knew that President Nixon was truly a pariah! He knew that President Nixon was defending this country's internal peace of mind by not talking about matters that he should not talk about. In seeing this whole thing so clearly, from the one place it could be viewed (the Presidency), Gerald R. Ford made the only just and righteous decision that could have been made. But, like President Nixon, he cannot tell all of the reasons for his decision either!

Any truly objective person can look at the facts of the whole situation that has been labeled "Watergate" and see that the efforts made by President Nixon had truly noble intents and purposes. Truly!

If President Ford had not pardoned Richard Nixon, there was a possibility of an indictment by the Special Prosecutor! *If* Mr. Nixon took the stand under oath, he would have to tell things that could panic the citizens of the U.S. President Ford was keen enough to see all of these potential liabilities, and he made sure such a thing could not happen. He made sure that President Nixon would never be liable for perjury for withholding state secrets, etc.!

Just imagine what damage an embittered President could do if he chose to, under the same circumstances in which Richard Nixon has found himself! Just imagine if his own top aides chose to talk!

Richard Nixon had the same authority to grant pardons as President Ford now has. He did not pardon his top aides even though he would dearly have loved to do so. He did not take unfair advantage of his position. He knew that if he did, his accusers would also use that against him.

Richard Nixon was in an impossible position: no matter what he did, it would not turn out right! He chose the way he has gone so that he could live with his own conscience, but for that he has taken on the hatred and distrust of millions of people! He had to consciously make the decision to take on the apparency of villain, when in truth he is one of this nation's greatest-ever national heroes!

Now, Richard Nixon is a man who is hurting, esthetically, emotionally, and physically! He is bearing his burden while he knows just how he could relieve himself of it, but that would mean that he would have to talk about untalkable things and his attitude is that he "would rather die first"!

Now, President Ford, perhaps the only man who knows the great sacrifice made by Richard Nixon, is also bound not to talk and is being pelted by the actual enemies of this land—enemies who exist under the cover of citizenship while trying to overthrow the government. This is the biggest of all national enigmas!

Where emotions rule, there is no charity in the hearts of the beasts who seek blood! There is only sadism and cruelty! And this is what is known as a "Christian Nation"!

Let your heart tell you the truth! Never mind the scandalmongers! Without your ears, they starve!

I have made a pledge to myself to speak of my own understanding, with a plea for others to look and understand as well. Won't you put yourself in the same position as these two topflight human beings of high caliber, and see the way it is?

SHE HELPED HERSELF AND WILL HELP OTHERS

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. ROYBAL. Mr. Speaker, esteemed colleagues, I would like to insert into the Record an article which appeared in the August 17, 1974, issue of Nation's Business. This article is the story of Mrs. Rosa Li Leong, a successful construction contractor in California and Nevada.

In 1948 a young Chinese woman arrived in Los Angeles. After earning a master's degree in education at the University of Southern California she married a young Chinese tax attorney. Following the early death of her husband, she entered the world of business and founded a profitable construction contracting business.

Mrs. Leong is now working with the Office of Minority Business Enterprise of the Department of Commerce and has established the Chinese Investment Co. of California located in downtown Los Angeles. This company will provide venture or expansion capital for small firms formed by socially or economically disadvantaged persons. In this way, Mrs. Leong hopes to benefit others with her vast experience and insight into business management.

This is a story of personal endeavor and the American system of free enterprise combined into a working team. I feel that it is a story worth sharing. The article follows:

She Helped Herself, and Will Help Others

When Rosa Li Leong left her native China in 1948 she didn't know a two-by-four from a crowbar. Today, she runs a successful construction company which operates in California and Nevada.

Not knowing if she could ever return home she determined to "learn everything there is to learn so I could be qualified to participate in the American free enterprise system."

She has learned well.

Mrs. Leong earned a master's degree in education at the University of Southern California, and in 1955 she and her husband, Walter Lincoln Leong, a tax attorney who had been one of her classmates, formed Southern California Industries, Inc., real estate investors and developers.

"We started with a duplex, living in one apartment and renting the other," she recalls. "And we began selling and buying larger properties. We were just getting started when my husband died in 1960, leaving me with two small children and a struggling business."

Not everyone took seriously her announcement that she wanted to be a construction contractor. But, she says, she had developed the philosophy that "nothing is impossible—it just depends on how many sacrifices you want to make to get it."

Mrs. Leong began by building branch post offices which she leased to Uncle Sam. Then came apartments and office buildings. But there were problems. She found that bonding companies were not anxious to write surety bonds for a female Chinese immigrant. Mrs. Leong persisted and broke through that barrier.

Now, she wants to help others. She has invested $300,000 of her own money in a federally licensed Minority Enterprise Small Business Investment Co., a source of venture or expansion capital for small firms comprised of socially or economically disadvantaged individuals.

Secretary of Commerce Fred Dent, who was on hand when she received her MESBIC license, noted that the new company was the first of its type to be developed within the Chinese community.

"Services of our MESBIC will be a little different from the others," Mrs. Leong says. "From the little waiter in the restaurant to some very important people—each is treated as a God-given person. I'm involved in the program because I like to contribute my share to help those who need help and deserve it."

BEATING AN ANTICIPATED PRICE FREEZE?

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. GAYDOS. Mr. Speaker, I have been hearing from home and I suspect others in Congress have, too, about a new explosion of price hikes in the food markets.

One housewife has told me that a package of crackers, which a week or so ago cost 59 cents, bore a 69-cent ticket on her latest shopping tour.

Not only this, but ice cream, she said, had gone from $1.29 a half gallon to $1.39, a small box of candy from 49 cents to 59 cents, and an additional array of items over a wide range had received the increase treatment of a dime or more.

This report, and others I have received, follow a pattern. The high cost of living continues unabated. But for some yet to be admitted reason, packaged food items in some stores have taken a quick price jump.

Why, I ask, has this occurred? Nothing within the space of time between a housewife's shopping excursions took place in the food business, at least to my knowledge, to justify a carton of crackers, for example, going up a dime—or around 20 percent.

Neither did the dairy industry experience any cost change in that much time to warrant a boost in the ice cream price. Nor have other parts of the food supply establishment undergone anything in a week or so to compel a hasty round of increases.

But there is an apparent answer, of course, a very ugly one, but one which the Ford administration should investigate. Our people, it appears, are being gouged by unscrupulous merchants who have found profit bonanzas in marking up their inventories under the cover of the general inflation condition.

Not all food retailers are doing this, I can assure you. There are many fine people in business, aware of their customers' plight and seeking through "specials" to give them a break. However, enough are gouging, as the new price increases show, to have a damaging effect on the budget of those who buy without scrutiny and also on the economy generally. I insist something needs to be done to expose the venality of this addition to our inflation problem.

It takes no business expert to see why the gouging is taking place. The Ford administration has targeted, and properly so, inflation as the Nation's No. 1 issue, and we in Congress have just voted the new President the Council on Wage and Price Stability which he asked as an instrument to monitor and bring to public attention unfair increases. Will its findings lead eventually to a second step—that of imposing rigid price controls?

The question is pertinent to retailers, and it seems to me that some in the food business have taken it as a cue to get their prices up right away to the highest level possible before a freeze is ordered. This is the only explanation, in my mind, for the reports I am receiving. It is the reason for the gouging. And I condemn the sudden increases as against the national interest and as profiteering of the worst kind.

I would like to see the housewives join at the shopping level in doing something about this, too. They can clip off the price tabs and use them as evidence to confront gouging merchants or store managers with demands for explanations. The wrath of housewives with their pocketbooks gouged could become a fury which even the biggest food chains might find hard to stand against.

AGENCY FOR CONSUMER ADVOCACY SHOULD BE REJECTED

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. ASHBROOK. Mr. Speaker, on September 19, the Senate is scheduled to vote again on whether to close off debate on S. 707, the Agency for Consumer Advocacy—ACA. I strongly urge the Senate to reject this proposal and let the bill die once and for all.

Passage of S. 707 would lead to more Government control of private business. It would create another new and costly Federal agency with sweeping powers over business and industry.

The ACA would have the authority to send interrogatories to businessmen on almost any subject. This information-gathering power could be used to conduct fishing expeditions into all aspects of a business. Even when no Federal agency proceedings are pending, the ACA could conduct its own inquiry. This is an extremely dangerous precedent.

Answering these Government interrogatories would also be expensive and time-consuming. Businessmen already have to worry about too much Government paperwork and Federal forms without this new burden. Congress should move to reduce the paperwork burden, not increase it.

In addition, business and industry would face the prospect of substantial economic injury. The proposed legislation allows the ACA access to almost any information given to another department or regulatory agency, as well as use the department's or regulatory agency's mandatory information-gathering powers. Financial information such as company's profits and profit margins could become public knowledge—information particularly useful to competitors. Trade secrets and special processes would also be accessible to the ACA and perhaps the public view. Private matters such as these should be protected, not exposed.

Ironically, although all businesses regardless of size are covered under this bill, labor union matters are exempted. The ACA cannot intervene in any agency or court proceeding that involves a labor dispute. Labor disputes and secondary boycotts, which doubtlessly effect the cost and availability of consumer goods, have been placed outside the authority of the ACA. This is a hypocritical double standard. There is no logical reason why the ACA should be involved in the internal workings of all businesses but wear blinders when labor unions are involved.

In addition, S. 707 would bring disruption and uncertainty to our Federal regulatory agencies. The ACA would have legal authority to intervene in departmental or regulatory agency proceedings. Even after a final decision has been rendered by such an agency, the ACA may appeal the decision to the courts. One more layer of Federal bureaucratic control would be placed over our free enterprise system. Businessmen and the entire Nation cannot afford the confusion, disruption, and delay which would result.

Mr. Speaker, the American businessman is already reeling under a barrage of Federal regulations. We do not need another governmental bureaucracy telling businessmen what to do.

TAX BREAKS FOR THE HANDICAPPED

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. WALSH. Mr. Speaker, in the United States today, there are more than 100,000 handicapped persons who are unemployed because they cannot afford the extra cost of special transportation to and from work.

If these people were employed, they would be earning almost $500 million a year; they would increase income tax revenues by about $40 million; and would slash welfare payments by almost $50 million.

I use these rather impressive statistics to support my call for legislation providing an income tax exemption for transportation costs for the severely handicapped. In its consideration of tax reform legislation, the House Ways and Means Committee is currently studying such a proposal. I have already urged that committee to include this tax break for the handicapped when it reports the tax reform bill to the floor of the House.

Most of us take transportation to and from work for granted. Nondisabled persons who are able to ride buses and subways normally spend $5 to $10 a week for transportation. Handicapped persons can spend as much as $80 per week for special taxicab service or a car with special hand controls. These extra expenses should be considered as ordinary and necessary expenses for the production of income for these handicapped persons.

Businessmen are allowed to deduct business-related transportation expenses and the special difficulties of the blind and aged are recognized in the form of tax breaks. However, the handicapped are not extended similar recognition and I think it is about time they were.

WALTER JONES—THE PASSING OF A PIONEER OF JOURNALISM

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. LEGGETT. Mr. Speaker, a great journalist, a great progressive, Walter Jones, is no longer with us. Walter, as editor of the Sacramento, Modesto, and Fresno Bee newspapers, fought vigorously for free and open government in Sacramento and in Washington, D.C. He displayed the courage which makes journalism a great profession.

Walter Jones was a pioneer in the independent journalism which has served the people of the Nation so well through the course of recent events. He took the position that a newspaper must be "independent of clique or faction," a motto which the Bee maintained, in word and in deed. Certainly, this approach to his work as a journalist made the Bee a great newspaper and was certainly a factor in the award of the Pulitzer Prize to the Bee newspapers of the California central valley. The Bee's Pulitzer Prize was for its investigation and publication of corruption in Nevada's courts. Walter Jones was managing editor of the Bee at that time and took an active part in working on the story. Jones' efforts, then, helped pioneer the type of reporting that I. F. Stone and, more recently, Woodward and Bernstein have carried on.

Walter Jones was not afraid to fight with special interests in order to insure that government served the interests of the people of California. California State and national elected officials unanimously admired Mr. Jones' forthrightness and independence as a journalist and confidant. His contribution to California's water program will be remembered for generations. He fought hard for irrigation and flood control projects. The tremendous productivity of California's central valley is an everlasting tribute to his leadership in this area.

Walter was a friend, but not a patronizing one, he was also one of my most articulate critics, which, of course, was his job.

The following eulogy from Walter's editors of the Sacramento Bee indicates the depth of feeling that Californians have for this departed journalist and the works in which his participation was instrumental:

WALTER PARKER JONES—1884–1974

Walter P. Jones Sr. was a strong man who *believed men* and institutions should never look back, that they always should look forward. But before we look ahead, again, let us mourn his passing, man and editor, if only briefly.

Perhaps the most appropriate tribute to the memory of this good man is to recall that he took the position of editor of a newspaper committed to "independence of clique or faction," as The Bee's salutatory editorial put it in its founding year, 1857, that Jones passes on that editorship—still free from influence and still independent.

In all, Walter Jones gave to The Bee 55 years of his life, 36 of them as editor. His was a leadership firm in resolve, decisive in execution, unyielding in dedications. His position among courageous editors is secure for all time.

Walter Jones came to the editorship of The Bees in 1936 at the death of C. K. McClatchy who represented the second generation of a family direction of The Bees begun in 1857 by James McClatchy. Thus, Jones was but the third editor in a tradition which has survived 117 years, giving to this publication a rare continuity in American journalism.

He came to his assignment with 17 years of close association with C. K.: As political editor, as a managing editor, as editorial director of the McClatchey newspapers the last years of C. K.'s life.

He would be embarrassed by tribute. Suffice it to recall, then, but a few of the projects to which he dedicated this newspaper.

The promotion of flood control and irrigation; the extension of the Central Valleys Project; progressive statutes bearing on the general welfare—"people legislation," as he would put it—the preservation of the State Fair and Cal Expo and the State Capitol, in Sacramento, and unfailing support for the military establishments in the Greater Sacramento Community and in the circulation territories of the three Bees.

Also: Perpetuation of the Sacramento Municipal Utility District and defense of the concept of public ownership of the basic utilities; encouragement of redevelopment in the old slums; preservation of the Old City Quarter and, more recently, the establishment of the Sacramento-Earl Warren Community Center.

In all that he undertook, Walter Jones never lost sight of The Bee reader in the scheme of things. He was firm in his resolve that The Bees should remain "tribunes of the people," a phrase he often quoted from C. K. McClatchy.

He loved this city.

He loved its people.

He loved this newspaper.

But it was the love of an advocate who constantly urged upon all who would listen commitment to the better life and a faithful respect for the old principles of decency and honestly in the conduct of affairs.

The best testament to Walter Parker Jones, perhaps, is in The Bee readership and in the laws of the city and the state upon which he had immeasurable influence, through The Bees. In his exposes of abuse in government—one such expose under Walter Jones' direction was to bring to The Sacramento Bee the Pulitzer Prize—he thought government ought to be kept "answerable" to the people; he thought the Constitution meant what it said when it spoke for freedom of speech; and in all its dealings with the people he demanded that government be the servant, never the master, of the people.

This good and gentle man is gone.

He was greatly valued, in life. In death, if men truly are judged by the good work they leave behind, and his was a full printer's measure, his memory will endure so long as The Bee masthead endures.

THE BETHLEHEM FOUNDATION

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. REES. Mr. Speaker, in these difficult times in the troubled lands of the Middle East, there is a bright light shining forth. It shines as surely as did the star in the heavens that led the Three Wise Men to the birthplace of Jesus.

And once again it is in the holy land, in the little town of Bethlehem, that a long neglected holy site will come to its full potential because of the indomitable will of one man—the mayor of Bethlehem—the Honorable Elias M. Freij—and the staunch support of its citizenry, first among them members of the municipal Council of Bethlehem: The Honorable Hanna J. Nasser, vice mayor; the Honorable Abraham Abu Hamud; the Honorable Ayoub Musallan; the Honorable Farid Azizeh; the Honorable Afif Batarseh; the Honorable George Samur; the Honorable Nasri Canavati; the Honorable George Aburdineh.

What these people are doing deserves the respect and commendation not only of every Member of Congress but of all thinking people throughout the world. Though beset by political turmoil around them, the people of Bethlehem have taken a hard look at their town, the birthplace of Jesus. They know the immense emotional sense of identification the very name Bethlehem evokes in millions of people, and they are determined to beautify their community to give it dignity commensurate with the sacred site it sanctifies. Centuries of neglect have defiled the holy atmosphere of the community. Commercialism has produced a spiritual erosion through the years which, under Mayor Freij, will be rectified through an energetic beautification program—beginning with Manger Square at the entrance to the Church of the Nativity, the birthplace of the Prince of Peace.

The mayor and the people of Bethlehem recognize that what they are doing is not only for themselves but is for the benefit of the Christians of the world. They have indeed invited world participation in the rejuvenation of the environs of the holy site.

American citizens of good will have leaped into the forefront of this spiritually enriching program, and I invite you to join me in commending them. They have established the Bethlehem Foundation, whose officers are: Zubin Mehta, conductor of the Los Angeles Philharmonic Orchestra, chairman of the board of directors; James Mulvaney, attorney-at-law, president; Jack R. Hearne of Handy Dan Home Improvement Centers, Inc., secretary-treasurer; and Hal B. Phillips, executive director.

The mayors of many cities in the United States have endorsed the program, as have many of our distinguished citizens. Forerunners among those who are members of the Bethlehem Foundation's honorary board of governors are: Mayor Tom Bradley of Los Angeles; Mayor William D. Schaefer of Baltimore; Gov. Thomas L. Judge, of Montana; Gov. Bruce King, of New Mexico; Gov. John C. West, of South Carolina; Senator MARK O. HATFIELD, of Oregon; Congresswoman PATRICIA SCHROEDER, of Colorado; Congressman JOHN J. FLYNT, JR., of Georgia; Congressman BOB SIKES, of Florida; Congressman HENRY HELSTOSKI, of New Jersey; Congressman T. J. DULSKI, of New York; Congressman ANGELO D. RONCALLO, of New York, Congressman HENRY P. SMITH III, of New York; Congressman JOHN H. DENT, of Pennsylvania; Congressman ROBERT O. TIERNAN, of Rhode Island; Congressman CLEMENT J. ZABLOCKI, of Wisconsin.

I, too, am pleased to list myself among the honorary board of governors of the Bethlehem Foundation.—And I would like to give special recognition to Mr. Steven Martin, a prominent member of the labor movement, who has given much impetus to the foundation.

To the highly motivated individuals named here, for their devotion to the little town of Bethlehem and for the implications of the spiritual revival it can bring forth, I extend my personal thanks and urge my colleagues to join me in commending them for their splendid, humanitarian work.

TRIBUTE TO BOB BECK

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. ANDERSON of California. Mr. Speaker, on Friday, September 20, the San Pedro, Calif., Chamber of Community Development and Commerce is hosting a farewell luncheon for Bob Beck, the editor-manager of the San Pedro News-Pilot, who was recently appointed managing editor of the Beacon-News in Aurora, Ill.

As one who knows Bob, not only as a top-notch newspaperman, but also as a friend and community leader, I think I speak for the entire San Pedro area when I say that he will be missed. His logical and accurate manner of reporting the news, and the persuasive and articulate style of his editorials have won friends and admirers from all who have read the News-Pilot.

But, in addition to his expertise and ability as a newsman, Bob has been an active participant in community affairs. He is secretary of the San Pedro Boys' Club board of directors; vice president of the Portola Keystone Foundation Inc.; and serves on the boards of the San Pedro-Peninsula Hospital, Harbor Division Youth Foundation, and the San Pedro Chamber of Community Development and Commerce.

Bob Beck is also a member of the San Pedro Rotary Club, the American Legion, Veterans of Foreign Wars, San Pedro Elks, Harbor Division Community Advisory Council, Wilmington Chamber of Commerce, Exhausted Roosters, 15th District Community Advisory Council, Sigma Delta Chi, and several newspaper associations.

Bob joined the Navy at the onset of the Korean war, attended four naval electronics schools and served in both Korea and Japan. After he completed his 4-year enlistment, he attended college full-time, while holding a full-time night job, and received an associate of arts degree with honors.

Bob and his wife, Billie, then moved to San Diego where he received his bachelors degree in journalism with "high honors and distinction in the field" from San Diego State University. Bob received an honor key from the Associated Students and was chosen "Outstanding Male Graduate in Journalism" by Sigma Delta Chi.

Bob Beck first joined the Copley organization in June of 1958 as a member of the Copley Editorial Careers Program in San Diego. Following a short assignment to the San Diego Tribune, he was transferred to the News-Pilot as a reporter.

Bob is completing his 16th year of service with Copley Newspapers. He joined the News-Pilot in 1959 and was named managing editor in 1965 and editor-manager in 1973.

He will be joining former News-Pilot publisher W. Walton Crouch, who was recently named general manager of the Beacon-News.

Bob and Billie have two sons, David and Mark, and reside in San Pedro, where the entire family has been active in community functions.

The Beacon-News is one of the oldest daily newspapers in the Nation and the founding paper of Copley Newspapers' chain of 10 dailies. Aurora is a community of 75,000 located approximately 60 miles from the center of Chicago.

In going back to Illinois, he will be going "back home." He grew up in Centralia, Ill., approximately 200 miles from Aurora. It was in Centralia that he was first introduced to the fourth estate as a carrier boy and writer for the high school newspaper.

San Pedro will surely miss Bob Beck and his outstanding journalistic abilities. We wish him the best of luck in his new position.

JONES LAUDS GREAT RIVER RAFT RACE II

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. JONES of Oklahoma. Mr. Speaker, this last weekend saw an overflow crowd of 50,000 Tulsa area residents turn out to watch the Great Raft Race II on the Arkansas River. The race, sponsored by Tulsa Radio Station KRMG, was initiated last year to promote interest in the future recreational development of the Arkansas River in our community, and at the same time, to offer Tulsa area families an opportunity for an afternoon of sun and relaxation along the riverbanks.

Promotion and planning of the race was handled by the dedicated staff of KRMG, and countless hours of work on their part made the day an enjoyable outing for thousands of families.

The race this year got underway at the low water dam park at Lake Keystone just west of Sand Springs, Okla., and concluded at the 29th Street railroad bridge in Tulsa. There were 481 entries in the four categories set up for the race, and by the end of the afternoon, nearly all had passed under the finish line.

I believe the fine staff of KRMG are to be commended on the outstanding job they did this year in focusing public attention on the many recreational benefits of the river, and for the community spirit the staff exemplified in providing an afternoon of fun and excitement for thousands of Tulsa area families. It would be impossible, of course, to list all who contributed to the day's success, but I would like to call attention to the following employees of KRMG who spent long hours in the successful planning of the Race:

Ron Blue, Executive Vice-President and General Manager; Vic Bastien, Len Bazay, and Charles Thompson, Account Executives; Dan Bell, Sales Manager; Jerry Vaughn, Program Director; Ed Brocksmith, News Director; Jim Back, Jim Bunn, Don Cummins, Bob Losure, and Joe Shurtz, Newsmen; Watson Jelks and Dick Ford, Announcers; Rita Thomlinson, Traffic Manager; Len Ballard and Wes Bell, Engineers; Dick Andert, Music Director; Liz Dunman, Pearl Anderson, Gary Chew and Lydia Mathre. From KWEN-FM, Ed Montray, General Manager, and Bill Johnston, Salesman. And Swanco personnel especially involved were Gery Swanson, President; Helen Westcott, Auditor; Dale McPherson, Bookkeeper; and Al Wiggs, Business Manager. Also special thanks to Tulsa Police Chief Jack Purdie, to Col. John Driskill of the Corps of Engineers, and Kirk Hoover of Hoover Sound.

PUBLIC SERVICE EMPLOYMENT—AN IDEA WHOSE TIME HAS COME

HON. RICHARD F. VANDER VEEN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. VANDER VEEN. Mr. Speaker, on July 29 I introduced H.R. 16150 and H.R. 16151. This legislation to create 900,000 public service jobs throughout the Nation, was cosponsored by over 40 of my House colleagues.

Unemployment has risen from 5.2 percent in June, to 5.3 percent in July, to 5.4 percent in August. Projections indicate that it will reach 6 percent and above, and persist at these high levels for some time.

Since introduction of the bill, the idea of a significant program to create public service jobs as the Nation continues the fight against inflation has won the support of the Chairman of the Federal Reserve, Dr. Arthur Burns, the Governor of my own State of Michigan, and the President of the United States. The chairman of the Select Subcommittee on Labor of the House, Education, and Labor Committee has introduced an emergency public service employment bill and has scheduled hearings in October to receive testimony on various legislative proposals.

Mr. Speaker, we must certainly continue the fight against inflation. But we must also continue the fight against unemployment. One of the ways to fight inflation is to increase productivity. Productivity is not increased by severe and chronic unemployment involving 5, 6, or even 7 million American workers. Public service employment is the best way to reduce unemployment without fueling the fires of inflation.

The August 24 Chicago Tribune contained a news story discussing the issue of public service jobs and outlining the provisions of the Vander Veen proposal. I include the text of the story in the RECORD at this point:

THE $4 BILLION PROGRAM EYED TO ABSORB IDLE

(By Jack Sirica)

WASHINGTON, August 23.—The White House is seriously considering a plan to provide $4 billion to underwrite 800,000 public service jobs if unemployment hits the emergency "trigger mark" of 6 per cent.

The jobless level is 5.3 per cent now, and most economists predict that it will hit 6 per cent by the end of the year.

The plan is not now. It had only on-again off-again backing by the Nixon administration, altho it was supported publicly by such top economic advisors as Treasury Secretary William Simon and Federal Reserve Board Chairman Arthur Burns.

With Nixon gone, the proposal has been given new life by the increasing worries of Simon and Burns over rising unemployment at a time when soaring inflation has already eroded purchasing power.

This stepped-up interest in the administration has also prodded Congress into dusting off its own public service employment legislation.

A bill now before a Senate labor subcommittee sponsored by Sen. Jacob Javits (R., N.Y.) would authorize the release of $4 billion in federal funds for more than 500,000 public service jobs if the unemployment rate rose above the 6 per cent mark.

In the House, Rep. Richard F. VanderVeen (D., Mich) is backing similar legislation that would provide a comparable amount to hire 900,000 badly needed parks workers, policemen, and hospital workers, altho at lower salaries.

The program, if enacted, would be a greatly expanded version of the 1971 Emergency Employment Act.

"The mechanism for implementation is already there," says Herb Jasper, general counsel for the Senate Labor Committee.

Originally, President Nixon has objected to the EEA, saying that the program would merely thrust people into transitional employment, leaving them no opportunity to find permanent jobs—but he signed it eventually.

Under the public employment legislation now before Congress, jobs would be only temporary, and the outpouring of money would be halted when the jobless rate fell below the trigger mark.

Program planners assert that workers on the public service payrolls would be reabsorbed into the bolstered public and private job sectors when the unemployment rate improved.

However, Herbert Hill, National Labor Director for the NAACP, says this assumption "is a fallacy in the proposal."

An evaluation of the EEA by George Washington University's Center for Manpower Policy Studies showed that only 21 per cent of 180,000 who had completed the program had moved to permanent jobs in the public sector and only 11 per cent had found *work in the* private sector.

A SALUTE TO THE BEN DAVIS HIGH SCHOOL BAND OF INDIANAPOLIS

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. BRAY. Mr. Speaker, the origin of the name of the community of Ben Davis, which grew up along the Vandalia Railroad 6 miles west of Indianapolis, Ind., in the 1870's, has always been somewhat uncertain. Some say it stemmed from a group of men who met and decided to petition the Vandalia Railroad for a stop there. The superintendent of the railroad was Benjamin Davis, who obligingly suggested that a loading platform be built adjoining the tracks and in the center of the community. When the work was completed, a name was needed for the Vandalia timetable, and somebody suggested it be named after the generous superintendent.

Perhaps no Indiana community has undergone greater changes than Ben Davis. And perhaps the most outstanding feature of the Ben Davis development has been in the school system. And most certainly one of the most prodigious offspring of this school system has been the Ben Davis High School Band.

The 1973–74 Ben Davis High School Band, under the capable direction of Mr. Raymond S. Cox, has 327 members. In July and August of this year, 110 of these talented youngsters traveled throughout Europe, where they participated in the World Music Festival. At this event in Kerkrade, Holland, they played both their concert and marching expertise. Their travels took them not only to Kerkrade and Amsterdam, but also to Aachen, Rudesheim, Heidelberg, Schaffhausen, Weisbaden, Lucerne, Innsbruck, Venice, Florence, Pisa, Rome, Nice, Monaco, and Paris.

Here in our country, too, the Ben Davis Band has compiled an enviable record of accomplishments. In Indiana, it is respected by every band director as one of the State's finest, and with very good reason. The list of outstanding achievements earned over the past 14 years by this distinguished group is an impressive one.

Four times in 14 years they have placed first at the Riverview Tournament of Bands in Chicago. They were Indiana State Fair champion four times, with two fourth places, one third, and three seconds in 14 years. They were Indiana's representative at J. F. Kennedy's Inaugural Parade in Washington, D.C., in 1961. In 1964, they won first place at the Festival of States in St. Petersburg, Fla. They have played as an honor band at the Tulip Festival in Holland, Mich., the 500 Festival Parade in Indianapolis in 1965, and at Butler, Ind., and Indiana State universities at football games. They were the feature band at the Waterloo, Ontario, Parade and Music Festival in 1965. They represented the United States at Expo '67 in Montreal, Canada. They were contestants and winners at the 1970 World Music Festival at Kerkrade, Holland. They have been frequent and popular participants in parades, including the King Orange Parade at Miami, Fla.; Kentucky Derby Parade in Louisville, Ky.; Tournament of Roses Parade in Pasadena, Calif.; Orange Bowl Parade in Miami, Fla.; Sugar Bowl Parade in New Orleans, La.; and have performed annually in Indianapolis at the 500 Festival Parade and Race activities. They have placed several times in the National Disneyland Holiday Contest, and have been given the highest ratings in many others.

This list does not begin to skim the surface of the endless distinctions credited to this group since band and instrumental music became a part of the Ben Davis school program in 1937.

During the school year, the band students are divided into five concert bands—the Symphonic, Concert, two Varsity Bands, and a Varsity Sophomore Band. Directors of these groups include Mr. Cox, who is also department chairman, Mr. Ronald F. Elmore, and Mr. Bruce R. Smith. The members of all five bands join together to form the "Marching Giants," one of the Nation's largest and most traveled high school bands—and most definitely one which all Hoosiers regard with pride.

INTERPOL—OPIUM TRAFFIC VIRTUALLY ENDED BY SUCCESS OF TURKISH OPIUM BAN

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. WOLFF. Mr. Speaker, this report just taken from the newsticker confirms the serious nature of illegal Turkish opium trade in the world community and its relationship to crime.

The report follows:

CANNES, FRANCE.—Turkey's 1971 ban on opium poppy cultivation led to spectacular "upheavals" in illicit drug traffic throughout the world, according to a report submitted to the annual assembly of the International Police Organization opening here today.

The report by Interpol Secretary-General Jean Nepotte described the Turkish ban, which ended several weeks ago, as "the most important single event affecting the illicit traffic in opium and its derivatives."

It said the ban led to a worldwide heroin shortage and to "dramatic price increases," particularly in the United States.

The report covered the year 1973, the first year in which the effects of the ban were felt throughout the international illicit drug trade.

"The lack of availability of Turkish opium, coupled with reinforced law enforcement activity in particular in France and the United States, seriously disrupted the traditional trafficking from Turkey through clandestine laboratories in Southern France and onward by a variety of routes to North America," the report said.

"The laboratories found themselves without the necessary provisions to produce heroin and at the same time the arrest of some very important traffickers virtually brought an end to what had been until 1973 one of the most important trafficking activities in heroin in the world."

The report did not refer to the Turkish government's recent decision to lift the ban, but the implication was that the renewed cultivation of opium in Turkey could bring large new supplies of illegal morphine and heroin on the European and North American markets.

PROFESSOR GRAMM SPEAKS TO TEXAS SOCIETY OF ASSOCIATION EXECUTIVES

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. TEAGUE. Mr. Speaker, on June 8, 1974, Dr. Philip W. Gramm of Texas A. & M. University addressed the annual meeting of the Texas Society of Association Executives in San Antonio. Dr. Gramm is a professor of economics and has some very good ideas about the energy crisis, the economy, and all the aspects of each.

I strongly urge each and every Member of Congress to read his remarks. They are bold, humorous, cutting, and true.

Dr. Gramm's speech follows:

REMARKS OF W. PHILIP GRAMM, PH. D.

Thank you very much, Mr. Zachry. I must say after that introduction that if I were a lawyer and not an economist, I would simply rest my case right now and sit down.

I guess the ultimate gauge of the greatness of a university is the quality of its graduates, and it is upon men like H. B. Zachry that we rest our claim at A&M to being the greatest university in the world.

I have an agreement with our university and with our President, Jack Williams, that when I go anywhere to speak on any topic I preface my remarks by saying something good about A&M. Now as you all know, A&M played important roles in putting a man on the moon, and A&M developed the seedless cucumber and the tough skinned tomato. But what you probably do not know is that A&M came very close to solving the energy crisis for a millenium. I played a small part in that research and would like to review it with you, because it is something that has not received much news coverage and you have probably not heard about it. I think the research methodology was novel, and it reflects the way people at Texas A&M think. Now our objective was to try to find a resource that was so bountiful in supply as to be virtually valueless and try to convert it into a usable energy source, rather than try to employ resources which were already scarce, such as tar, sands and shale. On one of my many trips to Washington lately, I discovered such a resource and worked in conjunction with the Chemical Engineering Department for four months on developing a distillation process to extract energy from bureaucrats. I wish to say in all fairness to the Chemical Engineering Department that they succeeded in their facets of the project, and I failed in mine. They did indeed develop a process that would extract energy from bureaucrats, but it turned out to be an economic failure because in the distillation process, a tremendous amount of pollution was given off. In fact, our experiments showed that if one selects a bureaucrat at random, he will yield 2% energy and 98% vile pollutants.

I know that everybody is pretty tired of talking about the energy crisis, and we're glad that at least initially it's over. But I think it is very important that we review this crisis because it is not a study of the failure of industry or free enterprise; it is a classic study of the failure of government. That is why I chose to speak on this topic—not because the crisis seemed so relevant today, but because the lesson is still so fresh in our minds.

No matter what you read in the paper or hear on the news, there is a critical shortage in this country and it is a shortage of crisis proportions. But it is not a shortage of fossil fuel or the capacity to produce it. It is instead a shortage within our government of good old American common sense. While we have had a roughly 10% shortage of fossil fuel in this country for the last six months, there is no evidence whatsoever to substantiate the fact we are faced with a real energy crisis or that we stand at the end of the petroleum era.

Now while it's not very popular in politics, it is the basic method of economics to look at history. Because we in economics can't go out and experiment, we're forced to use history as our laboratory. Now, if one goes back in history and tries to find a real resource crisis, there is a classic pattern found when resources are becoming increasingly scarce, and that classic pattern is a prolonged rise in the price of the resource being depleted. In fact, the only real energy crisis in American history is the whale oil crisis. The whale oil crisis was produced because demand from about 1820 to 1860 grew far more rapidly than supplies could increase and, as a result, prices within a 40 year period rose about 400%. It was indeed a great crisis, and it was solved by the American free enterprise system and by the ingenuity of man.

If one attempts to draw any parallel between our current crisis and the whale oil crisis or any other resource crisis in history, a startling contrast appears. For example, if you take the prices of all sources of energy, weigh those prices by the level of usage of the American people to develop an energy price index and deflate that index by the wholesale price index to eliminate the impact of inflation, you find that instead of rising secularly, energy prices in the post war period in America have been falling and falling rapidly. For example, from 1950 to 1955 the real price of energy in terms of constant purchasing of power dollars fell by 3.1%, and from 1955 to 1960 real energy prices fell by 3.7%. From 1960 to 1965 real energy prices fell by 6.5%; from 1965 to 1970, 8.1%; and from 1970 to June 1973 on a five year basis, real energy prices fell by 9.4%. The price of extracting a barrel of crude petroleum from the ground in the United States, excluding bonuses, royalties, taxes and rents, was about 80¢ in 1930. In 1972 the extraction costs alone were roughly $1.51 on the continental shelf and $1.58 on land. Yet in this same 40 odd years, the wholesale price index has tripled, so that in terms of 1930 purchasing power dollars, it costs today 50¢ as compared to the 80¢ in 1930 to extract a barrel of petroleum from the ground.

Not only do falling real energy prices belie the notion of an energy crisis, but if one looks at our basic reserve of energy resources, it is impressive. We have for various reasons, most of which are related to government restrictions, drilled only 2% of the continental shelf which geologists tell us could be one of the richest finds in history. We have in naval reserves in Alaska and California alone as many proven reserves as currently exist in the continental United States. We have in operating and shut-in wells 285 billion barrels of oil, most of which is recoverable at current technology given some economic price. We have in shale reserves the potential to produce a trillion barrels of oil or a 100-year supply at the current growth rates. We have had the capacity to gasify coal since 1840 when the process was developed in Europe as a substitute for whale oil. We have natural gas reserves which at free market price could provide a 50-year supply. We have invested billions of dollars in nuclear energy in government programs in the post war period and only now is nuclear energy becoming an economically viable resource. We have virtually untouched the boundless supplies of solar energy and thermal energy.

I think a review of our basic resource inventories and the post war price patterns of energy reveals that there is no energy crisis in America, and there has not been one in a century. We have had a 7 to 12 year stock proven reserves for 100 years, and we have never run out. In 1866 when kerosene broke the whale oil market, the U.S. Revenue Commission sought to get the federal government to invest in a program to develop synthetic fuels to substitute for crude oil as an energy source when our petroleum supply played out in the 1890's. In 1891 the U.S. Geological Survey assured the American people that there was little or no oil in Texas. In 1914 the Bureau of the Mines estimated that we would produce 6 billion barrels of crude petroleum in the remaining history of the United States. Today we produce that much every 20 months. We are told today from Washington, from our Congress and from those mental giants who make policy that we are in trouble again and that we are running out of energy.

Now it's important to comment today about the doomsday syndrome. It is no new thing to predict doom, but because of the use of the computer it passes today for a scientific process. Indeed, many people who otherwise have good sense take these prophecies seriously.

I date the doomsday syndrome back to the time of the ancient Greek scientists and philosophers. From the time of the ancient Greeks until this century, man basically viewed the world as possessing a given stockpile of resources. Now given a fixed stockpile of resources, man's basic role in nature was a role of adaptation. When he was successful in adapting, he had prosperity and plenty; and when he was unsuccessful, he faced hardship and starvation. Within all disciplines, but especially in economics, this fixed resource base concept generated dire predictions for man. For example, Malthus predicted that as population grew we would reach a level of subsistence and we would have massive starvation and an iron law of wages. Of course Malthus could not forsee that agricultural technology would develop at such a rate that one day foolish governments would pay people not to grow food.

All doomsday predictions have three things in common: they assume fixed resources, they assume fixed technology and, most importantly, they have all proven to be wrong. They have proven to be wrong because what history has proven millions of times, modern science has finally recognized and that is, resources are not fixed. They are instead a function of science and technology. We need only remember that for the man who ran naked in the forest, the only mineral resource was a sharp stone; and yet by using resources which to that man were valueless, we were able to walk on the moon. Now what this proves to me is that the only constraint that really binds man is the constraint on his imagination and freedom of action.

Now, if there is no energy crisis in America and we're not running out of fuel or the capacity to produce it, why did we have a fuel shortage for six months? I think the answer is to be found not in economic constraints but in political constraints.

The obvious constraint which triggered our shortage is the Arab oil embargo. The government assumed when the embargo was announced that the Arabs would be able to cut us off totally and that we would have a 20% fall in supply at current prices. To cut us off totally would have required a capacity to police the world and in May 1973 the Arabs could not even police the Sinai Desert. So we got roughly 50% of their pre-embargo supply. Nevertheless, they were able to produce roughly a 10% shortage.

The second and more important constraint which produced our foreign dependency in the first place was a disruption by the federal government of the incentive system in the oil and gas industry in America in the post war period.

Let us look at the natural gas industry, because it is a classic study of the failure of government regulation. As late as the 1930's natural gas was a waste product. Demand was not sufficient for it to finance the development of a distribution system and when it was found, it was often released into the atmosphere. But in the post war period with growing demand and with growing concern about clean air, there was an increase in the demand for natural gas and it became a glamour fuel. It had two desirable qualities: it was clean burning and it was cheap.

We saw the development of what could have become a nationwide distribution system. We saw natural gas expanding and providing cheap fuel for the growth of America. But in 1954 all of that changed. It changed because the Supreme Court ruled that the Federal Power Commission could regulate natural gas prices, and after many attempts to regulate field by field, in 1961 the Federal Power Commission imposed a price ceiling at the well head on interstate sales. Now the Federal Power Commission took a great deal of pride in the fact that at the new low ceiling price, natural gas production did not fall off. This was somehow an indication, as economists have interpreted it, that the F.P.C. had simply been able to extract monopoly profits that natural gas producers had been getting. But, in fact, what happened was that at this low price, it was still profitable to produce from existing wells, but it was no longer profitable to go out and find more natural gas. So from 1961 to 1970, we saw a fall-off in exploration, in drilling and in investment. As America grew and as energy demands grew, the supply of natural gas could not keep pace and the American consumer was forced to buy a more expensive and a dirtier fuel to substitute for natural gas. That fuel was basically heavy oil.

Now an interesting thing to note about heavy oil is that we import a lot of it. In fact, in 1972 89% of all our importation of finished petroleum products was of heavy oil and 46% of all petroleum imported, including crude, was of heavy oil. In terms of B.T.U. yield, heavy oil sells at what economists estimate to be roughly twice what natural gas would sell for in the free market, so that the government, by regulating the price of natural gas at the well head, has produced several undesirable effects: 1) it has stifled the development of a cheap and clean burning domestic resource; 2) it has produced a higher price to the consumer because he has been forced to rely on a more expensive substitute; and 3) it has produced foreign dependence because we have been forced to make up for the failure of natural gas supplies to grow by importing petroleum products as substitutes. In a very real sense, our foreign dependence has not been produced by the failure of American ingenuity to produce oil and gas but by government interference, for which we have all paid in higher prices, higher taxes and shortage.

Basically, the same picture can be found in the oil industry. I think in order to understand it one has to look at the situation which existed in America in 1969. In 1969 we were incurring the most prolonged period of rapid price inflation in American history since the Civil War. Unfortunately, that inflation is still with us and has become the most prolonged inflation in our history.

Now we in economics don't know as much as we claim, but we do know something about inflation. Indeed, we have data on prices and money stocks that date back to the 15th century when gold was discovered in America, was taken to Spain and permeated all the markets of Europe. Since that time, there has *never* in recorded history been a prolonged period of inflation that was not preceded by and directly related to a growth in the money stock.

In our economy, growth in the money stock occurs when government spends more than it taxes and prints money to make up the difference. From 1965 to 1968, the government was running between a 15 and 25 billion dollar deficit because it was maintaining unprecedented peace time expenditures and fighting a war in Southeast Asia. These huge deficits and the money that was printed by the Federal Reserve Bank to finance them produced inflation.

All five major inflations in American history have been caused by deficit spending, despite the claims from Washington that inflation is caused by greed, by business collusion or by labor unions. Indeed, all of these theories have no factual basis, and they are simply a method by which government attempts to get people to blame their neighbor for problems that government has produced. In 1969, rather than face the issue and raise taxes or cut government spending, the government sought a scapegoat. The scapegoat was what was called jawbone price controls.

While we know a lot about inflation in economics, we know quite a bit more about price control. Indeed, our earliest recorded history of price controls was in the 5th Dynasty in ancient Egypt. We have an excellent record of price controls under Pericles in ancient Anthens and under Dioclesian in Rome. From Pericles in ancient Athens to Phase IV of the Nixon wage and price controls, they have all had one thing in common—and that is that none of them have every worked. They did not work in 1969 on a voluntary basis or in 1971 on a mandatory basis. But an important thing about these controls was that since petroleum was used in the production and distribution of most goods, the petroleum industry was singled out and the government effectively froze the price of petroleum products in 1969 by jawbone controls, which were made mandatory in 1971. We saw from 1969 to 1972 a drastic decline in the rate of return on stockholders equity in the petroleum industry. We saw a decline in domestic investment, so that today we have only one half as many drilling rigs as we had 20 years ago in the United States. And 20 years ago we were using roughly 40% as much petroleum as we are using today.

About six months ago, Senator Jackson was talking about collusion in the oil industry, about a failure of free enterprise. But he has never produced one fact proving collusion—not one speck of evidence. Now, really, there is a tremendous incentive to provide that evidence. A newspaperman could become famous and rich if he could dig it up. A politician could vault himself onto the national scene with that evidence, but the evidence has not come forward. This indicates to me there is no evidence. Indeed, this was strictly a case of people within the government trying to find scapegoats for their own failures. As facts have come to replace the political rhetoric of demagogues, it has become increasingly clear to anyone who has a brain and is willing to look at facts that our energy problems have not been caused by business collusion or a failure of the market system; they have been caused principally by government stupidity.

I think our current energy shortage proves to me something I have discovered in every area of economics that I have ever worked in my life. That is that if history teaches us but one lesson, that lesson is that government does not solve problems—government creates problems. And what are government's solutions to our energy problems? I think again that it is very beneficial if we now look back and see what our Congress would have done to solve our problems.

I had the great pleasure of working with my Congressman, Olin Teague, in Washington in January. He asked me to come up and to study the Energy Emergency Act with him. For two weeks I studied that bill and read every piece of testimony that was presented in the Congress and all the discussion of people within the Senate and House. I quickly came to the conclusion that the objective of the Energy Emergency Act and the whole approach of government was not to solve the problem but to perpetuate it, not to eliminate the shortage but to assure that every American got his nose rubbed into it, to be sure that the suffering was equally distributed, instead of following our historic approach of not worrying about spreading the misery and getting on with the solution. It is very interesting that that bill spent twice as much space in spending millions of dollars to develop a car pool promotion administration as it did on spending space to try to increase domestic energy supplies. It was a program that would have spent 1.5 billion dollars of your money to have mandatory rationing, and I think that this bill, indeed the whole performance of Congress in the energy crisis, is clear evidence that big government cannot solve problems.

Probably the thing that got me into energy, or at least in dealing with the American government, and probably the funniest occurrence of the energy crisis to me was a telephone call. One day I was working away in my office at A&M and my secretary, who gets very excited very easily, came running into my office and said, "Dr. Gramm, you aren't going to believe this, but the President of the United States is on the telephone," and I said, "You're right, I don't believe it." But anyway, I picked up the telephone and sure enough this girl said, "Is this Dr. W. Philip Gramm at Texas A&M?" And I said, "Yes, ma'am." She said, "This is the White House calling."

So I waited, and this voice came on and said that he was so-and-so of the White House staff. He said, "We've been given your name by very important people. We think you're the kind of guy that can help us develop a new incentive system to get people to produce more oil and gas. A new system that will provide viable incentives to assure equitable supply to all American citizens." He went on for about five minutes and by the time he got through, he had used all the superlatives in the English language. I knew there was no use in me using any because he already knew them all. I said it was a great coincidence that out of 211 million Americans, he had called the right man because I had a plan. I said, "You may want to get this down or tape it or whatever you people do up there." I told him that I envisioned a system where people will own property and they will combine this property with their God given talents to produce output, and we'll let them sell that output on a free market. Within such a system, each consumer will have maximum incentive to economize his use of the things which are expensive and to substitute things which are cheap. Each producer will have an incentive to try to operate at maximum efficiency because it is to his own benefit. In such a system, we could assure not only that we had the optimal distribution process, but we could also by rewarding incentive and by rewarding technological development produce maximum growth. Then I said, "Now I want you to know that I am basically a modest person, and I don't want to take full credit for this idea. If you would like a written reference, you might go back and read 'The Wealth of Nations' by Adam Smith written in 1776," and I hung up. Now I assumed that I would never hear from the White House staff again or the Federal Energy Office, but in fact, they went to a lot of trouble to get in touch with me again. And that is how, while I didn't invent free enterprise, I got the exclusive Washington distributorship.

Probably the thing that has affected me more than anything else about the energy crisis is that I discovered a very interesting thing about how people value things. I have all my life worked in academic economics, and I like to think that some of the things I've done were important. I have developed different kinds of effects that occur in the economic system; I have more or less proven that the government caused the Great Depression; I have written many articles, but I don't know that anybody ever read them. They got cited a lot and people put them in their references in books, but no one ever wrote me a letter or called me about them. Some of them I worked on for years.

But I sat down in November for a week and wrote two articles about the energy crisis. I sent them to the Wall Street Journal, and they published them. On the first one, which was published November 30, I got about 350 letters. The President of A&M got over 30 telephone calls. This indicates either that the world has strange values or I've been wasting a lot of time. But the important thing about these letters, as far as I'm concerned, is that they indicate a real problem in America today. Now 2% of the letters went roughly as follows, "You claim you teach school, but you're a liar. You work for some oil company. Your mama should have taught you not to be a tool for the fat cats who are exploiting mankind." The other 98% were highly favorable, but 90% of them were highly pessimistic. They said such things as, "God bless you for what you are doing, but it's not going to do any good. You ought to go fishing and be happy." Or, "Your ideas make entirely too much sense to be given serious consideration by the Federal government."

We have in the American free enterprise system the greatest economic system in the history of the world. It is a system which has elevated us from a powerless country, 90% of whose people by any definition were in poverty at the birth of the Republic, into the greatest industrial and agricultural power in the world. So successful is our system and so high are the aspirations of our people that we define poverty at a level of income that is higher than the average income level in the worlds second most powerful nation.

It is a strange phenomenon that despite this unparalleled success, the American free enterprise system is under assault today at all levels of government, and it is being replaced by a system which has never worked in history and which is working effectively nowhere in the world today. We are in the process of replacing a system which rewards success and provides maximum individual freedom with a system which encompasses the philosophy of failure, the doctrine of collectivism and the creed of envy. Our system is being defeated in government not because those within government who are attacking our system are more vocal or more persuasive than they were a century or a decade ago, but because those within government who defend our system are doing so with an ineptitude which is unparalleled in the history of the Republic. The greatest product in the world is not selling for the simple reason that it has no salesmen. Those who defend our system in government, in large part, do not understand how the system works. And as any salesman can tell you, to sell a product, you've got to know that product. When our system comes under attack, these people do not know enough about the system to defend it.

We have been so busy in the last 40 years telling people what we're against that in a large part we've all forgotten what we're for. Our failure in defending the American free enterprise system is irrefutable proof that you cannot sell negativism to the American people. Our goal has too often been the preservation of the status quo, when it should have always been more freedom and less government. As a manifestation of the fact that we have become losers, it has become fashionable for businessmen and professional people to talk about the inevitability of the demise of our system. This is the thing that I detect in these letters, and it's the thing that I detect in talking to businessmen and professionals all over the country. Not only is this a losing attitude, it's a great escape. Because if there's no real hope, then we're not obligated to do anything; therefore, we become the summer soldiers and sunshine patriots of the 1970's. In fact, there is nothing inevitable about the failure of our system. History is on our side. Facts are on our side.

The 1970's have proved that government has failed. Let me review a little of this failing in three basic areas. As early as the 1950's, there was a movement within government to control prices and regulate commerce. There were people who were saying things that sounded very good, "We must reach out and grasp our destiny. We must remove the setting of prices from the vagaries of the market place. If you will only allow us, with our great and brilliant staff of bureaucrats, to control prices, we will never have another inflation; and we will have stable and orderly growth." We fought these people very ineffectively, and they won. In 1971 they imposed wage and price controls, and indeed, have we had no more inflation and stable growth? No! We are, under wage and price controls, having an inflation unparalleled in the history of the United States. We have disrupted the economic system, we have stifled growth. We have produced a miracle . . . we have produced a grain and meat shortage in a nation that has the most fertile land, the highest level of capital development in agriculture and the best educated farmers in the world. We have produced basic shortages that have no parallel in the history of the country, and we have produced a recession. And I say that government has failed!

There was an idea born in the 1930's that you get something for nothing through government, but we have discovered in the 1970's that if somebody gets something for nothing from the government, some poor taxpayer gets nothing for something. We started out with the idea that there was no nation in the world that really spent a lot of resources through government in trying to solve social problems. The basic idea was that money solves problems. So the government said, "If you will give us a few thousand dollars, we will eliminate poverty."

We started out with a few thousand, and that became hundreds of thousands; millions became hundreds of millions; and billions became hundreds of billions, so that today on poverty programs and transfer payments, we are spending more than 1,000 dollars per man, woman and child in the United States. It is interesting that George McGovern proposed such a program—and we laughed.

Have our billions of dollars eliminated poverty? No! They have institutionalized it and excluded millions of Americans from the American Dream. We have developed a program which eliminates incentives and keeps people poor.

The best example of the obsession with the idea that money solves problems is a speech made by John Lindsey shortly after he became mayor of New York City. Mr. Lindsey said that people think New York City has many problems, but that New York City had but one problem—private affluence and public poverty. And if his budget were twice its current level, he could solve every problem in New York City. The day he left office his budget was over twice what it was the day he took office, and by every index, the quality of life in New York City was lower the day he left office than it was the day he took office. And the reason is because money does not solve problems; ideas solve problems. Our Congress has become so busy passing bills at a rate at which no Congressman can possibly read them that everyone has stopped thinking. They have stopped thinking and substituted your money for thought. So that if one is against poverty, he says the poverty program is not working; that what we need is more bureaucrats and more money, and the program will work. That philosophy has failed, and, indeed, government has failed.

I am happy to speak today to the Texas Society of Association Executives, because you are providing a vital public service by representing the interest of the professional and trade associations of Texas. It is a forgotten fact and one that I think the world needs to be reminded of every day—that you, by representing the private interest of your individual members, simultaneously represent the public interest. Because contrary to what a lot of people believe, in America, the private interest is the public interest.

I wish to tell you today that I am not pessimistic about the future of America, and I am not pessimistic about the future of the American free enterprise system for the simple reason that government has failed. As facts become more and more evident, I do not believe the American people are stupid, and I believe they will act. I believe the American people today feel a sense of helplessness. They know something is out of kilter. They know big government is not working, but they don't know what to do about it. What we need today, more than any time in the history of the Republic, is a new wave of leadership to turn this country around and to fulfill the promises and aspirations of a revolution that occurred almost 200 years ago. While I do not know what others are going to do, in the coming struggle for survival and success of the American experiment, I do not mean to be just a passive observer. I mean to be an active participant. And in that participation, I do not intend to follow—I intend to lead.

Thank you very much.

AMERICA IS THE GREATEST COUNTRY IN THE WORLD

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. BURKE of Florida. Mr. Speaker, it was my pleasure on May 17, 1974, to attend an awards banquet held by the Kiwanis Club of Hollywood Beach, Fla., of which I am a member, and to present awards to three elementary schoolchildren for their outstanding essays on why they believe America is the greatest country in the world.

The Kiwanis Club of Hollywood Beach has a distinguished record of encouraging patriotism in our children. The fine men who organized this latest contest; namely, Ray A. Noell, president, Les Berger and Al Hines, past presidents, Frank Pinter, president-elect, Guy Bruni, vice president, Glen Gibbs, treasurer, and George Starr, secretary—deserve special thanks for their work with the children of the community. Thanks should also be extended to the members of the board of directors—Scotty Dietz, Col. Doug Brown, Walter Gray, Don Nelson, Frank Porto, Al Hines, and Lou Corelli, who set the course for the Hollywood Beach Kiwanis Club.

The essays by all of the children who participated were particularly good and all those who participated should be congratulated. In turbulent times it is heartening to see the love of our young people for this country. There were eight runners-up and a first, second, and third prize winner. The runners-up were Kathy Gale, Bret McCormack, Spero Seymore, Tia Major, Kathy Brownson, Mary Jane Belick, Mary Thomas, and Angie Ganas.

I would like to share the winning essays with my colleagues in the Congress. The first prize essay is by Michael Muchaland, the second prize essay is by David Coen, and the third prize essay is by Jamie Bowie each of which I am proud to commend as outstanding young Americans.

The essays follow:

WHY I THINK AMERICA IS THE GREATEST COUNTRY IN THE WORLD

(By Michael Murchland)

I think America is the greatest country in the world because we have something no other country has. America's greatness is not in our power in war or our wealth, but something far more valuable, freedom and liberty. Ever since that great day of July 4th in the year of 1776, when the Declaration of Independence was signed and the people were given their rights, we have had freedom. From 1776, to today in 1974, and so on in time will the Americans have their rights of which are: life, liberty, and the right to pursue what one believes. Also in America we have freedom of the press as many countries don't.

America has run to the aid of many foreign countries that were in need of help because of disasters that have hit their country. The Americans have spent billions and billions of dollars helping foreign countries. The Americans have sent men and equipment to many foreign countries who were being beaten in war and were in danger of being completely wiped out! America has furnished many people in trouble with food, equipment, knowledge of many kinds, and even men to do the job for them. What was our thanks? None? No, our reward was knowing in some small way we were able to help. There hasn't even been one country that has raced to the Americans in our time of need.

If and whenever there should come a time when someone should try to take the beauty of America or the American rights away, I myself will be ready to stand up and defend my country and what it stands for as all true Americans would do. And that is why I think America is the greatest.

Why I Believe America Is the Greatest Country in the World

(By David Coen)

There are a lot of reasons why I believe America is the greatest country in the world. We have a democratic government elected by the people. We can keep government officials who we feel are doing a good job, and not vote for them again if they are not.

In America everyone has the right to a free education. We can choose what kind of work we want to do and where we want to live. We have the right to practice the religion of our choice. We can go where we want to at any time and we can do what we want to within the laws of the land. Our laws protect us. Everyone, no matter who he is, is innocent of a crime until proven guilty by jury trial.

Probably our greatest contribution to the world, is America's willingness to help those other countries who are in trouble. We send money, food, and other supplies to countries where disasters have happened; such as, earthquakes, floods and famine. We have helped to rebuild cities in foreign lands destroyed by war and have never insisted on payment of debts by other countries. We will continue to do all of this even though we sometimes get little or no thanks.

America also put the first man on the moon. A great and wonderful accomplishment.

Even though our nation is now having problems with inflation, shortages of certain foods and materials, and the oil crisis, I believe that we will survive to be as great as ever. God Bless America!

Why I Believe America Is the Greatest Country in the World

(By Jamie Bowie)

The World is a big place. America is a very special part of it. Brave men fought and gave their lives for it.

George Washington fought to accomplish and won. Paul Revere's great ride warned many people that the British were coming. Patrick Henry's words, "Give me Liberty or give me death," encouraged many soldiers. Those are just a few ways Americans have helped this country.

In America we have freedom that many other countries don't have, such as the freedom of religion, and freedom of the press.

We have many privileges to invent things, and to do and believe as we want.

We have the freedom to go where we want and many ways of transportation to choose from, our laws and a great president.

We are supplied with good homes and communities, schools, teachers, good government, churches, industrial centers and space centers.

America has made many accomplishments. If it weren't for so many brave men, we wouldn't have America.

MEDICAL CARE FOR MILITARY RETIREES

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. YOUNG of Florida. Mr. Speaker, I am increasingly concerned over a situation which directly affects our military retirees, and their access to adequate health care facilities. I am referring to the reduction in medical services available to them in military medical facilities.

Unfortunately, the reduction in medical services in military hospitals is not the result of any deliberate decision or program which can be reversed. It has been caused by two conflicting factors—a decrease in the number of available military physicians and other health professionals, but an increase in the total number of beneficiaries eligible for care.

In other words, sheer numbers of retirees—and their dependents—increasing steadily with the years, have placed a demand upon military medical facilities which is no longer possible to meet. Moreover, even if there were adequate numbers of health professionals available, military medical facilities would not be of sufficient size to accommodate all users.

This is not to say that the Department of Defense is shirking its responsibilities in this critical area. In 1975, DOD will operate over 200 hospitals and other health facilities directly and will contract with community facilities to provide additional care for its beneficiaries. Outlays for these services will be $3.06 billion in 1975, $116 million more than in 1974, and $400 million more than in 1973.

The primary mission of the military medical system is to plan, prepare for, and provide medical support for military operations. Thus, the law provides varying degrees of entitlement for the various categories of beneficiaries. The effect of the law is to divide the major eligible groups into three priorities for care in military facilities. First priority goes to active duty members, whose priority is absolute. The second priority goes to the dependents of active duty members and the survivors of deceased active duty members. Third priority is given to retired members and their dependents and the survivors of deceased retired members. Under present law, this latter category may be provided care, if it is available.

When a specific facility is limited by space, facilities, or the number of professional staff, DOD is forced to deny care to beneficiaries in the second- and third-priority categories. At the present time, DOD is suffering a reduction in services at some installations, and this situation is having a negative impact on military retirees and their dependents.

The Department of Defense is making every effort to counter this trend. It is placing special emphasis on the recruitment and training of new physicians, and the retention of these personnel through a special physician bonus. The creation of CHAMPUS in 1966 was another major effort to insure the availability of health services for beneficiaries other than active duty members when care is not available in a military facility. In subsequent years, the Congress has acted to expand CHAMPUS benefits so that all military retirees will be given the comprehensive and expert medical care they have earned through service to their country.

But the Congress cannot, at this point, simply sit back and expect CHAMPUS to "take up the slack" as more and more eligible persons find they cannot obtain care at military medical facilities. We must take action now, before the problem becomes more acute.

A number of options are available for consideration. The existing Veterans' Administration hospital system provides a base for various types of medical care, and a massive additional construction and funding program could serve to benefit both veterans and military retirees. Building on the present base might also be more cost effective in terms of taxpayer dollars.

Another option would be for DOD to make a special effort to upgrade and expand its facilities in those geographical areas where there are large concentrations of military retirees. Florida is one such area, and I strongly support special authorizations in the DOD military construction authorization and appropriations bills for expansion of military medical facilities in Florida.

Yet a third option for consideration is an effort to make the CHAMPUS program so comprehensive and effective that military retirees find it preferable to using military facilities. This will require an indepth study of CHAMPUS to determine what defects the program may have, and what special requirements military retirees have for medical services that CHAMPUS must expand to meet.

Consideration of the foregoing, and other options, must be one of the first orders of business of the 94th Congress, if we are to act in a timely fashion to provide good health care for our military retirees and their dependents. Therefore, Mr. Speaker, I am today formally requesting the chairmen of the House Armed Services Committee and the House Veterans' Affairs Committee to give their attention to this problem, and to begin the preliminary staff work necessary as background for committee action next year.

The assurance of expert and affordable health care for all Americans is a goal which I have repeatedly affirmed and which the Congress must set as a priority for its legislative deliberations in the future. But this guarantee is especially critical for our military retirees, for these men and women have dedicated their lives to service of our Nation and are due the benefits earned in that service.

MAS OJI: THE STRENGTH OF THE FAMILY FARMER

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. LEGGETT. Mr. Speaker, in this age, when inflation and oligopolies threaten the small scale investor and the free enterprise system, it is refreshing to see that the family farm still has a place in modern agribusiness. Alexis de Tocqueville, in his historic work, "Democracy in America," stated that the yeoman farmer played an important role in maintaining our democratic institutions. It is in this framework that I am pleased to show my distinguished colleagues an example of a family farmer whose deep commitment to the free enterprise system helps make the United States the great country that it is. Mas Oji is a son of Japanese immigrants. He has worked hard in developing his family farm, and has found success in his endeavors. Recently, his colleagues in the Council of California Growers recognized the fine example that he gives. At this point, Mr. Speaker, I would like to have the following statement by the council included in the RECORD:

STATEMENT

(By the Council of California Growers)

It takes a six-syllable word to describe a California farmer whose name adds up to just six letters.

The word is "diversification." The Sutter County farmer: Mas Oji.

On 7,200 acres in the Yuba City area, Mas and his brothers Henry and Art and his son, John, grow sugar beets, tomatoes, rice, peaches, vegetable seeds, safflower, corn and wheat.

But Mas Oji's diversification extends well beyond the farm gate. He serves on the board of directors of the co-op, California Canners and Growers. He served ten years on the Central Gaither School Board and, for the past 22 years, on the district advisory board of the California Beet Growers Association.

Mas Oji is a past president of the Yuba City Rotary Club and currently serves as a public member on the board of directors of the Federal Reserve Bank in San Francisco. His family corporation is involved as a partner in four John Deere dealerships in the northern valley.

"I like hunting and fishing, too," Mas Oji told the Council of California Growers, without explaining where he finds time to indulge these extracurricular activities.

Around the North Sacramento Valley the popular farmer is perhaps best known for his exceptional singing voice. "I guess I'm kind of a 'high baritone'" is the way he describes the timbre of his voice. Mas and his wife of 33 years, Yo, enjoy singing in the choir of their Methodist Church.

A man without a formal college education, Mas Oji says advanced education is a "must" for today's young people seeking a career in agriculture. "The more technical, the more diverse agriculture becomes, the more important it is for future farmers to have a solid base in business administration and technical skills," Oji told the Council.

Mas Oji's father emigrated from Japan to the United States in 1899, working for the railroad in Utah and Idaho before taking up farming at Sacramento in 1908. Mas and his brothers started their farming operation at Yuba City in 1949 with 600 acres of sugar beets and tomatoes.

"Our family enterprise works out pretty well. Brother Art takes care of the machinery and equipment and brother Henry the general farming. Son John takes care of everything us old guys can't do any more . . . and I do whatever's left over," is Mas Oji's summation.

Like California farmers generally, Mas Oji is concerned over the inflation that is driving production costs up sharply, with the inevitable result of higher prices to consumers for farm commodities. "Fertilizer has tripled in 18 months, fuels have doubled in a year, and equipment and parts are up 30% in a year's time. And it isn't just price: you're lucky to get a tractor a year after ordering it, and skilled labor is increasingly hard to find," Oji told the Council.

The well-liked and respected farmer turns serious when he discusses his own career in farming:

"All of our family feel extremely fortunate to be citizens of this country where we have found so much opportunity. And we believe that the conditions still exist for every American to accomplish the goals he sets for himself."

SUPPORT FOR CONSUMER PRODUCTS WARRANTIES AND FEDERAL TRADE COMMISSION IMPROVEMENT ACT URGENTLY NEEDED

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. BADILLO. Mr. Speaker, I am pleased to rise in support of H.R. 7917, the Consumer Products Warranties and Federal Trade Commission Improvement Act of 1974. This measure provides minimum disclosure standards for consumer product guarantees and establishes Federal content standards for warranties. Further, by extending the FTC's jurisdiction from acts and practices "in" interstate commerce to those "affecting" interstate commerce, this measure enables the agency to deal effectively with consumer problems arising out of the enormously complex economic activities of our Nation.

Industrial expansion and mass production have made available to the American consumer an unprecedented quantity of goods. Transportation and communication improvements have contributed tremendously to the variety in consumer products, simultaneously increasing competition among producers. However, as our society became increasingly mobile, the concept of the well-known craftsman who stood behind his products was lost. When deciding among competitive products, consumers must increasingly depend upon the representations made by manufacturers' warranties and through advertising. Gradually, even the concept of the "purchaser" became eroded and was replaced with the "market" which was played, analyzed, created, and often sharply exploited to produce the profits contributing to our high standard of living.

As the quantity of goods increased, quality often decreased and consumer satisfaction dropped. The resources a buyer could utilize in presenting his side in a dispute involving merchandise could seldom match the resources of the producer. The Federal Trade Commission, created by Congress to regulate inequities in the marketplace, often found itself shackled by restrictions in dealing with producers who, while not directly involved in large-scale interstate transactions, nevertheless profoundly affected interstate commerce.

This measure acknowledges the complex interrelations of our economy by realistically expanding FTC's power to regulate matters "affecting" interstate commerce. It also requires, for the first time, that warranties on products costing $10 or more be labeled either "full" or "limited". In the case of the full warranty it further specifies that the supplier undertake the repair or replacement of the product within a reasonable time and without charge in the case of defect or malfunction, and impose no limitation on the duration of any implied warranty. It permits the consumer to elect either a refund or replacement if the merchandise continues to be defective after reasonable attempts to resolve the problem.

But that is not all. The bill, by explicitly providing that a consumer may file suit against a supplier who fails to comply with a warranty or service contract and by allowing class action suits without the requirement of individual notification, safeguards vital rights for consumers. Because a majority of complaints involve goods of relatively low value, and individual legal costs are prohibitive, purchasers cannot usually afford to press their rightful claims.

Thus manufacturers, in the absence of a class action option, actually possess the implied right to continue to defraud, without fear of consequences, large numbers of people of relatively small amounts of money. With the possibility of effective legal action on behalf of an aggrieved group, the picture changes and the consumer is enabled to press his or her claim with a realistic chance for redress. However, I feel that this bill sets an unrealistically high aggregate claim; $10,000 rather $50,000 would be more in order.

All in all, however, this legislation is vitally needed. I hope that the House will see fit to act on it speedily and favorably.

ALTERNATIVES TO INCREASING FIRST-CLASS MAIL RATES

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. MAZZOLI. Mr. Speaker, recently I received a letter from a constituent, Mr. James N. Burrice of Louisville, Ky., which sets forth eloquently the burden that further increases in first-class postage rates would place on those of modest incomes.

Mr. Burrice is a victim of cerebral palsy, yet manages to get about in his wheelchair and lead a productive life. He types his own letters painstakingly—but with remarkable professionalism—and is presently enrolled in college.

He is a source of amazement and inspiration to me and to all who have had the privilege of meeting and working with him. Like so many other handicapped persons, he is heavily dependent on first-class mail service to communicate with friends and colleagues.

I should like to have his letter printed at this point in the RECORD to underline the need to avoid further increases in first-class mail rates:

LOUISVILLE, KY.,
August 26, 1974.

HON. ROMANO L. MAZZOLI,
Longworth Office Building,
Washington, D.C.

MY DEAR MR. MAZZOLI: Saturday I received some very shocking news which upsets and worries me terribly: That unless the Federal Government subsidizes the U.S. Postal Service, First Class postage rates are likely to be increased again within the next year.

As you know, Mr. Mazzoli, I have written you before expressing my opposition to these continued increases in First Class mail rates. Another increase can neither be tolerated nor permitted, for it would virtually wreck the U.S. Postal System and render one of this nation's most essential services inaccessible to many people who really depend on it. Note that I did not say that another increase in First Class postage rates should not be permitted. I said that it cannot be permitted.

If our Postal Service is in as bad financial condition as the Postmaster General says it is, I strongly urge that some of the millions of dollars that the Federal Government wastes on useless or failing programs, unnecessary and needless purchases, and other trivia be diverted to rescue our rapidly deteriorating mail service. The American public cannot and should not continue to be asked to assume the increasingly heavy burden of maintaining the Postal Service, especially when I am sure the Federal Government has the resources to do so, if it will only use these resources wisely.

It is my firm conviction that the price of a First Class stamp—rather than being increased—should be cut in half to five cents (5¢). Furthermore, I believe this could be done, if some of the waste in government was eliminated and if the Postal Service was operated under sound business principles. The mail service that the American public is forced to accept today is inexcusably worse than it was when the price of a First Class stamp was 2, 3, or 4 cents!

I would like very much to see a copy of this letter placed on the desk of every Senator and every Representative there in Washington. Because it takes me a considerable length of time to type an individual letter, and because I will be returning to college later this week, it is impossible for me to write each congressman personally. However, with your staff and congressional assistants, and with all the duplicating services and equipment that I am sure are available to you there in Washington, it might be possible for you or a member of your staff to have this letter duplicated and distributed for me. If you have any way at all of passing what I have said to you on to the other members of Congress, I would appreciate very deeply your doing me this tremendous favor.

Mr. Mazzoli, I have always appreciated your kind and courteous letters offering to assist me in whatever way you can. The time has come, however, when kind words and the "I will pass along your views" cliche are no longer sufficient. Positive action is required, and I am asking you and your colleagues, as elected representatives of the American people, to take this positive action to save America from another disastrous increase in First Class postage rates, and to decrease these rates if at all possible.

Thank you.
Respectfully,
JAMES N. BURRICE.

LET'S NOT FOOL OURSELVES ABOUT DÉTENTE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. CRANE. Mr. Speaker, there has been a great deal of euphoria in Washington in recent days about the policy of "détente." Unfortunately, the reality of world politics seems to tell a different story, one which makes any celebration of a "generation of peace" premature.

In many respects, the era of détente and the era of cold war seem all too similar, except for a change in rhetoric, with soft words replacing harsher ones. What the Soviet Union means by détente and what we mean by it, may be radically different.

In June 1972, for example, Mr. Brezhnev said that détente—

> In no way implies the possibility of relaxing the ideological struggle. On the contrary, we must be prepared for this struggle to be intensified and become an ever sharper form of the confrontation between the two systems.

If defense spending is any indication, the Soviet Union appears to be preparing for war, and not peace. At the present time the United States spends less than 6 percent of its gross national product on defense, while the Soviet Union spends 11 percent. In addition, the bulk of our defense budget—about 56 percent—goes to personnel costs, while the Soviets spend less than 25 percent on personnel costs and twice as much as we do on weapons and modernization. The Soviet Union has already passed the United States and soon will have 2,359 strategic missiles to our 1,710.

In an important article which appeared in the February 1974 issue of the Reader's Digest, former Secretary of Defense Melvin Laird provides a thoughtful analysis of the possible pitfalls of our policy of détente.

Mr. Laird points out that:

> There are disquieting indications that the Soviet Union may look upon détente as an opportunity to lull the United States into complacency while gaining strategic global advantages.

Progress toward a meaningful and genuine détente, Mr. Laird notes, cannot abide the view expressed by Mr. Brezhnev that a "sharper form of confrontation" lies ahead. He writes that:

> I believe in confrontation of ideas. I believe in honest competition of economic and political systems. But we cannot accept the risk of deluding ourselves where Soviet deeds do not match Soviet words. Mr. Brezhnev speaks bluntly. So must we. If we are to make positive gains for world peace rather than invite chaos through our own weakness or blindness, we must maintain a realistic approach to détente.

I wish to share with my colleagues the important article by Melvin Laird, entitled "Let's Not Fool Ourselves About U.S.-Soviet Détente," as it appeared in the Reader's Digest of February 1974, and insert it into the RECORD at this time:

LET'S NOT FOOL OURSELVES ABOUT UNITED STATES-SOVIET DÉTENTE

(By Melvin Laird)

"Nixon-Brezhnev Talks Herald Period of Détente." "Soviet Leaders Hint Détente Progress." "Middle East Flare-Up Threatens Détente."

Almost daily the word détente commands headlines throughout the world. This is understandable because so much is at stake. But what does détente—by definition a relaxation of tensions between nations—really mean for American-Soviet relations?

The agreements signed by President Nixon and Soviet leader Brezhnev foresee détente as a period of cooperation between the two superpowers. Every American hopes the agreements will herald a period of lasting peace. But there are disquieting indications that the Soviet Union may look upon détente as an opportunity to lull the United States into complacency while gaining strategic global advantages. Détente, Mr. Brezhnev said in June 1972, "in no way implies the possibility of relaxing the ideological struggle. On the contrary, we must be prepared for this struggle to be intensified and become an ever sharper form of the confrontation between the two systems."

Progress toward real détente cannot abide this view. I believe in confrontation of ideas. I believe in honest competition of economic and political systems.

But we cannot accept the risk of deluding ourselves where Soviet deeds do not match Soviet words. Mr. Brezhnev speaks bluntly. So must we. If we are to make positive gains for world peace rather than invite chaos through our own weakness or blindness, we must maintain a realistic approach to détente. It troubles me to think what the consequences would have been for world peace if the United States had lacked the strength to deal decisively with Soviet actions in the recent Middle East crisis.

How are we to judge that détente is genuine? How are we to know that both sides are sincerely committed to coöperation and negotiation on an equal footing?

1. There should be basic and open communication between the two countries so that the intentions of both governments can be seen and judged by the people. Here the past record of the Soviet Union is hardly a bright one. Because of the openness of our society, the Soviets have tremendous opportunities to observe and even influence affairs in this country. However, despite some encouraging signs, a truly reciprocal situation does not exist in Russia. Soviet citizens who express dissent from the government's policies too often are repressed and harassed. Some writers and intellectuals must still smuggle their works out of the country to have them published.

The Soviet government insists that it is "not afraid" of the communication of Western ideas, that its system is proof against such ideas. But Soviet citizens are still not free to emigrate. A recently passed law makes it a crime for a Soviet citizen to meet with a foreigner and speak of anything which the state might consider detrimental to itself. Although there are about 150,000 foriegn students from all over the world in the United States, only 40 or so are Russian, fewer than are here from the Ivory Coast. Although roughly 65,000 Americans visited the Soviet Union last year, only some 1500 Soviet tourists were able to come to this country.

The Soviet news media are, of course, completely controlled, reporting only what the government wishes to be reported. Our best intentions, our sincerest desires to operate on a competitive but friendly basis with the Russians, mean little if they cannot be communicated to the Russian people.

2. There should be tangible mutual benefits in trade and other commercial exchanges. It is important, in our desire and even impatience to prove that you can "win a friend" through trade, that we do not give away technical and fiscal advantages with nothing in return.

Moscow has shown a determination and an ability to deal hard and fast when it needs something, whether it's wheat to make up for deficiencies in its agricultural policy or the technology to get its oil out of the ground. This determination springs from the Soviet government working through its centrally controlled economy. For example, in pulling off the "wheat deal" of 1972, many elements of the Soviet government were brought to bear in secretly dissecting the whole American wheat-market mechanism.

In dealing with this shrewd "trade partner," we must ask ourselves a tough question: are we cultivating long-term trade for mutual benefit, or are we just helping the Soviet government through a rough period, bailing it out of past failures?

By any assessment, the Soviet economy is in trouble. The growth rate of Soviet productivity has been declining. Her technological industries, so vital in today's world, have shown a marked incapacity to come up with economical, efficient and innovative products. The loss of the "moon race," which was felt very acutely by the Soviets, is but one indicator of this. The wheat deal, we must not forget, was forged to save the Soviets from the results of a disastrous agricultural program. The availability of consumer goods in the Soviet Union is still among the lowest of the developed nations.

Despite these problems, the Kremlin continues to burden its economy with tremendous military expenditures, so much so that we must ponder carefully whether extending long-term credits to the Soviets will merely get them out of an economic bind while permitting them to continue their high rate of defense spending. Will we be actually subsidizing the Soviet military buildup?

But even in the presence of assurances that this is not the case, we must not abandon good business practices. If we extend credit, let's get the normal assurances of assets and reserves and ability to repay we would expect from any other equal trading partner. So far, the Soviets have refused to reveal such assets. Let's deal in realities. For example, the Russians arbitrarily value the ruble at about $1.45. But rubles actually sell for about 30 cents or less. Our deals should be based on the *true* value of Soviet currency.

3. *There should be real and observable evidence of significant reductions or limitations in military spending and the development of strategic weapons.* History has shown that promises on paper are insufficient. We understand that dramatic military reductions will not take place overnight. But we have been presented with very little evidence to suggest that the Soviets are even contemplating such reductions. This has been and remains one of my gravest matters of concern. Let me repeat: The proper yardstick, the only real yardstick, is deeds, not words.

At the present time the Americans and Soviets spend about the same amount of dollar equivalents on defense ($80 billion). However, we spend less than six percent of our Gross National Product on defense, compared to their 11 percent. Moreover, the bulk of our defense budget—about 56 percent—goes to personnel costs, while the Soviets spend less than 25 percent on personnel costs and twice as much as we do on weapons and modernization.

More alarming than any figures, however, is the offensive nature of the continuing Soviet military buildup. Soviet assembly lines are in full production to build the maximum number of offensive missiles permitted under the SALT I agreement. The Soviet Union has already passed the United States and soon will have 2359 strategic missiles to our 1710.

In addition, the Soviet are speeding development of three new types of long-range missiles, all capable of carrying large numbers of multiple independently targeted warheads. They are developing a fast new manned bomber, the "Backfire." They have numerous short- to medium-range missiles on their ships which greatly endanger our aging fleet. They are building and modernizing 62 strategic-missile submarines, as allowed under the SALT treaty, plus great numbers of very fast attack submarines to be used against our Polaris-Poseidon sub fleet. Two of the modern Soviet strategic-missile nuclear submarines are now stationed in new patrol positions off our East Coast.

In Europe, an area where a lessening of threat and tension has been sought by the West, the Soviets have dramatically increased their spending on armed forces. Recent intelligence indicates Soviet spending on military forces in Central Europe has increased by about $1 billion in the past three or four years. In this regard, I am concerned about cuts in the strength of our general-purpose forces, including nuclear deterrent capability, in the European theater.

This evidence of an accelerating military momentum is a curious background to Soviet assurances of sincerity in arms reduction. Yet many American have dangerously embraced these assurances as a rationale for American troop cuts in Europe and even greater reductions in an American defense budget that already has dropped *34 percent* (in constant dollars) since 1969. Despite talk and hope of détente, we must negotiate verifiable Soviet military limitations and reductions rather than unilaterally strip our dwindling defenses further. Those who would rush to embrace even the most ephemeral signs of lessening international tension must pause and consider whether progress is being made toward the solving of these problems.

We *appear* to be standing on the threshold of a new era in which intelligent and open competition may replace the forces of war. Will détente signal an era of real coöperation, negotiation and mutual benefit? Or will it be the prelude to a new and brutal age of international threat and violence? We await some definite and, hopefully, reassuring actions and answers from Moscow. Until we get them, let's not delude ourselves about détente.

SENSIBLE GOVERNMENT ACTION COULD ELIMINATE SUBSIDY NEED

HON. THADDEUS J. DULSKI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. DULSKI. Mr. Speaker, in ruling on Pan Am's request for assistance, the Department of Transportation and the Civil Aeronautics Board yesterday demonstrated a sad continuation of the Nixon administration's shortsightedness.

As a general rule, I do not favor Government subsidies to support sagging private enterprise. In this case, Pan Am has repeatedly tried to get the Government to revise the restrictive regulations that have sent the airline into the red; as a last recourse, Pan Am has requested an emergency temporary subsidy.

At the same time that Secretary Brinegar denied the subsidy request, he gave vague assurances of long-term measures to aid Pan Am in meeting foreign competition. But there was no indication of immediate relief which will enable the airline to survive its rapidly increasing debt loan, while these long-term remedies are put into effect. Indeed, there was criticism about the carrier's lack of belt-tightening.

The fact is, Government regulations prohibit Pan Am from taking some of the belt-tightening steps, and other actions our Government could easily take are apparently not forthcoming.

I would like to insert exerpts from an open letter from the employees of Pan Am which appeared in the Washington Post today:

OPEN LETTER FROM PAN AM EMPLOYEES

Ask our own government, first of all, why the Postal Department pays the foreign airlines as much as five times what it pays Pan Am for hauling the same U.S. mail. Not receiving the same pay for the same work costs Pan Am thirty-five million dollars a year.

Ask our own government, why nothing is ever done about overseas airports that charge Americans exorbitant landing fees. Quantas Airlines, for example, pays under three hundred dollars to land their Jumbo 747 in San Francisco. Pan Am pays forty two hundred dollars to land in Sydney, Australia. Not paying foreign governments the same user fees that their airlines pay in America costs Pan Am *twelve million dollars a year*.

Ask our government, why the U.S. Export-Import Bank loans money to airlines of "underdeveloped" nations, like France, Japan and Saudi Arabia, at six percent interest while Pan Am pays twelve percent. Their low interest loans are used to buy airplanes that they use to compete against Pan Am. Not allowing Pan American access to these same interest rates means that we pay seven million dollars more than the foreign airlines for the same Jumbo jet.

Ask our own government, why it is opposed to letting Pan Am fly passengers within our own country . . . it just doesn't make sense. The domestic airlines now have rights to the international routes that we pioneered, and the foreign airlines now serve more cities in the United States than we do. The right to compete freely at home, the most elemental privilege of a free enterprise society, has always been denied Pan Am.

You see, when it comes right down to it, Pan Am does a lot more than compete with other airlines. We compete with whole countries, sometimes even our own. The men and women of Pan Am are just not the type who enjoy asking for a handout. The only subsidy that we have ever needed was fair treatment . . . from our own government.

If Pan Am were allowed domestic routes within the United States . . . or to borrow from the Export-Import Bank . . . or to pay reasonable landing fees overseas . . . or to receive equal postal rates from our own government, we wouldn't need any subsidy at all!

In fact we wouldn't need to have taken up a collection to run this ad.

The 32,500 Employees of Pan Am.

Mr. Speaker, more and more, our Government seems to be helping other nations at the expense of our own citizens. In the short run, foreign carriers are getting blatantly discriminatory treatment; in the long run, another American company is going to go under, thousands of American workers are going to be thrown out of work, and the public and the Government will suffer the consequences.

Pan Am itself greatly prefers not to accept a subsidy, and insists that the requests for competitive status with foreign carriers will enable it to survive.

If the subsidy is to be flatly denied, then prompt relief in several areas is essential. I strongly urge the DOT to reevaluate the priorities in this case, and I commend the following editorial from the Buffalo Evening News to my colleagues:

HELPING TROUBLED AIRLINES

It is sad to see the nation's leading international airline, Pan American World Airways, with its back to the wall, pleading for government help to ward off bankruptcy. But the government as a general rule should shun the practice of subsidizing private industry, and, in spite of Pan Am's undoubtedly worrisome situation, it should not make the kind of direct subsidy Pan Am has asked for.

Pan Am has been in the red since 1968, ever since it overinvested in the new jumbo jets, and it was just beginning to recover from that when it encountered problems of inflation, falling traffic and—the last straw—soaring oil prices. Rising costs created a vicious circle for the airline, which had built its proud worldwide network of routes on low *fares and high* volume. Now its planes run nearly half empty.

Not that the government should disclaim all responsibility for Pan Am's fiscal plight. After all, the government is already a participant in the airline business, since the Civil Aeronautics Board exercises rigid control over the industry, including where planes can fly and for what fares. There is much Washington could do to ease the plight of the international carriers. For example, Pan Am has rightly complained that the government pays foreign carriers higher rates to carry mail than it does U.S. airlines. It estimates a loss of $40 million because of this differential, a sum that constitutes a large part of Pan Am's annual deficit.

The government could also assist U.S. carriers with route changes, limitation on routes for foreign carriers, and pressure on foreign governments to end discriminatory treatment of U.S. airlines abroad.

There is also much the airlines can do. There are too many overlapping routes among the international lines. On the Atlantic run alone, there were 5 million empty seats last year, indicating the industry's era of rapid growth is giving way to a time of painful shakeouts and consolidation. Mergers may be one solution, and Pan Am has been discussing merging with Trans World Airlines. This could help to ease a desperate problem—even though it would involve an unwelcome diminution of competition and leave one airline in a near monopolistic position among U.S. air carriers in the international field.

The preferable course would be for Pan Am to slim down its far-flung operations to those it can best maintain under today's hectic conditions of overlapping routes and fierce competition with subsidized foreign carriers. Government aid should consist, not of subsidies to perpetuate the present irrational air system, but of help in setting fair rules of competition in a difficult transition period.

GOVERNMENT: MORE THAN THE PRESIDENCY

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. ARENDS. Mr. Speaker, in his column which appeared in the Washington Post of September 18, 1974, David S. Broder in another of his incisive and thought-provoking observations on the Washington scene reminds us—and his colleagues in the press—that Government is more than the Presidency. His comments are well worth reading.

Under leave to extend my remarks in the RECORD, I wish to include Mr. Broder's excellent column herewith.

[From the Washington Post, Sept. 18, 1974[

GOVERNMENT: MORE THAN THE PRESIDENCY

(By David S. Broder)

In all the frantic discussion these past ten days about the Nixon pardon, one interesting question has barely been addressed. There has been endless speculation and comment about Mr. Nixon's condition, President Ford's leadership capacity and the influences operating in today's White House.

But not much has been said about what the Washington reaction reveals about the character and climate of this capital. And that is, all things considered, perhaps the biggest cover-up of all.

What it shows, I am afraid, is that this political community is as hopelessly addicted to the distortion and magnification of the President and the presidency as it has ever been—that, in this fundamental sense, it has learned nothing at all from the painful experience of the past decade.

There is no question, obviously, that a President issuing a blanket pardon to his predecessor is big news—especially when the action comes in dramatic fashion on a Sunday morning, with no advance preparation and no very thorough explanation.

But the sirens that went off inside the heads of journalists and politicians here made it sound like a declaration of war had been issued or a man from Mars had just landed. Newspaper staffs were assembled, instant TV specials rushed on the air, and every press secretary on Capitol Hill went racing for his mimeograph machine.

To a journalist on assignment halfway across the continent, the Washington reaction betrayed, at least in part, an emotional backlash to a self-induced high. The press was betrayed, not by the real Gerald Ford, but by the mythical super-President created by the press' own artifice during the previous month.

As has been said here before, the Ford succession offered the Washington press corps the opportunity to get the presidency back into human focus, by accepting him as the quite ordinary, unpretentious working politician he is, and by covering his official actions, rather than glamorizing his private life. Instead of that, what was produced was a tidal wave of guff about the euphoria of dancing parties in the East Room, poolside picnics at television correspondents' homes, and the internationally famous toasted English muffin caper.

Despite this flood of puffery, most Americans were able to make quite sensible judgments about their new President. The day before the pardon, interviewing voters in a barometer precinct in Denver, one heard complimentary remarks about the personality of Mr. Ford and his apparent desire to be open and candid in his dealings. But when one asked those voters if they planned to support him in 1976, nearly everyone said, "It depends on how he does between now and then."

That common-sense view seems to escape us in Washington. We are congenitally incapble of getting it in our heads that the President is just another politician who ought to be viewed with tolerant skepticism as a human being, and be judged over some reasonable length of time on the basis of the inevitable successes and failures of public policy for which he can be held to account.

Instead, we seem determined to take him with us on a roller coaster ride—elevating him to paragon status for no good reason and then condemning him utterly when, in our view, he makes his first mistake.

Above all else, we seem unable to broaden our view beyond the White House and let people know the government is larger and more complex than one man.

The result of that tunnel vision is that far worse examples of irresponsible behavior go by unheeded and unchecked every day in Washington than those presidential aberrations that preoccupy us.

Why is it, for example, that almost no one has pointed out that most of those same senators and representatives who have been waxing indignant about the Nixon pardon were so conspicuously silent, during the previous month, when the Special Prosecutor looked to Capitol Hill for guidance on whether he should proceed with the Nixon case?

Why are those who are so vocally insistent on equal treatment before the law too busy to notice that Wilbur Mills is once again about to legislate new loopholes for the wealthy and increase the inequity in a tax system that affects far more people prejudicially than the presidential pardon?

Could not some of that relentless publicity focusing on the search for the mysterious person or persons who influenced Mr. Ford's decision shift, for a moment, to the four senators—George Aiken, Howard Baker, Peter Dominick and Ted Stevens—whose cloture votes on Thursday will decide whether the Agency for Consumer Advocacy bill is killed or saved in the Senate?

Why does the vigilance of the press not extend to the House Rules Committee, where the most serious, significant effort in a quarter-century to sort out the jumbled jurisdiction of House committees is slowly being talked to death by a combination of special-interest lobbies and seniority-conscious legislators?

Where were we all when a young Vietnam veteran named Kowalski asked the members of the New York congressional delegation to explain and justify a parliamentary sleight-of-hand by which the House reduced benefits for handicapped Vietnam veterans and killed a promised fifth year of schooling, supposedly in the interest of economy?

The answer to all these questions is that we are still acting as if the President were the entire government, and each of his actions the be-all and end-all of his entire public career. Where the devil is our sense of perspective?

THE TASTE OF HIGH FOOD PRICES

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. RAILSBACK. Mr. Speaker, spurring August's 3.9-percent wholesale price rise was a 7.6-percent advance in the prices of farm products and processed foods and feeds. Because I have heard both from farmers who are having very real problems with the increased cost of farm equipment and feed and from consumers who are making real sacrifices at the grocery store, I am convinced we must have all available information on the entire situation. Recently an excellent article came to my attention which explains why food prices are going up so fast in our country. Because it should be interesting to my colleagues, under the leave to extend my remarks in the RECORD, I include the following:

THE TASTE OF HIGH FOOD PRICES

Food prices in the United States went up faster in 1973 than in any other major country in the free world, including Japan, Canada and European nations. More than half of the increase in living costs in most major nations was attributable to the higher price of food. Americans still spent much less of their income (17%) for food when compared to other major countries, but a 22% food-price hike stymied Americans, long-accustomed to low food prices.

The trip to the grocery store was an unwelcomed chore in former days; now a dilemna at best. Unacquainted shoppers find themselves striking up conversations in the market lately and Topic A is always the high cost of eating. The many husbands unconcerned with the grocery bill before are voicing their objections now, at home and at work. Americans are verbally unhappy with the current food situation. What's happening and why? And will it continue?

An incredible series of circumstances have spelled out higher costs for food producers and higher prices for consumers. These incredible circumstances can be broken into four parts:

1. Competing for food with the world
2. Acts of God and Government
3. Energy shortage
4. Problems getting food out of the ground

Each is an example of how seemingly unrelated actions can result in increased food prices. The conclusion which we draw today—and the lesson of the last several years—is that the food supply system is complexly interrelated.

COMPETING FOR FOOD WITH THE WORLD

It used to be that when a consumer pushed her cart through the grocery store she was competing only with other American consumers for the food on the shelves. Today all of that has changed, and the American consumer is now part of a globe-circling competititon for those products.

One reason for the increased demand internationally is the increased need. Despite tremendous scientific advances in agricultural technology in the last quarter century, population growth appears to be outrunning the food supply. This is evidenced in the developing countries where 2.5 billion of the world's 3.9 billion population never have enough food. The United Nations Food and Agriculture Organization predicts a shortage of some 8.5 million metric tons of grain in 1985, between what will be needed and what will be produced.

More immediate considerations affect the United States' food supply:

For the first time in six years, foreign production of wheat, feed grain and rice declined.

People are eating better now. Increased world affluence has altered international eating habits, placing emphasis on western-style diets which feature more meat and less cereal.

Two devaluations of the dollar made the value of our currency lower in relation to other world currencies; our farm products have become a better buy in foreign markets.

This new international competition has resulted in increased costs of agricultural products. Wheat increased 40%, corn increased 49%, soybeans 29%, hogs 6%, broilers 21% and sugar 157%. Although there have been some recent declines in commodity prices, they still remain high. What's important to remember is that grain prices affect production decisions in livestock, poultry, and dairy as well as the prices of many manufactured foods.

ACTS OF GOD

The saga of the anchovy emphasizes the point that foodstuffs can't be considered in isolation anymore. It's no fish story that the disappearance of the anchovy off the coast of Peru affected every American consumer. Anchovy meal is one of the world's major protein sources as a feed for slaughter animals. In 1972, when the fishing vessels ventured into the Peruvian waters, they found that the school of fish had dwindled considerably. Apparently, a combination of overfishing and a mysterious switch of the Humboldt Current away from its usual course had made the anchovies vanish. The food industry, finding itself short millions of tons of anchovies turned to soybeans as a protein substitute. This, coupled with a poor foreign soybean harvest, drove soybean prices through the ceiling. During one twelve-month period soybeans increased 152% in price. As soybeans became more expensive so did animal feed and all other steps along the meat production chain, until the buck stopped with increased consumer prices.

Weather is another important factor over which man has little control. Technological advances can provide high yielding wheat, methods of pest control, cures for agricultural diseases, and new irrigation techniques, but the world's crop production is still greatly influenced by the weather, particularly the amount of rainfall.

In 1972–73 bad weather had a telling effect on the international supply and demand of food. Weak monsoons and drought were a problem from Indonesia through India and in Sub-Sahara Africa. The USSR suffered one of its periodic droughts which sharply reduced its wheat output. As a result, world grain output in 1972–73 declined about 4%—40 million metric tons.

Many say that our half-century of mild climate may be running out naturally. Japan's meteorological Agency has warned of long-term increasing coldness in the North and drought in Western Japan. Meanwhile, English farmers have found that the average growing season is now two weeks shorter than it was prior to 1950.

We cannot dismiss the short-term impact of weather either. For while our recent domestic weather has been generally good for the crops, there have already been specific instances of bad weather such as the cold snaps in Illinois which have wiped out the peach crop and a drought in the winter wheat-growing belt (Texas, Oklahoma, Southern Kansas) which reflected themselves in higher prices.

ACTS OF GOVERNMENT

As mentioned before, the United States devalued the dollar. This meant that 30 to 40 per cent more U.S. goods could be bought for the same price, thus increasing international demand for our food supplies.

Government controls also played a part in the present price spiral. From August of 1971 to April of 1974, the food industry was under strict government price controls—prices were frozen. The net result of these economic controls was to create shortages which added to the food price spiral.

Readers may remember pictures of chicks being drowned because the price freeze made it unprofitable to raise them. But the result of the price controls was much more widespread than just creating a shortage of broiler chickens.

In order to more fully understand why economic controls caused higher food prices, put yourself in the position of a hog farmer. Imagine you own a farm with room to keep between 10 and 100 sows. First you hear that corn prices are going up and that will raise your feeding costs. Then you learn of retail food price freezes and price rollbacks and you worry that you may be unable to make up for increased costs. So—to play it safe—you decide to keep only 10 sows. The 90 sows you didn't keep could have produced 10 pigs each (five, twice a year).

These 900 pigs represent 180,000 pounds of pork the consumer will never see. Multiply that by the thousands of hog farmers and you see why production went down and why consumers bidding against each other bid up the price of pork.

We will have to live with the higher prices caused by controls for quite a while. It'll take time to rear the sows to bear the pigs which must then be raised to slaughter size.

ENERGY SHORTAGE

Production of food—from farm to table—uses 12 per cent of all energy in this country. Thus, when the price of fuel goes up, the price of food goes up.

In 1973, according to the U.S. Department of Agriculture statistics, farms consumed 6.5 million gallons of gasoline and fuel oil. If projected increases of 10 to 11 cents a gallon for refined petroleum products are on target, it will mean a $650 million increase in farm costs—for fuel alone.

The energy shortage will also affect the cost of fertilizer which is made from petroleum-based chemicals and natural gas. Farmers will need 43 billion cubic feet of natural gas—equal to one five hundreth of the total natural gas production—to increase production. These two essentials to farm production alone—fuel and fertilizer—will add $1½ billion to the 1974 costs of food production. And, there is no place for this cost increase to go but to consumers.

THE PROBLEM OF GETTING FOOD OUT OF THE GROUND

Farm costs are increasing due to shortages in farming essentials. Fertilizer has been mentioned before, but it provides a perfect illustration of farm-related shortages.

During the mid-1960s, the United States paid farmers to withhold land from grain production. In 1973, 40 million acres were released from this set-aside program and 20 million more were released in 1974. This generated an increased demand for fertilizer. At the same time, artificially low economic controls were discouraging fertilizer producers from expanding production.

Fertilizer isn't the only item in short supply, either. The cost of items purchased by farmers has increased 15 per cent over last year, largely because of short supply.

Farm equipment, for example, is both hard to come by and more expensive. Demand has literally outstripped the production of farm equipment manufacturers, and increases in equipment production just aren't that easy; petrochemical shortages have cut into tire supplies; metal casting production has been hurt by foundries closed by Federal safety rules; and complicated parts like double reduction axles just cannot be made easily or quickly.

As a result, a farmer who orders a tractor now could have to pay about one-third more than he did last year and would have to wait 6–8 months for delivery.

Even baling twine is in short supply. Supplies of twine, used to bind bales of hay fed to cattle, are unavailable because of a drought last year in sisal-producing areas. The large leaves of the sisal plant yield a stiff fiber used for cordage and rope.

Even the substitutes for twine are in short supply. Wire shortages have been estimated at 30–40 per cent below normal. Plastic twine is also unavailable because it is made from a petrochemical base.

In addition, seed prices have doubled. Herbicides and pesticides are available, but some prices are up by as much as 15 per cent over last year. And land costs rose 21 per cent last year—the second highest year in history.

Lastly, the problem of getting food out of the ground is compounded by the lack of new tillable acreage. Although plantings are up, we've about reached our saturation point. In fact, many are predicting decreased yields because the new land is only of marginal quality.

As you can see, there are no simple answers to the questions of why food prices are soaring. The issue is a complex one which requires responsible actions on the part of all of us.

New farming techniques and scientific advances will have to be adopted to keep pace with a growing world population. Adequate world stocks of all grains, depleted because of the recent demand, must be rebuilt to absorb the shocks of bad weather in major producing nations.

Consumers, who are feeling the pinch and squeeze in their pocketbooks, will need to understand the complexities of the food economy in order to cope with the changes it will necessitate. Comparison shopping will become a routine to the many who paid little attention to prices in former days. Consumer discipline will also be necessary.

Shoppers will have to find substitutes for high-priced foods—if beef is too high, buy chicken; if chicken is too high, buy fish.

We'll all have to realize that things will never be the same again. Prices will fluctuate; even get lower, but the days of cheap food are gone. Our food situation is an inconvenience in the United States, and far from a hardship. The food crisis is no laughing matter, but, in any case, we won't be sitting down to boiled shoe dinner.

LIVE TV FOR CONGRESS?

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, a question that is raised with increasing frequency these days is whether Congress should open its doors to live television coverage. There has been a fair amount of opposition over the years to the idea—some have said it would alter the deliberative process, with Members wanting to get their share of TV time; others having suggested such coverage would serve as little more than an effective replacement for conventional sleeping aids.

These fears have been dramatically squelched by the successful televising of the House Judiciary Committee's impeachment hearings. Giving the American public the opportunity to view the thoughtful and deliberate way in which the committee went about its task benefited both the Nation and Congress. The example set is one that I hope will be noted and repeated. Televising hearings and debates will bring our governmental process closer to all Americans and offer a better understanding of how our decisions are reached.

Frank Wallick, in the September 1974 issue of UAW Solidarity, made an excellent case for increased televising of congressional activity. I think you will find his comments both interesting and valuable:

[From UAW Solidarity, Sept. 1974]

MORE LIVE TV FOR CONGRESS?

(By Frank Wallick)

That brief glimpse we got of Congress at work during the televised impeachment hearings of the House Judiciary Committee gave Congress a new lease on life.

Who can forget Barbara Jordan's thunderous recital of the constitutional duties of a President as told by the granddaughter of a slave? Or the Mark Twain humor of William Hungate, spiced with learned insights into due process? Or the calm, thoughtful defense of President Nixon by Charles Wiggins?

Every Judiciary member gave the nation new hope and belief that the government was working. We saw—millions and millions of us did—an inner truth in our system at a time of great sadness and dismay. Television brought us together.

For years people have talked about putting Congress on live television. It has usually been hooted down. Congress, we have been told, has too many hams. Even ordinary congressional hearings often go without TV cameras because of fear they will turn the sessions into unsightly brawls. We know better now. Congress can rise to greatness—and television helped do that.

The gamble to put the impeachment debate on TV paid off handsomely. For the first time in American history millions saw the workings of good minds speaking in every possible geographical twang and accent—called by history to decide on the removal of a President.

Why not put Congress on the tube more often? The 535 House and Senate members often do the nation's work in well-hidden shadows. A rare phrase may grab a few seconds of network time. But few of us ever see how the nation's business is conducted.

Obviously, there are practical limits to what the public can take at one sitting. Congress, in a good day, can pour out words which sometimes baffle the Government Printing Office's nightly miracle—the *Congressional Record*, which lands on congressional front porches before the members eat breakfast.

Instant replay of pro-football is an accepted media art today. Satellites bring to our living rooms the historical drama of Olympics, state funerals and coronations. Can't we learn something from the Judiciary spectacular?

The political process is the very stuff of our bread and butter—but today the process is remote. And people are, therefore, cynical. The UAW has fought to get the political process out in the open. Vote-taking in committee meetings was often hidden from public view. The UAW in Washington worked to change that. Today you can see how a committee marks up a bill.

We took a big leap into the future when the Judiciary hearings came live into our homes. Maybe the House Ways and Means Committee can't take the place of Mannix or Mary Tyler Moore. But certainly we ought to get prime time on television to see how Congress debates tax reform, national health insurance, plant closings, mass transit, environmental blackmail and consumer protection.

GEN. CREIGHTON ABRAMS

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. FISHER. Mr. Speaker, the untimely death of Gen. Creighton Abrams was a blow too sad to contemplate. Stricken down in the prime of his life, he had already earned a secure place in American military annals.

General Abrams was not only a great soldier. He was also a great patriot in the finest tradition. He was devoted to America, its preservation, and its crucial role in the council of nations. In pursuance of those ideals he left an imprint that will be recognized and appreciated for generations yet to come.

It was my privilege to have known General Abrams quite well personally. He has visited me in my office on several occasions, voicing his concern about military manpower and training. And when testifying before the Armed Services Committee he always commanded respect and adoration by all the members.

In Vietnam he performed brilliantly, always thinking of the welfare of the individual soldier and all others engaged in combat. For his service there this Nation is everlastingly indebted.

To Mrs. Abrams and other members of the family I extend my profound sympathy in their bereavement.

A TRIBUTE TO GOV. THEODORE R. McKELDEN

HON. PAUL S. SARBANES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. SARBANES. Mr. Speaker, Theodore R. McKeldin, whose recent death is mourned throughout the State of Maryland, was by all measures an extraordinary man. Twice Governor of the Free State and twice mayor of the city of Baltimore, he was unusual in the warmth and openness of his buoyant personality; in his matchless and inspiring rhetorical style; and in his resolute, indeed passionate, commitment to the eternal ideals of equality and justice for all men, regardless of race, creed, or class.

Governor McKeldin's deep Maryland roots can be traced to humble beginnings in South Baltimore; the Governor was always intensely proud of them. The son of a policeman and a German immigrant mother, he was one of 11 children. Through dedication, imagination and determined hard work, he became one of 20th century Maryland's most effective and distinguished public leaders.

His achievements in government are reflected in every corner of Maryland: in her universities and hospitals, her roadways and public parks, and in countless other public projects whose realization is a tribute to the Governor's foresight and innovation. But Theodore McKeldin's most significant contribution lies in his enduring impact on the hearts and minds of the fellow citizens he loved so deeply. He was described as "a man for the people and of the people," for Governor McKeldin delighted in the company of people. He especially loved the brilliant tapestry of America's religious, racial and ethnic heritage, which constitutes the strength of our Nation. He treasured the rich diversity of our traditions, and he relished his own active participation in them. Whether quoting a solemn passage from the Torah, recounting with great sensitivity the epic life of Baltimore's revered Cardinal Gibbons, or delivering a powerful sermon in a Protestant church, Theodore McKeldin always displayed his unique understanding of all that is fundamental to American life .

The Governor's profound religious conviction was the key to both his personal and his public life. He was not a man for whom religious pieties served as gestures, to be uttered as rhetorical flourishes. His religious sense grew out of a strong and deeply rooted personal commitment to his God; it found expression in his sympathy for the underdog and the downtrodden, in his sincere and righteous indignation at injustice, in his unfailing efforts at conciliation with those who disagreed with him. He often said that his goal was always "to encourage the Brotherhood of Man under the Fatherhood of God."

With the death of Theodore Roosevelt McKeldin, the citizens of Maryland and of our entire Nation have lost more than a political personality, a mayor or a Governor. Throughout his long and distinguished career in public service he remained ahead of his time in his concern for the economically deprived, for racial, religious, and ethnic minorities, and for others whom our society is often too busy to remember.

He was a moral leader with an unshakable commitment to justice and equality of opportunity; to his great credit and our lasting benefit, he was able to translate that commitment into public policies and programs which won the support and respect of the voters of Maryland. I join with my fellow Marylanders in paying tribute to the memory of Gov. Theodore R. McKeldin, who gave so unstintingly of himself to make Maryland and the Nation a better place for us all.

THE NEW YORK CITY MEAT BUSINESS: IT'S NOT THE MEAT THAT SMELLS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. ASHBROOK. Mr. Speaker, one hidden cost in their meat bill which the housewives of New York City will not appreciate stems from the racketeering, bribery, and extortion infesting the meat business in that area, according to two recent articles in the Wall Street Journal. Graft, it is estimated, adds about 1 cent or more directly to the retail price of each pound of meat sold in the city, and indirectly much more than that, amounting to losses of millions of dollars to shoppers.

Federal, State and local investigations over a 3-year period have produced 16 indictments of local racketeers, butchers' union officials, meat brokers, and supermarket and meat company executives. One case before the New York Supreme Court which recently closed and is awaiting a decision in October charges that officials of the world's largest beef packer, Iowa Beef Processors, Inc., conspired to bribe union and supermarket-chain officials. Under indictment for income tax evasion are the president, secretary-treasurer, and director of organization of the Greater New York local of the Amalgamated Meat Cutters Union. Federal tax indictments include supermarket executives, who, over a 2- to four-year period, failed to report complete taxable incomes.

A key figure in this whole affair is Moe Steinman, vice president of a supermarket chain, who is now under State indictment for conspiring to commit bribery and for alleged Federal tax violations. According to court testimony, Mr. Steinman was the man to see in the meat business in New York City which advice the Iowa Beef people followed to their subsequent sorrow. His power came from his connection with corrupt labor union officials. Businessmen were forced to go along or suffer the consequences.

Although the full story has yet to be told, indictments and court testimony suggest there's a definite smell from the New York City meat business. The larger question is, of course, whether the New York situation can be found elsewhere in the United States. Is there any doubt? In our major cities a corrupt group of politicians, labor leaders, and the criminal element is strangling the people.

I insert the aforementioned Journal articles at this point in the RECORD.

[Form the Wall Street Journal
Sept. 10, 1974]

IF MEAT'S YOUR GAME, MOE STEINMAN IS MAN TO SEE IN NEW YORK

By Jonathan Kwitny

NEW YORK.—By most accounts, Moe Steinman is the single most influential man in the New York City meat business. If you want to sell meat in the city, or anywhere near it, you may very well have to deal with him—even if, as testimony in New York Supreme Court suggests, you run the world's largest beef packer, Iowa Beef Processors Inc., or the country's largest chicken producer, Holly Farms Inc.

The ruddy-faced, five-foot-eight Mr. Steinman holds the title of vice president, labor relations, for Shopwell Inc.'s Daitch-Shopwell supermarket chain. His corporate title alone, however, fails to explain his influence. More important, he has invested in business deals with the heads of labor unions with which he negotiates. He has operated numerous meat brokerages that sell to supermarket chains, including his own. He has negotiated labor disputes for some of the same chains and meat concerns. He is a frequent companion of a Mafia captain and sometime purveyor of kosher meat named John (Johnny Dio) Dioguardi. And right now—following a three-year investigation by federal, state and local authorities into the roles of Moe Steinman and others in the New York meat business—he is under state indictment for conspiring to commit bribery and under federal indictment for alleged tax violations.

Racketeering — bribery, extortion, the threat of violence and perhaps even murder itself—has infested the business for decades. Graft, some estimates have it, adds about one cent or more directly to the retail price of each pound of meat sold in the city, and indirectly much more than that. It costs shoppers millions of dollars a year. It deprives government tax coffers of millions more, and picks the pockets of shareholders of many publicly held supermarket chains and meat companies that pay tribute to racketeers in order to sell meat.

The current investigation, led by Assistant District Attorney Franklin Snitow of New York, city detectives John Carey and Robert Nicholson, and attorney William I. Aronwald of the Federal Strike Force Against Organized Crime, has yielded at least 16 federal and state indictments against racketeers, butchers' union officials, meat brokers and supermarket and meat-company executives. Several trials have begun. But the graft hasn't stopped. And Moe Steinman continues to maintain his influence.

Interviews with more than a dozen key men in the meat industry show that though Mr. Steinman's power isn't absolute—many wholesalers and some supermarket chains have stayed in business for years, apparently without paying commissions to any of his brokerages—it is nonetheless far-reaching. Almost everyone in the industry seems to know Mr. Steinman, and many a business deal has been altered out of respect for him.

UNCONVINCED EXECUTIVES

The prospect of profit is one incentive. Fear may be another. In 1972, a New York meat wholesaler, Sheldon Epstein, planned with two other meat dealers to start a new veal business that would have competed with two existing firms that apparently paid commissions to a Steinman brokerage. But before the business was launched, Mr. Epstein and another man were shot to death by an unidentified gunman while standing at the bar of the Neopolitan Noodle, an Italian restaurant in New York.

Police believe the men were killed by a Mafia hit man who mistook them for two gangsters who had been at the bar earlier. The investigation has been closed. But rightly or wrongly, some prominent meat-industry executives are scared. The head of one large meat firm, after mentioning the shooting, suspects other industry figures "wound up in cement shoes" for getting out of line. He won't go into detail, he says, because "I don't want to wind up in a box." Many other dealers are also closedmouthed. "It's not themselves they're afraid for so much," one says. "It's their families."

Current indictments deal largely with bribery and income-tax evasion. They allege that deals involving tremendous sums—kickbacks in the form of commissions and outright payoffs—have been prevalent. The money allegedly has been paid to satisfy the terms of highly incestuous "brokerage" deals in the New York area, which Mr. Steinman has defined as the area in a 125-mile radius of Columbus Circle in the heart of Manhattan.

Federal tax-evasion indictments charge that some supermarket executives, over periods ranging from two years to four years, got large sums for buying their meat through brokerage firms linked to Mr. Steinman. For example, Salvatore Coletta, vice president in charge of meat operations for Hills Supermarkets Inc., allegedly got $306,174; Blase Iovino, meat buyer for Hills, $297,800; George Gamaldi, vice president in charge of operations for Hills, $267,300; Daniel Ciarapichi, vice president of meat operations for Bohack Corp., $108,805; Robert Labasin, meat buyer for Bohack, $65,000 and Barnett Freedman director of meat purchasing for Waldbaum Inc. $43,062.

All of these men have pleaded innocent. All but Mr. Freedman have left their companies.

Other supermarket chains named in indictments or court testimony as falling under Mr. Steinman's influence include Food City, Big Apple, First National Stores, Food Fair, King Kullen, Food-o-Rama Supermarkets (which since has acquired Big Apple), Sloans Supermarkets and Wakefern Food Corp., a cooperative whose members include Food-o-Rama. The firms aren't defendants.

According to indictments and court testimony, Mr. Steinman's brokerages collected large fees from chains and meat producers in return for handling meat orders and then, allegedly, kicked back part of the fees to executives of the supermarkets and other key people. A tax-fraud indictment implies that one Steinman brokerage handled payoffs by padding its payroll with 22 people, including at least two relatives of executives of Mr. Steinman's employer, Daitch-Shopwell. The indictments don't say how much each of the 22 persons got, but the figure $250 a week has been mentioned.

The list of allegedly phony employes included a son—who hasn't been indicted—of Herbert Newman, a partner in one Steinman brokerage. New York City detectives following the son reportedly once saw him withdraw $200,000 in bonds from a bank safe-deposit box. Exactly where Moe Steinman keeps his money, and how much he has, authorities haven't been able to learn. He himself declines to be interviewed in person or in writing by The Wall Street Journal.

In a 1972 state grand-jury appearance, later described in an indictment, Herbert Newman testified that Mr. Steinman only recently had become a partner in the Newman brokerage, though sources in the meat industry say the two men have worked closely for decades. Mr. Newman has been indicted on eight counts of contempt for giving "conspicuously unbelievable, evasive, equivocal and patently false" answers in his grand-jury testimony. More recently, he has been indicted for allegedly padding his brokerage payrolls to spread around the commissions from supermarket chains. His trials have been postponed indefinitely because he is reportedly suffering from cancer in Miami Beach.

When Mr. Newman delivered his 1972 grand-jury testimony, prosecutors cited a wiretapped telephone conversation between him and Mr. Steinman. Mr. Newman apparently was concerned about $78,000 in brokerage fees that seemed to be missing from the Steinman-Newman firm over a two-month period. A prosecutor told the grand jury it seemed "clear" from the conversation that Mr. Steinman gave the $78,000 as "payoffs to the mob elements"—especially, to Tommy Dioguardi, brother of Johnny Dioguardi. Mr. Newman told the grand jury: "I can't say that he (Moe Steinman) went and gave this to the Mob. . . . I know that he knows them all. I know he associates with them. . . . I never was there."

Other money from brokerage commissions allegedly went to officials of the Amalgamated Meat Cutters and Retail Food Stores Employes Union to promote labor peace in stores that handled Steinman-brokered meat. Nicholas Abandolo, president of the union's Greater New York local; Moe Fliss, secretary-treasurer, and Irving Stern, director of organization, have been indicted for allegedly taking and not reporting on their tax returns about $5,000 a month, plus occasional bonuses in the thousands, from Steinman and several supermarket officials under his influence. All have pleaded innocent.

THE BLACK ANGUS

Iowa Beef Processors Inc. and its cochairman, Currier J. Holman, were indicted in 1973 on charges of conspiracy to bribe union and supermarket-chain officials through Mr. Steinman. They pleaded innocent, and their trial in New York State court ended in July; a verdict is due from Judge Burton Roberts next Monday.

According to highly detailed testimony at the Iowa Beef trial, Mr. Steinman claimed to have paid off union officials the first Tuesday of every month at the Black Angus bar and restaurant in Manhattan. Here, too, he met with Johnny Dio. The Black Angus is owned by Jules Tantleff, former vice president and sales manager of the Bohack chain. He bought the beefhouse from Louis Block, who, along with his brother Max, an employe of the Black Angus, is a former official of the butchers' union. The Block brothers also owned a country-club resort in Connecticut, which they had purchased with money from the sale of bonds to investors including Moe Steinman and several other supermarket executives.

Max Block also has been connected with a firm that sold kosher meats to supermarket chains, including Daitch-Shopwell, through meat buyers such as Moe Steinman and his brother, Sol Steinman. An employee of the same kosher provision company was Johnny Dio, who joined the firm after his release from prison after serving sentences for extortion, fraud, and state and federal tax violations.

Jules Tantleff, who bought the Black Angus from Louis Block, was an old hand in union affairs, too. In a conversation wiretapped by New York detectives, he told Sol Steinman how he handled union leaders when he worked for Bohack. "I used to handle it personally," he said. "Then I'd put in expense vouches over a period of two or three months to get it back." Mr. Tantleff earlier this year was convicted on four counts of criminal contempt in connection with his grand-jury appearance and was sentenced to four months in prison. He is free on bail pending his appeal.

WINNING BACK LOST BUSINESS

Restaurateur Tantleff's dealings with Moe Steinman went back many years. In 1971, Food-o-Rama, a supermarket chain whose shares are traded on the American Stock Exchange, suddeny stopped buying meat from a Steinman-Newman brokerage. Wiretap transcripts show that Mr. Tantleff telephoned George George, senior vice president of Food-o-Rama, and explained that Moe Steinman "could be helpful in an advisory capacity" in Food-o-Rama's coming union negotiations. In return, Mr. Tantleff said, Food-o-Rama should resume purchases through Mr. Steinman's brokerage. Mr. Tantleff said he would get part of the commissions and would pay back a portion to Mr. George.

According to grand-jury testimony by the two men, Mr. George did begin to receive about $700 a month in payments that he shared with another Food-o-Rama executive. And at Mr. Steinman's urging, Mr. Tantleff got Mr. George to drop the Frozen Queen brand of meat patties and begin buying another brand sold by a Steinman associate.

Meanwhile, Food-o-Rama's labor negotiations got under way. Mr. George allegedly relayed Food-o-Rama's offers through Mr. Tantleff, the restaurant owner and former Bohack's official, to Mr. Steinman—an executive of another rival supermarket chain. Mr. Steinman then talked them over with Messrs. Abandolo and Stern of the butchers' union, according to wiretapped conversations (referred to during grand-jury proceedings). Mr. Steinman came back through Mr. Tantleff with instructions on how Mr. George should talk and conduct himself in direct dealings with union bargainers. Repeated throughout the conversations is the phrase "tell the truth"—an apparent euphemism for paying people off.

A $500 FINE

Testimony and evidence including the wiretaps shows Mr. Steinman's involvement in the labor affairs of still other supermarket chains. As he awaits trial on bribery-conspiracy charges, his principal employer, Daitch-Shopwell, reports he is on an extended vacation, though he retains his title and a secretary.

In July, he tried to enter a plea of guilty to the charges. But he wasn't willing to specify enough wrongdoing to satisfy Judge Burton Roberts in New York. The judge refused to enter the plea and entered a plea of innocent instead, forcing Mr. Steinman to stand trial. Meanwhile, he is reported to be "cooperating" with federal authorities by supplying limited information on payments to supermarket executives. Presumably, he is doing so to earn a recommendation for leniency if he is convicted.

Mr. George, who did testify about his relationship with Mr. Tantleff, was indicted on five counts of contempt for giving "conspicuously unbelievable, evasive, equivocal and patently false answers" to the grand jury. He pleaded guilty to one count and was fined $500.

[From the Wall Street Journal, Sept. 11, 1974]

TO SELL IN NEW YORK, IOWA BEEF HAD TO DEAL WITH BROKER STEINMAN

(By Jonathan Kwitny)

NEW YORK.—The blinds are drawn in the Stanhope Hotel room, and the cochairman of a major corporation is negotiating with a man he hopes will help expand his $1.5 billion-a-year business into the rich New York market. The talks eventually bring the executive and his corporation on trial for conspiracy to bribe union and supermarket-chain officials.

How did Currier J. Holman of Iowa Beef Processors Inc., the largest beef packer in the world and 117th largest industrial company in the nation, get into a pickle like this?

The answer offers a rare, behind-the-scenes look at one way a new competitor can introduce meat products into the New York market. That is by paying off the right people.

What follows is an account of Iowa Beef's experiences as pieced together from testimony at the trial of the company and Mr. Holman in a New York state court. Although Mr. Holman didn't testify at the trial, a long tape recording of him narrating the entire story to two Manhattan prosecutors was admitted into evidence. Lawyers for Mr. Holman and Iowa Beef say their clients are innocent of conspiracy because they didn't share a common intention with any racketeers. The trial ended July 26, and Judge Burton Roberts, who heard the case without a jury, has scheduled a ruling Monday.

A VIOLENT STRIKE

Mr. Holman and his colleagues at Iowa Beef got sucked into the muddy New York world of meat graft by coming up with a new method of distribution: boxed beef. Iowa Beef had pioneered the idea of avoiding the conventional process of shipping whole, hanging 750-pound steer carcasses from Midwest slaughterhouses to supermarket distribution centers in big East Coast and West Coast markets. Instead, Iowa Beef calculated, it would be a lot cheaper to butcher the critters at its own plants, freeze marketable cuts and seal them in plastic, and ship them in boxes to retail distribution centers for fast and easy handling.

Right off, a big problem: The Amalgamated Meat Cutters and Retail Food Stores Employes Union. On Aug. 24, 1969, just as a costly new plant was about to expand Iowa Beef's packing capacity, the butchers' union struck, citing local issues. Mr. Holman was quick to see, or think he saw, the union's real objection: Boxed beef saves money by allowing supermarkets to hire fewer butchers.

By the fall of 1969, the union had spread its strike from Iowa Beef's home plant in Dakota City, Neb., across the country. In his time-recorded narrative, Mr. Holman claimed the strike occasioned 70 felonies and hundreds of misdemeanors. He also said that "they burnt our general counsel's house to the ground. It was intended to be my house, which is immediately contiguous to his, but they just missed." Iowa Beef filed suits charging illegal boycotts by the butchers' union, and it tried to move its boxed beef to New York markets. Mr. Holman made deals with two supermarket chains, but after the first half-dozen carloads, further shipments were rejected.

A LITTLE OF THIS AND THAT

In October, 1969, at the peak of the crisis, Mr. Holman got a phone call from Benny Moscowitz, a New York meat wholesaler he had dealt with back in the 1940s. Not having seen Mr. Moscowitz in years, Mr. Holman didn't know that he now was working with Moe Steinman, a key figure in the behind-the-scenes wheeling and dealing of the New York meat business. Mr. Moscowitz told Mr. Holman that there were some "people . . . you've got to meet. I'll bring them out."

Out came Moe Steinman, who Mr. Holman soon learned preferred to talk business in restaurants, hotels and telephone booths. "And so we're sitting in the middle of (a) lobby of a motel," Mr. Holman recalled, "and I said, "What are you? What's your business? What do you want to talk about?' He says, 'Er, I do a couple of things.' "

Mr. Steinman apparently didn't say that he was a free-lance solver of labor problems for supermarkets, or a financial benefactor of butchers' union officials. He did say that he was vice president of labor relations for the big Daitch-Shopwell supermarket chain and a partner in Trans-World Fabricators, a New York meat brokerage. Mr. Holman: "I said, 'Well, that's interesting. . . . What the hell—er—how can you be vice president for Daitch-Shopwell? . . . You know, you couldn't work for me.' I said, 'We don't countenance people doing two or three things on the side. . . .' Well, he laughed it off. . . . I said, 'We're trying to sell a lot of meat to the chain stores. We tried to sell your goddamned chain. Maybe you can help us out.'

"He said, 'Maybe I can.' "

Mr. Holman soon was talking to people such as Herbert Newman, managing partner of Mr. Steinman's Trans-World meat brokerage, and men identified to him as former vice presidents of butchers' union locals. He was impressed, but no deal had been made. By early April 1970, Iowa Beef's New York bankers were threatening to eliminate the strikebound company's credit line. Iowa Beef would have "gone broke," Mr. Holman said. "Andy (A. D. Anderson, then the co-chairman of Iowa Beef) and I decided to come . . . to New York City and talk to Mr. Steinman."

P. L. Nymann, Iowa Beef's general counsel at the time of the meeting, recalled in court that Mr. Holman had spoken about Mr. Steinman's influence with union officials. "I wasn't sure," Mr. Nymann said, "whether it meant that he'd wine them and dine them or do other favors for them, or possibly the ultimate of paying them money."

Hardly had the decision been made to go to New York than the strike at the Dakota City plant ended, on April 13. On April 21, Mr. Holman and other Iowa Beef executives checked into the Stanhope and called Moe Steinman. He came over with his brother Sol and his partner Herbert Newman.

Mr. Holman told them Iowa Beef needed to sell 16,000 carcasses worth of boxed beef a week in the New York area, more than any one packer ever had sold before. Mr. Steinman whipped out the Yellow Pages and pointed to 14 supermarket chains that, according to Mr. Holman, "he thought he could help us with." Mr. Holman brought up the union opposition to boxed beef. "I know," Mr. Steinman reportedly replied, "but I think I can handle it."

Mr. Holman: "He went to the corner phone, made three or four calls . . . and then two people called him back. . . . He said, okay, he said, tomorrow noon we'll have the . . . presidents of the unions that are involved in this . . . here and we'll talk."

At noon the next day, Mr. Steinman called and led the Iowa Beef men down the hall to another suite. Two defense witnesses, two prosecution witnesses and Mr. Holman himself agree that waiting there were three high-ranking butchers' union officers—Irving Kaplan, Irving Stern and Albert DeProspoe—and two union lawyers. (Mr. Stern is now under federal indictment for allegedly evading taxes on thousands of dollars in bribes allegedly paid by him by Mr. Steinman and other supermarket officials; he has pleaded innocent.)

One union lawyer was Harold I. Cammer, outside counsel hired to defend the union against Iowa Beef's boycott suits. He was struck by the appearance of some of the men. Mr. Steinman, he testified, "was just a furtive-looking character out of 'Guys and Dolls.' . . . I thought he was there to get coffee for the Iowa Beef people. I had no notion until later than I was in the presence of a famous character. . . . This fellow, he looks like a worm." By contrast, he said, the Iowa Beef men "looked like a bunch of Texas Rangers."

Iowa Beef's Mr. Holman remembered that the room was "very dark and (it was) difficult to see the people. . . . The blinds were closed." Just after the opposing lawyers began to talk, Mr. Stern, the union's director of organization, interrupted and bellowed, "You goddamned lawyers get the hell out of here! You get your ass out and don't come back till I call you." The lawyers left.

Mr. Holman explained that he wanted to get his boxed beef into New York and he would be willing to drop Iowa Beef's multimillion-dollar suits against the union if it would agree not to fight boxed beef. Mr. Steinman told the Iowa Beef men to go back to their own suite for a while. Some 90 minutes later, he called them back in. He said, according to Mr. Holman, "If you do what you say you're going to do, you got it."

Then, according to Howard Weiner, financial vice president and treasurer of Iowa Beef at the time, a union officer "recommended or suggested or identified" Mr. Steinman as "a person who could help Iowa Beef with its boxed beef program in New York . . . His influence was with meat people and with union people."

AND TO THE BLACK ANGUS

The upshot: Over drinks at the Stanhope bar, the Iowa Beef men agreed to pay Mr. Steinman's Trans-World brokerage 25 cents for every 100 pounds of Iowa Beef's boxed beef sold within a 125-mile radius of Columbus Circle, near the center of Manhattan. Mr. Steinman and his brother Sol took the Iowa Beef men to dinner at the Black Angus, where, according to testimony by Mr. Weiner, Moe Steinman had boasted that he paid off butchers' union officers the first Tuesday of every month. (It was there, too, according to hearings before the New York State Commission of Investigation, that he sometimes met with his friend John (Johnny Dio) Dioguardi, who has been repeatedly linked by authorities with the Mafia.)

After their return to Dakota City, Iowa Beef officials had misgivings. Mr. Weiner, the financial vice president, remembered "many, many meetings" discussing the "curious . . . nature of (Mr. Steinman's) relationship with the union. . . . This seemed in conflict of what we were used to (in) management people." It appeared, he said, "that Moe Steinman's influence and his ability to open doors meant that he was going to pay off union people and meat buyers. This possibility was distasteful to everyone in these meetings, including Mr. Holman. . . . I heard said at various times, 'It's a sad state of affairs that Iowa Beef, (then) the 127th largest manufacturing company in the country, the largest beef producer in the world, has to do business with people like this.' "

The conversations were concluded by Mr. Holman's question: "Do you want to get your meat into New York? New York is the largest meat market in the world. You want to sell there or don't you?"

The Iowa Beef executives telephoned Fred Lovette, chairman of Holly Farms Inc., the nation's largest chicken purveyor. They said he told them that he, too, had been unable to sell in New York before he signed a brokerage agreement with Moe Steinman. (A Holly Farms spokesman now says that, while Mr. Lovette doesn't remember precisely what was said in the conversation, it is true that Holly Farms has a brokerage deal with Moe Steinman.)

THE RATE GOES UP

Within a month, Moe and Sol Steinman flew to Dakota City with some bad news. First, they said, they would need a commission of 50 cents a hundred pounds instead of 25 cents to move the boxed beef. "I said," Mr. Holman recalled, "For Christ's sake, I'm not going to pay 50 cents a hundred. . . .' " Mr. Steinman allegedly replied: "Well, look, I need the 50 cents. I got to buy a union steward. You had trouble in Supermarkets General (a chain)? I've got to buy a guy a broad. I may have to buy a chain-store buyer. I've got to pay cash."

The fee was left hanging. But there was more bad news. Contrary to Iowa Beefs expectation, Mr. Steinman didnt plan to invest in cooling and warehousing facilities to handle its beef. He would open doors to other warehousemen, but moving the meat was Iowa Beefs problem. Roy Lee Jr., then president of Iowa Beef, testified that the executives recognized that Mr. Steinman was going to do very little for his money under the brokerage agreement, but they figured his payoffs would make it work anyway.

"Jesus Christ," Mr. Holman quoted co-chairman Anderson as telling him, "you know what we do in Las Vegas? We can't sell a goddamned pound of meat out there. You know what (another person) said about (a hotel in Los Angeles)—we got to buy the goddamned chef in order to get the meat in there.

"And I concurred," Mr. Holman said. "We're going to pay (Mr. Steinman) just as cheap as we can," he told the other executives, "but look, we got to get New York." Mr. Nymann, then the general counsel, says he tried to protest that the plan was dangerous, even illegal, but Mr. Holman interrupted him. "I know that you lawyers would tell us not to do this," Mr. Nymann quoted Mr. Holman as saying, "but I'm going to do it anyway."

"I'LL SPEAK WITH MOE"

Back in New York, meanwhile, Mr. Steinman instructed Lewis Jacobs, a top Iowa Beef sales executive, to rent an office for a new brokerage firm to handle the Iowa Beef account. The firm was called Cattle Pakt Sales Inc., later shortened to C. P. Sales Inc., and its office was at 56th Street and Madison Avenue, far from the grubby downtown meat district. Mr. Jacobs testified that he would call Mr. Steinman early in the morning at his home and ask for appointments with meat buyers. Mr. Steinman would call back with an appointment schedule. But Mr. Steinman didn't go to the meetings, and normally his name wouldn't come up. He said it "wasn't necessary" to mention his name to the buyers, Mr. Jacobs recalled.

On June 3, Mr. Jacobs visited Aaron Freedman, meat executive for Waldbaum's, a regional chain. Mr. Freedman seemed interested in boxed beef. But Mr. Jacobs testified that Mr. Freedman told him, "I'm going to have to speak to Moe Steinman about it." The same afternoon, Alvin Bernstein, a meat executive at the Big Apple chain, told him the same thing. After Mr. Steinman interceded, according to various witnesses, Waldbaum's, Big Apple and two other chains, Food Fair and Hills, started ordering boxed beef.

In December 1970, Mr. Steinman renewed his demands for a 50-cent commission. Iowa Beef vice president Weiner testified that Mr. Steinman "stated to me that he had certain expenses that others didn't have. . . . I asked him what those expenses were. And he said, 'Well, I have income tax'—and I interrupted him and said, 'Everyone has that. That's not unusual.' He said, 'Well, kid, I have other expenses too. There are three kinds. I pay meat buyers off at 15%. I pay union people off at 7%. And it costs me 10% to convert the corporate money to cash, and I have to deal in cash.' I said I understood."

Mr. Holman remembered the expense accounting a little differently. He said Mr. Steinman contended that he had to pay a full one-third of his commission to union officials and another third to chain-store executives, and that taxes ate up most of the rest.

MY SON-IN-LAW, THE LAWYER

Mr. Weiner remembered lots of shouting at the meeting. Mr. Steinman finally settled for a fee of 50 cents a hundred pounds for the first five million pounds of boxed beef moved each month and 35 cents on anything above that.

Then Mr. Steinman turned to Walter Bodenstein, his lawyer son-in-law, who apparently had ben sitting quietly through the meeting. According to Mr. Weiner's testimony, Mr. Steinman "suggested to Mr. Holman that Walter Bodenstein . . . could be invaluable to Iowa Beef in the New York area for some of their legal problems if and when they had them. He knew lots of union people, did a lot of legal work for union people and others, and suggested that Iowa Beef put him on a retainer."

Mr. Holman had heard of Mr. Bodenstein. During the summer, when he had phoned Holly Farms about Mr. Steinman, he had been told, "You probably may have to hire his son-in-law in the bargain, but the kid's a good kid." Mr. Steinman now asked a $50,000-a-year retainer for Mr. Bodenstein. Mr. Holman bargained him down to $25,000. Later, when it came time to reduce the Steinman-Iowa Beef agreement to a formal contract, Mr. Steinman announced he was bowing out of C. P. Sales, the brokerage, and that Mr. Bodenstein would take over for him.

The New York indictment against Iowa Beef and Mr. Holman came down in March 1973, more than two years after Mr. Steinman announced he was quitting C. P. Sales. The timing has become important, because the statute of limitations on conspiracy is only two years. This is one of the two major defenses that Iowa Beef and Mr. Holman presented in their recent trial.

WAS IT JUST PALAVER?

The other defense: No conspiracy existed even before January 1971, because Mr. Holman never really believed Mr. Steinman was bribing anyone—only dickering for a bigger commission. Indeed, when the New York district attorney's office and the federal strike force investigated, they found careful records indicating that none of the money Iowa Beef paid to C. P. Sales was passed on as bribes. Instead, the money that went to union officers and supermarket executives came from other Steinman-linked brokerages that had no dealings with Iowa Beef.

This persuaded prosecutors to charge only conspiracy to bribe rather than actual bribery on the part of Iowa Beef and Mr. Holman, although the same supermarket executives who had been persuaded to buy boxed beef were getting money from other Steinman-linked brokerages.

In conversation and in correspondence with Iowa Beef during the investigation, Mr. Bodenstein denied he had ever agreed or intended to bribe anyone. Of his father-in-law's talk of bribery, Mr. Bodenstein said that Mr. Steinman simply "talked too much." According to an attorney for Mr. Bodenstein, C. P. Sales continued to receive commissions from Iowa Beef at the rate of more than $1 million a year even during the trial.

By the time of the 1973 indictments, Mr. Holman had fired Howard Weiner and Roy Lee. P. L. Nymann had resigned, and Andy Anderson had also left. Messrs. Nymann and Weiner said their departures were caused by strong disagreements with Mr. Holman over their pending grand-jury testimony.

Says Mr. Nymann: "I don't feel that I could participate in the investigation where it seemed that people were going to say that they didn't remember the events of a significant meeting." He also says Mr. Holman exploded with obscenities on learning that Mr. Weiner had told "everything" when interviewed by attorneys in New York.

Barnett Freedman, a Waldbaum's executive, is under a federal indictment for income-tax evasion for failing to report alleged bribery income from Moe Steinman. His brother, Aaron Freedman, the Waldbaum's meat executive whom Iowa Beef's Mr. Jacobs visited, died during the investigation. Also indicted have been Alvin Bernstein, a Big Apple meat executive, and Blase Iovino, Salvatore Coletta and George Gimaldi, meat executives at Hills who placed the chain's order with Iowa Beef, according to evidence in the Iowa Beef trial. Generally, the indicted men are accused of taking between $200,000 and $300,000 in bribes over several years. Butchers' union officials in New York—Nicholas Abandolo, Moe Fliss, and Irving Stern—are under tax-evasion indictments, too. All have pleaded innocent.

A HIDDEN STRUGGLE TO PUT THE HOUSE IN ORDER

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, not surprisingly the matter of House committee reform is an issue which has caught the public's attention. I hope my colleagues read with interest the clearly developed article which appeared last week in the Los Angeles Times on the work of the Select Committee on Committees. The article follows:

THE FUTURE VIABILITY OF CONGRESS IS AT STAKE: A HIDDEN STRUGGLE TO PUT THE HOUSE IN ORDER

(By Roger H. Davidson)

A virtually unheralded confrontation is set for this week on Capitol Hill. It will help tell the American public whether or not Congress is serious about assuming a more vigorous policymaking role in the post-Watergate years.

The clash will take place in a tiny, ornate chamber just off the House of Representatives gallery. Here the House Rules Committee will decide whether to allow floor debate on the "Committee Reform Amendments of 1974," a wide-ranging plan for reorganizing the House. Presented earlier this year by a committee headed by Rep. Bolling (D-Mo.), the plan proposes the first reshuffling of the House structure in many years.

The Rules Committee's hearing should be lively. Bolling and his vice chairman, Rep. Dave Martin (R-Neb.), both serve on the Rules Committee, which will make the final decision. But ranged against them are most of the powerful committee chairmen, who have decided to stonewall against any changes in their committees' jurisdiction.

Few people deny, at least in principle, that Congress desperately needs structural modernizing. Even to those well acquainted with Capitol Hill, the houses of Congress often seem a buzzing confusion—with powers scattered and party leaders unable to bind them together. Individual legislators and committees may do an effective job, but the system fails to function as an integrated whole.

Historical precedents dictate the assignment of bills to the House's 21 committees and 132 subcommittees. Once a measure is assigned to a committee—and bills are cleverly drafted with particular committees in mind—it permanently remains in that committee's jurisdiction. If the legislation is passed, renewals and amendments follow the original bill back to the same committee. Also by precedent, House bills cannot be divided or shared among various committees.

The result is a monstrosity in which historical accidents are frozen forever into place. National forests, for example, are handled by two House committees, with the Mississippi River as the dividing line. International fishing treaties are overseen by two committees—cod and herring by one, tuna and salmon by another. Auto safety and highway safety are divided between the committees dealing with consumers and roads, respectively. Similar examples abound.

When an issue becomes popular, prudent Congress-watchers duck for cover while committee and subcommittee chairmen fight for their piece of the action. This happened last year when legislators suddenly discovered the energy crisis. While gasoline lines grew longer, timely legislative action was prevented by the fierce jurisdictional scramble on Capitol Hill.

In the House alone, more than a dozen committees, all going their own way, exercised major control over energy policy. Nearly all the rest are busy getting into the action.

Other issues are equally scattered. Environmental matters are in five committees, as is transportation. Everyone vies to protect his "turf" against real or imagined intrusion. Last December two incompatible pension reform bills reached the floor, and last month two deep-water ocean port bills were discovered percolating in committees.

All this enterprise might be laudatory, except that nobody wields the power to coordinate the committees' work and guide it to the floor in timely fashion. Often Congress is castigated for puttering around when in fact it labors mightily but ineffectually to overcome its own dispersal of power.

The Bolling reforms propose to bring order out of this chaos by consolidating responsibilities in the key fields of energy, environment, health, transportation and international economics. Glaring overlaps and deficiencies would be patched up. To help focus their energies, legislators would serve on only one major committee, and these committees would be small enough to permit real deliberation. Periodic adjustment in committee workloads would be required. And the Speaker would have stronger powers in assigning bills and gaining cooperation among committees with legitimate claims on broad problems.

The Bolling plan is far from perfect; but if the House is to put itself in order, something at least as radical must be implemented (it actually looks so mild that it's hard to convince outsiders of its significance).

Speaker Carl Albert (D-Okla.) and his lieutenants, though they stand to gain from the Bolling reforms, have been buffeted by conflicts within the majority Democratic Party. A few powerful lobbies, mainly segments of organized labor, charge that the proposal would damage their influence on the Hill. But the main opposition comes from committee and subcommittee chairmen who simply don't want their powers tampered with.

As a majority party for all but four of the past 44 years, the Democrats presumably bear the greatest responsibility for the way the House operates. But more than half of all House Democrats are committee or subcommittee chairmen. Enjoying the prestige and staff resources that go with their posts, they are unwilling to see any shifts in their powers.

Foes of reform have already succeeded in stalling the Bolling proposals for nearly six months. Initially the Democratic Caucus voted to send the plan to one of its subcommittees, headed by Rep. Julia Butler Hansen (D-Wash.), for "study and review." The Hansen group came up with a substitute plan of its own. More palatable to powerful committee leaders, the Hansen scheme fails to address the basic problems and would further fragment power in such key issues as health and transportation.

Now the Rules Committee must decide whether to send the two measures to the floor, or whether—as reform foes are now urging—to kill the matter altogether.

In a sense, the future viability of Congress as a policymaking body is at stake in this week's Rules Committee debate. Watergate occurred not because Chief Executives usurped power, but because they stepped into vacuums caused by congressional ineffectiveness. Recent events have not diminished the public's demands that government agencies respond to their problems. Nor have they, except temporarily, weakened the ability of resourceful Presidents to deal with these problems, or at least appear to deal with them.

If Congress fails to equip itself to deal with the issues that lie ahead, then it has only itself to blame if its powers continue to erode.

HOUSE OF REPRESENTATIVES—*Monday, September 23, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, offered the following prayer:

My Father worketh hitherto and I work.—John 5: 17.

Eternal Father, we thank Thee for the rest of the night, for the work of this new day, and for the opportunities which are ours to lead our Nation in the ways of truth and good will. As we wait upon Thee may Thy spirit strengthen us for our tasks, give us wisdom to make wise decisions, and make us one in our devotion to our beloved country that we may work together for the greater good of all our people.

O Thou who dost the vision send
  And givest each his task,
And with the task sufficient strength;
  Show us Thy will we ask;
Give us a conscience bold and good;
  Give us a purpose true,
That it may be our highest joy.
  Our Father's work to do.

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 15977. An act to amend the Export-Import Bank Act of 1945, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 15977) entitled "An act to amend the Export-Import Bank Act of 1945, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Sparkman, Mr. Proxmire, Mr. Williams, Mr. Cranston, Mr. Stevenson, Mr. Tower, Mr. Brooke, Mr. Packwood, and Mr. Brock to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a resolution of the following title:

S. Res. 394

Resolved, That the Senate disapproves the alternative plan for pay adjustments for Federal employees under statutory pay systems recommended and submitted by the President to Congress on August 31, 1974, under section 5305(c) of title 5, United States Code.

The message also announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 2785. An act to authorize the Administrator of General Services to enter into multiyear leases through use of the automatic data processing fund without obligating the total anticipated payments to be made under such leases;

S. 3221. An act to increase the supply of energy in the United States from the Outer Continental Shelf; to amend the Outer Continental Shelf Lands Act; and for other purposes; and

S.J. Res. 235. Joint resolution to authorize and request the President to issue a proclamation designating the fourth Sunday in September of each year as "Good Neighbor Day."

AUTHORITY FOR THE SPEAKER TO DECLARE A RECESS ON WEDNESDAY, SEPTEMBER 25, 1974

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Wednesday, September 25, 1974, for the Speaker to declare a recess for the purpose of observing and commemorating the 200th anniversary of the meeting and accomplishments of the First Continental Congress.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CHANGE IN LEGISLATIVE PROGRAM

Mr. BRADEMAS. Mr. Speaker, I take this time to announce that the resolution (H.J. Res. 1131), continuing appropriations resolution for fiscal year 1975, will be postponed to tomorrow, Tuesday, September 24, 1974.

REPRINTING OF BROCHURE "HOW OUR LAWS ARE MADE"

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the concurrent resolution (H. Con. Res. 201) to reprint the brochure entitled "How Our Laws Are Made," with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the Senate amendment, as follows:

Page 1, after line 13, insert:

"Sec. 2. There shall be printed for the use of the Senate fifty-one thousand five hundred additional copies of the document specified in section 1 of this concurrent resolution."

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C.,
September 20, 1974.

Hon. Carl Albert,
Speaker, House of Representatives.

Dear Mr. Speaker: On this date I have been served a Subpoena Duces Tecum by the United States Marshal that was issued by the U.S. District Court for the Southern District of New York. This subpoena is in connection with the United States of America v. Bertram L. Podell, et al., 73 Cr. 675 (RLC).

The subpoena commands me to appear in the said U.S. District Court for the Southern District of New York on the 23rd Day of September, 1974 and requests certain House records that are outlined in the subpoena itself.

The subpoena in question is herewith attached, and the matter is presented for such action as the House in its wisdom may see fit to take.

Sincerely,

W. Pat Jennings,
Clerk, House of Representatives.

The SPEAKER. The subpena will be printed at this point in the Record.

[U.S. District Court, Southern District of New York]

Greeting

To: W. Pat Jennings, Clerk, U.S. House of Representatives or Duly Authorized Representative.

We command you that all and singular business and excuses being laid aside you and each of you appear and attend before the Judge of the District Court of the United States for the Southern District of New York, at a District Court to be held in Courtroom No. 1105 in the United States Courthouse, Foley Square, in the Borough of Manhattan, City of New York, in and for the said Southern District of New York, on the 23rd day of September, 1974, at 10:00 o'clock in the forenoon, to testify and give evidence in a certain cause now pending undetermined in the said District Court of the United States for the Southern District of New York, between the United States of America, Plaintiff, and Bertram L. Podell, et al., 73 Cr. 675 (RLC), Defendants, on the part of the United States, and not depart the Court without leave thereof or of the District Attorney, and that you bring with you and produce at the time and place aforesaid the following:

Copies of a booklet entitled "Information Booklet for Members Elect" distributed to members or members elect of the 90th and 91st Congresses, and any other document or thing of whatever type or description distributed to members or members elect of the said Congresses relating in any way to their duties and obligations or to the restrictions imposed upon them as Congressmen.

And for failure to attend and produce said documents, you will be deemed guilty of a contempt of Court, and liable to pay all loss and damages sustained thereby to the party aggrieved, and forfeit two hundred and fifty dollars in addition thereto and to other penalties of the law.

Dated: New York, N.Y., September 16, 1974.

Paul J. Curran,
U.S. Attorney for the Southern District of New York.

Raymond F. Burghardt,
Clerk, U.S. District Court, Southern District of New York.

Robert L. Carter,
U.S. District Judge, Southern District of New York.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON HOUSE ADMINISTRATION

The SPEAKER laid before the House the following communication from the chairman of the Committee on House Administration:

COMMITTEE ON HOUSE ADMINISTRATION,
Washington, D.C., September 23, 1974.
Hon. CARL ALBERT,
Speaker, House of Representatives.

DEAR MR. SPEAKER: On this date I have been served a Subpoena Duces Tecum by the United States Marshall that was issued by the U.S. District Court for the Southern District of New York. This subpoena is in connection with the United States of America v. Bertram L. Podell, et al., 73 Cr. 675 (RLC).

The subpoena commands me to appear in the said U.S. District Court for the Southern District of New York on the 23d Day of September, 1974 and requests certain House records that are outlined in the subpoena itself.

The subpoena in question is herewith attached, and the matter is presented for such action as the House in its wisdom may see fit to take.

Sincerely,

WAYNE L. HAYS,
Chairman.

The SPEAKER. The subpena will be printed at this point in the RECORD.

[U.S. District Court, Southern District of New York]

GREETING

To: The Hon. Wayne L. Hays, Chairman, or Chief Clerk, Committee on House Administration, U.S. House of Representatives or Duly Authorized Representative.

We command you that all and singular business and excuses being laid aside you and each of you appear and attend before the Judge of the District Court of the United States for the Southern District of New York, at a District Court to be held in Courtroom No. 1105 in the United States Courthouse, Foley Square, in the Borough of Manhattan, City of New York, in and for the said Southern District of New York, on the 23rd day of September, 1974, at 10:00 o'clock in the forenoon, to testify and give evidence in a certain cause now pending undetermined in the said District Court of the United States for the Southern District of New York, between the United States of America, Plaintiff, and Bertram L. Podell, et al., 73 Cr. 675 (RLC), Defendants, on the part of the United States, and not depart the Court without leave thereof or of the District Attorney, and that you bring with you and produce at the time and place aforesaid the following:

Copies of the Regulations for Travel and Other Expenses of Committees and Members in force during the period from 1966 through and including 1969, as well as any other document or thing written, published or distributed by the Committee on House Administration during the said period and relating in any way to the rights, duties and obligations of Members of the United States House of Representatives.

And for failure to attend and produce such *documents*, you will be deemed guilty of a contempt of Court, and liable to pay all loss and damages sustained thereby to the party aggrieved, and forfeit two hundred and fifty dollars in addition thereto and to other penalties of the law.

Dated: New York, N.Y., September 16, 1974.

PAUL J. CURRAN,
U.S. Attorney for the Southern District of New York.
RAYMOND F. BURGHARDT,
Clerk, U.S. District Court, Southern District of New York.
ROBERT L. CARTER,
U.S. District Judge, Southern District of New York.

HOUSE RESOLUTION 1380, PROVIDING COPIES OF HOUSE DOCUMENTS TO U.S. DISTRICT COURT

Mr. BRADEMAS. Mr. Speaker, I offer a privileged resolution (H. Res. 1380) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1380

Whereas in the case of the United States of America against Bertram L. Podell et al. (73 Cr. 675 (RLC)) pending in the United States District Court for the Southern District of New York, subpenas duces tecum were issued by the said Court and addressed to Honorable Wayne L. Hays, Chairman of the Committee on House Administration or to the Chief Clerk or Duly Authorized Representative of that committee, and to W. Pat Jennings, Clerk of the House of Representatives or his Duly Authorized Representative, directing them to appear as witnesses before the said Court at 10:00 antemeridian on the 23rd day of September, 1974, and to bring with them certain documents in the possession and under the control of the House of Representatives: Therefore be it

Resolved, That by the privileges of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate of process of the ordinary courts of justice, be taken from such control or possession but by its permission; be it further

Resolved, That when it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer, for the promotion of justice, this House will take such action thereon as will promote the ends of justice consistently with the privileges and rights of this House; be it further

Resolved, That when the said court determines upon the materiality and the relevancy of the papers and documents called for in the subpenas duces tecum, then the said court, through any of its officers or agents, be authorized to attend with all proper parties to the proceeding and then always at any place under the orders and control of this House, and take copies of those requested papers and documents which are in possession or custody of the Committee on House Administration or the Clerk; and the Clerk is authorized to supply certified copies of such documents or papers that the court has found to be material and relevant and which the court or other proper officer shall desire, so as, however, the possession of said documents and papers by the said Committee and Clerk shall not be disturbed, or the same shall not be removed from their place of file or custody under the said Committee or Clerk; be it further

Resolved, That as a respectful answer to the subpenas duces tecum a copy of these resolutions be submitted to the said Court.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 15977, TO AMEND THE EXPORT-IMPORT BANK ACT OF 1945

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. PATMAN, ASHLEY, REES, MITCHELL of Maryland, ST GERMAIN, HANNA, KOCH, YOUNG of Georgia, MOAKLEY, WIDNALL, BLACKBURN, BROWN of Michigan, JOHNSON of Pennsylvania, MCKINNEY, and FRENZEL.

APPOINTMENT OF CONFEREES ON H.R. 11510, ENERGY REORGANIZATION ACT OF 1973

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11510), an act to reorganize and consolidate certain functions of the Federal Government in a new Energy Research and Development Administration and in a Nuclear Energy Commission in order to promote more efficient management of such functions, with Senate amendments thereto, disagree to the Senate amendments, and agree to a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. GROSS. Mr. Speaker, reserving the right to object, I was unable to hear the title of the bill. Is this a request to go to conference or to concur?

The SPEAKER. To go to a conference.

Mr. GROSS. I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears none, and appoints the following conferees: Messrs. HOLIFIELD, MOORHEAD of Pennsylvania, ST GERMAIN, FUQUA, HORTON, WYDLER, and BROWN of Ohio.

SOUTH KOREA SHOWS COMPASSION IN COOPERATING WITH THE UNITED STATES

(Mr. WIGGINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WIGGINS. Mr. Speaker, approximately 3 years ago the gentleman from California, Congressman WALDIE, and myself traveled to Korea in order to investigate the circumstances of two GI's who had been tried for murder in a South Korean civilian court, convicted and sentenced to death. Our investigation at that time indicated that these two servicemen were properly tried by the South Korean civilian court under the Status of Forces Agreement then in effect. We found that the trial was fairly conducted in accordances with the laws of South Korea, but we felt that the sentence of these two men was excessive, although lawful, in the circumstances of that case.

On appeal, the death sentence was commuted to life imprisonment.

Since that time both the gentleman from California, Congressman WALDIE, and myself have been carrying on discussions with President Park and the Minister of Justice of South Korea to effect an early release of these two servicemen. Approximately 6 weeks ago President Park released one of the men, the other man unfortunately having died of natural causes just a matter of several weeks prior to his contemplated release.

This act, Mr. Speaker, by President Park of South Korea, was intended to be and was an act of friendship to the American people, and I want to acknowledge publicly that fact. I wish to compliment President Park for his compassion and express my deep appreciation for this generous act of friendship to the American people.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
September 20, 1974.

Hon. CARL ALBERT,
Speaker, House of Representatives.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:10 P.M. on Friday, September 20, 1974, and said to contain a message from the President wherein he transmits a message on Budget Rescissions and Deferrals.

With kind regards, I am

Sincerely,

W. PAT JENNINGS,
Clerk, House of Representatives.
By W. RAYMOND COLLEY.

BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-361)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

The recently enacted Congressional Budget and Impoundment Control Act of 1974 provides new procedures for executive reporting and congressional review of actions by the executive branch affecting the flow of Federal spending. It thereby serves to make the Congress a full partner in the continuing struggle to keep Federal spending under control.

The new law provides that the executive branch may seek to alter the normal course of spending either through deferrals of spending actions or by asking the Congress to rescind authority to spend. The use of funds may be deferred unless either House of the Congress enacts a resolution requiring that they be made available for spending. For executive rescission proposals to take effect, the Congress must enact rescission bills within 45 days of continuous session.

Following these procedures, I am today reporting the first in a series of deferrals and proposed rescissions.

As is often the case in the institution of new procedures, and in the implementation of new laws, there are questions as to what the law may require of the executive branch and what the Congress may expect. In this instance, the Attorney General has determined that this act applies only to determinations to withhold budget authority which have been made since the law was approved.

However, I am including in today's submission to the Congress reports on some actions which were concluded before the effective date of the act. While these items are not subject, in the Attorney General's opinion, to congressional ratification or disapproval as are those addressed in the recent law, I believe that it is appropriate that I use this occasion to transmit this information to the Congress.

Reasonable men frequently differ on interpretation of law. The law to which this message pertains is no exception. It is particularly important that the executive and legislative branches develop a common understanding as to its operation. Such an understanding is both in keeping with the spirit of partnership implicit in the law and essential for its effective use. As we begin management of the Federal budget under this new statute, I would appreciate further guidance from the Congress. The added information on the status of funds not subject to Congressional action is being made available with this in mind. It will also permit a better understanding of the status of some funds reported previously under the earlier impoundment reporting law.

Virtually all of the actions included in this report were anticipated in the 1975 budget, and six of them were taken before July 12, when the new procedures came into effect. Failure to take these actions would cause more than $20 billion of additional funds to become available for obligation. The immediate release of these funds would raise Federal spending by nearly $600 million in the current fiscal year. More significantly, outlays would rise by over $2 billion in 1976 and even more in 1977, the first year in which the new procedures for congressional review of the budget will be in full effect.

The deferrals of budget authority being reported today total $19.8 billion. The major referrals are:

—Grants for waste treatment plant construction ($9 billion). Release of all these funds would be highly inflationary, particularly in view of the rapid rise in non-Federal spending for pollution control. Some of the funds now deferred will be alloted on or prior to February 1, 1975.

—Federal aid highway funds ($4.4 billion for fiscal year 1975 and $6.4 billion for fiscal year 1976). Release of these funds would also be highly inflationary and would have to be offset by cuts in higher priority programs. Some of the funds are being withheld pending resolution of court cases concerning the environmental effects of proposed highway construction.

—Various programs of the Department of Health, Education, and Welfare ($39.6 million). Pending enactment of the 1975 appropriations, HEW funds are being provided under a continuing resolution. Amounts available under the continuing resolution above the budget request are deferred to preserve the flexibility of the Congress and the Administration in arriving at a final decision on the funding levels for these programs.

The larger of the two rescissions which I am proposing would write off the $456 million of budget authority provided for rural electric and telephone loans at a 2 percent interest rate. The release of these funds would be inconsistent with the legislation enacted in 1973, which limits the availability of 2 percent loans to cases of special need. Loans to borrowers who meet the specified criteria can be financed out of funds provided by the pending Agriculture Appropriations Act.

The deferrals and rescissions covered in this first report are those believed to be of particular interest to the Congress and which would have significant impact on budget spending if released. They are summarized in the attached table. A second report of a series on additional deferrals and rescissions will be submitted to the Congress soon.

Budgetary restraint remains a crucial factor in our efforts to bring inflation under control. In today's environment, we cannot allow excess Federal spending to stimulate demand in a way that exerts further pressures on prices. And we cannot expect others to exercise necessary restraint unless the Government itself does so.

The responsible apportionment of congressional appropriations and other Federal budget authority is an essential—though often controversial—element of budget execution. Sound management principles and common sense dictate that Federal agencies spend money in an orderly fashion and only to the extent necessary to carry out the objectives for which the spending authority was provided. Current economic conditions require extra care to assure that Federal spending is held to the minimum levels necessary.

The deferrals and rescissions described in the attached report represent an essential step toward the goal of reducing spending and achieving the balanced budget we seek by fiscal year 1976. These actions, by themselves, will not be enough. However, failure to take and sustain this important step would jeopardize our ability to control Federal spending not only during the current fiscal year but, more importantly, for several years to come.

GERALD R. FORD.

THE WHITE HOUSE, *September 20, 1974.*

CALL OF THE HOUSE

Mr. SCHERLE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BRADEMAS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 532]

Anderson, Calif.
Andrews, N.C.
Armstrong
Aspin
Barrett
Bell
Biaggi
Blatnik
Boggs
Brasco
Breckinridge
Brown, Ohio
Broyhill, N.C.
Burgener
Carey, N.Y.
Casey, Tex.
Chisholm
Clark
Clausen, Don H.
Clay
Cochran
Conable
Conlan
Conyers
Crane
Culver
Davis, Ga.
de la Garza
Dellums
Diggs
Dorn
Drinan
Dulski
Eckhardt
Esch
Fish
Fraser
Frey
Gilman
Gonzalez
Gray
Gunter
Hanna
Hébert
Heinz
Hicks
Hillis
Holifield
Horton
Hosmer
Hudnut
Johnson, Colo.
Jones, N.C.
Leggett
Lehman
McCloskey
McFall
McKay
McSpadden
Maraziti
Michel
Milford
Nedzi
Nichols
O'Hara
O'Neill
Owens
Patman
Peyser
Podell
Powell, Ohio
Pritchard
Rangel
Rarick
Rees
Reid
Rhodes
Rodino
Roe
Roncallo, N.Y.
Rooney, N.Y.
Rooney, Pa.
Rousselot
Shoup
Shuster
Sikes
Smith, N.Y.
Snyder
Spence
Stanton, James V.
Steed
Steele
Steelman
Stephens
Symms
Taylor, Mo.
Thompson, N.J.
Tiernan
Towell, Nev.
Treen
Van Deerlin
Vigorito
Waldie
Wampler
Widnall
Williams
Wilson, Charles H., Calif.
Wylie
Young, Ga.
Young, Ill.

The SPEAKER. On this rollcall 324 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that the Chair is going to take unanimous-consent requests, and then will continue with the business of the House.

ROADBUILDING NOT INFLATIONARY

(Mr. BRINKLEY asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BRINKLEY. Mr. Speaker, under date of September 20, 1974, President Ford proposes rescissions and deferrals of $20,322,908,000. Included in the transportation item are Federal aid highways 1975 and prior programs, $4,370,090,000, and 1976 program, $6,357,500,000. The assertion is made that release of these funds would be highly inflationary and would have to be offset by cuts in higher priority programs.

First, the inflationary rationale is only one school of thought. Another significant viewpoint is to the contrary—that roadbuilding, being a productive factor, with tangible returns flowing from such development, is not inflationary.

Second, the case of priorities is best served when people interests are considered. The unconscionable delay in completing the Interstate System has resulted and will result in unacceptable losses of human life upon our highways.

I am opposed, Mr. Speaker, to these proposals.

CONFERENCE REPORT ON H.R. 16243, MAKING APPROPRIATIONS FOR DEPARTMENT OF DEFENSE, FISCAL YEAR 1975

Mr. MAHON. Mr. Speaker, I call up the conference report on the bill (H.R. 16243), making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, at the proper time, I propose to offer a motion to strike out the funds in this bill for the F–111 plane. There is some $205 million provided for 12 F–111 planes in this bill, military aircraft that the Department of Defense does not want and has not wanted for 2 years.

It would be unconscionable to provide $205 million in this or in any other bill for an aircraft that the Department of Defense does not want. Therefore, Mr. Speaker, I must object to the request of the gentleman from Texas in order to protect the motion to instruct the conferees.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of September 18, 1974).

Mr. MAHON (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, I assume that the gentleman proposes to take some time in order to explain the bill and that he will yield some time?

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Speaker, the answer is yes.

Does the gentleman from Iowa wish to have some time?

Mr. GROSS. Yes, I would like to have 2 or 3 minutes.

Mr. MAHON. Mr. Speaker, I will be glad to yield sufficient time to the gentleman.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The Chair recognizes the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, the conference report before the House now involves an appropriation of $82.5 billion for the Department of Defense for the current fiscal year, the fiscal year which ends on next June 30.

This bill is the result of the action of the House on the original bill, the action of the Senate on the Senate version of the bill and the action of the conferees.

In view of the fact that my friend, the gentleman from Iowa (Mr. GROSS), has made reference to the F–111 aircraft, I will make a brief reference at this moment and further reference at a later moment in regard to the F–111.

The F–111 aircraft has been in production for a number of years. It is the only aircraft in production in the free world which is capable of performing a long-range bomber mission, although not as long-range as the so-called B–1. The F–111 production line has been kept open for a period of years, and we propose to keep it open for another year.

Mr. Speaker, there is no budget request, as the gentleman from Iowa has pointed out, for the F–111. In the military procurement authorization bill, the Committee on Armed Services provided authorization for the F–111. The House Appropriations Committee followed the leadership of the Committee on Armed Services and provided funds. The House of Representatives followed the leadership of the Committee on Appropriations and provided the $220 million-plus for the F–111. The Senate omitted funds for the F–111.

In the House-Senate conference, the House conferees supported the House position. However, in the conference, the funds provided for the F–111 by the House were reduced by about $15 million, and $205.5 million was approved by the conference. I will have more to say about that matter at a later moment in the discussion.

I would like now, Mr. Speaker, to proceed now to a discussion of the conference report.

I will discuss the F–111 at a later moment.

Mr. Speaker, this conference report provides $82.5 billion for the Department of Defense. This is a decrease in the budget of almost $5 billion—to be more exact, $4.9 billion in new obligational authority, and a net decrease of $4.5 billion, including transfers.

The conference agreement which is before the House at this time provides $817 million less than the amount provided by the House in the original version of this bill. It provides $478 million more than was provided in the defense appropriation bill when it was before the other body. The appropriation recommended in this conference report is $3,605,000,000 more than was made available for the Department of Defense for comparable functions in the previous fiscal year.

The point is, however, that while there are $3.6 billion more in this bill than in the bill of last year, double digit inflation, more than 10 percent annual inflation, means that actually in constant dollars, so to speak, this bill is below the bill of last year.

It is true that in the next Congress there will be $2 billion in pay increases which have been provided by law, which will be considered in a subsequent appropriation bill.

The House Committee on Armed Services took a hard look at the national defense posture of our country. I think the House Committee on Armed Services is somewhat like the House Committee on Appropriations; we listen to the people in the Pentagon, we evaluate their judgment, and we sometimes reduce the funds they request, and we sometimes increase the funds they request. We in Congress have a very vital role in national defense. The Constitution imposes that responsibility upon the Congress. We are by no means a rubber stamp for the Pentagon. We try to do, under our oath as Members of the Congress, what we consider to be in the best interest of the national defense of the United States, and we consider the requests of the Department of Defense very thoroughly. The Senate takes similar action.

There were about 500 program differences between the Senate version of the bill and the House version of the bill. In conference we discussed each and every one of these 500 differences in the programs which had been approved by the separate Houses, and came to an agreement.

In connection with this, Mr. Speaker, I shall provide for the RECORD appropriate tables showing what this conference report does, along with an appropriate narrative in regard to further information about the conference report. But I think what the Members want to know basically now is that the bill is less than it was when it was before the House. It is $4.9 billion below the budget. It is above the Senate figure in the Department of Defense bill, and it is regarded by the conferees as being the best that can reasonably be done at this time for national defense.

It is unfortunately true that the greatest percentage of every defense dollar does not go toward modernization, does not go toward new weapons and ammunition and new aircraft, and so forth; we just buy a handful of aircraft in this bill, relatively speaking, and relatively few modern weapons. Some 56 cents of the defense dollar is taken up in personnel costs.

This is partially the result of the all-volunteer force which was inevitable since the draft had been discontinued but, nevertheless, it is a fact of life that we are getting more and more in a deficiency position with respect to the modernization of the military forces of the United States, and this situation cannot continue indefinitely. The Soviet Union is building up rapidly, more so than the United States. The Soviet Union has more intercontinental ballistic missiles than the United States.

It could have more submarine-launched ballistic missiles than the United States is permitted under present agreements. We have more warheads, I agree, but we are in a very difficult situation.

The $82 billion that is included in this bill is a considerable sum of money. The necessity is certainly evident that we ought to find ways and means of bringing the arms race to a conclusion, or at least slow down the arms race.

Of course, we are continuing the SALT talks, the strategic arms limitation talks. Some progress has been made in that field. Other progress is anticipated, but until a realistic and acceptable slowdown of the arms race can be achieved, we have got to continue to provide the vast sums of money required to maintain the defense posture of the United States.

So it is not with apology that this bill is presented.

Mr. Speaker, I will take no further time at this moment.

Under permission granted, I include a summary of the bill and certain tabulations:

Summary of the Bill

MILITARY PERSONNEL

A total reduction of $560,360,000 was made to the budget request for military personnel and related activities. The amount appropriated is about $24 billion. The major issue before the conference was whether enlisted personnel in grades E–1 to E–4 should be provided full travel allowances. The travel allowances would primarily pay for the cost of moving the enlisted man's family when he is ordered to make a permanent change of station move. The House conferees considered this new entitlement with great care before deciding to recede and accept the Senate position—deleting the funds for this new entitlement. Our reasons include not only the cost aspect ($177 millon had been requested), but that the number of dependents in overseas areas would be increased substantially if the benefits were approved. In addition, the services generally obtained the needed number of new accessions in 1974, thus this new entitlement is not essential to the all volunteer force.

A major point that we wish to make is that the substantial savings in the military personnel appropriation were made without significant strength reductions in this year's bill. For example, the Senate made a reduction of $61 million in the personnel assigned to support and headquarters areas, but this was restored and the positions saved are to be assigned to combat units. Overall, over a $500 million reduction was made, yet we have made an end strength reduction of 20,000 or less. It is very difficult to estimate end strength because this occurs at one particular point in time (June 30, 1975).

OPERATION AND MAINTENANCE

A total reduction of about $1.7 billion was made in the requests for Operation and Maintenance. The amount appropriated is $25.3 billion, an increase of $1.4 billion over the prior year's appropriation.

A major reduction in this appropriation resulted from the authorizing legislation reduction of 32,327 civilian personnel positions. A total of $8.1 billion was requested for civilian personnel pay, and this was reduced to $7.7 billion. We wish to point out that the majority of the civilian employee positions deleted were not yet filled, thus there will not be any major reductions in force.

Another major issue involved the Army's hometown canvasser program. This is a program in which enlisted personnel (canvassers) are sent to their hometowns to recruit people who will generally be assigned to the canvassers own unit. This has been the most successful recruiting program that the Army has established. The House position prevailed and $8 million of the $10 million reduction made by the Senate was restored.

The largest reduction in Operation and Maintenance is the $574.4 million transfer from Operation and Maintenance to the new title for support of South Vietnam. This reduction will have no impact on the U.S. forces.

PROCUREMENT

The conference agreement provides $17.7 billion for procurement of military hardware. This is about $2.2 billion less than the budget amount and $180 million above last year's appropriation. A larger portion of the reductions from the budget request was mandated by the authorizing legislation.

The major actions of the conferees relative to the Army request include deletion of $41.4 million for CH–47 helicopters as proposed by the House, and restoration of $18.5 million for UH–1H helicopters which had also been deleted from the House bill.

The conference agreement for Navy Procurement provides the entire $429.4 million for S–3A anti-submarine aircraft and no funds for the AH–1J helicopters as proposed by the House. A $30 million reduction in Fleet Satellite Communications was agreed to as proposed by the Senate. However, the RDT&E request for this program was increased by $15 million. The House position on the deletion of $81.4 million for an oiler was upheld. However, the House agreed to the transfer of $70 million required to fund the construction of two submarine tenders.

The major Air Force procurement programs include $72.7 million for Maverick missiles, $138 million for 25 A–10 aircraft, $328.7 million for six AWACS aircraft, $756.9 million for 72 F–15 aircraft and $205.5 million for 12 F–111F aircraft. While some reductions were agreed to, none will require renegotiation of existing contracts. The original Senate proposal would have required that a number of major production contracts be terminated and then renegotiated. The House conferees contended that this would only increase the cost of the program and possibly even delay them.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

The conference agreement provides $8,576,670,000 for research, development, test and evaluation. This is $745.8 million below the budget request and $400 million above the appropriation for last year. The appropriation is $213.4 million below the bill as it passed the House. Of the total reduction, *over $400 million* was made by the Congress in acting on the authorizing legislation.

The conferees considered about 190 individual line items during the conference for the RDT&E appropriation alone. In total, more than 500 line item differences had to be discussed. One of the major issues considered was the Senate reduction of $55 million in the B-1 bomber program. The House conferees felt that this action would seriously impact upon the program and $45 million of the Senate reduction was restored.

The House conferees were successful in restoring the amount in the House bill or the amount in the DOD reclama for major programs like the F-15A aircraft, AWACS, Electronic Warfare programs in the Army, and the F-4 Wild Weasel program. Most of the additional Senate reductions agreed to by the House conferees were made to level off effort type technology programs. The conference agreement allows the Department of Defense to reprogram funds into these programs if necessary.

MILITARY ASSISTANCE TO SOUTH VIETNAM

By far, the most controversial item in the Defense Appropriation Bill this year is military assistance to South Vietnam. This has been a major issue in Congress most of this year. Let me review with you what the budgetary situation is. In presenting the budget in January, the President requested a $1.6 billion program for military assistance for South Vietnam. He proposed to fund this with $1.4 billion in new appropriations and with carry-over amounts of $200 million. In the authorizing legislation, Congress reduced this amount to $1 billion. In the appropriation bill, the Appropriation Committee recommended the appropriation of the $1 billion authorized in a new appropriation which isolated and set aside the funds for assistance to South Vietnam in a very specific way and ended the procedure which had been followed for some years under which the Department of Defense could provide assets of United States military forces to the South Vietnamese. The new procedure also terminated the availability of prior year appropriations for aid to Vietnam.

On the House floor, an amendment by the gentleman from Georgia, Mr. Flynt, was adopted which reduced the amount provided for military assistance to South Vietnam to a total of $700 million of which $622.6 million was in new appropriations and $77.4 million was the reappropriation of unobligated funds from prior years.

The Senate deleted the reappropriation of prior year funds and made an appropriation of $700 million in new obligational authority.

The conferees agreed to the Senate amendment. Some of the Members of the conference from both Houses expressed a desire to see the amount provided for Vietnam further reduced, perhaps to the $622 million amount of new obligational authority provided by the House.

Let me point out that Congress has drastically reduced the Administration's request for FY 1975 for military assistance to South Vietnam. The total amount obligated for support of South Vietnam in FY 1973 was $2.2 billion. In FY 1974 the obligations totaled just over $1 billion. For FY 1975 we are providing $700 million. Now, of the $1 billion provided in FY 1974, certain amounts were obligated on a statistical basis for assistance actually provided in prior years. The total obligations in FY 1974 for current year programs was $675 million.

However, we must not lose sight of the fact that in FY 1974 there was a considerable pipeline from previous fiscal years of goods delivered to South Vietnam. It is estimated that $990 million in actual deliveries of goods and services was made in FY 1974 and that in 1975 approximately $863 million in deliveries will be provided. We have an actual reduction of more than $100 million and when you consider the rate of inflation, we had a sizeable reduction in actual war materiel.

DEFENSE APPROPRIATION BILL 1975—SUMMARY OF APPROPRIATIONS

[Amounts in thousands of dollars]

Functional title	Appropriation, fiscal year 1974 (new obligational authority)	Revised budget estimate, fiscal year 1975 (new obligational authority)	Passed House	Passed Senate	Conference action	Conference action compared with— 1974 appropriation	Budget estimate	House	Senate
Title I—Military personnel	24, 183, 264	24, 774, 468	24, 478, 748	24, 138, 858	24, 214, 108	+30, 844	−560, 360	−264, 640	+75, 250
Title II—Retired military personnel	5, 150, 700	6, 040, 600	6, 040, 600	6, 040, 600	6, 040, 600	+889, 900			
Title III—Operation and maintenance	23, 923, 702	27, 049, 343	25, 508, 480	25, 338, 303	25, 330, 103	+1, 406, 401	−1, 719, 240	−178, 377	−8, 200
Title IV—Procurement	17, 030, 922	19, 866, 617	17, 539, 017	16, 973, 516	17, 231, 116	+200, 194	−2, 635, 501	−307, 901	+257, 600
Transfer from other accounts	(499, 800)		(332, 600)	(513, 600)	(480, 000)	(−19, 800)	(+480, 000)	(+147, 400)	(−33, 600)
Title V—Research, development, test, and evaluation	8, 175, 858	9, 322, 469	8, 790, 125	8, 389, 281	8, 576, 670	+400, 812	−745, 799	−213, 455	+187, 389
Transfer from other accounts	(3, 500)					(−3, 500)			
Title VI—Special foreign currency program	2, 600	2, 900	2, 900	2, 900	2, 900	+300			
Title VII—Military assistance, South Vietnamese forces	(1, 018, 000)	(1, 450, 000)	622, 600	700, 000	700, 000	+700, 000	+700, 000	+77, 400	
Transfer from other accounts			(77, 400)					(−77, 400)	
Title VIII—General provisions (additional transfer authority, sec. 834)	(625, 000)	(750, 000)	(750, 000)	(750, 000)	(750, 000)	(+125, 000)			
Title IX—Related agency—Defense Manpower Commission	400	1, 100	1, 100	800	800	+400	−300	−300	
Total, Department of Defense (NOA)	78, 467, 446	87, 057, 497	82, 983, 570	81, 584, 258	82, 096, 297	+3, 628, 851	−4, 961, 200	−887, 273	+512, 039
Transfer from other accounts	(503, 300)		(410, 000)	(513, 600)	(480, 000)	(−23, 300)	(+480, 000)	(+70, 000)	(−33, 600)
Total funding available	78, 970, 746	87, 057, 497	83, 393, 570	82, 097, 858	82, 576, 297	+3, 605, 551	−4, 481, 200	−817, 273	+478, 439
Transfer authority	(625, 000)	(750, 000)	(750, 000)	(750, 000)	(750, 000)	(+125, 000)			
Distribution by organizational component:									
Army	20, 660, 497	22, 321, 454	20, 342, 410	20, 113, 375	20, 123, 412	−537, 085	−2, 198, 042	−218, 998	+10, 037
Transfer from other accounts	(232, 500)		(198, 000)	(198, 000)	(198, 000)	(−34, 500)	(+198, 000		
Navy	26, 073, 754	28, 797, 959	27, 240, 652	26, 973, 643	26, 985, 295	+911, 541	−1, 812, 664	−255, 357	+11, 652
Transfer from other accounts	(156, 800)		(40, 800)	(144, 400)	(110, 800)	(−46, 000)	(+110, 800)	(+70, 000)	(−33, 600)
Air Force	24, 428, 492	27, 293, 402	25, 702, 194	24, 727, 643	25, 220, 493	+792, 001	−2, 072, 909	−481, 701	+492, 850
Transfer from other accounts	(114, 000)		(93, 800)	(171, 200)	171, 200)	(+57, 200)	(+171, 200)	(+77, 400)	
Defense agencies/OSD	2, 153, 603	2, 602, 982	3, 034, 014	3, 028, 197	3, 025, 697	+872, 094	+422, 715	−8, 317	−2, 500
Retired military personnel	5, 150, 700	6, 040, 600	6, 040, 600	6, 040, 600	6, 040, 600	+889, 900			
Military assistance, South Vietnamese forces	(1, 018, 000)	(1, 450, 000)	622, 600	700, 000	70, 0000	+700, 000	+700, 000	+77, 000	
Transfer from other accounts			(77, 400)					(−77, 400	
Related agency—Defense Manpower Commission	400	1, 100	1, 100	800	800	+400	−300	−300	
Total, Department of Defense (NOA)	78, 467, 446	87, 057, 497	82, 983, 570	81, 584, 258	82, 096, 297	+3, 628, 851	−4, 961, 200	−887, 273	+512, 039
Transfer from other accounts	(503, 300)		(410, 000)	(513, 600)	(480, 000)	(−23, 300)	(+480, 000)	(+70, 000)	(−33, 600)
Total funding available	78, 970, 746	87, 057, 497	83, 393, 570	82, 097, 858	82, 576, 297	+3, 605, 551	−4, 481, 200	−817, 273	+478, 439
Transfer authority	(625, 000)	(750, 000)	(750, 000)	(750, 000)	(750, 000)	(+125, 000)			

Mr. MINSHALL of Ohio. Mr. Speaker, the brief outline the distinguished chairman of the Defense Subcommittee and the Committee on Appropriations has given concerning the conference on this year's defense bill has hit the high spots of what I think was a very successful conference. I do not have to remind the Members of the House—and I think most of them have served on conferences—that the conference action is as a result of compromise, a little push, a little pull, a little take, and a little give. At all times when we compromise, just by the nature of the action, it is not satisfactory to either side. But I think in this case after spending 2 full days in conference with the distinguished Members of the other body, we have come up with what I believe, as I said earlier, is a very satisfactory conference report.

There are certain facets of it that do not please me. I am certain there are other parts that do not please some members of the committee. I know that some objections will be brought out here this afternoon by some of my distinguished colleagues on the House side, and I respect these people for their views. They have a right to be heard, but we are limited in our time today to 1 hour. We have consumed nearly one-sixth that time already by just outlining the high spots. But I certainly hope in its wisdom the House will go along with this conference report and not move in any drastic direction to disagree from what we have agreed to in conference with the other body.

Mr. DENNIS. Mr. Speaker, will the gentleman yield?

Mr. MINSHALL of Ohio. I shall be glad to yield to the gentleman from Indiana.

Mr. DENNIS. I thank the gentleman for yielding.

I ask this question, or make his remark, not in any critical sense but in a sense of concern. We have the same thing, of course, every year, and I never hear anything different. What, if anything, is anybody contemplating doing at any time in the future about the situation where almost 60 percent of this $82 billion buys nothing but personnel? I, frankly, wonder how long we can keep on doing that. I just wonder if anybody has given it any real thought leading to possible action in the future.

Mr. MINSHALL of Ohio. I do not have to remind my colleague, the gentleman from Indiana, that one of the reasons for the cost of personnel is that we are trying to employ an all-volunteer force. To combat that, we are cutting down on our civilian personnel in Defense. We are cutting down a small amount of the military personnel in this bill, and eventually we hope to get it down to a more reasonable percentage than this bill presents.

Mr. DENNIS. If the gentleman will yield further, I realize that problem, and I voted for the volunteer force and I voted for the pay raises. I am not wiser than anyone else, but it bothers me. Every year we get the justification that more than half of this does not buy us any more hardware, and look at the Russians. Where does it end? Where do we go from here?

Mr. MINSHALL of Ohio. The gentleman says it bothers him. It bothers all of us, especially on the Defense Appropriations Subcommittee. The Department is making a new study of the entire military personnel on the compensation requirements, and I hope in the not too far distant future we can come up with a more reasonable personnel ratio to hardware than we have in this bill.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. MINSHALL of Ohio, I yield to the gentleman from Michigan.

Mr. CEDERBERG. I thank the gentleman for yielding.

They are very simple facts, I will say to the gentleman from Indiana. There is not any solution except going back to the draft and paying recruits $75 per month instead of paying $400. So if we want to go back to the draft in order to reduce the amount, that is the only way I know.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. MINSHALL of Ohio. I will be glad to yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

I have a matter that relates to this report. It is one of great concern to the Kleinschmidt Corp., which is located in Lake County, a large part of which I represent. A great many of the personnel employed at Kleinschmidt reside in my congressional district. There they are manufacturers of teletypewriters—known by the Department of Defense as forward area tactical typewriters, FATT. The funds for this equipment were originally deleted and then reinserted with the requirement that there should be competitive bidding. I understand Kleinschmidt is the only present manufacturer. Several of the other earlier concerns that developed similar equipment have dropped out of the field. Kleinschmidt has continued its research and development, and is now producing a most sophisticated and vital product.

The only question is, with the competitive bidding, will the competitive bidding take place at an early enough date so that they will have a chance to bid and stay in business; because if there are substantial delays, it could be very detrimental. I think maybe the gentleman from New York (Mr. STRATTON) has some comment on that.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. MINSHALL of Ohio. I yield to the gentleman from New York.

Mr. STRATTON. I thank the gentleman for yielding.

I am glad the gentleman raised that point because this is one I have been interested in too. I have been in touch with the Army Materiel Command this morning on this very matter. I am very disturbed by the wording contained in the conference report that says that we have got to have competitive bidding on this teletype equipment. The Army Materiel Command presently tells me that our troops in the field have teletype equipment that was first developed in 1950 and 1952. It is wearing out very badly. They had planned to award a contract for the production of new equipment on the first of October. As the gentleman says, this new equipment will come from Kleinschmidt.

If this requirement for competitive bidding is insisted on then our troops in the field will not get this new equipment for 4 more years. It will not get into the field until 1981 or 1982.

I think it is a serious mistake for the conferees to put this kind of wording into a report and thereby tie the hands of our forces for modern communications equipment by a period of 4 years.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. MINSHALL of Ohio. I yield to the gentleman from Illinois.

Mr. McCLORY. I think the gentleman has explained it more eloquently than I could, the precise problem that is involved here. I hope the interpretation of the language in the conference report will be such that there will not be any of these delays. It would seem to me quite inconsistent with the Defense Department's needs to delay bids on a contract for FATT until some other concern which is not now producing teletypewriters may decide to enter the field. Delays beyond a few months would be detrimental to the Defense Department and perhaps critical as far as Kleinschmidt is concerned.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. MINSHALL of Ohio. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I appreciate the problems of my colleagues who have military facilities in their areas or even contracts. This is one of the problems that we are going to have from here on and one that everybody is going to be faced with. I think one of the greatest problems we have in the committee is the temptation to have single source procurement, which is putting it in somebody's particular district. After World War II, I remember the Secretary of the Army said he had pump-primed the economy by purchasing $100 million worth of trucks. We had trucks running out of our ears in this country. This is the biggest source of waste in the military.

While I can appreciate the interests of our friends and many others here, I think we have to insist that we have competitive bidding on all items.

I will tell the Members, when we have competitive bidding, it often speeds up the time used from start of development to completion of production. I will tell the gentleman that the extra time taken to complete this contract will be closer to 4 months than 4 years.

Mr. McCLORY. If the gentleman will yield further, let me say I am not opposed to competitive bids; but with respect to this equipment, there are four different companies which no longer have the ability to bid on this. If we are going to hold this period open for inviting bids for 2, 3, or 4 years in order to enable somebody else to develop their own capabilities, I think we are doing a disservice to our military as well as to a legitimate and worthy supplier. If we are going to to be able to have competitive bids ready within a month or two, then I say that is fine, why not have competitive bids?

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. MINSHALL of Ohio. I yield to the gentleman from New York.

Mr. STRATTON. Actually, the situation is not as bad as the gentleman from Mississippi has indicated.

Kleinschmidt has been developing this particular type of teletype equipment. As I understand it, nobody else ever came up with any proposal that came close to meeting the Army's needs. The money in this bill is not intended to finance final production. Rather it is to finance preliminary production, to get some preliminary production going, in other words, to see whether the promises of the developmental phase are carried out in production. Then later on, if the Army wanted to go into open bidding, the principles mentioned by the gentleman from Mississippi would apply.

But, we cannot realistically expect to get a new company in now to do the production of something which another company has developed and hope to save either time or money. We are just going to louse up the whole procedure, in a product which our NATO forces desperately need.

Mr. McCLORY. The gentleman is absolutely correct. This is not an item of standard equipment in any sense at all. Kleinschmidt has been making FATT for the military; they have developed very sophisticated techniques and advancements and improvements which have been to the benefit of the military, and this respected concern wants to continue to carry on in that area.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Speaker, I started on this committee in 1943, and one of the problems we had then was the one which seems to be described right now. Research and development funds should be used to develop these items.

If, however, we contract with one company to develop plans and specifications, they in turn are obligated to turn them over to the Defense Department so that they can have competitive bidding. This is a $300 or $400 million contract, but I can see why they are trying to get their hands in. We are throwing a whole lot of money down the drain.

Mr. McCLORY. We are talking about $15 million.

Mr. WHITTEN. That is just the start of it. It will be $300 or $400 million.

Mr. McCLORY. If there is no delay no problem should occur. If there is delay I think the Kleinschmidt Co. may go out of business, and of course that would be bad.

Mr. WHITTEN. I do not know how far we can go in keeping companies in business. That is one of the biggest problems we will have in scaling down the Defense Establishment and getting back to defense.

Mr. MINSHALL of Ohio. Mr. Speaker, I understand the problem of the gentleman from Illinois. He talked to me earlier about it and expressed rightful concern.

At the same time, I think the conferees were correct on insisting upon competitive bidding. I only hope the Army can get the contract out for competitive bids before the company goes out of business.

Mr. MAHON. Mr. Speaker, I yield 5 minutes to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Speaker, I was a member of the conference committee on this legislation, and I objected and refused to sign this conference report. I think the Members should understand my main reason as to why I felt that I could not in good conscience sign this conference report.

I was displeased with the fact that the conference committee added, in my opinion, $77,400,000 in additional military assistance to South Vietnam, and that the conference committee continued the war reserve program, which totals about a half billion dollars a year. I think these actions were mistakes.

These however were not my reasons for failure to sign the conference report, although I was dissatisfied with the conference committee's decisions in these areas. The real reason for my refusal to sign the conference report is that I can no longer in good conscience vote for a Department of Defense appropriation which includes in it concealed funds—concealed funds for the operations of the Central Intelligence Agency, and possibly other agencies.

I think the American people ought to understand clearly that what we are voting on here today is an appropriation bill for the Department of Defense which has in it CIA funds we do not know about. Neither the American people nor we here in the Congress know about these unknown amounts of moneys which fund covert intelligence operations of the CIA.

We just do not know. We are not privy to this information.

In my opinion, this is no way for us to assume our responsibilities as Congressmen. This concealment is not fair to the American people, it is not fair to the Congress, and in fact, it is not fair to the Department of Defense itself.

Neither I, as a member of the DOD Subcommittee on Appropriations, nor any Member of the House, with the exception of a select few Members whose identity itself is uncertain to me, is privy to where in the budget these funds are, what they are supposed to be used for, and the total amount of these funds.

I am demanding, as I think all Members must demand, better disclosure of the amount of funds requested for the CIA and other similar agencies, as well as the nature of these budget requests, and I demand better proposals for proper accountability for the use of these funds. We cannot any longer tolerate the concealment in appropriations of this kind, and while we insist on this accountability to the Congress and to the American people, I think it is time that we also ask the greater question: Can and should the United States, both morally and diplomatically, continue to employ covert intelligence operations that work to overthrow governments philosophically and operationally dissimilar to ours, using methods that rely on intrigue and stealth and perhaps guerrilla warfare to conduct the foreign policy of the United States?

I think it is shameful, and I think the time has come to terminate it now.

Therefore, I intend to vote against this appropriation today.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. GIAIMO. I will be delighted to yield to the gentleman from Illinois.

Mr. YATES. I commend the gentleman for his very constructive speech.

The gentleman is a member of the Department of Defense Appropriations Subcommittee, and we are informed that the funds for the CIA appropriation are in that budget.

Mr. GIAIMO. But I cannot determine where they are.

Mr. YATES. Was there any presentation made of CIA funds to the gentleman's subcommittee during the hearing?

Mr. GIAIMO. No; they have not been. In all fairness, I am told that if I want to know where the funds are, they would tell me, but they would tell me in secrecy and then no one else in this Congress would be entitled to know.

Mr. YATES. Does the gentleman know whether there is a review by the Department of Defense Appropriations Subcommittee of the activities of the CIA?

Mr. GIAIMO. I cannot tell the gentleman that. I understand that we have a committee within our committee, but I am not even privy to this information. I understand that certain ranking members of this subcommittee are involved with the CIA. What they do and do not do, I do not know; but I do know this: Recently there has come out in the newspapers the story about our involvement, the CIA involvement, in Chile. I assume that was done with funds from this appropriation or appropriations similar to this. I find this outrageous, and I say that the time has come when we must stop this type of activity in the United States, this secret type of activity.

Mr. McKINNEY. Mr. Speaker, I could not agree with my colleague from Connecticut (Mr. GIAIMO) more. I find the conference report on DOD's appropriation unacceptable.

The reasons to me are so clear that I will simply express them here in a limited outline.

I am appalled that at a time in our Nation's history when we are talking of nothing but cutting the budget, that this budget should be so high, almost one-third of the future budget of the United States. Where is the increase of productivity in our military? Where are the plans for efficiency and cost cutting? Why are there more ranking officers now than in World War II when we had six times the amount of men under arms?

Mr. Speaker, the Nation wants defense, but it wants intelligent defense, the best at the lowest cost. The Defense Establishment must be required to share equally with the rest of our Government in tightening its belt.

I also agree with Mr. GIAIMO that it is unconscionable that we must vote out a spending bill filled with hidden money for the CIA. Incredible, particularly at this time when terrible charges are leveled that our Government, through this agency, was not just gathering intelligence but in many instances in fact subverting and trying to overthrow the governments of foreign nations with whom we disagree.

We certainly need an intelligence arm and I would hope one of the best. We are not a nation, however, with a history of fifth column sabotage.

I do not even think that we need to know where in essence the money is being spent, we certainly do not want to telegragh our actions to the Russians, but every Member of Congress has a right to know what type of operation the CIA is involved in, and they certainly have a right to know the gross amount they spend.

In essence, I do not find that the conferees have made any effort to give Americans the best defense for the least amount of money. Nor can I see where they have given the American people the amount of oversight that I feel they have every right to.

Congress is not going to make its objective of $300 with a cut of this size in the Defense Department. And the tragedy is that we are not talking about defense production jobs, because modern defense weapons would in fact make our defense cheaper and more productive per dollar. What we are talking about is waste, duplication, and the necessity for all branches of Government to show equally in austerity.

Mr. MAHON. Mr. Speaker, we, of course, do not want to telegraph to the Kremlin the innermost secrets of the U.S. Government.

Members of Congress who need to know should be provided with information with respect to the CIA and will be provided with information, upon request; but the law provides the procedure for keeping this type of information secret. We cannot give it out wholesale to the American people without giving it to every other nation in the world.

Mr. FLYNT. Mr. Speaker, will the gentleman yield to me?

Mr. MAHON. I yield such time as he may consume to the gentleman from Georgia.

Mr. FLYNT. Mr. Speaker, I thank the chairman. As one of the conferees on the conference report and as one of the managers on the part of the House, I signed the conference report, with certain reservations which I have set forth.

Mr. Speaker, I have special exceptions and reservations as to amendment No. 47 because I feel that it increases title VII of the bill by $77.4 million. In addition, there is the possibility of transfer authority in another section providing for stockpiling of war materiel in an unspecified amount and which would substantially increase the dollar volume of military assistance, South Vietnam, contrary to the expressed mandate of this body.

Overall, while I am pleased that the conference report reflects a reduction of $4.481 billion under the amount which the administration requested in its budget, I would have preferred a further reduction of $3.605 billion, and I believe that such further reductions could have been made by the deletion of certain unbudgeted items which were added to the bill and by further reducing many budgeted items.

Mr. Speaker, residents of my district are becoming increasingly aware of the extra use of military aircraft, carrying one or two passengers on nonmilitary missions. During a period when there are widespread calls from the man on the street to the White House for fiscal restraint, many people are beginning to question the validity of what they believe to be unnecessary special air missions and courier service for and to individuals who hold no official position with the U.S. Government. I wish that this conference report contained prohibitions against such excursions. I hope that next year's DOD appropriation bill will contain such a provision. The use of high performance military aircraft on long distance flights to fly unofficial personnel cannot be justified when such flying time reduces the number of authorized flying hours for training and operations purposes.

Mr. Speaker, I agree with much of what was said earlier by the gentleman from Connecticut (Mr. GIAIMO). I do not propose that classified information be released on an unrestricted basis, but I do believe that the appropriate congressional committees should exercise more control and oversight of certain agencies of Government.

Mr. Speaker, we have been told that we should expect an increase in annual budget requests for the purposes covered by this conference report of more than $6 billion in order to keep even with the appropriation for the previous fiscal year. This statement if true is all the more reason why we need to exercise more and more fiscal restraint in the battles against inflation. This is true not only in this appropriations bill but in each and every appropriations bill which we report.

With some reluctance and several reservations, I shall vote for this conference report.

Mr. JONES of Oklahoma. Mr. Speaker, will the gentleman yield for a question?

Mr. MAHON. I yield to the gentleman from Oklahoma for a question.

Mr. JONES of Oklahoma. Mr. Speaker, I thank the chairman of the committee for yielding for the purpose of asking a question.

Relative to the strategic bomber penetration program, $5,504,000 is provided by the conferees instead of the $10.6 million provided in the House bill. How much is included for the advanced strategic air launch missile technology project?

Mr. MAHON. Mr. Speaker, I will say to my friend, the gentleman from Oklahoma, that we do not have a firm figure as yet on the amount for this one project. However, the committee strongly supports the advanced strategic air launch missile technology project in which the gentleman is interested and understands that the majority of the funds provided in this bill will be used for it. This includes complete support of the long-range flight test program which I believe the gentleman is concerned about.

Mr. JONES of Oklahoma. Mr. Speaker, I thank the gentleman for yielding.

Mr. WYMAN. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from New Hampshire.

Mr. WYMAN. Mr. Speaker, I thank the gentleman.

With regard to the statement which was just made concerning the CIA and the necessity for not telegraphing our action to the Kremlin as to how this issue is to be handled and exactly what the United States is doing in regard to counter-intelligence activities, I would like to ask the gentleman this:

Do we not have within the Committee on Appropriations a subcommittee of members that handles the CIA and to which the CIA reports and which does know exactly how much money is in this bill for the CIA?

Mr. MAHON. The gentleman is correct.

Mr. WYMAN. Therefore, there are responsible Members in this body who are aware of such matters, and if they are out of order or if they are wrong, those Members would have an obligation to tell us?

Mr. MAHON. The gentleman is correct.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Mississippi for a question.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for yielding.

I have two questions pertaining to the Air Guard, if the gentleman will be so kind as to help me with answers to these questions.

As I understand it, in the bill before the Congress today there are 24 A-7 aircraft funded and they are earmarked for the Air National Guard; is this correct?

Mr. MAHON. The gentleman is correct in his statement.

Mr. MONTGOMERY. Mr. Speaker, I would like to commend the chairman of this committee. This is the first time that I have known about that any new aircraft has been funded for the National Guard. Usually they get handed down to them. I certainly wish to commend the chairman of the committee for that action.

Mr. MAHON. Mr. Speaker, I thank the gentleman.

Normally the Air Guard and the Reserve get the old aircraft and the old equipment, but we are now finding it necessary to rely more and more on the Guard and the Reserves, and we are trying to make them able to respond to their responsibilities. In my statement, I am making reference to all of the Reserves.

Mr. MONTGOMERY. Right. Mr. Speaker, I understand that.

On page 23 of the report, the conference report mentions that 71 F-5E's have been procured and have been funded. These aircraft were purchased for the use of the South Vietnamese Air Force. As I understand it, they will not go to South Vietnam and they will be in the inventory of the regular Air Force.

My comment to the chairman of the committee is this: that these aircraft could be used by the Air Guard. They now have antiquated F-100's, and I think the Air Force would be looking for missions for these F-5E's. We could put them into the Air Guard, where it would cost much less to operate them, about half as much, and they could perform the same missions as the regulars would with them. I think it would just make sense to do that.

Mr. MAHON. Mr. Speaker, I will say to my friend, the gentleman from Mississippi, that the committee feels that these aircraft must first go to the regular Air Force. The gentleman does raise a good point, and we hope the time will not be too distant when this aircraft will be available to the Guard as well.

Mr. MONTGOMERY. Mr. Speaker, I certainly hope they will consider giving some of these aircraft to the Air Guard.

I thank the gentleman from his response.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Speaker, I too, in line with what my colleague, the gentleman from Mississippi (Mr. MONTGOMERY) said, think that the economy of this country must be taken into consideration. And everybody does not agree, but I do not believe that any nation in the history of the world has been able to stand up to spending this much money in the name of defense—and I take the personal view that it is not all for defense; it is for a Military Establishment—and I think eventually the economy of this country is going to require us to maintain a more mobile and smaller regular force with a trained guard and reserves. But in order to do this, we cannot train them with old and obsolete planes and equipment. So I hope that this committee in the future—and I am a member of the committee—can pay more and more attention toward giving first-rate equipment to the National Guard and Reserve units because in a few years we are really going to have to look to them for the defense of our country.

Mr. MINSHALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, as I previously stated, at the proper time I propose to offer a motion to recommit the conference report with instructions to the managers on the part of the House, with respect to the amendment numbered 40, to recede from the conference agreement and delete all funds for the F–111 aircraft.

I do this, Mr. Speaker, for the reason that some 2 years before the death of our late colleague, the gentleman from South Carolina, Mr. Rivers, he told the House that would be the last request the House Armed Services would make for funds for the F–111. It is still with us and apparently will continue forever.

This year Secretary of Defense Schlesinger appeared before the subcommittee of the Committee on Appropriations chaired by the distinguished gentleman from Texas (Mr. MAHON) and told Mr. MAHON as well as the members of the subcommittee that the Department of Defense was not asking for a continuation of the F–111 at a cost of $205.5 million for 12 planes, or at the rate of $17 million each. Under the circumstances, I am utterly unable to understand why the Congress continues to appropriate money for this plane. What is the deal, anyway?

Moreover, we are about to embark upon the production of a new plane known as the ACF at a cost of approximately $4 million each. In other words, approximately four of the new planes for one of the F–111's. There will be no better time in this session of Congress to save $205 million than here today in the recommittal motion with instructions to the conferees to take out the F–111's which, I say again, the Department of Defense does not want, and so told the Committee on Appropriations in February of this year.

Mr. Speaker, I am surprised that the committee would put language in the report such as this, I read at the top of page 23:

The SPEAKER. The time of the gentleman has expired.

Mr. MINSHALL of Ohio. Mr. Speaker, I yield 2 additional minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. The report states:

> The conferees do not intend to provide any further funds for this program (F–111) unless it is sufficiently justified before the Congressional Committees.

That is almost an insult to the intelligence of the Members of the House. It was not justified several years ago and it is not justified now.

As long as Congress is willing to spew out $205 million a year to produce 12 unwanted airplanes of course certain interests will be back, and they will need no real justification. I suspect we will hear from the Texas delegation very shortly in behalf of the continuation of this—I would call it highway robbery—that the Department of Defense has tried to outlaw.

Mr. Speaker, there was never a time when it was more vitally necessary that this country stop unnecessary and extravagant spending. This aircraft was never designed as a substitute for a heavy bomber and any argument to that effect is nonsense. Moreover, if it was designed to fulfill the mission of a new fleet of heavy bombers why only 12 of them?

The TFX F–111 has been steeped in scandal beginning with the first contract award made by former Secretary of Defense Robert Strange McNamara.

It is time to put an end to it and I urge approval of my motion to recommit to do just that.

Mr. MAHON. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. STRATTON), a member of the Committee on Armed Services.

Mr. STRATTON. Mr. Speaker, I thought I had already talked to my good friend, the gentleman from Iowa, and explained this point to him, but he has been so busy on so many other things that maybe we did not spend enough time on it. There is really no great secret on this F–111 matter. The story is completely different from what the gentleman from Iowa has said, and if there is anybody to be blamed, it is the Committee on Armed Services. If there is any member of that committee to be blamed, I am the guy. I do not have General Dynamics in my hometown. I have no interest in it except that I do not believe yet that the Air Force has sold us on the B–1 bomber. And I am the guy who insisted we keep the F–111 production line in operation until a final decision on production of the F–111 could be made.

Mr. GROSS complains that the F–111 costs $17 million a copy. Well, the B–1 bomber is up now to $60 or $70 million a copy, and the Air Force has not yet made a decision on it. Some people say the ultimate cost could go to $100 million a copy.

I, as one member of that committee, having sat at the feet of the gentlemen from Iowa, have always been a little bit dubious of whether, when the Air Force finally gets around to saying they want us to build this B–1 bomber, I am going to be willing to say, "OK, go ahead and build a bomber at $70 million a copy."

The F–111 aircraft production line is being kept open for this year—and for last year—for one reason and one reason only. That is to retain for the American taxpayers a viable alternative to the B–1 when the Air Force finally comes in and asks us to authorize B–1 production at a price that might be as high as $100 million a copy.

If at that time we have no other plane that can carry bombs to the Soviet Union at supersonic speeds, we are going to have to say, "OK, I guess we will have to take your new plane even at that fantastic price."

But as long as we have the F–111 production line in production, capable of turning out the FB–111 bomber, we are going to say, "No, we do not have to take that costly B–1; we have got an alternate bomber here for only $17 million that can do almost as much as the B–1 can do, namely, the FB–111. That is the reason this money for the F–111 production line is in this bill and for no other reason.

To say that this is putting money down a rathole is a complete distortion. Sure, the Department didn't ask for the money. But why was that? The reason is that the big bomber boys over in the Air Force who really run the Air Force are just scared to death that when the chips are down next year maybe they will not get their B–1 bomber that they want so bady, their dream plane of the future. They do not want us to have any alternative to the B–1 available when the time for decision comes next year, or maybe Congress will not vote for such an expensive plane. Mr. Speaker, the facts are that the big Air Force generals had to be dragged along, kicking and screaming, before they were willing even to accept funds for the F–111. They are still worried they may have to settle for a less costly new bomber, the F–111, the real Cinderella of the Air Force.

So the reason that we are extending the F–111 production this year is that after we had already extended the line last year so we would have the FB–111 available as an alternative for the B–1 when the decision came to be made this year, the Air Force told us the schedule had slipped and that no decision would be made until 1975. So we have had to keep the production line of the alternate plane open for 1 additional year—till the hour of decision rolls around next year.

So these funds are in the bill again for 1 more year and the Air Force is going to have to make up their minds next year one way or the other. As long as we keep the F–111 production line going there is a viable and less costly alternative to the B–1. I think that is sound economy. Any time we can keep open the option of selecting a $17 million plane in place of a $100 million plane we are doing the taxpayers a real favor.

Mr. MAHON. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. I thank the gentleman for yielding, and I shall make only four points in regard to the F–111. I think it is important that all members understand the importance of these four basic facts.

First, the F–111 is the only strategic aircraft currently in production anywhere in the free world and the only supersonic bombing plane in the active Air Force inventory.

Second, it has established in 350,000 hours of actual flight the very best safety record—fewer accidents for the number of hours flown—of any military aircraft built in this country in the past 20 years. It performed with spectacular effectiveness over heavily defended targets in North Vietnam and established a truly superior record of survivability.

Third, if Congress should for some reason decide that the B–1 should not go into production—the per unit cost is now estimated at about $70 million or more—it would leave an extremely dangerous gap in our defenses to shut off the only alternative which is the F–111.

Finally, if the B–1 should go into production on schedule, at least a substantial part of that aircraft in all probability will have to be built in the very plant in Fort Worth which is now building the F–111. To allow the active production line to die before B–1 production begins would cost the taxpayers an estimated $250 million in startup costs. In other words, it actually would cost more to crank up the idle plant than to keep it alive for another year's production of F–111's. This obviously would be false economy.

For all of these reasons, I earnestly hope that a substantial majority of the Members will join me in opposition to the Gross motion which would delete all money for the F–111 fleet.

Mr. MAHON. Mr. Speaker, the decision of the conferees supports the House position. The House voted to fund the F–111 in the authorization bill, and in the appropriation bill. The House managers were able to maintain the House position.

Mr. Speaker, the B–1 is in trouble.

Business Week magazine, I understand, has quite a story about the B–1 in this week's issue, pointing out that considering the rate of inflation we are experiencing, this plane could cost about $100 million per copy. I do not think the Congress and the country will tolerate this kind of cost for an aircraft. I do not want to see this country put in the position of having to take the B–1 or nothing. There should be the possibility of an alternative.

That is one of the reasons the funds are in this bill for continuing the hot line for the F–111.

Some have complained that the F–111 is a Texas project—that claim does not take into account the relevant facts.

I should add that the F–111 plant in Fort Worth is located several hundred miles from my district.

I would point out that 35 percent of the money that goes into the F–111 is spent in California; 10 percent in Texas; 9 percent in Connecticut; 7 percent in Massachusetts; 6 percent in New York; 5 percent in New Hampshire; 4 percent in Pennsylvania, and the remaining 24 percent in other areas of the Nation; but regardless of where the funds are expended, the factor here that deserves consideration is the security of the United States.

Let me make this further statement. The B–1 bomber was scheduled to fly last year and it is now scheduled to fly late this year. It is my understanding that the first flight may slip further. While we support the B–1 as a replacement for the aging B–52 aircraft, I do not think we should abandon the only strategic aircraft production line in the whole free world, at Fort Worth, Tex., until we are certain that the B–1 will be added to the inventory of the Strategic Air Command.

I believe the Congress must at all times be willing and able to fund programs which are not recommended in the budget of the Executive if Congress feels that such action is in the Nation's best interest. A rubberstamp role for Congress in defense is indefensable. The Constitution gives Congress a big responsibility in national defense matters. You and I are not willing to agree that all wisdom resides in the executive branch. As Congress acts in an independent way as a coequal branch of the Government to deny funds which Congress does not believe are required, Congress also has the responsibility to add funds where it is convinced that the funds are needed. Would we not agree that many Members of Congress are widely experienced in the military field? Many are as knowledgeable or more so as to the overall situation than some of the top personnel in the Pentagon.

We have spent billions developing the F–111 aircraft. The bugs have been worked out of it. It has an unparalleled safety record and is highly praised by the men who fly it. There is no question about it, the addition of the 12 aircraft proposed will be welcomed by the Air Force and will add strength to our military forces at a time of world turbulence.

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Pennsylvania.

Mr. FLOOD. Mr. Speaker, talking about the cost of the B–1 program, 244 B–1's at $100 million would be $24.4 billion.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I want to point out something that Members may not realize. This happens to be the last time one of our colleagues, the manager of the bill, will be reporting back to the House, because our friend, the gentleman from Ohio, my colleague (Mr. MINSHALL) has announced his retirement.

Many of us could extol the virtues of the gentleman from Ohio (Mr. MINSHALL) over the years as the ranking Republican member on the committee.

I merely point out that in bringing this last bill to the House floor, he has kept intact the record for trust we on this side have placed in his effort in behalf of not only the Congress, but the strong defense of our country.

I know that I speak for every Member of this House when I tell him that his 16 years on that committee has been most beneficial to all of us.

Mr. MAHON. Mr. Speaker, will the gentleman yield to me?

Mr. MINSHALL of Ohio. Yes. I am delighted to yield.

Mr. MAHON. I think the gentleman has more time than I have.

Mr. MINSHALL of Ohio. Yes. We have 14 Minutes.

Mr. MAHON. I just want to say as the spokesman for the 55-member Committee on Appropriations, we have the profoundest respect for the gentleman from Ohio and we pay tribute to him for his contribution through the years to the cause of national defense. His objectivity, devotion, and loyalty to the work in the Congress has been very notable.

I just want to speak for all of us, if I may, a word of good cheer to this friend of ours who has served so faithfully and so well. We are going to miss him in the next session. It has been good to work with him shoulder to shoulder in the best interest of the United States through the years.

Mr. MINSHALL of Ohio. Mr. Speaker, I yield 3 minutes to my good friend from Michigan (Mr. CEDERBERG).

Mr. CEDERBERG. Mr. Speaker, Members of the House, I first want to say that I rise in full support of the conference report. Completing a conference on an appropriation of this size is not an easy task. There were many differences of opinion between the House and Senate on many items, as the distinguished chairman has already said.

We have gone through these items one by one, and we think we have come up with a bill that is in the best long-term interests of the country. There is always room for disagreement on a conference report of this kind with its many and complex issues. Thus a conference report of this type is not an issue on which everyone can totally agree.

Mr. Speaker, I want to join with others in paying tribute to the ranking minority member of the subcommittee, the gentleman from Ohio, Mr. Minshall, who has labored long and hard over the years on our programs for national defense. It is not easy to serve on the defense subcommittee. One does not have a lot of constituents, and sometimes it is easier to be in opposition to some of these things than it is to be for them.

But, not only are we losing the distinguished ranking minority member of the subcommittee, but also the gentleman from Wisconsin (Mr. Davis) who has also made a great contribution. The gentleman from New Hampshire (Mr. Wyman) is also leaving to run for the other body. I do not know why, but he has some reason he wants to run for the other body. We wish him well in that endeavor, but we will miss him here.

As a matter of fact, on the Republican side of the subcommittee we are only going to have one present member who will be returning for the next session. He is certainly going to have a difficult task. I refer to the gentleman from Alabama (Mr. Edwards).

To those who will no longer be on this subcommittee, I, as ranking minority member of the full committee, want to express my appreciation to all of them for the hard work they have done. Sitting on this defense subcommittee day after day after day is not an easy task. Reaching the right decisions for the good of the country, even though others may disagree, is not always an easy task. As these members leave us, we are going to miss them because they have made a tremendous contribution to the security and best interests of the country.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Speaker, I want to join with the gentleman from Michigan, not only in paying tribute to the ranking minority Member, the gentleman from Ohio (Mr. Minshall) but to a Member who has been so long on this subcommittee and on the full committee, the gentleman from Wisconsin (Mr. Davis).

His loss is one that makes me particularly sad. I would want to join with the gentleman from Michigan in thanking him for what has been done, the work that has been done by those who served on this committee, and commend the gentleman from Wisconsin (Mr. Davis) for his years of leadership and expertise.

Mr. CEDERBERG. The gentleman from Wisconsin (Mr. Steiger), has said it well. When he came to the Congress, the gentleman from Wisconsin (Mr. Davis) was on the Appropriations Committee then. I served when he was the ranking minority member on what we used to call the Military Construction and Civil Functions, Corps of Engineers Appropriation Subcommittee.

Over the years, I cannot think of anyone who has worked harder and more diligently and who has been willing to take the kind of hard positions that are necessary in order to serve on the Appropriations Committee.

Mr. MINSHALL of Ohio. Mr. Speaker, I want to thank all my colleagues for the most generous remarks which they have delivered on my behalf. All I can say is that to have served on this subcommittee and the full committee on appropriations has been an experience which has been very rewarding, and one which I shall never forget.

I cannot help but rephrase a quote from a statement my good friend, Dan Flood, made when we were first considering this bill on the floor. He walked in a little late and looked around and heard all this extolling of Bill Minshall going on. He looked around and he said, "Didn't see you. I thought you had died."

But thank you, Dan, for all the wonderful things you have said about me. Also, I want to thank the chairman of the subcommittee, the gentleman from Texas (Mr. Mahon) for all his assistance over the years. I would be remiss if I did not mention the other able members of the subcommittee who have helped bring a strong defense to this country. Bob Sikes, Joe Addabbo, John McFall, John Flynt, Bob Giaimo, and Jamie Whitten and the other side of the aisle. On this side Glenn Davis, Louis Wyman, and Jack Edwards.

Above all, we have one of the most wonderful staffs on the defense subcommittee in my 16 years service there. They have been of immeasurable help to us in their guidance and their counsel. As I said before, we need more of them, but I am sure a little extra pay would help them as well.

I should remind the Members that I am not returning, I just decided not to seek reelection to the House.

Mr. BINGHAM. Mr. Speaker, I rise in opposition to the conference report on H.R. 16243, which appropriates $82.5 billion for the Department of Defense for fiscal year 1975. I intend to vote against this legislation simply because it will allow an unconscionably high level of spending for our military forces, a level which is $3.6 billion more than the military was able to spend last year. My opposition does not mean that I oppose every item in the bill. In fact, there are some useful limitations in this legislation, such as the ceiling on DOD personnel in South Vietnam which I proposed as an amendment when this appropriations bill was first considered on the floor of the House. I am also convinced that the United States must maintain its military strength for the foreseeable future, and that strength is inevitably expensive.

But this level of spending is reckless and wasteful. It will allow the Department of Defense to undertake such ill-advised programs as nuclear counterforce, which involves the retargeting and improved accuracy of our ICBM's. This program threatens a dangerous escalation in the strategic arms race. This bill will also continue the deployment of excessive numbers of U.S. troops abroad. It will continue to provide for the swollen support forces and civilian bureaucracy of the Pentagon, which, excluding the Postal Service, employs roughly as many civilians as all other Federal agencies combined.

We must get off the treadmill of constantly rising defense expenditures, a treadmill many of us expected to abandon when the United States withdrew from active military involvement in the Indochina war. I still want to see the "peace dividend," an actual reduction in our military expenditures, and until I do I will continue to oppose these massive military budgets.

Mr. FRENZEL. Mr. Speaker, this military appropriation bill, H.R. 16243, amounts to $82½ billion. It is said to be $4½ billion under the budget request but it is $3½ billion more than last year.

Since it is our custom to pass supplemental appropriations, and since the distinguished chairman of the House Appropriations Committee has already predicted a $2 billion supplemental, we all know that the comparisons in the report of the conference committee are not especially helpful.

If we estimate another $2-plus billion for a pay raise, already mandated, this military bill to the taxpayers becomes nearly $85 billion, only $2½ billion under budget and $5½ billion—8 percent—over last year.

In my judgment, those numbers are too big at this critical stage of our battle against inflation. We must make cuts to reduce the budget at least to $300 billion. Unless this bill is reduced further, I do not see any chance to reach $300 billion.

I do not oppose the general level of weapons development. I would vote against specific systems and developments, notably the F-111, but basically, the real problem lies in personnel cost. Therefore, I have urged, and do so again, that force levels, especially overseas, be reduced.

In addition to the dangers of spending at this high level in an inflationary period, I have a specific complaint about our knowledge of, and oversight of, CIA activities. My negative vote here is based on objections to unnecessarily high spending levels, but I am also seriously concerned about the lack of congressional control over the CIA. It is well past time for the Congress to exercise its authority.

Mr. Speaker, I shall vote against this bill. I am not indifferent to national security needs. I am not mad at the Defense Department. I only know we have to make budget reductions, and this expense center is one that stands further reduction.

Mr. SIKES. Mr. Speaker, I view the conference report on defense appropriations for fiscal year 1975 with mixed emotions. I must be frank in stating that I believe the conferees cut too deeply in many areas. Cutting defense funds appears to be the order of the day in Congress. We pay very little attention to serious cuts elsewhere. In fact, Congress habitually increases funding for some agencies. It makes token cuts in most. But the yearend result is not an impressive showing for economy advocates, except in defense. I see instance after instance where Government agencies come to Congress asking for substantial boosts in personnel year after year and the rule alway seems to be to give them part of the additional personnel and appropriations they request. It seldom seems to occur to congressional committees to demand cutbacks in personnel and operating costs except in the Department of Defense. I find it difficult to understand the reasoning that defense is less essential to America than welfare or foreign aid or many other agencies of Government.

Be that as it may, the Department of Defense must accept part of the blame for the cuts which are made in the conference report now before the House. Despite cuts all along the line made by the Senate which resulted in a substantial reduction in the House-approved bill, the Department did not see fit to appeal a majority of the Senate cuts. This left the House conferees in poor position to insist upon the House figures in the instances where they were higher. The Department strongly urged the adoption of the House figures and, in fact, in most cases, asked for more money than the House allowed. I cannot believe the Department of Defense has changed its mind to that extent between the time the budget levels were justified to the Defense Subcommittee of the House and the time of the conference action. Whether the Department of Defense was directed by the administration to compromise for significantly less money, regardless of its effect upon defense programs, I do not know.

The conferees in most instances only partially funded the amount of the appeal. The result may well be a general cutback in effectiveness in key areas such as operations and maintenance and research and development.

The fact is the defense appropriations bill is 5.7 percent below the budget recommendations. The original request for funding for the Department of Defense for fiscal year 1975 was $87,057,497,000. The House bill provided $82,983,570,000 new obligational authority. The conference report has approved $82,096,297,000. In my opinion, the House cut should not have been exceeded in the final version of this bill. There could have been adjustments in funding levels to accommodate more recent inputs from the Department of Defense on actual need. But I am convinced that we are cutting deeper than is appropriate if we are to assure our Nation the defense capability which is needed in today's troubled world. It means that defense is expected to absorb most of the $5 billion cut which has been recommended by the administration in the overall budget of $305 billion. I have felt that Congress can cut the budget more than $5 billion, but I feel that all agencies should share in the reduction.

Mr. BADILLO. Mr. Speaker, this morning I spent several hours in New York City listening to a very timely and indepth discussion of the state of the economy by a distinguished group of economists from throughout the Nation. This gathering—a continuation of a conference inaugurated at the White House on September 5—was one of the various meetings being held in advance of the summit conference on inflation scheduled for Washington later this month.

The economists debating the many and varied factors which have initiated and are feeding the rampant inflation now being experienced represented a number of different schools of economic theory. These experts deliberated over certain steps which could be taken to combat inflation by reducing Federal spending. Particularly discouraging was the almost complete lack of attention given to reducing nonessential and questionable defense programs and the wealth of suggestions as to the domestic social and State and local aid programs which could be trimmed.

There is little question that the inflation is the No. 1 economic problem confronting our country today. However, there is no reason why essential domestic programs must bear the brunt of any reductions in Federal spending. I am disturbed that the administration refuses to follow its own suggestions when it comes to the Defense Department and that the only substantive cuts being taken and contemplated are in those efforts which would assist those most in need—the underfed, the unemployed and underemployed, the uneducated, the minorities, the disadvantaged, the elderly, and others.

The measure before us is not so sacrosanct as to be immune from reductions beyond those already made by the House and Senate. Although the $82.58 billion appropriated by this legislation is 5.1 percent below the DOD's original request, it is still $3.61 billion more than the sum appropriated for the last fiscal year. In addition to such highly questionable procurement programs as the B–1 bomber, how much money is going to be allocated to support covert intelligence activities overseas to destabalize foreign governments and how much has the overall budget been padded in a vain attempt to stimulate the economy? Why should this Nation spend some $700 million to continue to support a corrupt and ineffective regime in South Vietnam? Have we not yet learned that no amount of money will ever buy peace and security for that strife-torn area of the world? How can we justify supporting a defense measure of this enormity when we are supposedly at peace and are actively seeking détente and a reconciliation with our potential adversaries in various parts of the world?

Mr. Speaker, once again the defense appropriations bill represents a complete distortion of our country's spending priorities. While the administration seeks gigantic increases for military programs, millions of Americans live in inadequate and substandard housing, millions more are undernourished, almost 5 million fellow citizens are out of work, the air and rivers are befouled and the Nation's roads are clogged with cars while commuters are unable to reach their jobs.

I will agree, Mr. Speaker, that there must be important reductions in Federal spending but not at the cost of the health, welfare, education and general well-being of our citizenry. An important step in the fight against inflation can be taken by further reducing the measure before us—an action which can be taken without jeopardizing our national security or defense posture one iota. Certainly this is a recommendation which at least warrants the highest priority at the economic summit later this week.

Ms. ABZUG. Mr. Speaker, each year I have voted against these huge appropriations for the Defense Department, and I shall continue to do so until there is some rational relationship between the military budget and legitimate defense needs. On the contrary, the Pentagon presents each year a grossly inflated budget, the committees make token cuts, and the Congress appropriates amounts out of all proportion to reality.

This year, we have only a 5.15-percent cut in the largest budget in our peacetime history—and this at a period when the country teeters on the brink of a 1930 depression, and inflation is literally taking the food off our tables.

Why does the average citizen need the B–1 bomber program or 10 more fighter planes? or two additional airborne warning and control planes? or 12 more F–111 jets? or a Navy submarine hunting aircraft? All these items were restored by the conferees after being cut in one body or the other.

No one can eat these things, wear them, or pay the rent with them. They can only slip into fast obsolescence to be replaced by still more expensive models. They are no good as bargaining chips in negotiations. All they do is spur on the arms race, threatening every nation's security and especially our own.

The Pentagon makes only a halfhearted attempt to justify this request on the grounds of real security. Instead, they promote the common assumption that such projects create badly needed jobs. The opposite is true. Using the Government's own figures, a public interest research group found that for every billion dollars spent by the Pentagon, the Nation actually loses 20,000 jobs. The Pentagon generates fewer jobs per billion dollars than any other form of private or Government spending except the space program. The average Pentagon budget of $80 billion, results in the loss of 1,600,000 jobs each year—due in part to exorbitant salaries paid to higher echelon military personnel.

A Department of Labor study done in 1972 reached similar conclusions.

It is unthinkable that the administration should call for massive cuts in programs that would help the poor, the elderly, the young—yet insist that the Pentagon budget is untouchable. Until this mind-set is changed, the Nation is not going to be able to check inflation. If we must cut down on everything, as we are told, let us first cut down on the things we need least of all—military hardware that gobbles up our resources in dead-end products.

We do not need the CIA either, not in its present form. Last week the President openly acknowledged that the CIA had had a hand in subverting the democratically elected Government of Chile. Questions are now being raised about what other governments we have subverted or are subverting now. Yet only a committee of a committee of a committee knows how much money the Agency really gets and even they, apparently, do not know what is being

done with it. Should Congress not have been told, for example, about the illegal bombing of Cambodia?

Another thing we absolutely do not need is the millstone around our necks, the dependent, dictatorial regime of South Vienam's General Thieu. To give $700 million—plus a buried $77 million in transfer funds and other millions in other bills—makes no sense. The neutralists in South Vietnam are now beginning to speak out, at great personal risk. Our support should be given to *them, not to* a government that spends 1 million American dollars a day just for ammunition. The Vietnamese cannot eat ammunition and neither can Americans. It simply permits the war to go on and on and on.

One more thing we do not need is the whole new program of "counterforce" nuclear weapons that can and will be interpreted as putting the United States in a first-strike position. Obviously the Soviets will be frightened by this into developing comparable weapons. Our real security—the knowledge that neither side can afford to strike first—will disappear if the money in this conference report for weapons development is approved.

If we are to trim our national budget, let us trim where the fat is. Let us cut out the things we do not need, not the programs that give aid to Americans who really need it.

Mr. STOKES. Mr. Speaker, I rise in opposition to the conference report on H.R. 16243, which appropriates $82.5 billion for the Department of Defense for fiscal year 1975. This legislation will allow an unconscionably high level of spending for our military forces, a level which is $3.6 billion more than the military was able to spend last year.

I am appalled that at a time in our Nation's history when we are talking of nothing but cutting the budget, that this budget should be so high, almost one-third of the future budget of the United States. Where is the increase of productivity in our military? Where are the plans for efficiency and cost cutting? Why are there more ranking officers now than in World War II when we had six times the amount of men under arms?

Mr. Speaker, the Nation wants defense, but it wants intelligent defense, the best at the lowest cost. The Defense Establishment must be required to share equally with the rest of our Government in tightening its belt.

The economists debating the many and varied factors which have initiated and are feeding the rampant inflation now being experienced represent a number of different schools of economic theory. These experts have deliberated over certain steps which could be taken to combat inflation by reducing Federal spending. Particularly discouraging was the almost complete lack of attention given to reducing nonessential and questionable defense programs and the wealth of suggestions as to the domestic social, and State and local aid programs which could be trimmed.

There is little question that the inflation is the No. 1 domestic problem confronting our country today. However, there is no reason why essential domestic programs must bear the brunt of any reductions in Federal spending. I am disturbed that the only substantive cuts being contemplated are in those programs which would assist those most in need—the underfed, the unemployed and underemployed, the uneducated, the minorities, the disadvantaged, the elderly, and others.

The measure before us is not so sacrosant as to be immune from reductions beyond those already made by the House and Senate. The $82.58 billion appropriated by this legislation is $3.61 billion more than the sum appropriated for the Department of Defense last fiscal year.

This level of spending is reckless and wasteful. It will allow the Department of Defense to undertake such ill-advised programs as nuclear counterforce which involves the retargeting and improved accuracy of our ICBM's. This program threatens a dangerous escalation in the strategic arms race. This bill will also continue the deployment of excessive numbers of U.S. troops abroad. It will continue to provide for swollen support forces and civilian bureaucracy of the Pentagon, which, excluding the Postal Service, employs roughly as many civilians as all other Federal agencies combined.

We must get off the treadmill of constantly rising defense expenditures, a treadmill many of us expected to abandon when the United States withdrew from active military involvement in the Indochina war. I still want to see the "peace dividend," an actual reduction in our military expenditures, and until I do I will continue to oppose these massive military budgets.

I was displeased with the fact that the conference committee added $77,400,000 in military assistance to South Vietnam, and that the conference committee continued the war reserve program, which totals about a half billion dollars a year. I think these actions were mistakes. Why should this Nation spend some $700 million to continue to support a corrupt and ineffective regime in South Vietnam? Have we not yet learned that no amount of money will ever buy peace and security for that strife-torn area of the world? How can we justify supporting a defense measure of this enormity when we are supposedly at peace and are actively seeking détente and a reconciliation with our potential adversaries in various parts of the world?

This year Secretary of Defense Schlesinger appeared before the subcommittee of the Committee on Appropriations and indicated that the Department of Defense was not asking for a continuation of the F–111 at a cost of $205.5 million for 12 planes, a rate of $17 million each. Under the circumstances, I am utterly unable to understand why the Congress continues to appropriate money for this plane. We are about to embark upon the production of a new plane known as the ACF at a cost of approximately $4 million each. In other words, approximately four of the new planes for one of the F–111's.

In a year when budget reductions are so ardently sought, the approval of a costly item such as this is absurd, especially in light of the fact that the DOD does not want these superfluous F–111's, a fact they made clear to the Committee on Appropriations in February of this year. The spending of $205.5 million to produce these 12 unwanted airplanes is totally unjustified.

Mr. Speaker, there was never a time when it was more vitally necessary that this country stop unnecessary and extravagant spending. This aircraft was never designed as a substitute for a heavy bomber, and an argument to the contrary is simply not defensible.

In addition to the dangers of spending at this high level in an inflationary period, I also have a specific complaint about our knowledge of, and oversight of, CIA activities. I am seriously concerned about the lack of Congressional control over the CIA. It is well past time for the Congress to exercise its authority. I cannot vote for a Department of Defense appropriation which includes in it concealed funds—concealed funds for the operations of the CIA, and possibly other agencies.

I think the American people ought to understand clearly that what we are voting on here today is an appropriation bill for the Department of Defense which has in it CIA funds we do not know about. Neither the American people nor we here in the Congress know about these unknown amounts of moneys which fund covert intelligence operations of the CIA.

In my opinion, this is no way for us to assume our responsibilities as Congressmen. This concealment is not fair to the American people, it is not fair to the Congress, and in fact, it is not fair to the Department of Defense itself.

I am demanding, as I think all Members must demand, better disclosure of the amount of funds requested for the CIA and other similar agencies, as well as the nature of these budget requests, and I demand better proposals for proper accountability for the use of these funds. We cannot any longer tolerate such concealment in appropriations of this kind. I join with my colleague, Mr. GIAIMO, in stressing our need to decide the greater question: Can and should the United States, both morally and diplomatically, continue to employ covert intelligence operations that work to overthrow governments philosophically and operationally dissimilar to ours, using methods that rely on intrigue and stealth and perhaps guerrilla warfare to conduct the foreign policy of the United States?

Mr. Speaker, once again the defense appropriations bill represents a complete distortion of our country's spending priorities. While the administration seeks gigantic increases for military programs, millions of Americans live in inadequate and substandard housing, millions more are undernourished, almost 5 million fellow citizens are out of work. I oppose this legislation.

Mr. MAHON. Mr. Speaker, I move the previous question on the conference report.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

MOTION TO RECOMMIT OFFERED BY MR. M'DADE

Mr. McDADE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. McDADE. In its present form, I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. McDADE moves to recommit the bill H.R. 16243 to the committee of conference.

Mr. McDADE. Mr. Speaker, I move the previous question on the motion to recommit.

The SPEAKER. The question is on ordering the previous question on the motion to recommit.

Mr. GIAIMO. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

PARLIAMENTARY INQUIRY

Mr. GROSS. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. GROSS. Is the vote on the previous question?

The SPEAKER. The vote is on ordering the previous question on the motion to recommit.

The vote was taken by electronic device, and there were—yeas 228, nays 125, not voting 81, as follows:

[Roll No. 533]

YEAS—228

Abdnor
Alexander
Anderson, Ill.
Annunzio
Archer
Arends
Bafalis
Beard
Bennett
Bevill
Blackburn
Boland
Bolling
Bowen
Bray
Breaux
Brinkley
Brooks
Broomfield
Brotzman
Broyhill, Va.
Buchanan
Burke, Calif.
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Clawson, Del
Collier
Collins, Tex.
Cotter
Coughlin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
Delaney
Dennis
Dent
Derwinski
Devine
Dickinson
Donohue
Downing
Duncan
du Pont
Edwards, Ala.
Erlenborn
Eshleman
Findley
Fish
Flood
Flowers
Forsythe
Fountain
Frelinghuysen
Froehlich
Fuqua
Gettys
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Griffiths
Grover
Gubser
Haley
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harsha
Hastings
Hébert
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Hosmer
Hungate
Hunt
Hutchinson
Ichord
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jordan
Kazen
Kemp
Ketchum
King
Kluczynski
Kuykendall
Lagomarsino
Landgrebe
Landrum
Leggett
Lent
Litton
Long, La.
Long, Md.
Lott
McClory
McCollister
McDade
McEwen
McKinney
Macdonald
Madigan
Mahon
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Metcalfe
Miller
Mills
Minshall, Ohio
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
O'Brien
O'Hara
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Poage
Preyer
Price, Ill.
Price, Tex.
Quillen
Railsback
Randall
Regula
Roberts
Robinson, Va.
Robison, N.Y.
Rogers
Rooney, Pa.
Rose
Rostenkowski
Runnels
Ruth
Sandman
Sarasin
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shriver
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Steed
Steiger, Ariz.
Stratton
Stubblefield
Stuckey
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thomson, Wis.
Thornton
Tiernan
Ullman
Veysey
Waggonner
Walsh
Ware
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wright
Wyatt
Wyman
Young, Alaska
Young, Fla.
Young, S.C.
Young, Tex.
Zablocki
Zion

NAYS—125

Abzug
Adams
Addabbo
Andrews, N. Dak.
Ashbrook
Ashley
Badillo
Baker
Bauman
Bergland
Biester
Bingham
Brademas
Brown, Calif.
Brown, Mich.
Burke, Mass.
Burton, John
Burton, Phillip
Carney, Ohio
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Corman
Cronin
Dellenback
Denholm
Dingell
Drinan
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fascell
Flynt
Ford
Fraser
Frenzel
Fulton
Gaydos
Giaimo
Green, Pa.
Gross
Gude
Guyer
Hamilton
Hammerschmidt
Harrington
Hawkins
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Holifield
Holtzman
Horton
Howard
Huber
Jarman
Jones, Okla.
Jones, Tenn.
Karth
Kastenmeier
Koch
Kyros
Latta
Lujan
Luken
McCormack
McSpadden
Madden
Mallary
Mayne
Mazzoli
Meeds
Melcher
Mezvinsky
Minish
Mink
Mitchell, Md.
Moakley
Mollohan
Mosher
Nix
Obey
Pike
Pritchard
Quie
Rangel
Reuss
Riegle
Rinaldo
Roncalio, Wyo.
Rosenthal
Roush
Roy
Roybal
Ruppe
Ryan
St Germain
Sarbanes
Schroeder
Seiberling
Shuster
Skubitz
Stanton, James V.
Stark
Steiger, Wis.
Stokes
Studds
Thompson, N.J.
Thone
Udall
Vander Jagt
Vander Veen
Vanik
Waldie
Whalen
Wolff
Wydler
Yates
Yatron
Zwach

NOT VOTING—81

Anderson, Calif.
Andrews, N.C.
Armstrong
Aspin
Barrett
Bell
Biaggi
Blatnik
Boggs
Brasco
Breckinridge
Brown, Ohio
Broyhill, N.C.
Burgener
Carey, N.Y.
Casey, Tex.
Cochran
Conable
Conlan
Conyers
Crane
Culver
Davis, Ga.
de la Garza
Dellums
Diggs
Dorn
Dulski
Eckhardt
Esch
Fisher
Foley
Frey
Gunter
Hanna
Hays
Hudnut
Johnson, Colo.
Lehman
McCloskey
McFall
McKay
Michel
Milford
Nedzi
Nelsen
Nichols
O'Neill
Owens
Podell
Powell, Ohio
Rarick
Rees
Reid
Rhodes
Rodino
Roe
Roncallo, N.Y.
Rooney, N.Y.
Rousselot
Shoup
Sikes
Snyder
Spence
Steele
Steelman
Stephens
Symms
Taylor, Mo.
Towell, Nev.
Traxler
Treen
Van Deerlin
Vigorito
Wampler
Widnall
Williams
Wilson, Charles H., Calif.
Wylie
Young, Ga.
Young, Ill.

So the previous question was ordered.

The Clerk announced the following pairs:

On this vote:

Mr. O'Neill for, with Mr. Eckhardt against.

Mr. Rodino for, with Mr. Conyers against.

Mr. Carey of New York for, with Mr. Diggs against.

Mr. Hays for, with Mr. Dellums against.

Mr. McFall for, with Mr. Rees against.

Mr. Sikes for, with Mr. Young of Georgia against.

Until further notice:

Mrs. Boggs with Mr. Podell.

Mr. Biaggi with Mr. Culver.

Mr. Vigorito with Mr. Dulski.

Mr. Fisher with Mr. Reid.

Mr. Gunter with Mr. Aspin.

Mr. Rooney of New York with Mr. Dorn.

Mr. Roe with Mr. Blatnik.

Mr. Nedzi with Mr. Davis of Georgia.

Mr. Foley with Mr. Hanna.

Mr. Lehman with Mr. McKay.

Mr. Owens with Mr. Michel.

Mr. Breckinridge with Mr. McCloskey.

Mr. Barrett with Mr. Conable.

Mr. Anderson of California with Mr. Hudnut.

Mr. Stephens with Mr. Bell.

Mr. Van Deerlin with Mr. Conlan.

Mr. Charles H. Wilson of California with Mr. Esch.

Mr. Rarick with Mr. Brown of Ohio.

Mr. de la Garza with Mr. Frey.

Mr. Casey of Texas with Mr. Broyhill of North Carolina.

Mr. Milford with Mr. Crane.

Mr. Traxler with Mr. Nelsen.

Mr. Nichols with Mr. Powell of Ohio.

Mr. Rhodes with Mr. Snyder.

Mr. Spence with Mr. Rousselot.

Mr. Taylor of Missouri with Mr. Shoup.

Mr. Widnall with Mr. Steele.

Mr. Young of Illinois with Mr. Steelman.

Mr. Treen with Mr. Symms.

Mr. Wampler with Mr. Towell of Nevada.

Mr. Wylie with Mr. Williams.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the conference report.

Mr. DELLENBACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken, and there were—yeas 293, nays 59, not voting 82, as follows:

[Roll No. 534]

YEAS—293

Abdnor
Adams
Addabbo
Alexander
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Arends
Ashbrook
Bafalis
Baker
Bauman
Beard
Bennett
Bergland
Bevill
Biester
Blackburn
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Brinkley
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Broyhill, Va.
Buchanan
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Collier
Collins, Tex.
Conte
Corman
Cotter
Coughlin
Cronin
Daniel, Dan
Daniel, Robert W., Jr.

Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
Delaney
Denholm
Dennis
Derwinski
Devine
Dickinson
Donohue
Downing
Duncan
du Pont
Edwards, Ala.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Flood
Flowers
Flynt
Foley
Ford
Fountain
Frelinghuysen
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Griffiths
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harsha
Hastings
Hébert
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Horton
Hosmer
Howard
Huber
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kazen
Kemp
Ketchum
King
Kluczynski
Kuykendall
Kyros
Lagomarsino
Landgrebe
Landrum
Latta
Leggett
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCollister
McDade
McEwen
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Mezvinsky
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nelsen
O'Brien
O'Hara
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price, Ill.
Price, Tex.
Quie
Quillen
Railsback
Randall
Regula
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rostenkowski
Roush
Roy
Runnels
Ruth
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Sebelius
Shriver
Shuster
Sisk
Skubitz
Slack
Smith, Iowa
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steiger, Ariz.
Steiger, Wis.
Stratton
Stubblefield
Stuckey
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Tiernan
Udall
Ullman
Vander Jagt
Vander Veen
Veysey
Waggonner
Walsh
White
Whitehurst
Whitten
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, S.C.
Young, Tex.
Zablocki
Zion

NAYS—59

Abzug
Ashley
Badillo
Bingham
Burke, Calif.
Burke, Mass.
Burton, John
Burton, Phillip
Carney, Ohio
Chisholm
Clay
Collins, Ill.
Dellenback
Dent
Dingell
Drinan
Edwards, Calif.
Forsythe
Fraser
Frenzel
Giaimo
Green, Pa.
Gross
Harrington
Hawkins
Hechler, W. Va.
Heckler, Mass.
Helstoski
Holtzman
Kastenmeier
Koch
McCormack
McKinney
Metcalfe
Mitchell, Md.
Moakley
Mosher
Nix
Obey
Pritchard
Rangel
Reuss
Riegle
Rosenthal
Roybal
Ryan
Schroeder
Seiberling
Shipley
Stark
Stokes
Studds
Thompson, N.J.
Traxler
Vanik
Waldie
Whalen
Yates
Zwach

NOT VOTING—82

Anderson, Calif.
Andrews, N.C.
Armstrong
Aspin
Barrett
Bell
Biaggi
Blatnik
Boggs
Brasco
Breckinridge
Brooks
Brown, Ohio
Broyhill, N.C.
Burgener
Carey, N.Y.
Casey, Tex.
Cochran
Conable
Conlan
Conyers
Crane
Culver
Davis, Ga.
de la Garza
Dellums
Diggs
Dorn
Dulski
Eckhardt
Esch
Fisher
Frey
Gunter
Hanna
Hays
Hudnut
Hungate
Johnson, Colo.
Lehman
McCloskey
McFall
McKay
Michel
Milford
Nedzi
Nichols
O'Neill
Owens
Podell
Powell, Ohio
Rarick
Rees
Reid
Rhodes
Rodino
Roe
Roncallo, N.Y.
Rooney, N.Y.
Rousselot
Ruppe
Shoup
Sikes
Smith, N.Y.
Snyder
Spence
Steele
Steelman
Stephens
Symms
Taylor, Mo.
Towell, Nev.
Treen
Van Deerlin
Vigorito
Wampler
Ware
Widnall
Wilson, Charles H., Calif.
Wylie
Young, Ga.
Young, Ill.

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. O'Neill for, with Mr. Eckhardt against.

Mr. Rodino for, with Mr. Conyers against.

Mr. Carey of New York for, with Mr. Diggs against.

Mr. Hays for, with Mr. Dellums against.

Mr. McFall for, with Mr. Rees against.

Mr. Sikes for, with Mr. Young of Georgia against.

Until further notice:

Mrs. Boggs with Mr. Podell.

Mr. Breckinridge with Mr. Dulski.

Mr. Vigorito with Mr. Fisher.

Mr. Charles H. Wilson of California with Mr. Reid.

Mr. Barrett with Mr. Hanna.

Mr. Biaggi with Mr. Culver.

Mr. Brooks with Mr. Davis of Georgia.

Mr. Casey of Texas with Mr. Dorn.

Mr. Nedzi with Mr. Gunter.

Mr. Nichols with Mr. Anderson of California.

Mr. de la Garza with Mr. Aspin.

Mr. Roe with Mr. Blatnik.

Mr. Rooney of New York with Mr. Bell.

Mr. Stephens with Mr. Conable.

Mr. Van Deerlin with Mr. Esch.

Mr. Owens with Mr. Brown of Ohio.

Mr. Rarick with Mr. Frey.

Mr. Milford with Mr. Conlan.

Mr. Lehman with Mr. Broyhill of North Carolina.

Mr. McKay with Mr. Crane.

Mr. Hudnut with Mr. Rousselot.

Mr. Hungate with Mr. McCloskey.

Mr. Michel with Mr. Ruppe.

Mr. Rhodes with Mr. Smith of New York.

Mr. Shoup with Mr. Snyder.

Mr. Spence with Mr. Steele.

Mr. Young of Illinois with Mr. Ware.

Mr. Widnall with Mr. Symms.

Mr. Taylor of Missouri with Mr. Treen.

Mr. Roncallo of New York with Mr. Wylie.

Mr. Towell of Nevada with Mr. Wampler.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 4, line 21, strike "$68,500,000" and insert "$67,800,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 7 and concur therein with an amendment, as follows: In lieu of the sum proposed, insert "$66,800,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 15: On page 7, line 21, strike "$7,113,254,000" and insert "$7,077,930,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 15 and concur therein with an amendment, as follows: In lieu of the sum proposed, insert "$7,062,030,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 28: On page 13, line 22, insert:

"CONTINGENCIES, DEFENSE

"For emergency and extraordinary expenses arising in the Department of Defense, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes; $5,000,000."

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 28 and concur therein with an amendment, as follows: In lieu of the matter proposed, insert:

"CONTINGENCIES, DEFENSE

"For emergency and extraordinary expenses arising in the Department of Defense, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes; $2,500,000."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 34: On page 19, line 1, strike "$762,000,000" and insert "$748,600,000".

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 34 and concur therein with an amendment, as follows: In lieu of the sum proposed, insert "$729,500,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

Senate Amendment No. 38: On page 20, line 8, insert "and in addition $103,600,000 for escalation and cost growth on prior year programs which shall be derived by transfer from 'Shipbuilding and Conversion, Navy 1973/1977',"

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MAHON moves that the House recede from its disagreement to the amendment of the Senate numbered 38 and concur therein with an amendment, as follows: In lieu of the matter proposed, insert "and in addition $70,000,000 for escalation and cost growth on prior year programs which shall be derived by transfer from 'Shipbuilding and Conversion, Navy 1973/1977' ".

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks, and include extraneous matter and tabulations, on the conference report on H.R. 16243, making appropriations for the Department of Defense, fiscal year 1975.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

A TRIBUTE TO COUNT BASIE

(Mr. ADDABBO asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ADDABBO. Mr. Speaker, on Sunday night, Sept. 22, a constituent of mine for many years was honored by the people of New York City, New York State, and the Nation for years of dedicated service.

Count Basie was honored on his 70th birthday by a salute attended by many of the entertainment world's brightest stars and by many of the Nation's prominent citizens.

Among the awards presented to Mr. Basie were the keys to New York City, an honorary doctorate presented by the Philadelphia Music Academy, a plaque from New York State locality mayors for the years of work on behalf of retarded children by Count Basie and his lovely wife, Catherine. And Gov. Malcolm Wilson proclaimed September 22 as Count Basie Day, as did the mayor of Red Bank, N.J., the Count's birthplace.

There have been few who have ever had the impact on American music to the degree that Count Basie has. For that alone, he has earned his place in the hearts of everyone to whom he has brought joy and entertainment.

But for those of us in Queens to whom the Count and Catherine Basie have been friends and neighbors for many years, we remember mostly the concerns that these two people have shown to others. We appreciate the people as much as we appreciate the performer. For those of us in Queens, we are willing to share the music of Count Basie with the world; we hold close to our hearts, however, the personal relationships we have had with two unique and wonderful people who have, in the words of poet Robert Frost, "made good neighbors."

As the people from my congressional district join with others in honoring Count Basie for his many years of stardom, we also salute Mr. and Mrs. Basie for being Mr. and Mrs. Basie, our good and true friends.

Mr. Speaker, I include in the RECORD the New York Times report of the salute to Count Basie:

A "ROYAL SALUTE" HONORS BASIE

(By John S. Wilson)

Possibly because Count Easie has seemed to reduce the art of leading a big jazz band to the casual flick of a finger on the piano keyboard, he has rarely received as much recognition as he should for his contributions to jazz.

Last night, in honor of his 70th birthday (which was actually Aug. 21), some of Mr. Basie's friends began making up for that lack.

At a "Royal Salute" in the Waldorf-Astoria Hotel, jazz musicians, show business personalities, political figures, friends and fans gathered to pay tribute to him at a dinner dance that was a benefit for the United Negro College Fund, the Catherine and Count Basie Scholarship Fund and the Queens women's division of the National Conference of Christians and Jews.

The energy that his friends showed in arranging the tribute contrasts with Mr. Basie's style.

With him, music appears so easy. He sits at the piano, a short, round, impassive man, his hands moving tentatively over the keyboard as he watches the band play. He passes signals to his men with a quiet, unobtrusive nod, a lifted eyebrow or a piano key touched in passing. His solos are models of spare succinctness, built as much on silence as on sound.

He is not, as Duke Ellington was, a prolific or distinguished composer. The tunes that carry his name as writer are almost invariably blues based on a simple but catchy riff. Nor is he known as an arranger as are such of his peers as Mr. Ellington or Stan Kenton. And he is certainly not the flamboyant personality that Mr. Ellington was or that Mr. Kenton and Lionel Hampton are.

SET HIGH STANDARDS

And yet, in his quiet, self-effacing way, Mr. Basie has shaped and maintained a band that sets standards for a swinging jazz ensemble that have never been equaled. When Benny Goodman was "the King of Swing," it was the Basie band that provided the illustrative definition of the word. The Ellington band may be full of exotic colors. The Kenton band, Maynard Ferguson's band or Woody Herman's Herd can blast you out of a concert hall or even a football stadium.

But they don't swing with the facility or the consistency, much less the subtlety, that the Basie band has held to since 1936. This ability to swing is an essential quality that Mr. Ellington recognized several years before Mr. Basie had even formed his band. "It don't mean a thing," Mr. Ellington wrote in 1932, "if it ain't got that swing."

Simplicity is the keynote of everything Mr. Basie does. His piano style is a distillation of the rollicking "stride" style made familiar by James P. Johnson and Fats Waller, the style in which Mr. Basie started out.

The big band that he brought out of Kansas City in 1936 had the flexibility and, as Jo Jones, his drummer, once said, "the feel" of a small combo. It was a loose, relaxed band with a repertory made up largely of "head" arrangements on the blues that left plenty of freedom for the band's soloists—Lester Young, Herschel Evans, Buck Clayton, Harry Edison and Mr. Basie.

SENSE OF DIRECTION

But despite his positive sense of direction, Mr. Basie has not been limited to one approach. When the big-band castles came tumbling down at the end of the forties, most of the bands disappeared and the handful that held on clung almost desperately to whatever it was that had made them successful in the first place.

The Basie band appeared to be heading for oblivion then. The Count cut down to a septet in 1950 and 1951. But then he came back with a band that had the same basis as his earlier band—a swinging, blues-playing band—but otherwise it was exactly the opposite. Instead of being loose and solo-oriented, the second Basie band was so slick and impersonal that it has constantly been referred to as a machine.

And although it has had notable soloists, none of them approached the individuality of the stars of the early Basie band—except for the pianist. He is the connecting link. Slick or loose, it is Count Basie who remains a constant factor in his band. Another constant is the down-to-earth simplicity of even a Basie "machine." There are no fancy arrangements, no far-out effects. It is straight down-home communication.

At the heart of it is that deceptively simple piano style and an adherence to that basic element of jazz, the blues. Mr. Basie showed that he knew exactly where he was going right from the start when he called one of his band's earliest records "Swingin' the Blues."

SIX CHEERS FOR THE RULES COMMITTEE—RICE BILL BITES THE DUST—MAYBE

(Mr. GOODLING asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. GOODLING. Mr. Speaker, on Wednesday of last week the Rules Committee by a completely bipartisan 6–to–6 tie vote refused to grant a rule on H.R. 15263, the rice subsidy bill recently reported by the Agriculture Committee.

I wish to commend the Rules Committee for its action.

This bill was very controversial in the Agriculture Committee, having been cleared only after surviving an 18-to-17 vote on a motion to send it back to the subcommittee from whence it came on a 4-to-3 vote.

The bill was strongly opposed by the American Farm Bureau Federation, the National Farmers Union, and the National Farmers Organization; by the rice growers in most areas of the United States; and by the administration unless it were drastically amended.

Now we hear that the proponents of this bill are going to try to reverse the Rules Committee's decision.

I certainly hope they are not successful because this bill is no way to fight inflation through holding down Government expenditures. The U.S. Department of Agriculture estimates it will cost taxpayers $1.557 billion during the next 5 years with the one amendment it seeks and $4.075 billion in the form it was narrowly approved by the Agriculture Committee.

Consumers should not be deluded into

thinking they will get any lower rice prices than they can expect under the present rice program, properly administered. Under this bill, if rice were to get too low, the Secretary would be authorized to pay rice growers who own allotments to idle their land through a "set-aside" program.

This exercise should point up the futility of trying to write agricultural legislation without first reaching some kind of a reasonable consensus both within the committee and with the administration.

I personally hope that the proponents of H.R. 15263 would concentrate on making the needed reforms in the present program to make it both equitable and workable for all concerned rather than insisting on bringing an obviously bad bill to the floor.

In order to more fully set forth my reasons for opposing this bill, I include at this point in the Record my statement before the Committee on Rules:

Remarks of George A. Goodling

Mr. Chairman, thank you for the opportunity to appear today.

I don't expect you will be seeing me any more in this capacity as I am retiring at the end of this session. This probably being my last apeparance before you, I hope it will be a useful one not only for you but for our wonderful country as well.

I'm here first, as a 50-year farmer who has never taken a thin dime from the Department of Agriculture, to plead with you to kill a bill that can only lead to millions of dollars being paid to rice farmers for growing rice . . . or not growing rice . . . whatever the case may be.

I'm here second as a member of the minority of the Agriculture Committee. This isn't an unusual position for me, but it is unusual for the leadership of the Agriculture Commitee . . . Bob Poage . . . Bernie Sisk . . . Frank Stubblefield . . . Walter Jones . . . Bob Mathias . . . Bob Price . . . and John Zwach . . . to name a few, to be in that minority with me.

Of course our minority is a pretty thin one . . . only one vote . . . as this bill escaped being sent back to subcommittee by an 18–17 vote of the Committee.

But third, I'm here today as a Congressman who has always tried to look at farm legislation in the light of what's best for our country.

And that's how I know this Committee tries to look at things.

This very controversial bill, which comes to us at the 11th hour of the 93rd Congress, would simply change the rice program from a loan system to a payment system.

That's all it does.

It doesn't give farmers any more opportunity to grow rice than the present program does.

It doesn't make prices to consumers one bit lower than they are now.

All it does is to set up a government payment system under which certain rice farmers . . . not all of them, mind you . . . just those with allotments . . . will get payments.

They will get two kinds of payments.

The first are subsidies for growing rice . . . these are called price support payments . . . they are described in Section 102 on pages 5 and 6 of the bill.

The second are subsidies for *not* growing rice . . . these are called "set-aside" payments . . . and are described in Section 6(A) on pages 9 and 10 of the bill.

But, you say, there's a $20,000 payment limit. Is there, really? Look at subsection (e) on page 5 of the bill and you will see the lease and transfer loophole that will let the big rice growers laugh at the $20,000 limitation all the way to the bank.

No, this bill is based on a bad price support idea . . . it was the legislative idea that formed the basis for the farm bill of 1973 which interestingly enough our then Minority Leader Gerald Ford voted against.

I would also point out that this bill carries authority for making "disaster payments" to rice farmers. Now, unless I am mistaken, the Department of Agriculture and the Administration oppose these particular payments on corn, wheat, and cotton.

At least that is what the Assistant Secretary of Agriculture said last week at the Chicago inflation summit conference.

The basic fact, Mr. Chairman, is that the rice growers themselves are divided on this legislation, the Administration position is very unclear, and the Committee is sharply divided.

I sincerely hope you will not grant a rule at this time. Then perhaps next year you can work out a much better bill without having George Goodling around to advise you how to do it.

THE TRIPLE RIPOFF—CONGRESSMAN STRATTON'S BILL TO END TRIPLE PRICING IN SUPERMARKETS

The SPEAKER pro tempore (Mr. Roush). Under a previous order of the House, the gentleman from New York (Mr. Stratton) is recognized for 10 minutes.

Mr. STRATTON. Mr. Speaker, I take this time to advise Members of the House that on Thursday last I introduced in the House legislation, H.R. 16766, which is designed to outlaw a practice that I am sure all of us have heard about in our own districts, and which is particularly unpalatable and disgraceful in this period of serious inflation, and that is the practice of double and triple pricing of goods in supermarkets.

Under this particular practice, which is followed by virtually all the supermarket chains, with the notable exception of Safeway, goods carried on the shelves at one particular price, which is based presumably on the cost of that product plus a fair markup, are repriced upward whenever the price of that particular product in the wholesale market is increased. So if the price on the outside is increased, then the supermarket personnel go around and increase upwards the price of the same items already on the shelves. And they continue to do this not only once, but often twice, and perhaps even three times in some cases.

This is a clear ripoff, because the price of the product on the shelf should be based only on its cost, not on what the cost of similar products produced later on may become. If there is anything I have found that shoppers are incensed about it is to pick some item off a shelf with a price on it, and then to pull off that price sticker and underneath is another price, a lower price; and then to pull off that sticker and below there is still a lower price.

My wife has been complaining about this practice to me for some time, and I knew that it was distasteful; but I ran into it at first hand the other day in a supermarket in Delaware where we had stopped to pick up a box of Triscuits while driving back to Washington. The price on the box was, I think, 75 cents We pulled off that sticker, and under that was another price of 53 cents. We pulled that sticker off, and under that was a price of 35 cents. So that the price had gone up 100 percent in just the short time that that one box had been sitting on the shelf.

My bill would outlaw this practice. We have got enough inflation, I think, to worry about without having people use this kind of device to fix their prices not on what the cost of the product is plus a fair markup, but on what the traffic can bear.

I have introduced a bill to prevent it. I would hope that my colleagues, who have perhaps witnessed similar arrangements, will join me in sponsoring it. It has been referred to the Committee on Interstate and Foreign Commerce. I think we ought to vote swiftly to enact it.

Incidentally, I would like to commend the attorney general of the State of New York, the Honorable Louis J. Lefkowitz, for having convened in New York State a hearing before him as the attorney general, to which all supermarket chain executives have been summoned, to explain just what is going on with this kind of double and triple pricing. This is going to be very helpful in bringing out the facts of the situation. But I think it is clear that the only way we can really stop it is here in Congress by passing either this legislation or possibly some more stringent price control legislation which would require that prices be based only on costs plus a fair markup and not on just what traffic will bear.

If we continue to allow this kind of thing to go on, inflation is going to get completely out of hand. The average American housewife is already having trouble enough trying to survive without being ripped off in this manner.

MILITARY DISCHARGE REFORM LEGISLATION

The SPEAKER pro tempore. under a previous order of the House, the gentleman from Wisconsin (Mr. Steiger) is recognized for 15 minutes.

Mr. STEIGER of Wisconsin. Mr. Speaker, it is a pleasure to once again join with the gentleman from Florida (Mr. Bennett), the gentleman from California (Mr. Bob Wilson), and the gentleman from Hawaii (Mr. Matsunaga) in introducing legislation to reform military personnel policies. As the All-Volunteer Force leads us to reevaluate manpower practices, a key opportunity for reform is presented by the outmoded and inequitable military discharge system.

In 1971, the House approved legislation improving the military discharge process. The legislation resulted from a bill introduced by the gentleman from

Florida (Mr. BENNETT) who has long sought to insure fairness in the operation of the military judicial and administrative disciplinary system. Unfortunately, the Senate did not take action. Since then, further study of the system and evaluation of its operation have led to the introduction of this improved reform legislation.

Criticism of the military discharge system has been on the increase in recent years. The Department of Defense Task Force on the Administration of Military Justice in the Armed Forces noted the severe stigma which results from an other than honorable discharge, particularly the difficulty in seeking employment. Half the members of the task force recommended the termination of characterizing discharges in any fashion—as either honorable or less than honorable. Short of this step, a majority recommended that in any administrative separation not warranting an honorable discharge, the veteran be given an uncharacterized certificate of discharge. In recent law review articles, current discharge regulations have been criticized as violative of due process. The Court of Military Appeals, which does not have direct jurisdiction over administrative discharges, noted the stigma of a general discharge in ruling that a soldier could not be court-martialed for asserting the privilege against self-incrimination in a proceeding that might involve a general discharge.

The statutory and equal protection implications of the military discharge program have been examined in the March 1974 issue of the Harvard Civil Rights—Civil Liberties Law Review. That study noted that there is no express statutory authority for the certificate of discharge which labels the enlisted man as undesirable, and the authority for the general discharge is questionable. The historical record demonstrates that until 1893, an Army discharge certificate was considered honorable unless issued by court-martial. The initiation in that year of the discharge "without honor" was achieved without a change in the statutory authority. Nor was there specific authorization for the adoption of the general and undesirable discharges in the 1940's.

While there is legislation which governs less than honorable discharges for reservists, there are no provisions of law which authorize the discharge certificates of enlisted members of the regular forces to be characterized as "undesirable," "without honor," or in any other adverse manner. The only provisions of law for less than honorable discharge of enlisted members refer to the bad-conduct and dishonorable discharges issued by courts-martial. In related statutory provisions, Congress has recognized that other than honorable discharges do exist, and provision has been made to relieve the hardships caused thereby. None of these provisions, however, meet the constitutional requirement of express statutory authority that is necessary when such a severe administrative penalty is to be imposed.

The article also notes that the administrative undesirable discharge imposes a level of punishment equivalent to the special court-martial bad-conduct discharge, but under procedures that are far less protective of individual rights. The interests of military justice and discipline can be preserved, consistent with the rights of individuals, if offenses now punished with the undesirable discharge were to be processed under the Uniform Code of Military Justice, UCMJ, or by deprivation of an honorable discharge through issuance of an uncharacterized administrative discharge.

In terms of resources, the DOD endorsement of the 1971 bill as approved by the House demonstrated willingness to provide a level of protection as to counsel, judges, and initial appellate review, similar to that afforded by the UCMJ. Under the UCMJ, inferior courts-martial have the power to punish, with a bad-conduct discharge, virtually every offense now punished by an undesirable discharge. Frequent offenders may be reached under the habitual offender provision of the Manual for Courts-Martial. For those minor infractions or offenses which are more difficult for a court-martial to reach, the deprivation of an honorable discharge through issuance of a plain certificate of discharge meets the military need for the administrative disciplinary tool. Finally, it should be noted that the special court-martial bad-conduct discharge and the administrative less-than-honorable discharge receive the same treatment under laws governing the Veterans' Administration; that is the agency has discretion to grant or deny benefits in both cases. Therefore, requiring such offenses to be processed by courts-martial or through issuance of a plain certificate of discharge would not change the operation of the law regarding veterans benefits.

Finally, the article concludes that the general discharge represents unwise national policy. Holders of the general discharge are fully eligible for all veterans benefits, yet this certificate severely hampers their reentry into civilian life. It makes no sense for the Government to provide an individual with rehabilitation assistance at the same time he is officially labeled as a poor employment risk. A discharge under honorable conditions should be called an honorable discharge not qualified as a general discharge.

Mr. Speaker, the time has come to make the discharge certificate program a matter of express statutory authority. In doing so, we should have it operate in a manner that balances the needs of the military with the rights of the volunteer. I believe that the gentleman from Florida (Mr. BENNETT) has struck the appropriate balance, and I am pleased to join with him in this effort.

Mr. BENNETT. Mr. Speaker, I am introducing today far-reaching legislation to bring about a comprehensive reform in this Nation's military discharge system. Joining with me to sponsor this legislation are the gentleman from California (Mr. CHARLES H. WILSON), the gentleman from Wisconsin (Mr. STEIGER) and the gentleman from Hawaii (Mr. MATASUNAGA). It is our belief that this legislation will provide a fair and equitable discharge system for all men and women leaving the Armed Forces.

Early in the 92d Congress, I introduced legislation to establish a Federal law, uniform authority, criteria, procedures and rights governing the administrative discharge other than honorable for enlisted and officer personnel of the Army, Navy, Marine Corps, Air Force, and Coast Guard. The legislation was designed to give equal protection to Reserves and Active duty personnel as well as to enlisted men and officers whereas presently Reserves do not receive the same protection as enlisted men and enlisted men do not receive the same protection as officers. That legislation was passed by the House but the Senate did not take action.

The legislation I introduce today goes beyond the scope of the original legislation. Whereas the early bill was designed to insure fairness for all within the existing military discharge framework, this new legislation would revamp the framework so that the military discharge system would be institutionally geared to providing fair and equitable discharge procedures for all.

The continued criticism of the discharge system, particularly from the Defense Department Task Force on the Administration of Military Justice in the Armed Forces, led me and the cosponsors to revise and introduce this new legislation. I am confident that this bill will insure that the discharge program operates fairly, wisely and in accord with the requirements of due process of law.

Legislative action in this area is imperative. The administrative discharge system has been used to a much greater extent than the court-martial process to discipline members of the Armed Forces through the issuance of other than honorable discharges. Since 1950, over 600,000 young men and women have been administratively labeled with general discharges and over 400,000 with undesirable discharges as compared to 115,000 bad-conduct discharges and 40,000 dishonorable discharges issued by courts-martial over the same period.

While there is express statutory authority for the less than honorable discharges issued by courts-martial, there is no statute which specifically authorizes the general or the undesirable discharge. The lifetime stigma that results from an other than honorable discharge should not be imposed on any member of the Armed Forces except as Congress expressly dictates.

The legislation would abolish the general discharge. Service personnel separated under honorable conditions would be issued an honorable discharge. The general discharge fully entitles a veteran to Veterans' Administration benefits, yet this label is regarded by many employers in a very negative fashion. It is poor national policy to provide a veteran with rehabilitation and employment assistance with one hand, and with the other to stigmatize him as such a poor employment risk that employers are reluctant to hire him.

The undesirable discharge would also be eliminated. Instead, where an individual's misconduct is incompatible with an honorable discharge, the separation certificate would be a plain "discharge from service." There may be circumstances when a less than honorable discharge should be issued through the administrative rather than the court-martial process. But if a GI's conduct has not been such that he has been convicted by a court-martial, the label "undesirable" is simply too harsh. The discharge from service will provide the military with the administrative means to withhold an honorable discharge where such action is warranted without labeling the person as "undesirable" for the rest of his life. The authority for courts-martial to impose bad-conduct and dishonorable discharges would be unaffected by the bill.

This legislation not only changes the manner in which the certificate is characterized. It also establishes comprehensive safeguards for deprivation of an honorable discharge through the issuance of a discharge from service.

A formal hearing before a board of officers would be required for the issuance of a certificate of discharge from service, except where a request for discharge has been tendered or a year's absence without leave has passed. The findings of the board would have to be established by a preponderance of the evidence, under evidentiary rules that would parallel current court-martial procedure. A key innovation is the establishment of in-service appellate review panels in the offices of the Judge Advocates General. Post discharge appeal would be open to the Court of Military Appeals, COMA. Since COMA is the only civilian tribunal in the military justice system, it is essential that it be given jurisdiction to review the severe punishment inherent in the deprivation of an honorable discharge.

Safeguards would also be established for resignations and requests for discharge from service. Currently, many service personnel request less than honorable discharges in lieu of trial by court-martial. These are simply pleas of guilt without the safeguards mandated by the Uniform Code of Military Justice, UCMJ. The UCMJ and Court of Military Appeals require that in courts-martial such pleas be examined to insure that they are voluntary, legally sound and supported by the evidence. Experience has shown that the mere provision of appointed counsel is no substitute for the requisite examination by a military judge. Therefore, my bill requires that a military judge examine every request for discharge in lieu of court-martial according to procedures similar to those provided by the UCMJ.

The bill would also place restrictions on the type of information that can be released concerning those who have been discharged from the armed forces. Although veterans have a need for certain information to be used in seeking employment, former military personnel should not be stigmatized by broad generalizations that have not been the subject of formal administrative hearings. My bill seeks to specify the information which a veteran would need for employment.

The consequences of separation without an honorable discharge have adversely affected thousands of young men and women who served in the armed forces. Congress should act as soon as possible to assert its authority over this important aspect of military justice and discipline.

GENERAL LEAVE

Mr. STEIGER of Wisconsin. Mr. Speaker, I ask unanimous consent that I and all Members may have 5 legislative days in which to revise and extend our remarks and include extraneous matter on the subject of my special order "Military Discharge and Reform Legislation" this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

IMPORTED DAIRY PRODUCTS MUST COMPLY WITH HEW STANDARDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. RUPPE) is recognized for 5 minutes.

Mr. RUPPE. Mr. Speaker, today I have introduced legislation which provides that imported dairy products must comply with minimum standards for quality and wholesomeness which are comparable to those standards prescribed by the Secretary of Health, Education, and Welfare for the same type of dairy products produced, manufactured, and processed by U.S. dairy farmers. Also included in this bill is the requirement that the dairy farms on which these foreign products are produced and the plants in which they are processed meet the same standards of sanitation as is required for domestic production.

I feel that the requirements embodied in this legislation are important from two points of view. The first is with an eye to the consumer. If the Congress feels that certain health standards are necessary for the good of the American public—the consuming public—then the Congress must not allow a loophole whereby a significant portion of our market escapes the congressional intent. American dairy farmers should be commended both for the high standard of quality of the supplies they put on the market and for the research and promotion programs they have initiated in the field of dairy sanitation. However, the American dairy industry is upset, and rightly so, that a large amount of milk products are entering this country, which do not meet basic standards. And the consumer is upset as well. Parents who buy milk in the grocery stores do not want to be subjected to a guessing game as to the quality of the dairy products they are purchasing for their children's consumption.

Foreign food products should be manufactured with the same care that we insist on for domestic production. It defies logic that we insist on one set of standards for one group but not for the other. I am informed that almost 85 percent of the imported milk products are not inspected at all before entering the country. This must stop if there is any possibility that it is of such inferior quality to pose a danger to the health of the American public.

This leads me to the second aim of this legislation and that is providing a helping hand to the American dairy farmers who are having such a difficult time financially in this period of inflation. One of the demands that we make on our farmers is that they spend a large amount of money to insure that their products are sanitary and safe for human consumption by meeting stringent health standards. Since we do not demand this of imports, these latter products may be introduced into the country at appreciably lower prices. From a competitive point of view this works to a severe disadvantage of the domestic farmers who must take into consideration their costs in the pricing of the dairy products they sell.

Dairy prices fell drastically this summer but, much to the distress of the dairy farmer, costs went up drastically leaving him in the middle of a severe cost-price squeeze. I was informed by the Department of Agriculture that one of the main reasons for the drop in prices was that the market was glutted with milk products recently. The economic principle of supply and demand worked in an exemplary fashion: Supply went up, price went down.

It is difficult for some to understand how the limiting on the importation of milk products could have much of an impact on dairy prices in general. I am told that imports only comprise between 1.5 and 2 percent of our market. This is largely because the Government has had import restrictions on dairy products for years. However, in terms of milk equivalences, I am also informed that imports were 168 percent as much for January through May of 1974 as they were for the first 4 months of 1973. In those terms, the effect of imports on our dairy market situation can readily be seen.

While Michigan is not generally thought of as a major dairy State, there are a number of small dairy farmers in my district in the nothern part of the State who are faced with an imminent shutdown of their operations. Large, established farms can face the situation by cutting back on production and trying to ride it out for a while. However, the smaller, marginal farmer such as most of those in my district cannot take this course of action. A cutback in production simply means for many of them going out of business. They need immediate action even if the solutions resulting are short-term at best.

The legislation which I have today introduced could provide some of this short-term relief. I would hope that it would also serve as a vehicle for the Congress to study the plight in general of the dairy farmer to determine what they can do to survive today. However, the problem does not lie on our shoulders alone. The American dairy farmer for some reason has basically just looked to the United States for his market.

But, the American public is also reacting to inflation and is now resisting increased dairy prices by cutting down on consumption. And, it must be realized that the government is going to be able to help only a limited amount. Therefore, it is imperative that the dairy industry start looking elsewhere for a solution to its problem. The United States has a $20 billion farm export program, but except for Food for Peace, almost no dairy products leave this country. I would think that it would be in the best interests of the small dairy farmers to start lobbying their cooperatives to seek export markets. Granted the Common Market countries are fairly well locked up, but Japan and other large emerging countries could prove to be big potential markets.

The problem is so big that we cannot say that it is up to one group or another alone to deal with it. Everyone must take some of the responsibility. The House Agriculture Committee has held some hearings on the matter and is scheduled to hold further ones in the near future. Some positive solutions may be forthcoming from these meetings. However, the dairy industry and its major cooperatives must also be willing to look for answers and start to determine what they can do. I would hope that with this cooperation, together, we might be able to get the dairy industry back on its feet once again.

CHICAGO'S GENERAL VON STEUBEN PARADE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, September 17 is the anniversary of the birth of Gen. Friedrich Wilhelm von Steuben, one of the leading patriots of the Revolutionary War.

On Saturday, September 21, the United German-Amercian Societies of Greater Chicago sponsored the General von Steuben parade on State Street, in which 196 floats and thousands of individuals participated, and I was delighted to join members of Chicago's German-American community on the reveiwing stand for this grand event.

Von Steuben came to America in 1777 to offer his talents to that great cause then being born on this continent of a people longing for their independence. In so doing he set an example for all time for millions of other Americans of German origin, who have contributed untold wealth to their adopted Nation.

During the bitter days at Valley Forge, General von Steuben sustained the courage of his men and contributed his private funds for their well-being. He drilled and taught them so that when winter subsided the American troops emerged more prepared than ever to engage the best army of the day on equal terms.

During that winter he also wrote the "Regulations for the Order and Discipline of the Troops of the United States." In 1781 von Steuben served with Lafayette in the battle against Cornwallis, who was attempting to invade Virginia, and at the Battle of Yorktown he commanded one of the three divisions of the Continental Army.

General von Steuben received a great estate from New York State and a large award from Congress for his outstanding contributions to the winning of American independence. Along with General Lafayette he was second only to General Washington as a shaper of the Continental Army.

Americans of German heritage have contributed to the strength, greatness, and freedom of the United States from its very inception; and the preeminence of our own city of Chicago, which they helped to build with their dedication and resourcefulness, is testimony to those noble and vital contributions.

I extend my greetings and best wishes to German-Americans in the 11th District of Illinois, which I am honored to represent, in the city of Chicago and all over the Nation who are commemorating the birth of this Revolutionary War hero, General von Steuben.

The members and officers of the United-American Societies of Greater Chicago have long been vital and creative citizens in their individual communities and I congratulate them for their community service. I also extend my congratulations to Karl C. Laschet, general chairman and grand marshal of the parade, and to all the members of the Ninth Annual General von Steuben Parade Committee who worked so hard to make this patriotic pageant a success.

Their names follow: Joseph Gies, honorary general chairman; John C. Meiszner and Horst Seyferth, cochairmen; Willi Scharpenberg, marshal; Felix Bachmeier, Rudy Brunnhoefer, Joseph Matzer, and Hans Rettberg, committee members; Marianne Cournoyer, executive secretary; Clara Winkler, recording secretary; Helen Meiszner, parade treasurer; Leo Dahmen, treasurer; Joseph Zottman and Betty Center, ticket treasurers; Paula Zottmann, cornflower treasurer; Virginia Vazzano, coordinator; and Edward Schalk, parade consultant.

REUSS JOBS BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 20 minutes.

Mr. MOAKLEY. Mr. Speaker, at the beginning of this Congress, our distinguished colleague from Wisconsin (Mr. REUSS) introduced the Public Service Employment Act. I was pleased—as my first act as a Congressman—to be 1 of 80 Members of Congress who joined in the original introduction of this legislation.

Unfortunately, throughout this term, we have faced uncompromising opposition from the Nixon administration. In the face of this attitude, the decision was made to take no legislative action on the Reuss bill.

However, the climate has now changed considerably. When he testified before the Committee on Banking and Currency, I questioned Federal Reserve Board Chairman Arthur Burns on this legislation. He indicated support for a public service jobs program and pointed out that such a plan need not be inflationary.

Subsequently it was reported that the administration was considering a job plan of even larger proportions than the Reuss proposal. I was, therefore, very disappointed that the administration plan, when finally announced, provided only 85,000 jobs nationwide.

However the point is that the President has demonstrated a willingness to implement a public service jobs program and it is essential that Congress exert leadership in developing a meaningful alternative.

In this regard, I would like to pay special tribute to Speaker ALBERT for the important initiative he has taken in offering a public service jobs program, on the scale proposed by the gentlemen from Wisconsin, as part of an economic platform approved by the Democratic Caucus. I would therefore like to place in the RECORD, at this point, the Speaker's statement and to commend him for his farsightedness and compassion:

STATEMENT OF HON. CARL ALBERT, SEPTEMBER 18, 1974

We commend the President for calling an economic summit meeting, following preliminary conferences, for September 27–28. The Democratic majority in the House hopes that a spirit of national unity may emerge from the summit. We have already shown our willingness to cooperate by having presented to President Ford within a matter of days legislation to honor his request for a Wage and Price Stability Council.

But we deeply believe that a viable summit economic program must include three recommendations recently approved by the House Democratic Caucus:

1. To help those worst hurt by inflation or by the policies adopted to fight inflation—namely, the nation's almost five million unemployed—a program of *public service employment* with a goal of a job for all able and willing to work, and the prompt creation of 500,000 such jobs.

2. To prevent the limited supply of credit from being misallocated to inflationary rather than productive uses, *a clearly defined system for channeling credit* away from inflationary and speculative uses, both domestic and foreign, and toward sectors particularly hurt by overall monetary restraint, such as productive capital investment, housing, agriculture, public utilities, small business, and state and local governments.

3. To assist labor and industry in achieving an equitable wage structure from the worker, a *social contract* highlighted by (a) immediate income tax or social security tax relief to low- and middle-income persons, balanced by the elimination of unjustified tax subsidies and by other revenue-raising measures; and (b) equivalent restraint by the business sector in such matters as price behavior and executive compensation.

To address myself to my principal concern at this point (Item 1 in the above remarks), I would like to commend the Reuss Bill to the attention of my colleagues. This legislation has been introduced by the gentleman with the support of 80 of our colleagues and I would like to take this opportunity to urge the able chairman and members of the Committee on Education and Labor to schedule hearings on this legislation.

I am hopeful that the economic summit convened by the President will follow the leadership of the Speaker in recommending a massive program of public service employment. Whether or not this happens, I believe that Congress must be prepared to act forcefully to meet the needs and aspirations of our nation 4,885,000 jobless.

I have prepared estimates, by State, of the relative impact of the plan now being implemented by the administration and the program advocated by the gentleman from Wisconsin. I am sure my colleagues will be interested to note the comparative impact of these plans in their States and ask that the table be inserted at this point in the RECORD.

TABLE OF COMPARATIVE IMPACT—PUBLIC SERVICE EMPLOYMENT

State	Administration plan [1]	Reuss proposal [2]
Alabama	$214, 421	$1, 261, 300
Alaska	1, 118, 241	6, 577, 888
Arizona	177, 388	1, 043, 459
Arkansas	165, 374	972, 788
California	12, 565, 329	73, 913, 699
Colorado	29, 478	173, 400
Connecticut	585, 140	3, 442, 000
Delaware	85, 212	501, 247
Florida	564, 331	3, 319, 594
Georgia	270, 551	1, 591, 476
Hawaii	565, 532	3, 326, 658
Idaho		(3)
Illinois	519, 645	3, 056, 735
Indiana	815, 219	4, 795, 405
Iowa		(3)
Kansas		(3)
Kentucky	600, 853	3, 534, 429
Louisiana	498, 532	2, 932, 541
Maine	303, 277	1, 783, 982
Maryland	217, 139	1, 277, 288
Massachusetts	3, 370, 540	19, 286, 705
Michigan	12, 386, 117	72, 859, 511
Minnesota	2, 609, 262	15, 348, 599
Mississippi		(3)
Missouri	138, 256	813, 270
Montana		(3)
Nebraska		(3)
Nevada	308, 606	1, 815, 329
New Hampshire	110, 934	652, 552
New Jersey	3, 644, 946	21, 440, 858
New Mexico	100, 294	589, 965
New York	4, 942, 626	29, 074, 270
North Carolina		(3)
North Dakota		(3)
Ohio	845, 701	4, 974, 712
Oklahoma	226, 087	1, 329, 924
Oregon	533, 685	3, 139, 324
Pennsylvania	3, 731, 206	21, 948, 270
Rhode Island	114, 791	675, 241
South Carolina	$27, 683	$162, 841
South Dakota		(3)
Tennessee	116, 332	684, 306
Texas	861, 632	5, 068, 423
Utah		(3)
Vermont	291, 979	1, 717, 523
Virginia	870, 866	5, 122, 741
Washington	3, 367, 101	19, 806, 476
West Virginia	431, 248	2, 536, 753
Wisconsin	454, 408	2, 672, 988
Wyoming		(3)
Puerto Rico	6, 281, 791	36, 951, 711
District of Columbia		
Total	65, 127, 280	383, 101, 640

[1] Under the administration plan, no funds are provided to States with less than 6.5 percent unemployment or States whose allocation would amount to less then $25,000.

[2] Under the Reuss *bill*, States could receive an additional 15 percent for job training programs.

[3] Estimated figures under the Reuss bill were not available for States not now receiving jobs assistance.

THE HONORABLE WILLIAM JENNINGS BRYAN DORN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. DAVIS) is recognized for 10 minutes.

Mr. DAVIS of South Carolina. Mr. Speaker, I would like to call attention to a recent newspaper article about the dean of the South Carolina House delegation, the Honorable WILLIAM JENNINGS BRYAN DORN. His years of service in the House of Representatives will come to a close this fall, and every member of our delegation will miss his wise counsel and sound advice. His departure will leave a void which will be all but impossible to fill.

The newspaper article in question appeared in the State-Record on August the 14th. It has, I believe, caught the very essence of Chairman DORN and I present it now for consideration by the House:

SOUTH CAROLINA'S DORN SERVED ABLY

(By Jack Bass)

William Jennings Bryan Dorn—the sound of the name rolls like a thunderclap through a mountain valley.

He's a man whose political career apparently is ending, the defeated candidate for governor of South Carolina in the Democratic primary.

Against Charles "Pug" Ravenel, a 36-year-old fresh face with fresh ideas, the credentials of Harvard, and the ability to organize an effective campaign, Dorn was cast in the role of the establishment candidate. He fit neatly enough, but there are things about Bryan Dorn that ought to be set down on paper in the aftermath of his defeat.

Despite his reputation as an arm-waving, flag-carrying patriot, an orator of the old school of Southern politics, to label Bryan Dorn as just another traditional Southern Democratic conservative oversimplifies the man.

And the record shows that despite his defeat by Ravenel, Dorn carried all 10 counties in the congressional district he served for 26 years, seven of them with more than 70 per cent of the vote. Maybe it's just the old "friends-and-neighbors" voting pattern, but perhaps it's also an appreciation of Dorn as a politician who genuinely cared about the folks he served.

Of the established politicians in South Carolina, Dorn was perhaps the first to make a clear break with tradition on the race issue. It was back in 1965 in an address to Girls State that Dorn talked about social change and said that much of the change was "good." Then he got in his station wagon with his wife Millie and some of the kids and they drove all night to get back to Washington.

Later that year he talked of white South Carolinians—many of whom tend to view themselves as a paternalistic lot—as having done things "for Negroes" and said the time had come to do things "with Negroes."

Dorn's 3rd Congressional District is the heartland of George Wallace support in South Carolina, but Bryan Dorn is a man who voted against the school prayer amendment to the Constitution, a popular issue but one which he thought was wrong because it would violate the American tradition of involving the government in religion.

In 1972, Dorn the Democrat even made a public—not a loud one, but he made it—endorsement of George McGovern for president.

In 1954 and 1965, he had made the obligatory votes in Congress against the Civil Rights Act and Voting Rights Act, votes which by 1974 were remembered by many blacks who voted against him, but he also was a fairly consistent supporter of anti-poverty programs.

Dorn also stood out among congressmen from South Carolina by voting for funds for a monument recently dedicated in Washington to Mary McLeod Bethune, a native South Carolina black educator. Other congressmen allowed themselves to be influenced by scurrilous literature with undocumented allocations of Communist connections—the guilt by association tactics of the McCarthy era—and it was the vote against those funds by veteran Rep. John L. McMillan that spurred full-scale efforts against him by the NAACP that helped defeat him in a congressional district that is 38 per cent black.

But if Dorn ever stood out conspicuously on a social issue, it was in his opposition to anti-busing legislation. Alone in the South, Dorn voted consistently against legislation to prohibit use of federal funds for busing.

Busing was never really an issue in the governor's race, but Dorn didn't hide when asked his views. At one meeting with blacks, Dorn was asked about his position on busing and replied, "I favor more buses, bigger buses, air-conditioned buses, and safer buses." Then he related how his father had been a school superintendent in Greenwood County and the schools were consolidated, and the rich kids and poor kids were bused to the same schools.

"I saw busing end classism in Greenwood County," he said, "and I think busing today might end some other kinds of 'isms.'"

Bryan Dorn will be missed by the people in South Carolina because of the influence he had built in Washington. It was Dorn's influence on the Public Works Committee that perhaps was the key in the decision to extend I-77 from Charlotte to Columbia, providing a direct interstate link to the port of Charleston.

A veteran with a problem could call Dorn in Washington, and the chairman of the House Veterans Affairs Committee himself would take the call and assign an aide to follow up the complaint.

But the voters in South Carolina decided they were tired of the old politics of the pork barrel, and Dorn didn't help himself with his cheap talk hinting of Mafia influence because Ravenel received a campaign contribution from a businessman friend from New Jersey with an Italian name.

Bryan Dorn's political career now is fading away, but what he did through the years is worth some final appreciation.

GOVERNMENT WASTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, for over 6 years, the Postal Service, formerly the Post Office Department, has delayed making a decision of how to use its Murray Hill property, located in my congressional district between Lexington and Third Avenue from 31st to 32d Streets. It is an outrage that the Postal Service has taken so long in determining how to use this site. This is an example of Government waste and inefficiency that goes unnoted in normal budgetary accounting. Federal dollars are not being spent on the property; but it is a resource that is not being properly used—this, too, is waste and should not be disregarded.

In June 1974, the Postal Service advised me that it was in the process of making a study to determine the postal needs of the Murray Hill community. This study was to be part of a larger study which would survey the postal needs of metropolitan New York. This large study is one that the Postal Service has talked about since I first started making my inquiries on the subject in 1969 upon coming to Congress. In June, I was told that the entire study was to be completed on August 1, and its findings released shortly thereafter. August 1 came and went and I heard nothing from the Postal Service. Upon inquiring again, I was advised that the study will not be completed until the end of September and the report will not be available until November 1 of this year. Given, the prior history of the study, I have no confidence that it will be completed by November 1.

becoming more and more concerned over the Postal Service's inability to make a determination on the use of the site. Furthermore, the community is distressed because no input has been requested from it for the Postal Service's study on the postal needs of the Murray Hill area. Certainly the Postal Service should include the community in the decisionmaking process on the final use of this site.

Mr. Speaker, I bring this to our colleagues' attention because the Postal Service's inaction is the result of an all too typical arrogance and disregard by Federal agencies for the quality of life in the communities where their facilities are located. For many years, New York City has faced a critical housing shortage, and yet the Postal Service apparently feels no compunctions about withholding for an excessive amount of time one vital block of residential property. The relocation of tenants has been a painfully slow process which has caused innumerable personal hardships and the abandonment of buildings followed by the unsightly tinned-up windows, all of which has caused a blight on the community.

The total disregard for the needs of the public throughout this entire episode is both irresponsible and distressing. I hope that the Postal Service will indeed meet its November 1 deadline and formulate and implement plans that are acceptable to the community.

WELFARE RECIPIENTS IN PUBLIC SERVICE EMPLOYMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. GINN) is recognized for 5 minutes.

Mr. GINN. Mr. Speaker, President Ford recently announced his plan to spend some $415 million to create public service jobs for the unemployed. While I share the President's concern with regard to our rising rate of unemployment, I am today sending the President a telegram asking that he reconsider his plans for the public service employment program.

I am asking that the President divert the money for this program into a new Federal initiative to reform our welfare system. My proposal is that the public service jobs proposed by the President be filled with able-bodied welfare recipients who are physically and mentally able to work. This would require little additional cost and would go a long way toward breaking the back of the national disgrace of welfare abuse and high welfare costs.

Under my plan, welfare recipients would lose their benefits if they refuse to accept public service employment. Excluded would be the blind, disabled, persons too young or too old to work, and others determined by the States to be exempt. It is my view that there is authority for the President to take this action under existing law.

I believe that my plan would restore dignity to deserving people who are on the welfare rolls by giving them an honest day's pay for an honest day's work. It would rid our welfare system of persons who are using it as a free ride at public expense and a tool to avoid gainful employment.

I am mindful of the fact that this plan would do little for nonwelfare recipients who have lost their jobs in the turmoil of our inflationary economy. I believe we can best help these individuals by providing an emergency expansion of Federal programs for new job training and job placement assistance. This program could be financed by the savings we should realize in ridding our welfare rolls of those who do not have a legitimate need for welfare.

Persons who are out of work, rather than persons who are chronic welfare recipients, are the best candidates for reemployment through job training and job placement. But welfare recipients are often at the bottom of the ladder in terms of education, skills, and experience. They have an urgent need for public service type jobs to put them on the road toward full employment.

Mr. Speaker, it is my hope that President Ford will give this proposal his most serious consideration and that we here in the Congress will also take action to reform our welfare system. The abuses in the system have brought the entire program into disrepute. Millions of needy citizens depend on the welfare system for their very existence. We must safeguard their interests by immediately strengthening and reforming the program.

TEXAS JUDGE REBELS AGAINST MOVE BY ATTORNEY GENERAL TO BLOCK TRIAL OF JAKE JACOBSEN ON SERIOUS CHARGES

(Mr. FISHER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FISHER. Mr. Speaker, Attorney General William B. Saxbe and the Office of Special Prosecutor have a lot of explaining to do, which they have thus far painstakingly avoided. This relates to grave questions raised by a Federal judge in Texas who took them to task for attempting to have dismissed an indictment against Jake Jacobsen. The charge against Jacobsen was in connection with misapplication of $825,000 in funds of the First Savings and Loan Association of San Angelo, Tex., which, incidentally, is my home town.

My victimized constituents are not interested in the high flights and poetry of manipulated deals in Washington. They want common, ordinary justice applied to the man who got off with their hard-earned money.

When U.S. District Attorney Frank McCown, acting he said on orders from Saxbe's office, refused to prosecute Jacobsen on the Texas indictment, Federal Judge Robert M. Hill refused to dismiss. The press reported:

> Hill said he couldn't perceive "how the best interests of Justice" could be served by dismissing serious charges with a potential penalty of 35 years imprisonment and $70,000 fine in exchange for a guilty plea in unrelated case carrying a maximum penalty of two years and $10,000 fine.

In other words, the judge held the pretension of "plea bargaining" as a justification for dismissal to be invalid and unacceptable.

JACOBSEN HELD AS HOSTAGE?

What was the plea bargaining that was injected? According to the press there was a cop-out deal manipulated in Washington involving the Office of Special Prosecutor, the Attorney General, and Jacobsen. Until that deal was nailed down, Jacobsen was in plenty of trouble. Faced with two Federal charges in Washington involving milk funds and the big one in Texas, under the trade-out that was put together Jacobsen was permitted to plead guilty to a milder charge, with liklihood of little if any punishment.

Apparently a Washington judge is postponing the sentencing of Jacobsen on his plea of guilty until the latter delivers testimony in another case, in accordance with Jacobsen's promise under terms of a commitment that was made.

Thus, Jacobsen, if he fails to deliver could be punished severely by the judge who is in effect holding him hostage until he delivers on the pay-off. But if he delivers, what will he get?

THE PAY-OFF DEAL

The pay-off was, according to the press, an agreement by Jacobsen to testify against former Treasury Secretary John Connally concerning alleged milk funds, the use of which is involved in some sort of dispute.

But, as confirmed by Judge Hill, the Washington charges against Jacobsen bear no relationship whatsoever to the Texas case which charged Jacobsen on seven counts for conspiracy, misappropriation of savings and loan funds, and perjury, all of which happened in Texas.

PLEA BARGAINING INAPPLICABLE

Plea bargaining has always been related to cases involved in a single category of alleged wrongdoing, more recently used in various Watergate prosecutions. But it is emphasized the Texas indictment against Jacobsen bore no refunds, or any matter in any wise related to them. It involved nearly $1 million of misapplied funds and other serious counts, in faraway Texas.

In view of the fact that dismissal of an indictment charging serious crimes in this instance cannot be justified or condoned on grounds of plea bargaining, it is understandable that Judge Hill displayed shock when he refused to become a party to such a scheme.

U.S. ATTORNEY NOT CONSULTED

Mr. Speaker, it should be pointed out that there is no indication the U.S. district attorney in Texas, charged with prosecuting the Jacobsen indictment there, was even consulted for a recommendation about the proposed dismissal. In fact, on August 22 I wrote Mr. Saxbe and asked him if the proposed dismissal was recommended by the district attorney who was handling the case. I have received no reply.

It should also be pointed out that the Federal judge in Texas, in whose court the case against Jacobsen is pending, was never consulted about the deal to protect Jacobsen against having to answer for his Texas crimes.

And it should be emphasized that nobody—but nobody—has questioned the validity or the gravity of the Texas indictment against Jacobsen.

The Attorney General has thus far failed to reply to inquiries I sent him last August 22, more than a month ago, in which among other questions I posed the question of precisely what if anything was wrong with the Texas indictment. I sought other light on reasons for the Attorney General's strange efforts to immunize Jacobsen against having to answer in a court of justice for major crimes for which he was indicted in Texas.

The reasons for the hush-hush treatment is self-evident. There simply can be no valid explanation that can be given, and both Mr. Saxbe and Leon Jaworski know that.

With a blue ribbon premium price being paid by the Government for a criminally charged man's testimony, one is made to wonder how reliable such evidence will be if and when delivered, with the price tag attached.

There is an old saying that money will buy anything. If money will buy anything, what do you suppose dismissal of two serious criminal indictments would buy?

SMACKS OF BRIBERY

In the past I pointed out that this scheme to protect Jacobsen would seem to constitute a form of obstruction of justice. Moreover, since plea-bargaining in this instance has been ruled by Judge Hill to be inapplicable, the swap-out smacks of bribery. Had the Attorney General and the Office of Special Prosecutor offered Jacobsen $1,000 to testify against Connally, that clearly would be bribery.

But everyone knows that the dismissal of the Texas case would be worth many times the $1,000 to Jake Jacobsen. Except for technical reasons, what is the difference?

This episode is indeed a sorry display of maladministration of justice. Is the public not entitled to more responsible accountability for official actions by its public officials? Why should this man be allowed to go scot free on very serious criminal charges, apparently for no reason except to satisfy the ego of those who manipulated an indefensible tradeout?

DEPARTMENT OF DEFENSE RECRUITING RESULTS

(Mr. DAN DANIEL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, in accord with my custom of providing Members with the most recent information on the Department of Defense's recruiting results, I am today placing in the RECORD the applicable figures for July.

These figures show that the four armed services obtained 45,100 enlistments during July, or 95 percent of their total objective for the month. The July recruiting results of 45,100 exceeded enlistments in July of last year by 7,980 or 22 percent.

Seventy percent of the nonprior service volunteers had high school diplomas or their equivalent, and 90 percent were in the average and above-average mental groups. This compares to 66 percent high school graduate and 90 percent average and above-average mental group enlistees for all of fiscal year 1974.

Enlistments by service: Total enlistments for July, fiscal year 1975, are shown in the following table:

RECRUITING RESULTS—ALL SOURCES, JULY, FISCAL YEAR 1975

	Program objective	Actual	Percent objective
Army	21,000	20,900	96
Navy	13,020	11,260	86
Marine Corps	6,220	6,250	100
Air Force	7,430	7,480	101
Total, DOD	47,670	45,080	95

Actual total military strength data for the end of fiscal year 1974 show that the all-volunteer force came within 0.6 percent of the objective total strength:

STATUS OF MILITARY STRENGTH BY SERVICE, END OF JUNE

[In thousands]

	Objective	Actual	Percent objective
Army	782	783	100
Navy	551	546	99
Marine Corps	196	189	96
Air Force	645	644	100
Total, DOD	2,174	2,162	99

Enlistments by Source: The number of non-prior-servicemen enlisted in July was 38,740 or 94 percent of the services' July objective; the number of non-prior-servicewomen was 3,720 or 105 percent of the objective; and the number of prior service personnel was 2,620 or 94 percent of the objective. The following table shows the distribution of July enlistments by source:

RECRUITING RESULTS BY SOURCE, JULY, FISCAL YEAR 1975

	Program objective	Actual	Percent objective
Nonprior service:			
Men	41,350	38,740	94
Women	3,530	3,720	105
Prior service	2,790	2,620	94
Total, DOD	47,670	45,080	95

Mental groupings: High school graduates. In July, fiscal year 1975, 90 percent of all non-prior-service enlistees were in mental categories I–III, which are the average and above average mental groups; only 10 percent were in mental category IV, the below average group. High school graduates amounted to 70 percent of enlistments. The data for July are shown in the following table:

HIGH SCHOOL GRADUATES AND MENTAL GROUPINGS (NONPRIOR SERVICE MEN AND WOMEN), JULY, FISCAL YEAR 1975

	High school graduates		Mental groups I, II, III [1]	
	Number	Percent	Number	Percent
Army	11,660	63	15,100	82
Navy	7,690	72	9,980	94
Marine Corps	3,840	63	5,650	93
Air Force	6,680	91	7,320	99
Total, DOD	29,870	70	38,050	90

[1] Above average and average categories.

Black representation: Total black enlistments for July, fiscal year 1975 accounted for 23 percent of total non-prior-service enlistments. As of March 1974, blacks comprised 15 percent of total active military enlisted strength:

BLACKS AS A COMPONENT OF ENLISTMENTS AND STRENGTHS

	Percent of July, fiscal year 1975 enlistments	Percent of total enlisted strength as of March 1974
Army	31	20
Navy	14	8
Marine Corps	19	18
Air Force	20	14
Tota , DOD	23	15

Reserve components: The total selected Reserve strengths decreased slightly in June for the first time in 9 consecutive months. The strength reached at the end of fiscal year 1974 is about 5,600 more than at the beginning of the fiscal year:

FISCAL YEAR 1974 SELECTED RESERVE STRENGTHS [1]

[In Thousands]

	ARNG	USAR	USNR	USMCR	ANG	USAFR	DOD total
Authorized end strength	412.0	260.6	116.9	39.5	92.5	51.5	972.9
Actual:							
June 30, 1973	385.6	235.5	126.2	37.4	90.4	43.8	919.0
Sept. 20, 1973	384.9	231.5	119.1	35.3	90.5	43.3	904.6
Dec. 31, 1973	392.5	227.2	119.1	33.1	92.5	43.5	908.2
Mar. 31, 1974	404.9	226.2	115.4	31.8	93.6	44.4	916.2
May 30, 1974	405.3	233.7	115.2	31.4	93.8	45.8	925.2
June 30, 1974	403.4	234.9	114.9	31.2	93.9	46.3	924.6
Change from previous month	−1.9	+1.2	−.3	−.2	+.1	+.5	−.6
Net short/over authorized end strength	−8.6	−25.7	−2.0	−8.3	+1.4	−5.2	−48.3
Percent short/over	−2.1	−9.9	−1.7	−20.9	+1.5	−10.0	−5.0

[1] Unaudited preliminary reports from services.

THE FOOD RESEARCH AND DEVELOPMENT ACT OF 1974

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, the World Hunger Action Coalition has declared the week of September 23 through 27 a Week of Concern about the world hunger problem. The increasing shortage of food is quickly becoming the No. 1 problem now facing the world, and I support the coalition's efforts to draw public attention to the need for immediate action to alleviate world hunger.

It is shocking that at such an advanced stage of technological development we should find millions of people in the world living on the brink of starvation. Equally shocking is the plight of hundreds of millions more who are condemned to lead miserable lives festered by malnutrition and malnutrition-related diseases. In recent months, even the wealthy nations of the world have felt the pinch of the growing food shortage in the form of drastically increased food prices. Reports of malnutrition in our own country are not uncommon.

The problem right now is largely one of uneven distribution of food supplies and involves political, economic, and social complexities which must be dealt with. But the situation is not going to get any better in the future, and the sheer inadequacy of supplies alone will become the overriding problem.

New constraints are already making themselves felt on existing food supplies. Foremost, of course, is population growth, which is expected to double by the end of the century in spite of efforts to slow it down. Other serious constraints are the exhaustion of the ocean fisheries, changing climatic conditions, the natural limits of our land resources, and the growing demand of the newly affluent nations for more meat and dairy products.

In the face of these overwhelming new problems, our present food technology cannot possibly perform the kind of miracles which world food experts tell us we must witness in order to avert worldwide famine in the years ahead. We must launch a new effort to develop a food technology that can.

I recently introduced the Food Research and Development Act of 1974 to establish a Government-sponsored program to help find new agricultural techniques capable of meeting our growing food needs. In recognition of the World Hunger Action Coalition's Week of Concern, I am reintroducing it today with some improvements. The text of the bill follows my remarks.

The bill would provide funds to support the development of new types of low-cost protein for human and livestock consumption, new types of fertilizer, new irrigation techniques, and new methods of processing vegetable and other nonanimal protein into nutritious substitutes for meat and dairy products. The bill also establishes an education program to encourage market acceptance of the new food products developed under the bill and provides for demonstration projects and the dissemination of information on new agricultural techniques to State, national, and international authorities and private organizations.

A central concept of the bill is the need to find alternatives to our heavy reliance on meat and dairy products for protein. Animal protein is very inefficient and, with today's skyrocketing feed prices, very expensive to produce. It takes 21 pounds of vegetable protein to produce just 1 pound of meat protein. According to Dr. Roy Kottman, dean of agriculture at Ohio State University, 40 percent of the world's livestock production is derived from vegetable sources suitable for use as human food. In the United States alone, 78 percent of the grains harvested are used to feed animals. What this amounts to is a situation where the billion people in the developed countries of the world use as much vegetable protein for animal feed as the 2 billion people of the developing countries use for human food.

Vegetable protein is far more efficient and economical to produce. An acre devoted to the production of cereals can produce five times more protein than an acre devoted to meat production, and an acre devoted to legumes, such as peas and beans, can produce 10 times more. Moreover, it takes about eight times less water to produce a diet based solely on vegetable protein as it does for a beef and vegetable based diet. With water supplies for crop irrigation becoming a precious commodity in many areas, this is an important factor to be considered.

Many types of vegetable protein, particularly soybeans, have as high quality protein as animal protein, and without the high level of cholesterol found in animal products which is believed to be a cause of heart disease. By combining various vegetable proteins together, the same essential amino balance which makes meat protein so valuable can be achieved.

It is obvious that we must learn to depend on less wasteful sources of protein or find more efficient ways of feeding livestock if we are going to meet the world's future food needs. The Food Research and Development Act would provide funds for research into both areas.

Mr. Speaker, the percentage of our resources now being devoted to the discovery and practical application of new ways of increasing food production is minuscule in comparison to the size of the hunger problem the world is facing. It is going to take an effort comparable to the energy R. & D. effort now being launched in response to the energy crisis in order to meet the food crisis. If we do not begin this effort now, the situation could become catastrophic.

I have been amazed by the wide variety of new food sources and techniques which have already been discovered by agricultural researchers. During this week I will be inserting a series of articles from various sources describing some of these discoveries in detail. Today, I include an article on the potential of wastepaper as a source of food. I realize that not many Americans will relish the thought of eating their morning newspaper for breakfast, but researchers at the U.S. Army Laboratories in Natick, Mass., may make it possible for them to eat bacon made from paper-fed hogs.

The bill and article follows:

H.R. 16806

A bill to authorize research, development, and demonstration projects relating to new techniques of protein production, fertilizer production, irrigation, and processing vegetable and other nonanimal protein, and an education program to encourage market acceptance of products produced by such methods

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food Research and Development Act of 1974."

SEC. 2. (a) The Congress finds and declares that—

(1) a more efficient use of our agricultural resources and the development of new techniques of protein production and of increasing crop yields is necessary to alleviate the present worldwide shortage of food and to meet the world's future food needs.

(2) the large amount of grain and land area required to produce meat and dairy products and the high cost of such products requires the development of new types of economical animal feed and new methods of processing vegetable and other non-animal protein to produce low cost substitutes for meat and dairy products of comparable nutritional value.

(b) It is the purpose of this Act to encourage the development and demonstration of new methods of protein production, fertilizer production, irrigation, and processing vegetable and other non-animal protein and to encourage market acceptance of the products produced by such new methods.

SEC. 3. (a) The Secretary of Agriculture (hereinafter in this Act referred to as the "Secretary") shall conduct research and development relating to the following:

(1) New methods of protein production, including the treatment of waste materials with microorganisms and the separation of protein from inedible fibers in plant leaves.

(2) New methods of breeding food crops to increase their yield, protein quality, and tolerance of insects, diseases, weather changes, and other growth-inhibiting factors.

(3) New methods of fertilizer production, including microbiological techniques and the use of natural fertilizers.

(4) New methods of irrigation, including techniques involving the use of salt water.

(5) New methods of processing vegetable and other non-animal protein into low-cost livestock feed and low-cost substitutes for meat and dairy products.

(6) The effect of existing public policy, including Federal and State regulation of food products, on the utilization of new methods of protein production, fertilizer production, irrigation, and processing vegetable protein.

(b) The Secretary may conduct demonstration projects to test and demonstrate the new methods of protein production, fertilizer production, irrigation, and processing vegetable protein developed under subsection (a) of this section.

(c) In carrying out the provisions of this section, the Secretary shall make grants to public or nonprofit entities and individuals for research, development, and demonstration projects, and provide for the conduct of research, development, and demonstration projects by contract with public or private entities, or persons without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5). Any such contract shall be made in accordance with, and subject to the limitations provided with respect to research contracts of the military departments in, section 2353 of title 10 of the United States Code, except that the determination, approval, and certification required under such section shall be made by the Secretary.

Sec. 4. The Secretary shall take all possible steps to assure that full and complete information with respect to the research, development, and demonstration projects conducted under section 3 of this Act is made available to Federal, State, local, and international authorities, industry, and the general public with the objective of promoting and facilitating the use of the new methods of protein production, fertilizer production, and processing vegetable protein developed under section 3 of this Act.

Sec. 5. The Secretary shall take all possible steps to make the products developed under section 3(a) of this Act available for school lunch programs.

Sec. 6. The Secretary of Health, Education, and Welfare shall develop and make available to educational and other nonprofit institutions an educational program relating to the preparation and use of the food products produced by the methods developed under section 3(a) of this Act. Such program shall include the preparation of course outlines, visual materials, classroom teaching aids, food samples, and the training of teachers to conduct courses in the preparation and use of such food products.

Sec. 7. The Secretary of Agriculture shall submit annual reports to the President and the Congress on the results of the research, development, and demonstration projects conducted under section 3 of this Act, together with such recommendations (if any) as the Secretary deems advisable. The first such report shall be submitted within six months after the date of the enactment of this Act.

Sec. 8. For the purpose of carrying out the sections of this bill, there are authorized such sums as may be necessary through fiscal year 1978.

Now You Can Read Your Newspaper and Eat It Too

(By Bruce Myles)

Natick, Mass.—Thanks to a chemical made by a lowly fungus, scientists are learning to turn old newspapers and much other waste into food and fuel.

The chemical is an enzyme, one of a class of molecules that speed many of the chemical processes associated with organic life. In this case, it breaks down cellulose into glucose, a sugar that sweetens honey and fruits. And, since cellulose accounts for most farm and city wastes, this could open up a major new source of sugar.

USES FOR GLUCOSE

Glucose can be used directly as food for man and animals. It can be fermented into ethanol, a fuel, or into antibiotics. Alternatively, microbes such as yeast can eat gluclose and the proteins they produce can be used for animal feed and, possibly, food for man.

The chief use of the converted cellulose will be as fuel or as a chemical feedstock, says Dr. Mary Mandels, who heads the pioneering enzymatic conversion project at the U.S. Army Natick Laboratories in Natick, Mass. "You could mix about 17 percent of clean-burning ethanol with gasoline without even changing the carburetor," she explains.

Dr. Mandels and the now retired Dr. Elwyn Reese discovered the useful fungus (Trichoderma viride) in 1964. They then developed a more effective mutant strain by irradiating the wild fungus with high-energy electrons, and further concentrating it by ultrafiltration.

50 PERCENT CONVERSION

The resultant enzyme, called cellulose, can be used to break down a wide range of materials: plastic-coated boxes, and dacron and nylon and cotton blended fabrics, as well as waste cellulose in the form of newspapers, cardboard, paper-mill waste, rice hulls, and bagasse—plant residue left after a product has been extracted.

Until recently, such enzymatic breakdown of cellulose was slow and inefficient. Now, despite some imperfections in the process, at least 50 percent conversion of waste cellulose has been demonstrated within a 12-hour period.

Dr. Mandels and her co-researcher, physicist John Kostick, are about to set up a small pilot plant to convert as much as 100 pounds of waste—most likely newspapers and other paper products—into 50 pounds of glucose a day.

The plant, which could be operating by April, would be the only one of its kind, says Mr. Kostick. "It will convince people to go into it on a production basis by showing likely costs," adds Dr. Mandels. "We need to demonstrate that it can work on more than a laboratory basis."

PROFITS FAR OFF

But the pilot plant, which could require $750,000 worth of equipment, will still be a long way from a profitmaking enterprise. It would need to convert at least 100 tons of waste paper a day to make money, say two enzymologists studying cellulose conversion.

In the process of converting newspaper to glucose, a residue of the noncellulosic materials such as ink in the newspaper is formed. It can be cast into building blocks, electrical components, patios, and walkways, Mr. Kostick explains.

If Natick's pilot plant works well, the Army might set up a full-scale waste-conversion plant at a site producing large amounts of cellulose waste.

Dr. Leo Spano, who supervises Dr. Mandels' research, says he is trying to persuade the Atomic Energy Commission and the National Science Foundation to pay for half the cost of such a plant. But Dr. Mandels believes it is more likely that the first large conversion plant will be set up at an animal feedlot to break down cellulose in manure.

NEARLY ALL CELLULOSE

"Cattle manure is almost entirely cellulose," points out Karsten Nielson, president of Novo Enzyme, a Danish firm which is one of the largest developers of industrial enzymes in the world. "If it could be broken down like starch and turned into sugar, you will have a fantastic source for fermentation that could be used as an industrial sugar."

Sugar, chemical, and petroleum companies have come to Natick to learn about the cellulose conversion process, Mr. Kostick says. "Du Pont was very interested and may be the first to set up a plant," he adds. "We told them that power consumption needed for the process is minimal."

It is probable that cellulose—the most abundant organic material—will eventually replace coal and hydrocarbons as a source of organic chemicals and fuel, Dr. Mandels believes. She is less optimistic about glucose from waste cellulose for consumption by man "because the Food and Drug Administration would always be dubious because the sugar came from a fungal enzyme never used in food and because it came from trash."

While their immediate aim is to alleviate pollution, Natick researchers say, the long-range goal "must be to consider waste cellulose as a resource which we cannot use up because it is annually replenished." Think of all the glucose that could be produced from the approximately 500 pounds of municipal waste that each American generates every year, 40 percent to 60 percent of which is cellulose!

THE LATE HON. CHARLES W. VURSELL

(Mr. GRAY asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GRAY. Mr. Speaker, it is my sad duty to announce to the House the passing of one of our former distinguished colleagues, the Honorable Charles W. Vursell of Salem, Ill. Mr. Vursell served in the great body from January 3, 1943, until January 3, 1959. He was a powerful man in many ways. A big man in stature and a big man in heart. He was a true pioneer in our great State of Illinois. Born on February 8, 1881, Mr. Vursell lived a great life reaching the age of 93 years. His life and works for his district, State, and Nation will be long remembered. To Mrs. Vursell, his son and other members of the family we all extend our deepest sympathy during this sad time of bereavement.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Burgener (at the request of Mr. Arends), for today, on account of official business on congressional assignment to Fort Knox, Ky.

Mr. Conable (at the request of Mr. Arends), for today, on account of official business.

Mr. Rousselot (at the request of Mr. Arends), for today, on account of official business.

Mr. Young of Illinois (at the request of Mr. Arends), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Regula) to revise and extend their remarks and include extraneous material:)

Mr. Kemp, for 15 minutes, today.

Mr. Steiger of Wisconsin, for 15 minutes, today.

Mr. Goldwater, for 5 minutes, today.

Mr. Ruppe, for 5 minutes, today.

(The following Members (at the request of Mrs. Burke of California) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Brademas, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Moakley, for 20 minutes, today.

Mr. Davis of South Carolina, for 10 minutes, today.

Mr. Koch, for 5 minutes, today.

Mr. Ginn, for 5 minutes, today.

Mr. Drinan, for 20 minutes, September 24, 1974.

Mr. Stratton, to address the House, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. McKinney, to revise and extend his remarks on the conference report on H.R. 16243 following the remarks of Mr. Giaimo.

(The following Members (at the request of Mr. Regula) and to include extraneous material:)

Mr. Kemp in two instances.

Mr. Wydler in two instances.

Mr. Derwinski in four instances.

Mr. Burke of Florida.

Mr. Whitehurst.

Mr. Wyman in two instances.

Mr. Steiger of Wisconsin.

Mr. Baker.

Mr. Hosmer in two instances.

Mr. McClory in two instances.

Mr. Hogan.

Mr. Bray in two instances.

Mr. Crane.

Mr. Regula.

Mr. Myers.

Mr. Abdnor.

Mr. Gilman.

(The following Members (at the request of Mrs. Burke of California) and to include extraneous material:)

Mr. Ichord.

Mr. Annunzio in six instances.

Mr. Gonzalez in three instances.

Mr. Rarick in three instances.

Mr. Anderson of California in two instances.

Mr. Eilberg in 10 instances.

Mr. O'Neill.

Mr. Lehman in two instances.

Mr. Pike.

Mr. Matsunaga.

Mr. Jones of Oklahoma.

Mr. Drinan.

Mr. Fraser in five instances.

Mr. Mahon.

Mr. Long of Maryland.

Mrs. Grasso in five instances.

Mr. Giaimo in 10 instances.

Mr. Waldie in two instances.

SENATE BILLS AND A JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2785. An act to authorize the Administrator of General Services to enter into multiyear leases through use of the automatic data processing fund without obligating the total anticipated payments to be made under such leases; to the Committee on Government Operations.

S. 3879. An act to amend the Mineral Leasing Act of 1920, and for other purposes; to the Committee on Interior and Insular Affairs.

S.J. Res. 235. Joint resolution to authorize and request the President to issue a proclamation designating the fourth Sunday in September of each year as "Good Neighbor Day"; to the Committee on the Judiciary.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on September 19, 1974, present to the President, for his approval, bills of the House of the following title:

H.R. 6395. An act to designate certain lands in the Okefenokee National Wildlife Refuge, Georgia, as wilderness;

H.R. 12000. An act to enable egg producers to establish, finance, and carry out a coordinated program of research, producer and consumer education, and promotion to improve, maintain, and develop markets for eggs, egg products, spent fowl, and products of spent fowl; and

H.R. 13595. An act to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loans, and for other purposes.

ADJOURNMENT

Mrs. BURKE of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 22 minutes p.m.), the House adjourned until tomorrow, Tuesday, September 24, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2778. A letter from the Administrator, Small Business Administration, transmitting the annual report of the Agency for calendar year 1973; to the Committee on Banking and Currency.

2779. A letter from the Assistant Secretary of State for Congressional Relations, transmitting reports on political contributions made by Ambassadors John Sherman Cooper, William Rex Crawford, Jr., Shirley Temple Black, Kenneth Rush, and Richard L. Sneider, pursuant to section 6 of Public Law 93–126; to the Committee on Foreign Affairs.

2780. A letter from the Director, U.S. Information Agency, transmitting a report for fiscal year 1974 on the agency's disposal of foreign excess property, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949 [40 U.S.C. 514 (d)]; to the Committee on Government Operations.

2781. A letter from the Chairman, Federal Power Commission, transmitting copies of publications entitled "Major Natural Gas Pipelines, June 30, 1974," and "Volume V of the National Gas Survey, 'Special Reports' "; to the Committee on Interstate and Foreign Commerce.

2782. A letter from the Vice Chairman, Consumer Product Safety Commission, transmitting a copy of the Commission's budget estimate for fiscal year 1976, pursuant to section 27(k)(1) of Public Law 92–573; to the Committee on Interstate and Foreign Commerce.

Received From the Comptroller General

2783. A letter from the Comptroller General of the United States, transmitting the first annual report of the General Accounting Office on its assistance to the Congress in improving access and usefulness to the Congress of fiscal, budgetary, and program-related information, pursuant to section 202(e) of the Legislative Reorganization Act of 1970, as amended by title VIII of Public Law 93–344; to the Committee on Government Operations.

2784. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during August 1974, pursuant to section 234 of Public Law 91–510; to the Committee on Government Operations.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADAMS (for himself and Mr. Diggs):

H.R. 16782. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to provide a People's Counsel in the Public Service Commission; to the Committee on the District of Columbia.

By Mr. BENNETT (for himself, Mr. Bob Wilson, Mr. Steiger of Wisconsin, and Mr. Matsunaga):

H.R. 16783. A bill to amend title 10, United States Code, to regulate the issuance of discharge certificates to members of the Armed Forces and for other purposes; to the Committee on Armed Services.

By Mr. CRANE (for himself, Mr. Bafalis, Mr. Conlan, Mr. Flynt, Mr. Huber, Mr. Kemp, Mr. Mann, Mr. Regula, Mr. Runnels, Mr. Sarasin, and Mr. Williams):

H.R. 16784. A bill to prohibit the sale, alienation, or commitment of gold by the Secretary of the Treasury without prior approval by act of Congress; to the Committee on Banking and Currency.

By Mr. DIGGS:

H.R. 16785. A bill to amend certain laws relating to the jurisdiction of the courts of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

H.R. 16786. A bill to amend the act entitled "An Act to establish a District of Columbia Armory Board, and for other purposes," and the District of Columbia Stadium Act of 1957; to the Committee on the District of Columbia.

By Mr. FASCELL:

H.R. 16787. A bill to exclude from gross income the first $1,000 of interest received from savings account deposits in home lending institutions; to the Committee on Ways and Means.

By Mr. FISH:

H.R. 16788. A bill to reduce pollution which is caused by litter composed of soft drink and beer containers, and to eliminate the threat to the Nation's health, safety, and welfare which is caused by such litter by banning such containers when they are sold in interstate commerce on a no-deposit, no-return basis; to the Committee on Interstate and Foreign Commerce.

By Mrs. GRASSO:

H.R. 16789. A bill to allow certain banks and savings and loan associations to assist in the operation of certain State-operated or State-sponsored lotteries; to the Committee on Banking and Currency.

H.R. 16790. A bill to make it an unfair practice for any retailer to increase the price of certain consumer commodities once he marks the price on any such consumer commodity, and to permit the Federal Trade Commission to order any such retailer to refund any amounts of money obtained by so increasing the price of such consumer commodity; to the Committee on Interstate and Foreign Commerce.

H.R. 16791. A bill to amend the Internal Revenue Code of 1954 to allow a business deduction under section 162 for certain ordinary and necessary expenses incurred to enable an individual to be gainfully employed; to the Committee on Ways and Means.

H.R. 16792. A bill to amend section 402 of title 23, United States Code, relating to highway safety programs; to the Committee on Public Works.

By Mr. HOSMER:

H.R. 16793. A bill to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands; to the Committee on Interior and Insular Affairs.

By Mr. KOCH (for himself, Mr. Breckinridge, Mr. Helstoski, Mr. Meeds, Mr. Nix, Mr. Rees, Mr. Riegle, Mr. Symington, and Mr. Charles Wilson of Texas):

H.R. 16794. A bill to provide for public access to all Watergate-related facts produced by any investigation conducted by any Federal executive office and to all Watergate-related documents which were produced from January 20, 1969, through August 9, 1974, and which were in the custody of the United States on August 9, 1974; to the Committee on the Judiciary.

By Mr. LEHMAN:

H.R. 16795. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on U.S. series E savings bonds received by individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 16796. A bill to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in, Huntington's disease; to the Committee on Interstate and Foreign Commerce.

H.R. 16797. A bill to designate the new Federal building in Albuquerque, N. Mex., as the "Senator Dennis Chavez Federal Building"; to the Committee on Public Works.

By Mr. McKINNEY (for himself and Mr. Anderson of Illinois):

H.R. 16798. A bill to make available to Congress the information obtained by the Special Prosecutor; to the Committee on the Judiciary.

By Mr. MARAZITI:

H.R. 16799. A bill to prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purpose of sport, wagering, or entertainment; to the Committee on the Judiciary.

By Mr. MELCHER (for himself, Mr. Haley, Mr. Hosmer, Mr. Udall, Mr. Steiger of Arizona, Mr. Don H. Clausen, Mr. Dellenback, Mr. Regula, Mr. Won Pat, Mr. Owens, and Mr. Young of Alaska):

H.R. 16800. A bill to establish public land policy; to establish guidelines for its administration; to provide for the management, protection, development, and enhancement of the public lands; and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. PEPPER:

H.R. 16801. A bill to amend the Internal Revenue Code of 1954 to provide individuals a limited exclusion from gross income for interest on certain deposits in banks and certain other savings institutions; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 16802. A bill to amend titles II and XVIII of the Social Security Act to provide medicare coverage for disabled individuals under age 65 from the first month of their entitlement to benefits based on disability, in cases where the individuals involved are becoming reentitled to such coverage after a previous coverage period which ended during the preceding 5 years; to the Committee on Ways and Means.

By Mr. ROBISON of New York:

H.R. 16803. A bill to provide for public ownership of certain documents of elected public officials; to the Committee on Government Operations.

By Mr. RUPPE:

H.R. 16804. A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for quality and wholesomeness and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation; to the Committee on Agriculture.

H.R. 16805. A bill to amend the Natural Gas Act in order to expand the jurisdiction of the Federal Power Commission under such act; to the Committee on Interstate and Foreign Commerce.

By Mr. SEIBERLING:

H.R. 16806. A bill to authorize research development, and demonstration projects relating to new techniques of protein production, fertilizer production, irrigation, and processing vegetable and other nonanimal protein, and an education program to encourage market acceptance of products produced by such methods; to the Committee on Agriculture.

By Mr. TIERNAN (for himself, Mr. Harrington, Mrs. Heckler of Massachusetts, Mr. Howard, Mr. Metcalfe, and Mr. Steelman):

H.R. 16807. A bill to establish an independent commission to administer the internal revenue laws; to the Committee on Ways and Means.

By Mr. WYATT:

H.R. 16808. A bill to authorize the Commissioner of Education to make grants for teacher training, pilot and demonstration projects, and comprehensive school programs with respect to health education and health problems; to the Committee on Education and Labor.

By Mr. KYROS:

H.R. 16809. A bill to amend the Merchant Marine Act, 1920, to establish a grant program to enable public ports to comply with certain Federal standards, to direct the Secretary of Commerce to undertake a comprehensive study of the present and future needs of public ports in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. BADILLO:

H.J. Res. 1137. Joint resolution authorizing the United States to furnish all possible humanitarian assistance to the victims of Hurricane Fifi in the Republic of Honduras; to the Committee on Foreign Affairs.

By Mrs. GRASSO:

H.J. Res. 1138. Joint resolution proposing an amendment to the Constitution to provide that no reprieve or pardon shall be granted until after the filing of an indictment or the formal commencement of other criminal action; to the Committee on the Judiciary.

By Mr. GUDE (for himself, Mr. Seiberling, Mr. Fish, and Mr. Koch):

H.J. Res. 1139. Joint resolution to require the Watergate Special Prosecution Force to make available to the public a report on all information it has concerning Richard M. Nixon in offenses against the United States; to the Committee on the Judiciary.

By Mrs. HECKLER of Massachusetts:

H.J. Res. 1140. Joint resolution proposing an amendment to the Constitution of the United States with respect to congressional disapproval of Presidential pardons; to the Committee on the Judiciary.

By Mr. MANN (for himself, Mr. Mayne, Mr. Broyhill of North Carolina, Mr. Henderson, Mr. Jones of North Carolina, and Mr. Martin of North Carolina):

H.J. Res. 1141. Joint resolution authorizing the President to proclaim that the week of March 16–23, 1975, be designated "DeMolay Week"; to the Committee on the Judiciary.

By Mr. ROBISON of New York:

H.J. Res. 1142. Joint resolution to require the Watergate Special Prosecution Force to make available to the public a report on all information it has concerning Richard M. Nixon in offenses against the United States; to the Committee on the Judiciary.

By Mr. KING:

H. Con. Res. 645. Concurrent resolution proposing the recognition of the village of Whitehall, Washington County, N.Y., as the birthplace of the U.S. Navy; to the Committee on the Judiciary.

By Mr. RINALDO:

H. Con. Res. 646. Concurrent resolution expressing the sense of the Congress that no pardon should be granted for an offense against the United States until after the person pardoned has been convicted of the offense; to the Committee on the Judiciary.

By Mr. ALEXANDER (for himself and Mr. Baker):

H. Res. 1381. Resolution providing for the consideration of the bill (H.R. 15263) to establish improved programs for the benefits of producers and consumers of rice; to the Committee on Rules.

By Mr. HOWARD:

H. Res. 1382. Resolution expressing the sense of the House in favor of continued legal action against Richard M. Nixon and in opposition to further Presidential pardons in connection with the Watergate matter; to the Committee on the Judiciary.

By Mr. LAGOMARSINO:

H. Res. 1383. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish Armed Forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

By Mr. LENT:

H. Res. 1384. Resolution expressing the sense of the House of Representatives that U.S. aid to Turkey be discontinued until Turkey withdraws its military forces from Cyprus; to the Committee on Foreign Affairs.

By Mrs. MINK:

H. Res. 1385. Resolution expressing the sense of the House in favor of continued legal action against Richard M. Nixon and in opposition to further Presidential pardons in connection with the Watergate matter; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

Mr. MYERS introduced the following bill (H.R. 16810) for the relief of certain postmasters charged with postal deficiencies, which was referred to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

533. The SPEAKER presented a memorial of the Legislature of the State of California, relative to the Land and Water Conservation Fund Act of 1965; to the Committee on Interior and Insular Affairs.

PETITIONS, ETC.

Under clause 1 of rule XXII,

511. By the SPEAKER: Petition of the mayor and city council, Tucson, Ariz., relative to appropriations for the nutrition program authorized under the Older Americans Act Amendments of 1974; to the Committee on Appropriations.

512. Also, petition of the 56th National Convention, the American Legion, Miami Beach, Fla., relative to the Federal Bureau

of Investigation; to the Committee on the Judiciary.

513: Also, petition of the 56th National Convention, the American Legion, Miami Beach, Fla., relative to the naturalization ceremony; to the Committee on the Judiciary.

514. Also, petition of the 1974 State convention, State Council of Tennessee, Junior Order United American Mechanics, Columbia, relative to immigration; to the Committee on the Judiciary.

515. Also, petition of the Oklahoma Zoological Society, Oklahoma City, relative to injurious wildlife regulations; to the Committee on Merchant Marine and Fisheries.

516. Also, petition of the Board of Directors, North San Mateo County Sanitation District, Daly City, Calif., relative to the use of ad valorem taxes as a source of revenues for operation and maintenance of waste treatment facilities; to the Committee on Public Works.

517. Also, petition of the Board of Director, Arkansas Automobile Club, Little Rock, relative to Federal gasoline excise taxes; to the Committee on Ways and Means.

SENATE—*Monday, September 23, 1974*

The Senate met at 12 o'clock noon and was called to order by Hon. FRANK E. MOSS, a Senator from the State of Utah.

PRAYER

The Chaplain, the Reverend L. R. Elson, D.D., offered the following prayer:

Eternal Father, from everlasting to everlasting Thou art God, above all men and all nations. Under Thy providence the generations rise and pass away. We bless Thee for our place in the march of history.

We know not what a day or a week may bring. But whatever it brings keep us faithful to Thee. Give us wisdom to solve the hard problems of our times and grace to live in harmony with one another. In our work help us to persevere without being pushy, to contend without being contentious, and to disagree without being disagreeable. Keep us this day and to the last day close to Thy loving heart that we may serve as the Master served.

We pray in His name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 23, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. FRANK E. MOSS, a Senator from the State of Utah, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. MOSS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, September 19, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

BUDGET RESCISSIONS AND DEFERRALS—MESSAGE FROM THE PRESIDENT

On September 20, 1974, a message from the President of the United States was received submitting a report on budget rescissions and deferrals. The message is as follows:

To the Congress of the United States:

The recently enacted Congressional Budget and Impoundment Control Act of 1974 provides new procedures for executive reporting and congressional review of actions by the executive branch affecting the flow of Federal spending. It thereby serves to make the Congress a full partner in the continuing struggle to keep Federal spending under control.

The new law provides that the executive branch may seek to alter the normal course of spending either through deferrals of spending actions or by asking the Congress to rescind authority to spend. The use of funds may be deferred unless either House of the Congress enacts a resolution requiring that they be made available for spending. For executive rescission proposals to take effect, the Congress must enact rescission bills within 45 days of continuous session.

Following these procedures, I am today reporting the first in a series of deferrals and proposed rescissions.

As is often the case in the institution of new procedures, and in the implementation of new laws, there are questions as to what the law may require of the executive branch and what the Congress may expect. In this instance, the Attorney General has determined that this act applies only to determinations to withhold budget authority which have been made since the law was approved.

However, I am including in today's submission to the Congress reports on some actions which were concluded before the effective date of the act. While these items are not subject, in the Attorney General's opinion, to congressional ratification or disapproval as are those addressed in the recent law, I believe that it is appropriate that I use this occasion to transmit this information to the Congress.

Reasonable men frequently differ on interpretation of law. The law to which this message pertains is no exception. It is particularly important that the executive and legislative branches develop a common understanding as to its operation. Such an understanding is both in keeping with the spirit of partnership implicit in the law and essential for its effective use. As we begin management of the Federal budget under this new statute, I would appreciate further guidance from the Congress. The added information on the status of funds not subject to Congressional action is being made available with this in mind. It will also permit a better understanding of the status of some funds reported previously under the earlier impoundment reporting law.

Virtually all of the actions included in this report were anticipated in the 1975 budget, and six of them were taken before July 12, when the new procedures came into effect. Failure to take these actions would cause more than $20 billion of additional funds to become available for obligation. The immediate release of these funds would raise Federal spending by nearly $600 million in the current fiscal year. More significantly, outlays would rise by over $2 billion in 1976 and even more in 1977, the first year in which the new procedures for congressional review of the budget will be in full effect.

The deferrals of budget authority being reported today total $19.8 billion. The major deferrals are:

—Grants for waste treatment plant construction ($9 billion). Release of all these funds would be highly inflationary, particularly in view of the rapid rise in non-Federal spending for pollution control. Some of the funds now deferred will be allotted on or prior to February 1, 1975.

—Federal aid highway funds ($4.4 billion for fiscal year 1975 and $6.4 billion for fiscal year 1976). Release of these funds would also be highly inflationary and would have to be offset by cuts in higher priority programs. Some of the funds are being withheld pending resolution of court cases concerning the environmental effects of proposed highway construction.

—Various programs of the Department of Health, Education, and Welfare ($39.6 million). Pending enactment of the 1975 appropriations HEW funds are being provided under a continuing resolution. Amounts available under the continuing resolution above the budget request are deferred to preserve the flexibility of the Congress and the Administration in arriving at a final decision on the funding levels for these programs.

The larger of the two rescissions which I am proposing would write off the $456 million of budget authority provided for rural electric and telephone loans at a 2 percent interest rate. The release of these funds would be inconsistent with the legislation enacted in 1973, which limits the availability of 2 percent loans to cases of special need. Loans to borrowers who meet the specified criteria can be financed out of funds provided by the pending Agriculture Appropriations Act.

The deferrals and rescissions covered in this first report are those believed to be of particular interest to the Congress and which would have significant impact on budget spending if released. They are summarized in the attached table. A second report of a series on additional deferrals and rescissions will be submitted to the Congress soon.

Budgetary restraint remains a crucial factor in our efforts to bring inflation under control. In today's environment, we cannot allow excess Federal spending to stimulate demand in a way that exerts further pressures on prices. And we cannot expect others to exercise necessary restraint unless the Government itself does so.

The responsible apportionment of congressional appropriations and other Federal budget authority is an essential—though often controversial—element of budget execution. Sound management principles and common sense dictate that Federal agencies spend money in an orderly fashion and only to the extent necessary to carry out the objectives for which the spending authority was provided. Current economic conditions require extra care to assure that Federal spending is held to the minimum levels necessary.

The deferrals and rescissions described in the attached report represent an essential step toward the goal of reducing spending and achieving the balanced budget we seek by fiscal year 1976. These actions, by themselves, will not be enough. However, failure to take and sustain this important step would jeopardize our ability to control Federal spending not only during the current fiscal year but, more importantly, for several years to come.

GERALD R. FORD.

THE WHITE HOUSE, *September 20, 1974.*

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President's first message under title 10 of the Congressional Budget and Impoundment Control Act of 1974 be held at the desk until further notice.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 1107, 1108, 1109, and 1110.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON ARMED SERVICES

The resolution (S. Res. 382) authorizing additional expenditures by the Committee on Armed Services for routine purposes was considered and agreed to, as follows:

Resolved, That the Committee on Armed Services is authorized to expend from the contingent fund of the Senate, during the Ninety-third Congress, $15,000 in addition to the amount, and for the same purposes specified in section 134(a) of the Legislative Reorganization Act of 1946, and Senate Resolution 54, Ninety-third Congress, agreed to February 22, 1973.

PRINTING OF LEGISLATIVE PROCEEDINGS RELATING TO THE DEATH OF FORMER SENATOR GRUENING, OF ALASKA

The resolution (S. Res. 388) relating to the printing of legislative proceedings with respect to the death of former Senator Ernest Gruening was considered and agreed to, as follows:

Resolved, That the legislative proceedings in the United States Congress relating to the death of the former Senator from Alaska, Mr. Gruening, be printed as a Senate document.

PRINTING OF LEGISLATIVE PROCEEDINGS RELATING TO THE DEATH OF FORMER SENATOR MUNDT, OF SOUTH DAKOTA

The resolution (S. Res. 396) relating to the printing of legislative proceedings with respect to the death of former Senator Karl E. Mundt was considered and agreed to, as follows:

Resolved, That the legislative proceedings in the United States Congress relating to the death of the former Senator from South Dakota, Mr. Mundt, be printed as a Senate document.

STATUE OF WILLIAM JENNINGS BRYAN

The bill (H.R. 5507) to authorize the conveyance to the city of Salem, Ill., of a statue of William Jennings Bryan was considered, ordered to a third reading, read the third time, and passed.

POWER OF CONGRESS TO IMPEACH AND TRY A PRESIDENT AFTER HE HAS RESIGNED; AND POWER TO CONTINUE A TRIAL OF AN IMPEACHMENT BEGUN IN ONE SESSION AND CARRIED OVER INTO A SUBSEQUENT SESSION OF CONGRESS

Mr. MANSFIELD. Mr. President, on September 17, 1974, I inserted in the RECORD a memorandum on questions dealing with the power of the Congress to impeach and try a President after he has resigned and the question of continuing a trial of an impeachment begun in one session and carried on into a subsequent session of Congress. The memorandum was prepared by the School of Law of the University of Montana.

I now have an addendum prepared by Gardner Cromwell, professor at the Montana School of Law.

Mr. President, I ask unanimous consent that my insertion under date of September 17, 1974, beginning on page 31346 and concluding on page 31348 be reinserted in the RECORD in its original form and that this addendum be printed in sequence.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

POWER OF CONGRESS TO IMPEACH AND TRY A PRESIDENT AFTER HE HAS RESIGNED; AND POWER TO CONTINUE A TRIAL OF AN IMPEACHMENT BEGUN IN ONE SESSION AND CARRIED OVER INTO A SUBSEQUENT SESSION OF CONGRESS

Mr. MANSFIELD. Mr. President, on August 4, 1974, during the impeachment proceedings in the House of Representatives, I requested the very able and distinguished law faculty at the University of Montana School of Law, through its dean, Robert E. Sullivan, to consider and provide me and the Senate with advice and counsel concerning two constitutional questions, which at that time confronted the Senate and the Nation. One question dealt with the power of Congress to impeach and try a President after he has resigned and the other related to a continuation of a trial of an impeachment begun in one session and carried over into a subsequent session of Congress.

Dean Sullivan responded to my request and has submitted a memorandum prepared under the direction of Prof. Gardner Cromwell of the University of Montana School of Law.

While the overriding issue of impeachment proceedings has been rendered moot by the acceptance by the House of Representatives of the report of its Committee on the Judiciary, it is my judgment that the work product of this legal research endeavor by the University of Montana is of significance and should be included in the public record. In pursuance of that objective, also, I have forwarded a copy of the memorandum to Senator HOWARD CANNON, chairman of the Committee on Rules and Administration, asking that he review the conclusions of this memorandum to determine whether any changes in Senate rules might be suggested in view of the points considered.

Moreover, to enable the full Senate, and others interested in these issues, to have the benefit of these views, I ask unanimous consent that the memorandum be printed at this point in the RECORD, as well as a letter which I have received from Dean Robert E. Sullivan of the School of Law, University of Montana under date of August 22, 1974.

There being no objection, the letter and memorandum were ordered to be printed in the RECORD, as follows:

UNIVERSITY OF MONTANA,
Missoula, Mont., August 23, 1974.

Hon. MIKE MANSFIELD,
Senate Majority Leader, Senate Office Building, Washington, D.C.

DEAR SENATOR MANSFIELD: In response to your request of August 7, I am enclosing a memorandum by Professor Gardner Cromwell of our law faculty. As you may know, Professor Cromwell teaches Constitutional Law and has been a member of our law faculty since 1957. He practiced for a time after graduation from law school and has the reputation of an accomplished legal scholar and a hard-nosed realist.

As the memorandum indicates, there are no definitive answers to the questions presented. Source material is not extensive, but there is sufficient basis to state conclusions on the basis of probabilities—conclusions that reflect what a court would do if the questions were presented for decision.

I appreciate the opportunity to submit this memorandum to you. It enables us to reciprocate in a small way for your extensive and continuing efforts to assist the University of Montana.

Best personal regards.

Sincerely yours,
Robert E. Sullivan,
Dean, School of Law.

Constitutional Responsibility of Congress To Pursue Impeachment and Trial Remedies in a Proceeding Once Commenced or After a President Resigns

QUESTIONS PRESENTED

I. Whether the Congress has power to impeach and try a President after he has resigned.

II. Whether the Senate has power to continue the trial of an impeachment begun in one Session of Congress into the next Session.

CONCLUSIONS

I. Probably.

II. Probably not.

Preliminary Question: Whether determinations of these questions are subject to judicial review.

Conclusion: Probably.

The preliminary question raises the issue of the justiciability of so-called "political questions." Or, as the Supreme Court put it, in *Baker* v. *Carr,* 369 U.S. 186, 210 (1961): "The nonjusticiability of a political question is primarily a function of the separation of powers." This memorandum approaches the questions presented from the viewpoint of the lawyer, not that of politician or historian, so most of the materials cited will be "legal." Because the questions presented are unusual (if not unique), there is not much legal authority available.

The *Baker* decision culled criteria from other cases (the Court called them "common characteristics") for identifying cases involving political questions. At p. 217 of 369 U.S., it listed these:

(1) A textually demonstrable constitutional commitment of the issue to a coordinate political department;

(2) A lack of judicially discoverable and manageable standards for resolving it;

(3) The impossibility of deciding without an initial policy determination of a kind clearly for nonjudicial discretion;

(4) The impossibility of a court's undertaking independent resolution without expressing lack of the respect due coordinate branches of government;

(5) An unusual need for unquestioning adherence to a political decision already made;

(6) The potentiality of embarrassment from multifarious pronouncements by various departments on one question.

Thereafter, in *Powell* v. *McCormack,* 395 U.S. 486 (1969), the Court applied the *Baker* criteria to Adam Clayton Powell's declaratory judgment suit claiming that the House of the 90th Congress had unconstitutionally refused to seat him. Because the United States District Court had dismissed Powell's petition "for want of jurisdiction of the subject matter," the Supreme Court considered the question of justiciability. Particularly, the Court determined the "textually demonstrable commitment" and the scope of that commitment. The constitutional text involved was that portion of Article I, § 5, which makes the House of Representatives "the Judge of the Qualifications of its own Members."

It is sufficient for the purposes of this memorandum to record that the Supreme Court decided that it had the power to separately construe that provision and to conclude that the provision "is at most 'a textually demonstrable commitment' to Congress to judge the qualifications expressly set forth in the Constitution. Therefore, the . . . doctrine does not bar Federal courts from adjudicating petitioner's claims." (Emphasis added.) (395 U.S. at 548.)

Most recently, the Supreme Court assumed jurisdiction in *U.S.* v. *Nixon,* (No 73–1766), 42 L.W. 5237 (7/24/74). On appeal was the District Judge's order to the President to produce "certain tapes, memoranda, papers, transcripts, or other writings" allegedly relevant to criminal proceedings brought by the Special Prosecutor. The Supreme Court upheld that order and the District Judge's ruling that the judiciary, not the President, was the final arbiter of a claim of executive privilege. The Court rejected the President's claim that the doctrine of separation of powers prevented judicial review of a President's determination that the privilege applied. Especially relevant to this heading is the following language:

"In the performance of assigned constitutional duties, each branch of the Government must initially interpret the Constitution, and the interpretation of its powers by any branch is due great respect from the others. The President's counsel, as we have noted, reads the Constitution as providing an absolute privilege of confidentiality for all presidential communications. Many decisions of this Court, however, have unequivocally reaffirmed the holding of *Marbury v. Madison,* 1 Cranch 137 (1803), that *'it is emphatically the province and duty of the judicial department to say what the law is.' Id.,* at 177." (Emphasis added.) 42 L.W. at 5243.)

One more decision must be discussed under this heading, *U.S. v. Smith,* 286 U.S. 6 (1931), concerned the application of certain Senate rules to action by the President. The facts were these: The President had transmitted to the Senate the nomination of Smith to the F.P.C. The Senate confirmed the nomination, ordered that the resolution of confirmation be forwarded to the President, and adjourned (from December 20 to January 5) all on the same day. On December 22, the Secretary of the Senate notified the President of the confirmation, the President commissioned Smith and named him chairman, and Smith took the oath and began work.

On January 5, when the Senate returned, a motion to reconsider the confirmation of Smith was properly made under Senate rules. It passed, as did a motion to ask the President to return the original resolution of confirmation. The President was notified. He refused to accede to the request on the ground that Smith had been properly appointed. Thereafter, the Senate asked the district attorney of the District of Columbia to bring a *quo warranto* proceeding.

The Supreme Court stated that the sole question was one of law: Did the Senate have the power it asserted? The answer to the question, the Court said, "depends primarily upon the applicable Senate rules." (286 U.S. at 30.) The Court made plain that the question concerned *construction* of the rules, not their constitutionality, clearly recognizing that it had no concern with "wisdom or folly," only power. The significance of the *Smith* decision to this heading is emphased in this quotation:

"As the construction to be given to the rules affects *persons other than members of the Senate,* the question *presented is of necessity a judicial one.*" * (Emphasis added.) (286 U.S. at 33.)

This position is significant, too, to a matter considered under the second question presented—present Senate rules and their relation to impeachment. In the *Smith* opinion, following the language quoted above, the Court stated that it "must give great weight to the Senate's present construction of its own rules," but that it was *not* precluded from making its own interpretation of them.

A related view was expressed by the court of Appeals for the District of Columbia Circuit in *Nelson v. U.S.,* 208 F.2d 505, 513 (1953), *cert. den.* 346 U.S. 827 (1953): "Though a court can no more enjoin a congressional committee from making an unconstitutional search and seizure than it can enjoin Congress from passing an unconstitutional bill [citing *Hearst v. Black,* 87 F.2d 68 (1936)], a court does have the power and duty to deny legal effect to either in an action before it." A similar statement and application appears in *Fischler v. McCarthy,* 117 F. Supp. 643 (D.C.S.D.N.Y. 1954), *aff'd.* 218 F.2d 164 (1954).

Addendum: Somewhat related to the preliminary question is another posed by Raoul Berger in IMPEACHMENT: THE CONSTITUTIONAL PROBLEMS (Harvard, 1973). Chapter III, entitled "Judicial Review," refers to some of the matters discussed under this heading, including *Powell v. McCormack.* Berger recognized that "from Story onward," (including Prof. Herbert Wechsler), the view has been that the Senate "has the last word." But, taking account of constitutional guarantees of individual freedoms, *inter alia,* he wrote:

"Constitutional limits, as *Powell v. McCormack* again reminds us, are subject to judicial enforcement; and I would urge that *judicial review of impeachment is required* to protect the other branches from Congress' arbitrary will." (Emphasis added.) (Berger, IMPEACHMENT, p. 119.)

Irving Brant, IMPEACHMENT: TRIALS AND ERRORS (Knopf, 1973) presents a different argument [pp. 182–197] that, if impeachment in fact amounts to a bill of attainder, the judiciary has power to act.

Bates, Book Review [Berger and Brant books on IMPEACHMENT, 25 Stan. L. Rev. 908, 925 (1973) states: "Berger and Brant have, by their analyses, considerably undermind the traditional view that judicial review of impeachments is unavailable. . . . These authors, almost alone among constitutional scholars, have developed arguments for judicial review that the Court might adopt."

On the other hand, W. W. Willoughby (3 THE CONSTITUTIONAL LAW OF THE UNITED STATES, p. 1551, 1929) asserted flatly: "It is scarcely necessary to say that the proceedings and determinations of the Senate when sitting as a court of impeachment are not subject to review in any other court." Broderick, *Citizens' Guide to Impeachment of a President: Problem Areas,* 23 Cath. U. L. Rev. 205, 237 (1973) makes the same "assumption," but takes account of Berger's contrary view.

DISCUSSION

I. Whether the Congress has power to impeach and try a President after he has resigned.

There is very little precedent or discussion available. The Associated Press wire carried an item (Spokane, Washington, Spokesman-Review, Sunday, August 11, 1974, p. 3, col. 7) quoting an ACLU demand for impeachment despite resignation, based on the 1876 impeachment of ex-Secretary of War Belknap.

In the most recent of his two timely books [Executive Privilege: A Constitutional Myth (Harvard 1974)], Raoul Berger referred to the Belknap situation. In discussing President Andrew Jackson's refusal to furnish certain material at the request of Congress, Berger wrote:

". . . Jackson was clearly wrong, unless we are to assume that the power to *investigate* executive conduct is cut off by termination of official service." (Emphasis added.) (Berger, Executive Privilege, p. 182.)

In a footnote (No. 114) to that sentence appears this:

. . . The issue was 'squarely raised' in the impeachment of Grant's Secretary of War, W. W. Belknap, and the Senate ruled that 'it had not lost jurisdiction by virtue of Belknap's resignation'; 3 W.W. Willoughby, *The Constitutional Law of the United States*, 1449 (New York, 1929."

As far as it goes, the reference to Willoughby is accurate. But, for the purposes of this memorandum, it is important to record that a footnote (No. 5) to the Willoughby text states that, upon five separate *occasions*, impeachment proceedings against federal judges were dropped by the House when it was notified that each had resigned.

Belknap was acquitted. A Treatise on Federal Impeachments, Simpson (Scholarly Resources, Inc., 1973; first printed 1916) contains (pp. 203–205) an abridgement of the Belknap impeachment trial, taken from "Proceedings of the Senate sitting for the trial of William W. Belknap, 9 (1876)." It concludes with this sentence: "He was acquitted upon the ground that he had resigned his office as Secretary of War, and his resignation had been accepted by the President a couple of hours before the actual adoption of the articles of impeachment by the House." (Simpson, Treatise, p. 205.)

Brant, Impeachment, *supra*, treats of the Belknap trial in Chapter VIII. He reports that 37 senators voted for conviction (4 short of the two-thirds necessary) and 25 for acquittal. Twenty-two[1] of the latter number gave as their reason that the Senate had no jurisdiction over a civil officer who resigned before he was impeached.

Finally, under this heading, it is emphasized that the last clause of Art. I, § 3, provides not only for removal from office as a judgment in a case of impeachment, but permits "disqualification to hold and enjoy any office of honor, Trust or Profit under the United States." Berger's footnote No. 114 (p. 182), referred to above, cites instances of *requests* by Secretary of the Treasury Wolcott (1800) and Vice President Calhoun (1826) to the House to investigate their respective performances in offices since vacated. Then appears this sentence: "And, if the derelictious warrant, impeachment can follow and result in disqualification to hold office."

II. Whether the Senate has power to continue the trial of an impeachment begun in one Session of Congress into the next Session.

The only flat answer appears in "Jefferson's Manual," reproduced in Rules and Manual United States Senate 1973 (93rd Congress, 1st session—Senate Doc. No. 93–1); "Continuance. An impeachment is not discontinued by the dissolution of Parliament, but may be resumed by the new Parliament T. Ray., 383, 4 Com. Journ., 23 Dec., 1970; Lord's Journ., May 15, 1791; 2 Woods, 618." (Rules and Manual, p. 565). Rule XIII of the Senate's Rules for Impeachment Trials does not speak to the issue, providing that adjournment of the impeachment *trial* does not adjourn the Senate. (Rules and Manual, p. 140.) Likewise, Willoughby's statement is not on the point. He argues that dissolution of the *House*, by analogy to criminal proceedings and the English practice, ought not to terminate the *charges*. (Willoughby, *supra*, § 933, p. 1451.)

To some extent, the answer to the question presented depends upon whether the character of the Senate when trying an impeachment is so altered from that of "legislative body" as to prevent the application of decisions concerning the effect of adjournment. Existing *precedent* relates to the latter. But Willoughby, *supra*, asserts (§ 932, p. 1450) that the "Senate, when trying impeachments, sits not as a legislative but as a judicial body." His reason for making the assertion, however, appears revealed by the next sentence which suggests that the Senate has "at least a moral obligation" to apply judicial procedures.

In an extensive article entitled *Federal Impeachments*, 64 U. Penn. L. Rev. 651 (1916) reprinted in Treatise cited *supra*, Simpson poses the question (pp. 667–676): "In what capacity does the Senate sit upon the trial of an impeachment?" He answers the question, after consideration of historical precedent, thus: "The Senate, then being a court, *or proceeding as if it were*, ..." (Emphasis added.) (p. 674.) Much of the ten pages devoted to discussion of the question relates to the manner in which the Senators, in impeachment trials, have denominated the Senate—as "court" or as "high court of impeachment." But the more telling precedent is this (from p. 668): "The matter came up during the impeachment of President Johnson. It is said in Hinds' *Precedents of the House of Representatives* [Vol. 3, par. 2057 (1907)]:

" 'In 1868, after mature consideration, the Senate decided that it sat for impeachment trials as the Senate and *not as a court*. . . . An anxiety lest the Chief Justice might have a vote seems to have led the Senate to drop the words "High Court of Impeachment" from its rules.' "

It is worth observing that the use of such phrases as "High Court of Impeachment" may ignore the historical fact that the House of Lords has performed *both* legislative and judicial functions. To the very recent past: Press reports of proposals to change the Senate Rules to deprive the Chief Justice of a vote do not affect the analysis which follows.)

On several occasions, the Supreme Court has treated the question of the effect of adjournment of the Congress or the House. There have been two subjects involved—(1) the extent of the power to punish for contempt, and (2) the veto power of the President.

(1) The earliest case was *Anderson v. Dunn*, 6 Wheat, 204 (1821). There, the question was the extent of the power of Congress to imprison for contempt. The Supreme Court ruled that the duration of imprisonment was set by the life of the Congress. For purposes of this heading, the following language is significant:

". . . although the legislative power continues perpetual, the *legislative body ceases to exist on the moment of its adjournment* or periodical dissolution." (Emphasis added.) (6 Wheat, at 231.)

That conclusion was reaffirmed in *Marshall v. Gordon*, 243 U.S. 521, 542 (1916).

Both of those decisions are cited in support of a footnote statement appearing in *Gojack v. U.S.*, 384 U.S. 702, 707 (1965). That case involved an indictment and conviction for contempt of Congress under statute, and the footnote related to an assertion by the United States that there was a "continuing investigation" by a House committee of Communist activities in labor unions. The Court pointed out, in footnote, that there was no record of House authorization of such a "continuing investigation." The Court continued:

"In any event, the authorization of a 'major investigation' by a full Committee must occur during the term of the Congress in which the investigation takes place. *Neither the House of Representatives* nor its committees *are continuing bodies. Cf. Anderson . . .; Marshall. . . .*" (Emphasis added.) (384 U.S. at 707, fn. 4)

(The Court also noted that the House adopted its Rules at the beginning of each Congress. The same reason could be applied to the Senate. The SENATE RULES cited *supra*.)

The consistent pattern shown by constitutional provisions and Court decisions continues in Acts of Congress. For example: 2 U.S.C. § 7 provides: "The Tuesday next after the 1st Monday in November, in every even numbered year, is established as the day for the election, in each of the States and Territories of the United States, of Representatives and Delegates to *the Congress* commencing on the 3d day of January next thereafter. . . ." (Emphasis added.) The provision for adjournment, 2 U.S.C. § 198, recognizes that each Congress ends at the end of an even-numbered year.

(2) The "pocket veto" decisions make clear that the adjournment of a Congress ends its legislative life. The question was extensively considered in *The Pocket Veto Case* (*Okanogan Indians v. U.S.*), 279 U.S. 655 (1928). At issue there was that part of the Constitution which reads as follows:

Art. I, § 7, cl. 2: ". . . If any Bill shall not be returned by the President within ten Days (Sundays excepted) after it shall have been presented to him, the Same shall be a Law, in like Manner as if he had signed it, unless the Congress by their Adjournment prevent its Return, in which Case it shall not be a Law."

The Court decided that the word "adjournment," as used in that provision, was not limited to *final* adjournment. But the opinion specifies the effect of such final adjournment. The Court stated that it was conceded "that the President is necessarily prevented from returning a bill by a final adjournment of the Congress, since *such adjournment terminates the legislative existence* of the Congress. . . ." (Emphasis added.) (279 U.S. at 681.) And the Court concluded:

". . . it follows, in our opinion, . . . that no return can be made to the House when it is not in session as a collective body and its members dispersed." (279 U.S. at 683.)

The opinion also considered at pp. 685–690 an abortive attempt by the Senate in 1868 to provide for return of bills by the President when Congress was not in session. The extensive footnote reproduction of Senate debate shows the opinion of some Senators that the Senate has no life after adjournment.)

The Pocket Veto Case was relied on in *Wright v. U.S.*, 302 U.S. 583 (1937), to determine that a "temporary recess" taken by one House during a session of Congress was not "adjournment." But the Court emphasized the bases of the earlier decision.

The factual difference between the *Pocket Veto Case* and the *Wright* case has received contemporary emphasis. The Great Falls Tribune (Thursday, August 15, 1974, p. 2, col. 7) reported that the United States Court of Appeals (Dist. Col.) had affirmed a District Court holding that President Nixon's "pocket-veto" of the Family Practice of Medicine Act in 1970 could not stand. The press reported that Circuit Judge Tamm wrote that "an *intrasession* adjournment of Congress does not prevent a president from returning a bill he disapproves. . . ." (Emphasis added.) In *Kennedy v. Sampson*, 364 F. Supp. 1075 (D.C.D.C.) 1973), the trial court came to the same conclusion. And the District Judge wrote: "It must be kept in mind that the Supreme Court's language in the *Pocket Veto Case* applied to an *adjournment at the end of a session and not to a short recess during a session*, . . . (p. 1084.)

CONCLUSION

It appears beyond argument that the capacity of a Congress to act as a *legislative* body ends when Congress adjourns. The Constitution, Art. I, § 1, provides: "All *legislative* powers herein granted shall be vested in *a Congress* of the United States which shall consist of *a Senate and House of Representatives*." (Emphasis added.) The provisions empowering House and Senate to function in impeachment appear in Article I, which establishes *legislative* powers.

Without embarking on extensive extralegal research, one can fairly assert that the record of constitutional conventional debate shows that impeachment was intended as a legislative, not judicial, check on the executive. (Politically speaking, it is a function of the doctrine of separation of powers.) Whether the Senate, in conducting trial of an impeachment, follows or adopts "judicial" or "legal" rules procedure, the proceeding itself is, constitutionally speaking, legislative.

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[1] Willoughby, *supra*, gives the figure of "twenty."

Any argument that *a Senate* sitting in trial of an impeachment, has a life separate and dinstinct from that of *the Congress* of which it was a part so that it may continue trial past adjournment of *the Congress* must clear that formidable obstacle. In the *Wright* case cited *supra*, the Supreme Court posed the question whether "the Congress by their adjournment" prevented the President from returning the bill which was the subject of the dispute. The Court responded:

" 'The Congress' did not adjourn. The Senate alone was in recess. The Constitution creates and defines 'the Congress.' It consists 'of a Senate and House of Representatives.' Art. I, § 1. *The Senate is not 'the Congress.'* " (Emphasis added.) 302 U.S. at 587.)

OTHER REFERENCES

Fenton, *The Scope of the Impeachment Power*, 65 Nw. U. L. Rev. 719 (1970), does not contain matter helpful to solution of these problems.

Executive Impeachment: Stealing Fire From the Gods, 9 New Eng. L. Rev. 257 (1974), is contained in a bound volume missing from the library.

Prof. Charles Black's book IMPEACHMENT: A HANDBOOK (Yale, 1974), ordered some time ago for Constitutional Law, has not been received from the publisher.

Addendum to My August 23 Memorandum Concerning "Impeachment"

As that memorandum noted, IMPEACHMENT: A HANDBOOK, by Prof. Chadles L. Black, Jr., of Yale, had not been received by its date. I have since received and read it, and offer the following comments.

There is nothing directly in the HANDBOOK on the questions raised directly in the memorandum. The only utterance even remotely related to the question of Congress's power to impeach after resignation appears in this sentence in Chapter 2, "Procedures": "It seems to be optional with the Senate whether to impose the additional penalty of disqualification from office." (p. 13)

In Chapter 4, entitled "Impeachment and the Courts," Prof. Black takes a position markedly opposite suggested by Prof. Berger. Black's discussion, as did that of Berger, concerns the question whether the Supreme Court has power to review a judgment of conviction in a Senate trial of an impeachment. The preliminary question which I posed in the memorandum was different: Whether the Surpeme Court has power to review Congressional determinations of its power to impeach, try, and convict after a President has resigned. Black does not treat that question, but there is matter in his answer to *his* question which I want to call to your attention.

On page 59, Prof. Black writes: "So far as I can find, not one syllable pronounced or written in or around the time of the adoption of the Constitution gives the faintest color to the supposition that the Supreme Court was expected to have *anything* to do with impeachments, or the trial thereof, *or appeals* thereon." (emphasis added) the emphasized word "anything" is an overstatement, because his question is narrower than that, and it may be that it is similar to judicial dictum which is broader than the particular case demands. Nevertheless, when (on p. 62) Prof. Black seems to be restating his conclusion, he writes: ". . . the wide diffusion of this concept—that the courts have *no role* to fill—makes very plain to all the *final* responsibility of the Senate, on facts and *on law*." Prof. Black emphasized the word "final"; I added the other emphasis.

This language and other in the same chapter relates tangentially to another point made in the memorandum. Prof. Black makes plain his opinion, based on a reading of the Constitution and proceedings in the Convention, that the Senate's trial of an impeachment is a legislative (not judicial) function. That issue is critical, you will recall, to the question of the power of the Senate to continue a trial once begun past the date of adjournment of the Congress of which it was a part.

I conclude by observing that Prof. Black several times repeats a principle which he puts this way on page 53: "The most powerful maxim of constitutional law is that its rules ought to make sense."

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of its secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. Moss) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask to be recognized under the time of the distinguished assistant majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD).

The ACTING PRESIDENT pro tempore. Without objection, the Senator from Montana is recognized for not to exceed 15 minutes.

STATUS OF CONGRESSIONAL ACTIONS CALLED FOR BY PRESIDENT FORD IN SEPTEMBER 12, 1974, MESSAGE

Mr. MANSFIELD. Mr. President, on September 12, 1974, President Ford sent a message to Congress complimenting the 93d Congress on the landmark legislation it has passed—in education, housing-community development, and pension reform—and calling on the Congress to act on a number of other items before the end of the year. Of the 35 items he mentioned, I am happy to report that 19, or 54 percent of these have already passed the Senate. Final action on two of these has been taken in the last week—the Defense Production Act, which is on the President's desk, and the Federal pay raise deferral, which the Senate denied on Thursday. Thirteen others are in various stages of negotiation between the House and Senate. Three are appropriations measures—defense appropriations—the House will act on this conference report on today; State-Justice-Commerce—the House will act on this conference report on tomorrow; and Labor-HEW appropriations—the first conference is set for Wednesday.

The other 10 bills in conference are: State-USIA authorization, creation of an Energy Research and Development Administration, Export-Import Bank Authorization, strip mining controls, veterans education benefits, public health services, mass transit, Amtrak authorization, military construction authorization, and the export administration bill. Several of these measures are reported to be near conference agreement and will reach the floor during the next couple of weeks.

Three other bills on the President's list have passed only the Senate: Asian and African development bank authorizations and naval petroleum reserve legislation. Four more pieces of legislation are on the Senate Calendar or have been ordered reported out of committee and will be on the Calendar within the next few days: health manpower—which is presently under debate by the Senate and which is expected to pass today or tomorrow; foreign aid authorization—which the Senate will debate next; deepwater ports, and railroad retirement financing—both of which have been ordered reported.

There are eight items mentioned in the message which remain in committee: trade reform, the Rockefeller nomination, gas deregulation, illegal aliens, health resources planning, executive reorganization plan authority, surface transportation, and additional district court judges. The trade reform bill is being considered in markup by the Finance Committee, and we anticipate that it will be reported in the weeks ahead. Hearings have been scheduled for today on the Rockefeller nomination. The other proposals have been the subject of committee study and review. Extensive hearings and committee meetings have been held on several of these bills and tentative conclusions have been reached regarding the need for some of these proposals at this time.

Let me emphasize at this point that the Senate will endeavor to consider every measure called for by the President to which it has access. This is a policy we have pursued in the past and which we will continue in the future so that proposals sponsored by the administration will be given thorough consideration in committee, and when reported out, the opportunity to be voted up or down on the Senate floor.

There are six legislative proposals on the President's list on which the House must act first. Three are appropriations measures: agriculture appropriations—

which is expected to be reported to the House on tomorrow with passage to occur on Friday or the following Monday; military construction appropriations, and foreign assistance appropriations—both of which are pending in the House committee awaiting action on the authorization measures.

The three other measures on which the House must initiate action are pending in the Ways and Means Committee: national health insurance, job security assistance—revising the unemployment compensation system, and the energy tax package—which includes a windfall profits tax on the sale of domestic crude oil, elimination of the depletion allowance for U.S. taxes on foreign production of oil and gas, and a limitation on foreign credits available to U.S. oil and gas companies operating in foreign lands. National health insurance legislation is high on the committee's priority list after a tax reform measure has been reported out. We are hopeful that action on a national health insurance bill will be completed after the October recess. The energy tax package provisions have been under consideration by the Ways and Means Committee with regard to the tax reform bill and may be included in the provisions of that measure when reported out, possibly by the end of next week.

In his message, President Ford underlined the need to cut spending and specifically asked Congress to cut appropriations below the administration's budget requests. As in past years, the Congress has effected major appropriations cuts for fiscal year 1975. The Defense appropriations conference report is $4.96 billion below the budget request. The State-Justice-Commerce conference figure is $162.6 million below the budget request. And the Senate-passed Labor-HEW appropriations funding level is $420 million below. The total reduction made by Congress in the eight appropriations bills already enacted and the two conference reports on Defense and State-Justice-Commerce is $5.67 billion. In other words, Congress has already cut budget requests by $5.67 billion, not including the expected cuts which will be made in the three remaining measures.

With regard to foreign aid and military construction appropriations it is my understanding that the House will consider a simple continuing resolution today to continue these programs after September 30 when they expire, so that Congress can deal with these two appropriations bills after the recess.

Regarding limiting expenditures, the President called for support of the rescissions he had asked for in the message we received today under the terms of the new budget control law. I urge that his request be scrutinized in committee and that committee findings be reported as expeditiously as possible so that these important decisions regarding expenditure priorities rest with the Congress as intended in the Constitution.

I ask unanimous consent that a status list of the items mentioned in the President's message be printed at this point in the Record. I also ask unanimous consent that a comparison of our work this year—that is, the Senate's work—with 1973 be printed in the Record.

There being no objection, the tables were ordered to be printed in the Record, as follows:

STATUS ON CONGRESSIONAL ACTIONS REQUESTED BY PRESIDENT IN MESSAGE OF SEPTEMBER 12, 1974

Action completed: (Total=2):

Defense Production Act—Public Law 93- .

Federal Pay Raise Deferral—Senate denied 9-19-74.

In conference: (Total=13):

Appropriations—State-Justice—House to consider on Tuesday. Defense—House to consider today. Labor-HEW—Conferees to meet on Wednesday.

State-USIA Authorization.

ERDA.

Export-Import Bank Authorization.

Strip Mining.

Veterans Education—Negotiations still in progress.

Health Services.

Mass Transit.

Amtrak Authorization.

Military Construction Authorization.

Export Administration.

Passed Senate only: (Total=3):

Asian Development Bank.

African Development Fund.

Naval Petroleum Reserve.

On Senate calendar: (Total=4):

Foreign Aid—Senate to debate after Health Manpower bill.

Deep Water Ports—Ordered reported.

Railroad Retirement Financing—Ordered reported.

Health Manpower—Senate debating today.

In committee: (Total=8):

Rockefeller Nomination—Hearings begin today.

Trade Reform—In executive markup.

Natural Gas Deregulation—Hearings held.

Illegal Aliens—Pending in Committee.

Health Resources Planning—Expected to be reported within 2 weeks.

Executive Reorganization Plan Authority—Pending in committee.

Surface Transportation—Senate has passed related bills; House committee ordered reported.

Additional District Court Judges—Reported from Subcommittee; await full committee action.

House must act first: (Total=6):

Appropriations—Agriculture—to be reported on Tuesday. Foreign Assistance—await authorization. Military construction—await authorization.

Energy Tax Package—Included in Tax Reform bill in Ways and Means markup.

Job Security Assistance (Unemployment Compensation)—Pending in Ways and Means.

National Health Insurance—In Ways and Means.

COMPARISON OF SENATE PROGRESS IN 1973 AND 1974 AS OF SEPT. 19

	1973	1974
Days in session	127	129
Hours in session	724:06	802:17
Total measures passed	428	526
Public laws	108	172
Private laws	2	41
Treaties	9	4
Record votes	391	399

Note—Congress recessed from Aug. 3 to Sept. 5, 1973.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:15 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until 1:15 p.m. today.

There being no objection, the Senate, at 12:26 p.m., recessed until 1:15 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. Hathaway).

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I yield back the remainder of the time allotted to me.

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia (Mr. Robert C. Byrd) is recognized for not to exceed 15 minutes.

Mr. MANSFIELD. Mr. President, I yield back the time allocated to the distinguished Senator from West Virginia (Mr. Robert C. Byrd) and the time allocated to the distinguished Senator from Michigan (Mr. Griffin).

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Mansfield). Without objection, it is so ordered.

Mr. HATHAWAY. Mr. President, I understand that we are now in morning business; is that correct?

The PRESIDENT OFFICER. The Senator is correct.

THE KENNEDY ANNOUNCEMENT

Mr. HATHAWAY. Mr. President, it was with mixed emotions that I greeted the announcement this morning by my close friend and colleague, the distinguished Senator from Massachusetts (Mr. Kennedy) that he was not going to seek the Democratic nomination for the Presidency of the United States. I immediately felt a sense of relief for Senator Kennedy and his family that they will be spared what would have undoubtedly been an arduous and at times unpleasant journey. That he is forsaking this opportunity to be President out of consideration for his own and his brothers' families is a measure of the man I have come to respect more and more during my tenure in this body.

The announcement also saddened me, however, because Senator Kennedy's withdrawal removes from the contest the one who is uniquely qualified to hold the Office of President in these difficult times. He has shown throughout his career an ability to understand the human side of important public questions and has continuously demonstrated that he has the courage to take decisive action based upon that understanding.

While being an eloquent and effective spokesman for Massachusetts and New England, he has resisted the temptations of parochialism and instead has approached the issues with which we are confronted from a national perspective. In confronting these issues, he has never been afraid to face the ire of powerful groups organized against him.

It is a sad day for our country when we lose the potential Senator Kennedy would bring to the Presidency. On the other hand, I am glad to note that by his statement today, our colleague has reaffirmed his intention of remaining in this body and continuing his significant work on behalf of the people.

All of us here know, the choices which everyone in public life must make between public and personal obligations are agonizing ones at best, but none of us will be able to appreciate the difficulty of this decision made today. For my part, I welcome Senator Kennedy back to the Senate and back to his work for the people of this country. And in this work, I can do no more than pledge my help—and wish him well.

Mr. President, I yield back the remainder of my time.

MESSAGES FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House has passed the following Senate bills, each with amendments in which it requests the concurrence of the Senate:

S. 356. An act to provide disclosure standards for written consumer product warranties against defect or malfunction; to define Federal content standards for such warranties; to amend the Federal Trade Commission Act in order to improve its consumer protection activities; and for other purposes; and

S. 3234. An act to authorize a vigorous Federal program of research, development, and demonstration to assure the utilization of solar energy as a viable source for our national energy needs, and for other purposes.

At 2 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the concurrent resolution (H. Con. Res. 201) to reprint the brochure entitled "How Our Laws Are Made."

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 11510) to reorganize and consolidate certain functions of the Federal Government in a new Energy Research and Development Administration and in a Nuclear Energy Commission in order to promote more efficient management of such functions; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Holifield, Mr. Moorhead of Pennsylvania, Mr. St Germain, Mr. Fuqua, Mr. Horton, Mr. Wydler, and Mr. Brown of Ohio were appointed managers of the conference on the part of the House.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 15977) to amend the Export-Import Bank Act of 1945, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Patman, Mr. Ashley, Mr. Rees, Mr. Mitchell of Maryland, Mr. St Germain, Mr. Hanna, Mr. Koch, Mr. Young of Georgia, Mr. Moakley, Mr. Widnall, Mr. Blackburn, Mr. Brown of Michigan, Mr. Johnson of Pennsylvania, Mr. McKinney, and Mr. Frenzel were appointed managers of the conference on the part of the House.

At 3:35 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16243) making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes; and that the House recedes from its disagreement to the amendments of the Senate numbered 7, 15, 28, 34, and 38, and concurs therein, each with an amendment in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Moss) laid before the Senate the following letters, which were referred as indicated:

Proposed Supplemental Appropriation for the Judiciary (S. Doc. 93–112)

A communication from the President of the United States proposing a supplemental appropriation for the fiscal year 1975 in the amount of $351,000 for the Judiciary (with accompanying papers). Referred to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATHAWAY, from the Committee on Labor and Public Welfare, with amendments:

H.R. 15301. An act to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered thereunder, and for other purposes (together with supplemental views) (Rept. No. 93–1163).

By Mr. MAGNUSON, from the Committee on Commerce, with an amendment:

S. 2928. A bill to establish national goals for the effective, fair, inexpensive, and expeditious resolution of controversies involving consumers, and for other purposes (Rept. No. 93–1164).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, with an amendment:

S. 2233. A bill to establish the Hells Canyon National Recreation Area in the States of Idaho, Oregon, and Washington, and for other purposes (Rept. No. 93–1165).

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment, and reported unfavorably:

S. 1988. A bill to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes (together with additional views) (Rept. No. 93–1166).

By Mr. JOHNSTON, from the Committee on Interior and Insular Affairs, with an amendment:

S. 3812. A bill to authorize the appropriation of such sums as may be necessary to rehabilitate Eniwetok Atoll, Trust Territory of the Pacific Islands (Rept. No. 93–1167).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PASTORE (by request):

S. 4033. A bill to amend Public Law 93–276 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with Section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes. Referred to the Joint Committee on Atomic Energy.

By Mr. MAGNUSON (for himself and Mr. Cotton) (by request):

S. 4034. A bill to amend the Federal Aviation Act of 1958 so as to assure opportunity for the Board's participation and representation in certain court proceedings through its own counsel as a matter of right and to provide for all review of Board actions in the Courts of Appeals. Referred to the Committee on Commerce.

By Mr. DOLE:

S. 4035. A bill to exempt highway motor vehicles used exclusively in soil and water conservation work from the highway use tax. Referred to the Committee on Finance.

By Mr. BURDICK:

S. 4036. A bill for the relief of Pavel Vosicky. Referred to the Committee on the Judiciary.

By Mr. CRANSTON (for himself and Mr. Tunney):

S. 4037. A bill to extend for 2 years the authorization for the striking of medals in commemoration of the 100th anniversary of the cable car in San Francisco. Referred to the Committee on Banking, Housing and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MAGNUSON (for himself and Mr. Cotton) (by request):

S. 4034. A bill to amend the Federal Aviation Act of 1958 so as to assure opportunity for the Board's participation and representation in certain court proceedings through its own counsel as a matter of right and to provide for all review of Board actions in the courts of appeals. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce my request, for appropriate reference, a bill to amend the Federal Aviation Act of 1958 so as to assure opportunity for the Board's participation and representation in certain court proceedings through its own counsel as a matter of right and to provide for all review of Board actions in the courts of appeals, and ask unanimous consent that the letter of transmittal, statement of need, and text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CIVIL AERONAUTICS BOARD,
Washington, D.C., August 20, 1974.

Hon. FRANCIS R. VALEO,
Secretary of the Senate,
Washington, D.C.

DEAR MR. VALEO: The Civil Aeronautics Board recommends to the Congress for its consideration the enclosed draft of a proposed bill "To amend the Federal Aviation Act of 1958 so as to assure opportunity for the Board's participation and representation in certain court proceedings through its own counsel as a matter of right and to provide for all review of Board actions in the Courts of Appeals."

The Board has been advised by the Office of Management and Budget that there is no objection to the transmission of the draft bill to the Congress from the standpoint of the Administration's program.

Sincerely,

WHITNEY GILLILLAND,
Acting Chairman.

STATEMENT OF PURPOSE AND NEED FOR A DRAFT BILL TO AMEND THE FEDERAL AVIATION ACT OF 1958 TO ASSURE OPPORTUNITY FOR THE BOARD'S PARTICIPATION AND REPRESENTATION IN CERTAIN COURT PROCEEDINGS THROUGH ITS OWN COUNSEL AS A MATTER OF RIGHT AND TO PROVIDE FOR ALL REVIEW OF BOARD ACTIONS IN THE COURT OF APPEALS

The judicial review provisions of the Federal Aviation Act do not expressly provide that the Board may participate in court proceedings through its own counsel as a matter of right. Moreover, the Department of Justice takes the position that the Board's participation in court proceedings is dependent upon its acquiescence and consent by reason of the provisions of section 1008 of the Act (49 U.S.C. 1488) which provide that "[u]pon request of the Attorney General, the Board * * * shall have the right to participate in any proceedings in court under the provisions of this Act."

In this connection, the House Oversight Committee recommended in 1959 that "[e]ach Commission should be allowed, as a matter of right, to participate and be represented in judicial proceedings involving the statute and regulations which it administers" (H. Rept. No. 2711, 85th Cong., 2nd Sess. 10 (1958)). A number of major regulatory agencies, such as the Federal Communications Commission, the Federal Maritime Commission, and the Atomic Energy Commission, have a clear right under the Hobbs Act to appear and be represented as a separate party in judicial review proceedings, which are under the general control of the Attorney General.

The Board believes that as an independent regulatory agency it too should have the right to appear and be represented as a separate party in court proceedings involving review of Board orders. Where conflicts of opinion have arisen with the Department of Justice regarding pending Board litigation, the Board on occasion has been deprived of the opportunity of making its views known to the court. Moreover, conflicts of interest may arise between the Department and the Board in circumstances in which the Department has participated as a party litigant in the Board proceeding in which the order under review was entered, and, even where there has been no such participation, as to policy matters such as antitrust considerations, overall questions of desirable procedures, and the like. Hence, it is essential, as recommended by the House Oversight Committee, that the Board be able to make its position known in addition to that of the Department of Justice. Such a procedure would allow the Board properly to carry out its functions and responsibilities, and at the same time permit the Department of Justice to make known to the court any policy considerations which it deems desirable or necessary in the public interest.

As to the matter of judicial review, the Hobbs Act specifically provides procedures under which non-hearing determinations may be reviewed in the Court of Appeals. Under a long-standing court decision, rulemaking determinations of the Board having the force and effect of orders and promulgated without an evidentiary record have been directly reviewable in Federal District Courts rather than under the statutory provisions provided for review of Board orders. See *Arrow Airways, Inc.* v. *C.A.B.*, 182 F.2d 705 (C.A.D.C., 1950), *cert. denied,* 340 U.S. 828 (1950).

Although not specifically overruling the precedent established in the *Arrow* case, a court of appeals recently has held that it would review a Board regulation promulgated without a quasi-judicial hearing where the record established in the proceeding was unchallenged and the Issues presented were legal and not factual. *Deutsche Lufthansa Aktiengesellschaft* v. *C.A.B.*, 479 F. 2d 912 (C.A.D.C., 1973).

Despite the holding in the *Deutsche* case that a record may be available for review in a rule-making proceeding even when no evidentiary hearings have been held, problems remain concerning the extent to which rule-making determinations of the Board will be reviewed by the Courts of Appeals. A Board order *applying* a regulation to a specific factual situation would continue to be reviewable in the Courts of Appeals, and, as an incident to such review, the Court of Appeals also would continue to pass upon the validity of the regulation. Further, where a rule-making determination involves disputed issues of fact, the matter will have to be adjudicated by a District Court in order to have an appropriate record compiled for review by the Courts of Appeals. The existence of alternate methods of challenging regulations has led to uncertainty and confusion. The Board believes that this should be corrected by providing that all Board actions shall be reviewed by the Courts of Appeals.

The bill accomplishes the foregoing objectives by amending sections 1006(a) and 1008 of the Federal Aviation Act, relating, respectively, to judicial review of Board orders and to the Board's participation in court proceedings, and by amending the Hobbs Act (28 U.S.C. 2431, *et seq.*).

S. 4034

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1006(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1486(a)) is amended by striking out the period at the end of the first sentence therein and adding the following: ": *Provided,* That orders of the Board, including rules and regulations, shall be subject to review in accordance with the provisions of sections 2341 to 2351 of title 28, United States Code."

SEC. 2. Section 1008 of the Federal Aviation Act of 1958 (49 U.S.C. 1488) is amended by striking out the words "Board or" and ", as the case may be,".

SEC. 3. Chapter 158 of title 28, United States Code, is amended as follows:

(a) Section 2341(3) of that title is amended by:

(1) deleting the word "and" at the end of subsection (3)(B);

(2) deleting the period at the end of subsection (3)(C) and substituting "; and"; and

(3) adding at the end of subsection (3):

"(D) the Board, when the order was issued by the Civil Aeronautics Board."

(b) Section 2342 is amended by:

(1) deleting the word "and" at the end of subsection (3);

(2) deleting the period at the end of subsection (4) and substituting "; and"; and

(3) adding at the end of the section:

"(5) all final orders of the Civil Aeronautics Board made reviewable by section 1006(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1486(a))."

By Mr. DOLE:

S. 4035. A bill to exempt highway motor vehicles used exclusively in soil and water conservation work from the highway use tax. Referred to the Committee on Finance.

CONSERVATION VEHICLE USE TAX EXEMPTION

Mr. DOLE. Mr. President, soil and water conservation contractors in Kansas and other States as well play an important part in keeping the cost of food production low and in maintaining our food producing resources for future years. Yet these contractors pay a very unfair Federal highway use tax under present law. The bill I introduce today would provide an exemption for the vehicles used by these contractors.

SOIL CONSERVATION VITAL

We are faced today in this country with an ever growing demand to produce more and more food and fiber for our own people and for millions of hungry people all over the world. We must do so with increasing efficiency if we are to hold down inflationary rises in the cost of living. As we produce more, the need for proper conservation of our soil and water resources becomes ever more critical. Erosion carries away millions of tons of topsoil a year, and improper drainage and poor land management techniques undermine the pureness of our water resources.

To be sure, the U.S. Department of Agriculture—through programs of the Soil Conservation Service—SCS—and the Agricultural Stabilization and Conservation Service—ASCS—is committed to halting this unnecessary waste of vital resources. In this battle they rely on private conservation contractors to get the actual work done. The bill I offer today is designed to attract more private operators to help in this important task. It provides relief from Federal highway use taxes for vehicles used solely in conservation work and which are not for hire.

IMPORTANT SMALL BUSINESSMEN

By and large, the local conservation contractor is a small businessman with limited operating capital. The average company employs only 11 people and grosses under $100,000 a year. And it is primarily engaged in work for SCS, ASCS, and local farmers—constructing farm ponds, waterways, terraces, diversion dams, floodwater retaining structures, and stream bank stabilization projects. To accommodate such a broad range of activities, equipment such as trucks, bulldozers, scrapers and draglines must be maintained. This equipment must be transported to conservation job sites, and so, State and Federal highway use taxes must be paid on the transporting trucks. The Federal highway use tax for a tractor-trailer to transport such equipment ranges up to several hundred dollars, and State taxes into the thousands. A conservation contractor can pay taxes of $1,000 a year on a tractor-trailer that carries a bulldozer from field to field, logging under 1,000 miles a year. The equivalent tax in such a case is in excess of $1 per mile. Hence, highway use tax outlays can be significant to the small operator—and he is using these vehicles solely in conservation work which will prevent floods, save valuable wetlands, conserve soil, and reduce food costs. I feel the highway use tax in this instance is counterproductive to the best interests of the Nation. We cannot ignore the fact that every factor which increases the cost of producing food further fuels the dangerous inflationary spiral in which we find ourselves.

ENCOURAGE CONSERVATION

The shortage of private contractors has long plagued SCS. Existing conditions have driven and continue to drive many qualified contractors into other contracting fields or force them to reduce their operations. SCS often has difficulty finding sufficient contractors to do the work under programs approved by Congress.

State highway use taxes have been a great problem for conservation contractors also. Individual States have recognized the problems. States already making some exemption for conservation vehicles include Kansas, South Dakota, Nebraska, Illinois, and Texas.

But Federal Government must take the lead in exempting bonafide conservation vehicles from Federal highway use taxes. Such an initiative, in turn, would encourage other States to follow suit on their own use taxes, and thus significantly increase the incentives to attract and hold new contractors for conservation work.

The typical vehicle used to transport conservation equipment travels an average of only 5,000 miles a year on all roads, and only about 2,000 miles a year on the Federal Interstate System—for those that even use that System. Approximately two-thirds of such vehicles are never driven on the Interstate System. There are some 20,000 potential conservation contractors in the United States operating approximately 20,000 eligible vehicles, meaning that the total lost revenue to the highway trust fund would not currently be more than $3.5 million. Such an amount is miniscule in comparison to the potential benefits to every American which can be derived through this incentive.

In view of the importance of conservation contractors for the preservation of our vital food producing resources and the economic impact Federal highway use taxes have on these contractors, it seems appropriate that changes in these tax regulations be made without further delay. I encourage every Senator to support this legislation.

I request unanimous consent that the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 4035

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 4483 of the Internal Revenue Code of 1954 (relating to exemptions from the highway use tax) is amended by adding at the end thereof the following new subsection:

"(d) Vehicles Used for Soil and Water Conservation.—Under regulations prescribed by the Secretary or his delegate, no tax shall be imposed by section 4481 on the use of any highway motor vehicle which is not for hire and is used exclusively in soil and water conservation work and in the transportation of equipment used for soil and water conservation."

(b) The amendment made by subsection (a) shall take effect on the first day of the first month which begins after the date of the enactment of this Act.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2854

At the request of Mr. Cranston, the Senator from Ohio (Mr. Taft) was added as a cosponsor of S. 2854, a bill to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolic and Digestive Diseases in order to advance a national attack on arthritis.

S. 3305

At the request of Mr. Clark, the Senator from Vermont (Mr. Stafford) was added as a cosponsor of S. 3305, the National Huntington's Disease Control Act.

S. 3903

At the request of Mr. Brock, the Senator from Pennsylvania (Mr. Hugh Scott) and the Senator from Colorado (Mr. Dominick) were added as cosponsors of S. 3903, a bill to extend the State and Local Fiscal Assistance Act of 1972 for 7 years.

S. 4019

At the request of Mr. Baker, the Senator from Illinois (Mr. Percy), the Senator from Oregon (Mr. Packwood), the Senator from South Carolina (Mr. Hollings), the Senator from New Mexico (Mr. Domenici), the Senator from Maryland (Mr. Beall), the Senator from Oregon (Mr. Hatfield), and the Senator from Iowa (Mr. Clark) were added as cosponsors of S. 4019, a bill to establish the Joint Committee on Intelligence Oversight.

ADDITIONAL COSPONSORS OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 102

At the request of Mr. Cook, the Senator from Texas (Mr. Bentsen), the Senator from Arizona (Mr. Goldwater), the Senator from Alaska (Mr. Gravel), and the Senator from Washington (Mr. Magnuson) were added as cosponsors of Senate Concurrent Resolution 102, relating to regulatory requirements on distilled spirits and wine.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 392

At his own request, the Senator from Michigan (Mr. Griffin) was added as a cosponsor of Senate Resolution 392, concerning the safety and freedom of Valentyn Muroz, Ukrainian historian.

CONSUMER PROTECTION—AGENCY FOR CONSUMER ADVOCACY—AMENDMENTS

AMENDMENT NO. 1920

(Ordered to be printed and to lie on the table.)

Mr MAGNUSON. Mr. President, today I am introducing a few amendments to S. 707, the Agency for Consumer Advocacy bill. These amendments are designed to focus the Agency's attention to the need for first priority consideration of the inflationary effect on consumers of Government decisions.

Far too often when Federal agencies are contemplating regulations, the interest of the consumer's is inadequately represented. The regulations and requirements of Federal agencies often have a significant inflationary impact on the consumer, yet there was no consumer representation when the decision was being made.

In 1973, when the price index of 31 foodstuffs jumped 21 points in 4 months, the Cost of Living Council began to consider what action to take to limit food price increases. During these deliberations, who spoke for the consumer?

When the Federal Power Commission okayed the sale of natural gas a $0.55 per 1,000 cubic feet, the highest price ever approved, who spoke for the consumer?

When the Federal Energy Office allowed gasoline prices to skyrocket earlier this year, and each 1 cent gasoline increase costs the American consumers a billion dollars each year, who spoke for the consumer?

It is clear that in each of these Federal decisions, which had significant inflationary effects upon the consumer, the consumers of the United States were not represented, were not heard, and were not given fair treatment. My amendments would put a voice for the consumer into every decisionmaking process, a voice which would warn of the inflationary affects of the decision and bring to bear the influence, information, and concern of the American consumer.

One of the problems which some have had with the legislation is a fear that the Agency for Consumer Advocacy, without specific direction from the Congress, will have difficulty in pinpointing the consumer's point of view in each particular case. The amendments which I offer today would clearly establish that in its fulfillment of its representation role, the Agency for Consumer Advocacy is to speak to the effect of each Federal decision on inflation.

Inflation is today eating away at our earnings and savings. The American consumer is not safe from the devastation of inflation unless his concern is repeatedly expressed to his Government in its decisionmaking process. My amendments and enactment of the Agency for Consumer Advocacy would thus accomplish two important roles in making sure that the American consumer is protected from the heavy hand of Federal regulation machinery which for too long has been blinded by the dazzle of the represented parties.

First the Agency for Consumer Advocacy would be a part to the decisionmaking, representing the conusmer's interest. *Second*, the Agency for Consumer Advocacy's primary responsibility would be to analyze the inflationary impact of Federal decisions and urge that those which would hurt the consumer not be made. Another important function of the agency is to challenge in the courts those Federal agency decisions which are adverse to the consumer. With this broad mandate, consumers will be represented, their concern about inflation will be expressed in the decisionmaking, and if the Federal decisions are adverse to the consumer interest or inflationary, the consumer's representative will be able to seek reversal of the adverse decisions in the U.S. courts.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1974—AMENDMENT

AMENDMENT NO. 1921

(Ordered to be printed and to lie on the table.)

Mr. NELSON. Mr. President, there is no question that the problem with health manpower in the country today is no longer so much a manpower shortage as one of maldistribution. The health manpower bill (S. 3585) seeks to address this problem by requiring that every student in a health professions shool—except nurses—on entering school, "enter into a written agreement with the Secretary—of HEW—to practice his profession in an underserved area designated by the Secretary to have a shortage of and need for individuals trained in the health professions."

This is a laudable goal. However, the facts indicate that there is a large body of volunteers who are willing to serve in underserved health areas, but who have not been given the opportunity.

If scholarship and foregiveness-of-loans programs were financed to a greater extent than they have been in the past, more students of the health professions would be serving needy areas than are now.

The facts are:

In the National Health Service Corps, 400 professionals are now assigned to more than 200 communities for 2 years service, and an additional 250 physicians will be assigned to shortage areas by next July. The Corps last year received more than 1,000 applications but funding limitations allowed only 345 medical scholarships to be awarded. Everyone, including the administration, agrees that increased funding of Corps scholarships is advisable to attract more physicians into service. The Senate bill (S. 3585) and proposed bill in the House of Representatives provide increased funding for such scholarships.

The Armed Forces scholarship program, designed to attract doctors after the draft was ended, is also oversubscribed: 5,100 applicants sought scholarships last year; 2,911 were funded.

The physician shortage scholarship program, part of the last Health Manpower Act enacted in 1971, gives scholarship priority to individuals who agree to service in shortage areas. Regulations were issued in May, and more than 1,000 applications have been received to date. Only 395 scholarships have actually been funded.

These three programs alone, with their limited funding, have received 7,000 applications, have awarded 3,651 scholarships in return for service, with some 3,000 applicants who wanted to serve turned away. (See Rept. No. 93-1133 to accompany S. 3585, p. 523.)

Thus, it is evident that a large body of volunteers exist who are willing to serve in shortage areas in return for scholarship or loan-forgiveness aid.

Increased support for student scholarships, guaranteed loans, and health manpower education initiative awards, to improve the delivery of health services to medically underserved populations through community hospitals and other facilities, should be given priority before a mandatory "draft" of health professions students is instituted.

For this reason, I am offering an amendment that would "trigger" in the mandatory service provisions after June 30, 1980, and only then to the extent that HEW determines that adequate health services cannot be provided to medically underserved areas by voluntary resources or in a manner other than by conscripting students for service.

Under this provision, medical and health professions schools could continue to receive capitation subsidies—per-student Federal aid—until June 30, 1980, without tying capitation to an agreement with entering students that they sign up for service. After that date, the Secretary of HEW could require service of students, if it were determined that nonmandatory service programs did not meet the underserved manpower health needs of the Nation.

S. 3585 as now drafted has a 5-year life from 1974 through 1979. Many students entering schools in those years would graduate after 1980, and some, such as those in schools of public health 2-year courses, would graduate prior to that time. Thus, students affected by the bill would have to be put on notice that they might be subject to a "draft" effective in 1980, if the Secretary determined it were needed.

This amendment allows continued Federal support of health professions schools, in the form of capitation subsidies; encourages increased support of scholarships and loans as incentives to attract volunteers into health service; and maintains the option of requiring service, but only if voluntary means do not alleviate the serious maldistribution of health manpower nationwide.

No one disputes this problem. Voluntary programs should be expanded to alleviate the problem before mandatory service programs are triggered into effect.

FOREIGN ASSISTANCE ACT OF 1961—AMENDMENT

AMENDMENT NO. 1922

(Ordered to be printed and to lie on the table.)

Mr . ABOUREZK (for himself, Mr. Metcalf, and Mr. Metzenbaum) submitter an amendment intended to be proposed by them jointly to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

Mr. ABOUREZK. Mr. President, I submit an amendment for printing which I intended to propose to the Foreign Assistance Act which will, if enacted, abolish all clandestine or covert operations by the Central Intelligence Agency.

I believe very strongly that we must have an intelligence gathering organization and I believe the CIA and our defense intelligence agencies do an adequate job in this respect.

We have every right to defend ourselves from foreign attack and that right includes intelligence gathering to protect our security.

But there is no justification in our legal, moral, or religious principles for operations of a U.S. agency which result in assassinations, sabotage, political disruptions, or other meddling in another country's internal affairs, all in the name of the American people.

It amounts to nothing more than an arm of the U.S. Government conducting a secret war without either the approval of Congress or the knowledge of the American people.

While the recent revelations about CIA actions in Chile are repugnant, they are only a part of such activities. We may never know what our tax money has funded in other countries or in this country, for that matter.

I am convinced that, although a short-term gain might be shown as a result of some covert activities, there is no one who can show a long-term benefit to our principles through such operations.

And the present Director of the CIA, William Colby, said last week that while he preferred to retain the clandestine services, the Capitol would not fall if it were abolished.

ADDITIONAL COSPONSORS OF AMENDMENTS

At the request of Mr. Kennedy, the Senator from Tennessee (Mr. Brock) was added as a cosponsor of the amendment authorizing the construction of facilities at the military academies as may be necessary for the admission of females, proposed to the military construction authorization bill (H.R. 16136) and agreed to by the Senate on September 11, 1974.

AMENDMENT NO. 1850

At the request of Mr. Abourezk, the Senator from Maine (Mr. Muskie) was added as a cosponsor of amendment No. 1850, cutting off aid to Turkey until an agreement is reached among Greece, Turkey, and Cyprus, intended to be proposed to the bill (S. 3394), the Foreign Assistance Act of 1974.

AMENDMENTS NOS. 1869 AND 1870

At the request of Mr. Abourezk, the Senator from California (Mr. Tunney) was added as a cosponsor of amendments Nos. 1869 and 1870, intended to be proposed to the bill (S. 3394), the Foreign Assistance Act of 1974.

AMENDMENT NO. 1878

At the request of Mr. KENNEDY, the Senator from New York (Mr. JAVITS) and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of amendment No. 1878, intended to be proposed to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

AMENDMENT NO. 1897

At the request of Mr. NELSON, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of amendment No. 1897, intended to be proposed to the bill (S. 3585) the Health Professions Educational Assistance Act of 1974.

NOTICE OF HEARINGS RELATING TO THE INDIANA DUNES NATIONAL LAKESHORE

Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public that open public hearings have been scheduled by the Subcommittee on Parks and Recreation on September 30, 1974, in room 3110, Dirksen Senate Office Building on the following bill:

S. 820. To amend the act establishing the Indiana Dunes National Lakeshore to provide for the expansion of the lakeshore, and for other purposes.

NOTICE OF HEARINGS ON THE CONTINUANCE OF CIVIL GOVERNMENT FOR THE TRUST TERRITORY OF THE PACIFIC ISLAND

Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public that open public hearings have been scheduled by the Senate Interior and Insular Affairs Subcommittee on September 25, 1974, in room 3110 Dirksen Senate Office Building on the following bill:

S. 3996. To amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, a bill to increase the ceiling on Trust Territory budget.

ADDITIONAL STATEMENTS

ENERGY THROUGH FUSION—THE WORLD'S HOPE

Mr. SYMINGTON. Mr. President, on July 8, 1974, I introduced S. 3728 to amend section 202 of the Atomic Energy Act of 1954 by the addition of a requirement that the Joint Committee on Atomic Energy shall twice each year through its senatorial members report to the Senate on the "development, use, and control of atomic energy for the common defense and security and for peaceful purposes."

The words of this purpose are from the act itself, and relate to the obligations of the Joint Committee to report to the public on the state of critically important national atomic energy programs.

My amendment provides additionally and specifically, however, for "information concerning nuclear energy, nuclear weapons, and nuclear policies, the knowledge of which would contribute to the exercise of informed judgments by all Senators," and in such form as to permit clarification and discussion "in open session and by means of unclassified written materials."

The purpose of this amendment is to strengthen the base of information available to Members of this body for legislative decisions. In introducing S. 3728, I said some legisaltive decisions had been made—to my certain personal knowledge—on the basis of inadequate information.

This is a very serious problem for the elected representatives of the people of the United States in Congress, and, of course, is of vital importance to the country. It is a problem which concerned me when I was in industry supplying our Armed Forces, when I was Secretary of the Air Force, when I was Chairman of the National Security Resources Board, and throughout my service in the Senate on the Committee on Foreign Relations, the Armed Services, Aeronautical and Space Sciences, and the Joint Committee on Atomic Energy.

Official secrecy is a problem for all four of these committees, even though their members can receive in executive session classified information under proper security safeguards. But even under these conditions, the Congress is handicapped in the exercise of its responsibilities in a government of separated powers. Such a handicap is of critical importance to the people of the United States when security classification imposed by the military prevents open discussion as part of the legislative process dealing with matters as important to their welfare as the supply of energy to do the Nation's work.

Serious as may be the denial of adequate information to legislators, there is a more evil and damaging effect of official secrecy. It denies to Government officials, the managers of the people's business, their rightful full access to the flow of ideas from the reservoir of imagination and talent of more than 200 million free and willing people.

The real strength of America stems from the diversity of her people, the breadth and depth of their education, their initiative and readiness to serve and contribute to their country's growth, and their belief in the principles set forth in the Declaration of Independence and our Constitution's Bill of Rights. These human qualities make our material resources meaningful. Our country's leaders are failing her if they do not conduct the business of the Nation in a manner which exploits these sources of our strength.

Let me hasten to say that it is not always easy to do this. An effective system for the protection of certain information which in unfriendly hands would weaken us is a recognized and unavoidable burden on democracy. The integrity and effectiveness of such a system depends upon its being limited strictly to those areas truly affecting the common defense and security of the United States.

We must be eternally vigilant that security classification does not deprive the people of the United States or their representatives in Congress of the information needed to provide for the welfare as well as the defense of a free people. Those who would withhold information must have demonstrable reason, and there must be provision for examination of that reason by elected representatives of the people.

It is not necessary for me to remind the Members of this body of the seriousness of the Nation's energy problems. It may come as a shock to many of you, as it did to me, to find at this very critical moment in our national life that the country's efforts to overcome our energy deficiencies may be held back by our failure to exploit the real strengths of our system.

The area of work to which I refer has to do with the application of laser technology to the challenge of fusion. We may have penalized ourselves by years of time and billions of dollars by an unthought-out extension of security classification to cover the use of laser fusion for the generation of power. There is reason to believe that the executive branch may be beginning to recognize this danger. I have been informed that the Atomic Energy Commission is now moving aggressively, if belatedly, on the declassification of laser fusion technology. Some relaxation of the security restraints has already been made. It is significant, however, that a review panel named recently to study the whole laser fusion effort will, according to the announcement in the Federal Register, conduct its studies under the rules applying to security-classified activities.

Let me put this matter in perspective by a reminder of the potential of fusion in meeting our energy requirements and a bit of the history of its emergence as our energy backup.

Scientists have decided that the combining of the nuclei of hydrogen atoms is essentially the way the sun works. It is the source of light and heat throughout the solar system. The process was first made to work on Earth in November 1952 when a hydrogen-fueled experimental thermonuclear device was detonated at Eniwetok. But almost from the day they began to study seriously how to make a hydrogen weapon, the nuclear scientists and engineers began to dream of the possibility of harnessing for peaceful uses the tremendous amounts of energy released by the combining of the nuclei of the light atoms.

The goal is worthwhile. The country would have an inexhaustible supply of fuel. It is a clean fuel, leaving no radioactive ash as does the fission process.

Nor does the fusion process produce poisonous explosive materials such as plutonium, the unavoidable byproduct of fission which is useful as fuel but also subject to clandestine diversion for malevolent purposes. The byproducts of the fusion process are entirely benign, and we have an immediate use for them.

For nearly a score of years, work has gone on to try to attain the conditions—through magnetic confinement—for a controlled fusion reaction. It takes place with deuterium and tritium, the most promising forms of the hydrogen fuel, at about 100 million degrees. So far, we have found no way to confine for a sufficient period the hot ionized gas, called a plasma. The United States and the Soviet Union started working in the early and midfifties on confining the hot plasma by magnetic forces, and in the past decade major programs have been mounted by the United Kingdom, West Germany, Japan, France, Italy, and the Netherlands. Other programs are in full swing in Australia, Czechoslovakia, Denmark, Poland, Sweden, and Switzerland. The magnetic confinement work is unclassified, and the results freely exchanged among scientists.

Nearly half a hundred universities in the United States are working on various aspects of the magnetic confinement problem, with major programs at Texas, Wisconsin, and MIT. The principal Government facilities engaged in this work are Los Alamos, Livermore, Oak Ridge, and the Plasma Physics Laboratory at Princeton. Gulf General Atomic is also working on the problem at its San Diego laboratory.

Since the midfifties the Congress has appropriated more than a half billion dollars for the magnetic confinement program despite the fact that this program is not designed to provide a meaningful solution to the energy crisis until the next century. But only recently a new and classified process competitive to magnetic confinement has begun to emerge. This new process uses a different approach to the problem of achieving fusion—it employs a laser.

Laser technology was not born until 1960. Stemming from basic work in the Bell Telephone and other industrial laboratories, it was so new its name was taken from its acronym—light amplification by stimulated emission of radiation—laser. A laser produces an intense, very fine beam of coherent light. Theoretically, enough energy can be concentrated in this beam to compress matter, under the right conditions, to cause the fusing of the light elements. Within 3 years, people at the AEC's Lawrence Livermore Laboratory began serious study of this possibility. The first allocation of funds, I am told, was $200,000 in fiscal year 1963, increasing in small increments to an annual level of just over $3 million by fiscal 1970, and is nearly $65 million in fiscal 1975. Including the anticipated fiscal 1976 appropriation request, the Congress will have appropriated some quarter billion dollars for this classified effort in the energy field. No public hearings on the laser fusion program have been held by the Joint Committee on Atomic Energy.

Few outside of the AEC knew for many years of the Government's interest in the use of laser fusion to generate energy, and in that agency the knowledge was narrowly held. The work was classified. Perhaps the classification was never questioned because the immensity of our energy problem wasn't so clear to everybody. The threatening energy shortage was known to professionals in the field, however, and President Johnson had a special section in the White House trying to coordinate the fragmented Government energy program and bring the research and development capabilities of Government to bear on the then embryonic energy crisis. That energy office was abolished in the early days of the first Nixon administration. In view of the classification I doubt if the staff ever knew about the possibilities of energy from laser fusion.

This is the kind of problem at which S. 3728 is aimed. My proposed amendment to the Atomic Energy Act cannot possibly cure the evils of undue security classification of technology, but it can—in laser terminology—stimulate emissions of information which legislators need for their work.

Perhaps I should make clear at this point that I am not pointing the finger of blame at any one group or agency. All of us are at fault. The military, by tradition, training, and responsibility, always seeks, and justifiable by its standards, to deny a potential enemy any knowledge that might help him against us. This is particularly true of some scientific knowledge in this day of technological warfare.

The Atomic Energy Commission, for reasons made clear in a book on that agency by two former staff members, Corbin Allardice and Edward R. Trapnell, takes very seriously its responsibility for protecting information which the military wants withheld from the public. Allardice was executive director of the staff of the Joint Committee on Atomic Energy when the organic law was overhauled in 1954. The book points out that the Joint Committee is defender as well as critic of the atomic community and its bureaucracy. The Congress has too long left to this bureaucracy the determination as to what Senators and Representatives—as well as the general public—shall be entitled to know about the force which is so important in our national life.

The potential of laser fusion as a new source of energy can be appreciated with some understanding of unclassified information on the process employed. The technique is to focus the beam of a laser on a minute bubble—called a pellet—of deuterium and tritium. The pellet is something less than 1 millimeter in diameter. If enough laser energy impinges on the surface of the pellet, it will be heated to cause ablation of the surface. Under those conditions, the remaining mass of the pellet is driven inward in a phenomenon called implosion—an inward focused explosion—and this can set up a fusion reaction within the tiny pellet. If these pellets could be made to undergo fusion under the laser-induced implosion at a rate of several each second, the released energy can be harnessed to drive powerplants, generate hydrogen, or to do other useful work.

The present laser fusion schedule of the Atomic Energy Commission calls for the operation of a demonstration powerplant around the turn of the century. In short, the fusion power development program of the AEC—be it magnetic confinement or laser fusion—is proceeding on a projected time scale that seems almost unrelated to Project Independence or our critical energy problems of the 1970's and 1980's.

Laser fusion offers a specific example of a promising effort which might be further along had it been subject at some point to open debate and discussion in the Senate. One purpose of S. 3728 is to do something about this situation. The laser fusion program is being conducted under security classification and handled through a special office in the AEC Division of Military Application. The work is being done primarily at the Lawrence Livermore Laboratory where the major expenditures have been made, but the Los Alamos Scientific Laboratory and the Sandia Laboratories also have substantial programs.

There has been no meaningful interchange of information even on a classified basis with private industry or the university community. There has been scant encouragement to industry to pursue laser fusion research and development. Any Government program that rapidly builds up expenditures toward a quarter-billion-dollar figure should have room for complementary or parallel programs in private industry.

Power from fission reactors is now providing an ever-increasing proportion of the base load for electric energy generated in the United States. Without this substitute for fossil fuels, our energy situation today would be desperate. When the Truman administration launched the basic research and development program for power reactors, under the able direction of Dr. Lawrence Hafstad, there was a very careful nurturing and encouragement of the industrial sector so that the fruits of scientific advances could be made available rapidly to the American people in the form of electric power. Time has proved the wisdom of the industrial participation policy. I have searched in vain for a similar attitude today toward laser fusion energy development.

Nonetheless, even without Government encouragement, industry has not entirely ignored laser fusion. In 1969, a company called KMS, Inc., of Ann Arbor, Mich., a high technology conglomerate taking its name from the initials of the founder and still chairman, Keeve M. Siegel, a former University of Michigan physicist, began to study the possibilities of using a laser to initiate a fusion reaction. KMS went to AEC with its own ideas and found the field classified. This effectively barred work by private industry on its own initiative. AEC finally gave the company a no-fund contract in early 1971 so the work on laser fusion could be resumed without violating the Atomic Energy Act. A separate company, KMS Fusion, Inc., was formed, and something like $18 million in private funds has been invested, with backup from Burmah Oil, a Scottish-based world petroleum supplier, and Texas Gas Transmission Corp., which is interested in the prospects of hydrogen production through laser fusion.

The work of the KMS Fusion in the last 2 years brings much closer the prospect of power from laser fusion. The significant accomplishment to date is the demonstration of actual compression of matter. The laser has been successfully employed to generate neutrons through implosion of pellets of deuterium and tritium.

This is an exciting prospect, and it is not off in the wild blue yonder. Dr. Robert Hofstadter, Max H. Stein, professor of physics at Stanford University and 1961 Nobel Laureate in physics, says the results obtained in the KMS Fusion Laboratory "encourage me to believe that fusion applications for commercial energy needs may be attained in the next decade rather than in the next century."

Dr. Hofstadter is a senior technical consultant to KMS Fusion, and the results to which he referred were characterized by him as "the first reported occasion in which true compression of normal matter has resulted in the production of neutrons," outside, of course, the field of thermonuclear weapons.

Dr. Keith Bruckner, professor of physics at the University of California, San Diego, who conceived and designed the actual laser experiments at KMS, says the neutron production confirms the direction of the KMS work toward the peaceful application of nuclear fusion. What he calls scientific breakthrough will occur when the amount of energy released from imploded pellet fusion is measurably greater than the amount of laser energy impinging on the surface of the tiny pellet. The engineering breakthrough will come when the energy released from the pellet is determined to be greater than the total amount of energy put into the laser system.

Time is of the essence in our effort to develop a new source of energy. I have dwelt on the KMS Fusion program because it is by far the largest of the non-Government programs and the only one conducting research under AEC security classification. The KMS Fusion project has reported solid technical progress in the laboratory toward replicating on the planet Earth the processes by which the Sun generates its energy. Laboratory progress seems to justify the hopes of KMS Fusion for a pilot plant to be in operation in 1980 to produce energy in the form of hydrogen or hydrogen-methane.

In effect, we have a huge Government program and a small almost shoestring enterprise financed so far entirely by private industry. There is no interchange of information between the two programs. There has been no AEC funding of the KMS Fusion effort. There has been little active encouragement by the AEC for private industry.

There are risks in a massive secret Government program like that at Livermore. I hope Livermore is pursuing the right route, and I trust the size of the effort will get results in a shorter time than the modestly financed KMS Fusion program. In such a contest, however, the Goliath does not always win. There are dramatic precedents for the effectiveness of a small, highly capable group in bringing to fruition a new technical concept. For example, the Air Force SR-71, which recently crossed the Atlantic in less than 2 hours, became a reality in a relatively brief span of time because it was designed and built in a separate element of the vast Lockheed complex known as the Kelly Johnson Skunk Works.

The rate of growth of the AEC laser fusion program indicates very clearly to me that it is time for the Congress to consider the question of opening the doors to industrial participation. An important portion of the total of appropriations for laser fusion should be for basic research and development conducted by industrial companies. This would be the cheapest of insurance policies for the American people. Livermore and KMS Fusion are working toward the same laser fusion goal by different routes. The energy crisis dictates that both be pursued. Any other possible route should also be explored. Expansion is indicated particularly in view of KMS Fusion progress and the conviction of KMS scientists that useful power from fusion can be available much earlier than the dates projected by the AEC laboratories. Early substantial support to maintain the momentum of private laser fusion programs now under way may, even more importantly, serve as a catalyst to encourage new ideas as well as continuing financial support from private enterprise.

I would hope that in response to the spirit of S. 3728, even before we can hold hearings on it, the Joint Committee on Atomic Energy will provide the Senate some considered views on industrial participation, with particular reference to the need for financial support.

If there is any question in the minds of Senators as to the advantages of fusion power, let me read to you the list contained in the February 1974 AEC report on fusion power by magnetic confinement. These advantages apply also to laser fusion:

1. An effectively infinite supply of fuel, which in present low volume production costs only about one hundredth of a mill per kilowatt hour;
2. Inherent safety with no possibility of nuclear runaway;
3. No chemical combustion products;
4. Relatively low radioactivity and attendant hazards;
5. No afterheat cooling problems; and
6. No use of weapons grade nuclear materials, thus no possibility for diversion for clandestine purposes.

Dr. Henry Gomberg, president of KMS Fusion, Inc., points out an additional very promising advantage of laser fusion. This is the direct production of hydrogen, bypassing electrolysis, and the reason for the interest of Texas Gas Transmission in the process.

> Our work to date indicates that the laser induced fusion process offers a plentiful source of low cost hydrogen.

Says Dr. Gomberg, who was the first director of the University of Michigan Phoenix project and later head of the AEC Puerto Rico Nuclear Center.

Even before we learn how economically to extract and use electrical energy from the fusion of the deuterium/tritium pellet under laser compression, we may find a payoff through the use of the hydrogen which can be generated. Hydrogen can be used to produce methane as well as to improve various products of petroleum, tar, and coal, to convert low-grade materials such as heavy oils into valuable fuels, and to transform solid fuels such as lignites and coal into liquid fuels.

Laser fusion represents perhaps the most promising means of achieving in the 1980's abundant energy at reasonable prices and with little adverse impact on the environment. It can be used either in the generation of electricity or in the production of hydrogen which can be used to create methane which could be distributed through our existing and extensive pipeline system. It is crucial to the national interest of the United States that we have a convincing demonstration as soon as possible of an alternative source of energy for the near future.

Such an alternate source of energy is a matter of both short and long range importance. The prompt development of a new low-cost method for the production of methane and other hydrogen-treated fuels will mean competitive pressure on the price of energy from other sources. It should have a sobering influence on the principal oil exporting countries and, we hope, lead to a lessening of the major stimulus to uncontrollable inflation resulting from abruptly imposed artificial pricing policies for crude oil.

We cannot afford to lose any more time. We should not have to await passage of S. 3827. The Joint Committee on Atomic Energy should proceed with hearings on laser fusion as soon as possible. The Nation's energy sufficiency program badly needs the impetus of a new technological opportunity. It is time for the Congress to examine the state of the laser fusion art in order to make sound legislative judgments on critical policy matters. The Congress has a responsibility to see that there is a true balancing of secrecy requirements with energy requirements. I believe we will find it is time for industrial participants to be brought into the national program for laser fusion in a much more active role and with adequate Government encouragement and support of industry's ideas and concepts.

THE BICENTENNIAL: WHERE ARE WE GOING?

Mr. HELMS. Mr. President, the celebration of our Bicentennial has been launched by President Ford in the city of Philadelphia. In his address of September 6, 1974, honoring the reconvening of the First Continental Congress, the President accurately pinpointed the greatest danger that we face today. It is a danger that we have faced before and will continue to face in the future. Pointing to the economic difficulties which confronted the Members of the First Continental Congress, President Ford called for a rededication to the national effort against inflation.

Inflation, as the President correctly observed, "is the cruelest kind of taxation without representation." Indeed, inflation is a form of tyranny, and it is "the tyranny of the British Parliament and Crown in 1774 which animated our ancestors. The tyranny of double-digit inflation is our common enemy in 1974."

It is reassuring to know that we have the personal commitment and the leadership of the President in our joint struggle against the ravages of inflation. If the Executive and Congress will respond to the economic crisis of our day with the same determination and self-sacrifice that motivated our Founding Fathers, then our liberties are secure. Excessive Government spending, the waste and mismanagement of public funds, poor monetary policy: these are the domestic foes that must be defeated promptly and severely.

When the patriots took up arms against the British, they were seeking not only independence and political liberty, but freedom from economic oppression as well. In their great wisdom, our ancestors realized that without economic freedom, all other freedoms are illusory. What good is freedom of religion or freedom of the press if our money is worthless and our Treasury is bankrupt? Inflation robs us of our economic liberty; it undermines the strength of our Republic; and it is opposed to the whole foundation upon which this country was established.

In 1774, Americans declared:

> We will, in our several stations, encourage frugality, economy, and industry, and promote agriculture, the arts, and the manufactures of this country, and will discountenance and discourage every species of extravagance and dissipation.

These are the solemn words of the First Continental Congress, Mr. President, and they serve today as a constant reminder that Congress has a continuing obligation to protect the economic liberties of our citizens.

When we, the Members of Congress, created a Federal American Revolutionary Bicentennial to coordinate Bicentennial activities at the State and local levels, we obligated the National Government to something more than the hoopla and hurrah of popular celebrations. We also made a sober pledge to honor the men and the principles that are the pillars of our constitutional edifice. Now we are called upon by the President to apply these principles with a renewed sense of urgency.

Certainly our economic difficulties are a formidable problem at the moment. But our preoccupation with the economic affairs of the country should not blind us to other ailments that plague the body politic. President Ford has already pointed us in the right direction with his prudent suggestion that we begin our commemoration of the Bicentennial by *studying* carefully the character and the qualities of the men who founded this Nation. This includes a study of not only their economic principles, but also their political and moral principles.

In these times, Mr. President, when America seems to be adrift and unsure of its moorings, a thorough reexamination of our heritage and the principles which created it can only serve to guide us better in the direction we seem to have lost. To go forward, it is sometimes necessary that we look backward. This is the main purpose of the Bicentennial Celebration. This is one of those moments in history when we have a unique opportunity as a nation to pause and reflect upon the ideals that now seem to elude us.

In our effort to rediscover ourselves and chart a new course, the recent article by Richard F. Gibbs of North Carolina offers a sure and reliable compass. Mr. Gibbs, formerly executive director of the North Carolina Bicentennial Commission, has placed our formative era in a perspective that reveals a profound grasp of American history.

Mr. President, I commend this enlightening article to my colleagues and to every citizen who is concerned about America's past, present, and future.

Mr. President, I ask unanimous consent that this article, entitled, "The Spirit of '89: Conservatism and the Bicentenary," which appeared in the University Bookman in the spring of 1974, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SPIRIT OF '89: CONSERVATION AND THE BICENTENARY

(By Richard F. Gibbs)

In 1966 Congress enacted Public Law 89–491, creating the American Revolution Bicentennial Commission to "plan, encourage, develop, and coordinate the commemoration of the American Revolution bicentennial." The Act further specified that "in all planning the Commission shall give special emphasis to the ideas of the Revolution which have been so important in the development of the United States, in world affairs, and in mankind's quest for freedom." The Commission was left unfunded, it being the intent of Congress in encourage the private sector to become the main source of support. This law was a tailormade opportunity for conservatives to bring to the forefront of public consciousness, under the most auspicious circumstances, the nature and the essence of the ideals and principles upon which the nation was founded, and in the conservation of which American conservatism finds its highest reason to be. Nearly eight years have gone by, and conservatives, in the main, have done little or nothing with this opportunity. Fortunately, and even inexplicably, liberals have done little more.

The ARBC lay essentially dormant for the remainder of the Johnson Administration; its members were not even named until 1968. Its initial minuscule staff was comprised of personnel borrowed from other agencies. Its very existence was largely unknown. Beginning in 1969, however, substantial funding was made available to it, its staff was greatly increased, its membership changed to reflect the new Administration's choices, and ringing encouragement was given it by the President of the United States. The prospects for a conservatively oriented Bicentennial seemed excellent.

The optimism was premature. The ARBC proceeded to compile an incredible four year record of massive failure. Dissatisfaction with its attitudes and performance drew increasingly severe criticism from virtually every sector and section of the nation. This reached a climax late in 1972 with reports by the staff of the House Judiciary Committee and the General Accounting Office, both of which confirmed the essential validity of the long-continuing criticism. Violations of personnel practices, misuse of government funds, an obsessive secrecy, disproportionate attention to "public relations" activity were characteristic of the agency, but the most damning finding was that the ARBC had failed to develop a clear concept of what it was supposed to be doing. It was small wonder, then, as the House report commented, that it had done so little.

The response of the Administration had a familiar ring. It chose to regard the massive failure as a structural problem; the fifty member ARBC was simply too unwieldy. Corrective legislation was submitted in February 1973 and finally enacted in December, after some months of delays and skirmishes. Public Law 93–179 gave the Administration essentially what it wanted: enormous discretionary power for a single Presidentially appointed administrator of the new Bicentennial Administration; the abolition of the old Commission; and a drastically reduced mandate simply "to coordinate" Bicentennial plans of others. This coordinator seems to center on the maintenance of a computerized master calendar of various events scheduled to take place across the nation from March 1975 through December 1976.

Thus, a sort of "peace with honor" has been gained for the Bicentennial, at least in the view of the Administration and the Congress, which has never paid much attention to the subject anyway. The failure to perform the original mandate was handled simply by changing the mandate to one that can probably be performed by any reasonably competent team of key punch operators. Never mind that the same staff has been transferred, en masse, to the new agency, and that the basic problem, untouched by this essentially cosmetic legislation, remains. The "new" ARBC was launched in January 1974 with a speech to the National Press Club in which Anne Armstrong, Counselor to the President, while acknowledging some minor problems in the past, essentially endorsed the record of the ARBC.

As of this writing, the net effect of this Administration's efforts in Bicentennial planning has been to restore the primary responsibility for the Bicentennial to the private sector. Except for some quite excellent projects undertaken independently of the ARBC by, for example, the National Parks Service and the Smithsonian Institution, the Federal Government will likely have little impact on the national Bicentennial effort. A great deal of lead time for planning and soliciting support has been lost; the very idea of the Bicentennial has been tainted in varying degrees in many quarters; the general public is predominantly apathetic, in some cases hostile; but at least there is reason to be grateful that the ARBC did not succeed in its original ambition to become the Big Brother of the Bicentennial. The granting, or withholding, of the federal imprimatur now has little significance, and the major elements of the private sector may now feel free to become involved in the Bicentennial without sensitive political implications and potential embarrassment.

For the most part, this situation still favors conservatives, but it does have its liabilities as well. Unfortunately, the ARBC gained not only a reputation for failure, but also an unmerited one for being "conservative." It was a creature of the White House, which directed and controlled it, and key members of the Commission and staff devoted an unbelievable amount of time and effort to combatting radical ghosts of the 1960s. There was a policy, never clearly enunciated but just as clearly evident, designed to "contain" the Bicentennial, to prevent the occasion from becoming a persuasive rationale and platform for radical left wing political action. To this end, the ARBC perverted its original mandate from that of commemorating the American Revolution to that of "celebrating the 200th birthday of the nation." There was never a serious attempt to identify, much less to emphasize, the "ideas associated with the Revolution," presumably because the Administration believed those ideas to be radical and therefore incompatible with the present welfare of the Republic.

To a certain extent, the policy succeeded, i.e., it has set a tone nationally to superficiality and ephemerality that is scarcely conducive to serious consideration of any philosophy or ideology, radical or otherwise. It has taken the emphasis off "revolution" and placed it on the plurality and diversity of American society. It has effectively precluded thus far the development of a focal point for the Bicentennial, other than that of the Big Birthday Party in 1976. It is specious, however, to claim that these "accomplishments" have been vindicated because they have thwarted radical Bicentennial aspirations by making the Bicentennial too frivolous for serious use. Radicals were never a serious threat to begin with. Such "conservatism" as might be said to have directed Administration Bicentennial policy seems to have been of that myopic strain that cannot comprehend that radicalism does not require suppressing and stamping out in America; it withers and dies naturally in the unfriendly soil and climate of liberty. Almost alone among nations, the United States has no sustained radical tradition; the disastrous defeat of the McGovernites in 1972 bears eloquent witness to the fact that the American people are no more susceptible to the blandishments of extremism now than they have ever been. Radical movements in America are ideological mules, having neither pride of ancestry nor hope of posterity. Misguided conservatives who expend their talents and energies in violently attacking them serve primarily the cause of the liberals who, time and again, have turned conservative flanks and advanced almost unopposed under the radical smokescreen. Conservatives usually emerge from such encounters, not with substantive victories, but with illusions thereof; or, at best, with temporary delays in the erosion process.

Beyond committing the sin of besmirching the public image of conservatism by its ill-conceiving actions, the ARBC also committed a sin of omission, particularly from a conservative point of view. It failed to develop, or endorse, an overall concept of commemoration within which conservatives could feel at least comfortable, and preferably one which would have enabled them to participate confidently and significantly. The interests of responsible conservatism are not served by programs of frivolity, waste, and hollow symbolism, which are inherent in the "big birthday" approach. Furthermore, the concept which has been pushed is actively detrimental to conservatism, because it implicitly supports a view of the American Revolution favorable to radicals as well as liberals. It does so by focusing attention almost exclusively on the Declaration of Independence as the great event of the Revolution, and on the ensuing Revolutionary War as its primary substance. By proclaiming July 4, 1976 as the 200th anniversary of the nation, it reinforces a liberal interpretation of American history that obscures, often even eclipses, the very concept of the Republic, the founding principles of which lie at the heart of conservatism. The effect of this interpretation is to excise the process of forming the Republic under and by the Constitution from the history of the American Revolution and to create the impression—false, of course—of a basic antagonism between the Declaration of Independence and the Constitution.

Such an interpretation has tended to dominate the teaching of American history for most of this century, and its general public acceptance has been a significant factor in the long train of liberal successes. Centering on Charles Beard's economic interpretation of the Constitution, advanced in 1913 as a mere hypothesis (which never proved out), it became buttressed by J. Franklin Jameson's hypothesis (also never proven) of the Revolution as a social movement, and Vernon Parrington's beautifully written, but avowedly prejudiced, *Main Currents in American Thought*. The Declaration is portrayed as the ultimate expression of Revolutionary ideals, to wit, egalitarianism, popular majority rule, and human rights; the Constitution is cast in the role of counterrevolutionary reaction in support of monied privilege, minority rule, and property rights. Through the instrumentality of this interpretation, the Constitution has been repeatedly attacked and perverted in a number of its most vital and fundamental areas.

Consider but a very few of the defeats for conservatism, and the Republic, during the three great liberal highwater periods of the twentieth century, i.e., the Progressive Era, the New Deal/Fair Deal, the New Frontier/Great Society. Each of these rode enormous waves of popular support generated and fueled by successful appeals to "basic" American ideals and principles, allegedly enunciated by the Declaration, and also allegedly frustrated by the Constitution. Thus were we saddled with the pernicious progressive federal income tax; the perversion of the nature of the Senate through provision for popular election of its members; incredible interpretations of the commerce clause; the social security system, which viciously punishes the very people it was instituted to help; the *de facto* expunging of the Tenth Amendment; the separation of God, as well as religious denomination, from the state; the institution of judicial legislation; the rape of the system of checks and balances in favor of the executive; the systematic denial of fair trials for society, in favor of criminals; and the steady erosion of the most basic human right to life and liberty through control of one's own property.

The separation of the Constitution-making experience from the history of the American Revolution has greatly aided in the growth of this interpretation. The widespread belief that the Republic was founded by the Declaration of Independence lends both moral support and intellectual respectability to it. In promoting the Declaration as *the* "birth certificate of the nation," on an occasion commanding great public attention, the ARBC has given enormous assistance to the perpetuation of this pernicious myth. Even worse, by its insistence on terminating the Bicentennial Era in 1976, or at best letting it drag on unblessed through 1983 at the very latest, this policy further supports the illicit divorce, and enhances the view of the American Revolution as essentially a war for national independence and little more. It focuses on, and legitimizes, the concept of revolution as it has come to be known in our own time, but not as it was at the dawn of the Republic. It actually invites a proposal to erect in the United Nations Plaza a troika monument to those great revolutionary fathers of their countries: Washington, Lenin, and Mao.

What is needed, of course, is a Bicentennial commemoration based on a comprehensive and historically reputable view of the American Revolution *in toto*, not as truncated for academic or other purposes. Beyond that, we also need a concept of commemoration itself capable of inspiring and embracing activities on a plane considerably above hedonism and self-congratulation and free rides on the *earned* reputations of ancestors. In short, we are in need of an activist commemorative concept, based on a true and full history of the American Revolution, which will enable us not only to understand and celebrate our heritage and our present unparalleled circumstances of liberty and prosperity, but also through the conscious application of the founding ideals and principles to make an extraordinary contribution of our own to the continuing vitality of that heritage. It is only within such a framework that responsible conservatives can be expected to participate seriously, and it is also one within which we could confidently anticipate making very substantial progress toward assuming a commanding role of national leadership, which is both our heritage and our responsibility.

The initial step toward developing such a conceptual framework should be that of defining the Bicentennial era as corresponding to the period of the full American Revolution, as distinguished from merely the year of the Declaration of Independence or even the conclusion of the Revolutionary War. The practical results which could be anticipated from this single step would be to begin to convey to the public a fact which has been systematically concealed from it by our educational institutions: that the creation of the Republic of the United States of America was not the direct result of the essentially negative and violent act of sundering the British Empire and plunging into civil war, but was finally the product of wise and reasonable people, engaged in a positive and wholly creative act: the formation of a new nation from the ruins of an older one. No revolution can be complete until a new authority has replaced the one that is overthrown. The authority of the Republic, under the Constitution, replaced that of the British Empire in America. The 200th birthday of our nation will occur in 1989.

It is important to make this distinction, for among other reasons it greatly helps to distinguish the American Revolution as an entirely different phenomenon from the subsequent totalitarian movements passing under the same generic label. Our Republic was not established by *diktat* of a victorious military clique, but by the free and democratic consent of the governed through the ratification of the Constitution; and it was constructed upon the foundations, not the ashes, of proven principles and institutions. Alone among governments established by revolution, we had no need of a powerful and ubiquitous police force to "secure the revolution," because, also alone, our nation was founded in and for liberty. These simple, but profound, facts cannot be fully grasped or adequately appreciated unless and until it is comprehended that the inauguration of the Republic was the culmination and capstone of the American Revolution.

There is a little known fact of history which seems pertinent here. Despite considerable effort, beginning in 1777, to promote public celebration of July Fourth, the notion did not immediately appeal to the American people, nor was the Declaration of Independence universally venerated for some time after the fact. John Adams estimated that the war effort never gained the active support of more than one-third of the people. Indeed, separation from the Empire was not regarded as an unmixed blessing by even the best of patriots. Severe economic losses were sustained; families and friendships were strained and sundered; fantastic inflation was endemic; trade patterns were disrupted and credit imperiled; the new states engaged in ruthless competition with one another; taxes skyrocketed; government corruption flourished; America was militarily indefensible. It was small wonder that in the mid-1780s a movement for reunion with the Empire began to grow in more than one quarter. Venerating the document and celebrating the events which had brought on this chaos was not a wildly popular idea in America.

Then came 1787 and the "miracle at Philadelphia," the successful campaign for ratification in 1788, and the inauguration of Washington as first President in 1789. The "Critical Period" was behind them, and the

Americans responded as a new people, which indeed they were. Ebullient enthusiasm and unbounded confidence ensued; with amazing rapidity, the negatives were converted to positives. This was the time and the climate in which the Fourth of July became the great American holiday, and the message from the people of that time is very clear; the Constitution and the Republic had vindicated the Declaration and justified the war. The Revolution was over and it had all finally been worth it.

This was the American Revolution as de*scribed by the* first book ever written on the subject, David Ramsey's History of the American Revolution, published in 1789 and cited by the Oxford English Dictionary as the first known published use of the term. This was the Revolution as understood by Dr. Benjamin Rush, its prodigious contemporary chronicler, and by George Washington, who had some passing knowledge of the business. It is the American Revolution as understood by the best of our living historians, among them the justly famed Daniel Boorstin and Edmund Morgan. It is the only American Revolution which conservatives can confidently and actively commemorate, that great historical process in pursuit of liberty which had the Declaration of Independence as Annunciation and the Constitution as Nativity.

It is insulting to the memory of our founders to divorce the unity of their handiwork, for both the Declaration and the mind and action, each serving its own, but also a higher, purpose. The Declaration opened the way for the Constitution, but it did not make it inevitable; the latter transformed the former from an abstract ideological rationale for rebellion, essentially negative in its immediate context, into the first great step toward creating a nation. The Declaration enunciated principles; the Constitution made those principles a living reality for the American people and a polestar for all the world. The principles of the Declaration are immutable, because ordained by God; and the Constitution implicitly acknowledges this by providing for its own amendment, so that our political institutions may be periodically reviewed and realigned when necessary in the service of the principles which underlie and legitimize them. Without the Declaration, the Constitution would lack the moral authority which is its ultimate strength; without the Constitution, the Declaration would be meaningless rhetoric. It is simply absurd to consider commemorating the one and not the other.

In focusing on independence as the great achievement of the Revolution and the source of American greatness, we commit a grievous error, almost a crime against liberty, which is not the same. Political independence alone does not, and cannot, make a nation great or give it moral stature. Aside from the examples of history, we have seen enough evidence of this in our own time. Russia, for example, was independent before the settlement of America; Haiti has been independent for nearly as long; and what has mere independence from France brought to Vietnam, or from Britain to much of Africa? It is not the fact of independence, but the consequence of it, which must hold our attention and guide our judgments. It is, then, not simply as an independent nation that we must seek to appreciate the history of the United States subsequent to the Revolution, but as a nation fundamentally committed to certain principles of personal liberty and justice. It is against precisely such principles that we measure and judge the progress of our first two centuries. Recognizing and honoring various contributions to the development of our nation—economic, religious, ethnic, technological, scientific, or political—are most proper Bicentennial activities, but these will have little distinctively American meaning unless they be judged within the context of the ideals and principles of the American Revolution.

There cannot be a genuine commemoration of the American Revolution, then, until we have made progress in developing a general public understanding of these matters. Without it, we shall probably be reduced to the necessity of a somewhat giddy, generally irrelevant "celebration" of everything in general and nothing in particular. Such an affair must result in proclaiming, among other things undesirable, to the world at large, a massive popular American ignorance concerning the origins and principles of their own nation. It will also serve to sustain the fortunes of liberalism whose deepest roots are nourished by this same ignorance.

Closely related to the shallow concept of the American Revolution has been the prevailing shallow concept of commemoration, which is simply, in effect, festive celebration. *Commemoration* is no more synonymous with *celebration,* than is *liberty* with *independence;* in both cases, the latter is embraced by, and should subserve, the former. Failure to recognize and act upon this critical distinction was another characteristic of the ARBC, and it has had serious consequences. It should have been obvious that a concept so superficial and out of phase with the prevailing mood and demonstrable needs of the nation could not capture the imagination and support of the American people. That our people in the main remain apathetic and even hostile to the Bicentennial as it has been proposed, we should take as an excellent indication that Americans have not yet taken leave of their sense of propriety and value. It has not been lack of patriotism which has caused so many to remain aloof and uninvolved in Bicentennial planning; rather it has been the manifestation of a love of country too profound to be adequately expressed by anything reflecting less than the best which is in us. Bicentennial planning to date has placed an enormously disproportionate emphasis on things to be done *for,* or *to,* people, and far too little on things to be done *by* them. Regardless of the intrinsic merit of such projects, in this respect they offer little opportunity for personal contribution and satisfaction of achievement. They may invoke gratitude and appreciation, but they fail to provide palpable means to give substantive expression to that which they evoke. Commemorating the Bicentennial, in its fullest sense, would remedy this defect.

Several years ago it was reasonably anticipated that the bulk of Bicentennial support, financial and otherwise, would come from the private sector, and especially from our major philanthropically disposed foundations and corporations. It has been disappointing to many people that such support has not been forthcoming, except in token degree. Again, I think we should take this as a healthy sign. It means that this sector, particularly business corporations, has no intention of exploiting the Bicentennial for self-serving reasons, and that it will not support programs which are manifestly not in the best long term interests of the nation, regardless of how popular they might otherwise be with irresponsible elements of the people. This should serve to confirm that our business and industrial leaders, who also constitute the boards of major foundations, place the welfare of the country and their own responsibilities as citizens above whatever advantages might be gained with a display of "good fella" imagery.

It is unthinkable that either the American people at large or the business, industrial, and foundation sectors care nothing for the national heritage or future, and that their attitude toward the Bicentennial reflects this. What the attitude reflects, it seems most likely, is a strong desire for a commemorative period and concept that will most profoundly express our deepest feelings about our country and will make powerful and tangible contributions to its vigor for years to come. What is being rejected as unsatisfactory is ritual and symbolism which patently cannot get the job done. What I suspect we are witnessing is an inchoate struggle within the American conscience to find some means of articulating and activating a quite ancient, and fully satisfying, concept of commemorating historic events. American conservatives stand in a most advantageous position to offer the kind of leadership which is required, precisely because we are on our own ground with venerable, proven institutions.

As a social institution, extending back at least to the time of the ancient Greeks, and likely further, the commemoration of historic events traditionally involved much more than feasting and merrymaking. These aspects, in fact, were manifestations of a successful commemoration, not the substance itself. Commemorations were instituted to invoke the memories of the past, particularly of acts of salvation or deliverance from evil, and by evoking gratitude for the acts, to inspire a people to emulate those deeds in the conduct of their own lives. Though it drew on the inspiration of the past, a pristine commemoration was a program for action in the present and for the future. In this sense, one could almost consider the American Revolution as a kind of commemoration, for it was under the inspiration of their forebears and for the benefit of their posterity, as much as for themselves, that the patriots did as they did.

So considered, a commemoration has the capability of lending strong support to social stability and progress by facilitating that continuity of effort and achievement through successive generations which prevents each from becoming, as Edmund Burke put it, "like the flies of a summer." A commemoration can reinforce the concept of society as a contract between the living, the dead, and those yet to be born. It can function as a recurrent mechanism to keep fresh and vigorous the ultimate purposes of a nation; to provide periodic stimulation in pursuit of its permanent ideals and principles; to maintain the vitality of its institutional structure which sustains and nourishes its spiritual and material prosperity. Commemorations conduce to the recognition and acceptance that we are not simply beneficiaries of a legacy, but also trustees of an indefinitely continuing society and nation.

By way of illustrating the potential of commemoration as so conceived, consider the two ancient and continuing commemorations of the Western world, the Passover and the Eucharist. They are by no means totally somber affairs, but, in fact, manifest the greatest joy as essential ingredients. What would the history of the world have been without them? What has it been because of them? Some may consider them simple ritual and symbol, but they go far beyond that. They recall our debts to God, and they inspire our gratitude, both personal and collective; but they also demand payment of those debts in the currency of living our lives according to God's ordinances. Neither actually tolerates mere lip service, nor could they have survived these many centuries had they done so. They are most excellent models by which we may consider how we may appropriately and satisfactorily commemorate the great experience of salvation and deliverance which was the American Revolution.

Commemoration, fully comprehended, is a dynamic process by which we undertake to renew our personal and collective lives in accordance with ideals and principles identified with the object of the commemoration. If we can conceive of commemorating the American Revolution in such a manner, we immediately enter the realm of practical and necessary reforms, the need for which confronts us on every side. The ultimate object of such a commemoration would be nothing less than an American renaissance in every aspect of our society. Conservatives above all know that we neither need, nor can we tolerate, any revolutions; we are also aware, more than others, that we do need a genuine renewal of our national life, spiritual and material. We know, too, that the responsibility lies upon us to insure that America's posterity receives the heritage that has so benefitted us, at least intact, and preferably enhanced. Finally we are becoming increasingly aware that we cannot meet this responsibility by wishful thinking and dreaming of the past, by polemical attacks on radicals, and by reactionary stopgap measures against the steady erosion of liberalism.

What is required of us is nothing less, and likely a good deal more, than was required of those whose deeds are to be recalled by the Bicentennial. To paraphrase Patrick Henry, who drew for his compatriots the analogy between Charles I and George III, conservatives today might well say that the Americans of the eighteenth century had their Revolution, and we of the twentieth have our Bicentennial. The challenges, and the opportunities to write great history with our lives, are essentially the same.

The Bicentennial opportunity focuses sharply on the major problem of American conservatism today and offers a blueprint for its resolution in our favor. Americans are not a negative or passive people, and they have no traditional fondness for the status quo. Poker is our game, and one does not win at poker by checking his bets while he waits for luck which may never come. We ponder the paradox of a conservative nation under the spell of liberal leadership. The answer is that the liberals, however misguided, have simply *outled* the conservatives. They have the image of progressiveness, while we have permitted ourselves to be cast as curmudgeons, rooted in our tracks. Americans do not really love liberals, nor do they trust them, but they love and trust even less what has been called the "conservatism of possession," a mean-spirited, uncompassionate regard for one's fellows. Conservatives may never again be afforded as great an opportunity to disavow, by their deeds as well as their words, this image as that presented by the Bicentenary of the American Revolution. There is at present no national leadership of the Bicentenary. Upon whom that leadership finally settles is still ours to determine, and upon our consciences and the lives of our posterity will rest the consequences.

THE PLIGHT OF THE POOR STOCKBROKER

Mr. HARTKE. Mr. President, I read with dismay the newspaper account of Mr. Alan Greenspan's remarks to representatives of the elderly, the poor, minority groups and consumer groups last Thursday.

Is it possible, Mr. President, that the administration's chief economic spokesman really believes that stockbrokers are suffering more from the present economic crisis than the poor and the elderly? Can anyone be that insensitive? I realize that Mr. Greenspan's point was that, as an industry, equity dealers have been hit harder by the inflation than other businesses. But, Mr. Greenspan went on to say:

> To single out groups who are suffering is wrong. Everyone is suffering. We all suffer.

Apparently, Mr. Greenspan is oblivious to the distinction between relative and absolute privation. The idea that since everyone's purchasing power is dropping at the same rate because of rising prices, we are all suffering equally is pure and simple nonsense. A stockbroker scaling down his standard of living is hardly comparable to the plight of an elderly couple living on an already inadequate social security check. For the broker, it may mean dropping his membership at the country club or moonlighting as a bartender in the evenings. For the elderly couple on a fixed income, unbridled inflation means going without essentials: sufficient and nutritionally adequate food, heating fuel, and even winter clothes. What should have been their leisurely sunset years are being transformed into an economic nightmare. To others already on tight budgets, escalating prices mean similar privation.

Mr. Greenspan, after all, is chairman of the Council of Economic Advisers and his words, for better or worse, carry the force and effect of administration policy.

It is my fervent hope, Mr. President, that in the future the administration will use better taste and judgment in constructing its remarks. I hope the President's advisers will temper their words with more understanding for the human dimensions of the current crisis. More importantly, I hope they will formulate their anti-inflation policies with those same considerations in mind.

WHAT ROLE FOR THE CIA?

Mr. PROXMIRE. Mr. President, the events of recent weeks have refocused attention on the role of intelligence agencies in a democratic society.

Much has been said and written about the Central Intelligence Agency. A great deal of it has been erroneous information. This is due to many causes—the secrecy behind which the CIA operates, the lack of true oversight by Congress, the feeling that there are matters about which we should not ask.

In the last 10 years over 150 bills have been introduced in the Congress to amend the manner in which the oversight process works. In no case have the oversight committees reported out one of these bills. Thus it is with some suspicion that committee assertions of willingness to make changes must now be judged.

Nonetheless, events often force solutions and the revelation of the CIA activities in Chile makes it possible to consider real changes in the way Congress considers the intelligence community.

I hope that the CIA oversight committees will move quickly to have hearings on the bills recently introduced and in particular on the CIA domestic activities prohibition bill that I introduced on the military procurement authorization bill. That amendment was accepted by the Senate but dropped in conference by the House with the proviso that separate bills would be introduced and hearings held in both Houses. The House of Representatives has held to this informal agreement but the Senate has yet to hold hearings.

The most pressing legislation should be to curtail CIA activities at home. Then we can move to CIA operations overseas.

A number of points should be made clear about CIA operations abroad. First, all concerned must make the distinction between intelligence gathering that does not disturb the source of the information and covert action programs that are designed to influence a given target.

The former, intelligence gathering, is not only necessary to national defense but the most important element of our early warning posture.

The latter has become an ineffective and politically damaging tool. Too many CIA covert action operations have backfired. Too few have produced measurable results. It is time that these covert action operations be placed in limbo and perhaps not used again.

We must be careful, however, to distinguish between that which is of value and that which does damage. And it must also be remembered that the major covert action programs carried out by the CIA have been approved or initiated by the 40 Committee and that this select committee is directly accountable to the President. Since this is the case, we have been missing the mark when it comes to placing responsibility for covert action failures.

It is the President that must be held accountable. That is not to take responsibility away from the Congress which has performed its oversight function in a very piecemeal manner, but in recognition that the last five Presidents have used the CIA and 40 Committee as a foreign policy tool. To get at the root of the problem we must recognize that as long as any President believes in conducting foreign policy by covert means, then the CIA will respond.

We need not endlessly debate the moral issues involved in covert action programs. Some will say it is a brutal world and the United States must be able to respond in kind. Other will argue that the United States should reflect its domestic political system in its international relations and not conduct intervention type operations.

The real test is one of compelling need and effectiveness. Where there is no compelling need, such operations should not be undertaken. If they can be accomplished by diplomatic means, no matter how much more difficult, that should be attempted first.

Only in time of direct threat to our national security should intervention or covert action programs be undertaken and even then the danger should be clear and compelling.

Mr. President, I ask unanimous consent that the September 22, 1974, Washington Post editorial and editorial page statement by Congressman MICHAEL J. HARRINGTON be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 22, 1974]

THE CIA: SECURITY AND OVERSIGHT

Q. Mr. President, recent congressional testimony has indicated that the CIA, under the direction of a committee headed by Dr. Kis-

singer, attempted to destabilize the government of Chile under former President Allende. Is it the policy of your administration to attempt to destabilize the governments of other democracies?

A. . . . Our government, like other governments, does take certain actions in the intelligence field to help implement foreign policy and to protect national security. I am informed reliably that Communist nations spend vastly more money than we do for the same kind of purposes. . . .

In a period of time three or four years ago there was an effort being made by the Allende government to destroy opposition news media—both the writing press as well as the electronic press—and to destroy opposition political parties. And the effort that was made in this case was to help and assist the preservation of opposition newspapers and electronic media and to preserve opposition political parties. I think this is in the best interests of the people in Chile and certainly in our best interest . . .

Thus, President Ford put on the public record, apparently for the first time, a presidential acknowledgement of American complicity in the overthrow of a foreign government. The President claimed that the United States had no role in "the coup itself," which is double-talk, if not actually duplicitous, in light of the American support given to the late President Allende's opponents in the months and years leading up to the coup. His assertion that the Allende government was trying to "destroy" opposition news media and political parties may be true. But it hardly serves as an argument in favor of what the CIA did when you consider that neither the political opposition nor the media were in fact silenced by Allende but have been in fact wiped out by the American-backed military government that ousted him. By his acknowledgement of CIA complicity in Chile, however, and by his general defense of subversion as a continuing instrument of 'foreign policy" and "national security," President Ford has joined a major and overdue debate.

Is subversion a necessary element in American foreign policy? This is the right question. The example of Chile provides powerful reasons for saying No. There, in response to what must be considered at best fuzzy anxieties about the leftist proclivities of the Allende government, the United States, however marginally, helped topple a democracy and install a dictatorship. To say, with Mr. Ford, that this was "in the best interest of the people in Chile," is mindless and arrogant. Before the President got around to acknowledging a CIA role, moreover, the agency's machinations had involved American officials in a sorry sequence of lies and deceptions in their dealings with inquiring legislators on Capitol Hill. The mocking of American values and institutions is a very large price to pay for a policy whose benefits in real political terms are very difficult to perceive, let alone to defend.

In short, the Chilean example proves as well as any the point of those who contend that the conduct of "dirty tricks" can be corrupting and harmful to the vital interests of the United States. Does this mean, however, that we should never resort to any kind of covert subversive activity in pursuit of American foreign policy objectives under any circumstances? The answer is not that subversion is necessary because, as Mr. Ford put it, "other governments" do it—although this is not an irrelevant consideration. If you accept as a fact, and we do, that the United States has world interests that are threatened by extensive covert activities conducted by a self-proclaimed adversary, the Soviet Union, then it does seem to us there may be circumstances when these interests, both strategic and economic, can be most effectively served by methods which, in the words of CIA Director William Colby, offer an alternative "between a diplomatic protest and sending in the Marines." If this country did not have such interests, or if it were willing to accept the consequences of having others make the crucial determiniations on them, that would be one thing. But that is not the case.

Suppose, just to take one hypothetical example, that the oil policies of Upper Araby, or whatever, had brought the United States to the brink of a disastrous economic collapse. We are not so sure that in a life-and-death matter of this sort American devotion to nonintervention and the diplomatic niceties should be so absolute as to preclude taking extreme and necessarily covert measures to protect vital American interests.

Precisely here is where we must take issue with Rep. Michael Harrington (D-Mass.), whose article is printed on this page today, and with others who believe that the answer to this question lies in expanding congressional "oversight" over the CIA. This stands the issue on its head. If you are to conduct a foreign policy leaving open the option of covert operations, then you cannot avoid doing a certain damage—variously estimated—to the domestic process. To conduct prior public review of secret acts is simply impossible. Nor is it possible to conduct public post mortems on covert operations once they are held. The attempt to apply regular democratic procedures to dirty tricks can only product the evasions, deceptions and embarrassments which we have seen in full measure in recent days.

No doubt it is feasible to improve oversight so as to better insure that operations are undertaken only in the most extreme cases and in the wisest possible ways. But as long as Congress condones a foreign policy served by secret deeds and delegates the oversight of these operations to a handful of members, it cannot groan when one goes sour and work off its chagrin in extremely damaging public examination of secret and sensitive operations, no matter how misguided these operations may have been or how badly they may have misfired. The solution for mistakes of this sort is not to be found in high-minded appeals for more intensive "oversight," for the current mode of oversight does not reflect congressional inattention. On the contrary, it derives from a considered—if publicly unacknowledged—judgment that there is no democratic way for a democracy to manage covert activities. No effort to improve oversight can ignore this fact of life.

[From the Washington Post, Sept. 22, 1974]

Democracy and Secret Operations

(By Michael J. Harrington)

We are not going to run the kind of intelligence service that other countries run. We are going to run one in the American society and the American Constitutional structure.—CIA Director William Colby, July 2, 1973.

Less than two months after Mr. Colby made that pledge to the senators who were to confirm his nomination as director of the Central Intelligence Agency, he, along with the other members of a secret committee chaired by Secretary of State Henry Kissinger, authorized the expenditure of $1 million to help destabilize the duly elected government of Chilean President Salvador Allende. The actual expenditure was made unnecessary by the violent military overthrow, less than a month later, of the Allende government. But even though no U.S. assistance was provided for the specific purpose of the coup, funding over $8,000,000 had been secretly authorized by the United States since 1969 to help ensure that result.

The question rather starkly posed by the revelation of secret and deep involvement of the United States in efforts to bring down the Allende government comes to this: What type of international behavior is consistent with the principles of a democratic society, and what are its leaders' obligations to keep its citizens informed. Secret CIA operations abroad, if they are to remain covert, presumably cannot be publicly announced. But at what price—measured in the loss of integrity of our democratic process and its officials—do we preserve that secrecy? And to what end do we exercise our power covertly? These are the issues that must be explored in the context of the current furor over our current Chile policy and not brushed aside by sweeping references to "national security" and the "national interest."

Taking the Chilean intervention on its own terms, it surely must be seen as an utter failure. President Ford argues that we acted to help preserve the free media and opposition political parties in Chile. Such an analysis does not even begin to explain why $3,000,000 was authorized to defeat Allende six years before he became President. Setting aside for the moment that question, as well as how $350,000 in bribes to members of the Chilean Congress to reverse the results of a popular election could fulfill those goals, let us see what the United States received for its investment. A military junta now rules Chile for the foreseeable future under a "state of seige" declaration, which has resulted in suspension of all political parties, the usurpation of the power of the civilian courts, and the censorship of all news media. The response of the Nixon administration, which authorized the initial anti-Allende expenditures, was to request a $65,000,000 increase in military and economic aid for the new government.

This is not to argue that our policies in Chile would have been justified if they had succeeded. Rather, the facts indicate that our real motive lay elsewhere. Perhaps, as Mr. Kissinger was reliably reported to have said at the time, "I don't see why we need stand by and watch a country go Communist due to the irresponsibility of its own people."

Rightly or wrongly it seems evident that former President Nixon and Mr. Kissinger ordered covert action against the Allende government because they feared Chile would "go Communist." In light of that administration's opening of relations with China and search for detente with the Soviet Union, such a policy goal is clearly anomalous. In Chile during the 1970s, we were pursuing already discredited dogmas of the 1950s and 1960s.

Our real concern now ought to be why this happened. The answer will not be found in a runaway band of cloak and dagger sleuths on the CIA payroll who got out of control in Chile. President Ford himself stressed that the decisions on Chile were made in the White House, in meetings with senior representatives of the CIA, the State Department, the Defense Department, the Joint Chiefs of Staff, and chaired by the President's national security adviser. All decisions by this body, known as the 40 Committee, must be approved by the President before implementation, a State Department spokesman recently observed.

During the course of its deliberations on Chile, the resolve of this body to intervene in Chile was apparently unmoved by some of the more tumultuous domestic political events of this century: a Senate committee publicly investigated the role of the CIA and the International Telephone and Telegraph Company in attempts to prevent the election of Allende in 1970 amid a national outcry over the impropriety of such plan; the investigation by the Senate Watergate Committee of illegal use of the CIA in the Watergate affair and related activities of the "plumbers"; strong congressional and public criticism of a secret policy to bomb the Cambodian people while the President was proclaiming our "neutrality" in that conflict. Perhaps, in the haughty atmosphere of the Nixon White House, the message never got through. But it is now time to make exclusive the obvious implication of these events: The American people will no longer stand for secret U.S. interference in the affairs of other nations nor the official lies and deceptions that invariably accompany those policies. We must end the CIA coverup, just as we pierced the secrecy of the Watergate coverup, and remind those involved that such activities are at odds with the fundamental premises on which this nation's government was based.

In an era in which our avowed aim is to seek reconciliation and cooperation with other nations, regardless of their ideology, no useful purpose can be served by perpetuating a policy of covert intrusion in the internal affairs of others. Secret decisions to influence foreign elections, financially support foreign candidates or political parties, provide arms to local political groups, or disrupt foreign governments will easily undermine the well-intentioned public efforts of this country to further world peace.

Just as significantly the values of our domestic political structure are being severely challenged by the continuation of covert operations abroad. The system of CIA secrecy forces officials to mislead the Congress and the American people. The system prevents any effective review of important foreign policy decisions by anyone outside of a select club of covert decision-makers—and overly deferential legislators. The system invariably involves American power on the side of political corruption, international instability and interference with the principles of self-determination. We can no longer measure our conduct by that of our supposed rivals but by the standards we have set for ourselves as a nation. When covert activities abroad result in a serious threat to those standards—as they have in the case of our Chile policy—then the policy of covert activities must yield. I seriously question how long we can maintain a free society under the pressure that CIA covert operations exert on the principles of democracy in government truthfulness essential to such a society. CIA Director Colby himself recognized the need to operate his agency within the limits imposed by our constitutional structure. It is time once again to bring the governmental power of this nation within those limits.

The role of the CIA in foreign policy, as authorized by the highest officials of the executive branch, must be fully and openly reexamined. The fiction that Congress exercises any real control and scrutiny over CIA activities must be dispelled and the existing mechanisms replaced by an effective congressional review structure, consistent with the democratic process. The arbitrary exclusion of CIA oversight from the normal foreign policy deliberations in Congress must be ended. More fundamentally, the future directions of intelligence policy must be wrested from the exclusive and secret control of special interests in both the executive branch and in Congress and forced to face the more demanding test of free and open debate that our system of government requires.

LABOR AND INFLATION

Mr. FANNIN. Mr. President, to control inflation Congress must put the Federal budget in a surplus position and encourage the Federal Reserve to gradually reduce the growth rate of money supply. Prof. Allan Meltzer in a recent article in Fortune stated that:

> We do know that no inflation has been ended without reduction in the growth rate of money, and I don't believe we will keep the growth rate of money down if we continue to run deficits.

Mr. President, in the face of these hard facts, there is an incredible attempt being made in some quarters to rationalize continued Federal deficit spending. We are being urged not to cut the budget because there is a fear of causing unemployment. We are told that a tough wage-price policy, a vastly expanded public service job program, and a forced reduction of interest rates will cure the ravages of inflation.

These suggestions are coming from the same quarter which provided the economic philosophy which brought America its current inflationary dilemma. It appears that they have severely confused cause and cure.

Mr. President, in addition to those experts looking for justification for continued deficit spending, we are hearing similar advice from the leaders of organized labor. These self-proclaimed economic experts have recommended a program which could lead only to further inflation and harm the very workers the union leaders allegedly attempt to represent.

Mr. President, an excellent editorial in the Wall Street Journal this week commented on the ill-advised recommendations of the unions. I ask unanimous that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LABOR AND INFLATION

In organized labor's turn during President Ford's series of mini-summits on inflation, we observed some encouraging signs, some perplexing comments and a smorgasbord of impossible schemes. In some ways, the labor leaders did better than the economists, some of whom still have a yearning to try wage and price controls with a vengeance. The labor chiefs stuck their hands in that fire once and are naturally suspicious of those who still insist that it theoretically should feel good.

But they don't like the "old-time religion" of demand restraint either; while they know it at least works, it hurts too. So they began by arguing, incredibly, that the current inflation has nothing to do with demand. "Today's inflation," said George Meany, "is not caused by excessive demand, which is the classic reason for inflation—too many dollars chasing too few goods. Hence, we believe that budget cuts, high interest rates and tight money, which might be appropriate weapons against excessive demand inflation, simply will not work on today's inflation."

Just as a rose is a rose is a rose, inflation is too many dollars chasing too few goods is inflation. Inflation can only be controlled by decreasing the supply of dollars or by increasing the supply of goods. If labor could only figure out how to increase the supply of goods without at the same time increasing the supply of dollars, it will have found a more pleasant way to beat inflation. But the ideas they came up with at the mini-summit do not even come close to seriously dealing with the problem.

One popular idea is to bring interest rates down. The labor chiefs don't say how. Presumably they believe that if the Fed increased the supply of dollars interest rates would fall. But if there are more dollars chasing too few goods, the dollars would be worth less. Those who lend them will demand even higher interest rates to maintain purchasing power when the dollars are paid back. This, of course, is partly how we got to the high interest rates we now experience.

If labor believes interest rates could be halved by decree or an act of Congress it doesn't understand that it wouldn't be putting its hand into a fire, it would be leaping into an inferno. There would be no incentive to save dollars or to lend them, only a mad rush to use them for immediate consumption. The inflation would be catastrophic.

The other popular labor solution is credit controls. Keep the supply of dollars constant, but by law or decree channel available credit to those segments of the economy that "need it most," i.e. housing and other areas where labor is in surplus. This is the solution organized labor has forced on the government of Italy, which is a key reason why the Italian economy is in such wonderful shape. The proposal has its adherents in the U.S. Congress, as evidenced by two letters we print on the page opposite.

The other ideas kicked around by labor are old standbys, but no less destructive. They would strangle the U.S. multinational corporations and slap an excess-profits tax on big business. At least nobody proposed boosting taxes on all the folks who are making a killing on the stock market these days. Still, it remains a mystery why labor thinks its position improves when business is forced to turn a greater share of revenues over to the government.

The only possible explanation is that for 40 years labor has been mesmerized with the demand side of the law of supply and demand. It has been almost a religious belief that it only demand can be fueled, supply will take care of itself. It thereby follows that the government should take dollars from those who have them but are merely investing them, not consuming them, and give those dollars to those who will consume them. Because the supply side is nourished by investment, not consumption, there's a limit to the transferring of dollars that can take place before too many dollars are chasing too few goods.

While Mr. Meany errs in saying the current inflation "is not caused by excessive demand," he may at least have begun to perceive that there is another side to the law of supply and demand, one that has to be nourished. If labor and management could spend the next 40 years, even four years, on ways and means to fuel supply instead of demand we wouldn't have too many dollars chasing too few goods. We wouldn't have surplus labor either.

THE NATIONAL INSTITUTES OF HEALTH

Mr. BAYH. Mr. President, some of the talk in the Senate about inflation and cutting the budget is going in the wrong direction. If carried through to action it will cause this country difficulty.

I think inflation is the No. 1 problem at the moment and I think the budget should be cut in many ways. A number of these cuts I have identified and have moved in this Chamber to achieve. It has been gratify to me to see some of these cuts enacted into law.

In our eagerness to make progress in reducing the budget, however, we must make cuts only with extreme care, because high levels of productivity require a healthy people and we do not want to make cuts which threaten the people's health.

How we deal with Federal spending and taxation in the midst of this crisis will require much study and debate and I am encouraged by the President's adoption of our suggestion for an economic summit on the immediate hearings on fiscal policy in the new Budget Committee.

Even before the economic situation can be fully assayed and all policy decisions considered it is absolutely clear that the Congress must express in unmistakable actions that it intends to move against inflation vigorously and effectively. The strong expression of this intent, itself, should help business and finance to regain some of their lost stability.

That was the thinking behind the move, joined by an overwhelming majority of my colleagues on June 17, when we voted for an amendment to cut $9.5 billion from the administration's proposed spending for fiscal 1975.

I said on June 24 that one need not comb through the fiscal year 1975 budget to recognize that there is much room to reduced Federal spending. I cited an extensive foreign aid program a starting point, including substantial military aid to Indochina, a record peacetime military budget, and our success in cutting the budget last year as solid evidence that we can achieve the $9.5 billion reduction.

Even before that, conferees on the fiscal year 1974 second supplemental appropriations bill agreed to my amendment to cut $1.2 billion surplus welfare appropriations.

It is precisely because I have contributed to the savings which many of us in this Chamber are seeking that I have felt justified in proposing some modest increases in the important area of biomedical research.

In no way will my proposals for increases match or cancel out the effect of the reductions already enacted by the Senate, not to mention the reductions I will continue to assist in achieving.

The increases I have supported are designed to boost the common good and at the same time, and this is important, fight inflation. For instance in the second supplemental we boosted spending on public service employment and on tornado disaster relief by modest amounts, much less than what we saved on the welfare item. The public service employment funds are now being used by the President and will increase our gross national product and at the same time save several thousands of families from going on welfare. The disaster relief will help return families to normal lives and shorten the time during which special living arrangements and extra costs will be incurred. Both of these expenditures promise direct productivity benefits.

I would like to explore in some detail the productivity benefits that we can expect if we maintain the momentum of our country's biomedical research programs.

Mr. President, the largest portion of this Nation's biomedical research is administered by the National Institutes of Health. In 1938 only one of the institutes which today make up the National Institutes of Health was in existence.

It spent $400,000 that year. By the end of World War II, NIH was spending $3 million per year. Since then the original Institute, for cancer research, has been joined by others for heart and lung, allergy, and several different disease areas.

In fiscal 1974 these Institutes spent or made awards for others to spend a total of $1.8 billion. But if one wanted to tally the largest possible figure for Federal support of biomedical research and closely allied programs, the fiscal 1974 total would be $2.7 billion. This would include mental health and regional medical programs. Sometimes these programs have been part of the NIH administrative structure, sometimes not.

In the same sort of calculation, that is adding in the dollars from those programs which from time to time have been administered by NIH, the grand total of Federal biomedical research spending since World War II would be about $25 billion.

That might seem like a great deal of money to spend on science. But a university-based economist has produced a study which reveals that at least six times that amount of dollars has been returned to the country as a result of the $25 billion expenditure.

The National Health Education Committee of New York City recently asked Dr. Owen McCrory of the University of Michigan to superimpose on basic economic trends the effect of biomedical advances between the years 1944 and 1970. The committee supplied official Government data on the decline in deaths in a number of the leading causes in the United States.

This combination of demographic, economic, and vital statistical data showed that 9,786,573 lives were saved in those years by medical research advances which reached the bedside. Of those, 3,292,326 were still alive and earning income in 1970. The average distribution of income for their estimated ages and groups indicates that the surviving earners drew down $156 billion in income during the 26-year period, 1944 to 1970.

Further calculation, the committee reports, shows that four-fifths of the cost of biomedical research during those years was returned to the Federal Government in the form of income and excise taxes. The exact figure calculated by Dr. McCrory was $19.7 billion, which does not include Federal taxes other than income and excise, nor does it include State or local taxes.

In 1970, alone, the earners who were still alive as a result of death rate declines stemming from specific biomedical advances paid $1.1 billion more to the Federal Government in income and excise taxes than was appropriated for the entire operations of the National Institutes of Health.

Benefits were produced in the field of polio, influenza, tuberculosis, syphilis, appendicitis, anemias, dysentery, acute rheumatic fever, hypertensive heart disease, acute nephritis, whooping cough, and measles. These diseases were eliminated or reduced by new drugs and vaccines.

Another organization, the Committee on the Impact of Biomedical Research of Washington, D.C., has made separate calculations on savings achieved in a number of these disease areas.

That committee calculated that savings in the cost of hospitalization of tuberculosis patients alone, savings made possible by the introduction in the middle 1950's of streptomycin, totaled $3.8 billion by 1969. If the savings achieved by the maintenance of earning power by many of these patients, are also calculated, the total grows to $5 billion. During these same years, 1954 to 1969, the main agency involved in supporting the scientists responsible for identifying the efficacy of streptomycin, got less than one-sixth of the $5 billion in the form of appropriations for all of its work, that its work on streptomycin and all of the other research it supported. The agency was NIH's National Institute of Allergy and Infectious Diseases.

The estimate of these savings is extremely conservative. For instance, the TB patients were assumed capable of earning but $4,000 per year. Hospital savings were based on daily hospital rates for TB patients of $15 in 1954, certainly a low figure, and $38 in 1969.

The committee also notes that a 3-year study by the Albert Einstein College indicates that the average daily cost for home care of TB patients with current drugs is $11.55. If the patients had to go to the N.Y. Municipal Hospital of Tuberculosis the cost would run $97 per day—1972 rates—and the hospitalized patient would not be as healthy as the outpatient.

Mr. President, we never thought of mother/child blood incompatibility as a major disease in this country because it was not long after medical science discovered the difficulty before it produced a remedy.

The blood incompatibility produces "blue babies." This, too, was a disease researched by immunologists, many of whom were supported by the National Institute of Allergy and Infectious Diseases.

The standard biological product on the market for this disease eliminates about 7,500 cases annually, about 6 percent of which evidenced some brain dysfunction in the days when the modern treatment was not available. These 6 percent required approximately $11 million in institutional costs during their first 18 years of life.

One way this disease was handled before the new treatment was by deliberate early delivery, usually at 34 weeks of pregnancy. The tragic result of these births where premature delivery was induced to save life was that over 10 percent of the infants had IQ's of less than 70 which was twice the subnormal rate experienced in full-term births. The loss of productivity, when they reach working age, was enormous until the remedy for the disease was found by research.

The Committee on the Impact of Biomedical Research looked up the records on retrolental fibroplasia, a form of blindness caused by oxygen treatment of newborns with breathing difficulties.

The Johns Hopkins University professor who did the basic work on this disease spent $37,000 in the 4 years his research required. During the same time NIH's total investment in this study was $750,000. Possibly Prof. A. Patz' explanation of retrolental fibroplasia would have taken another 4 years if NIH had not made its $750,000 investment. During those 4 years there would have been 3,000 to 4,000 more fibroplasia cases. Attributing to these infants the life survival rates one expects in the United States, and calculating the earnings loss avoided by prevention of blindness during their work careers at only $4,000 per year, then NIH's investment produced $25,000 for each $1 investment in this research.

Mr. President, these are just a few of the monetary savings achieved by NIH research in recent years. A number of others are mentioned in the March 1972 Journal of Laboratory and Clinical Medicine in an artice by University of California Professor of Medicine H. H. Fundeberg.

The Senate has now acted on the fiscal 1975 Labor/HEW appropriations bill. The Office of Management and Budget conferred with the Appropriations Committee before final action with OMB Director Roy Ash insisting that the biomedical research budget, among others, should be cut. I am happy to say that the Appropriations Committee resisted Mr. Ash's policy and the full amount for NIH appropriated by the Labor/HEW Appropriations Subcommittee was sustained by full committee action.

This is important. It is important to life. It is important to disease-free enjoyment of life. But for those who look to the dollar first as their guide I say that cutbacks in biomedical research are damaging, hurtful, inflationary, wasteful and those cutbacks can only be written in red ink signifying business failure. Apart from any human consideration, the dollar judgment just does not call for reduction in biomedical research.

Mr. President, you cannot fight inflation by cutting productivity. And you cannot maintain productivity if you waste money on unnecessary disease.

FAILURE TO RATIFY THE GENOCIDE CONVENTION IS AN INTERNATIONAL EMBARRASSMENT

Mr. PROXMIRE. Mr. President, President Harry Truman first submitted the Genocide Convention to the Senate for ratification 25 years ago. Since then, it has been endorsed by countless religious and civic organizations, reaffirmed by numerous administrations and ratified by more than 70 nations, including most of our NATO and SEATO allies. But in all this time, the Senate has refused to act on the treaty. This inaction is inexplicable to our allies and a constant embarrassment to our diplomats. When America has sought to work for peace and justice in the world, our critics have never hesitated to charge us with hypocrisy. How can we proclaim the rule of law and various humanitarian principles when we refuse even to ratify the Genocide Convention, they ask us. Indeed, how can we?

This deplorable situation was discussed in a September 1972 article by William Korey, director of the B'nai B'rith U.N. office entitled "On Banning Genocide: We Should Have Been First." Mr. Korey states:

> The United States found it difficult, if not impossible, to champion any human-rights project at the U.N. The Soviet Union, usually on the defensive when the issue of more effective implementation machinery concerning human rights was proposed at the U.N., could and would charge the U.S. with hypocrisy. In January 1964, for example, when the U.S. member of the Subcommission on Prevention of Discrimination, Morris Abram, advocated "forceful measures of implementation" in dealing with racial and ethnic discrimination, his Soviet colleague had but to remind the body that the U.S. was not even a contracting party to the genocide convention. The embarrassed American responded, with an obvious air of discomfort, that he could only "regret, of course, that my country has not ratified the convention on genocide."
>
> Two years later, Abram, while serving on the U.N. Commission on Human Rights, vigorously endorsed a Costa Rican proposal that would have marked a significant breakthrough in the area of international human-rights enforcement. The proposal involved the creation of an independent office, the high commissioner for human rights, who would function as a kind of international ombudsman. The Soviet Union's response was devastating. Its representative pointed out that in view of the fact that Americans "resolutely refused to accept legal obligations" through ratification of human-rights treaties, it was "almost indecent" and certainly "hypocritical" for the U.S. to advocate the establishment of special human-rights institutions in the international field. Shortly afterwards, *Pravda* (April 24, 1966) drove the point home, adding a special nuance for public consumption. It was "no accident," the Communist Party organ commented, that the U.S. has not ratified the genocide convention since "racial and national oppression is still very widespread in the United States of America."

Former Justice Arthur J. Goldberg once said in testimony before a subcommittee of the Foreign Relations Committee:

> When I was United States ambassador to the United Nations, I was often asked to explain our failure to ratify the genocide convention. Frankly, I never found a convincing answer. I doubt that anyone can.

Mr. President, failure to ratify the Genocide Convention hinders our diplomatic effort and is a source of constant embarrassment. The world wonders why we have not acted, and the answer can only be that there is no good reason. I call on the Senate to ratify the Convention without further delay.

FEDERAL CIVILIAN EMPLOYEES INCREASE 20,222 IN 1 MONTH

Mr. HELMS. Mr. President, I have at hand the latest available figures relating to Federal civilian employment, and I am frank to say that I see nothing encouraging in the picture—from the standpoint of the American taxpayer who foots the bill to pay the salaries of Federal employees.

These figures disclose that as of August 1, 1974, there were 2,924,047 Federal civilian employees. As of July 1, 1974, the total was 2,893,825. Therefore, Mr. President, it is obvious that in just 1 month's time, the Federal Government added 30,222 civilian employees to the payroll.

I trust that when figures for later months in 1974 become available, we will see a reverse of this upward spiral. If not, the taxpayer will not have a chance.

While we are at it, Mr. President, it is instructive to note what has happened during the past decade. In fiscal year 1964, Federal civilian employment was around 2.5 million. Now it is 2,924,047, at last available count—an increase of something in the neighborhood of 400,000 in 10 years' time.

But what has happened to the cost of salaries of these employees, Mr. President? The answer to that is even more startling. In fiscal year 1964, Federal civilian salaries totaled about $16.5 billion. Ten years later, the fiscal year 1974 budget showed that Federal civilian salaries cost $33.3 billion.

Thus, in 10 years' time, while the number of Federal civilian employees increased by about 14 percent, the salaries for Federal civilian employees more than doubled.

Most of these Federal employees added in July 1974 went to work for the executive branch. During July, Congress added only 80 employees—if the word "only" is appropriate. The judicial branch reduced its number of employees by one.

Just for the record, Mr. President, the Congress had a total of 36,619 employees at the end of July. The judicial branch had a total of 9,491.

PIPELINE RIGHTS-OF WAY

Mr. JACKSON. Mr. President, section 28(w)(2) of the Mineral Leasing Act of 1920 (41 Stat. 449) as amended by the act of November 16, 1973 (87 Stat. 576, 583) provides that no right-of-way for a pipeline with a diameter of 24 or more inches for the transportation of oil, natural gas, synthetic liquid or gaseous fuels, or any refined product produced therefrom may be granted until 60 days after submission by the Secretary of the Interior or appropriate agency head to this committee and to the House of Representatives Committee on Interior and Insular Affairs of notice of intention to grant the right-of-way together with detailed findings by the Secretary or agency head as to terms and conditions he proposes to impose. This section 28 (w)(2) further provides that the 60-day waiting period may be waived by resolution of each committee.

The Southern Natural Gas Corp. has applied for a right-of-way for two 30-inch natural gas pipelines of approximately 13 miles in length, of which approximately 3.9 miles are on lands of the Savannah National Wildlife Refuge, Chatham County, Ga., and Jasper County County, S.C. In addition, the Colorado Interstate Corp. has applied for a 24-inch pipeline for transportation of natural gas of approximately 31.1 miles in length in Wyoming and Colorado, of which 7.17 miles are on lands under the jurisdiction of the Bureau of Land Management in a checkerboard area in Carbon and Sweetwater Counties, Wyo.

Notices of intention, to grant the rights-of-way were transmitted to the committee on August 20, 1974. Both corporations have requested waivers of the waiting period. In a hearing on September 13, 1974, representatives of the Department of the Interior testified the conditions and stipulations fully comply with the requirements of law and regulations, and representatives of the corporations provided sufficiently compelling reasons for a waiver.

Resolutions supporting the waivers of the 60-day waiting period were adopted by the Committee on Interior and Insular *Affairs* in open markup session on September 18, 1974.

I ask unanimous consent that at the close of my remarks the resolutions adopted by the Committee on Interior and Insular Affairs on September 18, 1974, be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

COMMITTEE RESOLUTION

Whereas, Section 28(w)(2) of the Mineral Leasing of 1920 (41 Stat. 449) as amended by *the Act* of November 16, 1973 (87 Stat. 576, 583) provides that no right-of-way for a pipeline with a diameter of twenty-four or more inches for the transportation of oil, natural gas, synthetic liquid or gaseous fuels, or any refined product produced therefrom may be granted until sixty days after submission by the Secretary of the Interior or appropriate agency head to this Committee and to the House of Representatives Committee on Interior and Insular Affairs of notice of intention to grant the right-of-way together with detailed findings by the Secretary or agency head as to terms and conditions he proposes to impose;

Whereas, said section 28(w)(2) further provides that the sixty day waiting period may be waived by resolution of each Committee;

Whereas, the Southern Natural Gas Corporation has applied for a right-of-way for two 30-inch pipelines for transportation of natural gas of approximately 13 miles in length, of which approximately 3.9 miles are on lands of the Savanna National Wildlife Refuge, Chatham County, Georgia, and Jasper County, South Carolina;

Whereas, notice of intention, to grant the right-of-way was transmitted to the Committee on August 20, 1974;

Whereas, the Southern Natural Gas Corporation has requested a waiver of the waiting period; and

Whereas, in a hearing on September 13, 1974, a representative of the U.S. Fish and Wildlife Service, Department of the Interior, testified that the conditions and stipulations fully comply with the requirements of law and regulations, and a representative of the Corporation provided sufficiently compelling reasons for a waiver;

Now, *therefore*, be it resolved by this committee that:

(1) Pursuant to such section 28(w)(2) the waiting period required by such section, upon approval of a similar resolution by the House of Representatives Committee on Interior and Insular Affairs, is waived for the permit application described above.

(2) Copies of this Resolution shall be transmitted to the Secretary of the Interior and the Chairman of House of Representatives Committee on Interior and Insular Affairs and be printed in the Congressional Record.

Adopted by the Committee on Interior and Insular Affairs of the United States Senate in meeting assembled this 18th day of September, 1974.

WE NEED A NATIONAL PLANNING MECHANISM

Mr. TUNNEY. Mr. President, the Administrator of the Environmental Protection Agency, **Russell E. Train, has** written a most timely article on the challenge of resources scarcity and the need for improved national planning.

The article appeared in the fall, 1974, issue of Cry California, the journal of California Tomorrow, a publicly supported nonprofit foundation.

Resource and material shortages and how we can deal with them have come under close study by the Commerce Subcommittee on Science, Technology, and Commerce, which I am privileged to chair.

I believe this is an issue which we must confront immediately, and so does Mr. Train. While I do not agree with all aspects of his suggested solutions, I believe the article commends itself to the attention of all of us concerned about this important issue.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WE NEED A NATIONAL PLANNING MECHANISM

(By Russell E. Train)

A cavalryman's gunshot, in April of 1889, sent nearly 100,000 men and women racing across the border of the Oklahoma Territory to stake claims to some two million acres of land. A few hours later, not a single inch of that land remained open for settlement.

In 1846, two years before the discovery of gold at Sutter's Mill, there were only about 500 American settlers on the California coast. By 1850, the gold rush had swelled the number of settlers to nearly 100,000.

These two familiar episodes in our history serve as well as any to illustrate and underscore the characteristic American approach toward settlement of our land and development of its resources. Less familiar is the fact that there were, even in the early days of the Republic, some who favored a far different approach.

In the first century of the new nation, most of the land within its borders—especially as those borders expanded with the acquisition of new territory—was owned by the federal government and constituted a national domain to be disposed of for the common benefit of the people of the United States. At one time, the federal government held title to an estate of some 1.3 billion acres—nearly twice as much as it owns today. At its largest, the public domain—excluding Alaska—covered nearly three-fourth of the entire country. From the very beginning there were those who argued that the government should carefully control the settlement and disposition of its land. The most distinguished spokesman for this point of view was John Quincy Adams, who sought to secure orderly and compact settlement and to make the public land a source of public benefit as well as private profit.

In the words of his biographer, Samuel Flagg Bemis, Adams "regarded the public lands more as a potential fund to pay off the country's debt and to finance a general system of internal improvements than he did as a national domain to give away to settlers. Orderly settlement would come in the wake of internal improvements, rather than internal improvements follow the quick population of the land." Along with this concept of internal improvements, Bemis continues, "would go a broad program of conserving and developing the public domain as a national blessing. A humane policy of Indian removal would transfer the tribes to the west of the Mississippi. . . . As highways and canals approached the West the public lands would rise in value. Scientific administration would distribute and settle them carefully and compactly. Proceeds of land sales, following the extinction of the national debt, to which they were pledged, would 'reflow in unfailing stream of improvement from the Atlantic to the Pacific Ocean.' "

In the face of enormous pressures for rapid settlement and unrestrained exploitation of the nation's vast and virgin lands, Adams was never able to generate much support for his views. And the growth of the nation has, for the most part, proceeded at a pace and along patterns which were based upon the assumption that in a land so rich and wide, we would never run out of room or resources. We had, we believed, an unlimited supply of these; what we lacked was economic wealth and physical development and all the advantages and opportunities that these would bring. Our task was to transform our enormous natural wealth into economic wealth—to people the empty spaces and to put to productive use the "unimproved" and "undeveloped" resources our land contained.

THE CHALLENGE OF SCARCITY

It is unfortunate, if understandable, that John Quincy Adams was not able to muster at least enough of a constituency to exert a restraining influence upon our pace and patterns of settlement as well as upon our exploitation of natural resources. He would, I suspect, have far greater success today when, after two centuries of relatively unrestrained growth, the nation is confronted with increasing physical constraints and relative scarcities and shortages of basic commodities and resources.

The Arab oil embargo simply underscored what environmentalists and others had been saying for some time: that our physical and industrial growth has occurred in ways that have not only overloaded our environment with pollutants to the point where they often present very real hazards to human health, but have also placed increasingly insupportable strains upon our supply lines.

We have had other, less dramatic warnings that our reservoir of resources is nowhere near as full as we have always assumed it to be. In May, 1973, a report of the U.S. Geological Survey concluded that it was by no means too early to become concerned about our future mineral supplies and to start making plans to deal with possible shortages. A month later, the final report of the National Commission on Materials Policy pointed out that, even if the United States decided to reduce to the barest minimum its reliance upon materials imports, it simply could not insulate itself against the repercussions of economic and political conflict that would inevitably accompany shortages elsewhere. At the end of last year, a Department of Agriculture study said the world was nearing the point at which countries will have to agree to limit fish catches to avoid destroying the ocean's basic food-producing stocks.

More recently, in the spring of this year, the Government Accounting Office issued a report to the Congress on "U.S. Actions Needed to Cope with Commodity Shortages." The report found, among other things, that:

The United States has recently encountered shortage problems not only in energy but in such commodities as meat, lumber, plywood, zinc, soybeans, edible oils, scrap metal, cattle hides, cotton, wheat, corn, steel, wool, chemicals, fertilizer and aluminum.

The basic supply-and-demand data on commodities and other resources are, in many instances, unavailable, inadequate or disputed. (In this regard, *Science* magazine recently reported that the National Academy of Sciences is trying to mediate a serious dispute between the U.S. Geological Survey and several authoritative critics—including M. King Hubbert, a former president of the Geological Society of America and a research geophysicist with the Geological Survey—over the Survey's estimates of U.S. domestic oil and gas reserves. Hubbert and other researchers are convinced the estimates are far too high.)

Commodity policy formulation involves "more than 20 government departments, agencies, offices, administrations, and policy councils, as well as additional international program agencies, energy agencies, advisory councils, and regulatory agencies."

"The government's decision-making process for commodities that are in short supply is essentially ad hoc and crisis-oriented. There is no clear, coordinated decision-making mechanism for formulating policies to alleviate commodity shortages."

In short, the report finds that we have become afflicted with shortages in a wide range of commodities, that we are simply not organized to make coherent and comprehensive decisions concerning supply and demand in these commodities, and that even if we were so organized, we do not have the information we need to make the decisions. It recommends, among other things, that the Congress "consider the need for legislation to establish a centralized mechanism for developing and coordinating long-term policy planning."

Early this year, I expressed my view that the nation had better start facing up to the almost overwhelming reality of the long-range problems of energy, of food and resource supply, of human numbers, and of uncontrolled growth. To begin to deal with these problems—indeed, even to begin to ask the right questions—we should develop an effective institution in the federal government for long-range analysis of the problems—not just in economic terms, but in terms of their social and environmental impact and implications as well. We were, I pointed out, almost totally lacking such a capability—an appalling lack in a nation with as big a stake in the future as the United States.

I was not alone in recommending national analysis of long-range problems. Several weeks earlier, the business and economic community—which, by then, had come to believe that nothing could surprise it any more—had received the rather unsettling news that such an ardent advocate of the unmanaged market as Herbert Stein, chairman of the President's Council of Economic Advisers, not only felt there was not enough forward evaluation in the federal government of such things as materials and population prospects, and many other future factors, but thought that "maybe we need an economic planning agency like the Japanese or French." Indeed, in calling for some form of long-range analytical capability in the federal government, Mr. Stein and I were simply part of a rising chorus of voices that included not only a number of authoritative reports such as those I have mentioned, but such experienced and informed public servants as Chester Cooper, formerly of the National Security Council, and Richard Nathan, formerly assistant director of the Office of Management and Budget.

The fact is that the really critical issues before the country are not the immediate and isolated ones, but the interrelated and long-range ones—indeed, the day-to-day "crises" that seem to capture all our attention and consume all our energies are, for the most part, simply manifestations of far deeper problems that we never seem to get around to acknowledging, much less addressing. The old cliche that everything relates to everything else and we live in an interdependent world has become *the* fundamental fact of our economic, social and political life. Our economic health and growth, our patterns of settlement and physical development, our social stability and strength—these both determine and depend upon a vast and intricate system of material (including food), energy and environmental resources. Under these conditions, we cannot hope to come to grips with the issues before us unless we strength our ability to assess problems and programs, not simply in isolation, but in relation to each other; not simply over the short term, but over the longer span of ten, 20 or 30 years.

Without this capacity at the national level, we will never be able to work the kinds of accommodations between demands for and supplies of resources that will enable us to achieve stable and sustainable levels and kinds of growth. We often forget that *time* itself has become one of our most critical resources. If we expect to solve the problems of the 1980s and 1990s, we need to start now—as we should have started some years ago—to foresee and forestall the present energy crisis. To the degree that we fail to do so, we foreclose the options open to us.

In an age of resource scarcities and physical constraints, we are going to have to be a lot more choosy than we have been in the past. We no longer have as much room for maneuver and margin for error as we once did. We are, as a result, going to have to engage in some long-range planning.

THE NATIONAL RESOURCES PLANNING BOARD

The National Resources Planning Board (NRPB), which in various forms spanned the decade from 1933 to 1943, was the only permanent federal agency in the nation's history explicitly responsible for overall national planning. The first incarnation of the NRPB occurred when Harold Ickes, Secretary of the Interior and head of the Public Works Administration, discovered he had no orderly plan to follow and set up the National Planning Board to undertake long-range public-works planning. In 1934, the agency was reconstituted as an interdepartmental group called the National Resources Board and given independent status as the primary planning organ of the federal government. Finally, in 1939, as the National Resources Planning Board, the agency became part of the Executive Office of the President.

Over the decade of its existence, the board assumed broad planning and coordinating functions in almost every important area of national policy. Based on its quarterly reports on trends of business and unemployment, it formulated long-range plans for work relief, finance, and fiscal policies. It developed a comprehensive national transportation policy. It made recommendations for energy resource development, use and conservation. It became involved in urban and rural land planning, encouraging and developing improved planning techniques and data as well as regional planning programs.

In the words of one analyst, it produced "definitive statistical and analytical studies . . . on such vital but neglected subjects as river basin development, city governments, city planning, urban and rural land policy, technology and research, patterns of industry, energy resources, trends in population, income and spending habits of consumers, housing and transportation."

The board apparently felt that, as a matter of policy, a staff arm of the President should not develop close relationships either with the Congress as a whole or with individual members. And the Congress, inevitably, looked with an increasingly jaundiced eye upon an agency whose scope was so sweeping and which had direct access to the President. In 1943, for a variety of reasons, the Congress abolished the board.

Besides the fact it did little to try to gain Congressional and public support, the board never did decide whether its main job was to spur and stimulate public works projects and activities at all levels of government or to advise the President on long-range economic and social problems. Charles Eliot, the staff director, believed that planning should result in something immediate and concrete, "something that one could take bids on tomorrow." On the other hand, Charles Merriam, a member of the three-man board, was fond of referring to the Constitution as "an economic and political plan on a grand scale."

The board did produce an array of excellent and authoritative studies. It did a great deal to stimulate state and local planning. And many coordinative and planning functions have been taken over by various federal agencies. But despite the suspicions of Congress, the board does not seem to have had much of an influence upon national policy. If it owed its very existence to the depression, it was also in some ways a victim of the fact that first the depression, and later the Second World War, placed such a high premium on immediate action and results.

AN OFFICE OF LONG-RANGE ANALYSIS AND EVALUATION

In 1958, a member of the staff of the Bureau of the Budget concluded an examination and assessment of the work of the National Resources Planning Board by considering the question of whether a new overall planning agency should be established along the lines of the old board. He pointed out that in the years since the NRPB was abolished, most of its functions had, in effect, been absorbed by an array of planning institutions and activities both within the Executive Office of the President and within the various executive departments and agencies. He felt that, for these reasons, history had "passed by the NRPB approach to federal planning organization" and that "long-range as well as immediate federal planning should be undertaken by that department or agency of the executive branch which has a continuing substantive operating responsibility in the fields most directly associated with the planning."

He might, I suspect, decide differently if he sat down today to review and reflect not only upon the experience of the NRPB, but upon our experience over the past 15 years with the fragmented planning arrangements that he believed had rendered unwise and unnecessary the resurrection of anything like the NRPB. We are, as I have suggested, faced with a whole new spectrum of problems that simply cannot be divided up and dealt with by the present bewildering variety of federal agencies and offices, each of which is interested, inevitably, in exercising its muscle and extending its turf. Under these conditions, it is not surprising that interagency contact and "coordination" should at times seem to resemble a free-for-all in the dark. It was not without some justification that a close and keen analyst of the federal bureaucracy such as Donald Schon could remark that "it sometimes appears to an outside observer that the federal government contains many extremely intelligent, highly dedicated, experienced individuals who work long hours over long periods of time canceling out one another."

There is probably no more compelling evidence of the need for a permanent mechanism for long-range analysis and evaluation than the multitude of interdepartmental task forces, committees and commissions that in recent years have appeared and disappeared, flourished and faded, as the crises that led to their creation have come and gone. The President's Domestic Council and the Office of Management and Budget come closest to resembling the kind of permanent mechanism overseeing all areas of agency interest that we require. But both of these institutions are so inescapably occupied with immediate problems and with day-to-day decision-making that they cannot give much time or attention to long-term, inter-related issues.

What we need, in fact, is a mechanism that will produce the kinds of information, analysis and evaluation of issues that will enable us to understand the long-term impact and implications of the decisions we must make.

Last year, the Woodrow Wilson International Center for Scholars in Washington, D.C., brought together in a series of seminars, one of which I chaired, a number of high-level present and former government officials to explore in detail and in depth the need for a long-range planning mechanism in the federal government. On the basis of these discussions, a specific proposal was developed that, in my judgment, merits the most serious consideration.

The Woodrow Wilson proposal recommends establishment in the executive branch and in the Congress of an Office of Strategic Policy Assessments. The basic task of the office in the executive branch would be to identify emerging long-term trends and problems, to spell out and evaluate alternative courses of action to deal with these trends and problems, and to assess actions already under way. The staff of this office would be relatively small—between 30 and 50 people—and would reflect a wide range of expertise. Rather than undertake major research efforts of its own, the staff would encourage and oversee appropriate research projects and efforts both within and outside the federal government. It would have the opportunity to review and comment upon such items and matters as the President's budget, federal resource-allocation decisions, major Presidential policy statements, and legislation with important long-term policy implications.

It seems clear that, if this assessment office is to have any real influence upon the major decisions that determine federal policy, it must be located within the Executive Office of the President. Precisely where it might best be located within the executive office is not so clear. The Woodrow Wilson proposal suggests two possibilities: to put the assessment office within the Office of Management and Budget, or to set it up as an independent agency within the executive office. Each of these possibilities has its advantages and disadvantages. Since the Office of Management and Budget does play such a strong and central role in shaping federal policy and programs, it seems in many ways the logical place to locate the assessment office. Most of the matters that OMB must make decisions upon come up as individual, isolated items; and OMB has not the time or resources to do the continuous, cumulative research and analysis that would enable it to weigh these matters in terms of their broader impacts and long-range implications. The presence of an office of long-range analysis and assessment would permit OMB to make its decisions in the light of this larger context. As an arm of such a powerful agency as OMB, the assessment office would, in turn, be assured that its requests and recommendations would be taken very seriously by the federal bureaucracy. It is, on the other hand, possible that an assessment office would remain relatively inaccessible to the public and that, even to the degree that its analyses and evaluations do become public, their objectivity and integrity might be open to question. The effectiveness of the NRPB was always, to some degree, undermined by the fact that it was never clear whether its recommendations were the result of objective evidence and impartial analysis or of its desire to support the President's programs.

As an independent agency within the Office of the President, the assessment office would not run the risk of becoming simply an obscure and relatively ineffective part of OMB. It would have far greater public visibility, and it would probably have less difficulty in securing general confidence in the integrity and objectivity of its analyses and evaluations. On the other hand, its isolation from the actual decision-making process might very well diminish its impact upon that process as well as its ability to command the support and cooperation of the federal bureaucracy.

The Congress is far less equipped and organized than the executive branch to deal with interrelated and long-range issues. The establishment of an office of long-range analysis to serve the Congress would measurably improve its ability not only to deal with the fundamental issues that face the country, but to function far more effectively as an equal partner with the executive branch in the creation of national policy. The Woodrow Wilson proposal suggests that the charter and staff of the Joint Economic Committee could be suitably broadened and strengthened, or—what it regards as preferable—that the long-range analysis and assessment function be given to the new Office of Technology Assessment. That new office is concerned with the advance assessment of technology, not simply in the narrow sense, but in the broader social and economic implications and impacts. The fact that the board is composed entirely of members of key committees of the House and Senate would mean that the work of the office would be directly linked to the decision-making process in the Congress.

Precisely how these offices of long-range analysis are organized and where they are located are not unimportant matters; their organization and location would very much determine how effective and influential they are. And if they are not to be effective or influential, there is no point in establishing them.

What is most important and urgent is that they be established as competent and continuing institutions whose cumulative efforts will enable us, as a nation, to come to grips with the kinds of problems that will increasingly confront us in a new age of scarcity and interdependence.

SENATOR CASE URGES SECRETARY KISSINGER TO TAKE PERSONAL COMMAND OF LAW OF THE SEA NEGOTIATIONS

Mr. MUSKIE. Mr. President, more than two-thirds of the face of this Earth is covered by oceans. This is an area where until recently claims of national jurisdiction have been limited to narrow margins bordering coastal States.

But steadily improving technology is putting the riches of the oceans increasingly within the reach of man. As a result, there is a growing number of conflicts among nations about their rights and responsibilities in regard to ocean resources.

This serious problem is the subject of an International Law of the Sea Conference involving almost all of the nations of the world. In August, along with my colleagues Senators STEVENS, PELL, BUCKLEY, and CASE, I attended sessions of the conference which were being held in Caracas.

As a result of what he saw in Caracas, Senator CASE has writen to Secretary of State Kissinger, outlining the importance of the conference and urging that the Secretary take personal command of the negotiations. I think it is a very constructive and timely proposal, and I join with the Senator in his recognition of the urgency of this matter.

Mr. President, I ask unanimous consent that Senator CASE's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SEPTEMBER 19, 1974.

DEAR MR. SECRETARY: The nations of the world have a rare opportunity to establish an international law of the sea to govern their conduct in an area that covers two-thirds of the earth.

Potential for having human lives and for improving the quality of life on this earth is tremendous. This is true both in terms of avoidance of wars and in terms of reduced need for preparations for war and the freeing of our resources to meet the human and social needs of all people. It is true in terms of the conservation of the resources of the ocean for the benefit of our own and future generations and of the equitable exploitation of the ocean's resources in the general interest of all peoples.

As you know, I attended part of the recent negotiations on the Law of the Sea at Caracas. I have the greatest respect for the delegates to that conference, particularly our own, worked diligently and effectively to lay the groundwork for a final agreement. I believe real progress was made and that we may be not too far from an agreement with most nations. But the last mile is going to be a long one.

In my view, the delegates at Caracas have gone about as far as they can in the development of a technical and non-political base for a final agreement. I believe it is now time that this whole matter has to be taken up among the heads of state, or at least at the ministerial level. It cannot be left to those of lower rank because the questions that are holding up the agreement cannot be settled as technical matters. They require compromises and trade-offs that can only be negotiated at the political level.

Lack of an international agreement specifying the rights and responsibilities of all nations in regard to the oceans is creating increasing tensions and pressure on all nations, including the United States, to take unilateral actions to protect their individual national interests. Scattered actions have been taken already in response to this pressure. And this is understandable. National interests must be protected by the individual nations if they cannot be protected by international agreement. For one example, our own coastal fishermen are being threatened with the loss of their livelihood by unrestrained fishing off our coasts by foreign fleets with modern equipment that enables them to harvest fish stocks faster than they can be replenished.

If this becomes the general pattern, the opportunity to reach an international agreement may soon disappear. There appeared to be a consensus at Caracas that an international agreement on the oceans might not be reached at all if it were not concluded during 1975.

This makes the negotiations to be conducted in Geneva beginning in March extremely important, perhaps as important as any other negotiations in our lifetime. All delegations to that conference must be prepared to reach an agreement at that time. We cannot afford to look beyond Geneva toward another conference to reach a final agreement.

Therefore, I urge that you take personal command of these negotiations as well as the current bilateral discussions with other nations in preparation for the Geneva session. In addition, I urge that those who work with you in these efforts carry the rank of ambassador so that other nations recognize the importance we attach to these negotiations and have trust and confidence in the capacity of our representatives to make political decisions when necessary.

I would appreciate your comments on this matter.

Sincerely,
Clifford P. Case,
U.S. Senator.

INTERNATIONAL PEACE GARDEN IS A SHRINE OF THE HUMANITIES

Mr. BURDICK. Mr. President, the Minot Daily News, one of the most prestigious newspapers in North Dakota, has called for the wider use of the International Peace Garden, located on the North Dakota border between the United States and Canada.

In a September 13 editorial, the Daily News aptly described the Peace Garden as "a shrine of the humanities and of the peaceful arts." The editorial pointed out that:

> The Peace Garden is uniquely an expression of the ideals of people and of voluntary association . . . It would be timely now to lay the foundations for wider use in the decades to come.

I heartily agree with these sentiments. I have sponsored legislation, S. 670, to provide the increased Federal assistance needed to continue development of the Peace Garden. Hopefully, this can come in time for the bicentennial celebrations already planned for the site.

The Minot Daily News editorial explains the goals and purposes of the Peace Garden clearly and eloquently. I ask that it be printed in the Record for the benefit of all who wish to better understand the value of the International Peace Garden.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Action Needed To Expand Potential Of Peace Garden

A shrine of the humanities and of the peaceful arts is what many North Dakotans and Manitobans feel the International Peace Garden on our border was intended to be. It is becoming that, year by year, in a larger sense.

This year both a band and a choir from the International Music Camp, which is a major institution at the Peace Garden, toured Europe. This was the seventh time that young musicians from the camp have traveled abroad giving concerts and telling the Peace Garden story.

While summer instruction and participation in music have been the most highly organized cultural activity emanating from the Peace Garden, and an effective demonstration of what the Peace Garden means internationally, they are not all. Other cultural, fraternal, social and informational activities have a place and find expression there.

The Peace Garden had its beginnings as a project of an international association of horticulturists and gardeners. The trees, shrubs and flowering perennials planted there, and the series of formal gardens bisected by the international boundary line, have always been the chief attraction, on which all other cultural development and use of the highland park are based. The architectural arts have their place. Not every art lends itself to large outdoor expression, but all that do, including dramatic arts, dance and sculpture, belong to this setting.

The Peace Garden is uniquely an expression of the ideals of people and of voluntary associations. It should remain so. But it needs at this stage the participation and guidance of professional organizations in fields other than music and horticulture in expanding its potential for development of all the arts.

It would be timely now to lay the foundations for wider use in the decades to come. The Peace Garden is a designated focal point for observance of the Bicentennial of the American Revolution. Few places in the West are as well situated for capitalizing on the British contact phase of the bicentennial. The mutual interests of Canada and the United States today are strongly cultural, and Canadians are sure to be able to make an enviable contribution toward the arts-and-humanities aspect of the celebration of peace.

UNEASINESS IN EUROPE OVER HAIG

Mr. PROXMIRE. Mr. President, reports from Europe indicate a generally uneasy feeling over the appointment of Gen. Alexander Haig as Supreme Allied Commander Europe.

Although the NATO countries recognize the primacy of the United States in appointing its own commander, it may have been the beginning of the end of this practice. If the United States uses this extremely important post as a dumping ground for political appointees, then the NATO countries will one day say enough is enough.

The greatest effect is being felt by the U.S. troops stationed in Europe. Many of them feel that a political general is being forced on them. They see General Haig as a political figure closely attached to the Nixon administration, and, right or wrong, associated with the tactics and day-by-day style of that administration.

The only way that the air can be cleared is for General Haig to stand behind his statements of openness and noninvolvement in Watergate and come before the Senate for hearings. To refuse to do so will only increase the suspicion that he has something to hide and that is not good politics or good diplomacy.

Mr. President, I ask unanimous consent that a September 23 article in the Washington Post concerning General Haig be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Uneasiness in Europe Over Haig

(By John M. Goshko)

Brussels.—The controversy in the United States over Gen. Alexander M. Haig Jr.'s appointment as Supreme Allied Commander in Europe has failed to spark an echo from America's allies in NATO.

That does not mean there hasn't been considerable criticism on this side of the Atlantic about President Ford's selection of Haig for both the top NATO military post and the command of U.S. forces in Europe.

The weight of the press comment in most NATO countries has been clearly unfavorable. And, among officers of the American forces stationed in Europe, the appointment has triggered a clearly discernible, though not openly displayed, feeling of bitterness about the elevation of a man regarded as a "political general."

But the reaction was quite different among those who make the decisions in the 12 countries that participate with the United States in NATO's integrated military structure. Here at NATO headquarters sources in the various national delegations say that their governments accepted the Haig nomination with barely a whisper of dissent.

The sole exception was the Netherlands, whose government made it clear that it was displeased and tried to sound out the other European allies about rejecting Haig. In the end, though, the Dutch, seeing that they had no support, withdrew their objections, and Haig's appointment sailed through NATO's Defense Planning Committee without incident.

The initial Dutch opposition was based on the same consideration that has caused controversy in the United States—namely, the contention that Haig has been compromised by his political role in the Nixon administration.

Dutch sources say that they have nothing against Haig peronally and do not mean to imply that they think he was involved in the Watergate coverup. But, they add, Foreign Minister Max Van der Stoel feels that Haig is so closely identified with former President Nixon that his appointment as supreme commander amounts to "a public-relations disaster" for NATO.

Influencing the Dutch government is the fact that public opinion in the Netherlands, particularly among young people, has grown increasingly hostile to all things military. Much of this anti-military feeling springs from the Vietnam war, which European youth equates with Mr. Nixon.

As a result, the Netherlands government took the position that Haig's appointment was not exactly helpful to its attempts to convince its domestic constituency that Holland has a vested interest in remaining within NATO. Yet, while all the other European NATO members have essentially the same problem, they all steered clear of the Dutch effort to mount a campaign against Haig's appointment.

NATO sources say this was due to a number of reasons, chief among them a desire not to embarrass and possibly antagonize Mr. Ford at the very outset of his presidency. Therefore, even those with reservations about the wisdom of the appointment apparently decided that accepting Haig was the lesser evil.

A secondary reason cited by some is the fact that the present Netherlands government, which loomed as the spearhead of any opposition movement, has developed a reputation for eccentricity in NATO circles.

Earlier this year, Prime Minister Joop den Uyrl's Socialist-led government provoked the anger of its allies by proposing cuts in the Dutch forces beyond what NATO regards as a safe level.

While the Haig appointment has made remarkably few waves within NATO, the story is somewhat different regarding his other job as commander of the 300,000 U.S. Army Air and Naval personnel grouped in the European Command.

Although no one will say so publicly, Haig's appointment is clearly a bitter pill for many command officers. His takeover of the command, scheduled for Nov. 1, is the most talked about subject in U.S. officers' messes throughout Europe, and military sources say that the sentiment particularly among professional army officers, is overwhelmingly hostile.

Their objection is described as being based not on ideological grounds but on the fact that Haig achieved his position through service in the White House rather than coming up through the normal military channels.

In a service where most officers find promotion a slow and grinding process, there appears to be great resentment over the way that Haig, in the words of one officer, "jumped the line."

In private conversation, these officers point out that Haig was catapulted by Mr. Nixon over 240 generals to four-star rank, although he had never held a major field command during his army service.

This, many contend, is grossly unfair to the number of officers who have far greater experience and demonstrated records of achievement in traditional military command and staff areas.

As a result, the tendency is to regard the appointment as a bad precedent harmful to the morale of senior officers and likely to convince younger officers that the path to advancement lies in politics.

FISCAL YEAR 1975 LABOR-HEW APPROPRIATIONS ACT

Mr. CRANSTON. Mr. President, last week the Senate considered and passed the Labor-HEW Appropriations Act for fiscal year 1975. I did not at that time speak on a number of matters contained in the measure and would like to do so today, especially in light of the extensive recommendations I submitted to the committee in my appropriations testimony this past summer.

HEALTH

I applaud the action of the Senate Committee on Appropriations. I know they had to make some very difficult decisions. It is never easy to weigh programs which so directly affect the equality of life of individuals against the need to have a strong and stable economy.

In the area of health, it becomes particularly difficult to reduce a program which holds the promise of a cure for a dreaded disease or the promise of better health care for those population groups which traditionally have been outside the mainstream of the health system.

The committee has done an outstanding job of carefully scrutinizing the budget request and finding those areas—such as travel on the part of Federal employees, and expenditures for new furniture for Federal officials—which could be reduced without impairing the administration of important programs. It was in these areas that a substantial proportion of the reductions were made. Thus, the bill as reported from the Senate committee is half a billion dollars below the House recommendations and $629,953,000 below the administration budget request.

I was gratified that the committee retained the House recommendation of $37 million for implementation of the Emergency Medical Services Systems Act of 1973. I had recommended funding of the programs authorized by that act at the full level authorized, but recognize the fiscal restraints placed upon the committee made a larger appropriation infeasible.

I fully agree with the committee's view that support and expansion of emergency medical services systems is essential if a national health insurance program is to be successfully administered. I was pleased that the committee recommended a modest increase in the support of trauma research, as I had recommended in my testimony, and particularly urged the establishment of burn trauma centers by the National Institute of General Medical Science.

The committee report reinforces the recommendation made by the House that an Associate Director for Arthritis be appointed by the Director of the National Institute for Arthritis, Metabolism, and Digestive Diseases and encourages that Institute to continue and expand a vigorous research effort in this area. The report also recommends, I am happy to note, that the Associate Director for Arthritis chair an Inter-Institute Committee on Arthritis which would insure proper coordination of the support afforded to arthritis research by Institutes other than NIAMDD. Both these recommendations are included in legislation I have introduced, S. 2854, the proposed National Arthritis Act, which will give a statutory base to the position of Associate Director as well as to an Inter-Institute Committee, which recommendations I had made in my testimony.

I am in full agreement with the committee's recommendation that the population research program be greatly expanded. The House has acted on legislation specifically authorizing a population research program, and I am confident such an authorization will be enacted into law in the very near future.

I am also very pleased that the committee has provided for funding of the recommendations made by the National Advisory Commission on Multiple Sclerosis. This is in full agreement with recommendations I had made to the subcommittee.

REHABILITATION SERVICES

Mr. President, as principal Senate author of the Rehabilitation Act of 1973, along with Senator RANDOLPH and Senator STAFFORD, I am pleased to join with the committee in expressing support for the expansion of the basic State grant program to $680 million in fiscal year 1975. This amount represents the full authorization appropriation in the law and has always been regarded by the members of the Subcommittee on the Handicapped as the minimum necessary to maintain the existing program at an acceptable rate of growth.

I am also gratified by the committee's recommendation to increase the appropriations amount for innovation and expansion grants by $9 million over the House allowance. These programs, for which the administration proposed no budget provide for a supplemental entitlement to the States and are designed to meet the special needs of individuals with the most severe handicaps and handicapped individuals who are poor.

The amendment offered by Senators MCCLELLAN and ROBERT C. BYRD, which was adopted on the floor, further insures the availability of funds for innovation and expansion grants, by earmarking in the bill the $29 million recommended in the committee report. By putting the earmark in the bill, it is my understanding that a legal entitlement is established on which States may sue should the administration choose to impound the funds.

Mr. President, the committee action to increase the rehabilitation research programs by $3 million over the budget request and the House allowance also has my support. There is a strong statutory mandate in the Rehabilitation Act of 1973 to carry out research programs with immediate relevance to solving the problems of handicapped persons and with maximum utilization of our Nation's science and technology. The committee rightly states that such research should place emphasis on end-stage renal disease and spinal-cord injury studies.

Lastly, I would like to endorse strongly the committee's intention to "closely monitor HEW's spending plan for training funds" and its intention to consider "providing supplemetal appropriations" if the need arises. As I have testified before the Labor-HEW Subcommittee on Appropriations, the administration has persisted in requesting training budgets below the authorizations of appropriations on the grounds that carry-over balances from the preceding year are available to meet the current year's intended level of program operation.

Subsequently, the administration does not spend the full appropriation which results in new carry-over balances for the next fiscal year. I am extremely interested in seeing that the proposed monitoring is carried out. The recommendation of the committee is still $5.5 million below the amount authorized which has been deemed the minimum amount necessary for carrying out training programs to meet the professional personnel needs in the area of rehabilitation. It is my hope and my expectation that such monitoring as the committee proposes will insure that the administration has fully expended the money available for program operation in fiscal year 1975.

Mr. President, I ask unanimous consent at this point to have printed in the RECORD a copy of my testimony before the Labor-HEW Subcommittee on Appropriations on the Rehabilitation Service budget.

There being no objection, the material was ordered to be printed in the RECORD as follows:

SOCIAL AND REHABILITATION SERVICE

REHABILITATION SERVICES

Mr. Chairman, there are four appropriations items I would like to discuss with respect to the Rehabilitation Services fiscal year 1975 budget—the appropriations for innovation and expansion grants, research, training, and special projects. The other items in the Rehabilitation Services budget, as reported by the House, including the $680,000,000 requested to meet entitlements for basic vocational rehabilitation services, and the 50 new positions to implement the provisions of the Rehabilitation Act of 1973 (Public Law 93–112), have my full support.

INNOVATION AND EXPANSION GRANTS

Mr. Chairman, the House has approved $20,000,000 for innovation and expansion grants; the budget proposed no funding. These programs are designed to meet the special needs of individuals with the most severe handicaps and the poor, through supplemental entitlement allotments to the States. As the Subcommittee members know, the dollar authorization appropriations in the Rehabilitation Act of 1973 were intended to represent minimum authorization levels, which were the result of negotiations with the Administration in order that rehabilitation legislation would not be vetoed again by the President. Two vetoes had already prevented enactment of such legislation for more than a year.

I therefore strongly recommend that the Subcommittee report the full authorization appropriation of $39,000,000 to ensure that the special service needs of this group of unusually deprived persons are not left unmet.

RESEARCH

Mr. Chairman, under the new Rehabilitation Act of 1973, there is a strong statutory mandate to carry out research programs with immediate relevance to solving the problems of handicapped persons and with maximum utilization of our Nation's science and technology. The House recommendation to appropriate $20,000,000 is $5,000,000 short of the authorization appropriations specified in the law. Because the dollar authorization appropriations in the Rehabilitation Act of 1973 were intended to represent minimum authorization levels (additional necessary sums are authorized for this research), I strongly urge an increase in the appropriations amount recommended by the House of $10,000,000 so that maximum effort may be directed toward studies in the areas of end-stage renal disease, spinal cord injuries and other severe handicaps. Additionally, I would like to remind the Subcommittee members, as the House has noted in its report, that the basic law requires that 25 percent of the research funds be used to support rehabilitation engineering research systems.

TRAINING

Mr. Chairman, we have previously discussed the problems of establishing an annual program level of $27 million for rehabilitation training programs, given the Administration's insistence on forward funding these programs while decreasing expenditure levels. At this point, I would like to insert in my testimony a copy of the colloquy which Chairman McClellan and I had on this matter when the Second Supplemental Appropriations bill was before the Senate this past spring. I believe we were both in agreement that the full $27.7 million appropriations authorization amount for fiscal year 1975 be appropriated to conduct training programs to prepare professional staff in the field of rehabilitation.

If the Senate will yield, I have already indicated my support for the recommendation that your committee has made to the Secretary of Health, Education, and Welfare to spend the previously appropriated training funds, as intended and provided by the Congress.

However, on behalf of myself and our distinguished colleagues on the Labor and Public Welfare Committee's Subcommittee on the Handicapped—the subcommittee chairman, Senator RANDOLPH, whom I had the privilege of collaborating with as author of the Rehabilitation Act of 1973; Senator WILLIAMS, chairman of the full committee; and Senator STAFFORD, ranking minority member of the subcommittee—I would like to raise a question with regard to the fiscal year 1975 training appropriation.

Although the fiscal year 1974 funding level for training represents the level authorized in the law—$27.7 million—it is actually money from two different pots—$15.6 million which was appropriated in the fiscal year 1974 first Supplemental Appropriations Act (Public Law 93–245), and $12.1 million in carryover balances from fiscal year 1973. This latter money was actually obligated in fiscal year 1973 but it is being spent, we are told, for programs in operation during fiscal year 1974.

Our question to the distinguished chairman is this: if SRS now in turn obligates the $15.6 million appropriated in fiscal year 1974, but again does not spend the money until fiscal year 1975, the actual amount of Federal dollars being expended on rehabilitation training programs in fiscal year 1974 will be only $12.1 million and not $27.7 million, the level both Houses of Congress have indicated as the level of rehabilitation training for fiscal year 1974. Using the argument that there are unexpended fiscal year 1974 funds available for fiscal year 1975, the administration can again come back with a budget request for fiscal year 1975 that is considerably below the authorization level, despite the recommendation of your committee for an annual program level of $27 million. I and my colleagues on the Subcommittee on the Handicapped do not believe that this was what was intended when we estabilshed the target authorization figures in Public Law 93–112—those figures were meant to be actual program operating levels.

Are we correct in assuming that for fiscal year 1975 it will not be acceptable to justify a lower appropriation on the grounds that obligated money from the previous year is being spent in that fiscal year?

Mr. McCLELLAN. That is correct.

Mr. Chairman, as further evidence of the wisdom of our understanding on this matter, I would like to submit an answer to a question which I have received from the Department of Health, Education, and Welfare at a recent hearing I chaired on June 27 on legislation to extend the appropriations authorizations for the Rehabilitation Act of 1973. The italicizations are mine.

QUESTION

"11. As you know, when the Congress appropriated money for training in fiscal 1974, it was understood that certain carry over balances were available for expenditure in the school year 1973–1974, which, when combined with the training appropriation for FY 1974, would bring the program level for rehabilitation training up to $27.7 million, the level authorized in the law.

Now, the Congress is told that some $10 million has not been spent for training in this fiscal year and will, rather, be available for the next fiscal year. The program level of operation is thus $10 million short of what the Congress intended when it appropriated funds for fiscal 1974.

"It is also understood that the administration budget request for fiscal 1975 is for an amount again substantially below the program level of authorization, with the same justification put forth that there are obligated monies available from fiscal 1974 to expend in fiscal 1975.

"A. What evidence does the Administration now have available to support the adequacy of training support at lower expenditures than the Congress has deemed necessary to train rehabilitation personnel?

"B. Specifically, please describe what the universe of need is for rehabilitation personnel and how many of those personnel are presently being supported by Federal money, both by R.S.A. and by other federal programs?

ANSWER

"A. The Fiscal Year 1975 reqeust for the rehabilitation training program reflects our growing reliance on the general student aid programs administered by the U.S. Office of Education to assist students enrolled in education programs in the different rehabilitation professions. Where the general student aid programs are appropriate for the support of students being trained in the rehabilitation professions, these programs are considered the primary resource for assuring an adequate supply of skilled rehabilitation manpower. *Training in certain highly specialized rehabilitation fields—prosthetics, orthotics, mobility instructor for the blind, interpreters for the deaf, for example—is not appropriate for support under the general student aid programs, however, and the rehabilitation training program will continue to be the mechanism for the support of such training. The need for trained rehabilitation manpower appears to continue to be high, especially in light of the priorities reflcted in the Rehabilitation Act of 1973*. The need for training of such manpower to be supported under the rehabilitation training program is less pressing than it was previously, however, in light of the availability of general student aid program resources.

"B. Manpower needs in the different rehabilitation professions vary extensively from field to field. It is difficult to develop precise estimates of manpower supply and demand, however. As a result of the Rehabilitation Act of 1973, demands for skilled rehabilitation personnel are being sharply increased. In order to meet planned objectives, State vocational rehabilitation agencies, for example, have reported that *approximately 2,600 new staff positions will be required each year through FY 1979*. In addition, *approximately 800 specialists in work with the blind and 800 specialists in work with the deaf are needed annually*. In the specialty of physical medicine and rehabilitation for which the rehabilitation training program constitutes the major training resources in the country *approximately 600 new physicians* are needed annually. The annual need for *training prosthetics and orthotists* is estimated to be *200*. All these rehabilitation specialists work directly and continuously with the severely disabled. *Support for training activities in these fields from resources other than the rehabilitation training program is for the most part not available.*"

Mr. Chairman, I believe that this testimony makes a strong case for the continuation of full funding for rehabilitation training programs. As indicated by the Department, the provisions in the new Rehabilitation Act require a large number of specialists trained in rehabilitation work; training in these specializations are not generally supported by other Federal resources. If the intent of the Congress to serve the needs of those persons with the most severe handicaps is to go forward, I see no way that we can curtail these vital training programs.

As you know, the House has recommended $22,200,000 for rehabilitation training, an increase of $10,700,000 over the budget request. My recommendation today, to the Committee, Mr. Chairman, is for an increase of $5.5 million over the House amount. This will bring the training appropriation up to the level of program operation which I believe we all agree is necessary to fulfill the provision of the new law, and the level agreed to in my colloquy with Chairman McClellan last May 7.

SPECIAL PROJECTS

Mr. Chairman, with respect to the appropriation for special projects, as I indicated in my FY 1974 testimony, under provisions of section 112(a) of P.L. 93–112, unless funds are appropriated under Section 304 for special projects and demonstrations in excess of an amount equal to the amount obligated for carrying out such projects and demonstrations from appropriations under the Rehablitation Act in FY 1973, there will be no funds to conduct client assistance projects.

In the House Appropriations bill, $1,020,000 has been requested to develop or expand services to severely handicapped individuals, including spinal cord injured persons. In addition, $12,500,000 has been recommended to fund projects and demonstrations designed to assist persons with developmental disabilities; $1,000,000 to fund projects with industry; and $200,000 to fund technical assistance. Together, the total for special projects and demonstrations is $14,720,000, or $500,000 over the amount needed to trigger the availability of any money for client assistance projects, but $500,000 below the lower amount set aside—$1 million—to carry out client asssitance projects in fiscal year 1975.

The following list of client assistance projects just funded was submitted to me by the Department of Health, Education, and Welfare in hearings on the Rehabilitation Act that I chaired this past month. The list identifies the location of the client assistance projects that were funded for FY 1974 and the amounts for which they were funded.

FUNDING INFORMATION—CLIENT ASSISTANCE PROJECTS

The amount allotted for client assistance projects under the legislation was $500,000 for fiscal year 1974. This was allocated equally to the 10 regions, providing them $50,000 each for such projects. Those regions with only one project (I, II, III, IV, VI, IX, and X) awarded the full amount, $50,000, to that project. No proposals were received in Region VII, so that $50,000 was reallocated equally to Regions V and IX. Region V added a $25,000 grant to the State of Michigan, and *Region IX* supplemented the California grant by $25,000 for a total of $75,000. Region VIII funds were divided—$22,000 to North Dakota and $28,000 to Utah. In summary, the funding by State is:

Region	State	Amount
I	Maine	$50,000
II	New York	50,000
III	Virginia	50,000
IV	Florida	50,000
V	Illinois	50,000
	Michigan	25,000
VI	Arkansas	50,000
VII	No projects	
VIII	North Dakota	22,000
	Utah	28,000
IX	California	75,000
X	Washington	50,000

Mr. Chairman, I urge an appropriation in the amount of $2,280,000 over the House request so that the intent of the Congress can be carried out with respect to client assistance projects, a demonstration program of great potential and importance, I believe, *in addition to* funding the full authorization appropriation for special projects.

[In millions of dollars]

	Appropriation request			
	Fiscal year 1974	Fiscal year 1975	House	Recommend
Innovation and expansion grants	$29.0	0.0	$20.0	$39.0
Research	20.096	20.0	20.0	30.0
Training	15.572	11.5	22.2	27.7
Special projects	13.6	14.217	14.720	17.0

HEALTH

Mr. Chairman, your strong commitment to Federal support of health services, training, and research is well known. I am confident this Subcommittee will fairly and equitably judge the proper allocation of funding for programs in the health area, while taking into account the overall Federal budget and the Congressional desire to maintain Federal spending at a reasonable level.

In view of this Subcommittee's history of dedication to the principle that health services, health training, and biomedical research deserve high priorities in the Federal budget, I will restrict my comments this morning to only a few areas in which I have a special interest. These are emergency medical services, arthritis, multiple sclerosis, and population research.

Emergency medical services

Mr. Chairman, this Committee has consistently been very cooperative and supportive in providing funding for programs authorized by the Emergency Medical Services System Act of 1973, which you joined me in sponsoring. The first grants were made under this Act in June, 1974, and as a result a number of communities across the nation are now engaged in building their competence to provide comprehensive emergency medical services to their residents. The high degree of community response to this program was remarkable, given the almost insurmountable obstacles placed in the path of grant applicants by a tardy promulgation of regulations and issuance of guidelines. As you know, Mr. Chairman, applicants had exactly thirty days from the date proposed regulations were published in the *Federal Register* in which to receive their grant application materials, develop their grant application, and submit them to the HEW regional offices.

It is my understanding that grant applications seeking a total of $75 million were received within this period, indicating the extent of interest throughout the country. Due to the shortness of time in which to prepare the applications, many did not warrant approval; however, with adequate time to prepare applications and to receive technical assistance from the Department, it is expected that many of these programs will be under active consideration in fiscal year 1975.

I am very pleased that the House has increased the amount available for these purposes to $37 million, $10 million over the administration request. However, I do not believe this amount will be adequate to meet the expected demands made upon this program by virtue of the amounts required for renewal of those grants supported in fiscal year 1974, and the number of new grant applications expected to be submitted.

I most strongly urge the Committee to appropriate the full amount authorized, $60 million for the support of emergency medical services systems, and $5 million for the support of research in emergency medical techniques, methods, devices, and delivery. (Legislation extending the separate authority ($10 million authorized to be appropriated) for training in emergency medical services techniques is included in a bill currently under consideration in the Senate to extend all health manpower training programs.)

According to the terms of P.L. 93–154, the Emergency Medical Services Systems Act of 1973, of which I was the Senate author, should $60 million be appropriated for the support of services, 15%, or $9 million, would be earmarked for feasibility and planning studies for those communities which do not have a system for the provision and coordination of the essential components of an emergency medical services system. There were twenty approved but unfunded applications for planning and feasibility studies in fiscal year 1974. It is estimated that the United States could optimally have 700 to 800 emergency medical services systems in the future. Obviously there are a vast number of areas where planning and feasibility studies should be begun.

With full funding, sixty percent, or $36 million, would be earmarked for the initial development of emergency medical services systems. Of this amount, approximately $10 million would be needed for second-year support of those programs already supported in fiscal year 1974, leaving $26 million for new programs. In fiscal year 1974, 53 grants were awarded for planning and feasibility studies. It seems reasonable to expect that almost all of these will be seeking support for the initial establishment of a system in fiscal year 1975. This $26 million would thus be stretched pretty thin to meet these needs, as well as the needs of those additional communities seeking support for new systems which did not seek support in fiscal year 1974.

According to the law, 25%, or $15 million, of the optimum $60 million which could be appropriated would also be available for projects to expand and improve existing systems.

Eleven awards were made in fiscal year 1974 for grants for the expansion and improvement of existing systems. All of these will be seeking second-year funding. In addition, it is expected that a substantial number of new applications will be submitted in fiscal year 1975 to cover the needs of many communities for improved communications systems and other essential components needed to expand existing systems.

Mr. Chairman, I have projected the demands that will be made upon emergency medical services funds if the full $60 million is appropriated. This full amount seems barely adequate to meet the expected needs. Should a lesser amount be appropriated, the situation, obviously would be bleak.

Moreover and I want to stress this, Mr. Chairman, the law in section 1206(e) requires that unless the full amount authorized is appropriated and obligated in the appropriate fiscal year, no other funds authorized by any provision of the Public Health Service Act, other than health personnel training under title VII, may be used to make *new* grants for any programs eligible for support under the authorities of the new title XII added by the Emergency Medical Services Systems Act. This language was included in the Act to ensure greater responsiveness to both the legislative and appropriations intent of Congress by the Administration. It is thus extremely important that there be full funding since that would also make available other funds under the Public Health Service Act which cannot be used for any new EMS-related grants or contracts for projects.

In fiscal year 1974, 30 applications for research in emergency medical services techniques were approved, but only 20 were able to be funded. These twenty will be seeking second-year funding probably equal to the $3.3 million which was appropriated and obligated in fiscal year 1974. I strongly urge that the full $5 million authorized be appropriated this year so that vitally needed research can be supported. Should the $5 million be appropriated, $1.7 million would be available for new projects. The restriction in section 1206(e) on the use of Public Health Service funds for support of programs eligible for support under the EMS Act, applies equally in the area of research. Unless the full $5 million is appropriated and obligated, the National Institutes of Health cannot support new programs of research in emergency medical techniques, such as through heart and lung funds.

EMS (excludes training):
Appropriation, FY 74, $21.
Request, FY 75, $27.
House, $37.
Recommend, $65.

National Institute of General Medical Sciences

In related programs, I believe the support of trauma centers by the National Institute of General Medical Sciences has provided critically needed support to communities across the nation and I hope the Committee will stress the importance of this program in report language.

As the results of P.L. 93–154 are felt in the nation's communities through improved systems for making prompt medical care available to emergency victims, the need for sophisticated centers to provide specialized care for these individuals will be increased. In addition, the new medical procedures which have been developed in these trauma centers have meant dramatic savings in terms of fatalities and in terms of reduced disabilities. Dr. J. Englebert Dunphy, Chairman of the Department of Surgery at the University of

California at San Francisco, says of the trauma center there supported by NIGMS, that "if a patient arrives alive at the San Francisco General Hospital, it is almost certain that he will walk home."

It is generally estimated that wherever trauma research centers have been integrated with patient care there has been an overwhelming reduction in morbidity and mortality. In some areas, this is reported to amount to as much as a fifty percent reduction in mortality.

Recommend: Report language stressing importance of support of trauma centers and research in trauma.

National Heart and Lung Institute

Mr. Chairman, in line with my interest in saving lives through better emergency medical care, I also amended the National Heart, Blood Vessel, Lung and Blood Act of 1972 (P.L. 92–423) to authorize the National Heart and Lung Institute to conduct demonstration programs in the application of research in emergency medical services and techniques to heart, blood, and lung diseases.

The Administration has not yet asked for any funds to be utilized by the National Heart and Lung Institute for these purposes. Given the high mortality figures from heart and lung disease and the demonstrated relationship between early treatment and the reduction in mortality and permanent disability, this seems to me to be a grievous omission.

The National Heart, Blood Vessel, Lung and Blood Program released to members of Congress on July 24, 1973, described action which the Institute will undertake in this area in the next five years. Among these activities are the development and testing of early care methods and instrumentation for cardiac patients in risk of sudden death, the design and analysis of the cardiac elements of emergency care in comprehensive emergency medical systems—emphasizing intensive professional education, and the development of instrumentation for field use in telemetry, and telemetry in telecommunications.

The National Heart and Lung Institute is in a crucial position to develop research programs in conjunction with other clinical research already supported by that Institute which would lead to improvements in the emergency treatment of respiratory failure and cardiac arrest. Last year your Committee had designated that $10 million be made available for the National Heart and Lung Institute for demonstrations in the emergency transportation of heart attack victims, the development of emergency mobile critical care units, and particularly the coordination of existing community emergency medical care facilities. This recommendation was lost in Conference, however. I hope that this year your Committee will again include a like amount for these programs in the bill as reported. I point out, again, however, my understanding of present law is that these funds could be spent on these *new* EMS-related activities only if the full $5 million is appropriated for EMS research under title XII.

Recommend: Report language designate that $10 million of the funds allocated to the National Heart and Lung Institute be earmarked for research and demonstrations in emergency medical techniques related to heart and lung disease (provided that title XII EMS research authority is fully funded).

National Institute of Arthritis, Metabolic and Digestive Diseases

Mr. Chairman, Arthritis is probably one of the more pervasive of the diseases affecting humans. It is also one of the most destructive in terms of long-term chronicity and disabilities. In a good proportion of instances the disabilities are severe enough to be permanently crippling. Arthritis affects over 20 million individuals ranging in age from the very young (who suffer the most severe form of arthritis, juvenile rheumatoid arthritis) to the older American among whom only a small proportion are free of the chronic pain which accompanies arthritis.

Even with the high incidence of this disease in our society, little is known of its causes, and little can be done to cure it. I have introduced, with 72 cosponsors, the proposed "National Arthritis Act", S. 2854, which seeks to provide the tools to develop a concerted program to find the causes and the cures of arthritis. Hearings on this legislation will be held in the Senate later this summer and I am hopeful we will see the bill enacted into law this Congress. However, there is no likelihood of any legislation being passed prior to enactment of the appropriations bill. Additionally, that bill seeks only to supplement the research grant and research training program already authorized in the Public Health Service Act. So I believe there will be no conflict between appropriations supporting arthritis programs in the National Institute of Arthritis, Metabolism, and Digestive Diseases and the new authorities which would result from enactment of S. 2854.

I recommend that the Committee appropriate sufficient funds to the National Institute of Arthritis, Metabolism, and Digestive Diseases to ensure that adequate support is given to the efforts to find the cure and causes of arthritis.

The experts in this field, the rheumatologists, the orthopedic surgeons, and others have determined that a budget of $23,317,000 is fully justified and reasonable to utilize the expertise which is already in the community, and to build upon the resources which are there. I support this figure and urge that the Committee give favorable consideration to their recommendations.

The House Committee report has recommended that an Associate Director of Arthritis should be named to give proper guidance to these programs and to interrelate arthritis programs to the research programs in orthopedics and dermatology. The proposed National Arthritis Act would also designate the position of Associate Director for Arthritis, and I hope your Committee will reinforce in its report the need for such an individual.

Research and research training grants:
Appropriation, FY 74, $13.941.
Request, FY 75, $13.860.
House, not available.
Recommend $23.317.

Recommend: Report language concurring in House recommendation that an Associate Director for Arthritis Research be designated.

National Institute of Neurological Disease and Stroke Multiple Sclerosis

Mr. Chairman, several months ago, the National Advisory Commission on Multiple Sclerosis, established pursuant to P.L. 92–563, submitted its recommendations on multiple sclerosis. These recommendations were eminently reasonable and I hope your Committee will include an additional $3.86 million for research in multiple sclerosis as recommended by that Commission.

Research in MS:
Appropriation, FY 74, not available.
Request, FY 75, not available.
House, not available.
Recommend, $3.860 increase.

National Institute on Child Health and Human Development Population Research

The Administration has requested approximately $40 million for population research. This is a far cry from the $125 million which was projected for Federal fiscal year 1975 support in the Department's 1971 Five Year Plan for Family Planning Services and Population Research Programs. Had the program been on target for the last three years, I would feel secure in asking for this figure. However, because support has been held at the fiscal year 1972 level for three years now, I feel any impetus that would have been gained through more substantial support in the last few years has been lost and that the fine minds that might have been concentrated on this badly needed field of research have moved to other research areas. For that reason, I am recommnding that a total of only $65 million be appropriated for research in reproduction and the development of contraceptives, as well as in the social science and program implementation fields related to family planning and population dynamics.

It has been my view, which has just been restated in the House Committee Report on legislation extending the Family Planning Services and Population Research Act of 1970 (P.L. 91–572), that all funds appropriated for population research should be appropriated under the authority for population research derived from that Act (incorporated into the Public Health Service Act as title X). This title is currently being administered under the authorities of the Continuing Resolution. The legislation extending this authority, pending in both the House and the Senate, authorizes an appropriation of $60 and $65 million, respectively, for research programs which I believe are a demonstration of the legislative committees' desires to set realistic authorization levels.

I believe, in all honesty, although I would like to see funds appropriated now for population research, that a recommendation of funds for this purpose should be deferred until after the authorizing legislation has been enacted. The House, hopefully, will be acting on this legislation in the next week or so.

Population research:
Appropriation, FY 74, $51.
Request, FY 75, $45.874.
House, not available.
Recommend, $65.

(Recommendation contingent on pending action on legislation extending the authorities of the Family Planning Services and Population Research Act of 1970).

Occupational Safety and Health Administration

As Chairman of the Small Business Subcommittee of the Committee on Banking, Housing, and Urban Affairs, the frustrations and uncertainties of many small businessmen in seeking to comply with the Occupational Safety and Health Act have been brought to my attention time and time again. I believe the action in the House of earmarking $5 million of the amount appropriated for the Occupational Safety and Health Administration to reimburse the States in providing consultation services to employers seems a not unreasonable way to bring about a resolution of this very difficult problem. However, I regret that an additional $5 million was not appropriated to cover this earmarking. The Department of Labor has suffered from inadequate funding to implement this Act since the beginning of the program. This situation has affected not only the ability of the Department to implement the law but also the Department's ability to continue the activities it already carries out of disseminating information and providing assistance to businessmen seeking advice on compliance. Earmarking from the OSHA funds already utilized for this related purpose of assisting businessmen will only mean a reduction in other equally important programs of the Occupational Health and Safety Administration.

I recommend that this Committee accept the House language earmarking funds for consultation only if a commensurate increase is made in the overall appropriation for the Occupational Safety and Health Administration.

The Subcommittee on Labor of the Labor and Public Welfare Committee is currently conducting oversight hearings on the Occupational Safety and Health Act and a question on which they will be placing a great deal of emphasis is the need for consultative services for businessmen who cannot find their way through the voluminous safety and health regulations. I am hopeful that a better and more permanent solution to this problem will result from these hearings and by further consideration in the Small Business Subcommittee.

Occupational Safety and Health Administration:

Appropriation, FY 74, $70.408.
Request, FY 75, $102.500.
House, $100.816.
Recommend, $105.816.

OTHER HEW BUDGET ITEMS

Mr. CRANSTON. Mr. President, there are several other areas of concern in the HEW budget about which I feel very strongly, but which were deferred by the committee or which were not itemized in the bill as reported. I ask unanimous consent that my testimony on these programs before the Senate Labor-HEW Subcommittee on Appropriations be printed at this point in the RECORD.

There being no objection, the additional material was ordered to be printed in the RECORD as follows:

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT

OLDER AMERICANS ACT

Mr. Chairman, two weeks ago the President signed into law, as Public Law 93–351, legislation to extend the Nutrition Program for the Elderly (title VII of the Older Americans Act) for an additional three years. The measure increases the authorization from $100 million currently, to $150 million in fiscal year 1975, $200 million in fiscal year 1976, and $250 million in fiscal year 1977.

The Nutrition Program, added to the Older Americans Act in 1972, is designed to provide Americans aged 60 and older, particularly the needy, with one hot, nutritious meal a day, five days a week, principally in accessible community centers.

In addition to promoting better health among elderly persons by improving their diet, the nutrition program is aimed at reducing the isolation of old age and making it possible for older Americans to meet with other citizens of similar interest on a day-to-day basis.

Further, the program also provides an opportunity for older citizens to meet in community centers so that in addition to the nutrition services for which title VII is primarily designed, they may take advantage of recreation, health, and other social services.

Realistically, this is the first full year of the program's existence. Presidential vetoes of appropriations bills and the delay in the implementation of the regulations have meant that the full effect of the Nutrition Program is just beginning to be felt.

Despite uncertainty over funding for the Nutrition Program (the Administration budget request for fiscal year 1975 is for $100 million—$50 million less than the authorization appropriation, and the House has deferred appropriation, as the authorization for the program had not been extended at the time the bill was reported), reports from States indicate an encouraging response and an overwhelming need for congregate meal programs for the aged.

Mr. Chairman, in my own state of California, in a recent survey reported by the Food Research and Action Center, it was estimated that the State could provide congregate meals to 30 percent more of the population 60 years and over, if funding were available. The population 60 plus has been reported as 2,571,747. Eighteen percent of this population is poor and currently only 18,413 are benefiting from the Nutrition Program.

With costs for food and fuel rising sharply, additional appropriations may not result in actual program expansion. It was initially believed that the $100 million appropriation for FY 1974 was sufficient to feed 250,000 individuals daily; now only between 200,000 and 212,000 are expected to be fed with this amount. Such inflation, coupled with the unmet needs of thousands of older Americans who are not able to participate in the congregate meals program because of lack of program support, make it imperative that the Committee recommend an appropriation for the full amount authorized for fiscal year 1975 of $150,000,000.

[Dollar amounts in millions]

	Appropriation request			
	Fiscal year 1974	Fiscal year 1975	House	Recommend
Nutrition program	$99.6	$99.6	Deferred	$150.0

HEAD START

Mr. Chairman, I do not feel that the House decision to defer appropriations for the Head Start program until the authorization for this program is extended is justified. The extension authorization for Head Start, which is a part of a larger legislative package to extend the Economic Opportunity Act of 1964, does not involve major changes in the authorization or operation of the Head Start program. Head Start has already been transferred to HEW and was only connected to OEO for funding purposes. The pending authorization legislation would simply establish that transfer legislatively. Because the authorization legislation does not substantially alter the Head Start program, I see no reason to delay appropriating funds for fiscal year 1975.

The budget submitted by the Administration for fiscal year 1975 contains one of the largest increases for Head Start in the program's 8½ year history—$37.9 million over the previous year. This is as it should be. Head Start is one of the most successful programs our nation has for young children who come from disadvantaged backgrounds. It is also one of our only programs for these children. In a recent analysis of revenue sharing prepared by the Government Accounting Office, it was reported:

A total of 52 governments authorized part of their revenue sharing funds in children's programs or activities. These authorizations totaled about $15.4 million, or a little more than 1 percent of the $1.374 billion authorized by the 219 governments.

To enact mere maintenance funding for Head Start precludes any of the growth and expansion of services to children that are so sorely needed. The Administration request will hardly suffice to meet the cost-of-living increases which our inflation-torn economy has incurred. Of the reqeusted increase, $22.2 million is designated as an increase of approximately 6 percent to local grantees to meet the increased costs of such items as wages, utilities, transportation and supplies—less than half the cost-of-living increases we have experienced this past year. The remainder of the increase will be available to Head Start grantees directly to cover indirect administrative costs previously borne by Community Action Agencies from money allocated by the Office of Economic Opportunity. No provision has been made to cover the costs of upgrading salaries to meet the new minimum wage requirement or to handle the added costs involved in meeting the needs of handicapped children in the program, which has been estimated to exceed the average cost by $11.50 per child.

For these reasons, Mr. Chairman, I strongly urge the Subcommittee to support an appropriation for Head Start and to recommend such support at the level of $470.0 million, an increase of $40.0 million over the budget request.

[Dollar amounts in millions]

	Appropriation request			
	Fiscal year 1974	Fiscal year 1975	House	Recommend
Head Start	$392.1	$430.0	Deferred	$470.0

AGING RESEARCH

Mr. Chairman, as ranking majority member of the Senate Subcommittee on Aging of the Labor and Public Welfare Committee, and as an original cosponsor of S. 775, the Research on Aging Act, which was enacted into law as Public Law 93–296 on May 31, I am delighted to be taking this opportunity to recommend an appropriation for this important new law.

Mr. Chairman, the White House Conference on Aging recommendations on research and demonstration called for the "immediate" establishment of a national institute "to support and conduct research and training in the biomedical and social-behavioral aspects of aging." This recommendation was made in December of 1971. It is now July of 1974.

Senior citizens are the fastest growing segment of our population—the total population of the United States has tripled in size since 1900, while the older population has increased more than twice as fast, multiplying sevenfold. We must do much more to enable older Americans, to enable all ages in our population, to make the most of their later years. We know through testimony we heard on S. 775 that there is marvelous potential for enriching and lengthening the human lifespan in order to make it possible for each of us to live more creative, productive, and healthful lives. And it is long past time for us to begin to realize that potential.

The Congress has done its utmost to respond to these needs, as well as the specific recommendation of the White House Continues to foot drag on any real support for research on aging. The budget request of $13,855,000 for aging research under the National Institute for Child Health and Human Development represents an actual decrease of over $1 million from the amount available for expenditure in fiscal year 1974. In addition, the request for research and development funding under the Older Americans Act has been substantially reduced—from $16.5 million in fiscal year 1974 to $7.0 million for fiscal year 1975.

The Congress has mandated establishment of a new Institute on Aging. It is understood that the dollars that would be appropriated to NICHD under the House action for aging research will be transferred to this new Institute as soon as it is set up. Nonetheless, the House appropriations figure does not reflect any provision for start-up costs, nor for the additional sums necessary to begin a comprehensive program of research on the biological changes that occur with aging, the cognitive and emotional alterations that occur with aging, and the societal aspects of aging.

I urge the Subcommittee to take these factors into consideration and recommend an appropriation of $25 million to initiate this significant new program.

[In millions of dollars]

	Appropriation request			
	Fiscal year 1974	Fiscal year 1975	House	Recommend
Institute on Aging	15.155	13.855	14.149	25.0

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

DRUG ABUSE

Mr. Chairman, as a member of the Senate Labor and Public Welfare's Subcommittee on Alcoholism and Narcotics, I support the House action for carrying out the research, training, and community programs under the new National Institute on Drug Abuse. I have no additional recommendation for appropriations for these programs.

I would like to point out, however, that the House appropriation amount is based on the understanding that there has been a decline in the rate of increase in the use of heroin and the rate of overdose deaths. While such statistics are indeed hopeful, there is indication that the incidence of heroin abuse has not yet peaked in smaller communities of the country and that polydrug abuse is on the rise. Further, we do not know what future incidence patterns may be. Understanding drug use and abuse is still in a nascent stage of development. Doubtless, a multiplicity of causes contribute to the development of an epidemic in drug abuse; some of these causes have been identified—the easy availability of the drug; the large increase of young persons in the population and their concentration in urban areas; economic hard times; etc.—but many more causes still escape our understanding, and hence our ability to accurately measure and predict drug abuse behavior is most imperfect.

We must continue our vigilance with respect to developments in drug usage and not become prematurely secure with the successes we have experienced. If new and better information becomes available to us on the magnitude and scope of drug abuse in this country later in the fiscal year, I shall submit recommendations for additional appropriations at that time.

[Dollar amounts in millions]

	Appropriation request			
	Fiscal year 1974	Fiscal year 1975	House	Recommend
Drug abuse	$243.456	$216.615	$219.146	Sustain.

ALCOHOLISM

Mr. Chairman, on June 21 of last year the Congress passed and sent to the President S. 1125, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act Amendments of 1974. This legislation, enacted into law on May 14 of this year as Public Law 93–282, is a tribute to the leadership of the esteemed chairman of the Labor and Public Welfare Committee's Subcommittee in Alcoholism and Narcotics, Mr. Hughes, who developed the legislation initially in 1970 and pursued its extension and expansion this year. I am happy to also be identified with this measure as an original cosponsor and as author of several amendments.

The new law provides the means whereby programs for contract, project, and formula grants to support treatment and rehabilitation programs for alcohol abusers can be continued for an additional three years, as well as improvements in existing program authorities. Significantly, however, the authorization appropriations were drastically reduced below the amounts authorized in the original bill. While these cuts were made in the interest of budget restraint, I think they are important to keep in mind when giving consideration to the appropriation funding levels for programs in the new law. It may be useful to return to Senator Hughes' remarks on the floor of the Senate when S. 1125 first passed the Senate:

"I agree only reluctantly to these reductions below the amounts in the original bill. . . .

"To carry on existing commitments, to fund last year's unfunded new projects, and to go forward on new projects in the next three years would have justified far greater amounts than we have recommended in this bill. . . .

"Certainly budget priorities are a proper subject for debate. It is my view, however, that this is a modest bill. It calls for no increase in the 1974 authorizations above that for 1973, and it provides for increments of only $10 million in each of the following two years. Considered in terms of what we have spent, and are still spending, for the weapons of war, and for that matter, recalling the sums that have been collected to run Presidential campaigns, the total represents only a limited attack on a disease which afflicts at least 9 million Americans and costs the economy at least $15 billion every year."

Mr. Chairman, the impact of the disease of alcoholism in this Nation has never been determined accurately. What we do know is that it is widespread—of epidemic proportions—and that the statistics we do have present an iceberg-like view of the magnitude of the problem.

Each victim of alcoholism touches upon many lives, and the nature of the illness is such that its social consequences have a tremendous ripple effect in addition to those tragically affected directly.

Alcoholism adversely affects 10 to 20 times more Americans than all other abusive drugs combined; alcoholism touches the lives of one in every four Americans. It is estimated that cancer also affects one in every four Americans—yet for cancer research the House bill would appropriate $480 million. It is time we began moving toward a similar level of effort in combating alcoholism.

The Institute's contract and project grant authority represents the very heart of our national commitment to combat this major crippling and killing disease. Last year the Congress saw to appropriating $66.956 million to support treatment, rehabilitation and prevention at the local level. Now the Administration—urging that the health insurance industry and not the Federal Government should support these activities—has requested a mere $32.051 million for fiscal year 1975—an amount less than half the appropriation available for the preceding fiscal year and an amount nearly five times less than the already-reduced authorization appropriation.

The House, doing little better, would appropriate only $55.908 million for project grants and contracts; still an amount that is less than half of what the Congress indicated was a minimum commitment. To support either of these recommendations would drastically undermine the program.

For these compelling reasons, I join with Senator Hughes in strongly urging the Subcommittee to continue the commitment to fight against alcoholism and fund the Institute at $80 million for contracts and projects grants.

OFFICE OF EDUCATION: VETERANS COST-OF-INSTRUCTION PROGRAM

Mr. CRANSTON. Mr. President, I particularly am gratified by the committee's continued support for the Veterans Cost-of-Instruction—VCI—program, and its concurrance with the House recommendation of $23.7 million for the program in fiscal year 1975.

I especially want to thank the distinguished Senator from New Jersey (Mr. Case) for his valuable assistance and support of the VCI program in committee. I also am grateful to my distinguished colleague from Maryland (Mr. Mathias) for his continuing support and collaboration with me on matters affecting the VCI program. I very much appreciated Senator Mathias' clarifying remarks with respect to VCI funding during Senate consideration of H.R. 15580, on Tuesday, September 17, 1974.

Mr. President, the $23.7 million recommended by both the House and the Senate Committee for the VCI program will help continue the valuable work of many VCI programs, in addition to providing funding for a number of newly eligible schools. In order to provide all eligible schools with the opportunity to develop the best possible programs, however, it is imperative that the Office of Education make these funds available during the current academic year 1974–75, and not withhold these funds for obligation until June 1975, for use in academic year 1975–76.

Mr. President, my testimony, submitted to the Senate Appropriations Subcommittee on Labor-HEW during its consideration of this bill, is most specific on the question of when this money is to be spent. I ask unanimous consent that this portion of my testimony be printed in the Record at this point.

There being objection, the following testimony was ordered to be printed in the Record, as follows:

VETERANS COST-OF-INSTRUCTION PROGRAM

Mr. Chairman, once again the Department of Health, Education, and Welfare has requested no funding for the Veterans Cost-of-Instruction (VCI) program in its FY 1975 budget request. This latest action follows an all too predictable pattern by this Administration of an unwillingness to seek our support funding for this innovative program to help returning veterans.

The VCI program, which I authored in the Education Amendments of 1972 (P.L. 92–318), has been a special victim of the Administration's refusal to release funds and issue program guidelines, as well as Congressionally-rejected proposal to rescind the $25 million appropriated in the Supplemental Appropriations Act, 1973 (P.L. 92–607) to initiate the VCI program.

Most recently, HEW refused to spend, for use by eligible institutions during fiscal year 1974, the $25 million appropriated for the VCI program in the Labor, Health, Education, and Welfare Fiscal Year 1974 Appropriations Act, Public Law 93–192.

Your Committee, in its May 3, 1974, report on the Second Supplemental Appropriation Act, fiscal year 1974, H.R. 14013, stated that—it "strongly disapproves of HEW's refusal to spend" this money appropriated for school year 1973–74 VCI payments, and "expects [the] . . . funds will be obligated without further delay."

Once again I would like to thank the Committee for making this point clear and the Senator from South Carolina (Mr. Hollings) for his continuing support of this program and cooperation with me. I regret, however, that despite the forceful directive issued by the Committee, HEW continued to defy the mandate of the law with respect to the two additional required payments which should have been made for academic year 1973–74. Using the Office of Education's theory that the fiscal year 1973 funds, which were finally allocated in June 1973, were for use in academic year 1973–74, the law in section 420(d) clearly required two additional installment payments in academic year 1973–74.

I note that whereas the Office of Education's first regulations evaded this statutory requirement, section 189.3(c) of the new regulations released on May 3, 1974 (39 Fed. Reg. No. 87, p. 15481, 45 CFR pt. 189) do carry out this installment-payment statutory requirement.

I am hopeful that OE's change of heart with respect to this requirement portends a comparable change concerning the obligation of whatever funds are appropriated in the FY 1975 Appropriations Act. The House-passed bill, H.R. 15580, includes, once again, $23.7 million for the VCI program. Mr. Chairman, I would concur that this amount is sufficient if, and only if, the Office of Education agrees to give heed to the direction of the Senate Appropriations Committee and spend this money for use during academic year 1974–75. I urge that the Committee agree to include language in the bill—or failing that, in the report—requiring that whatever funds are made available must be spent for use in academic year 1974–75, and not withheld for obligation until June 1975, for use in academic year 1975–76.

In addition to the mandate of law that two additional payments be made to institutions qualifying for and receiving VCI awards, there are a number of reasons why it is essential that additional funds be made available for VCI programs for use during academic year 1974–75.

Mr. Chairman, the Veterans Cost-of-Instruction program was designed to provide incentives and supporting funds for colleges and universities to recruit actively returning veterans and to establish the kinds of special programs and services necessary to assist many veterans in readjusting to an academic setting. Institutions which increased their enrollment of veterans by 10 percent over the previous year and who met other requirements of the legislation for special veterans programs were to be entitled to payments of up to $450 for each of certain categories of veterans enrolled in an undergraduate program on a full-time basis.

In the VCI program's first year of operation (1973–74), eligible colleges and universities received only 17 percent of their entitlements. Despite the limited amount of money made available by the Office of Education, many VCI programs provided a central focus for efforts to meet the needs of veteran-students. Many smaller schools, however, found it necessary to return their awards for lack of sufficient funding to meet the requirements of the law. And most schools were unable to implement fully the kinds of programs they had originally planned.

Mr. Chairman, at the current, even lower, funding level of 14 percent, more schools, may find it necessary to return their awards, and other programs will probably be more severely cut back. At a time when thousands of Vietnam-era veterans continue to suffer from serious readjustment problems, I believe we must enhance rather than severely restrict the educational opportunities and services available to veterans, particularly those veterans who are educationally disadvantaged. There is still much to be done in the way of counseling, recruitment, remedial and tutorial services and outreach. These efforts, however, cannot even be maintained on the limited amount of money being made available by the Office of Education.

Additionally, Mr. Chairman, the Congress has passed the Conference Report on H.R. 69, the Education Amendments of 1974. This bill contained amendments to the Veterans Cost-of-Instruction program provision, which were considered and agreed to by the Conference Committee, with only minor modification.

These amendments do not weaken the basic purpose or design of the VCI program, but rather, I believe, strengthen the program by providing for a more equitable funding procedure for eligible schools to increase the amount many smaller qualifying institutions have been receiving, and by making the first-year and second-year eligibility requirements slightly less restrictive.

Without lowering in any significant way the eligibility and maintenance-of-effort requirements of the law, the new provisions will allow a number of additional schools to qualify for the program. In order to make it possible for more veterans to benefit from the services of a full-time office of veterans affairs, it is imperative that additional funds be made available for the program.

In this connection, I would like to apprise the members of the Committee of recent events which I believe to be pertinent to the funding of this program.

S. 2784, the "Vietnam-era Veterans Readjustment Assistance Act of 1974", as passed by the Senate in H.R. 12628, would add a new section 243 to title 38, U.S.C., to provide specific statutory authority and Congressional guidance with respect to the implementation of the new Vet Rep program, which the VA has just initiated. This program is designed to improve service relationships with veterans, colleges and universities, and veterans service organizations, by placing VA representatives on college and university campuses to identify and resolve VA educational assistance allowance problems. These problems had reached crisis proportions during this past academic year, especially in California just prior to Christmas, when thousands of veteran-students were in dire straits because their VA educational assistance checks were months late in arriving.

I was most concerned about the relationship that would develop between VA Vet Reps and those persons already involved in campus veterans' programs, however, particularly, the V.C.I. program campus coordinators. VCI coordinators expressed substantial concern that their programs were about to be taken over by the VA, and, considering the seemingly duplicative nature of the VA's early plans and job descriptions for the Vet Reps, their fears appeared to be well founded.

In order to work out details of the Vet program, and to insure that the concerns of VCI coordinators would be taken fully into consideration before plans for the program were finalized, my staff worked closely with the Veterans Administration, the Civil Service Commission, the Office of Management and Budget, and the White House.

On June 14, 1974, I wrote to the Director of the Office of Management and Budget, Mr. Roy L. Ash, with respect to the assurances I believed were necessary regarding the manner in which it was proposed that this new program be implemented. I received a most definitive and responsive reply to my letter. Copies of both letters appear at the conclusion of my remarks for the Committee's information.

In addition to the assurances spelled out in Director Ash's letter to me, this entire matter was discussed very thoroughly on June 20, 1974, at the Appropriations Subcommittee on HUD, Space, Science, and Veterans hearing on the Veterans Administration's Urgent Supplemental Budget request. The VA had included $2 million in this request to begin implementing the Vet Rep program. That Subcommittee's Chairman, Senator Proxmire, asked the Veterans Administration's Chief Benefits Director, Mr. Odell Vaughn, numerous detailed and probing questions concerning the VA's general plans for implementing the Vet Rep program, and specifically its understanding of the separate and distinct responsibilities of Vet Reps and VCI coordinators.

Mr. Chairman, despite the Administration's recognition of the need for both the VCI program and the Vet Rep program to assure the best available services to veterans, the suggestion has been made to transfer VCI funds to the Vet Rep program. I strongly oppose that suggestion. I am sure the members of the Committee will agree, after study of the correspondence attached and this testimony, that the VCI program and the Vet Rep program, together, will do much to improve the services currently available to veteran-students.

Mr. Chairman, in closing, I would like to point out that in terms of cost benefits, the money spent today on educational assistance programs for veterans is far better spent than the funding of welfare programs tomorrow for the potentially large numbers of disadvantaged veterans.

Large numbers of Vietnam-era veterans have been victims of a vicious cycle of disadvantagement. The least educated men have been the most likely to enter the Armed Forces, to go into combat, and then, upon their return, they have the most difficulty in continuing their education and training or finding other than menial jobs.

One of the results of this situation—educational assistance not helping those who need it most—is the shockingly high rate of unemployment among young veterans. The unemployment rate for young veterans aged 20-24 of 10.2 percent is almost double the national unemployment rate of 5.2 percent. On the West Coast, it is an appalling 16 percent. I believe these rates are a clear indication that we cannot do enough in terms of providing the kinds of programs and services that will encourage veterans to return to school, and help them to stay in school.

Mr. Chairman, I thus urge the Committee to sustain the House figure of $23.7 and to earmark in the law these funds for use during the academic year 1974-75.

[In millions of dollars]

	Appropriation request		House	Recommend
	Fiscal year 1974	Fiscal year 1975		
Veterans cost-of-instruction program	25.0	0	23.7	23.7

ACTION AGENCY

Mr. CRANSTON. Mr. President, I am pleased that the committee concurred with my recommendations with respect to two items in the ACTION Agency budget request for fiscal year 1975.

Specifically, I am gratified that the committee recognized the wisdom of restoring some $2.8 million for administrative program support which had been cut by the House. I believe this cut was without adequate justification in view of the purpose for which these funds were requested. The Agency's request for this increase over the fiscal year 1974 funding level was justified, I felt, to meet fixed cost and salary cost-of-living increases over which the Agency has no control. Sustaining the House cut would have been damaging to the programs that the Agency is administering. I hope the Senate will insist on its position on this item in conference.

I am also pleased that the committee recognized, and, to some extent, agreed with, the concern I expressed about the magnitude of the Agency's request for title I, part C, experimental and demonstration programs, called special volunteer programs. The Agency had requested $9 million for these types of programs for fiscal year 1975, but I felt very strongly that, given the questionable nature of the success of some of these programs to date, the Agency should be demonstrating further its program initiatives. The Agency's lack of responsiveness with respect to my inquiries regarding these programs serves only to heighten my reservations about funding these programs at this time. Although I would have preferred a complete deferral of this budget request, I understand the difficulty of such a decision and do appreciate the committee's decision to reduce this particular item.

DEPARTMENT OF LABOR: MANPOWER AND PUBLIC SERVICE EMPLOYMENT PROGRAMS

Mr. President, although I understand the committee's deep concern with the need to cut wasteful Government spending—a concern which I certainly share—I question the wisdom of the committee's action in reducing the House-passed appropriation for title I of the Comprehensive Employment and Training Act—CETA—at this time.

Last July 23, 1974, I had joined with Senators Kennedy and Javits and other Senators in requesting that a total of $2.080 billion be made available by the committee for title I of CETA to fund much-needed public service jobs, as well as job training programs. I was pleased, therefore, that $175 million of the House $350 million increase was restored for title I, as a result of a Senate floor amendment by those Senators to H.R. 15580, as reported from committee.

I know the commitee recognizes the great value of public service employment, as evidenced by its generous recommendations for funding public service jobs in the fiscal year 1974, Second Supplemental Appropriations Act, Public Law 93–305. Although the committee did not concur with our full request with respect to funding public service jobs under title II of CETA in this fiscal year 1975 appropriations bill, the $400 million appropriated by the committee will provide 57,000 public service jobs for areas with unemployment rates of at least 6.5 percent for 3 consecutive months.

In this connection, Mr. President, I am most concerned with the Department of Labor's refusal to comply with the requirements of the law with respect to the special veterans provisions in title II of CETA. The regulations implementing title II of the law are, in my opinion, inadequate and in error.

Mr. President, I wrote to the Department on July 22, 1974, regarding my concern with the regulations, especially in view of the continuing severe unemployment problems confronting young, Vietnam-era veterans. The Department's September 3, 1974, response to my letter is, in my opinion, largely unacceptable and is further evidence of the Department's half-hearted efforts to help young veterans find jobs.

Mr. President, I ask unanimous consent that the full text of my July 22, 1974, letter to the Assistant Secretary of Labor for Manpower, Mr. Kolberg, and his September 3, 1974, response to me be printed in the Record at this point.

There being no objection, the letter and response were ordered to be printed in the Record, as follows:

JULY 22, 1974.

Hon. WILLIAM H. KOLBERG
Assistant Secretary for Manpower,
U.S. Department of Labor,
Washington, D.C.

DEAR MR. SECRETARY: At the April 30, 1974, hearing of the Subcommittee on Readjustment, Education, and Employment of the Senate Committee on Veterans' Affairs, I asked you a number of questions regarding the regulations implementing title I and title II of the Comprehensive Employment and Training Act of 1974 (C.E.T.A.) (Public Law 93–203).

On May 14, 1974, I received your letter indicating the Department was proceeding to revise its regulations implementing title I of C.E.T.A. in order to focus attention on qualified disabled and Vietnam-era veterans, as required by section 2002 of title 38 regarding "implementation of new programs".

Although I was pleased to note in your June 4, 1974, regulations with respect to C.E.T.A. that this change has been made, I remain most concerned about the regulations implementing title II of the law. At the April 30 hearing, I referred to my amendments, which were included in section 205 (c)(5) of C.E.T.A., to augment the requirement for special consideration of Vietnam and Korea veterans for title II public service jobs; specifically, that title II prime sponsors must set forth a description of the specific steps they intend to take to provide the special consideration for veterans, and a description of the types of jobs which will be made available to veterans, especially those utilizing their military experience. I specifically pointed out that we were unable to find a provision in the regulations implementing these new requirements, and I asked you to explain the gap in the regulations. You indicated that you were not aware of any gap, at which point I asked you to report back to me within two weeks regarding this matter. To this date, I have received clarification from you only with respect to title I.

I have the gravest reservations about the Department's interpretation of the requirement in section 205(c)(5)(A) that "special consideration" in filling transitional public service jobs be given to veterans. I believe the regulations in section 96.30 Federal Register, Vol. 39, No. 108 (Tuesday, June 4, 1974) fail to implement the "special consideration" requirement mandated by law. It is unclear to me how hiring veterans "in a proportion at least equal to their incidence in the unemployed and underemployed population", and listing job vacancies with the State employment service at least 48 hours before such vacancies are filled constitutes "special consideration" in filling public service jobs. When this concern was expressed to your staff, pointing out the identical "special consideration" requirement of the Emergency Employment Act of 1971 (Public Law 92–54) (E.E.A.), your staff indicated that the requirements of the E.E.A. were entirely different from those of C.E.T.A., since the former required "priority" not simply "special consideration".

Public Law 92–54, in section 7(c)(4), specifically required that *"special consideration"* in filling public service jobs be given to unemployed or underemployed Vietnam and Korea service veterans—a provision identical to the provision in section 205(c)(5) of C.E.T.A. The Department's regulations implementing the E.E.A. provision, however, required a program agent to provide assurances that priorities would be given to unemployed and underemployed veterans (section 55.2, Federal Register, Vol. 37, No. 43 (Friday, March 3, 1972)).

I believe the Congress, by virtue of its enactment of the identical statutory language in section 205(c)(5) of C.E.T.A. clearly evidenced its intention to continue this strong emphasis on veterans employment in public service jobs and the Department's interpretation and implementation of the corresponding provision in the E.E.A. I fail to understand, therefore, the rationale for the apparently drastic revision of the regulations with respect to C.E.T.A. title II.

In Decision B–130515 of the Comptroller General of the United States (July 17, 1974), issued at my request, the opinion discusses the "well established principle that an administrative practice reflecting a certain interpretation of a statute will be given great weight in ascertaining the true meaning of the statute, particularly where the legislature is aware of the administrative practice and has not objected thereto [citation omitted] . . ." and notes that "support also exists in certain cases for the rule that an administrative regulations may not be changed after reenactment of a statute." It seems very clear to me that these principles apply with full force to the question of what Congress intended when it reenacted the "special consideration" provision to apply to title II of C.E.T.A.

Indeed, in this case, Congress strengthened that provision by requiring still further efforts by prime sponsors to employ Vietnam veterans. The Senate Committee report—the Senate originated this strengthening language—makes clear that Congress intended a greater not a lesser effort in this regard (see S. Rep. No. 93–305, to accompany S. 1560 (the provisions of which were incorporated along with those of S. 1559 as an amendment to H.R. 11010 on the Senate floor), page 2).

I am also most concerned that these new requirements—that prime sponsors describe specific steps to be undertaken to provide special consideration, as well as of the types of jobs to be made avaliable to veterans, emphasizing the development of jobs which will utilize the skills these veterans acquired in military training and service—were described *only* in the Forms Preparation Handbook for Prime Sponsors Under C.E.T.A., and were not mentioned in the regulations themselves. This omission seems particularly inappropriate since the requirements were newly added in title II of C.E.T.A.

I believe the fact that no direct mention was made of these statutory requirements is an indication of the Department's failure—despite the priority attached to this problem by the President in his Vietnam Veterans Day statement—to appreciate the ongoing, very serious unemployment problems of young Vietnam-era veterans. The unemployment rate for young veterans aged 20–24 of 10.2 percent is almost double the national unemployment rate of 5.2 percent. On the West Coast, it is an appalling 16 percent. I believe these rates are a clear indication that we have not done enough, and that we must do much more—not less—to alleviate the unemployment problems of Vietnam-era veterans.

I would urge you, therefore, to amend the regulations to restore the "priorities" provision from the E.E.A. regulations and to set forth specifically the statutory requirements added in section 205(c)(5). Especially in light of the $620 million appropriated last month for approximately 95,500 public service jobs under title II of C.E.T.A., the requirements of the law should be made as clear as possible—as soon as possible—to ensure Vietnam-era veterans of a very substantial proportion of these jobs.

I will appreciate your earliest response to the above concerns.

Sincerely,

ALAN CRANSTON.

U.S. DEPARTMENT OF LABOR,
Washington, D.C., Sept. 3, 1974.

Hon. ALAN CRANSTON,
U.S. Senate
Washington, D.C.

DEAR SENATOR CRANSTON: I have carefully reviewed your letter of July 22, 1974, relating to the treatment of veterans under title II of the Comprehensive Employment and Training Act (CETA), and I want to assure you of our continuing concern for the participation of veterans in CETA programs. We are acutely aware of the difficult problems many veterans face in obtaining employment, and we understand well our special obligations to them.

Your letter asks us to amend the CETA, title II, regulations in two specific respects. First, you urge that the title II regulations be amended to include the same language pertaining to program "priorities" for veterans as is contained in the regulations promulgated under the Emergency Employment Act (EEA). Second, you urge that the title II regulations be amended to include, verbatim, the language of section 205(c)(5) of CETA, detailing the "special consideration" that must be provided veterans under title II of the Act.

I believe there is no substantial difference between us, Senator Cranston. We both believe that special measures are required under title II, CETA, to treat with the unemployment problems of veterans. And we are agreed, as well, that grantees under title II of the Act must comply with the requirements of section 205(c)(5). Where there may be some disagreement is over specific language, but even there, I believe that the disagreement may be largely commercial.

For example, in your letter, you ask, as I have noted above, that the specific "priority" language from the EEA regulations be placed in the CETA, title II, regulations. But that priority language in the EEA regulations to which you refer is merely general language in the "Purpose and scope" section and has no operative effect at all. In addition, that language not only provides "priority" for veterans, but provides priority for other "specified segments" of the unemployed and underemployed population, as well. Thus, the section, taken as a whole, does not single out veterans for priority, but states a general concept of program operation. This is clear in the language, itself, which reads as follows:

"§ 55.2 Purpose and scope.

* * * * *

(b) *This part sets forth the requirements for* applying for . . . financial assistance; the assurances and other conditions required of the applicant; standards for selection of participants, requirements *for assuring priorities for unemployed and underemployed persons who served in the Armed Forces in Indo-China or Korea on or after August 5, 1964, and for other specified segments of the unemployed and underemployed population;* the policies for reviewing grant applications and acting upon them; requirements for use of Federal funds and for non-Federal share; the requirements for allocation of funds by grantees within the jurisdiction of each; requirements as to compensation and working conditions of persons employed under the Act; recordkeeping and reporting requirements; the bases upon which financial assistance may be denied, terminated or withheld, or restitution required; and other pertinent conditions and standards." [Emphasis added.]

From this language it is apparent that paragraph (b), of § 55.2, merely identifies a list of items that are handled substantively elsewhere in Part 55. It is a statement of generalities for which specifics are provided elsewhere. Second, even if the term "priorities" has some substantive meaning, which I do not believe it does, it does not refer only to priority for veterans, but to unnamed other "specified segments of the unemployed and underemployed population," as well. Such sharing of priorities would significantly dilute any consideration for veterans not provided to the others. But the fact of the matter is that the term "priorities" does not have any independent meaning in § 55.2(b), and one must look to the specific sections of the EEA regulations to determine exactly how veterans are to be treated under that program.

When we do that, and look to the specific "veterans provisions" of the EEA regulations, we see great similarity—indeed almost identical language—to the provisions set out in the CETA regulations. There appear to be only three differences of note.

First, under the EEA regulations, every job vacancy, except one to which a former employee is being recalled, must be listed with the State Employment Security Agency at least 48 hours before the vacancy is filled, during which period the Employment Service must "first refer veterans in accordance with its referral priorities." (29 CFR 55.7(d)). Under the CETA regulations, the language is identical, except that *only* veterans may be referred during this 48 hour period, unless there is a special request made to refer an individual from another "significant segment" of the unemployed or underemployed population. (29 CFR 96.30(a)). At the very least, therefore, the CETA regulations provide as much of a priority for veterans in this respect as do the EEA regulations. Indeed, I believe a fair reading of the two provisions would indicate that the CETA regulations are, in fact, more favorable to the interests of veterans than are the EEA regulations, as the CETA regulations provide for a basic exclusivity in referral during the 48 hour period, whereas the EEA regulations do not. In other words, under the CETA regulations, unlike their EEA counterpart, there is a 48-hour period in which there is basically no competition for a job from non-veterans.

The second way in which the EEA regulations differ from the CETA regulations, in relation to the placement of veterans, is that the EEA regulations provide that veterans shall receive a percentage of the total number of EEA jobs available that the Secretary determines is appropriate at any particular time. (29 CFR 55.7(c)(2)). Under the CETA regulations, veterans must be placed "in a proportion at least equal to their incidence in the unemployed and underemployed population." (29 CFR 96.30(a)). Your letter states a preference for the EEA formulation and indicates that the Secretary is precluded from changing the administrative interpretation adopted under EEA.

I believe, however, that the CETA formulation is equitable. Under it, veterans are the only group for which any kind of special placement requirements are established, whereas under the EEA regulations, special placement requirements are established for six other groups. The CETA regulations, therefore, give veterans a much more advantageous position than any other group to be served by the CETA program.

This is true, even though CETA requires that "special consideration" also be given to those persons "most severely disadvantaged," not merely to veterans—a requirement not found in EEA. Because CETA varies significantly from EEA in this respect, it renders inapplicable the "rule" of statutory construction which your letter cites that an administrative practice under a statute must be continued when the statute is re-enacted. Since CETA, with regard to this issue, is not simply a re-enactment of EEA, but differs significantly from it, the rule does not apply.

The third difference of note relates to the "unemployment duration" requirements in the two sets of regulations. Under the EEA regulations, veterans are exempted from the general requirement that a person may only be eligible for participation if unemployed for at least 14 days prior to employment under the Act (29 CFR 55.7(e)). Under the CETA regulations, veterans, like other participants, must be unemployed for at least 30 days prior to employment under the Act (29 CFR 96.27(a)). The reason for this difference is that EEA leaves the matter entirely to the Secretary's discretion, while CETA has a specific "30 day unemployment" requirement (see section 205(a), CETA), and thus removes the Secretary's discretion.

Finally, your letter urges that the "veterans special consideration" language of section 205(c)(5), of CETA, be placed verbatim in the Department's regulations. I do not believe that is necessary, as the regulations do discuss "special consideration" and make it quite clear that compliance with every provision of the CETA statute, including section 205(c)(5), is required. In addition, the regulations require each title II grantee to describe, in its Comprehensive Plan, its "strategy" for matching jobs to veterans (29 CFR 96.12(b)(2)(i)(H)); and the CETA "Forms Preparation Handbook," pursuant to the authority contained in § 96.12(a)(2) of the regulations, reaffirms that "strategy" by requiring that a grantee's program narrative describe the "specific steps" to be undertaken to provide consideration to special veterans and the methods that will be used to provide services to them (p. III–30 of the Forms Preparation Handbook).

Thus, I do not believe, Senator Cranston, that there is any significant difference between us on the need to assure special consideration for veterans under title II, CETA. I hope this letter has allayed some of your concerns about the Department's actions in this regard.

Sincerely,

WILLIAM H. KOLBERG,
Assistant Secretary for Manpower.

Mr. CRANSTON. Mr. President, I would like to note my strongest support for the committee's recommendation to the Department to give priority consideration in employment and training programs to unemployed handicapped individuals. This recommendation is fully consistent with the policy underlying section 504 of the Rehabilitation Act of 1973, in which it is set forth that no otherwise qualified handicapped individual shall be excluded from participation in any program or activity receiving Federal financial assistance.

SENATOR BAKER ADDRESSES MICHIGAN STATE BAR

Mr. GRIFFIN. Mr. President, on September 11, 1974, the distinguished Senator from Tennessee (Mr. BAKER) addressed the Michigan State Bar Association at a meeting in Detroit.

In his usual eloquent fashion, Senator BAKER offered a number of thoughtful and constructive suggestions for averting in the future what he described as "the turmoil and tragedy of the past 2 years."

Mr. President, I ask unanimous consent that Senator BAKER's remarks be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SENATOR BAKER'S ADDRESS

The State of Michigan, being the native State of President Gerald Ford, whose ascension to the Presidency culminated a trying period in our nation's history, is an appropriate locale, I believe, for reviewing and reflecting upon the turmoil and tragedy of the past two years.

Notwithstanding the complexity of those recent events collectively assembled under the label of Watergate, two facts emerge with some clarity. First, it is clear to me that Congress must strengthen and regularize its oversight responsibility. Secondly, in the thorough-going re-examination of our national and governmental institutions triggered by the Watergate debacle, we must take care that we do not move away from the concept of a strong, independent leadership President. In light of the present circumstances, these two facts, which I perceive, might paradoxical; and, indeed, some might argue that they are mutually exclusive.

However, considering the President's long service in and devotion to the Legislative Branch of Government, and in view of the tone and substance of his initiatives of the past month, I believe that Gerald Ford, among others, will look upon these two national requirements as complementary, rather than inconsistent, and as mutually reinforcing, rather than competing.

That I should feel that this juncture, as I do feel, that the exercise of Congressional oversight authority should become both habitual and more forceful, might appear paradoxical within itself in the aftermath of perhaps the most thorough and vigorous Congressional oversight inquiry in the history of the United States. While the House Judiciary Committee impeachment inquiry and the investigations of the Select Committee on Presidential Campaign Activities rendered heroic service and proved that our system of government can and does function, Congress, by and large, too infrequently asserts its oversight authority; and, when this authority is invoked, it is often only after Congress and the public have been inundated with allegations, if not evidence, of governmental activity inconsistent with the national interest.

When acting in its oversight capacity, Congress largely resembles the attorney who, refusing to get out of bed to sit in on his client's midnight interrogation at the jail, will then file a 300 page brief arguing that the client's confession should not be admitted into evidence. In short, historically, Congress has been reluctant to embark upon oversight investigations; whereas I submit that forceful, regularized Congressional oversight of the activities of all three Branches of Government would expedite the identification and resolution of governmental corruption and, perhaps more importantly, serve as a deterrent to malfeasance.

The Congressional oversight function is not an expressed Constitutional power, but rather is implied; and thus, we are without direct Constitutional guidance as to how the power should be exercised. The courts have affirmed that the power exists and "comprehends probes in the departments of government to expose corruption, inefficiency or waste;" and the courts have recognized that witnesses appearing before Congressional committees are entitled to Constitutional protection. Numbered among these protections are demonstration of authority to inquire, pertinency of the inquiry and privilege against self-incrimination and the first amendment guarantees.

But, if we are to reform and regularize Congressional oversight, as I believe we must, then this reformation must include the implementation of additional safeguards to ensure that the Congress does not jeopardize the rights of witnesses or other individuals affected by its investigative activities. As a result of the McCarthy hearings, as well as the recent investigations of the Select Committee on Presidential Campaign Activities, legal scholars have become increasingly aware that Congressional investigatory proceedings exhibit a determination to ferret out the facts even if the investigative process may grievously injure the protected rights of individuals, many of whom are or may become defendants in judicial proceedings. Moreover, through its contempt power, the granting of "use" immunity and public pressure, a Congressional committee can, in many cases, overcome an individual's privilege against self-incrimination in a manner which can never occur in a court of law.

Thus, I believe that Congress should accord careful attention to the codification of Rules of Legislative Hearing Procedure so as to provide the same assurance that individual Constitutional rights are not impaired by legislative oversight hearings as do the Federal Rules of Criminal Procedure in criminal proceedings. These rules should provide a mechanism whereby witnesses and proposed witnesses before legislative hearings, who are or may be subject to criminal prosecution, can be identified and afforded additional procedural protection than is now the case. For instance, a "vulnerable" witness, that is an actual or potential criminal defendant, might be given the right to have counsel participate in the questioning of other witnesses presenting testimony adverse to the interest of the vulnerable witness, and the right to request that testimony be taken in executive session, to be publicized at a later date, so as to avoid undue pretrial publicity. In addition, I believe that the Congress should study the advisability of imposing Common Law and/or Federal evidentiary rules in certain types, if not all legislative hearings. Finally, we may wish to establish a legislative public defender, whose duty would be to proctor legislative hearings and investigations so as to provide for the protection of individual rights.

If Congressional oversight authority is to be utilized more frequently and, hopefully, more persistently, then we must take steps to ensure that its exercise is compatible with the guarantees of due process.

While I feel that all three Branches of Government and all shapes and forms of governmental activity should be subject to periodic oversight perusal, there is no area requiring the application of increased Congressional oversight to a greater degree than the interrelated efforts of law enforcement and intelligence gathering.

Consequently, I propose that the intelligence gathering and law enforcement functions of the Federal Government should be simultaneously strengthened and carefully monitored. This is necessary in order to protect the most fundamental right guaranteed the citizenry by our Constitution, that is the right to life, liberty, and the pursuit of happiness.

The Federal law enforcement effort should be materially improved because, as columnist George F. Will recently stated, the right to be secure and protected in your person and home is not enjoyed by citizens who, after dark, are frightened prisoners in their homes. Likewise, these rights are not enjoyed when a citizen is or may be subjected to warrantless electronic surveillance, "no-knock" searches and seizures, White House sanctioned burglaries, military surveillance of non-military personnel, and domestic intelligence activities by governmental agencies statutorily proscribed from so doing. It is exceedingly difficult to engender respect for legitimate law enforcement activities, as well as improving recognition of the need to maintain and improve governmental intelligence gathering capacity, when law enforcement and intelligence gathering activities pose consequential dangers to the protected rights of individual citizens.

As you are well aware, the concern regarding unrestricted and overzealous law enforcement and intelligence activities has generated many legislative proposals in recent months. These include a proposed repeal of no-knock warrants, the restricting, as well as the prohibition of warrantless electronic surveillance, the so-called Privacy legislation, the expansion of the Freedom of Information Act, Senator Sam Ervin's bill to prohibit military surveillance of American civilians, and my own proposal to create a Joint Committee on Intelligence Oversight. These initiatives are not designed or intended to in any way impair or hamstring the ability of the government to enforce the law and conduct legitimate national security related intelligence gathering. These proposals are intended to channel our law enforcement and intelligence gathering efforts into Constitutional and proper statutory avenues and away from those abuses which have made many Americans distrustful, if not fearful, of our law enforcement, military, and intelligence gathering communities.

For instance, my proposal to create a Joint House-Senate Committee on Intelligence Oversight, specifically entrusted with oversight and funding responsibility for the federal intelligence community, not only will provide assurance that the various intelligence agencies are abiding by the Constitution and the federal statutes by which they were created, but also should strengthen our legitimate intelligence-gathering capacity. I believe that such a Joint Committee would ensure better coordination between the CIA, FBI, Secret Service, DIA, NSA, and other agencies possessing intelligence jurisdiction and would eliminate much of the current duplication and inordinate jealousy and competition in the intelligence community. Moreover, it is hoped that increased Congressional oversight would render the intelligence community more responsive to legitimate Presidential concerns, as opposed to their current, virtually autonomous mode of operation.

Similarly, while I recognize the validity of the point recently articulated by Attorney General Saxbe that ill-considered initiatives to strengthen the capacity of government to combat crime could lead to a "police state" atmosphere, numerous crime prevention and law enforcement initiatives have been proposed which do not present an imminent danger to either our Constitutional form of government or the individual rights of citizens.

The Constitution and practical politics mandate that we must look to the President, in addition to the Congress, for these innovations in law enforcement and intelligence gathering. This points out the second major facet of the twin paradox which I pose. The United States requires a strong leadership President.

During the course of the Watergate era, the commentators and scholars have much discussed "the Imperial Presidency," the incredible isolation of the White House, and the wide discretion and tremendous power possessed by the modern President—all implying that the President and the Executive Branch as a whole need to be brought to a more equal basis with the Congress and the

Judiciary. Although I recognize the existence of a fundamental infirmity in the relationship of the Chief Magistrate to the two other coordinate Branches of Government, I perceive a distinct danger that, in the aftermath of Watergate, the efforts to rid the Presidency of its regal elements also may alter the Presidency into an institution inconsistent with the intent of the authors of the Constitution, and the requirements of a modern democracy.

I agree that, either through Presidential initiative or Act of Congress, we should strike the trappings of privilege from the Presidency and reduce the scope and sweep of certain powers asserted to be Presidential in nature. But in so doing, we are running the risk of over-emphasizing the needs of the moment to the point of moving away from the Founding Fathers' concept of a leadership President, independent of and on an equal footing with both the Congress and the Federal Judiciary.

While the President Constitutionally is empowered with a major role in foreign policy, defense, and law enforcement, the diverse administrative powers of the President largely are derived from Acts of Congress. In the attempt to return the Presidency to a more equal Branch of Government, I hope that Congress remains cognizant that through withdrawing administrative authority, it could reduce the Presidency to what one scholar has termed a "masquerade of power."

The parliamentary system of government does not suit the American political personality. The fact that the President is not a creature of Congress, however, does not lessen the necessity of communication between these two coordinate Branches of Government. Thus, I am pleased by President Ford's recent statement—I am also impressed and gratified by our new President's gift for turning a phrase—that "Pennsylvania Avenue will be a two-way street."

In summation, under the recognition that it is not a viable decision-making body when time is of the essence, Congress previously, and perhaps to excess, delegated to the Executive substantial power to deal with the day-to-day problems of the nation. In this highly technical, complex country, I think that it would be a mistake if, as a result of the agonies of Watergate, we enacted legislation or embarked upon policies that substantially impaired the President's ability to fulfill his Constitutional responsibilities and the administratve responsbilites that have fallen upon him by virtue of necessity and practicality.

Nevertheless, that being so, the Congress should take great precaution to ensure that the powers and authorities so delegated, intentionally or inadvertently, are not exceeded or abused.

NEVADA CONDUCTING ERTS RESEARCH

Mr. MOSS. Mr. President, many States, are involved in conducting research into the utilization of ERTS imagery in an effort to determine how this data might be useful to them.

Nevada is one such State. The Department of Renewable Natural Resources of the University of Nevada is investigating "the feasibility of utilizing ERTS outputs for such things as vegetation changes for grazing management, inventories of standing water in reservoirs, plant phenology as related to fire hazard estimates, and precise inventory of areas destroyed by wildfire." A small snow survey is also being conducted.

Mr. President, I ask unanimous consent that the letter of Gov. Mike O'Callaghan describing Nevada's ERTS research be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE STATE OF NEVADA,
EXECUTIVE CHAMBER,
Carson City, Nev., August 2, 1974.

Hon. FRANK E. MOSS,
U.S. Senate, Aeronautical and Space Sciences, Washington, D.C.

DEAR SENATOR MOSS: Senate Bills 2350 and 3484 have been reviewed as requested in your letter of June 24, 1974.

Currently utilization of ERTS imagery in Nevada is limited primarily to research being conducted by the Department of Renewable Natural Resources at the University of Nevada. Its work consists of utilizing ERTS to determine the feasibility of utilizing ERTS outputs for such things as vegetation changes for grazing management, snow surveys, inventories of standing water in reservoirs, plant phenology as related to fire hazard estimates and precise inventory of areas destroyed by wildfire. Such research involves both Renewable Natural Resources and staff of the Desert Research Institute. A small pilot snow survey is also being conducted in conjunction with the State Division of Water Resources.

Although ERTS orbital imagery is useful for gross regional measurements, I understand that the high altitude imagery produced with U-2 and B-58 equipment is of much higher resolution and more useful for most purposes.

With respect to the two Senate Bills, observations by staff indicate the following:

1. It is felt that housing the Office of Earth Resources Survey Systems in the Department of Interior rather than NASA might produce results more usable by State and local agencies.

2. In order to encourage more effective utilization of this new technology, especially at the State and local level, incentives such as grants for imagery acquisition or free access to such imagery should be provided.

Sincerely,

MIKE O'CALLAGHAN,
Governor of Nevada.

THE DETENTION OF VALENTYN MOROZ

Mr. GRIFFIN. Mr. President, as much as anyone, I support the ideals of a détente with the Soviet Union.

However, I am disturbed by reports of Soviet abuses of basic human rights and particularly the treatment of Valentyn Moroz, who is an historian, writer, and a courageous spokesman for the Ukrainian people and their cultural heritage.

Mr. Moroz is now serving a 14-year prison term for what Soviet officials have described as "anti-Soviet agitation and propaganda."

On August 22, 1974, the distinguished Senator from Ohio (Mr. TAFT) introduced Senate Resolution 392, which requests the President to express the concern of our Government for the safety and freedom of Mr. Moroz. I ask unanimous consent that I may be added as a cosponsor of that resolution and I ask that the text of Senate Resolution 392 be printed in the RECORD in connection with these remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 392

Whereas Valentyn Moroz, historian, writer, and spokesman for the cultural integrity of the Ukrainian people, is currently imprisoned in the Soviet Union on the charges of anti-Soviet agitation and propaganda; and

Whereas such charges are without basis as in his valiant attempts to preserve and defend the rights of the Ukrainian people and the culture of the Ukraine and to defend the principle of basic human rights, Valentyn Moroz has done no more than exercise rights granted him by the Constitution of the United Soviet Socialist Republics: Now, therefore, be it

Resolved, That the Senate requests the President to express the concern of the United States Government for the safety and freedom of Valentyn Moroz, historian, writer, and spokesman for the cultural integrity of the Ukrainian people.

SEC. 2. The Secretary of the Senate shall transmit copies of this resolution to the President and the Secretary of State.

THE CRISIS AT THE WORLD'S DOORSTEP

Mr. HUMPHREY. Mr. President, it is now a consensus among agricultural experts that we are indeed at the threshold of a world food crisis. Yet there is still much debate about how far-reaching and long-standing the ramifications of this crisis will be. While the opinion that the current fertilizer shortage is chiefly to blame and that we should experience some relief within 4 to 6 years seems to be most prevalent, there is a large faction of experts who hold the more pessimistic view that the crisis is just beginning and could last for decades.

World population is expected to double in the next 35 years. Unless world agricultural production grows at the same or a greater rate, it could mean widespread starvation.

President Ford, in his recent speech at the U.N., stressed the interdependence of all nations in the war against hunger. We know now that food and energy are the world's two most indispensable resources, and the relationship between these two commodities will undoubtedly prove to be a major topic of discussion at the November World Food Conference.

International cooperation is essential if the world is to provide sufficient food to avert imminent famine. The solutions to our food problems will not be easy ones. A system of world food reserves must be implemented, and we must increase fertilizer production; but we must also increase our research efforts and offer our technological assistance to developing countries. Lastly, we cannot close our eyes to the fact that we may have to reorder our priorities and the affluent nations may eventually have to make some sacrifices in order to preserve human life in less developed parts of the world.

Mr. President, the New York Times of September 19 carried a very informative article by Boyce Rensberger, entitled "Food: A Crisis for All," which I believe comprehensively summarizes the circumstances encompassing the food crisis. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOOD: A CRISIS FOR ALL: INTERIM REPORT ON SHORTAGES STRESSES HOW ONE HUNGRY AREA AFFECTS WORLD

(By Boyce Rensberger)

During the last few months the world food crisis has developed from what once seemed to be another exaggerated doomsday forecast to a reality that is gnawing at the bellies of hundreds of thousands of people and threatening to take the lives of millions. Early this summer, when leading agricultural experts began reporting the first signs of an imminent crisis that they said could reach disastrous proportions before the year was out. The New York Times began a series of articles exploring the situation.

Now that Times reporters have pursued the topic in hundreds of interviews with scientists and economists around the world, patterns of consensus have begun to emerge. This is an interim report on a continuing inquiry.

The most basic conclusion that can be drawn from the investigation to date is that among the experts there is virtually unanimous agreement that a serious world food crisis has indeed begun. There is even agreement on this point by some government leaders.

President Ford acknowledged as much in his address before the United Nations yesterday. He called the situation a "crisis" and said a "global strategy" to deal with it was "urgently needed."

There is however, disagreement among world food specialists on how long the crisis might persist. Many experts say it is only a temporary phenomenon brought on chiefly by a fertilizer shortage that will be over within four to six years. Others contend it is the beginning of what could be decades of unrelenting misery for much of the world.

There has been almost total agreement that the most severe impact in the immediate future will be in India, the world's second most populous country, where millions may face starvation in the next few months. The latest wheat crop there has been harvested and has fallen below expectation by an amount equivalent to the food needs of 50 million people for a full year.

WARN OF VAST FAMINE

Many authorities say that without wide international aid beginning soon, the present Indian food shortage could develop into a famine vastly exceeding in scale anything in sub-Saharan Africa or in India of years past.

"The situation around the world is very bad; In India I would say it is grave," said Dr. Norman E. Borlaug, the Nobel Prize-winning scientist who has played a major role in guiding India's agricultural development in recent years.

Dr. Borlaug was the developer of high-yielding, fertilizer-dependent wheat varieties that made India self-sufficient in wheat until recently.

Another important conclusion shared by many is that, because of the increasingly intertwined economies of all countries and because of global resource scarcities, repercussions from an Indian famine would be felt throughout the world.

It is recognized generally that the world's nearly four billion people now draw upon a common pool of food-producing resources, including land, fertilizer, energy, machinery, pesticides and global distribution systems. A change in farm policy—a subject once considered an internal affair of any country—in the Soviet Union, for example, led to the large purchase of American grain in 1972 and contributed significantly to the surge in American food prices.

TWO REASONS FOR SHORTAGE

Indian farmers, to cite another example, were short of fertilizer not only because of the Arab policies that reduced production of oil from which much fertilizer is made, but also because the United States restricted the export of fertilizer, which was wanted by American farmers.

Until recent years the links between energy and food had largely been taken for granted. When fossil fuels were being mined and pumped in ample quantities, the prices of petroleum-based fertilizer or fuel for farm machinery were low.

With the coming of the energy shortage and oil price rises, competition from other energy uses cut deeply into supplies available for agriculture.

In his United Nations address, President Ford clearly extended the food-energy link from economic and technological bases to the realm of global politics.

Recognizing that the United States is the world's largest supplier of food, or as some put it, "We are the Arabs of the food business," Mr. Ford drew parallels between this country's responsibility on world food supplies and the Arabs' position on world energy supplies.

POTENTIALLY KEY LINK

The link is likely to be of significance as various countries prepare for the United Nations-sponsored World Food Conference in Rome in November.

Among the prime topics for debate at the conference, is the establishment and funding of a proposed World Food Authority. This body would, among other things, sponsor efforts to increase food production and administer emergency food reserves to rescue famine victims.

The proposal calls for the new agency to spend as much as $5-billion a year to stimulate agriculture development in poor countries. Supporters of the proposal are looking to the Arab countries and the United States for substantial shares of the money and to the United States for a sizable contribution to a reserve food supply.

By linking the food and energy questions politically and pledging American cooperation, Mr. Ford would appear to be adding pressure on the Arab countries to respond in similar fashion. Mr. Ford gave no specifics. He said these would be presented at the conference in November.

By then, however, the crises in India may have reached disastrous proportions.

COULD CURB AMERICANS

So closely related are the food needs of nearly all countries that many authorities believe an Indian famine could require such vast international aid, drawing upon grain reserves that are already the lowest in decades, that Americans might well have to shift their diets to consume less meat and poorer cuts to free the food resources that could be used in a humanitarian effort.

While various public figures have suggested that Americans help by giving up one hamburger a week or by reducing the population of meat-eating cats and dogs, the first concrete step toward changing the American diet has been a move by the Department of Agriculture to lower the criteria for meat grade classifications.

The effect would be to require less fattening of cattle to qualify the beef for a higher grade. This would reduce the quantity of grain used as feed cattle and perhaps reduce meat prices.

Whether this would actually get grain to starving people is a much larger issue. Most authorities say that the United States Government would have to make a set of policy decisions to insure that the grain saved is exported and not simply diverted to other domestic uses.

WOULD NOT FILL NEED

As yet there is no apparent Government effort of sufficient magnitude to avert a major famine in India. Although there has been agreement on a long-term, low-interest loan to India for the purchase of American wheat, the quantity involved is believed to be only half a million tons, a small fraction of what is needed.

Some experts contend that if the United States were to make food available to India in time to avert disaster, the grain would have to be at dockside now, ready for loading, given present delays in shipping and the worldwide shortage of cargo capacity.

In the sub-Sahara zone of Africa, where six years of drought have turned much rangeland into desert, the immediate situation does not appear as critical as in India. The rainy season this year has brought somewhat more water than in recent years. There are now green fields of sorghum and millet, the principal food crops there, that could mature to harvest if the rains continue at reasonable intervals.

International food aid, late in starting and irregular in delivery, now appears to be reaching most of the stricken people. However, many authorities fear that the occurrence of a single adequate rainy season may be only a brief irregularity in what otherwise appears to be a continuing climatic shift.

MOST ARE LESS GLOOMY

They fear that food aid may decline before the displaced Africans can build new lives away from the advancing desert.

In the face of the African and Indian situations, some casual observers have been led to conclude that this is the beginning of what will eventually envelop the planet in a continuous famine.

The dominant view among the experts, however, is more hopeful. They feel that the present crisis stems for a fertilizer shortage that, it is already clear, should be largely alleviated in four to six years.

In the view of Dr. Robert F. Chandler, who headed the International Rice Research Institute when it developed high-yielding rice varieties, crop yields around the world are so low that even small increases in fertilizer use in the next few years should produce substantially more food.

In fact, so many fertilizer factories are now under construction that there is worry about how to avoid a glut of fertilizer in coming years. An oversupply could drop prices so low that further expansion would halt and lead to another shortage in 10 or 12 years, when demand once again caught up.

The raw materials for fertilizer are believed plentiful.

SOME PREDICT IRREGULARITY

Some food experts, such as Dr. George Harrar, whose work in Mexico 30 years ago led to the beginning of modern plant-breeding programs for higher yielding varieties, foresee uneven rates of increase of population and food supply. The result would be sporadic outbreaks of famine in various parts of the world.

"We will see localized or even widespread famines, because we can't turn the situation around that fast," Dr. Harrar, now retired from the presidency of the Rockefeller Foundation, told Science magazine.

None of the authorities feels fertilizer availability alone is the answer to preventing major food shortages in the future. The solution to the world food problem is decidedly more complex.

Most farmers who would have to start using fertilizer and the new varieties of higher yielding seeds are almost universally poor and uneducated. Fertilizer and "miracle" grains are either unknown to them or too expensive or both.

Before poor farmers can use fertilizer they must learn what it is and how to apply it. And they must get the money to buy it. Thus, technical education and credit mechanism are needed. For many countries, rooted in centuries of tradition, the spread of such new concepts and technologies is difficult at best.

Add to these factors the need to initiate or upgrade irrigation methods, with their demand for expensive fuel, and the need for better marketing and distribution systems. Then the development task becomes larger still.

Despite regions of perennial outbreaks of famine, food production for the world as a whole has grown more or less in step with population.

MAJOR CHANGES NEEDED

There is a general consensus, however, that agricultural production cannot be expected to continue keeping even this uneven pace unless there are major changes in the way it grows.

Much of the growth over recent years has been through increasingly intensive farming and expansion of land under cultivation within the developed countries. Progress in this direction is approaching the limits of current technology. Many scientists feel that further gains must come from more effective farming in the poor countries where agriculture remains far below its potential.

Most of the agricultural scientists agree that another doubling in world food production should be possible by extending present technology. Such a process would, of course, take decades, but by current estimates it will take the world 35 years to double its population.

Whether food production can be doubled as fast depends upon many changes that would have to come first. For example, many experts feel it would be necessary to alter the poorly informed or corrupt policies of many national governments that prevent their farmers from obtaining the knowledge and money necessary to take up more intensive farming.

QUALITY OF LEADERS CITED

Even to keep food production at its present level of marginal adequacy will require significant improvement in the quality of leadership exercised in many countries, many experts admit privately.

To raise food production enough not only to stay even but also to improve the diets of a large number of people would require almost heroic efforts in global cooperation.

If agriculture in the poor countries cannot be improved fast enough, the outbreaks of famine may well occur with increasing frequency. With population growth, more people would be held to marginal nutritional levels, and smaller deviations from normal rainfall or fertilizer supplies would have larger impact on people.

In a country as populous as India, where there is little room for belt tightening, a 1 per cent drop in food supply, for example, means a loss of the food that 5.8 million people would consume.

The experts hold a range of views about how much social unrest growing food shortages might engender. It is already clear that the African famine has contributed to the downfall of governments in Chad and Ethiopia. The Government in India is reported to be becoming uneasy about social stresses developing there.

COMPETITION FOR AMERICANS

Within the United States the chief stress is expected to be in terms of food prices that could continue to rise for a long time. Now that the competition for food is becoming more intense all over the world, including in the developed countries, the American customer is competing with every other food buyer in the world, rich and poor, for groceries.

While much of the food price rise of the last two years may be traced to inflation within the United States, many economists agree that domestic inflation is linked with a general global inflation.

The phenomenal rise in the cost of farming, triggered by the high cost and scarcity of energy and fertilizer, is very much a factor in world inflation.

No matter how severe food price inflation has been in the United States, it has been mild by comparison with many other countries where prices have doubled and tripled in recent months. For many poor people the price of a single meal now exceeds a day's income.

Still, the impact of rising prices in the United States cannot be discounted, because there are, of course, poor people here as vulnerable to malnutrition as anyone else. This aspect of the food crisis is among other topics remaining to be explored in The Times series.

Over the last three months The Times examination of the world food situation has led to the publication of 10 major articles and nearly 100 smaller ones.

The gist of these reports confirms that the world food situation involves a complex web of social, economic, scientific, political and cultural factors. Together they represent what are probably the most basic links among human beings—the ways in which mankind cooperates, or fails to cooperate, to supply the most immediate of human needs, food.

THE DEPRESSED DAIRY INDUSTRY

Mr. HUMPHREY. Mr. President, I and many others have been pointing out for sometime the serious plight of our dairy farmers. Prices paid to farmers for their milk have gone down by about $2 per hundred weight during the past half year while production costs have continued to escalate.

The dairy farmers have repeatedly pointed out what was happening but to no avail. Dairy production has declined in the face of these losses, but the administration response was to increase the level of imports.

Fortunately, that policy has now changed, and Secretary Butz has assured me that imports will be curbed except for specialty products.

Minnesota State Representative Frank DeGroat has prepared a release on the dairy industry and particularly as it relates to my State. His study points out that dairy exports have gone down while imports have increased drastically. These facts have played a key role in influencing prices paid to our dairy famers.

On July 11, I sent a letter to Secretary Butz urging that the dairy price support levels be raised to 90 percent of parity, but the response to my suggestion was negative.

On September 11, the Washington Star-News carried an article by Bailey Morris, entitled "Small Dairy Farmer Says System is Failing." The article describes the views of one dairy farmer who points out the hard work involved for the dairy farmer and difficulty in obtaining a reasonable return.

This story could be told many times over, but it is not well known. And we must find ways of changing that story if we wish to produce adequate supplies of dairy products for our people.

The Department of Agriculture has now at last announced that it will hold hearings on the subject on October 8. The House and Senate will also conduct hearings later this month. I am hopeful that these reviews will result in upward adjustments to assure our dairy farmers a fair return.

Mr. President, I ask unanimous consent that the release by State Representative DeGroat, my letter to Secretary Butz and the article by Bailey Morris be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NEWS RELEASE OF REPRESENTATIVE FRANK DEGROAT

In my study of the dairy situation in Minnesota and with the help of the Department of Agriculture, we have come up with the following report of the facts of the dairy situation in the State of Minnesota today. (We must remember when we are talking about dairy products we are talking about food on the family table.)

In 1974 total dairy imports on a milk equivalent basis were 3-billion 886-million pounds. . . . US dairy exports were only 656-million pounds, or less than 17% of the dairy import volume.

Domestic milk production for 1973, according to the latest revised estimates published August 13, 1974, totaled 115-billion 904-million pounds: Minnesota 9,369-million pounds.

Comparison confirms the USDA estimate in the imports-exports table that total dairy imports in 1973 were equal to nearly 3.4 per cent of total domestic milk production, an all-time high and a 143% increase over the 1972 dairy imports share of domestic production. 1973 dairy imports were 209% higher than the 1971 import share of domestic milk production.

Note also the sharp decline in U.S. dairy exports shown in the imports-exports table. Our 1973 dairy exports were only 44% of the 1972 total, less than 27% of the 1971 dairy exports, and a pitiful 9.5% of the U.S. dairy exports of just 10 years earlier in 1964.

Domestic milk production in 1973 at 115,620,000,000 pounds was down 3.6% from 1972 production of 119,904,000,000 pounds. Minnesota's decline rate was 2%.

Through July this year the rate of reduced milk production compared to 1973 is 1.9%.

If continued culling can maintain the increased average production per cow and hold the total production loss to 1.9% the projected estimate of 1974 domestic milk production is 113,423,000,000 pounds. However, if the sharper rate reflected in the 1972–73 comparison is experienced, a 3.6% cut would drop 1974 milk production to about 111,458,000,000 pounds.

Note is made that 1973 dairy imports were equal to nearly 41.5% of Minnesota's total milk production . . . and Minnesota ranks fourth among all states, behind only Wisconsin, California and New York, in national milk production.

During this same period of time U.S. dairy exports, in which Minnesota has been a major contributor, have decreased sharply.

January–May 1974 U.S. dairy exports totaled only 200-million pounds. During the same period another 200-million pounds moved overseas to U.S. territories. Federal authorities forecast, in the USDA published July 1974 "Dairy Situation" that dairy exports will remain at low levels during the rest of this year.

Limited detail is available on dairy exports on a current basis. But let us look at one available figure on butter exports, keeping in mind that Minnesota is the nation's leading butter manufacturer and exporter. . . . .

U.S. butter exports for 1973, reported in the June 1974 USDA "Fats & Oils Situation", were only 8-million pounds, compared to 18-million pounds exported in 1972, and with 124-million pounds in 1971. . . .

In dollar value, reported in a USDA July 26, 1974 news release on agricultural exports, U.S. dairy export value for fiscal 1974 was down to only $65-million, a 24 per cent cut from the $86-million U.S. dairy export sales in fiscal 1973. Dairy export sales have been the greatest loser among all U.S. agricultural exports for the past two years.

This does affect Minnesota.

The detail is not yet available on Minnesota's agricultural export sales for fiscal 1974, but take a look at what happened to dairy export sales in fiscal 1973, the first year of federal economic policy that made this nation the dumping ground and exploitation market for the world dairy industry at the disadvantage of our own domestic dairy industry. . . .

Minnesota's share of national dairy export sales in fiscal 1972 was officially estimated by the U.S. Department of Agriculture at $54,200,000. In fiscal 1973 that dropped by 57 per cent to only $23-million, and that low figure represented nearly 27 per cent of the national dairy export sales total. An even greater loss is expected to show for Minnesota and the U.S. dairy industry when official figures are released for 1974.

Preliminary estimates have indicated that during the past two years U.S. dairy exports have been reduced nearly 70%, while dairy imports have increased more than 400%.

This is a tremendous cash outflow that neither our dairy farmers nor the domestic economy can long withstand.

Minnesota's mid-July farm milk price average was the lowest since mid-August, 1973, but when considering the mid-July farm production costs averaged nearly 39% higher than a year ago, it is obvious that this is one of the worst cost-price ratios that Minnesota dairy farmers have ever experienced.

Imported dairy products are directly competitive with Minnesota's important dairy industry.

Dairying produces ¼th of Minnesota's gross farm income, and agriculture is Minnesota's biggest and most important industry, responsible, with input and output suppliers and services, for the total food and fiber complex responsible for about 40% of the total state economy.

While Minnesota ranks 4th nationally in total milk production, it is 2nd only to Wisconsin in the production and manufacture of cheeses, the major area of economic conflict with imported dairy products. Minnesota also is the nation's number one manufacturer of butter and dry milk products.

Despite its leadership among the nation's and the world's major suppliers of healthful dairy products, Minnesota's dairy industry has one of the thinnest of margins between profit and loss. Prices received by Minnesota dairy farmers are and have traditionally been the lowest or next to the lowest in the nation, while production costs are among the highest in the nation, exceeded on the average by only four or five states . . . all of which enjoy among the highest farm milk prices.

Examination of official statistics on U.S. dairy imports and exports, prices, costs, stocks, consumption clearly show why Minnesota's dairy industry now is in a virtual price-cost disaster situation, and why a record number of farmers and some of our dairy processing plants are in serious trouble.

We can document the impact of the sharp price cuts Minnesota dairy farmers have experienced in the past four months. Dairy farmers and the state economy have lost upwards of $15-million during that period, without considering the further loss of the value added by processing and marketing of the manufactured products.

Talking with farm leaders and dairy farmers throughout Minnesota during this period, it is apparent that upwards of 1,500 of 36,500 dairy farms estimated in operation in the state last January 1 have been forced out of business.

If positive federal remedial action is not taken swiftly, thousands more of Minnesota's dairy farm families may be destroyed financially during the next six months.

For the first five months of 1974 (January-May), U.S. dairy imports were 168% higher than for the corresponding period of 1973 . . . and cheese imports were 197% higher for quota types, 108% higher for non-quota types . . . and American cheddar cheese in which Minnesota is the nation's second largest volume producer showed an imports increase of 1,635%.

JULY 11, 1974.

Hon. EARL BUTZ,
Secretary, U.S. Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: I am writing to point out the very serious decline in prices paid to our dairy farmers for manufacturing milk.

Prices have dropped by over $1 per hundredweight since early in 1974.

You have acted recently to curb imports and also make purchases of cheddar cheese. The dairy industry has suffered from rising costs of production while facing increased competition from imports.

I would recommend that the price support level for manufacturing milk be raised to 90 percent of parity. This would provide the degree of encouragement that our dairy farmers need to increase production.

This would serve to reduce the need for imports by a significant degree.

With best wishes,

Sincerely,

HUBERT H. HUMPHREY.

[From the Washington Star-News Sept. 11, 1974]

Small Dairy Farmers Say System Is Failing

(By Bailey Morris)

It is early evening, the sun softening over the green hills on a Pennsylvania farm. Factory workers drive by on their way home. It is then that Don Gantz begins to feel depressed and dissatisfied.

"Do you know what really bothers me the most personally," asks Gantz, a copper-haired man of 32 whose face is tanned and creased from constant exposure to the weather.

"It's seeing the people come home from the factory at 4 or 5 o'clock . . . know they'll have time to relax in the backyard while I still have 4 or 5 more hours of work to do."

"And it's knowing they make more money than I do," he says.

Gantz, a dairy farmer near Pittsburgh like his father before him, thinks the family farm, which makes up the backbone of the milk industry, is doomed over the long term. He doesn't want his son to follow him into the business.

His wife, Nancy, recently went back to work "because we needed the money." She is bitter about government attitudes toward the small farmer as she sees them.

"They haven't done a thing to help us . . . the big conglomerates get the subsidy . . . the little farmer doesn't get it," she says.

Seesawing prices that are way up on the cost side and down considerably on the profit side are part of Gantz' depression. The rest comes from an uneasy feeling that the system which governs his life is not working for him, or for any family-run dairy farm.

Gantz and his wife are part of a growing community of critics of the entire system by which milk gets from the farm to the consumer. The criticism is stirring major new moves toward reform of pricing and marketing.

Increasingly, farmers and their friends are joining consumers in protest over the milk business.

H. C. Feddersen, a retired member of the Agriculture Department's Dairy Division, is convinced that the milk system is tipped against smaller farmers as well as smaller processors and against consumers, in general.

He believes that in the near future—perhaps 10 years from now—the price of bottled milk may go so high that a large family on a fixed budget may have to curtail drastically its milk drinking.

The reason for the higher prices will be two-fold, Feddersen believes.

Dwindling supplies due to worldwide food pressures will be one reason. The other will be the control of the milk business by corporate farms and other big enterprises interested in making large profits.

"You could compare our present situation to one that occurs during every war when there is pressure on food supplies," the former official said. It is during times of real or potential shortages "that we put more emphasis on grain protein."

That means, he added, that as we begin cultivating more and more grain protein and we come under pressure to "share it with the rest of the world," less and less of it will be "diverted to meat, dairy and poultry."

The results will be dwindling supplies of food items which are now staples of the American diet and higher costs. "Consumers will pay more and more for the products," Feddersen predicted.

He thinks the trend toward control of the dairy industry by "super" cooperatives and big processors like the supermarkets is dangerous because it will hasten the demise of the smaller operator.

Once the smaller farmer and processor go, he believes, there will be less competition in the dairy industry and, as a result, a less stable supply.

Sharing this view is Charles Frazier of the National Farmers Organization.

"I can foresee the day when we'll be getting our milk from 5,000 and 10,000 cow herds," Frazier said. "A lot of good-sized operators are going out of business now."

Frazier thinks it is possible the smaller dairy farmer will go the way "of the little oysterman or the small mine operator."

When this happens, he said, when the "big corporations take over . . . I guarantee you it will be profitable to them . . . they'll get the income or they'll close their doors."

If something isn't done to help the smaller dairy farmer now, Frazier predicted, more and more of them will sell off their farms. This will endanger supply to the point that "five or six years from now we'll be buying imports," he said.

The fear of imports is a constant one in the dairy industry and some consumer and government leaders think it is overblown.

But to the average farmer, like Gantz, imports represent a threat to his livelihood and he is suspicious and concerned about the government policy toward them.

He is also suspicious about the complicated government system which sets the minimum price he gets for his milk and he is demanding to know more about the inner working of the co-ops to which he must belong in order to market his milk.

"There are so many things we don't know," Gantz said.

Robert Bayer, one of fewer than 20 dairy farmers under 50 years of age in his area of western Pennsylvania, is holding onto his 150-acre farm despite the current "hard times" which he chooses to describe as a "high-priced depression."

He fears that many other family farmers are not going to be able to hold on.

"Milk goes up and down but everything else is going up three times as much," he says.

To his parents, now in their 70s but still helping out on the farm, "this year has been as hard a time as back during the Depression as far as making ends meet."

A neighbor, Dave Patterson, says he once went 32 days without income and when the milk check was finally due from his co-op, he had no idea what the amount would be.

At the present time, Bayer is milking 25 cows and he does it twice daily with the help of family members and local school boys. "I'm dependent on child labor."

Because of his shrinking income, Bayer says he is thinking of going into truck farming to feed the vegetable-hungry Pittsburgh market. "I'm thinking less and less about the cows," he says.

The despair Bayer feels over his present situation is directed at Washington and the Department of Agriculture.

He thinks the Nixon administration deliberately sanctioned policies to drive the smaller farmer out. "This was their goal . . . to weed out some of the smaller farmers," he says. "It's the big agribusinesses that Agriculture Secretary Earl Butz cares about."

Bayer's view is essentially an Eastern view, some in the dairy industry argue, one that reflects an older area of farms on much worked land which has been more abused than that farther west.

The view out in the dairy heartland—the Wisconsins and Minnesotas of the country—is said to be different. From appearances, it might be.

On the ground, it is an incredibly beautiful area of rolling land, alternating in color from the amber-golden hues of oats and wheat to the shamrock-green of pasture land on which the ever-present dairy herds graze. It looks prosperous, rich.

But John Raymer of Sparta, Wis., says: "A year ago, dairy farmers felt pretty good about things but now they are real pessimistic . . . a lot of for-sale signs have gone up."

Milk prices have dropped sharply in one year even as prices for feed, fertilizer and most other items needed on a farm have jumped sharply.

Feed prices alone "could break you," according to Raymer, who is lucky to have a home-grown supply of corn to feed his dairy herd. But he feels he has been unlucky in his timing on a decision to expand his dairy herd.

More than a year ago, Raymer decided to put up a new barn for a 50-cow herd and to add a new cooling house for the milk and machinery for milking the cows.

Expanding meant incurring a large debt. Raymer decided to go ahead because he had to have more cows "to make a decent living." He would not make the same decision today.

The past six months have "been the worst time" Raymer has lived through in the farming business.

While admitting he does not understand fully the government milk pricing system, Raymer thinks he and other dairy farmers would be better off if the goverment would get out of the agriculture business.

He feels it is a business which is being regulated to death and that his own end of it would be more competitive without so many restrictions and restraints.

Raymer, and others in his area, contend that the Agriculture Department has pursued policies harmful to him because it wants to pacify consumers.

But the consumer, who puts $5 out of every $100 he spends in the supermarket into dairy products, does not feel pacified.

In fact, according to milk-reform activities like Elizabeth Tate, a Virginia Beach housewife, and Sandra DeMent of the National Consumers Congress, the consumer feels forgotten, or that they are treated with hostility by state milk commissions, largely overlooked by the Agriculture Department and unprotected by anybody from "non-competitive retail prices."

Prices, therefore, have emerged as the key issues in the 10 states where consumers have decided to fight the milk system.

"I'm not sure what prompted it (the consumer fight) but there was a whole round of milk increases late last fall and then again in January or February which sparked most of it," Ms. Dement recalled.

In Pennsylvania, the fight was led by a group of Erie farm wives who concentrated on the state resale pricing mechanism.

"They went to the trouble of buying milk across the state line in Ohio where it was cheaper and bringing it into Erie where they sold in the streets for about 25 cents or 30 cents cheaper than the stores," according to Ms. Dement. Fights like the Erie battle "are just like the first skirmish, like the meat boycott was.

"Consumers found out a lot about milk . . . just enough to know how much they didn't know . . . now it's back to the drawing boards."

The combined consumer-farmer dissatisfaction with the milk system has sent a lot of people back to the drawing boards.

Change is coming, many people think, and this feeling has made some of them reconsider their own positions regard the farmer-cooperative-government system.

While some consumers, such as Elizabeth Tate, advocate boycott as a last resort, some industry people advocate change at the government level.

Pennsylvania farmer Robert Bayer, for example, would like to see farmers get "a fair price for their milk" and he doesn't think his price should be determined "way out in Wisconsin . . . We've got different problems here."

Charles Frazier of the National Farmers Organization wants to see a limitation on imports and an open policy statement on them from the Treasury and Agriculture Departments.

Robert Williams of the Wisconsin Dairy Cooperative also wants to see a more even-handed policy on dairy imports. The government's latest decision on dairy imports "was a disaster," in his opinion.

"They announced on March 3 or 4 they were bring in 150 million pounds of (milk) powder . . . they should have known better . . . they should have known the flush season (the late spring-summer season when cows produce the most milk) was coming on."

A good time to have allowed more imports to come in, Williams feels, was during the time of soaring meat prices that led to the meat boycott. Consumers began to turn to cheese and other dairy products as a substitute then and cheese prices began to climb.

"There was a need for them (imports) then . . . cheese prices began to climb sharply and it would have been better for consumers if the government had let imports in."

Patrick Healey, head of the National Federation of Milk Producers, thinks future changes should include a new pricing structure nationally. He would like to see the supply of milk in the milk-rich area of Minnesota and Wisconsin—where the national price is set—brought under government regulation.

Probably most pervasive, however, is the feeling that the milk business must be separated from politics as much as possible.

The only way to accomplish this, one consultant in the milk industry suggested, is to make sure that consumers play a larger role in the decision-making process.

Bigness "is a way of life in the industry now," he says, and it is unlikely Congress will move to tamper with the existing industry structure.

As long as this is the case, consumers must become more active in the milk fight in order to "balance the big co-op, the big corporate input," this specialist believes.

MINNESOTA VOTERS SUPPORT TWO-PARTY SYSTEM

Mr. HUMPHREY. Mr. President, there is always a large crop of the prophets of doom and gloom. This is particularly true in the Nation's Capital where extremist views gain the publicity and seem to find their way to the national audience. We have been told again and again that, because of Watergate and related matters, the public was so disenchanted with politics and politicians that the people would stay away from the polls or refuse to participate in political action.

I can not speak for the rest of the country, but I call to the attention of the Senate a recent Minnesota public opinion poll conducted by the Minneapolis Tribune which says:

> Despite two years of widely publicized scandal in national politics, Minnesota voters are neither disgruntled nor apathetic about their system of government.

And then it goes on to say—

> Eighty-one percent of the state's potential voters hold a favorable view of the two-party system, while only 16 percent are critical.

It is interesting to note that, while the poll shows "independents are more critical of the two-party system than are partisan voters, three-fourths of them say that it has worked very well or pretty well."

I ask unanimous consent that the Minnesota poll as reported on July 28, 1974, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Tribune, July 28, 1974]

SCANDAL FAILS TO SUBVERT MINNESOTANS' BELIEF IN GOVERNMENT

Despite two years of widely publicized scandal in national politics, Minnesota voters are neither disgruntled nor apathetic about their system of government.

In a survey taken at the beginning of this year's campaign, the Minnesota Poll found that:

Eighty-one percent of the state's potential voters hold a favorable view of the two-party system, while only 16 percent are critical.

More than three-fourths of the state's residents indicate that they are certain to or likely to vote in the Sept. 10 primary election.

While independents are more critical of the two-party system than are partisan voters, three-fourths of them say that it has worked very well or pretty well. Eighty-three percent of the DFLers and 89 percent of the Republicans express this opinion.

People between the ages of 18 and 25 regard the two-party system less favorably than do other population groups, but 74 percent of them believe it has worked well.

In interviews conducted between June 20 and 23, a representative sample of 605 Minnesotans was asked a number of questions about the political process. One question was:

"As you know, most of our presidents, senators, congressmen, governors and other elected officials have either been Democrats or Republicans. In general, how would you say the two-party system has worked in the United States—very well, pretty well, not too well, or very badly?"

	Total	DFL	Republican	Independent
Very well	23	24	26	21
Pretty well	58	59	63	54
Not too well	13	11	8	18
Very badly	3	3	2	3
Not sure	3	3	1	4
Total	100	100	100	100

One young woman, when asked why she favors the two-party system, said, "Because we have survived and we are free people. We have the right to make a choice."

An older woman said: "I've always felt it's kept the government pretty honest. One side keeps an eye on the other."

Even among those who approve of the way the two-party system has worked in the past, there are widespread doubts about the present.

"We gotta have a two-party system, but right now they're both rotten," said one older man. "The accuser is just as bad as the accused."

A middle-aged woman said, "I'm a firm believer that we have done a very good job up until these last two elections. I think we need a damn good housecleaning."

One young woman said the two-party system has worked "very badly." When asked why, she replied, "Just look at Watergate. We've got a two-party system and everybody's crooked."

Five percent of those interviewed volunteer the opinion that politics has become too corrupt under the two-party system.

Another questions was:

"What are the chances of your voting in the September primary election in Minnesota? Are you almost certain you will vote in it, will you probably vote in it, are the chances about 50–50, or do you think you probably won't vote in it?"

	Total	DFL	Republican	Independent
Almost certainly will	60	65	72	49
Probably will	17	14	13	25
50-50	12	13	8	13
Probably won't	10	8	7	11
Not sure	1	(1)	(1)	2
Total	100	100	100	100

[1] Less than 1 percent.

Interest in voting in the primary is highest among those between the ages of 35 and 49, those who earn more than $15,000 a year, Republicans and college graduates. Those who have the least interest in the primary are Minnesotans between the ages of 18 and 25.

Results of previous primaries suggest that fewer Minnesotans will vote than the 77 percent who say they are almost certain to or likely to do so. The highest primary turnout in recent years was in 1966, when 40 percent of those eligible voted. The lowest turnouts were in 1968 and 1972, when 19 percent voted.

Nevertheless, the responses indicate keen interest in a primary election that offers mostly token contests.

The strength of the two major parties has changed little during the first six months of 1974, but the change that has occurred may be significant.

Since January, the DFL has gained 4 percentage points and now embraces 46 percent of the state's electorate, its greatest strength since 1968.

The Republican Party has not gained significantly and now stands at 21 percent.

Meanwhile the independent group has fallen from 33 percent to 25 percent, a loss of 8 percentage points, of which one-half appears to have gone to the DFL and most of the remainder are in doubt or supporters of minor parties.

The erosion of the independent bloc cuts across all population groups except liberals and suburbanites.

Self-described partisans also were asked to describe the strength of their alignment with the major parties, and independents were asked to state whether they feel closer to one party than to the other.

The result is the following breakdown of the state's electorate:

	Percent
Strong DFL	17
Not very strong DFL	29
Independent, closer to DFL	10
Independent, close to neither	9
Independent, closer to Republican	6
Not very strong Republican	15
No answer	8
Total	100

These figures indicate that the DFL Party has begun the 1974 campaign with the strong or tentative support of 56 percent of the potential voters, a clearcut majority made up of DFLers and independents.

This compares with 27 percent who express some degree of support for the Republican Party.

Looking beyond this year's election, the prospect of a Republican resurgence appears even more bleak than the party's 21 percent share of the electorate would indicate.

Among Minnesotans between the ages of 18 and 34, less than one percent describe themselves as strongly Republican. Among those between the ages of 35 and 49, only 4 percent say they have strong ties to the party.

In terms of practical politics, this means the Republican Party must rely on a minuscule share of the electorate to provide the volunteers who carry out the countless tasks involved in fund raising, recruiting candidates and organizing political campaigns.

In contrast, 10 percent of those between the ages of 18 and 34, and 20 percent of those between the ages of 35 and 49, describe themselves as strongly aligned with the DFL Party.

The two most strongly Republican groups are persons over age 65 (15 percent) and those with college degrees (16 percent). The strongest DFL groups are trade unionists (28 percent) and liberals (26 percent).

Only one-fourth of those interviewed identify strongly with either of the major parties.

GOVERNOR ANDERSON LEADS MINNESOTA EDUCATIONAL IMPROVEMENTS

Mr. HUMPHREY. Mr. President, recently the Department of Health, Education, and Welfare financed an extensive study by Ohio State University to ascertain where the leadership came from for State policymaking for the public schools of Minnesota. This was but one of the studies made of 12 States.

The education study clearly states that the leading force behind key education policy decisions in the past few years in Minnesota has come from the office of Gov. Wendell Anderson. The researchers who made this study have called Governor Anderson an educational Governor. The report praised Governor Anderson's role in guiding meaningful educational reforms.

We in Minnesota are justly proud of our Governor and particularly when he has gained the reputation of being an educational Governor. Governor Anderson took the issue of equal educational opportunity directly to the voters. Today in Minnesota a child of school age living in an area of low income will receive the same kind of educational opportunity that a child of similar age living in an area of high income would receive; in other words, Governor Anderson led the fight to equalize the financing of education in every school district in our State.

I call particular attention to the fact that this research study of Minnesota education reveals that the Minnesota Education Association and the Minnesota Federation of Teachers, an AFL–CIO affiliate, are listed as powerful forces affecting educational policymaking in Minnesota. The report also noted that the majority of administrators in the State education system were born in Minnesota, educated in a small town, taught in a rural community, and became public school administrators before joining the State department of education.

I ask unanimous consent that an article by Mr. Bruce Nelson, reporter for the St. Paul Pioneer Press, be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the St. Paul Pioneer Press, July 28, 1974]

SCHOOLS, ANDERSON GRADED "A-PLUS"

(By Bruce Nelson)

The leading force behind key education policy decisions in the past few years has come from the office of Gov. Wendell Anderson, not the Education Department, according to an extensive study financed by the U.S. Department of Health, Education and Welfare (HEW).

That conclusion is apparent throughout a 212-page report titled "State Policy Making for the Public Schools of Minnesota", released last week as part of a 12-state study conducted by the Education Governance Project at Ohio State University.

Researchers from the university, led by Prof. Tim Mazzoni, have spent the last two years studying education policy making in Minnesota and 11 other states. Their final report is scheduled to be released sometime next month.

In writing their observations on Minnesota, they called Anderson an "educational governor" and had nothing but praise for his role in guiding "meaningful educational reforms."

The report credited the passage of the 1971 school finance law, which at one point it nicknamed the "Minnesota Miracle," to Anderson and his staff.

That law represented the first major shift from local property taxes to state funds as a source of school funding. It also provided assistance to large cities where a "municipal overburden" had caused high costs and low income.

"Without the full commitment of the influence resources of the governor, it is hard to see how a breakthrough in school finance could have been accomplished unless it had been mandated by the courts," the report said.

A lengthy chapter of the report reviews the politics and color involved in the making of the 1971 school finance law beginning with the 1970 election campaign between Republican Douglas Head and DFLer Anderson.

In a way, the Ohio researchers explain, the new approach to school finance—the closest thing to state financing of education in the nation—started as a "political mistake".

The idea originated with the Minnesota Citizens League in a report issued during the summer of 1970. The proposal that the state assume more of the school financing burden was one of many suggestions included in that report.

Later that summer, Head and Anderson appeared at a league meeting and were asked their opinion on the school financing report.

Anderson, thinking he was answering a routine question, said he favors full state financing of public education.

His answer, according to the Ohio State account, created the major issue in the campaign.

Anderson had not intended to make a major position statement when he answered the question because he believed that Head also agreed with the Citizens League report.

However, Head and Republican leaders met after the program and decided that Anderson was vulnerable on that issue and attempted to use it against him. They failed and Anderson won the election with 54 per cent of the vote.

The concept of state financing of education then went from the campaign trail into the new governor's office and from there into the legislature during the early days of the 1971 session.

After a lengthy session and special session a compromise bill that incorporated most of the principles of the governor's proposal was passed into law.

The report said the governor relied mainly on three persons in the drafting of his school financing plan. They were staff aide John Haynes, State Planning Director Gerald Christenson and former Senate Minority Leader and Principal of Johnson High School in St. Paul, Karl Grittner.

But the list of people who are not involved in planning the governor's program is perhaps more revealing.

According to the report, the governor chose to exclude from his education circles such sources as Education Commissioner Howard Casmey and the state Education Department, all education interest groups with the possible exception of the Minnesota Federation of Teachers (MFT) and then House Education Committee Chairman and school finance expert Harvey Sathre.

The only role the Education Department played in the school financing deliberations was as a supplier of information to legislators and the governor's office.

The State Department "gave no policy direction to the process," the report said.

Even the information it supplied was criticized by Anderson aides who suggested that the governor's office gather its own education information.

The report says the Education Department, along with Casmey and the state Board of Education, has very little clout with the legislature.

Researchers said the chairmen of major money committees in the legislature told them that they never hear from the Education Department.

"I wouldn't know what the commissioner of education looked like if he walked into the room," one unnamed committee chairman was quoted as saying.

The report was also critical of the $29,400 salary paid to Casmey, noting it was less than the $30,000 median salary for metropolitan area school superintendents and was ranked 23rd in the state for chief state school officers.

Because all administrators in the department are under civil service, Casmey does not have a free hand in selecting his own staff, the report said, noting that the deputy director commissioner and five assistant commissioners were not selected by Casmey.

Casmey was complimented in the report for exerting leadership and taking positions on controversial issues but the authors noted that some of those positions injured his relationship with the public.

"This not only has lessened flexibility, and perhaps inducements in the recruitment of professionals but also has prevented a commissioner from forming his own administrative team," the report said.

The report said the majority of administrators in the state Education Department were: Born in Minnesota, educated in a small town, taught in a rural community and became public school administrator before joining the department.

"Certainly, there is nothing wrong inherently with this recruitment pattern," the report says. "But whether it results in diverse competencies and viewpoints required by a modern state Department of Education, particularly one functioning in a state where more than half of the population reside in metropolitan areas, is open to doubt."

The report recognizes the Minnesota Education Association (MEA) and its rival AFL–CIO affiliated MFT as powerful forces affecting education policy making in the state.

It traces the MEA's history in Minnesota politics from the 1940s when it lobbied hand-in-hand with the Minnesota School Boards Association (MSBA).

All that has changed since teachers earned the right to bargain collectively with school boards and the report says the MSBA's influence has diminished considerably.

In a poll of the state's legislative leaders, including minority and majority leaders and key committee chairmen, MEA was mentioned most often as the most powerful education lobbyist in the state.

The MSBA came in second in that poll and the MFT placed third. Not receiving any votes from legislators was the Minnesota Association of School Administrators.

Why the MEA? the report notes that the organization's political arm, IMPACE, gave $80,000 to legislative election campaigns two years ago.

"It was precisely that expenditure of such large sums in elections that gave the MEA most of its clout with the legislature," the report said.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I yield 10 minutes to the distinguished Senator from Georgia under the bill at this time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Georgia (Mr. TALMADGE).

Mr. TALMADGE. Mr. President, I am grateful to the distinguished majority leader for yielding me time.

THE FOOD AND ENERGY ASPECTS OF THE PRESIDENT'S ADDRESS TO THE UNITED NATIONS

Mr. TALMADGE. Mr. President, on Wednesday, September 18, the President of the United States presented to the United Nations very forthrightly and forcefully the position of this country as it relates to food, energy, and international relations.

As chairman of the Committee on Agriculture and Forestry, I feel compelled to comment on the food and energy aspects of his address.

I find no fault with his presentation and commitments. This country has long been in the forefront in sharing our abundance with the needy of the world.

Since the inception of the food for peace program in 1954, this country has made available to the less fortunate abroad agricultural commodities valued at $22.5 billion. And most of the funds generated through concessional sales were used by recipient countries for their own economic and social development.

The President's promise to help others help themselves in the production of food; to work for the establishment of world food reserves; and to provide additional food now and in the future meets the highest of humanitarian standards.

His comments on energy were also appropriate and necessary.

There is the closest of relationships between the availability of energy at reasonable prices and the availability of food at reasonable prices.

This country is fortunate in that its farmers are among the most productive in the world. In order to maintain that productivity our farmers must have available in sufficient quantities all of the essential and necessary farm inputs.

But, the fact is that today farmers are being increasingly faced with serious shortages and high costs of fertilizer, fuels and energy, farm chemicals, machinery, building materials, and even baling wire and twine, as well as other items so essential to the production of crops and livestock.

Our committee has been concerned about this for some time. We have held hearings, developed legislation, and initiated numerous studies and investigations regarding the availability and cost of farm inputs.

Despite these efforts, the threat of continuing and increased shortages of these inputs persists. This is especially true as regards nitrogen fertilizers, which are now totally dependent upon the availability of natural gas for their manufacture. And our national "policy paralysis" concerning the natural gas supply-demand situation poses a serious threat to the national food, feed grain, and fiber supply.

So, as chairman of the Senate Committee on Agriculture and Forestry, I applaud the President's comments on the energy problem now facing this and other countries of the world.

But, Mr. President, the farmers of this Nation must also be rewarded adequately for their efforts in behalf of this Nation and the world's interest.

We cannot expect them to produce at a loss. And that specter is staring them in the face.

As a matter of fact, the entire livestock, dairy and poultry sector of our agricultural economy is already suffering huge losses. Contractions in production have occurred. More are expected unless the drastic farm price declines are halted.

Farm price and income protection and assurance are essential to a continuing productive food plant.

I hope that the U.S. delegation to the World Food Conference in Rome will keep in mind that a sound world food policy must be firmly based on a sound, strong farm policy for this country. Our farmers cannot be asked to produce enough to meet our own needs and to feed starving millions around the globe unless they have some measure of price and income protection. Without a strong U.S. farm policy to back up their promises in Rome, our delegates will be doing nothing more than engaging in meaningless rhetoric.

Last year, the Congress approved the Agriculture and Consumer Protection Act of 1973.

The target prices for wheat, corn, and cotton were set at $2.05 per bushel, $1.38 per bushel, and 38 cents per pound respectively.

Price support loans for these commodities were set at very low levels. Milk price supports were set at 80 percent of parity through this marketing year.

The Senate had passed legislation providing higher target prices—$2.28 per bushel for wheat, $1.53 per bushel for corn, and 43 cents per pound for cotton. Also, the Senate bill would have provided for an increase in the target price each year to reflect increased costs of production. This "escalator clause" would have taken effect in the 1975 crop year.

However, in order to secure passage of a bill that would not be vetoed by the President, it was necessary to accept the lower target prices and the delay of the escalator clause until the 1976 crop year.

Consequently, we enacted a law with only minimum income protection for farmers.

But, Mr. President, since then farm costs have skyrocketed. Farm production expenses in 1973 increased by over $12 billion, about 25 percent above 1972, and were higher by about $4 billion than total cash receipts from farm marketings in 1972.

This year farm production expenses have accelerated their unprecedented rise. During the January-June period, prices paid by farmers for production items, interest, taxes, and wage rates increased by a phenomenal 16 percent.

And the outlook for the remainder of this year and next year is glum, to say the least.

Under the circumstances, as the President of the United States indicated, of calling again on our farmers for maximum output in order to meet our commitments both at home and abroad, I feel it eminently fair and reasonable to reexamine the decisions Congress made when it considered farm legislation last year.

So, Mr. President, I want to announce that when Congress returns in January, the first order of business of the Senate Committee on Agriculture and Forestry will be to reexamine the act of 1973.

And we will use as a basis for those hearings amendment No. 1348 to S. 2005, which will be reintroduced next year.

Several members of the committee have introduced bills to raise target prices, provide costs of production increases, improve the loan programs, and make other changes in the price support programs. However, we are using S. 2005 as a basis for hearings because it contains these features and, in addition, two other important provisions—the establishment of Government-held crop reserves and a system of export licensing.

Although I have opposed these latter two features of S. 2005, I feel that the Committee on Agriculture and Forestry must squarely face these two issues and make a decision.

I agree fully that target prices for wheat, corn, and cotton must be increased, as provided in S. 2005.

In view of the farm production cost situation and in view of the fact that the farmers of the Nation are being called upon to go for all-out production, I think it only fair and proper that target prices be substantially increased. And I feel, also, that we should review the milk price support situation in the same light.

Higher target prices are needed. They are essential to the continued well-being of agriculture and of this Nation.

So, Mr. President, I am asking all who have an interest in food and fiber in this Nation to study closely the provisions of amendment No. 1348 to S. 2005 so that they will be able to provide the committee with their advice and counsel.

I am directing the committee staff to mail the bill to not only national farm organizations, but to State and regional farm groups. In addition, I wish to receive the comments of the consumer groups. I would like a national dialog on farm policy to begin now.

I believe agriculture and this Nation are at a crossroads. We must adopt a policy of abundance, rather than scarcity. We must encourage the increase of agricultural production, rather than the liquidation of farm operations. We must select the route to bounty and prosperity.

Mr. President, I thank the distinguished Senator from Massachusetts for yielding. I yield the floor at this time.

Mr. NELSON. Mr. President, I wonder if the Senator will yield?

Mr. KENNEDY. Yes, I yield such time as the Senator may desire.

Mr. NELSON. Mr. President, I wish to commend the senior Senator from Georgia for his very thoughtful remarks on the agricultural situation. In the field of dairying, as the distinguished chairman of the Committee on Agriculture and Forestry knows, we are now seeing a drop in the total production of milk in this country. In my own State, 3,700 dairy farmers went out of business last year. That is at the rate of 10 dairy farmers per day. It is happening because they are going broke staying in the business.

Mr. TALMADGE. The Senator is absolutely correct. In my State 17 percent of the total number went out of business last year.

Mr. NELSON. I have noticed a study done by the agricultural economists at the University of Illinois. I would suppose the chairman of the Agriculture and Forestry Committee has seen this study.

They concluded that at current trends, by 1980 this country will, for the first time, not be self-sufficient in dairy products. When that occurs, the consumer is going to pay a significantly higher price when we have to import from the European countries, New Zealand, and Australia.

I received an advance copy of the Senator's speech from one of my staff members. It is a very thoughtful commentary.

I think we have to have a special floor under agricultural prices. What is disastrous, at least for the dairy farmers, is to attempt to buy the machinery, the feed, the fertilizer, and then have the prices fluctuating from 70 percent of parity on up to 100—rarely there, though once in many, many years—and back down to 85, then 75. They cannot stay in business and pay their obligations, pay their interest, and pay their mortgage unless there is some stable flow.

In my judgment, I think the people of the cities are going to have to understand that a stable income to the dairy farmers is in the interest of the consumer.

The Senator, of course, had his staff do a very careful evaluation of the amount of disposable income that the people of this country spend on food compared with other countries a year ago. What I think the public has to understand is that in America we spend less of our disposable income on food than any other country in the world.

Mr. TALMADGE. That is true.

Mr. NELSON. If we are going to continue to be in that situation, I think we have to have some kind of a minimum wage, so to speak, stability in the income of the farmers, so the young people can get in and stay, and those who are already there do not go broke while they are in farming.

Mr. TALMADGE. I agree completely with the remarks of the distinguished Senator from Wisconsin. We cannot expect farmers to continue to produce *farm commodities* at a loss. The Senator, I am sure, will be interested in the fact that Senator HUDDIESTON's subcommittee of the Committee on Agriculture and Forestry will commence hearings September 30 on price supports in the dairy industry, and at long last the Department of Agriculture will do likewise.

Mr. NELSON. I did not know about those hearings until I was told that some were beginning. I have a speech prepared and intend to put in a 100 percent parity dairy support bill for consideration of the committee on Wednesday of this week.

Mr. TALMADGE. I would urge the Senator to contact the staff of the Committee on Agriculture and Forestry, and appear before Senator HUDDLESTON's subcommittee when he holds hearings.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield.

Mr. CHURCH. I commend the Senator from Georgia for his outstanding address this morning. He knows that Idaho is a dairy farmer State. The distress that is being felt by dairy farmers everywhere in the country is very much felt in Idaho as well. I commend him for his leadership in arranging the hearings to which he has referred in Senator HUDDLESTON's subcommittee.

I hope it will be possible for me to appear personally. In any case, I shall submit testimony.

I know of no segment of our farm economy that is as distressed today as that of the dairy farmer.

Mr. TALMADGE. I agree. Will the Senator yield at that point?

Mr. CHURCH. Yes.

Mr. TALMADGE. I attended an agricultural conference in Chicago last week. One dairyman was testifying to the fact that feed costs were now $8.50 per hundred weight and he was selling his milk for $7.50 per hundred weight. The Senator knows, of course, that no dairyman can survive when his feed costs are higher than the price that he gets for his milk.

Mr. CHURCH. I wonder just what kind of problem the consumer will face if the dairy farmers in this country go under and we come to depend entirely on foreign milk and dairy products. Given our experience with foreign oil, I should think the last thing the consumer would want is a growing dependency upon products over which we have no measure of control where price is concerned.

Mr. TALMADGE. I agree. The Senator may rest assured if we get short of dairy products in this country and have to import the products, they will charge all that the traffic will bear. The difficulty experienced with oil should be enough to warn us against that situation.

Mr. CHURCH. I thank my friend.

Mr. TALMADGE. I thank my distinguished friend from Idaho for his helpful comments in this regard. I am aware of his keen interest in all agricultural aspects. The resolution that he has on the dairy industry which is pending before our committee at the present time is one of the reasons that sparked me to ask the subcommittee to proceed with hearings.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield.

Mr. THURMOND. Mr. President, I associate myself with the dedication, interest, and knowledge of the distinguished Senator from Georgia on agricultural matters. I thoroughly agree that steps are going to have to be taken concerning the dairy industry if we are going to continue to have milk for our population.

There is another point I wish to mention, too, and that is about cotton. Cotton has been bringing a price that is below the cost of production. I am sure the able Senator is very much interested in that crop, too. I am hoping that we can get a price support that at least will be up to the cost of production. Maybe it could be based on the cost of production. If it falls below that, then steps could be taken to assist.

Mr. TALMADGE. I share the Senator's view in that regard. In my State, it is costing about 50 cents a pound to produce cotton, and it is selling at the present time for about 46 or 47 cents a pound. I am sure that situation would be parallel in South Carolina.

When we wrote the agriculture and forestry bill of 1973, the Senate bill provided support and target prices for cotton at 43 cents a pound. The White House told use they would veto such a bill; that we had to reduce the target prices for cotton from 43 cents a pound to 38 cents in negotiations with the House to prevent a veto.

Since that time the cost of production has gone up 25 percent. Just this year, in the first 6 months of this year, the cost of production for agricultural commodities has gone up 16 percent.

So the Senator will realize that the cost of production of agricultural commodities since we wrote the bill in 1973 has increased some 41 percent, to the prices at the present time.

I thank my distinguished friend from South Carolina for his contribution in this matter. He and I have discussed the problem on numerous occasions.

The Committee on Agriculture and Forestry, as the first order of business in 1975, is going to reexamine this entire agricultural program.

Mr. THURMOND. I wish to thank the able Senator from Georgia.

Mr. TALMADGE. I thank my friend, the Senator from South Carolina, and I thank my friend, the senior Senator from Massachusetts, for yielding this time.

I yield the floor.

AGRICULTURE LEGISLATION

Mr. HUMPHREY. Mr. President, I am gratified that the distinguished chairman of the Committee on Agriculture and Forestry, Senator TALMADGE, has announced that the first order of business of the committee, when the 94th Congress convenes in January, will be a reexamination of the Agriculture Act of 1973.

As he indicates, agricultural economic conditions have changed greatly since that act was signed into law in 1973. The loan and floor target prices were too low at that time; they are totally unreal today.

We have called upon our farmers to go all out and maximize production this past year. The same call will go forth for next year.

Farmers are rightly concerned that, if growing conditions are more favorable next year and production is high or exports decline sharply, they could be ruined by falling prices. With the costs of production continuing to escalate, this would bring ruin to American agriculture and the total economy.

My bill, S. 2005, deals with this problem by increasing loan and established prices now contained in the 1973 act to more realistic levels in light of today's production costs. And the escalator clause would be brought into operation beginning with the 1975 crop, a year ahead of the schedule set under the Agricultural Act of 1973.

The 1973 act does not, in my view, adequately deal with the question of how to assure adequate supplies of food and fiber for all consumers, which includes livestock producers who are the largest consumers of grains and soybeans.

In a tight world market, we have to assure that our own domestic needs are met. A policy of exporting whatever another nation wishes to buy without regard to our own U.S. requirements is irresponsible.

Without having any reserve cushion or adequate export monitoring mechanisms, our people are still subject to the possibility of scarcities through overselling our crops in foreign markets.

In a world market dominated by foreign governments or state trading corporations, we cannot realistically speak of a free market. Our consumers and companies can hardly compete on even terms in such a contest.

My bill seeks to address the agricultural commodity reserve and export issues. These are critical issues, and this administration has not squarely faced up to their importance

I thank Senator TALMADGE for his announcement, and I am grateful that my bill will be the starting point in this effort. A good deal of effort has already gone into my bill, although I have always indicated my willingness to consider worthwhile improvements.

It should be also noted that the American people have become increasingly concerned over the issue of food and food prices. It is no longer a concern of just our farmers or a few specialists.

Our newspapers have increasingly

taken up the topic, and we have all benefited from the discussion of the issue.

The upcoming November election and the World Food Conference will offer further opportunities for our leaders and citizens to discuss and debate the food issue. This is a topic worthy of discussion, and we can draw on this debate in our legislative efforts.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1974

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 3585, which the clerk will state, and the unfinished business, S. 707, will be temporarily laid aside and remain in a temporarily laid-aside status until the close of business today.

The assistant legislative clerk read as follows:

A bill (S. 3585) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Labor and Public Welfare with an amendment to strike out all after the enacting clause and insert in lieu thereof:

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Health Professions Educational Assistance Act of 1974".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) The Congress hereby finds and declares that—

(1) the availability of high quality health care to all Americans is a national goal;

(2) the availability of high quality health care is, to a substantial extent, dependent upon—

(A) the availability of qualified health professions personnel;

(B) the availability of adequate numbers of physicians engaged in the delivery of primary care services and in the various specialties; but numbers which do not exceed the needs for physicians in such specialties; and

(C) the standards applicable to licensure of physicians and dentists;

(3) there are many areas in the United States which are unable to attract adequate numbers of health professions personnel to meet health care needs;

(4) the trend among physicians toward specialization has resulted in inadequate numbers of physicians engaged in the delivery of primary care services, while services where needed and no minimum standard of competence is assured;

(5) standards for licensure of physicians and dentists vary from State to State and discourage or prevent professionals qualified to practice in a State from moving to another State or crossing State boundaries to provide services where needed and no minimum standard of competence is assured;

(6) standards for licensure of physicians are not applied uniformly within the States, but permit many graduates of medical schools located in foreign countries to practice although they do not meet the standards applied to graduates of medical schools located in the United States and no minimum standard of competence is assured;

(7) many Americans throughout the United States are unable to obtain high quality health care as a result of the problems discussed above and these problems are becoming more serious;

(8) current efforts to deal with these problems through voluntary means and at the State level have had little, if any, impact in reducing the problems;

(9) the inability of many Americans to obtain high quality health care has become a matter of grave national concern and action must be taken at the Federal level in response to that concern.

(b) The Congress further finds and declares that—

(1) health professions personnel are a national health resource and the Federal government shares the responsibility of assuring that such personnel are available to meet the health care needs of the American people;

(2) it is therefore appropriate to provide support for the education and training of such personnel;

(3) at the same time it is appropriate to provide such support in a manner which will assure the availability of health professions personnel to all of the American people.

(c) The Congress further finds and declares that—

(1) the quality and availability of health care in the United States affects interstate commerce;

(2) the lack of adequate health care for individuals in the United States often results in illness which may result in unemployment, an increased rate of absence from employment, and reducing the ability of such individuals to engage in activities which affect interstate commerce, and has a depressant effect on general business conditions;

(3) low quality health care or unavailability of health care in an area in a State may discourage the movement of persons into that area from other areas and from other States and thereby adversely affect the movement of industry and other activities between States;

(4) the provision of health care, as evidenced by expenditures undertaken for such provision, has a substantial effect on the Nation's economy;

(5) virtually all drugs, biologicals, medical devices, and medical appliances and equipment utilized in the provision of health care move in interstate commerce;

(6) many persons, especialy those residing in metropolitan areas which cross State boundaries, move between States in order to receive health care; and

(7) a nationwide program of obligated service of health professions personnel in areas and institutions with shortages of such professionals of certification of postgraduate physician training positions, and of minimum standards for licensure of physicians and dentists will remove an undue burden on interstate commerce.

TITLE I—GENERAL PROVISIONS

SEC. 101. (a) Sections 701 through 711 are repealed.

(b) Sections 724, 725, 799, and 799A are transferred to part A of title VII and are redesignated as sections 701, 702, 703, and 704, respectively.

(c) Section 701 (as so redesignated) is amended—

(1) by striking out "As used in this part and parts C, E, and F—" and inserting in lieu thereof "For purposes of this title:"; and

(2) in paragraph (4), by—

(A) striking out "and 'school of public health' " and inserting in lieu thereof " 'school of public health, and school with a graduate program in health care administration' "; and

(B) striking out "and a graduate degree in public health" and inserting in lieu thereof "a graduate degree in public health or an equivalent degree, and a graduate degree in health care administration or an equivalent degree".

(d) Section 702 (as so redesignated) is amended by—

(1) striking out "twenty" in subsection (a) and inserting in lieu thereof "twenty-two",

(2) striking out the second sentence of paragraph (a) and inserting in lieu thereof the following: "The appointed members of the Council shall include (1) eight representatives of the health professions schools assisted under programs authorized by this title, including one each from the schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health, (2) eight full-time students enrolled in such health professions schools, including one each from the schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health, and (3) four members of the general public", and

(3) striking out "parts A and G" in subsections (b) and (c) and inserting in lieu thereof "part G".

(e) Section 703 (as so redesignated) is amended to read as follows:

"ADVANCE FUNDING

"SEC. 703. An appropriation under an authorization of appropriations for grants or contracts under this title for any fiscal year may be made at any time before that fiscal year and may be included in an Act making an appropriation under such authorization for another fiscal year; but no funds may be made available from any appropriation under such authorization for obligation for such grants or contracts before the fiscal year for which such appropriation is authorized.".

(f) Part A of title VII is amended by adding at the end thereof the following new sections:

"DELEGATION

"SEC. 705. The Secretary may delegate the authority to administer any program authorized by this title to the administrator of a central office or offices in the Department of Health, Education, and Welfare, but such authority shall not be further delegated to any officer in any regional office or offices."

"RECORDS AND AUDIT

"SEC. 706. (a) Each recipient of financial assistance (including each entity which receives a grant, loan, loan guarantee or interest subsidy or which enters into a contract with the Secretary) under this title shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such financial assistance, the total cost of the project or undertaking in connection with which such financial assistance was given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall have access for the purpose of audit and examination to any book, document, papers, and records of such recipients that are pertinent to the financial assistance received under this title."

"NATIONAL HEALTH PROFESSIONS PERSONNEL DATA BASE

"SEC. 707. (a) The Secretary shall establish a health professions personnel data base which shall include data respecting all physicians, dentists, pharmacists, optometrists, podiatrists, veterinarians, public health personnel, health care administration personnel, audiologists, speech pathologists, chiropractors, nurses, physician extenders (including nurse practitioners) and allied health personnel in the United States and its territories and such other health personnel as the Sec*retary deems* appropriate. Such data base shall include, but not be limited to, information respecting the training, licensure status (including permanent, temporary, partial, limited, or institutional), place or places of practice and hours of practice spent in each such place, hospital affiliations, place and date of birth, sex, and such other descriptive and demographic information regarding health professions personnel as the Secretary shall prescribe.

"(b)(1) The Secretary shall collect the available information described in subsection (a) from appropriate State and Federal agencies and other appropriate sources.

"(2) The Secretary shall conduct or enter into contracts for the conduct of analytic and descriptive studies of health professions personnel, including, but not limited to evaluations and projections of the supply, specialty, and geographic distribution, and quality of services, delivered by health professions personnel.

"(c)(1) The Secretary is authorized to make grants to States for the purpose of establishing a uniform health professions personnel reporting system. The Secretary shall determine the amount of any grant but no grant shall exceed $100,000 and no State shall receive more than one grant.

"(2) To be eligible for a grant under this subsection a State shall submit an application, in such form and manner and containing such information as the Secretary shall require. Such application shall include reasonable assurances, satisfactory to the Secretary, that (A) such State will establish a program of mandatory annual registration of the health professions personnel described in subsection (a) who reside or practice in such State and of health institutions licensed by such State, which registration shall include such information as the Secretary shall prescribe, specifically including data regarding graduates of medical schools located in foreign countries, and (B) such State shall collect such information and report it to the Secretary in such form and manner as the Secretary shall prescribe.

"(d) For purposes of providing the Secretary with information described in subsection (a), each school which receives financial support under section 770 shall report to the Secretary annually information respecting the students which attend such institution and their postgraduation career plans (if available).

"(e)(1) The Secretary shall provide technical assistance to the States and political subdivisions thereof in the development of model laws concerning confidentiality and comparability of data collected pursuant to this section.

"(2) Subject to applicable law regarding confidentiality, the data collected by the Secretary under this section shall be made available to bona fide researchers and analysts for the purpose of conducting studies respecting health professions personnel.

"(f) The Secretary shall assemble and submit to the President and to Congress not later than September 1 of each year a report on the status of health professions personnel in the United States, which report shall include a description and analysis of the data collected pursuant to this section.

"(g) There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section."

(g) If, within twenty years (or ten years in the case of a facility constructed with funds paid under part A as in effect before the date of the enactment of the Health Professions Educational Assistance Act of 1974) after completion of the construction of any facility for which funds have been paid under such part A (as so in effect) or under part D (as in effect before July 1, 1967)—

(1) the applicant for such funds or other owner of such facility shall cease to be a public or nonprofit private entity, or

(2) such facility shall cease to be used for the purposes for which such funds for its construction were provided, unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so,

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

(h) The Secretary of Health, Education, and Welfare shall submit an evaluation report to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives not later than March 31 of each year. Such report shall—

(1) contain the Department's statement of specific and detailed objectives for the program or programs assisted under the provisions of this Act, and relate these objectives to those in this Act,

(2) include statements of the Department's conclusions as to effectiveness of the program or programs in meeting the stated objectives, measured through the end of the preceding fiscal year,

(3) make recommendations with respect to any changes or additional legislative action deemed necessary or desirable in carrying out the program or programs,

(4) contain a listing identifying the principle analyses and studies supporting the major conclusions recommendations, and

(5) contain the Department's annual evaluation plan for the program or programs through the fiscal year for which the budget was transmitted to Congress by the President, in accordance with section 201(a) of the Budget and Accounting Act, 1921, as amended (31 U.S.C. 11).

(i) The heading for part A of title VII is amended to read as follows:

"PART A—GENERAL PROVISIONS."

(j) The heading for part H of title VII is repealed.

TITLE II—ASSISTANCE FOR CONSTRUCTION OF TEACHING FACILITIES

SEC. 201. Section 720 is amended to read as follows:

"GRANT AUTHORITY; AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 720. (a) The Secretary may make grants to assist in the construction of teaching facilities for the training of physicians, dentists, pharmacists, optometrists, podiatrists, veterinarians, and professional public health personnel.

"(b) There are authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1975, $125,000,000 for the fiscal year ending June 30, 1976, and $150,000,000 for the fiscal year ending June 30, 1977 and for each of the two succeeding fiscal years, for grants under this part.".

SEC. 202. (a)(1) Subsection (a) of section 722 is amended to read as follows:

"(a) The amount of any grant under this part for construction of a project shall be such amount as the Secretary determines to be appropriate after obtaining advice of the Council, except that no grant for any project may exceed 80 per centum of the necessary costs of construction, as determined by the Secretary, of such project."

(2) The amendment made by paragraph (1) shall take effect with respect to grants made under part B of title VII of the Public Health Service Act from appropriations under section 720 of such Act for fiscal years beginning after June 30, 1974.

(b) Subsection (d) of section 722 is amended by striking out "(within the meaning of part A of this title)".

SEC. 203. (a) Subsections (a) and (b) of section 729 are each amended by striking out "1974" and inserting in lieu thereof "1979".

(b) Subsections (a) and (b) of section 729 are further amended by inserting "enter into an agreement to" before "guarantee" in the first sentence of subsection (a), and before "pay to the holder" in subsection (b).

(c) The second sentence of section 729(e) is amended by striking out "and $24,000,000 in the fiscal year ending June 30, 1974" and inserting in lieu thereof the following: "$2,000,000 for the fiscal year ending June 30, 1975, $2,500,000 for the fiscal year ending June 30, 1976, and $3,000,000 for the fiscal year ending June 30, 1977 and for each of the two succeeding fiscal years.".

SEC. 204. (a) Section 721(c) is amended—

(1) by striking out "section 770(f) of this Act" in paragraph (2) and inserting in lieu thereof "section 771";

(2) by striking out the sentence at the end of paragraph (2);

(3) by striking out paragraph (5) and redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively;

(4) by striking out "and" at the end of paragraph (5) (as so redesignated), by striking out the period at the end of paragraph (6) (as so redesignated) and inserting in lieu thereof "; and", and by inserting after paragraph (6) the following:

"(7) the application contains or is supported by adequate assurance that any laborer or mechanic employed by a contractor or subcontractors in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a–276a–5, known as the Davis-Brown Act).

The Secretary of Labor shall have with respect to the labor standards specified in paragraph (7) the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).",

(5) by striking out "section 725" in the last sentence of such subsection and inserting in lieu thereof "section 702", and

(6) by adding at the end thereof the following: "The Secretary shall not approve any application under this part unless such application has been recommended for approval by the Council."

(b) Sections 726, 727, 728, and 729 are redesignated as sections 724, 725, 726, and 727, respectively.

TITLE III—STUDENT ASSISTANCE; NATIONAL HEALTH SERVICE CORPS

SEC. 301. (a) Section 740 is amended—

(1) by striking out "or veterinary medicine" in subsection (a) and inserting in lieu thereof ", veterinary medicine, or public health or school with a graduate program in health care administration",

(2) by striking "or doctor of veterinary medicine or an equivalent degree" in subsection (b)(4) and inserting in lieu thereof "doctor of veterinary medicine or an equivalent degree, graduate degree in public

health or an equivalent degree, or graduate degree in health care administration or an equivalent degree,",

(3) by striking out "and" at the end of paragraph (4).

(4) by redesignating paragraph (5) as paragraph (6), and

(5) by inserting after paragraph (4) the following new paragraph:

"(5) provide that the school shall advise, in writing, each applicant for a loan from the student loan fund of the provisions of section 741 under which outstanding loans from the student loan fund may be paid (in whole or in part) by the Secretary; and".

(b) Section 741 is amended—

(1) by amending subsection (a) to read as follows:

"(a) Loans from a student loan fund established under an agreement under section 740 may not exceed for any student for any academic year (or its equivalent) an amount equal to the sum of—

"(1) the cost of tuition for such year at the school for which such fund was established, and

"(2) $2,500.",

(2) by striking out "or doctor of veterinary medicine or an equivalent degree" in subsection (b) and inserting in lieu thereof "doctor of veterinary medicine or an equivalent degree, graduate degree in public health or an equivalent degree in health care administration or an equivalent degree",

(3) by striking out "or veterinary medicine" in subsection (c) and inserting in lieu thereof "veterinary medicine or public health or a school with a graduate program in health care administration",

(4) by striking out "or doctor of podiatry" in subsection (f) and inserting in lieu thereof "doctor of podiatry or an equivalent degree, graduate degree in public health, or graduate degree in health care administration",

(5) by striking out "or podiatry" in subsection (f) and each place such phrase occurs in subsection (1) and inserting in lieu thereof "podiatry, or public health or in a graduate program of health care administration",

(6) by amending subsection (f)(1)(C) to read as follows:

"(C) who agrees in writing to practice his profession in accordance with section 71 (b).",

(7) by amending subsection (f)(2) to read as follows:

"(2) The payments described in paragraph (1) shall be made by the Secretary as follows:

"(A) Upon completion by the individual for whom the payments are to be made of the first year of the practice specified in section 771(b), the Secretary shall pay 50 per centum of the principal of, and the interest on each loan of such individual described in paragraph (1)(B) which is outstanding on the date he began such practice.

"(B) Upon completion by that individual of the second year of such practice, the Secretary shall pay the remaining 50 per centum of the principal of, and interest on each such loan.",

(8) by amending subsection (f)(3) by (A) striking out "or (2)(C)", (B) striking out everything after the semicolon, and (C) by striking out the semicolon and inserting in lieu thereof a period, and

(9) by striking out "(A)" in subsection (f)(4).

(c) In the case of any individual who, on or after November 18, 1971, and prior to the date of enactment of this Act, has received a loan pursuant to section 741, and who meets the requirements of subparagraphs (A) and (B) of paragraph (1) of subsection (f) of that section and who practices his profession as described by subparagraph (C) of that paragraph, as in effect prior to the date of enactment of his Act, by virtue of his employment as a member of the National Health Service Corps or in such other uniformed or civilian situation as the Secretary may deem appropriate, the individual shall be deemed to have entered into the agreement required by such subparagraph (C) with respect to that practice.

(d) Subsection (a) of section 742 is amended to read as follows:

"(a) For the purpose of making Federal capital contributions into the student loan funds of schools which have established such funds under an agreement under section 740, there are authorized to be appropriated $60,000,000 for the fiscal year ending June 30, 1975 and for each of the four succeeding fiscal years. For the fiscal year ending June 30, 1980 and each of the two succeeding fiscal years, there are authorized to be appropriated such sums as may be necessary to enable students who have received a loan under this part for any academic year ending before July 1, 1979, to continue or complete their education."

(e) Section 743 is amended by striking out "1977" each place it occurs and inserting in lieu thereof "1982".

(f)(1) Section 744 is repealed.

(2) The health professions education fund created within the Treasury by section 744 (d)(1) of the Public Health Service Act, as in effect prior to the date of enactment of this subsection shall remain available to the Secretary of Health, Education, and Welfare for the purpose of meeting his responsibilities respecting participations in obligations acquired under such section 744 of such Act. The Secretary shall continue to deposit in such fund all amounts received by him as interest payments or repayments of principal on loans under such section 744. If at any time the Secretary determines the moneys in the fund exceed the present and any reasonable prospective future requirements of such fund, such excess may be transferred to the general fund of the Treasury.

(3) Section 742(b) is amended (1) by striking out ", and for loans pursuant to section 744" in paragraph (1); and (2) by striking out "(whether as Federal capital contributions or as loans to schools under section 744)" in paragraph (3).

(g)(1) Section 746 is repealed.

(2) Section 740 is amended (A) by striking out "of Health, Education, and Welfare" in subsection (a); and (B) by striking out ", except as provided in section 746," in paragraphs (2) and (3) of subsection (b).

SEC. 302. (a) Section 747(c) is amended by adding at the end thereof the following:

"(3)(A) No loan under this subpart shall be made to any individual unless such individual agrees in writing to practice his profession in accordance with section 771(b).

"(B) The provisions of subsection (b) of section 771 shall apply to any individual who receives a loan pursuant to this section.

"(C) If, for any reason, an individual who is obligated to provide service under this section, and who has been selected by the Secretary under section 771(b), to provide such service, fails either to begin his service obligation or to complete such service obligation in accordance with such section, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula—

$$A = \phi\left(\frac{t-s}{t}\right)$$

in which 'A' is the amount the United States is entitled to recover; ϕ is the sum of the amount paid to such individual under this section and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate; 't' is the total number of months in such individual's period of obligated service; and 's' is the number of months of such period served by him in accordance with section 771(b). Any amount which the United States is entitled to recover shall, within the one-year period beginning on the date the United States becomes entitled to recover such amount be paid by such individual to the United States."

(b) Section 747(d) is amended by striking out "two" and inserting in lieu thereof "seven".

SEC. 303. (a) Subpart I of part F of title VII is repealed.

(b) The Secretary of Health, Education, and Welfare may, during the period beginning July 1, 1974, and ending June 30, 1979, make grants to public and nonprofit private schools of medicine, osteopathy, dentistry, optometry, podiatry, pharmacy, and veterinary medicine to enable such schools to continue making payments under scholarship awards to students who initially received such awards out of grants made to the schools under part F of title VII of the Public Health Service Act for fiscal years ending before July 1, 1974.

SEC. 304. (a) Section 329 is amended to read as follows:

"NATIONAL HEALTH SERVICE CORPS

"SEC. 329. (a) There is established, within the Service, the National Health Service Corps (hereinafter in this section referred to as the 'Corps') which shall consist of those officers of the Regular and Reserve Corps of the Service and such other personnel as the Secretary may designate and which shall be utilized by the Secretary under this section to improve the delivery of health services to medically underserved populations.

"(b)(1)(A) The Secretary shall, on the basis of standards promulgated in accordance with section 553 of title 5, United States Code, designate the medically underserved populations in the States periodically, but at least annually. For purposes of this section, a medically underserved population is the population of an urban or rural area (which does not have to conform to the geographical boundaries of a political subdivision and which should be a rational area for the delivery of health services) which the Secretary determines has of critical shortage of any class or classes of health professions personnel or a population group determined by the Secretary to have such a shortage; and the term 'State' include Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(B) Each year the Secretary shall notify the chief executive officer of each State of his intention to designate populations and shall request each chief executive officer to submit to the Secretary within 180 days of such notification, recommendations respecting the designation of populations within his State. The Secretary shall also take into account (i) the recommendations of the entities responsible for the development of the plans referred to in section 314(b) which cover all or any part of the areas in which populations under consideration for designation reside, and (ii) in the case of any such area for which no such entity is responsible for developing such a plan, the recommendations of the agency of the State (or States) in which such area is located, which administers or supervises the administration of a State plan approved under section 314(a).

"(C) By promulgation of a rule under section 553 of title 5, United States Code, the Secretary shall thereafter designate medically underserved populations. If the Secretary does not designate a population which has been recommended for designation by the chief executive officer of any State, he shall include in the final order designating populations an adequate statement of the reasons for disapproving such recommendation.

"(2) Any person may apply to the Secretary (in such manner as he may prescribe) for the designation of a population as a medically underserved population. In considering an application under this paragraph, the Secretary shall take into account the following in addition to criteria utilized by him in making a designation under paragraph (1):

"(A) Ratios of available health professions personnel engaged in the delivery of health care to the population for which the application is made.

"(B) Indicators of the population's access to health services.

"(C) Indicators of health status of the population.

"(D) Indicators of such population's need *and demand for* health services.

"(E) Relative levels of reimbursement under titles XVIII and XIX of the Social Security Act with respect to such population.

"(3) The Secretary shall (A) provde assistance to persons seeking assignment of Corps personnel to provide under this section health services for medically underserved populations, (B) conduct such information programs in areas in which such populations reside as may be necessary to inform the public, public and private health entities serving those areas, and the appropriate State and local agencies of the assistance available to such populations by virtue of their designation under this section as medically underserved, and (C) provide technical (including management) assistance to such persons (especially appropriate State and local agencies) in order to improve the capacity of such medically underserved populations to secure health services from health professions personnel in addition to that provided by Corps personnel.

"(c)(1)(A) The Secretary may assign personnel of the Corps to provide, under regulations prescribed by the Secretary, health services for a medically underserved population if—

"(i) the State health agency of each State in which such population is located or the local public health agency or any other public or nonprofit private health entity serving such population makes application to the Secretary for such assignment, and

"(ii) the (I) local government of the area in which such population resides, and (II) any State and district medical or dental society for such area or any other appropriate health society (as the case may be), for such area certify to the Secretary that such assignment of Corps personnel is needed for such population.

"(B) The Secretary may not approve an application under paragraph (1)(A)(i) for an assignment unless the applicant agrees to enter into an arrangement with the Secretary in accordance with subsection (e)(1) and has afforded—

"(i) the entity responsible for the development of the plans referred to in section 314(b) which covers all or any part of the area in which the population for which the application is submitted resides, and

"(ii) if there is a part of such area for which no such entity is responsible for developing such plans, the agency of the State in which such part is located which administers or supervises the administration of a State plan approved under section 314(a),

an opportunity to review the application and submit its comments to the Secretary respecting the need for and proposed use of health professions personnel requested in the application. In considering such an application, the Secretary shall take into consideration the need of the population for which the application was submitted for the health services which may be provided under this section; the willingness of the population and the appropriate governmental agencies or health entities serving it to assist and cooperate with the Corps in providing effective health services to the population; and recommendations from medical, dental, or other health professional societies or from medical personnel serving the population.

"(C) If with respect to any proposed assignment of Corps personnel for a medically underserved population the requirements of clauses (i) and (ii) of subparagraph (A) are met except for the certification by a State and district medical or dental society or by any other appropriate health society required by clause (ii)(II) and if the Secretary finds from all the facts presented that such certification has clearly been arbitrarily and capriciously withheld, the Secretary may, after consultation with appropriate medical, dental, or other health professional societies, waive the application of the certification requirement to such proposed assignment.

"(2)(A) In approving an application submitted under paragraph (1) for the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary may approve the assignment of Corps personnel for such population during a period (referred to in this paragraph as the 'assistance period') which may not exceed four years from the date of the first assignment of Corps personnel for such population after the date of the approval of the application. No assignment of individual Corps personnel may be made for a period ending after the expiration of the applicable approved assistance period.

"(B) Upon expiration of an approved assistance period for a medically underserved population, no new assignment of Corps personnel may be made for such population unless an application is submitted in accordance with paragraph (1) for such assignment. The Secretary may not approve such an application unless—

"(i) the application and certification requirements of paragraph (1) are met;

"(ii) the Secretary has conducted an evaluation of the continued need for health professions personnel of the population for which the application is submitted, of the utilization of the services of the health profession personnel by such population, of the growth of the health care practice of the Corps personnel assigned for such population, and of community support for the assignment; and

"(iii) the Secretary has determined that such population has made continued efforts to secure its own health professions personnel, that there has been sound fiscal management of the health care practice of the Corps personnel assigned for such population, including efficient collection of fee-for-service, third party, and other funds available to such population, and that there has been appropriate and efficient utilization of such Corps personnel.

"(3) Corps personnel shall be assigned to provide health services for a medically underserved population on the basis of the extent of the population's need for health services and without regard to the ability of the members of the population to pay for health services.

"(4) The Secretary may assign, to serve any medically underserved population, such Corps personnel from among one or more of the various health professions (including physicians, dentists, nurses, physician extenders (including nurse practitioners), veterinarians, optometrists, podiatrists, phamacists, public health personnel, health care administration personnel, audiologists, speech pathologists, and allied health personnel) as he determines to be essential to meet the needs of such population.

"(5)(A) In making an assignment of Corps personnel the Secretary shall seek to match characteristics of the assignee (and his spouse (if any)) and of the population to which such assignee may be assigned in order to increase the likelihood of the assignee remaining to serve the population upon completion of his assignment period.

"(B) The Secretary shall, before the expiration of the last nine months of the assignment period of a member of the Corps, review such member's assignment and the situation in the area to which he was assigned for the purpose of determining the advisability of exetending the period of such member's assignment.

"(6) The Secretary shall provide technical assistance to all medically underserved populations to which are not assigned Corps personnel to assist in the recruitment of health professions personnel. The Secretary shall also give such populations current information respecting public and private programs which may assist in securing health professions personnel for them.

"(d)(1) In providing health services for a medically underserved population under this section, Corps personnel shall utilize the techniques, facilities, and organizational forms most appropriate for the area in which the population resides and shall, to the maximum extent feasible, provide such services (A) to all members of the population regardless of their ability to pay for the services, and (B) in connection with (i) direct health services programs carried out by the Service; (ii) any direct health services program carried out in whole or in part with Federal financial assistance; or (iii) any other health services activity which is in furtherance of the purposes of this section.

"(2)(A) Notwithstanding any other provision of law, the Secretary (i) shall, to the extent feasible, make such arrangements as he determines necessary to enable Corps personnel in providing health services for a medically underserved population to utilize the health facilities of the areas in which the population resides, and (ii) shall make such arrangements as he determines are necessary for the use of equipment and supplies of the Service and for the lease or acquisition of other equipment and supplies, and may secure the temporary services of nurses and allied health personnel.

"(B) If such area is being served (as determined under regulations of the Secretary) by a hospital or other health care delivery facility of the Service, the Secretary shall, in addition to such other arrangements as the Secretary may make under subparagraph (A), arrange for the utilization of such hospital or facility by Corps personnel in providing health services for the population, but only to the extent that such utilization will not impair the delivery of health services and treatment through such hospital or facility to persons who are entitled to health services and treatment through such hospital or facility. If there are no health facilities in or serving such area, the Secretary may arrange to have Corps personnel provide health services in the nearest health facilities of the Service or the Secretary may lease or otherwise provide facilities in such area for the provision of health services.

"(3) The Secretary may make one grant to any applicant with an approved application under subsection (c) to assist it in meeting the costs of establishing medical practice management systems for Corps personnel, acquiring equipment for their use in providing health services, and establishing appropriate continuing education programs and opportunities for them. No grant may be made under this paragraph unless an application is submitted therefor and approved by the Secretary. The amount of any grant shall be determined by the Secretary, except that no grant may be made for more than $25,000.

"(4) Upon the expiration of the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary (notwithstanding any other provision of law) may sell to the entity which submitted the last application approved under subsection (c) for the assignment of Corps personnel for such population equipment of the United States utilized by such personnel in providing health services. Sales made under this paragraph shall be made for the fair market value of the equipment sold (as determined by the Secretary).

"(e)(1) The Secretary shall require as a condition to the approval of an application under subsection (c) that the entity which submitted the application enter into an appropriate arrangement with the Secretary under which—

"(A) the entity shall be responsible for charging in accordance with paragraph (2) for health services by the Corps personnel to be assigned;

"(B) the entity shall take such action as may be reasonable for the collection of payments for such health services, including if a Federal agency, an agency of a State or local government, or other third party would be responsible for all or part of the cost of such health services if it had not been provided by Corps personnel under this section, the collection, on a fee-for-service or other basis, from such agency or third party the portion of such cost for which it would be so responsible (and in determining the amount of such cost for which such agency or third party would be responsible, the health services provided by Corps personnel shall be considered as being provided by private practitioners); and

"(C) the entity shall be entitled to retain any amount collected by the entity in accordance with subparagraph (B).

The amount collected by an entity in accordance with subparagraph (B) which the entity is entitled to retain under subparagraph (C) shall be used by the entity to expand or improve the provision of health services to the population for which the entity submitted an application under subsection (c) or to recruit and retain health professions personnel to provide health services for such population.

"(2) Any person who receives health services provided by Corps personnel under this section shall be charged for such services on a fee-for-service or other basis at a rate approved by the Secretary, pursuant to regulations, to recover the value of such services; except that if such person is determined under regulations of the Secretary to be unable to pay such charge, the Secretary shall provide for the furnishing of such services at a reduced rate or without charge.

"(f)(1) The Secretary shall conduct, at medical and nursing schools and other schools (and accredited graduate training programs) of the health professions and entities which provide training and education for the allied health professions, recruiting programs for the Corps. Such programs shall include the wide dissemination of written information on the Corps and visits to such schools by personnel of the Corps.

"(2) The Secretary may reimburse applicants for positions in the Corps for actual expenses incurred in traveling to and from their place of residence to an area in which they would be assigned for the purpose of evaluating such area with regard to being assigned in such area. The Secretary shall not reimburse an applicant for more than one such trip.

"(3) Commissioned officers and other personnel of the Corps assigned to provide health services for medically underserved populations shall not be included in determining whether any limitation on the number of personnel which may be employed by the Department of Health, Education, and Welfare has been exceeded.

"(4) The Secretary shall, under regulations prescribed by him, adjust the monthly rate of pay of each member of the Corps (other than a medical officer of the Public Health Service with whom the Secretary has entered into an agreement under section 313 of Title 37, United States Code) who is directly engaged in the delivery of health services to a medically underserved population as follows:

"(A) During the first thirty-six months in which such a member is so engaged in the delivery of health services, his monthly rate of pay shall be increased by an amount (not to exceed $1,000) which when added to the member's regular monthly rate of pay and allowances will provide a monthly income competitive with the average monthly income from an established practice of a member of such member's profession with equivalent training who is practicing in such area.

"(B) During the period beginning upon the expiration of the thirty-six months referred to in subparagraph (A) and ending with the month in which the member's regular monthly rate of pay and allowances is equal to or exceeds the monthly income he received for the last of such thirty-six months, the member shall receive in addition to his regular rate of pay and allowances an amount which when added to such regular rate equals the monthly income he received for such last month.

In the case of a member of the Corps who is directly engaged in the provision of health services to a medically underserved population in accordance with a service obligation incurred under section 750, the provision of this paragraph shall apply to such member upon satisfactory completion of such service obligation and the first thirty-six months of his being so engaged in the delivery of health care shall, for purposes of this paragraph, be deemed to begin upon such satisfactory completion.

"(g) The Secretary shall report to Congress no later than May 15 of each year—

"(1) the number and identity of all medically underserved populations in each of the States in the calendar year preceding the year in which the report is made and the number of medically underserved populations which the Secretary estimates will be designated under subsection (b) in the calendar year in which the report is made;

"(2) the number of applications filed in such preceding calendar year for assignment of Corps personnel under this section and the action taken on each such application;

"(3) the number and types of corps personnel assigned in such preceding year to provide health services for medically underserved populations, the number and types of additional Corps personnel which the Secretary estimates will be assigned to provide such services in the calendar year in which the report is submitted, and the need (if any) for additional personnel of the Corps;

"(4) the recruitment efforts engaged in for the Corps in such preceding year, including the programs carried out under subsection (f)(1) and the number of qualified persons who applied for service in the Corps in each professional category;

"(5) the total number of patients seen and patient visits recorded during such preceding year in each area where Corps personnel were assigned;

"(6) the number of health professions personnel electing to remain after termination of their service in the Corps to provide health services to medically underserved populations and the number of such personnel who do not make such election and the reasons for their departure;

"(7) the results of evaluations made under subsection (c)(2)(B)(ii), and determinations made under subsection (c)(2)(B)(iiii), during such preceding year; and

"(8) the amount (A) charged during such preceding year for health services by Corps personnel, (B) collected in such year by entities in accordance with arrangements under subsection (e)(1), and (C) paid to the Secretary in such year under such arrangements.

"(h)(1) There is established a council to be known as the National Advisory Council on the National Health Service Corps (hereinafter in this section referred to as the 'Council'). The Council shall be composed of fifteen members appointed by the Secretary as follows:

"(A) Four members shall be appointed from the general public to represent the consumers of health care, at least two of whom shall be members of a medically underserved population for which Corps personnel are providing health services under this section.

"(B) Three members shall be appointed from the health professions (including nurses teaching professions.

"(C) Three members shall be appointed from State health or health planning agencies.

"(D) Three members shall be appointed from the Service, at least two of whom shall be members of the Corps directly engaged in the provision of health services for a medically underserved population.

"(E) One member shall be appointed from among individuals associated with institutional providers of health services.

"(F) One member shall be appointed upon recommendation of the Chief Medical Director of the Veterans' Administration.

The Council shall consult with, advise, and make recommendations to, the Secretary with respect to his responsibilities in carrying out this section, and shall review and approve regulations promulgated by the Secretary under this section and section 750.

"(2) Members of the Council shall be appointed for a term of three years and shall not be removed, except for cause. Members may be reappointed to the Council.

"(3) Appointed members of the Council, while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be entitled to receive for each day (including traveltime) in which they are so serving the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code for persons in the Government service employed intermittently.

"(i) To carry out the purposes of this section, there are authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1975, $60,000,000 for the fiscal year ending June 30, 1976, $70,000,000 for the fiscal year ending June 30, 1977, $80,000,000 for the fiscal year ending June 30, 1978, and $90,000,000 for the fiscal year ending June 30, 1979.".

(b)(1) The Secretary of Health, Education, and Welfare shall report to Congress (1) not later than January 1, 1975, the criteria used by him in designating medically underserved populations for purposes of section 329 of the Public Health Service Act, and (2) not later than May 1, 1975, the identity and number of medically underserved populations in each State meeting such criteria.

(2) The Secretary of Health, Education, and Welfare shall conduct or contract for studies of methods of assigning under section 329 of the Public Health Service Act, National Health Service Corps personnel to medically underserved populations and of providing health care to such populations. Such studies shall be for the purpose of identifying (A) the characteristics of health professions personnel who are more likely to remain in practice in areas in which medically underserved populations are located, (B) the characteristics of areas which have been able to retain health professions personnel, (C) the appropriate conditions for assignment of physician extenders (including nurse practitioners) in areas in which medically underserved populations are located, and (D) the effect that primary care postgraduate physician training in such areas has on the health care provided in such areas and on the decisions of physicians who received such

training respecting the areas in which to locate their practice.

(3) The Secretary of Health, Education, and Welfare shall (A) conduct or contract for the conduct of studies to determine factors responsible for the lack of adequate numbers of health professions personnel in medically underserved areas, (B) maintain continuous surveillance of the health status of such populations, and (C) on the basis of information obtained under subparagraphs (A) and (B), develop adequate health professions personnel resource development programs applicable to such populations.

(c) The amendment made by subsection (a) which changed the name of the advisory council established under section 329 of the Public Health Service Act shall not be construed as requiring the establishment of a new advisory council under that section; and the amendment made by such subsection with respect to the composition of such advisory council shall apply with respect to appointments made to the advisory council after the date of the enactment of this Act.

SEC. 305. (a) Section 225 is transferred to part C of title VII, redesignated as section 750, and amended to read as follows:

"PUBLIC HEALTH AND NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP TRAINING PROGRAM

"SEC. 750. (a) The Secretary shall establish the Public Health and National Health Service Corps Scholarship Training Program (hereinafter in this section referred to as the 'program') to obtain trained health professions personnel (including physicians, dentists, nurses, physician extenders (including nurse practitioners), veterinarians, optometrists, podiatrists, pharmacists, public health personnel, health care administration personnel, audiologists, speech pathologists, and allied personnel) for the National Health Service Corps or other units of the Service.

"(b) To be eligible for acceptance in the program, an applicant for the program must—

"(1) to be accepted for enrollment, or be enrolled, as a full-time student in an accredited (as determined by the Secretary) educational institution in a State which provides a course of study approved by the Secretary leading to a degree of doctor of medicine, a degree of doctor of osteopathy, a degree of doctor of dentistry or an equivalent degree of bachelor of science in pharmacy or an equivalent degree, a degree of doctor of optometry or an equivalent degree, a degree of doctor of podiatry or an equivalent degree, a degree of doctor of veterinary medicine or an equivalent degree, a graduate degree in public health or an equivalent degree, a graduate degree in health care administration or an equivalent degree, a graduate degree in audiology or an equivalent degree, a graduate degree in speech pathology or an equivalent degree, a degree of bachelor of arts in nursing, a degree of bachelor of science in nursing, a degree of bachelor of nursing or an equivalent degree, a graduate degree in nursing, an associate degree in nursing or an equivalent degree, or any other course of study approved by the Secretary for the training of nurses, physician extenders (including nurse practitioners), or allied health personnel;

"(2) be eligible for, or hold, an appointment as a commissioned officer in the Regular or Reserve Corps of the Service or be eligible for selection for civilian service in the Service; and

"(3) agree in writing to serve, as prescribed by subsection (d) of this section, in the Commissioned Corps of the Service or as a civilian member of the Service.

To remain in the program an individual must pursue at such an institution such an approved course of study and maintain an acceptable level of academic standing in it.

"(c)(1)(A) Each participant in the program shall receive a scholarship for each approved academic year of training, not to exceed four years. A participant's scholarship shall consist of (i) an amount equal to the basic pay and allowances of a commissioned officer on active duty in pay grade O–1 with less than two years of service, and (ii) payment of the tuition expenses of the participant and all other educational expenses incurred by the participant, including fees, books, and laboratory expenses.

"(B) The Secretary may contract with an institution in which participants are enrolled for the payment to the institution of the tuition and other educational expenses of such participants. Payment to such institution may be made without regard to section 3648 of the Revised Statutes (31 U.S.C. 529).

"(2) When the Secretary determines that an institution has increased its total enrollment for the sole purpose of accepting members of the program, he may provide under a contract with such an institution for additional payments to cover the portion of the increased costs of the additional enrollment which are not covered by the institution's normal tuition and fees.

"(d)(1) Each participant in the program shall provide service as prescribed by paragraph (2) for a period of time (hereinafter in this section referred to as a 'period of obligated service') prescribed by the Secretary which may not be less than one year of such service for each academic year of training received under the program. Except as provided in the following sentence, a period of obligated service of any individual shall commence within six months after the date upon which such individual is licensed to practice his profession (or the date upon which such individual completes his first year of postgraduate clinical training, if such year of training is completed after the date on which he is so licensed) and such service shall continue without substantial interruption until such service is completed, except that for persons licensed to practice medicine or dentistry, the commencement of a period of obligated service may be deferred by the Secretary for the period of time required to complete postgraduate physician training if the National Health Service Corps approves such deferment. In the case of any individual obligated to provide service in accordance with this subsection who may lawfully practice his profession without first obtaining a license, a period of obligated service shall commence within six months after the date upon which such individual completes his training in any school subject to the provisions of this subsection.

"(2)(A) Except as provided in subparagraphs (B) and (C), an individual obligated to provide service on account of his participation in the program shall provide such service for the period of obligated service applicable to him as a member of the National Health Service Corps or the Indian Health Service.

"(B) If there are no positions available in the National Health Service Corps or the Indian Health Service at the time an individual is required by the Secretary to begin his period of obligated service, such individual shall serve in the clinical practice of his profession for such period as a member of the Federal Health Programs Service.

"(C) If there are no positions available in the National Health Service Corps, Indian Health Service, or the Federal Health Programs Service at the time an individual is required by the Secretary to begin his period of obligated service and neither the Corps nor either Service has a need at such time for a member of the profession for which such individual was trained, such individual shall serve for such period as a member of the Public Health Service in such units of the Department of Health, Education, and Welfare as the Secretary may prescribe or may serve in a Federal health care facility, but only upon the request of the head of the department or agency of which the health facility is a part.

"(e)(1) If, for any reason, a person fails to either begin his service obligation under this section in accordance with subsection (d) or to complete such service obligation, the United States shall be entitled to recover from such individual an amount equal to the amount paid under this section to or on behalf of such individual plus interest at the maximum prevailing rate. Any amount which the United States is entitled to recover under this paragraph shall, within the three-year period beginning on the date the United States comes entitled to recover such amount be paid to the United States.

"(2) When an individual undergoing training in the program is academically dismissed or voluntarily terminates academic training or fails to obtain a license to practice his profession he shall be liable for repayment to the United States for an amount equal to the amount paid under this section to or on behalf of such individual.

"(3) The Secretary shall by regulation provide for the waiver or suspension of any obligation of any individual under this section whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"(f) Notwithstanding any other provision of law, persons undergoing academic training under the program shall not be counted against any employment ceiling affecting the Department of Health, Education, and Welfare.

"(g) The Secretary shall issue regulations for the implementation of this section.

"(h) To carry out the purposes of this section, there is authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975, $35,000,000 for the fiscal year ending June 30, 1976, $45,000,000 for the fiscal year ending June 30, 1977, $55,000,000 for the fiscal year ending June 30, 1978, and $65,000,000 for the fiscal year ending June 30, 1979."

(b) Part C of title VII is amended by inserting immediately before section 750 the following heading:

"Subpart III—Public Health and National Health Service Corps Scholarship Training Program"

SEC. 306. (a) Subpart II of part F of title VII is transferred to part C and redesignated subpart IV. Section 785 of subpart II is redesignated section 751.

(b) Subsection (b) of section 751 (as so redesignated) is amended (1) by striking out "to practice medicine in the United States for a period of five years," and inserting in lieu thereof "in accordance with subsection (d)(3)." and (2) by striking out the second sentence of such subsection.

(c) Subsection (d) of section 751 (as so redesignated) is amended by adding at the end thereof the following:

"(3) (A) No scholarship grant under this subpart shall be made to any individual unless such individual agrees in writing to practice his profession in accordance with section 771(b).".

"(B) The provisions of subsection (b) of section 771 shall apply to any individual who receives a scholarship pursuant to this section.

"(C) If, for any reason, an individual who is obligated to provide service under this section and who has been selected by the Secretary under section 771(b) to provide such service, fails either to begin his service obligation or to complete such service obligation, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula

$$A = \phi\left(\frac{t-s}{t}\right)$$

in which 'A' is the amount the United States is entitled to recover; ϕ is the sum of the amount paid under this section to such individual and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate; 't' is the total number of months in such person's service obligation; and 's' is the number of months of such obligation served by him in accordance with section 771(b). Any amount which the United States is entitled to recover under this paragraph shall, within the one-year period beginning on the date the United States becomes entitled to recover such amount, be paid to the United States."

(d) Subsection (e) of section 751 (as so redesignated) is amended (1) by striking out "1972" and inserting in lieu thereof "1975" (2) by striking out "two" in paragraph (1) and inserting in lieu thereof "four" (3) by striking out "1975" and inserting in lieu thereof "1980" and (4) by striking out "1974" and inserting in lieu thereof "1979".

SEC. 307. (a) Subpart III of part F of title VII is transferred to part C and redesignated subpart V. Sections 784, 785, and 786 of such subpart III are redesignated sections 752, 753, and 754, respectively.

(b) Section 752(a) (as so redesignated) is amended—

(1) by striking out "under section 741(f) (1)(C)" and inserting in lieu thereof "under section 329(b) or otherwise determined by the Secretary" and

(2) by striking out "under section 768(c) (3)(B)" and inserting in lieu thereof "under section 783(c) (3) (B)".

(c) Section 752(b)(2) (as so redesignated) is amended by striking out "$5,000" and inserting in lieu thereof "$6,000,".

(d) Section 754 (as so redesignated) is amended to read as follows:

"SEC. 754. For the purpose of making scholarship grants under this subpart, there are authorized to be appropriated, $4,000,000 for the fiscal year ending June 30, 1975, $5,000,000 for the fiscal year ending June 30, 1976, and $6,000,000 for the fiscal year ending June 30, 1977 and for each of the two succeeding fiscal years. For the fiscal year ending June 30, 1980, and for each succeeding fiscal year, there are authorized to be appropriated such sums as may be necessary to continue to make such grants to students who (prior to July 1, 1979) have received such a grant and who are eligible for such a grant under this part during such succeeding fiscal year.".

SEC. 308. The heading of part C of title VII is amended to read as follows:

"PART C—STUDENT ASSISTANCE"

TITLE IV—GRANTS FOR HEALTH PROFESSIONS SCHOOLS

SEC. 401. (a) Subsection (a) of section 770 is amended to read as follows:

"(a) GRANT COMPUTATION.—The Secretary shall make annual grants to schools of medicine (allopathic and osteopathic), public health, dentistry, veterinary medicine, optometry, pharmacy, and podiatry for the support of the education programs of such schools and to schools with graduate programs of health care administration for the support of such programs. The amount of the annual grant to each such school with an approved application shall be computed for each fiscal year as follows:

"(1) Each school of medicine (allopathic and osteopathic) shall receive—

"(A) $3,250 for each full-time student (except those described in subparagraph (B)) enrolled in such school in such year; and

"(B) $1,000 for each student who is enrolled in such year on a full-time basis in a program of such school for the training of physician extenders (as defined by regulations of the Secretary but including nurse practitioners).

"(2) Each school of dentistry shall receive—

"(A) $2,475 for each full-time student (except those described in subparagraph (B)) enrolled in such school in such year; and

"(B) $1,000 for each student who is enrolled in such year on a full-time basis in a program of such school for the training of expanded duty dental auxiliaries (as defined by regulations of the Secretary).

"(3)(A) Each school of public health shall receive $2,000 for each student equivalent enrolled in such school in such year.

"(B) For purposes of subparagraph (A) and section 771, the number of student equivalents for a class enrolled in a school of public health in any year is the number obtained by dividing—

"(i) the sum of the credit hours of instruction in public health taken by each student in such class, by

"(ii) the number of credit hours of instruction in public health required by such school to be taken in that year by a full-time student.

"(4) Each school of veterinary medicine shall receive $1,850 for each full-time student enrolled in such school in such year.

"(5) Each school of optometry shall receive $1,100 for each full-time student enrolled in such school in such year.

"(6) Each school of pharmacy (other than a school of pharmacy with a course of study of more than four years) shall receive $1,025 for each full-time student enrolled in such school in such year. Each school of pharmacy with a course of study of more than four years shall receive $1,025 for each full-time student enrolled in the last four years of such school. For purposes of section 771, a student enrolled in the first year of the last four years of such school shall be considered a first-year student.

"(7) Each school of podiatry shall receive $1,650 for each full-time student enrolled in such school in such year.

"(8)(A) Each school with a graduate program of health care administration shall receive $2,000 for each student equivalent enrolled in such program in such year, except that no school of public health shall receive a grant under this paragraph.

"(B) For purposes of subparagraph (A) and section 771, the number of student equivalents for a class enrolled in a graduate program of health care administration in any year is the number obtained by dividing—

"(i) the sum of the credit hours of instruction in health care administration taken by each student in such class, by

"(ii) the number of credit hours of instruction in health care administration required by such school to be taken in that year by a full-time student.".

(b) Subsection (c) of section 770 is amended to read as follows:

"(c) APPORTIONMENT OF APPROPRIATIONS.—If the total of the grants to be made in accordance with subsections (a) and (b) for any fiscal year to schools of medicine (allopathic and osteopathic), public health, dentistry, veterinary medicine, optometry, pharmacy, or poditary or schools with graduate programs of health care administration with approved applications exceeds the amounts appropriated under subsection (f) for such grants, the amount of the grant for that fiscal year to a school which may not because of such excess receive for that fiscal year the amount determined for it under such subsections shall be an amount which bears the same ratio to the amount so determined for it as the total of the amounts appropriated for that year under subsection (f) for grants to such schools bears to the amount required to make grants in accordance with subsections (a) and (b) to such schools.".

(c)(1) Subsections (d), (e), (f), and (g) of section 770 are repealed.

(2) Subsection (h) of section 770 is (A) redesignated as subsection (d), and **(B)** is amended to read as follows:

"(d) ENROLLMENT AND GRADUATION DETERMINATION.—

"(1) For purposes of this section and sections 771 and 772, regulations of the Secretary shall include provisions relating to determining the number of students enrolled in a school or in a particular year-class in a school, or the number of graduates, on the basis of estimates, on the basis of the number of students who in an earlier year were enrolled in a school or in a particular year-class or who were graduates, or on such other basis as he deems appropriate for making such determination, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school, except that for the purposes of this section and section 771 any individual who is a United States citizen who transfers from a medical or dental school located in a foreign nation and who is enrolled in an undergraduate program in a school subject to the provisions of such sections shall be deemed to be a first-year student during the first year of such enrollment in such school.

"(2) For purposes of this section and sections 771 and 772, the term 'students' (whether such term is used by itself or in connection with a particular year-class) means students pursuing a course of study leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, doctor of osteopathy, bachelor of science in pharmacy or an equivalent degree, doctor of optometry or an equivalent degree, doctor of veterinary medicine or an equivalent degree, or doctor of podiatry or an equivalent degree, to a graduate degree in public health or an equivalent degree, a graduate degree in health care administration or an equivalent degree or other course of study approved by the Secretary for the training of physician extenders (including nurse practitioners) or expanded duty dental auxiliaries and the term 'full-time students' means students pursuing such a course of study on a full-time basis."

(3) Subsection (i) of section 770 is (A) redesignated as subsection (e), and (B) amended by—

(i) striking out "or podiatry" and inserting in lieu thereof "podiatry, public health, or a school with a graduate program in health care administration", and

(ii) inserting ", or student equivalents, as the case may be," immediately after "students".

(4) Subsection (j) of section 770 is redesignated as subsection (f) and is amended to read as follows:

"(f) AUTHORIZATIONS OF APPROPRIATIONS.—

"(1) There are authorized to be appropriated $186,000,000 for the fiscal year ending June 30, 1975, $194,000,000 for the fiscal year ending June 30, 1976, and $201,000,000 for the fiscal year ending June 30, 1977 and for each of the two succeeding fiscal years, for payments under grants under this section to schools of medicine (allopathic and osteopathic) based on the number of full-time students enrolled in such schools.

"(2) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, $3,000,000 for the fiscal year ending June 30, 1976, and $4,000,000 for the fiscal year ending June 30, 1977, and for each of the two succeeding fiscal years, for payments under grants under this section to schools of medicine (allopathic and osteopathic) based on the number of students enrolled in programs of such schools for the training of physician extenders.

"(3)(A) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, $3,000,000 for the fiscal year ending June 30, 1976, and $4,000,000 for the fiscal year ending June 30, 1977, and for each of the two succeeding fiscal years, for payments under grants under this section to schools of dentistry based on the number of students enrolled in programs of such schools for the training of expanded duty dental auxiliaries.

"(B) There are authorized to be appropriated $49,500,000 for the fiscal year ending June 30, 1975, $50,800,000 for the fiscal year ending June 30, 1976, and $52,000,000 for the fiscal year ending June 30, 1977, and for each of the two succeeding fiscal years, for payments under grants under this section to schools of dentistry based on the number of full-time students enrolled in such school.

"(4) There are authorized to be appropriated $11,000,000 for the fiscal year ending June 30, 1975, $12,000,000 for the fiscal year ending June 30, 1976, and $13,000,000 for the fiscal year ending June 30, 1977, and for each of the two succeeding fiscal years, for payments under grants under subsection (a) (3) to schools of public health.

"(5) There are authorized to be appropriated $11,729,000 for the fiscal year ending June 30, 1975, $12,395,000 for the fiscal year ending June 30, 1976, and $12,950,000 for the fiscal year ending June 30, 1977, and for each of the two succeeding fiscal years, for payments under grants under this section to schools of veterinary medicine.

"*(6)* There are authorized to be appropriated $4,448,000 for the fiscal year ending June 30, 1975, $4,782,800 for the fiscal year ending June 30, 1976, and $5,261,300 for the fiscal year ending June 30, 1977, $5,782,700 for the fiscal year ending June 30, 1978, and $6,361,300 for the fiscal year ending June 30, 1979, for payments under grants under this section to schools of optometry.

"(7) There are authorized to be appropriated $25,625,000 for the fiscal year ending June 30, 1975, $25,625,000 for the fiscal year ending June 30, 1976, and $25, 625,000 for the fiscal year ending June 30, 1977 and for each of the two succeeding fiscal years, for payments under grants under this section to schools of pharmacy.

"(8) There are authorized to be appropriated $3,027,750 for the fiscal year ending June 30, 1975, $3,316,500 for the fiscal year ending June 30, 1976, and $3,481,500 for the fiscal year ending June 30, 1977, and for each of the two succeeding fiscal years, for payments under grants under this section to schools of podiatry.

"(9) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, $2,250,000 for the fiscal year ending June 30, 1976, $2,500,000 for the fiscal year ending June 30, 1977 and for each of the two succeeding fiscal years, for payments under grants under subsection (a) (8) to schools for graduate programs in health care administration.

"(10) No funds appropriated under any provision of this Act other than this subsection may be used to make grants under this section."

(d) The heading for part E of title VII is amended to read as follows:

"PART E—GRANTS AND CONTRACTS TO IMPROVE THE QUALITY OF SCHOOLS OF MEDICINE (ALLOPATHIC AND OSTEOPATHIC) PUBLIC HEALTH, DENTISTRY, VETERINARY MEDICINE, OPTOMETRY, PHARMACY, AND PODIATRY AND SCHOOLS WITH GRADUATE PROGRAMS OF HEALTH CARE ADMINISTRATION".

SEC. 402. Part E of title VII is amended (1) by redesignating sections 771, 772, and 773 as sections 772, 773, and 774, respectively, (2) by redesignating section 774 (as in effect prior to the enactment of this Act) as section 776 and placing it after section 775, and (3) by adding after section 770 the following new section:

"ELIGIBILITY FOR CAPITATION GRANTS

"SEC. 771. (a) In General.—The Secretary shall not make a grant under section 770 to any school in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) the enrollment of full-time students (or, in the case of schools of public health and schools with graduate programs of health care administration, the enrollment of student equivalents) in such school and—

"(A) in the case of a school of medicine (allopathic or osteopathic), the enrollment of students on a full-time basis in a program of such school for the training of physician extenders, and

"(B) in the case of a school of dentistry, the enrollment of students on a full-time basis in a program of such school for the training of expanded duty dental auxiliaries,

in the school year beginning after the beginning of the fiscal year in which such grant is made will not be less than the enrollment of such students or student equivalents, as the case may be, in such school in the preceding school year; and

"(2) the applicant will expend in carrying out its functions as a school of medicine (allopathic or osteopathic), public health, dentistry, veterinary medicine, optometry, pharmacy, or podiatry , as the case may be, (or, in the case of a school with graduate program of health care administration, for support of such program) during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the fiscal year immediately preceding the fiscal year for which such grant is sought.

"(b) (1) The Secretary shall not make a grant under section 770 to any school in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that for the first school year beginning after such grant is made and for each school year thereafter during which such a grant is made such school shall require that each individual accepted for admission as a student, as a condition of, and prior to, such admission, enter into a written agreement with the Secretary to practice his profession in accordance with paragraph (2).

"(2) (A) Each individual who has entered into an agreement under paragraph (1) shall be obligated to provide health services for a period of obligated service equal to two years, except in the case of individuals who have undergone training in a program of less than three academic years, in any school subject to the provisions of this subsection, the Secretary may, by regulation, reduce the period of obligated service of any class or classes of such individuals. The period of obligated service shall be spent providing health services—

"(i) to a population designated under section 329(b) as a medically underserved population, or

"(ii) in an area or at an institution (including any Federal health care facility) designated by the Secretary to have a shortage of and need for individuals trained in his profession.

In designating areas and institutions pursuant to subparagraph (A) (ii), the Secretary shall follow the procedures required by section 329(b) (1). No institution shall be designated pursuant to subparagraph (A) (ii) unless such institution has applied to the Secretary for such designation. In the case of a Federal health care facility, the Secretary shall designate such facility only upon the request of the head of the department or agency of which the health facility is a part.

"(B) (i) Except as provided in division (ii), a period of obligated service of any individual shall commence within six months after the date upon which such individual is licensed to practice his profession (or the date upon which such individual completes his first year of postgraduate clinical training, if such year of training is completed after the date on which he is so licensed) and such service shall continue without substantial interruption until such service is completed, except that in the case of individuals who are licensed to practice medicine the commencement of such period of obligated service may be deferred for (I) the period of time required to complete primary care postgraduate physician training if such training is in family practice, general internal medicine, general pediatrics, or obstetrics or gynecology, (II) a period of not to exceed three years to complete general postgraduate physician training in psychiatry, or (III) the period of time required to complete postgraduate physician training if such training is in a field of specialization for which there is projected to be a critical need in Federal health care facilities not able to be met by usual recruitment methods, as certified to the Secretary annually by the head of the department or agency of which each such facility is a part, and if the individual whose service is to be so deferred has agreed in writing to practice, upon completion of such postgraduate physician training, in such department or agency to which such individual is assigned pursuant to subparagraph (C) (i) (II) of this paragraph.

"(ii) In the case of any individual obligated to provide service in accordance with this subsection who is not required to obtain a license in order to lawfully practice his profession, a period of obligated service shall commence within six months after the date upon which such individual completes his training in any school subject to the provisions of this subsection.

"(C) (i) (I) The Secretary shall, for each year, establish the number of individuals in each professional needed to provide health services under this subsection for the populations and in the areas and institutions described in subparagraph (A) and shall select for services under this subsection such number of individuals in each profession from among all of the individuals in such profession who are obligated to begin their service obligation in such year.

"(II) In addition, the Secretary shall, for each year, establish the number of individuals in each field of specialization needed to meet the certifications made to him under subparagraph (B) (i) (III) for future service in Federal health care institutions, and, as long as the number of individuals established by the Secretary under subdivision (I) is less than the number of such individuals who are available to begin their service obligation in such year, shall select for deferred service under this subsection, pursuant to the provisions of subparagraph (B) (i) (III), such number of individuals established under this subdivision from among all of the individuals eligible for such deferments who are obligated to begin their service obligation in such year.

"(III) Except for those individuals who are obligated to serve under section 750 and those who volunteer to serve (which individuals shall be first counted against the number needed to serve), the selection of individuals for service pursuant to this division shall be made in an impartial and random manner, under such regulations as the Secretary shall prescribe. Prior to establishing a method of selection, the Secretary shall consult with representatives of students who will be obligated to provide service under this subsection.

"(ii) (I) The Secretary shall, for each year, assign, in accordance with this subparagraph, those individuals selected in accordance with division (i), to provide service during such year for populations and in areas and institutions described in subparagraph (A). The Secretary shall permit any individual who is so assigned to become a member of the National Health Service Corps for the length of his period of obligated service and to perform such obligated service for any such population or in any such area or institution as a member of the Corps, upon a finding that such population, or the population of such area, or such institution lacks resources adequate to pay for the services of such individual.

"(II) In making assignments of Corps members, the provisions of section 329 shall be applicable to the extent that they are consistent with the provisions of this subsection. In making assignments of non-Corps members, the provisions of section 329(c)(4) and (5)(A) shall be applicable to the extent they are consistent with the provisions of this subsection.

"(III) In making assignments of Corps and non-Corps members, the Secretary shall, to the extent practicable, assign individuals in accordance ith their stated preferences. Individuals who have volunteered for service shall be considered first in making assignments by stated preference.

"(iii) In the case of any State which provides substantial financial assistance for any year to any school or schools of medicine (allopathic and osteopathic) or dentistry which is located within such State and which receives a grant under section 770 for the support of its education program, the Secretary shall, for such year, assign, in accordance with division (ii), to serve any populations and in any areas and institutions described in subparagraph (A) which are located within such State, a number of individuals equal to at least 50 per centum of the total number of individuals who graduated from such school or schools and are obligated to provide service during such year: *Provided*, That the percentage of the costs of support of the education programs of such school or schools provided by such State for such year is at least equal to the percentage of such costs provided by such State in the preceding year: *And provided further*, That the Secretary shall make such assignments within such State only to the extent that such individuals are needed to serve populations and in areas and institutions described in subparagraph (A) which are located within such State. To the maximum extent feasible, the Secretary shall assign, to provide service in any such State, individuals who are residents of such State and who are likely to remain in such State to practice their professions.

"(D) If, for any reason, a individual who is obligated to provide service under this subsection, and who has been selected by the Secretary under subparagraph (C) to provide such service, fails either to begin his service obligation or to complete such service obligation in accordance with this subsection, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula—

$$A=\phi\left(\frac{t-s}{t}\right)$$

in which 'A' is the amount the United States is entitled to recover; ϕ is the sum of the amount paid under section 770 to a school on the basis of the enrollment in such school of such individual and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate; 't' is the total number of months in such individual's period of obligated service; and 's' is the number of months of such period served by him in accordance with this subsection. Any amount which the United States is entitled to recover shall, within the one-year period beginning on the date the United States becomes entitled to recover such amount be paid by such individual to the United States.

"(3)(A) The Secretary shall, by regulation, provide for the waiver or suspension of any obligation of any individual under this subsection whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"(B) Notwithstanding any other provision of this subsection—

"(i) any individual who is obligated to provide health services pursuant to an agreement entered into with any State may provide such service in accordance with such agreement in lieu of providing service under this subsection: *Provided*, That the period to be served is at least equal to the period of obligated service of this subsection,

"(ii) any individual who receives a National Research Service Award under section 472 may provide service in accordance with the provisions of subsection (c) of such section in lieu of providing service under this section,

"(iii) no individual shall be required to provide services for more than one period of obligated service under this section,

"(iv) in the case of any individual who is obligated to provide service under section 750 and under this subsection, the periods of obligated service of such individual under section 750 and this subsection shall run concurrently.

"(4) When any individual undergoing training in any school subject to the provisions of this subsection—

"(A) is academically dismissed or voluntarily terminates academic training, or

"(B) in the case of an individual who is required to obtain a license in order to lawfully practice his profession, fails to obtain such a license,

he shall not be obligated to provide service under this subsection unless he, at some subsequent date, completes such training and, in the case of an individual described in clause (B), obtains a license to practice his profession.

"(c) SCHOOLS OF MEDICINE (ALLOPATHIC AND OSTEOPATHIC).—The Secretary shall not make a grant under section 770 to any school of medicine (allopathic and osteopathic) in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the preceding school year—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred; or

"(2)(A) for the first school year beginning after the close of the fiscal year in which such grant is made and in each school year thereafter in which such a grant is made the number of students enrolled on a full-time basis in a program of such school for the training of physician extenders will not be less than twenty-five, and for the second school year beginning after the close of the fiscal year in which such a grant is first made and for each school year thereafter in which such a grant is made the number of students enrolled on a full-time basis in a program of such school for the training of physician extenders will exceed the number of such students so enrolled in the preceding school year by 25 per centum, and

"(B) during each such school year such school will establish and carry out specific new projects, or make significant expansions of, or improvements in, existing projects, meeting criteria set forth by the Secretary in regulations, in at least two of the following categories of projects:

"(i) Projects to establish cooperative interdisciplinary training among schools of medicine, (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary medicine, nursing, public health, and allied health, including projects for training for the use of the team approach to the provision of health services.

"(ii) Projects to establish increased emphasis on, and training in, the science of clinical pharmacology; diagnosis, treatment, and prevention of drug and alcohol use and abuse; and the assessment of the efficacy of various therapeutic regimens.

"(iii) Projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged.

"(iv) Projects to train and educate primary care health professions personnel with particular emphasis upon the establishment of new, or expansion of existing, programs for training in family medicine.

"(v) Projects to establish and operate programs in the interdisciplinary training of health professions personnel for the provision of emergency medical services, with particular emphasis on the establishment and operation of training programs affording clinical experience in emergency medical services systems receiving assistance under title XII of this Act.

"(vi) Projects to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability.

"(vii) Projects to provide increased emphasis on the ethical, social, legal, and moral implications of advances in biomedical rereach and technology with respect to the effects of such advances on individuals and society.

"(viii) Projects to assist such schools to plan, develop, and implement a program of nutrition education within their curricula.

"(ix) Projects to enroll in the third year of education or earlier years significant numbers of United States citizens who transfer from medical schools located in foreign nations.

"(x) Projects to establish and operate satellite clinical training centers in underserved areas, in coordination, whenever feasible, with health training institutions in other disciplines, to emphasize the provision of primary care to the residents of such areas, and to provide continuing education programs for health professions personnel in such areas.

"(xi) Projects to establish increased emphasis on, and training in, the aging process, including the social, behavioral, and biomedical aspects of the aging process, and training in the diagnosis, treatment, and prevention of diseases and related problems of the aged.

"(xii) Projects to establish and operate programs to encourage greater knowledge of, and sensitivity toward, the special health problems of women;

"(xiii) Projects to establish and operate programs designed to provide increased emphasis on, and training in, rehabilitation medicine and encourage greater knowledge of, and sensitivity toward, the special health problems of handicapped individuals, especially women who are handicapped;

"(d) SCHOOLS OF DENTISTRY.—The Secretary shall not make a grant under section 770 to any school of dentistry in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the preceding school year—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred; or

"(2) (A) for the first school year beginning after the close of the fiscal year in which such grant is made and in each school year thereafter in which such a grant is made the number of students enrolled on a full-time basis in a program of such school for the training of expanded duty dental auxiliaries will be not less than twenty-five and for the second school year beginning after the close of the fiscal year in which such a grant is first made and for each school year thereafter in which such grant is made the number of students enrolled on a full-time basis in a program of such school for the training of expanded duty dental auxiliaries will exceed the number of such students so enrolled in the preceding school year by 25 per centum, and

"(B) during each school year such school will establish and carry out specific new projects, or make significant expansions of, or improvements in, existing projects, meeting criteria set forth by the Secretary in regulations, in at least two of the following categories of projects:

"(i) Projects to establish cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary medicine, nursing, public health, and allied health, including projects for training for the use of the team approach to the provision of health services.

"(ii) Projects to establish increased emphasis on, and training in, the science of clinical pharmacology; and the assessment of the efficacy of various therapeutic regimens.

"(iii) Projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged.

"(iv) Projects to train and educate primary care dentists, with particular emphasis upon the establishment of new, or expansion of existing, programs for training in family practice.

"(v) Projects to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability.

"(vi) Projects to provide increased emphasis on the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society.

"(vii) Projects to enroll in the third year of education or earlier years significant numbers of United States citizens who transfer from dental schools located in foreign nations.

"(viii) Projects to establish and operate satellite clinical training centers in underserved areas, in coordination, whenever feasible, with health training institutions in other disciplines, to emphasize the provision of primary care to the residents of such areas, and to provide continuing education programs for health professions personnel in such areas.

"(e) Schools of Public Health and Schools With Graduate Programs in Health Care Administration.—The Secretary shall not make a grant under section 770 to any school of public health or school with a graduate program of health care administration in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of student equivalents in such school will exceed the number of such student equivalents enrolled in the preceding school year—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten student equivalents, whichever is greater, if such number was more than one hundred, or

"(2) during each such school year such school will establish and carry out special new projects, or make significant expansions of, or improvements in, existing projects, meeting criteria set forth by the Secretary in regulations in at least three of the following categories of projects:

"(A) Projects to establish cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary medicine, nursing, public health, and allied health, including projects for training for the use of the team approach to the provision of health services.

"(B) Projects to provide for increased emphasis on, and training in, health care administration and management training.

"(C) Projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged.

"(D) Projects to increase the awareness by health profession personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability.

"(E) Projects to provide increased emphasis on the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society.

"(F) Projects to plan, develop, and implement a program of nutrition education within their curricula.

"(f) Schools of Veterinary Medicine, Optometry, Pharmacy, and Podiatry.—The Secretary shall not make a grant under section 770 to any school of veterinary medicine, optometry, pharmacy, or podiatry in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the preceding school year—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred, or

"(2) during each such school year such school will establish and carry out specific new projects, or make significant expansions of, or improvements in, existing projects, meeting criteria set forth by the Secretary in regulations, in at least two of the following categories of projects (or, if the application is for a school of pharmacy, specific projects in the category described in clause (C) and specific projects in at least two other categories, or, if the application is for a school of optometry, specific projects in the categories described in clauses (D) and (E) and a specific project in at least one other category):

"(A) Projects to establish cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic) dentistry, optometry, podiatry, pharmacy, veterinary medicine, nursing, public health, and allied health, including projects for training for the use of the team approach to the provision of health services.

"(B) Projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged.

"(C) In the case of schools of pharmacy, projects to provide for increased emphasis on, and training in, clinical pharmacy, drug use and abuse, and, where appropriate, clinical pharmacology.

"(D) In the case of schools of optometry, projects to develop residency training programs respecting optometry.

"(E) In the case of schools of optometry, projects to develop and implement programs specifically designed to lead to the early detention and treatment of diseases which can be diagnosed as a consequence of the practice of optometry.

"(F) Projects to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability.

"(G) Projects to provide increased emphasis on the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society.

"(H) Projects to establish and operate satellite clinical training centers in underserved areas, in coordination, whenever feasible, with health training institutions in other disciplines, to emphasize the provision of primary care to the residents of such areas, and to provide continuing education programs for health professions personnel in such areas.

"(I) Projects to establish increased emphasis on, and training in, the aging process, including the social, behavioral, and biomedical aspects of the aging process, and training, as appropriate, in the diagnosis, treatment, and prevention of diseases and related problems of the aged.

"(g) For the purposes of subsections (c), (d), (e), and (f)—

"(1) in the case of any school which (as a result of an increase in enrollment or through the application of this paragraph) has a first-year enrollment of full-time students or student equivalents for any year in excess of the number required by such subsection (c), (d), (e), or (f) for such year, the number in excess of the required number shall be deemed to have enrolled in the next school year for purposes of meeting the enrollment increase requirement for such next year,

"(2) in the case of any school which, within the six years preceding the enactment of this section, has increased its first-year enrollment of full-time students or student equivalents in any year (except the first year in which such school has students enrolled) by more than 33⅓ per centum of the number of such students enrolled in the preceding school year, the requirements of such subsection (c), (d), (e), or (f) shall apply only to the extent they would apply had the provisions of such subsection and this subsection been applicable in the year of such increase and all subsequent years.

"(h) (1) (A) The Secretary may waive (in whole or in part) the requirements of subsection (c), (d), (e), or (f) with respect to any school, upon written notification by the appropriate accreditation body or bodies (as defined in section 721(b) (1)), that compliance by such school with the assurances required by such subsection will prevent such school from meeting the accreditation standards of such body or bodies.

"(B) The Secretary may waive (in whole or in part) the requirements of paragraph (1) of subsection (c), (d), (e), or (f) respecting enrollment increases, upon a finding by the Secretary that because of inadequate size of the population served by the hospital or other facilities in which such school conducts its clinical training compliance by such school with such assurances will prevent such school from providing high quality clinical training for the students added as a result of such increase.

"(C) Nothing in this paragraph shall be construed as affecting the obligation of any school to comply with any requirements of subsection (c), (d), (e), or (f) which have not been waived pursuant to subparagraph (A) or (B).

"(2) The requirements of paragraph (1) of subsection (c), (d), (e), or (f) shall not apply to any school which is prohibited by law from complying with the assurances required by such paragraph. Nothing in this paragraph shall be construed as affecting the obligations of any school to comply with the requirements of paragraph (2) of each such subsection.

"(i) The Secretary is authorized to make onsite inspections of any school receiving a grant under section 770 and to require the submission of reports or other data and information by any such school for the purpose of ascertaining the extent of compliance by such school with the assurances made in connection with such school's application for such grant.

"(j) (1) Whenever the Secretary, after reasonable notice and opportunity for hearing, finds that any school receiving assistance under section 770 has failed to comply with any assurances required to be given under this section, the Secretary shall forthwith order (A) that no further grants will be made to such school under section 770, or (B) that further grants will be withheld, in whole or in part, until such school repays Federal moneys to which such school was not entitled because of such failure, and shall notify such school of such order. The Secretary shall not order any action under the preceeding sentence in any case in which such a school has admitted an individual, in contravention of the assurances required to be made by such school under subsection (b) (1), pursuant to an order of any court of competent jurisdiction: *Provided*, That such school has provided notice in accordance with paragraph (2).

"(2) Whenever (a) civil action is instituted by an individual against a school, receiving assistance under section 770, to obtain admission to such school in contravention of the assurances required to be made under subsection (b) (1), the Attorney General may intervene in such actions, upon timely application and in the manner prescribed by section 2403 of title 28, United States Code. Any such school shall promptly notify the Attorney General and Secretary of the institution of any such action.

"(k) (1) Any school which has been adversely affected by any order of the Secretary pursuant to this section may appeal to the United States court of appeals for the circuit in which such school is located, by filing a petition with such court within sixty days after such order. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary shall thereupon file in the court the record of the proceedings on which he based his order, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the order of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside his order.

"(2) The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous order, and shall file in the court the record of the further proceedings. Such new or modified findings of facts shall likewise be conclusive if supported by substantial evidence.

"(3) The judment of the court affiming or setting aside, in whole or in part, any order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this section shall not, unless so specifically ordered by the court, operate as a stay of the Secretary's order.".

SEC. 403. Section 773 (as so redesignated) is amended to read as follows:

"SPECIAL PROJECT GRANTS AND CONTRACTS

"SEC. 773. (a) The Secretary may make grants to assist schools of medicine (allopathic and osteopathic), dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health in meeting the costs of special projects to—

"(1) effect significant improvements in the curriculums of any such schools;

"(2) develop programs for cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, veterinary medicine, optometry, pharmacy, podiatry, nursing, public health, and allied health, including projects for training in the use of the team approach to the delivery of health services;

"(3) develop and operate training programs, and train, for new roles, types, or levels of health professions personnel, including programs for the training of physician extenders (including nurse practitioners), and other health professions assistants;

"(4) plan, develop, or establish new programs, or innovative modifications of existing programs, of education in such health professions including the teaching of the organization, delivery, financing, or evaluation of health care;

"(5) research, develop, or demonstrate advances in the various fields related to education in such health professions;

"(6) assist in increasing the supply, or improving the distribution, by geographic area or specialty group, of adequately trained personnel in such health professions needed to meet the health needs of the Nation;

"(7) establish and operate programs at schools of medicine (allopathic and osteopathic) (and where applicable at other health professions schools) (A) providing increased emphasis on, and training in, the prevention, diagnosis, treatment, and rehabilitation of alcoholism and drug dependence, and the assessment of the efficacy of various therapeutic regimens, or (B) providing increased emphasis on the ethical, social, legal, or moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society;

"(8) establish increased emphasis on, and training (including continuing education) in, clinical pharmacology and the assessment of the efficacy of various therapeutic regimens;

"(9) establish and operate programs designed to identify, and increase admissions to and enrollment in schools of medicine (allopathic and osteopathic), dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health of, individuals whose background and interests make it reasonable to assure that they will engage in the practice of their health profession in rural or other areas having a severe shortage of personnel in such health profession;

"(10) establish and operate programs designed to increase admissions to and enrollment in such schools of qualified individuals from minority or low-income groups; grams or facilities

"(11) plan experimental teaching programs or facilities;

"(12) provide traineeships (including costs of training and fees, stipends, and allowances for the students (including travel and subsistence expenses and dependency allowances)) for full-time students to secure part of their education under a preceptor in family practice, pediatrics, internal medicine, or other health fields designated by the Secretary, or in rural or other areas having a severe shortage of physicians;

"(13) utilize health professions personnel more efficiently through the use of computer technology and otherwise;

"(14) encourage new or more effective approaches to the organization and delivery of health services through the use of the team approach to delivery of health services and the utilization of computer technology to process biomedical information in the provision of health services;

"(15) establish and operate programs in the interdisciplinary training of health professions personnel for the provision of emergency medical services, with particular emphasis on the establishment and operation of training programs affording clinical experience in emergency medical services systems receiving assistance under title XII of this Act;

"(16) provide training (at such schools or elsewhere), and traineeships and fellowships for the advanced training of individuals to enable them to teach, or improve their teaching skills, in the medical (allopathic and osteopathic), dental, podiatric, optometric, pharmaceutical, veterinary medicine, or public health fields;

"(17) establish and operate programs to encourage greater knowledge of and sensitivity toward the special health problems of women;

"(18) establish and operate programs designed to provide increased emphasis on, and training in, rehabilitation medicine and encourage greater knowledge of and sensitivity toward the special health problems of handicapped individuals, especially women who are handicapped;

"(19) plan, develop, and operate programs to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communites where a substantal proportion of the population is of limited English-speaking ability;

"(20) establish and operate satellite clinical training centers in underserved areas, which coordinate to the maximum feasible extent training programs of each of the health disciplines in coordination with appropriate health training institutions, to emphasize the provision of primary care to the residents of such areas, and to provide continuing education programs for health professions personnel in such areas;

"(21) provide increased emphasis on, and training in, the aging process, including the social, behavioral, and biomedical aspects of the aging process, and training in the diagnosis, treatment, and prevention of diseases and related problems of the aged;

"(22) in the case of schools of medicine (allopathic and osteopathic) and dentistry, assist such schools to plan, develop, and implement a program of nutrition education within their curricula;

"(23) in the case of schools of pharmacy, provide for increased emphasis on, and training in, clinical pharmacy, drug use and abuse, and, where appropriate, clinical pharmacology;

"(24) in the case of schools of optometry, develop residency training programs respecting optometry;

"(25) in the case of schools of public health, provide for increased emphasis on, and training in, health care administration and management training;

"(26) in the case of schools of optometry develop and implement programs specifically designed to lead to the early detection and treatment of diseases which can be diagnosed as a consequence of the practice of optometry;

"(27) in the case of schools of podiatry, assist in the planning and implementation of affiliations of such schools with academic health centers.

The Secretray may also enter into contracts with public or private health or educational entities to carry out any project described in this subsection.

"(b) Grants and contracts may also be made by the Secretary under this section for—

"(1) the discovery, collection, development, or confirmation of information for,

"(2) the planning, development, demonstration, establishment or maintenance of,

"(3) the alteration or renovation of existing facilities for, any project described in subsection (a).

"(c) The Secretary may make grants to assist schools of public health and other public or nonprofit private institutions providing graduate training in health care administration and management training, for the purpose of strengthening or expanding such training in such institutions.

"(d) Contracts under this section may be entered into without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(e) (1) There are authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1975, and for each of the four succeeding fiscal years for the purpose of making payments pursuant to grants and contracts under subsections (a) and (b).

"(2) Of the sums appropriated under this subsection for any fiscal year, not less than 30 per centum of such sums shall be used to make grants to and enter into contracts with schools of veterinary medicine, optometry, podiatry, pharmacy, and public health. If the National Advisory Council on Health Professions Education fails to approve, under section 775(c), applications for grants for a fiscal year under this section in an amount at least equal to 30 per centum of the sums appropriated under this subsection, then, in lieu of the requirement imposed by the preceding sentence, the sums used to make grants to and enter into contracts with schools of veterinary medicine, optometry, podiatry, pharmacy, and public health under this section for that fiscal year shall be not less than the total of grants requested by those approved applications.

"(f) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, $4,000,000 for the fiscal year ending June 30, 1976, $6,000,000 for the fiscal year ending June 30, 1977, $8,000,000 for the fiscal year ending June 30, 1978, and $10,000,000 for the fiscal year ending June 30, 1979, for the purpose of making payments pursuant to grants under subsection (c)."

SEC. 404. Section 772 (as so redesignated) is amended by—

(a) striking out "or dentistry" in paragraphs (1) and (4) of subsection (a) and inserting in lieu thereof "dentistry, podiatry, or optometry".

(b) by amending paragraph (3) of subsection (a) to read as follows:

"(3) The Secretary shall give special consideration to each application of a school for grant assistance under this subsection which—

"(A) is located in a State which has no other such school of medicine, osteopathy, dentistry, podiatry, or optometry;

"(B) contains or is reasonably supported by assurances, that, because of the use that the school will make of existing facilities (including Federal medical or dental facilities), it will be able to accelerate the date on which it will begin its teaching program."

(c) by amending paragraph (6) of subsection (a) to read as follows:

"There are authorized to be appropriated $11,000,000 for the fiscal year ending June 30, 1975 and for each of the four succeeding fiscal years, for payments under grants under this subsection. Sums appropriated under this paragraph shall remain available until expended."

(d) in paragraph (2) of subsection (b), (1) striking out "1974" and inserting in lieu thereof "1979", and (2) striking out "1975" and inserting in lieu thereof "1980".

SEC. 405. Section 774 (as so redesignated), is amended by—

(a) amending subsection (a) to read as follows: "(a) There are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1974 and for each of the five succeeding fiscal years, to make grants under this section, and to the extent that sums appropriated under this subsection are not used for such grants, for grants under section 773."

(b) striking out "or podiatory" in subsection (b) and inserting in lieu thereof "podiatry, or public health or school with a graduate program of health care administration."

SEC. 406.(a) Section 776 (as so redesignated) is amended to read as follows:

"HEALTH PROFESSIONS EDUCATION INITIATIVE AWARDS

"SEC. 776. (a) For the purpose of improving the distribution, supply, quality, utilization, and efficiency of health professions personnel and the health services delivery system, and encouraging the regionalization of educational responsibilities, the Secretary may make grants to public or nonprofit private health or educational entities, and may enter into contracts with public or private health or educational entities, for projects—

"(1) to encourage the establishment or maintenance of programs to alleviate shortages of health professions personnel in order to improve the delivery of health services to medically underserved populations, designated under section 329(b), through training or retraining of health professions personnel in community hospitals and other facilities serving such populations or to otherwise improve the distribution of health professions personnel by area or by specialty group;

"(2) to provide training programs leading to more efficient utilization of health professions personnel;

"(3) to initiate new types and patterns or improve existing patterns of training, retraining, continuing education, and advanced training of health professions personnel, including practitioners of family medicine, general internal medicine, and general pediatrics, teachers, administrators, specialists, and allied health personnel (particularly physician extenders (including nurse practitioners), and expanded duty dental auxiliaries);

"(4) to encourage new or more effective approaches to the organization and delivery of health services (including emergency medical services), reflecting the needs of all health professions, through training individuals in the use of the team approach to delivery of health services (including emergency medical services);

"(5) to plan and develop special programs to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals of limited English-speaking ability, such programs to be established at academic health centers situated in communities where a substantial proportion of the population is of limited English-speaking ability, and such programs to offer training in cultural sensitivity awareness to all types of health professions personnel in training as well as in practice in the community;

"(6) to assist State, local, or other regional arrangements among schools and related organizations and institutions to carry out the purposes of this subsection; or

"(7) to determine the extent of unmet health needs served by health professions personnel (including audiology and speech pathology) currently unaffected by parts E and F of this title, the personnel required to meet such needs, and the appropriate Federal role (including financial assistance under this Act) in supporting appropriate development of such health professions personnel.

"(b) The Secretary may also make grants to public or nonprofit private health or educational entities to assist in meeting the cost of special projects to—

"(1) establish or operate projects designed to identify, and increase admissions to, and enrollment in, schools of medicine, (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary medicine, public health, or other health training of individuals whose background and interests make it reasonable to assume that they will engage in the practice of their health profession in rural or other areas having a severe shortage of personnel in such health profession; or

"(2) (A) identify individuals with a potential for education or training in the health professions (including veterans of the Armed Forces of the United States with training or experience in the health field and individuals who are bilingual in an appropriate language, as determined by the Secretary) who due to socioeconomic factors are financially or otherwise disadvantaged and encourage and assist them (including the payment to them of such pertinent stipends, with allowances for travel and for dependents, as the Secretary deems appropriate) (i) to enroll in a school of medicine (allopathic and osteopathic), dentistry, pharmacy, optometry, podiatory, veterinary medicine, public health, or other training; or (ii) if they are not qualified to enroll in such a school, to undertake such postsecondary education or training as may be required to qualify them to enroll in such a school;

"(B) publicize existing sources of financial aid available to persons enrolled in schools described in clause (i) of subparagraph (A) or who are undertaking training necessary to qualify them to enroll in any such school; or

"(C) establish such programs (including counselling programs) as the Secretary determines will enhance and facilitate the enrollment, pursuit, and completion of study by individuals described in subparagraph (A) in schools described in clause (i) of such subparagraph.

Of the sums appropriated under subsection (d) for any fiscal year, not more than 15 per centum of such sums, but in no event less than $5,000,000, shall be used to make grants under this subsection in such fiscal year. Of the sums available for grants under this subsection for any fiscal year, not more than one-half of such sums may be used for such fiscal year for projects described in paragraph (1) and not more than one-half of such sums may be used for such fiscal year for projects described in paragraph (2).

"(c) (1) No grant may be made or contract entered into under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall be regulation prescribe. The Secretary shall not approve or disapprove any application for a grant or contract under this section except after consultation with the National Advisory Council on Health Professions Education (established by section 702). The Secretary shall not approve any such application unless such application has been recommended for approval by such Council.

"(2) The amount of any grant under this section shall be determined by the Secretary. Payments under grants under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(3) Contracts may be entered into under this section without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(d) There are authorized to be appropriated $75,000,000 for the fiscal year ending June 30, 1975 and for each of the four succeeding fiscal years, for payments under grants and contracts under this section. Of the sums appropriated under this subsection for any fiscal year, not less than thirty per centum of such sums shall be used to make grants to, and enter into contracts, with, schools of veterinary medicine, optometry, podiatry, pharmacy, and public health."

(b) For the fiscal year ending June 30, 1975, and for each of the next three fiscal years there are authorized to be appropriated such sums as may be necessary to continue payments under contracts entered into under section 774 of the Public Health Service Act (as in effect before the date of the enactment of this Act) for area health education centers. Such payments may only be made from such sums for the periods and the amounts specified in such contracts.

Sec. 407. Section 775 is amended—

(1) by striking out "770, 771, 772, or 773" each place it occurs and inserting in lieu thereof "770, 772, 773, or 774";

(2) by striking out "or podiatry" in subsection (b) and inserting in lieu thereof "podiatry, or public health, or school with a graduate program in health care administration";

(3) by striking out "his part" in subsection (c) and inserting in lieu thereof "section 770, 772, 773, or 774";

(4) by striking out "725)." in subsection (c) and inserting in lieu thereof "702). The Secretary shall not approve any such application unless such application has been recommended for approval by such council.";

(5) by striking out "770, 771, or 773" in subsection (d) (1) and inserting in lieu thereof "770, 771, 772, 773, or 774"; and

(6) by amending subsection (d) (3) to read as follows:

"(3) provides for such fiscal control and accounting procedures and reports, including the use of such standard procedures for the recording and reporting of financial information as the Secretary may prescribe, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under the grant and to enable the Secretary to determine the costs to the applicant of its program for the education or training of students."

Sec. 408. Sections 312 and 313 are repealed.

TITLE V—ASSISTANCE FOR SPECIALIZED TRAINING

Sec. 501. (a) Section 767 (entitled "Grants for Training, Traineeships, and Fellowships in Family Medicine") is transferred to part F of title VII and redesignated as section 781.

(b) Section 781 (as so redesignated) is amended—

(1) by striking out "and" after "1973,";

(2) by inserting after "1974," the following: "$40,000,000 for the fiscal year ending June 30, 1975 and for each of the four succeeding fiscal years";

(3) in clause (2) by striking out "and" at the end thereof and inserting immediately before the semicolon in such clause the following ", with special priority to those who are bilingual with respect to the predominant language in those areas served by the hospital where a substantial proportion of the population is of limited English-speaking ability";

(4) by renumbering clause (3) as clause (4); and

(5) by inserting immediately after clause (2) the following new clause (3):

"(3) to plan, develop, and operate, special programs to increase the awareness of trainees in such programs to the cultural sensitivities of individuals with limited English-speaking ability where the hospital serves an area where a substantial proportion of the population is of limited English-speaking ability;".

Sec. 502. Part F of title VII is amended by adding after section 781 the following new section:

"EDUCATION OF RETURNING UNITED STATES STUDENTS FROM FOREIGN MEDICAL OR DENTAL SCHOOLS

"Sec. 782. (a) The Secretary may make grants to schools of medicine (allopathic and osteopathic) and dentistry to—

"(1) plan, develop, and initially operate new programs, or

"(2) substantially expand existing programs, to train United States citizens who have transferred from medical or dental schools in foreign countries and who have enrolled in such schools as full-time students with advanced standing. The costs for which a grant under this subsection may be made may include the costs of identifying deficiencies in the foreign medical or dental school education of such students, the development of materials and methodology for correcting such deficiencies, and specialized training designed to prepare such students for successful completion of licensure examinations. A grant under this subsection may only be made for costs of such programs for one school year. No school may receive more than three grants under this subsection.

"(b) Any school of medicine or dentistry which receives a grant under subsection (a) for the fiscal year ending June 30, 1975, shall submit to the Secretary before January 1, 1976, a report on the deficiencies (if any) identified by the school in the foreign medical or dental school education of the students trained by such school under the program for which such grant was made. The Secretary shall compile the reports submitted under the preceding sentence, and before July 1, 1976, submit to the Congress his analysis and evaluation of the information contained in such reports.

"(c) There are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1975, $10,000,000 for the fiscal year ending June 30, 1976, and $15,000,000 for the fiscal year ending June 30, 1977 and for each of the two succeeding fiscal years, for payments under grants under subsection (a)."

Sec. 503. (a) Section 768 (entitled "GRANTS FOR SUPPORT OF POSTGRADUATE TRAINING PROGRAMS FOR PHYSICIANS AND DENTISTS") is transferred to part F of title VII, inserted after section 782, and redesignated section 783.

(b) Section 783 (as so redesignated) is amended by (1) inserting immediately after "1974" in subsection (a) "and for each of the five succeeding fiscal years" and (2) inserting before the semicolon in subsection (c) (3) (A) "and shall not approve any such application unless such application has been recommended for approval by such Council".

Sec. 504. Part F of title VII is amended by adding after section 783 (as so redesignated) the following new sections:

"SUPPORT FOR STUDY OF CLINICAL PHARMACOLOGY AND CLINICAL PHARMACY

"Sec. 784. (a) The Secretary is authorized to make grants to public or nonprofit private schools of medicine, (allopathic and osteopathic) dentistry, pharmacy, optometry, and public health and entities for the training and education for the allied health professions which are eligible for grants under part E to assist in meeting the costs of—

"(1) planning, establishment, and operation of programs providing for inclusion of courses relating to clinical pharmacology or pharmacy as part of undergraduate training programs in such schools and entities, and

"(2) planning, establishment, and operation of programs of continuing education in the field of clinical pharmacology or clinical pharmacy.

"(b) The Secretary is authorized to make grants to public or nonprofit private schools of medicine (allopathic and osteopathic) which are eligible for grants under part E to assist in meeting the costs of—

"(1) planning, establishment, and operation of graduate training programs for individuals who plan to specialize or work in the field of clinical pharmacology, and

"(2) providing financial assistance (in the form of traineeships) for training in the field of clinical pharmacology to graduate students, interns, and residents who participate in such programs and who plan to specialize or work in such field.

"(c) The Secretary is authorized to make grants to public or nonprofit private schools of pharmacy which are eligible for grants under part E to assist in meeting the costs of—

"(1) planning, establishment, and operation of graduate and undergraduate pharmacy, and

"(2) providing financial assistance (in the form of traineeships) for training in the field of clinical pharmacy to graduate students who participate in such programs and who plan to specialize or work in such field.

"(d) There are authorized to be appropriated $8,000,000 for the fiscal year ending June 30, 1975; $9,000,000 for the fiscal year ending June 30, 1976; $10,000,000 for the fiscal year ending June 30, 1977; $11,000,000 for the fiscal year ending June 30, 1978, and $12,000,000 for the fiscal year ending June 30, 1979, for grants under this section."

Sec. 505. (a) Section 776 is transferred to part F of title VII, inserted after section 784 and redesignated as section 785.

(b) Section 785 (as so redesignated) is amended by inserting immediately after "1974" in subsection (e) "and for each of the five succeeding fiscal years."

Sec. 506. Part F of title VII is amended by adding after section 786 (as so redesignated) the following new section:

"GRANTS FOR BILINGUAL HEALTH TRAINING CLINICAL CENTERS

"Sec. 786. There are authorized to be appropriated for the fiscal year ending June 30, 1975 and for each of the four succeeding fiscal years, $5,000,000 for the purpose of establishing not more than four bilingual health training clinical centers, in affiliation with university medical centers, in dispersed areas of the United States in communities where a substantial proportion of the residents is of limited English speaking ability, such centers to place special emphasis on (1) the training in internship, residency, and other health training programs (utilizing to the greatest extent the concept of team training) of personnel who are bilingual and (2) the provision of health care services to the surrounding community."

Sec. 507. (a) Section 769B is transferred to part F of title VII, inserted after section 786, and redesignated section 787.

(b) Section 787 (as so redesignated) is amended by—

(1) striking out "under sections 767, 769, and 769A" each place it occurs and inserting in lieu thereof "under this part",

(2) striking out "under sections 767 and 769" in subsection (b) and inserting in lieu thereof "under this part",

(3) striking out "The amount" in subsection (c) and inserting in lieu thereof "Except as otherwise provided, the amount",

(4) adding at the end thereof the following new subsections:

"(d) The Secretary shall not act upon any application for a grant under section 784 unless an appropriate scientific peer review group has received such application or contract."

Sec. 508. Section 769 (entitled "GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS FOR HEALTH PROFESSIONS TEACHINGS PERSONNEL") and section 769A (entitled "GRANTS FOR COMPUTER TECHNOLOGY HEALTH CARE DEMONSTRATION PROGRAMS") are repealed.

Sec. 509. The heading for part F of title VII is amended to read as follows:

"Part F—Assistance for Specialized Training".

Sec. 510. The heading for part D of title VII is amended to read as follows:

"Part D—Miscellaneous Provisions"

Sec. 511. The Secretary shall arrange for the conduct of a study or studies to determine the effectiveness of health education institution admissions examinations in evaluating accurately the potential and ability of the student applicant of limited English-speaking ability to participate in and benefit from the educational program, taking into account the need to eliminate any cultural bias in the presentation of admissions examinations offered at institutions supported under titles VII and VIII of the Public Health Service Act. Not later than twelve months after the date of enactment of this section, the Secretary shall report to the Congress on the findings and recommendations of such study or studies and the steps he has taken or proposes to take to carry out such findings and recommendations, including recommendations for any necessary legislation.

TITLE VI—ALLIED HEALTH PERSONNEL

Sec. 601. (a) Part G of title VII is amended to read as follows:

"Part G—Training Programs for Allied Health Personnel

"DEFINITION

"Sec. 789. For purposes of this subpart, the term 'allied health personnel' means individuals with training and responsibilities for (1) supporting, complementing, or supplementing the professional functions of physicians, dentists, and other health professionals in the delivery of health care to patients, or (2) assisting environmental personnel in environmental health control activities.

"PROJECT GRANTS AND CONTRACTS

"Sec. 789A. (a) The Secretary may make grants and enter into contracts to assist eligible entities in meeting the costs of planning, study, development, demonstration, and evaluation projects undertaken with respect to one or more of the following:

"(1) Methods of coordination and management of education and training at various levels for allied health personnel within and among educational institutions and their clinical affiliates.

"(2) Methods and techniques for State and regional coordination and monitoring or education and training for allied health personnel.

"(3) Programs, methods, and curricula (including model curricula) for training various types of allied health personnel.

"(4) Programs, or means of adapting existing programs, for training as allied health personnel special groups such as returning veterans of the Armed Forces, the socioeconomically disadvantaged, and persons reentering any of the allied health fields.

"(5) New types of roles and uses for allied health personnel.

"(6) In coordination with the Secretary's program under section 1123 of the Social Security Act, methods of establishing, and determining compliance with, proficiency requirements for allied health personnel, including techniques for appropriate recognition (through equivalency and proficiency testing or otherwise) of previously acquired training or experience.

"(7) Methods of recruitment and retention of allied health personnel.

"(8) Providing special emphasis on clearly defined career ladders and programs of advancement for practicing allied health personnel.

"(b)(1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) For purposes of subsection (a), the term 'eligible entities' means those entities which have had an application approved under paragraph (1) and which are—

"(A) schools, universities, or other educational entities which provide for allied health personnel education and training meeting such standards as the Secretary may by regulation prescribe,

"(B) States, political subdivisions of States, or regional and other public bodies representing States or political subdivisions of State or both, or

"(C) any entity which has a working arrangement (meeting such requirements as the Secretary may by regulation prescribe) with an entity described in subparagraph (A).

"(3) Contracts may be entered into under subsection (a) without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(4) The amount of any grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance or by way or reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(c) For the purpose of making payments under grants and contracts under subsection (a), there are authorized to be appropriated $40,000,000 for the fiscal year ending June 30, 1975, $45,000,000 for the fiscal year ending June 30, 1976, and $50,000,000 for the fiscal year ending June 30, 1977 and for each of the two succeeding fiscal years.

"TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL

"Sec. 789B. (a) The Secretary may make grants to public and nonprofit private entities for traineeships provided by such entities for the training of allied health personnel to teach in training programs for such personnel or to serve in administrative or supervisory positions.

"(b) (1) No grant may be made under subsection (a) unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) Payments under such grants (A) shall be limited to such amounts as the Secretary finds necessary to cover the cost of tuition and fees of, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for, the trainees; and (B) may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"(c) For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated $7,500,000 for the fiscal year ending June 30, 1975, $9,000,000 for the fiscal year ending June 30, 1976, and $10,500,000 for the fiscal year ending June 30, 1977 and for each of the two succeeding fiscal years.

"GRANTS AND CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDUCATIONAL TALENT FOR ALLIED HEALTH PERSONNEL TRAINING

"Sec. 789C. (a) The Secretary may make grants to, and enter into contracts with, State and local educational agencies and other public or nonprofit entities—

"(1) to (A) identify individuals of financial, educational, or other need who have a potential to become allied health personnel, including individuals who are veterans of the Armed Forces with military training or experience similiar to that of allied health personnel and individuals who are bilingual in an appropriate language as determined by the Secretary, and (B) encourage and assist, whenever appropriate, the individuals described in clause (A) to (i) complete secondary education, (ii) undertake such postsecondary training as may be required to qualify them to undertake allied health personnel training, and (iii) undertake postsecondary allied health personnel training (including continuing education); and

"(2) to publicize existing sources of financial aid available to individuals undertaking allied health personnel training.

"(b) (1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) Contracts may be entered into under subsection (a) without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(3) The amount of any grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(c) For payments under grants and contracts under subsection (a) there are authorized to be appropriated $1,000,000 for the fiscal year ending June 30, 1975, $1,5000,000 for the fiscal year ending June 30, 1976, and $2,000,000 for the fiscal year ending June 30, 1977 and for each of the two succeeding fiscal years.

"SCHOLARSHIP GRANTS

"Sec. 789D. (a) The Secretary is authorized to make (in accordance with such regulations as he may prescribe) grants to any public or nonprofit private agency, institution, or organization with an established program for training or retraining of personnel in the allied health professions or occupations specified by the Secretary for (1) scholarships to be awarded by such agency, institution, or organiaztion to students thereof, and (2) scholarships in retraining programs of such agency, institution; or organization to be awarded to allied health professions personnel in occupations for which such agency, institution, or organization determines that there is a need for the development of, or the expansion of, training.

"(b) Scholarships awarded by any agency, institution, or organization from grants under subsection (a) shall be awarded for any year only to individuals of exceptional financial need who require such assistance for such year in order to pursue a course of study offered by such agency, institution, or organization.

"(c) Grants under subsection (a) may be paid in advance or by way of reimbursement and at such intervals as the Secretary may deem appropriate and with appropriate adjustment on account of overpayments or underpayments previously made.

"(d) Any scholarship awarded from grants under subsection (a) to any individual for any year shall cover such portion of the individual's tuition, fees, books, equipment, and living expenses as the agency, institution, or organization awarding the scholarship may determine to be needed by such individual for such year on the basis of his requirements and financial resources; except that the amount of any such scholarship shall not exceed $2,000, plus $600 for each dependent (not in excess of three) in the case of any individual who is awarded such a scholarship.

"(e) The Secretary shall not approve any grant under this section unless the applicant therefor provides assurances satisfactory to the Secretary that funds made available through such grant will be so used as to supplement and, to the extent practicable, increase the level of non-Federal funds, which would in the absence of such grant, be made available for the purpose for which such grant is requested.

"(f) For the purpose of carrying out the provisions of this section, there is authorized to be appropriated $6,000,000 for the fiscal year ending June 30, 1975 and for each of the succeeding four years.

"STATISTICAL AND ANNUAL REPORT

"SEC. 789E. (a) The Secretary shall continuously develop, publish, and disseminate on a nationwide basis statistics and other information respecting allied health personnel, including—

"(1) detailed descriptions of the various types of such personnel and the activities in which such personnel are engaged,

"(2) the current and anticipated needs for the various types of such health personnel, and

"(3) the number, employment, geographic locations, salaries, and surpluses and shortages of such personnel, the educational and licensure and certification requirements for the various types of such personnel, and the cost of training such personnel.

"(b) The Secretary shall submit annually to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a report on—

"(1) the statistics and other information developed pursuant to subsection (a); and

"(2) the activities conducted under this part, including an evaluation of such activities.

Such report shall contain such recommendations for legislation as the Secretary determines is needed to improve the programs authorized under this subpart. The Office of Management and Budget may review such report before its submission to Congress, but the Office may not revise the report or delay its submission beyond the date prescribed for its submission and may submit to Congress its comments respecting such report. The first report under this subsection shall be submitted not later than September 1, 1975."

(b)(1) Section 704 (as so redesignated) is amended (1) by striking out "any training center for allied health personnel" and inserting in lieu thereof "any entity for the training of allied health personnel", and (2) by striking out "or training center" each place it occurs and inserting in lieu thereof "or entity".

(2) Section 314(c) is repealed.

QUALITY ASSURANCES RESPECTING EDUCATION AND TRAINING OF ALLIED HEALTH PERSONNEL

SEC. 602. The Secretary of Health, Education, and Welfare shall within one year of the date of the enactment of this Act (1) submit to the Congress a report which identifies and describes each of the programs which he administers under which the costs of programs of education and training for allied health personnel (as defined in section 789 of the Public Health Service Act) are directly or indirectly paid (in whole or in part); and (2) take such action as may be necessary to require that such assistance is provided only those programs which meet such quality standards as the Secretary may by regulation prescribe.

ALLIED HEALTH PERSONNEL STUDY

SEC. 603. (a)(1) The Secretary of Health, Education, and Welfare shall, in accordance with paragraph (2), arrange for the conduct of studies—

(A) to identify the various types of allied health personnel and the activities in which such personnel are engaged and the various training programs currently offered for allied health personnel;

(B) to establish classifications of allied health personnel on the basis of their activities, responsibilities, and training;

(C) using appropriate methodologies, to determine the cost of educating and training allied health personnel in each classification; and

(D) to identify the classifications in which there are a critical shortage of such personnel and the training programs which should be assisted to meet that shortage.

(2)(A) The Secretary shall request the National Academy of Sciences to conduct such studies under an arrangement under which the actual expenses incurred by such Academy in conducting such studies will be paid by the Secretary. If the National Academy of Sciences is willing to do so, the Secretary shall enter into such an arrangement with such Academy for the conduct of such studies.

(B) If the National Academy of Sciences is unwilling to conduct one or more such studies under such an arrangement, then the Secretary shall enter into a similar arrangement with other appropriate non-profit private groups or associations under which such groups or associations will conduct such studies and prepare and submit the reports thereon as provided in subsection (b).

(b) The studies required by subsection (a) shall be completed within the two-year period beginning on the date of the enactment of this Act; and a report on the results of such study shall be submitted by the Secretary to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate before the expiration of such period.

(c) Within six months after the date prescribed for the completion of the studies under subsection (a), the Secretary of Health, Education, and Welfare shall transmit to Congress such recommendations for legislation as he determines is necessary to provide appropriate support for the training programs referred to in subsection (a)(1)(D).

TITLE VII—POSTGRADUATE PHYSICIAN TRAINING

SEC. 701. Title VII is amended by adding at the end thereof the following new part:

"PART H—POSTGRADUATE PHYSICIAN TRAINING

"NATIONAL COUNCIL ON POSTGRADUATE PHYSICIAN TRAINING

"SEC. 790. (a) There is established in the Public Health Service the National Council on Postgraduate Physician Training (hereinafter in this part referred to as the 'National Council').

"(b) The National Council shall consist of twenty-four members. The Director of the National Institutes of Health, the Chief Medical Director of the Veterans' Administration, the Assistant Secretary for Health and Environment of the Department of Defense and an individual chosen by the Secretary of Health, Education, and Welfare to represent that Department shall be ex officio members of the Council. The remaining members shall be appointed by the Secretary without regard to the provisions of title 5, United States Code relating to appointments in the competitive service from persons who are not officers or employees of the United States Government as follows:

"(1) Twelve members shall be appointed from among doctors of medicine and osteopathy. Of the twelve:

"(A) seven shall be representative of and shall themselves be practising physicians associated with specialty and subspecialty physician (including osteopathic) organizations, including one each from the specialties or subspecialties of family practice, internal medicine, pediatrics, obstetrics and gynecology, surgery, psychiatry, and preventive medicine;

"(B) two shall be representative of and shall themselves be physicians associated with hospitals which maintain postgraduate physician training programs;

"(C) two shall be representative of and shall themselves be physicians associated with schools of medicine or osteopathy or university health science centers; and

"(D) one shall be representative of and shall himself be a physician engaged in postgraduate physician training.

"(2) Four members shall be appointed from among individuals who are health professionals other than physicians. Of the four:

"(A) two shall be representative of and shall themselves be individuals associated with hospitals which maintain postgraduate physician training programs;

"(B) one shall be representative of and shall himself be a health planner or public health administrator;

"(C) one shall be representative of and shall himself be a nurse or allied health professional.

"(3) One member shall be appointed from among individuals who are students in schools of medicine and osteopathy and shall be representative of such individuals.

"(4) Three members shall be appointed from and shall be representative of the general public. The Secretary shall not appoint under this paragraph any individual who has any significant financial interest in the provision of health care services or in entities engaged in the provision of such services or in producing or supplying drugs or other articles for individuals and entities engaged in the provision of such services, or any individual who has any fiduciary interest in such entities.

The members of the National Council shall select a chairman from among their own number.

"(c) Each appointed member of the National Council shall hold office for a term of four years, except that—

"(1) any member appointed to fill a vacancy prior to the expiration of the term for which his predecessor was appointed shall hold office for the remainder of such term,

"(2) the terms of office of the appointed members first taking office shall expire, as designated by the Secretary at the time of appointment, five at the end of the first year, five at the end of the second year, five at the end of the third year, and five at the end of the fourth year, after the date of appointment, and

"(3) the term of office of any member appointed under paragraph (3) of subsection (b) shall be not more than two years.

No member shall be eligible to serve continuously for more than two terms.

"(d) Members of the National Council, while attending meetings or conferences thereof, or otherwise serving on business of the National Council, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding for any day (including traveltime) the daily equivalent of the effective rate for grade GS–18 of the General Schedule, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

"DUTIES OF THE NATIONAL COUNCIL

"SEC. 791. (a) Upon appointment (which shall be within six months after the date of enactment of this part) and prior to July 1, 1976, the National Council shall conduct studies and other activities relevant to the various matters relating to the postgraduate training of physicians specifically including the following:

"(1) The commissioning and supervision of the study of physician specialty distribution in the United States and its possessions as prescribed by section 798A.

"(2) The development of collaborative working relationships with each physician specialty organization to determine and assist its individual activities with respect to the number and location of practitioners within each specialty.

"(3) An assessment of the need for financial support for postgraduate physician training, especially training in primary care specialties.

"(4) An assessment of the service needs of hospitals and other health institutions, the role of postgraduate physician trainees in meeting such needs, and alternate means of meeting such needs.

"(5) An assessment of the educational component of postgraduate physician training programs.

"(6) An assessment of the impact of practice in the United States by graduates of medical schools located in foreign nations on the present and future health care in the United States and foreign nations.

"(b) The National Council shall make recommendations to the Secretary pursuant to section 794.

"(c) (1) The Council may appoint and fix the pay of such staff personnel as it deems desirable. Such personnel shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(2) The Council may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule.

"REGIONAL COUNCILS ON POSTGRADUATE PHYSICIAN TRAINING

"SEC. 792. (a) The Secretary shall establish ten regions throughout the United States for purposes of carrying out the provisions of this part. For each such region the Secretary shall establish a Regional Council on Postgraduate Physician Training (hereinafter referred to in this part as a 'regional council'). Each regional council shall consist of twenty-four members. Four of the members shall be appointed upon the recommendations of the ex officio members of the National Council, each making recommendations with respect to one member. The remaining members shall be appointed by the Secretary without regard to the provisions of title 5, United States Code relating to the appointments in the competitive service from persons who are not officers or employees of the United States Government as follows:

"(1) Twelve shall be appointed from among doctors of medicine and osteopathy. Of the twelve:

"(A) seven shall be representative of and shall themselves be practicing physicians, including one each from the specialties or subspecialties of family practice, internal medicine, pediatrics, obstetrics and gynecology, surgery, psychiatry, and preventive medicine;

"(B) two shall be representative of and shall themselves be physicians associated with hospitals which maintain postgraduate physician training programs;

"(C) two shall be representative of and shall themselves be physicians associated with schools of medicine or osteopathy or university health science centers; and

"(D) one shall be representative of and shall himself be a physician engaged in postgraduate physician training.

"(2) Four members shall be appointed from among individuals who are health professionals other than physicians. Of the four:

"(A) two shall be representative of and shall themselves be individuals associated with hospitals which maintain postgraduate physician training programs;

"(B) one shall be representative of and shall himself be a health planner or public health administrator; and

"(C) one shall be representative of and shall himself be a nurse or allied health professional.

"(3) One member shall be appointed from among individuals who are students in schools of medicine and osteopathy and shall be representative of such individuals.

"(4) Three members shall be appointed from and be representative of the general public. The Secretary shall not appoint under this paragraph any individual who has any significant financial interest in the provision of health care services or in entities engaged in the provision of such services or in producing or supplying drugs or other articles for individuals and entities engaged in the provision of such services, or any individual who has any fiduciary interest in such entities.

The members of each regional council shall select a chairman from among their own number.

"(b) Each member of a regional council appointed pursuant to paragraph (1), (2), (3), or (4) of subsection (a) shall hold office for a term of four years, except that—

"(1) any member appointed to fill a vacancy prior to the expiration of the term for which his predecessor was appointed shall hold office for the remainder of such term,

"(2) the terms of office of the members first taking office shall expire, as designated by the Secretary at the time of appointment, five at the end of the first year, five at the end of the second year, five at the end of the third year, and five at the end of the fourth year, after the date of appointment, and

"(3) the term of office of any member appointed under paragraph (3) of subsection (a) shall not be more than two years.

No member shall be eligible to serve continuously for more than two terms.

"(c) Members of a regional council, while attending meetings or conferences thereof, or otherwise serving on business of such regional conuncil, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding for any day (including traveltime) the daily equivalent of the effective rate for grade GS–18 of the General Schedule, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code for persons in the Government service employed intermittently.

"(d) All members of a regional council shall be residents of, and employed in, the region served by such regional council.

"DUTIES OF THE REGIONAL COUNCILS

"SEC. 793. (a) Upon appointment (which shall be within six months after the date of enactment of this part), and prior to July 1, 1976, each regional council shall conduct studies and other activities relevant to the various matters related to postgraduate physician training within the region served by such regional council, specifically including the following:

"(1) A survey of the institutions providing postgraduate physician training within the region, including an analysis of the types of training currently provided, as well as the types of training that might be provided by such institutions.

"(2) An assessment of the service needs of hospitals and other health institutions within the region, the role of postgraduate physician trainees in meeting such needs, and alternative means of meeting such needs.

"(3) An assessment of the educational component of the postgraduate physician training programs conducted within the region.

"(4) An assessment of the need for financial support for postgraduate physician training within the region, especially training in primary care specialties.

"(5) The development of collaborative working relationships with State and local health planning programs, State departments of health, and Federal health care facilities operating within the region.

"(b) Each regional council shall make recommendations to the Secretary pursuant to section 795.

"(c) (1) Each regional council may appoint and fix the pay of such staff personnel as it deems desirable. Such personnel shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(2) Each regional council may procure temporary and intermittent services to the same extent as is authorized by section 3109 (b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule.

"ESTABLISHMENT AND ASSIGNMENT OF POSTGRADUATE TRAINING POSITIONS

"SEC. 794. (a) On July 1, 1976, and not later than July 1 of each year thereafter, the Secretary shall, in accordance with the recommendations of the National Council, conduct a certification program as follows:

"(1) Establish the total number of postgraduate physician training positions to be certified for the twelve-month period beginning on the following July 1. Those positions which are established for first year postgraduate physician training may not exceed 125 per centum of the number of doctor of medicine and doctor of osteopathy degrees expected to be granted in the intervening twelve-month period in the United States, except that for the intervening twelve-month periods beginning on July 1, 1976, and July 1, 1977, that per centum shall be 140 and 130, respectfully.

"(2) From the total number of positions so established, assign positions to the various categories of specialty and subspecialty practice of medicine recognized within the United States. In assigning positions to the various categories of specialty and subspecialty practice of medicine, the Secretary and the National Council shall take into consideration the findings of the study conducted pursuant to section 798A.

"(3) From the positions so assigned in each physician specialty and subspecialty, assign positions, except as provided in subsection (b), to each of the ten regions and, if the Secretary chooses, to each State located within such region.

"(b) The Secretary, upon the recommendation of the National Council, shall, on October 1, 1976, and October 1 of each subsequent year, directly certify positions in entities, and associations of such entities, which directly provide postgraduate physician training in those medical specialties and subspecialties in which sufficient numbers of physicians are not needed nationally to permit a proper distribution of such positions to the regions. Such positions shall not, in any year of the program, exceed 10 per centum of the total number of positions established under subsection (a) for each year. On or before August 1, 1976, and August 1 of each subsequent year, the Secretary shall inform the respective regional councils of all positions proposed to be directly certified within such region. No position may be directly certified by the Secretary, if the respective regional council disapproves such position within thirty days of notification by the Secretary of such proposed certification, except that the Secretary may certify such a position if, with the concurrence of the National Council, he finds that there is an overwhelming need to certify such position.

"(c) The Secretary shall not establish any position under this section unless such position has been recommended for establishment by the National Council.

"SEC. 795 (a) The Secretary shall, upon the recommendation of each regional council, not later than October 1, 1976, and October 1 of each subsequent year, certify postgraduate physician training positions in entities, and associations of such entities, which directly provide such training within the region served by such regional council. In certifying such positions, the Secretary shall not certify any position—

"(1) except as provided in section 794(b), in any medical specialty or subspecialty in excess of the number of established positions in such medical specialty or subspecialty assigned to the region under section 794 (a)(3);

"(2) in any entity or association of entities which has, or will have, in the aggregate, fewer than 100 such certified positions;

"(3) in any entity which maintains any postgraduate physician training position, or any association of entities in which any participating entity maintains any such position, which is not certified under this part as a postgraduate physician training position; or

"(4) which is not a part of, at a minimum, an integrated three-year postgraduate physician training program.

"(b) In certifying positions, the Secretary and each regional council shall—

"(1) to the extent feasible, insure that the certified positions are distributed on a geographically equitable basis within the region served by the regional council; and

"(2) insure that the educational component of each training program meets acceptable standards, as determined by the Secretary in consultation with appropriate professional organizations.

"(c) The Secretary shall not certify any position under this section unless such position has been recommended for certification by the appropriate regional council, except that the Secretary may certify such a position, if, with the concurrence of the National Council, he finds that there is an overwhelming need to certify such position.

"COORDINATION OF ACTIVITIES

"SEC. 796. In carrying out the provisions of sections 791(a)(5), 793(a)(3), and 795 (b)(2) relating to the educational component of postgraduate physician training, the National Council and each regional council shall coordinate its activities with the appropriate professional and other organizations concerned with graduate medical education.

"GRANTS AND CONTRACTS FOR CERTIFIED POSITIONS

"SEC. 797. (a) The Secretary shall make grants to and contract with, entities which directly provide, or associations of such entities which directly provide, or have the capacity to directly provide, postgraduate physician training and which are certified to the Secretary by the National Council and the appropriate regional council as likely to receive an increased number of certified postgraduate physician training positions subsequent to July 1, 1977, to allow such entities to develop new, and expand existing, postgraduate physician training programs.

"(b) In the awarding of grants, the Secretary shall give special priority to (1) programs of postgraduate physician training in primary care specialties and (2) programs, especially programs described in clause (1), conducted by entities which serve medically underserved populations, as designated under section 329(b).

"(c) No entity may receive—

"(1) a grant or contract for more than $100,000 for the establishment of a program, or the expansion of an existing program, in the training of physicians in any particular specialty or subspecialty area, in any fiscal year.

"(2) a grant or contract for more than two consecutive years for the establishment of a program, or the expansion of an existing program, for the training of physicians in any particular specialty or subspecialty area.

"(d) For the fiscal year ending June 30, 1975 and for each of the four succeeding fiscal years, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

"GRANTS FOR REDUCING POSITIONS

"SEC. 798. (a) The Secretary shall make grants to entities which—

"(1) directly provided postgraduate physician training on July 1, 1977; and

"(2) because of the operation of this part, are able to obtain a decreased number of postgraduate physician trainees following July 1, 1977; and

"(3) have a plan to utilize the funds from such grants to initiate the provision of services, previously provided by postgraduate physician trainees, by other health professions personnel, especially nurse clinicians.

The Secretary shall pay to such entities $10,000 for each individual position decrease in the first year following such decrease and $5,000 for each position decrease in the second year following such decrease.

"(b) For the fiscal year ending June 30, 1978 and for each of the two succeeding fiscal years, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

"STUDY OF PHYSICIAN SPECIALTY DISTRIBUTION

"SEC. 798A. (a) The Secretary shall, within ninety days of the appointment of the National Council, contract, with the approval of the National Council as provided in subsection (b), for the conduct of a study to:

"(1) Analyze the current distribution of physicians by specialty and subspecialty in the United States and its possessions. The distribution of medical and osteopathic physicians by specialty and subspecialty by geographic area shall be determined. Medical specialties and subspecialties shall be defined in a manner consistent with recognized categories; geographic areas shall be defined as reasonable medical trade areas for each specialty or subspecialty; special attention shall be given to determining what part of the practice of physicians in each specialty and subspecialty is spent in primary care activities.

"(2) Project the expected distribution of physicians by specialty and subspecialty by geographic area for the years 1980, 1985, and 1990. Such projection shall be based on current trends in physician specialty training and choice of practice sites, the activities of various specialty boards and other organizations, and the retirement-death rate of physicians by specialty and subspecialty.

"(3) Examine and critically evaluate the various methodologies for estimating the optimal distribution of physicians by specialty and subspecialty by geographic area. Methodologies examined and evaluated shall include methodologies utilized by foreign countries.

"(4) Develop a reliable and appropriate methodology to establish the optimal distribution of physicians by specialty and subspecialty by geographic area. Utilizing such methodology, projections shall be made for the optimal number of physicians by specialty and subspecialty by geographic area for the years 1980, 1985, and 1990.

"(b) The National Council shall approve the organization selected by the Secretary to conduct the study required by subsection (a). Such organization shall—

"(1) have a national reputation for objectivity in the conduct of studies for the Federal Government;

"(2) have the capability to readily marshal the widest possible range of expertise and advice relevant to the conduct of such studies;

"(3) have a membership and competent staff which have backgrounds in government, the health sciences, and the social sciences;

"(4) have a history of interest and activity in health policy issues related to such studies; and

"(5) have extensive existing contracts with interested public and private agencies and organizations.

"(c) An interim report providing a plan for the study required by subsection (a) shall be submitted by the organization conducting the study to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives by January 31, 1975; and a final report giving the results of the study shall be submitted by such organization to such committees by January 31, 1976.

"(d) There is authorized to be appropriated $10,000,000, which shall be available without fiscal year limitations, for the conduct of the study required by subsection (a).

"TERMINATION OF FINANCIAL ASSISTANCE

"SEC. 798B. (a)(1) No entity which maintains, or has at any time after July 1, 1977 maintained, any postgraduate physician training position which is not certified in accordance with this part as a postgraduate physician training position shall receive any financial assistance (including grants, contracts, loans, loan guarantees, or interest subsidies) under this Act or the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963.

'(2) No individual or entity which is affiliated with, or individual who is employed by, any entity described in paragraph (1) shall receive any financial assistance described in such subsection.

"(b)(1) No individual who has received *postgraduate* physician training by filling a postgraduate physician training position in any institution which position had not been certified in accordance with this part at the time he received such training shall receive any financial assistance described in subsection (a)(1).

"(2) No entity which employs or in any way pays or reimburses individuals described in paragraph (1) shall receive any financial assistance described in subsection (a)(1).

"(c) The provisions of subsections (a) and (b) shall become effective on July 1, 1977, and shall not apply with respect to any individual who completes his postgraduate training prior to that date."

TITLE VIII—MINIMUM NATIONAL STANDARDS FOR STATE LICENSURE OF PHYSICIANS AND DENTISTS

SEC. 801. Title VII is amended by adding at the end thereof the following new part:

"PART I—MINIMUM NATIONAL STANDARDS FOR STATE LICENSURE OF PHYSICIANS AND DENTISTS

"SEC. 799. As used in this part the term—

"(1) 'physician' means a doctor of medicine or a doctor of osteopathy.

"(2) 'dentist' means a doctor of dentistry.

"(3) 'State agency' means the department, commission, board, or other agency of a State which is charged by the law of that State with the administration of laws and regulations regarding licensure of physicians and dentists.

"MINIMUM NATIONAL STANDARDS FOR STATE LICENSURE OF PHYSICIANS AND DENTISTS

"SEC. 799A. (a)(1) Within two years of the date of enactment of this part, the Secretary shall, in consultation with appropriate professional organizations, and in cooperation with any recognized national professional testing organization or organizations, develop and establish national standards for the licensure of physicians and dentists and prepare appropriate examinations for the initial licensure and appropriate procedures for the subsequent renewal of such licensure (which shall be required periodically, but at least once every six years). Such standards shall include satisfactory performance, as defined by the Secretary, on an initial examination, demonstration of written and spoken proficiency in the English language in a manner approved by the Secretary, and compliance with such other requirements as are determined to be appropriate for the evaluation of competence to practice medicine or dentistry.

"(2)(A) A physician or dentist licensed to practice his profession in any State shall be deemed to have complied with the appropriate procedures for renewal of his license required by this section if he has complied with the procedures established by any appropriate professional organization and certified by the Secretary in accordance with subparagraph (B).

"(B) The Secretary shall certify the procedures for renewal of licenses under this part, established by any appropriate professional organization, except upon a finding that such procedures are not adequate to assure appropriate continuing competence to practice medicine or dentistry. If the Secretary fails to certify any such procedures he shall publish in the Federal Register a statement of the reasons for such action.

"(3) Procedures for the renewal of licensure prescribed under this section shall not, so far as they are applicable to physicians and dentists who are licensed to practice their professions in any State on the date of enactment of this section require the taking of an examination as a condition of relicensure. Nothing in this paragraph shall be construed to preclude a State or appropriate professional organization from establishing such procedures as it deems necessary for the relicensure of physicians and dentists.

"(b) The Secretary shall periodically, but not less often than once every two years, review the national standards (including the examinations and certifications) established pursuant to subsection (a) and shall, in a manner consistent with such subsection, revise such standards as appropriate to assure that such standards are adequate for evaluation of competence to practice medicine or dentistry.

"(c) Prior to the establishment or revision of the national standards, pursuant to this section, the Secretary shall publish a notice in the Federal Register and afford all interested parties a reasonable opportunity to present their views by oral and written submissions. The final action of the Secretary in establishing and revising the national standards shall be subject to judicial review in accordance with section 799B(e)(3) in the United States Court of Appeals for the District of Columbia Circuit.

"STATE PROGRAMS FOR LICENSURE IN ACCORDANCE WITH THIS TITLE

"SEC. 799B. (a)(1) By the completion of the first general session of the State legislature which commences after the date on which the Secretary establishes national standards pursuant to section 799A(a), a State may establish a program for licensure of physicians and dentists in accordance with this part.

"(2) A State licensure program is in accordance with this part only if it meets or exceeds all of the national standards and complies with the provisions of sections 799C and 799D. A State program 'meets' the national standards only if the substance of the State program requirements is the same as or the equivalent of the corresponding requirements of the national standards. A State licensure program 'exceeds' the national standards only if it includes requirements which are the same as or equivalent to the corresponding requirements of the national standards, and imposes additional requirements which are reasonably necessary to assure competent physicians and dentists, and which are not inconsistent with the national standards.

"(b) Upon the establishment of a program, pursuant to subsection (a), in any State, the State agency shall promptly submit to the Secretary a certified copy of such program, together with all relevant information which is requested by the Secretary. Within one hundred and twenty days after the Secretary receives a copy of a State licensure program established under subsection (a), the Secretary shall make a determination whether such State has established a licensure program in accordance with this part. Unless the Secretary determines pursuant to this section that a State licensure program is not in accordance with this part, the program shall go into effect in such State on the date designated in the program. In no event shall such State program go into effect less than nine months or more than twelve months after the date of its establishment.

"(c) The Secretary shall periodically, but not less often than once every three years, review each State licensure program which has been determined under subsection (b) to be in accordance with this part to determine whether such program is still in accordance with this part. To facilitate such review each State agency shall submit to the Secretary periodically all relevant information which is requested by the Secretary. The Secretary shall report to the President and Congress simultaneously on July 1 of each year on the results of such reviews, including any recommendations for legislation.

"(d)(1) If, by the completion of the first general session of the State legislature which commences after the date on which the Secretary established national standards pursuant to section 799A(a), a State has not established a licensure program in accordance with this part (as determined by the Secretary under subsection (b)), the national standards established by the Secretary pursuant to section 799A(a) and the provisions of sections 799C and 799D shall become applicable in such State. The national standards shall go into effect in such State on the first day of the ninth month after such standards become applicable or on a date designated by the Secretary, whichever is earlier.

"(2) If, after the national standards are applicable or in effect in a State, the Secretary, upon petition, makes a determination, pursuant to subsection (b), that such State has established a licensure program in accordance with this part, such State licensure program shall go into effect and the national standards shall cease to be applicable or in effect on a date to be designated by the Secretary.

"(3) If, after a State licensure program in accordance with this part is in effect in a State, the Secretary makes a determination, pursuant to subsection (c), that such State licensure program is no longer in accordance with this part, then such program shall cease to be in effect on a date to be designated by the Secretary, and on that date the national standards and the provisions of sections 799C and 799D shall go into effect in such State.

"(e)(1) Before making any determination under this section, the Secretary shall publish a notice in the Federal Register and afford the State and all interested parties a reasonable opportunity to present their views by oral and written submission.

"(2) The Secretary shall notify in writing the Governor and the State legislature of the affected State of any determinations made under this section and shall publish these determinations with reasons therefor in the Federal Register.

"(3) Any determinations made by the Secretary under this section shall be subject to judicial review in accordance with chapter 7 of title 5, United States Code, in the United States court of appeals for the circuit in which is located the State whose plan is the subject of such determination or in the United States Court of Appeals for the District of Columbia Circuit. Any such review shall be instituted within sixty days from the date on which the determination made by the Secretary is published in the Federal Register.

"RECIPROCITY

"SEC. 799C. A physician or dentist licensed to practice his profession in any State shall be deemed to be qualified for licensure in any other State in which the national standards are in effect or which has a licensure program which meets the national standards, as determined by the Secretary under section 799B. In the case of any State which has a licensure program which exceeds the national standards, as determined by the Secretary under section 799B, such a physician or dentist shall be deemed to be qualified for licensure in that State upon compliance with the additional requirements imposed by the licensure program of such State.

"STATE LICENSURE REQUIREMENTS

"SEC. 799D. (a) No State shall establish any requirement for licensure of physicians or dentists which requires that the individual applying for licensure reside in such State for a designated period of time as a condition prior to such licensure.

"(b) Each State shall apply the requirements of its licensure program equally to all individuals who apply to be licensed in such State whether they have received an education in medicine or dentistry in the United States or in a foreign nation. Each State licensure program shall have only one set of licensure requirements and no State shall license (including issuance of temporary, partial, limited, institutional, and conditional licenses) any individual to practice medicine or dentistry unless such individual has met all of the requirements of its licensure program.

"(c) In the case of any physician or dentist obligated to provide health services in accordance with section 747(c), 750(d), 751(d), or 771(b)(2) and selected by the Secretary to provide such service, each State in which such physician or dentist is licensed to practice his profession shall suspend any license given to such physician or dentist upon certification by the Secretary that such physician or dentist has not fulfilled such obligation in accordance with the requirements of such section.

"(d) A State shall suspend a license previously given to any physician if such physician has received any postgraduate training by filing a postgraduate physician training program position in any institution unless such position had been certified in accordance with part H at the time he received such training, except that this subsection shall not apply to any individual who completes his postgraduate training prior to July 1, 1977.

"(e) The requirements of this part with respect to licensure shall not apply to any physician or dentist in any State who has been given a license to practice his profession in such State prior to the date upon which the provisions of this part take effect in such State, except that any such physican or dentist shall, after the provisions of this part take effect in such State, be subject to the requirements of this part respecting suspension and renewal of licenses.".

TITLE IX—RADIATION HEALTH AND SAFETY

SEC. 901. This title may be cited as the "Radiation Health and Safety Act of 1973".

SEC. 902. It is the purpose of this title to—

(a) provide for the protection of public health from the potential adverse effects of unnecessary consumer-patient radiation exposure by assuring efficacious consumer-patient radiologic services;

(b) assure adequate training of radiologic technologists by providing for the establishment of criteria and minimum standards for the accreditation of schools training radiologic technologists;

(c) provide for the establishment of criteria and minimum standards for the licensure of radiologic technologists; and

(d) provide for establishment of programs for the accreditation of education institutions training radiologic technologists and of State programs for the licensure of radiologic technologists, with authority for the Secretary to take necessary action in the absence of State action.

SEC. 903. Part F of title III of the Public Health Service Act is amended by inserting after subpart 3 the following new subpart:

"Subpart 4.—Radiologic Technologists

"DECLARATION OF PURPOSE

"SEC. 360G. The Congress finds and declares—

"(a) that, consistent with the recommendations of the National Council on Radiation Protection and Measurement and the International Commission on Radiological Protection, it is in the national interest and in the interest of public health and safety to minimize exposure of the public to potentially hazardous radiation from all sources;

"(b) while the operation and use of radiologic equipment and methods is essential in modern medicine, even the most advanced radiologic equipment and procedures will not adequately protect the health and safety of either the consumer-patient subjected to radiologic procedures or the individuals performing such radiologic procedures, including their progeny, unless the individuals performing radiologic procedures are fully qualified by reason of training and equipment or in the performance of radiologic procedures so as to avoid unnecessary consumer-patient and operator exposure to unnecessary radiation and to assure efficacious consumer-patient radiologic services;

"(c) that it is in the overall public health interest to have an adequate and continuing supply of well-trained radiologic technologists and that any person who operates radiologic equipment or administers radiologic procedures to consumer-patients should be required to demonstrate competence by training, experience, and examination;

"(d) that the protection of the public health and safety from unnecessary exposure to potentially hazardous radiation from all sources is the primary responsibility of State and local government, within minimum criteria and standards established by the Federal Government; and

"(e) that, consistent with the recommendations of (1) the National Advisory Committee on Radiation to the Surgeon General in 1966, (2) the Secretary's Task Force on Environmental Health and Related Problems in June 1967, (3) the Surgeon General's Medical X-Ray Advisory Committee on Public Health Considerations in Medical Diagnostic Radiology in October 1967, (4) the 1970 report of the Secretary to the Congress pursuant to the Radiation Control for Health and Safety Act of 1968, (5) the National Academy of Sciences-National Research Council's Advisory Committee on the Biological Effects of Ionizing Radiations in November 1972, and (6) the Conference of Radiation Control Program Directors in May 1974, it is in the national interest and in the interest of public health and safety to provide for mandatory licensure of persons administering potentially hazardous radiation to consumer-patients.

"RECOMMENDED CRITERIA AND STANDARDS

"SEC. 360H. (a) The Secretary shall, as soon as practicable but not later than one year after the date of enactment of this subpart, develop and issue criteria and minimum standards for the accreditation of education institutions conducting programs for the training of radiologic technologists and for use in the accreditation of education institutions conducting programs for the training of medical and dental practitioners, dental hygienists, and dental assistants. Such criteria and standards shall be published in the Federal Register.

"(b)(1) The Secretary shall, as soon as practicable, but not later than one year after the date of enactment of his subpart, develop and issue to the States criteria and minimum standards for licensure of radiologic technologists, and provide such other advice and assistance to the States as he deems necessary for the effective implementation of this subpart. Such criteria and minimum standards shall distinguish between the following categories of specialization: senior radiologic technologists, medical radiologic technologists, dental radiologic technologists, radiation therapy technologists, nuclear medicine technologists, photoroentgen technician, and technologist-in-training. The Secretary may provide in such criteria and minimum standards that graduation from an educational institution for the training of radiologic technologists accredited pursuant to this subpart satisfies the requirements for a provisional license as a technologist-in-training conditioned on licensure within one year in one or more categories of specialization. Such criteria and standards shall be published in the Federal Register. The Secretary may designate other categories of specialization or levels of competence for the purpose of licensure if he finds that such additional categories are required to assure adequate protection of public health from unnecessary radiation exposure or to assure efficacious consumer-patient radiologic services.

"(2) The Secretary shall, concurrent with the development and issuance of criteria and standards under paragraph (1) of this section, review and evaluate any voluntary certification programs in existence on the date of enactment of this subpart, and he shall, based on such review and evaluation, determine whether such programs meet the criteria and standards issued pursuant to this section. If he is satisfied that a program meets such criteria and standards he shall, within one year thereafter, license those individuals who have been certified under such programs in the appropriate categories of specialization established pursuant to paragraph (1) of this subsection.

"(c) In establishing criteria and minimum standards under this section the Secretary shall consult with the Environmental Protection Agency, State health department, and appropriate professional organizations.

"(d) The Secretary shall give to the States such other advice and assistance as will foster enactment and enforcement of appropriate laws and standards. Such advice and assistance may include model laws and training curriculums, and training aids.

"(e) The Secretary shall, from time to time, revise the criteria and standards issued by him pursuant to this subpart.

"ACCREDITATION AND LICENSURE

"SEC. 3601. (a) The training and licensure of radiologic technologists who intend to apply radiation to humans for diagnostic or therapeutic purposes in any State or States shall be subject to the provisions of this subpart.

"(b) Consistent with the policy declaration of this subpart, State and local government shall be encouraged to minimize exposures of the public to potentially hazardous radiation from all sources and shall not be displaced by Federal action except as otherwise provided under subsection (c) or (d).

"(c) Upon issuance of the criteria and minimum standards pursuant to section 360H for the accreditation of educational institutions, the Governor of a State may file with the Secretary a letter of intent that such State will within two years of the issuance of the criteria and minimum standards adopt as a minimum, the standards of accreditation of educational institutions issued by the Secretary. If, after two years, a State fails to adopt such standards, or is unable to adopt such standards or more stringent standards, the minimum standards issued by the Secretary for the accreditation of educational institutions shall become the standards in such State. If the Secretary determines that such State standards are consistent with the criteria and minimum standards issued pursuant to section 360H that an adequate means of enforcement by State action is provided; and that the State program is consistent with the purposes of this subpart, such State standards shall be the standards applicable in such State.

"(d) Upon application of a Governor, the Secretary may grant an extension under subsection (c) for not more than two years if after review the Secretary determines that good faith efforts have been made by the State and reasonable assurance is provided that an effective program to implement the purposes of this subpart will be provided by the State within the period of the extension.

"(e)(1) After receiving any criteria and minimum standards issued pursuant to section 360H for the licensure of radiologic technologists, the Governor of a State may file a letter of intent that such State will within two years of the issuance of the criteria and minimum standards adopt as a minimum the standards for licensure of radiologic technologists issued by the Secretary. If, after two years, a Governor fails to adopt such standards, or is unable to adopt such standards or more stringent standards, the minimum standards issued by the Secretary for licensure of radiologic technologists shall become the standards in such State. If the Secretary determines that such State standards are consistent with the criteria and minimum standards issued pursuant to section 360H; that an adequate means of enforcement by State action is provided; and that the State program is consistent with the purposes of this subpart, such State standards shall be the standards applicable in such State.

"(2) Notwithstanding any other provision of this section, in the case of a State which has, prior to the effective date of standards and criteria promulgated pursuant to this subpart, established standards for the accreditation or licensure of radiologic technologists, such State shall be deemed to be in compliance with this section unless the Secretary determines, after notice and hearing, that the standards of such State do not meet the minimum standards prescribed by the Secretary pursuant to this section or the conditions for approval of a State program set forth in paragraph (1) of this subsection.

"(f) The Secretary may authorize appropriate professional organizations to provide accreditation and licensing under this section if he determines that such organization will adhere to the criteria and minimum standards issued pursuant to section 360H. For the purposes of accreditation, the Secretary shall, to the maximum extent practicable, consistent with the purposes of this subpart, utilize organizations recognized by the Commissioner of Education for such purposes.

"(g) The Secretary may make grants to States or professional organizations designated pursuant to subsection (f) of this section in an amount up to two-thirds of the first year and one-third of the second year costs of planning, developing, or establishing programs to carry out the purposes of this subpart.

"(h) The Secretary may make grants to educational institutions under section 773 and 789A of this Act to carry out the purposes of this subpart.

"(i) The Secretary shall annually review programs established pursuant to this subpart and shall suspend the effectiveness of any standards or regulations as to accreditation or as to licensure with respect to any State or certified professional licensing organization designated pursuant to subsection (f) when he determines that program of any State or organization is inconsistent with the purposes of this subpart or with revised criteria and minimum standards issued pursuant, to subsection 360H(e).

"PROHIBITED ACTS

"SEC. 360J. (a) Upon the effective date of regulations and standards established pursuant to the subpart, it shall be unlawful for any individual to apply potentially hazardous radiation to humans for diagnostic or therapeutic purposes unless he is a licensed medical practitioner, a licensed dentist, a licensed dental hygienist, or holds a valid radiologic technologist license issued in accordance with standards promulgated pursuant to section 360H, except, for a licensed photo-roentgen technologist or a licensed technologist-in-training who must be under the supervision of a radiologist or a more specialized radiologic technologist as provided for in section 360H.

"(b) The district courts of the United States shall have jurisdiction, for cause shown, to restrain violations of this section. The district courts of the United States shall also have jurisdiction in accordance with section 1355 of title 28 of the United States Code to enforce the provisions of this section.

"(c)(1) Any violation of this subsection by an individual applying potentially hazardous radiation to human beings for diagnostic or therapeutic purposes shall be subject to a civil penalty of not more than $1,000. For the purposes of this section, any such violation shall be with respect to each act or omission made unlawful by this section.

"(2) Any such civil penalty may on application be remitted or mitigated by the Secretary. In determining the amount of such penalty, or whether it should be remitted or mitigated and in what amount the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered. The amount of such penalty, when finally determined, may be deducted from any sums owing by the United States to the person charged.

"(d) Actions under this section may be brought in the district court of the United States for the district wherein any act or omission or transaction constituting the violation occurred, or in such court for the district where the defendant is found or transacts business, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found.

"(e) Nothing in this subpart shall be construed as requiring the Secretary to report for the institution of proceedings minor violations of this subpart whenever he believes that the public interest will be adequately served by a suitable written notice or warning.

"(f) The remedies provided for in this section shall be in addition to and not in substitution for any other remedies provided by law."

TITLE X—CHILDREN'S DENTAL HEALTH

SEC. 1001. This title may be cited as the "Children's Dental Health Act of 1974."

SEC. 1002. The Public Health Service Act is amended by adding at the end thereof the following new title:

"TITLE XIV—DENTAL HEALTH PROJECTS

"GRANTS FOR PROJECTS FOR DENTAL CARE FOR CHILDREN

"SEC. 1401. (a) There are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1975, $15,000,000 for fiscal year ending June 30, 1976, and $30,000,000 for the fiscal year ending June 30, 1977, which shall be used by the Secretary to make grants to the health agency of any State (or political subdivision thereof) or to any other public or nonprofit private agency, organization, or institution to pay for part of the cost of the carrying out (on a planned and systematic basis) by such agency, organization, or institution, of one or more comprehensive projects for dental care and services for children of preschool and school age. Any such project shall include such comprehensive corrective, followup and preventive services (including dental health education), and treatment as may be required under regulations of the Secretary.

"(b) Grants under this section shall not be utilized to provide or pay for dental care and services for children unless such children are determined in accordance with regulations of the Secretary to be (A) from low-income families, or (B) unable, for reasons beyond their control, to obtain such care and services.

"(c) Grants under this section may be utilized for the conduct of research, demonstrations, or experimentation carried on with a view to developing new methods for (1) the prevention, diagnosis, or treatment of dental problems, (2) the payment for dental care services, or (3) the utilization of dental health care personnel with various levels of training, except that not more than 10 per centum of any grant under this section shall be so utilized.

"(d) In making grants under this section, the Secretary shall accord priority to projects designed to provide dental care and preventive services for children of preschool age and school age children who are in the first five grades of school.

"GRANTS FOR WATER TREATMENT PROGRAMS

"SEC. 1402. (a) There are hereby authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, $3,000,000 for the fiscal year ending June 30, 1976, and $4,000,000 for the fiscal year ending June 30, 1977, which shall be used by the Secretary to make grants to States, political subdivisions of States, and other public or nonprofit private agencies, organizations, and institutions to assist them in initiating, in communities or in public elementary or secondary schools, water treatment programs designed to reduce the incidence of oral disease or dental defects among residents of such communities or the students in such schools (as the case may be).

"(b) Grants under this section may be utilized for (but are not limited to) the purchase and installation of water treatment equipment.

"(c) Grants under this section shall not exceed—

"(1) 80 per centum of the cost of the treatment program with respect to which such grant under this section is made in the case of any grant under section 1401; and

"(2) 66⅔ per centum of the cost of the treatment program with respect to which such grant is made in the case of any other grant.

"GRANTS TO TRAIN AUXILIARY DENTAL PERSONNEL

"SEC. 1403. There are hereby authorized to be appropriated $12,000,000 for the fiscal year ending June 30, 1975, $20,000,000 for the fiscal year ending June 30, 1976; and $25,000,000 for the fiscal year ending June 30, 1977; which shall be used by the Secretary to make grants to public and nonprofit private institutions to assist them in establishing and carrying out programs to educate and train persons for careers as auxiliary dental personnel with special emphasis on the education and training of veterans of the armed forces who have received experience and training in dental auxiliary functions.

"PROJECTS TO PROMOTE EFFECTIVE USE OF AUXILIARY DENTAL PERSONNEL

"SEC. 1404. (a) There are hereby authorized to be appropriated $6,000,000 for the fiscal year ending June 30, 1975, $10,000,000 for the fiscal year ending June 30, 1976, and $10,000,000 for the fiscal year ending June 30, 1977, which shall be used by the Secretary to make grants and enter into contracts (without regard to section 3648 of the Revised Statutes, 31 U.S.C. 539) under subsection (c) and to make grants to dental schools, and to other public or nonprofit private agencies, oragnizations, and institutions, and to enter into contracts (without regard to section 3648 of the Revised Statutes, 31 U.S.C. 529) with individuals, agencies, organizations, and institutions, for projects described in subsection (b).

"(b) Grants and contracts under this section may be made or entered into for projects for—

"(1) planning, establishing, demonstrating, or supporting programs to teach dental students and dentists the efficient and effective utilization of dental auxiliaries and the management and supervision of total dental health teams (including, but not limited to, teams consisting of various types of auxiliary dental personnel who are trained in carrying out expanded functions or procedures which do not require the knowledge and skill of the dentist), with special emphasis on the employment and utilization of veterans of the armed forces who have received experience and training in dental auxiliary functions;

"(2) demonstration and experimentation of ways to organize dental health services to achieve maximum effectiveness in the use of auxiliary dental personnel, which projects take into account such factors as patient acceptance, quality of care, and cost of services; and

"(3) planning, establishing, demonstrating, or supporting field training programs for dental students and auxiliary dental personnel in which dental care and preventive services are provided by such persons under professional supervision in areas characterized by low family incomes or shortage of and need for dental services.

"(c) The Secretary is authorized to utilize sums appropriated pursuant to subsection (a) to make grants to dental schools and to other public or nonprofit private agencies, organizations, and institutions, and to enter into contracts with individuals, agencies, organizations, and institutions for special projects related to investigation and demonstration of ways of providing incentives for developing or establishing dental facilities or services in areas or communities in a State determined by the appropriate State health authority in such State to have a shortage and need for dentists.

"DENTAL ADVISORY COMMITTEE

"SEC. 1405. (a) The President shall appoint a Dental Advisory Committee consisting of seven members, four of whom shall be selected from the dental profession and three from the general public. Members shall be appointed from among persons who, by virtue of their training, experience, and background, are exceptionally qualified to appraise the programs established by this title. The Secretary shall be an ex officio member of the Committee.

"(b)(1) Members shall be appointed for six-year terms, except that of the members first appointed three shall be appointed for two years, two shall be appointed for four years, and two shall be appointed for a term of six years as designated by the President at the time of appointment. The members shall select their own chairman.

"(2) Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall serve only for the remainder of such term. Members shall be eligible for reappointment and may serve after the expiration of their terms until their successors have taken office.

"(3) The Dental Advisory Committee shall advise the Secretary in regard to the reports required under section 1406, in regard to programs established under this title, and in regard to activities carried on by the Department of Health, Education, and Welfare related to dental health, dental manpower, or dental training and services, and shall serve as a reviewing body for grants made pursuant to this title, where such review is deemed necessary by the Secretary.

"(4) Members of the Dental Advisory Committee who are not officers or employees of the United States shall receive compensation at rates not to exceed the daily rate prescribed for GS–18 under section 5332, title 5, United States Code, for each day they are engaged in the actual performance of their duties, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as the expenses authorized by section 5703, title 5, United States Code, for persons in Government service employed intermittently.

"(5) The Secretary shall make available to the Dental Advisory Committee such staff, information, and other assistance as it may require to carry out its activities.

"(6) The Secretary, after consultation with the Dental Advisory Committee, shall promulgate such rules and regulations as are necessary to carry out the purposes of this title.

"REPORT

"SEC. 1406. (a) The Secretary shall submit a report to the Congress not later than January 31 of each year on the progress of the implementation and administration of the programs established under this title.

"(b) The Secretary shall submit to the Congress a report containing his recommendations concerning the need and feasibility of a comprehensive national dental health program for children within ninety days before the end of the fiscal year ending June 30, 1977."

SEC. 1003. Section 1902(a)(10) of title XIX of the Social Security Act is amended by adding at the end thereof the following: "and except that services described in paragraph (10) of section 1905(a) may be made available to individuals or groups of individuals under age eighteen without making available such services of the same amount, duration, and scope to individuals of any other ages;".

SEC. 1004. Section 602 of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end thereof the following new subsection:

"(g)(1) If it is a dentrifice and (A) because of its nature, composition, or packaging it involves a potential risk to consumers including but not limited to its potential sensitizing, allergenic, or abrasive character or (B) because of any foreseeable handling, storage, or use by individuals it presents such a potential risk; then such dentrifice shall bear adequate cautionary labeling (such labeling shall be conspicuous and shall include first-aid information if appropriate). Whenever the Secretary finds any dentifrice or class of dentifrice to be subject to this subsection and in his judgment a declaration to that effect will reduce the potential risk to the consumer, he may by regulations declare such dentifrice or class thereof to be subject to such provision and may in such regulation specify the content of such cautionary information, the appropriate type size to be used for such warning, its placement on labels and may in pursuance of the objective of this subsection require the submission of the quantitative formula for such dentifrice or class thereof by the manufacturers of such dentifrice.

"(2) If it is a dentifrice and its labeling fails to bear cautionary information in the manner prescribed in clause (1) of this subsection.".

SEC. 1005. Section 201 of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end thereof the following new subsection:

"(y) The term 'dentifrice' means any cosmetic, drug, or other article recommended, suggested, or indicated for use by humans in the cure, mitigation, treatment, or prevention of disease of the teeth or for cleansing or beautifying teeth.".

TITLE XI—MISCELLANEOUS PROVISIONS

SEC. 1101. Section 401 of the Health Programs Extension Act of 1973 is amended by adding at the end thereof the following new subsection:

"(e)(1) No individual shall be required to perform or assist in the performance of any portion of a health service program or research activity funded in whole or in part by the Department of Health, Education, and Welfare if such performance or assistance would be contrary to his religious beliefs or moral convictions.

"(2) No entity shall be required to make its facilities available for the performance of any health service program or research activity funded in whole or in part by the Department of Health, Education, and Welfare if such performance is prohibited by the entity on the basis of religious beliefs or moral convictions.

"(3) No entity may (A) discriminate in the employment, promotion, or termination of employment of any physician or other health care personnel, or (B) discriminate in the extension of staff or other services to any physician or other health care personnel solely because he performed or assisted in the performance of a lawful health service program or research activity in an unrelated facility, or solely because he refused to perform or assist in the performance of such a health service program or research activity, in a facility controlled by such entity on the grounds that his performance or assistance in the performance of such health service program or research activity would be contrary to his religious beliefs or moral convictions."

SEC. 1102. The provisions of this section shall not be construed as superseding the provisions of section 401 (b) and (c) of the Health Programs Extension Act of 1973.

SEC. 1103. Any action brought by an individual against an entity in which it is asserted that subsection (e)(2) of section 401 of the Health Programs Extension Act of 1973 is repugnant to the Constitution of the United States shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28, and any appeal shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing and determination thereof, and to cause the case to be in every way expedited.

The **PRESIDING OFFICER** (Mr. HATHAWAY). The time of debate on this bill shall be limited to six hours, to be equally divided and controlled by the Senator from Massachusetts (Mr. KENNEDY) and the Senator from New York (Mr. JAVITS), with 1 hour on any amendment except a substitute amendment by Senator BEALL, on which there shall be 6 hours, and any other substitute amendment for the bill, on which there shall be 2 hours, and 30 minutes on any amendment in the second degree, debatable motion or appeal.

All amendments must be germane except an amendment to be offered by the Senator from Wisconsin (Mr. PROXMIRE), which may or may not be germane.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** On whose time?

Mr. MANSFIELD. I ask unanimous consent that the time not be charged to either side.

The **PRESIDING OFFICER.** Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BEALL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. BEALL. Mr. President, I ask unanimous consent that the time in opposition to the bill, originally allocated to the Senator from New York (Mr. JAVITS), be transferred to my control.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. I ask unanimous consent that Eleanor Parker, Bob Bohan, and Joseph Carter of the Senate staff, and Joyce Vialet of the Library of Congress, be accorded the privilege of the floor during the discussion, debate, and votes on this measure and on amendments thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time for the quorum call not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered.

The PRESIDING OFFICER (Mr. HATHAWAY). The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 3585.

Mr. KENNEDY. What is the time limitation on the legislation?

The PRESIDING OFFICER. The time for debate on the bill is limited to 6 hours, to be equally divided and controlled by the Senator from Massachusetts and the Senator from Maryland, with 1 hour on any amendment, except an amendment in the nature of a substitute to be offered by the Senator from Maryland (Mr. BEALL), on which there shall be 6 hours debate; and on any other amendment in the nature of a substitute for the bill there shall be 2 hours debate, with debate on any amendment in the second degree, debatable motion or appeal limited to 30 minutes, provided that no amendment that is not germane to the provisions of the said bill shall be received, except an amendment to be offered by the Senator from Wisconsin (Mr. PROXMIRE), which may or may not be germane.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Janet Kline and Terry McShane be permitted the privilege of the floor during the consideration of the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I rise today in support of S. 3585, the Health Professions Educational Assistance Act of 1974, as reported by the Senate Committee on Labor and Public Welfare. When I introduced S. 3585, I stated that the time has come to take the next logical and inevitable steps to deal with a set of manpower problems which continue to undermine the health of the American people.

Our health professions schools have done an outstanding job in the last 10 years in increasing the numbers of trained health professionals, including physicians and dentists. It has become increasingly clear, however, that more health professionals alone have not and will not solve the health manpower problems facing this Nation.

There is widespread geographic maldistribution of health professionals.

We have too few primary care physicians and have more than adequate numbers in some specialties, such as surgeons.

As a Nation, we are increasingly relying on the graduates of foreign medical schools to provide our Nation's health care. The variable and differential ways in which American and foreign medical graduates are licensed has resulted in a dual class system of health care in the Nation.

These problems were evident when this legislation was last reviewed in 1971. At that time these needs were overshadowed by what was felt to be a serious overall shortage of health professions. Despite an impressive increase in the supply of health professionals since 1971, these health manpower problems have grown worse—problems which no longer can be met only by enrollment expansion, new construction, or more Federal dollars.

Today, our Nation's need for health manpower cannot be dealt with solely by increasing aggregate health manpower supplies.

The time has come to refine the Health Professions Educational Assistance Act such that it can create the conditions under which the problems of geographic and specialty maldistribution, heavy reliance upon foreign medical graduates, and the existence of inconsistent and inequitable State licensure laws can be effectively met.

In summary, major provisions of the Health Professions Educational Assistance Act of 1974 as reported would:

First, authorize a 5-year program of health professions assistance through June 30, 1979;

Second, continue construction authorities for health professions teaching institutions:

Third, increase the Federal share for all construction projects to a maximum of 80 percent;

Fourth, extend and revise the student loan program for health professions students for 5 years;

Fifth, make students of public health and graduate students in health care administration eligible for the student loans for the first time;

Sixth, increase the maximum amounts of student loans;

Seventh, require the Secretary to forgive 100 percent of professional education loans in return for service in areas or institutions with manpower shortages;

Eighth, repeal the health professions scholarship program;

Ninth, amend, extend, and expand the authority of the National Health Service Corps and the National Health Service Corps scholarship program;

Tenth, revise and extend existing capitation grants programs to health professions schools and make schools of public health and graduate schools for health care administration eligible for capitation grants;

Eleventh, prohibit the Secretary of Health, Education, and Welfare from making capitation grants to health professions schools after June 30, 1974, unless these schools require each student to enter into an agreement with the Secretary to serve at least 2 years in areas or institutions with manpower shortages;

Twelfth, revise and extend special project grant support to deal with special health care problem areas and expand eligibility for support to include schools of public health and graduate schools in health care administration;

Thirteenth, reauthorize and amend a variety of programs including financial distress grants, health professions education initiative awards, family medicine grants, and programs to train allied health personnel;

Fourteenth, require the Secretary of Health, Education, and Welfare to establish minimal national standards for the licensure of physicians and dentists, including a national initial examination and appropriation mechanisms to periodically relicense such practitioners;

Fifteenth, require Secretary of Health, Education, and Welfare with the assistance of national and regional advisory councils, to certify the number and appropriate balance of postgraduate physician training programs;

Sixteenth, provide support for children's dental health programs, including programs to train dental personnel and to provide dental services to children; and,

Seventeenth, authorize programs to better protect the public from the hazards of radiation, including the establishment of requirements for licensure and criteria and standards for accreditation of educational institutions engaged in training programs for radiologic technologists, and other dental and medical professionals.

This bill was carefully and thoughtfully developed by the Senate Health Subcommittee after experts and health practitioners provided testimony which consistently documented the case for bold steps to redirect national health manpower programs.

I briefly alluded to the problems of shortages of physicians in rural communities and in inner-cities, the shortage of primary care physicians, and our overreliance on foreign medical graduates in providing medical services to the people of this country. These problems deserve greater elaboration.

GEOGRAPHIC MALDISTRIBUTION

What emerged clearly, was irrefutable evidence of a serious and growing problem of physician maldistribution. What emerged, too, was the inability, to date, of communities, the States, or the Federal Government to effectively deal with this problem. In 1951 President Truman's Commission on Health Needs was aware of the problem as were the American Public Health Association, the Carnegie Commission, and others, but the problem remains and grows worse.

Physicians are disproportionately located in the northeastern and western regions of the United States. These regions have per capita ratios of active physicians which are significantly above those in the south and north central States. For every 100,000 persons in South Dakota, there are only 71 physicians providing patient care. In other words, each physician in South Dakota serves about 1,400 people. There are 75 physicians per 100,000 in Mississippi, or 1,339 persons for each actively practicing physician. In contrast, the ratio for New York State is 198 physicians per 100,000 population, or only 504 persons per physician. California has a ratio of 166 per 100,000, or one physician for every 604 persons.

Each of these ratios reflects a significant deviation from the national average of 128 physicians inpatient care per 100,000 population, or one physician for every 781 persons. More important, however, the geographic pattern indicated by these ratios reflects the continued movement of physicians to States and regions with large urban populations.

Physicians are disproportionately distributed not only between urban and rural regions, States, and areas. Maldistribution exists within metropolitan areas—between inner cities and suburbs—as well. A recent study of the Chicago metropolitan area shows the growing trend of physicians to locate in suburban areas. Between 1950 and 1970, the city of Chicago lost 2,000 private practitioners—a 35-percent decrease. The suburbs of the city meanwhile gained nearly 1,900 doctors—an increase of over 130 percent. In 1950, four of five doctors' offices in Chicago were located in the city. By 1970, that figure dropped to one out of two.

The distribution of physicians within urban areas also is affected by the racial and socioeconomic characteristics of the locale. whether suburban or inner city, doctors tend to locate in affluent, white neighborhoods. The author of the Chicago study commented on this trend:

> All the communities in Chicago and the suburbs which experienced rapid racial change and decreased socio-economic status since 1950 lost physicians. When maps showing an area with the greatest gains and losses of doctors are compared with maps depicting those areas with the highest socio-economic status and those whose population changed from white to black two things become obvious. First, an influx of blacks resulted in an exodus of doctors. Second, the shift in the distribution of doctors was into the areas of highest socio-economic status.

The point is that the suburbs of this Nation have a limitless capacity to consume physician services. The normal market forces of supply and demand are inoperative.

As one can see, the problem of geographic maldistribution is severe, entrenched, and growing. It is also longstanding. For decades, groups and commissions have explored the problem intensively. Their documentation reads as if written today.

In 1966, the National Commission on Community Health Services—established by the American Public Health Association—published its report, "Health Is a Community Affair." The report, a 4-year effort, studied and analyzed nationwide community health needs, resources, and practices.

Its finding were little different than those of President Truman's Commission on Health Needs of the Nation.

One year later, in 1967, the President's National Advisory Commission on Rural Poverty published its report, The People Left Behind. The members of the Commission, profoundly disturbed by the paucity of health care for rural low-income people, made this starkly depressing statement:

> We have failed miserably to protect the health of low-income people in rural areas. The health service they get is not only inadequate in extent but seriously deficient in quality. It is badly organized, underfinanced, rarely related to the needs of the individual or the family. Such health service as there is is too often discriminatory in terms of race and income and heedless of the dignity of the individual.

The Commission's report went on to document the existing geographic maldistribution of health personnel, just as early study groups had done.

So too have been the findings of other reports, too numerous to mention here. In fact, there is no disagreement on the matter of maldistribution.

Dr. Madison, associate professor, University of North Carolina, when discussing physician shortages in rural areas, said it very well:

> The first conclusion is that the rural deficit in physician distribution has been a recognized fact and a focus of concern for at least five decades; yet it has shown no improvement at any time in the past 50 years, even in places where specific programs have been directed toward the problem. In fact, the urban-rural differential has been widening . . .

SPECIALTY MALDISTRIBUTION OF PHYSICIANS

Most experts agree that our health services system would work far better if there were more primary care physicians, for the simple reason that a great majority of our medical problems are primary care, doctor's office problems. A former president of the American Academy of Family Practice is quoted as saying that a well-trained family doctor can "comfortably and effectively care for 85 percent of the usual ordinary illnesses that beset mankind."

And yet medical students, to an increasing extent, have chosen specialties rather than family practice or the other primary care specialties.

The proportion of physicians who practice specialties has increased rapidly in the last two decades. In 1949, 50 percent of all physicians considered themselves general practitioners. In 1970, that percentage had dropped to 22. Correspondingly, physician specialists increased from 37 percent in 1949 to 80 percent in 1970. Latest statistics show that of the total number of physicians in direct patient care in 1972, only 19 percent were classified as general practitioners.

Between 1968 and 1972, the number of general practitioners, as classified by the American Medical Association, declined by 8 percent. Forty-three States showed a decrease in the number of general practitioners. Alaska lost 15 percent of its GP's during this period. Rhode Island lost 16 percent. Only seven States enjoyed an increase in the number of physicians in general practice during these years.

A recently published study by Levit and others of the National Board of Medical Examiners concluded that virtually all U.S. medical school graduates in the 1970's will undertake residency training and will seek specialty certification. The growth in residency training over the past 20 years supports this conclusion. According to Weber's study on specialty distribution the number of residency training positions increased 70 percent—from 19,364 to 32,786—between 1950 and 1960. Between 1960 and 1970 residency positions continued to increase 44 percent, to 46,005.

During these two decades, for example, the number of residencies offered in anesthesiology increased by 182 percent; in surgery, by 95 percent; in orthopedic surgery, by 134 percent; in dermatology, by 182 percent. In 1970 1 year after family practice became a board-certified specialty—1,210 family practice/general practice residencies were offered. Only 43 percent of these residency training positions were filled in 1970, the lowest percentage for any approved residency program.

In other words, 57 percent of all family practice/general practice residency positions offered in 1970 went unfilled. In contrast, other specialties filled a much greater percentage of their available slots. For example, neurological surgery filled 93 percent of its positions; dermatology, 97 percent; surgery, 91 percent; orthopedic surgery, 95 percent.

Our educational system is not only not producing enough primary care physicians; it is producing too many specialists.

Physicians practicing surgical specialties comprise the largest proportion of physicians in patient care. Stevens in her study of medical specialization outlined the rapid growth of surgical specialties:

> In 1931 only 10 percent of physicians practiced in fields characterized as surgical specialties . . . the proportion had risen to 26 percent in 1960, to over 30 percent in 1968. In short, nearly one out of every three physicans in the United States is in a field which involves surgery; a number of general practitioners are doing some surgery as well.

Bunker, in his study of surgical manpower, indicated that the number of surgeons in the United States has a direct effect on the number of surgical operations performed. He found that proportionately there are more than twice as many surgeons in the United States as in England and Wales, and proportionately more operations are performed in acute short-stay U.S. hospitals than in England and Wales:

> Until new evidence is available, it is reasonable to assume that there is a disproportionate number of surgeons in the United States, at least in relation to the total medical manpower pool, and it seems likely that some unnecessary surgery is being performed.

Bunker's conclusions are supported by Lewis' study of surgery and surgeons in Kansas. An examination of the Kansas Blue Cross Association records showed three to fourfold variation in regional rates for six common operations. Lewis found that the number of operations varied directly according to the number of available surgeons and hospital beds:

> The results presented might be interpreted as supporting a medical variation of Parkinsons' law: Patient admissions for surgery expand to fill beds, operating suites, and surgeons' time. Surgery has economic consequences for both the patient and the surgeon. The dollar volume that survery represent to those who perform it must be considered by those concerned with examining the workings of surgical services.

Less than 40 percent of all physicians *providing* patient care in 1972 were engaged in primary care as their principal practice—yet available evidence shows we need at least 60 percent.

Only 30 percent of the residencies were in the primary care specialties of family and general practice, medicine, and pediatrics in that same year.

While we have a serious and growing shortage of primary care physicians, our training institutions are not responding even at a level designed to maintain the present unacceptable conditions—and certainly not at a level to correct the shortage.

Dr. Kenneth Endicott, Administrator of the Health Resources Administration of the Department of Health, Education, and Welfare, in addressing the Institute of Medicine, of the National Academy of Sciences, in May of this year, stated:

> Our primary care problem is quite substantial and it is not a matter that can be addressed by tinkering or making minor adjustments in the system.

In 1973, the division of medical education of the American Medical Association put the problem in perspective:

> To add 50,000 more primary care physicians in 10 years would require that 50% of the American graduates and incoming foreign medical graduates for the next ten years enter primary care specialities.
>
> However, this would increase the percentage of total physicians in primary care specialities only to 38.6% from 35.1%. . . .

FOREIGN MEDICAL GRADUATES

In 1959, FMG's comprised less than 6 percent of all physicians in the United States. By 1963, that percentage increased to 10.7. Today it is 20 percent. Recent Department of Health, Education, and Welfare projections indicate that by 1990 the proportion of FMG's practicing in the United States could be as high as 30 percent.

In 1972, one-fifth, or 68,009, of all physicians in the United States were graduates of foreign medical schools. One-third (21,959) of all interns, residents, and other physician trainees in U.S. hospitals were FMG's. Almost half, or 46 percent, of all physicians newly licensed to practice in 1972 were foreign medical graduates.

Of the total number of physicians located in New York State, 35.6 percent were foreign medical graduates. In four other States—Delaware, Illinois, New Jersey, and Rhode Island—FMG's accounted for over 25 percent of the physician population.

Some people have suggested that foreign medical graduates could help reduce the geographical maldistribution of physicians in this country. According to Aaron Lowin, who testified before our committee, more than 90 percent of foreign medical graduates practice in the 300 largest metropolitan areas in this country, and only 9 percent of the total physician population in rural areas are foreign medical graduates.

Today, there are two standards for admission to graduate physician training, one for U.S. medical graduates and a lower one for foreign medical graduates.

These same foreign medical graduates provide substantial amounts of care in inner cities during their internships and residences as anyone who has ever visited an emergency room of a city hospital is aware. In New Jersey, 80 percent of the hospital residences are filled by foreign medical graduates. If you walk into an emergency room in Newark, Perth Amboy, or Elizabeth, you are almost certain to be treated by a foreign medical graduate, who is not subject to the same high standards for admission to graduate training as U.S. medical graduates are. There is no question that this produces a two-class system; one for the wealthy who can afford private physicians, and one for those who have to use foreign trained physicians.

In the United States today, there are at least 14,000 foreign medical graduates who are practicing medicine, who have not passed State licensing examinations, and who are not in internships or residencies. This amounts to a medical underground over which there is little or no quality control.

There has been a remarkable shift in recent years in FMG country of origin. In 1966, Europe and the Americas accounted for 73 percent of all physicians admitted to the United States as immigrants. In 1972, 69 percent of all such physicians were from Asia. In other words, most of the foreign-trained physicians now entering the United States come from developing, rather than developed, countries.

The vast majority of FMG's admitted as immigrants to the United States in 1972 were from Asian countries. India led the list with over 1,500 physicians admitted with immigrant status from that country in fiscal year 1972. Korea and the Philippines were the second and third highest donors. Forty-three percent of all physicians admitted as immigrants to the United States in 1972 were from these three countries. These statistics are striking. One-fourth of the physicians trained in the Philippines are now practicing in the United States. Virtually the entire, first-year graduating class at the new medical school in Chiengmai, Thailand, chartered an airplane and flew off to the United States. Currently, there are more Indian psychiatrists in the United States than there are in India.

LICENSURE

In his testimony before the Senate Health Subcommittee on June 24 of this year, Dr. Robert Derbyshire, Secretary-Treasurer of the New Mexico Board of Medical Examiners, and a national expert on licensure testified:

> The most pressing problem concerning medical licensure are obstacles to interstate mobility of physicians. This, of course, is connected with lack of uniformity of standards throughout the states.

State requirements for medical licensure vary considerably. Within States and from State to State, requirements vary for U.S. medical graduates, Canadian medical school graduates, and for graduates of foreign medical schools. Such policies reflect differing standards for premedical work, undergraduate medical training, interships and residencies, citizenship, and licensure examinations. For example, 29 States still have specific quantitative requirements for the amount of premedical college work of United States and Canadian medical school graduates. Sixteen States and the District of Columbia continue to require basic science certificates. Sixteen States have no requirement for internships or residencies for U.S. graduates, and requirements vary within State which do require such graduate training. Only four States require applicants for licensure to be a full citizen. Others vary from no requirement at all to declarations of intent. Although almost all States require candidates to pass either the national boards—the examination developed by the National Board of Medical Examiners—or the flex exam—the exmination developed by the Federation of State Licensing Boards—as a prerequisite for licensure, most U.S. graduates take the national boards and most FMG's take the flex examination. Each State has the prerogative of setting its own passing levels for the flex examination.

Forty-three State boards issue temporary educational permits, limited and temporary licenses, or other certificates for the practice of medicine. State board policies for issuing such permits differ considerably.

The system of medical licensure has been studied and analyzed in the past 7 years by no fewer than three major commissions, as well as the Department of Health, Education, and Welfare. Each has published reports indicating serious reservations toward the current procedures for licensing health professionals.

In 1967, the President's National Advisory Commission on Health Manpower advocated the development of minimum national requirements for licensure of health personnel. In addition, the Commission recommended that State governments and professional societies begin to explore the possibility of periodic relicensing of health personnel, in order to assure continued quality of care. The Commission also recommended that FMG's—before entering postgraduate training programs in the United States—be required to participate in programs to evaluate their competency in basic and clinical medical sciences, in English language proficiency, and in other appropriate fields. The Commission recommended that remedial training be provided for FMG's where necessary.

The Carnegie Commission on Higher

Education published its report, "Higher Education and the Nation's Health," in October 1970. The Commission also recommended that the feasibility of national licensing requirements for all health manpower be explored and recommended national requirements for periodic reexamination and recertification of all physicians and dentists by specialty boards and other appropriate bodies.

In 1971, the Department of Health, Education, and Welfare published its major study on licensure of health personnel in the United States. The report flatly recommends the States adopt national examinations for the licensure of health professionals. In addition, the report advocates that States and professional societies incorporate requirements to assure continued levels of competence by health practitioners.

The Health Professions Educational Assistance Act of 1974 is expressly designed to achieve six basic health manpower objectives, which have yet to be attained.

First of all, it continues the innovative capitation program, so as to assure financial stability for the educational institutions upon which the Nation must depend for its supply of high quality health professional manpower. The capitation program was initially authorized by our committee in its health manpower proposal in 1971—Public Law 92-157. The capitation program was recommended by the Carnegie Commission on Higher Education.

The committee believes this program has the best chance of assuring institutional financial stability. The committee cannot support the administration's proposal which would begin now—only 3 years after its initiation—to phase down capitation support for some schools, while abandoning it altogether for other schools. The committee believes the implementation of such a policy would very shortly produce essentially the same set of circumstances which existed prior to the enactment of Public Law 92-157, in which the schools had to demonstrate serious financial distress in order to qualify for Federal support. The committee sees no merit whatsoever in embarking on a policy which inevitably will create financial chaos. The capitation funding levels in the committee's bill are set at the midlevel—33⅓ percent of net educational costs—as contained in the Institute of Medicine's cost study of January 1974, which was commissioned 3 years ago by the Congress to determine such costs. The exception to the 1974 study in the reported bill is in respect to schools of osteopathy, the funding levels for which the committee for historic and other reasons has chosen to equate with schools of allopathic medicine. The committee wishes to reemphasize that it believes that capitation support is the best form of institutional support now available. The committee does not believe that it is the only mechanism of support. And the committee remains open to any and all innovative suggestions in this respect.

The second fundamental objective of the bill is to assure adequate forms of students assistance. For too long the health professional educational institutions of this Nation have educated the children of the upper middle class and the wealthy. This situation is now being significantly improved. I want to commend each of those educational institutions which continues to make its best effort to reach out and recruit capable young people regardless of their financial situation. The greatly expanded National Health Service Corps Scholarship program and improved student loan programs contained in the bill are intended to add additional momentum to this trend.

The third fundamental objective of S. 3585 is to effectively overcome the problem of geographic maldistribution of health professionals. The committee has been monitoring this problem since it last extended the Health Professions Educational Assistance Act of 1971. This effort along with the abundance of information and data which the committee received during its recent hearings have lead to the following conclusions. First of all, geographic maldistribution of health professionals is national scope. Second, the problem is long standing and pervasive, stretching back over many decades. Third, the problem is rapidly growing worse, not better. And, therefore, efforts to correct the problem to date, however commendable they may be, have not worked.

Efforts to combat geographic maldistribution date back at least to 1920 at which time New England communities enacted ordinances to provide free automobiles as an enticement to bring physicians to their communities. In the 1930's the Commonwealth Foundation provided fellowships to physicians who would agree to practice in rural areas, in 1942 Virginia enacted a statute to provide for fellowships for persons who would agree to serve in shortage areas. In 1946 the Federal Government enacted the Hill-Burton Hospital Construction program in the hopes that the construction of facilities in rural areas would attract physicians to them.

Subsequently other States have made similar attempts to deal with the problem. In the 1950's the American Medical Association and State medical societies began programs to encourage physicians to practice in rural areas. In 1959 the Sears Roebuck Foundation distributed architectural plans for physician office buildings to towns seeking to attract physicians.

These efforts have failed. Geographic maldistribution is far more severe today than it was in 1920.

With regard to the effectiveness of State programs to combat the problem the committee was impressed by an article published in the Journal of Medical Education, the official publication of the association of American Medical Colleges by Henry Mason, M.P.H., entitled "Effectiveness of Student Aid Programs Tied to a Service Commitment." At the time of the article's publication Mr. Mason was a research associate in the department of undergraduate medical education at the American Medical Association. Mason's research found there were financial aid programs for medical students in 34 States and the District of Columbia; 27 States have loan programs and additionally, 18 States have scholarship programs.

And the majority of these programs are sponsored by State government and/or State medical associations. Mason's research covers a 25 year span. And he points out:

> It is significant that only one program has had outstanding success over its 25 year history.

This was the Kentucky program in which 194 physicians repaid their obligation by serving in rural practice. That figure is the grand total for the Kentucky program—the exception to the rule and in fact covers 25 years. Despite these efforts in Kentucky, 61 of a total of 120 counties lost physicians between 1960 and 1970. And 115 of Kentucky's counties have fewer physicians per population than the United States average.

Mason's research covered the 11 States having the oldest programs. These States are Arkansas, Georgia, Illinois, Iowa, Kentucky, Minnesota, North Carolina, North Dakota, South Carolina, Virginia, and West Virginia. The oldest program had been in existence 29 years—Virginia. And the youngest had been in existence 11 years—West Virginia. All in all the programs produced a total of 658 physicians who repaid their obligation by serving in rural practice. Over the 29-year history of these programs, that is an average of 3 physicians per State per year.

The fourth major objective of the committee's bill is to overcome the problem of specialty maldistribution of physicians. As noted earlier, the existence of a long standing, national problem which has been successfully resistant to piece-meal attempts at solution. All too frequently the residency training programs of this Nation, which are the determiners of the number and kinds of physicians the Nation produces, are designed to meet the service needs of community hospitals and/or the research needs of the facilities of medical schools, rather than the real health needs of the American people. The time has come and gone in terms of reordering these priorities.

When I asked Dr. Edwards, Assistant Secretary for Health for the Department of Health, Education, and Welfare, should we come to grips with this problem, he said:

> I think we have to come to grips with that particular problem. . . .
>
> In the past, Federal policies toward specialty and geographic distribution of health professionals have relied too heavily on a notion that an increase in total supply would solve the distribution problems.
>
> During the 1960's and 1970's, while there was a significant increase in the supply of physicians, the absolute number of primary care physicians decreased sharply . . .
>
> Policies aimed at solving the problem of geographic and specialty maldistribution

which concentrate on increasing the aggregate supply of health manpower probably will continue to be extremely expensive and largely ineffective.

I recognize that efforts have been made to place greater emphasis on primary care, but I have concluded that such efforts would be not enough without greater leadership by the Congress. I agree with Dr. Gerald Weber, associate professor, University of California, who testified before the House Subcommittee on *Public* Health and Environment in May of this year:

> There is no evidence that accredited organizations and professional societies can or will adequately plan and control the growth of residencies.

Like geographical maldistribution, specialty maldistribution has been recognized but ineffectively dealt with for too long not to conclude otherwise.

The fifth fundamental objective of the bill is to overcome the Nation's reliance upon foreign medical graduates for the routine delivery of medical services. The committee's research and hearing record described earlier amply documents the growing reliance of this Nation on foreign medical graduates, the qualifications and skills of many of whom must be seriously questioned. Indeed the committee is convinced that there already exists in this Nation a dual class system of medical care in which some of the most unfortunate citizens of the society, such as residents of State and county operated mental institutions, must rely for medical services on persons who may not be able to converse with them in the English language and whose professional skills are not above suspicion.

The committee's hearings have documented the existence of a medical underground of foreign medical graduates who are practicing medicine today and who have not completed their State licensing examinations.

I do indeed believe that it is appropriate and useful for foreign medical graduates to come to America for educational and research purposes. However, I find the current situation in which rapidly growing number of foreign medical graduates from the developing nations are delivering questionable medical care to citizens of the Nation, a matter of grave concern, not only for this country but also for theirs.

The final major objective of the committee's bill is to overcome the archaic and conflicting provisions of State licensing statues in respect to physicians and dentists. The committee's research and hearing record convincingly document that the crazy-quilt pattern of State licensing laws, which impede the free flow of physicians and dentists from State to State, thereby creating conditions in which the quality of health and medical care available to the American people varies from State to State working to the disadvantage of many Americans. I believe that State licensing laws too frequently have not adequately protected the public from unethical and/or incompetent practitioners as a consequence of the inadequate enforcement of State licensing statutes by State medical boards.

As I noted earlier, the system of medical licensure has been studied and analyzed in the past 7 years by no fewer than three major commissions, as well as the Department of Health, Education, and Welfare. Each has published reports indicating serious reservations toward the current procedures for licensing health professionals.

I believe that a set of minimum national standards for the licensing of physicians and dentists, implemented by the several States, is essential to overcome the lack of uniformity of the existing State's requirements and to overcome the variable way in which the States now determine who shall be initially licensed and under what circumstances a license should be suspended.

I know of no other effective way to interdict the symbiotic relationship between organized medicine and dentistry on the one hand, and the practices of State licensing bodies on the other.

Since the enactment of Federal legislation to support health professional schools and their students more than 10 years ago, billions of dollars of Federal assistance have been made available to these institutions. And, while the schools have responded magnificently to a host of Federal initiatives over the past 10 years, especially, for example, increasing student enrollments, the fact is that the four major problems previously described above have grown worse not better. And consequently I now believe that these problems will never be overcome until and unless the Federal Government directly assists the schools, their students, health professional societies, and appropriate State and local public bodies in meeting these problems. I can no longer be convinced that the problem is well on the way to solution when the evidence overwhelmingly indicates the opposite to be the case.

The Congress of the United States acts as the steward of the American people regarding the purposes and the amount of funding available for health professional schools. In that respect we must be constantly vigilant in asking ourselves the question—is the public receiving full value for the investment we are making on their behalf? I believe that the public at large is not receiving full value. And, having reached that conclusion based upon the evidence, I feel that Congress must either act to overcome the problems which deny the public the benefits they rightly deserve or we must fundamentally call into question the appropriateness of continuing to require the American public through their tax dollars to contribute so heavily to these institutions. S. 3585 would do the former.

Finally, Mr. President, I ask unanimous consent to have printed in the Record at this point sections I, V, VI, VII, VIII, and IX of my committee's report on this bill regarding legislative history, need for the legislation, the administration's proposal, committee amendments, committee views, and the constitutionality of the committee's bill.

There being no objection, the material was ordered to be printed in the Record, as follows:

I. Legislative History

"Medical schools have received $1,083,740,000 since direct federal aid to medical education began in 1964. There is now reason to believe that the quid pro quo is at hand, and the academic health center may find that it is increasingly obliged to give up part of its traditional independence and accept those responsibilities which society, in turn, may place upon it." Merlin K. Duval, M.D., Assistant Secretary of Health, Department of HEW, address to Association of American Medical Colleges, November 1972.

By enacting the Health Professions Educational Assistance Act (P.L. 88–129) in 1963, Congress established the first Federal program directed to meeting at that time, critical needs for physicians, dentists, and certain other professional health manpower, and providing assistance to schools for construction of facilities and assistance to students in the form of loans.

The scope of this legislation was broadened by the Health Manpower Act of 1968 (P.L. 90–490). These later amendments provided construction assistance and support for educational purposes through institutional and special project grants to schools of medicine, osteopathic medicine, dentistry, optometry, pharmacy, podiatry, and veterinary medicine. These amendments also provided aid to students through both loans and scholarships, and authorized construction assistance for schools of public health.

The latest amendments to this legislation were passed by the Congress as part of the Comprehensive Health Manpower Training Act of 1971 (P.L. 92–157). This legislation was designed to establish a coherent and explicit Federal role with regard to support of the education of health manpower. In addition to continuing support for construction, special projects, and institutional and students assistance, this legislation made fundamental modifications and additions to health professions educational assistance programs. This legislation was aimed at increasing the supply of health professions personnel developing new types of personnel and improving the distribution of health services personnel, while stabilizing the finances of health professions educational institutions.

A detailed summary of the legislative history of these authorities follows:

[Excerpt from the Congressional Record—
Senate, June 5, 1974]

HISTORY OF FEDERAL ASSISTANCE TO HEALTH PROFESSIONS SCHOOLS

On June 30, 1974, the various authorities in the Comprehensive Health Manpower Training Act of 1971 for federal assistance to health professions education are to expire. Congressional action will be required to extend or modify those authorities. The Comprehensive Health Manpower Training Act authorizes three broad categories of federal assistance institutional support, student assistance, and construction assistance. The following is a brief description of the assistance available in each of these categories, as well as in a number of related areas.

Institutional support. The basic program of institutional support is a capitation grant based on the number of students and graduates, with bonuses for three-year M.D. programs, for training of physicians' assistants, and for enrollment increases above a mandatory increase required to qualify for capitation support. Additional institutional support is provided through $50,000 base grants to small schools, through start-up assistance to new schools, through conversion assistance to basic science schools wishing to become degree-granting institutions, through special projects grants and through financial distress grants.

Student assistance.—Student assistance is provided through loans and scholarships of up to $3,500 per year for students studying either in the United States or abroad. Loan forgiveness provisions apply to students agreeing to practice in underserved areas. A special scholarship program, paying up to $5,000 per year, is available to students agreeing to practice in underserved areas.

Construction assistance.—Grants-in-aid of up to 80 percent are available to public or nonprofit private schools. For nonprofit private schools assistance is also available through loan guarantees and interest subsidies (with or without guaranteed loans).

Other programs.—The Comprehensive Health Manpower Training Act also authorizes a number of other programs related to medical education. They include; (1) Health Manpower Education Initiative Awards (HMEIAs) for improving through grants or contracts with public or nonprofit private entities the distribution, supply, quality, utilization and efficiency of health personnel and the health service delivery system; (2) a program of grants to hospitals for training, traineeships and fellowships in family medicine; (3) a program of formula grants to schools or unaffiliated hospitals for support of the educational costs of graduate training for physicians and dentists in primary care or other designated shortage areas; (4) a program of grants to schools for training, traineeships and fellowships for health professions personnel; and (5) a program of grants to public or nonprofit private entities for computer technology health care demonstration programs.

The various federal health professions education assistance programs have been divided among five categories: institutional support, student assistance, construction assistance, other programs and advisory councils. Within each category, the legislative history of its expansion and development is traced chronologically. The various assistance programs have been affected by the following Act:

Health Professions Educational Assistance Act of 1963 (PL 88-129), contained the original legislation and authorized the HPEA program for three years through fiscal 1966.

Nurse Training Act of 1964 (PL 88-581), removed nurses and nurses' training from the HPEA program.

Amendments to the Public Health Service Act, 1964 (PL 88-564), included optometrists and schools of optometry in the student loan program.

Health Professions Education Assistance Amendments of 1965 (PL 89-290), extended HPEA authorities for three additional years through fiscal 1969, increased construction authorizations, modified the student loan program, and created two new forms of aid, educational improvement grants, and scholarships.

Veterinary Medical Education Act of 1966 PL 89-709), included veterinarians and schools of veterinary medicine in the HPHA construction and student loan programs.

Allied Health Professionns Personnel Training Act of 1966 (PL 89-751), modified the student assistance program by adding a revolving-fund-based student loan fund.

Partnership for Health Amendments of 1967 (PL 90-174), altered the composition of the National Advisory Council on Education for Health Professions.

Health Manpower Act of 1968 (PL 90-490), extended the HPEA authorities for an additional two years through fiscal 1971, and amended the construction assistance, student loan, student scholarship, and institutional support programs.

Amendments to the Public Health Service Act, 1970 (PL 91-515), prohibited members of the National Advisory Council on Education for Health Professions and the National Advisory Council on Health Professions Educational Assistance from receiving compensation.

Health Training Improvement Act of 1970 (PL 91-519), amended the formula for determining institutional grants to new HPEA schools.

Amendments to the Public Health Service Act, 1971 (PL 92-52), extended the authority for the student loans and student scholarship programs through fiscal 1972.

Comprehensive Health Manpower Training Act of 1971 (PL 92-157), extended the HPEA authorities for an additional three years through fiscal 1974, amended the construction assistance, student loan, student scholarship, and institutional support programs, and created several new programs of support including health manpower education initiative awards.

Emergency Health Personnel Act Amendments of 1972 (PL 92-585), amended the student loan forgiveness provisions.

Institutional support

Health Professions Educational Assistance Amendments of 1965 (Public Law 89-290)

Authorized appropriations of $20,000,000 for fiscal 1966, $40,000,000 for fiscal 1967, $60,000,000 for fiscal 1968, and $80,000,000 for fiscal 1969 for basic and special improvement grants to schools of medicine, dentistry, osteopathy, optometry, and podiatry.

Authorized the Surgeon General to award basic improvement grants to schools of medicine, dentistry, ósteopathy, or podiatry. Limited the grants per school for fiscal 1966 to $12,500 plus $250 times the number of full time students and fiscal years 1967 through 1969 to $25,000 plus $500 times the number of full time students.

Prohibited grants to a school unless its application contained reasonable assurances that, during the period for which it would receive grants, the first-year enrollment of full time students at the school would exceed the highest first-year enrollment for any of the school years during the period July 1, 1960 through July 1, 1965 by the greater of 2½ percent or five students. Stipulated that this requirement shall be in addition to the enrollment increase requirement for construction assistance under this Act.

Permitted the Surgeon General to waive the enrollment increase requirement for basic improvement grants if he determined, after consultation with the National Advisory Council on Medical, Dental, Optometric, and Podiatric Education, that the requirement would so crowd the school's physical facilities as to impair the quality of training.

Authorized the Surgeon General to make special improvement grants from the appropriated sums not used for basic improvement grants to schools of medicine, dentistry, osteopathy, optometry, or podiatry. Required that only those schools which have approved basic improvement grant applications are eligible for special improvement grants.

Stipulated that no special improvement grants may be awarded unless recommended by the National Advisory Council on Medicine, Dental, Optometric, and Podiatric Education. Required that special improvement grants be used only for providing for or the maintenance of accreditation or for the school's specialized functions.

Limited special improvement grants per school to $100,000 for fiscal 1966, $200,000 for fiscal 1967, $300,000 for fiscal 1968, and $40,000 for fiscal 1969.

Limited eligibility for basic improvement and special improvement grants to public or non-profit schools of medicine, dentistry, osteopathy, optometry, or podiatry that are accredited or provide reasonable assurances of accreditation. Required consultation when awarding grants with the National Advisory Council on Medical, Dental, Optometric, and Podiatric Education.

Specified that grants may be approved only if the applications: meet the eligibility standards; guarantee that during the fiscal year in which a grant is sought, the school's expenditure of non-federal funds (excluding funds for construction) will be at least equal to the average amount spent during the previous three years; contain additional information deemed necessary by the Surgeon General; and provide for fiscal control, accounting procedures, reports and access to records to assure proper disbursement of and accounting for federal funds.

Required the Surgeon General when awarding special improvement grants to take into consideration a school's financial need, the effectiveness of the school's plan for achieving the purposes of the grant, and the contribution to an equitable geographic distribution of schools offering high quality training of physicians, dentists, optometrists.

Health Manpower Act of 1968
(Public Law 90-490)

Authorized appropriations of $117,000,000 for fiscal 1970 and $168,000,000 for fiscal 1971 for institutional grants (previously basic improvement grants) and special project grants (previously special imprevement grants). Authorized the Secretary to allocate the appropriated sums between institutional grants and special project grants unless they are specifically allocated by this Act or annual appropriations acts.

Extended to schools of pharmacy and veterinary medicine eligibility for institutional and special project grants.

Altered the existing allotment formula for institutional grants by awarding to each eligible school $25,000 and distributing the remainder to the schools as follows: 75 percent of the remainder allocated according to a school's relative full time enrollment and its relative increase in full time enrollment over the average full time enrollment for the previous five years, with the number of increased students counted twice; and 25 percent of the remainder allocated according to a school's relative number of graduates. Stipulated that schools, when calculating their relative increase in full time enrollment, exclude a number equal to the enrollment increase requirement for institutional grants. Specified that for fiscal years 1970 and 1971 no school could receive a grant smaller than one it received in fiscal 1969.

Altered the enrollment increase requirement for institutional grants by requiring reasonable assurances that the first-year, full time enrollment for the school year after the fiscal year in which the grant was made and for each succeeding school year in which a grant will exceed the average full time first-year enrollments of the two school years having the largest enrollments between July 1, 1963 and June 30, 1968 by the greater of 2½ percent or five students. Authorized the Secretary to waive this requirement if he determines, after consultation with the National Advisory Council on Health Professions Educational Assistance (previously the National Advisory Council on Medical, Dental, Optometric, and Podiatric Education), that, because of limitations in physical facilities, the school's quality of training would be lowered.

Stipulated that an institutional grant to a school could not exceed in any fiscal year the school's teaching expenditures from non-federal sources (excluding expenditures of a nonrecurring nature) during the previous year. Exempted from this provision schools which have over the previous year added a particular year-class and Howard University.

Amended the special project grant provisions so that the specific purposes of the grants would be: to plan, or establish new programs or modifications of existing programs of education in the respective health professions; to effect significant improvements in the curriculums of the respective health professions schools; to conduct research in the various fields related to education in the respective health professions; to develop training for new levels or types of health professional personnel; to assist any school which is in serious financial straits to meet the cost of operation; to assist any school which has a special need for financial assistance to meet the accreditation requirements; to meet the cost of planning and designing experimental teaching facilities; or to otherwise strengthen, improve, or expand programs to train personnel in the respective health professions or to help increase the supply of adequately trained personnel in the health professions.

Repealed the requirement that schools have an approved application for an institutional grant in order to be eligible for a special project grant. Removed all limitations on the amount per year of special project grants to schools.

Health Training Improvement Act of 1970 (Public Law 91-519)

Stipulated that, in the case of new schools of medicine, dentistry, osteopathy, pharmacy, optometry, veterinary medicine, or podiatry which apply for institutional grants in the fiscal year preceding the fiscal year in which they will admit their first class, the Secretary will determine the enrollment figures to be used for allocating institutional grants. Specified that the enrollment figures should be based on the school's assurances of the number of full time students who will be enrolled in the school in the fiscal year after the fiscal year in which the grant is made. Specified that this provision is only effective for sums appropriated for institutional grants after fiscal 1970.

Required that sums appropriated after the enactment of this Act for fiscal 1971 for special project grants to assist schools in serious financial trouble to meet their operating costs remain available through fiscal 1972.

Declared that the Congress found the Nation's economy, welfare, and security to be adversely affected by the acute financial crisis threatening the medical and dental schools. Stipulated that the Secretary shall determine the need for emergency financial assistance to medical and dental schools and report that to the Congress on or before June 30, 1971.

Comprehensive Health Manpower Training Act of 1971 (Public Law 92-157)

Amended the PHS Act to provide capitation, special project, start-up conversion, and financial distress grants.

Capitation grants—Authorized appropriations for capitation grants: for fiscal 1972 $200,000,000 for schools of medicine, dentistry, and osteopathy and $34,000,000 for schools of optometry, pharmacy, podiatry, and veterinary medicine; for fiscal 1973 $213,000,000 for schools of medicine, dentistry, and osteopathy and $37,000,000 for schools of optometry, pharmacy, podiatry, and veterinary medicine; and for fiscal 1974 $238,000,000 for schools of medicine, dentistry, and osteopathy and $41,000,000 for schools of optometry, podiatry, pharmacy, and veterinary medicine.

Established the formula for distributing capitation grants to schools of medicine (other than two-year schools of medicine), dentistry, and osteopathy to be: $2,500 for each first-, second- and third-year student; $1,000 for each enrollment bonus student; $1,000 for each student training full time as a physician's assistant or dental therapist; $4,000 for each graduate completing studies in more than three years; and $6,000 for each graduate completing studies in three years or less.

Established the formula for distributing capitation grants to two-year schools of medicine to be: $2,500 for each full time student; and $1,000 for each student training full time as a physician's assistant.

Established the capitation grant formula for schools of veterinary medicine to be: $1,750 for each full time student; and $700 for each enrollment bonus student.

Established the capitation grant formula for schools of pharmacy, optometry, and podiatry to be: $800 for each full time student; and $320 for each enrollment bonus student.

Required the pro-rating of grants if approved applications exceed appropriations. Limited the enrollment bonus student grant to $150,000 per class.

Created a base grant of $50,000 for a maximum of two years for schools of medicine, dentistry, and osteopathy which have received their first capitation grant after fiscal 1971 and have a first-year class of 50 or less.

Defined an enrollment bonus student to be a full time student in a first-year class which attains certain prescribed enrollment standards. Provided that an enrollment bonus student shall be considered as one in each succeeding year of his enrollment.

Established the following enrollment standards for bonus enrollment students: for the 1971-1972 school year, the fall 1971 first-year class must exceed the fall 1970 first-year class by the greater of five percent or five students and the school must provide assurances that succeeding first-year classes will not be less than the fall 1971 enrollment plus either 10 percent of the fall 1970 first-year enrollment if the 1970 enrollment was under 100 or the greater of five percent or 10 students if the class was more than 100; and for school years after the 1971-1972 school year, for a school without a previous enrollment bonus student grant, the first-year class must not be less than the required enrollment (10 percent over first-year enrollment in fall 1970 if such enrollment was under 100 or the greater of five percent or 10 students over first-year enrollment in fall 1970 if such enrollment was over 100) plus the greater of five percent of such enrollment or five students, and for a school that has previously qualified for an enrollment bonus student grant, the first-year class must not be less than the assured enrollment plus the greater of five percent of such enrollment or five students. Required that all schools applying for enrollment student bonus grants after the 1971-1972 school year provide assurances that succeeding first-year classes will not be less than the enrollment required to qualify for an enrollment bonus student grant.

Stipulated that in the case of a new HPEA school which applies for a capitation grant in the fiscal year preceding the fiscal year in which it will admit its first class, the enrollment for the purposes of determining the size of the capitation grant and eligibility for a base grant shall be the number of full time students which the Secretary determines, on the basis of assurances provided by the school, will be enrolled in the school, in the fiscal year after the fiscal year in which the grant is made.

Required that the Secretary not make a capitation grant to any school after fiscal 1971 unless the application for the grant contained assurances that: the first-year full time enrollment during the first year after the grant is made and for each succeeding year in which a grant is made, will exceed the enrollment of the fall 1970 class by 10 percent if that enrollment was less than 100 or by the greater of five percent or 10 students if the enrollment was greater than 100 (specified that these requirements shall be in addition to the enrollment increase requirements for HPEA construction grants); and the applicant must spend (other than on construction) during the fiscal year in which the grant is sought, an amount from non-federal sources at least equal to the previous three-year non-federal spending average. Authorized the Secretary to waive the enrollment increase requirement for capitation grants if he determines after consultation with the National Advisory Council on Health Professions Education, that because of limited physical facilities or other relevant factors the required increase would lower the training quality.

Required the Secretary, in cases where the enrollment increase exceeded the minimum requirements, to satisfy himself, after consultation with the appropriate accreditation body, that the expanded program will meet accreditation standards.

Required schools which are applying for their initial capitation grants under this Act to submit with their grant application a plan to carry out during the next two-school-year period at least three of the following projects: to improve the curriculum, including efforts to shorten the degree program; to develop interdisciplinary training among schools of medicine, dentistry, osteopathy, optometry, podiatry, pharmacy, veterinary medicine, nursing, public health, and allied health, including training for the use of the team approach; to develop training programs for new roles, types, and levels of health personnel; to modify existing health professions educational programs, including projects for the teaching of the organization, provision, financing, or evaluation of health care; to assist in increasing the supply of health personnel; to increase training in schools of medicine, osteopathy, and dentistry in clinical pharmacology, drug abuse control, and the science of nutrition; to increase training in pharmacy schools in clinical pharmacy, clinical pharmacology, and drug abuse control; to stimulate minority enrollment; and to train primary health care professionals, with particular emphasis on programs of family medicine.

Permitted the Secretary to make, in connection with these projects, on-site inspections of any school and require information or data from any school. Required the Secretary to report to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House about these projects by January 1, 1973 and September 1, 1974.

Special project grants.—Authorized the Secretary to award special project grants to assist schools of medicine, dentistry, osteopathy, veterinary medicine, optometry, pharmacy, and podiatry to: effect significant curriculum improvements, with an emphasis on programs for training in family medicine; develop interdisciplinary training among HPEA schools plus schools of nursing, allied health, public health, including training in the team approach; develop training programs for new roles, types, and levels of health personnel; develop new or modify existing health professions educational programs, including projects for the teaching of the organization, delivery, financing, or evaluation of health care; research, develop, or demonstrate advances in the various fields related to education in the health professions; improve geographic and specialty group distribution of health professions; increase training in clinical pharmacology, alcoholism, drug abuse control, and the science of human nutrition; encourage enrollment in HPEA schools of students likely to practice in health professions shortage areas; encourage minority enrollment; plan experimental teaching programs and facilities; provide traineeships under a preceptor in family practice, pediatrics, internal medicine, or any other Secretary-designated field; utilize health personnel more efficiently through the use of computer technology; and encourage effective approaches to the organization and delivery of health services through the team approach and the use of computer technology.

Authorized the Secretary to enter into contracts with public or private health educational entities to carry out any special project grant.

Authorized the Secretary to issue grants and enter in contracts for: information-gathering for; planning, development, demonstration, and establishment of; and alteration or renovation of any existing facility for; any special grant project.

Authorized appropriations of $118,000,000 for fiscal year 1972, $138,000,000 for fiscal 1973, and $156,000,000 for fiscal 1974 for special project grants. Required that funds appropriated for fiscal 1972 shall remain available for obligation through September 30, 1972.

Start-up grants.—Authorized the Secretary to issue start-up grants to new schools of medicine, dentistry, and osteopathy which begin instruction after the enactment of the start-up assistance grant section of the PHS Act.

Defined a new school as one which is in the year before its first students are enrolled, and in the next two years.

Limited grants of $10,000 per anticipated student in the year preceding the first year of operation, $7,500 per full time student in the first year of operation, $5,000 per full time student in the second year of operation, and $2,500 per full time student in the third year of operation. Required a minimum initial enrollment of 23 to qualify for a start-up assistance grant.

Stipulated that applications providing assurances that use of existing facilities (including federal medical and dental facilities) will accelerate the opening date are to be given priority.

Authorized appropriations of $10,000,000 for each of fiscal years 1972, 1973, and 1974 for start-up assistance grants.

Conversion grants.—Authorized the Secretary to make special assistance grants to public or non-profit two-year schools of basic medical science which desire to become accredited degree-granting schools of medicine. Required assurances that the school will be affiliated with an accredited hospital.

Limited grants to $5,000 times the number of third-year students initially enrolled in the school. Prohibited a school from receiving more than one such grant.

Specified that applications for conversion grants were to be submitted before fiscal 1975 and that the school must enroll third-year students not later than the school year beginning in fiscal 1975.

Financial distress grants.—Authorized the Secretary to issue financial distress grants to schools of medicine, dentistry, osteopathy, veterinary medicine, optometry, pharmacy, or podiatry to meet the operating costs of schools in serious financial condition, or to aid schools having special financial need to meet accreditation requirements.

Authorized appropriations of $20,000,000 for fiscal 1972, $15,000,000 for fiscal 1973, and $10,000,000 for fiscal 1974 for financial distress grants. Stipulated that appropriated sums under this authorization which are not expended may be used for special project grants. Required that sums appropriated for fiscal 1972 remain available for obligation through September 30, 1972.

Required schools which receive financial distress grants to agree to: disclose any financial information deemed necessary by the Secretary to determine the sources or cause of the school's financial distress; conduct a comprehensive cost analysis study; and carry out appropriate financial and operation reforms.

Schools must provide assurances in their financial distress grant applications that they will spend (other than on construction) during the fiscal year in which the grant is sought, an amount from non-federal sources at least equal to the previous three year non-federal spending average. Provided that the Secretary after consultation with the National Advisory Council on Health Professions Education may waive the non-federal spending requirement.

General provisions.—Limited eligibility for capitation, special project, start-up, conversion and financial distress grants to public or non-profit HPEA schools which are accredited or can offer reasonable assurances of accreditation. Required that the Sectary consult with the National Advisory Council on Health Professions Education on all grant applications.

Required that capitation, start-up assistance, special project, conversion and financial distress grants can be awarded only if the application: is approved by the Secretary after his determination that the application meets the applicable eligibility requirements for each specific grant; contains all additional information the Secretary requires for each particular grant; and provides for fiscal-control and accounting procedures and access to records to assure proper disbursement of and accounting for federal funds.

Student Assistance

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1963 (PUBLIC LAW 88-129)

Loans.—Authorized the Secretary of HEW to enter into agreements for the establishment and operation of student loan funds with public or non-profit, accredited schools of medicine, osteopathy, or dentistry. Specified that each agreement shall provide for the establishment of a student loan fund by the school; finance the student loan fund with capital contributions from both the federal government and the school; require the school to contribute at least one-ninth of the total capital contributions; limit loans to full-time, degree-seeking students of medicine, osteopathy, and dentistry; prohibit a student from receiving loans under both the Health Professions Educational Assistance from receiving loans under both the Health Professions Educational Assistance Act of 1963 and the National Defense Foundation Act of 1958; and contain provisions to protect the financial interests of the United States.

Limited loans from the loan fund to a maximum of $2,000 per student per academic year. Required the repayment of loans to begin three years after the end of full-time study with a maximum 10-year repayment period. Allowed a maximum three-year extension to the 10-year repayment period for active duty in the Armed Forces or services in the Peace Corps. Established the interest rate on student loans at the greater of three percent a year or the going federal interest rate at the time the loan is made.

Authorized appropriations to the Secretary for federal capital contributions to student loan funds of $5,100,000 for fiscal 1964, $10,200,000 for fiscal 1965, and $15,400,000 for fiscal 1966. Authorized appropriation for fiscal years 1967, 1968, and 1969 of the sums necessary to enable students who have received HPEA loans for any academic year ending before July 1, 1966, to continue or complete their education.

Authorized the Secretary to loan to school's the money needed to meet their share of the capital contributions to the student loan funds.

AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT, 1964 (PUBLIC LAW 88-654)

Loans.—Extended to qualified schools of optometry and students of optometry the provisions relating to the student loan program as found in the HPEA Act.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE AMENDMENTS OF 1965 (PUBLIC LAW 89-290)

Loans.—Authorized appropriations to the Secretary for federal capital contributions to student loan funds of $25,00,000 in each of fiscal years 1967, 1968, and 1969. Further authorized appropriations for fiscal years 1970, 1971, and 1972 of the sums necessary to enable students who have received loans under the HPEA Act for any academic year ending before July 1, 1969, to continue or complete their education.

Extended the provisions of the student loan fund program to schools of pharmacy and podiatry.

Increased from $2,000 to $2,500 the maximum amount of a loan to a student for an academic year.

Established a loan forgiveness program of 10 percent per year of practice, with a 50 percent maximum cancellation, for students of medicine, dentistry, optometry, and osteopathy with HPEA student loans who practice in doctor shortage areas.

Authorized appropriations of $1,500,000 for loans to schools to help the schools finance their capital contributions to the student loan fund.

Established that the interest rate which a student pays for an initial HPEA loan shall apply to any subsequent loans under the Act during the student's course of study.

Scholarships.—Authorized a scholarship program from fiscal 1966 through fiscal 1969 based on grants from the Surgeon General to public or non-profit, accredited schools of medicine, osteopathy, dentistry, optometry, podiatry, or pharmacy.

Limited the total scholarship grants to any school to $2,000 times one-tenth the number of full-time: first-year students in fiscal 1966; first- and second-year students in fiscal 1967; first-, second-, and third-year students in fiscal 1968; and total students in fiscal 1969. Provided for fiscal years 1970, 1971, and 1972 the necessary grants to enable schools to continue scholarship awards to students who received scholarship from grant awarded to the schools before fiscal 1970.

Restricted eligibility for HPEA scholarships to students from low income families who could not pursue their studies without scholarship assistance. Required that scholarships from grants under this Act be offered only to individuals who: have been accepted as full-time first-year students; are enrolled and in good standing as full-time students; or, in the case of funds appropriated for fiscal years 1970, 1971, and 1972, are enrolled and in good standing as full-time students who have received HPEA scholarships prior to fiscal 1970.

Stipulated that scholarships could cover tuition, fees, books, equipment, and living expenses. Limited scholarships to $2,500 per year per student.

Required that all scholarship grants to schools be made after consultation with the National Advisory Council on Medical, Dental, Optometric, and Pediatric Education.

VETERINARY MEDICAL EDUCATION ACT OF 1966 (PUBLIC LAW 89–709)

Loans.—Extended the provisions of the HEPA student loan fund program, except loan forgiveness, to qualified schools and students of veterinary medicine.

Authorized appropriations to the Secretary for federal capital contributions to student loan programs for veterinary students of $500,000 for fiscal 1967, $1,000,000 for fiscal 1968, and $1,500,000 for fiscal 1969.

ALLIED HEALTH PROFESSIONS PERSONNEL TRAINING ACT OF 1966 (PUBLIC LAW 89–751)

Loans.—Extended the loan forgiveness program to physicians, dentists, and optometrists who practice in a rural area with low family income. Authorized loan forgiveness of HEPA student loans to those qualified under this provision of 15 percent a year, with the Secretary authorized to cancel an additional 50 percent of the loan.

Created an alternative means, in addition to federal capital contributions, of financing student loan programs by substituting provisions authorizing the establishment of a revolving loan fund for former authorization of federal loans to cover the schools' share of the capital contributions to student loan funds.

Authorized for fiscal years 1967 and 1968 the Secretary of HEW to make loans from the revolving fund to any public or nonprofit, accredited school of medicine, osteopathy, dentistry, podiatry, optometry, or veterinary medicine to provide the capital needed for student loan funds. Stipulated that: loans to students from revolving-fund-financed student loan funds be governed by the same loan provisions as loans to students from capital-contribution-financed student loan funds; schools be prohibited from borrowing from the revolving loan fund to pay their required share of the capital contributions to student loan funds; and loans to schools from the revolving fund be exempted from the one-ninth school contribution required for federal capital contributions.

Provided that: loans to schools from the revolving fund be consistent, as the Secretary deems necessary, with the loan agreement provisions which govern federal capital contributions to schools and the loan funds which the contributions finance; the Secretary may specify, to assure the achievement of the revolving-fund-based loan program, the source (revenues or other assets or security) from which the school's obligation on a loan is to be repaid; and the Secretary shall determine the interest rate on loans to schools from the revolving fund based on probable losses and the going rate on comparable U.S. obligations.

Required the Secretary to reimburse the schools which borrow from the revolving fund for the following: 90 percent of the school's loss on defaulted loans; the difference between the interest the school pays to the revolving fund for a loan and the interest the school receives from loans to students financed with the revolving fund loan; the collection costs of the student loan program; and the principal canceled under the loan forgiveness provisions. Authorized appropriations without fiscal year limitation of the sums necessary for these requirements.

Limited the fiscal-year loan total from the revolving fund to the lesser of limitations specified in appropriation measures or the difference between $35,000,000 and the amount of federal capital contributions paid to student loan fund programs for that year.

Authorized the creation of a revolving fund to be located within the Treasury and available to the Secretary without fiscal year limitation. Specified that all sums appropriated after fiscal 1976 for HPEA student loan programs shall be available for payment into the revolving fund or for making federal capital contributions to student loan funds.

Provided that the revolving loan fund consist of appropriations paid into the fund, all interest payments and repayments of principal on loans made from the fund, and any other moneys, property, of assets derived from the operation of the fund. Listed expenditures from the fund to include all loans, expenses other than normal administrative, and operational costs of the Secretary. Authorized appropriations of $10,000,000 for fiscal 1967 to the revolving fund.

Authorized the Secretary, at the request of any school, to convert a federal-capital-contribution-based student loan program to a revolving-fund-based student loan program.

HEALTH MANPOWER ACT OF 1968 (PUBLIC LAW 90–490)

Loans.—Authorized appropriations for both fiscal 1970 and fiscal 1971 of $35,000,000 for student loans. Further authorized appropriations for fiscal years 1972, 1973, and 1974 of the sums necessary to enable students who have received loans for any academic year ending before July 1, 1971, to continue or complete their education.

Required that the repayment of loans begin one year after the end of full-time study (the previous grace period was three years).

Specified that the interest rate for all loans from the student loan fund be established at three percent.

Established a five-year extension to the 10 year repayment period for advanced professional training, including internships and residencies (continued the loan repayment deferral of up to three years for service in the Armed Forces and the Peace Corps.) Stipulated that schools may require student loan repayments to be not less than $15 per month and that schools may assess penalty charges for late repayments of loans or failures to follow proper loan procedures.

Increased by $10,000,000 from $35 million to $45 million, a factor in determining the maximum fiscal-year total of loans made from the revolving fund.

Permitted a school to transfer to its HPEA scholarship fund up to 20 percent, or more if the Secretary approves, of its federal capital contributions for any fiscal year to its student loan fund.

Extended the Secretary's authority to make loans from the revolving fund from fiscal 1969 to fiscal 1971.

Scholarships.—Extended to veterinary schools and students of veterinary medicine the provisions of the scholarship program.

Authorized for fiscal years 1970 and 1971 the extension of the existing scholarship program. Provided for fiscal years 1972, 1973 and 1974 the necessary grants to enable schools to continue scholarship awards to students who received scholarships from grants issued to the schools before fiscal 1972.

Amended the eligibility requirements for scholarship awards by stimulating that students be of exceptional financial need instead of the previous requirement that they be from low income families.

Permitted a school to transfer to its capital-contribution-based student loan fund up to 20 percent, or more if the Secretary approves, of its scholarship grants for any fiscal year.

AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT, 1971 (PUBLIC LAW 92–52)

Loans.—Authorized appropriations for fiscal 1972 of $35,000,000 for student loans. Authorized to be appropriated such sums as to enable students who have received loans necessary for fiscal years 1973, 1974, and 1975 for any academic year ending before July 1, 1972, to continue or complete their education.

Extended the Secretary's authority through fiscal 1972 to make loans from the revolving fund.

Scholarships.—Extended the existing scholarship program through fiscal 1972. Authorized for fiscal years 1973, 1974, and 1975 the necessary grants to enable schools to continue scholarship awards to students who received scholarships from grants issued to the schools before fiscal 1972.

COMPREHENSIVE HEALTH MANPOWER TRAINING ACT OF 1971 (PUBLIC LAW 92–157)

Loans.—Authorized appropriations of $55,000,000 and $60,000,000 for fiscal years 1973 and 1974 and increased the authorized appropriation for fiscal 1972 from $35,000,000 to $50,000,000. Substituted authorization to appropriate for fiscal years 1975, 1976, and 1977 the necessary sums to enable students who have received HPEA loans for any academic year ending before July 1, 1974, to continue or complete their education for the former provision that authorized the necessary funds for fiscal years 1973, 1974, and 1975.

Increased from $2,500 to $3,500 the loan ceiling per student for an academic year. Provided indefinite extensions of the 10-year repayment period, by repealing the five-year extension limit, for persons engaged in advanced professional training. Retained the existing three-year extension for service in the Armed Services or Peace Corps.

Extended the eligibility for loan forgiveness to include students of veterinary medicine, pharmacy, and podiatry (previously covered students of medicine, osteopathy, optometry, and dentistry.)

Amended the loan forgiveness provisions to provide to eligible health professionals who agree to practice for at least two years in a doctor shortage area with the following benefits: cancellation at the rate of 30 percent a year for the first two years and 25 percent for the third year of any outstanding educational loan (includes loans not issued under the HPEA Act); and payment under the authority of the Secretary, on or before the due date, of up to 85 percent of any educational loan that matures within the three-year period that an eligible health professional practices in a doctor shortage area. Eliminated the loan forgiveness provisions pertaining to health professionals serving in a rural area with low family income.

Provided for full forgiveness of any educational loan to students in both exceptionally needy circumstances and from low income or disadvantaged families who have stopped and failed to complete studies leading to their first professional degree and have not resumed or cannot be expected to resume their studies within two years of their previous termination. Extended eligibility to students of medicine, optometry, dentistry, veterinary medicine, osteopathy, pharmacy, or podiatry.

Authorized the Secretary to make loans to U.S. citizens studying full time in schools of medicine located outside the U.S. Required that loans to students studying in foreign medical schools be issued under the same conditions and terms, to the extent feasible, as loans to medical students in the U.S.

Limited eligibility for foreign medical school loans to students who: have applied to a U.S. medical school, have met the school's admission requirements, and have not been admitted because the number of qualified applicants exceeded the number of openings in the school, and have not been accepted by any other U.S. medical school; or have, after completing the third year in a foreign medical school, passed an examination used to determine qualifications for transfer to a U.S. medical school, have applied for admission to a U.S. medical school, and have not been accepted.

Authorized appropriations for this program of $1,750,000 each year for fiscal 1972, 1973, and 1974.

Scholarships.—Amended as the formula for appropriating and allocating scholarship grants to schools as follows: for fiscal 1972 the grant to each school shall equal $3,000 times one-tenth the number of full-time students; for fiscal years 1973 and 1974 the grant to each school shall equal the greater of $3,000 times the number of full-time students from low income backgrounds or $3,000 times one-tenth the number of full-time students.

Authorized appropriations for fiscal years 1975, 1976, and 1977 of the sums necessary to enable schools to continue scholarship awards to students who received scholarships from grants issued to the school before fiscal 1975.

Increased from $2,500 to $3,500 the maximum scholarship award to a student per year.

Authorized the Secretary to make scholarship grants to U.S. citizens studying in foreign medical schools. Stipulated that eligible students must be of exceptional financial need and must agree to practice medicine in the U.S. for a five-year period. Limited eligibility for foreign medical school scholarships to students who: have applied to a U.S. medical school, have met the school's admission requirements, and have not been admitted because the number of qualified applicants exceeded the number of openings in the school, and have not been accepted by any other U.S. medical school; or have, after completing the third year in a foreign medical school, passed an examination used to determine qualifications for transfer to a U.S. medical school, have applied for admission to a U.S. medical school, and have not been accepted.

Limited foreign scholarships to a maximum $3,500 a year per student and stipulated that scholarships may cover tuition, fees, books, equipment, and living costs. Specified that scholarship grants shall be made only after consultation with the National Advisory Council on Health Professions Education.

Authorized appropriations of $150,000 for each of fiscal years 1972, 1973, and 1974 for scholarship grants to U.S. students in foreign medical schools. Further authorized appropriations for fiscal years 1975, 1976, and 1977 of the necessary sums to enable the Secretary to continue scholarship grants to foreign medical students who have received scholarship grants from funds made available to the Secretary before fiscal 1975.

Authorized the Secretary to make scholarship grants to medical students who agree to engage in primary care practice after their professional training in a physician shortage area or in an area that assures a substantial portion of their practice will consist of migratory, agricultural workers or their families.

Authorized appropriations for the physician shortage scholarship grant program of $2,500,000 for fiscal year 1972, $3,000,000 for fiscal year 1973, and $3,500,000 for fiscal 1974. Authorized appropriations for fiscal years 1975, 1976, and 1977 of the necessary sums to continue scholarship grants under this program to eligible students who have received grants under this program prior to fiscal 1975.

Required the Secretary, when awarding the grants, to accord priority to the applicants as follows: (1) applicants from low-income backgrounds who reside in physician shortage areas and agree to practice there after their professional training; (2) applicants who reside in physician shortage areas and agree to practice there after their professional training; (3) applicants from low-income backgrounds; and (4) all other applicants.

Limited scholarship grants under the program to a maximum of $5,000 per student per year. Required from students one year of practice in an area with a physician shortage or a substantial number of migratory workers for each year of scholarship aid. Provided that students receiving scholarship grants for four years will be required to practice for only three years in the specified areas if they serve all their internship and residency in a physician shortage area or an area with a substantial number of migratory workers.

EMERGENCY HEALTH PERSONNEL ACT AMENDMENT OF 1972 (PUBLIC LAW 92–585)

Loans—Added, as a condition for receiving loan forgiveness payments, that eligible individuals may enter into an agreement with the Secretary to practice their profession as a member of the National Health Service Corps in a health manpower shortage area for at least two years.

CONSTRUCTION ASSISTANCE

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1963 (PUBLIC LAW 88–129)

Authorized appropriations of $175,000,000 over a three-year period from fiscal 1964 through fiscal 1966. Distributed $175,000,000 as follows: $105,000,000 to assist in the construction of new teaching facilities for the training of physicians, osteopaths, pharmacists, optometrists, podiatrists, nurses or professional public health personnel; $35,000,000 to assist in the construction of new teaching facilities for the training of dentists; $35,000,000 to replace or rehabilitate existing teaching facilities for the training of physicians, pharmacists, optometrists, podiatrists, nurses, professional public health personnel, or dentists.

Stipulated that, to be eligible for a construction grant, an applicant must be a public or non-profit school of medicine, dentistry, osteopathy, pharmacy, optometry, podiatry, nursing, or public health and be accredited or, in the case of new school, give reasonable assurance that it will be accredited by a body recognized by the Commissioner of Education. Extended eligibility for a construction grant to any hospital affiliated with a school of medicine or osteopathy whose application is filed by a public or nonprofit agency which is qualified to do so under section 631 of the Public Health Service Act.

Limited grants for the construction of a hospital facility (as defined by section 625 of the PHS Act) to that portion of the project which the Surgeon General determines is necessary to meet the training needs of a new or expanded school or to prevent the curtailment of enrollment or quality of training in a school with renovated or rehabilitated facilities.

Required that grants for construction may be awarded only after the Surgeon General has approved them upon his determination that the applicant has met all the requirements for eligibility; the facility will be used for at least 10 years for the purpose for which it was constructed; sufficient funds will be available to meet the non-federal share of construction; sufficient funds will be available to assure effective use of the facility; the first-year enrollment in an expanded medical, dentistry, osteopathy, pharmacy, optometry, podiatry, or public health school during each of the first 10 years after the completion of construction will exceed the highest first-year enrollment at the school during any of the five years preceding the application by the greater of at least five percent, or by five students.

Limited grants from authorized funds to aid in the construction of new schools of medicine, dentistry, osteopathy, pharmacy, optometry, podiatry, nursing, or public health or the expansion of the training capacity of existing facilities and to aid in the rehabilitation or replacement of the above schools' facilities to prevent enrollment curtailment or training quality impairment.

Required that an application for aid to construct a hospital or diagnostic or treatment center had been previously submitted under the Hill-Burton hospital construction program and denied because of lack of priority and state funds.

Required that all applications for construction assistance guarantee minimum standards in construction and equipment in accordance with regulations and that the construction workers be paid as high as the prevailing wage rate in the locality as determined by the Davis-Bacon Act.

Required that the Surgeon General along with the National Advisory Council on Education for Health Professions consider the geographical distribution of facilities and availability of facilities and health personnel; and consider the relationship of the applicant to a state, regional, or other interstate planning agency.

Limited the federal grants to payments generally of 50 percent of the construction costs but permitted payments of 66⅔ percent of the construction costs in major expansions of training facilities and 75 percent of the construction costs in the case of public health facilities.

Stipulated that the federal government was entitled to recover funds within 10 years of the completion of a facility if: the applicant or other owner of the facility ceases to be a public or nonprofit school; the applicant or other owner of an affiliated hospital ceases to be a public or nonprofit agency qualified to file an application under section 631 of the PHS Act; the facility ceases to be used for purposes for which it was constructed; or the facility is used for religious instruction or as a place of religious worship.

Denied the federal government authority to exercise any direction, supervision, or control over the personnel, curriculum, or administration of any institution which receives aid.

Directed the Surgeon General to prescribe general regulations and authorized him to provide technical assistance and consultative services to state or interstate planning agencies for relieving shortages of training capacity in the fields of medicine, dentistry, osteopathy, pharmacy, optometry, podiatry, nursing and public health.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE AMENDMENTS OF 1965 (PUBLIC LAW 89–290)

Extended for three years, from fiscal year 1967 through fiscal 1969, the existing programs of aid in the construction of new teaching facilities and the replacement of rehabilitation of existing facilities for the training of physicians, osteopaths, dentists, pharmacists, optometrists, podiatrists, and professional public health personnel. Authorized to be appropriated for three fiscal years for construction $480,000,000. Required that sums appropriated remain available until expended.

VETERINARY MEDICAL EDUCATION ACT OF 1966 (PUBLIC LAW 89–709)

Included veterinarians and veterinarians' training in the construction assistance program of the Health Professions Educational Assistance Act, Provided no additional authorization of appropriations.

HEALTH MANPOWER ACT OF 1968 (PUBLIC LAW 89–709)

Extended for two years, fiscal 1970 and fiscal 1971, the existing program of construction assistance and authorized $170,000,000 to be appropriated for construction in fiscal 1970 and $225,000,000 in fiscal 1971. Stipulated that the funds appropriated must remain available for obligation for two fiscal years.

Permitted the maximum federal share of construction costs to rise to 66⅔ percent when special circumstances, determined by the Secretary of HEW, require a larger percentage of federal funds to achieve the purpose of the construction program. For all other cases, the federal share of construction costs remained at their previous percentage levels.

Increased to 20 years the period of time in which the federal government can recover funds from grant recipients who fail to fulfill their responsibilities under the Act.

Permitted schools to apply for a grant under the Act for the construction of a multipurpose facility on the condition that the facility's primary purpose is teaching, even though other purposes may include research or a medical library. Permitted schools to include in the construction project space for continuing or advanced education.

COMPREHENSIVE HEALTH MANPOWER TRAINING ACT OF 1971 (PUBLIC LAW 92–157)

Extended for three years from fiscal 1972 through fiscal 1974, the existing programs of construction assistance and authorized appropriations of $225,000,000 in fiscal 1972, $250,000,000 in fiscal 1973, and $275,000,000 in fiscal 1974. Repealed the existing two year availability of appropriated funds.

Extended to outpatient facilities the same privileges and eligibility requirements that exist for affiliated hospitals under the Act. Extended the eligibility for construction grants to hospitals and outpatient facilities affiliated with schools of dentistry (previously only those facilities affiliated with schools of medicine and osteopathy were eligible.)

Increased the maximum federal share of construction costs to 70 percent; but allowed 80 percent in unusual circumstances such as a school in a doctor shortage area, and 80 percent for a new school or major expansion.

Expanded the definition of construction to include the acquisition of existing buildings but not the land on which they stand and the definition of teaching facilities to provide aid for interim facilities.

Initiated a loan guarantee program for private, non-profit health professions schools with the following: provides loan guarantees which may apply up to 90 percent of the loan and three percent interest subsidies; authorizes appropriations for interest payments of $8,000,000 for fiscal 1972, $16,000,000 for fiscal 1973, and $24,000,000 for fiscal 1974; generally prohibits loan guarantees whenever a loan guaranteed and a grant issued under the Act exceed 90 percent of the construction cost of a project; and prohibits loan guarantees and interest subsidies whenever such guarantees and subsidies would cause the cumulative total of guaranteed, subsidized loans to exceed obligated grant funds in the same fiscal year, unless obligated grant funds equal appropriations.

Required that applications for grants to aid in the construction of new schools of medicine, osteopathy, or dentistry be given special consideration if they contain assurances that the use of existing facilities (including federal medical or dental facilities) will accelerate the school's opening.

Required review by state and area health planning agencies of projects which include the provision of health services.

Exempted schools from the enrollment increase required for a construction grant if the school has a waiver because of inadequate physical facilities from the enrollment increase required for an institutional support grant and provides assurances that first year enrollment in each of the first 10 years after completion of construction will match the enrollment increase required for an institutional support grant.

OTHER PROGRAMS

HEALTH MANPOWER ACT OF 1968 (PUBLIC LAW 90–490)

HPEA report.—Required the Secretary, in consultation with the National Advisory Council on Health Professions Educational Assistance and the National Advisory Council on Education for Health Professions, to submit to the President and Congress before July 1, 1970, a report on the administration of the HPEA Act construction, student loan, institutional support, and scholarship grant sections of the PHS Act, including an appraisal of the adequacy of these programs to meet the long term needs for health professionals and recommendations of the Secretary as a result of these appraisals.

COMPREHENSIVE HEALTH MANPOWER TRAINING ACT OF 1971 (PUBLIC LAW 92–157)

Computer technology grants.—Authorized $5,000,000 for fiscal 1972, $10,000,000 for fiscal 1973, and $15,000,000 for fiscal 1974 for grants by the Secretary to public or nonprofit schools, agencies, organizations, institutions, or combinations: to plan and develop free-standing or university-based computer labs for the processing of biomedical information; and to research, through computer technology, the functions performed by physicians to determine which functions could be performed by other properly trained personnel.

Family medicine traineeships.—Authorized appropriations of $25,000,000 for fiscal 1972, $35,000,000 for fiscal 1973, and $40,000,000 for fiscal 1974 for grants by the Secretary to public or non-profit private hospitals for: professional training programs in the family medicine field for medical students, interns, residents, and practicing physicians; traineeships and fellowships for participants in the family medicine training program who plan to enter into that practice area; and other approved training programs in the family medicine.

HMEIA's.—Established health manpower education initiative awards. Authorized the Secretary to make grants to public or non-profit private health or educational entities and to enter into contracts with private or public health or educational entities for projects; to establish or maintain programs to alleviate shortages of health personnel in designated areas; to provide training programs to utilize health personnel more efficiently; to initiate or improve training of health personnel including teachers, administrators, specialists, and paraprofessionals; to emphasize the team approach to health services delivery; and to assist state, local, or regional groups to carry out the purpose of the projects.

Provided that the Secretary may also make grants and contracts for: information gathering for; planning, development, demonstration, establishment, or maintenance of; or the alteration and renovation of existing facilities for, any health manpower education initiative award project.

Authorized the Secretary to make grants to public or non-profit health or educational entities to meet the costs of special projects to: encourage enrollment of students likely to practice in a health professions shortage area in HPEA Act, public health, or other health training schools; to encourage enrollment of individuals who are financially and otherwise disadvantaged because of socioeconomic factors in an HPEA Act school or, if not qualified, in the appropriate post graduate program needed to qualify for an HPEA school; to publicize existing sources of financial aid; and to establish programs to facilitate the enrollment, pursuant and completion of studies of minority students in HPEA Act schools. Stipulated that of the sums appropriated in a fiscal year for health manpower initiative awards not more than 15 percent or less than $5,000,000 could be used to meet the costs of special projects. Specified further that of the sums available to meet the costs of special projects not more than 50 percent could be used for the health professional shortage project or 50 percent for the remaining projects.

Required that each grant made by the Secretary to public or non-profit private health or educational entities or each contract entered into by the Secretary with public or non-profit private health or educational entities for projects must be coordinated with the appropriated regional medical program. Provided that the Secretary shall determine the amount of each health manpower education initiative award grant.

Authorized appropriations of $45,000,000 for fiscal 1972, $90,000,000 for fiscal 1973, and $135,000,000 for fiscal 1974 for health manpower education initiative awards. Specified that the sums appropriated for fiscal 1972 shall remain available for obligation through September 30, 1972.

HPEA report.—Required the Secretary to prepare a report on the administration of the HPEA sections of the PHS Act. Stipulated that the report include: an estimate of increases in the number of people entering health professions before the enactment of the HPEA sections; an estimate of increases as a consequence of the enactment of the HPEA sections; an estimate of the relationship between the number of practitioners in the health professions and the public need; and an appraisal of the HPEA sections, including the amendments added by this Act, to meet the long term national health professional needs. Required the final report to be submitted to Congress by June 30, 1974.

Health facilities construction cost report.—Required the Comptroller General to conduct a study of health facilities construction costs including the possibility of cost reduction through innovative techniques, new materials, and the possible waiver of unnecessarily costly federal standards. Specified that the report was to be completed and submitted to Congress one year after the enactment of this Act.

Health professions education cost report.—Required the Secretary to arrange a study to determine the national average annual per student education costs of HPEA Act and nursing schools. Required the final report to be completed by January 1, 1974, and submitted to the appropriate Congressional committees. Specified that the report include recommendations concerning how the federal government can utilize educational cost per student data to determine the amount of capitation grants to each HPEA Act school. Authorized the Secretary to request the National Academy of Sciences to conduct the study.

Primary care graduate training.—Authorized the Secretary to make annual grants to public or non-profit schools of medicine, osteopathy, or dentistry and to unaffiliated hospitals to support the educational costs of the first three years of full time approved graduate training programs in primary health of any other Secretary-designated health care field in which there is a physician, dentist or osteopath shortage. Authorized appropriations of $7,500,000 for fiscal 1973, and $15,000,000 for fiscal 1974 for graduate primary-care training grants.

Limited grants to any school or hospital for a fiscal year to $3,000 for each physician, dentist, or osteopath enrolled in a graduate primary care training program. Provided for the pro-rating of grants when approved applications exceed appropriations. Specified that, for the purpose of determining the amount of the grant award, only first-year graduate trainees be counted in fiscal 1973 and first- and second-year trainees in fiscal 1974.

Provided that grants for graduate primary care training can be awarded only if the application: is approved by the Secretary upon his determination that the applicant meets the eligibility requirements; contains a specific program which the applicant will undertake to encourage dentists, physicians, and osteopaths to enroll in a graduate training program in primary health care or other Secretary-designated health care field in which there is a physician, dentist or osteopath shortage; contains assurances that the applicant will increase the number of graduate training positions in these areas; provides for fiscal control, accounting procedures, and access to records as the Secretary may require to assure the proper explanation of how the grant will be applied to meet the costs of the graduate training program; and contains any additional information which the Secretary may require.

Required the Secretary to: consult with the National Advisory Council on Health Professional Education before approving a grant application; define the areas, in consultation with the Council, included in the primary health care field and designate any other health care areas in which there is a physician, dentist, or osteopath shortage; and set annual, mandatory increases in the number of graduate trainees which must be met as a condition of the graduate training grant.

Sex discrimination.—Specified that all applications for grants, loan guarantees, and interest subsidies by HPEA Act schools or public or allied health training centers must contain assurances satisfactory to the Secretary that the school or training center will not discriminate according to its admissions policies. Prohibited the Secretary from entering into a contract with an HPEA Act school or public or allied health training center unless they furnish assurances satisfactory to the Secretary that they will not discriminate on the basis of sex in their admissions policies.

Teaching traineeships.—Authorized the Secretary to make grants to public or non-profit HPEA Act schools for the training of, and traineeships and fellowships for the advanced training of, teaching personnel in the HPEA Act health fields. Authorized appropriations of $10,000,000 for fiscal 1972, $15,000,000 for fiscal year 1973, and $20,000,000 for fiscal 1974 for these grants. Required that a minimum of 75 percent of each grant had to be used for traineeships and fellowships.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT 1963 (PUBLIC LAW 88–129)

Established the National Advisory Council on Education for Health Professions which consisted of the Surgeon General and the Commissioner of Education as ex officio members and 16 members. Required that four members of the Council be from the general public and that 12 be from among leading authorities in the higher education fields with eight of the 12 particularly concerned with training in medicine, dentistry, osteopathy, pharmacy, optometry, podiatry, nursing, and public health.

Required the Council to advise the Surgeon General in preparation of general regulations and the review of applications.

Permitted members of the Council to receive compensation at the rate of up to $100 a day while serving at the request of the Surgeon General.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE AMENDMENTS OF 1965 (PUBLIC LAW 89–290)

Established the National Advisory Council on Medical, Dental, Optometric, and Podiatric Education. Stipulated that the Council shall consist of the Surgeon General as chairman and 12 members appointed by the Surgeon General without regard to civil service rules and for specified, staggered terms. Required that Council members be selected from the leading authorities in the fields of medical, dental, optometric, and podiatric education, except that three members must be selected from the general public.

Specified that the Council should advise the Surgeon General in the preparation of regulations and review of applications in the areas of institutional support and scholarship grants.

Permitted members of the Council to receive compensation at the rate of up to $100 a day while serving at the request of the Surgeon General.

VETERINARY MEDICAL EDUCATION ACT OF 1966 (PUBLIC LAW 89–709)

Expanded the National Advisory Council on Education for Health Professions to include the veterinary profession. Increased the membership of the Council from 16 to 17 and required nine, instead of eight, members to be particularly concerned with training in the field of medicine, dentistry, osteopathy, pharmacy, podiatry, veterinary medicine, or public health.

PARTNERSHIP FOR HEALTH AMENDMENTS OF 1967 (PUBLIC LAW 90–174)

Increased from 12 to 13 the number of members on the National Advisory Council on Education for Health Professionals who must be selected from among the leading authorities in the fields of higher education.

HEALTH MANPOWER ACT OF 1968 (PUBLIC LAW 90–490)

Changed the name of the National Advisory Council on Medical, Dental, Optometric, and Podiatric Education to the National Advisory Council on Health Professions Educational Assistance. Expanded the Council from 12 to 14 members and permitted the pharmacy and veterinary medicine professions to participate on the Council.

AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT, 1970 (PUBLIC LAW 91–515)

Repealed the provision permitting members of the National Advisory Council on Education for Health Professions and the National Advisory Council on Health Professions Educational Assistance to receive compensation

COMPREHENSIVE HEALTH MANPOWER TRAINING ACT OF 1971 (PUBLIC LAW 92–157)

Consolidated the functions of the National Advisory Council on Education for Health Professions and the National Advisory Council on Health Professions Educational Assistance into the National Advisory Council on Health Professions Education.

Specified Council membership to include the Secretary as chairman and 20 members appointed by the Secretary. Required four members to be from the general public and two members to be full time students in HPEA Act schools.

V. Need for the Legislation

"Prophesying the future course of public policy is always risky, but I would predict that the trends already outlined in the political debates of the past 2 years will become even more pronounced. The strain for the medical school will not become lessened in the process. Every new study of Medical care, every new conference, indeed, every day's newspaper, asks clear and pointed questions for us. Is it that we do not know the answers, or just that we do not like the answers?" Professor Irving J. Lewis, Albert Einstein College of Medicine, Address to Association of American Medical Colleges, April 1972.

For the past thirty years, experts have outlined the health manpower problem in aggregate terms. Reliable data were not available on which to base an accurate judgment regarding health manpower in meaningful terms such as populations served, demands for care, and the availability and accessibility of health care services. If one focuses on health care shortages in terms of the availability of health care to various segments of the populations, then the reality of the problems become readily apparent and can be summed up as follows:

Health professionals are maldistributed nationwide.

We have too few primary care physicians and may have more than adequate numbers in some specialties.

As a nation, we are increasingly relying on the graduates of foreign medical schools to provide our nation's health care. The variable and differential ways in which American and foreign medical graduates are licensed has resulted in a dual class system of health care in the Nation.

These problems were evident when this legislation was last reviewed in 1971. At that time these needs were overshadowed by what was felt to be a serious overall shortage of health professions. For example, in 1971 experts estimated that the nation had a shortage of 50,000 physicians. It was argued that increasing the overall supply of health professionals would alleviate the distributional problems.

The Comprehensive Health Manpower Training Act of 1971 has been successful in increasing the supply of health professionals. For example, enrollment has increased substantially for schools of medicine, dentistry, and nursing. First-year medical school places grew from 8,759 in 1965 to 13,790 in 1973. Where first-year enrollment rose at an annual rate of 1.3% between 1950 and 1965, the annual growth since 1965 has been 6.6%. In terms of medical school graduates, this means that we can expect approximately 13,000 in 1977 as compared to 9,000 graduates in 1971.

However, while the overall number of health professionals is increasing dramatically, the geographic and specialty distribution of physicians has worsened. For example, while there has been a significant increase in the supply of physicans, the absolute number of primary care physicians has decreased. In 1966 the primary care physicians accounted for 46% of all active physicians, but by 1972 this percentage had slipped to 44.9%. Family practice physicians in 1972 accounted for only 1.4% of all active physicians. In other words, of the 321,000 active physicians, only 4,542 were family practice specialists. The most drastic drop has been in the percentage of physicians in general practice, from 22.4% in 1966 to 15.8% in 1972. On the other hand by

1970, 80% of practicing physicians were specialists. Little else has been accomplished to alter these trends to a large extent because the effective tools to accomplish this have not been adequately provided.

Also, while the overall supply of health personnel has increased over the past few years, we continue to face extremely serious problems associated with geographic maldistribution. While certain parts of the country have an abundant supply of physicians, many areas have none at all. Physicians are disproportionately located in the Northeastern and Western regions of the country. While there is one physician for every 500 persons in New York, there is but one active physician for every 1,340 persons in Mississippi and but one for every 1,200 persons in South Dakota. Further, within States there is a serious disparity between urban and non-urban areas. For example, while metropolitan areas contain 73% of the population, they contain 74% of the hospital beds, 86% of all physicians, and 93% of all hospital-based physicians. In 1972 the ratio of physicans per 1,000 population in metropolitan areas was 1.84, more than double the 0.82 ratio for non-metropolitan areas.

We also continue to rely heavily on foreign medical graduates to alleviate this nation's shortage which only aggravates our geographic and specialty maldistribution problems. In 1972, one-fifth of all active physicians and one-third of all interns, residents, and physician trainees in the United States were foreign trained. No less than 46% of all physicians newly licensed to practice in this country in 1972 were foreign trained. Some experts have gone so far as to estimate that in the near future FMGs will constitute nearly one-third of all active physicians practicing in the United States. This is an intolerable situation considering the fact that only one out of three individuals applying for U.S. medical schools is accepted for enrollment.

Except for increasing the number of trained health professionals and offering educational institutions financial stability, past legislative efforts to resolve many of the health manpower problems facing this country have been unsuccessful. The resolution of specialty maldistribution has been left to our educational institutions and specialty societies, but these bodies have not been given the tools to achieve this result. The problem of achieving a more reasonable geographic distribution of health professionals has been attempted by providing various loan forgiveness or repayment features to encourage graduates to practice in a shortage area. This attempt has been unsuccessful. Since 1965, 170,000 students were provided loans under the Health Professions Educational Assistance Act loan program which contained a forgiveness provision to encourage graduates to locate in medically underserved areas. However, since 1965 very few graduates have participated in this program.

For more than 40 years, blue ribbon commissions, Federal agencies, and expert analysts have documented, debated and analyzed nationwide needs for physicians and other health personnel. In 1933, the classic Lee-Jones study[1] indicated a national need for about 13,000 additional physicians. Almost 35 years later, in 1967, the U.S. Public Health Service estimated that the country had a national shortage of 50,000 physicians,[2] and predicted that shortages would continue until at least 1975. A 1970 study[3] analyzed six major physician manpower projections made between 1959 and 1967. It showed that the projections for 1975 ranged from a surplus of 21,700 physicians to a deficit of 65,000.

During recent health manpower hearings before the House Interstate and Foreign Commerce Committee and the Senate Labor and Public Welfare Committee, Dr. Charles C. Edwards, Assistant Secretary for Health, Department of Health, Education, and Welfare, estimated that by 1980 the nation's supply of physicians would, in all likelihood, be adequate to meet projected requirements.

In response to the need for additional physicials and other health professionals, and in order to alleviate some of the fundamental problems aggravating nationwide health manpower shortages, the Congress enacted the Health Professions Educational Assistance Act in 1963. This basic authorizing legislation was reauthorized and broadened in 1965, 1968, and 1971. Briefly the programs authorized by the HPEA Act were specifically designed to (i) increase aggregate supplies of health manpower, mainly by increasing enrollments and graduations at health professions schools, (ii) provide a stable base of revenue to the educational institutions in order to maintain their financial viability, and (iii) encourage specific developments at the individual institutions including curriculum improvements, more intensive efforts to recruit minorities, and experiments to train new kinds of health personnel, such as physician extenders.

The institutions and individuals involved in this public and private sector partnership deserve great credit. But serious, even critical, health manpower problems remain—problems which no longer can be met only by enrollment expansion, new construction, or more Federal dollars.

Today, our nation's need for health manpower cannot be dealt with solely by increasing aggregate health manpower supplies.

The time has come to refine the Health Professions Educational Assistance Act such that it can create the conditions under which the problems of geographic and specialty maldistribution, heavy reliance upon foreign medical graduates, and the existence of inconsistent and inequitable state licensure laws can be effectively met.

A fuller discription of each of these four health manpower problems follows.

1. GEOGRAPHIC MALDISTRIBUTION

"As John Evans has pointed out, over production of physicians has never, in any country, corrected geographical distribution." John A. D. Cooper, M.D., President, Association of American Medical Colleges, Address delivered at the Institute of Medicine, National Academy of Sciences, May 9, 1974.

"The first conclusion is that the rural deficit in physician distribution has been a recognized fact and a focus of concern for at least five decades; yet it has shown no improvement at any time in the past 50 years, even in places where specific programs have been directed toward the problem. In fact, the urban-rural differential has been widening." Donald L. Madison, M.D., Associate Professor, University of North Carolina. Testimony before House Health Subcommittee, May 21, 1974.

Physicians are disproportionately located in the Northeastern and Western regions of the United States. These regions have per capita ratios of active physicians which are significantly above those in the South and North Central States. For every 100,000 persons in South Dakota, there are only 71 physicians providing patient care. In other words each physician in South Dakota serves about 1,400 people. There are 75 physicians per 100,000 in Mississippi, or 1,339 persons for each actively practicing physician. In contrast, the ratio for New York State is 198 physicians per 100,000 population, or only 504 persons per physician. California has a ratio of 166 per 100,000, or one physician for every 604 persons.

Each of these ratios reflects a significant deviation from the national average of 128 physicians in patient care per 100,000 population, or one physician for every 781 persons. More important, however, the geographic pattern indicated by these ratios reflects the continued movement of physicians to states and regions with large urban populations.

Chart 1 and table 1 illustrate the geographic distribution of physicians by state. Table 1 also shows physician/population ratios for each state. Table 2 outlines the uneven distribution of physicians by census region.

TABLE 1.—NON-FEDERAL PHYSICIANS IN PATIENT CARE, CIVILIAN POPULATION, AND PHYSICIAN/POPULATION RATIOS BY STATE

State	Physicians inpatient care (Dec. 31, 1972)[1]	Civilian population (July 1, 1973)[2]	Physicians per 100,000 population	Civilian population per 1 physician
United States	266, 587	208,094,000	128	781
Alabama	2, 841	3, 514, 000	81	1, 237
Alaska	224	303, 000	74	1, 353
Arizona	2 466	2, 030, 000	121	823
Arkansas	1, 620	2, 029, 000	80	1, 252
California	33, 606	20, 285, 000	166	604
Colorado	3, 343	2, 387, 000	140	714
Connecticut	5, 087	3, 061, 000	166	602
elaware	694	570, 000	122	821
District of Columbia	2, 508	737, 000	340	294
Florida	9, 181	7, 587, 000	121	826
Georgia	4, 633	4, 732, 000	98	1, 021
Hawaii	1, 079	776, 000	139	719
Idaho	652	764, 000	85	1, 172
Illinois	13, 539	11, 200, 000	121	827
Indiana	4, 921	5, 309, 000	93	1, 079
Iowa	2, 609	2, 903, 000	90	1, 113
Kansas	2, 259	2, 248, 000	100	995
Kentucky	3, 078	3, 309, 000	93	1,075
Louisiana	3, 883	3, 735, 000	104	962
Maine	999	1, 018, 000	98	1, 019
Maryland	6, 224	4, 013, 000	155	645
Massachusetts	10, 252	5, 795, 000	177	565
Michigan	10, 163	9, 029, 000	113	888
Minnesota	5, 000	3, 894, 000	128	779
Mississippi	1, 685	2, 256, 000	75	1, 339
Missouri	5, 388	4, 731, 000	114	878
Montana	694	714, 000	97	1, 029
Nebraska	1, 532	1, 530, 000	100	999
Nevada	537	539, 000	100	1, 004
New Hampshire	920	786, 000	117	854
New Jersey	9, 389	7, 326, 000	128	780
New Mexico	1, 036	1, 089, 000	95	1, 051
New York	36, 161	18, 236, 000	198	504
North Carolina	5, 000	5, 181, 000	97	1,036
North Dakota	524	626, 000	84	1, 195
Ohio	12, 682	10, 716, 000	118	845
Oklahoma	2, 339	2, 635, 000	89	1, 127
Oregon	2, 800	2, 223, 000	126	794
Pennsylvania	15, 735	11, 890, 000	132	756
Rhode Island	1, 380	945, 000	146	685
South Carolina	2, 218	2, 657, 000	83	1, 198
South Dakota	482	678, 000	71	1, 407
Tennessee	4, 193	4, 106, 000	102	979
Texas	12, 258	11, 628, 000	105	949
Utah	1, 429	1, 153, 000	124	807
Vermont	694	464, 000	150	669
Virginia	5, 217	4, 665, 000	112	894
Washington	4, 446	3, 383, 000	131	761
West Virginia	1, 692	1, 793, 000	94	1, 060
Wisconsin	4, 984	4, 568, 000	109	917
Wyoming	311	349, 000	89	1, 122

[1] Excludes 2,508 physicians in patient care located in Canal Zone, Puerto Rico, the Virgin Islands, and the Pacific Islands. Source of physician data, AMA "Distribution of Physicians in the United States, 1972," vol. 1.

[2] Population data provisional as of July 1, 1973. Source of population data, "Current Population Reports," series P-25. No. 508, November 1973. Population data excludes Armed Forces personnel.

Source: Excerpted from: "National Health Insurance Resource Book," prepared by the staff of the Committee on Ways and Means. Apr. 11, 1974. 0. 123.

Footnotes at end of article.

TABLE 2.—DISTRIBUTION OF PHYSICIANS AND HOSPITAL BEDS BY CENSUS REGION, 1970

Census region	Percent of Nation			Beds per thousand population	M.D.'s per thousand population
	Population	Hospital beds	M.D.'s		
Northeast	24.1	24.6	31.2	4.2	1.88
North-central	27.7	30.0	23.8	4.5	1.29
South	31.2	29.2	24.9	3.9	1.21
West	17.0	15.4	19.2	3.8	1.66
United States	100.0	100.0	100.0	4.1	1.48

Source: De Vise, Pierre, Health Planning in Illinois, "Illinois Regional Medical Program," fall 1971; vol. II, No. 3, p. 5.

Statistics indicate that physician/population ratios in doctor-rich states are growing at a much greater rate than such ratios for doctor-poor states. One recent study examined increases in physician/population ratios between 1960 and 1970 in those states with the highest physician/population ratios and in those with the lowest. The author found that during the ten-year span, 1960–1970, the physician/population ratio increased by 34 percent in the five states with the highest ratios. In the five lowest states the physician/population ratio increased by only 9 percent. Table 3 illustrates this conclusion.

TABLE 3.—NON-FEDERAL PHYSICIAN-POPULATION RATIOS: 1970 AND 1960

	5 highest State ratios	
	1970	1960
New York	2.33	1.87
Massachusetts	2.12	1.71
Connecticut	1.91	1.57
California	1.90	1.47
Colorado	1.74	1.44
5-State total	2.00	1.66
	5 lowest State ratios	
	1970	1960
Alaska	0.71	0.56
South Dakota	.78	.71
Alabama	.85	.74
South Carolina	.87	.75
Mississippi	.79	.76
5-State total	.83	.74

Source: De Vise, Pierre, Health Planning in Illinois, "Illinois Regional Medical Program," fall 1971; vol. II, No. 3, p. 5.

In the 300 metropolitan areas across the nation, the physician/population ratio is more than twice of that of non-metropolitan areas. Metropolitan areas contain 73 percent of the population, 74 percent of the hospital beds, 86 percent of the doctors, and 93 percent of all hospital based physicians.[4] In 1972, the ratio of physicians per 1,000 population in metropolitan areas was 1.73, more than twice the .80 ratio for non-metropolitan areas. Table 4 outlines these findings.

TABLE 4.—PHYSICIANS AND HOSPITAL BEDS PER THOUSAND POPULATION FOR METROPOLITAN AND NONMETROPOLITAN AREAS

	Hospital beds per thousand population	M.D.'s per thousand population
Metropolitan areas	4.2	1.73
Nonmetropolitan areas	4.0	.80
United States	4.1	1.48

Note: The source of hospital bed and physician data in this and the following tables is the American Medical Association's "Distribution of Physicians in the U.S., 1970." The hospitals are defined as "non-Federal short-term hospitals," and the physicians as "non-Federal physicians."

Source: De Vise, Pierre and Donald Dewey, "More Money, More Doctors, Less Care," working paper 1.19, Chicago regional hospital study, March 1972, p. 22.

Footnotes at end of article.

Physicians are disproportionately distributed not only between urban and rural regions, states, and areas. Maldistribution exists within metropolitan areas—between inner cities and suburbs—as well. A recent study of the Chicago metropolitan area shows the growing trend of physicians to locate in suburban areas. Between 1950 and 1970, the city of Chicago lost 2,000 private practitioners—a 35 percent decrease. The suburbs of the city meanwhile gained nearly 1,900 doctors—an increase of over 130 percent. In 1950, four of five doctors' offices in the Chicago SMSA were located in the city. By 1970, that figure dropped to one out of two.[5]

The distribution of physicians within urban areas also is affected by the racial and socioeconomic characteristics of the locale. Whether suburban or inner city, doctors tend to locate in affluent, white neighborhoods. The author of the Chicago study commented on this trend:

"All the communities in Chicago and the Suburbs which experienced rapid racial change and decreased socio-economic status since 1950 lost physicians. When maps showing an area with the greatest gain and losses of doctors are compared with maps depicting those areas with the highest socio-economic status and those whose population changed from white to black two things become obvious. First, an influx of blacks resulted in an exodus of doctors. Second, the shift in the distribution of doctors was into the areas of highest socio-economic status." [6]

As one can see, the problem of geographic maldistribution is severe, entrenched, and growing. It is also longstanding. For decades, groups and commissions have explored the problem intensively. Their documentation reads as if written today.

In 1951, President Truman established the President's Commission on the Health Needs of the Nation, charged with making a critical study of the nation's total health requirements. Two years later, the Commission issued its report entitled, *Building America's Health*. The Commission said this about physician distribution:

"The supply of physicians does not cover the country evenly. There are wide differences among the regions of the Nation. While the Central Atlantic States averaged 161 active civilian physicians per 100,000 population in 1949, the Southeastern States had only 86. Differences among States were even greater. New York with 199 physicians per 100,000 population had the highest ratio after the District of Columbia, which had 296. Other States above the national average (125) were Connecticut, Massachusetts, Colorado, California, Illinois, Vermont, Maryland, Minnesota, Pennsylvania, New Jersey, Delaware, and New Hampshire. At the other end of the scale was Mississippi with 68 physicians per 100,000 population.

"Regional differences have been increasing for the past 3 decades. New England and the Central Atlantic States, which have the highest ratio today, have shown an almost steadily increasing physician-population ratio. Every other region of the country (and 31 of the 36 individual States in those regions) has shown an over-all decline.

"The physician's choice of a place to practice is affected by a variety of factors. Among the most important are: (1) the economic wealth of the area, (2) the availability of facilities, and (3) the place from which the physician came.

"The supply of physicians tends to be greater in high-income areas. The States having the highest per capita incomes tend also to have the largest number of physicians per 100,000 population. Physicians in those areas do not always have above-average incomes, however. Average incomes of physicians are lower in the relatively wealthy New England and Central Atlantic States than they are in any other region of the country. For all other regions, however, the average income of physicians varies with the average per capita income of the area.

"Location of practice appears to be even more affected by the size of community. In every region of the country, cities attract physicians. The more urban the area, the more physicians there are, relative to population. The Northeastern States, which have the greatest population concentration, have the highest physician-population ratios. Throughout the United States, isolated rural communities have the lowest ratios. Among other things, most of the country's large hospitals and teaching centers are in cities. Clinical and diagnostic facilities are concentrated in urban areas. Twenty of the 79 medical schools in the United States are in the highly-urbanized Northeastern States.

"In contrast, physicians in rural communities are likely to be professionally isolated. Physicians who practice in rural areas tend to be older than the average city physician. Only about 12 percent of the physicians practicing in cities are over 65 years old, while 30 percent have reached that age in rural areas.

"Most physicians, a recent study indicates, practice in the State in which they lived before they started to study medicine. In 1950, 64 percent of the medical school graduates of the classes of 1935 and 1940 were located in the State from which they went to medical school. Most of these had attended medical school and served their internships in the same State.

"The same study indicates that most physicians tend to practice in communities the same as or similar to those from which they came. About one-third of the graduates of 1935 and 1940 were practicing in the same community from which they entered medical school. A majority of the graduates who had come from big cities went back to big cities, and most of those from small towns went back to small towns.

"A study made recently at the University of Minnesota supports these findings. In a survey of its graduates who have settled in the State, it was found that 58 percent of those coming from small communities (under 5,000) had returned to practice in the same or similar communities. In contrast, most of those coming from Minneapolis and Duluth stayed there." [7]

In 1966, the National Commission on Community Health Services—established by the American Public Health Association—published its report, *Health Is a Community Affair*. The report, a four-year effort, studied and analyzed nationwide community health needs, resources, and practices. Like the 1951 Presidential Commission, it recognized the problem of geographic maldistribution:

"Americans are accustomed, within their own personal resources, to live and work where they want to. Economic factors may limit freedom of choice for entire segments of the population—as in parts of Appalachia—and economics are a factor in the distribution of health personnel, but, among the health professions at least, the decision to live and to practice in a given community is made principally on the basis of other factors in addition to income or salary.

"Studying the distribution and use of health personnel on a national basis is made virtually impossible because of the lack of criteria defining categories of health personnel, their functions, and performance. Certainly, a detailed picture of the national distribution of health personnel is needed. Some data are available through professional organizations that take periodic surveys of their membership.

"Research, teaching, and treatment facilities are of mutual benefit and tend to exist at least in a fairly close geographic proximity, if not juxtaposition. Since the location of most of the nation's universities was determined in the years prior to the recent, rapid expansion of scientific medicine, modern medical facilities are concentrated to a large extent in university communities, which in turn are usually urban centers. Because of accessibility to the latest scientific developments and expert consultation, many physicians of all specialties live and practice in *these same* urban centers. The same advantages that attract physicians also attract most of the other health professionals as well.

"Meanwhile, many communities are without adequate health care because they have not been able to recruit personnel. Their most acute need is for personal physicians to practice in rural areas. Certain obstacles face rural communities, including isolation from the professional stimulation of frequent contact with peers facing common scientific problems and contact with colleagues engaged in research; unavailability of diagnostic tools and consultation resources to which they have become accustomed in residency training; and the absence of cultural advantages for the physician and his family.

"Some communities have provided a medical student with an educational loan, in return for which the student commits himself to practice in that community for a stated period of time. The loan is made at a time when most medical students do not yet know what their intellectual and professional interests will be and the plan, therefore, has not met with great success. Some areas have acted to develop positive incentives to achieve better distribution of physicians. Such areas have created, in strategic geographic locations, modern hospitals where the medical graduate can practice scientific medicine. The Hill-Burton hospital construction program has played a significant role in such construction.

"In some states, publicly financed medical care programs for the poor have provided an economic base which allows the physician to practice in an area of low socioeconomic status, where he could not possibly remain without such financing. Some states have also established clinical laboratories within the state health department with branches located in strategic areas, so that the young, well-trained physician, even in remote areas, is able to obtain most of the current microbiological, hematological, and blood chemical determinations which are essential if he is to practice the kind of medicine he has learned. Another incentive is the establishment of a community health center or office, in which the physician practices at a low rental or lease cost. The Sears Roebuck Foundation operates a special program for this purpose. But plans of this sort will not wholly solve the problem of distribution, and it is difficult to visualize a solution at a time when personnel are in short supply and can choose their base of operation.[8]

One year later, in 1967, the President's National Advisory Commission on Rural Poverty published its report, *The People Left Behind*. The members of the Commission, profoundly disturbed by the paucity of health care for rural low-income people, made this starkly depressing statement:

> We have failed miserably to protect the health of low-income people in rural areas. The health service they get is not only inadequate in extent but seriously deficient in quality. It is badly organized, underfinanced, rarely related to the needs of the individual or the family. Such health service as there is is too often discriminatory in terms of race and income and heedless of the dignity of the individual."[9]

The Commission's report went on to document the existing geographic maldistribution of health personnel.

"The scarcity of health manpower and facilities in the low income rural areas is alarming and is not likely to be corrected overnight. Although about 30 percent of our population still lives in rural areas, only 12 percent of our physicians, 18 percent of our nurses, 14 percent of our pharmacists, 8 percent of our pediatricians, and less than 4 percent of our psychiatrists are located in rural areas.

"Because of continued population growth, advances in medical knowledge, and overall improvements in the opportunities of the people, the demand for health services and, therefore, for health personnel to provide the services, will continue to increase. Existing shortages of doctors, dentists, nurses, and other health personnel are likely to last for some time. Shortages of hospital beds and high quality extended care facilities—such as nursing homes and other homes for the aged, chronic disease hospitals, and geriatric hospitals—also are not likely to be corrected in a short time. Needless to say, the strain will be felt most in rural areas of the nation.

"Health personnel tend to concentrate in metropolitan areas and to specialize. The number of physicians per 100,000 population is 53 in isolated rural areas compared with 195 in large metropolitan centers. The isolated counties are conspicuously lacking in specialists and physicians employed by hospitals and industry. Hence, the continuing decline in the ratio of general practitioners to population during the last decade becomes more critical for rural areas than urban because rural people depend on general practitioners more than on specialists.

"Despite an increase in the number of dentists, the ratio of dentists to population has declined during the past decade. The ratio of dentists to population ranges from 69 per 100,000 persons in large metropolitan areas to only 27 in the isolated rural areas. The nurse-population ratio ranges from over 300 per 100,000 persons in urban centers to 126 per 100,000 in the isolated rural areas of the country."[10]

The 1970 Carnegie Commission report, *Higher Education and the Nation's Health*, again defined and documented the problem:

"Although there is debate over the extent of shortages of health manpower, critical shortages do exist. Dr. Roger Egeberg, Assistant Secretary of the U.S. Department of Health, Education, and Welfare, recently stated that today the United States needs about 50,000 more physicians, a couple of hundred thousand more nurses, and almost 150,000 more technicians.

"The geographic distribution of health manpower is highly uneven, and although there is no clear agreement on what ratio of, say, physicians to population is adequate, there is little question that the supply of health manpower is gravely deficient in some parts of the nation. Moreover, the fact that New York and Massachusetts have high ratios of physicians to population does not mean that a resident of a lower-income neighborhood of New York City or Boston has adequate access to a physician. As one writer on our 'ailing medical system' recently put it.

"Private physicians are as hard to find in some neighborhoods of New York City as in backward rural counties of the South.

"The uneven geographic distribution of health manpower is, of course, related to differences in per capita income among states and local areas and resulting differences in family expenditures on health care. But these variations are also related to differences in education, in the size of communities in which people live, and to racial background. Merely increasing the supply of physicians will not solve the problem of deficient health care in low-income areas. As we move toward a more adequate system of financing medical care, we may also need to devise special financial and nonfinancial incentives to induce physicians and other health personnel to work in low-income areas.[11]"

The lastest study of national health personnel supply entitled, *Increasing the Supply of Medical Personnel*, published in 1973 by the American Enterprise Institute for Public Policy Research, succinctly describes today's maldistribution problem. It is evident that the past 25 years of documentation, analysis, and discussion have scarcely affected the situation.

"While it may be difficult to set criteria for an efficient size of geographical area and population for delivery of health care, it is still true that there exists a maldistribution of physicians. Either in terms of "need" (as defined by social and medical criteria) or in terms of willingness to purchase more medical care at existing prices, some areas are truly underserved.

"Omitting the District of Columbia, whose high physician/population ratio reflects its role as central city for a metropolitan area outside its bounds, the difference in ratio of physicians to population ranges from 238 per 100,000 in New York to 78 per 100,000 for Alaska and Mississippi—in other words by a factor of three. The difference in ratio of nurses to population ranged, in 1966, from 536 per 100,000 for Connecticut to 133 in Arkansas—by a factor of four.

"Generally the wealthy states are high in both ratios, and the poorer states low in both. There are some notable exceptions. Some states, among them wealthy ones such as Alaska, with a small and dispersed population, are low in physicians and high in nurses. One might mention the Dakotas, Montana, and Wyoming in addition to Alaska. Obviously, these states substitute nurses for physicians, a point which can be proved by calculating the ratio of nurse to physician. This is 1.9 for the nation as a whole, but 4.4 for Alaska, 3.5 for North Dakota, and 3.8 for New Hampshire. The poorer states, among them some with a fairly dispersed population, do not appear to be doing this. The ratio of nurses to physicians is below the national average for most of them, being only 1.5 for Arkansas and Tennessee and 1.6 for Texas and Oklahoma.

"The ratio of hospital beds to population ranges by a factor of about three. It is lowest for Alaska, with 2.1 hospital beds per thousand population, and highest for North Dakota, with 6 beds per thousand. Both of these states have unusual demographic compositions, which may help explain their extreme positions. Eliminating these outliers reduces the range to a factor of 1.9.

"The tendency of physicians to concentrate in urban areas and generally in centers of knowledge and activity is natural. They stay close to centers of activity not only because of the higher income they receive there, but also because of the benefits of professional interaction and the fear of obsolescence, because of the opportunities for continuing education and growth, and the accessibility of research and modern facilities and equipment. Also, the availability of nonprofessional amenities—opportunities for recreation, education for children, cultural activities and so on—plays a role.

Footnotes at end of article.

"Given the nature of physician pricing, serving in a high-income area also means higher monetary returns, although this has been modified by medicare and Medicaid. A physician in a rural area not only serves a population with lower income, but in addition, he may face higher operating costs because of the small size of his market and difficulties in financing his investment in equipment (or even housing). He may also work longer hours to make a desirable income and to serve the needs of the community. One study suggests that physicians in rural areas work longer hours or render more service that physicians in urban areas.

"The average age of a physician serving in rural and isolated areas has risen from year to year. The rural physician has generally been in practice in the area for years. If he dies he frequently is not replaced. According to the Department of Agriculture, the decrease in doctors in isolated rural areas between 1950 and 1960 was six times greater than the decrease in population. The ratio of physicians to population in isolated rural areas was only one-third the national average. In 1970 there were 132 counties in the nation with no doctors. Some of these counties are of course small and (in this age of improved transportation and communication tion) could possibly be served by a team serving several communities rather than by resident physicians and nurses.

"Perhaps an explanation why physicians with rural backgrounds do not return to practice in their hometowns can be gleaned from the following excerpt:

" 'Though there are some 43 black medical and dental students from Mississippi in various schools across the country, less than 10 percent are expected to return to the State to practice their profession. Too many of them are haunted by the memories of their family physician back home—the middleaged, too elderly, solo practitioner who is the only black physician in a four to five county area—isolated from his colleagues and devoid of ready consultation services. They are reluctant to set up practice in an area where the mean family income among his prospective patients may run as low as $600 per year and his average working day is 16 to 18 hours long, seven days a week.'

"It would be wrong to conclude that the overwhelming factor that keeps young doctors from returning to their hometowns is self-interest. It would be fairer to consider the practical aspect: young doctors have to repay loans incurred during their medical schooling and are saddled with these repayments while setting up practice. Later, prolonged separation may have dulled their attachment to their old hometown. New attachments may keep them in the big city.

"While inaccessibility of modern facilities and opportunities for professional growth may not be the reasons for the shortage of physicians in inner cities, the quality of life there is. Moreover, until the advent of Medicaid, a practice among the low-income inner city population was also less lucrative than practice elsewhere."

Added to the socioeconomic factors that bias distribution of physicians is the impact of Flexner Report standards and quotas on the supply of Negro doctors after 1910. These standards resulted in reduction of the number of Negro medical colleges from seven in 1910 to two in 1913, aggravating the maldistribution problem.[12]

A major Federal effort, aimed at reducing the geographical maldistribution of physicians and other health professionals, has been the Health Professions Student Loan Forgiveness program, first authorized by the Health Professions Educational Assistance Act of 1965. A new loan repayment program—authorized by the Comprehensive Health Manpower Training Act of 1971—is just being implemented:

Briefly, the loan forgiveness program works this way. If a physician, dentist, or optometrist practices in a certified health manpower shortage area, and if that practice helps meet that area's need for health services, the Secretary of HEW may cancel 50 percent of the practitioner's Federal Health Professions Student Loan, plus interest, at the rate of 10 percent per year of service. If the health manpower shortage area is designated a rural low-income area, the *total* unpaid balance may be cancelled at the rate of 15 percent per year of practice.

The new loan repayment program authorizes the Secretary of HEW to repay up to 85 percent of a health profession student's loans—from any source—incurred for the costs of education at a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, or pharmacy in return for service in a health manpower shortage area. Under the terms of this program, the Secretary of HEW will repay an individual's professional educational loans, plus interest, at the rate of 60 percent for the first two years of service in a certified shortage area and additional 25 percent for a third year of service.

Both programs are completely voluntary. Available data indicates they are not working. Weak financial incentives combined with liberal buy-out provisions do not induce physicians and other health personnel to locate their practices in rural communities and urban inner cities.

Two recently published studies—one by the General Accounting Office and one by an independent research organization under contract to DHEW—clearly showed that the voluntary Health Professions Loan Forgiveness program has been unsuccessful.

The GAO study, entitled "Congressional Objectives of Federal Loans and Scholarships to Health Professions Students Not Being Met," found that less than 1 percent of the individuals eligible for the Federal loan forgiveness program chose to participate in the program. About 30,000 medical and dental students received health professions student loans between 1965 and 1972. Of that total, only 86 physicians and 133 dentists had obtained cancellation of a portion of their loan for practicing in a designated shortage area by October 1973. Equally significant, however, the study concluded that those individuals requesting loan cancellation would probably have located their practice in a shortage area anyway. In other words, loan forgiveness was not found to be an effective incentive with respect to choice of practice location.

The independent study—by CONSAD Research Corporation—supports GAO's conclusions:

On balance the forgiveness programs have as yet contributed very few health practitioners to shortage areas. Unless the current levels of performance change radically in the next few years, it appears unlikely that loan forgiveness will have a noticeable impact on the distribution of health practitioners in underserved areas. Further, the participation rates for dentists, most of whom have made location decisions, suggests that the current levels of performance are not likely to change radically for physicians.

We cannot conclude from this data that forgiveness was an incentive to enter shortage areas for those whose loans were forgiven. They may have entered for other reasons and accepted forgiveness as a windfall. But we can infer that if few practitioners are attracted to the forgiveness program, it is likely to be a rather weak incentive.[13]

TESTIMONY OF WITNESSES BEFORE THE SENATE LABOR AND PUBLIC WELFARE COMMITTEE ON GEOGRAPHIC MALDISTRIBUTION OF HEALTH PROFESSIONALS

The Senate Labor and Public Welfare Committee, Subcommittee on Health, held four days of hearings this past June on health manpower legislation on this problem. Throughout the course of the hearings, expert analysts, representatives of professional organizations, and individual practitioners testified on the problem of geographic maldistribution of physicians and other health professionals. From the first day of testimony it became obvious to the Committee that the problem was serious, growing worse rather than better. Given the state of the present system and organization of health services and manpower education, the problem was unlikely to be solved in the immediate or distant future.

Excerpts from the testimony distressingly document the nature and scope of the problem of geographic maldistribution of physicians and other health personnel.

PIERRE DE VISE, COLLEGE OF URBAN SCIENCES, UNIVERSITY OF ILLINOIS

An analysis of the nation's physician distribution reveals that despite vastly increased health expenditures, doctor-poor areas are getting poorer and doctor-rich areas richer. The trend seems to be that doctors are abandoning Midwestern industrial states, rural areas and urban ghettos for practices in middle and upper-income areas in coastal cities and surrounding bedroom suburbs . . .

The cosmopolitan and international centers of Boston, New York City and San Francisco, and the States of New York, Massachusetts and California have half again as many doctors per population as Chicago and Illinois, and two to three times as many doctors per population as lesser midwestern cities and states . . .

Some states are exerting a much greater effort than other states in producing physicians, but there is little connection between the effort and the reward.

Looking at the four largest urban states, New York is a large supplier and recipient; California is a low supplier but a large recipient; Illinois is a large supplier but low recipient; and Ohio is mediocre both as a supplier and as a recipient of doctors.

In all four states, local medical school graduates supply a minor fraction of the doctors who locate their practice in the state. Local graduates made up in 1972 but 30 to 33 percent of the new practitioners in New York, Ohio and California, and 6 percent in Illinois.

In other words, Illinois graduates provide only 6 percent of the new doctors who took out license in Illinois in 1972.

That same year, foreign medical graduates supplied slightly over half of New York's and Ohio's interns, residents and licentiates, and two-thirds of the interns and three-fourths of the licentiates in Illinois. They now account for 40 percent of all physicians in New York and are projected to exceed 50 percent before 1980.

Without any additional increase in enrollment beyond those already in the works, the supply of physicians is projected to grow by 92 percent in New York, 87 percent in California, 73 percent in Illinois. 70 percent in Ohio, and 74 percent in the nation between 1970 and 1990.

Footnotes at end of article.

By 1990, New York will have a ratio of 3.80 physicians per 1,000 population, 83 percent above the nation's projected ratio of 2.24, and 91 percent above the ratio of 1.99 projected for Illinois.

It is also projected that the non-metropolitan counties in these four states will continue to lose physicians as they have in the past. . .

. . . New York and Massachusetts rank first and second in physician population ratios—*2.34 and 2.11* physicians per thousand in 1972.

But New York counties outside the large metropolitan areas and Massachusetts outside of Boston have fewer physicians per population than the nation as a whole. Moreover, New York City's and Boston's advantage over the upstate counties is increasing.

New York City's ratio was 50 percent higher than upstate New York's ratio in 1960, and 71 percent higher in 1972. Boston had four times as many physicians per population as the rest of Massachusetts in 1960, and five times as many in 1972.

Furthermore, huge disparities prevail within both New York City and Boston. There are four times as many physicians per population in higher income neighborhoods as in poor neighborhoods in New York City. And there are eight times as many physicians in higher income as in poor neighborhoods in Boston. In both cities, about half of the population lives in higher income neighborhoods and a fifth of the population lives in poor neighborhoods.

The maldistribution of physicians in our cities, states and nation is not likely to be redressed by further increases in the number of medical school graduates or by any of the efforts made so far to induce physicians to practice where they are needed.

MILTON I. ROEMER, M.D., UNIVERSITY OF CALIFORNIA AT LOS ANGELES SCHOOL OF PUBLIC HEALTH

Of the many deficiencies in rural health service, the shortage of doctors is probably the most obvious. This first began to be recognized about 1920, when the reduced numbers of medical graduates following the Flexner Report coincided with an increasing settlement of new graduates in the cities, where the rapidly advancing medical science and technology was concentrated. The earliest action to counter this trend was taken in the 1920's by small towns in New England, which passed ordinances to pay public monies to attract doctors. Some local communities offered attractions like a rent-free house or an automobile.

In the 1930's the Commonwealth Fund pioneered the idea of fellowships to medical students who would agree to settle in certain rural districts. In 1942 Virginia passed the first State statute to do essentially the same—that is fellowship support of medical students on condition of later settlement in a rural area of doctor shortage. In the late 1940's, after World War II, about a dozen States enacted similar programs.

In the 1950's action was taken by several medical societies at the State level, and the American Medical Association nationally, to encourage doctors to settle in rural areas through spread of information on towns with serious medical shortages. The Sears Roebuck Foundation in 1959 lent money and gave architectural plans to small towns, to enable them to build modern medical office buildings, which might attract doctors.

When the Hill-Burton Act for Federal subsidy of hospital construction was enacted in 1946, one of the strongest arguments advanced for it was that these modern facilities would attract doctors to rural regions.

Also, the Federal legislation for strengthening the medical and other Health professional schools, starting in 1963 and gradually broadening in scope to the Comprehensive Health Manpower Training Act of 1971, was motivated by a goal of increasing the overall national supply of health personnel; this, in itself, was felt necessary to achieve more doctors for rural areas and urban districts of shortage.

In the 1970's we belatedly began to recognize the value of physician-extenders of various types as an approach to the problems of underserved areas. In 1970, the first direct Federal action was taken to locate doctors and other health personnel in underserved rural and urban areas through enactment of the Emergency Health Personnel Act and later implementation, on a very modest level, of the National Health Service Corps program.

This sketchy review is far from complete, but I offer it mainly to provide a basis for the question: What has been accomplished? Is the supply of doctors and other health manpower now better in rural and urban slum areas than it was 50 years ago?

While there are statistical problems in giving a clear-cut answer, my review of the available data suggests that the net effect of all these past efforts on the supply of rural doctors has been almost negligible. Between 1949 and 1959, for example, the ratio of doctors serving the approximately 60 million people in isolated rural and non-metropolitan counties changed only from 73.7 to 74.7 per 100,000 population.

For all practical purposes, one can say that the past efforts have been essentially too little and too late.

This is not to say that all health services to rural people have shown no improvement. In fact, there has been an appreciable rise in the rate of hospital and medical services that rural people have received over the last 20 or 30 years. The relative amount of these services is still substantially lower than those obtained by urban people, but there has been improvement.

The explanation, however, has not been due to an improved distribution of doctors, but rather better transportation to the cities. There has been an especially large increase in the rate of hospitalization experienced by rural people, which doubtless can be credited to the equalizing efforts of the Hill-Burton Hospital Construction Act and the extension of voluntary health insurance. Medicare and Medicaid.

The persistent handicaps in the rural and city slum supply of doctors near-at-hand, however, is still perfectly obvious.

DONALD DEWEY, PH. D., DEPAUL UNIVERSITY

The studies summarized in this report provide ample evidence of an increasing maldistribution of private practice physicians' offices in metropolitan Chicago. The trends identified in Chicago, with few exceptions, typify those occurring in most large cities of the U.S.

The primary factors cited in these studies as contributing to this maldistribution are: (1) the flight of doctors from the metropolitan area, (2) the suburban flight of doctors, (3) variation in the socio-economic status of an area, (4) the proportion of blacks living in a community, (5) the availability of large regional shopping centers in an area, (6) the age of the physician, (7) the decline in the percentage of M.D.'s entering private practice, and (8) the increasing proportion of specialists.

The impact of these shifts in physician office location can be summarized by comparing their distribution at three levels of geographical detail: (1) the city and suburbs, (2) concentric rings encircling the city's core and (3) individual municipalities and "community areas."

In spite of a gain in the total number of doctors between 1950 and 1970, the City of Chicago lost 2,000 private physicians. Chicago's current physician population ratio is the lowest in the City's history, and is expected to establish new record lows every year for the next two years.

Chicago had almost two doctors for every 1,000 people between 1840 and 1930. This ratio gradually slipped to 1.1/1,000 in 1970. Chicago today has half as many doctors per capita as it had in the 19th and early 20th Century.

The suburbs, on the other hand, gained over 1,990 doctors' offices and increased their physician population ratio from .91/1,000 to .94/1,000 in the same 20 year period.

The Loop, Inner City and Outer City all lost physicians' offices with a resulting decline in the physician population ratio. The Loop lost over 650 offices, and its ratio fell from 18.47/1,000 to 15.36/1,000. The ratios of the Inner and Outer City fell from 1.11/1,000 to .75/1,000 and 1.17/1,000 to .87/1,000 respectively. The physician population ratios of the Inner Suburbs rose from .94/1,000 to 1.24/1,000 during the same period.

The middle suburban ring experienced a decline in its ratio between 1950 and 1960 but gained in that ratio between 1960 and 1970. There has been a continuous outward shift of doctors' offices. The outward shift was not evenly distributed in each ring, nor was the flight from the city even vacated in each ring.

Suburban areas of high socio-economic status gained a disproportionately high share of the shifting doctors, while the poor and black areas of the city lost more than their share of doctors' offices. This is best illustrated by comparing suburban municipalities with community areas of the City.

Between 1950 and 1970 the physician population ratio of the ten most impoverished community areas of the City dropped about one doctor per 1,000 population to a little more than one-fourth doctor per 1,000. The ten most affluent suburban municipalities, however, inflated their ratio from 1.78 per 1,000 to 2.1 per 1,000 in the same period.

The impact this can have on an area can best be illustrated by comparing West Garfield Park, a community on Chicago's west side, with the affluent suburb of Oak Park, located about two miles further west.

Garfield Park changed from zero black population in 1950 to 96.8 percent black in 1970. The racial structure of Oak Park (less than one percent black) hardly changed in the same period.

In 1950, there were 161 physicians in West Garfield Park but in 1970, only 13, that is, over 91 percent of the doctors had fled during the two decades. Oak Park, on the other hand, had only 73 doctors in 1950 but the number rose to 276 by 1970, an increase of more than 250 percent.

West Garfield Park's doctor-to-population ratio fell from 3.5/1,000 to about .25/1,000 or from one doctor for every 300 people to one doctor for every 3,700 people, while Oak Park rose from 1.15/1,000 to 4.42/1,000 or from one doctor for every 870 people to one doctor for only 225. This means there are over 16 times as many people for each doctor in West Garfield Park as in Oak Park.

Thus, one finds a situation where more doctors are found in affluent white suburbs of Evanston, Illinois, than in all of South Cook County; more are in rich Wilmette than in all southwestern Cook County and more are in the tiny affluent suburb of Minnetka than in all of Will County.

Such disparity in the distribution of doctors in the Chicago area makes it difficult not to conclude that some communities enjoy large surpluses of physicians while other communities suffer from dangerously low numbers of physicians.

My studies of the distribution of physicians in Chicago have led met to conclude that the tremendous rise in specilization has also contributed to the maldistribution of physician's offices. In the early decades of this Century, when there were few specialists, one physician served the entire medical needs of a family.

Today as a result of specialization, a single family may require the services of five to six physicians to provide the same basic care, for example, an obstetrician-gynecologist, an internist, a pediatrician, and opthalmologist, a radiologist, and perhaps a surgeon or psychiatrist. This division of services has increased the number of vacant positions in medicine many-fold.

Thus, the opening for doctors in the more desirable areas have increased while the supply of private practitioners has dwindled. The result is fewer doctors for those with low or middle income.

This in turn has affected the age distribution of physicians as well. Young doctors entering private practice (a large portion of which are specialists) find more than adequate opportunities open to them in economic advantaged, doctor rich areas, making the less desirable areas even less attractive from the physician's point of view of personal safety, economic gain and opportunity to practice the highest quality medicine desired.

Senator Kennedy. Run that point by me again. I do not quite understand.

Dr. Dewey. Young doctors have available to them more openings, because today the rise of specialization, there are six or seven doctors serving any given family.

Senator Kennedy. I see.

Dr. Dewey. Therefore they have more opportunities to go to doctor rich areas, hence poor areas and middle income do not have as many.

This is an important factor in the increasing gap in the physician population ratio between affluent and poverty areas of metropolitan Chicago cited above. This allegation was verified when comparison of physicians' ages in selected parts of the metropolitan area were studied for the 20 year period 1950–1970.

The average age of physicians and the proportion over 65 years old in the poverty areas, areas undergoing racial change or which had high proportions of black population, all rose substantially while the average age of physicians in affluent, predominantly white suburban areas declined sharply with the proportion of M.D.'s under 45 years old rising rapidly.

So not only have the poor fewer doctors, but their doctors are usually older (the average age is 60 in the ten poorest communities) sometimes not adequately trained in the most recent medical advances, and closer to retiring than those practicing in affluent areas.

The maldistribution of physicians is therefore of much wider scope than merely a disparity in physician population ratios. My studies lead me to conclude that the trends I have just outlined are not abating. The disparities are increasing, and are likely to continue to do so unless some appropriate action is taken to stimulate a reversal in the trend.

From my observations I have concluded that financial incentives to physicians already in practice are of little value as stimulants to reverse the present trends.

CHARLES C. EDWARDS, M.D., ASSISTANT SECRETARY FOR HEALTH, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

In the past, Federal policies toward specialty and geographic distribution of health professionals have relied too heavily on a notion that an increase in total supply would solve the distributional problems. If large enough numbers of health professionals are produced, it was reasoned, competitive pressure would force them to practice in nonmetropolitan areas and in the medical specialties that offer lower income potential, longer working hours, and/or relatively lower levels of prestige. Experience has shown this reasoning to be incorrect. . . .

On the geographic side, while we have experienced a significant increase in our physician-population ratio during the 1960's and early 1970's, disparities in the distribution of physicians by States has actually worsened. Population groups in rural areas and in the inner city have had difficulty gaining access to health care.

Policies aimed at solving the problem of geographic and specialty maldistribution which concentrate on increasing the aggregate supply of health manpower probably will continue to be extremely expensive and largely ineffective.

PHIL R. AARON, STUDENT, AMERICAN MEDICAL ASSOCIATION

Medical education has a direct effect on the type of medical care delivered. A physician while in training develops much of the knowledge and many of the habits, skills and attitudes which will be expressed in his practice throughout his life. Our American medical centers influence not only the type of medicine we will practice; they also influence where will practice. And, unless some essential changes are made in the priorities of our medical schools and from our medical profession, the currently existing geographical and specialty maldistribution will increase rather than decrease in our next generation of physicians. . . .

For a number of years, SAMA through policy of its House of Delegates had supported the concept of mandatory, universal service by all young people in activities that will improve the quality of life for all Americans. As an organization we are now on record supporting the concept of universal service by physicians in areas deficient in health manpower in return for the financing of the costs of medical education because we believe this would demonstrate available approach to the mitigation of the current maldistribution of manpower and services.

DR. WILLIAM R. BROWN, COUNCIL ON DENTAL EDUCATION, AMERICAN DENTAL ASSOCIATION

Geographical maldistribution, however, is a problem that we share with our sister profession of medicine. A central question is whether this issue can be partly addressed within the framework of dental education. The bill introduced on behalf of the Administration seems to be based upon the assumption that it cannot. We believe that to some extent it can. We also do not agree with the Administration's proposition that our existing health professions training capability can be maintained by a withdrawal of a federal supportive role and an accompanying transfer of that support to students in the form of vastly increased tuitions.

There is, in our opinion, a public responsibility to support health manpower education. Improved access to health care is of small value if the providers of that care are not equipped with the knowledge and skills necessary to render quality health services. Dental and other health professions schools that are forced to labor under a "hand to mouth" existence cannot be expected to focus their energies and talent on improved methods of health education and delivery if their very existence is threatened.

Accordingly, the sponsors of S. 3585 are to be commended for their decision to continue institutional support to the health professions schools. It is also proper that this assistance be accompanied by prudent requirements that focus on contemporary health problems so long as those requirements do not detract from or interfere with the basic process of providing high quality education.

Any legislation that seeks to redress problems such as the redistribution of health manpower must also recognize that the problems confronting medicine are not necessarily present in the delivery patterns of other disciplines.

As we have noted, overspecialization and utilization of graduates of foreign training programs are not critical issues for the dental profession. With respect to geographic maldistribution, the fact that 19 of our states do not have a dental school compels us to view this problem in both a national as well as intrastate perspective. Traditionally these states have relied upon compacts and other arrangements with existing dental schools to provide training opportunities for their residents. In recent years, however, important changes have occurred that affect these sources. A number of our private dental schools have been forced to seek state assistance in order to remain in operation. This in turn has brought an explicit commitment to favor in-state applicants. State dental schools have also restricted their admissions policies as the cost of education has risen. Evidence of this trend can be seen in the admission statistics over the past six years. In 1968, a total of 337 students were accepted from the 19 states that are currently without a dental school. By 1973, this total has dropped to 329. The significance of this decrease becomes apparent when it is realized that the aggregate first-year enrollment of the dental schools increased by 1,200 during that period. A more dramatic example is provided by comparing the percentage of applicants accepted this year with that of 1968. In 1968, 43% of the applicants from these same 19 states were accepted into dental schools. Data of the 1973 Annual Report on Dental Education indicates that only 28% of these applicants were accepted for the current academic year.

For dentistry, therefore, the question of distribution involves national consideration as well as rural and inner city needs.

DR. JACK JENKS STOCKTON, DEAN, SCHOOL OF VETERINARY MEDICINE, PURDUE UNIVERSITY

I would like to emphasize the veterinary resources in the United States are in fact national resources in the truest sense. There are currently 19 schools located in 18 different states, there being two in the state of Alabama.

17 of these are public and two are private; the 17 states are now supporting the bulk of the physical resources needed to fulfill the nation's veterinary manpower needs.

This also means that 32 states are without this kind of educational opportunity for aspiring young residents.

Interest in the profession continues to run high, as evidenced by the number of applicants the schools receive. For starting classes this year, it is estimated there are six applicants for each position available.

We do not need to remind the committee that disease knows no manmade or artificial boundaries. A hog cholera in Mississippi may wind up in Iowa in short order. We cannot be parochial in our thinking and planning, and to a great extent we must be even global in our thinking and planning.

There are documented shortages of veterinarians. These shortages are extrapolated into the 1980's, although the extent of the shortages will be minimized.

We do have, I am sure, some underserved areas, although such areas are not now specifically identified either geographically or quantitatively.

DR. RAYMOND G. M'KEOWN,
NORTH BEND, OREG.

For ten years I was a member of the Special Committee of the Sears-Roebuck Foundation who sought to provide medical care for rural areas devoid of physicians.

In the past few years I served as a member of the National Study of Optometric Education, conducted under the auspices of the National Commission on Accreditation where we sought to understand and improve optometric education.

I was one of a carefully selected group, representing all aspects of the profession and higher education. In this study I was profoundly impressed with the full extent of the study itself. Every possible avenue was fully explored by a national on the spot survey, not only of the schools of optometry, but of the students themselves as well.

All this material was made available to our study group. The end result was the recognition by all of us that optometry today has the finest medical curricula available to anyone, which our Federal government should fully support in the interests of better health care.

Throughout the several studies, it became increasingly clear that although the science and technology had advanced so far and so rapidly, the facilities needed for the utilization of these advances in better medical care simply either did not exist or were so deficient in health manpower as to make them impossible for an implementation.

The big problem facing those of us in the health field today are first an insufficient number of providers of health care.

Secondly, an illogical distribution of those who are available;

And thirdly, the controversial costs of some refined, sophisticated health procedures that are available.

ROBERT W. OLIVER, PH. D., AMERICAN ASSOCIATION OF COLLEGES OF OSTEOPATHIC MEDICINE

With regard to that section of S. 3585 which precludes institutional support to medical colleges for students not agreeing to serve in a physician shortage area, the Association is basically in agreement with this type of legislative mechanism.

Mr. GOLDMAN, Subcommittee Staff Director. You support that mechanism; is that correct?

Dr. OLIVER. That is correct.

Furthermore, the Association is aware of the paramount role medical colleges can play in meeting the physician distribution problem.

This problem does not appear to be ameliorating and apparently dramatic action as proposed in this bill, is called for.

DANIEL TOSTESON, PH. D., ASSOCIATION OF AMERICAN MEDICAL COLLEGES

The clear intent of the bill's provisions dealing with assistance for health professions education is to correct the problem of geographic maldistribution of physicians. The Association agrees the problem is a serious one; acknowledges the responsibility the schools—among others—for dealing with the problem; and recommends the following approach.

The problem should be viewed in both short- and long-run terms. In the short run, the objective should be assuring the availability of health personnel for underserved communities. In the long-term, the objective should be developing a health services infrastructure in such communities, combining education and service functions, to influence practice decisions and to provide a health services context for persons choosing to practice in such communities . . .

As Senator Kennedy indicated in his remarks before the Senate on June 5, access to adequate health services by many of our fellow citizens is limited by, among other factors, the availability of appropriately located and trained health professionals.

Since much of the legislative initiative on health professional manpower education this year is addressed to these important and real problems of geographic and specialty distribution, I will begin by stating my views on the relation between these problems and the processes of undergraduate and graduate medical education.

First, the medical schools involved in undergraduate medical education and the teaching hospitals involved in graduate medical education bear some of the responsibility for the distribution of physicians by geography and specialty. However, they do not and cannot assume total responsibility. The Association assures you that these institutions will welcome, to quote your phrase, ". . . the tools to do that job" better. However, we do not want to arouse expectations which cannot be fulfilled. An adequate solution to these problems will require major changes in the structure of the health care delivery system and is thus, also the responsibility of practicing physicians and other health professionals.

2. SPECIALTY MALDISTRIBUTION OF PHYSICIANS

"To add 50,000 more primary care physicians in 10 years would require that 50% of the American graduates and incoming foreign medical graduates for the next ten years enter primary care specialties.

"However, this would increase the percentage of total physicians to primary care specialties only to 38.6% from 35.1%." American Medical Association, Division of Medical Education, 1973.

"Our primary care problem is quite substantial and it is not a matter that can be addressed by tinkering or making minor adjustments in the system." Kenneth Endicott, M.D., Administrator, Health Resources Administration, Department of HEW, Address delivered at the Institute of Medicine, National Academy of Science, Health Manpower Meeting, May 8, 1974.

"There are twice as many surgeons in proportion to population in the United States as in England and Wales, and they perform twice as many operations." John P. Bunker, M.D., Professor of Anesthesia, Stanford University, *The New England Journal of Medicine*, January 15, 1970.

"There is no evidence that accrediting organizations and professional societies can or will adequately plan and control the growth of residences." Dr. Gerald Weber, Associate Professor, University of California, Testimony before House Health Subcommittee, May 21, 1974.

The proportion of physicians who practice specialties has increased rapidly in the last two decades. In 1949, 50 percent of all physicians considered themselves general practioners. In 1970, that percentage had dropped to 22. Correspondingly, physician specialists increased from 37 percent in 1949 to 80 percent in 1970. Latest statistics show that of the total number of physicians in direct patient care in 1972, only 19 percent were classified as general practitioners.

Between 1968 and 1972, the number of general practitioners, as classified by the American Medical Association, declined by eight percent. Forty-three states showed a decrease in the number of general practitioners. Alaska lost 15 percent of its GPs, during this period. Rhode Island lost 16 percent. Only seven states enjoyed an increase in the number of physicians in general practice during these years. Table 5 presents data on non-Federal physicians in the United States and possessions, by specialty and activity, for 1972. Chart 2 outlines the percentage of physicians in patient care and in non-patient care, by activity, for 1972. Table 6 shows the distribution change among physicians in general practice and in specialties for the years 1949, 1960, and 1970. Table 7 shows the distribution of non-Federal physicians in general practice, by states, for the years 1968 and 1972.

TABLE 5.—NON-FEDERAL PHYSICIANS IN UNITED STATES AND POSSESSIONS BY SPECIALTY AND ACTIVITY, DEC. 31, 1972[1]

	Major professional activity									
		Patient care					Other professional activity			
				Hospital based practice						
Specialty	Total physicians	Total	Office based practice	Interns	Residents	Full-time physician staff	Medical teaching	Administration	Research	Other
Total physicians	325, 789	269, 095	198, 974	11, 050	38, 461	20, 610	5, 137	8, 877	7, 929	2, 285
General practice	52, 968	52, 330	49, 265		971	1, 094	90	315	55	178
Medical specialties	75, 892	67, 995	47, 026	3, 993	12, 172	4, 804	1, 817	2, 042	3, 683	355
Allergy	1, 554	1, 413	1, 385			28	24	15	94	8
Cardiovascular diseases	5, 415	4, 513	4, 032			481	229	158	472	43
Dermatology	3, 862	3, 665	3, 126		476	63	50	43	91	13
Gastroenterology	1, 628	1, 320	1, 211			109	94	34	177	3
Internal medicine	42, 634	38, 611	24, 679	2, 979	8, 644	2, 309	751	1, 109	1, 985	178
Pediatrics	18, 203	16, 471	11, 258	1, 014	2, 962	1, 237	491	544	607	90
Pediatric allergy	368	328	283		29	16	11	2	25	2
Pediatric cardiology	499	359	198		61	100	60	14	64	2
Pulmonary diseases	1, 729	1, 315	854			461	107	123	168	16
Surgical specialties	84, 613	81, 877	63, 055	1, 584	14, 102	3, 136	895	762	846	233

Specialty	Total physicians	Major professional activity								
			Patient care				Other professional activity			
				Hospital based practice						
		Total	Office based practice	Interns	Residents	Full-time physician staff	Medical teaching	Administration	Research	Other
General surgery	28, 579	27, 673	19, 139	1, 352	5, 831	1, 351	258	308	265	75
Neurological surgery	2, 590	2, 478	1, 833	----------	524	121	42	14	45	11
Obstetrics and gynecology	19, 046	18, 270	14, 669	232	2, 650	719	241	256	221	58
Ophthalmology	9, 869	9, 590	8, 124	----------	1, 284	182	77	45	134	23
Orthopedic surgery	9, 430	9, 200	7, 235	----------	1, 698	267	105	44	52	29
Otolaryngology	5, 195	5, 047	4, 195	----------	730	122	60	30	42	16
Plastic surgery	1, 689	1, 646	1, 325	----------	266	55	18	8	12	5
Colon and rectal surgery	636	626	600	----------	15	11	1	3	3	3
Thoracic surgery	1, 745	1, 651	1, 309	----------	212	130	33	21	35	5
Urology	5, 834	5, 696	4, 626	----------	892	178	60	33	37	8
Other specialties	79, 850	66, 893	39, 628	5, 473	11, 216	10, 576	2, 335	5, 758	3, 345	1, 519
Aerospace medicine	192	133	110	----------	18	5	4	23	17	15
Anesthesiology	11, 168	10, 539	8, 058	----------	1, 516	965	365	130	116	18
Child psychiatry	2, 189	1, 814	1, 233	----------	275	306	125	169	61	20
Diagnostic radiology	1, 840	1, 688	1, 176	----------	235	277	77	16	20	39
Forensic pathology	177	99	88	----------	3	8	9	26	6	37
Neurology	3, 000	2, 453	1, 443	----------	762	248	171	62	299	15
Occupational medicine	2, 274	1, 731	1, 683	----------	6	42	5	422	32	84
Psychiatry	20, 340	17, 942	11, 107	----------	3, 339	3, 496	434	1, 445	411	108
Pathology	9, 862	7, 906	3, 599	203	2, 026	2, 078	388	384	596	588
Physical medicine and rehabilitation	1, 255	1, 115	585	----------	185	345	24	81	20	15
General preventive medicine	639	259	202	----------	38	19	50	233	66	31
Public health	2, 427	668	581	----------	24	63	93	1, 448	96	122
Radiology	10, 827	10, 172	6, 436	----------	2, 275	1, 461	212	106	112	225
Therapeutic radiology	858	806	501	----------	156	149	24	12	14	2
Other specialty	5, 657	2, 694	1, 816	----------	----------	878	329	1, 066	1, 409	159
Unspecified	7, 145	6, 874	1, 010	5, 270	358	236	25	135	70	41
Not classified	12, 356	----------	----------	----------	----------	----------	----------	----------	----------	----------
Inactive	20, 110	----------	----------	----------	----------	----------	----------	----------	----------	----------

[1] The term "non-Federal" as used here and later in this section refers to physicians who are not the employ of the Federal Government.

Source: Excerpted from: "The National Health Insurance Resource Book," prepared by the staff of the Committee on Ways and Means, Apr. 11, 1974, p. 113.

TABLE 6.—PERCENT DISTRIBUTION OF PHYSICIANS AMONG SPECIALTIES

Specialty	1949	1960	1970
General practice	50. 1	36. 1	21. 8
Medical specialties	11. 2	19. 0	24. 3
Surgical specialties	17. 1	23. 6	27. 2
Other specialties, part time	7. 8	14. 4	26. 7

Sources: O'Rourke, John and Stanley Wallack, "A Health Manpower Strategy for the 70's," Department of Health, Education, and Welfare, June 29, 1973, p. 27.

TABLE 7.—DISTRIBUTION OF NON-FEDERAL PHYSICIANS IN GENERAL PRACTICE 1968 AND 1972

State	1968[1]	1972	Percent change between 1968 and 1972[2]
Alabama	770	698	−9
Alaska	62	71	−15
Arizona	479	517	+8
Arkansas	601	557	−7
California	7, 169	6, 735	−6
Canal Zone	6	6	----------
Colorado	630	601	−5
Connecticut	732	636	−13
Delaware	143	133	−7
District of Columbia	234	189	−19
Florida	1, 474	1, 578	+7
Georgia	931	875	−6
Hawaii	189	195	+3
Idaho	249	255	+2
Illinois	3, 279	2, 849	−13
Indiana	1, 662	1, 586	−5
Iowa	940	869	−8
Kansas	676	639	−6
Kentucky	891	859	−4
Louisiana	896	801	−11
Maine	282	251	−11
Maryland	808	778	−4
Massachusetts	1, 540	1, 345	−13
Michigan	1, 907	1, 709	−10
Minnesota	1, 220	1, 220	----------
Mississippi	609	541	−11
Missouri	949	843	−11
Montana	247	230	−7
Nebraska	530	517	−3
Nevada	132	138	+5
New Hampshire	243	220	−10
New Jersey	1, 867	1, 648	−12
New Mexico	206	185	−10
New York	5, 397	4, 757	−12
North Carolina	1, 162	1, 063	−9
North Dakota	199	169	−15
Ohio	2, 935	2, 586	−12
Oklahoma	678	604	−11
Oregon	642	624	−3
Pennsylvania	3, 617	3, 187	−12
Puerto Rico	529	598	+13
Rhode Island	227	191	−16
South Carolina	690	680	−1
South Dakota	224	193	−14
Tennessee	914	834	−9
Texas	2, 962	2, 873	−11
Utah	269	280	+4
Vermont	130	144	+11
Virginia	1, 152	1, 110	−4
Virgin Islands	8	9	+13
Washington	1, 098	1, 081	−2
West Virginia	460	424	−8
Wisconsin	1, 247	1, 189	−5
Wyoming	131	124	−5
Pacific Islands	9	10	+11
Total	57, 233	52, 968	−8

[1] Source of 1968 data, "Reclassification of Physicians, 1968," American Medical Association, Center for Health Services Research and Development, Chicago, 1971.

[2] Percentages have been rounded.

Source: Excerpted from: "The National Health Insurance Resource Book," prepared by the staff of the Committee on Ways and Means, Apr. 11, 1974, pp. 121–122.

The trend with respect to specialty maldistribution of the past 25 years is unmistakeable. The proportion of physicians in specialties has grown remarkably since 1950. A recently published study by Levit and others of the National Board of Medical Examiners concluded that virtually all U.S. medical school graduates in the 1970's will undertake residency training and will seek specialty certification.[14] The growth in residency training over the past 20 years supports this conclusion. According to Weber's study on specialty distribution the number of residency training positions increased 70 per cent (from 19,364 to 32,786) between 1950 and 1960. Between 1960 and 1970 residency positions continued to increase 44 percent, to 46,005.[15]

During these two decades, for example, the number of residencies offered in anesthesiology increased by 182 percent; in survery, by 95 percent; in orthopedic surgery, by 134 percent; in dermatology, by 182 percent. The largest increase, however, was in general practice/family practice. Some 224 residencies were offered in 1950. In 1970—one year after family practice became a board-certified specialty—1,210 family practice/general practice residencies were offered, a 440 percent increase over 1950. However, only 43 percent of these residency training positions were filled in 1970, the lowest percentage for any approved residency program. In other words, 57 percent of all family practice/general practice residency positions offered in 1970 went unfilled. In contrast, other specialties filled a much greater percentage of their available slots. For example, neurological surgery filled 93 percent of its positions; dermatology, 97 percent; surgery, 91 percent; orthopedic surgery, 95 percent. Table 8, showing the growth in residency training positions for the past two decades, outlines trends in residencies offered and filled for 1950, 1960, and 1970.

Footnotes at end of article.

TABLE 8.—TRENDS IN RESIDENCIES OFFERED AND FILLED

				Growth (percent)	
	1950	1960	1970	1950–70	1960–70
Anesthesiology:					
Number of approved programs	204	241	184	−10	−24
Total offered	725	1, 794	2, 046	182	14
Total filled	524	1, 244	1, 681	221	35
Percentage filled	72	83	82	13	−1
Child psychiatry:					
Number of approved programs		58	124		113
Total offered		107	621		480
Total filled		79	425		437
Percentage filled		78	68		−13
Dermatology:					
Number of approved programs	85	85	86	1	1
Total offered	221	315	619	182	96
Total filled	170	298	599	252	101
Percentage filled	77	95	97	26	2
General practice/family practice:					
Number of approved programs	66	184	183	177	−1
Total offered	224	790	1, 210	440	53
Total filled	97	549	532	448	−3
Percentage filled	43	69	43	0	−38
Surgery:					
Number of approved programs	474	728	536	13	−26
Total offered	3, 698	6, 052	7, 221	95	19
Total filled	3, 056	5, 640	6, 539	113	16
Percentage filled	83	93	91	10	−2
Internal medicine:					
Number of approved programs	559	622	421	−25	−32
Total offered	3, 873	5, 814	7, 920	104	36
Total filled	2, 949	5, 197	7, 194	142	37
Percentage filled	76	89	91	20	2
Neurological surgery:					
Number of approved programs	92	131	93	1	−29
Total offered	206	418	621	200	48
Total filled	158	369	578	165	56
Percentage filled	77	88	93	21	6
Neurology:					
Number of approved programs	80	136	107	34	−21
Total offered	216	448	945	337	111
Total filled	131	342	781	496	128
Percentage filled	61	76	83	36	10
Obstetrics and gynecology:					
Number of approved programs	381	495	350	−9	−29
Total offered	1, 599	2, 650	3, 081	92	16
Total filled	1, 266	2, 517	2, 655	110	5
Percentage filled	79	95	86	9	10
Opthamology:					
Number of approved programs	172	179	160	−7	−11
Total offered	551	837	1, 385	151	65
Total filled	437	807	1, 360	211	69
Percentage filled	79	96	98	24	2
Orthopedic surgery:					
Number of approved programs	260	311	192	−27	−43
Total offered	901	1, 354	2, 117	134	56
Total filled	715	1, 262	2, 015	182	60
Percentage filled	79	93	95	20	2
Otolaryngology:					
Number of approved programs	152	133	107	−30	−20
Total offered	408	553	978	139	77
Total filled	273	504	910	233	80
Percentage filled	66	91	93	41	2
Forensic pathology/pathology:					
Number of approved programs	438	741	633	44	−15
Total offered	1, 108	2, 794	3, 644	228	30
Total filled	678	1, 985	2, 355	247	19
Percentage filled	61	71	64	5	−15
Pediatrics:					
Number of approved programs	242	309	258	7	−17
Total offered	1, 258	1, 922	2, 830	124	47
Total filled	1, 073	1, 740	2, 592	141	49
Percentage filled	85	90	92	8	2
Pediatric allergy:					
Number of approved programs		25	45		80
Total offered		14	105		650
Total filled		10	95		850
Percentage filled		71	90		27
Pediatric cardiology:					
Number of approved programs			54		
Total offered			159		
Total filled			119		
Percentage filled			75		
Physical medicine:					
Number of approved programs	43	80	70	63	12
Total offered	79	263	484	512	84
Total filled	33	153	308	833	101
Percentage filled	42	58	64	52	10
Pediatric cardiology:					
Number of approved programs			54		
Total offered			76		
Total filled			56		
Percentage filled			74		
Physical medicine:					
Number of approved programs	41	80	70	71	−13
Total offered	38	103	165	334	60
Total filled	21	55	101	381	84
Percentage filled	55	53	61		
Plastic surgery:					
Number of approved programs	27	78	94	248	20
Total offered	24	52	133	453	156
Total filled	14	47	120	745	155
Percentage filled	58	90	90		
Psychiatry:					
Number of approved programs	246	308	262	7	−15
Total offered	801	1, 383	1, 732	116	25
Total filled	495	1, 090	1, 388	180	28
Percentage filled	62	79	80		
Colon and rectal surgery:					
Number of approved programs			15		
Total offered			14		
Total filled			11		
Percentage filled			93		
Radiology:					
Number of approved programs	377	376	272	−28	−28
Total offered	493	674	972	97	45
Total filled	318	544	906	185	67
Percentage filled	65	81	93		
Thoracic surgery:					
Number of approved programs	56	114	80	43	−30
Total offered	72	100	141	96	41
Total filled	57	89	125	119	41
Percentage filled	79	89	89		
Urology:					
Number of approved programs	220	241	178	−19	−26
Total offered	214	255	321	50	26
Total filled	129	204	311	141	52
Percentage filled	60	80	97		

Sources: 1951—JAMA, Sept. 27, 1952; 1960—Directory of Approved Internships and Residencies, 1961 edition; 1970—Directory of Approved Internships and Residencies; excerpted from: Weber, Gerald I., "An Essay on the Distribution of Physicians Amongst Specialties," DHEW contract No. DHEW-OS 171-71, table 2.

In 1972, 51,658 residency positions were offered in the United States. Of this total, over 2,000, or about four percent, were in family and general practice. Only 59 percent of all family practice residencies were filed in 1972. Sixty-two percent of the available general practice residencies were filled. Once again, in contract, 97 percent of the positions offered in the specialty of dermatology were filled; for neurological surgery, 94 percent; opthalmology, 98 percent; surgery, 91 percent; urology 95 percent.[16]

Of the total number of residency positions offered in 1972, 59 percent were filled by U.S. medical school graduates. About 28 percent were filled by foreign medical graduates. Thirteen percent went unfilled. Foreign medical graduates accounted for 32 percent of all filled residency positions in 1972.[17]

Over 20,000 first-year residencies were offered in 1972. Sixty percent of these were filled by U.S. graduates, about 30 percent by foreign medical graduates. Eleven percent went unfilled.

Statistics indicate a growing problem in residency training. Almost twice as many first-year residencies were offered in 1972 than there were U.S. medical school graduates available, resulting in a large percentage of positions being filled by foreign medical graduates and a significant proportion going unfilled.[18]

The available evidence indicates that the tremendous growth in specialties since 1950 has resulted in a shortage of primary care physicians and a possible surplus of some physicians specialists. In a recent study concerning the need for primary care physicians, Schoenfeld and others estimate that the nation requires 133 primary care physicians per 100,000 population, or one primary care physician for every 750 persons. However, the nation has only about half that many. According to the authors:

"It appears that primary medical care of good quality requires the services of about 133 per 100,000 persons of all ages in the population . . .

It is now evident that the number of physicians estimated to have been available to furnish primary medical care has been about one-half the number required to furnish medical care according to physicians' standards on the content of good care. Obviously, with a shortage of this magnitude in the supply of physicians for primary care not all who require such care can receive it. What now occurs is that some people receive no primary care, some receive only part of the needed care, and only some fraction of the population receives all necessary primary care indicated by current clinical standards and judgments."[19]

Table 9, excerpted from the study, summarizes the authors' conclusions on the current shortage of primary care physicians.

TABLE 9.—SUMMARY OF PHYSICIAN MANPOWER REQUIRED FOR GOOD PRIMARY CARE PER 100,000 PERSONS IN THE RESPECTIVE AGE GROUPS

		Internists		For all ages		
Type of care	Pediatricians, for ages less than 17	For ages 17 to 64	For ages 65 and over	Pediatricians	Internists	Both
All primary care[1]	[2] 106	138	200	37	96	133
Acute care	55	70	52	19	44	63
Chronic care	20	68	148	7	52	59
Newborn and well-child care	32			11		11

[1] Excludes dental, mental, and obstetric care and routine physical examinations for adults.

[2] Sum differs from total owing to rounding off.

Source: Schonfeld, Hyman K., Jean F. Heston, and Isidore S. Falk, "Numbers of Physicians Required for Primary Medical Care," reprinted from the New England Journal of Medicine, vol. 286, Mar. 16, 1972.

Footnotes at end of article.

The current goal of the American Academy of Family Practitioners is to reach a family physician-to-population ratio of 1:2,500. Dr. James G. Price, President of the Academy noted at the Committee's recent health manpower hearings that only three states—Arizona, Iowa, and Maine—now have enough family practitioners to meet that ratio. Statistics provided by the Academy show that even such doctor-rich states as California and New York fall far below the Academy's stated goal. Table 10 outlines data on family practitioners by state, and shows the number of physicians needed in each state to meet the 1:2,500 ratio.

TABLE 10.—FAMILY PRACTITIONERS BY STATE

State	1970 population	Number of family practitioners needed for 1:2,500 ratio	Present number of family practitioners and general practitioners in State[1]	Osteopathic general practitioners in State[2]	Total family practitioners and general practitioners available	Difference
Alabama	3, 493, 200	1, 397	694	7	701	−696
Alaska	317, 500	127	71	3	74	−53
Arizona	1, 880, 100	752	505	303	808	+56
Arkansas	1, 956, 500	783	553	15	568	−215
California	20, 329, 900	8, 132	6, 635	193	6, 828	−1, 304
Colorado	2, 313, 900	926	593	198	791	−135
Connecticut	3, 101, 000	1, 240	622	35	657	−583
Delaware	562, 000	225	132	30	162	−63
Washington, D.C	734, 600	294	181	10	191	−103
Florida	7, 143, 600	2, 857	1, 557	602	2, 159	−698
Georgia	4, 694, 800	1, 878	872	77	949	−922
Hawaii	796, 600	319	191	19	210	−109
Idaho	739, 600	296	254	20	274	−22
Illinois	11, 227, 800	4, 491	2, 813	257	3, 070	−1, 421
Indiana	5, 305, 800	2, 122	1, 576	148	1, 724	−398
Iowa	2, 863, 000	1, 145	855	315	1, 170	+25
Kansas	2, 261, 500	905	637	158	795	−110
Kentucky	3, 307, 300	1, 323	852	30	882	−441
Louisiana	3, 696, 400	1, 479	792	13	805	−674
Maine	1, 006, 800	403	247	161	408	+5
Maryland	4, 032, 300	1, 613	766	21	787	−826
Massachusetts	5, 786, 000	2, 314	1, 320	153	1, 473	−841
Michigan	9, 045, 400	3, 618	1, 689	1, 794	3, 483	−135
Minnesota	3, 911, 100	1, 564	1, 203	48	1, 251	−313
Mississippi	2, 229, 500	892	540	0	540	−352
Missouri	4, 777, 600	1, 911	833	882	1, 715	−196
Montana	713, 600	285	229	23	252	−33
Nebraska	1, 523, 200	609	513	23	536	−73
Nevada	514, 400	206	138	20	158	−48
New Hampshire	771, 900	309	218	16	234	−75
New Jersey	7, 353, 700	2, 941	1, 615	643	2, 258	−683
New Mexico	1, 035, 500	414	182	104	286	−128
New York	18, 452, 200	7, 380	4, 678	459	5, 137	−2, 243
North Carolina	5, 171, 400	2, 069	1, 057	22	1, 079	−990
North Dakota	627, 800	251	168	6	174	−77
Ohio	10, 830, 600	4, 332	2, 553	881	3, 434	−898
Oklahoma	2, 630, 800	1, 052	598	332	930	−122
Oregon	2, 185, 400	874	615	134	749	−125
Pennsylvania	11, 918, 600	4, 767	3, 187	1, 316	4, 503	−265
Rhode Island	964, 000	386	191	66	257	−129
South Carolina	2, 641, 600	1, 057	673	5	678	−379
South Dakota	673, 600	269	192	22	214	−55
Tennessee	4, 016, 800	1, 607	829	45	874	−733
Texas	11, 565, 800	4, 626	2, 817	654	3, 471	−1, 155
Utah	1, 115, 300	446	277	12	289	−157
Vermont	463, 400	185	143	32	175	−10
Virginia	4, 740, 200	1, 896	1, 093	33	1, 126	−770
Washington	3, 464, 900	1, 386	1, 072	158	1, 230	−156
West Virginia	1, 755, 000	702	423	67	490	−212
Wisconsin	4, 499, 600	1, 800	1, 183	139	1, 322	−478
Wyoming	343, 200	137	123	9	132	−5

[1] AMA data as of 1972.
[2] 1972 AOA figures.

Source: Testimony of James G. Price, American Academy of Family Practitioners, before the Senate Labor and Public Welfare Committee hearings on health manpower, June 25, 1974.

Physicians practicing surgical specialties comprise the largest proportion of physicians in patient care. Stevens in her study of medical specialization outlined the rapid growth of surgical specialties:

In 1931 only 10 percent of physicians practiced in fields characterized as surgical specialties . . . The proportion had risen to 26 percent in 1960, to over 30 percent in 1968. In short, nearly one out of every three physicians in the United States is in a field which involves surgery; a number of general practitioners are doing some surgery as well. This increase promises, moreover, to continue. Of all American graduates in first year resident and fellowship programs in 1968, over 40 percent were in surgical specialties.[20]

Bunker in his study of surgical manpower indicated that the number of surgeons in the United States has a direct effect on the number of surgical operations performed. He found that proportionately there are more than twice as many surgeons in the United States as in England and Wales, and proportionately more operations are performed in acute short-stay U.S. hospitals than in England and Wales.

Until new evidence is available, it is reasonable to assume that there is a disproportionate number of surgeons in the United States, at least in relation to the total medical manpower pool, and it seems likely that some unnecessary surgery is being performed.[21]

Bunker's conclusions are supported by Lewis' study of surgery and surgeons in Kansas. An examination of the Kansas Blue Cross Association records showed three to fourfold variation in regional rates for six common operations. Lewis found that the number of operations varied directly according to the number of available surgeons and hospital beds:

"The results presented might be interpreted as supporting a medical variation of Parkinson's Law: patient admissions for surgery expand to fill beds, operating suites, and surgeons' time. Surgery has economic consequences for both the patient and the surgeon. The dollar volume that surgery represents to those who perform it must be considered by those concerned with examining the workings of surgical services . . .[22]"

Specialists, more so than general practitioners, are unevenly distributed geographically. Despite nationwide decreases in the number of physicians in general practice, these physicians tend to be more evenly distributed throughout the United States. This is not the case for specialists, however, who tend to locate disproportionately in urban areas. For example, in Alaska there is approximately one internist for every 15,903 persons. In California, the ratio is one per 3,566. Mississippi has one general surgeon for every 10,710 population. New York has one per 4,856. South Dakota has one pediatrician per 39,192 population. Rhode Island has one per 9,791. Wyoming has one OB-GYN specialist for every 23,744. Massachusetts has one for every 10,878.[23]

A recently published study on cardiology manpower underscores the geographic maldistribution of physician specialists:

"Maldistribution of cardiologists is apparent. The national ratio of active cardiologists is 5.1, the greatest number of cardiologists/100,000 is in the North East section of the country with the Middle Atlantic region being 8.0 and the New England region 7.0/100,000 population. South Atlantic and Pacific regions follow with 5.8 and 5.7/100,000. Lowest is East South Central with 2.5 cardiologists per 100,000. All other regions are somewhat above this ratio but are below the 5.1 national average. With the exception of the West North Central area where the ratio of Primary to Secondary Cardiologists is unity, Primary Cardiologists are slightly more numerous across the population than are the Secondary type. The ratio of cardiologists in training to population density roughly corresponds with the practicing cardiologists' ratio within a given census division."[24]

In 1952, President Truman's Commission on the Health Needs of the Nation outlined the growth of physician specialization. Its description—almost 25 years old—is particularly accurate in terms of today's health system:

"Perhaps the outstanding feature of recent medical practice is the growth of specialization. In the past 25 years, the number of specialists has quadrupled. In 1923 there were 15,400 specialists; in 1949, 62,700. In these 26 years, the proportion of specialists among all physicians has risen from 11 to 31 percent . . .

Medical education does not end with 4 years of medical school. The increasing complexities of medical knowledge have led to intensification and lengthening of training, while the rapid advances of science have made continuing education a necessity for the practicing physician who is to keep abreast of new developments. Almost all physicians complete at least the first year of hospital training, the internship. A very large proportion continue with hospital residency training, usually in preparation for the practice of a specialty. Other post-graduate education may include advanced university degrees, clinical or research fellowships, and a variety of short courses in special fields.

"The internship has become virtually a prerequisite for practice. Thirty years ago, the number of internships offered was less than the number of medical school graduates. Today 10,000 internships are offered, with only 6,000 graduates.

"An increasing proportion of medical school graduates continue with residency training, in which they usually concentrate in a limited field. Between 1914 and 1951, the number of residencies and fellowships provided by approved hospitals rose from 428 to almost 20,000. The increase has been particularly rapid in the last 10 years.

"Through hospital training, the young physician has an opportunity to acquire and develop necessary knowledge and skill in diagnosis and treatment before starting independent practice. Also he helps to provide the hospital with needed staff . . .

"But the number of positions offered by

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hospitals far outruns the number of physicians to fill them. In 1939 around 4 percent of the 8,000 internship openings were unfilled; in 1951, over 30 percent of the 10,000 openings remained empty. The trend for residencies has been roughly similar, with 25 percent of the residencies unfilled in 1951.

"The increase in vacancies is the result of a number of factors. Hospitals have found it of great value to have increased house staffs, both because of the service they give to patients, and because of the educational value which this teaching responsibility offers to the hospital and to the regular staff. But the present military draft has withdrawn from civilian life many young physicians who might otherwise have accepted internships and residencies. Vacancies have persisted in spite of the increase in remuneration given by the hospitals to interns and residents.

"The number of vacancies would be greater if it were not for the inflow of doctors from outside the United States. In July 1951 there were 3,350 alien physicians holding internships, residencies, or fellowships in approved civilian hospitals. Many of these physicians were "displaced persons" in training to qualify for licensure in the United States.[25] "

In 1967, the President's National Advisory Commission on Health Manpower concluded that a significant increase in the number of physician specialists was one major cause of the nation's health manpower shortage:

"The Commission believes that there is currently a shortage of physicians and that this shortage will worsen in relation to growing demand, despite the expected increase in the supply of physicians in the years ahead. To understand why this shortage exists, it is essential to distinguish between the services provided directly by physicians to patients and the services provided to patients under the direction of physicians. Because physicians have rapidly increased their use of auxiliary personnel, diagnostic equipment, laboratory facilities, etc., services provided under the direction of physicians have increased far more rapidly than has the number of physicians. If the "productivity" trends of the last decade continue, the output of medical services per physician will increase by 50 percent between 1965 and 1975.

"Even under the most pessimistic assumptions, the growth in the supply of physicians is expected to keep pace with population between now and 1975. Given the expected increase in output per physician, there will be at least a 50 percent increase in the per capita supply of physician-directed medical services. Moreover, hospital services, which complement and sometimes substitute for those of the physician, will also increase more rapidly than population.

"On the other hand, for that component of medical care which can be supplied only by the physician—direct consultation between patient and physician—growing shortages are apparent. A particularly serious aspect of this shortage is the difficulty of gaining entry into the medical care system. The definitive evaluation of an illness should be made at the highest level of competence with the least possible delay. Once he is undergoing diagnosis or treatment, the patient is accustomed to having various tests and procedures carried out by non-physicians. But for the initial judgment, he expects and requires the personal attention of a physician. Delay in diagnosis and treatment is at the least frustrating and at times dangerous. The qualitative improvements in care which may be indirectly responsible for the delays are neither apparent to nor appreciated by a patient unable to see a physician.

"A number of factors appear to account for the seemingly contradictory trends of increasing medical services and decreasing availability of direct physician contact. These factors aside, fundamentally, from the continuing rapid increase in medical knowledge which has greatly enhanced the physician's ability to control illness, but which has altered his method of practice in ways that lessen his availability to individual patients.

"*Specialization.* The most extensive change in medical practice has been the trend toward specialization, an inevitable consequence of the rapid increase of medical knowledge. Less than 2 percent of today's medical graduates go into general practice, and the role of family physician is increasingly taken by internists and pediatricians. Specialization has decreased the numbers of physicians available to provide care for the entire family and has resulted in a reduction in the number of persons seen per physician. Surveys of the National Center for Health Statistics show that between 1959 and 1964 the total number of visits to physicians increased by 8 percent. However, the large increase in services provided under the direction of physicians (81 percent between 1955 and 1965, as mentioned earlier) indicates the amount of care provided per visit expanded far more rapidly than the number of visits."[26]

The 1973 report on health manpower supply by the American Enterprise Institute for Public Policy Research provides further documentation to support the conclusion that physicians are maldistributed by specialty:

"The maldistribution of physicians among specialties aggravates the overall shortage. While general shortages exist in family or primary care medicine and some of the specialties, there is an oversupply of general surgeons.

"With increased demand for medical care there came a rise in the number of specialists. A former president of the American Academy of General Practice is quoted as saying that a well-trained family doctor can 'comfortably and effectively care for 85 percent of the usual ordinary illnesses that beset mankind.' He also pointed out that only 15 percent of today's American graduates are trained to become family physicians. The trend obivously has been toward specialization. It would be helpful to know how many physicians who start out as general practitioners take further training in order to become specialists.

"The ratio of general practitioners to population has been declining. In 1931, 75 percent of the physicians in the United States were general practitioners providing health care primarily outside hospitals. In 1970 only 17.6 percent of the total physician population was engaged in the practice of general medicine. In 1949, the number of general practitioners per 100,000 population was 64.7; by 1967 this number had declined to 31.8. By contrast, the number of full-time specialists per 100,000 population, from 37.2 in 1949, rose to 64.7 in 1967. The figures, however, are not truly comparable. The AMA included part-time specialists under the category of general practitioners before 1963. After that year, it only distinguished between specialists and general practitioners. It has not explained where those who were formerly classified as part-time specialists are now included. Also, internal medicine, although closely identified with general medicine, is treated as a specialty.

"In 1959, earnings of general surgeons exceeded those of general practitioners by 39.5 percent; this gap narrowed to 20.3 percent in 1970. In absolute dollar amount, the gap is near $8,000 annually in both years. The gap between the earnings of internists and general practitioners widened in absolute terms (from $2,300 in 1959 to $3,850 in 1970). The highest receipts were received by specialists.

"The system of closed hospital staffs tends to encourage specialization. Graduating interns know it is easier for specialists to become attached to a good hospital than for GPs. The fact that specialists are favored by federal research programs also serves to entice interns away from general practice.

"Among the specialties there is also maldistribution. It is generally acknowledged that while there is a shortage of radiologists and psychiatrists, there is an oversupply of surgeons. Cornell's vice president for medical affairs. Dr. Hugh Luckey, is quoted as saying that there are more neurosurgeons in New York City than in the whole of the Soviet Union, and "you have 700 times as great a chance of having your head opened up here as you would in some other countries where the quality of care is also high."

"A statement whose sense is repeated in different forms in different sources does not spare the profession:

Many general surgeons are not very busy and therefore a great amount of unnecessary surgery is performed. The situation is particularly shocking when hysterectomies are considered. We were told that many women undergo mastectomies when a less radical procedure would do. Many thyroidectomies are performed when psychotherapy would be preferred.

"There is substantial overdoctoring for a host of diseases, including in particular infections of the upper respiratory tract.

"Not only does the overall supply of physicians influence total demand for their services, but also the distribution by specialty itself alters the structure of demand, and maldistribution by specialty tends to persist."[27]

Testimony of Witnesses Before the Senate Labor and Public Welfare Committee on Specialty Maldistribution of Physicians

During the four days of health manpower hearings held this past June, the Committee took much testimony on the problem of specialty maldistribution of physicians. Many witnesses, concerned about the rapid growth of specialization, discussed their misgivings. Excerpts from the testimony on specialty maldistribution clearly outlines and documents their concern:

"Donald, Dewey, Ph. D., DePaul University, Chicago, Illinois

"My studies of the distribution of physicians in Chicago have led me to conclude that the tremendous rise in specialization has also contributed to the maldistribution of physician's offices. In the early decades of this Century, when there were few specialists, one physician served the entire medical needs of a family.

"Today as a result of specialization, a single family may require the services of five to six physicians to provide the same basic care, for example, an obstetrician-gynecologist, an internist, a pediatrician, an ophthalmologist, a radiologist, and perhaps a surgeon or psychiatrist. The division of services has increased the number of vacant positions in medicine many-fold.

"Thus, the opening for doctors in the more desirable areas have increased while the supply of private practitioners has dwindled. The result is fewer doctors for those with low or middle incomes.

"This in turn has affected the age distribution of physicians as well. Young doctors entering private practice (a large portion of which are specialists) and more than adequate opportunities open to them in economic advantages, doctor rich areas, making

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the less desirable areas even less attractive from the physician's point of view of personal safety, economic gain and opportunity to practice the highest quality medicine desired . . .

"David Kindig, M.D., Institute for Health Team Development, Garrett Park, Maryland

"Mr. Chairman, I would within the next few minutes like to make some comments about the educational process. I think this is something that I feel has been ignored in a lot of the discussions.

"We are not going to get there until we redistribute the way you are talking about now in a mandated way. But I think we cannot ignore the fact that the educational process that students go through makes a lot of difference, that once he gets out there, whether he will be able to do the kind of job, or whether he will want to stay, and I have heard a lot from medical educators about what happens in the medical school and the educational process. There is really not much they can do to influence future geographic preference or speciality preference of the student.

"I just have to say that there is nothing in my experience that bears that out.

"I want to spend two minutes talking to you about that. There are not very many studies in this area, unfortunately, but there are a few in the specialty distribution, which I noticed, and I just want to comment on it, studies that show that specialty forces are unstable, and from year to change, and people change their minds, and that means to me that they are very influenced by the environmental kinds of conditions at school.

"There is a study that shows that there is a definite relationship between the specialty of an influential faculty member and eventual specialty choice of that student. There is a study that indicates there are more general practitioners that come out of public schools than private schools.

"There is a study that shows the number of rotating interns from medical school—well, the number of rotating interns is inversely related to the amount of research dollars in that institution.

"We do not have the studies to prove it all, but there are some studies that are available on that.

"I think anecdotal level is overwhelming. It has been my personal experience, and from other physicians going into family practice, they are doing it because of experience that they had in school, or someplace that shows them this is not only a rewarding thing to do, but a good thing to do.

"In the National Health Service Corps, in going through applications for the first 300 physicians, the number of those applicants for the Corps who had been in one or two summer projects serving as a student in an underserved area, and parenthetically, most of those experiences the student had to find for themselves, and we helped set up in SAMA, and they were not provided by the schools.

"Finally, it seems intuitively obvious if you do not provide these kinds of educational experiences, if you do not train in the school in these kinds of practices, and if you do not have a professor who you see doing it this way, or the schools do not convey the impression that this is an important and respected thing to do, well, it cannot be a surprise to anybody that we are in the situation that we are.

"John Bunker, M.D., Stanford University Medical Center, Stanford, California

"I would like to address my remarks to some of the forces which determine the flow of physicians into one or another medical specialty and to the question of why the resultant distribution does not meet the nation's needs.

"In a free market such as ours, medical manpower is unplanned and uncontrolled.

"Up to the very recent past, the medical profession has made no attempt to determine how many physicians are needed in each specialty, nor have our medical schools or teaching hospitals.

"Clearly, there are acute shortages in some areas, such as general practice and pediatrics; and it is probable that there is an excess of physicians in other specialties.

"A particularly well-known example is that there are more neurosurgeons in Massachusetts for a population of five million than there are in England and Wales for a population of 50 million.

"But many other specialties also have a relative over-supply of physicians and, indeed, there are overall far too many specialists in comparison to generalists.

"In the absence of planning, there are identifiable forces which determine the quantity and variety of graduate specialty (residency) training.

"The physician himself usually has a clear career goal at the time of graduation from medical school or during internship. Having paid for much of his education, he understandably feels free to choose a medical specialty and a place of practice based primarily on his own personal preference.

"The young physician's choice is, of course, limited to the spectrum of hospital appointments offered. The appointments offered are determined, in turn, primarily on the basis of the service needs of the hospital. Nowhere does the ultimate national need for trained practitioners enter into the decision.

"The service needs of the teaching hospital are very large. Teaching hospitals provide 25 percent of the hospital care in this country, and they provide a large majority of the highly specialized care, such as kidney dialysis, open heart surgery, and the care of premature infants.

"It is the young physicians in postgraduate training who provide almost all of the physician manpower and much of the skill necessary to carry out these complicated procedures.

"I will digress from the prepared statement just a moment.

"We are training young men in a system which is providing highly specialized care. Lots of these men, incidentally, are foreign medical graduates. This is hardly the kind of preparation which prepares a man to go out into general practice in this country.

"It is even less appropriate, as I think perhaps Dr. Weiss and others will comment later, to prepare foreign graduates to go back to his own country.

"No wonder many of them stay here, and no wonder most of them wind up in specialities.

"I might also digress and comment on some of the remarks of a few moments ago.

"I agree with the comments that undergraduate medical training is not well designed to prepare physicians for primary care.

"I think one of the reasons why is based upon the economic structure and financing of our medical schools. Our faculties are made up of highly sophisticated researchers and clinicians whose source of income is largely research grants in the practice of medicine, in the practice of the specialties.

"They are in the medical schools often because of the intellectual challenge for discovery of the new medical techniques.

"There is essentially no economic base for the teaching of medical students and specifically for the teaching of primary care.

"I think it is a fact that our medical schools are funding primarily on the basis of patient's care fees and research grants that we have teaching programs which do not meet the needy of the country.

"One might reasonably anticipate that whatever kinds of doctors are trained, their services will be needed. To a certain extent, this is true, for it is now clear that there is an almost unlimited demand for medical services of all varieties. But though demand may be unlimited, our resources, and particularly our physicians, are limited; therefore, it is essential that priorities be estabished to use these scarce resources and manpower in the most effective and efficient manner possible.

"No such comprehensive assessment of medical specialty needs has been made, but one can appreciate the magnitude of the problem by considering the fact that the number of residency positions offered in this country far exceeds the total annual number of medical graduates—of the nearly 17,000 surgical residents currently offered, only about 12,000 are filled.

"Many of these positions are filled by graduates of foreign medical schools, but it is apparent that the medical specialties could easily absorb all new physicians, leaving none for general practice.

"How many specialists should be trained must be determined in light of the needs of a practice of medicine which is in the process of profound reorganization. The education of residents must be geared to the long-range medical needs of the country, and not simply on the basis of the short term needs of the hospital for an extra pair of hands.

"Some time ago I called attention to the fact there are twice as many surgeons in the United States than in England and Wales.

"The large service element present in medical specialty training is reflected in the fact that interns' and residents' salaries currently are derived primarily from patients' fees. If the primary purpose is to train for the national need, new sources of funds must be found.

"Dean Robert Ebert of Harvard has suggested that house staff salaries be paid by the Department of Health, Education, and Welfare, and he further suggests that this "would make it possible to exercise some degree of control over the numbers recruited by various specialties."

"I believe that only when the public pays for medical education can it expect to have a voice in what kinds of physicians are trained and where they practice.

"Gerald Weber, Ph. D. University of California, Berkeley, California

"In 1949, there were a total of 173 thousand active physicians in the Continental United States, excluding interns and residents. Nearly 63,000 physicians (36 percent) reported that they limited their practice to a specialty. Almost half of the full-time specialists concentrated in a surgical area and 31 percent were in medical specialties. An additional 14 percent of all physicians were part-time specialists, more than three-quarters in surgical specialties, while 50 percent of all physicians considered themselves to be general practitioners.

"In 1960, there were 203,000 active physicians in the fifty States, Washington, D.C., Puerto Rico and outlying areas, excluding interns and residents. Almost 117,000 (58 percent) were full time specialists. Nearly 41 percent of those specialists concentrated in a surgical area and 33 percent were in medical specialties. The number of physicians who considered themselves to be general practitioners had declined to 36 percent.

"In 1970, there were almost 260,000 active physicians in the United States and possessions, excluding interns and residents. Only 55,000 (21 percent) indicated that they were primarily in general practice. Almost 31 percent of the specialists were in the medical specialties while about 35 percent were in both surgical specialties and other specialties (anesthesiology, radiology, pathology, psychiatry, etc.). The proportion of physicians in psychiatry and neurology had increassed to 8 percent from 2.5 percent in 1949.

"For the reasons noted earlier, data on specialty distribution may not be very accurate. However, the broad trends since 1950 provided by the data can certainly be accepted. Providers of primary care (general practice, internal medicine, and pediatrics) increased from about 103,000 to about 104,000 during the two decades. There was an increase of only 12,200 physicians in the other medical specialties as compared to increases of 41,000 in the surgical specialties and of 56,000 in other specialties. The impact of this tremendous change in the nature of physician manpower in a mere two decades has not been evaluated and is certainly not well understood. Moreover, the trend is reinforced when we look at physicians in office based practice. Primary care physicians in office based practice actually declined from about 99,000 to around 85,000 between 1963 and 1971, according to the published data. While a considerable part of that decline may be due to adjustments in the AMA classification procedure which took place in 1968, I am confident that the direction of movement is correct.

"Most formal preparation for specialty practice is undertaken in the residency training programs. It is true that changes are taking place on both sides of the residence. There has been a rapid increase in the number of internships which focus on a particular specialty, with the consequent reduction in the rotating internship. Similarly, fellowship programs which provide additional specialty training have been expanded. Nevertheless, my discussions will focus on the offering of residencies and the choice of residency with special attention on the general trends of the last two decades.

"There were slightly more than 19,000 residencies offered in the United States in 1950. Only 75 percent of the residencies offered were filled. In fact, of the major specialties, only general surgery and pediatrics were able to fill more than 80 percent of the available positions. General surgery attracted 21 percent of all residents while internal medicine had 20 percent. Foreign medical graduates filled slightly less than 10 percent of all positions.

"By 1960, the number of residencies offered had increased 70 percent, almost reaching 33,000. Almost 88 percent of the residency positions were filled and Foreign Medical School Graduates (FMG) were in more than 28 percent of the filled positions. The major increase in the relative distribution of residents during the decade from 1950 through 1960 occurred in the specialties of pathology and psychiatry.

"There was an additional 44 percent increase in the number of residencies offered during the decade between 1960 and 1970. Almost 17,000 first year residencies were available in 1970, but there were only 8,367 graduates of United States medical schools. Thus, although 85 percent of the residencies were filled, FMG's were in 33 percent of those positions. The only specialty which showed a substantial increase in the proportion of all trainees it attracted was radiology. Sharp declines in the relative proportions of residents occurred in general surgery and obstetrics and gynecology.

Important trends may have been initiated in the first years of this decade. More than 9,500 additional hospital residency positions (4,400 first year) were available for the 1974–75 year than for the 1970–71 year. About 23 percent of that increase was in family practice and general practice residencies. Only 60 percent of all residencies in those specialties were filled in 1972 as compared to 88 percent for all residencies. However, I understand that the physicians applying for family practice residencies this past year far surpassed the available positions. Also, about 25 percent of family practice and general practice residencies were in hospitals not affiliated with medical schools as opposed to 9 percent of all residencies. That percentage also is becoming more favorable as more medical centers are induced to offer family practice residencies. Slightly less than 2,000 (20 percent) of the increased residencies were in internal medicine.

"Given the current distribution and absolute number of physicians in specialty training, a continued relative increase in the number of non-primary care specialists can be expected. Simply put, the primary care specialists made up 46 percent of patient care physicians excluding interns and residents in 1972 but the primary care specialties only had about 35 percent of the first year residents that year. The trends toward relatively faster growth in residencies for the primary care specialties should help. However, the number of residents in those fields would need to be more than doubled in order that the current relative ratio of primary care physicians be maintained.

"In contrast to my uncertainty with respect to the specific distribution which should be aimed for. I have considerable confidence in the following two statements. First, there is no doubt that there must be a change in the direction that the natural flow is taking us. Second, the market forces, broadly considered, will not adequately adjust the flow.

"Let me briefly expand on the latter.

"Basically I agree with Dr. Bunker's analysis of the factors which affect the offering of residencies. Residencies were developed as part of the hospital milieu while primary care should be outpatient oriented and community based. Hospital administrators focus on the need for service in their hospitals and the financial factors involved with residency programs. In county and municipal hosptials, where interns and residents frequently provide much of the medical care, the overriding factor is the need to provide service. Thus, subject to general financial constraints, the types of residencies offered are dictated by the hospital service needs. Furthermore, chairmen of departments at medical schools frequently place pressure on the hospital administration and Dean to gain expansion of their academic program. This is based on the desire for status associated with large programs and the need to gain additional hands to expand their service. If a department chairman is successful in attracting residents and patients, he can place considerabel pressure on the hospital administrators to enlarge the resident quota.

"There is no evidence that accrediting organizations and professional societies can or will adequately plan and control the growth of residencies.

"I think this is particularly true when they have to join together to agree among themselves as to what the distribution should be.

"In conclusion, I suggest that this is an ideal time to introduce an expanded public role in the process. The substantial increase in medical school graduates will provide a large enough pool of physicians to affect the overall specialty distribution in a period of a few years. First year enrollments at United States medical schools have already increased from 10,400 in 1969–1970 to more than 14,000 in 1973–1974. Medical schools and teaching hospitals are under increasing financial pressure and are, I believe, increasing their sensitivity to community and national needs.

"They are very responsive to the monetary carrot and are likely to be more accepting of reasonable and flexible controls. Finally, changes in the delivery system are likely to improve the relative monetary rewards to the primary care physican.

"CHARLES C. EDWARDS, M.D., ASSISTANT SECRETARY FOR HEALTH, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

"I think looking at the manpower problem generally in this country, we all recognize that while the number of specalists continue to increase, the number of primary care and family care—family physicians continues to go down.

"I think, really, the point we are making is that although we have, in terms of aggregate numbers, if one looks only at aggregate numbers, the record is quite impressive. When you really look at the problems we have in the health care system in terms of health care deliveries, we really have not come to grips with the problems.

"Senator KENNEDY. Well, should we?

"Dr. EDWARDS. Beg pardon?

"Senator KENNEDY. Should we come to grips with that particular problem?

"Dr. EDWARDS. I think we have to come to grips with that particular problem . . .

"In the past, Federal policies toward specialty and geographic distribution of health professionals have relied too heavily on a notion that an increase in total supply would solve the distributional problems.

"During the 1960's and 1970's, while there was a significant increase in the supply of physicians, the absolute number of primary care physicians decreased sharply . . .

"Policies aimed at solving the problem of geographic and specialty maldistribution which concentrate on increasing the aggregate supply of health manpower probably will continue to be extremely expensive and largely ineffective . . .

"Senator KENNEDY. Just on the maldistribution in terms of the specialties, Dr. Edwards, you are troubled by this? Can you tell us a little bit how your program is going to deal with that?

"Dr. EDWARDS. Well, we are certainly troubled by maldistribution. Of course, we have been meeting frequently with a number of specialty groups who are also concerned about this specialty distribution.

"That is why we are attempting to, through special project kind of money, we are attempting to push the medical schools into emphasizing primary care kinds of residency programs which hopefully over a period of time will begin to change this mix; I think, plus the fact that the specialties themselves are beginning to look at their operation in terms of number of residencies and quality of residencies and so forth.

"I think a combination of these factors will do the job.

"It is going to take some time . . .

"LEO J. GEHRIG, M.D., AMERICAN HOSPITAL ASSOCIATION

"Senator KENNEDY. Perhaps you could tell us just a littlle bit about how you view the seriousness in terms of the now distribution on specialties?

"What is the view of your organization on this? Is this a problem?

"Dr. GEHRIG. Yes, sir.

"Senator KENNEDY. Testimony as far as we are concerned—the problem of the committee, we have more neurosurgeons in Massachusetts with five million people than they have in Great Britain. The general trend in medical schools obviously is still towards specials.

"What does your association think about this and the various provisions of the bill?

"Dr. GEHRIG. Number one, with regard to the fact that there is a serious problem we do agree.

"I think in one area in which there is more coalescence in terms of some feel of the problem is the one that you have highlighted also and that is that there is a very significant need for increased primary physicians.

"I think the problem I cannot relate to you with the same degree of definiteness when you begin to choose among specialists.

"It has been observation, of course, probably the most frequently overfilled field in terms of what one reads and sees is probably in the surgical area.

"DANIEL TOSTESON, PH. D., ASSOCIATION OF AMERICAN MEDICAL COLLEGES

"With regard to specialty distribution, many of the programs in the legislation or proposed by the Association for dealing with geographic maldistribution also are useful in training increased numbers of primary care physicians. This is because underserved areas have a greater need for first-line, primary care medicine than for more specialized secondary, or tertiary care medicine. Medical schools can deal with the problem of specialty maldistribution by providing students with favorable experiences in primary care fields, and by encouraging the development of additional primary care teaching programs. Interest in such programs in academic health sciences centers is growing. To coordinate and further stimulate this interest, the Association is sponsoring an Institute on Primary Care this fall which will bring together professors of family medicine, internal medicine, and pediatrics under an umbrella of concern with new kinds of primary care training. In addition, the Coordinating Council on Medical Education has adopted a report proposing to increase the number of primary care specialists by encouraging up to 50 percent of each graduating class to enter such fields as family medicine, generalist internist, or generalist pediatrician. We think these kinds of efforts should be given a trial before the imposition of any sort of national commission.

"Mr. GOLDMAN, Subcommittee Staff Director. Let us talk about that for a moment, if we may.

"Would you agree that the problem of specialty maldistribution is a serious one?

"Dr. TOSTESON. Yes, we agree it is a serious problem."

FOREIGN MEDICAL GRADUATES

"Mr. SYMINGTON. We are informed that a great many foreign practitioners are unable to secure any licenses but end up in State mental hospitals. Would that accord with your understanding?

"Secretary WEINBERGER. You mean as patients?

"Mr. SYMINGTON. No.

"Secretary WEINBERGER. I don't have any information on that, Congressman. I don't mean to be facetious but I just will have to put it this way: That generally speaking and in view of the uniformity of qualification standards throughout the country, I would personally feel that no foreign doctor is going to treat patients unless he has the necessary qualifications and unless the public is fully protected by having his services. I am not aware of any States which allow untrained, unqualified people to work in their mental institutions. If there are such States, I would certainly think the States would want to move rapidly to correct it." Secretary Caspar Weinberger, HEW, Testimony before House Health Subcommittee, March 1, 1973.

"Senator KENNEDY. There are FMG's that are practicing medicine today that have not completed their examinations, State licensing examinations?

"Dr. WEISS. There are 14,000 that are listed by the AMA who are not fully licensed. They probably have temporary licenses, but they are not in approved training programs, which means that they are practicing medicine in an unsupervised setting.

"Senator KENNEDY. Where? What sort of places?

"Dr. WEISS. They are in all sorts of settings. They tend obviously—you will hear, I am sure, about some of them in the mental hospitals, it was of some concern to me that it is just not in mental hospitals, but they are in general hospitals, city hospitals, county hospitals, State hospitals." Robert Weiss, M.D., Center for Community Health & Medical Care, Testimony before Senate Health Subcommittee, June 24, 1974.

"The question we face, but seem unwilling to address is: Do we want to develop and accommodate ourselves to having two predetermined levels of medical competence, one reflecting American training and the other reflecting training received abroad." Charles C. Edwards, M.D., Assistant Secretary of Health, Department of HEW, Address delivered at the annual meeting of the American Hospital Association, August, 1974.

The number of foreign medical graduates, or FMGs, entering the United States increased remarkably during the last 14 years. In 1959, FMGs comprised less than 6 percent of all physicians in the United States. By 1963, that percentage increased to 10.7. Today it is 20 percent. Recent DHEW projections indicate that by 1990 the proportion of FMGs practicing in the U.S. could be as high at 30 percent.[28]

In 1972, one-fifth, or 68,009, of all physicians in the United States were graduates of foreign medical schools. One-third (21,958) of all interns, residents and other physician trainees in U.S. hospitals were FMGs. Almost half, or 46 percent, of all physicians newly licensed to practice in 1972 were foreign medical graduates.

Like U.S. graduates, the great majority of FMGs are specialists. Only 10 percent of the FMGs in the United States, as of December 31, 1972, were in general practice. Data also indicates that more FMGs treat patients in hospital-based, rather than office-based, settings.

Table 11 shows trends in supply of total physicians in the United States by country of graduation for selected years. Table 12 outlines the most recent statistics available on current numbers of FMGs by specialty group and activity. Table 13 presents data on U.S. residency training programs, outlining the percentage of FMGs in residency training positions as of September 1, 1972.

Footnotes at end of article.

TABLE 11.—TREND IN SUPPLY OF TOTAL PHYSICIANS (M.D. AND D.O.) IN UNITED STATES, BY COUNTRY OF GRADUATION: SELECTED YEARS DEC. 31, 1959–72

Year	Total physicians[1]	U.S. trained	Candian trained	Other foreign trained	
				Number	Percent of total physicians
1959	255,170	234,595	5,421	15,154	5.9
1963	289,188	252,619	5,644	30,925	10.7
1967	322,045	270,179	6,050	45,816	14.2
1969	338,942	(2)	(2)	53,552	15.8
1970	348,328	285,937	6,174	57,217	16.4
1971	359,373	290,923	[3] 6,236	62,124	17.3
1972	(3)	(3)	(2)	68,009	

[1] Includes both active and inactive physicians.

[2] Not available.

[3] Unpublished data from the American Medical Association.

Source: M.D.'s 1959: Stewart, William H. and Pennell, Maryland Y. Health Manpower Source Book 11, Medical School Alumni, U.S. Government Printing Office, 1961, M.D.'s 1963, 1967: Theodore, C. N. and Haug, J. N. "Selected Characteristics of the Physician Population, 1963 and 1967," Chicago, American Medical Association, 1968. M.D.'s 1969–72: American Medical Association. "Profile of Medical Practice," 1973 and prior annual editions, Chicago, The Association, 1973. D.O.'s 1959, 1971: Estimated by BHRD, Division of Manpower Intelligence. D.O.'s 1963–70: National Center for Health Statistics, "Health Resources Statistics, Health Manpower and Health Facilities, 1971," DHEW Pub. No. (HSM) 72–1509, U.S. Government Printing Office, 1972. Deartment of Health, Education, and Welfare. Health Resources Administration, Division of Manpower Intelligence, "The Supply of Health Manpower: 1970 Profiles and Projections to 1990," February 1974 (prepublication edition), p. 53.

TABLE 12.—FOREIGN MEDICAL GRADUATES IN UNITED STATES AND POSSESSIONS BY SPECIALTY GROUP AND ACTIVITY, DEC. 31, 1972

Specialty group	Total physicians	Major professional activity								
		Patient care		Hospital-based practice			Other professional activity			
		Total	Office-based practice	Interns	Residents	Physician staff	Medical teaching	Administration	Research	Other
Total	[1] 68,009	54,355	25,285	3,247	14,455	11,368	1,115	1,119	2,668	490
General practice	7,045	6,930	5,517	0	275	1,138	12	38	23	42
Medical specialties	16,017	14,399	6,117	551	4,847	2,884	283	208	1,045	82
Surgical specialties	14,495	13,817	6,803	324	4,797	1,893	161	78	378	61
Other specialties	22,190	19,209	6,848	2,372	4,536	5,453	659	795	1,222	305
Not classified	5,209									
Inactive	1,995									
Address unknown	1,058									

[1] Includes 8,262 physicians who are categorized as not classified, inactive, and address unknown and are not distributed throughout table.

Source: "1973 Profile of Medical Practice," AMA, 1973. Excerpted from: The National Health Insurance Resource Book, prepared by the staff of the Committee on Ways and Means, Apr. 11, 1974, p. 128.

TABLE 13.—NUMBER OF RESIDENCIES, BY SPECIALTY, IN AFFILIATED AND NONAFFILIATED HOSPITALS

	Number of residencies					Number of residents on duty			
Specialty	Number of approved programs	Total positions offered, Sept. 1, 1972	Total positions filled, Sept. 1, 1972	Positions vacant, Sept. 1, 1972	Percentage filled	Graduates, United States, Canada, Sept. 1, 1972	Foreign graduates, Sept. 1, 1972	Percentage foreign graduates in filled positions	Total residency position offered, 1974-75
Affiliated hospitals:									
Anesthesiology	158	2,170	1,867	303	86	806	1,061	57	2,379
Child psychiatry	99	540	419	121	78	313	106	25	602
Colon and rectal surgery	9	13	11	2	85	4	7	64	17
Diagnostic radiology	131	1,720	1,631	89	95	1,469	162	10	1,853
Dermatology	84	652	635	17	97	577	58	9	652
Family practice	115	1,442	855	587	59	774	81	9	2,147
General practice	31	179	113	66	63	35	78	69	183
General surgery	385	6,641	6,105	536	92	4,033	2,072	34	7,082
Internal medicine	363	8,181	7,688	493	94	5,168	2,520	33	9,131
Neurological surgery	96	639	600	39	94	484	116	19	636
Neurology	108	1,045	929	116	89	687	242	26	1,172
Obstetrics-gynecology	289	3,052	2,730	322	89	1,753	977	36	3,253
Ophthalmology	146	1,363	1,342	21	98	1,242	100	7	1,413
Orthopedic surgery	160	2,090	2,030	60	97	1,818	212	10	2,196
Otolaryngology	106	997	946	51	95	785	161	17	1,024
Pathology	423	3,073	2,329	744	76	1,081	1,248	54	3,293
Pathology—Forensic	7	14	6	8	43	5	1	17	14
Pathology—Neuropathology	21	69	52	16	76	37	15	29	80
Pediatrics	224	3,278	3,050	228	93	1,974	1,076	35	3,888
Pediatric allergy	47	120	109	11	91	84	25	23	124
Pediatric cardiology	60	186	147	39	79	90	75	39	168
Physical medicine and rehabilitation	66	484	342	142	71	131	211	62	532
Plastic surgery	92	327	288	39	88	221	67	23	356
Psychiatry	202	4,100	3,441	659	84	2,732	709	21	4,328
Radiology	213	1,954	1,704	250	87	1,258	446	26	1,932
Therapeutic radiology	70	337	264	73	78	113	91	34	411
Thoracic surgery	84	292	273	19	93	178	95	35	304
Urology	164	1,073	1,016	57	95	808	208	20	1,102
Total	3,953	46,030	40,922	5,098	89	28,720	12,022	30	50,292
Nonaffiliated hospitals:									
Anesthesiology	12	98	87	11	89	22	65	75	99
Child psychiatry	31	141	91	50	65	61	30	33	146
Colon and rectal surgery	6	13	9	4	69	3	6	67	13
Diagnostic radiology	6	56	50	6	89	40	10	20	74
Dermatology	3	18	15	3	83	15			17
Family practice	36	313	186	127	59	145	41	22	554
General practice	37	258	158	100	61	21	137	87	263
General surgery	107	872	735	137	84	226	509	69	910
Internal medicine	49	697	609	88	87	241	368	60	795
Nurological surgery	2	9	9		100	4	5	56	10
Neurology	3	18	13	5	72	3	10	77	24
Obstetrics-gynecology	48	316	276	40	87	84	192	70	343
Opthalmology	18	133	130	3	98	110	20	15	119
Orthopedic surgery	30	209	180	29	86	152	28	16	243
Otolaryngology	3	31	27	4	87	24	3	11	31
Pathology	97	373	231	142	62	47	184	80	384
Pathology—Forensic	18	41	21	20	51	13	8	38	37
Pathology-Neuropathology	1	4	4		100	4			4
Pediatrics	27	218	188	30	86	70	118	63	251
Pediatric allergy	2	2	2		100	2			5
Pediatric cardiology									
Physical medicine and rehabilitation	3	18	2	16	11	2			18
Plastic surgery	9	26	24	2	92	17	7	29	30
Psychiatry	61	990	690	300	70	274	416	60	994
Radiology	22	119	102	17	86	58	44	43	134
Therapeutic radiology	5	34	23	11	68	18	5	22	38
Thoracic surgery	3	12	12		100	5	7	58	12
Urology	15	66	62	4	94	37	25	40	69
Total	654	5,085	3,336	1,149	77	1,698	2,238	57	5,617
Grand total	4,607	51,115	44,858	6,257	88	30,418	14,440	32	55,909

Source: Directory of Approved Internships and Residencies, 1973-74, American Medical Association, 1973, p. 10.

Most FMGs are concentrated in metropolitan areas, particularly on the east coast. According to Lowin, in a recent study of FMGs:

> The geograhic maldistribution of U.S. physicians is in good measure a rural-urban problem, with the urban areas having the higher concentrations of physicians. It has been suggested that FMGs could help reduce these geographic disparities, but in fact, FMGs have shown an even more striking tendency to congregate in metropolitan areas than do USMGs. More than 90 percent of our FMGs are located in the nation's 300 largest major metropolitan areas, compared to 82 percent of USMGs; while in rural areas, FMGs comprise only 9 percent of the total physician population. Of that 58,000 FMGs in the U.S. in 1970, 53,000 were located in urban America; only 5,000 served in rural areas.
>
> These figures are somewhat inflated, since the training of most physicians takes place in SMSAs. But even when one disregards FMG interns and residents, and looks only at fully licensed FMGs, the urban preference remains strong.[29]

New York had the largest percentage of FMGs in 1970. Of the total number of physicians located in New York State, 35.6 percent were foreign medical graduates. In four other States—Delaware, Illinois, New Jersey, and Rhode Island—FMGs accounted for over 25

Footnotes at end of article.

percent of the physician population. Table 14 shows the distribution of U.S. graduates and FMGs by State. Table 15 presents data on States with high proportions of FMGs.

TABLE 14.—PHYSICIANS IN THE UNITED STATES BY STATE OF PRACTICE AND COUNTRY OF GRADUATION, DEC. 31, 1970

State	Total (100 percent)	Country of graduation					
		United States		Foreign		Canada	
		Number	Percent	Number	Percent	Number	Percent
Total	334,028	270,637	81.0	57,217	17.1	6,174	1.8
Alabama	3,377	3,219	95.3	147	4.4	11	.3
Alaska	324	303	93.5	17	5.2	4	1.2
Arizona	2,938	2,608	88.8	282	9.6	48	1.6
Arkansas	1,955	1,924	98.4	25	1.3	6	.3
California	41,640	37,476	90.0	2,980	7.2	1,184	2.8
Colorado	4,386	4,076	92.9	259	5.9	51	1.2
Connecticut	6,072	4,617	76.0	1,267	20.9	188	3.1
Delaware	783	543	69.3	217	27.7	23	2.9
District of Columbia	4,073	3,253	79.9	778	19.1	42	1.0
Florida	11,451	9,513	83.1	1,769	15.4	169	1.5
Georgia	5,546	5,088	91.7	434	7.8	24	.4
Hawaii	1,235	999	80.9	203	16.4	33	2.7
Idaho	718	697	97.1	11	1.5	10	1.4
Illinois	16,323	11,608	71.1	4,542	27.8	173	1.1
Indiana	5,470	4,954	90.6	473	8.6	43	.8
Iowa	3,061	2,708	88.5	323	10.6	30	1.0
Kansas	2,910	2,582	88.7	299	10.3	29	1.0
Kentucky	3,560	3,192	89.7	346	9.7	22	.6
Louisiana	4,768	4,476	93.9	261	5.5	31	.7
Maine	1,186	903	76.1	174	14.7	109	9.2
Maryland	9,518	7,140	75.0	2,249	23.6	129	1.4
Massachusetts	12,576	10,227	81.3	1,998	15.9	351	2.8
Michigan	11,364	8,559	75.3	2,376	20.9	429	3.8
Minnesota	6,145	5,303	86.3	645	10.5	197	3.2
Mississippi	2,077	2,001	96.3	67	3.2	9	.4
Missouri	6,314	5,283	83.7	982	15.6	49	.8
Montana	787	743	94.4	30	3.8	14	1.8
Nebraska	1,855	1,777	95.8	70	3.8	8	.4
Nevada	595	557	96.3	14	2.4	24	4.0
New Hampshire	1,098	857	78.1	145	13.2	96	8.7
New Jersey	10,923	7,565	69.3	3,224	29.5	134	1.2
New Mexico	1,390	1,242	89.4	127	9.1	21	1.5
New York	44,800	27,795	62.0	15,946	35.6	1,059	2.4
North Carolina	6,069	5,696	93.9	311	5.1	62	1.0
North Dakota	660	528	80.0	91	13.8	41	6.2
Ohio	14,740	10,996	74.6	3,516	23.9	228	1.5
Oklahoma	2,899	2,755	95.7	105	3.6	19	.7
Oregon	3,181	2,981	93.7	141	4.4	59	1.9
Pennsylvania	18,712	15,779	84.3	2,710	14.5	223	1.2
Rhode Island	1,638	1,084	66.2	495	30.2	59	3.6
South Carolina	2,670	2,560	95.9	99	3.7	11	.4
South Dakota	629	556	88.4	70	11.1	3	.5
Tennessee	5,022	4,698	93.5	306	6.1	18	.4
Texas	14,952	13,307	89.0	1,540	10.3	105	.7
Utah	1,569	1,508	96.1	43	2.7	18	1.1
Vermont	868	756	87.1	71	8.2	41	4.7
Virginia	6,552	5,588	85.4	896	13.7	68	1.0
Washington	5,562	4,939	88.8	429	7.7	194	3.5
West Virginia	1,946	1,465	75.3	463	23.8	18	.9
Wisconsin	5,588	4,893	87.6	642	11.5	53	.9
Wyoming	364	346	95.1	13	3.6	5	1.4
Possessions	2,836	1,412	49.8	1,414	49.9	10	.4
APO-FPO	3,149	2,912	92.5	204	6.5	33	1.0
Address unknown	3,204	2,070	64.6	978	30.5	156	4.9

Note: Percentages may not add due to rounding.

Source: "Foreign Medical Graduates in the United States," AMA, 1970.

Excerpted from: The National Health Insurance Resource Book. Prepared by the Staff of the Committee on Ways and Means. Apr. 11, 1974: p. 131.

TABLE 15.—STATES HIGHLY DEPENDENT ON FMG's

State	FMG's as percent of all M.D.'s	
	1970	1990 projections
New York	38	56
Rhode Island	34	56
New Jersey	31	54
Delaware	31	55
Illinois	29	48
Ohio	25	43
West Virginia	25	49
Maine	26	43
Connecticut	24	41

Source: DHEW/BHME/DMI/MRR, "The Supply of Health Manpower 1970 Profiles and Projections to 1990." Revised Interim Report 73-44, April 1973.

Excerpted from: Lowin, Aaron and Donald Cohodes. Supporting Documents Regarding Foreign Medical Graduates in the United States. Testimony before the House Subcommittee on Public Health and Environment. May 21, 1973: pp. 2-8.

There has been a remarkable shift in recent years in FMG country of origin. In 1966, Europe and the Americas accounted for 73 percent of all physicians admitted to the United States as immigrants. In 1972, 69 percent of all such physicians were from Asia. In other words, most of the foreign-trained physicians now entering the U.S. come from developing, rather than developed countries.

The vast majority of FMGs admitted as immigrants to the United States in 1972 were from Asian countries. India led the list with over 1,500 physicians admitted with immigrant status from that country in fiscal year 1972. Korea and the Philippines were the second and third highest donors. Forty-three percent of all physicians admitted as immigrants to the United States in 1972 were from these three countries. These statistics are striking. One-fourth of the physicians trained in the Philippines are now practicing in the United States.[30] Virtually the entire, first-year graduating class at the new medical school in Chiengmai, Thailand, chartered an airplane and flew off to the United States.[31] Currently, there are more Indian psychiatrists in the United States than there are in India.

The statistics on FMGs raise significant issues. In the past decade this country has imported as many physicians as it has graduated. It is currently importing large numbers of physicians from developing countries with serious unsolved health-care problems and with physician manpower deficiencies of their own.

The questions raised by this international migration have political, economic, and health care implications. Physician migration from developing countries to the United States has been considered a major element in the criticism directed toward this nation for its role in the "brain drain" problem. While FMGs have contributed to the health care of the U.S. population—and exercised a right for their own individual career advancement and benefits—their migration to the United States certainly has not contributed in equal measure to the betterment of health care in other countries, particularly some of the developing donor countries. The United States is viewed elsewhere as a country which has not met its own stated commitments to provide help and assistance to the developing nations of the world in the area of health care.[32]

In March 1973, the House Committee on Interstate and Foreign Commerce, Subcommittee on Public Health and Environment, held oversight hearings on DHEW health programs. During the course of the hearings members of the Committee questioned HEW Secretary Caspar Weinberger on the appropriateness of importing large numbers of FMGs. The testimony went this way:

Mr. ROY. Now let me ask you a question, Mr. Secretary. Are you aware of the fact that in 1971 this country licensed more foreign trained physicians than domestically trained physicians?

Secretary WEINBERGER. Not specifically, no. I know that a great many foreign trained physicians are being used to fill the health care needs of the country and that I don't think in and of itself is necessarily a bad thing.

Mr. ROY. May I suggest to you it is a bad thing from their viewpoint. No. 1, we have young men and women—probably twice to three times as many—who cannot get in medical schools, who the medical schools admit are qualified; and that, No. 2, we are stealing these physicians from other nations around the world who need them desperately. Now will you explain to me why it is not a bad thing when we license over 12,000 foreign physicians.

Secretary WEINBERGER. Stealing, Congressman, connotes some attempt to abduct them against their will and I am not aware of any suggestion that the country is pulling them in against their will. They come here, apply for credentials, and when they are found qualified by the local authorities, they practice. The most important thing to consider here is the satisfaction of the need for medical personnel. I don't think that we necessarily should say that they are any better than anybody else but they are an available source and they are being utilized. I don't think, as I say, that that in and of itself is necessarily a bad thing.

Mr. ROY. Then I suppose an opposite thing of a bad thing is that it is a good thing that we are licensing more foreign students.

Secretary WEINBERGER. No, I don't have any feeling that they should take the place of anyone else but I don't think that pointing to the fact that we are utilizing foreign trained physicians necessarily means that we are subjecting our people to any less good care or that we are engaged in any practice that is morally reprehensible.

Mr. ROY. May I suggest to you as a physician that it is extremely difficult to deal with

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Footnotes at end of article.

the patient population unless you know something of their background, something of their culture, something of their mores, and that foreign physicians almost without exception fall short in this area?

Secretary Weinberger. Well, I am aware of some of the problems you mentioned. I am also aware of the fact that a great many American physicians are foreign trained and they have been able to overcome some of these problems. . . .

Mr. Symington. Thank you.

Mr. Secretary, further on the question of the foreign doctors, do you have an estimate of the relative number of foreign doctors generally in the American medical community?

Secretary Weinberger. No; I don't. Dr. Endicott may have.

Dr. Endicott. Yes, sir.

Mr. Symington. Would you identify yourself, Dr. Endicott?

Dr. Endicott. I am Dr. Kenneth Endicott, Director, Bureau of Health Manpower Education.

The percentage of medical foreign graduates in the active manpower pool has been increasing at a fairly steady rate for a good many years. If I recall correctly approximately one-fifth of the physicians now licensed are foreign medical graduates.

I will correct this and give you the precise number for the record.

Mr. Symington. We would like that.

[The following statement was received for the record:]

According to data assembled by the Bureau of Health Manpower Education (from AMA and AOA sources) the total number of foreign medical graduates in the U.S. (both active and inactive) has risen from less than 21,000 in 1959 to more than 68,000 in 1971. This is an increase of over 200 percent. In 1971, active foreign medical graduates (FMG's) accounted for approximately 1 in 5 of the 335,000 total active physicians in the United States.

Dr. Endicott. There has been a sharp change over the past several years, in part as a result of some changes in the immigration laws, so that the number applying for licenses is going up sharply. The number being licensed is going up sharply at the moment. I was told a week or so ago that one-half of all applicants before State boards this year are foreign medical graduates across the country. In some States it is as high as 75 percent.

Mr. Symington. Now, Mr. Secretary——

Mr. Rogers. Excuse me. May I get those figures again? Did you say one-half?

Dr. Endicott. One-half of all applicants before State boards this year were foreign medical graduates and in some States it is as high as 75 percent. One State particularly was Maine.

Mr. Symington. Let's get the record clear as to the percent of American citizens to begin with so that we don't deceive ourselves on that point.

Dr. Endicott. That is approximately 10 percent.

Mr. Symington. So that 90 percent of the 50 percent are foreign born, foreign graduates?

Dr. Endicott. Yes, sir.

Mr. Symington. Now, Mr. Secretary, this must be viewed in the light of the strenuous efforts that we are making and the great sums that we are expending to train young Americans; some of them are being encouraged to go into medically deprived areas and so forth. It must be considered in the light of the barefoot doctor of China who grows up in his community and knows how to deal with the people and in the light of the complaints of the black American community. I don't know whether you heard these complaints but they are to the effect that so often the poor go to the hospital where they are treated by men who cannot even understand their language and that they are being treated by people with absolutely no understanding of their cultural background.

Mr. Carter. If the gentleman will yield, I must agree that is quite true. I have had that same complaint although I must say that many of these foreign doctors have been of great help in my area. We have quite a few and we are glad to have them. We are desperate for medical services down there but we do have this complaint.

Secretary Weinberger. What I would say would be that the first thing I would want to do would be to look at it from the point of view of the patient and the citizen who needs medical training. Ideally we can talk about a situation in which everybody is going to a doctor in their neighborhood but it is not practical in this kind of a country with this kind of mobility and size. So I would think that while it is a very good thing to try to train physicians who are familiar with the problems they will have to be treating from all points of view—ethnic backgrounds, social problems, cultural backgrounds, et cetera, et cetera.

Meanwhile we cannot afford the luxury of waiting while we do that. If there is another supply of trained physicians available without stealing them, without dragooning them, if they want practice and are qualified—and certainly they will not become qualified or be able to get the necessary credentials if they don't have the familiarity with the language. We would be quite negligent and derelict in our duty if we did not utilize this available source.

Furthermore, this entire discussion is being placed in the context as if we had made substantial cuts in the physician training encouragement by the Federal Government and that is simply not correct. We have made recommendations for some changes in the mix of federally encouraged health manpower training but with respect to physicians we are holding relatively level.

As Dr. Roy pointed out, in some areas we are suggesting that the priorities are not as high as they are with physician training but I would stand on the original statement that I see nothing inherently wrong with the utilization of foreign trained doctors if they are qualified and if they can fulfill the need in a particular area. While it may be ideal to have someone treating patients with the precise ethnic, social, and cultural background of all these patients, don't think we are close to approaching that and I am not sure it is all that good an idea anyway.

Mr. Carter. If the distinguished gentleman will yield further, we are glad to have help with these people. Speaking for myself, and I believe for the majority of this committee, including my friend Dr. Roy, I favor the American brand and I don't deny it.

Mr. Symington. I thank the gentleman.

The Secretary has expressed disagreement with the view that cultural empathy is useful to medical practice. I wonder if you could amplify that observation.

Secretary Weinberger. We are trying in our schools to do precisely the other thing. We are trying to secure the greatest possible integration and the greatest possible kind of familiarity with differing backgrounds and varieties of experiences. I think there is some advantage to having a physician who is thoroughly familiar with the background and perhaps has an identity of experiences with all his patients. I can see some disadvantages also, but I think the main thing to look at is whether we want to wait around to provide medical care for people until we achieve that kind of a mix, and I for one do not want to do that.

Mr. Symington. No one would argue that it would not be hard for a doctor to understand his patients but let's take it from the point of view of the patient because this is a two-way street.

Secretary Weinberger. Yes.

Mr. Symington. I think you are stretching a point, if you would want the American patient, regardless of his background, to accept the doctor regardless of his, especially if he comes from a foreign land and does not speak English very well—and no one has suggested that we are stealing the doctor against their will; of course they come. They come initially, largely to learn a profession that they can take home where they need it. I don't know to what extent you are familiar with the medical needs in the countries from which these people come or the degree to which those needs could be better met if they went home and whether that is part and parcel of the policies that we have. We often take these people against the wishes of their home government and certainly against the needs of their people. Would you deny that?

Secretary Weinberger. Well, is the suggestion, Congressman, to say we will turn them back and say, "We will not permit you to practice in this country despite your own wishes"?

Mr. Symington. I would like to see the resources of the United States which are being used one way or the other used to bring the most effective medical attention using American citizens to the service of the American people. The dollar amounts that you spend on medical training in this country will stay roughly the same but encourage the medical schools to enroll more people, and it is more and more difficult for the Americans to compete in their own system to the point where they have lost half of the new market to foreign doctors.

Secretary Weinberger. There has been an increase in the amount of aid to the student, and with the basic educational opportunity grants there will be a substantially increased number of students who have had a fivefold increase. One of the problems they have run into is that the institutions which used to get institutional support are not as pleased with the recommendation, and it's perfectly understandable that they are not, but the President's feeling is that the bulk of the resources should go to the students that are being assisted. There is a lot of money being siphoned off with administration costs that do divert from actual student aid. We are holding level with the health professions, and we are holding generally level with institutional assistance, and student assistance at this level. Moreover, we are having a tremendous increase in student assistance at the college level.

Mr. Symington. We are informed that a great many foreign practitioners are unable to secure any licenses but end up in State mental hospitals. Would that accord with your understanding?

Secretary Weinberger. You mean as patients?

Mr. Symington. No.

Secretary Weinberger. I don't have any information on that, Congressman. I don't mean to be facetious but I just will have to put it this way: That generally speaking and in view of the uniformity of qualification standards throughout the country, I would personally feel that no foreign doctor is going to treat patients unless he has the necessary qualifications and unless the public is fully protected by having his services. I am not aware of any States which allow untrained, unqualified people to work in their mental institutions. If there are such States, I would certainly think the States would want to move rapidly to correct it.

Mr. Symington. Do you have information as to the number of foreign doctors working in programs of this kind and the ratio of their presence to American trained doctors?

Secretary Weinberger. No. Dr. Endicott may have.

Dr. Endicott. Well, of course we have no way of getting records of physicians who may be practicing medicine without a license. I doubt that there are very many of them.

The situation you may be referring to is that—and especially in training situations in a number of institutions, and this often applies to foreign medical graduates—the State board issues some kind of limited license for the intern or the resident who is on their hospital or institution staff under the supervision of fully licensed physicians.

Mr. SYMINGTON. Well, it would merit our curiosity, would it not, in the light of our dialog here today to learn to what extent foreign practitioners take advantage of that limited practice as distinct from the American trained physician?

Secretary WEINBERGER. Yes; we will try to furnish that.

There are many mental institutions who use people who are partially trained medically, both foreign and domestic, in duties that are not involved with the patient. We will try to get additional information along this line for you.

[The following information was received for the record:]

COMMENTS ON FOREIGN MEDICAL GRADUATES

Based on data assembled by the AMA in its publication Foreign Medical Graduates in the U.S.—1970, slightly over one-half (53.9 percent) of the foreign medical graduates in the U.S. for whom they have records did not possess a full, unlimited license to practice medicine. This is not surprising as a very large fraction of these foreign medical graduates are still in hospital training posts as interns, residents and fellows and others are full-time hospital staff members who are working under the direct supervision of senior staff members. For U.S. medical graduates at the same professional level the same situation probably prevails although exact data are not readily available. Conditions vary from state to state, dependent on individual licensure laws and regulations, and in most states supervision in a fully approved institution meets licensure requirements.

Another phase of the problem has recently come to prominent attention in that with the unavailability of fully licensed physicians to man all positions in state mental hospitals and chronic care institutions some state licensure authorities have granted these institutions authority to employ physicians with temporary or limited licensure or permits. The number of such physicians is unknown at the present time; it has been reported that the Federation of State Medical Licensure Boards is currently attempting to collect the necessary data.[33]

A recent DHEW memo from the International Activities Section of the National Institutes of Mental Health stresses the concerns and issues raised during Secretary Weinberger's testimony before the House Interstate and Foreign Commerce Committee.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, NATIONAL INSTITUTES OF HEALTH, NATIONAL INSTITUTE OF MENTAL HEALTH,
November 8, 1973.

To: Dr. S. Paul Ehrlich, Jr., Director, Office of International Health.

From: E. Fuller Torrey, M.D., Acting Special Assistant (International Activities) to Interim Administrator, ADAMHA.

Subject: Secretary Weinberger's remarks on foreign medical graduates in the U.S.

Pursuant to our recent conversation, I would urge the Office of International Health to attempt to modify the Secretary's public statements, and thus official HEW policy, on our mass importation of doctors from developing countries. His recent statements indicate that he is seriously misinformed, and the statements have been a source of acute embarrassment to those of us who work under him on international health concerns.

Specifically, on August 6 on "Panorama" he said: "There's nothing wrong with a foreign doctor. Of course we're using a lot of them, and will use a lot more. And they're very able people, and they can take care of a great many of the problems, they're very able people, and they can take care of a great many of the problems, because to assume that they aren't trained when we require very serious examinations of their capability before we allow them to practice is expressing, I think, a prejudice that's totally unwarranted. . . . We do and are utilizing some foreign doctors because they're very good. We know they're good because we test them before we allow them to practice."

Secretary Weinberger had made remarks to this effect previously to the House Health Subcommittee, and subsequently he has repeated them at the meeting of the American Hospital Association in Chicago and elsewhere. They have been widely quoted in both the lay and medical news media, including the Washington Post and Medical World News.

Most discouraging is the fact that the Secretary has had available to him multiple studies and issue papers, prepared within his own department, which directly contradict him. Most recently these include "Foreign Trained Physicians and American Medicine" by Stevens and Vermeulen. "The FMG and the Supply of Physicians in the United States—Some Policy Issues and Recommendations" prepared by HRA for the Secretary, and "Foreign-Trained Physicians in the United States: A Review of Recent Trends and Potential Policy Directions" prepared by the Office of the Deputy Assistant Secretary for Planning and Evaluation. These documents contain all the statistical dimensions of what is clearly a national disgrace (and so-labeled in the Senate seven years ago by Senators Mondale), e.g.

That we are importing as many doctors for our own use, mostly from developing countries, as we are producing;

That foreign medical graduates now comprise almost 25% of the total U.S. doctor population and this is rapidly increasing;

That last year in 20 states over half of the new medical licenses went to foreign medical graduates; in 7 states they constituted three-quarters of new licensees;

That the distribution of foreign medical graduates is disproportionately great in hospital-based practices, including house staff and emergency room personnel. Thus in New Jersey 80% of hospital residences are filled by foreign medical graduates. What this means in terms of medical care is that if you cannot afford (or cannot obtain) a private physician and walk into the emergency room in Jersey City, Elizabeth, New Brunswick, Paterson, or Perth Amboy, you will almost certainly be treated by a foreign medical graduate. (Even five years ago in these cities 98% of the housestaff were FMG's). Put more succinctly, the figures show that we are rapidly evolving a two-class system of health care with the wealthier using American-trained physicians and the poorer using foreign-trained physicians.

In direct contradiction to Secretary Weinberger's remarks, the HEW documents cite numerous studies which show that, though there are many individual exceptions, foreign medical graduates as a group are not of the same quality as American medical graduates. (One HEW study calls them "marginal physicians.") This is shown by the poor facilities and training in many foreign medical schools, the low pass rate on the ECFMG, low pass rate on state board examinations, low pass rate in speciality board examination, and several studies in which the work of foreign medical graduates was rated against American medical graduates.

The "very serious examination" referred to by the Secretary is presumably the ECFMG. This is composed in such a way that 98% of American medical graduates would pass. (A third of foreign medical graduates pass.) Ninety percent of the questions are from part II of the National Boards and are basic clinical questions; the other 10% are from part I and concern medical sciences. None of the exam is from part III, the advanced clinical questions, because the ECFMG was never intended to be a licensing exam but merely a screening device to ascertain suitability for admission to American internships and residencies. Thus it measures only clinical knowledge which a fourth-year medical student should have, and is not a "very serious examination" which evaluates their ability to practice medicine. (The Secretary's misconceptions about the ECFMG may have arisen from the erroneous information contained in the paper from the Office of the Deputy Assistant Secretary for Planning and Evaluation.) The Secretary also appears to be unaware of the 10,000 or more (by HEW estimate) foreign trained doctors who are unlicensed, not fully qualified doctors who are being used as cheap labor in state hospitals.

With other parts of HEW currently very much concerned with the quality care issue via PSRO's national health insurance, emergency medical care, and the medical manpower bills coming up for renewal, it is only reasonable to expect the quality of care delivered by foreign medical graduates to be considered too. The evolution of a two-class system of doctors simultaneously with attempts to upgrade quality by these other mechanisms in contradictory, and another classic example of the right hand not knowing what the left hand is doing. One might also think that the Secretary, in light of current administration concerns about oil imports, would be concerned about the extreme dependency on other countries which we now have for medical manpower. Shouldn't this country be self-sufficient for such a basic need as medical care? Should we be dependent on the developing countries of the world for half of our new doctors? If two or three of our large suppliers suddenly cut off the flow, many of our city and state hospitals would be in serious trouble.

But as an HEW employee in the international health field, my main concern is the effect of this brain drain on the developing countries of the world. It is essentially a moral issue. As described by one of the HEW policy papers: "Based on current data, physicians migrating to the U.S. each year represent about one quarter of the annual output of all the medical schools of the world outside of the U.S., Mainland China, the Soviet Union, and the Socialist countries of Eastern Europe." As the Secretary said, "we're using a lot of them, and will use a lot more."

I find this attitude a bit disquieting. Just because we need them, does that automatically give us the right to take them? Didn't this go out of style when we stopped importing slaves from West Africa? Or does it come under the same category as our buying blood from Haiti because we can't organize our own blood bank system? Does our country have the right to take human resources, as well as natural resources, from developing countries indefinitely?

Some have argued that developing countries are producing doctors specifically for export to the U.S. This is true only in the case of the Philippines. And there one may question the quality of the doctors being produced by the doctor-factories in Manila (the HEW and AMA studies clearly show their poor quality) as well as the logic of there currently being more Philippine doctors in this country (7,000) than there are black American doctors (6,000). Some have also argued that it is the responsibility of the developing countries to keep their doctors home and not our responsibility just because we attract them and keep them here. Yet when we import a doctor whose government has spent $20,000 or so on his training, and who has not given any service back to his country, aren't we essentially dealing in stolen merchandise? The argument that if we don't use them, then somebody else (e.g. England) would be called by an international court of law a rationalization rather than a justification.

Footnotes at end of article.

I recently had the opportunity to visit India, Pakistan, and Iran, three countries hit by the doctor drain to the U.S. Officials there say the depletion has been devastating. When I examined the effects on my own particular field, psychiatry, and looked at the distribution of psychiatrists in these and other countries, I found that:

There are more Indian psychiatrists in the U.S. than there are in India.

At the Missouri Institute of Psychiatry in St. Louis alone there are 16, the same number that are available for 20 million people in India.

The 5 Pakistani psychiatrists at this same *hospital* are one more than are available for Lahore and the 15 million Pakistanis in the surrounding Punjab Province.

Elmhurst City Hospital in New York has 7 Ceylonese psychiatrists; this is 6 more than can be found in Ceylon's second largest city.

The 7 Korean psychiatrists in Creedmor (N.Y.) State Hospital are the same number as serve all 23 million Koreans who live outside the 3 largest cities.

The 11 Philippine psychiatrists in 2 mental hospitals in Cleveland are the same number as serve the entire Philippines outside Manila, a population of 25 million.

Columbus (Ohio) State Hospital has a psychiatric staff representing 20 foreign countries including Turkey, Iran, Ceylon, Burmas. Thailand, Korea, Philippines, Taiwan, Brazil, Columbia, Cuba, and the Dominican Republic.

This is only a sampling of the more than 5,000 foreign psychiatrists who are shoring up our mental institutions because we have fallen down on the job. It is inexplicable and embarrassing that our highest health official can defend this practice.

In terms of solutions to this complex problem, the HEW documents contain many suggestions. They include examining our current hospital staffing patterns and geographical distribution of physicians, the use of physician-expanders, developing a unified and coherent medical manpower plan, a single exam system for American and foreign medical graduates, special educational programs for FMG's staying and relevant programs for those returning to their own countries, phasing out of unlicensed physicians by denying Medicaid and other federal payments to those institutions re-examining visa laws which give preference to doctors, the greater use of COTRANS for Americans trained abroad, working with WHO to modify "push" factors, and a lead agency role for HEW within the federal government. The history of implementation of such solutions, however, is rather dismal. As noted by one of the HEW documents: "In 1967 the Expert Panel on Foreign Medical Graduates submitted to the National Advisory Commission on Health Manpower 12 general and 21 specific recommendations to resolve the then identified FMG problems. Remarkably, since then only one of these recommendations has been implemented and then only in part.

The paper from the Office of the Deputy Assistant Secretary for Planning and Evaluation concludes in its summary that "no new action" by HEW is required. This conclusion is strangely inconsistent with the text of the paper and is at odds with all other analyses of the problem which have been done.

It is unfortunate that a rational discussion of solutions has been impeded by Congressman Rogers and others seizing upon the foreign medical graduate problem as a justification for increased aid to U.S. medical education. Secretary Weinberger has correctly maintained that such aid, by itself, would not necessarily do anything to relieve the use of foreign medical graduates since the basic problem is one of distribution and not of numbers. Such arguments have polarized thinking and made it more difficult to perceive and rationally solve the foreign medical graduate problem.

That is a serious problem, and that current HEW policy is a major embarrassment to some of us, is the main point. If we are to do our job in the international field, then it is incumbent upon us to try to modify this policy.

TESTIMONY OF WITNESSES BEFORE THE SENATE LABOR AND PUBLIC WELFARE COMMITTEE ON FOREIGN MEDICAL GRADUATES

ROBERT WEISS, M.D., CENTER FOR COMMUNITY HEALTH AND MEDICAL CARE, HARVARD UNIVERSITY

In regard to a few other comments which relate to some of your opening remarks, it is of great distress to me that we indeed have more Filipino physicians in the United States than we have native born black physicians in the United States.

I think it is terribly important to note that while we take in physicians who are of questionable quality in relation to their background and education, and this includes all their levels of education, we are denying opportunities to American citizens . . . .

Mr. GOLDMAN, *Subcommittee Staff Director*. Doctor, S. 3585 continues the requirement which is now in existing law, which calls upon medical schools in order to qualify for capitation support to keep increasing their enrollments, and the rationale behind the maintenance if that provision is the committee's intention to reduce the reliance in this nation on foreign medical graduates.

Is this a policy that you support?

Dr. WEISS. I obviously do. As I have pointed out, we have not kept pace in terms of production with U.S. physicians, with the growth of population. So that I think if we were to adopt—and the paper which will appear on Thursday, we have some suggestions in terms of reimbursement of utilization and restrictions of reimbursement on unlicensed physicians on federally funded programs; and I think that we are going to need more physicians, and I think that there are other factors that work as well.

Nobody has talked about the fact that U.S. physicians are approaching a forty-hour week. This is not unlike the rest of society I think this is a perfectly reasonable assumption in terms of what everybody else expects. I do not know that it should be forty, or what it should be; but that is certainly what is happening.

I think that factor alone, if implemented, is going to require greater numbers of physicians.

If one takes a look at Sweden, which is the only country that I know of which has negotiated a contract for a forty-hour week with its health service, they calculated that they have to double the number of their physicians in order to meet a forty-hour week, and I think this is going to be an increasing factor in our utilization of physician manpower.

Mr. GOLDMAN, *Subcommittee Staff Director*. Is there anything inherent in the system of medical education in this country which requires this nation now and in the future to have—what is it—one out of every three, one out of every five, I guess it is, physicians in this country be an FMG, one out of every three or one out of every two in the emergency treatment programs?

Is this a program that somehow structurally or systematically cannot be overcome except with respect to reliance on FMG's?

Dr. WEISS. No. Again I am presuming to answer, I thought a great deal about this problem and have written on it.

I think what happens and what has happened is that residency programs and postgraduate training were originally seen as educational processes. What has happened has been that as physicians have moved out of the inner cities and out of rural areas, primarily out of the inner city and into the suburbs, the populations have turned to the hospitals, the inner city populations, for care; and the hospitals have responded in their traditional fashion by providing care via residents and house officers.

That has resulted in increased number of residents which bears absolutely no relationship to what the needs are of the country for various specialties in the future.

AARON LOWIN, PH. D., INTERSTUDY, MINNEAPOLIS, MINN.

We are, as a nation, reliant on FMGs for a portion of our health care. Depending on how we calculate, one-third to one-fifth of our nation's physicians' services are supplied today by FMGs. One in five physicians is an FMG. One in three interns and residents is an FMG.

What about the future?

If the present liberal immigration situation is sustained through 1985, we project that 150,000 of the nation's 485,000 active physicians, some 31 percent of our total stock of active physicians, will be FMG's. A graphic portrayal of these projections is available in the hand-out.

The gist of that graph is as follows:

The top line indicates the projections of the total supply in the U.S. of FMG's, if the current liberal policy continues. There would be 85,000 by 1985.

If we expect shortages, then a larger stock of FMG's would alleviate those shortages, but if we expect surpluses, we would aggravate those surpluses and so on.

This is rather complex but a terribly important matter. I would be happy to later continue a discussion of the policy implications of restricting FMG immigration of the Committee wishes.

Now, to the second question, that of FMG distribution. I will be particularly brief here.

We examined three aspects of FMG distribution; specialty, geographic and mode of practice. With regard to specialty distribution, we have reviewed the evidence and we find contrary to popular opinion, that by and large, FMGs follow much the same patterns in choosing specialities as do U.S. medical graduates.

We look at all the larger, the more common specialties and we found no substantial difference in the proportions of FMG's and USMG's selecting those specialties. We included here internal medicine, general surgery, obstetrics-gynecology, pediatrics and phychiatry. Only in general and family practice are FMG's substantially under represented as compared with USMG's.

There are, nevertheless, two specialties that do seem to attract more than their fair share of FMG's; anesthesiology and pathology. The particularly curious characteristics of these two specialties seem to be their combination of hospital-based practice and little patient contact.

Our conclusion is, therefore, that with regard to specialty distribution, there is no evidence that FMG's serve in above average numbers in primary care and that there is no evidence that by and large they distribute themselves substantially different from our own domestically trained physicians.

With regard to geographic distribution, the second topic, it is abundantly clear that FMGs show a greater tendency toward congregating in metropolitan areas than do USMG's. More than 90 percent of our FMG's are located in the nation's 300 largest major metropolitan areas, compared to only 82 percent of the USMG's

In rural areas FMGs comprise only 9 percent of the USMG's.

In rural areas FMGs comprise only 9 percent of the total physician population. Yet they comprise 20 percent of the total physician population in the country.

We have looked for and have found no direct evidence on FMG practice in the inner cities and simply have nothing to say on that point.

Finally, with regard to their mode of practice FMG's do indeed appear to serve in substantial numbers in what are perhaps the less desirable institutional settings for health care in the country. FMG's serve in these settings as house officers as well as residents or interns; the institutions include private community hospitals, public hospitals and mental institutions. Considering the numbers of FMG's and U.S.-trained physicians in the country, FMG's serve twice as heavily in these institutional settings.

In 46 of our 50 States FMG's fill more than 25 percent of all full time hospital staff positions. And in seventeen States FMG's fill more than 50 percent of the full time hospital staff positions.

In conclusion, with regard to distribution, the most striking findings is in regard to mode of practice: FMG's definitely do fill institutional needs for physicians far more than USMG's do, considering their relative numbers.

Let me turn now to the last topic, which is the question of the physician brain drain.

Briefly, here are some of our pertinent findings from the literature. One, as regards the nations that supply us with FMG's: FMG's do not immigrate in equal proportion from all the less developed countries. Most emigrate from the countries of Asia, not from Africa, not from Arab North Africa, and not particularly from Latin America.

Nor are all the less developed Asian countries equally affected. The Philippines, India, South Korea, Iran, do supply large numbers of FMG's to the United States—perhaps 24,000 to date . . .

There is something structurally wrong with the current system. We do need FMG's in that sense. We need physicians in certain specialties and so forth, and when we crank up the system and turn out an increased number of medical students, they still do not go into those same areas.

Therefore we in a sense do need one in three physicians to come in from out of the country to fill in where the other two will not fill in.

So essentially it is a question of incentives, to medical students on the one hand, to select specialties that we would like them to select, and institutional on the other hand, to arrange for residency opportunities that we would like them to.

In this sense, in the current system, if we simply increased the number of physicians being trained domestically, we will still have that same void and we will still need FMG's to fill in.

ROBERT TAYLOR, M.D., PROGRAM CHIEF FOR MENTAL HEALTH SERVICES, MARIN COUNTY, CALIFORNIA

I think the brain drain question can be summarized like this, that the countries are frankly as usually stated 85 percent of important medical manpower is coming from underdeveloped countries.

The list in order of number of physicians we are recruiting, the Philippines, Korea, Cuba, Argentina, Colombia, Iran, and so on. The idea that countries are producing physicians in excess of medical need I think really cannot be supported.

In the Philippines, for example, outside the City of Manila, the doctor-patient ratio is very, very small. Yet the number of medical graduates taking ECFMG's in Manila is now so large that a football stadium has to be used to hold these people to process them. . . .

Despite an impressive increase over the past two decades in the number of practicing psychiatrists in the United States, American psychiatry has failed to eliminate a serious dependency on foreign medical graduates for the care of the severely mentally disabled. Graduates of American psychiatric training programs have generally preferred to enter the arena of private practice thereby avoiding public mental health care institutions where the seriously mentally ill concentrate. This has created the necessity for importing large numbers of foreign doctors to staff our mental hospitals.

There are persuasive indications that foreign-trained physicians are being differentially recruited to staff public mental institutions and that the level of care provided by these doctors is generally lower than their American-trained counterpart. From the perspective of the developing countries from which these physicians are being recruited, this importation of medical manpower by the United States further reduces the inadequate numbers of physicians.

There are no official figures on the number of foreign medical graduates being used by American psychiatry but there are some indicators. It is known that 34 percent of all psychiatric residents (1,370 out of 4,400) were foreign medical graduates during 1970.

Of the 186 residency programs that were active, 28 of them were completely filled by foreigners. In fact there were more psychiatric residents in American hospitals who had graduated from the medical schools of the University of Havana (77) or from the University of Santo Thomas in Manila (74) than there were graduates of any American or Canadian medical school.

DANIEL TOSTESON. PH. D., ASSOCIATION OF AMERICAN MEDICAL COLLEGES

Mr. Goldman, *Subcommittee Staff Director*. I do have a few more questions, if you will permit me.

One of the issues we have not yet discussed, but on which the Subcommittee has taken testimony, and on which the bill includes the provisions, is with respect to the reliance that the country has now on foreign medical graduates.

If I understand the statistics correctly, one out of every five doctors practicing in this nation is a foreign medical graduate but, one out of every three residents is a foreign medical graduate.

A serious question has been raised with respect to the quality of medical care with some of those foreign medical graduates, the care they provide.

A serious question has been raised as to why the richest nation in the world somehow cannot produce enough of its own doctors and must rely on the poorest nations of the world for that manpower.

Eighty percent of those residents, if the statistics hold up, are in your teaching hospitals, and I believe your Association has recently made a report on foreign medical graduates, a report which I believe endorses foreign medical graduates for purposes of teaching and learning, but I think which is concerned about reliance on foreign medical graduates to provide medical services per se.

I wonder if you could just take a moment and tell the Committee what you think the nature and the magnitude of this problem is, and if you have had a chance to review the provisions of the bill, which are intended to deal with that, you can tell us what you think about that.

Dr. Tosteson. First, let me say that you are correct, the Association has had a task force on foreign medical graduates which has recently reported its findings.

These findings have been approved by the Executive Council and constitute an Association position on this issue and if it would be helpful to the Subcommittee, we would be pleased to submit that for the record. We agree about the seriousness of the problem. We agree that the idea of two standards of physicians in this country must be unacceptable.

We also agree that the most important place in the medical education scheme, where this issue can be attacked, is at the level of graduate medical education, and particularly the number of residencies available.

4. LICENSURE

"Mr. Goldman, Subcommittee Staff Director. Could you gentlemen envision the situation in the licensure requirements in any state, given the mobility of the American population, that might result in a quality of health and medical care in any given state being less than in other states, as a result of licensing provisions?

"Dr. Derbyshire. It is true now; no one can deny that." Robert C. Derbyshire, M.D., Secretary-Treasurer, New Mexico Board of Medical Examiners, Santa Fe, New Mexico. Testimony before Senate Health Subcommittee, June 24, 1974.

"Dr. Derbyshire. Why are state licensing boards lax? I quote from an article in the Journal of the American Medical Association published April 1st, 1974:

" 'During the past five years, seven states with a physician population of more than 23,000 have reported no disciplinary action whatever. California, with a physician population of approximately 33,000, reported a total of 194 disciplinary actions. Some of the other large states reported amazingly small numbers; for example, one state with a physician population of 17,000 took only six actions, and these were merely reprimands.' " Robert C. Derbyshire, M.D., Secretary-Treasurer, New Mexico Board of Medical Examiners, Santa Fe, New Mexico. Testimony before Senate Health Subcommittee, June 24, 1974.

"The most pressing problem concerning medical licensure obstacles are obstacles to interstate mobility of physicians. This, of course, is connected with the lack of uniformity of standards throughout the States. This has only been partially resolved, and some problems remain." Robert C. Derbyshire, M.D., Secretary-Treasurer, New Mexico Board of Medical Examiners, Santa Fe, New Mexico. Testimony before Senate Health Subcommittee, June 24, 1974.

State requirements for medical licensure vary considerably. Within states and from state to state, requirements vary for U.S. medical graduates, Canadian medical school graduates, and for graduates of foreign medical schools. Such policies reflect differing standards for premedical work, undergraduate medical training, internships and residencies, citizenship, and licensure examinations. For example, 29 states still have specific quantitative requirements for the amount of premedical college work of U.S. and Canadian medical school graduates. Sixteen states and the District of Columbia continue to require basic science certificates. Sixteen states have no requirement for internships or residences for U.S. graduates, and requirements vary within states which do require applicants for licensure to be a full citizen. Others vary from no requirement at all to declarations of intent. Although almost all states require candidates to pass either the National Boards (the examination developed by the National Board of Medical Examiners) or the FLEX exam (the examination developed by the Federation of State Licensing Boards) as a prerequisite for licensure, most U.S. graduates take the National Boards and most FMGs take the FLEX examination. Each state has the prerogative of setting its own passing levels for the FLEX examination. Forty-three state boards issue temporary educational permits, limited and temporary licenses, or other certificates for the practice of medicine. State board policies for issuing such permits differ considerably.

Table 16 outlines the basic requirements for initial licensure for graduates of U.S. medical schools. Table 17 shows citizenship requirements. Table 18 presents data on the status of requirements for FMGs (other than Canadian graduates). Table 19 lists states with temporary licensing provisions.

TABLE 16.—BASIC REQUIREMENTS FOR INITIAL MEDICAL LICENSURE FOR GRADUATES OF U.S. MEDICAL SCHOOLS

	Written exam	Basic science certif.	Endorsement of National Boards	Citizenship [2]	Graduate training [4]
Alabama	×	×[8]	×	×	×
Alaska	×	×[8]	×	--	×
Arizona	×	--	×	×	×
Arkansas	×	×[8]	No	D	×[7]
California	×	--	×	--	×
Canal Zone	×	--	×	--	×
Colorado	×	×[9]	×	×	×
Connecticut	×	×[8]	×	D	--
Delaware	×	--	No	D	×
District of Columbia	×	×[8]	×	--	×
Florida	×	--	×	D	×
Georgia	×	--	×[1]	D	×r
Guam	×	--	×	--	×
Hawaii	×	--	×	D	×
Idaho	×	--	×	D	×
Illinois	×	--	×	--	×[5]
Indiana	×	--	×	--	--
Iowa	×	--	×	D	×
Kansas	×	×[8]	×	--	×
Kentucky	×	--	×	D	×
Louisiana	×	--	No	D	--
Maine	×	--	×	I	×
Maryland	×	--	×	D	--
Massachusetts	×	-------	×	D	-------
Michigan	×	-------	×	-------	×
Minnesota	×	×[8]	×	D	×[7]
Mississippi	×	-------	×	D	-------
Missouri	×	-------	×	-------	-------
Montana	×	-------	×	×[3]	×
Nebraska	×	×[8]	×	D	-------
Nevada	×	×	×	D[3]	×
New Hampshire	×	-------	×	S	×
New Jersey	×	-------	×	D	×[5]
New Mexico	×	-------	×	D	-------
New York	×	-------	×	D	-------
North Carolina	×	-------	×	I	-------
North Dakota	×	-------	×	-------	×
Ohio	×	-------	×	I	-------
Oklahoma	×	-------	×	D	×[6]
Oregon	×	-------	×	-------	×
Pennsylvania	×	-------	×	-------	×
Puerto Rico	×	-------	×	I	×
Rhode Island	×	-------	×	D	×
South Carolina	×	-------	×	I	×
South Dakota	×	×[9]	×	D	×
Tennessee	×	×[8]	×	-------	-------
Texas	×	×	No	D	-------
Utah	×	×[8]	×	D	×
Vermont	×	-------	×	D	×
Virgin Islands	×	-------	No	-------	×r
Virginia	×	-------	×	D	-------
Washington	×	×[8]	×	-------	×
West Virginia	×	-------	×	D	-------
Wisconsin	×	×[8]	×	I	×
Wyoming	×	-------	×	D	×

[1] Only if issued prior to Oct. 15, 1953.

[2] D indicates a declaration of intention to become a citizen of United States. No entry (--) indicates no requirement. I—indicates immigrant visa (blue card).

[3] Declaration of citizenship adequate for citizens of Canada.

[4] All states indicated by × only require 1 year of straight or rotating internship; those indicated by ×r require rotating internship. No entry (--) indicates no requirement.

[5] Straight internship accepted if applicant furnishes proof he has finished residency training in approved hospital training program or has been accepted for such training.

[6] Straight internship accepted except in pathology and psychiatry.

[7] At the discretion of the board.

[8] Pt. 1 of National Board or FLEX acceptable. Also a license in another State by examination.

[9] Pt. 1 of National Board acceptable.

×—Implies yes, or required.

Source: "Medical Licensure Statistics for 1972." American Medical Association. Sept. 1, 1973, p. 13.

Table 17.—Citizenship requirements for temporary or permanent licensure

No requirement: Alaska, California, Canal Zone, District of Columbia, Guam, Illinois, Indiana, Kansas, Michigan, Missouri, North Dakota, Oregon, Pennsylvania, Tennessee,[3] Virgin Islands, Washington.

Immigrant visa: Maine, North Carolina, Ohio, South Carolina, Virginia, Wisconsin, Puerto Rico.

Declaration of intention: Arkansas, Connecticut, Delaware, Florida,[4] Georgia, Hawaii, Idaho, Iowa, Kentucky, Louisiana, Rhode Island, South Dakota, Texas, Maryland, Massachusetts, Minnesota, Mississippi,[1] Nebraska, New Hampshire, New Jersey, New Mexico, New York, Nevada, Oklahoma, Utah, Vermont, West Virginia, Wyoming.

Full citizenship: Alabama, Arizona, Colorado, Montana.[2]

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[3] Two years U.S. residence prior to application.

[4] One year U.S. residence.

[1] U.S. citizenship not required of Canadian citizens.

[2] Declaration of Citizenship adequate for citizens of Canada.

Source: Medical Licensure Statistics for 1972. American Medical Association, September 1, 1973: Page 18.

TABLE 18.—STATUS OF REQUIREMENTS FOR MEDICAL LICENSURE FOR PHYSICIANS TRAINED IN FOREIGN COUNTRIES OTHER THAN CANADA

	Written examination	Admitted also on reciprocal or endorsement basis	Citizenship	Offer FLEX examination	Internship	Certification by Educational Council for Foreign Medical Graduates	Special basic science test	Examination fee
Alabama	×	--	×	×	×	×	×	$100
Alaska	×	×	--	×	×	×	×	150
Arizona	×	×	×	×	×	×	--	100
Arkansas	×	--	×	×	×	×	×	125
California	×	--	--	×	×	--	--	50
Canal Zone	×	×	--	×	×	×	--	50
Colorado	×	--	×	×	×	×	×	75
Connecticut	×	×	D	×	--	--	×	150
Delaware	×	×	D	--	×	×	--	50
District of Columbia	×	×	--	×	×	×	×	50
Florida	×	--	D	--	×	×	--	50
Georgia	×	×	×	×	×	×	--	50
Guam	--	×	--	--	×	×	--	50
Hawaii	×	--	D	×	×	×	--	125
Idaho	×	--	D	×	×	×	--	150
Illinois	×	×	--	×	×	--	--	75
Indiana	×	--	--	×	--	--	--	85
Iowa	×	×	D	×	×	×	×	50
Kansas	×	×	--	×	×	×	×	100
Kentucky	×	×	D	×	×	×	--	125
Louisiana	×	×	D	×	×	×	--	100
Maine	×	×	I	×	×	×	--	100
Maryland	×	×	D	×	×	×	--	100
Massachusetts	×	×	D	×	--	×	--	125
Michigan	×	×	--	×	×	×	--	75
Minnesota	×	×	D	×	×	×	×	75
Mississippi	×	×	D	×	--	×	--	100
Missouri	×	×	I	×	×	×	--	100
Montana	×	×	×	×	×	×	--	$100
Nebraska	×	×	D	×	--	×	×	100
Nevada	×	×	D	×	×	×	×	200
New Hampshire	×	×	D	×	×	×	--	100
New Jersey	×	×	D	×	×	×	--	150
New Mexico	×	×	D	×	--	×	--	100
New York	×	×	D	×	×	×	--	40
North Carolina	×	--	I	×	--	×	--	100
North Dakota	×	--	--	×	×	×	--	125
Ohio	×	×	I	×	×	×	--	125
Oklahoma	×	--	D	×	×	×	--	65
Oregon	×	×	--	×	×	×	--	150
Pennsylvania	×	--	--	×	×	×	--	50
Puerto Rico	×	--	D	--	×	--	--	30
Rhode Island	×	×	D	×	×	×	--	50
South Carolina	×	--	I	×	×	×	--	100
South Dakota	×	×	D	×	×	×	×	125
Tennessee	×	--	--	×	×	×	×	50
Texas	×	×	D	--	--	×	×	50
Utah	×	×	D	×	×	×	×	75
Vermont	×	×	D	×	×	×	--	105
Virgin Islands	×	--	--	--	×	×	--	100
Virginia	×	×	D	×	×	×	--	100
Washington	×	×	--	×	×	×	×	35
West Virginia	×	×	D	×	--	×	--	100
Wisconsin	×	×	I	×	×	×	×	100
Wyoming	×	×	D	×	×	×	--	75

×—Implies yes.
D—Declaration of intention to become citizen of United States.
I—Immigrant visa (blue card).

Arizona.—Two years of approved internship or residency in US hospitals required.

California.—Non citizens—2 year internship in an approved hospital in the US, 1 of the said years being in California, or 5 years of graduate training in approved programs for declared citizens. Citizens—1-year approved internship in an approved hospital in the US followed by an oral and clinical examination; if satisfactory internship already completed, all three parts of examination (written, oral, clinical) may be taken at the same time.

Canal Zone.—Acceptable at the discretion of the board.

Colorado.—Credentials may be submitted in original form and accompanied by translation and will be directly verified or documents should bear evidence of being visaed by the US Consul in the country wherein the school of graduation is or was located. Two years of approved residency.

Delaware.—Residency for 1 year required.

District of Columbia.—Examinees must pass DC exam or be exempt by virtue of having passed a basic science exam elsewhere. Considered on individual basis.

Florida.—Three years of AMA-approved training or 5 years of practice. ECFMG certificate waived if physician has US specialty board certificate or has 4 years of meritorious practice in 5 years preceding application.

Georgia.—Reciprocity applicants may furnish certification of passing examination of Educational Council for Foreign Medical

Graduate in lieu of acceptable medical school, and applicants are given consideration on an individual basis. Must appear before licensing board for interview. FLEX in 1973.

Guam.—Legal residence for 1 year required.

Idaho.—Considered on an individual basis.

Illinois.—Considers application on an individual basis from graduates of schools not on approved list. A graduate from an unapproved school may be accepted on basis of post graduate training in this country, or applicant may have been admitted on basis of court order.

Indiana.—Two years postgraduate training in approved hospital in US required and declaration of citizenship.

Iowa.—Medical examiners may accept in lieu of a diploma from a school of medicine approved by this board all of the following: (a) a diploma issued by a medical college which college has been neither approved nor disapproved by the medical examiners, and (b) completion of 3 years of training as a residential physician which training has been approved by or is acceptable to the medical examiners, and (c) recommendations of the ECFMG.

Kansas.—Certificate from medical college specifying in detail the physical equipment of the school, the curriculum, current catalog showing courses of study, and certificate that the college is recognized by authorities of such foreign country as qualifying its graduates for practice therein; diploma from such college; certificate of licensure in the country where graduated; all documents to be translated into English and certified by the consul. ECFMG certificate required. US in an institution approved by the board.

Kentucky.—Applicant required to complete at least [illegible] years' training in the US in an institution approved by the board.

Louisiana.—Must have had 3 years graduate training, 1 year of which training occurred in Louisiana.

Maine.—Maintains list of acceptable medical schools.

Massachusetts.—If a candidate is a diplomate of an approved specialty board, he may be admitted to the examination for licensure without being required to hold ECFMG certificate.

Mississippi.—Endorsement of FLEX examination.

New Hampshire.—Proof of a commitment to practice in the state of New Hampshire.

New Jersey.—Candidates required to have not less than 3 years training in a hospital approved by the board; or 1 year if licensed in country of medical school.

New Mexico.—If a graduate of a foreign medical school has been licensed and has practiced continuously for 7 years immediately preceding application in a state with requirements equal to those of NM he may be granted a license by endorsement at the discretion of the NM Board of Medical Examiners.

New York.—ECFMG or equivalent plus 1 or 2 years approved hospital training required, with rare exceptions in special cases.

North Carolina.—Considered on an individual basis.

North Dakota.—Considered on an individual basis.

Ohio.—Must serve at least 2 years as intern or resident in approved hospital in this country.

Oregon.—Must show evidence of internship and/or residency of not less than 2 years in not more than two hospitals approved for such training. Less than an unqualified recommendation from the heads of these training programs shall preclude further consideration.

Pennsylvania.—Graduates of foreign medical schools are considered on an individual basis.

Rhode Island.—Two years of graduate training in an approved hospital in US or Canada is required.

South Carolina.—Residency training required as specified by board.

South Dakota.—Applicant required to practice in a state institution for 4 years under a temporary license and reappear before the board for permanent licensure, if unable to meet ECFMG or internship requirement.

Tennessee.—Each applicant considered on an individual basis; must have resided in US for 2 years and must appear before board.

Texas.—All foreign-trained physicians must appear for personal interview and present original documents. Applicants with questionable credentials must appear before entire board.

Virgin Islands.—Residence of 6 months required.

Virginia.—Two years of accredited hospital training in approved hospital in the US or Canada within the 5 years prior to application. If citizenship is not acquired within 7 years after licensure, the license automatically becomes void.

West Virginia.—Original medical school diploma and official listing of premedical and medical school courses must be submitted.

Wisconsin.—Temporary license issued after passing FLEX to foreign graduate physicians for 2-year periods, renewable twice and after 6 years if applicant has remained in Wisconsin practicing permanent license will be issued.

Wyoming.—Oral examination required.

Source: "Medical Licensure Statistics for 1972," American Medical Association, Sept. 1, 1973; p. 55.

Table 19. Temporary and education permits, limited and temporary licenses, or other certificates issued by state licensing boards

Alabama.—Limited license for full-time foreign graduate teaching staff of the University. For work in that institution only.

Alaska.—Temporary permits issued for specified period or until next examination while processing permanent licensure. Locum tenens for 120 days to a licensed MD.

Arizona.—Temporary permits issued on basis of community emergency for term not more than 6 months, and only once renewable.

Arkansas.—Temporary permits issued for limited time in cases of emergency and to prevent hardship. Valid until next board meeting.

Connecticut.—Educational permits granted to graduates of foreign medical schools to serve in approved hospital training programs. If MD does not have an immigrant visa, he must have standard ECFMG certification.

Delaware.—Temporary emergency license to noncitizens and cross the border physicians granted for 12 months, subject to renewal, for emergency shortage and for locum tenens practice up to 4 months provided physician is licensed in another state.

Florida.—One year non-renewable certificate for full-time medical school faculty member limited to teaching hospital.

Georgia.—Temporary permit until board meets. Institutional permit, good only in state institution, renewable each year.

Hawaii.—For interns and residents. Also, for physicians to work for state or county agency or conditions of shortage or emergency or under supervision of licensed MD.

Idaho.—Temporary license until next board meeting.

Illinois.—Temporary certificate issued for residency training. Issued for a period of 1 year, may be extended. Permits issued for service in state hospitals to physicians eligible for licensure. Also temporary license for eligible candidates.

Indiana.—Temporary license pending next examination for graduates of approved medical schools. Temporary Education Permit issued foreign medical graduates for graduate education training, must have standard or temporary ECFMG certification. Temporary medical permit granted to interns and residents until they can obtain a regular license.

Iowa.—Resident physician license for training in approved hospital under supervision of licensed physician. Temporary license for 1 year issued at discretion of board. May be renewed for 2 additional years.

Kansas.—Temporary permit until next board meeting Fellowships to work in state mental institutions. Resident certificates for residents. Provisional license for non-citizens, valid for 5 years.

Kentucky.—Temporary permits issued to qualified applicants by endorsement for 6-month period to serve until investigation completed and meeting of board. Limited licenses issued to graduates of foreign medical schools on successfully passing board examination, etc., for one year, renewable for specified place, purpose, and time.

Louisiana.—Temporary permit for qualified candidates between regular semiannual meetings of the board. Foreign graduates granted temporary permits for approved residency training, employment in state institutions, and for teaching/research assignments.

Maine.—Temporary camp license for season. Hospital resident license for 1 year in specific hospital.

Massachusetts.—Limited registration covering appointment as intern, resident, of fellow in specific hospital, as an assistant in medicine while at student in medical school, as faculty member licensed in another state, or board certified specialist.

Michigan.—Temporary annual license for resident and postgraduate training renewal each year, not to exceed 5 years. Internship permits issued to graduates of foreign medical schools for a period of 1 year.

Minnesota.—A certificate of Graduate Training for qualified foreign graduates. Temporary license valid until next board meeting.

Mississippi.—Temporary license for practice until next board meeting pending permanent license by examination of reciprocity.

Missouri.—Temporary license issued to interns, residents, fellow only.

Montana.—Temporary license is granted to physicians to practice in specified location in the interim between license meetings or pending citizenship. Must appear at next board meeting to have temporary license made permanent.

Nebraska.—Limited license to graduates of foreign medical school who meet all requirements except citizenship. Temporary educational permits for residents and medical school faculties.

Nevada.—Temporary permit for 1 year for residency training provided candidate is eligible for permanent licensure.

New Hampshire.—Temporary license not to exceed 5 years issued to FMG's who meet all qualifications except full citizenship.

New Jersey.—Temporary license for 4 months to physicians eligible for full licensure when requested by licensed physician who will be out of state. Temporary license for noncitizens for maximum of 6 years. Permit to work in county or state hospital.

New Mexico.—Institutional permit issued for practice in state hospitals only. Interns and residents must register with the board of medical examiners. Temporary licenses issued until next board meeting.

New York.—Temporary certificate for 2 years of residency training required for graduates of U.S. and Canadian schools, except in public hospitals. ECFMG required of all foreign graduates.

North Carolina.—Limited license issued for duration of residency to physicians not eligible for licensure by endorsement.

North Dakota.—Temporary permit for US and Canadian graduates between board meetings, and for locum tenens. Limited license for physicians employed in state hospital.

Ohio.—Temporary permits for approved internship and residency training. Limited for employment in state hospitals.

Oklahoma.—Temporary license for 1 year for residency training in approved hospital, may be renewed for duration of training.

Oregon.—Limited license, good only in state institutions, may be extended; limited license, public health, residency training or fellowship may be renewed annually.

Pennsylvania.—Postgraduate certificate issued for residency training in approved hospital and for the length of time required for certification by a specialty board. Foreign postgraduate registration for physician in United States on educational visa.

Rhode Island.—Temporary permit for 1 year for interns, residents, and house officers in hospitals.

South Carolina.—Temporary permit for intern and residency training on a yearly basis. Temporary licenses are issued to eligible endorsement applicants beginning practice prior to board meeting. Temporary permits issued to foreign graduates for employment in state hospitals. Must hold ECFMG certificate.

South Dakota.—Temporary license issued for 4 years to graduates of unapproved medical schools for practice in state institutions provided applicant passes basic science and medical board examination. Sixty-day locum tenens permit.

Texas.—Temporary license issued to next board meeting date, after completed application for permanent license has been filed, processed, and found in order, institutional permits issued to interns and residents. Foreign graduates must be ECFMG certified.

Utah.—Temporary license for 6 months, issued: (1) due to local or national emergency; (2) lack of adequate medical care in a community; and (3) when circumstances surrounding an application indicates that an applicant should first be observed in the regular and continuing clinical practice of medicine before a regular license is issued.

Vermont.—Limited license to interns, residents, fellows, or house officers working under supervision of licensed physician.

Virginia.—Temporary permit may be issued until next board meeting for reciprocity applicants.

Virgin Islands.—Temporary certificate issued to military service personnel on duty, and to municipal personnel until next board meeting.

Washington.—Conditional certificate or license for employment by the Department of Institutions if licensed in another state.

West Virginia.—Temporary license issued until next board meeting to reciprocity applicants. Also issued to US graduates and holders of ECFMG certificate serving as interns and residents.

Wisconsin.—Temporary educational certificates issued to graduates of foreign medical schools for residency training. May be renewed annually for not more than 5 years. Temporary licenses to practice medicine and surgery until next board meeting at which qualified physicians are eligible for license by reciprocity. Temporary license to foreign graduate physicians after passing FLEX for 2-year periods, renewable twice and after 6 years if applicant has remained in Wisconsin practicing medicine, permanent license will be issued. Resident license for graduates to approved medical schools for residency training. May be renewed for not more than 5 years. Camp physician's license issued to physicians who wish to do locum tenens or work in a camp up to 90 days.

Wyoming.—Temporary permit until next board meeting. Citizenship requirement may be waived and temporary license granted on an annual basis at the decision of the board provided the applicant successfully completes ECFMG examination or board's written examination; citizenship must be obtained within 8 years.

Source. Medical Licensure Statistics for 1972. American Medical Association. September 1, 1973: Page 53.

The vast majority of states require FMGs to take graduate medical training in a U.S. hospital as a prerequisite for full and permanent licensure. In order to be accepted into United States graduate medical training programs, an FMG must successfully complete examinations administered by the Education Council for Foreign Medical Graduates. These screening examinations are offered abroad and in the United States. Each year, for the past three years, more than 30,000 FMGs have taken the ECFMG. Evaluations of the test results show that, initially, three out of five candidates do not receive a passing score. Many take the exam more than once before passing. Statistics show that FMGs from developed countries, such as the United Kingdom, Australia, and Sweden, do far better than those candidates from such less developed countries as India, Iran, and the Philippines.[34]

The Association of American Medical Colleges, in a recent task force report on FMGs, recognized the inadequacy of the ECFMG examination as a measure of competency for entry into the graduate medical education system.

The task force declared:

> The present mechanism by which FMGs are admitted into graduate medical education programs implies that the ECFMG examination is a substitute for assessing the quality of the educational process over a period of four to six years and for selecting and evaluating the student for admission and promotion during this period, In reality, there is no examination available for measuring professional competence. Hence we are faced with dual standards for admission and are condoning the evolution of a dual system of graduate medical education. Currently, a little over one-half of the physicians entering the American system are products of accredited United States medical schools, while the balance for the most part represents products of unaccredited education systems. This double standard results in wide disparity in the quality of the physicians admitted to deliver care in the United States. It undermines the process of quality medical education in this country and ultimately poses a threat to the quality of care delivered to the people.[35]

All states require every physician to complete medical school and pass a written certifying examination in order to be fully licensed. In the absence of a single nationwide exam, two major licensing examinations are given. As noted previously one is the certifying examination of the National Board of Medical Examiners and the other is the examination known as FLEX.

Currently, all but three state medical boards (Arkansas, Georgia, and Louisiana) accept successful completion of parts I, II, and III of the National Boards as a prerequisite for licensure. As of December 1973, all but three (Delaware, Florida, and Texas) used the FLEX exam as their own licensing examination.

The vast majority of United States medical graduates take the National Boards. Most FGMs take the FLEX examination. Studies indicate that between 1968 and 1972, 50 percent of the FMGs taking the FLEX exam failed. The United States medical graduate failure rate was much smaller—about 15 percent or less. According to Lowin and Cohodes, in their recent FMGs study:

> The 50 percent failure rate for FMGs on the FLEX examination is perhaps even more disturbing than the 60 percent failure rate on the ECFMG exam, since most of those taking the FLEX have (1) passed the ECFMG and (2) have then received between one and three years of residency training in the United States. These data suggest that the ECFMG exam has little validity, and that years of graduate training here are not sufficient to overcome the earlier handicaps of poor undergraduate medical education and cultural differences.[36]

Of the 14,577 candidates examined for licensure in 1972, 9,116 were graduates of foreign medical schools (other than Canada) and 4,799 were U.S. graduates. The failure rate for FMGs was three times that of U.S. graduates. Table 20 illustrates these statistics.

Footnotes at end of article.

TABLE 20.—SOURCE OF CANDIDATES EXAMINED FOR LICENSURE IN 1972

Medical schools	Schools, number	Examined, number	Passed, number	Failed, number	Failed, percent
Approved schools in the United States	90	4,799	4,259	540	11.3
Approved schools in Canada	13	105	90	15	14.3
Foreign medical schools	397	9,116	5,818	3,298	36.2
Unapproved or extinct medical schools	4	17	4	13	
Schools of osteopathy	6	540	487	53	9.8
Total	510	14,577	10,658	3,919	26.9

Source: Medical Licensure Statistics for 1972, American Medical Association. Sept. 1, 1973. P. 4.

One of the most serious medical-licensure related problems is the large number of unlicensed FMGs—or FMGs with limited licenses—practicing in state hospitals. (See table 20 for a list of states with limited or temporary licensing laws.) Torrey and Taylor discuss the significance of this problem in their recent article in the *American Journal of Psychiatry:*

> One of the largest groups of foreign-trained doctors in American psychiatry rarely shows up on official statistics. These are the unlicensed doctors who practice in state hospitals using temporary permits issued by a state and valid only for state institutions. All but seven states have loopholes in their licensing laws that allow such temporary licensing. The permits are renewable yearly for an unlimited number of years. In New York and Ohio, 40 percent of the physicians in the state mental hospitals are unlicensed. In West Virginia, it is over 90 percent. If 40 percent is a representative average for the United States, there would be approximately 3,100 unlicensed foreign doctors staffing the state mental facilities in this country. One AMA spokesman estimated that the number is more like 7,500.[37]

Weiss and others, in a study published in the New England Journal of Medicine, also conclude that a serious problem exists with respect to uncertified and unlicensed FMGs who are providing medical care in the United States independently and in unsupervised settings. The authors surveyed almost 4,000 FMGs taking the January 1973 ECFMG examination in the United States. Results showed that 48 percent of the FMGs surveyed were already working in the health field at the time of the examination. A follow-up survey of 513 FMGs who reported working in the health field indicated that 73 percent were involved in direct patient care and 64 percent of those were em-

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Footnotes at end of article.

ployed in hospitals. The authors concluded that:

The data presented provide reliable evidence of the existence of a medical underground in the United States. The need to determine the numbers and exact responsibilities of FMG's in this underground is crucial to providing an accurate picture of the quantity of physician manpower and the quality of patient care in the United States. At present, there are no accurate figures on the magnitude of the medical underground. The only physician data base in the country is maintained by the American Medical Association's Center for Health Services Research and Development. This data base collects information from a variety of sources, including United States medical schools, state licensure boards, and approved training programs. However, owing to the lack of consistent reporting procedures by the state boards regarding partially or temporarily licensed physicians, the AMA data base is incomplete in its counting of the not fully licensed physicians who are not in approved training programs.

. . . Despite inadequate reporting the AMA data base shows over 10,000 unlicensed physicians working in the health field in 1971. The magnitude of the gaps in the data base are not known precisely, but in a study of a cohort of FMG's who emigrated to the United States in the ten-year period between 1961–1971, it was estimated that one third were unknown to the AMA. This represents 9,000 physicians.

Another indication of the possible magnitude of the underground can be obtained from the results of a 1970 survey of state mental-health directors who were asked about their employment of non-ECFMG-certified physicians. The results showed that 11 states permitted the hiring of non-ECFMG-certified physicians in state mental hospitals, and these states employed nearly 500 such physicians. It should be pointed out again that passage of the ECFMG is in no way the equivalent of licensure, and whereas only 11 states use non-ECFMG-certified physicians in state mental hospitals, almost all states use ECFMG-certified FMG's who do not have permanent licenses in a variety of roles as physicians. Whether these FMG's are included in the AMA data base is unknown.

A final indication of the magnitude of this underground is the increasing numbers of FMG's taking the ECFMG examination in the United States: from 1770 who took the examination in February, 1967, to 4035 who took it in January 1973. In addition, the passing rate on the examination is considerably lower for those who take it in the United States than for those who take it abroad.

It therefore seems likely that a large number of FMG's are functioning in a medical underground delivering patient care in an unsupervised and unregulated fashion. Since most of these physicians work in hospitals that have no formal educational program the amount and degree of supervision may be highly variable. The data reported here indicate little, if any, case-by-case supervision, but the exact degree of control exercised can only be determined by a study involving direct observation of the working situations.

The results of this cross-sectional survey raise serious questions concerning the regulation of the delivery of medical care in the United State. The effects of the influx of FMG's on quality of care, and the need for tighter control of medical practice by not fully licensed physicians in institutional settings are policy issues that are dealt with in a paper to be published next week. For the time being, the results presented in this paper are sufficient to cause alarm regarding the state of control of the health-care system, and the adequacy of physician manpower in the United States.[38]

TABLE 21.—FOREIGN MEDICAL GRADUATES IN THE UNITED STATES BY STATE OF PRACTICE AND LICENSURE,[1] DEC. 31, 1970

State	Total	Licensure: Full license	Licensure: Not licensed
Total	57, 217	25, 178	30, 857
Alabama	147	29	118
Alaska	17	10	7
Arizona	282	131	151
Arkansas	25	3	22
California	2, 980	2, 073	907
Colorado	259	89	170
Connecticut	1, 267	603	664
Delaware	217	74	143
District of Columbia	778	198	580
Florida	1, 769	994	775
Georgia	434	199	235
Hawaii	203	114	89
Idaho	11	7	4
Illinois	4, 542	2, 348	2, 194
Indiana	473	256	217
Iowa	323	140	183
Kansas	299	83	216
Kentucky	346	64	282
Louisiana	261	16	245
Maine	174	148	26
Maryland	2, 249	912	1, 337
Massachusetts	1, 998	629	1, 369
Michigan	2, 367	565	1, 811
Minnesota	645	224	401
Mississippi	67	41	26
Missouri	982	276	706
Montana	30	16	14
Nebraska	70	23	47
Nevada	14	5	9
New Hampshire	145	37	108
New Jersey	3, 224	1, 232	1, 992
New Mexico	127	58	69
New York	15, 946	7, 480	8, 466
North Carolina	311	82	229
North Dakota	91	30	61
Ohio	3, 516	895	2, 621
Oklahoma	105	26	79
Oregon	141	67	74
Pennsylvania	2, 710	1, 251	1, 459
Rhode Island	495	286	209
South Carolina	99	25	74
South Dakota	70	56	14
Tennessee	306	95	211
Texas	1, 540	932	608
Utah	43	5	38
Vermont	71	32	39
Virginia	896	512	384
Washington	429	304	125
West Virginia	463	104	359
Wisconsin	642	343	299
Wyoming	13	7	6
Possessions	1, 414	1, 029	385
APO–FPO	204	(2)	(2)
Address unknown	978	(2)	(2)

[1] Excludes Canadian medical graduates in the United States.

[2] Not applicable.

Source: "Foreign Medical Graduates in the United States," AMA, 1970.

Excerpted from "The National Health Insurance Book," Prepared by the staff of the Committee on Ways and Means, Apr. 11, 1974, pp. 134–135.

The system of medical licensure has been studied and analyzed in the past seven years by no fewer than three major commissions, as well as the Department of Health, Education, and Welfare. Each has published reports indicating serious reservations toward the current procedures for licensing health professionals.

In 1967, the President's National Advisory Commission on Health Manpower advocated the development of minimum national requirements for licensure of health personnel. In addition, the Commission recommended that state governments and professional societies begin to explore the possibility of periodic relicensing of health personnel, in order to assure continued quality of care. The Commission also recommended that FMGs—before entering postgraduate training programs in the United States—be required to participate in programs to evaluate their competency in basic and clinical medical sciences, in English language profiency, and in other appropriate fields. The Commission recommended that remedial training be provided by FMGs where necessary.

"*Licensure of Health Professionals*—The first requirement for assuring that health care approaches its potential quality is to make licensure effective to the limit of its capabilities. At the least, licensure throughout the nation should be based on minimum requirements which would assure to citizens a basic standard of quality wherever they might be when illness occurs. Beyond this, individual states should be encouraged to develop additional standards for higher quality controls within their jurisdictions. Such statutes will not be uniform in content, but they should be comparable in structure so that the differences can be easily recognized and evaluated.

"There is also an urgent need for research to develop 'model' provisions for specific licensure problems such as the delegation of medical responsibilities, the interstate recognition of licenses, and the grounds and procedures for disciplinary actions. These models should be policy-oriented and flexibly presented for the consideration of state legislatures and licensing agencies. To further both of these objectives we recommend that *professional societies, universities, and state governments should undertake, with Federal support, studies on the development of guidelines for state licensure codes for health personnel.*[39]

"Health professionals are already licensed; and excellent, workable procedures, tested by long practice, exist for basing this governmental regulation on professional judgment. There is no reason why subsequent relicensure should be any less professional in its orientation, or should offer any greater possibilities for abuse. We therefore recommend that *professional societies and state governments should explore the possibility of periodic relicensing of physicians and other health professionals. Relicensure should be granted either upon certification of acceptable performance in continuing education programs or upon the basis of challenge examinations in the practitioner's speciality. . .* .[40]

"An immediate step, to improve this situation would be stricter screening of FMG's prior to their assumption of responsibility for the care of patients. Although the passing score of the CFMG exam could be raised it would still represent a means of judgment different from that applied to U.S. medical graduates. For that reason, we prefer the test provided by the National Board of Medical Examiners which is now taken by more than 75 percent of medical graduates in this country and is recognized for licensure by 45 states. Accordingly, we recommend that *at a minimum, foreign-trained physicians who will have responsibility for patient care should pass tests equivalent to those for graduates of U.S. medical schools. This National Board of Medical Examiners provides an objective testing service which should be utilized just as it is for graduates of U.S. schools. Issuance of an immigrant visa on the basis of Third Preference should be contingent upon satisfactory performance in the examination.*"[41]

The Carnegie Commission on Higher Education published its report, "Higher Education and the Nation's Health," in October 1970. The Commission made the following recommendations regarding licensure and relicensure of phyicians and other health personnel:

"The Commission recommends the appointment of a National Health Manpower Commission to make a thorough study of changing patterns of education and utilization of health manpower, with particular

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reference to new types of allied health workers, of changing patterns of health care delivery, and of the feasibility of national licensing requirements for all health manpower.[42]

"The Commission recommends national requirements for periodic reexamination and recertification of all physicians and dentists by specialty boards and other appropriate bodies.[43]

In 1971, the Department of Health, Education, and Welfare published its major study on licensure of health personnel in the United States. The report flatly recommends that States adopt national examinations for the licensure of health professionals. In addition, the report advocates that States and professional societies incorporate requirements to assure continued levels of competence by health practitioners:

"All States are encouraged to adopt and utilize, fully, national examinations for those categories of health personnel for which such examinations have been prepared. Support should be made available for the development, as soon as possible, of national examinations for the remaining categories of licensed health personnel where such examinations could contribute toward increased uniformity.

"Although the mechanism of national examinations is endorsed, the existent national examinations need on-going attention to assure that they adequately test the knowledge and skills actually required for the provision of high-quality health care. Among those States now using national examinations, serious consideration should be given to establishing a uniform pass/fail level. . . .[44]

The professional organizations and States are urged to incorporate a specific requirement for the assurance of a continued level of practitioners' competence as one condition in the recredentialing process. Employers are encouraged to provide opportunity for participation in programs directed toward assuring continuing competence; participation should be a major criteria in employee evaluation and incentives. Additional studies of the best mechanisms to assure continued competence should be supported on a high-priority basis." [45]

The recently published report of the Committee on Goals and Priorities of the National Board of Medical Examiners recommended that a new uniform two-part examination be developed for American and foreign graduates to replace the current National Boards and FLEX examinations. The Committee put it this way:

"Evaluation at the undergraduate/graduate interface

"The NBME, in cooperation with the Federation of State Medical Boards, should develop an examination (Qualifying A) to evaluate performance characteristics requisite for providing patient care in a supervised setting. The examination should be administered at or near the end of undergraduate medical education.

"In addition to the development of the Qualifying A examination (external component), the NBME should serve as a resource to individual medical schools, medical school faculties, and accrediting agencies (i.e. the LCME and the LCGME) in defining additional performance characteristics that are most appropriately evaluated on a continuing basis (internal component). The NBME should also be prepared to provide assistance at the request of medical school faculties in developing capability for this assessment.

"Both External and Internal A should be designed so that demonstrated competency, together with completion of additional requirements as determined by the state medical board would qualify a candidate for a 'permit to practice in a supervised setting.' This permit, granted by the state medical boards, should be required of all graduates (from both U.S. and foreign medical schools) for entrance into graduate (residency) education, or to provide patient care in a supervised practice setting.

"Evaluation at the Graduate/Practice Interface

"In association with participating specialty boards, the NBME should develop examinations (Qualifying B) to be given at the completion of formal graduate education to evaluate performance characteristics requisite for independent medical practice. The setting of standards of acceptable performance on Qualifying B, together with other requirements for specialty certification, should continue to be the responsibility of the specialty boards.

"In addition, the NBME should provide assistance to graduate educational institutions and the LCGME in defining additional performance characteristics that can best be evaluated on a continuing basis (Internal B component). The NBME, on request, should provide assistance to faculties in developing capability for this assessment.

"Both External and Internal B should be designed so that demonstrated competency would qualify a candidate for specialty board certification. Based on specialty board certification, the educational institution's verification of competence, and additional requirements determined by the individual state, the state medical boards would grant unrestricted license for independent practice."[46]

In addition, the Committee recommended a single standard for admitting both U.S. medical graduates and FMGs to graduate medical education programs.

"Evaluation of foreign medical graduates entering graduate education

"The NBME should promote the elimination of dual standards that now exist for USMG's and FMG's for admission to graduate medical education.

"The Board should urge use of the Qualifying A examination as a prerequisite for assuming responsibility for patient care under supervision in a U.S. graduate educational program or a supervised practice setting.

"The Board should encourage development of methods to evaluate English language capability and the potential for adapting to, and benefiting from, the U.S. medical education and health care environment. This assessment should be a prerequisite for Qualifying A for FMG's who are foreign nationals.

"The Board also should encourage the development of mechanisms for continuing assessment during medical school as part of the qualifying process.[47]

TESTIMONY OF WITNESSES BEFORE THE SENATE LABOR AND PUBLIC WELFARE COMMITTEE ON LICENSURE

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The problem of the quality of health care delivered is not only fundamental but is complex. Control of the quality of health care is being approached by various methods, and the enactment of PSRO legislation is proof of the Congressional concern about this subject.

It is obvious that the effect of measures such as peer review hold promise of being able to contribute to quality control of health services in the future, but most experts in the field agree that the methodology that is necessary to accomplish this is not fully developed and will require a great deal of research before fulfilling its potential.

In the meantime, the controls which have been responsible for the development of high quality medical care in the United States have been seriously eroded by the application of a double standard in the control of the process of education of physicians entering the United States health care system.

I am referring to the dilution effect on quality of physician manpower by the large increase in the importation of Foreign Medical Graduates from widely varying educational systems. Since the Flexner Report in 1910, American medical education has been subjected to a whole series of controls on the process of education. Requirements include selection for admission to an undergraduate college which has been subjected to outside accreditation; certification of the student by the faculty of that institution; selective admission to an approved United States medical school whose instructional content and methods are subject to a continuous review by an outside accrediting body; and certification by the faculty of that approved medical school before graduation. Only then is a United States graduate eligible to sit for our licensing examinations. It is clear that control of a minimal level of educational process and certification does assure that United States medical graduates have been observed and certified on their professional competence before being tested on just their level of medical knowledge.

There are increasing numbers of Foreign Medical Graduates (FMG's) immigrating to the United States educated in medical schools in developing countries. Most of these countries do not exercise any control over student selection or the educational process. This has resulted in a serious dilution in the quality of physician manpower in the United States. Last year approximately 80 percent of the FMG's entering the United States had been educated in the Asian countries. The substitution of the Educational Council for Foreign Medical Graduate (ECFMG) examination for the complex system of controls developed for United States medical graduates as the sole measure of the FMG's competence to enter the United States health care system has resulted in a double standard for the minimal control of physician manpower.

In addition, even those FMG's who pass the ECFMG and go through approved United States postgraduate training programs perform much worse on licensure and specialty board examinations than United States medical graduates. FMG's have a six-fold greater failure rate on State Medical Licensure examinations than United States medical graduates, and the experience of the specialty boards reveals that the overall failure rate of FMG's is 63 percent while the failure rate for United States medical graduates is 27 percent.

The above figures relate to the best of the FMG's. In addition, there were, in 1971, 69,188 FMG's in the United States of which 15 percent (10,360) were not fully licensed and were not in approved training programs. Of these, 51 percent reported their primary activity as direct patient care. The number of FMG's known to the American Medical Association (AMA) who are not fully licensed and are not in approved training programs has risen to over 14,000.

In a study published in the June 20, 1974, issue of the New England Journal of Medicine, my colleagues and I report on a study which indicates that there is an ever increasing group of non-ECFMG certified physicians working in the United States health care field with direct patient care responsibilities and with unsupervised physician responsibility. They are employed with non-physician titles and work as physicians in a "medical underground."

A written questionnaire was distributed by the ECFMG to 4,035 Foreign Medical Graduates taking the January 1973 examination in United States centers. Fifty-eight percent of the 2,500 permanent residents taking that examination were working in the health field. Those working in the health field had a

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lower pass rate on the examination than those not working (15 percent versus 26 percent).

The questionnaire was followed by telephone interviews of a sample of 850 respondents designed to obtain more detailed information about job duties. Seventy-three percent of the 513 FMG's who reported working in the health field were involved in direct patient care and 64 percent of these were employed in hospitals. Analyses of specific job duties revealed large numbers functioning independently and in unsupervised settings.

The results suggest that serious problems exist in the control of the quality of care delivered in the United States health care system . . .

Senator Kennedy. There are FMG's that are practicing medicine today that have not completed their examinations, State licensing examinations?

Dr. Weiss. There are 14,000 that are listed by the AMA who are not fully licensed. They probably have temporary licenses, but they are not in approved training programs, which means that they are practicing medicine in an unsupervised setting.

Senator Kennedy. Where?

What sort of places?

Dr. Weiss. They are in all sorts of settings.

They tend obviously—you will hear, I am sure, about some of them in the mental hospitals, it was of some concern to me that it is just not in mental hospitals, but they are in general hospitals, city hospitals, county hospitals, State hospitals.

Senator Kennedy. What are they doing there?

Dr. Weiss. Their jobs include, as they are usually employed under titles which are non-physician titles, but we interviewed those physicians, a sample of those physicians, and used interviewers who are proficient in the foreign language of the foreign medical graduate and those physicians are taking night calls, covering emergency rooms, sewing lacerations, doing general practices, in charge of emergency rooms, delivering babies, prescribing pre-anesthetic medication, giving anesthesia, writing x-ray reports.

They are doing history and physical examinations. Some of those known as pathology assistants are reading frozen sections on which a surgeon bases a determination to do a radical procedure or not.

Some of them are doing fluoroscopy. These are those that are totally unknown to the AMA. These are the ones who are even ECFMG certified, which is the examination that only permits the Foreign Medical Graduate to enter an approved training program on the supposition that they will benefit from postgraduate medical education in the United States and deliver care in a supervised seting, so that in addition to these who are non-ECFMG certified, we also have that large number of 14,000 who are ECFMG, probably many of them ECFMG certified, known to the AMA, who are not fully licensed, meaning that they probably hold temporary licenses in their States, temporary, partial or limited license.

Senator Kennedy. What other kinds of people are they practicing medicine on?

Are these upper income people in the suburbs? Scarsdale?

Dr. Weiss. It is a leading question, Senator, obviously.

It is obvious that we do not have exact data and specifically because we maintain confidentiality on exactly the hospitals that these physicians are practicing in by name.

But it is certainly true that the new flux of Foreign Medical Graduates has resulted primarily because of the demands made in urban settings in inner city hospitals for service, and in many cases, because the physicians are overloaded, and I would suggest that in the State mental hospitals, which will be referred to, I am sure, by another member of this panel, they are taking care of the sickest and the poorest of the patients, in the United States.

The comment was made in a statement of the relation to those in psychiatry, that they were second class physicians taking care of second class citizens.

I do not believe these are second class citizens. I think these are poor people who unfortunately are not able to get decent care.

Senator Kennedy. Why are the States not doing something?

Dr. Weiss. Well, sir, I think it is both the State and Federal governments' responsibility and it is obvious from the previous testimony that the Administration has not taken a policy which would do something about the problem. It is perfectly obvious since most of them are working in hospitals, that they could not work there without other physicians and hospital administrators knowing about it.

I think what happens is that they get in and are given assignments and they do the jobs that American physicians would rather not do; and as a result I think it has already been true that many of our municipal, State and Federal authorities—these people are paid lower salaries. They are exploited in the sense that they do not come up to standard and they cannot demand the same wage that they would get, although they are paid higher wages than they would be paid in their own countries, which is one of the reasons why indeed they continue to come . . .

Mr. Goldman, *Subcommittee Staff Director*. Dr. Weiss, would you think there is variation in the quality of medical services offered by FMGs State to State depending on whether they happen to be not licensed, partially licensed or fully licensed?

Dr. Weiss. I do not think there is any question about it. Of those people who have not even passed the ECFMG—well, they have not in any way satisfied any requirement, and are employed with non-physician titles, and that is a totally unknown number in terms of this one examination, and we found of 3,935 that 1,905 were in the health care field delivering patient care.

Mr. Goldman, *Subcommittee Staff Director*. Is the lack of uniformity from one State to another fairly marked or not marked with respect to licensing of FMG's?

Dr. Weiss. The lack of uniformity is marked. It bears on the question of national licensing. There is no question that what happens is that many State licensing boards, medical boards, act as States happen to see priorities for staffing in public institutions, and very often look the other way, and bend the requirements, so one has considerable variation in terms of how licenses are given.

Mr. Goldman, *Subcommittee Staff Director*. Would it be reasonable to assume that if a State now—this is on FMG's—if it would substantially increase its requirements, make them more rigorous, that in fact it might lose its fair number to FMG's which has less vigorous requirements?

Dr. Weiss. Yes, indeed that is so. I, however, disagree with Dr. Lowin quite vigorously on this point. In 1910 when the Flexner Report was published, we were inundated with poorly trained physicians from proprietary medical schools as you know.

In 1947 I believe there were still 3,000 physicians practicing in the United States who had been graduates of unapproved and unaccredited medical schools, and any delay would mean that it would take 40 years before these people are out of the system.

In other words, if the average of coming in is 25, and they practiced to age 65, it is 40 years more that they are in the system. So that I think that despite the fact that there will be severe dislocation, and in a paper to appear this coming Thursday, we pose some of the many implications and problems which will be inherent in applying for rigorous standards and getting unqualified people out of the system.

On the other hand, I think the time has long since passed for us to begin to act. I am happy to see that this legislation addresses itself to the question.

In regard to our production of physicians, in the 1950's there were about 128 physicians for 100,000 in the United States. In 1970 there were 150 physicians per 100,000 in the United States.

However, there were only 126 U.S. medical graduates per 100,000 so that the production of U.S. physicians in the United States medical schools has not kept pace with the growth of the population, so that I think that we have avoided the issue consistently by allowing ourselves to take an expedient route and expedient solution.

I feel that while there are qualified FMG's in the system, unquestionably, there are so many that are unqualified, and so little way of controlling at the present time that it is terribly important to impose the kind of restriction that is contained in the current bill that Senator Kennedy and Senator Javits are jointly sponsoring.

AARON LOWIN, PH. D., INTERSTUDY, MINNEAPOLIS, MINN.

Actually I reviewed the literature on the screening of FMG's, which is undertaken by the medical profession, and one of the messages I would like to put into the record today is that I found myself seriously disappointed in the quality of the screening mechanisms which are being used, and have been used for several years now on FMG's, both as regards ECFMG exam for residency training, and also the licensure exam.

Let me point out that this is not a question of us knowing or not knowing how to assess the qualify of care that a physician provides. It is a very difficult matter, of course.

It is my impression that these tests do not even measure up to the standards for psychometric testing which are in effect, and which can be met today.

I do not know how much better the tests could be made, but they could be made better, but the point here is that the responsible parties have not taken the testing process as far as it could be taken even today.

ROBERT TAYLOR, M.D., PROGRAM CHIEF FOR MENTAL HEALTH SERVICES, MARIN COUNTY, CALIF.

One of the largest groups of foreign-trained doctors being used by American psychiatry rarely shows up on official statistics. These are the unlicensed doctors who practice in State hospitals using "temporary permits" issued by a State and valid only for the State institutions. All except seven States have loopholes in their licensing laws which allow temporary licensing . . .

These permits are renewable yearly for an unlimited number of years. Essentially what you have is a trap, foreign medical graduates come into these institutions and they begin to deliver services, and they cannot get out. They cannot pass the exams, and what have you, and there they are to provide services, and in order to get paid they have to stay in that institution.

In New York and Ohio 40 percent of the physicians in the State mental hospitals are unlicensed. In West Virginia it is 80 percent. If you took 40 percent as a representative average for the United States as a whole——

Senator Kennedy. Do you have all the States?

Dr. Taylor. We do not have all of them. We have a breakdown we have included for you on a number of States. Forty percent as an average is really a very conservative figure.

If you take that, then there would be approximately 3,100 unlicensed foreign doctors staffing State mental facilities in this country. I would say probably the percentage is higher than that.

One AMA spokesman has approximated the number being 7,500 to 8,000 in this country in State mental hospitals.

Foreign-trained psychiatrists work predominantly in those institutions which American psychiatrists consider to be least desirable.

Senator Kennedy. These are criminally insane institutions, too?

Dr. Taylor. Prisons for the criminally insane, those institutions for mental retardation and mental illness.

Let me summarize it by saying that because of their concentration in public institutions, patients who cannot afford private psychiatric care are much more likely to be treated by foreign-trained physicians. This is consistent with other aspects of American psychiatry, and can be summarized by Arnold Rogow's observation:

"Perhaps the only firm conclusion is that Americans, in general, receive the psychiatrist and the psychiatric treatment not that they deserve, but that they can pay for . . ."

I will not go into any depth on the quality of care issue. There are indicators, however, that certainly across the board foreign medical graduates do not have anywhere the training for psychiatry and particularly their lack of proficiency in English many times in this field particularly, unlike radiology and pathology, is a severe kind of detriment.

In terms of their performance on the ECFMG, the world average is, as you know, 40 percent, whereas American graduates pass it at the rate of 98 percent. The two medical schools contributing the most psychiatric residents have pass rates of only 20 percent and 13 percent.

In terms of State licensure exams, the two schools scored below average pass rates 63 percent for all foreign medical graduates. This in turn is considerably below the pass rate of 91 for American medical graduates. Four medical—four foreign medical graduates actually failed State board examinations for the 13th time during 1970. Between failures, and this is an important point, between failures such individuals may remain employed in State hospitals in most States on temporary permits, continually taking these exams over and over again.

ROBERT C. DERBYSHIRE, M.D., SANTA FE, N. MEX.

The topic assigned to me was Problems Associated with the Licensure of Physicians and Dentists, and I am not an expert in the problems associated with the licensure of dentists, however, I do know that the dental practice laws of most states are restrictive in that they provide for a definitely limited endorsement of licenses of other states, or no endorsement at all.

This definitely limits the interstate mobility of dentists, and constitutes a problem in health care. As far as I know, the only concerted effort to improve this situation has occurred on a limited, regional basis that is confined to the New England States, which are attempting to inaugurate free endorsement procedures amongst themselves.

The most pressing problem concerning medical licensure obstacles are obstacles to interstate mobility of physicians. This, of course, is connected with the lack of uniformity of standards throughout the States. This has only been partially resolved, and some problems remain.

The main ones are existence of basic science laws, limitation of recognition of National Board Certificates, failure of some State boards to recognize the uniform standards of the Federation Licensing Examination, commonly known as FLEX, unduly specific education requirements in State laws, problems associated with licensure of foreign medical graduates, and failure of most State boards to require proof of continuing competence on the part of licensees.

I should like to elaborate in the time allotted to me on just a few of these points, and my views on the rest of them are included in the statement which I prepared for the Committee, which will appear in the record.

In regard to basic science laws, this is definitely—these laws constitute a definite stumbling block to licensure and free mobility of physicians. The basic science laws were first passed by Wisconsin in 1925, and they gradually gained in popularity over a period of about 20 years.

Briefly, a basic science law is a separate board which requires that if anybody wants to apply for a license to practice medicine or any of the other so called healing arts, including osteopathy, must pass the separate basic science law examination.

There is no consistency whatever in the makeup of the basic science boards, and no consistent subjects which they examine. Some boards are composed of osteopaths, chiropractors, and professors of chemistry or biology from State Universities and also MDs, and others specifically forbid anybody who is engaged in the practice of a healing art to be a member of the board.

Also there are great inconsistencies in the subjects which these candidates are examined on. The total number of States, including the District of Columbia, which have passed state science laws is 24; during the past six years eight of these States have repealed these laws, and I personally, along with some other people in the Federation of State Medical Boards, am trying very hard to persuade the rest of the States to repeal them. These are anachronistic stumbling blocks to licensure. I can't see that they serve any useful purpose whatever, and I do not think they ever did.

In regard to the acceptance of the national board, I do not think I need to go into detail but the quality of examinations of this organization—they have always been the highest quality and have been much better than the examination of most States.

However, there is not universal acceptance of the Certificate of the National Board of Medical Examiners, and some States—three States refuse to accept the certificate entirely, and there are four other States that accept the certificate only with reservations.

For example, in Texas and Delaware, the law states that a candidate be licensed on the basis of a National Board Certificate only if he has practiced for a year previously in another State.

Now—

Mr. Goldman, *Subcommittee Staff Director*. What's the purpose of that requirement, Doctor, do you think?

Dr. Derbyshire. What is the purpose in not recognizing the National Board Certificate?

Mr. Goldman, *Subcommittee Staff Director*. Yes, sir.

Dr. Derbyshire. I think it is based on capriciousness entirely and the desire of the States to assert themselves. That is the general impression, and I think it is the correct one.

Of course, again, the States have the right to do this if they want to, if they do not choose to accept it.

Now, I would like to say a little bit about an encouraging note, and that is the inauguration of the Federal Licensing Examination, commonly known as FLEX.

I have been intimately associated with the Federation of State Medical Boards for many years and still am, and during my Presidency we finally persuaded the other members of the Federation to back a uniform examination which would be given throughout the whole country. I assure you that this was no easy task, and the action was not unanimous by any means.

In 1968 six States adopted this examination. This is truly a State board examination in that it bears the imprint of the State which is giving it, and this examination is based on questions taken from the pool from the bank of questions of the National Board of Medical Examiners.

There is a National FLEX Committee, the members of which select the questions; so that had to be done as a concession to the State law, some of which refused to allow an outside agency to prescribe their examinations.

In 1968, as I said, there were six States that adopted this. The growth of this has been phenomenal since then with all but two States having approved this examination, and they are now giving it. The two States still refusing to recognize our examination are Texas and Florida.

The point of this examination is that it is a uniform one. It is the same examination given on the same day under the same circumstances throughout the whole United States.

Mr. Goldman, *Subcommittee Staff Director*. Doctor, if I may interrupt you, are there variations though with respect to the number of questions a student has to answer correctly with respect to whether he is licensed or not from State to State?

Dr. Derbyshire. I was going to get to that.

Mr. Goldman. *Subcommittee Staff Director*. I'm sorry.

Dr. Derbyshire. I am not very proud of that, but I will make a statement in regard to that. The examination is weighted. By that I mean greater emphasis is placed on the clinical part of the examination than on the basic sciences.

It's a three-day examination; the first day being basic science; the second day clinical science; and the third day clinical competence.

Now, the statement was made by one of the other panel members that it is very difficult to test by one examination the ability of a doctor to practice medicine. That is quite true, but these examinations are constantly being improved so that I think and most of the members of the Board believe that it does test clinical competence and we get an idea of whether or not a person would make a good doctor or is safe to practice medicine.

I will also admit that there are other considerations and we cannot base too many conclusions on just one examination.

Now, in regard to the standards, the National standards reflect—of FLEX, we require that they can get or obtain a weighted average of 75 percent.

Of course, again, this decision is up to the individual State Boards and they can set the passing grade anywhere they want to.

However, the majority of the Boards do accept the weighted average of 75 percent, which makes for uniformity. Now occasionally we find a State Board, and I cannot tell you how many there are right now, but there are about six that I know of that have lowered the standards. In other words, they factored these grades themselves and therefore a licensed physician who has not met the accepted standards——

Mr. Cutler, *Minority Counsel*. How many States are there?

Dr. Derbyshire. Six.

Mr. Cutler, *Minority Counsel*. Which States are they?

Dr. Derbyshire. I can name only three; Nebraska, West Virginia—they pop up all the time, and there is no consistency. Arizona has made an exception also.

Mr. Cutler, *Minority Counsel*. Any State is free to do it if it wishes?

Dr. Derbyshire. A State can do it if it sees fit, because these are State Board examinations and they can set their own passing levels.

Mr. Cutler, *Minority Counsel*. Do you believe the States should retain the right of being able to reduce the passing level?

Dr. Derbyshire. The States can do this by law.

Mr. Cutler. *Minority Counsel.* Should they be allowed to?

Dr. Derbyshire. They are their examinations and they can set the standards themselves, and if they choose to lower them, that is their privilege.

Mr. Cutler, *Minority Counsel.* But do you believe they should be able to lower the passing levels?

Dr. Derbyshire. No, sir, I do not. I think this defeats the whole purpose of the thing, and I'm just glad that there are only about six States that do it, and I am sorry I cannot name them, because every now and then another one comes to light that we did not even know about.

So it is awfully difficult to obtain an accurate count of them. An encouraging note is the fact that there is a gradual movement among the States now to accept only the standard level of passing. That is, there are certain States, three of them; New York, New Mexico and California, as far as I know, who have definitely stated that they will not as of a certain date set any—accept any certificate of another State that is not based on FLEX or on the Certificate of the National Board of Medical Examiners.

Mr. Goldman, *Subcommittee Staff Director.* Do those States intend that to apply to foreign medical graduates?

Dr. Derbyshire. Yes, sir. Another problem, of course, is—I as Secretary of the Board of Medical Examiners in New Mexico, received a flood of letters from foreign medical graduates saying, "Dear Doctor, I passed FLEX examination in say, West Virginia," and we have a way of checking on these people because we keep a central record in the Federation Office, and a record of the actual grades of these people, so it is easy enough to write back to the Headquarters of the Federation and say, "What, in reality, were the grades this man scored," and you'd be surprised to know that some of them made 70s and 70.1 and so forth, and they do not meet the standards at all.

So these people cannot be licensed in the majority of States that accept only the standard weighted average. I think this is a definite step forward, although it still has not accomplished entirely the objective of uniformity of standards, but I think that this is definitely progress, and I see some hope from this, and I believe that eventually the rest of the States will hue to the standards that we have established.

Now, in regard to the foreign medical graduate, this was covered so thoroughly by the other panels that I do not think I have much to add to this. I would like, however, to be the devil's advocate and say a word or two in favor of the foreign medical graduate, and to point out some of the injustices to which he is subjected.

The thing that disturbs me about this is if a foreign medical graduate meets all the requirements; he passes the State Board examination of FLEX, which I assure you is not an easy examination, and it is, I think, a very difficult examination, and it is a test of medical knowledge, and the ability to take care of patients, but when he has met all the requirements, then he still runs into a series of extra requirements when he wants a license, when he wants to move from one state to another, and he is bewildered by extra requirements which prevent him from moving.

I think that this is unfair, and there should be uniform requirements with regard to extra training that foreign medical graduates must undergo and complete satisfactorily. This was said on the last panel, by the way.

These people are completely bewildered by this and another thing is that there are a lot of restrictions on the endorsement that—the Interstate endorsement as far as foreign medical graduates, and FLEX is partially designed to alleviate this situation.

Now, we have a ruling in New Mexico, an Attorney General's ruling in New Mexico that anyone who has passed FLEX is not licensed by endorsement—he is licensed by endorsement, but he is licensed by examination. This is perfectly logical, of course, that if you took the same examination the same day under the same circumstances, that he would have taken it in New Mexico or Arizona or Pennsylvania, he will be licensed by examination.

Now, I do not know how many other States have such rulings, and when I ask at various meetings am met by a deathly silence. I cannot tell you how many follow this policy.

Mr. Cutler, *Minority Counsel.* Doctor, excuse me. You have one statement in your testimony, and I was wondering if you have additional thoughts on it, but you say, "After one has converse with many foreign physicians who, according to the ECFMG, have demonstrated proficiency in the English language, one wonders what kind of test they were given."

Dr. Derbyshire. I will tell you what kind of test they were given, it was an inadequate test. To use an acronym, it is known as TOETFL, Teaching of English to the Foreign Language. I think, and this was inadequate so the ECFMG introduced what is known as the Mini-TOETFL, and lord knows what that is, but this is a so-called objective task, and I do not know exactly how they devised this thing, but of course, this is given to hundreds of thousands of foreign medical graduates, and they have to devise some way of getting this thing through. You couldn't have them all talk to the examiner and this is a task—an objective task where I think the examiner reads off certain things, and the candidate marks his answer sheet accordingly.

Now, obviously this is not an adequate test, and I certainly agree with the statement that was made by Senator Kennedy that these people should know how to speak English. I do not think there is any doubt about that, but the deficiencies are indeed glaring in certain cases.

Again, we cannot lump all foreign medical graduates under the same class, as has also been pointed out. Foreign graduates from Britain, from the United Kingdom, Scandinavian Schools, a lot of the Dutch Schools are superior people and certainly there—their schools have standards just as high as the schools of the United States, and but we were referring, and I think most of the discussion today, refers to the graduates of schools located in developing countries, particularly those in Asia right now, who are swamping us, and they all want to come to the United States. . . .

I would like to say a little bit about recertification and relicensure. I feel very strongly about this. As you know since the first Medical Practice Act was passed some hundred years ago, the so called Modern Practice Act, a doctor was licensed for life, and in my report I stated that this license was good unless he violated the laws.

More accurately I should state that his license is good unless revoked by the Board of Medical Examiners for due cause. As a perfectly ridiculous situation, a person can get a license in 1910 and in 1950 without any question at all, just as long as he pays his dues, he does not have to present any evidence that he has kept up with the advances in medicine, and this is certainly not in the best interests of the public.

Now, we in New Mexico have pioneered in this, and I still bear some of the scars of battle which we waged to persuade the medical society first to accept it, and to have it passed by the legislature. New Mexico was the first State to implement such a law and Kansas was the first State to pass it, but there was a provision in the law which said that they had to have the unanimous consent of the Board of Medical Examiners before the law could be implemented.

To date there are only two States who have implemented this law, and the other one is Maryland, and the Maryland law is practically identical to that of New Mexico.

This is based on what some people contemptuously refer to as brownie points, that is, the licensee has to give eivdence that he is gaining certain number of hours for continuing medical education, and there are many of the medical educators who object to this, because they say that we cannot prove that going to a meeting changes the habits or practice.

I see Doctor Piemme nodding at me. This does not change the practice pattern, but I challenge them, and you have to take a certain amount of this on faith, and I am not trying to throw science out of the window, but a certain amount of this has to be taken on faith, and I graduated from medical school several years ago, and I—if I still practiced the brand of medicine I was taught to practice in 1936—now I gave myself away, excuse me—I certainly would not be contributing much to the welfare of my patients.

Now, did I keep up, if I did, and—by continuing education of various types, and not everybody learns the same way, of course, and I think another objection to this is that people claim we are trying to force everybody into the same pattern. This Law has not been challenged yet, and I have no worries about it at all, although we are facing a court test, and I am sure I see people making test cases themselves already. In fact, they have gotten around to challenging it, but I have no fear that it will be—and our legal counsel has no fear that it will be declared unconstitutional.

Now, the other State—there are two more States that have passed such laws, and one of them is Kentucky and the other one is West Virginia, and six States are considering this, seriously considering it, and it was brought up in the Virginia Legislature at the last sesson, and was defeated or deferred mainly because of the fact that the Board of Medical Examiners went plunging ahead with this without talking to the State Medical Society and that is not strategically a very wise move.

Mr. Goldman, Subcommittee Staff Director. Doctor Derbyshire, you talked earlier to Senator Kennedy's reference about a crazy-quilt pattern. I wonder if you could give us a little more information on that.

To what extent are there really variations among the states with respect to licensing?

Dr. Derbyshire. I mentioned the basic science laws, for one, which are in effect in 16 states still, and then another restrictive clause in state laws is the legal definition of the curriculum of medical schools.

There are many state laws—and I can't tell you how many right now—but there are several, at least 15 state laws, that spell out the curriculum of the medical school, and in two of them they go back to high school practically. They do. But if you take the basic science laws into consideration—and this sounds perfectly ridiculous, but states have been known to refuse license to doctors because they haven't had certain courses back in college which they should have had.

THOMAS E. PIEMME, M.D., GEORGE WASHINGTON UNIVERSITY MEDICAL CENTER, WASHINGTON, D.C.

The Goals and Priorities Committee of the National Board of Medical Directors, of which I have been a member, has considered this issue and it is our view that demonstrated achievement at the interface between undergraduate and graduate medical education should certify a student only for a permit to practice in the supervised graduate medical education environment, and that licensure for the independent prior—practice of medicine should be deferred until the conclusion of graduate medical education.

It should be based upon successful achievement of specialty board certification. Now, having said this, I must add the caveat that the issue is highly complex, and there are substantial problems involved and that will require deliberate and careful resolution of the problems by a spectrum of informed parties to include the state boards of medical examiners, the specialty boards, the specialty societies, medical educators, and the public.

Now, with respect to initial licensure, it—if the intent of the legislation is to establish a national certification standards for licensure at the interface between undergraduate and graduate medical education, then we have the potential for such system embodied in the FLEX examination, and a system that has broad support from the individual licensing boards.

This brings me to comment upon another phenomenon that Doctor Derbyshire commented on. As of three weeks ago, every one of the specialty boards formally adopted a policy in favor of recertification within their specialty.

Fifteen specialty boards have committees actively at work, most in collaboration with the respective specialty society. Nine boards have made public statements, and five boards have already set definitive dates for the implementation of recertification. . . .

I don't think the medical profession would quarrel today about the issue of recertification, leading toward relicensure. I think we are moving in that direction, and I think there is pretty good consensus to that.

I think the problems are numerous and they have to do with the broad range of specialties that are practiced by physicians in this country and the necessity to insure competence in all of those, the time that that consumes, and the crazy-quilt of state laws that have to be rationalized, and I am not sure they can all be rationalized in two years.

That we will do it—yes. The intent of the legislation we totally concur with.

SIDNEY WOLFE, M.D., HEALTH RESEARCH GROUP, WASHINGTON, D.C.

Before going into the written part of the testimony I would like to comment that licensing up until now has been largely employed in a very inconstant way, as Doctor Derbyshire has pointed out, as a means into the profession. If you will look at the date that Doctor Derbyshire has collected and the data that appeared in the survey taken by the Medical World News it—in terms of the use of licensure to take people out of the profession, it is almost jokable in the medical society with several thousand members, a State Medical Society and a typical number of license suspensions or revocations in the course of the year will be one, two, three or none, so the point is that once into the licensing procedure, both by virtue of no relicensing requirements and by virtue of very, very low standards or difficult standards in order to take someone out of the profession we just don't have this happening right now. The language which allows the State to revoke a license is very vague, and most times it is only specific with respect to things such as drug addiction, and I think that one of the most significant advances of this legislation is to really seriously create a mechanism by virtue of both relicensing and other means of taking away a license that we also have a way of getting people out once they have been in rather than leaving in them for life and never taking them out.

While the Flexner Report on similar efforts in the early part of the century resulted in a generally uniform higher quality of medical and dental school education the comparable changes in legislation with respect to the relicensing of them have been lacking.

Much of what I am going to talk about has got to do with dentistry particularly because of knowing of Doctor Derbyshire's longstanding work in the field of medical licensing and because over the last couple years I have been supplied with a lot of information as to serious problems in dentistry which might be more serious than the ones in medicine. It—if the goal and effective policy of licensing and relicensing is to maximize the quality of health care significant differences between States with respect to licensure or relicensure criteria are anagetical to the purpose.

A patient living is one state should not be penalized by having poor quality health care which might hurt his health or life because the licensing standards in that state are lower than in other states. The data accumulated from the American Dental Association as seen in Table 1, the second page, raises serious questions about the lack of uniformity of States in dental licensure standards. Essentially what you see here is that over a three year period an average of 12 States failed no one as far as dental licensure examinations and there was clearly a bias towards instate applicants as opposed to out of State applicants.

Even in the face of FLEX having been implemented as pointed out by Doctor Derbyshire, it indicates—in the case of medical FLEX there are also states that fail few, if any licensees, and still have a biased force of within state applicants, and this is not a bias that has to do with quality.

Conversely, there are States such as Florida with licensure standards which appear inordinately stringent and which only serve to restrict entrants to well-qualified dentists to practice.

In medicine according to Doctor Derbyshire's own survey, and this is one that was completed in 1965, a total of 6,739 applicants took exams during a ten year period and there were only 11 failures and these are in four particular States.

This is hopefully improving. I think Doctor Derbyshire implied that with FLEX there are still problems. The story of almost a century of talk with no action by the dental profession with regards to reciprocity and uniform standards is but another example of the failure of the health profession to self regulate itself, and I refer now, and I would just like to spend a minute or two discussing it, an article which just came out last week in the Journal of the American Dental Association, and what the author, Doctor Lawrence, has done is study in detail three hundred-twenty-five papers in the published dental literature over a period from 1883 to 1972, and these are papers dealing with the subject of reciprocity and national standards and the like, and what Doctor Lawrence points out in his paper is that the issue has been raised over and over and over again, resolutions have been adopted, and so forth, and nothing has happened over a period of 90 years.

On a voluntary basis dentistry has failed to do something about problems that, if anything, they recognize as well, if not better then, than now, and I will read you a couple of these resolutions passed.

In 1894 at the 11th Annual Session of the National Association of Dental Examiners the following resolution was made. "Resolved that it is the intent of the National Association of Dental Examiners when a member of the dental profession presents a certificate of registration from the State Board of Dental Examiners duly created by law saying the man should—saying the same should entitle the holder of such certificate to registration without an additional examination in any State of the Union." Now, this is with respect to a reciprocity one licensing others, and in 1916 article—a 1916 article reported that the National Dental Licensure Association was formed in that year with three objectives, and this is 60 years ago almost: One, the establishment of a National Examining Board for the graduates of dental colleges in the United States; and the establishment of a National License to practice dentistry; and the standardization of dental colleges."

The major themes of the 108 articles written between 1916 and 1972 on this topic of reciprocal licensure were the same as the themes in all of the earlier period, with two additions; one was the new theme of the fear of federal intervention in terms of dentistry so that after 80 or 90 years of having talked about change, and no change having occurred, the new theme is that the federal government might step in and do something.

The second new theme had to do with the problems of dentist mal-distribution similar to the situation in medicine. A century of inaction by the dental profession is bound to make fears of federal intervention self fulfilling prophecies, and again I quote now from a discussion which took place in 1890 in which Dr. Goddard said, "The only way of getting a uniform law on national licensure was by federal legislation being enforced by the various states" which is being proposed here and I think that now just as then, the only way this is going to happen is not by waiting for voluntary efforts which have failed for 100 years to succeed by implementing provisions such as the proposed legislation.

Approximately 70 percent of the American Dental Association members who were polled in 1972 on this topic, and 70 percent favored national reciprocity, and the House of Delegates of the ADA voted no on a resolution to endorsement principles, and despite the continuing resistance by the ADA reciprocity and national licensing, the American Association of Dental Schools currently supports recommendations for National licensing.

In addition to provisions in the bill for mandatory renewal of licensure by tests every six years, and requirements which—for continuing education, the legislation should be more specific with respect to—and I will read from Section 799(a), "Other requirements as are determined to be appropriate in evaluating competence to practice medicine or dentistry."

As via the PSROs and subspecialties, standards are developed for physician and dentist performance and any physician or dentist persistently falling below a certain level of performance should result—should result in probation of the licensee with educated efforts. If these do not succeed in improving performance revocation of license will be required, so that in addition to retesting, requirements for continuing education, performance as measured by the PSROs or any other group who comes in to look at the performance of doctors, this should also be a requirement that is looked at and upon which his license can be revoked after an appropriate period for improvement in performance.

ADMINISTRATION WITNESSES

Senator KENNEDY. Just finally, Dr. Edwards, let me ask you, on licensing, can you give us your reaction of the provisions of our bill?

Dr. EDWARDS. We certainly agree with you in terms of the need of uniformity among States in terms of their licensure requirement. But basically we believe that the licensure per se is a State responsibility.

So we would recommend that it be on a State by State basis, but we recognize the need for uniformity in the States.

Senator KENNEDY. Now State by State, you want it both ways, yet you want uniformity, how are we going to do it?

Is it not a crazy kind of patched quilt type, the issue of accreditation?

Dr. EDWARDS. I think it has been.

I think this situation is being rectified at least to a further significant degree.

As I understand it, Dr. Greene, am I correct that about 38 percent of the States that used the same literature—I mean the same examination for licensure?

Dr. Green. Yes.

A very large number of States were using what they call FLEX examination.

Senator Kennedy. Do the States not grade differently?

Dr. Endicott. That is true.

They do have a different pass-fail.

Senator Kennedy. We have statistics to show that some States never fail a Statewide residency.

There are twelve States that did not fail anyone, asd they graded them at different levels, and all the rest.

Dr. Endicott. Yes.

Senator Kennedy. We take the FLEX exam and have HEW or Dr. Edwards set up the passing grade, what it ought to be, and if you can get that, we will move on to other sections of the bill?

You either take that in your provision, what you want to do, you set the standard and let the States implement them, and we will take that and if they do not meet those particular standards, then we have some minimum standard at the national level.

Let the people work it out in consultation with the other kinds of groups.

But you said whatever you think might be a passing grade and that is fine with me.

Dr. Edwards. What you are seeking to achieve, we are seeking to achieve, too.

I think one of the real problems, I think if you get into the Federal licensure, then you also have to give very serious thought of getting into Federal certification for specialties and the whole thing. That is a big jump to make, but I think what we are saying, we are not quite sure we are ready, and you are saying you are ready, but I think we recognize there are obviously some advantages going the Federal route if one is not a State's righter.

RUSSELL KRIDEL, PAST SAMA PRESIDENT, UNIVERSITY OF CINCINNATI MEDICAL SCHOOL

I have a great deal more to say about foreign graduates but I would like to go to one main point I think is important and that is the concern with the assurance of quality with the foreign medical graduates. Currently, the only prerequisite that the foreign graduate must meet in order to be allowed into an approved medical training residency program is the passage of the ECFMG examination. Not only does the foreign graduate not have to go to an accredited medical school and do his student clinical rotation in an approved hospital as must all U.S. medical graduates but in addition the ECFMG does not take the strenuous training that the U.S. graduate does. The ECFMG is not as challenging as the other boards. In fact the ECFMG is made up of easier questions from the National boards and of those that took the exam in 1972 only 40 percent passed. Furthermore, the passage of a written test I believe says nothing about one's clinical competency. The quality and quantity of clinical exposure and experience in the U.S. is fairly standardized in their medical schemes but we have no such guarantee in a foreign medical school which have been reported to have poor and inadequate clinical teaching and instructional facilities. As a result of this ECFMG policy that we have I believe that we are allowing into our training program individuals whose educational and competency to practice is not guaranteed to be of the same high quality as for U.S. medical graduates.

Studies even further point out that even after having had the benefit of U.S. graduate training programs a foreign medical graduate does less well than his American counterpart on the specialty boards. For example, in one recent certification examination in a major specialty 70 percent of the U.S. medical graduates passed versus less than 35 percent of the foreign graduates.

Now, whether this poor performance is a functional of the caliber of training program or rather a function of the learning deficiency is not well defined. But this demonstration of a lack of quality is more distressing, even more distressing considering the rapidly growing underground of foreign medical graduates who are not fully licensed and who may not even have taken an ECFMG but deliver health care unsupervised in the U.S.

For example, I believe in the State of Virginia—and there are five mental hospitals and institutions for the mentally retarded, all staff physicians are foreign medical graduates of whom ninety percent are not fully licensed.

DR. HOWARD OAKS, DEAN OF THE SCHOOL OF DENTAL MEDICINE AT THE STATE UNIVERSITY OF NEW YORK ON BEHALF OF THE AMERICAN ASSOCIATION OF DENTAL SCHOOLS

In general, our Association agrees with the provisions in Title VIII relating to national licensure. However, we are concerned that the provision for additional state licensure requirements above the national requirements might lead to the creation of additional "artificial" barriers that would make relocation across state borders more difficult than at present.

We have no objection to national licensure standards. As emphasized throughout our record statement, we feel it is imperative that dental and other health professions schools receive federal support as partial solution to national problems. In our opinion, present state licensure requirements can hinder effective national solutions to these problems. In the case of dentistry, because of the maldistribution of dental schools and the fact that 19 states have no such schools, the geographic problems which affect the profession cannot be solved on a state-by-state basis. While some have argued that state licensure actually helps the distribution problem, we feel that a reduction in the barriers created by state-administered examinations would help ease the problems.

Our Association supporters recertification. There have been, and undoubtedly will continue to be, rapid strides in improving the delivery of dental and other health care. It is incumbent upon health professionals to understand fully these developments and employ the latest knowledge and techniques in providing care to the public.

Recently, many dental schools, dental societies, and state licensing boards have taken steps to insure that dental practitioners take continuing education courses.

Some state societies have gone so far as to require evidence of continuing education for membership, and more importantly, a few state licensing boards have made it mandatory for recertification. However, continuing education courses vary in quality and do not include effective evaluation or validation of the practitioners continued professional competence.

DR. LAWRENCE C. WEAVER, DEAN, UNIVERSITY OF MINNESOTA COLLEGE OF PHARMACY

. . . we assume that the national licensure part of this particular legislation will eventually include pharmacy if not originally.

Mr. Goldman, *Subcommittee Staff Director*. Pardon me?

Dr. Weaver. You have a national policy that includes pharmacy.

Mr. Goldman, *Subcommittee Staff Director*. Why not?

Should it?

Dr. Weaver. Why not?

I think it should.

We support this.

As a final suggestion, I think there are a lot of things in S. 3441 that are good. I do not see much happening in the House with this kind of legislation.

DR. JOHN COOPER, ASSOCIATION OF AMERICAN MEDICAL COLLEGES

Mr. Goldman, *Subcommittee Staff Director*. There are approximately 60,000 foreign medical graduates in practice, and about half of them are not fully licensed.

Do you think that is appropriate?

Dr. Cooper. No.

Dr. Weiss, who published the article in the New England Journal of Medicine, is a member of our task force on foreign medical graduates.

We have reports earlier of this situation.

We think that the State Licensure Board has a heavy responsibility to assure that all of those who do indeed practice medicine are qualified to practice.

Mr. Goldman, *Subcommittee Staff Director*. Are they fulfilling that job adequately?

Do you think so?

Dr. Cooper. There is no objective measure, but one would suspect that they cannot become licensed, they do not meet the qualifications of American graduates, or foreign medical graduates who can meet the qualifications.

Mr. Goldman, *Subcommittee Staff Director*. Do you think an FMG should be licensed in this country if he cannot adequately speak the English language?

Dr. Cooper. No.

As a matter of fact, the recommendation from our task force, which was adopted by the Council specifically states there should be a much fairer evaluation of an individual's ability, not only to read, but to speak the English language, because obviously medicine is a profession in which communication forms a very important part of the ability to do something for the patients.

Mr. Goldman, *Subcommittee Staff Director*. I know that you, yourself, have spoken out frequently on the issue of the need for high quality medical care.

Do you think that the reliance of this nation on the foreign medical graduate is a serious problem with respect to having high quality medical care available to all Americans?

Dr. Cooper. One judges this on the basis of the fact that those students who come from foreign medical schools, except for schools in Canada and Great Britain and Western Europe, certainly do not have the kind of education and training which is equivalent to that in this country, and when—on that basis one would suspect that this quality of care is not as high, although there are many foreign medical graduates in this country who are superb physicians and who are doing a good job.

I think what one really has to determine: Are those who come in the country qualified? If not, they should not be permitted in.

We have, as a matter of fact, I think 15 percent of the faculty in medical schools who are fine foreign medical graduates.

Many of them are in teaching basic sciences and others, but nevertheless, it is an important source of professionals.

The problem if one has to assure oneself that the professionals we do admit are qualified and equivalent to those we have in this country.

Mr. Goldman, *Subcommittee Staff Director*. You are not confident that the system we have now is working adequately in that respect?

Dr. Cooper. No.

STATEMENT OF MS. RUTH ROEMER, J.D., RESEARCHER IN HEALTH LAW, UNIVERSITY OF CALIFORNIA, LOS ANGELES

Title VIII of your bill, S. 3585, the Health Professions Educational Assistance Act of 1974, will, if enacted, solve three major problems presented by current state licensing laws: (1) the varying, minimum standards for licensure of physicians and dentists among the states; (2) barriers to interstate recognition of medical and dental licenses that restrict mobility of these primary health professionals; and (3) the urgent need for assuring updated qualifications for all physicians and dentists.

(1) *National Standards for Licensure.* The historical development of individual state licensing laws in the late 19th and early 20th century explains the existence of a number of differences among the states in requirements for licensure. Some of these differences are minor ones; some requirements (like that for basic science examinations) are no longer deemed necessary in view of other controls on cultists. Since licensing laws have remained static until very recently, these differences have persisted, even though people everywhere are equitably entitled to the same quality of health care. An effort to compensate for these differences among the licensing laws of the states has been the development of national examinations in medicine, nursing, and most recently in pharmacy.

Section 779A of your bill, in providing for development of national standards for licensure of physicians and dentists and preparation of appropriate examinations for initial licensure and subsequent renewal of licensure, would effectuate in a uniform, equitable manner for the entire country the objectives of the current national examinations in medicine. Both the examinations of the National Board of Medical Examiners and of the Federation of State Medical Licensing Boards (FLEX) are mechanisms designed to require national standards for medical licensure. Increasing numbers of states are accepting these examinations, but some states have not yet accepted one or the other of these two national examinations. Establishment of national standards and appropriate examinations, as required by Section 779A, would achieve directly what these two national examinations are seeking by indirection. In view of judicial recognition of national standards of medical care and rejection of the old rule that the accepted standard of care is that prevaling in the locality, it would seem appropriate and necessary to require national minimum standards for licensure of physicians and dentists in all states.

At the same time, your legislation properly provides that, while each state must meet national standards for licensure, it may enact requirements that exceed them if these requirements are not inconsistent with national standards and do not impose a requirement for residence in the state for a designated period of time. In many other fields—one example is that of air pollution control—the principle of minimum national standards, with freedom for the states to set and enforce higher standards, has proved to be workable and sound. Adoption of national standards for licensure of these two key health professions would, in the words of the National Advisory Commission on Health Manpower, "assure to citizens a basic standard of qualtiy wherever they might be when illness occurs." (*Report of the National Advisory Commission on Health Manpower*, Vol. 1, p. 40, 1967.)

(2) *Geographic Mobility.* One of the chief criticisms of state licensing laws is that they unduly and improperly restrict the mobility of health professions. The differences in state requirements for licensure often serve to bar recognition of other states' licenses on arbitrary grounds unrelated to protection of the public interest. In fact, it has been widely suggested that the impediments in the licensing laws to interstate movement of physicians and dentists may be dictated more by the economic interests of the professors than by the health needs of the people.

Section 799D, in providing that a physician or dentist licensed to practice in any state shall be deemed to be qualified or licensure in any state in which the national standards are in effect or which has a licensing system that meets national standards, would substantially remove current barriers to interstate mobility while at the same time protecting the quality of care. Since the bill provides that, in a state with standards that exceed the national standards, these higher standards would have to be met by physicians and dentists seeking licensure, no objection can be raised that this proviso lowers the qualifications for licensure.

(3) *Periodic Renewal of Licensure.* In 1967, the National Advisory Commission on Health Manpower called for some system of periodic relicensing of physicians and other health professionals, granted either upon certification of acceptable performance in continuing education programs or upon the basis of challenge examinations in the practitioner's specialty (*Report*, Vol. 1, p. 42). In the seven years since that recommendation, the overwhelming, if not unanimous, view of health professionals—both practitioners and those in academic circles—has come to be agreement on the need for some mechanism for assuring updated qualifications in place of our current system of lifetime licensure. The only question is how to do it. Various voluntary and statutory efforts have been undertaken on a state by state basis to encourage or require continuing education, periodic re-examination, or other means of assuring continuing competence, but at this halting and variable rate it may be many years before a comprehensive system of assuring updated qualifications is achieved.

The requirement in your bill for periodic renewal of licensure, at least once every six years, would establish the principle of mandatory updating of qualifications for all physicians and dentists nation-wide. Such a clear requirement covering all doctors and dentists will provide maximum protection for the public because the great danger is that, under a voluntary system, those practitioners who most need updating will not undertake the necessary activities to do so. Enactment of this requirement, furthermore, will serve to promote and impel determination of the most effective, feasible ways for assuring and evaluating continuing competence to practice medicine and dentistry.

These basic provisions of Title VIII of S. 3585 would, in my opinion, correct some of the most serious defects of the licensing laws. Experience with national standards, national examinations, and periodic renewal of licensure for physicians and dentists might later lead to extension of these principles to the licensure of other health professionals. In my view, this extension would be advisable.

In addition, other features of Title VIII set forth sound methods for developing the improved system of licensure provided in the bill. In providing for consultation with appropriate professional organizations, the legislation recognizes the expertise of these organizations and their capacity to contribute to the definition of appropriate standards and also to gaining acceptance for these standards among professionals and the public. In providing for cooperation with national professional testing organizations, the legislation recognizes the difficulties of designing effective examinations and the need to do more than test recall.

Finally, as mentioned, one of the chief problems with state licensing laws is that they have, until recently, remained largely unchanged for the past century and are therefore inappropriate for modern education and the needs of contemporary health services. In providing that the Secretary shall review the national standards for licensure periodically, not less often than once every two years, the danger of encrusting static national standards on the country in the future may be averted.

Although I have confined my comments to analysis of the licensure provisions of your proposed health manpower legislation, I should like, at least, to express my strong support for the provisions related to geographic and specialty distribution of personnel. These measures are essential to assure equitable access to health services and rational use of the valuable resource of health manpower.

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[40] Ibid. Page 42.

[41] Ibid. Page 43.

[42] The Carnegie Commission on Higher Education. *Higher Education and the Nation's Health*. October 1970: Page 78.

[43] Ibid. Page 76.

[44] Department of Health, Education, and Welfare. *Report on Licensure and Related Health Personnel Credentialing*. June 1971: Pages 74–75.

[45] Ibid. Page 76.

[46] Evaluation of the Continuum of Medical Education. *Report of the Committee on Goals and Priorities of the National Board of Medical Examiners*. June 1973: Pages 65–66.

[47] Ibid. Page 67.

VI. Administration Proposal

"I am recommending, therefore, that much of our present aid to schools of medicine, dentistry and osteopathy—along with $60 million in new money—be provided in the form of so-called 'capitation grants,' the size of which would be determined by the number of students the school graduates.

"A capitation grant system would mean that a school would know in advance how much Federal money it could count on. It would allow an institution to make its own long-range plans as to how it would use these *monies. It* would mean that we could eventually phase out our emergency assistance programs." President Richard M. Nixon, the President's Message to the Congress Proposing a Comprehensive Health Policy for the Seventies, February 18 1971.

"Despite these positive aspects, which the Administration recognizes, an analysis of the capitation program and consideration of future trends reveal serious flaws in the capitation grant concept. These defects call into question the appropriateness and desirability of the capitation mechanism as the Federal Government's primary tool for the support of health manpower education." Letter from Secretary of HEW Weinberger to the Honorable Gerald R. Ford, President of the Senate transmitting the Administration's Health Manpower proposal, May 20, 1974.

The Administration's Health Manpower proposal, the Comprehensive Health Manpower Act of 1974, S. 3584, was introduced in the Senate on June 5, 1974, and was a subject of the Subcommittee's public hearings.

No witness who testified before the Subcommittee supported the provisions of S. 3584 except the Administration.

The best critique of the key provisions of the Administration proposal is set forth in an undated, unsigned memorandum which was prepared earlier this year by the health manpower professional staff of the Department of Health, Education, and Welfare.

In part, the memorandum states:

Our assessments is that the legislative recommendations to reduce capitation support levels, to limit construction assistance to existing institutions, and to honor only prior commitments to existing institutions for start-up funds together constitute a "high-risk" strategy vis-a-vis the nation's resource development capacity that is inappropriate at this time.

The strategy proposes, for the key health professional categories, that manpower development capacity be frozen *now* so that an output steady-state will be achieved in 1978. Because of the lead times necessary to put an educational institution into place, there is no fall-back position if manpower shortages persist into, or emerge in, the last 70s and early 80s. The critical judgment, then, is the degree of confidence that can be placed in the supply projections and requirements forecasts in the papers which lead to the conclusions stated that "it appears likely that we will be in an aggregate supply and demand balance throughout the 1980s" and "we expect neither significant shortages or surpluses to emerge." In our judgment, the uncertainties associated with the particular projections and forecasts are such that the risk to the country of freezing capacity now is too high to be acceptable."

The memorandum further states:

"Our major concern with the legislative strategy proposed is its likely lack of credibility with the Congress, the health care industry, and the public."

(This memorandum and its attachments are included in this section of the Committee's report.)

Department of Health,
Education, and Welfare,
Public Health Service,
Health Resources Administration.

To: The Assistant Secretary for Health
Through: ES/H
From: Administrator, HRA
Subject: Comments on: (1) Draft Recommendations on the Health Manpower Legislation—ACTION, undated; (2) Health Manpower Legislative Options Paper, dated December 7, 1973—INFORMATION

In the last few months, the Administration has launched a number of initiatives which strongly suggest that a new high priority is being given to Federal health policies and programs geared to attainment of the national health care goal articulated on many occasions by the President: adequate health care services—in quantity and quality—accessible at reasonable cost to all United States citizens irrespective of socio-economic status or geographical location.

These initiatives include public announcement of a new, expanded-coverage national health insurance proposal, signature of broadened HMO legislation, development of new unified health planning proposals within HEW, release of previously impounded FY 73 health funds, and accommodation with Congress on programs in health, as well as on budget levels, in the FY 74 L/HEW appropriations bill. These initiatives follow earlier actions designed to facilitate and expedite implementation of PSRO and capital investment, cost-containment policies.

These recent events have tended to resolve many of the uncertainties which prevailed during much of the time that the subject papers were under development. In assessing the health manpower legislative options and recommendations contained in those papers, therefore, two major criteria should be:

(1) the extent to which the recommendations are likely to provide the manpower resources needed to achieve the national goal articulated by the President and to support adequately the other Administration health initiatives;

(2) the extent to which the recommendations present a credible mesh with these other initiatives in an emerging overall Federal health strategy.

In short, it is a new ballgame today; a legislative strategy that embodies a type and level of risk that might have been acceptable at an earlier time may no longer be appropriate.

Adequacy of legislative strategy

Our assessment is that the legislative recommendations to reduce capitation support levels, to limit construction assistance to existing institutions, and to honor only prior commitments to existing institutions for start-up funds together constitute a "high-risk" strategy vis-a-vis the nation's resource development capacity that is inappropriate at this time.

The strategy proposes, for the key health professional categories, that manpower development capacity be frozen *now* so that an output steady-state will be achieved in 1978. Because of the lead times necessary to put an educational institution into place, there is no fall-back position if manpower shortages persist into, or emerge in, the late 70s and early 80s. The critical judgment, then, is the degree of confidence that can be placed in the supply projections and requirements forecasts in the papers which lead to the conclusions stated that "it appears likely that we will be in an aggregate supply and demand balance throughout the 1980s" and "we expect neither significant shortages or surpluses to emerge." In our judgment, the uncertainties associated with the particular projections and forecasts are such that the risk to the country of freezing capacity now is too high to be acceptable.

The "high-risk" nature of the strategy stems from the supporting rationale in the subject papers in which the following selective choices were made among competing assumptions.

1. An *implicit* assumption is made in the supporting analyses that manpower supply and requirements are currently in balance. This has major implications for estimating future supply and requirements. Tab B provides two rather conservative estimates of a current imbalance in physician supply and requirements.

3. A relatively *liberal* assumption is chochosen regarding likely future annual increases in demand for health manpower, particularly in view of the probable enactment of some form of national health insurance.

3. A relatively *libelay* assumption is chosen regarding likely future annual increases in manpower productivity, specifically physician productivity. No account is taken of possible reductions in hours per week worked by physicians (about 51 in 1970), or in the number of physician assistants required (approximately 154,000) to achieve through their use the theoretical gains in physician productivity by 1980 cited in the papers.

Tab C provides a range of physician requirements estimates for 1980, 1985, and 1990 under varying assumptions about physician productivity and alternate archetypal forms of national health insurance, as well as an additional set of forecasts incorporating estimates of current imbalances in supply and requirements.

4. An *implicit* assumption is made that gradually reducing the capitation support level to the health professions educational institutions will not impact adversely on their ability to maintain recently increased enrollment capacities. This involves a corollary assumption that State legislatures, which control approximately 60 percent of physician production capacity, will not effectively resist substantial tuition increases and will be able and willing to provide whatever additional financial support is needed.

5. The physician supply projections presented *implicitly* assume a growth in national medical school output capacity starting in 1978 or 1.3 percent annually. Because existing medical schools already are programmed for enrollment increases that approach the limit of their ability to increase enrollements further without substantial capital expansion, the further *implicit* assumption implied in the physician supply estimates for 1980 and 1985 in the papers is that seven or eight *new additional* schools are likely to be enrolling students by 1981. If the projections are extended to 1990, 10 to 12 new additional schools are implied by the projection methodology used.

6. An implicit assumption is made that the quality of care provided by foreign medical graduates as a group is equivalent to that provided by United States medical graduates. Since future annual net additions to physician supply are explicitly assumed to range between 3,500 and 5,500 FMGs (equivalent to an average annual physician output of 35 to 55 additional United States medical schools), the validity of this equivalency assumption is critical. If USRO and other quality control standards indirectly reduce this annual input by 50 percent—a not unreasonable estimate—this would represent the equivalent output of at least 17 additional United States medical schools. Tab D presents a discussion of the issues and evidence bearing on the FMG–USMG quality of care equivalency assumption.

Tab E presents a range of alternate physician supply projections for 1980, 1985, and 1990. These reflect maintenance of 1974–75 first year enrollment capacities (the level implied by the legislative strategy proposed), allowing for an annual post-1978 growth in output capacity of 1.3 percent for medical schools and 0.6 percent for osteopathic schools (the basis for the projections in the papers), and making varying assumptions about annual net additions of FMGs.

Considered as a group, the above choices of assumptions taken from the subject papers can be viewed as bearish on estimated future requirements and bullish on estimated future supply for the 1980 and 1985 time period. The set of assumptions illustrate the degree of uncertainty that must be attached to the conclusions in the subject papers cited earlier which forecast a supply and demand balance throughout the 1980s and which assert expectations that significant shortages are no more likely than significant surpluses for the 1980–1990 time period *"if [existing] enrollment levels are maintained"*. (italic added)

Tab F presents a graphic and tabular comparison of physician supply projections and requirements forecasts for 1980, 1985 and 1990 that illustrate the nature of the "high-risk" being taken with the proposed legislative strategy which would freeze national production capacity *now*. The requirements forecasts used are "mid-point" levels—neither low nor high extremes are included on the basis that these are the least likely to occur. Surpluses or shortages can be envisioned as possible for each of the years. But, the location of the supply range vis-a-vis the requirements range suggests that the magnitude of the shortage possibilities is much larger than the magnitude of the surplus possibilities for 1980.

The presentations in TAB F suggest, moreover, an alternative resource development capacity strategy, namely, one that provides for a moderate expansion of capacity until 1981, tapering down from the level of the last decade, so as to achieve an output steady-state in 1985 at a level represented by the upper portion of the supply bar for that year. It is for that time period (circa 1985) that, in our judgment, available knowledge allows more confidence in expectations of an aggregate supply and requirements balance.

Geographical location and graduate medical education in primary care can be used as high priority criteria for supporting the development of new schools. A moderate expansion strategy, then, can be seen at once as a very important part of a larger overall manpower strategy for coping with geographical and primary care/specialty maldistribution problems, for allowing appropriate quality standards to be applied to FMG entry into the United States health care system, and for taking a lower risk of future manpower shortages. It should be noted that:

Seven out of ten medical students are residents of the state in which their medical school is located; the greater the number of personal "events" in a location—birth, residence, undergraduate education, medical undergraduate education, internship, and residency—the greater the likelihood the physician will practice in that location.

An underlying value assumption of the presentation in the subject paper may be that it is preferable to risk shortage rather than surpluses. Even if oversupply in some specialities or geographical areas were to be generated by a moderate expansion policy—as even we judge to be unlikely—the regulatory and cost-containment mechanisms already established in PSRO and health planning policies as a part of the emerging overall health strategy, would tend to modulate any possible "over-doctoring" or price-increase consequences. On the other hand, under-supply obviously creates price increase pressures and makes copies with maldistribution and quality of care problems most difficult.

Moderate expansion can be classified as a "moderate-risk" strategy, because it allows a fall-back position if events invalidate assumptions made in the supply projections and requirements forecasts. In 1977, as the proposed legislation expires, much more information is likely to be available on four important factors in the analyses presented: the ability of the medical schools to maintain enrollment levels; increases in demand under national health insurance; increases in physician productivity; net additions of FMG's to physician supply. If analysis at that time supports today's judgments, no further expansion need be programmed. If it appears that under-supply is likely to be a problem, additional expansion can be programmed. If over-supply emerges as a likely problem, enrollment maintenance requirements for capitation support can be relaxed.

Credibility of legislative strategy

Our major concern with the legislative strategy proposed is its likely lack of credibility with the Congress, the health care industry, and the public. Reactions of these groups to early signals and trial ballons (e.g., ASH address at AAMC) tend to substantiate this expectation.

Little support is likely to be found in Congress for the stand-pat resource capacity position discussed in the previous section. Congress seems unpersuaded that potential over-supply is a serious problem. Congressional actions on the FY 74 appropriations bill and on recent DOD and VA legislation attest to this. The latter authorization is for the VA to start eight new medical schools and to provide substantial subsidies to existing schools to increase output. Congress likewise authorized DOD to establish a university of the health sciences, starting with a medical school.

Recent editorials in the journals of the American Association of Medicine Colleges and in the Journal of the American Medical Association contain viewpoints on resource development capacity and the Federal role vis-a-vis health manpower education quite different from those contained in the subject paper. (JME, 48:1159–60, Dec. 73; JAMA, 226; 1563–64, 24–31, Dec. 73).

But beyond reactions to the legislative recommendations identified in the preceding section, the likely lack of credibility stems more from the rationale presented in the papers than from the specific recommendations. Indeed, the remaining legislative authorities may be viewed as adequate—in many ways, even existing authorities are adequate. The critical dimension of credibility is: how will these authorities be used—what are the policy and program implementation guidelines—to address significant manpower problems in a constructive way? The papers do not present a clear *health* policy perspective and focus as a context for the recommendations. Emphasis is given in the discussion of the legislative recommendations to the mechanics of the authorities and only passing, casual mention is made of the way in which the authorities will be brought to bear on major problems. Yet, it is precisely these factors that are likely to determine the support, or lack of support, the legislative recommendations will generate and receive.

Our assessment is that the following aspects of the rationale are likely to be perceived as a basis for lack of credibility judgments.

1. The supporting analyses and recommendations are put in the context of admittedly non-articulated Federal higher education policies toward graduate education, rather than being derived from the President's articulated national health care goal, the already existing elements of an integrated Federal health policy portfolio and strategy, and a supporting health manpower strategy. Our view is that higher education policy should be a relevant consideration, but that it is subordinate, not superordinate, to health policy.

2. Perhaps because of the above approach, quality—of care, services, manpower, education or training—receives minuscule attention in the papers. Yet this is a critical parameter of stated health goals and already established policies. Overlooking quality may have been one of the reasons the proposed strategy places heavy reliance on continued dependence of the United States health care system on FMGs. Our judgment is that, based on quality consideration alone, the United States should move toward greater self-sufficiency in physician resources.

3. The rationale focuses very extensively on physician manpower and does not give adequate attention to the other categories of health manpower. Clearly, an emphasis on physician manpower is justified for many reasons, but *interdependent* manpower utilization patterns require that proper attention be given to the problems associated with other manpower categories, even if a different Federal role is involved.

4. The papers treat health professional schools—particularly the medical schools—in rather simple educational input-output terms, and do not view them as the complex, multi-purpose institutions which they are. These institutions are viewed by many as a vital national resource on which the country depends for undergraduate and graduate education of physicians and other health professionals, doing most of the medical research and development, delivering a substantial amount of health care, and generating the ideas for—and pioneering the changes in—the health care delivery system to make it more responsive to national needs. In organizing to carry out these multiple national purposes, most of the medical schools have evolved into complex health science centers with a variety of delicately balanced, intricately interrelated activities. The institutions themselves must coordinate the activities for which the funds are provided because many of the activities must be performed jointly. From this view, for example, capitation grants are seen as having broader purposes than that of merely subsidizing undergraduate medical education.

5. The papers do not give sufficient attention to the interrelationship of health manpower policies with other health policies. For example, Medicare and Medicaid (and surely national health insurance) reimbursement schedules are very important determinants of manpower utilization and have a significant potential for addressing speciality maldistribution and quality of care issues.

6. Finally, the credibility of the rationale will be at least partially determined by judgments about the technical and professional quality of the presentation itself. Tab G contains a listing of errors of fact or selective interpretation, page-by-page, in the first eight pages of the recommendations paper, and Section I–IV, and VI, of the options paper.

Alternate legislative strategy proposal

Tab A contains an alternate proposal which addresses the credibility issue and incorporates a moderate expansion approach to resource development capacity. The other specific legislative recommendations are quite similar to those contained in the subject papers. The rationale presented is quite different, however, in order to increase the probability that the legislative recommendations will receive necessary support from Congress, the health care industry, and the public. The rationale presented is flexible enough to allow some changes in the specific recommendations without a loss of credibility.

KENNETH M. ENDICOTT, M.D.

Enclosures:

Tab A—Draft Memorandum to The Secretary—undated.
Tab B—Estimates of Current Imbalance.
Tab C—*Alternate* Requirements Forecasts.
Tab D—FMG Issue Paper.
Tab E—Supply Projections.
Tab F—Supply/Requirements Profile.
Tab G—Errors and Misinterpretations.

Prepared by: DMI, BHRD/HRA, LYBRAND, 1/4/74, Ext. 66724 BHRD/HRA.

Contact: LYBRAND, Ext. 66724.

[Memorandum]

To: The Secretary.
Through: U———
ES———
From: Assistant Secretary for Health.
Subject: Health Manpower Policy: Recommendations on Legislation.

The Department is currently responsible for administering the following manpower legislation, all of which expires on June 30, 1974: the Comprehensive Health Manpower Training Act of 1971 (which is the Health Professions Educational Assistance Act as amended in 1971); the Nurse Training Act; the Allied Health Professions Personnel Training Act; and the Public Health Training Authorities of Sections 306 and 309 of the Public Health Service Act. Between FY-1963 and FY-1973 about $3.4 billion was obligated for these programs. The FY-1974 appropriation bill passed by Congress this month adds almost $700 million.

It is only 10 years since the Health Professions Educational Assistance Act was passed—an event that inaugurated the Federal role in providing direct support for the education of health professionals. Since then the nature and extent of Federal intervention into the national health care system and its associated health manpower education and training system has grown enormously, has had profound effects, but has been characterized by poor coordination and wide variance in effectiveness. Federal expenditures constituted a very small fraction of total national health expenditures in 1963; in 1972 they were about $28 billion which amounted to one-third of the total. This dramatic change in the Federal role has moved health care to the center of the public policy stage and has prompted numerous analyses of the deficiencies in the national health care system and in the related health manpower educational and training system.

We have drawn upon the relevant portions of this substantial body of experience and analysis in conducting a searching review of the Federal role—i.e., the goals, modes, and extent of Federal intervention—vis-a-vis the health manpower education and training system in the United States. We have concluded that some significant changes are necessary and these are incorporated in the legislative proposals set forth below.

The balance of this memorandum is organized into four sections: (1) a discussion of the elements of a national health strategy to which a health manpower strategy must contribute; (2) a discussion of the conclusions we have drawn from the 10 years of experience in administering health manpower programs which we have used in developing a health manpower strategy; (3) the main components of a proposed health manpower strategy; and (4) the main features of the proposed health manpower legislation which would be used to implement the strategy.

But first, I want to call attention to a fundamental policy judgment that should be exposed immediately: namely, that a national health manpower strategy—and the policies and programs pursued to implement it—must be derived from a national health strategy. Concomitantly, the policies and programs developed to carry out the national health strategy must be compatible in all respects with those pertaining to health manpower.

It is important to recognize the primacy of this judgment in our thinking because it leads to very different conclusions than would be the case if another relationship were viewed as more important—namely, that health manpower education policy must be compatible with higher education policy in general. To the extent that health and higher education policies are compatible, we advocate conforming health manpower policy to both. But when policy incompatibilities arise—and they do—it is my considered judgment that conformity of health manpower policy to health policy must be our primary concern.

National health strategy

In recent years a broad national consensus has emerged that the goal of public policy affecting health care* should be to attain a situation in which adequate health care services—adequate both in quality and quantity—at reasonable cost would be available to all residents in the United States irrespective of their income or geographic location.

There is also broad consensus that to achieve this goal requires a national health strategy which must deal with the following problems:

1. Large numbers of people who cannot afford to pay for health care out of current income do not have access to the health care system because they are not covered by Medicare, Medicaid, or private health insurance. If these financial barriers were to be removed, a large increase in the demand for health care services should be anticipated and this undoubtedly would cause further serious strains in an already strained health care delivery system. Nevertheless, there is broad consensus that national health insurance should be enacted soon, although there obviously is no consensus on the specific provisions of such a program. The President's endorsement of the Department's proposal undoubtedly will exert a powerful effect on speeding up the time table for passage of national health insurance legislation.

2. The health care system suffers from misallocation of resources which contribute to a lack of capacity in at least three respects:

(a) To provide adequate primary care;

(b) To provide all types of care in certain geographic areas;

(c) To provide certain types of specialized care—e.g., emergency medical services, specialized treatment for cancer, heart disease, etc.

Clearly, as soon as the financial barriers which currently constrain demand for health care services are removed, the effects of these deficiencies in the system will be exacerbated. I believe there is broad consensus that (1) an effective planning mechanism is needed to assist in improving the resource allocation process, and (2) that the capacity of the health care system should be expanded so that adequate primary care can be provided to all, and secondary and tertiary care improved as well.

3. Health care costs have risen much too rapidly in recent years and the pressures to continue this rapid rise remain powerful. Health care expenditures currently consume 7½ percent of the GNP—a larger proportion than in any other country. Rising costs obviously must be contained.

4. The quality of care rendered is very uneven. At its best it is superb, but high quality care is not always available. There is consensus that some clear expressions of this concern must be incorporated in implementing a national health strategy.

We have made substantial progress toward developing a national health strategy that will address all of these issues. All the pieces are not yet in place, of course, but the introduction of the national health insurance legislation, the probable passage of strengthened health planning legislation, and implementation of the PSRO legislation will be major steps in forging a strategy that ultimately will help to start the process of (1) restructuring the health care system, (2) eliminating the financial barriers to access with an insurance system designed so as to reinforce the changes required in the health care system, and (3) developing an effective planning and control system governing resource allocation.

Conclusions from experience with health manpower programs

From its inception 10 years ago, Federal intervention in the health manpower education and training system has been justified on the grounds that (1) health professionals are the key resources in the health care system; (2) the health manpower education and training system has not been functioning with acceptable effectiveness to meet the country's needs for sufficient numbers of the right kinds of trained health professionals; and (3) Federal intervention is needed to stimulate and facilitate necessary modifications in the health manpower education and training system so that it will improve both its efficiency and effectiveness in meeting the national health care system's needs.

Since 1963, the principal thrusts of the programs have been (1) to expand enrollment and output; (2) to alleviate the schools' financial distress; (3) to facilitate enrollment of socioeconomically disadvantaged students; (4) to facilitate changes in curriculum; (5) to support training of mid-level manpower; (6) to support new types of training arrangements; and (7) to launch a number of research and analytic studies to better understand the health manpower system. The amount of resources expended on activities (4) through (6) were very modest compared to those allocated on (1), (2), and (3).

In proposing new legislation to shape the Federal role in health manpower to fit the broad outlines of the national health strategy, we have drawn on our experience in administering these programs, on the findings of the relevant research and analysis on the manpower system and related phenomena which are available, and we also have taken into account other pertinent developments which were not previously recognized. Specifically, the following considerations seem particularly important:

1. Concentrating primarily on increasing the output of the health professional schools may be a necessary—but is clearly not a sufficient—condition for remedying the problems of maldistribution of health care services. Despite substantial increases in the aggregate ratios of health professionals to population, acute scarcities persist—and, in some instances, are getting worse.

2. The requirement for a source of stable Federal subsidy has become evident in the case of the medical, osteopathic, dental, optometry and podiatry schools. The medical and dental schools clearly are vital national resources on which the country depends for undergraduate, graduate, and continuing education of physicians, dentists, and other health professionals; performing most of the health research and development; delivering a very substantial amount of patient care; and generating the ideas for—and pioneering the changes in—the health care delivery sys-

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Footnotes at end of article.

tem to make it more responsive to national needs. Most of the Medical and dental schools are imbedded in complex university health science centers and perform a variety of delicately balanced, intricately interrelated activities. The Federal Government's relationships with these institutions involve several agencies whose programs, funding, and financing policy decisions are, for the most part, not coordinated with one another. The institutions themselves must coordinate the activities for which the funds are provided because many of the separately sponsored activities must be performed jointly, and therefore involve joint costs and joint outputs. Thus, changes in policies or fund flows from one Federal sponsor may have powerful effects on the activities in which other Federal sponsors are interested. Neither the Executive Branch nor the Congress has heretofore recognized this problem in a way that is reflected in decision-making. It is important that we address this problem seriously in the next year. Congress will have its attention called to this matter early in 1974 by the Institute of Medicine in a study it has conducted—and the direction of the Congress—on the costs of educating health professionals.

3. In the case of physician manpower, graduate medical education is the key to specialty, and—to some extent—geographic distribution. Any serious effort to modify specialty distribution must intervene in the graduate medical education system. But except for some modest grant support in family medicine, the current manpower programs do not do so. (Of course NIMH has subsidized the training of psychiatrists for many years and the research training grants of the other NIH Institutes have had the effect of expanding high quality training of specialists and subspecialists.)

4. Although mid-level manpower such as physician's assistants, nurse practitioner, and dental therapists probably will make an important contribution in increasing the productivity of physicians and dentists in the next generation, number of serious impediments to their extensive use are likely to persist for some years. These include licensing and other credentialing issues, costs, optimal roles and service settings. etc. These types of manpower are too new and too few in number as yet for their ultimate place in the health care scene to be predicted with confidence. At this time they remain a promising, but still largely an experimental phenomenon, the further development of which merits both encouragement and careful study.

5. The influx of foreign medical graduates in recent years has become very large. Last year, for example, 46 percent of all newly licensed physicians in the United States were foreign medical graduates. Changes in the immigration laws in 1965 and 1970 provide for preferential admission policies and—together with the powerful demand for physicians to fill hospital residency slots, which in aggregate far exceed the numbers that can be filled by U.S. medical graduates—account for this trend.

In effect, we are relying on very large numbers of foreign medical graduates to help meet our national needs for physicians. I think this is unwise because: (1) most of the foreign medical graduates who have entered this country in recent years are graduates of medical schools whose curricula are very different from ours and which are located in countries whose cultures and institutions are so different from ours that their graduates are ill-prepared to practice in the United States—yet they constitute one-third of the hospital house staff now providing patient care in this country; (2) this is a very uncertain source of supply: (3) it poses an increasingly sensitive international relationship problem; and (4) there are very large numbers of qualified American students who cannot be accommodated in American medical and dental schools. I am convinced that our developing health strategy requires us to address this issue both in terms of quality and numbers.

6. Patient care financing policies and PSRO policies are potentially more powerful than almost any other Federal actions in affecting the extent, nature, costs, and modes of education and training of health professionals, since the core of all health professional training involves provision of patient care by students under supervision. The pressures to control patient care costs and quality which lie behind NHI reimbursement rulemaking and that of the PSRO's must be exerted in a way that will not have a deleterious impact on health manpower education and training system.

7. The prime functions of student assistance are to (1) facilitate the entry of a larger proportion of students from minority and other disadvantaged groups, (2) make the admission process neutral insofar as the ability to pay is concerned for students who do not fall into the first category but who might otherwise be unable to finance their education, and (3) to assist in recruiting health professionals to serve in underserved areas.

Health manpower strategy

These considerations lead to the following conclusions as the components of a national health manpower strategy:

1. *Take steps to insure that the capacity of the health manpower education and training system is adequate to meet the country's needs after National Health Insurance has been enacted.*

Substantial analytic effort has been expended in the past 18 months to project the supply and requirements of health professionals in 1980, 1985, and beyond under a variety of assumptions affecting both demand and supply. There are so many uncertainties on both sides of the equation that a confident judgment cannot be rendered. I am impressed, however, with a few considerations: (a) even a relatively conservative estimate of the increase in demand likely to be triggered by enactment of National Health Insurance would require some increase in the capacity of the U.S. schools, plus a much more rapid increase in productivity than we have ever experienced, and the continued influx of very large numbers of foreign medical graduates, to bring supply and requirements into balance in the mid-1980's; if the demand were to be somewhat larger, supply would be unable to catch up with demand for many more years; (b) it takes a long lead time to expand the capacity of the health manpower education and training system and even longer time for the graduates to show up in the work force; on the other hand, capacity can be reduced rather rapidly; (c) the consequences to the country and the health care system of a shortage of health professionals are likely to be more undesirable than those of a surplus. I therefore conclude that for the next several years, at least, we should continue the policy of encouraging moderate expansion in the national education and training capacity for physicians, dentists, optometrists, and podiatrists. The evidence does not seem to support our doing this for nurses, pharmacists, or veterinarians.

At the same time, express our recognition of the unique roles played by the schools of medicine, osteopathy, dentistry, optometry, and podiatry in the health care system by adopting a policy of providing stable, formula-grant support, the purposes of which go beyond subsidy for a single educational output.

2. *A major initiative is needed to modify the graduate medical education system so that a much larger proportion of physicians and other health professionals are trained to provide high quality primary care in the kinds of settings that are appropriate for rendering such care.*

The central thrust (though by no means the only concern) of an effort to restructure the health care system should be on expanding the capacity of the system to deliver good quality primary care to ambulatory patients with special emphasis on geographic areas where services are currently scarce. This implies a need for appropriate organizational arrangements — facilities, financing, and properly trained health manpower.

The training of health professionals to work effectively in any setting should take place in a comparable setting. The values, attitudes, and behavior of health professionals are "imprinted" by their clinical training experience. Thus, the education and training of health professionals and the delivery of health care services are inextricably intertwined. Unfortunately, there are at present relatively few places in this country where good primary care training is offered. Moreover, the medical schools and the schools of nursing have developed a strong emphasis on hospital-centered, specialty-oriented medicine which has developed in the past two generations in response to a number of powerful scientific, technological, economic, and social factors which still exert considerable force.

Many medical school faculty and administrators have recognized their responsibility to remedy the partial misfit between the orientation and output of the medical education system and the country's needs for primary care physicians, but to date they have received only modest support from us for this purpose. We propose to give this area much higher priority than it has heretofore received. Our goal will be to move the medical and nursing schools to develop a major emphasis on providing high quality primary care training for physicians, nurses, and certain allied health professionals.

3. *Stimulate and support efforts by the appropriate professional groups to address the problem of adjusting specialty distribution to bring it into balance with the needs of the health care system.*

The ultimate goal is to adjust the total number of house staff slots and their distribution among more than 60 specialties and subspecialties (including primary care) in such a way that the output bears an appropriate relationship to the country's future needs for specialists. Residency slots are now controlled by the accrediting bodies set up by the profession. None of these bodies has applied any criteria other than the quality of the training program in a given specialty or subspecialty in a given hospital in making accreditation decisions. Consequently, there is no mechanism and no agreed set of criteria that might be used to bring a national perspective to bear on this question. An effort to do so will entail grappling with difficult and sensitive problems. For example, major adjustments in house staff accreditation policies would affect patient care arrangements and capabilities and the way medicine is practiced in hundreds of communities and thousands of hospitals. Thus, the criteria upon which such decisions would rest will have to be very sturdy indeed. They must therefore rest on substantial professional consensus.

Last year the American Medical Association, the Association of American Medical Colleges, the American Hospital Association, the American Board of Medical Specialists, and the Council of Specialty Societies joined together to organize a new body called the Coordinating Council on Medical Education. Its concerns are with such questions as using the accrediting mechanisms for controlling the amount, distribution by specialty, and quality of residency training in a responsible way. This thrust is clearly complementary to an effort to enlarge training in primary care, but some very difficult problems will have to be studied in depth and resolved before either the criteria can be agreed upon or viable mechanisms established for exerting such control in an acceptable way. I am convinced we should provide support to the CCME for the next two or three years to assist them in doing this. Although direct Federal intervention in this area is inevitable, we need substantial professional consensus on a number of key professional/value judgments—such as how many subspecialties of particular types are needed per unit of population—on which to rest patient care riembursement and other critical Federal policies

4. *Develop a mechanism to assure that patient care reimbursement and PSRO policies are drawn so as to give full consideration to their impact on the health manpower education and training system.*

The effects of these two programs—particularly after NHI has been enacted—on the health manpower education and training system are potentially far more powerful than the direct subsidies provided through the health manpower legislation. The major issue on which we must develop a clear position in the next year, for example, is the extent to which the costs of educating and training health manpower should be borne by health insurance funds and how this should be done. The sensitivity of this problem is reflected in the recent action by Congress in postponing the implementation of Section 227 of the Social Security Act pending completion of a study of its impact on the medical schools and teaching hospitals. At the heart of the issue is the need to adjust policies designed to control the costs and still maintain good quality of patient care so that their potentially deleterious effects on the education and training of health professionals—which is accomplished in a joint patient care-teaching setting—are ameliorated. The institutional and financial relationships are exceedingly complex and we intend to give this area high priority study in the next year as to establish the information base for sound policy development. But we will also need a formal mechanism to effect these policy decisions that is capable of dealing responsibility with the several Federal interests at stake. Such a mechanism does not now exist.

Although this matter does not have direct implications for the health manpower legislation, it is one of the most important actions to be undertaken in the next year.

5. *Continue to stimulate and facilitate enrollment of a larger proportion of health professional students from disadvantaged groups (including females).*

Although substantial progress has been made in the last few years, it is important to continue to exert pressure and to provide the necessary resources because there is still a long way to go before these groups will be adequately represented in the health manpower work force.

6. *Take steps that would gradually lead to reducing our currently excessive dependence on foreign medical graduates.*

The National Board of Medical Examiners and Educational Commission for Foreign Medical Graduates are currently considering the possibility of eliminating the ECFMG examination and requiring, instead, that foreign medical graduates and U.S. medical graduates pass the same examinations to qualify for appointment to an accredited house staff position. We believe this to be a sound policy and propose to encourage its adoption because we think it will tend to make the quality of the foreign medical graduates who enter our graduate medical education system approach the same level as that of the U.S. medical graduates. At the same time, it probably will reduce the numbers who enter the country each year, but it is not possible to predict by how much.

A second step I consider desirable is to restrict the use of exchange visitor visas to those who genuinely need the specialty training in the U.S. for use in positions in their own countries. This should eliminate the use of the exchange visitors visa as an easy way to immigrate into this country since it is now very easy to change visa status without leaving the country. This is a major change, however, and would have to be negotiated with the State Department.

Except for genuine exchange visitors who intend to return here, I think it would be appropriate to limit entry to those entering as regular immigrants.

Finally, we propose to assist in upgrading the quality of unlicensed foreign medical graduates now here by supporting the development of special training programs to deal with their special problems.

7. *Continue to support efforts to foster the increased productivity of health professionals.*

Although dramatic results are not to be expected, we should continue to press forward in this area to the extent that resources permit. Research and analytic studies on credentialing, licensure and task analysis merit continued emphasis.

8. *Strengthen our collection of data on and analysis of the dynamics of the health manpower system.*

Considering the complexities of the health care system, the changes it is undergoing, and the extent of our interventions, it is obviously very important to be able to monitor what is going on to determine the consequences of our policies and programs and to ascertain trends that might require changes in them.

Legislative recommendations

The legislation I recommend to implement this approach should have the following major components:

1. *The four existing health manpower authorities should be consolidated into one omnibus bill.*

The principal reason for advocating this approach is for management effectiveness. It is probable that some of the professional groups will oppose such an approach, but from the Department's standpoint, the ability to establish priorities among professions and to design multidisciplinary projects would be facilitated.

2. *Capitation grants to the schools of medicine, osteopathy, dentistry, optometry, and podiatry should be maintained at the same levels currently authorized for these professions. Mandatory enrollment increases should not be required, but maintenance of enrollment should be. Bonuses for expanded enrollment should be continued. Capitation for physician's assistants and dental therapists should be discontinued. Capitation grants also should be authorized for the schools of public health.*

Capitation should be viewed as a stable source of Federal support for the schools, provided primarily for the educational programs, but also in recognition of the broader role these institutions play in the health care system. The appropriate amount of the capitation award is difficult to determine. There is little doubt that the needs of schools vary widely, but there is no feasible way of adjusting the award to each institution's needs. We believe the current amount appears to be reasonable because: (a) various cost of education studies—including the Institute of Medicine's study, which will go to Congress in early February—show that on the average the capitation grant is well below a third of the annual cost of educating physicians and dentists; and (b) the number and amount of financial distress awards has been moderate in the past two years.

Mandatory enrollment increases would be unrealistic for many schools, but others probably could expand if they were assisted in doing so.

Our experience with capitating physician's assistants and dental therapists has convinced us that this has not worked well and should be discontinued.

The schools of public health are essential to assist in accomplishing the health strategy and are highly dependent on Federal support. They train planners and a wide range of other professionals who are in critically short supply. There are only 18 of them in the country and without stable Federal support a number of them—including a few of the most prestigious—are likely to close or be reduced substantially in their ability to function effectively.

We do not advocate capitation grants for pharmacy and nursing because (1) they are baccalaureate level (or lower) programs and therefore probably should be expected to conform to higher education policy which is aimed at this educational level; (2) they are relatively low-cost programs; (3) there seems to be ample educational capacity at present to meet the country's needs; and (4) we would assist these schools through special project grants in modifying curriculum, a significant problem for these schools.

We do not recommend capitation for the schools of veterinary medicine because most of their graduates function in activities that are peripheral to the health care system.

3. *Student Assistance. We recommend a loan guarantee program; continuation of the direct loans from the existing funds now in operation but without additional appropriations; and a scholarship program for disadvantaged students and for students who are prepared to practice in designated areas upon completion of their training.*

We anticipate that the largest part of the student assistance requirements could be satisfied by a loan guarantee program which would be available to all post-baccalaureate students. We would also permit the institutions to continue to use existing funds to make direct loans. That is, they would use loan repayments from the direct loan programs which have been operating in prior years. A maximum interest rate of 7 percent should be charged the students on the guaranteed loan program with Federal interest subsidy being provided when the market rates are above this amount.

The scholarship programs would have three components: a phaseout of existing scholarship commitments; a service-commitment scholarship program; and a program to support disadvantaged students for the first two years of their health professional training.

4. *Continue current authority for matching grants and for loan guarantees for construction of new schools of medicine, dentistry, osteopathy, podiatry, and optometry and for expansion and remodeling of existing facilities.*

This authority is necessary to facilitate moderate expansion of the educational capacity as discussed above.

5. *Financial distress grants should be continued for schools of medicine, osteopathy, dentistry, optometry, and podiatry.*

The requirement to subsidize a few schools at an amount above that provided by the capitation grant appears to be unavoidable. By maintaining the same eligibility requirements as in the current legislation, the total amounts needed should be quite modest.

6. *Start-up grants should be continued.*

This authority is necessary both to honor prior commitments and to faciliate the start of new schools.

7. *The Health Manpower Initiative Authority would be continued and used to launch a major program in primary care training and to address in other ways the problems of specialty and geographic maldistribution.*

This very flexible authority lends itself admirably for launching a major primary care initiative under which such existing programs as family medicine and Area Health Education Centers could be subsumed. It also provides a good source for supporting the CCME in its efforts to address the specialty training issue.

8. *The Special Project authorities would be consolidated and broadened to cover all the other discretionary activities of all of the health professions with which we would be concerned, including nursing, allied and public health.*

The authority should permit the use of both grants and contracts.

9. *A new authority to support post-professional and graduate training programs in areas of high priority need.*

This authority is needed to support high priority needs. It should be broad enough to authorize training grants, traineeships and fellowships. Authorities for this type of training currently exist in each of the pieces of legislation. This would be a consolidation and broadening of these authorities.

Budget implications

TAB B—ESTIMATES OF THE CURRENT IMBALANCE BETWEEN PHYSICIAN SUPPLY AND DEMAND

The most acute care shortage now existing is a shortage resulting from maldistribution, in which care demands of much of the population are being suppressed by the lack of physician availability. A minimum estimate of the extent of this shortage was approximated by comparing the physician-population ratio of each county in the nation to a test ratio of 1 physician per 1,000 population, the approximate staffing of HMO's, and calculating the number of physicians needed to bring all counties up to this standard. It should be noted that this is a minimal standard, which presumes HMO efficiency and does not allow for physicians in such capacities as public health. On this basis, using 1971 data, a shortage estimate of 26,700 was developed.[1] (If all counties were to be brought up to a standard of 159 physicians per 100,000 population—the national average, but somewhat unreasonably high since all counties do not need such non-care specialists as research physicians—as many as 91,000 physicians would be required.)

Because residents in many countries depend upon physicians in adjacent counties for their care, this same analysis was also undertaken using State Economic Areas as reference units. These areas are devised by the Bureau of the Census and group the more than 3,000 counties of the Nation into 509 areas, based upon the criterion of economic interdependency. These areas, however, do not cross State lines. If all of these State Economic Areas were to be brought up to the same minimum standard of 1 physician per 1,000 persons, approximately 19,600 additional physicians would be required.[2] (If the higher standard of 159 physicians per 100,000 persons were used, a total of 73,000 physicians would be required.)

It should be emphasized that these are only partial estimates of one aspect of the current physician shortage. While the lack of physician availability (maldistribution) has greatly suppressed care demands of some persons, equivalent care-demand suppression for other persons has been caused by large price increases for physician care, such as we have experienced in the past 15 years, and by increasing appointment queues and office waiting times. The suppression of demand from these other causes also constitutes care shortages, even if they are not quantifiable at this time.

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TAB D—BACKGROUND

In slightly more than a decade the numbers of foreign medical graduates in the United States has increased four times more rapidly than has the total physician supply FMGs are now approaching 20 percent of all physicians.[3] In addition, one-third of all hospital internship and residency training posts are filled by FMGs. In 1972, almost as mang FMGs (46 percent of the total) as graduates of U.S. medical schools were added to the licensure registries for physicians in our separate States: In 20 States, FMGs made up 50 percent or more of physicians licensed for the first time and in 7 States, FMGs comprised 75 percent or more of the new licentiates in that year.

Foreign-born FMGs are admitted to the United States both as immigrants (permanent residents) and as nonimmigrants (primarily exchange visitors). Since 1967, about 44 percent of all physicians entering the United States have been immigrants, and 52 percent exchange visistors. This has begun to change, however. In FY 1971 and FY 1972 more physicians were admitted as immigrants (58 percent) than as exchange visitors (39 percent). A major portion of the physician immigrants during these years were FMGs who converted from nonimmigrant status while residing in this country as exchange visitors. Unfortunately, there are no data available on the number of FMGs who leave the United States annually.

The Immigration and Naturalization Act Amendments of 1965 have facilitated migration of FMGs to the United States. Termination of the national quota system previously in effect opened avenues of entry to the U.S. for physicians trained in countries where, even in the face of major unmet health needs, the available physician supply appears to exceed effective economic demand. And it is in these same countries that medical training is judged by many U.S. medical educators to be qualitatively different from U.S. medical training. In addition, preferential immigration status has been assigned to professional and occupational skills in short supply nationwide, and this has included medicine and other health skills. The end result is that physicians from developing countries are taking advantage of the opportunity to immigrate to the United States regardless of their prospective ability to meet licensure requirements in this country.

Finally, remaining in the United States as a permanent resident after entering the country as an exchange visitor has recently been made possible. Legislation in 1970 eliminated a previous requirement for exchange visitors to be absent from the United States for a period of two years after their studies are completed, providing they are not from a country where their special skills are recognized by agreement between the U.S. and that country as being in short supply.

QUALITATIVE COMPONENT

The questions which have been raised about the quality of care delivered by FMGs have gained wide attention and seem to be far more vital than other aspects of the FMG issue. Concern has been expressed that FMGs taken as a whole dilute the quality of health care provided to the American public. Limitations inherent in the available sources of data on FMGs make it difficult to develop or assess trend data on the total number and characteristics of FMGs. Furthermore, the heterogeneity of the FMG group cannot be overemphasized; many FMGs are respected scientists or highly qualified physicians by any standard. There is great variation, for example, in FMG performance on the Educational Council for Foreign Medical Graduates (ECFMG) examination by country of origin and by medical school of graduation.

Qualitative aspects

Lack of Definitive Data on Quality.—Few direct measures of performance and outcomes have been developed which reliably and validly indicate, under controlled conditions, the relative medical ability of physicians. In terms of "proxy" quality measures, however, FMGs in the aggregate are less successful in obtaining unrestricted, permanent licenses to practice than are USMGs. In 1972, almost 8,900 FMGs in the United States took the ECFMG examination (usually required for State licensure and appointment to hospital training programs) with a pass rate of 29 percent. FMGs have a pass rate of 64 percent on the Federation Licensure Examination (FLEX) in comparison with a pass rate of 94 percent for USMGs. Preliminary data mainly for 1972 indicate a pass rate of 27 percent for FMGs taking 11 written Specialty Board examinations for the first time, compared with 63 percent for U.S. and Canadian graduates.

Educational and Cultural Background of Foreign-Born FMGs.—Curriculum content and standards of education in different medical schools around the world vary considerably. Thus, FMGs coming to the U.S. comprise a highly heterogeneous group and demonstrate a wide range of professional competence. The growing utilization of FMGs in the United States has highlighted questions about their performance in the delivery of health care. This is true particularly for those FMGs who received their training in languages other than English, or in cultures significantly dissimilar to that of the United States. In recent years, dramatically increasing numbers of FMGs have been coming from Asian medical schools, accentuating this assimilation problem.

Educational Background of U.S.-Born FMGs.—Despite significant growth in the enrollment capacity of U.S. medical schools, large numbers of qualified applicants cannot be accommodated. Increasing numbers of U.S. citizens are attending foreign medical schools. Serious questions have been raised about the quality of medical education which these students receive in those institutions most willing to accept U.S. students. Similar questions have also been voiced about its appropriateness to U.S. health care needs. These U.S. nationals studying medicine abroad have met with many of the same difficulties other FMGs encounter in entering the mainstream of American medical practice.

Graduate Medical Education: Training or Service?—Whether the FMG enters the U.S. health care system as an immigrant, an exchange visitor, or as a returning U.S. national who has studied medicine abroad, his point of entry is almost invariably at the graduate level of medical education, the hospital internship or residency. The operation of our present system of hospital training does not assure a rich educational experience for FMGs. In fact, in some instances, it may result in excessive utilization of inadequately prepared FMGs for service (as opposed to educational activities).

Graduate Medical Education Examination Requirements.—U.S. graduate medical education is in the process of major transition. Different requirements exist for USMGs and FMGs for admission to graduate medical education. Serious doubts have been expressed as to the appropriateness of the present ECFMG examination, both as a test of the readiness of FMGs to benefit from graduate educational experience and as an adequate safeguard of the health and welfare of patients cared for by such hospital house staff.

Recently, the Committee on Goals and Priorities of the National Board of Medical Examiners recommended that a new system of examinations applicable to all medical graduates be instituted to evaluate performance characteristics requisite for providing patient care in a supervised setting. This recommendation predicates the replacement of the existing ECFMG examination with an improved evaluation instrument to assess better the English language capability and potential adjustment of FMGs to U.S. medical education and health care delivery system.

Limited/Temporary Licensure.—As noted in the next section, in order to meet demand for physician services in small hospitals and in institutions providing long-term, chronic

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Footnotes at end of article.

care, particularly State institutions, a large—but inexactly assessed—number of FMGs have been employed, many under limited or temporary arrangements. Unpublished data from a recent survey of selected State mental hospitals indicated that about 60 percent of the filled psychiatric positions in the hospitals responding were held by FMGs. One-fifth of the hospitals had more than 80 percent FMGs and at least five were staffed completely by FMGs. Many, if not most, of these FMGs have failed to obtain ECFMG certification or to meet State licensure requirements for unrestricted medical practice. Some estimates place the number of such non-fully qualified FMGs as high as 10,000.

QUANTITATIVE COMPONENT

The level of dependence during the last decade of the United States health care system on FMGs, and assumptions about a continuation of that level of dependence in the future, have two major quantitative aspects.

National aspect

Utilization of FMGs decreases the need to expand undergraduate medical education capacities in the United States. At the same time, increasing numbers of qualified U.S. citizen applicants are being denied admission to United States medical schools because of the lack of enrollment capacity.

International aspect

United States utilization of FMGs at the level projected is viewed negatively by some as a "brain-drain" from other less affluent nations, particularly developing countries. The role of "net importer" of scarce resources of other nations on such a scale is not considered to be appropriate or moral for the United States. Others view the large migration of FMGs to the United States as an "overflow" of resources which cannot be effectively utilized in the developing countries, with the United States playing a proper and moral role of "host" to individuals seeking personal and professional advancement.

Implications of reducing U.S. dependence on FMGs

In 1967, an Expert Panel on Foreign Medical Graduates submitted a report to the National Advisory Commission on Health Manpower which had as its first recommendation: "It should be the national purpose of the U.S. medical education system to provide a sufficient number of well-trained physicians and other health personnel to meet the health needs of the United States and to assist other countries, particularly less developed countries, to improve their system of medical education and their levels of medical practice and public health."

That statement of national purpose reflects one suggested resolution of the quantitative component of the FMB issue. It defines an international role of self-sufficiency and positive assistance to foreign nations. If implemented fully in the spirit implied, it would offer U.S. medical education opportunities to a dramatically increased number of U.S. citizens and change the international image of the U.S. from "net importer" to "partner" in the field of international health resources.

This statement of national purpose can be reformulated as a national policy goal to illustrate some of the implications of reducing the level of U.S. dependence on FMGs. The standard implied by the above statement would involve modulating the FMG influx to reduce the annual *immigration* of physicians to the United States to a range of 2000 to 2500 foreign born FMGs annually. This range reflects the approximate number of FMGs who enter the country solely on a nonpreferential immigration basis, i.e., by family ties or as refugees, entry routes which are traditionally guaranteed by international understanding. (The preferential immigration and exchange visitor entry routes, of course, would need to be eliminated in order to effect such a reduction.)

Educational Cost.—Assuming for expository purposes here that the 2000–2500 FMG immigrants would be properly qualified, receive appropriate additional training as required, and emerge as an annual net addition of 2000–2500 FMGs to the fully qualified manpower pool, then provision would need to be made to increase U.S. medical school output by a minimum of about 3,000 graduates per year. Although most difficult to estimate precisely, the cost of implementing such a policy goal would not be insignificant. Illustratively, phasing-down FMB net additions by 3,000 and phasing-in an equivalent number of USMG replacements during the period 1978 to 1986 would require a minimum of about $4 billion in capital investment and operating costs over the 12-year period 1974 to 1986. (It is not suggested here that such a schedule is necessarily feasible; the requirement for faculty resources alone would be most severe.)

Health Care Costs.[1]—Another effect of reduced dependence on FMGs centers on health care costs in public institutions. It has been suggested that there is a market in our health care economy served primarily by FMGs who are not fully qualified to practice medicine. The existence of such a market is documented by the fact that the demand of public institutions for physician manpower is often accommodated by special licensure provisions.

Recent unpublished data from the State institutions of West Virginia illustrate this situation. All staff physicians in the five State mental hospitals and the one institution for the mentally retarded in that State are FMGs, over 90 percent of whom are not fully licensed. The physician salary schedule for these State institutions ranges from $18,000 to $25,000, yet median net earnings for self-employed psychiatrists range from $34,000 in the Eastern United States to $42,500 in the South. Thus, anecdotal evidence suggests that much health care delivery in the public sector is dependent on the FMG who is willing to accept (at least temporarily) working conditions and income levels which most USMGs are in a position to reject.

On the other hand, the presence of FMGs may have delayed the steps necessary to address problems of cost containment. They may have helped divert attention from long overdue professional task analysis and delegation of service assignments not requiring the skills or professional judgment of a physician to personnel with shorter or less expensive education and training. More than half of all FMGs in the U.S. are engaged in hospital-based practice, a setting where task analysis and delegation is an essential concern of modern health care management and where the problems of cost containment demand optimal utilization of essential manpower resources.

Geographic and Specialty Maldistribution.—Heavy utilization of FMGs in the U.S. health care system has not alleviated distributional problems. FMGs are a part of the problem, but reducing U.S. dependence on FMGs probably would neither exacerbate nor ameliorate the intensity of the problems.

Geographically, FMGs as much as their USMG counterparts gravitate to urban rather than rural practice settings, probably for the same reasons. There is a suggestion that FMGs may be providing proportionately more services in urban ghetto areas, but hard evidence is not available.

FMGs are distributed by specialty in much the same way as U.S.-trained physicians. That is, they are concentrated largely in the five major specialties and general practice, as are U.S. graduates. Approximately 52 percent of all FMGs, and 57 percent of all USMGs are in internal medicine, pediatrics, general surgery, obstetrics and gynecology, psychiatry, and general practice.

Proportionally, more FMGs are in certain specialties, such as anesthesiology and physical medicine; there are proportionally fewer FMGs than USMGs in dermatology, opthalmology, and orthopedic surgery. In addition, FMGs are disproportionately found in some residency programs. For example, residencies in general practice, physical medicine, colon and rectal surgery, anesthsiology, and pathology are more than 50 percent filled by FMGs. Concern has been expressed that this may mean a smaller supply of U.S.-born and U.S.-educated physicians in those specialties in the future.

Future supply of physicians

The supply projections for physicians presented here were developed initially as the first phase of a comprehensive BHRD analytical effort designed to provide useful inputs and insights for developing health manpower strategies and options at the national level. Given this context, consequently, it is important that the major assumptions underlying the projections be clearly understood.

In essence, the critical set of projection assumptions relates to the future level and direction of financial support for schools and students, and the overall role of the public and private sectors in the health manpower production system. The projections assume, consequently, that (a) the number of first-year places mandated by Federal legislation provisions existing at the end of 1972 would be maintained through academic year 1974–75, and (b) that upon the expiration of current legislation in fiscal year 1974, a combination of both public and private support would be available to at least maintain the productive capacity of schools needed to ensure the level of professional school enrollment resulting from these Acts. The rationale for such an assumption set largely reflects the original purpose for developing the supply projections; namely, to provide "base-line" estimates of the future supply of health manpower for use in program and policy planning.

On this basis, two projections were subsequently developed which attempt to reflect production system implications of different levels of public and private support, given the constraint of future student enrollment not falling below 1974–75 capacity levels in the production system. Considering assumptions used for physicians, for example, a projection series was developed that assumed that first-year enrollment in U.S. medical and osteopathic schools would remain at its 1974–75 level in the ensuing years. An alternative supply projection was developed that assumed sufficient public and private support to allow for an annual post-1978 growth in output capacity of 1.3 percent for medical schools and 0.6 percent for osteopathic schools, a growth assumed to result both from expansion of existing output capacity and the output of new schools.

The physician supply projections also include two assumptions about annual net additions of FMG's. These are a constant net addition of 5,200 FMG's a year (a level approximating recent developments); and a constant net addition of 3,800 FMG's a year (a level approximating the net increments during the mid-1960's. Implicit in the projections of FMG's is the assumption that quality of care provided by foreign medical graduates as a group is equivalent to that provided by U.S. medical graduates. Since future annual net additions of FMG's are assumed to range between 3,800 and 5,200 (equivalent to an average annual physician output of 38 to 52 additional U.S. medical schools), the validity of this equivalency assumption is critical. If PSRO and other quality control standards were to serve to reduce the annual 5,200 net increment significantly, the range of physician supply projections presented above would be lowered correspondingly.

Footnotes at end of article.

ALTERNATIVE PROJECTIONS OF PHYSICIAN SUPPLY

Assumptions on enrollments and U.S. medical and osteopathic schools	FMG net addition of 5,200 per year	FMG net addition of 3,800 per year	FMG net addition of 5,200 per year through 1976 reduced to 2,500 per year thereafter
1980			
Schools and 1st year enrollment constant at 1974–75 level: 114 medical schools, 9 osteopathic schools; total, 123.	334,000 U.S. graduates, 112,000 FMG's; total, 446,000.	334,000 U.S. graduates, 101,000 FMG's; total, 435,000.	334,000 U.S. graduates, 101,000 FMG's; total, 435,000.
Gradual increase in medical schools and 1st year enrollment after 1974–75 to 126 medical schools, 9 osteopathic schools; total, 135 by 1986.	335,000 U.S. graduates, 112,000 FMG's; total, 447,000.	335,000 U.S. graduates, 101,000 FMG's; total, 436,000.	335,000 U.S. graduates, 101,000 FMG's; total, 436,000.
1985			
Schools and 1st year enrollment constant at 1974–75 level: 114 medical schools, 9 osteopathic schools; total, 123.	376,000 U.S. graduates, 138,000 FMG's; total, 514,000.	376,000 U.S. graduates, 120,000 FMG's; total, 496,000.	376,000 U.S. graduates, 114,000 FMG's; total, 490,000.
Gradual increase in medical schools and 1st year enrollment after 1974–75 to 126 medical schools, 9 osteopathic schools; total, 135 by 1986.	381,000 U.S. graduates, 138,000 FMG's; total, 519,000.	381,000 U.S. graduates, 120,000 FMG's; total, 501,000.	381,000 U.S. graduates, 114,000 FMG's; total, 495,000.
1990			
Schools and 1st year enrollment constant at 1974–75 level: 114 medical schools, 9 osteopathic schools; total, 123.	415,000 U.S. graduates, 164,000 FMG's; total, 579,000.	415,000 U.S. graduates, 139,000 FMG's; total, 554,000.	415,000 U.S. graduates, 126,000 FMG's; total, 541,000.
Gradual increase in medical schools and 1st year enrollment after 1974–75 to 126 medical schools, 9 osteopathic schools: total, 135 by 1986.	430,000 U.S. graduates, 164,000 FMG's; total, 594,000.	430,000 U.S. graduates, 139,000 FMG's; total, 569,000.	430,000 U.S. graduates, 126,000 FMG's; total, 556,000.

Future requirements for physicians

The Bureau of Health Resources Development has begun the development of "more flexible" methods to quantify future manpower requirements. Two models have been developed to provide interim analyses of requirements and a beginning has been made on a third, long-term effort to model the underlying processes. One of the two currently available models is a linear model which attempts to optimize the development of manpower training so as to minimize disruptions of health care provision. The other currently available model, referred to as the SOAR Requirements model (Supply, Output, and Requirements), attempts to summarize the many forces acting upon the Nation's health care system and to evaluate the range of possibilities for future requirements. While a detailed report describing methodologies and assumptions used in this second model is only now nearing completion, a number of preliminary results (specifically, for physicians) are available and are discussed below.

The preliminary estimates of physician requirements generated by the SOAR Requirements model are a composite of many separate analyses. Basically, the model assumes, in its first phase, that care utilization, by age, sex, and income, will remain constant in the future and that the amount of manpower needed to provide a given amount of care will likewise remain constant. In its second phase, specific assumptions as to trends in care demands and manpower productivity are then introduced. Finally, estimates of the impact of National Health Insurance impact are introduced. Since the future values of many of these elements are uncertain, the model generates a wide range of estimates. This is particularly true when the possibility of National Health Insurance is introduced, as there is no certainty as to either the ultimate provisions of NHI or the economic effects on demand that these provisions might cause. Ignoring the extreme—and less reasonable—sets of assumptions, Table 2 presents the range of probable future physician requirements, given the continuation of recent trends and the existence of some form of NHI. Contrasted to the range of physician supply estimates, the ranges of requirement estimates generated indicate that, by 1980, the Nation will require between 410,000 and 509,000 physicians. By 1990, furthermore, requirements are forecasted to range from a low of 459,000 physicians to a high of 593,000. While the wide range of the estimates is regrettable, the present state of knowledge unfortunately does not support a more precise analysis.

A key assumption underlying the magnitude of the above estimates is that there is no current shortage of physicians. This may not be entirely supported, however, by the available evidence. For example, a 1971 survey reported by Ronald Anderson, *et al.*, found that 76 percent of the population felt that there was a crisis in health care in the U.S. Over 35 percent of the survey respondents were dissatisfied with costs and a similar proportion were dissatisfied with waiting times.

TABLE 2.—COMPARISON OF ALTERNATIVE SUPPLY PROJECTIONS AND REQUIREMENTS FORECASTS FOR PHYSICIANS: 1980, 1985, AND 1990

Year	Range of supply estimates	Range of requirements forecasts[1]
1980	435,000–447,000	410,000–50 ,000
1985	490,000–519,000	436,000–554,000
1990	554,000–594,000	459,000–593,000

[1] Requirements projections are based on the assumption that a current balance exists between physician supply and requirements.

Source: Resource analysis staff, BHRD, HRA, DHEW.

Other indicators, such as the surplus of medical school applicants, are also suggestive of shortage conditions. When large numbers of qualified potential suppliers are denied access to the market, a shortage of suppliers must exist in the economic sense. The appreciable number of U.S. citizens who attend foreign medical schools, despite the additional difficulties in becoming a licensed physician, suggest that the rewards of a career as a physician are entirely disproportionate to the costs. A third indicator is the steep increase in physician fees. While it has not been shown that physician fees are a direct reflector of physician shortage, the Consumer Price Index physician fee component has grown much more rapidly than the general Index since 1960, after remaining close to the total Index since 1935.

As indicated above, the SOAR requirements model has only begun to generate preliminary estimates of health manpower requirements. Table 3, in turn, provides alternate requirements projections for physicians. These forecasts were derived from a variety of sources and utilize different methodological approaches, different beginning and ending years, and different basic assumptions. As a result, the forecasts and accompanying explanations presented should be read carefully and their differing parameters kept in mind before any use is made of them.

Even if the following forecasts had been developed in exactly the same way and were strictly comparable, they would still have to be used with caution, since the state-of-the-art in manpower forecasting is still largely in its infancy. Forecasts of future requirements have been and will likely continue to be extremely difficult to make, not only because of the myriad of factors and assumptions that must be taken into account, but also because of the lack of historical and current data on which to base such forecasts.

Reflecting these difficulties, the traditional approach to forecasting requirements has been a simple one—use of hypothetical "ideal" ratios of manpower to population or to some other base figure, such as hospital beds. Under this method, the currently highest ratio that exists among geographic regions, divisions, or States is accepted as ideal or "optimal" and is then applied to estimates of the future population of the Nation as a whole. For example, this approach says that if the current physician/population ratio (or the nurse/hospital bed ratio) in the State with the highest ratio were to be accepted as what is or will be required for the U.S. as a whole, then the overall requirements for physicians could be estimated by applying this ratio to the total population.

Although such a methodology may provide a useful and simple overview of the situation, it provides little means of determining either effective demand or optimum need—basic information needed to ultimately ascertain the rational allocation or distribution of health manpower. Such an approach, furthermore, concerns itself only with numbers of health manpower, with no consideration given to the amount and type of health services rendered by that manpower. Furthermore, there is no single correct population base for every type of manpower, because the population served by one group of health workers may differ widely from the population served by other professionals. This approach also takes little account of the age, sex, race, or income of the population group being served. Most importantly, however, the selection of the particular optimum ratio to be used often becomes little more than the product of subjective judgment. Despite their weakness, however, requirements estimates based on optimum ratios can provide some insights into the current and future manpower situation.

BASIC ASSUMPTIONS UNDERLYING PROJECTIONS OF ACTIVE SUPPLY OF FOREIGN MEDICAL GRADUATES (FMG'S)

According to limited data available on the supply of foreign trained medical graduates in the U.S. (including graduates from Canadian medical schools), an average net change of approximately 3,800 FMG's per year occurred from 1963 through 1970. In 1971, the *net increment* rose to about 5,200. This sharp one-year increase in the American Medical Association's count of foreign trained M.D.'s, along with the sharp increases in immigration reported by the Immigration and Naturalization Service in both 1971 and 1972, has posed important questions about the future supply of FMG's.

Virtually all manpower experts anticipate sustained increases in the size of the FMG population over time, however, no concensus has apparently emerged regarding the future magnitude of these additions. It is believed by some, for example, that the recent sharp increases reflect little more than a diminution of the backlog of FMG's in this country resulting from recent changes in U.S. immigration laws.

The basic projection of the supply of foreign trained M.D.'s presented here assumes that the annual net change in the active FMG supply over the projection period will be the same as that experienced between 1970 and 1971. As such, it was assumed that the 1970–71 increase in FMG's (as reported by the AMA) did not entirely represent a one-year phenomenon, nor did it reflect the initiation of accelerated increases throughout the projection period. The increase, in contrast, was viewed as an increment that would continue at that level over the next two decades. The increases in new foreign-trained medical licentiates during the past 3 years, along with the increase in the number of FMG's taking the Educational Council for Foreign Medical Graduates examination, assists in supporting the assumption that the 1970–71 experience initiated a FMG supply trend at a level above that in evidence during 1963–70.

It must be emphasized that in these projections, the assumed yearly change in the FMG supply represents *net*, not *gross*, inputs to the physican supply. They do not represent entrants alone, but rather represent the net difference in the total active supply of FMG's between any 2 years. As such, they have already allowed for deaths and retirements among existing and new FMG's, as well as emigration of these two groups.

The three alternate projections of FMG's presented here each view recent experiences in a somewhat different light, resulting in a "basic," "low," and "high" projection. Under the basic assumption, mentioned above, it was assumed that the active 1970 base of FMG's would experience a net yearly increase of 5,200 through 1990 (including Canadians). The low series assumed that the foreign-trained physician supply in the U.S. would increase by the same average yearly net increment observed in the 1963–70 period (i.e. 3,800), as shown by the limited historical data. The high series assumed that the recent experience marked the beginning of a new trend in FMG supply and that the FMG population in the U.S. would rise subsequently by an arbitrarily chosen increment of 6,000 a year through 1990.

TABLE 7.—PROJECTED SUPPLY OF ACTIVE FOREIGN TRAINED PHYSICIANS (INCLUDING CANADIAN), USING BASIC METHODOLOGY AND ALTERNATE ASSUMPTIONS; 1970 AND PROJECTED 1975–90

Basic methodology and alternate projections[1]	1960	1970	1975	1980	1985	1990
Number active:						
Basic methodology	(2)	60,000	86,000	112,000	138,000	164,000
Alternatives:						
Low	(2)	60,000	80,000	99,000	118,000	137,000
High	(2)	60,000	92,000	125,000	158,000	191,000
Number per 100,000 population (July 1 population estimates):						
Basic methodology		29.4	40.0	49.3	57.7	65.4
Alternatives:						
Low		29.4	37.4	43.8	49.5	54 8
High		29.4	42.6	54.9	65.8	76.0

[1] For explanation of methodology, see page 32169.

[2] Not applicable.

Source: Estimates for foreign trained physicians in 1970 were obtained from foreign medical graduates in the United States, 1970, AMA, 1971—excludes inactive physicians and those with unknown addresses.

Estimates of population were obtained for July 1 from Bureau of the Census, Current Population Reports, series P–25, Nos. 468, 477, 483 (total resident population).

BASIC ASSUMPTIONS UNDERLYING PROJECTIONS OF ACTIVE SUPPLY OF MEDICAL SPICIALISTS

The projections of the supply of medical specialists implicitly assume that physicians newly graduating from U.S. medical schools will enter residency training programs and the medical specialties in the same proportions as they did in 1970. This approach assumes that the current distribution of first year residents by specialty represents the physicians' ultimate specialty choice and that the 1970 pattern of residencies will continue into the future. The projections of the supply of FMG's by medical speciality also assume that their residency distribution will remain unchanged from that of 1970. The utilization of a 1970 first-year residency distribution reflects the fact that, with a few exceptions, the distribution of physicians in residency training has changed little over the past few years. The basic numbers of physicians which are distributed by specialty throughout the projection period are those developed under the assumptions explained earlier in the physician section.

TABLE 3.—PROJECTED SUPPLY OF ACTIVE DOCTOR, BY SPECIALTY: 1970 AND PROJECTED 1980 AND 1990

Specialty	Number active			Percent distribution		
	1970	1980	1990	1970	1980	1990
All doctors	311,200	430,240	571,030	100.0	100.0	100.0
General practice	56,260	47,210	36,700	18.0	10.9	6.4
Medical specialties	66,380	110,750	163,240	21.3	25.7	28.5
Dermatology	4,000	5,660	7,750	1.2	1.3	1.3
Family practice	1,690	2,920	4,450	.5	.6	.7
Internal medicine	41,870	71,020	105,620	13.4	16.5	18.4
Pediatrics[1]	18,820	31,140	45,410	6.0	7.2	7.9
Surgical specialties	85,380	133,550	190,870	27.4	31.0	33.4
General surgery	29,760	55,010	84,580	9.5	12.7	14.8
Neurological surgery	2,580	3,800	5,260	.8	.8	.9
Obstetrics and gynecology	18,880	25,850	33,970	6.0	6.0	5.9
Ophthalmology	9,930	13,450	17,930	3.1	3.1	3.1
Orthopedic surgery	9,620	14,050	19,580	3.0	3.2	3.4
Otolaryngology	5,410	7,170	9,360	1.7	1.6	1.6
Plastic surgery	1,600	2,740	4,120	.5	.6	.7
Thoracic surgery	1,810	3,010	4,400	.5	.6	.7
Urology	5,800	8,460	11,660	1.8	1.9	2.0
Other specialties	103,190	138,720	180,210	33.1	32.2	31.5
Anesthesiology	10,860	17,510	24,960	3.4	4.0	4.3
Child psychiatry	2,100	3,860	5,970	.6	.8	1.0
Neurology	3,070	5,940	9,350	.9	1.3	1.6
Psychiatry	21,150	34,070	49,480	6.7	7.9	8.6
Pathology	10,280	17,800	26,150	3.3	4.1	4.5
Physical medicine and rehabilitation	1,480	2,500	3,610	.4	.5	.6
Radiology	10,520	19,430	30,210	3.3	4.5	5.2
Therapeutic radiology	870	1,130	1,440	.2	.2	.2
Miscellaneous	42,860	36,460	29,020	13.7	8.4	5.0

[1] Also includes pediatric allergy and pediatric cardiology.

Source: "Distribution of Physicians in the United States, 1970," Haug, et al., AMA Chicago, 1971." Directory of Approved Internships and Residencies, 1971–72," Ruhe, et al., AMA, Chicago, 1971. For explanation of projection methodology, see page 32169 of this report. The 1970 estimate forfamily practice represented the number of family practice diplomates. This number was subtracted from the AMA 1970 estimate of general practitioners to obtain the 1970 number of general practitioners.

Note: Subtotals may not add to totals due to independent rounding.

ALTERNATE SPECIALTY PROJECTIONS

A second approach utilized to project specialty distributions was quite similar to the basic methodology, except that a distribution of total rather than first-year residencies was used to project specialty choices of future graduates from medical schools. The primary merit of this methodology versus the basic approach is that it reduces the double counting problem that occurs particularly in the surgical specialties. However, note should be made of two disadvantages inherent with this approach: (1) the implicit assumption that all residents in any five year cohort will have completed their training by the onset of the second five year cohort, and (2) it reflects the "less recent" experience of residency preferences among medical school graduates.

Another alternate methodology employed to project the number of physicians by medical specialty was based largely upon the extrapolation of trends in the specialty distributions of first-year residents. The advantage of this methodology over the previous two projections is that it is not based on the assumption that the residency distribution by specialty will remain constant from 1970 through 1990. The primary disadvantage of this methodology, however, is the lack of sufficient trend data, e.g., prior years' experiences of residents and the specialty distribution patterns of U.S. trained M.D.'s and FMG's.

The 3 separate methodologies project remarkably similar numbers for each group of specialties. This reflects, in part, the fact that the three methodologies treat only graduate input differently; the future specialty distribution of those M.D.'s active in 1970 remains the same under each method. Some differences appear by 1990, however, particularly among the medical specialties—with large variations exhibited in the supply of family practice and internal medicine, probably due to their high growth rates. Note should be made of the variations between the different projections for the surgical specialties. The projected supply for general surgery in the alternative methodologies is less than that for the other surgical specialties, reducing the double counting problem that occurs in the basic methodology.

It should be reiterated here that the basic and alternate supply projections cover a broader base than merely those physicians delivering patient care. While it is nevertheless true that many interns and residents can and do perform a service function (i.e. often in non-affiliated hospitals), many other interns and residents, administrators, faculty members, and researchers, for example, are not actively engaged in care delivery. All of these groups, however, are included within the supply projections shown here.

TABLE 4.—COMPARISON OF THE ALTERNATIVE SPECIALTY PROJECTIONS WITH THE BASIC METHODOLOGY PROJECTIONS

Specialty	1980			1990		
	Basic	1	II	Basic	I	II
All active doctors	430,240	430,240	430,240	571,030	571,030	571,030
General practice	47,210	46,580	46,940	36,700	35,830	34,490
Medical specialties	110,750	103,040	110,910	163,240	146,140	163,600
Dermatology	5,660	5,960	5,760	7,750	8,300	7,970
Family practice	2,920	2,560	5,150	4,450	3,660	11,050
Internal medicine	71,020	66,520	69,130	105,620	95,510	99,580
Pediatrics [1]	31,140	28,000	30,870	45,410	38,590	45,000
Surgical specialties	133,550	139,910	131,390	190,870	204,840	181,390
General surgery	55,010	53,780	52,870	84,580	81,800	76,070
Neurological surgery	3,800	4,710	3,600	5,260	7,280	4,770
Obstetrics and gynecology	25,850	27,320	26,440	33,970	37,130	37,360
Ophthalmology	13,450	14,210	13,550	17,930	19,590	15,350
Orthopedic surgery	14,050	16,950	13,760	19,580	26,020	18,760
Otolaryngology	7,170	8,510	7,130	9,360	12,350	9,350
Plastic surgery	2,740	2,470	2,740	4,120	3,510	4,400
Thoracic surgery	3,011	2,700	3,120	4 400	3,730	4,520
Urology	8,460	9,280	8,190	11,660	13,440	10,810
Other specialties	138,720	140,650	141,130	180,210	184,620	191,870
Anesthesiology	17,510	16,470	17,310	24,960	22,770	24,420
Child psychiatry	3,860	3,640	4,190	5,970	5,490	7,300
Neurology	5,940	6,030	6,240	9,350	9,560	10,380
Psychiatry	34,070	34,800	33,020	49,480	51,050	45,390
Pathology	17,800	18,960	17,100	26,150	28,730	24,150
Physical medicine and rehabilitation	2,500	2,610	2,620	3,610	3,860	4,040
Radiology	19,430	20,370	[2] 20,350	30,210	32,300	[2] 31,640
Therapeutic radiology	1,130	1,160	----------	1,440	1,510	----------
Miscellaneous	36,460	36,620	40,320	29,020	29,370	44,560

[1] Also includes pediatric allergy and pediatric cardiology.

[2] Includes therapeutic radiology.

Source: For explanation of projection methodology, refer to "The Supply of Health Manpower—1970 Profiles and Projections to 1990," Revised Interim Report No. 73-44. This report was prepared by DMI, BHRD, HRA, April 1973.

Note: Subtotals may not add to totals due to independent rounding. Basic methodology is based on distribution of 1st-year residence. I methodology is based on distribution of total residencies. II methodology is based on extrapolation of the trends in 1st-year residencies.

FOOTNOTES

* Throughout this paper the term "health care" is used to mean "personal health care." The latter term means the provision of services by health professionals to individuals. Of course, the Department's health programs must also deal with other health issues, including such matters as consumer protection, environmental health, medical research, provision of health care to Federal beneficiaries, control of communicable disease, and other public health matters. But these are of secondary importance in shaping manpower policies.

[1] A total of 2,533 counties have physician/population ratios below the 1/1,000 mark.

[2] A total of nearly 300 State Economic Areas have physician/population ratios below the 1/1,000 mark.

[3] Unless otherwise noted, statistical information on FMGs cited in this paper is based primarily on data reported to or compiled by the American Medical Association (AMA). Significantly, an estimated 10,000 FMGs are *not* included in the AMA data base.

[4] Medical care cost implications are discussed in more detail in Chapter III, pp. 19–21 of *The Foreign Medical Graduate and Physician Manpower in the United States.*

VII. COMMITTEE AMENDMENTS

Parenthetically, there is a growing feeling among many in this country that, because the public is underwriting the education of health professionals who can later command large incomes, that same public ought to have the right to commandeer, for a time, some of this professional." Merlin K. Duval, M.D., Assistant Secretary of Health, Department of HEW, Address to Association of American Medical Colleges, November 1972.

"The last decade has witnessed a number of changes in the way medical schools and other health teaching institutions operate. But I have some serious questions about the extent to which these institutions have made an enlightened response to the problems that affect the whole system of health care." Charles C. Edwards, M.D., Assistant Secretary of Health, Department of HEW, Address to Association of American Medical Colleges, December 1973.

In the course of considering S. 3585 the Committee has made numerous amendments to the bill. Some of these amendments are major, others are of technical and conforming nature. The major amendments are briefly described in this section.

1. National Health Service Corps—an amendment by Senator Kennedy for himself and Senator Javits

The amendment is essentially similar to the provisions of S. 3181, The National Health Service Corps Amendments of 1974, which was introduced on March 13, 1974 by Senators Kennedy, Javits, and Magnuson. Basically the amendment is a five year continuation of the authorities respecting The National Health Service Corps.

Specifically, the amendment establishes a National Health Service Corps which shall consist of members of the regular and reserve Corps of the Public Health Service and such other personnel as the Secretary may designate. Personnel of the Corps shall be utilized to improve the delivery of health services to medically underserved populations.

(b) (1). The Secretary is required to designate medically underserved populations on the basis of standards (criteria) established at least annually pursuant to regulations. A medically underserved population may be (1) a rural area, (2) an urban area, or (3) a population group which the Secretary determines has a critical shortage of any class or classes of health professionals. This provision insures that both urban and rural areas are to be considered as targets for the NHSC and that an NHSC site need not necessarily serve an area but may as well serve a definable population group within an area. The boundaries for a site's service does not have to conform to geographical boundaries of political subdivisions but the defined area should be a rational area for delivery of health services. Thus artificial political boundaries should not and need not be used in defining a site's service areas in order that acessibility, social acceptability, transportation available and other factors can be considered in determining an appropriate and meaningful service area. At least each year the Secretary will notify the chief executive of each State of the intention to designate areas and request that the chief executive officer (within 180 days of such notification) submit to recommendations respecting designation of populations within such State. This notification will apprise each State of the opportunity to participate in this program and assist the program by providing the States evaluations of those areas or population groups which they believe could benefit from the NHSC. The Secretary shall also take into account the recommendations of the local comprehensive health planning agencies (or State health planning agency when an area is not covered by a local CHP agency).

(2). Any person may apply to the Secretary for designation of a population as medically underserved. In determining whether or not to make such designation the Secretary shall take into consideration the criteria (standards) used for designations under paragraph (1). In addition, the Secretary shall consider the following factors with respect to applications under this section (although many or all of these factors may be included in the standards or criteria established under the previous paragraph).

1. Ratios of available health professions personnel to the population for which the application is made.

2. Indicators of the population's access to health services.

3. Indicators of health status of the population.

4. Indicators of such population's need and demand for health services.

5. Relative levels of reimbursement under titles XVIII and XIX of the Social Security Act with respect to such population. By including "demand for health services" and "relative levels of reimbursement" it is not intended that the economic viability of a site in such area (or for such population group) should be a determinative factor in the decision in approving applications under this section. Applications under this section should also, to the extent feasible, be reviewed by the local health planning agency.

(3). The Secretary shall provide assistance to persons seeking NHSC assignees and conduct appropriate information programs in areas in which underserved populations reside in order to inform public and private health entities of the availability of the NHSC as a result of designation as a medically underserved area/population. The information programs are not restricted to medically underserved areas/populations, but may extend to State and local agencies and the public. Technical assistance includes assistance in management capabilities and skills to persons in medically underserved areas/populations in order to improve their capability to secure and retain health personnel in addition to those providers available pursuant to the NHSC. The purpose of this section is to insure wide dissemination of the availability of the NHSC and to aid communities in dealing with the responsibilities in securing NHSC and other health personnel. The aim is to see that the NHSC is fully utilized by eligible areas/populations.

(c) (1) (A). The Secretary may assign NHSC personnel to medically underserved areas/populations upon application and certification of need. The appropriate State health agency, local public health or other health entity (public or nonprofit private entity) must submit an application before assignment. Additionally, there must be a certification of need by (1) the appropriate local government for a medically underserved area or population group and (2) the State medical or dental society, and (3) the district medical or dental society or other appropriate health society.

(B). Approval of an application for assignment pursuant to the previous paragraph is permitted only if the applicant agrees to enter an arrangement with the Secretary as specified in subsection (e) below and has afforded the local comprehensive health planning agencies service all or any part of the applicable area an opportunity to review and comment on the need and proposed use of health professionals as outlined in the application (if there is no local planning agency for that area, the State health planning agency provides such review and comment).

In considering applications the Secretary shall consider the area or population's need for health services, willingness of the population and governmental agencies to cooperate in the program, and shall consider recommendations of medical, dental and other appropriate health professional organizations for the area (and health professionals presently serving such population). These requirements are included to insure the full utilization of the NHSC consistent with local plans, goals and procedures and to insure the full integration and acceptance of the NHSC when a site is established. All of the entities have an interest in the health delivery system of the area and should be provided full opportunity to participate in decisions affecting such delivery of health care. By enumerating these various entities it is not the intent to exclude other interested parties (including consumers) from these participatory decisions.

(C). If certification of need is withheld (by State, district or other medical or dental society in a clearly arbitrary or capricious manner, the Secretary may waive requirement for such certification. Obviously, if the local government wants the NHSC and the area or population meets the criteria or standards the local medical societies should not arbitrarily be able to stop assignment of NHSC personnel.

(2) (A). Assignment of NHSC personnel may not exceed four years for any area or population from the date of the first assignment and services by any assignee pursuant to such assignment may not extend beyond such four-year period.

(B). The Secretary may extend assignments beyond the 4-year period if (1) the application and certification requirements are met, (2) the Secretary has evaluated the need for the personnel, the utilization thereof, the growth of the NHSC practice and the community support therefor, and (3) the population has continued efforts to secure its own health professionals, and that there has been sound fiscal management of the NHSC site (including appropriate collections of fees and third-party reimbursements) and appropriate utilization of the NHSC site.

The purpose of these provisions is to establish a time frame within which the community is to secure its own health services after assistance by the NHSC and avoid undue reliance on the NHSC when other sources for health care could fruitfully be pursued. However, where an efficient well-utilized site exists it is not intended that the community necessarily be deprived of the service after four years if sufficient effort has been made to become independent but that circumstances exist which make such independence virtually impossible.

(3). NHSC assignments shall be made on the basis of need and without regard to the ability of the population to pay for services. The intent of this legislation is to provide good health care practice in areas which lack such services and not to necessarily run a program fully offset by user fees. It is understood that many communities and populations are unable to secure adequate medical service precisely because of the inability to pay. The NHSC is designed to provide service to these areas and to the same extent and with the same priority as other areas.

(4). The Secretary may assign such personnel as necessary from among one or more health professions (including but not limited to physicians, dentists, nurses, veterinarians, optometrists, podiatrists, pharmacists, public health personnel, health care administration personnel, audiologists, speech pathologists and allied health personnel). This provision emphasized that the NHSC is not to be limited to physicians and dentists. To the extent other personnel, such as nurse clinicians, can provide the needed services they should be fully utilized.

(5). The Secretary shall attempt to match the characteristics of the assignee (and spouse) to the extent possible in order to increase the likelihod of the assignee remaining after completion of the NHSC assignment. Nine months prior to the expiration of the assignment period of a NHSC assignee, the Secretary shall review the situation for the purpose of determining the advisability of extending the period of such assignee's assignment.

(6). The Secretary shall provide technical assistance to all medically underserved areas or populations not receiving NHSC personnel in recruiting health professionals and provide information on other public and private programs which may assist them in such endeavors.

(d) (1). The NHSC shall utilize the techniques, facilities and organizational forms best suited for the area and shall provide service to all members of the population regardless of ability to pay.

(2) (A). Notwithstanding any other provision of law, the Secretary shall make necessary arrangements to utilize (1) other health facilities available in the area, (2) the equipment and supplies of the Public Health Service, (3) the lease and acquisition of other equipment and supplies, and (4) the temporary services of nurses and allied health personnel. This provision authorizes the NHSC to make appropriate use of existing and available services equipment and supplies in the most convenient and efficient means and integrate the NHSC with available resources to avoid duplication or waste.

(B). The Secretary, in addition to the above arrangements, shall make arrangements with hospitals or other health facilities in such area for use by the NHSC in serving such population (but not to the detriment of the existing facility's provision of services). If there are no health facilities serving the area the Secretary may arrange for NHSC personnel to utilize the nearest Public Health Service facility or the Secretary may lease or otherwise provide such facilities. Therefore, to the extent possible the NHSC is to use available health services in inpatient care and other care for which hospitals or health facilities are needed.

(3). The Secretary may make one grant to an improved applicant for meeting the costs of establishing medical practice and acquiring equipment upon application and approval of such a pre-operational grant (up to a maximum of $25,000). The purpose of such grant is to enable the site communities to perform the necessary preparation for the arrival of a NHSC assignee including establishment of appropriate billing systems and other management systems, acquisition of needed equipment, needed furniture, office space and other goods and services needed prior to the commencement of NHSC services, and the establishment of continuing education programs. It also permits the community the opportunity to tap local resources for these purposes rather than depending on the Federal Government to make the necessary preparatory arrangements.

(4). Equipment belonging to the United States and utilized by the NHSC assignee may at the end of the duration of NHSC service in the area be sold to the nonprofit entity which established the NHSC practice for the fair market value of the property.

(e) (1). As a condition of approval the applicant entity must enter into an agreement with the Secretary under which—

(A) The entity is responsible for charging for the services (as specified below in paragraph (2)).

(B) The entity is to take reasonable action for the collection of payments for such services including collection from Federal, State, and local government or third parties. For the purpose of such collections the services of NHSC assignees shall be considered as being provided by private practioners. This removes any legal or contractual restrictions regarding the payment by units of government or third-party insurers for the service of Federal employees.

(C) The entity may retain funds thus collected but such funds are to be used for expansion or improvement of medical services for the area/population, or to recruit and retain health professionals.

(2). Persons receiving care shall be charged on a fee-for-service or some other rate basis. The rate shall be approved by the Secretary pursuant to regulation. If a person is determined under regulations to be unable to pay the Secretary may provide for reduced rates or waiver thereof. The purpose of this provision is to preserve the concept that services rendered should be paid for but that prescribed fees should not inhibit access to health care. Persons using the services should only be required to pay according to their means and not to an extent that the fees are serious barriers to needed medical treatment.

(f) (1). The Secretary is to conduct recruiting programs at (1) medical and nursing schools, (2) schools with accredited graduate programs of health professionals and (3) education and training entities for allied health professions.

(2). Reimbursement to applicants for expenses incurred in traveling to the prospective site by assignees for evaluating the site is authorized (limit of one such trip). This provision will assist the NHSC in effectively matching assignees to communities with the aim of increasing effectiveness and retention.

(3). Commissioned Officers and other personnel of the NHSC shall not be included in determining whether the Department of Health, Education, and Welfare has exceeded any limitations on personnel as the NHSC personnel are engaged in direct health care delivery and do collect fees for their services.

(4). The Secretary shall adjust the pay of NHSC personnel directly engaged in the delivery of health services to medically underserved areas as follows:

(A) During the first 36 months of service an additional monthly sum to make the pay and allowance income competitive with health professionals in the private sector with equivalent training (but not to exceed $1,000 per month).

(B) After 36 months such personnel shall receive an amount to insure that pay and allowances equals that which was received during the last month of the first 36 months of service until such time as the regular monthly pay and allowance for his service equals or exceeds such monthly sum. In the case of a member of the NHSC that received a scholarship pursuant to section 750 of the Public Health Service Act (as added by this Act) and thereby incurred a service obligation, shall be entitled to such additional pay authorized under this section upon completion of such obligation. The 36-month period referred to with respect to extra pay shall be deemed to begin at the completion of such obligation. Thus for 36 months after satisfying an obligation under section 750, the individual will be entitled to extra compensation as provided in paragraph (A). This provision of extra compensation is to bring compatibility between compensation for service in the NHSC and private practice or employment not only as an incentive for recruitment but as a matter of equity. These provisions apply to all health professionals in the NHSC engaged directly in the provision of health care. Such provisions also serve as an inducement to serve in NHSC sites in health care delivery instead of administration posts.

(g). No later than May 15 of each year the Secretary shall report to Congress regarding—

(1) The number and identity of medically underserved populations designated in the preceding calendar years and estimates on the number to be designated in the calendar year of the report.

(2) The number of applications for NHSC assignments in the previous calendar year and action taken on each application.

(3) The number and types of NHSC personnel assigned in the previous year, the estimated number and types of personnel to be assigned in the year of the report and the need, if any, for additional personnel for the NHSC.

(4) The recruitment programs carried out in the previous year and the number of qualified applicants in each professional category for that year.

(5) The total number of patients seen and recorded patient visits in the preceding year for each NHSC area.

(6) The number of health professionals electing to stay and serve in medically underserved areas after termination of their service, the number not so electing and the reasons therefor.

(7) Results (during previous year) of evaluations made to determine whether the 4-year period for assignment should be extended.

(8) The amounts charged during the preceding year, the amount collected by the entities and the amount paid to the Secretary.

(h) (1). This provision establishes a National Advisory Council on the NHSC composed of 15 members appointed for 3-year terms by the Secretary (4 from general public, 3 from health professionals, 3 from State and local health planning agencies, 3 from the Public Health Service provided that 2 of these be NHSC personnel directly engaged in the provision of health care, 1 from institutional providers of health care, and 1 from the Veterans' Administration).

The Council shall consult with, advise and make recommendations to the Secretary and shall review and approve scholarship regulations issued under section 750 of the Public Health Service Act. Removal of members shall only be for cause and members may be re-appointed. Salary and travel expenses and per diem provides as for other intermittent employees of the United States.

(i) Appropriations authorized:	*million*
Fiscal year 1975	$50
Fiscal year 1976	60
Fiscal year 1977	70
Fiscal year 1978	80
Fiscal year 1979	90

(b) (1). The Secretary shall report to Congress no later than January 1, 1975, the criteria used by him in designating medically underserved populations and not later than May 1, 1975, the number and identify of medically underserved populations in each State.

(2). The Secretary shall conduct or contract for studies of methods of assigning members of the NHSC and providing care to medically underserved populations. The study is for the purpose of identifying characteristics of health professions showing a likelihood to remain and practice in medically underserved populations; characteristics of areas able to retain health professionals; appropriate conditions for assignment of nurse practitioners or physician extenders; the effect of primary care postgraduate physician training with respect to areas in which they desire to practice.

(3). The Secretary shall also conduct or contract for studies (A) to determine factors responsible for the lack of adequate members of health professions in medically underserved areas, (B) to maintain continuous surveillance of the health status of such populations and (C) on the basis of the information derived from such studies, develop adequate health professional personnel resource development programs applicable to such populations.

(c) The provision changing the name of the existing advisory council for the NHSC shall not require establishment of a new advisory council, but the provision regarding composition of the council shall apply with respect to appointments made after the enactment of this Act.

2. Health manpower data base—an amendment by Senator Kennedy for himself and Senator Javits

The Committee was disturbed to learn of inadequate health manpower data collection capacity of the Department of HEW. The Committee was also concerned that the Federal Government relies so heavily upon private interest groups such as the American Medical Association for data respecting health manpower. Accordingly, the Committee has included an amendment which will require the Secretary of HEW to establish a health professions personnel data base, which shall include data respecting all physicians, pharmacists, optometrists, podiatrists, veterinarians, public health personnel, health care administrators, audiologists, speech pathologists, chiropractors, physician extenders, and allied health personnel.

3. Health care administration special project grants—an amendment by Senator Kennedy for himself, Senator Javits, and Senator Schweiker

Major changes in health services finance and delivery will create new management requirements at all levels from hospitals to Federal Government agencies. The health system is already undermanaged and therefore unable to respond effectively to demands for improved health services and increased public accountability. An investment in health management development and training capacity must precede any planned health system-wide improvement. Health administration is a relatively new profession. Public support for this field has been peripheral to other programs and very limited. A specific effort to change this situation should be made now to give sufficient lead time before new programs no envisioned and under consideration are imposed on the system.

The committee's bill authorizes for this purpose $2 million for the fiscal year ending June 30, 1975, $4 million for the fiscal year ending June 30, 1976, $6 million for the fiscal year ending June 30, 1977, $8 million for the fiscal year ending June 30, 1978, and $10 million for the fiscal year ending June 30, 1979.

This amendment is essentially the same as an amendment which the Committee included in S. 3441, the Public Health Training Act of 1972, which passed the Senate but did not become law.

4. Capitation support for schools for Osteopathy—an amendment by Senator Kennedy for himself, Senator Javits, and Senator Schweiker

The Committee has amended the bill to assure that capitation support for schools of osteopathic medicine will be equal to that for schools of allopathic medicine. The Committee has adopted this amendment because:

Health manpower legislation, as well as all other federal health legislation, has viewed osteopathic and allopathic professions as co-equals,

All 50 states treat both professions in the same manner. In many instances, both professions are brought together to serve on state licensing boards,

Despite philosophical, training and practice differences, both professions graduate physicians of equal quality prepared to medically serve U.S. citizens,

Allopathic and osteopathic physicians have served side by side in the four branches of the Armed Services and in the VA stations in all parts of the world, and

The osteopathic profession has attempted to meet national health care needs by graduating the majority of their physicians into primary care, family practice settings, the majority of which are in small towns scattered throughout the U.S.

5. Allied health scholarships—an amendment by Senator Kennedy for himself and Senator Javits.

After reviewing the complete hearing record, the Committee was convinced that it will be necessary to continue the current authority which authorizes the Secretary of HEW to award scholarships for allied health professions personnel. This amendment continues the provisions of existing law.

6. Children's dental health—an amendment by Senator Kennedy for himself and Senator Javits.

The Children's Dental Health portions of the Health Professions Educational Assistance Act of 1974 would authorize an appropriation of $142 million over the next three years. A total of $50 million would be used for pilot dental care projects providing preventive, corrective, and follow-up care to disadvantaged children. The amount of $9 million would be used to assist communities and schools which wish to fluoridate their water supplies. The sum of $57 million would be used to train dental auxiliaries and $56 million would be used to train dentists and dental students how to best utilize dental auxiliaries.

Other dental health provisions of the bill include the appointment of a Dental Advisory Committee, consisting of seven members, who shall appraise the programs established under the bill and report to the Secretary of Health, Education and Welfare. The bill further provides that the Secretary submit a report to Congress each year regarding progress of the program and a final report containing his recommendations concerning the need and feasibility of a national dental health program for children.

And, finally, the bill amends Title XIX of the Social Security Act to permit dental services to be provided for persons under 18 without making available such services of the same amount, duration and scope to individuals of any other ages.

NEED

Much if not most of the nearly $4 billion spent annually by Americans for dental care goes to correct conditions which need never have developed at all, or which could have been arrested at an earlier stage at considerably less cost in money and professional time. Early decay and all but the most advanced periodontal disease can be brought to a half if adequate dental care is received. Unfortunately, only about one in every two persons get care in the course of a year, and a large number of their dental visits are for extractions and other surgery and for the replacement of previously extracted teeth. Particularly, the failure to get needed care in childhood has serious consequences. More than 20 million persons have lost all their teeth and another 25 million have lost half or more. Only 6 persons in every 1,000 possess a full complement of sound teeth.

By preventing and treating dental diseases during childhood, when they can be most easily and effectively managed, the nation could within a generation, reduce this dental health problem to manageable proportions. Not only can the next generation reach adulthood in good dental health, but because early and regular treatment can make more effective and productive use of auxiliaries, freeing their own time to care for those with more complicated dental problems.

Because childhood neglect is so clearly the source of the national dental health problem, the Committee believes that adequate dental care for all children is a legitimate, indeed an urgent national goal.

It is further assumed that this goal should be accomplished without significantly lessening the volume of services now provided to adult members of the population. In 1961, the Commission on the Survey of Dentistry in the United States recommended specifically that "states and local communities design and initiate incremental care programs for children." In November 1966, the House of Delegates of the American Dental Association formally recommended establishment of a broad national dental health program for children.

DIMENSIONS OF THE NEED FOR DENTAL CARE

Dental disease, as it actually exists in this country, presents a combination of factors that make it nearly unique. Paramount among these factors are: 1) The incidence of the disease; 2) the nature of the disease, and 3) the demonstrated potential the nation possesses for readily eliminating many manifestations of it.

Incidence

Dental disease is all but universal. Its most common manifestations, tooth decay and gum disease, afflict nearly every human being to one degree or another.

In the case of most other diseases, by contrast, the rate of incidence is generally stated on a percentage basis. For example, about 25 percent of American adults have either definite or suspected heart disease. Thus, about 75 percent don't. Or, about 9 percent of Americans are afflicted with arthritis severe enough to require medical care, which means that about 91 percent aren't so afflicted. Or, about 1 out of every 200 Americans have Parkinsonism, which means about 199 out of 200 don't.

What is of significance here, of course, is not the seriousness of a given disease. Obviously, heart disease is more serious than tooth decay and severe arthritis is generally more critical than is periodontitis.

The fact, however, that relatively small percentages of people suffer from these ailments, while everyone suffers from dental disease, makes the latter a different sort of problem and one that needs a different sort of approach.

It is not, so to speak, John Doe's two decayed teeth that deserve national attention. It is the fact that we are all John Doe that makes the problem worthy of special attention.

In addition, there are some less common manifestations of oral disease that are life-threatening or that so seriously limit a person's ability to live a normal life. Oral cancer, for example kills some 7,000 people each year. Cleft lip and/or palate is a birth anomaly that affects some 6,500 babies born annually. It constitutes 13 per cent of all reported birth anomalies and can have a seriously unfavorable impact on general health as well as the emotional and psychological development of the child.

Nature of the Disease

There are some diseases known to man in which the bodily processes themselves help to restore health. In such cases the body assists in the healing process and/or provides a compensatory mechanism that helps restore the lost function.

This is not true with respect to dental caries or periodontal disease, the two most common manifestations of oral disease. These are progressive and require the intervention of treatment by a skilled practitioner. Without such intervention, the progression is remorseless until the affected tissue is totally destroyed. Most dental diseases, in this respect are like forms of cancer.

Potential for Prevention

Just as dental disease is perhaps the most universal ailment of man, it is also perhaps the most preventable. Further, many of the known preventive tools have been available for literally years. Among the most basic tools is regular attention by a practitioner, attention that comes early enough in life that it can focus on maintaining health rather than repairing disease.

It is in this regard that dental auxiliaries hold such high promise, if we can manage to train sufficient numbers of them. The hygientist and assistant in dentistry can constitute a vanguard in delivering many kinds of preventive service on a large-scale basis. In that sense, they have a special kind of potential usefulness in dental care that their counterparts in other health care fields do not always possess.

The combination of these three factors—universality of the disease, the immense amounts of money (in excess of $4 billion a year) now being spent to combat its ravages, and the amount of possessed knowledge on how to proceed to better control of the disease—tend to an objective conclusion that dental disease could amply justify special attention.

Such a program, it could also be said, would hardly inflate the percentage of federal health funds going to dental programs beyond comparative distribution in the private sector. The fact is that public sector attention to dental disease has traditionally been lacking. About 9 per cent of the private sector health dollar is devoted to dental care; the federal health care dollar spends barely 3 per cent for the same purposes. The almost total failure to fund Title V dental care projects is another example of public sector neglect of dental disease.

Passage of S. 3585 in fact, would not constitute a "crash" program for dental care so much as it would represent a balancing of the federal health dollar in a way that for the first time, begins to give dental disease attention that is reasonably proportionate to its rate of incidence and the fiscal and physical costs it exacts from all Americans.

The American Dental Association believes that experience with dental health programs as those proposed by S. 3585 is absolutely essential if the profession is to be able to develop a substantial national dental care program.

The United States is not today in a position to substantially expand dental care services without first taking a number of preliminary steps.

Among the reasons for this area: 1) shortages of both dentists and dental auxiliaries; 2) insufficient concentration on preventive dental care, especially for children; 3) underutilization of known public health measures like fluoridation that reduce the incidence of dental disease; and 4) insufficient experience with varying methods of organizing, administering and financing dental care services on a large scale.

The dental health programs proposed in S. 3585 would do much to fill the gaps that exist in all four of these areas.

Section 1401 of the bill would allow experimentation with various methods by which dental care can be delivered to large groups of children in such differing settings as the suburbs, rural areas, and inner cities. We do not now have such experience. This section, as well, would provide a lever to begin to shift services from mostly reparative treatment to preventive care.

Section 1402 by making fluoridation voluntarily available to many more millions of people, would greatly reduce the incidence of tooth decay and, thus slow the growth of the dental disease backlog.

Section 1403 would enable the training of as many as 30,000 more dental auxiliaries by 1980 than we could otherwise hope to have. Expanded use of auxiliaries is, of course, one of the keys to increasing the productivity of our dentists.

Section 1404 would take action closely tied to Section 1403 by teaching dental studetns and practicing dentists how to best use available dental auxiliary talent.

Need For Auxiliary Manpower

The indications are that the Nation's health professional schools could not produce adequate dental auxiliary manpower in the foreseeable future with present sources of Federal funding.

There are currently deficiencies in the number of trained dental assistants, hygienists and technicians. These deficiencies will continue at least through the end of this decade. The last reliable statistics available from the American Dental Association put actual 1970 ratios at 100 dentists to every 17 hygenists and 191 assistants. Desired ratios were set at 40 hygienists and 200 assistants for every 100 dentists.

This meant projected deficits of 56,000 hygienists and 220,000 assistants, as well as 50,000 technicians, by 1980. S. 3585 would make possible a significant reduction in these deficits. It is anticipated that with full funding S. 3585 would allow for the training of slightly more than 30,000 additional auxiliaries of all types by 1980. This could mean, as an example, an additional 9,000 hygienists, 17,000 assistants, and 3,500 technicians.

At the same time, new research findings, the development of better dental materials, and a genuine shift from reparative to preventive care are also expected to further ease the situation by increasing the productivity of dental manpower.

Section 1404 of the committee's bill would provide funds for, among other purposes, teaching dentists how to work most effectively with auxiliaries. The most pertinent studies of potential impact, perhaps, are those estimating the percentage of increase in productivity a dentist experiences as he adds auxiliaries to his staff.

The most recent of such studies indciates that a dentist going from 0 to 1 auxiliary increases his office's productivity by 55.7 percent; a dentist going from 1 to 2 auxiliaries increases productivity by 44.2 percent, a dentist going from 2 to 3 auxiliaries increases productivity by 25 percent, and a dentist going from 3 to 4 or more auxiliaries increases productivity by 21.9 percent.

The same study indicates that if a dentist went from 0 to 4 or more auxiliaries he would increase his office's productivity by more than 25 percent. There are presently 15,000 dentists in private practice who use no auxiliaries.

To realize such increases, of course, requires at least two things. One is a sufficient supply of auxiliaries, something Section 1403 would help accomplish. The second is that auxiliaries and dentists learn how best to work as a team. This is the purpose of Section 1404.

RELATIONSHIP TO EXISTING LEGISLATION

Both the dental health provisions and the health manpower provisions of this legislation, are, of course, designed to provide better health care to Americans, a similarity in goals that is shared with a number of other health laws and proposals.

Two sections of S. 3585, in particular, possess a significant and exciting potential for supplementing and helping to fulfill some of the provisions of the current health manpower legislation. These are Section 1403, concerned with training of dental auxiliaries, and Section 1404, directed toward teaching dentists and dental students how best to work with auxiliary talent.

General health manpower legislation sections in question, of course, are educationally oriented within the framework of the bill in which the are located. In some cases, the project grant money they would make available would go only to health professions schools. The purposes in these sections that relate to dental health are only a part of the over-all purposes outlined in those sections of the health manpower legislation. Finally, the available funds would be shared among competing grants from some 275 health schools as well as a number of other educational and health agencies.

It is for these reasons that the dental health sections of this bill are essential to supplement these aspects of the health manpower legislation and bring their intended objective to full fruition.

The massive incidence of dental disease in this country exacts a huge fiscal cost in addition to its consequences in terms of individual health. The preventive care programs needed to reverse this continuing situation depend heavily upon producing as massive a number of well-trained auxiliaries as obtainable in as short a time as possible and at the same time, mount extensive programs to teach dentists how to make use of these auxiliaries.

The sections in question concerned with other aspects of health manpower cannot, of themselves, possibly make significant strides in this direction for the reasons outlined. Coupled with Sections 1403 and 1404 of S. 3585, However, the synergetic effect could be most useful.

It is the unique potential for auxiliary use in dental care and the massive fiscal and physical effects of dental disease that make today the time for determined action on a reasonably broad scale to begin the long-delayed, long-postponed national campaign against dental disease.

Water treatment programs

Section 1402 of the Committee's bill provides a modest authorization of $9 million for communities which wish to seek partial federal assistance in order to treat their water supplies. The Committee is convinced of the safety and effectiveness of fluoridation as a powerful preventive weapon in the battle against dental disease. The efficacy of fluoridation has been widely known for many years. And the Committee has received overwhelming testimony from both scientific and professional groups to this effect. The Committee learned that the following groups endorse the fluoridation of water.

American Academy of Pediatrics.
American Association for the Advancement of Science.
American Association of Dental Schools.
American Association of Industrial Dentists.
American Association of Public Health Dentists.
American College of Dentists.
American Commission on Community Health Services.
American Dental Association.
American Dental Health Society.
American Dental Hygienists Association.
American Federal —
American Federation of Labor and Congress of Industrial Organizations.
American Heart Association.
American Hospital Association.
American Institute of Nutrition.
American Legion.
American Medical Association.
American Nurses Association.
American Osteopathic Association.
American Pharmaceutical Association.
American Public Health Association.
American Public Welfare Association.
American School Health Association.
American Society of Dentistry for Children.
American Veterinary Medical Association.
American Water Works Association.
Association of Public Health Veterinarians.
Association of State and Territorial Health Officers.
Canadian Dental Association.
Canadian Medical Association.
College of American Pathologists.
Federation of American Societies for Experimental Biology.
Federation Dentaire Internationale.
Great Britain Ministry of Health.
Health League of Canada.
Inter-Association Committee on Health.
National Congress of Parents and Teachers.
National Education Association.
National Institute of Municipal Law Officers.
National Research Council.
Office of Civil Defense.
Pan American Health Organization.
U.S. Department of Agriculture.
U.S. Department of Defense.
U.S. Department of Health, Education, and Welfare.
World Health Organization.

The Committee also received supporting documentation from the National Institute of Dental Research of the National Institutes of Health.

Dental Services Under Medicaid

The Committee's bill amends Title XIX of the Social Security Act to remove the age restriction with respect to the provision of needed dental services to eligible persons who are less than eighteen years old. The Committee is persuaded that the real pay-off in respect to the prevention of dental disease is with youngsters. Accordingly, the Committee's amendment to the Social Security Act is deliberately designed to stimulate the provision of high quality dental services to young people by removing the requirement that such services must be provided to persons of all age groups.

Summary

In summary, the Committee believes this legislation is urgently needed. The Committee was especially impressed with the testimony of the bill's author, the Senior Senator from Washington, Senator Magnuson. In his testimony he eloquently described the need for this bill by stating:

"The most compelling reason for an immediate expansion of the Federal dental health effort is presented by the absolute paucity of dental care now available to our children—especially those in low-income families. By age 2, half of America's children have decayed teeth. By the time he enters school, the average child has three decayed teeth. By his 15th year, he has 11 decayed, missing, or filled teeth.

"And—I would add—more often than not, those are 11 missing or decayed teeth rather than filled teeth, for over half of all our children have never been to a dentist, and this proportion is even higher for youngsters living in rural areas.

"But, by far, the greatest need is among children from low-income families, for almost 70 percent of them have never received a dentist's care. The consequences of this national neglect follow one upon the next in a tragic chain reaction."

7. *Conscience Clause—an amendment by Senator Kennedy for himself and Senator Schweiker*

This amendment is essentially similar to an amendment which passed the Senate earlier this year in H.R. 7724, the National Research Service Awards Act and the Protection of Human Subjects Act. The Committee's amendment provides that,

No individual shall be required to perform or assist in the performance of any portion of a health service program or research activity funded in whole or in part by the Department of Health, Education, and Welfare if such performance or assistance would be contrary to his religious beliefs or moral convictions;

No entity shall be required to make its facilities available for the performance of any health service program or research activity funded in whole or in part by the Department of Health, Education, and Welfare if such performance is prohibted by the entity on the basis of religious beliefs or moral convictions, and

No entity may (A) discriminate if the employment, promotion, or termination of employment of any physician or other health care personnel, or (B) discriminate in the extension of staff or other services to any physician or other health care personnel solely because he performed or assisted in the performance of a lawful health service program or research activity in an unrelated facility, or solely because he refused to perform or assist in the performance of such a health service program or research activity, in a facility controlled by such entity on the grounds that his performance or assistance in the performance of such health service program or research activity would be contrary to his religious beliefs or moral convictions.

In addition, the Committee has included a provision designed to expedite any judicial review of the amendment, should such review be required.

In their individual views, Senators Javits, Stafford, and Hathaway raise certain issues respecting and calling into question the constitutionality of certain features of the Committee's request, the United States Catholic Conference has provided the Committee with a memorandum of law which contains a discussion of the constitutionality of the Committee amendment. A copy of that memorandum is included at this point in the report:

August 8, 1974.

MEMORANDUM

Subject: Constitutionality of Entity Conscience Clause.

The following amendment to S 3585 has been adopted by the Senate Committee on Labor and Public Welfare:

"No entity shall be required to make its facilities available for the performance of any health service program or research activity funded in whole or in part by the Department of Health, Education and Welfare, if such performance is prohibited by the entity on the basis of religious beliefs or moral convictions".

Despite the fact that this provision was deleted by the Conferees in PL 93-358 the legislation retained language protecting *individuals* who wish to refrain from participating in procedures contrary to their religious beliefs or moral convictions. It would appear that the Congress felt that, in this highly sensitive area of biomedical and behavioral research, there was a necessity for providing protection, at least for individuals in addition to that afforded by the conscience clauses in PL 93-45.

It is understood that the institutional exemption has raised certain undefined constitutional issues and that those issues still persist. We submit that the institutional conscience clause is basically a civil rights guarantee which implements the First, Fifth, and Fourteenth Amendment rights of groups sponsoring church-related hospitals and the hospital entity itself whether or not incorporated. In the case of Doe v. Bolton, 410 U.S. 179 (1973), the Supreme Court specifically addressed itself to these rights. It observed:

"And the hospital itself is otherwise fully protected. Under par. 26-1202(e), the hospital is free not to admit a patient for an abortion. It is even free not to have an abortion committee. Further, a physician or any other employee has the right to refrain, for moral or religious reasons, from participating in the abortion procedure. These provisions obviously are in the statute in order to afford appropriate protection to the individual and to the denominational hospital". 410 U.S. at 197-98.

This holding is a very important pronouncement, for the court clearly incorporated it in its opinion and specifically referred to *denominational* hospitals, although the Georgia statute made no such reference. In the area of the church-state relationship, and more particularly in civil rights litigation, important pronouncements such as this frequently become the law of the next case. The Congress, in adopting the institutional conscience clause in PL 93-45, clearly affirmed the language of Bolton, supra. The clause in question is an appropriate extension of this salutory Congressional policy, an extension which it felt necessary for individuals also should be given to institutions.

Nature of Catholic Hospital Enterprise

The Catholic church has always cared for the sick. With the passage of time, this concern has been implemented by a large number of hospitals and other charitable institutions. These hospitals as well as other church related hospitals provide a broad range of medical services. Practically all of them are fully accredited. Although there are definite secular implications involved, care of the sick has always been considered an integral part of the mission of the church. The religious orders which sponsor hospitals and the Church which promotes them consider health care a significant religious apostolate. Periodically, issues arise in the care of the sick which project significant moral and theological considerations. It is for this reason that the Bishops of the Catholic Church in the United States have adopted the Ethical and Religious Directives for Catholic Health Care Facilities. This is a current restatement of basic moral and theological principles which have guided hospitals for centuries. Any constitutional consideration of the institutional conscience clause should be read in the light of this fact.*

It is submitted that adherence to these principles are protected by the First, Fifth, and Fourteenth Amendments to the Federal Constitution. Certainly, then, a religious order sponsoring a hospital which adheres to these moral and spiritual directives is entitled, in the interest of free exercise of religion, to refrain from acting in a manner which is contrary to basic religious beliefs and moral considerations.

In determining the right to rely on the *First, Fifth, and Fourteenth Amendments* to the Constitution, the following two considerations must be examined:

(1) Does the hospital corporation have the right to represent the interest of the *members* of the sponsoring group?

(2) Does the Corporation itself possess rights which are protected by the free exercise clause of the First Amendment as well as the due process clauses of the Fifth and Fourteenth Amendments?

Right of the Hospital To Represent Constitutional Interests of the Sponsoring Group

The decision of the Supreme Court in the case of *Pierce* v. *Society of Sisters*, 268 U.S. 510, 535 (1925) is a persuasive precedent for the proposition that a corporation may represent the rights of its patrons. In that case the Supreme Court held that the religious order which brought the action had the right to represent the interests of parents as well as its own corporate rights. The *Pierce* case was elevated to First Amendment status in the case of *Griswold* v. *Connecticut* 381 U.S. 479, 482 (1965) in which the right of privacy of a woman was first enunciated. This precedent has been consistently followed; for example, in the case of *Sierra Club* v. *Morton*, 405 U.S. 727, 738 (1972) the Court declared:

"It is clear that an organization whose members are injured may represent those members in a proceeding for judicial review" of *NAACP* v. *Button*, 371 U.S. 415, 428 (1963) and *NAACP* v. *Alabama* 357 U.S. 449, 458-59 (1958).

Just as the basic civil rights of parents were at issue in *Pierce* and the right to be free from oppressive discrimination in the *NAACP* cases, so the rights of the members of the sponsoring group are at stake in administrative or judicial action which would have the effect of requiring them to perform or cooperate in the performance of actions contrary to their conscience. Certainly, under these circumstances the precedents cited above and the many other cases which follow them clearly indicate that a hospital may assert the First, Fifth and Fourteenth Amendment rights of the members of the religious order sponsoring the hospital.

Corporate Rights of the Hospital

In the key case of *NAACP* v. *Button*, supra at 428, the right of a corporate organization to assert constitutional rights under the 14th Amendment was seriously challenged. The Supreme Court resolved the issue with the following words:

"We think petitioner may assert this right on its own behalf, because though a corporation it is directly engaged in those activities claimed to be constitutionally protected, which the statute would control," cf. *Grossjean* v. *U.S. American Press Company*, 297 U.S. 233, 56 S. Ct. 444, 80 L. Ed. 660.

Equally important is the case of *Kedroff* v. *St. Nicholaus Cathedral* 344 U.S. 94 (1952), where the Supreme Court held that a religious corporation—a church—could rely on the free exercise clause of the First Amendment. The court there concluded that a New York statute unconstitutionally interfered with the church corporation's right to free exercise of religion. It stated:

"The statute directly prohibits free exercise of an ecclesiastical right".

In other First Amendment cases the court has frequently affirmed the proposition that the First Amendment rights of speech and press may be asserted by a corporation. In *Grossjean* v. *American Press Company* 297 U.S. 233, 244 (1936), the court held:

"A corporation is a 'person' within the meaning of the equal protection and due process of law clauses, which are the clauses involved here" cf. *New York Times* v. *U.S.* 403 U.S. 713 (1971); *United Mine Workers* v. *Illinois Bar Association* 38 U.S. 217, 221-22 (1967).

Any lingering doubt about the right of a corporation and more particularly a hospital corporation to assert its own rights was resolved by the court in *Doe* v. *Bolton*. There it stated:

"It is to be remembered that the hospital is an entity and that it too has legal rights and legal obligations". *Doe* v. *Bolton* supra at 197.

Imposition of Burdens on Free Exercise

In a long series of cases the Supreme Court has consistently taken the position that governmental action which imposes an arbitrary burden on the exercise of constitutional rights is violative of the federal constitution. A leading case in this respect is *Speiser* v. *Randall*, 357 U.S. 513 (1958). In this particular case, an organization was threatened with the loss of its tax exemption if its officers did not comply with a statute requiring the taking of an oath of allegiance. The officers of the organization refused and the state moved against the tax exemption. The Supreme Court ultimately resolved the issue stating:

"So here the denial of tax exemption for engaging in certain speech necessarily will have the effect of coercing the claimants to refrain from the proscribed speech", supra at 518-19.

Similarly, any judicial or legislative effort designed to force hospitals or sponsoring groups to perform procedures contrary to their religious beliefs or moral convictions would have the ultimate effect of coercing claimants to abandon their First Amendment rights. In this connection, see *Sherbert* v. *Verner*, 374 U.S. 398 (1963).

Finally, it is submitted that reliance may be placed not only on the due process clauses of the Fifth and Fourteenth Amendments and the Free Exercise clause of the First, but also the Establishment Clause of the First Amendment. The principal thrust of the provision here under consideration is designed to prevent HEW and other government agencies from discriminating against a hospital which because of religious beliefs and moral considerations declines to participate in a federal program. In the case of *Walz* v. *Tax Commissioner of the City of New York*, 397 U.S. 664, 673 (1970), the court stated:

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* It is our understanding that other church related hospitals have similar guiding principles.

"The limits of state accommodation to religion are by no means co-extensive with the non-interference mandated by the free exercise clause. To equate the two would be to deny a national heritage with roots in the Revolution itself".

This statement of the Court represents an appropriate guideline for determining the constitutionality of the Kennedy-Schweiker Amendment, a guideline which has already been re-affirmed in *Doe* v. *Bolton*, supra and PL 93–45. It emphasizes the proposition the exemption is an historical and constitutionally appropriate method of achieving the Establishment Clause mandate of neutrality—neutrality between church and state. It demonstrates that the exemption or governmental accommodation is a constitutional method of avoiding oppressive administrative and judicial action. This principle, has characterized the whole development of church-state litigation. Certainly it confirms the fact that the Kennedy-Schweiker Amendment is not only consistent with constitutional principles but in fact is necessary in order to avoid hostility towards religious institutions and those sponsoring them.

8. Optometry—Residency Training—An amendment by Senator Javits for himself, Senator Kennedy, and Senator Schweiker

The purpose of this amendment, to provide special project grant authority to "schools of optometry to develop residency training programs respecting optometry", is to enable optometry schools to develop such residency training programs within the total optometric educational network nad permit the residency program to be integrated and supplement the present optometric curriculum.

This amendment is necessary to enable Optometric educational institutions—which have trained and educated practitioners in the general practice of optometry—to meet the needs and demands of the population served by the optometrist. It has been recognized that certain specialty areas of practice should be identified since specific knowledge and skill is required to examine, diagnose, and treat patients that have unique types of conditions of the visual system.

9. Relicensure of Physicians and Dentists—An amendment by Senator Javits for himself, Senator Kennedy, and Senator Schweiker

The purpose of this amendment, to require "appropriate procedures for" license renewal, is to clarify that in the development of standards for relicense the Secretary does not limit such license renewal to an "examination", either written or oral.

This amendment is necessary to respond to the legitimate concerns which are expressed regarding the inappropriateness and impracticality or arbitrarily proscribing a requirement that physicians and dentists take a formal examination to reestablish their credentials of competency.

By expanding the license renewal requirements to be based upon "appropriate procedures" not merely "an examination," it will provide sufficient flexibility to adapt to the multitude of variations that occur in the practice of medicine and dentistry. At the same time, this amendment will ensure the public of the quality of health care.

10. Optometry—Special Projects—An amendment by Senator Javits for himself, Senator Kennedy, and Senator Schweiker

The purpose of this amendment, is to provide special project grant authority to schools of optometry "to develop and implement programs and projects specifically designed to lead to the early detection and treatment of diseases which can be diagnosed as a consequence of the practice of optometry."

This amendment is necessary to enable optometrists to share in the responsibility of detection and prevention of potentially disabling diseases.

A portion of the optometric examination includes tests which determine the health status of the eye and a case history to assess the overall health status of the patient. The result of external and internal examination of the eye and adnexa will show the health status of the eye. Systemic diseases that have ocular signs are also observed during the course of an optometric examination.

The special project grant will provide a mechanism where optometry schools can further develop or strengthen the didactic or clinical curriculum as it relates to the early detection, diagnosis and treatment of conditions that affect the visual system.

11. Obligation service requirements—An amendment by Senator Javits for himself and Senator Kennedy

The purpose of this amendment is to ensure that where the individual state requires, at a minimum, an equivalent period of obligated service of an individual for its support of health professions education, that such service shall excuse such individual from the obligated service required under this bill.

This amendment is necessary to alleviate dual periods of obligated service—Federal and State. At the same time, the amendment will ensure to the individual state that where that state requires obligated service in such state in accordance with the laws of such state, that such state will not be deprived of the individual's obligated service to the people of that state.

12. Capitation and Litigation—an amendment by Senator Williams for himself and Senator Cranston

The bill before the Committee provided that any otherwise eligible school which enrolls an individual who has not signed an agreement to provide mandatory service will be ineligible to receive any capitation funds. Concern was expressed to the Committee that a school might be unfairly penalized in the case that a student obtained a court order requiring his or her admission on the basis of the claim that such student was fully qualified but for the student's refusal to sign a mandatory service agreement and that such agreement was violative of the Constitution or was otherwise invalid. If such an order was issued the provisions of the legislation before the Committee would have resulted in termination of capitation funding for the affected school.

It is the view of the Committee, as expressed in section VIII of this Report, that the provisions of S. 3585 are Constitutional. At the same time the Committee recognizes that litigation may be pursued to test the Constitutional issues. If, during the course of litigation, a school were forced to comply with a judicial order of the type described above and thereby deprived of capitation funds an inequitable situation would be created. To remedy this potential inequity, the Committee agreed to an amendment which would ensure that any school under a court order to admit a student who refused to sign a mandatory service agreement would remain eligible for capitation support. In addition, in order to assure that any Constitutional or other legal questions are fully resolved as they affect this legislation, the amendment authorizes the Attorney General to intervene in any court case brought by a student challenging the mandatory service requirements. As a party intervenor it is expected that such legal questions will be fully litigated by the Justice Department so as to assure that the legality of the mandatory service provision can be finally resolved.

13. Rehabilitation medicine, special project grant authority—an amendment by Senator Williams

The Committee recognizes that most individuals with disabilities do not have their on-going health care needs met at centers specializing in rehabilitation care. It is therefore critical that health professionals become more knowledgeable about the important health needs of disabled persons. Training programs should be developed and conducted by and in consultation with disabled persons who are familiar with these special health care needs. In addition, programs should be developed so as to assure a greater sensitivity toward the special health care problems of disabled persons on the part of health care personnel.

The Committee also notes that because there are too few persons with disabilities who are involved in the delivery system as health care professionals, attention should be given by the schools of the health professions to recruiting such persons as students in these schools.

14. Health needs of women; special project grants—An amendment by Senator Williams

The Committee has been concerned about reports that health professionals are showing a lack of sensitivity toward the health needs and problems of women. While female patients are more and more willing and anxious to discuss their health problems and concerns with health professionals, these professionals appear to be less than fully responsive. The Committee believes that it is vital to train health professionals not only in the physical and psychological aspects of female health care, but training programs must be developed to assure that health professionals understand that their attitudes toward female patients are a vitally important part of delivering health care. In addition it is the Committee's view that special emphasis should be given to training health professionals in treating women with disabilities.

Programs under this provision should be established which provide this type of training for students and which also would include professionals already practicing (such as physicians, nurses, physical therapists and others). In developing programs applicants should develop training materials in such a way as to assure that women including women with disabilities are heavily involved in the preparation of these materials and other course content. In this regard, applicants are encouraged to develop programs in conjunction with whatever research is being done in this field.

15. Radiation Health and Safety—An amendment by Senator Randolph

Since 1967 legislation has been under consideration by the Congress to provide for State licensure of the users and operators of medical radiologic equipment such as x-ray equipment. An initial proposal providing for Federal minimum advisory standards for the licensure of radiologic technicians and for the assurance of adequate training of such individuals was contained in the Senate passed version of the Radiation Control for Health and Safety Act of 1968; however, the provision was dropped at the House-Senate conference.

Since then three separate Congresses have considered similar legislation introduced by Senator Jennings Randolph, and others. The bill reported by the Committee contains as Title IX the provisions, as amended, of S. 667, the Radiation Control for Health and Safety Act. The measure provides for Federal minimum standards for use in Federal and State licensure of radiologic technologists and also for accreditation of schools training such allied health professionals as well as other health care personnel.

The measure, S. 667, introduced by Senator Randolph on January 31, 1973, is cosponsored by Senators Bayh, Byrd of West Virginia, Dominick, Gravel, Hart, Javits, Kennedy, Mondale, Moss, Muskie, Scott of Pennsylvania, Stevens, Gurney, and Williams. At the request of Senator Kennedy, hearings on this legislation were chaired by Senator Randolph on June 19, 1974, before the Subcommittee on Health at which time testimony was received from Senator John V. Tunney; Representative Edward I. Koch; Dr. Claire Nader; Dr. Charles C. Edwards, Assistant Secretary for Health, Department of *Health, Education* and Welfare; Dr. William D. Rowe, Deputy Assistant Administrator for Radiation Programs, Environmental Protection Agency; Mrs. Polly C. Story, President, American Society of Radiologic Technologists; Mr. Saul Harris, Director, Bureau of Radiation Control, New York City Department of Health; Dr. James P. Steele, Chairman, Commission on Radiologic Technology, American College of Radiology; and Mr. Howard Goldman, Director, Bureau of Radiologic Technology, New York State Department of Health.

THE NEED

The general public's exposure to radiation sources in medicine and dentistry is next to natural background, the largest contributor to the consumer's radiation exposure in the United States. Medical and dental sources of radiation currently account for over 90 percent of all human exposure to ionizing radiation. In contrast, normal operation of nuclear power plants accounts for less than 1 percent of the consumer's exposure to ionizing radiation.

The attendant benefits from the use of radiation for medical and dental diagnosis and for radiation therapy are well recognized for their essential role. Moreover, the risks associated with undergoing an efficacious x-ray examination needed for proper medical care are less than the risks which would be incurred without the examination.

However, as observed five years ago by Dr. Donald Chadwick, then Director of the U.S. Public Health Services' Division of Radiological Health and past Executive Secretary of the former Federal Radiation Council:

"Our knowledge of the biological effects of radiation has many gaps, but enough is known that practitioners of medicine, dentistry, and public health should make every feasible effort to prevent or reduce all unnecessary radiation exposure. The size of the population at risk and the possible consequences of failure to take appropriate action are too great."

Potentially the whole United States population is at risk. For example, in 1970, alone some 129 million people (or 63 percent of the population), received 210 million medical diagnostic radiologic examinations (or 68 examinations per 100 persons). In the process, an estimated 8 million pregnant women and their yet unborn children were placed at risk. Selected population segments such as the elderly experienced even greater incidence of examinations.

In addition, in 1970, some 4 million individuals were administered radio-pharmaceuticals in the diagnosis or treatment of disease. Concurrently, the use of microwaves and ultrasonics for therapeutic purposes also has emerged as a significant potential source of consumer radiation exposure, often without any medical supervision.

Dental radiography also is increasing amounting in 1970 to 67 million examinations, averaging about 4 films each. Involved were over 150,000 dental x-ray units being operated by about 89,000 dentists and their 130,000 dental assistants.

The need for prudent use of potentially hazardous radiation such as x-rays and, although less well understood, ultrasound is generally recognized. Standard-setting bodies such as the National Council on Radiation Protection and Measurement, the International Commission on Radiological Protection and the Federal Radiation Council (whose authority now resides in the Environmental Protection Agency), have warned that any exposure to ionizing radiation carries with it some risk of adverse public health effects. As expressed by the International Commission on Radiological Protection—

"The cautious assumption (is) that any exposure to radiation may carry some risks for the development of somatic effects including leukemia and other malignancies and of hereditary effects. The Assumption is made that down to the lowest levels of dose the risk of inducing disease or disability increases with the dose accumulated by the individual. This assumption implies that there is no wholly safe dose of radiation."

Using data from the 1972 report of National Academy of Science-National Research Council on The Biological Effects of Ionizing Radiation (BEIR Committee), mentioned subsequently, the Environment Protection Agency verified earlier estimates that medical radiation exposures alone to the U.S. population is leading to (1) between 600 and 14,000 serious disabilities, congenital abnormalities, constitutional diseases and deaths per year; (2) between 1,800 and 9,000 cancer deaths per year; and (3) from 0.7 to 7 percent of all ill health in the United States.

Those radiologic services are ordered by some 230,000 physicians, approximately 10,000 of whom are radiologists with specialized expertise in the use of radiation for diagnostic and therapeutic purposes. With the exception of California, there is no requirement for training of physicians—96 percent of these physicians—in the medical uses of radiation. However, because of the growing availability of radiologists and the increasing sophistication of diagnostic examinations now possible in modern medicine, there is a trend toward concentration of the performance of more and more of these examinations in the hands of radiologists.

The actual performance of medical radiologic services, however, is now for the most part delegated by physicians to more than 100,000 full-time and 50,000 part-time equipment operators. Some one-half to two-thirds of these operators of the medical x-ray equipment have not demonstrated their competence to perform these services to the extent required for certification by the American Registry of Radiologic Technologists (who amount to some 35,000 to 40,000 radiologic technologists). Evaluation of the competence of these radiation equipment operators for the most part is left to the 230,000 physicians in the United States, among whom are about 10,000 radiologists.

Historically, the American Medical Association (AMA), the American College of Radiology (ACR), and the American Hospital Association (AHA) have argued that the physician has the basic responsibility for exposing the consumer to potentially hazardous radiation—no one else can bear this responsibility. Even accepting this premise, while a non-radiologist physician may know best when to prescribe radiologic services, it does not necessarily follow that he also knows best how to administer the radiologic procedures himself, or that he knows when the patient should be sent to someone else and what qualifications that someone else should possess. Accceptance of the above premise, perhaps more than any other factors, is the reason the safety and efficacy of current radiologic practices still remain a major public health issue.

The United Nations Scientific Committee on the Effects of Atomic Radiation in 1972 stated: "The awareness of the radiological staff of the importance of the protection of the patient is probably the greatest factor in the control of population exposure." Moreover, a significant portion of present consumer-patient exposures can be avoided without a decrease in benefits by improvements in training, equipment, techniques, and procedures in administering radiation to patients, particularly the application of x-rays in diagnostic procedures.

When X-ray examinations are prescribed for a patient, the logical assumption is that the radiation procedures are being performed in a professional manner. Moreover, when consumer-patients present themselves for radiologic services their assumption is that—

Only licensed medical practitioners will actually order the radiologic examinations;

The medical practitioner will order radiographs only when absolutely necessary to confirm a preliminary diagnosis;

The practitioner will order only the minimum number of radiographs necessary for clinical diagnosis;

The practitioner will elicit information from a potentially pregnant woman taking this into consideration in ordering radiologic services;

The radiation risk to the individual patient and the clinical benefits to be achieved can be and will be evaluated by the practitioner in the best medical interests of the patient;

The benefit-risk evaluation will be provided to the concerned consumer-patient in a way that can be reasonably understood;

The patient can request that radiologic services can be deferred;

Non-practitioner (technologist) who take radiographs are sufficiently trained to obtain the quality of image necessary for the practitioner to obtain the clinical data required;

The technologist knows how, for a given patient, to achieve the best possible radiographs for the particular diagnosis of interest to the ordering practitioner with the lowest possible radiation exposure;

The technologist will supply appropriate gonadal shielding when the gonadal area is not the specific subject of the radiograph but may receive radiation exposure or when the patient so requests;

The technologist who does the positioning, the setting of machine controls, the activating the actual exposures, and the development of any films is competent to provide the necessary data for the practitioner in the finished picture as quickly as possible, minimizing prolonged patient discomfort and anxiety;

The practitioner who reads the radiographs is sufficiently expert through training and experience to read and interpret them in terms of the patient's individual needs; and

If the above cannot be carried out properly, the patient will be so informed and be referred to a qualified radiologist or medical center who in turn will employ qualified technologists and expertly interpret the finished radiographs.

In summary, the patient assumes a "Consumer Bill of Rights for Radiation," when agreeing to undergo radiologic services. While these assumptions can be assured by qualified practitioner, there is ample evidence to suggest that this is not the present situation; National surveys by the Public Health Service indicate that current radiologic practices are not being now routinely performed in efficacious ways, at maximum benefit and minimum risk for the consumer-patient.

For example, a 1972 survey in Suffolk County, New York, concluded that the four most common causes for unnecessary consumer-patient radiation exposure are:

Lack of training or inadequate training of the equipment operators;

X-ray machines that do not comply with applicable standards;

Inadequate positive shielding for operators; and

Lack of concern of the operators for good X-ray protection procedures.

Many of the owners and operators did not even know if their X-ray equipment is functioning according to the State regulatory requirements. Consequently, the patient, the doctor's office staff, and often the operator, all were unsuspectingly being exposed to unnecessary radiation.

The FDA's Bureau of Radiological Health has initiated programs to control unnecessary consumer radiation exposure from electronic products under authority contained in the Radiation Control for Health and Safety Act of 1968. Performance standards for diagnostic X-ray equipment intended to reduce unnecessary exposures have been promulgated pursuant to P.L. 90–602 by the Bureau of Radiological Health with an effective date of August 1, 1974. However, this statute does not provide complementary authority to establish qualifications for the operators of potentially hazardous radiation devices such as those employed in providing medical and dental health care services.

Dr. Karl Z. Morgan, a founder and past president of the American Health Physics Society, has demonstrated that—

"An unqualified operator of radiologic equipment inadvertantly can overturn any benefits derived from equipment performance standards estalished pursuant to P.L. 90–602; the outcome is unnecessary consumer hazards. This is true irrespective of whether the operator is a poorly trained physician or radiologic technologist."

Like many other extremely useful and even necessary technologic advances, radiologic techniques can be misused through ignorance, neglect, carelessness, and lack of appropriate education and training; in this case, the principal concern is training in the fundamentals of radiation protection.

Although the critical factors affecting consumer-patient exposure are quality and continuing education, the quality of present radiologic technologist graduates appears to warrant improvement. For example, annually there are some 5,000 to 6,000 graduates from AMA accredited schools the majority of whom go directly into practice without seeking voluntary certification by examination. Results for those who take the examination of the American Registry of Radiologic Technology cast doubts on the quality of their training. For example, out of some 3,000 students who graduated from AMA accredited schools who took the examination in 1971 some 500 did not pass and out of some 1,000 who failed the year before, one-half failed again to achieve the passing grade of 59, itself a compromise reflecting the prevailing low quality of the training and indicating the measure of corrective actions that have to be taken.

There is limited information available on the role of the radiologic technologist in reducing patient exposure; however, FDA data shows that while credentialed (registered) operators performing chest x-ray examinations fail to restrict the x-ray beam to the size of the film 46 percent of the time, non-credentialed individuals fail to do so 70 percent of the time.

This would indicate that while some improvement in reduced patient risks is achieved through credentialing, the performance of voluntarily credentialed individuals remains far from adequate. Thus continuing education would appear warranted.

Presently the American Society of Radiologic Technologists, in collaboration with the American College of Radiology and the Council on Medical Education of the American Medical Association, establish the accreditation standards and curricula, along with a syllabus, for radiologic technologists. Such minimum requirements, known as "Essentials," are then subject to adoption by the House of Delegates of the American Medical Association.

Actual accreditation is performed by the AMA's Council on Medical Education—the largest specialized allied health accreditation body in the country—which is recognized by the Office of Education for this purpose. Accredited institutions for the training of radiological technologists—1,276 programs, involving 1,884 sites—are surveyed and evaluated at least every five years by the Joint Review Committee on Education in Radiologic Technology, which was established in 1970 and relies on voluntary services from radiologists and technologists across the country. A similar Joint Committee on Education Programs in Nuclear Medicine Technology exists for this specialty. Recommendations of these two Committees are forwarded to the Council on Medical Education for further action.

The need to improve on the efficacy of radiologic services has spurred no less than seven national or Federal bodies between 1966 and 1974 to have recommended licensure of radiologic technologists. For example, the National Advisory Committee on Radiation in April 1966 advised the Surgeon General: "minimum legal standards of education, training, and experience for (radiologic) technologists appear to be necessary to bring about (an) increase in the effectiveness with which radiologic services are delivered to the public."

Some fourteen months later, in June 1967, Secretary John W. Gardner's Task Force on Environmental Health and Related Problems—charged with recommending the goals, priorities, and strategy for the Department of Health, Education, and Welfare to cope with environmental threats to man's health and welfare—concluded that "radiation hazards, in spite of the amount of public sensitivity to the subject during the past quarter century are still in need of improved control. Clearly more protection is needed." The Task Force observed that, "even with widespread concern about the danger of x-rays, many Americans are overexposed in diagnostic and therapeutic practice." The Task Force went on to recommend that, "all persons using x-ray equipment should be licensed to do so, after fulfilling written examinations as to their competency."

The same year, in October 1967, further support was forthcoming from the Surgeon General's Medical X-Ray Advisory Committee on Public Health Considerations in Medical Diagnostic Radiology in their report entitled, "Public Health Considerations in Medical Diagnostic Radiology (X-Rays)." The report observed that, "prime consideration should be the total public health interest and that the stage has been reached when mandatory requirements of examination, training, and experience are appropriate."

In the words of the Surgeon General's Medical X-Ray Advisory Committee, this recommendation was warranted despite the fact that "the voluntary procedures of certification by the American Registry of Radiologic Technologists (ARRT) set a general high level of such assurance" that medical x-ray equipment operators are knowledgeable and competent. Nevertheless, the Committee concluded that instruction for general purpose technologists was "unusually insufficient for more than sketchy coverage of radiation safety and efficiency. . ."

While the Committee held no brief for licensure *per se*, it recognized that licensure "may be the best mechanism for assuring the fulfillment of minimum requirements" for proficiency. The licensure could be accomplished gradually "with a transition period to avoid the disruption of vital radiological services if such programs are put into effect. Uniformity in standards for each actions would be highly desirable."

The fourth point of support was the Department of Health, Education, and Welfare, itself, in its August 1970 Annual Report to the Congress pursuant to the Radiation Control for Health and Safety Act of 1969 (P.L. 90–602). The report recommended that—

"The Public Health Service should vigorously promote licensures or certification of users of radiation sources in the healing area. Licensure or certification should be uniformly applied at Federal and State levels. Full use should be made of model regulations to assure compatibility between states."

Similar support was expressed in May 1971 in their 1971 Annual Report (pursuant to P.L. 90–602) which recommended that, "P.H.S. should vigorously promote State licensing or certification of users of radiation sources employed in the healing arts which are not subject to A.E.C. control."

During this period, in 1970, as Chairman of the then Federal Radiation Council, the Secretary of Health, Education, and Welfare instituted a review and evaluation of the relevant scientific information on the potential hazards of ionizing radiation in the environment. The evaluation was undertaken by the Committee on the Biological Effects of Ionizing Radiation (BEIR Committee) of the National Academy of Sciences—National Research Council. Their review, which was completed in November 1972 after the FRC function was transferred to the Environmental Protection Agency, is entitled "The Effects on Populations of Exposure to Low Levels of Ionizing Radiation."

The BEIR Committee declared "the use of ionizing radiation in medicine is of tremendous value;" nevertheless, "it is essential to reduce exposures since this can be accomplished without loss of benefit and at relatively low cost." And, concluded the BEIR Committee, it is precisely because "medical exposure can and should be reduced considerably by limiting its use to clinically indicated procedures utilizing efficient exposure techniques and optimal operation of radiation equipment" that consideration should be given to appropriate training and certification of involved personnel.

According to the BEIR Committee and others, "the aim is not only to reduce the radiation exposure to the individuals, but also to have procedures carried out with maximum efficiency so that there can be a continuing increase in medical benefits accompanied by a minimum radiation exposure."

In this regard, the BEIR Committee concluded ". . . that it appears reasonable that as much as a 50 percent reduction in the genetically significant dose from medical radiology might be possible through improved technical and educational methods." Even greater reductions in unnecessary medical radiation exposures have been estimated by Dr. Karl Z. Morgan, founder of the American Health Physics Association. Dr. Morgan believes that medical reduction exposures can be reduced to 10 percent of present values through "(1) improved equipment, (2) education, training, and certification of all who prescribe or apply medical ionizing radiation to man; and (3) better techniques and a proper motivation on the part of all medical men to reduce patient exposure to a level as low as practicable."

More recently, the National Conference of Radiation Control Program Directors in May, 1974, adopted a resolution urging the Congress and State legislatures to adopt "such legislation as is presently before them to assure the continuation or implementation of programs for licensure of operators of medical diagnostic x-ray equipment." The resolution urged the Congress and the Food and Drug Administration "to adopt a public policy supporting such legislation" and urged further that "the Food and Drug Administration actively assist states in drafting state legislation and organizing as effective implementation of present and future operators licensing legislation."

A unanimity of support for mandatory licensure of radiologic technologists is apparent among public health specialists, including environmental health and radiological health experts. Similar resolutions have been adopted by such organizations as the American Public Health Association, the Conference of State Sanitary Engineers, and the American Association of State and Territorial Health Officers.

Although these professional organizations, which include State officials, support mandatory Federal minimum standards for the licensure of radiologic technologists, the Department of Health, Education, and Welfare's official position is that the licensure and credentialing of allied health professionals and health professionals generally is a legitimate State responsibility, perhaps under a non-Federal national framework of common policies and approaches. Moreover, it is the Department's opinion that there is no case for singling out radiologic technologists for Federal licensure. The Department deems current programs being carried out on a voluntary basis as adequate.

Although this position is endorsed by the American College of Radiology, the American Medical Association, and the American Hospital Association, the Council of The American College of Radiology—in recognition of the public health implications of unnecessary radiation exposure—resolved in 1973 "that the College seek the assistance of the AMA in drafting appropriate legislation for regulating technologists, and that this legislation should embody requirements that radiologic technologists operate x-ray equipment for medical purposes only under the direct supervision of physicians . . ."

Moreover, in recognition of the implication of a proliferation of State licensure programs, the American College of Radiology stated in a letter to the Committee that the College would favor "the concept of a federally mandated consistency over the uncoordinated development of 50 separate and incompatible state programs."

This situation is further complicated by the Department of Health, Education, and Welfare's position advocating continuation of a general moratorium until December 1975 on the licensure of all allied health personnel, including radiologic technologists. This position also is endorsed by the American Medical Association, the American College of Radiology, and the American Hospital Association as well as other professional organizations in the field other than many of the organizations representing allied health professional themselves.

This moratorium originates from a 1971 report by the Secretary of Health, Education and Welfare to the President and the Congress entitled, "Report on Licensure and Related Health Personnel Credentialing"; the report concludes that "at a time when the education and training of health professions is undergoing rapid change, when the organization of health care is being modified, and when the functions of health workers in the various service settings are being revised and broadened, it would be unwise to develop new statutes that define functions narrowly and that establish rigid requirements for education and training."

At the time, the Secretary recommended that State observe a two year moratorium on enactment of new licensure statutes. Subsequently, in June, 1973, a further extension of the moratorium was advocated until December 1975.

However, the Committee notes that in preparation of these reports the licensure of radiologic technologists or any other profession was not specifically considered although this is the largest specialty group among allied health professions. Moreover, the Committee observes that the initial report was prepared by an intra-Department task force, which did not include a representative for radiological health interests, and that the government advisory committee mailing list of 62 members contains only one representative of radiological health interests, the Director of the FDA's Bureau of Radiological Health. The June 1973 interim report received even less widespread circulation for review and comment.

While this moratorium was intended to provide a holding action to provide time to develop long-term solutions toward improving the quality of health care services, it must be emphasized that the moratorium does not also apply to hiring of people. A more consumer oriented approach, particularly wth regard to radiologic technologists, might well have been to also consider a similar moratorium on hiring.

The concept of national standards for radiologic technologists was endorsed over 50 years ago by the American Medical Association which undertook to develop an approval system for schools of radiologic technology and undertook establishment of the American Registry for Radiologic Technologists to provide examinations for the graduates of the AMA schools. This is now the largest allied health professional program approved by the American Medical Association.

However, the United States is presently faced with the situation where the competence of almost two-thirds of the practicing radiologic technicians for the most part are unknown. Two approaches are taken in the Radiation Health and Safety Act of 1973, intended to upgrade the quality of consumer-patient radiologic services: First, a control mechanism is provided over admission into the profession by means of licensure; and Second, control is provided over the quality and content of educational curriculum by means of accreditation.

ACCOMPLISHMENTS TO DATE

While government control over consumer and occupational exposure to radiation and radioactive materials is divided between the Federal government and the States, Federal programs concerned for the delivery of radiologic services in diagnosis and treatment of disease reside principally in the Department of Health, Education and Welfare; complementary programs reside in the Environmental Protection Agency and the Atomic Energy Commission.

This legislation would authorize the Secretary to establish a national licensure program to control radiologic technologists as users radiation in medicine. Under existing authority the Secretary through the FDA's Bureau of Radiological Health controls electronic product radiation under the Radiation Control for Health and Safety Act of 1968; while the Atomic Energy Commission controls what are termed source, by-product, and special nuclear materials under the Atomic Energy Act of 1954, as amended.

Strong, uniform Federal control has been instituted under these statutes; however, similarly consistent and effective control has not been nationally applied over radium and its daughter products and over accelerator-produced radionuclides. Radium, a naturally occurring radioactive element, has been in use since the turn of the century and as such has the longest history of use of any radioactive material. Although it is more hazardous than most man-made radioactive materials, a Federal regulatory program over radium, similar to that for exercised by the Atomic Energy Commission, does not exist. Involved in 1970 were approximately 2,300 medical facilities using 50,000 to 55,000 radium sources to provide about 85,000 medical treatments annually.

Likewise, a Federal regulatory program over the use of accelerator-produced radioactive materials does not exist, although many of the same radioactive materials are involved as those regulated by the Atomic Energy Commission. Moreover, the use of these accelerator-produced radioactive materials in nuclear medicine is increasing to certain unique advantages.

State governments historically exercised the first controls over radiation and radioactive materials dating to the early 1900's; however, State programs vary significantly in their scope and effectiveness, being concerned mainly for the registration of x-ray machines and other sources of radiation. More recently, some State health and labor departments, have been looking into the control of microwave, laser, and ultrasonic radiation, also.

Beginning with New York in 1964, a number of States have initiated programs requiring licensure of radiologic technologists. Three States—California, New Jersey, and New York—and Puerto Rico have mandatory programs while three other States—Hawaii, Kentucky, and Vermont—are in the process of implementing licensure statutes. Some 13 other State legislatures are considering licensure proposals.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The Department of Health, Education, and Welfare has specific regulatory authority over electronic product radiation and limited authority over the uses of radioactive materials in medical diagnosis and treatment. For example, radium because it is a naturally occurring radioactive material is not subject to control even as a radio-pharmaceutical. A similar situation exists for radioactive materials produced through use of particle accelerator. There thus is an absence of uniform and effective control over all radioactive materials employed in the diagnosis and treatment of disease.

While the Department, under the Radiation Control of Health and Safety Act of 1968 (P.L. 90–602), has set performance standards for control of radiation from electronic products, such as x-ray equipment, microwave ovens, and television receivers, their authority does not extend to controlling the use of these electronic products. Their authority, however, is limited to design of these products to keep unnecessary exposure within acceptable limits. Thus, a major feature of the programs of the FDA's Bureau of Radiological Health is a provision for technical advice and assistance to State agencies for their use in controlling the users of these electronic products.

With respect to certification or licensure of radiologic technologists, the FDA's Bureau of Radiological Health in October, 1970, developed model legislation for establishing minimum State educational and training requirements for all users of ionizing radiation in the healing arts. The model legislation focuses on establishment of minimum educational and training standards for persons using medical x-ray equipment and dental x-ray equipment and on State certification of the users of x-ray equipment and radioactive materials in the diagnosis or treatment of disease. The certification requirements also cover medical and dental assistants as well as physicians, dentists, and other licensed medical practitioners.

However, in keeping with the Department of Health, Education, and Welfare's position supporting a moratorium on licensure of new health occupations, their present operating policy is to make this model legislation available to States, along with associated consultation and assistance, after the decision is made to embark on a mandatory licensure program.

At the present time, the FDA's Bureau of Radiological Health is actively promoting programs to upgrade through training the skills of radiologic technologists and other users of x-rays.

The voluntary programs to improve the skills of radiation users are aimed at upgrading the competence of these personnel through improved curricula in schools, promoting continuing education of practitioners and their staffs, and assisting State and local jurisdictions with respect to radiation usage. These efforts are in keeping with the Bureau's long-standing program for providing requested assistance to State and local radiation protection programs.

With respect to the training of medical students, the Bureau has designed and developed a learning system for medical students to promote more judicious and effective use of medical x-rays by improving on the physician's ability to decide when an x-ray examination is indicated and by teaching him the skills required to adequately interpret the information on the finished radiograph. This training system, now employed in approximately one-third of U.S. medical schools, emphasizes the three phases of an x-ray examination: (1) selecting the patient, (2) performing the examination, and (3) interpreting the results.

In the dental area, the FDA's Bureau of Radiological Health has developed educational and audiovisual materials which are used to upgrade the training of dental students and dental auxiliaries in the use of x-rays.

In recognition that formal training alone does not establish or determine an individuals competence the Congress provided in section 241 of Public Law 92-603 that the Department of Health, Education and Welfare develop proficiency tests designed to measure the fitness of persons working as X-ray technologists in facilities qualified for reimbursement by Medicare and Medicaid. Such proficiency tests are now in development under contract to the Bureau of Health Resources Development in consultation with the FDA's Bureau of Radiological Health. Although the first such proficiency tests remain to be completed and fully validated, the Committee would encourage the Secretary to utilize the results of this effort, coupled with continuing education, to serve as a criterion in the verification of competency for those individuals who are not now certified.

ENVIRONMENTAL PROTECTION AGENCY

Responsibility for establishment of general Federal radiation guidance applicable to all Federal agencies now resides in the Environmental Protection Agency. This authority, which formerly resided in the Federal Radiation Council, was transferred to the EPA by Reorganization Plan No. 3 of 1970. The Atomic Energy Act of 1974 was subsequently amended (Subsection 274(h)) vesting the EPA Administrator with responsibility to "advise the President with respect to radiation matters, directly or indirectly affecting health, including guidance for all Federal agencies in the formulation of radiation standards and in the establishment and execution of programs of cooperation with States."

During Fiscal Years 1975 and 1976, the Environmental Protection Agency plans to review previous radiation protection guides (issued by the former Federal Radiation Council) and develop guidance for medical uses of radiation to reflect the radiation protection concept of "as low as practicable" consumer exposures. The goal for the guides will be to assure that the benefits to patients from the use of medical X-rays are derived at minimum risk in Federal health care programs and Federal facilities by giving appropriate guidance to affected agencies.

To aid in the formulation of such Federal radiation protection guidance, the Environmental Protection Agency on July 5, 1974, established an Interagency Working Group, to assist the EPA "in initiating a Federal effort to reduce unnecessary radiation exposures from the use of X-rays in the healing arts." The objective of the program is "to improve practices in Federal installations and to set a Federal example that might eventually influence the private sector . . ."

While the Committee endorses this initiative by the Environmental Protection Agency, the Committee would encourage the EPA to work in close cooperation and consultation with the FDA's Bureau of Radiological Health which has a primary responsibility for protecting the public health and safety from electronic product radiation, such as X-rays, and is responsible for implementation of the Radiation Control for Health and Safety Act of 1968. Moreover, while the Secretary of Health, Education and Welfare will have primary responsibility for implementation of the Radiation Health and Safety Act of 1974 it must be consistent with Federal radiation protection guidance formulated by the Environmental Protection Agency.

ATOMIC ENERGY COMMISSION

While the Atomic Energy Commission exercises considerable authority to regulate the control and disposition of radioactive materials being produced by commercial uses of nuclear power, their jurisdiction does not extend to naturally occurring radioactive materials, such as radium, or to radioactive materials produced in machines such as cyclotrons or other accelerators. Such materials presently are within the jurisdiction of States.

Moreover, over recent years some State governments have entered into agreements with the Atomic Energy Commission to take over regulation of possession and use of certain artificially produced radioactive materials or by-product materials, including such radioactive materials where employed in the diagnosis and treatment of disease. By the end of 1972, such regulatory responsibilities had been assumed by 24 Agreement States for about 8,500 licenses, while in the remaining 26 States the Atomic Energy Commission continued to regulate some 8,100 licenses for these kinds of materials.

Specialists in nuclear medicine, or the internal use of radioactive materials for diagnostic or therapeutic purposes, usually are required to obtain such a license to perform their specialty from the Atomic Energy Commission. Some 2,800 licenses have been issued to such physician specialists.

According to a General Accounting Office report, while such practitioners are licensed, the Atomic Energy Commission does not impose any minimum standards for the assisting technicians, nor does the Atomic Energy Commission require records as the basis for evaluating the qualifications of such individuals. The Committee would encourage the Atomic Energy Commission to undertake such actions, and others, to upgrade this program consistent with the purposes of the Radiation Health and Safety Act of 1974.

16. Enrollment increase waiver—An amendment by Senator Mondale

The bill requires that schools receiving capitation grants agree to annual increases in first-year enrollment (10% if enrollment is under 100, 5% or 10 students, whichever is greater, if enrollment is over 100).

The bill further provides that schools which exceed enrollment increases in any year may "carry forward" the excess to the next year for purposes of the enrollment increase requirement. The purpose of this provision is to avoid creating disincentives for making greater-than-required increases in a given year.

The amendment provides that any school which, within six years preceding enactment of this section, has increased its first year enrollment by more than ⅓, may apply the "carry forward" procedures of paragraph 1 as if the increase requirement of this act had been in effect the year in which the ⅓ increase takes place. Any surplus which results from this "carry forward" process may be applied when provisions of this act become effective. This provision is designed to provide equitable treatment to schools which have achieved massive enrollment increases in the recent past. Such schools deserve "breathing space" in which to build additional staff and physical capacity before being required to make further increases.

17. Financial distress grants—An amendment by Senator Mondale

This amendment extends through June 30, 1979 the existing program of Financial Distress Grants for schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy and podiatry at the present authorization level of $10 million per year.

In Fiscal Year 1974, six medical schools and 11 other schools received at total of $7.1 million in grants.

In the committee's judgment, full funding of the capitation program would eliminate need for special federal distress assistance.

18. Bilingual health opportunities—An amendment by Senator Cranston

The reported bill addresses the special health needs of minority population groups whose members have limited English speaking abilities. Three major factors contribute to the limited ability of these population groups to secure adequate health care.

First, the inability of the non-English-speaking individual to enter the system as a patient because of his inability to make himself understood, or to understand the system;

Second, the cultural sensitivities which interfere with communication about or the understanding of the nuances of or benefits available under various health programs; and

Third, the fierce competition for student places in health training institutions which mitigates against the enrollment of the student whose background hinders him from performing well on standard entrance examinations geared to the scope of knowledge of students with affluent middle class backgrounds who share certain linguistic and cultural attributes and characteristics. In addition, these cultural and language differences are frequently compounded by financial difficulties which deter many young people from seriously considering education in the health field because of the years of financial commitment required for training at the professional level.

Under the reported bill, programs would be provided for health professions schools to make health personnel aware of the cultural sensitivities of individuals with limited English-speaking ability. These programs would be made available to students in training, and, as a part of continuing education, to health personnel practicing in the community, particularly in those communities where a substantial proportion of the population served is of limited English-speaking ability.

The reported bill amends the section newly designated as section 781, authorizing grants to hospitals for training, traineeships, and fellowships in family medicine, to give priority to the recruitment of bilingual individuals for such training programs, and to establish special programs at those hospitals offering such training, to increase the awareness of trainees to the cultural sensitivities of individuals with limited English-speaking ability where the hospital serves of catchment area with a substantial proportion of the population having limited English-speaking ability.

The reported bill also adds a new section to title VII of the Public Health Service Act to authorize the establishment of up to four bilingual health training clinical centers affiliated with university medical centers in communities where a substantial proportion of the residents is of limited English-speaking ability. The Committee intends that these centers would place a priority on the recruitment and training of personnel with appropriate bilingual abilities, in internship, residency, and other health training programs, and would place a primary emphasis on the provision of health care services to the surrounding community in a manner responsive to the unique cultural and linguistic needs of the community.

The bill as reported also includes among the special project grant authority, and the health manpower initiative award authority, as a purpose for which grants and contracts may be awarded, the establishment and operation of projects in health training institutions to increase the awareness by health personnel of the cultural sensitivities, related to health, of individuals with limited English-speaking ability, with special emphasis on training programs including clinical training utilizing team training, and continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability. Projects of this type may also be chosen by health training institutions in meeting part of the eligibility requirements for capitation grants, which may be chosen as an alternative to mandatory enrollment increases.

The reported bill, in addition, includes an amendment to the existing authority providing for the recruitment and retention of students who are financially or otherwise disadvantaged, by specifying that individuals who are bilingual in an appropriate language as determined by the Secretary, should be included specifically among those for whom recruitment programs are established.

To determine if there are hindrances to optimum performance by students who are financially or otherwise disadvantaged on competitive entrance examinations to health professions schools, the bill, as reported, mandates a special study to determine the effectiveness of entrance examinations to accurately detect the student's potential to participate in and benefit from health professions education and training programs and to effectively apply that training in the practice of a particular health discipline.

19. Obligated Service and Student Participation—An amendment by Senator Hathaway

The Committee amended Section 402 of the bill to require that the Secretary consult with representatives of student groups before establishing a selection method for determining which students shall serve when the number of students obligated for service exceeds the number required for service in medically underserved areas. The Committee believe that since the students are the group most affected by the selection method employed, their rights should be guarded and their viewpoints presented to the Secretary by their own representatives.

The Committee also adopted language providing that, to the extent practicable, the Secretary shall assign students to areas in accordance with their stated preferences. In making these assignments by stated preference, students who have volunteered for service shall be considered first. The Committee believes this provision will serve both as an incentive for individuals to volunteer for service, and as a means of maximizing the likelihood of an individual staying in the area beyond the period of his obligated service.

20. Obligated Service requirements—An amendment by Senator Hathaway

The bill originally introduced contained a double payback formula as a penalty for students who defaulted on their service obligation. This penalty formula required a student to pay back to the government twice the amount of any loan or scholarship, and twice the amount of capitation paid to the school on behalf of that student, plus interest.

The Committee felt that this provision for a double payback was inequitable in that such a penalty would fall more heavily on individuals of more limited financial means.

The Committee believes that any individual who fails to comply with his service agreement should be required to reimburse the federal government for its contribution to his educational expenses. However, the Committee believes that any further penalty imposed for noncompliance should not discriminate in its deterrent effect in favor of the wealthier individual. The Committee therefore substituted a single payback formula as the penalty for failure to fulfill a service obligation.

21. State licensing conditions—An amendment by Senator Hathaway

Section 799(B) of the bill as introduced provided that a State may establish a program for licensure of physicians and dentists if that program "meets or exceeds" all of the national licensure standards.

The Committee amended this section of the bill to provide that, in exceeding the national standards, any additional requirements imposed by a state licensure program will be limited to requirements reasonably necessary to assure competency of medical personnel.

The Committee was concerned that frivolous or inordinately stringent requirements might be imposed by some state licensure programs, thus creating barriers to the interstate mobility of physicians and dentists.

22. Capitation assistance and State law—An amendment by Senator Dominick

Section 771 sets forth the requirements to be met by appropriate schools in order to qualify for capitation awards from the federal government. For example, subsection (d) (1) requires that schools of dentistry provide assurances that there will be certain enrollment increases in order to qualify for capitation awards. The Committee has adopted an amendment providing that the requirements set out in Section 771 would not have to be met by a school to qualify if the result would be a violation of applicable state law.

It is the Committee's understanding that in some states, there may be by statute certain restrictions placed on medical schools and their programs. For example, a restriction may be limitations on enrollment increases. The existence of such a state law would, in effect, prohibit a school from meeting the enrollment increase requirement in the bill as originally introduced.

In addition, the Committee believes that there may be other cases in which existing state law would preclude a school from meeting the requirements of Section 771 as originally introduced, and the Committee has adopted the amendment to provide relief in those cases where it is necessary.

23. Relicensure of Physicians and Dentists—An amendment by Senator Dominick for himself and Senator Hughes

Section 779(a) (1) of S. 3585, as introduced, requires the Secretary to establish national standards and prepare appropriate examinations for the licensure of physicians and dentists, as well as the periodic renewal of such license at least once every six years. As amended by the Committee, a physician licensed to practice will be presumed to have met all requirements for relicensure if he has participated in a program established by an appropriate medical society or professional association which program has been certified by the Secretary.

It is the intent of the Committee to insure professional competency of a physician throughout his career. However, a periodic "examination" at least once every six years may result in hardships on practicing physicians faced with the need to prepare for such a written examination. The removal of a physician from one locality to another to prepare for and be examined could result in the loss of medical skills to a community for some indefinite period of time.

In recognition of such hardships as well as the belief that other means of insuring competency of physicians exist, the amendment allows the Secretary to certify programs developed by appropriate groups to promote qualified skills among its members. The Committee recognizes that already there has been a growing effort by various medical societies and associations to develop standards and criteria to insure continuous quality in deliverance of medical care. It is, therefore, appropriate that in lieu of a standard written examination, other methods such as participation in continuing education programs will provide satisfactory assurances of maintenance of professional competency. It is hoped that such an amendment will provide further impetus to professional medical associations and societies to develop such programs, for it is the belief of the Committee that such organizations are especially qualified to determine the best means of assuring competency in their respective practices.

24. Programs in Health Care Administration—An amendment by Senator Schweiker for himself and Senator Nelson

The Committee, recognizing the need for administration and management personnel in the total health care and service field, included in the legislation amendments authorizing financial support for accredited programs in health administration, approved by the Department of Health, Education, and Welfare. Specifically, the bill authorizes capitation support, project grants, scholarships and loans to students of health administration in programs that are not in schools of public health. Many programs in health administration are not in schools of public health. They are in medical schools, business schools, or other departments of educational institutions. According to the Association of the University Programs in Health Administration, the accrediting organization for such programs, of 30 accredited programs of health administration, 10 are in schools of public health.

The Committee amendments provide new authority for such financial assistance separate from the authorizations for such support currently in law for schools of public health. The Committee purposely did not wish to broaden existing authority, and thus diminish the federal support directed to the schools of public health.

There is a need for the training of health administrators in sophisticated management, accounting, planning, etc. techniques to meet expanding needs generated by future national health insurance programs, PSROs, comprehensive health planning, HMO management, nursing home and hospital administration. The Committee recognized this need in two previous bills, which called for grants for management training in health care administration. The provisions were deleted since it was felt that the health manpower legislation would be more suitable for such amendments.

Major changes in health services finance and delivery are creating new management requirements at all levels from hospitals to federal government agencies. The health system is already undermanaged and therefore unable to respond effectively to demands for improved health services and increased public accountability. An investment in health management development and training capacity must accompany any planned health system wide improvement. A specific effort to change this situation is being made now.

25. *Enrollment increase waiver—An amendment by Senator Stafford*

The amendment allows the Secretary to grant a waiver from the requirements of the bill that schools increase their enrollment as one of the conditions for receiving grants, if the Secretary determines that there is an inadequate population in the area served by the medical school hospital to provide an adequate patient load so quality technical training can be provided to students in the medical schools.

The requirement that medical schools increase the size of the medical school classes or establish a physician extended program could be very difficult to accomplish for those schools operating in a relatively small community and rural areas.

With a decline in the number of persons entering hospitals, a situation could arise where a medical school would strain its existing patient resources for clinical training.

Further expansion in class size could compromise the quality of medical education and this is not the intent of the committee. It is the committee's feeling that in cases where an operating medical school can demonstrate that it is using to the fullest extent possible the existing patients available in the areas served by the medical school hospital and that an increase in class size required under this bill would result in the loss of quality clinical training of the medical students, then such a school may be granted a waiver from requirements to increase class size or the establishment of physician extender programs which would also need clinical training.

VIII. COMMITTEE VIEWS

"Even if the legislation only moves them towards mandatory service and specialty and geographic redistribution, it will signal the end of their (the medical schools) insulation from the major problems of health care. For them (the medical schools), it will be the end of virginity. Peter Frishauf, National Correspondent, The New Physician, Article Entitled, "End of the Free Ride," August, 1974.

Since the enactment of Federal legislation to support health professional schools and their students more than 10 years ago, billions of dollars of Federal assistance have been made available to these institutions. And, while the schools have responded magnificently to a host of Federal initiatives over the past 10 years, especially, for example, increasing students enrollments, the fact is that the four major problems previously described above have grown worse not better. And consequently this committee is now committed to the belief that these problems will never be overcome until and unless the Federal government directly assists the schools, their students, health professional societies, and appropriate State and local public bodies in meeting these problems. This committee can no longer be convinced that a problem is well on the way to solution when the evidence overwhelmingly indicates the opposite to be the case.

This committee in authorizing and reorganizing this legislation acts as the steward of the American people regarding the purposes and the amount of funding available for health professional schools. In that respect the committee must be constantly vigilant in asking itself the question—is the public receiving full value for the investment we are making on their behalf? This committee believes that the public at large is *not* receiving full value. And, having reached that conclusion based upon the evidence, the committee must either act to overcome the problems which deny the public the benefits they rightly deserve or it must fundamentally call into question the appropriateness of continuing to require the American public through their tax dollars to contribute so heavily to these institutions. Currently, the committee has chosen to do the former, believing that course represents the wiser one and the course truly to be in the public interest. However, the committee wishes to explicitly point out that, if it cannot in good conscience have confidence in programs intended to effectively overcome these problems, that it will be forced to conclude that these funds can be more wisely expended for other purposes.

The committee recognizes that certain features of its bill have raised controversy. The committee wishes to point out that in the course of its hearings no witness seriously questioned the existence of the problems described above. The committee also wishes the record to show that no witness suggested to the committee an alternative plan which can effectively overcome these problems. The committee considered and rejected two proposals—one offered by the Junior Senator from Missouri, Senator Eagleton, and the other offered by the Junior Senator from Maryland, Senator Beall. The committee's rationale for rejecting each of these proposals is contained at the end of this section of the report. The committee also wishes to note that no witness significantly questioned the likely effectiveness of the committee's bill in overcoming these long standing health manpower problems.

The committee did hear a substantial amount of testimony which essentially called for the committee to stay its hand so that the "voluntary system" could solve the problems. The dismal track record of the "voluntary system" in dealing with these problems and the lack of proof that its theories on coping with the problems will work is what has caused the committee to embark upon its present course. The committee believes that these problems can only be met through a private sector-public sector partnership. For without the pressure and the incentives from the public sector, history teaches us that it is reasonable to expect that the private sector will continue to place its own interests first.

Finally, the committee wishes to point out that certain questions of constitutionality regarding aspects of the committee's bill were raised by the witnesses representing the Association of American Medical Colleges. Subsequent to their testimony the AAMC retained counsel which developed a memorandum of law respecting these issues. The committee in collaboration with a legal consultant to the committee and the American Law Division of the Library of Congress has thoroughly reviewed these issues and dismissed them. A complete discussion of these isssues is included in Section VIII of this report.

An elaborate discussion of the committee's rationale underlying this bill now follows.

The committee views its bill as the next, and not the last, logical step in the evolution of the Health Professions Educational Assistance Act, which is now more than 10 years old. The modifications in the reported bill are based upon the committee's hearing record, which was compiled between April and June and includes the testimony of approximately 40 witnesses, the written statements of many other associations and individuals, and a multitude of studies, reports, and statistical data respecting health manpower.

The committee's bill is expressly designed to achieve six basic health manpower objectives, which have yet to be attained.

First of all the committee has chosen to continue the innovative capitation program, initiated in President Nixon's health message of February, 1971, so as to assure financial stability for the educational institutions upon which the nation must depend for its supply of high quality health professional manpower. The capitation program was initially authorized by this committee in its health manpower proposal in 1971 (P.L. 92–157). The capitation program was recommended by the Carnegie Commission on Higher Education. The committee believes this program has the best chance of assuring institutional financial stability. The committee cannot support the Administration's proposal which would begin now—only three years after its initiation—to phase down capitation support for some schools, while abandoning it altogether for other schools. The committee believes the implementation of such a policy would very shortly produce essentially the same set of circumstances which existed prior to the enactment of P.L. 92–157, in which the schools had to demonstrate serious financial distress in order to qualify for Federal support. The committee sees no merit whatsoever in embarking on a policy which inevitably will create financial chaos. The capitation funding levels in the committee's bill are set at the mid level (33⅓% of net educational costs) as contained in the Institute of Medicine's cost study January 1974, which was commissioned three years ago by the Congress to determine such costs. The exception to the 1974 study in the reported bill is in respect to schools of osteopathy, the funding levels for which the committee for historic and other reasons has chosen to equate with schools of allopathic medicine. The committee wishes to re-emphasize that it believes that capitation support is the best form of institutional support now available. The committee does not believe that it's the only mechanism of support. And the committee remains open to any and all innovative suggestions in this respect.

The second fundamental objective of the committee's bill is to assure adequate forms of student assistance. For too long the health professional educational institutions of this nation have educated the children of the upper middle class and the wealthy. This situation is now being significantly improved. The committee wishes to commend each of those educational institutions which continues to make its best effort to reach out and recruit capable young people regardless of their financial situation. The greatly expanded National Health Service Corps scholarship program and improved student loan programs contained in the committee's bill are intended to add additional momentum to this trend.

The third fundamental objective of the committee's bill is to effectively overcome the problem of geographic maldistribution of health professionals. The committee has been monitoring this problem since it last extended the Health Professionals Educational Assistance Act in 1971. This effort along with the abundance of information and data which the committee received during its recent hearings have led to the following conclusions. First of all geographic maldistribution of health professionals is national in scope. Secondly, the problem is long standing and pervasive, stretching back over many decades. Thirdly the problem is rapidly growing worse, not better. And, therefore, efforts to correct the problem to date, however commendable they may be, have not worked. A quick review of any of the maps of each of the fifty States contained in Section XIV of this report will give one a quick insight into the nature and magnitude of this problem.

Efforts to combat geographic maldistribution date back at least to 1920 at which time New England communities enacted ordinances to provide free automobiles as an enticement to bring physicians to their communities. In the 1930's the Commonwealth Foundation provided fellowships to physicians who would agree to practice in rural areas. In 1942 Virginia enacted a statute to provide for fellowships for persons who would agree to serve in shortage areas. In 1946 the Federal government enacted the Hill-Burton Hospital Construction program in the hopes that the construction of facilities in rural areas would attract physicians to them.

Subsequently other States have made similar attempts to deal with the problem. In the 1950's the American Medical Association and State medical societies began programs, to encourage physicians to practice in rural areas. In 1959 the Sears Roebuck Foundation distributed architectural plans for physician office buildings to towns seeking to attract physicians.

These efforts have failed. Geographic maldistribution is far more severe today than it was in 1920.

With regard to the effectiveness of *State* programs to combat the problem the committee was impressed by an article published in the Journal of Medical Education, the official publication of the Association of American Medical Colleges by Henry Mason, M.P.H., entitled Effectiveness of Student Aid Programs Tied to a Service Commitment. At the time of the article's publication Mr. Mason was a research associate in the Department of Undergraduate Medical Education at the American Medical Association. Mason's research found there were financial aid programs for medical students in 34 States and the District of Columbia. Twenty-seven States have loan programs and additionally, 18 States have scholarship programs. And the majority of these programs are sponsored by State government and/or State medical associations. Mason's research covers a 25 year span. And he points out, "It is significant that only one program has had outstanding success over its 25 year history." This was the Kentucky program in which 194 physicians repaid their obligation by serving in rural practice and upon which the minority relies to make its case. The committee wishes to point out that that figure is the grand total for the Kentucky program. The committee also wishes to draw attention to the following data: Of Kentucky's 120 counties, 61 lost physicians between 1960 and 1970. And 115 of Kentucky's counties have fewer physicians per population than the United States average.

Mason's research covered the 11 States having the oldest programs. These States are Arkansas, Georgia, Illinois, Iowa, Kentucky, Minnesota, North Carolina, North Dakota, South Carolina, Virginia, and West Virginia. The oldest program had been in existence 29 years (Virginia). And the youngest had been in existence 11 years (West Virginia). All in all the programs produced a total of 658 physicians who repaid their obligations by serving in rural practice. Over the 29 year history of these programs, that is an average of 3 physicians per State per year.

Under contract to HEW, the Consad Research Corporation in Pittsburgh, Pennsylvania recently completed a study of Federal and State efforts to deal with geographic maldistribution. The general results of that study are equally as disappointing as Mason's conclusions respecting State programs. The Consad study shows that physicians who canceled their loans by serving in a shortage area was only 1.1%. For dentists the result was 1.5%. The rest "bought-out." The report concludes, "State service agreement loan programs are operating on a scale too small to raise the physician-population ratio of the shortage areas in the foreseeable future. In the past 10 years of program operation the physician-population ratio of the shortage area declined. Since populations of most shortage areas were stable or declining we can attribute the decrease in physician-population ratios to the attrition of physicians. Even assuming no attrition in the future and assuming no population growth, it would take *103 years* (emphasis supplied) before State programs operating at their present participation rates and efficiencies could supply enough physicians in Federal shortage areas to bring their physician-population ratios to the 1:1500 level."

The committee also was impressed with the just released report of the Southern Regional Council entitled Health Care in the South: A Statistical Profile. This report distressingly documents the plight of 11 States respecting the availability of physician manpower. When ranked individually on a national scale these states stand as follows:

1. Alabama	47th
2. Arkansas	48th
3. Florida	18th
4. Georgia	36th
5. Louisiana	27th
6. Mississippi	50th
7. North Carolina	38th
8. South Carolina	46th
9. Tennessee	29th
10. Texas	28th
11. West Virginia	25th

Millions of people in these States and others are being denied proper health care because of the lack of an adequate number of the right kinds of trained health professionals. With the enactment of the committee's bill, these States can reasonably expect to be the direct beneficiaries of the provisions of this bill. Without a program like this, these underserved communities will have to continue to rely upon the rhetoric of those who suggest the problem is not really extreme or that existing mechanisms will meet the need if only given more time.

The committee believes that the program contained in its bill is the only one which will be effective. The committee is deeply concerned that those who propose a different approach have no evidence to document its efficacy, and are unable to overturn the evidence contained in Section V of this report and in the hearing record.

CHART 1.—NON-FEDERAL PHYSICIANS IN PATIENT CARE, CIVILIAN POPULATION, AND PHYSICIAN/POPULATION RATIOS, BY STATE

State	Physicians in patient care (Dec. 31, 1972) [1]	Civilian population (July 1, 1973) [2]	Physicians per 100,000 population	Civilian population per 1 physician
United States	266, 587	208, 094, 000	128	781
Alabama	2, 841	3, 514, 000	81	1, 237
Alaska	224	303, 000	74	1, 353
Arizona	2, 466	2, 030, 000	121	823
Arkansas	1, 620	2, 029, 000	80	1, 252
California	33, 606	20, 285, 000	166	604
Colorado	3, 343	2, 387, 000	140	714
Connecticut	5, 087	3, 061, 000	166	602
Delaware	694	570, 000	122	821
District of Columbia	2, 508	737, 000	340	294
Florida	9, 181	7, 587, 000	121	826
Georgia	4, 633	4, 732, 000	98	1, 021
Hawaii	1, 079	776, 000	139	719
Idaho	652	764, 000	85	1, 172
Illinois	13, 539	11, 200, 000	121	827
Indiana	4, 921	5, 309, 000	93	1, 079
Iowa	2, 609	2, 903, 000	90	1, 113
Kansas	2, 259	2, 248, 000	100	995
Kentucky	3, 078	3, 309, 000	93	1, 075
Louisiana	3, 883	3, 735, 000	104	962
Maine	999	1, 018, 000	98	1, 019
Maryland	6, 224	4, 013, 000	155	645
Massachusetts	10, 252	5, 795, 000	177	565
Michigan	10, 163	9, 029, 000	113	888
Minnesota	5, 000	3, 894, 000	128	779
Mississippi	1, 685	2, 256, 000	75	1, 339
Missouri	5, 388	4, 731, 000	114	878
Montana	694	714, 000	97	1, 029
Nebraska	1, 532	1, 530, 000	100	999
Nevada	537	539, 000	100	1, 004
New Hampshire	920	786, 000	117	854
New Jersey	9, 389	7, 326, 000	128	780
New Mexico	1, 036	1, 089, 000	95	1, 051
New York	36, 161	18, 236, 000	198	504
North Carolina	5, 000	5, 181, 000	97	1, 036
North Dakota	524	626, 000	84	1, 195
Ohio	12, 682	10, 716, 000	118	845
Oklahoma	2, 339	2, 635, 000	89	1, 127
Oregon	2, 800	2, 223, 000	126	794
Pennsylvania	15, 735	11, 890, 000	132	756
Rhode Island	1, 380	945, 000	146	685
South Carolina	2, 218	2, 657, 000	83	1, 198
South Dakota	482	678, 000	71	1, 407
Tennessee	4, 193	4, 106, 000	102	979
Texas	12, 258	11, 628, 000	105	949
Utah	1, 429	1, 153, 000	124	807
Vermont	694	464, 000	150	669
Virginia	5, 217	4, 665, 000	112	894
Washington	4, 446	3, 383, 000	131	761
West Virginia	1, 692	1, 793, 000	94	1, 060
Wisconsin	4, 984	4, 568, 000	109	917
Wyoming	311	349, 000	89	1, 122

[1] Excludes 2,508 physicians in patient care located in Canal Zone, Puerto Rico, the Virgin Islands, and the Pacific Islands. Source of physician data AMA "Distribution of Physicians in the United States, 1972," vol. 1

[2] Population data provisional as of July 1, 1973. Source of population data, Current Population Reports, series P–25. No. 508, November 1973. Population data excludes Armed Forces personnel.

Source: Excerpted from: "National Health Insurance Resource Book," prepared by the staff of the Committee on Ways and Means, Apr. 11, 1974, p. 123.

Statistics indicate that physician/population ratios in doctor-rich states are growing at a much greater rate than such ratios for doctor-poor states. One recent study examined increases in physician/population ratios between 1960 and 1970 in those states with the highest phyisian/population ratios and in those with the lowest. The author found that during the ten-year span, 1960–1970, the physician/population ratio increased by 34 percent in the five states with the highest ratios. In the five lowest states the physician/population ratio increased by only 9 percent. Chart 2 illustrates this conclusion.

CHART 2.—NON-FEDERAL PHYSICIAN-POPULATION RATIOS: 1970 AND 1960

	5 highest State ratios	
	1970	1960
New York	2.33	1.87
Massachusetts	2.12	1.71
Connecticut	1.91	1.57
California	1.90	1.47
Colorado	1.84	1.44
5-State total	2.00	1.66
Alaska	0.71	0.56
South Dakota	.78	.71
Alabama	.85	.74
South Carolina	.87	.75
Mississippi	.79	.76
5-State total	.83	.74

Source: De Vise, Pierre, Health Planning in Illinois, "Illinois Regional Medical Program," fall 1971; vol. II, No. 3, p. 5.

As one can see, the problem of geographic maldistribution is severe, entrenched, and growing. It is also longstanding. For decades, groups and commissions have explored the problem intensively. The documentation reads as if written today.

In 1951, President Truman established the President's Commission on the Health Needs of the Nation, charged with making a critical study of the nation's total health requirements. Two years later, the Commission issued its report entitled, *Building America's Health*. The Commission said this about physician distribution:

"The supply of physicians does not cover the country evenly. There are wide differences among the regions of the Nation. While the Central Atlantic States averaged 161 active civilian physicians per 100,000 population in 1949, the Southeastern States had only 86. Differences among States were even greater. New York with 199 physicians per 100,000 population had the highest ratio after the District of Columbia, which had 296. Other States above the national average (125) were Connecticut, Massachusetts, Colorado, California, Illinois, Vermont, Maryland, Minnesota, Pennsylvania, New Jersey, Delaware, and New Hampshire. At the other end of the scale was Mississippi with 68 physicians per 100,000 population.

"Regional differences have been increasing for the past 3 decades. New England and the Central Atlantic States, which have the highest ratio today, have shown an almost steadily increasing physician-population ratio. Every other region of the country (and 31 of the 36 individual States in those regions) has shown an overall decline."

In 1966, the National Commission on Community Health Services—established by the American Public Health Association—published its report, *Health Is a Community Affair*. The report, a four-year effort, studied and analyzed nationwide community health needs, resources, and practices. Like the 1951 Presidential Commission, it recognized the problem of geographic maldistribution;

"Americans are accustomed, within their own personal resources, to live and work where they want to. Economic factors may limit freedom of choice for entire segments of the population—as in parts of Appalachia—and economics are a factor in the distribution of health personnel, but, among the health professions at least, the decision to live and to practice in a given community is made principally on the basis of other factors in addition to income or salary."

One year later, in 1967, the President's National Advisory Commission on Rural Poverty published its report, *The People Left Behind*. The members of the Commission, profoundly disturbed by the paucity of health care for rural low-income people, made this starkly depressing statement:

"We have failed miserably to protect the health of low-income people in rural areas. The health service they get is not only inadequate in extent but seriously deficient in quality. It is badly organized, underfinanced, rarely related to the needs of the individual or the family. Such health service as there is is too often discriminatory in terms of race and income and heedless of the dignity of the individual."

The 1970 Carnegie Commission report, *Higher Education and the Nation's Health*, again defined and documented the problem:

"Although there is debate over the extent of shortages of health manpower, critical shortages do exist. Dr. Roger Egeberg, Assistant Secretary of the U.S. Department of Health, Education, and Welfare, recently stated that today the United States needs about 50,000 more physicians, 'a couple of hundred thousand more nurses,' and 'almost 150,000 more technicians'.

"The geographic distribution of health manpower is highly uneven, and although there is not clear agreement on what ratio of, say, physicians to population is adequate, there is little question that the supply of health manpower is gravely deficient in some parts of the nation. Moreover, the fact that New York and Massachusetts have high ratios of physicians to population does not mean that a resident of a lower-income neighborhood of New York City or Boston has adequate access to a physician. As one writer on our 'ailing medical system' recently put it:

"Private physicians are as hard to find in some neighborhoods of New York City as in backward rural counties of the South."

The latest study of national health personnel supply entitled, *Increasing the Supply of Medical Personnel*, published in 1973 by the American Enterprise Institute for Public Policy Research, succinctly describes today's maldistribution problem. It is evident that the past 25 years of documentation, analysis, and discussion have scarcely affected the situation.

"While it may be difficult to set criteria for an efficient size of geographical area and population for delivery of health care, it is still true that there exists a maldistribution of physicians. Either in terms of "need" (as defined by social and medical criteria) or in terms of willingness to purchase more medical care at existing prices, some areas are truly underserved."

A full discussion of geographic maldistribution is contained in Section V of this report. The committee believes it is extremely insightful.

The fourth major objective of the committee's bill is to overcome the problem of specialty maldistribution of physicians. Here again the committee's research and hearing record depressingly document the existence of a long standing, national problem which has been successfully resistant to piece-meal attempts at solution. All too frequently the residency training programs of this nation, which are the determiners of the number and kinds of physicians the nation produces, are designed to meet the service needs of community hospitals and/or the research needs of the faculties of medical schools, rather than the real health needs of the American people. The time has come and gone in terms of reordering these priorities.

The proportion of physicians who practice specialties has increased rapidly in the last two decades. In 1949, 50 percent of all physicians considered themselves general practitioners. In 1970, that percentage had dropped to 22. Correspondingly, physician specialists increased from 37 percent in 1949 to 80 percent in 1970. Latest statistics show that of the total number of physicians in direct patient care in 1972, only 19 percent were classified as general practitioners.

Between 1968 and 1972, the number of general practitioners, as classified by the American Medical Association, declined by eight percent. Forty-three states showed a decrease in the number of general practitioners. Alaska lost 15 percent of its GPs, during this period. Rhode Island lost 16 percent. Only seven states enjoyed an increase in the number of physicians in general practice during these years. Table 1 shows the distribution change among physicians in general practice and in specialties for the years 1949, 1960, and 1970. Table 2 shows the distribution of non-Federal physicians in general practice, by states, for the years 1968 and 1972.

TABLE 1.—PERCENT DISTRIBUTION OF PHYSICIANS AMONG SPECIALTIES

Speciality	1949	1960	1970
General practice	50.1	36.1	21.8
Medical specialties	11.2	19.0	24.3
Surgical specialties	17.1	23.6	27.2
Other specialties, part time	7.8	14.4	26.7

Source: O'Rourke, John and Stanley Wallack, "A Health Manpower Strategy for the 70's," Department of Health, Education, and Welfare, June 29, 1973, p. 27.

TABLE 2.—DISTRIBUTION OF NON-FEDERAL PHYSICIANS IN GENERAL PRACTICE 1968 AND 1972

State	1968 [1]	1972	Percent change between 1968 and 1972 [2]
Alabama	770	698	−9
Alaska	62	71	−15
Arizona	479	517	+8
Arkansas	601	557	−7
California	7,169	6,735	−6
Canal Zone	6	6	
Colorado	630	601	−5
Connecticut	732	636	−13
Delaware	143	133	−7
District of Columbia	234	189	−19
Florida	1,474	1,578	+7
Georgia	931	875	−6
Hawaii	189	195	+3
Idaho	249	255	+2
Illinois	3,279	2,849	−13
Indiana	1,662	1,586	−5
Iowa	940	869	−8
Kansas	676	639	−6
Kentucky	891	859	−4
Louisiana	896	801	−11
Maine	282	251	−11
Maryland	808	778	−4
Massachusetts	1,540	1,345	−13
Michigan	1,907	1,709	−10
Minnesota	1,220	1,220	
Mississippi	609	541	−11
Missouri	949	843	−11
Montana	247	230	−7
Nebraska	530	517	−3
Nevada	132	138	+5
New Hampshire	243	220	−10
New Jersey	1,867	1,648	−12
New Mexico	206	185	−10
New York	5,397	4,757	−12
North Carolina	1,162	1,063	−9
North Dakota	199	169	−15
Ohio	2,935	2,586	−12
Oklahoma	678	604	−11
Oregon	642	624	−3
Pennsylvania	3,617	3,187	−12
Puerto Rico	529	598	+13
Rhode Island	227	191	−16
South Carolina	690	680	−1
South Dakota	224	193	−14
Tennessee	914	834	−9
Texas	2,962	2,837	−11
Utah	269	280	+4
Vermont	130	144	+11
Virginia	1,152	1,110	−4
Virgin Islands	8	9	+13
Washington	1,098	1,081	−2
West Virginia	460	424	−8
Wisconsin	1,247	1,189	−5
Wyoming	131	124	−5
Pacific Islands	9	10	+11
Total	57,233	52,968	−8

[1] Source of 1968 data, "Reclassification of Physicians, 1968." American Medical Association, Center for Health Services Research and Development, Chicago, 1971.

[2] Percentages have been rounded.

Source: Excerpted from: "The National Health Insurance Resource Book," prepared by the staff of the Committee on Ways and Means, Apr. 11, 1974, pp. 121–122.

The trend with respect to specialty maldistribution of the past 25 years is unmistakeable. The proportion of physicians in specialties has grown remarkably since 1950. A recently published study by Levit and others of the National Board of Medical Examiners concluded that virtually all U.S. medical school graduates in the 1970's will undertake residency training and will seek specialty certification. The growth in residency training over the past 20 years supports this conclusion. According to Weber's study on specialty distribution the number of residency training positions increased 70 percent (from 19,364 to 32,786) between 1950 and 1960. Between 1960 and 1970 residency positions continued to increase 44 percent, to 46,005.

During these two decades, for example, the number of residencies offered in anesthesiology increased by 182 percent; in surgery, by 95 percent.

The available evidence indicates that the tremendous growth in specialties since 1950 has resulted in a shortage of primary care physicians and a possible surplus of some physician specialists. In a recent study concerning the need for primary care physicians, Schoenfeld and others estimate that the nation requires 133 primary care physicians per 100,000 population, or one primary care physician for every 750 persons. However, the nation has only about half that many. According to the authors:

"It appears that primary medical care of good quality requires the services of about 133 physicians per 100,000 persons of all ages in the population . . .

"It is now evident that the number of physicians estimated to have been available to furnish primary medical care has been about one-half the number required to furnish medical care according to physicians' standards on the content of good care. Obviously, with a shortage of this magnitude in the supply of physicians for primary care not all who require such care can receive it. What now occurs is that some people receive no primary care, some receive only part of the needed care, and only some fraction of the population receives all necessary primary care indicated by current clinical standards and judgments."

Table 3, excerpted from the study, summarizes the author's conclusions on the current shortage of primary care physicians.

TABLE 3.—SUMMARY OF PHYSICIAN MANPOWER REQUIRED FOR GOOD PRIMARY CARE PER 100,000 PERSONS IN THE RESPECTIVE AGE GROUPS

	Pediatricians for ages less than 17	Internists		For all ages		
Type of care		For ages 17 to 64	For ages 65 and over	Pediatricians	Internists	Both
All primary care [1]	[2] 106	138	200	37	96	133
Acute care	55	70	52	19	44	63
Chronic care	20	68	148	7	52	59
Newborn and well-child care	32			11		11

[1] Excludes dental, mental and obstetric care and routine physical examinations for adults.

[2] Sum differs from total owing to rounding off.

Source: Schonfeld, Hyman K., Jean F. Heston, and Isidore S. Falk, "Numbers of Physicians Required for Primary Medical Care," reprinted from the New England Journal of Medicine, vol. 286, Mar. 16, 1972.

In order to meet the projected need of 133 primary care physicians per 100,000 persons, the nation currently needs an additional 120,000 primary care physicians. When one compares this need with the fact that the nation's medical schools are graduating about 15,000 physicians a year, the vast majority of whom intend to become specialists, one can understand the magnitude of this problem, the provisions of the committee's bill respecting it, and thus the committee's rejection of those who suggest the problem is not severe and, that therefore, the committee's bill is extreme.

Physicians practicing surgical specialties comprise the largest proportion of physicians in patient care. Stevens in her study of medical specialization outlined the rapid growth of surgical specialties:

"In 1931 only 10 percent of physicians practiced in fields characterized as surgical specialties . . . The proportion had risen to 26 percent in 1960, to over 30 percent in 1968. In short, nearly one out of every three physicians in the United States is in a field which involves surgery; a number of general practitioners are doing some surgery as well. This increase promises, moreover, to continue. Of all American graduates in first year resident and fellowship programs in 1968, over 40 percent were in surgical specialties."

Bunker in his study of surgical manpower indicated that the number of surgeons in the United States has a direct effect on the number of surgical operations performed. He found that proportionately there are more than twice as many surgeons in the United States as in England and Wales, and proportionately more operations are performed in acute short-stay U.S. hospitals than in England and Wales.

"Until new evidence is available, it is reasonable to assume that there is a disproportionate number of surgeons in the United States, at least in relation to the total medical manpower pool, and it seems likely that some unnecessary surgery is being performed."

Bunker's conclusions are supported by Lewis' study of surgery and surgeons in Kansas. An examination of the Kansas Blue Cross Association records showed three- to fourfold variations in regional rates for six common operations. Lewis found the number of operations varied directly according to the number of available surgeons and hospital beds.

"The results presented might be interpreted as supporting a medical variation of Parkinson's Law: patient admissions for surgery expand to fill beds, operating suites, and surgeons' time. Surgery has economic consequences for both the patient and the surgeon. The dollar volume that surgery represents to those who perform it must be considered by those concerned with examining the workings of surgical services."

In his testimony before the committee, Assistant Secretary of Health Edwards also pointed to this problem and our failure to deal with it. He said, in response to Senator Kennedy,

"Senator KENNEDY. Should we come to grips with that particular problem?

"Dr. EDWARDS. I think we have to come to grips with that particular problem. . . .

"In the past, Federal policies toward specialty and geographic distribution of health professionals have relied too heavily on a notion that an increase in total supply would solve the distribution problems.

"During the 1960's and 1970's, while there was a significant increase in the supply of physicians, the absolute number of primary care physicians decreased sharply.

"Policies aimed at solving the problem of geographic and specialty maldistribution which concentrate on increasing the aggregate supply of health manpower probably will continue to be extremely expensive and largely ineffective."

In testimony before the House Health Subcommittee Professor George Silver, M.D., of Yale University testified,

"And finally, I would argue that with the current self-selection process by which unlimited access to specialty training is promoted by the medical schools and teaching hospitals, and the medical care patterns of financing and practice, that more production of doctors will do little to provide more primary care doctors, more specialists in rural areas, more doctors in the places where they are now needed. If anything it will place more surgeons and specialists in the well-to-do areas of the country to soak up the added insurance payments that can be made available there. What is the fiscal sense in subsidizing the education of 100 doctors, 85% of whom are being trained to duplicate specialties in locations now adequately covered, in order to obtain 15 doctors who will supply some small part of the kind of practice required, general or primary care, but not necessarily in the place where it is needed?"

In a recent article in "Medical Economics" its senior editor Arthur Owens points out,

"Pennsylvania's Insurance Commissioner, Herbert S. Denenberg, estimates that 2,000,000 needless operations are performed in the U.S. each year. Dr. Sidney Wolfe, director of consumer advocate Ralph Nader's Health Research Group, considers that estimate conservative. Whether such statistics are valid or not, few doubt that needless operations are being done. Sometimes there's pressure from patients who believe they'll benefit from a certain procedure, or from hospitals that want to keep their surgical beds occupied.

"Dr. Charles E. Lewis, professor of medicine and public health at U.C.L.A., has observed, 'Yes, there are surgeons who do unnecessary surgery—most of them, perhaps, for economic gain, some because they like the satisfaction of practicing their trade.' And the Rockefeller Foundation's Dr. John H. Knowles, former general director of Massachusetts General Hospital, sums it up this way: 'We have surgical manpower creating its own demand. The more surgeons you have, the more surgery is going to be done, simply because the surgeons are there and have to make a living.' "

The complete discussion of the problem of specialty maldistribution is contained in Section V of this report. The committee believes it is most informative.

The fifth fundamental objective of the committee's bill is to overcome the nation's reliance upon foreign medical graduates for the routine delivery of medical services. The committee's research and hearing record amply documents the growing reliance of this nation on foreign medical graduates, the qualifications and skills of many of whom must be seriously questioned. Indeed the committee is convinced that there already exists in this nation a dual class system of medical care in which some of the most unfortunate citizens of the society, such as residents of State and county operated mental institutions, must rely for medical services on persons who may not be able to converse with them in the English language and whose professional skills are not above suspicion. The committee's hearings have documented the existence of a medical underground of foreign medical graduates who are practicing medicine today and who have not completed their state licensing examinations.

In testimony before this committee, Dr. Robert Weiss, M.D., of the Center for Community Health and Medical Care, Harvard University, Boston, Massachusetts, testified and documented that there are approximately 14,000 such FMG's listed by the American Medical Association who are not fully licensed. The testimony documents that these foreign medical graduates are now practicing in State institutions, county hospitals, general hospitals and city hospitals. They frequently cover emergency rooms, perform general practice functions, deliver babies, prescribe pre-anesthetic medication, give anesthesia, write X-ray reports, take patient histories, read and interpret frozen sections upon which subsequent surgical procedures are based, and do fluoroscopy. At the present time based upon American Medical Association data at least one out of five practicing physicians in this nation is a foreign medical graduate. One-third of all physicians in residency training programs in this nation today is a foreign medical graduate. About one-half of the new licenses granted to physicians are now granted to foreign medical graduates. And most of the foreign medical graduates now entering this nation originate in countries of the "third world" which obviously have their own critical need for highly trained physicians.

Like U.S. graduates, the great majority of FMGs are specialists. Only 10 percent of the FMGs in the United States, as of December 31, 1972, were in general practice. Data also indicates that more FMGs treat patients in hospital-based, rather than office-based, settings.

Table 4 shows trends in supply of total physicians in the United States by country of graduation for selected years. Table 5 outlines the most recent statistics available on current numbers of FMGs by specialty group and activity.

TABLE 4.—TREND IN SUPPLY OF TOTAL PHYSICIANS (M.D. AND D.O.) IN UNITED STATES, BY COUNTRY OF GRADUATION: SELECTED YEARS DEC. 31, 1959-72

Year	Total physicians [1]	U.S. trained	Canadian trained	Other foreign trained: Number	Other foreign trained: Percent of total physicians
1959	255, 170	234, 595	5, 421	15, 154	5. 9
1963	289, 188	252, 619	5, 644	30, 925	10. 7
1967	322, 045	70, 179	6, 050	45, 816	14. 2
1969	338, 942	(²)	(²)	53, 552	15. 8
1970	348, 328	285, 937	6, 174	57, 217	16. 4
1971	359, 373	290, 923	[3] 6, 236	62, 214	17. 3
1972	(³)	(³)	(²)	68, 009	

[1] Includes both active and inactive physicians.

[2] Not available.

[3] Unpublished data from the American Medical Association.

Source: M.D.'s 1959: Stewart, William H. and Pennell, Maryland Y. Health Manpower Source Book 11, Medical School Alumni, U.S. Government Printing Office, 1961, M.D.'s 1963, 1967: Theodore, C. N. and Haug, J. N. "Selected Characteristics of the Physician Population, 1963 and 1967," Chicago, American Medical Association, 1968. M.D.'s 1969-72: American Medical Association. "Profile of Medical Practice," 1973 and prior annual editions, Chicago. The Association, 1973, D.O.'s 1959, 1971: Estimated by BHRD, Divis on of Manpower Intelligence. D.O.'s 1963-70: National Center for Health Statistics. "Health Resources Statistics, Health Manpower and Health Facilities, 1971." DHEW Pub. No. (HSM) 72-1509, U.S. Government Printing Office, 1972. Department of Health, Education, and Welfare. Health Resources Administration, Division of Manpower Intelligence, "The Supply of Health Manpower: 1970 Profiles and Projections to 1990," February 1974 (prepublication edition), p. 53.

TABLE 5.—FOREIGN MEDICAL GRADUATES IN UNITED STATES AND POSSESSIONS, BY SPECIALTY GROUP AND ACTIVITY, DEC. 31, 1972

		Major professional activity									
		Patient care		Hospital-based practice			Other professional activity				
Specialty group	Total physicians	Total	Office-based practice	Interns	Residents	Physician staff	Medical teaching	Administration	Research	Other
Total	[1] 68, 009	54, 355	25, 285	3, 247	14, 455	11, 368	1, 115	1, 119	2, 668	490
General practice	7, 045	6, 930	5, 517	0	275	1, 138	12	38	23	42
Medical specialties	16, 017	14, 399	6, 117	551	4, 847	2, 884	283	208	1, 045	82
Surgical specialties	14, 495	13, 817	6, 803	324	4, 797	1, 893	161	78	378	61
Other specialties	22, 190	19, 209	6, 848	2, 372	4, 536	5, 453	659	795	1, 222	305
Not classified	5, 209									
Inactive	1, 995									
Address unknown	1, 058									

[1] Includes 8,262 physicians who are categorized as "Not classified," "Inactive," and "Address unknown," and are not distributed throughout table.

Source: "1973 Profile of Medical Practice," AMA, 1973. Excerpted from the National Health Insurance Resource Book, prepared by the staff of the Committee on Ways and Means, Apr. 11, 1974, p. 128.

There has been a remarkable shift in recent years in FMG country of origin. In 1966, Europe and the Americas accounted for 73 percent of all physicians admitted to the United States as immigrants. In 1972, 69 percent of all such physicians were from Asia. In other words, most of the foreign-trained physicians now entering the U.S. come from developing, rather than developed countries.

The vast majority of FMGs admitted as immigrants to the United States in 1972 were from Asian countries. India led the list with over 1,500 physicians admitted with immigrant status from that country in fiscal year 1972. Korea and the Philippines were the second and third highest donors. Forty-three percent of all physicians admitted as immigrants to the United States in 1972 were from these three countries. These statistics are striking. One-fourth of the physicians trained in the Philippines are now practicing in the United States. Virtually the entire, first-year graduating class at the new medical school in Chiengmai, Thailand, chartered an airplane and flew off to the United States. Currently, there are more Indian psychiatrists in the United States than there are in India.

The statistics on FMGs raise significant issues. In the past decade this country has imported as many physicians as it has graduated. It is currently importing large numbers of physicians from developing countries with serious unsolved health-care problems and with physician manpower deficiencies of their own. Williams and Lockett, in their study of this problem appropriately characterize this trend. They state,

"The questions raised by this international migration have political, economic, and health care implications. Physician migration from developing countries to the United States has been considered a major element in the criticism directed toward this nation for its role in the "drain drain" problem. While FMGs have contributed to the health care of the U.S. population—and exercised a right for their own individual career advancement and benefits—their migration to the United States certainly has not contributed in equal measure to the betterment of health care in other countries, particularly some of the developing donor countries. The United States is viewed elsewhere as a country which has not met its own stated commitments to provide help and assistance to the developing nations of the world in the area of health care."

The committee continues to be distressed at the apparent policy of the Department of Health, Education, and Welfare respecting the appropriate role of foreign medical graduates in this country as the following Department of Health, Education, and Welfare memorandum makes clear:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, NATIONAL INSTITUTES OF HEALTH, NATIONAL INSTITUTE OF MENTAL HEALTH.

November 8, 1973.

To: Dr. S. Paul Ehrlich, Jr., Director, Office of International Health.

From: E. Fuller Torrey, M.D., Acting Special Assistant (International Activities) to Interim Administrator, ADAMHA.

Subject: Secretary Weinberger's remarks on foreign medical graduates in the U.S.

Pursuant to our recent conversation, I would urge the Office of International Health to attempt to modify the Secretary's public statements, and thus official HEW policy, on our mass importation of doctors from developing countries. His recent statements indicate that he is seriously misinformed, and the statements have been a source of acute embarrassment to those of us who work under him on international concerns.

Specifically, on August 6 on "Panorama" he said: "There's nothing wrong with a foreign doctor. Of course we're using a lot of them, and will use a lot more. And they're very able people, and they can take care of a great many of the problems, because to assume that they aren't trained when we require very serious examinations of their capability before we allow them to practice is expressing, I think, a prejudice that's totally unwarranted. . . . We do and are utilizing some foreign doctors because they're very good. We know they're good because we test them before we allow them to practice."

Secretary Weinberger had made remarks to this effect previously to the House Health Subcommittee, and subsequently he has repeated them at the meeting of the American Hospital Association in Chicago and elsewhere. They have been widely quoted in both the lay and medical news media, including the Washington Post and Medical World News.

Most discouraging is the fact that the Secretary has had available to him multiple studies and issue papers, prepared within his own department, which directly contradict him. Most recently these include "Foreign Trained Physicians and American Medicine" by Stevens and Vermeulen. "The FMG and the Supply of Physicians in the United States—Some Policy Issues and Recommendations" prepared by HRA for the Secretary, and "Foreign-Trained Physicians in the United States: A Review of Recent Trends and Potential Policy Directions" prepared by the Office of the Deputy Assistant Secretary for Planning and Evaluation. These documents contain all the statistical dimensions of what is clearly a national disgrace (and so-labeled in the Senate seven years ago by Senator Mondale), e.g.

That we are importing as many doctors for our own use, mostly from developing countries, as we are producing;

That foreign medical graduates now comprise almost 25% of the total U.S. doctor population and this is rapidly increasing;

That last year in 20 states over half of the new medical licenses went to foreign medical graduates; in 7 states they constituted three-quarters of new licensees;

That the distribution of foreign medical graduates is disproportionately great in hospital-based practices, including house staff and emergency room personnel. Thus in

New Jersey 80% of hospital residences are filled by foreign medical graduates. What this means in terms of medical care is that if you cannot afford (or cannot obtain) a private physician and walk into the emergency room in Jersey City, Elizabeth, New Brunswick, Paterson, or Perth Amboy, you will almost certainly be treated by a foreign medical graduate. (Even five years ago in these five cities 98% of the housestaff were FMG's). Put more succinctly, the figures show that we are rapidly evolving a two-class system of health care with the wealthier using American-trained physicians and the poorer using foreign-trained physicians.

In direct contradiction to Secretary Weinberger's remarks, the HEW documents cite numerous studies which show that, though there are many individual exceptions, foreign medical graduates as a group are not of the same quality as American medical graduates. (One HEW study calls them "marginal physicians.") This is shown by the poor facilities and training in many foreign medical schools, the low pass rate on the ECFMG, low pass rate on state board examinations, low pass rate in speciality board examination, and several studies in which the work of foreign medical graduates was rated against American medical graduates.

The "very serious examination" referred to by the Secretary is presumably the ECFMG. This is composed in such a way that 98% of American medical graduates would pass. (A third of foreign medical graduates pass.) Ninety percent of the questions are from part II of the National Boards and are basic clinical questions; the other 10% are from part I and concern medical sciences. None of the exam is from part III, the advanced clinical questions, because the ECFMG was never intended to be a licensing exam but merely a screening device to ascertain suitability for admission to American internships and residences. Thus it measures only clinical knowledge which a fourth-year medical student should have, and is not a "very serious examinaion" which evaluates their ability to practice medicine. (The Secretary's misconceptions about the ECFMG may have arisen from the erroneous information contained in the paper from the Office of the Deputy Assistant Secretary for Planning and Evaluation.) The Secretary also appears to be unaware of the 10,000 or more (by HEW estimate) foreign trained doctors who are unlicensed, not fully qualified doctors who are being used as cheap labor in state hospitals.

With other parts of HEW currently very much concerned with the quality care issue via PSRO's national health insurance, emergency medical care, and the medical manpower bills coming up for renewal, it is only reasonable to expect the quality of care delivered by foreign medical graduates to be considered too. The evolution of a two-class system of doctors simultaneously with attempts to upgrade quality by these other mechanisms is contradictory, and another classic example of the right hand not knowing what the left hand is doing. One might also think that the Secretary, in light of current administration concerns about oil imports, would be concerned about the extreme dependency on other countries which we now have for medical manpower. Shouldn't this country be self-sufficient for such a basic need as medical care? Should we be dependent on the developing countries of the world for half of our new doctors? If two or three of our large suppliers suddenly cut off the flow, many of our city and state hospitals would be in serious trouble.

But as an HEW employee in the international health field, my main concern is the effect of this brain drain on the developing countries of the world. It is essentially a moral issue. As described by one of the HEW policy papers: "Based on current data, physicians migrating to the U.S. each year represent about one quarter of the annual output of all the medical schools of the world outside of the U.S., Mainland China, the Soviet Union, and the Socialist countries of Eastern Europe." As the Secretary said, "we're using a lot of them, and will use a lot more."

I find this attitude a bit disquieting. Just because we need them, does that automatically give us the right to take them? Didn't this go out of style when we stopped importing slaves from West Africa? Or does it come under the same category as our buying blood from Haiti because we can't organize our own blood bank system? Does our country have the right to take human resources, as well as natural resources, from developing countries indefinitely?

Some have argued that developing countries are producing doctors specifically for export to the U.S. This is true only in the case of the Philippines. And there one may question the quality of the doctors being produced by the doctor-factories in Manila (the HEW and AMA studies clearly show their poor quality) as well as the logic of there currently being more Philippine doctors in this country (7,000) than there are black American doctors (6,000). Some have also argued that it is the responsibility of the developing countries to keep their doctors home and not our responsibility just because we attract them and keep them here. Yet when we import a doctor whose government has spent $20,000 or so on his training, and who has not given any service back to his country, aren't we essentially dealing in stolen merchandise? The argument that if we don't use them, then somebody else will (e.g. England) would be called by an international court of law a rationalization rather than a justification.

I recently had the opportunity to visit India, Pakistan, and Iran, three countries hit by the doctor drain to the U.S. Officials there say the depletion has been devastating. When I examined the effects on my own particular field, psychiatry, and looked at the distribution of psychiatrists in these and other countries, I found that:

There are more Indian psychiatrists in the U.S. than there are in India. At the Missouri Institute of Psychiatry in St. Louis alone there are 16, the same number that are available for 20 million people in India.

The 5 Pakistani psychiatrists at this same hospital are one more than are available for Lahore and the 15 million Pakistanis in the surrounding Punjab Province.

Elmhurst City Hospital in New York City has 7 Ceylonese psychiatrists; this is 6 more than can be found in Ceylon's second largest city.

The 7 Korean psychiatrists in Creedmor (N.Y.) State Hospital are the same number as serve all 23 million Koreans who live outside the 3 largest cities.

The 11 Philippine psychiatrists in 2 mental hospitals in Cleveland are the same number as serve the entire Philippines outside Manila, a population of 25 million.

Columbus (Ohio) State Hospital has a psychiatric staff representing 20 foreign countries including Turkey, Iran, India, Ceylon, Burma, Thailand, Korea, Philippines, Taiwan, Brazil, Colombia, Cuba, and the Dominican Republic.

This is only a sampling of the more than 5,000 foreign psychiatrists who are shoring up our mental institutions because we have fallen down on the job. It is inexplicable and embarrassing that our highest health official can defend this practice.

In terms of solutions to this complex problem, the HEW documents contain many suggestions. They include examining our current hospital staffing patterns and geographical distribution of physicians, the use of physician-expanders, developing a unified and coherent medical manpower plan, a single exam system for American and foreign medical graduates, special educational programs for FMG's staying and relevant programs for those returning to their own countries, phasing out of unlicensed physicians by denying Medicaid and other federal payments to those institutions, re-examining visa laws which give preference to doctors, the greater use of COTRANS for Americans trained abroad, working with WHO to modify "push" factors, and a lead agency role for HEW within the federal government. The history of implementation of such solutions, however, is rather dismal. As noted by one of the HEW documents: "In 1967 the Expert Panel on Foreign Medical Graduates submitted to the National Advisory Commission on Health Manpower 12 general and 21 specific recommendations to resolve the then identified FMG problems. Remarkably, since then only one of these recommendations has been implemented and then only in part.

The paper from the Office of the Deputy Assistant Secretary for Planning and Evaluation concludes in its summary that "no new action" by HEW is required. This conclusion is strangely inconsistent with the text of the paper and is at odds with all other analyses of the problem which have been done.

It is unfortunate that a rational discussion of solutions has been impeded by Congressman Rogers and others seizing upon the foreign medical graduate problem as a justification for increased aid to U.S. medical education. Secretary Weinberger has correctly maintained that such aid, by itself, would not necessarily do anything to relieve the use of foreign medical graduates since the basic problem is one of distribution and not of numbers. Such arguments have polarized thinking and made it more difficult to perceive and rationally solve the foreign medical graduate problem.

That is a serious problem, and that current HEW policy is a major embarrassment to some of us, is the main point. If we are to do our job in the international field, then it is incumbent upon us to try to modify this policy.

In addition, the recent Association of American Medical Colleges task force report entitled, "Graduates of Foreign Medical Schools in the United States—A Challenge to Medical Education," speaks to the problems presented by our increasing reliance of foreign medical graduates. That report states in part:

* * * The present policy for certifying FMGs has led to a system of dual standards for admission to graduate medical education in this country. The quality of the United States student's educational experience and performance is ascertained by the following:

1. Accreditation on a national or regional basis of the three required education programs offered consecutively by a college or university, a medical school, and a teaching hospital.

2. Selection of students for each program on the basis of performance in the previous program, or scores obtained in national entrance examinations and broader judgment by a selection committee of the institution.

3. Internal evaluation of the student by the faculty in a continuing fashion and final certification by the faculty for awarding the degree.

4. External evaluation of the student by Parts I and II of the NBME examination (83 of 116 medical schools require the student to take the NBME examination, while 26 of these schools make a passing score a requirement for promotion or graduation).

5. External evaluation for licensure through FLEX (unless the candidate has already received a passing score on the NBME examination) and for specialty certification by specialty board examination.

The majority of FMGs now applying for admission to graduate medical education has not been screened by equivalent selective internal and external evaluation processes. Furthermore, with notable exceptions, in most countries here is no accreditation system similar to our system. * * *

* * * The present system of accepting FMGs into the United States and incorporating them into our medical education and care system has created a category of second-class physicians. From an educational and ethical point of view, this is undesirable. * * *

* * * The dual standards in admission of U.S. and foreign medical graduates must be reduced in the interest of quality of medical education and care as well as for the benefit of foreign graduates who come to this country to achieve medical excellence. Ultimately nobody can gain from the continued existence of two classes of physicians. * * *

* * * In reality, there is no examination available for measuring professional competence. Hence, we are faced with dual standards for admission and are condoning the evolution of a dual system of graduate medical education. * * *

The committee does indeed believe that it is appropriate and useful for foreign medical graduates to come to America for educational and research purposes. However, it finds the current situation in which a rapidly growing number of foreign medical graduates from the "third-world" are delivering questionable medical care to citizens of this nation, a matter of grave concern. The full committee discussion of this problem is contained in Section V of this report. The committee believes it will be helpful.

The final major objective of the committee's bill is to overcome the archaic and conflicting provisions of State licensing statutes in respect to physicians and dentists. The committee's research and hearing record convincingly document that the crazy-quilt pattern of State licensing laws, which impede the free flow of physicians and dentists from State to State, thereby creating conditions in which the quality of health and medical care available to the American people varies from State to State working to the disadvantage of many Americans. The committee also believes, based upon its investigations and the testimony presented, that State licensing laws have too frequently not been used to assure one of the principal safeguards which presumably lead to their original enactment. That is to say, the committee believes that in some States the public is not adequately protected from unethical and/or incompetent practitioners as a consequence of the inadequate enforcement of State licensing statutes by State Medical Boards. Problems in respect to State administration and implementation of licensing statutes goes back many decades. It was the subject of an entire chapter in the so-called Flexner Report commissioned by the Carnegie Foundation in 1910. This sweeping report led to a fundamental restructuring of medical education in America. The Flexner Report said in part, "to do their duty fully, the State board requires to be properly constituted, organized, and equipped. At present none of them fulfills all these conditions." The report further states, "It happens, therefore, that the boards are sometimes weak, and either unwilling to antagonize the schools or legally incapable of so doing; again, well-meaning but incompetent; in some cases unquestionably neither weak nor well-meaning, but cunning, powerful, and closely alligned with selfish and harmful political interest." Finally, the Flexner Report comments, "Under existing conditions, though the State boards might well be constituted on a uniform plan and with the same powers, certain degree of diversity is unavoidable; but a certain degree of inevitable diversity is no excuse for hopeless confusion."

There have been significant changes in licensing statutes since the Flexner report but more than sixty years later the committee is concerned there still remain many significant changes that have yet to occur.

State requirements for medical licensure vary considerably. Within states and from state to state, requirements vary for U.S. medical graduates, Canadian medical school graduates, and for graduates of foreign medical schools. Such policies reflect differing standards for premedical work, undergraduate medical training, internships and residences, citizenship, and licensure examinations. For example, 29 states still have specific quantitative requirements for the amount of premedical college work of U.S. and Canadian medical school graduates. Sixteen states and the District of Columbia continue to require basic science certificates. Sixteen states have no requirement for internships or residences for U.S. graduates and requirements vary within states which do require such graduate training. Only four states require applicants for licensure to be a full citizen. Others vary from no requirements at all to declarations of intent. Although almost all states require candidates to pass either the National Boards (the examination developed by the National Board of Medical Examiners) or the FLEX (the examination developed by the Federation of State Licensing Boards) as a prerequisite for licensure, most U.S. graduates take the National Boards and most FMGs take the FLEX examination. Each state has the prerogative of setting its own passing levels for the FLEX examination. Forty-three state boards issue temporary educational permits, limited and temporary licenses, or other certificates for the practice of medicine. State board policies for issuing such permits differ considerably.

Table 66 outlines the basic requirements for initial medical licensure for graduates of U.S. medical schools. Table 7 shows citizenship requirements. Table 8 presents data on the status of requirements for FMGs (other than Canadian graduates). Table 9 lists states with temporary licensing provisions. Table 10 shows FMGs in the United States by state of practice and licensure status.

TABLE 6.—BASIC REQUIREMENTS FOR INITIAL MEDICAL LICENSURE FOR GRADUATES OF U.S. MEDICAL SCHOOLS

	Written exam	Basic science certif.	Endorsement of National Boards	Citizenship[2]	Graduate training[4]
Alabama	×	×[8]	×	×	×
Alaska	×	×[8]	×	--	×
Arizona	×	--	×	×	×
Arkansas	×	×[8]	No	D	×[7]
California	×	--	×	--	×
Canal Zone	×	--	×	--	×
Colorado	×	×[9]	×	×	×
Connecticut	×	×[9]	×	D	--
Delaware	×	------------	No	D	×
District of Columbia	×	×[9]	×	--	×
Florida	×	--	×	D	×
Georgia	×	--	×[1]	D	×
Guam	×	--	×	--	×
Hawaii	×	--	×	D	×
Idaho	×	------------	×	D	×
Illinois	×	--	×	--	×[5]
Indiana	×	--	×	--	--
Iowa	×	--	×	D	×
Kansas	×	×[8]	×	--	×
Kentucky	×	--	×	D	×
Louisiana	×	--	No	D	--
Maine	×	--	×	I	×
Maryland	×	--	×	D	--
Massachusetts	×	------------	×	D	--
Michigan	×	------------	×	------------	×
Minnesota	×	×[8]	×	D	×[7]
Mississippi	×	------------	×	D	
Missouri	×	------------	×	------------	
Montana	×	------------	×	×[3]	×
Nebraska	×	×[9]	×	D	
Nevada	×	×	×	D[3]	×
New Hampshire	×	------------	×	D	×
New Jersey	×	------------	×	D	×[5]
New Mexico	×	------------	×	D	
New York	×	------------	×	D	
North Carolina	×	------------	×	I	
North Dakota	×	------------	×	------------	×
Ohio	×	------------	×	I	
Oklahoma	×	------------	×	D	×[6]
Oregon	×	------------	×	------------	×
Pennsylvania	×	------------	×	------------	×
Puerto Rico	×	------------	×	I	×
Rhode Island	×	------------	×	D	×
South Carolina	×	------------	×	I	×
South Dakota	×	×[6]	×	D	×
Tennessee	×	×[5]	×	------------	
Texas	×	×	No	D	
Utah	×	×[5]	×	D	×
Vermont	×	------------	×	D	×
Virgin Islands	×	------------	No	------------	×
Virginia	×	------------	×	D	×
Washington	×	×[5]	×	------------	×
West Virginia	×	------------	×	D	
Wisconsin	×	×[6]	×	I	×
Wyoming	×	------------	×	D	×

×—Implies yes, or required.

[1] Only if issued prior to Oct. 15, 1953.

[2] D indicates a declaration of intention to become a citizen of United States No entry (--) indicates no requirement. I—Indicates immigrant visa (blue card).

[3] Declaration of citizenship adequate for citizens of Canada.

[4] All States indicated by × on.y require 1 year of straight or rotating internship; those indicated by ×r require rotating internship. No entry (--) indicates no requirement.

[5] Straight internship accepted if applicant furnishes proof he has finished residency training in approved hospital training program or has been accepted for such training.

[6] Straight internship accepted except in pathology and psychiatry.

[7] At the discretion of the board.

[8] Pt. 1 of National Board of **FLEX** acceptable. Also a license in another State by examination.

[9] Pt. 1 of National Board acceptable.

Source: "Medical Licensure Statistics for 1972." American Medical Association. Sept. 1, 1973, p. 13.

TABLE 7.—*Citizenship requirements for temporary or permanent licensure*

No requirement: Alaska, California, Canal Zone, District of Columbia, Guam, Illinois, Indiana, Kansas, Michigan, Missouri, North Dakota, Oregon, Pennsylvania, Tennessee,[3] Virgin Islands, Washington.

Immigrant visa: Maine, North Carolina, Ohio, South Carolina, Virginia, Wisconsin, Puerto Rico.

Declaration of intention: Arkansas, Connecticut, Delaware, Florida,[4] Georgia, Hawaii, Idaho, Iowa, Kentucky, Louisiana, Rhode Island, South Dakota, Texas, Maryland, Massachusetts, Minnesota, Mississippi,[1] Nebraska, New Hampshire, New Jersey, New Mexico, New York, Nevada, Oklahoma, Utah, Vermont, West Virginia, Wyoming.

Full citizenship: Alabama, Arizona, Colorado, Montana.[2]

FOOTNOTES

[1] U.S. citizenship not required of Canadian citizens.

[2] Declaration of Citizenship adequate for citizens of Canada.

Source: Medical Licensure Statistics for 1972. American Medical Association, September 1, 1973: Page 18.

[3] Two years U.S. residence prior to application.

[4] One year U.S. residence.

TABLE 8.—STATUS OF REQUIREMENTS FOR MEDICAL LICENSURE FOR PHYSICIANS TRAINED IN FOREIGN COUNTRIES OTHER THAN CANADA

	Written examination	Admitted also on reciprocal or endorsement basis	Citizenship	Offer FLEX examination	Internship	Certification by Educational Council for Foreign Medical Graduates	Special basic science test	Examination fee
Alabama	×	--	×	×	×	×	×	$100
Alaska	×	×	--	×	×	×	×	150
Arizona	×	×	×	×	×	×	--	100
Arkansas	×	--	×	×	×	×	×	125
California	×	--	--	×	×	--	--	50
Canal Zone	×	×	--	×	×	×	--	50
Colorado	×	--	×	×	×	×	×	75
Connecticut	×	×	D	×	--	--	×	150
Delaware	×	×	D	--	×	×	--	50
District of Columbia	×	×	--	×	×	×	×	50
Florida	×	--	D	--	×	×	--	50
Georgia	×	×	×	×	×	×	--	80
Guam	--	×	--	--	×	×	--	50
Hawaii	×	--	D	×	×	×	--	125
Idaho	×	--	D	×	×	×	--	150
Illinois	×	×	--	×	×	--	--	75
Indiana	×	--	--	×	--	--	--	85
Iowa	×	×	D	×	×	×	×	50
Kansas	×	×	--	×	×	×	×	200
Kentucky	×	×	D	×	×	×	--	125
Louisiana	×	×	D	×	×	×	--	100
Maine	×	×	I	×	×	×	--	100
Maryland	×	×	D	×	×	×	--	100
Massachusetts	×	×	D	×	--	×	--	125
Michigan	×	×	--	×	×	×	--	75
Minnesota	×	×	D	×	×	×	×	75
Mississippi	×	×	D	×	--	×	--	100
Missouri	×	×	I	×	×	×	--	100
Montana	×	×	×	×	×	×	--	$100
Nebraska	×	×	D	×	--	×	×	100
Nevada	×	×	D	×	×	×	×	200
New Hampshire	×	×	D	×	×	×	--	100
New Jersey	×	×	D	×	×	--	--	150
New Mexico	×	×	D	×	--	×	--	100
New York	×	×	D	×	×	×	--	40
North Carolina	×	--	I	×	--	×	--	100
North Dakota	×	--	--	×	×	×	--	125
Ohio	×	×	I	×	×	×	--	125
Oklahoma	×	--	D	×	×	×	--	65
Oregon	×	×	--	×	×	×	--	150
Pennsylvania	×	--	--	×	×	×	--	50
Puerto Rico	×	--	D	--	×	--	--	30
Rhode Island	×	×	D	×	×	×	--	50
South Carolina	×	--	I	×	×	×	--	100
South Dakota	×	×	D	×	×	×	×	125
Tennessee	×	--	--	×	×	×	×	50
Texas	×	×	D	--	--	×	×	50
Utah	×	×	D	×	×	×	×	75
Vermont	×	×	D	×	×	×	--	105
Virgin Islands	×	--	--	--	×	×	--	100
Virginia	×	×	D	×	×	×	--	100
Washington	×	×	--	×	×	×	×	35
West Virginia	×	×	D	×	--	×	--	100
Wisconsin	×	×	I	×	×	×	×	100
Wyoming	×	×	D	×	×	×	--	75

×—Implies yes.
D—Declaration of intention to become citizen of United States.
I—Imigrant visa (blue card).

Source: "Medical Licensure Statistics for 1972," American Medical Association, Sept. 1, 1973 p. 55.

Arizona.—Two years of approved internship or residency in U.S. hospitals required.

California.—Non citizens—2-year internship in an approved hospital in the U.S., 1 of the said years being in California, or 5 years of graduate training in approved programs for declared citizens. Citizens—1-year approved internship in an approved hospital in the U.S. followed by an oral and clinical examination; if satisfactory internship already completed, all three parts of examination (written, oral, clinical) may be taken at the same time.

Canal Zone.—Acceptable at the discretion of the board.

Colorado.—Credentials may be submitted in original form and accompanied by translation and will be directy verified or documents should bear evidence of being visaed by the U.S. Consul in the country wherein the school of graduation is or was located. Two years of approved residency.

Delaware.—Residency for 1 year required.

District of Columbia.—Examinees must pass D.C. exam or be exempt by virtue of having passed a basic science exam elsewhere. Considered on individual basis.

Florida.—Three years of AMA-approved training or 5 years of practice. ECFMG certificate waived if physician has U.S. specialty board certificate or has 4 years of meritorious practice in 5 years preceding application.

Georgia.—Reciprocity applicants may furnish certification of passing examination of Educational Council for Foreign Medical Graduate in lieu of acceptable medical school, and applicants are given consideration on an individual basis. Must appear before licensing board for interview. FLEX in 1973.

Guam.—Legal residence for 1 year required.

Idaho.—Considered on an individual basis.

Illinois.—Considers application on an individual basis from graduates of schools not on approved list. A graduate from an unapproved school may be accepted on basis of postgraduate training in this country, or applicant may have been admitted on basis of court order.

Indiana.—Two years postgraduate training in approved hospittal in US required and declaration of citizenship.

Iowa.—Medical examiners may accept in lieu of a diploma from a school of medicine approved by this board all of the following: (a) a diploma issued by a medical college which college has been neither approved nor disapproved by the medical examiners, and (b) completion of 3 years of training as a residential physician which training has been approved by or is acceptable to the medical examiners, and (c) recommendations of the ECFMG.

Kansas.—Certificate from medical college specifying in detail the physical equipment of the school, the curriculum, current catalog showing courses of study, and certificate that the college is recognized by authorities of such foreign country as qualifying its graduates for practice therein; diploma from such college; certificate of licensure in the country where graduated; all documents to be translated into English and certified by the counsel. ECFMG certificate required. US in an institution approved by the board.

Kentucky.—Applicant required to complete at least 3 years' training in the US in an institution approved by the board.

Louisiana.—Must have had 3 years graduate training, 1 year of which training occurred in Louisiana.

Maine.—Maintains list of acceptable medical schools.

Massachusetts.—If a candidate is a diplomat of an approved specialty board, he may be admitted to the examination for licensure without being required to hold ECFMG certificate.

Mississippi.—Endorsement of FLEX examination.

New Hampshire.—Proof of a commitment to practice in the state of New Hampshire.

New Jersey.—Candidates required to have not less than 2 years training in a hospital approved by the board; or 1 year if licensed in country of medical school.

New Mexico.—If a graduate of a foreign medical school has been licensed and has practiced continuously for 7 years immediately preceding application in a state with requirements equal to those of NM he may be granted a license by endorsement at the discretion of the NM Board of Medical Examiners.

New York.—ECFMG or equivalent plus 1 or 2 years approved hospital training required, with rare exceptions in special cases.

North Carolina.—Considered on an individual basis.

North Dakota.—Considered on an individual basis.

Ohio.—Must serve at least 2 years as intern or resident in approved hospital in this country.

Oregon.—Must show evidence of internship and/or residency of not less than 2 years in not more than two hospitals approved for such training. Less than an unqualified recommendation from the heads of these training programs shall preclude further consideration.

Pennsylvania.—Graduates of foreign medical schools are considered on an individual basis.

Rhode Island.—Two years of graduate training in an approved hospital in US or Canada is required.

South Carolina.—Residency training required as specified by board.

South Dakota.—Applicant required to practice in a state institution for 4 years under a temporary license and reappear before the board for permanent licensure, if unable to meet ECFMG or internship requirement.

Tennessee.—Each applicant considered on an individual basis; must have resided in US for 2 years, and must appear before board.

Texas.—All foreign-trained physicians must appear for personal interview and present original documents. Applicants with questionable credentials must appear before entire board.

Virgin Islands.—Residence of 6 months required.

Virginia.—Two years of accredited hospital training in approved hospital in the US or Canada within the 5 years prior to application. If citizenship is not required within 7 years after licensure, the license automatically becomes void.

West Virginia.—Original medical school diploma and official listing of premedical and medical school courses must be submitted.

Wisconsin.—Temporary license issued after passing FLEX to foreign graduate physicians for 2-year periods, renewable twice and after 6 years if applicant has remained in Wisconsin practising permanent license will be issued.

TABLE 9.—*Temporary and educational permits, limited and temporary licenses, or other certificates issued by State licensing boards*

Alabama.—Limited license for full-time foreign graduate teaching staff of the University. For work in that institution only.

Alaska.—Temporary permits issued for specified period or until next examination while processing permanent licensure. Locum tenens for 120 days to a licensed MD.

Arizona.—Temporary permits issued on basis of community emergency for term not more than 6 months, and only once renewable.

Arkansas.—Temporary permits issued for limited time in cases of emergency and to prevent hardship. Valid until next board meeting.

Connecticut.—Educational permits granted to graduates of foreign medical schools to serve in approved hospital training programs. If MD does not have an immigrant visa, he must have standard ECFMG certification.

Delaware.—Temporary emergency license to noncitizens and cross the border physicians granted for 12 months, subject to renewal, for emergency shortage and for locum tenens practice up to 4 months provided physician is licensed in another state.

Florida.—One year non-renewable certificate for full-time medical school facility member limited to teaching hospital.

Georgia.—Temporary permit until board meets. Institutional permit, good only in state institution, renewable each year.

Hawaii.—For interns and residents. Also, physicians to work for state or county agency or conditions of shortage or emergency or under supervision of licensed MD.

Idaho.—Temporary license until next board meeting.

Illinois.—Temporary certificate issued for residency training. Issued for a period of 1 year, may be extended. Permits issued for service in state hospitals to physicians eligible for licensure. Also temporary license for eligible candidates.

Indiana.—Temporary license pending next examination for graduates of approved medical schools. Temporary Education Permit issued foreign medical graduates for graduate education training, must have standard or temporary ECFMG certification. Temporary medical permit granted to interns and residents until they can obtain a regular license.

Iowa.—Resident physician license for training in approved hospital under supervision of licensed physician. Temporary license for 1 year issued at discretion of board. May be renewed for 2 additional years.

Kansas.—Temporary permit until next board meeting. Fellowships to work in statement institutions. Resident certificates for residents. Provisional license for non-citizens, valid for 5 years.

Kentucky.—Temporary permits issued to qualified applicants by endorsement for 6-month period to serve until investigation completed and meeting of board. Limited licenses issued to graduates of foreign medical schools on successfully passing board examination, etc., for one year, renewable for specified place, purpose, and time.

Louisiana.—Temporary permit for qualified candidates between regular semiannual meetings of the board. Foreign graduates granted temporary permits for approved residency training, employment in state institutions, and for teaching/research assignments.

Maine.—Temporary camp license for season. Hospital resident license for 1 year in specific hospital.

Massachusetts.—Limited registration covering appointment as intern, resident, or fellow in specific hospital, as an assistant in medicine while a student in medical school, as faculty member licensed in another state, or board certified specialist.

Michigan.—Temporary annual license for resident and postgraduate training renewal each year, not to exceed 5 years. Internship permits issued to graduates of foreign medical schools for a period of 1 year.

Minnesota.—A certificate of Graduate Training for qualified foreign graduates. Temporary license valid until next board meeting.

Mississippi.—Temporary license for practice until next board meeting pending permanent license by examination of reciprocity.

Missouri.—Temporary license issued to interns, residents, fellow only.

Montana.—Temporary license is granted to physicians to practice in specified location in the interim between license meetings or pending citizenship. Must appear at next board meeting to have temporary license made permanent.

Nebraska.—Limited license to graduates of foreign medical school who meet all requirements except citizenship. Temporary educational permits for residents and medical school faculties.

Nevada.—Temporary permit for 1 year for residency training provided candidate is eligible for permanent licensure.

New Hampshire.—Temporary license not to exceed 5 years issued to FMG's who meet all qualifications except full citizenship.

New Jersey.—Temporary license for 4 months to physicians eligible for full licensure when requested by licensed physician who will be out of state. Temporary license for noncitizens for maximum of 6 years. Permit to work in county or state hospital.

New Mexico.—Institutional permit issued for practice in state hospitals only. Interns and residents must register with the board of medical examiners. Temporary licenses issued until next board meeting.

New York.—Temporary certificate for 2 years of residency training required for graduates of U.S. and Canadian schools, except in public hospitals. ECFMG required of all foreign graduates.

North Carolina.—Limited license issued for duration of residency to physicians not eligible for licensure by endorsement.

North Dakota.—Temporary permit for US and Canadian graduates between board meetings, and for locum tenens. Limited license for physicians employed in state hospital.

Ohio.—Temporary permits for approved internship and residency training. Limited for employment in state hospitals.

Oklahoma.—Temporary license for 1 year for residency training in approved hospital, may be renewed for duration of training.

Oregon.—Limited license, good only in state institutions, may be extended, limited license, public health, residency training or fellowship may be renewed annually.

Pennsylvania.—Postgraduate certificate issued for residency training in approved hospital and for the time required for certification by a specialty board. Foreign postgraduate registration for physician in United States on educational visa.

Rhode Island.—Temporary permit for 1 year for interns, residents, and house officers in hospitals.

South Carolina.—Temporary permit for intern and residency training on a yearly basis. Temporary licenses are issued to eligible endorsement applicants beginning practice prior to board meeting. Temporary permits issued to foreign graduates for employment in state hospitals. Must hold ECFMG certificate.

South Dakota.—Temporary license issued for 4 years to graduates of unapproved medical schools for practice in state institutions provided applicant passes basic science and medical board examination. Sixty-day locum tenens permit.

Texas.—Temporary license issued to next board meeting date, after completed application for permanent license has been filed, processed, and found in order, institutional permits issued to interns and residents. Foreign graduates must be ECFMG certified.

Utah.—Temporary license for 6 months, issued: (1) due to local or national emergency; (2) lack of adequate medical care in a community; and (3) when circumstances surrounding an application indicates that an applicant should first be observed in the regular and continuing clinical practices of medicine before a regular license is issued.

Vermont.—Limited license to interns, residents, fellows, or house officers working under supervision of licensed physician.

Virginia.—Temporary permit may be issued until next board meeting for reciprocity applicants.

Virgin Islands.—Temporary certificate issued to military service personnel on duty, and to municipal personnel until next board meeting.

Washington.—Conditional certificate or license for employment by the Department of Institutions if licensed in another state.

West Virginia.—Temporary license issued until next board meeting to reciprocity applicants. Also issued to US graduates and holders of ECFMG certificate serving as interns and residents.

Wisconsin.—Temporary educational certificates issued to graduates of foreign medical schools for residency training. May be renewed annually for not more than 5 years. Temporary licenses to practice medicine and surgery until next board meeting at which qualified physicians are eligible for license by reciprocity. Temporary license to foreign graduate physicians after passing FLEX for 2-year periods, renewable twice and after 6 years if applicant has remained in Wisconsin practicing medicine, permanent license will be issued. Residual license for graduates to approved medical schools for residency training. May be renewed for not more than 5 years. Camp physician's license issued to physicians who wish to do locum tenens or work in a camp up to 90 days.

Wyoming.—Temporary permit until next board meeting. Citizenship requirement may be waived and temporary license granted on an annual basis at the decision of the board provided the applicant successfully completes ECFMG examination or board's written examination; citizenship must be obtained within 8 years.

TABLE 10.—FOREIGN MEDICAL GRADUATES IN THE UNITED STATES BY STATE OF PRACTICE AND LICENSURE DEC. 31, 1970

State	Total	Licensure	
		Full license	Not licensed
Total	57, 217	25, 178	30, 857
Alabama	147	29	118
Alaska	17	10	7
Arizona	282	131	151
Arkansas	25	3	22
California	2, 980	2, 073	907
Colorado	259	89	170
Connecticut	1, 267	603	664
Delaware	217	74	143
District of Columbia	778	198	580
Florida	1, 769	994	775
Georgia	434	199	235
Hawaii	203	114	89
Idaho	11	7	4
Illinois	4, 542	2, 348	2, 194
Indiana	473	256	217
Iowa	323	140	183
Kansas	299	83	216
Kentucky	346	64	282
Louisiana	261	16	245
Maine	174	148	26
Maryland	2, 249	912	1, 337
Massachusetts	1, 998	629	1, 369
Michigan	2, 367	565	1, 811
Minnesota	645	224	401
Mississippi	67	41	26
Missouri	982	276	706
Montana	30	16	14
Nebraska	70	23	47
Nevada	14	5	9
New Hampshire	145	37	108
New Jersey	3, 224	1, 232	1, 992
New Mexico	127	58	69
New York	15, 946	7, 480	8, 466
North Carolina	311	82	229
North Dakota	91	30	61
Ohio	3, 516	895	2, 621
Oklahoma	105	26	79
Oregon	141	67	74
Pennsylvania	2, 710	1, 251	1, 459
Rhode Island	495	286	209
South Carolina	99	25	74
South Dakota	70	56	14
Tennessee	306	95	211
Texas	1, 540	932	608
Utah	43	5	38
Vermont	71	32	39
Virginia	896	512	384
Washington	429	304	125
West Virginia	463	104	359
Wisconsin	642	343	299
Wyoming	13	7	6
Possessions	1, 414	1, 029	385
APO-FPO	204	(2)	(2)
Address unknown	978	(2)	(2)

[1] Excludes Canadian graduates in the United States.

[2] Not applicable.

Source: "Foreign Medical Graduates in the United States," AMA, 1970.

Excerpted from "The National Health Insurance Book." Prepared by the staff of the Committee on Ways and Means, Apr. 11, 1974, pp. 134–135.

The system of medical licensure has been studied and analyzed in the past seven years by no fewer than three major commissions, as well as the Department of Health, Education, and Welfare. Each has published reports indicating serious reservations toward the current procedures for licensing health professionals.

In 1967, the President's National Advisory Commission on Health Manpower advocated the development of minimum national requirements for licensure or health personnel. In addition, the Commission recommended that state governments and professional societies begin to explore the possibility of periodic relicensing of health personnel in order to assure continued quality of care. The Commission also recommended that FMGs—before entering postgraduate training programs in the United States—be required to participate in programs to evaluate their competency in basic and clinical medical sciencies, in English language proficiency, and in other appropriate fields. The Commission recommended that remedial training be provided for FMGs where necessary.

"*Licensure of Health Professionals*—The first requirement for assuring that health care approaches its potential quality is to make licensure effective to the limit of its capabilities. At the least, licensure throughout the nation should be based on minimum requirements which would assure to citizens a basic standard of quality wherever they might be when illness occurs. Beyond this, individual states should be encouraged to develop additional standards for higher quality controls within their jurisdictions. Such statutes will not be uniform in content, but they should be comparable in structure so that the differences can be easily recognized and evaluated.

"There is also an urgent need for research to develop "mode' 'provisions for specific licensure problems such as the delegation of medical responsibilities, the interstate recognition of licenses, and the grounds and procedures for disciplinary actions. These models should be policy-oriented and flexibly presented for the consideration of state legislatures and licensing agencies. To further both of these objectives we recommend that *professional societies, universities, and state governments should undertake, with Federal support, studies on the development of guidelines for state licensure codes for health personnel.*

"Health professionals are already licensed; and excellent, workable procedures, tested by long practice, exist for basing this governmental regulation on professional judgment. There is no reason why subsequent relicensure should be any less professional in its orientation, or should offer any greater possibilities for abuse. We therefore recommend that *professional societies and state governments should explore the possibility of periodic relicensing of physicians and other health professionals. Relicensure should be granted either upon certification of acceptable performance in continuing education programs or upon the basis of challenge examinations in the practioner's specialty. . . .*

"An immediate step, to improve this situation would be stricter screening of FMG's prior to their assumption of responsibility for the care of patients. Although the passing score of the CFMG exam could be raised, it would still represent a means of judgment different from that applied to U.S. medical graduates. For that reason, we prefer the test provided by the National Board of Medical Examiners which is now taken by more than 75 percent of medical graduates in this country and is recognized for licensure by 45 states. Accordingly, we recommend that *at a minimum, foreign-trained physicians who will have responsibility for patient care should pass tests equivalent to those for graduates of U.S. medical schools. The National Board of Medical Examiners provides an objective testing service which should be utilized just as it is for graduates of U.S. schools. Issuance of an immigrant visa on the basis of Third Preference should be contingent upon satisfactory performance in the examination.*"

The Carnegie Commission on Higher Education published its report, "Higher Education and the Nation's Health," in October 1970. The Commission made the following recommendations regarding licensure and relicensure of physicians and other health personnel:

"The Commission recommends the appointment of a National Health Manpower Commission to make a thorough study of changing patterns of education and utilization of health manpower, with particular reference to new types of allied health workers, of changing patterns of health care delivery, and of the feasibility of national licensing requirements for all health manpower."

In 1970, writing in the Wisconsin Law Review, Forgotson, Bradley, and Ballenger state in part:

Despite these elaborate provisions, official licensure laws leave something to be desired even as minimum quality controls. They do not cope adequately with such current problems as: (1) protection against ordinary incompetence in the exercise of skills; (2) lack of specialized skill; (3) deterioration of skills as a result of age, physical debilitation, drug abuse, or acoholism; (4) educational obsolescence; and (5) cultism.

In 1971, the Department of Health, Education, and Welfare published its major study on licensure of health personnel in the United States. The report flatly recommends that States adopt national examinations for the licensure of health professionals. In addition, the report advocates that States and professional societies incorporate requirements to assure continued levels of competence by health practitioners:

"All States are encouraged to adopt and utilize, fully, national examinations for those categories of health personnel for which such examinations have been prepared. Support should be made available for the development, as soon as possible, of national examinations for the remaining categories of licensed health personnel where such examinations could contribute toward increased uniformity.

"Although the mechanism of national examinations is endorsed, the existent national examinations need on-going attention to assure that they adequately test the knowledge and skills actually required for the provision of high quality health care. Among those States now using national examinations, serious consideration should be given to establishing a uniform pass/fail level. . . .

"The professional organizations and States are urged to incorporate a specific requirement for the assurance of a continued level of practitioners' competence as one condition in the recredentialing process. Employers are encouraged to provide opportunity for participation in programs directed toward assuring continuing competence; participation should be a major criteria in employee evaluation and incentives. Additional studies of the best mechanisms to assure continued competence should be supported on a high-priority basis."

Before the Committee, Dr. Sidney Wolfe of the Health Research Group testified to the longstanding inadequacy of State licensing laws respecting physicians and dentists. He stated:

"Before going into the written part of the testimony I would like to comment that licensing up until now has been largely employed in a very inconstant way, as Doctor Derbyshire has pointed out, as a means into the profession. If you will look at the data that Doctor Derbyshire has collected and the data that appeared in the survey taken by the Medical World News it—in terms of the use of licensure to take people out of the profession, it is almost jokable in a medical society with several thousand members, a State Medical Society and a typical number of license suspensions or revocations in the course of the year will be one, two, three or none, so the point is that once into the licensing procedure, both by virtue of no relicensing requirements and by virtue of very, very low standards or difficult standards in order to take someone out of the profession we just don't have this happening right now. The language which allows the State to revoke a license is very vague, and most times it is only specific with respect to things such as drug addiction, and I think that one of the most significant advances of this legislation is to really seriously create a mechanism by virtue of both relicensing and other means of taking away a license that we also have a way of getting people out once they have been in rather than leaving them in for life and never taking them out.

While the Flexner Report on similar efforts in the early part of the century resulted in a generally uniform higher quality of medical and dental school education the comparable changes in legislation with respect to the relicensing of them have been lacking.

Much of what I am going to talk about has got to do with dentistry particularly because of knowing of Doctor Derbyshire's longstanding work in the field of medical licensing and because over the last couple of years I have been supplied with a lot of information as to serious problems in dentistry which might be more serious than the ones in medicine. It—if the goal and effective policy of licensing and relicensing is to maximize the quality of health care significant differences between States with respect to licensure or relicensure criteria are anagetical to the purpose.

"A patient living in one state should not be penalized by having poor quality health care which might hurt his health or life because the licensing standards in that state are lower than in other states. The data accumulated from the American Dental Association as seen in Table 1, the second page, raises serious questions about the lack of uniformity of States in dental licensure standards. Essentially what you see here is that over a three year period an average of 12 States failed no one as far as dental licensure examinations and there was clearly a bias towards instate applicants as opposed to out of State applicants.

"Even in the face of FLEX having been implemented as pointed out by Doctor Derbyshire, it indicates—in the case of medical FLEX there are also states that fail few, if any licensees, and still have a biased force of within state applicants, and this is not a bias that has to do with quality.

"Conversely, there are States such as Florida with licensure standards which appear inordantly stringent and which only serve to restrict entrants to well-qualified dentists to practice.

"In medicine according to Doctor Derbyshire's own survey, and this is one that was completed in 1965, a total of 6,739 applicants took exams during a ten year period and there were only 11 failures and these are in four particular States.

"On a voluntary basis dentistry has failed to do something about problems that, if anything, they recognize as well, if not better then, than now, and I will read you a couple of these resolutions passed.

"In 1894 at the 11th Annual Session of the National Association of Dental Examiners the following resolution was made. 'Resolved that it is the intent of the National Association of Dental Examiners when a member of the dental profession presents a certificate of registration from the State Board of Dental Examiners duly created by law saying the man should—saying the same should entitle the holder of such certificate to registration without an additional examination in any State of the Union.' Now, this is with respect to a reciprocity of one licensing others, and in 1916 article—a 1916 article reported that the National Dental Licensure Association was formed in that year with three objectives, and this is 60 years ago almost: One, the establishment of a National Examining Board for the graduates of dental colleges in the United States; and the establishment of a National License to practice dentistry; and the standardization of dental colleges.

"The major themes of the 103 articles written between 1916 and 1972 on this topic of reciprocal licensure were the same as the themes in all of the earlier period, with two additions, one was the new theme of the fear of federal intervention in terms of dentistry so that after 80 or 90 years of having talked about change, and no change having occurred, the new theme is that the federal government might step in and do something.

"The second new theme had to do with the problems of dentist mal-distribution similar to the situation in medicine. A century of inaction by the dental profession is bound to make fears of federal intervention self fulfilling prophecies, and again I quote now from a discussion which took place in 1890 in which Doctor Goddard said, "The only way of getting a uniform law on national licensure was by federal legislation being enforced by the various states" which is being proposed here and I think that now just as then, the only way this is going to happen is not by waiting for vounntary efforts which have failed for 100 years to succeed by implementing provisions such as the proposed legislation.

"Approximately 70 percent of the American Dental Association members who were polled in 1972 on this topic, and 70 percent favored national reciprocity, and the House of Delegates of the ADA voted no on a resolution to endorsement principles, and despite the continuing resistance by ADA reciprocity and national licensing, the American Association of Dental Schools currently supports recommendations for National licensing."

The Committee believes that a set of minimum national standards for the licensing of physicians and dentists, implemented by the several States, is essential to overcome the lack of uniformity of the existing State's requirements and to overcome the variable way in which the States now determine who shall be initially licensed and under what circumstances a license should be suspended. The Committee knows of no other effective way to interdict the symbiotic relationship between organized medicine and dentistry on the one hand, and the practices of State licensing bodies on the other.

The Committee also wishes to point out that it believes that problems respecting the licensing of health professionals is not limited to physicians and dentists. At an appropriate time the Committee intends to further this matter.

The complete discussion respecting licensure is contained in section V of this report. The Committee believes it is most astute.

In conclusion the committee wishes to clarify certain common misconceptions respecting the obligated service provisions of the bill. First of all the bill does not require any health professional school to receive Federal capitation support. Secondly, the service agreement is between the student and the United States, and does not directly involve the school. Thirdly, any school may choose to admit students who refuses to agree to serve, though in that event the school would be denied its Federal capitation support. Fourth, in the event a licensed graduate fails to meet his service obligation, the institution from which he graduated is in no way involved or penalized.

The committee wishes to draw attention to the fact that some schools have admission requirements which appear to address issues other than the educational and intellectual capacities of prospective students. For example, the Consad Research Study cited above reveals that the University of Illinois College of Medicine gives "a definite preference" in granting admission to students who agree to practice in a rural area for at least 5 years. In admission of students based upon an arbitrary age. An example of this is contained in the following letter, which was forwarded to the committee by Mr. Robert Murphy.

NORTHWESTERN UNIVERSITY,
THE MEDICAL SCHOOL,
WARD MEMORIAL BUILDING,
Chicago, Ill., June 5, 1973.
Mr. ROBERT R. MURPHY,
109 Woodcrest Terrace,
Ithaca, N.Y.

DEAR MR. MURPHY: That was a splendidly drafted letter that you supplied us with—it presents your case very cogently. I hope and trust that you will be successful in your efforts to enter medical school within the next year or two. Regretfully I must inform you that we have an absolute upper age limit of 35 which we do not waive. In practice we have occasionally accepted applicants of 31 or 32 years of age during the past several years. Incidentally, you might want to do some research into the availability of internships and residency programs for a medical graduate in his early forties. My impression is that some of these programs may be difficult to enter for the older applicant.

Sincerely,

CHARLES A. BERRY, PH. D.,
Chairman, Committee on Admissions.

Accordingly, the Committee rejects the notion advanced by the Association of American Medical Colleges and others that the provision in the Committee's bill requiring a student to agree in writing with the Government to provide service, is somehow inimical to the school's traditions in respect to the factors *it* considers in determining which students it will admit.

COMMITTEE RESPONSE TO MINORITY VIEWS

The Committee is gratified that the minority views recognize that "the reported bill correctly focuses on the health manpower problems confronting the Nation today." However, the Committee is neither convinced that the reported bill is drastic in terms of the extent of our country's health manpower problems—evidenced by the facts set forth in section V of this report and further substantiated in section XV of the report—nor is it aware of another legislative proposal (including the undefined minority views' substitute proposal, which was never presented to the Committee and which would appear to be significant departure from the substitute as offered by Senator Beall and rejected in Committee), which adequately responds in noninflationary terms to the Nation's health manpower problems.

The Committee disagrees with the characterization of its reported bill as a "domestic draft." There is no "draft" of health professional students. The bill merely conditions the unique program of Federal capitation support to a health professions school, which chooses to participate in such program, upon such school assuring the Secretary of HEW that all of its students do agree with the Government to serve in designated shortage areas. There is no requirement in the reported bill that a school must participate in the capitation support program of the bill; merely a requirement that if the schools do choose to have the costs of student education subsidized through such capitation program then and in that event such schools' students must agree to pay back to the taxpayer their investment in the student's education through service in shortage areas designated by the Secretary of the Department of Health, Education, and Welfare.

The Committee has not received one scintilla of evidence which would persuade the Committee to support the minority views contention with respect to reliance upon the schools voluntarily establishing new students selection procedures or training programs to overcome the grave health manpower problems. The Committee notes that the promises of such an untested and unproven approach are in great measure rejected, in fact, by the minority views. The main thrust of the minority proposal, is, instead of requiring 100 percent of the students to serve subject to a random selection lottery if service is determined not to be required, reliance upon a 25 percent earmarking of such educational training slots. The Committee agrees that given the "demand" for education by qualified students that there will be overwhelming "voluntary" agreement to serve. However, the Committee is concerned by the minority proposals lack of specificity regarding what action ensues if a school fails to reach such "25 percent" combined with what assurance is there that appropriations will be provided to meet what the minority alleges to be an "entitlement" to a "federal scholarship."

Moreover, the Committee is not convinced: that "25 percent" will meet the Nation's needs; that as a result of such "25 percent" medical schools will be required to give increased emphasis to primary care; that there are "studies indicating the success some States have had in getting students to serve in shortage areas," since the overwhelming weight of the evidence is to the contrary (see section V of the report); that the so-called 25 percent who "elected to serve in shortage areas; not because they were conscripted to serve" are any more so volunteers than those in the reported bills approach, since as the minority States: "applications for medical schools are running about three times the number of acceptances."

The Committee believes it urgent to correct the impression given by the minority views regarding those providing obligated service who intend in the future to specialize. There is nothing in the reported bill which would prevent such future specialist oriented physician from having his obligated service "count" toward his specialty residency, if such service is appropriate, and there is nothing to lead the Committee to believe it could not be so provided.

The Committee rejects the minority views conclusion respecting licensure and in support of its position reiterates portions of the testimony of Dr. Robert C. Derbyshire, Secretary-Treasurer, New Mexico Board of Medical Examiners:

"Yet there is still the problem that a few boards will license candidates who achieve weighted scores of somewhat less than the generally accepted standard of 75 percent. While each State has the prerogative of setting its own passing levels the *variability does interfere with interstate endorsement of licenses* (emphasis supplied).

"Another problem in medical licensure is caused by provisions in the laws of several States which specify in detail the curriculum of medical schools. * * * Some States which interpret their laws literally will refuse to endorse the license of another State because the candidate has not completed certain courses enumerated in the statutes.

* * * * *

"Another problem associated with the licensure of physicians is that which I choose to call "life-long licensure." Ever since the advent of so-called modern medical practice acts over a hundred years ago the license of every physician has remained valid for the lifetime of the individual provided he commits no crimes. He is neither required to prove his continued proficiency nor that he has remained abreast of advances in medicine.

* * * * *

"To date, although such laws (referring to those which require physicians to engage in programs of continuing education to maintain their licenses in good standing, and permissive legislation) have been passed by four other States—Kansas, Kentucky, West Virginia, and Maryland—in only two States, New Mexico and Maryland have they been implemented."

The minority views in regard to the serious problem of foreign medical graduates sustain the need for prompt effective action with respect to such problem, as set forth in the reported bill.

The Committee is surprised by the minority views position regarding cost. The cost of the reported bill annually is not only approximately the annual cost of existing law but also for the first time ensures it is cost effective for the taxpayer. The Committee cannot comment on the "we intend to offer a substitute that is affordable" since it lacks any cost specificity. The Committee does believe it is important to point out that the cost of the minority substitute previously considered and rejected by the Committee was substantially in excess of the annual cost of the reported bill.

RESPONSE TO ADDITIONAL AND SUPPLEMENTAL VIEWS RESPECTING STUDENT ASSISTANCE

At the committee's last executive session respecting S. 3585, Senator Eagleton offered his substitute amendment which proposed to utilize student assistance as the mechanism to deal with geographic maldistribution of health professionals. Essentially the amendment offered by Senator Eagleton consisted of Parts A and B of H.R. 14357, which was introduced in the House by Mr. Roy (D.-KAN.) on April 24, 1974. This amendment proposed to totally terminate capitation support for the schools of the health professions on the assumption that they would be forced to substantially increase their tuition in order to recoup the loss. In lieu of capitation the amendment creates a very substantial student assistance program funded by the Federal government. Under the substitute this student assistance program was proposed to be funded at $847,000,000 in the first year, $890,000,000 in the second year and $934,000,000 in the third year. The committee observes that the comparable capitation figures in its bill for these years are $311,000,000, $324,000,000, and $324,000,000, respectively. The Eagleton substitute further assumes that approximately 90% of all students attending the institutions would find it necessary to receive federal student assistance. And, as a consequence of the receipt of such assistance, those students would be required to serve in underserved areas.

In addition, the Eagleton substitute proposed to terminate the long-standing, important special project grant and health manpower initiative award programs such as providing increased emphasis on, and training in, the science of clinical pharmacology, the prevention, diagnosis, treatment, and rehabilitation of alcoholism and drug dependence, and the assessment of the efficacy of various therapeutic regimens, or providing increased emphasis on, and training and research in, the science of human nutrition and the application of such science to health.

The Committee cannot agree that these programs should be terminated.

While the Eagleton substitute may be theoretically sound, the committee rejected it overwhelmingly.

The committee rejects the notion that its bill is coercive or constitutes a "draft," while the Eagleton substitute is fair and equitable. First of all, no health professional school has a right to the unique Federal program of institutional support, and, secondly, no school need apply for such assistance if that be its wish. In addition, the committee considers it perfectly appropriate to add an additional condition to the receipt of Federal educational support, namely the requirement for meeting the needs of underserved areas.

The committee also rejects the notion that its bill is compulsory, while the Eagleton substitute is voluntary. The basic rationale which lies behind the Eagleton substitute is to drive up the tuition costs at these institutions to a level which will *force* 90% of all of its students to apply for Federal student assistance. Thus, the Eagleton substitute would be voluntary for only the very wealthy, who could afford tuition regardless of its level. Voluntarism for the wealthy and disguised compulsion for everyone else does not seem to the committee to be a wise course to embark upon at this time.

In addition, the committee does not believe that the Eagleton substitute is workable. While it would be relatively easy to cut off capitation support, thereby necessitating substantial tuition increases, the committee does not believe that the President will request or that the Congress will appropriate $847,000,000 in FY 1976, $890,000,000 in FY 1977, and $934,000,000 in FY 1978 for the proposed student assistance program as set forth in the Eagleton substitute. The committee notes that in FY 1974 the budget request for student loans was $36,000,000 and the appropriation was $36,000,000. For scholarships the budget request was $10,000,000 and the appropriation was $15.5 million. Accordingly, the committee believes that the adoption of the Eagleton substitute would result in tuition increases, would not result in the appropriation of Federal funds at anywhere near the level required by the proposal, would therefore, produce financial havoc for the educational institutions and their students and, accordingly, would not meet the problem of geographic maldistribution.

Senator Eagleton places importance on drawing a distinction between students who receive direct (student) assistance and those who receive no direct assistance. He apparently believes that it is appropriate for the former student to be required to serve in an underserved area, but that it is inappropriate for such a requirement to be placed upon the later student. The committee rejects this distinction, and it rejects it because of the extent to which these educational institutions rely upon *public* support for their very existence. These educational institutions consistently testify to the effect that they consider themselves to be a national resource. On the average, 50% of medical school functioning comes from public funds, with the vast majority of those funds being Federal. The schools readily attest to the fact that the withdrawal of these funds would precipitate financial chaos for the schools. The committee understands this to be the factual situation. Accordingly, it believes the public makes a substantial contribution toward the education of all the graduates of these schools, regardless of the manner by which a student happens to receive a Federal supoprt.

Senator Eagleton also raises the spectre of the Federal government perhaps becoming involved in dictating how a physician would practice medicine. There is nothing in the committee's bill in this respect. Under Senator Eagleton's proposal the Secretary of HEW would determine the location of medically underserved populations. And he would be involved in assuring that the "theoretical 90% of the students who received loans or scholarships" were appropriately assigned to these areas. In this respect there is no difference between his substitute and the committee's bill.

Finally, the committee wholeheartedly agrees with Senator Eagleton that, "previous efforts to deal with this problem have been almost totally ineffectual."

The Committee views the competence of individuals providing consumer-patient radiologic services as one aspect, but a critical aspect, and a recognized national concern in the overall problem of assuring the American people are provided safe, reliable, competent, and convenient as well as efficacious health care services.

In incorporating the provisions of the Radiation Health and Safety Act of 1974 as Title IX of this legislation, the Committee notes the position of the Department of Health, Education, and Welfare advocating a general moratorium on the licensure of allied health personnel. Nevertheless, the

Committee is of the opinion that the potential consumer-patient hazards from unnecessary radiation exposure are of such significant public health concern as to warrant special treatment. The Committee also notes, however, that the time afforded in Title IX for implementation of the measure (one-year for drafting of the Federal minimum standards and two-years for State implementation) does not conflict with the date advocated for the moratorium.

While the attendant benefits from the use of radiation in the diagnosis and treatment of disease are well recognized, such uses account for the population's greatest—over 90 percent—source of man-made ionizing radiation exposure. Major steps are being taken by the FDA's Bureau of Radiological Health to control unnecessary radiation emissions from electronic products, such as x-ray equipment, microwave ovens, and ultrasonic equipment pursuant to the Radiation Control for Health and Safety Act of 1968 (P.L. 90-602); however, experience indicates that an unqualified operator of diagnostic x-ray equipment can inadvertently overturn any radiation protection benefits derived from equipment design or performance standards.

The Committee is concerned that at the present time the United States is faced with the reality that the competence of almost two-thirds of the individuals providing consumer radiologic services is unknown. Two approaches are incorporated in Title IX, the Radiation Health and Safety Act of 1974, to upgrade the quality of these services: first, control over admission to the profession is provided through a requirement for mandatory licensure; and, second, control over the educational curriculum of individuals who will be providing consumer-patient radiologic procedures is provided through accreditation.

The Committee in no sense intends to endorse formal training as a substitute for proficiency testing as a basis for qualification for licensure. Rather, the Committee intends that licensure be based upon demonstrated competence through both written examination as well as proficiency testing; however, in practice it is performance that determines competence.

The Radiation Control for Health and Safety Act provides that the Secretary of Health, Education, and Welfare issue, and periodically update, criteria and minimum standards for use in Federal or State licensure of such technologists. In establishing these criteria and Federal minimum standards, the Secretary would consult the Environmental Protection Agency, with State licensure bodies and health departments, and with appropriate professional.

For the purpose of accreditation within one-year of enactment the Secretary is required to issue and periodically update, criteria and minimum standards for use in the accreditation of institutions training radiologic technologists. Graduation from an accredited institution could satisfy requirements for conditional licensure for one-year as a "technologist-in-training" pending full licensure.

With respect to medical practitioners, such as physicians and radiologists, and dental practitioners, dental hygienists, and dental assistants, the Secretary is required to issue similar criteria and minimum standards. These are to be employed in the accreditation of educational institutions training these health care professionals.

The Committee intends that appropriate training be provided to all persons administering to consumer-patients potentially hazardous radiation, both ionizing, such as x-rays, and non-ionizing such as microwaves and ultrasound. This is of major importance if the consumer is to be assured that radiologic services are being performed in the most efficacious manner—without unnecessary radiation exposure. In this regard, however, the legislation does not require licensure nor render licentiates of the "healing arts," such as physicians, dentists, and dental hygienists, accountable for their own competence in performing radiologic procedures or in supervising the provision of radiologic procedures by others, for example certified or licensed radiologic technologists. Although this is of public health concern, the competence of these other health care professionals is beyond the scope of this legislation as mandatory requirements of law although of public health concern from the standpoint of reducing unnecessary consumer-patient radiation exposure.

For the purpose of licensure of radiologic technologists, within one year of enactment the Secretary is required to issue pursuant to subsection 360H(b) criteria and minimum standards for the licensure of radiologic technologists distinguishing between various categories of specialization.

In recognition of the initiative exercised by radiologic technologists who pursued voluntary certification, the Committee provided in the legislation, as a mandatory requirement, that the Secretary review and evaluate any voluntary certification program in existence as of the date of enactment. On the basis of this analysis, at the time of issuance of the criteria and minimum standards for licensure, the Secretary is required to render a determination as to whether such programs meet any of the criteria and minimum standards for licensure. Within one year thereafter those radiologic technologists certified by existing voluntary programs which meet Federal minimum standards are to be licensed in an appropriate area of specialization.

For the purpose of promoting State rather than Federal licensure encouragement is given to the preferential establishment of State programs. However, should a State fail to adopt standards within two years that meet the Federal criteria and minimum standards for accreditation of educational institutions and for licensure of technologists, the Federal standards would then become the standards applicable to that State.

Where State licensure programs are in existence as of the effective date of Federal criteria and minimum standards, the State program is to be deemed in compliance until such time as the Secretary renders an affirmative finding, after public hearing, that the State program does not require the equivalent of the Federal minimum standards for licensure or the conditions for approval of a State program are not being satisfied. Thus the Secretary for existing State licensure programs is placed in the posture of having to preempt the State program on the basis of non-compliance.

A review of the four States with implemented certification or licensure laws indicates that the New York and New Jersey programs are parallel in many ways to the major provisions of the Radiation Health and Safety Act of 1974, while the California law more closely parallels a model law developed in 1970 by the FDA's Bureau of Radiological Health. The Puerto Rico program is not so strict as the others.

In order to avoid duplication on licensure efforts and minimize the Federal junctions, the Secretary is authorized to certify appropriate professional organizations, such as the American Registry of Radiologic Technologists, to assume a role as the Federal agent for the purpose of implementing and maintaining the national licensure program. The objective here is to create a Federal program which builds and expands on existing voluntary certification programs rather than duplication or detraction from this effort.

Similar provision is made for the assumption of accreditation functions by organizations recognized by the Commissioner of Education for such purposes.

Upon the effective date of Federal criteria and standards the lawful administration of potentially hazardous radiation to humans for diagnostic or therapeutic purposes will be restricted to licensed medical practitioners, dentists, or dental hygienists and licensed radiologic technologists.

The Committee recognizes that technologists do not take radiographs in isolation from the decisions of their practitioner-employers. Moreover, the Committee does not intend to restrict any consumer-patient from obtaining the benefits of diagnostic radiology or to inhibit or preclude any physician from providing necessary health care services. Nevertheless, the Committee does intend to assure that when radiologic services are warranted and prescribed that unnecessary radiation exposure is minimized and that efficacious radiologic services are provided. This is accomplished through imposition of a mandatory Federal requirement for licensure of radiologic technologists.

IX. CONSTITUTIONALITY OF S. 3585

A. THE OPERATIVE PROVISIONS

A complete description of the provisions of S. 3585 is set out in Section XII of this Report. For purposes of this discussion a brief explanation of the basic statutory scheme will be helpful. S. 3585 amends the Public Health Service Act. Section and part references are to the amended sections of that Act.

Part I provides for establishment of minimum national standards for licensure of physicians and dentists. The Secretary of Health, Education, and Welfare, in consultation with appropriate professional and testing organizations, is charged with establishing national stadards, including satisfactory performance on an initial examination, demonstration of written and spoken proficiency in the English language and compliance with such other requirements as are determined to be appropriate for evaluating competence to practice medicine or dentistry. The national standards must also include a requirement of relicensure at least every six years.

The States are premtted to adopt standards which "meet" or "exceed" the national standards. If any State fails to adopt such standards within the prescribed period, the national standards become effective in that State. A State may impose any licensure requirement which is consistent with the national standards and reasonably necessary to assure competent physicians and dentists. Requirements based upon a period of residence in the State are proscribed. A State is permitted to have only one set of licensure requirements and must apply those requirements equally to all applicants for licensure. As explained below, failure to comply with other requirements of the legislation results in compulsory suspension of licenses by the States.

Section 771(b) provides that, as a condition for the receipt of funds under Section 770, each health professions school must provide assurances that it will admit only individuals who have signed a service agreement with the Secretary of Health, Education, and Welfare. Such an agreement obligates the individual to provide two years of health services (through the practice of his profession) in an area or institution with a shortage of such professionals. If all of the obligated individuals are not needed to serve, the Secretary will choose the number needed in an impartial manner.

An individual's obligation may be excused under section 771(b)(3). If an individual who has been chosen to provide service fails to satisfy his obligation, he becomes liable for damages to the United States under a formula set out in section 771(b)(2)(D) (which damages cannot exceed the amount of any funds provided to a health professions school on the basis of his enrollment in such school, and interest on that amount), and if he is a physician or dentist, subject to compulsory suspension of his license under section 799D(c) by each State by which he is licensed to practice his profession.

Section 771(j) provides that any school which fails to comply with the assurances required to be given under Section 771 will be denied further grants under Section 770 either permanently or until such school repays those Federal grant moneys to which such school was not entitled.

Part H provides for a system of certification of postgraduate physician training positions. Sections 794 and 795 require the Secretary, upon the recommendations and with the approval of the National Council and regional councils established under sections 790 and 792, to establish the number of postgraduate physician training positions needed in each medical specialty, distribute that number throughout the regions, and certify those positions in entities which provide such training, in accordance with the requirements of that part.

Section 798B provides that after the effective date, financial assistance under the Public Health Service Act shall not be given to entities which maintain uncertified positions, to individuals or entities affiliated with or employed by entities which maintain uncertified positions, to individuals who have received postgraduate physician training by filling uncertified positions, or to entities which pay or reimburse such individuals. Section 799D(d) provides that any individual who receives postgraduate physician training by filling an uncertified position will have his license suspended by each State by which he is licensed to practice his profession.

B. THE CONSTITUTIONAL ISSUES

The constitutional issues regarding S. 3585 raised before the Committee can be described as follows:

(1) whether Congress has authority under the Constitution to enact legislation regulating education of health professionals and licensing of physicians and dentists; and

(2) whether the provisions of the bill requiring an individual who wishes to attend a health professions school which receives funds under the bill to sign an agreement with the Secretary, obligating him to serve (by practicing his profession) in an area or institution with a shortage of such professionals and requiring payment of damages, and, in the case of a physician or dentist, suspension of his license, for failure to comply with such obligation or consistent with (a) due process and equal protection guarantees of the Fifth Amendment, (b) Thirteenth Amendment protections against involuntary servitude, and (c) the prohibition on bills of attainder found in Art. I, Sec. 9, of the Constitution.

The Committee believes that each of these issues must be resolved in favor of the constitutionality of S. 3585.

(1) *Congress has authority to regulate education of health professionals and licensing of physicians and dentists*

(*a*) *The Commerce Power* Art. I, Sec. 8, Cl. 3 of the Constitution provides Congress with the power to "regulate commerce . . . among the several States." That power (the "Commerce Power") provides authority for the enactment of this legislation. S. 3585 is predicated on Congressional findings, specifying the problems which Congress has designed the legislation to meet and stating the relationship between those problems and Congress' authority under the Commerce Power. Briefly, the findings state three basic conclusions: (1) the problems of geographic maldistribution of health professionals, specialty maldistribution of physicians, and varying, and often inadequate licensing standards for physicians and dentists affect the quality and availability of health care in the United States; (2) the quality and availability of health care in the United States affect interstate commerce; and (3) a nationwide program of obligated service of health professionals in areas and institutions with shortages of such professionals, of certification of postgraduate physician training positions, and of minimum standards for licensure of physicians and dentists will remove an undue burden on interstate commerce.

These finndings demonstrate the determination, based upon extensive consideration of the facts and testimony, that the subject of this legislation affects interstate commerce and that the enactment of S. 3583 is necessary for the protection of interstate commerce. The Supreme Court has ruled that it is for Congress to determine whether the activity which it addresses affects interstate commerce and where, as here, such determination has a rational basis, the regulation of such activity will be upheld as a valid exercise of Congressional authority under the Commerce Power. *See Katzenbach v. McClung*, 379 U.S. 294, 303–04 (1964); *Maryland v. Wirtz*, 392 U.S. 183, 195 (1968).

The findings note the manner in which the quality and availability of health care affects the movement of persons and goods. The Food and Drug Administration estimates that over 99 percent of all drug products move in interstate commerce and that the figure for medical devices may be nearly that high. Many persons cross State lines to receive health care, while others may be discouraged from moving into areas where health care is of low quality or unavailable, with a consequent adverse effect on commerce in those areas. State standards for licensing physicians and dentists prevent those professionals from moving from one State to another or from crossing State boundaries to provide services when needed.

The interstate movement of persons and goods has been held by the Supreme Court to be interstate commerce. In *Heart of Atlanta Motel v. United States*, 379 U.S. 241, 255–57 (1964), the Court upheld title II of the Civil Rights Act of 1964 as properly based on the Commerce Power, on the ground that Congress had concluded that racial discrimination in motels, which provided lodging to transient guests, adversely affected the interstate movement of blacks. In the companion decision, *Katzenbach* v. *McClung, supra*, the Court upheld application of title II of a local barbecue stand on the ground that a substantial portion of the food served by such stand had moved in interstate commerce. Discussing the effects of racial discrimination on interstate commerce, the Court noted that Congress had concluded that discriminatory practices would deter people from moving into areas where such practices occurred which would, in turn, cause "industry to be reluctant to establish there." *Id.* at 300.

The findings further recognize the profound effect that the health professions, and the quality and availability of the care they provide, has on the Nation's economy. Health expenditures in the United States in fiscal year 1973 reached $94.1 billion, or approximately $441 per person, and composed 7.7% of the gross national product. A substantial portion of these expenditures are made by the Federal Government and by insurance carriers engaged in interstate commerce. It has been demonstrated that lack of adequate health care results in illness. When individuals are ill they may be absent from work and may even become unemployed. In 1964, for example, there was an average loss of 5.5 workdays per employed person which was attributed to health reasons. Such individuals are also unable to engage in recreational, cultural, and other activities related to commerce. The adverse effect of such illness on general business conditions is clear.

This, the findings reflect the judgment that health care activities, even those conducted purely within the confines of a State, affect interstate commerce. Where a class of activities affects interstate commerce such class may properly be regulated under the Commerce Power without evidence that each particular activity within that class has an effect on such commerce. *Katzenbach v. McClung, supra; Perez v. United States*, 402 U.S. 146 (1971). Congress may consider the "total incidence" of the activity on commerce. *Katzenbach v. McClung; supra*, at 301.[1] Where the Commerce Power is properly applied to a class of activities Congress may regulate aspects of those activities which are local in character and which do not themselves constitute commerce. *Wickard v. Filburn*, 317 U.S. 111. 125 (1942) (regulation of wheat grown for home consumption); *Perez v. United States, supra*, at 155–57 (prohibition on "loansharking" activities by declaring them to be Federal crimes). This principle has been recognized in the health field. In *Maryland v. Wirtz*, 392 U.S. 183 (1968), the Supreme Court upheld extension of the Fair Labor Standards Act to hospital employees on the ground that labor conditions in such hospitals had an effect on interstate commerce.

The regulation of commerce by means of licensing has been recognized as a proper exercise of the Commerce Power since the landmark case of *Gibbons v.. Ogden*, 22 U.S. (9 Wheat) 1 (1824). Federal licensing schemes have often been used to regulate activities affecting interstate commerce. The Clinical Laboratories Improvement Act of 1967, which amended the Public Health Service Act to require licensing of clinical laboratories engaged in interstate commerce, is just one example of Congressional use of that authority in the health field. Moreover, the Federal licensing power to regulate the activities of professionals has been upheld. *See Braniff Airways v. Nebraska State Board of Equalization & Assessment*, 347 U.S. 590 (1950) (regulation of airline personnel).

Federal regulation of an activity affecting interstate commerce is unaffected by the States' power to regulate such activity in the absence of Federal action. In *United States v. Appalachian Power Co.*, 311 U.S. 377, 427 (1940), the Supreme Court rejected the argument that conditions for the issuance of federal licenses for power projects, under the Federal Power Act, were invalid because of a conflict with requirements of State licenses. With respect to the scope of the Commerce Power, the Court stated:

"The license conditions to which objection is made have an obvious relationship to the exercise of the commerce power. . . . 'It is no objection to the terms and to the exertion of the power that its exercise is attended by the same incidents which attend the exercise of the police power of the States: [U.S. v. Carolene Products, 304 U.S. 144, 147 (1938)].' "

Congress has, in the past, exercised its authority under the Commerce Power to regulate professionals, including physicians, and such action has been upheld by the Supreme Court, despite a residual State interest in such regulation. In *Sperry v. Florida ex rel, Florida Bar*, 373 U.S. 379 (1963), the Court examined the authority of the Commissioner of Patents to license practice before the Patent Office and concluded that Congress had acted within the scope of its powers in granting that authority to the Commissioner, since the Commissioner acted pursuant to a valid exercise of Congressional authority, the Court ruled, the State could not restrict that license in any way, despite the State's substantial interest in regulating the practice of law within its borders. Regulation of physicians under the National Prohibition Act was similarly upheld in *Lambert v. Yellowley*, 272 U.S. 581, 596 (1926), where the Court noted:

"There is no right to practice medicine which is not subordinate to . . . the power of Congress to make laws necessary and

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proper for carrying into execution the 18th Amendment."

Thus, when Congress acts within the scope of its enumerated powers, it may reach activities which have formerly been subject to regulation by the States through the exercise of their police power.

Much of the legislation enacted in this century pursuant to the Commerce Power has affected activities formerly within the scope of State regulation. The National Labor Relations Act (prescribing rules for labor-management relations), title II of the Civil Rights Act of 1964 (prohibiting racial discrimination in public accommodations), title II of the Consumer Credit Protection Act (prohibiting "loan-sharking" activities), and the Federal Food, Drug, and Cosmetic Act (regulating the sale of consumer products) are just some of the more prominent examples of such legislation. In the 33 years since the Supreme Court, in *United States v. Darby*, 312 U.S. 100 (1941), upheld use of the Commerce Power to support legislation for the public health and welfare, not a single Act of Congress has been struck down as beyond congressional authority to regulate interstate commerce. When the States have been unable or unwilling to deal with a problem, and when that problem becomes one of national importance, the Commerce Power has been the vehicle for effectuating national policy aimed at solving that problem. The Committee believes that the problems recited in the findings call for the enactment of national legislation and that such legislation may properly be founded upon the Commerce Power.

B. THE SPENDING POWER

Those provisions of S. 3585 which affect the education of health professionals by attaching conditions to the receipt of Federal funds may be based upon a power found in the general welfare clause of the Constitution, Art. I, Sec. 8, Cl. 1. That clause has been held by the Supreme Court to authorize Congressional expenditures for the general welfare—a power which has become known as the "Spending Power".

Congress has considerable discretion in enacting legislation pursuant to the Spending Power. That power is not limited by the enumerated powers found elsewhere in the Constitution. *United States v. Butler*, 297 U.S. 1 (1936); *Steward Machine Co. v Davis*, 301 U.S. 548 (1937).

There is ample precedent for invoking the Spending Power to support social and economic legislation.[2] In *Helvering v. Davis*, 301 U.S. 619 (1937), the Supreme Court sustained Title II of the Social Security Act, providing for old age benefits, as a valid exercise of the Spending Power. The Court noted that the problem of providing for the aged "is plainly national in area and dimensions. Moreover, laws of the separate States cannot deal with it effectively. Congress, at least had a basis for that belief." *Id.* at 644.

Grants made to health professions schools for the support of their education programs pursuant to S. 3585, as well as other grants made under the Public Health Service Act, are clearly designed to provide for the general welfare. The findings demonstrate that the problems addressed by this legislation are national problems, and that neither voluntary programs nor action on the State level has been effective in dealing with those problems.

Congress may also effectuate its purpose of providing for the general welfare by attaching conditions to the receipt of Federal funds. The Supreme Court, in *Ivanhoe Irrigation District v. McCracken*, 357 U.S. 275, 295 (1958), upheld the limitations on private benefits imposed by the Federal water reclamation laws, stating:

"The power of the Federal Government to impose reasonable conditions on the use of federal funds, federal property, and federal privileges [is] beyond challenge." *See Berman v. Parker*, 348 U.S. 26 (1954); *Federal Power Comm. v. Idaho Power Co.*, 314 U.S. 17 (1952). The fact that those who seek Federal aid feel that they have no choice but to accept such assistance and comply with the requisite conditions does not vitiate an otherwise lawful exercise of the Spending Power. *See Steward Machine Co. v. Davis, supra.*

The Public Health Service Act itself is replete with examples of authorizations of expenditures conditioned upon compliance with various requirements designed for the protection of the public health. The Committee believes that the conditions attached to the receipt of Federal funds under S. 3585 are an appropriate means of providing for the general welfare.

The Committee concludes that in the Commerce Power and the Spending Power Congress has adequate affirmative authority to support the enactment of S. 3585. At the same time, the Committee recognizes that these powers may not be exercised in a manner which violates any of the rights and privileges protected by the Constitution. It is to that issue which we now turn our attention.

(2) *The statutory scheme of S. 3586 with respect to the obligated service provisions is consistent with the Constitution*

A. S. 3586 DOES NOT VIOLATE THE DUE PROCESS CLAUSE OF THE FIFTH AMENDMENT

It has been argued that the obligated service provisions of S. 3585, including the sections which provide a means of enforcing obligations to serve, are violative of the due process and equal protection guarantees of the Due Process Clause of the Fifth Amendment. We will discuss the due process issue first.

Due Process. As noted above, the operative provisions of S. 3585 are predicated upon Congressional findings respecting the need for such legislation. The findings describe the problems of geographic maldistribution of health professionals, of specialty maldistribution of physicians, and of varying and often inadequate State standards for licensure of physicians and dentists, and conclude that because of these problems many Americans throughout the United States are unable to obtain high quality health care. While the problems are becoming more serious, as the findings note, efforts to deal with them through voluntary means and at the State level have not been effective in reducing the problems. The inability of many Americans to obtain high quality health care has become a matter of grave rational concern. These findings represent conclusions drawn after extensive study of the issues. Sections V and VIII of this Report, and the record of the hearings before this Committee on S. 3585, detail the problems which this bill is designed to meet and the inadequacy of alternative solutions.

With respect to legislation designed to regulate health professionals for the purpose of protecting and preserving the public health, due process requires only that such legislation be reasonably related to a legitimate governmental purpose. In *Williamson v. Lee Optical Co.*, 348 U.S. 483 (1955), the Supreme Court sustained an Oklahoma law prohibiting opticians from fitting or duplicating eyeglass lenses without a prescription from an ophthalmologist or optometrist, against a challenge that it was violative of due process protections. In a unanimous opinion, the Court stated:

"The Oklahoma law may exact a needless wasteful requirement in many cases. But it is for the legislature, not the courts to balance the advantages and disadvantages of the new requirement. . . . [T]he law need not be in every respect logically consistent with its aims to be constitutional. *It is enough that there is an evil at hand for correction, and that it might be thought that the particular legislative measure was a rational way to correct it. Id.* at 487–88" (emphasis added).

The existence of the "evil at hand for correction" in this legislation has not seriously been questioned before the Committee. Nor has this legislation been attacked on the ground that it would not be an effective means of dealing with that evil. At the same time, alternate proposals for solution of these problems have been rejected by the Committee as inadequate and unworkable. Unlike the law in *Williamson*, the provisions of S. 3585 will not exact a "needless wasteful requirement," but are logically consistent with the goal of improving the quality and availability of health care throughout the Nation. As the findings demonstrate, the provisions of S. 3585 bear a real and substantial relation to the public health. Consequently, it is clear that S. 3585 is not only a rational way of attempting to meet these evils but its enactment is necessary if there is to be any real change in the present situation.

Health professions have long been regulated to assure competence and fitness to practice. Just as laws which establish licensure qualifications based on competence and fitness are designed to protect the public health, so are the obligated service and licensure provisions of S. 3585. Legislation regarding competence and fitness has been enacted to protect the individual who is treated by a health professional. But in the case of S. 3585 the purpose is broader. It is not enough to provide for the protection of those who have access to the services of such professionals. The Committee believes that protection must be afforded those Americans who, at present, cannot obtain those services. Thus, S. 3585 is directed at providing health professionals in those areas of the country where they are needed. The provisions regarding obligated service and licensure are vital to the accomplishment of that valid legislative purpose.

While laws establishing standards of competence and fitness provide a good example of governmental regulation of professionals, legislation may validly regulate professionals, including health professionals, on grounds unrelated to competency or fitness to practice their professions, when the purposes of such legislation are broader than assuring such competence and fitness. *Martin v. Walton*, 368 U.S. 25 (1961), for example, involved a statutory and judicial requirement that a resident of Kansas who was licensed to practice law in both Kansas and another State, and who regularly practiced in the other State, could appear in a Kansas court only if he associated with local counsel in Kansas, even though he also practiced in Kansas on a regular basis. The Supreme Court, in dismissing an appeal from the Supreme Court of Kansas for want of a substantial Federal question, recognized that rules regulating the practice of law can be upheld although unrelated to the competency or fitness of individual practitioners. Similarly, in *Semler v. Dental Examiners*, 294 U.S. 608, 612 (1935), the Supreme Court upheld a regulation prohibiting dentists from advertising their services. There, the Court noted that legislation enacted for the protection of the public health may be sustained although it is not concerned with insuring "competency in individual practitioners." *See also Lambert v. Yellowley, supra.*[3]

Suspension of licensure is intended to provide a means of enforcing service obligations so that the problems of maldistribution may be effectively met. The Committee hopes that those who are affected, will comply with those obligations and retain their licenses. However, the fact that failure to comply will result in prohibiting the practice of medicine or dentistry does not affect the

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constitutionality of this legislation. In *Ferguson v. Skrupa*, 372 U.S. 726 (1963), the Supreme Court rejected the distinction between legislation which is "regulatory" and that which may be characterized as "prohibitory." There, a State criminal statute prohibited any nonlawyer from engaging in the business of "debt adjustment." Thus, the Court recognized that legislation which affects a particular occupation or calling may be sustained against due process challenge even though it may result in denying certain individuals the opportunity to pursue that occupation or calling.

Equal Protection. S. 3585 has been attacked as violative of those principles of "equal protection of the laws" protected by the Due Process Clause of the Fifth Amendment. The essence of this argument is that the legislation imposes requirements on health professionals which are not applied to others. It is true that S. 3585 will result in different treatment for health professionals. That fact alone, however, does not render the legislation constitutionally objectionable.

Under traditional equal protection analysis a classification will be sustained if it is rationally related to a legitimate governmental purpose. *San Antonio Independent School District* v. *Rodriguez*, 411 U.S. 1, (1973).[4] As ntoed above, S. 3585 is designed to deal with well-documented problems in the distribution and competence of health professionals. It is self-evident that those problems support imposition of a legislative solution specifically aimed at health professionals. In sustaining the Oregon law prohibiting certain forms of advertising by dentists under penalty of license revocation, the Supreme Court, in *Semler* v. *Oregon State Board of Dental Examiners, supra*, 610, declared:

"Nor has plaintiff any grounds for objection because the particular regulation is limited to dentists and is not extended to other professional classes. The State was not bound to deal alike with all these classes, or to strike at all evils at the same time or in the same way. It could deal with the different professions according to the needs of the public in relation to both."

The Supreme Court has continued to adhere to that principle. *See, e.g., Williamson* v. *Lee Optical, supra; Dandridge* v. *Williams*, 397 U.S. 471 (1970). In *Betelsen* v. *Cooney*, 213 F. 2d. 275 (5th Cir.), *cert. denied*, 348 U.S. 856 (1954), the Fifth Circuit sustained the so-called "doctors draft" against a similar challenge that it constituted an unconstitutional discrimination against health professionals.

Thus, the Committee believes that S. 3585 is consistent with the due process and equal protection guarantees of the Fifth Amendment.

B. S. 3585 DOES NOT VIOLATE THIRTEENTH AMENDMENT PROTECTIONS AGAINST INVOLUNTARY SERVITUDE

The contention has been made that S. 3585 would impose a system of involuntary servitude in violation of the Thirteenth Amendment and the Anti-Peonage Act, 42 U.S.C. 1994. The Anti-Peonage Act was passed pursuant to Section 2 of the Thirteenth Amendment and, hence, cannot be of broader scope than the Amendment itself. It is sufficient to address only the Constitutional issue, since disposition of that issue will likewise dispose of the statutory issue.

Involuntary servitude, as prohibited by the Thirteenth Amendment, exists when an individual is forced to perform some activity, usually for the profit of another, upon penalty of imprisonment. *See Bailey v. Alabama*, 219 U.S. 219 (1911); *Pollack v. Williams*, 322 U.S. 4 (1944). **Where the individual has a** choice and may discontinue the performance of that activity without fear of confinement there is no involuntary servitude. In *United States v. Shackney*, 333 F. 2d 475 (2d Cir. 1964), an employer had obtained the continued services of an alien by threatening to have the employee deported if he refused to continue his work. In responding to the contention that the employee was held in involuntary servitude, Judge Friendly stated:

". . . [A] holding in involuntary servitude means to us action by the master causing the servant to have, or believe he has, no way to avoid continued service, or confinement . . . not a situation where the servant knows he has a choice between continued service and freedom, even if the master has led him to believe that the choice may entail consequences that are exceedingly bad. This seems to us a line that is intelligible and consistent with the great purpose of the Thirteenth Amendment; to go beyond it would be inconsistent with the language and the history, both pointing to the conclusion that "involuntary servitude' was considered to be something 'akin to African slavery'" *Butler v. Perry, supra*, 240 U.S. at 332.

If an individual retains the option of discontinuing service there is no involuntary servitude, no matter how unpleasant may be the consequences of that choice. In *Flood v. Kuhn*, 443 F. 2d 264 (2d Cir. 1971, affd. or other grounds, 407 U.S. 253 (1972), the Second Circuit rejected a Thirteenth Amendment challenge to professional baseball's "reserve clause," on the ground that the plaintiff could avoid the obligations imposed by the reserve system by not playing baseball at all. Thus, involuntary servitude cannot be said to exist because an individual must choose between performing an activity and abandoning his occupation.

The Thirteenth Amendment is not a bar when an individual is called upon to perform a service in response to a public need. The military draft has been upheld as consistent with the Thirteenth Amendment. *Selective Draft Law Cases*, 245 U.S. 366 (1917). More importantly, a long line of cases have sustained against Thirteenth Amendment challenge, a requirement of civilian national service by conscientious objectors. In *Heflin v. Sanford*, 142 F. 2d 798 (5th Cir. 1942), the court stated:

"The answer to appellant's complaint lies in the broad principle that the Thirteenth Amendment has no application to a call for service made by one's government according to law to meet the public need, just as a call for money in such a case is taxation and not confiscation of property." *Id.* at 799. See also, *U.S. v. Hoepker*, 223 F.2d 921 (7th Cir.), *cert. denied*, 350 U.S. 841 (1955); *Howze v. U.S.* 272, U.S. 146 (9th Cir. 1959); *Badger v. U.S.*, 322 F.2d 902 (9th Cir. 1963), *cert. denied*, 376 U.S. 914 (1964); *U.S. v. Holmes*, 387 F.2d 781 (7th Cir. 1967) *cert. denied*, 391 U.S. 936 (1968); *U.S. v. Fallon*, 407 F.2d 621 (7th Cir.), *cert. denied*, 395 U.S. 908 (1969); *O'Connor v. U.S.* 415 F.2d 1110 (9th Cir. 1969), *cert. denied*, 397 U.S. 968 (1970); *U.S. v. Rogers*, 454 F.2d 601 (7th Cir. 1971); *U.S. v. Anderson*, 467 F. 2d 210 (9th Cir. 1972), *cert. denied*, 410 U.S. 990 (1973). Although each of these cases involves civilian service for conscientious objectors as an alternative to military service, they recognize that individuals may be required to perform public service which is non-military in nature. Moreover, in *Bertelsen v. Cooney, supra*, the Fifth Circuit analogized military service by physicians pursuant to the so-called "doctor-draft" to certain obligated civilian service which would be required in the public interest. The court declared that the Thirteenth Amendment does not limit Congressional war powers *or* the "right to enact public service from all when necessary to meet public need." *Id.* at 278.

Mandatory public service may be justified on grounds completely unrelated to national defense. In *Butler* v. *Perry*, 240 U.S. 328 (1916), the Supreme Court upheld a State statute that required all able-bodied men to work on the public roads without compensation. Although it relied on the historical basis for service requirements of that nature and characterized them as "exceptional," the Court pointed out that such requirements are justified on ground of public need. It would be anomalous to say that men may be impressed into service for the maintenance of roads because there is a need for such work, while at the same time denying that services may be required of health professionals to satisfy the need to provide high quality health care to all Americans.

C. S. 3585 IS NOT A BILL OF ATTAINDER

The provision of S. 3585 which requires suspension of licenses of physicians and dentists who fail to perform obligated service has been challenged as violative of the prohibition on bills of attainder contained in Art. I, Sec. 9, Cl. 3 of the Constitution.

A bill of attainder is a legislative act which singles out particular individuals or easily ascertainable groups for legislatively prescribed punishment. *Communist Party v. Subversive Activities Control Board*, 367 U.S. 1 (1961); *United States* v. *Lovett*, 328 U.S. 303 (1946). In contrast, the license suspension provisions of S. 3585 is an essential element of a regulatory scheme of general applicability designed to accomplish a legitimate governmental purpose.

Punishment is the essential characteristic of a bill of attainder and legislation will be struck down only if it evidences a punitive design. *Flemming v. Nestor*, 363 U.S. 603 (1960).

The element of punishment exists only when the legislation, by defining the affected class, singles out presently identifiable individuals. The class which is singled out for punishment is composed of individuals whose identity can be ascertained at the time the legislation is enacted, either because they are mentioned by name or described in terms of conduct undertaken prior to that enactment. This relationship to past conduct was explained by Mr. Justice Frankfurter in *Communist Party v. Subversive Activities Control Board, supra*, at 86:

"The singling out of an individual for legislatively prescribed punishment constitutes an attainder whether the individual is called by name or described in terms of conduct which, because its past conduct operates only as a designation of particular persons."

In cases where the Supreme Court has voided an act as an unconstitutional bill of attainder the punitive effect on particular individuals or individual members of unpopular groups has been apparent. Thus, in *United States v. Lovett, supra*, three individuals were prohibited by act of Congress, from engaging in government work because they were believed to be subversives. Both *Cummings v. Missouri*, 71 U.S. (4 Wall) 277 (1871) and *Ex parte Garland*, 71 U.S. 333 (1871) involved post-Civil War enactments which placed restrictions on the pursuit of various occupations by those who supported the Confederate cause. At issue in *United States v. Brown*, 381 U.S. 437 (1965), was Section 504 of the Labor-Management Disclosure Act of 1959 which barred from union office any person who was a member of the Communist Party or had been a member within the last five years. That Act had defined the affected class, not on the basis of characteristics of general application, but by singling out members of the Communist Party, an identified political group.

In contrast, where the legislative body has enacted rules of general applicability designed to accomplish a legitimate governmental purpose, the legislation has been sustained. *Hawker* v. *New York*, 170 U.S. 189 (1898), involved a State requirement barring ex-felons from the practice of medicine. The

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Footnotes at end of article.

Supreme Court sustained the requirement, recognizing that it evidenced an effort by the State to exercise its power to regulate for the protection of the public health, rather than an intent to punish ex-felons. *See also, Dent* v. *West Virginia,* 129 U.S. 114 (1889) (establish the qualifications for those who wish to practice medicine); *Garner* v. *Board of Public Works of Los Angeles,* 314 U.S. 716 (1951) (prohibit from holding office anyone who advocates overthrow of Federal Government by force); *Flemming* v. *Nestor,* supra, (terminate old-age benefits to alien who is deported).

The difference between a bill of attainder and a valid legislative act of general applicability was noted by the Court in *United States* v. *Brown, supra.* There, the Court contrasted Section 504 of the Labor-Management Disclosure Act of 1959, the Act which it declared to be a bill of attainder, with Section 32 of the Banking Act of 1933, which it considered a valid exercise of legislative authority. Section 32 of the Banking Act of 1933 prohibited officers, directors, partners, and employees of underwriting houses from serving as bank officers, directors or employees. While Section 504 applied to "members of a political group thought to present a threat to the national security," *id.* at 453, the court stated, Section 32 established an "objective standards of conduct," *id.,* at 454, applicable to all who were employees of underwriting houses. In the Court's view, such a role of general applicability is not a bill of attainder.[6]

S. 3585 clearly falls into the category of legislation enacting rules of general applicability designed to achieve legitimate governmental purpose. Just as Section 32 of the Banking Act of 1933 applied to all employees of underwriting houses, the licensure suspension provision applies generally to all who have benefitted, as students, from Federal funds provided under the bill. It does not single out for punishment a specific group of presently identifiable individuals. Nor is it designed to punish those who are affected by it. As with the statute in *Hawker* v. *New York,* it is an effort to regulate for the protection of the public health. S. 3585 embodies the judgment that the problem of lack of high quality health care for many Americans can be solved only by requiring students who attend health professions schools to obligate themselves to provide services where needed. License suspension is merely a means of enforcing the obligation to provide service.

Where, as in S. 3585, the affected class is defined in a manner which is consistent with the purpose of the legislation and where that purpose is legitimate, there is no bill of attainder. In *United States* v. *Brown, supra,* the Court acknowledged that there was a legitimate interest in protecting "the national economy by minimizing the danger of political strikes," *id.* at 439, but concluded that the class of affected individuals was not defined in a manner consistent with that purpose. The class was not defined by an objective standard of conduct, *i.e.,* persons with characteristics which make them likely to incite political strikes, but, rather, by specification of a particular group which might or might not have such characteristics. The license suspension provision of S. 3585 is designed to accomplish a governmental purpose—assuring adequate health care to all Americans—and the affected class—physicians and dentists obligated to serve in areas with shortages of such personnel—is obviously related to that purpose.

Virtually every piece of regulatory legislation seeks to require or prevent some conduct and provides measures for the enforcement of that requirement. The existence of enforcement provisions does not render such enactments unconstitutional bills of attainder. Similarly, the license suspension provision of S. 3585 cannot be termed a bill of attainder simply because it operates to make effective an otherwise valid legislative scheme.

D. THE CONTRACT ARGUMENT

In addition to the constitutional arguments discussed above, S. 3585 has been criticized as involving the imposition of illegal and invalid contracts. It is argued that the contracts created under the authority of S. 3585 between prospective health professions students and the Secretary of Health, Education, and Welfare cannot be enforced because they lack the requisites of valid contracts as defined by the principles of common law.

It is not necessary to determine whether the provisions of S. 3585 are consistent with common law contract principles. As the Supreme Court stated in *United States* v. *A&P Trucking Co.,* 358 U.S. 121 (1951), "The power of Congress to change the common law is not doubted." *Id.* at 124. *See, e.g., United States* v. *Adams Express Co.,* 229 U.S. 381 (1913); *Munn* v. *Illinois,* 94 U.S. 113 (1876). Where statutory provisions are clear, courts will not depend upon common law principles in interpreting Federal legislation. *Sinkler* v. *Missouri Pac. R. Co.,* 356 U.S. 326, 328 (1958).

The Committee concludes that this argument is completely without merit.

[Skip 2 lines]

In the course of its consideration of S. 3585, the Committee engaged a consultant, Professor Leonard P. Strickman of the Boston College Law School, to prepare a memorandum of law regarding the constitutionality of several provisions of the bill. The Committee is in agreement with the reasoning and conclusions expressed in that memorandum, which it includes at the end of this section as Appendix A.

APPENDIX A

JULY 19, 1974.

To: United States Senate Committee on Labor and Public Welfare, Subcommittee on Health.

From: Professor Leonard P. Strickman.

MEMORANDUM OF LAW IN SUPPORT OF CONSTITUTIONALITY OF SOME PROVISIONS OF S. 3585

Section 771(b)(2)(A) of S. 3585 would impose upon each student attending a school for the training of health service professionals which receives capitation grants under § 770, the obligation of rendering two years of service, after licensure, to a medically underserved population. Failure to satisfy this obligation by an individual, without sufficient reason as provided in § 771(b)(3), would render that individual liable for damages to the United States under a formula set out in § 771(b)(2)(D) and subject to compulsory nonrenewal of license by State licensing authorities under § 799E(C). These provisions are consistent with the due process clause of the Fifth Amendment to the United States Constitution, do not constitute a bill of attainder under Article I, § 9, and do not impose involuntary servitude in violation of the Thirteenth Amendment.

1. *S. 3585 is not a denial of substantive due process.*

Any particular statutory scheme which seeks to regulate the health care professions in order to preserve and protect the public health, must only be reasonably related to a legitimate governmental purpose in order to satisfy the requirements of substantive due process. Perhaps the leading case which establishes this principle is *Williamson v. Lee Optical Co.,* 348 U.S. 483 (1955) which upheld the constitutionality of an Oklahoma law prohibiting any optician from fitting or duplicating lenses without a prescription from an ophthalmologist or optometrist. The Court's unanimous opinion was delivered by Mr. Justice Douglas, who responded to the due process challenge thusly:

"The Oklahoma law may exact a needless, wasteful requirement in many cases. But it is for the legislature, not the courts to balance the advantages and disadvantages of the new requirement. . . . [T]he law need not be in every respect logically consistent with its aims to be constitutional. *It is enough that there is an evil at hand for correction, and that it might be thought that the particular legislative measure was a rational way to correct it.*" (emphasis supplied) *Id* at 487–88.

The evils at hand for correction are clearly set out in § 2 of S. 3585. Sections 771(b)(2) and 779E(c) are surely not an irrational way of attempting to correct those evils.

It is true that in *Schware vs. Board of Bar Examiners,* 353 U.S. 232, 247 (1957) the Court found that New Mexico's denial to the petitioner of "the opportunity to qualify for the practice of law" was a denial of due process of law. In that case the Board refused to permit the petitioner to take its bar examination on the grounds that he had failed to satisfy it of his "requisite moral character." It relied upon "the use of aliases by the applicant, his former connection with subversive organizations, and his record of arrests." *Id.* at 234–5.

It was in this context that the Court said: "A State can require high standards of qualification, such as good moral character or proficiency in its law before it admits an applicant to the bar, but any qualification must have a rational connection with applicant's fitness or capacity to practice law." *Id.* at 239. In granting the petitioner's requested relief, the Court relied upon the fact that there was "no evidence in the record which rationally justifies a finding that *Schware* was morally unfit to practice law." *Id.* at 246–47.

The Court was thus not negating in *Schware* its numerous holdings that professions may be regulated for the public welfare on bases other than the competence of licensees. It was merely saying that once the Board of Bar Examiners had defined its purpose as "fitness," it was bound to rationally relate its actions to that purpose. Since § 2 of S. 3585 states purposes much broader than simply protecting the public from unfit health practitioners, the relationship of the regulation of health professionals in §§ 771(b) and 799E(c) to such purposes is not only rational, but obvious.

Any contention that Williamson, *Schware* and other cases sustaining health professional license revocations due to lack of fitness or competency, *cf. Barsky v. Board of Regents,* 347 U.S. 442 (1954) license to practice medicine), limit the legitimate purposes of such regulation to maintaining a competent health service corps is refuted by the case law. Thus in *Semler v. Dental Examiners,* 294 U.S. 608, 612 (1935), the Court sustained an Oregon regulation which prohibited dentists from advertising their services, recognizing that the legitimate concerns of the community *i.e.,* the state, went well beyond "competency in individual practitioners." "And in *Martin v. Walton,* 368 U.S. 25 (1961), in dismissing an appeal from the Supreme Court of Kansas for want of a substantial federal question, the Court recognized that reasons other than the competency of practitioners could sustain rules prohibiting lawyers from practicing as individuals before state courts.

Any argument that S. 3585 is invalid because it is "prohibitory" rather than "regulatory" will also fail. The Supreme Court has specifically rejected the distinction between prohibition and regulation. *Ferguson v. Skrupa,* 372 U.S. 726, 732 (1963). In that case the court sustained a Kansas criminal statute prohibiting any person other than a lawyer from engaging in the business of "debt adjusting" over objections that it violated due process rights, citing *Williamson* among other cases. It is clear that to the extent there can be said to be a "prohibition" implicit in § 799E(c) of S. 3585, the burden of overcoming this prohibition—two years of paid service in a field in which the individual is trained and has been certified—is far less onerous than the burden placed on one seeking to adjust debts in Kansas, presumably undergoing an expensive three year law school education and passing a bar examination, as well as meeting other requisites of character and fitness to practice law. As the Kansas statute was consistent with due process, it is difficult to understand why S. 3585 is not.

The due process standards governing the licensing of health professionals were recently reviewed in concise fashion in a law review note entitled Restrictive Licensing of Dental Paraprofessionals, 83 Yale L.J. 806, 818 (1974). Here it was concluded: "Courts no longer require that legislation bear a real and substantial relation to the public health. . . ." All that is necessary is rationality and "rationality requires only a reasonable relation between the standards imposed and the purpose to be achieved (e.g. high-quality dental care)." This standard is easily met by S. 3585.

2. *S. 3585 is not a bill of attainder.*

Sections 771(b)(2)(D) and of S. 3585 are not an unconstitutional bill of attainder. Taken separately or together they are not a punitive measure directed at specific individuals or politicial groups, but rather a necessary part of a general regulatory scheme which is applicable to all persons who benefit, as students, from government expenditures provided for in § 770.

Article I, § 9, Cl.13 of the Constitution provides: "No bill of attainder or ex post facto law shall be passed." Bills of attainder have been defined as "legislative acts, no matter what their form, that apply either to named individuals or to easily ascertainable members of a group in such a way as to inflict punishment on them without a judicial trial." *U. S. Lovett*, 328 U.S. 303, 315 (1946); see also *U.S. v. O'Brien*, 391 U.S. 367, 383 n. 30 (1968).

As § 771(b)(2)(D) simply provides for the repayment of the capitation grants expended under § 770 and additional damages, it will surely confront no more difficult bill of attainder challenges than § 799E(c). The latter section requires compulsory nonrenewal of licenses for those persons who renege on their contractual obligations under § 771(b)(2)(A). However, even if this regulatory provision is characterized as a civil penalty, the mere existence of such a penalty does not render § 799E(C) an unconstitutional bill of attainder.

The critical qualifications necessary to make a legislative act a bill of attainder—neither of which are present in S. 3585—are a specific applicability to named individuals or easily ascertainable groups, and punitive legislative intention. *U.S. v. Lovett*, supra; *U.S. v. O'Brien*, supra; *Garner v. Board of Public Works of Los Angeles*, 341 U.S. 716, 722–23 (1951). Thus in *Lovett*, where specific individuals were legislatively separated from the public service, and in *Cummings v. Missouri*, 71 U.S. (4 Wall) 277, 320–24 (1871) and *Ex Parte Garland*, 71 U.S. (4 Wall) 333, 377 (1871), where prohibitions upon occupational choice were virtually dictated by legislative definition as well as intention for anyone who had served the Confederacy during the War Between the States, bill of attainder challenges were sustained. And punitive intent was demonstrated in all of these cases by the retrospectivity of the acts in question—their focus on past conduct.

Cases in which the Supreme Court has rejected constitutional challenges based on bill of attainder claims have found challenged laws not to identify individuals or groups by existing characteristics, but rather to focus on conduct; and they have found not punitive intent, but instead intention to regulate for legitimate governmental purposes. See *Dent v. West Virginia*, 129 U.S. 114 (1889) and *Hawker v. New York*, 170 U.S. 189 (1898) (both of which upheld criminally enforced restrictions on who could practice medicine). See also *Garner v. Board of Public Works of Los Angeles*, supra; *Flemming v. Nestor*, 363 U.S. 603, 613–614 (1960); and *Communist Party v. Subversive Activities Control Board*, 367 U.S. 182–88 (1961).

U.S. v. Brown, 381 U.S. 437 (1965) invalidated § 504 of the Labor-Management Disclosure Act of 1959 as an unconstitutional bill of attainder. Although this provision operated retrospectively by making criminal, service on the executive board of a labor organization by a person who had within the previous five years been a member of the Communist Party, the Court suggests in dicta certain instances when a bill of attainder may be found where punishment is imposed to prevent future conduct. The provisions of S. 3565—payment of damages under § 771(b)(2)(D) and compulsory nonrenewal of license under § 799E(c)—do not fit the criteria proposed.

Coming full circle, the Court in *Brown* suggests that the only time when punishment of future conduct may be prohibited as a bill of attainder is when punitive intent can be independently proved; and the only way it proposes that such intent can be shown is by a demonstration that the future conduct prohibited will be that undertaken by specific individuals or groups, singled out for retribution because of past conduct, readily identified by the legislature. *Brown*, supra, 458–60.

One can only conclude that even if *Brown* is read to make punitive legislative intention the sole remaining criterion to distinguish legitimate regulation from a bill of attainder, the means of proving such intention would be foreclosed to challengers of S. 3585. For §§ 771(b)(2)(D) and 799E(C) are neither retrospective in operation, nor applicable to specified individuals or groups presently ascertainable.

3. *S. 3585 neither creates an involuntary servitude nor violates the Anti-Peonage Act*, 42 U.S.C. § 1994.

The Supreme Court has effectively held that any violation of the Anti-Peonage Act, 42 U.S.C. § 1994 is also a violation of the Thirteenth Amendment prohibition of involuntary servitude. *Clyatt* v. *U.S.*, 197 U.S. 207 (1905); *Taylor* v. *Georgia*, 315 U.S. 25 (1942). Thus, to dispose of the constitutional challenge is also to dispose of the statutory claim. And the constitutional challenge is easily met.

In the *Selective Draft Law Cases*, 245 U.S. 366 (1917) the Court sustained the military draft against a Thirteenth Amendment challenge. An early case clarifying that the principle of required national service could not be limited to the prosecution of war or the national defense was *Heflin* v. *Sanford*, 142 F.2d 798 (5th Cir. 1942). Appellant in that case was a conscientious objector excused from military service who was criminally convicted for refusing to report "to a designated camp for work of national importance under civilian direction." *Id.* at 799. In sustaining the conviction the court stated:

"The answer to appellant's complaint lies in the broad principle that the Thirteenth Amendment has no application to a call for service made by one's government according to law to meet a public need, just as a call for money in such a case is taxation and not confiscation of property." *Id.*

This holding was not abberational, but indicative of the consistent position of the courts that civilian alternative service for conscientious objectors, often in hospitals, and even in peacetime, is not violative of the Thirteenth Amendment. See e.g. *U.S.* v. *Hoepker*, 223 F.2d 921 (7th Cir. 1955), *cert, denied* 350 U.S. 841 (1955); *Howze* v. *U.S.*, 272 U.S. 146 (9th Cir. 1959); *Badger* v. *U.S.*, 322 F.2d 902 (9th Cir. 1963), *cert. denied* 376 U.S. 914 (1964); *U.S.* v. *Holmes*, 387 F.2d 781 (7th Cir. 1967), *cert. denied* 391 U.S. 936 (1968); *U.S.* v. *Fallon*, 407 F.2d 621 (7th Cir. 1969), *cert. denied* 395 U.S. 908 (1969); *O'Connor* v. *U.S.*, 415 F.2d 1110 (9th Cir. 1969), *cert. denied* 397 U.S. 968 (1970); *U.S. Rogers*, 454 F.2d 601 (7th Cir. 1971); *U.S.* v. *Anderson*, 467 F. 2d 210 (9th Cir. 1972), *cert. denied* 410 U.S. 990 (1973). Although a few of these cases suggest that the alternative service requirement arises only as an alternative to a military draft justified under the war powers, it seems clear that the basic premise of this civilian service requirement would not be justified if such servce were an involuntary servitude which could only be overcome by an exercise of the Congressional war powers.

Indeed, in *Butler* v. *Perry*, 240 U.S. 328 (1916), the Supreme Court sustained a Florida requirement that able bodied male citizens perform work on the public roads without compensation. The Court noted that the service was "exceptional," explaining in the process that the justification was to be found, even as a matter of history, in the critical public need. S. 3585 demonstrates a public need yet more critical than maintaining roads in its findings and declaration of policy in § 2—the need to provide quality health care to all Americans. Health services obligated under § 771(b)(2) are "exceptional" and are required to meet a public need; and unlike the law sustained in *Butler*, persons sharing the obligation will be compensated for their labors.

Perhaps the most lucid contemporary statement of the limits of the Thirteenth Amendment's prohibitions come from Judge Friendly in his opinion in *U.S.* v. *Shackney*, 333 F. 2d 475, 486 (2nd Cir. 1964), which held that an employer's threat of deportation did not constitute holding employees in involuntary servitude. He said:

"[A] holding in involuntary servitude means to us action by the master causing the servant to have, or believe he has, no way to avoid continued service or confinement . . . not a situation where the servant knows he has a choice between continued service and freedom, even if the master has led him to believe that the choice may entail consequences that are exceedingly bad. This seems to us a line that is intelligible and consistent with the great purpose of the Thirteenth Amendment; to go beyond it would be inconsistent with the language and the history, both pointing to the conclusion that 'involuntary servitude' was considered to be something "akin to African slavery," *Butler* v. *Perry, supra*, 240 U.S. at 332."

S. 3583 threatens no one with the choice of continued service or legal confinement. By no stretch of the imagination are any of the obligations it creates "akin to African slavery." It violates neither the Thirteenth Amendment nor 42 U.S.C. § 1994.

4. *Any argument that S. 3585 may be invalid or unenforceable because it violates the common law of contracts is without foundation.*

No proposition is more elemental to our system of American law than that the common law is subject to change by legislative action. In *U.S.* v. *A & P. Trucking Co.*, 358 U.S. 121, 124 (1951) the Supreme Court commented that "the power of Congress to change the common law is not doubted." See also *e.g. U.S.* v. *Adams Express Co.*, 229 U.S. 381 (1913).

Furthermore, in interpreting federal legislation courts need not depend on common law principles where statutory principals are clear. *Sinkler* v. *Missouri Pac. R. Co.*, 356 U.S. 326, 328 (1958). Thus, irrespective of whether the provisions of S. 3585 are consistent with common law contract principles, such principles will not deter the courts from enforcing the agreements described and circumscribed by §§ 771(b)(2) and 799E(c).

FOOTNOTES

[1] *United States v. Oregon Medical Society*, 343 U.S. 326 (1952) is inapposite. That case involved an action by the Government seeking to enjoin the defendant from violation of the Sherman Anti-Trust Act. In actions under that Act the burden is upon the Government to show that the activities in question affect interstate commerce because, under the statutory scheme, activities are not regulated unless that effect can be shown in a specific case. The Supreme Court's ruling that the lower court was not "clearly erroneous" in finding that the Government had not met its burden in that particular instance, in no way limits the authority of Congress to enact legislation which regulates an entire class of activity which has an overall effect upon commerce.

[2] Although *Linder v. United States*, 268 U.S. 5 (1925), indicates that regulation of the medical profession may in some circumstances be beyond the reach of the federal taxing power, that case is of questionable validity today. Moreover, the Supreme Court explicitly stated that the limitation on federal power expressed in *Linder* was inapplicable to federal social and health regulations enacted pursuant to the commerce power, *Cloverleaf Butter Co. v. Patterson*, 315 U.S. 148, 162–63 (1942).

[3] While *Schware v. Board of Bar Examiners*, 353 U.S. 232 (1957), may appear to stand for the proposition that licensure requirements applicable to attorneys must be reasonably related to competence to practice law, a closer analysis of that case reveals that it does not establish such an absolute rule. In *Schware*, the Board had refused to permit petitioner to take its bar examination because he had failed to demonstrate the "requisite moral character." The Board relied upon the petitioner's use of aliases, former connection with subversive organizations, and record of arrests. Concluding that the record contained no evidence which would reasonably support a finding that petitioner was morally unfit to practice law, the Court found the Board's action to constitute a denial of due process. The Court's statement that "standards of qualification . . . must have a rational connection with applicant's fitness or capacity to practice law," *id.* at 239, must be read in the context of that case. The Board had established "fitness" as its standard. In the Court's view, the Board had deviated from its own standard, presumably because it did not approve of petitioner's "background." Thus, the Court was merely saying that the Board was bound to act in a manner reasonably related to its own standards. That ruling does not preclude application of other standards so long as they are reasonably related to legitimate governmental purposes. This interpretation of *Schware* is supported by the Court's later decision in *Martin v. Walton, supra*. There the Court upheld the requirement despite a dissent by Justices Douglas and Black urging that attorneys should be denied the opportunity to practice only on grounds related to competence.

[4] The traditional equal protection analysis is applicable to S. 3585. Although a more stringent test is applied to legislation which creates inherently suspect classifications or which infringes upon "fundamental rights," S. 3585 does not call for application of such a test.

The Supreme Court has held that the traditional test shall be applied to legislation in the areas of economics and social welfare. *Dandridge* v. *Williams, supra*. The Court has never treated the pursuit of a particular occupation as a "fundamental right" deserving of strict scrutiny under equal protection analysis. On the contrary, in *Dandridge* v. *Williams, supra*, at 485 the Court acknowledged that the traditional test "has consistently been applied to State legislation restricting the availability of employment opportunities. *Goesaert* v. *Cleary*, 335 U.S. 464; *Kotch* v. *Board of River Port Pilot Comm'rs*, 330 U.S. 552. See also *Flemming* v. *Nestor*, 363 U.S. 603."

While there may be a "right" to pursue an occupation, it is not of such a character as to require strict scrutiny of legislation affecting entrance into that occupation. It is clear from recent Supreme Court rulings that the importance of an activity does not determine whether that activity is a right. While recognizing the importance of education, *San Antonio Independent School District* v. *Rodriguez, supra*, of housing, *Lindsey* v. *Normet*, 405 U.S. 56 (1972), and of public welfare, *Dandridge* v. *Williams, supra*, the Court has in each case refused to recognize the existence of a "fundamental right." The Court has stated that fundamental rights are those which are implicitly or explicitly guaranteed by the Constitution. *San Antonio Independent School District* v. *Rodriguez, Supra; Lindsey* v. *Normet, supra*. The pursuit of an occupation has no more constitutional underpinning than does the pursuit of an education, or the need for housing or public welfare.

Although *New State Ice Co.* v. *Liebman*, 285 U.S. 262 (1932), and *Corey* v. *Dallas*, 352 F. Supp. 977 (N.D. Texas 1972) support a contrary view, they are easily distinguished. In its opinion in *Olsen* v. *Nebraska*, 313 U.S. 236 (1941), the Court specifically rejected *Liebman* as an example of due process reasoning since repudiated by the Court. The District Court opinion in *Corey*, holding that there is a fundamental right to operate a massage parlor, is of dubious validity, especially in light of the Supreme Court cases discussed above. At least one United States Court of Appeals has applied the traditional equal protection analysis to legislation regulating energy into a profession. In *Lombardi* v. *Tauro*, 470 F. 2d 798 (1st Cir. 1972), cert. denied, 412 U.S. 919 (1973), the court rejected arguments that the stricter analysis should be applied to a State requirement that applicants for admission to the bar must have graduated from law school. Citing *Williamson* v. *Lee Optical, supra*, the court stated: "The Supreme Court has, however, applied the traditional fourteenth amendment test in closely analagous situations. *Id.* at 801 n. 4.

Finally, although the traditional equal protection test is appropriate in reviewing S. 3585, the result would be the same if the stricter standard were applied. That standard requires that where a fundamental right is infringed, the legislation can be upheld only upon a showing of "compelling State interest" in enacting the measure. *Shapiro* v. *Thompson*, 394 U.S. 618 (1969). S. 3585 is designed to meet several serious problems which deprive many Americans of adequate and high quality health care. Since the problems are created by geographic maldistribution of health professionals specialty maldistribution of physicians, and varying and inadequate standards for licensure of physicians and dentists. It is appropriate to start to enact legislation which will address these concerns through regulation of the education and licensure of health professionals.

[5] *Steinberg* v. *United States*, 163 F. Supp. 590 (Ct. Cl. 1958) is inapposite. There Congress had provided for legislative punishment of those who sought to exercise a guaranteed constitutional right. As previously discussed, S. 3585 does not infringe on any such right.

[6] Similarly in *Communist Party* v. *Subversive Activities Control Board, supra*, the Court had previously sustained a registration requirement of the Subversive Activities Control Act applicable to "Communist-action organizations" which were defined in part as organizations "substantially directed . . . by the foreign government or foreign organization controlling the world Communist movement . . . and operate[d] . . . to advance the objective of such world Communist movement. . . ." 50 U.S.C. (1958). The *Brown* opinion cited *Communist Party* as consistent with its ruling since the earlier opinion clearly implied that had the legislation applied to the Communist Party by name it would have been a bill of attainder. The Subversive Activities Control Act of 1950 application of the registration requirement to all who met the statutory definition rather than to a specific group, saved it from being declared an unconstitutional bill of attainder.

Mr. KENNEDY. Mr. President, we in the Senate Health Subcommittee have been studying and considering the health care crisis in the United States, for some time. The health care crisis in the United States has many features to it.

There are questions about the adequacy of the facilities which are available to the American people. We attempted, with the passage of the Health Maintenance Organization Act, to provide an outreach program to many areas in rural as well as urban America, to try to provide comprehensive health services as an alternative to the traditional, fee-for-service method, and to provide some pluralism in the delivery of health care, by encouraging group health practice. We recently passed health service legislation, within the last 10 days, which provides support for neighborhood health centers, community mental health centers, migrant health care, and support for many other health service programs.

We have attempted in recent years to build health facilities, in rural and urban America, so that all Americans will have access to health care. That is one extremely important aspect of the health care crisis.

A second feature of the health care crisis we have been working on would assure that when persons receive health care in these facilities, it will be quality health care. We passed the Health Maintenance Organization Act which created a Commission on Quality Health Care.

We had initially hoped that the Commission on Quality Health Care would collect what we call inputs and outputs, so that we could find out, in certain sections of the country physicians are performing too many appendectomies or tonsillectomies or are providing too many treatments for one disease or another. We had hoped that the Commission would collect information so that it could be determined if expenditures for health are being wisely spent, or perhaps, unwisely spent.

In California, for example, we noticed that the children who are medicaid patients have five times as many tonsillectomies as children of parents that are enrolled in a prepaid group practice. No one has been able to prove to us that the children in medicaid need that many more operations. As a matter of fact, in many instances it has been to the contrary.

What we have been trying to do is to concern ourselves with providing for quality health care. We have been unable to get a Commission on Quality Health Care enacted by the House of Representatives, but we have been able to get the House to agree on an Institute of Medicine study which would make recommendations to us on the best ways to approach the entire issue of quality health care.

We have had some difficulty with the Secretary of HEW. HEW has looked at this as being a modest study and has talked about funding it at $200,000 or $300,000. I think that this type of quality study, with all the dimensions it would have, should be funded at $2 million or $3 million. If we can expend $20 million to study the environmental effects of the Alaska pipeline, we can certainly spend $2 million or 3 million to try to find the best way of getting quality health care for all Americans.

We have been working, one, on the delivery of health care; two, on the quality; and the third issue is that of financing. The issue of financing is before the Committee on Ways and Means and the Committee on Finance. I am hopeful that we can get some legislation this year. I thought we were close to getting legislation on health insurance, but it seems to be stalemated in the House of Representatives.

I hope that we are not going to be debating only catastrophic health insurance, because, as important as catastrophic financing is in providing relief to individuals who may be wiped out because of financial problems, we know that we would be adding another $2, $3, or $4 billion into the health budget, which would b. highly inflationary, and that we would just be adding catastrophic protection and not trying to do something about the quality of health care or the control of prices or meeting our manpower requirements. Adequate health facilities, quality control, and financing are three of the various dimensions of the health care crisis in America.

A fourth dimension is health manpower. As interested as many of us are in developing a health insurance program, it is not going to be meaningful unless we have a health insurance program that will be supported by adequate numbers of health manpower.

The Secretary of HEW tells us that we cannot implement S. 3, the health insurance bill that I introduced 4 years ago, or a more modest program which I think was sound, the Kennedy-Mills bill, because we do not have the manpower or the facilities. Our Senate health subcommittee has been attempting to meet those objectives.

One of the important areas is providing for adequate numbers of health manpower; second, to make sure that the type of manpower developed is going to be quality manpower and, third, to make sure that they are going to be practicing in the right place—geographical distribution. That is what the program we are bringing to the Senate today is directed toward.

What we are attempting to do is to make sure that we are going to have adequacy of manpower in the areas of maldistribution. All we have to do is look at some of the charts in the Chamber, with respect to the various States. The reds show the decline of physicians in many rural and urban counties between 1960 and 1970. The red maps indicate the reduction of physicians in the respective States during the 10-year period, and the orange maps indicate which counties in these States are actually below the national average. All one need do is look at the charts on each side of the Chamber and see that we have pretty much of a national disaster area, described by the declining number of physicians and the vast number of communities across this country that are below the national average.

The geographic maldistribution of medical manpower is a serious problem today. It was recognized by the Truman commission in 1951, the National Commission on Community Health Services in 1966, the Carnegie Commission in 1970, the President's Rural Poverty Commission in 1967, and the American Enterprise Institute in 1973. We have a maldistribution of medical manpower, and it is not getting better. As a matter of fact, it is getting worse, in spite of the fact that there have been some efforts by a number of States to try to do something about it. State programs have existed for a period of 30 years, and still the results of State activities have been woefully inadequate.

The study which I shall quote from is listed here. It shows that over a period of 30 years, only 657 physicians have taken advantage of State and other voluntary programs. This is an average of only three doctors per State per year. We know that the number of additional primary care doctors actually needed in the United States is 130,000, who will be distributed in a way that will provide adequacy of health manpower throughout the Nation.

The first point is that we have a maldistribution of medical manpower today.

The second point is that the distribution within the medical specialties is poor. We find, for example, that only 4 percent of the residencies in 1972 were for general practice. Of that, only 59 percent of them were actually filled. So we have a small number of residencies for general practice and a large percentage of those are not being filled. At the same time we have seen the expansion of residencies and training programs for all the other specialties. In many instances, these are specialties which are not needed.

I see that in my own State of Massachusetts, for example, we have more neurosurgeons, with 5.5 million people in Massachusetts, than there are in Great Britain with 50 million people.

The other studies listed in our report show that in instance after instance, when we have more surgeons in a particular geographic area, we are getting more surgery. We have figures and statistics to show that as well.

We have geographic maldistribution of manpower, and second, we have maldistribution within medical specialties. We are trying to do something about that. We are trying to work out a system by which the Secretary of Health, Education, and Welfare can work with advisory groups and the specialty boards to try to obtain the appropriate distribution and mix of medical specialties needed in the United States. This is the second objective of our program.

Third, there is not a manpower study that has been done in recent times that does not recognize the increasing problem that this country is facing with our foreign medical school graduates. What do we mean by problem in foreign medical school graduates? We mean, Mr. President, that any fair and rational testing procedure has shown that FMGs are not nearly as well educated or as well qualified to work in the professions as those young Americans who are trained in American medical schools. But beyond that, we find out that, with the exception of seven States, every State in the country has a less than full licensing program by which foreign medical school graduates may practice for a period of time, and these licenses may be renewed ad infinitum for any period of time.

That is why, in mental institution after mental institution, prison after prison, in underserved area after underserved area—and we list these, again, in our reports—in many urban communities in this country, a person will go to a hospital and, in some instances, will be unable even to communicate with the resident who is speaking to him. The resident is foreign-trained, barely able to communicate in English.

So what happens? We find out that these FMGs are effectively being given a less than full license in many of the State institutions of this country, because they cannot pass examinations. Second, for the most part, their ratio of specialty is even worse than the range of specialties that exist in the United States. I mean by that that when the foreign medical school graduate comes here, he is more specialty-oriented than even the medical school graduate in this country.

So FMG's are compounding the problem: again, a problem of quality and, secondly, a problem of maldistribution within specialties. That is a problem that we are concerned about.

What we are attempting to do is establish minimum licensure requirements for States. There are going to be bare minimum requirements.

If there is a desire by the State to set additional requirements as well, that will be permitted. But, at least, we are going to require certain minimum requirements. That is absolutely essential, Mr. President.

We have seen, for example, in the area of dentistry, some States—I believe it is 11 or 12, I shall submit that table—where the examiners have not failed a resident of that State for 10 years—for 10 years. It is an absolute tragedy. Dental licensure statistics show that there were 10 States in 1967 that did not fail anyone. An average of 12 States every year fail no one. In 1967, it was 10; in 1968, it was 12; in 1969, it was 14.

Then we go through the statistics with regard to failing out-of-Staters and how States fail more out-of-Staters than they fail those young people who are within their States. It is an absolute tragedy.

What we are trying to do is provide some minimum licensure standards in this country for physicians and dentists and to be established by the Secretary with the assistance of the various specialty and professional groups.

Finally, Mr. President, we provide for a relicensing provision so that those who are working in the medical profession will, over a period of time, have the opportunity for relicensure. This is a matter of concern to many of those in the profession. They say, "Why should we be singled out?"

The fact of the matter is that they should be singled out, because, in their hands, in many instances, can rest the difference between life and death. What are we trying to do with this? We are not requiring an examination. All we are requiring is that the Secretary and appropriate professional organizations will work out a system by which the level of competence will be maintained or increased over the period that these doctors and dentists are in practice.

The continuing education program would be a prime example. This type of program has been developed by the family practitioners. They appeared before our committee. They endorsed the concept. They believe in it. Family practitioners that are in practice all across this country are prepared to follow this procedure, because they feel it is in the best interest of the patient. They have worked out, I think, a means of doing this which I feel is extremely constructive. I think it ought to be a model for all the other specialties.

How do we achieve all this, Mr. President? What we are saying is that we have a serious problem in this country and it is growing more so. The people who are supporting the various medical schools are basically the middle-income people and the low-income people. They are the ones who pay the overwhelming majority of taxes in this country and they are the ones who have the greatest difficulty of access to health manpower. They are providing about $400 million every year to the medical schools. They are paying for a major part of the education of these young people. That is unlike any other profession.

I am for that. I am for providing the medical schools with the necessary resources so that they can educate young people. As a matter of fact, I think we ought to provide expanded opportunities, and we have a provision in here, which is a carry-on to some of the older manpower provisions, for encouraging medical schools to expand their enrollment and to reduce the amount of time for training in the medical profession. I am all for that, Mr. President.

But if, on the one hand, we are going to provide those resources for middle-income and low-income people, we also ought to expect that those who are going to be trained by benefit of taxpayers' dollars are going to serve these people. I do not think that is terribly unreasonable. I do not understand the equity of taxing the people I see in West Roxbury or Dorchester, or Charlestown, or even Roxbury, to educate these people in some of the finest medical schools in this country, in my own State of Massachusetts, and then give those graduates a blank check to practice on Beacon Hill or to go out to Los Angeles or to New York on Park Avenue. I think we ought to expect some service from these individuals.

The way we are attempting to deal with that is to require that any of the medical schools that take capitation assistance, require that upon graduation the medical students will serve in an underserved area for a period of 2 years, if needed. The best estimate now is that we need 130,000 medical personnel in underserved areas around this country. That is generally the agreed number by the various study groups that have considered this proposition.

What we are going to do is assign them to these underserved areas until there is no further need, and then they will be released from any kind of responsibility or obligation of service.

There are those who say, "Does this not really end up with a return to the mandatory service program of the draft?"

Even though I was not one who had favored the volunteer army, for reasons that I think have best been demonstrated over the period of the latest statistics for July and August, which showed that 33 percent of those serving in the combat arms are minorities. We are still 15,000 short, even with a bonus of $2,500, at a time when we have increasing unemployment in this country, with all the attendant expenses we are paying, which I think could be better spent on education and health, or trying to do something about the problems of our elderly. Irrespective of that judgment, the obvious distinction between this program and the draft is that no one is required to study medicine. There is nothing in the Constitution which either requires or guarantees to any young person that he will become a doctor. If he wants to become a doctor under those conditions, with the kind of support that he will receive from the American taxpayers, he should be willing to serve for 2 years. If he does not, he is perfectly free to choose another profession.

When it is recognized that we have 15,000 young people who are otherwise qualified to serve, and are denied the opportunity, because the medical schools have no place for them, I have no doubt that medical schools will receive applications for a sufficient number of individuals who will be willing to serve in medically underserved areas.

So, Mr. President, this is really what we want to do, recognizing that we have a problem of national dimensions, that it is increasing in terms of maldistribution of specialties and geographic maldistribution of health manpower, and the problems that we are facing with foreign medical school graduates. For example, there is one State in New England that found, as of this past year, when it granted licenses to new licensees, that more than 50 percent of them were foreign medical school graduates. That is happening all over this country, and we are trying to deal with it.

Let me say finally, there has been a proposal put forward by others, both in this body and in the House of Representatives, that would say, "Why do we not change the whole concept of financing and funding of medical education, eliminate completely the capitation grant, and provide scholarship money to any young person and permit him to shop around for the medical school he might desire, and then he will be required, if he accepts the money, to serve in an underserved area?" In other words, it is proposed to take the money away from the institution and give it to the individual, offering it as a sort of bonus type program.

It may be that the proposal has many features which are attractive, but it has, I think, one great difficulty, and that is that the cost of such a program would be double that of this program. We are talking about $375 million, approximately, for education. There is approximately $300 million under this bill for capitation, and under the other proposal, whose prime sponsor is Representative ROY, the amount involved is approvimately $650 million.

We should face the fact realistically that we are not going to be able to provide $650 million to train young people in this country in medical education. If we could, and if we would, I would be prepared to vote for that, and reduce the appropriation that we are making for military assistance for South Vietnam accordingly. But as a practical matter, we are not going to be able to do it.

So we are faced with this alternative, and I think, Mr. President, that this plan offers the best opportunity to try to reach that question.

The final point is that there are those who feel that we ought to work with a scholarship program. What they would do is devise a program that would draw from the poorest groups in this country individuals who come from underserved areas and have them agree to go back to underserved areas.

To me, the problem with that concept is that I think that is about as close to involuntary servitude as we could expect to get. If we take a poor kid who otherwise has no opportunity to make it, give him enough money to get through medical school, and require him to go back and serve in an underserved area, then the children of rich parents are able to take the cream off the top and go into highly lucrative areas. In this way, we would be, supposedly, assuaging our consciences about meeting the health manpower needs in underserved areas.

This is just a brief comment, Mr. President. I shall be glad to develop these points and others as we move through the course of the debate.

At this time, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MATHIAS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. KENNEDY. I yield.

Mr. MATHIAS. Mr. President, I ask unanimous consent that Mr. Colbert King may have the privilege of the floor during the entire process of debate on the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, the Senator from Massachusetts has begun the debate on what is probably one of the most controversial and important measures before this Congress, S. 3585, which is designed to help produce the manpower needed to reach our goal of providing quality health care to all of our citizens.

Mr. President, I am opposed to the bill, but notwithstanding my strong opposition to the reported bill, I think there is general agreement with respect to the main health manpower problems confronting our country today: the geographical maldistribution of doctors and dentists, as demonstrated by the critical need to attract more doctors to rural and inner-city areas, the maldistribution of essential medical specialties, and the growing reliance by this Nation on foreign medical graduates. But while I believe the reported bill correctly focuses on our health manpower problems confronting this country, geographical maldistribution, specialty maldistribution, and reliance on foreign medical graduates, I strongly dissent from its proposed remedy.

AMENDMENT NO. 1919

Rather than belabor the point at this time, I think, in order to get to the heart of the issue, Mr. President, I would like to call up my amendment in the nature of a substitute, amendment No. 1919, and ask that it be reported. This amendment, incidentally, is cosponsored by Senators TAFT and DOMINICK.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BEALL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and that the full text of the amendment be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL's amendment (No. 1919) is as follows:

In lieu of the language proposed to be inserted; insert the following;

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Health Manpower and Shortage Area Assistance Act of 1974".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

TITLE I—GENERAL PROVISIONS

SEC. 101. (a) Sections 701 through 711 are repealed.

(b) Sections 724, 725, 799, and 799A are transferred to part A of title VII and are redesignated as sections 701, 702, 703, and 704, respectively.

(c) Section 701 (as so redesignated) is amended—

(1) by striking out "As used in this part and parts C, E, and F—" and inserting in lieu thereof "For purposes of this title:"; and

(2) in paragraph (4), by—

(A) striking out "and 'school of public health'" and inserting in lieu thereof "'school of public health, and school with a graduate program in health care administration'"; and

(B) striking out "and a graduate degree in public health" and inserting in lieu thereof "a graduate degree in public health or an equivalent degree, and a graduate degree in health care administration or an equivalent degree".

(d) Section 702 (as so redesignated) is amended by—

(1) striking out "twenty" in subsection (a) and inserting in lieu thereof "twenty-two",

(2) striking out the second sentence of paragraph (a) and inserting in lieu thereof the following: "The appointed members of the Council shall include (1) eight representatives of the health professions schools assisted under programs authorized by this title, including one each from the schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health, (2) eight full-time students enrolled in such health professions schools, including one each from the schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health, and (3) four members of the general public", and

(3) striking out "parts A and G" in subsections (b) and (c) and inserting in lieu thereof "part G".

(e) Section 703 (as so redesignated) is amended to read as follows:

"ADVANCE FUNDING

"SEC. 703. An appropriation under an authorization of appropriations for grants or contracts under this title for any fiscal year may be made at any time before that fiscal year and may be included in an Act making appropriation under such authorization for another fiscal year; but no funds may be made available from any appropriation under such authorization for obligation for such grants or contracts before the fiscal year for which such appropriation is authorized.".

(f) Part A of title VII is amended by adding at the end thereof the following new sections:

"DELEGATION

"SEC. 705. The Secretary may delegate the authority to administer any program authorized by this title to the administrator of a central office or offices in the Department of Health, Education, and Welfare, but such authority shall not be further delegated to any officer in any regional office or offices.

"RECORDS AND AUDIT

"SEC. 706. (a) Each recipient of financial assistance (including each entity which receives a grant, loan, loan guarantee, or interest subsidy or which enters into a contract with the Secretary) under this title shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such financial assistance, the total cost of the project or undertaking in connection with which such financial assistance was given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall have access for the purpose of audit and examination to any book, document, papers, and records of such recipients that are pertinent to the financial assistance received under this title."

(g) The Secretary of Health, Education, and Welfare shall submit an evaluation report to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives not later than March 31 of each year. Such report shall—

(1) contain the Department's statement of specific and detailed objectives for the program or programs assisted under the provisions of this Act, and relate these objectives to those in this Act,

(2) include statements of the Department's conclusions as to effectiveness of the program or programs in meeting the stated objectives, measured through the end of the preceding fiscal year,

(3) make recommendations with respect to any changes or additional legislative action deemed necessary or desirable in carrying out the program or programs.

(4) contain a listing identifying the principal analyses and studies supporting the major conclusions and recommendations, and

(5) contain the Department's annual evaluation plan for the program or programs through the fiscal year for which the budget was transmitted to Congress by the President, in accordance with section 201(a) of the Budget and Accounting Act, 1921, as amended (31 U.S.C. 11).

(h) The heading for part A of title VII is amended to read as follows:

"PART A—GENERAL PROVISIONS".

(i) The heading for part H of title VII is repealed.

TITLE II—ASSISTANCE FOR CONSTRUCTION OF TEACHING FACILITIES

SEC. 201. Section 720 is amended to read as follows:

"GRANT AUTHORITY; AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 720. (a) The Secretary may make grants to assist in the construction of teaching facilities for the training of physicians, dentists, pharmacists, optometrists, podiatrists, veterinarians, and professional public health personnel.

"(b) There are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975, and each of the two succeeding fiscal years for grants under this part.".

SEC. 202. Section 721 is amended by adding at the end the following new subsection:

"(f) The Secretary shall afford a priority, in the award of a grant under this part, to applications to aid in the construction of facilities intended to improve the quality or facilitate the use of existing facilities."

SEC. 203. (a)(1) Subsection (a) of section 722 is amended to read as follows:

"(a) The amount of any grant under this part for construction of a project shall be such amount as the Secretary determines to be appropriate after obtaining advice of the Council, except that no grant for any project may exceed 80 per centum of the necessary costs of construction, as determined by the Secretary, of such project."

(2) The amendment made by paragraph (1) shall take effect with respect to grants made under part B of title VII of the Public Health Service Act from appropriations under section 720 of such Act for fiscal years beginning after June 30, 1974.

(b) Subsection (d) of section 722 is amended by striking out "(within the meaning of part A of this title)".

SEC. 203. (a) Subsections (a) and (b) of section 729 are each amended by striking out "1974" and inserting in lieu thereof "1977".

(b) Subsections (a) and (b) of section 729 are further amended by inserting "enter into an agreement to" before "guarantee" in the first sentence of subsection (a), and before "pay to the holder" in subsection (b).

(c) The second sentence of section 729(e) is amended by striking out "and $24,000,000 in the fiscal year ending June 30, 1974" and inserting in lieu thereof the following: "$1,000,000 for the fiscal year ending June 30, 1975, $2,000,000 for the fiscal year ending June 30, 1976, and $3,000,000 for the fiscal year ending June 30, 1977."

SEC. 204. (a) Section 721(c) is amended—

(1) by striking out "section 770(f) of this Act" in paragraph (2) and inserting in lieu thereof "section 771";

(2) by striking out the sentence at the end of paragraph (2);

(3) by striking out paragraph (5) and redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively;

(4) by striking out "and" at the end of paragraph (5) (as so redesignated), by striking out the period at the end of paragraph (6) (as so redesignated) and inserting in lieu thereof "; and", and by inserting after paragraph (6) the following:

"(7) the application contains or is supported by adequate assurance that any laborer or mechanic employed by a contractor or subcontractors in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act).

The Secretary of Labor shall have with respect to the labor standards specified in paragraph (7) the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).", and

(5) by striking out "section 725" in the last sentence of such subsection and inserting in lieu thereof "section 702".

(b) Sections 726, 727, 728, and 729 are redesignated as sections 724, 725, 726, and 727, respectively.

(c) If, within twenty years (or ten years in the case of a facility constructed with funds paid under part A as in effect before the date of the enactment of the Health Manpower and Shortage Area Assistance Act of 1974) after completion of the construction of any facility for which funds have been paid under such part A (as so in effect) or under part D (as in effect before July 1, 1967)—

(1) the applicant for such funds or other owner of such facility shall cease to be a public or nonprofit private entity, or

(2) such facility shall cease to be used for the purposes for which such funds for its construction were provided, unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so,

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

TITLE III—STUDENT ASSISTANCE; NATIONAL HEALTH SERVICE CORPS

SEC. 301. (a) Section 740 is amended—

(1) by striking out "or veterinary medicine" in subsection (a) and inserting in lieu thereof ", veterinary medicine, or public health or schools with a graduate program in health care administration",

(2) by striking "or doctor of veterinary medicine or an equivalent degree" in subsection (b)(4) and inserting in lieu thereof "doctor of veterinary medicine or an equivalent degree, graduate degree in public health or an equivalent degree, or graduate degree in health care administration or an equivalent degree.",

(3) by striking out "and" at the end of paragraph (4),

(4) by redesignating paragraph (5) as paragraph (6), and

(5) by inserting after paragraph (4) the following new paragraph:

"(5) provide that the school shall advise, in writing, each applicant for a loan from the student loan fund of the provisions of section 741 under which outstanding loans from the student loan fund may be paid (in whole or in part) by the Secretary; and".

(b) Section 741 is amended—

(1) by amending subsection (a) to read as follows:

"(a) Loans from a student loan fund established under an agreement under section 740 may not exceed for any student for an academic year (or its equivalent) an amount equal to $4,000.".

(2) by striking out "or doctor of veterinary medicine or an equivalent degree" in subsection (b) and inserting in lieu thereof "doctor of veterinary medicine or an equivalent degree, graduate degree in public health or an equivalent degree in health care administration or an equivalent degree",

(3) by striking out "or veterinary medicine" in subsection (c) and inserting in lieu thereof "veterinary medicine or public health or a school with a graduate program in health care administration",

(4) by striking out "or doctor of podiatry" in subsection (f) and inserting in lieu thereof "doctor of podiatry or an equivalent degree, graduate degree in public health, or graduate degree in health care administration",

(5) by striking out "or podiatry" in subsection (f) and each place such phrase occurs in subsection (1) and inserting in lieu thereof "podiatry, or public health or in a graduate program of health care administration",

(6) by striking out "3 per centum" and inserting in lieu thereof "7 per centum" in subsection (e),

(7) by amending subsection (f)(1)(C) to read as follows:

"(C) who agrees in writing to practice his profession in accordance with section 771(b).",

(8) by amending subsection (f)(2) to read as follows:

"(2) Upon completion by the individual for whom the payments are to be made of each year of the practice specified in section 771(b), the Secretary shall pay 25 per centum of the principal of, and the interest on each loan of such individual described in paragraph (1)(B) which is outstanding on the date he began such practice, except that this paragraph shall not apply to any loan made to the individual in or for an academic year for which the individual received any payment under a scholarship awarded pursuant to section 750 or section 752."

(9) by amending subsection (f)(3) by (A) striking out "or (2)(C)", (B) striking out everything after the semicolon, and (C) by striking out the semicolon and inserting in lieu thereof a period, and

(10) by striking out "(A)" in subsection (f)(4).

(c) In the case of any individual who, on or after November 18, 1971, and prior to the date of enactment of this Act, has received a loan pursuant to section 741, and who meets the requirements of subparagraphs (A) and (B) of paragraph (1) of subsection (f) of that section and who practices his profession as described by subparagraph (C) of that paragraph, as in effect prior to the date of enactment of this Act, by virtue of his employment as a member of the National Health Service Corps, as an officer of the Regular or Reserve Corps of the Public Health Service, or as a civilian employee of the Public Health Service, the individual shall be deemed to have entered into the agreement required by such subparagraph (C) with respect to that practice.

(d) Subsection (a) of section 742 is amended to read as follows:

"(a) For the purpose of making Federal capital contributions into the student loan funds of schools which have established such funds under an agreement under section 740, there are authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years. For the first year ending June 30, 1978, and each of the two succeeding fiscal years, there are authorized to be appropriated such sums as may be necessary to enable students who have received a loan under this part for any academic year ending before July 1, 1979, to continue or complete their education."

(e) Section 743 is amended by striking out "1977" each place it occurs and inserting in lieu thereof "1980".

(f)(1) Section 744 is repealed.

(2) The health professions education fund created within the Treasury by section 744 (d)(1) of the Public Health Service Act, as in effect prior to the date of enactment of this subsection shall remain available to the Secretary of Health, Education, and Welfare for the purpose of meeting his responsibilities respecting participations in obligations acquired under such section 744 of such Act. The Secretary shall continue to deposit in such fund all amounts received by him as interest payments or repayments of principal on loans under such section 744. If at any time the Secretary determines the moneys in the fund exceed the present and any reasonable prospective future requirements of such fund, such excess may be transferred to the general fund of the Treasury.

(3) Section 742(b) is amended (1) by striking out ", and for loans pursuant to section 744" in paragraph (1); and (2) by striking out "(whether as Federal capital contributions or as loans to schools under section 744)" in paragraph (3).

(g)(1) Section 746 is repealed.

(2) Section 740 is amended (A) by striking out "of Health, Education, and Welfare" in subsection (a); and (B) by striking out ", except as provided in section 746," in paragraphs (2) and (3) of subsection (b).

SEC. 302. Section 747(d) is amended by striking out "two" and inserting in lieu thereof "five".

SEC. 303. (a) Subpart I of part F of title VII is repealed.

(b) The Secretary of Health, Education, and Welfare may, during the period beginning July 1, 1974, and ending June 30, 1979, make grants to public and nonprofit private schools of medicine, osteopathy, dentistry, optometry, podiatry, pharmacy, and veterinary medicine to enable such schools to continue making payments under scholarship awards to students who initially received such awards out of grants made to the schools under subpart I of part F of title VII for fiscal years ending before July 1, 1974.

SEC. 304. (a) Section 329 is amended to read as follows:

"NATIONAL HEALTH SERVICE CORPS

"SEC. 329. (a) There is established, within the Service, the National Health Service Corps (hereinafter in this section referred to as the 'Corps') which shall consist of those officers of the Regular and Reserve Corps of the Service and such other personnel as the Secretary may designate and which shall be utilized by the Secretary under this section to improve the delivery of health services to medically underserved populations.

"(b)(1)(A) The Secretary shall, on the basis of standards promulgated in accordance with section 553 of title 5, United States Code, designate the medically underserved populations in the States periodically, but at least annually. For purposes of this section, a medically underserved population is the population of an urban or rural area (which does not have to conform to the geographical boundaries of a political subdivision and which should be a rational area for the delivery of health services) which the Secretary determines has a critical shortage of any class or classes of health professions personnel or a population group determined by the Secretary to have such a shortage; and the term 'State' includes Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(B) Each year the Secretary shall notify the chief executive officer of each State of his intention to designate populations and shall request each chief executive officer to submit to the Secretary within one hundred and eighty days of such notification, recommendations respecting the designation of populations within his State. The Secretary shall also take into account (i) the recommendations of the entities responsible for the development of the plans referred to in section 314(b) which cover all or any part of the areas in which populations under consideration for designation reside, and (ii) in the case of any such area for which no such entity is responsible for developing such a plan, the recommendations of the agency of the State (or States) in which such area is located, which administers or supervises the administration of a State plan approved under section 314(a).

"(C) By promulgation of a rule under section 553 of title 5, United States Code, the Secretary shall thereafter designate medically underserved populations. If the Secretary does not designate a population which has been recommended for designation by the chief executive officer of any State, he shall include in the final order designating populations an adequate statement of the reasons for disapproving such recommendation.

"(2) Any person may apply to the Secretary (in such manner as he may prescribe) for the designation of a population as a medically underserved population. In considering an application under this paragraph, the Secretary shall take into account the following in addition to criteria utilized by him in making a designation under paragraph (1):

"(A) ratios of available health professions personnel engaged in the delivery of health care to the population for which the application is made;

"(B) indicators of the population's access to health services;

"(C) indicators of health status of the population;

"(D) indicators of such population's need and demand for health services;

"(E) relative levels of reimbursement under titles XVIII and XIX of the Social Security Act with respect to such population.

"(3) The Secretary shall (A) provide assistance to persons seeking assignment of Corps personnel to provide under this section health services for medically underserved populations, (B) conduct such information programs in areas in which such populations reside as may be necessary to inform the public, public and private health entities serving those areas, and the appropriate State and local agencies of the assistance available to such populations by virtue of their designation under this section as medically underserved, and (C) provide technical (including management) assistance to such persons (especially appropriate State and local agencies) in order to improve the capacity of such medically underserved populations to secure health services from health professions personnel in addition to that provided by Corps personnel.

"(c)(1)(A) The Secretary may assign personnel of the Corps to provide, under regulations prescribed by the Secretary, health services for a medically underserved population if—

"(i) the State health agency of each State in which such population is located or the local public health agency or any other public or nonprofit private health entity serving such population makes application to the Secretary for such assignment, and

"(ii) the (I) local government of the area in which such population resides, and (II) any State and district medical or dental society for such area or any other appropriate health society (as the case may be), for such area certify to the Secretary that such assignment of Corps personnel is needed for such population.

"(B) The Secretary may not approve an application under paragraph (1)(A)(i) for an assignment unless the applicant agrees to enter into an arrangement with the Secretary in accordance with subsection (e)(1) and has afforded—

"(i) the entity responsible for the development of the plans referred to in section 314(b) which covers all or any part of the area in which the population for which the application is submitted resides, and

"(ii) if there is a part of such area for which no such entity is responsible for developing such plans, the agency of the State in which such part is located which administers or supervises the administration of a State plan approved under section 314(a),

an opportunity to review the application and submit its comments to the Secretary respecting the need for and proposed use of health professions personnel requested in the application. In considering such an application, the Secretary shall take into consideration the need of the population for which the application was submitted for the health services which may be provided under this section; the willingness of the population and the appropriate governmental agencies or health entities serving it to assist and cooperate with the Corps in providing effective health services to the population; and recommendations from medical, dental, or other health professional societies or from medical personnel serving the population.

"(C) If with respect to any proposed assignment of Corps personnel for a medically underserved population the requirements of clauses (i) and (ii) of subparagraph (A) are met except for the certification by a State and district medical or dental society or by any other appropriate health society required by clause (ii)(II) and if the Secretary finds from all the facts presented that such certification has clearly been arbitrarily and capriciously withheld, the Secretary may, after consultation with appropriate medical, dental, or other health professional societies, waive the application of the certification requirement to such proposed assignment.

"(2)(A) In approving an application submitted under paragraph (1) for the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary may approve the assignment of Corps personnel for such population during a period (referred to in this paragraph as the 'assistance period') which may not exceed four years from the date of the first assignment of Corps personnel for such population after the date of the approval of the application. No assignment of individual Corps personnel may be made for a period ending after the expiration of the applicable approved assistance period.

"(B) Upon expiration of an approved assistance period for a medically underserved population, no new assignment of Corps personnel may be made for such population unless an application is submitted in accordance with paragraph (1) for such assignment. The Secretary may not approve such an application unless—

"(i) the application and certification requirements of paragraph (1) are met;

"(ii) the Secretary has conducted an evaluation of the continued need for health professions personnel of the population for which the application is submitted, of the utilization of the services of the health profession personnel by such population, of the growth of the health care practice of the Corps personnel assigned for such population, and of community support for the assignment; and

"(iii) the Secretary has determined that such population has made continued efforts to secure its own health professions personnel, that there has been sound fiscal management of the health care practice of the Corps personnel assigned for such population, including efficient collection of fee-for-service, third party, and other funds available to such population, and that there has been appropriate and efficient utilization of such Corps personnel.

"(3) Corps personnel shall be assigned to provide health services for a medically underserved population on the basis of the extent of the population's need for health services and without regard to the ability of the members of the population to pay for health services.

"(4) The Secretary may assign, to serve any medically underserved population, such Corps personnel from among one or more of the various professions (including physicians, dentists, nurses, physician extenders (including nurse practitioners), veterinarians, optometrists, podiatrists, pharmacists, public health personnel, health care administration personnel, audiologists, speech pathologists, and allied health personnel) as he determines to be essential to meet the needs of such population.

"(5)(A) In making an assignment of Corps personnel the Secretary shall seek to match characteristics of the assignee (and his spouse (if any)) and of the population to which such assignee may be assigned, and shall consider the assignment of any qualified individual from a medically underserved population to serve that population, in order to increase the likelihood of the assignee remaining to serve the population upon completion of his assignment period. To the extent practicable, the Secretary shall assign individuals in accordance with their stated preferences.

"(B) The Secretary shall, before the expiration of the last nine months of the assignment period of a member of the Corps, review such member's assignment and the situation in the area to which he was assigned for the purpose of determining the advisability of extending the period of such member's assignment.

"(6) The Secretary shall provide technical assistance to all medically underserved populations to which are not assigned Corps personnel to assist in the recruitment of health professions personnel. The Secretary shall also give such populations current information respecting public and private programs which may assist in securing health professions personnel for them.

"(d)(1) In providing health services for a medically underserved population under this section, Corps personnel shall utilize the techniques, facilities, and organizational forms most appropriate for the area in which the population resides and shall, to the maximum extent feasible, provide such services (A) to all members of the population regardless of their ability to pay for the services, and (B) in connection with (i) direct health services programs carried out by the Service; (ii) any direct health services program carried out in whole or in part with Federal financial assistance; or (iii) any other health services activity which is in furtherance of the purposes of this section.

"(2)(A) Notwithstanding any other provision of law, the Secretary (i) shall, to the extent feasible, make such arrangements as he determines necessary to enable Corps personnel in providing health services for a medically underserved population to utilize the health facilities of the areas in which the population resides; and (ii) shall make such arrangements as he determines are necessary for the use of equipment and supplies of the Service and for the lease or acquisition of other equipment and supplies, and may secure the temporary services of nurses and allied health personnel.

"(B) If such area is being served (as determined under regulations of the Secretary) by a hospital or other health care delivery facility of the Service, the Secretary shall, in addition to such other arrangements as the Secretary may make under subparagraph (A), arrange for the utilization of such hospital or facility by Corps personnel in providing health services for the population, but only to the extent that such utilization will not impair the delivery of health services and treatment through such hospital or facility to persons who are entitled to health services and treatment through such hospital or facility. If there are no health facilities in or serving such area, the Secretary may arrange to have Corps personnel provide health services in the nearest health facilities of the Service or the Secretary may lease or otherwise provide facilities in such area for the provision of health services.

"(3) The Secretary may make one grant to any applicant with an approved application under subsection (c) to assist it in meeting the costs of establishing medical practice management systems for Corps personnel, acquiring equipment for their use in providing health services, and establishing appropriate continuing education programs and opportunities for them. No grant may be made under this paragraph unless an application is submitted therefor and approved by the Secretary. The amount of any grant shall be determined by the Secretary, except that no grant may be made for more than $25,000.

"(4) Upon the expiration of the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary (notwithstanding any other provision of law) may sell to the entity which submitted the last application approved under subsection (c) for the assignment of Corps personnel for such population equipment of the United States utilized by such personnel in providing health services. Sales made under this paragraph shall be made for the fair market value of the equipment sold (as determined by the Secretary).

"(e)(1) The Secretary shall require as a condition to the approval of an application under subsection (c) that the entity which submitted the application enter into an appropriate arrangement with the Secretary under which—

"(A) the entity shall be responsible for charging in accordance with paragraph (2) for health services by the Corps personnel to be assigned;

"(B) the entity shall take such action as may be reasonable for the collection of payments for such health services, including if a Federal agency, an agency of a State or local government, or other third party would be responsible for all or part of the cost of such health services if it had not been provided by Corps personnel under this section, the collection, on a fee-for-service or other basis, from such agency or third party the portion of such cost for which it would be responsible (and in determining the amount of such cost for which such agency or third party would be responsible, the health services provided by Corps personnel shall be considered as being provided by private practitioners); and

"(C) the entity shall be entity to retain any amount collected by the entity in accordance with subparagraph (B).

The amount collected by an entity in accordance with subparagraph (B) which the entity is entitled to retain under subparagraph (C) shall be used by the entity to expand or improve the provision of health services to the population for which the entity submitted an application under subsection (c) or to recruit and retain health professions personnel to provide health services for such population.

"(2) Any person who receives health services provided by Corps personnel under this section shall be charged for such services on a fee-for-service or other basis at a rate approved by the Secretary, pursuant, to regulations, to recover the value of such services; except that if such person is determined under regulations of the Secretary to be unable to pay such charge, the Secretary shall provide for the furnishing of such services at a reduced rate or without charge.

"(f)(1) The Secretary shall conduct, at medical and nursing schools and other schools (and accredited graduate training programs) of the health professions and entities which provide training and education for the allied health professions, recruiting programs for the Corps. Such programs shall include the wide dissemination of written information on the Corps and visits to such schools by personnel of the Corps.

"(2) The Secretary may reimburse applicants for positions in the Corps for actual expenses incurred in traveling to and from their place of residence to an area in which they would be assigned for the purpose of evaluating such area with regard to being assigned in such area. The Secretary shall not reimburse an applicant for more than one such trip.

"(3) Commissioned officers and other personnel of the Corps assigned to provide health services for medically underserved populations shall not be included in determining whether any limitation on the number of personnel which may be employed by the Department of Health, Education, and Welfare has been exceeded.

"(4) The Secretary shall, under regulations prescribed by him, adjust the monthly rate of pay of each member of the Corps (other than a medical officer of the Public Health Service with whom the Secretary has entered into an agreement under section 313 of title 37, United States Code) who is directly engaged in the delivery of health services to a medically underserved population as follows:

"(A) During the first thirty-six months in which such a member is so engaged in the delivery of health services, his monthly rate of pay may be increased by an amount (not to exceed $1,000) which when added to the member's regular monthly rate of pay and allowances will provide a monthly income competitive with the average monthly income from an established practice of a member of such member's profession with equivalent training who is practicing in such area.

"(B) During the period beginning upon the expiration of the thirty-six months referred to in subparagraph (A) and ending with the month in which the member's regular monthly rate of pay and allowances is equal to or exceeds the monthly income he received for the last of such thirty-six months, the member shall receive in addition his regular rate of pay and allowances an amount which when added to such regular rate equals the monthly income he received for such last month.

In the case of a member of the Corps who is directly engaged in the provision of health services to a medically underserved population in accordance with a service obligation incurred under section 750, the provision of this paragraph shall apply to such member upon satisfactory completion of such service obligation and the first thirty-six months of his being engaged in the delivery of health care shall, for purposes of this paragraph, be deemed to begin upon such satisfactory completion.

"(g) The Secretary shall report to Congress no later than May 15 of each year—

"(1) the number and identity of all medically underserved populations in each of the States in the calendar year preceding the year in which the report is made and the number of medically underserved populations which the Secretary estimates will be designated under subsection (b) in the calendar year in which the report is made;

"(2) the number of applications filed in such preceding calendar year for assignment of Corps personnel under this section and the action taken on each such application;

"(3) the number and types of Corps personnel assigned in such preceding year to provide health services for medically underserved populations, the number and types of additional Corps personnel which the Secretary estimates will be assigned to provide such services in the calendar year in which the report is submitted, and the need (if any) for additional personnel for the Corps;

"(4) the recruitment efforts engaged in for the Corps in such preceding year, including the programs carried out under subsection (f)(1) and the number of qualified persons who applied for service in the Corps in each professional category;

"(5) the total number of patients seen and patient visits recorded during such preceding year in each area where Corps personnel were assigned;

"(6) the number of health professions personnel electing to remain after termination of their service in the Corps to provide health services to medically underserved populations and the number of such personnel who do not make such election and the reasons for their departure;

"(7) the results of evaluations made under subsection (c)(2)(B)(ii), and determinations made under subsection (c)(2)(B)(iii), during such preceding year; and

"(8) the amount (A) charged during such preceding year for health services by Corps personnel, (B) collected in such year by entities in accordance with arrangements under subsection (e)(1), and (C) paid to the Secretary in such year under such arrangements.

"(h)(1) There is established a council to be known as the National Advisory Council on the National Health Service Corps (hereinafter in this section referred to as the 'Council'). The Council shall be composed of fifteen members appointed by the Secretary as follows:

"(A) Four members shall be appointed from the general public to represent the consumers of health care, at least two of whom shall be members of a medically underserved population for which Corps personnel are providing health services under this section.

"(B) Three members shall be appointed from the health professions (including nurses and allied health personnel) and health teaching professions.

"(C) Three members shall be appointed from State health or health planning agencies.

"(D) Three members shall be appointed from the Service, at least two of whom shall be members of the Corps directly engaged in the provision of health services for a medically underserved population.

"(E) One member shall be appointed from among individuals associated with institutional providers of health services.

"(F) One member shall be appointed upon recommendation of the Chief Medical Director of the Veterans' Administration.

The Council shall consult with, advise, and make recommendations to, the Secretary with respect to his responsibilities in carrying out this section, and shall review regulations promulgated or proposed to be promulgated by the Secretary under this section and section 750, and advise the Secretary with respect thereto.

"(2) Members of the Council shall be appointed for a term of three years and shall not be removed, except for cause. Members may be reappointed to the Council.

"(3) Appointed members of the Council, while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be entitled to receive for each day (including traveltime) in which they are so serving the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

"(i) To carry out the purposes of this section, there are authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1975, $35,000,000 for the fiscal year ending June 30, 1976, and $50,000,000 for the fiscal year ending June 30, 1977."

(b) The Secretary of Health, Education, and Welfare shall report to Congress (1) not later than January 1, 1975, the criteria used by him in designating medically underserved populations for purposes of section 329 of the Public Health Service Act, and (2) not later than May 1, 1975, the identity and number of medically underserved populations in each State meeting such criteria.

(c) The amendment made by subsection (a) which changed the name of the advisory council established under section 329 of the Public Health Service Act shall not be construed as requiring the establishment of a new advisory council under that section; and the amendment made by such subsection with respect to the composition of such advisory council shall apply with respect to appointments made to the advisory council after the date of the enactment of this Act.

SEC. 305. (a) Section 225 is transferred to part C of title VII, redesignated as section 750, and amended to read as follows:

"PUBLIC HEALTH AND NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP TRAINING PROGRAM

"SEC. 750. (a) The Secretary shall establish the Public Health and National Health Service Corps Scholarship Training Program (hereinafter in this section referred to as the 'program') to obtain trained health professions personnel (including physicians, dentists, nurses, physician extenders (including nurse practitioners), veterinarians, optometrists, podiatrists, pharmacists, public health personnel, health care administration personnel, audiologists, speech pathologists, and allied personnel) for the National Health Service Corps or other units of the Public Health Service.

"(b) To be eligible for acceptance in the program an applicant for the program must—

"(1) be accepted for enrollment, or be enrolled, as a full-time student in an accredited (as determined by the Secretary) educational institution in a State which provides a course of study approved by the Secretary leading to a degree of doctor of medicine, a degree of doctor of osteopathy, a degree of doctor of dentistry or an equivalent degree, a degree of bachelor of science in pharmacy or an equivalent degree, a degree of doctor of optometry or an equivalent degree, a degree of doctor of podiatry or an equivalent degree, a degree of doctor of veterinary medicine or an equivalent degree, a graduate degree in public health or an equivalent degree, a graduate degree in health care administration or an equivalent degree, a graduate degree in audiology or an equivalent degree, a graduate degree in speech pathology or an equivalent degree, a degree of bachelor of arts in nursing, a degree of bachelor of science in nursing, a degree of bachelor of nursing or an equivalent degree, a graduate degree in nursing, an associate degree in nursing or an equivalent degree, or any other course of study approved by the Secretary for the training of nurses, physician extenders (including nurse practitioners), or allied health personnel;

"(2) be eligible for, or hold, an appointment as a commissioned officer in the Regular or Reserve Corps of the Service or be eligible for selection for civilian service in the Service; and

"(3) agree in writing to serve, as prescribed by subsection (d) of this section, in the Commissioned Corps of the Service or as a civilian member of the Service.

To remain in the program an individual must pursue at such an institution such as approved course of study and maintain an acceptable level of academic standing in it.

"(c)(1)(A) Each participant in the program shall receive a scholarship for each approved academic year of training, not to exceed four years. A participant's scholarship shall not exceed (i) an amount equal to the basic pay and allowances of a commissioned officer on active duty in pay grade O–1 with less than two years of service, and (ii) payment of the tuition expenses of the participant and all other necessary and reasonable educational expenses incurred by the participant, including fees, books, and laboratory expenses.

"(B) The Secretary may contract with an institution in which participants are enrolled for the payment to the institution of the tuition and other educational expenses of such participants. Payment to such institution may be made without regard to section 3648 of the Revised Statutes (31 U.S.C. 529).

"(2) When the Secretary determines that an institution has increased its total enrollment for the sole purpose of accepting members of the program, he may provide under a contract with such an institution for additional payments to cover the portion of the increased costs of the additional enrollment which are not covered by the institution's normal tuition and fees.

"(d)(1) Each participant in the program shall provide service as prescribed by paragraph (2) for a period (hereinafter in this section referred to as a 'period of obligated service') that is the larger of (A) one year of service for each academic year of training received under the program, and (B) two years. Except as provided in the following sentence, a period of obligated service of any individual shall commence within six months after the date upon which such individual is licensed to practice his profession (or the date upon which such individual completes his first year of post-graduate clinical training, if such year of training is completed after the date on which he is so licensed) and such service shall continue without substantial interruption until such service is completed, except that for persons licensed to practice medicine or dentistry, the commencement of a period of obligated service may be deferred by the Secretary for the period of time required to complete postgraduate physician training where appropriate to meet the needs of the National Health Service Corps or other units of the Public Health Service. In the case of any individual obligated to provide service in accordance with this subsection who may lawfully practice his profession without first obtaining a license, a period of obligated service shall commence within six months after the date upon which such individual completes his training in any school subject to the provisions of this subsection.

"(2)(A) Except as provided in subparagraphs (B) and (C), an individual obligated to provide service on account of his participation in the program shall provide such service for the period of obligated service applicable to him as a member of the National Health Service Corps or the Indian Health Service.

"(B) If there are no positions available in the National Health Service Corps or the Indian Health Service at the time an individual is required by the Secretary to begin his period of obligated service, such individual shall serve in the clinical practice of his profession for such period as a member of the Bureau of Medical Services of the Health Services Administration.

"(C) If there are no positions available in the National Health Service Corps, Indian Health Service, or the Bureau of Medical Services at the time an individual is required by the Secretary to begin his period of obligated service and neither the Corps, the Service, or the Bureau has a need at such time for a member of the profession for which such individual was trained, such individual shall serve for such period as a member of the Public Health Service in such units of the Department of Health, Education, and Welfare as the Secretary may prescribe or may serve in a Federal health care facility, but only upon the request of the head of the department or agency of which the health facility is a part.

"(e)(1) If, for any reason, an individual fails to either begin his service obligation under this section in accordance with subsection (d) or to complete such service obligation, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula—

$$A=2\phi\left(\frac{t-s}{t}\right)$$

in which 'A' is the amount the United States is entitled to recover; ϕ is the sum of the amount paid under section 770 to a school on the basis of the enrollment in such school of such individual and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate; 't' is the total number of months in such individual's period of obligated service; and 's' is the number of months of such period served by him in accordance with this subsection. Any amount which the United States is entitled to recover shall, within the one-year period beginning on the date the United States becomes entitled to recover such amount be paid by such individual to the United States. Amounts recoverable under this subsection shall be in addition to amounts recoverable under other provisions of this Act by reason of the individual's failure to begin or complete any service obligation, whether or not the period of that obligation is concurrent with the service obligation under this subsection.

"(2) When an individual undergoing training in the program is academically dismissed or voluntarily terminates academic training or fails to obtain a license to practice his profession he shall be liable for repayment to the United States for an amount equal to the amount paid under this section to or on behalf of such individual.

"(3) The Secretary shall by regulation provide for the waiver or suspension of any obligation of any individual under this section whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"(f) Notwithstanding any other provision of law, persons undergoing academic training under the program shall not be counted against any employment ceiling affecting the Department of Health, Education, and Welfare.

"(g) The Secretary shall issue regulations for the implementation of this section.

"(h) To carry out the purposes of this section, there is authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1975, $30,000,000 for the fiscal year ending June 30, 1976, and $40,000,000 for the fiscal year ending June 30, 1977."

(b) Part C of title VII is amended by inserting immediately before section 750 the following heading:

"Subpart III—Public Health and National Health Service Corps Scholarship Training Program".

SEC. 306. (a) Subpart II of part F of title VII is transferred to part C and redesignated subpart IV. Section 785 of subpart II is redesignated section 751.

(b) Subsection (b) of section 751 (as so redesignated) is amended (1) by striking out "to practice medicine in the United States for a period of five years." and inserting in lieu thereof "in accordance with subsection (d)(3)." and (2) by striking out the second sentence of such subsection.

(c) Subsection (d) of section 751 (as so redesignated) is amended by adding at the end thereof the following:

"(3)(A) No scholarship grant under this subpart shall be made to any individual unless such individual agrees in writing to practice his profession in accordance with section 771(b), except that the period of obligated service for such individual shall be the larger of (i) one year for each year for which he receives a scholarship grant under this subpart, and (ii) two years.

"(B) The provisions of subsection (b) of section 771 shall apply to any individual who receives a scholarship pursuant to this section. If, for any reason, an individual who is obligated to provide service under this section and who has been selected by the Secretary under section 771(b) to provide such service, fails either to begin his service obligation or to complete such service obligation, the United States shall be entitled to recover from such individual an amount determined under section 771(b)(2)(D), except that in applying the formula contained in that section 't' shall be the period of the individual's obligated service under this section and 's' shall be the number of months of that period served by him."

(d) Subsection (e) of section 751 (as so redesignated) is amended (1) by striking out "1972" and inserting in lieu thereof "1975", (2) by striking out "1975" and inserting in lieu thereof "1978", and (3) by striking out "1974" and inserting in lieu thereof "1977".

SEC. 307. (a) Subpart III of part F of title VII is transferred to part C and redesignated subpart V. Sections 784, 785, and 786 of such subpart III are redesignated sections 752, 753, and 754, respectively.

(b) Section 752(a) (as so redesignated) is amended to read as follows:

"(a) In order to promote the more adequate provision of medical and dental care for medically underserved populations the Secretary may, in accordance with the provisions of this subpart, make scholarship grants to individuals who are medical or dental students and who agree to engage in the practice of primary care or dentistry, as applicable, after completion of their professional training, in the provision of health services to a medically underserved population designated under section 329(b). For purposes of this subpart the term 'primary care' means the practice of family medicine, general pediatrics, or general internal medicine."

(c) Section 752(b) (as so redesignated) is amended (1) in paragraph (2) by striking out "$5,000" and inserting "$6,000" in lieu thereof, and (2) by striking out paragraph (3).

(d) Paragraph (4) of section 752(c) (as so redisignated) is redesignated as paragraph (6), and the remaining paragraphs of that section are amended to read as follows:

"(c)(1) To be eligible to receive a scholarship award under this subpart an individual must enter into an agreement with the Secretary that provides that the individual—

"(A) will engage, within such reasonable period of time after the completion of his professional training as the Secretary's regulations prescribe, in the private practice of his profession in an area designated under section 329(b) for a period that is the larger of (i) one year for each academic year of that training for which a scholarship was received under this subpart and (ii) two years;

"(B) will, during the period prescribed by subparagraph (A), engage in the full-time provision of primary health care services or the practice of dentistry as applicable;

"(C) will charge any individual who receives medical or dental services provided by him the usual and customary charge for those services in the area in which it is provided unless the individual is unable to pay those charges, in which case the charges will be reduced or waived; and

"(D) will not discriminate against any individual on the basis of his ability to pay for care or services or because he seeks care or services for which payment will be made under the program established by title XVII or XIX of the Social Security Act.

"(2) With respect to each individual who enters into an agreement under paragraph (1), the Secretary shall, except as provided in paragraph (5), guarantee the individual an annual net income from the practice of his profession under the agreement equal to the prevailing pay and allowances for an officer of the Commissioned Corps with similar training and experience, and will pay amounts due under the guarantee at the end of each quarter (including such adjustments as may be necessary to correct over or underpayments for prior quarters), as determined under regulations prescribed by the Secretary on the basis of such information submitted by the individuals as the Secretary may prescribe and such inspection of the records of the participant as the Secretary considers appropriate.

"(3) If the Secretary determines that an individual is not meeting his obligations under an agreement entered into under this subsection, he shall place the individual on probation of a period not to exceed one hundred and twenty days, and during that period shall provide technical assistance to the individual in meeting his obligations under the agreement. If, at the end of the probation period, the Secretary determines that the individual is still not meeting his obligations under the agreement, the United States shall be entitled to recover from the individual an amount determined under section 771(b)(2)(D), except that in applying the formula contained in the subsection 't' shall be the number of months that the individual agreed to practice his profession under paragraph (1), and 's' shall be the number of months that the individual practiced his profession in accordance with the agreement (including the period of probation).

"(4) The Secretary shall provide individuals who are engaged in the practice of their profession under agreements entered into under paragraph (1) with technical assistance to the same extent that technical assistance is provided to members of the National Health Service Corps under section 329.

"(5) Any individual who has entered into an agreement under paragraph (1) may extend the period of obligated service under the agreement for one year in exchange for a grant of $12,500 or two years in exchange for a grant of $25,000 from the Secretary to assist him in establishing and operating his medical or dental practice. The provisions of paragraph (2) shall not apply to the period of such extension. Any grant under this paragraph shall be expended in accordance with regulations prescribed by the Secretary, which regulations shall provide that no expenditures may be made for the purchase or construction of facilities. In determining the amount of any recovery to which the United States is entitled under paragraph (3), the amount of any grant under this paragraph shall be included in the sum of the amount paid under this section to or on behalf of the individual."

(e) The heading of subpart V (as so redesignated) of part C of title VII is amended to read as follows:

"Subpart V—Health Services Shortage Area Scholarship Program".

(f) Section 754 (as so redesignated) is amended to read as follows:

"SEC. 754. For the purpose of making scholarship grants under this subpart, there are authorized to be appropriated $40,000,000 for the fiscal year ending June 30, 1975, $55,000,000 for the fiscal year ending June 30, 1976, and $70,000,000 for the fiscal year ending June 3, 1977. For the fiscal year ending June 30, 1978, and for each succeeding fiscal year, there are authorized to be appropriated such sums as may be necessary to continue to make such grants to students who (prior to July 1, 1977) have received such a grant and who are eligible for such a grant under this part during such succeeding fiscal year.".

SEC. 308. The heading of part C of title VII is amended to read as follows:

"PART C—STUDENT ASSISTANCE"

TITLE IV—GRANTS FOR HEALTH PROFESSIONS SCHOOLS

SEC. 401. (a) Subsection (a) of section 770 is amended to read as follows:

"(a) GRANT COMPUTATION.—The Secretary shall make annual grants to schools of medicine (allopathic and osteopathic), public health, dentistry, veterinary medicine, optometry, pharmacy, and podiatry for the support of the education programs of such schools and to schools with graduate programs of health care administration for the support of such programs. The amount of the annual grant to each such school with an approved application shall be computed for each fiscal year as follows:

"(1) Each school of medicine (allopathic and osteopathic) shall receive—

"(A) for the fiscal year ending June 30, 1975, 1976, and 1977, $2,500, $2,350, and $2,200, respectively, for each full-time student enrolled in the medical training program of the school in each such year; and

"(B) $800 for each student who is enrolled in each such year on a full-time basis in a program of each such school of medicine for the training of physician extenders (as defined by regulations of the Secretary but including nurse practitioners).

"(2) The amounts established by paragraph (1)(A) shall be $2,500 for the fiscal year ending June 30, 1976, or 1977, in the case of each school of medicine (allopathic or osteopathic) that presents evidence satisfactory to the Secretary that, in such fiscal year, not less than 50 per centum of the students who graduated from the medical training program of the school during the preceding fiscal year are serving a residency in the practice of family medicine, general pediatrics, or general internal medicine.

"(3) Each school of dentistry shall receive—

"(A) $2,200 for each full-time student (except those described in subparagraph (B)) enrolled in such school in such year; and

"(B) $800 for each student who is enrolled in such year on a full-time basis in a program of such school for the training of expanded duty dental auxiliaries (as defined by regulations of the Secretary).

"(4)(A) Each school of public health shall receive $1,100 for each student equivalent enrolled in such school in such year.

"(B) For purposes of subparagraph (A) and section 771, the number of student equivalents for a class enrolled in a school of public health in any year is the number obtained by dividing—

"(i) the sum of the credit hours of instruction in public health taken by each student in such class, by

"(ii) the number of credit hours of instruction in public health required by such school to be taken in that year by a full-time student.

"(5) Each school of veterinary medicine shall receive $1,650 for each full-time student enrolled in such school in such year.

"(6) Each school of optometry shall receive $800 for each full-time student enrolled in such school in such year.

"(7) Each school of pharmacy (other than a school of pharmacy with a course of study of more than four years) shall receive $800 for each full-time student enrolled in such school in such year. Each school of pharmacy with a course of study of more than four years shall receive $800 for each full-time student enrolled in the last four years of school. For purposes of section 771, a student enrolled in the first year of the last four years of such school shall be considered a first-year student.

"(8) Each school of podiatry shall receive $800 for each full-time student enrolled in such school in such year.

"(9) (A) Each school with a graduate program of health care administration shall receive $1,100 for each student equivalent enrolled in such program in such year, except that no school of public health shall receive a grant under this paragraph.

"(B) For purposes of subparagraph (A) and section 771, the number of student equivalents for a class enrolled in a graduate program of health care administration in any year is the number obtained by dividing—

"(i) the sum of the credit hours of instruction in health care administration taken by each student in such class, by

"(ii) the number of credit hours of instruction in health care administration required by such school to be taken in that year by a full-time student.".

(b) Subsection (c) of section 770 is amended to read as follows:

"(c) APPORTIONMENT OF APPROPRIATIONS.—If the total of the grants to be made in accordance with subsections (a) and (b) for any fiscal year to schools of medicine (allopathic and osteopathic), public health, dentistry, veterinary medicine, optometry, pharmacy, or podiatry or schools with graduate programs of health care administration with approved applications exceeds the amounts appropriated under subsection (f) for such grants, the amount of the grant for that fiscal year to a school which may not because of such excess receive for that fiscal year the amount determined for it under such subsections shall be an amount which bears the same ratio to the amount so determined for it as the total of the amounts appropriated for that year under subsection (f) for grants to such schools bears to the amount required to make grants in accordance with subsection (a) and (b) to such schools.".

"(1) For purposes of this section and sec- of section 770 are repealed.

(2) Subsection (h) of section 770 is (A) redesignated as subsection (d), and (B) is amended to read as follows:

"(d) ENROLLMENT AND GRADUATION DETERMINATIONS.—

"(1) For purposes of this section and sections 771 and 772, regulations of the Secretary shall include provisions relating to determining the number of students enrolled in a school or in a particular year-class in a school, or the number of graduates, on the basis of estimates, on the basis of the number of students who in an earlier year were enrolled in a school or in a particular year-class or who were graduates, or on such other basis as he deems appropriate for making such determination, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school, except that for the purposes of this section and section 771 any individual who is a United States citizen who transfers from a medical or dental school located in a foreign nation and who is enrolled in an undergraduate program in a school subject to the provisions of such sections shall be deemed to be a first-year student during the first year of such enrollment in such school.

"(2) For purposes of this section and sections 771 and 772, the term 'students' (whether such term is used by itself or in connection with a particular year-class) means students pursuing a course of study leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, doctor of osteopathy, bachelor of science in pharmacy or an equivalent degree, doctor of optometry or an equivalent degree, doctor of veterinary medicine or an equivalent degree, or doctor of podiatry or an equivalent degree, a graduate degree in public health or an equivalent degree, a graduate degree in health care administration or an equivalent degree or other course of study approved by the Secretary for the training of physician extenders (including nurse practitioners) or expanded duty dental auxiliaries and the term 'full-time students' means students pursuing such a course of study on full-time basis."

(3) subsection (i) of section 770 is (A) redesignated as subsection (e) and (B) amended by—

(i) striking out "or podiatry" and inserting in lieu thereof "podiatry, public health, or a school with a graduate program in health care administration," and

(ii) inserting ", or student equivalents, as the case may be," immediately after "students".

(4) Subsection (j) of section 770 is redesignated as subsection (f) and is amended to read as follows:

"(f) AUTHORIZATIONS OF APPROPRIATIONS.—

"(1) There are authorized to be appropriated $145,000,000, for the fiscal year ending June 30, 1975, $152,000,000 for the fiscal year ending June 30, 1976, and $157,000,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of medicine (allopathic and osteopathic) based on the number of full-time students enrolled in such schools.

"(2) There are authorized to be appropriated $1,600,000 for the fiscal year ending June 30, 1975, $2,400,000 for the fiscal year ending June 30, 1976, and $3,200,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of medicine (allopathic and osteopathic) based on the number of students enrolled in programs of such schools for the training of physician extenders.

"(3) There are authorized to be appropriated $45,000,000 for the fiscal year ending June 30, 1975, $46,000,000 for the fiscal year ending June 30, 1976, and $48,500,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of dentistry based on the number of full-time students enrolled in such school.

"(4) There are authorized to be appropriated $1,600,000 for the fiscal year ending June 30, 1975, $2,400,000 for the fiscal year ending June 30, 1976, and $3,200,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of dentistry based on the number of students enrolled in programs of such schools for the training of expanded duty dental auxiliaries.

"(5) There are authorized to be appropriated $6,000,000 for the fiscal year ending June 30, 1975, $7,000,000 for the fiscal year ending June 30, 1976, and $8,000,000 for the fiscal year ending June 30, 1977, for payments under grants under subsection (a)(3) to schools of public health.

"(6) There are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1975, $10,600,000 for the fiscal year ending June 30, 1976, and $11,400,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of veterinary medicine.

"(7) There are authorized to be appropriated $3,000,000 for the fiscal year ending June 30, 1975, $3,200,000 for the fiscal year ending June 30, 1976, and $3,400,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of optometry.

"(8) There are authorized to be appropriated $22,000,000 for the fiscal year ending June 30, 1975, $22,700,000 for the fiscal year ending June 30, 1976 and $23,800,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of pharmacy.

"(9) There are authorized to be appropriated $1,500,000 for the fiscal year ending June 30, 1975, $1,600,000 for the fiscal year ending June 30, 1976, and $1,700,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of podiatry.

"(10) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, $2,250,000 for the fiscal year ending June 30, 1976, and $2,500,000 for the fiscal year ending June 30, 1977, for payments under grants under subsection (a) (7) to schools for graduate programs in health care administration.

"(1) No funds appropriated under any provision of this Act other than this subsection may be used to make grants under this section."

(d) The heading for part E of title VII is amended to read as follows:

"PART E—GRANTS AND CONTRACTS TO IMPROVE THE QUALITY OF SCHOOLS OF MEDICINE (ALLOPATHIC AND OSTEOPATHIC), PUBLIC HEALTH, DENTISTRY, VETERINARY MEDICINE, OPTOMETRY, PHARMACY, AND PODIATRY AND SCHOOLS WITH GRADUATE PROGRAMS OF HEALTH CARE ADMINISTRATION".

SEC. 402. Part E of title VII is amended (1) by redesignating sections 771, 772, and 773 as sections 772, 773, and 774, respectively, (2) by redesignating section 774 (as in effect prior to the enactment of this Act) as section 776 and placing it after section 775, and (3) by adding after section 770 the following new section:

"ELIGIBILITY FOR CAPITATION GRANTS

"SEC. 771. (a) In General.—The Secretary shall not make a grant under section 770 to any school in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) the enrollment of full-time students (or, in the case of schools of public health and schools with graduate programs of health care administration, the enrollment of student equivalents) in such school and—

"(A) in the case of a school of medicine (allopathic or osteopathic), the enrollment of students on a full-time basis in a program of such school for the training of physician extenders, and

"(B) in the case of a school of dentistry, the enrollment of students on a full-time basis in a program of such school for the training of expanded duty dental auxiliaries, in the school year beginning after the beginning of the fiscal year in which such grant is made will not be less than the enrollment of such students or student equivalents, as the case may be, in such school in the preceding school year; and

"(2) the applicant will expend in carrying out its functions as a school of medicine (allopathic or osteopathic), public health, dentistry, veterinary medicine, optometry, pharmacy, or podiatry, as the case may be (or, in the case of a school with a graduate program of health care administration, for support of such program), during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the fiscal year immediately preceding the fiscal year for which grant is sought.

"(b)(1)(A) The Secretary shall not make a grant under section 770 to any school in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that for the first school year beginning after the year in which such grant is made and for each school year thereafter during which such a grant is made 25 per centum of the individuals accepted for admission as students (or such lesser per centum as the Secretary may determine is required to meet the needs of medically underserved populations designated under section 329), as a condition of, and prior to, their admission, volunteer to enter into a written agreement with the Secretary to practice their profession in accordance with paragraph (2). In accepting, on behalf of the Secretary, applications for such agreements, a school shall give special consideration, to the extent feasible, to applications from individuals resident in areas containing medically underserved populations.

"(B) Upon the Secretary's determination that the needs of medically underserved populations for health services in any fiscal year will not be met by the number of individuals obligated to provide those services under the provisions of this Act, he may, with the agreement of each school affected, raise to 50 per centum the 25 per centum requirement with respect to any school for that fiscal year under subparagraph (A). In such case, the Secretary shall increase the amount otherwise payable to that school under section 770 for that fiscal year by 10 per centum. Amounts payable under section 770 by virtue of the operation of this subparagraph shall be obtained by reducing, pro rata, the amounts payable under that section to all medical and osteopathic schools that are not affected by this subparagraph.

"(2) (A) Each individual who has entered into an agreement under paragraph (1) shall be obligated to provide health services for a period of obligated service equal to two years, except that in the case of individuals who have undergone training in a program of less than three academic years, in any school subject to the provisions of this subsection, the Secretary may, by regulation, reduce the period of obligated service of any class or classes of such individuals. A period of obligated service under this section shall run concurrently with any period of service an individual is obligated to perform as a condition of receiving any scholarship or other assistance under this Act. The period of obligated service shall be spent providing health service—

"(i) to a population designated under section 329 (b) as a medically underserved population, or

"(ii) in an area or at an institution (including any Federal health care facility) designated by the Secretary to have a shortage of and need for individuals trained in his profession; and

"(iii) in the case of an individual entering the medical program of a school of medicine (allopathic or osteopathic) the health services shall be provided through his full-time practice of family medicine, general pediatrics, or general internal medicine.

In designating areas and institutions pursuant to subparagraph (A) (ii), the Secretary shall follow the procedures required by section 329(b) (1). No institution shall be designated pursuant to subparagraph (A) (ii) unless such institution has applied to the Secretary for such designation. In the case of a Federal health care facility, the Secretary shall designate such facility only upon the request of the head of the department or agency of which the health facility is a part.

"(B) In the case of any State which provides substantial financial assistance for any year to any school or schools of medicine (allopathic and osteopathic) or dentistry which is located within such State and which receives a grant under section 770 for the support of its education program, the Secretary shall, for such year, assign (under section 329 or under agreements entered into with individuals under sections 750 and 752), to serve any populations and in any areas and institutions described in subparagraph (A) which are located within such State, a number of individuals equal to at least 50 per centum of the total number of individuals who graduated from such school or schools and are obligated to provide service under this subsection during such year: *Provided,* That the percentage of the costs of support of the education programs of such school or schools provided by such State for such year is at least equal to the percentage of such costs provided by such State in the preceding year: *And provided further,* That the Secretary shall make such assignments within such State only to the extent that such individuals are needed to serve populations and in areas and institutions described in subparagraph (A) which are located within such State. To the maximum extent feasible, the Secretary shall assign, to provide service in any such State, individuals who are residents of such State and who are likely to remain in such State to practice their professions.

"(C) (i) Except as provided in clause (ii), a period of obligated service of any individual shall commence within six months after the date upon which such individual is licensed to practice his profession (or the date upon which such individual completes his first year of postgraduate clinical training, if such year of training is completed after the date on which he is so licensed) and such service shall continue without substantial interruption until such service is completed, except that in the case of individuals who are licensed to practice medicine the commencement of such period of obligated services may be deferred for the period of time required to complete primary care postgraduate physician training if such training is in family practice, general internal medicine, or general pediatrics.

"(ii) In the case of any individual obligated to provide service in accordance with this subsection who is not required to obtain a license in order to lawfully practice his profession, a period of obligated service shall commence within six months after the date upon which such individual completes his training in any school subject to the provisions of this subsection.

"(iii) An individual obligated to provide health services under this subsection shall be entitled, for the period of training required to obtain his first health professions degree, to receive a Public Health and National Health Service Corps Scholarship under section 750, or a scholarship under section 752, if otherwise eligible for that scholarship, upon his agreement to comply with the requirements imposed by the applicable section and by this subsection.

"(D) If, for any reason, an individual who is obligated to provide service under this subsection fails either to begin his service obligation or to complete such service obligation in accordance with this subsection, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula,

$$A = 2\phi\left(\frac{t-s}{t}\right)$$

in which 'A' is the amount the United States is entitled to recover; ϕ is the sum of the amount paid under section 770 to a school on the basis of the enrollment in such school of such individual and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate; 't' is the total number of months in such individual's period of obligated service; and 's' is the number of months of such period served by him in accordance with this subsection. Any amount which the United States is entitled to recover shall, within the one-year period beginning on the date the United States becomes entitled to recover such amount, be paid by such individual to the United States. Amounts recoverable under this subsection shall be in addition to amounts recoverable under other provisions of this Act by reason of the individual's failure to begin or complete any service obligation, whether or not the period of that obligation is concurrent with the service obligation under this subsection.

"(3) (A) The Secretary shall, by regulation, provide for the waiver or suspension of any obligation of any individual under this subsection whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"(B) Notwithstanding any other provision of this subsection—

"(i) any individual who is obligated to provide health services pursuant to an agreement entered into with any State may provide such service in accordance with such agreement in lieu of providing service under this subsection: *Provided,* That the period to be served is at least equal to the period of obligated service of this subsection,

"(ii) no individual shall be required to provide services for more than one period of obligated service under this section,

"(iii) in the case of any individual who is obligated to provide service under section 750 and under this subsection, the periods of obligated service of such individual under section 750 and this subsection shall run concurrently.

"(4) When any individual undergoing training in any school subject to the provisions of this subsection—

"(A) is academically dismissed or voluntarily terminates academic training, or

"(B) in the case of an individual who is required to obtain a license in order to lawfully practice his profession, fails to obtain such a license,

he shall not be obligated to provide service under this subsection unless he, at some subsequent date, completes such training and, in the case of an individual described in clause (B), obtains a license to practice his profession.

"(c) SCHOOLS OF MEDICINE (ALLOPATHIC AND OSTEOPATHIC).—The Secretary shall not make a grant under section 770 to any school of medicine (allopathic and osteopathic) in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year (hereinafter in this section referred to as the 'base year') preceding the school year beginning after the close of the fiscal year ending June 30, 1975, or the school year beginning after the close of the first fiscal year in which such grant was made to such school, whichever is later—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred;

"(2) the number of foreign medical graduates in its affiliated postgraduate training positions will not exceed 40 per centum, 35 per centum, and 25 per centum for the fiscal years ending June 30, 1975, 1976, and 1977, respectively; and

"(3) the school (except in the case of a two-year school of medicine) will establish, by the close of the fiscal year in which the grant is made, and maintain in each succeeding year in which a grant is made, an administrative unit (which may be a department, division, or other unit) to provide clinical instruction in family medicine or comparable primary care, as determined by the Secretary, which unit will (A) be comparable to academic administrative units for other major clinical specialties in the school, (B) be responsible for directing a portion of the curriculum for each member of the student body engaged in a program leading to the degree of doctor of medicine or doctor of osteopathy, which portion is determined by the Secretary to be comparable to the portion devoted by the school to other major clinical specialties, (C) employ a number of full-time faculty which, for the academic year ending in calendar year 1976, is determined by the Secretary to be sufficient to conduct the clinical instruction required by clause (B) and to be comparable to the number of faculty assigned to other major clinical specialties by the school, and (D) administer a three-year approved or provisionally approved graduate training program in family practice, which program shall make available postgraduate physician training positions equal in number, in the fiscal year ending June 30, 1975, 1976, and 1977, to not less than 10 per centum, 15 per centum, and 20 per centum, respectively for those years, of the total postgraduate physician training positions established by, or affiliated with, the school; or, alternatively, administer a comparable graduate training program in the provision of primary care, as defined by the Secretary, which shall make available postgraduate physician training positions equal in number in those years to not less than 35 per centum, 40 per centum, and 45 per centum, respectively, of such total postgraduate physician training positions.

"(d) Schools of Dentistry.—The Secretary shall not make a grant under section 770 to any school of dentistry in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that for the first school year beginning after the close of the fiscal year ending June 30, 1975, or (if later) beginning after the close of the fiscal year in which such grant is made, and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the base year—

"(1) by 10 per centum of such number if such number was not more than one hundred, or

"(2) by 5 percentum of such number, or ten students, whichever is greater, if such number was more than one hundred.

"(e) Schools of Public Health and Schools With Graduate Programs in Health Care Administration.—The Secretary shall not make a grant under section 770 to any school of public health or school with a graduate program of health care administration in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of student equivalents in such school will exceed the number of such student equivalents enrolled in the base year—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten student equivalents, whichever is greater, if such number was more than one hundred, or

"(2) during each such school year such school will establish and carry out special new projects, or make significant expansions of, or improvements in, existing projects, meeting criteria set forth by the Secretary in regulations in at least three of the following categories of projects:

"(A) projects to establish cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary medicine, nursing, public health, and allied health, including projects for training for the use of the team approach to the provision of health services;

"(B) projects to provide for increased emphasis on, and training in, health care administration and management training;

"(C) projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged;

"(D) projects to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability;

"(E) projects to provide increased emphasis on the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances or individuals and society;

"(F) projects to plan, develop, and implement a program of nutrition education within their curricula.

"(f) Schools of Veterinary Medicine, Optometry, Pharmacy, and Podiatry.—The Secretary shall not make a grant under section 770 to any school of veterinary medicine, optometry, pharmacy, or podiatry in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the base year—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred, or

"(2) during each school year such school will establish and carry out specific new projects, or make significant expansions of, or improvements in, existing projects, meeting criteria set forth by the Secretary in regulations, in at least two of the following categories of projects (or, if the application is for a school or pharmacy, specific projects in the category described in clause (C) and specific projects in at least two other categories, or, if the application is for a school of optometry, specific projects in the categories described in clauses (D) and (E) and a specific project in at least one other category):

"(A) projects to establish cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary medicine, nursing, public health, and allied health, including projects for training for the use of the team approach to the provision of health services;

"(B) projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged;

"(C) in the case of schools of pharmacy, projects to provide for increased emphasis on, and training in, clinical pharmacy, drug use and abuse, and, where appropriate, clinical pharmacology;

"(D) in the case of schools of optometry, projects to develop residency training programs respecting optometry;

"(E) in the case of schools of optometry, projects to develop and implement programs specifically designed to lead to the early detection and treatment of diseases which can be diagnosed as a consequence of the practice of optometry;

"(F) projects to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability;

"(G) projects to provide increased emphasis on the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society;

"(H) projects to establish and operate satellite clinical training centers in underserved areas, in coordination, whenever, feasible, with health training institutions in other disciplines, to emphasize the provision of primary care to the residents of such areas, and to provide continuing education programs for health professions personnel in such areas; and

"(I) projects to establish increased emphasis on, and training in, the aging process, including the social, behavioral, and biomedical aspects of the aging process, and training, as appropriate, in the diagnosis, treatment, and prevention of diseases and related problems of the aged.

"(g) For the purposes of subsections (c), (d), (e), and (f)—

"(1) in the case of any school which (as a result of an increase in enrollment or through the application of this paragraph) has a first-year enrollment of full-time students or student equivalents for any year in excess of the number required by such subsection (c), (d), (e), or (f) for such year, the number in excess of the required number shall be deemed to have enrolled in the next school year for purposes of meeting the enrollment increase requirement for such next year.

"(2) in the case of any school which, within the six years preceding the enactment of this section, has increased its first-year enrollment of full-time students or student equivalents in any year (except the first year in which such school has students enrolled) by more than 33⅓ per centum of the number of such students enrolled in the preceding school year, the requirements of such subsection (c), (d), (e), or (f) shall apply only to the extent they would apply had the provisions of such subsection and this subsection been applicable in the year of such increase and all subsequent years.

"(h)(1)(A) The Secretary may waive (in whole or in part) the requirements of subsection (c), (d), (e), or (if) with respect to any school, upon written notification by the appropriate accreditation body or bodies (as defined in section 721(b)(1)), that compliance by such school with the assurances required by such subsection will prevent such school from meeting the accreditation standards of such body or bodies.

"(B) The Secretary may waive (in whole or in part) the requirements of paragraph (1) of subsection (c), (d), (e), or (f) respecting enrollment increases, upon a finding by the Secretary that because of inadequate size of the population served by the hospital or other facilities in which such school conducts its clinical training compliance by such school with such assurances will prevent such school from providing high quality clinical training for the students added as a result of such increase.

"(C) Nothing in this paragraph shall be construed as affecting the obligation of any school to comply with any requirements of subsection (c), (d), (e), or (f) which have not been waived pursuant to subparagraph (A) or (B).

"(2) The requirements of paragraph (1) of subsection (c), (d), (e), or (f) shall not apply to any school which is prohibited by law from complying with the assurances required by such paragraph. Nothing in this paragraph shall be construed as affecting the obligations of any school to comply with the requirements of paragraph (2) of each such subsection.

"(i) The Secretary is authorized to make onsite inspections of any school receiving a grant under section 770 and to require the submission of reports or other data and information by any such school for the purpose of ascertaining the extent of compliance by such school with the assurances made in connection with such school's application for such grant.

"(j)(1) Whenever the Secretary, after reasonable notice and opportunity for hearing, finds that any school receiving assistance under section 770 has failed to comply with any assurances required to be given under this section, the Secretary shall forthwith order (A) that no further grants will be made to such school under section 770, or (B) that further grants will be withheld, in whole or in part, until such school repays Federal moneys to which such school was not entitled because of such failure, and shall notify such school of such order. The Secretary shall not order any action under the preceding sentence in any case in which such a school has admitted an individual, in contravention of the assurances required to be made by such school under subsection (b)(1), pursuant to an order of any court of competent jurisdiction: *Provided*, That such school has provided notice in accordance with paragraph (2).

"(2) Whenever a civil action is instituted by an individual against a school, receiving assistance under section 770, to obtain admission to such school in contravention of the assurances required to be made under subsection (b)(1), the Attorney General may intervene in such actions, upon timely application and in the manner prescribed by section 2403 of title 28, United States Code. Any such school shall promptly notify the Attorney General and Secretary of the institution of any such action.

"(k)(1) Any school which has been adversely affected by any order of the Secretary pursuant to this section may appeal to the United States court of appeals for the circuit in which such school is located, by filing a petition with such court within sixty days after such order. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary shall thereupon file in the court the record of the proceedings on which he based his order, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the order of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside his order.

"(2) The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous order, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(3) The judgment of the court affirming or setting aside, in whole or in part, any order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this section shall not, unless so specifically ordered by the court, operate as a stay of the Secretary's order.".

SEC. 403. Section 773 (as so redesignated) is amended to read as follows:

"SPECIAL PROJECT GRANTS AND CONTRACTS

"SEC. 773. (a) The Secretary may make grants to assist a school of medicine (allopathic and osteopathic), dentistry, veterinary medicine, optometry, pharmacy, podiatry, or public health, or any other public or nonprofit private health or educational entity, to meet the costs of special projects to—

"(1) effect significant improvements, including increased emphasis on nutritional education, in the curriculums of any such schools;

"(2) develop programs for cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, veterinary medicine, optometry, pharmacy, podiatry, nursing, public health, and allied health, including projects for training in the use of the team approach to the delivery of health services;

"(3) develop and operate training programs, and train, for new roles, types, or levels of health professions personnel, including programs for the training of physician extenders (including nurse practitioners), and other health professions assistants;

"(4) develop new training programs to educate specialized physician assistants, to assume at least some of the service roles traditionally fulfilled by residents in hospitals;

"(5) plan, develop, or establish new programs, or innovative modifications of existing programs, of education in such health professions including the teaching of the organization, delivery, financing, or evaluation of health care;

"(6) research, develop, or demonstrate advances in the various fields related to education in such health professions;

"(7) assist in increasing the supply, or improving the distribution by geographic area or specialty group, of adequately trained personnel in such health professions needed to meet the health needs of the Nation;

"(8) establish and operate programs at schools of medicine (allopathic and osteopathic) (and where applicable at other health professions schools) (A) providing increased emphasis on, and training in the prevention, diagnosis, treatment, and rehabilitation of alcoholism and drug dependence, and the assessment of the efficacy of various therapeutic regimens, or (B) providing increased emphasis on the ethical, social, legal, or moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society;

"(9) establish increased emphasis on, and training (including continuing education) in, clinical pharmacology and the assessment of the efficacy of various therapeutic regimens;

"(10) establish and operate programs designed to identify, and increase admissions to and enrollment in dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health of, individuals whose background and interests make it reasonable to assume that they will engage in the practice of their health profession in rural or other areas having a severe shortage of personnel in such health profession;

"(11) plan experimental teaching programs or facilities;

"(12) provide traineeships (including costs of training and fees, stipends, and allowances for the students (including travel and subsistence expenses and dependency allowances)) for full-time students to secure part of their education under a preceptor in family practice, pediatrics, internal medicine, or other health fields designated by the Secretary, or in rural or other areas having a severe shortage of physicians;

"(13) utilize health professions personnel more efficiently through the use of computer technology and otherwise;

"(14) encourage new or more effective approaches to the organization and delivery of health services through the use of the team approach to delivery of health services and the utilization of computer technology to process biomedical information in the provision of health services;

"(15) establish and operate programs in the interdisciplinary training of health professions personnel for the provision of emergency medical services, with particular emphasis on the establishment and operation of training programs affording clinical experience in emergency medical services systems receiving assistance under title XII of this Act;

"(16) plan, develop, and operate programs to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability;

"(17) establish and operate programs to encourage greater knowledge of and sensitivity toward the special health problems of women;

"(18) establish and operate programs designed to provide increased emphasis on, and training in, rehabilitation medicine and encourage greater knowledge of and sensitivity toward the special health problems of handicapped individuals especially women who are handicapped.

"(19) establish and operate satellite clinical training centers in underserved areas, which coordinate to the maximum feasible extent training programs of each of the health disciplines in coordination with appropriate health training institutions, to emphasize the provision of primary care to the residents of such areas, and to provide continuing education programs for health professions personnel in such areas;

"(20) provide increased emphasis on, and training in, the aging process, including the social, behavioral, and biomedical aspects of the aging process, and training in the diagnosis, treatment, and prevention of diseases and related problems of the aged;

"(21) substantially expand programs to train United States citizens who have transferred from medical schools in foreign countries or from two-year medical schools in the United States and who have enrolled in such schools as full-time students with advanced standing; and

"(22) assist schools of public health and other public or nonprofit private institutions providing graduate training in health care administration and management training, for the purpose of strengthening or expanding such training in such institutions.

The Secretary may also enter into contracts with public or private health or educational entities to carry out any project described in this subsection.

"(b) Grants and contracts may also be made by the Secretary under this section for—

"(1) the discovery, collection, development, or confirmation of information for,

"(2) the planning, development, demonstration, establishment, or maintenance of,

"(3) the alteration or renovation of existing facilities for, any project described in subsection (a).

"(c) Contracts under this section may

be entered into without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(d) (1) There are authorized to be appropriated $75,000,000 for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years for the purpose of making payments pursuant to grants and contracts under subsections (a) and (d)."

Sec. 404. Section 772 (as so redesignated is amended by—

(1) striking out "or dentistry" in paragraphs (1) and (4) of subsection (a) and inserting in lieu thereof "dentistry, podiatry, or optometry".

(2) by amending paragraph (3) of subsection (a) to read as follows:

"(3) The Secretary shall give special consideration to each application of a school for grant assistance under this subsection which—

"(A) is located in a State which has no other such school of medicine, osteopathy, dentistry, podiatry, or optometry;

"(B) contains or is reasonably supported by assurances that, because of the use that the school will make of existing facilities (including Federal medical or dental facilities), it will be able to accelerate the date on which it will begin its teaching program."

(3) by amending paragraph (6) of subsection (a) to read as follows: "There are authorized to be appropriated $6,000,000 for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years, for payments under grants under this subsection. Sums appropriated under this paragraph shall remain available until expended."

(4) in paragraph (2) of subsection (b), (1) striking out "1974" and inserting in lieu thereof "1977", and (2) striking out "1975" and inserting in lieu thereof "1978".

Sec. 405. Section 774 (as so redesignated), is amended by—

(1) amending subsection (a) to read as follows:

"(a) There are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years, to make grants under this section, and to the extent that sums appropriated under this subsection are not used for such grants, for grants under section 773."

(2) striking out "or podiatry" in subsection (b) and inserting in lieu thereof "podiatry, or public health or school with a graduate program of health care administration."

Sec. 406. (a) Section 776(a) (as so redesignated) is repealed.

(b) For the fiscal year ending June 30, 1975, and for each of the next two fiscal years there are authorized to be appropriated such sums as may be necessary to continue payments under contracts entered into under section 774 of the Public Health Service Act (as in effect before the date of the enactment of this Act) for area health education centers. Such payments may only be made from such sums for the periods and the amounts specified in such contracts.

(cv) (1) Subsection (b) of section 776 (as so redesignated) is redesignated as subsection (a) and amended by striking out the matter following subaparagraph (C) of paragraph (2).

(2) There is inserted before subsection (e) of that section a new subsection (b) to read as follows:

"Disadvantaged Assistance Program

"(b) (1) With respect to any individual authorized to be assisted under subsection (a) (2) (A), the Secretary may award to such individual a stipend, with allowances for travel and for dependents, for postsecondary education or training required to qualify the individual for admission to a program of a school, above the undergraduate level, leading to the first professional degree in the provision of health care. For purposes of this paragraph a degree in public health administration shall not be deemed to be a degree in the provision of health care.

"(2) With respect to any individual authorized to be assisted under subsection (a) (2) (A), the Secretary may award a stipend, as described in the preceding paragraph, to assist the individual in meeting the costs of his first year of study in such program."

(3) Subsection (e) of that section is amended to read as follows:

"(e) For the purposes of this section there are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1975, and each of the next two fiscal years.

Sec. 407. Section 775 is amended—

(1) by striking out "770, 771, 772, or 773" each place it occurs and inserting in lieu thereof "770, 772, 773, or 774";

(2) by striking out "or podiatry" in subsection (b) and inserting in lieu thereof "podiatry, or public health, or school with a graduate program in health care administration";

(3) by striking out "this part" in subsection (c) and inserting in lieu thereof "section 770, 772, 773, or 774";

(4) by striking out "725)." in subsection (c) and inserting in lieu thereof "702);";

(5) by striking out "770, 771, or 773" in subsection (d) (1) and inserting in lieu thereof "770, 771, 772, 773, or 774"; and

(6) by amending subsection (d) (3) to read as follows:

"(3) provides for such fiscal control and accounting procedures and reports, including the use of such standard procedures for the recording and reporting of financial information as the Secretary may prescribe, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under the grant and to enable the Secretary to determine the costs to the applicant of its program for the education or training of students."

Sec. 408. Sections 312 and 313 are repealed.

TITLE V—ASSISTANCE FOR SPECIALIZED TRAINING

Sec. 501. (a) Section 767 (entitled "Grants for Training, Traineeships, and Fellowships in Family Medicine") is transferred to part F of title VII and redesignated as section 781.

(b) Section 781 (as so redesignated) is amended—

(1) by striking out "and" after "1973,";

(2) by inserting after "1974," the following: "$40,000,000 for the fiscal year ending June 30, 1975, and $50,000,000 for each of the two succeeding fiscal years";

(3) by inserting "or comparable primary care field" after "family medicine" and "family practice" each time they appear;

(4) in clause (2) by striking out "and" at the end thereof and inserting immediately before the semicolon in such clause the following: ", with special consideration to those who are bilingual with respect to the predominant language in those areas served by the hospital where a substantial proportion of the population is of limited English-speaking ability";

(5) by renumbering clause (3) as clause (4); and

(6) by inserting immediately after clause (2) the following new clause (3):

"(3) to plan, develop, and operate, special programs to increase the awareness of trainees in such programs to the cultural sensitivities of individuals with limited English-speaking ability where the hospital serves an area where a substantial proportion of the population is of limited English-speaking ability;".

Sec. 502. (a) Section 768 (entitled "GRANTS FOR SUPPORT OF POSTGRADUATE TRAINING PROGRAMS FOR PHYSICIANS AND DENTISTS") is repealed.

Sec. 503. There is inserted after section 782 a new section to read as follows:

"COMMUNITY-BASED HEALTH MANPOWER EDUCATION PROGRAM

"Sec. 783. (a) In order, through regional affiliations of health services institutions and health manpower educational institutions, which must include at least one school of medicine, to promote—

"(I) the training of undergraduate medical, nursing, and physician extender students in rural and inner city locations to expose them to career opportunities in such areas:

"(II) regional systems of continuing education to upgrade the skills of rural and inner city primary care providers; and

"(III) close functional integration of regional health personnel and educational institutions,

the Secretary is authorized to make grants to, or contracts with public or private health or educational entities to—

"(1) train undergraduate and graduate medical, nursing and physician extender students in health care in underserved rural and inner city areas in institutions which provide primary care including community hospitals, ambulatory care centers, nursing homes, and home health agencies;

"(2) rotate medical, nursing, and allied health teaching staff from the health education institutions to these rural and inner city teaching sites to provide instruction to improve the technical skills of local health professionals;

"(3) encourage new or more effective approaches to the organization and delivery of health services through the training of rural or inner city practitioners in the use of the team approach to the delivery of health services.

"(b) Grants under this section may be awarded to plan, develop, and operate new programs or to significantly expand existing programs and may include amounts for structural renovation in rural and inner city teaching sites necessary to carry out the teaching function, and travel costs and stipends to the temporarily assigned trainees and rotating teaching personnel as the Secretary shall determine is necessary.

"(c) Grants under this section shall be awarded to affiliations of health services providers in the target rural or inner city regions and health manpower educational institutions which demonstrate the capability of and commitment to providing the described educational program.

"(d) No application for a grant or contract under this section shall be approved unless the application contains or is supported by reasonable assurances satisfactory to the Secretary that:

"(1) the training program covered by the grant or contract application will have a total of at least twenty-five individuals enrolled in them;

"(2) at least 25 per centum of the costs of the training programs for which such grants or contract is to be made will be met with funds from non-Federal sources;

"(3) the training in such regional sites of students enrolled in participating health manpower education institutions will, in the aggregate, total not less than four weeks per assigned student per year;

"(4) costains a specific plan for hiring, as members of the faculty of participating health manpower education institutions, some locally practicing health professionals to serve as instructors at the rural or inner city training sites, including a plan for frequent counseling and consultations between the faculties of the schools involved and these local practitioner-instructors;

"(5) contains a detailed description of the type and amount of training to be given in the rural or inner city teaching sites including provision for periodic review and evaluation of such training and the periodic delivery of reports of such evaluations to the Secretary; and

"(6) contains a plan for phasing financial support of the proposed program from Federal to non-Federal sources.

"(e) No grant or contract for any training program under this section may exceed 75 per centum of the costs, as determined by the Secretary, of such program. The Secretary shall give priority in making awards under this section to applicants not affiliated with any health manpower educational institution.

"(f) There are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975, $50,000,000 for the fiscal year ending June 30, 1976, and $50,000,000 for the fiscal year ending June 30, 1977, for carrying out the purposes of this section."

"SUPPORT FOR STUDY OF CLINICAL PHARMACOLOGY AND CLINICAL PHARMACY

"SEC. 784. (a) The Secretary is authorized to make grants to public or nonprofit private schools of medicine (allopathic and osteopathic), dentistry, pharmacy, optometry, and public health and entities for the training and education for the allied health professions which are eligible for grants under part E to assist in meeting the costs of—

"(1) planning, establishment, and operation of programs providing for inclusion of courses relating to clinical pharmacology or clinical pharmacy as part of undergraduate training programs in such schools and entities, and

"(2) planning, establishment, and operation of programs of continuing education in the field of clinical pharmacology or clinical pharmacy.

"(b) The Secretary is authorized to make grants to public or nonprofit private schools of medicine (allopathic and osteopathic) which are eligible for grants under part E to assist in meeting the costs of—

"(1) planning, establishment, and operation of graduate training programs for individuals who plan to specialize or work in the field of clinical pharmacology, and

"(2) providing financial assistance (in the form of traineeships) for training in the field of clinical pharmacology to graduate students, interns, and residents who participate in such programs and who plan to specialize or work in such field.

"(c) The Secretary is authorized to make grants to public or nonprofit private schools of pharmacy which are eligible for grants under part E to assist in meeting the costs of—

"(1) planning, establishment, and operation of graduate and undergraduate training programs in the field of clinical pharmacy, and

"(2) providing financial assistance (in the form of traineeships) for training in the field of clinical pharmacy to graduate students who participate in such programs and who plan to specialize or work in such field.

"(d) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, $3,000,000 for the fiscal year ending June 30, 1976, and $5,000,000 for the fiscal year ending June 30, 1977, for grants under this section."

SEC. 505. (a) Section 776 is transferred to part F of title VII, inserted after section 785 and redesignated as section 786.

(b) Section 786 (as so redesignated) is amended by inserting immediately after "1974" in subsection (e) "and for each of the three succeeding fiscal years."

SEC. 506. Part F of title VII is amended by adding after section 786 (as so redesignated) the following new section:

"GRANTS FOR BILINGUAL HEALTH TRAINING CLINICAL CENTERS

"SEC. 787. There are authorized to be appropriated for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years, $2,500,000 for the purpose of establishing not more than four bilingual health training clinical centers, in affiliation with university medical centers, in dispersed areas of the United States in communities where a substantial proportion of the residents is of limited English speaking ability, such centers to place special emphasis on (1) the training in internship, residency, and other health training programs (utilizing to the greatest extent the concept of team training) of personnel who are bilingual and (2) the provision of health care services to the surrounding community."

SEC. 507. (a) Section 769B is transferred to part F of title VII, inserted after section 787, and redesignated section 788.

(b) Section 788 (as so redesignated) is amended by—

(1) striking out "under section 767, 769, and 769A" each place it occurs and inserting in lieu thereof "under this part",

(2) striking out "under sections 767 and 769" in subsection (b) and inserting in lieu thereof "under this part",

(3) striking out "The amount" in subsection (c) and inserting in lieu thereof "Except as otherwise provided, the amount",

(4) adding at the end thereof the following new subsection:

"(d) The Secretary shall not act upon any application for a grant under section 785 unless an appropriate scientific peer review group has reviewed such application or contract."

SEC. 508. Section 769 (entitled "GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS FOR HEALTH PROFESSIONS TEACHING PERSONNEL") and section 769A (entitled "GRANTS FOR COMPUTER TECHNOLOGY HEALTH CARE DEMONSTRATION PROGRAMS") are repealed.

SEC. 509. The heading for part F of title VII is amended to read as follows:

"PART F—ASSISTANCE FOR SPECIALIZED TRAINING".

SEC. 510. The heading for part D of title VII is amended to read as follows:

"PART D—MISCELLANEOUS PROVISIONS".

TITLE VI—ALLIED HEALTH PERSONNEL

SEC. 601. (a) Part G of title VII is amended to read as follows:

"PART G—TRAINING PROGRAMS FOR ALLIED HEALTH PERSONNEL

"DEFINITION

"SEC. 789. For purposes of his subpart, the term 'allied health personnel' means individuals with training and responsibilities for (1) supporting, complementing, or supplementing the professional functions of physicians, dentists, and other health professionals in the delivery of health care to patients, or (2) assisting environmental personnel in environmental health control activities.

"PROJECT GRANTS AND CONTRACTS

"SEC. 789A. (a) The Secretary may make grants and enter into contracts to assist eligible entities in meeting the costs of planning, study, development, demonstration, and evalution projects undertaken with respect to one or more of the following:

"(1) methods of coordination and management of education and training at various levels for allied health personnel within and among education institutions and their clinical affiliates,

"(2) methods and techniques for State and regional coordination and monitoring of education and training for allied health personnel.

"(3) programs, methods, and curricula (including model curricula) for training various types of allied health personnel,

"(4) programs, or means of adapting existing programs, for training as allied health personnel special groups such as returning veterans of the Armed Forces, the socioeconomically disadvantaged, and persons reentering any of the allied health fields.

"(5) new types of roles and uses for allied health personnel,

"(6) in coordination with the Secretary's program under section 1123 of the Social Security Act, methods of establishing, and determining compliance with, proficiency requirements for allied health personnel, including techniques of appropriate recognition (through equivalency and proficiency testing or otherwise) of previously acquired training or experience,

"(7) methods of recruitment and retention of allied health personnel, or

"(8) providing special emphasis on clearly defined career ladders and programs of advancement for practicing allied health personnel.

"(b)(1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) For purposes of subsection (a), the term 'eligible entities' means those entities which have had an application approved under paragraph (1) and which are—

"(A) schools, universities, or other educational entities which provide for allied health personnel education and training meeting such standards as the Secretary may by regulation prescribe,

"(B) States, political subdivisions of States, or regional and other public bodies representing States or political subdivisions of State or both, or

"(C) any entity which has a working arrangement (meeting such requirements as the Secretary may by regulation prescribe) with an entity described in subparagraph (A).

"(3) Contracts may be entered into under subsection (a) without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(4) The amount of any grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(c) For the purpose of making payments under grants and contracts under subsection (a), there are authorized to be appropriated $30,000,000 for the fiscal year ending June 30, 1975, $35,000,000 for the fiscal year ending June 30, 1976, and $40,000,000 for the fiscal year ending June 30, 1977.

"TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL

"SEC. 789B. (a) The Secretary may make grants to public and nonprofit private entities for traineeships provided by such entities for the training of allied health personnel to teach in training programs for such personnel or to serve in administrative or supervisory positions.

"(b)(1) No grant may be made under subsection (a) unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) Payments under such grants (A) shall be limited to such amounts as the Secretary finds necessary to cover the cost of tuition and fees of, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for, the trainees; and (B) may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"(c) For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated $7,000,000 for the fiscal year ending June 30, 1975, $8,000,000 for the fiscal year ending June 30, 1976, and $9,000,000 for the fiscal year ending June 30, 1977.

"GRANTS AND CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDUCATIONAL TALENT FOR ALLIED HEALTH PERSONNEL TRAINING

"SEC. 789C. (a) The Secretary may make grants to, and enter into contracts with, State and local educational agencies and other public or nonprofit entities—

"(1) (A) to identify individuals of financial, educational, or other need who have a potential to become allied health personnel, including individuals who are veterans of the Armed Forces with military training or experience similar to that of allied health personnel and individuals who are bilingual in an appropriate language as determined by the Secretary, and (B) encourage and assist, whenever appropriate, the individuals described in clause (A) to (i) complete secondary education, (ii) undertake such postsecondary training as may be required to qualify them to undertake allied health personnel training, and (iii) undertake postsecondary allied health personnel training (including continuing education); and

"(b) (1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) Contracts may be entered into under subsection (a) without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(3) The amount of any grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(c) For payments under grants and contracts under subsection (a) there are authorized to be appropriated $500,000 for the fiscal year ending June 30, 1975, $1,000,000 for the fiscal year ending June 30, 1976, and $1,500,000 for the fiscal year ending June 30, 1977.

"SCHOLARSHIP GRANTS

"SEC. 789D. (a) The Secretary is authorized to make (in accordance with such regulations as he may prescribe) grants to any public or nonpublic private agency, institution, or organization with an established program for training or retraining of personnel in the allied health professions or occupations specified by the Secretary for (1) scholarships to be awarded by such agency, institution, or organization to students thereof, and (2) scholarships in retraining programs of such agency, institution, or organization to be awarded to allied health professions personnel in occupations for which such agency, institution, or organization determines that there is a need for the development of, or the expansion of training.

"(b) Scholarships awarded by any agency, institution, or organization from grants under subsection (a) shall be awarded for any year only to individuals of exceptional financial need who require such assistance for such year in order to pursue a course of study offered by such agency, institution, or organization.

"(c) Grants under subsection (a) may be paid in advance or by way of reimbursement and at such intervals as the Secretary may deem appropriate and with appropriate adjustment on account of overpayments or underpayments previously made.

"(d) Any scholarship awarded from grants under subsection (a) to an individual for any year shall cover such portion of the individual's tuition, fees, books, equipment, and living expenses as the agency, institution, or organization awarding the scholarship may determine to be needed by such individual for such year on the basis of his requirements and financial resources; except that the amount of any such scholarship shall not exceed $2,000, plus $600 for each dependent (not in excess of three) in the case of any individual who is awarded such a scholarship.

"(e) The Secretary shall not approve any grant under this section unless this applicant therefor provides assurances satisfactory to the Secretary that funds made available through such grant will be so used as to supplement and, to the extent practicable, increase the level of non-Federal funds, which would in the absence of such grant, be made available for the purpose for which such grant is requested.

"(f) For the purpose of carrying out the provisions of this section, there is authorized to be appropriated $1,000,000 for the fiscal year ending June 30, 1975, $2,000,000 for the fiscal year ending June 30, 1976, and $3,000,000 for the fiscal year ending June 30, 1977.

"STATISTICAL AND ANNUAL REPORT

"SEC. 789E. (a) The Secretary shall continuously develop, publish, and disseminate on a nationwide basis statistics and other information respecting allied health personnel, including—

"(1) detailed descriptions of the various types of such personnel and the activities in which such personnel are engaged.

"(2) the current and anticipated needs for the various types of such health personnel, and

"(3) the number, employment, geographic locations, salaries, and surpluses and shortages of such personnel, the educational and licensure and certification requirements for the various types of such personnel, and the cost of training such personnel.

"(b) The Secretary shall submit annually to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a report on—

"(1) the statistics and other information developed pursuant to subsection (a); and

"(2) the activities conducted under this part, including an evaluation of such activities.

Such report shall contain such recommendations for legislation as the Secretary determines is needed to improve the programs authorized under this subpart. The Office of Management and Budget may review such report before its submission to Congress, but the Office may not revise the report or delay its submission beyond the date prescribed for its submission and may submit to Congress its comments respecting such report. The first report under this subsection shall be submitted not later than September 1, 1975."

(b) (1) Section 704 (as so redesignated) is amended (1) by striking out "any training center for allied health personnel" and inserting in lieu thereof "any entity for the training of allied health personnel", and (2) by striking out "or training center" each place it occurs and inserting in lieu thereof "or entity".

(2) Section 314(c) is repealed.

QUALITY ASSURANCES RESPECTING EDUCATION AND TRAINING OF ALLIED HEALTH PERSONNEL

SEC. 602. The Secretary of Health, Education, and Welfare shall within one year of the date of the enactment of this Act (1) submit to the Congress a report which identifies and describes each of the programs which he administers under which the costs of programs of education and training for allied health personnel (as defined in section 789 of the Public Health Service Act) are directly or indirectly paid (in whole or in part); and (2) take such action as may be necessary to require that such assistance is provided only those programs which meet such quality standards as the Secretary may by regulation prescribe.

TITLE VII—MISCELLANEOUS PROVISIONS

SEC. 701. Section 401 of the Health Programs Extension Act of 1973 is amended by adding at the end thereof the following new subsection:

"(e) (1) No individual shall be required to perform or assist in the performance of any portion of a health service program or research activity funded in whole or in part by the Department of Health, Education, and Welfare if such performance or assistance would be contrary to his religious beliefs or moral convictions.

"(2) No entity shall be required to make its facilities available for the performance of any health service program or research activity funded in whole or in part by the Department of Health, Education, and Welfare if such performance is prohibited by the entity on the basis of religious beliefs or moral convictions.

"(3) No entity may (A) discriminate in the employment, promotion, or termination of employment of any physician or other health care personnel, or (B) discriminate in the extension of staff or other services to any physician or other health care personnel solely because he performed or assisted in the performance of a lawful health service program or research activity in an unrelated facility, or solely because he refused to perform or assist in the performance of such a health service program or research activity, in a facility controlled by such entity on the grounds that his performance or assistance in the performance of such health service program or research activity would be contrary to his religious beliefs or moral convictions."

SEC. 702. The provisions of this section shall not be construed as superseding the provisions of section 401 (b) and (c) of the Health Programs Extension Act of 1973.

SEC. 703. Any action brought by an individual against an entity in which it is asserted that subsection (e) (2) of section 401 of the Health Programs Extension Act of 1973 is repugnant to the Constitution of the United States shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28, and any appeal shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing and determination thereof, and to cause the case to be in every way expedited.

SEC. 704. (a) Section 212(a) of the Immigration and Nationality Act (8 U.S.C. 1182) is amended by renumbering paragraphs (15) through (31) as (16) through (32), respectively, and by inserting after paragraph (14) the following:

"(15) (A) Aliens who are members of the medical profession, unless the Attorney General finds, after consultation with the Secretary of Health, Education, and Welfare that—

"(i) the alien has passed parts I and II of the National Board of Medical Examiners Examination or the Federal Examination; and

"(ii) the alien has demonstrated competency in oral and written English; and

"(iii) the admission of the alien will not lead to a surplus of practitioners in a speciality area or geographical area in which there is no present or projected need.

"(B) The Attorney General may grant a waiver of the provisions of paragraph (A) for a period of one year where he finds (after consultation with the Secretary of Health, Education, and Welfare) that a waiver—

"(i) is necessary to meet a critical need for which no reasonable alternative exists, and

"(ii) that the alien will be enrolled in a supervised training program designed to identify and correct the educational deficiencies of the alien so as to enable the alien to pass the required examinations within a one-year period.

"(C) The waiver provided for in subparagraph (B) may be extended for a period of one additional year.

"(D) The exclusion of aliens under this paragraph shall apply only to (i) special immigrants defined in section 101(a)(27)(A) (other than the parents, spouses, or children of United States citizens or of aliens lawfully admitted to the United States for permanent residence), (ii) to preference immigrant aliens described in section 203(a)(3) and (6), and (iii) to nonpreference immigrant aliens described in section 203(a)(8);".

(b) Section 212(a)(14) of the Immigration and Nationality Act is amended by inserting "(except aliens described in paragraph (15))".

(c) The amendments made by this section shall take effect July 1, 1975.

The PRESIDING OFFICER. Is the Senator aware that there is a time limitation of 6 hours on this amendment?

Mr. BEALL. Yes, I am aware of the 6-hour limitation, and I yield myself such time as I may consume.

Mr. President, unlike previous health manpower legislation which has come to the Senate floor with a bipartisan and unanimous recommendation of the Committee on Labor and Public Welfare, S. 3585 has been reported by a severely divided committee.

Voting against reporting the legislation were Senators EAGLETON, HUGHES, DOMINICK, TAFT, and myself. I believe that the strong and bipartisan opposition in committee will be converted to a bipartisan majority on the Senate floor to reject the extreme legislation and the excessive spending levels recommended by the committee.

S. 3585, among other things, would in effect, establish a domestic draft. It would condition Federal capitation grants to health profession schools on such schools requiring as a condition of admission, each student, regardless of whether he received any direct Federal assistance, to enter a contract requiring such student to serve in a medically underserved area.

Second, S. 3585 provides for Federal licensing and relicensing of all doctors and dentists. While these licensing provisions are limited to doctors and dentists, the committee report makes it clear that this is only the foot in the door insofar as Federal licensing is concerned and the committee has the same in mind with respect to the other health professions. The committee's intent in this regard could not be clearer and I quote from the committee's report:

> The Committee also . . . believes that problems respecting the licensing of health professionals is not limited to physicians and dentists. At an appropriate time the Committee intends to further this matter.

Third, S. 3585 provides for Federal control over the types and location of residencies.

Finally, as the administration has indicated, the authorized spending levels are excessive. In this period of unprecedented inflation, we should be exercising fiscal restraint. The over $5 billion provided by S. 3585 is not the example the Senate should be setting if we are serious about our battle against inflation.

Since the early 1960's, an evolving and growing Federal interest and support for the development of health manpower has been primarily aimed at increasing the aggregate supply of manpower, especially physicians. By any yardstick, we have been successful in that effort. For example, the first year medical school places grew from 8,759 in 1965 to an expected 15,500 this coming fall.

We have found, however, that increasing the aggregate supply alone will not solve our health manpower problems and enable us to reach our goal of providing health care services to all of our citizens.

Now, Mr. President, it is easy for the committee, with its 20–20 hindsight today, to say that not enough or not the right action has been taken. Yet, it is interesting to note that the HEW memorandum which was included in the report and which the committee describes as the best critique of the administration proposal, in identifying the principal thrusts of the health manpower legislation since 1963 did not list, other than enrollment increases, any other major thrust at the maldistribution problem.

I quote from that memorandum:

> Since 1963, the principal thrusts of the programs have been (1) to expand enrollment and output; (2) to alleviate the school's financial distress; (3) to facilitate enrollment of socioeconomically disadvantaged students; (4) to facilitate changes in curriculum; (5) to support training of mid-level manpower; (6) to support new types of training arrangements; and (7) to launch a number of research and analytic studies to better understand the health manpower system. The amount of resources expended on activities (4) through (6) were very modest compared to those allocated on (1), (2), and (3).

Now that Congress, and almost everyone in the health field—their hindsight is as good as ours—realizes that increasing the aggregate supply alone will not solve our health manpower problems. The drastic recommendations of the committee would lead one to believe, however, that no one else realizes what the committee has discovered and there is no hope for the various segments of the health community to move toward the solution of these problems without the heavy Federal hand and Federal controls.

The minority feels it will be necessary to increase enrollment since we envision reductions in the number of FMG's—foreign medical graduates—because of our recommendations in that area. We do not believe, however, that the primary manpower problems facing the country are numbers, but the kind of physicians—primary care versus specialist—and their geographical distributions—the need to attract more physicians to inner city and rural shortage areas.

OVERALL SUPPLY

HEW recently published a report on health manpower entitled, "The Supply of Health Manpower." This report indicated that in 1970 there were 159 physicians for each 100,000 population—1 physician for every 628 persons—and the physician-population ratio was expected to reach 197 physicians for each 100,000 population by 1980—1 physician for every 507 persons—and 237 physicians per 100,000 population in 1990—1 physician for every 422 persons. These projections would place the United States near the top of industrial nations in terms of overall supply.

As a result of such projections, Secretary Edwards, taking into account insurance coverage and provider productivity, testified that the manpower supply would be adequate to meet our requirements.

Similarly, Dr. Duval, former Secretary of Health, at a recent Institute of Medicine's health manpower conference, observed that last year our physician-population ratio reached 173 per 100,000—1 physician for every 578 persons—which he said is—

> Approaching the highest of all the nations in the world. But, while nobody knows exactly where the limiting point is, it appears from world experience that there comes a physician-population ratio beyond which the health of the people is not measurably improved by more physicians. In this circumstance, balancing the supply-demand equation depends more on the manner in which medicine is taught and practiced rather than a sheer numerical weight of practitioners."

Secretary Edwards also warns that—

> A surplus of medical manpower may at first seem attractive but upon more careful examination several undesirable consequences emerge. Because physicians tend to have considerable control over the volume and mix of services they deliver, and the pricing of these services, a surplus of physicians is likely to yield:
>
> An increase rather than decrease in the total and per unit cost of health services;
>
> A reduction in productivity, which may affect the quality of care rendered;
>
> A displacement of other types of health manpower from their roles in the health delivery system—e.g., the physician extender.

Although gross numbers are important, we must keep in mind the important productivity issues also. Increased productivity is needed in all sectors of our society, but the potential in the health manpower area is particularly promising and the need is obvious in view or rising costs in this field.

PRODUCTIVITY

In the health field, there is growing interest in the development of new roles. Studies indicate, for example, that the physician assistance could increase the physician productivity by between 30 and 70 percent, and with no differences in the outcome for the patients. Since the compensation of a physician extender is less than the physician, the potential for considerable savings is obvious.

Dean Morgan of Johns Hopkins University School of Medicine expressed the following concern, which we share, regarding the effects of S. 3585 on these developments:

> The Kennedy proposal which extends the "carrot" of student loans and capitation grants to medical schools that totally convert to training physicians for the National Health Service Corps will greatly shift the momentum away from developing mid-level Allied Health Professionals . . . It will create an army of physicians demanding physician's compensation who will be doing tasks quite easily delegated to Health Professionals whose services will not be so costly.

The importance of these developments on the number of physicians needed can be appreciated by Secretary Edwards' estimate that if "annual physicians productivity, as measured by physician visits, where to increase by 1 percent annually for 10 years, over 30,000 fewer physicians would be needed to provide the same total number of visits."

In addition, last year Congress enacted legislation to encourage the development of health maintenance organizations.

Thus, changes and redesign of our health system are underway. If we load our health system with too many physicians before the impact of these developments becomes more clear, we may delay such developments for decades and at the expense of both greater provider productivity and the taxpaying public.

GEOGRAPHICAL DISTRIBUTION PROBLEM

The major issue and concern in the country is not the overall number but the kind of and distribution of physicians.

There is no question that this Nation has a serious geographical maldistribution problem. This is evident by the AMA 1970 estimate that 132 counties in this country lack a single physician. Obviously there are many more communities without a single or adequate number of physicians. The committee report points out some of the significant differences both among States and within States with respect to physician distribution. Although my State enjoys a good overall physician—population ratio, there are great variations within Maryland ranging from one physician for every 299 persons in Baltimore City, to one physician for every 325 persons in Montgomery County, to one physician for every 2,215 persons in Calvert County, and to one physician for every 3,312 persons in Caroline County.

While no one knows the exact dimensions of the geographical shortage problem, a number of estimates have been used.

The American Academy of General Practitioners suggested a ratio of family physicians of 1 to 2,500 as their intermediate goal. With this ratio the shortage would be under 2,000.

Similarly, the National Health Service Corps has found that physicians are used very inefficiently below a certain ratio and will not assign corpsmen to a community below a ratio of 1 to 1,500. Using that criteria, the shortfall would be under 10,000 physicians.

Further, on the international scene, it is our understanding that in England a person joins a panel and physicians are paid according to the number on their panel; 3,500 is the maximum number of individuals allowed on a panel and the average is 2,500. This would result in a ratio of 1 to 2,500. Using the English general practitioners average panel, we would be short less than 4,000.

These numbers and ratios and their implications needed to be examined because some understanding of the "numbers game" is important. We in the minority do not know the exact demand, and neither does the committee, in our judgment. However, we must assume that they are leaning toward the higher numbers or otherwise we are at a loss to understand their drastic domestic draft recommendation.

PRELIMINARY CARE

The continuing decline of the primary care physician is a matter of major concern. There is general agreement that we have inadequate numbers of primary care providers.

In 1950, the general practitioner comprised approximately 50 percent of all physicians. In 1972, they accounted for only 15 percent. Medical specialties in other fields, particularly internists and pediatricians, have partially compensated for the reduction in the general practitioners. Even when we combine the general practitioners, internists, and pediatricians, their total accounts for only one-third of all physicians and not all would be practicing primary care. Furthermore, based on current distributions of residencies, the proportion of physicians in primary care will fall to about 30 percent.

Senator KENNEDY in introducing S. 3585 estimated there was a shortage of 50,000. Now the Senator said during his statement that we have a shortage of 130,000. An HEW study indicated the number of physicians required to meet specific practitioner ratio criteria on a county basis. Based on this study, a physician shortage of 30,000 has been used. This number results from using the ratio of one physician per 1,000 population on the following HEW chart:

1:2,500	966	1,841
1:2,000	1,396	3,774
1:1,500	1,982	9,470
1:1,200	2,349	17,679
1:1,000	2,591	29,413

With respect to these numbers included in the chart, it is important to keep the following points in mind. Presently we have approximately one physician for every 578 persons. Kaiser Permante, an HMO which many believe makes optimum use of health manpower, requires an overall ratio of only 1 to 1,000. The Kaiser ratio might lead one to conclude that if they make optimum use of health professionals, and they require only one physician per 1,000 population, this would be a valid ratio and our physician requirements would be approximately 30,000.

While one could jump to that conclusion, we must step back and examine these numbers for the 1 to 1,000 ratio includes all physicians, both primary care and specialists. However, since it is the primary care physician we are really talking about in connection with the maldistribution problem, it is important to examine the physician-population ratios for primary care.

It is our understanding that Kaiser employs a ratio of primary care practitioners of 1 to 1,520 and this, according to the earlier chart, reduces the physician requirements to less than 10,000.

Yet, a general consensus seems to be that about 50 percent of our physicians should be trained in primary care.

The shortage of primary care providers is evident by:

> The number of patients going to hospital emergency rooms for care that can be performed in a doctor's office;
>
> The number of rural areas without doctors; and
>
> Difficulty and long lines, even suburban areas, in finding a family doctor.

What this shortage of primary care providers means is:

> Primary care is often done by specialists and this usually means higher fees, many more tests and expensive equipment;
>
> Increased hospitalization; and
>
> The neglect of preventive care which often results in more serious illness and expensive equipment.

There is little question that a serious imbalance exists between specialists and primary care providers and this must be reversed.

FOREIGN MEDICAL DOCTORS

Another serious national health manpower problem is the Nation's growing reliance on FMG's. This too has been an area of concern to me. In a 1973 speech at the dedication of a health facility I stated:

> Another aspect of the manpower picture which I find intolerable is this Nation's reliance on foreign medical schools to train over 15% of its total supply of doctors, while at the same time, 15,000 American young men and women are denied a place in medical school. Of the 11,032 additions to the medical profession in 1970, 27.3% was attributable to foreign trained medical doctors. In Maryland for the same year, foreign medical graduates made up 37.7% of the additions to the medical profession. This Nation simply should not tolerate the drain of talent from less affluent countries while at home, half of the qualified applicants are rejected by our medical schools. Both our parochial pride and interest in these American students, as well as the medical needs of other nations, argue that we move to reduce or eliminate this heavy reliance on foreign trained doctors. While this cannot occur overnight, it is the direction in which we should be moving.

The number of FMG's entering the United States comes as a shock when one first encounters these statistics. It has been estimated that the number of FMG's entering the United States in the past 2 years ranged from 80 percent to 115 percent of the number of total U.S. graduates. HEW says the higher estimate results from double counting and places the number around the 80 percent figure. In any event, the number is too large. Further, in 1973 almost one-half of the new licensees in medicine were FMG's. FMG's raise the following serious issues:

> Quality;
>
> Fairness to American students;
>
> Fairness to foreign nations; and
>
> Whether FMGs have discouraged or delayed this Nation from fulfilling its own health manpower needs and the development of new manpower roles which might have resulted but for the large influx of a ready source of doctors.

It was generally felt that many, but not all, FMG's skills are inferior to graduates of medical schools in this country. A recent task force of the American Association of Medical Colleges—AAMC—stated:

> FMGs underine the process of quality medical education in this country and ultimately pose a threat to the quality of care delivered to the people. . . . It is generally acknowledged, although not proven that the medical care rendered by some FMGs is a poorer quality.

In addition, the FMG's score lower and have higher failure rates on objective type examinations.

Also, concern has been expressed regarding the difficulties many foreign medical graduates have with the English language. This is most bothersome for as the minority report states:

> Medicine requires adequate communication between the patient and the physician and among the health team participating in life and death struggles when time does not allow for translations or misunderstanding.

FMG's are also a concern in view of the large number of qualified Americans who desperately desire to become physicians, but are unable to do so. The profession of medicine is personally self-satisfying and financially rewarding. This opportunity should not be denied so many Americans while we permit so many foreign medical graduates to enter our country.

In addition, there is a serious concern regarding the so-called physician drain on the exporting nations. The magnitude of the problem can be seen from the following statistics:

> There are more Thai-trained physicians in New York than are providing care to Thailand's twenty-eight million rural population;
>
> South Korea, which has only one physician per 13,000 citizens, recently has been losing 10 percent of its physicians annually to the United States; and
>
> Approximately one-sixth of the medical graduates of Iran come to the U.S. annually.

Finally, FMG's seem to act little differently than our own graduates. Like their American counterparts, a great majority of FMG's specialize and practice in suburban areas. Only 10 percent of FMG's are in general practice. To the extent FMG's are given priority to come into this Nation and to enter a speciality which is already overcrowded, they obviously only aggravate the specialty problem.

Now, I will discuss the recommendations of the committee majority and the substitute which will provide an alternative to the Senate—an alternative that will work, an alternative that will rely on a voluntarism rather than coercion, and an alternative the taxpayers can afford.

DOCTOR DRAFT

The reported bill would in effect create a domestic draft for graduates of health professions schools. As previously stated, this is accomplished by conditioning the Federal capitation grant to the various health professions schools on such school requiring all students, even if the student did not receive a cent of direct financial assistance, to enter an agreement to serve in medically underserved areas.

I know the committee is sensitive regarding the characterizing of S. 3585 as proposing a health professions or doctor-draft.

Well, Senator EAGLETON in his views called the proposal a "doctor draft." The AAMC, which represents the Nation's medical schools, said S. 3585 "was tantamount to a draft." Senator HUGHES, in his additional views succinctly and eloquently described the mandatory service provisions as follows:

> I cannot agree, however, that we should attempt to solve these problems through legislation which would bar a person from entering the profession of his choice unless he submits to an agreement giving the Government the power to designate the position and location in which he must serve for two years. In my view, this system would constitute a draft of the members of a particular profession for a purpose not shown to be essential to the military defense of the Nation.

I doubt if the floor manager would like any better the description given the proposal by the Pittsburgh Press in its September 16 editorial commenting on S. 3585:

> "To some this may sound like social planning. A more accurate label would be involuntary servitude."

I ask unanimous consent that this editorial be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BEALL. We who oppose the reported bill do not believe that a Congress which has helped end the military draft and a Nation and its youth who are making an all volunteer armed services work will support a civilian draft and lottery—and a new bureaucracy to administer it—for the health professions. In addition, the Association of American Medical Colleges—AAMC—has indicated the committee's approach is unconstitutional. I ask unanimous consent that this legal memorandum be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. BEALL. Beyond our strong personal and philosophical aversion to this compulsive approach, we believe it does not make sense, nor is it required, to resort to a draft. The volunteer approach will work; we say this for a number of reasons.

First, applications for medical schools are running about three times the number of acceptances. Since it is expected that some 15,000 students will be entering medical school this fall, this means some 30,000 applicants, many very qualified, were turned down. The great desire of American students to enter medical school is further evidenced by the fact that over 3,300 Americans have left this Nation to study in a foreign medical school. Can anyone seriously doubt that many students would not volunteer to serve in shortage areas if they were able to be admitted to medical schools? Not only do we believe they will, but the evidence on similar programs can lead us to believe they will. We cite:

First. The growing interest and response to the National Health Service Corps. Four hundred professionals are now assigned to over 200 communities and an additional 250 physicians will be assigned to shortage areas by next July. The Corps received over 1,000 applications but were able to award only 345 medical scholarships.

Second. The Armed Forces Scholarship program, which was designed to provide the military with adequate number of doctors, now that the draft has ended. This too has worked and is oversubscribed. There were 5,100 applicants who applied for the 2,911 medical scholarships which were awarded.

Third. The Physician Shortage Scholarship program, which was enacted in 1971 but only recently implemented and which gives priority to individuals from shortage areas offers similar evidence. Although the regulations were just issued in May, over 1,000 applications were received, but only 395 scholarships could be awarded.

Thus, for the aforementioned scholarship-for-service programs, there were over 7,000 applications. We were, however, able to award only 3,651 scholarships, leaving some 3,000 applicants who wanted to serve but could not because scholarships were not available.

The substitute we propose will assure more primary care physicians will serve in the rural and urban shortage areas of this Nation. And we will accomplish this goal without a health professions draft.

Under our substitute, medical schools will reserve 25 percent of their first-year class or the national need, whichever is lesser, for individuals who want and agree to serve in these shortage areas—in medicine, such service must be in primary care. These students would be entitled to a Federal scholarship in return for service in shortage areas. If an individual refused to carry out his commitment, he would be required to pay back twice the cost of his assistance plus interest.

With 25 percent of their class committed to serve in primary care, medical schools will be required to give increased emphasis to primary care.

The evidence suggests that today's student will respond to our volunteer approach. Dr. Price, president of the American Academy of Family Physicians, has this to say about today's medical students:

> Today's medical students are extremely interested in becoming a family physician since our discipline provides an outlet for their deep social interest and a means for them to deal with patients on a one-to-one basis.

Medical schools are seeing this interest reflected in their students. As Dean Dennis of the University of Maryland tells us, his school has witnessed "a renewed interest in primary care with between one-third and one-half of the students interested in primary care in contrast to a very few 10 years ago."

I believe that students will not only make such a commitment but they will honor it. Mr. Phil Aaron legislative affairs chairman of the Student American Medical Association—SAMA—told our Health Subcommittee that such programs "tied to a service commitment can be effective." He cited studies indicating the success some States have had in getting students to serve in shortage areas. In Kentucky, for example, 98 percent of these physicians fulfilled their service obligation and some 90 percent of these 200 students remain in rural Kentucky today.

In addition, the University of Illinois has an important and successful program designed to increase the number of doctors in rural areas.

This program seeks to identify individuals who are motivated to practice in rural areas. Over 75 percent of the students carried out their commitment.

An evaluation of this program by the medical school concluded:

> The results of this evaluation of the MSLFB program in Illinois should encourage members of admissions committees of professional schools. Faced with an abundant number of qualified candidates for admission, committees would like to make choices which will reflect the needs of society rather *than small* differences in academic credentials.

Mr. Aaron of SAMA was right on target when he criticized existing program structures and screening of students saying:

> There was little selectivity in the screening of loan applicants. A large percentage of our nation's medical students are from urban areas. We feel it is illogical to expect a large percentage of physicians-in-training to select areas of critical need in which to establish their practices if, in fact, these environments are different to the environment in which the student has been exposed. One just cannot grasp the positive features of a rural or inner city practice from a Greyhound bus.

Our substitute is designed to secure greater selectivity. Individuals will have come under our program because they wanted to and elected to serve in medically underserved areas not because they were conscripted to serve. I ask the Senate which individual, the draftee or the volunteer, is more likely not only to serve but hopefully also remain in the medically underserved area.

A disgruntled draftee is not apt to exhibit the dedication and commitment that is needed. A disgruntled draftee will likely do his time and get out. As a matter of fact, he will probably be departing at the very time his experience makes him most effective for the citizens. Certainly this is not conductive to good care and its continuity for our inner city and rural citizens.

Based on this year's freshman class enrollment, our substitute will begin producing 3,750 physicians annually for service in shortage areas. Over the life of the reported legislation, over 18,750 primary care physicians would be committed for shortage area service. This number would be adequate for a physician population ratio in the earlier chart, excepting only the very lowest ratio. Over the 3-year bill, as provided in the substitute, over 11,250 students would be committed to serve in shortage areas.

SPECIALTY MALDISTRIBUTION

The reported bill would also establish a 22-member HEW Secretary appointed National Council on Postgraduate Physician Training and create 10 regional councils to regulate the types and locations of residences. The councils are designed to deal with the specialty maldistribution problem and also the FMG problem.

That, incidentally, Mr. President, is 440 people. So we are not adding considerably to the Federal payroll.

We believe these provisions are unnecessary for a number of reasons.

First, they are duplicative of existing law. The 1973 social security legislation directed the National Institute of Medicine of the National Academy of Sciences to study house staffing and support. If we are going to mandate studies, we should at least take a look at the results before we legislate a course of action.

Second, it is premature, both because of the study and also because of the progress being made in the private sector. The Coordinating Council on Medical Education has called for increased training in primary care and also the various specialties are today addressing this oversupply problem.

The approach of our substitute and the developments in the private sector will respond to the problem without the heavy involvement of the Federal Government. For the most part, the issue seems to be not enough primary care physicians.

Senator KENNEDY, in introducing his bill, did discuss the growing number in the surgical specialities and cited studies indicating that the "number of surgeons in the United States has a direct effect on the number of surgical operations performed" and that "there are more than twice as many surgeons in the United States as in England and Wales and proportionately more operations are performed" in our hospitals.

In recognizing this argument, we would note it is the same caveat we found with respect to dangers of an oversupply of physicians.

We agree the imbalance between primary care and specialists must be corrected.

Under our proposal 25 percent of the students in medical schools will be committed to practice primary care. There is general agreement that this problem must be faced, but we see this problem as requiring more individuals in primary care which will result in less individuals in the specialities.

Health Secretary Edwards would also place the emphasis on the production of more primary care physicians. I quote from the Secretary's testimony before our committee:

> As I noted earlier, the problem is between primary care and non-primary care specialists. I see little value and much more harm by going far beyond the real problem and introducing unnecessary regulation. The ability of positive incentives to have an impact on primary care training is clearly illustrated in the remarkable growth over the last few years in the demand for and support of Family Medicine residency positions. As you may know, for this coming year, the number of individuals desiring first-year residency places in Family Medicine exceeded the number of available places by approximately 1,000. This occurred at the same time as the number of first-year places increased by almost 50 percent. This encouraging event leads me to conclude that we can achieve a better balance in the distribution of residencies without the total regulatory control required by S. 3585.

We should also keep in mind that the medical school where education is received and the hospital where postgraduate training is generally provided, both tend to emphasize specialization. For the most part hospitals are interested in acute patient care. Added to this is the reimbursement mechanism which generally only covers inpatient and hospital care and this is a further encouragement for specialty training since this enables the funding of postgraduate training programs.

As a result, primary care in general is not a priority for either the medical schools or the hospitals. The reported bill's solution is to regulate everyone. Our solution will be to provide and require that more individuals will enter primary care and thus less will be specializing.

Also, our substitute will result in a greater emphasis by medical schools on primary care and encourage training in primary care settings. Provisions in the substitute designed to do this include.

First. The requirement that medical schools establish an appropriate department or unit for greater emphasis on family medicine or primary care.

Second. The requirement that medical schools increase their family medicine postgraduate training positions to not less than 10, 15, and 20 percent over the years or primary care residencies to not less than 35, 40, and 45 percent over 3 years.

Third. The establishment of a more community-based educational training program to enable the rotating of undergraduate medical students, and other health professions. It is anticipated that this will result in a major grant in each State.

Fourth. The expansion of the existing grants for training, traineeships, and fellowships in family medicine to also include other comparable primary care, and increasing the funds for this program in the second and third years of the bill by an additional $10 million to $50 million.

Dr. Price of the American Academy of Family Practice emphasized the importance of such incentives when he stated:

> At the time of the national intern-resident matching program last April, over 1,900 graduating seniors applied for residencies in family practice. This represents almost 20 percent of all graduates, and it has only been a few years ago that 5 percent or less of the graduates were so inclined. Unfortunately, this year there were only about 1,200 first-year openings in family practice residencies available and thus the lifetime services of about 750 potential family physicians were lost to this country.

These 750 family practitioners who were lost to the country probably became specialists. Thus, we believe that the combination of requiring more primary care physicians on one hand and the encouragement of more postgraduate residencies in primary care, on the other, will adequately deal with the problem of not enough primary care physicians and too many specialists.

Mr. State's experience, confirms the national interest in family medicine. The University of Maryland has one of the best programs in the country. At the present time, they have 20 family medicine residencies. There were 60 fully qualified applicants for these 20 residencies in July of this year. The State has approved an increase of the number of residencies to 60 and has appropriated some $800,000 for the program.

We would also note that although we are concerned with the oversupply of specialists, there is little question that when we have a serious problem, all of us would like to have care by the specialists, rather than generalists.

Specialists will always be needed. Dr. Price of the American Academy of Family Practitioners warned the Health Subcommittee against the overreaction of the reported bill as follows:

> Requiring that all students in any school which receives capitation grants to agree to serve in a medically underserved area might well result in the future production of a health dilemma which is the opposite of what we have today. That is, we might well produce an insufficient number of traditional specialists and super-specialists.

In addition, under our approach for the medical graduates, we would not allow any FMG to receive a priority in admission to the United States if he was going to practice in a specialty which was overcrowded.

In passing we note that the committee, which prohibits HEW from regionalizing for administrative purposes, will allow a HEW-appointed national council and 10 regional councils to certify residency needs and support. We simply do not believe that the respective States, the various health entities, or the health professions will grant HEW-appointed councils this absolute regulatory power to control residencies without first making certain there is no alternative.

NATIONAL LICENSURE

The reported bill provides Federal standards for licensing and renewal of licensing for doctors and dentists. If the States fail to enact the Federal standards, the Federal standards become Federal licensing and presumably another new bureaucracy will be created to administer them. States would also be prohibited from licensing a physician who did his postgraduate work in a position that was not certified by the national and regional councils, which control residencies.

We believe that national uniformity is a desirable objective in the licensing area. Indeed, this is being achieved as all but two States have adopted the so-called Federation's Licensing Exam—FLEX.

With respect to the issue of relicensure and recertification, we certainly support the need for health professionals to keep abreast of current developments. We, however, have seen little or no evidence to indicate that reexamination is particularly effective. The AAMC has indicated that they had a committee on graduate and medical education studying these issues and they testified that "there is no known measurable effect on a physician's practice as a result of reexamination." While one's intuitive feeling is that such an examination would improve the health professional, there is very little on the record to support such a contention.

Also professional standards review organization—PSRO's—are just getting underway. Presumably, they will be impacting on this problem. The continuous review of a physician's patient-case decision, measured against accepted norms, will result in the identification of substantial deviation from such norms. These deviations then will be brought to the physician's attention and corrected. Also, the professions and the states are also addressing the problem. We received testimony that 22 out of 23 speciality boards are seriously considering recertification. In addition, two states have enacted laws requiring relicensure. Further, the American Board of Internal Medicine will offer a voluntary recertification exam this fall; the American Board of Family Practice will require a recertification for all its members in 1976, the Board of Opthalmology is considering a voluntary, self-assessment exam in 1975, as is the Board of Thoracic Surgery; in addition, the American Board of Surgery plans mandatory recertification for all those certified after September 1, 1975, on a 10-year cycle. One reason advanced for the Federal licensing provision indeed it is a congressional finding of the reported bill, is that licensure practices adversely impact physician mobility. Yet, Carolynn Steinwald, in a literature review of the factors influencing distribution and location of physicians, said:

> It has been hypothesized that licensure practices of individual states poses a barrier to interstate mobility and thereby affect nationwide distribution. This variable has been investigated and analyzed by Sloan, Benham et al., Rimlinger and Steele, and Scheffler with negligible results. Conclusions of all of these studies indicate that the effect of licensure practices on distribution is not significant."

We intend to delete the licensure provision.

TESTIMONY AGAINST LICENSING

The Senate should be aware that there was little support given to the Federal licensing provisions. One could not gather this from the selective presentation of the testimony and other information in the Senate report. For as one reads the report, one would feel that Dr. Derbyshire, Secretary-Treasurer of the New Mexico Board of Medical Examiners, was an advocate of Federal licensing. One could make this impression from the excerpts of his testimony found on page 111 and from the partial inclusion of his testimony on page 130. However, the committee omitted a rather significant part of his testimony which indicates that Dr. Derbyshire does not favor Federal licensing:

> In regard to specific provisions of this bill, which I was asked to testify on, I am aware of the fact that I will put myself on the defensive no doubt in opposing national licensure, and there is certainly plenty of room for argument and you might think that I have spent most of my time arguing in favor of national licensure, and I am in favor of national standards, of uniform standards, and the mechanism is there with the States already having it. The main thing they have to do is put it into effect, as far as I can see, and they are gradually doing this.
>
> I think that it is going to take a little more persuasion to have them reform the laws, but I think that they are going to get around to doing it. Of course, I would like to point to the Tenth Amendment to the Constitution of the United States, a copy of which I happen to have with me, and you are all familiar with it, so I will not bore you with that, but this is a matter of State's rights, and my legal counsel and several judges by credence have definitely stated that this is the police power of the States and it has not been delegated to the Federal Government.

Similarly, Dr. Piemme of the George Washington Medical Center stated:

> Now, I am a bit startled by the language of the bill, in that it empowers the Secretary to establish a system of examination when in fact Dr. Derbyshire has pointed out the establishment and wide acceptance of FLEX.

In addition to the testimony presented to the committee, the AAMC in a memorandum to the committee stated:

> The objective of national uniformity is already being met through standard use in nearly all States of the FLEX exam for licensure . . . AAMC lawyers have challenged the constitutionality of precluding licensure for failure to comply with these conditions.

Secretary Edwards testified to the committee as follows:

> We agree with you in terms of the need of uniformity among States, and in terms of licensing requirements. But basically we believe that the licensing per se is a State responsibility.

In short although this is not the picture that emerges from the report, there is little, if any, support for the licensing provision of the reported bill. This is an area of State responsibility. National uniformity is being achieved and the mechanism for achieving uniformity among all the States exists with the FLEX exam. Our substitute will delete the licensing provisions.

FMG PROVISIONS

What about the foreign medical graduate?

The reported bill uses the mechanism of national licensing to assure the quality of the foreign medical graduate and the regulation of postgraduate training through the control and certification of residencies to reduce the number of FMG's coming to our country. It would do the latter by relating the total number of certified positions to the expected number of graduates of U.S. medical schools. Beginning in fiscal 1976 the total number of positions could not exceed the number of U.S. graduates by more than 40 percent, and gradually this would be reduced to 25 percent by July 1, 1978.

On the other hand, our approach utilizes the mechanism that is appropriate for the Federal Government to deal with the FMG problem; namely, the immigration laws. Our substitute's provisions with respect to the FMG's are direct and effective and will deal with the issues raised as well as recognize a need for flexibility during a transitional period. The majority of FMG's are, of course, aliens and of necessity enter this country under procedures determined by the Immigration and Nationality Act of 1952, as amended. It is our contention that the direct and appropriate way to assure that alien FMG's meet certain quality standards is to specify these standards in the Immigration and Nationality Act as conditions for their admission to the United States.

Not the least of the advantages of this approach is the certainty that we are legislating in an area of undisputed Federal jurisdiction. Quoting from an 1892 U.S. Supreme Court decision:

> It is an accepted maxim of international law, that every sovereign nation has the power, as inherent in sovereignty, and essential to self-preservation, to forbid the entrance of foreigners within its dominions, or to admit them only in such cases and upon such conditions as it may see fit to prescribe. (*Ekiu* v. *U.S.*, 142 U.S. 651, 12 S. Ct. 336, 35 L. Ed 1146 (1892)).

The courts have consistently ruled that the power of Congress to prescribe the grounds for exclusion of aliens is virtually unlimited.

Mr. President, section 704 of the Beall-Taft-Dominick substitute requires that alien physicians who are not entering as relatives or refugees must satisfy certain basic requirements in order to be eligible for entry. They would be required to pass the same examination that American students must take, and to demonstrate competency in oral and written English. In addition, their entry would be contingent upon a finding that—and I quote directly—

> The admission of the alien will not lead to a surplus of practitioners in a specialty area or geographical area in which there is no present or projected need.

Provision is made for a temporary waiver of these requirements on an individual basis where the Secretary of Health, Education, and Welfare finds that there is a critical need for the alien's services, and no other reasonable alternative exists. An alien physician receiving a temporary waiver would be required to be enrolled in an appropriate training program to remedy existing deficiencies to enable him to pass the required examination.

The new requirements, which would go into effect on July 1, 1975, would apply primarily to alien physicians who are basing their application for entry on their occupational qualifications, rather than on other possible grounds for eligibility such as close family ties or refugee status. It is also limited in applicability to aliens applying for immigrant status—that of alien lawfully admitted for permanent residence; as opposed to aliens applying for temporary admission as nonimmigrants. This latter category includes tourists and other temporary visitors, as well as "J" exchange visitors, the nonimmigrant visa classification most frequently used by FMG's. However, at the point at which a nonimmigrant attempted to adjust his status to that of immigrant, he would be subject to our provision unless he qualified under the relative categories.

I would like now to assess briefly the probable affects of this amendment in terms of the number of alien physicians it would cover. According to statistics provided by the Immigration and Naturalization Service—INS—the majority of the 7,119 alien physicians who entered the country as immigrants in fiscal year 1973 entered on the basis of their occupational status, though not, as might be expected, under the occupational preferences.

A total of 2,006 entered under the Eastern Hemisphere third and sixth occupational preferences, while 3,646 entered under the Eastern Hemisphere nonpreference category. Our amendment includes aliens falling within each of these categories.

Of the approximately 1,500 other entries, 393 entered under the numerical limitations of the Western Hemisphere, and would be covered unless they were—and I quote—

> The parents, spouses, or children of United States citizens or of aliens lawfully admitted to the United States for permanent residence.

The remaining 1,100 entries fell primarily into the following categories not covered by our provision: Eastern Hemisphere relative preferences—517, refugees—32, and immediate relatives—510. In short, we are satisfied that this provision provides the necessary coverage without conflicting with the intent of our immigration law to promote family reunification.

Our amendment is, in effect, a labor certification provision for alien physicians, and would apply to the same classes of immigrants now covered by the labor certification provision. Under the labor certification provision—section 212 (a) (14) of the Immigration and Nationality Act—certain specified classes of intending immigrants must obtain certification from the Secretary of Labor to the effect that there are not sufficient workers in their occupations at their intended places of residence, and that their employment will not adversely affect the wages and working conditions of workers in the United States who are similarly employed. The provision's applicability is limited to intending immigrants from the Eastern Hemisphere who are not immediate relatives or entering under the relative or refugee preference categories, and to intending immigrants from the Western Hemisphere who are not close relatives of U.S. citizens or permanent residents aliens.

The new section 212(a) (15) which our amendment would add to the Immigration and Nationality Act, immediately following the labor certification requirement, differs from that provision in two important respects. First, it would be administered by the Secretary of Health, Education, and Welfare rather than by the Secretary of Labor, since HEW is better able to make the determinations required. We also exclude alien physicians from coverage under the labor certification provision, in order to avoid duplicative and/or conflicting action by the Departments of Labor and HEW.

Second, and most importantly, the amendment would legislatively prescribe the specific conditions under which the alien physicians may enter the country. At present, this determination is made administratively by the Department of Labor through the Code of Federal Regulations.

In 1967 the President's National Advisory Commission on Health Manpower made the following recommendation:

> The National Board of Medical Examiners provides an objective testing service which should be utilized just as it is for graduates of U.S. schools. Issuance of an immigrant visa on the basis of Third Preference should be contingent upon satisfactory performance in the examination (Quoted in S. Rept. 93-1133, p. 124).

More recently, Dr. John Cooper of the Association of American Medical Colleges said in testimony before the Senate Labor and Public Welfare Committee:

> I think what one really has to determine: Are those who come in the country qualified? If not, they should not be permitted in. . . .
>
> The problem is one has to assure oneself that the professionals we do admit are qualified and equivalent to those we have in this country.

At this point the subcommittee staff director asked Dr. Cooper if he was satisfied that our present system was working satisfactorily in that respect, and Dr. Cooper's reply was: "No." (S. Rept. 93-1133, p. 139).

The approach suggested by these two statements—both of which were taken from the majority report on S. 3585—is in our opinion the appropriate one for solving the considerable problem posed by FMG's. In essence it is an immigration problem, best solved by an amendment to the immigration law.

COSTS

Finally, we come to the matter of costs. In our opinion, S. 3585 is too expensive. The President has already indicated that the various health measures, including S. 3585, carry too high a price tag, as well as some objective program features. The committee did raise the existing capitation level for schools of medicine to $3,250 from the existing $2,500 level, an increase of approximately 30 percent.

Given the present inflation pressures, as well as the requirements of the health professions schools, I do not believe those increases can be regarded as anything other than excessive and unjustified.

At the present capitation level medical schools are responding to national objectives. As the committee report recognizes their responses to the requirement for enrollment increases was "magnificent." Further under existing capitation level, only 6 out of 114 medical schools are receiving financial distress grants which would indicate that more schools are doing satisfactorily at the present level.

We agree with the President that S. 3585 has excessive spending levels and we urge the Senate to join us in rejecting the inflationary price tag of the reported bill.

Mr. President, in closing, I would like to say that we think the alternative that has just been submitted offers a viable alternative to deal effectively with the problems of maldistribution by geography and by specialty and with the problem of foreign medical graduates. We think it is a more appropriate answer than is that of requiring a national draft of all those who are entering medical school that it would be Federal foot in the door and lead to Federal licensing of all in the health profession. Indeed, the report's language is most explicit on the committee's intent.

[From the Pittsburgh Press, Sept. 16, 1974]

INDENTURED DOCTORS

Ways must be found to improve the delivery of health care, but forcing young doctors to practice where the government tells them to practice is not one of them.

That's why a bill approved last week by the Senate Labor and Public Welfare Committee should be rejected by Congress this fall.

The bill would require every medical-school graduate to practice for at least two years in city slums or rural towns where doctors are few and far between.

The rational behind the bill is that all medical schools are heavily subsidized by the taxpayers. So why not require their graduates to work where the need is greatest?

To some, this may sound like social planning. A more accurate label would be involuntary servitude.

The same result could be achieved through a medical-aid program that pays full medical-school tuition in return for a legal commitment to spend several years in medically neglected communities.

Present programs that forgive federal scholarship loans if a young doctor will practice in shortage areas are generally ineffective because most medical-school graduates would rather repay the loan instead?

A binding scholarship program would require diligent recruiting by the government, and more cooperation from the medical schools.

But it would put public medical service on a voluntary basis and eliminate the coercion, implied in the Senate bill.

Exhibit 2

American Association of Medical Colleges Declare S. 3585 Unconstitutional

I. FACTS

This memorandum concerns the legality and enforceability of proposed Sections 771 (b) and 770E(c) of the Public Health Service Act, which would be added thereto by Sections 402 and 801, respectively, of the proposed Health Professions Education Assistance Act of 1974 (S. 3585), introduced in the U.S. Senate and referred to the Senate Committee on Labor and Public Welfare on June 5, 1974.

Proposed Section 771 would preclude the making of capitation grants to health professions schools (presently authorized by Section 770 of the Public Health Service Act, 42 U.S.C. § 295f) commencing with fiscal year 1975 funding unless the grant application "contains or is supported by reasonable assurances" relating to certain undertakings by such schools. Pertinent here is the requirement of proposed Section 771(b)(1) that, with respect to each school year during the pendency of a particular grant, the school "require that each individual accepted for admission, as a condition of, and prior to, such admission, agree in writing to practice his profession" (i.e., provide health services) for a two-year period, commencing within six months of the date on which he becomes licensed to practice, in a medically underserved area or at a medically underserved institution as designated by the Secretary of D.H.E.W. as set forth in proposed Section 771(b)(2)(A). Failure by a licensed health professional to fulfill the terms of this service obligation would, under the bill, result in liability to the United States for his "share" of the capitation grant plus interest (Section 771(b)(2)(D)) and would also result, under proposed Section 779E(c), in preclusion of the appropriate state from renewal of the individual's license to practice.

II. CONCLUSIONS

As more fully discussed herein, we are of the opinion that proposed Sections 771(b) and Sections 770E(c) as above-summarized would not only result in invalid and probably illegal and unenforceable contracts but are constitutionally deficient as well.

This "doctor draft" proposal is basically deficient on four grounds. First, the proposal would violate the due process clause of the Fifth Amendment. Second, the proposal would amount to enactment of a bill of attainder, which is proscribed by Article I, Section 9 of the Constitution. Third, the required service thereunder would constitute involuntary servitude in violation of the Thirteenth Amendment to the U.S. Constitution. Forth, the proposal would involve the imposition of an invalid and probably illegal contract which would not be enforceable at law.

Congress lacks the authority, by the methods proposed in S. 3585, to force a health professions practitioner to commit himself to such an involuntary expenditure of two years in the service contemplated in proposed Section 771(b).

III. DISCUSSION

A. The Mandatory Service Requirement Would Violate Substantive Due Process

Sections 771(b) and 779E(c), containing the mandatory service and license forfeiture requirements, would operate to deny health professions practitioners who are conscripted for the two-year service obligation their rights under the Fifth Amendment to the U.S. Constitution. The Fifth Amendment, in pertinent part, protects persons against deprivation of "life, liberty, or property, without due process of law." Such a draft of health professions personnel, absent any military necessity and independent of a situation in which all citizens similarly situated would be called upon to provide comparable service, would be in violation of the requirements of substantive due process.

Whether the practice of one of the health professions is deemed a "right" or a "privilege" remains an important determination to make for purposes of Fifth Amendment analysis. Nevertheless, in either case, the mandatory service requirement of proposed Section 771(b) would be found unconstitutional.

For the most part, it appears settled that the pursuit of one's occupation is a "right"—a right not to be lightly infringed upon. The Supreme Court, in *Dent v. West Virginia*, 129 U.S. (1889), early held that the state in providing for the general welfare of the people may determine the qualifications for the practice of medicine, so long as the qualifications are appropriate to the profession. The Court held that:

"It is undoubtedly the *right* of every citizen of the United States to follow any lawful calling, business, or profession he may choose, subject only to such restrictions as are imposed upon all persons of like age, sex and condition. This *right* may in many respects be considered as a distinguishing feature of our republican institutions" (at 121) (emphasis supplied).

The Court in *Dent* recognized that the right to continue the pursuit of one's vocation is of "great value" and "cannot be arbitrarily taken" from the possessors of that right, "any more than their real or personal property can be thus taken" (at 121–2). Subsequent cases lend support to the view that the pursuit of one's vocation is a "right." See, for example, *Cramp v. Board of Public Instruction of Orange County*, 368 U.S. 278 (1961) and *Schware v. Board of Bar Examiners*, 353 U.S. 232 (1957).

Due process requires that each citizen be secured against any arbitrary deprivation of his rights, whether relating to his life, liberty, or his property. The regulations at issue in *Dent*, for example, were held not to be arbitrary since they merely required a doctor to demonstrate to the state board of health that he had graduated from a medical college or had practiced medicine in the state continuously for ten years prior to the date of the act. The Court felt that these requirements were appropriate to the profession and acted to screen out incompetence and ignorance.

By contrast, the revocation of (or failure to renew) a practitioner's license for his refusal to fulfill the conditions of a contract impressed upon him by the state (as would be mandated by proposed Section 771(b)) would not act to protect the citizenry from incompetents or to impose upon the professions standards of attainment that would accrue to the benefit of the general public. Therefore, the rationale in *Dent* would be unavailable, inasmuch as the requisite "appropriateness" would be lacking. Such sanction would merely serve to attempt to enforce a policy decision made by the government that greater health care services should be delivered to areas considered by the government to be underserved but would contravene individual constitutional rights in the process. It is clear that one cannot be excluded from the practice of one's profession in a manner or for reasons that contravene due process requirements. *Schware* v. *Board of Bar Examiners, supra.*

The infringement upon the *right* of a practitioner to practice his skill wherever he chooses, as embodied in S. 3585, is arbitrary, since the purpose for the requirement is not one which stems from the power of Congress to provide for the general welfare by reasonably regulating a profession or trade. In addition, the ultimate purpose of the contract—to provide adequate medical services to underserved citizens—would not be served by reducing the number of doctors available to serve those citizens (the effect of proposed Section 779E(c)), especially since the same objective could be furthered by alternative methods less damaging to the rights of the individuals involved. The Supreme Court has summed up these infirmities of S. 3585 as follows:

"The established doctrine is that this liberty [guaranteed by the due process clause] may not be interfered with, under the guise of protecting the public interest, by legislative action which is arbitrary or without reasonable relation to some purpose within the competency of the State to effect. Determination by the legislature of what constitutes proper exercise of police power is not final or conclusive but is subject to supervision by the courts." *Meyer* v. *Nebraska*, 262 U.S. 390, 399–400 (1923).

Therefore, as a general proposition, Congress cannot, without violating standards of due process protected by the Fifth Amendment, deprive a person of the right to engage in one's profession by arbitrary and unreasonable enactments.

There is, however, authority for the proposition that the practice of medicine and other health professions is a "privilege" rather than a "right". For example, in a case where a physician had been convicted for contempt of Congress for failing to produce papers as requested by a committee of the House of Representatives, the Supreme Court, holding that the practice of medicine is a "privilege", upheld the *suspension* of his license for six months without any demonstration on the part of the suspending authorities that the actions of the doctor related to his competence or professional integrity. *Barsky* v. *Board of Regents*, 347 U.S. 442, 451 (1954).

The right-privilege distinction may be of declining importance, notwithstanding a substantial and well-entrenched line of cases starting with *McAuliffe v. Mayer of New Bedford*, 155 Mass. 216, 29 N.E. 517 (1892), holding that substantive due process is inapplicable to "privileges". This doctrine, however, has been subjected to substantial criticism and has been significantly eroded. Thus, for example, in *Graham v. Richardson*, 403 U.S. 365, 374 (1971), the Supreme Court stated that ". . . this Court has now rejected the concept that constitutional rights turn upon whether a governmental benefit is characterized as a 'right' or a 'privilege' ". The same may be said for other benefits. At any rate, the Supreme Court is becoming less concerned with abstract distinctions between "rights" and "privileges" when due process considerations are at stake. See *Wieman v. Updegraff*, 344 U.S. 183, 192 (1952) and *Cramp v. Board of Public Instruction of Orange County, supra* at 288. See also

Keyishian v. Board of Regents, 385 U.S. 589 (1967).

Courts have adopted various rationales to avoid denying individuals the protection of substantive due process because of the right-privilege distinction. See, Van Alstyne, "The Demise of the Right-Privilege Distinction In Constitutional Law", 81 *Harv. L. Rev.* 1439 (1968). Certain of these doctrines underscore the position that the mandatory service requirement of proposed Section 771(b) is unconstitutionally arbitrary and discriminatory.

One frequent approach is to invoke the *doctrine of* "unconstitutional conditions", which, in essence, stands for the proposition that, whatever the government is forbidden by an express constitutional provision to do directly, it is likewise forbidden to do indirectly. See *Speiser v. Randall*, 357 U.S. 513, 526 (1958). This doctrine has been invoked in numerous situations in which the granting of a "privilege" is made contingent upon the forfeiting of a constitutionally protected right. For example, in a case where state college students were required upon admittance to accept a rule permitting their summary dismissal, the court held that the state could not require the renunciation of their right to procedural due process before it would grant to the student the "privilege" of attending the college. *Dixon v. Alabama State Board of Education*, 294 F.2d 150 (5th Cir. 1961), cert. den., 368 U.S. 930 (1961). The Fifth Circuit cited the Supreme Court's decision in *Cafeteria and Restaurant Workers Union v. McElroy*, 367 U.S. 886 (1961) for the concept that one may not be deprived of liberty or process without due process of law on the "easy assertion" that one had no constitutional right to be protected in the first instance (at 156). See also, *Sherbert v. Verner*, 374 U.S. 398 (1963), and the cases cited therein at 404 n. 6, along with *Tinker v. Des Moines School District*, 393 U.S. 503, 506 n. 2 (1969); *Dickey v. Alabama State Board of Education*, 273 F. Supp. 613, 618 (M.D. Ala. 1967); *Brooks v. Auburn University*, 296 F. Supp. 188, 192 (M.D. Ala. 1969); and Note, "Unconstitutional Conditions", 73 *Harv. L. Rev.* 1595 (1960).

Courts have also employed the "indirect effects" analysis, which, in brief, holds that no regulation or requirement may have an "unconstitutional effect". In one case where an Arkansas statute required every public school teacher to list every organization to which he belonged, the Supreme Court held that while the statute did not penalize membership in any group, it had a "chilling effect" on the First Amendment freedoms of association and speech. *Shelton v. Tucker*, 364 U.S. 479 (1960). In a case where a college denied recognition and, therefore, the use of college facilities, to an SDS chapter, the Supreme Court held that the students' First Amendment right of association was violated. While the college's action did not prevent the SDS chapter from meeting informally on campus or from existing "outside the campus community", the Court found that it did impose significant "disabilities". The "Constitution's protection is not limited to direct interference with fundamental rights", said the Court in *Healy* v. *James*, 408 U.S. 169, 183 (1972), citing *Bates v. City of Little Rock*, 361 U.S. 516, 523 (1960) ("Freedoms such as these are protected not only against heavy-handed frontal attack, but also from being stifled by more subtle governmental interference"). See also, *N.A.A.C.P. v. Alabama ex. rel. Patterson*, 357 U.S. 449 (1958), where it was held that the State of Alabama could not compel an organization to divulge its membership list since this action migh result in pressure being placed upon its members or potential members, thereby interfering with their freedom of association. Similarly, the constitutional rights of health professions practitioners are to be protected under due process concepts even if the infringing provisions of S. 3585 were to be found to have only an indirect unconstitutional effect.

Consequently, the proposed conscription of health professions personnel would violate the protections of substantive due process which must be accorded such practitioners (as with all citizens), irrespective of whether the practice of one of the health professions is denominated a "right" or a "privilege". Coercing health professions practitioners into forsaking the practice of their profession, to locate wherever they wish, and to freely engage in their pursuits as may other citizens would be to deny them protections that are required to be provided under doctrines of substantive due process.

The courts frequently escape the confines and distinctions of the right-privilege distinction by invocation of the dictates of the equal protection clause of the Fourteenth Amendment as part of Fifth Amendment due process requirements.[1]

Under an equal protection analysis, the primary consideration in this regard is not whether the interest to be protected is a "privilege" or a "right" but whether there is a difference in treatment among various classifications. *Wieman v. Updegraff*, 344, U.S. 183, 192 (1952). Should the classification not be rational, or should the treatment be arbitrary, the scheme is generally held a violation of equal protection requirements.

In the light of equal protection requirements, it is clear that the mandatory service requirement of proposed Section 771(b) is constitutionally wanting. This requirement would only be imposed upon the licensed health professions practitioners who graduate from a college or university receiving capitation funds. The capitation grant program is an institutional support program, with the capitation formulas merely the basis for ascertaining the amount of funding to be made available to each participating institution. But in no other instance would a graduate of an institution of higher education receiving federal support be required to forego an initial period of his work or practice for national service. Nurse training programs, various Higher Education Act programs, and a host of other programs administered by D.H.E.W. provide institutional support to colleges, universities and other institutions without exacting any public service from the individuals who happen to be associated with the grant recipients. To impose such a mandatory service requirement only on health professions practitioners is to promote a most irrational and arbitrary classification scheme, one which would not be sustained under the equal protection clause.

Of course, the nature of the interest infringed upon remains material since it determines which test will be used to determine whether a violation has been committed. The restriction of a "fundamental" right or a distinction on the basis of a "suspect classification" will be countenanced only when there is a "compelling state interest". See, for example, *Dunn* v. *Blumstein*, 405 U.S. 330 (1972) (the right to vote is a "fundamental" interest) and *McLaughlin* v. *Florida*, 379 U.S. 184 (1964) (race is a "suspect" cassification). A non-fundamental interest can be limited when there is a "rational basis" between the statute and a legitimate governmental interest. *McGowan* v. *Maryland*, 366 U.S. 420, 425 (1961).

The right to pursue a business or occupation is a "fundamental" right. *New State Ice Co.* v. *Liebmann*, 285 U.S. 263 (1932); *Corey* v. *City of Dallas*, 352 F. Supp. 977 (N.D. Tex. 1972). "In order for legislation affecting a fundamental right to withstand a challenge under the Equal Protection Clause, it is incumbent on the governmental authorities to show that there was *no other practical manner* in which the objective of the legislation could be accomplished and that the interest of the governmental authority is superior to the rights of the persons who may be adversely affected by the legislation" (emphasis supplied). *Corey* v. *City of Dallas, supra* at 980. It is so clear as to hardly warrant mention that there are numerous methods whereby the government could induct health practitioners to underserved areas other than to coerce students to sign up for two years of service. Even if the government can show that there is a " compelling state interest" in the provision of medical services in underserved areas, it cannot show that there is not a less onerous way of supplying those services. Consequently, proposed Section 771(b) would operate to deprive health practitioners of a fundamental right under the equal protection clause.

Admittedly, legislatures have broad authority to legislate in order to protect and advance the general welfare. State legislatures, for example, generally have the power, as part of their authority to protect public health, to regulate the practice of a profession in a manner that is reasonably related to a legitimate governmental purpose. Where these conditions exist, the minimal requirements of substantive due process are satisfied. In the area of health care specifically, there is no question but that the government has the right to protect the public health in a rational way even if a "needless, wasteful requirement" is exacted; "it is for the legislature, not the courts to balance the advantages and disadvantages . . ." *Williamson v. Lee Optical Co.*, 348 U.S. 483, 487–8 (1955).

However, the question here is not whether the government has the right to regulate, but what methods it uses to do so. The implementation of policies, whatever their intrinsic validity, cannot be undertaken by unconstitutional or unlawful means. A contention that government has the power to choose whatever methods it wishes in order to pursue a legitimate aim, even if the method chosen unreasonably infringes upon constitutionally protected rights, is completely unwarranted and would not be upheld.

There is no question that the provision of medical services to underserved areas is a legitimate governmental objective. However, proposed Section 771(b) would infringe upon health professions practitioners' rights to practice and travel where they wish. In view of the fact that other more rational methods of providing health care to underserved populations are available, and since the method proposed would infringe upon individuals' constitutional rights, proposed Section 771(b) cannot meet the requisite test of rationality and reasonableness.

Courts have, of course, upheld statutes which impose obligations on or withhold privileges from those attempting to practice their profession. See, for example, *Dent v. West Virginia, supra* (the state may determine qualifications for the practice of medicine); *Douglas v. Noble*, 261 U.S. 165 (1923) (examining board empowered to grant or withhold licenses to practice dentistry, but may not do so arbitrarily); *Graves v. Minnesota*, 272 U.S. 425 (1926) (a statute creating a board of dental examiners to pass upon the qualifications of applicants to be licensed as dentists); *Roschen v. Ward*, 279 U.S. 337

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[1] Classifications that meet equal protection tests are "perforce consistent" with the due process requirements of the Fifth Amendment. *Richardson v. Belcher*, 404 U.S. 78, 81 (1971); *Dandridge v. Williams*, 397 U.S. 471, 487 (1970); *Schneider v. Rusk*, 377 U.S. 163, 168 (1964); *Jiminez v. Richardson*, 353 F. Supp. 1356, 1360 (N.D. Ill. 1973); *Bolling v. Sharpe*, 347 U.S. 497 (1954).

(1929) (a statute requiring that a physician or optometrist be in charge of a retail establishment selling glasses); *Semler v. Oregon State Board of Medical Examiners*, 294 U.S. 608 (1935) (a statute prohibiting dentists from advertising); *Olsen v. Nebraska*, 313 U.S. 236 (1940) (a statute limiting an employment agent's fee to ten percent of a month's salary); *Daniel v. Family Security Life Insurance Co.*, 336 U.S. 220 (1949) (a statute prohibiting insurance companies from engaging in the undertaking business and undertakers from acting as insurance agents); and *Williamson v. Lee Optical Co., supra* (a statute requiring that only licensed optometrists or opthamologists be allowed to fit glasses).

However, these acts seek only to establish reasonable requirements for the practice of professions and the fact that such enactments have been upheld in the courts cannot be used as a basis for contending that proposed Section 771(b) is constitutional. These acts serve to *further* the practice of professions for the general benefit, while Section 771(b) would operate to *preclude* the practice of health professions by imposing the retributive and preventive penalty under proposed Section 779E(c).

Courts have occasionally upheld statutes that *prohibit* an individual from practicing a profession but never on grounds that are not rationally designed to protect the general public or to foster high standards of practice within the particular profession. Proposed Section 779E(c) contains such a prohibition but lacks the requisite accompanying rationality and appropriate relationship to purpose. See *Dent* v. *West Virginia, supra*, at 122; *Martin* v. *Walton*, 368 U.S. 25 (1961); *Ferguson* v. *Skrupa*, 372 U.S. 726, 732 (1963); and *Schware* v. *Board of Bar Examiners, supra*. The Supreme Court in *Schware* succinctly summarized the necessary distinctions here involved: "A State can require high standards of qualification, such as good moral character or proficiency in its law, before it admits an applicant to the bar, but any qualification must have a rational connection with the applicant's fitness or capacity to practice law" (at 239).

By contrast, the forfeiture requirement of proposed Section 779E(c) bears no rational connection with a practitioner's fitness or capacity to practice. No aspect of this requirement would operate to protect the public or otherwise advance the general welfare, or foster high standards within the health professions. The caselaw referenced above cannot be utilized as a basis for authority for imposition of the onerous penalties of S. 3585; the "rational connection" required by *Schware* is absent. Proposed Section 779E(c) would merely be a penalty to facilitate the enforcement of a questionable obligation. Moreover, since proposed Section 779E(c) would circumscribe the practice of the health professions, the requirement is not only irrational in relation to the purpose to be served but is counter-productive thereto.

In conclusion, it is clear that the mandatory service requirement as proposed in S.3585 not only fails substantive due process tests relating to "rights" and "privileges" but also cannot satisfy the equal protection requirements, as it embodies an irrational and arbitrary classification scheme and would operate to deny fundamental rights the protection of which must override any governmental interest in the availability of adequate health care.

B. The mandatory service requirement constitutes involuntary servitude

The mandatory service requirement of proposed Section 771(b) would, if implemented, constitute a system of involuntary servitude in violation of the Thirteenth Amendment of the Constitution. The Thirteenth Amendment abolished slavery and "involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted . . ." While certain incentives may be introduced to attract health professions practitioners to underserved populations, unconstitutional techniques, such as involuntary servitude (or denial of due process), are impermissible.

All forms of involuntary servitude are not, of course, within the purview of the Thirteenth Amendment. For example, courts have held on numerous occasions that conscription for military service or civilian work in lieu thereof does not constitute unconstitutional involuntary servitude. Since the Constitution specifically grants to Congress the power to raise armies and to provide for the nation's defense, it has been held that a national emergency need not be present and that a peacetime draft law is not violative of the Thirteenth Amendment. *United States* v. *Crocker*, 294 F. Supp. 776 (D.C. Minn. 1969). See also *Ashton* v. *United States*, 404 F. 2d 95 (8th Cir. 1968). It has also been held that a conscientious objector may be required to work at a civilian task in lieu of military service under the authority of the Selective Training and Service Act. *Heflin* v. *Sanford*, 142 F. 2d 798 (5th Cir. 1944). Similarly, the courts have upheld the constitutionality of the "doctor's draft law," which required special registration for military duty of doctors, dentists and allied specialist categories. The courts have held that the power of Congress to provide for the common defense necessarily authorizes Congress to say when, where and to what extent a person shall be called upon to fulfill his military obligation. *Bertelsen* v. *Cooney*, 213 F. 2d 275 (1954), cert. den. 384 U.S. 856, reh. den. 348 U.S. 890; see, in general, *Selected Draft Law Cases*, 235 U.S. 366 (1918); *Jacobson* v. *Comm. of Massachusetts*, 197 U.S. 11 (1905).

Proponents of the constitutionality of proposed Section 771(b) may find some comfort in the Fifth Circuit's holding in *Heflin* v. *Sanford, supra*, but upon close reading of *Heflin* such comfort is found to be misplaced. It is true that *Heflin* upheld the constitutionality of a *civilian* service requirement against a Thirteenth Amendment challenge. However, this service requirement, as noted, was in lieu of military service otherwise mandatory under the Selective Service statute. Consequently, this particular type of non-military service is sheltered by Congress' war power authority, as above-discussed. The Fifth Circuit's statement in *Heflin* that "the Thirteenth Amendment has no application to a call for service made by one's government according to law to meet a public need . . ." (at 799) is, when viewed in context, merely a reference to military or military-related service and this statement cannot properly be isolated and used to justify the constitutionality of proposed Section 771(b). The Fifth Circuit's reliance on the case of *Butler* v. *Perry, Sheriff of Columbia County, Florida*, 240 U.S. 328 (1916) was, as noted below, not warranted.

The involuntary servitude provision of the Thirteenth Amendment was formatively interpreted by the Supreme Court in the *Slaughter-House Cases*, 16 Wall. 36 (1872). The Court held that while the Thirteenth Amendment undoubtedly was originally intended as an abolishment of African slavery, it equally proscribed Mexican peonage or the Chinese coolie labor system since they were tantamount to slavery (at 72). Of more pertinence, moreover, the Court made it clear that the term "servitude" is intended to prohibit all forms of involuntary slavery of whatever class or name and that the Thirteenth Amendment serves to prevent the state from assailing rights which "properly and necessarily fall within the protection" of the Amendment, irrespective of any racial considerations (*id.*). It is noteworthy that the first judicial interpretation of the concept of involuntary servitude in the Thirteenth Amendment is that the term embraces "everything under the name of *servitude*, though not denominated slavery, which gives to one person the control and ownership of the involuntary and compulsory *services* of another against his will and consent" (emphasis in original). *Tyler* v. *Heidorn*, 46 Barb. 439, 458 (Albany Gen. Tm. 1866).

The *Slaughter-House Cases* interpretation of the Thirteenth Amendment was expanded upon and defined by the case of *Robertson* v. *Baldwin*, 165 U.S. 275 (1896). *Robertson*, which introduced the doctrine that services traditionally deemed "exceptional" are outside the scope of the Amendment, involved a constitutional challenge to a law which authorized justices of the peace to apprehend and return deserting seamen. The Court held that such a law did not violate the Thirteenth Amendment since "the amendment was not intended to introduce any novel doctrine with respect to certain descripitons of service which have always been treated as exceptional; such as military and naval enlistments, or to disturb the right of parents and guardians to the custody of their minor children or wards" (at 282). Thus, the Court excepted from the scope of the Amendment those services which were traditionally considered not to be "involuntary servitudes". The Court, in *Robertson*, stated that, as a standard for the determination as to which involuntary services shall be considered without the scope of the Thirteenth Amendment—

"We know of no better answer to make than to say that services which have from time immemorial been treated as exceptional shall not be regarded as within its [the Thirteenth Amendment's] purview" (*id.*).

Therefore, the *Robertson* decision serves as authority that involuntary services which "from time immemorial" have been considered acceptable are outside the scope of the Thirteenth Amendment. It is clear, then, that such excepted services extend to recognized relationships having characteristics of involuntariness, such as military service and parents' custody over their minor children, and such as those traditionally recognized at common law. Examples of the latter are the maritime laws (*Robertson* v. *Baldwin, supra*) and laws mandating road maintenance by citizens (*Butler* v. *Perry, supra*). "Exceptional", as defined by *Robertson*, accordingly, does not indicate "necessary" or "critical" but rather indicates "excepted" from the general prohibition against involuntary service.

Neither the requirements of military necessity nor the existence of any "exceptional" services are existent with respect to the proposed health professions practitioners draft embodied in S. 3585. While there has been a tradition of drafting doctors, as well as other able-bodied persons, into the *military* service for the purpose of securing national defense, there has never been a tradition of requiring health professionals to serve in a strictly civilian capacity at the designation of the government in *peacetime*. Nor is there any common law tradition on which to base such involuntary services. The distribution of health professionals throughout the United States remains a function of the free enterprise system in conjunction with the self-imposed obligations on such practitioners to serve their fellow man. Accordingly, in light of *Robertson*, the imposition by government of the mandatory two years of service must be considered involuntarily servitude.

Cases subsequent to *Robertson*, most of which are concerned with military service or peonage, have not greatly expanded upon the definition of what constitutes unconstitutional involuntary servitude. The term, as noted, is not limited to African slavery or Mexican peonage but encompasses circumstances in which violence, intimidation or unbelievable threats of imprisonment are used as a means of enforcng the continued service. As the Second Circuit has concluded, "[v]arious combinations of physical violence, of indications that more would be used on any attempt to escape, and of threats to cause immediate legal confinement, whether for the escape or some other reason, have also been held sufficient" to warrant Thirteenth Amendment protections (citations omitted). *United States v. Shackney,* 333 F.2d 475, 486 (1964).

In the *Shackney* case, an individual forced certain persons to labor in his employ for two years upon threat of deportation. The *Shackney* court found that such a threat "may come close to the line" (at 486) of a Thirteenth Amendment violation but found that "involuntary servitude", in the constitutional sense, was not present. However, it is essential to recognize that in *Shackney* the grounds for deportation were valid; there was no "right" of the servants to be constitutionally protected. By contrast, the implementation of proposed Section 771(b) would infringe upon constitutionally sheltered individual rights; the involuntary servitude would, because of this aspect, be brought over the *Shackney* line and within the ambit of the Thirteenth Amendment. The conscription requirements of proposed Section 771 therefore would constitute involuntary servitude in violation of the Thirteenth Amendment.

Proposed Section 771 in concert with proposed Section 779E(c) would, in addition to contravening the Thirteenth Amendment, stand in violation of the federal Anti-Peonage Act. That statute abolishes "the holding of any person to service or labor under system known as peonage . . .". 42 U.S.C. § 1994. Peonage is the system, especially prevalent in Mexico a century ago, whereby an individual was required to work for his creditor until his debt had been satisfied.

Admittedly, courts have upheld the legality of voluntary performance of labor in payment of a debt where the laborer can elect to break the contract and not be forced or compelled to continue performance. See, for example, *United States v. Reynolds,* 235 U.S. 133 (1914). That is, so long as the right to pay off rather than work off the debt is recognized, peonage is not considered to exist.

S. 3585 would impose (in Section 779E(c)) forfeiture of the health professions practitioner's license as a sanction for the mandatory public service requirement. However, the required forfeiture of the practitioner's license would destroy any real choice to merely pay off the imposed debt and removes any availability of the *Reynolds* exception. Thus, the Act would be violated since the conscripted practitioner would have no option but to serve the two years to liquidate his service obligation and thereby retain his license.

C. The Mandatory Service Requirement Would Constitute a Bill of Attainder

The license forfeiture requirement of proposed Section 779E(c) would constitute the imposition of a penalty under circumstances amounting to a bill of attainder.

Article I section 9 of the Constitution, which contains prohibitions on the scope of the legislative power of the U.S. Congress, states: "No bill of attainder or ex post law shall be passed".

The Supreme Court has defined a bill of attainder as "a legislative Act which inflicts punishment on named individuals or members of an easily ascertainable group without a judicial trial". *United States* v. *O'Brien,* 391 U.S. 367, 383 n. 30 (1968). See also *United States* v. *Lovett,* 328 U.S. 303, 315 (1946); *Steinberg* v. *United States,* 163 F. Supp. 590, 592 (Ct. Cl. 1958).

In determining whether proposed Section 779E(c) would be a bill of attainder, it is necessary to inquire into whether the three definitional elements—specificity in identification, punishment, and lack of judicial trial—are contained therein. *United States* v. *O'Brien, supra* at 383 n. 30. As shown below, proposed Section 779E(c) contains these requisite elements and hence would constitute a bill of attainder.

Clearly, the operation of proposed Section 779E(c) would be an act of "punishment". The statute proposes to punish a licensed health professions practitioner for not performing two years of mandatory service pursuant to proposed Section 771(b)—a requirement that has been above-demonstrated as being (if enacted) a violation of such practitioner's Fifth and Thirteenth Amendment rights.

The Supreme Court has on occasion examined the legislative motive of Congress in enacting a particular statute when inquiring as to whether a challenged statute contains the necessary element of punishment. See *United States* v. *Lovett,* 328 U.S. 303, 308–313 (1946). The motive of Congress, should it pass S.3585, presumably would be to increase the availability of health care. However, this motive, obviously most laudable and generally within Congress' power, cannot be used to undermine individuals' constitutional rights. For example, the Supreme Court has held that Congress' constitutional control over appropriations cannot be wielded to permanently bar specific individuals holding particular political beliefs from working in government service. *United States* v. *Lovett, supra.*

In *Lovett,* the Court had no trouble in concluding that a statute, which "'operates as a legislative decree of perpetual exclusion' from a chosen vocation", was "punishment, and of a most severe type" (at 316), and was a bill of attainder, citing *Ex Parte Garland,* 4 Wall. 333 (1866) (an act requiring attorneys to take a loyalty oath as a prerequisite to practicing in the federal courts held a bill of attainder). (See also *Cummings* v. *Missouri,* 4 Wall. 277 (1866), where the Supreme Court struck down a similar loyalty oath as a bill of attainder). Section 779E(c), similarly, would operate as a legislative decree of perpetual exclusion from a chosen profession and thus would constitute an unconstitutional punishment.

The nature of the penalty under proposed Section 779E(c) is such that it is unrelated to the purpose for which S. 3585 is to be enacted, and, consequently, the ability of the Congress to enact such a penalty must be called into question. The dimensions of this doctrine were illustrated over a century ago, in the Supreme Court's holding in *Ex Parte Garland, supra.* The language of the Court is instructive:

"The legislature may undoubtedly prescribe qualifications for the office, to which he must conform, as it may, where it has exclusive jurisdiction, prescribe qualifications for the pursuit of any of the ordinary avocations of life. The question, in this case, is not as to the power of Congress to prescribe qualifications, but whether that power has been exercised as a means for the infliction of punishment, against the prohibition of the Constitution" (at 379–80).

Most pertinent hereto is *United States v. Brown,* 381 U.S. 437 (1965), the Supreme Court decision voiding as a bill of attainder a statute making it a crime for a Communist Party member to serve as an officer or employee of a labor union. Citing *Lovett, Garland* and *Cummings,* the Court in *Brown* held that disqualification from the pursuits of a lawful vocation is "punishment" warranting a finding that the infirm statute is a bill of attainder.

The Court in *Brown* made it clear that a statute may be a bill of attainder for a prevention of future conduct as well as for punishment for previous actions. In so doing, the Court dismissed the attempted distinction between statutes enacted for "preventive" rather than retributive" reasons. Said the Court: "It would be archaic to limit the definition of 'punishment' to 'retribution'. Punishment serves several purposes: retributive, rehabilitative, deterrent—and preventive" (at 458). It is apparent that, on the strength of *United States v. Brown, supra,* and *United States v. Lovett, supra,* the courts would find unconstitutional, as a bill of attainder, proposed Section 779E(c) since that provision would have been enacted with the requisite punitive intent, that is, with the intent of purging from their ranks those licensed health professions practitioners who would not participate in the mandatory service program. Section 779E(c) would, if enacted, stand as a most blatant form of preventive (as well as retributive) forms of punishment.[1]

Aside from proposed Section 779E(c)'s operation as "punishment", the section also contains the requisite element of "specificity in identification". It is true that proposed Section 779E(c) would not inflict punishment on "named individuals", as did, for example, the bill of attainder in *United States v. Lovett, supra.* However, the decisions of the Supreme Court, as well as the historical background of the bill of attainder clause (making clear, *inter alia,* that the term "bill of attainder" encompasses the concept of "bills of pains and penalties", the latter being a legislatively imposed penalty short of death), make it clear that a bill of attainder may be an enactment that inflicts punishment on "members of an easily ascertainable group". *United States v. O'Brien, supra* at 383 n. 30. As the Court has noted, "[i]t was not uncommon for English acts of attainder to inflict their deprivations upon relatively large groups of people, sometimes by description rather than name" [citations omitted]. *United States v. Brown, supra* at 461. Such were, for example, the statutes voided in *Ex Parte Garland, supra* and *Cummings v. Missouri, supra.*

Proposed Section 779E(c) would inflict its deprivation upon "an ascertainable group", *viz.* those health professions practitioners who are conscripted and fail to serve for the mandatory two-year period of proposed Section 771(b). Such a group is no less ascertainable than the membership of the Communist Party (*United States v. Brown, supra*), those who knowingly destroy their Selective Service registration certificate (*United States v. O'Brien, supra*) or prospective annuitants and retirees of the civil service who avail themselves of their Fifth Amendment rights (*Steinberg v. United States, supra*). Cf. *Communist Party v. Subversive Activities Control Board* 371 U.S. 1 (1961). Rather, to paraphrase the Court, proposed Section 779E (c) "designates in no uncertain terms" the persons who would attract its punishment.

Thirdly, it is amply clear that proposed Section 779E(c) would inflict punishment upon the affected health professions practitioners "without a judicial trial." This, Congress cannot do, for to do so would violate the doctrine of separation of powers instituted by the Constitution. The framers of the Constitution knew that the legislative branch "is not so well suited as politically independent judges and juries to the task of ruling upon the blameworthiness of, and levying appropriate punishment upon, specific persons" and so they wrote into the document a "general safeguard against legislative exercise of the judicial function, or more simply—trial by legislature". *United States v. Brown, supra* at 445, 442. By enactment of Section 779E(c), Congress would be overstepping the bounds of its authority and unconstitutionally performing a function of the judicial branch. Coupled as it is with the other attributes of a bill of attainder, Section 779E(c) would be voided, since "[u]nder our Constitution, Congress possesses full legislative authority, but the task of adjudication must be left to other tribunals". *United States v. Brown, supra* at 461.

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[1] Congress' punitive motives, if proposed Section 779E(c) is enacted, cannot be disguised or negated as allegedly being part of its power to legislate for legitimate regulatory purposes. See, e.g. *Hawker v. New York,* 170 U.S. 189 (1898); *Dent v. West Virginia,* 129 U.S. 114 (1889) (restrictions on the practice of medicine).

Further, a statute that forces an individual to choose between the exercise of a right and the receipt of property to which he is entitled can be a bill of attainder. *Steinberg v. United States,* 163 F. Supp. 590 (Ct. Cl. 1958). In *Steinberg,* the court held that a statute providing that a government annuity shall not be paid to a qualified individual who invokes the Fifth Amendment right not to incriminate himself was unconstitutional under the Thirteenth Amendment since it exacted a penalty as a condition to the exercise of a constitutional right. Similarly, even though a health professions practitioner may have an abstract choice as to whether to serve the required two years (that is, refrain from attending a health professions school or forfeit his license), the conditioning of his right to practice on a forsaking of other rights is a bill of attainder. As the Court in *Steinberg* stated, "Congress in prescribing a punishment for persons who exercised a constitutional right [would thereby act] beyond the scope of the Constitution" (at 592).

Thus, the license forfeiture requirement—clearly a penalty—would constitute a bill of attainder, forbidden by the Thirteenth Amendment. That is, this requirement would, in violation of due process standards, be punishment for previous acts (entry into a questionable contract under questionable circumstances) as well as a prevention of future conduct (the legitimate practice of health care). Congress' power to prescribe qualifications for the pursuit of vocations cannot be exercised in a manner constituting an unconstitutional infliction of punishment.

D. S. 3585 would impose illegal and unenforceable contracts

1. Contract at Issue Would be Unlawfully Made Under Duress.

It is axiomatic that a contract may be void or voidable where it is the product of duress. Restatement, Contracts §§ 494–495 (1932). The situation in which an aspiring health professions practitioner is required to commit himself to a contractual obligation to spend two years at the disposal of the government or pay a liquidated damages penalty and lose his license to practice is a situation where a bargain is struck under duress.

Duress that invalidates a contract must consist of the exercise of coercion, the victim's loss of violation, and the making of a contract as the result thereof. 17 C.J.S. *Contracts* § 168. Modern courts have greatly expanded upon the common law concept of duress which was limited to threats of imprisonment or physical violence. 17 C.J.S. *Contracts* §§ 170–172. There is no standard as to the strength or fitness of the party coerced; the requirement is merely that he be placed in such a position as to preclude the exercise by him of free will and judgment. Restatement, Contracts § 492, Comment e. A court recently has held the standard to be as follows:

> "A finding of duress at least must reflect a conviction that one party to a transaction has been so improperly imposed upon by the other that a court should intervene." *Hellenic Lines, Ltd. v. Louis Dreyfus Corporation,* 372 F.2d 753, 758 (2d Cir. 1967).

The contract contemplated by S. 3585 would contain the requisite elements of improper imposition and coercion warranting court intervention against the government. As an analogous illustration, where the State of Missouri required a fee of over $10,000 for a certificate of authority to issue railroad bonds, the court held that a railroad, threatened by the risk of subsequent invalidation of its bonds and the imposition of serious penalties, was unlawfully coerced. *Union Pacific Railroad Company v. Public Service Commission of Missouri,* 248 U.S. 67 (1918). Similarly, "The courts have long held that persons who protestingly pay money to the Government under the sting of business compulsion, are not volunteers and may sue to recover". *South Puerto Rico Sugar Company Trading Corporation v. United States,* 334 F.2d 622, 627 (Ct. Cl. 1964).

In situations in which individuals are placed in a position of having to pay an invalid charge in order to recover or acquire their means of livelihood or a business property without which they would not be able to continue in business, the courts have held that such payments are made under duress and consequently are recoverable. See, for example, *Lonergan v. Buford,* 148 U.S. 581 (1893) and *Cobb v. Charter,* 32 Conn. 358. In one closely pertinent case, where a student paid tuition fees which he did not believe he was required to pay under a contract with the university, but did so under the fear of expulsion for nonpayment, the court held that the payment was made under duress and therefore recoverable. *Neidermeyer v. Curators of State University,* 61 Mo. App. 654.

2. S.3585 Would Embody a Purported Contractual Arrangement Lacking in Consideration or Involving Invalid Consideration.

It is elemental that a contract, to be valid, must be based on "consideration". However, the adequacy of consideration generally is not a determining factor in contract analysis. Courts tend to decline to evaluate the relative values of the consideration offered by each contracting party. Restatement, Contracts § 81.

However, consideration that is flagrantly unequal, that is, where the disparity is "so gross as to be evidence of fraud, mistake, or undue influence", would lead a court to invalidate the contract. Corbin on Contracts § 127 (1964). See *Sizemore* v. *Miller,* 247 P.2d 224 (Sup. Ct Ore. 1952). As discussed previously, the contract at issue would be made under conditions amounting to duress; these conditions would likewise operate to invalidate any such contract as being the product of undue influence.

While the health professions school receiving capitation funds would be required to procure the signature of each applicant on the writing, it appears, although the Act is not specific in this regard, in proposed Sections 771(b)(1) and (b)(2)(D), that the purported contract would run between the student and the United States. However, the necessary consideration to support such a contract would be wanting from the standpoint of the student applicant, for he would not be receiving sufficient benefit under the arrangement to constitute adequate consideration. That is, receipt of captitation grant funds by a school pursuant to such an institutional grant program is not a basis for support of a contract between a student in attendance at such school and the United States. Under proposed Section 771(b), a licensed health professions practitioner would be required by the government to devote two years to public service; yet no provision is made for the return of even a minimum level of income or even for the availability of adequate employment.

3. The S.3585 "Contract" Would Lack Enforceability.

A general axiom of the law of contracts is that "a promise to render personal service or supervision will not be specifically enforced by an affirmative decree". Restatement, Contracts § 379; Corbin on Contracts § 1204 (1964); see also, *”arrick v. Hannaman,* 168 U.S. 328, 336 (1897), and the cases cited therein. In language that is most pertinent hereto, the Restatement states:

> "The refusal of affirmative specific enforcement in these cases is based in part upon the difficulty of enforcement and of passing judgment upon the quality of performance, and in part upon the undesirability of compelling the continuance of personal association after disputes have arisen and confidence and loyalty are gone. In some cases, the decree would seem like the enforcement of an involuntary servitude." Restatement, Contracts § 379, Comment d; see also, *Arthur v. Oakes,* 63 F. 310, 317 (7th Cir. 1894); *H. W. Gossard Co. v. Crosby,* 132 Iowa 155, 109 N.W. 483 (Sup. Ct. Iowa 1906).

The Restatement also indicates that:

> A contract to render personal service exclusively for one employer will not be indirectly enforced by injunction against serving another person, if . . .
>
> (c) the injunction will leave the employee without other reasonable means of making a living; or
>
> (d) the service is not unique or extraordinary in character."
>
> Restatement, Contracts § 380(2).

Certainly, if a health professions practitioner's license to practice is not renewed for failure to fulfill the terms of proposed Section 771(b), he would be left without a reasonable means of making a living". See Corbin on Contracts § 1209 (1964). Thus, the personal service contract would not be specifically enforced and the requirement of Section 779E(c) would undoubtedly fail on this basis alone.

Moreover, since the personal service at issue is not unique or extraordinary", the breach of the contract can adequately be compensated for by the awarding of monetary damages and specific enforcement would not lie. Restatement, Contracts § 380, Comment i; Corbin on Contracts § 1209 (1964). Courts have defined unique" as meaning irreplaceable". See *Madison Square Garden v. Carnera,* 52 F.2d 47 (2d Cir. 1931); *Nassau Sports v. Peters,* 352 F. Supp. 867 (E.D. N.Y. 1972). S. 3585 itself reflects the concept that health professions practitioners are not "irreplaceable" but are in fact rather fungible commodities, the importance of their services notwithstanding, since all draftees will be required to render service in varying geographical areas.

Since S. 3585 contains a formula for the payment of monetary damages should the personal service required not be rendered, the measure itself indicates that monetary damages can be awarded in full compensation to the government. The loss of license by the practitioner can only be interpreted as a penalty or part of liquidated damages, which will only be enforced to the extent of the harm inflicted by the breach of the contract. Restatement, Contracts § 339. Inasmuch as any damage to the government could readily be identifiable under proposed Section 771 (b), the penalty of proposed Section 779E(c) would not be a representation of damages and hence would not be enforced.

Consequently, it is clear that, aside from the very real issues of the existence of duress and the lack of consideration relating to the proposed Section 771(b) contract, such a contract would not be specifically enforceable in the courts.

4. The S. 3585 "Contract" Would Contravene Public Policy.

The rule that contracts in contravention of public policy are not enforceable is well established. *Steele v. Drummond,* 275 U.S. 199 (1927); *A. C. Frost & Co. v. Coeur D'-*

Alene Mines Corp., 312 U.S. 38 (1940). This concept has been incorporated into the Restatement of Contracts wherein it states that a bargain is illegal if it requires performance which would "unreasonably restrict the liberty or freedom of action of the party thereto, or would unreasonably jeopardize his life or health". Restatement, Contracts § 591.

As the Supreme Court has indicated, there is no absolute definition of "public policy";

"The meaning of the phrase 'public policy' is vague and variable; there are no fixed rules by which to determine what it is. It has *never been* defined by the courts, but has been left loose and free of definition, in the same manner as fraud." *Steele v. Drummond, supra* at 205.

However, the Supreme Court has stated that in order to determine whether a contract violates public policy, it must consider the "constitution, laws and judicial decisions of the State, and as well the applicable principles of the common law . . .". *Twin City Pipeline Co. v. Harding Glass Co.*, 283 U.S. 353, 357 (1931). In addition, the Court of Appeals of New York has stated that:

"There is a public policy which in general holds competent contracting parties to bargains made by them with their eyes open. There is, however, an antagonistic public policy which proscribes any contract that would bring about an unreasonable restriction of the liberty of a man to earn his living or exercise his calling. *Simons* v. *Fried*, 302 N.Y. 323, 98 N.E. 2d 456 (Ct. App. N.Y. 1951).

The type of contract contemplated by proposed Section 771(b) would fall within the proscriptions of *Simons v. Fried*, in that it would force unreasonable restrictions on the liberty of the individuals involved to earn a living or exercise a calling. That is, such a contract would be antagonistic to public policy and thus precluded as an unreasonable restriction on the liberty of health care practitioners to practice their professions.

5. Enactment of S. 3585 Would Not Obviate Otherwise Applicable Contract Law Principles.

As a general proposition, Congress may change principles of common law, including the law of contracts, by statute. This power, the Supreme Court has noted, "is not to be doubted". *United States v. A&P Trucking Co.*, 358 U.S. 121, 124 (1958); *United States v. Adams Express Co.*, 229 U.S. 381, 390 (1913). In so doing, of course, Congress must legislate within the bounds of its authority under the Constitution. Moreover, statutes in derogation of the common law are to be strictly construed.

Nonetheless, to alter common law principles, Congress must act with the requisite degree of specificity. That is, when departing from common law rules, the departure must be "avowed". *Sinkler v. Missouri Pacific Railroad Co.*, 356 U.S. 326, 329 (1958). The plain meaning of "avowed" is "acknowledged" or "declared." Thus, a recognized departure from common law rules occurs when Congress specifically acknowledges the change and clearly declares its new application. In *Sinkler*, for example, Congress had made it clear that certain provisions of the Federal Employers' Liability Act as altered covered employers' liability for injuries sustained by employees when fellow employees were at fault, thereby establishing a rule of law at significant variation with the comparable tort rule at common law. Congress communicated the existence of this change in the requisite manner, by avowing the departure. See S. Rep. No. 460, 60th Cong., 1st Sess. at 3.

Proposed Section 771(b) would not meet the *Sinkler* test, as it would not address itself to the alteration of law in a specific instance. S. 3585 seeks to impose a contractual obligation *in toto*. Such a sweeping substitution of an alleged obligation for an otherwise invalid and unenforceable obligation is outside the scope of Congress' power under the *United States v. A&P Trucking Co.* rationale.

If the agreement of proposed Section 771 (b) is a contract at all, it is an invalid and unenforceable one. If the contract law principles are permissibly modified to otherwise sustain the obligation, the methods employed as a sanction (chiefly proposed Section 779E(c)) would be unconstitutional. Whatever else may be said, the statute purports to employ a contract vehicle to impose an obligation that Congress could not impose directly, that is, openly conscript health professions practitioners for public service. As previously discussed, whatever the government is forbidden to do directly by the Constitution, it may not do indirectly. *Speiser v. Randall*, 357 U.S. 513, 526 (1958); *Bailey v. Alabama*, 219 U.S. 219, 239 (1911).

IV. CONCLUDING OBSERVATIONS

As the foregoing indicates, proposed Sections 771(b) and 779E(c) embody fundamental constitutional infirmities. Moreover, the contract required by proposed Section 771(b) would undoubtedly be declared invalid and probably illegal and would not be enforceable at law.

Two final observations are in order. Theoretically, a student seeking admission to a health professions school has the choice of either signing the agreement or not signing and not enrolling in the institution (or, conceivably, of enrolling in an institution which is not receiving capitation funds). As a practical matter, however, such an election cannot amount to a fair or reasonable "choice". See, for example, *United States v. Brown, supra* at 452. Also, the proposed waiver or suspension procedure, which would operate in instances of "impossibility" or "extreme hardship" or where enforcement would be "against equity and good conscience", cannot be alone sufficient to cure proposed Sections 771(b) and 779E(c) of their inherent constitutional and other legal deficiencies.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President——

Mr. BEALL. Mr. President, I had agreed to yield to the Senator from Ohio (Mr. TAFT).

Mr. KENNEDY. If I could have about a minute and a half——

Mr. BEALL. I am happy to yield the Senator a minute and a half.

Mr. KENNEDY. The only point I wish to make is that I hope perhaps the Senator from Maryland will explain—he has given, I think, a very erudite commentary on manpower problems, though there will be some points with which I might take issue. I think the concern we on the majority of the committee have felt about the problem is shared by the Senator from Maryland (Mr. BEALL) and others.

I must say, just at this time, that we only received the amendment from the Senator from Maryland the last day. It is a 35- or 40-page amendment, and we have the time limitation period.

We are going to take time this evening to examine it carefully, and I look forward to exchanging views with the Senator from Maryland on the concepts of the two proposals. I would prefer to do that this afternoon, but we want to have the chance to give it careful review this evening, and then work out a suitable time, if agreeable to the Senator from Maryland, so that the Senate will be on notice of when the debate will take place and when the vote will take place.

Mr. BEALL. Mr. President, on that point, I appreciate the remarks of the Senator from Massachusetts. It was not, let me say, at my insistence that the bill was brought up today. One of the disadvantages of being on the minority is the fact that we have difficulty raising staff on a staff-for-staff basis, so it takes us a little bit longer than it does the majority.

Mr. KENNEDY. If the Senator will yield further——

Mr. BEALL. I am happy to.

Mr. KENNEDY. The report was available some 20 days ago.

Mr. BEALL. That is correct.

Mr. KENNEDY. And we are just now considering this amendment. I know that the Senator has been consistent in his questioning of our approach, and has followed the manpower issue extremely closely. I am just saying this for the benefit of the RECORD, in terms of our response to the Senator's proposal.

Mr. BEALL. Mr. President, I yield 5 minutes to a cosponsor of the substitute amendment, the distinguished Senator from Ohio (Mr. TAFT).

Mr. TAFT. Mr. President, I thank the Senator for yielding. At the outset, I wish to commend him and his staff for the tremendous amount of work that has obviously gone into the preparation of this substitute piece of legislation, as well as the great amount of work on the part of the minority staff and the staffs of the various members of the committee over the period of time we have been considering the bill.

The distinguished Senator from Massachusetts and also his staff, I think, really have done a yeomanlike job in going into the problems. The results are the proposals may differ somewhat, but I know of few pieces of legislation with which I have been connected that have had, I think, more attention and more intelligent, careful attention, in the committee process than has this particular measure.

I am glad that is true. I am glad that we can say it in that spirit because obviously it is a very controversial piece of legislation. There are some certain very basic principles involved, however, in whether or not, for all practical purposes, we really draft doctors under some type of a lottery system with what I think are likely to be rather devastating results from the point of view of morale in the medical profession itself, or whether we try to work out some other solution to this problem, all the time recognizing that it is a most serious problem that has not been solved, and it is one that I think we here in Congress, too, have a responsibility to act upon.

Whatever measure we pass in this body the next day or two I hope will move rapidly through the House and will have a chance of becoming law during this session because I think the need is one that we have allowed to go on too long, and it is clear that the situation is not clearing itself up even though there is, perhaps, some amelioration of the shortages incurred because of the increased production of our medical schools and further increase in the production of our medical schools.

But even that does not promise to take any real effective step, I think, toward supplying the needed care that is obviously wanting in the underserved areas of our country.

I am particularly happy to be a cosponsor of the substitute of the distinguished Senator from Maryland (Mr. BEALL) and the distinguished Senator from Colorado (Mr. DOMINICK).

It is a 3-year bill, and I believe that our approach is sound. We continue health education and training and address the health manpower maldistribution problem in what I believe is a fair and workable way, and I think, as I have said, this contrast—not from the point of view of motivation, I am sure there is an attempt to be fair and it can be said, perhaps, a lottery approach is a fair one—I do not think is going to be a workable one.

Under the student loan program, we raised the maximum limit on a loan from $3,500 to $4,000. We raised the interest rate on the unpaid balance from 3 percent to 7 percent, which would seem to be indicated in view of the general changes which have been occurring.

Also, we changed the loan forgiveness provisions by having the secretary pay 25 percent after the first year an individual lives up to his commitment to practice in a medically unserved population and 25 percent for the next two years. Under present law, the Secretary is authorized to pay 30 percent, but not more than 85 percent of the principal. We have also removed the latter limitation, so that if an individual decided to serve 4 years, he would get complete loan forgiveness. Hopefully, the longer he stays in areas the more he is likely to remain.

The substitute, as does the committee bill, contains provisions to revise and extend the authority of the National Health Service Corps and the Public Health and National Health Corps scholarship training program.

We have revised the physician shortage area scholarship program—the Beall-Dominick amendment to the Comprehensive Health Manpower Act of 1971—to include dentists. Also the substitute provides $12,500 to an individual who, after he has met his period of service obligation in return for his scholarship, agrees to extend his obligation and set up a practice in the medically underserved population.

Mr. President, scholarship funds are important mechanisms in attracting health professionals to provide care to medically underserved populations. On the other hand, should an individual who accepted the scholarship fail to begin or complete his period of obligated service in a medically underserved population, he must pay back double on a specific formula.

There is a great need existing throughout our Nation for personnel to deliver primary health care. Therefore, we have authorized a capitation grant to each school of medicine—allopathic and osteopathic for each full-time medical student enrolled at $2,500 for fiscal year 1975, $2,350 for fiscal year 1976, and $2,200 for fiscal year 1977. In the case of each such school that can satisfactorily show the Secretary that not less than 50 percent of the students who graduated during the preceding fiscal year are serving a residency in the practice of family medicine, general pediatrics, or general internal medicine, the amount of the capitation grant remains at $2,500.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. TAFT. I wonder if the Senator from Maryland will yield me 2 more minutes?

Mr. BEALL. Mr. President, I yield 2 more minutes to the Senator from Ohio.

Mr. TAFT. I thank the Senator. We have conditioned capitation assistance to the health professional schools by requiring such schools to reserve 25 percent of their freshman class for those individuals who volunteer to enter into a written agreement with the Secretary to practice their profession in a medically underserved population.

Here again, in the case of an individual entering the medical program of a school of medicine—allopathic or osteopathic—the period of his obligated service shall be spent in full-time practice of family medicine, general pediatrics, or general internal medicine.

Mr. President, the substitute does not call for the establishment of a national council and 10 regional councils to study the system of postgraduate training for physicians in the United States.

Under the Social Security Amendments of 1973, Public Law 93-233, a study was authorized to be conducted by the Institute of Medicine, National Academy of Science, which in its various aspects bears on these same issues:

First. The extent to which funds expended under such titles are supporting the training of medical specialties which are in excess supply;

Second. How such funds could be expended in ways which support more rational distribution of physician manpower, both geographically and by specialty; and,

Third. The extent to which such funds support or encourage teaching programs which tend to disproportionately attract foreign medical graduates.

Protection of the public from incompetent practitioners is the underlying objective of licensure laws. They operate to screen out those who are not properly qualified by their education and training.

I agree that national uniformity in the licensing area is desirable. However, I cannot agree with the provisions of the committee bill to establish "minimum national standards for State licensure of physicians and dentists."

As stated in the minority views in the committee report, we believe the States are moving toward uniformity of standards. Only two States have not adopted the federation's licensure examination—the so-called flex.

In 1968, only 7 States offered flex; today, 50 States allow a doctor who passes the examination in one State to qualify to be licensed in another State where the examination is offered.

Overall, I believe the substitute amendment, through its capitation assistance, will allow health professional schools to continue to produce an adequate supply of well-trained health professionals to deliver high quality health care to the citizens of our Nation, improve the geographic and specialty distribution, and increase the number of health professionals in underserved populations.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I yield whatever time the Senator from Maine requires.

Mr. HATHAWAY. Mr. President, I appreciate the Senator from Massachusetts yielding me time, and I commend him for the outstanding job he has done with respect to this bill, and I wholeheartedly support him in his endeavor.

I believe that the Beall substitute does little to alleviate the four major problems confronting the United States in the field of health manpower—the problems of geographic maldistribution of health professionals, specialty maldistribution, overreliance on foreign medical graduates—FMG's—and the problem of inconsistent and inequitable State licensure requirements.

As I understand it, under the Beall substitute, the problem of geographic maldistribution of health professionals is to be solved, in the main, through a reliance on a voluntary system fueled by the scholarship-for-service programs. As a backup to this system, the substitute bill will require medical schools to reserve 25 percent of their first-year class or the national need—whichever is less—for individuals who want and agree to serve in medically underserved areas. These students would be entitled to a Federal scholarship in return for service in a shortage area. If an individual refused to carry out his commitment, he would be required to pay back the Government twice the cost of his scholarship assistance, plus interest.

I find these provisions of the substitute bill both impractical and inequitable.

They are impractical because they will not solve the problem of geographic maldistribution. We have tried scholarships and loan forgiveness programs before. We have tried financial incentives before. They do not induce physicians and other health personnel to locate their practices in rural communities and urban inner cities.

Two recently published Government studies—one by the General Accounting Office, and one by an independent research organization under contract to the Department of Health, Education, and Welfare—both concluded that the voluntary approach set up under the health professions loan forgiveness program in 1965 had not been successful. Both studies found that the forgiveness programs have contributed very few health practitioners to shortage areas, and predicted these programs would have little impact on the distribution of health practitioners in underserved areas.

The Beall substitute's provisions to deal with the geographic maldistribution problem are even more impractical due to the bill's failure to deal adequately with the specialty maldistribution problem. The maldistribution of physicians among specialties aggravates the overall physician shortage, and both distributional problems must be dealt with effectively if we are to achieve our goal of every American having access to adequate health care.

Even more disturbing to me than the impractical aspects of the Beall substitute are the inequitable aspects of the proposal.

The underpinning of the obligated service provision of the committee bill is the vast amount of Federal support going to health professional schools. According to HEW figures, Federal funds from all sources now account for at least 50 percent of the revenue to U.S. medical schools. This makes the Federal Government the largest supporter of medical schools. The largest amount of Federal support takes the form of construction funds, capitation grants and research and special project grants.

Virtually all students benefit from these Federal aid programs. Yet, under the Beall proposal, only 20 percent of those who benefit from this Federal support will have to pay back via national service. Moreover, it seems obvious that, under the Beall substitute, it will be the poorer students—that is those in need of scholarships and loans—who will have to serve, even though rich and poor students alike receive the benefit of Federal capitation support, Federal construction grants and the like.

Not only does the Beall substitute fail to deal with the geographic and specialty maldistribution problems in a practical and equitable manner, it ignores other qualitative and quantitive problems associated with availability of health services by dropping the licensure provisions of the committee bill.

Title VIII of the reported bill is aimed at solving three major problems presented by the current system of State laws. These major problems are: First, varying minimum standards for licensure of physicians and dentists among the States; second barriers to interstate recognition of medical and dental licenses that restrict mobility of these primary health professionals; and third, the urgent need for assuring updated qualifications for physicians and dentists.

The committee bill meets these three problems by providing for the development of national standards for licensure of physicians and dentists, and for the preparation of appropriate examinations for initial licensure and subsequent renewal of licensure. These provisions of the committee bill would simply effectuate in a uniform and equitable manner for the entire country the objectives of the current national examinations in medicine. Increasing numbers of States are accepting either the examination of the National Board of Medical Examiners or the examination of the Federation of State Medical Licensing Boards—flex. But each State can set its own passing rate for flex, so the pass-fail rate is different in some States. Moreover, some States have not yet accepted one or the other of these two examinations which, frankly, are mechanisms designed to require some national standards for medical licensure. Establishment of national standards and appropriate examinations as required under the committee bill would achieve directly what these two national examinations are seeking by indirection.

Moreover, it is important to note that the committee bill provides that while each State must meet national standards for licensure, it may enact requirements that exceed them if those requirements are not inconsistent with national standards and do not impose a requirement for residence in the State for a designated period of time, or do not impose other frivolous requirements not related to assuring competency of medical personnel.

One of the chief problems with the current system of State licensuring laws—a system left intact by the Beall substitute proposal—is that it unduly and improperly restricts the mobility of health professionals. The differences in State requirements for licensure often serve to bar physicians and dentists from other States on arbitrary grounds unrelated to protection of the public interests. In fact, the committee heard testimony suggesting that the impediments in the licensing laws to interstate mobility of physicians and dentists may be dictated more by the economic interests of those already practicing in a State than by the health needs of the people of that State.

The committee bill provides that a physician or a dentist licensed to practice in any State shall be deemed qualified for licensure in any State in which the national standards are in effect, or which has a licensing system which meets national standards. It is my belief that these provisions of the committee bill will substantially remove current barriers to interstate mobility of physicians and dentists, while at the same time protecting the quality of care. Since the bill provides that, in a State which has standards exceeding the national standards, these higher standards would have to be met by physicians and dentists seeking licensure, no objection can be raised that the committee bill lowers the qualifications for licensure.

Another worthwhile provision of the committee bill struck by the Beall substitute is the provision for periodic renewal of licensure. This provision is designed to meet a long-recognized need. In 1967 the National Advisory Commission on Health Manpower called for some system of periodic relicensing of physicians and other health professionals, granted either upon certification of acceptable performance in continuing education programs, or upon the basis of challenge examinations in the practitioner's specialty.

In the 7 years since that recommendation was made, the overwhelming view of health professionals—both practitioners and those in academic circles—has come to be agreement on the need for some mechanism for assuring updated qualifications in place of our current system of lifetime licensure. Various voluntary and statutory efforts have been undertaken on a State-by-State basis to encourage or require continuing education, periodic re-examination, or other means of assuring continuing competence, but at this halting and variable rate it may be many years before a comprehensive system of assuring updated qualifications is achieved. The Beall substitute would evidently allow this pace to continue.

The committee bill, on the other hand, would establish the principle of mandatory updating of qualifications for all physicians and dentists nationwide by requiring periodic renewal of licensure, at least once every 6 years.

Such a clear requirement covering all doctors and dentists will provide maximum protection for the public by promoting and impelling the determination of the most effective, feasible ways of assuring and evaluating continuing competence to practice medicine and dentistry.

In contrast, the Beall substitute will mandate nothing on renewal of licensure, and there is always the danger that under the voluntary system he defers to, those practitioners who most need the updating of knowledge and techniques will not undertake the necessary activities to do so.

It is important to note also that other features of the committee bill set forth sound methods for developing the improved system of licensure provided in the proposal. It provides for consultation with appropriate professional organizations, and in so doing the bill recognizes the expertise of these organizations and their capacity to contribute to the definition of appropriate standards and also in gaining acceptance for these standards among professionals and the public. In providing for cooperation with national professional testing organizations, the committee bill recognizes the difficulties of designing effective and fair examinations that do more than test recall.

In conclusion, Mr. President, may I say that the scarcity of health manpower in rural areas is of great concern to me as a Senator from a rural State.

The "rural deficit" in physician distribution has been recognized as fact for a half century. For more than 40 years, experts, Federal agencies, and blue ribbon commissions have analyzed, discussed, and documented the nationwide need for health professionals. The subcommittee hearings themselves produced reams of testimony and documentation of the need for getting at the problems of geographic and specialty maldistribution, over-reliance on FMG's and problems associated with inconsistent and inequitable State licensure laws.

We do not need any more commissions and studies. We know that medical personnel are maldistributed. We know there are too many specialists and not enough primary-care physicians.

We have tried financial incentives.

We have tried scholarship and loan incentives.

The problem remains. It is time for a

new solution, and the committee bill puts forth such a solution.

The obligated service provisions of the committee bill are tied to Federal capitation support of the health professions school. Federal capitation support has been touted in the last 5 years as a means of providing a stable source of financial support for health professions schools. The taxpayers have a right to expect a stable source of health professionals, where they are needed, in return for their tax dollars. The committee bill attempts to do that in a comprehensive and equitable way. The Beall substitute bill presents a piecemeal solution that barely improves on the status quo, and which impacts inequitably on the poorer students.

Since Federal funds now account for 50 percent of the moneys going to U.S. medical schools, it is reasonable to consider medical schools as a national resource, and reasonable to expect national service in return for our investment of tax dollars. That is the underlying premise of the committee bill.

The Beall substitute, in my view, fails to deal effectively with both the quantitative and qualitative problems associated with the health manpower shortage.

The Beall substitute will not do the job our tax dollars are paying to get done.

The Beall substitute will not assure equitable access to health services. It will not promote a rational utilization of the valuable resource of health manpower.

I urge my colleagues to defeat the Beall substitute.

In commenting, Mr. President, on some of the points that I may have not answered in my prepared remarks, let me say that those who support the Beall substitute have mentioned that the committee bill represents some kind of Federal control. I submit, Mr. President, that there is an element of Federal control in the bill. There is an element of Federal control in many areas. It is not something that we do not desire. We have provisions in our Higher Education Act, in our Elementary and Secondary Education Act, that there will be no Federal control over curriculum. We deem this advisable because we think the schools themselves are better equipped to judge what the curriculum will be than we are here in Congress. But there are many pieces of legislation where there is a considerable amount of Federal control—in our Highway Act, in our Economic Development Act, and a multitude of other pieces of legislation.

I think the Federal control that is being imposed under the committee bill is certainly well justified.

As I mentioned in the course of my remarks, the taxpayers are paying 50 percent of the cost of financing medical schools. I think they are entitled to a return on their investment. They are entitled to a return that does not simply mean an increase in the number of doctors and other health professionals nationally, but a better distribution of the doctors and other health professionals throughout this Nation.

The Senator from Maryland mentioned in his remarks that his system is a voluntary system, and those who are going to be engaged in it will serve better because they are volunteers.

Mr. KENNEDY. Will the Senator yield at that point?

Mr. HATHAWAY. I yield.

Mr. KENNEDY. I am hopeful the Senator from Maryland will tell us a little bit more about the voluntary aspects of it. As I understand the amendment it will require every medical school to have at least 25 percent of their class reserved for students who will receive a scholarship and also must serve in underserved areas. It appears to me that they are going to take 25 percent of their class. I am just wondering how they are going to decide which 25 percent is going to serve. I hope the Senator from Maryland is going to explain that.

There might be a class of 100, and maybe 50 of those will want the scholarship program. How will you select equitably among that group? Say you do not get the 25 percent but you only get 15 percent. Then how are you going to end up getting it? It seems to me that it provides a burden on the medical school in making that decision.

Ours is a much clearer, more precise test. Anybody who wants to go to medical school, any medical school that is getting assistance, will have to serve.

I am just wondering why everyone is going to feel sort of a sense of relief that the Beall amendment is noncompulsory.

It seems to me it is compulsory all right, but it is not going to do the job. It is just as compulsory as the provisions which the Senator from Maine has spoken about during the course of his discussion.

I am just wondering if the Senator from Maine is not somewhat perplexed about that provision.

Mr. HATHAWAY. In answer to the Senator from Massachusetts, let me say I am somewhat perplexed by it. It would seem to me that those who are going to "volunteer" are going to be the poorer students, those in need of scholarships and loans.

I did want to point out in addition that in the committee bill there is a provision for some volunteer action. Those students who volunteer to serve will get a first choice as to the area in which they want to serve. So we do encourage volunteers under the committee bill, and I think we do it in a much better way than under the substitute offered by the Senator from Maryland.

I want to conclude my remarks by thanking the Senator from Massachusetts for yielding me this time.

SOLAR ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION ACT OF 1974

Mr. METCALF. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3234.

The PRESIDING OFFICER (Mr. ROTH) laid before the Senate the amendments of the House of Representatives to S. 3234, to authorize a vigorous Federal program of research, development, and demonstration to assure the utilization of solar energy as a viable source for our national energy needs, and for other purposes as follows:

Strike out all after the enacting clause, and insert: That this Act may be cited as the "Solar Energy Research, Development, and Demonstration Act of 1974".

FINDINGS

SEC. 2. The Congress hereby finds that—

(1) the needs of a viable society depend on an ample supply of energy;

(2) the current imbalance between supply and demand for fuels and energy is likely to persist for some time;

(3) the demands on nonrenewable sources of energy are rapidly becoming unacceptably large and must be augmented;

(4) solar energy offers a nonpolluting, inexhaustible source of energy available for the benefit of all mankind;

(5) insofar as practical utilization is concerned. the various solar energy technologies today are at widely differing stages of development, with some already near the stage of commercial application and others still requiring basic research;

(6) the early development and export of viable equipment utilizing solar energy, consistent with the established preeminence of the United States in the field of high technology products, can make a valuable contribution to our balance of trade;

(7) the mass production and use of equipment of utilizing solar energy will help to eliminate the dependence of the United States upon foreign energy sources and promote the national defense;

(8) the national effort in research, development, and demonstration activities relating to the utilization of solar energy has been extremely limited; and

(9) the resources of the Federal Government must supplement those of private industry in research, development, and demonstration of solar energy technologies.

POLICY

SEC. 3. The Congress declares that it is the policy of the United States to pursue a vigorous and adequately funded program of resource assessment, research and development, and demonstrations with the objective of utilizing solar energy as a major source for our national energy supply.

DEFINITIONS

SEC. 4. For purposes of this Act—

(1) The term "solar energy" means energy which has recently originated in the Sun. It includes direct and indirect solar radiation and intermediate solar energy forms such as wind, ocean thermal gradients, products of photosynthetic processes, organic wastes, and others.

(2) The term "byproducts" includes, with respect to any solar energy technology or process, any solar energy products (including energy forms) other than those associated with or constituting the primary product or such technology of process.

(3) The term "insolation" means the rate at which solar energy is received at the surface of the earth.

(4) The term "Project" means the Solar Energy Coordination and Management Project established by section 5.

SOLAR ENERGY COORDINATION AND MANAGEMENT PROJECT

SEC. 5. (a) There is hereby established the Solar Energy Coordination and Management Project.

(b) (1) The Project shall be composed of six members as follows:

(A) one appointed by the President;

(B) an Assistant Director of the National Science Foundation;

(C) an Assistant Secretary of Housing and Urban Development;

(D) a member of the Federal Power Commission;

(E) an Associate Administrator of the National Aeronautics and Space Administration; and

(F) the General Manager of the Atomic Energy Commission.

(2) The President shall designate one member of the Project to serve as Chairman of the Project.

(c) The Project shall have overall responsibility for the provision of effective management and coordination with respect to a national solar energy research, development, and demonstration program, including—

(1) the determination and evaluation of the resource base, including its temporal and geographic characteristics;

(2) research and development on solar energy technologies; and

(3) the demonstration of appropriate solar energy technologies.

(d)(1) The Project shall carry out its responsibilities under this section in cooperation with the following Federal agencies:

(A) the National Science Foundation, the responsibilities of which shall include basic and applied research and overall funding;

(B) the National Aeronautics and Space Administration, the responsibilities of which shall include the provision of management capability and the development of technologies;

(C) the Atomic Energy Commission, the responsibilities of which shall include the development of technologies;

(D) the Department of Housing and Urban Development, the responsibilities of which shall include fostering the utilization of solar energy for the heating and cooling of buildings; and

(E) the Federal Power Commission, the responsibilities of which shall include fostering the utilization of solar energy for the generation of electricity and for the production of synthetic fuels.

(2) Upon request of the Project, the head of any such agency is authorized to detail or assign, on a reimbursable basis or otherwise, any of the personnel of such agency to the Project to assist it in carrying out its responsibilities under this Act.

(e) The Project shall have exclusive authority with respect to the establishment or approval of programs or projects initiated under this Act, except that the agency involved in any particular program or project shall be responsible for the operation and administration of such program or project.

(f) The National Aeronautics and Space Administration is authorized to undertake and carry out those programs assigned to it by the Project.

RESOURCE DERTERMINATION AND ASSESSMENT

SEC. 6. (a) The Chairman shall initiate a solar energy resource determination and assessment program with the objective of making a regional and national appraisal of all solar energy resources, including data on isolation, wind, ocean thermal gradients, and potentials for photosynthetic conversion. The program shall emphasize identification of promising areas for commercial exploitation and development. The specific shall include—

(1) the development of better methods for *predicting* the availability of all solar energy resources, over long time periods and by geographic loaction;

(2) the development of advanced meteorological, oceanographic, and other instruments, methodology, and procedures necessary to measure the quality and quantity of all solar resources on periodic bases;

(3) the development of proposed agreements and programs with other countries to facilitate the exchange of information and data relating to solar energy resource assessment; and

(4) the development of activities, arrangements, and procedures for the collection, evaluation, and dissemination of information and data relating to solar energy resource assessment.

(b) The Chairman, acting through the National Aeronautics and Space Administration, the National Oceanic and Atmospheric Administration, and other appropriate agencies, shall—

(1) develop and carry out a general plan for inventorying all forms of solar energy resources associated with Federal lands and (consistent with property rights) non-Federal lands;

(2) conduct regional surveys based upon such general plan, using innovative meteorological, oceanographic and space-related techniques, in sufficient numbers to lead to a national inventory of solar energy resources in the United States;

(3) publish and make available maps, reports, and other documents developed from such surveys to encourage and facilitate the commercial development of solar energy resources; and

(4) make such recommendations for legislation as may appear to be necessary to establish a Federal leasing policy for solar resources (including public lands and waterways to be devoted to the collection of direct or indirect solar radiation or to the utilization of photosynthetic processes) consistent with known inventories of various resource types, with the state of technologies for solar energy development, and with evaluation of the environmental impacts of such development.

RESEARCH AND DEVELOPMENT

SEC. 7. (a) The Chairman shall initiate a research and development program for the purpose of resolving the major technical problems inhibiting commercial utilization of solar energy in the United States.

(b) In connection with or as a part of such program, the Project shall insure the conduct of—

(1) basic research in all aspects of solar energy in order that basic limitations are better understood and ultimate potentials realized, and in order that significant practical applications can be made to national energy requirements;

(2) systems, economic, social, and environmental studies to provide a basis for research and development planning and phasing;

(3) technology assessments relevant to the utilization of solar energy; and

(4) coordinated development of the means for utilizing the solar energy resource base, including any byproducts of such base, with specific attention being directed to—

(A) the improvement of technical capability to predict environmental impacts resulting from the development of solar energy resources, and the assuring of compliance with applicable standards and performance criteria;

(B) the identification of social, legal, and economic problems associated with solar energy development (locally, regionally, and nationally) for the purpose of developing policy and providing a framework of policy alternatives for the commercial utilization of solar energy resources; and

(C) the development of agreements and programs with other countries to facilitate the exchange of information and to support cooperative research and development programs relating to solar energy.

(c) The specific solar energy technologies to be addressed or dealt with in the program shall include—

(1) solar heating and cooling of housing and of commercial and public buildings;

(2) direct solar heat as a source for industrial processes, including the utilization of low level heat for process and other industrial purposes;

(3) thermal energy conversion, and other methods, for the generation of electricity and the production of chemical fuels;

(4) the conversion of cellulose and other organic materials (including wastes) to useful energy or fuels;

(5) photovoltaic and other direct conversion processes;

(6) sea thermal power conversion;

(7) windpower conversion; and

(8) energy storage.

DEMONSTRATION

SEC. 8. (a) The Chairman may initiate a program to design and construct, in each of the specific solar energy technologies referred to in section 7(c), facilities or powerplants of sufficient size to demonstrate the technical and economic feasibility of utilizing the various forms of solar energy. The specific goals of such program shall include—

(1) the development of economical solar heating and cooling systems and components which meet performance and environmental standards;

(2) the design and construction of solar thermal electric powerplants;

(3) the design and construction of electric power plants utilizing direct conversion processes;

(4) the design and construction of electric powerplants utilizing windpower;

(5) the evaluation of design (and construction, if feasible) of plants generating electricity utilizing ocean thermal gradients;

(6) the design and construction of plants utilizing organic materials (including wastes) to produce electricity or synthetic fuels;

(7) the utilization of all thermal and other byproducts from any of the plants referred to in the preceding paragraphs;

(8) the design and development of hybrid systems involving the concomitant use of solar and other energy sources;

(9) the continuous operation of such plants for a period of time; and

(10) the provision of experimental test beds for component testing and evaluation.

(b)(1) In carrying out his responsibilities under this section, the Chairman may provide for the establishment of one or more demonstration projects utilizing each form of solar energy, which shall include, as appropriate, the specific research, development, pilot plant construction and operation, demonstration plant construction and operation, and other facilities and activities which may be necessary for the generation of electric energy, the heating and cooling of buildings, the production of synthetic fuels, and the utilization of byproducts.

(2) Plants and other real property utilized or involved in any demonstration project under this section may be purchased, leased, constructed, or otherwise established or obtained by the Chairman through the appropriate Federal agencies. Such agencies may obtain such plants and other real property under appropriate contracts or arrangements with other public or private persons or agencies.

(3)(A) During the conduct of any demonstration project under this section the agency designated by the Chairman to conduct such project shall take such steps as may be necessary to dispose of all the electric energy and other byproducts of such project, in such manner and on such terms and conditions as such agency may determine to be feasible and in support of the objectives of this Act.

(B) To the maximum extent possible the disposition of byproducts under paragraph (1) shall be accomplished through the sale of such byproducts for commercial utilization, on such terms and conditions and in accordance with such plans as such agency may prescribe or develop.

(c) The Chairman, acting through the appropriate Federal agencies, is authorized to investigate and enter into agreements with non-Federal entities for the cooperative development of facilities to demonstrate this production of energy from solar resources.

(d) At the conclusion of the program under this section or as soon thereafter as may be practicable, the responsible Federal agencies shall, by sale, lease, or otherwise, dispose of all Federal property interests which they have acquired pursuant to this section on such terms and conditions as such agencies determine to be reasonable, or in accordance with the terms of the cooperative agreements involved.

(e) In selecting solar energy technologies for demonstration under this section, preference shall be given to those with the best opportunity for commercial success and environmental acceptability.

SCIENTIFIC AND TECHNICAL EDUCATIONAL EDUCATION

SEC. 9. (a) It is the policy of the Congress to encourage the development and maintenance of programs through which there may be provided the necessary trained personnel to perform required solar energy research, development, and demonstration activities under sections 6, 7, and 8.

(b) The National Science Foundation is authorized to support programs of education in the sciences and engineering to carry out the policy set forth in subsection (a). Such support may include fellowships, traineeship technical training programs, technologist training programs, and summer institute programs.

(c) The National Science Foundation is authorized and directed to coordinate its actions, to the maximum extent practicable, with the Project or any permanent Federal organization or agency having jurisdiction over the energy research and development functions of the United States, in determining the optimal selection of programs of education to carry out the policy set forth in subsection (a).

(d) The National Science Foundation is authorized to encourage, to the maximum extent practicable and consistent with the other objectives of this Act, international participation and cooperation in the development and maintenance of programs of education to carry out the policy set forth in subsection (a).

SOLAR ENERGY RESEARCH INSTITUTE

SEC. 10. (a) There is established a Solar Energy Research Institute, which shall perform such research, development, and related functions as the Chairman of the Project may determine to be necessary or appropraite in connection with the Project's activities under this Act or to be otherwise in furtherance with the purpose and objectives of this Act.

(b) The Institute may be located (as designated by the Chairman of the Project) at any new or existing Federal laboratory (including a non-Federal laboratory performing functions under a contract entered into with the Project or with any of the agencies represented in the Project as well as a laboratory whose personnel are Federal employees).

SOLAR ENERGY TECHNOLOGY UTILIZATION

SEC. 11. (a)(1) In carrying out his functions under this Act the Chairman of the Project, utilizing the capabilities of the National Science Foundation, the National Aeronautics and Space Administration, the Department of Commerce, the Atomic Energy Commission, and other appropriate Federal agencies to the maximum extent possible, shall establish and operate a Solar Energy Information Data Bank (hereinafter in this subsection referred to as the "bank") for the purpose of collecting, reviewing, processing, and disseminating information and data in all of the solar energy technologies referred to in section 7(c) in a timely and accurate manner in support of the objectives of this Act.

(2) Information and data compiled in the bank shall include—

(A) technical information (reports, journal articles, dissertations, monographs, project descriptions, etc.) on solar energy research, development, and applications;

(B) similar technical information on the design, construction, and maintenance of equipment utilizing solar energy;

(C) physical and chemical properties of materials required for solar energy activities and equipment; and

(D) engineering performance of equipment and devices utilizing solar energy.

(3) In accordance with regulations prescribed under section 13, the Chairman shall provide retrieval and dissemination services with respect to the information described under paragraph (2) for—

(A) Federal, State, and local government organizations that are active in the area of energy resources (and their contractors);

(B) universities and colleges in their related research and consulting activities; and

(C) the private sector upon request in appropriate cases.

(4) In carrying out his functions under this subsection, the Chairman shall utilize, when feasible, the existing data base of scientific and technical information in Federal agencies, adding to such data base any information described in paragraph (2) which does not already reside in such base. He shall coordinate or merge this data bank with other Federal energy information data banks as necessary to assure efficient and effective operation.

(b) The Chairman of the Project shall establish a solar energy incentives task force comprised of such individuals and organizations as he may consider appropriate to carry out the following functions: (1) report to the President and the Congress within one hundred and twenty days following the date of the enactment of this Act, and at least annually thereafter, recommendations for a viable program of specified, time limited, incentives or modifications to existing or proposed incentive programs to accelerate the commercial application and consumer utilization of solar energy technology; (2) carry on a program of research and investigation into the barriers to innovation in the field of solar energy, the barriers to the acceleration of the commercial application of solar energy technology, and the programs needed to remove such barriers; and (3) carry on a program of research and investigation into the social, legal, and economic barriers to the full public acceptance and utilization of solar energy technology.

(c) The Chairman of the Project shall enter into such arrangements and take such other steps as may be necessary or appropriate to provide for the effective coordination of solar energy technology utilization with all other technology utilization programs within the Federal Government.

REPORTING REQUIREMENTS

SEC. 12. Each Federal officer and agency having functions under this Act shall include in his or its annual report to the President and the Congress a full and complete description of his or its activities (current and projected) under this Act, along with his or its recommendations for legislative, administrative, or other action to improve the programs under this Act or to achieve the objectives of this Act more promptly and effectively. In addition, the Chairman of the Project shall submit annually to the President and the Congress a special report summarizing in appropriate detail all of the activities (current and projected) of the various Federal officers and agencies having functions under this Act, with the objective of presenting a comprehensive overall view of such programs.

REGULATIONS

SEC. 13. The Chairman of the Project, in consultation with the heads of the Federal agencies having functions under this Act and with other appropriate officers and agencies, shall prescribe such regulations as may be necessary or appropriate to carry out this Act promptly and efficiently. Each such officer or agency, in consultation with the Chairman, may prescribe such regulations as may be necessary or appropriate to carry out his or its particular functions under this Act promptly and efficiently.

TRANSFER OF FUNCTIONS

SEC. 14. Within sixty days after the effective date of the law creating a permanent Federal organization or agency having jurisdiction over the energy research and development functions of the United States (or within sixty days after the date of the enactment of this Act if the effective date of such law occurs prior to the date of the enactment of this Act), all of the authorities of the Project and all of the research and development functions (and other functions except those related to scientific and technical education) vested in Federal agencies under this Act along with related records, documents, personnel, obligations, and other items to the extent necessary or appropriate, shall, in accordance with regulations prescribed by the Office of Management and Budget, be transferred to and vested in such organization or agency.

INFORMATION TO CONGRESS

SEC. 15. Notwithstanding any other provision of law, the Chairman of the Project (or the head of any agency which assumes the functions of the Project pursuant to section 14) shall keep the appropriate committees of the House of Representatives and the Senate fully and currently informed with respect to all activities under this Act.

COMPREHENSIVE PROGRAM DEFINITION

SEC. 16. (a) The Chairman of the Project is authorized and directed to prepare a comprehensive program definition of an integrated effort and commitment for effectively developing solar energy resources. Such Chairman, in preparing such program definition, shall utilize and consult with the Federal Energy Administration, the National Science Foundation, the Department of Housing and Urban Development, the Federal Power Commission, the National Aeronautics and Space Administration, the Atomic Energy Commission, and other appropriate Federal agencies, State and local government agencies, and private organizations.

(b) The Chairman of the Project shall transmit such comprehensive program definition to the President and to each House of the Congress. Interim reports shall be transmitted not later than December 31, 1974, and not later than January 31, 1975. The comprehensive program definition shall be transmitted as soon as possible thereafter, but in any case not later than June 30, 1975.

AUTHORIZATION OF APPROPRIATIONS

SEC. 17. (a) There is authorized to be appropriated to the National Science Foundation for the fiscal year ending June 30, 1975, not to exceed $2,000,000 to be made available for use in the preparation of the comprehensive program definition under section 16.

(b) There are authorized to be appropriated to carry out this Act, for fiscal years beginning after June 30, 1975, such sums as the Congress may hereafter authorize by law.

Amend the title so as to read: "An Act to further the conduct of research, development, and demonstrations in solar energy technologies, to establish a solar energy coordination and management project, to provide for scientific and technical training in solar energy, to establish a Solar Energy Research Institute, to provide for the development of suitable incentives to assure the rapid commercial utilization of solar energy, and for other purposes."

Mr. METCALF. Mr. President, I move that the Senate disagree to the amendment of the House to S. 3234, request a conference with the House on the disagreeing votes thereon, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JACKSON, Mr. HASKELL, Mr. FANNIN, and Mr. MCCLURE conferees on the part of the Senate.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1974

The Senate continued with the consideration of the bill (S. 3585) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes.

Mr. CLARK. Will the Senator yield?

Mr. KENNEDY. I yield.

Mr. CLARK. Mr. President, I rise to support the Health Professions Educational Assistance Act of 1974, S. 3585. As an original cosponsor of this legislation, I am proud to be associated with it, and I know that the Senator from Massachusetts (Mr. KENNEDY) has devoted a great deal of time and effort to this legislation in order to present this body with such a comprehensive and far-reaching proposal. Enactment of this legislation will insure that many of our citizens who live in medically underserved areas—rural and inner city areas—get the best health care that is available anywhere.

Senator KENNEDY, as chairman of the Senate Labor and Public Welfare's Subcommittee on Health, has played an important role in making the health of this Nation's citizens a national concern. And throughout the years, the Senator from Massachusetts has demonstrated his genuine and deep compassion for the American people by constantly presenting the Congress with legislation that is just as important as the bill which we have before us today.

The Health Professions Educational Assistance Act of 1974 speaks to the problems which we have in Iowa, and it addresses the health manpower problems that have surfaced in almost every State in the country.

First, there is an overall shortage of doctors. Second, there is a geographical disparity in the distribution of doctors and related health personnel. And finally there is a marked imbalance between the number of primary care physicians and specialists.

In Iowa, for example, during the period from 1960 to 1970, 74 of the State's 99 counties lost physicians, and as of July 1974, only 4 of those counties had a physician average higher than the nationwide average of physicians per population.

Iowa has about 2.8 million citizens—57 percent living in urban areas, 43 percent living in rural areas. The State is divided into 99 counties, and 9 out of 10 of them are rural. Iowa has a very high proportion of older citizens with almost 1 out of every 8 persons over 65, and many of them are located in our rural areas. A majority of the towns in Iowa with less than 1,000 population have no physicians, and 27 cities with a population of more than 1,000 have no physicians. In fact, six Iowa counties have almost 50 percent of all the physicians, and nearly 90 percent of Iowa doctors in specialty practice are located in 18 counties. The remaining 10 percent are distributed through 56 counties, leaving 25 counties with no specialists at all.

For the rural elderly, getting good health care is a very difficult problem simply because of their location, their age, and their limited incomes. In Iowa, most hospitals, doctors, nurses, and nursing care facilities are located in cities. Most older people—especially the impoverished old—are not located there.

Transportation barriers prevent these rural older people from getting to the doctor in the larger areas, and even if they can get a friend or relative to drive them to a surrounding community where a doctor is located, it can take an unbearably long time to get an appointment, because of the doctor shortage.

The high cost of getting good health care is an insurmountable barrier to many older people. The Senate Special Committee on Aging has found that medicare now pays for approximately 40 percent of the elderly's medical bills, and that means older people must pay the balance out of their own pockets. Because the majority of the older citizens in this country are living on a fixed income, and the double-digit inflation has eaten away their monthly checks, these people just cannot afford the "luxury" of seeing a doctor, because they just cannot pay for it.

The present situation is not acceptable. Physicians are clustered is disproportionate numbers in those communities where they can command the highest income, and this ignores the human considerations of service and need.

The legislation before us today deals directly with the primary need: To place the healing services within reach of all the afflicted, especially those healing services which are only available through qualified physicians. Enactment of this legislation will bring physicians and related health personnel to the people and areas where they are not now located and where their services are desperately needed.

First, the legislation provides that the money now being spent on medical education be realized directly by the student—an amount currently estimated at over 50 percent of the total bill for medical education. This massive subsidy of one of the most lucrative professions has been concealed from both the recipient and the donor by the institutional filters through which it flows.

With this bill, that concealment would end. Each medical student would know exactly how much of his education depended on the taxpayer.

The second major provision requires each medical doctor to pay back a small proportion of his public-supported education in the form of limited service—either in private practice or the National Public Health Service Corps—in a medically underserved area.

There is some apprehension in the profession about this provision. But in my judgment, it is unwarranted, because the requirement is not obligatory. The individual medical student can "buy out" if he chooses. The cost of exercising this option is significant, but the option remains. In addition, the period of service is limited: 6 months of service for each year of tax-supported education with a maximum of 2 years. And during the period of service in a medically underserved area, there would be supplementary compensation to assure the physician of an income matching that of established physicians in comparable circumstances.

The legislation before us recognizes an important fact and provides for an important need. It recognizes the fact that the American people underwrite the major share of all the medical education in this country. And it recognizes the need for service. In return for educating doctors, the American people are entitled to medical services in every part of the country, not just in those communities where it is profitable to practice. This legislation will help accomplish that objective.

Mr. President, this legislation represents an ambitious and serious effort to solve the health manpower problems that exist today. The statistics in Iowa speak for themselves: The need to take affirmative action on this legislation is overwhelming. I praise my friend and colleague, the Senator from Massachusetts (Mr. KENNEDY) for his tireless work on this bill, and I urge my colleagues to vote affirmatively on the billions presented by the committee.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Louise Ringwald, of my staff, be permitted the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum, the time to be equally divided.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I would like to ask some questions of the Senator from Maryland. I will use my time in propounding the questions, and I wonder whether the Senator from Maryland will use his time for the responses.

Mr. BEALL. That is agreeable.

How much time remains, Mr. President?

The PRESIDING OFFICER. The Senator from Massachusetts has 148 minutes, and the Senator from Maryland has 111 minutes.

Mr. BEALL. If the Senator from Massachusetts will ask the questions, I will be happy to respond.

Mr. KENNEDY. Mr. President, will the Senator from Maryland be kind enough to elaborate a little bit on how the procedure will work? How would the 25 percent of an entering class that would be eligible for the scholarships be designated?

Then, perhaps he will explain to me what would happen to the medical school funding under his program if they were unable to get the 25 percent, and how the medical school is going to get the 25 percent. Say there is 50 percent of the class that wants to receive it. Is the medical school itself going to devise a system by which they are going to reduce the 50 to 25? How is that going to be done? Could the Senator elaborate on that provision a little bit for the RECORD?

Mr. BEALL. This will be left to the discretion of the school. All we are suggesting to the medical school is that they put aside 25 percent of their entering class for the students who are voluntarily, of their own accord, going to make this choice. If the school wants to expand this, they may. All we are saying is that they have to do it with 25 percent of their students.

Mr. KENNEDY. As I understand, then, the Senator would force the schools to do it?

Mr. BEALL. That is right.

Mr. KENNEDY. The Senator would require—would put the burden on every dean of every medical school to come up with 25 percent of the medical school class or he is going to lose every bit of Federal funding. Do I understand that correctly?

Mr. BEALL. That is correct. We do not think that is too much of a burden for the medical school.

Mr. KENNEDY. We shall hear a great deal about that.

Mr. BEALL. Under the Senator's proposal, they have to sign contracts for the undergraduate, over which they have no control, or they do not get a capitation grant.

Mr. KENNEDY. The school does not sign a contract under our bill.

Mr. BEALL. The school does, and so does the student under S. 3585.

Mr. KENNEDY. The student signs a contract with the Government, that is correct.

We are going to hear a great deal about compulsion and the repugnance for compulsion. I think all of us have some serious concerns about the compulsory aspects of any of the provisions.

I think the record ought to be clear that, on the one hand, we do not have compulsion or, on the other side, complete voluntarism. We would have the elements on both sides. S. 3585, I believe, will do the job and the Beall amendment will take a good deal of time to do it.

Can the Senator further tell me why he settles for 25 percent? Given the amount of need that exists in the country in terms of maldistribution, why did the Senator settle on 25 percent? Why not 50 percent or 35 percent?

Mr. BEALL. We think that 25 percent will produce, at the present enrollment of 15,000 per year, 3,750 per year. For the life of the reported bill, we would have committed to serve in shortage areas some 18,750 primary care physicians.

I refer the Senator to the section in my opening remarks where I dealt with the numbers. Admittedly, there is some debate as to how many physicians are needed, but everybody is making an educated guess. We think that on the best estimates that were available, 25 percent will apply these needs. If not we provide a bonus to those schools that will go higher than 25 percent.

Mr. KENNEDY. As I understand, therefore, the Senator will permit the Secretary to raise it to 50 percent in certain categories?

Mr. BEALL. If there is a need that is higher than 25 percent, the school may go up to 50 percent and get a bonus for that. That is voluntary on the part of the school, of course.

Mr. KENNEDY. That is arbitrary on the school. So the Secretary may say, "We need 50 percent in certain areas," and therefore require the medical schools to raise the figure?

Mr. BEALL. He cannot require it, no. In excess of 25 percent cannot be required by the Secretary. There is a financial inducement for it.

Mr. KENNEDY. What is required? Under the first 25 percent, they have to do it or lose any kind of assistance. The next 25 percent is just advisory. Or what is it?

Mr. BEALL. As to the next 25 percent, presumably some schools will want to raise it and will find it desirable because of the nature of the enrollment of their student body. In this, they get a bonus if they go up to 50 percent.

Mr. KENNEDY. They get an additional capitation bonus?

Mr. BEALL. That is correct.

Mr. KENNEDY. Where does that come from?

As an example, if the University of Maryland does increase and the University of Vermont does not increase, the University of Maryland gets the 10 percent additional bonus. Does that money partially come from the University of Vermont and the other medical schools that do not increase?

Mr. BEALL. It comes from schools that do not go that high.

Mr. KENNEDY. So that if one goes up a little higher, it will reduce Federal assistance to the other medical schools?

Mr. BEALL. Certainly. We think that is fair. We are going to reward those schools that move to deal with the geographical maldistribution problem.

We have the same situation today. For instance, Johns Hopkins gets more research funds than does the University of Maryland because it is a world famous research center. Therefore, it gets more Federal assistance for research than many other medical schools. Similarly, if Maryland University moves more aggressively to solve our distribution problems they should be rewarded for making the effort to fulfill a national need.

Mr. KENNEDY. Say that the Beall amendment is passed and the medical schools are looking over the legislative history—Johns Hopkins, for example. I am trying to figure out how many students actually go there. What is the graduating class at Johns Hopkins?

Mr. BEALL. I do not know that figure.

Mr. KENNEDY. I understand the 1975 graduating class at Johns Hopkins will be 127. Of all the new applications that Johns Hopkins will receive, say 50 percent of them went to take advantage of this program. What is the dean of Johns Hopkins going to do in selecting the 25 percent? How is he supposed to move toward that figure?

Mr. BEALL. In admissions today there are three times as many applicants as numbers of slots in any medical school. So we have many of the students going overseas. Over 3,000 last year went to foreign countries to get their training.

All we are asking the medical school to do is reserve 25 percent for these particular students.

Mr. KENNEDY. How will the medical school do it?

Mr. BEALL. In conformity with their admissions policies.

All we are saying is that, in keeping with the admissions policy of the school, they have to allot at least 25 percent of their slots to those people willing to serve in this capacity. The deans of the medical schools indicate to us that this is no problem, that they will not have any trouble filling those positions.

Mr. KENNEDY. Which deans of which medical schools say that this is no problem?

Mr. BEALL. The deans of Johns Hopkins and Maryland University.

Mr. KENNEDY. The head of the AAMC says that it is quite a problem. I am trying to find out from the Senator how he is going to suggest to somebody who is the sponsor of this amendment how the dean is supposed to decide, if, on the one hand, there are double the number of applications for that 25 percent. Then I should like to hear from the Senator what advice he would give to the dean of the medical school who says that they have only 10 percent of the applicants who want to go into this area.

Is the dean going to say, "All right, we have the 10 percent, we need 15 percent more or we are not going to get our Federal funding; therefore, we are going to take everybody whose last name ends with 'A,', 'B,' or 'C?' "

Mr. BEALL. I think the Senator from Massachusetts is oversimplifying the situation. The dean of Johns Hopkins indicates that the statement that they will have a problem filling the 25 percent is a red herring. There is no problem.

The Senator pointed out the AAMC comment. The AAMC has not talked to me about this particular objection. The Senator says they objected to it. They also say that the Senator's proposal is unconstitutional, the very same group.

At least, they do not say that my proposal is unconstitutional. Mine may create some technical difficulties for them, but apparently, in their minds, it is better than that of the Senator from Massachusetts, because his proposal, in their minds, is unconstitutional.

Mr. KENNEDY. Has the Senator from Maryland talked to the AAMC about his amendment?

Mr. BEALL. Personally, I have not.

Mr. KENNEDY. I was listening to him explain that he had the support of the deans of many of the medical colleges.

Mr. BEALL. I did not say that we have the support of the deans of medical colleges. I said that the deans we have talked to indicate that this is no problem.

We have talked to deans who are representative of the whole group—Maryland and Ohio, to name two States, Colorado for another one. These people indicate that, as far as they are concerned—and they are representative of the group—this can be done.

Mr. KENNEDY. Well, the Senator's proposal does not have the support of the AAMC, though.

Mr. BEALL. I did not say we did, no. Nor does the Senator's proposal.

Mr. KENNEDY. No, but just so the record is clear, the Senator's proposal has the feature of mandatory service. It would require that medical schools either reserve the 25 percent or else lose all their Federal money. It is a matter of opinion whether that is either more or less than the feature we are supporting. And the Senator does not have the support of the AAMC, which is the leading spokesman for the schools themselves.

I am just trying to clarify the record so that Senators who review this and are going to be voting will have a better understanding, because I know there have been some attempts to paint the Senator's amendment all white, and the committee's position all black. I am just trying to bring out certain points which I think might be of interest to some of the Senators.

Mr. BEALL. Mr. President, if the Senator will yield, I will take this out of my time because I want to make an observation about his question. Our proposal does require that they set aside 25 percent of their slots to fill the national need, but the current law requires that they increase their enrollment or they get no capitation.

I think there should be some requirement in order to get these funds. Our requirement is less of a burden for the country to carry than a national draft of all young people who are interested in attending a medical school.

Mr. KENNEDY. Well, it would be less of a burden, but it does not do the job. That is the problem.

Is the Senator from Maryland familiar with the Johns Hopkins University report on health planning of June 1974? Has the Senator been through that? It is a rather interesting program. It reviews the number of doctors in Maryland, and the counties in which they are located. Then it points out that one can extrapolate on the figures and find out that the expected graduations from the University of Maryland would be 132 in 1975, and from Johns Hopkins 127. That totals 259, one-quarter of which would be 65. Then, if you look at the figures on page 187—

Mr. BEALL. I am sorry, I do not have the report in front of me.

Mr. KENNEDY. Well, I will mention the report; maybe the Senator will have a chance overnight, before we continue with the debate tomorrow, to examine it. It is a very interesting report, which indicates that there are 1,600 doctors needed now, and it indicates the various specialties. But it talks about the necessity for 1,600 doctors now—according to the Johns Hopkins study of June 1974. Under the Beall-Taft-Dominick amendment, it would start meeting that particular need by providing 65 next year.

This, I think, is a very comprehensive report. We all use various statistics and figures. The figures and statistics that we have used have been based upon the Schonfeld-Falk study, which has generally been considered to be a significant and important study on the need for primary care physician. But I am interested in trying to measure what the Beall amendment would actually provide for the State of Maryland, as measured against the actual need. If we do so, we see that it would take about 35 or 40 years to meet that particular need.

Mr. BEALL. Mr. President, I ask the Senator from Massachusetts, since I do not have that report in front of me, are they talking about primary care physicians?

Mr. KENNEDY. Family practice, obstetrics, surgery, orthopedics, anesthesiology, pathology, radiology—the whole list. They chose the total health manpower profile for the State of Maryland, and they reached their conclusions about manpower shortages in Maryland and about where the areas of greatest need are.

Mr. BEALL. Does it show an overpopulation of doctors in certain areas of the State?

Mr. KENNEDY. That is right, yes. It shows that in Garrett County, for example, there are 7,159 persons per doctor, and in Montgomery County there are 762. So it goes into that somewhat, then it talks about the Eastern Shore, southern Maryland, Baltimore, the whole State—a very comprehensive report. I commend it to the Senator. I am sure he would find it very interesting, because it probably does as much to substantiate the need for this type of legislation as any document that I have seen, and I know the Senator would be interested in it.

Mr. BEALL. Yes, I am interested in that, because the University of Maryland has done a similar study, and they show that the State's need is 821 doctors. So, the studies do not agree on the number of doctors that are needed.

I happen to live next door to Garrett County, which the Senator used as an example. The thing that bothers me about drafting doctors to move into Garrett County is the fact that we will have a revolving door. What we are trying to do is create a voluntary system, where the people would make a voluntary commitment in advance of the time that they go to medical school. We feel that would be a commitment they would keep, because they wanted to serve in areas where they could be of greater service.

I am sure that Garrett County does not want a new doctor every 2 years. We want someone who will stay and be a part of the community, and develop the type of doctor-patient relationship in which they can have a lifetime of service from an individual. We think this can be done on a voluntary basis. We do not think it requires national conscription to set up these revolving doors all over the country.

I am also concerned about the fact that this will lead to an overutilization of physicians. There are some areas of my State, for instance, where perhaps it is not in the public interest to have a doctor. The doctor should be on call, but most of the necessary service can be rendered by a doctor assistant with consultation with a nearby doctor. We have to be concerned about the effective and efficient utilization of the manpower, in order to keep the cost down to the consuming public.

Mr. KENNEDY. Since we are talking about Garrett County, I understand that they have gone from 10 doctors in 1960 to 7 doctors in 1970.

Mr. BEALL. The Senator is talking about——

Mr. KENNEDY. Garrett County.

Mr. BEALL. That is correct. And of those 10 in 1960, probably half of them were over 65 years of age.

Mr. KENNEDY. I am sure the Senator speaks for the people of Garrett County, but I fail to understand how they could be assigned under the Senator's provision, by requiring 25 percent of the medical school class, rather than under our provision, which provides for permitting the Secretary to make assignments to unserved areas on the basis of need. I fail to follow the Senator's argument.

Mr. BEALL. If the Senator will yield——

Mr. KENNEDY. What I do follow is that the maldistribution is extremely severe in this country.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. KENNEDY. Yes.

Mr. BEALL. Because he is talking about my State, and I think we ought to use up-to-date statistics.

Mr. KENNEDY. I have referred to the study of one of the great medical institutions of the Senator's State.

Mr. BEALL. I appreciate that.

Mr. KENNEDY. The figures from which I am quoting.

Mr. BEALL. The figure the Senator used showed the doctor population of Garrett County, Md., in 1960 and 1970, and the figures showed they had how many doctors in 1960? Ten, I believe the Senator said?

Mr. KENNEDY. Yes. And seven in 1970.

Mr. BEALL. In 1970, we passed the Health Manpower Act to increase the number of doctors. We have been trying to get things better without resorting to a draft.

Now, although the population of Garrett County has remained the same between 1960 and 1970 and 1973, I am happy to report that, as a result of some initiatives taken here in Congress, as a result of some initiatives taken by the State of Maryland, as a result of some progressive new programs offered by the State medical institutions now in Garrett County, there are 11 doctors. So, in the last 3 years, you see, the number has gone up from 7 to 11, and there is improvement, and it is being done without having a national conscription program to draft doctors, to put them on a revolving door basis in the rural parts of America.

Mr. KENNEDY. The point remains we could go through the various provisions on the doctor deficiency. What I am quoting is the study that has been done by one of the great medical institutions of the Senator's State.

Mr. BEALL. That is outdated; it is not up to date.

Mr. KENNEDY. It is June of 1974. I do not know where the Senator is geting his figures on those. I would be glad to have access to it if he could name a source. We have the study here, and it talks about the distribution shortage all over the State of Maryland, and it was produced in June of 1974. If the Senator has something more that would be helpful to the debate we would welcome it so we could get a chance to examine that during the course of the evening. But these figures the Senator has been quoting have been based upon the study of Johns Hopkins produced in June of 1974, and they showed this gradual loss of the medical profession in most of the areas of the State.

Let me go beyond this, if I may. As I understand the Senator's amendment it is an entitlement, am I correct, I ask the Senator from Maryland?

Mr. BEALL. Yes.

Mr. KENNEDY. What kind of assurances can the Senator give to any of the medical schools that they are going to get an adequacy of appropriations?

Mr. BEALL. There, of course, I cannot give any assurance of appropriations. But I have great faith in the Appropriations Committees of the Congress of the United States. I think history shows they recognize the various national needs. And if the problem is of the magnitude we think it is, the Appropriations Committee will respond, and I would not want to reflect upon the Appropriations Committee which contains responsible people and who are willing to put the priorities in proper order.

Mr. KENNEDY. I have listened to the Senator from Maryland offer amendments to the various appropriations bills that have come from the Appropriations Committee. He has not always been one to take verbatim what has been appropriated by the Appropriations Committee.

Let me go further then. If the Appropriations Committee fails to appropriate the money, would the deans of the medical schools then be able to reduce the numbers of people who would have to serve, say, from the 25 percent to a lesser figure?

Mr. BEALL. No, they would not be.

Mr. KENNEDY. What would they be required to do?

Mr. BEALL. The same as they did before, except they are going to get scholarships but reserve 25 percent of their slots for these kinds of students. There are all sorts of Federal scholarships and loans. There are State scholarships.

Mr. KENNEDY. I mean what if we get a reduction of appropriations. I think, generally, as I have seen various appropriation bills that have come before the Senate. They have just come flying through this body with, perhaps, the exception of the HEW appropriation which, of course, has been vetoed three different times over the period of recent years. But, generally, someone just offers an amendment of a 10 or 15 percent reduction on any appropriations, and that just whistles through this body.

I can foresee the possibility, and I think it is a very real possibility, that the appropriation will not quite be what any of the medical schools have been seeking. All the Senator has to do is talk to the Secretary of HEW, who wants to see a significant reduction in appropriations to medical schools generally, and that will be going the position of the administration. Then the medical schools are caught in a position where they have a limited amount of money to carry on the total educational effort.

The Senator provides them with the entitlement so, on the one hand, they have to provide the appropriation for the scholarships while, in the meantime, they take away from the medical school programs for three-quarters of the rest of the class.

I mean, there is nothing in the Senator's amendment which can meet that particular problem. There is no assurance that if there is less of an appropriation that the numbers may go down. I would not support that in any event, but I mean it just shows the particular problem, one of the problems, I think, that the Senator has.

Mr. BEALL. Of course, there are many programs a student can use to get in.

Mr. KENNEDY. We are talking about the medical schools.

Mr. BEALL. I know the Senator is talking about the medical schools.

Mr. KENNEDY. Not whether they have a scholarship program set up after the name of a particular person. We are talking about the medical schools under the Senator's entitlement where they will be required to take whatever moneys are available, and put them in the scholarship program that will draw down from other medical school functions which are absolutely essential in terms of medical education.

The Senator cannot give us any assurance. As a matter of fact, the Senator writes in that the medical schools have to do that.

Mr. BEALL. The Senator is correct. We do write in the medical schools have to do that; the same as the Senator writes in——

Mr. KENNEDY. Johns Hopkins and Ohio and Colorado are prepared to accept that?

Mr. BEALL. I think they can. I would point out to the Senator I think the Appropriations Committee will adequately fund a proposal of this sort, and I use the recent favorable consideration of a funding for the physician area shortage scholarship.

In addition, I point out to the Senator, as he well knows, there are other methods of providing assistance to go to medical school. We have the loan forgiveness program, and we can do that. So the medical schools are not going to have too much difficulty with these provisions.

Mr. KENNEDY. Has the Senator received any assurances from the President that he is going to request this money, or HEW that they are going to? Can the Senator make any record here on the floor of the Senate that this is the kind of financial support that they are going to request?

Mr. BEALL. No, I have no assurance. But the Senator has no assurance either that the capitation——

Mr. KENNEDY. No, but the students will be required to serve whatever the medical schools receive. We know those young people. I am talking about what is going to be on the out end of this, and it is going to be the people in Garrett County and it is going to be the people out in Roxbury or other communities who are going to get the doctors. The medical schools might have the problem if they get a cutback on the funds, but nonetheless we know what we are going to get on the other end of this.

Let me ask the Senator further, does this have the support of the administration?

Mr. BEALL. I do not know whether it has their support.

Mr. KENNEDY. Does the Senator's amendment have their support?

Mr. BEALL. I do not know whether it has the support of the administration or not.

Mr. KENNEDY. Can the Senator give us any idea? Has he asked the administration whether they support it?

Mr. BEALL. All we know is that the administration prefers our approach to the Senator's approach.

Mr. KENNEDY. That does not answer the question.

Mr. BEALL. Of course, it does not answer the question.

Mr. KENNEDY. I am looking for a response to my question of whether it has the administration's support. I think it is just——

Mr. BEALL. I do not know whether it has the administration's support or not.

Mr. KENNEDY. The Senator does not have anything which says it does?

Mr. BEALL. No.

Mr. KENNEDY. I would think any sponsor of an amendment, with a new administration like we have now, would want to get the support of that administration, of the Secretary of HEW.

Mr. BEALL. I can say at this point that I do not know whether it is in support of it or not. I cannot say that it is in support.

Mr. KENNEDY. The reason I question the Senator's generosity toward the Appropriations Committee is I remember an amendment that the Senator from Maryland offered dealing with the physician area shortage, and the budget request from the President was zero, zero, zero, in 1972, 1973, and 1974, and then with regard to the—excuse me, I guess it was zero in 1972; it was $2 million in 1973, of which $2 million was impounded, and then the Senator got $2 million in 1974. So, I mean, maybe the Senator from Maryland is a lot more enthusiastic—I mean maybe he is a lot more sanguine—with the kind of appropriations he is going to get or his attitude toward what he will receive from the administration. For, I daresay, on this particular area of concern, whether it is in the area of scholarships for needy people going in underserved areas or whatever, the administration has not put their buck where their policy statements are.

I am just wondering what assurances the Senator from Maryland is able to give us that it is going to be any different with his program.

Mr. BEALL. Well, let me say to the Senator from Massachusetts that I cannot give him any particular assurance, speaking for the administration. I do not speak for the administration, but I am happy to say, that the Appropriations Committee did approve funding for the physical area shortage scholarship bill, which is a precedent which shows they have a concern about this particular problem and are willing to appropriate some money for it. Although the administration did 1 year impound the money, they finally did fund it, we finally got the programs. We had some 1,000 applicants for scholarships awarded. So there is an awareness downtown of the need to do something.

I think there is some give on the part of the people of HEW, and I would point out to the Senator that he does not have any assurance that anybody is going to appropriate any money for his program either. I am suggesting, however, that ours will equally meet the needs of the people to be served. We are not requiring of young men and women that they put their names on the dotted line and, in return, say "I am going to serve where my Government tells me to serve in these areas."

We are suggesting that we do not have to have a draft; we do not have to conscript young people to move them into certain areas of the country to practice medicine.

We are suggesting that the medical schools can set aside a sufficient number of slots, and there are a sufficient number of graduates who will be willing to commit themselves to serve in these areas so that the national needs can be met.

I would point out to the Senator there are 3,000 young men and women each year going outside the United States to get their medical training, I am sure that these 3,000 students would be willing to go to any medical school in the United States; and in return for going to any medical school in the United States they would be willing to make a commitment to serve.

Mr. KENNEDY. I could not agree with the Senator more, and I think that is why we will get them under our proposal.

Mr. BEALL. The Senator is getting them. But you are drafting them.

Mr. KENNEDY. What is the difference between a dean of a medical school saying to the students, "All right, 25 percent of you are going to serve in an underserved area," or saying, "All of the students are going to have to serve."

If the Senator from Maryland can explain to me that difference and distinction, where on one hand it is compulsory and on the other hand voluntary, I will be extremely interested to understand it, because the logic of that argument fails me.

I do not know how my good friend from Maine sees it, but it fails me, I do not see it.

Mr. BEALL. We are asking them to make the decision at the same time they make their decision to go to medical school. We are not saying to everybody in medical school all over the country that they are going to serve where Uncle Sam tells them to serve.

Mr. KENNEDY. They do not have to go, they do not have to go to medical school if they do not choose to. A school does not have to take capitation grants if they do not want to.

Finally, I just say that if the Senator's program is so appealing, I just do not understand why we do not have a letter on our desks from the AAMC urging us to support it. I do not see it.

We have not seen the precise amendment until earlier today, although I would say in general theory, in fairness to the Senator from Maryland, he has explained it during the course of various markups of the committee, and I do not think it comes as any particular surprise. But I have talked about this type of approach to spokesmen for the AAMC and I find a coolness and opposition to this approach.

If I am wrong, I will be happy to correct that record, or hear from the Senator from Maryland any evidence to the contrary.

I see the Senator from Maine is on his feet. I had some additional questions about the licensing provision.

Let me just say, finally, that the Senator's amendment will amend the Immigration and Naturalization Act with regard to FMG's. As a member of the Subcommittee on Immigration and Naturalization of the Committee on the Judiciary, I am sure the Senator from Maryland has talked about this to Senator EASTLAND, who is chairman of that committee.

We have an immigration act coming up later on but I am sure Senator EASTLAND is going to be interested in how we will change section 704 to exclude some foreign medical school graduates. But I am sure the Senator has talked——

Mr. BEALL. Does the Senator disagree with what we have done?

Mr. KENNEDY. Excuse me?

Mr. BEALL. Does the Senator disagree with what we have done?

Mr. KENNEDY. I just see these references to it.

I intend to talk with the Senator on it and take up the provisions on the scholarship program and then get into licensing. Then I thought we could get into some of these other provisions.

I am happy to yield to the Senator.

Mr. BEALL. I would like to respond before the Senator from Maine in regard to the FMG situation.

I would like to study it when the Senator has time, whether or not the Senator agrees, but we did show this to both majority and minority staffs on the Judiciary Committee prior to bringing it. As a matter of fact, we have heard no objection from the committee and they have known about it for at least 2 weeks.

Mr. HATHAWAY. I thank the Senator from Massachusetts for yielding to me. I just want to ask a question.

Is not the provision in the substitute of the Senator from Maryland with regard to having 25 percent of the class volunteer, the incentive to volunteer being the scholarship, is not that provision going to discriminate against the poorer members of the class? Are they not the ones to be more or less forced to volunteer for this so-called volunteer service?

Mr. BEALL. First of all, we authorized a disadvantaged scholarships program so these students will be able to go into the other unreserved 75 percent positions. There is a correlation, as a matter of fact, between those students from the underserviced areas and those who need more assistance, and we have found that students from underserved areas are quite anxious to go back in return for the scholarship.

But there is opportunity in the bill, because of the minority scholarships, for the low-income student to be included among the 75 percent who are in a group that is not going to be required to go and serve in the underserved areas.

Mr. HATHAWAY. I understand that, but it seems to me, arguing against the substitute, like the All Volunteer Army, it discriminates against the poorer people in the Nation, and the same thing will happen with respect to the Senator's substitute.

Another question with respect to licensing, according to testimony that was taken in reference to the hearings, I understand that the programs now in effect, the so-called FLEX program, are a lot more flexible—if the Senator will excuse the pun—than it would first appear in that various States can have various passing grades so that we are not approaching the uniformity that the Senator from Maryland would lead us to believe.

Mr. BEALL. There was some testimony that some States only had 70 percent, but as far as we know, the only issue was raised with the FMG, not graduates of American medical schools.

Mr. HATHAWAY. I could not hear the answer of the Senator. Would the Senator repeat it?

Mr. BEALL. I said, as far as we know, the only issue concerns the FMG rather than the domestically trained doctors;

and I missed the other part of the Senator's statement.

Mr. HATHAWAY. Well, I understand that even though the same examination may be given in the various States, the testing grades can vary from State to State. A doctor could in one State, for example, pass with a 50-percent grade. Another applicant in another State would have to get 75 percent, so that we do not get the uniformity of licensing requirements.

Mr. BEALL. Does the Senator have evidence there are wide discrepancies?

Mr. KENNEDY. Will the Senator yield?

Mr. HATHAWAY. On page 137, I think it is, of the report of the committee, a quotation from the hearing indicates there is this flexibility.

Mr. BEALL. Is it not between 70 and 75, generally?

Mr. HATHAWAY. To reply to the Senator from Maryland, I do not find any statement about what the passing grade was.

Mr. BEALL. Let me ask the Senator a question.

Was evidence presented to the committee that it made any difference as far as the question of quality to the patient, whether there was a grade of 70 or 75?

Mr. HATHAWAY. I do not know of any testimony on that, but it is not necessarily relevant to the question at issue.

Mr. BEALL. I think it is.

Mr. HATHAWAY. It does not relate to the question of minimum standards of licensure.

I would think the place to start would be to have the same test administered to every applicant for a medical or dental license throughout the country.

If the passing grade varies from State to State, we are not going to have that even starting point.

Mr. BEALL. I know the various States give bar examinations and not all the States require the same test. Does that mean that lawyers in some States are smarter than lawyers in other States, or that people who are getting the services of attorneys in some States are getting better service than those in other States? I do not think so. Would you expand a national licensing requirement to attorneys if such was the case?

Mr. HATHAWAY. I would be in favor of expanding the national licensing to attorneys if the need was as dire as in this case, and that is the case for adequate medical services throughout the country. I have not had the opportunity to listen to testimony about the need for adequate legal services throughout the country, but if testimony indicated that, I would be happy to support a bill that required a standard bar examination throughout the country.

As a matter of fact, I think a standard bar examination now has been agreed to by many States.

Mr. BEALL. Can the Senator point to testimony that we received before the committee that indicated there was a need for national licensure of doctors from a quality standpoint, other than in the case of the foreign medical graduate?

Mr. HATHAWAY. I believe that the testimony does so indicate.

Mr. BEALL. If the Senator believes that, I would like for someone to show it to me. I do not think there is any testimony that I know of that shows there is a quality question between a 70 and a 75 on the FLEX test. I think the only question is the quality of the service pertaining to the quality that was available through foreign medical graduates.

Mr. TAFT. Will the Senator yield?

Mr. HATHAWAY. Yes.

Mr. KENNEDY. Before we leave this point, if the Senator from Maryland or Maine will yield on this, I refer to the testimony of Dr. Derbyshire, which points out the very considerable variations of requirements for eligibility for gaining a license to practice medicine. It reviews the requirements in very considerable detail, which we either do or do not have to consider, depending upon the will of the Senator from Maryland. Dental licensure statistics from 1967 to 1969 show that in 14 States in 1969, not one person failed the licensing exam. Twenty-one States failed nonresidents. There were only six States that failed both nonresidents and residents equitably. I think if the Senator is happy about going to a dentist in a State that has not failed a resident of that State for 25 years, that is fine. But it seems to me that if we establish minimum national standards, applicable across the board, leaving the flexibility to the States if they want to set higher standards, that this is a useful and desirable effort. National uniform standards for licensure have been endorsed by the Carnegie Commission, the 1967 Presidential Commission report, and by a number of other recent health manpower studies.

It is something that, for example, the Association of American Dental Schools is a strong supporter of it.

I do not really quite understand what the point is of the Senator from Maryland. There are variations between States and lack of uniform requirements for licensure. There are variations in terms of basic science requirements and other different testing devices.

I do not think we are very far apart, quite frankly.

What we are interested in is trying to establish the minimum uniform State standards across the board, and national standards in those States which refuse to move in those directions. We would permit some flexibility in the States if they want to set higher standards.

I fail to see the reason for dispute. There may be dispute about the different ways and means of doing that. It seems to me the Senator from Maryland in reviewing that testimony could see constant examples, both in the dental as well as in the medical profession, where there have been entirely different gradings of exams.

It seems to me that establishing some standards makes a great deal of sense. I understand that that it really the point which the Senator from Maine is making. We can get into as much detail on that particular issue as we would like.

Mr. HATHAWAY. If the Senator would yield further on that point, it seems to me that the States could take the time to do this by adopting various uniform tests. I do not see why the Senator from Maryland, or others supporting a substitute, would be opposed to doing this the way the committee bill does, if that is the eventual objective of the various States adopting a standard test. Why not incorporate it as in the committee print?

Mr. BEALL. I think Dr. Derbyshire said that most States are now moving towards the FLEX test. They are working toward uniformity at the national level in the testing of doctors.

I am suggesting that the reason I do not want to see it done nationally is, one because we do not need it; in the second place, it is repugnant to my philosophy to have the Federal Government take over the licensing of all health professions in the country; and, in the third place, it would cause additional bureaucracy, which we do not need.

Mr. KENNEDY. Did the Senator vote for the 55-mile-per-hour speed limit the other day?

Mr. BEALL. With some misgivings.

Mr. KENNEDY. I am glad that we are prepared to vote for the 55-mile-per-hour speed limit on the one hand to save lives and not vote for national licensure standards to save lives.

Mr. BEALL. I voted for the 55-mile-per-hour speed limit on Federal highways, which is paid for by Federal money.

Mr. KENNEDY. This is paid for by Federal money, too.

Mr. BEALL. Not in all cases.

Mr. TAFT. Will the Senator from Maine yield?

Mr. HATHAWAY. I believe the Senator from Maryland has the floor.

Mr. BEALL. I yield to the Senator.

Mr. TAFT. It seems to me that it is a very different picture, obviously, and I do not think that answers the questions that have been raised shifting over to the dental field. The question is as to the FLEX.

I have an article from Medical Licensure, 1973, a statistical review. I would like to point this out to the Senators. I will quote from page 446, the middle paragraph:

> The adoption of FLEX by all but four licensing jurisdictions (Florida, Texas, Puerto Rico, and the Virgin Islands) has eliminated much of the variation in the management of failures. In March 1974, half of the states using FLEX said they permitted candidates failing one or two of the three sections of the test to retake the section(s) they failed. Most states now consider an overall weighted average of 75 as passing, but there are some that have accepted grades of less than 75. Physicians should know that a score of less than 75 in FLEX is absolutely unacceptable to any board other than the one to which they initially applied to take the test.

So, for all practical purposes, except in the States themselves where the examination is taken and there may be some tolerance of a grade less than 75, the grade of 75 is mandatory for licensing throughout the United States.

The PRESIDING OFFICER (Mr. ROTH). The Senator from Massachusetts.

Mr. KENNEDY. I yield to the Senator from Maine.

Mr. HATHAWAY. If the Senator from Maryland likes the FLEX test so much, why not incorporate that as the standard of 75 and have all the States abide by it? That can be the floor that we are talking about in the committee bill. All States would have the FLEX test with a 75-percent passing grade.

Mr. KENNEDY. I do not know whether it is 75 percent. I would like the Secretary of HEW make a decision whether it should be national boards or FLEX, and let him make a determination as to what *the minimum* grade would be. That is entirely agreeable to me, if he wants to.

Mr. BEALL. Do you think the Federal Government should take over the whole thing and not have it handled by the States?

Mr. KENNEDY. All I am saying is that if they want to have minimum standards, with additional kinds of requirements to provide additional protection for the people, that is satisfactory to me. But it seems to me we ought to be getting some bare minimum standards to make sure that people are going to be adequately protected. That is all we are talking about.

If the States are not going to do that, I think we ought to have some minimum national standards. As a mattter of fact, in reading the explanations of the Senator from Maryland, he appears to be doing that. In his explanation, he explains that if a State failed to establish licensure within a required time, the Federal standards would be applicable; and then he talks about a foot in the door and quotes some committee report language. I would be glad to work out that part.

Mr. BEALL. It might be interesting to read the quote. That was not our quote.

Mr. KENNEDY. The Senator from Maryland is quoting the staff report language. I thought what was in the legislation counted. I hear that on the floor of the Chamber and in the conferences.

Mr. BEALL. We are quoting the committee report.

Mr. KENNEDY. The point is that if the Senator from Maryland has an amendment to try to provide some basic kinds of minimum standards, to permit the States to reach these standards within a reasonable period of time, to establish higher standards for practicing in those States, I think we can work out some language.

Mr. BEALL. I say to the Senator from Massachusetts that I do not think the Federal Government ought to be involved in areas where there is no need for it. We hear from the Senator from Ohio (Mr. TAFT) that there already is a minimum standard. A person cannot go from one State to another to practice medicine until he has 75 in a FLEX test.

Maybe it is desirable in the State of West Virginia, for example, if they say to their own people, because they need doctors, "We will let you in with a 70," and they may be doing it to get sufficient doctors.

At least, the States are setting standards. When it comes to a question of whether you are going to have a doctor or not have a doctor, five points may make no difference. There was no testimony in the committee that indicated to us that there was a difference in the quality of the delivery of service between a 70 and a 75.

Mr. KENNEDY. The Senator is talking about a proportion of the medical profession. He is not including the FMG practicing with temporary licenses. What we are doing is setting some minimum standards—for example, proficiency in English and uniform passing grades. If States want to have other additional requirements that is fine.

It seems to me that it makes a difference when we find that three times as many foreign medical school graduates are failing the exam as are boys and girls trained in this country. I think that says something about foreign medical school education. We are trying to do something about it.

Mr. BEALL. The Senator is raising a nonissue, because we acknowledge that the problem exists with the foreign medical school graduate, and we do something about it. We say, "Just because you have a problem with the foreign medical school graduate, you do not have to do something about every domestically trained doctor in the United States by imposing licensure." Our substitute addresses the FMG problem, and it does not throw the baby out with the bath water.

Mr. KENNEDY. We are prepared to provide no-fault insurance, a minimum standard. We voted overwhelmingly here for 55 miles an hour. Actually, I was content to let the States make that decision, quite frankly. We are now considering life-and-death issues, and we are failing to be willing to provide some very minimum standards, which do not exist at the present time and which certainly do not exist with regard to State dental requirements for licensure. The Senator's remarks are limited to one specialty. I think that point has been made.

I am prepared to yield further to the Senator from Maine.

Mr. BEALL. May I respond to the Senator, briefly?

He mentioned no-fault insurance, and I think we ought to make an important distinction here. There is a vast difference in the case of the licensing of a doctor.

The Senator is talking about three States that do not now give the FLEX test. They are all moving in that direction, and it will only be a short period of time before they will give it.

I suppose the Senator from Massachusetts thinks that because no-fault insurance is a good idea, we ought to put everything under Federal control and not let the States do anything anymore, even though they do not need it.

Mr. KENNEDY. Will the Senator tell me what States are providing for temporary licenses, States that say one does not even have to meet the FLEX test but in which one can get a temporary license? After he tells me that, can the Senator tell me how many States permit conditional licenses?

There is more than one way. You pass the exam or get in on a provisional or temporary license, 43 States permit that.

Mr. BEALL. Is the temporary license a problem for the American graduate or the foreign graduate?

Mr. KENNEDY. Both.

Mr. BEALL. Should not the State have the right to deviate from its own rules if it finds that it is in the State's wellbeing to do so? We are only talking about 5 points on the test—75 and 70.

It may be desirable in States with no doctors to say "We will let you in if you have a 70, rather than a 75, on a temporary basis." But that is a determination that is in the national interest and in the State's interest.

Mr. KENNEDY. We have a situation in which licensure laws are absolutely riddled with exemptions and loopholes which are being used by foreign medical graduates as well as others, in the mental institutions, in the prisons, in the underserved areas, in the poorest communities. We find that this is a problem. In trying to address that problem, there may be some legitimate reasons why either temporary licenses or conditional licenses ought to be permitted. There may be sufficient justification for it. It seems to me that that can be worked out in terms of establishing some minimum national standards.

I yield to the Senator from Maine.

Mr. HATHAWAY. Mr. President, I ask the Senator from Maryland, on the licensing problem, why he has not incorporated into his substitute any provision for relicensure. We all recognize that some physicians, after a certain number of years of practice, have lost touch with the modern methods of treating patients. Unless we have some kind of relicensing provision, the public is not going to be safeguarded against those members of the medical profession who do not keep themselves up to date.

Mr. BEALL. I presume the Senator was not in the Chamber when I made by initial statement.

Mr. HATHAWAY. I was in the Chamber, but I do not recall hearing that.

Mr. BEALL. The Senator probably was not listening as attentively as I thought. I should like to recall to him some of the evidence I presented in the original statement, to the effect that professional societies are taking care of this themselves. I read a list of the societies.

As a matter of fact, the Senator will recall that during our committee deliberations, we did not get any evidence as to this. The PSRO's are just in operation. We concluded that since we have established PSRO's, and they are now pretty well acceptable over the country, it is much more desirable to get peer review, measuring output, and to let it be done by the people providing the service in the area, than it is to impose some sort of artificial relicensure standard on them, where the doctor perhaps will not be able to meet the requirements because he does not have time to do so, because he is practicing medicine too hard.

I am sure that in the Senator's State——

Mr. HATHAWAY. I say to the Senator from Maryland that I think that, depending on how the peer review system is organized, it might be a good mechanism to effectuate the purposes of relicensing requirements of the bill. I think the Senator will recognize that some peer review operations can simply be a backscratching professional societies, and some doctors can find others to be competent so that they can continue their practice. We do not want to see that happen unless we have some kind of uniform standard for peer review.

If we are going to solve this problem, I think it has to be somewhat regulated by the Department of Health, Education, and Welfare or some national agency.

Mr. BEALL. I think that we are making a determination here in advance of the evidence. We have no evidence that peer review organizations turn out to be backscratching professional societies. There has just been no testimony on that point. No one suggested that.

I think we have to let some time pass to determine whether these people are doing the job. The evidence today is that we can accept that they are doing the job.

Mr. HATHAWAY. I wonder if we do have the evidence—I do not know whether we do or do not—that peer review organizations are backscratching professional associations. I think that commonsense tells us that they can be that way if they are in a small enough community. We do not have the assurance that there are good peer review organizations, either small or large, throughout the entire country. The bill should simply make sure that such uniformity does exist.

Mr. BEALL. As I point out in my statement, we have testimony that 22 out of 23 specialty boards are seriously considering recertification. In addition, two States have enacted laws requiring relicensure. Further, the American Board of Internal Medicine will offer a voluntary recertification exam this fall; the American Board of Family Practice will require recertification for all its members in 1976; the Board of Opthalmology is considering a voluntary self-assessment exam in 1975. The Board of Thoracic Surgery is considering that. The American Board of Surgery plans mandatory recertification after September 1, 1975.

So, you see, Mr. President, it is taking place. It is taking place, I think, because we have established peer review as a part of the medical system in the United States.

Why establish licensure standards to create another bureaucracy at the Federal level on something that is already happening? And it is already happening.

Mr. HATHAWAY. I say to the Senator that since the admonition of the Advisory Commission on Health Manpower, perhaps it is true that we have voluntary efforts to review the qualifications of those who are continuing to practice medicine. But the essential purpose of having a relicensure provision in the bill is to make sure that this is going to be done throughout the country, that it is not just a voluntary basis, and that it will be uniform throughout the country. It is for the same reason that the national licensing requirement is placed in the bill.

Mr. BEALL. Excuse me, was the Senator asking me a question?

Mr. HATHAWAY. Please do not ask me to repeat all that.

Reiterating what I said before, and maybe the Senator is right, that we do have a lot of voluntary efforts throughout the country that from time to time pass on the qualifications of those who practice medicine. But the purpose of this bill is to make sure that this is done throughout the Nation and done uniformly throughout the Nation.

It is for the same purpose that we have the licensing requirement. The licensing requirement is something like the air pollution control legislation. We require certain minimum standards of air pollution. The States can make the requirements tougher than that, but they cannot go below that standard. It is to prevent the situation that the Senator from Maryland pointed out that we do not drop the passing mark five points so that the unqualified doctors can practice in that State. We simple do not want any doctors practicing in that State who do not come up to the minimum standard. If we drop it five points below the standard, we would be doing a disservice to people who are seeking medical care in that State.

Mr. TAFT. Will the Senator yield?

Mr. HATHAWAY. I promised the Senator from Wisconsin that I would yield to him.

AUTHORITY TO PRINT ADDITIONAL COPIES OF REPORT ENTITLED "A PROGRAM TO REDUCE INFLATION AND RESTORE ECONOMIC GROWTH"

Mr. PROXMIRE. Mr. President, I introduce a resolution and ask for its immediate consideration.

This resolution has been cleared with the Republican leadership and it is offered in behalf of Senator MANSFIELD and myself. The purpose of the resolution is to have 4,000 copies of the Joint Economic Committee report made so that it may be made available to the White House for the summit conference on the economy.

The resolution (S. Res. 408) was read, considered by unanimous consent, and agreed to as follows:

Resolved, That there be printed for the use of the Joint Economic Committee that quantity of additional copies of its report entitled "A Program To Reduce Inflation and Restore Economic Growth" as may be obtained under the $1,200 statutory limitation.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1974

The Senate continued with the consideration of the bill (S. 3585) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes.

Mr. PROXMIRE. I ask unanimous consent, Mr. President, that upon the conclusion of the debate on the Beall amendment, whether time is yielded back or whether it is simply a matter of the time expiring, I be recognized for the purpose of offering an amendment to the amendment at that time.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. Reserving the right to object, I am familiar with the amendment of the Senator from Wisconsin. I think he certainly should be protected on having an opportunity to offer it. I shall have to object at this time, to make sure that he have an opportunity to offer it. In terms of some of the other amendments that have been offered and have been talked about, whether they are, in a matter of proceeding, to be more readily considered then rather than that of the Senator from Wisconsin would be something I would like to consider.

I object at this time, but I shall be glad to work with the Senator from Wisconsin.

Mr. PROXMIRE. I appreciate the Senator's consideration. All I want is an opportunity to offer an amendment on the floor. It is just a matter of whether I offer it first, second, third, or fourth.

If the Senator would prefer that I offer it later, I shall do that. But as a matter of convenience——

Mr. KENNEDY. I shall give the Senator from Wisconsin a guarantee to protect his rights so that he will get a chance to vote on the amendment, whether it is to the Beall amendment or the other.

Mr. PROXMIRE. I have talked to the Parliamentarian. It is my understanding that I must offer it to the Beall amendment in case the Beall amendment succeeds. If I do not do that and the Beall amendment should succeed, then I am foreclosed. So I must offer it on the Beall amendment.

Mr. KENNEDY. I give every assurance to the Senator from Wisconsin that his opportunity to vote on that will be protected. I understand the parliamentary situation in that respect.

Mr. TAFT. Mr. President, will the Senator from Maine yield?

Mr. HATHAWAY. I am happy to yield.

Mr. TAFT. I rise really for the purpose of clarification. Is my understanding correct that there is in effect a grandfather clause in the bill—not the substitute, but the bill which originally came before us—as to any physicians that are presently practicing that would exempt them from any renewal licensure provision?

The reason I raise the question is that it seems to me, as the Senator from Maryland has indicated, that we have been making, I think, a great deal of progress in State licensure efforts and uniformity being developed. Certainly, the great preponderance of physicians indefinitely are going to be exempted and put in renewal anyway.

It seems to me pretty meaningless, really, to talk on that particular issue. As to the renewal of licenses of men who now come in, presumably, when they want to come in and take the examination, we are not going to make rules that require them to have a reexamination within a fairly brief period of years.

As to doing something about the situation right now, I really think that the bill is not attempting to do that on the renewal question.

Mr. HATHAWAY. The grandfather clause is restricted to——

Mr. TAFT. I have it here before me on page 252, line 3. It states:

> (3) Procedures for the renewal of licensure prescribed under this section shall not, so far as they are applicable to physicians and dentists who are licensed to practice their professions in any State on the date of enactment of this section, require the taking of an examination as a condition of relicensure. Nothing in this paragraph shall be construed to preclude a State or appropriate professional organization from establishing such procedures as it deems necessary for the relicensure of physicianes and dentists.

Mr. HATHAWAY. That is the grandfather clause that the Senator has just read, which pertains to taking an examination as a condition to relicensure. It does not mean that we cannot have a peer review system.

Mr. TAFT. I do not know how else they are going to be relicensed with any meaningful impact other than by examination.

Mr. HATHAWAY. But it does not preclude the State from having the practitioners take certain courses or conform to certain standards as a condition to relicensing. It just says that it does not require an examination as a condition for relicensing.

I am not sure how that would be interpreted. Taking a course, if you are not going to take an examination at the end of it, is pretty meaningless to me.

I think the examination that is referred to in line 7 on page 252 refers to the examinations given by the State, and not to the type of examination that would be given in a course that would be required by the State as a condition of relicense.

Mr. TAFT. If he is going to be denied relicensure if he fails to pass the examination at the end of the course, I disagree with the interpretation the Senator from Maine has just given to the language. I think an examination is an examination; it would not necessarily be limited to a State examination, if he passed the examination on the course as a condition of relicensure.

Mr. HATHAWAY. I refer the Senator to page 191 of the report, where it states, down about the middle of the page:

> By expanding the license renewal requirements to be based upon "appropriate procedures" not merely an "examination", it will provide sufficient flexibility to adapt to the multitude of variations that occur in the practice of medicine and dentistry. At the same time, this amendment will ensure the public of the quality of health care.

Mr. TUNNEY. Mr. President, I am pleased to voice my support for the Health Professions Educational Assistance Act of 1974, which is before the Senate today. In particular, I am extremely gratified that the Senate Labor and Public Welfare Subcommittee on Health has seen fit to include S. 667, the Radiation Health and Safety Act of 1973, as part of this legislation.

S. 667 would require certification and licensing of radiologic technicians. The establishment of minimum standards for training and licensing of such technicians is essential if we wish to protect the public from the dangers of excessive exposure to radiation. The Congress recognized the dangers of excessive exposure in 1967 when it passed Public Law 90-602, the Radiation Control for Health and Safety Act. This act, and subsequent amendments to it, addressed the need to protect the public from excessive radiation emissions from electronic products. Unfortunately, Public Law 90-602 failed to establish standards for persons who operate equipment.

This gap in the law is extremely serious. In oversight hearings on Public Law 90-602 that I chaired last year for the Commerce Committee, a number of witnesses emphasized that the education, training, licensing and certification of radiologic technicians are inadequate to protect the health of the public.

At present, only three States—California, New York, New Jersey, and the territory of Puerto Rico—have any form of certification and licensing for radiologic technicians.

In testimony before the Commerce Committee, Dr. Richard Chamberlain of the American College of Radiology pointed out that physicians had, on an average, only 4.4 hours of medical training devoted to radiological protection and techniques. Since it is these physicians who train the bulk of the "operators" of the X-ray devices in physician's offices, it is obvious that the formal level of training of most X-ray operators is quite low. Therefore, it is not surprising that the Nation-Wide Evaluation of X-ray Trends—NEXT—found a wide variation in X-ray dose prescribed for similar medical procedures. In fact, this study reported that some X-ray operators are delivering at least 10 times more X-ray exposure than others performing the same type of examination.

When one looks at the growing medical literature on the genetic and somatic effects of radiation, it becomes clear that it is absolutely essential that those who operate X-ray equipment are adequately trained.

The X-ray in the right hands is an invaluable diagnostic and therapeutic tool, but in the wrong hands it can become a deadly weapon. Let us look at the facts:

It has been estimated by the Federal Drug Administration's Bureau of Radiological Health that 130 million Americans receive diagnostic X-rays yearly. In fact, X-rays are the source of over 90 percent of man's exposure to radiation in the United States. It has been pointed out by Dr. Karl Z. Morgan, of the Georgia Institute of Technology, however, that the American public may be exposed to 90 percent more medical radiation than is necessary or desirable.

A number of studies have shown that a child radiated in utero has a 40 percent higher risk of developing leukemia than a nonradiated child. Last year, in testimony before the Commerce Committee, Dr. Irwin D. J. Bross, director of the biostatistics at the Roswell Park Memorial Institute in Buffalo, N.Y., stated that a study in which he participated on the effects of radiation on leukemia risks showed that children with a history of radiation in utero had a 40 to 80 percent greater chance of developing leukemia than nonradiated children. Moreover, children who were determined to have a strong susceptibility to leukemia—those who had developed allergic reactions previous to getting leukemia—were shown to have an increased risk of 400 to 800 percent when exposed to radiation. According to Dr. Bross, for these susceptible children, low level doses of radiation may very well act as a trigger mechanism for the onset of leukemia.

In addition to increasing the risk of leukemia, it has been clearly established that radiation can induce a number of human cancers, such as skin, thyroid, lung, and bone cancers. This fact, coupled with the studies which suggest a linear-relationship between the amounts of radiation received and the somatic and genetic effects of radiation should be a cause for deep concern. It has been estimated by the International Commission on Radiological Protection, for example, that present X-ray exposure levels are causing 3,000 deaths a year in the United States from various forms of cancer and genetic damage. The Commission further estimates that the death figure may rise to 30,000 a year for future generations due to malignancies, stillbirths, and spontaneous abortions caused by genetic damage.

The Advisory Committee on the Biological Effects of Ionizing Radiation of the National Academy of Sciences reported in November 1972 that "medical radiation exposure can and should be reduced considerably by limiting its use to clinically indicated procedures utilizing efficent exposure techniques and optimal operation of radiation equipment. Consideration should be given to the following: First, restriction of the use of radiation for public health survey purposes, unless there is a reasonable probability of significant detection of disease; second, inspection and licensing of radiation and ancillary equipment; third, appropriate training and certification of involved personnel."

In light of these recommendations, I believe it is time for the Congress to act to create national standards for the licensing of radiological technicians. It has been argued by some groups that licensing of technicians could cause a cutback in radiographic services. It is my feeling, however, that in an area where the medical risks are so great, we can no longer allow unskilled or incompetent people to utilize this vital but dangerous medical machinery.

The work and effort that has gone into getting S. 667 accepted by the Senate Labor and Public Welfare Committee as part of the Health Professions Educational Assistance Act of 1974 is the direct result of the diligence and competence of my esteemed colleague Senator RANDOLPH. Senator RANDOLPH is the author of S. 667 and I would like to commend the Senator from West Virginia for all of the time and thought he has put into this legislation and I urge my colleagues in the Senate to support this measure.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, it is my understanding there will be no further discussion on the pending business this evening. Therefore, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR NELSON AND SENATOR ROBERT C. BYRD TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from Wisconsin (Mr. Nelson) be recognized for 5 minutes tomorrow after the joint leaders have been recognized, and that he be followed with a 15-minute allocation to the distinguished Senator from West Virginia (Mr. Robert C. Byrd).

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of the special orders that there be a period of 15 minutes for the transaction of routine morning business, with statements therein limited to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent at this time that the distinguished Senator from Virignia (Mr. Harry F. Byrd, Jr.) be recognized for as long as he desires.

The PRESIDING OFFICER. With the time not to count against the pending business?

Mr. MANSFIELD. That is correct; no more time this evening on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Virginia is recognized.

CHANGING UNITED STATES-CUBAN RELATIONS

Mr. HARRY F. BYRD, JR. Mr. President, Mr. Pat Holt, the able Chief of Staff of the Foreign Relations Committee had the opportunity to visit Cuba from June 29 to July 8 of this year. With the help and support of the Senate Foreign Relations Committee chairman, Mr. J. William Fulbright, Mr. Holt's passport was validated by the Department of State, enabling him to make the trip.

It should be pointed out that the Department of State agreed to validate Mr. Holt's passport for a Cuba trip only with the greatest reluctance, and the trip in no way represented the executive branch.

Indeed, as Secretary of State Kissinger pointed out when Mr. Holt's passport was validated for the trip, the executive branch continues to believe that it is in "our national interest and the security of the (Western) hemisphere to seek the isolation of Cuba in cooperation with other American Republics."

Senator Claiborne Pell, Democrat of Rhode Island, and Senator Jacob K. Javits, Republican of New York, were also recently granted passports for Cuba. But despite the fact that the State Department once again reiterated its position that the passport validation "constituted a courtesy toward the Senators only and in no way can be construed as a change in our policy of restricting travel to Cuba" speculation continues to persist that the United States is ready to shift its position on Cuba. President Ford in his first press conference also heightened such speculation.

It has been widely reported that "conciliatory signals" are being flashed between Washington and Havana through intermediaries. All reported overtures between the two nations to date have been been low-key and on an unofficial level.

It is expected that the foreign ministers of the Organization of American States, who will be meeting in Ecuador on November 11, 1974 will call for the lifting of the economic and diplomatic sanctions that were imposed on Cuba a decade ago.

Similarly, the Commission on United States-Latin American Relations, composed of businessmen, publishers, and academicians, among others, is also expected to call for the normalization of relations between Cuba and the United States. Senator Fulbright and the Foreign Relations Committee which he heads are also known to favor such a change.

That a change in relations between Cuba and the United States should be considered is perhaps inevitable. An editorial in the Washington Star-News recently stated:

> We harbor no illusions about Fidel Castro's Cuba: It is a squalid dictatorship built upon the bones of dead men. . . . Yet the time has come now . . . to begin serious consideration of a new policy leading toward a restoration of political and economic relations with the Communist island nation.

Mr. President, in light of these recent developments I believe it would be useful to review Mr. Holt's staff report discussing his Cuba trip, which was published by the Senate Committee on Foreign Relations.

Mr. Holt believes that Cuba is on the verge of "making [its] system work—that is to say, of constructing a socialist show case in the Western Hemisphere. The base for this is still fragile and could be shattered at any time by a Russian decision to cut off the flow of rubles or by a drop in commodity [especially sugar] prices. Neither appears likely in the near future. It must be as difficult for the Russians to see light at the end of the tunnel in Cuba as it is for the Americans in Vietnam."

In terms of Cuba's economy Mr. Holt concluded that—

> There are still shortages, but they are more an inconvenience than a hardship.

Mr. Holt says—

> There exists in Cuba a "curious blend of carrot, stick, and exhortation . . . by which the politics of Cuba is controlled and the economy driven forward. It is not so much that bad things happen to you if you are a bad revolutionary (though if you are a counter-revolutionary very bad things happen) as is it that good things happen if you are a good revolutionary. Some of these good things are psychological analogues taken from the Boy Scouts . . . awards somewhat analogous to Boy Scout merit badges—are given for accomplishments as members of the Committees for Defense of the Revolution (CDRs). All of this is accomplished by a heavy unrelenting propaganda and pressure for ideological and social conformity.

Mr. Holt continues:

> Although their economic prospects are improving, Cubans take a modest view of their development future. They shun a consumer-oriented society, but they take great pride in their accomplishments in the field of social services. . . . One senses in Cuba a growing self-confidence, in part because of the Revolution's accomplishments, in part because of its growing acceptance in Latin America and the world generally.

Cuba's internal domestic political structure has clearly not changed since the OAS embargo was imposed on Cuba in 1964. Indeed, as Mr. Holt recognized:

> The Cuban government is devoting more attention to political organization. . . .

On making recommendations as to possible changes in United States-Cuban relations, Mr. Holt has the following observations to offer:

> Cubans will make no move to improve their relations with the U.S. until the economic boycott, which they call a blockade, is lifted. My impression is that they would nonetheless welcome initiatives from the United States.

In his conclusion, Mr. Holt says that—

> The Cubans are correct when they say, as one did, that the U.S. policy of isolating Cuba has been a failure. If this is so, then it follows that a new policy should be devised.

Initial steps in this direction, believes Mr. Holt, would come if the U.S. economic boycott were lifted—a boycott he believes has been more symbolic than practical—if travel restrictions on Americans desiring to visit Cuba were relaxed, and if the movement within the United States of Cuban diplomats at the U.N. were eased.

Mr. President, I read Mr. Holt's report with great interest. His trip, according to the distinguished chairman of the Senate Foreign Relations Committee, was a factfinding mission on behalf of the legislative branch, and he in no way represented the executive branch.

Mr. Holt's trip should serve to stimulate a public policy debate in this country, and consequently I would like to address myself briefly to some of the major questions I perceive pertaining to a possible change in the status quo.

My colleagues in the Senate have been long aware of my concern with détente. It is not that I oppose improved relations among the world's major powers—indeed a relaxation of international tension benefits all mankind.

I was among the first to applaud President Nixon's trip to Communist China and the opening of a dialog with the leaders of that nation. But détente must be a reciprocal relationship; the United States must demand concessions in return for those it is willing to give.

In our relations with the Soviet Union this has not been the case. I have never been able to accept the argument that we should be willing to make any sacrifice to give the Soviet Union a greater stake in continued and improved relations with the United States.

I have not accepted this argument as applied to the Soviet Union, nor could I accept it if used to recommend improved relations with Cuba.

As the able Senator from New York, Mr. BUCKLEY, recently observed:

> (But) in considering the merits (of establishing some sort of relationship with Cuba), let us not delude ourselves with the nature of the regime with which we would be dealing.

There are other serious aspects to this problem. In a recently published study by the Center for Advanced International Studies at the University of Miami, Mr. Morris Rothenberg—a former State Department officer who is currently a research professor at the Miami center—discusses what he calls: "current Cuban-Soviet relationships: the challenge to U.S. policy." Mr. Rothenberg eloquently discusses important questions and I would like to take this opportunity to raise them.

Fidel Castro's statements to the effect that he is "willing to talk to Secretary of State Kissinger if the economic embargo against Cuba is unconditionally lifted" has raised speculation that Cuba is ready to meet U.S. requirements for a reconciliation between the two nations. Concern has been expressed about the wisdom of lifting the economic embargo against Cuba as a prelude to negotiations. Since Cuba is seriously interested in trade with the United States, particularly access to our money markets, the point is made that we should not give away the only leverage we really have without getting something in return. In the past the United States has insisted that improved relations would require a cessation by Cuba of interfering in the affairs of other American states, and severing close political and military ties between Cuba and the U.S.S.R.

There is no evidence that Cuba is prepared to sever close ties with Russia, so the United States would need to drop that demand if reconciliation is to be achieved.

On the question of Cuba's alleged changing role, Mr. Rothenberg offers the following commentary:

> Attention has focused . . . on the change in Castro's behavior toward his neighbors and a corresponding change in some of his neighbors' attitudes toward him. Presumably this change implies other and deeper changes related to Castro's domestic purposes and to Cuba's dependence on the U.S.S.R.

On the latter point, I think it is clear that Cuba has been increasingly taken into the "Socialist community of states." Mr. Holt himself has stated that even if the economic embargo of Cuba were lifted, the United States could expect very little trade with Cuba because "Cuban trade [has] been so completely reoriented to the Soviet Union."

Soviet aid to Cuba continues to pour in, and for obvious reasons. As Mr. Rothenberg argues:

> Cuba has become increasingly costly to the Soviet Union but the stakes are high: the establishment of the Soviet Union as a permanent fixture not merely in Cuba but in Latin America, where Moscow sees new opportunities to damage U.S. interests in an area regarded by the Soviet Union as the "strategic rear" of "U.S. imperialism" as well as to obtain important direct strategic benefits for the U.S.S.R. as against the United States.

Mr. Rothenberg's fears are certainly not without foundation. Castro himself has said that the U.S. surrender of Guantanamo is a prerequisite for improved United States–Cuban relations. This, of course, is out of the question. In 1970 the Soviet Union attempted to establish a nuclear submarine base in Cienfuegos, and because of its ties to Cuba, the Soviet Union can already use Cuban port facilities and as such is on the verge of becoming a Caribbean power, with bases only 90 miles from the United States.

Furthermore, as the Soviet Union has assumed an increasingly visible presence in the area, efforts—supported by the Soviet Union—are growing to evict the United States from the Panama Canal.

Concern also has been expressed that Cuba's policy of exporting revolution has not really changed. Castro has stated that this is a matter of Cuban sovereignty and not a negotiable matter with its hemispheric neighbors.

That the Soviet Union supports Cuba's effort to improve relations with the United States on its own terms is also without doubt. The Soviets, says Mr. Rothenberg, would regard the restoration of United States–Cuban relations as a U.S. "defeat" or, "if Moscow felt benevolent, it might be described as a U.S. concession to realism." The Soviets, however, also stand to make other gains. According to Mr. Rothenberg:

> The consolidation of Communist rule in Cuba strengthens the legitimacy and aspirations of the Soviet regime itself. It is used perhaps more than any other single development to demonstrate to the Soviet people and to the rest of the world the validity of the Soviet claim that victorious communism is irreversible and is indeed "the wave of the future."

Mr. Rothenberg continues:

> The Soviet presence in Cuba is (also) yielding important strategic gains. It strengthens the image of Soviet power in the overall East-West context. It reinforces the impression of a Soviet counterweight to the United States in Latin America and provides a physicial capability for Soviet access to other areas of the continent.

Thus Mr. Rothenberg concludes:

> The basic issue the U.S. has to face up to is whether it is best to accept that the Soviet camel is already in the tent and has to be lived with on its own terms, or to continue a difficult, and in political terms perhaps increasingly costly effort to discredit the animal in the hope of minimizing his potential for damage and perhaps of ultimately dislodging him.

Although Mr. Holt and Mr. Rothenberg approach the question of changing United States-Cuban relations from a different perspective, both have added much to the discussion of this issue.

As one who has had a keen interest in Cuba for many years—and a warm affection for the Cuban people—I am not certain that a continued economic embargo against Cuba is particularly useful.

If relations are normalized, however, it is important that we recognize, as the Washington Star-News editorialized, that we would be dealing with a "squalid dictatorship built on the bones of dead men." But, many of the countries with which we do business are of a similar nature—the outstanding example, of course, being the Soviet Union.

Fidel Castro grabbed power—and immediately became Cuba's dictator—on January 1, 1959, nearly 16 years ago. The Batista government, which he ousted, was a corrupt one. It was, however, pro-American, and people had economic freedom. The Cuban people were also strongly pro-American.

I saw all this change in a short period of time.

As a newspaper correspondent, I was sent to Cuba in an effort to assess Fidel Castro and his new regime.

On my first trip, shortly after Castro came to power, I found Castro welcomed with open arms by the overwhelming majority of the Cuban people.

In the many discussions I had with large numbers of persons of all political and economic persuasions, I found that few thought him a Communist and even fewer foresaw the extreme to which he subsequently would go.

On leaving Cuba after that first trip, I reported that Castro had overwhelming support and a great opportunity to create a better life for his fellow citizens.

But I raised the caution flag by stating that while Castro was riding high in both acclaim and opportunity, I had the uneasy feeling that the future for the Cuban people was not as bright as most Cubans at that time believed.

That was August, 1959.

I returned to Cuba in late October of that year—and what a change had taken place.

My purpose in returning was to cover for the newspapers I represented the huge anti-American rally, which Castro held on the ground of the Presidential Palace in Havana.

The rally lasted from early afternoon until late that night, the 26th of October if my memory is correct. The first speaker was President Osvaldo Dorticos Torrado. Then followed numerous government officials. Fidel Castro was the anchor man and spoke 3 hours and 15 minutes.

The crowd was estimated at 1 million persons. Bus loads of peasants were brought from throughout Cuba to add to the multitude of Havanans.

I telephoned my report of the event from the apartment of the editor of the Times of Havana which apartment overlooked the Presidential grounds.

The speeches were bitterly and vindictively anti-American.

During that trip, I spent much time with the late Jules DuBois, Latin American correspondent for the Chicago Tribune. DuBois had been pro-Castro during the time Castro's guerrillas were fighting Batista. He had written a favorable book on Fidel Castro but broke with Castro when the latter established a dictatorship.

DuBois then became public enemy No. 1 being continually denounced by the leaders of government.

A day or so after the anti-American rally DuBois was attacked by an angry mob and saved from harm by Havana police.

The next day, he was ordered out of the country and it was suggested that since I had been with him so much, it would be well for me to leave Havana. So I went to Santiago, 600 miles away, at the other end of the island.

During that October trip to Cuba, I talked with many of those whom I had seen in August. Most of those who previously had been favorable to Castro had become deeply alarmed. It was clear that the Castro government would be not only bitterly anti-American, but a tight dictatorship which would tolerate no opposition.

I sought to find two prominent businessmen who had been particularly outspoken on behalf of Castro when I had talked with them in August. They were not available in October, I learned. They had fled the country after Castro had confiscated their properties.

I have seen more fear on the part of individual citizens in Cuba than I have seen in any countries except Czechoslovakia and East Germany.

I shall never forget visiting a small produce merchant at the Havana market to whom I had been given an introduction by a mutual friend. When I handed him the letter of introduction on the sidewalk in front of his place of business he indicated clearly that he did not wish to talk with me—except about the price of produce.

As I was preparing to leave he said he would like to show me his cold storage facility. After he closed the door and we were alone in the refrigerated room, he said, "Now we can talk."

We seated ourselves on sacks of potatoes, and he proceeded to give me in great detail the change that had taken place in Cuba, the stifling of individual liberty, the harassment or imprisonment of those expressing opposition to the Castro regime and the militancy being developed among the Castro supporters.

He had tears in his eyes when he said that his own daughter the night before had told him that if he did not like what Castro was doing, he should leave Cuba.

Through the years I have tried to keep in touch with many who knew Cuba well and who, although forced to flee themselves, have kept contact with the year-to-year developments in Cuba.

From all I can learn there is little doubt that Cuba today is a strict Communist dictatorship with personal freedom virtually nonexistent.

Yet it is clear to me that our Department of State is laying the groundwork for normalizing relations with Cuba. Our State Department wants the leadership to come from the Latin American nations and is encouraging such developments.

As I stated earlier, I am not sure much can be gained by continuing a boycott of Cuba. Fidel Castro is firmly entrenched and there is little likelihood that those who want a free Cuba can prevail against the might of the Castro government.

I do believe, however, that if relations between the United States and Cuba are to be normalized and the trade restrictions lifted that there should be at least two firm requirements:

First. The Cuban Government should provide compensation for the confiscation of American property. Vast amounts of property were seized by Castro—land, cattle, factories, homes. The State Department has an obligation to demand a full settlement and the time to do it is as a prior condition to any lifting of U.S. restrictions. The Foreign Claims Settlement Commission has certified claims of losses by American citizens totaling some $1,799,548,569; and

Second. Both the United States and Cuba should permit free access to the news media representatives of the other country, and allow for a greater freedom of movement between the two peoples.

If these two requirements are met, the lifting of restrictions against Cuba could well be justified and might prove beneficial.

But we should not delude ourselves about the nature of Castro's regime, nor should we underestimate the challenge to American security that exists because of Soviet-Cuban ties.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR NELSON FOR 15 MINUTES TOMORROW

Mr. MANSFIELD. Mr. President, the Senate has granted permission that when it adjourns today it will meet at 10 o'clock tomorrow morning.

The PRESIDING OFFICER. There is an order.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time extended to the distinguished Senator from Wisconsin (Mr. NELSON) will be increased from 5 to 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MANSFIELD. For the information of the Senate, sometime tomorrow it is the intention of the distinguished Senator from Arkansas (Mr. MCCLELLAN) to call up the conference report on the defense appropriation bill.

So with that information, with the pending business continuing tomorrow, with the defense appropriation conference report ready and available, the Senate should be on notice as to what the schedule will be.

ADJOURNMENT TO 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, if there be no further business to come befor the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10 a.m. tomorrow.

The motion was agreed to; and at 5:49 p.m., the Senate adjourned until tomorrow, Tuesday, September 24, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate September 23, 1974:

U.S. TARIFF COMMISSION

Daniel Minchew, of Georgia, to be a Member of the U.S. Tariff Commission for the remainder of the term expiring June 16, 1976, vice Jefferson Banks Young, resigned.

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Howard M. Fish, [redacted] FR (major general, Regular Air Force), U.S. Air Force.

IN THE ARMY

The following-named officer for reappointment to the active list of the Regular Army and Army of the United States with grade as indicated, from the temporary disability retired list, under the provisions of title 10, United States Code, section 1211:

To be brigadier general, Regular Army and brigadier general, Army of the United States

Pearson, White Brown, [redacted]

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

To be First Lieutenant

Abadie, Peter J., [redacted]
Adams, John W., [redacted]
Alford, Truman G., Jr. [redacted]
Alford, William L. [redacted]
Anderl, Robert S., [redacted]
Anderson, Donald C., [redacted]
Anderson, Mark C., [redacted]
Anderson, Robert D., [redacted]
Anderson, Roy E., [redacted]
Arbogust, Harold O., Jr., [redacted]
Armstrong, Russell A., [redacted]
Arnold, Carlton L., [redacted]
Asche, Ronald D., [redacted]
Avery, Hamilton K., III, [redacted]
Bachman, Robert G., [redacted]
Bailey, Marcus D., [redacted]

Baker, Jack T., [redacted].
Baker, Robert E., [redacted].
Baker, Robert F., [redacted].
Baker, Rodney W., [redacted].
Bakken, Lloyd A., [redacted].
Bartholomew, Donald F., Jr., [redacted].
Bass, Keith A., [redacted].
Bates, Donald G., [redacted].
Bauman, John V., [redacted].
Baumgardner, John R., [redacted].
Baxter, Tommy J., [redacted].
Bearor, Thomas R., [redacted].
Beck, Norman M., Jr., [redacted].
Bell, Anthony W., Jr., [redacted].
Bell, Michael V., [redacted].
Benedict, William P., [redacted].
Bess, Michael P., [redacted].
Bethel, Harry E., [redacted].
Bielowicz, Paul L., [redacted].
Bierma, Stephen G., [redacted].
Biggs, John R., [redacted].
Black, James H., Jr., [redacted].
Blackmore, Gay D., [redacted].
Blackwood, Douglas K., [redacted].
Blair, Susan M., [redacted].
Blazowski, William S., [redacted].
Blondefield, Clark L., [redacted].
Blue, Roscoe, Jr., [redacted].
Bolick, Thomas R., [redacted].
Bostwick, David P., [redacted].
Bradburn, Bruce G., [redacted].
Braddock, Harry L., [redacted].
Brazelton, Glenn A., [redacted].
Bredfeldt, John C., [redacted].
Brennan, Gerald M., [redacted].
Bright, Duane E., [redacted].
Brinkmann, Daniel M., [redacted].
Brissey, Forrest L., Jr., [redacted].
Brown, Donald C., [redacted].
Brown, Oliver E., [redacted].
Brown, Samuel, Jr., [redacted].
Buck, Walter P., III, [redacted].
Bunch, Larry H., [redacted].
Bunker, Rodney B., [redacted].
Burggraff, Thomas J., [redacted].
Busboom, Stanley L., [redacted].
Bush, Franklin L., [redacted].
Butler, William D., [redacted].
Byrd, Lanny A., [redacted].
Caffall, William E., [redacted].
Cagle, Lloyd L., [redacted].
Carleton, Jon R., [redacted].
Carmichall, Steven, [redacted].
Carso, Bruce E., [redacted].
Castle, Sara M., [redacted].
Castorena, Robert, [redacted].
Caulfield, John B., [redacted].
Chandler, James L., [redacted].
Chapman, Willie E., [redacted].
Childers, Kenneth R., [redacted].
Chin, Jane D., [redacted].
Chio, Wade A., [redacted].
Christensen, Susan A., [redacted].
Christy, Earl B., Jr., [redacted].
Clark, Robert E., Jr., [redacted].
Clifton, Robert D., [redacted].
Cline, Bennie A., [redacted].
Cochran, James R., [redacted].
Cohen, James S., [redacted].
Collier, Mary F., [redacted].
Collins, Dennis M., [redacted].
Concannon, James P., [redacted].
Conlin, Joseph S., Jr., [redacted].
Connell, Rodney A., [redacted].
Contos, Christopher, [redacted].
Cornatzer, Ollie R., [redacted].
Corsi, Robert E., Jr., [redacted].
Cox, Luther E., Jr., [redacted].
Crawley, Ronald E., [redacted].
Creekmore, George R., [redacted].
Cunningham, Stephen S., [redacted].
Daft, George A., [redacted].
Dallas, George R., [redacted].
Daniel, Robert E., Jr., [redacted].
Dansby, Mickey R., [redacted].
Davies, Robert W., [redacted].
Davis, John S., [redacted].
Davis, Louis E., [redacted].
Deaton, Terrence F., [redacted].
Deese, Jerry C., [redacted].
DeLoach, Don A. M., [redacted].
DeMoss, James J., [redacted].
Despriet, John G., [redacted].
Destadio, Frank J., [redacted].
DiPierro, John P., [redacted].
DiPietro, Gilbert J., [redacted].
Dixon, Donald R., [redacted].
Donaldson, Calvin L., [redacted].
Doncaster, Barbara D., [redacted].
Douglas, Wilson D., Jr., [redacted].
Douglass, Gary C., [redacted].
Downer, Leland R., [redacted].
Downey, Terry L., [redacted].
Drenth, Don Rose, [redacted].
Duffee, Michael J., [redacted].
Dunning, Stephen J., [redacted].
Duskin, David R., [redacted].
Dziatkiewicz, Elizabeth A., [redacted].
Ebinger, John H., [redacted].
Edleson, Jack L., [redacted].
Ellingson, Thomas E., [redacted].
Elliott, Alverton A., Jr., [redacted].
Ellwood, John D. F., [redacted].
Emmons, Grey M., [redacted].
English, Edmond T., Jr., [redacted].
Erickson, Bruce E., [redacted].
Farbo, John L., [redacted].
Feldott, Robert, [redacted].
Ferra, Peter F., Jr., [redacted].
Fisher, Lee A., [redacted].
Fitzgerald, Thomas A., [redacted].
Fos, John B., III, [redacted].
Franklin, James E., [redacted].
Frazier, Alfred H., Jr., [redacted].
Freeman, Larry E., [redacted].
Freestone, Lawrence W., [redacted].
Freet, Richard A., [redacted].
French, Chancel T., [redacted].
Fullerton, John H., [redacted].
Gannon, Michael R., [redacted].
Garland, Gregory M., [redacted].
Gaudet, John A., [redacted].
Gervais, Frederick B., [redacted].
Gilbert, Bruce A., [redacted].
Gill, Harley L., [redacted].
Golding, Wayne L., [redacted].
Golobic, Robert A., [redacted].
Goodman, Bruce R., [redacted].
Gorczyca, Edward C., [redacted].
Gorghan, Robert S., [redacted].
Grandt, Alten F., Jr., [redacted].
Graviss, Lawrence P., [redacted].
Grawert, Ronald R., [redacted].
Grayson, Anthony S., [redacted].
Green, John M., [redacted].
Guenther, Richard C., [redacted].
Guinn, Robert H., [redacted].
Gunterman, Raymond J., [redacted].
Hanse, William M., [redacted].
Hansen, Dennis J., [redacted].
Hansen, Richard R., Jr., [redacted].
Haritos, George K., [redacted].
Harris, Charles D., [redacted].
Harris, Tyrone C., [redacted].
Harvey, Rex J., [redacted].
Haskell, Clarence G., Jr., [redacted].
Hayes, Darrell C., [redacted].
Hayes, Gary L., [redacted].
Heacock, Ronald L., [redacted].
Head, Steven L., [redacted].
Heinrich, John P., [redacted].
Hendricks, Larry D., [redacted].
Henning, Joan F., [redacted].
Hersey, Joseph D., Jr., [redacted].
Hickman, Charles E., [redacted].
Hicks, James L., [redacted].
Higbie, Benjamin G., Jr., [redacted].
Higgins, Bruce W., [redacted].
Hill, James M., [redacted].
Hinderer, George I., [redacted].
Hines, Jack B., [redacted].
Hitchcock, Walter T., [redacted].
Hix, Alan L., [redacted].
Hoar Stephen M., [redacted].
Hoarn, Benjamin S., [redacted].
Hoffman, Gary B., [redacted].
Hohmann, Lee R., [redacted].
Holley, Jane L., [redacted].
Hollingsworth, Daniel J., [redacted].
Hoogestraat, David R., [redacted].
Hujsak, Richard S., [redacted].
Hukle, Roger G., [redacted].
Hull, Dale L., [redacted].
Imre, Ludwig F., [redacted].
Imrich, Thomas, [redacted].
Iverstine, Emile C., [redacted].
Jackson, Allen F., [redacted].
Jackson, Julius A., Jr., [redacted].
Jansons, John, [redacted].
Jermaine, Stephen M., [redacted].
Jernigan, Morris C., [redacted].
Johnson, Barry C., [redacted].
Johnson, Robert L., [redacted].
Jones, Brady L., III, [redacted].
Jones, David K., [redacted].
Jones, Richard C., [redacted].
Joos, Terry L., [redacted].
Jordan, Albert L., [redacted].
Jost, Alan C., [redacted].
Kayuha, Robert J., [redacted].
Kee, Richard J., [redacted].
Kelly, Terrence J., [redacted].
Kincannon, William C., [redacted].
Kirk, Freddie F., [redacted].
Kitchen, Richard E., [redacted].
Kloster, Frederick R., [redacted].
Kluczynski, Albert M., [redacted].
Kochanek, Richard J., [redacted].
Koenig, Robert F., Jr., [redacted].
Kohler, William J., Jr., [redacted].
Kohn, Ronald E., [redacted].
Kornegay, Charlie L., II, [redacted].
Kovacs, Thomas A., [redacted].
Kowalczyk, James, [redacted].
Kraus, William G., [redacted].
Krempin, Arthur G., [redacted].
Kruzek, Raymond G., [redacted].
Laing, Michael E., [redacted].
Langlois, Charles D., [redacted].
Latzke, Charles F., [redacted].
Lau, Milton H. L., [redacted].
Lawson, Charles D., [redacted].
Lee, Donald A., [redacted].
Lerum, Stephen S., [redacted].
Lesser, Roger T., [redacted].
Lewis, Ralph W., [redacted].
Licata, Raymond J., [redacted].
Linares, Luis C., [redacted].
Linton, Merle H., [redacted].
Littlepage, Fred F., III, [redacted].
Long, James A., Jr., [redacted].
Losey, Early H., [redacted].
Luetkemeier, James D., [redacted].
Lutz, James E., [redacted].
Majchrowski, Thomas F., [redacted].
Maloney, Dennis M., [redacted].
Marsh, Donald L., [redacted].
Marshall, Veloris A., III, [redacted].
Martilla, Gary E., [redacted].
Martin, Charles W., [redacted].
Martin, Jack T., III, [redacted].
Martin, Ronnie, [redacted].
Martin, Van A., [redacted].
Martin, William B., [redacted].
Massie, Calvin L., [redacted].
Masson, Brian L., [redacted].
Masters, John G., [redacted].
Mathews, Jerry C., [redacted].
Mattingley, George M., Jr., [redacted].
May, Forrest S., Jr., [redacted].
McBrayer, Roy N., [redacted].
McBride, Dorothy J., [redacted].
McCalla, Roy A., [redacted].
McFarland, Barry P., [redacted].
McKenna, Anthony H., [redacted].
McHahan, Jerry R., [redacted].
McMahon, Timothy J., [redacted].
McMillan, Morrison F., Jr., [redacted].
McPhee, David A., [redacted].
McQuay, Patricia L., [redacted].
Meredith, Arthur J., [redacted].
Messinger, John R., [redacted].
Mickelson, Carl T., [redacted].
Millwee, Samuel T., [redacted].
Miyamoto, Melvin, [redacted].
Moerbeek, Peter J., [redacted].
Mongiovi, Kathleen A., [redacted].
Morrow, John D., [redacted].
Mullady, Michael T., Sr., [redacted].

Mullineaux, Rodney W. J., Jr., [redacted].
Musgrove, Byron F., [redacted].
Naegeli, Robert E., [redacted].
Nakamura, Samuel, [redacted].
Naylor, Flynoy R., [redacted].
Neitzel, Orville W., [redacted].
Nelson, Carl L., [redacted].
Newkirk, Jimmy L., [redacted].
Newman, Donald L., [redacted].
Nicholas, Alexander S., [redacted].
Nichols, Wayne E., [redacted].
North, Edgar W., [redacted].
Novak, James P., [redacted].
Obrien, Frederic L., [redacted].
Odd, Wallace S., II, [redacted].
Olmstead, Thomas W., [redacted].
Olszewski, John J., [redacted].
Ophof, Edward R., [redacted].
Owens, Billy R., [redacted].
Page, Marthaellen, [redacted].
Paulin, Joseph A., [redacted].
Pechewlys, Charles, [redacted].
Peters, Antonia M., [redacted].
Phillips, James A., [redacted].
Pierpoint, William, [redacted].
Piper, Douglas J., [redacted].
Poleskey, Gary L., [redacted].
Porter, Daniel W., [redacted].
Potts, David E., [redacted].
Pursell, Marvin T., Jr., [redacted].
Pustis, Thomas F., [redacted].
Putman, Dennis G., [redacted].
Quarles, Nowlin R., [redacted].
Query, John R., III, [redacted].
Rainey, Kenneth L., Jr., [redacted].
Raskey, William B., [redacted].
Ratliff, Hutson L., Jr., [redacted].
Rauhecker, David C., [redacted].
Rawe, Raymond P., [redacted].
Ray, Richard A., [redacted].
Reeves, Lynn B., [redacted].
Resch, Robert P., Jr., [redacted].
Reske, Frederick M., [redacted].
Richards J. Wilson, [redacted].
Richards, Michael E., [redacted].
Richardson, Kenneth, [redacted].
Richardson, Sharon D., [redacted].
Richardson, William G., [redacted].
Rippere, Richard B., [redacted].
Rish, Robert E., Jr., [redacted].
Ritter, Richard A., [redacted].
Rogers, Glenn E., [redacted].
Rolwes, Gerald E., [redacted].
Rose, Gary C., [redacted].
Rose, Reynold L., [redacted].
Ruehling, Roger L., [redacted].
Rupp, Ronald E., [redacted].
Russell, James W., III, [redacted].
Ruter, Philip E., [redacted].
Ryan, Patrick M., [redacted].
Ryden, Gary R., [redacted].
Salisbury, Gary L., [redacted].
Samuelson, John L., [redacted].
Sanders, Marshall C., [redacted].
Sanford, James, [redacted].
Santiago, Jorge J., [redacted].
Saputo, Anthony A., [redacted].
Schaffer, Karl D., [redacted].
Schantz, Curtis M., [redacted].
Schneider, Lloyd R., [redacted].
Schuler, Richard J., [redacted].
Sciortino, Gregory, [redacted].
Scott, Anthony A., [redacted].
See, Richard M., [redacted].
Seibert, Richard L., [redacted].
Shaddix, Ronald D., [redacted].
Shaffer, James W., [redacted].
Sheldon, Michael L., [redacted].
Shelton, Robert B., Jr., [redacted].
Shepetuk, Alexander J., [redacted].
Short, Wayne M., [redacted].
Shumaker, Dennis M., [redacted].
Shumskas, Anthony F., [redacted].
Simek, Daniel J., [redacted].
Simmons, Robert L., [redacted].
Simons, Joseph K., [redacted].
Skinner, Donald W., [redacted].
Smart, Richard W., [redacted].
Smith, Gary D., [redacted].
Smith, Kenneth M., [redacted].
Smith, Loretta J., [redacted].
Smith, Richard K., [redacted].
Smith, William E., [redacted].
Smith, William J., [redacted].
Smoker, Roy E., [redacted].
Speed, Jimmie R., [redacted].
Spencer, Curtis E., [redacted].
Srba, Randall J., [redacted].
Stafford, Lane L., [redacted].
Stanley, Stephen L., [redacted].
Stauffer, Michael W., [redacted].
Stiles, Randall J., [redacted].
Stone, Alan L., [redacted].
Stone, Rebecca, [redacted].
Sullivan, John L., [redacted].
Swain, John G., III, [redacted].
Swanson, James W., [redacted].
Swenson, Orven F., [redacted].
Swindle, Raymond C., [redacted].
Swire, Philip R., [redacted].
Taylor, Gustav A., [redacted].
Taylor, Sidney L., [redacted].
Templer, James E., [redacted].
Thelen, Frank A., [redacted].
Theriault, Joseph R. T., [redacted].
Tiedeman, Ralph L., [redacted].
Toole, John C., [redacted].
Torres, Manuel T., [redacted].
Townsend, Paul P., [redacted].
Tripp, Alan L., [redacted].
Troy, John R., [redacted].
Tucker, Gary L., [redacted].
Turk, Andrew F., [redacted].
Turk, Henry M., [redacted].
Turk, Lynn J., [redacted].
Ulrich, Thomas E., [redacted].
Urbanek, Gary L., [redacted].
Vandendorpel, Ronald D., [redacted].
Vest, Melvin L., Jr., [redacted].
Vetter, Michael F., [redacted].
Vincent, Michael W., [redacted].
Viola, Goetz H., [redacted].
Vogel, William J., [redacted].
Voss, David P., [redacted].
Wachinski, Anthony M., [redacted].
Wade, Martin R., III, [redacted].
Wagner, Gregory H., [redacted].
Walker, Mary K., [redacted].
Waple, Lisa M., [redacted].
Ward, Charles L., Jr., [redacted].
Ward, Daniel B., [redacted].
Warren, Hoyt M., Jr., [redacted].
Watson, Robert E., [redacted].
Watt, Stephen D., [redacted].
Webb, Everett C., Jr., [redacted].
Webber, Ronald W., [redacted].
Welles, Clifford Y., Jr., [redacted].
Welser, William, III, [redacted].
Welter, Douglas A., [redacted].
Werling, Lee T., Jr., [redacted].
Westerfield, Claude L., [redacted].
Whalen, John W., Jr., [redacted].
Whaley, John D., [redacted].
Wharton, John J., Jr., [redacted].
Wharton, Mark J., [redacted].
White, Paul A., [redacted].
Wible, Sharon L., [redacted].
Wickert, Roger F., [redacted].
Weinkoop, Glenn R., [redacted].
Wiley, Joe W., [redacted].
Williams, Jack D., [redacted].
Williams, Wilmore E., [redacted].
Wilson, Jerry F., [redacted].
Wilson, Leonard J., [redacted].
Wilson, Willena K., [redacted].
Wilson, William D., [redacted].
Wistrom, Gary M., [redacted].
Work, Lucian E., [redacted].
Workman, Lonnie H., [redacted].
Wright, George L., [redacted].
Wyncott, George F., Jr., [redacted].
Young, Douglas R., [redacted].
Zeidell, Milton S., [redacted].

To be second lieutenant

Allen, Lindsey E., [redacted].
Allen, Robert K., [redacted].
Allison, Kenneth L., [redacted].
Almond, Daniel L., [redacted].
Altobelli, Anthony, [redacted].
Anderson, Juliette C., [redacted].
Arnold, Andrew L., [redacted].
Atwood, Eugene G., [redacted].
Austin, Robert A., [redacted].
Avallone, Joseph A., [redacted].
Bagby, Lawrence E., Jr., [redacted].
Baker, Robert W., [redacted].
Balcom, Cecil G., [redacted].
Barnes, Michael R., [redacted].
Baschab, Roger G., [redacted].
Beaupre, Theodore L., [redacted].
Bell, Ronald W., [redacted].
Benefield, Horace, Jr., [redacted].
Betz, Peter G., [redacted].
Bigej, James H., [redacted].
Blalock, Lamberth W., Jr., [redacted].
Blum, Gary R., [redacted].
Bowman, Steven C., [redacted].
Bradley, James M., [redacted].
Brady, Robert B., [redacted].
Braswell, David B., [redacted].
Bridges, Marsha A., [redacted].
Brockhurst, Frederick C., [redacted].
Brooks, Jonathan N., [redacted].
Buchholtz, William H., III, [redacted].
Burbage, John V., [redacted].
Burns, Robert P., [redacted].
Cain, Edward M., [redacted].
Campbell, Charles K., [redacted].
Campbell, James B., [redacted].
Carlson, Robert D., Jr., [redacted].
Carlson, William E., [redacted].
Carpenter, David W., [redacted].
Carr, Brenda R., [redacted].
Carraway, James E., [redacted].
Carson, John K., [redacted].
Channell, Ronald E., [redacted].
Chudanov, Thomas J., [redacted].
Clifford, Thomas C., [redacted].
Conley, James H., [redacted].
Cooper, John D., [redacted].
Cooper, Robert L., [redacted].
Corson, Alan J., [redacted].
Coulie, David A., [redacted].
Crandall, Wayne O., [redacted].
Crowley, James W., II, [redacted].
Cunningham, Albert J., Jr., [redacted].
Cunningham, William A., [redacted].
Dailey, Balis E., [redacted].
Danahy, Edward M., [redacted].
Daniel, Dwain M., [redacted].
Daugherty, James C., [redacted].
Day, Donald R., [redacted].
Deas, Thomas M., Jr., [redacted].
Demayo, Robert J., [redacted].
Deutsch, Paul, [redacted].
Dickinson, Mark D., [redacted].
Dilks, Michael J., [redacted].
Dise, David, [redacted].
Dorland, Gary A., [redacted].
Dubcak, Arnold C., Jr., [redacted].
Dumke, Melvin A., [redacted].
Duncan, Leslie H., [redacted].
Dutton, Jeffrey L., [redacted].
Egger, James N., [redacted].
Elton, Terry J., [redacted].
Erickson, Brian A., [redacted].
Estes, Charles M., [redacted].
Fimbel, Ronald C., [redacted].
Fish, Paul G., [redacted].
Flaherty, Veronica W., [redacted].
Folk, Michael J., [redacted].
Fontes, Donald R., [redacted].
Frederick, Maynard T., [redacted].
Fredrickson, Robert E., [redacted].
Froehle, Robert B., [redacted].
Garcia, Fredrick V., [redacted].
Gardner, John L., Jr., [redacted].
Gardner, Patricia K., [redacted].
Garrison, Carl H., [redacted].
Gatewood, Carl R., [redacted].
Gattis, Robert H., Jr., [redacted].
Gentry, John D., [redacted].
Goetz, David W., [redacted].
Goodwin, Arthur O., III, [redacted].
Graham, Billy W., [redacted].
Graham, John J., III, [redacted].
Hardy, James L., [redacted].
Harriman, Lewis G., III, [redacted].
Harrington, Richard G., [redacted].
Harrison, Hatley N., III, [redacted].

Harvey, Dorest G., xxx-xx-xxxx.
Hatmaker, Billy L., xxx-xx-xxxx.
Hawthorne, Robert C., xxx-xx-xxxx.
Hayden, John W., Jr., xxx-xx-xxxx.
Heaton, William R., Jr., xxx-xx-xxxx.
Hedstrom, Terrance L., xxx-xx-xxxx.
Heidenreich, Richard C., xxx-xx-xxxx.
Henry, Charles E., Jr., xxx-xx-xxxx.
Herndon, Fred R., Jr., xxx-xx-xxxx.
Hertz Richard L., xxx-xx-xxxx.
Hess, Gary G., xxx-xx-xxxx.
Hicks, James H., Jr., xxx-xx-xxxx.
Hindle, Eugene P., xxx-xx-xxxx.
Hogenson, George B., xxx-xx-xxxx.
Hollenberg, Glenn W., xxx-xx-xxxx.
Hollingshead, Edward W., xxx-xx-xxxx.
Hopper, Margaret P., xxx-xx-xxxx.
Horst, George W., xxx-xx-xxxx.
Horton, Theresa Marie, xxx-xx-xxxx.
Hough, Timothy H., xxx-xx-xxxx.
Hunt, Douglas C., xxx-xx-xxxx.
Hutcherson, Billie G., xxx-xx-xxxx.
Ijac, Irene S., xxx-xx-xxxx.
Isakson, John B., xxx-xx-xxxx.
Jacob, Richard E., xxx-xx-xxxx.
Johnson, Robert B., xxx-xx-xxxx.
Kaplan, Michael L., xxx-xx-xxxx.
Kennedy, Royce C., xxx-xx-xxxx.
King, Louis N., Jr., xxx-xx-xxxx.
Kirschbaum, Alan I., xxx-xx-xxxx.
Kleiber, James N., xxx-xx-xxxx.
Knapick, Joseph F., Jr., xxx-xx-xxxx.
Koski, Donald C., xxx-xx-xxxx.
Kraay, Thomas A., xxx-xx-xxxx.
Labossiere, Girard, xxx-xx-xxxx.
Lacy, Karl, Jr., xxx-xx-xxxx.
Ladd, Nancy L., xxx-xx-xxxx.
Lafferty, Boyd J., xxx-xx-xxxx.
Laposa, Joseph E., xxx-xx-xxxx.
Lecompte, Wayne V., xxx-xx-xxxx.
Linton, Carol M., xxx-xx-xxxx.
Linton, Harold E., xxx-xx-xxxx.
Liszewski, Richard S., xxx-xx-xxxx.
Loeffler, Ronald C., xxx-xx-xxxx.
Lord, James E., xxx-xx-xxxx.
Lovejoy, Gerard G., xxx-xx-xxxx.
MacArthur, Alfred C., xxx-xx-xxxx.
Madsen, James G., xxx-xx-xxxx.
Mann, Robert E., Jr., xxx-xx-xxxx.
Martin, James P., xxx-xx-xxxx.
McBee, Phillip M., xxx-xx-xxxx.
McBrearty, Francis T., xxx-xx-xxxx.
McIntosh, Larry L., xxx-xx-xxxx.
Medlin, Elton L., Jr., xxx-xx-xxxx.
Merrifield, Harry W., xxx-xx-xxxx.
Michener, Susan Kay, xxx-xx-xxxx.
Miller, Charles E., xxx-xx-xxxx.
Miller, Peter L., Jr., xxx-xx-xxxx.
Mills, King L., III, xxx-xx-xxxx.
Moomey, Wayne R., xxx-xx-xxxx.
Mulcahy, William J., Jr., xxx-xx-xxxx.
Mundy, Robert P., xxx-xx-xxxx.
Mutz, Ronald J., xxx-xx-xxxx.
Navin, Dennis, xxx-xx-xxxx.
Nelson, Joseph B., xxx-xx-xxxx.
Newlands, George W., xxx-xx-xxxx.
Newman, Paul E., xxx-xx-xxxx.
Newsome, Herbert R., III, xxx-xx-xxxx.
Opfer, James R., xxx-xx-xxxx.
Oswald, Donald J., xxx-xx-xxxx.
Ownby, Daniel F., xxx-xx-xxxx.
Padgett, Thomas J., Jr., xxx-xx-xxxx.
Paulk, Gene D., xxx-xx-xxxx.
Paxon, George A., xxx-xx-xxxx.
Pendergast, James P., xxx-xx-xxxx.
Perry, Robert G., xxx-xx-xxxx.
Peterson, Loren M., xxx-xx-xxxx.
Petterson, Jeffrey L., xxx-xx-xxxx.
Piri, Ronald L., xxx-xx-xxxx.
Poulin, Donald L., xxx-xx-xxxx.
Prasloski, Myrna L., xxx-xx-xxxx.
Prigmore, Harold K., xxx-xx-xxxx.
Puckett, Lee D., xxx-xx-xxxx.
Queen, Donald J., xxx-xx-xxxx.
Rabenhorst, Janis M., xxx-xx-xxxx.
Rasmussen, Bruce A., xxx-xx-xxxx.
Reeves, James T., xxx-xx-xxxx.
Rhodes, Billy M. E., xxx-xx-xxxx.
Richardson, Jerry A., xxx-xx-xxxx.
Ritter, John L., xxx-xx-xxxx.
Roberts, Kenneth M., xxx-xx-xxxx.
Rodgers, Thomas B., xxx-xx-xxxx.
Roll, George N., xxx-xx-xxxx.
Rosing, Gary E., xxx-xx-xxxx.
Sciamanda, Sylvia A., xxx-xx-xxxx.
Scott, Jack P., xxx-xx-xxxx.
Seastrum, Lawrence V., Jr., xxx-xx-xxxx.
Shackleford, William B., Jr., xxx-xx-xxxx.
Shaw, Michael E., xxx-xx-xxxx.
Sheaffer, Sally Ann, xxx-xx-xxxx.
Shedd, John H., Jr., xxx-xx-xxxx.
Shelton, Ramon C., xxx-xx-xxxx.
Sims, Sherry D., xxx-xx-xxxx.
Smid, Kenneth T., xxx-xx-xxxx.
Smith, James L., xxx-xx-xxxx.
Smith, Sherry Lynn, xxx-xx-xxxx.
Smith, Stephen R., xxx-xx-xxxx.
Spain, Michael A., xxx-xx-xxxx.
Spayd, Neil D., xxx-xx-xxxx.
Sprovero, Ronald G., xxx-xx-xxxx.
Stanton, David R., Jr., xxx-xx-xxxx.
Stasiak, Mark, xxx-xx-xxxx.
Stewart, Herbert A., xxx-xx-xxxx.
Taylor, Joe A., xxx-xx-xxxx.
Tester, John L., xxx-xx-xxxx.
Thorhauer, Paul H., xxx-xx-xxxx.
Thornley, Lawrence H., xxx-xx-xxxx.
Thweatt, Weldon L., xxx-xx-xxxx.
Tibbetts, Elvin R., xxx-xx-xxxx.
Timmons, Joseph C., xxx-xx-xxxx.
Tofte, Paul D., xxx-xx-xxxx.
Townson, James M., xxx-xx-xxxx.
Trantum, Michael R., xxx-xx-xxxx.
Troy, Adrian C., xxx-xx-xxxx.
Tucker, John C., xxx-xx-xxxx.
Tyler, Douglas W., xxx-xx-xxxx.
Underdown, Richard C., xxx-xx-xxxx.
Uzzell, Johnnie L., xxx-xx-xxxx.
Vogel, Raymond C., xxx-xx-xxxx.
Wagner, Richard C., Jr., xxx-xx-xxxx.
Walker, Arthur R., xxx-xx-xxxx.
Walker, Sims S., Jr., xxx-xx-xxxx.
Wallace, Curtis N., xxx-xx-xxxx.
Walstrom, Robert W., xxx-xx-xxxx.
Weinberger, Noah L., xxx-xx-xxxx.
White, Gayle Anne, xxx-xx-xxxx.
Wilkinson, Hobert D., xxx-xx-xxxx.
Wilks, James L., xxx-xx-xxxx.
Williams, John R., Jr., xxx-xx-xxxx.
Wilson, Seth J., xxx-xx-xxxx.
Wixom, Victor G., xxx-xx-xxxx.
Yelland, Michael, xxx-xx-xxxx.
Young, Burt A., xxx-xx-xxxx.
Yunker, Gerald F., Jr., xxx-xx-xxxx.
Zidenberg, Ted I., xxx-xx-xxxx.
Ziegler, Harvey J., xxx-xx-xxxx.

IN THE NAVY

The following-named officers of the U.S. Navy and Naval Reserve for temporary promotion to the grades indicated in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

Commander

MEDICAL CORPS

Bregman, Robert U.
Ellis, Robert J.
Ramenofsky, Max L.

The following officers of the United States Navy for temporary promotion to the grade of lieutenant commander in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

Tangeman, Richard G.
Watts, Neil S.

MEDICAL CORPS

Junkin, Anthony B.

CHAPLAIN CORPS

Drake, Carl E., Jr.

DENTAL CORPS

Hansen, Joseph B.
Trygstad, David B.

JUDGE ADVOCATE GENERAL'S CORPS

Baker, James Newton
Pinnell, James E.
Williams, Duvall M., Jr.

NURSE CORPS

Mead, Brenda A.

The following-named officers of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

Anderson, Don R.
Arbiter, Jerome L.
Barby, Donald C.
Chin, Sheck Gen.
Daley, Thomas M.
Deputy Robert A., Jr.
Edholm, Steven W.
Erndle, Daniel E.
Frye, Paul D.
Goodman, Floyd K.
Hughes, William J., Jr.
Jennings, Wayne D.
Lyon, Preston V.
Marschalk, Peter V. B.
McConnell, William D.
McPheter, Gordon L.
Miller, Bruce L.
Nelson, Donald C.
Ryan, Michael K.
Samples, Ted D.
Scott, Richard K.
Smith, Richard A.
Swanson, Raymond P.
Tipsword, William H., Jr.
Werby, Robert W.
Whitt, David F.
Wyckoff, William W., II

SUPPLY CORPS

Gandola, Kenneth D.

MEDICAL SERVICE CORPS

Brennan, Edward C.
Sparks, Buddy T.
Converse, James D.
Wigle, Earl C.

NURSE CORPS

Emerick, Rosalie D.
Kout, Kathryn K.
Kelly, Harriet P.

The following named officers of the U.S. Navy for permanent promotion to the grade of lieutenant (junior grade) in the line and staff corps, as indicated, subject to qualification therefor as provided by law:

Keller, William J.

NURSE CORPS

Barlow, Judy L.

The following-named officers of the U.S. Navy for transfer to an appointment in the Civil Engineer Corps in the permanent grade of lieutenant (junior grade) and temporary grade of lieutenant:

Clements, Frederick R.
Katz, Alan W.
Dillon, Terry M.

The following-named officers of the U.S. Navy for transfer to an appointment in the Civil Engineer Corps in the permanent grade of lieutenant (junior grade):

Parsons, Robert C.
Vanderels, David M.
Rigby, William H., Jr.
Weaver, Vaughan C.

Lt. Cmdr. Wayne R. Goodermote, U.S. Navy, for transfer to an appointment in the Civil Engineer Corps in the permanent grade of lieutenant and temporary grade of lieutenant commander.

IN THE PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

1. For appointment:

To be senior surgeons

George W. Gaffney
Gerald S. Johnston
Bernard Rosenbaum

To be surgeons

Charles D. Allen
William A. Eaton
Michael J. Frederiksen
Frederick T. Hambrecht
King K. Holmes
Charles T. Kaelber
Richard T. Kotomori
Wojciech A. Krotoski
John M. Lane
Sanford S. Leffingwell
George M. Leiby, Jr.
Robert H. Purcell
Richard B. Rothenberg
James W. Shafer
Kurt J. Stromberg
Edwin F. Torrey
Edward T. Toseland

To be senior assistant surgeons

Wayne C. Farmer
Walter T. Foster, Jr.
Curtis C. Harris
David H. Kaplan

Osamu H. Matsutani
Michael S. Matteson
Thomas H. McGlashan
Harvey B. Pollard
Steven K. Shama
Dennis L. Zilavy

To be senior dental surgeon

Orlen N. Johnson

To be dental surgeon

Leopold J. Sollazzo

To be senior assistant dental surgeons

Joseph V. Bean
Patrick C. Blake
James A. Clark
William L. Cloud, Jr.
Philip L. Graitcer
James C. Hamilton
Howard L. Kelly
Woodrow B. Lackey
Paul E. Lovdahl
Philip J. Mosen
Roger A. Novak
David C. Pardo
Daniel L. Pinson
Roger J. Smith
Ray P. Vanderhook

To be nurse officers

Bertha E. Bryant
Ruth B. Cleary
Tanya T. Crow
Pettie A. Kwon
Janet L. Lunceford
Jean A. McCollum
Ellen I. McDonald
Annetti McLemore
Thomas P. Phillips
Wanda L. Richardson

To be senior assistant nurse officers

John P. Crowley
Anne E. Gray

To be assistant nurse officer

Caroline A. Hager

To be sanitary engineer

Robert E. Rosensteel

To be senior assistant sanitary engineers

George L. Allen, Jr.
Allen Berkowitz
Mark A. Brumbaugh
David J. Burton
Bruce T. Ferris
C. Lewis Fox, Jr.
Bernard J. Gajewski
Marius J. Gedgaudas
Jerome J. Healey
Peter C. Karalekas, Jr.
Howard B. Kelly
Imants Krese
Jeffrey S. Lee
Nelson A. Leidel
Wayne E. Mohler
John M. Moore
Philip C. Nyberg
Wayne R. Ott
Billy H. Reid
Ronald A. Robinson
David D. Royston
Paul S. Ruggera
Paul E. Sikkink
Gene W. Smith
Hary F. D. Smith, Jr.
William H. Stroup
Ray L. Walchle
Robert D. Willson

To be assistant sanitary engineers

Paul S. Arell
Stanley M. Blacker
Christopher L. Christman
Robert A. Dangel

To be senior assistant scientists

Stephen P. Berardinelli
David L. Conover
Richard A. Lasco
Jack E. McCracken
Bradford G. Perry
Michael Weisberg

To be sanitarian

George A. Adams

To be senior assistant sanitarians

Richard E. Gross
Richard A. Lemen
Michael J. Sacoman

To be senior veterinary officer

Norbert P. Page

To be veterinary officer

William F. Cornett III

To be senior assistant veterinary officers

John D. Bacher
Roscoe M. Moore, Jr.
Richard L. Race

To be pharmacist

Charles P. Veach

To be senior assistant pharmacists

Frederick J. Abramek
Thomas A. Alpert
Robert W. Brown
Roger D. Eastep
Wyman M. Ford
Barry R. Gordon
Richard N. Herrier
Lawrence S. Ishii
Gordon H. Jensen
Stephen A. Maurer
James C. Myers
Dennis A. Philipp
Eugene B. Smith, Jr.
Donald C. Thelen
Robert J. Tonelli
John M. Twitty

To be assistant pharmacists

David Barash
John A. Boren
Ralph E. Causey
Robert DeChristoforo
William R. Durbin, Jr.
James E. Edge
Rolley E. Johnson
James R. McKnight
Merle E. Milburn, Jr.
Paul F. Nelson
Robert M. Shelley
Edward D. Westmoreland

To be dietitian

Marjorie B. Myrianthopoulos

To be assistant therapists

Harold W. Egbert
Francis W. Levy, Jr.
Roy A. Taylor

To be health services officers

Thomas R. Fewell
Edward M. Hawkley

To be senior assistant health services officers

Gerald G. Akland
Harlan E. Amandus
John D. Boice, Jr.
James H. Brannon, Jr.
Roger W. Broseus
Bascom W. Carlton, Jr.
Joseph M. Cummings
Charles W. DeBree
Paul A. Dickson
John H. Eilert, Jr.
Paul A. Feller
Brian W. Flynn
John H. Haire
Donald A. Hensel
Paul J. O'Donnell, Jr.
Thomas R. Ohlaber
Robert D. Riesenberg
Lary S. Schneiderman
Charles K. Showalter
Thomas C. Voskuhl
Thomas J. Withrow
Robert A. Zoon

To be assistant health services officers

William M. Chapin, Jr.
Bryan D. Hardin
Bruce Immerman
Howard C. Lerner
C. Bruce Smith
Peter D. Stead
Gary B. Utter

EXTENSIONS OF REMARKS

PHILIP W. BUCHEN

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, the new White House counsel is a native of Sheboygan, Wis., and the son of a renowned State senator in Wisconsin.

This week's People magazine carries an article about Phil Buchen which will, I know, be of interest to my colleagues and I urge them to get to know better this outstanding counselor:

THE GENTLE CRIPPLED MAN THAT JERRY FORD TRUSTS

Physically, the contrast is startling. President Gerald Ford is a broad-shouldered powerhouse of a man. His White House counsel, Philip W. Buchen, crippled by polio at the age of 16, is cerebral and visibly frail. Yet ever since the two men met—during a University of Michigan summer session in 1938—their friendship has been constant and close. It was Buchen who, without being explicitly asked, took on the ticklish task of planning an orderly White House transition long before President Nixon considered resigning. And it was the scholarly Buchen, moving quietly behind the scenes, who helped engineer the controversial pardon of the former President (Buchen argues that Nixon's statement of his Watergate failures constitutes an admission of guilt. "Failure to act forthrightly when legal proceedings are in progress,"Buchen says, "is a pretty strong admission of obstruction of justice").

Yet if the gentle, white-haired lawyer from Grand Rapids seems securely installed at the center of power, he brooks no comparison with departed White House majordomo H. R. Haldeman. "I provide only legal service," he emphasizes with a wry smile. "And I'm not the John Dean of the Ford administration either."

In fact, the calm, philosophical Buchen, 58, seems very much an original in the White House. The son of a Sheboygan, Wis. attorney and his wife, he was stricken with what was then called infantile paralysis while a junior in high school. Though he was eventually able to walk again, with difficulty and the aid of a cane, he turned his energies to serious scholarship. Graduating Phi Beta Kappa from the University of Michigan, he went on to become editor of the law review, and in 1941 set up a law office with Ford. The partnership was temporarily dissolved by World War II, but Buchen's career was already launched. "Phil came to Grand Rapids as a stranger," says the President's younger brother Tom. "But a short time after Jerry joined the Navy, Phil was asked to join the city's most prestigious law firm. By the time Jerry got back from the war, it was Amberg, Law and Buchen."

A compulsive worker, who until recently shuttled back and forth between Grand Rapids and Washington with no visible sign of fatigue, he sometimes seems more robust than he is. Unable to walk long distances without assistance, he occasionally resorts to a wheelchair and often needs help to climb stairs. "One of the most remarkable things is the way he never lets it turn him sour," observes a fellow Ford aide. "It's very difficult for him to move up stairs, but he doesn't make a problem for you. He takes your arm matter of factly, making it a natural kind of thing." Sometimes, to negotiate an especially strenuous staircase, he flops down unceremoniously on the seat of his pants and shinnies up a step at a time.

But as cautious as he has learned to be, there are times when his legs simply betray him. Over the years, he has broken his knee three times in falls, and a Grand Rapids friend, the Rev. Duncan Littlefair, recalls an incident in which he barely escaped serious injury. Vacationing in Mexico, Buchen was hauling himself out of a cab when the driver pulled away without warning, throwing him to the ground. "Phil didn't get angry," remembers Dr. Littlefair. "He didn't cry or bitch. It was just one of those mistakes, and he got up and carried on with no fuss. That is the characteristic quality of the man."

Though polio has compromised Buchen's physical independence, he otherwise displays a serene self-reliance. A voracious reader whose Grand Rapids home is lined with shelf upon shelf of books, he exercises his mind in ways denied to his body. Explains his brother-in-law George Loomis: "If we go to play golf or tennis, he'll take his briefcase to the club and read or go swimming. Maybe because of the charm he has, he always manages to convince us that he has a dozen things he enjoys as much as we enjoy golf. He never makes you feel uncomfortable that you're doing something he can't."

An unapologetic intellectual, with a consuming interest in philosophy and religion, Buchen cultivates the simple pleasures as well. He smokes a pipe regularly, and Grand Rapids friends say his favorite before-dinner drink is a martini. He is not, all agree, a fussy eater. He is an ardent Detroit Tigers fan and also has a weakness for automobiles. One of his favorites was a tiny German-made Isetta, which he outfitted with a special hand-operated clutch. A keen bridge and Scrabble player, he is less acute when it comes to music. A standing joke in the family is that Buchen can recognize only two melodies, *Tiptoe Through the Tulips With Me* and *Ah Sweet Mystery of Life*. On a good day, claims his son Rod, a 26-year-old Michigan State graduate student, he might also identify *Tea for Two*. Otherwise, says Rod, "my dad thinks that all music is just a derivation of those two basic tunes."

A high school athlete in football and baseball before his illness, Buchen until recently swam a half-mile each day. Now, whenever he can, he swims in the nude at Washington's University Club, three blocks from the executive mansion and across the street from the hotel where he and wife are living.

Buchen was divorced and his bride, Beatrice ("Bunny") was widowed when the two were married in 1947, after writing their own personal vows. "We felt the traditional ceremony dated back to the days when parents arranged marriages," says Bunny. "We believed love and understanding were the greatest values." A former high school language teacher, she supervises the Buchens' modest capital social life and looks after her husband in ways he neglects. "He likes to be comfortable," says son Ron, "but he spends zero time on himself. My mother buys everything for him, and even tells him when to get a haircut."

"Phil is not competitive," maintains Dr. Littlefair, pastor of Grand Rapids' Fountain Street Church. "He doesn't have to win. But this is not to say he isn't a strong person. There is no meanness in him. He is not vindictive. He is tender, thoughtful, considerate, a gentleman."

Despite his confidence in Buchen's character, however, Dr. Littlefair is concerned for his health. "Phil needs to be very careful of his resources." The minister explains, "He's not innocent or naive, but because of his openness he is subject to being maneuvered. I am concerned that the pressures of his new job will jeopardize his health. But I'm working with him to see that it doesn't." Buchen, who thus far has handled his 14-hour days and frequent working weekends with apparent ease, seems disposed to agree. "I find the volume of paperwork disturbing," he says with characteristic mildness. "I personally would prefer a more leisurely pace."

WALTER PARKER JONES—NEWSPAPERMAN-CALIFORNIAN

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. WALDIE. Mr. Speaker, death has taken Walter P. Jones, editor of the McClatchy Newspapers. Walter Jones, as editor of the Sacramento, Modesto, and Fresno Bees, made contributions to the development and growth of central and northern California that were and are historical in their proportions.

Mr. Speaker, the Sacramento Bee, edited by Mr. Jones since 1936, published an editorial tribute to his memory and I think it is eloquent and moving. At this time, Mr. Speaker, I would like to insert the editorial in the RECORD:

WALTER PARKER JONES—1894–1974

Walter P. Jones Sr. was a strong man who believed men and institutions should never look back, that they always should look forward. But before we look ahead, again, let us mourn his passing, man and editor, if only briefly.

Perhaps the most appropriate tribute to the memory of this good man is to recall that he took the position of editor of a newspaper committed to "independence of clique or faction," as The Bee's salutatory editorial put it in its founding year, 1857, that Jones passes on that editorship—still free from influence and still independent.

In all, Walter Jones gave to The Bees 55 years of his life, 36 of them as editor. His was a leadership firm in resolve, decisive in execution, unyielding in dedications. His position among courageous editors is secure for all time.

Walter Jones came to the editorship of The Bees in 1936 at the death of C. K. McClatchy who represented the second generation of a family direction of The Bees begun in 1857 by James McClatchy. Thus, Jones was but the third editor in a tradition which has survived 117 years, giving to this publication a rare continuity in American journalism.

He came to his assignment with 17 years of close association with C. K.: As political editor, as a managing editor, as editorial director of the McClatchy newspapers the last years of C. K.'s life.

He would be embarrassed by tribute. Suffice it to recall, then, but a few of the projects to which he dedicated this newspaper:

The promotion of flood control and irrigation; the extension of the Central Valleys Project; progressive statutes bearing on the general welfare—"people legislation," as he would put it—the preservation of the State Fair and Cal Expo and the State Capitol, in Sacramento, and unfailing support for the military establishments in the Greater Sacramento Community and in the circulation territories of the three Bees.

Also: Perpetuation of the Sacramento Municipal Utility District and defense of the concept of public ownership of the basic utilities; encouragement of redevelopment in the old slums; preservation of the Old City Quarter and, more recently, the establishment of the Sacramento-Earl Warren Community Center.

In all that he undertook, Walter Jones never lost sight of The Bee reader in the scheme of things. He was firm in his resolve that The Bees should remain "tribunes of the people," a phrase he often quoted from C. K. McClatchy.

He loved this city.
He loved its people.
He loved this newspaper.

But it was the love of an advocate who constantly urged upon all who would listen commitment to the better life and a faithful respect for the old principles of decency and honesty in the conduct of affairs.

The best testament to Walter Parker Jones, perhaps, is in The Bee readership and in the laws of the city and the state upon which he had immeasurable influence, through The Bees. In his exposes of abuse in government—one such expose under Walter Jones' direction was to bring to The Sacramento Bee the Pulitzer Prize—he thought government ought to be kept "answerable" to the people; he thought the Constitution meant what it said when it spoke for freedom of speech; and in all its dealings with the people he demanded that government be the servant, never the master, of the people.

This good and gentle man is gone.

He was greatly valued, in life. In death, if men truly are judged by the good work they leave behind, and his was a full printer's measure, his memory will endure so long as The Bee masthead endures.

NEWSLETTER BY MR. ESHLEMAN

HON. EDWIN D. ESHLEMAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. ESHLEMAN. Mr. Speaker, I have sent to my constituents my most recent newsletter. I am including the contents of that newsletter in the RECORD at this point:

REPORT FROM YOUR CONGRESSMAN, ED ESHLEMAN

REFORM SMEAR

One of the most used words on Capitol Hill these days is reform. Campaign reform, in particular, has been widely discussed and finally acted upon in the 93rd Congress.

House action on a campaign reform came on August 8. Having sponsored and co-sponsored several such bills, I was glad to be able to cast a vote for political reforms although there were several features of the legislation I thought could be strengthened.

Imagine my surprise and the surprise of about 163 of my colleagues when we were listed by the *AFL–CIO News* as having voted to kill the campaign reform bill. The opinion was based upon our vote to send the bill back to the rules committee so that a strengthening amendment could be added.

Maybe the content of that amendment helps explain why the *AFL–CIO News* wanted to brand it as anti-reform. It would have permitted union members to designate which candidates should receive the money that is assessed from them for political contributions. The labor bosses, who now control that money, don't want reform touching their campaign kitty.

MORE BITE PER BUCK

Pennsylvanians should be among those Americans most anxious to see a shift of government power out of Washington back to local areas. Federal financial aid is no bargain for us. Last year, Pennsylvania was one of 22 States that got less back from Washington than its taxpayers sent to Washington.

Pennsylvania taxpayers sent $1.03 to the Federal treasury for every dollar they got back according to figures compiled by the Tax Foundation, Inc. We were losers but not heavy losers like Indiana that paid in $1.55 for every dollar of return or Connecticut at $1.53.

Who were the big winners? The District of Columbia led the pack paying in 35 cents for every dollar received.

OLD FRIENDS, NEW SETTING

Sitting and talking issues with Jerry Ford is not a new experience: I've done it many times before in the past eight years on the floor of the House of Representatives.

But sitting and chatting with President Ford in the Oval Office at the White House makes the experience a little different. A few days after he had been sworn in I had that opportunity.

POLLUTION PARADOX

According to *National Review*, two ecologists have discovered that rain water in Europe and in the eastern U.S. is 100 to 1,000 times as acid as it used to be—in some cases, as acid as pure lemon juice. These environmentalists report that the acidity very likely is stunting the growth of forests and crops.

But most interesting is what they point out as the cause for the new problem. It seems that the anti-pollution devices on industrial smokestacks which filter out visible matter are responsible. The dirty looking stuff that used to pour from the stacks neutralized the invisible acidic gases that still escape, but now go out unmolested.

INFLATION FIGHTER

There has been a great deal of discussion recently about how to combat inflation. I, personally, have offered a series of anti-inflation proposals.

But one of the more interesting ideas is contained in a piece of legislation that I have cosponsored. This bill would readjust tax rates downward based upon the climb of the cost-of-living.

As it is now, the Federal Government is an inflation beneficiary. As the cost-of-living goes up more money comes into the Treasury through taxes because people are spending more and making more. Therefore, the government has increased revenue that is translated into substantially increased budgets.

The legislative idea I have endorsed would give the taxpayer rather than the government the inflation break. Rather than the Treasury getting more revenue, the cost-of-living jump each year would be used to figure a downward adjustment in tax rates. Thus, the government would be put on notice that inflation will not produce more revenue but rather a steady decline in governmental purchasing power. And that thought should be enough to keep Congress serious about holding spending down to keep inflation under control.

PAST IS PROLOGUE

Shortly after Federal price controls broke down, a critical gasoline shortage developed. In one state, trucks were permitted to keep their tanks three-quarters filled but passenger cars were allowed only ten percent of capacity. An automotive journal reported that there was a widespread belief among dealers and motorists that the problem was all a plot to increase gasoline prices.

In the Senate, a bill was introduced to set up a government corporation to search for oil. Much talk was heard about running out of petroleum reserves and the poor gas mileage of many cars. Development of oil shale was proposed by a professor out in Indiana while other experts favored synthesizing fuel (an approach previously tried in Germany and found quite expensive).

In the following months, gasoline prices rose sharply. But crude oil production also climbed (up 18 percent) and gasoline production rose 21 percent. The demand for new cars and for gasoline dropped. By the end of 1921, that gasoline crisis was over.

STATED SIMPLY

One of my colleagues has noted that it took God 297 words to write the ten commandments, Jesus needed 56 words for the Lord's Prayer, Thomas Jefferson 1,300 words for the Declaration of Independence, Abraham Lincoln 266 words for the Gettysburg address, and the U.S. Government 29,211 words to write a price order on cabbages.

WORK AHEAD

Three reform areas head the Congressional calendar for the rest of the year—tax reform, trade reform and campaign finance reform. In the tax and trade areas, we are awaiting committee action. Campaign finance changes have cleared both the House and Senate, but differences must be resolved in a conference committee before final action can be taken.

Certainly, another principal area of Congressional concern is our inflation problem, but it now appears specific remedy legislation more likely will get a full hearing next year rather than before the end of the year.

STUDENTS ON SUMMER STAFF

One of the summer traditions in the Washington office is to supplement our staff with two college students who serve as interns. They are assigned jobs that range from filing to research. In addition, they have several weeks to absorb committee hearings, legislative briefings and learn to know something of the personalities that shape policy on Capitol Hill.

Shown on the right are this year's interns— Sue Paes from Millersville State College and Mike Thomas from Franklin and Marshall. This was the first year that both interns chosen were not only constituents (requirement number one) but also attending schools in the 16th district.

SPENDING CUTS

It should go without saying that when we are looking for places to reduce Federal expenditures, no part of the U.S. budget should be safe from examination and possible reductions. One of the most talked about areas for cutting spending is defense. Time and again, you hear it proposed to cut the budget by so much and take it all out of Defense Department appropriations or to finance this program or that using military savings. Each year I see proposals of this type covering numerous subjects—health, housing, transportation, education, etc.—totaling more than the entire defense appropriation.

Consistently, I have maintained that military expenditures cannot be and must not be a "sacred cow" when it comes to budget cutting. Just as there is waste in social welfare spending, there is military waste that can and should be eliminated. But we must never lose sight of a fact perhaps best articulated by Sir John Slessor of the RAF in 1952. He stated, "It is customary in democratic societies to deplore expenditures on armament as conflicting with the requirements of the social services. There is a tendency to forget that the most important social service a government can do for its people is to keep them alive and free."

SOCIAL INSECURITY

More and more concern is being expressed about the financial status of the social security system. Recipients are worried, workers feel overburdened and economists are frustrated by the growing inability of social security to cope with increasing demands.

The problem is best outlined by looking at a worker who retired last year after paying the maximum annual contribution together with his employer since 1937. The total contribution from both sources would have amounted to $8,352.

That retired worker along with his wife now are eligible to draw $399 a month. Assuming normal life expectancy and an inflation rate of 2¾ percent (don't we all wish), the couple will receive $80,000 in retirement benefits—almost 10 times the amount paid in.

Since contributions come nowhere close to paying for benefits, a gigantic tax system will be needed to pay the bills. But those taxes have become increasingly burdensome and a question exists about whether they can or should go any higher.

Meantime, millions of people are waiting for answers to the questions of how to provide for continued retirement security and how to do it without adding to the growing tax burden on an already overburdened labor force. They are questions and answers that await legislative attention.

REMARKS OF CONGRESSMAN BROCK ADAMS ON DISTRICT OF COLUMBIA UTILITY HEARINGS

HON. BROCK ADAMS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. ADAMS. Mr. Speaker, during the last 6 months, consumers, both large and small, residential and commercial, governmental and private, have been confronted with rapidly rising electric bills and substantial increases in gas bills. A further increase in gas rates is already pending before the Public Service Commission and Potomac Electric Power Co., officials announced on August 28 that they will seek additional rate increases by the end of this year. Such increases will affect the entire Washington area, not just the District of Columbia, since Pepco serves the Maryland suburbs and parts of Arlington County as well.

In addition, because Pepco sells power through an interstate power grid to plants in Pennsylvania, New Jersey, and upper Maryland, the impact of any rate adjustments are regional in scope. Furthermore, any changes in local utility rates will have a significant impact on the costs of Government. As WMATA testified before the Public Service Commission last year, in 1980 when the subway system is operational, an increase of one mil per kilowatt hour of electricity will cost the subway riders $710,000 annually. Because of the immediate nature of this problem, its implications for Government costs, and its regional impact, we believe a prompt review is clearly necessary by this committee.

It is our intention to assure that during this interim period prior to the home rule government's taking office, there is an adequate and balanced investigation of the factors surrounding the current cost situation and complete consideration of consumer concerns prior to granting any future increases.

The questions which the committee plans to explore at this proceeding include:

First. Why are higher rates charged for lesser amounts of electrical consumption? For example, a small businessman pays in the summer an average of 3.4 cents per kilowatt hour for the energy he consumes, while the large industrial plants pay only 2.79 cents for every kilowatt hour.

Second. Why do rates vary for residential users versus industrial users?

Third. Are large users paying a fair share of the costs created by building larger plants to fill their needs? For example, according to the PSC's findings in the December 1973, electric rates case, general service and customers account for two-thirds of Pepco's total service in terms of volume and revenues, and account for most of Pepco's recent load growth in District of Columbia residential usage as a percentage of the total grew by only 0.6 percent.

Fourth. What are the advantages and liabilities of retaining the automatic "fuel adjustment clause." Bills have already been introduced in this session to abolish nationally all or part of these automatic clauses in utility rate structures.

We are particularly concerned with the authority now vested in the Public Service Commission to undertake a thorough investigation of the utility rate structure and the resources available to this Commission for such work.

In order to assure that a procedure is available for future representation of consumer viewpoints, we are today introducing legislation to immediately establish a people's counsel to represent and appear for the people of the District of Columbia at all proceedings of the Commission on rates or services of public utilities. The adversary process is at the heart of this proposal and says, in effect, that consumers should be represented by effective, able counsel whose purpose was to represent customers in a proceeding where there are conflicting interests.

FURTHERING HUMAN RIGHTS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. FRASER. Mr. Speaker, the Hennepin County Board of Commissioners in Minnesota last month adopted a policy statement to guarantee equal employment opportunities with the county without regard to sexual orientation, public assistance status or exoffender status. This follows actions barring discrimination in employment because of sexual orientation taken by the Minneapolis City Council and the St. Paul City Council. I brought these to the attention of Congress in the Congressional Records of May 2—page 13057—and August 6—page 27067.

To further the cause of human rights, I hope the Federal Government in its policies will carry out these principles.

The Hennepin County Board resolution follows:

Resolution

Whereas, The Equal Employment Protection laws have changed since the County Policy on non-discrimination was passed; and

Whereas, Hennepin County has an aggressive Affirmative Action Department working to see to it that we are in compliance with all ordinances, laws and guidelines; and

Whereas, Our existing Policy Statement is now out-of-date, Now Therefore Be It

Resolved, That the following statement be adopted by the County Board as the official Policy Statement of the County as regards Affirmative Action and Equal Employment Opportunity.

"It is the Policy of Hennepin County Government to provide equal employment opportunities without regard to race, color, religion, age, sex, disability, martial status, sexual orientation, public assistance status, ex-offender status, or National Origin. This Policy applies to all phases of employment including, but not limited to, recruitment, selection, placement, promotion, demotion, transfer; lay-off, recall or termination; rates of pay or other forms of compensation and selection for training; to the use of all facilities and participation in all County-sponsored employee activities.

"This Policy shall be periodically brought to the attention of the supervisory force and shall be administered at all levels with a positive and supportive attitude.

"It is the responsibility of every Supervisor within the County to ensure the affirmative implementation of this Policy."

THE LESSONS OF HISTORY

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. LANDGREBE. Mr. Speaker, it has been correctly said that those who do not learn from history are condemned to repeat it. What we are observing and enduring in the present period of inflation and high interest rates is not unique, it is a repitition of the experiences of other nations that could have been avoided had the policymakers in the Federal Government learned the lessons of history. Continual expansion of the money supply must result in economic chaos. The historical examples demonstrating this proposition are many, yet every new generation believes that it is somehow exempt from the laws of economics and can escape the consequences which have always accompanied irresponsible fiscal policies.

Mr. Gerald Krefetz recently contributed a short article to National Review in which he discussed one of the more recent examples of the disastrous consequences of Government inflation of the money supply, post-World War I Germany. Perhaps the most ominous consequence of inflation is the radicalization of the people. Mr. Krefetz speaks of—

> towering frustrations, bitterness, and hatred—integral parts of the inflationary process—[which] undermined the citizen's confidence in the economy and, more importantly, in the government. An unstable society is the first to welcome a man on horseback, and it is no coincidence that Hitler's beer hall putsch took place at the very crest of the hyperinflation. Uncontrolled inflation is a deadly social disease. In Germany, it was directly responsible for the fall of the Weimar Republic and the rise of Nazism.

I believe that this article is very important, and I hope that some who may read it here in the pages of the Congressional Record will learn a lesson from history.

The article follows:

Inflation: The German Experience

(By Gerald Krefetz)

Double-digit inflation is a new experience for this generation of Americans. Until now, that sort of annual increase in the cost of living was considered a foreign phenomenon, attributable to incompetent economic planners, military dictators, defective central governments, or loose morals. Today we realize that inflation is not due to loose morals but to lose monetary policies. The first modern country to learn that sad lesson was the Germany of the 1920s. We may not be on the same road, but we are headed in a similar direction.

Just as Lyndon Johnson thought that the United States was rich enough to afford guns and butter when the Vietnam War escalated, the German administration was reluctant to tax the public to anywhere near the extent necessary to fight the First World War. The government assumed the hostilities would be over in a "lightning campaign."

In the first week of the war, in August 1914, the government suspended redemption of bank notes in gold. At the same time, it set up loan banks whose principal purpose was to establish credits for businesses. Credit was extended on collateral that would not ordinarily have met the requirements of the central bank. The loan banks were also charged with selling war bond subscriptions, and these bank notes were immediately introduced into circulation as legal tender. Finally, the Reichsbank was allowed to issue bank notes against only the collateral of short term treasury bills. With the gold cover now gone, there was virtually no legal barrier to massive monetizing of the debt. In other words, very early in the game it was decided to use the printing press rather than the powers of taxation to finance the war.

Money in circulation increased sixfold during the war. War loans raised close to 100 billions marks, but still paid only 60 per cent of the war costs. Since there was little chance to buy consumer goods in wartime Germany, much of the new money was hoarded. The German people were generally unaware of what was happening to the value of their money but exchange markets in neutral countries saw the mark lose approximately half its value during the course of the war.

At first the economic consequences of the war were masked. After the armistice, money came out of hiding and forced prices upward. By January 1920, the wholesale price index was at 12.6 (1914=1), having been only a little more than 2 when the hostilities ceased. Prices stabilized somewhat in 1920 while the rest of Europe was undergoing a recession. During the course of the year the number of marks needed to acquire a dollar improved from 65 to 40. But 1920 was an interlude, the eye of the storm.

The government persisted in following an expansionist policy, though the economy was relatively stable in 1920. It increased the issue of currency by half and nearly doubled the national debt. At this time, the effects of making the reparations imposed by the Versailles Treaty began to be felt. Besides the physical dismemberment (Germany lost 13 per cent of her land and 10 per cent of her people), the nation lost all her overseas colonies and was obliged to give up her merchant marine, a significant portion of her internal fleet, much of her railroad system's rolling stock, plus German investments abroad. The loss of profits from the fleet and overseas investments was catastrophic to Germany's ability to make reparations payments to the Allies. In addition, the Allies initially demanded 269 billion gold marks to be paid in 42 annual installments.

Besides the reparations, the government also had to provide for war victims and try to service the debts on the war loans. Annual government expenditures in the early Twenties were two and three times the government's income. These deficits were "funded" by the printing press.

Throughout 1921 and 1922 the government maintained its policy of unrestricted growth and mandated easy credits to business. During 1922 the Reichsbank's portfolio of commercial paper and bankers' acceptances rose from 1 billion marks to 422 billion marks. Within the course of the year the government had increased its total credits by one-third. Moreover, the interest rate for these credits was kept artificially low—at 5 per cent. As the hyperinflation moved to a blow-off, the discount rate moved up to 30 per cent and finally to 90 per cent. By this time the prevailing interest rates were meaningless, since the inflation rate was between 3,000 and 4,000 per cent in 1922. By mid-1922 it became obvious to the man in the street that something was terribly wrong with the German economic system. The value of money melted away like butter on a hot skillet.

From the exchange rate of 48 marks to the dollar in January 1922, the rate moved to

4,280 a year later. The Reichsbank was an autonomous agency and did not have to print money at the behest of the government. But, as privy councillor Von Grimm remarked: "The Reich had to resort to the Reichsbank if it was to prolong its existence, and because the point at issue was the survival of the reich, the Reichsbank did not regard itself justified in refusing."

The German inflation differs somewhat from our own predicament in that Germany set out to spend itself rich. The government felt that if the four million demobilized German soldiers could not be purposefully employed, Bolshevism would surely be the consequence. And for a while it seemed that the government had indeed succeeded in spending itself rich. On the surface, business seemed to flourish on cheap credits. Businessmen borrowed extensively to purchase raw materials, finance inventories, and especially to acquire other businesses. The marks were virtually free since they were repaid in grossly devalued money. As a result, there was hyperactivity in the basic industries and very little unemployment. But before long there was an overabundance of machine tools, shops, and heavy equipment. So much energy was devoted to wheeling and dealing and speculating in goods and currency that industrial output was actually less than before the war.

As the inflation progressed, the position of consumers and of labor deteriorated. Consumers and pensioners on relatively fixed incomes had difficulties in purchasing tobacco, beer, food, and clothing, and those industries began to suffer. In 1922, the cost of living started to rise by roughly 20 per cent a month, so that by the end of the year labor's share of the national income was cut by half. Organized labor tried three distinct approaches to the problem of declining purchasing power. First, it tried to relate wages to the official cost of living index, but this index was tardy and too artificial to be of much help. Then it tied wages to the mark's value as determined in the daily exchange rates out of New York. But even this prompt indicators fell behind actual purchases. Finally, in August 1923 wages were based on price levels which were expected to rule in the week wages were received.

In some factories, workers were paid three times a week so their wives could buy what little food was available. Farmers stopped sending their food to market, and instead resorted to barter. In the fall of 1923 an egg was selling at 80 billion marks and a loaf of bread for 200 billion marks. Ladies of the night were offering their wares for 6 billion marks and a cigarette. The wholesale price index moved from 75,000 in July 1923 to 750 billion by November 15, 1923. On the same day, the dollar was worth between 2.5 billion marks and 4.2 trillion marks, depending on time, geography, and source of quotation. It was, one observer noted, "the end of money."

Try as it might, the Reichsbank could not keep up with the astronomic demand for money. The public's expectation of still more funny money drove down its value faster than it could conceivably be printed. Some companies and industries printed their own scrip: at the height of the crisis 172 private emergency currencies circulated.

To end the staggering price inflation and concomitant social unrest, the government launched a currency reform by introducing new money—the Rentenmark—on November 15, 1923. One trillion old paper marks were equal to one Rentenmark. Though the new currency had no real backing, (ostensibly it was backed by debentures on land and factories, it was issued in strictly limited amounts. The government ended its practice of discounting treasury notes to create more paper money. Eventually, a new Reichsmark was introduced in 1924 with a 30 per cent backing. The combination of a limited currency supply, an end to the Ruhr conflict, a limited and more realistic reparations schedule, and the backing of the new Reichsmarks with gold gave Germany a stable currency for the first time in a decade. But more than any other factor it was the limited issue of Rentenmarks that gave the new currency credibility.

Nearly everyone had been a victim of the inflation. Government and industrial bonds, pensions, annuities—all evaporated with depreciated money. Those owning rental properties were deprived of their income when the government froze rents, but if they kept their property throughout the period they came out ahead. Anyone clever enough to exchange money for tangible goods—whether art, antiques, precious metals, or commodities—also preserved much of their capital. An adjusted index of common stocks fell roughly by half from 1918 to the 1923 stabilization. Not a bad performance, all things considered, but not an ideal hedge either. At the stabilization, there were some efforts at restitution to bank depositors on the order of 15 per cent to 30 per cent of the original deposits. All long term debts were revalued and holders of bonds and mortgages received 25 per cent of their original value.

Traditionally, historians have suggested that the expropriation of the middle classes destablized the classbound structure of German society. The strongest supporters of a democratic republic became paupers, and thus politically impotent. Towering frustrations, bitterness, and hatred—integral parts of the inflationary process—undermined the citizen's confidence in the economy and, more importantly, in the government. An unstable society is the first to welcome a man on horseback, and it is no coincidence that Hitler's beer hall putsch took place at the very crest of the hyperinflation. Uncontrolled inflation is a deadly social disease. In Germany, it was directly responsible for the fall of the Weimar Republic and the rise of Nazism.

It is probably true that "it can't happen here," that we are too sophisticated to drift into a hyperinflation. Still, there are ominous parallels:

In the early stages of inflation, people are apt to consume less in order to maintain the purchasing power of their savings. When inflation is expected to continue or get worse, however, people rush to unload money before it buys even less. Personal savings are still high in this country, but there are signs that this is changing. Opinion polls show more and more people anxious to buy now to beat the rising prices. Businessmen have been borrowing and accumulating inventories at record levels, despite the slump, to avoid paying higher prices later. This psychology can cause the rate of spending to accelerate, so that each dollar has more inflationary impact than before.

As Germany once tried to pay its debts to other nations by printing money, so should Western nations, the London *Economist* and others are now suggesting, offset their balance of payments deficits, caused largely by the price of imported oil, by "reflating" demand.

As German officials were willing to tolerate any level of inflation as the price of spurious "full employment," many politicians and political economists are already suggesting expansionary policies after only the slightest upward wiggle in the unemployment rate.

Finally, the characteristic though paradoxical complaints of a money "shortage" during hyperinflations—the inability to print money fast enough to keep up with the rise in prices—has its counterpart today in suggestions that the rate of money growth be measured in "real" terms, minus the rate of inflation. The irony of this suggestion is that the "real" money supply fell sharply in all of the worst inflations in history. When people say that money is "tight" these days, they mean that it takes a lot of money to buy things at rising prices—which is just another way of saying that without a lot of money, prices couldn't continue to rise.

There are lessons to be learned from episodes of runaway inflation, and signs that we have not yet learned them.

MORE OVERSIGHT, LESS SECRECY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. DERWINSKI. Mr. Speaker, as a member of the Foreign Affairs Committee, I have long felt concern and necessary frustration over the manner in which the Congress has dealt with the Central Intelligence Agency. However, I recognize the unusual complications involved with intelligence agencies just as I recognize the complexities that we and other free world nations face in this delicate field of intelligence and counterintelligence.

An editorial in the Tuesday, September 17, Chicago Sun-Times is of special interest not only because of the disclosure of the CIA but more specifically the role of Secretary of State Kissinger in the latest controversy involving the Agency. I personally believe that the Secretary of State should not retain his position as Chairman of the National Security Council. This editorial, "More Oversight, Less Secrecy" follows:

MORE OVERSIGHT, LESS SECRECY

The latest disclosures concerning the role played by Sec. of State Henry A. Kissinger and the Central Intelligence Agency in the internal affairs of Chile demonstrate anew that Congress must take a more effective part in making and watching over foreign policy.

Our Washington Bureau chief, Thomas B. Ross, reported Sunday that he learned from key intelligence officials that Kissinger played an active, aggressive and personal role in ordering secret CIA activities in Chile. Some $11 million was spent in efforts to destabilize the government of then President Salvador Allende. This meddling was organized by the 40 Committee, a supersecret intelligence organization that officials said became a one-man operation headed by Kissinger in his role as chairman of the National Security Council.

CIA operations are supposed to be monitored by the Appropriations and Armed Services committees of both houses of Congress. But over the years, the committees have failed to do their jobs, in spite of the fact that Congress and the electorate have repeatedly been misled and possibly even lied to about the CIA's various activities. And the 40 Committee has never been monitored by Congress at all. Kissinger himself has been treated with kid gloves. His diplomatic triumphs have endowed him with such awe that some members of Congress are too timid to treat him the way they treat other Cabinet members.

We have long believed that the CIA should be compelled by law to restrict its foreign activities to the collection of intelligence. Congress also needs to revise the administrative setup under which the State Department and the NSC are headed by the same person. The potential for abuse is simply too great when these two agencies are headed by the same man.

A TRIBUTE TO FREDERICK PERRY

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. HOGAN. Mr. Speaker, three officers of the law from my State have been honored for heroism and named Policemen of the Year for 1974 by the Maryland Fraternal Order of Police.

One of these brave officers is from Prince Georges County, which is part of my district. All three men deserve public respect and gratitude.

At the risk of their own lives, they reacted quickly and effectively to protect life and property in dangerous emergencies. Their conspicuous gallantry is in the best traditions of law enforcement.

I would like to include highlights of their citations in the RECORD:

FREDERICK PERRY, PRINCE GEORGES COUNTY, MD.

On March 13, 1973, at approximately 1500 hours uniformed officers of the Prince George's County Police Department responded to a silent hold-up alarm at the main offices of the Canteen Corporation in Ardmore, Maryland. The first officer arriving on the scene observed through the glass-enclosed front office four suspects wielding .38-caliber revolvers, holding several employees at gunpoint. The officer radioed for assistance and, once he was observed by the suspects, all of the employees were herded into a rear restroom area of the building and held as hostages. Numerous uniformed officers and detectives arrived on the scene and surrounded the building. Gun shots were heard from within the building and it was later learned that four hostages were critically wounded and 21 others severely beaten.

At approximately 1530 hours, the suspects attempted to leave the building with approximately $40,000 in cash. Detective 1st Class Frederick Perry observed two of the suspects with one hostage attempting to leave by a side door. Detective Perry crawled to a forward position ahead of other police personnel and positioned himself behind a wire fence on the edge of the parking lot at the north side of the building. Endangering his own life and disregarding his personal safety, Detective Perry moved to within 45 feet of a vending truck behind which the suspects, with the hostage, were taking cover. While the two suspects were attempting to fire at a group of officers, Detective Perry got the attention of the hostage and motioned him to step behind another truck and away from the suspects. Detective Perry then rose to his feet in clear view of the suspects and fired one shot at the suspects from his service revolver, striking one of the suspects in the arm. Detective Perry, then under a volley of pistol fire, abandoned his pistol for the .12-gauge shotgun he had with him and fired again, striking the other suspect, who fell to the ground. He then fired a second shotgun blast striking the first wounded suspect, who fell to the ground mortally wounded. The other suspect who was on the ground then rolled over and again aimed his pistol at Detective Perry. Detective Perry fired a third shotgun blast, striking the suspect in the head. The other two suspects, who were still in the office, turned their weapons over to a hostage and surrendered, leaving the building with their hands in the air.

The entire $40,000 was recovered and there was no loss of life to the hostages, all of whom have fully recovered.

CHARLES TROYER, ANNE ARUNDEL COUNTY, MD.

Officer Charles Troyer of the Anne Arundel County Police was working at the Baltimore-Washington International Airport on February 22, 1974, at 0700 hours when a suspect, later identified as Samuel J. Byck, attempted to highjack Delta flight 523. Samuel Byck shot and killed Airport Police Officer George Ramsburg before he entered the aircraft, then shot the co-pilot, Fred Jones, who also died, and next attempted to force the pilot, Reece Lofkin, to fly the aircraft to Washington and crash it into the White House in order to kill the President.

Officer Troyer heard the first shots and rushed to assist Officer Ramsburg. He found Ramsburg shot and dying, ran onto the jetway, and spotted the highjacker in the doorway of the plane. Officer Troyer exchanged shots with the highjacker at that time. After enlisting the aid of another officer, Officer Troyer, without any regard for his own safety, returned immediately to the aircraft and engaged the highjacker in a gun duel through a window. The plane still had nine passengers on board, in addition to the two pilots and a stewardess. Officer Troyer shouted to the passengers to exit through emergency windows. They did this, and at that time the highjacker appeared in the open, aimed his pistol at the pilot and shot him several times. At this point, Officer Troyer shot the highjacker, who died as the police entered the aircraft.

A gasoline bomb was found on the aircraft by Officer Charles Miller. It was taken from the runway by Officer Lowell Todd of the Airport Police, who risked his life by carrying the bomb approximately 500 feet from the plane and covering it with a bomb blanket. Officers Miller and Todd assisted throughout the entire operation.

HENSON THOMAS CAUFFIEL, MONTGOMERY COUNTY, MD.

At approximately 0030 hours on April 4, 1973, Cpl. Harry E. Bailey, Jr., was dispatched on a "burglary in progress" call and was assisted by Officer T. T. Cauffiel. After entering the building, Cpl. Bailey came upon the perpetrator, who was in the process of breaking into a file cabinet. Cpl. Bailey announced his presence and advised the subject that he was under arrest. At this time, the perpetrator fled to a fleet of trucks, parked in the garage area of the building.

Officer Cauffiel had entered the building to assist Cpl. Bailey. The perpetrator could be heard running to the rear of the trucks. Cpl. Bailey and Officer Cauffiel, who were in front of the trucks, ran after the subject. When the perpetrator approached the last truck in line, he came to the front of the vehicle and opened fire. The shots struck Cpl. Bailey twice, and while Cpl. Bailey was lying wounded on the floor, the subject aimed his gun at Cpl. Bailey, attempting to fire another shot.

Officer Cauffiel, who was standing in the direct line of fire beside Cpl. Bailey, with the knowledge that a fellow officer had been seriously injured, maintained his composure and, at great personal risk, remained at his position and fired upon the perpetrator, killing him instantly.

There is no doubt that this action by Officer Cauffiel saved the life of his brother policeman.

FIGHTING BACK AGAINST CONTROLS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. CRANE. Mr. Speaker, in discussing inflation and other economic difficulties facing the Nation we tend to mistake cause and effect, and tend to assign blame for problems to those who really seek to solve them and look for solutions from those who are unable to provide them.

No matter what the economic difficulty, whether it is inflation itself or one of its constituent elements, such as the increase in the price of petroleum products, there are those who believe that Government intervention in the economy is, somehow, the solution. Thus, whatever the problem, there are repeated calls for wage and price controls, import or export quotas, tariffs, and a whole array of other coercive policy approaches.

What those who discuss economic questions in such simplistic terms fail to understand is that government, rather than being the solution to economic turmoil, is more often its cause.

Writing in the Wall Street Journal of November 30, 1973, Prof. Philip W. Graham noted that—

> Crises, as opposed to simple scarcity, result from market disruptions; and the only sector of society which possesses the power to disrupt a large market is the government.

How are the American people to understand that Government—through deficit spending, an artificial increase in the supply of money and in a number of other ways—is largely responsible for inflation and other economic problems if American businessmen do not tell them the economic facts of life? The answer, unfortunately, is that there are few businessmen who defend free enterprise and many who support disastrous governmental intervention in the economy.

Prof. Henry G. Manne of the University of Rochester notes that—

> Businessmen . . . must take a good share of the blame for the present needless turmoil. Much of the public, correctly or not, looks to the business community for proper guidance on economic issues. And so, when President Nixon proclaimed wage and price controls on August 15, 1971, in what may yet prove the most disastrous executive decree in American economic history, the public could surely not help noticing that the loudest approval for the move came from the business community.

Speaking before the 78th annual convention of the National Association of Manufacturers on December 6, 1973, Professor Manne declared that—

> I want to call on the business community of the United States to announce publicly and vigorously . . . that they will not cooperate with the government beyond the legally compelled minimum in developing or complying with any control programs. . . . Businessmen should help the public understand that morality, in the case of arrogant, intrusive, totalitarian laws, lies in the barest possible obedience and in refusal to cooperate willingly beyond the letter of the law. The business community should have the courage to inform the public that the stakes are very high and that they are the potential victims.

Professor Manne's address as published in the April 1974 issue of Reason magazine. I wish to share it with my colleagues and insert it into the RECORD at this time:

[From Reason magazine, April 1974]

FIGHTING BACK AGAINST CONTROLS

(By Henry G. Manne)

By now every member of this audience must have heard every argument the mind of man can conceive for and against consumer rationing, government allocation programs, excess profits taxes, and price controls, to cope with the so-called energy crisis. And everyone here knows the reasons commonly assumed to explain the crisis.

The blame goes, in approximately declining order of magnitude, to price controls; Federal Power Commission pricing policies for natural gas; various efforts of both reasonable and hysterical to curb environmental pollution; oil pro-rationing traceable back to the New Deal; oil import quotas; Near East tensions and war; labor policies in the coal industry; disagreements with Canada stemming from increased nationalism there and protectionism here; fears of nuclear energy; the American consumers' taste in automobiles and household temperatures; and finally the near disappearance of the sperm whale.

Among the myriad solutions proffered for solving the problem, not too much has been said yet about nationalization of the energy industries, though the thought has been bruited about. Most discussions have focused on the imposition of further price controls and consumer rationing, and to a lesser degree on such ideas as government dictation of the output mix of petroleum refineries; mandatory closing of gasoline stations on Sundays; a federal speed limit; and apparently someone's slipping into our bedrooms at night, not to tuck us in but to lower our electric blanket thermostats by six degrees; and on and on and on.

Finally, like a plaintive melody kept in the background by louder and shriller orchestrations, we occasionally hear a very different proposal, that the government forthwith cease in every respect to interfere with the functioning of the fuel market. Advocates of this last view are, however, generally considered to be naive theorists who vastly oversimplify the problem; do not understand the complexity of modern industrial America; and still prescribe 19th century economic nostrums for 20th century problems. After all, how could "doing nothing" ever cure a crisis of the magnitude we presently face?

Well, one answer to that question is that the crisis everyone is talking about does not really exist. That remark usually gains attention, not because it is readily recognized as a simple truth, which it is, but because it is generally considered to be a bad joke stated mainly for its shock value. Still, as was nicely explained by Professor W. Philip Graham in the *Wall Street Journal* of November 30, 1973: "Crises, as opposed to simple scarcity, result from market disruptions; and the *only* sector of society which possesses the power to disrupt a large market is the government." Professor Graham is correct. However, the government, plus the mass media and one hell of a lot of economic boobs, can also create an hysteria that many people are presently mistaking for a real crisis.

Of late, it is difficult to find a news story on the subject that is not headlined "Rationing Necessary to Cure Fuel Shortage," or words to that effect. T.V. commentators of erudite voice and visage and editors turned amateur economists tell us daily that some form of rationing is required to deal with the fuel shortage. A large and perhaps crucial segment of the literate public actually believe that the "cure" for a shortage is some form of government rationing. Well, there are a lot of things rationing can do—all of them bad. But one thing it can absolutely never do is to increase the total supply of any commodity.

I was encouraged recently by a headline over a recent column on this subject by Pulitzer Prize winning *Washington Post* columnist David Broder. That headline really laid it on the line. It stated simply: "Politicians Fooling Public on Crisis." But my optimism was short lived. It turned out that Mr. Broder was simply angry about Congress' delay in adopting what he considered urgently required legislation to ration gasoline and set prices. He thought that the members of Congress lacked the guts to adopt the politically unpopular but economically correct controls. Apparently, sometimes a little guts can be a dangerous thing.

Broder's column contained some nice, though obviously unintended irony. He stated that during World War II "despite all the horror stories today's politicians are telling, it appears that rationing was darned effective. Automobile mileage was cut in half in the first year the rationing plan was in operation. And despite a black market that involved widespread forgery of coupons and some blatant hijacking . . the official estimates were that 95 per cent of the available fuel supplies moved through legitimate channels." I wonder how many of his readers noticed that in the absence of those same controls 100 per cent of our fuel supplies would have moved through legitimate channels. And incidentally, even that five per cent slippage amounted to a quarter of a million barrels of gas and oil a day. It is also interesting that Broder gives credence to "official estimates" of the amount of economic crime the government admitted to in the 1940's. I wonder how he treats the "official estimates" of crime surrounding Watergate and the 1972 election.

WHO GAINS?

It is interesting to conjecture about who the possible beneficiaries of our newest crisis discovery are, and I do not have reference to horse breeders or manufacturers of Franklin stoves. First, I suppose we might note that an administration in serious political straits can claim to have a firm hand on the government reins by dealing resolutely with a dramatic crisis. The traditional form of this argument was that governments risked wars to take the public's mind off domestic failures.

But, as some embarrassed administration critics recently learned, governments are not as likely today to play games about war risks as they may have been in the pre-nuclear era. But a nice little energy crisis can serve almost as well. It usually starts with a grave, short-notice, prime-time presidential warning on national T.V. He makes a call for patriotic, voluntary sacrifices by every citizen and inevitably ends by saying, "together, under my leadership, we will see this through," or words to that effect.

The next morning's papers, however, begin to carry subtle suggestions by third or fourth echelon officials about the possible necessity for regulation and controls. This is usually followed by a series of gradual escalations approaching real compulsion and the inevitable aggravation of the economic circumstances. At the moment, to its great credit, the administration in Washington is holding fast. But the pressures from Congress and elsewhere for fuel rationing and tighter price controls may soon become irresistable.

Other segments of government may be even better served by our new found crisis. The huge federal bureaucracy, fast becoming the most potent political force in the country, has developed sensitive antennae for programs that guarantee larger government payrolls. General controls during World War II required over a quarter of a million paid administrators, so control of the vastly larger present economy would promise several million new jobs at the least. After all, it is hardly imaginable that controls would or could be stopped merely with gasoline and fuel oil.

Next we consider the Congress and a widely held belief that Congress in recent years has given up tremendous powers to the President. This belief created some minor consternation last week when the Senate adopted the National Energy Emergency Act of 1973, or, as some said, our economic Gulf of Tonkin Resolution. On paper, that bill gives the President the greatest peacetime economic powers one Act has ever conveyed. Some critics view this power as being given to the President at the expense of Congress, but the matter is not that simple, nor Congressmen that simpleminded. The President, and the few people close to him who actually follow his bidding, do not and cannot in fact administer these laws themselves. Such laws are administered by that veritable army of bureaucrats over whom, as recent events make more clear than ever, the President has little or no real control.

Anyone who has observed Washington lobbying practices closely realizes that key Congressmen, especially the chairmen of important committees and subcommittees, exercise far more control over the working bureaucracy than do the evanescent presidential appointees far removed from the day to day work of the actual bureaucracy. Thus, I find it perfectly understandable why Congress continues to adopt regulatory laws that are allegedly to be administered by the executive branch. The advent of the regulated economy has lodged tremendous administrative or executive authority in the hands of key Congressmen, and it would be surprising if experienced politicians did not seize the opportunity provided them by a full blown energy crisis to secure more of this power.

The news media must surely bear a good part of the responsibility for creating our present crisis atmosphere. That is, after all, their stock in trade. Remember the *Maine?* But that presents me with a cheap shot, and anyway, who has not already heard that story. There are more interesting groups to consider.

Businessmen, yes, businessmen, must take a good share of the blame for the present needless turmoil. Much of the public, correctly or not, looks to the business community for popular guidance on economic issues. And so, when President Nixon proclaimed price and wage controls on August 15, 1971, in what may yet prove the most disastrous executive decree in American economic history, the public could surely not help noticing that the loudest approval for the move came from the business community. And what could possibly have confused the public more about the workings of unregulated markets and the profit system than all that damnably misguided talk by businessmen recently about corporate social responsibility? Well, that chicken really came home to roost in a hurry, for as Ralph Nader and John Kenneth Gailbraith, among others, tell us, support of rationing and price controls is a crucial part of a corporation's social responsibility. Perhaps in the future the business community will not be quite so quick to truck with that devil.

IDEAS HAVE CONSEQUENCES

At any given moment, there exist a set of widely held intellectual views that largely determine which remedies experts will offer to solve real or imagined problems. In the "crisis" that was discovered in 1933, the then current ideology generated the various alphabet agencies and intensive, if often misguided, antitrust law enforcement. The race and environmental "crises" of recent vintage brought the corporate social responsibility idea to the forefront. Now two different pieces of current intellectual dogma propel the hue and cry for controls.

The first of these is the idea that there is a serious maldistribution of wealth in America. A little over a year ago that same notion played a role in the shift of control of the Democratic Party from those with relatively moderate economic views to those with a considerably more radical bent. The same idea, now apparently even more widespread, is playing a large role in today's crisis.

If you ask fairly intelligent people why they now favor price control and rationing of gasoline, a surprising number reply that these measures are necessary to prevent wealthy people from getting all of the gas, leaving the poor with none. Yet, there are few more pernicious economic suggestions than that we should allocate commodities on the basis of either some egalitarian right or a proven "need" for the particular goods. This argument contradicts the basic premise of a free society that individuals command resources by using the rewards they receive in the marketplace.

Advocates of this notion argue that gasoline has a special quality that distinguishes the ethics of its distribution from that of other commodities. After all, they say, the poor must be able to get to their jobs. But how about housing, or clothing, or travel, or medicine, or education, or, for that matter, movies or soap? Should we destroy an incredibly efficient market distribution system that has served well the rich and the poor alike in order to accomplish some miniscule redistribution of wealth? And should we require that even that small subsidy to the poor to be taken in the form of gasoline; as would be the case with nontransferable ration coupons? How about the nondrivers among the poor, or those who must depend on deliveries? Nonetheless, to underestimate the strength of this argument in America today is to fail to understand much of the popular appeal of rationing and price controls as correct solutions to the energy crisis.

The second ideological argument for price controls, or for a special high tax on petroleum products, is that the large petroleum companies should not be allowed to make "windfall" gains because of the fuel shortage, though apparently the *government* should. Even apart from popular misconceptions about who actually would profit most in this situation, this attitude utterly fails to understand the function of profits.

First and foremost, profits serve as a correct and efficient signal for the production of more goods. The reason why the amount demanded at a specific price increases, or the reason the supply lessens, is completely irrelevant to the economic function profit serves in increasing production. Penalizing profits simply prevents this miraculous device from performing its critical function efficiently. In passing, it might be noted that no one has proposed special tax relief for those industries, like automobiles, that are suffering "windfall losses" at this time.

DON'T SURRENDER

This brings me then to a conclusion that I rather think may offend some members of this audience or at least cause some painful soul-searching. I want to call on the business community of the United States to announce publicly and vigorously, both as individual companies and through associations such as this one, that they will not cooperate with the government beyond the legally compelled minimum in developing or complying with any control programs.

Many industries, particularly in the petroleum industry, have already been asked to serve on government allocation committees. I urge them to keep the public's interest and their own clearly in mind. Do not join these committees; do not give even the *appearance* of cooperation to those who would destroy the most successful economic system ever devised, and do not be misled by the belief that you can save a little of the pie by playing along with the government officials or by manipulating their proposals. Remember you have already been tried and convicted before these proceedings even began. For every such short term benefit you can measure in pennies, you and the public will ultimately experience losses measured in dollars and lives.

The threats of controls and higher taxes, the vilifications by politicians and the media, and the calls to patriotism and social responsibility are but the carrots and sticks of political bullies who can ultimately rationalize the last ounce of control over our private lives.

If you have any faith in the economic and social miracle that is the free market system, use every legal means at your command to vex, confuse, delay, undermine and avoid every regulation adopted or proposed by Congress, the administration, and the bureaucracy. Instruct your lawyers and your accountants to stay as narrowly within the letter of the law as they possibly can while still keeping you out of jail. You are not *legally* obliged to follow the spirit of a law and not *morally* obliged to follow the spirit of a law that is without any redeeming economic or social justification.

Force the government into litigation at every turn. Whenever possible, on constitutional or other colorable grounds, seek individually or in a class action to enjoin the enforcement of price controls and allocation regulations. Force the government to prove the constitutionality of every one of these intrusions, and seek declaratory judgments when there is the slightest possibility of confusion in the interpretation of regulations.

Finally publicize as widely as possible the inevitable inefficiencies, mistakes, and human miseries that will develop with these controls. They are and will be all around us, and no one will have to look far for examples. That price controls prevented production of the equipment necessary to produce more oil refining capacity is the kind of thing that the public should be made to understand. The public should not be allowed to believe that racketeering, black markets, favoritism, misallocations, delays and inconveniences are sacrifices they must endure in the nation's interest. These are, after all, unnecessary costs resulting from economic stupidity or political knavery.

Paul McCracken has characterized as one of the "more unfortunate aspects of rationing . . . its adverse effect on public morality. . . . Thus," he said recently in the *Wall Street Journal*, "those with 'flexible' standards of morality, or who have political pull, or who can work some other angle, will do relatively well, while the ordinary decent citizen will wind up with the dry gasoline or oil tank." With all deference to Dr. McCracken's perfectly correct prognosis of what will occur, I must disagree with his characterization of the effect on public morality.

It has often been pointed out that the Russian system of central economic planning could never have reached its present production levels were it not for a broadly functioning and officially ignored black market. That misnamed free market has, of course, kept many a Russian alive and happier than he would otherwise be. The same may now become true in America.

Businessmen should help the public understand that morality, in the case of arrogant, intrusive, totalitarian laws, lies in the barest possible obedience and in refusal to cooperate willingly beyond the letter of the law. The business community should have the courage to inform the *public* that the stakes are very high and that *they* are the potential victims.

WBBM EDITORIAL APPROVES PRESIDENTIAL PARDON

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. McCLORY. Mr. Speaker, while it may appear to some that the media have adopted a uniform line of criticism against President Ford's decision to pardon the former President, it should be noted that various responsible news media have expressed approval of the President's decision. A most forthright editorial has been composed and broadcast by WBBM Radio in Chicago, the CBS news station serving the Nation from a Chicago base of operations.

I am pleased to attach hereto for the benefit of my colleagues this logical expression which supports the Presidential pardon:

PRESIDENTIAL PARDON

At a risk of a plunge in his own popularity, President Ford has had the courage and the compassion to pardon Richard Nixon, and WBBM believes that in the long run this decision will probably be a wise one.

There is little doubt in the minds of most Americans about the guilt of the former President even without a formal admission from him. The timing of the pardon would have been more acceptable to most people if Mr. Nixon had offered some utterance of contrition.

Many who oppose President Ford's action do so on the grounds that it precludes equal justice under law. But is it so important, at this critical time in our national life, to see the former President brought to his knees and his case brought to a final legal conclusion? It would seem even those who wish to follow this course of action say in the same breath that they don't wish to see the former President go to jail. Therefore, is it worth the agonizing years to rehash the whole Watergate affair, possibly find the former President guilty, then pardon him in the end anyway? Is it not better to pardon him now and turn our national energies to solving the problems that beset us?

The lesson of Watergate has been learned—not only by the former President, but by the American people. It is more important now to heal the wounds than to continue to argue the fate of Richard Nixon.

President Ford has closed the case. For better or worse, let's accept that decision and move forward.

GEN. CREIGHTON WILLIAMS ABRAMS, JR.—IN MEMORIAM

SPEECH OF

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 18, 1974

Mr. ICHORD. Mr. Speaker, I wish to join with my colleagues in paying tribute to Gen. Creighton W. Abrams, whose tragic death on September 4 deprived this Nation of an outstanding general, a dedicated public servant, a loyal citizen, and a warm and sensitive human being. From his days as captain of the Agawan—Massachusetts—High School football team, editor of his school newspaper, and president of his graduating class of 1932, through his service during three wars to his appointment as Army Chief of Staff in 1972, General Abrams' career was dedicated to excellence in all endeavors and a straightforward, commonsense approach to life. Commissioned as a second lieutenant on June 12, 1936, General Abrams went on to become a multidecorated colonel during World War II, whose tank battalion became legendary for their heroic exploits from Normandy into Germany, and who Gen. George W. Patton described as the "world champion" tank commander in the Army. In 1953 he was assigned to Korea where he served as chief of staff, successively, of the I Corps, the X Corps, and the IX Corps. His sensitivity and personal leadership were again put to the test in 1962 and 1963 when President Kennedy gave him command of the Federal troops poised to meet racial unrest over the admission of James Meredith to the University of Mississippi and the eruption of racial violence at Tuscaloosa and Birmingham, Ala. Then in 1968 General Abrams replaced Gen. William C. Westmoreland as commanding general of U.S. forces in Vietnam and led the dismantling of U.S. military involvement in Vietnam through the delicate Vietnamization process. In the middle of North Vietnamese offensives and growing opposition to the war at home, Vietnam tested both General Abrams' military genius and his political astuteness. On both counts he emerged from Vietnam amidst praise from all corners, having achieved his assignment to disengage U.S. forces with the minimum of casualties with delicacy, distinction, and honor. He returned home to be confirmed as Army Chief of Staff in 1972 and until his death this month he brilliantly led the restructuring of a viable peacetime army.

Mr. Speaker, this Nation has much for which to be grateful to General Abrams. He served this Nation to his fullest and yet accomplished all his distinctions in a quiet, self-effacing manner, avoiding the opportunities for public recognition which normally fall to a man of such outstanding achievements. He was known as a lover of fine music and was a credible pianist in his own right. He was an enthusiastic amateur cook, an avid outdoorsman, and long before energy conservation became popular, took to driving himself to work in a modest compact car. He was a candid, informal man dedicated to his family and his country and his entire life and career can only be characterized as exemplary. His death marks a great loss to this Nation, and I share in the deep sadness which his death has brought to his family, his friends, his colleagues, and his country.

BAY PINES VA CENTER

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. YOUNG of Florida. Mr. Speaker, today I had the privilege of presenting to the President of the United States what I believe to be a very convincing case for the construction of a replacement hospital for the present facility at the Bay Pines VA Center.

I include a copy of my letter, which I handed personally to President Ford, and a copy of the summary of my presentation, also personally delivered to the President:

WASHINGTON, D.C., *September 19, 1974.*

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: This letter is to formally transmit a substantial compendium of evidence to document the urgent need for a replacement veterans hospital at Bay Pines, Florida.

The appended material represents many, many hours of work by dedicated persons in the Bay Pines service area. It speaks for the thousands of veterans served by Bay Pines, and on behalf of the fine staff at Bay Pines. The documentation of need includes not only my own personal statement, but testimony presented at a public hearing, resolutions of support from local government, and communications on this subject which I have received from the Executive Branch.

I believe these materials clearly delineate the urgent need for a new hospital at Bay Pines, and just as clearly show that the decision must be made now, in order to avoid grave future consequences. I hope that your own examination of this evidence will confirm my judgement and that you will lend your immediate support to release of the already appropriated funds for preliminary architectural and engineering design of the new facility.

With best wishes and personal regards, I am

Sincerely yours,

C. W. BILL YOUNG,
Member of Congress.

BAY PINES VA CENTER

INTRODUCTION

Both Congress and the Veterans Administration have long recognized the need for a replacement hospital at Bay Pines. The present hospital facility was built to care for World War I veterans: opened on January 13, 1933, it is the second oldest veterans hospital in the State of Florida.

While there are now approximately one million World War I veterans still living in the United States, they have been joined by nearly 17 million World War II veterans and 11 million veterans of the Korean and Vietnamese conflicts.

Congress has not been unresponsive to the heavy demands placed on the Bay Pines facility by veterans of all conflicts. In 1959, prior even to the influx of Vietnam-era vetrans, Congress appropriated $1,722,000 for design of a new hospital at Bay Pines. Howeven, during the past 15 years, a portion of these funds has been utilized for other urgent projects at the Bay Pines Center. Consequently, in 1972 the Congress again expressed its support for a new hospital by appropriating $706,000 for preliminary design work.

The Veterans Administration currently has a replacement hospital programmed for future construction as project #516–053. In March 1974, the House Committee on Veterans Affairs estimated the cost for the projected 720-bed Medical, Surgical, Neuropsychiatry hospital as $54.8 million.

On May 31, 1974, I convened a hearing of interested parties at Bay Pines in order to bring together those concerned with a replacement hospital and to compile the information necessary as input for the decision to go ahead with the preliminary design work. The information contained in the appended summary, including the testimony presented at that hearing, fully documents the need for a replacement hospital and suggests several priorities to be observed in developing the replacement facility.

Many points raised in communications to me from Mr. Roy L. Ash, Director of the Office of Management and Budget, and from Mr. John D. Chase, Chief Medical Director for the Veterans Administration, were answered in detail at the May 31st hearing. [These communications are incorporated into your copy of the bound testimony, along with other documentation derived from the hearing.]

Local governmental units have strongly supported the drive to secure construction of a replacement hospital. No less than 15 cities, encompassing much of the veteran population of the Bay Pines service area, have formally approved resolutions in support of a new veterans facility at Bay Pines. These cities include St. Petersburg, Clearwater, St. Petersburg Beach, Pinellas Park, Seminole, Treasure Island, Gulfport, Indian Shores, Safety Harbor, Indian Rocks Beach, and North Redington Beach. In addition, the Pinellas County Department of Social Services has gone on record in support of a new hospital. Copies of these resolutions are attached.

BACKGROUND

Veterans have been moving into Florida at a phenomenal rate over the past few years—5,000 per month, or 60,000 per year. Active veterans claims have been increasing at the alarming rate of 6,235 per month over the last four months. In the Bay Pines service area alone, that rate of increase approximates 11,313 additional claims each year.

At the beginning of World War II, Florida had a veteran population of only 43,000; today, it encompasses 1,200,000, of which only 200,000 are Vietnam-era veterans. An additional estimated one and one-half to two million tourist veterans may also be in the state on any given day.

Almost 174,000 veterans live in the 11 counties serviced by the Bay Pines VA center, and of that number, 89,000 live in Pinellas County alone. Bay Pines, therefore, services more than 15 percent of Florida's resident veterans.

Lending special urgency to the need for a replacement hospital at Bay Pines is the fact that approximately 44 percent of the veterans in the Bay Pines service area are aged 45 and older—undeniable evidence that World War II era veterans will, because of approaching old age, experience more numerous and more serious medical problems in the near future. This speaking of health problems may be compared to the World War II "baby boom" which placed such severe pressures on educational facilities in the 1950's, ultimately requiring many schools in the nation to adopt a combination of double sessions and portable classrooms to relieve overcrowding. Such makeshift solutions are clearly unsuitable and unacceptable for meeting the medical needs of our veterans.

Population figures provide an ominous forecast of steadily increasing demand on the Bay Pines facility. The following breakdown of the veteran population of the Bay Pines service area, by age group, serve to reemphasize that a facility built to meet the medical needs of World War I veterans is inadequate for present needs, let alone the demands of the future.

Veterans population of Bay Pines service area by age group

Under 35	76,498
35–44	20,863
45–54	38,249
55–64	22,602
65 and over	15,647
Total	173,859

The medical care requirements of older veterans have been sharply increased for the future, as a result of the Veterans Healthcare Expansion Act of 1973. This legislation provides that non-service-connected veterans aged 65 and older are now entitled to hospital and outpatient care on the same basis as service-connected veterans. Bay Pines will not be able to cope with this additional load on its facilities.

The physical plant at Bay Pines is both inadequate and obsolete. The main hospital buildings are 41 years old and maintenance costs now run nearly $1 million per year. The hospital is so overcrowded that it must concentrate largely on service-connected cases only. Waiting lists for admission average as high as 150 veterans per month, and often a veteran must wait weeks or even months for treatment.

The rate at which Florida VA hospitals can move patients in and out and thereby provide timely service to those in medical need is generally high—*except* at Bay Pines, where the rate drops to half the Florida average.

VA hospital turnover rate—Florida

	Percent
Gainesville	203.0
Miami	193.0
Lake City	153.2
Tampa	152.6
Bay Pines	88.0

It is estimated that an ill veteran must wait from two to six hours for admission to Bay Pines, even when beds are available. Many ill veterans are treated in a stopgap manner, on an outpatient basis, because of the scarcity of available beds. Retired veterans and veterans who are non-service-connected have difficulty in obtaining medical attention because of the lack of facilities for treatment. Testimony at the hearing indicated that it often takes days or weeks just to schedule an appointment. During the winter tourist season, the influx of out-of-state veterans with emergency medical problems places a further strain on the already overburdened hospital.

[It should be noted at this point that the staff at Bay Pines renders excellent care to its patients, an admirable feat under the circumstances. The hearings were replete with testimony praising the doctors, nurses and staff members at Bay Pines, and the highly competitive care which they provide.]

With the exception of some small modernization projects, the only major new construction at Bay Pines since 1933 was a 120-bed nursing home built in 1972 at a cost of $1.8 million. Thus, in addition to the nursing home, Bay Pines today has 151 surgical beds, 126 psychiatric beds (30 of which are designated as "alcholic patronage unit beds"), 30 rehabilitation medical service beds, and 396 medical service beds—for a total of 703 beds.

Many of these 703 beds are located on converted porches, and have window air conditioners blowing directly over them. The air conditioners drip condensation on the flood, creating health and safety hazards. The beds are so closely spaced that they do not even meet VA space standards. Contagious patients cannot be properly isolated, not only because of overcrowding, but because of the window air conditioners. It is possible to walk down a hall at Bay Pines and pass the room of a tuberculosis patient, only to find the door wide open and the air conditioner blowing a stream of germ-laden air into the hallway. Privacy of the kind offered by most other hospitals is unknown at Bay Pines.

Other defects of the present hospital include an outdated electrical system and an inadequate ventilation system. There are insufficient facilities to care for female veterans. "Temporary" buildings constructed in 1945 still house the chapel, canteen, medical library, volunteer services, personnel office, contact office, brace shop, and mail room.

Some have estimated that it would actually be more costly to modernize the existing outmoded facility than to construct a new hospital. The modernization alternative appears even less desirable when it is known that new concepts in hospital design and construction actually serve to reduce comparative maintenance costs.

RECOMMENDATIONS

Informed testimony at the May 31 hearing strongly recommended the construction of an urgently-needed replacement hospital at Bay Pines. The recommended minimum of at least 1,000 beds should include 300 psychiatric beds, 60 alcoholic treatment beds, 150 surgical beds, 50 rehabilitation medical service beds, 250 acute medical beds, and 190 intermediate medical beds.

Also recommended to meet present and future demand is a mental hygiene clinic in addition to long-term psychiatric service. Other facilities deemed highly desirable include: complete ambulatory care facilities, a complete dental clinic including an oral surgeon, completely new laboratory facilities, and a diagnostic x-ray laboratory.

[Such highly specialized services as radiotherapy, kidney dialysis, kidney transplant, and cardiac surgery were not recommended for Bay Pines, as they can be made available more effectively on a regional basis.]

CONCLUSION

The first veterans' benefit in American history was enacted in 1635 by the pilgrims of Plymouth Colony, who were at war with the Pequot Indians. That law provided that if a man was sent forth by the colony as a soldier and returned injured, he would be maintained by the colony for the rest of his life.

The concept of medical care benefits for veterans stems from 1866, when the Congress established the National Home for Disabled Volunteer Soldiers. Since then, the responsibility to care for "those who shall have borne the battle" has been ingrained in the American spirit and has resulted in tangible and comprehensive veterans benefits programs. First-class medical care remains a priority status among these benefits.

At Bay Pines, the spirit of commitment is present and the staff is able and willing to carry out their medical responsibilities. But the facility itself is simply inadequate to provide the kind of medical support the veterans in the Bay Pines service area need and deserve.

Bay Pines is located directly on Boca Ciega Bay, in a naturally therapeutic setting. With its large moss-covered oaks, tall palms, pines, tropical shrubs, and year-round mild climate, it is perhaps the finest hospital location in the entire VA system. A replacement hospital at Bay Pines could fulfill its potential to be one of the best hospitals in the VA hospital system.

A replacement hospital has been considered and supported by several Congresses, the Veterans Administration, local governments, and the veteran population for more than 15 years. The need has been clearly demonstrated. The time for action is right now. Because of the time needed for actual construction, if this project is not begun soon, a situation that is now only serious will become critical, as patient demand rises to a flood. Under such circumstances, we will find it difficult to explain to those ill veterans waiting in line for admission to an overcrowded VA hospital why their country has failed them.

ALVERNIA HIGH SCHOOL CELEBRATES 50 YEARS OF SERVICE

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. ANNUNZIO. Mr. Speaker, I rise to bring the attention of my colleagues to the 50th anniversary celebration of Alvernia High School for girls, which is located in the 11th Congressional District I am honored to represent.

"Preparation for complete living" defines education at Alvernia and over 10,000 women have graduated since this fine educational institution opened its doors on September 1, 1924. Alvernia's current enrollment stands at 1,150 students who come from over 80 public and private elementary schools. The faculty is comprised of 17 school sisters—including a new principal, Sister Marilyn Fiduccia—and 45 lay persons, who combine diverse backgrounds and unparalleled dedication in their daily efforts. As part of this grand celebration, Alvernia will sponsor a parade on October 6 with marching bands and cars decorated by the students. I am looking forward to being with the Alvernia community on that day and I am honored to serve as the Grand Marshal of the parade.

Alvernia alumnae have made outstanding contributions to their chosen professions and to the communities where they have made their homes. Alvernia High School itself continues to be a source of strength and excellence in Northwest Side Chicago, and a significant number of alumnae still live in the immediate vicinity of the school and maintain close ties through the Alvernia Alumnae Association.

Alvernia students, faculty, and alumnae are planning a year-long golden jubilee celebration beginning on October 6 with a Founder's Day Octoberfest. They can be proud of their school and proud of the 50 years of dedicated service which has distinguished their school and everyone associated with it.

Mr. Speaker, I send my greetings to the principal, Sister Marilyn Fiduccia, and to the students, parents, faculty, and alumnae of Alvernia High School as they embark on this grand golden jubilee celebration, and extent to them my best wishes as they set the course for many more years of community service and personal achievement.

NASA'S OTHER HERO

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. TEAGUE. Mr. Speaker, this past July was the fifth anniversary of the first lunar landing. One of the men that can share the pride of that landing as much as those who made the trip is James E. Webb, former Administrator of NASA.

A fine article about this great man appeared in the July 21, 1974, Washington Post by Julian Scheer.

I submit the article in order to acquaint Mr. Webb to those who did not have the pleasure to know this fine public servant.

The article follows:

NASA'S OTHER HERO

(By Julian Scheer)

(EDITOR'S NOTE.—The writer, a Washington communications consultant, was assistant administrator of NASA.)

This weekend is the fifth anniversary of man's first footprints on the moon. There will be toasts to Armstrong, to Aldrin, to Collins, to Von Braun and other. And deservedly so, for they played major roles. But in the great tradition of history, there is also the forgotten or unknown man. For the space program it may be James E. Webb.

It won't worry Jim Webb a whit, but it was his incredible leadership which made the event possible.

Jim Webb had been Truman's Director of the Budget and Dean Acheson's Under Secretary of State—which made him Washington-wide—and he was enjoying a successful and lucrative business career in Oklahoma when he was called on by a somewhat reluctant President Kennedy to be administrator of the National Aeronautics and Space Administration.

He likes to point out that he was 18th or 19th on Kennedy's list of prospects and, after all had declined, it was Lyndon Johnson who persuaded Kennedy to select him.

Webb simply was not a Kennedy type. He appeared humorless, bullheaded, too knowledgeable about how Washington worked, too close to Sen. Robert Kerr (D-Okla.) who was becoming "Mr. Space" in Congress. And he was not good at taking orders. Early on, when someone in the White House suggested a good location for a NASA procurement award, Webb replied with a blistering memorandum to Ken O'Donnell—clearly intended for Kennedy eyes—which simply said: You run the White House, I'll run NASA. He meant it; it was reflected in every move he made after that.

In dealing with the White House, Webb fought the Bureau of the Budget for every nickel—as if the loss of five cents would topple all that had gone before. It was a blood-on-your-hands attitude. And when he finally got his way, which he usually did, he kept the White House congressional aides away from his committees of the Congress. He'd fight his own battles—his way of maintaining his freedom within the Executive Branch.

And Congress found a new kind of man to deal with. Few believed Webb not to be a scientist or engineer, for he dazzled them with his knowledge of the technical as well as the management of the vast NASA program structure.

His only weapon was "tell 'em all." He never wined or dined them at his home, was straightforward and rather formal with them. His torrent of words numbed them, and when the committees were reeling under the verbiage and charts and graphs, he would bring on his experts, even the astronauts.

Instead of complaining about going to the Hill for committee after committee and subcommittee after subcommittee of testimony, he bragged that Congress knew everything he knew and that NASA testified 5–6,000 pages worth each session.

But it was in the internal workings of NASA where his strength lay. He was first to arrive, last to leave each day. He peppered every individual on his staff with a dozen memos a day—new ideas, new concepts, new thoughts. The sentences were paragraphs and the paragraphs were pages. His internal intelligence network was astounding.

"I hear there's a problem with the LM guidance system at Bethpage," he'd say—two days before a program review revealed it. While he left the technical decisions in the wisest hands, the program managers came prepared to discuss a technical problem in minute detail. If they fell short under a barrage of questions, there would be no decision until they returned better equipped.

He constantly juggled personnel to get a better mix and to push everyone to his Peter Principle. He fondly called it planned disequilibrium." He had an uncanny knack for standing back and looking at the big picture—a trite phrase for a Webb strong suit:

"Managing this size program, how can we expand internationally and draw in other partners.

"Managing 35,000 NASA employees, 400,000 in 20,000 companies, how do we pull it all together so it will give the country a lasting base in technology?

"In giving facility grants to colleges and universities, let's force the President there to get the philosophers involved or to spend some time looking at local domestic programs.

"Is our patent policy adequate?

"How do we transfer this new technology to the civilian sector?"

There was a constant barrage of ideas. He never took on a problem without coming out with two, three or four options. First, he'd solve the problem and then, like a sensitivity session, everyone had to "learn" from the problem and look at the other options—which were, to Jim Webb, opportunities. Everything was an opportunity.

Webb's relationship to his staff was largely impersonal but not without feeling. At the end of a terrible crisis day it was not unlike him to ask about a sick child—something he had picked up from his intelligence network.

And he never took advantage of the emoluments of the office. When GSA sent brochures over so he could pick the limousine he wanted, he was upset at the high prices and ordered a Checker cab, painted black, which was NASA's official vehicle for nine years.

A typical "Webbism," as his habits were often called, occurred at a conference on the peaceful uses of outer space in Kansas City in the early '60s. Webb arrived at the hotel and found no reservation in his name. The advance people had fouled up and everyone on the NASA staff in attendance, guests, speakers, etc., were comfortably in their rooms. Webb made no scene, did not identify himself, and a staff member found him hours later in a far corner of a first-floor ballroom. There he had pulled some chairs together and stretched out for the night, fully clothed, shoes off, and reading some paperwork. He was finally persuaded to take a quickly discovered room.

Abruptly in 1968, Jim Webb resigned. Most of the major Apollo decisions had been made. There were tough days ahead—Apollo 8 and onward—but brilliant Tom Paine was there. Webb knew Nixon would keep him after the election (or Humphrey if he'd won). But Webb decided the time had come. It was part of his feeling for Washington and NASA and what he felt the country needed. And he knew Paine could do the job and was untouchable. Few agencies had such good men back to back.

Almost shockingly, it was less than a year away from the first manned lunar landing. Had he stuck it out, waited just a little while longer, he could have basked in the moment of tremendous glory.

Simply, for Jim Webb, it was time.

PLANS FOR PROGRESS FOR FREE CHINA

HON. LAMAR BAKER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. BAKER. Mr. Speaker, the New York Times of September 7, 1974, has provided us with insight into a problem many of us have been unaware existed. The Republic of China is fighting for its survival. Not militarily, but economically. At a great sacrifice to themselves they are pushing ahead with an ambitious building program that they hope will insure their existence as an independent state now that the foreign policy of the United States has defaulted on our obligations to an old ally.

The most significant point about the Republic of China, though, as this article points out, is that the Republic of China is now approaching full employment. Her wage rates have risen well above those in such lesser developed countries as Malaysia and Indonesia and all of this has been accomplished through an economic system that most closely resembles our own, and yet the attitude of our Government is to neglect this fortress of freedom in Asia.

I insert the New York Times article for my colleagues attention. Now is the time to turn our course on Free China around and reaffirm our faith in the values of our own free enterprise economic system. The article follows:

[From the New York Times, Sept. 7, 1974]

TAIWAN PRESSES NINE BIG PROJECTS—PREMIER PUSHES ECONOMIC PROGRAM DESPITE COSTS AND SOME CRITICISM

TAIPEI, TAIWAN.—At Cabinet meeting, Premier Chiang Ching-kuo asks for progress reports on what have become known here as "the nine big projects."

Despite steep increases in estimated costs and criticism from some economists and other commentators, the Chinese Nationalist Government appears determined to adhere to an ambitious schedule—completion of all nine before the end of the decade.

The projects—including new ports, a steel mill, a petrochemical complex, electrification of the railway system and construction of a superhighway the length of Taiwan—are expected to cost substantially more than $5 billion, or about half of Taiwan's current annual gross national product. Some of the construction has already begun; the rest is under advanced planning.

The critics have recently questioned the need to carry out so many projects simultaneously. They have also argued that the scale of the program will present manpower problems.

They contend that the materials and equipment that would have to be imported would aggravate the trade deficit that Taiwan has been accumulating following the worldwide increase in petroleum prices.

But Government officials, backed by other economists, have maintained that Taiwan has little choice but to push ahead with the program.

Without the projects, officials say, Taiwan's overtaxed port and inland transportation facilities will stifle the economy and the country's industrial development will be stunted.

Implicit in the high priority awarded the projects is their political significance. In the last few years, with the erosion of Taiwan's diplomatic position, Government leaders have become convinced that a strong economic base is Nationalist China's best guarantee of survival.

Three of the projects—the steel mill, petrochemical complex and a large shipyard—are designed to speed Taiwan's development of heavier, more technologically advanced industry.

Much of the country's economic growth over the last two decades resulted from concentration on labor-intensive processing industries.

But Taiwan, whose biggest industry is textiles, is now approaching full employment. Her wage rates have risen well above those in such lesser-developed Asian countries as Malaysia and Indonesia.

To remain competitive in export prices and attractiveness to investors, Taiwan considers it necessary to encourage the growth of more-sophisticated industry.

Of the total cost of the projects, roughly half is to be met through foreign loans, from both private banks and other institutions, including the United States Government's Export-Import Bank.

The remainder is to come from Government appropriations, contributions from state enterprises and bond issues.

The nine projects are:

A 235-mile North-South Freeway, which is to connect the ports of Keelung in the north and Kaohsiung in the south. A first section, less than 40 miles long, was opened last month.

Work on electrifying the west coast mainline railroad, scheduled to start early next year. It is supposed to increase the railway's carrying capacity by one-third, cut running time by one-third and reduce energy consumption by half.

A rail line between the cities of Suao and Hualien on the mountainous east coast, to provide the first connection between the east coast railway and the main trunk in the west. At present, air and highway transportation links with the east coast are often disrupted by bad weather.

A new international airport at Taoyuan, 18 miles south of Tapei. It is to replace the overcrowded terminal and antiquated runway at Sungshan Airport in Tapei. Construction is scheduled to start next year.

A new harbor, now being built at Wuchi on the Taiwan Strait to serve the central Taiwan area near the city of Taichung. The port is scheduled to open in 1976.

The conversion of the fishing port of Suao, on the northern coast, into an auxiliary harbor for Keelung.

A steel mill in Kaohsiung, to be upgraded by the newly formed China Steel Corporation, which includes both Government and private investment. It is to have an initial capacity of 1.5-million metric tons (3,306 pounds) when production begins in 1977.

A shipyard at Kaosiung. The Government holds 55 per cent of the stock in the China Shipbuilding Corporation, which will run the yard, with the rest owned by the Oswego Corporation of the United States (25 per cent), Camerna Navigation Corporation of Liberia (10 per cent), Associated Marine Industries of the United States (5 per cent) and the Consolidated Navigation Corporation of Britain (5 per cent).

FINAL TRIBUTE TO EULALIA OSBY CORBIN

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. McCLORY. Mr. Speaker, it may not be often that a Member of this body feels impelled to apprise his colleagues of the passing of a member of his staff. However, in the case of my district administrative assistant, Mrs. Eulalia Osby Corbin, I make this statement as an expression of affection as well as of my esteem and appreciation for her capable service. From the time of my election in 1962 she headed my Washington staff until February 1969.

On February 1, 1969, Eulalia Corbin left Washington, D.C., planning originally to return and enjoy part-time retirement at her family home in Springfield—in the heart of the "Land of Lincoln." It seems entirely logical that her home and Abraham Lincoln's should both be in Springfield, Ill., for, as Lincoln, she was a great American. However, instead of retiring, she became my district administrative assistant, headquartered in Waukegan, Ill.

A few days ago she was hospitalized and on Thursday she passed on. Many in this body will recall Eulalia and will sense in some degree the loss which her family and I and other close friends and associates are experiencing.

In today's jargon, Eulalia Corbin might be described as a "black American." She was much more than that. She was black, white, and red—being part Negro, part white, and part American Indian. What is more, she was part gentile and part Jew. In short, she was a full-blooded American—or more poetically speaking—a red, white, and blue-blooded citizen of America.

Daughter of a one-time Sangamon County, Ill., supervisor, James B. Osby, Eulalia made her own mark in the world, the hard way. Without benefit of State or Federal grants or fair employment laws, she rejected any condition of second-class citizenship by pursuing her educational opportunities in the Springfield public schools and later at the University of Chicago.

Becoming an expert stenographer and typist she also exhibited special skills in dealing with people. For many years she was senior personnel counselor at the Old Stevens Hotel—now the Conrad Hilton—in Chicago. She served subsequently as executive secretary of the Illinois-Missouri regional branch of the Anti-Defamation League of the B'nai B'rith. She was a personal secretary to the late Adlai Stevenson when he was Governor of Illinois.

It was shortly after her experience with Governor Stevenson that Eulalia Corbin became associated with me. This association developed, appropriately, in Springfield, Ill., in 1957, where I was then serving as State senator representing a district in northern Illinois. Eulalia Corbin became my personal secretary, a role in which she continued until my election to Congress in 1962.

During her years in Washington, thousands of visitors from the Lake, McHenry, Kane, and Cook Counties areas came to know Eulalia as an important part of their "representation" in Washington. No visitor entered my office, no piece of mail, incoming or outgoing, reached my desk, no policy was formed on any critical issue, no decision was reached on any legislative or campaign problem without Eulalia Corbin being there.

As executive secretary, Eulalia Corbin "ran" the congressional office. She coached the other members of the staff on my virtues and my idiosyncrasies. She corrected my usage of English, and I must confess, quite frankly, she prepared some of my floor speeches. She suggested advantageous political moves, she revised newsletters, press releases, even individual letters, to assure that the congressional "image" was always the most accurate and favorable.

During periods of disappointment and defeat, Eulalia Corbin provided a large measure of encouragement which was so badly needed. Her loyalty was unqualified and unswerving. It was the same to the very end.

The beloved and noble Eulalia Corbin leaves her daughter, Jewel (Mrs. G. Wilton Hines). of Yonkers, N.Y.; her sisters, Mrs. George Lawson, of Boyds, Md., Mrs. Mayme Osby Bound, of Chicago, Mrs. Jeanne Goodwin, of Tulsa, Okla., her brother, Russell Osby, of Chicago; as well as other close relatives and a host of friends and associates who have come to love and respect her.

Eulalia Corbin died so to speak "with her boots on." She was healthy and active to the very end, even placing the call herself for transportation to the hospital in Waukegan where she passed on quietly.

After brief services in Waukegan, her final resting place will be appropriately in Oak Ridge Cemetery, Springfield, Ill.

It is with a heavy heart that I report the passing of my trusted and long-time friend and strong right arm during my public service. In reflecting upon her contributions in terms of service, devotion, and friendship, there is every reason to be particularly grateful for Eulalia Osby Corbin—a truly great citizen—a great American.

UNEXPECTED BONUS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. DERWINSKI. Mr. Speaker, I strongly urge all Members to give their personal attention and active support to the U.S. Bicentennial observance which is being planned to reach a climax in 1976. I believe this planning period of the Bicentennial observance gives us a great opportunity to study and appreciate our American heritage.

Therefore, I believe the editorial in the Sunday, September 15, Star Tribune Publications, serving Cook County, Ill.. emphasizes this point very well, I insert the editorial "Unexpected Bonus" at this time:

[From the Tinley Park (Ill.) Star-Tribune, Sept. 15, 1974]

UNEXPECTED BONUS

The U.S. Bicentennial observance, which is being planned to make Americans more aware of their democratic heritage, already is yielding unexpected bonuses of sorts.

Publicity generated by the observance has led to the recent discovery of two historic articles relating to the nation's early days.

In Pennsylvania, a school boy, his interest aroused by a classroom discussion of the "Federalist Papers" by Alexander Hamilton and James Madison, recalled having seen some old books with a similar title in his grandparents' attic.

The books turned out to be a rare two-volume first edition of "The Federalist—Essays in Favor of a New Constitution," published in 1788.

The famous literary work, which consists of 77 essays, first appeared in New York City newspapers before they were bound, with eight additional essays, in book form.

And a search by a Detroit resident turned up the only known portrait of Gen. (Mad Anthony) Wayne made during his lifetime. The portrait of Wayne, dressed in resplendent military attire bearing emblem of the Society of Cincinnati—a brotherhood of American officers who had served in the Revolutionary war—was painted in the last year of his life, 1796, by a French artist, Jean Pierre Henry Elouis.

The resident's quest brought a letter from a Philadelphian, who offered to reveal the whereabouts of the portrait on condition that his identity would not be made public and that no artist would be permitted to make copies of the original. The portrait is now in the Detroit Historical museum.

The Bicentennial celebration will culminate with nationwide festivities on July 4, 1976, the 200th anniversary of the signing of the Declaration of Independence. That's 22 months away, ample time for more such historic mementos of the country's colonial past to come to light. Meanwhile, the planning continues as the red-white-and-blue-letter day approaches.

TIME FOR REVIEW OF 1950 DEFENSE ACT

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. BINGHAM. Mr. Speaker, I welcome the decision by the House Rules Committee on September 18 to postpone indefinitely the consideration of a rule for H.R. 13320. I believe that this action was the right one, particularly in the light of the perfunctory hearing and debate given the bill in committee.

The powers given the President in title III of the Civil Defense Act of 1950, which this bill would have extended for 4 years, are frightening. They include the authority to impose censorship on all communications media, to seize private property, to suspend administrative and judicial review of Government activities, to regulate all traffic, and other powers equally alarming. These powers would go into effect upon a declaration by either the President or Congress that a "civil defense emergency" exists. Such a declaration could be made when an attack upon the United States has occurred or is anticipated.

As my distinguished colleague from Wisconsin, Mr. Aspin, pointed out in his minority view in the committee report, there is no guide as to what constitutes such a threat. Now it may be that the President will someday need such extraordinary powers as these, although they have never been used. But if a case can be made for the granting of such powers, are they to be delegated to the President based on nothing more than his statement that an attack is expected, with no language to guide him in making this finding, and without the necessity for congressional approval within any specified time period? Are the powers delineated in the Civil Defense Act of 1950 the proper powers to give? How are we to answer these questions on a record of three pages of testimony and 30 minutes of committee discussion?

This bill has been extended five times since 1951, without significant review. It is high time a thorough review was undertaken. We are supposed to be legislating with a new consciousness of potential abuse of power. I commend the Rules Committee for its action, and I hope that it has finally put an end to the knee-jerk, unthinking extensions of this ominous act.

PERSONAL EXPLANATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. LEHMAN. Mr. Speaker, unfortunately my flight to Washington was late in arriving this afternoon, but had I been present, I would have voted "yea" on passage of the Solar Energy Research, Development and Demonstration Act of 1974, which passed by a vote of 383 to 3.

I would have voted "yea" on the Eckhardt amendment to the Consumer Product Warranties-Federal Trade Commission Improvements Act, to give the FTC power to proceed with its own attorneys in warranty actions without obtaining the concurrence of the Justice Department. Under the bill as offered to the House, the FTC would be permitted to issue only a cease and desist order in cases of violations of FTC rules. This amendment would have permitted the FTC to act on behalf of consumers after a clear finding of violation.

Finally, I would have voted for passage of the Consumer Product Warranties Act, which I note passed by a near-unanimous vote of 384 to 1.

This bill authorizes the Federal Trade Commission to prescribe rules providing for disclosure of the terms and conditions of written warranties on consumer goods costing more than $5. The bill would further require that written warranties on products costing more than $10, except those exempted by the FTC, be designated as "full" or "limited" warranties. In the case of "full" warranties, the bill spells out the duties of the warrantor to remedy a consumer product within a reasonable time and without charge in case of a defect or failure to conform to the written warranty, and to allow the consumer to choose either a refund or replacement if the product continues to be defective after a reasonable number of attempts to repair the defect or malfunction.

THE OMSBUD BLOSSOMS IN HAWAII

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. MATSUNAGA. Mr. Speaker, aloha is a Hawaiian word which has no equivalent in English or any other language. It embodies many concepts—peace, love, friendship, sympathy and concern.

The aloha spirit, which is now known around the whole world is the quality of which those of us from Hawaii are most proud. And there are few people, even in our great aloha State, who have the spirit like Ah Quon McElrath. Ms. McElrath, who has long been a leader in the human services sector, has now engaged in a new project of service to voluntary organizations. In addition to her many other burdens, Ms. McElrath will now serve, in a pilot program which might be emulated to advantage in many areas, as an omsbudperson for the beneficiaries of the services of voluntary organizations.

This kind of activity is a tribute to the managers of the voluntary associations who recognize the need, and to Ms. McElrath who is welcomed in this capacity by all. Indeed, this kind of position—one that recognizes the need for reconciliation wherever individuals and bureaucracies interface—is the embodiment of aloha.

The Honolulu Star-Bulletin recently reported on this innovative new program and use of A. Q. McElrath's talents in an article which I submit in the Record, in the hope that other jurisdictions may follow suit:

[From the Honolulu Star-Bulletin, June 11, 1974]

COMPLAINT? SEE THE AGENCIES' OMBUDSWOMAN

(By Tom Knaefler)

Let's take a for-instance:

Let's say you've applied to adopt a baby from a local agency and with the passing of a great period of time and after numerous conferences, you have strong reason to believe that the agency is discriminating against you.

You complain to the agency but get no satisfaction.

So where do you go from there? Not very far. It's a private agency and it does its own policing. So chances are, you're forced to let the matter just drop.

Well, as of July 1 another avenue will open up for inquiries and complaints about services of various private agencies.

Effective that date, 15 private human services agencies will open an Ombudsman (or, in this case, Ombudswoman) Office with Ah Quon McElrath, well known for her work in social welfare, serving as the volunteer ombudsman.

Mrs. McElrath will serve as a neutral third party who will review and investigate all complaints and inquiries made by private citizens about the services of the 15 participating agencies, which include:

The American Cancer Society, Hawaii Chapter of the Arthritis Foundation, Catholic Social Service, Child and Family Service, Family Services Center, Hawaii Council for Housing Action, Hawaii Council of the National Council on Crime and Delinquency.

Also, Hawaii Planned Parenthood, Inc., John Howard Association, Mental Health Association of Hawaii, Inc., Moiliili Community Center, Queen Liliuokalani Children's Center, Susannah Wesley Community Center, Young Buddhist Association of Honolulu and the Young Women's Christian Association (YWCA) of Oahu.

The ombudsman Office will be located in the Community Center Building, Room 604, 200 N. Vinyard Blvd. Office hours will be from 8 a.m. to 5 p.m. week days. Telephone number, 521-3861.

The Health and Community Services Council, which drew up plans for the new program, suggests that inquiries and complaints first be directed to the agency involved. If the response is unsatisfactory, persons may then telephone, visit or write to the ombudsman.

The ombudsman will accept complaints relating to unreasonable, unfair, oppressive or discriminatory actions or inactions of the participating agencies.

But the office will not accept complaints or requests having to do with legal advice, interpretation of law, private lives of staff and clients, third party cases and internal personnel matters, such as employment conditions, staff grievances, dismissals, etc.

The office will have no jurisdiction over State, County and federal agencies and private health and social service agencies that haven't agreed to participate.

Following an investigation of a complaint, the ombudsman will decide whether it is justified or not. If justified, Mrs. McElrath will meet with agency officials, make her recommendation and a resolution of the complaint would be worked out.

If the Agency agrees to the resolution, the complainant will be notified and the case closed.

If the agency doesn't rectify the complaint, Mrs. McElrath will submit a formal report to the agency and the agency's governing board with a deadline for a response.

If the agency refuses to accept the recommended procedure or doesn't respond, Mrs. McElrath will then submit a full report to the Health and Community Services Council, Aloha United Fund or any appropriate funding body for action.

The Ombudsman Office will operate under an advisory committee comprised of agency representatives, consumers and other community organizations.

Mrs. McElrath believes that the number of complaints will likely be far less than that made to the State Ombudsman.

But, she said, "it may well be that once people know the mechanism is available, we'll hear more from people."

She believes the program is "a move in the right direction. It provides the mechanism for those who have a beef and it will lead to more and more public accountability of agencies.

But she and others pioneering the project point out the benefits aren't all one-sided; that everyone will benefit.

For the agencies, they will gain protection from unfounded criticism.

When undesirable practices and procedures are identified and corrected, everyone is sure to gain.

(Incidentally, the Child and Family Service was used as a hypothetical case and that in no way reflects on the agency's services.)

OHIO RESIDENTS ANGERED OVER ELECTRIC INCREASE

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. SEIBERLING. Mr. Speaker, I have recently received over 50 letters, telegrams, and phone calls from residents of Cuyahoga Falls, Ohio, who are understandably shocked and angered by huge increases in their electricity bills this summer. Some of my constituents provided me with copies of their bills showing that they had doubled and in some cases tripled in the past few months largely due to fuel adjustment charges. Cuyahoga Falls is only one community out of thousands across the country which are facing such increases. Senior citizens on fixed pensions, low income and many middle income families simply cannot afford to pay these increases on top of the already heavy burden of inflation.

I recognize that the reasons for the rate increases are complex, and in many instances, justifiable. Public utilities, like all other sections of the economy, have been hard hit by fuel shortages and inflation. In the past year, for example, the wholesale price of coal jumped 66 percent, and the cost of oil quadrupled. Many utilities find it necessary to raise rates now to cover their increased costs resulting from these price hikes.

Other utilities, which had greatly overexpanded their power facilities and capacities, are now increasing rates to cover income losses suffered last winter when Americans began to conserve their use of electricity. Still other utilities are now requesting rate increases to finance future expansion and improvements because they are no longer able to raise capital due to high interest rates and a depressed stock market. Ohio Edison, which sells electricity to Cuyahoga Falls, is one utility which finds itself in this predicament.

Unfortunately, for the immediate future, there does not seem to be much relief in sight. An easing of credit for necessary utility expansion would provide some small relief in certain areas, and I strongly support such a step.

In addition, I think it would be appropriate to review the standards established under the Clean Air Act, and the timetables set up to meet those standards. For example, an advisory panel in the State of Ohio has recently recommended that the State lower its air pollution standards to conform to the less stringent Federal standards. If this were done, it would free the electric companies in Ohio from the necessity of raising hundreds of millions of dollars for installing air pollution control equipment in the immediate future, and undoubtedly place them in a much better position to raise the necessary capital for other purposes.

I do not intend to suggest any abandonment or even significant curtailment of our national commitment to restore clean, healthy air to all the people of our Nation. That must remain a top priority. Nor do I suggest moving new sources of pollution into the few areas remaining in the country which have been fortunate enough to maintain a clean, pure environment.

But since the passage of the Clean Air Act, the oil crisis has resulted in fundamental changes in available fuel sources. And despite substantial progress in development of technology required to achieve the goals of the Clean Air Act, electric industry spokesmen contend that a practical, low-cost technology for scrubbing sulfur from stack gasses cannot be developed in time to meet the deadlines established by the act. Although earlier this year Congress passed legislation allowing the deferral of clean air deadlines in certain cases, a full-scale review of available technology, produced by an independent agency such as the Office of Technology Assessment, would give Congress the information they need to legislate whatever specific adjustments in the standards and deadlines are appropriate in light of the facts.

Since most of our electric energy is produced from nonrenewable fossil fuels which are costly and in short supply, we are going to continue to pay more for electricity until we can develop low-cost energy alternatives. This summer, Congress approved the Solar Heating and Cooling Demonstration Act and the Geothermal Energy Act, and the House and Senate have passed legislation to establish a broad nonnuclear energy research and development program which will provide Federal assistance through grants, loans, and other incentives to encourage the private development of alternative energy sources. The Senate version of the bill authorizes $20 billion to fund this program over the next 10 years.

It is essential that House and Senate conferees on this legislation approve this figure in order to provide relief as soon as possible to the exorbitant costs of energy to consumers and the environment. I am gratified to have had a role on the subcommittee that drafted this legislation.

Mr. Speaker, in view of the spiraling cost of electricity, I think a complete congressional investigation of the utility industry is in order to determine what changes can be made in the system to provide consumers with the electricity they need at the lowest price. An encouraging first step toward this goal is the Electrical Energy Conservation Act now being marked up by the Senate Commerce Committee. This act would direct the Federal Power Commission to study and develop better ways and more efficient methods of electric power generation and electrical energy conservation.

Also, Senator LEE METCALF has introduced a bill, S. 1025, which would establish a National Power Grid Corporation under which power could be transferred to different areas of the country to handle peak loads which occur at different times of the day or seasons of the year. Senator METCALF estimates that such a system would eliminate the necessity of 25 percent of the construction of new power facilities now planned by public utilities which would represent a considerable savings in costs to consumers. The Senate Commerce Committee is planning to hold hearings early next year on the efficiency of public utilities and on how much growth in electrictiy production capacity is required to meet our country's needs.

Although some electricity cost increases in the next few years appear inevitable, action can be taken now by public utilities and Federal, State, and local governments to reduce the impact of these increased costs to consumers and make them more equitable by restructuring the rate system. Because in the past our economy has operated under a concept of unlimited growth and expansion, electric utilities have encouraged the use of electricity by offering lower rates in proportion to higher consumption, and industrial and commercial users have generally benefited from lower rates than residential users.

The one positive result of the Arab oil embargo and the energy crisis of last winter was that it made us realize that the Earth's natural resources such as oil and coal are limited and are rapidly being exhausted. The people are now aware of the need to reevaluate and redirect the use of these resources and develop alternatives so that we can meet the present and long-range energy and environmental needs of the world's people.

Lower electricity costs and energy conservation can be achieved by making electricity rates reflect the actual cost to users. The cost of electricity should increase rather than decrease with greater consumption. By charging lower rates for off-peak load hours, the necessity and cost of power facility expansion can be reduced and consumers can save by using cheaper electricity at certain times of the day.

The most feasible and practical solution to the critical impact of increased electricity costs for the poor is a rate system called "lifeline" now being considered in some States. "Lifeline" would provide a basic minimum amount of electricity to everyone at a fair and reasonable cost so that people living on low and fixed incomes would not have to do without essentials such as heat, light, or the use of appliances for food preparation.

While the use of the fuel adjustment clause is presently widespread throughout the United States, it may be that allowing utilities to pass their increased costs on to customers reduces the industry's incentive to find cheaper sources of fuel and to make their electricity production more energy and cost efficient. It would seem appropriate to consider a policy that such increases would be approved only upon a showing that the company is taking adequate steps to develop new methods to improve efficiency. Congressman MICHAEL HARRINGTON has introduced legislation, H.R. 13498, which would allow utilities to pass through only 50 percent of fuel price increases to users. This bill is before the House Interstate and Foreign Commerce Committee. I urge the committee to schedule hearings on this and other proposals to improve the utility rate structure in the near future.

At this time, 90 percent of the Nation's utilities and their rate structures are under the jurisdiction of the States, except where electricity is sold in bulk across State lines or to municipalities, such as Cuyahoga Falls, for resale, in which cases the authority lies with the Federal Power Commission. The Federal Power Act gives the Commission the authority to require that all power rates be "reasonable, nondiscriminatory, and just to the customer," but the FPC has done little to protect customers from skyrocketing utility rates. At a meeting on September 11, FPC Chairman Nassikas and other top administration officials urged State regulatory utility commissioners to speed up their rate making processes so that utilities in financial difficulty or in need of capital to expand could obtain rate increases more promptly. They are urged the States to consider allowing utilities to automatically pass through certain costs in addition to fuel adjustment charges. I recognize as I pointed out earlier, that utilities are in a financial bind, but as I also pointed out, automatic adjustment charges may not be the best answer to this problem.

Mr. Speaker, the combined effects of the energy crisis, the necessity of cleaning up our dangerously dirty air and the general inflation afflicting the economy of the United States make an increase in the costs of electricity to all consumers inevitable. But certainly we in Congress have an obligation to do all in our power to see that only justifiable increases are made and that the burden is equitably distributed among all consumers.

THE IMMORALITY OF COVERT OPERATIONS BY THE CIA

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. DRINAN. Mr. Speaker, on September 17, following President Ford's admission that the CIA had been engaged in covert operations directed against the Allende regime in Chile, I addressed the House on this vital matter. As I observed during my remarks, such covert activities exceed the original charter of the CIA and are conducted with neither the knowledge nor consent of Congress and the American people.

An excellent essay on this subject by the distinguished journalist, Anthony Lewis, appears in today's New York Times. Mr. Lewis points out the hypocrisy of American efforts to undermine foreign governments while professing the principle of self-determination. He also discusses the tragic irony of our covert assistance to repressive dictatorships in Chile and elsewhere in the name of "defending freedom." I commend Mr. Lewis' forceful essay to all of my colleagues.

The article follows:

SELF-INFLICTED WOUNDS

(By Anthony Lewis)

The disclosures of covert C.I.A. operations in Chile raise questions on two distinct levels: Was the particular activity against the Allende Government justified? In general, is it wise for the United States to intervene surreptitiously in the internal politics of other countries?

Covert action by the C.I.A. has caused so much embarrassment to this country in recent years that only a serious threat to U.S. national security could begin to justify it. In those terms, putting aside all concern about American values and international proprieties, the intervention in Chile was plainly a mistake.

The Allende Government, whatever its faults, did not threaten anything of ours except the property of American businesses—which it had support from all Chilean parties in expropriating. Moreover, economic disaster was overtaking President Allende in any case. By becoming involved directly with the elements that brought him down, the United States unnecessarily made itself accessory to a bloody coup and a particularly cruel repression thereafter.

The argument offered by Secretary of State Kissinger for the operations in Chile must set some kind of record in cynical contempt for his listeners' intelligence. It is that the C.I.A. was only defending freedom by giving money to the opposition press and parties.

There is no evidence that Mr. Kissinger has ever shed a tear for freedom of the press—or done anything about the brutal repression of freedoms by a dozen right-wing tyrannies. The image Mr. Kissinger has given this country is that of a friend to the Greek colonels. Now he is advising President Ford to visit South Korea, where the feeblest criticism of government may bring a death sentence.

Chile itself is a complete answer to the notion that our interest in intervening was liberty. The military regime that rules it now is one of the most repulsive governments in the world. A recent report by the International Commission of Jurists, confirming other studies, said that torture was in substantial use, including "electric shock, burning with acid or cigarettes, extraction of nails, crushing of testicles, sexual assaults, hanging. . . ." That is the regime that the U.S. rushed to support, after the coup, by resuming various forms of aid.

The argument that we were only protecting the opposition press and parties in Chile is also unpersuasive because it is untrue. As Seymour Hersh of The New York Times has brought out, most of the millions spent by the C.I.A. in 1972 and 1973 went for support of striking truckers, shopkeepers and others whose activities played a significant part in bringing Mr. Allende down.

Official lies are a problem of covert activity in general. They inevitably become necessary. And then, again and again in this country, they are exposed, adding to the weight of public disbelief that has increasingly burdened American policy-makers.

Concern about the credibility of U.S. foreign policy is one strong reason for giving up the practice of covert C.I.A. operations. This case was made definitively just a year ago, in the magazine Foreign Affairs, by Nicholas deB. Katzenbach, former Undersecretary of State and Attorney General.

"Our foreign policy must be based on policy and factual premises which are accepted by the overwhelming majority of the American people," Mr. Katzenbach wrote. As one step toward re-establishing credibility, he said, "we should abandon publicly all covert operations designed to influence political results in foreign countries. . . . We should confine our covert activities overseas to the gathering of intelligence information."

Mr. Katzenbach was making not a moral but a pragmatic argument—that American covert operations were harming us more than others. Even the current C.I.A. director, William E. Colby, recently took a very limited view of their utility, saying that it was "legitimate" to consider abandoning them and that there would be no great impact on our security.

But there are questions of values, too. Does the United States want to proclaim to the world that covert political intervention abroad is a regular part of our national philosophy? President Ford came close to doing so the other day when he said that everyone does it—only the Communists spend more than we do. Are we really no different? We may not always live up to what we say, but do we want to set our standards so low?

Those like Mr. Kissinger who say that morality must give way to effectiveness in these matters really favor covert operations, and secrecy in general, because they are more convenient. It is easier to have a confidential chat with Bill Fulbright or John Stennis than to justify a policy in public. But in the long run it is more dangerous. The habit of dirty tricks abroad can slip into corrupting illegality at home. That, at least, we should have learned from Watergate.

PENSION REFORM

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. WHITEHURST. Mr. Speaker, the Employee Retirement Income Security Act of 1974 provides for new rights on a broad scale to employees and their beneficiaries who are members of pension and welfare plans. New rights bring new responsibilities and obligations. Plan sponsors, administrators, trustees, fiduciaries, lawyers, accountants, actuaries, and other plan advisers will soon be taking action based on the new law. It repeals the Welfare and Pension Disclosure Act and creates opportunities and changes which should be brought to the attention of employee and employer. A handy reference for better understanding of the act has been compiled by my colleague JOHN N. ERLENBORN, Republican of Illinois, who helped write the law. I insert this guide to the Employee Retirement Income Security Act of 1974 at this point in the RECORD:

PENSION REFORM

HIGHLIGHTS

The new law establishes:

Procedures for qualifying and registering plans with the Departments of Treasury and Labor.

Stringent standards for plan fiduciaries, including a broad definition of fiduciary and detailed prohibited transactions.

Reporting requirements regarding conditions and operations of all employee benefit funds (pension, welfare, etc.) to both the Departments of Treasury and Labor.

Requirements regarding disclosure to plan participants of plan contents, participants' rights and procedures.

Minimum participation (eligibility), vesting, and funding standards.

A system of insurance of nonforfeitable (vested) benefits, and contingent employer liability to the insurance corporation in event of plan termination.

A role for the Department of Labor, the new pension insurance corporation, and participants in the qualifying and registration procedures.

Regulatory authority in the Departments of Treasury and Labor with obligation to coordinate regulations and reporting.

Coverage of all employee benefit plans which seek tax qualification or which are subject to jurisdiction under the Commerce Clause.

Means by which individuals not covered by a retirement plan may set up their own plans and obtain preferential tax treatment.

New limits on deductibility of contribution to retirement plans.

Excise penalties and equitable remedies as additional methods to enforce prohibited transaction rules and the minimum eligibility, vesting and funding requirements of the labor and revenue codes.

Effective dates related to the specific titles and provisions of the Act.

COVERAGE

Excluded from the plenary coverage of the Act are:

(1) governmental plans;

(2) certain church plans;

(3) non-U.S. plans primarily for aliens;

(4) workmen's compensation and unemployment compensation plans.

(5) unfunded plans which provide benefits in excess of the Internal Revenue Code limitations on contributions and benefits.

Excluded from all but the reporting and disclosure requirements are:

(6) unfunded plans maintained by the employer primarily to provide deferred compensation for select management or highly compensated employees.

Excluded from the participation, vesting, funding and plan termination insurance requirements are:

(7) plans established by labor organizations (under Sec. 501(c)(5) of the Internal Revenue Code) which do not provide for employer contributions, and

(8) plans established by fraternal or other organizations (under Sec. 501(c)(8), (9); (18)) which do not provide for employer contributions.

Specifically excluded from the funding standards are:

(9) profit-sharing, stock bonus, and other individual account plans (except for money purchase plans), and

(10) certain qualified level premium individual insurance contract plans, and

(11) plans that have not after the date of enactment provided for employer contributions.

Also excluded from coverage under plan termination insurance are:

(12) individual account plans (e.g.: profit-sharing stock bonus, and money purchase pension plans), and

(13) plans that have not after the date of enactment provided for employer contributions, and

(14) plans established by professional service employers and which have fewer than 26 active participants, and

(15) plans established exclusively for "substantial owners".

ADMINISTRATION AND PROCEDURE

Jurisdiction regarding registration of plans (other than welfare plans) is generally shared by the Internal Revenue Service (through the new Office of Employee Plans and Exempt Organizations) with the Department of Labor.

The plan which seeks qualification for tax benefit purposes first files with the IRS information regarding the funding, vesting and participation standards of the plan and notifies the plan participants of such action.

In the period prior to qualification, upon petition by a group of participants, the Secretary of Labor may intervene with the IRS in behalf of the participants regarding the vesting, funding or participation provisions of the proposed plan. In addition, the employer, the employees, the Labor Secretary, or the Pension Benefit Guaranty Corporation may petition the U.S. Tax Court to obtain a declaratory judgment in regard to a plan qualification.

If the IRS finds a plan qualified, it is to certify this fact to the Department of Labor, which must accept this certification as conclusive evidence of initial compliance with participation vesting, and funding standards.

When a plan does not seek IRS qualification for tax purposes, the Secretary of Labor can through the Federal courts require compliance with the participation, vesting and funding standards of the bill.

Plans which are qualified under the tax law are to be audited by the I.R.S. Generally, the Department of Labor is to limit its involvement to matters dealing with individual benefits.

The Act gives authority to the Secretary of the Treasury to write regulations on participation, vesting, and funding except that the Secretary of Labor is directed to prescribe regulations in a few select areas. The two departments are to coordinate their activities, and any regulations prescribed by one department are to be binding on the other.

DISCLOSURE TO PARTICIPANTS

The administrator of a pension or welfare plan is responsible for providing to participants and beneficiaries:

(1) a "summary plan description" (written in a manner calculated to be understood by the average plan participant) within 120 days after the effective date (or 90 days after an individual becomes a participant); and

(2) an updated summary plan description every 5th year, unless there have been no amendments, in which case every tenth year; and

(3) a summary description of any material modification of the plan within 210 days after the end of such plan year; and

(4) a copy of the statement of assets, liabilities, receipts, disbursements and other material necessary to fairly summarize the "annual report" within 210 days after the end of each plan year; and

(5) upon written request and within 30 days, a copy of the plan description, annual report, bargaining agreement, trust instrument, or other plan documents for which a reasonable charge may be made; and

(6) the information in (5) in the principal office of the administrator and certain other places; and

(7) upon written request (but not more than once every year) and within 30 days, a statement of total pension benefits accrued and the time and amount of vesting; and

(8) a statement as to a terminated vested participant's benefits and rights within a prescribed period after the end of the plan year in which such participant terminated.

REPORTING

The administrator of a pension or welfare plan is to file with the Secretary of Labor:

(1) an annual report within 210 days after the end of the plan year which is to contain an audited financial statement, a certified actuarial report and other scheduled financial items on forms the Secretary may require (E.G., a balance sheet and income statement, party-in-interest transactions, transactions exceeding 3% of the plan's assets, loans and leases in default, etc.); and

(2) a plan description within 120 days after the later of the plan's adoption or the effective date of the Act, and an updated summary at least every 5 years; and

(3) a summary plan description at the time furnished to participants; and

(4) a description of modifications and changes in the plan within 60 days after such change.

The administrator of a plan other than a welfare plan is to file with the Secretary of Treasury:

(1) an annual registration statement within a time prescribed by the Secretary and is to contain information on the names and Social Security numbers of terminated participants with deferred vested benefits; and

(2) a notice of a change in status of a plan (e.g.: merger, termination, change in names etc.), and

(3) an annual return containing such financial and other information as the Secretary may prescribe and to be filed within a period prescribed by the Secretary, and

(4) an actuarial statement of valuation before 30 days prior to a merger, consolidation, or transfer of a plan's assets or liabilities; and

(5) an actuarial report containing a statement of valuation, an actuarial opinion, and such other information as the Secretary may prescribe to be filed in a time and manner prescribed by him (at least once every 3 years).

The administrator of a plan covered under plan termination insurance is to file with the Pension Benefit Guaranty Corporation an annual report which includes a statement disclosing the occurrence of any "reportable event".

The Secretaries of Labor and Treasury and the Corporation are directed to coordinate the timing and content of the various reports required to be filed with each agency. Reports involving fewer than 100 participants would be simplified.

FIDUCIARY RESPONSIBILITY AND TRUST REQUIREMENT

All assets of an employee benefit plan are to be held in trust by one or more trustees subject to certain exceptions (e.g., insurance contracts). The Secretary of Labor may exempt welfare plans from this requirement.

In addition every plan must be maintained pursuant to a written instrument which provides for one or more "named Fiduciaries" who jointly and severally have authority to control and manage the operation of the plan.

An individual is subject to the fiduciary rules if the individual is a trustee, a "named fiduciary" a person to whom a "named fiduciary" delegates duties or if the individual—

Exercises any discretionary authority or control respecting management or disposition of a plan's assets, or

Renders investment advice for a fee or other compensation, direct or indirect, with respect to any moneys or other property of such plan, or

Has any discretionary authority or discretionary responsibility in the administration of such plan.

Fiduciaries are required to discharge their duties with respect to the fund solely in the interest of the participants and their beneficiaries and with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

A fiduciary is specifically required to diversify the investments (except in the case of employer securities purchased by profit-sharing, stock bonus, or thrift and savings plans) so as to minimize the risk of large losses unless under the circumstances it is prudent not to do so.

A fiduciary (and a "disqualified person" under the Internal Revenue Code) is specifically prohibited from letting the following transactions occur in regard to a plan:

Dealing with the plan's assets for his own account.

Acting in any plan transaction on behalf of a party adverse to the interests of the plan or participant.

Receiving personal consideration from any party dealing with the plan in connection with a plan transaction.

Transferring property to any party-interest.

Permitting the acquisition of property from any party-in-interest.

Extending or receiving credit from a party-in-interest.

Furnishing of goods, services, or facilities by a party-in-interest.

Acquisition of employer securities exceeding the new limitations (generally 10% of the assets of the plan).

A fiduciary may, however, engage in certain otherwise prohibited transactions; he may, e.g., receive benefits from the plan so long as the benefits are consistent with the terms of the plan, permit loans to participants if they generally benefit the plan, receive reasonable compensation for services rendered, etc. The list of exceptions to otherwise prohibited transactions can be expanded by agreement of the Secretaries of Labor and Treasury when to do so would (1) be administratively feasible, (2) be in the interest of the plan, and (3) protect the rights of participants and beneficiaries.

A fiduciary is personally liable to the plan for any breach of fiduciary duty while a disqualified person (who is generally a party-in-interest) is subject to an excise tax penalty.

Trustees may allocate their responsibilities and other fiduciaries may allocate or delegate their responsibilities; however, a fiduciary remains liable for the illegal acts of a co-fiduciary if he knowingly participates in or conceals such illegal acts.

Plans are protected against loss by reason of fraul or dishonesty by requiring, fiduciaries who handle funds to be bonded.

PARTICIPATION

An employee benefit plan (other than welfare plans) is not to require as a condition of participation an age greater than 25 or a period of service longer than 1 year (3 years for plans which provide for immediate 100% vesting) whichever is the later. Certain pension plans may exclude from participation employees who are within 5 years of normal retirement age. A "year of service" is defined as a 12-month period during which the employee has not less than 1,000 hours of employment.

VESTING—NONFORFEITABLE BENEFITS

Every employee benefit plan (other than a welfare plan) is to meet one of three minimum vesting rules.

1. Ten Year Service Rule—100% vesting after 10 years of service.

2. Graded 15-year Service Rule—25% vesting after 5 years of service; then 5% additional vesting for each year of service from year 6 through 10, then 10% additional vesting for each year of service from year 11 through year 15, so that an employee is 100% vested after 15 years of service.

3. Rule of 45—50% vesting after 5 years service or, if later, when age plus service equals 45, such percentage increasing by 10% each year until 100% is reached; additionally a participant under the Rule of 45 must be 50% vested after 10 years of covered service, such percentage increasing by 10% for each additional year of covered service, so that an employee is 50% vested after 10 years and 100% vested after 15 years regardless of his age.

A plan is permitted to change its vesting rule at any time if a provision is made that accrued vested benefits not be reduced for participants at the time of change. In addition, any participant with at least 5 years of service may elect to remain under the pre-amendment vesting schedule with respect to past and future benefit accruals.

A year of service for vesting purposes is defined as at least 1,000 hours of employment in a 12 month period. A participant is to accrue benefits for each year of participation (after the first year) in which at least 1,000 hours have been worked. A plan is required to meet one of three benefit accrual rules except that benefits for past service must be at least one-half of the minimum.

Once accrued benefits become vested, they cannot be reduced or forfeited on account of "bad boy" clauses or other conditions (with limited exceptions). A plan must provide for a "buy-back" permitting recapture of forfeited vested benefits (where vesting is less than 50%) if the plan provides for such forfeiture when the participant withdraws his own mandatory contributions.

Present rules regarding plans which coordinate with Social Security benefits are changed. The benefits of a terminated participant are to be calculated without taking into account increases in Social Security benefits after the date he terminates.

Another study (to be completed within 2 years) which could impact on vesting requires the Department of Labor to determine the feasibility of issuing regulations to insure that employees under Federal procurement and other contracts be protected against forfeiture of pension rights.

The Act requires that a plan pay all benefits (including deferred vested benefits) in a joint and survivor form at age 65 or, if earlier, the normal retirement age under the plan. A pre-retirement survivor option is also to be available to participants attaining early retirement age.

FUNDING

All covered pension plans must make annual minimum contributions equal to normal cost plus 30 years (of single employer plans) or 40 year (for multi-employer plans) amortization of unfunded accrued liabilities for all plan benefits. Plans may amortize liabilities existing on the effective date over 40 years. Experience gains and losses are to be amortized over no more than 15 years for single employer plans and 20 years for multi-employer plans. An alternative method for meeting the minimum funding standard is provided for certain plans using accelerated funding methods which lead to a high degree of benefit security for participants.

An enrolled actuary is to be retained by the plan administrator on behalf of the participants to evaluate the plan's funding status (at least every 3 years) and to offer his opinion as to whether the required figures represent his best estimate of anticipated experience under the plan.

The amortization period may be extended by the Secretary of Labor if certain conditions are met. The IRS may also grant a waiver, of the funding requirements on a year by year basis (up to 5 waivers in a 15 year period) if certain hardship conditions can be demonstrated. A failure to meet the minimum funding requirements may result in an excise tax being levied on the employer.

TERMINATION INSURANCE

There is established within the Department of Labor a Pension Benefit Guaranty Corporation, to consist of the Secretaries of Labor (Chairman), Treasury, and Commerce. The Corporation is to guarantee the payment of vested benefits (up to $750 a month) to participants of plans which terminate.

A 7-member Advisory Committee, appointed by the President, is established.

Annual premiums for the first 2 years are to be $1 per plan participant for single employer plans and 50¢ per plan participant for multi-employer plans. Plans may elect a second annual premium based on a percentage of unfunded insured benefits and total insured benefits, but such premium may not be less than 50¢ per participant for single and 25¢ per participant for multi-employer plans.

Later, the Corporation may revise the premium rates and create new rates based on (1) number of participants, or (2) unfunded insured benefits, or (3) total insured benefits. Such revisions must be approved by Congress.

The employer remains liable up to 30% of net worth for any unfunded insured vested benefits of a terminated plan. The Corporation is to establish contingent liability insurance covering this employer liability. Conditions of coverage are to be defined by the Corporation and include payment of the contingent liability premium for five years. Coverage may be elected from the date of enactment with premiums set and collected on a retroactive basis. The Corporation is to explore the possibility of providing contingent liability insurance through the insurance and banking industries.

Employer liability is to be payable over a period of time specified by the Corporation. A lien with the same effect as a tax lien is imposed at such time as the employer neglects or refuses to make payments on demand.

In the case of a voluntary termination, the "date of termination" agreed to by the employer and the Corporation is the date on which the plan's benefits and assets are valued, the employer's liability is established (but with the net worth of the employer determined up to 120 days before such date), and the lien is imposed. The benefits guaranteed on such date are the vested benefits under the plan up to the lesser of $9,000 per year or 100% of the high 5-year compensation.

Benefit increases within 5 years of a plan termination are insured 20% for each year they were in effect prior to termination.

The Corporation must also provide assistance to individuals with respect to evaluating the desirability of using various "portability provisions" (e.g. individual retirement accounts) under the Act.

INDIVIDUAL RETIREMENT ACCOUNTS

An employee whose employer doesn't have any qualified pension, profit-sharing, or similar plan is entitled to set up his own plan. Contributions up to the lesser of 15% of compensation of $1,500 may be contributed to an individual retirement account, annuity, or bond program and may be excluded from the employee's gross taxable income. Earnings on these accounts are to be tax free. Distributions from such accounts because of retirement after age 59½ or disability at any age are to be taxed as ordinary income. A 10% excise tax is levied on premature distributions.

The employee and the trustee (who must be a bank or other qualified person) must guard against the fund engaging in certain prohibited transactions. These plans may not purchase life insurance, but certain endowment type contracts to the extent of their non-life insurance elements are permissible investments.

CONTRIBUTIONS FOR THE SELF-EMPLOYED

The present contribution limit to self-employed (H.R. 10) plans is increased from $2,500 to $7,500 (or 15% of earned income if less).

LIMITATIONS ON BENEFITS AND CONTRIBUTIONS

Pension, profit-sharing, 403(b) annuity, self-employed, and all other tax qualified plans are now subject to certain overall benefit and contribution restrictions. Generally, a pension plan may not provide benefits greater than $75,000 per annum. Contributions on behalf of an individual to a profit-sharing or other defined contribution plan is limited to the lesser of $25,000 or 25% of compensation. All plans of the employer are combined for the purpose of testing the limitations. A lower limit equivalent to 140% of the limit under one plan is applicable when an individual is a member of both a defined benefit and defined contribution plan. The above dollar limitations are to be increased with the cost of living.

ENFORCEMENT

Criminal sanctions may be imposed on persons who willfully violate the reporting and disclosure provisions of the Act or who use coercive force to interfere with employee rights under the Act.

Violations of the funding standards and prohibited transaction rules may result in the imposition of excise tax penalties. A plan may also be disqualified if it does not meet certain other requirements of the Internal Revenue Code.

In addition to the above, the Secretary of Labor or any participant or beneficiary may bring a civil action to enjoin any act which violates any provision of Title I and to recover denied benefits. Dollar assessments and the removal of fiduciaries are but two examples of the types of penalties that may result from such civil actions.

EFFECTIVE DATES

Participation and Vesting:

New plans, plan year beginning after enactment.

Existing plans, plan year beginning after 12/31/75.

Accrual of certain supplementary benefits may be deferred until expiration of contract but not later than 12/31/80.

Funding:

New plans, plan year beginning after enactment.

Existing plans, plan year beginning after 12/31/75.

Collectively bargained plans, at expiration of contract but not later than 12/31/80.

Reporting and Disclosures: 1/1/75, but Labor Secretary to issue regulations immediately.

Fiduciary Standards: 1/1/75.

Termination Insurance:

Single employer plans—

Benefits to be paid for plans terminated after 6/30/74.

Employer liability and other provisions, on enactment.

Multi-employer plans 1/1/78, but Secretary may use discretionary authority to pay benefits before then.

Pre-emption of State Laws: 1/1/75.

Individual Retirement Accounts: 1/1/75.

Limitations on Benefits and Contributions: Plan years beginning 1/1/76.

FEDERAL CIVILIAN EMPLOYMENT, JULY 1974

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. MAHON. Mr. Speaker, I include a release highlighting the July 1974 civilian personnel report of the Joint Committee on Reduction of Federal Expenditures, together with a summary of fiscal year 1974 payroll costs and average employment:

SUMMARY OF PAYROLL COSTS AND AVERAGE FEDERAL CIVILIAN EMPLOYMENT—FISCAL YEAR 1974

This summary of annual payroll costs and average employment for fiscal year 1974, following practice of many years standing, is submitted along with the Joint Committee's regular monthly report for July 1974 which carries payroll figures for June, the last month of fiscal year 1974. Figures are from reports certified by the agencies as compiled and published monthly by the Joint Committee on Reduction of Federal Expenditures.

Annual payroll costs for all three branches of the Federal Government for fiscal year 1974, in comparison with fiscal year 1973, follow:

[In millions of dollars]

	Fiscal year—		
	1973	1974	Change
Executive branch	32,730	35,073	+2,343
Legislative branch	448	497	+48
Judicial branch	121	132	+11
Total	33,299	35,701	+2,402

Civilian payroll costs totaled $35.7 billion in fiscal year 1974—an all time high. This compared with $33.3 billion in pay costs last year and $24.5 billion 5 years ago in 1969.

Federal civilian employment in June 1974 totaled 2,893,825, an increase of 69,268 from June a year ago, and a decrease of 182,822 over the 5 years since June 1969.

Comparability pay adjustments granted this year and in previous years have caused the rise in payroll costs in a situation where federal employment levels were being reduced over the last 5 years.

EXECUTIVE BRANCH

The following tabulation show average employment and annual payrolls in the Executive Branch, broken between civilian and military agencies, for the past ten years:

Fiscal year	Total		Department of Defense (including civil functions)		Civilian agencies (except Defense)	
	Average employment	Pay (billions)	Average employment	Pay (billions)	Average employment	Pay (billions)
1964	2,476,656	$16.1	1,042,552	$6.8	1,434,104	$9.3
1965	2,467,858	17.1	1,024,482	7.1	1,443,376	10.0
1966	2,574,429	18.6	1,074,080	7.7	1,500,349	10.9
1967	2,840,393	20.4	1,234,474	8.7	1,605,919	11.7
1968	2,935,826	22.3	1,280,853	9.4	1,654,973	12.9
1969	2,961,640	24.0	1,305,664	10.2	1,655,976	13.8
1970	2,958,364	$26.8	1,264,207	$11.2	1,694,157	$15.6
1971	2,857,013	29.1	1,162,117	11.6	1,694,896	17.5
1972	2,839,163	31.2	1,128,172	12.2	1,710,991	19.0
1973	2,777,265	32.7	1,076,039	12.4	1,701,226	20.3
1974	2,778,951	35.1	1,041,281	12.8	1,737,670	22.3

In the executive branch payroll costs in fiscal year 1974 totaled $35.1 billion, and civilian employment during the 12 months of the fiscal year averaged 2,778,951. On this basis, the average annual pay per federal employee in fiscal year 1974 was approximately $12,500.

The executive branch payroll cost of $35.1 billion in 1974 included $12.8 billion in Defense, $8.4 billion for the Postal Service and $13.9 billion in other civilian department and agencies. Significant increases in pay costs during the fiscal year were shown for the Postal Service, Defense, Veterans, Treasury and HEW.

The average executive branch employment total of 2,778,951 includes an average of 2,433,035 full-time employees in permanent positions.

The executive branch payroll cost of $35 billion excludes $792 million for foreign nations not on regular rolls and includes $121 million for disadvantaged persons employed under federal opportunity programs. The average employment total of 2,778,951 excludes an average of 100,262 for foreign nationals and includes an average of 33,503 for disadvantaged persons.

THE MONTH OF JULY 1974

Total civilian employment in the Executive, Legislative and Judicial Branches of the Federal Government in the month of July was 2,924,047, an increase of 30,222 as compared with 2,893,825 in the preceding month of June.

Executive branch

Civilian employment in the Executive Branch in the month of July as compared with the preceding month of June, follows:

	Full-time in permanent positions	Change	Temporary, part-time etc.	Change	Total employment	Change
June 1974	2,479,910		367,886		2,847,796	
Civilian agencies	(1,477,060)		(300,659)		(1,777,719)	
Military agencies	(1,002,850)		(67,227)		(1,070,077)	
July 1974	2,477,777	−2,133	400,160	+32,274	2,877,937	+30,141
Civilian agencies	(1,478,121)	(+1,061)	(325,641)	(+24,982)	(1,803,762)	(+26,043)
Military agencies	(999,656)	(−3,194)	(74,519)	(+7,292)	(1,074,175)	(+4,098)

Some highlights with respect to Executive Branch employment for the month of July, are:

Full-time permanent employment showed major decreases in military agencies of 3,194 and Postal Service with 3,165. The largest increase was in Veterans Administration with 3,053.

Temporary and part-time employment shows increases primarily in Agriculture with 8,632, military agencies with 7,292, Interior with 4,562, Veterans with 3,259, Postal Service with 2,651, HEW with 1,639 and Treasury with 1,351. These increases are largely due to the hiring of temporary summer aides.

Civilian agencies reporting the largest increases in total employment (including both full-time and part-time) in July were Agriculture with 7,952, Veterans with 6,312, Treasury with 1,536, Interior with 4,512, military agencies with 4,098, HEW with 1,951 and Federal Energy Office with 1,168.

Employment inside the United States increased 27,635 from June and outside the United States there was an increase of 2,506 for the month.

Legislative and judicial branches

Employment in the Legislative Branch in July totaled 36,619, an increase of 80 as compared with the preceding month of June. Employment in the Judicial Branch in July totaled 9,491, a decrease of 1 as compared with June.

Uniformed military personnel

In the Department of Defense uniformed military personnel decreased 1,465 in July, while civilian employment decreased 3,194 during the month. Annual military pay costs in fiscal year 1974 were $23 billion as compared to $22 billion in 1973, and civilian pay costs were $13 billion as compared to $12 billion in 1973.

In addition, Mr. Speaker, I would like to include a tabulation, excerpted from the joint committee report, on personnel employed full-time in permanent positions by executive branch agencies during July 1974, showing comparisons with June 1973, June 1974, and the budget estimates for June 1975:

FULL-TIME PERMANENT EMPLOYMENT

Major agencies	June 1973	June 1974	July 1974	Estimated June 30, 1975[1]
Agriculture	81,715	79,621	78,941	80,200
Commerce	28,300	28,549	28,616	29,100
Defense:				
Civil functions	29,971	29,072	28,987	29,100
Military functions	957,310	973,778	970,669	995,900
Health, Education, and Welfare	114,307	126,692	127,044	[2] 126,200
Housing and Urban Development	15,820	15,021	14,938	14,200
Interior	56,771	57,568	57,518	59,400
Justice	45,496	48,188	48,596	51,000
Labor	12,468	12,788	12,308	13,000
State	22,578	22,644	22,961	23,400
Agency for International Development	10,108	8,961	8,805	9,500
Transportation	67,885	69,524	69,458	71,300
Treasury	98,087	104,356	104,541	111,400
Atomic Energy Commission	7,145	7,411	7,481	7,800
Civil Service Commission	5,911	6,190	6,445	6,300
Environmental Protection Agency	8,270	9,144	9,086	9,200
General Services Administration	35,721	36,733	36,732	38,000
National Aeronautics and Space Administration	25,955	24,854	24,990	24,000
Panama Canal	13,680	13,841	13,814	14,100
Selective Service System	4,607	2,333	2,032	2,200
Small Business Administration	4,050	3,957	4,005	4,300
Tennessee Valley Authority	13,995	14,001	13,909	14,400
U.S. Information Agency	9,048	8,960	8,877	9,100
Veterans' Administration	170,616	174,515	177,568	181,800
All other agencies	34,603	37,734	39,186	37,600
Contingencies				5,000
Subtotal	1,874,417	1,916,435	1,917,467	1,968,100
U.S. Postal Service	547,283	563,475	560,310	534,700
Total	2,421,700	2,479,910	2,477,777	2,502,800

[1] Source: As projected in 1975 budget document. It should be noted that the President has ordered a reduction of 40,000 in the projected 1975 level.

[2] Excludes 4,000 positions involved in proposed transfer of St. Elizabeths Hospital to the Distric of Columbia.

FOR SAFE ROADS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. DERWINSKI. Mr. Speaker, as a supporter of mass transit and more specifically the section which provides funding for the elimination of highway-rail grade crossings, I call the attention of the Members to an editorial in the Press Publications, serving communities in west Cook County, Ill., which strongly endorses this positive congressional action. The article follows:

FOR SAFER ROADS

Every highway-rail grade crossing holds a potential for serious accidents. It is a legitimate concern of government at every level, and now grade crossing safety has become a new national priority.

For the first time in history, federal Highway Trust Fund money is authorized specifically for rail-highway crossing safety projects. Another historic first is the availability of federal money for crossing projects off the federal-aid highway systems.

Special attention is called to the Federal-Aid Safer Roads Demonstration Program, created by Section 230 of the Highway Act of 1973. The Act authorizes $250 million in funds for improvements to correct designated safety hazards on public streets or roads not included on any federal-aid system. The authorization covers a three-year period.

The money is intended primarily for use by local authorities on safety projects for which other state or federal funds are not available. The elimination of hazards at railroad-highway grade crossings are among the projects eligible for inclusion in the demonstration program.

Removing grade-crossing dangers is a recognized obligation of government. As funds are made available for this purpose, it is incumbent upon state and local authorities to co-operate as closely as possible with federal efforts to carry out that obligation.

It also is an obligation of the railroads and the taxpayers to cooperate with government agencies to insure the elimination of dangerous railroad crossings.

TURKISH ACTIONS IN CYPRUS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. LONG of Maryland. Mr. Speaker, Turkish actions in Cyprus have led to a serious international crisis, have strained relations with two NATO allies, and have caused great suffering among 225,000 refugees.

As an honorary chairman of the Maryland Cyprus Relief Fund, I am sponsoring House Resolution 1319, calling for a halt to all U.S. economic and military assistance and military sales to Turkey until all Turkish armed forces have been withdrawn from Cyprus. The removal of Turkish troops is necessary to speed negotiations toward a permanent settlement among Turkey, Greece, and the two Cypriot communities. At the same time, I urge the administration to make every effort now to facilitate negotiations on refugee relief as well as to provide sufficient humanitarian aid so that immediate human needs can be met.

When added to the Turkish decision to revoke its ban on opium cultivation, the massive Turkish violation of the first Cypriot cease-fire, which has led to Turkish occupation of over one-third of the island, scarcely exemplifies moderate and cooperative diplomacy.

CONGRESSMAN OTIS G. PIKE REPORTS TO HIS CONTITUENTS ON 2D SESION, 93D CONGRESS

HON. OTIS G. PIKE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. PIKE. Mr. Speaker, the 2d session of the 93d Congress shows no signs of completing its business before Christmas, but so my constituents may have this annual report in time to pass judgment on it, I am submitting it at this time.

This is the 14th year in which I have had the privilege of representing the good people of the First Congressional District of the State of New York in Washington, and my 14th annual report to them. Without any doubt, the 9 months of this session of Congress have been the most confused, controversial, and complex of any of those 14 years.

The first bill we voted on in January was to authorize $294 million for a 2-year program for the prevention and treatment of alcoholism, and considering what happened for the rest of the year, it could not have been more timely.

Early in the session in March we sent out a questionnaire asking our constituents for their views on the most fundamental issues of the day. The response was gratifying, and almost overwhelming; 25,410 people took the time to respond to a rather complicated questionnaire. Since it was not one of those "yes," "no," "undecided" cards that can be counted by a computer, several secretaries spent weeks of work tabulating and rechecking the results. Those results were clear. People were most concerned and upset about inflation, about the economy, about the unfair tax system, and only after that were they concerned about impeachment.

As the year wore on, the national news media devoted more and more of its time to the unfolding story of Watergate, and although Congress as a whole continued its normal, routine, and frequently dull work, the Judiciary Committee dominated the news. There are 21 committees of the House of Representatives, plus seven special committees, but the press seemed to be aware only of what was going on in the Judiciary Committee.

The other committees were equally busy. The full Armed Services Committee on which I serve, for example, has as of this date held 39 meetings and reported out 19 bills, 13 of which have already been enacted into law. The Subcommittee on Real Estate and Military Construction, of which I was the chairman, held 25 meetings before reporting out the $2,983,821,000 construction bill for this year. The special subcommittee on the energy needs of the Department of Defense of which I was also the chairman this year held 13 meetings. The Research and Development Subcommittee on which I serve held 35 meetings and the Special Investigating Subcommittee on which I also serve held 14 meetings.

On April 30, at the President's request, Congress allowed the remaining ineffective wage and price controls to expire and the rate of inflation soared.

In May the release of the censored Watergate tape transcripts sent a shock wave through the Nation. Such staunchly Republican and conservative periodicals as the Chicago Tribune called for the President's resignation or impeachment. The hearings of the Judiciary Committee became even bigger news, and the workings of the rest of Congress were ignored. By the end of May, however, the House had already had 175 recorded votes on a whole mass of various issues, of which only two had anything to do with the impeachment inquiry.

Back in January our No. 1 problem appeared to be the energy crisis, and by the end of May we had had 22 separate vote on 8 different bills pertaining to energy. During the same period we had had 17 votes regarding national defense, 9 votes regarding education, 6 regarding pension plan reform, and 6 regarding consumer protection, just as an example of what the House was working on.

The Watergate issue reached its climax with the resignation of President Nixon after it became clear that he would be impeached, and the succession of Gerald R. Ford to the Presidency. His honeymoon period was brief, jolted slightly when he named Nelson Rockefeller as his choice for Vice President, jarred severely when he granted a complete pardon to Richard M. Nixon, and continually undercut by an inflation which his Secretary of the Treasury said would take "years" to bring under control.

As this annual report is made, as it was back in March, it is inflation and the high cost of living, combined with a high unemployment rate and a sagging economy which most concern Americans. Neither the President nor the Congress has come up with any real programs to end it, nor can the Nation's most prestigious economists agree on what a proper course of action should be. The President has asked Congress to cut Government spending, but then nominated as his Vice President the man who increased government spending by 600 percent during his term as Governor of the State of New York. It is my personal belief that Government spending must be cut, but that other actions are essential before inflation will show any signs of abating. Energy costs have doubled in the last year, so we must conserve energy. Productivity must be increased in both raw materials and finished products. Both as individuals, and as a nation, we have become used to luxuries we can properly do without. My special concern is for the elderly, living on fixed incomes and using up their savings merely in a desperate battle for survival. Some of the letters which reach my desk are truly heartbreaking, and I only wish we could do more to help.

What we can do, we do. My own Subcommittee on Military Construction—barracks, warehouses, military bases, et cetera—cut more than 10 percent—a total of $347 million from the President's budget, a record cut. I argued both on the floor of the House and in committee for other cuts—in aid to Vietnam, in foreign aid, which were adopted. Others which I supported failed. By the same token, there are certain priorities which must be met. We must continue to educate our young, heal our sick, care for our elderly, and defend our Nation.

Long Island's defense industry has had an up-and-down year with alternating good news and bad news. Our office has tried hard to assist, and at the moment things look pretty good. A new plane is being built by Fairchild Republic, and Grumman's financial difficulties, caused in part by the Senate, seem to be solvable.

Eastern Long Island continues to grow—too fast in my opinion. Our congressional district has grown from a population of 467,742 at the time of the 1970 census to an estimated 547,000 today. Our problems in housing, education, transportation, pollution, jobs, and recreation grow with it. So does the job of the Congressman. Our office gets hundreds of requests for help daily, and we try.

In my first year in Congress, in 1961, we had 116 recorded votes and quit for the year on September 27. As this annual report is prepared, we have already had 383 for the year, will probably have 100 more, and after a short break for the elections, may well hang up our Christmas stockings in Washington. In our first annual report we were able to detail every vote. In this report, so the list will not get unbearably long or the print unbearably small, we are only hitting the more important bills and the more controversial ones, omitting such vital legislation as the record vote of April 2, to keep people from making money on the conservation emblem "Woodsy Owl." Oh heck, I voted to keep crass commercial interests from capitalizing on Woodsy Owl's slogan, "Give A Hoot, Don't Pollute."

In my judgment it has been a good Congress. We have created a congressional budget-keeping operation so the left hand will not spend—in theory, anyway—more than the right hand is earning. We passed new minimum wage legislation; new safeguards for employees' pension plans. We passed a mass of legislation related to energy. The House has passed campaign financing legislation and basic consumer protection legislation. The former has passed the Senate and should become law. The latter is now being considered by the Senate.

In a few areas the House failed badly. By close recorded votes the House refused even to debate and consider the issues of a national land use policy or voter registration by postcard. On balance, however, the 93d Congress will be recorded by history as having created some checks and restored some balance to our constitutional system of checks and balances between the legislative, executive, and judicial branches of Government.

On a personal note, the Congressman worked hard, grew 1 year older, stayed relatively healthy, went fishing when he could, and was generally present to vote when he was supposed to be. Of the 383 recorded votes held thus far, he was present and voting on 381 of them.

Here are the most important ones—I would be most happy to have your views on this record:

VOTING RECORD—2D SESS., 93D CONG., JAN. 21 TO SEPT. 11

Date	Issue	Pike vote
1974		
Jan. 21	Authorize $294,000,000 in fiscal 1974-76 for prevention and treatment of alcoholism (yea 338; nay 22).	Yes.
22	Extend and expand authority of Federal agencies to carry out wildlife conservation and propagation programs on military reservations and other public lands (yea 355; nay 25).	Yea.
	Expand fisheries zones off the coast of the United States by providing that baselines be straight rather than following the indentations of the coastlines (yea 375; nay 1).	Yea.
Feb. 5	Increase to $50,000 from $20,000 amount of a bank deposit that can be covered by Federal deposit insurance and provide for Federal insurance on unlimited amounts of savings deposits by State and local governments (yea 282; nay 94; present 30).	Present.
6	Authorize and direct House Judiciary Committee to conduct an investigation of whether sufficient grounds exist to impeach President Nixon and to authorize use of subpoenas in conducting the inquiry (yea 410; nay 4).	Yea.
13	Provide for National Aeronautics and Space Administration program of demonstrations of technology to use solar energy to heat and cool homes and other buildings (yea 253; nay 2).	Yea.
19	Increase veterans' education benefits by 13.6 percent and make other changes in veterans' education and training programs (yea 382; nay 0).	Yea.
21	Increase flight pay provisions (yea 320; nay 67) (Pike amendment to restrict flight pay to officers who actually fly was rejected by the House).	Nay.
27	Adopt conference report on National Energy Emergency Act granting the President authority to impose gasoline rationing and other conservation measures, to ease clean air standards and to control price of domestic crude oil (yea 258; nay 151).	Yea.
28	Establish minimum Federal standards for private pension plans (yea 376; nay 4).	Yea.
Mar. 6	Amend Federal Energy Administration bill to roll back price of domestic crude oil to $5.25 a barrel and allow prices to rise no more than 35 percent above the $5.25 ceiling (yea 218; nay 175).	Yea.
7	Create a Federal Energy Administration replacing the Federal Energy Office to manage Federal emergency energy programs (yea 353; nay 29).	Yea.
13	Reduce State Department Authorization Act of 1973 by $12,700,000 for fiscal 1974 (yea 331; nay 75).	Yea.
	Implement 1971 Hague international hijacking convention and authorize President to suspend air service to and from any country determined to be acting inconsistently with the convention defining the circumstances under which the death penalty must be imposed for hijacking crimes, and authorizing certain security measures at U.S. airports (yea 361; nay 47).	Yea.
14	Amend Freedom of Information Act of 1966 to improve public's access to Federal Government documents (yea 382; nay 8).	Yea.
18	Revise special pay bonus structure of the armed services by allowing up to $15,000 in selective reenlistment bonuses (yea 237; nay 97).	Nay.
19	Authorize $600,000,000 in fiscal 1975-77 for nutrition program for the elderly (yea 380; nay 6).	Yea.
21	Authorize $82,256,000 for Peace Corps operations and up to $1,000,000 for fiscal 1975 (yea 294; nay 103).	Yea.
27	Provide supplemental appropriations of $750,000,000 in fiscal 1974 for readjustment benefit payments to veterans enrolled in educational and vocational programs (yea 398; nay 0).	Yea.
	Extend school impact aid programs for 3 years, through fiscal 1977, instead of 1 year (yea 276; nay 129).	Yea
	Extend most programs authorized by the Elementary and Secondary Education Act of 1965 through fiscal 1977 and restrict the use of busing for desegregation purposes (yea 380; nay 26).	Yea.
28	Adopt conference report on minimum wage increase for most nonfarm workers from $1.60 to $2.00 on May 1, 1974; then $2.10 on Jan. 1, 1975, and to $2.30 on Jan. 1, 1976, and extending new minimum wage coverage to approximately 7,000,000 workers (yea 345; nay 50).	Yea.
Apr. 1	Authorizes $475,000 for House Internal Security Committee in fiscal 1975 (yea 247; nay 86).	Yea.
3	Establish an independent Consumer Protection Agency to represent the interests of consumers in the activities of Federal agencies (yea 293; nay 94).	Yea.
4	Amend Defense Supplemental Authorization bill by increasing fiscal 1974 ceiling on U.S. aid to South Vietnam from $1,126,000,000 to $1,400,000,000 (yea 154; nay 177).	Nay.
10	Increase to $250,000,000 from $100,000,000 supplemental appropriation to continue existing public service job programs triggered whenever national unemployment is 4.5 percent or more, and to $500,000,000 from $350,000,000 for both existing and new public service jobs programs (yea 236; nay 168).	Yea.
	Appropriate $4,500,000 for implementing a Federal program to prevent and treat child abuse (yea 254; nay 149).	Yea.
	Cut all fiscal 1974 supplemental appropriations by 5 percent ($440,000,000) (yea 145; nay 249).	Yea.
	Appropriate $8,811,362,043 in fiscal 1974 for defense, pay cost increases, manpower programs and other purposes (yea 375; nay 22).	Yea.
23	Adopt conference report on bill revising the special pay structure for physicians in Armed Forces (yea 372; nay 17).	Yea.
	Amend Atomic Energy Commission authorization bill to add construction of a solar heating and cooling demonstration project at the Los Alamos, N. Mex., scientific laboratory (yea 275; nay 122).	Yea.
	Increase fiscal 1975 AEC authorization for controlled thermonuclear (fusion) research to $112,000,000 from $91,000,000 (yea 115; nay 283).	Yea.
24	Provide $50,000 Federal payment to surviving dependents of non-Federal public safety officers—policemen, firemen, correctional officers, prison and probation officers who died from injury sustained in performance of their work (yea 320; nay 54).	Yea.
25	Authorize $3,300,000,000 in fiscal 1975 appropriations for National Aeronautics and Space Administration (yea 341; nay 37).	Yea.
	Bar National Science Foundation from performing any research using live human fetuses outside the womb except to save the life of the fetus (yea 281; nay 58).	Yea.
	Authorize $788,200,000 in fiscal 1975 appropriations for the National Science Foundation (yea 330; nay 8).	Yea.
	Establish a National Bureau of Fire Safety and Fire Research Center in the Department of Commerce and authorize National Institutes of Health to develop a program for improved treatment of burn victims (yea 352; nay 12).	Yea.
30	Appropriate $2,269,838,000 for energy research and development programs of federal government (yea 392; nay 4).	Yea.
May 1	Suspend auto emission controls in the United States until 1977 except for those areas designated as having heavy polltion levels (yea 169; nay 221).	Nay
	Authorize a relaxation of several air pollution regulations and require Federal energy administrator to collect information on the Nation's energy resources (yea 349; nay 43).	Yea.
2	Authorize $2,800,000,000 over a 3-year period for Federal program of cancer research, detection and treatment (yea 390; nay 1).	Yea.
	Establish a National Institute on Aging within the National Institutes of Health (yea 379; nay 1).	Yea.
7	Establish a national board to plan for the voluntary conversion to the metric system of measurement in the United States (yea 153; nay 240).	Yea.
8	Adopt rule to provide for House floor consideration of bill to establish a nationwide postcard voter registration system for federal elections (yea 197; nay 204).	Yea.
	Require American ships carry 20 percent of all oil and oil products imported into the United States, with percentage increasing to 25 percent after June 30, 1975, and 30 percent by June 30, 1977 (yea 266; nay 136).	Yea.
16	Adopt conference report on Legal Services Corporation bill establishing independent public corporation providing legal services for the poor (yea 227; nay 143).	Yea
	Give President authority to ration scarce fuels and to roll back and control price of crude oil and oil products (yea 191; nay 207) (after veto of earlier bill).	Yea.
22	Pike amendment to Defense Procurement Authorization bill to delete $499,-000,000 authorization for continued development of the B-1 manned bomber (yea 94; nay 309).	Yea.
	Reduce total authorization in Defense Procurement bill $733,100,000—to $21,900,000,000—by setting a ceiling equivalent to the fiscal 1974 congressionally approved procurement appropriations, plus a 7.4 percent adjustment for inflation (yea 185; nay 209).	Yea.
	Authorize $22,600,000,000 for fiscal 1975 for Defense Procurement, research and development (yea 358; nay 37).	Yea.
23	Increase temporary Federal debt ceiling to $495,000,000,000 from $475,000,-000,000 from July 1, 1974, through March 1975 (yea 191; nay 190).	Nay.
29	Extend programs of the Office of Economic Opportunity through fiscal 1977 and transfer them to a separate Community Action Administration (yea 331; nay 53).	Yea.
June 3	Express sense of Congress that U.S. consideration of trade, financial aid or diplomatic recognition of North Vietnam or the Viet Cong be terminated until they complied with provisions of the Jan. 27, 1973, settlement on cessation of hostilities in Southeast Asia regarding servicemen missing in action (yea 273; nay 0).	Yea.
4	Authorize $122,000,000 in fiscal 1975 for Coast Guard operations (yea 365; nay 0).	Yea.
	Adopt conference report on Defense Department supplemental authorization of $769,000,000 for Defense Department for fiscal 1974 (yea 354; nay 14).	Yea.
	Adopt conference report on 2d Supplemental Appropriations bill making definite supplemental appropriations for various Federal departments and agencies of $8,771,474,398 for fiscal 1974 (yea 339; nay 27).	Yea.
5	Amend and extend the Sugar Act of 1948 for 5 years through Dec. 31, 1979 (yea 175; nay 209).	Nay.
6	Appropriate $4,475,410,000 for fiscal 1975 for Federal public works programs and the Atomic Energy Commission (yea 374; nay 21).	Yea.
	Establish high seas oil port liability fund financed from a 2 cents per barrel user charge to pay for damages suffered to property within the U.S. territorial limits from an oil spill which occurred as a part of high seas port operation (yea 311; nay 27).	Yea.
11	Adopt rule providing for House Floor consideration of Land Use Planning bill providing for Federal grants to the States to help them draft comprehensive land use plans (yea 204; nay 211).	Yea.
17	Continue assistance of $1,000 a year to disadvantaged students seeking entry into legal profession (yea 318; nay 53).	Yea.
18	Adopt conference report on Congressional Budget Reform bill revising Congressional procedures for considering Federal budget, shift Federal government to an Oct. 1-Sept. 30 fiscal year, set deadlines for consideraation of authorization and appropriations bills (yea 401; nay 6).	
	Appropriate $5,554,254,100 for the Departments of State, Justice, Commerce, the Federal judiciary and 13 related agencies in fiscal 1975 (yea 365; nay 36).	Yea.
19	Appropriate $8,848,978,448 for Department of Transportation and related agencies (yea 392; nay 4).	Yea.
20	Exempt increases in Social Security benefits after June 1974 in computing income eligibility for public and Federally subsidized housing and the amount of retirement rent for such housing (yea 285; nay 114).	Yea.
	Reinstate a low-interest direct loan program for unsubsidized, nonprofit developers of housing for the elderly and make occupants of housing constructed under program eligible for Federal rent subsidies (yea 274; nay 112).	Yea.
	Authorize $11,300,000,000 (including $1,500,00.,000 in Treasury borrowing authority) in fiscal 1975-77 for housing assistance programs and community development block grants and encourage greater availability of mortgage credit (yea 351; nay 25).	Yea.
21	Add $7,000,000 to the Agricultural appropriations bill for grants to rural volunteer fire departments (yea 213; nay 103).	Yea.
	Appropriate $13,405,420,000 for Agricultural, Environmental and consumer protection programs in fiscal 1975 (yea 278; nay 16).	Yea.
24	Appropriate an additional $179,000,000 for veterans' benefits and programs for fiscal year ending June 30, 1974 (yea 337; nay 0).	Yea.
25	Appropriate $5,503,794,000 in fiscal 1975 for the Treasury, Postal Service, Executive Office of the President, and other independent agencies (yea 367; nay 13).	Yea.
26	Appropriate $20,846,323,500 for the Department of Housing and Urban Development, the National Aeronautics and Space Administration, National Science Foundation, and Veterans' Administration and related agencies in fiscal 1975 (yea 407; nay 7).	Yea.
	Extend Public Works and Economic Development Act of 1965 for 2 years through fiscal 1976 and authorize appropriations of $510,000,000 for the Economic Development Administration in each of fiscal 1975-76 (yea 402; nay 11).	Yea.
27	Appropriate $33,156,541,000 for Departments of Labor, Health, Education and Welfare and related agencies in fiscal 1975 (yea 329; nay 43).	Yea.
28	Fiscal 1975 appropriation for the District of Columbia of $1,074,124,000 composed of Treasury funds and city revenues (yea 236; nay 36).	Yea.
	Provide expanded and coordinated Federal program of assistance and research concerning juvenile delinquency (yea 329; nay 20).	Yea.

VOTING RECORD—2D SESS., 93D CONG., JAN. 21 TO SEPT. 11—Continued

Date	Issue	Pike vote
July 2	Authorize U.S. participation in and contribution of $1,500,000,000 to International Development Association and permit U.S. citizens to own, buy or sell gold effective Dec. 31, 1974 (yea 225; nay 140).	Yea.
9	Adopt conference report on Diabetes Research bill to authorize $41,000,000 in fiscal 1975–77 to establish new centers for diabetes research and training and create a national commission to develop a long-range plan to combat diabetes (yea 356; nay 4).	Yea.
10	Improve coordination of Federal geothermal energy research and development programs and to guarantee loans or pay interest for borrowers for research, development, demonstration or commercial operation of geothermal energy projects (yea 404; nay 3).	Yea.
	Extend to Aug. 1, 1987 Federal program insuring the public against losses in the event of a nuclear accident (yea 360; nay 43).	Yea.
11	Adopt conference report on Hospital Employee Bargaining Rights bill to establish certain labor relations procedures for all nongovernmental health care institutions, including right to strike only if 10 days' notice were given (yea 205; nay 193).	Yea.
	Authorize $192,000,000 in fiscal 1975–76 for Federal programs to aid those with developmental disabilities such as mental retardation and cerebral palsy (yea 387; nay 2).	Yea.
	Authorize $200,000,000 in operating grants to National Rail Passenger Corporation (Amtrak) for fiscal 1975, increase the ceiling on guaranteed government loans for Amtrak and make other amendments to the Rail Passenger Service Act of 1970 (yea 317; nay 67).	Yea
16	Provide temporary emergency financing to livestock producers through the establishment of a government-guaranteed loan program (yea 210; nay 204).	Nay.
22	Amend rules of the House to allow the broadcasting of committee meetings as well as committee hearings, when meetings are open to the public (yea 346; nay 40).	Yea.
24	Appropriate $3,153,515,310 in fiscal 1975 for the Department of Interior and related agencies (yea 385; nay 22).	Yea.
25	Set Federal guidelines for regulation of surface mining for coal and for reclamation of land that had been strip-mined (yea 291; nay 81).	Yea.
30	Recommit (kill) Urban Mass Transit Subsidies bill to conference committee (yea 221; nay 181).	Nay.
31	Authorize emergency 6-month study of inflation by Joint Economic Committee (yea 335; nay 66).	Yea.
	Adopt conference report on Elementary and Secondary Education Act extension and declare that students should not be bused beyond the school next closest to their homes, but allow the courts to order more extensive busing to protect the civil rights of individuals as guaranteed under the Constitution (yea 323; nay 83)	Yea.
	Require affirmative action by Congress on international agreements for peaceful cooperation in nuclear technology including sale of nuclear equipment to foreign nations before they could be implemented (yea 373; nay 8).	Yea.
Aug. 1	Adopt conference report appropriating $708,275,650 in fiscal 1975 for operations of legislative branch (yea 380; nay 13).	Yea.
2	Authorize $49,990,000 for fiscal 1975 for Radio Free Europe, Radio Liberty and the Board for International Broadcasting (yea 278; nay 58).	Yea.
5	Extend for 2 years, through Sept. 30, 1976, existing authorization for number of lieutenant colonels and colonels in the Air Force (yea 271; nay 108).	Nay.
	Provide veterans medical care benefits to persons, now U.S. Citizens, who served with the armed forces of Poland or Czechoslovakia as U.S. allies in World War I or World War II (yea 341; nay 40).	Yea.
Aug. 5	Liberalize Veterans Administration home loan guaranty programs (yea 384; nay 0).	Yea.
	Extend through fiscal year 1975 scholarship program for the National Health Service Corps and loan program for health professions students (yea 371; nay 9).	Yea.
6	Reduce funds for military assistance to South Vietnam by $300,000,000 to a total of $700,000,000 (yea 233; nay 157).	Yea.
	Limit defense spending for fiscal 1975 to $81,200,000,000 (yea 178; nay 216).	Yea.
	Appropriate $83,393,570,000 for Defense Department activities and all armed services and weapons programs for fiscal 1975 (yea 350; nay 43).	Yea.
7	Lower campaign spending limits for House general elections and primary elections to $42,500 from $75,000 (yea 187; nay 223).	Yea.
8	Provide for public financing of presidential election campaigns, impose campaign spending and contribution limits, and establish a board of supervisors to oversee the law (yea 355; nay 48).	Yea
9	Authorize $2,983,821,000 for military construction projects for fiscal 1975 (yea 322; nay 30). (Pike bill)	Yea.
12	Authorize $1,700,000,000 in fiscal 1975–76 for health services formula grants to the States, family planning programs, community mental health centers, migrant health services and community health centers for the medically underserved (yea 359; nay 12).	Yea.
	Prohibit Department of Transportation from requiring vehicles to be equipped with safety belt-ignition interlock systems, sequential warning devices or passive restraint systems such as air bags, such devices to be at purchaser's option (yea 339; nay 49).	Nay.
13	Extend to June 30, 1976, from June 30, 1974, authority of the Secretary of Commerce to regulate exports (yea 379; nay 6).	Yea.
19	Establish through June 30, 1976, a Cost of Living Task Force within the Executive Office of the President to monitor wage and price increases (yea 379; nay 23).	Yea.
	Amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 to exempt from its provisions the period from the last Sunday in October 1974 through the last Sunday in February 1975 (yea 383; nay 16).	Yea.
	Make permanent Youth Conservation Corps and authorize appropriations of $60,000,000 annually (yea 361; nay 38).	Yea.
20	Reduce total authorization for Mass Transit for 6-year period from $20,400,000,000 to $11,400,000,000 (yea 257; nay 155).	Nay.
	Delete from Mass Transit bill provision to increase allowable weight for trucks operating on interstate highways (yea 252; nay 159).	Yea.
	Authorize $11,400,000,000 in fiscal years 1975–80 for mass transit capital and operating subsidies (yea 324; nay 92).	Yea.
	Establish a Council on Wage and Price Stability within the Executive Office of the President to monitor inflation (yea 369; nay 27).	Yea.
21	Allow either the House or the Senate to disapprove Export-Import Bank financing of exports to a Communist nation by adopting a resolution within 30 days after the bank reported the transaction to Congress (yea 178; nay 215).	Yea.
	Extend Export-Import Bank through June 30, 1978, and require the bank to report to Congress any loans of $50,000,000 or more to finance exports to Communist nations (yea 330; nay 67).	Yea.
22	Concur in Senate amendment to Veterans Education Benefits bill that would increase rates of veterans educational and vocational rehabilitation benefits (yea 386; nay 0).	Yea.
Sept. 11	Establish a national program for research and development in nonnuclear energy sources (yea 327; nay 7).	Yea.

BOB ROBERTSON NAMED ASSISTANT TO THE SECRETARY FOR CONGRESSIONAL LIAISON

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. REGULA. Mr. Speaker, a gentleman that provided assistance to me in my capacity as ranking minority member of the Subcommittee on Indian Affairs, Mr. Bob Robertson, has recently been named as Assistant to the Secretary for Congressional Liaison, Department of the Interior.

Bob served as Executive Director of the National Council on Indian Opportunity since 1969. His background in Indian affairs proved to be of exceptional benefit to me and to the American Indians whom we on the committee serve.

In his home State of Nevada, Bob is well-known for his community service at both the local, Reno-Carson City, and State level. Prior to coming to Washington, he was executive administrator for former Gov. Paul Laxalt of Nevada. He served as executive vice president of the Homebuilders Association of Northern Nevada and before that was a radio and television broadcaster in both Nevada and my home State of Ohio.

"Robertson's work in Indian Affairs under Vice Presidents Agnew and Ford was exceptional. The nature of his job gave him access to the Congress, the executive branch and State governments. This coupled with his experience in the Nevada Governor's office equips him ideally for his new responsibilities," said Secretary Morton.

Unfortunately, it is the other body that will benefit from Bob's new assignment. I can say without hesitation that my colleagues on the other side of the Capitol will benefit from and be pleased with Bob's expertise and winning ways.

ANTHONY AND JOSEPH PARATORE: TWO OUSTANDING AMERICAN MUSICIANS

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. O'NEILL. Mr. Speaker, I want to share with my colleagues my great delight in announcing that two of my neighbor's children, Anthony and Joseph Paratore, have just won on September 9, 1974, first prize at the 23d international music competitions in Munich, Germany.

The final awards ceremony of this competition took place on September 20, 1974.

Anthony and Joseph Paratore's success is a splendid first for America. They are the first American duo piano team ever to win an international music competition. This outstanding performance entitles them to radio and television appearances as well as concert tours throughout Europe.

This is a tremendous achievement for the Paratore boys, for their family and for the Nation Years of hard work and personal sacrifice, and hours of training contributed significantly to this triumph. Anthony and Joseph's parent must also share in this achievement, for they were the guiding light of encouragement that helped to make this day possible.

We all know how intense and exhilarating this kind of international competition can be. Anthony and Joseph had to survive four difficult rounds of competition to achieve this accolade.

While this is a very exciting day in the Paratore family, I know that it is just the beginning of much greater success and international recognition. My heartiest congratulations on an outstanding performance and best wishes for continued good fortune. We are all so very proud of Anthony and Joseph Paratore.

CONGRESSMAN WYDLER CONTINUES FIGHT AGAINST JET NOISE

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. WYDLER. Mr. Speaker, this has been a year of intense and continuous activity in the fight against jet noise. Progress has been made, but at too slow a rate to satisfy me. I know, however, that this fight requires perseverance and determination and I intend to stay with it all year long, year after year, until it is won.

I find myself leading this fight in the House of Representatives, as the ranking Republican member of the Aeronautics Subcommittee of the Science and Astronautics Committee. From that position I can watch and push for action at the Federal level.

As this summer ends, the worst of the jet noise season is over, but it is not the time to stop pushing for progress. In fact, I am increasing pressure at this season to set the stage for relief next summer.

The main area of hope for immediate relief from jet noise comes from the operating procedures used at Kennedy Airport. The solution of runways and approach and landing patterns is of vital importance to the people of our area.

The Federal Aviation Administration, FAA, imposed the current rules, and these rules have never been reviewed to see if they are the best that can be devised.

TWO VITAL MEETINGS

I arranged two vital meetings right here on Long Island. I had the top decisionmakers come from Washington to our Fabulous Fifth Congressional District to meet with those who are suffering the most and have ideas that can help.

The first meeting was with the officials of the Federal Aviation Administration, FAA, and Environmental Protection Agency, EPA, in my Fifth Congressional District office, as part of the review EPA is making of jet noise operating procedures at Kennedy—a review I requested.

At this meeting the EPA promised an indepth review of runway use at Kennedy Airport in order to reduce jet noise

The meeting was arranged to bring together top officials of the EPA and FAA, from Washington, and community leaders in the Five Towns, Elmont, Valley Stream, and Floral Park areas. Dr. Alvin Meyer, Deputy Assistant Administrator of EPA, and Dr. John Powers, chief environmental scientist, Office of Environmental Quality, FAA, flew from Washington to attend the meeting. Attending for the community were Mr. Herb Warshavsky, trustee of the village of Lawrence; Hon. Calvin Polivy, village justice of the village of Lawrence; Henry Rose of Inwood; and Clifford A. Deeds, director of the Town-Village Aircraft Safety and Noise Abatement Committee, TVASNAC.

This meeting allowed the local community to have input directly with the Federal officials making decisions for this area. The need for requiring new procedures to reduce jet noise was brought to the direct attention of top Federal officials. It was a most successful community input meeting where the need to revise the rules to make more use of the ocean waters for landings and takeoffs was stressed and new restrictions on pilot deviations from established procedures were pressed. Dr. Meyer, on behalf of EPA, was fully briefed on the local problems and said the EPA was pushing its reviews and was sending Mr. John C. Schettino, Director of the Aviation Noise Control Requirements and Technology Staff of the EPA, for an onsight evaluation of current practices at J. F. K., within a week.

The second meeting was with the top decisionmaking official of the FAA, Dr. Charles Foster, and presiding supervisor Francis T. Purcell of the Town of Hempstead, together with the mayors and village officials that make up TVASNAC.

At this meeting, a review in depth was made of a report TVASNAC compiled demonstrating the unfair and improper runway use at Kennedy Airport.

The TVASNAC report was the result of a 7-month study which was sent to me and forwarded to the Administrator of FAA for corrective action.

The meeting provided the forum for deciding on ways that runway use could be improved.

These meetings are vital to pave the way to improvements and changes in the current runway-use system which imposes unfair noise burdens on the people of the Fifth Congressional District.

WYDLER ACTS AS CHAIRMAN OF JET NOISE HEARINGS

In July of this year, I had the high honor of acting as chairman of Aeronautics Oversight Subcommittee hearings, intended to advance the fight against jet noise.

It is very rare for a Republican to serve as chairman of committee hearings in the Congress, but I think it was recognition from my colleagues in Congress, both Democrats and Republicans, of the effort I have made in the jet noise fight.

The hearings were called to stimulate the efforts of the FAA, the EPA, and the National Aeronautics and Space Administration, NASA, to reduce jet noise. They also provided the one medium where Congress could push for faster action.

It was my fight in the House, years ago, that resulted in the EPA being given a role in the jet noise field. The agency has done a good job and stimulated the FAA to propose two new rules—the first to require two-segmented approaches which would greatly reduce landing noise, and the second to require the older and noisier jets to be retrofitted with sound-reducing material which would reduce jet noise on landings and takeoffs. Both rules are the result of earlier hearings of our subcommittee.

I am pushing two new proposals at this time. The first, a review by the EPA of the jet noise abatement procedures at Kennedy Airport. The current rules proposed by the FAA should be examined to see how they can be improved to provide more jet noise relief. I have written to the Administrator of EPA asking for such a review at Kennedy Airport, which would be a first in the country.

The other proposal concerns the danger to our areaf rom the Concorde Supersonic Transport, SST. Foreign governments are seeking permission to land it at J.F.K. Airport, but I have obtained assurance that an environmental impact statement will be required before any such permission is granted.

RESULTS OF JULY CONGRESSIONAL HEARINGS SUMMARIZED

The subcommittee continued its inquiry into the problems of aircraft noise abatement by holding 2 days of hearings on July 24 and 25. Much controversial testimony was presented by various witnesses which the subcommittee is currently evaluating. It is planned that the subcommittee will act upon an aircraft noise report on Thursday, October 3.

A major conclusion about the July hearings is that the FAA is expressing a much more positive attitude about measures to reduce aircraft noise. Additionally, the FAA and EPA are committed to several future actions of major importance.

First. The FAA said it would prepare and publish a tentative schedule of future regulatory actions. This schedule would constitute an expression of policy on the part of the Government to guide industry and inform the public on future noise reductions;

Second. The FAA committed itself to actions leading to a new rule on operating procedures for both landing and takeoff. The purpose of the procedures would be to reduce noise levels consistent with maintaining safety of flight; and

Third. As a result of and following the hearings, the EPA expressed a willingness to cooperate in a special study of aircraft noise abatement operating procedures around John F. Kennedy International Airport.

In summary it can be stated that the hearings were a highly valuable forum and will result in more rapid actions by various Federal agencies and industry to reduce aircraft noise.

TWO SEGMENT APPROACH

Replies to the FAA request for comments on an advance notice of proposed rulemaking were received by the end of June 1974. In general, the Air Transport Association—the airlines—and the Airline Pilots Association—ALPA—expressed opposition. NASA and FAA contend that we are nearing the end of necessary testing and that the results are favorable. Within the past month a United Airline DC-8 commenced inservice evaluation with line pilots. Recently, engineering studies to determine the applicability of the two-segment approach to various Boeing, McDonnell Douglas, and Lockheed jet transport aircraft were completed. Evaluations are underway. Although the evidence presented to the subcommittee in its July hearings and the comments to the FAA on the proposed rule differ tremendously, this is one of the central subjects that we must deal with in our subcommittee report. I think we should press hard for rapid action.

FLEET RETROFIT RULE

In March 1974, the FAA issued a "Proposed Notice of Rule Making" on retrofit of the civil fleet. It was proposed that one-half of the fleet should meet FAR part 36 by mid-1976 and the remainder by mid-1978. Replies received by the end of June and testimony during our July hearings were all over the place. The FAA is now evaluating the responses; in our hearing the FAA said the program might have to slip 6 months.

NOISE RESEARCH LABORATORY (LANGLEY RESEARCH CENTER)

Noise research laboratory was dedicated June 1974.

Psychoacoustics staff was increased in fiscal year 1974.

Basic research funding has been increased in fiscal year 1975.

WYDLER'S RECOMMENDATION TO NEW YORK PORT AUTHORITY

I recommend to the Port of New York Authority that fleet retrofit regulations be drawn to reduce jet noise at Kennedy Airport.

The Port of New York Authority has already taken one step in this direction by establishing jet noise limits on takeoffs at the airport. What I am suggesting now is a regulation to require airlines flying jet aircraft at Kennedy Airport to undertake a program to require all such aircraft to meet noise standards established by the FAA, known as Federal Air Regulations, part 36.

The regulations would require all airlines to increase the number of aircraft meeting part 36 standards so that by December 31, 1976, at least 50 percent of the aircraft operating at J.F.K. will come within the requirements. Starting on January 31, 1977, and ending December 31, 1979, all aircraft would be required to meet these reduced noise levels. There would be fines imposed on each noncompliance carrier for violation of this regulation.

Federal regulations of this type are being considered by the EPA and the FAA. I believe that it is important to the Long Island area that the Port Authority take immediate action, which initiative can stimulate Federal action.

Such regulations have been adopted by the Massachusetts Port Authority at Logan International Airport in Boston.

Such regulations at Kennedy Airport would push industry to get behind the effort to retrofit the noisy planes in the jet fleet. It would be a step in the public interest.

WYDLER SUCCESSFUL IN STOPPING SST LANDING AT J.F.K.

In June I was pleased to announce that the Concorde, the French-British Supersonic Transport, SST, would not stop or try to land at John F. Kennedy Airport on scheduled demonstration flights. I spoke with officials of the FAA and received assurance that such plans and proposals were being withdrawn.

Originally the Port Authority of New York and New Jersey refused to allow use of the airport unless the plane could meet the takeoff noise requirements. Since it was unlikely this could happen, the French Government was pressuring the FAA to obtain permission to land at J.F.K. Airport.

At this point, I spoke to officials of the FAA and made known my own strong objections to any such SST landings and was assured by FAA that these plans had been canceled and that no further effort would be made to land the Concorde at J.F.K. Airport this summer. Apparently, the plane did land at Boston and Miami and Dulles.

I was pleased that there were no landings or takeoffs at J.F.K., because the plane in its present configuration is extremely noisy and its landing would set a precedent to which I object. In fact, I voted against an American SST on the grounds that it was too noisy. It would be ironic to have our airports used by foreign SST's, which are even worse.

REVIEW OF STEPS TO FIGHT JET NOISE

I have recommended the following series of steps which could be of help in our Fifth Congressional District:

First, A continuation of the retrofitting program to quiet the 707's and DC 8's which are the noisiest planes in the sky today;

Second. Implementation of the high-approach, two-segment landing systems which could cut jet noise in half in landing patterns;

Third. EPA review of noise abatement procedures used at Kennedy Airport. This review is already underway and can serve to reduce jet noise by effective runway use;

Fourth. Is a new, special fleet jet noise rule for Kennedy Airport which would require the retrofit of all aircraft and require them to meet jet noise limits. Such a rule would be similar to the one adopted at Logan International Airport in Boston; and

Finally, we need to closely and constantly monitor the Concorde noise levels and insist on an environmental impact statement before the Concorde is allowed to land at Kennedy Airport. I am convinced, however, that the Concorde will never meet current requirements for jet noise levels, and it should not be allowed to use our skies unless it does.

These are important steps that can be implemented now, and certainly should be.

I will continue to work and fight for each of these steps in the days and years ahead.

SPACE A RICH STRIKE

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. TEAGUE. Mr. Speaker, in an editorial in the Fort Worth Star-Telegram of September 2, 1974, the writer discusses the benefits of our space program. I agree wholeheartedly with the article and I hope that my fellow Members of Congress will also agree. We need to maintain continued support of our space program because it has certainly proven its worth.

The editorial follows:

SPACE A RICH STRIKE

Since the tapering off of spending on space projects, people have about stopped asking, "What are we getting for all the money poured into the space program?"

The asking of that once-familiar question ought to be resumed. The answer is getting longer and more impressive by the day.

The benefits derived from satellites alone make a list that soon may have to be measured in light-years. They include much-improved weather forecasting, more efficient telephone communications, transoceanic TV, better education, swifter exchange of information of all types (for instance, medical, scientific and business), improved navigation and mapping.

Satellites are being used to inventory crop yields, detect pollution study geological formations, monitor flood areas, spot new mineral resources and keep check on lake sedimentation, to name just a few other things.

We don't have the computers or the data to arrive at the precise figures. But we'd be willing to bet that the returns from satellites alone will in time reimburse the nation many times over for its investment in space. And these are returns in which every citizen, from the wealthiest to the poorest, share in some degree.

The American public ought to keep that in mind from year to year as their representatives in Congress come under pressure from visionless persons and groups who would do the space program in through financial starvation.

In case anybody asks that question again, the space program is worth it—and then some.

THE PLIGHT OF THE CHURCH IN HUNGARY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. DERWINSKI. Mr. Speaker, today, I place into the RECORD a lecture delivered before the Roman Forum at Fordham University by Dr. Andras H. Pogany, president of the World Federation of Hungarian Freedom Fighters and a professor at Seton Hall University.

For the information of the Members, the Roman Forum is a monthly examination of philosophical and theological questions from a viewpoint inspired and guided by the official teachings of the Roman Catholic Church. The Roman Forum invited His Eminence Jozsef Cardinal Mindszenty to their meeting of May 10, 1974, where Dr. Pogany spoke on the situation in Hungary as far as the Catholic Church is concerned. The full text of this lecture bears the title, "The Plight of the Catholic Church in Hungary".

Mr. Speaker, I believe this lecture has worldwide significance and an especially valuable commentary on the situation that exists within Hungary.

THE PLIGHT OF THE CHURCH IN HUNGARY

(By Dr. Andras Pogany)

The Roman Catholic Church in Hungary is today suffering its worst and most fearful period in its thousand-year history. Even to recount the events of the past three decades is a heart-rending venture for a Roman Catholic and for a Hungarian. Still, the full story has to be told in order to understand better the much-reported recent conflict over the church-state relations in Hungary.

THE PAST

The Hungarian nation was born with the assistance of the Roman Catholic Church and the Church remained an inseparable part of Hungarian life for a thousand years. In old times many an archbishop or bishop died on the battlefield with the Hungarian Army: the last one in 1526, at the famous battle of Mohacs. Many of them also served as diplomats, cabinet members or statesmen as well. In turn: the Hungarian State expressed its special appreciation toward the Church in many ways. Every King of Hungary was a Roman Catholic and as a successor of the first apostolic King, St. Stephen, had special privileges in appointing bishops up to 1918. Even between the two World Wars, Roman Catholic bishops were ex officio members of the Upper House in the Hungarian Parliament and the Archbishop of Esztergom, as Primate of Hungary was also an ex officio member of the Crown Council, established by law to secure a peaceful succession, when the Head of State became incapacitated or died.

These few scattered data show that the Roman Catholic Church has played an enormously important and decisive role in Hungary. In addition to its role in government, the Church maintained and operated, before 1945, about 75% of the elementary schools in the Hungarian country-side; Benedictines, Cistercians, Dominicans, Franciscans, Piarists, Premontrarian Canons and Jesuits were responsible for an important part of Hungarian education and literature, among them, first of all, the Jesuit Péter-Cardinal Pázmany, Archbishop of Esztergom in the 17th Century, one of the founders of Hungarian literary language and also the founder of the Budapest University, established in Nagyszombat in 1635.

Before 1945 the Hungarian Catholic Church also possessed great wealth emanating from the donations of King Saint Stephen of Hungary (997–1038) and was able to maintain numerous charitable, social and cultural institutions for the benefit of the Hungarian people, using its own resources only. It could be safely said that the fate of Hungary and its Catholic Church were inseparable during their entire history.

UNDER COMMUNIST RULE 1945–64

The arrival of Soviet troops in 1945 made radical changes in the life and social structure of Hungary. Although some contacts with the West survived until 1948, *de facto* a totalitarian Communist regime has been in power since the arrival of the first Soviet military units to Hungary. Despite the fact that Latin-rite Hungarian Roman Catholics, with their small community of Byzantine-rite Roman Catholic brethren, made up 70% of the entire Hungarian population, the situation of the Church became very precarious indeed. When the greatest obstacle of Communist domination was successfully removed by the cruel torture and imprisonment of His Eminence, József Cardinal Mindszenty, Archbishop of Esztergom and Primate of Hungary in 1948—an event which shook the conscience of the entire Christian world—the Catholic Church in Hungary was at the mercy of Soviet and Hungarian secret police agents and exposed to the hatred and cruelty of Mátyás Rákosi, the Moscow-sent Communist boss of the Land of Saint Stephen.

The result of this tyrannical rule, first with Rákosi, later on, after the Hungarian Revolution, with János Kádár, the new Moscow-sent boss of Hungary can be best measured by some statistics.

Between 1945 and 1965 the number of ordained priests declined from 6,900 to 4,500. Seminarians declined from 994 to about 300.

Of the 2,459 monks and of the 7,525 nuns in 1945 about 400 or less in all were left in 1965; less than the 5% of the original number!

Seminaries declined from 30 to 6, monasteries from 187 to 6, convents from 456 to 2.

Of all the 3,163 Church-related elementary schools and the 32 Church-related teachers' colleges in 1945 none survived in 1965. Between these dates Catholic high schools dropped in number from 49 to 8, Catholic periodicals and newspapers from 68 to 4, Catholic publishers from 50 to 2 and lay organizations from about 4,000 to 2.

Needless to say Catholic bishops lost their membership in the Parliament in 1945. The government also confiscated almost all Church possessions without any compensation which left the Catholic Church without any financial means from one day to the other. This necessarily meant a complete dependence on government subsidies which, in turn, were used by the States as an effective means of intimidation against the Catholic Church and its clergy.

But the greatest tragedy which struck the Church was the relentless persecution of the bishops and the clergy, and the burning of a great percentage of existing religious literature in Hungary. From the mock-trial of Cardinal Mindszenty, which resulted in his sentencing for life-imprisonment [in 1949] the persecution of bishops and priests did not really stop until the outbreak of the Revolution in 1956. In this period of time, many bishops, leading Catholic priests and laymen were condemned or forced into exile.

Almost all members of the religious orders were deported, compulsory religious instruction was abolished and all Catholic schools were closed in 1949.

Amid such circumstances and by means of shameless intimidation the Board of Hungarian Bishops was forced to sign an agreement with the government on August 30, 1949. All religious orders were disbanded except the Benedictines, Franciscans and the Piarists and also the School Sisters of Kalocsa each of which could maintain 2 highschools only. Altogether 8 highschools were returned to the religious orders by agreement, with the understanding, that only a restricted number of religious teachers handpicked by the government could be retained for teaching; the rest of them had to find jobs in civilian life, mostly in factories and were forbidden to live in religious communities. The government also assured a meager financial subsidy for the Church and—stopped the deportation of the religious.

For these so-called "benefits" the bishops had to recognize the Communist regime, and let priests take an oath of loyalty to the Communist government. The Church was also forced to give public support to the economic goals of the regime and to condemn anti Communist activities. But even this was not enough for Rakosi. In May, 1951 the government established the Office of Church Affairs and this new Communist organization started appointing and transferring pastors and put censorship on the chancery offices and on individual bishops as well. In the very same year they sentenced Jozsef Grosz, Archbishop of Kalocsa, the ranking Hungarian prelate in the absence of Cardinal Mindszenty to 15 years in prison. This event led to a loyalty oath taken by all bishops now understandably terrified at the direct order of the government.

Although in early 1956 Archbishop Grosz was freed and permitted to take charge of the Hungarian hierarchy and after the outbreak of the Hungarian Revolution, Cardinal Mindszenty was set free by the Hungarian freedom fighters, the first years of the new puppet regime, established by a revengeful Red Army, were as bad as any year during the Rákosi tyranny. Several bishops were imprisoned or deported again, and others were prevented from functioning. The state's strict prohibition against seminary recruitments, the complete state-control of seminary education—where seminarians were forced to have courses on dialectical materialism and on Marxism-Leninism, were signs of new and cruel deprivation of the Catholic Church in Hungary. Religious instruction was actually prevented in Budapest and in other cities; all attempts by the hierarchy to establish contacts with the Holy See were frustrated again and again. Any priestly activity among the youth outside of the premises of the Church was not only harassed, but several punished as well; seven priests were sentenced to long prison terms for teaching Catechism to youngsters during some excursions as late as 1965. Atheism and calumnies against the Church were propagated by all the communication media and the Communist government fostered again the so-called peace movement for priests (Opus Pacis), an outright Communist front-organization.

To make things worse, there was also danger that the vacant or de facto vacant sees would be filled by totally unworthy government appointees. This consideration led to the Vatican-Kádár "protocol" of September 30th, 1964.

THE 1964 VATICAN-KÁDÁR "ACCORD"

The "protocol"—and not a treaty—does not mention Cardinal Mindszenty, but in it the Church received government permission, first, to appoint five bishops to vacant sees and one bishop to an archbishopric see;

Second, to send few Hungarian priests to Rome for higher ecclesiastical studies.

There were also some general promises made by the Kádár government about the freedom of episcopal government, of priestly ministry and of religious instruction of the youth. The Vatican also succeeded in preventing the appointment of government-selected members of the Opus Pacis to diocesan sees, a demand originally presented by the regime.

At the same time, the Vatican had to acknowledge the Budapest Government's veto-power over the appointments of Roman Catholic prelates and accept the fact of oppressive government interference with and full control of the day-to-day administration of the Church in Hungary.

THE PRESENT

Hoping for a betterment of the ecclesiastical situation in Hungary, Hungarian Catholics neither questioned nor objected to the 1964 Vatican rapproachment-effort with the Kádár-regime. They sincerely hoped for—but knowing thoroughly the marxist-leninist mentality of the Kádár regime, they never really expected—a significant success of the Vatican's new move. Unfortunately a period of almost 10 years has passed by and we are now compelled to conclude that this new Vatican policy has proved to be a failure as far as Hungary is concerned.

What is the situation today in Hungary? The statement of Cardinal Mindszenty made public on February 6, 1974 in Vienna gives a short summary of the fearful problems facing the Hungarian Catholic Church: a bit more thorough discussion of it will make the Hungarian situation clearer and more visible to everyone.

As far as the highest hierarchy is concerned, still only about half of the dioceses are directed by bishops or archbishops; the other half are administered by apostolic administrators, some of them with the rank of titular bishop, some of them without. In the course of past decade "compromises" have been made in filling the vacant sees. These compromises helped to appoint a few loyal and trustworthy priests in the vacant sees and successfully prevented the appointment of others who did not give up their membership in the Opus Pacis. Some candidates, however, did give up their memberships in this Communist front-organization and their resignations were quickly followed by high appointments from Rome. These compromises made it possible for at least one member of the Hungarian Board of Bishops to become a visible and rather loquacious representative of the Communist Government's propaganda machine. Unfortunately several higher-ups—not bishops—in the present-day Hungarian Catholic Church organization have the very same, rather dubious background, while sitting in important and responsible Church positions in Hungary. This is what Cardinal Mindszenty's statement meant in saying, that the administration of the Church in Hungary is in the hands of administrators created and controlled by the Communist regime.

The Hungarian Roman Catholic Church, from an administrative point of view, is in an even harder situation today, than ever before. One of the great mistakes made by *some is their* belief, that putting even a loyal and good bishop at the helm of a Hungarian diocese, can assure its successful operation. Far from it. The suffocating presence and interference of the Office of Church Affairs run by atheists and Communist party members, make it totally impossible even today. Not only are the bishops totally intimidated by the direct pressure of the State, not only were they forced to "elect" as the Board of Bishops' secretary the Government-propagandist bishop I mentioned before, but they have to endure the omnipresence of the Office of Church Affairs on all levels of Church administration.

The Communist State, namely, not only puts a strong censorship on the chancery offices and on the individual bishops' private correspondence as well, but through the Office of Church Affairs it maintains a veto-power over appointments of new pastors, transfer requests, disciplinary actions or considerations of retirement applications. This, of course, results only in what could be called an anti-selective process. If a pastor is liked, can influence people, is honest, modest and lives a morally impeccable priestly life, his chances of landing in a far-away country-parish attended only by a few score elderly people are very good indeed. If, on the other hand, a priest has a rather bad reputation, he may well soon be the pastor of one of the best parishes in Budapest. There are many instances which make this allegation a well-proven fact. As Cardinal Mindszenty stated in his February 6, 1974 message: the Church is not free today in Hungary. It is in chains and is being humiliated day after day by an atheistic, totalitarian regime.

The seminaries are also in a very deplorable situation. Instead of the original 30, only 6 regular seminaries are now in operation. According to the latest reports, there are about 300 seminarians permitted by the Office of Church Affairs to be prepared for priesthood, and about 40 to 45 seminarians are ordained as priests every year. (As a small comparison: in 1938 we had about 2000 seminarians and ordained 230 to 240 young priests a year.) And this is *not* the result of a lack of priestly vocations: not at all! As always in a desperate situation, as now in Hungary, the grace of the Holy Spirit is flowing freely among young Hungarians and in the first decade of the Communist terror we had more applications for admission to seminaries than ever before. The reason for the decline is simply the "numerus clausus" or closed number of seminary admissions, a limit imposed not by Church authorities, but by the Communist officials of the Office of Church Affairs. And while the admissions are limited to a very small number among the many who apply, according to very reliable reports those applicants, who are sent by the Government—youngsters with Party or secret police connections—have to be accepted by the seminary. These characters serve as informers for the Government and for the police and also form a reliable nucleus—reliable from the point of view of the Communist Party—in the new generation of Roman Catholic priests.

All of this has resulted in the biological aging of the Hungarian clergy. According to the latest report there are only 3,663 Catholic priests in Hungary (please recall the fact that we still had 4,600 in 1965!). Out of the 3,663 only 283 of the priests are under 30 and more than 1700 are over 50. Today the average age of a Hungarian priest is near to 60! No question: if the strict state limitations in seminary admissions are continued, it is evident, that within 10 or 15 years there will be a further dramatic decline in the number of ordained priests in Hungary.

TWO ESSAYS ON ENRICHING URANIUM

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 19, 1974

Mr. HOSMER. Mr. Speaker, uranium is the fuel used by nuclear power reactors. But uranium is not economically useable as nuclear fuel in its natural state in which the content of its fissionable U235 isotopes amounts to only about 0.7 percent. It is necessary, by physical processes, to boost that content to 2 to 3 percent for use as light water reactor fuel. This process is known as "enriching uranium."

The Atomic Energy Commission's uranium enriching capacity, built in early days to fully enrich uranium to make atomic bombs, has more recently been put to work instead to partially enriching it for use as nuclear fuel. In little more than the leadtime it takes to build additional new capacity, that of the AEC's existing plants will become fully utilized by expanding domestic and overseas nuclear utilities who have come to depend on the United States for their enriched nuclear fuel.

As we thus face a need to expand our enriching capacity we must rather quickly resolve the question of who should do it, Government enterprise or private enterprise, and get about the business.

In accordance with the popular view that it would be better for private enterprise to assume this responsibility, I have written and distributed to the nuclear power fraternity two essays suggesting how we might go about it in a timely and effective manner. The essays are titled "Bridging the Gap" and "An Exercise in Aidsmanship." They were mailed to interested parties on September 9 and 16. The essays as they have subsequently been edited and revised are set forth below:

ESSAY NO. 1: BRIDGING THE GAP

The United States has yet to make a reasoned, knowledgeable and long-range examination of where its national interests lie respecting the future structure of the uranium enrichment industry. Therefore, piecemeal efforts to move away from total governmental responsibility for enriching services, such as the recently announced Demonstration Centrifuge Enriching Facilities Program, are likely to fail for lack of proper economic and philosophical underpinnings.

Inquiry into these subjects was premature in the 1950's when the Atomic Energy Commission's enriching complex was completed, but operating at only a fraction of capacity because the invention of the H-bomb had drastically reduced requirements for enriched uranium for A-bombs. The emergence of a viable nuclear power industry during the 1960's drew attention to a future need for new enriching capacity for nuclear fuel purposes, but the need was not imminent. Sufficent for those times were planning the cascade improvement and uprating programs, plus a modest investment in preproduction of enriched uranium to somewhat delay the day when additional new capacity might be wanted.

By the start of the Nixon Administration in 1969 matters were coming into focus, but still not clearly. It was predictable that new enriching capacity would be needed by the mid-1980's or earlier. Due to technical and economic unknowns, it seemed that planning, promoting, financing and building of initial units might consume up to 10 years' lead time. That still left opportunities for study and decision making. Yet, with no more than an offhand look at the situation, Nixon's spokesman early and often announced a policy that "the next increment of enrichment capacity shall be supplied by private enterprise."

Their policy did not prove durable. It was not based on thoughtful study, knowledge and reasoned analysis. It ignored the need for a bridge to facilitate a transition from government enterprise to private enterprise. This omission was tacitly admitted during the Nixon Administration's final days when the Centrifuge Demonstration program was at last outlined to encourage industry by offering, without defining, some "assurance of supply" and some cash "assistance" to those who would enter the enriching game.

Unfortunately the scheme only nibbles at aiding and encouraging the construction of no more than six small centrifuge demonstration plants. AEC's hope seems to be that demonstration plants owners on their own will be able to expand their 100-300 ton demonstration facilities to an economic size of around 3 million annual separative work units of capacity. Separative work is the effort needed to enrich uranium above its natural (.7%) U235 content for use as nuclear fuel. It is measured in arbitrarily defined units.

AEC's plans for aid to private industry's gaseous diffusion plants are even more spartan, but no less ambiguous. To the Uranium Enrichment Associates who want to build a 9 million swu plant, no cash is offered, only a vague "assurance of supply" of separative work for UEA's customers in case the plant is delayed or fails to function at planned capacity.

In either case, the Commission intends to recoup the cost of its aid by a suitable boost in charges for separative work. In addition, AEC would like to "normalize" the climate in which the uranium enrichment industry will operate by pricing its enriching services on a commercial scale rather than upon the current cost recovery basis.

Neither the Demonstration proposal nor the UEA proposal stems from a sound evaluation of the amount or kind of aid that might encourage enterprisers to build enriching plants or manufacturers to incur heavy front end costs for production lines to make components for them. AEC expects electric utilities to acknowledge their self-interest in having a supply of nuclear fuel by paying a considerable premium for separative work out of demonstration plants from which full scale facilities would evolve. But the utilities are in a sorry business state. Additionally, they have little funds left for that kind of thing following AEC's recent passing of the hat for millions to carry forward its LMFBR demonstration program.

AEC also expects the entrepreneurs and component manufacturers to put in something extra before it will discuss an amount of cash it would consider contributing to a centrifuge demonstration plant. But these people already have stretched themselves to the limit to make a decision to move forward. It seems unrealistic to expect them also to put something extra in the pot for the privilege of running technological and economic risks to pioneer a new industry.

Such details, and, in fact, the structuring of the uranium industry in the highest national interest, cannot be determined until a consensus obtains as to what that interest really is. Is it federal expansion of the existing governmental enriching complex to meet all future needs? Is it immediate and total transfer of the entire industry to private industry? Or, is it something between these extremes? Testimony given during the year-long, three-phase hearings of the Joint Committee on Atomic Energy rejected both extremes, but it failed to indicate clearly just where between them the national interest lies.

My own feeling is that it lies in deliberate movement toward a predominately private industry structure, but still retaining governmental responsibility for a few appropriate functions.

For example, there is a continuing need for the state to control its sources of enriched material for nuclear weapons and naval reactors. Should this need dissipate, then government still must retain a lengthy responsibility to dispose of its huge enriched uranium stockpile in an orderly way, so as not to bankrupt private enrichers. There will be a growing demand for fully enriched uranium fuel for high temperature gas cooled reactors and precautions against diversion of this potential weapons material from peaceful hands indicates a need to keep its production as a government function.

Government may also be needed to buffer the emerging private industry against risks of instant technological obsolescence from new isotope separation techniques such as laser developments. And, most certainly, government will be needed for some time to afford the help in the form of "assurance of supply" which even AEC finally has conceded is necessary for the emergence of private enrichment enterprises. Inquiry will also show government must be a factor to effectuate the "assistance" which AEC similarly concedes private industry should have for the transition.

The Commission has not revealed how much "assurance of supply" or how much cash "assistance" it will provide and, because it still operates under OMB's current policy of getting by on the cheap, it is unlikely to do so. Therefore, I offer my own estimates in order to begin quantifying these tasks.

Since it is unrealistic to expect beggarly assistance to six, small 100,000 to 300,000 swu centrifuge plants to suffice to get that industry on its feet, I will assume that "assurance of supply" is needed for all six plants on a full scale of 3 million swu's each, a total of 18 million swu's. The corresponding figure for UEA's diffusion plant is 9 million swu's.

Probably the worst that could happen to the UEA plant is a delay of 2 years, losing 18 million swu's production. But, since there is no more than a 50% chance for a delay of that length, it should be safe to "assure" against no more than a single year's loss of 9 million swu's.

Less is known about centrifuge technology. Still, probably a two-year delay is the worst that could be expected and they will be coming on line over a 3-4 year period. This indicates a need for, say, an 18 million swu stockpile to "assure supply" for customers of that six plants. According to these assumptions, UEA and the centrifuges together will require a 27 million swu preproduction stockpile for "assurance of supply" purposes. Add to that AEC's own need for a plant inventory of some 5 million swu's and a contingency stockpile of about 10 million swu's.

Together AEC, UEA and the centrifuges will thus need a preproduction stockpile of 42 million swu's on hand by 1982, the date AEC has fixed for new capacity requirements. This is a physically attainable figure according to the AEC projections of its preproduction capabilities recently furnished JCAE.

However, attaining preproduction levels of that magnitude might depend upon receipt of AEC's expected power deliveries and upon the availability of more feed material than currently anticipated, depending on when the preproduction campaign is started. Boosting the stockpile above the 38 million swu figure in order to offer new private enriching enterprises really meaningful "assistance"' in addition to "assurance of supply" would necessitate deliberately aggressive investments in both power and feed material. These are justified because aid in the form of preproduction can keep the new firms in business. It might be preferable to aid in the form of cash which only comforts their creditors. This ought to be looked into.

But AEC's present management is limited by annual budgets and a cautiously bureaucratic outlook. It is difficult to imagine AEC becoming aroused and inspired enough to take on an aggressive preproduction program of such size. Yet it is needed because the prosperity of the utility business and millions of people and businesses throughout the land who use electricity depends on adequate supplies of nuclear fuel.

Such adequacy can be assured only by the success of the new enriching enterprises who would supply the new nuclear fuel demands. In turn, the success of these enterprises will depend heavily upon the existence of a sizeable enough preproduction stockpile to give them "assistance" during their early years in addition to affording the utilities "assurance of supply" of their nuclear fuel.

Thus it is apparent that very sound management and very certain financial procedures for the AEC's enriching complex must be insisted upon. Although sound management characterizes the AEC today, under several administrations sound management has not been a notable characteristic of the higher ups from whom AEC takes its orders. Even within AEC, as its business and burdens expand, the fragmentation of enrichment responsibility between loosely coordinated offices for part time attention could create difficulties.

But as serious as organization difficulties may be, they are small in comparison to AEC's problem of getting adequate funding for its enrichment activities via the annual budgeting, authorization and appropriations route. In the critical years between now and 1982, when aggressive programs for power and feed material should be pursued, the entire system could be shattered by the stroke of some Budget Director's red pen. If it is, there will be no nuclear fuel and there will be no transition to private enriching enterprises.

Moreover, if the ERDA reorganization comes about and enriching activities are buried in a strange corner of this newborn bureaucracy, few people expect much more than disaster for the enrichment program.

All of which indicates a need to get uranium enrichment under certain controls and adequate financing procedures. So far no suggestion heard by the JCAE other than that for a United States Enrichment Corporation promises this accomplishment.

ESSAY NO. 2: AN EXERCISE IN AIDSMANSHIP

This essay explores means to remove barriers to private industry assuming responsibility for new United States uranium enriching needs in 1982 and thereafter when the demand for nuclear fuel will begin to exceed AEC's ability to supply it.

One barrier is the chance that new enriching plants will be delayed coming on line or fail to operate at expected capacities. Utilities cannot risk being without needed nuclear fuel. Nor can plant owners risk being without revenues they need to pay back creditors and investors. In fact, they cannot finance their plants until this risk is removed. An impasse between the two has been created by the plant owners' effort to shift the risk by proposing a contract requiring utilities to pay whether or not they get their separative work.

Until enough new enriching plants are built to resolve the technological and economic unknowns underlying this impasse, a program should be adopted to lift these risks from utilities and plant owners alike. This can be done easily by accumulating a suitable stockpile of preproduced enriched unranium from AEC enriching plants which will otherwise be operating at less than capacity until around the end of 1982.

A second private enterprise barrier, peculiar to the centrifuges, is the heavy front end cost involved in setting up a new industry. It will fall on plant owners directly and indirectly via front end costs for putting in new production lines that component suppliers will be passing upward. To win the objective of bringing such plants into being under private sponsorship, reasonable cash "assistance" to overcome this hurdle is worthwhile. This "assistance" also can be readily managed, along with the program for "assurance of supply."

ASSURANCE OF SUPPLY

The 9 million swu diffusion plant proposed by Uranuim Enrichment Associates ought to dispel the engineering and economic unknowns for that technology. For the centrifuges, it is safe to assume that six 3 million swu plants will do the same job. AEC will be supporting its own 15 million swu stockpile for flywheel and contingency purposes. With the probable availability of that in mind during an emergency, preproduction of 27 million swu's a year's planned production of the seven new private plants, seems ample to "assure" the fuel supply of customers and revenues of owners of new plants running into trouble.

The risk of total failure of these plants is not regarded as likely and not here "assured" against. That magnitude of failure would have national consequences calling for prompt Federal intervention with a mini-Manhattan Project.

Exercise A, set forth in Table 1, is based on one of AEC's alternate operating plans. It is well within the physical capabilities of its complex. The Exercise shows that a 27 million swu "assurance of supply" stockpile can be built up and worked off for a surcharge to AEC customers of less than $1/swu. But to do so demands quick and decisive adoption of an "assurance" program and, from beginning to end, its aggressive operation and zealous financing. Only with these characteristics can such a program create and maintain credible "assurance of supply". These characteristics do not mark AEC's present decision making mechanisms and financing resources. Prompt restructuring of the government's enriching activities to incorporate them is essential.

ASSISTANCE

Exercise B, set forth in Table 2, is based on an AEC operating plan which preproduces an extra 12.4 million swu, changes tails assays, and buy 21,000 short tons of added natural uranium feed. The new centrifuge plants would get preproduction at its cost of about $56/swu and allowed to market it at the commercial price, say $80/swu, thus being "assisted" by the $24 differential. Against an approximate $1 billion investment for a 3 million swu plant, the scheme nets less than $54 million in "assistance". It is no bargain.

The most efficient way to raise money to "assist" these new plants is by the straightforward addition of a surcharge to AEC sales. Over the 1975–1987 operating period of my hypothetical "Assurance of Supply"/"Assistance" Program, AEC will perform about 285 million swu's of enriching services. The "assistance" value to each of the six new plants of a $1.00 boost in swu charge is $47.5 million, calculated as follows:

285 × $1 = $285/6 = $47.50

Thus, a $5 surcharge will garner $237.5 million in aid for each new plant, a sum likely to far exceed all the conceivable front end costs of getting this new industry on its feet.

THE REAL WORLD

Exercises A and B are only hypotheses based on assumptions. In the real world, actual circumstances such as these must be dealt with:

We must stop thinking in terms of "AEC" and start thinking in terms of "the government" as it may be ERDA or USEC or another authority which soon takes over responsibility for U.S. enriching activities and stockpiles.

Scuttling the government's split-tails operation is inevitable and the sooner the better for the "assurance" program and the health of the mining, milling and conversion link of the nuclear fuel chain.

The government probably can find legal ways to boost its swu charges toward commercial levels. It's a good idea to start moving nearer to reality and away from extant Alice-in-Wonderland swu pricing criteria.

Exercise A shows that AEC Plant 3½ is not needed. Accordingly, I am dropping authority for any new government enriching capacity from USEC.

USEC, now better than ever, is still the only game in town effecting the restructure of government enriching activities requisite for a credible "assurance of supply" program.

Other realities also must be coped with, such as the fact that utilities are slowing down their nuclear programs. By 1982, in relation to what they have contracted for, there is a likely delay in nuclear fuel demand aggregation 30 to 40 million swu's of separate work. Dealing with the responsibilities and seizing the opportunities presented by that, and any other unexpected nuclear fuel developments seem quite beyond the present AEC's room for maneuvering.

Utilities bound to contracts for the delayed separative work will be hard pressed to take and pay for it on schedule, only to bear added carrying charges until they start using it. A scheme to somewhat relieve their burden could be built around the government picking up this excess for stockpile purposes in lieu of otherwise preproducing part or all of the "assurance" stockpile. These swu's would come at the regular $50 production cost rather than the $30 incremental cost. Another consideration is that the government's complex must have feed to work on and the utilities will have to deliver it according to contract schedules, irrespective of their delayed need for separative work.

How would the $30/$50 swu differential be fairly adjusted? How should the utilities' burden for carrying charges on the feed be eased, if at all?

These, and a host of other unknowns that the future will reveal, will have to be resolved by whoever is in charge of the U.S. government's enriching activities. This must be done aggressively in a financially responsible manner, promptly, skillfully, intelligently, flexiby, effectively, and always with the overall national interest foremost in mind.

All of which serves to emphasize what was earlier written, to wit: "USEC . . . is still the only game in town effecting the restructure of government enriching activities requisite for a credible "assurance of supply" program."

TABLE 1

EXERCISE A

["Assurance of Supply" 27 million swu]

	Preproduction, 10⁶ swu	Incremental cost at $30,10⁶	10 percent per year carrying charge, 8 yr to 1 yr
1975	5.1	$153	122.4
1976	7.1	213	149.1
1977	2.7	81	48.6
1978	4.8	144	72.0
1979	3.2	96	38.4
1980	1.5	45	13.5
1981	1.1	32	6.6
1982	1.5	45	4.5
Total	27.0	809	455.1

This preproduction stockpile of 27 million swu's cost $1265.1 million by the end of year 1982 ($810 for enriching and $455.1 for carrying charges).

The scheme for working off this stockpile is based on EEI's estimate that UEA's 9 million swu plant will handle load growth for 1½ years after 1982 and that thereafter the new capacity requirement will average 6 million swu's annually.

This means that the 9 million swu's accumulated for "assurance of supply" for the UEA plant will, in 1983, go either physically to UEA's utility customers if the plant fails to get on line, or if it succeeds, AEC will reduce its 1983 production by 9 million swu's to effect the cutback. The 18 million swu's accumulated to "assure supply" for customers of the 6 centrifuge plants will be worked off as these plants are assumed to be coming on line to meet load growth, i.e. 3 million swu in 1983, 6 million each in 1984 and 1985, and the final 3 million in 1986.

Thereupon the total cost of this "assurance of supply" program may be calculated as follows:

	Stockpile size in 10⁶ swu's	Year's carrying charge, 10 percent
1983	18	$84.4
1984	15	70.1
1985	9	42.2
1986	3	14.1
1987		
Investment through 1982		1,265.1
Total		1,475.9

AEC'S 1975–1982 SEPARATIVE WORK PRODUCTION

	Units	Investment	Average/swu
For customers	126.7	$6,335.0	$50.000000
For preproduction	27	1,475.9	54.662962
Total	153.7	7,810.9	50.819128

NOTES: (1) Exercise A is based on AEC's alternative operating Plan 2 in Table 3 appended to George F. Quinn's testimony submitted to JCAE June 25, 1974, except that it requires 1.5 million swu preproduction in 1982 vice .4 million.

(2) The cumulative stockpile achieved in 1982 by all AEC preproduction is 42 million swu's of which, in this Exercise, 27 million is allocated to "assurance of supply" and 15 million to AEC's own purposes, i.e., 5 million flywheel and 10 million for contingencies. The carrying charge for this 15 million is included in the assumed $50/swu charge to AEC's regular customers.

(3) The assumed cost of $50/swu for regular production is arbitrary and the $30/swu incremental cost for preproduction is based on $2.50 for labor and $27.50 power at 11 mills. Any 1 mill change in power cost effects about a $2.50 change in swu cost.

TABLE 2

EXERCISE B.—"ASSURANCE OF SUPPLY" 27 MILLION SWU—"ASSISTANCE" 12.4 MILLION SWU

	Preproduction, 10⁶swu	Cost at $30 (10⁶$)	10 percent per year carrying charge, 8 yr to 1 yr	Feed and conversion 10⁶ (short tons)	Cost at $20/lb	10 percent per year carrying charge, 7 yr to 1 yr
1975	6.4	192	153.6			
1976	7.1	213	149.1	1.5	60	42.0
1977	4.5	135	81.0	7.5	300	180.0
1978	6.8	204	102.0	11.2	448	224.0
1979	5.7	171	68.4	8.3	332	132.8
1980	3.7	111	33.3	5.1	204	61.2
1981	3.5	105	21.0	4.1	164	32.8
1982	1.7	51	5.1	.8	32	3.2
Total	39.4	1,182	613.5	38.4	1,540	676.

This preproduction stockpile of 39.4 million swu's cost $2471.5 million by the end of 1982 (for enriching $1182, for carrying charge on enriching $613.5, and for carrying charges on feed purchases $676. The cost of feed is not included in the total since this exercise is solely for the purpose of determining swu costs. Feed cost—equivalent to $39.086284 for each swu—would be recovered from customers at the time enriched uranium is delivered.)

The scheme for working off this stockpile is based on EEI's estimate that UEA's 9 million swu plant will handle load growth for 1½ years after 1982 and that thereafter the new capacity requirement will average 6 million swu's annually.

This means that the 9 million swu's accumulated for "assurance of supply" for the UEA plant will, in 1983, go either physically to UEA's utility customers if the plant fails to get on line, or if it succeeds, AEC would reduce its 1983 production by 9 million swu's to effect the cutback. The 18 million swu's accumulated to "assure supply" for customers of the 6 centrifuge plants would be worked off as these plants are assumed to coming on line to meet load growth, i.e. 3 million swu in 1983, 6 million each in 1984 and 1985, and the final 3 million in 1986.

It is arbitrarily assumed that the 12.4 swu's accumulated to "assist" the centrifuge entrepreneurs will be worked down as follows: .4 in 1982, and 3 million during each of the years 1983, 1984, 1986 and 1987.

Thus the 5 year campaign to dispose of the combined "assurance of supply" and "assistance" stockpiles would be as follows: 9.4 million in 1983, 6 million in 1984, 9 million each in 1985 and 1986, and 3 million in 1987. Total: 39.4 million.

Thereupon the total cost of the "assurance" and "assistance" programs may be calculated as follows:

	Stockpile size in 10^6 swu's	Year's carrying charge 10 percent
1983	30	188.2
1984	24	150.5
1985	15	94.1
1986	6	37.7
1987		
Investment through 1982		2,471.5
Total		2,942

AEC'S 1975-1982 SEPARATIVE WORK PRODUCTION

	Units	Invest- ment	Average per swu
For customers	126.7	$6,335	$50.000000
For preproduction	39.4	2,942	74.670050
Total	166.1	9,277	55.851896

NOTES: (1) Exercise B is based on AEC's alternative operating Plan 1A in Table 5 appended to George F. Quinn's testimony submitted to JCAE June 25, 1974.

(2) See notes (2) and (3) to Exercise A for explanations of AEC's responsibility for 15 million swu's of the stockpile and assumptions re swu costs. The assumed average feed and conversion cost equivalent to $20/1b U_3O_8 is a best guess.

STATE DEPARTMENT STRENGTHENS ITS ORGANIZATION IN HUMAN RIGHTS FIELD

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. FRASER. Mr. Speaker, I submit for the RECORD correspondence which Chairman MORGAN and I have received from Deputy Secretary of State Robert S. Ingersoll describing the administrative measures the State Department has taken to give greater consideration to human rights factors in foreign policy decisionmaking.

These measures are largely in response to congressional concern that U.S. foreign policy often does not reflect the moral and democratic traditions which have been central to the origin and development of our country.

In 1973 Congress expressed its concern through the adoption of section 32 of the Foreign Assistance Act which states that economic and military assistance should be denied to any country "which practices the internment of that country's citizens for political purposes."

Also, the Subcommittee on International Organizations and Movements of the House Foreign Affairs Committee adopted a report in March of this year that urged the Department of State to "treat human rights factors as a regular part of U.S. foreign policy decisionmaking."[1] The subcommittee recommended that the Department strengthen its organization in the human rights field. Many of the organizational changes recommended by the subcommittee have been accepted by the Department.

One must be cautious not to equate bureaucratic changes with real substantive changes in foreign policy. Nevertheless, I am hopeful that the Department is making these changes in good faith and that these bureaucratic changes will assist in developing a U.S. foreign policy consistent with our moral and democratic traditions.

The material follows:

WASHINGTON, D.C. *July 10, 1974.*

Hon. ROBERT S. INGERSOLL,
Deputy Secretary of State,
Department of State,
Washington, D.C.

DEAR AMBASSADOR INGERSOLL: I appreciated very much having the opportunity to meet with you and Governor Holton and discuss the task of raising the priority given to human rights in U.S. foreign policy.

Last fall, I know you are aware, the Subcommittee on International Organizations and Movements held a series of 15 hearings on this subject and adopted a report with 29 recommendations relating to U.S. foreign policy and human rights. This spring hearings have continued including a series on human rights in Chile and another reviewing the U.S. position on issues before the U.N. Commission on Human Rights.

The Subcommittee concluded in its report that "human rights in foreign policy is both morally imperative and practically necessary". It noted, however, that "the structure of the bureaucracy in the Department of State is not adequate for giving weight to human rights considerations". The Subcommittee recommended strengthening the human rights staffing in the International Organizations bureau, appointment of an assistant Legal Advisor on human rights and appointment of a human rights officer in each regional bureau.

As my letter of June 27th to Secretary Kissinger (a copy of which was sent to you) indicates, I have been pleased with the response of the Department in implementing some of the organizational changes recommended by the Subcommittee.

In addition to these changes, however, the Department should have someone at the policy-making level who would ensure that human rights factors are given reasonable consideration. A special assistant on human rights in the Deputy Secretary's office would fulfill that role. It would be his responsibility to ensure that when decisions are being made with significant human rights implications, the appropriate human rights officers in the regional bureau, the Legal Advisor's Office and the International Organizations Bureau would participate in the making of those decisions. Human rights has not traditionally been considered an element in the decision-making process. Consequently, it is particularly necessary to have someone with overall responsibility who could oversee developments in human rights and decision-making in this area.

I would greatly appreciate hearing from you after you have had an opportunity to consider this suggestion.

With best regards,

Sincerely yours,
DONALD M. FRASER,
Chairman, Subcommittee on International Organizations and Movements.

JULY 28, 1974.

Hon. THOMAS E. MORGAN,
Chairman, Foreign Affairs Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is to follow up on my letter of June 27, in which I stated our intention to keep the Committee informed concerning human rights matters, both generally with respect to section 32 of the Foreign Assistance Act and specifically in regard to Korea.

First, I should reaffirm the general observation in that letter regarding our obligation to promote respect for and observance of human rights and fundamental freedoms, the complexities of implementation and my view that cutting off assistance is not necessarily the most effective and appropriate response to deter violations.

In my earlier letter, I informed you that we had sent a cable to our Embassies in East Asian aid-recipient countries requesting them to transmit the text of section 32 to the governments of those countries and explain the seriousness with which we regard this section. A similar cable has now gone to our Embassies in aid-recipient countries in the other geographic areas.

We have not yet received reports from all posts. However, the pertinent East Asian posts inform us that Foreign Ministry officials have in each case been given a copy of section 32 with background explanation. The reactions of the government officials to whom the approaches were made, of course, were preliminary and varied. However, the pattern of responses indicates a clear awareness of our concern.

Most host governments expressed appreciation for this notification and, in some instances, requested additional information. In several cases, the difficulty of defining the term "political prisoners" was cited, a difficulty which earlier had been noted in Congressional debate on this legislation.

With specific reference to Korea, with respect to which I promised in my June 27 letter to keep you informed, we have cabled our Embassy posing very specific and detailed questions about the recent trials, requesting as much information as may be available. As you may know, these trials are not conducted in open session, so that Embassy officers have been unable to attend. However, we expect to have received factual information prior to the hearing which Mr. Fraser plans to conduct on July 30 on human rights in Korea.

At this point, our experience under section 32 of the Foreign Assistance Act of 1973 permits us to conclude that it would be wise, at least provisionally, to ensure that reporting and review features such as are growing up under that section are a continuing and permanent part of our fact finding and decision making processes with respect to all countries. To this end through further instruction we will meld the special section 32 requirements of aid recipients with the general human rights requirements affecting all countries.

We propose to use the facts collected and our evaluations of them to assure that human rights considerations are taken into account in the formulation of our foreign policy including our assistance programs. I am asking that early next year the geographic bureaus and others concerned report to me on significant human rights developments, by country and by important international bodies, with their recommendations for any desirable modifications of policy, new steps or new procedures. By then we will have received the second annual post reports and will have the benefit of another year's experience with the United Nations and Inter-American Human Rights Commissions. Such bureau reports should be an important indication of how we are doing at the international level in seeking to discharge our obligation to promote respect for and observance of human rights and fundamental freedoms.

We recognize that the foregoing involves a very considerable amount of time and effort. I realize that some additional or rearranged manpower is required. We have now moved ahead in all geographic bureaus with the designation of a human rights officer. In addition to these officers and those in the Bureau of International Organization Affairs and the Office of the Legal Adviser who deal with human rights, I plan to have an officer in my own office who can advise me regarding overall progress in these matters and ensure full consideration of human rights factors in decision making. For the present, I have asked the Acting Legal Adviser to help me in this way.

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[1] Human Rights in the World Community: A Call for U.S. Leadership."

As I said in my June 27 letter, I intend to continue to keep the Committee informed concerning our thoughts and progress with respect to section 32 and human rights generally, and specifically with respect to Korea. I hope this update of my earlier letter will be helpful to the Committee.

With best regards,

Sincerely,

ROBERT S. INGERSOLL,
Acting Secretary.

THE DEPUTY SECRETARY OF STATE,
Washington, D.C., August 14, 1974.
Hon. DONALD M. FRASER,
Chairman, Subcommittee on International Organizations and Movements, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of July 10 concerning human rights in foreign policy. As Governor Holton informed you on July 26, we have now moved ahead in all geographic bureaus with the designation of human rights officers. In addition to these officers and those in the Bureau of International Organization Affairs and the Office of the Legal Adviser who deal with human rights, I plan to have an officer in my own office who can advise me regarding overall progress in these matters and ensure full consideration of human rights factors in decision making. For the present, I have asked the Acting Legal Adviser to help me in this way.

I appreciate your interest and assure you that I will continue to give my personal attention to the development of the most effective staffing we can devise. I will continue to keep you informed as we progress.

With best regards,

Sincerely,

ROBERT S. INGERSOLL.

WASHINGTON, D.C., *September 20, 1974.*
Hon. ROBERT S. INGERSOLL,
Deputy Secretary of State, Department of State, Washington, D.C.

DEAR SECRETARY INGERSOLL: Thank you for your letter of August 14th concerning human rights in foreign policy. I have also read your letter of July 28th to Chairman Thomas E. Morgan concerning the same subject.

I am very pleased to learn that you have undertaken responsibility for ensuring that the Department gives full consideration of human rights factors in decision making, and that you intend to have an officer in your office assigned the above task. These decisions, along with the appointment of human rights officers in each of the regional bureaus, should provide the organizational framework and staffing required to ensure that human rights considerations are given full consideration.

Our moral and democratic traditions, I am convinced, have been a fundamental source of U.S. leadership in world affairs. Under your leadership the above mentioned bureaucratic changes, should be effective in making our foreign policy consistent with these traditions.

Sincerely yours,

DONALD M. FRASER,
Chairman, Subcommittee on International Organizations and Movements.

KTUL–TV CONTINUES THE FIGHT AGAINST MD WITH LABOR DAY TELETHON

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1974

Mr. JONES of Oklahoma. Mr. Speaker, once again KTUL–TV in Tulsa has carried the Jerry Lewis Labor Day Telethon for Muscular Dystrophy.

This is the fifth consecutive year KTUL–TV has performed this public service, and I would like to commend them for their untiring effort.

As a result of the generosity of the residents of northeastern Oklahoma, this year's MD Telethon raised over $126,000. This represents a 33-percent increase over last year's total.

I was pleased to have participated in this most worthwhile fight against MD, and I thank Mr. Frank Brown, district director of MD Associations of America, for inviting me to join in this Labor Day Telethon.

The staff and management of KTUL–TV deserve real credit for their dedication and commitment to ending the dread disease of muscular dystrophy.

SENATE—*Tuesday, September 24, 1974*

The Senate met at 10 a.m. and was called to order by Hon. HOWARD M. METZENBAUM, a Senator from the State of Ohio.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father God, in whom we live and move and have our being, all the ways of our need lead to Thy throne. Thou art great and we are small. Thou art strong and we are weak. Thou art wise and we are ignorant. Come to our waiting spirits to bring a strength and wisdom above our own. When we know not what to ask, read our hearts and fill our needs.

May the soul of this Nation respond to the call for discipline and sacrifice and mutual trust. Guide our leaders in the ways of righteousness and truth, until, in obedience to Thy will, this Nation and all nations come into the fullness of Thy kingdom.

Through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 24, 1974.
To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. HOWARD M. METZENBAUM, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. METZENBAUM thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, September 23, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HUGH SCOTT: A GREAT LEADER

Mr. MANSFIELD. Mr. President, today marks the fifth anniversary of my distinguished, affable, and hard-working partner, Senator HUGH SCOTT of Pennsylvania. Five years ago today, he assumed the leadership of the Republican Party in the Senate. During all those years, he has conducted himself with understanding of the needs of those he leads and, more fundamentally, with an appreciation of the needs of the Senate as a whole, what it stands for, what it should be, and where it is going.

His has not been an easy task, because, just as among the Democrats, there is also division among the Republicans. It takes a man of great skill and ingenuity to keep those who have elected him leader working in cohesion and cooperatively. Senator HUGH SCOTT has done that.

As far as I am concerned, I want to say that I have never worked with a better man than HUGH SCOTT, a man who recognizes the fact that while there may be divisions, as there should be and as there will be, there are times when, in the interests of the Nation, we have to pull together for the common good.

I have nothing but the highest admiration and respect and, yes, even affection, for the distinguished Republican leader, who has contributed so much to his State and country and who has done so much to bring about a better understanding of the Senate as an institution.

The Republican minority is, indeed, fortunate to have as its leader a man of the caliber of Hugh Scott who has devoted himself wholeheartedly to his position in looking after the best interests of those who have chosen him and in earning the respect and the friendship of all Senators of both parties. He is a credit and an asset to this body. I express the personal hope that his tenure as Republican leader will be a long one, that his wisdom and wit will continue to be as beneficial to the Senate in the future as it has been in the past, and that he will know by these words that those of us on the Democratic side of the aisle look to him with admiration and with appreciation of his parliamentary skills and his unquestioned devotion to his party and to our country.

In closing, may I say once again that I have never worked with a better man and never had a better partner.

Mr. HUGH SCOTT. Mr. President, I am not often captured without words of my own, but I am captured by the words of my good friend, the distinguished majority leader.

I had forgotten the anniversary. I try to forget anniversaries these days.

I am most grateful for the kind expressions and for the evidence once more of how much the distinguished majority leader and I enjoy working together. I am glad that legislation is now a little more fun than it was not long ago, that even politics can be fun again.

As the leader of the party of Sisyphus, I do, indeed, appreciate the encouragement to keep going. As we know, the mythological Sisyphus was condemned for his sins to push a great rock up an enormous hill. Throughout eternity. We have the vision of Sisyphus pushing the rock up the hill and never reaching the top, because the rock seemed always to fall down after a limited ascent.

This has been the recent fate of the Republican Party. As one who has been elected the Republican Sisyphus, to push the rock, I have done my best to keep as many people pushing as well; because if any of the rock pushers on my side—and that is an unintentioned pun—were to falter or fail, the ascent would become that much more difficult.

As I say, we are "rock" pushers, and that is our current undertaking—in fact, it is the undertaking of both parties in the Rules Committee.

I am extremely grateful to the distinguished majority leader for his never-failing fairness, his willing help, his quiet guidance and advice, and the fact that he and I have never had to put anything in writing. It is a great tribute to the art of politics that we trust each other more than occurs in any other profession or business. This is the only one of man's pursuits in which the given word is the golden token, where the given word alone conveys more power, more authority, and operates more effectively than all the contracts which could be devised by the hand and mind of scriveners and artisans. So I am most grateful, and I thank the distinguished majority leader.

I had planned to talk about Philadelphia, but I suppose Philadelphia can wait. I will talk about that some other time.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. HUGH SCOTT. I yield.

Mr. TOWER. Mr. President, on behalf of my Republican colleagues, I should like to express my thanks to the distinguished majority leader for his very kind and gracious remarks about our leader.

I recall 5 years ago, when Everett Dirksen passed from this world, that many of us felt that his position never could be filled. We loved Everett. We admired his skill, his wit, his good humor, his fine intellect. So it was a very difficult job that Hugh Scott stepped into. He has done it professionally. He has done it well. He has done it in such a way that he has earned the respect and the admiration and the esteem of all the men he leads.

I join my distinguished friend, the Senator from Montana, in expressing the hope that Hugh Scott's tenure will be a long one.

Mr. HUGH SCOTT. Mr President, I thank my good friend, the distinguished senior Senator from Texas and the chairman of the policy committee of our party.

We enjoy a collective leadership. It is among the pleasantest of my experiences that all the members of our leadership are friendly and trustful. As I have said, we exchange the given word.

We work together. We have no question of anything other than the best interests of the Nation and of the party. We are in constant touch with each other, and it is a real, distinct excitement for me to have this trust and this opportunity and to try to do the best I can with it.

Again, I am a little sorry; I had something funny to say about Philadelphia, but I shall wait. Instead, I shall just express my own feelings about it in another statement.

Mr. TOWER. If the Senator will yield, after last night's football contest between Philadelphia and Dallas, there was nothing at all funny about Philadelphia.

Mr. HUGH SCOTT. I was going to mention that, too.

It seems that Philadelphia only achieves eminence these days, as contrasted with 200 years ago, when we have the luck with us. In those days, 200 years ago, we had to build a nation by a lot of work. Last night, we managed a victory which I am afraid was not totally deserved. But we will take it anyway.

I conclude, Mr. President, by saying that I never say, and I do not think it becomes me to say I am so humble. I do not do it because I am not humble. I am very proud—proud of the work I do and the job I do, and always very much ashamed if I do not do it right. But I do not say "humble" because I do not think it conveys the necessary strength and pride with which one approaches one's responsibilities.

There is a form of humility which I think we ought all to bear in mind. That is expressed in the prayer of the Basque fisherman off the Bay of Biscay. It is just a line. It goes:

"Oh God, Thy sea is so large and my boat is so small."

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin (Mr. Nelson) is recognized for not to exceed 15 minutes.

MILK PRICE SUPPORT ACT OF 1974

Mr. NELSON. Mr. President, I introduce a bill to provide a price support for milk of not less than 100 percent of parity.

On Monday the distinguished chairman of the Committee on Agriculture and Forestry, the Senator from Georgia (Mr. Talmadge), announced his intentions early in 1975 to reexamine the 1973 Agricultural Act in view of the dire circumstances now facing American farmers.

Because the situation is so critical as regards the Wisconsin dairy industry, I am today introducing legislation to raise dairy price supports to 100 percent of parity.

Unless we construct a stable floor under the dairy industry, and halt the current decline in production units, the Nation will lose self-sufficiency in dairy products by 1980. We then will be at the mercy of foreign sources which could, like the Arab oil countries, boost prices enormously overnight.

If we are going to fight inflation meaningfully, preserve the dairy industry, and protect American consumers' access to milk, cheese, butter and other wholesome, traditional foods, we simply must remove the threat of bankruptcy from this industry.

Raising parity from its present 80 percent to 100 percent would give dairy farmers an immediate 20-percent boost in income, and be a significant step toward achieving stability in this vital sector of the American economy. If the idea of parity is fair, then anything less than parity is not fair.

At a rate of 10 per day, 3,788 Wisconsin dairy farmers went out of business between January, 1973, and last August 31, quickening the pace of dairy farmers decline. Today, there are only 52,631 dairy farms in the State, compared to a high of 127,000 in 1953.

In some areas of the State it is impossible to get an auctioneer to sell a dairy farm because they are all booked up until next spring. Good dairy cows that sold for $700 to $1,000 last year are going at $400 to $600 now.

Nationally, the trend is the same as in Wisconsin. National milk production, which reached a high of 120.3 billion pounds in 1972, has been declining since to 115.6 billion in 1973 and an estimated 114 billion in 1974.

In Wisconsin, which produces more than 10 percent of the national total, the decline coincides in proportion to the national figures.

The general condition of agriculture is not helping the situation.

Younger men are not coming into farming simply because they cannot afford the massive investment of nearly $200,000 needed to begin the average dairy farm. Eightly percent of the Wisconsin dairy farm operators are over 45 years old and fully 38 percent are 55 or older.

Although they engage in exceptionally hard work, farmers have not enjoyed the profit increases experienced in other work. While business and professional income increased by 148 percent 1948 and 1972, net farm income rose only 21 percent. Wages rose about 400 percent in that time and corporate income before taxes 184 percent.

Meanwhile, farmers' long-term debt rose 565 percent and short-term debt 783 percent.

The milk-to-feed ratio is now at an all time high of 1.1 to 1. This means that for every 100 pounds of whole milk he sells, the farmer receives only enough income to purchase 110 pounds of feed. Every agricultural economist who has studied this ratio recognizes that the farmer must receive at least enough money from 100 pounds of milk to buy 170 pounds of feed, if he is to realize a reasonable profit.

The cost of feed concentrates climbed 17.6 percent between July and August, while milk prices rose less than 1 percent in the same period. In Wisconsin 16 percent protein dairy feed was up from $111 a ton 1 year ago to $151 on August 15. For the first time in modern history, production per cow has fallen in Wisconsin because farmers cannot afford efficient feeds.

Across the Nation, the index of prices paid by farmers is up 15 percent from 1 year ago.

Wisconsin farmers are facing a cash-flow shortage so severe that many of them are keeping their bull calves for breeding because they cannot afford artificial breeding services—something that has not happened in years.

It is not only feed that has increased in cost to the dairy farmer. His fertilizer costs have doubled in the past few years, his gasoline is up like everyone else's, and the cost of basic farm equipment is undergoing the same inflationary spiral.

The dairy farmer has two problems that do not affect most American businessmen.

By virtue of his own productive genius, he has been able to supply the American market with ever-increasing amounts over a long period of time, until the public expects these products at low prices as a basic right. Also the dairy farmer cannot, as do most businessmen, simply pass on any cost increases to the consumer because Government policy affects his milk prices, and sometimes floods his market with cheap imports.

The total picture leads me to agree with the conclusion of James Gruebele, agricultural economist at the University of Illinois, that if the decline continues at its current pace there will not be enough dairy farms in the United States to satisfy demand of Americans for dairy products by 1980.

Gruebele has predicted that the number of dairy farms will decline from 400,000 nationally today to 200,000 in 1980 under present trends. We will be unable to satisfy our own demand for dairy products for the first time in our history.

And what does Professor Gruebele say the American people will be feeding themselves instead of whole milk, ice cream, and Wisconsin cheddar? Why that is simple—they will be eating a lot more of a lot less wholesome foods, such as substitute dairy products as well as imported dairy products at a high price.

There is no suggestion in the pattern of events that consumer prices of dairy products—domestic or foreign—will decline. Indeed, if the history of other products, especially oil, is any indication, the American consumer is going to end up paying a lot more for a lot less once he loses a large number of his present dairy farms.

We all have noted the transition of the Nation from a primarily rural to an urban-oriented society, with a corresponding change in State legislatures and in Congress. Urban representatives do not understand farm problems and do not realize the stake that their consumer constituents have in their successful solution.

Thus, where we once had a national dairy price support program aimed both at giving the dairy farmer a fair return and at assuring the Nation's consumers of an adequate supply at relatively low prices, we now have national policies aimed primarily at achieving an immediate low cost without regard to future production and long-range costs.

Until last year, dairy parity payments could be set yearly at someplace between 75 percent and 90 percent. For the past 2 years the minimum has been 80 percent. With one or two minor exceptions, every national administration over the past several years has set the payments at the legal minimum.

There is something I do not understand about this. The idea of parity, as one current official of the U.S. Department of Agriculture has put it, simply is to make certain that if the price for a given quantity of milk back some time ago would buy a pair of overalls, the price received for that same amount of milk today should still buy a pair of overalls.

What I do not understand is why—with the economic facts of life so readily available—anyone in this country expects a dairy farmer to buy a whole pair of overalls by setting the price of his milk at 75 percent, 80 percent or for that matter, 90 percent of parity.

It ought to be obvious that if 100 percent of parity bought a pair of overalls in the distant past, it will take 100 percent of parity today, because you can be certain that the overall manufacturer is getting a price today equitable with the old one.

There is another quirk in the system that works against the dairy farmer. When the price support level is set each April 1, the percentage of parity used is figured out to the dollar amount. For example, 80 percent of parity April 1 of this year equalled $6.57 a hundredweight. That dollar amount is then used for price supports for the entire year.

However, since rising costs figure as a part of parity calculations, the increased operating costs to the farmer means that since April 1, the $6.57 has become less than 80 percent of parity. Indeed, it is now about 74 percent of parity.

Thus, since April 1 the dairy farmer has lost another 6 percent of his symbolic overalls.

The fact is that with Government price supports set at the legal minimum, and with the cost of everything he needs to operate increasing extremely fast, the American dairy farmer is facing economic disaster.

His plight was not helped, of course, when the same Government that held his income down, arbitrarily this year alone allowed 100 million pounds of cheese and 150 million pounds of dry milk, much of it heavily subsidized by the foreign nation of origin, to be imported into the United States to disrupt his market. Believe me if the Wisconsin dairy farmer, who produces the milk for 36 percent of all domestic cheese, goes out of production, foreign governments will not have to subsidize their imports. They will just pass on their higher costs to the American consumer.

We tend to forget that such a situation will not be one from which we could easily recover. Most manufacturing businesses, if interrupted or closed for a period of time, may be restarted with relative ease. A dairy herd, once out of production, simply is not "turned back on" like an electric turbine or any other piece of machinery. A dairy herd is gone when it is gone, and must be replaced slowly and at considerable expense.

Thus, we all have a choice to make right now: Will we continue to go the route that obviously lies before us, a route in which we slowly but surely destroy the dairy industry so important to my own State and to the Nation's economy? Or will we insist upon national policies, particularly dairy prices at 100 percent of parity, which assure the continuance of this valuable national asset?

To dramatize the urgent need to stabilize the American dairy industry, I am introducing into the Congress immediately legislation that would provide mandatory dairy price supports at 100 percent of parity. There is no other solution to this pressing national problem.

It is essential that the American public, as consumers, be made aware in every way possible of the threat that exists to our domestic dairy industry.

Mr. President, I commend the Senator from Georgia for his concern about this problem and his intentions to have hearings early next year on this important matter.

QUORUM CALL

Mr. NELSON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TIME FOR A NEW RECONSTRUCTION FINANCE CORPORATION?

Mr. MANSFIELD. Mr. President, in recent weeks, there has been a good deal of talk about either the subsidization or the lending of money on the part of the Government to various corporations in distress. As the Senate is aware, Congress has passed legislation extending loans to Penn Central and Lockheed, and the Senate turned down an application not too many weeks ago on the part of Grumman Aircraft Corp. for a similar loan.

In recent weeks, there has been a certain amount of talk about the position of two airlines in particular: Pan American, which has carried the flag for many decades overseas, and TWA, which has performed in similar fashion, the only difference being that TWA has some domestic routes while Pan American has none.

These two giants of the airline industry find themselves in a position dissimilar from that of other American airlines, which, if my information and recollection are correct, seem to be operating on the basis of at least a reasonable profit return.

Some days ago, I received a letter from Mr. William T. Seawell, chairman of the board, Pan American World Airways. Under date of September 13 I made the following reply:

Mr. William T. Seawell,
Chairman of the Board, Pan American World Airways, Pan Am Building, New York, N.Y. 10007.

Dear Mr. Seawell: This will acknowledge receipt of your letter of the fifth which has just reached my desk and which I have read with much interest. I want to thank you for your courtesy in giving me the benefit of your views and making comment on what I have had to say.

It appears to me that it is not a good thing for Congress to undertake responsibilities such as those which it did in the cases of Penn Central and Lockheed. This could well become a habit and I do not think it is the right way to face up to a situation which might confront other companies in somewhat similar cases.

It appears to me that what we ought to do is reconstitute the Reconstruction Finance Corporation and that way, companies in distress should then be able to turn to it for the needed assistance. On that basis, we would have a permanent corporation, properly staffed, knowledgeable enough, and capable of facing up to the needs of companies in distress and, on the basis of the events and all factors involved, be prepared to do something beneficial.

May I say, Mr. President, that I am introducing today a bill seeking the reestablishment of the Reconstruction Finance Corporation, which, as the Senate will recall, was formed, I believe, during Hoover's administration in 1931, and stayed in operation until 3 or 4 years after the end of the Second World War; that is, in active operation; it took a few more years to finally liquidate all its assets. But that was a profitmaking corporation, and it performed a needed job. It is the type of institution which ought to face up to the needs of distressed companies, rather than have those companies come before Congress for rescue on an ad hoc basis. I believe the bill I introduce today can form the basis for a most worthwhile agency so vitally needed in these economic times.

I continue with my letter to the chairman of the board of Pan American:

In response to the question, "What do you think of subsidizing Pan American"?

This had been asked of me several weeks previously——

I stated, in effect, "Let me answer it this way; I was opposed to the legislation covering Penn Central and Lockheed. It is my belief that what the Government ought to do is to look into the question of these overlapping, duplicative flights, giving consideration to possible mergers and then see what must need to be done." In other words, the initial activity lies, I believe, with the pertinent Federal agencies in the one instance, and with the airlines in the other, though even there, the Federal agencies would have to be taken into consideration.

I appreciated your letter; I want to thank you for your thoughtfulness in giving me the benefit of your views, and with best personal wishes, I am

Sincerely yours,

Mike Mansfield.

Later, Mr. President, I met with the chairman of the board of Pan Am, Mr. Seawell, and he brought to my attention some factors which he said would be beneficial to the company if the U.S. Government took the needed action. I have in my hand "An open letter to the American people from the employees of the World's Most Experienced Airline," under date of Sunday, September 22, carried in the Washington Post, and representing the 32,500 employees of Pan Am.

In that advertisement, they raised some of the arguments which Mr. Seawell raised with me. I think they are pertinent, and I think the Government ought to give consideration to these pleas on the part of the employees of Pan Am because to me they sound most reasonable, and I should think the Government would be in a position to give the deepest and the most serious consideration, at the earliest time, to what is suggested. I shall read that part; these are the Pan Am employees speaking:

First:

Ask our own government, first of all, why the Postal Department pays the foreign airlines as much as five times what it pays Pan Am for hauling the same U.S. mail. Not receiving the same pay for the same work costs Pan Am thirty-five million dollars a year.

Second:

Ask our own government, why nothing is ever done about overseas airports that charge Americans exorbitant landing fees. Quantas Airlines, for example, pays under three hundred dollars to land in Sydney, Australia. Not paying foreign governments the same user fees that their airlines pay in America costs Pan Am *twelve million dollars a year*.

Third:

Ask our own government, why the U.S. Export-Import Bank loans money to airlines of "underdeveloped" nations, like France, Japan and Saudi Arabia, at six percent interest while Pan Am pays twelve percent. Their low interest loans are used to buy airplanes that they use to compete against Pan Am. Not allowing Pan American access to these same interest rates means that we pay seven million dollars more than the foreign airlines for the same Jumbo jet.

Fourth:

Ask our own government, why it is opposed to letting Pan Am fly passengers within our country . . . it just doesn't make sense. The domestic airlines now have rights to the international routes that we pioneered, and the foreign airlines now serve more cities in the United States than we do. The right to compete freely at home, the most elemental privilege of a free enterprise society, has always been denied Pan Am.

You see, when it comes right down to it, Pan Am does a lot more than compete with other airlines. We compete with whole countries, sometimes even our own. The men and women of Pan Am are just not the type who enjoy asking for a handout. The only subsidy that we have ever needed was fair treatment . . . *From our own government.*

If Pan Am were allowed domestic routes within the United States . . . or to borrow from the Export-Import Bank . . . or to pay reasonable landing fees overseas . . . or to receive equal postal rates from our own government, we wouldn't need any subsidy at all!

In fact we wouldn't need to have taken up a collection to run this ad."

So I think that it is up to administration to pay proper attention to these suggestions by Pan American employees, and to see what can be done legitimately to bring about equity in this particular instance, and very likely in the instance of TWA as well.

I ask unanimous consent that the portions of the open letter which I have read be printed in the Record, as well as the letter to Mr. William T. Seawell, chairman of the board of Pan American World Airways, and the text of the bill I introduce today at the conclusion of my remarks.

There being no objection, the letters and bill were ordered to be printed in the Record, as follows:

AN OPEN LETTER

Ask our own government, first of all, why the Postal Department pays the foreign airlines as much as five times what it pays Pan Am for hauling the same U.S. mail. Not receiving the same pay for the same work costs Pan Am thirty-five million dollars a year.

Ask our own government, why nothing is ever done about overseas airports that charge Americans exorbitant landing fees. Quantas Airlines, for example, pays under three hundred dollars to land their Jumbo 747 in San Francisco. Pan Am pays forty two hundred dollars to land in Sydney, Australia. Not paying foreign governments the same user fees that their airlines pay in America costs Pan Am *twelve million dollars a year.*

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In fact we wouldn't need to have taken up a collection to run this ad.

SEPTEMBER 13, 1974.

Mr. WILLIAM T. SEAWELL,
Chairman of the Board, Pan American World Airways, Pam Am Building, New York, N.Y.

DEAR MR. SEAWELL: This will acknowledge receipt of your letter of the fifth which has just reached my desk and which I have read with much interest. I want to thank you for your courtesy in giving me the benefit of your views and making comment on what I have had to say.

It appears to me that it is not a good thing for Congress to undertake responsibilities such as those which it did in the cases of Penn Central and Lockheed. This could well become a habit and I do not think it is the right way to face up to a situation which might confront other companies in somewhat similar cases.

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In response to the question, "What do you think of subsidizing Pan American," I stated, in effect, "Let me answer it this way: I was opposed to the legislation covering Penn Central and Lockheed. It is my belief that what the Government ought to do is to look into the question of these overlapping, duplicative flights, giving consideration to possible mergers and then see what must need to be done." In other words, the initial activity lies, I believe, with the pertinent Federal agencies in the one instance, and with the airlines in the other, though even there, the Federal agencies would have to be taken into consideration.

I appreciated your letter; I want to thank you for your thoughtfulness in giving me the benefit of your views, and with best personal wishes, I am

Sincerely yours,

MIKE MANSFIELD.

S. 4039

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Reconstruction Finance Corporation Act of 1974".

(b) There is established as an independent instrumentality of the United States a Reconstruction Finance Corporation (hereinafter referred to as the "Corporation"). The principal office of the Corporation shall be located in the District of Columbia, but there may be established agencies or branch offices in any city or cities of the United States under rules and regulations prescribed by the Board of Directors.

SEC. 2. (a) The Corporation shall have capital stock of $2,000,000,000, subscribed by the United States of America, payment for which shall be subject to call in whole or in part by the Board of Directors of the Corporation.

(b) There is authorized to be appropriated the sum of $2,000,000,000 for the purpose of making payments upon such subscription when called.

SEC. 3. The management of the Corporation shall be vested in a Board of Directors consisting of the Secretray of the Treasury, or, in his absence, the Under Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, who shall be members ex officio, and four other persons appointed by the President by and with the advice and consent of the Senate. Of the seven members of the Board of Directors, not more than four shall be members of any one political party and not more than one shall be appointed from any one Federal Reserve district. Each Director shall devote his time not otherwise required by the business of the United States principally to the business of the Corporation. Before entering upon his duties, each of the Directors so appointed and each officer of the Corporation shall take an oath faithfully to discharge the duties of his office. Nothing contained in this or in any other Act shall be construed to prevent the appointment as an employee of the Corporation of any officer or employee of the United States in any board, commission, independent establishment, or executive department thereof. The terms of the Directors appointed by the President of the United States shall be two years and run from the date of the enactment hereof and until their successors are appointed and qualified. Whenever a vacancy shall occur among the Directors so appointed, the person appointed to fill such a vacancy shall hold office for the unexpired portion of the term of the Director whose place he is selected to fill. The Directors of the Corporation appointed as hereinbefore shall receive salaries at the rate of $42,500 per annum. No Director, officer, attorney, agent, or employee of the Corporation shall in any manner, directly or indirectly, participate in the deliberation upon or in the determination of any question affecting his personal interests, or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

SEC. 4. The Corporation shall have power to adopt, alter, and use a corporate seal; to make contracts; to lease such real estate as may be necessary for the transaction of its business; to sue and be sued, to complain and defend, in any court of competent jurisdiction, State or Federal; to select, employ, and fix the compensation of such officers, employees, attorneys, and agents as shall be necessary for the transaction of the business of the Corporation, without regard to the provisions of other laws applicable to the employment and compensation of officers or employees of the United States; to define their authority and duties, require bonds of them and fix the penalties thereof, and to dismiss at pleasure such officers, employees, attorneys, and agents; and to prescribe, amend, and repeal, by its Board of Directors, bylaws, rules, and regulations governing the manner in which its general business may be conducted and the powers granted to it by law may be exercised and enjoyed, including the selection of its Chairman and Vice-Chairman, together with provision for such committees and the functions thereof as the Board of Directors may deem necessary for facilitating its business under this Act. The Board of Directors of the Corporation shall determine and prescribe the manner in which its obligations shall be incurred and its expenses allowed and paid. The Corporation shall be entitled to the free use of the United States mails in the same manner as the executive departments of the Government. The Corporation, with the consent of any board, commission, independent establishment, or executive department of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this Act.

SEC. 5. (a) (1) To aid in financing agriculture, commerce, and industry, the Corporation is authorized and empowered to make loans, upon such terms and conditions not inconsistent with this Act as it may determine, to any business concern—

(A) to enable such business concern to finance plant construction, conversion, or expansion, or the acquisition of equipment, facilities, machinery, supplies, or materials;

(B) to supply such business concern with working capital; or

(C) to aid such business concern in the payment of current debts or obligations, if such aid is considered by the Board of Directors to be in the public interest.

(2) For purposes of this Act, the term "business concern" means any individual, corporation, company, association, firm, partnership, society, or other entity which is—

(A) engaged in the manufacture or production of goods or services in the United States; or

(B) a bank, savings bank, trust company, building and loan association, insurance company, mortgage loan company, credit union, Federal land bank, joint-stock land bank, Federal intermediate credit bank, agricultural credit corporation, livestock credit corporation, or other financial institution, organized under the laws of any State or of the United States.

(b) No loan may be made under subsection (a) to any business concern unless such business concern is otherwise unable to obtain such a loan on reasonable terms.

(c) No loan may be made under subsection (a) unless an application therefor has been submitted to the Corporation in such manner and containing such information as the Corporation may require. To the extent practicable, the Corporation shall give priority to applicants which manufacture or process products or services of which shortages are perceived to exist in the national economy, or which are engaged in enterprises which are deemed by the Board of Directors to be in the public interest.

(d) Each such loan made under subsection (a) may be made for a period not exceeding ten years, and the Corporation may from time to time extend the time of payment of any such loan, through renewal, substitution of new obligations, or otherwise, but the time for such payment shall not be extended beyond twelve years from the date upon which such loan was made originally.

(e) Each such loan made under subsection (a) shall bear interest at a rate equal to the current average yield (as certified by the Secretary of the Treasury to the Corporation) on all outstanding obligations of the United States as of the last day of the month immediately preceding the month in which the loan is made. Each such loan shall be made on such other conditions and terms, as the Corporation may require.

(f) All loans made under the foregoing provisions shall be fully and adequately secured. The Corporation, under such conditions as it shall prescribe, may take over or provide for the administration and liquidation of any collateral accepted by it as security for such loans. Such loans may be made directly upon promisory notes or by way of discount or rediscount of obligations tendered for the purpose, or otherwise in such form and in such amount and at such interest or discount rates as the Corporation may approve: *Provided,* That no loans or advances shall be made upon foreign securities or foreign acceptances as collateral or for the purpose of assisting in the carrying or the liquidation of such foreign securities and foreign acceptances. In no case shall the aggregate amount of advances made under this section or section 6 to any one business concern and its subsidiary or affiliated business concerns exceed at any one time 5 per centum of (1) the authorized capital stock of the Reconstruction Finance Corporation plus (2) the aggregate amount of bonds of the Corporation authorized to be outstanding when the capital stock is fully subscribed.

(g) No loan, loan guarantee, or advancement shall be made by the Corporation for the purpose of initiating, setting on foot, or financing any enterprise not initiated, set on foot, or undertaken prior to the adoption of this Act.

(h) No fee or commission shall be paid by any applicant for a loan or loan guarantee under the provisions of this Act in connection with any such application or any loan or loan guarantee made hereunder, and the agreement to pay or payment of any such fee or commission shall be unlawful.

Sec. 6. (a) To assist any business concern—

(1) to finance plant construction, conversion, or expansion, or the acquisition of equipment, facilities, machinery, supplies, or materials;

(2) to obtain working capital; or

(3) to meet the payment of current debts or obligations, if such aid is considered by the Board of Directors to be in the public interest;

the Corporation may guarantee the payment when due of the principal of and interest on a loan made to such business concern by a non-Federal lender. The Corporation may make a commitment to make such a guarantee prior to the making of the loan with respect to which the guarantee is to be made.

(b) Each such loan guarantee may be made for a period not exceeding ten years.

(c) A loan guarantee may not be made under subsection (a) unless an application therefor has been submitted to the Corporation in such manner and containing such information as the Corporation may require, and the Corporation has approved such application. The Corporation may not approve such an application unless it determines that the terms, condition, and security (if any), and the schedule and amount of repayments with respect to the loan are sufficient to protect the financial interest of the Corporation and are otherwise reasonable, including a determination that the rate of interest on such loan does not exceed such rate as the Corporation determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans. The Corporation may not approve such an application unless it determines that the loan would not be available to the applicant on reasonable terms and conditions without the guarantee provided under subsection (a). To the extent practicable, the Corporation shall give priority to applicants which manufacture or process products or services of which shortages are perceived to exist in the national economy, or which are engaged in enterprises which are deemed by the Board of Directors to be in the public interest.

(d) The Corporation shall be enttiled to recover from an applicant for a loan guarantee under subsection (a) the amount of any payment made by the Corporation pursuant to such guarantee upon the failure of the applicant to pay when due the principal of and interest on the loan with respect to which the guarantee was made, unless the Corporation for good cause waives the right of recovery; and the Corporation shall be subrogated to all of the rights under such loan of the recipient of such payment.

(e) Any loan guarantee by the Corporation under subsection (a) shall be incontestable in the hands of any qualified holder of such loan except in the case of fraud or misrepresentation on the part of such holder.

(f) Guarantees of loans under subsection (a) shall be subject to such further conditions and terms as the Corporation may require to carry out the purposes of this Act.

(9) The aggregate of the principal amounts of the loans outstanding at any time with respect to which guarantees have been made under this section shall not exceed $2,000,000,000.

Sec. 7. All moneys of the Corporation not otherwise employed may be deposited with the Treasurer of the United States subject to check by authority of the Corporation or in any Federal Reserve bank, or may, by authorization of the Board of Directors of the Corporation, be used in the purchase for redemption and retirement of any notes, debentures, bonds, or other obligations issued by the Corporation, and the Corporation may reimburse such Federal Reserve bank for their services in the manner as may be agreed upon. The Federal Reserve banks are authorized and directed to act as depositories, custodians, and fiscal agents for the Reconstruction Finance Corporation in the general performance of its powers conferred by this Act.

Sec. 8. (a) The Corporation is authorized and empowered, with the approval of the Secretary of the Treasury, to issue, and to have outstanding at any one time in an amount aggregating not more than three times its subscribed capital, its notes, debentures, bonds, or other such obligations; such obligations to mature not more than twelve years from their respective dates of issue, to be redeemable at the option of the Corporation before maturity in such manner as may be stipulated in such obligations, and to bear such rate or rates of interest as may be determined by the Corporation: *Provided,* That the Corporation, with the approval of the Secretary of the Treasury, may sell on a discount basis short-term obligations payable at maturity without interest. The notes, debentures, bonds, and other obligations of the Corporation may be secured by assets of the Corporation in such manner as shall be prescribed by its Board of Directors: *Provided,* That the aggregate of all obligations issued under this section shall not exceed three times the amount of the subscribed capital stock. Such obligations may be issued in payment of any loan authorized by this Act or may be offered for sale at such price or prices as the Corporation may determine with the approval of the Secretary of the Treasury. The said obligations shall be fully and unconditionally guaranteed both as to interest and principal by the the United States and such guaranty shall be expressed on the face thereof. In the event that the Corporation shall be unable to pay upon demand, when due, the principal of or interest on notes, debentures, bonds, or other such obligations issued by it, the Secretary of the Treasury shall pay the amount thereof, which is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, and thereupon to the extent of the amounts so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such notes, debentures, bonds, or other obligations.

(b) The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations of the Corporation to be issued hereunder, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of the Corporation's obligations hereunder. The Secretary of the Treasury may, at any time, sell any of the obligations of the Corporation acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of the obligations of the Corporation shall be treated as public-debt transactions of the United States. Such obligations shall not be eligible for discount or purchsae by any Federal Reserve bank.

Sec. 9. Any and all notes debentures, bonds, or other such obligations issued by the Corporation shall be exempt both as to principal and interest from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority. The Corportion, including its franchise, its capital, reserves, and surplus, and its income shall be exempt from all taxation now or hereafter imposed by the United States, by any territory, dependency, or possession thereof, or by any State, county, municipality, or local taxing authority; except that any real property of the corporation shall be subject to State, territorial, county, municipal, or local taxation to the same extent according to its value as other real property is taxed.

Sec. 10. In order that the Corporation may be supplied with such forms of notes, debentures, bonds, or other such obligations as it may need for issuance under this Act, the Secretary of the Treasury is authorized to prepare such forms as shall be suitable and approved by the Corporation, to be held in the Treasury subject to delivery, upon order of the Corporation. The engraved plates, dies, bed pieces, and so forth, executed in connection therewith shall remain in the custody of the Secretary of the Treasury. The Corporation shall reimburse the Secretary of the Treasury for any expenses incurred in the preparation, custody, and delivery of such notes, debentures, bonds, or other obligations.

Sec. 11. When designated for that purpose by the Secretary of the Treasury, the Corporation shall be a depositary of public money, except receipts from customs, under such regulations as may be prescribed by said Secretary; and it may also be employed as a financial agent of the Government; and it shall perform all such reasonable duties, as depositary of public money and financial agent of the Government, as may be required of it. Obligations of the Corporation shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

Sec. 12. The Corporation shall make and publish a report quarterly of its operations to the Congress stating the aggregate loans and loan guarantees made to each borrower and the number of borrowers and amount borrowed by States. The statement shall show the assets and liabilities of the Corporation, and the first report shall be made on January 1, 1975, and quarterly thereafter. It shall also show the names and compensation of all persons employed by the Corporation whose compensation exceeds $1,500 per month.

Sec. 13. (a) The accounts of the Corporation shall be audited annually in accordance with generally accepted accounting standards by independent certified public accountants or independent licensed public accountants certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The audits shall be conducted at the place or places where the accounts of the Corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Corporation and necessary to facilitate the audits shall be made available to the person or persons conducting the audits; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) The report of each such independent audit shall be included in the appropriate quarterly report submitted to Congress under section 12 of this Act. The audit report shall set forth the scope of the audit and include such statements as are necessary to present fairly the Corporation's assets and liabilities and surplus or deficit, with an analysis of the changes therein during the year, supplemented in reasonable detail by a statement of the Corporation's income and expenses during the year, and a statement of the sources and application of funds, together with the independent auditor's opinion of those statements.

SEC. 14. (a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of obtaining for himself or for any applicant any loan, or extension thereof by renewal, deferment of action, or otherwise, or the acceptance, release, or substitution of security therefor, or for the purpose of influencing in any way the action of the Corporation, or for the purpose of obtaining money, property, or anything of value, under this Act, shall be punished by a fine of not more than $5,000 or by imprisonment for not more than two years, or both.

(b) Whoever (1) falsely makes, forges, or counterfeits any note, debenture, bond, or other obligation, or coupon, in imitation of or purporting to be a note, debenture, bond, or other obligation, or coupon, issued by the Corporation, or (2) passes, utters or publishes, or attempts to pass, utter or publish, any false, forged or counterfeited note, debenture, bond, or other obligation, or coupon, purporting to have been issued by the Corporation, knowing the same to be false, forged or counterfeited, or (3) falsely alters any note, debenture, bond, or other obligation, or coupon, issued or purporting to have been issued by the Corporation, or (4) passes, utters or publishes, or attempts to pass, utter or publish, as true any falsely altered or spurious note, debenture, bond, or other obligation, or coupon, issued or purporting to have been issued by the Corporation, knowing the same to be falsely altered or spurious, or any person who willfully violates any other provision of this Act, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

(c) Whoever, being connected in any capacity with the Corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to it or pledged or otherwise entrusted to it, or (2) with intent to defraud the Corporation or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Corporation, makes any false entry in any book, report, or statement of or to the corporation, or, without being duly authorized, draws any order or issues, puts forth or assigns any note, debenture, bond, or other obligation, or draft, bill of exchange, mortgage, judgment, or decree thereof, or (3) with intent to defraud participates, shares, receives directly or indirectly any money, profit, property or benefit through any transaction, loan, commission, contract, or any other act of the Corporation, or (4) gives any unauthorized information concerning any future action or plan of the corporation which might affect the value of securities, or, having such knowledge, invests or speculates, directly, or indirectly, in the securities or property of any company, bank, or corporation receiving loans or other assistance from the Corporation, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

(d) No individual, association, partnership, or corporation shall use the words "Reconstruction Finance Corporation" or a combination of these three words, as the name or a part thereof under which he or it shall do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding $1,000 or imprisonment not exceeding one year, or both.

SEC. 15. The right to alter, amend, or repeal this Act is hereby expressly reserved. If any part of this Act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Will the Senator from Montana indicate to whom he wishes his time charged, the previous speaker or the subsequent speaker?

Mr. MANSFIELD. To the time of the Senator from West Virginia.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I yield back the remainder of the time of the Senator from West Virginia and the remainder of the time of the Senator from Wisconsin.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore (Mr. Metzenbaum). Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 3 minutes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

At 1:30 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15323) to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident, and for other purposes.

The message also announced that the House insists upon its amendments to the bill (S. 3234) to authorize a vigorous Federal program of research, development, and demonstration to assure the utilization of solar energy as a viable source for our national energy needs, and for other purposes, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Teague, Mr. McCormack, Mr. Fuqua, Mr. Symington, Mr. Mosher, Mr. Goldwater, and Mr. Wydler were appointed managers of the conference on the part of the House.

The message further announced that the Speaker has appointed Mr. Stark, of California, to be a manager on the part of the House in the conference on the bill (S. 386) to amend the Urban Mass Transportation Act of 1964 to authorize certain grants to assure adequate commuter service in urban areas, and for other purposes, vice Mr. Brasco, excused.

The message also announced that the Speaker has appointed Mr. Moorhead of Pennsylvania, to be a manager on the part of the House in the conference on the bill (H.R. 11221) to provide full deposit insurance for public units and to increase deposit insurance from $20,000 to $50,000, vice Mr. Brasco, excused.

ENROLLED BILL SIGNED

The message further announced that the Speaker has affixed his signature to the enrolled bill (H.R. 5507) to authorize the conveyance to the city of Salem, Ill., of a statue of William Jennings Bryan.

The PRESIDENT pro tempore subsequently signed the enrolled bill.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Metzenbaum):

A resolution agreed to by the medical staff of the Slidell Memorial Hospital, of Slidell, La., opposing the position of the Department of Health, Education, and Welfare regarding PRSO. Referred to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RANDOLPH, from the Committee on Labor and Public Welfare, with amendments:

S. 3378. A bill to provide assistance for the developmentally disabled, establish a bill of rights for the developmentally disabled, and for other purposes (Rept. No. 93–1169).

SUBMISSION OF A REPORT FROM THE SELECT COMMITTEE ON SMALL BUSINESS ENTITLED "THE U.S.A. BUSINESS COMMUNITY: ITS COMPOSITION AND CHANGING NATURE, WITH SPECIAL REFERENCE TO SMALL BUSINESS"—(S. REPT. NO. 93–1168)

Mr. BIBLE. Mr. President, from the Select Committee on Small Business, I submit a report entitled "The U.S.A. Business Community: Its Composition and Changing Nature With Special References to Small Business, Including Selected Statistics on Minority-Owned Firms." I ask unanimous consent that the report be printed together with the supplemental views of the distinguished ranking member of the committee and the senior Senator from New York (Mr. Javits).

The PRESIDING OFFICER (Mr. Hathaway). Without objection, it is so ordered.

Mr. BIBLE. Mr. President, this report is the accomplishment of almost 5 years of work, beginning in 1970, when our committee determined that it was all important to compile an improved statistical data base about the 8½ million small businesses nationwide that constitute 97 percent of the total American business community.

We believe this report can be recognized as an important milestone in securing greater recognition for small businesses everywhere, their problems and their importance to the national scene. Certainly, a legislator in the Congress must have access to a storehouse of knowledge about all business to be in a position to evaluate the standing and progress of those firms in the small business sector.

This document seeks to fulfill the need for an improved data base for small businesses by presenting a series of statistical information derived chiefly from the annual reports of the Internal Revenue Service and from business census data from the U.S. Census Bureau and from the Office of Minority Business Enterprise of the Department of Commerce. Such reveals industry by industry, the number of business firms and their contribution to total business receipts or income. Estimates according to the firms' size are also presented. Additionally, these data are the basis for revising markedly upwards those previous widely used estimates of the general small business population.

This report should serve as an excellent basic tool, especially for Members of Congress and officials within the executive departments who must have easily understandable and available data about the totality of the business universe, before making decisions involving momentous matters such as the general state of the economy, tax and antitrust policy, the type and scope of programs of the Small Business Administration and the Office of Minority Business Enterprise, the broad ramifications of the energy crisis, and others.

Because needed information is not always in handy reference form, if at all, this document should prove helpful. Year-to-year comparisons should make it possible to reveal the growth or decline of firms in an industry and possibly in subcategories of each industry.

Additionally, this report presents the first comprehensive data on minority businesses nationwide and should serve as a starting point from which to measure the growth and success of various efforts to enhance the growth of minority business in our economy. We are grateful to the Department of Commerce for its work in this area.

Another constructive purpose will be served by this report if the Small Business Administration can be persuaded into picking up the Internal Revenue Service series in its annual reports and thereby making more authentic totals available about the overall business population and more reliable information about that portion of the business community which SBA is mandated to serve. Certainly, the classification of firms within each industry division should be revealing in SBA's efforts to establish a viable small firms sector.

It is our judgment that this report should be a valuable aid to the small business proprietor as a source of information relating to trends for the economy as a whole, as well as to prospects for small firms in various lines of business. For instance: In what industries are the numbers of independent businesses expanding or contracting? And where are the greatest opportunities for substantial returns to the individual businessmen?

Certainly, the concern of the Congress for the welfare of small business and its duty to overview the functioning of SBA have required keeping in continuous focus the standing and progress of small business firms. A critical evaluation of the role of small business encompasses a study of statistical information in retrospect and a look forward into the impact of existing and proposed Federal statutes on the functioning of small firms so that they remain true partners in the Nation's economy. We hope this report will be a substantive contribution to this effort. Further, we are also hopeful that it can serve as a forerunner to more meaningful and broader information-gathering in the years ahead about the vital small business segment of our economy.

INTERIM REPORT OF THE SPECIAL COMMITTEE ON NATIONAL EMERGENCIES AND DELEGATED EMERGENCY POWERS—(S. REPT. NO. 93–1170)

Mr. CHURCH. Mr. President, I ask unanimous consent to file an interim report of the Special Committee on National Emergencies and Delegated Emergency Powers, and that it be printed as a Senate document.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Banking, Housing and Urban Affairs:

Henry F. Trione, of California, to be a member of the Board of Directors of the National Corporation for Housing Partnerships.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. LONG, from the Committee on Finance:

Daniel Minchew, of Georgia, to be a member of the United States Tariff Commission.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. NELSON:

S. 4038. A bill to provide for the price support of milk at not less than 10 per centum of parity. Referred to the Committee on Agriculture and Forestry.

By Mr. MANSFIELD:

S. 4039. A bill to establish a Reconstruction Finance Corporation to make loan guarantees to business concerns which would otherwise be unable to obtain needed financing. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. HARTKE (for himself, Mr. Hansen, Mr. Talmadge, Mr. Randolph, Mr. Hughes, Mr. Cranston, Mr. Thurmond, Mr. Stafford, and Mr. McClure):

S. 4040. A bill to amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension, and dependency and indemnity compensation, to increase income limitations, and for other purposes. Referred to the Committee on Veterans' Affairs.

By Mr. PACKWOOD:

S.J. Res. 244. A joint resolution extending the termination of the Export-Import Bank Act of 1945. Considered and passed.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NELSON:

S. 4038. A bill to provide for the price support of milk at not less than 100 percent of parity. Referred to the Committee on Agriculture and Forestry.

(The remarks of Mr. Nelson on the introduction of the above bill are printed earlier in the Record.)

By Mr. MANSFIELD:

S. 4039. A bill to establish a Reconstruction Finance Corporation to make loan guarantees to business concerns which would otherwise be unable to obtain needed financing. Referred to the Committee on Banking, Housing and Urban Affairs.

(The remarks of Mr. Mansfield on the introduction of the above bill are printed earlier in the Record.)

By Mr. HARTKE (for himself, Mr. Hansen, Mr. Talmadge, Mr. Randolph, Mr. Hughes, Mr. Cranston, Mr. Thurmond, Mr. Stafford, and Mr. McClure):

S. 4040. A bill to amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension, and dependency and indemnity compensation, to increase income limitations, and for other purposes. Referred to the Committee on Veterans' Affairs.

THE VETERANS AND SURVIVORS PENSION ADJUSTMENT ACT OF 1974

Mr. HARTKE. Mr. President, today I introduce for myself and the members of the Committee on Veterans Affairs S. 4040, the Veterans and Survivors Pension Adjustment Act of 1974, a bill to increase non-service-connected pension rates and increase limitations. Members of the Senate will recall that last fall I introduced, and the Senate unanimously passed S. 275 which contained an increase in the income limitations as well as an increase in the rates of pension. Unfortunately, the increase in the income limitations which was opposed by the administration was dropped following House-Senate negotiations before the 10-percent increase in the rates of pension was sent to the President to be enacted as Public Law 93–177.

The bill before you today would attempt to protect non-service-connected pensioners from the current rampant inflation by providing needed cost-of-living increases in the income limitations as well as the basic rates themselves. Under the law, as a veteran's or survivor's countable outside income increases, his or her pension is accordingly decreased. This has the effect of partially or completely canceling the benefit of any social security increase for veterans or their widows. A veteran's income for the purpose of determining the amount of pension he receives is calculated at the beginning of each year. This means that unless action is taken under this bill many pensioners are scheduled to have their pensions decreased as a result of the 1974 double phase social security increases. These decreases will be reflected in their January 1975 check which will be delivered around February 1 of next year.

Mr. President, I am hopeful that the administration and our colleagues on the House side will agree with the wisdom of a cost-of-living increase in the income limitations as well as the rates for pensioners who are forced to live on fixed incomes in this time of unprecedented inflation. Since January 1, 1974, when Public Law 93–177 (S. 275) went into effect, the cost of living as measured by the Consumer Price Index has increased 8 percent. At the current rate of inflation it is expected to reach at least 12 percent by December. As my colleagues are also aware this year almost 75 percent of those on the VA pension rolls have received an 11-percent increase in social security. If we do not act by January 1, 1975, this will occasion decreases in pension for 1.5 million veterans and survivors on the pension rolls. According to the Veterans' Administration 75,510 pensioners would fall off the pension rolls and the average loss of pension would be as follows:

Type of pensioner:	*Monthly loss*
Veteran alone	$11.58
Veteran with dependent	10.33
Widow alone	7.50
Widow with dependent	4.00

My colleagues will remember that at the request of the administration we have been examining their proposal for a total reform of the non-service-connected pension system.

While we are in agreement with the announced principles of eliminating unequal treatment for similar circumstanced pensioners and of increasing assistance to the neediest, the actual proposals submitted by the Veterans' Administration would be unduly restrictive and unacceptable in operation. Few of the veterans or widows in need of pension could qualify under the new system submitted by the VA. For example, if the proposed reform were applied to the present population of veterans and widows receiving VA pensions—they would be excepted under the VA proposal, however—almost two-thirds to three-fourths would be ineligible for receipt of pension under the new system. Accordingly, pursuant to my direction, the committee staff is investigating various alternatives to the VA proposal. Due to severe difficulties in obtaining accurate and relevant data on the VA pension population which was caused primarily by an antiquated data gathering and processing capability, together with inadequate analytical staffing in the Veterans' Administration, the committee had been until recently unable to assess the repercussions of a total pension reform. Of course, the committee could not in good conscience proceed with pension restructuring unless we could be as sure as possible of the outcome on pensioners, both present and future. The committee staff has developed some tentative revisions to the existing pension system, but it is my belief that any such changes should be given a thorough legislative review and public hearings which would not be possible in the remainder of this very hectic Congress.

There is also substantial reason to believe that the new administration is in the process of significant "reassessment" of the actual proposal which they submitted to the committee earlier this year.

I can state to my colleagues that this bill which will be considered quickly by the committee is completely in keeping with committee intent as well as administration proposals to protect existing pensioners who could choose not to switch to any new system and who elect to remain under the current system.

Briefly, the bill, as introduced would provide: First, a $400 increase in the annual income limitations for eligible veterans and their survivors receiving pension and provide increases in the rates of pension averaging 12 percent;

Second, an increase in the annual income limitation for the old law pensioners by $400;

Third, an increase in the annual income limitation by $400 for parents receiving Dependency and Indemnity Compensation—DIC—and increase the rates of DIC for an average program benefits increase of 12 percent;

Fourth, the bill provides an increase in the allowances payable for those in need of aid and attendance or who are deemed "housebound" of 12 percent;

Fifth, to provide pension benefits for widows and children of certain veterans whose death occurred not in the line of duty but who had previous "honorable service."

Mr. President, with the approaching end of the Congress in sight, I do not believe that we can act too quickly to insure that veteran pensioners will not be hurt. For my part I will pledge swift committee action and would anticipate equal concern and action by the other House.

Mr. President, adoption of this bill will assure that almost all pensioners will not suffer a reduction in their pension as a result of this year's social security increase or other cost-of-living increases in their retirement income.

The Veterans' Administration estimates that the cost of this bill for fiscal year 1975 will be $123 million.

The following tables illustrate the current rates payable to veterans and their survivors with typical examples of pensions payable under the bill introduced today which incorporates increases both in the rates and the maximum annual income limitations.

VETERAN ALONE

	Current rate	S. 4040
Income not over:		
$300	$143	$160
$400	140	157
$500	137	154
$600	134	150
$700	131	146
$800	128	142
$900	124	138
$1,000	120	133
$1,100	116	128
$1,200	112	123
$1,300	108	118
$1,400	103	113
$1,500	98	108
$1,600	93	102
$1,700	87	96
$1,800	81	90
$1,900	75	84
$2,000	69	77
$2,100	63	70
$2,200	57	63
$2,300	50	56
$2,400	43	48
$2,500	36	40
$2,600	28	32
$2,700		24
$2,800		16
$2,900		8
$3,000		5

VETERAN WITH DEPENDENT

Income not over:		
$300	$154	$172
$400	154	172
$500	154	172
$600	152	170
$700	150	168
$800	148	165
$900	145	162
$1,000	142	159
$1,100	139	156
$1,200	136	153
$1,300	133	150
$1,400	130	147
$1,500	127	144
$1,600	124	141
$1,700	121	138
$1,800	118	135
$1,900	115	131
$2,000	112	127
$2,100	109	123
$2,200	106	119
$2,300	103	115
$2,400	100	111
$2,500	97	107
$2,600	94	103
$2,700	90	99
$2,800	86	95
$2,900	82	91
$3,000	78	87
$3,100	74	82
$3,200	70	77
$3,300	65	72
$3,400	60	67
$3,500	55	62
$3,600	50	56
$3,700	45	50
$3,800	39	44
$3,900		37
$4,000		30
$4,100		22
$4,200		14

WIDOW ALONE

	Current rate	S. 4040
Income not over:		
$300	$96	$108
$400	95	107
$500	94	106
$600	93	105
$700	90	102
$800	87	99
$900	84	96
$1,000	81	92
$1,100	78	88
$1,200	75	84
$1,300	72	80
$1,400	69	76
$1,500	65	72
$1,600	61	68
$1,700	57	64
$1,800	53	60
$1,900	49	56
$2,000	45	52
$2,100	41	48
$2,200	37	43
$2,300	33	38
$2,400	29	33
$2,500	25	28
$2,600	21	23
$2,700		18
$2,800		13
$2,900		8
$3,000		5

WIDOW WITH 1 DEPENDENT

Income not over:		
$300	$114	$128
$400	114	128
$500	114	128
$600	114	128
$700	114	128
$800	113	127
$900	112	126
$1,000	111	125
$1,100	110	124
$1,200	108	122
$1,300	106	120
$1,400	104	118
$1,500	102	116
$1,600	100	114
$1,700	98	112
$1,800	96	110
$1,900	94	108
$2,000	92	106
$2,100	90	104
$2,200	88	101
$2,300	86	98
$2,400	84	95
$2,500	82	92
$2,600	79	89
$2,700	76	86
$2,800	73	83
$2,900	70	80
$3,000	67	77
$3,100	64	73
$3,200	61	69
$3,300	58	65
$3,400	55	61
$3,500	51	57
$3,600	47	53
$3,700	44	49
$3,800	44	49
$3,900		49
$4,000		49
$4,100		49
$4,200		49

1 PARENT

Income not over:		
$800	$110	$123
$900	107	120
$1,000	104	117
$1,100	101	113
$1,200	97	109
$1,300	93	105
$1,400	89	100
$1,500	85	95
$1,600	80	90
$1,700	75	84
$1,800	69	78
$1,900	63	71
$2,000	57	64
$2,100	50	56
$2,200	43	48
$2,300	36	40
$2,400	28	32
$2,500	20	24
$2,600	12	16
$2,700		8
$2,800		4
$2,900		4
$3,000		4

2 PARENTS TOGETHER

	Current rate	S. 4040
Income not over:		
$800	$74	$83
$900	74	83
$1,000	74	83
$1,100	73	82
$1,200	72	80
$1,300	70	78
$1,400	68	76
$1,500	66	74
$1,600	64	72
$1,700	62	70
$1,800	60	68
$1,900	58	66
$2,000	56	64
$2,100	54	62
$2,200	52	60
$2,300	50	58
$2,400	48	56
$2,500	46	54
$2,600	44	51
$2,700	42	48
$2,800	40	45
$2,900	38	42
$3,000	35	39
$3,100	32	36
$3,200	29	33
$3,300	26	30
$3,400	23	27
$3,500	20	24
$3,600	17	20
$3,700	14	16
$3,800	11	12
$3,900		8
$4,000		4
$4,100		4
$4,200		4

2 PARENTS NOT TOGETHER

Income not over:		
$800	$77	$86
$900	75	84
$1,000	73	82
$1,100	71	80
$1,200	68	76
$1,300	65	72
$1,400	62	68
$1,500	58	64
$1,600	54	60
$1,700	50	56
$1,800	46	52
$1,900	42	48
$2,000	38	44
$2,100	34	40
$2,200	30	35
$2,300	26	30
$2,400	21	25
$2,500	16	20
$2,600	11	14
$2,700		8
$2,800		4
$2,900		4
$3,000		4

Mr. President, I ask unanimous consent that the text of the bill as introduced together with a section-by-section analysis be printed in the RECORD at this point.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 4040

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans and Survivors Pension Adjustment Act of 1974".

SEC. 2. Section 521 of title 38, United States Code, is amended as follows:

(1) by amending subsection (b) to read as follows:

"(b) If the veteran is unmarried (or married but not living with and not reasonably contributing to the support of his spouse) and has no child, pension shall be paid according to the following formula: If annual income is $300 or less, the monthly rate of pension shall be $160. For each $1 of annual income in excess of $300 up to and including $500, the monthly rate shall be reduced 3 cents; for each $1 annual income in excess of $500 up to and including $900, the monthly rate shall be reduced 4 cents; for each $1 of annual income in excess of $900 up to and including $1,500, the monthly rate shall be reduced 5 cents; for each $1 of annual income in excess of $1,500 up to and including $1,900, the monthly rate shall be reduced 6 cents; for each $1 of annual income in excess of $1,900 up to and including $2,300, the monthly rate shall be reduced 7 cents; and for each $1 of annual income in excess of $2,300 up to and including $3,000, the monthly rate shall be reduced 8 cents; but in no event shall the monthly rate of pension be less than $5. No pension shall be paid if annual income exceeds $3,000.";

(2) by amending subsection (c) to read as follows:

"(c) If the veteran is married and living with or reasonably contributing to the support of his spouse, or has a child or children, pension shall be paid according to the following formula: If annual income is $500 or less, the monthly rate of pension shall be $172 for a veteran and one dependent, $177 for a veteran and two dependents, and $182 for three or more dependents. For each $1 of annual income in excess of $500 up to and including $700, the monthly rate shall be reduced 2 cents; for each $1 of annual income in excess of $700 up to and including $1,800, the monthly rate shall be reduced 3 cents; for each $1 of annual income in excess of $1,800 up to and including $3,000, the monthly rate shall be reduced 4 cents; for each $1 of annual income in excess of $3,000 up to and including $3,500, the monthly rate shall be reduced 5 cents; for each $1 of annual income in excess of $3,500 up to and including $3,800, the monthly rate shall be reduced 6 cents; for each $1 of annual income in excess of $3,800 up to and including $4,000, the monthly rate shall be reduced 7 cents; and for each $1 of annual income in excess of $4,000 up to and including $4,200, the monthly rate shall be reduced 8 cents. No pension shall be paid if annual income exceeds $4,200.";

(3) by amending subsection (d) by striking out "$110" and inserting in lieu thereof "$123"; and

(4) by amending subsection (e) by striking out "$44" and inserting in lieu thereof "$49".

SEC. 3. Section 541 of title 38, United States Code, is amended as follows:

(1) by amending subsection (b) to read as follows:

"(b) If there is no child, pension shall be paid according to the following formula: If annual income is $300 or less, the monthly rate of pension shall be $108. For each $1 of annual income in excess of $300 up to and including $600, the monthly rate shall be reduced 1 cent; for each $1 of annual income in excess of $600 up to and including $900, the monthly rate shall be reduced 3 cents; for each $1 of annual income in excess of $900 up to and including $2,100, the monthly rate shall be reduced 4 cents; and for each $1 of annual income in excess of $2,100 up to and including $3,000, the monthly rate shall be reduced 5 cents; but in no event shall the monthly rate of pension be less than $5. No pension shall be paid if annual income exceeds $3,000.";

(2) by amending subsection (c) to read as follows:

"(c) If there is a widow and one child, pension shall be paid according to the following formula: If annual income is $700 or less, the monthly rate of pension shall be $128. For each $1 of annual income in excess of $700 up to and including $1,100, the monthly rate shall be reduced 1 cent; for each $1 of annual income in excess of $1,100 up to and including $2,100, the monthly rate shall be reduced 2 cents; for each $1 of annual income in excess of $2,100 up to and including $3,000, the monthly rate shall be reduced 3 cents; and for each $1 of annual income in excess of $3,000 up to and including $4,200, the monthly rate shall be reduced 4 cents. Whenever the monthly rate payable to the widow under the foregoing formula is less than the amount which would be payable to the child under section 542 of this title if the widow were not entitled, the widow will be paid at the child's rate. No pension will be paid if the annual income exceeds $4,200.";

(3) by amending subsection (d) by striking out "$18" and inserting in lieu thereof "$20"; and

(4) by adding at the end thereof the folnew subsection:

"(f) As used in this section and section 542 of this title, the term 'veteran' includes a person who has completed at least two years of honorable active military, naval, or air service, as certified by the Secretary concerned, but whose death in such service was not in line of duty.".

SEC. 4. Section 542 of title 38, United States Code, is amended as follows:

(1) by amending subsection (a) by striking out "$44" and "$18" and inserting in lieu thereof "$49" and "$20", respectively; and

(2) by amending subsection (c) by striking out "$2,000" and inserting in lieu thereof "$2,400".

SEC. 5. Section 544 of title 48, United States Code, is amended by striking out "$55" and inserting in lieu thereof "$64".

SEC. 6. Section 4 of Public Law 90-275 (82 Stat. 68) is amended to read as follows:

"SEC. 4. The annual income limitations governing payment of pension under the first sentence of section 9(b) of the Veterans' Pension Act of 1959 hereafter shall be $2,600 and $3,900, instead of $2,200 and $3,500, respectively.".

SEC. 7. Section 415 of title 38, United States Code, is amended as follows:

(1) by amending subsection (b) to read as follows:

"(b) (1) Except as provided in paragraph (2) of this subsection, if there is only one parent, dependency and indemnity compensation shall be paid to him according to the following formula: If annual income is $800 or less, the monthly rate of dependency and indemnity compensation shall be $123. For each $1 of annual income in excess of $800 up to and including $1,000, the monthly rate shall be reduced 3 cents; for each $1 of annual income in excess of $1,000 up to and including $1,300, the monthly rate shall be reduced 4 cents; for each $1 of annual income in excess of $1,300 up to and including $1,600, the monthly rate shall be reduced 5 cents; for each $1 of annual income in excess of $1,600 up to and including $1,800, the monthly rate shall be reduced 6 cents; for each $1 of annual income in excess of $1,800 up to and including $2,000, the monthly rate shall be reduced 7 cents; and for each $1 annual income in excess of $2,000 up to and including $3,000, the monthly rate shall be reduced 8 cents; but in no event shall the monthly rate of dependency and indemnity compensation be less than $4. No dependency and indemnity compensation shall be paid if annual income exceeds $3,000.

"(2) If there is only one parent and he has remarried and is living with his spouse, dependency and indemnity compensation shall be paid to him under either the formula of paragraph (1) of this subsection or under the formula in subsection (d), whichever is the greater. In such a case of remarriage the total combined annual income of the parent and his spouse shall be counted in determining the monthly rate of dependency and indemnity compensation under the appropriate formula.";

(2) by amending subsection (c) to read as follows:

"(c) Except as provided in subsection (d), if there are two parents, but they are not living together, dependency and indemnity compensation shall be paid to each according to the following formula: If the annual income of each parent is $800 or less, the monthly rate of dependency and indemnity payable to each shall be $86. For each $1 of annual income in excess of $800 up to and including $1,100, the monthly rate shall be reduced 2 cents; for each $1 of annual income in excess of $1,100 up to and including $2,100, the monthly rate shall be reduced 4 cents; for each $1 of annual income in excess of $2,100 up to and including $2,500, the monthly rate shall be reduced 5 cents; and for each $1 of annual income in excess of $2,500 up to and including $3,000, the monthly rate shall be reduced 6 cents; but in no event shall the monthly rate of dependency and indemnity compensation be less than $4. No dependency and indemnity compensation shall be paid to a parent whose annual income exceeds $3,000.";

(3) by amending subsection (d) to read as follows:

"(d) If there are two parents who are living together, or if a parent has remarried and is living with his spouse, dependency and indemnity compensation shall be paid to each such parent according to the following formula: If the total combined annual income is $1,000 or less, the monthly rate of dependency and indemnity compensation payable to each parent shall be $83. For each $1 of annual income in excess of $1,000 up to and including $1,100, the monthly rate shall be reduced 1 cent; for each $1 of annual income in excess of $1,100 up to and including $2,500, the monthly rate shall be reduced 2 cents; for each $1 of annual income in excess of $2,500 up to and including $3,500, the monthly rate shall be reduced 3 cents; and for each $1 of annual income in excess of $3,500 up to and including $4,200, the monthly rate shall be reduced 4 cents; but in no event shall the monthly rate of dependency and indemnity compensation be less than $4. No dependency and indemnity compensation shall be paid to either parent if the total combined annual income exceeds $4,200."; and

(4) by amending subsection (h) by striking out "$55" and inserting in lieu thereof "$64".

SEC. 8. (a) The Administrator of Veterans' Affairs shall carry out a thorough study and investigation of the economic needs and problems of veterans and their widows seventy-two years of age or older. The study shall include (1) a survey of the current income characteristics of veterans and their widows aged seventy-two years or older, describing their income from all sources, and necessary expenditures for rent, food, medical care, and other items, (2) an evaluation of the adequacy of the veterans pension system for the needs of such veterans, and (3) information concerning the expected mortality rates of such veterans and their widows.

(b) The Administrator shall report to the Congress and the President not later than one hundred and twenty days after the convening of the first session of the Ninety-fourth Congress the results of the study and investigation carried out under this section, including any recommendations for legislative or administrative action.

SEC. 9. This Act shall take effect on January 1, 1975.

SECTION-BY-SECTION ANALYSIS

SECTION 1

This section provides that this Act may be cited as the "Veterans and Survivors Pension Adjustment Act of 1974".

SECTION 2

Clause 1 would increase the rates of pension and the annual income limitation for unmarried veterans under subsection 521(b). Currently, a veteran with no dependents receives a maximum monthly pension of $143 if his annual income is $300 or less, decreasing on a gradual scale to $28 with an annual income of $2,600. As amended, this subsection would provide a maximum monthly rate of $160 with an annual income of $300 or less, down to $5 for an annual income of $3,000.

Clause 2 would increase the rates of pension and the annual income limitation for a married veteran under subsection 521(c). Currently, the maximum monthly pension payable to a veteran with one dependent is $154, with two dependents $159, and with three or more dependents $164 based on an annual income of $500 or less. This decreases gradually to $39, $44, and $49 respectively, with an annual income of $3,800. As amended, this subsection would provide a veteran with one dependent, $172, with two dependents, $177, and with three dependents, $182 based on an income of $500 or less, ranging down to $14, $19, and $24 respectively with an annual income of $4,200.

Clause 3 provides that the additional allowance payable to those veterans receiving pension who are in need of regular aid and attendance under subsection 521(d) will be increased from $110 per month to $123 per month.

Clause 4 provides that the additional allowance payable under subsection 521(e) for those veterans receiving pension who have a disability rated permanent and total, and which is rated 60 percent or more or are permanently housebound but not eligible for an aid and attendance allowance will be increased from $44 per month to $49.

SECTION 3

Clause 1 would increase the rates of pension and the annual income limitation for a widow without a child under subsection 521(b). Currently, a widow without dependent receives a maximum monthly pension of $96 if her annual income is $300 or less, decreasing on a graduated scale to $21 with an annual income of $2,600. As amended, this subsection would provide a maximum rate of $108 with an annual income of $300, decreasing to $4 with an income of $3,000.

Clause 2 would increase the rates of pension and the annual income limitation for a widow with a dependent under subsection 541(c). Currently, a widow with one child receives a maximum monthly pension of $114 if her annual income is $700 or less, decreasing on a graduated basis to $44 with an annual income of $3,800. As amended, this subsection would provide a maximum monthly rate of $128 with an annual income of $700 or less down to $49 with an annual income of $4,200.

Clause 3 would increase the allowance for each child in the case where there is a widow with more than one child under subsection 541(d). Currently, a widow receives $18 per month for each additional child. As amended this subsection would provide $20 for each additional child per month.

Clause 4 adds a new subsection (f) to section 541 to amend the definition of a "veteran" for the purposes of that section and section 542 to provide that survivors of a veteran who served at least two years of honorable military service but whose death was not in the line of duty would be eligible for pension.

SECTION 4

Clause 1 would provide increases in the rates of pension for children when there is no widow under section 541(a). Currently, one child alone receive $44 per month, with the addition of $18 for each additional child. As amended this subsection would provide $49 for the first child and $20 for each additional child.

Clause 2 would provide increases in the annual income limitation for a child under subsection 542(c). Currently the annual income limitation is $2,000, as amended this subsection would provide an annual income limitation of $2,400.

SECTION 5

This section would provide an increase in the allowance payable to widows who are in receipt of pension and in need of aid and attendance in section 544. Currently the allowance is $55 per month, as amended this section would provide an aid and attendance allowance of $64 per month.

SECTION 6

This section would amend section 4 of Public Law 90–275 (82. Stat. 68) to increase by $400 the maximum annual income limitations applicable under the prior pension program in effect on June 30, 1960: From $2,200 to $2,600 for a veteran without a dependent, or widow without a dependent, or a child alone; and from $3,500 to $3,900 for a veteran with a dependent, and for a widow with a child.

SECTION 7

Clause 1 would increase the rates of dependency and indemnity compensation (DIC) and annual income limitations for a sole surviving parent under subsection 415 (b). Currently, a sole surviving parent receives a maximum monthly DIC payment of $110 if his income is less than $800 per annum, decreasing to $12 for an annual income of $2,600. As amended, this subsection would provide for a maximum monthly rate of $123 with an annual income of $800 or less, down to $4 for an annual income of $3,000.

Clause 2 would increase the rates of dependency and indemnity compensation (DIC) and the annual income limitations for two parents not living together under subsection 415(c). Currently each of two parents who are not living together receives a maximum monthly DIC payment of $77 if annual income is $800 or less, decreasing on a graduated scale to $11 with an annual income of $2,600. As amended this subsection would provide a maximum monthly rate of $86 with an annual income of $800 or less, down to $4 for an annual income of $3,000.

Clause 3 would increase the rates of dependency and indemnity compensation (DIC) and annual income limitations payable under subsection 415(d). Currently, if there are two parents who are living together, or if a parent is remarried and is living with his spouse, each parent receives a maximum monthly DIC payment of $74 if annual income is $1,000 or less, decreasing on a graduated scale to $11 with an annual income of $3,800. As amended, this subsection would provide a maximum monthly rate of $83 with an annual income of $1,000 or less, down to $4 for an annual income of $4,200.

Clause 4 would increase the allowance payable under subsection 415(h) to parents who are in receipt of dependency and indemnity compensation (DIC) and in need of aid and attendance. Currently the allowance is $55 per month; as amended this subsection would provide an aid and attendance allowance of $64 per month.

SECTION 8

Subsection (a) authorized the Administrator of Veterans' Affairs to conduct a study of the economic needs and problems of veterans and their widows who are 72 or older. Included in the study will be (1) a survey of the current income characteristics of such veterans, (2) an evaluation of the adequacy of the veterans pension program for their needs, and (3) an examination of the mortality rate for these individuals.

Subsection (b) provides that the study along with legislative or administrative recommendations shall be submitted to the Congress not later than 120 days after the convening of the 1st session of the 94th Congress.

SECTION 9

This section provides that the effective date of this Act shall be January 1, 1975.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 3234

At the request of Mr. HUMPHREY, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 3234, a bill to authorize a vigorous Federal program of research and development to assure the utilization of solar energy as a major source for our national energy needs, to provide for the development of suitable incentives for rapid commercial use of solar technology and to establish an Office of Solar Energy Research in the U.S. Government.

S. 3431

At the request of Mr. CLARK, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 3431, the Young Farmers Investment Act.

S. 3790

At the request of Mr. WEICKER, the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Montana (Mr. MANSFIELD) were added as cosponsors of S. 3790, a bill to provide a means for compensating U.S. air carriers for excessive or discriminatory airport landing fees charged such carriers in foreign countries.

S. 3931

At the request of Mr. DOMENICI, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of S. 3931, a bill to amend title II of the Social Security Act to provide that the amount of an individual's earnings shall for purposes of the provisions thereof requiring deductions from benefits on account of excess earnings, be deemed to be reduced by an amount equal to the expenses paid by him during the taxable year for medical care.

S. 3935

At the request of Mr. MONTOYA, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of S. 3935 to prohibit disclosure of tax returns without consent of the taxpayer, and for other purposes.

S. 3957

At the request of Mr. CHURCH, the Senator from New York (Mr. JAVITS), the Senator from Maine (Mr. MUSKIE), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Delaware (Mr. ROTH), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of S. 3957, the National Emergencies Act.

S. 3982

At the request of Mr. WEICKER, the Senator from Maine (Mr. HATHAWAY), the Senator from South Dakota (Mr. MCGOVERN), and the Senator from Connecticut (Mr. RIBICOFF) were added as cosponsors of S. 3982, a bill to restrict the authority for inspections of tax returns and the disclosure of information contained therein, and for other purposes.

S. 3998

At the request of Mr. ALLEN, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 3998, a bill to establish the Lister Hill scholarship program.

S. 4019

At the request of Mr. WEICKER, the Senator from Wisconsin (Mr. PROXMIRE) was added as a cosponsor of S. 4019, a bill to establish a Joint Committee on Intelligence Oversight.

S. 4021

At the request of Mr. DOMINICK, the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Tennessee (Mr. BROCK), the Senator from Hawaii (Mr. FONG), the Senator from South Carolina (Mr. THURMOND), and the Senator from Arizona (Mr. FANNIN), were added as cosponsors of S. 4021, relating to exemption from taxes of interest on savings accounts.

ADDITIONAL COSPONSORS OF A RESOLUTION

SENATE RESOLUTION 392

At the request of Mr. TAFT, the Senator from Michigan (Mr. GRIFFIN) and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of Senate Resolution 392, concerning the safety and freedom of Valentyn Moroz, Ukrainian historian.

FOREIGN ASSISTANCE ACT OF 1974—AMENDMENT

AMENDMENT NO. 1923

(Ordered to be printed and to lie on the table.)

AMENDMENT PLACING A $5 BILLION CEILING ON FOREIGN AID OBLIGATIONS DURING FISCAL YEAR 1975

Mr. CHURCH. Mr. President, with foreign aid permeated by such confusion of purpose, what is clearly called for is a serious review of this program, in which its various parts are weighed as to their relative merits. Unfortunately, this is made nearly impossible by the basic confusion of both the executive bureaucracy which conducts the program and the congressional system by which it is approved. Nowhere in the executive branch is there a single responsible official charged with administering and evaluating the program in its full scope and presenting it to Congress for examination and approval. Instead, some foreign aid activities are run by the Agency for International Development, some by the Defense Department, others by the Treasury Department, others by the Department of Agriculture, still others by the State Department and the Peace Corps. Each of these agencies, by the natural laws of bureaucracy, finds interest only in the perpetuation of its own activities. Each presents its bill to Congress, and the various bills then make their way piecemeal through the diverse procedural paths of each House. At no point in the process are the various parts of the program set in comparison; at no point are their relative merits considered; at no point does Congress weigh their collective impact, either upon our own economy or upon the countries which the programs are alleged to assist.

A telling example is the bill before the Congress today, S. 3394. Entitled "The Foreign Assistance Act of 1974," this bill might be expected to contain the essence of the U.S. foreign aid program for the current fiscal year. Yet such an inference would be entirely false. For the $3.2 billion requested in this bill, an amount which by itself could seem relatively moderate, is in fact only a fraction of the total aid expenditure planned for fiscal year 1975.

To remedy this state of confusion, Mr. President, the Foreign Relations Committee has this year adopted a number of measures—some to take immediate effect, others to take effect next year—designed to bring foreign aid proposals into a logical format which can be clearly understood and evaluated by Congress and the American people. The first such measure, contained in the fiscal year 1975 State Department/USIA authorization bill now pending conference, will require that beginning in fiscal year 1976 all foreign aid proposals be consolidated into two logically structured bills: a foreign economic aid bill, to include all economic aid—multilateral and bilateral—with the single exception of the food for peace program; and a foreign military aid bill, to include all military aid, including grants, training, and credit sales. Other measures, adopted by the committee and included as amendments to the bill now before us, serve a complementary purpose by eliminating loopholes through which the Pentagon has been able to spend hundreds of millions of dollars annually on military assistance over and above the amount contained in the basic appropriation for that purpose. The combined effect of these various measures, if they are enacted, will be to establish a clear, logically structured, and—above all—comprehensive format for future congressional consideration of foreign aid.

For this year, however, Congress must attempt to cope with the piecemeal approach. To help place S. 3394, the bill now before us, in better perspective, Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a table, prepared by AID at the request of the Foreign Relations Committee, which portrays the overall program of which S. 3394 represents but a part.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

INSERT NO. 1

U.S. ECONOMIC ASSISTANCE, MILITARY ASSISTANCE, AND CREDIT SALES PROGRAMS PROPOSED FOR FISCAL YEAR 1975

[In thousands of dollars]

		Economic assistance programs					Military assistance and credit sales programs				
	Total economic and military assistance and credit sales	Total economic assistance	AID	Peace Corps	Public Law 480[1]	International narcotics control	Total military assistance and credit sales	Military assistance grants (MAP)	Foreign military credit sales	Excess defense articles	Military assistance service funded
Summary	8,368,726	[3] 4,872,226	2,842,415	82,256	995,928	42,500	3,496,500	1,024,000	872,500	150,000	1,450,000
Africa, total	293,753	251,468	168,992	26,103	56,373		42,285	14,785	24,500	3,000	
Algeria	1,409	1,409			1,409						
Botswana	1,736	1,736		394			1,342				
Burundi	425	425			425						
Cameroon	1,311	1,311		825	486						
Central African Republic	260	260		139	121						
Chad	448	448		444	4						
Congo (Brazzaville)	412	412			412						
Dahomey	499	449		388	111						
Ethiopia	47,939	29,039	25,037	2,798	1,204		18,900	11,300	5,000	2,600	
Gabon	530	530		204	326						
Gambia	442	442		255	187						
Ghana	15,695	15,625	13,746	1,187	692		70	70			
Guinea	333	333			333						
Ivory Coast	2,091	2,091		1,469	622						
Kenya	8,951	8,951	7,493	1,159	299						
Lesotho	1,739	1,739		98	1,641						
Liberia	9,626	9,026	7,206	1,362	458		600	100	500		
Malagasy	168	168			168						
Malawi	410	410		351	59						
Mali	1,286	1,236		356	880		50	50			
Mauritania	290	290		54	236						
Mauritius	1,219	1,219		79	1,140						
Morocco	49,182	34,322	15,210	1,331	17,781		14,860	860	14,000		
Niger	1,957	1,957		1,061	896						
Nigeria	6,133	6,133	3,682	151	2,300						
Rwanda	2,947	2,947	2,500		447						
Senegal	1,870	1,845		606	1,239		25	25			
Seychelles	26	26		26							
Sierra Leone	2,566	2,566		1,655	911						
Sudan	15,960	15,910	10,850		5,060		50	50			
Swaziland	572	572		452	120						
Tanzania	12,054	12,054	10,659		1,395						
Togo	2,089	2,089		1,061	1,028						
Tunisia	21,368	17,468	5,809	1,072	10,587		3,900	2,000	1,500	400	
Upper Volta	2,230	2,230		520	1,710						
Zaire	15,294	11,494	6,013	5,145	336		3,800	300	3,500		
Zambia	8	8			8						
Economic regional programs:											
Central West Africa and Sahel	26,874	26,874	26,874								
East Africa	1,563	1,563	1,563								
Southern Africa	10,123	10,123	10,123								
Africa regional	21,988	21,988	20,527	1,461							
Self-help projects	1,700	1,700	1,700								
Regional military costs	30						30	30			
Asia, total	4,762,069	2,086,017	1,375,949	15,624	680,246	14,198	2,676,052	787,902	318,000	120,150	1,450,000
Afganistan	17,185	16,985	14,467	1,293	1,175	50	200	200			
Bahrain	83	83		83							
Bangladesh	104,669	104,669	65,220		39,449						
British Solomon Islands	116	116		24	92						
Burma	5,000	5,000				5,000					
Cambodia	550,761	187,011	[2] 110,000		77,011		363,750	362,500		1,250	
China (Taiwan)	80,400						80,400	400	80,000		
Cook Islands	14	14		14							
Cyprus	571	571			571						
Fiji	606	606		606							
Gilbert and Ellice Islands	21	21		21							
Greece	71,000						71,000		71,000		
India	113,894	113,794	75,500	211	38,083		100	100			
Indonesia	221,369	192,469	71,460		120,909	100	28,900	22,700		6,200	
Iran	1,569	1,569		1,569							
Korea	416,368	182,068	25,176	1,902	154,909		234,300	161,500	52,000	20,800	
Laos	143,505	57,405	[3] 56,000		253	1,152	86,100	85,200		900	
Lebanon	10,150						10,150	150	10,000		
Malaysia	12,938	2,653		2,497	156		10,285	285	10,000		
Micronesia	1,061	1,061		1,061							
Nepal	6,991	6,956	5,721	833	402		35	35			

	Total economic and military assistance and credit sales	Economic assistance programs					Military assistance and credit sales programs				
		Total economic assistance	AID	Peace Corps	Public Law 480[1]	International narcotics control	Total military assistance and credit sales	Military assistance grants (MAP)	Foreign military credit sales	Excess defense articles	Military assistance service funded
Asia—Continued											
Oman	181	181		181							
Pakistan	123,074	122,794	78,745		43,299	750	280	280			
Philippines	103,715	78,315	49,844	2,178	26,043	250	25,400	17,900	5,000	2,500	
Saudi Arabia	220						220	220			
Sri Lanka (Ceylon)	18,801	18,786	8,000		10,786		15	15			
Thailand	88,587	14,087	6,005	1,218		6,864	74,500	56,000		18,500	
Tonga	338	338		338							
Turkey	232,492	27,492	23,064		4,396	32	205,000	80,000	90,000	35,000	
Vietnam	2,396,553	911,553	[3] 751,000		160,553		1,485,000			35,000	1,450,000
Western Samoa	321	321		321							
Yemen Arab Republic	13,734	13,734	11,496	160	2,078						
Economic regional program	25,365	25,365	24,251	1,114							
Regional military costs	417						417	417			
Latin America, total	592,306	372,206	276,461	19,978	78,137	6,630	220,100	18,250	200,000	1,850	
Argentina	30,900	200				200	30,700	700	30,000		
Belize (British Honduras)	275	275		275							
Bolivia	35,959	29,459	22,239		7,175	45	6,500	3,300	3,000	200	
Brazil	69,309	8,508	2,800	3,287	2,178	243	6,800	800	60,000		
Chile	84,976	63,676	26,035	516	37,097	28	21,300	800	20,500		
Colombia	52,848	35,148	21,908	2,717	9,986	537	17,700	700	17,000		
Costa Rica	2,147	2,147	834	1,104	209						
Dominican Republic	15,855	14,005	5,456	661	7,888		1,850	1,300	500	50	
Ecuador	19,976	7,076	2,050	1,373	3,327	326	12,900	400	12,500		
El Salvador	17,381	12,731	11,561	337	833		4,650	1,100	3,500	50	
Guatemala	21,305	18,955	17,090	1,084	781		2,350	1,300	1,000	50	
Guyana	3,624	3,624	3,550		74						
Haiti	11,055	10,855	8,179		2,676		200	200			
Honduras	28,152	23,502	22,038	766	698		4,650	1,100	3,500	50	
Jamaica	11,399	11,399	8,450	1,357	1,558	34					
Mexico	10,100	5,000				5,000	5,100	100	5,000		
Nicaragua	33,558	29,108	27,826	594	688		4,450	1,100	3,000	350	
Panama	22,266	21,716	21,360		338	18	550	500		50	
Paraguay	7,770	5,420	4,756	585	69	10	2,350	1,400	500	450	
Peru	38,630	17,330	13,489	1,235	2,513	93	21,300	800	20,500		
Trinidad and Tobago	16	16			16						
Uruguay	5,486	786	775			11	4,700	1,600	2,500	600	
Venezuela	19,557	1,857		1,814		43	17,700	700	17,000		
Caribbean regional	6,443	6,443	5,500	908	33	2					
Central America regional (ROCAP)	1,674	1,674	1,634			40					
Inter-American programs	17,650	17,650	17,650								
Economic riegional programs	23,646	23,646	22,281	1,365							
Regional mlitary costs	350						350	350			
Middle East, total	969,050	519,807	478,175		41,632		449,243	94,243	330,000	25,000	
Egypt	253,144	253,144	[3] 250,000		3,144						
Israel	378,211	78,211	[3] 50,000		[4] 28,211		300,000		300,000		
Jordan	237,695	88,452	[3] 78,175		10,277		149,243	94,243	30,000	25,000	
Middle East Special Requirements Fund	100,000	100,000	100,000								
Europe, total	15,053	12,522	12,500	22			2,531	2,531			
Austria	24						24	24			
Finland	24						24	24			
Malta	9,522	9,522	[3] 9,500	22							
Portugal	860						860	860			
Spain	4,600	3,000	[3] 3,000				1,600	1,600			
Regional military costs	23						23	23			
Other	827,368	721,079	[5] 539,938	[6] 20,529	[7] 139,540	[8] 21,672	106,289	[9] 106,289			
U.S. contributions to internationalfinancial institutions, total	909,127	909,127									
African Development Bank Special Fund	15,000	15,000									
International Development Association	320,000	320,000									
Inter-American Development Bank:											
Paid-in capital											
Callable capital											
Fund for special operations	500,000	500,000									
Asian development bank:											
Paid-in capital	24,127	24,127									
Callable capital	(96,508)	(96,508)									
Special funds	50,000	50,000									

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[1] Public Law 480 estimates are planning levels which will be reexamined later in the year in light of revised price estimates, U.S. commodity availabilities and recipient country requirements. If availabilities permit, a title I concessional sales program will be planned for Guinea.

[2] Includes $909,000,000 U.S. contributions to international financial institutions.

[3] Largely or wholly funded from security supporting assistance or Indochina postwar reconstruction accounts.

[4] Includes West Bank of the Jordan River and Gaza.

[5] Includes the following: American schools and hospitals abroad, $10,000,000; administrative expenses, AID, $47,100,000; State, $5,900,000; contingency fund, $30,000,000; international organizations and programs, $200,400,000; operating costs, $123,400,000; interregional population program, $50,400,000; and other interregional programs, $69,100,000.

[6] Includes worldwide support, $6,600,000; Peace Corps share of action support, $13,300,000.

[7] Includes emergency reserve/unallocated title II, $35,300,000; ocean freight, $103,200,000; grants of title I currencies under sec. 204 of title II, $1,000,000.

[8] Includes international organizations, $5,100,000; interregional programs training and support costs, $6,700,000; unprogramed, $9,800,000.

[9] Includes administration, $25,300,000; supply operations. $78,700,000; inspection general, $175,000; storage and maintenance stockpile, $1,000,000.

Mr. CHURCH. Mr. President, as this table shows, the proposed fiscal year 1975 foreign aid program extends far beyond the $3.2 billion originally proposed in this bill. It extends far beyond the overall $5.1 billion figure which the executive branch originally publicized. Indeed, in its entirety, the foreign aid program planned for fiscal year 1975 totals $8.4 billion—$4.9 billion in economic aid programs and $3.5 billion in military aid. These figures, I should emphasize, Mr. President, do not include the massive expenditures involved in maintaining U.S. forces and military aid missions abroad, nor do they include the sizable loans for the Export-Import Bank, which are made at interest rates well below market levels. The $8.4 billion figure covers only direct grants and concessional loans.

One need not look far in these tables, Mr. President, to find glaring examples of the distorted priorities which this program now so clearly embodies. This is a program in which greater expenditures are proposed for military aid to the Thieu regime in South Vietnam than for the entire worldwide food for peace effort. This is a program where more money is envisioned for ammunition supplies for the rag-tag forces of the Cambodian army than for all assistance of every kind to the entire continent of Africa. This is a program where more money is to be spent to dispense arms to military dictatorships all around the world than for contributions to the multilateral institutions which provide economic development assistance to the world's poorest nations.

One could go on, Mr. President, but the point is clear enough. This aggregate program quite obviously bears little relationship to the high-blown claims that are made for it as being a carefully modulated contribution to international peace, order, and justice. Instead, this program is more aptly described as representing the coagulation of old assumptions, outdated policies, bad habits, and bureaucratic inertia. At a time of such serious economic conditions in our own country, Congress should no longer countenance such a vast and ill-considered expense.

I am, therefore, introducing an amendment which I believe will be a useful first step in bringing this program under control—by placing a ceiling of $5 billion on foreign aid obligations during the current fiscal year. The ceiling I am proposing will cover all foreign aid conducted under authority of the Foreign Assistance Act, Public Law 480, the Foreign Military Sales Act, and the military assistance-service funded program. The only foreign aid spending that would not come under the ceiling are funds for the Peace Corps and U.S. contributions to the international financial institutions, such as the World Bank, which provide multilateral development assistance.

Mr. President, I ask unanimous consent that there appear in the Record at this point a table which compares the size of the fiscal year 1974 foreign aid program with the fiscal year 1975 program as it has been proposed by the executive branch and as it has been reduced thus far by the Senate.

There being no objection, the table was ordered to be printed in the Record, as follows:

INSERT NO. 2

FOREIGN AID OBLIGATIONS (OTHER THAN THE PEACE CORPS AND U.S. CONTRIBUTIONS TO THE INTERNATIONAL FINANCIAL INSTITUTIONS)

	Fiscal year—		
	1974	1975	1975 (minus Senate reductions
Economic:			
AID programs	$1,929	$2,885	$2,695
Public Law 480[2]	1,152	996	996
Military:			
Military assistance programs	[3] 770	1,024	589
Military assistance-service funded	908	1,450	700
Foreign military credit sales[4]	325	555	455
Total	5,084	6,910	5,435

[1] Includes all assistance provided under authority of the Foreign Assistance Act, the Foreign Military Sales Act, the Military Assistance-Service Funded program, and Public Law 480.

[2] Public Law 480 figures show expenditures rather than obligations.

[3] Does not include 2 expenditures of a 1-time nature: $2,200,000,000 in emergency military aid to Israel, and $250,000,000 in drawdown of Pentagon stocks for Cambodia.

[4] These obligations can be used to fund a program of considerably larger size, because they can be used to guarantee commercially-financed transactions. In such cases, there is a 4-fold leverage: $100,000,000, for example, is sufficient to guarantee a $400,000,000 credit.

Mr. CHURCH. Mr. President, what the table shows is that the overall foreign aid program for fiscal year 1974, not including the Peace Corps and contributions to multilateral development-finance institutions, totalled approximately $5 billion. In contrast, the fiscal year 1975 program proposed by the executive branch is an astonishing $6.9 billion, nearly $2 billion more than the comparable activities of the previous year. Even with the reductions made thus far in the Senate, obligations under the fiscal year 1975 program in these categories would still reach more than $5.4 billion, over $400 million higher than the figure of a year ago.

Thus, Mr. President, I believe that my amendment, placing a $5 billion ceiling on overall fiscal year 1975 foreign aid obligations, can serve two very useful purposes: First, it will further reduce spending by a total of $435 million, while allowing the executive branch some flexibility in determining where those economies can best be made. Second, by directly limiting the fiscal year 1975 spending level to a specific figure approximating the total for fiscal year 1974, it will stand as a clear statement that the Congress is prepared to take substantive action in the fight against the inflation spiral. I have no doubt that the American taxpayer would be very grateful for both.

There is little more that needs to be said, Mr. President. The confused and misguided purpose of much of this vast foreign aid program is now manifest. The state of this Nation's economy is clear for everyone to see. The only question which remains is whether Congress which holds the pursestrings of Federal spending, has the will to take corrective action.

I urge the adoption of this amendment.

AMENDMENT NO. 1924

(Ordered to be printed and to lie on the table.)

Mr. HUMPHREY (for himself and Mr. McGee) submitted an amendment intended to be proposed by them jointly to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

FLEXIBLE HOURS EMPLOYMENT ACT—AMENDMENT

AMENDMENT NO. 1925

(Ordered to be printed and to lie on the table.)

Mr. TAFT. Mr. President, the Federal Salary Act provides that a Wage Commission have jurisdiction over all Federal salaries, including those of Members of Congress. This amendment modifies the act to remove the Commission's authority over congressional salaries.

When President Nixon's recommendation for a pay raise for Federal employees in top pay grades was considered by the Senate last March, it became apparent that a relationship between congressional salaries and those of career civil servants jeopardized the recommendation for all supergrade pay raises. This is especially true in an election year.

I have long felt that congressional salaries should be debated separately from other such legislation. If Members of Congress feel they need or deserve a raise, it should be debated openly as any other legislation, not in a closed committee room.

In debating the minimum wage bill last spring, I offered this identical bill as an amendment. I withdrew the amendment after having assurances that the bill would receive hearings. While these assurances continue, no hearings have been called on S. 3080, and I believe the issue should be voted on prior to election of the 94th Congress.

PRESERVATION OF PRESIDENTIAL CONVERSATIONS—AMENDMENT

AMENDMENT NO. 1926

(Ordered to be printed and referred to the Committee on Government Operations.)

Mr. PERCY. Mr. President, I am today submitting, in behalf of myself, Senator Bayh, and Senator Ribicoff an amendment intended to be offered to S. 4016. I ask unanimous consent that this proposed amendment be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. This morning the Government Operations Committee reported out S. 4016, introduced by Senators Ervin, Nelson, Javits, and Muskie, cosponsored by myself and other Senators, which would have the effect of allowing the Government to keep custody and control over all documents, memoranda, tapes, transcripts, and other materials which were generated in behalf of former President Richard M. Nixon. This action was taken to safeguard these materials. In an agreement reached by Mr. Nixon and the Administrator of the General Services Administration, Mr. Nixon claimed these materials as his own. Pursuant to this agreement, Mr. Nixon would, after 3 years, have the right to destroy any tapes. In addition, any subpena for any of these materials would have to be directed to the former President.

It was the feeling of the Government Operations Committee that these documents, tapes, and other materials are rightly the property of the American people. They were produced at public expense for a public official, acting in his capacity as a public official. Although the Attorney General has given his opinion that, consistent with past practice, these materials are the property of the former President, the committee has, nonetheless, determined that these materials should remain in the possession of the Government in behalf of the American public.

I support this action. However, it seems to me that, in all fairness, what is sauce for the goose is sauce for the gander. If we are now going to declare that former President Nixon's documents are public property, we ought also to provide that the official papers of all Federal elected officials are public property as well.

Senator Bayh has already introduced legislation, S. 2951, which is designed to achieve that end. That bill is now pending before the Committee on Government Operations. The amendment which I am introducing today builds on that important initiative, but broadens it to provide that an elected official may designate a private depository in which his or her public documents can be kept.

It is my feeling that this concept of public ownership is now accepted, and the time is ripe to act. Certainly, S. 4016 would be an appropriate bill to which this important concept could be added.

Mr. President, I am not certain that I will in fact call up this amendment, or demand a vote on it. However, in the committee meeting this morning, I did reserve my right to offer such an amendment on the floor, and I wanted to have it printed in time for all Members to have an opportunity to review it.

AMENDMENT No. 1926

At the end of the bill, add the following:

TITLE II

SEC. 1. (a) Title 44, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 39—PUBLIC DOCUMENTS OF ELECTED OFFICIALS

"Sec.
"3901. Definitions.
"3902. Public documents of elected officials.
"3903. Preservation of public documents.
"3904. Agreements limiting access to public documents.
"3905. Judicial review.

"§ 3901. Definitions

"For purposes of this chapter—

"(1) 'elected official of the United States' means the President, Vice President, Senator, and Member of (or Resident Commissioner or Delegate to) the House of Representatives, including any individual holding such office for any period by reason of appointment to such office or succession to such office; and

"(2) 'public documents' means, with respect to an elected official of the United States, the books, correspondence, documents, papers, pamphlets, models, pictures, photographs, plats, maps, films, motion pictures, sound recordings, and other objects or materials retained by an individual holding elective office under the United States and which were prepared for or originated by such individual in connection with the transaction of public business during the period when such individual held elective office and which would not have been prepared if that individual had not held such office; except that copies of public documents preserved only for convenience of reference, and stocks of publications and of public documents previously processed under this title are not included.

"§ 3902. Public documents of elected officials

"Public documents of elected officials are the property of the United States. Subject to the requirements of sections 3903 and 3904 of this title the Administrator of General Services shall obtain any objects or materials of each elected official of the United States who ceases to hold office and is no longer an elected official of the United States which the Administrator determines to be public documents within the meaning of section 3901(2) of this title, and such elected official shall transmit such documents to the Administrator. The Administrator has final authority with respect to the disposition of such documents.

"§ 3903. Preservation of public documents

"(a) The Administrator of General Services shall deposit in the National Archives of the United States the public documents of each elected official of the United States obtained under section 3902 of this title unless such official designates an alternate depository in accordance with the provisions of subsection (b) of this section.

"(b) An elected official of the United States may designate a trustee to be the depository for the public documents of such official. Such trustee may be a library, or educational, historical, or not-for-profit institution, or a State or Federal institution. The Administrator of General Services shall transmit such documents to the trustee so designated at the earliest practicable time after the date on which such trustee is designated as trustee, except that the Administrator shall not transfer any such document if such document is the subject of compulsory process in any court proceeding until such time as such proceeding has been concluded.

"(c)(1) If any public official fails to designate a trustee under the provisions of subsection (b) of this section within 180 days after such official is no longer an official of the United States, the provisions of subsection (a) of this section shall apply.

"(2) Upon transfer of the public documents of an elected official of the United States to a trustee designated under the provisions of subsection (b) of this section any request for access to any such document, including any subpena issued by any court, shall be made to such trustee. Upon a finding by the trustee that access to any such document would violate any agreement made pursuant to section 3904 of this title, the Administrator of General Services shall, at the request of such trustee, take such action as may be necessary to determine whether such request shall be granted.

"§ 3904. Agreements limiting access to public documents

"An elected official of the United States may enter into an agreement with respect to granting public access to the public documents of such official with the Administrator, or in the case of any such official who has designated a trustee under section 3903(b), may enter into an agreement with respect to public access to any such document with such trustee subject to the approval of the Administrator. In addition to any other materials required to be kept from public disclosure by law, any agreement under this section may provide for such limitations on public access to such documents as may be necessary to protect confidentiality of communications or to save embarrassment to any individual, except that no such agreement shall provide for restrictions on access for any period in excess of 25 years from the date on which such official ceases to be an official of the United States or upon his death, whichever occurs later. No such agreement shall have any effect on any subpena issued by any court for the production of any such document.

"§ 3905. Judicial review

"A decision by the Administrator of General Services that any object or material is a public document of an elected official of the United States within the meaning of section 3901(2) of this title shall be a final agency decision within the meaning of section 702 of title 5.".

(b) The table of chapters, preceding chapter 1 of such title 44, is amended by adding at the end thereof the following:

"39. Public Documents of Elected Officials .... 3901".

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1850

At the request of Mr. ABOUREZK, the Senator from New Hampshire (Mr. McINTYRE) was added as a cosponsor of amendment No. 1850, intended to be proposed to the bill (S. 3394), to amend the Foreign Assistance Act of 1961, and for other purposes.

AMENDMENT NO. 1861

At the request of Mr. ALLEN, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of amendment No. 1861, to establish the Lister Hill scholarship program, intended to be proposed to the bill (S. 3585), the Health Professions Educational Assistance Act of 1974.

ADDITIONAL STATEMENTS

A SPECIAL TRIBUTE TO THE LATE ALLEN J. ELLENDER IN HONOR OF THE ANNIVERSARY OF HIS BIRTH

Mr. LONG. Mr. President, I would like to pause today to pay tribute to a beloved colleague whose long record of public service to my State and our Nation has been an inspiration for all who knew him.

Today is September 24. On this day, 84 years ago, Allen Joseph Ellender was born in Montegut, Terrebonne Parish, La. As lawyer and farmer, parent and statesman, he left behind a legacy of dilligence and hard work. His accomplishments have been many, both for the people of Louisiana and for the people of our great Nation.

During his lifetime, Allen Ellender was widely recognized as a leader in the important areas of agriculture, water resources development, education, housing, and fiscal responsibility. He always fought wholeheartedly to better the lot of our farmers, to benefit the cause of our veterans, to provide more and better health facilities for our people and to insure the workingman decent hours and decent wages under safe working conditions.

Perhaps his most characteristic activity was his wide-ranging world travels, for they always demonstrated to colleagues his tremendous energy, his determination to get the facts firsthand before taking legislative action, and his passion for seeing that Federal funds were wisely spent.

Senator Ellender referred to many of the programs in which he was interested as "people programs" and I would like to list a number of these in which he played a leadership role.

Records show few men in Congress have tried to do more for needy people than Allen Ellender. He has provided leadership in obtaining better housing, wages, education, medical care, and food for the poor, disabled and aged. He has also insisted on proper administration of the programs so that tax dollars will be spent for people who need them most. Senator Ellender was:

Coauthor of the Taft-Ellender-Wagner Housing Act, once described by President Johnson as "one of the most advanced measures ever to be introduced in our Congress";

Chief sponsor of the Food Stamp Act;

Coauthor of the School Lunch Act;

Sponsor of the School Breakfast Child Nutrition program;

A leader in the expansion of the food for peace—Public Law 480—program;

Coauthor of the Hill-Burton hospital program;

Coauthor of the education finance bill of 1949, the first general aid-to-education bill to pass the Senate in over 100 years and the basis for today's Federal aid to primary and secondary schools;

A leader in expansion of the REA program to bring lights and telephones to rural families;

A leader in support of cancer research—spearheaded effort for additional $100 million;

A leader in the fight against drug abuse and alcoholism; and

A leader in helping to enact first nationwide minimum wage law.

Next, Mr. President, I would like to quote briefly several laudatory comments made by various Members of the Senate about the late Senator Ellender's outstanding record in several different fields. These tributes were made on the occasion of the Senator's 81st birthday at a time when he was chairman of the Senate Appropriations Committee and President pro tempore of the Senate.

TRIBUTES

AGRICULTURE

"His interest in conservation and environmental preservation is deep-seated. He has played a major role in the development and expansion of programs designed to conserve and protect our land, forests and water."—Herman Talmadge.

". . . [Ellender has devoted himself] to legislation improving the economic condition of the farmer, assuring the consumer through war and peace of plentiful supplies of food and fiber, protecting and enhancing the soil, water, forest and recreation resources of this country, feeding and clothing the children, and improving the quality of life in rural areas."—From a resolution of the U.S. Senate Committee on Agriculture, 1971.

"It would be difficult to find an American at any point in our history who has done as much for the farmers of America as Allen Ellender has."—Sen. James Allen.

"Principal force behind all current farm income and price protection programs, including those covering Louisiana's major commodities—sugar, cotton, rice, soybeans and dairying . . . chief proponent of soil, water and forest conservation, preservation of the rural environment, and rural community water supply programs . . . initial sponsor of rural development legislation as embodied in Resource, Conservation and Development projects . . . principal architect of food, fiber and forestry research programs . . . given Southern Agriculture "Man of the Year" award in 1971. . . ."—from AJE's campaign literature, 1972.

COMMUNITY DEVELOPMENT

"The success being demonstrated by today's economic development districts is testimony to the foresight Senator Ellender had several years ago when he personally originated this same concept of trying to build up rural economies by bringing in light industry and by providing expanded public services such as water, sewer, drainage, and waste treatment facilities."—Sen. Jennings Randolph.

PUBLIC WORKS

"No member of Congress has made more of a contribution in the areas of the control and preservation of our water resources than has this great American. With total dedication to the welfare of all sections of the Nation, he served for 16 years as chairman of the Subcommittee on Public Works of the Committee on Appropriations; and in that position sought and obtained wise expenditure and allocation of government funds for flood control, power development, and reclamation and improvement of the nation's waterways.—Sen. Stuart Symington.

"I know of no man who has done as much as Allen Ellender toward the development of the water resources of this country."—Sen. John Stennis.

ENVIRONMENT

". . . without Sen. Ellender's loyalty, hard work, and dedication to principle, no program in water pollution control would have been possible."—Sen. Edmund Muskie.

"He is perhaps best known as a watcher of the public purse. His study of every appropriation has eliminated unnecessary and wasteful spending. His inspection of overseas military facilities and evaluation of foreign aid programs running above $100 billion have saved this country billions of dollars and retarded the erosion of the value of the dollar."—Sen. James Eastland.

"He still believes in work. He still believes in getting full value for a dollar."—Sen. George Aiken.

"Although Sen. Ellender is careful how a dollar is spent, he has the vision to spend when it is necessary and in the public interest."—Sen. Edmund Muskie.

NATIONAL DEFENSE

In this area, Senator Ellender served as chairman of the Appropriations Subcommittee on Defense, and I would think that the best way to describe his philosophy in this most important field would be to quote from Senator Ellender himself on the subject:

> I approach national defense as our primary priority. Everything we have and all of our hopes and aspirations as a nation are dependent upon our national security.
>
> As many other Senators, including Senator Stennis and Senator Long, have also agreed, we need to study defense spending very carefully to avoid waste and to get our money's worth in combat-ready troops and in equipment.
>
> Though our military people have generally done a good job, defense is subject to the most waste and duplication simply because it is by far the biggest, costliest, and most complicated program in our budget.
>
> No magic level of appropriations will assure us of security—no more than any magic figure in the area of public welfare would assure that our nation's needy are properly taken care of. Each program and each weapons system must be scrutinized before we borrow additional billions to finance it.
>
> In choosing between competing multibillion dollar weapons systems, the rules of look-before-you leap and fly-before-you-buy are absolutely essential when several billions of dollars might be wasted on a single type of missile, airplane or warship which is either not really needed or which turns out to be obsolete before it is delivered.
>
> Finally, we must find a way that American taxpayers can stop giving European taxpayers a free ride in supporting the manpower and financial burdens of defending the free world. As a nation rapidly approaching a $500 billion national debt, we can no longer carry so great a portion of the load as we have done for almost three decades.

EDUCATION

With all his other concerns, Allen Ellender maintained a deep concern for the young people of this Nation and the quality of education that was to be available. Mr. Ellender, who had to do without some of the formal schooling that other children enjoyed, was a staunch supporter of education since his days in the Louisiana Legislature. Time and time again, he demonstrated his willingness to make bold cuts in other areas to find funds to help develop the quality of education necessary to insure that our young people would be prepared to determine the future course of this great Nation.

It is not just within the Senate that he supported education. His deep interest in our young people and his fervent belief that the contribution of these young people into the future course of the United States was of overriding importance, caused him to take a great interest in programs that carried far beyond the Senate Chamber. Such was his interest in the Close Up program, on which several other Senators will be making remarks in today's Senate proceedings.

As a founding member of the Close Up Board of Advisers, he gave as much time as his Senate duties would permit to expose youngsters around the country to government—its ideal and its realities. It is this overriding interest in the young people of this country that we sought to memorialize upon his death with the establishment of the Allen J. Ellender Fellowship Program—Public Law 92–506—in order to help perpetuate the Close Up community concept. For what better way is there to honor a great man than to cause others to do great things in the shadow of his memory.

In my own State, because of the joint support of the New Orleans public school system and the archdiocese of New Orleans over 1,500 students and teachers have shared the Close Up experience since 1972. These students and teachers represented the entire spectrum of the community. For many of them it was a tremendous awakening to the problems of the community as well as a learning experience about government.

A SPECIAL TRIBUTE TO THE LATE ALLEN J. ELLENDER IN HONOR OF THE ANNIVERSARY OF HIS BIRTH

Mr. JOHNSTON. Mr. President, I am pleased to join in this tribute to the late Senator Allen J. Ellender. Senator Ellender was a man of wide-ranging interests, but one program of particular concern to the late Senator deserves special mention. The program, Mr. President, is Close Up.

This unique and exciting program has been beneficial not only to the hundreds of students and teachers that it has brought from my home State, but also to thousands of participants from all across the land. Many of the students were able to participate only as a result of the Allen J. Ellender Fellowship program, established and funded by Congress in memory of the late Senator. I, too, have benefited from the Close Up program, Mr. President. It has enabled me to meet personally with its bright young participants to share ideas, concerns, and problems.

Today, when so many young people feel alienated from their Government we cannot bypass this unique and valuable approach. The Close Up concept helps to make Government a more real and living force in the lives of its participants and strengthens the fiber of American democracy.

"CLOSE UP": A LIVING MEMORIAL TO SENATOR ALLEN J. ELLENDER

Mr. HUMPHREY. Mr. President, it is indeed a special honor for me to both recall the memory and birthday of one of the most distinguished members of this body in recent times and to have the opportunity to recount the accomplishments of the legislation that I sponsored as a memorial in his name.

Allen J. Ellender has left a great legacy to the people of this Nation. It is legacy of dedicated public service, hard work, honesty and a determined capability of getting the job done. His interest in and support of a unique and creative educational program for high school youth known as Project Close Up is one of his many contributions to our country. Let me describe the purpose and objectives of this program.

Close Up is a nonprofit, nonpartisan forum on the involvement of youth in Government. In the 3 operating years an almost unbelievable 12,000 students and teachers participated in this stimulating, human, Washington and community experience. The basic method of the program is simple: to bring a meaningful cross section of young people and their teachers to Washington to see our Government firsthand; to meet people in Government; and to see Government in action.

But the result is the important thing, and the result is a genuine understanding and appreciation of the nature of our system of government and its opportunities. Close Up introduces its student and teacher participants to the very real chances for effective and constructive involvement in the dynamics of government. And it exposes the opportunities for constructive change within the system in the best possible way: By showing government as it is, rather than by asking people to accept anyone's word for it.

I first became interested in this program a few years ago when it was conducting its initial program sessions with the assistance and guidance, the keen interest and the personal association of the late Senator Ellender. It was at that time that I became aware that this was a program that deserved special recognition, providing not only an excellent opportunity for thousands of young people to utilize Washington as an open classroom, but also a chance for them to take what they have learned here and use it in an organized way as an innovative and constructive force back in their own communities.

That Close Up accomplishes this understanding through first-hand experience is not entirely new. What makes Close Up unique is that its academic and follow-up programs are organized around cities, and metropolitan regions so that each session or class includes a cross section of young people from a single community. This enables the entire spectrum of students and teachers from the same general area to get to know each other as well as the government they are studying so that when they return home they have an opportunity to establish a network of communication which leads to a greater sense of community and country. As I said when the legislation was first introduced:

> The aspect of the program that is most intensely significant to me and I believe to the whole country, is the fact that this sense of community and feeling of camaraderie do not end on the plane trip home. The Close-Up experience moves whole communities. I personally have seen this in the creation and execution of the Minneapolis-St. Paul program which brought more than 200 Minnesotans to Washington.
>
> These were not 200 students from a special place or a particular school. They came from virtually every high school—public, private, and parochial—in the community area, and just as important, they came together, to take part in the Close Up program in Washington. Upon return home, students and teachers alike formed committees to look into community problems, sent delegates to both state party conventions, and through such actions and others, began to make the Close Up spirit the spirits of the community.

My interest in young people has led me to be enthusiastic about this program, but let me tell you that even my most enthusiastic expectations for the success of the "community concept" as an educational endeavor have been surpassed. Communities grasp the Close Up spirit with enthusiasm, recognizing the vital importance today of enabling young people to build their own sense of community and country. Large and small newspapers respond with generous words of encouragement. Educational systems have developed courses in which an enrollment requirement is participation in Close Up. Mayors declare Close Up day, weeks, and months in their cities. Business, large and small, has contributed so area or community participation could be increased. It gives me a great deal of satisfaction to have been an integral part of such a unique endeavor. I know of no other program which unites business, education, local, and civil governmental forces, and a meaningful cross section of young people with such outstanding success.

The modest $500,000 yearly investment made by our Federal Government has yielded great return. As was intended, the Close Up Foundation had continued to encourage communities, businesses, and other private sources to provide additional assistance to students in need, making the Close Up program a true community effort. To this end, the Close Up Foundation has taken this Federal mandate and pursued it with the greatest of vigor, involving hundreds of large and small companies and foundations from many communities throughout the Nation. Again let me illustrate with pride my own city of Minneapolis.

In the past 3 years, more than 800 students and teachers from Minnesota schools—public, private, and parochial, have come to Washington as part of this program. In each school, students and teachers, black and white, rich and poor have worked together to make the most of this opportunity. Newspapers and business leaders joined forces to match the Ellender fellowships so that a maximum number of students were able to benefit from this opportunity. The chambers of commerce have organized and maintained followup efforts so that students and teachers who participated in Washington Close Up could share their experiences with others in the community.

The enthusiasm has been so great that the Minnesota business community has already begun to work to assure matching moneys during the coming year. The Minneapolis Chamber of Commerce has already passed a resolution supporting total community effort for Close Up. As we approach our bicentennial, it gives me great comfort to know that I can be proud to be part of a program which renews with such enthusiasm the kind of community spirit which was the foundation of this great democracy.

What is even more exciting is that this kind of enthusiasm is being generated in community after community around the country. I am proud to know that there is a way for young people to be shown effectively the strengths of our governmental system as well as its weaknesses. I can think of no more important task for this country than to meet the challenge of constructively involving our young people in their community, their State and their Government.

Mr. President, I believe it would be a great comfort for our beloved friend and teacher, Allen Ellender, to know that, even in death, he continues to be an integral force in educating thousands of people in the Government to which he devoted his life. I understand why Close Up meant so much to Senator Ellender, and why he responded when dicussing his interest in this program:

> I have seen the program accomplish its central theme of understanding through involvement and exposure. By the end of the first year of operation, 2,500 young people will have been brought to Washington for a week-long, extensive look at the governmental system that many of them had thought to be unresponsive. I think they have learned that the system is flexible and that it shall continue to do great things for America. Close Up has shown them that government is made up of people just like themselves . . . people have a sincere concern for the future of this country. The input of our young people into the future course of the United States is most important. Close up delegates now have insight into the problems and promises of American government. Their contributions in the years to come will be invaluable in maintaining what is now the best government that any nation can offer.
>
> The Close Up concept differs from that of other programs in that a broad cross section of young people is brought to Washington. . . . Close up does not necessarily take the top scholars from only a few high schools. Nor do only those who can afford to pay for the trip participate in Close Up. . . . By awarding participation grants to economically disadvantaged youths and combining these students with those who can afford to pay the program tuition themselves, a unique environment for learning has been created. . . . For the first time ever, many of these students work together with students of different ethnic, religious, and economic backgrounds.

Mr. President, I ask unanimous consent that the text of two letters commending Close Up be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Cleveland Public Schools,
Cleveland, Ohio, April 10, 1974.
Mr. Stephen A. Janger,
Director, Special Programs, Close Up, Washington, D.C.

Dear Mr. Janger: Letters and comments which I have received from students and teachers concerning their involvement in CLOSE UP have been very positive and encouraging. Cleveland participants emphasized their increased understanding of both the structure and operation of federal government. Many students commented on the value of meeting a number of their peers from various racial, economic, and cultural backgrounds. This combination of academic and human relations activities enable your program to make a unique contribution to the educational growth of young people.

Mr. Peter P. Carlin, Assistant Superintendent, Continuing Education and Special Projects, and Mr. David N. Cox, Supervisor, Division of Social Studies, stated that the quality of the program was also demonstrated in discussion groups led by members of your capable staff.

Cleveland participants were especially grateful for opportunities to have in-depth discussions with Congressmen Minshall, Stanton, Stokes, and Vanik, as well as Senators Taft and Metzenbaum. Our elected representatives were generous with their time and offered high praise for your program. This personal contact with national leaders was a highpoint in each of the three one-week seminars.

Our first follow-up activity to CLOSE UP was a report to the Cleveland Board of Education by two teacher and two student participants. Members of the Board were impressed with the recommendation that additional Cleveland students and classroom teachers be given the opportunity to participate in CLOSE UP during the 1974–75 school year.

An additional follow-up activity influenced by CLOSE UP was the "Seventh Annual Greater Cleveland Kiwanis Youth Day" which focused on the topic "People, Politics, and Politicians: How can youth help to improve the political process?" Over 1,200 pupils from high schools in Cuyahoga County met in twenty-five discussion groups led by Cleveland students, with local political leaders participating in each group as resource personnel. Many student discussion leaders had been participants in CLOSE UP.

The Cleveland Public Schools are pleased that CLOSE UP provided purposeful educational experiences for all participants, in addition to a positive program of human relations. It is hoped that mutually beneficial arrangements can be established between your organization, foundations in the Cleveland area, and school districts in Cuyahoga County in order that a Greater Cleveland CLOSE UP program can be developed during the 1974–75 school year.

Very truly yours,

Paul W. Briggs,
Superintendent.

Parkway North Senior High School,
Creve Coeur, Miss., April 29, 1974.
Hon. Hubert H. Humphrey,
Russell Office Building,
Washington, D.C.

Dear Sir: I participated in the "Close Up" program from Saint Louis. In November, when I first learned about the program, I was a bit skeptical because Mr. Steven Janger described the program in such glowing terms. But having participated in the program, I can say that Mr. Janger's praises of the program fell far short of the magnificent reality.

That one week of the program (March 24–31) was certainly a memorable one, with a good measure of sight-seeing involved. But to describe it as "memorable" is simply not adequate. To have seen, heard, questioned, and talked to such people as Senator Eagleton, Representatives Sullivan, Clay, and Symington, James Deakin of the Saint Louis 'Post Dispatch', Mrs. Pam Powell of the White House staff, Major Edgar Dove, and Mr. Robert Munn of the State Department, among others, made the week an exciting, informative, and in many respects, an inspiring week. I for one learned much more about government in that one week than I have ever learned in school.

All of the many distinguished persons that talked to our "Close Up" group were informative, interesting, and thought-provoking. But when you talked to us on Wednesday, March 27, you conveyed an enthusiasm and an optimism that no one else was able to match. More than anyone else during our week in Washington, you gave us a sense of the future that government must properly concern itself with. You conveyed to us the vitality and the human concern which government ought to have if the human problems of America are to be solved. And more than anyone else, you seemed to say that those problems could be solved. Thank you for taking time out of a very busy schedule to talk to us. I hope that you will continue to have a powerful influence on the Democratic Party and on the government for many years to come—we need you and others who have hearts as big as yours.

I would also like to thank you for the support which you have given to the "Close Up" program; I believe that it is an excellent one. The bringing together of a diverse group of students from the same city was certainly a valuable experience in itself. It is a program which deserves all the support that you have given it in the past and that you hopefully will continue to give to it. I hope and trust that the program and its funding will be continued and expanded.

Sincerely,

Richard M. Blaha.

A TRIBUTE TO THE LATE ALLEN J. ELLENDER IN HONOR OF THE ANNIVERSARY OF HIS BIRTH

Mr. PASTORE. Mr. President, this was the first year that Rhode Island students participated in the Close Up program but I certainly hope it will not be the last. From all reports that have reached me, Close Up provided an exciting, thought-provoking educational involvement for 400 Rhode Islanders with their government.

I met with the students when they came to Washington and I cannot remember when I more thoroughly enjoyed meeting with a group of my fellow Rhode Islanders. It was refreshing and a genuine pleasure to share ideas with these enthusiastic, engaging and very bright youngsters. Their questions of me were stimulating, thoughtful and incisive. It is my understanding that the youngsters engaged in similar provocative and interesting dialogue whenever they met with government leaders during their week in Washington. This is the kind of experience, if well-managed, that can make politics and government intimate and real—an important consideration today when Government grows ever bigger, ever more impersonal and ever more distant from our people.

Allen Ellender was a close and dear friend of mine. Senator Ellender was a strong and active congressional supporter of Close Up from the very early days of the program. His continued, dynamic leadership on behalf of Close Up until his death helped make possible the program we see today. His efforts helped make it possible for 400 young Rhode Islanders to get a closer look at their government.

I am honored to pay tribute to the memory of Senator Ellender and I commend Close Up as an outstanding program.

I ask that the following editorial and two letters praising the Close Up program written by Rhode Island educational officials be printed in the Record; an editorial by Fred G. Burke, then State commissioner of education; a letter to the Close Up Foundaiton from Charles M. Tampie, assistant to the commissioner; and a letter to Close Up from Paul Picozzi, chariman of the social studies department of Toll Gate High School in Warwick.

There being no objection, the material was ordered to be printed in the Record, as follows:

EDITORIAL

(By Fred G. Burke)

I recently enjoyed the opportunity to speak with 400 Rhode Island students and teachers in Washington engaged in an educational program called Close Up. The program was designed with the assistance of the state Department of Education to give a significant number of our students the opportunity to learn about the functioning of our government through a series of meetings and seminars with key government leaders. We were fortunate to secure almost 200 fully paid fellowships to allow a broad cross section of Rhode Island students to participate.

In this time of pervasive cynicism and distrust in public life, it was refreshing to see that so many young people still believe in the possibilities for making this system of government work. I would say, in fact, that America's best hope in these difficult times lies in the dreams and promise of our youth.

One of the most gratifying things about this business of education is the opportunity for self-renewal through working with the young. It is my deep feeling that, as parents, teachers and administrators, we have not yet learned how best to utilize this great resource. The ideas, optimism and perspective of the young are badly needed to help solve this state's and this nation's problems. The challenge lies with us to develop the mechanisms to allow students to voice their concerns in a responsible manner.

At all levels in education I see an increased willingness to listen as well as to teach. At Cranston High School West, I recently met with the principal, Joseph Coccia, and learned of his program of senior class breakfasts. He periodically meets with small groups of seniors to learn of their views and concerns. Similar efforts at increasing student involvement are occurring in many schools and colleges throughout the state. My own Youth Advisory Council represents an effort at learning directly of the views and concerns of our state's students.

There are, I'm sure, many other methods of ensuring that the students' perspective will be aired. While I am quick to recognize the challenge to authorities and adults, I also recognize that young people also have a responsibility to ensure that their voice is not overlooked. What is necessary is that all of us make a conscientious effort—with considerable patience and trust—to discover ways in which we can best work together.

I have stated on other occasions that it is no longer possible to plan FOR people; one must plan WITH them. In this rapidly changing world, conditions simply alter too quickly to plan intelligently without consideration for those who will be affected by one's plans. In the last several decades, most noticeably, the value structure and beliefs of each succeeding generation are radically different. This is, I'm certain, a natural consequence of the rapidity of social change. As a result, one cannot plan for young people without taking great pains to learn who they are and what they want out of life.

I am encouraged to see that more and more people are becoming aware of this, and are demonstrating a willingness to work with our young people. A commitment to the process of education is fundamentally a commitment to youth.

TOLL GATE HIGH SCHOOL,
Warwick, R.I., May 3, 1974.

Mr. STEVEN JANGER,
Director of Special Programs, Close-Up Foundation, Washington, D.C.

DEAR MR. JANGER: I really don't know where to begin, and what words to use in describing my week's experience in Washington, as a participant in the Close-Up Program.

Perhaps the first thing to be said is "Thank you," to you, and your staff. It was without question that most exciting and rewarding educational program I have ever been involved with in my 20 years as an educator. The students well speak for themselves, but for myself, I have not really been able to describe in words to my colleagues here, just what this program meant to me, and my student participants. I simply hand over the red binder containing the reading material and the daily schedules, and say, "Read it first, then I'll explain!" Word has already travelled fast around Toll Gate High on the merits of the program. I only hope its not a belated effort. Already there are plans under way, by student and teacher participants, to encourage support of Close-Up on both statewide and local basis.

The value of the program can be explained in so many different ways, and yet each way probably would not do it justice. Yet I would say, as I did on our train ride back, and since I've been home that the most outstanding aspects of the Program as I see them were:

1. Its thoroughly competent staff, who are not only very knowledgeable about the objectives and goals of the Program, but seem to be totally committed to working with youth.

2. Its highly organized and intensive nature; well directed and implemented activities.

3. Its respect and support in Washington among those involved in all aspects of the political scene.

With the constraint of space and time, I find that I should draw this letter to a close. I do so however, in the hope that the participants from Rhode Island will be able to get together in the future with you and your staff, to show our own kind of hospitality and appreciation.

Thank you again for a most enriching experience.

Sincerely,

PAUL A. PICOZZI,
Chairman, Social Studies Department.

DEPARTMENT OF EDUCATION,
Providence, R.I., Apr. 30, 1974.

Mr. STEPHEN A. JANGER,
Director of Special Programs, Close Up Foundation, Washington, D.C.

DEAR STEVE: I will be writing a number of letters to you in the weeks ahead on various aspects of the Close Up Program, which I hope will be helpful to you in the continuation of your work.

This, however, is not one of those letters. Rather, I want to take a moment to express some personal thoughts.

First, Steve, I would like you to know that I have regarded my work with you over the last few months as a real privilege. I believe you are one of a handful of great educational innovators in this country today. While everyone comments on the competence of your staff, their success is due in no small measure by the example which you provide. Your obvious dedication and commitment is an inspiration. I am continually impressed by your concern—not for the organization which you run—but for young people. In this age of bureaucracy and institutionalization, it is encouraging to me that you have managed to keep intact the high ideals which you have set for yourself and the Close Up Program.

My own gratitude for what you have done for me during this most significant week means little, what is important is that 400 people from Rhode Island, and thousands throughout the country, have realized what a real turn-on good education can be. If I could speak for them, I would say they are forever in your debt. Perhaps the truest indication of this gratitude will be their increased involvement in the decision making processes which affect us all. I can promise you that as a result of this experience, they will be more involved.

My only regret about this whole experience is that I have not been able to do more to make Close Up a success in Rhode Island. Let me assure you at this point that you have my commitment to do everything I can to strengthen Rhode Island's Close Up program. Further, do not hesitate to contact me if there is anything I can do by virtue of my position to assist the Close Up program in general.

In the show that we saw in Washington, "Don't Bother Me, I Can't Cope", there is a moving song called "Do a Little Living For Peace". Living for peace is as complex as it is difficult. I feel that you and the Close Up staff are about this country's real business—doing a little living for peace.

Sincerely,

CHARLES M. TAMPIO,
Assistant to the Commissioner.

THE LATE SENATOR ALLEN J. ELLENDER

Mr. TALMADGE. Mr. President, I am pleased that we are taking a moment today to honor our former colleague and friend on his birthday. The late Senator Allen J. Ellender had an outstanding career of service to the State of Louisiana and the Nation for almost half a century.

This birthday rememberance will serve to remind us not only of his spirit and warmth but also of his many important accomplishments and concerns. One area of special interest to him was the education and welfare of young people.

A memorial fellowship program enacted by this Congress 2 years ago and named for Allen Ellender was designed to help those student whom he loved so much. Almost 2,500 students and teachers from my home State of Georgia have participated in the week-long political program conducted by the Close Up organization. One-third of that number were low-income students and their teacher who have been able to participate only as a result of the Allen J. Ellender fellowship.

The Georgia Close Up program has brought together students from the city, the suburbs and the farm; black students and white. Students from public, private, and parochial schools, and students from every economic and social situation have come together as a group to learn, not only about their government, but also about each other. Close Up provides an opportunity for business to join forces with our educators in the development of a unified spirit unequaled in the community's history.

The program has also had a maximum impact on the quality of government education in Georgia. Gwinnett County has established a course in contemporary political science which includes participation in the Close Up program. In Cobb County, some 250 students were part of a specially designed course, the culmination of which was their participation in the Close Up program. One Atlanta high school has added a special American studies course as a result of the Close Up experience. Plans are being made by a large metropolitan educational agency to do a 3-day program modeled after Close Up to study the State government.

Allen Ellender would be pleased to know that so many young people have come to understand more fully the workings of their government by participating in a program in which he so strongly believed. He would be pleased that the congressionally supported fellowships which bear his name have helped to bring thousands of young people to Washington with the Close Up program.

I ask unanimous consent that a proclamation by the State of Georgia and the following letters from Georgia students, teachers, and other friends of Close Up, be printed in the RECORD at the conclusion of my remarks as a further tribute to the dedication of Allen J. Ellender.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE STATE OF GEORGIA

PROCLAMATION: CLOSE UP MONTH

By the Governor:

Whereas: Close Up, a nonpartisan, nonprofit forum for the involvement of youth, has again chosen the high schools in the greater metropolitan Atlanta area to participate in a five-week program of educational experience in Washington, D.C.; and

Whereas: Some one thousand students and teachers from this area will have the opportunity of a week's visit in their nation's capital to attend seminars, meet their Congressmen and Senators and engage in dialogue with those who govern; and

Whereas: This program stimulates young people to become more involved and knowledgeable in the area of positive goals within our government; and

Whereas: This program is beneficial to the youth of our State, aiding their intellectual growth and encouraging creative participation in government; now

Therefore: I, Jimmy Carter, Governor of the State of Georgia, do hereby proclaim the month of April, 1973, as "Close Up Month" in Georgia, and urge all our citizens to recognize the benefits of this commendable effort.

In Witness Whereof, I have hereunto set my hand and caused the Seal of the Executive Department to be affixed. This 30th day of, March, 1973.

JIMMY CARTER,
Governor

CAMPBELL HIGH SCHOOL,
Smyrna, Ga., April 30, 1974.

CLOSE-UP,
Washington, D.C.

DEAR CLOSE-UP: I can really not begin to tell you how wonderful the program is. It is hard to believe that one week could be so exciting, so stimulating, so exhausting and so exhilarating. You seem to have recaptured the magic of learning that the public schools have long ago lost. I know that the experience must become an everyday thing to you, but I hope that the tremendous excitement for learning you inspire in students is the spark that keeps you going for quite some time.

One of the greatest things the students learn is that their government truly belongs to them; that citizen democracy is not a myth but a very real and human thing. Social Studies teachers have been telling students that for years, but Close-Up shows them.

Another thing they learn is that there are all kinds of different people in this country with all kinds of different viewpoints, but each person has the same right to hold and express his views as each other person. Students particularly pick up this latter idea in their workshops. They also see it in the variety of opinions offered by the variety of speakers and particularly in the seminar with the representatives of the Republican National Committee and the Democratic National Committee.

I wish that all teachers who have the good fortune to participate in the program could be as enthusiastic as I am. It has been so exciting to me to be with people who seem to be dedicated first of all to the students and the development of their minds. I have been only too pleased to have the luck to set up and work out a course to try to make the Close-Up experience more than just a week fling. I cannot give you too much praise; without Close-Up, I never would have bothered with a course.

To the staff I particularly want to say thank you for caring. Teachers and parents, I think, tend to forget how alienated adolescents can become from adults, but you are adults who take the time to bridge the so-called gap. I only wish you could see and feel the gratitude the students continue to have for you because you have made an effort to care about them and what they have to say.

I extend to you all truly my deepest gratitude and appreciation.

Sincerely,

Betsy Johnson.

Druid Hills High School,
Atlanta, Ga., August 23, 1974.

Mr. Steve Janger,
Close-Up,
Washington, D.C.

Dear Steve: You were interested in the fund established at Druid Hills in memory of Costa Campbell, one of the 1974 participants in Close-Up, who was killed on June 23. The fund is the Costa Campbell Close-Up Fund to send senior students on partial scholarships to Close-Up. The family wishes this because Costa had received aid this year from people here at school. The program had meant so very much to him and the family recognized this, thus hoping to make more students have the opportunity for the beautiful experience in Washington.

You can, along with your staff, take great honor in the effects *Close-Up* has on young men and women. If you wish to write his parents their address is Mr. and Mrs. William L. Campbell, 1200 University Drive, Atlanta, Georgia 30306. My best wishes to each of you.

Sincerely,

Robert Morgan.

Gwinnett County Schools,
Lawrenceville, Ga., May 30, 1974.

Hon. Sam Nunn,
U.S. Senate,
Washington, D.C.

Dear Senator Nunn: The Gwinnett County School System is most fortunate to have had the opportunity for its high school students to participate in the "Close-Up" program. This year 118 students from our seven high schools participated in this on-going contemporary governmental experience.

As you well known, the American Governmental system is a very complicated system to study and understand. The experiences that our students went through in the Close Up Program are certain to make them more aware of the processes involved in making our great nation function effectively. They certainly will have a better "Political Self Concept" than others who have not had the privilege of attendance at Close Up.

Gwinnett County students have been involved for three years and the program has become an integral part of curriculum in that *"Contemporary Political Science"* is one of the most popular academic courses. This course is preparation for, participation in, and evaluation of the Close Up experience. All students who participate receive five quarter hours of credit.

Knowing that you are vitally interested in providing quality education, it is appropriate that we relate to you our endorsement of this exemplary educational program. Your continued support of Close Up is gratefully acknowledged.

Yours truly,

J. W. Benefield, Jr.,
Superintendent.

Metropolitan Cooperative
Educational Service Agency,
Atlanta, Ga., May 28, 1974.

Mr. Stephen A. Janger,
Director of Special Programs, Close Up, Washington, D.C.

Dear Steve: As this current program year ends, I am impressed with the accomplishments effected in the short two calendar years of our association with you, Margy, and Close Up. We are grateful for the experiences that have been available to metro Atlanta youth and thir teachers through the Close Up program—experiences that would not have been there had it not been for you and Close Up.

Writing from this point in time, it is apparent that some 2,600 kids and teachers have participated in three springtime study trips to Washington. With that kind of participation, I feel we must be having a significant impact both in the sense of developing more informed future adults and in the immediate impact on increasing the sense of community. The cross-section we have been able to put together representing urban, suburban and rural families has to be a valuable social and intellectual happening. The Close Up Foundation's support in excess of $200,000 has certainly been instrumental in this impressive undertaking.

Although we had fewer grants per school this year, it is encouraging to note that some 1,083 students and teachers participated in five weeks of Close Up programs in April of 1974. Other encouraging signs include the establishment of credit courses in the Cobb County school system, giving of credit for participation in the Gwinnett County Schools, and the Atlanta Public Schools are studying the procedures for instituting courses and/or credit. Support from the school superintendents in metro Atlanta continues to be strong.

It has been good to see the enthusiastic roles accepted by our Georgia delegation as they participate in Close Up seminars. I have personally been in sessions with Senator Talmadge, Representative Young, and Representative Landrum. Students and teachers comment frequently on their appreciation of the opportunity to hear from and talk with their own political leaders.

Let me end by saying that it has been most beneficial for M-CESA to participate with you and Close Up during these developmental years. I hope we can continue to work together in mutually beneficial ways. Our kids and teachers are already at work in preparation for "next year with Close Up."

Kindest regards,

Ernest L. Bentley, Jr.
Director.

West Georgia College,
Carrollton, Ga., April 8, 1974.

Close-Up Washington,
Sheraton Park Hotel,
Washington, D.C.

Dear Close-Up Washington Staff: I have just returned from a delightful, educational experience of a week with you at Close-Up Washington. Each part of the experiences of the week—the personal interaction with those knowledgeable of the various aspects of our national government, the experience of seeing the varied aspects of Washington, and the contact with the staff of Close-Up Washington—were all memorable experiences. Thank you for making this possible!

As one who works in the area of teacher education with the great majority of my work being with an inservice program for social studies teachers, I evaluated the program of Close-Up Washington both on its effects upon the students who participated in the program and the teachers who attended with the students. Certainly each student who participates in the program returns home being a more informed person and one who will more actively participate in many phases of political life.

A major importance of the effect of Close-Up Washington, which might be overlooked, is the impact that it has upon those teachers who participate. I believe that this aspect of the program could greatly enhance our citizens' knowledge of and participation in government. The teacher who participates in the program definitely must be a better teacher when he/she returns to his/her classroom. This will affect the education of many students. Although it is good for the program to have teachers return for the second year and participate in Close-Up Washington, there are so many teachers who desperately need to have the initial participation experience that I personally would discourage second-year participation by teachers in order that as many teachers as possible might benefit from your program.

I enthusiastically support the Close-Up Washington program and believe that we would have a far more politically aware citizenry if more students *and teachers* could participate in the program.

Sincerely,

J. Hugh McTeer,
Professor of Education.

THE ANNIVERSARY OF THE LATE SENATOR ALLEN J. ELLENDER'S BIRTH

Mr. BROOKE. Mr. President, in keeping with the spirit of this occasion, it is my pleasure to honor the great contributions of Senator A. J. Ellender through support of the Close Up program in which he was so deeply involved.

This year, for the first time the Greater Boston community had the opportunity to benefit from the Close Up experience. Although many in the Boston area were skeptical about the impact that such a program could have on their young people, the positive results were overwhelming. Among the 331 participants representing 74 schools, a new and fresh appreciation for the importance of political involvement was instilled. Further, as a result of the Close Up experience in Washington, the Greater Boston Regional Educational Center is attempting to set up a local program, modeled after Close Up, to encourage such enthusiasm and participation in Massachusetts State government. I can think of no finer expression of gratitude to Senator Ellender for his fine service than this example of youth involvement manifests.

CHROME AND COMMONSENSE

Mr. THURMOND. Mr. President, a sensible column entitled "Chrome and Commonsense," by James J. Kilpatrick, appeared in the September 20, 1974 issue of the Washington-Star News.

In this editorial Mr. Kilpatrick makes a strong argument against changing the Byrd amendment which establishes policy on U.S. purchase of chrome.

Mr. President, I ask unanimous consent that this editorial be printed in the Record at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Washington Star-News,
Sept. 20, 1974]

Chrome and Commonsense

(By James J. Kilpatrick)

Hot Springs, Va.—Eighty top executives of North American steel companies met here last week to talk about industry problems. What they talked about, among other things, was chrome—Rhodesian chrome.

The steel men, meeting under auspices of the American Iron and Steel Institute, see the issue in wholly practical terms. Chrome is an indispensable element in the making of stainless steel. So long as Rhodesian ferrochrome remains available, mounting domestic needs can be met. Without the Rhodesian chrome, the supply of stainless steel will move swiftly from critical to desperate.

By way of background: In 1966, in an act of hypocrisy, futility and folly, the United Nations undertook to impose economic sanctions on Rhodesia. The idea was to bring the breakaway government in Salisbury to its knees. The United States honored the sanctions. No other important nation did. Rhodesia declined to be brought to her knees.

In 1971, Virginia's Sen. Harry F. Byrd took the lead in restoring some sanity to a lunatic condition. Congress approved the "Byrd Amendment," which had the effect of permitting the renewed importation of Rhodeian chrome.

Meanwhile, the price of chrome ore from the Soviet Union had been soaring. The Japanese were profiting from the export of stainless steel sheet (made from Rhodesian ferrochrome imported in covert defiance of the sanctions). The American ferrochrome industry was languishing.

By early 1972, when the Byrd Amendment opened the closed doors, several things had happened. With Japanese engineering and Italian equipment, the industrious Rhodesians had built the finest ferrochrome processing plant in the world, squarely atop their tremendous fields of chrome ore. They were shipping ferrochrome throughout the world.

The United States steel industry swiftly became a customer. In 1973, the United States imported 155,000 tons of ferrochrome; at least 105,000 tons came directly or indirectly from Rhodesia.

Where are we now? The Senate incomprehensibly, voted last December to repeal the Byrd Amendment. In July the House Foreign Affairs Committee voted 25-9 to approve the repeal. House sponsors admit privately that they do not now have the votes in sight to win passage on the floor. Without some vigorous arm-twisting from President Ford, they cannot get the votes. Temporarily, the bill languishes.

Ford, who voted in favor of the Byrd Amendment when he was a Michigan congressman three years ago, has given lip service, but no more, to the repeal measure. There the matter stands.

What does all this mean to consumers? The new catalytic converters to control automobile emissions demand stainless steel. Once these converters become standard equipment, domestic requirements for ferrochrome will increase from 470,000 to 525,000 tons annually.

If the Byrd Amendment is repealed, our domestic production capacity will drop from 240,000 to 200,000 tons. Somehow, at exorbitant price, 325,000 tons of ferrochrome (or its sheet equivalent) will have to be imported. And this is the sharp-edge irony: One way or another, it will still be Rhodesian chrome, shipped and transshipped through world markets.

American consumers will pay an extra $40 million a year; and the Soviets and the Japanese will laugh all the way to the bank.

There are other ironies, of course. Repeal of the Byrd Amedment would make the anti-Communist United States more dependent for a strategic material upon Communist Russia. Repeal would place the United States, which cried out in principle against an Arab embargo on oil, in favor of a U.N. embargo on Rhodesian chrome. Repeal would be seen by African nations in the U.N. as a mere sop, and these nations would continue to insult and to oppose the United States in any event.

By killing the Senate bill, the House could strike a blow for chrome, consumers and common sense. It's a blow worth striking.

IS OUR FREEDOM FISCALLY SECURE?

Mr. STENNIS. Mr. President, recently I received a letter from a good personal friend, Mr. J. O. Emmerich, publisher of the Enterprise-Journal in McComb, Miss. With the letter was a copy of an editorial from that newspaper entitled, "Is Our Freedom Fiscally Secure?"

Mr. Emmerich asks a very penetrating question in the title of that editorial, and he makes his point very convincingly. He joins with the rest of us in pride that our Constitution has stood up so well under severe tests, and the Founding Fathers had such a profound insight into the necessity for protecting personal and political freedoms, and the means to accomplish this end.

He points out, however, that the circumstances under which our freedoms were challenged, in those early days, were vastly different than in the world today. He proceeds to the very logical conclusion that our freedoms can be lost through irresponsible fiscal policies, as well as through neglect of constitutional law, and that this is the threat that faces the Nation today.

This is a very thoughtful editorial, and I commend it to the attention of my colleagues in the Senate, to others in Government, and to the public. I ask unanimous consent that it be printed in the Record at this point, preceded by the letter to me from Mr. Emmerich.

There being no objection, the letter and editorial were ordered to be printed in the Record, as follows:

Enterprise-Journal,
McComb, Miss., September 6, 1974.

Senator John Stennis,
Senate Office Building,
Washington, D.C.

Dear John: I am sure that you are interested in receiving the opinions of your supporters. Accordingly, I am enclosing an editorial we recently published.

The big test in the U.S. today is not the strain on its legal structure, important as this is. The threat to our nation is in the area of the fiscal affairs of our country. We can lose our freedoms through mismanagement of the financial structure of our government.

Please do not think of me as being a far-out reactionary. I recognize the need of the many programs we advance and I accept my personal responsibility for the general governmental fiscal irresponsibility which exists because it is the people who make demands upon our representatives in Washington.

May I be one to encourage you to lower the federal budget, cut down on government spending and help free our country from the threat of spiraling inflation?

With personal regards, I am
Sincerely your friend,
J. O. Emmerich.

Is Our Freedom Fiscally Secure?

Recently Sen. John Stennis, commenting on the rigid test resulting from a change in administrations said, "Our Constitution works."

The constitutional framework of our nation has withstood many tests. The nation even went to war to uphold it when 11 of the states made the effort to secede. In the past most of the tests have centered around the legal foundation of our nation. So we can say that the legal structure of the United States has repeatedly evinced strength and security. Yes, the Constitution works.

But the great test of America is not one of legal concepts. The significant test of our nation today evolves around the fiscal strength of our government.

We are not now confronted with legal irresponsibility. But we are involved with the problems of fiscal irresponsibility.

Sen. Stennis said, "Our Constitution works." But can Sen. Stennis with conviction say—or any U.S. senator for that matter—say, "Our fiscal structure works?"

Our early forebears understood the ways of dictatorship. They knew how personal and political freedom could erode. So they were able to write into the Constitution the principles by which freedom could be perpetuated.

But when our Constitution was written this nation was young—and surrounded by tremendous potential wealth. Our raw materials were seemingly unlimited. And a period in history developed by which three significant things happened which gave impetus to this growing wealth. First Eli Whitney invented the cotton gin. Second, Great Britain was able to apply the steam engine to sophisticated textile machinery. Third, the vast raw lands of the South were suitable to expand the growth of cotton to meet this historically unprecedented opportunity to clothe the world. All three of these factors came almost instantaneously. Thus the young United States was able to develop a balance of payments which became the basis of a rich new country which quickly became financially strong and startled the world.

Early patriots were confronted with the challenge of freedom. But early patriots were not equally confronted with the challenge of fiscal responsibility. So a new nation grew quickly and became so strong and so wealthy that the effects of fiscal irresponsibility could not be measured in just one generation, or two or even three. Leadership has continued to speak of the glory of freedom and the security of our Constitution while the basic threat to the freedom of our people—the results of fiscal irresponsibility—has gone unnoticed by people generally.

Today our government owes 500,000 million dollars. And our patriots continue to talk about protecting constitutional freedom while seemingly forgetting or ignoring the fact that freedom can be lost through debt as well as through the neglect of constitutional law.

Sen. Stennis can truthfully say, "Our Constitution works." But can he with equal conviction say, "Our government is fiscally secure?" And freedom, we must know, is not secure unless both of these questions can be answered affirmatively.

THE CITY OF BROTHERLY LOVE

Mr. HUGH SCOTT. Mr. President, Ellen Karasik, a staff writer for the Philadelphia Inquirer, used a handful of wry to poke fun at our mutual city of Philadelphia the other day. Her September 22 story was published under the headline: "When Will U.S. Stop Laughing at Philadelphia?"

I would like to insert this article in the RECORD, because I believe such skulduggery merits the attention of my colleagues who call home those places pallid by comparison to the City of Brotherly Love.

"I'll take Philadelphia every time"—and I say that, Mr. President, as one who has shopped leisurely in New York City on December 23, and basked in the balmy lake breezes of a February morning in Chicago, and enjoyed a relaxing drive along the Los Angeles Freeway, and vacationed in the Miami rain, and missed the cable car in San Francisco, and found sand in my quahogs in Boston, and visited Seattle on a sunny day, and had the extreme delight of watching the Philadelphia Eagles, playing on home ground, soundly trounce the Dallas Cowboys last night before a nationwide television audience of millions.

Mr. President, "I'll take Philadelphia every time."

Mr. President, I ask unanimous consent that the article referred to above be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, Sept. 22, 1974]

WHEN WILL UNITED STATES STOP LAUGHING AT PHILADELPHIA?

"I went to Philadelphia last night, but it was closed."—an old Philadelphia joke.

(By Ellen Karasik)

Bob Garver of Los Angeles has been in the travel agency business for 15 years, but nothing in his professional experience prepared him for this one.

"Philadelphia?" Sounding almost incredulous, he told the caller, "I've never had anyone specifically ask to go to Philadelphia."

Philadelphia? "Well," said a woman at the Rand Fields Travel Agency in Beverly Hills, Calif. A long pause. "There's nothing that great I can tell you. . . . It's not one of your better places for night life. There's not much to see within the city . . . About the only major interest outside is Amish country—but that's it."

Could I spend a week there and not go out of my mind?" asks the caller. Pause. "No," answers the travel agent in Beverly Hills.

Philadelphia.

"We're still suffering from image problems," said Gary Grossman, director of development for the Philadelphia Jaycees. "Our problem was that we had (W. C.) Fields, the best P.R. guy of all. If he had made jokes about Paducah instead of Philadelphia, that's the city everyone would laugh about."

"Philadelphia is a great place to bring up your grandparents."—a new Philadelphia joke.

Vaudeville and most vaudevillians are dead now, but when it comes to Philadelphia, they certainly had the last laugh. Although Philadelphia has gone through a massive rejuveation that, according to its partisans, has made it one of America's most lively and lovely cities, it is still chiefly thought of elsewhere as that place where they roll up the sidewalks at night.

Despite a renovated and restored center city, riddled with interesting shops, new restaurants and restored townhouses, despite the orchestra, Independence Hall and the Flyers, despite everything that has happened to this town in the past 10 years, the ghost of W. C. Fields still haunts the much-maligned place of his birth. To this day, the mention of the word Philadelphia in places like New York or Chicago, Los Angeles or Atlanta, Boston or Denver, Washington or San Francisco, is sure to prompt snickers, snide remarks or, worse, yawns.

"The reason the myth is perpetrated is that Philadelphia, until recently, hasn't been much of a town for a salesman . . . pleasures are private—or they have been in the past. I think strangers walking in were inclined to think it was kind of sad and dull."—Nathaniel Burt, author of "The Perennial Philadelphian."

If you believe Abe Rosen, a former city representative and president of the convention and tourist bureau, much of the problem started not with W. C. Fields but with the city's water taps, of all things.

"We had one of the worst water purification systems anywhere in the early 1900s," he said. "The vaudevillians would be told to bring bottled water if they were coming to Philadelphia. That's how the water came to be known as Schuylkill punch and people would wisecrack that you cut the water with a knife.

"Also the fact that we had blue laws and everything would be closed on Sundays never went over too well with the vaudeville troupes. They were the ones that called Philadelphia a cemetery with lights. Since vaudeville was the most popular entertainment, the jokes traveled and spread across the country."

"I always felt like a farmer in New York . . . I was afraid I'd get on the subway and end up in Kansas . . . I worked in Washington once for 12 weeks, and concluded it was a one industry town. Philadelphia? I love it."—Debra Weiner, assistant dean of Temple University Law School, and native Bostonian.

It is unfortunate that some of the long-dead vaudevillians cannot be resurrected long enough to take them on a tour of Philadelphia, 1974. Among the things that could be pointed out to some old second bananas are:

The fact that $44 million of private money has been spent on downtown construction and renovation over the past five years.

The fact that 53 new restaurants have opened in center city alone in the past two years and more more are planned almost each week.

The fact that 43 legitimate theater shows played a cumulative total of 102 weeks in the 1973–74 theater season, compared with three shows playing 28 weeks three years ago.

The fact, in short, that Philadelphia, sleepy, dreary old Philadelphia, is all of a sudden a lively night in town and thriving commercial center.

"People talk about exciting Atlanta," said a spokesman for the Philadelphia Industrial Development Corp. "We have more new office space, both private and government . . . Philadelphia has proven economically that it can work." Unfortunately, the spokesman said, "The message that Philadelphia has proven economically that it had not gotten around to the people."

Theories abound as to why Philadelphia remains the butt of everybody's jokes, W. C. Fields and foul-tasting water aside.

Part of it no doubt has to do with the ultra conservatism of the Quakers, the city's founding fathers. Part of it may have to do with a poorly run Sesquicentennial celebration in the city in 1926, combined with a tragicomic mudslide the same year that made the city a target of national horselaughs for a while.

And part of it, clearly, has to do with the fact that even as recently as 10 to 15 years ago, this was a dead town. Comic David Brenner left Philadelphia in 1966, and he remembers it the way it was then. He remembers it so well, in fact, that his standard stage routine is laced with classically Philadelphia oneliners.

"Philadelphia is open 24 hours a week."

"Any Philadelphians in the audience tonight? Yeah? What are you folks doing up so late?"

"Last time I was in Philadelphia, there was a blackout. No one noticed it for three days."—David Brenner, going over big in Miami and Las Vegas and Hollywood.

There is a shortage of theories concerning what the city can do, beyond putting out contracts on guys like David Brenner, to rid itself of its albatross. Part of the reason for that appears to be that many Philadelphians themselves actively or passively contribute to the problem.

Thacher Longstreth, president of the Philadelphia Chamber of Commerce, divides badmouthing Philadelphians into two categories—the ones who never left the city and have nothing to compare it with, and the ones who really like the city, but refuse to tell anyone because they fear it might ruin a good thing.

E. Digby Baltzell, University of Pennsylvania sociologist and Philadelphia historian, sadly concurs. Philadelphians, he said, seldom boost their city.

"Ben Franklin was our greatest booster and we're not even that proud of him," he said. "It bothers me because I love the city. It's the most humane, convenient city in the United States. We have never put up a good front to outsiders, perhaps because we were too content with our lives. It seems we never fought to be better than No. 2."

Burt, the perennial Philadelphian, said, "The crux of the matter is the comparison with New York. All Philadelphians disdain New York and all New Yorkers disdain Philadelphia. That's where all the jokes are made."

The Jaycees' Grossman opts for an ironic partial explanation. "Philadelphia is a city of homes and neighborhoods and that's what makes it a livable, pleasant city. But everyone was so proud of their area, they considered themselves residents of Kensington or Society Hill, rather than thinking of themselves as Philadelphians.

"For a long time, few people had reason to or cared to travel from their area and that's why they had no idea of what this city had to offer."

What to do?

There was the Greater Philadelphia Movement, which proclaimed on billboards throughout the city that, "Philadelphia Isn't as Bad as Philadelphians Say it Is." But there was not enough money to follow up with a campaign telling people how good Philadelphia is. And the billboards' negativism left a bad taste.

Another program, called Campus Philadelphia, is aimed to attracting local students to Philadelphia colleges.

"We have our share of local students, but what we are missing is the quality student who will ignore the 13 major colleges right in their home town to go elsewhere," says Joseph Morelli, president of the group composed of area college representatives.

"We often find students apologizing for being from Philadelphia or enrolling in school here," Morelli said. "There's an attitude that there's nothing to do here or there's an attitude of fear."

A Pro-Philadelphian Program, recently started by the Jaycees, is attempting to create "an esprit de corps and a feeling of pride and community among Philadelphians."

And if Philadelphia is not a thoroughly modern city, so what? Dan Rottenberg of Philadelphia Magazine thinks we should give thanks for the "ineptitude" of Philadelphia's leaders.

"It all seemed like something to be terribly ashamed of," he wrote, "until a year or two ago. Now, suddenly, all those superhighways in Dallas look strangely redundant. Los Angeles with its total reliance on automobile transportation, appears a good deal less farsighted than Philadelphia. And who needs another White Elephant like the New York World's Fair?

Thanks to the city fathers' program of doing a little or nothing in the past, Rottenberg said, "Philadelphia as it is now constituted is just about right for the future."

"The minute I said I was coming to Philadelphia, everybody started tellin' me every W. C. Fields joke ever coined . . . But as it turns out, it's one of the most swingin' downtowns in the United States."—a world traveler and former New Yorker who now lives here.

Once people come to Philadelphia, there seems to be a good likelihood that they will enjoy it. But getting them to come in the first place is the hard part, as Grossman of the Jaycees will testify.

"A British firm wanted to locate in the United States," he recalled recently, "and when we heard about it, we learned that they didn't even put Philadelphia on their list of options.

"We sent representatives over to England and convinced them that all they heard about Philadelphia wasn't true and if they'd just come and see the city, they could tell for themselves.

"They put us on their list, but when they went to Atlanta, some people there convinced the Britishers that this was a dull place and they canceled out. We again convinced them to come.

"They reluctantly came here and after we finished showing them the city, they told us we had the best thing going in the country and we just weren't letting anyone know about it."

"I went to Boston at night and it was dead."—a new joke heard in Philadelphia.

THE ECONOMY

Mr. JOHNSTON. Mr. President, hardly a day goes by when the Senate does not focus its attention on one aspect or another of the current economic policy debate.

High interest rates, wage and price controls, export controls, fuel and food costs, fiscal restraint, anticompetitive practices—these subjects and many others concern us as individual matters.

Recently, however, I had occasion to read a comprehensive analysis of our current economic woes. This analysis was prepared by the distinguished junior Senator from Colorado, FLOYD HASKELL.

As all who serve with him can attest, Senator HASKELL is as perceptive, as energetic and as conscientious in his work as any Member of this body. I have been privileged to observe his skills at close range since both Senator HASKELL and I serve on the Committee on the Interior.

Mr. President, all Americans should have the benefit of Senator HASKELL's views on the economic problems of the country. He has stated these views with his usual forthrightness, and has succeeded in stripping away much of the jargon that confuses discussion of the critical issues facing us.

I commend the Senator from Colorado for undertaking this analysis of the present economic situation, and I ask unanimous consent that the Senator's article be printed in its entirety in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Denver Post, Sept. 18, 1974]

SENATOR HASKELL WARNS OF PITFALLS OF ECONOMIC SUMMIT

EDITOR'S NOTE.—Following is the text of a statement by Sen. FLOYD HASKELL, D-Colo., on the national economy.]

(By Senator FLOYD K. HASKELL)

No matter how we long to believe otherwise, the upcoming White House economic summit conference will probably be better for its good fellowship than for having galvanized the nation into effective action against inflation.

As a forum for discussion among all sectors of our reeling economy, the conference is certainly welcome. But we will be poorly served if our expectations lull us into deferring some hard decisions and some positive responses to our economic programs.

We should perhaps begin with the realization that our decision-making process has not changed despite the apparent unity of purpose between the Congress and the White House. An effective national economic policy will not be authored solely by either a Democratic Congress nor by a Republican president. Nor will it be entirely satisfactory to either.

I think it is unrealistic to expect any sweeping changes in economic policy under the Ford administration. Richard Nixon was a monumentally poor steward, but his programs were the corporate-oriented economic programs of his party, not merely Nixon programs. Thus, I'm afraid we have no reason to expect President Ford to depart significantly from his own conservatism or the economies of that same party.

His choice of advisers suggests to me his direction. William Simon and Roy Ash, who promulgated much of what passed for a Nixon economic policy, were retained, at least in part, because their thinking is compatible with the President's.

Unity of purpose does not demand a suddenly compliant and acquiescent Congress. Without apology, I am troubled by some of the signals transmitted by the Ford administration even before the summit conference convenes.

The President has flatly rejected considering even standby wage and price controls. If the true purpose of the conference is to learn the "unvarnished truth" about the economy, one presumes the evidence isn't in. How then can the President know whether he dares leave us defenseless against the worst wage and price rises until after the conference?

Controls are in disrepute and that's testimony to the abiding good sense of most Americans; controls were a disaster under Mr. Nixon. But it's time to realize now that all we really learned about the controls of 1971–73 is that they were abysmally administered. There is no new evidence that they are not a valuable tool—to be used on a relatively short-term basis—in combating inflation. In fact, our experience with Phase II controls, which were beginning to work very well just about the time they were lifted, suggests the contrary. So does our wage and price control experience during the Korean War.

The new administration has been silent about the urgent need for tax reform, both for immediate tax relief for lower- and middle-income families which have suffered worst under inflation, and for a major tax overhaul.

Recent administration statements pledge no major assault on inflation will begin until next year and that, too, worries me. The Democratic Conference unanimously resolved to support President Ford's efforts to restore equilibrium to the economy. But the conference also adopted unanimously my resolution directing our policy committee to formulate its own economic program.

That is nothing more than prudent preparation. If after the summit conference, we find we cannot support the administration's program, we will be ready with one of our own—and without additional delay.

To the extent that solutions are dictated by perceptions of the problem, there will be differences. If Congress and the administration could agree upon the causes and the nature of our economic disruption, the solutions would be more readily agreed upon.

A generally agreed upon diagnosis of our economic problem is vital and basic information. It may also be the most elusive in terms of consensus among the so-called liberal and conservative economic analysts.

It is difficult to believe that the following are descriptions of the same economy. First OMB Director Roy Ash in a testimony before the Senate Budget Committee on Aug. 15:

"The Federal Reserve System is limiting the growth of the money supply so as to lessen the problem of too many dollars chasing too few goods, which is the heart of inflation . . ."

"What has and is happening, then, is that the excessive budget deficits and the excessive growth of the money and credit in recent years . . ."

"Demand will have to be held slightly below potential output."

Economist James S. Duesenberry testified before the Joint Economic Committee on Aug. 1:

"If the present inflation were the result of widespread excess demand, whether generated by private demand or public spending, those increases (in taxes) might be appropriate. But it is not."

"The increases in the prices of food and fuel were not due to changes in aggregate demand . . ."

"But certainly we ought to begin our search for wisdom by recognizing that this inflation is not primarily due to profligate spending or excessive money creation either now or in the past . . ."

These two views, 180 degrees apart and both expressed without equivocation, show that it's naive to think ideology will play less than the key role in whatever blueprint is drafted following the summit conference.

Ash's views echo those of the new administrations economic groups: Treasury Secretary Simon and Arthur Burns, Federal Reserve chairman. These men form the backbone of President Ford's inflation fighters. Their view of our economy matters much, and the issue is far more than an arcane dispute over the lineage of our present economic situation.

Are they correct when they insist we are suffering from the old-time demon of demand inflation which must ultimately yield to exorcism from the oldtime religion's relentless rites—balanced budget and tight money?

There is persuasive and growing evidence that today's 12 per cent inflation has little or nothing to do with excess consumer demand, as Duesenberry pointed out. That is, it is not a result of too many American consumers bloated with too many federally generated dollars clamoring for too few goods.

Duesenberry, Walter Heller, Gardner Ackley and others cite a wide range of evidence to support their contention that the economy is already slowing down and that further represessive fiscal and monetary policies imposed on a soft economy will throw it into a horrendous shock:

Preliminary estimates by the First National Bank of New York show that the after-tax profits of American corporations rose 28 per cent in the second quarter of 1974 despite a drop in real economic growth. "It is highly unusual," the bank notes, "for corporate profits not only to stay strong but also to accelerate their gains in a period when over-all demand has been slipping."

The slip in over-all demand is the other face of the pernicious new inflation. Experts quibble over whether the slip can be accurately termed recession, but there is no dearth of recessionary tendencies:

It's a rare economist, of whatever persuasion, who will rule out the possibility that unemployment, now at 5.4 per cent will go over 6 per cent before the year is out.

Our national output is down. Real gross national product dipped during the first two quarters of this year. It promises to slip still further.

Figures on inventory accumulation have been revised sharply upward for the latter part of 1973. The buildup has gained momentum into the second half of this year. Most economists agree such accumulations are a traditional indicator of sluggish demand.

To some, confirmation of fears that consumer demand is down is found in a Commerce Department report that, not only did inventories continue upward in June, but for the first time in nearly four years business sales declined.

These are the symptoms: growing business inventories, growing unemployment, declining sales, declining GNP. These are not the symptoms of an overheated economy, of demand-pull inflation, but of an economy which is already pulling in. They suggest there is excess production capacity in this country and that it will grow. With it will grow the ranks of the jobless.

No economy can accommodate what the administration's economic spokesmen, variously attribute to this one: demand inflation, inventory buildup and capacity production. For demand inflation by its definition means demand is exceeding the capacity to produce. If we are producing all we can produce to give consumers all they want, what's the source of the goods and materials which are swelling inventories?

The more plausible explanation is that inventories are up because demand is down—and because some businessmen are seeking a hedge on further cost increases. It is probably also likely that the inflation hedge of inventory accumulation is all that has prevented excess productive capacity from swelling more than it has. That's not an unmitigated blessing, however. For if the inventory buildup staves of economic slowdown, the unloading of it delays recovery in the upswing.

The only view which explains the disparate symptoms of our economic illness to my satisfaction is that advanced by Heller, Ackley and others. They describe it as a cost-push inflation, the result solely of a series of external shocks unrelated to U.S. domestic demand over which we have no control.

Economist Alice M. Rivlin of the Brookings Institution explained in testimony before the Senate Budget Committee: ". . . a wage-price spiral can be set off by outside shocks to the economy, even when demand is not excessive, and this appears to have happened last year. Several shocks occurred at once: the rapid rise of world food prices associated with poor weather and crop failures, the leap of fuel prices attributable to the oil embargo, worldwide escalation of raw-material prices and the increase in cost of American exports that resulted from dollar devaluations.

"These shocks pushed the cost of living up rapidly—60 per cent of the increase last year was attributable to food and fuel alone—and set off the current wage-price spiral. Government spending does not appear to have played such role."

That explanation accounts for the apparent contradition of simultaneous inflation and recession. While a serious recession is not quite a flesh-and-blood monster, it is no phantom, either.

Now, however, inflation is the disruptive force. The sterile statistics show prices rose 12 per cent over the past year. The Wholesale Price Index was up 3.7 per cent in July, a 44 percent annual rate and the second largest increase in 28 years.

The Labor Department reports that the average worker's weekly take-home pay in June bought 4.5 per cent less than it did a year ago and 7 per cent less than in October 1972. So after declining for 15 straight months, the average worker's buying power is back at its 1965 level.

Gasoline prices have almost doubled. Food prices have soared since 1968; milk is up 48 per cent, bread 54 per cent, hamburger 64 per cent and potatoes 225 per cent. Health care costs are among the fastest-rising.

For many Americans, living standards have plummeted due to rising prices and decreased real wages.

At present prices and interest rates, an annual income of $18,000 is required to meet total ownership costs on a $30,000 home mortgage. And worse, homes in that price range constitute less than a third of all new homes. Fewer than 5 per cent of new homes sold are priced at under $20,000 and the average price of a new home is 10 per cent higher than a year ago.

Those prices bar three-fourths of American families from the home market. Housing starts are down 31 per cent for the first half of this year—on top of a 13 per cent decline from 1972 to 1973. The unemployment rate of 10.6 per cent among construction workers is a significant contributor to our over-all unemployment rate of 5.4 per cent.

These figures are appalling by any standard, but they don't begin to convey the hardship inflation has visited on millions of Americans. People are bitter. They are resentful. And they are denied even the solace of a misery shared. For, as noted earlier, American corporate profits in the April-June period of this year rose an estimated 28 per cent.

To put this in perspective, consider that the estimated rise comes on top of official Commerce Department reports of a 19 per cent increase in after-tax profits in the first quarter of this year—a period when the economy was in its sharpest decline since the recession of 1958. The trend dates to 1971, when corporate profits rose 17 per cent, followed by respective increases of 24 and 26 per cent in 1972 and 1973.

Incredibly, Treasury Secretary William Simon, a former Wall Street banker, is still able to testify before the Congress that we must, at all costs, protect profits—that the "apparently" high recent profits are "illusory."

He and other administration spokesmen are further constrained to solemnly call on "all" Americans to exercise restraint in the fight against inflation.

Given the pro-corporate bent of the Nixon White House—of which the economic leaders are alumnae—it was a welcome surprise when President Ford sharply rebuked General Motors for proposing a whopping increase in its 1975 model cars. Ford Motor Co. gave us further evidence of the kinds of restraint we might expect from the corporate giants.

Ford Motors first announced a '75 model price increase of $500 per car, then in a spasm of good citizenship, rolled back the increase by $50.

If that is laudable restraint, a decision not to do homicide ranks in heroism with saving a life.

Public utterances by the Ford administration's economic policy-shapers portend no innovations; budgetary restraint and tight money will probably compose the administration's antiinflation arsenal. As we have seen and will see in greater detail, many economists protest that those weapons are radically and dangerously wrong because the administration spokesmen incorrectly identify the enemy.

Secretary Simon, for instance argues that we must cut federal spending and keep money tight to "stay the long course against inflation." He warns that demand must be held below our capacity to produce and acknowledges that employment will be the inescapable casualty of such a policy.

Professor Heller, on the other hand, warns that demand is already slipping and "further turns of the monetary and fiscal screws will wring less and less inflation and more and more lifeblood out of our economic recovery." He sets as a first priority for economic recovery a recognition that the illness is "a costly stagnation arising out of a shortfall in aggregate demand."

Otto Eckstein, a private economist, has projected the likely social cost of bringing inflation to heel via fiscal-monetary restraint alone: We can expect two years of 8 per cent unemployment and, even then, the financial system will probably crack before inflation does. In any event, he predicts an unemployment rate of 6.5 per cent this year and a climb to 7 per cent in 1975.

Ms. Rivlin was more succinct. Asked to comment before the new Senate Budget Committee on how the Congress should cut non-defense spending in fiscal year 1975, her response was, "It shouldn't."

"The question implies that the current inflation is primarily caused by high government spending and that cutting back such spending would ease the inflation," she said. "I don't think that is right. . . . The current inflation is not caused primarily by government deficits.

"Cutting the fiscal 1975 budget by feasible amounts is unlikely to make a significant dent in the inflation, but almost certain to make unemployment worse. Cuts in the domestic budget will hurt those who suffer most from inflation and unemployment."

Those obsessed with the economics of the old-time religion have little patience with the foregoing humanitarian view. As we saw during the Nixon years, they focus their parsimony on domestic programs, having first removed the defense and foreign aid budgets from all consideration. Our burgeoning health care costs viewed vis-a-vis the slash in preventative health programs may not prove a casual relationship, but it's at least an interesting coincidence in the present context:

According to Ralph Nader, America's health care costs are rising faster than almost any other costs. But between fiscal year 1973 and 1975, over half a billion dollars was lopped from health care programs funded by the Department of Health, Education and Welfare. All the cuts were in prevention areas such as immunization programs and occupational safety and health training and research programs.

The argument has been advanced that the only significant budget figure is the total for all government—federal, state and local.

According to Gardner Ackley, "federal spending in fiscal 1975 will include $48 billion of grants to state and local governments, more than 15 per cent of total federal expenditures and considerably more than double their amount in fiscal 1970."

Ackley told the Senate Budget Committee that in 1972 and 1973, despite substantial federal government deficits, the total government balance has turned into a surplus and remains so in 1974.

Ackley and others dismiss the argument that federal deficit spending has been an "engine of inflation" over the past two years. Yet, some people so argue and with a conviction born of a belief long held and rarely challenged.

I certainly support, in principle, the elimination of federally funded programs which are not worth their cost. But I will not support efforts to cut only the health, education and welfare portions of the budget while leaving untouched the defense or foreign aid budgets. Funding cuts, in my view, must be based upon a determination that the money can be better spent elsewhere, not on exaggerated notions that such cuts will reduce inflation by any significant amount.

What can we expect a budget cut to contribute to our anti-inflation efforts? The Wharton School of Finance and Commerce tested a variety of alternative federal policies, including a $10 billion decrease in fiscal 1975 as the Ford administration proposes. That cut would increase unemployment by .4 per cent while lowering the inflation rate by a scant half per cent, the Wharton test shows. That seems a bad bargain, especially for the 400,000 workers who would lose their jobs—and unskilled or semi-skilled, low-paid workers are usually the first to go.

I think such evidence, while admittedly based on models, studies and projections, is substantial enough to raise serious questions about the efficacy of a federal budget cut in checking inflation.

Tight money, the other commandment of the old-time religion, has left little doubt about the costs incurred in its use. This moribund housing industry is a highly visible result.

Support is growing in Congress for an easing of money restrictions, some form of credit rationing or allocation and a drop in prime lending rates. These are essential first steps and I hope they come soon. The Federal Reserve Board's high interest rate hits workers and consumers, those who build homes and those who hope to buy them, communities and small businesses.

Yet, money remains available for large corporations and foreign borrowers. The Federal Reserve reports that since the end of January banking institutions have increased their foreign assets by $8.5 billion to a level of $34 billion. Credit to foreign borrowers accounts for virtually all the increase, larger in the first half of this year than all of 1973.

A promising mechanism for turning this trend around and for channeling credit where it's most needed is an allocation system which would support with lower reserve requirements those lending institutions which make home mortgage loans. Correspondingly higher reserve requirements could be imposed upon those banks which funnel high-interest credit into the most speculative and inflationary enterprises.

I am increasingly certain that the fiscal-monetary approach will advance us little toward economic recovery. And I can't ignore the grim arguments of respected economists and analysts that blind adherence to the old-time religion could drive our weak economy into an old-time, and very deep, recession.

Certain steps, I believe, must be taken immediately. These would constitute the minimum guarantee that we will not force the hardest-hit victims of inflation and unemployment to pay for the cure—whatever form the cure ultimately takes. These are measures which will serve us well immediately and during the long process of economic recovery. And that is one point on which there is no disagreement: Recovery will be slow.

The only way to offset the growing unemployment which now seems unavoidable is with a massive standby public-employment program. Sen. Jacob Javits, R-N.Y., has already introduced a measure to provide up to $4 billion for up to 800,000 workers.

The plan has been criticized as a resurrection of the Depression WPA. But there is a more recent, and certainly more instructive example of the program Senator Javits envisions. This program would not fund a massive federal public work force. Instead, it would fund hiring by states and local governments of a broad range of skills, from laborers to engineers.

In studying a similar, but smaller, program, the Economic Employment Act of 1971, Senator Javits discovered that almost half the jobs provided have been in public works, transportation and education; 12 per cent in law enforcement; 9 per cent in the health field. The jobs have not been of a "make-work" nature.

The real value of the program is that people who held public service jobs got their own when 80 per cent had jobs within a year of leaving—and this despite a downturn in the economy over the past three years.

We must also provide training programs, streamline and increase unemployment benefit programs and assist workers in obtaining the mobility to get to such jobs as do exist.

The fragile Mideast peace could explode and again cut Arab oil suppies. That alone dictates that we step-up energy conservation measures and education. The urgency has vanished as the oil flow resumed and we are now importing more Arab oil than before the embargo. This dependence is dangerous for many reasons, and especially so in view of our economic woes. The cost of high-priced foreign oil is ravaging our balance of payments and is a major factor in our current inflation. The Senate Interior Committee estimates that we could save two million barrels of oil per day with a sensible, but not austere, conservation program. It's foolhardly to delay a return to the conservation measures which served us so well during the energy crisis last winter. New ones may also be found.

It is foolish, too, to delay the exploration of the most promising alternative energy sources—both new ways to employ the old forms, such as oil from shale and gas from coal, and entirely new forms such as geothermal and solar energy.

The House of Representatives still must act on the energy research and development bill which the Senate passed earlier this year. The measure provides $2 billion annually to develop alternate energy sources, another route by which we can minimize our dependence on oil imports and reduce our national energy bill.

A serious U.S. commitment to new energy sources may have a moderating influence on the price demands of those nations which have a lock on world oil supplies but which are dependent for their economic well-being upon oil customers such as us.

The growing volume of U.S. exports helps redress our payments imbalance and, thus, should be encouraged. But they must not be allowed to disrupt domestic markets. Unlike many other governments, ours does not know until exports are shipped what their impact will be on domestic prices and supplies. We must ensure beforehand, either through export licenses or careful monitoring, when and which exports are likely to adversely affect prices or supplies at home.

Foreign aid agreements must be scrutinized for such outrageous and outdated provisions as the one by which we gave oil-rich Iran a low-interest loan with which to purchase U.S. grain. These are vestiges of another era. Whatever their original rationale, they have no place in today's world.

Inflationary pressures are by no means all external. Recent congressional investigations indicate that competition is short-circuited in many major industries and does not function to guarantee consumers the best goods at the best prices.

Since World War II, there has been increasing concentration in our major industries—among them the electronics, auto and oil industries. Sen. Philip Hart states that 200 firms control the assets of two-thirds of our over 400,000 manufacturing firms. The Justice Department's antitrust division seems powerless to prevent anticompetitive concentrations. Any major company can spend more defending an antitrust suit than is budgeted for a year's operation of the antitrust division.

The division fights on a case-by-case basis, each case taking years to complete. Meanwhile concentration continues unchecked elsewhere, competition disappears and prices rise.

We need new, tough antitrust laws to help the Justice Department strengthen competition where it does exist, restore it where it does not.

I have already touched one step I believe must be taken immediately as part of any realistic new economic policy: Wage and price controls must be restored, at least on a standby basis—if only for psychological reasons. Jawboning is apparently the ministation's preferred defense against the most inflationary wage and price increases. However, it would be much more effective if backed by the authority to roll back increases when official pressures or reasoned appeals fail.

One has to wonder how seriously government is girding for the economic battle—never mind all the public pronouncements, when the administration refuse to seek, and Congress refuses to grant, the last-ditch weapon against the worst abuse.

Our intentions become further suspect with our failure so far to attack the most vicious characteristic of inflation—its distributional inequity. It's in the nature of all inflation that those who can least afford it suffer most. That is especially so in the present inflation, tied as it is to food and fuel costs which consume so much of low and mid-range incomes. Nothing would show our intentions better than a massive overhaul of the most pervasive and least fair of our institutions, our federal tax system. And nothing else would so swiftly alleviate the distress of inflation's primary victims.

There is a tax loophole for almost everyone except the wage-earner or small businessman. He pays his taxes, then picks up part of the tab for those who pay none, or nearly none, thanks to preferential tax treatment. The billions which tax reform would recover from those who now avoid their taxes would be returned to the majority of taxpayers by lower tax rates. The resulting decrease in withholding taxes would be visible and beneficial immediately.

A tax system which is basically inequitable should be reformed, economic crisis or no economic crisis. But, by doing it now, we can achieve credibility and earn support for the long and difficult task of righting our battered economy, restore fairness to the tax system and provide economic relief for millions of Americans—all with a single overdue reform.

None of these actions alone will solve our economic problems. Combined they represent only the minimum we must do to convince people the Congress and the administration are serious about stabilizing the economy but that there is a limit to the social and human costs we will extract in the process.

I hope, but am not hopeful, that a consensus emerges from the President's economic summit conference and that it embodies these points at least. I will urge and support them in the Senate, in any event.

A "new social contract" has been called for in America, one in which labor and business work together to defuse the wage and price spiral, one in which the citizens exercise restraint because they are confident their government will find some answers. The first move this time is government's.

NO RETIREMENT FOR WYOMING INVENTOR

Mr. McGEE. Mr. President, everyone knows that after retirement, a person is not supposed to do any work, that retirement is a time of sitting back and taking life easy, without worrying about today's pressing problems.

Fortunately, we in Wyoming have never believed that. Proof of this is John T. Williams, Sr., of Rock Springs, Wyo.

Mr. Williams retired from his careers as a mine inspector for the State of Wyoming, engineer for the Union Pacific Railroad and safety engineer in a coal mine in 1957. Since then, he has invented an automatic gate for railroad crossings, among other items. His latest invention offers some food for thought on controling pollution in urban areas.

Mr. Williams has developed a system of gathering and dispersing auto exhaust, industrial smoke, and other gaseous pollutants. His system utilizes existing sewer lines, plus fans and remote dispersal stacks to break up the concentrated smog and other forms of atmospheric pollution that plague our urban areas.

His invention deserves close attention, and this 84-year-old inventor deserves words of praise for his refusal to sit on the porch and let others worry about our problems.

An article in the September 3 Rock Springs Daily Rocket-Miner explains Mr. Williams' invention, and offers an insight into his own life. Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

John Williams, Sr. Invents a Pollution Control System

An air pollution control system which handles both automobile emissions in cities and factory wastes has been designed by John T. Williams, Sr. of Rock Springs.

Williams believes his system offers cities an opportunity for controlling pollution effectively but at a reasonable cost. The system utilizes existing underground sewers and also may be used too as gaseous waste outlets for factories. The polluted air drawn into the sewers travels through the sewers above the water supply to a remote location where it is discharged upward through tall smokestacks at high velocity into the upper levels of the air above cities.

Williams, who applied for the patent on his system in June 1971 and was granted patent No. 3747502 on July 24, 1973, says there are other such systems, "but the principal is not the same."

He believes his system has great possibilities in this pollution-conscious age because it is adaptable to "substantially all cities and is particularly effective in reducing air pollution over cities which are situated in geographical depressions."

This isn't the first patent Williams, who is 84, has been granted. The other involved a system with automatic electrically operated gates on railroad crossings which make it impossible for motorists to drive cars onto the track when a train is passing or about to pass.

Every train passing through keeps the gates locked until it has passed; then the gates are automatically released. Several people have expressed an interest in this invention, including the governor of Utah. And Williams says he has already received about 15 to 17 inquiries on his air pollution control system from such people in such states as North Carolina, Indiana and Ohio, to mention only a few.

"It took two years to carry it through the patent office," Williams said. "Before they grant a patent, they tear a proposal to pieces, checking it out."

The actual application was handled for Williams by two attorneys, Clarence A. O'Brien and Harvey B. Jacobsen.

Williams has lived in Rock Springs 25 years and before his retirement worked in the coal mines as a safety engineer, for Union Pacific as an engineer and for the state of Wyoming as a deputy mine inspector. He retired in 1957, but he has hardly retired from an active life, and from his basement apartment at 329 I St., he keeps in contact with people who are interested in his inventions.

His air pollution control system works, briefly, this way:

Sewer gratings at street level in a city draw discharged emissions from automobiles through the gratings into the sewers by means of electrical fans. These fans serve both as a draw and a push, and after the gasses are drawn into the sewers, fans push the gases through the sewers above the water to a catch-all basin area. The polluted gases continue to be blown to the sewage plant in a remote area.

Industries located at some distance from the discharge smokestack can still make use of it. There is a waste gas outlet at the factory's own smokestack into the lower end. At the lower end of the smokestack is a manually operable seal and the waste gas outlet opens downward into the pipe. At the point where the waste gas outlet and the pipe join, the pipe includes an upwardly inclined branch passage which opens into the lower end of a high, large capacity smokestack. In addition, the branch passage also opens into a chamber in which a high capacity blower is found.

There is a "double door" type of control on emissions as they enter the emissions smokestack. The control can be opened if more emissions are desired at the time or closed more if fewer emissions are desired.

A swinging gate on the outside of the sewage plant raises emissions to an extent if there is sewage. Fans draw and push the polluted air simultaneously to the emission stacks. Gasses only enter—no liquid or sewage is allowed to enter there.

The gases are forcefully emitted upward through the tall smokestacks by a high volume pump and the gases enter the atmosphere, where they are dispersed into the air and sometimes straight up into the jet stream.

The main object of the system, according to material on file in the patent office, is to provide an air pollution control system which will be effective in collecting ground level gaseous air contaminants, "ducting the collected contaminants to a remote location and then discharging the gaseous contaminants" into the higher velocity air currents which usually prevail at high elevations.

Another object of the system is to provide an air pollution control system which will conform to conventional systems of manufacture, be of simple construction and efficient in operation so as to provide a device that will be economically feasible, long lasting and relatively trouble free.

What about the cost of Williams' system? It depends on the scale, he says. A small town obviously wouldn't need a system as extensive as a large city would. And the fact that the system utilizes the existing sewer system can result in a considerable saving.

WYOMING WOMAN FIGHTS TUBERCULOSIS IN SOUTH KOREA

Mr. McGEE. Mr. President, we in the United States are fortunate that tuberculosis has become a relatively minor disease, one which can be controlled and treated without the threat of death. This has not always been so in this country. It took a strong program of research and detection to control this disease in this Nation.

Other nations have not come as far as we in the control of TB. South Korea is one such nation, where estimates place the number of active TB cases at some four percent of the population, with carriers who do not show the disease at a correspondingly higher figure. The United States is helping this nation and others fight TB, and I am proud to tell my colleagues that a 23-year-old Wyoming woman is doing an outstanding job in this effort.

Martha P. King is serving with the Peace Corps in South Korea. She is the daughter of the Rev. and Mrs. W. G. King of Newcastle, Wyo., Ms. King graduated from the Little Snake River Valley High School in Baggs, Wyo., and majored in biology and psychology at Swarthmore College, in Swarthmore, Pa. Ms. King graduated in 1973 and joined the Peace Corps that same year.

ACTION, the Federal agency for such volunteer programs, has issued a press release about the work of Ms. King. She and a male co-worker supervise a group of Koreans who check on patients with TB, conduct detection programs in the area and perform other valuable work in the fight against this disease. She has had an opportunity to become acquainted with the Korean culture and has found it fascinating. The respect she feels for the people of that nation, and her sincere committment to her work, show through quite clearly in this story.

I take great pride in Martha King's achievements as an American citizen and as a representative of Wyoming. She has brought honor to her parents, her State and her Nation. I commend her most highly, and ask unanimous consent that this press release be printed in the Record.

There being no objection, the press release was ordered to be printed in the Record, as follows:

[Action News Press Release]

Wyoming Peace Corps Volunteer Helps Korea Fight Tuberculosis

Sometimes called "the pestilence of the poor," tuberculosis is a leading cause of death in Korea. TB finds its most vulnerable victims among people whose normal resistance has given way to chronic fatigue, deficient diets and too little fresh air.

Martha P. King, 23, of Newcastle, Wyo. has joined the Korean government's battle to rout this dreaded illness through programs of health education, preventive and curative medicine and effective follow-up treatment.

Miss King is a Peace Corps volunteer who is working at a county public health center in Cholla Namdo province to help improve and extend the national tuberculosis control program. She and a male co-worker supervise 11 female workers who are responsible for implementing the TB program in the county's rural districts.

"My job is to help provide better follow-up services for our 400 plus registered patients, all of whom live in their own homes, and to help motivate the girls to find more of the presumed 8000 active TB patients," said Miss King.

A major public health problem in Korea, the disease is prevalent in rural areas. More than four percent of the population is actively afflicted, according to Miss King, and a high percentage is skin test positive, infected but resistant to the bacteria.

TB is relatively simple to cure with modern chemo-therapy and relatively easy to prevent with vaccinations, Miss King noted. "But the Korean government has many hurdles to face in its anti-TB campaign: low budget, social stigma attached to patients, people afflicted often don't realize their problem, medical facilities are often far from villages, there is widespread lack of public knowledge about the curability of the disease, and there is a general fatalistic attitude toward annoyances like a cough that persists for two years," she said.

The program's progress in her district is hampered by inadequate transportation and a widely dispersed area, she said. "A typical day might consist of riding a bumpy country bus for an hour and a half to meet one of my girls to go home visiting. Home visiting consists of traipsing through fields and over hills to reach scattered villages. It's a busy day to see even 10 patients!"

"Home" to Miss King is a boarding house in which she has her own spacious, 10 by 10 foot room, about as large an area as two or three Koreans would live in. Residing with Koreans, she lives as they do—eating and sleeping on the floor, dining on rice and locally grown vegetables, washing at a well behind the house and using outdoor bathroom facilities.

"The 17-year-old son of my boarding house owner is an infectious TB patient, living in the same house with all of us," she said. "The situation illustrates how my experience in TB control is tied in directly with everyday living."

Everyday living also involves some concessions to the customs and culture of Korea. "Social interactions are quite rigidly structured, depending on one's status," she said, and age, education, sex and employment are of utmost importance in one's social contacts and mobility.

Korean customs and traditions have created a "male chauvinistic, socially stymied atmosphere," she said. "Young, single females have virtually no status, but the fact that I am an American gives me freer rein to be socially mobile."

The Koreans, she said, are "hardworking and sincere, as well as good humored. They are congenial and usually patient with foreigners.

"I'm certainly glad to have the opportunity to live and work with Koreans and to share in their culture. The past year has been a most worthwhile and rewarding experience for me. For the time being, I certainly wouldn't trade the experience for any other."

Miss King is the daughter of the Rev. and Mrs. W. G. King of 10 W. Winthrop, Newcastle. A graduate of Little Snake River Valley High School in Baggs, Wyo., she majored in biology and psychology at Swarthmore College in Swarthmore, Pa. She graduated in 1973, the same year she entered the Peace Corps.

She is one of 321 Peace Corps volunteers in Korea. At present, there are 7,300 Peace Corps volunteers serving in 69 developing nations around the world.

The Peace Corps is part of ACTION, the federal agency for volunteer service established in July, 1971 to administer volunteer programs at home and overseas. Mike Balzano is director of ACTION.

NATIONAL WEEK OF CONCERN

Mr. HUMPHREY. Mr. President, the World Hunger Action Coalition has declared this week the "National Week of Concern for World Hunger." During the week, a massive effort is being made to increase public awareness of the world food problem, which is quickly reaching crisis proportions, and to urge interest in the November World Food Conference. Several regional conferences are scheduled this week to discuss various aspects of the current food situation.

By the end of the month, the coalition hopes to present Secretary Kissinger with a mandate to endorse increasing our food and technical assistance to poor countries and establishing a system of world food reserves. As the world's leading supplier of food, this would enable us to participate in the World Food Conference in a true leadership position.

I commend the coalition for embarking on such a crusade and I hope that the World Food Conference will mark the commencement of an international cooperative effort to meet the food needs of all the world's people. Surely this will not be an easy task, but if we are all willing to make a small contribution I believe that we can meet the threat of mass starvation and eventually recognize the day when no one will have to go to bed hungry.

A recent article in the Christian Science Monitor describes various initiatives sponsored by organizations throughout the United States to stimulate concern over the world food crisis.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AWAKENING AMERICA TO WORLD FOOD NEEDS—COALITION PLANS "NATIONAL WEEK OF CONCERN," SENDS PETITIONS ON HUNGER PROBLEM ACROSS UNITED STATES

(By Monty Hoyt)

Washington.

WASHINGTON.—What can Americans do to alleviate the hunger among one-third of the world's population?

"Plenty," responds a coalition of 75 national organizations which are waging an all-out campaign to dramatize the plight of the world's hungry and to muster support for the upcoming UN-sponsored World Food Conference in Rome.

"We feel if the American people know how serious the problem is, they will respond humanely and take a leading role in alleviating world hunger," states Martin M. McLaughlin, executive secretary of the World Hunger Action Coalition.

As a result of the campaign, Sept. 22–29 has been set aside by several dozen governors and big-city mayors as a "National Week of Concern for World Hunger." Regional conferences around the U.S. will focus on the problems of food production, distribution, shortages, and nutrition; a hunger vigil (fast) will be held during the week at the Lincoln Memorial in Washington and elsewhere throughout the U.S.; schoolchildren are to take part in a national poster appeal contest; hunger walks and "hunger banquets" are to be held to rivet public attention to this compounding world problem.

More than 70,000 petitions are being circulated around the U.S. in an effort to get a million signatures to be given to Secretary of State Henry A. Kissinger at the end of the month.

The petitions, sponsors feel, not only will demonstrate there is a large, sympathetic sector of the population which is committed to positive action, but also will firmly endorse three major U.S. objectives for the November world-food conference. These are: an immediate increase in U.S. food aid to developing nations; setting up a world food-reserve system; and working toward long-range agricultural improvements in "third world" countries.

"Just as we turned down our thermostats to conserve energy, we are willing to eat less in order to feed the hungry and undernourished and to prevent starvation . . . though we cannot feed the whole world, what we do will make a difference. We dare not become an island of plenty on an increasingly hungry planet," the petition says in part.

PERCY AND SHAPP

The co-chairmen of the Hunger Coalition Advisory Commission, Sen. Charles H. Percy (R) of Illinois and Gov. Milton Shapp of Pennsylvania, repeatedly have underlined the urgency of the situation:

"Our country is inseparably linked to the rest of the world . . . we must recognize our continuing responsibility to share with others the resources we are so fortunate to have," Senator Percy said last month in introducing with others a Sense of the Congress resolution in the Senate.

"If we don't act now," Governor Shapp said, "it may well become the food crisis in 1985 or before."

Beyond the immediate task of arousing public awareness to world hunger problems through the National Week of Concern, coalition members see an on-going need to educate and sensitize the public to this long-lasting dilemma.

But they also are greatly concerned about the role the American delegation will play at the Rome conference.

Only last week Secretary of Agriculture Earl L. Butz, leader of the 40 member U.S. delegation, said, "We're not going to permit starvation in any part of the world so far as it is in our power to prevent it." Almost in the same breath, however, he called it "academic" to talk about accumulating world stocks of food or doubling U.S. food aid.

"If we go in with a bag full of goodies, we are going to come out in bad shape," Mr. Butz said. "Our ability to deliver is limited this year."

"If what Mr. Butz says is all the message there is from America, what's the point in calling for a world conference in the first place," contends Jack G. Healey, executive director of the American Freedom from Hunger Foundation. (The UN conference was called at the urging of Secretary of State Kissinger and the conference of nonaligned nations.)

LEADING EXPORTER

The U.S. is the world's leading food exporter—with 65 percent of all the grain that moves in international trade originating here.

"The leadership in sharing food resources with the hungry has to come from us," Mr. Healey stresses.

World food shortages are not going to go away; it will require a long-term commitment on the part of the U.S., Mr. Healey says. "But it's important that we can show [through the petition drive] that the American people think differently than what Mr. Butz is saying."

Otherwise, coalition officials feel, the Rome conference will "fall flat on its face."

KNOWLEDGE NOT IMMORAL

Mr. THURMOND. Mr. President, an editorial addressing the current controversy regarding the Central Intelligence Agency appeared in the Augusta Chronicle newspaper, September 16, 1974.

This editorial entitled, "Knowledge Not Immoral," recognizes the reality and the necessity of the Central Intelligence Agency. It also points out that some authority must control the CIA and we presently have such control by the executive branch with oversight powers in the Congress.

Mr. President, I believe this editorial will be helpful in the current debate and ask unanimous consent that it be printed in the Record at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Knowledge Not Immoral

Many Americans will find objectionable new attempts by pressure groups to give Congress greater control over the Central Intelligence Agency.

An outfit calling itself the Fund for Peace has called for strict congressional operational control over the CIA, claiming that the CIA's, "secret" role is "immoral" and somehow violates "the United Nations and international law."

What kind of reasoning is this? Is American security to be subjugated to the whims of the United Nations, a majority of whose members could safely be called anti-American?

The gathering of intelligence data on the capabilities and intentions of potential enemies is vital to national security, and can hardly be construed as, "immoral." When the CIA gets out of the intelligence field, of course, then it risks getting out of line.

"Secrecy," CIA Director William Colby rightly says, "is not unique to the CIA." In fact, our armed forces are responsible to the public, but the public doesn't demand that their secret security plans be aired, published, or hacked to pieces by a Senate committee.

It seems to us, that some congressmen and groups like the Fund for Peace, no matter how well-intentioned, have no business denying secrecy to the CIA, an agency whose mission is information gathering and securing the well-being of our Nation.

THE NIXON PARDON

Mr. ROTH. Mr. President, I am deeply concerned about the bitterness that has swept this country as a result of President Ford's pardon of former President Nixon. As one of those who favored eventual clemency, I do believe President Ford's action was premature. Whether or not the President was right or wrong in taking this step I believe it is time that all Americans come together again to face and solve the very difficult problem of the economy now confronting this country. This is not the time to be concentrating on the divisive issues of the past. This is the time to be working together with all we have to assure that the future of the country will not be imperiled. Negative backward looking efforts will do little to help our declining economy.

Vermont Royster recently published an article on the Presidential pardon in the Wall Street Journal. It is one of the most perceptive I have seen on this subject and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Bitter Spirit That Won't Die

(By Vermont Royster)

Washington.—It has been difficult these last 10 days to shake off a sense of sadness about the country.

For one blessed month—from the 9th of August to the 8th of September—you could believe that the country had awakened from that nightmare known as Watergate. All across the land there was a feeling of relief, and a visitor here at that time could hope that we were going to have a time of healing.

The new President had brought a breath of fresh air into the White House. With it had come a wave of good feeling that swept over the press galleries and into the halls of Congress. At long last, or so it seemed, we had a government not preoccupied with the scandals of the past and so ready to turn to the urgent problems of the day.

Yet now, once again, the country and this city are caught up in acrimony. The country is angry, the press is bitter and the recriminations fly through the halls of Congress. Everywhere you turn the ghost of Richard Nixon walks the town.

Especially at the White House. It was President Ford's press conference Monday night, but as question after question returned to Watergate, the tapes or the pardon, it was clear that the wrath of Mr. Nixon still haunts the East Room.

So the sadness is for a new President who in one ill-advised moment emptied his reservoir of good-will. It is also, though, for the revelation of how shallow it was, how ready many were to see it dissipated and how eager they were to leap upon his wounds.

And not the least of the sadness is what these 10 days have revealed of the bitter and vengeful spirit abroad among the people, including some within the press, that will forget nothing and forgive nothing. That, too, has not been a pretty sight.

Begin with President Ford. His blunder was not simply that he pardoned Richard Nixon. It is hardly to be expected that, if it came to that, he would see the former President led manacled to the dock nor, I should hope, that the people would wish him to.

It was not entirely, either, that the pardon was "premature," though that is a word frequently heard hereabouts. No matter what time he picked, there would be those to find it wrong.

A SURPRISE REVERSAL

The heart of the President's blunder was that he did what he seemed to have said he would not do. Only two weeks earlier Mr. Ford appeared to say that he would wait at least until some charges were brought against Mr. Nixon for which he could be pardoned. And until the eve of his decision he misled this own press secretary into misleading the press and the public that this was his intention.

Then he reversed himself abruptly, with no preparation of public opinion, and so casually of a Sunday morning that the people heard the deed before they heard any explanation for it. Shock was then inevitable, and no matter how well reasoned the President's decision the explanation could never catch up

The damage, then, was to the President's credibility and, not much less important in the real world, to his political skill. It was unbelievably clumsy, and this error was compounded by the bungling that followed over whether he would extend other pardons to those involved in Watergate.

One consequence is that now this President, like his two predecessors, will hereafter have a credibility problem. He lost both his press secretary and the confidence of the press. Moreover, as Dennis Farney reported in The Wall Street Journal, he raised in many people's minds fundamental questions about his judgment.

He showed himself gutsy but exceedingly inept, and in the milieu of Washington, ineptness in a President is almost a cardinal sin. Hereafter neither politicians nor journalists will draw back from criticizing him on anything.

Every President, and Mr. Ford is no exception, comes to office with a store of political capital he can draw on with Congress and the public. But he must spend it sparingly and only upon the most important objectives. Mr. Ford has spent his needlessly and thoughtlessly. For that, he and the country must now pay a price.

But while that is sad, the violence of the reaction from both press and public is no less so. To read some of the press comments, to skim through the mail piling up on Congressmen's desks, is to detect not merely disapprobation of the President's decision but a touch of hysteria.

From many in the press, in the pulpit and among the public comes the accusation that Mr. Ford was not just misguided in his timing nor mistaken in his judgment but that he was immoral. It is his character and not his wisdom that is assailed.

That President Ford might have had some compassion is sneered at. That he might truly have believed it was better for the country to have done with this, that in the long run it was better not to prolong the ordeal, is dismissed out of hand. In these comments on Gerald Ford there is a revelation of how deeply suspicion and distrust have cut into the body politic.

And there is another undercurrent running through the outcries. Most of these people furious with President Ford say they do not want Mr. Nixon to go to jail, but that any act of mercy or compassion should have waited another time. Yet had the President waited until charges were brought, you wonder if they would not have said he should wait for an indictment. An indictment being brought, that he should wait perchance for a conviction. And then for at least "some" punishment.

"THE WHOLE TRUTH"

Many justify this by saying we shall never know "the whole truth" unless the ex-President himself is brought to trial, as if we did not know enough after all those Senate hearings, all those tapes, all that impeachment inquiry. Yet the man who conducted that impeachment inquiry, House Judiciary Committee counsel John Doar, certainly does not think so. "The facts have been established," he says, and anything else would at most "just be cumulative."

Observing the outcry you cannot escape the feeling that accumulation is what many of these people really want, not just the accumulation of facts but the accumulation of punishment. Clearly much of the anger vented on President Ford is in reality a cry for vengeance on Richard Nixon.

Those who say there should be no pardon, ever, for Mr. Nixon are more straightforward, and their argument has the merit of righteousness. Yet few of them would go so far as to remove charity from the trilogy of virtues or argue there should never be pardons for anyone. So the anger of their righteousness seems to say that for this man alone punishment should have no end.

The simple truth is that Richard Nixon has been punished for his transgressions, with a punishment no man can feel who has not been President of the United States. He did not merely lose an office. His life has been destroyed, his place in history sullied, his 40 years of public service smashed. He wears already the stigma of the outcast; the shame must haunt him forever. That he brought it on himself makes it no less a punishment.

Yet for some people this is not enough. They would have the last pound of flesh. Listening to them you can almost hear those who once would bury witches only with a stake through their heart.

This, sadly, is what Watergate has brought us to. This is the true injury that Richard Nixon and those about him did to the country.

Their legal transgressions were corrected; their plots never succeeded. But they have left us a country inflamed with passions. So inflamed that sometimes neighbor cannot talk to neighbor. So inflamed that some impute wickedness to those who exposed the deeds. So inflamed that some think a President of the United States who speaks of mercy is immoral. It is a terrible legacy.

Senator Ervin, who chaired those Watergate investigations, once remarked that he could recall no comparable division of bitterness since the Civil War and that he was not sure but what this might prove worse. We are close to giving shape to the Senator's fears.

Altogether, a sad time indeed to visit the capital of a great nation. The two years of Watergate were bad enough but at least we thought we saw an end to it. For a month there was the hope that we had put it behind us. Now the pedestal has slipped from under another President and all those bitter passions come to life again. And this time you cannot help asking yourself when it will ever end.

ASPARTAME SUGAR SUBSTITUTE MAY CAUSE BRAIN DAMAGE IN CHILDREN

Mr. PROXMIRE. Mr. President, I call upon the Food and Drug Administration to rescind and withdraw its approval of Aspartame as a sugar substitute until such time as detailed hearings have been held and additional scientific tests have been made to guarantee that it will not cause brain damage to children in combination with monosodium glutamate.

On July 26, 1974, the FDA approved Aspartame as a sweetener and sugar substitute for use in cold cereals, chewing gum, dry bases for beverages, instant coffee and teas, gelatins, puddings, fillings, and as a free flowing sugar substitute for table use.

In the Federal Register the FDA Commissioner concluded that Aspartame was safe for these uses with a 100-fold safety factor. However, considerable scientific evidence since submitted for the public record charged that "The risk of Aspartame acting in concert with another popular food additive, monosodium glutamate, to produce brain damage in children is totally ignored" in the FDA's statement.

While it appears that Aspartame is safe when used alone by adults, when combined with MSG it may have tragic neurotoxic effects.

On August 16, 1974, Dr. John W. Olney, M.D., associate professor of psychiatry at Washington University School of Medicine in St. Louis wrote the FDA that:

> The Commissioner has presented a seriously misleading case for the safety of Aspartame.

Dr. Olney charged that the margin of safety for children who will be eating Aspartame on cereals, in gums, beverages, puddings, toppings, et cetera:

> Even if glutamate were not simultaneously being ingested, is nowhere near the 100-fold margin which the Commissioner estimated for adults.

At one point in his memorandum Dr. Olney states that the Commissioner's calculation:

> Is mathematically off base by 1,000 times.

Dr. Olney stated that:

> Glutamate and aspartame are toxic by an acute mechanism which leads to the irreversible necrosis of hypothalmic neurons from only a single exposure.

Dr. Olney warned that:

> If packages of Aspartame are available for free-flowing use in the home, infants and children will have at their finger tips an instant brain damaging powder which tastes like candy.

Monosodium glutamate or MSG, the additive which combined with Aspartame can cause the latter to become highly toxic, is found very commonly in soups, processed meats, potato chips, weiners, vegetable mixtures, fish sticks, et cetera.

Young children who eat Aspartame sweetened dry cereal, chew gum, drink Kool Aid, and then ingest MSG seasoned fish steaks, meat balls, or Colonel Sander's chicken can be in acute danger of brain damage.

Here is a situation in which a sugar substitute like Aspartame, in view of the present sugar shortage, has tremendous economic potential for its manufacturer. The FDA states that it is 180 times sweeter than sugar.

FDA restricted the scientific data until the Federal Register notice of July 26. At that time only 30 days were given for comments. Yet the manufacturer's supporting data not made public until then was so voluminous that it took four large whisky case-like boxes to contain it. There is no way it could be analyzed or criticized thoroughly in such a short period of time.

The FDA Commissioner's approval gave glowing and uncritical comments as to Aspartame's safety. But Dr. Olney's letter and memorandum plus previous work done on the fact that acidic amino acids damage retinas and brains in newborn mice and monkeys indicate that the utmost caution and the most searching scientific examination must be given Aspartame before it is finally put on the market.

This is true especially since Aspartame and MSG will be widely eaten by children in combination if Aspartame is approved.

Unless the FDA acts decisively, Aspartame could be another Thalidomide tragedy in the making.

Mr. President, I ask unanimous consent that the FDA's filing in the Federal Register on July 26, 1974—pages 27317–27320—and the letter and memorandum to the FDA Commissioner by Dr. John Olney dated August 16, 1974, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Federal Register, July 26, 1974]

(Title 21—Food and Drugs, Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare, Subchapter B—Food and Food Products)

PART 121—FOOD ADDITIVES—SUBPART D—FOOD ADDITIVES PERMITTED IN FOOD FOR HUMAN CONSUMPTION—ASPARTAME

In the FEDERAL REGISTER of March 5, 1973 (38 FR 5921), notice was given that a petition (FAP 3A2885) had been filed by G. D. Searle & Co., Box 5110, Chicago, IL 60680, proposing the issuance of a food additive regulation to provide for the safe use of aspartame (L-aspartyl-L-phenylalanine methyl ester) in foods as a nutritive substance with intense sweetness and with flavor-enhancing properties.

Subsequently, the petitioner amended the petition by proposing additionally the safe use of L-leucine, for technological purposes, in tablets containing aspartame.

The Commissioner of Food and Drugs has evaluated the data in the petition, and other relevant material, and concludes that the food additive regulations should be amended, as set forth below, to provide for the safe use of the petitioned additives. Because the appearance of this new sweetener is expected to elicit considerable public interest, a discussion of the new regulation is set forth in this preamble.

1. Aspartame is the methyl ester of a synthetic dipeptide of two amino acids, i.e., L-aspartic acid and L-phenylalanine. The chemical terminology for designation of aspartame has been revised slightly in order to be consistent with the terminology employed by Chemical Abstracts Service: 1-methyl *N*-L-α-aspartyl-L-phenylalanine.

2. Aspartame is intensely sweet—about 180 times as sweet as sugar. When consumed, it is metabolized as a protein, unlike sugar which is metabolized as carbohydrate. Like sugar or protein, aspartame provides approximately 4 calories per gram; however, because of its greater sweetness, if aspartame is employed as a sweetener in place of sugar it will provide only about 1/180th of the calories that would be provided by the use of a quantity of sugar yielding equivalent sweetness. Aspartame differs from saccharin, which may be used as a sweetening agent in certain foods pursuant to § 121.4001 (21 CFR 121.4001), in that saccharin provides no calories. However, because of its intense sweetness, the amount of aspartame needed to sweeten food satisfactorily may often be so small that its caloric contribution will be minute and insignificant.

3. Aspartame cannot be substituted for sugar without restriction. Prolonged cooking temperatures (such as, for example, those encountered in frying and baking) can cause significant breakdown of aspartame to diketopiperazine, with a consequent loss of sweetness. The order below does not approve any use of aspartame which would pose any prospect of appreciable breakdown to diketopiperazine.

4. The Commissioner approves the following uses of aspartame as a sweetener:

(a) Use in dry, free-flowing sugar substitutes for table use (not to include use in cooking) in package units not to exceed the sweetening equivalence of 2 teaspoonfuls of sugar.

(b) Use in sugar substitute tablets for sweetening hot beverages, including coffee and tea.

(c) Use in cold breakfast cereals.

(d) Use in chewing gum.

(e) Use in dry bases for: beverages, instant coffee and tea, gelatins, puddings, fillings, and and dairy product analog toppings.

5. The Commissioner also approves use of aspartame as a flavor enhancer in chewing gum.

6. The Commissioner concludes that aspartame is safe for the above listed uses, under the conditions set forth in the regulation. A copy of all of the extensive research data on which this safety judgment is based has been placed on file, available for public inspection, in the office of the Hearing Clerk, Food and Drug Administration. Rm. 4–65, 5600 Fishers Lane, Rockville, MD 20852. Of principal significance, the petitioner submitted 2-year feeding studies with aspartame in rats and dogs and a lifetime feeding study in in-utero exposed rats. These chronic feeding studies provide sufficient support for the long term safety of the uses of aspartame permitted by the food additive regulation. These long term feeding studies, evaluated conservatively, reveal a "no effect" level for aspartame at least as high as 2 grams per kilogram of body weight. Employing a 100-fold saftey factor, and applying this figure to the average 60-kilogram man, an acceptable intake level of at least 1.2 grams of aspartame per day results. A daily diet including the foods which may be sweetened with aspartame in accordance with this order might lead to a probable maximum ingestion of 1.3–1.7 grams of aspartame per day. Considering the conservativeness of the "no effect" level derived from the animal tests and the 100-fold safety factor employed in relating the tests to man, the Commissioner concludes that the uses approved by this regulation constitute an acceptable daily intake of aspartame with an ample margin of safety. Research data involving humans confirm safety for at least this level of consumption.

7. Diketopiperazine (5 benzyl-3, 6-dioxo-2-piperazineacetic acid) is the breakdown derivative of aspartame, routinely present in the sweetener at levels up to about 1 percent of the aspartame. At such levels the safety of diketopiperazine is shown by the safety studies on aspartame mentioned above. Additional data on diketopiperazine itself support a judgment that the substance is safe in aspartame, when used in accordance with the regulation, up to a level of at least 2 percent, and accordingly, the final order authorizes use of aspartame which contains no more than 2 percent diketopiperazine. None of the uses of aspartame authorized by the order below would be likely to result in significant breakdown of aspartame to higher levels of diketopiperazine. The Commissioner is not aware of any studies which indicate any toxicological problems with diketopiperazine, even at higher levels; however, he advises that any future requests for uses of aspartame which involve a prospect at significant breakdown to higher levels of diketopiperazine will be required, prior to approval, to demonstrate affirmatively that the anticipated higher levels are safe. The Commissioner understands that long term feeding studies of diketopiperazine are in progress.

8. In the digestic tract, aspartame is hydrolyzed to L-aspartic acid and L-phenylalanine, two amino acids which occur naturally in food protein. Both of these amino acids have previously been approved as safe for addition to food so as to improve the biological quality of protein, under §§ 121.101 and 121.1002 (21 CFR 121.101 and 121.1002). The amounts of L-aspartic acid and L-phenlyalanine which would enter the diet from the uses permitted by this order are nutritionally insignificant and too small to pose any risk of amino acid imbalance.

9. The regulation also permits the use of L-leucine as a lubricant in the manufacture of tablets containing aspartame for sweetening hot beverages, at a level not to exceed 3.5 percent of the weight of the tablet. L-leucine, like L-aspartic acid and L-phenylalanine, is an amino acid which occurs naturally in food protein and which has been approved as safe for addition to food so as to improve the biological quality of protein, in §§ 121.101 and 121.1002. The amount of L-leucine which would enter the diet from the use permitted by his order is nutritionally insignificant and too small to pose any risk of amino acid imbalance.

10. The Commissioner recognizes that L-phenylalanine intake must be restricted by persons with phenylketonuria (PKU), an inborn error in metabolism. From L-phenylalanine is a naturally occurring amine acid found in many foods, a person with PKU is already accustomed to checking all of his dietary intake so as to minimize consumption of the substance. The Commissioner has determined that in order to assure the safe use of aspartame in food, all finished foods containing aspartame must include an appropriate warning to phenylketonurics that the food contains L-phenylalanine. This order provides in detail the requirements for such warnings. The petitioner submitted studies showing that the uses of aspartame authorized by the regulation will not result in elevation of phenylalanine blood levels: nevertheless, in the judgment of the Commissioner, the aforementioned warning is necessary in the interest of safety.

11. High levels (3 and 3 grams per kilogram of body weight) of aspartame, when fed to infant monkeys, have been reported by one investigator to be associated with toxic manifestations. The same results were reported by the investigator when L-phenylalanine was fed at similarly high levels. These test levels are far in excess of the ingestion levels of aspartame and its L-phenylalanine component which could be expected to result from this regulation, as discussed in paragraphs 6 and 8 of this preamble.) In any event, none of the uses approved by the order would be likely to result in consumption of significant levels of aspartame by human infants. The long term feeding studies cited in paragraph 6 of this preamble demonstrate the safety of aspartame under the conditions of use approved by the order.

12. The Commissioner is aware of data indicating that high oral intubation dosages and subcutaneous injections of monosodium glutamate may have a toxic effect on newborn animals, and he is aware that L-aspartic acid (treated in paragraph 8 of this preamble) has been reported to act similarly to monosodium glutamate. However, the newborn infant animal is a hypersensitive subject, and in any event subcutaneous injection of a compound is an inappropriate method of investigating its safety as a food additive and the oral intubation dosages of monosodium glutamate involved, i.e., over 1 gram per kilogram of body weight in the newborn animal, were greatly in excess of the levels of aspartic acid which can be expected to result from the uses of aspartame permitted by the regulation, i.e., 0.013 milligram per kilogram of body weight. Furthermore, none of the uses of aspartame approved by this order involves the feeding of newborn infants. A copy of the *Scientific Literature Review on Glutamates*, February 8, 1974, which reviews the scientific literature regarding monosodium glutamate, is on public file in the office of the Hearing Clerk.

Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(c) (1), 72 Stat. 1786; 21 U.S.C. 348(c) (1)) and under authority delegated to the Commissioner (21 CFR 2.120), Part 121 is amended by adding a new section to Subjart D as follows:

§ 121.1258 Aspartame.

The food additive aspartame may be safely used in food in accordance with good manufacturing practice as a sweetening agent or for an authorized technological purpose in foods for which standards of identity established under section 401 of the act do not preclude such use under the following conditions:

(a) Aspartame is the chemical 1-methyl N-L-*a*-aspartyl-L-phenylalanine $(C_{14}H_{18}N_2O_5)$.

(b) The additive meets the following specifications:

(1) Not less than 98.0 percent and not more than the equivalent of 102.0 percent $C_{14}H_{18}N_2O_5$ (aspartame), calculated on the dried basis (4 hours at 105° C), as determined by the following analytical method.

APPARATUS

Titration vessel. Glass beaker or flask, 150 milliliters.

Buret, 50 milliliters with 0.1-milliliter gradations, equipped with tetrafluoroethylene polymer stopcock.

Aluminum foil.

Optional equipment. Magnetic stirrer and tetrafluoroethylene polymer-coated magnetic bar.

REAGENTS

Lithium metal.

Methyl alcohol. Absolute, A.C.S. reagent grade.

Benzene. Anhydrous, A.C.S. reagent grade.

Thymol blue (thymolsulfonephthalein). A.C.S. reagent grade.

Ethyl alcohol. 95 percent.

Benzoic acid. A.C.S. reagent grade, of specified purity dried at 80° C.

N,N-Dimethylformamide. A.C.S. reagent grade.

Lithium methoxide solution. 0.1 normal; dissolve 600 milligrams of lithium metal in 150 milliliters of absolute methyl alcohol and 850 milliliters of benzene. Filter the solution if cloudy.

Thymol blue solution. Dissolve 100 milligrams of thymol blue in 100 milliliters of 95 percent ethyl alcohol. Filter if necessary.

PROCEDURE

General instructions. Perform in triplicate both the standardization of the lithium methoxide solution and the titration of the sample. Perform one titration of the solvent blank, i.e., *N,N*-dimethylformamide. Cover the titration vessel with aluminum foil while dissolving the samples and throughout the titration to decrease carbon dioxide absorption.

Titration of solvent blank. All 35 milliliters of *N,N*-dimethylformamide to the titration vessel. Add 5 drops of the thymol blue solution and titrate the mixture with lithium methoxide solution to an end point indicated by a color change from yellow to blue.

Determination of normality of the lithium methoxide solution. Place a weighed sample of benzoic acid (approximately 80 milligrams) in the titration vessel, add 35 milliliters of *N,N*-dimethylformamide and dissolve the sample. Add 5 drops of thymol blue solution to the dissolved sample and titrate with the lithium methoxide solution to an end point indicated by a color change from yellow to blue.

Titration of the aspartame sample. Place a weighed sample of aspartame (approximately 150 milligrams dried at 105° C for 4 hours and stored in a desiccator) in the titration vessel, add 35 milliliters of *N,N*-dimethylformamide and dissolve the sample. Add 5 drops of thymol blue solution to the dissolved sample and titrate with the lithium methoxide solution to an end point indicated by a color change from yellow to blue.

CALCULATIONS

$$N=\frac{J}{(122.12)\ (S-B)}$$

Percent aspartame in sample=

$$\frac{(294.3)\ (A-B)(N)}{K}\times 100$$

Where:

N=Accurate normality of the lithium methoxide solution.
S = Milliliters of lithium methoxide solution required to titrate the benzoic acid.
A = Milliliters of lithium methoxide solution required to titrate the aspartame sample.
B=Milliliters of lithium methoxide solution required to titrate the solvent blank.
J=Milligrams of benzoic acid standard.
K=Milligrams of aspartame sample.

(2) Specific rotation, $[\alpha]D^{20}$ °, shall be between +12.5° and +17.5°, calculated on the dried basis (4 hours at 105° C) in accordance with the test for optical rotation described in the "Food Chemical Codex," 2nd Ed. (1972),[1] page 939. Weigh accurately about 4 grams of sample and dissolve it in sufficient 15*N* formic acid to make exactly 100 milliliters of solution, and complete the determination of the rotation in a 100-millimeter tube within 30 minutes after preparing the solution.

(3) 5-Benzyl-3,6-dioxo-2-piperazine-acetic acid (diketopiperazinc) not to exceed 2.0 percent as determined by the following analytical method:

APPARATUS

Gas chromatograph. With hydrogen flame ionization detector and designed for handling glass columns with oncolumn injection (Micro-Tek 220 or equivalent). Chromatograph conditions should be optimized to obtain maximum resolution for the specific instrument used. To preclude buildup of silicon oxide, clean the detector with acetone frequently. Approximate operating conditions are:

Column temperature: 200° C.
Detector temperature: 275° C.
Inlet temperature: 200° C.

Carrier gas (helium) flow rate: 75 milliliters per minute.

Hydrogen and air flow to burner: Optimize to give maximum sensitivity.

Sample size: 3 microliters.

Elution time: 7–9 minutes.

Recorder: 1 millivolt full scale (for the Micro-Tek 220, the attenuation is 16x10).

Chromatograph column: 6 feet x 4 millimeters I.D. glass column packed with OV–1 on 80–100 mesh Supelcoport (Supelco, Inc., or equivalent). Condition the column overnight at 250° C before readjustment and equilibration to the operation conditions.

Oven. Capable of maintaining 80±1° C for 30 minutes.

Glass manifold. Suitable for evaporating samples to dryness over steam bath; the apparatus may have an optional gas flow over the sample to enhance the rate of solvent evaporation.

Vials. 2-dram size with tetrafluoroethylene polymer-lined cap.

REAGENTS

N,N-Dimethylformamide. A.C.S. reagent grade.

N,O-Bis(trimethylsilyl) acetamide.

Silylation reagent. Dilute by volume three parts *N,O*-bis(trimethylsilyl) acetamide with two parts *N,N*-dimethylformamide. Prepare fresh before use.

Methyl alcohol. Anhydrous, A.C.S. reagent grade.

5-Benzyl-3,6-dioxo-2-piperazineacetic acid. Specifications: Purity, not less than 99 percent; minimum melting point, 243° C; specific rotation of a 1 percent solution (in acetic acid), between −9° and −11°; total impurities determined by thin layer chromatography, less than 0.5 percent; impurities determined by gas chromatography, less than 1 percent for any single impurity. A sample of the reagent and test procedures for verification of specifications may be obtained from Food Chemicals Codex, National Academy of Sciences, 2101 Constitution Ave., NW., Washington, DC 20418.

PROCEDURES

Preparation of the standard. Place a weighed sample of 5-benzyl-3,6-dioxo-2-piperazineacetic acid (25 milligrams) into a 50-milliliter volumetric flask. Add methyl alcohol to dissolve the solid standard and dilute to volume. Dilute a 10-milliliter portion of the above solution to 50 milliliters with methyl alcohol in another 50-milliliter volumetric flask. The concentration of this standard solution is 0.1 milligram per milliliter. Pipet 2 milliliters of the standard solution into a 2-dram vial and evaporate the solvent to dryness. Add 1 milliliter of the silylation reagent to the dried sample, cap the vial slightly, shake and place on an 80° C oven for 30 minutes. Remove from oven, shake vial 15 seconds and cool to room temperature. Inject 3 microliters of this solution into the gas chromatograph and measure the peak height. The standard should be injected either immediately before or after each sample for proper quantification.

Preparation of the aspartame sample. Place a weighed sample of aspartame (approximately 10 milligrams) into a 2-dram vial. Add 1 milliliter of silylation reagent to the vial, cap tightly, shake and place in an 80° C oven for 30 minutes. Remove from oven, shake vial 15 seconds and cool to room temperature. Inject 3 microliters of this solution into the gas chromatograph and measure the subject compound peak height.

CALCULATION

Milligrams of 5-benzyl-.36-dioxo-2-piperazineacetic acid in aspartame—peak height of aspartame sample/x0.2. peak height of standard sample:

Percent 5-benzyl-3.6-dioxo2-2piperazineacetic acid in miligrams of subject compound in aspartame/x100. milligrams of aspartame sample

(c) The additive may be used as a sweetener in the following foods:

(1) Dry, free-flowing sugar substitutes for table use (not to include use in cooking) in package units not to exceed the sweetening equivalent of 2 teaspoonfuls of sugar.

(2) Sugar substitute tablets for sweetening hot beverages, including coffee and tea. L-leucine may be used as a lubricant in the manufacture of such tablets at a level not to exceed 3.5 percent of the weight of the tablet.

(3) Cold breakfast cereals.
(4) Chewing gum.
(5) Dry bases for:
(i) Beverages.
(ii) Instant coffee and tea.
(iii) Gelatins, puddings, and fillings.
(iv) Dairy product analog toppings.

(d) The additive may be used as a flavor enhancer in chewing gum.

(e) To assure safe use of the additive, in addition to the other information required by the act:

(1) The principal display panel of any intermediate mix of the additive for manufacturing purposes shall bear a statement of the concentration of the additive contained therein;

(2) The label of any food containing the additive shall bear, either on the principal display panel or on the information panel, the following statement: PHENYLKETONURICS: CONTAINS PHENYLALANINE

The statement shall appear in the labeling prominently and conspicuously as compared to other words, statements, designs or devices and in bold type and on clear contrasting background in order to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use.

(3) When the additive is used in a sugar substitute for table use, its label shall bear instructions not to use in cooking or baking.

(f) If the food containing the additive purports to be or is represented for special dietary uses, it shall be labeled in compliance with Part 125 of this chapter.

Any person who will be adversely affected by the foregoing order may at any time on or before August 26, 1974, file with the Hearing Clerk, Food and Drug Administration, 5600 Fishers Lane, Rockville, Md. 20852 written objections thereto. Objections shall show wherein the person filing will be adversely affected by the order, specify with particularity the provisions of the order deemed objectionable, and state the grounds for the objections. If a hearing is requested the objections shall state the issues for the hearing, shall be supported by grounds factually and legally sufficient to justify the relief sought, and shall include a detailed description and analysis of the factual information intended to be presented in support of the objections in the event that a hearing is held. Objections may be accompanied by a memorandum or brief in support thereof. Six copies of all documents shall be filed. Received objections may be seen in the above office during working hours, Monday through Friday.

Effective date. This order shall become effective on July 26, 1974.

(Sec. 409(c)(1), 72 Stat. 1786; (21 U.S.C. 348(c)(1).))

Dated: July 22, 1974.

SHERWIN GARDNER,
Acting Commissioner of Food and Drugs.

Note: Incorporation by reference approved by the Director of the Federal Register July 10, 1973.

[FR Doc.74–17093 Filed 7–24–74;8:45 am]

WASHINGTON UNIVERSITY,
St. Louis, Mo., Aug. 16, 1974.

COMMISSIONER,
Food and Drug Administration,
Rockville, Maryland.

DEAR SIR: Enclosed please find a memorandum containing objections to the Commissioner's order of July 26, 1974 (Fed. Reg. Vol. 39, #145,, Pgs. 27317–27320) approving Aspartame for food additive use.

Based on these objections and accompanying documentations plus additional documentation I am prepared to supply, I hereby request a hearing to examine the toxicity of Aspartame.

I also request a 90 day extension of the August 26, 1974 deadline set for filing objections to the Aspartame ruling. This is necessary because the 30 days allowed is obviously an insufficient time for those who have had no prior opportunity to examine this issue to come forth with the fully developed evidence and argument required to counter many years of evidence gathered by the petitioners (G.D. Searle & Co.) on behalf of their product. I understand that voluminous evidence compiled by G. D. Searle & Co. was specifically withheld from the public prior to July 26, 1974, then made available only in the Clerk's office to be examined before August 26, 1974. I would remind the Commissioner that no conscientious scientist would attempt to analyze such a large volume of data in such a brief time and if he did he would be left with insufficient time to draft an intelligent critique before the 30 day deadline. Adhering to an unrealistic deadline date of August 26, 1974 and thereby shutting out by a mere time technicality the voices of sincere scientists or consumer advocates who may have legitimate objections to Aspartame will serve to the detriment not only of the consumer and FDA but of G.D. Searle & Co. as well.

Thank you for your consideration of this matter.

Sincerely,

JOHN W. OLNEY, M.D.,
Associate Professor of Psychiatry.

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[1] Copies may be obtained from: National Academy of Sciences, 2101 Constitution Ave., NW., Washington, DC 20037.

To: Commissioner
Food and Drug Administration
5600 Fishers Lane
Rockville, Maryland 20852
From: John W. Olney, M.D.
Associate Professor of Psychiatry
Washington University School of Medicine
St. Louis, Missouri 63110

Reference is made to pages 27317–27320 of the Federal Register, June 26, 1974 wherein Aspartame, an artificial sweetener, was approved for certain food additive uses, e.g., in breakfast cereals, chewing gums, beverages, gelatins, puddings, fillings, toppings and as a free-flowing sugar substitute for table use. It is the contention of this writer that the Commissioner miscalculated and misrepresented the safety of Aspartame in the preamble of this Federal Register entry and thereby obscured the fact that the health of young children could be adversely affected by this product. The risk of Aspartame acting in concert with another popular food additive, monosodium glutamate to produce brain damage in children is totally ignored in this preamble.

First, it must be recognized that brain damage of the type produced by glutamate or aspartate is not a form of pathology restricted to the newborn infant as the Commissioner erroneously assumes. The focus of attention in animal research has been on newborn infants but no one has shown that older animals lack susceptibility. Indeed, the exact opposite is true. In an extensive neuropathology report by Johnston and Reynolds (J. Neuropath. Exp. Neurol., 33, 74–97, 1974) adult mice consistently sustained lesions from the lowest oral dose of glutamate employed, 2 mg/g body wt. Our own observations, some published and others unpublished, place the threshold for brain damage from oral MSG at 0.5 to 1 mg/g in 10 day old mice (Nature, 227, 609, 1970), at 1 to 1.5 mg/g in weanlings and 1.5 to 2 mg/g in older animals. If a similarly gradual shift in the toxic threshold occurs with age in humans it is reasonable to assume that infants or children would be at risk from 0.5 to 1.5 mg/g and adolescents and adults from 1.5 to 2 mg/g. By reasoning that this toxic syndrome is of no concern because only the newborn is susceptible and newborns will not be fed Aspartame, the Commissioner appears to be either poorly informed or to be sidestepping responsibility on this brain damage issue. I am hereby calling to the Commissioner's attention that animals during other periods of development are only slightly less sensitive than the neonate to this brain damage mechanism. This leaves the Commissioner's argument for the safety of Aspartame (or glutamate) resting on a false and totally untenable premise.

Next I would remind the Commissioner that young children are intensely attracted to sweets. The 1.3 to 1.7 gram daily intake of Aspartame projected for an adult human will quite likely be approached if not exceeded by children. But, the young child's body weight is only a fraction of that of the adult so they will be consuming a substantially higher gm/kg dose. The Commissioner skirted this problem by calculating only one margin of safety—that based on a 60 kg adult. By focusing upon a near 100-fold margin of safety for the adult and omitting any reference to the absence of such protection for children, the Commissioner has presented a seriously misleading case for the safety of Aspartame. In fact, the margin of safety for young children who will be eating Aspartame on cereals, in gums, beverages, puddings, toppings, etc., even if glutamate were not simultaneously being ingested, is nowhere near the 100-fold margin which the Commissioner estimated for adults (see calculations below). The Commissioner owes it to the public to explain at a hearing on Aspartame why this product was approved for marketing under conditions which do not assure an adequate margin of safety for children. If an adequate margin of safety for children cannot be demostrated, which it cannot, the order must be rescinded.

In declaring Aspartame safe, the Commissioner calculated that the amount of aspartic acid which an individual might take in daily by the ingestion of Aspartame is 0.013 mg/kg body weight (Fed. Reg. pg. 27318, Par. 12). This incorporates the fallacy above described (infant risk was under discussion by the Commissioner in Par. 12 but adult body weight was used for calculating the mg/kg intake) and in addition is mathematically off base by a factor of 1000 times. The correct calculation based on adult body weight would be 13 mg/kg. This is not a trivial error; it will cause people reading the Federal Register to assume at a glance that Aspartame is vastly more safe than it is. It might dissuade people from filing objections to the Commissioner's order on Aspartame. This gross misrepresentation in itself requires a correction of the Federal Register and an extension of time for those who may have been misled by the misrepresentation to file objections.

Glutamate and aspartate are toxic by an acute mechanism which leads to the irreversible necrosis of hypothalamic neurons from only a single exposure. The Commissioner's approval of Aspartame does not take into consideration the implications of this mechanism. If packages of Aspartame are available for free-flowing use in the home, infants and children will have at their finger tips an instant brain damaging power which tastes like candy. Instead of being labelled "keep out of reach of children" as sound principles of preventive health would dictate for a candy-like brain damaging powder, the Commissioner proposes to allow this powder to be added commercially and in the home to the child's food as well as being left loosely around the home where he can independently ingest as much as he desires.

If an infant or child gets into the Aspartame jar and gorges himself, the expected result, based on animal experimentation will be a silent lesion in his hypothalamus which could give rise to neuroendocrine abnormalities in later life but would sound no signal of distress at the time of acute exposure. It is difficult in the human to establish cause-effect relationships for silent toxic mechanisms such as this which have only delayed sequelae. However, it is the responsibility of the Food and Drug Commissioner to assure that compounds with known delayed toxicity in animals will not be used in the human food supply unless an exceedingly wide margin of safety can be demonstrated. The conditions of approval set forth for Aspartame provide no such margin for the protection of children.

Finally, the Commissioner is apparently either unaware of the toxic synergism (homergism) of glutamate and asparate or does not comprehend the implications of toxic synergism. We demonstrated in 1970 that a combined oral dose of glutamate plus aspartate, 0.5 mg/g of each, produces the same degree of brain damage as a 1 mg/g dose of either amino acid separately (Nature, 227, 609, 1970). More recently we demonstrated that protein hydrolysates produce brain damage because of their high combined glutamate and aspartate content (New Eng. J. Med., 289, 391, 1973). The Commissioner is aware that until baby food companies voluntarily quit adding glutamate to baby foods in 1969, these foods contained up to 0.6% added glutamate. The Commissioner is also aware that glutamate is still used widely as an additive in foods consumed by young children. In the enclosed article entitled "Occult Mechanisms of Brain Dysfunction" (Olney, in Drugs and the Developing Brain, Eds. Vernadakis and Weiner, 1973) it is pointed out that a single 4½ ounce jar of MSG-seasoned baby food provided a human infant only a 4-fold margin of safety. Extending similar calculations to a 2 to 3 year old (12 to 14 kg) human child ingesting food similarly seasoned with glutamate yields perhaps a doubling of this slim margin. The Commissioner has not only persisted for years in ignoring this unnecessary and unreasonable risk to the health of human children but has now approved the addition of Aspartame, a potential synergist of glutamate to the child's diet. By failing to regulate the use of glutamate in foods the Commissioner is allowing millions of children to be exposed to a potential neurotoxin every day with only a slim margin of safety for their protection. By approving Aspartame, the Commissioner now boldly slashes that slim margin of protection as if the health of the nation's children were of no concern to the agency.

From a research standpoint, the only responsible approach to this problem is to perform oral intubation experiments on animals from early infancy to adulthood. Glutamate and Aspartame should be tested separately through a range of doses to establish a minimal effective dose for each compound at various ages.

Then glutamate and Aspartame should be tested in combination at various doses to demonstrate how they interact in the host and, in particular to determine whether one augments the neurotoxicity of the other. Obviously appropriate neurohistopathology techniques must be applied to detect whether brain damage occurs at any given dose or combination of doses. Based on the findings, a combined margin of safety for Aspartame plus glutamate should be calculated and the margin should be calculated from the body weight of the most vulnerable age group which will be exposed. In 1970 I notified representatives of G. D. Searle & Co. about the synergistic toxicity of MSC and aspartate and advised them that the above studies should be undertaken. They examined my evidence, agreed with my advice and implied they were intending to conduct such studies on their new product, Aspartame. To the best of my knowledge G. D. Searle has petitioned FDA and received approval for marketing Aspartame without having conducted such studies. When word was recently released that FDA was ready to approve Aspartame, I requested and received from G. D. Searle & Co. a sample of Aspartame. Although we have had only a few weeks to study Aspartame, the following findings can be communicated:

1. Seven to ten day old mice sustain hypothalamic lesions from tube-fed Aspartame starting at 2 mg/g.

2. Fifteen to twenty day old mice sustain hypothalamic lesions from tube-fed Aspartame starting at 2.5 mg/g.

3. In the above experiments the animals had stomachs full of milk. When administered on an empty stomach, Aspartame was effective at slightly lower doses and induced more severe brain damage at the same doses.

4. Aspartame studies on other age groups and for Aspartame/glutamate combined feedings are underway but are not sufficiently complete to be reported at this time.

Since the Commissioner has approved Aspartame for ingestion by all age groups (by not disapproving it or questioning its safety for any age group), but calculated a margin of safety only for the adult, the missing calculations for younger age groups should be provided. The following calculations are warranted by available evidence:

For glutamate:

1. Lowest effective (neurotoxic) dose in weanling animals equals 1 g/kg.

2. Body weight of young humans being fed the additive equals 12 kg.

3. Daily intake permissible under 100-fold margin of safety standard equals 1 g/kg times 12 kg divided by 100 equals 0.12 g glutamate.

4. Under existing circumstances it is quite possible for a young child to be fed as much as 200 g. of food at one sitting which might be seasoned with up to 0.6% added glutamate, or 1.2 g. of added glutamate.

5. The conclusion is inescapable that this child has very little margin of safety—only 1/10 the traditional 100-fold margin which the Commissioner paid lip service to in discussing the safety of Aspartame (Fed. Reg. pg. 27318, Par. 6). Since Aspartame will be ingested by this 12 kg. young human simultaneously with glutamate and the two are potential synergists. the Commissioner should recognize that there simply is no margin of safety for Aspartame intake by children; it has already been used up (10 times over) by glutamate. A margin of safety can also be calculated for Aspartame but it is necessarily a meaningless calculation for so long as glutamate is being allowed to usurp more safety margin than the two compounds together can safely be allotted.

For Aspartame:

1. Lowest effective (neurotoxic) dose is young animals=2.5 g/kg.

2. Body weight of young human=12 kg.

3. Daily intake permissible by 100-fold standard if glutamate were not also being added to child's foods equals 2.5 g/kg times 12 kg. divided by 100 equals 0.3 g. Aspartame.

4. Because of the child's attraction to sweets it is not unlikely he will consume over 1 g. per day of Aspartame.

If it is seriously questioned whether children will be exposed significantly to a high combined glutamate/Aspartame intake, consider the following projected scene in a typical American home after Aspartame goes on the market: A young child awakens in the A.M. and has Aspartame-sweetened cereal and dry base imitation juice, then chews 3 wads of Aspartame-sweetened gum and drinks several glasses of Aspartame-sweetened Kool-aid before lunch, consumes a bowl of MSG-seasoned soup, 100–200 g. of MSG-seasoned processed meat and vegetable mixture or MSG-seasoned potato chips and MSG-seasoned weiners, etc., for lunch topped off with Aspartame-sweetened pudding. He returns to his Aspartame-sweetened gum and beverages all afternoon. When Father comes home at 5 P.M. to find junior chewing on Aspartame paper packets and scolds him for eating sweets before dinner, mother says it won't hurt him because FDA has approved it as a very safe low-calorie sugar substitute. Then to the table for the MSG-seasoned fish sticks, meat balls, canned or frozen vegetables, Colonel Sanders' chicken (loaded with MSG), etc., etc., before the Aspartame-sweetened jello or cake and Aspartame-topping for dessert.

Obviously it is untenable to assume that human children will not be ingesting substantial quantities of both glutamate and Aspartame. It is also untenable to assume that the two compounds will not act synergistically in the hypothalamus to destroy neurons since the neurotoxic ingredient of Aspartame (aspartic acid) when taken with glutamate has been shown to augment its neurotoxicity. These considerations together with the evidence submitted herewith for Aspartame-induced brain damage in mice make it imperative that a hearing be scheduled for further deliberation on the toxicity of this artificial sweetener before it becomes a widely marketed item.

ALTERNATE SERVICE JOBS FOR DRAFT EVADERS IN THE VA HOSPITAL SYSTEM

Mr. THURMOND. Mr. President, last week 32 colleagues joined me in writing to the President of the United States to urge that no alternate service slots be given to draft evaders in the VA hospital system at the expense of unemployed or disabled veterans.

Mr. President, today the American Legion National Commander issued a statement on this subject. Commander James M. Wagonseller said:

> To allow draft evaders and military deserters to work in VA hospitals would be a direct insult to the Vietnam veterans who accepted and fulfilled the obligation of service during the Vietnam war. It would be especially shameful to have draft evaders serving at the bedside of men who were wounded in action.

He pointed out that the unemployment rate for Vietnam veterans in the 20–24 age bracket is currently 9.4 percent—nearly twice the national unemployment rate of 5.4 percent. Commander Wagonseller noted:

> There are plenty of honorably discharged veterans who want and need any jobs that are available in VA hospitals. In addition to which, honorably discharged veterans are justly entitled to veterans' preference in government hiring.

Mr. President, the Legion earlier came out in opposition to the President's proclamation offering conditional amnesty to draft evaders and military deserters. At that time, the Legion said:

> The Proclamation violates the principles for which millions served their country honorably, thousands died in combat, thousands more were wounded, many are hospitalized, while others remain missing in action.

It is appropriate to note the vigorous opposition of the American Legion to any effort to assign draft evaders and military deserters to perform alternate service in VA hospitals. The Legion represents 2.5 million veterans who have served honorably during wartime.

Mr. President, I commend Commander Wagonseller for his strong stand on this matter, and salute the principles for which the American Legion stands.

Mr. President, I ask unanimous consent that the full statement on this subject by National Commander Wagonseller of the American Legion be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

American Legion National Commander Speaks Out Against Senator Cranston's Suggestion of Work Opportunities for Draft Evaders and Deserters

Washington, D.C., September 24, 1974.—American Legion National Commander James M. Wagonseller, today reacted to suggestions made during confirmation hearings for Richard L. Roudebush as VA administrator before the Senate Veterans' Affairs Committee on September 20, that draft evaders and military deserters be given opportunity to perform alternate service in VA hospitals. The Legion Commander said: "To allow draft evaders and military deserters to work in VA hospitals would be a direct insult to the Vietnam veterans who accepted and fulfilled the obligation of service during the Vietnam war. It would be especially shameful to have draft evaders serving at the bedside of men who were wounded in action." Wagonseller rejected the suggestion of Senator Alan Cranston of California, that draft evaders be used to fill jobs in VA hospitals not wanted by other veterans, such as pushing medicine carts and lighting the veterans' cigarettes. The Legion Commander pointed out that the unemployment rate for Vietnam veterans in the 20–24 age bracket is currently 9.4%—nearly twice the national unemployment rate of 5.4%. "There are plenty of honorably discharged veterans," Wagonseller said, "who want and need any jobs that are available in VA hospitals. In addition to which, honorably discharged veterans are justly entitled to veterans' preference in government hiring."

Wagonseller said that The American Legion would vigorously oppose any effort to assign draft evaders and military deserters to perform alternate service in VA hospitals. He voiced approval of opposition by Senator Strom Thurmond and 32 other Senators to Cranston's suggestion.

The Legion had earlier come out in opposition to the President's Proclamation offering conditional amnesty to draft evaders and military deserters. "The Proclamation," the Legion said, "violates the principles for which millions served their country honorably, thousands died in combat, thousands more were wounded, many are hospitalized, while others remain missing in action."

THE CORN HARVEST AND THE DROUGHT

Mr. HUMPHREY. Mr. President, the Washington Star-News last week carried a series of three articles by John Fialka, entitled "Crisis in the Field," which described various causes and effects of our current food situation, emphasizing the decrease in corn production due to the recent drought.

It is likely that we have not yet seen the end of the damage to this year's corn crop. Because of heavy spring rains in the eastern end of the corn belt, replanting was necessary. As a result, harvesting will be late in this region, making the corn vulnerable to possible early frost. With current damages already estimated at $500 million, such a frost could be disastrous.

Some agricultural experts say that this year's drought was evidence that we are entering a phase of a 20-year weather cycle. Similar weather patterns have occurred in the past 100 years on an average of every 20 years, and if the theory proves to be true, we could easily be in for 3 more years of adverse weather conditions.

Regardless of what nature has in store for us next year, the shortages resulting from this year's devastated corn crop will have far-reaching effects on farmers and consumers alike. Corn comprises our principal livestock feed, and shortages will mean higher prices. Some cattle feeders and poultry farmers are already being forced out of business because they cannot get a high enough return in sales to pay for the rise in feed costs. This will eventually create meat and poultry shortages and soaring prices at the supermarket. It is, indeed, a vicious cycle.

We cannot blame the drought alone for our current food situation. The cattle feeding industry, for example, argues that forces including the "Russian wheat deal," outside investment, increased overhead, the meat boycott, and a major trucking strike contributed significantly to driving up prices and increasing shortages. For them, the drought was the final blow to the solar plexus.

It should now be clear that we must

take steps not only to deliver ourselves from our present predicament but also to plan ahead for future times of shortage. A combined system of food reserves and monitoring of exports must be implemented immediately.

We can no longer afford to ignore the "signs of our times." Instead of our present policy of crying over spilt milk, we must act now to preserve our precious food resources, or we may see the day there is little milk left to spill.

Mr. President, I ask unanimous consent that the three articles by Mr. Fialka be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Star-News, Sept. 15, 1974]

MOTHER NATURE KILLS HOPES FOR RECORD CORN CROP

(By John Fialka)

Otoe County, Nebr.—The seemingly endless rows of corn that line the country roads here have a healthy green color. Bulging ears protrude here and there, giving the casual observer the impression of another bumper crop.

It is another irony in what may be a year of terrible ironies for some Midwest farmers and most American consumers: there are no kernels on the corn cobs inside the ears.

The midsummer drought cooked the pollen-filled tassels on the corn before the plant could fertilize itself. The fields are really almost barren.

A failure in what was supposed to have been a record corn crop is no small thing. Together, the people in American agriculture represent the nation's largest and most efficient industry.

Their biggest product line is corn; they produce more of it than all of the rest of the world's farmers combined. The corn becomes a major component of our food chain. It is the principal livestock feed and is used in hundreds of thousands of food products.

Falling short of corn, then, is to the food chain something like General Motors running low on steel.

Here, if it is any consolation, America's vaunted farm technology almost made it. The eerie, life-like green comes from expensive, high-powered fertilizer. The impeccably weed-free fields are a product of herbicides. The dense stands of corn, plants growing sometimes less than nine inches apart, are a result of new, super hybrids.

But mother nature was still needed to complete this chain of technology and, for once, she did not cooperate.

"It wouldn't help this corn if it rained from now till Christmas," said Harvey J. Harms Jr. as he bounced alongside his fields in a pickup truck.

The rains that broke the drought in the corn belt early last month have cut the dust and have even produced mudholes where the land had cracked open in July. But by then, the damage was done, damage that will reverberate for months and play havoc with government plans to contain inflation.

So Harms has already cut down 30 acres of his corn and buried it in a pit that is covered by a black plastic sheet weighted down by old automobile tires. It is a homemade silo and there will be thousands of these burial pits in Nebraska and western Iowa this fall.

Harms will use the resulting sweet-smelling silage to feed his cattle, but it will not do much toward protecting him from the losses caused by the drought.

Like most of a dozen farmers interviewed recently, Harms had little idea how much his final losses might be because, like the nation's consumers, he may be looking at only a glimmer of the damage that is yet to come.

Although the Agriculture Department has said little about it, it is the frost that will be the final arbiter of damage in this calamitous year in agriculture.

The latest 30-day forecast calls for abnormally cool weather over most of the Midwest through September. For Harms, who has already taken one blow from the weather, it is a bad omen.

"That frost has got to hold off," he says as the pickup truck jounces past his other fields, planted in soybeans, and past some of his neighbor's grain sorghum. These crops survived the heat and are being revived by the rains.

Both plants have a capability of protecting themselves during a severe dry spell by going dormant, stopping growth for a while to wait for moisture. As a result, substantial areas of as yet undamaged crops in Nebraska, Iowa, South Dakota and Kansas are as much as two weeks late and thus vulnerable to an early killing frost.

Unusually cool nights early this month have already brought a light frost to parts of Iowa, Minnesota, South Dakota and Nebraska. The damage was believed to be slight, but it was not a good omen.

The specter of frost damage also hangs over the more fertile eastern end of the corn belt. In Indiana and Illinois as must as 20-percent of the corn crop was washed out by heavy spring rains and had to be replanted, delaying it for several weeks.

In the middle of Iowa, where farmers got both the spring rains and the drought, the soil first became soupy and then was baked to a brick-like hardness, strangling the corn.

That resulted in a queer notation on some of the thousands of damage estimate forms that are now making their way toward Washington: "Damage due to excess moisture and drought."

Last month, Agriculture's Agricultural Stabilization and Conservation Service, which receives the damage reports, conducted a survey of the drought damaged areas and came up with an estimate of $500 million.

More recently, ASCS officials have admitted that the possibility of frost damage and other imponderables may make the $500 million estimate a premature figure. "That estimate was very shallow on facts," said Glenn A. Weir, associate administrator of ASCS. "We may have missed it by a country mile."

All of this is unsettling to both Agriculture and the Office of Management and Budget. Agriculture Secretary Earl Butz encouraged farmers to plant heavily this year in order to reduce major crop subsidy payments to zero for the first time in many years. OMB, currently grasping for ways to reduce federal spending to ease inflation, must find money to pay farmers for a portion of their losses under a law passed last year.

But the disaster payments are only one part of a triple whammy that the crop damage will deliver to the anti-inflation effort.

Last spring Agriculture announced that this year's corn crop could be as much as 12 percent bigger than our biggest previous bumper crop. It would be big enough, Butz reasoned, to keep food prices low. Using their slide rules, food marketers had visions of corn selling for $2 a bushel.

After the drought, Agriculture's estimators decided that the corn crop was going the other way. It would be 12 percent smaller than last year's bumper crop. Corn hit an unheard of $4.00-a-bushel price in some cash markets during August.

The plan for lower food prices was then jettisoned by Agriculture, which had predicted food costs would "flatten out" in the fall and begin declining by early winter. Instead, consumer food prices would climb another three or four percentage points, the department advised.

Agriculture had also projected a bin-busting crop as the prime way to solve the nation's balance of trade problems. The original scenario was to offset the inflationary oil bills by hustling more international grain deals.

By late August though, Secretary Butz was hustling in the other direction, trying to convince Common Market buyers not to buy as much of our corn as they wanted.

It was the start of a strange, new game for American agriculture. The surplus crops, which represented a huge cushion against potential adverse weather conditions in the 1960s, had been sold. The nation's stocks of feed grains (corn, and grain sorghum) had slumped to the lowest point in over 20 years.

Thus, this year's corn crop was not going to be just another bumper crop. It had to be a record crop to make Agriculture's plans come out right.

The failure of such grand strategy emerged slowly out of an almost euphoric spring in Nebraska. Farmers in other states had had their problems with heavy rain, but the weather in this southeastern corner of the state was ideal for planting.

There would be a bumper crop, said Washington, and Nebraska farmers were planting heavily. They could see the market for all that corn would be there. The steel storage bins that once dotted the Nebraska landscape were gone.

The bins were once the government's way of housing surplus corn. Early this spring the government emptied the last of them here. They contained corn that was 17 years old. But it was still good and found ready buyers.

Then the bins were sold at auction. Nebraska corn farmers engaged in some sharp bidding for them because they would be needed to house the enormous fall harvest.

Corn planters were adjusted to plant the corn closer together and, although fertilizer was in short supply and high priced, prodigious quantities were applied.

"You had to shoot for all out," said Harms, who asserted that farmers faced with increasingly high prices for their supplies and equipment had to gamble that corn would be this year's big money crop.

And in early June, when the sea of young green plants appeared on the land, it was a heady sight indeed. Floyd W. Bohlken of nearby Nemaha County has farmed since the dust bowl in the 1930s. He remembers getting off his cultivator one day in June and looking at his fields.

"I said to myself that I've never seen things look so good," he recalls. "It was so good I began to wonder if something wasn't going to happen."

By that time the drought had already begun. The rains had stopped in May, but the damage did not become obvious until mid-July when the temperature rose to over 100 degrees for a dozen days in a row.

During the day the heat was accompanied by searing, dry winds. At night the humidity dropped so low that not even the dew was there to aid the scorched fields in the morning.

Ministers in country churches all across eastern Nebraska and western Iowa began praying for rain every Sunday and farmers like Bohlken began hoping "well, maybe it will rain tomorrow."

But corn does not hold up under such stress, especially if it comes during the crucial time of pollination. Bohlken knew this, but he kept on hoping until one day in late July when he went out to dig some potatoes.

The ground was too hard to dig. Bohlken discovered he could stick the 18-inch blade of his corn knife into some of the cracks that had opened between the corn rows without touching bottom.

The time had come to look at the corn. "I always thought it looked nice 'till I got to walking around. There were so many of those ears with nothing on them," he recalls.

One night in early August it rained. It poured as much as three inches on the fields in a few hours. Farmers can almost pinpoint the moment the drought was broken because the rain came the same evening President Nixon gave his resignation speech.

But by that time nothing could help or hurt much of the eastern Nebraska corn. Thousands of Nebraska farmers were already applying for federal crop disaster payments.

Paul Holechek heads one of the many teams of federal crop adjusters who are now walking the corn fields, estimating damage. Often, as the late summer turns increasingly wet and cool, the men have had to don wading boots to get through the muddy black gumbo soil.

Holechek believes that this year the heavy fertilization and dense planting may have aggravated the damage. "Some corn fields that weren't fertilized and are planted on the thin side, they've got some corn."

Holechek, who works for the Federal Crop Insurance Corp., spends his days picking corn in small, measured sample areas of a given field. Then he weighs the corn on a device that looks much like a baby scale to determine how many bushels the field might yield per acre.

At one point this spring, Agriculture estimated that the nation's average yield would be 97 bushels of corn per acre. Some parts of Bohlken's fields will now produce about 5 bushels per acre, a yield that Holechek says is relatively good compared to many fields he has seen which have had to be written off as total losses.

If Bohlken had been fortunate enough to produce a corn yield equal to the projected national average, he would have made somewhere around $3.50 a bushel, or about $345 an acre.

As it stands, he will make about $30 an acre under the Federal Crop Insurance program and probably a similar amount under Agriculture's crop disaster payment program. The combined payments will probably not cover the costs of the seed, fertilizer and herbicide he has put in the ground.

Still, Bohlken is one of the lucky ones. Only about one in 11 farmers paid premiums for Federal Crop Insurance. Most Nebraska farmers will only be eligible for the second program, the crop disaster aid program, which will pay farmers in this area about 46 cents a bushel for their losses, based on their average yields from past years.

As yet, it is difficult to see the extent to which the farmers' losses will impact on the economy of Nebraska, or on the nation as a whole.

According to local ASCS officials, the losses will have a geometric impact on farm communities because each dollar created in income by the farmer initiates about $8 worth of business before it leaves the state.

"Farmers are famous for spending what they make," he adds, noting that the average Nebraska farmer must have about $250,000 worth of land and capital equipment to farm. "This year they will have no income, some of them, but there are still bills to pay and mortgage payments to make."

Farm equipment does not come cheap. A small tractor can cost $16,000. A small combine can run $40,000. A rear tire on a tractor is a $300 item.

After the drought of the 1930s, farmers had to cut their seared corn with their corn knives and bring it into the barn to be chopped into feed. This year they will pull chopping machines into the field that can quickly reduce whole acres of promising-looking corn into green mush to feed to the cows.

High technology farming may mask some of the hardship of the drought. Secretary Butz and other Agriculture officials in Washington may ease some of the apprehension by pointing out that "there is no need for panic," and that this year's crop may still be the fourth largest on record.

But nobody denies that the weather is now master of the men who farm on the plains. There are a number of people who feel that, despite the continued sanguine predictions, the full damage has yet to surface.

"No man living today can predict within 500 million bushels how large the actual 1974 corn crop will be," asserts Walter Geoppinger, board chairman of the National Corn Growers Association.

"It all depends on the timing of the first killing frost."

Geoppinger's group believes the probable size of the crop will be in a range running from just slightly above Agriculture's most recent 4.99 billion bushel estimate to a possible low of 4.5 billion.

And Geoppinger, whose group has an interest in sustaining high corn prices, asserts that Butz is putting a "rosy" picture on the situation because he is trying to "jawbone" his way out of a problem.

Pointing out there are now believed to be no major surplus grain supplies anywhere in the world, Geoppinger argues further that "any new unexpected demand or shrinkage of output anywhere in the world could change the picture overnight, putting much more pressure on the American crop.

"We're not the only country that could have an early frost," he added. "Canada and Russia have planted grain late this year."

Frost is just one of the threats the weather poses, now that the long era of crop surpluses is over and, as Goeppinger puts it, "the supply string is now stretched to the limit."

According to Lyle Denny, a meteorologist for Agriculture's weather service, the midsummer dryness has robbed the soil of the moisture it will need to sustain a winter wheat crop.

Planting of the crop will soon be under way in Nebraska and other Plains states. If there is a major deficit in this crop, it will be known by December and put still further upward pressure on basic food prices.

Prospects for winter wheat are, according to Denny, a "tossup affair." Rains have restored moisture to the fields of the Texas panhandle, where the drought started, but the fields of central and southwest Kansas have not recovered.

If the frost holds off and the winter wheat crop comes through, there is still the knotty question of whether the dryness of the summer of 1974 was the start of another drought cycle.

For the last 100 years, droughts have recurred in the high plains area west of the Missouri River and east of the Rockies every 20 years.

It is a stunning phenomenon to the nation's meteorologists who are now divided over whether the cycle is reasserting itself again. If it is, it means that the nation may look forward to not just one dry year but probably four in a row.

Denny asserts that this year's dryness does not yet qualify as a drought and believes that the 20-year patterns have been largely coincidence. "We feel from the outset that such things are of random occurrence."

Dr. Murray Mitchell, senior research climatologist for the Department of Commerce's Environmental Data Service, is more impressed with the evidence of a drought cycle.

The dust bowl ran from 1932 to 1936 and extended from the mountains as far east as Ohio. Droughts recurred in 1952, beginning in Arizona and extending over widespread areas in the Midwest, he pointed out.

Since then, he notes, "we have had an extraordinary run of good crop weather in the U.S. It's been about 16 years running. Normal weather is much more variable."

The odds against such a string continuing, he believes, are now "very high." "Frankly it makes me very nervous," he adds.

But the mechanics of American agriculture in this new age of low-surplus, high technology farming must go on. Bills must be paid. Mouths must be fed.

Recently Secretary Butz urged farmers to "go all out" next year and plant another record crop.

Soon Harvey Harms will clear the corn stubble from his land and prepare the fields for winter wheat.

Last year was a good year and next year might be another, reasons Harms.

"Gamblin," he shrugs. "Always gamblin'."

[From the Washington Star-News, Sept. 16, 1974]

THE $4 CORN HITS BROILER CROP

(By John Fialka)

EASTON, MD.—While news of the drought's impact on the 1974 corn crop has sent tremors through the nation's entire food production chain, the first real earthquake is happening here.

This is chicken country. The Delmarva peninsula is the birthplace of the American broiler chicken, believed to be the world's most automated animal. He is a creature of our technology—fed by computers, raised by machinery and protected by wonder drugs and vitamins in climate-controlled houses.

But he is vulnerable to one natural predator: high-priced corn. And when the economic turmoil is over out here, this vulnerability will have been passed on to the consumer in the form of a shorter supply of high-priced poultry products.

Raising poultry has been an increasingly shaky business since the summer of 1972, when the Russian wheat deal sent the price of chicken feed upward.

So this year, when the Agriculture Department predicted that the nation was about to produce a record corn crop, poultry men thought they saw an end to their difficulties.

"We thought at one point we were looking at a 6.7 billion bushel corn crop and maybe $2 a bushel corn," says Ed Covell Jr., president of Bayshore Foods, Inc., a company which normally has about 7 million beaks to feed.

Now, largely because of the drought in the Midwest, Agriculture has had to revise its estimate downward to 4.9 billion bushels and Covell and the rest of his industry are looking at a new phenomenon in the chicken business: the $4 bushel of corn.

Corn at that price is a kind of economic monster. It is about three times what livestock men have been used to paying for it. At the moment, the entire American meat industry is grasping for new ways to use less corn.

Some producers have options. Cattlemen, for instance, are feeding their animals lots more grass and are even experimenting with such things as treated chicken manure as a new, low-cost feed ingredient.

But chickens cannot be put out to pasture. Their regimen is fixed by automation. It begins with corn from day one. Since the market price for broilers is, according to poultry men, not high enough to pay for his feed, the industry is stuck. It has no option other than to cut its flocks.

The diminution of the nation's chicken population is now under way and it will continue until the market price goes high enough to pay for the corn.

Covell's company is in the process of cutting back its flock by about 15 percent, roughly a million birds. Its huge, three-story growing houses, where one man can grow up to 100,000 birds at a time, will be vacant for longer periods of time.

The number of eggs set to become broilers dropped last month by 12 percent, measured against a year ago. "There has never been a drop like that that I can think of," commented one government poultry expert.

The number of egg-laying hens now being culled out and targeted for chicken soup is up by a whopping 17 percent. Eggs that might have been hatched into broilers are now being sent to "breaker plants," where they wind up as ingredients in cake mixes and other processed foods. Breaker plant activity, according to a Agriculture spokesman, is "up sharply."

All of this is being closely watched by hog and cattlemen because they, too, will soon face the same problem. The growing cycles of their animals are longer, however, so the impact of cuts in production will take longer to reach the supermarket.

But a fuzzy chick takes only eight weeks to turn into drumsticks, so what the poultry men are doing is likely to hit the consumer sometime this fall.

The price of eggs, which have a still shorter production cycle, already has jumped a dime a dozen during August on the key New York wholesale markets.

The broiler industry has never had a major cutback in production since it began booming shortly after World War II. It has always tried to solve its economic problems by scaling up. Bigger is better. If a two-story chicken house won't pay, build a three-story one.

Recently one major Maryland broiler production facility, owned by Otis Esham of Parsonsburg, Md., went into bankruptcy. Esham does not want to talk about it. "It all happened so quickly that I'm not sure what went wrong," he told a reporter.

According to George B. Watts, president of the industry's major trade association, the National Broiler Council, three other major companies have had to close down major parts of their plants for lack of operating funds.

Watts calls the sudden decline in Agriculture's estimate of the corn crop a "catastrophe" that the industry had not been prepared for and one that gives it almost no room to maneuver.

Paul Davis, president of Empire Farms, a major egg production facility near Atlanta, Ga., put it another way:

"Corn is the basic, it is the meat and potatoes of chickens. I don't know of anything in the world we could substitute to any great extent."

The vulnerability of the business to price fluctuation is illustrated by the scale of Davis' operation, which is in the upper medium range of egg production plants.

He has half a million laying hens. Every week, rain or shine, drought or no drought, Davis's machinery is programmed to deliver them a small mountain of corn, 10,500 bushels. And every week his completely automated equipment picks up 2,160,000 eggs in tribute.

The hens are packed four to a cage in gigantic laying houses, one of which contains 120,000 birds. Food and water automatically appear in front of the cages, so the hens never leave during their year-long laying cycle.

It takes four pounds of feed to make a dozen eggs. Roughly 60 percent of the feed must be corn, the other ingredients may be fishmeal or soybean meal or other types of feed, depending on market prices. Davis, like most high volume operators, depends on a computer that remembers market prices and programs a ration that will produce eggs at the least possible cost.

The feed is made up in the farm's own mill. The eggs, when they appear, slide down a chute onto a belt. The belt moves the eggs onto a cross belt which takes them to a machine that packs them and crates them.

"Nobody touches them unless there's something wrong with a machine or something," said Davis.

Each of his hens will lay up to 240 eggs a year. No part of the operation can be cut back very much. "You've get to keep the feed mill and the egg plant moving at a high volume because you've got everything geared up to do a certain job."

Bigness creates leverage. "You can drive all over the country around here and you'll very seldom see a farm house that's got chickens any more. They can't do it. It'll cost them more to produce those eggs if they keep up with it than they can go to the store and buy 'em," Davis asserted.

But leverage can also work against you. Four weeks ago Davis began buying $4.03 a bushel corn, the highest price he has ever seen in 22 years of business. Every dozen eggs that came rolling out cost him over 50 cents to produce, he estimates, while the wholesale market price for them was 43 cents a dozen.

By the first week in September the market price had reached an average of 55 cents a dozen, about the point where Davis believes he can begin breaking even. "We're going to have to get that kind of average from now on," he said. Davis's operation is relatively simple compared to a broiler operation.

Covell's Bayshore Foods is one of 175 "factories" that produce the 3 billion broilers that America eats every year. They too suffer from reverse leverage.

It all began with a Delaware woman, Mrs. Wilmer Steele, whom the industry reveres as the "Henry Ford of chickens." In 1923, when she began her experiments, chicken was a luxury item, selling for as much as $1 a pound.

They were traditionally raised in the barnyard in the spring and hit the market around the Fourth of July, hence their name: "spring chicken."

Mrs. Steele ordered 50 chicks, but the hatchery sent her 500 by mistake. She was a determined woman however, and found that with the right feed you could raise chickens indoors on a year-round baiss.

That called for corn, which supplies some of the nutrients that the chickens got from sunlight. Later feed companies enhanced the mixture with such things as artificial amino acids, antibiotics and vitamin D.

Feed prices went up, but the growers always stayed ahead of the costs by finding ways to reduce costs through automation. As a result, the price of the broiler kept going down.

By the late 1950s, the industry seemed to hit its stride. Growing houses contained acres of chickens, packed together so they didn't waste calories running around.

Automatic feeders supplied water and feed. Use of hybrid birds cut the growing cycle from 13 weeks to 8 weeks. High-powered feed meant that where it formerly took 4 pounds of feed for a pound of chicken, it now took 2 pounds of feed.

All of this added up to chicken at 29 cents a pound. Covell grows wistfully when he thinks about it. "Gee, that was kind of a magic number. We sold chickens at that during the late 1950s and all through the sixties. It never seemed to vary much. But you can see those days are over."

It now costs Bayshore 45 cents a pound to grow a chicken and send it to New York, where the wholesale price on the day Covell was interviewed was 39 cents a pound.

When you deal in 7 million chickens at a crack, a loss of 18 cents per bird is nothing to sneeze at. And, for once, there seems to be no new technical innovations on the horizon.

"We've gotten to the bottom of the barrel now and our costs are accelerating faster than we can increase our efficiency. You see you get so efficient after a while where there's not much more you can get and we're at that point,"asserts Covell.

A 12 percent reduction in eggs that are hatched to become broilers means 23 million pounds of chicken that will not be coming to market each week, according to Watts.

According to Agriculture figures, the cutback has been at that level throughout August. And the cutback in the flocks that lay the eggs for hatching has been even sharper. Once the laying flocks are cut, it takes about 18 months to re-establish the cycle.

Thus, a drought over eastern Nebraska is quickly translated into smaller chicken flocks. It is delivering a jolt that will throw the nation's most automated animal food business out of its normal cycle for months.

That will, in turn, probably mean that the consumer will pay more for his chicken and eggs, but the farmer, the man who grew the $4 bushel of corn, may have to pay too.

When it is running at full tilt, the chicken industry consumes a prodigious amount of corn. As one poultry man ruefully put it: "If they grow a bumper crop next year, there ain't going to be a whole lot of birds around to eat it."

[From the Washington Star-News, Sept. 17, 1974]

LEAN YEARS AHEAD FOR STEAK LOVERS

(By John Fialka)

KUNER, COLO.—There are lean years ahead for lovers of that most venerated item of American cuisine, the tender, juicy steak.

The people who developed the awesome technology that stands behind the American steak are preparing for a basic jolt to their business, a jolt that eventually will transform the average consumer's dinner menu with smaller portions of his favorite meat at increasingly higher prices.

Kuner is the site of a "steak factory," one of two enormous feed lots operated by Monfort of Colorado, a company which, in normal times, can turn 500,000 scrawny yearlings into delicious beefy animals each year by stuffing them with corn-based feed.

The cattle are here, as always, standing patiently in pens extending about a half mile in all directions from this pungent-smelling crossroads about an hour northeast of Denver. They are waiting for the trucks to come by with their next computer-prepared meal.

But these are not normal times for Monfort or anyone else in the cattle feeding business, which claims to have lost as much as $2 billion during the turmoil of recent months, turmoil capped off by a drought which cut about 1.8 billion bushels out of this year's expected corn crop.

The drought has sent the price of cattle feed soaring. It is completing a grim scenario of events that beef people have been anticipating for some weeks.

The scenario begins with an illusion for the nation's shoppers. A huge supply of cheaper beef, primarily hamburger, cold cuts, wieners and the like will begin appearing in supermarkets this fall.

The deluge of cheap beef probably will drive the nation's per capita consumption of beef—higher than for any other meat and highest in the world—still higher. The supply will give the impression that the age of the cheap hamburger will be with us forever.

But that does not appear to be the case.

Market forces already at work will end the wave of plenty sometime in 1976. Beef prices may then begin to escalate to unheard-of levels and supplies will suddenly drop sharply. Both movements probably will continue for at least two years after that.

The first signs of this scenario are already apparent. The Department of Agriculture's meat experts, looking at preliminary data from the month of August, believe that more cattle were killed last month than in any other month in the nation's history.

Included in the data, which will be announced at the end of this month, are indications that the slaughter of calves may be up as much as 70 percent over last year. The slaughter of cows also is believed to be up sharply.

The cows and their calves of what might have been a continuing age of plenty for beef consumers are coming to market early.

The impact of this slaughter will be delayed because about two years are required to bring a steer to market—the longest growing cycle of any major food product.

The cycle used to take longer than that, but in the late 1930s, Warren H. Monfort hit on an idea that probably has changed American life as profoundly as have some of its technological inventions.

Cattle used to be fed entirely on grass. Animals that were rounded up by cowboys for the trip to market were often over three years old, and their meat was often stringy and tough. There were some good steaks, but cattlemen could not produce them with mass-production consistency.

Younger consumers might find it hard to believe, but people used to be willing to pay more for pork than for beef. Even chicken sold at a premium compared to beef.

Monfort and other pioneer cattlemen, however, saw the flaw in the old system and turned the market completely around. Cattle spent too much time running around, the cattlemen decided, and could be brought to market sooner at a heavier weight if they were confined in pens.

During their confinement, their diet should consist not of grass or hay but primarily of corn, Monfort decided. Corn produces the marbling, the fat and the texture of what we recognize today as the steak.

The winters here, just east of the Rockies, are mild. And Monfort was able to take the seasonal element out of the market by fattening cattle year-round.

By World War II, he had scaled up to a size that amazed the industry, feeding 3,500 animals at one time. By 1960, he could feed 32,000 head.

The new 1,200 pound animal on his way to market was barely an adolescent, 24 months old. Sometimes it was just a calf, weighing about 400 lbs when it was put on a feedlot to be stuffed with a mixture of corn, sugar beets, soybean meal and other delicacies never found out on the range.

But the cattle feeding business had just begun to scale up. Somebody came up with the astounding discovery that a synthetic hormone, diethylstilbestrol, would make penned cattle gain weight faster on less corn.

Cattlemen began mixing the drug, known familiarly as DES, with an animal's feed or implanting it as a tiny pellet in its ear. The upshot was that the feeding cycle was shortened by as much as 20 days, saving all that corn for the next batch of animals.

At present, the average feedlot stay for an animal is 150 days. In new automated feedlots, such as the one here and another being built nearby by Farr Farms Inc., a Monfort competitor, these are days of leisure.

Antibiotics placed in cattle feed have reduced the animals' mortality rate and there is little for them to do except to mill around the crowded pens until the next feed truck rolls by, dumping its heated, specially mixed ration into the concrete troughs as it goes.

Each pen's ration and feeding time is remembered by a computer, which also remembers feed prices and mixes the ration according to the least cost for a given amount of nutrition. Machinery has, by and large, replaced the cowboy. The Farr Farms lot, when full, will have 35 employes feeding 40,000 cattle.

This method has meant money for Monfort, which drew up plans to feed 250,000 cattle at a time and added its own packing house on the end of the production line.

Monfort of Colorado now sits at the apex of an industry that feeds as much as 75 percent of all the cattle that are slaughtered. About a third of the industry is composed of big companies with feeding units of 16,000 head or more.

Bigness begat bigness. The tremendous demand for beef set the plans two years ago for the country's largest cattle herd in history. Approximately 138.3 million cattle are walking the nation's ranges or its feedlots.

And bigness often has been its own reward. Feeders who feed animals by the thousands have been able to buy cheaper feed—only the beginning of the benefits of scale.

Consider the example of just one of Monfort's feed lots. It produces 500,000 tons of manure a year.

That small mountain of manure is scraped from the pens by highway-sized road scrapers and piled and compacted by bulldozers. The manure is sold to farmers for fertilizer. Soon, however, Monfort and a group of scientists will build a $5 million plant to convert the manure to methane, or pipeline quality natural gas, by bacterial action.

The gas from the manure will be fed into a nearby pipeline owned by a company which will pay the going market rate. Carbon dioxide, a by-product, will be compressed into dry-ice pellets which are used by Monfort in the packaging of its frozen steaks. The manure residue left over from the process will, according to experimental data, have better fertilizer properties than the original.

But something happened in the last few months that began to tarnish what had been a continually brightening picture for cattle feeders. Some cattlemen say it was the Russian wheat ideal that caused basic cattle feed prices to begin moving upward.

Others blame a tax loophole which allowed outside investors to take a shot at the big money in cattle feeding.

Some cattle feeding operations thrived on this type of business. An outside investor would become a paper partner in a feeding business. Even if he lost money, he could come out ahead by paying for large amounts of feed in advance, thus shifting taxable income from one year to another.

Last year, according to cattle feeders, was a year of grief. The price of feed, barbed wire, fence posts and fuel began to send the overhead of the business soaring. And there were new limits imposed on the price he could get for his fattened cattle.

The consumer beef boycott imposed one ceiling. Then the Cost of Living Council imposed another. When the price was right, the truck strike prevented the feeder from getting his product to market.

Then the Food and Drug Administration decided that DES should be banned and ordered it to be removed from the market. The drug, the agency pointed out, is a known cancer-causing agent and experimental data showed that traces had begun showing up in meat. (The ruling was later withdrawn after a court challenge and the FDA was sent back to gather more evidence.)

Curiously, the basic cost of the industry, the market price of feeder cattle, the young animals the feeders bought for their pens, did not reflect these fluctuating forces. It moved steadily upward, from $50 per hundredweight in January of 1973 to an unprecedented $74.72 in August.

Some people think that the scale of the business demanded mass production at any cost. Some cattle feeders argue that it was not the scale but the influx of outside money—the dentist from New Jersey who had discovered cattle feeding as a tax shelter and bought cattle regardless.

"Amazingly, the feeder cattle price did not drop for a long time," explained Kenneth Monfort, who has now taken over the reins of the company from his father.

"You see there was so much 'outside money,' Wall Street investors, tax gimmick people in the business, that it just couldn't drop. They simply had to own a lot of cattle on January 1, 1974 . . . they had to have prepaid feed and interest, they had made money feeding cattle or knew someone else that had and where else in town could you find a game like this . . . ?"

The forces driving the costs up coincided with the mass of beef hitting supermarkets at the end of the price freeze, driving down the retail price.

Then, cattle feeders say, they began losing $100 a head. Small operators went under. Outside investors withdrew what money they had left and looked for tax shelters elsewhere. (The Internal Revenue Service attempted to close this loophole, but was later forced to withhold the ruling by a court challenge, which is still pending.)

But it was difficult for cattlemen to go elsewhere or even to slow down. They had built huge, capital-intensive plants, complete with cement feeding troughs and automatic feeding systems.

William D. Farr, of Farr Farms Inc., feeds about 100,000 cattle a year, and is second in size only to Monfort in Colorado.

He put his problems to a reporter this way: "So I subsidized you as a consumer for eight months to the tune of about $100 a head . . . Now then I'm damn near broke. I've had to mortgage farms which I've never done in my life in order to stay in the business."

Currently, Farr, Monfort and a number of other feeders are doing what might have been unthinkable in the business up to a year ago. They've stopped buying cattle. Farr's feedlots are two-thirds empty and Monfort's are down by about a third.

"We're being stubborn. We've lost so much money for so many months that we cannot afford to take the extra risk at the moment until we can buy cattle and be sure we can make some money, so we're just going to quit feeding cattle. We'll let the plant sit idle. It's cheaper to pay the overhead and taxes," Farr explained.

This non-buying is designed to shift the losses to sellers of feeder cattle, ranchers who normally shift animals off the range and into the feedlots before winter.

Prices for feeder animals suddenly have gone into a tailspin, down $40 from the high of $72 a hundred-weight and may go lower before winter.

The ranchers, Farr believes, will have to sell yearlings at a loss or rent space in feedlots and pay for the high-priced feed themselves. The result, he believes, will fill up the feedlots once again.

Referring to the record number of animals now "out there in the sage-brush," Farr adds, "They're either going to have to stay out there and wait their turn or die in the winter, one of the two."

Sam Addoms, vice president in charge of finance for Monfort, claims the company has lost almost $5 million during the last 9-month period by buying high and selling low. He sees the future in equally cold-blooded terms:

"The rancher is next in line to get the shaft and he is going to respond by being a reluctant seller. First he's going to cull his cow herd. He's going to cull older cows. Then he'll have to decide whether he will sell his heifers or his remaining cows and my guess is it'll be some of both."

Cow meat, according to Addoms, is tougher because it is older and it does not look good under cellophane in supermarket meat cases. "Hamburger prices will really be depressed and should really be a bargain. You'll be buying hamburger made out of cow."

Thus, according to the scenario, cow hamburger will soon be raining on consumers as a result of the bloody economic battle between cattle feeders and ranchers.

The younger liquidated cattle, being sent to slaughter by the ranchers right from the ranges, will probably be sold as veal or "baby beef."

Sometime, perhaps by late 1976 or 1977, the nation's great record cattle herd will be cut to a fraction of its former size.

What happens next? "In 1977 and 1978 the *price will begin* to escalate dramatically," explains Addoms, "and nobody will be able to do a damn thing about it because there's no way to respond immediately."

Ranchers will see the price moving rapidly upward and hold back some of their young cows to rebuild their herds. "That'll accelerate the price even more. O.K.? And then we're into another cycle," Addoms says.

How the consumer will respond to the cycle is a part which Addoms finds "really interesting."

"I don't know how he's going to come out. Is he going to cut out potato chips and convenience foods and go back to the old-fashioned concept of can your own foods?

"You're certainly going to see the consumer's expenditures for food exceed the 16 or 17 percent Mr. Butz (Secretary of Agriculture Earl Butz) has predicted. It's going to go to 20 and 21 and 22 percent and, more than that, you're going to see consumer pricing much more volatile than we have seen it in the past, much more cyclical," Addoms says.

Farr sees the Americans' per capita beef consumption dropping from around 116 pounds per year to somewhere in the 90s as part of the "new ballgame" taking shape for 1976.

"The public just hasn't paid the cost of it. What the market says is that the desire is there but not enough to get people to produce it."

Meanwhile, the whole beef feeding movement has turned around. It's back to grass for those animals who are not culled out of the herds this fall.

A proposed new Department of Agriculture meat grading system, favored and championed by the cattle feeders, places less emphasis on corn-produced fat in the meat. The system will shorten the feedlot cycle.

Cattle feeders also have turned to buying range-fed animals at 700 pounds or heavier to shorten further the animals' feeding time on expensive corn.

According to Farr, once the consumer gets over the dent the new beef will take out of his pocketbook, he will find no taste difference. Steaks will still be juicy and rare if the animal from which they are cut has spent some time lounging in a feedlot.

And so it will be, according to men who know the nation's beef business as well as anyone, that the impact of the drought of the summer of 1974 and other events will not reach the "queen of meats" until 1976.

But by that time, if inflation has not been mastered, a lot of the other "fat" will have been removed from the American lifestyle and the lean, new beef in meat cases may fit into it more neatly.

"God put a cow on this earth with his four stomachs to eat leaves and grass and hay," Farr points out, "and we've got to utilize the animal for what it was meant for and put on as little weight as possible with this high-priced grain."

INTERNATIONAL WOMEN'S YEAR

Mr. PERCY. Mr. President, I take great pleasure in sharing good news with those who have become disheartened that poor financing and official apathy might reduce International Women's Year to a hollow celebration of high-sounding platitudes to women. Recent actions by the State Department and the Ageny for International Development, with strong support from the administration, indicate that help is on the way.

The United Nations designated 1975 as International Women's Year to stimulate world initiative and action to promote equality between men and women; integrate women into the total development effort; and recognize the importance of women's increasing contribution to the strengthening of world peace. Such designations are reserved for issues which the United Nations considers of utmost importance. Thus, 1968 was Human Rights Year, and 1974 World Population Year. Usually, such designations automatically mean adequate, if not substantial, financial support. Approximately $2 million was spent on the international conference for Human Rights Years, and some $3 million was used for the recent World Population Conference. The International Women's Year Conference, on the other hand, has up to this time been allocated only $300,000.

Such obvious inequities, if not corrected, make a mockery of the principle of equality of men and women, so clearly stated in the United Nations Charter and the Universal Declaration of Human Rights. Because I care for women and for the United Nations, I recently spoke out before the Population Tribune in Bucharest urging that the U.N. give International Women's Year the priority that it deserves. Women, after all, are half of humanity, and their integration into all walks of life, on an equal basis with men, must become a reality if the world is to achieve full and complete economic and social development.

International Women's Year can only be successful if the United Nations and its member states commit the resources necessary to make 1975 not only a year of celebration but also a year of intense action committed to the improvement of the status of women all over the world. I am, therefore, very happy to report that the State Department has committed $50,000 in fiscal 1975 and $75,000 in fiscal 1976 as its share of the support necessary for the issuance of an Executive order to establish a Presidential Advisory Commission for International Women's Year and a secretariat to serve that Commission.

Moreover, AID will make a voluntary contribution of $100,000 to the IWY conference to be held in Bogotá, Colombia. The State Department, particularly its Bureau of International Organization Affairs, and AID deserve our commendation for their leadership on this issue. However, more money is needed if the Commission and the secretariat are to become realities. I, therefore, petition all other agencies to emulate the fine example set by State and AID and embrace the spirit of International Women's Year by making their much needed contributions so that the IWY program in this country will be both effective and meaningful.

International Women's Year is worthy of all our support. I know that both the previous administration and this administration have given it strong endorsement. Former President Nixon, in his proclamation designating International Women's Year for the United States, commented on the significant contributions that women have made in this country and suggested the ratification of the Equal Rights Amendment by 1975 as a fitting tribute to America's women. President Ford, in his proclamation of Women's Equality Day, reaffirmed his commitment to the ratification of the equal rights amendment and mentioned International Women's Year.

With adequate support at the highest levels of Government, International Women's Year will hopefully launch a new era in international history. I look forward to a time when women are fully integrated into all walks of life, on an equal basis with men, so that the views and concerns of half of humanity may truly be reflected in all our plans, policies, and priorities.

I request unanimous consent that a statement by Mrs. Anne Armstrong on International Women's Year be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INTERNATIONAL WOMEN'S YEAR

(Statement by Anne Armstrong, Counsellor to the President)

1975 has been designated as International Women's Year by the U.N. General Assembly through adoption of Resolution 3010 in December, 1972. The United States through Presidential Proclamation in January, 1974, was the first member nation to recognize 1975 as Internation Women's Year.

The theme for the Year: Equality, Development and Peace offers us a unique opportunity to emphasize the accomplishments women have made throughout the country and to intensify the efforts already underway in our nation to advance the status of women.

Ratification of the Equal Rights Amendment is necessary for the achievement of legal equality for all men and women, Nations of the world look to the United States for leadership in this area.

Emphasized in the second goal is the role of women in the economy, in the arts and humanities, and in government. These are crucial to national development. Education and training are important aspects of the development of women's full potential to insure their effective participation in the life of their country.

The third goal is to recognize the contribution and potential of women in the promotion of friendly relations and cooperation among nations in building a structure of peace. Here in the United States, foreign policy has now become of concern and interest to all our citizens as we are daily more aware of the interdependence of the nations of the world.

The United States Proclamation calls upon Congress and the people of the United States to begin now to plan practical and constructive measures for the advancement of the status of women. President Ford in his Women's Equality Day message urged Americans to deal with those inequities that still linger as barriers to the full participation of women in our nation's life.

I look forward to working with Congress and State Department officials to assist in the success of this government's participation in International Women's Year. I, too, add my encouragement for the full participation of not only the government sector but also the private sector as we implement the principles outlined by the goals of IWY.

CHICAGO SYMPHONY ORCHESTRA

Mr. PERCY. Mr. President, the Chicago Symphony Orchestra has won the acclaim of audiences and music critics throughout the United States and abroad. Under the direction of Sir Georg Solti, the symphony has brought excitement and innovation to the music world.

In 1971, the symphony made its first tour of Europe and gained an international reputation for excellence. Presently, the orchestra is again touring 11 European cities and the first performance has not disappointed foreign audiences.

Even the orchestra's harshest critics have praised Solti and the Chicago musicians for their discipline, precision and musical power. One Viennese critic, according to the Chicago Tribune, called the symphony "America's most brilliant musical collective."

At home, the symphony has become one of Chicago's major cultural assets. In an effort to keep ticket purchases within the economic range of all Chicagoans, the orchestra has refused to raise its concert prices in spite of the fact that its maintenance costs are rising.

In honor of their cultural contributions to the entire music world, I offer a tribute to the Chicago Symphony Orchestra and Sir Georg Solti.

THE FRANCHISE GAME—III

Mr. HARTKE. Mr. President, some of the most illustrious names in entertainment and sports have been used by unscrupulous franchisers to lure unsuspecting buyers into disastrous schemes. The third in the Chicago Tribune's investigative series on bogus franchise deals, documents this sorry state of affairs. It shows that the celebrity involved often is equally victimized, and ends up being sued by the irate purchasers.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE FRANCHISE GAME: BIG NAMES USED TO FLEECE SMALL INVESTORS

Americans have fawned over their celebrities for years, showering them with money at every turn.

And franchising's brightest promoters wanted their share too.

Thus, franchising's own variety of the Celebrity Game came alive in the late '60's and spread like wildfire. Within months new companies carried such familiar names as Johnny Carson, Lance Alworth, Minnie Pearl, Jerry Lewis, and Broadway Joe Namath.

Some succeeded for a while, but others fell almost immediately. Too often the new companies tried to substitute the lure of glamor for the nuts-and-bolts business of advising and directing new franchises.

Tho the names popped up in industries from dry cleaning to restaurants to movie theaters, the players in the celebrity game held some things in common.

Here are a few:

The lure of the big name was essential. It was ostensibly to draw the burger buyer or the moviegoer, but to the fledging company it had another more immediate financial purpose.

"People bought his [Jerry Lewis'] name and his integrity," said Walter Power, who sold franchises for Jerry Lewis Theaters. "They were convinced by the claims that Jerry Lewis' name was gold in the industry."

The celebrities had little or nothing at stake in the companies. They often were paid fees, given a chance to profit if the companies profited, but stood to lose nothing if they failed.

For example, Joe Namath, the superstar New York Jets quarterback, agreed to a handsome $90,625 price for his stock in Broadway Joe's restaurant chain just months before the company went bankrupt, according to Securities and Exchange Commission reports.

The stars often signed on the dotted line with little or no legal advice and only the say-so of friends or agents. Thus, they knew little about the ventures into which they were leading thousands of investors.

Dick Butkus, the Chicago Bears' star linebacker, sold his name to a catalog sales scheme and ended up facing a suit for the company's misdeeds. He didn't read the contract, his agents said.

And most of the stars wish they had never heard of franchising. "It's all just a bad memory," said Minnie Pearl, the country-western comedienne who lent her name to a doomed fried-chicken chain. "I'd just really rather forget all about it."

But unlike the stars, the investors can't just simply forget about it. They are struggling every day to stagger back from the financial catastrophe of slapping their money on the line with little more than a famous name behind it.

Owners of small theaters in cities and towns across the nation point to one such chain of catastrophes. Still calling themselves Jerry Lewis Theaters, 30 struggle to stay alive. They are what remain of 200 franchised theaters.

Two veteran franchise promoters were the brains behind the ill-fated Network Cinema Corp., and Lewis' lawyers say Fred Entman and Jerry Rudolph persuaded Lewis to go along with the idea for a $25,000 fee, a 20 per cent chunk of the stock, and a 2 per cent cut of the franchise sales.

Lewis had enough faith in the promoters to sign such an encompassing contract that "they could put his name on T-shirts if they wanted to," said one company official.

The concept called for area distributors to buy large chunks of territory for $50,000 and sell franchises for $15,000 to people starting theaters in the area.

"As it turns out, we really only bought a hunting license," said one area distributor, complaining that the company offered little help.

The franchise holders invested $14 million in franchise fees. Besides the Jerry Lewis name, they were supposed to get location and construction assistance, all-inclusive equipment packages, training, national advertising, booking of all films, and scores of other services.

Instead they got almost nothing, training and supervision least of all. They often had to find locations on their own, design the theaters on their own, and then deal with defective projection equipment when it finally arrived long after it was promised. The "ma and pa" concept of a push-button theater was largely ridiculed among frustrated franchise holders.

Soon the parent company, despite the Jerry Lewis name, became a liability.

"As it turned out, they were nothing but a hindrance to us," recalls Walter Pancoe, who opened a small Jerry Lewis theater in Elk Grove Village.

"Instead of having a strong organization, we had a chain around our necks, with a national company that hadn't paid its bills and was on bad paper everywhere," he said. "We had to establish our own line of credit and get out from under them."

That credit obstacle cost the theater owners their lifeblood. They could not rent films from the industry under the financially tainted Jerry Lewis name. Scores of them severed all relationship with that name in order to survive.

Wallace C. Kemper lost $50,000 on a California distributorship, and until recently was chairman of the board and chief financial officer of the shattered company in an attempt to retrieve some of his losses. He places the blame for the company's demise squarely on an "exorbitant overhead" that paid fantastic commissions to salesmen and officers but left only 31 per cent of the franchise fees to the company.

Beyond that, he told The Tribune, the faltering company had an overhead of $250,000 a month. It paid $100,000 salaries to its string of presidents, leased luxurious cars, and paid $16,000 a month to rent offices furnished with $100,000 worth of "antique French furniture."

Kemper says available records show Lewis was paid more than $200,000 in royalty fees and Entman received just under $200,000.

Many investors later complained that they did not know when they went into the company that Entman and Rudolph were behind the corporation. Nor did they know until later about the pair's fiasco-prone history of franchising Teen Dances, beauty contests, and automobile shows, they said.

The franchise holders heard about the pair's promotions of Lana Turner Health Spas and Burt Lancaster Health Food Stores at the same time Network Cinema was sinking.

Neither of those ventures got off the ground, and Entman now sells muffler distributorships as president of Wonder Muffler Co. He refused to discuss his other enterprises, because "it would bring up a lot of bad memories," an aide said.

Disgruntled investors remember going to Lewis with grievances and seeing Lewis "put his head down between his knees and cry." Such incidents became known as "Lewis' best performances" among the rank and file.

Each time they protested, the comedian promised his backing, they recalled, but each board meeting would bring Lewis joking and pulling pranks—and backing the corporate leaders.

With the bankruptcy in June, 1973, the joking stopped. The company had less than $500,000 in assets and $3.5 million in debts. Kemper became the chairman of the board, without pay, and unsuccessfully tried to reorganize the mess.

"The records were in complete disarray for at least 12 months," he said. "There was no general ledger and nothing to indicate double-entry bookkeeping. It took me six months to find all their bank accounts, and they had 37 of them. There were no records around to tell you where the cash was."

Meanwhile, dozens of franchise holders have sued to get back the money they poured into Network Cinema Corp. and the Jerry Lewis name.

Lewis wouldn't talk to The Tribune about his misadventure in franchising because of pending suits, but his agents said, "He feels bad about the entire thing."

Joe Namath has taken a philosophical attitude about his franchising flop, known as Broadway Joe's and aimed at the fast-food business. He said the venture is a "story that should be told," but would not comment on specific aspects of his abortive franchising scheme.

"A lot of people got hurt in the Broadway Joe's thing, but there's a lot of things a man learns in life," Namath said. "I believe my experience with Broadway Joe's was a good one. If you can come out on top, even in a bad situation, I say you're a better man for it.

"It makes you a more beautiful person if you can come out a winner when the odds are against you."

But the franchise holders who bought Namath's name don't see it that way. Dr. Samuel Clifford of Pensacola, Fla., for instance, bought into the Broadway Joe's chain in late 1969—and in eight months had lost an estimated $75,000.

"It was the most awful experience I've ever endured in my life," he recalls. "It went from bad to worse from the very start."

Clifford's startup costs were $49,000—and $10,000 of that, he was told, was for the use of Joe Namath's name and promotional services. After all, Joe Namath, then at the zenith of his popularity, was supposed to draw the crowds thru his personal presence, just as he told the United States Senate during hearings in January, 1970.

But Clifford remembers it differently, recalling only a 20-minute visit by Namath on opening day that caused only anguish.

"Everyone was so mad at the way Joe Namath treated the kids when he first opened up that they refused to come back," he said. "I mean, he kept them waiting all day. That upset a lot of people. And when he said he'd be back and didn't return, it resulted in a lot of nasty articles in the press."

The publicity hurt him much more than Namath's visit helped, Clifford said, and he believes the whole situation may have led to his business failure.

And the rest of the organization offered the restaurants little, he said.

"Broadway Joe's had no direction," said Maurice Lombardi, a former executive. They thought they could take a kid or somebody's nephew, train him for two weeks, call him a manager, and then expect him to make a success of a restaurant.

Clifford remembers "no quality control," and former employes of the restaurants describe outrageous restaurant procedures. One cashier remembers that meat was regularly thawed and refrozen each day "until somebody showed up to eat it." Another recalled that oatmeal was mixed with ground beef in order to stretch the number of hamburgers.

But in Chicago some fans had depended on their own football hero to be a winner, and it hasn't worked out that way.

"They told me [Dick] Butkus certainly was a smart enough man to know a good thing," an investor recalls. "They said Butkus negotiates high-pressure contracts with the Bears, and he was an investor in the [franchise] company," which offered franchisees a chance to operate "door-to-door department stores" employing many salesmen.

Actually, Butkus was not an investor in the franchise operation, and the negotiations that got his name tied to Cardet International don't quite compare with his successful contract negotiations.

In fact his agents now defend the superstar linebacker for the Chicago Bears by pleading ignorance on his behalf.

The agents claim that they were solicited by Sheldon Serlin with a scheme to use Butkus' name to endorse Cardet, and that Serlin was "the kind of person you wanted to believe." They turned the idea over to Butkus, who "approved the agreement but did not read it."

Armed with that contract, Serlin and his cohorts turned out reams of "Team up with Butkus" ads thruout the Chicago area and recruited franchise buyers to "put your future where Dick Butkus has put his."

Butkus' agents say the ads were never submitted to them for review, as promised in the agreement Butkus signed.

The idea was door-to-door sales, and the franchisees paid $5,000 or $10,000 each for the right to participate. For each $5,000, they were given a 2,500-home "exclusive territory" in which to sell a wide assortment of items from a catalog.

Serlin and his team did a booming business from their Lincoln Avenue offices, mixing the hard-sell pitch to sign up before the territories were gone with fast pencil work to show outstanding profit projections.

Once signed, the dealer was given incredible sales tips.

"Serlin suggested to me that if a janitor of a building wouldn't allow the kids in (to deliver brochures), they should tell the janitor that Dick Butkus is endorsing the company," said Mrs. Mary Soder, 34, of Wildwood.

Mrs. Soder was at first enthusiastic. She spent three weeks drawing up large maps of the area to be covered by her 10 children in dropping off brochures.

"I knew it would take a while to make up my investment, and then I thought I would make a little profit," she said. "I made nothing."

Today Mrs. Soder has the $5,000 tacked to her home mortgage and is working to make back the money she feels she took from her family for the investment.

Eventually a suit was filed on behalf of 80 Chicago-area residents who claimed losses totaling $450,000 from the scheme. Serlin and Cardet were among the defendants—and so was Dick Butkus.

"The thing that attracted me most was Dick Butkus lending his name to it," said Carl Dummond, 57, who mortgaged his Lake Zurich home to invest in Cardet.

"I figured it was an honest, reputable operation. I figured he would have checked it out."

But Butkus' spokesmen claim he made little money—as little as $3,000—and was bilked by Serlin.

"You have to remember these people weren't buying Dick Butkus," said Robert E. Neiman, an attorney for Butkus. "They were buying a business opportunity."

TRUTH OR CONSEQUENCES, N. MEX.

Mr. DOMENICI. Mr. President, I take the floor this afternoon to mark a memorable event in the history of a New Mexico community and to commend the individual most responsible for that event and many other notable accomplishments.

This year marks the silver anniversary of the town of Truth or Consequences, N. Mex., an internationally known entity.

The individual is Ralph Edwards, the master showman and producer of many successful network and syndicated shows that have over the years brought happiness and enjoyment to millions of Americans.

Twenty-five years ago Ralph Edwards' NBC radio show, "Truth or Consequences," was approaching its 10th anniversary when a promotion campaign was undertaken to locate a town that would adopt the program's name. The small town of Hot Springs on the Rio Grande River in central New Mexico liked the idea and adopted as the new official city name Truth or Consequences.

A fiesta was built around the first live broadcast of the show from that town creating a relationship between the city and Mr. Edwards which has endured all these years.

That warm and friendly relationship has prompted the present mayor of Truth or Consequences, Mr. James V. Mims, to provide the following account of the city's experience with Ralph Edwards:

Statement by Mayor Mims

What started out to be a "one-shot" promotion for a Radio Program has turned into a highly successful community celebration and lasting world-wide fame for the resort community of Truth or Consequences, New Mexico.

Ralph Edwards' NBC Radio Show was approaching its tenth anniversary when its producers sought a town which would adopt the program's name.

Hot Springs, New Mexico, endorsed the idea. A Fiesta was built around the first live broadcast of the Show from the town and now, 25 years later, Ralph Edwards and his Hollywood entertainers are synonymous with the City of Truth or Consequences and its image as a paradise of recreation.

The first Fiesta was April 1, 1950, when Ralph Edwards, his troupe of Stars and an entire NBC network radio crew came here to broadcast live from Coast to Coast.

This unique relation between a City and one of the nation's finest and friendliest personalities to ever appear on radio and television, all started 25 years ago when this city by a vote of 1,294 to 295, decided to change the name from Hot Springs to Truth or Consequences on Friday, March 31, 1950. On Saturday night, April 1. Ralph brought his famous radio show here for his tenth anniversary broadcast.

This was the beginning of a friendship between a City and a humanitarian, who the past 25 years has made an annual trip here bringing a host of nationally known radio, movie and television stars, all at his own expense. Thousands of dollars worth of prizes are awarded to contestants in the various Fiesta events, most of which are supplied by Mr. Edwards. The City has received nationwide publicity through Ralph's show on a national network.

Each year Mr. Edwards takes time out from his busy schedule of activities while here to visit with patients at Carrie Tingley Hospital for Crippled Children and present a show for their entertainment. The visits of famous TV personalities bring joy and happiness into the lives of the youngsters.

Over the years, Ralph Edwards has continued to aid his adopted city. He donated a set of stage curtains for the Middle School Auditorium where his annual Hollywood Star-studded Fiesta Stage Show is held. He donated signs to be placed on the main highways at the City Limits to publicize the city and he presented uniforms to the Hot Springs High School athletic teams.

Each year the City turns out to welcome and pay homage to this great man who has done so much for our community. A special wing of the Geronimo Springs Museum is known as the Ralph Edwards Wing, and contains memorabilia of Mr. Edwards many years in radio and television. The city has a park named in honor of Ralph Edwards.

Truth or Consequences, New Mexico, is indeed proud of its association with Mr. Ralph Edwards and proud to have him as an honorary citizen of this community.

Mr. Edward's activities for the benefit of his adopted city and its citizens are noteworthy in themselves, but his philanthropic endeavors extend far beyond that city. He is truly one of the most philanthrophic individuals in the entire country. I am advised that over the past 17 years he has raised millions for various charities and other worthwhile causes. Examples of those efforts are his money raising work in World War II for which he received the Eisenhower Award for selling half a billion dollars of E bonds and his work as chairman of the 1973 Easter Seals drive which brought in $53 million.

For all these many reasons, Mr. President, I am pleased to draw the attention of my colleagues to the fine humanitarian record of Mr. Ralph Edwards by these brief remarks to be part of the CONGRESSIONAL RECORD. I also note with pride the silver anniversary of the city of Truth or Consequences and wish that community and its citizens continued success and prosperity.

TRANSPORTATION OF HAZARDOUS MATERIALS BY AIR

Mr. HARTKE. Mr. President, few of the millions of Americans who ride in commercial airplanes each year know that the cargo hold of their plane may contain radioactive substances, acids, or even hand grenades. These hazardous materials are regularly carried aboard aircraft under conditions which subject passengers to unnecessary danger.

Mr. President, I ask unanimous consent that two magazine articles on this subject in Travel and Media & Consumer, written by John and Christine Lyons, together with a resolution on this subject from the city council of the city of New York be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Travel, August 1974]

HAZARDOUS CARGO: A THREAT TO PASSENGER SAFETY

(By John and Christine Lyons)

Under Federal law, airlines are permitted to ship hazardous materials such as acids and other corosives, flammable liquids, explosives, live germ cultures and radioactive materials. Your chances of sharing a flight almost anywhere with one or more of the materials in these categories are very, very good, according to some studies. There are, of course, Federal regulations that deal with the proper packaging and handling of such dangerous cargo. Unfortunately, Federal studies have shown that most such shipments do not conform to the regulations. The first and most obvious question is: Why are such materials shipped on passenger planes?

Shipping by air is becoming increasingly popular in today's commerce, and competition causes this popularity to escalate. Since not all possible destinations are served by cargo planes, passenger planes are an apparent solution. Airlines in general are considered the most reliable carriers of goods, thanks to the intensity of the industry-wide security programs. In addition, some types of hazardous material must be shipped the fastest way possible. Most of the radioactive materials, for example, are used for medical purposes. Much of these would become useless if not delivered to its hospital destination within a few days—hours, in many cases. The medical community says passenger planes are the only way to get these materials to the patients.

There are, however, other types of radioactive materials that, according to members of the Air Line Pilots Association (ALPA), have no business on passenger planes. Members of ALPA, who claim that the overwhelming percentage of passenger flights carry some type of hazardous cargo, say that industrial isotopes and fissionable materials such as those used in atomic bombs or nuclear reactors have seen so shipped. Among these materials is plutonium, one of the deadliest poisons known to man.

All of these radioactive materials must be shielded to keep external radiation levels low. They can be, of course. What concerns some people is that with several packages containing radioactive materials stacked together, the levels of radiation, individually low, might exceed safe levels when added together. Thus passengers and flight attendants may be getting dosages potentially harmful over extended periods of time.

Several years ago, during a twelve-month period at one small airline, ten stewardesses quit flying to take maternity leaves. Four of these suffered miscarriages, and of the babies born one died shortly after birth and another was born a mongoloid. At that time, the airline was carrying a considerable amount of radioactive materials. The stewardesses became concerned that perhaps the accumulated radiation was the cause of the problem births.

This month, in conjunction with the Atomic Energy Commission, 100 flight attendents will be wearing radiation badges in a controlled test to find out how much radiation they're being exposed to from materials carried on board planes.

The airlines and the FAA are proud of the safety record of commercial carriers. Senator Vance Hartke (D., Ind.), however, is worried. "It's quite obvious and very conclusive that the shipment of hazardous materials in the United States is a potential bombshell, just waiting to go off at any time." Senator Hartke chaired the Senate Commerce Committee hearings on the problem of shipping hazardous cargo this past June. Representative Jack Brooks (D., Tex.), chairman of the Government Activities Subcommittee of the House Government Operations Committee, says: "Our shipment of hazardous materials by air is totally out of control." His committee has held several hearings on the transport of hazardous cargo. He says that we're just lucky there haven't been any major accidents involving passenger planes carrying hazardous materials.

There has been one major incident so far, this involving a cargo jet. A Pan American 707 freighter, en route from New York to Scotland, crashed during an emergency landing at Boston's Logan airport in November. The three members of the crew were killed and the plane was destroyed. The cargo included 16,000 pounds—eight tons—of acids and flammable liquids. At least one bottle of nitric acid leaked, causing a tremendous fire aboard. The crew apparently believed there was an electrical fire in the cockpit. One of the crash investigators says the entire shipment was improperly packaged and marked, which explains why the crew was probably not aware of the hazardous nature of the cargo. A smaller amount of those acids could have legally been shipped on a passenger plane.

While there have been no serious incidents on passenger jets, there have been many close calls. During the first week in May, 1974, a small jar of nitric acid leaked in the cargo compartment of an Aeromexico DC–9 at Mexico City. The 75 passengers had not yet boarded when smoke was seen coming from the baggage bin. Mexican officials said that if the leak had begun while the plane was in the air, it could have caused the aircraft to explode. Fortunately, nobody was hurt.

Flight attendant Laurie Eckols described another incident involving acids that occurred on one of her flights. "We landed and an agent came running up and asked for a Coke to pour on a shipment of something that had spilled in the plane's cargo bin. He said the shipment was bubbling, and he always poured Coke on anything that bubbled. It turned out that the agent who unloaded this shipment had spilled some of the liquid on himself and it ate through his pants and shoes and socks and, to this day, this agent is permanently scarred."

Other incidents have involved not only acids, but other "unusual" cargo as well. Several years ago, an improperly-packed culture of live polio virus spilled aboard a passenger plane. It wasn't until after a worker had tasted the sticky substance to find out what it was that it was actually identified by officials. At least 40 people had to be quarantined.

Magnetic materials seem an unlikely threat to a plane, but recently a TWA passenger jet flew to Europe from New York with such materials stowed in its forward cargo bins. It wrecked the compass system.

In 1972, 900 people or more received high radiation dosages when a shipment of industrial radioactive material leaked in the baggage compartment of a Delta jet. (The plane made a number of flights before the contamination was discovered.)

The official position of ALPA is that hazardous cargo should not be shipped on passenger planes, with the exception of emergency radioactive medicines properly shielded so that it is not harmful to passengers or crew. "Then we can get it [other hazardous materials] on cargo planes where we may be able to monitor it," say Captain James McEntyre, Chairman of the ALPA Hazardous Materials Committee at TWA. "This other stuff like acids and explosives has no place on passenger planes."

The airlines' positions vary a bit. Frank Rox, of Delta, testified before a Congressional committee that his airline would prefer not to carry any radioactive material. Jim Shelnutt, of Pan Am, agreed by saying his airline would *prefer* not to carry any radioactive cargo, but since such materials—medical, for example—have considerable impact on the standards of living of not only the United States but other countries as well, fast shipment is necessary. He added that safe and proper shipment is of primary importance. Speaking more broadly, however, about the other categories of hazardous cargos, he said that should Pan Am be permitted to refuse to ship such materials (on a general basis), chances are it would lose *most* of its cargo traffic to the foreign carriers which are its competition. Since many Americans fly such airlines, the potential dangers wouldn't be eliminated, just transferred, and, he said, Pan Am would like to keep this business as long as it can safely and properly be handled.

Several other airline executives told us that most airlines would really rather not carry such cargo on passenger planes but that, if one airline refused unilaterally, many shippers would retaliate by refusing to ship anything on that airline. Just the very implication of that kind of threat is a very powerful weapon when most airlines are either losing money or operating marginally.

For four years pilots Jim Eckols and Don Dunn have been studying the problem of hazardous cargo and they've been trying to get action. "We're the ones on the freight dock at two in the morning and we've been crying out, 'We've got a problem here.' And we've been getting the run-around," says Dunn. He says that the airlines want the Federal government to do something about it and the Federal agencies leave it up to the unions. "Safety must be brought back into focus. We'd like to see the problem solved in the system, but if they won't, we will." Dunn explained that more and more pilots are individually refusing to fly planes with hazardous cargo on board.

This past June, the TWA pilots voted as a group to refuse to continue carrying hazardous cargo. The ensuing negotiations between the pilots and TWA resulted in an agreement which could become an industry-wide standard. It calls for the elimination of the hottest type of radioactive package, a possible system of monitoring all radioactive cargo (Delta is already doing this), and a committee made up of pilot and management representatives to determine what other hazardous materials are unfit for transport on passenger planes.

Paul Jordan, of ALPA, says the problem is upstream of the carrier. "The shippers just don't take the time or spend the money to do the job properly. So we're really dealing with just general economic expediency on behalf of shippers, freight forwarders and the carriers themselves."

So, what is being done about the situation? There are elaborate Federal regulations dealing with the shipment of hazardous cargo. But the regulations aren't being properly enforced. Congressman Brooks has been trying for several years to get the FAA to enforce its own rules, but with little success. "I think the FAA has just let all this hazardous material slip through the cracks of their regulations. The shippers ... will rock along doing what they cotton well please until this government, through the FAA, forces them to package and examine adequately hazardous material shipped on airlines."

For years the FAA has been saying its enforcement program for hazardous material has been good. However, in June, 1974, Senator Hartke released a draft copy of an FAA in-house study of those enforcement efforts. Hartke categorizes the study as a "damning indictment of the whole process." Hartke says the study shows the FAA has been doing *essentially nothing* about enforcing the regulations. Oscar Beake, the Assistant FAA Administrator for Aviation Safety, disagrees with Hartke's categorization but does admit the FAA has not been doing an adequate job of enforcement.

Most people concerned about the shipment of such material believe it's not the airlines but the FAA and the Department of Transportation that should be clearing up this problem. Some suggest that, failing action by the DOT and its agencies, Congress should pass a law banning the shipment of most hazardous material on passenger planes.

The city of St. Paul, MN, is not waiting for Congress. There is a new ordinance at the Minneapolis-St. Paul Airport. It mandates the monitoring with geiger-counter devices of all radioactive packages and the monitoring with radiation-sensitive film badges of all personnel who handle such packages. Mayor Lawrence Cohen of St. Paul, a member of the airport commission, says, "We're just trying to enforce the Federal laws. Those laws have been in existence for a long time and the government has done nothing to enforce them." Other airport commissions are considering similar ordinances.

Meanwhile, the traveler seemingly does not have the right to know if the plane he's on is carrying any type of hazardous material. The FAA says that if they get enough response from people saying they want to know, a rule would be issued granting the public that right.

It seems that the FAA should be receiving volumes of mail on all areas of hazardous cargo. If you'd like to write expressing your views, the address is FAA, Office of Aviation Safety, 800 Independence Ave. SW, Washington, DC 20591. It might be a good idea to send copies to your senators and congressman.

OPINION FROM THE EXECUTIVE OFFICE—HAZARDOUS CARGO ON PASSENGER PLANES

During the last few months, the public's attention has been drawn intermittently to a problem that, curiously, has been permitted to exist for a number of years. We refer to the shipment of hazardous cargo aboard passenger planes.

There have been instances when, despite Federal regulations detailing the proper identification, packaging and handling of hazardous cargo, such materials, improperly marked and packaged, have found their way into passenger plane cargo holds.

John Lyons (Science Editor of WNEW Radio News in New York) and his wife Christine have spent nearly two years sifting through mountains of testimony and regulations. They've interviewed representatives of airline management as well as pilots and flight attendants. They've spoken with legislators and mayors and have attended hearings. The Lyons' efforts culminated in a series of radio broadcasts on the subject of hazardous cargo. They agreed to prepare an article on hazardous cargo, based on their investigations, for Travel. It begins on page 22.

Our own conversations with representatives of airline management tend to bear out that the airlines see a real problem which they, as much as anyone, want resolved. As we see it, most of the potentially-disastrous situations result from violations of the Federal regulations on the part of persons responsible for packaging and labeling shipments. We cannot expect cargo handlers to suspect that innocent-looking packages might contain improperly-protected acid. The airlines, however, do admit their vigilance can and should be improved. Vigorous training programs might help, but most airlines seem to have taken only rudimentary steps in that direction.

Obviously, it is not our intention to undermine the public's confidence in flying. Rather, we hope all our readers—and all travelers—will join with pilots and flight attendants, airline management and concerned public servants in bringing pressure against the Federal agencies involved. The areas of responsibility for the proper shipment of hazardous materials must be clearly defined. Only emergency materials (radio-active medical supplies, for example) should be permitted aboard passenger planes. Regulations should be made readily enforceable and the stiffest possible penalties should be assessed against those found guilty.

H. W. SHANE,
President.

[From Media & Consumer]

THE HIDDEN PASSENGER: HAZARDOUS CARGOES ON PASSENGER PLANES

(By John and Christine Lyons)

Nine out of every 10 times you board a commercial passenger plane you're probably sitting just a few feet away from some kind of dangerous cargo, according to the Air Line Pilots Association (A.L.P.A.) That cargo might include, among other things, radioactive material, explosives, acids, nerve gas, and live germ viruses. It is legal to ship these materials in passenger planes if they are packaged and handled according to federal regulations.

Yet the vast majority of such shipments checked last year by the government were in violation of the regulations. In fact, the A.L.P.A. estimated last year that over 90 per cent of the shipments were in violation in one way or another. This information and a spate of recent incidents have aroused a number of Congressmen, municipal officials, members of pilot and stewardess groups, and many individuals who are forced to handle such cargo. When speaking of the situation, they use terms like "disaster," "tragedy," and "public health menace." They refer to incidents such as these:

Last November 3, a Pan American cargo jet crashed in flames at Boston's Logan Airport, killing the three-man crew. It crashed because leaking nitric acid in the cargo area ignited, according to the preliminary report of the National Transportation Safety Board (NTSB). Capt. James Eckols, co-chairman of the A.L.P.A. sub-committee on hazardous materials, was a member of the NTSB investigative team. He says there were about 16,000 pounds of chemicals and acids on the plane, "all of it packed, labeled and shipped in contravention of federal laws." Some of the boxes of nitric acid were illegally loaded on their sides and when a cap on one bottle came loose, some nitric acid apparently leaked out and ignited the extremely flammable packing material.

"Nothing was done right with this shipment from the very first until the airplane ended up in a scrap heap at Boston Airport," Eckols says. By federal regulation, the pilot is supposed to be notified of any hazardous cargo on the plane. "The pilots were never notified," he says. "They had no idea they had 16,000 pounds of dangerous chemicals on board." During the emergency approach to the airport, the pilots lost control of the plane. "It's only luck that the plane didn't crash into a populated area," Eckols says.

On April 5 and 6, an improperly shielded shipment of radioactive material was shipped on two Delta Airlines flights. At least 157 passengers and 32 ground personnel were exposed to the excess radiation. The Atomic Energy Commission, which investigated the incident, says there is no evidence of biological damage to the passengers.

Federal guidelines on radiation state that an unmonitored individual in the general population should not receive more than 170 millirems (mr.) of radiation per year. (A millirem is a standard measure of radiation dosage.) Yet, a number of passengers on one of the two Delta flights received estimated dosages ranging from 2,000 to 12,900 mr., according to Congressional testimony. And a consultant to Delta says there are indications the dosages may have run as high as 14,000 mr.

A woman sitting in the tourist section of one of the two flights was four months pregnant with her first baby. She received an estimated dosage of 340 mr. A doctor investigating the effects of the exposure on passengers says the dosage received is "on the border line," meaning some medical authorities feel the dosage did damage the fetus and an abortion is called for, while other authorities believe the radiation level must be higher to cause such action.

The AEC says it is still investigating the effect of the exposure on ground personnel. While available information is sketchy, several sources estimate that a delivery truck driver who handled the radioactive cargo in Baton Rouge, La. received a dose in excess of 340,000 mr. A dose of 400,000 mr., it has been estimated, would kill 50 per cent of the people exposed to it. The delivery truck driver says that he has been vomiting every day since three days after the incident and that he's never had stomach trouble before. His case is one of those still under investigation by the AEC.

Bitter reaction to the AEC's preliminary finding that no passengers were "biologically injured" comes from Capt. Eckols of the pilots association: "To say no one was injured is insane. You cannot feel radiation, and so even when severely overdosed there may be no immediately-apparent symptoms that these people could be future cancer victims."

An incident strikingly similar to that involving the Delta flights occurred on April 17, 1972. A shipment of the same kind of radioactive material that was on the Delta flights, iridium 192, was carried on board a North Central Airlines passenger plane on a 150-mile flight from Minneapolis/St. Paul to Duluth. There is no mention in any of the reports filed on that incident that any checking was done to determine the radiation exposure to passengers. In fact, the report sent by North Central to the Department of Transportation states only that the box was received in Duluth with the top ripped open and that the shipper promised to fasten the containers better in the future.

There is no mention in the report that before the package left Minneapolis/St. Paul, a cargo handler was contaminated as he loaded the package onto the plane. That person, Roger Welsh, and his supervisor filed an employee injury report with the company. Welsh says he was in the plane loading freight when one box leaked something on him. He later told us, "I didn't think anything about it because there were no radioactive stickers on the package." After the broken box was discovered in Duluth, the order went back through the North Central system that anyone who had handled the package should be checked out. Welsh told us, "The doctor checked me out with a geiger counter-type device and found radioactivity on all the hairy parts of my body. I was given a list of things to watch out for and told to go back to work and return to the doctor in a couple of days." In the injury report, in the section describing what action had been taken, Welsh's supervisor, L. W. Sipes, wrote, "Spoke to the shipper, from this particular company, the containers will be constructed better, and will be marked with radioactive stickers on at least four sides."

In 1971, some diseased hog tissue was packed in formaldehyde, which in turn was packed in dry ice and put on an Ozark airplane in Owensboro, Ky., destined for Louisville. The shipment was packaged improperly—there was no vent to let off the carbon dioxide from the dry ice. The pressure of the gas built up and the package exploded, sending the formaldehyde through the air conditioning system of the plane. Fortunately, the plane was on the ground in Louisville by this time and most of the passengers had disembarked. The co-pilot, however, was still on the plane, and even though he immediately went on straight oxygen, he received such a large dose of formaldehyde through the ventilation system that for the first few weeks he thought he had lost his voice permanently. He eventually recovered.

Last November, a chemical company wanted to get a shipment to St. Louis. The chemical, hydrofluoric acid, was too dangerous to be legally shipped by passenger airplane, so the company packed the material in a salesman's briefcase as carry-on luggage. The briefcase wouldn't fit under the salesman's seat, so it was put in the plane's cargo bin.

After the plane landed in St. Louis, the cargo agents found the cargo bin full of holes. The chemicals had spilled in the cargo area, burning the holes in the floor. "To date, the only thing we know of happening is that the FAA has told this gentleman *he should not do this in the future,*" says Capt. Thomas Gerber of the pilots association. In this incident the shipper knew the regulations, and just ignored them. Gerber is discouraged. "Why won't people lie and cheat just to get the shipment through, when the worst they get is a $1,000 fine or a letter from the FAA telling them they're bad."

Laurie Eckols, a stewardess on Ozark and the wife of Capt. Eckols of the pilots association, tells of an incident that happened about three years ago on an Ozark flight. "After we landed, an agent came running up and grabbed a Coca-Cola. I asked him what was wrong and he said that a shipment had spilled in the cargo bin of the plane and it was bubbling. He said he always poured Coke on something that bubbled. When the Coke didn't help, they poured baking soda on the bubbling shipment. It turned out this shipment was bottles of hydrochloric and sulfuric acid packed in a salesman's sample case. The agent who had unloaded the shipment spilled some on himself and it ate through his pants, shoes and socks, and today he is permanently scarred. It also ate through the interior belly of the plane, so that had to be reskinned."

Capt. Eckols says the A.L.P.A. had "hundreds" of incidents similar to these in its files.

TWIN CITIES AIRPORT CLAMPS DOWN

On May 20, the members of the Minneapolis-St. Paul Metropolitan Airport Commission approved an ordinance which will make the Twin Cities Airport the first in the nation to require monitoring of all radioactive packages going through the airport. It also requires the monitoring of the baggage handlers as well.

Any packages that give off more radioactivity than the federal regulations allow will be stopped and turned over to a state agency. The baggage handlers will wear film badges which will be regularly checked to see how much radiation they receive. The airport has already conducted a two-month test of the badge system, finding that several baggage handlers have picked up what the St. Paul mayor's office calls "significant amounts of radiation." The ordinance will take effect July 1.

The major proponent of the ordinance was St. Paul Mayor Lawrence Cohen. Cohen told us, "We found that while there were various federal rules and regulations in the books, there was no enforcement by any of the federal agencies." Cohen continues: "Humanitarian-type nuclear physicists who have worked for the AEC think our ordinance is great. What's really good about it is that we're scaring the hell out of the federal government. We're going to do their job for them and they can't handle that. The federal government, either unable or unwilling to face realities, had the gall to send representatives from Washington, D.C. to oppose our monitoring ordinance. All we want to do is enforce their own regulations."

Why There Are Hazardous Cargoes on Airplanes

The shipment of hazardous materials by air is supposed to be controlled by a set of elaborate and complicated federal regulations. The regulations are quite specific. And one would expect they would be because they cover substances such as explosives, acids, gases, poisons and nuclear material.

Ironically, much of the material that can be shipped on passenger planes may not by law be conveyed by other forms of passenger transportation. And while it may in some instances be shipped by trucks or freight trains, when trucks and freight trains carry material that is exposive, corrosive, radioactive or otherwise dangerous, they must bear placards so that people can keep their distance. There is no such warning for airplane passengers.

"When asked why planes are exempted from placarding, officials of the FAA or Department of Transportation express amazement that such a question would even be asked," says Capt. Eckols of the pilots association. "They say, if people knew radioactive material were aboard, they wouldn't fly." He adds, "There is nothing in the law which exempts airliners from placarding regulations, yet you'll never see a placard on a passenger plane."

Given the fact that hazardous materials are regularly carried on passenger planes and that there is a large body of regulations governing their transport, one would assume the passenger is relatively safe even when such substances are aboard.

One who disagrees with this assumption is Rep. Jack Brooks (D-Tex.), chairman of the Government Activities Subcommittee of the House Operations Committee. "We have learned that an overwhelming majority of hazardous materials shipments by air are in violation of federal regulation," Rep. Brooks declared on April 5, 1973 at the opening of one of his hearings. He added: "For example, recent visual inspections showed the following results; 20 out of 24 shipments inspected at Kennedy Airport in New York were in violation; 11 out of 12 in violation at Philadelphia; seven out of nine at LaGuardia; five out of six at Baltimore; 10 out of 14 at O'Hare, and six out of six at Newark." These figures were submitted to Brooks Committee by the Office of Hazardous Materials of the Department of Transportation.

"Our shipment of hazardous materials by air is totally out of control," says Brooks, who is seeking to get the Federal Aviation Administration to enforce the federal regulations with more vigor.

Brooks and others are particularly disturbed by what they feel is vastly inadequate monitoring of hazardous materials shipments and enforcement of existing regulations.

Among the others voicing concern are members of the Air Line Pilots Associaton. They are upset by what they term as "wholesale and wanton disregard" of existing regulations by shippers of hazardous materials.

"If a company can't send an acid legally, they label it machine parts and send it anyway," charges Capt. Don Dunn, cochairman.

"We're really dealing with just general economic expedience on behalf of manufacturers, shippers, freight forwarders and the carriers themselves," says Capt. Paul Jordan, a member of the A.L.P.A. safety committee.

How effectively the FAA implements and enforces its own rules covering hazardous cargoes may be seen in its treatment of a rule issued last year. The rule said everyone involved in the handling of hazardous materials must receive training in a program approved by the agency.

"The agency went on to approve programs which claimed to be able to train people completely on the handling of hazardous materials in 10 minutes," says Capt. Eckols of the pilots group. "You wouldn't be able to read the index of federal regulations on hazardous materials in that time," he adds.

At North Central Airlines, compliance with the new FAA regulation consisted of a short film followed by a test to demonstrate that employees had absorbed the required knowledge, says Roger Welsh, a North Central cargo handler. The answers to the test were printed on the back of the sheet, he added.

A spokesman for the airline, Del Drumm, did not deny that the answers were printed on the back of the question sheet. He would say only that "the questions and answers are readily available to the trainee," and that North Central's program was approved by the FAA.

PILOTS ALARMED BY PROBLEM

A representative of the Air Line Pilots Association testified on March 15, 1973 before a Congressional committee investigating the problem of transporting hazardous materials by air. Part of that statement follows:

For the past two years, pilot investigators from the Air Line Pilots Association have conducted an intensive study of the rules and regulations governing the carriage of dangerous cargo aboard passenger-carrying airlines. This work has further included over 1,000 on-the-spot surveys of cargo shipments as they were being readied for loading at airports around the country.

Based on this study I am alarmed to report these two significant findings:

1. Our investigators estimate that more than 90 per cent of the 14,000 passenger-carrying flights operated daily by the U.S. airlines have some type of hazardous materials aboard, including such shipments as radioactive drugs, pesticides and other poisons, viruses, germ cultures and even explosives.

2. Under present government regulations, nine out of every 10 of these shipments are illegal. . . .

It is the position of the Air Line Pilots Association that all hazardous materials should be banned from passenger-carrying aircraft.

WHAT'S BEING DONE TO CORRECT THE PROBLEM

Upset by what they feel to be inattentiveness to the problem of hazardous airline cargoes, a number of groups are planning to bring renewed pressure on federal agencies and the airlines to act more vigorously in the future.

At the forefront of the effort is the Air Line Pilots Association, which wants all hazardous material removed from airlines except for emergency radioactive pharmaceuticals, and those only when so packaged that the radiation given off is almost zero. Many local pilot groups are angry at the lack of response from the government and the airlines, and now are talking about voting as a group to refuse to carry any hazardous cargo. Individual action is taking place already. By law, a pilot may order a shipment removed from his plane if he has reason to feel it unsafe. More and more pilots are doing that now, says the A.L.P.A.

The pilots are expected to play a key role in upcoming hearings to be conducted by the Senate Commerce Committee. The hearings are scheduled to start this month. Both the FAA and the Atomic Energy Commission say they're now conducting new studies to see if there really is a problem with hazardous cargo.

Nearing completion are two private studies to determine radiation dosages received by flight attendants who regularly travel routes on which radioactive materials are shipped with some frequency.

Last year, a group of Ozark pilots and flight attendants looked at the high number of problem births among flight attendants. They found that of 10 stewardesses who left the airline last year to have children, six pregnancies ended tragically: four ended in miscarriages, one child died soon after birth, and the sixth was born a mongoloid. They then checked and found that two of the stewardesses who had problem births had flown flights that carry radioactive material regularly. They were unable to get complete information on material carried on the flights taken by the other stewardesses.

This study did not prove any connection between radioactive cargo and problem births but did prompt a larger study. The Steward and Stewardess division of the A.L.P.A. recently sent out questionnaires to member stewardesses asking about problem births they had experienced.

So far, the returns are spotty, but Capt. Eckols says, "There is sufficient data from one part of the country to show that stewardesses on one airline that carries a lot of radioactive material had a significantly greater rate of birth problems than the general population." Stewardesses for Women's Rights, another organization, is now sending out questionnaires to several thousand stewardesses in order to learn more about this situation. The group has also put radiation monitoring badges on 100 Stewardesses to determine what exposure they are getting during flight.

WHAT YOU CAN DO

The pilot of an airliner is required by law to be notified when any hazardous material is loaded on his plane. Reuben Robertson, the director of the Aviation Consumer Action Project, a public interest group in Washington, D.C., suggests that each passenger ask the pilot if there is hazardous cargo on board. Robertson says:

"There is nothing that says the pilot must tell the passenger, but most of the time he is happy to do so. Each time we fly now, as we're boarding the plane we hand a note to the stewardess to give to the captain. It reads: 'Dear Sir: We are passengers on your plane and would like to know if there is any hazardous cargo on board . . . If so, what is it? Where is it located and how much is there?' We have found the crews only too happy to give us the answers."

If the pilot tells you there is something dangerous aboard you can decide for yourself whether to fly on that airplane. Capt. Eckols saw that one of the key issues now is the passenger's right to know what he's flying with. And the Aviation Consumer Action Project says it is planning to test the passenger's right to know in the courts soon.

Along these lines, the group is considering a lawsuit to force the placarding of passenger planes carrying hazardous cargo. The placards would warn air travelers that a plane carried dangerous cargo. Pat Kennedy of the group says the suit is "only a holding action until somebody passes regulations saying this material may not be shipped on passenger planes."

POSTSCRIPT: TWA TIGHTENS RULES

Just as this article went to press, *Media & Consumer* learned that Trans World Airlines, faced with an imminent job action by its pilots and stewardesses, has agreed to institute a number of stringent safety measures in regard to the transportation of hazardous cargo on passenger planes.

It has agreed to begin a stricter monitoring system for all hazardous cargoes, and to limit the amount of radioactive material that can be carried on any passenger flight. Exempted from the agreement are radioactive materials for medical purposes.

The pilots and stewardesses had threatened, among other things, to start informing passengers, at flight time, when radioactive and other hazardous materials were abroad.

It is expected that the threat of similar actions will be instituted at other airlines in the immediate future.

THE COUNCIL OF THE
CITY OF NEW YORK,
New York, N.Y., August 7, 1974.

Mr. JOHN LYONS,
New York, N.Y.

DEAR JOHN: I am pleased to enclose self-explanatory resolutions calling upon the United States Congress and the Port Authority to take immediate steps to reduce and eliminate the serious danger faced by airline passengers and the public at large by reason of hazardous materials being carried on passenger planes.

These bills were your brain child, and I know that your pioneering work in this area will lead to corrective legislation.

As I told you before, whenever you want me, I will be available.

Love to Chris.

Sincerely,

PETER F. VALLONE.

RES. No. —

Resolution calling upon members of the U.S. Congress from the city of New York to introduce and support legislation which would remove all hazardous material from passenger planes, excepting emergency medical radioactive shipments, with adequate posting of signs warning passengers of any emergency hazardous material on board

Whereas, there is a clear and present danger to the public by reason of dangerous and hazardous cargo being transported on passenger planes throughout the United States; and

Whereas, such dangerous and hazardous cargo includes radioactive materials, gases, explosives, live viruses, blasting caps, acids, poisons, corrosive chemicals, and similar materials capable of causing catastrophic harm to airline passengers as well as to the public at large; and

Whereas, all responsible governmental officials and consumer and environmental associations desire legislation which would eliminate this danger, be it

Resolved, that the Council of the City of New York calls upon members of the United States Congress from the City of New York to introduce and support legislation removing all hazardous materials from passenger planes, excepting emergency medical radioactive shipments, with adequate posting of signs warning passengers of any emergency hazardous material on board.

RES. No. —

Resolution calling upon the Port Authority to strictly enforce existing Port Authority regulations covering the transportation of dangerous and hazardous materials on passenger planes at New York City Airports

Whereas, the media has recently given wide attention to the indiscriminate transportation of dangerous and hazardous materials on passenger planes using the facilities provided by New York City Airports; and

Whereas, the Port Authority has a duty to the people of the City of New York to adequately supervise, monitor, prevent and prohibit such transportation when such transportation would endanger lives, and

Whereas, the Port Authority has regulations already in existence which would lessen dangers caused by such transportation, and

Whereas, the strict enforcement of such regulations would be in the best interests of the people of the City of New York; now, therefore, be it

Resolved, that the Council of the City of New York calls upon the Port Authority to strictly enforce existing Port Authority regulations covering the transportation on passenger planes of dangerous and hazardous materials at New York City Airports.

AUTOMOBILE FUEL ECONOMY AND FOREIGN OIL

Mr. DOMENICI. Mr. President, it seems to be popular these days in relating the events of which we are a part, events we often feel are beyond our control, to find some good news to try to offset the ever present bad news. When the subject is this Nation's petroleum situation, even the most diligent search frequently fails to produce any "good news."

I rise today, Mr. President, to point to a bit of genuine good news related to our petroleum consumption to be followed by the bad news on the supply and cost side.

In the first instance, I refer to the announcements this past Friday by EPA Administrator Russell Train and FEA Administrator John C. Sawhill that 1975 automobiles are expected, to achieve a 13.5 percent improvement in fuel economy compared to 1974 automobiles. Administrator Train said that preliminary calculations from EPA's laboratory tests and statistical analysis, taking into account expected sales of various models, indicates that the average new car would get about 13.5 miles per gallon compared with 12.1 miles per gallon for the average 1974 car.

Although these figures are preliminary and are estimates, it is obvious that substantial savings of gasoline will be realized by fuel economy improvements in the range expected. While there are those who will seek to downplay the importance of this fuel savings by pointing out that 1974 cars were poor in fuel economy, the fact is that reductions in future petroleum usage must be measured against today's usage, not figures for some past period of time.

The bad news continues to be on the price of petroleum products, especially as it is affected by policy decisions of oil-producing nations. The weekend papers were filled with accounts of OPEC refusing to yield on its decision to charge higher prices for oil regardless of other factors normally determining selling price—cost of production, reasonable profit, and availability.

Typical of the headlines of some of these articles are: "Saudi Oil Chief Sees Major Recession Due to High Prices but He Backs OPEC"; "Smell of Oil To Pervade IMF Session"; "OPEC Aide Expects 12 Percent Oil Price Rise"; "Saudi Arabia Clarifies Rise on 'Participation Oil' "; "Crude Oil Cost Could Rise 12 Percent"; "Saudi Is Raising 'Buyback' Price"; "Saudi Arabia Said To Plan Oil Price Rise of Its Own"; and a "'News Analysis" from the Sunday Washington Post which is most accurate in its characterization of the situation as "Price Cut for Oil a Mirage."

These two subjects are related, Mr. President, because part of our response to ever-increasing prices for foreign oil must be to tighten our belts and use less oil and oil products. The increased fuel savings from 1975 cars is attributable to several factors such as a higher percentage of smaller cars and more efficient air emission equipment on some models. As such, it is a rather fortuitous circumstance and it points up the need for concerted Government action to help conserve fuel.

It is this kind of Government action we must seriously consider as the menace of OPEC price fixing becomes an even more vivid reality. I am among those of this body who feels that Government regulation of our Nation's people and their business should be limited to those matters clearly in the public interest. Conservation of petroleum and reduction of demand, in view of the calamitous prospects of relying on foreign oil for up to 50 percent of our use, are clearly actions in the public interest.

Accordingly, I heartily endorse the joint efforts of EPA and FEA on the 1975 fuel labeling and fuel economy program. Such labels will help buyers know which cars have the best fuel economy and influence car manufacturers to produce more cars that have better fuel economy.

I also endorse FEA's announced plans to ask automobile manufacturers for an industrywide improvement in new car gas mileage during coming model years.

In concluding, Mr. President, it is my intention to carefully examine this area from the standpoint of need for legislation. Our energy situation and the prices we are paying for oil demand that this approach be considered. To do less would be irresponsible and violate our duty to those we represent.

THE PENSION REFORM ACT

Mr. BIBLE. Mr. President, as chairman of the Select Committee on Small Business I would like to comment briefly on the enactment and signing on Labor Day of the Employee Retirement Income Security Act of 1974—commonly known as the Pension Reform Act, Public Law 93-406—as it relates to the 8½ million full-time commercial small enterprises of this country.

The passage of this bill is a great achievement. It took 7 years of legislative work. It involved four congressional committees and a monumental effort to reconcile their work that was performed by a fifth, the Joint Committee on Internal Revenue Taxation.

The law is a milestone in our Nation's quest for retirement security for the American worker. However, it also has a major impact on the small business community—both as self-employed workers and as employers of more than half the labor force.

Our Small Business Committee was proud of the minor part which it played in the formulation of this legislation. Senior members of the committee, the Senator from Wisconsin (Mr. NELSON) and the Senator from New York (Mr. JAVITS) were leaders in gaining consideration of the new law. In the Bible-Evans small business tax reform bill, a number of committee members and other Senators early expressed their support for comparable deductions for self-employed businessmen in order to bring such benefits more in line with those of executives of large corporations. I believe we succeeded to a degree, since the new law narrows the contribution differential from about 3 to 1 to about 2 to 1.

We also resisted strongly the effort to impose the new 2 to 1 differential on small corporations. This discrimination was avoided as a result of the efforts of several Members of this body, including the Senator from South Carolina (Mr. THURMOND) and the statesmanship of the Senate Finance Committee and the Joint Committee on Internal Revenue Taxation. Our committee, and particularly the Senator from Alabama (Mr. SPARKMAN), advocated equity in the area of salary reduction retirement plans for small firms, which the legislation also treated in a balanced manner.

Another of our committee's contributions, which I believe will be ongoing, is in the field of basic research. The Congress needs a greater understanding of the extent of pension coverage among small business and the factors affecting such coverage.

This is confirmed by the studies upon which consideration of this bill was begun, which reflected that among manufacturing firms, those with less than 50 employees are only 28 percent covered by private pension plans; and firms with 50 to 99 employees are only 57 percent—or just over half covered—by such plans. Our committee pointed out in the course of consideration of the bill that while manufacturers are very important their statistics do not represent the bulk of the 9 million sole proprietorships, 1 million partnerships or one-quarter million so-called subchapter S corporations making up our business population; nor do they shed light on the retirement problems of employees of these other business units.

BASIC RESEARCH ENGENDERED

As part of an information-gathering effort in this area, our committee worked with several organizations, including the American Society of Pension Actuaries, the National Small Business Association, and the National Federation of Independent Business. The latter group, a widely based small business organization of about 380,000 members, took the initiative in conducting a survey of its membership on employee retirement plans. The results, I believe, make interesting reading and will be a factor in congressional consideration of this subject for a long time to come.

The survey was published in January 1974, in time to be available to the Congress, and particularly the conferees, in their final deliberations on the pension reform bill. The tabulations confirmed the lower percentages of coverage in small business and particularly in nonmanufacturing businesses. The federation concluded from its sample that approximately "19 million employees of small businesses—were not covered by any kind of employee retirement plan; and—will be dependent upon social security and their savings, if any, or else welfare programs when they retire."

We know that U.S. employment has reached 86 million. The Pension Reform Act is generally estimated to cover a maximum 35 million in private retirement and welfare plans, or about half the private labor force. Many questions remain unanswered about the other 50 percent of the employees, the great majority of which appear to be in the small business area.

I feel that the extent to which small firms provide jobs in this country is not generally recognized. Most people would, I believe, be surprised to learn that "small business" provides over 50 percent of U.S. employment. For instance, the NFIB survey revealed the following average number of employees according to the type of business entity:

Sole proprietorships—4 employees.
Partnerships—8 employees.
Subchapter S corporations—15 employees.
Corporations—27 employees.

These figures are, of course, based on the validity of the responses by members of the federation to this particular survey. However, it can be said that they are quite indicative of the job-providing qualities of the Nation's 8½ million commercial small and 12 million total small business enterprises.

A key question in the survey also concerned whether or not any form of retirement income plan was in existence, with the following responses:

ABSENCE OF RETIREMENT PLANS BY TYPE OF BUSINESS ENTITY

[In percent]

Type of entity	*Percentage not having retirement plan*
Sole proprietorship	82
Partnership	87
Subchapter S corporation	71
Corporations	50

The survey determined that in the event the limits of deductible contributions were increased to the levels that were eventually enacted in the bill, 55 percent of those not possessing a retirement plan would be motivated to start one. Further, 79 percent of those having an existing plan would increase their contributions under those circumstances. It seems significant to me that the work of the Congress in increasing the deduction limits for self-employed or H.R. 10 plans has accomplished what businessmen considered to be a significant improvement.

Accordingly, we may be hopeful that the new pension reform legislation will widen coverage of retirement plans with consequent benefit for businesses, employees, and the consumers which they ultimately serve.

ADDITIONAL PAPERWORK PROBLEMS

The new law certainly does not solve all the problems in the pension field. For instance, businessmen in the National Federation of Independent Business survey expressed their concern over the complexity in the administration of the prospective law. Their comments called for simplification of the paperwork that pension plans have at times produced in the past, and may require in the future. In an effort to cope with such difficulties, our committee has sponsored a liaison effort with the Internal Revenue Service, which includes a task force—under the chairmanship of John Faux of the American Society of Pension Actuaries—which is hard at work in this area.

In my opinion, it is appropriate to pause at this point and recognize the National Federation of Independent Business and the pension actuaries for their efforts in gathering basic data about the extent and characteristics of retirement plans among the small business segment of our economy, as well as the Congress for the enactment of this important law.

If we are to preserve free private enterprise in this country, we in Congress must give attention to the impact of the laws on retirement security. That is one of the basic concerns of a breadwinner throughout his or her working life. We should, and I feel must, assure that the self-employed worker and the owner of a small enterprise is not discouraged from enterprise and independence by difficulties in the law or paperwork in its administration. We should keep alive the American dream of business ownership. To the extent we succeed at this, we keep employment opportunities open and growing in the new, family, small, and independent business segment of the economy as options for the American worker.

In this regard, the Pension Reform Act and the involvement of small business organizations in its consideration are commendable steps forward along a road which we must continue to travel in the future.

SUPPORT FOR PRESIDENT FORD ON HIS POSITION ON FOREIGN OIL PRICES

Mr. DOMENICI. Mr. President, I want to go on record by these remarks to strongly support the statements by President Ford and Secretary of State Kissinger yesterday on the potentially disastrous consequences of the pricing policies being pursued by the Middle East oil-producing nations.

Dr. Kissinger spoke to the U.N. General Assembly in a manner quite correctly described as "unrelenting in his pessimism" as he outlined the possibilities for world wide catastrophe. He warned of the ever-increasing risk of nuclear holocaust, predicting that the restraint of three decades built on the sheer "awesomeness" of nuclear weapons would at some point fail to prevent their use. He cited several scenarios for failure of that restraint including miscalculation, accident, threat, blackmail, and outright design.

Dr. Kissinger pointed to the potential collapse of the world economic system as the other major global problem. He correctly designated as the underlying cause "unrestrained economic nationalism" which at its worst is illustrated by artificially high oil prices being charged by oil-producing nations. His pessimistic prediction in the economic area was quite simple and direct—a general world depression.

President Ford used equally strong and sobering language in his address to representatives of 69 nations attending a World Energy Conference in Detroit. He "told it like it is" in warning oil-producing nations in no uncertain terms that the artificial fixing of oil prices could have "disastrous consequences."

In their headlong, mindless flight to the heights of national self-interest in the short-term, the Middle East oil rich countries have completely ignored the devastating impact of their decisions. Mr. George F. Will has pointed out one of those tragic consequences for the world's masses of hungry people in an excellent editorial in this morning's Washington Post entitled "Energy, Food, and Famine."

Mr. Will vividly described the inexorable march of events that the artificial high price of oil has generated to "bring more than 50 million people in Africa and along the southern rim of Asia to the brink of ghastly death by starvation."

Many other examples of world wide disturbances and calamities could be cited, but, my object here is to say to this body and our sister body, we must join with our President to hold those consequences to a minimum—worldwide, to the extent we can, but never forgetting that the welfare of the people of this Nation is our first and greatest responsibility.

I think the time has come, Mr. President, for those of us elected to represent the people of this Nation to face up squarely to the responsibilities we share with President Ford for heading off the kind of calamities highlighted by Mr. Will and the potential catastrophes outlined by Dr. Kissinger—not just for this Nation, but for all nations, not just for the inhabitants of today's world but for their children and their children's children.

Mr. President, I request unanimous consent that Mr. Will's excellent editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 24, 1974]

ENERGY, FOOD, AND FAMINE

(By George F. Will)

There is an old axiom that becomes more important as the world becomes more interdependent. The axiom is: Governments cannot do one thing.

That is, governments cannot do only one thing. Every governmental action has consequences other than the consequences it was designed to have. In fact, the unintended (and often undesired and undesirable) effects of government actions frequently are more important than the intended effects.

It would be nice—it also would be amazing—if the oil producing nations, and especially the Arabs, would pause in their mischief long enough to consider how that axiom applies to what they are doing.

Last winter when the producers' cartel decided to raise prices and restrict production, the cartel members had several intentions. They wanted to make a lot of money and to isolate Israel, diplomatically, by putting intense pressure on the oil-consuming nations of Europe, North America and Japan.

But, presumably, the oil producing nations did not intend their policy to help cause—as a potential side effect—death on a scale far beyond that which World War II produced.

The sober truth is that the price and production decisions of a few officials of a few oil producing nations have helped bring more than 50 million people in Africa and along the southern rim of Asia to the brink of ghastly death by starvation.

The officials of the oil-producing nations probably did not pause last winter, while launching their price and production policies, to consider the link between energy and food. They are not alone in not understanding agriculture.

Agriculture is the most important and least understood of the world's major industries. Indeed, one measure of the general ignorance about agriculture is the fact that many people think it is odd to call agriculture an industry. But social analyst Peter Drucker is correct:

"Agriculture in the developed countries had become the most productive, the most capital-intensive, the most highly mechanized, and altogether the most 'industrial' of all modern industries. It is an industry with a very high input of scientific knowledge per unit of production. From being the most traditional sector, agriculture in the developed countries has become the most progressive sector."

The industrial dimension of argiculture—and the energy component—is increasingly important even in developing nations. It involves the use of heavy machinery and, most important, fertilizer. One billion people—a quarter of the world's population—is fed by the extra crop yields that fertilizers produce.

In recent years India became virtually self-sufficient in wheat, thanks to a new grain that is very dependent on fertilizer. But the most important fertilizer is nitrogen, and much of it comes from natural gas and petroleum. This year India is suffering a one million ton fertilizer shortage, in large measure because oil production has been cut/and because soaring fertilizer costs caused the U.S. government to restrict fertilizer exports. (Even with a partially protected supply, U.S. farmers this year will spend 50 per cent more—nearly $2 billion more—on fertilizer than they spent last year.)

For every 15-cent pound of fertilizer that India lacks, India loses 10 pounds of wheat. This year's fertilizer shortage will cost India 10 million tons of grain—a year's supply for 50 million Indians.

Americans use three million tons of fertilizers on lawns, rose gardens, nonplastic football fields, cemeteries and for other ornamental purposes. Various oil-producing nations are "flaring"—burning as waste—4.5 trillion cubic feet of natural gas each year. That is 10 times more natural gas than the U.S. uses each year to produce nitrogen fertilizer and it is enough to produce double the current world consumption of nitrogen fertilizer.

When the oil-producing nations made their price and production decisions last winter, they did not intend to produce a fertilizer shortage to discombobulate the world agricultural industry, and to expose millions to famine. But the fact that this great evil was unintended will not make anyone's life easier, or longer.

GENOCIDE CONVENTION WILL PROCLAIM RIGHT OF ALL PEOPLES TO SURVIVE

Mr. PROXMIRE. Mr. President, it is my hope that in this session of Congress we will act to ratify the Genocide Convention of 1949, joining the 78 nations already on record as declaring genocide to be an international crime.

Lengthy hearings on the subject, conducted in 1950 and, more recently, in March 1973, have mainly been addressed to the interpretation and enforcement of the accords. Those opposed to the document claim that its adoption will infringe upon American sovereignty and challenge the jurisdiction of our Federal courts. While I recognize the great importance of discussing these matters of practical application before ratifying the treaty. I also feel that the concerns raised can be resolved when enforcement legislation is being considered. The issue now is the spirit and intent of the convention—outlawing wholesale destruction of a people.

Those opposed to this treaty cannot argue rationally that its adoption will endanger the rights of our own people. Rather, it will proclaim the right of all peoples to survive. The treaty does not propose a diminution of our rights, nor would the Constitution allow it. To further postpone adoption of the accords would indicate that we are unwilling to speak out for basic rights.

Therefore, Mr. President, I again urge that we act without delay to ratify the Genocide Convention.

KANSAS PLEASED WITH SUCCESS OF ERTS

Mr. MOSS. Mr. President, the Honorable Robert B. Docking, Governor of Kansas, has sent me a most comprehensive letter describing how ERTS imagery has been useful to institutions and agencies in his State.

Listen to this portion of the Governor's letter:

> We have been pleased with the success made to date in applying ERTS imagery to a wide range of problems in a number of state agencies. Some such problems could only be addressed with this new view of our landscape, or painstakingly with far greater expense through conventional means over extended periods . . . I am assured . . . that we have only scratched the surface.

Speaking of the future of ERTS Governor Docking says:

> It is my understanding that the realization of the true potential of satellite based earth observation data will only be achieved when such systems are made operational and the agencies can depend on receiving the transmitted data in a timely and continuing manner.

Mr. President, I ask unanimous consent that the letter of the Governor of Kansas be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE GOVERNOR,
Topeka, Kans., August 1, 1974.

Hon. FRANK E. MOSS,
Chairman, Committee on Aeronautical and Space Sciences, U.S. Senate, Washington, D.C.

DEAR SENATOR MOSS: Thank you for your letter of June 24th requesting information on the use of the Earth Resource Technology Satellite system by the State of Kansas.

I have followed the progress of the investigations conducted in Kansas with the ERTS system since they were first proposed under the Kansas Environmental and Resource Study Program. We were very pleased to have investigators at the University of Kansas Space Technology Center, the Kansas Geological Survey and Kansas State University funded by NASA to do research with this new technology. It has been a major objective of the Kansas program to translate the results of the initial research studies into applications within various state and local agencies. In this regard I have called two Governor's Conferences on the application of satellite remote sensing designed to introduce directors and key personnel of Kansas state agencies and those in adjoining states to the potential it offers.

We have been pleased with the success made to date in applying ERTS imagery to a wide range of problems in a number of state agencies. Some such problems could only be addressed with this new view of our landscape, or painstakingly with far greater expense through conventional means over extended periods. I am enclosing a brief summary of the initial research investigations conducted with the Earth Resource Technology Satellite and a listing of some of the applications projects completed or underway in Kansas. I have been pleased to see the progress made in the application of this new technology to the management of Kansas' critical resources; however, I am assured by those more actively involved in our universities and in our agencies that we have only scratched the surface. It is my understanding that the realization of the true potential of satellite based earth observation data will only be achieved when such systems are made operational and the agencies can depend on receiving the transmitted data in a timely and continuing manner. Additional benefits, of course, are expected as the resolution of the sensors are improved based on experience and new developments.

The ERTS-1 research investigators at the University of Kansas Space Technology Center have demonstrated a number of uses for satellite imagery. These uses might be reasonably implemented if data were available from an operational satellite. Among these applications are estimates of crop acreage, particularly winter wheat, which may be prepared on an acceptably accurate and quite timely basis. Satellite images may also be used to monitor the expansion of cropland under irrigation. Since irrigation tends to deplete groundwater supplies, knowledge of the location and amount of land being irrigated is quite helpful. Other types of major land use change may also be monitored from an operational satellite. Water quality as a function of sediment and pollution in Kansas reservoirs may also be monitored.

These results lend to the argument that it would be desirable to assign the ERTS system to a mission agency and change its status to operational.

With every good wish.

Yours sincerely,

ROBERT DOCKING,
Governor of Kansas.

THE VINTAGE SAM ERVIN REFLECTS

Mr. BIBLE. Mr. President, the September 1974 issue of the Alumni Review, which is the official publication of the Alumni Association of Senator ERVIN's alma mater, the University of North Carolina at Chapel Hill, carrier a cover story on Senator ERVIN which was divided into two sections—one entitled "The Vintage Ervin Reflects" and the other entitled "Down Home Truths of Senator SAM."

Since this story contains items of intrust him into the chairmanship of the special committee from which investigations leading to the President's resignation have RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE VINTAGE ERVIN REFLECTS

As he prepared to retire from the U.S. Senate at the climax of his 20-year career in Washington, U.S. Sen. Sam J. Ervin Jr. '17 this month reflected on the role that alma mater has played in his life.

As an undergraduate at Carolina, he reminisced, he learned that "a people who do not heed the lessons which history teaches are doomed to repeat the mistakes of the past." History, and his reputation for fairness, thrust him into the chairmanship of the special committee from which investigations leading to the President's resignaaion have flowed.

Yet at this time when public malaise toward government is growing, the 78-year-old Morganton native has faith in the future of the country—and especially in its college students. "I believe the younger generation is going to do a much better job in running our government in the future than my generation has done in the immediate past," he declares.

Sen. Ervin responded in detail to a number of reflective questions put to him by the Alumni Review on his alma mater and his views toward the great issues of current events. The permanent President of the Class of '17. he has maintained close relations with the University at Chapel Hill. It presented him the Distinguished Alumnus Award last fall when he spoke on campus at University Day rites. He was President of the General Alumni Association 1947–48, twice a UNC trustee, and was awarded an honorary doctorate of laws here in 1951.

Despite the mutual admiration, and with the benefit of 57 years since he won his AB at Chapel Hill, he recalls that most of his Carolina friends would have described him during his student days as "some kind of happy-go-lucky fellow." His own appraisal of that era notwithstanding, the 1917 Yackety Yack carries a more positive description that "Everything he meets responds, and at once a sympathetic friendship ensues. Like Midas, he has that magic touch . . ."

The vintage Ervin since those days has drawn more specific appraisals from his contemporaries in light of the times. Richard Nixon himself has called him "a great Constitutional lawyer." His Arizona colleague Barry Goldwater, "would trust him with my wife's back teeth." Sen. Ted Kennedy, in backing him to head the Watergate investigation, saw Ervin as "a man beyond ambition." Senate Majority Leader Mike Mansfield apprised him succinctly: "Sam sticks pretty close to his wife and the Constitution. He's married to both."

Ask the senior senator from North Carolina how he views himself, though and the appraisal is much more mundane. If he could be one of Shakespeare's characters—in his "lighter moments"—he would "rather be Falstaff than any of them." He sees no difference in his public and private self: "I am just the same plain old shoe all the time."

Columnist Stewart Alsop has pictured Sen. Ervin as a great character actor—certainly the best since the late Sen. Everett Dirksen . . . master of the pregnant pause, the

eyebrows lifted in suspense, the jowl shaken in indignation, the droll interjection, the recondite history or constitutional reference."

Greensboro editor Ed Yoder '54 refined a bit: "What others, especially of the liberal persuasion, view now as the greening of a southern tory, albeit a jollifying. Bible-quoting storytelling tory—Tar Heels see as the fulfillment of a destiny ordained by history, geography, training and temperament." It all came down, he felt, to "a blend of mountain independence and cussedness, Calvinist conviction and the habitat of hard work." The ing . . . and a granitic deference to bedrock *parcel includes*, too, "a love of book-learnprinciples."

The recent notoriety and "discovery" of Sen. Ervin by political fans who characterize him as a "folk hero" is in fact a revelation only to them. Sam Ervin, the self-styled "country lawyer," has been consistent in his discerning libertarianism. He was completing studies at Harvard Law School when friends back in North Carolina put his name on the ballot for the General Assembly. He found himself representing Burke County in the N.C. Legislature in 1925 when the state's public schools were threatened with a "monkey bill" to bar the teaching of evolutionary theory. His argument against this emotionally-charged legislation was a classic that claused even its supporters to chuckle: "Such a measure serves no good purpose except to absolve monkeys of their responsibility for the human race." The staunch Presbyterian went on to declare that any bill intended to bar such scientific teaching was insulting to Christianity: "If the faith needed that buttress, then that religion cannot claim to be powerful enough to save men's souls." The truth of falsity of evolution was irrelevant. To Ervin the issue was freedom of speech.

Last year he chose "Light and Liberty," the "Lux et Libertas" of the University's official seal, as the topic for his University Day speech at Chapel Hill. The imperativeness of political, economic, intellectual, and religious liberty was still the foundation of his presentation from the platform in Memorial Hall.

"These freedoms are exercisable by fools as well as by wise men," he said, "by agnostics or atheists as well as by the devout, by those who defy our Constitution and laws as well as by those who conform to them, and by those who hate our country, as well as by those who love it. To be sure, the exercise of these freedoms may require us to put up with a lot of intellectual rubbish. But our country has nothing to fear from them, however much they may be abused, as long as it leaves truth free to combat error."

As an associate justice of the N.C. Supreme Court, Sam Ervin became known as the writer of correct, savory, witty, and consistently conservative opinions. After six years on that bench he was appointed to the U.S. Senate at the death of Clyde R. Hoey. Vice President Richard M. Nixon administered the oath of office to him on June 11, 1954. Shortly he was appointed to the committee studying possible disciplinary action against Sen. Joseph McCarthy. Though many of his colleagues shied away from the issue, the freshman senator from North Carolina urged the Senate to censure McCarthy. His judgment was that the Wisconsin Republican was "guilty of disorderly conduct by 'flyblowing' "—a down home expression for "smearing." Ervin told story after story, ridiculing McCarthy as he had ridiculed the "monkey bill" in North Carolina 30 years earlier. A University professor recalled later "they hardly knew what to do about old Joe McCarthy until Sam Ervin hung a few mountain stories on him." Subsequently the Senate censured McCarthy by a 67-22 vote.

During the rise of the civil right movement in the succeeding decade, Sen. Ervin incurred the wrath of the liberal establishment which saw him as just another Claghorn-type demagogue opposed to equal rights for blacks. While he did usually vote against civil rights measures, his reasons for doing so went far beyond those of many of his southern colleagues. Sen. Ervin called attention to lesser-known provisions of the bills that he felt might be used to destroy civil rights instead of to protect them. Columnist William S. White commented on this difference: "Sam Ervin is far above the mere stereotype. There isn't an ounce of Bilboism or that kind of rubbish in him at all."

His opposition to a 1962 civil rights bill was based on his belief that he had "never yet seen a so-called civil rights bill which was not calculated, if not intended, to sell constitutional truth to serve the political hour." Several years later he argued to his colleagues on the Senate floor that "righteous ends must never be permitted to justify non-legal means, because once accepted, those same means can be used for less desirable ends, and the rule of law is overthrown."

His constant concern has been to insure that no proposed law goes against the Constitution—a penchant which caused his Tar Heel colleague, the late Sen. B. Everett Jordan, to label him "the Constitutional conscience" of the Senate. Sen. Ervin invoked the 13th Amendment to oppose the drafting of railroad workers into the army to end their strike. Except for purposes of national security, he held that a draft would violate the prohibition of slavery and involuntary servitude.

He is similarly reluctant to change the Constitution itself, which he feels was "written primarily to keep the government from being masters of the American people." Recognizing this penchant, the New York Times Magazine published an article in 1970 under the heading: "Sam Ervin thinks the Constitution should be like mountain whiskey—undiluted and untaxed."

When the anti-poll tax Amendment was proposed he argued against "diluting" the Constitution by noting that only five states still used payment of poll taxes as a prerequisite for voting. He suggested they repeal these laws to avoid cluttering up the Constitution. Yet he deplored the denial by any election official of the right to vote "for two reasons: First, he does a gross wrong to the individual concerned; and second, he adds immeasurably to the task of those of us who reverence the Constitution." Time and again he has invoked the dictum: "When it is not necessary to change, it is necessary not to change."

Quietly and often independently, Sen Ervin has worked to advance individual liberties—opposing the omnibus crime bill for Washington, D.C. ("the ominous crime bill"), inspiring the revised Uniform Code of Military Justice, promoting a bill to prevent Indian tribal councils from depriving Indians of their Constitutional rights, leading a reform of the bail system, and securing passage of a bill limiting use of lie detector tests in screening federal employees.

The years at Chapel Hill influenced monumentally the course of his later life. Sen. Ervin feels. "I owe so much to Carolina that I cannot specify any aspect of my personality or life which was not influenced very much by the friendships and the teachings I had there," he recently declared. Specifically he recalled English Profs. John Booker, Norman Foerster, and Edwin Greenlaw, philosophy Prof. Horace Williams, Roulhac Hamilton of the history faculty, and Dean Lucius P. McGehee and A. C. McIntosh of the Law School. "I am deeply indebted to them for teaching me more about how to live than how to make a living, he recalled. Booker Greenlaw, and Foerster gave him a life-long love of good literature, and "Dr. Hamilton did much to enrich my life by teaching North Carolina and Constitutional history," he continued. "I think my studies at Chapel Hill assisted me in enjoying life as well as in a political career where a knowledge of history and a knowledge of literature are extremely helpful."

The University today, he feels, is "essentially the same kind of an institution it was when I was a student there . . . Carolina has sought to instill in its students sound learning and a love of intellectual and spiritual freedom. In an educational sense, Carolina has insisted, it seems to me, that we should strive to pursue with consistency the knowledge and wisdom lying beyond the next visible range of mountains."

Introspectively, Sen. Ervin winks at himself. Asked if there were any misconceptions about himself that he'd like to correct, he said "If I did make any correction such as that suggested by this question, I would probably have to reform myself . . . and I am compelled to confess that I am beyond reforming. Anyway it would be too painful a process."

He responded in a similar vein to another self-probing question: "What is the thing that you tolerate about yourself that you find intolerable in other people?" The Senator said, "In seeking the aid of my secretary in answering this question, she stated this would be a more appropriate question for a psychiatrist to ask. I agree with her, and for this reason will refrain from attempting to penetrate my psyche to answer it."

Conversely, he was asked "What is the one thing in your life you would repeat if you could?" "There are times when each of us wishes we had a second chance to live our lives again," he responded. "In my most solemn moments, however, I doubt whether it would be wise for us to have a second chance. If I have lived at a later time, I would have been denied the privilege of knowing some of the earth's most gallant spirits, such as (President) Edward Kidder Graham, (Dean) Marvin Hendrix Stacy, and others who occupy very soft spots among my treasured memories."

On more fundamental and significant questions concerning the nation today, he speaks directly: "The history of mankind shows that governments have an insatiable thirst for power. This desire for power will carry them to tyranny unless it is prevented." That his colleagues agreed with him in this feeling, led the Senate last year to choose Ervin to head the special committee investigating all aspects of the Watergate case. As the "enfant terrible" of Congress, he was Richard Nixon's nemesis. "He (President Nixon) is treading on our Constitution," the Senator declared. "I would suggest two books that should be in the White House. One is the Constitution of the United States and the other is Dale Carnegie's 'How to Win Friends and Influence People.' "

With the work of the Select Committee now completed, Sen. Ervin was asked if he felt the reforms his Committee had recommended would have come about other than through the impetus of the Watergate episodes, and about programs he had previously worked for which were in the Committee recommendations. While he felt he had not previously been very active in seeking presidential campaign regulations, he noted that some of the most important legislative reforms he'd worked for were pre-Watergate: Protecting the Constitutional rights of the mentally ill in the District of Columbia, the Criminal and Military Justice Acts, and the bail reform and Indian rights bills.

The Watergate investigations have not, in his judgment unearthed the need for any Constitutional amendments. Though there has been some popular sentiment for substituting a vote of lack of confidence in the President for the more painful impeachment procedure, he does not favor this. The U.S. cannot have both its own Constitutional system and the English system, he reasons.

Noting that he is often referred to as a strict Constitutionalist, Sen. Ervin felt this designation incorrect. He believes the Constitution should be interpreted according to its true intent when the words are plain in meaning and "in the experiences of the men who drafted its provisions when its words are ambiguous."

In the latter case—which is where Constitutional controversies so often arise, he believes "we must put ourselves in the position of the men who wrote the ambiguous provisions and then determine what they intended those provisions to mean. I believe in denying to the federal government every power not expressly or impliedly given it by the Constitution. But I believe also in interpreting most liberally the provisions of the Constitution vesting powers in the federal government."

As to his place in history, Sen. Ervin hoped it would record as his most important contributions "my fight for the preservation of Constitutional government and my fight to preserve the basic liberties of the individual."

Down Home Truths of Senator Sam

(Excerpted from an unpublished manuscript compiled by Bruce M. Tindall '77—and on file in North Carolina Collection of Wilson Library at the University.)

THE VINTAGE ERVIN

A young lawyer went to an old lawyer for advice on how to try a lawsuit. The old lawyer said: "If the evidence is against you, talk about the law. If the law is against you, talk about the evidence." But what do you do when both the evidence and the law are against you?" asked the young lawyer, "In that event," said the old lawyer, "give somebody hell. That will distract the attention of the judge and jury from the weakness of your case."

That is precisely what Sen. McCarthy is doing. . . . He insists that the Senate shall try everybody and everything except the junior Senator from Wisconsin and the issues which the Senate was called into special session to try.—U.S. Senate, November 15, 1954.

HIMSELF

Any indiscretions I may have committed in the past have been voided by the statute of limitations, and I have long since become incapable of committing any more.—Watergate hearings.

SENATOR SAM'S EPIGRAMS

. . . a patriot favors some bill that the gentleman is supporting, and a lobbyist is opposing that bill. Is that not the fundamental difference between the two?—House of Representatives, March 15, 1946.

There is an old Spanish proverb which says that an ounce of mother is worth a pound of priest.—Senate, August 19, 1970.

THE CONSTITUTION

Everyone will concede that the Constitution is written in words. If these words have no fixed meaning, they make the Constitution conform to Mark Twain's description of the dictionary. He said the dictionary has a wonderful vocabulary but no plot.—Playboy, February 1972.

A FREE PRESS

A natural enemy of freedom of the press is government, because no administration likes to see and hear things about itself which aren't glamorous. But all things done in government aren't worthy of praise and the way to prevent these things is to give them publicity.—Greensboro Daily News, February 20, 1973.

A FREE SOCIETY

It is one of the great tragedies of this generation that there are so many sincere persons who are so convinced of the rectitude of their own notions that not only would they like to impose and require conformance on the part of others, but they would also deny to others the right to protest and to point out the unsoundness of such notions.—Senate, January 22, 1963.

THE SUPREME COURT

Whether a statute produces a just or an unjust result is a matter for legislators and not for judges.—N.C. Supreme Court opinion 1953.

THE QUINTESSENTIAL CONSTITUTIONAL FUNDAMENTALIST

We will not fool history as we fool ourselves when we steal freedom from one man to confer it on another. The preservation of liberty is tedious work, and we must not be distracted from it by the civil rights sideshow which robs us in its own name's sake.—N.Y. Times Magazine, November 15, 1970.

20TH CENTURY WITCHCRAFT

We stand in danger of letting technology—the creed of efficiency, the dogma of the expert—become the religion of our culture.—Milwaukee speech, April 15, 1967.

OLD COUNTRY LAWYERS

. . . one time when I was presiding over a first degree murder trial they had a special venire summoned in from another country, and I asked one of these jurors if he could give him a fair trial. He said, "I think he is guilty . . . and he ought to be sent to the gas chamber. I can give him a fair trial."—Military Justice hearings 1966.

GOD AND CAESAR

The most heart-rending story of history is that of man's struggle against civil and ecclesiastical tyranny for the simple right to bow his own knees before his own God in his own way.—Senate, September 20, 1966.

Some ministers of the Gospel now seem to have more faith in the coercive power of manmade laws than they do in the persuasive power of the Gospel of Christ.—Senate, May 18, 1954.

BIBLE BELTS

Sam Ervin is a Calvinist. That means, he says: "We don't refrain from sinnin', but we don't get as much pleasure out of it as other people."—Playboy, February 1972.

WOMEN'S RIGHTS

I think there is a difference between men and women, and I thank God for the difference. I do not think we can wipe it out by legislation.—Senate, July 2, 1960.

A GOOD STORY

A fellow had what he considered a cantankerous mother-in-law. He received a telegram from the undertaker saying. "Your mother-in-law died today. Shall we cremate or bury?" He wired back: "Your telegram received. Take no chances. Cremate and bury."—Senate, April 4, 1960.

There is this man known as the most ignorant person in Burke Co. Somebody once asked him if he knew what county he lived in, and he answered flat out, "Nope." They asked him if he knew the name of the state, and he again said "Nope." Well, then they asked if he had ever heard of Jesus Christ. "No," he answered. Finally, they asked if he had ever heard of God. "I believe I have," he said. "Is his last name Damn?"—Time, April 16, 1973.

THE "OMINOUS CRIME BILL"

I think it's a sorry plight when the Congress of the United States is willing to pass a law that says an officer of the law can enter a man's house just like a burglar does.—Greensboro Daily News, March 7, 1971.

EXECUTIVE POPPYCOCK

I love my country, I venerate the office of the President. And I have the best wishes for the success of the incumbent . . . because he is the only President this country has at this time.—Watergate hearings, July 23, 1973.

On the 1972 election: . . . a choice between stupidity and duplicity.—Attributed, 1972.

FOREIGN POLICY

Vietnam is an example of what happens when we don't abide by the Constitution . . . We wouldn't be there in the first place if we had gone along with Constitutional directives.—Morganton News-Herald, August 12, 1968.

FEDERAL FISCAL FOLLIES

It is time for Congress to quit appropriating the unearned income for unborn Americans.—Senate, June 17, 1960.

Down in North Carolina there was a fellow named George who said to his friend Bill, "My wife is the most extravagant woman. She always wants 50 cents for this, 50 cents for that, and 50 cents for the other thing." Bill asked "What does she do with all that money?" George said "She don't get it."—Senate, January 25, 1963.

POLITICAL SALLIES

People in public life are sometimes subject to the same embarrassment as that of a young man who was persuaded to become a candidate for the state legislature. His father tried to talk him out of it. "Son, don't go into politics. Before it's over, they'll accuse you of stealing a horse." Sure enough, the young man lost and went back home where his father recalled his horse-stealing prediction. "Pa, it was much worse than that," the young man lamented. "They dern near proved it on me."—Time, April 16, 1973.

MY DISTINGUISHED COLLEAGUES

Mr. President, I have never in my life heard so much fine oratory used to complicate simplicity.—Senate, August 21, 1958.

BROMIDES, CHESTNUTS, AND IRISH BULLS

It is like the North Carolina mule which a tourist once stopped to admire. He asked the mule's owner what the animal's name was. The farmer replied, "I don't know, but was call it 'Bill.' "—Senate, September 6, 1966.

THE ECONOMY

Mr. PELL. Mr. President, ever since Malthus, more thas 200 years ago, spelled out his economic theory of ultimate disaster for mankind, economics has been known as the dismal science. And that term seems particularly appropriate today as we take a look at what has happened to production, prices, and jobs.

It is indeed a dismal outlook. Recently President Ford called to the White House a dozen of the Nation's most eminent economists. One of the few items on which these professional economists agreed is that there is little cause for optimism.

The statistics are depressing:

First. Inflation continues to gallop on, unchecked and unabated. The current annual rate of price increases, measured by the Consumer Price Index, is 11 percent. The most hopeful of the Ford administration goals is to reduce that rate to 7 percent by the end of the year, but few think that is a realistic possibility. One very bad omen has been the continued increase in wholesale prices, which ultimately will work their way down to the consumers. In July, the Wholesale Price Index jumped 3.3 percent—or an astounding annual rate of 44 percent. That was the second largest increase in 28 years, and it was followed last month by an even larger increase—3.9 percent.

Second. While inflation continues unchecked, unemployment, instead of declining, has begun to creep up ominously. The jobless rate increased in July by one-tenth of 1 percent to a national level of 5.3 percent. In my own State of Rhode Island, the jobless rate continues at an unacceptably high level of more than 7 percent.

Third. Industrial production has actually decreased during the first 6 months of this year.

Fourth. Interest rates are at historic high levels, primarily as a result of tight monetary policies imposed by the Federal Reserve Board. The prime interest rate—the rate that commercial banks charge on loans to major corporations—has jumped from 6 percent early last year to a current rate of 12 percent.

High interest rates for corporations mean higher interest rates for every Rhode Islander—when he buys an auto or tries to buy a home for his family. It means that the Federal Government—meaning the taxpayers—must pay a higher interest rate on Government borrowing. The higher interest rates are the primary cause of a $5.3-billion increase in interest payments on the Federal debt between fiscal 1973 and fiscal 1974.

What I am really concerned about, however, is what all of this means to the average American. The average American does not need a mass of statistics to know that he is worse off than he was a year ago, or 2 years ago. The average worker knows that although he may be making a little more money, he is getting less for it at the supermarket.

The fact is that wages have fallen far behind the rapid increase in consumer prices. But it is startling to realize how great a loss the average worker has taken because of inflation.

The take-home pay of the average worker in June of this year brought, in actual goods, 4.5 percent less than it did in June of 1973. The June, 1974 take-home pay of the average worker bought nearly 7 percent less than it did in October of 1972, even with pay raises during those 20 months. The average worker's take-home pay in June of 1974 would buy just about what he was able to buy in 1965. And that is heartbreaking. It means that the average worker, after 9 years of work and effort in an expanding economy, finds himself economically today right where he started 9 years ago.

Inflation and high interest rates also mean that for the majority of young American families, the dream of owning their own home is an impossible dream. The average new home now costs about $36,000. With current high interest rates on mortgages, a family would need an income of $18,000 a year to pay all of the costs involved in owning a home with a $30,000 mortgage. And three out of every four American families simply do not have that kind of money.

I will not go on with the dreary statistics. Summing it all up, it is clear that for the average American family, the confident expectation of continued economic improvement has been shattered. And for those less fortunate than the average American—for the elderly, the social security recipient, for those who retired on fixed pensions, the price rises of the past 2 years are a disaster. Each percentage hike in the cost of living pushes thousands of retired, older Americans into poverty.

What can be done to restore stability to our economy and to restore confidence and hope for better times to the average American?

As I noted, the best economists in the Nation, meeting at the White House, could not agree completely on a comprehensive economic policy. But if we were to wait for the economists, each with his own prejudices and favorite theories, to reach agreement, nothing ever would be done.

And we should not, as the White House has suggested, wait until January to adopt a forceful and comprehensive policy to stabilize the economy and restore economic growth.

The beginning of any new economic policy must be a realization that the situation is serious—much too serious to permit a delay of months and months while our new President reviews policy options.

I think one of the first things our new President should do is to purge his administration of the economic advisers who have been making economic policy for the past 5 years. President Ford, as the new head coach of our economy, has no reason to keep on the economic team of his administration the players who have fumbled the ball so consistently for the past 6 years.

We in the Congress also have a major responsibility. Because I share in that responsibility—indeed I feel it very deeply—I offer my suggestions on what should be done.

First, and most urgently, we should have a hold-fast, or a freeze, on prices and wages. I realize that our experience with economic controls during the Nixon administration was not a good one, but in part that was because they were on again, off again. I know too, as one who believes strongly in the free marketplace, that price and wage controls can only be temporary—it is a drastic treatment used only in emergencies. But I believe our economy is close to a state of emergency and that a hold-fast is necessary to cool down the frantic pace of price increases. I know that labor leaders will object to a freeze, claiming that they must have wage increases to catch up with previous price increases. But, for the past year, workers have been running hard to catch up and falling further behind with each passing month. If I were running that kind of losing race, I would welcome a quick halt.

And, I would add that wage and price controls under the Nixon administration did not provide a fair test, because the controls were administered in such an outrageously unfair and unwise manner. Even under the Nixon administration, however, phase I and phase II were successful in halting inflation. It was the premature loosening of controls under phase III that let loose a new flood of inflation.

Second, with a hold-fast in place, we should take steps to increase production. One of the very first steps must be a relaxation of the tight money policy pursued by the Federal Reserve Board. High interest rates are one effective means of combatting inflation—by discouraging investment in an overheated economy. But after a time, high interest rates become counterproductive—instead of combatting inflation, high interest costs become a part of inflation.

So let us ease interest rates, selectively if possible, so that the interest rates are lowest in the construction field so that we can get the construction workers back to work—building homes that American families desperately need. And let us ease interest rates, so those American families can afford to finance the purchase of a home. Primarily because of high interest rates and lack of mortgage money, more than 10 percent of construction workers are now out of work. Let us put them back to work building the homes, the stores, and the production facilities that America needs. It is a far better policy than a public works program paid for with taxpayers' dollars.

We should take other steps to encourage economic growth, to provide productive jobs. But, frankly, I do not believe we can justify across-the-board and indiscriminate investment incentives to industry. Not when business profits, after taxes, have been running well ahead of inflation.

But we should consider selective incentives or investment tax credits for industries in which increased production is essential, and, I believe, for small businesses. For example, we should provide every incentive possible for increased production facilities for agricultural fertilizers to meet the worldwide shortage. And small businesses have had far greater problems in adjusting to the runaway inflation. Small businesses have not shared in the extraordinary increases in corporate profits. They deserve some special consideration because of their vital importance to our economy.

A third point in an economic program must be steps to provide some relief and assistance to those who have been hurt the most by inflation and unemployment. I believe we should provide tax relief, through an income tax credit, to lower income families and individuals. These are the people who have been hurt most by inflation. And, in recognition of the upward trend in unemployment, I believe we must be prepared to provide jobs for the unemployed through an expanded program of public service employment, although the numbers in need of such a program would be reduced if we get the construction workers back at their regular job—building buildings.

It is obvious that providing tax relief to those most in need and providing public service employment for the jobless are steps that will cost money. Tax relief will reduce revenue to the Government, and public service jobs will require increased expenditures. Because large Federal Government budget deficits tend to increase inflationary pressures, we must take other actions to move the Federal Government budget nearer a balance.

To offset the revenue loss of tax relief measures, we should consider increasing corporate tax rates, increasing taxes on those who are better off, perhaps by a progressive personal income surtax, and we should plug some of the unjustified loopholes that now cost billions of dollars in revenue. For example, considering the record profits of the petroleum companies, the foreign tax credit allowance for the oil companies should be changed to a straight deduction. This measure could raise about $2 billion a year and would mean that the American taxpayer would cease subsidizing oil companies abroad.

Oil depletion allowances should be reduced. Profit levels of the industry are at such levels now that elimination of the allowance will have little impact on the ability of these companies to raise the capital needed for development of new oil resources.

And while we are talking about tax reform, one reform which I believe is essential is a reform of our capital gains taxes. The rate of taxation of capital gains on investments held for a relatively short time should be increased, while capital gains taxes on long-term investments should be reduced. The effect of these changes would be to discourage short-term market speculation on one hand, and, on the other hand, to make available for productive investments billions of dollars that are new locked into old securities by prohibitively high capital gains taxes.

I am happy to see that the Ways and Means Committee of the House of Representatives approved a capital gains tax revision much along these lines, increasing the minimum time requirements from 6 months to a year and reducing the effective tax rate on capital gains from investments held for 5 years or more. The committee also has recommended complete elimination of the oil depletion allowance by 1979.

To avoid large budget deficits, we must make every effort to eliminate unnecessary nonessential Government spending. The Democratic majority of the Senate has pledged an effort to cut substantially the administration's $305 billion budget. We have already voted across-the-board reductions on several appropriation bills. I would emphasize that there is no realistic way to cut the Federal budget significantly, without imposing some of those reductions on the Defense Department.

I am firmly committed to restraining Federal Government expenditures, as one part of the effort to control inflation. There is no doubt that the huge Federal Government deficits of $15 and $20 billion a year, during the Vietnam war, contributed subsantially to inflation at that time. I do not believe, however, restraining Government spending should be used as an excuse for decimating or eliminating Federal Government services that are essential to the well-being of the people of the United States or of our own Rhode Island.

One of the few points of agreement among the professional economists at the recent White House conclave was that while restraint in Government spending is necessary, drastic reductions in Government expenditures might well have the effect of depressing the economy and creating a very high level of unemployment.

Most importantly of all, however, is the point, which I cannot emphasize too strongly, that the economic policy must be considered with a sense of urgency. It should have priority over our scheduled congressional recess. Accordingly, I am submitting to the President a memorandum listing the economic policy recommendations I have discussed in these remarks, for his consideration in connection with the White House Economic Summit Conference.

No other issue—whether it be amnesty or Presidential pardons—should prevent all of us, the Congress, the White House, and the public, from focusing our primary energies and attention on the most important problem we face—restoring our national economic health.

FOOD STOCKPILING

Mr. THURMOND. Mr. President, an editorial entitled "Food Stockpile Bad Idea" appeared in the September 11, 1974, issue of the Aiken Standard newspaper, Aiken, S.C. This editorial expressed an interesting comment on the current food stockpile question.

Full public discussion of this issue is necessary and important and I welcome thoughtful editorials such as the one published by the Aiken Standard newspaper.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FOOD STOCKPILE BAD IDEA

Despite increased crop yields in some nations resulting from improved fertilizers, more productive seeds and modern farming practices, the worldwide problem of food supply appears more serious than ever.

Droughts, floods and other conditions difficult or impossible to control account for some of the shortage, but equally significant is the growing affluence of much of the world. Simply stated, many people are gaining the means to buy more and better food and advances in agriculture are not keeping up with the world's affluence and population growth.

There is a growing clamor to develop an international system to get food from the nations with surpluses—such as the United States of America—to those with deficits. Improving emergency relief programs make good sense, for many pockets of famine in the world could be treated quickly by better distribution of available supplies. However, in October the United Nations will consider proposals to create a worldwide stockpile of food to stabilize supplies and prices regardless of whether crops are short or plentiful.

One element of the world stockpile of food would be storage bins in the United States. To manage farm stocks on any sizable scale in the U.S., however, would end up requiring a full gamut of price, production and export controls—a return to the discredited farm program of recent years. To load the American farmer with regulations again would serve only to stifle production and in the long run exacerbate global supply-demand imbalances.

Secretary of Agriculture Earl L. Butz declared after federal farm production controls were lifted recently, "The government has gone out of the commodity business, and we want to stay out of the business of managing stocks of farm products for the nation and the world."

A better solution, surely, is the route we are now following where the government is encouraging U.S. farmers to produce more food which can be sold abroad. Economically, such a policy is sound because the United States gains from the improved trade balances resulting from the agricultural sales. Also, if we concentrate on developing better world distribution systems for farm products, U.S. surpluses would more easily get to those in need.

To object to an international food cartel as a means of creating a stockpile is not to deny the need for an emergency reserve of food for famine relief. A limited stockpile may be developed when the U.N. worldwide food conference is held in Rome this fall.

Over the long range, however, the U.S. policy should encourage world-wide self-sufficiency in food and minimum dependence on the country's farm production capacity. U.S. technical assistance, fertilizer, and modern farm machinery can bring closer the day when, despite droughts, floods and other natural disasters, the world food supply and its distribution are in sufficient balance to diminish the scourge of famine.

DO WE HAVE A SOUND BANKING SYSTEM?

Mr. PROXMIRE. Mr. President, for years economists and other students of the banking industry have criticized our system of bank regulation as being too restrictive and too concerned with preventing failures. These critics of the system argued that our present pattern of bank regulation grew out of the 1930's when the prevention of failure was the paramount objective of public policy. Since that time, according to the critics, the problems have changed and instead of worrying about failure we should be worrying about economic growth. According to this view, we should remove many of the restrictions placed upon banks and other financial institutions and rely more on the forces of the marketplace to regulate our financial system.

It is ironic that the critical view of our banking system has become the conventional wisdom at the very time when we may need to establish a neo-orthodox view of banking regulation. For example, the conventional wisdom in the field of banking policy is embodied in the recommendations of the Hunt Commission which call for relaxing many of our present restrictions on banking. However, given the renewed concern which many regulators have over the safety and solvency of our banking system, it may be that we need more restrictions and not fewer restrictions.

Many of the danger points in our banking system were pin-pointed in a recent article in Business Week entitled "Are the Banks Overextended?" The article points out that in the last few years, many of our banks have become overloaned, overborrowed, overdiversified, and undercapitalized. Despite the occasional admonitions from our bank regulators, the banks have proceeded pretty much on their own course without serious interference. Moreover, given the bail-out of the Franklin National Bank by the Federal Reserve Board and possibly the FDIC, we seem to be establishing the principle that no big bank can be permitted to fail. If we continue on this course, we are headed for disaster.

It is clear that our present system of bank regulation has failed us. It is equally clear that our bank regulators are largely bereft of ideas of how to deal with the problem. If any reform is to be realized, it will have to come from the Congress. Most people forget that Federal deposit insurance was passed by the Congress over the active opposition of President Roosevelt and the New Deal administration. The Hoover administration also opposed deposit insurance.

Mr. President, I am hopeful that as one of its top priorities, the Congress can give serious attention to the problems of our banking system and what measures are needed to strengthen the financial condition of our banks and restore confidence. I hope we can draw upon the best thinking of students of the banking industry in this effort.

Mr. President, I ask unanimous consent to print in the RECORD the article from Business Week on our banking system.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARE THE BANKS OVEREXTENDED?

When BankAmerica Corp., the world's biggest bank holding company, tried to acquire a foreign insurance company last summer, it was turned down flat by the Federal Reserve Board. In concurring with the rejection, Fed Governors Henry C. Wallich and John E. Sheehan explained why.

"We agree that Applicant's capital position is somewhat lower than what the Board would consider appropriate," they wrote. "We also agree with our colleague's concern over the tendency of many U.S. banking organizations to pursue a policy of rapid expansion and agree that funds earmarked for expansion by U.S. banking organizations with capital positions not considered appropriate should be used instead to strengthen the capital positions of such organizations."

Translated into plain language, that means that the Fed is worried about the health of the U.S. banking system—and for good reason. Taken as a whole, the system is in more trouble today than at any time since the 1930s, with a distressing number of banks over-loaned, over-borrowed, over-diversified, and undercapitalized.

The same regulators that permitted banks to grow and diversify at breakneck speed are now trying to bring things back under control. Not only BankAmerica, but Citicorp, second biggest in the world, and Bankers Trust and First Chicago, each among the nation's 10 biggest banking operations, have all had planned acquisitions turned down by the Fed in recent months. Two weeks ago, the Fed announced that it would not allow bank holding companies to underwrite mortgage guarantee insurance because it feared the holding companies were growing too fast.

But the Fed and the other regulators may be too late. Investors, for instance, have already written off the banks. In a stock market where there are 50 losers for every winner, the banks stand out—the value of virtually every issue down 50% to 80%. Most banks are woefully short of equity capital but in today's market it is the rare bank that could sell stock. Meanwhile, nearly every business that the holding companies have gone into, from real estate to equipment leasing, is in some degree of trouble today.

MERGERS AND FAILURES

The 1970s probably will not be like the 1930s when over 6,000 banks failed. But there may very well be an unprecedented wave of bank mergers and consolidations as weaker fish seek shelter, and there almost certainly will be some failures. The biggest banks, by and large, will fare the best—not because they have avoided the excesses that plague the system but because both investors and depositors seek security above all else today. And both groups tend to equate security with size. The victims will be among the smaller, non-money center banks, though some good-sized banks may need help from the regulatory agencies.

"We are in a tremendous liquidity crisis, which is causing the worst crisis in confidence I've ever seen," says Professor Paul Nadler of Rutgers University, a long-time observer of the banks. What makes it so scary is that today's twin perils of more inflation and serious recession have caught the banks just as they were catching their breath after the most tumultuous decade in banking history. Between 1964 and 1974 the banks went from local institutions that did only banking to multinational financial conglomerates. Banks needed time to digest, time to replenish capital. Instead, they got 12% inflation and tight money.

No one bargained for today's inflation rate or the degree of monetary restraint it has brought. Business needs money at a prodigious rate this year because inflation has sent the price of everything it buys sky-high. But few companies want to lock themselves into today's record long-term rates, while fewer and fewer companies qualify to borrow in the commercial paper market. So the demand for money has hit the banks hardest. But tight money has forced the banks to pay dearly for lendable funds—bankers themselves becoming heavy short-term borrowers at today's record rates. Never have the banking system's resources been stretched more thinly:

In 1967, the average bank had nearly 7¢ in equity capital and reserves for each $1 in assets (loans for the most part). Today that is down to 5¢.

In 1967, the average bank had only about 65¢ in loans for each $1 of deposits. That has jumped to 75¢ today—at a time when deposits have never cost more to buy and when the economic climate raises serious doubts that many of those loans will ever be paid off.

In 1967 the average bank covered barely 2% of its assets with short-term borrowed money. That has jumped to 12% today. Some of the loans run on for years while much of the borrowing is federal funds (the excess reserves of other banks) which frequently go just for a single night.

Those are the average figures. Some banks appear anything but average, according to statistics compiled for BUSINESS WEEK's annual survey of bank performance (pages 60–63). On June 30, according to these figures, Citizens & Southern National Bank in Atlanta had $1 in loans for each $1 in deposits. At Industrial National Corp. in Providence, the figure was $1.02, and at First Pennsylvania Corp. in Philadelphia it was $1.03. It was 85¢ at NCNB Corp. in Charlotte, N.C., 96¢ at rival Wachovia Corp. in Winston-Salem.

On the same date, Wells Fargo of San Francisco had 20% of its loans covered by federal funds while at Republic of Dallas the figure was 22%, at State Street Boston Financial Corp. 23%, and at First Union, Inc., in St. Louis 31%. There is no "safe" level of federal funds borrowing, though anything beyond 10% is going to raise eyebrows. The critical thing, warned Justin T. Watson, First Deputy Comptroller of the Currency, last week is that banks avoid borrowing short and lending long. Any bank that does too much of that, he said, is heading for trouble. Just before Franklin National of New York began to come apart last spring it had nearly 50% of its loans covered by federal and other short-term funds.

THE FRANKLIN FALL

Franklin used to be the nation's 20th biggest bank, but not any longer. At midyear, it had fallen to 47th on the BUSINESS WEEK survey, its deposits down by 40%. It is deeply in debt to the Fed and to other banks, and it is struggling to keep from being merged into another bank. A staggering loss in foreign exchange trading finally pushed Franklin over the edge, but it would have been a poor risk for survival even without that. It made too many chancy loans and paid too dearly to cover those loans.

The Federal Deposit Insurance Corp. keeps a "watch list" of troubled banks. Comptroller of the Currency James E. Smith, the supervisor of national banks, notes that while the list contains only 152 names today against 159 a decade ago, the average size of the problem bank is $28-million against $3-million a decade ago. What worries the FDIC's Chairman Frank Wille is that "an increasing number of banks in the size categories over $100-million are showing up as casualties." Wille hints that one problem bank is in the "billion-dollar" class, though he will not identify it by name.

With holding companies in so many businesses besides banking, there is real concern today about the ripple effect of a nonbanking subsidiary getting into trouble—as some already have—and draining resources from the bank. "The problem," says Paul K. Kelley, vice-president of First Boston Corp., the investment bankers, "is that the holding company has limited sources of capital and liquidity, and if a subsidiary gets into trouble it may call on the bank's resources to bail it out."

Regulators earlier this year had to hurriedly merge Beverly Hills National Bank ($98.2-million in deposits) into Wells Fargo Bank because the financial distress of its parent, Beverly Hills Bancorp, brought a run on the bank.

Certainly, the Fed is worried these days—not only about the financial ties between a bank and its holding company but also about financial ties between banks. In a speech last week, Brenton C. Leavitt, director of the Fed's Supervision & Regulation Div., cautioned against a holding company or a nonbanking subsidiary turning to its bank "in times of adversity." And Leavitt also challenged the practice of some banks of making loans to other banks or holding companies, warning that, "the problems of one institution may become problems in many." One of the major creditors of Franklin National, for instance, is Manufacturers Hanover Trust.

For all their concern today, the regulators not only permitted but actually encouraged the frantic growth of the past decade.

On one level, all that the regulators were trying to do was create a banking system able to supply capital to a booming economy that needed it in record quantities. But the U.S. has a terribly convoluted system of banking regulation: national banks, state banks, banks that belong to the Fed, banks that do not, banks that are insured by the FDIC, banks that are not. If one regulator gave his banks a break, competitive pressures forced other regulators to follow. When James J. Saxon was Comptroller of the Currency in the early 1960s, he gave so much to the national banks that so vast an enterprise as Chase Manhattan converted from state to national charter, and state regulators quickly copied Saxon.

"When a bank tries to grow rapidly and compete with established institutions," says one federal regulator, "it has a salutary effect competitively, so regulatory people favor that." But there is an ominous phrase in the lexicon of banking—"competition in laxity"—and to many observers, the regulators were guilty of that.

Today, of course, the banking regulators are worried. Comptroller Smith has ordered the first major study of his office since it was created 111 years ago. He wants to know if bank examination techniques are all that they should be, and he wants a better definition of what is a problem loan. The Fed, in turn, has been badgering banks all year to raise more capital—equity capital especially. Banks have sold a record amount of debt so far this year, says Kelly of First Boston, but almost no equity at all.

Any bank that did not get the message that Wallich and Sheehan of the Fed were trying to convey simply was not listening.

And plenty of banks have gotten the message—cutting back because capital is so hard to come by. A single issue of *The American Banker*, the industry's daily newspaper, reported that United Tennessee Bankshares Corp ($600 million in assets) was retrenching by selling some of its branches and that First Tennessee National Corp. ($1.7-billion in assets) had called off a proposed merger because of "adverse economic conditions."

AN UNREAL WORLD

Albert M. Wojnilower, chief economist of First Boston, sees bankers as living in an unreal world, enjoying "the unique advantage of having a lender of last resort in the Fed, which is more afraid of bank failures than are the banks themselves." The Fed did put in more than $1-billion to keep Franklin National alive. But another message that the Fed has been trying to drive home is that it will not help everyone. Sheehan warns that it would be a mistake for any banker to assume that the regulators "are just not going to allow major banks to fail."

Last week, the Fed, in a move that the FDIC's Wille describes as "unprecedented," refused to help a bank caught in a liquidity squeeze. The bank is American Bank & Trust Co. in Orangeburg, S.C., with 29 branches, $120-million in deposits, and nearly $150-million in assets. "American is not a member bank," said the Fed. "It has insufficient collateral of the sort that the Federal Reserve Act requires."

So the FDIC is helping with an offer of credit lines up to the full value of the bank's deposits. That, too, is "unprecedented" says Wille. He says that the FDIC is only doing it because the bank's problems appear short-term.

It is not the 1930s when there was no FDIC and the Fed blithely watched the nation's banking system collapse. The FDIC has $5-billion in assets and the resources of the Treasury to fall back on. The Fed can create billions to keep banks going. When U.S. National Bank of San Diego failed early this year, the FDIC quickly sold what still was viable to Crocker National Bank and most customers hardly knew there had been a failure. Doubtless the regulators will play marriage broker again and again in coming years—finding shelter for banks that cannot make it.

But even if there are no big failures, public confidence in the banks will be shaken. "The image of banks as safe and sound will be tarnished for quite a while," warns Benet Gellman, counsel to the House Banking Committee.

Now there are the recriminations and the questions about how not only the banks but also the banking regulators could have made so many wrong guesses over the past 10 years.

Bank holding companies plunged deeply into real estate, both here and abroad—doing more real estate lending, buying up mortgage bankers, creating real estate investment trusts. But now the real estate market is in shambles worldwide—smashed nearly flat by tight money—and many banks will be reporting hefty losses on their real estate portfolios this year. "Regional banks were hardest hit because of their dependence on single small areas," says a New York banker.

There have been innumerable rumors of banks in serious trouble because of real estate losses, though the only visible casualty is First Wisconsin Bankshares Corp. in Milwaukee ($3.9-billion in assets). It saw operating income swing from a $9.3-million gain in the first half of 1973 to a $1.2-million loss in this year's first half because of severe losses in its REIT.

Almost every bank that could afford a brass nameplate opened up abroad. But the world economy is in worse shape than the U.S. economy, and as oil bills go up and inflation abroad worsens, the chances of a major international loan default grow by the hour. Italy owes U.S. banks billions but it is nearly broke and it may not be able to pay the money back. Most disturbing perhaps, is that while the oil states are drawing in money from throughout the international banking system, they are putting money back into just a few giant banks. The giants can still make loans: The hundreds of smaller banks overseas just watch the dust pile up.

"Every one of those smaller banks," says a U.S. banker based overseas, "would like to be the second bank that closes down in Europe. No one wants to be the first because it might imply to its depositors that it is in trouble."

The U.S. banks learned to trade foreign currencies in monumental quantities—mostly for their customers but sometimes for their own account in search of a fast profit. But the international monetary system has gone topsy-turvy and some banks have lost fortunes in the foreign exchange markets: Franklin among U.S. banks, Lloyds Bank among foreign banks. Germany's biggest private bank, Bankhaus I. D. Herstatt, lost $200-million in foreign exchange and failed.

The big speculators in foreign exchange were mostly the Swiss and German banks, but the lure of a fast profit excited some U.S. banks as well. A bank offered marks for future delivery can lay off the contract, but if it thinks the mark will be up in 30 days, it may hold the contract itself. If the mark does go up, it has made money. If the mark falls, though, it winds up buying marks for more than it could get them in the "spot" market, and so has lost. The Herstatt failure has cooled the speculative interest of most banks, but that lesson may fade, and banks may again start speculating in the markets.

True, most banks insist their loses came from undetected, "unauthorized" trading. But all that seems to show is that bank controls have not kept pace with bank growth. "When banks grow too fast," says one U.S. banker, "controls don't get a chance to catch up." And if slipshod controls are perilous anywhere in a bank, they can be devastating in the foreign exchange markets, where billions of dollars change hands every day and a brief lapse can mean a fortune lost. So closely are banks linked together that trouble at one bank can mean trouble at many banks. When Herstatt went under, it left its U.S. correspondent, Chase, holding the bag, and cost Morgan Guaranty and Seattle-First National substantial amounts of money.

The banks saw finance companies as a natural extension of their lending business only to run into ceilings placed by State usury laws. "The finance companies looked just great when they went in," says Kelly of First Boston. "You could get money at around 6% or 7% then and get 10% for it in some states and as much as 18% in others. But there were problems in states like Arkansas, where the usury laws limit consumer financing charges to 10%. When money cost more, those finance companies didn't look so good."

It was former Comptroller Saxon who first gave the banks the green light to go into leasing, and such giant banks as First National City and Bank of America jumped at the opportunity. Because leasing is off-balance-sheet financing, it is almost impossible to know just how much of it the banks have done, but clearly the amount is in the billions. But here, too, there are questions today. Much of the nation's fleet of big jet aircraft is leased from banks, and if the problems of a Pan Am get out of hand, some banks could find themselves the perplexed possessors of a few 747s for which there seems to be no market.

Given today's economic climate, every bank lives with the knowledge that a major customer could easily run into trouble. The debt burden of the U.S. is enormous, and too much of it is owed to the banks. Corporate working capital and current assets are each up about 30% over the past four years but commercial and industrial loans by the banks are up 60%. Personal income has climbed by less than 50% in the past four years but installment debt held by the banks is up 70%.

To Professor Nadler at Rutgers, "Banks have become famous for liability mismanagement, where they make the loans and then go out and look for the money to cover them. Then they're forced to borrow short for long-term purposes. That's a highly expensive and uncertain method of financing."

Today, banks are in a ferocious competition for "hot" money to support all those loans. Nadler explains that hot money falls into three categories: "Hot certificates of deposit that have been broker-solicited and will go to the highest bidder; hotter short-term funds with maturities anywhere from a few days to a few months; and, the hottest, federal funds."

It would be serious enough if the agony were spread evenly throughout the banking system. It is not. The largest share of what money is available has been flowing to the big New York money center banks because they look the safest to depositors. That is why the balance sheets of the New York banks look better than those of banks elsewhere. "When bad news about one bank gets out," says Nadler, "people panic, figuring that if it can happen to one bank it can happen to another. So they withdraw their money from regional banks and ship it all off to the 'biggies' because people equate bigness with soundness."

So deposits are up by 39% at Morgan over the 12 months ending June 30, up 41% at Citibank, and up 44% at Manufacturers Hanover. But deposits rose by only 14% at First Pennsylvania. At NCNB, deposits were up only 10%, while Citizens & Southern National in Atlanta saw deposits actually fall by 1% during the 12 months.

Regional banks get the money only if they pay a stiff premium for it, and that knifes into profits. Operating income for the 12 months rose 26% at Citicorp and 20% at Morgan. But the gain at NCNB was only 8%, at First Pennsylvania only 6%. Operating income fell by 2% at Valley National and by 9% at Citizens & Southern.

With banks stretched so thin, it is small wonder that regulators are worried about the adequacy of bank capital—all the more so since major loan losses would eat away what little capital the banks have. Yet no one—not even the regulators—can agree on what constitutes capital adequacy: whether to measure only equity capital, or long term debt as well. When the Fed turned down the BankAmerica application, the holding company was quick to argue: "Our capital position is strong and fully capable of building dividend growth. Liquidity management is a key element in the evaluation of capital adequacy. BankAmerica has a reputation of superior performance in this area. Capital adequacy is a complex subject, and a whole host of management relationships must be taken into consideration. Capital ratio analysis, taken by itself, doesn't do justice to the subject."

That is a mouthful, but it indicates the sort of debate that is going on over how much capital is enough, compounded by the difficulty banks are having raising equity capital today.

In short, if banks are to bolster their capital positions, many if not most will have to do it by cutting back rather than by raising more money. So the whole rush to expand and diversify is pretty much over—for the time-being, at least—leaving only the question of what are its long-term consequences.

There almost certainly would have been a shakeout of some severity after so intense and prolonged a period of change. Current economic conditions probably brought the shakeout faster than it otherwise would have come, and they probably will make it more intense. It is anyone's guess how the banking system will look when the shakeout runs its course.

"After this is over," says the treasurer of one New York City bank, "I think we'll see some of the regional banks culled. The small banks will remain, but concentration of banking will end up in the hands of 25 or 30 banks." What seems certain is that the banking system of 1984 will look as different from today's system as today's looks compared with that of 1964.

HOW THE TOP 200 BANKS ARE PERFORMING

In terms of sheer, mind-bending size, there is not a thing wrong with the U.S. banking system. There are 14,338 commercial banks in the U.S., and their assets came to $853-billion at midyear—up 11% over the year before. Deposits on June 30 came to $679-billion, loans to $519-billion.

The bulk of those assets—and deposits and loans—belong to the 200 banks included in Business Week's annual Survey of Bank Performance. They are the biggest banks, and some of them are very big indeed. One-quarter of all bank deposits and 22% of all bank loans belong to the five banks that lead the list: BankAmerica, Citicorp, Chase Manhattan, Manufacturers Hanover, and J. P. Morgan. No fewer than 107 of the 200 banks have at least $1-billion in deposits, up from 96 banks a year ago.

The list is compiled by Investors Management Sciences, Inc. of Denver, a subsidiary of Standard & Poor's Corp. Most data are as of June 30, 1974, but the 10-year records of growth in common equity and earnings per share are as of Dec. 31, 1973.

WHO OWNS WHO

It really is not a survey of banks, of course, but of bank holding companies, since virtually every big bank has turned itself into a holding company over the past six years. And that explains why some familiar names are missing from the list. United California Bank of Los Angeles had $7.5-billion in depos[illegible]on June 30—enough to put it 16th on the list, just ahead of Mellon National of Pittsburgh. But UCB is owned by Western Bancorp., which shows up in 8th place. Irving Trust Co. of New York is owned by Charter New York Corp. Of the 200 names on the list, only 28 are not holding companies.

The list has its share of names that are thoroughly unfamiliar. It is plain enough that BankAmerica Corp. owns Bank of America. Most people know that Citicorp owns First National City Bank of New York. But only a serious student of banking would know that Bancal Tri-State Corp. owns Bank of California (it operates in Oregon and Washington as well as California). Seattle-First National Bank only became Seafirst Corp. at midyear.

FOREIGN INFLUENCE

Some names are unfamiliar because they are foreign-owned. Bank of Tokyo Trust in New York City is 80th on the list. Then there are Bank of Tokyo of California (129th), Sumitomo Bank of California (160th) and European American Bank & Trust of New York, owned jointly by six European banks (193rd place). Finally, the list has three Puerto Rican banks, all of which operate on the mainland: Banco Popular de Puerto Rico, of San Juan (125th), and Banco Credito Ahorro Ponceno (158th) and Banco de Ponce (185th), both of Ponce.

Twelve-month earnings for the banks were mixed, though most reported both loans and deposits up smartly for the period. More important, however, are the relationship between time and demand deposits (time deposits cost the moon these days) and between foreign and domestic deposits (some banks are finding it hard to keep foreign deposits today). Then there is the percentage of loans covered by borrowings in the federal funds market. Loans can run for years but federal funds are often borrowed overnight.

GLOSSARY

Deposits: Total deposits as of June 30, 1974. Time and savings deposits and demand otherwise indicated. Foreign and domestic deposits will together total 100% unless otherwise indicated.

Loans outstanding: Aggregate face value of all outstanding loans before deduction of loan loss reserves. Excludes federal funds sold and securities purchased under agreements to resell unless otherwise indicated.

Net federal funds borrowed as percent of loans outstanding: Net federal funds borrowed is defined as the sum of federal purchased and securities sold under agreements to repurchase less the sum of federal funds sold and securities purchased under agreements to repurchase less the sum of federal funds sold and securities purchased under agreements to resell. A minus sign indicates that the bank is a net seller of federal funds.

Net operating income: Net current operating income after minority interest and taxes but before securties gains and losses and preferred dividends for the 12 months ended June 30, 1974. Percentage change in net operating income may not reflect mergers, acquisitions, and accounting changes.

Earnings per share: Net operating income available for common per share after the effect of common stock equivalents and minority interest and before securities gains and losses and extraordinary items, for the 12 months ending June 30, 1974.

Return on common equity: The ratio of net available for common stockholders to average common equity, which includes common stock, undivided profits (retained earnings), capital surplus, and contingent reserves.

Growth in common equity: Annual percentage growth in common equity for 10 years ending Dec. 31, 1973, based on least squares method.

Growth in earnings per share: Annual percentage of growth in earnings per share, including all common stock equivalents, for 10 years ending Dec. 31, 1973, based on least squares method.

ANNUAL SURVEY OF BANK PERFORMANCE

[Dollar amounts in millions]

Bank	Deposits							Loans								10-yr. growth (percent)	
	Total June 30, 1974	Percent: Change from 1973	Percent: Time	Percent: Demand	Percent: Foreign	Percent: Domestic	Assets June 30, 1974	Total O/S June 30, 1974	Change from 1973 (percent)	Loans as percent of deposits June 30, 1974	Net Federal funds borrowed as percent of loans O/S June 30, 1974	Net oper. income 12 mo. ending June 30, 1974	Change from 1973 (percent)	12 mo. E.P.S.	Ret. com. eqy. 12 mo. ending June 30, 1974	Com. eqy.	E.P.S.
1 BankAmerica (San Francisco)	$46,862	28	69	31	42	58	$57,351	$28,758	30	61	4	$235.0	17	3.41	15.1	6.7	8.9
2 Citicorp (New York)	41,468	41	[1] 25	[1] 24	52	48	53,546	32,075	33	77	8	286.2	26	2.35	15.7	6.1	10.5
3 Chase Manhattan (New York)	35,266	34	[1] 24	[1] 34	42	58	43,182	25,559	34	72	8	173.8	12	5.43	12.9	5.0	7.5
4 Manufacturers Hanover (New York)	21,986	44	[1] 26	[1] 47	28	72	25,778	16,059	31	73	7	114.2	25	3.98	14.2	5.1	8.2
5 Morgan (J.P.) (New York)	18,302	39	[1] 20	[1] 37	43	57	24,055	12,017	31	66	9	159.2	20	4.19	16.5	4.3	10.9
6 Bankers Trust New York	17,939	33	[2] 65	35	39	61	21,383	11,653	26	65	6	69.6	8	6.63	12.9	4.6	4.9
7 Chemical New York	16,693	28	[2] 66	34	30	70	21,027	11,919	27	71	8	78.1	24	5.63	11.1	3.6	3.8
8 Western Bancorp (Los Angeles)	14,740	9	[2] 63	37	14	86	18,428	10,671	11	72	8	79.6	7	3.39	11.6	6.5	6.4
9 First Chicago	14,403	35	[1] 45	[1] 18	37	63	18,419	11,867	34	82	8	99.6	21	2.52	14.1	5.6	10.6
10 Continental Illinois (Chicago)	13,957	24	[1] 41	[1] 23	36	64	19,060	11,972	38	86	17	90.7	13	5.24	13.3	5.7	8.2
11 Security Pacific (Los Angeles)	12,571	11	[2] 70	30	23	77	15,498	8,774	25	70	10	60.8	4	3.01	10.8	6.3	7.0
12 Marine Midland Banks (Buffalo)	11,793	18	64	36	32	68	13,991	6,915	17	59	7	42.1	0	3.36	10.5	6.1	5.4
13 Charter New York	9,786	24	[2] 55	45	26	75	11,293	[4] 5,036	18	51	[5] 1	36.1	16	4.14	11.2	6.1	1.7
14 Wells Fargo (San Francisco)	8,880	7	[1] 54	[1] 30	16	84	11,982	7,311	14	82	20	45.6	6	2.32	11.4	4.8	6.1
15 Crocker National (San Francisco)	8,326	27	[1] 51	[1] 28	21	79	9,853	5,512	22	66	8	28.2	16	2.75	9.1	4.7	4.7
16 Mellon Natl. (Pittsburgh)	7,431	18	[2] 74	26	34	66	10,078	4,448	31	60	9	57.3	16	5.84	10.3	3.5	5.8
17 First Natl. Boston	7,165	37	[1] 32	[1] 27	41	59	9,203	4,656	23	65	6	55.8	21	4.63	12.8	5.3	8.0
18 National Detroit	6,299	17	[2] 60	40	19	81	7,741	3,478	25	55	15	44.4	19	7.44	12.3	6.8	9.0
19 Northwest Bancorp (Minneapolis.)	5,191	12	62	38	0	100	6,874	4,180	14	81	[5] 15	48.3	6	4.08	13.4	6.3	9.9
20 First Bank System (Minneapolis)	4,994	14	65	35	1	99	6,824	4,080	19	82	19	54.4	6	3.69	14.0	7.1	11.9
21 First Intl. Bancshares (Dallas)	4,143	25	[2] 66	34	31	69	5,209	2,375	22	57	12	39.7	27	2.89	15.8	10.3	10.4
22 First Pennsylvania (Philadelphia)	3,896	14	[2] 72	28	21	79	6,898	4,023	18	103	11	43.6	6	3.35	16.6	8.7	13.1
23 Bank of New York	3,514	14	[2] 58	42	20	80	4,160	2,095	9	60	[5] 9	31.7	17	5.25	14.7	9.5	3.9
24 Union Bancorp (Los Angeles)	3,311	13	[2] 64	36	7	93	4,108	2,424	3	73	13	22.6	NA	1.92	13.5	NA	NA
25 Nortrust (Chicago)	3,262	36	73	27	40	60	4,027	2,151	21	66	8	23.4	18	4.69	13.4	7.9	10.7
26 Philadelphia Natl	3,259	27	57	43	28	72	4,505	2,580	23	79	8	28.0	17	4.81	13.7	7.1	9.8
27 Seafirst (Seattle)	3,136	19	[2] 66	34	14	86	4,231	2,353	21	75	4	27.5	18	3.05	14.6	6.6	9.4
28 Harris Bancorp (Chicago)	3,099	5	[2] 67	33	21	79	4,126	1,871	12	60	11	25.6	26	8.44	13.5	7.9	8.9
29 First Wisconsin Bankshares (Milwaukee)	3,088	22	68	32	24	76	3,881	1,985	13	64	[3] −24	7.3	−60	1.76	4.8	7.1	9.5
30 Republic of Texas (Dallas)	3,083	19	62	38	38	62	4,341	2,156	15	70	22	27.4	21	3.32	14.2	3.9	9.7

Footnotes at end of table.

Bank	Deposits						Assets June 30, 1974	Loans			Net Federal funds borrowed as percent of loans O/S June 30, 1974	Net oper. income 12 mo. ending June 30, 1974	Change from 1973 (percent)	12 mo. E.P.S.	Ret. com. eqy. 12 mo. ending June 30, 1974	10-yr. growth (percent)	
	Total June 30, 1974	Percent						Total O/S June 30, 1974	Change from 1973 (percent)	Loans as per-cent of deposits June 30, 1974						Com. eqy.	E.P.S.
		Change from 1973	Time	Demand	Foreign	Domestic											
31 First City Bancorp of Texas (Houston)	$3,014	20	54	46	13	87	$3,914	$1,802	13	60	17	$23.1	16	2.60	13.8	6.3	9.0
32 Clevetrust (Cleveland)	2,924	16	69	31	5	95	3,637	2,134	19	73	5	36.9	22	6.10	11.6	6.8	9.6
33 Girard (Bala Cynwyd, Pa.)	2,809	13	64	36	22	78	3,719	2,006	27	71	15	16.7	2	6.69	11.6	5.4	6.5
34 NCNB (Charlotte, N.C.)	2,792	10	60	40	20	80	4,313	2,374	27	85	16	26.8	8	1.60	14.8	13.3	13.9
35 Wachovia (Winston-Salem, N.C.)	2,629	9	62	38	10	90	4,038	2,511	18	96	8	33.6	2	2.29	11.6	15.9	11.1
36 Michigan Natl. (Bloomfield Hills)	2,513	4	69	31	0	100	2,966	2,035	7	81	[3] -1	21.7	1	5.52	16.4	13.7	9.3
37 Texas Commerce Bancshares (Houston)	2,466	31	58	42	14	86	3,131	1,557	19	63	[4] 10	23.8	22	2.50	14.2	8.0	9.4
38 Natl. Bank of North America (N.Y.)	2,431	8	62	38	13	87	2,914	1,806	-0	74	3	24.8	40	NA	12.7	16.7	NA
39 Detroitbank	2,411	5	70	30	0	100	3,062	1,757	11	73	18	24.5	18	7.39	13.4	6.3	9.4
40 Manufacturers Natl. (Detroit)	2,409	9	66	34	2	98	2,896	1,757	11	73	12	17.3	10	5.59	13.4	6.6	8.3
41 Bancohio (Columbus)	2,400	6	63	37	0	100	3,004	1,587	8	66	6	20.1	2	2.77	10.5	11.5	5.8
42 Bancal Tri-State (San Francisco)	2,372	13	[2] 62	38	14	86	3,064	1,868	15	79	[4] 18	5.2	-30	1.59	5.7	4.3	.3
43 Valley Natl. Bank of Arizona (Phoenix)	2,343	4	63	37	0	100	2,901	1,818	6	78	7	15.5	-2	1.74	11.8	8.7	8.3
44 Southeast Banking (Miami)	2,234	21	58	42	0	100	2,886	1,506	19	67	1	22.2	23	2.17	15.0	18.4	11.5
45 Citizens & Southern Natl. (Atlanta)	2,126	-1	49	51	3	97	3,153	2,130	7	100	8	22.7	-9	.93	11.3	14.1	11.8
46 Fidelcor (Philadelphia)	2,086	13	65	35	27	73	2,990	1,837	22	88	20	20.7	10	4.37	15.6	7.2	9.5
47 Franklin New York [6]	2,085	-39	62	38	24	76	4,151	2,631	5	126	13	NA	NA	NA	NA	NA	NA
48 U.S. Bancorp (Portland, Oreg.)	2,052	6	60	40	6	94	2,634	1,603	7	78	10	22.2	22	2.74	15.8	5.1	9.4
49 Pittsburgh Natl	2,046	17	59	41	4	96	2,784	1,422	16	70	[3] -5	26.1	16	4.35	13.7	6.5	10.1
50 Lincoln First Banks (Rochester)	1,996	1	61	39	0	100	2,628	1,479	8	74	[3] -1	12.7	-9	3.30	8.7	8.3	5.5
51 Marine Bancorp (Seattle)	1,978	17	[1] 48	[1] 36	17	83	2,572	1,415	19	72	7	12.0	18	3.22	10.2	9.4	9.5
52 Barnett Banks of Florida (Jacksonville)	1,884	10	57	43	0	100	2,279	1,289	20	68	3	21.9	31	2.46	15.6	43.4	9.4
53 United Virginia Bankshares (Richmond)	1,804	13	60	40	4	96	2,432	1,639	21	91	6	15.1	3	2.91	13.4	12.1	8.7
54 Centran Bancshares (Cleveland)	1,726	9	59	41	6	94	2,176	1,292	15	75	9	13.5	11	3.51	12.0	7.6	6.8
55 Shawmut Association (Boston)	1,694	0	45	55	3	97	2,255	1,348	3	80	15	11.3	-1	5.90	9.1	7.2	3.9
56 Financial Gen Bankshares (Washington, D.C.)	1,691	2	58	42	0	100	1,988	1,101	10	65	0	7.7	-6	1.62	9.6	14.2	18.0
57 First Natl. State Bancorp (Newark)	1,632	3	60	40	3	97	1,953	1,042	12	64	[3] -1	13.9	15	3.38	11.8	10.0	2.1
58 Baystate (Boston)	1,596	10	48	52	0	100	1,816	1,071	11	67	[3] -4	15.0	15	4.95	13.0	7.3	8.1
59 Mercantile Bancorp (St. Louis)	1,577	26	[2] 57	43	5	95	2,345	1,134	9	72	-28	20.1	15	3.56	13.6	6.5	7.5
60 National City (Cleveland)	1,522	8	61	39	10	90	2,321	1,031	22	68	12	25.5	10	3.63	15.1	7.4	9.9
61 Society (Cleveland)	1,509	14	72	28	1	99	1 775	1,124	19	74	4	9.0	13	4.63	11.8	9.6	11.3
62 First Union (St. Louis)	1,502	34	55	45	6	94	2 194	1,101	32	73	31	15.2	12	5.25	11.3	[7] 9.6	[7] 2.2
63 Maryland Natl. (Baltimore)	1,499	12	53	47	2	98	1 992	1,371	42	91	15	18.7	20	2.57	15.5	8.0	12.4
64 Cameron Financial (Charlotte)	1,487	14	61	39	3	97	2,115	1,304	4	88	8	13.7	2	2.25	13.6	11.8	9.7
65 Equimark (Pittsburgh)	1,484	20	73	27	18	82	2,472	1,090	16	73	[3] -9	9.9	15	2.37	14.2	8.8	8.8
66 Southwest Banschares (Houston)	1,457	16	57	43	4	96	1 781	897	6	62	0	15.2	16	2.50	12.5	9.2	8.9
67 First Empire State (Buffalo)	1,456	8	66	34	8	92	1 919	1,223	10	84	11	7.1	-17	2.46	9.5	4.8	5.1
68 Virginia Natl. Bankshares (Norfolk)	1,455	12	61	39	1	99	1 877	1,254	16	86	7	13.2	13	2.93	15.5	9.8	5.9
69 Industrial Natl. (Providence)	1,454	8	73	28	5	95	2 128	1,488	20	102	9	17.1	4	3.08	13.8	8.7	12.6
70 United Jersey Banks (Princeton)	1,440	4	63	36	1	99	1,847	1,167	11	81	9	9.2	-20	1.72	11.3	[7] 15.1	8.5
71 Security Natl. (Hempstead, N.Y.)	1,432	-10	57	43	0	100	1,771	1,264	-9	88	10	8.8	-23	1.79	7.2	23.8	9.7
72 Hartford Natl	1,422	6	44	56	6	94	1,848	1,043	10	73	11	8.9	3	3.18	10.2	5.2	4.6
73 Flagship Banks (Miami Beach)	1,417	9	59	41	0	100	1,728	875	19	62	4	15.0	19	2.20	16.0	NA	NA
74 Midlantic Banks (Newark)	1,411	1	59	41	3	97	1,788	1,096	12	78	8	13.2	-9	4.35	11.3	12.7	8.8
75 First Security (Salt Lake City)	1,411	12	54	46	0	100	1,761	1,064	15	75	4	18.9	13	3.58	16.9	[7] 6.0	[7] 12.7
76 Indiana Natl. (Indianapolis)	1,409	20	57	43	14	86	2,186	1,202	20	85	18	11.7	-3	2.35	11.4	6.8	8.7
77 First Commercial Banks (Albany)	1,407	16	43	57	0	100	1,547	750	-1	53	[3] -16	9.9	2	1.90	11.6	11.9	-1.1
78 CBT (Hartford)	1,403	3	49	51	9	91	1,889	1,175	22	84	9	11.7	24	6.40	13.0	6.8	6.9
79 American Fletcher (Indianapolis)	1,402	9	59	41	12	88	2,120	1,174	24	84	24	13.7	12	3.00	14.8	7.9	9.8
80 Bank of Tokyo Trust (New York)	1,399	45	[1] 38	[1] 29	33	67	1,629	779	33	56	4	NA	NA	NA	NA	[7] 36.7	NA
81 Sun Banks of Florida (Orlando)	1,396	9	54	46	0	100	1,741	879	10	63	NA	16.6	9	1.76	13.6	37.3	14.8
82 First Natl. Holding (Atlanta)	1,376	33	45	55	0	100	2,250	1,331	23	97	14	12.9	19	3.26	13.1	6.2	6.0
83 Union Commerce (Cleveland)	1,366	20	69	31	13	87	1,771	942	7	69	1	6.8	-54	1.52	7.6	3.7	14.1
84 First & Merchants (Richmond)	1,336	19	64	36	0	100	1,712	1,082	12	81	4	13.0	9	3.95	15.1	8.9	7.5
85 Fidelity Union Bancorp (Newark)	1,309	6	52	48	4	96	1,624	963	7	74	3	17.4	NM	4.82	12.5	9.0	9.6
86 State Street Boston Financial	1,255	21	47	53	2	98	1,875	1,069	35	85	23	12.4	22	5.67	12.6	4.4	7.0
87 United Bank N.Y. (Albany)	1,254	2	53	47	0	100	1,455	668	7	53	[3] -9	14.4	13	2.67	11.7	14.1	3.4
88 First Tenn. Natl. (Memphis)	1,252	-5	55	45	0	100	1,704	937	2	75	11	11.6	-4	1.30	10.9	10.9	11.2
89 Provident Natl. (Philadelphia)	1,243	10	57	43	3	98	1,868	1,198	19	96	17	14.1	3	3.45	9.9	7.4	8.4
90 Albama Bancorp (Birmingham)	1,241	11	56	44	0	100	1,523	841	20	68	2	14.6	16	2.55	13.7	9.5	6.0
91 Florida Natl. Banks of Fla. (Jacksonville)	1,227	8	56	44	0	100	1,459	701	18	57	[3] -5	16.2	5	1.64	10.6	[7] 10.6	[7] 13.4
92 Trust Co. of Georgia (Atlanta)	1,216	6	46	54	2	98	1,663	978	10	80	8	14.5	17	3.35	14.7	8.0	13.8
93 Riggs Natl. Bank (Wash. D.C)	1,210	12	[1] 35	[1] 57	8	92	1,451	762	5	63	[3] -8	15.8	16	5.64	14.9	8.6	9.8
94 First Banc Group of Ohio (Columbus)	1,156	10	58	42	0	100	1,382	832	12	72	1	15.4	19	3.06	16.1	23.5	9.9
95 Commerce Bancshares (Kansas City)	1,125	11	48	52	0	100	1,414	803	7	71	3	14.6	-0	3.05	11.7	9.1	10.1
96 Atlantic Bancorp (Jacksonville, Fla.)	1,124	8	49	51	0	100	1,414	812	12	72	4	12.3	47	2.39	13.1	14.7	8.2
97 Bank of Virginia (Richmond)	1,119	10	66	34	4	96	1,599	1,148	16	103	4	10.5	6	2.41	12.9	18.4	9.2
98 American Natl. Bank & Trust (Chicago)	1,109	11	57	43	21	79	1,417	834	24	75	20	10.4	9	NA	12.9	[7] 6.2	NA
99 First Western Bank & Trust (Los Angeles)	1,104	3	62	38	2	98	1,389	884	11	80	NA	5.0	NA	3.58	7.1	3.0	-1.0
100 Huntington Bancshares (Columbus)	1,090	5	61	39	0	100	1,370	780	6	71	[3] -6	10.9	8	4.68	11.6	20.8	1.9
101 Texas American Bancshares (Fort Worth)	1,076	27	54	46	2	98	1,431	743	22	69	5	9.9	33	2.79	12.1	13.0	9.6
102 First Natl. Bancorp (Denver)	1,074	14	49	51	0	100	1,451	812	9	76	14	11.2	33	4.94	15.4	7.8	11.0
103 Equitable Bancorp (Baltimore)	1,062	8	57	43	0	100	1,210	713	13	67	[3] -2	9.4	16	2.88	13.2	17.0	14.8
104 Northern States Bancorp (Detroit)	1,059	9	73	27	15	85	1,305	853	18	81	3	5.6	26	2.17	11.9	14.6	13.7
105 First Amteen (Nashville)	1,051	18	63	37	6	94	1,422	930	34	89	11	8.3	-19	1.61	10.3	14.0	7.7
106 New England Merchants (Boston)	1,030	8	42	58	4	96	1,353	794	9	77	17	7.0	6	2.87	12.4	5.1	7.2
107 Third Natl. (Nashville)	1,012	29	64	36	4	96	1,271	808	28	80	5	9.2	15	3.85	13.2	4.3	5.6
108 Dominion Bankshares (Roanoke, Va.)	987	10	60	40	0	100	1,208	774	23	78	0	8.9	8	1.81	14.7	11.9	10.7
109 Hawaii Bancorp (Honolulu)	979	8	59	42	1	99	1,115	722	11	74	1	10.0	9	1.51	18.0	5.6	11.3
110 American Security (Washington, D.C.)	976	7	48	52	12	88	1,227	636	14	65	11	13.1	7	5.41	14.6	7.5	8.9
111 First-Citizens B & T (S'field, N.C.)	970	13	60	40	0	100	1,126	656	11	68	6	NA	NA	NA	NA	[7] .4	NA
112 Tenn. Valley Bancorp (Nashville)	956	16	73	27	7	93	1,187	796	32	83	[4] 7	7.7	28	2.05	12.5	17.8	7.0
113 Central Bancorp (Cincinnati)	934	7	55	45	0	100	1,169	632	9	68	[4] 8	11.5	-1	3.09	12.8	[7] 16.1	[7] 6.7
114 Continental Bank (Norristown, Pa.)	926	20	63	37	0	100	1,108	826	22	89	6	10.0	8	3.41	16.1	7.2	9.6
115 Federated Capital (Houston)	909	14	55	45	1	99	1,142	554	9	61	1	7.6	NA	1.51	12.5	NA	NA
116 First Financial (Tampa, Fla.)	909	6	57	43	0	100	1,121	563	19	62	6	7.6	7	1.09	13.8	[7] 29.5	[7] 13.6
117 Marshall & Ilsley (Milwaukee)	897	4	58	42	1	99	1,107	656	6	73	7	9.0	20	5.27	13.0	11.8	8.2
118 Republic New York	897	31	79	21	38	62	1,096	518	28	58	[3] -13	11.6	21	5.15	NM	27.0	13.

Footnotes at end of table.

ANNUAL SURVEY OF BANK PERFORMANCE—Continued

[Dollar amounts in millions]

Bank	Deposits							Loans									10-yr. growth (percent)	
		Percent																
	Total June 30, 1974	Change from 1973	Time	Demand	Foreign	Domestic	Assets June 30, 1974	Total O/S June 30, 1974	Change from 1973 (percent)	Loans as percent of deposits June 30, 1974	Net Federal funds borrowed as percent of loans O/S June 30, 1974	Net oper. income 12 mo. ending June 30, 1974	Change from 1973 (percent)	12 mo. E.P.S.	Ret. com. eqy. 12 mo. ending June 30, 1974		Com. eqy	E.P.S.
119 First Alabama Bancshares (Birmingham)	$896	7	58	42	0	100	$1,052	$618	7	69	2	$12.1	26	2.74	17.4		[7] 19.9	[7] 10.6
120 Union Planters (Memphis)	895	−8	[1] 55	[1] 42	4	96	1,266	747	2	84	29	−8.9	NM	−2.91	−12.1		5.3	−2.2
121 American Bank & Trust (Reading, Pa.)	889	17	73	27	0	100	1,018	699	21	79	[3] −1	9.1	7	2.30	15.2		11.5	10.2
122 United Banks of Colorado (Denver)	881	1	54	46	0	100	1,157	710	2	81	14	5.8	−29	1.90	8.9		6.8	8.9
123 Bank of the Commonwealth (Detroit)	875	2	75	24	0	100	1,052	734	−1	84	[3] −2	1.3	NM	−.10	−5.4		−12.1	NA
124 Northwestern Fin. (N. Wilkesboro, N.C.)	857	11	67	33	1	99	1,118	751	NA	77	0	7.2	−8	1.57	13.5		13.9	NA
125 Banco Popular de Puerto Rico (San Juan)	864	4	59	41	0	100	1,031	589	−1	68	7	6.9	−15	3.14	10.3		13.7	8.1
126 Old Kent Financial (Grand Rapids, Mich.)	855	10	73	27	0	100	1,016	553	9	65	5	10.6	17	2.73	16.0		17.0	13.0
127 Whitney Natl. Bank (New Orleans)	840	11	48	52	0	100	1,064	558	13	67	9	NA	NA	NA	NA		NA	NA
128 First Hawaiian (Honolulu)	840	10	61	39	0	100	947	554	10	66	4	8.6	10	2.85	16.4		6.7	14.1
129 Bank of Tokyo of Calif. (San Francisco)	835	9	76	24	12	88	959	619	18	74	1	5.6	18	1.92	11.5		26.5	19.1
130 First Va. Bankshares (Arlington)	821	9	67	33	0	100	1,029	657	15	80	[3] −2	7.6	−15	.84	13.7		16.6	9.9
131 First Maryland Bancorp (Baltimore)	819	2	49	51	0	100	1,063	566	10	69	7	8.0	−15	2.58	11.0		6.9	9.8
132 First Natl. Bank Trustees (Louisville)	818	26	52	48	11	89	1,071	588	43	72	12	9.5	20	3.54	10.8		7.1	9.8
133 *Hamilton* Bancshares (Chattanooga)	816	21	62	38	0	100	1,169	737	50	90	8	8.3	31	2.12	13.0		[7] 15.1	[7] 15.1
134 Idaho First Natl. Bank (Boise)	816	19	60	40	0	100	935	559	18	69	0	9.0	17	4.00	16.8		14.1	12.2
135 Arizona Bank (Phoenix)	805	15	62	38	1	99	944	599	16	74	4	5.2	16	1.85	14.2		17.2	13.0
136 Marine (Milwaukee)	801	4	64	36	0	100	969	596	6	74	2	5.7	11	4.62	10.4		6.8	3.4
137 South Carolina Natl. (Columbia)	799	13	37	63	0	100	1,000	627	12	78	0	11.5	25	3.05	18.7		9.6	16.1
138 Southern Calif. First Natl. (San Diego)	796	−1	51	49	0	100	926	528	−5	66	1	4.9	44	1.34	10.8		9.1	−0.8
139 Natl. Central Financial (Lancaster, Pa.)	792	16	66	34	0	100	930	598	19	75	6	8.4	14	2.59	13.6		[7] 6.1	[7] 9.5
140 Central Bancshares (Birmingham)	789	12	54	46	0	100	908	555	9	70	[3] −3	9.9	21	1.45	17.4		[7] 26.5	[7] 15.0
141 Ind'l. Valley B & T (Jenkintown, Pa.)	783	10	68	32	0	100	978	542	11	69	7	8.2	15	3.99	20.4		11.4	13.8
142 Heritage Bancorp (Cherry Hill, N.J.)	781	4	60	40	0	100	924	593	14	76	1	9.3	13	2.38	16.4		[7] 12.9	[7] 4.0
143 Suburban Bancorp (Hyattsville, Md.)	766	11	54	46	0	100	863	485	4	63	[3] −1	10.8	14	2.60	18.1		[7] 13.7	11.3
144 Southern Bancorp (Birmingham, Ala.)	766	13	55	45	0	100	988	581	26	76	8	8.3	27	2.41	14.3		[7] 20.6	[7] 11.5
145 First Commerce (New Orleans)	765	10	56	44	4	96	1,131	598	10	78	[3] −2	5.4	3	2.56	11.1		[7] 8.7	[7] 37.3
146 Mercantile Natl. Bank at Dallas	762	14	56	45	0	100	927	495	14	65	4	9.6	10	2.39	12.8		5.2	7.7
147 Citizens Fidelity (Louisville)	761	14	59	41	0	100	997	507	20	67	5	7.2	16	3.60	12.0		[7] 8.9	[7] 6.8
148 First Natl. Charter (Kansas City)	749	13	46	54	0	100	1,028	433	12	58	5	9.4	23	6.14	11.7		[7] 12.8	[7] 4.0
149 Union Natl. Bank (Pittsburgh)	742	1	53	47	0	100	861	531	3	72	1	8.7	37	3.50	15.4		10.1	3.5
150 Security N.Y. State (Rochester)	742	15	67	33	0	100	890	565	22	76	NA	5.3	23	2.64	8.4		16.8	4.9
151 First Natl. Cincinnati	727	8	45	55	0	100	1,064	484	8	67	[3] −1	11.8	15	3.29	13.3		6.0	6.8
152 Old Stone (Providence, R.I.)	717	10	91	9	0	100	813	590	20	82	NA	NA	NA	NA	NA		NA	NA
153 Greater Jersey Bancorp (Clifton, N.J.)	698	9	66	34	3	97	862	509	13	73	[3] −1	6.0	9	2.98	13.9		9.1	6.7
154 Merchants Natl. (Indianapolis)	695	12	62	38	0	100	1,172	535	21	77	35	6.3	10	2.87	10.2		10.4	9.6
155 Allied Bankshares (Houston)	682	24	57	43	0	100	797	470	24	69	[3] −3	8.4	NA	2.56	NA		NA	NA
156 Landmark Banking (Ft. Lauderdale)	679	11	56	44	0	100	902	376	7	55	9	6.0	5	1.04	13.5		[7] 34.5	[7] 1.8
157 New Jersey Natl. (Trenton)	671	3	64	36	0	100	822	496	26	74	0	7.0	4	3.96	15.4		[7] 7.6	[7] .2
158 Banco Credito y Ahorro Ponceno (Ponce)	669	1	NA	NA	0	100	809	477	4	71	[3] −21	6.6	5	2.85	13.5		13.3	10.5
159 Affiliated Bankshares of Colo. (Boulder)	668	9	58	42	0	100	799	446	6	67	3	6.7	−4	2.70	14.7		[7] 24.8	[7] 9.1
160 Sumitomo Bank of Calif. (San Francisco)	667	5	72	28	14	86	761	553	17	83	1	4.4	−5	2.00	12.5		20.7	24.4
161 Deposit Guaranty (Jackson, Miss.)	666	14	52	48	0	100	815	475	13	71	5	6.4	1	2.45	13.3		[7] 9.6	[7] 6.4
162 Fid. Am. Bankshares (Lynchburg, Va.)	665	9	70	30	0	100	815	505	16	76	4	4.4	−12	1.69	10.8		[7] 12.7	[7] 1.9
163 Union Trust Bancorp (Baltimore)	653	7	50	50	0	100	781	479	15	73	5	8.9	28	3.63	13.9		7.6	6.1
164 Hospital Trust (Providence)	650	6	64	36	0	100	849	539	7	83	14	6.2	−8	3.11	9.9		5.6	6.5
165 Natl. Community (Rutherford, N.J.)	648	6	69	32	0	100	723	329	2	51	0	8.3	3	3.67	16.3		15.1	7.5
166 First United Bancorp (Fort Worth)	645	10	54	46	2	98	859	420	7	65	[3] −5	7.2	20	2.89	14.2		NA	NA
167 Northeast Bancorp (New Haven)	638	7	50	50	0	100	744	482	3	76	0	7.6	21	4.16	14.5		NA	NA
168 United Mo. Bancshares (Kansas City)	636	4	48	52	0	100	887	416	6	65	[3] −1	7.5	9	3.50	11.8		10.7	[7] 7.2
169 Central Natl. Chicago	636	4	56	44	11	89	855	541	8	85	6	1.9	−39	1.73	6.0		9.3	3.6
170 First N. Mex. Bankshare (Alduquerque)	634	9	58	42	0	100	724	383	15	60	[3] −9	6.2	8	1.58	18.7		[7] 27.6	[7] 11.5
171 Multibank Financial (Boston)	629	10	58	50	0	100	718	452	12	72	[3] −3	4.1	27	2.58	10.5		NA	NA
172 Natl. State Bank (Elizabeth, N.J.)	628	5	37	63	0	100	715	381	5	61	7	5.4	51	1.80	19.1		15.8	9.1
173 Ellis Banking (Bradenton, Fla.)	618	11	71	29	0	100	692	367	17	59	[3] −3	5.7	14	1.16	18.1		NA	NA
174 First Tulsa Bancorp	609	26	57	43	0	100	812	441	14	72	14	6.3	−11	3.79	10.7		7.8	9.8
175 FrostBank (San Antonio)	609	13	59	41	0	100	755	366	19	60	[3] −3	6.0	−5	3.18	14.0		NA	NA
176 Fifth Third Bank (Cincinnati)	601	14	51	49	0	100	765	460	14	77	3	7.9	58	3.42	11.0		6.2	−2.0
177 First Capital (Jackson, Miss.)	590	13	53	47	0	100	695	393	11	67	[3] −1	6.8	2	4.08	14.5		[7] 8.3	[7] 14.3
178 First Okla. Bancorp (Oklahoma City)	590	10	54	46	0	100	947	406	9	69	27	10.2	6	1.11	10.6		8.5	13.6
179 General Bancshares (St. Louis)	589	14	67	33	0	100	662	381	11	65	[3] −10	5.2	9	2.17	12.3		7.6	8.3
180 First Natl. Bank of Akron	585	4	61	39	0	100	670	325	9	56	[3] −4	6.1	−1	3.64	10.6		8.8	7.4
181 Liberty Natl. (Oklahoma City)	578	4	55	45	1	99	801	350	7	61	4	4.2	13	4.99	13.0		4.0	7.8
182 Citizens Commercial (Flint, Mich.)	576	3	78	22	0	100	673	392	8	68	0	5.6	−20	6.02	11.6		14.6	14.2
183 Peoples Natl. Bank of Wash. (Seattle)	564	11	55	45	0	00	719	396	3	70	6	3.2	14	5.02	8.1		6.8	−5.3
184 Pan American Bancshares (Miami)	557	19	58	42	0	100	691	359	21	65	7	6.8	23	1.52	15.4		[7] 44.0	[7] 11.9
185 Banco de Ponce (Ponce, P.R.)	555	12	65	35	0	100	666	[4] 421	20	76	NA	6.6	16	5.44	16.0		22.3	15.7
186 Winters Natl. (Dayton)	549	5	53	47	0	100	682	414	15	75	11	6.1	14	4.63	12.1		8.8	2.8
187 Mercantile Bankshares (Baltimore)	548	15	NA	NA	0	100	687	440	23	80	[3] −2	9.0	NA	2.91	17.1		[7] 24.8	[7] 2.2
188 Fulton Natl. (Atlanta)	547	7	37	63	0	100	753	394	7	72	3	5.2	6	2.33	13.4		12.0	9.5
189 CP Financial (Philadelphia)	545	1	52	48	0	100	724	476	7	87	19	5.1	NA	2.05	11.2		[7] 7.2	[7] .5
190 Wilmington Trust (Delaware)	539	9	47	53	0	100	825	296	7	55	[3] .4	8.6	−5	4.31	15.3		4.7	6.0
191 LaSalle Natl. Bank (Chicago)	536	5	65	35	8	92	694	379	7	71	2	2.7	15	3.93	11.3		8.2	2.6
192 Colorado Natl. Bankshares (Denver)	516	1	56	44	0	100	642	397	−0	77	2	3.5	−5	2.57	11.6		6.7	8.8
193 European-American Bank & Trust (N.Y.)	514	6	71	29	47	53	576	370	−0	72	[3] −7	NA	NA	NA	NA		[7] 7.9	NA
194 City Natl. (Beverly Hills)	511	9	60	40	0	100	661	301	9	59	NA	4.1	3	2.90	11.9		5.6	12.0
195 Hibernia (New Orleans)	510	14	56	44	5	95	670	339	12	66	12	2.6	20	2.90	9.2		3.8	−.3
196 United Michigan (Flint)	503	8	82	18	0	100	562	329	1	65	[3] −8	5.3	2	3.98	16.6		12.9	14.4
197 United Tenn. Bancshares (Memphis)	502	−2	59	41	0	100	632	[4] 371	6	74	6	0.3	NM	.08	NA		NA	NA
198 Commonwealth Natl. (Harrisburg, Pa.)	497	9	59	41	0	100	560	365	9	73	[3] −6	4.5	−19	3.24	11.2		[7] 5.8	[7] 8.0
199 Zions Utah Bancorp (Salt Lake City)	489	13	64	36	0	100	605	401	11	82	NA	4.8	−15	2.29	12.8		29.8	24.1
200 Washington Bancshares (Spokane)	478	9	57	43	0	100	579	318	15	66	7	3.4	33	2.54	9.9		[7] 7.7	[7] .4

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[1] Does not total 100 percent because foreign deposits, which cannot be broken out between time/savings and demand, are excluded.

[2] Assumes that all foreign deposits are time/savings, but a breakdown from the bank is not available.

[3] Bank is a net seller of Federal funds.

[4] Loans includes Federal funds sold.

[5] Borrowings include other short-term obligations.

[6] Data are for Franklin National Bank since holding company data not available.

[7] 5-yr growth rate, 10-yr data not available.

NA, not available.

NM, not meaningful.

Data: Investors Management Sciences, Inc.

APPOINTMENT OF GEORGE BUSH TO BE U.S. REPRESENTATIVE IN PEKING

Mr. TUNNEY. Mr. President, I was pleased to note the recent nomination of George Bush to head the Liaison Office of the United States in Peking. In all but name, George Bush will now be our Ambassador to the 800 million people of the People's Republic of China.

I have, of course, the greatest admiration for David Bruce, the present head of the U.S. mission. Mr. Bruce has done an excellent job in cementing our relations with Peking in a difficult period internally in that country.

George Bush will be a worthy successor to this important post. He has had wide political experience in this country, and is very well connected with the centers of influence and power in Washington. I find this an important asset, since one of Mr. Bush's primary tasks will be to explain and interpret to the Chinese leadership what is happening in the United States. But this is not George Bush's only asset and responsibility. He has spent several years already in diplomatic service, as Ambassador to the United Nations, and represented our Nation ably and diligently.

I congratulate George Bush on his new appointment. I am confident that he will do an excellent job in this demanding and crucial post.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. Haskell). The Chair, on behalf of the President pro tempore of the Senate, pursuant to Public Law 70–770, appoints the Senator from North Dakota (Mr. Burdick) to the Migratory Bird Conservation Commission, in lieu of the Senator from Montana (Mr. Metcalf), resigned.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business which was pending on yesterday be laid before the Senate and made the pending business at this time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The bill will be stated by title.

The legislative clerk read as follows:

A bill, S. 3585, to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, and so forth, and for other purposes.

The Senate continued with the consideration of the bill.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Maryland (Mr. Beall).

Who yields time?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time to be taken out of neither side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Haskell). Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside, so that I may call up my amendment to the pending amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

VITAMIN AMENDMENT (NO. 1880)—AMENDMENT TO PREVENT THE FOOD AND DRUG ADMINISTRATION FROM REGULATING SAFE VITAMINS AS DANGEROUS DRUGS—EXECUTIVE FIAT WITHOUT LEGISLATIVE APPROVAL

Mr. PROXMIRE. Mr. President, I call up my amendment No. 1880.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill insert the following:

Sec. . (a) Paragraph (f) of section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(f)) is amended by (1) redesignating clauses "(1)", "(2)", and "(3)" as clauses "(A)", "(B)", and "(C)", respectively, (2) inserting "(1)" immediately after "(f)", and (3) adding at the end thereof the following:

"(2) The term 'food supplement' means food for special dietary uses.

"(3) The term 'special dietary uses', as applied to food for man, means particular (as distinguished from general) uses of food, as follows:

"(A) Uses of supplying particular dietary needs which exist by reason of a physical, physiological, pathological, or other condition, including but not limited to the conditions of diseases, convalescence, pregnancy, lactation, allergic hypersensitivity to food, underweight, and overweight;

"(B) Uses for supplying particular dietary needs which exist by reason of age, including but not limited to the ages of infancy and childhood;

"(C) Uses for supplementing or fortifying the ordinary or usual diet with any vitamin, mineral, or other dietary property. Any such particular use of a food is a special dietary use, regardless of whether such food also purports to be or is represented for general use.

"(b) No provision of any regulation under section 403(j) of the Act shall be construed as exempting any food from any other provision of the Act or regulations thereunder, including sections 403 (a) and (g) and, when applicable, the provisions of chapter V of the Act."

Sec. 2. Chapter IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341–348) is amended by adding at the end thereof the following new section:

"Sec. 410. In administering this Act the Secretary shall not limit the potency, number, combination, amount, or variety of any synthetic or natural vitamin, mineral, or other nutritional substance, or ingredient of any food for special dietary uses if the amount recommended to be consumed does not ordinarily render it injurious to health.".

The PRESIDING OFFICER. The Chair inquires whether the Senator offers this as an amendment to the committee amendment.

Mr. PROXMIRE. I offer this as an amendment to the pending Beall amendment.

The PRESIDING OFFICER. The Senator desires to submit this as an amendment to the Beall amendment, despite the fact that the time on the Beall amendment has not expired?

Mr. PROXMIRE. That is correct. I ask unanimous consent, Mr. President, to offer this amendment. I shall take only about 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I modify the amendment as follows: On page 2, line 1, after the letters "Sec.," Arabic "1" should be inserted. This is simply a technical amendment. It was an omission from the printed amendment.

Mr. President, I offer this amendment on behalf of myself and Mr. Abourezk, Mr. Allen, Mr. Bentsen, Mr. Bible, Mr. Brock, Mr. Buckley, Mr. Chiles, Mr. Church, Mr. Cranston, Mr. Dole, Mr. Domenici, Mr. Dominick, Mr. Eastland, Mr. Fulbright, Mr. Goldwater, Mr. Gravel, Mr. Gurney, Mr. Hansen, Mr. Hartke, Mr. Hatfield, Mr. Helms, Mr. Hollings, Mr. Humphrey, Mr. Inouye, Mr. Johnston, Mr. Mathias, Mr. Mansfield, Mr. McClure, Mr. McGee, Mr. McGovern, Mr. Montoya, Mr. Moss, Mr. Nunn, Mr. Packwood, Mr. Pell, Mr. Randolph, Mr. Roth, Mr. Schweiker, Mr. Hugh Scott, Mr. Sparkman, Mr. Stevens, Mr. Talmadge, Mr. Thurmond, Mr. Tower, and Mr. Tunney.

This is an amendment to prevent the Food and Drug Administration from regulating safe vitamins as dangerous drugs.

WHAT THE AMENDMENT DOES

The Food and Drug Administration, for several years now, has been attempting to regulate safe vitamins and minerals—which are foods—as dangerous drugs. They have tried to do this through FDA regulations and orders rather than through legislation.

What this amendment does—and all it does—is to stop that action. It restores the status quo. It says to the FDA that they shall continue to regulate vitamins and minerals as foods.

FDA ATTEMPTS TO DISTORT MEANING

Time and again throughout the debate over this amendment, the FDA has attempted to distort its meaning by claiming that it would limit their jurisdiction and shift the burden of proof for safety to the FDA rather than the vitamin manufacturer or retailer.

Nothing could be further from the truth. The key language in the amendment is taken either directly from part 1.11, 21 Code of Federal Regulations, which have been in effect since 1955—or for two decades—or taken directly from the law itself—namely, from section 402 (a) (1), which states that the FDA cannot limit the potency, number, combination, amount, et cetera, of a vitamin or mineral "if the amount recommended does not ordinarily render it injurious to health." That is our phrase, and it is already in the law. The amendment restores that phrase and would supersede the FDA's intended regulations.

BUSINESSES AT STAKE

Why is this amendment so urgent? The health food industry—not the big drug manufacturers, but the health food industry and the small health food stores—the Mom and Pop health food stores found all over this country, are in grave danger of being put out of business.

The FDA's regulations say that when they go into effect, any vitamin sold in quantities in excess of 150 percent of the so-called U.S. recommended daily allowance—U.S. RDA—will become a drug and be regulated as a drug. Those regulations were to have gone into effect next January. Now they have been postponed by court order until next July 1. But then they can go into effect.

The health food stores have this Damoclean sword hanging over their heads. It has been there since 1966, when the FDA first put out its regulations. It is time we settled this matter and settled it for good.

We are proposing this amendment on this bill to save those businesses. We are also doing it to save the consumer from being ripped off, because if vitamins cannot be bought in amounts greater than 150 percent of the U.S. RDA, the consumer will have to pay through the nose for quantities of vitamins he now uses routinely.

COMMITTEES WILL NOT ACT

Hearings have been held in both the House and the Senate. But neither the House committee nor the Senate committee intends to act this year. Further, it is extremely doubtful that they can act or will act by July 1 of next year. Meanwhile, thousands of small proprietors of health food stores and millions of consumers are kept in an almost perpetual state of apprehension.

The time has come to deal with this matter and to deal with it decisively. What this amendment does, therefore, is to restore the matter as it was before the FDA came forward with its regulations. It tells the FDA that instead of acting by executive fiat or through regulations, if they are going to make drastic changes affecting the livelihood of millions of people, then do it through legislation and not by administrative regulation.

U.S. RDA'S ARE AN ARBITRARY, SUBJECTIVE, AND CAPRICIOUS STANDARD

One of the reasons for this is that the RDA's are questionable standards. The FDA's U.S. RDA's, which are based on the Food and Nutrition Board's so-called recommended daily dietary allowance, are an arbitrary, subjective, and capricious standard.

First, they are, more often than not, too low. And the reason for that is so that the orthodox food industry can put on the side of its breakfast food containers that the breakfast food contains a very high proportion of the recommended daily allowances. The lower the RDA's, the better the nutritional value of the breakfast food industry, and other food industry products look.

Second, the Food and Nutrition Board's RDA's, upon which the FDA's U.S. RDA's are based, have had major changes in values almost every time they are issued. For example, the 1968 RDA's had 55 changes in values over the 1964 RDA's which varied from 20 to 700 percent.

Take vitamin E, for example. In 1964 there was no RDA. In 1968, the RDA for pregnant women was 30 international units. In 1974, the RDA for vitamin E for pregnant women was 15 RDA's.

If the FDA's regulations had been in effect for each of these years, this would have been the situation.

In 1964, since vitamin E was not even on the list, it could have been purchased in unlimited quantities.

In 1968, with an RDA of 30 international units, one could have purchased vitamin E in 45 international unit capsules.

But in 1974, vitamin E in excess of 22.5 international units would become a drug and would be regulated either as an over-the-counter-drug or put on prescription.

Even the experts differ on the RDA's. I ask unanimous consent to have printed in the RECORD a table indicating the difference between the RDA's recommended in 1970 by Dr. W. H. Sebrell, Jr., the chairman of the committee which established the 1968 RDA's, and the 1974 RDA's.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Dr. Sebrell	1973–74 RDA's	Percent Sebrell above RDA's
Pregnant women:			
Vitamin A (IU)	8,000	5,000.0	160
Vitamin E (IU)	30	15.0	200
Vitamin B_{12} (Mcg.)	8	4.0	200
Child under 4: Vitamin B_{12} (Mcg.)	4	1.5	333

Mr. PROXMIRE. What that table indicates is that the experts differ and differ very much on the proper amounts that should be proposed as recommended daily dietary allowances. If these amounts were simply advisory, there would be no complaint. But the FDA has taken those amounts and put them into regulations. And what that means is that if some manufacturer or some health food store makes vitamins or sells them in greater quantities, they are subject to the "criminal law." That is too harsh a penalty to hand out when the basis for the regulations is so controversial.

The Second Circuit Court of Appeals, which delayed the date when the regulations will now go into effect, stated:

> Our examination of the record (of the FDA vitamin hearings) has turned up not a single instance in which the scientific processes by which the RDA figures were developed were subject to searching examination.

Other experts differ as well. Among them are Dr. Paul Gyorgy, the discoverer of vitamin B-6, who recommended in 1971 that the RDA for vitamin B-6 should be set at 25 milligrams a day, or 12.5 times the 2 milligram level the Food and Nutrition Board established for 23–50 year old females.

Dr. Linus Pauling recommended daily levels of vitamin C which are over 100 times the 45 milligrams recommended by the Food and Nutrition Board.

The RDA's, about which there is so much controversy even among the scientific community, is no standard on which to base the criminal law.

AMENDMENT DOES NOT TOUCH EXISTING FDA POWER TO REGULATE TOXIC, UNSAFE, OR MISLABELED FOODS

This amendment does not change the vast power the FDA has to regulate foods. All it states is that the FDA shall regulate vitamins as foods and not as drugs.

If a vitamin or mineral is toxic, the FDA has adequate authority to regulate it. They have done so in the case of vitamins A and D and vitamin K.

If a vitamin or mineral is mislabeled, there is more than adequate authority to deal with it under existing law. In fact, many people believe that the FDA has already gone too far, as, for example, when they banned the sale of a book on the favorable effects of vinegar and honey when it was displayed and sold in a store which sold vinegar and honey. Since vinegar and honey are also proposed in the Old Testament as nutritious foods, there are many who believe that if the FDA had gotten its way on that one—and fortunately they did not—then Macy's or Gimbel's would be barred from selling vinegar and honey if they also sold the Old Testament in their stores.

Finally, there are a great many food substances which are highly toxic—far more than vitamins—but which are regulated as foods—because they are foods—and not as drugs.

If the FDA is to retain any logic in its point of view, it should regulate sugar, salt, coffee, tea, and even water as dangerous drugs, because they are toxic if used in large or excessive quantities.

CONCLUSION

The amendment does nothing more than restore the status quo. Its language is that of the law and of the regulations which have been in effect for two decades.

It does not take away from the FDA any power over toxic foods or mislabeled foods or foods made in unsafe surroundings.

But it does tell the FDA that they are not to place the businesses of thousands of small health food stores in jeopardy through executive fiat and administrative regulations.

And the amendment would do that now because these small businesses and millions of consumers have had the FDA regulations hanging over their heads for years and will shortly experience the final coup de grace if the FDA has its way.

The PRESIDING OFFICER. Who yields time?

Mr. BEALL. Mr. President.

Mr. KENNEDY. Mr. President, I shall be glad to make a brief statement expressing my opinion, unless the Senator from Maryland wishes to do so. It is an amendment on his substitute.

Mr. BEALL. I want to accept it.

Mr. KENNEDY. Very well.

Mr. President, this amendment was incorporated in legislative form by the Senator from Wisconsin and is a matter which was before the Senate Subcommittee on Health. We had 2 days of hearings. The Senator from Wisconsin appeared and made a very effective presentation on this issue. We had a number of witnesses who favored this issue.

I do not think I have received more mail on any issue than I have received on the question of vitamin legislation. But we had some disturbing testimony as well by the spokesmen for the Food and Drug Administration and a number of other consumer groups, as well as a number of other clinical researchers.

It seems to me that the best way to proceed is by way of the orderly process of the committee. The Health Subcommittee should review this legislation and the varying testimony that we received and consider its appropriateness. There is other legislation dealing with this question as well which has been introduced by the junior Senator from Wisconsin (Mr. NELSON).

There has been yet another approach; it was presented to the committee by the Representative from Maine, Mr. KYROS. We are in the process of considering these different alternatives.

I think the Senator is accurate in stating that we shall not have the opportunity to act on it in this session of Congress. The need for it has been somewhat attenuated, as the Senator from Wisconsin pointed out, by the court order that is going to defer any action on the regulations until July of next year. I indicate to the Senator from Wisconsin that this will be a matter which will be considered in the early part of next year, and then the Committee will work its will on the legislation.

The point that I wish to make, Mr. President, is that this particular legislation goes far beyond the question of just vitamins in and of themselves. It reaches the whole issue of food additives. We received testimony before our committee that recent research on vitamin C, for example, has pointed out that high doses of vitamin C, taken over long periods of time, may very well bring about toxic effects. We had some distinguished scientists who testified about research that they have done in this area.

The fact remains that there has been very little research done about the effects of large quantities of vitamins taken over a long period of time. The impact that that has on the health and well-being of individuals has been the subject of little, if any, concrete study. The argument is, on the other hand, that there has not been any evidence to show that there is anything toxic, but the fact remains that the types and quantities being considered here are vastly above what any individual could ever take by way of consumption of natural foods. Even the regulations would not provide any prohibition, and would not, as the Senator from Wisconsin suggests, provide that no capsule be above the amount that was established as the daily requirement.

Beyond this, Mr. President, an effect of the Proxmire amendment, according to counsel from the Food and Drug Administration and other consumer groups, would be to virtually eliminate the requirement that presently exists that sets, for example, labeling requirements on certain food products.

There are some extremely serious consumer concerns on the whole subject of labeling of food products. It seems to me that this legislation is better left until we have an opportunity to examine it in the Committee on Health.

Now, having said that, I also want to say that we recognize there are a number of cosponsors, people who feel strongly about this legislation. I question, really, its appropriateness as an amendment to this particular legislation, but have indicated to the Senator from Wisconsin that if he is going to ask for a rollcall vote, I intend to vote in opposition to it.

I am going to file a more detailed statement in the RECORD in explanation of my position. In addition, I am indicating that in recognition of the realities that this amendment will pass, and wanting to eliminate any impact that it might have on other votes or questions. Senator JAVITS and myself have also included this amendemnt in a later substitute to the Beall amendment, because we recognize that if our amendment is accepted as a substitute, it would not be open to further amendment. I understand that the handwriting is on the wall, and that the Senator from Wisconsin has the votes on this particular measure.

I wish to give the Senator assurance, on the one hand, that we are going to conduct hearings on this measure in the early part of the next session and that we will permit the committee to exercise its will on this measure. Then I am hopeful that we can bring something to the floor which the Senate will then itself be able to work its will on.

I do not want to offer much assurance to those interested in the legislation that this is going to become law on the basis of Senate action, because the House has not moved. This will be in conference. There has been no record made in the House of Representatives concerning the relevence of this amendment to any manpower proposal, and therefore there will be strong objections from the House.

With these brief comments on this matter, I have very little further to say, other than I know the Senator from Wisconsin wants a rollcall vote. I hope we can get it at the appropriate time.

I would like to ask that my prepared remarks detailing my objections to this amendment be printed in the RECORD at this time.

There being no objection, the remarks were ordered to be printed in the RECORD as follows:

FLOOR STATEMENT TO ACCOMPANY PROXMIRE AMENDMENT, BY SENATOR EDWARD M. KENNEDY, CHAIRMAN, SENATE HEALTH SUBCOMMITTEE, TUESDAY, SEPTEMBER 24, 1974

I would like to note that Senator Proxmire's food supplement amendment has been incorporated into the Kennedy substitute to the Beall amendment. I have incorporated the Proxmire amendment not because I endorse it or approve it, but because of the wide support it has attracted from members of the Senate, and in my opinion, because of the inevitability of its adoption in any event.

However, I would like to go emphatically on record as believing that this amendment is very bad legislation. I entered into two days of unusually extensive and complex hearings concerning the food supplement amendment of 1974 with an open mind. However, after hearing from essentially all witnesses who requested to testify, I concluded that the dangers of this particular bill far outweighed its benefit.

I am sympathetic and supportive of those who fear unnecessary federal intervention into their freedom to purchase and eat any food they desire. However, I believe that as long as the food and drug administration is given the mandate to regulate the safety of foods, drugs, and cosmetics, it should be allowed to retain the authority to do so.

The Proxmire amendment is bad legislation for a number of reasons. First of all, in the view of the food and drug administration and many consumer groups, it would strip the FDA of its authority to regulating food supplements going into baby foods, foods for pregnant lactating women, foods for diabetics and hypertensives, and other foods for special dietary use.

Second, it would shift the burden of proof with respect to toxicity of a food additive to the food and drug administration. It would leave no margin of safety, requiring the Government to show that the recommended amount of the additive "does not ordinarily render it injurious to health" before limits can be required. The manufacturer would not be required to prove safety.

Evidence presented in the hearings indicate that high doses of Vitamin C taken over long periods of time may have toxic effects. The same is true of other vitamins. This bill will seriously weaken the FDA's ability to guard against such toxic effects until they actually occur.

In addition, the provision of the amendment stating that regulation to establish labelling for special dietary foods shall not be construed as exempting any food from the other food provisions of the act, merely restates present law. It confuses the issue. If the intent of this provision is to insure that the consumer protection features of the act are not diminished, the provision renders the rest of the bill meaningless.

The Congress has been the target of a large, well-organized mail campaign concerning this legislation. Many of the letters received by my office have misstated the impact of the current regulations. For the record, I would like to point out that the new regulations would *not* remove one nutrient or other food component that has been available to consumers up to now and they would remain available in the future.

The new regulations would *not* replace all nutrients on prescription. All but two will remain available to consumers for purchase in grocery stores, pharmacies, and other retail stores throughout the country as dietary supplements or nonprescription products. The only two exceptions are potentially toxic high levels of vitamins A and D. Nutritional levels of those two vitamins would also remain as dietary supplements.

The new regulations would not limit the amounts or kinds of nutrients that the public can consume. An individuals remains free to eat as many different products as he chooses.

The new regulations would guarantee that every consumer has complete freedom of choice in the marketplace. Consumers may choose what they wish to buy, as is their right. In fact, the new regulations would assist the consumer in making more intelligent choices by requiring more informative labeling.

In addition, many witnesses, including Consumer's Union and the National Association of Retired Persons, expressed fear that the Proxmire bill would open the floodgates to massive consumer fraud in the vitamin and food supplement industry.

I hope that during the next session of Congress, the Senate will have an opportunity to reconsider this issue, and to enact legislation which will both protect the freedom of the consumer with respect to vitamins and food supplements, and assure that his economic and physical safety is protected.

Mr. **PROXMIRE**. Mr. President, I shall be very brief in responding to my good friend from Massachusetts.

I appreciate very much his holding the hearings, and he was very courteous and helpful in the hearings. I do want to say that there are several points he raised. One is that there is a finding now that very large amounts of vitamic C may be toxic. I argue that if it is true, and I have not seen the evidence that it is, then there is nothing in my amendment which would prevent the FDA from prohibiting the larger amounts of vitamin C from being sold. Of course, they have this power in regulating food. If it is toxic, they can stop it.

In the second place, the Senator argued that my amendment would affect labeling orange juice, for example.

There is absolutely nothing in the amendment, nothing at all, that would in any way affect the labeling of food, or of drugs, for that matter. Labeling is not covered in any way, shape, or form in my amendment.

Mr. President, the argument has been made that the vitamin amendment is an "irresponsible" amendment because it diminishes the FDA's power over food additives, not just vitamins. There is no way under our amendment the FDA could not regulate cyclamates.

This is an outright misrepresentation of our amendment.

First, our amendment provides—as the present existing laws provides—chapter IV, food, section 402(a)(1)—the FDA with every existing authority to regulate adulterated foods. The language comes directly from the "adulterated food" section of the law.

Second, our amendment does not limit or take away any power the FDA now has over "food additives" such as cyclamates, the reason being that a food additive by definition is "a chemical ingredient not generally recognized as safe."

Third, a "special dietary food"—on the other hand—which our amendment affects—is a product generally regarded as safe.

What the FDA wants to do—and which we object to and which our amendment would prevent—is for them to treat safe vitamins and minerals, which by definition are special dietary foods, as "unsafe food additives."

Vitamins are special dietary foods. Vitamins are not food additives. The entire fight is whether or not the FDA is going to treat vitamins—which are foods—in the same way they treat unsafe chemical additives or drugs, like cyclamates.

But our amendment does not prevent the FDA, in any way, from acting under the existing food laws to regulate vitamins if they are toxic, if they are misbranded, or if they are made in unsafe or unclean surroundings. They have that authority now. We reinforce it by saying that vitamins shall be regulated under that authority. And our amendment does not prevent—in any way—the FDA from acting against "food additives"—which are by definition "unsafe chemical." We do not touch that authority. We do not limit that authority.

HISTORY OF FDA ENFORCEMENT

The FDA also argues that they need the new drug regulations in order to get needed enforcement powers for abuses. They say it is too difficult to bring cases one by one and hence need blanket authority. Here is the answer to that.

Under our amendment—as under the existing food laws—the FDA has every needed authority to regulate "toxic" or unsafe foods. Under the present laws—which our amendment merely restores—the FDA has regulated vitamins A and D, and K because of their apparent toxicity. This authority remains under our amendment. We do not touch it.

There is no evidence that there has been any more fraud or misrepresentation in the food supplement industry than in any other industry or business. The FDA's own figures bear this out. There has been only a "mild" incidence of violations of the FDA regulations in this area and the FDA has had no difficulty in controlling them. Here are the facts:

First, the nature of the cases: 90 percent of the regulatory actions begin with seizures under section 502(a)—which has to do with misbranding because of false or misleading labeling.

In 28 years the total number of cases was 1,028, or 36 a year.

Of these 649—or 23 a year—involved supplements of vitamins or minerals.

Of these 649—70 involved products containing iodine or sea water preparations, 41 involved weight reducing aids, and 283 concerned miscellaneous health foods.

Second, the disposal of the cases indicates the existing authority is adequate.

Of the 1,028 cases, 883 were civil seizure cases of which 99 percent were disposed of either by default—638—or consent decree—234.

That took no great enforcement effort nor does it show that the laws are inadequate as the FDA claims.

One hundred twenty-two were criminal cases—of which 85 percent were disposed of by guilty pleas—102.

In the last 28 years the FDA has had to try only about 20 cases. Of these, 15 went for the Government and 5 for the defendants.

The FDA's legal branch has not been overworked and needs no new authority.

Finally, the Food, Drug, and Cosmetic Act is an unusual criminal statute because the courts have regularly held that the FDA does not have the usual burden of proving that the perpetrators of alleged felonies intended to misbrand the food, or even knew that it was misbranded.

Thus, the FDA now has great authority under the food laws.

Our amendment does not diminish that authority. What it does is to continue to allow the FDA to act under the food laws but prevents them from acting under the "drug" laws by calling vitamins—which are foods—dangerous drugs.

All the factual information I have cited was presented to U.S. Court of Appeals for the Second Circuit.

DOES NOT SAY ONE WORD ABOUT SO-CALLED MEDICAL CURES

The opponents of the amendment charge that the amendment authorizes the sale of vitamins for unproven medical cures.

There is not one line in the bill doing any such thing.

If the vitamin is toxic, it can be regulated under the amendment.

If the vitamin is mislabeled— it can be seized under our amendment and the present law.

If it is made in unclean surroundings, the FDA can act as well.

The amendment does not authorize the sale of vitamins for any purpose such as an unproven medical cure.

If that is illegal now, then it is equally illegal under our amendment.

The Proxmire amendment does not "retreat" to 1938 and put the burden of proof on the Government. Under the food laws the burden of proof is now on the Government with respect to foods.

And there is a very good reason for that.

The FDA exercises criminal statutes.

The Food, Drug, and Cosmetic Act is unique in that the criminal act requires no intent. People can be sent to jail for what are essentially innocent actions.

When a Government agency exercises criminal laws—and very stringent criminal laws—the burden of proof should be on the Government. People should be innocent until proven guilty.

That fact has not prevented the FDA from acting against any toxic, unsafe or mislabeled vitamin or mineral in the past.

They have put vitamins A and D in large quantities on prescriptions and under this amendment that would and could continue.

They have seized mislabeled and misbranded foods. That authority continues.

All the amendment does is to prevent the FDA from treating safe vitamins as drugs, which is what they are determined to do if not stopped either by legislation or by the courts.

VITAMINS AS OTC AND PRESCRIPTION DRUGS

The FDA charge that the proponents of the amendment falsely state that the FDA would put vitamin pills on prescription rather than treating them as over-the-counter drugs.

Here is the answer:

First. It is true that what the FDA would do, mainly, is to treat vitamins as over-the-counter drugs—OTC—if they exceed 150 percent of the so-called U.S. recommended daily allowance.

Second. However, if treated as an over-the-counter drug, the manufacturer or retailer must prove to the FDA that vitamins are not only safe—which is no problem and already provided under the food laws—but that they are "efficacious.

Third. But the FDA has already said that such vitamins as vitamin C and vitamin B-6, and other vitamins are not needed in quantities more than 150 percent of the RDA and are not effective or useful in such amounts.

In fact in its vitamin regulations—which the courts have stopped temporarily—the FDA stated that a food shall be misrbanded if its labeling represents, suggests, or implies six items including item 1 which states:

> (1) That the food because of the presence or absence of certain dietary properties, is adequate or effective in the prevention, cure, mitigation, or treatment of any disease or symptom.

It is now illegal to claim that. Yet to become an over-the-counter drug, a manufacturer would now have to make such a specific, illegal claim for the vitamin.

That is impossible.

What it means is that the FDA Over-the-Counter Committee, if it follows the proposed FDA regulations, would have to reject such a claim for "effectiveness" out of hand.

Fourth. In those circumstances, the vitamin could then only be sold under prescription in amounts greater than 150 percent of the RDA's.

That is why there is very great chance vitamins in amounts greater than 150 percent of the RDA's will have to be gotten under prescription. That is a genuine possibility. It is no idle threat.

Mr. SPARKMAN. Mr. President, I am no expert in what constitutes a drug and what constitutes a health food, but I do recognize serious differences of opinion among Federal agencies which have responsibilities in this field. The Food and Drug Administration has proposed heavy regulations for the health foods industry—regulations which can have the effect of sharply limiting the availability of health foods. These regulations fly in the face of a National Institutes of Health study which expresses concern about the lack of proper nutrition in the United States, especially among the elderly. On the other hand, FDA contends that it is a myth that major segments of the population of the Nation are now suffering or are in imminent danger of suffering from nutritional deficiency.

The amendment before us now seeks to prevent the Food and Drug Administration from carrying out its determination to classify safe vitamin and mineral supplements as dangerous drugs and to regulate them under the drug provisions of the law rather than as foods or food supplements.

A study at Duke University indicated that half of all psychiatric patients over 65 had "borderline" or worse nutritional status in at least one major food needed for the body and brain to function. The NIH survey showed "abnormally low levels" of vitamins and minerals among a random group of elderly men rich and poor.

The effect of the proposed FDA regulations seems to indicate that certain vitamin and mineral supplements will be harder to get and be more expensive if the regulations are finally approved.

I think this amendment should pass simply because the elderly people of this Nation have a large stake from a health point of view in the availability of vitamin-mineral supplements and in what vitamin-mineral supplements cost.

Mr. DOLE. Mr. President, as one of the 45 Senators who have already indicated their support of the proposal by the distinguished Senator from Wisconsin (Mr. PROXMIRE)—through cosponsorship of his bill to limit proposed Food and Drug Administration regulation of vitamins—I am pleased to add my endorsement of the amendment version now under discussion.

Despite the recent court decision to delay and review the contemplated FDA action, I think it is essential that we move legislatively to preclude the "bureaucratic paternalism" in which that agency is attempting to engage. It is a little inconceivable to me that there would be such an effort to control the retail sale of vitamin and mineral nutrients in the first place, but I would nevertheless like to be on record as absolutely opposing such restraints.

EXCESSIVE INTAKE POSSIBILITY NO JUSTIFICATION

While I can appreciate the notion that unusually large quantities of fat soluble vitamins might precipitate some adverse effects, I fail to see that as a justification for tight restrictions on their distribution. For the simple truth is, nearly any item—food or otherwise—if ingested in foolishly indiscriminate amounts, could produce potentially harmful conditions.

The fact that FDA would seek to exercise undue authority over products that American consumers have been buying and using with great individual satisfaction for decades is plainly, then, an insult to the average citizen's intelligence and good judgment. And one cannot help but wonder just where ths "excessive intake" argument might lead us in the regulatory arena if we should begin applying it first to food supplements, and eventually, perhaps, to high vitamin-content foods themselves.

MATTER OF FREE CHOICE

The real question here is one of personal preference and fundamental rights—and whether we are going to permit unfair and unnecessary infringement upon those basic privileges. But that is not a unique observation, as everyone well knows who has read the United Press International assessment of this dispute as one which has prompted "one of the biggest letter-writing campaigns in the history of Congress."

Certainly, I am not among the Senators who may have been overlooked in this massive outpouring of public sentiment. For my office has received literally thousands of mail inquiries on this very issue.

CONSTITUENT APPEALS

The feeling expressed by these "grass-roots" concerned constituents is unelaborate and straight-forward, and should, I think, be recognized by all of us. It reads, in general:

> DEAR SENATOR DOLE:
>
> My personal freedoms are being eroded, and I appeal to you to help protect them.
>
> I want to be able to continue buying and using the vitamin, mineral and food supplements that I feel contribute to my personal nutrition. But proposed F.D.A. regulations, which will automatically go into effect on January 1, 1975, unless Congress passes legislation to the contrary, would interfere with my freedom to do this.
>
> While I oppose this arbitrary F.D.A. action, I do favor legislation that would make sure that my food supplements continue to be safe, wholesome and accurately labeled. This is why I urge you to work for the passage of Senator Proxmire's bill (Senate Bill 2801). Please let me know how you stand on this issue.

AVERAGE AMERICAN KNOWS BEST

Mr. President, the text of these appeals makes it very clear that the Government does not always know best; that rather, it must sometimes go to those who are governed to learn what is both desirable and appropriate. And I seriously doubt that the FDA took the views of the average American into full consideration when it set out on its course to "protect" him from the less-than-substantiated and overstated dangers of vitamins and minerals.

Nobody will contest the need to adequately inform our citizenry—through established labeling procedures—of the composition and recommended dosages of the food supplements which they purchase. But neither should we endorse such an extreme as would be evident from the attempt to impose restrictions on such items which are not—taken as directed—injurious to health.

CORRECTIVE LEGISLATION

It is unfortunate, in situations like this, that we must turn to the lawmaking process to preclude an action which—save the absence of logic, reason and an attitude of fairness—would never have been initiated at all. It is equally encouraging, however, that as I have already mentioned, nearly half the Senate has responded to that need in this instance to cosponsor Senator PROXMIRE's efforts at prospectively correcting an FDA "abuse of power."

I am in full support of the purposes which this amendment seeks to accomplish, thus sharing in the belief that present labeling standards and advertising claim limitations are completely sufficient to afford whatever "protection" is necessary for the public well-being. It should be adopted by an overwhelming margin to prevent the implementation of what Dr. Roger Williams of the University of California described as a classification control measure which "would better serve the convenience of the Government than the cause of truth."

I urge each of my colleagues to reject the argument that this amendment is "precipitous"—based on the premise that the FDA will refine its own regulations to satisfy all legitimate criticism—and join me in supporting its inclusion in the health manpower bill.

PREVENT FDA FROM CLASSIFYING SAFE VITAMINS AS DRUGS

Mr. PACKWOOD. Mr. President, at long last we have an opportunity to debate here on the Senate floor an important piece of legislation, which I have cosponsored with 45 of my colleagues, S. 2801. This bill is our response to an arbitrary action by the Food and Drug Administration in attempting to regulate and restrict the sale and availability of vitamins and minerals. This bill stems from the FDA's effort to classify safe vitamin and mineral supplements as dangerous drugs and to regulate them as drugs rather than as the food supplements they in fact are.

For the past 2 years, I have received a broad expression of concern from Oregonians over the FDA's actions. And a Federal court in New York has echoed those concerns by delaying the effective date of the FDA's proposed regulations. Although sustaining the FDA's broad authority to issue regulations standardizing vitamin and mineral supplements, the court ruled that the FDA may not prevent vitamins and minerals from which there is no established recommended daily allowance from being sold separately, included in general purpose foods, or sold as optional ingredients in dietary supplements.

As my colleagues well understand, it is the standardization authority which is the object of our consideration today. Only with passage of S. 2801, today offered as an amendment to S. 3585, can we guarantee that the FDA will not limit the potency, number, combination, amount, or variety of any vitamin or mineral when the recommended amount is not injurious to health. This means that FDA will not be permitted to classify safe vitamins as "drugs" to be sold over the counter or by prescription, which would greatly increase the cost to the consumer. If the vitamin or mineral in the potency recommended is injurious to health, then FDA will of course have the authority to impose limitations.

Mr. President, the issue boils down to this. As long as vitamins or minerals are nontoxic in the recommended quantities, and are accurately labeled, the FDA should not interfere, except to assure cleanliness. I urge my colleagues to adopt this amendment today to put the Senate clearly on record, and to encourage early House consideration of this issue.

Mr. PROXMIRE. Mr. President, I have just talked with the majority leader. He suggests that the best time for a vote on this amendment might be 12:15, because it would give the committees a little longer to meet, and we could then take up the conference report in the meantime.

Mr. KENNEDY. Make it 12 o'clock.

Mr. BEALL. Mr. President, if the Senator will yield, let us not set a time until the majority leader gets here and we can find out how long this appropriation bill will take, so we will have time to discuss a substitute apparently to be offered by the Senator from Massachusetts.

Mr. PROXMIRE. The majority leader was not firm on that 12:15 time. If it would accommodate the Senator from Maryland and the Senator from Massachusetts to vote at 12 o'clock, that would be fine, too.

Mr. KENNEDY. In any event, the amendment of the Senator from Wisconsin would be voted on first.

Mr. PROXMIRE. Fine. I want a rollcall on it.

Mr. KENNEDY. Mr. President, I am prepared to send to the desk a substitute for the Beall amendment, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. HASKELL). The Chair would advise the Senator from Massachusetts that until the Proxmire amendment is closed in some way, the amendment is not in order.

Mr. KENNEDY. I ask unanimous consent that we may set aside the Proxmire amendment for the consideration of this amendment, with the clear understanding that the rights of the proponent of the amendment would be protected, and the assurance that we will have an opportunity to vote on his amendment as the No. 1 business on this particular legislation, if that is agreeable.

Mr. PROXMIRE. That is fine, as long as my rights are protected. The time is completely open as far as I am concerned.

The PRESIDING OFFICER. Is there objection?

Mr. BEALL. And with the further understanding that at the time the Kennedy substitute reverts back to the Proxmire amendment, I will not have lost any of my rights under my amendment, should the Senator's substitute be rejected.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum, the time to be charged against the time on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask for the yeas and nays on the Proxmire amendment.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, the substitute amendment which Senator JAVITS and I have sent to the desk is intended to substantially reduce any inflationary impact in the bill.

Mr. President, I send my amendment to the desk.

The PRESIDING OFFICER. Until time has expired on the Beall substitute, the Chair is advised that it would require unanimous consent to consider the Senator's amendment.

Mr. KENNEDY. I ask unanimous consent that it be in order to consider my amendment for the purposes of discussion, with assurances that the rights of the Senator from Maryland will be protected. Is that satisfactory?

Mr. BEALL. I am sorry; I did not hear the Senator's statement. Has the amendment been offered?

Mr. KENNEDY. Yes, the substitute has been offered.

Mr. BEALL. What is the unanimous-consent request?

Mr. KENNEDY. The Chair has reminded us that it is not appropriate to begin the discussion of this amendment, because we currently have the Beall amendment before us. Therefore, we are asking unanimous consent to be able to discuss it without the time being charged to the Senator from Maryland, or——

Mr. BEALL. Without the Senator from Maryland losing any rights or privileges accruing to him had the debate not taken place?

Mr. KENNEDY. That is my understanding.

Mr. BEALL. I have no objection.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

The amendment is as follows:

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Health Professions Educational Assistance Act of 1974".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) The Congress hereby finds and declares that—

(1) the availability of high quality health care to all Americans is a national goal;

(2) the availability of high quality health care is, to a substantial extent, dependent upon—

(A) the availability of qualified health professions personnel;

(B) the availability of adequate numbers of physicians engaged in the delivery of primary care services and in the various specialties; but numbers which do not exceed the needs for physicians in such specialties; and

(C) the standards applicable to licensure of physicians and dentists;

(3) there are many areas in the United States which are unable to attract adequate numbers of health professions personnel to meet their health care needs;

(4) the trend among physicians toward specialization has resulted in inadequate numbers of physicians engaged in the delivery of primary care services, while services where needed and no minimum standard of competence is assured;

(5) standards for licensure of physicians and dentists vary from State to State and discourage or prevent professionals qualified

to practice in a State from moving to another State or crossing State boundaries to provide services where needed and no minimum standard of competence is assured;

(6) standards for licensure of physicians are not applied uniformly within the States, but permit many graduates of medical schools located in foreign countries to practice although they do not meet the standards applied to graduates of medical schools located in the United States and no minimum standard of competence is assured;

(7) many Americans throughout the United States are unable to obtain high quality health care as a result of the problems discussed above and these problems are becoming more serious;

(8) current efforts to deal with these problems through voluntary means and at the State level have had little, if any, impact in reducing the problems;

(9) the inability of many Americans to obtain high quality health care has become a matter of grave national concern and action must be taken at the Federal level in response to that concern.

(b) The Congress further finds and declares that—

(1) health professions personnel are a national health resource and the Federal Government shares the responsibility of assuring that such personnel are available to meet the health care needs of the American people;

(2) it is therefore appropriate to provide support for the education and training of such personnel;

(3) at the same time it is appropriate to provide such support in a manner which will assure the availability of health professions personnel to all of the American people.

(c) The Congress further finds and declares that—

(1) the quality and availability of health care in the United States affects interstate commerce;

(2) the lack of adequate health care for individuals in the United States often results in illness which may result in unemployment, an increased rate of absence from employment, and reducing the ability of such individuals to engage in activities which affect interstate commerce, and has a depressant effect on general business conditions;

(3) low quality health care or unavailability of health care in an area in a State may discourage the movement of persons into that area from other areas and from other States and thereby adversely affect the movement of industry and other activities between States;

(4) the provision of health care, as evidenced by expenditures undertaken for such provision, has a substantial effect on the Nation's economy;

(5) virtually all drugs, biologicals, medical devices, and medical appliances and equipment utilized in the provision of health care move in interstate commerce;

(6) many persons, especially those residing in metropolitan areas which cross State boundaries, move between States in order to receive health care; and

(7) a nationwide program of obligated service of health professions personnel in areas and institutions with shortages of such professionals, of certification of postgraduate physician training positions, and of minimum standards for licensure of physicians and dentists will remove an undue burden on interstate commerce.

TITLE I—GENERAL PROVISIONS

SEC. 101. (a) Sections 701 through 711 are repealed.

(b) Sections 724, 725, 799, and 799A are transferred to part A of title VII and are redesignated as sections 701, 702, 703, and 704, respectively.

(c) Section 701 (as so redesignated) is amended—

(1) by striking out "As used in this part and parts C, E, and F—" and inserting in lieu thereof "For purposes of this title:"; and

(2) in paragraph (4), by—

(A) striking out "and 'school of public health' " and inserting in lieu thereof " 'school of public health, and school with a graduate program in health care administration' "; and

(B) striking out "and a graduate degree in public health" and inserting in lieu thereof "a graduate degree in public health or an equivalent degree, and a graduate degree in health care administration or an equivalent degree".

(d) Section 702 (as so redesignated) is amended by—

(1) striking out "twenty" in subsection (a) and inserting in lieu thereof "twenty-two",

(2) striking out the second sentence of paragraph (a) and inserting in lieu thereof the following: "The appointed members of the Council shall include (1) eight representatives of the health professions schools assisted under programs authorized by this title, including one each from the schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health, (2) eight full-time students enrolled in such health professions schools, including one each from the schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health, and (3) four members of the general public", and

(3) striking out "parts A and G" in subsections (b) and (c) and inserting in lieu thereof "part G".

(e) Section 703 (as so redesignated) is amended to read as follows:

"ADVANCE FUNDING

"SEC. 703. An appropriation under an authorization of appropriations for grants or contracts under this title for any fiscal year may be made at any time before that fiscal year and may be included in an Act making an appropriation under such authorization for another fiscal year; but no funds may be made available from any appropriation under such authorization for obligation for such grants or contracts before the fiscal year for which such appropriation is authorized.".

(f) Part A of title VII is amended by adding at the end thereof the following new sections:

"DELEGATION

"SEC. 705. The Secretary may delegate the authority to administer any program authorized by this title to the administrator of a central office or offices in the Department of Health, Education, and Welfare, but such authority shall not be further delegated to any officer in any regional office or offices."

"RECORDS AND AUDIT

"SEC. 706. (a) Each recipient of financial assistance (including each entity which receives a grant, loan, loan guarantee or interest subsidy or which enters into a contract with the Secretary) under this title shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such financial assistance, the total cost of the project or undertaking in connection with which such financial assistance was given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall have access for the purpose of audit and examination to any book, document, papers, and records of such recipients that are pertinent to the financial assistance received under this title."

"NATIONAL HEALTH PROFESSIONS PERSONNEL DATA BASE

"SEC. 707. (a) The Secretary shall establish a health professions personnel data base which shall include data respecting all physicians, dentists, pharmacists, optometrists, podiatrists, veterinarians, public health personnel, health care administration personnel, audiologists, speech pathologists, chiropractors, nurses, physician extenders (including nurse practitioners) and allied health personnel in the United States and its territories and such other health personnel as the Secretary deems appropriate. Such data base shall include, but not be limited to, information respecting the training, licensure status (including permanent, temporary, partial, limited, or institutional), place or places of practice and hours of practice spent in each such place, hospital affiliations, place and date of birth, sex, and such other descriptive and demographic information regarding health professions personnel as the Secretary shall prescribe.

"(b)(1) The Secretary shall collect the available information described in subsection (a) from appropriate State and Federal agencies and other appropriate sources.

"(2) The Secretary shall conduct or enter into contracts for the conduct of analytic and descriptive studies of health professions personnel, including, but not limited to, evaluations and projections of the supply, specialty, and geographic distribution, and quality of services delivered by health professions personnel.

"(c)(1) The Secretary is authorized to make grants to States for the purpose of establishing a uniform health professions personnel reporting system. The Secretary shall determine the amount of any grant but no grant shall exceed $100,000 and no State shall receive more than one grant.

"(2) To be eligible for a grant under this subsection a State shall submit an application, in such form and manner and containing such information as the Secretary shall require. Such application shall include reasonable assurances, satisfactory to the Secretary, that (A) such State will establish a program of mandatory annual registration of the health professions personnel described in subsection (a) who reside of practice in such State and of health institutions licensed by such State, which registration shall include such information as the Secretary shall prescribe, specifically including data regarding graduates of medical schools located in foreign countries, and (B) such State shall collect such information and report it to the Secretary in such form and manner as the Secretary shall prescribe.

"(d) For purposes of providing the Secretary with information described in subsection (a), each school which receives financial support under section 770 shall report to the Secretary annually information respecting the students which attend such institution and their postgraduation career plans (if available).

"(e)(1) The Secretary shall provide technical assistance to the States and political subdivisions thereof in the development of model laws concerning confidentiality and comparability of data collected pursuant to this section.

"(2) Subject to applicable law regarding confidentiality, the data collected by the Secretary under this section shall be made available to bona fide researchers and analysts for the purpose of conducting studies respecting health professions personnel.

"(f) The Secretary shall assemble and submit to the President and to Congress not later than September 1 of each year a report on the status of health professions personnel in the United States, which report shall include a description and analysis of the data collected pursuant to this section.

"(g) There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section."

(g) If, within twenty years (or ten years in the case of a facility constructed with funds paid under part A as in effect before the data of the enactment of the Health Professions Educational Assistance Act of 1974) after completion of the construction of any facility for which funds have been paid under such part A (as so in effect) or under part D (as in effect before July 1, 1967)—

(1) the applicant for such funds or other owner of such facility shall cease to be a public or nonprofit private entity, or

(2) such facility shall cease to be used for the purposes for which such funds for its construction were provided, unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so, the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

(h) The Secretary of Health, Education, and Welfare shall submit an evaluation report to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives not later than March 31 of each year. Such report shall—

(1) contain the Department's statement of specific and detailed objectives for the program or programs assisted under the provisions of this Act, and relate these objectives to those in this Act,

(2) include statements of the Department's conclusions as to effectiveness of the program or programs in meeting the stated objectives, measured through the end of the preceding fiscal year,

(3) make recommendations with respect to any changes or additional legislative action deemed necessary or desirable in carrying out the program or programs,

(4) contain a listing identifying the principle analyses and studies supporting the major conclusions and recommendations, and

(5) contain the Department's annual evaluation plan for the program or programs through the fiscal year for which the budget was transmitted to Congress by the President, in accordance with section 201(a) of the Budget and Accounting Act, 1921, as amended (31 U.S.C. 11).

(i) The heading for part A of title VII is amended to read as follows:

"PART A—GENERAL PROVISIONS".

(j) The heading for part H of title VII is repealed.

TITLE II—ASSISTANCE FOR CONSTRUCTION OF TEACHING FACILITIES

SEC. 201. Section 720 is amended to read as follows:

"GRANT AUTHORITY; AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 720. (a) The Secretary may make grants to assist in the construction of teaching facilities for the training of physicians, dentists, pharmacists, optometrists, podiatrists, veterinarian, and professional public health personnel.

"(b) There are authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1975".

SEC. 202. (a) (1) Subsection (a) of section 722 is amended to read as follows:

"(h) The amount of any grant under this part for construction of a project shall be such amount as the Secretary determines to be appropriate after obtaining advice of the Council, except that no grant for any project may exceed 80 per centum of the necessary costs of construction, as determined by the Secretary, of such project."

(2) The amendment made by paragraph (1) shall take effect with respect to grants made under part B of title VI of the Public Health Service Act from appropriations under section 720 of such Act for fiscal years beginning after June 30, 1974.

(b) Subsection (d) of section 722 is amended by striking out "(within the meaning of part A of this title)".

SEC. 203. (a) Subsections (a) and (b) of section 729 are each amended by striking out "1974" and inserting in lieu thereof "1975".

(b) Subsections (a) and (b) of section 729 are further amended by inserting "enter into an agreement to" before "guarantee" in the first sentence of subsection (a), and before "pay to the holder" in subsection (b).

(c) The second sentence of section 729(e) is amended by inserting after June 30, 1974 the following: "$2,000,000 for the fiscal year ending June 30, 1975".

SEC. 204. (a) Section 721(c) is amended—

(1) by striking out "section 770(f) of this Act" in paragraph (2) and inserting in lieu thereof "section 771";

(2) by striking out the sentence at the end of paragraph (2);

(3) by striking out paragraph (5) and redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively;

(4) by striking out "and" at the end of paragraph (5) (as so redesignated), by striking out the period at the end of paragraph (6) (as so redesignated) and inserting in lieu thereof "; and", and by inserting after paragraph (6) the following:

"(7) the application contains or is supported by adequate assurance that any laborer or mechanic employed by a contractor or subcontractors in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act).

The Secretary of Labor shall have with respect to the labor standards specified in paragraph (7) the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).",

(5) by striking out "section 725" in the last sentence of such subsection and inserting in lieu thereof "section 702", and

(6) by adding at the end thereof the following: "The Secretary shall not approve any application under this part unless such application has been recommended for approval by the Council."

(b) Sections 726, 727, 728, and 729 are redesignated as sections 724, 725, 726, and 727, respectively.

TITLE III—STUDENT ASSISTANCE; NATIONAL HEALTH SERVICE CORPS

SEC. 301. (a) Section 740 is amended—

(1) by striking out "or veterinary medicine" in subsection (a) and inserting in lieu thereof ", veterinary medicine, or public health or school with a graduate program in health care administration",

(2) by striking "or doctor of veterinary medicine or an equivalent degree" in subsection (b) (4) and inserting in lieu thereof "doctor of veterinary medicine or an equivalent degree, graduate degree in public health or an equivalent degree, or graduate degree in health care administration or an equivalent degree,",

(3) by striking out "and" at the end of paragraph (4).

(4) by redesignating paragraph (5) as paragraph (6), and

(5) by inserting after paragraph (4) the following new paragraph:

"(5) provide that the school shall advise, in writing, each applicant for a loan from the student loan fund of the provisions of section 741 under which outstanding loans from the student loan fund may be paid (in whole or in part) by the Secretary; and".

(b) Section 741 is amended—

(1) by amending subsection (a) to read as follows:

"(a) Loans from a student loan fund established under an agreement under section 740 may not exceed for any student for any academic year (or its equivalent) an amount equal to the sum of—

"(1) the cost of tuition for such year at the school for which such fund was established, and

"(2) $2,500.",

(2) by striking out "or doctor of veterinary medicine or an equivalent degree" in subsection (b) and inserting in lieu thereof "doctor of veterinary medicine or an equivalent degree, graduate degree in public health or an equivalent degree in health care administration or an equivalent degree",

(3) by striking out "or veterinary medicine" in subsection (c) and inserting in lieu thereof "veterinary medicine or public health or a school with a graduate program in health care administration",

(4) by striking out "or doctor of podiatry" in subsection (f) and inserting in lieu thereof "doctor of podiatry or an equivalent degree, graduate degree in public health, or graduate degree in health care administration",

(5) by striking out "or podiatry" in subsection (f) and each place such phrase occurs in subsection (l) and inserting in lieu thereof "podiatry, or public health or in a graduate program of health care administration",

(6) by amending subsection (f) (1) (C) to read as follows:

"(C) who agrees in writing to practice his profession in accordance with section 71(b).",

(7) by amending subsection (f) (2) to read as follows:

"(2) The payments described in paragraph (1) shall be made by the Secretary as follows:

"(A) Upon completion by the individual for whom the payments are to be made of the first year of the practice specified in section 771(b), the Secretary shall pay 50 per centum of the principal of, and the interest on each loan of such individual described in paragraph (1) (B) which is outstanding on the date he began such practice.

"(B) Upon completion by that individual of the second year of such practice, the Secretary shall pay the remaining 50 per centum of the principal of, and interest on each such loan.",

(8) by amending subsection (f) (3) by (A) striking out "or (2) (C)", (B) striking out everything after the semicolon, and (C) by striking out the semicolon and inserting in lieu thereof a period, and

(9) by striking out "(A)" in subsection (f) (4).

(c) In the case of any individual who, on or after November 18, 1971, and prior to the date of enactment of this Act, has received a loan pursuant to section 741, and who meets the requirements of subparagraphs (A) and (B) of paragraph (1) of subsection (f) of that section and who practices his profession as described by subparagraph (C) of that paragraph, as in effect prior to the date of enactment of this Act, by virtue of his employment as a member of the National Health Service Corps or in such other uniformed or civilian situation as the Secretary may deem appropriate, the individual shall be deemed to have entered into the agreement required by such subparagraph (C) with respect to that practice.

(d) Subsection (a) of section 742 is amended to read as follows:

"(a) For the purpose of making Federal capital contributions into the student loan funds of schools which have established such funds under an agreement under section 740, there are authorized to be appropriated $60,000,000 for the fiscal year ending June 30, 1975. For the fiscal year ending June 30, 1976, and each of the two succeeding fiscal years, there are authorized to be appropriated such sums as may be necessary to enable students who have received a loan under this part for any academic year ending before July 1, 1975, to continue or complete their education."

(e) Section 743 is amended by striking out "1977" each place it occurs and inserting in lieu thereof "1978".

(f) (1) Section 744 is repealed.

(2) The health professions education fund created within the Treasury by section 744 (d) (1) of the Public Health Service Act, as in effect prior to the date of enactment of this subsection shall remain available to the Secretary of Health, Education, and Welfare for the purpose of meeting his responsibilities respecting participations in obligations acquired under such section 744 of such Act. The Secretary shall continue to deposit in such fund all amounts received by him as interest payments or repayments of principal on loans under such section 744. If at any time the Secretary determines the moneys in the fund exceed the present and any reasonable prospective future requirements of such fund, such excess may be transferred to the general fund of the Treasury.

(3) Section 742(b) is amended (1) by striking out ", and for loans pursuant to section 744" in paragraph (1); and (2) by striking out "(whether as Federal capital contributions or as loans to schools under section 744)" in paragraph (3).

(g) (1) Section 746 is repealed.

(2) Section 740 is amended (A) by striking out "of Health, Education, and Welfare" in subsection (a); and (B) by striking out ", except as provided in section 746," in paragraphs (2) and (3) of subsection (b).

SEC. 302. (a) Section 747(c) is amended by adding at the end thereof the following:

"(3) (A) No loan under this subpart shall be made to any individual unless such individual agrees in writing to practice his profession in accordance with section 771(b).

"(B) The provisions of subsection (b) of section 771 shall apply to any individual who receives a loan pursuant to this section.

"(C) If, for any reason, an individual who is obligated to provide service under this section, and who has been selected by the Secretary under section 771(b), to provide such service, fails either to begin his service obligation or to complete such service obligation in accordance with such section, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula—

$$A=\phi\left(\frac{t-s}{t}\right)$$

in which 'A' is the amount the United States is entitled to recover; ϕ is the sum of the amount paid to such individual under this section and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate; '*t*' is the total number of months in such individual's period of obligated service; and '*s*' is the number of months of such period served by him in accordance with section 771(b). Any amount which the United States is entitled to recover shall, within the one-year period beginning on the date the United States becomes entitled to recover such amount be paid by such individual to the United States."

(b) Section 747(d) is amended by striking out "two" and inserting in lieu thereof "three".

SEC. 303. (a) Subpart I of part F of title VII is repealed.

(b) The Secretary of Health, Education, and Welfare may, during the period beginning July 1, 1974, and ending June 30, 1979, make grants to public and nonprofit private schools of medicine, osteopathy, dentistry, optometry, podiatry, pharmacy, and veterinary medicine to enable such schools to continue making payments under scholarship awards to students who initially received such awards out of grants made to the schools under part F of title VII of the Public Health Service Act for fiscal years ending before July 1, 1974.

SEC. 304. (a) Section 329 is amended to read as follows:

"NATIONAL HEALTH SERVICE CORPS

"SEC. 329. (a) There is established, within the Service, the National Health Service Corps (hereinafter in this section referred to as the 'Corps') which shall consist of those officers of the Regular and Reserve Corps of the Service and such other personnel as the Secretary may designate and which shall be utilized by the Secretary under this section to improve the delivery of health services to medically underserved populations.

"(b) (1) (A) The Secretary shall, on the basis of standards promulgated in accordance with section 553 of title 5, United States Code, designate the medically underserved populations in the States periodically, but at least annually. For purposes of this section, a medically underserved population is the population of an urban or rural area (which does not have to conform to the geographical boundaries of a political subdivision and which should be a rational area for the delivery of health services) which the Secretary determines has a critical shortage of any class or classes of health professions personnel or a population group determined by the Secretary to have such a shortage; and the term 'State' include Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(B) Each year the Secretary shall notify the chief executive officer of each State of his intention to designate populations and shall request each chief executive officer to submit to the Secretary within 180 days of such notification, recommendations respecting the designation of populations within his State. The Secretary shall also take into account (i) the recommendations of the entities responsible for the development of the plans referred to in section 314(b) which cover all or any part of the areas in which populations under consideration for designation reside, and (ii) in the case of any such area for which no such entity is responsible for developing such a plan, the recommendations of the agency of the State (or States) in which such area is located, which administers or supervises the administration of a State plan approved under section 314(a).

"(C) By promulgation of a rule under section 553 of title 5, United States Code, the Secretary shall thereafter designate medically underserved populations. If the Secretary does not designate a population which has been recommended for designation by the chief executive officer of any State, he shall include in the final order designating populations an adequate statement of the reasons for disapproving such recommendation.

"(2) Any person may apply to the Secretary (in such manner as he may prescribe) for the designation of a population as a medically underserved population. In considering an application under this paragraph, the Secretary shall take into account the following in addition to criteria utilized by him in making a designation under paragraph (1):

"(A) Ratios of available health professions personnel engaged in the delivery of health care to the population for which the application is made.

"(B) Indicators of the population's access to health services.

"(C) Indicators of health status of the population.

"(D) Indicators of such population's need and demand for health services.

"(E) Relative levels of reimbursement under titles XVIII and XIX of the Social Security Act with respect to such population.

"(3) The Secretary shall (A) provide assistance to persons seeking assignment of Corps personnel to provide under this section health services for medically underserved populations, (B) conduct such information programs in areas in which such populations reside as may be necessary to inform the public, public and private health entities serving those areas, and the appropriate State and local agencies of the assistance available to such populations by virtue of their designation under this section as medically underserved, and (C) provide technical (including management) assistance to such persons (especially appropriate State and local agencies) in order to improve the capacity of such medically underserved populations to secure health services from health professions personnel in addition to that provided by Corps personnel.

"(c) (1) (A) The Secretary may assign personnel of the Corps to provide, under regulations prescribed by the Secretary, health services for a medically underserved population if—

"(i) the State health agency of each State in which such population is located or the local public health agency or any other publice or nonprofit private health entity serving such population makes application to the Secretary for such assignment, and

"(ii) the (I) local government of the area in which such population resides, and (II) any State and district medical or dental society for such area or any other appropriate health society (as the case may be), for such area certify to the Secretary that such assignment of Corps personnel is needed for such population.

"(B) The Secretary may not approve an application under paragraph (1) (A) (i) for an assignment unless the applicant agrees to enter into an arrangement with the Secretary in accordance with subsection (e) (1) and has afforded—

"(i) the entity responsible for the development of the plans referred to in section 314(b) which covers all or any part of the area in which the population for which the application is submitted resides, and

"(ii) if there is a part of such area for which no such entity is responsible for developing such plans, the agency of the State in which such part is located which administers or supervises the administration of a State plan approved under section 314(a).

an opportunity to review the application and submit its comments to the Secretary respecting the need for and proposed use of health professions personnel requested in the application. In considering such an application, the Secretary shall take into consideration the need of the population for which the application was submitted for the health services which may be provided under this section; the willingness of the population and the appropriate governmental agencies or health entities serving it to assist and cooperate with the Corps in providing effective health services to the population; and recommendations from medical, dental, or other health professional societies or from medical personnel serving the population.

"(C) If with respect to any proposed assignment of Corps personnel for a medically underserved population the requirements of clauses (i) and (ii) of subparagraph (A) are met except for the certification by a State and district medical or dental society or by any other appropriate health society required by clause (ii) (II) and if the Secretary finds from all the facts presented that such certification has clearly been arbitrarily and capriciously withheld, the Secretary may, after consultation with appropriate medical, dental, or other health professional societies, waive the application of the certification requirement to such proposed assignment.

"(2) (A) In approving an application submitted under paragraph (1) for the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary may approve the assignment of Corps personnel for such population during a period (referred to in this paragraph as the 'assistance period') which may not exceed four years from the date of the first assignment of Corps personnel for such population after the date of the approval of the application. No assignment of individual Corps personnel may be made for a period ending after the expiration of the applicable approved assistance period.

"(B) Upon expiration of an approved assistance period for a medically underserved population, no new assignment of Corps personnel may be made for such population unless an application is submitted in accordance with paragraph (1) for such assignment. The Secretary may not approve such an application unless—

"(i) the application and certification requirements of paragraph (1) are met;

"(ii) the Secretary has conducted an evaluation of the continued need for health professions personnel of the population for which the application is submitted, of the utilization of the services of the health profession personnel by such population, of the growth of the health care practice of the Corps personnel assigned for such population, and of community support for the assignment; and

"(iii) the Secretary has determined that such population has made continued efforts to secure its own health professions personnel, that there has been sound fiscal management of the health care practice of the Corps personnel assigned for such population, including efficient collection of fee-for-service, third party, and other funds available to such population, and that there has been appropriate and efficient utilization of such Corps personnel.

"(3) Corps personnel shall be assigned to provide health services for a medically underserved population on the basis of the extent of the population's need for health services and without regard to the ability of the members of the population to pay for health services.

"(4) The Secretary may assign, to serve any medically underserved population, such Corps personnel from among one or more of the various health professions (including physicians, dentists, nurses, physician extenders (including nurse practitioners), veterinarians, optometrists, podiatrists, pharmacists, public health personnel, health care administration personnel, audiologists, speech pathologists, and allied health personnel) as he determines to be essential to meet the needs of such population.

"(5) (A) In making an assignment of Corps personnel the Secretary shall seek to match characteristics of the assignee (and his spouse (if any)) and of the population to which such assignee may be assigned in order to increase the likelihood of the assignee remaining to serve the population upon completion of his assignment period.

"(B) The Secretary shall, before the expiration of the last nine months of the assignment period of a member of the Corps, review such member's assignment and the situation in the area to which he was assigned for the purpose of determining the advisability of extending the period of such member's assignment.

"(6) The Secretary shall provide technical assistance to all medically underserved populations to which are not assigned Corps personnel to assist in the recruitment of health professions personnel. The Secretary shall also give such populations current information respecting public and private programs which may assist in securing health professions personnel. The Secretary shall also give such populations current information respecting public and private programs which may assist in securing health professions personnel for them.

"(d) (1) In providing health services for a medically underserved population under this section, Corps personnel shall utilize the techniques, facilities, and organizational forms most appropriate for the area in which the population resides and shall, to the maximum extent feasible, provide such services (A) to all members of the population regardless of their ability to pay for the services, and (B) in connection with (i) direct health services programs carried out by the Service; (ii) any direct health services program carried out in whole or in part with Federal financial assistance; or (iii) any other health services activity which is in furtherance of the purposes of this section.

"(2) (A) Notwithstanding any other provision of law, the Secretary (i) shall, to the extent feasible, make such arrangements as he determines necessary to enable Corps personnel in providing health services for a medically underserved population to utilize the health facilities of the areas in which the population resides, and (ii) shall make such arrangements as he determines are necessary for the use of equipment and supplies of the Service and for the lease or acquisition of other equipment and supplies, and may secure the temporary services of nurses and allied health personnel.

"(B) If such area is being served (as determined under regulations of the Secretary) by a hospital or other health care delivery facility of the Service, the Secretary shall, in addition to such other arrangements as the Secretary may make under subparagraph (A), arrange for the utilization of such hospital or facility by Corps personnel in providing health services for the population, but only to the extent that such utilization will not impair the delivery of health services and treatment through such hospital or facility to persons who are entitled to health services and treatment through such hospital or facility. If there are no health facilities in or serving such area, the Secretary may arrange to have Corps personnel provide health services in the nearest health facilities of the Service or the Secretary may lease or otherwise provide facilities in such area for the provision of health services.

"(3) The Secretary may make one grant to any applicant with an approved application under subsection (c) to assist it in meeting the costs of establishing medical practice management systems for Corps personnel, acquiring equipment for their use in providing health services, and establishing appropriate continuing education programs and opportunities for them. No grant may be made under this paragraph unless an application is submitted therefor and approved by the Secretary. The amount of any grant shall be determined by the Secretary, except that no grant may be made for more than $25,000.

"(4) Upon the expiration of the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary (notwithstanding any other provision of law) may sell to the entity which submitted the last application approved under subsection (c) for the assignment of Corps personnel for such population equipment of the United States utilized by such personnel in providing health services. Sales made under this paragraph shall be made for the fair market value of the equipment sold (as determined by the Secretary).

"(e) (1) The Secretary shall require as a condition to the approval of an application under subsection (c) that the entity which submitted the application enter into an appropriate arrangement with the Secretary under which—

"(A) the entity shall be responsible for charging in accordance with paragraph (2) for health services by the Corps personnel to be assigned;

"(B) the entity shall take such action as may be reasonable for the collection of payments for such health services, including if a Federal agency, an agency of a State or local government, or other third party would be responsible for all or part of the cost of such health services if it had not been provided by Corps personnel under this section, the collection, on a fee-for-service or other basis, from such agency or third party the portion of such cost for which it would be so responsible (and in determining the amount of such cost for which such agency or third party would be responsible, the health services provided by Corps personnel shall be considered as being provided by private practitioners); and

"(C) the entity shall be entitled to retain any amount collected by the entity in accordance with subparagraph (B).

The amount collected by an entity in accordance with subparagraph (B) which the entity is entitled to retain under subparagraph (C) shall be used by the entity to expand or improve the provision of health services to the population for which the entity submitted an application under subsection (c) or to recruit and retain health professions personnel to provide health services for such population.

"(2) Any person who receives health services provided by Corps personnel under this section shall be charged for such services on a fee-for-service or other basis at a rate approved by the Secretary, pursuant to regulations, to recover the value of such services; except that if such person is determined under regulations of the Secretary to be unable to pay such charge, the Secretary shall provide for the furnishing of such services at a reduced rate or without charge.

"(f) (1) The Secretary shall conduct, at medical and nursing schools and other schools (and accredited graduate training programs) of the health professions and entities which provide training and education for the allied health professions, recruiting programs for the Corps. Such programs shall include the wide dissemination of written information on the Corps and visits to such schools by personnel of the Corps.

"(2) The Secretary may reimburse applicants for positions in the Corps for actual expenses incurred in traveling to and from their place of residence to an area in which they would be assigned for the purpose of evaluating such area with regard to being assigned in such area. The Secretary shall not reimburse an applicant for more than one such trip.

"(3) Commissioned officers and other personnel of the Corps assigned to provide health services for medically underserved populations shall not be included in determining whether any limitation on the number of personnel which may be employed by the Department of Health, Education, and Welfare has been exceeded.

"(4) The Secretary shall, under regulations prescribed by him, adjust the monthly rate of pay of each member of the Corps (other than a medical officer of the Public

Health Service with whom the Secretary has entered into an agreement under section 313 of title 37, United States Code) who is directly engaged in the delivery of health services to a medically underserved population as follows:

"(A) During the first thirty-six months in which such a member is so engaged in the delivery of health services, his monthly rate of pay shall be increased by an amount (not to exceed $1,000) which when added to the member's regular monthly rate of pay and allowances will provide a monthly income competitive with the average monthly income from an established practice of a member of such member's profession with equivalent training who is practicing in such area.

"(B) During the period beginning upon the expiration of the thirty-six months referred to in subparagraph (A) and ending with the month in which the member's regular monthly rate of pay and allowances is equal to or exceeds the monthly income he received for the last of such thirty-six months, the member shall receive in addition to his regular rate of pay and allowances an amount which when added to such regular rate equals the monthly income he received for such last month.

In the case of a member of the Corps who is directly engaged in the provision of health services to a medically underserved population in accordance with a service obligation incurred under section 750, the provision of this paragraph shall apply to such member upon satisfactory completion of such service obligation and the first thirty-six months of his being so engaged in the delivery of health care shall, for purposes of this paragraph, be deemed to begin upon such satisfactory completion.

"(g) The Secretary shall report to Congress no later than May 15 of each year—

"(1) the number and identity of all medically underserved populations in each of the States in the calendar year preceding the year in which the report is made and the number of medically underserved populations which the Secretary estimates will be designated under subsection (b) in the calendar year in which the report is made;

"(2) the number of applications filed in such preceding calendar year for assignment of Corps personnel under this section and the action taken on each such application;

"(3) the number and types of Corps personnel assigned in such preceding year to provide health services for medically underserved populations, the number and types the Secretary estimates will be assigned to provide such services in the calendar year in which the report is submitted, and the need (if any) for additional personnel for the Corps;

"(4) the recruitment efforts engaged in for the Corps in such preceding year, including the programs carried out under subsection (f)(1) and the number of qualified persons who applied for service in the Corps in each professional category;

"(5) the total number of patients seen and patient visits recorded during such preceding year in each area where Corps personnel were assigned;

"(6) the number of health professions personnel electing to remain after termination of their service in the Corps to provide health services to medically underserved populations and the number of such personnel who do not make such election and the reasons for their departure;

"(7) the results of evaluations made under subsection (c)(2)(B)(ii), and determinations made under subsection (c)(2)(B)(iii), during such preceding year; and

"(8) the amount (A) charged during such preceding year for health services by Corps personnel, (B) collected in such year by entities in accordance with arrangements under subsection (e)(1), and (C) paid to the Secretary in such year under such arrangements.

"(h)(1) There is established a council to be known as the National Advisory Council on the National Health Service Corps (hereinafter in this section referred to as the "Council'). The Council shall be composed of fifteen members appointed by the Secretary as follows:

"(A) Four members shall be appointed from the general public to represent the consumers of health care, at least two of whom shall be members of a medically underserved population for which Corps personnel are providing health services under this section.

"(B) Three members shall be appointed from the health professions (including nurses and allied health personnel) and health teaching professions.

"(C) Three members shall be appointed from State health or health planning agencies.

"(D) Three members shall be appointed from the Service, at least two of whom shall be members of the Corps directly engaged in the provision of health services for a medically underserved population.

"(E) One member shall be appointed from among individuals associated with institutional providers of health services..

"(F) One member shall be appointed upon recommendation of the Chief Medical Director of the Veterans' Administration.

The Council shall consult with, advise, and make recommendations to, the Secretary with respect to his responsibilities in carrying out this section, and shall review and approve regulations promulgated by the Secretary under this section and section 750.

"(2) Members of the Council shall be appointed for a term of three years and shall not be removed, except for cause. Members may be reappointed to the Council.

"(3) Appointed members of the Council, while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be entitled to receive for each day (including traveltime) in which they are so serving the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence; as authorized by section 5703(b) of title 5, United States Code for persons in the Government service employed intermittently.

"(i) To carry out the purposes of this section, there are authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1975.

(b)(1) The Secretary of Health, Education, and Welfare shall report to Congress (1) not later than January 1, 1975, the criteria used by him in designating medically underserved populations for purposes of section 329 of the Public Health Service Act, and (2) not later than May 1, 1975, the identity and number of medically underserved populations in each State meeting such criteria.

(2) The Secretary of Health, Education, and Welfare shall conduct or contract for studies of methods of assigning under section 329 of the Public Health Service Act, National Health Service Corps personnel to medically underserved populations and of providing health care to such populations. Such studies shall be for the purpose of identifying (A) the characteristics of health professions personnel who are more likely to remain in practice in areas in which medically underserved populations are located, (B) the characteristics of areas which have been able to retain health professions personnel, (C) the appropriate conditions for assignment of physician extenders (including nurse practitioners) in areas in which medically underserved populations are located, and (D) the effect that primary care postgraduate physician training in such areas has on the health care provided in such areas and on the decisions of physicians who received such training respecting the areas in which to locate their practice.

(3) The Secretary of Health, Education, and Welfare shall (A) conduct or contract for the conduct of studies to determine factors responsible for the lack of adequate numbers of health professions personnel in medically underserved areas, (B) maintain continuous surveillance of the health status of such populations, and (C) on the basis of information obtained under subparagraphs (A) and (B), develop adequate health professions personnel resource development programs applicable to such populations.

(c) The amendment made by subsection (a) which changed the name of the advisory council established under section 329 of the Public Health Service Act shall not be construed as requiring the establishment of a new advisory council under that section; and the amendment made by such subsection with respect to the composition of such advisory council shall apply with respect to appointments made to the advisory council after the date of the enactment of this Act.

(d) The authorizations of appropriations provided by section 329(i) of the Public Health Service Act are extended for the fiscal year ending June 30, 1976 in amounts authorized for the preceding fiscal year unless before June 30, 1975 Congress has passed legislation repealing this subsection.

SEC. 305. (a) Section 225 is transferred to part C of title VII, redesignated as section 750, and amended to read as follows:

"PUBLIC HEALTH AND NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP TRAINING PROGRAM

"SEC. 750. (a) The Secretary shall establish the Public Health and National Health Service Corps Scholarship Training Program (hereinafter in this section referred to as the 'program') to obtain trained health professions personnel (including physicians, dentists, nurses, physician extenders (including nurse practitioners), veterinarians, optometrists, podiatrists, pharmacists, public health personnel, health care administration personnel, audiologists, speech pathologists, and allied personnel) for the National Health Service Corps or other units of the Service.

"(b) To be eligible for acceptance in the program, an applicant for the program must—

"(1) be accepted for enrollment, or be enrolled, as a full-time student in an accredited (as determined by the Secretary) educational institution in a State which provides a course of study approved by the Secretary leading to a degree of doctor of medicine, a degree of doctor of osteopathy, a degree of doctor of dentistry or an equivalent degree, a degree of bachelor of science in pharmacy or an equivalent degree, a degree of doctor of optometry or an equivalent degree, a degree of doctor of podiatry or an equivalent degree, a degree of doctor of veterinary medicine or an equivalent degree, a graduate degree in public health or an equivalent degree, a graduate degree in health care administration or an equivalent degree, a graduate degree in audiology or an equivalent degree, a graduate degree in speech pathology or an equivalent degree, a degree of bachelor of arts in nursing, a degree of bachelor of science in nursing, a degree of bachelor of nursing or an equivalent degree, a graduate degree in nursing, an associate degree in nursing or an equivalent degree, or any other course of study approved by the Secretary for the training of nurses, physician extenders (including nurse practitioners), or allied health personnel;

"(2) be eligible for, or hold, an appointment as a commissioned officer in the Regular or Reserve Corps of the Service or be eligible for selection for civilian service in the Service; and

"(3) agree in writing to serve, as prescribed by subsection (d) of this section, in the Commissioned Corps of the Service or as a civilian member of the Service.

To remain in the program an individual must pursue at such an institution such an approved course of study and maintain an acceptable level of academic standing in it.

"(c) (1) (A) Each participant in the program shall receive a scholarship for each approved academic year of training, not to exceed four years. A participant's scholarship shall consist of (i) an amount equal to the basic pay and allowances of a commissioned officer on active duty in pay grade O-1 with less than two years of service, and (ii) payment of the tuition expenses of the participant and all other educational expenses incurred by the participant, including fees, books, and laboratory expenses.

"(B) The Secretary may contract with an institution in which participants are enrolled for the payment to the institution of the tuition and other educational expenses of such participants. Payment to such institution may be made without regard to section 3648 of the Revised Statutes (31 U.S.C. 529).

"(2) When the Secretary determines that an institution has increased its total enrollment for the sole purpose of accepting members of the program, he may provide under a contract with such an institution for additional payments to cover the portion of the increased costs of the additional enrollment which are not covered by the institution's normal tuition and fees.

(d) (1) Each participant in the program shall provide service as prescribed by paragraph (2) for a period of time (hereinafter in this section referred to as a 'period of obligated service') prescribed by the Secretary which may not be less than one year of such service for each academic year of training received under the program. Except as provided in the following sentence, a period of obligated service of any individual shall commence within six months after the date upon which such individual is licensed to practice his profession (or the date upon which such individual completes his first year of postgraduate clinical training, if such year of training is completed after the date on which he is so licensed) and such service shall continue without substantial interruption until such service is completed, except that for persons licensed to practice medicine or dentistry, the commencement of a period of obligated service may be deferred by the Secretary for the period of time required to complete postgraduate physician training if the National Health Service Corps approves such deferment. In the case of any individual obligated to provide service in accordance with this subsection who may lawfully practice his profession without first obtaining a license, a period of obligated service shall commence within six months after the date upon which such individual completes his training in any school subject to the provisions of this subsection.

"(2) (A) Except as provided in subparagraphs (B) and (C), an individual obligated to provide service on account of his participation in the program shall provide such service for the period of obligated service applicable to him as a member of the National Health Service Corps or the Indian Health Service.

"(B) If there are no positions available in the National Health Service Corps or the Indian Health Service at the time an individual is required by the Secretary to begin his period of obligated service, such individual shall serve in the clinical practice of his profession for such period as a member of the Federal Health Programs Service.

"(C) If there are no positions available in the National Health Service Corp, Indian Health Service, or the Federal Health Programs Service at the time an individual is required by the Secretary to begin his period of obligated service and neither the Corps nor either Service has a need at such time for a member of the profession for which such individual was trained, such individual shall serve for such period as a member of the Public Health Service in such units of the Department of Health, Education, and Welfare as the Secretary may prescribe or may serve in a Federal health care facility, but only upon the request of the head of the department or agency of which the health facility is a part.

"(e) (1) If, for any reason, a person fails to either begin his service obligation under this section in accordance with subsection (d) or to complete such service obligation, the United States shall be entitled to recover from such individual an amount equal to the amount paid under this section to or on behalf of such individual plus interest at the maximum prevailing rate. Any amount which the United States is entitled to recover under this paragraph shall, within the three-year period beginning on the date the United States comes entitled to recover such amount, be paid to the United States.

"(2) When an individual undergoing training in the program is academically dismissed or voluntarily terminates academic training or fails to obtain a license to practice his profession he shall be liable for repayment to the United States for an amount equal to the amount paid under this section to or on behalf of such individual.

"(3) The Secretary shall by regulation provide for the waiver or suspension of any obligation of any individual under this section whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"(f) Notwithstanding any other provision of law, persons undergoing academic training under the program shall not be counted against any employment ceiling affecting the Department of Health, Education, and Welfare.

"(g) The Secretary shall issue regulations for the implementation of this section.

"(h) To carry out the purposes of this section, there is authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975."

(b) Part C of title VII is amended by inserting immediately before section 750 the following heading:

"Subpart III—Public Health and National Health Service Corps Scholarship Training Program"

Sec. 306. (a) Subpart II of part F of title VII is transferred to part C and redesignated subpart IV. Section 785 of subpart II is redesignated section 751.

(b) Subsection (b) of section 751 (as so redesignated) is amended (1) by striking out "to practice medicine in the United States for a period of five years." and inserting in lieu thereof "in accordance with subsection (d) (3)." and (2) by striking out the second sentence of such subsection.

(c) Subsection (d) of section 751 (as so redesignated) is amended by adding at the end thereof the following:

"(3) (A) No scholarship grant under this subpart shall be made to any individual unless such individual agrees in writing to practice his profession in accordance with section 771(b).

"(B) The provisions of subsection (b) of section 771 shall apply to any individual who receives a scholarship pursuant to this section.

"(C) If, for any reason, an individual who is obligated to provide service under this section and who has been selected by the Secretary under section 771(b) to provide such service, fails either to begin his service obligation or to complete such service obligation, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula $A=\phi(t-s/t)$ in which 'A' is the amount the United States is entitled to recover; ϕ is the sum of the amount paid under this section to such individual and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate; 't' is the total number of months in such person's service obligation; and 's' is the number of months of such obligation served by him in accordance with section 771(b). Any amount which the United States is entitled to recover under this paragraph shall, within the one-year period beginning on the date the United States becomes entitled to recover such amount, be paid to the United States."

(d) Subsection (e) of section 751 (as so redesignated) is amended—

(1) by striking out "two" in paragraph (1) and inserting in lieu thereof "three";

(2) by striking "1975" in paragraph (2) and inserting in lieu thereof "1976"; and

(3) by striking out "1974" in paragraph (2) and inserting in lieu thereof "1975".

Sec. 307. (a) Subpart III of part F of title VII is transferred to part C and redesignated subpart V. Sections 784, 785, and 786 of such subpart III are redesignated sections 752, 753, and 754, respectively.

(b) Section 752(a) (as so redesignated) is amended—

(1) by striking out "under section 741(f) (1) (C)" and inserting in lieu thereof "under section 329(b) or otherwise determined by the Secretary" and

(2) by striking out "under section 768(c) (3) (B)" and inserting in lieu thereof "under section 783(c) (3) (B)".

(c) Section 752(b) (2) (as so redesignated) is amended by striking out "$5,000" and inserting in lieu thereof "$6,000,".

(d) Section 754 (as so redesignated) is amended to read as follows:

"Sec. 754. For the purpose of making scholarship grants under this subpart, there are authorized to be appropriated, $4,000,000 for the fiscal year ending June 30, 1975. For the fiscal year ending June 30, 1976, and for each succeeding fiscal year, there are authorized to be appropriated such sums as may be necessary to continue to make such grants to students who (prior to July 1, 1975) have received such a grant and who are eligible for such a grant under this part during such succeeding fiscal year.".

(e) Such Act is further amended by inserting after section 754 the following new section:

"LISTER HILL SCHOLARSHIP PROGRAM

"Sec. 755. (a) In addition to the scholarship grants made by the Secretary under the preceding sections of this subpart the Secretary shall make grants, to ten individuals (to be known as Lister Hill Scholars) in accordance with the provisions of this subpart, who agree to enter into the family practice of medicine in areas described in subsection (a) of section 754. Grants made under this section shall be made from funds appropriated under subsection (b).

"(b) There are authorized to be appropriated to carry out the purposes of this section $60,000 for the fiscal year ending June 30, 1975, $120,000 for the fiscal year ending June 30, 1976, $180,000 for the fiscal year ending June 30, 1977, and $240,000 for the fiscal year ending June 30, 1978. For the fiscal year ending June 30, 1979 and for each succeeding fiscal year, there are authorized to be appropriated such sums as may be necessary to continue to make such grants to students who (prior to July 1, 1978) have received such a grant under this part during such succeeding fiscal year."

SEC. 308. The heading of part C of title VII is amended to read as follows:

"PART C—STUDENT ASSISTANCE

TITLE IV—GRANTS FOR HEALTH PROFESSIONS SCHOOLS

SEC. 401. (a) Subsection (a) of section 770 is amended to read as follows:

"(a) GRANT COMPUTATION.—The Secretary shall make annual grants to schools of medicine (allopathic and osteopathic), public health, dentistry, veterinary medicine, optometry, pharmacy, and podiatry for the support of the education programs of such schools and to schools with graduate programs for health care administration for the support of such programs. The amount of the annual grant to each such school with an approved application shall be computed for each fiscal year as follows:

"(1) Each school of medicine (allopathic and osteopathic) shall receive —

"(A) (i) in the case of a full time student (except those described in subpargraph (B)) enrolled in such school in such year in a training program which is more than 3 years, $3,250 for each such full time student;

"(ii) in the case of a full time student (except those described in subparagrph (B)) enrolled in such school in such year in a training program which is not more than 3 years, $4,333 for each such full time student; and."

"(B) $1,000 for each student who is enrolled in such year on a full-time basis in a program of such school for the training of physician extenders (as defined by regulations of the Secretary but including nurse practitioners).

"(2) Each school of dentistry shall receive—

"(A) (i) in the case of a full time student (except those described in subparagraph (B)) enrolled in such school in such year in a training program which is more than 3 years, $2,475 for each such full time student;

"(ii) in the case of a full time student (except those described in subparagraph (B)) enrolled in such school in such year in a training program which is not more than 3 years, $3,300 for each such full time student; and".

"(B) $1,000 for each student who is enrolled in such year on a full-time basis in a program of such school for the training of expanded duty dental auxiliaries (as defined by regulations of the Secretary).

"(3) (A) Each school of public health shall receive $2,000 for each student equivalent enrolled in such school in such year.

"(B) For purposes of subpargraph (A) and section 771, the number of student equivalents for a class enrolled in a school of public health in any year is the number obtained by dividing—

"(i) the sum of the credit hours of instruction in public health taken by each student in such class, by

"(ii) the number of credit hours of instruction in public health required by such school to be taken in that year by a full-time student.

"(4) Each school of veterinary medicine shall receive $1,850 for each full-time student enrolled in such school in such year.

"(5) Each school of optometry shall receive $1,100 for each full-time student enrolled in such school in such year.

"(6) Each school of pharmacy (other than a school of pharmacy with a course of study of more than four years) shall receive $1,025 for each full-time student enrolled in such school in such year. Each school of pharmacy with a course of study of more than four years shall receive $1,025 for each full-time student enrolled in the last four years of such school. For purposes of section 771, a student enrolled in the first year of the last four years of such school shall be considered a first-year student.

"(7) Each school of podiatry shall receive $1,650 for each full-time student enrolled in such school in such year."

"(8) (A) Each school with a graduate program of health care administration shall receive $2,000 for each student equivalent enrolled in such program in such year, except that no school of public health shall receive a grant under this paragraph.

"(B) For purposes of subparagraph (A) and section 771, the number of student equivalents for a class enrolled in a graduate program of health care administration in any year is the number obtained by dividing—

"(i) the sum of the credit hours of instruction in health care administration taken by each student in such class, by

"(ii) the number of credit hours of instruction in health care administration required by such school to be taken in that year by a full-time student.".

(b) Subsection (c) of section 770 is amended to read as follows:

"(c) APPORTIONMENT OF APPROPRIATIONS.—If the total of the grants to be made in accordance with subsections (a) and (b) for any fiscal year to schools of medicine (allopathic and osteopathic), public health, dentistry, veterinary medicine, optometry, pharmacy, or podiatry or schools with graduate programs of health care administration with approved applications exceeds the amounts appropriated under subsection (f) for such grants, the amount of the grant for that fiscal year to a school which may not because of such excess receive for that fiscal year the amount determined for it under such subsections shall be an amount which bears the same ratio to the amount so determined for it as the total of the amounts appropriated for that year under subsection (f) for grants to such schools bears to the amount required to make grants in accordance with subsections (a) and (b) to such schools.".

(c) (1) Subsections (d), (e), (f), and (g) of section 770 are repealed.

(2) Subsection (h) of section 770 is (A) redesignated as subsection (d), and (B) is amended to read as follows:

"(d) ENROLLMENT AND GRADUATION DETERMINATIONS.—

"(1) For purposes of this section and sections 771 and 772, regulations of the Secretary shall include provisions relating to determining the number of students enrolled in a school or in a particular year-class in a school, or the number of graduates, on the basis of estimates, on the basis of the number of students who in an earlier year were enrolled in a school or in a particular year-class or who were graduates, or on such other basis as he deems appropriate for making such determination, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school, except that for the purposes of this section and section 771 any individual who is a United States citizen who transfers from a medical or dental school located in a foreign nation and who is enrolled in an undergraduate program in a school subject to the provisions of such sections shall be deemed to be a first-year student during the first year of such enrollment in such school.

"(2) For purposes of this section and sections 771 and 772, the term 'students' whether such term is used by itself or in connection with a particular year-class, means students pursuing a course of study leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, doctor of osteopathy, bachelor of science in pharmacy or an equivalent degree, doctor of optometry or an equivalent degree, doctor of veterinary medicine or an equivalent degree, or doctor of podiatry or an equivalent degree, to a graduate degree in public health or an equivalent degree, a graduate degree in health care administration or an equivalent degree or other course of study approved by the Secretary for the training of physician extenders (including nurse practitioners) or expanded duty dental auxiliaries and the term 'full-time students' means students pursuing such a course of study on a full-time basis."

(3) Subsection (i) of section 770 is (A) redesignated as subsection (e), and (B) amended by—

(i) striking out "or podiatry" and inserting in lieu thereof "podiatry, public health, or a school with a graduate program in health care administration", and

(ii) inserting ", or student equivalents, as the case may be," immediately after "students".

(4) Subsection (j) of section 770 is redesignated as subsection (f) and is amended to read as follows:

"(f) AUTHORIZATIONS OF APPROPRIATIONS.—

"(1) There are authorized to be appropriated $186,000,000 for the fiscal year ending June 30, 1975, for payments under grants under this section to schools of medicine (allopathic and osteopathic) based on the number of full-time students enrolled in such schools.

"(2) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, for payments under grants under this section to schools of medicine (allopathic and osteopathic) based on the number of students enrolled in programs of such schools for the training of physician extenders.

"(3) (A) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, for payments under grants under this section to schools of dentistry based on the number of students enrolled in programs of such schools for the training of expanded duty dental auxiliaries.

"(B) There are authorized to be appropriated $49,500,000 for the fiscal year ending June 30, 1975, for payments under grants under this section to schools of dentistry based on the number of full-time students enrolled in such school.

"(4) There are authorized to be appropriated $11,000,000 for the fiscal year ending June 30, 1975, for payments under grants under subsection (a) (3) to schools of public health.

"(5) There are authorized to be appropriated $11,729,000 for the fiscal year ending June 30, 1975, for payments under grants under this section to schools of veterinary medicine.

"(6) There are authorized to be appropriated $4,448,000 for the fiscal year ending June 30, 1975, for payments under grants under this section to schools of optometry.

"(7) There are authorized to be appropriated $25,625,000 for the fiscal year ending June 30, 1975, for payments under grants under this section to schools of pharmacy.

"(8) There are authorized to be appropriated $3,027,750 for the fiscal year ending June 30, 1975, for payments under grants under this section to schools of podiatry.

"(9) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975 for payments under grants under subsection (a) (8) to schools for graduate programs in health care administration.".

"(10) No funds appropriated under any provision of this Act other than this subsection may be used to make grants under this section."

(d) The heading for part E of title VII is amended to read as follows:

"PART E—GRANTS AND CONTRACTS TO IMPROVE THE QUALITY OF SCHOOLS OF MEDICINE (ALLOPATHIC AND OSTEOPATHIC) PUBLIC HEALTH, DENTISTRY, VETERINARY MEDICINE, OPTOMETRY, PHARMACY, AND PODIATRY AND SCHOOLS WITH GRADUATE PROGRAMS OF HEALTH CARE ADMINISTRATION".

SEC. 402. Part E of title VII is amended (1) by redesignating sections 771, 772, and 773 as sections 772, 773, and 774, respectively, (2) by redesignating section 774 (as in effect prior to the enactment of this Act) as section 776 and placing it after section 775, and (3) by adding after section 770 the following new *section:*

"ELIGIBILITY FOR CAPITATION GRANTS

"SEC. 771. (a) IN GENERAL.—The Secretary shall not make a grant under section 770 to any school in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) the enrollment of full-time students (or, in the case of schools of public health and schools with graduate programs of health care administration, the enrollment of student equivalents) in such school and—

"(A) in the case of a school of medicine (allopathic or osteopathic), the enrollment of students on a full-time basis in a program of such school for the training of physician extenders, and

"(B) in the case of a school of dentistry, the enrollment of students on a full-time basis in a program of such school for the training of expanded duty dental auxiliaries, in the school year beginning after the beginning of the fiscal year in which such grant is made will not be less than the enrollment of such students or student equivalents, as the case may be, in such school in the preceding school year; and

"(2) the applicant will expend in carrying out its functions as a school of medicine (allopathic or osteopathic), public health, dentistry, veterinary medicine, optometry, pharmacy, or podiatry, as the case may be, (or, in the case of a school with graduate program of health care administration, for support of such program) during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the fiscal year immediately preceding the fiscal year for which such grant is sought.

"(b)(1) The Secretary shall not make a grant under section 770 to any school in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that for the first school year beginning after such grant is made and or each school year thereafter during which such grant is made such school shall require that each individual accepted for admission as a student, as a condition of, and prior to, such admission, enter into a written agreement with the Secretary to practice his profession in accordance with paragraph (2).

"(2)(A) Each individual who has entered into an agreement under paragraph (1) shall be obligated to provide health services for a period of obligated service equal to two years, except in the case of individuals who have undergone training in a program of less than three academic years, in any school subject to the provisions of this subsection, the Secretary may, by regulation, reduce the period of obligated service of any class or classes of such individuals. The period of obligated service shall be spent providing health services—

"(i) to a population designated under section 329(b) as a medically underserved population, or

"(ii) in an area or at an institution (including any Federal health care facility) designated by the Secretary to have a shortage of and need for individuals trained in his profession.

In designating areas and institutions pursuant to subparagraph (A)(ii), the Secretary shall follow the procedures required by section 329(b)(1). No institution shall be designated pursuant to subparagraph (A)(ii) unless such institution has applied to the Secretary for such designation. In the case of a Federal health care facility, the Secretary shall designate such facility only upon the request of the head of the department or agency of which the health facility is a part.

"(B)(i) Except as provided in division (ii), a period of obligated service of any individual shall commence within six months after the date upon which such individual is licensed to practice his profession (or the date upon which such individual completes his first year of postgraduate clinical training, if such year of training is completed after the date on which he is so licensed) and such service shall continue without substantial interruption until such service is completed, except that in the case of individuals who are licensed to practice medicine the commencement of such period of obligated service may be deferred for (I) the period of time required to complete primary care postgraduate physician training if such training is in family practice, general internal medicine, general pediatrics, or obstetrics or gynecology, (II) a period of not to exceed three years to complete general postgraduate physician training in psychiatry, or (III) the period of time required to complete postgraduate physician training if such training is in a field of specialization for which there is projected to be a critical need in Federal health care facilities not able to be met by usual recruitment methods, as certified to the Secretary annually by the head of the department or agency of which each such facility is a part, and if the individual whose service is to be so deferred has agreed in writing to practice, upon completion of such postgraduate physician training, in such department or agency to which such individual is assigned pursuant to subparagraph (C)(i)(II) of this paragraph.

"(ii) In the case of any individual obligated to provide service in accordance with this subsection who is not required to obtain a license in order to lawfully practice his profession, a period of obligated service shall commence within six months after the date upon which such individual completes his training in any school subject to the provisions of this subsection.

"(C)(i)(I) The Secretary shall, for each year, establish the number of individuals in each profession needed to provide health services under this subsection for the populations and in the areas and institutions described in subparagraph (A) and shall select for service under this subsection such number of individuals in each profession from among all of the individuals in such profession who are obligated to begin their service obligation in such year.

"(II) In addition, the Secretary shall, for each year, establish the number of individuals in each field of specialization needed to meet the certifications made to him under subparagraph (B)(i)(III) for future service in Federal health care institutions, and, as long as the number of individuals established by the Secretary under subdivision (I) is less than the number of such individuals who are available to begin their service obligation in such year, shall select for deferred service under this subsection, pursuant to the provisions of subparagraph (B)(i)(III), such number of individuals established under this subdivision from among all of the individuals eligible for such deferments who are obligated to begin their service obligation in such year.

"(III) Except for those individuals who are obligated to serve under section 750 and those who volunteer to serve (which individuals shall be first counted against the number needed to serve), the selection of individuals for service pursuant to this division shall be made in an impartial and random manner, under such regulations as the Secretary shall prescribe. Prior to establishing a method of selection, the Secretary shall consult with representatives of students who will be obligated to provide service under this subsection.

"(ii)(I) The Secretary shall, for each year, assign, in accordance with this subparagraph those individuals selected in accordance with division (i), to provide service during such year for populations and in areas and institutions described in subparagraph (A). The Secretary shall permit any individual who is so assigned to become a member of the National Health Service Corps for the length of his period of obligated service and to perform such obligated service for any such population or in any such area or institution as a member of the Corps, upon a finding that such population, or the population of such area, or such institution lacks resources adequate to pay for the services of such individual.

"(II) In making assignments of Corps members, the provisions of section 329 shall be applicable to the extent that they are consistent with the provisions of this subsection. In making assignments of non-Corps members, the provisions of section 329(c)(4) and (5)(A) shall be applicable to the extent they are consistent with the provisions of this subsection.

"(III) In making assignments of Corps and non-Corps members, the Secretary shall, to the extent practicable, assign individuals in accordance with their stated preferences. Individuals who have volunteered for service shall be considered first in making assignments by stated preference.

"(iii) In the case of any State which provides substantial financial assistance for any year to any school or schools of medicine (allopathic and osteopathic) or dentistry which is located within such State and which receives a grant under section 770 for the support of its education program, the Secretary shall, for such year, assign, in accordance with division (ii), to serve any populations and in any areas and institutions described in subparagraph (A) which are located within such State, a number of individuals equal to at least 50 per centum of the total number of individuals who graduated from such school or schools and are obligated to provide service during such year: *Provided,* That the percentage of the costs of support of the education programs of such school or schools provided by such State for such year is at least equal to the percentage of such costs provided by such State in the preceding year: *And, provided further,* That the Secretary shall make such assignments within such State only to the extent that such individuals are needed to serve populations and in areas and institutions described in subparagraph (A) which are located within such State. To the maximum extent feasible, the Secretary shall assign, to provide service in any such State, individuals who are residents of such State and who are likely to remain in such State to practice their professions.

"(iv) In the case of any State which provides financial assistance for any year to any school or schools of medicine (allopathic and osteopathic) or dentistry located outside of such State which receives a grant under section 770 for the support of its education program, the Secretary shall assign, in accordance with division (ii), to serve any populations and in any areas and institutions described in subparagraph (A) which are located within such State, a number of individuals equal to at least 50 per centum of the total number of individuals determined to be receiving assistance through the financial assistance being provided by such State and who are obligated to provide service during such year. The Secretary shall make assignments with such State only to the extent that such individuals are needed to serve populations and in areas and institutions described in subparagraph (A) which are located within such State. To the maximum extent feasible the Secretary shall assign, to provide service in any such State, individuals who are residents of such State and who are likely to remain in such State to practice their professions.".

"(D) If, for any reason, an individual who is obligated to provide service under this subsection, and who has been selected by the Secretary under subparagraph (C) to provide such service, fails either to begin his service obligation or to complete such service obligation in accordance with this subsection, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula—$A=\phi(t-s/t)$ in which 'A' is the amount the United States is entitled to recover; Φ is the sum of the amount paid under section 770 to a school on the basis of the enrollment in such school of such individual and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate; 't' is the total number of months in such individual's period of obligated service; and 's' is the number of months of such period served by him in accordance with this subsection. Any amount which the United States is entitled to recover shall, within the one-year period beginning on the date the United States becomes entitled to recover such amount be paid by such individual to the United States.

"(3)(A) The Secretary shall, by regulation, provide for the waiver or suspension of any obligation of any individual under this subsection whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"(B) Notwithstanding any other provision of this subsection—

"(i) any individual who is obligated to provide health services pursuant to an agreement entered into with any State may provide such service in accordance with such agreement in lieu of providing service under this subsection: *Provided*, That the period to be served is at least equal to the period of obligated service of this subsection.

"(ii) any individual who receives a National Research Service Award under section 472 may provide service in accordance with the provisions of subsection (c) of such section in lieu of providing service under this section,

"(iii) no individual shall be required to provide services for more than one period of obligated service under this section,

"(iv) in the case of any individual who is obligated to provide service under section 750 and under this subsection, the periods of obligated service of such individual under section 750 and this subsection shall run concurrently.

"(v) No individual shall be required to provide health services under this subsection before June 30, 1980.

"(vi) No individual shall be required to provide services under this subsection after June 30, 1980, unless the Secretary determines, after evaluating the effectiveness of other programs authorized under this title in providing adequate health services for the populations and in the areas and institutions described in paragraph (2)(A)(i) and (ii), that such individual is needed to provide health services under this subsection for the populations and in the areas and institutions described in paragraph (2)(A)(i) and (ii)."

"(4) When any individual undergoing training in any school subject to the provisions of this subsection—

"(A) is academically dismissed or voluntarily terminates academic training, or

"(B) in the case of an individual who is required to obtain a license in order to lawfully practice his profession, fails to obtain such a license,

he shall not be obligated to provide service under this subsection unless he, at some subsequent date, completes such training and, in the case of an individual described in clause (B), obtains a license to practice his profession.

"(c) SCHOOLS OF MEDICINE (ALLOPATHIC AND OSTEOPATHIC).—The Secretary shall not make a grant under section 770 to any school of medicine (allopathic and osteopathic) in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the preceding school year—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred; or

"(2)(A) for the first school year beginning after the close of the fiscal year in which such grant is made and in each school year thereafter in which such a grant is made the number of students enrolled on a full-time basis in a program of such school for the training of physician extenders will not be less than twenty-five, and for the second school year beginning after the close of the fiscal year in which such a grant is first made and for each school year thereafter in which such a grant is made the number of students enrolled on a full-time basis in a program of such school for the training of physician extenders will exceed the number of such students so enrolled in the preceding school year by 25 per centum, and

"(B) during each such school year such school will establish and carry out specific new projects, or make significant expansions of, or improvements in, existing projects, meeting criteria set forth by the Secretary in regulations, in at least two of the following categories of projects:

"(i) Projects to establish cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary medicine, nursing, public health, and allied health, including projects for training for the use of the team approach to the provision of health services.

"(ii) Projects to establish increased emphasis on, and training in, the science of clinical pharmacology; diagnosis, treatment, and prevention of drug and alcohol use and abuse; and the assessment of the efficacy of various therapeutic regimens.

"(iii) Projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged.

"(iv) Projects to train and educate primary care health professions personnel with particular emphasis upon the establishment of new, or expansion of existing, programs for training in family medicine.

"(v) Projects to establish and operate programs in the interdisciplinary training of health professions personnel for the provision of emergency medical services, with particular emphasis on the establishment and operation of training programs affording clinical experience in emergency medical services systems receiving assistance under title XII of this Act.

"(vi) Projects to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-sepaking ability, with special emphasis on training programs which includes clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability.

"(vii) Projects to provide increased emphasis on the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society.

"(viii) Projects to assist such schools to plan, develop, and implement a program of nutrition education within their curricula.

"(ix) Projects to enroll in the third year of education or earlier years significant numbers of United States citizens who transfer from medical schools located in foreign nations.

"(x) Projects to establish and operate satellite clinical training centers in underserved areas, in coordination, whenever feasible, with health training institutions in other disciplines, to emphasize the provision of primary care to the residents of such areas, and to provide continuing education programs for health professions personnel in such areas.

"(xi) Projects to establish increased emphasis on, and training in, the aging process, including the social, behavioral, and biomedical aspects of the aging process, and training in the diagnosis, treatment, and prevention of diseases and related problems of the aged.

"(xii) Projects to establish and operate programs to encourage greater knowledge of, and sensitivity toward, the special health problems of women;

"(xiii) Projects to establish and operate programs designed to provide increased emphasis on, and training in, rehabilitation medicine and encourage greater knowledge of, and sensitivity toward, the special health problems of handicapped individuals, especially women who are handicapped;

"(d) SCHOOLS OF DENTISTRY.—The Secretary shall not make a grant under section 770 to any school of dentistry in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the preceding school year—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred; or

"(2)(A) for the first school year beginning after the close of the fiscal year in which such grant is made and in each school year thereafter in which such a grant is made the number of students enrolled on a full-time basis in a program of such school for the training of expanded duty dental auxiliaries will be not less than twenty-five and for the second school year beginning after the close of the fiscal year in which such a grant is first made and for each school year thereafter in which such a grant is made the number of students enrolled on a full-time basis in a program of such school for the training of expanded duty dental auxiliaries will exceed the number of such students so enrolled in the preceding school year by 25 per centum, and

"(B) during each such school year such school will establish and carry out specific new projects, or make significant expansions of, or improvements in, existing projects, meeting criteria set forth by the Secretary in regulations, in at least two of the following categories of projects:

"(i) Projects to establish cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary medicine, nursing, public health, and allied health, including projects for training for the use of the team approach to the provision of health services.

"(ii) Projects to establish increased emphasis on, and training in, the science of clinical pharmacology; and the assessment of the efficacy of various therapeutic regimens.

"(iii) Projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged.

"(iv) Projects to train and educate primary care dentists, with particular emphasis upon the establishment of new, or expansion of existing, programs for training in family practice.

"(v) Projects to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability.

"(vi) Projects to provide increased emphasis on the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society.

"(vii) Projects to enroll in the third year of education or earlier years significant numbers of United States citizens who transfer from dental schools located in foreign nations.

"(viii) Projects to establish and operate satellite clinical training centers in underserved areas, in coordination, whenever feasible, with health training institutions in other disciplines, to emphasize the provision of primary care to the residents of such areas, and to provide continuing education programs for health profession personnel in such areas.

"(e) SCHOOLS OF PUBLIC HEALTH AND SCHOOLS WITH GRADUATE PROGRAMS IN HEALTH CARE ADMINISTRATION.—The Secretary shall not make a grant under section 770 to any school of public health or school with a graduate program of health care administration in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of student equivalents in such school will exceed the number of such student equivalents enrolled in the preceding school year—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten student equivalents, whichever is greater, if such number was more than one hundred, or

"(2) during each such school year such school will establish and carry out special new projects, or make significant expansions of, or improvements in, existing projects, meeting criteria set forth by the Secretary in regulations in at least three of the following categories of projects:

"(A) Projects to establish cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary medicine, nursing, public health, and allied health, including projects for training for the use of the team approach to the provision of health services.

"(B) Projects to provide for increased emphasis on, and training in, health care administration and management training.

"(C) Projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged.

"(D) Projects to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability.

"(E) Projects to provide increased emphasis on the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society.

"(F) Projects to plan, develop, and implement a program of nutrition education within their curricula.

"(f) SCHOOLS OF VETERINARY MEDICINE, OPTOMETRY, PHARMACY, AND PODIATRY.—The Secretary shall not make a grant under section 770 to any school of veterinary medicine, optometry, pharmacy, or podiatry in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the preceding school year—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred, or

"(2) during each such school year such school will establish and carry out specific new projects, or make significant expansions of, or improvements in, existing projects, meeting criteria set forth by the Secretary in regulations, in at least two of the following categories of projects (or, if the application is for a school of pharmacy, specific projects in the category described in clause (C) and specific projects in at least two other categories, or, if the application is for a school of optometry, specific projects in the categories described in clauses (D) and (E) and a specific project in at least one other category):

"(A) Projects to establish cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary medicine, nursing, public health, and allied health, including projects for training for the use of the team approach to the provision of health services.

"(B) Projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged.

"(C) In the case of schools of pharmacy, projects to provide for increased emphasis on, and training in, clinical pharmacy, drug use and abuse, and, where appropriate, clinical pharmacology.

"(D) In the case of schools of optometry, projects to develop residency training programs respecting optometry.

"(E) In the case of schools of optometry, projects to develop and implement programs specifically designed to lead to the early detection and treatment of diseases which can be diagnosed as a consequence of the practice of optometry.

"(F) Projects to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability.

"(G) Projects to provide increased emphasis on the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society.

"(H) Projects to establish and operate satellite clinical training centers in underserved areas, in coordination, whenever feasible, with health training institutions in other disciplines, to emphasize the provision of primary care to the residents of such areas, and to provide continuing education programs for health professions personnel in such areas.

"(I) Projects to establish increased emphasis on, and training in, the aging process, including the social, behavioral, and biomedical aspects of the aging process, and training, as appropriate, in the diagnosis, treatment, and prevention of diseases and related problems of the aged.

"(g) For the purposes of subsections (c), (d), (e), and (f)—

"(1) in the case of any school which (as a result of an increase in enrollment or through the application of this paragraph) has a first-year enrollment of full-time students or student equivalents for any year in excess of the number required by such subsection (c), (d), (e), or (f) for such year, the number in excess of the required number shall be deemed to have enrolled in the next school year for purposes of meeting the enrollment increase requirement for such next year.

"(2) in the case of any school which, within the six years preceding the enactment of this section, has increased its first-year enrollment of full-time students or student equivalents in any year (except the first year in which such school has students enrolled) by more than 33⅓ per centum of the number of such students enrolled in the preceding school year, the requirements of such subsection (c), (d), (e), or (f) shall apply only to the extent they would apply had the provisions of such subsection and this subsection been applicable in the year of such increase and all subsequent years.

"(h)(1)(A) The Secretary may waive (in whole or in part) the requirements of subsection (c), (d), (e), or (f) with respect to any school, upon written notification by the appropriate accreditation body or bodies (as defined in section 721(b)(1)), that compliance by such school with the assurances required by such subsection will prevent such school from meeting the accreditation standards of such body or bodies.

"(B) The Secretary may waive (in whole or in part) the requirements of paragraph (1) of subsection (c), (d), (e), or (f) respecting enrollment increases, upon a finding by the Secretary that because of inadequate size of the population served by the hospital or other facilities in which such school conducts its clinical training compliance by such school with such assurances will prevent such school from providing high quality clinical training for the students added as a result of such increase.

"(C) Nothing in this paragraph shall be construed as affecting the obligation of any school to comply with any requirements of subsection (c), (d), (e), or (f) which have not been waived pursuant to subparagraph (A) or (B).

"(2) The requirements of paragraph (1) of subsection (c), (d), (e), or (f) shall not apply to any school which is prohibited by law from complying with the assurances required by such paragraph. Nothing in this paragraph shall be construed as affecting the obligations of any school to comply with the requirements of paragraph (2) of each such subsection.

"(i) The Secretary is authorized to make onsite inspections of any school receiving a grant under section 770 and to require the submission of reports or other data and information by any such school for the purpose of ascertaining the extent of compliance by such school with the assurances made in connection with such school's application for such grant.

"(j)(1) Whenever the Secretary, after reasonable notice and opportunity for hearing, finds that any school receiving assistance under section 770 has failed to comply with any assurances required to be given under this section, the Secretary shall forthwith order (A) that no further grants will be made to such school under section 770, or (B) that further grants will be withheld, in whole or in part, until such school repays Federal moneys to which such school was not entitled because of such failure, and shall notify such school of such order. The Secretary shall not order any action under the preceding sentence in any case in which such a school has admitted an individual, in contravention of the assurances required to be made by such school under subsection (b)(1), pursuant to an order of any court of competent jurisdiction: *Provided*, That such school has provided notice in accordance with paragraph (2).

"(2) Whenever (a) civil action is instituted by an individual against a school, receiving assistance under section 770, to obtain admission to such school in contravention of the assurances required to be made under subsection (b)(1), the Attorney General may intervene in such actions, upon timely application and in the manner prescribed by section 2403 of title 28, United States Code. Any such school shall promptly notify the Attorney General and Secretary of the institution of any such action.

"(k)(1) Any school which has been adversely affected by any order of the Secretary pursuant to this section may appeal to the United States court of appeals for the circuit in which such school is located, by filing a petition with such court within sixty days after such order. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary shall thereupon file in the court the record of the proceedings on which he based his order, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the order of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside his order.

"(2) The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous order, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(3) The judgment of the court affirming or setting aside, in whole or in part, any order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this section shall not, unless so specifically ordered by the court, operate as a stay of the Secretary's order.".

SEC. 403. Section 773 (as so redesignated) is amended to read as follows:

"SPECIAL PROJECT GRANTS AND CONTRACTS

"SEC. 773. (a) The Secretary may make grants to assist schools of medicine (allopathic and osteopathic), dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health in meeting the costs of special projects to—

"(1) effect significant improvements in the curriculums of any such schools;

"(2) develop programs for cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, veterinary medicine, optometry, pharmacy, podiatry, nursing, public health, and allied health, including projects for training in the use of the team approach to the delivery of health services;

"(3) develop and operate training programs, and train, for new roles, types, or levels of health professions personnel, including programs for the training of physician extenders (including nurse practitioners), and other health professions assistants;

"(4) plan, develop, or establish new programs, or innovative modifications of existing programs, of education in such health professions including the teaching of the organization, delivery, financing, or evaluation of health care:

"(5) research, develop, or demonstrate advances in the various fields related to education in such health professions;

"(6) assist in increasing the supply, or improving the distribution, by geographic area or specialty group, of adequately trained personnel in such health professions needed to meet the health needs of the Nation;

"(7) establish and operate programs at schools of medicine (allopathic and osteopathic) (and where applicable at other health professions schools) (A) providing increased emphasis on, and training in, the prevention, diagnosis, treatment, and rehabilitation of alcoholism and drug dependence, and the assessment of the efficacy of various therapeutic regimens, or (B) providing increased emphasis on the ethical, social, legal, or moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society;

"(8) establish increased emphasis on, and training (including continuing education) in, clinical pharmacology and the assessment of the efficacy of various therapeutic regimens;

"(9) establish and operate programs designed to identify, and increase admissions to and enrollment in schools of medicine (allopathic and osteopathic), dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health, of individuals whose background and interests make it reasonable to assume that they will engage in the practice of their health profession in rural or other areas having a severe shortage of personnel in such health profession;

"(10) establish and operate programs designed to increase admissions to and enrollment in such schools of qualified individuals from minority or low-income groups;

"(11) plan experimental teaching programs or facilities;

"(12) provide traineeships (including costs of training and fees, stipends, and allowances for the students (including travel and subsistence expenses and dependency allowances)) for full-time students to secure part of their education under a preceptor in family practice, pediatrics, internal medicine, or other health fields designated by the Secretary, or in rural or other areas having a severe shortage of physicians;

"(13) utilize health professions personnel more efficiently through the use of computer technology and otherwise;

"(14) encourage new or more effective approaches to the organization and delivery of health services through the use of the team approach to delivery of health services and the utilization of computer technology to process biomedical information in the provision of health services;

"(15) establish and operate programs in the interdisciplinary training of health professions personnel for the provisions of emergency medical services, with particular emphasis on the establishment and operation of training programs affording clinical experience in emergency medical services systems receiving assistance under title XII of this Act;

"(16) provide training (at such schools or elsewhere), and traineeships and fellowships for the advanced training of individuals to enable them to teach, or improve their teaching skills, in the medical (allopathic and osteopathic), dental, podiatric, optometric, pharmaceutical, veterinary medicine, or public health fields;

"(17) establish and operate programs to encourage greater knowledge of and sensitivity toward the special health problems of women;

"(18) establish and operate programs designed to provide increased emphasis on, and training in, rehabilitation medicine and encourage greater knowledge of and sensitivity toward the special health problems of handicapped individuals, especially women who are handicapped;

"(19) plan, develop, and operate programs to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability;

"(20) establish and operate satellite clinical training centers in underserved areas, which coordinate to the maximum feasible extent training programs of each of the health disciplines in coordination with appropriate health training institutions, to emphasize the provision of primary care to the residents of such areas, and to provide continuing education programs for health professions personnel in such areas;

"(21) provide increased emphasis on, and training in, the aging process, including the social, behavioral, and biomedical aspects of the aging process, and training in the diagnosis, treatment, and prevention of diseases and related problems of the aged;

"(22) in the case of schools of medicine (allopathic and osteopathic) and dentistry, assist such schools to plan, develop, and implement a program of nutrition education within their curricula;

"(23) in the case of schools of pharmacy, provide for increased emphasis on, and training in, clinical pharmacy, drug use and abuse, and, where appropriate, clinical pharmacology;

"(24) in the case of schools of optometry, develop residency training programs respecting optometry;

"(25) in the case of schools of public health, provide for increased emphasis on, and training in, health care administration and management training;

"(26) in the case of schools of optometry develop and implement programs specifically designed to lead to the early detection and treatment of diseases which can be diagnosed as a consequence of the practice of optometry;

"(27) in the case of schools of podiatry assist in the planning and implementation of affiliations of such schools with academic health centers.

The Secretary may also enter into contracts with public or private health or educational entities to carry out any projects described in this subsection.

"(b) Grants and contracts may also be made by the Secretary under this section for—

"(1) the discovery, collection, development, or confirmation of information for,

"(2) the planning, development, demonstration, establishment or maintenance of,

"(3) the alteration or renovation of existing facilities for, any project described in subsection (a).

"(c) The Secretary may make grants to assist schools of public health and other public or nonprofit private institutions providing graduate training in health care administration and management training, for the purpose of strengthening or expanding such training in such institutions.

"(d) Contracts under this section may be entered into without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(e) (1) There are authorized to be appropriated $100,000,000 for the fiscal year ending June 30, 1975, for the purpose of making payments pursuant to grants and contracts under subsections (a) and (b).

"(2) Of the sums appropriated under this subsection for any fiscal year, not less than 30 per centum of such sums shall be used to make grants to and enter into contracts with schools of veterinary medicine, optometry, podiatry, pharmacy, and public health. If the National Advisory Council on Health Professions Education fails to approve, under section 775(c), applications for grants for a fiscal year under this section in an amount at least equal to 30 per centum of the sums appropriated under this subsection, then, in lieu of the requirement imposed by the preceding sentence, the sums used to make grants to and enter into contracts with schools of veterinary medicine, optometry, podiatry, pharmacy, and public health under this section for that fiscal year shall be not less than the total of grants requested by those approved applications.

"(f) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, for the purpose of making payments pursuant to grants under subsection (c)."

SEC. 404. Section 772 (as so redesignated) is amended by—

(a) striking out "or dentistry" in paragraphs (1) and (4) of subsection (a) and inserting in lieu thereof "dentistry, podiatry, or optometry".

(b) by amending paragraph (3) of subsection (a) to read as follows:

"(3) The Secretary shall give special consideration to each application of a school for grant assistance under this subsection which—

"(A) is located in a State which has no other such school of medicine, osteopathy, dentistry, podiatry, or optometry;

"(B) contains or is reasonably supported by assurances, that, because of the use that the school will make of existing facilities (including Federal medical or dental facilities), it will be able to accelerate the date on which it will begin its teaching program."

(c) by amending paragraph (6) of subsection (a) to read as follows:

"There are authorized to be appropriated $11,000,000 for the fiscal year ending June 30, 1975, for payments under grants under this subsection. Sums appropriated under this paragraph shall remain available until expended."

(d) in paragraph (2) of subsection (b), (1) striking out "1974" and inserting in lieu thereof "1975", and (2) striking out "1975" and inserting in lieu thereof "1976".

SEC. 405. Section 774 (as so redesignated), is amended by—

(a) amending subsection (a) to read as follows:

"(a) There are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1974 and for the next fiscal year, to make grants under this section, and to the extent that sums appropriated under this subsection are not used for such grants, for grants under section 773."

(b) striking out "or podiatry" in subsection (b) and inserting in lieu thereof "podiatry, or public health or school with a graduate program of health care administration."

SEC. 406. (a) Section 776 (as so redesignated is amended to read as follows:

"HEALTH PROFESSIONS EDUCATION INITIATIVE AWARDS

"SEC. 776. (a) For the purpose of improving the distribution, supply, quality, utilization, and efficiency of health professions personnel and the health services delivery system, and encouraging the regionalization of educational responsibilities, the Secretary may make grants to public or nonprofit private health or educational entities, and may enter into contracts with public or private health or educational entities, for projects—

"(1) to encourage the establishment or maintenance of programs to alleviate shortages of health professions personnel in order to improve the delivery of health services to medically underserved populations, designated under section 329(b), through training or retraining of health professions personnel in community hospitals and other facilities serving such populations or to otherwise improve the distribution of health professions personnel by area or by specialty group;

"(2) to provide training programs leading to more efficient utilization of health professions personnel;

"(3) to initiate new types and patterns or improve existing patterns of training, retraining, continuing education, and advanced training of health professions personnel, including practitioners of family medicine, general internal medicine, and general pediatrics, teachers, administrators, specialists, and allied health personnel (particularly physician extenders (including nurse practitioners), and expanded duty dental auxiliaries);

"(4) to encourage new or more effective approaches to the organization and delivery of health services (including emergency medical services), reflecting the needs of all health professions, through training individuals in the use of the team approach to delivery of health services (including emergency medical services);

"(5) to plan and develop special programs to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals of limited English-speaking ability, such programs to be established at academic health centers situated in communities where a substantial proportion of the population is of limited English-speaking ability, and such programs to offer training in cultural sensitivity awareness to all types of health professions personnel in training as well as in practice in the community;

"(6) to assist State, local, or other regional arrangements among schools and related organizations and institutions to carry out the purposes of this subsection; or

"(7) to determine the extent of unmet health needs served by health professions personnel (including audiology and speech pathology) currently unaffected by parts E and F of this title, the personnel required to meet such needs, and the appropriate Federal role (including financial assistance under this Act) in supporting appropriate development of such health professions personnel.

"(b) The Secretary may also make grants to public or nonprofit private health or educational entities to assist in meeting the cost of special projects to—

"(1) establish or operate projects designed to identify, and increase admissions to, and enrollment in, schools of medicine, (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary medicine, public health, or other health training of individuals whose background and interests make it reasonable to assume that they will engage in the practice of their health profession in rural or other areas having a severe shortage of personnel in such health profession; or

"(2) (A) identify individuals with a potential for education or training in the health professions (including veterans of the Armed Forces of the United States with training or experience in the health field and individuals who are bilingual in an appropriate language, as determined by the Secretary) who due to socioeconomic factors are financially or otherwise disadvantaged and encourage and assist them (including the payment to them of such pertinent stipends, with allowances for travel and for dependents, as the Secretary deems appropriate) (i) to enroll in a school of medicine (allopathic and osteopathic), dentistry, pharmacy, optometry, podiatry, veterinary medicine, public health, or other training; or (ii) if they are not qualified to enroll in such a school, to undertake such postsecondary education or training as may be required to qualify them to enroll in such a school;

"(B) publicize existing sources of financial aid available to persons enrolled in schools described in clause (i) of subparagraph (A) or who are undertaking training necessary to qualify them to enroll in any such school; or

"(C) establish such programs (including counselling programs) as the Secretary determines will enhance and facilitate the enrollment, pursuit, and completion of study by individuals described in subparagraph (A) in schools described in clause (i) of such subparagraph.

Of the sums appropriated under subsection (d) for any fiscal year, not more than 15 per centum of such sums, but in no event less than $5,000,000, shall be used to make grants under this subsection in such fiscal year. Of the sums available for grants under this subsection for any fiscal year, not more than one-half of such sums may be used for such fiscal year for projects described in paragraph (1) and not more than one-half of such sums may be used for such fiscal year for projects described in paragraph (2).

"(c) (1) No grant may be made or contract entered into under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe. The Secretary shall not approve or disapprove any application for a grant or contract under this section except after consultation with the National Advisory Council on Health Professions Education (established by section 702). The Secretary shall not approve any such application unless such application has been recommended for approval by such Council.

"(2) The amount of any grant under this section shall be determined by the Secretary. Payments under grants under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(3) Contracts may be entered into under this section without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(d) There are authorized to be appropriated $75,000,000 for the fiscal year ending June 30, 1975 for payments under grants and contracts under this section. Of the sums appropriated under this subsection for any fiscal year, not less than thirty per centum of such sums shall be used to make grants to, and enter into contracts with, schools of veterinary medicine, optometry, podiatry, pharmacy, and public health."

(b) For the fiscal year ending June 30, 1975, there are authorized to be appropriated such sums as may be necessary to continue payments under contracts entered into under section 774 of the Public Health Service Act (as in effect before the date of the enactment of this Act) for area health education centers. Such payments may only be made from such sums for the periods and the amounts specified in such contracts.

SEC. 407. Section 775 is amended—

(1) by striking out "770, 771, 772, or 773" each place it occurs and inserting in lieu thereof "770, 772, 773, or 774";

(2) by striking out "or podiatry" in subsection (b) and inserting in lieu thereof "podiatry, or public health, or school with a graduate program in health care administration";

(3) by striking out "this part" in subsection (c) and inserting in lieu thereof "section 770, 772, 773, or 774";

(4) by striking out "725)." in subsection (c) and inserting in lieu thereof "702). The Secretary shall not approve any such application unless such application has been recommended for approval by such council.";

(5) by striking out "770, 771, or 773" in subsection (d)(1) and inserting in lieu thereof "770, 771, 772, 773, or 774"; and

(6) by amending subsection (d)(3) to read as follows:

"(3) provides for such fiscal control and accounting procedures and reports, including the use of such standard procedures for the recording and reporting of financial information as the Secretary may prescribe, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under the grant and to enable the Secretary to determine the costs to the applicant of its program for the education or training of students."

SEC. 408. Sections 312 and 313 are repealed.

TITLE V—ASSISTANCE FOR SPECIALIZED TRAINING

SEC. 501. (a) Section 767 (entitled "Grants for Training, Traineeships, and Fellowships in Family Medicine") is transferred to part F of title VII and redesignated as section 781.

(b) Section 781 (as so redesignated) is amended—

(1) by striking out "and" after "1973,";

(2) by inserting after "1974," the following: "$40,000,000 for the fiscal year ending June 30, 1975";

(3) in clause (2) by striking out "and" at the end thereof and inserting immediately before the semicolon in such clause the following ", with special priority to those who are bilingual with respect to the predominant language in those areas served by the hospital where a substantial proportion of the population is of limited English-speaking ability";

(4) by renumbering clause (3) as clause (4); and

(5) by inserting immediately after clause (2) the following new clause (3);

"(3) to plan, develop, and operate, special programs to increase the awareness of trainees in such programs to the cultural sensitivities of individuals with limited English-speaking ability where the hospital serves an area where a substantial proportion of the population is of limited English-speaking ability;".

SEC. 502. Part F of title VII is amended by adding after section 781 the following new section:

"EDUCATION OF RETURNING UNITED STATES STUDENTS FROM FOREIGN MEDICAL OR DENTAL SCHOOLS

"SEC. 782. (a) The Secretary may make grants to schools of medicine (allopathic and osteopathic) and dentistry to—

"(1) plan, develop, and initially operate new programs, or

"(2) substantially expand existing programs, to train United States citizens who have transferred from medical or dental schools in foreign countries and who have enrolled in such schools as full-time students with advanced standing. The costs for which a grant under this subsection may be made may include the costs of identifying deficiencies in the foreign medical or dental school education of such students, the development of materials and methodology for correcting such deficiencies, and specialized training designed to prepare such students for successful completion of licensure examinations. A grant under this subsection may only be made for costs of such programs for one school year. No school may receive more than three grants under this subsection.

"(b) Any school of medicine or dentistry which receives a grant under subsection (a) for the fiscal year ending June 30, 1975, shall submit to the Secretary before January 1, 1976, a report on the deficiencies (if any) identified by the school in the foreign medical or dental school education of the students trained by such school under the program for which such grant was made. The Secretary shall compile the reports submitted under the preceding sentence, and before July 1, 1976, submit to the Congress his analysis and evaluation of the information contained in such reports.

"(c) There are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1975, for payments under grants under subsection (a)."

SEC. 503. (a) Section 768 (entitled "GRANTS FOR SUPPORT OF POSTGRADUATE TRAINING PROGRAMS FOR PHYSICIANS AND DENTISTS" is transferred to part F of title VII, inserted after section 782, and redesignated section 783.

(b) Section 783 (as so redesignated) is amended by (1) inserting immediately after "1974" in subsection (a) "and for the next fiscal year" and (2) inserting before the semicolon in subsection (c)(3)(A) "and shall not approve any such application unless such application has been recommended for approval by such Council".

SEC. 504. Part F of title VII is amended by adding after section 783 (as so redesignated) the following new sections:

"SUPPORT FOR STUDY OF CLINICAL PHARMACOLOGY AND CLINICAL PHARMACY

"SEC. 784. (a) The Secretary is authorized to make grants to public or nonprofit private schools of medicine (allopathic and osteopathic), dentistry, pharmacy, optometry, and public health and entities for the training and education for the allied health professions which are eligible for grants under part E to assist in meeting the costs of—

"(1) planning, establishment, and operation of programs providing for inclusion of courses relating to clinical pharmacology or clinical pharmacy as part of undergraduate training programs in such schools and entities, and

"(2) planning, establishment, and operation of programs of continuing education in the field of clinical pharmacology or clinical pharmacy.

"(b) The Secretary is authorized to make grants to public or nonprofit private schools of medicine (allopathic and osteopathic) which are eligible for grants under part E to assist in meeting the costs of—

"(1) planning, establishment, and operation of graduate training programs for individuals who plan to specialize or work in the field of clinical pharmacology, and

"(2) providing financial assistance (in the form of traineeships) for training in the field of clinical pharmacology to graduate students, interns, and residents who participate in such programs and who plan to specialize or work in such field.

"(c) The Secretary is authorized to make grants to public or nonprofit private schools of pharmacy which are eligible for grants under part E to assist in meeting the costs of—

"(1) planning, establishment, and operation of graduate and undergraduate training programs in the field of clinical pharmacy, and

"(2) providing financial assistance (in the form of traineeships) for training in the field of clinical pharmacy to graduate students who participate in such programs and who plan to specialize or work in such field.

"(d) There are authorized to be appropriated $8,000,000 for the fiscal year ending June 30, 1975, for grants under this section."

SEC. 505. (a) Section 776 is transferred to part F of title VII, inserted after section 784 and redesignated as section 785.

(b) Section 785 (as so redesignated) is amended by inserting immediately after "1974" subsection (e) "and for the next fiscal year."

SEC. 506. Part F of title VII is amended by adding after section 786 (as so redesignated) the following new section:

"GRANTS FOR BILINGUAL HEALTH TRAINING CLINICAL CENTERS

"SEC. 786. There are authorized to be appropriated for the fiscal year ending June 30, 1975 $5,000,000 for the purpose of establishing not more than four bilingual health training clinical centers, in affiliation with university medical centers, in dispersed areas of the United States in communities where a substantial proportion of the residents is of limited English speaking ability, such centers to place special emphasis on (1) the training in internship, residency, and other health training programs (utilizing to the greatest extent the concept of team training) of personnel who are bilingual and (2) the provision of health care services to the surrounding community."

SEC. 507. (a) Section 769B is transferred to part F of title VII, inserted after section 786, and redesignated section 787.

(b) Section 787 (as so redesignated) is amended by—

(1) striking out "under sections 767, 769, and 769A" each place it occurs and inserting in lieu thereof under this part",

(2) striking out under sections 767 and 769" in subsection (b) and inserting in lieu thereof under this part",

(3) striking out "The amount" in subsection (c) and inserting in lieu thereof "Except as otherwise provided, the amount",

(4) adding at the end thereof the following new subsections:

"(d) The Secretary shall not act upon any application for a grant under section 784 unless an appropriate scientific peer review group has reviewed such application or contract."

SEC. 508. Section 769 (entitled "GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS FOR HEALTH PROFESSIONS TEACHING PERSONNEL") and section 769A (entitled "GRANTS FOR COMPUTER TECHNOLOGY HEALTH CARE DEMONSTRATION PROGRAMS") are repealed.

SEC. 509. The heading for part F of title VII is amended to read as follows:

"PART F—ASSISTANCE FOR SPECIALIZED TRAINING".

SEC. 510. The heading for part D of title VII is amended to read as follows:

"PART D—MISCELLANEOUS PROVISIONS"

SEC. 511. The Secretary shall arrange for the conduct of a study or studies to determine the effectiveness of health education institution admissions examinations in evaluating accurately the potential and ability of the student applicant of limited English-speaking ability to participate in and benefit from the educational program, taking into account the need to eliminate any cultural bias in the presentation of admissions examinations offered at institutions supported under titles VII and VIII of the Public Health Service Act. Not later than twelve months after the date of enactment of this section, the Secretary shall report to the Congress on the findings and recommendations of such study or studies and the steps he has taken or proposes to take to carry out such findings and recommendations, including recommendations for any necessary legislation.

TITLE VI—ALLIED HEALTH PERSONNEL

SEC. 601. (a) Part G of title VII is amended to read as follows:

"PART G—TRAINING PROGRAMS FOR ALLIED HEALTH PERSONNEL

"DEFINITION

"SEC. 789. For purposes of this subpart, the term 'allied health personnel' means individuals with training and responsibilities for (1) supporting, complementing, or supplementing the professional functions of physicians, dentists, and other health professionals in the delivery of health care to patients, or (2) assisting environmental personnel in environmental health control activities.

"PROJECT GRANTS AND CONTRACTS

"SEC. 789A. (a) The Secretary may make grants and enter into contracts to assist eligible entities in meeting the costs of planning, study, development, demonstration, and evaluation projects undertaken with respect to one or more of the following:

"(1) Methods of coordination and management of education and training at various levels for allied health personnel within and among educational institutions and their clinical affiliates.

"(2) Methods and techniques for State and regional coordination and monitoring of education and training for allied health personnel.

"(3) Programs, methods, and curricula (including model curricula) for training various types of allied health personnel.

"(4) Programs, of means of adopting existing programs, for training as allied health personnel special groups such as returning veterans of the Armed Forces, the socioeconomically disadvantaged, and persons reentering any of the allied health fields.

"(5) New types of roles and uses for allied health personnel.

"(b) In coordination with the Secretary's program under section 1123 of the Social Security Act, methods of establishing, and determining compliance with, proficiency requirements for allied health personnel, including techniques for appropriate recognition (through equivalency and proficiency testing or otherwise) of previously acquired training or experience.

"(7) Methods of recruitment and retention of allied health personnel.

"(8) Providing special emphasis on clearly defined career ladders and programs of advancement for practicing allied health personnel.

"(b) (1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe.

"(2) For purposes of subsection (a), the term 'eligible entities' means those entities which have had an application approved under paragraph (1) and which are—

"(A) schools, universities, or other educational entities which provide for allied health personnel education and training meeting such standards as the Secretary may by regulation prescribe.

"(B) States, political subdivisions of States, or regional and other public bodies representing States or political subdivisions of States or both, or

"(C) any entity which has a working arrangement (meeting such requirements as the Secretary may by regulation prescribe) with an entity described in subparagraph (A).

"(3) Contracts may be entered into under subsection (a) without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(4) The amount of any grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(c) For the purpose of making payments under grants and contracts under subsection (a), there are authorized to be appropriated $40,000,000 for the fiscal year ending June 30, 1975.

"TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL

"SEC. 789B. (a) The Secretary may make grants to public and nonprofit private entities for traineeships provided by such entities for the training of allied health personnel to teach in training programs for such personnel or to serve in administrative or supervisory positions.

"(b) (1) No grant may be made under subsection (a) unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) Payments under such grants (A) shall be limited to such amounts as the Secretary finds necessary to cover the cost of tuition and fees of, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for, the trainees; and (B) may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"(c) For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated $7,500,000 for the fiscal year ending June 30, 1975.

"GRANTS AND CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDUCATIONAL TALENT FOR ALLIED HEALTH PERSONNEL TRAINING

"SEC. 789C. (a) The Secretary may make grants to, and enter into contracts with, State and local educational agencies and other public or nonprofit entities—

"(1) to (A) identify individuals of financial, educational, or other need who have a potential to become allied health personnel, including individuals who are veterans of the Armed Forces with military training or experience similar to that of allied health personnel and individuals who are bilingual in an appropriate language as determined by the Secretary, and (B) encourage and assist, whenever appropriate, the individuals described in clause (A) to (i) complete secondary education, (ii) undertake such postsecondary training as may be required to qualify them to undertake allied health personnel training, and (iii) undertake postsecondary allied health personnel training (including continuing education); and

"(2) to publicize existing sources of financial aid available to individuals undertaking allied health personnel training.

"(b) (1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) Contracts may be entered into under subsection (a) without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(3) The amount of any grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(c) For payments under grants and contracts under subsection (a) there are authorized to be appropriated $1,000,000 for the fiscal year ending June 30, 1975.

"SCHOLARSHIP GRANTS

"SEC. 789D. (a) The Secretary is authorized to make (in accordance with such regulations as he may prescribe) grants to any public or nonprofit private agency, institution, or organization with an established program for training or retraining of personnel in the allied health professions or occupations specified by the Secretary for (1) scholarships to be awarded by such agency, institution, or organization to students thereof, and (2) scholarships in retraining programs of such agency, institution, or organization to be awarded to allied health professions personnel in occupations for which such agency, institution, or organization determines that there is a need for the development of, or the expansion of, training.

"(b) Scholarships awarded by any agency, institution, or organization from grants under subsection (a) shall be awarded for any year only to individuals of exceptional financial need who require such assistance for such year in order to pursue a course of study offered by such agency, institution, or organization.

"(c) Grants under subsection (a) may be paid in advance or by way of reimbursement and at such intervals as the Secretary may deem appropriate and with appropriate adjustment on account of overpayments or underpayments previously made.

"(d) Any scholarship awarded from grants under subsection (a) to any individual for any year shall cover such portion of the individual's tuition, fees, books, equipment, and living expenses as the agency, institution, or organization awarding the scholarship may determine to be needed by such individual for such year on the basis of his requirements and financial resources; except that the amount of any such scholarship shall not exceed $2,000, plus $600 for each dependent (not in excess of three) in the case of any individual who is awarded such a scholarship.

"(e) The Secretary shall not approve any grant under this section unless the applicant therefor provides assurances satisfactory to the Secretary that funds made available through such grant will be so used as to supplement and, to the extent practicable, increase the level of non-Federal funds, which would in the absence of such grant, be made available for the purpose for which such grant is requested.

"(f) For the purpose of carrying out the provisions of this section, there is authorized to be appropriated $6,000,000 for the fiscal year ending June 30, 1975.

"STATISTICAL AND ANNUAL REPORT

"SEC. 789E. (a) The Secretary shall continuously develop, publish, and disseminate on a nationwide basis statistics and other information respecting allied health personnel, including—

"(1) detailed descriptions of the various types of such personnel and the activities in which such personnel are engaged,

"(2) the current and anticipated needs for the various types of such health personnel, and

"(3) the number, employment, geographic locations, salaries, and surpluses and shortages of such personnel, the educational and licensure and certification requirements for the various types of such personnel, and the cost of training such personnel.

"(b) The Secretary shall submit annually to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a report on—

"(1) the statistics and other information developed pursuant to subsection (a); and

"(2) the activities conducted under this part, including an evaluation of such activities.

Such report shall contain such recommendations for legislation as the Secretary determines is needed to improve the programs authorized under this subpart. The Office of Management and Budget may review such report before its submission to Congress, but the Office may not revise the report or delay its submission beyond the date prescribed for its submission and may submit to Congress its comments respecting such report. The first report under this subsection shall be submitted not later than September 1, 1975."

(b)(1) Section 704 (as so redesignated) is amended (1) by striking out "any training center for allied health personnel" and inserting in lieu thereof "any entity for the training of allied health personnel", and (2) by striking out "or training center" each place it occurs and inserting in lieu thereof "or entity".

(2) Section 314(c) is repealed.

QUALITY ASSURANCES RESPECTING EDUCATION AND TRAINING OF ALLIED HEALTH PERSONNEL

SEC. 602. The Secretary of Health, Education, and Welfare shall within one year of the date of the enactment of this Act (1) submit to the Congress a report which identifies and describes each of the programs which he administers under which the costs of programs of education and training for allied health personnel (as defined in section 789 of the Public Health Service Act) are directly or indirectly paid (in whole or in part); and (2) take such action as may be necessary to require that such assistance is provided only those programs which meet such quality standards as the Secretary may by regulation prescribe.

ALLIED HEALTH PERSONNEL STUDY

SEC. 603. (a)(1) The Secretary of Health, Education, and Welfare shall, in accordance with paragraph (2), arrange for the conduct of studies—

(A) to identify the various types of allied health personnel and the activities in which such personnel are engaged and the various training programs currently offered for allied health personnel;

(B) to establish classifications of allied health personnel on the basis of their activities, responsibilities, and training;

(C) using appropriate methodologies, to determine the cost of educating and training allied health personnel in each classification; and

(D) to identify the classifications in which there is a critical shortage of such personnel and the training programs which should be assisted to meet that shortage.

(2)(A) The Secretary shall request the National Academy of Sciences to conduct such studies under an arrangement under which the actual expenses incurred by such Academy in conducting such studies will be paid by the Secretary. If the National Academy of Sciences is willing to do so, the Secretary shall enter into such an arrangement with such Academy for the conduct of such studies.

(B) If the National Academy of Sciences is unwilling to conduct one or more such studies under such an arrangement, then the Secretary shall enter into a similar arrangement with other appropriate non-profit private groups or associations under which such groups or associations will conduct such studies and prepare and submit the reports thereon as provided in subsection (b).

(b) The studies required by subsection (a) shall be completed within the two-year period beginning on the date of the enactment of this Act; and a report on the results of such study shall be submitted by the Secretary to the Committee on Interstate and Foreign Commerce of the House of Representatives and the Committee on Labor and Public Welfare of the Senate before the expiration of such period.

(c) Within six months after the date prescribed for the completion of the studies under subsection (a), the Secretary of Health, Education, and Welfare shall transmit to Congress such recommendations for legislation as he determines is necessary to provide appropriate support for the training programs referred to in subsection (a)(1)(D).

TITLE VII—POSTGRADUATE PHYSICIAN TRAINING

SEC. 701. Title VII is amended by adding at the end thereof the following new part:

"PART H—POSTGRADUATE PHYSICIAN TRAINING

"NATIONAL COUNCIL ON POSTGRADUATE PHYSICIAN TRAINING

"SEC. 790. (a) There is established in the Public Health Service the National Council on Postgraduate Physician Training (hereinafter in this part referred to as the 'National Council').

"(b) The National Council shall consist of twenty-four members. The Director of the National Institutes of Health, the Chief Medical Director of the Veterans' Administration, the Assistant Secretary for Health and Environment of the Department of Defense and an individual chosen by the Secretary of Health, Education, and Welfare to represent that Department shall be ex officio members of the Council. The remaining members shall be appointed by the Secretary without regard to the provisions of title 5, United States Code relating to appointments in the competitive service from persons who are not officers or employees of the United States Government as follows:

"(1) Twelve members shall be appointed from among doctors of medicine and osteopathy. Of the twelve:

"(A) seven shall be representative of and shall themselves be practicing physicians associated with specialty and subspecialty physician (including osteopathic) organizations, including one each from the specialties or subspecialties of family practice, internal medicine, pediatrics, obstetrics and gynecology, surgery, psychiatry, and preventive medicine;

"(B) two shall be representatives of and shall themselves be physicians associated with hospitals which maintain postgraduate physician training programs;

"(C) two shall be representative of and shall themselves be physicians associated with schools of medicine or osteopathy or university health science centers; and

"(D) one shall be representative of and shall himself be a physician engaged in postgraduate physican training.

"(2) Four members shall be appointed from among individuals who are health professionals other than physicians. Of the four:

"(A) two shall be representative of and shall themselves be individuals associated with hospitals which maintain postgraduate physician training programs;

"(B) one shall be representative of and shall himself be a health planner or public health administrator;

"(C) one shall be representative of and shall himself be a nurse or allied health professional.

"(3) One member shall be appointed from among individuals who are students in schools of medicine and osteopathy and shall be representative of such individuals.

"(4) Three members shall be appointed from and shall be representative of the general public. The Secretary shall not appoint under this paragraph any individual who has any significant financial interest in the provision of health care services or in entities enaged in the provision of such services or in producing or supplying drugs or other articles for individuals and entities engaged in the provision of such services, or any individual who has any fiduciary interest in such entities.

The members of the National Council shall select a chairman from among their own number.

"(c) Each appointed member of the National Council shall hold office for a term of four years, except that—

"(1) any member appointed to fill a vacancy prior to the expiration of the term for which his predecessor was appointed shall hold office for the remainder of such term,

"(2) the terms of office of the appointed members first taking office shall expire, as designated by the Secretary at the time of appointment, five at the end of the first year, five at the end of the second year, five at the end of the third year, and five at the end of the fourth year, after the date of appointment, and

"(3) the term of office of any member appointed under paragraph (3) of subsection (b) shall be not more than two years.

No member shall be eligible to serve continuously for more than two terms.

"(d) Members of the National Council, while attending meetings or conferences thereof, or otherwise serving on business of the National Council, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding for any day (including traveltime) the daily equivalent of the effective rate for grade GS–18 of the General Schedule, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code for persons in the Government service employed intermittently.

"DUTIES OF THE NATIONAL COUNCIL

"SEC. 791. (a) Upon appointment (which shall be within six months after the date of enactment of this part) and prior to July 1, 1976, the National Council shall conduct studies and other activities relevant to the various matters relating to the postgraduate training of physicians specifically including the following:

"(1) The commissioning and supervision of the study of physician specialty distribution in the United States and its possessions as prescribed by section 798A.

"(2) The development of collaborative working relationships with each physician specialty organization to determine and assist its individual activities with respect to the number and location of practitioners within each specialty.

"(3) An assessment of the need for financial support for postgraduate physician training, especially training in primary care specialties.

"(4) An assessment of the service needs of hospitals and other health institutions, the role of postgraduate physician trainees in meeting such needs, and alternate means of meeting such needs.

"(5) An assessment of the educational component of postgraduate physician training programs.

"(6) An assessment of the impact of practice in the United States by graduates of medical schools located in foreign nations on the present and future health care in the United States and foreign nations.

"(b) The National Council shall make recommendations to the Secretary pursuant to section 794.

"(c) (1) The Council may appoint and fix the pay of such staff personnel as it deems desirable. Such personnel shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(2) The Council may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule.

"REGIONAL COUNCILS ON POSTGRADUATE PHYSICIAN TRAINING

"SEC. 792. (a) The Secretary shall establish ten regions throughout the United States for purposes of carrying out the provisions of this part. For each such region the Secretary shall establish a Regional Council on Postgraduate Physician Training (hereinafter referred to in this part as a 'regional council'). Each regional council shall consist of twenty-four members. Four of the members shall be appointed upon the recommendations of the ex officio members of the National Council, each making recommendations with respect to one member. The remaining members shall be appointed by the Secretary without regard to the provisions of title 5, United States Code relating to the appointments in the competitive service from persons who are not officers or employees of the United States Government as follows:

"(1) Twelve shall be appointed from among doctors of medicine and osteopathy. Of the twelve:

"(A) seven shall be representative of and shall themselves be practicing physicians, including one each from the specialties or subspecialties of family practice, internal medicine, pediatrics, obstetrics and gynecology, surgery, psychiatry, and preventive medicine;

"(B) two shall be representative of and shall themselves be physicians associated with hospitals which maintain postgraduate physician training programs;

"(C) two shall be representative of and shall themselves be physicians associated with schools of medicine or osteopathy or university health science centers; and

"(D) one shall be representative of and shall himself be a physician engaged in postgraduate physician training.

"(2) Four members shall be appointed from among individuals who are health professionals other than physicians. Of the four:

"(A) two shall be representative of and shall themselves be individuals associated with hospitals which maintain postgraduate physician training programs;

"(B) one shall be representative of and shall himself be a health planner or public health administrator; and

"(C) one shall be representative of and shall himself be a nurse or allied health professional.

"(3) One member shall be appointed from among individuals who are students in schools of medicine and osteopathy and shall be representative of such individuals.

"(4) Three members shall be appointed from and be representative of the general public. The Secretary shall not appoint under this paragraph any individual who has any significant financial interest in the provision of health care services or in entities engaged in the provision of such services or in producing or supplying drugs or other articles for individuals and entities engaged in the provision of such services, or any individual who has any fiduciary interest in such entities.

The members of each regional council shall select a chairman from among their own number.

"(b) Each member of a regional council appointed pursuant to paragraph (1), (2), (3), or (4) of subsection (a) shall hold office for a term of four years, except that—

"(1) any member appointed to fill a vacancy prior to the expiration of the term for which his predecessor was appointed shall hold office for the remainder of such term.

"(2) the terms of office of the members first taking office shall expire, as designated by the Secretary at the time of appointment, five at the end of the first year, five at the end of the second year, five at the end of the third year, and five at the end of the fourth year, after the date of appointment, and

"(3) the term of office of any member appointed under paragraph (3) of subsection (a) shall not be more than two years.

No member shall be eligible to serve continuously for more than two terms.

"(c) Members of a regional council, while attending meetings or conferences thereof, or otherwise serving on business of such regional council, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding for any day (including traveltime) the daily equivalent of the effective rate for grade GS–18 of the General Schedule, and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code for persons in the Government service employed intermittently.

"(d) All members of a regional council shall be residents of, and employed in, the region served by such regional council.

"DUTIES OF THE REGIONAL COUNCILS

"SEC. 793. (a) Upon appointment (which shall be within six months after the date of enactment of this part), and prior to July 1, 1976, each regional council shall conduct studies and other activities relevant to the various matters related to postgraduate physician training within the region served by such regional council, specifically including the following:

"(1) A survey of the institutions providing postgraduate physician training within the region, including an analysis of the types of training currently provided, as well as the types of training that might be provided by such institutions.

"(2) An assessment of the service needs of hospitals and other health institutions within the region, the role of postgraduate physician trainees in meeting such needs, and alternative means of meeting such needs.

("3) An assessment of the educational component of the postgraduate physician training programs conducted within the region.

"(4) An assessment of the need for financial support for postgraduate physician training within the region, especially training in primary care specialties.

"(5) The development of collaborative working relationships with State and local health planning programs, State departments of health, and Federal health care facilities operating within the region.

"(b) Each regional council shall make recommendations to the Secretary pursuant to section 795.

"(c) (1) Each regional council may appoint and fix the pay of such staff personnel as it deems desirable. Such personnel shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

"(2) Each regional council may procure temporary and intermittent services to the same extent as is authorized by section 3109 (b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule.

"ESTABLISHMENT AND ASSIGNMENT OF POSTGRADUATE PHYSICIAN TRAINING POSITIONS

"SEC. 794. (a) On July 1, 1979, and not later than July 1 of each year thereafter, the Secretary shall, in accordance with the recommendations of the National Council, conduct a certification program as follows:

"(1) Establish the total number of postgraduate physician training positions to be certified for the twelve-month period beginning on the following July 1. Those positions which are established for first year postgraduate physician training may not exceed 125 per centum of the number of doctor of medicine and doctor of osteopathy degrees expected to be granted in the intervening twelve-month period in the United States, except that for the intervening twelve-month periods beginning on July 1, 1979, and July 1, 1980, that per centum shall be 140 and 130, respectively.

"(2) From the total number of positions so established, assign positions to the various categories of specialty and subspecialty practice of medicine recognized within the United States. In assigning positions to the various categories of specialty and subspecialty practice of medicine, the Secretary and the National Council shall take into consideration the findings of the study conducted to section 798A.

"(3) From the positions so assigned in each physician specialty and subspecialty, assign positions, except as provided in subsection (b), to each of the ten regions and, if the Secretary chooses, to each State within such region.

"(b) The Secretary, upon the recommendation of the National Council, shall, on October 1, 1979, and October 1 of each subsequent year, directly certify positions in entities, and associations of such entities, which directly provide postgraduate physician training in those medical specialties in which sufficient numbers of physicians are not needed nationally to permit a proper distribution of such positions to the regions. Such positions shall not, in any year of the program, exceed 10 per centum of the total number of positions established under subsection (a) for each year. On or before August 1, 1979, and August 1 of each subsequent year, the Secretary shall inform the respective regional councils of all positions proposed to be directly certified within such region. No position may be directly certified by the Secretary, if the respective regional council disapproves such position within thirty days of notification by the Secretary of such proposed certification, except that the Secretary may certify such a position if, with the concurrence of the National Council, he finds that there is an overwhelming need to certify such position.

"(c) The Secretary shall not establish any position under this section unless such position has been recommended for establishment by the National Council.

"Sec. 795. (a) The Secretary shall, upon the recommendation of each regional council, not later than October 1, 1979, and October 1 of each subsequent year, certify postgraduate physicians training positions in entities, and associations of such entities, which directly provide such training within the region served by such regional council. In certifying such positions, the Secretary shall not certify any position—

"(1) except as provided in section 794(b), in any medical specialty or subspecialty in excess of the number of established positions in such medical specialty or subspecialty assigned to the region under section 794(a)(3);

"(2) in any entity or association of entities which has, or will have, in the aggregate, fewer than 100 such certified positions;

"(3) in any entity which maintains any postgraduate physician training position, or any association of entities in which any participating entity maintains any such positions, which is not certified under this part as a postgraduate physician training position; or

"(4) which is not a part of, at a minimum, an integrated three-year postgraduate physician training program.

"(b) In certifying positions, the Secretary and each regional council shall—

"(1) to the extent feasible, insure that the certified positions are distributed on a geographically equitable basis within the region served by the regional council; and

"(2) insure that the educational component of each training program meets acceptable standards, as determined by the Secretary in consultation with appropriate professional organizations.

"(c) The Secretary shall not certify any position under this section unless such position has been recommended for certification by the appropriate regional council, except that the Secretary may certify such a position, if, with the concurrence of the National Council, he finds that there is an overwhelming need to certify such position.

"COORDINATION OF ACTIVITIES

"Sec. 796. In carrying out the provisions of sections 791(a)(5), 793(a)(3), and 795(b)(2) relating to the educational component of postgraduate physician training, the National Council and each regional council shall coordinate its activities with the appropriate professional and other organizations concerned with graduate medical education.

"GRANTS AND CONTRACTS FOR CERTIFIED POSITIONS

"Sec. 797. (a) The Secretary shall make grants to, and contract with, entities which directly provide, or associations of such entities which directly provide, or have the capacity to directly provide, postgraduate physician training and which are certified to the Secretary by the National Council and the appropriate regional council as likely to receive an increased number of certified postgraduate physician training positions subsequent to July 1, 1980, to allow such entities to develop new, and expand existing, postgraduate physician training programs.

"(b) In the awarding of grants, the Secretary shall give special priority to (1) programs of postgraduate physician training in primary care specialties and (2) programs, especially programs described in clause (1), conducted by entities which serve medically underserved populations, as designated under section 329(b).

"(c) No entity may receive—

"(1) a grant or contract for more than $100,000 for the establishment of a program, or the expansion of an existing program, in the training of physicians in any particular specialty or subspecialty area, in any fiscal year.

"(2) a grant or contract for more than two consecutive years for the establishment of a program, or the expansion of an existing program, for the training of physicians in any particular specialty or subspecialty area.

"(d) For the fiscal year ending June 30, 1978, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

"GRANTS FOR REDUCING POSITIONS

"Sec. 798. (a) The Secretary shall make grants to entities which—

"(1) directly provided postgraduate physician training on July 1, 1980; and

"(2) because of the operation of this part, are able to obtain a decreased number of postgraduate physician trainees following July 1, 1980; and

"(3) have a plan to utilize the funds from such grants to initiate the provision of services, previously provided by postgraduate physician trainees, by other health professions personnel, especially nurse clinicians. The Secretary shall pay to such entities $10,000 for each individual position decrease in the first year following such decrease and $5,000 for each position decrease in the second year following such decrease.

"(b) For the fiscal year ending June 30, 1981 and for each of the two succeeding fiscal years, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

"STUDY OF PHYSICIAN SPECIALTY DISTRIBUTION

"Sec. 798A. (a) The Secretary shall, within ninety days of the appointment of the National Council, contract, with the approval of the National Council as provided in subsection (b), for the conduct of a study to:

"(1) Analyze the current distribution of physicians by specialty and subspecialty in the United States and its possessions. The distribution of medical and osteopathic physicians by specialty and subspecialty by geographic area shall be determined. Medical specialties and subspecialties shall be defined in a manner consistent with recognized categories; geographic area shall be defined as reasonable medical trade areas for each specialty or subspecialty; special attention shall be given to determining what part of the practice of physicians in each specialty and subspecialty is spent in primary care activities.

"(2) Project the expected distribution of physicians by specialty and subspecialty by geographic area for the years 1980, 1985, and 1990. Such projection shall be based on current trends in physician specialty training and choice of practice sites, the activities of various specialty boards and other organizations, and the retirement-death rate of physicians by specialty and subspecialty.

"(3) Examine and critically evaluate the various methodologies for estimating the optimal distribution of physicians by specialty and subspecialty by geographic area. Methodologies examined and evaluated shall include methodologies utilized by foreign countries.

"(4) Develop a reliable and appropriate methodology to establish the optimal distribution of physicians by specialty and subspecialty by geographic area. Utilizing such methodology, projections shall be made for the optimal number of physicians by specialty and subspecialty by geographic area for the years 1980, 1985, and 1990.

"(b) The National Council shall approve the organization selected by the Secretary to conduct the study required by subsection (a). Such organization shall—

"(1) have a national reputation for objectivity in the conduct of studies for the Federal Government;

"(2) have the capability to readily marshal the widest possible range of expertise and advice relevant to the conduct of such studies;

"(3) have a membership and competent staff which have backgrounds in government, the health sciences, and the social sciences;

"(4) have a history of interest and activity in health policy issues related to such studies; and

"(5) have extensive existing contracts with interested public and private agencies and organizations.

"(c) An interim report providing a plan for the study required by subsection (a) shall be submitted by the organization conducting the study to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives by January 31, 1975; and a final report giving the results of the study shall be submitted by such organization to such committees by January 31, 1976.

"(d) There is authorized to be appropriated $10,000,000, which shall be available without fiscal year limitations, for the conduct of the study required by subsection (a).

"TERMINATION OF FINANCIAL ASSISTANCE

"Sec. 798B. (a)(1) No entity which maintains, or has at any time after July 1, 1980, maintained, any post-graduate physician training position which is not certified in accordance with this part as a postgraduate physician training position shall receive any financial assistance (including grants, contracts, loans, loan guarantees, or interest subsidies) under this Act or the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963.

"(2) No individual or entity which is affiliated with, or individual who is employed by, any entity described in paragraph (1) shall receive any financial assistance described in such subsection.

"(b)(1) No individual who has received postgraduate physician training by filling a postgraduate physician training position in any institution which position had not been certified in accordance with this part at the time he received such training shall receive any financial assistance described in subsection (a)(1).

"(2) No entity which employs or in any way pays or reimburses individuals described in paragraph (1) shall receive any financial assistance described in subsection (a)(1).

"(c) The provisions of subsections (a) and (b) shall become effective on July 1, 1980, and shall not apply with respect to any individual who completes his postgraduate training prior to that date."

TITLE VIII—MINIMUM NATIONAL STANDARDS FOR STATE LICENSURE OF PHYSICIANS AND DENTISTS

Sec. 801. Title VII is amended by adding at the end thereof the following new part:

"PART I—MINIMUM NATIONAL STANDARDS FOR STATE LICENSURE OF PHYSICIANS AND DENTISTS

"Sec. 799. As used in this part the term—

"(1) 'physician' means a doctor of medicine or a doctor of osteopathy.

"(2) 'dentist' means a doctor of dentistry.

"(3) 'State agency' means the department, commission, board, or other agency of a State which is charged by the law of that State with the administration of laws and regulations regarding licensure of physicians and dentists.

"MINIMUM NATIONAL STANDARDS FOR STATE LICENSURE OF PHYSICIANS AND DENTISTS

"Sec. 799A. (a)(1) Within two years of the date of enactment of this part, the Secretary shall, in consultation with appropriate professional organizations, and in cooperation with any recognized national professional testing organization or organizations, develop and establish national standards for the licensure of physicians and dentists and prepare appropriate examinations for the initial licensure and appropriate procedures for the subsequent renewal of such licensure (which shall be required periodically, but at least once every six years). Such standards shall include satisfactory performance, as defined by the Secretary, on an initial examination, demonstration of written and spoken proficiency in the English language in a manner approved by the Secretary, and compliance with such other requirements as are determined to be appropriate for the evaluation of competence to practice medicine or dentistry.

"(2) (A) A physician or dentist licensed to practice his profession in any State shall be deemed to have complied with the appropriate procedures for renewal of his license required by this section if he has complied with the procedures established by any appropriate professional organization and certified by the Secretary in accordance with subparagraph (B).

"(B) The Secretary shall certify the procedures for renewal of licenses under this part, established by any appropriate professional organization, except upon a finding that such procedures are not adequate to assure appropriate continuing competence to practice medicine or dentistry. If the Secretary fails to certify any such procedures he shall publish in the Federal Register a statement of the reasons for such action.

"(3) Procedures for the renewal of licensure prescribed under this section shall not, so far as they are applicable to physicians and dentists who are licensed to practice their professions in any State on the date of enactment of this section require the taking of an examination as a condition of relicensure. Nothing in this paragraph shall be construed to preclude a State or appropriate professional organization from establishing such procedures as it deems necessary for the relicensure of physicians and dentists.

"(b) The Secretary shall periodically, but not less often than once every two years, review the national standards (including the examinations and certifications) established pursuant to subsection (a) and shall, in a manner consistent with such subsection, revise such standards as appropriate to assure that such standards are adequate for evaluation of competence to practice medicine or dentistry.

"(c) Prior to the establishment or revision of the national standards, pursuant to this section, the Secretary shall publish a notice in the Federal Register and afford all interested parties a reasonable opportunity to present their views by oral and written submissions. The final action of the Secretary in establishing and revising the national standards shall be subject to judicial review in accordance with section 799B(e) (3) in the United States Court of Appeals for the District of Columbia Circuit.

"(d) nothing in this title shall be construed to permit the Secretary or any other officer of the U.S. to license or suspend the license of any individual for the practice of medicine or dentistry.

"STATE PROGRAMS FOR LICENSURE IN ACCORDANCE WITH THIS TITLE

"Sec. 799B. (a) (1) By July 1, 1980 a State may establish a program for licensure of physicians and dentists in accordance with this part.

"(2) A State licensure program is in accordance with this part only if it meets or exceeds all of the national standards and complies with the provisions of sections 799C and 799D. A State program 'meets' the national standards only if the substance of the State program requirements is the same as or the equivalent of the corresponding requirements of the national standards. A State licensure program 'exceeds' the national standards only if it includes requirements which are the same as or equivalent to the corresponding requirements of the national standards, and imposes additional requirements which are reasonably necessary to assure competent physicians and dentists, and which are not inconsistent with the national standards.

"(b) Upon the establishment of a program, pursuant to subsection (a), in any State, the State agency shall promptly submit to the Secretary a certified copy of such program, together with all relevant information which is requested by the Secretary. Within one hundred and twenty days after the Secretary receives a copy of a State licensure program established under subsection (a), the Secretary shall make a determination whether such State has established a licensure program in accordance with this part. Unless the Secretary determines pursuant to this section that a State licensure program is not in accordance with this part, the program shall go into effect in such State on the date designated in the program. In no event shall such State program go into effect less than nine months or more than twelve months after the date of its establishment.

"(c) The Secretary shall periodically, but not less often than once every three years, review each State licensure program which has been determined under subsection (b) to be in accordance with this part to determine whether such program is still in accordance with this part. To facilitate such review each State agency shall submit to the Secretary periodically all relevant information which is requested by the Secretary. The Secretary shall report to the President and Congress simultaneously on July 1 of each year on the results of such reviews, including any recommendations for legislation.

"(d) (1) If, by July 1, 1980 a State has not established a licensure program in accordance with this part (as determined by the Secretary under subsection (b)), the national standards established by the Secretary pursuant to section 799A(a) and the provisions of sections 799C and 799D shall become applicable in such State. The national standards shall go into effect in such State on the first day of the ninth month after such standards become applicable or on a date designated by the Secretary, whichever is earlier.

"(2) If, after the national standards are applicable or in effect in a State, the Secretary, upon petition, makes a determination, pursuant to subsection (b), that such State has established a licensure program in accordance with this part, such State licensure program shall go into effect and the national standards shall cease to be applicable or in effect on a date to be designated by the Secretary.

"(3) If, after a State licensure program in accordance with this part is in effect in a State, the Secretary makes a determination, pursuant to subsection (c), that such State licensure program is no longer in accordance wih this part, then such program shall cease to be in effect on a date to be designated by the Secretary, and on that date the national standards and the provisions of sections 799C and 799D shall go into effect in such State.

"(e) (1) Before making any determination under this section, the Secretary shall publish a notice in the Federal Register and afford the State and all interested parties a reasonable opportunity to present their views by oral and written submission.

"(2) The Secretary shall notify in writing the Governor and the State legislature of the affected State of any determinations made under this section and shall publish these determinations with reasons therefor in the Federal Register.

"(3) Any determinations made by the Secretary under this section shall be subject to judicial review in accordance with chapter 7 of title 5, United States Code, in the United States court of appeals for the circuit in which is located the State whose plan is the subject of such determination or in the United States Court of Appeals for the District of Columbia Circuit. Any such review shall instituted within sixty days from the date on which the determination made by the Secretary is published in the Federal Register.

"RECIPROCITY

"Sec. 799C. A physician or dentist licensed to practice his profession in any State shall be deemed to be qualified for licensure in any other State in which the national standards are in effect or which has a licensure program which meets the national standards, as determined by the Secretary under section 799B. In the case of any State which has a licensure program which exceeds the national standards, as determined by the Secretary under section 799B, such a physician or dentist shall be deemed to be qualified for licensure in that State upon compliance with the additional requirements imposed by the licensure program of such State.

"STATE LICENSURE REQUIREMENTS

"Sec. 799D. (a) No State shall establish any requirement for licensure of physicians or dentists which requires that the individual applying for licensure reside in such State for a designated period of time as a condition prior to such licensure.

"(b) Each State shall apply the requirements of its licensure program equally to all individuals who apply to be licensed in such State whether they have received an education in medicine or dentistry in the United States or in a foreign nation. Each State licensure program shall have only one set of licensure requirements and no State shall license (including issuance of temporary, partial, limited, institutional, and conditional licenses) any individual to practice medicine or dentitry unless such individual has met all of the requirements of its licensure program.

"(c) In the case of any physician or dentist obligated to provide health services in accordance with section 747(c), 750(d), 751(d), or 771(b) (2) and selected by the Secretary to provide such service, each State in which such physician or dentist is licensed to practice his profession shall suspend any license given to such physician or dentist upon certification by the Secretary that such physician or dentist has not fulfilled such obligation in accordance with the requirements of such section.

"(d) A State shall suspend a license previously given to any physician if such physician has received any postgraduate training by filling a postgraduate physician training program position in any institution unless such position had been certified in accordance with part H at the time he received such training, except that this subsection shall not apply to any individual who completes his postgraduate training prior to July 1, 1977.

"(e) The requirements of this part with respect to licensure shall not apply to any physician or dentist in any State who has been given a license to practice his profession in such State prior to the date upon which the provisions of this part take effect in such State, except that any such physician or dentist shall, after the provisions of this part take effect in such State, be subject to the requirements of this part respecting suspension and renewal of licenses.".

TITLE IX—RADIATION HEALTH AND SAFETY

SEC. 901. This title may be cited as the "Radiation Health and Safety Act of 1973".

SEC. 902. It is the purpose of this title to—

(a) provide for the protection of public health from the potential adverse effects of unnecessary consumer-patient radiation exposure by assuring efficacious consumer-patient radiologic services;

(b) assure adequate training of radiologic technologists by providing for the establishment of criteria and minimum standards for the accreditation of schools training radiologic technologists;

(c) provide for the establishment of criteria and minimum standards for the licensure of radiologic technologists; and

(d) provide for establishment of programs for the accreditation of education institutions training radiologic technologists and of State programs for the licensure of radiologic technologists, with authority for the Secretary to take necessary action in the absence of State action.

SEC. 903. Part F of title III of the Public Health Service Act is amended by inserting after subpart 3 the following new subpart:

"SUBPART 4.—RADIOLOGIC TECHNOLOGISTS

"DECLARATION OF PURPOSE

"SEC. 360G. The Congress finds and declares—

"(a) that, consistent with the recommendations of the National Council on Radiation Protection and Measurement and the International Commission on Radiological Protection, it is in the national interest and in the interest of public health and safety to minimize exposure of the public to potentially hazardous radiation from all sources;

"(b) while the operation and use of radiologic equipment and methods is essential in modern medicine, even the most advanced radiologic equipment and procedures will not adequately protect the health and safety of either the consumer-patient subjected to radiologic procedures or the individuals performing such radiologic procedures, including their progeny, unless the individuals performing radiologic procedures are fully qualified by reason of training and experience in the operation of radiologic equipment or in the performance of radiologic procedures so as to avoid unnecessary consumer-patient and operator exposure to unnecessary radiation and to assure efficacious consumer-patient radiologic services;

"(c) that it is in the overall public health interest to have an adequate and continuing supply of well-trained radiologic technologists and that any person who operates radiologic equipment or administers radiologic procedures to consumer-patients should be required to demonstrate competence by training, experience, and examination;

"(d) that the protection of the public health and safety from unnecessary exposure to potentially hazardous radiation from all sources is the primary responsibility of State and local government, within minimum criteria and standards established by the Federal Government; and

"(e) that, consistent with the recommendations of (1) the National Advisory Committee on Radiation to the Surgeon General in 1966, (2) the Secretary's Task Force on Environmental Health and Related Problems in June 1967, (3) the Surgeon General's Medical X-Ray Advisory Committee on Public Health Considerations in Medical Diagnostic Radiology in October 1967, (4) the 1970 report of the Secretary to the Congress pursuant to the Radiation Control for Health and Safety Act of 1968, (5) the National Academy of Sciences-National Research Council's Advisory Committee on the Biological Effects of Ionizing Radiations in November 1972, and (6) the Conference of Radiation Control Program Directors in May 1974, it is in the national interest and in the interest of public health and safety to provide for mandatory licensure of persons administering potentially hazardous radiation to consumer-patients.

"RECOMMENDED CRITERIA AND STANDARDS

"SEC. 360H. (a) The Secretary shall, as soon as practicable but not later than one year after the date of enactment of this subpart, develop and issue criteria and minimum standards for the accreditation of education institutions conducting programs for the training of radiologic technologists and for use in the accreditation of education institutions conducting programs for the training of medical and dental practitioners, dental hygienists, and dental assistants. Such criteria and standards shall be published in the Federal Register.

"(b)(1) The Secretary shall, as soon as practicable, but not later than one year after the date of enactment of this subpart, develop and issue to the States criteria and minimum standards for licensure of radiologic technologists, and provide such other advice and assisance to the States as he deems necessary for the effective implementation of this subpart. Such criteria and minimum standards shall distinguish between the following categories of specialization: senior radiologic technologists, medical radiologic technologists, dental radiologic technologists, radiation therapy technologists, nuclear medicine technologists, photoroentgen technician, and technologist-in-training. The Secretary may provide in such criteria and minimum standards that graduation from an educational institution for the training of radiologic technologists accredited pursuant to this subpart satisfies the requirements for a provisional license as a technologist-in-training conditioned on licensure within one year in one or more categories of specialization. Such criteria and standards shall be published in the Federal Register. The Secretary may designate other categories of specialization or levels of competence for the purpose of licensure if he finds that such additional categories are required to assure adequate protection of public health from unnecessary radiation exposure or to assure efficacious consumer-patient radiologic services.

"(2) The Secretary shall, concurrent with the development and issuance of criteria and standards under paragraph (1) of this section, review and evaluate any voluntary certification programs in existence on the date of enactment of this subpart, and he shall, based on such review and evaluation, determine whether such programs meet the criteria and standards issued pursuant to this section. If he is satisfied that a program meets such criteria and standards he shall, within one year thereafter, license those individuals who have been certified under such programs in the appropriate categories of specialization established pursuant to paragraph (1) of this subsection.

"(c) In establishing criteria and minimum standards under this section the Secretary shall consult with the Environmental Protection Agency, State health departments, and appropriate professional organizations.

"(d) The Secretary shall give to the States such other advice and assistance as will foster enactment and enforcement of appropriate laws and standards. Such advice and assistance may include model laws and training curriculums, and training aids.

"(e) The Secretary shall, from time to time, revise the criteria and standards issued by him pursuant to this subpart.

"ACCREDITATION AND LICENSURE

"SEC. 3601. (a) The training and licensure of radiologic technologists who intend to apply radiation to humans for diagnostic or therapeutic purposes in any State or States shall be subject to the provisions of this subpart.

"(b) Consistent with the policy declaration of this subpart, State and local government shall be encouraged to minimize exposures of the public to potentially hazardous radiation from all sources and shall not be displaced by Federal action except as otherwise provided under subsection (c) or (d).

"(c) Upon issuance of the criteria and minimum standards pursuant to section 360H for the accreditation of educational institutions, the Governor of a State may file with the Secretary a letter of intent that such State will within two years of the issuance of the criteria and minimum standards adopt as a minimum, the standards of accreditation of educational institutions issued by the Secretary. If, after two years, a State fails to adopt such standards, or is unable to adopt such standards or more stringent standards, the minimum standards issued by the Secretary for the accreditation of educational institutions shall become the standards in such State. If the Secretary determines that such State standards are consistent with the criteria and minimum standards issued pursuant to section 360H; that an adequate means of enforcement by State action is provided; and that the State program is consistent with the purposes of this subpart, such State standards shall be the standards applicable in such State.

"(d) Upon application of a Governor, the Secretary may grant an extension under section (c) for not more than two years if after review the Secretary determines that good faith efforts have been made by the State and reasonable assurance is provided that an effective program to implement the purposes of this subpart will be provided by the State within the period of the extension.

"(e)(1) After receiving any criteria and minimum standards issued pursuant to section 360H for the licensure of radiologic technolgists, the Governor of a State may file a letter of intent that such State will within two years of the issuance of the criteria and minimum standards adopt as a minimum the standards for licensure of radiologic technologists issued by the Secretary. If, after two years, a Governor fails to adopt such standards, or is unable to adopt such standards or more stringent standards, the minimum standards issued by the Secretary for licensure of radiologic technologists shall become the standards in such State. If the Secretary determines that such State standards are consistent with the criteria and minimum standards issued pursuant to section 360H; that an adequate means of enforcement by State action is provided; and that the State program is consistent with the purposes of this subpart, such State standards shall be the standards applicable in such State.

"(2) Notwithstanding any other provision of this section, in the case of a State which has, prior to the effective date of standards and criteria promulgated pursuant to this subpart, established standards for the accreditation or licensure of radiologic technologists, such State shall be deemed to be in compliance with this section unless the Secretary determines, after notice and hearing, that the standards of such State do not meet the minimum standards prescribed by the Secretary pursuant to this section or the conditions for approval of a State program set forth in paragraph (1) of this subsection.

"(f) The Secretary may authorize appropriate professional organizations to provide accreditation and licensing under this section if he determines that such organization will adhere to the criteria and minimum standards issued pursuant to section 360H. For the purposes of accreditation, the Secretary shall, to the maximum extent practicable, consistent with the purposes of this subpart, utilize organizations recognized by the Commissioner of Education for such purposes.

"(g) The Secretary may make grants to

States or professional organizations designated pursuant to subsection (f) of this section in an amount up to two-thirds of the first year and one-third of the second year costs of planning, developing, or establishing programs to carry out the purposes of this subpart.

"(h) The Secretary may make grants to educational institutions under section 773 and 789A of this Act to carry out the purposes of this subpart.

"(i) The Secretary shall annually review programs established pursuant to this subpart and shall suspend the effectiveness of any standards or regulations as to accreditation or as to licensure with respect to any State or certified professional licensing organization designated pursuant to subsection (f) when he determines that program of any State or organization is inconsistent with the purposes of this subpart or with revised criteria and minimum standards issued pursuant to subsection 360H(e).

"PROHIBITED ACTS

"SEC. 360J. (a) Upon the effective date of regulations and standards established pursuant to the subpart, it shall be unlawful for any individual to apply potentially hazardous radiation to humans for diagnostic or therapeutic purposes unless he is a licensed medical practitioner, a licensed dentist, a licensed dental hygienist, or holds a valid radiologic technologist license issued in accordance with standards promulgated pursuant to section 360H, except, for a licensed photo-roentgen technologist or a licensed technologist-in-training who must be under the supervision of a radiologist or a more specialized radiologic technologist as provided for in section 360H.

"(b) The district courts of the United States shall have jurisdiction, for cause shown, to restrain violations of this section. The district courts of the United States shall also have jurisdiction in accordance with section 1355 of title 28 of the United States Code to enforce the provisions of this section.

"(c) (1) Any violation of this subsection by an individual applying potentially hazardous radiation to human beings for diagnostic or therapeutic purposes shall be subject to a civil penalty of not more than $1,000. For the purposes of this section, any such violation shall be with respect to each act or omission made unlawful by this section.

"(2) Any such civil penalty may on application be remitted or mitigated by the Secretary. In determining the amount of such penalty, or whether it should be remitted or mitigated and in what amount, the appropriateness of such penalty to the size of the business of the person charged and the gravity of the violation shall be considered. The amount of such penalty, when finally determined, may be deducted from any sums owing by the United States to the person charged.

"(d) Actions under this section may be brought in the district court of the United States for the district wherein any act or omission or transaction constituting the violation occurred, or in such court for the district where the defendant is found or transacts business, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found.

"(e) Nothing in this subpart shall be construed as requiring the Secretary to report for the institution of proceedings minor violations of this subpart whenever he believes that the public interest will be adequately served by a suitable written notice or warning.

"(f) The remedies provided for in this section shall be in addition to and not in subsection for any other remedies provided by law."

TITLE X—CHILDREN'S DENTAL HEALTH

SEC. 1001. This title may be cited as the "Children's Dental Health Act of 1974".

SEC. 1002. The Public Health Service Act is amended by adding at the end thereof the following new title:

"TITLE XIV—DENTAL HEALTH PROJECTS

"GRANTS FOR PROJECTS FOR DENTAL CARE FOR CHILDREN

"SEC. 1401. (a) There are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1975, which shall be used by the Secretary to make grants to the health agency of any State (or political subdivision thereof) or to any other public or nonprofit private agency, organization, or institution to pay for part of the cost of the carrying out (on a planned and systematic basis) by such agency, organization, or institution, of one or more comprehensive projects for dental care and services for children of preschool and school age. Any such project shall include such comprehensive corrective, followup and preventive services (including dental health education), and treatment as may be required under regulations of the Secretary.

"(b) Grants under this section shall not be utilized to provide or pay for dental care and services for children unless such children are determined in accordance with regulations of the Secretary to be (A) from low-income families, or (B) unable, for reasons beyond their control, to obtain such care and services.

"(c) Grants under this section may be utilized for the conduct of research, demonstrations, or experimentation carried on with a view to developing new methods for (1) the prevention, diagnosis, or treatment of dental problems, (2) the payment for dental care services, or (3) the utilization of dental health care personnel with various levels of training, except that not more than 10 per centum of any grant under this section shall be so utilized.

"(d) In making grants under this section, the Secretary shall accord priority to projects designed to provide dental care and preventive services for children of preschool age and school age children who are in the first five grades of school.

"GRANTS FOR WATER TREATMENT PROGRAMS

"SEC. 1402. (a) There are hereby authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, which shall be used by the Secretary to make grants to States, political subdivisions of States, and other public or nonprofit private agencies, organizations, and institutions to assist them in initiating, in communities or in public elementary or secondary schools, water treatment programs designed to reduce the incidence of oral disease or dental defects among residents of such communities or the students in such schools (as the case may be).

"(b) Grants under this section may be utilized for (but are not limited to) the purchase and installation of water treatment equipment.

"(c) Grants under this section shall not exceed—

"(1) 80 per centum of the cost of the treatment program with respect to which such grant under this section is made in the case of any grant under section 1401; and

"(2) 66⅔ per centum of the cost of the treatment program with respect to which such grant is made in the case of any other grant.

"GRANTS TO TRAIN AUXILIARY DENTAL PERSONNEL

"SEC. 1403. There are hereby authorized to be appropriated $12,000,000 for the fiscal year ending June 30, 1975, which shall be used by the Secretary to make grants to public and nonprofit private institutions to assist them in establishing and carrying out programs to educate and train persons for careers as auxiliary dental personnel with special emphasis on the education and training of veterans of the armed forces who have received experience and training in dental auxiliary functions.

"PROJECTS TO PROMOTE EFFECTIVE USE OF AUXILIARY DENTAL PERSONNEL

"SEC. 1404. (a) There are hereby authorized to be appropriated $6,000,000 for the fiscal year ending June 30, 1975, which shall be used by the Secretary to make grants and enter into contracts (without regard to section 3648 of the Revised Statutes, 31 U.S.C. 539) under subsection (c) and to make grants to dental schools, and to other public or nonprofit private agencies, organizations, and institutions, and to enter into contracts (without regard to section 3648 of the Revised Statutes, 31 U.S.C. 529) with individuals, agencies, organizations, and institutions, for projects described in subsection (b).

"(b) Grants and contracts under this section may be made or entered into for projects for—

"(1) planning, establishing, demonstrating, or supporting programs to teach dental students and dentists the efficient and effective utilization of dental auxiliaries and the management and supervision of total dental health teams (including, but not limited to, teams consisting of various types of auxiliary dental personnel who are trained in carrying out expanded functions or procedures which do not require the knowledge and skill of the dentist), with special emphasis on the employment and utilization of veterans of the armed forces who have received experience and training in dental auxiliary functions;

"(2) demonstration and experimentation of ways to organize dental health services to achieve maximum effectiveness in the use of auxiliary dental personnel, which projects take into account such factors as patient aceptance, quality of care; and cost of services; and

"(3) planning, establishing, demonstrating, or supporting field training programs for dental students and auxiliary dental personnel in which dental care and preventive services are provided by such persons under professional supervision in areas characterized by low family incomes or shortage of and need for dental services.

"(c) The Secretary is authorized to utilize sums appropriated pursuant to subsection (a) to make grants to dental schools and to other public or nonprofit private agencies, organizations, and institutions, and to enter into contracts with individuals, agencies, organizations, and institutions for special projects related to investigation and demonstration of ways of providing incentives for developing or establishing dental facilities or services in areas or communities in a State determined by the appropriate State health authority in such State to have a shortage of and need for dentists.

"DENTAL ADVISORY COMMITTEE

"SEC. 1405. (a) The President shall appoint a Dental Advisory Committee consisting of seven members, four of whom shall be selected from the dental profession and three from the general public. Members shall be appointed from among persons who, by virtue of their training, experience, and background, are exceptionally qualified to appraise the programs established by this title. The Secretary shall be an ex officio member of the Committee.

"(b) (1) Members shall be appointed for six-year terms, except that of the members first appointed three shall be appointed for two years, two shall be appointed for four years, and two shall be appointed for a term of six years as designated by the President at the time of appointment. The members shall select their own chairman.

"(2) Any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall serve only for the remainder of such term. Members shall be eligible for reappointment and may serve after the expiration of their terms until their successors have taken office.

"(3) The Dental Advisory Committee shall advise the Secretary in regard to the reports required under section 1406, in regard to programs established under this title, and in regard to activities carried on by the Department of Health, Education, and Welfare related to dental health, dental manpower, or dental training and services, and shall serve as a reviewing body for grants made pursuant to this title, where such review is deemed necessary by the Secretary.

"(4) Members of the Dental Advisory Committee who are not officers or employees of the United States shall receive compensation at rates not to exceed the daily rate prescribed for GS-18 under section 5332, title 5, United States Code, for each day they are engaged in the actual performance of their duties, including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as the expenses authorized by section 5703, title 5, United States Code, for persons in Government service employed intermittently.

"(5) The Secretary shall make available to the Dental Advisory Committee such staff, information, and other assistance as it may require to carry out its activities.

"(6) The Secretary, after consultation with the Dental Advisory Committee, shall promulgate such rules and regulations as are necessary to carry out the purposes of this title.

"REPORT

"Sec. 1406. (a) The Secretary shall submit a report to the Congress not later than January 31 of each year on the progress of the implementation and administration of the programs established under this title.

"(b) The Secretary shall submit to the Congress a report containing his recommendations concerning the need and feasibility of a comprehensive national dental health program for children within ninety days before the end of the fiscal year ending June 30, 1977."

Sec. 1003. Section 1902(a)(10) of title XIX of the Social Security Act is amended by adding at the end thereof the following: "and except that services described in paragraph (10) of section 1905(a) may be made available to individuals or groups of individuals under age eighteen without making available such services to the same amount, duration, and scope to individuals of any other ages;".

TITLE XI—MISCELLANEOUS PROVISIONS

Sec. 1101. Section 401 of the Health Programs Extension Act of 1973 is amended by adding at the end thereof the following new subsection:

"(e)(1) No individual shall be required to perform or assist in the performance of any portion of a health service program or research activity funded in whole or in part by the Department of Health, Education, and Welfare if such performance or assistance would be contrary to his religious beliefs or moral convictions.

"(2) No entity shall be required to make its facilities available for the performance of any health service program or research activity funded in whole or in part by the Department of Health, Education, and Welfare if such performance is prohibited by the entity on the basis of religious beliefs or moral convictions.

"(3) No entity may (A) discriminate in the employment, promotion, or termination of employment of any physician or other health care personnel, or (B) discriminate in the extension of staff or other services to any physician or other health care personnel solely because he performed or assisted in the performance of a lawful health service program or research activity in an unrelated facility, or solely because he refused to perform or assist in the performance of such a health service program or research activity, in a facility controlled by such entity on the grounds that his performance or assistance in the performance of such health service program or research activity would be contrary to his religious beliefs or moral convictions."

Sec. 1102. The provisions of this section shall not be construed as superseding the provisions of section 401 (b) and (c) of the Health Programs Extension Act of 1973.

Sec. 1103. Any action brought by an individual against an entity in which it is asserted that subsection (e)(2) of section 401 of the Health Programs Extension Act of 1973 is repugnant to the Constitution of the United States shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28, and any appeal shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing and determination thereof, and to cause the case to be in every way expedited.

Sec. 1104. The authorizations of appropriations provided by title VII and Title XIV of the Public Health Service Act, as amended by this Act, are extended for the fiscal year ending June 30, 1976 in amounts authorized for the preceding fiscal year unless before June 30, 1975 Congress has passed legislation repealing this section.

Sec. 1105. The Secretary shall, within three months after the date of enactment of this Act, issue regulations in final form to implement section 799A and section 845 of the Public Health Service Act.

Sec. 1106. (a) Paragraph (f) of section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.CM. 321(f)) is amended by (1) redesignating clauses "(1)", "(2)", and "(3)'" as clauses "(A)", "(B)", and "(C)", respectively, (2) inserting "(1)" immediately after "(f)", and (3) adding at the end thereof the following:

"(2) The term 'food supplement' means food for special dietary uses.

"(3) The term 'special dietary uses', as applied to food for man, means particular (as distinguished from general) uses of food, as follows:

"(A) Uses of supplying particular dietary needs which exist by reason of a physical, physiological, pathological, or other condition, including but not limited to the conditions of diseases, convalescence, pregnancy, lactation, allergic hypersensitivity to food, underweight, and overweight;

"(B) Uses for supplying particular dietary needs which exist by reason of age, including but not limited to the ages of infancy and childhood;

"(C) Uses for supplementing or fortifying the ordinary or usual diet with any vitamin, mineral, or other dietary property. Any such particular use of a food is a special dietary use, regardless of whether such food also purports to be or is represented for general use.

(b) No provision of any regulation under section 403(j) of the Act shall be construed as exempting any food from any other provision of the Act or regulations thereunder, including sections 403 (a) and (g) and, when applicable, the provisions of chapter V of the Act."

Sec. 2. Chapter IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341-348) is amended by adding at the end thereof the following new section:

"Sec. 410. In administering this Act the Secretary shall not limit the potency, number, combination, amount, or variety of any synthetic or natural vitamin, mineral, or other nutritional substance, or ingredient of any food for special dietary uses if the amount recommended to be consumed does not ordinarily render it injurious to health.

Sec. 1107. Section 799A of this Act is amended by inserting "or age" after "sex" each time it appears.

Sec. 1108 (a). "The Secretary shall provide individuals who are engaged in the practice of their profession under agreements entered into under section 771(b) with technical assistance to the same extent that technical assistance is provided to members of the National Health Service Corps under section 329.

"(b) Any individual who has entered into an agreement under section 774(b) may extend the period of obligated service under the agreement for one year in exchange for a grant of $12,500 or two years in exchange for a grant of $25,000 from the Secretary to assist him in establishing and operating his medical or dental practice. Any grant under this subsection shall be expended in accordance with regulations prescribed by the Secretary, which regulations shall provide that no expenditures may be made for the purchase of construction of facilities.

Sec. 1109. "(a) With respect to any individual authorized to be assisted under section 776(b)(2)(A), the Secretary may award to such individual a stipend, with allowances for travel and for dependents, for postsecondary education or training required to qualify the individual for admission to a program of a school, above the undergraduate level, leading to the first professional degree in the provision of health care. For purposes of this paragraph a degree in public health administration shall not be deemed to be a degree in the provision of health care.

"(b) With respect to any individual authorized to be assisted under section 776 (b)(2)(A), the Secretary may award a stipend, as described in the preceding paragraph, to assist the individual in meeting the costs of his first year of study in such program."

Mr. KENNEDY. Mr. President, I ask unanimous consent that Mr. James Murphy of the staff of the Committee on Labor and Public Welfare be accorded the privilege of the floor during the time of this discussion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, this amendment is intended to substantially reduce any inflationary impact in the bill. The President has quite appropriately characterized inflation as Public Enemy No. 1. We in the Congress must make every effort to cooperate with President Ford in bringing this runaway economy under control.

Our amendment is designed to do that in the health manpower area. The bill, as reported from the committee, contained 5 years of new budget authority, totaling $5.1 billion. Our amendment would eliminate the last 4 years of the bill, thereby resulting in savings amounting to more than $4.2 billion. In addition, the amendment provides for an automatic, 1-year extension of the authority, through fiscal year 1976, if the Congress does not otherwise act. This provision for an automatic 1-year extension has already been adopted by the Congress earlier this year on the health services research and development bill.

Mr. President, the amendment now pending also makes important adjustments in the committee's bill regarding mandatory service, specialty maldistribution, and licensure. This amendment proposes to substantially delay the provisions of the committee's bill in order to give the voluntary sector one final attempt to overcome these problems without direct governmental involvement.

For example, the amendment contains the Nelson-McGovern amendment which provides that Noone would perform mandatory service prior to June 30, 1980. And that after that date, no individual shall be required to serve unless the Secretary of the Department of Health, Education, and Welfare determines that the voluntary efforts have been insufficient.

I want to point out to my colleagues that this provision is warmly endorsed by the Association of American Medical Colleges, which has heretofore adamantly opposed mandatory service. I ask unanimous consent that their letter supporting this amendment as "eminently fair, appropriate, and feasible," be included in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit No. 1.)

Mr. KENNEDY. Similarly, this amendment delays until 1980 the operative features of the postgraduate physician training program and the provisions respecting the licensure and relicensure of physicians and dentists. The amendment provides that—

> Nothing in this title shall be construed to permit the Secretary or any other officer of the United States to license or suspend the license of any individual for the practice of medicine or dentistry.

Finally, Mr. President, this amendment incorporates the provisions of several other amendments which would have otherwise been offered to S. 3585 later in this debate. Each of these excellent amendments will, I am sure, be described at length by their authors.

I will only briefly describe them at this point.

First of all, we have included the provisions of Senator PROXMIRE's bill S. 2801, respecting the authority of the Food and Drug Administration concerning vitamins. We have talked about that measure here this morning. I am well aware of the strong and divergent views which are held concerning this bill. These differences of opinion were manifested in Health Subcommittee hearings, which I recently chaired. I do believe that the Senate should have the opportunity to consider the provisions of S. 2801 on their merits.

Our amendment also includes the Williams, Kennedy, Eagleton, Cranston and Javits amendment which is designed to overcome an inadvertent oversight in the bill which would have unfairly penalized schools of medicine and dentistry which have 3-year curriculums.

Our amendment includes Senator CHURCH's amendment which insures that States which do not have a medical school, but which do make substantial contributions to another State's school, will qualify for the bonus provisions of the bill designed to overcome geographic maldistribution.

Mr. President, this amendment also includes the excellent proposal by Senators ALLEN and SPARKMAN which proposes to authorize the awarding of 10 scholarships a year for medical students who agree to enter family practice.

These would be known as Lister Hill scholars.

Senator Hill came to the Senate in 1938. And he was appointed to our committee in that year. He became a member of the Health Subcommittee in 1951, and became chairman of that subcommittee in 1955. During his tenure on the committee, he authored many innovative health bills. He was a pioneer in the health manpower area. And, in fact, the legislation before the Senate today builds upon the precedents he set.

Our amendment also includes the two Mathias provisions regarding age and sex discrimination and regarding schools of the health professions.

Our amendment incorporates the provisions of an amendment intended to be offered by Senators CANNON and BIBLE to insure that the graduates of 2-year American medical and dental schools are equally treated with respect to deriving the benefits of the substitute's provisions regarding the education of U.S. students proposing to enter American medical or dental schools after having begun their education in a foreign institution.

Mr. BIBLE. Mr. President, will the Senator from Massachusetts yield at that point?

Mr. KENNEDY. Yes, I yield.

Mr. BIBLE. I am delighted to hear that the Senator's substitute incorporates the amendment that my colleague, Senator CANNON, and I are prepared to introduce. This was not taken care of in the bill reported by the committee. I am glad that has been taken care of here.

Additionally, I understand that the Senator's substitute also provides for a continuation of the Federal assistance now available to 2-year medical schools that intend to convert to 4-year, degree-granting medical schools. This is also a matter of great importance to us since the University of Nevada Medical School at Reno is still a 2-year school.

I am told by the Senator's staff that this likewise has been taken care of in this substitute amendment.

Mr. KENNEDY. The Senator is entirely correct. There are two medical schools, one in the Senator's State and one in South Dakota. The medical school in South Dakota is converting to a 4-year curriculum, but there is no reason or purpose why this legislation should not include the excellent provisions that have been suggested by the Senators from Nevada. They are completely in compliance with the spirit and thrust of the legislation, so we have accepted their amendment and have included provision for continuing the conversion assistance program.

Mr. BIBLE. I appreciate the Senator's statement and I appreciate his taking care of these problems which are of some concern to both my colleague and myself.

I thank the distinguished Senator from Massachusetts.

Mr. KENNEDY. Finally, Mr. President, our amendment includes two excellent provisions from the substitute, which was offered yesterday by Senators BEALL, DOMINICK, and TAFT.

These two features provide:

First. That any individual who extends his period of obligated service shall receive in exchange a grant of $12,500 annually for a maximum of 2 years from the Secretary to assist him in establishing and operating his medical or dental practice. Such grant would not be available for the purchase of construction facilities.

Second. The disadvantaged assistance program which would provide with respect to any individual authorized to be assisted, that the Secretary may award to such individual a stipend, with allowances for travel and for dependents, for postsecondary education or training required to qualify the individual for admission to a program of a school, above the undergraduate level, leading to the first professional degree in the provision of health care and such stipend may be used to assist the individual in meeting the costs of his first year of study in such program.

In summary, Mr. President, our substitute provides a workable, affordable, and reasonable compromise for this vitally important health manpower legislation. Support of this amendment provides for every Member of the Senate an opportunity to record his unwavering support for continued assistance to the Nation's health professional schools and their students with adequate assurances that one way or another the Nation's health manpower problems will be overcome.

I urge my colleagues on both sides of the aisle to support the Kennedy-Javits-Hathaway amendment.

EXHIBIT NO. 1

ASSOCIATION OF AMERICAN
MEDICAL COLLEGES,
Washington, D.C., September 19, 1974.

Hon. EDWARD M. KENNEDY,
Chairman, Subcommittee on Health, U.S. Senate, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR KENNEDY: In a memorandum sent to your Health Subcommittee on July 31, 1974, the Association of American Medical Colleges expressed its concerns about the mandatory service requirements in S. 3585. That document conveyed the Association's recognition of the need for action to correct serious national problems of maldistribution among health professionals and proposed that a voluntary approach to those problems be given an opportunity to prove its worth before what amounts to a draft in disguise is mandated. More specifically we are convinced that if sufficient incentives are provided, such as a significant increase in the availability of National Health Service Corps Scholarships, sizeable numbers of students will signify their willingness to serve through acceptance of those scholarships. All evidence to date supports this contention in the light of oversubscription by a two or three to one ratio of the various types of scholarships currently offered.

It has come to our attention that Senator Gaylord Nelson has suggested what would seem to be a highly sensible compromise for testing the voluntary approach. He proposed a delay in the implementing date for the mandatory requirement. This would be paralleled with the clear understanding that if voluntarism does not suffice after a reasonable period of trial the extreme of mandated sign-up would be instituted.

It is also understood that the size of the National Health Service Corps Scholarship Program would be increased accordingly.

We urge your support of Senator Nelson's amendment as eminently fair, appropriate and feasible in terms of the precipitating problem, the limited leverage of the schools in this context and the anticipated reaction of students to respond more willingly to a carrot than to a stick.

If further elaboration of the Association's position is desired, we shall be more than ready to assist you.

Sincerely yours,
Daniel C. Tosteson, M.D.,
Chairman.

CALL OF THE ROLL

Mr. BEALL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 420 Leg.]

Beall
Buckley
Byrd,
Harry F., Jr.
Haskell
Hathaway
Kennedy
McClellan
Taft

The PRESIDING OFFICER. A quorum is not present.

Mr. KENNEDY. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names:

Abourezk
Aiken
Allen
Baker
Bartlett
Bennett
Bible
Biden
Brock
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Griffin
Gurney
Hansen
Hart
Hartke
Hatfield
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Long
Magnuson
Mansfield
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Scott, Hugh
Scott,
William L.
Sparkman
Stafford
Stennis
Stevens
Symington
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Alaska (Mr. Gravel), the Senator from Iowa (Mr. Hughes), and the Senator from Illinois (Mr. Stevenson) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Arizona (Mr. Goldwater), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

I further announce that the Senator from Pennsylvania (Mr. Schweiker) is absent due to a death in the family.

The PRESIDING OFFICER (Mr. Hathaway). A quorum is present.

Mr. KENNEDY. Mr. President, I should like to clarify the situation for the Members who are in the Chamber.

We have time limitations on the proposed legislation. Senator Beall and I have been talking about the different approaches since yesterday. I think we are fairly close to a time when, hopefully, we can reach some resolution of these differences.

Before the Senate is the Proxmire amendment, as an amendment to the Beall amendment, on which we are prepared to vote. That has already been included in my substitute for the Beall amendment. Then, hopefully, we will be able to vote on my amendment. If that is adopted, there will then be a vote on final passage or on Senator Beall's amendment.

We had hoped to be able to talk about this matter for perhaps 15 minutes on each side and then reach a decision on definite time, so that Members would know when the vote would take place. I think this is agreeable to the Senator from Maryland. If it is, then perhaps we can move into that discussion and see where we are.

Mr. BEALL. Mr. President, if the Senator will yield, I am agreeable to spending 15 minutes to a side on the debate on the pending substitute to the Beall substitute and vote at the conclusion of that time.

Mr. DOMINICK. Mr. President, will the Senator from Maryland yield some time to me for some questions?

Mr. BEALL. Now?

Mr. DOMINICK. Now, I am trying to find out what the parliamentary situation is.

Mr. BEALL. Prior to the time requested by the Senator from Massachusetts, I will yield the Senator from Colorado time on the bill to make his inquiry.

Mr. DOMINICK. It is my understanding that the amendment of the Senator from Maryland, the Senator from Ohio (Mr. Taft), and myself was up for a vote and that Senator Kennedy has offered an amendment for a substitute. Is that correct?

Mr. BEALL. As the Senator from Massachusetts explained, the parliamentary situation is that I offered—and Senator Dominick and Senator Taft cosponsored—a substitute to the committee bill. This matter was under debate. This morning, Senator Kennedy offered a substitute to my substitute. This matter is now going to be discussed for 15 minutes to a side.

Mr. DOMINICK. The substitute does not materially change what was in the original bill, except that it delays it 2 years. Is that correct?

Mr. BEALL. I hesitate to take the liberty of explaining the Senator's substitute amendment, but I shall do so.

As I understand the Senator's substitute, it would give us a 2-year bill. We would have a 1-year program costing $900 million, with an automatic 1-year extension. It still retains the doctor draft, and it would be effective in 1980. It contains national licensure, and this also would be effective in 1980. It contains the specialty boards which also would be effective in 1980.

In other words, as I understand it, rather than getting a 5-year bill that costs in excess of $5 billion, we have a 1-year bill, with a 1-year extension, costing approximately $900 million, the same as in the reported bill. The other provisions—the ways of implementing this and getting some return for the investment—are delayed until 1980.

I am not certain that I understand the logic of the proposal, but I think that is the substance of it.

Mr. DOMINICK. It is my understanding that Senator Proxmire was going to offer a vitamin amendment, which I would be in favor of. I understood that Senator Kennedy was very much against that, that he put it in the substitute.

Mr. BEALL. Again, the record of the proceedings this morning is that Senator Proxmire did offer his vitamin amendment. He offered it as an amendment to our substitute. I indicated that I thought it was a worthwhile amendment if he agreed that we would vote on the Proxmire amendment prior to the time that we vote on the Kennedy substitute.

In the meantime, the Senator is correct, Senator Kennedy did include the Proxmire amendment as a part of his substitute proposal, which is about to be before the Senate for discussion.

Mr. DOMINICK. After saying that he was against it?

Mr. BEALL. The Senator will have to ask Mr. Kennedy that question.

Mr. DOMINICK. I thank the Senator from Maryland.

Mr. KENNEDY. Mr. President, I should like to yield to myself 7 minutes on this bill.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, since 1951, there have been four major studies on health manpower: The Truman study of 1951; the rural poverty study of 1967; the Carnegie study of 1970; and the Presidents' Commission on Health Manpower of 1971.

Mr. BEALL. Will the Senator yield?

Mr. KENNEDY. Yes, I yield.

Mr. BEALL. Did the Senator get agreement on time?

Mr. KENNEDY. I just yielded myself 7 minutes.

Mr. BEALL. We have had no agreement on time, have we?

Mr. KENNEDY. No.

If we are not going to be able to agree on when we are going to vote, I thought the Members of the Senate would agree on 15 minutes per side. I shall be willing to make an agreement on voting on the Proxmire amendment at 10 minutes to 1, with a 15-minute rollcall; then my substitute; and then the substitute of the Senator from Maryland, if he wishes.

Mr. BEALL. I must demur from the Senator's request, because that is during the Republican policy lunch.

Mr. KENNEDY. Can we agree?

Mr. BEALL. Why not proceed with the understanding that we shall take 15 minutes for a side and see where we get?

Mr. KENNEDY. Very well.

As I said, Mr. President, there have been four major manpower studies. Everyone of these manpower studies has come up with the same fundamental conclusions which are demonstrated in these charts here in the Senate Chamber: First of all, that there is a geographic maldistribution of medical manpower in the country and the problem is becoming more serious; second, that there is a maldistribution of physicians respecting specialties within this country and that is becoming more serious; third, that the number of foreign medical school graduates who are coming to this country is increasing dramatically. In one New England State, better than half the number of newly licensed physicans were foreign medical school graduates this past year.

The PRESIDING OFFICER. The Senate will be in order. The Chair is having difficulty hearing.

Mr. KENNEDY. Fourth, the various licensing provisions regarding physicians and dentists that exist in these States are riddled with loopholes. There is the national board exam, there is what is called the FLEX, where States grade each of these exams differently. Forty-three States have different provisions for provisional or conditional licensing, and there are at least 14,000 unlicensed foreign medical graduates in the country who are practicing medicine which is of suspect quality.

Another fact is that the voluntary sector has been working in this area for a period of 30 years. And they have failed. There have been more than 22 States who have developed different programs to try to do something about maldistribution of medical professionals and maldistribution within the specialties. The tragedy is that the most recent studies show that the problem still is becoming more and more acute.

A final fact is this, Mr. President: The U.S. taxpayer has spent more than $3.5 billion on medical schools in this country over the last 10 years.

We are now going to be providing, this year, the medical schools with $1 billion. That money is generally coming from middle-income people and from low-income people. Those are the people who are being increasingly denied opportunity to have access to medical manpower.

What are we attempting to do with the substitute that we have offered here today? The point has been made by the Senator from Maryland and the Senator from Colorado and the Seantor from Ohio (Mr. TAFT) that the action that we took before the Committee on Labor was too arbitrary and too abrupt, that what we were attempting to do was require service from every graduate of every medical school, that he go into an underserved area until the need was met, and then it was going to free these medical schools if it was not necessary.

What we have attempted to do is take the recommendation that has been put forward from the Senator from Wisconsin (Mr. NELSON) to defer the action for a period of 6 years, to 1980. We defer it in order to give the voluntary sector a chance to respond. After all, this is what the reported bill provided for anyway.

If the medical schools say, "We can handle this problem now that we know Congress is serious about it," we are prepared with the amendment and the substitute that we have offered here to say, "Alright, we are deferring action for 6 years." If the voluntary sector can move into this area, then we can actually eliminate the operative provisions of this legislation. So we are giving them the 6 years.

This is what the American Association of Medical Colleges said:

> It has come to our attention that Senator Gaylord Nelson has suggested what would seem to be a highly sensible compromise for testing the voluntary approach. He proposed a delay in the implementing date for the mandatory requirement. This would be paralleled with the clear understanding that if voluntarism does not suffice after a reasonable period of trial the extreme of mandated sign-up would be instituted. It is also understood that the size of the National Health Service Corps Scholarship Program would be increased accordingly.
>
> We urge your support of Senator Nelson's amendment as eminently fair, appropriate and feasible in terms of the precipitating problem, the limited leverage of the schools in this context and the anticipated reaction of students to respond more willingly to a carrot than to a stick.

We have incorporated Senator NELSON's amendment to our substitute. We have said that the Congress wants to move ahead on this immediately.

The second provision is as follows: This was a $5 billion authorization. We are cutting $4.2 billion out, with a 1-year authorization, a period of 1 year authorized at a similar level unless the committee is going to take action. I think that this is a problem and an issue that this subcommittee ought to scrutinize very carefully. I am prepared to say that if we move ahead now over a period of a year, if we get a good bill on the floor, a good bill out of the conference with the House of Representatives, then we can go for the 2-year extension. If we do not, then our Subcommittee on Health ought to review it after a period of 1 year.

What does this amendment do? If the Senate votes for this amendment, we are saving $4.2 billion in authorization and we are deferring the operative provisions for service for a period of 6 years, accepting the provisions of the AAMC. What we are indicating to the medical schools of this country, is that the Congress of the United States is taking notice of the maldistribution of manpower, and the maldistribution within specialties.

What we are saying is that 6 years from now, if these problems are not being met, this act will be implemented and we will begin to get health manpower where it is desperately needed in this country.

Mr. PASTORE. Will the Senator yield?

Mr. KENNEDY. Yes, I yield.

Mr. PASTORE. When the year 1980 comes, are we talking about all medical students, or are we talking about medical students whose duties we subsidize?

Mr. KENNEDY. We are talking about every medical school that receives a capitation grant.

Mr. PASTORE. What if a medical student who receives his education and gets his doctorate refuses to go? Then what happens?

Mr. KENNEDY. Then he is denied his license to practice medicine.

Mr. PASTORE. He is denied his license to practice medicine?

Mr. KENNEDY. We provide for capitation repayment.

Mr. PASTORE. I realize the problem that is involved here. As a matter of fact, in my own State, we have Block Island, which is more or less isolated, and they could never get a doctor to go out there. In order to get a doctor to go there, the State of Rhode Island subsidized the doctor, because naturally, if he could set up his practice in a place where he could get more patients and collect more money, he would make that choice. So, in order to create this inducement, this encouragement, what we did was provide a subsidy.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. KENNEDY. I yield myself 4 more minutes.

Mr. PASTORE. I wonder if we could not have some incentive to encourage these young doctors to go to places where there is a scarcity of doctors. I wonder why that has not been considered.

Mr. KENNEDY. It has been considered. There have been, first of all, loan forgiveness programs, to give support for young medical students to go to medical school and then serve in underserved areas, and we now have provided loans for young medical students to either go to underserved areas or repay the loans under repayment programs; and we have 86 doctors who have gone there under those programs and 133 dentists, and most of them say they would have gone without the incentive.

Mr. PASTORE. Would it not be better to enlarge that program.

Mr. KENNEDY. We have had 30,000 students who have taken advantage of the program. This is a forgiveness program.

Mr. PASTORE. I understand.

Mr. KENNEDY. But any graduate of a medical school knows with his potential income that it is easy to "buy-out" of the requirement to actually serve.

Mr. PASTORE. But we did have the Berry system, where, if the Federal Government subsidized your education, you had to serve a certain number of years in the Armed Forces.

Mr. KENNEDY. That was abolished.

Mr. PASTORE. I realize it was abolished, but we had it, and many of our doctors today had the opportunity to become doctors only because they were subsidized in order to serve their country.

This is a question of serving humanity, and I am asking the question, Why can we not have an inducement? Because I am afraid that unless there is some penalty upon the individual, Harvard Medical School can say to any young doctor, "You have received your degree and passed the medical boards, and we want you to go to Block Island," and the doctor can say, "You go fly a kite; I do not want to serve on Block Island, I want to serve on Park Avenue."

What do we do with them in that particular case?

Mr. KENNEDY. He has to, under the provisions of the act, pay back the amount, and he is not permitted to practice.

Mr. PASTORE. Pay back what amount, to whom?

Mr. KENNEDY. The amount of the capitation grant, to the Federal Government.

Mr. PASTORE. Well, he has already paid his tuition.

Mr. KENNEDY. The Federal Government has underwritten it in excess of 50 percent. The Federal Government underwrites about $13,000 for every medical school graduate.

Mr. PASTORE. Well, we pay some money for every lawyer and every college graduate, as far as that is concerned. No one pays the full cost of his tuition; the Senator knows that.

Mr. KENNEDY. But the medical schools are unique in this respect, that there is no professional education program that gets the degree of support that medical education receives, both in direct grants as well as in the biomedical research area.

Mr. PASTORE. Mr. President, I hope the Senator does not misunderstand me, because I think he is coming to grips with a very important problem, which is of very great concern to all of us. It is not a question, today, that we do not have enough doctors. The question is that we have a concentration of doctors, and somehow we have to spread them out, so that they can serve all of our society. I am afraid that unless we have some system of encouragement and inducement, this is not going to happen. That is what I am afraid of.

Mr. KENNEDY. Let me make one point that underlies the Senator's question about whether we could not provide scholarships to every young person who wants to go to medical school.

Mr. PASTORE. And then do his duty.

Mr. KENNEDY. And then do his duty. This is very similar to a proposal put forward by Representative Roy in the House of Representatives.

Mr. PASTORE. That is right.

Mr. KENNEDY. What we would do is reduce the capitation grant to the medical school.

Mr. PASTORE. That is right.

Mr. KENNEDY. We would provide an additional scholarship to the person, and then he could go, with the obligation of service.

Mr. PASTORE. That is right.

Mr. KENNEDY. Now, that program, as proposed by its principal sponsor, would cost $650 million annually. It is much more expensive.

Mr. PASTORE. But it is worth it, is it not?

Mr. KENNEDY. Well, I am, as the Senator knows, only too willing to expend those funds on a program like this, but as a practical reality, we will spend a whole lot less, about $300 million, on capitation grants. That proposal would raise it to $650 million. The question is whether the Appropriations Committee is prepared to go along with it. I doubt it.

Mr. PASTORE. I do not know about the Appropriations Committee, but I am prepared to vote for it.

The PRESIDING OFFICER. The Senator's 4 minutes have expired.

Mr. KENNEDY. I yield myself such additional time as I may require.

The PRESIDING OFFICER. The Senator from Massachusetts may proceed.

Mr. KENNEDY. So this would also, in effect, as the reduction occurs in terms of capitation grants to medical schools, require the medical schools to raise their tuition, because they would be getting less from the Federal Government. In many States, that tuition level is set by the legislatures of the respective States, particularly those States that have heavy underwriting of medical education, of which there are a number.

So that, in effect, would impose a requirement on the States to take certain kinds of action as well, in order to conform. It would, in effect, if we took that action, depend to a great extent on the willingness of the Appropriations Committee to come up with this kind of an appropriation, and a full appropriation.

Mr. PASTORE. I realize what the Senator is saying. The only thing that bothers me is that the imposition here is being placed on the medical schools, which will have no control over the person once he becomes a doctor. Otherwise, we would be getting ourselves into involuntary servitude, would we not?

Mr. KENNEDY. This amendment is unlike the Beall amendment. The Beall amendment says, "You have to get 25 percent."

It is interesting, in listening to the discussion, to consider whether the Beall amendment is voluntary and ours is involuntary. Under the Beall amendment, each school would have to require 25 percent of its entering class to serve. The dean of the medical school is going to have to go out there and say, "We need 25 percent; you fellows have to volunteer for it, or the medical school will not get the money, none."

I do not understand how his program is OK because he is doing this for 25 percent of the medical students, and ours is not OK because we are doing it for 100 percent of the medical students, particularly when we have the need.

Mr. PASTORE. I am not opposing the program.

Mr. KENNEDY. No, I know. But I am just trying to make the point of the distinction, which I would think is a very significant difference. Under his program, that medical school either has 25 percent of the students who are coming to it who will go serve in the underserved areas or the whole medical school loses the subsidy. What we are saying is that anybody who goes to the medical school has to agree to the service, but we are not putting the burden on the medical school; all they have to do is make sure that when you fill out your application, you are going to have to indicate that you are willing to serve.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. KENNEDY. Yes.

Mr. PASTORE. When I was Governor of my State we tried hard to get someone who would head the cancer body. What we did was we got this doctor who agreed to take these special courses at Harvard. He went there at the expense of the State, and he went there for 2 years.

When he came back he went to another State where they offered him more money. So all we did was we educated somebody for another State. I do not want this to happen in this case.

The PRESIDING OFFICER. Who yields time?

Mr. BEALL. Mr. President, I yield myself 5 minutes.

I would like to point out to the Senator from Rhode Island something about our program that might be of interest to him but, first, let me review the history of the bill.

Mr. President, yesterday when we came in here the committee had reported a bill which cost $5 billion over a 5-year period and which, in return for the capitation grants, to the medical schools would require that each of the graduates of the medical school, whether he received Federal assistance or not, to be subjected to a national draft to serve in an area to be determined by the Secretary of Health, Education, and Welfare.

It also provided that we would establish minimum standards, national standards, for the licensing of doctors. If a State did not adhere to these standards then the Federal Government, through HEW, would start licensing doctors around this country.

Mr. PASTORE. Will the Senator yield? Can I ask the Senator a question, how does he pick out the 25 percent, by a lottery?

Mr. BEALL. Let me get to my subject, if the Senator will just yield. Some of us thought this was a bit of overkill—Senator Taft, Senator Dominick and I, to be specific. We thought this was providing a cure worse than the disease, recognizing that there was a geographical maldistribution of physicians in this country as well as maldistribution by specialty, but we thought this was a matter that could be solved without resorting to a national draft or without resorting to the national licensing of doctors and dentists.

So we proposed as a substitute a bill that would provide that medical schools, in return for receiving their capitation, would reserve 25 percent of the positions in their first year class and every class thereafter for those students who would agree to serve in a doctor-shortage area, students making such a commitment would be entitled a scholarship. They would be required to serve 1 year in the area for each 1 year of their scholarship, but in no case less than 2 years. If they did not serve, they would be required to pay back at two times the amount of the Federal assistance that they received, plus interest.

Now, in addition to that——

Mr. TAFT. If the Senator will yield on that point, I think he also meant to explain they would not be subject to the sanction of removal of their licenses.

Mr. BEALL. Oh, most certainly.

Beyond that, we recognized that we were not going to solve this problem unless we also provided residencies so that doctors could be trained in primary care, and we required that certain percentages of postgraduate training positions be in primary care on family medicine.

Then, we authorized a new program to encourage the development of primary care training opportunities in rural and inner city areas; then we have the requirement for medical schools to give comparable emphasis to the primary care such as that given by the schools to other clinical specialties, we also amended the present section of the law authorizing fellowships in family medicine by expanding this authority so as to include other comparable primary care.

Then we had the problem of foreign medical graduates. Now, the original bill as proposed by the committee suggested that we should license all doctors nationally, we strongly agreed that the foreign medical graduate must be addressed, but we searched and found the appropriate mechanism to deal with the problem, namely the immigration laws. We amend the immigration law to require when alien physicians come into the United States that they be required to take the same test that is being required of those students who graduate from medical schools in the United States. In addition, we require foreign medical graduates to be proficient in English, both oral and written. In medicine it is very important that the doctor and patient be able to communicate accurately with each other.

Now, apparently my substitute has some appeal because, as of 11 o'clock this morning, the chairman of the committee has introduced a substitute amendment for our substitute that was discussed all day yesterday.

We have not had very much time to go through this substitute because, as the Senator from Rhode Island can see, it is a rather voluminous document. But, I will explain my understanding of the substitute. First, the committee apparently recognizes they are authorizing an excessive amount of money. Their response is simply to cut the bill back to a 1-year extension with a 1-year renewal if Congress failed to act, but they would spend at the same level as in the reported bill. But in 5 years, it would add up to approximately the same $5 billion. So it does not make any difference how we slice it——

The **PRESIDING OFFICER.** The Senator's 5 minutes have expired.

Mr. **KENNEDY.** Mr. President, will the Senator yield at this point? We are authorizing the same amount that was authorized last year.

The **PRESIDING OFFICER.** Does the Senator from Maryland yield himself——

Mr. **BEALL.** I yield myself——

Mr. **KENNEDY.** Mr. President, charge it to my time.

I mean we are authorizing the same amount of money as was authorized effectively for last year. So I do not understand why the Senator is getting so excited about that, and—if I could just finish this point—we met with Secretary Weinberger last week and he asked for a reduction in terms of the authorization.

In an attempt to comply and work with the administration, we have taken this action. And this is a bipartisan effort, with the ranking member of that committee, we are continuing the request for an authorization which has been exactly what it was last year, very, very modest, I do not know how the Senator from Maryland can get so worked up over that.

Mr. **BEALL.** I can get myself worked up for this reason—I yield myself 3 additional minutes, Mr. President—because what the Senator from Massachusetts has done, as I said initially, is to take a 5-year bill that cost $5 billion, and made it into a 1-year bill costing $907 million.

What really upsets me was this letter received by Senator Scott from the Secretary of Health, Education, and Welfare. I think we have a problem, and I think we have to do something about it. I think one of the reasons we are here is to legislate in problem areas and come up with solutions to national problems.

The Secretary in his letter today says:

> If the health manpower legislation that ultimately reaches the President contains excessive authorizations, such as those in Senate bill 3585, I believe that he would be compelled to withhold his approval, and I would so recommend.

Now, Mr. President, I ask that the entire letter from the Secretary of Health, Education and Welfare addressed to the minority leader be included in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Secretary of Health,
Education, and Welfare,
Washington, D.C., Sept. 23, 1974.

Hon. Hugh Scott,
Minority Leader, U.S. Senate, Washington, D.C.

Dear Hugh: I understand that the Senate is debating legislation (S. 3585) that would substantially revise and extend the health manpower activities of the Department of Health, Education, and Welfare. I would like to share with you and your colleagues our thought regarding this important legislation.

At the outset, I should like to express our appreciation to the members of the Labor and Public Welfare Committee for the long hours of hard work they and their staffs devoted to consideration of this legislation. Many points of view and legislative proposals were considered during the hearings and the Committee's mark-up sessions. The reported bill reflects the seriousness with which the members sought to grasp the nature of the Nation's health manpower problems, and to fashion a Federal response that can be effective and appropriate.

We are especially pleased that S. 3585 would substantially expand the National Health Service Corps Scholarship Program. That program will provide student aid to substantial numbers of health professions students, and will help us meet Federal responsibilities for health service delivery, such as the National Health Service Corps and the Indian Health Service. I am also pleased that S. 3585 would extend and modify the National Health Service Corps Program along the lines that we have supported.

S. 3585 reflects the Committee's conscious effort to deal with what many observers believe to be serious imbalances in the geographic and specialty distribution of health manpower, particularly doctors, and the need to improve the productivity of the health sector through the use of medical and dental paraprofessionals and auxiliaries who can extend the services and skills of the highly trained physician and dentist. I support those features of the bill that would permit us to target scarce resources upon special projects and initiatives that will assist the training institutions to be more responsive to these probelms.

The Committee bill attempts to meet the question of the extent to which the general taxpayer should subsidize the professional training of what is probably the most highly paid class of individuals in our economy. I strongly disagree with the approach taken by the majority of the Committee members in dealing with this issue. I am encouraged, however, by the fact that the bill endorses the basic principle that individuals who benefit directly from Federal subsidy should expect to repay the public subsidy directly, or serve the public in the skills which they received—in substantial part—at the public expense.

These are what we regard as the major positive aspects of the Committee's actions. It is therefore especially disappointing that S. 3585 contemplates funding levels for the health manpower activities for the coming five fiscal years that are too high. S. 3585 would authorize more than $5 billion for fiscal years 1975 through 1979. On an annual basis such sums would be nearly twice the level appropriated in 1974, and nearly three times the amounts requested in the 1975 budget. At a time when utmost restraint must be exercised in all areas of Federal expenditures, every effort must be directed toward targeting limited resources upon the areas of greatest need. The authorization levels contained in S. 3585 are neither realistic nor responsible. They do a great disservice to the potential recipients of the funds authorized by creating expectations that we all know cannot possibly be met.

If the health manpower legislation that ultimately reaches the President contains excessive authorizations such as those in S. 3585, I believe that he would be compelled to withhold his approval, and I would so recommend. We urge the Senate to eliminate the host of marginal activities authorized by S. 3585, and to set authorization levels that are responsible and reasonable.

Three other aspects of S. 3585 must be singled out for attention. *First,* the bill would expand the amounts and the categories of schools eligible for capitation subsidies. We are seriously concerned that the general taxpayer—by means of his Federal taxes—will be called on to subsidize in perpetuity the professional training of physicians, dentists, and other highly paid health professionals. Such subsidies are unnecessary to elicit adequate numbers of students for the schools, which today accommodate only one out of every two of three qualified applicants. Also, under the higher grant levels and broader eligibility, the practitioners would reap an inordinately high return on their own investment in their education. The Senate should seriously examine the social equity of these features of S. 3585, and provide for the gradual phase-out of capitation grants along the lines suggested by the Administration's legislative proposal.

Second, the bill would establish a domestic "physician draft" and compel two years of service from every student graduating from the entire range of health professions schools receiving operating subsidies. In the near future this requirement could mean that the Federal Government would have responsibility at any given time for placing and monitoring the professionals activities of upwards of 100,000 individuals in the health system. Numbers such as these would quickly overwhelm the areas of health service scarcity in this country, and would be an inordinately difficult and expensive—not to mention undesirable—undertaking for the Federal Government. The service required of recipients of National Health Service Corps Scholarships can be expected to adequately meet the health manpower needs of the Nation's health service scarcity areas.

Compulsory service by *all* health professions students is unnecessary and undesirable.

Third, S. 3585 would impose a Federal regulatory scheme to control the numbers and allocation of training positions for graduate medical education, and would institute a national licensure system for physicians and dentists. While we share the concern over geographic and specialty imbalance which give rise to these provisions of the bill, there are indications that the professions involved are aware of the nature of the problems and are moving to remedy the most serious ones. We believe that the problems are not so severe as to call for this type of direct Federal intervention at this time, and that the professional groups should be allowed additional time in which to formulate remedies of a voluntary or self-policing nature. We would not be opposed, however, to certain of the studies called for in S. 3585 that would shed further light on the nature and extent of the problems in this area, in the event that the professions fail to put their own houses in order. Such studies would help to lay a better foundation for Federal intervention in this area, if this ultimately should become necessary.

There are numerous other provisions of S. 3585 that are either unnecessary or undesirable, but they have previously been brought to the attention of the Committee by representatives of the Department. We urge the Senate to consider these carefully so that a new bill can be developed on which the Congress and the Executive Branch can reach responsible agreement.

Sincerely,

CASPAR WEINBERGER,
Secretary.

Mr. BEALL. Mr. President, the new proposal is the same as the reported bill. It is excessive any way you slice it. Our proposal costs approximately $600 million.

Finally, Mr. President, I think that we should point out that this substitute appropriates this money for 1 year, and then it says, "We are committing ourselves, the Congress of the United States is committing itself, to the idea that a draft of doctors is a good idea, and we are going to do this in 1980."

So instead of doing it next year; they are going to do it in 1980. But we are still getting ourselves into a national draft of doctors and dentists.

Furthermore, we are committing ourselves to doing the same thing for national licensing of doctors and dentists in the year 1980, and I do not think that is the kind of commitment that this Congress wants to make at this time.

I agree we have serious health manpower problems and we should do something about them. I do not think we just ought to throw money at the problem. I am suggesting that is what we would be doing under the Kennedy substitute. We would be throwing new money to the medical schools, with no guarantee of a return, except we are telling them we are making a national commitment for a doctor draft and national licensing of doctors in 1980.

We are still left with the problem of the foreign medical graduates who are coming into the country at the rate of some 7,000 a year. That problem is going to persist until 1980 under this substitute. I am suggesting to the Senator that the substitute as offered by Senators DOMINICK, TAFT and myself is something that will get national attention to the problem of providing doctors in geographically short areas. It encourages the medical schools to do this, and it will respond to the foreign medical graduate problem beginning July 1975.

I am happy to yield to the Senator from Ohio.

Mr. TAFT. Mr. President, I thank the Senator for yielding. As I said in my opening remarks on this bill, I am very hopeful that we can come out with some legislation that means something. About all the Kennedy substitute means is that it is going to continue the system of the medical schools. We are going to get absolutely nothing back for it. It is going to be more expensive than the Beall-Taft-Dominick substitute, and we are not going to get any of the problems solved.

Let me just read from page 213 of the committee report.

The majority opinion states:

> The committee did hear a substantial amount of testimony which essentially called for the committee to stay its hand so that the "voluntary system" could solve the problems. The dismal track record of the "voluntary system" in dealing with these problems and the lack of proof that its theories on coping with the problems will work is what has caused the committee to embark upon its present course. The committee believes that these problems can only be met through a private sector public sector partnership. For without the pressure and the incentives from the public sector, history teaches us that it is treasonable to expect that the private sector will continue to place its own interests first.

Well, how about putting off all the things we want to get something done on? The foreign medical students, licensure, and the matter of underserved areas, how about putting that off 6 years?

That is exactly what this Kennedy substitute now proposes to do. We are going to get absolutely nothing for our money.

We have these beautiful charts here showing where the underserved areas are. I am afraid unless we do something about it, which our bill would do, we are going to come back with the same charts, possibly in the same form they are now, not any good to us, and we will have wasted money putting the charts together, to boot.

Mr. KENNEDY. Will the Senator yield?

Mr. TAFT. No; I do not think I will yield at this point, I think the Senator has taken his time and time is running out.

Mr. KENNEDY. I will yield some of my time.

Mr. TAFT. Well, if the Senator has time remaining, he may take it.

Also, I think the approach being taken very clearly would discourage me from going into the medical profession, if it is adopted.

Now, it is being put off 6 years. The real question, I think, arising under this bill, perhaps rather than what it does or does not do, is how far we are going to go to protect the committee's sponsorship of this measure, abandoning what I thought were primary public interests.

If I have to, in the long run, I can possibly vote for the Senator's original proposal, with a few changes in it, but I do not see how I can possibly vote for this one, nor any Senator here, how any Senator could stand up and vote, putting off a problem as serious as this for a period of 6 years. I think that is the basic issue.

The cost will go up. The illusion attempting to be created that somehow we will save money voting for a 1-year bill, or an extension, seems to me to be totally fallacious.

Now, I am glad to yield to the Senator.

Mr. KENNEDY. Mr. President, the fact is, listening to the Senator talking about deferring this problem, it is just a question of simple arithmetic.

The students who enter medical school this year are not graduating, in effect, for a period of 6 years, including some residency training.

Mr. TAFT. Mr. President——

Mr. KENNEDY. So, if the Senator would just let me finish on the time—it was never intended, if the Senator read the report beyond just excerpting that part, he would find it does not apply for this year's graduate, nor the graduate of next year, nor the graduate the third year.

Through the provision that passed our committee report, it only applies in 6 years, so I do not understand why the Senator is getting so excited.

We are not putting anybody out in the field for 6 years anyway, but what we are saying is just what we said in those words quoted previously.

This is to be a partnership. We are going to give the private sector 6 more years to try and deal with these problems. We have 6 years, but if we do not, we will make sure we get doctors in those areas.

That is what we are saying. I do not see that we are turning our backs on the fundamental plans.

If the Senator wants to do something in the interim in regard to foreign medical graduates, the Senator is not going to find anybody a warmer supporter of that concept than the people sponsoring this.

I am happy to yield.

Mr. TAFT. Why not do something here?

I would like to correct the Senator on one thing, and if I am wrong, he can correct me.

I understand it will not do anything about the problem, not for 6 years, for 9 years, because of the very 3-year lag the Senator just pointed out.

The individuals come in, as I read the bill, up to 1980, will not have any obligation on them at all.

This will actually put a burden, if we still have this problem that is here, if we do not we will not need to act, but we see the problem displayed by the chart, this will be burdening all those later graduates for an obligation which I think should be taken up by every man who starts school next year.

Mr. BEALL. Will the Senator yield?

Mr. TAFT. I yield.

Mr. BEALL. I think it should be pointed out, scholarships may be immediately available to those in school.

As a matter of fact, we made provisions for scholarships for students in the second, third, and fourth year of medical school, we comtemplate making scholarships available for service for 10 percent of each of these classes.

Mr. TAFT. So that could be started.

Mr. BEALL. That is right.

Mr. TAFT. Doing something about it.

Mr. BEALL. When the system is fully in operation, the 25 percent, we will put 3,750 students per year out into the medically underserved area. It will not be years from now when this will happen.

Mr. TAFT. I yield to the Senator.

Mr. COTTON. Will somebody yield?

Mr. BEALL. I am happy to yield to the Senator.

Mr. COTTON. I do not understand about this time situation. Yesterday, hours were devoted to this, now we find ourselves under a gun and the discussion is confined, quite naturally, to the principals in this contest.

After the vote sometime, can somebody else get 5 minutes?

Mr. BEALL. I would say to the Senator from New Hampshire, there is adequate time, although we have no formal time agreement on the particular substitute, there is plenty of time.

Mr. President, how much time is left on the Beall-Taft-Dominick substitute?

The PRESIDING OFFICER. The Senator from Maryland has 104 minutes and the Senator from Massachusetts has 74 minutes.

Mr. BEALL. Mr. President, how much time is left on the bill?

The PRESIDING OFFICER. One-hundred thirty-four minutes for the proponents of the bill, 177 minutes for the opponents.

Mr. BEALL. There is adequate time for discussion any time the Senator from New Hampshire would like to talk. I think the scenario at the present time is that we are intending to vote on the Proxmire amendment and the Kennedy substitute at some time yet to be arranged, not too far off, I understand.

Mr. COTTON. Would it be possible on the bill or from some of these sources to get 5 minutes?

Mr. KENNEDY. I yield 5 minutes, whatever time the Senator from New Hampshire wants.

Mr. BEALL. I yield whatever time the Senator from New Hampshire wants.

Mr. KENNEDY. I yield whatever time the Senator from New Hampshire wants.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. COTTON. Mr. President, I have been listening with intense interest to this debate.

I read the bill rather carefully, the amendment.

Now, Mr. President, I would not venture to intrude myself into this debate were it not for the fact that I have had some practical experience on this problem that I would like to get into the RECORD.

Actually, it was 8 years ago that I introduced the first bill, which was patterned after the teacher's bill, by the way, to forgive loans to medical students, 10 percent of their loan each year that they would practice in those areas designated by the State board, or authorities of the State, as badly in need of a doctor and not having practitioners.

The bill passed the Senate, passed the House, and was signed by President Johnson. Nobody did one thing about it. Whoever was in HEW did not even give the matter any publicity. Somewhat to my amazement, and also my amusement, President Johnson came up with his state of the Union message the next January and called for the passage of the exact bill that had been passed and that he had signed. Someone wrote it into his message.

Now, Mr. President, I come from a State where we have some areas that have been desperately in need of doctors; where people have had heart attacks and there was not a doctor in the community, there was not a district nurse in the community, and there was not a school nurse in the community. Nobody could administer first aid. They bundled them into an automobile—an ambulance was not available—and drove 25 or 30 miles to the county seat, to the nearest hospital, and they were dead on arrival.

This happened in the town where I was born and raised. We have been through this.

Some of the medical schools have taken this in hand, and they are constructively accomplishing something.

We would get a doctor in and he would not stay. If the local community paid him a bonus to come in, nobody would pay their doctor bills because they said he was already being supported by the community and there was no need to pay the bills. The doctors would not stay.

The situation became desperate. The Medical School at Dartmouth College, in working with the Hitchcock Clinic, has instituted an outreach program, so-called. It is working marvelously. It is being financed out of private funds. As a matter of fact, I helped get some funds from the regional funds to help in it.

What they are doing is this: They go into a town—and here is an actual happening—that used to have four general practitioners. They only had one left, and he was older than I am. And I am 74. He was soon going out of the scene.

They had no medical facilities, and yet there was a whole area of towns around this central town.

What happened was the Dartmouth Medical School and the Hitchcock Clinic started sending down to this community for 2 days a week, interns or residents, people still receiving their medical instruction. I will not call these people students. They were interns and residents. They were well along the pathway to becoming licensed physicians.

They established a closed television circuit. The interns and residents would hold their office hours. If they had a case that perplexed them as to what should be done about it, they immediately talked to the specialist at the hospital or at the clinic on this closed circuit. He could look at the patient. He could talk to the patient. He could even have the patient undress and show his symptoms.

Then he would instruct the intern, if this was a hospital case, to get that man to the hospital. If not, he would give him instructions about the series of treatments.

The significant thing is this, and I shall not take more than 2 additional minutes: when these young interns got into the community, the community got interested and they became interested. They became fascinated by the work they were doing. The result was a medical center was established and two of these interns, when they received their license to practice, located in that community, still having facilities with the medical school and the clinic.

In other words they were not isolated out in the country somewhere. They had immediate access to specialists; the community had immediate access to specialists.

The community raised money for the center. Now they have four doctors, two of them specialists, in this community and serving the surrounding area.

This is now being done in another section which, for years, has been starved for medical assistance.

Mr. President, I do not think that you are going to be able, by just handing out an incentive of forgiving loans to medical students, to get them to isolate themselves in some remote community. It is not going to be sufficient, as has been pointed out. I cannot speak for the situation, of course, in the urban areas where they need more doctors. But I do not think you are going to get anywhere by taking a doctor's license away from him if he does not banish himself to some Siberia.

I think if we back the medical schools and make our contribution to the medical schools contingent on their devoting a part of that contribution to this so-called outreach service that takes their interns and their residents into these communities, keeps them in touch with closed television so that they are working with experts and it makes the thing more attractive, the communities respond to it. In at least two cases—and I think in a third case—we have solved the problem, and we have adequate and even expert medical attention in these remote communities.

It has been done by the medical school working with the hospital and the clinic. It has been done in this outreach program.

The private sector and the public sector can work together that way. If we put the money into the medical schools but we put a tag on it so that a certain percentage of it must be used in this sort of situation, I think that is the constructive way to solve this problem.

What I have said is not particularly pertinent either to the substitute of the distinguished Senator from Massachusetts or the Senator from Maryland, but it is a general observation I wanted to get in at this point.

Mr. BEALL. Will the Senator yield?

Mr. COTTON. Certainly.

Mr. BEALL. It is pertinent to the substitute because if the Senator will look at the substitute on page 93, we include the community-based health manpower education program. We authorize $46 million initially and $50 million in succeeding years for this program. It is our intent that this would enable a program in every State to do just what the Senator has in mind.

Mr. KENNEDY. Will the Senator yield further?

Mr. COTTON. Yes.

Mr. KENNEDY. The Senator's suggestion, of course, has been an idea and a concept which I know he has supported for many years in the Appropriations Committee. The regional medical program, which the Senator supported, had that as one of its key components. We have struggled in recent times, as I know the Senator from New Hampshire is aware, against the efforts made to kill the regional medical program.

Beyond that, in this manpower bill there are special projects for the medical schools. There is a $150 million authorization and about $35 million in appropriations that can be used by the medical schools at the present time. Some schools are already devising a variety of different innovative, creative ways to try to reach out into the communities, and I am all for that. I want to support that program. I think it is extremely worthwhile. If we get these health professionals out into these areas, they are going to need that kind of supoprt.

The question raised is whether that type of approach, even an outreach from various medical schools or even medical institutions, will be effective. I have seen this program myself. I have seen Massachusetts General Hospital reaching out into communities. The program is marvelous and worthwhile. The question is whether they would actually be able to meet the kind of maldistribution we are talking about in these amendments.

I agree with the point that the Senator from New Hampshire has made. It is well taken. I hope the medical schools will read his statement here today. I believe it will be a great help in moving in the whole area of geographical maldistribution. It is a very constructive suggestion.

Mr. COTTON. I thank the Senator for what he has said. I know of his interest, and I know of his cooperation, and I appreciate it.

The only point I might question is this: Most medical schools are part of a medical complex. There is a hospital; there is a clinic; or there is a hospital and a clinic; sometimes they are separate. Many times there is a veterans hospital in the complex.

The medical schools will listen, if they will not get a substantial part of their money if they do not cooperate. I am not suggesting that Congress lay down the exact methods of going about this. But I cannot quite understand why we need to take the rather drastic steps that are suggested now, of even deferring it 5 to 6 years.

In this case, incidentally, it is not a matter of waiting until they are practicing doctors. This sort of approach can be used before that, so we do not have to wait too long. I am not suggesting that we lay down and fix the exact program, but I am suggesting that some of these medical schools take this matter very seriously. Others do not. There are conservatives and there are liberals on the faculties of medical institutions, just as there are in other bodies.

If we approach this matter by saying, "If you find a method not only to serve these needy localities but also to serve them in such a way that they continue their connection and access to your institution, and if the doctors who locate there are not isolated and shut away from your institution because you have a closed"—what do they call it?

Mr. KENNEDY. A closed panel.

Mr. COTTON. When doctors bring patients into the hospital and sever all connection with them.

I believe that this matter can be taken care of without resorting to any drastic steps, even now. Congress will be here, I hope, in 5 or 6 years. Some of us will not be here, but others will take our places. We can cross that bridge when we get to it.

I cannot see saying, "Go ahead and see what you can do; but if you do not do it on X date, we are going to adopt a certain system which will nationalize, in a sense, the practice of medicine."

Mr. CLARK. Mr. President, will the Senator from Massachusetts yield me 2 minutes?

Mr. KENNEDY. I yield.

Mr. CLARK. Mr. President, it seems to me that there are two great problems that come to mind immediately in connection with the Beall substitute.

If, indeed, we are not going to treat all medical graduates the same, if we are going to ask 100 percent to serve, if we are going to get a part of that group to serve—in this case, 25 percent—then obviously somebody is going to be discriminated against. The question is, Who? Then it becomes quite obvious, I think, that the poorest student is going to take the scholarship. Wealthy students, students who are well to do, who can find money other places, are not going to apply for this because they do not want to go to these areas. So the people serving these areas will be those who do not have independent wealth. This program, it seems to me, would discriminate against poor students.

The second thing that is equally dangerous is that the penalties that the Beall substitute includes—namely, that all money will be cut off from medical schools—will have the effect of putting that medical school out of business. If, in fact, they do not get 25 percent of their students to go for scholarships, what effect does this have? It means that in the entrance examinations, when the medical school must meet its 25 percent—let us suppose they only have 15 or 20 percent—in order to find the rest, they will have to go to lower standards, and we have no way of preventing that. So the normal standards for entering that medical school will be lowered, and they will take students of lesser ability in order to meet the 25 percent.

It seems to me that these are two matters, at least, to which the Senator from Maryland certainly should address himself.

Mr. BEALL. Mr. President, there is a variation now in the admission policies of medical schools.

I point out that the report prepared for the Health Resources Administration in the Department of Health, Education, and Welfare, in April 1974, points out that some schools emphasize the importance of producing medical scholars and researchers. There is a variation in standards from State to State and school to school with regard to the requirements for admission. They do give priority for a number of years.

So far as our proposal causing any erosion of academic requirements is concerned, I cannot see this happening, because today three times as many people are applying for admission to schools as are admitted. We have 15,000 people being admitted to schools and 30,000 being turned away. Most of them are qualified, according to the testimony we have received from the various institutions. Often there is a very narrow line academically dividing applicants. From a practical point of view, the situations to which the Senator from Iowa refers are not going to bear on the problem.

It is interesting to note that in Illinois they have had an evaluation of the program that provides emphasis for getting doctors. The evaluation of this program by the medical school concluded as follows:

> The results of this evaluation of the MSLFB program in Illinois should encourage members of admissions committees of professional schools. Faced with an abundant number of qualified candidates for admission, committees would like to make choices which will reflect the needs of society rather than small differences in academic credentials.

So, as a matter of fact, when the schools are required to take students who make a commitment, they are able to do something for society and not give up anything so far as the professional or academic qualifications of the candidate are concerned.

With respect to the poor students, we believe many students rich and poor will apply for this program. However, today poor students represent a very small minority of those who get into medical schools all over the country. In addition, we have a separate scholarship program for disadvantaged students. These scholarships will be available for admission in the unreserved positions.

So disadvantage students are going to have the opportunity to get a scholarship. I do not think it is going to work a hardship on them. One thing is certain if the student gets into medical school, he or she will not be poor anymore.

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

Mr. BEALL. I yield.

Mr. DOMENICI. I come from a State that has this problem, and we also have had the experience of which the Senator from New Hampshire has spoken.

We have the medical school that has been trying to establish an outreach type of program. We also have had the use of paramedics and the like, tied in on closed-circuit television, so that we can provide a kind of service without the need for a fully licensed doctor.

Let me first say that I wholeheartedly agree that your approach in terms of getting some money into the graduating classes soon, with the commitment attached to those who have borrowed growing each year as they have more years in this program, is a better approach. However, it does appear to me that neither approach is really going to solve the problem, because really, what we need is more encouragement for the doctor to go there rather than the servitude that is being put on him to go there.

I ask this question of the Senator: First, it seems to me the medical schools have to be encouraged to train the kind of people who might want to serve isolated and rural America. I understand the bill is cast in that direction. Is that correct?

Mr. BEALL. The Senator is correct.

Mr. DOMENICI. Second, I refer to the inquiry by the Senator from New Hampshire as to giving to the medical schools a source of funds that they can use in a very broad way to encourage not only that they go there for a 2-year commitment, or for some kind of contractual commitment, but that rural America be made more exciting, more palatable for even an older doctor, who might want to leave Massachusetts and go to New Mexico because he might want to live in a small community. I understand that the Senator said that there are $50 million in there that could be used for that purpose.

Mr. BEALL. The Senator is correct.

Mr. DOMENICI. Will the Senator explain to me how broadly the medical schools can use that money to make such a palatable type of environment and make the kinds of changes that the Senator from New Hampshire and I have been referring to?

Mr. BEALL. We do not deal with environment; it is beyond the scope of the legislation. But we do encourage programs that will lead to community-based input.

We also provide management grants, in our bill. We say to the doctor going into this underserved area, who is going to have a difficult time finding an office, we are going to provide a grant of $25,000 to set him up in practice. In return for that, he serves additional time.

We are doing everything we can, not only to get him to go to the area, but to get him in operation at no particular expense to him after he gets there.

Mr. DOMENICI. Is it clear to the Senator that the Secretary of Health, Education, and Welfare and the medical schools involved in this thrust do understand that it is the intention of Congress that if we pass either his or Senator KENNEDY's bill, they do use their best efforts in the maldistribution arena, aside and apart from the specifics of the bill, like 25 percent allocation?

Mr. BEALL. We want the medical schools to use the leverage they have in the admissions policies. We are specifying also, in our bill, that a certain percentage of the residencies have to be used for primary care and training.

We tie this in with the provisions encouraging community-based ambulatory setting for training, because we know from experience in Maryland that such are effective in responding to the shortage problem. Statistics have shown that there is a great likelihood that the doctor, after completing his residency, will serve in the area where he has taken his residency.

Therefore, we like to reach out to community hospitals, nursing homes and other ambulatory settings in the various States.

Mr. DOMENICI. To get back to that fund you have referred to, the $50 million, what are the guidelines on how it can be distributed by the Secretary of Health, Education, and Welfare, just generally?

Mr. BEALL. Seventy-five percent Federal money and 25 percent from the State.

Mr. DOMENICI. You indicated that perhaps $1 million could go to each State. That is just the way it might happen?

Mr. BEALL. We cannot specify that, because every State does not have a medical school, of course.

Mr. DOMENICI. I understand.

Mr. BEALL. But it is our intent that it should be spread equally around the country.

Mr. DOMENICI. It is not particularly on a population basis——

Mr. BEALL. No, it is not.

Mr. DOMENICI (continuing). But to try to spread it around the country?

Mr. BEALL. Yes.

Mr. KENNEDY. Will the Senator give us some information, so that we can notify the membership if we can agree on a time limitation?

We have the Proxmire amendment. If we could agree to vote on that at 10 minutes to 2, with a 15-minute time limitation——

Mr. JAVITS. That is a time limitation for the duration of the vote?

Mr. KENNEDY. For the duration of the vote.

After that, the Kennedy-Javits-Hathaway amendment, with a 10-minute time. Then the Beall substitute, depending on what the outcome is.

Mr. BEALL. I shall be happy to agree to the first two, but if the Kennedy substitute fails, we do not want an immediate vote on my substitute, because there are some amendments that the Members should be allowed to offer if they desire. Senator CHURCH and others have amendments they will offer, so I do not think we should agree to vote on my substitute at this time, in order to avail them an opportunity to offer their amendments. I do not think it will take too long after that before we can vote.

Mr. KENNEDY. I ask unanimous consent for the vote to occur at 10 minutes to 2, I believe the yeas and nays have been ordered on the Proxmire amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. And that the time limit will be 15 minutes, and immediately following, that there be a vote on the Kennedy-Javits-Hathaway amendment. The time limit on that amendment will be 10 minutes.

The PRESIDING OFFICER. The vote will occur at 10 minutes to 2. Is there objections?

Mr. BEALL. Have the yeas and nays been ordered?

Mr. KENNEDY. We do not have the yeas and nays ordered, but there is the understanding that there will not be yeas and nays prior to the vote on the Proxmire amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, will the Senator yield me 10 minutes?

Mr. KENNEDY. I yield.

Mr. JAVITS. Mr. President, for a long time, this measure has been debated in the Committee on Labor and Public Welfare, where Senator KENNEDY is chairman of the Subcommittee on Health, and I am the ranking minority member. I have joined with him in the fundamental approach which is represented by this bill, now by the substitute. I still believe that is the right course.

I believe that the debate which I have heard so far indicates that it is the right course for this reason: The whole concept of our society today is for equal opportunity. That is the essense of the difference between KENNEDY and BEALL. The Kennedy approach is an equal opportunity to all. Whatever the terms and conditions, they are the same for everybody.

The Beall approach involves a selectivity process, which may, on the one hand, involve the poor, as Senator CLARK described it, and may, on the other hand, involve those who are not quite up to par in terms of the kind of doctors that they will make, or who, for financial reasons, will go that route even though they do not have their hearts in it.

It seems to me that this is the vital, moral, professional and public policy difference. On that ground, I wish to go the Kennedy route. That is issue No. 1.

Second is the licensure issue and the problem of the individual doctor being periodically qualified. There is an enormous amount of interest in that. In a compromise which I, myself, worked out, the doctor, as he goes along in life, does not have to pass a license examination as he does when he graduates.

Whatever the State does reasonably to ascertain that the veteran doctor, the one who has already been in practice for a period of time, is able reasonably and adequately to perform his duties is adequate. Indeed, we even discussed whether relicensure has to be written or oral, and decided in the committee on no particular written or oral qualifications, just the fact that it should be, in the judgment of the Secretary, the development of appropriate procedures which are an adequate standard to judge reasonable professional conduct. That is all. These are the big, major issues in this bill.

Finally there is the question of the practice of the profession by those who come from abroad. Again, the egalitarian principle is found essentially in the Kennedy approach, because there, the same rule obtains for anybody: If you qualify, then you are OK to practice. If you do not qualify, you are not OK to practice.

Rather than endeavoring to limit the incoming professional at the immigration gate by whatever restrictions you put on, you immediately set a criterion which is not the criterion which is congenial and adaptable to our country. This is the fundamental point on which Members will be voting in choosing between the two approaches.

Indeed, the virtue of the substitute now proposed by the Senator from Massachusetts (Mr. KENNEDY) for himself, Senator HATHAWAY, myself, and other Senators who may join, is that it adopts many of the good ideas which we ourselves have recognized, and incorporates them in the substitute. It is very well worthwhile considering the ideas which are adopted.

This amendment in the nature of a substitute to amendment No. 1919 proposed by Senators BEALL, DOMINICK, and TAFT to S. 3585, developed jointly by Senator KENNEDY and I, is intended to protect the procedural rights of other Senators' amendments to S. 3585, the committee reported bill—an amendment to S. 3585 as introduced; incorporate the features of Senator BEALL's substitute which we support and not included in the committee reported bill; and reduce the reported bill's authorizations. To achieve these goals:

First, the total cost of the bill, $5,115,573,850 is slashed to $909,479,750. This substantial cutback—in an effort to fight the forces of inflation—is effectuated by eliminating the final 4 years of authorizations in the reported bill and providing that in the event the Congress fails to act on this legislation by June 30, 1976, the authorizations set forth in the bill are continued for 1 year at the levels provided for the first year without any increase—except with respect to the Lister Hill scholarship program hereinafter discussed.

At the same time by providing for a maximum 2-year bill the Congress is assured that in regard to any concerns that have been expressed with respect to students seeking admission to the health profession schools and problems that might be encountered in regard to the development of licensure standards and relicensure procedures, that immediate congressional action will take place. Yet, we will be moving forward in achieving the necessary goals of overcoming our health manpower problems in the interest of the American taxpayers' investment in health profession education rather than standing still and doing nothing with blind faith and trust in the "voluntary" sector.

Second, the provisions of Senator PROXMIRE's bill (S. 2801) and amendment No. 1880, limiting the Food and Drug Administration statutory authority to regulate the addition of vitamins and minerals to foods are incorporated in the amendment.

Although I believe it would be more appropriate for the Committee on Labor and Public Welfare—which has completed hearings on the bill—to act, I recognize the strong public and senatorial support for the measure and we have acted accordingly.

Third, the amendment intended to be proposed by Senator WILLIAMS, and cosponsored by me and Senators KENNEDY, CRANSTON, and EAGLETON, to insure that medical or dental schools which have a 3-year curriculum will not be penalized in respect to the provisions of the committee's bill regarding capitation is incorporated in the amendment. In effect this is a hold harmless clause for those schools which have a 12-month program per year. It should be noted that in many instances these 3-year programs were the direct result of the schools seeking to comply with the legislative initiatives of recent health professions education law—Public Law 92-157—and we believe the schools should not be penalized for such action taken in response to congressional initiatives.

Fourth, the provisions of an amendment, intended to be offered by Senator CHURCH, to insure that States which do not have medical or dental schools but do make substantial contributions to another State's medical or dental schools, are entitled to the benefits of the provisions regarding assignment of personnel in accordance with State contributions, are incorporated in the amendment.

Fifth, the provisions of an amendment, introduced by Senators ALLEN, SPARKMAN, MANSFIELD, MCGEE, ERVIN, and STENNIS—to which I ask to be added as a cosponsor—to provide medical scholarships, to be known as the Lister Hill scholarship program, in addition to other student assistance are incorporated in the amendment. Senators ALLEN and SPARKMAN's amendment authorizes the awarding of 10 scholarships annually to be known as the Lister Hill scholars who agree to enter the family practices, and for these purposes a total of $600,000 is authorized. I had the privilege of serving with Senator Hill—truly "Mr. Health"—and I believe he not only deserves this honor but also it permits us in the Senate during his lifetime to recognize his outstanding achievements in a career dedicated to quality health care for all Americans.

Sixth, the provisions of an amendment introduced by Senator PELL which provide for the deletion of labeling provisions on dentifrice are incorporated in the amendment. We understand the administration supports Senator PELL's amendment since it already has sufficient authority for dentifrice labeling under the Food, Drug, and Cosmetic Act.

Seventh, the provisions of two amendments; intended to be offered by Senator MATHIAS, which provide for: first, a requirement that the Secretary of Health, Education, and Welfare shall within 3 months issue final regulations to implement sections 799A and 845 of the Public Health Service Act—which he authored—with respect to sex discrimination respecting the schools of the health profession; and, second, to prohibit schools of the health professions covered by title VII of the act to discriminate on the basis of age, as his provision in law prohibits sex discrimination, are incorporated in the amendment.

Eighth, the provisions of an amendment intended to be offered by Senators CANNON and BIBLE, to insure that the graduates of 2-year American medical and dental schools are equally treated with respect to deriving the benefits of the provisions regarding the education of U.S. students proposing to enter American medical or dental schools after having begun their education in a foreign institution, are incorporated in the amendment.

Ninth, the provisions of an amendment, intended to be offered by Senators NELSON and MCGOVERN respecting the mandatory service provisions of the bill are incorporated in the amendment. The amendment by Senators NELSON and MCGOVERN provides that no student will have to perform obligated services before June 30, 1980, and that after June 30, 1980, no individual shall be required to serve unless the Secretary of Health, Education, and Welfare determines that such individual is needed to provide services for the populations in the areas and institutions described in this amendment.

The amendment in the nature of a substitute adopts the provisions in amendment No. 1919 by Senator BEALL, which were not provided for in S. 3585 as reported and incorporated in the amendment and include:

A. The Secretary shall provide individuals who are engaged in the practice of their profession under obligated services agreements with technical assistance to the same extent that technical assistance is provided to members of the National Health Service Corps;

B. That any individual who voluntarily extends his period of obligated service shall receive in exchange a grant of $12,500 annually, for a maximum of 2 years, from the Secretary to assist him in establishing and operating his medical or dental practice. Such grant would not be available for the purchase of construction facilities;

C. The assistance program which would provide with respect to any individual who due to socioeconomic factors is financially or otherwise disadvantaged that the Secretary may award to such individual a stipend, with allowances for travel and for dependents, for postsecondary education or training required to qualify the individual for admission to a program of school, above the undergraduate level, leading to the first professional degree in the provision of health care and that such stipend may be used to assist the individual in meeting the costs of his first year of study in such program.

Finally, the amendment incorporates provisions respecting specialty maldistribution and licensure and relicensure of physicians and dentists which are intended to assure that the operative provisions of the reported bill will not be effective until after June 30, 1980, if at all. These provisions are analogous to the previously described provisions contained in the Nelson/McGovern amendment respecting mandatory services. We believe that it would be preferable if these problems could be solved by the voluntary sector. And this provision will provide the voluntary sector with an adequate opportunity to demonstrate its capacity to overcome these manpower problems.

Mr. President, I urge my colleagues'

support of the "Health Professions Educational Assistance Act of 1974" (S. 3585) as set forth in the amendment. The measure deals with the manpower problems—geographic maldistribution; specialty maldistribution; foreign medical graduates; licensure—which continue to plague the health of the American people.

Our medical, dental, and other health profession schools have responded heroically in increasing production of physicians, dentists, and other health professionals. But merely producing more health professionals will not solve the health manpower problems facing the Nation.

We have serious national geographic maldistribution of health professionals; notwithstanding New York State having the Nation's highest physician-population ratio—2.44 per 1,000—there are 44 counties who have fewer physicians per population than the U.S. average of physicians per population—1.33 per 1,000. The Buffalo standard metropolitan statistical area has a physician-population ratio lower than the national norm for an area its size. Furthermore, huge disparities prevail within New York City where there are four times as many physicians per population in higher income neighborhoods as compared to the poor neighborhoods in New York City.

I ask unanimous consent that an HEW computer readout for New York State with respect to trends in physician distribution 1960–1970 be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. We have insufficient primary care physicians and probably have more specialists than are required—in 1949, only 36 percent of physicians limited their practice to a specialty, in 1970, 79 percent were specialists. In New York State, there is a 2,243 shortfall, the greatest in the Nation, of family physicians and general practitioners.

We increasingly continue to rely upon noncitizen foreign medical graduates to provide health care to the extent that we now have what has been termed a "medical underground" where there is an ever-increasing group of foreign medical graduates of noncertified physicians with unsupervised direct patient care responsibilities. And unfortunately for New York City, about one-fourth of all foreign-trained physicians practice there to the extent that about 36 percent of the physicians in New York State are graduates of foreign medical schools. In fact, 94 percent of psychiatric residents in the State hospital system are foreign medical graduates and 40 percent of the physicians in the mental hospital system are unlicensed.

I believe it is essential that we either effectively overcome these health manpower problems or conclude that the taxpayers' dollar can be more wisely expended for other purposes. To achieve the goals of overcoming the problems of geographic and specialty maldistribution, heavy reliance upon foreign medical graduates, and the existence of inconsistent and inequitable State licensure laws. the amendment would in essence provide, subject to my previous comments:

A. Prohibit the Secretary of Health, Education, and Welfare from making capitation grants to health professions schools after June 30, 1974, unless these schools require each student to enter into an agreement with the Secretary to serve at least 2 years in areas or institutions with manpower shortages;

B. Require the Secretary of Health, Education, and Welfare to establish—in cooperation with appropriate professional organizations—minimal national standards for State licensure of physicians and dentists, including appropriate procedures to periodically relicense such practitioners; and

C. Require the Secretary of Health, Education, and Welfare with the assistance of national and regional advisory councils and in cooperation with appropriate professional organizations to certify the number and appropriate balance of postgraduate physician training programs.

The decision to take such thoughtful—yet bold—legislative action is thoroughly supported and documented by the hearing record and set forth in great detail at pages 51 through 110 of the report on the bill (93–1133).

In order for our ultimate goal of national health insurance to become a reality we must guarantee that there is a sufficient number of well-trained physicians available to administer the best possible medical care to every American. Yet at the same time there is incontrovertible and overwhelming evidence of a serious and growing problem of physician geographic maldistribution.

I suggest to my colleagues that the proof of this geographic maldistribution can be readily determined by looking at their own State map of physician distribution, printed in the report at pages 468 through 519. It is clear that disproportionate distribution of physicians exists not only between urban and rural regions, States, and areas but maldistribution exists within metropolitan areas—between inner cities and suburbs—as well. Moreover, there has been no improvement even in States where specific programs have been directed toward the problem.

With respect to the need for more primary care physicians it is clear that any serious effort to modify specialty distribution requires us to intervene in the graduate medical education system. To quote Dr. Kenneth Endicott, Administrator of HEW's Health Resources Administration—

> Our primary care problem is quite substantial and it is not a matter that can be addressed by tinkering or making minor adjustments in the system.

The hard facts about the increased proportions of physicians who practice specialty medicine are set forth at pages 55 through 72 of the report.

I believe such direct Federal intervention in this area was inevitable but at the same time that we need substantial professional consensus on a number of key value judgments—such as how many specialty or sub specialty of any type are needed per unit of population—and for this the amendment provides.

It is essential that we take steps that lead to the reduction of our current excessive dependence on noncitizen foreign medical graduates.

I can find no reasonable, intellectual, or philosophical rationale for this Nation to take from less fortunate underdeveloped nations their desparately needed medical manpower to meet our national needs for physicians.

Foreign medical graduates are now approaching 20 percent of all physicians practicing in this country. In addition one-third of all hospital internship and residency training posts are filled by foreign medical graduates. In 1972, 46 percent of all licenses issued were to foreign medical graduates. I think this reliance is unwise because:

First. Most of the foreign medical graduates who have entered this country in recent years are graduates of medical schools whose curricula are very different from ours and which are located in countries whose cultures and institutions are so different from ours that their graduates are ill prepared to practice in the United States.

Second. Foreign medical graduates in the aggregate are less successful in obtaining unrestricted, permanent licenses to practice than are U.S. medical graduates. A significant proportion continually fail licensure exams while continuing to staff our health institutions to the detriment of quality patient health care. It should be noted that foreign medical graduates have a 600-percent greater failure rate on State medical licensure examinations as compared to U.S. medical graduates.

The pervasive nature of the problem of noncitizen foreign medical graduates, to which this amendment responds, is set forth in great detail at pages 93 through 111 of the report and the hearings have documented the existence of a medical underground of foreign medical graduates who are practicing medicine today and who have not completed their State licensing examinations. Also, the testimony documents that these foreign medical graduates are now practicing in State institutions, county hospitals, general hospitals, and city hospitals. They frequently cover emergency rooms, perform general practice functions, deliver babies, et cetera.

The need for Federal standards for medical and dental licensure is documented by the considerable variance in State requirements for licensure. Within States and from State to State, requirements vary from U.S. medical graduates, Canadian medical school graduates, and for graduates of foreign medical schools. Such policies reflect differing standards for premedical work, undergraduate medical training, internships and residencies, citizenship, and licensure examinations.

Although almost all States require candidates to pass either the National Boards—the examination developed by the National Board of Medical Examiners—or the FLEX exam—the examination developed by the Federation of State Licensing Boards—as a prerequisite for licensure, most U.S. graduates take the National Boards and most foreign medical graduates take the FLEX examinations. Each State has the prerogative of setting its own passing levels for the FLEX examination. Forty-three State boards issue temporary educational permits, limited and temporary licenses, or other certificates for the practice of medicine. State board policies for issuing such permits differ considerably.

In October 1970, the Carnegie Commission report entitled "Higher Education and the Nation's Health" recommended that the feasibility of national licensing requirements for all health manpower be explored and recommended national requirements for periodic reexamination and recertification of all physicians and dentists by specialty boards and other appropriate bodies.

Thereafter, in 1971, the Department of Health, Education, and Welfare study on health professions licensure flatly recommended that States adopt national examinations for the licensure of health professionals.

I recognize that this is highly controversial and presents solutions to the serious health manpower problems which are not in accord with many of the medical and dental schools—beneficiaries of the taxpayers' dollar—views yet billions of Federal assistance have been made available while problem areas have grown worse. I do not believe as others argue, that the problems are well on the way to solution when the evidence overwhelmingly indicates the opposite to be the case. I am concerned that the taxpayer—the American public—is not receiving full value for the investment we are making on their behalf in medical, dental, and other health professions education. We must either act to overcome the problems which deny the public and benefits they rightly deserve or we must fundamentally call into question the appropriateness of continuing to require the American public through their tax dollars to contribute so heavily to medical, dental, and other health professions education.

The amendment has chosen to do the former, believing that course represents the wiser one and the course truly to be in the public interest.

I believe it important to point out that without an obligated service program underserved communities will have to continue to rely upon the rhetoric of those who suggest the problem is not really extreme or that existing mechanisms will meet the need if only given more time.

Those who propose a different approach have no evidence to document its efficacy, and are unable to rebut the evidence contained in section V of the report and hearing record.

It is important to clarify certain common misconceptions respecting the obligated service provisions of the bill. First of all the bill does not require any health professional school to receive Federal capitation support. Second, the service agreement is between the student and the United States, and does not directly involve the school. Third, any school may choose to admit students who refuse to agree to serve, though in that event the school would be denied its Federal capitation support. Fourth, in the event a licensed graduate fails to meet his service obligation, the institution from which he graduated is in no way involved or penalized.

Mr. President, if we are going to continue to require the American public to support medical, dental, and other health professions education, then I believe we in the Congress have a responsibility to insure that all Americans receive full value for this investment we are making on their behalf. To achieve this goal, I urge my colleagues to support the amendment.

Mr. President, it seems to me that we have now wrapped up, after all of these very extensive considerations, the whole situation, and it should practically and properly go to the House of Representatives, in the Kennedy substitute. But again I return to the fundamental proposition which I mentioned before, and that is the essentiality of the concept of equal opportunity for all, instead of establishing standards which to my mind violate two fundamental precepts of legislation and a principle in which I deeply believe: One, that there shall be selection by economic status, which is the 25-percent proposition in the Beall substitute, with which I disagree, which was very eloquently explained by the Senator from Iowa (Mr. CLARK) so I shall not go over the same ground again; and, second, stopping the incoming aspirant from the practice of medicine in this country at the immigration gate, which again I think runs counter to the basic policies which our country should pursue in the light of even higher responsibilities than those dealt with in this bill.

So for all of those reasons, Mr. President, I shall support the Kennedy substitute, and hope that the Senate will approve it.

Mr. President, I ask unanimous consent that Nik Edes of the staff have the privilege of the floor during the debate on this measure.

The PRESIDING OFFICER (Mr. CLARK). Without objection, it is so ordered.

Mr. JAVITS. I yield the Senator from Maine (Mr. HATHAWAY) 10 minutes out of the time on the substitute.

The PRESIDING OFFICER. There is only time on the bill remaining.

EXHIBIT 1

TREND IN PHYSICIAN DISTRIBUTION—1960-70

State and county name	1960 M.D.s	1970 M.D.s	Ratio M.D.s per 100,000 population, 1960	Ratio M.D.s per 100,000 population, 1970	Percent change M.D.s per population, 1960-70	Percent urban population	City size code	Percent change income 1960-70
New York:								
New York	18, 368	11, 468	1, 081	745	−32	100	11	62
Albany	562	866	205	302	47	85	21	92
Westchester	1, 470	2, 423	181	270	49	93	11	72
Monroe	1, 160	1, 637	197	229	16	87	21	102
Bronx	0	3, 059	0	207	−100	99	11	51
Rockland	230	474	168	206	22	96	11	196
Onondaga	744	967	175	204	16	81	21	79
Nassau	1, 829	2, 900	140	203	45	99	11	78
Kings	0	5, 063	0	194	−100	100	11	53
Warren	77	94	174	190	9	47	04	72
Erie	1, 607	2, 090	150	187	24	87	11	74
Schenectady	223	296	145	183	26	88	21	68
Queens	0	3, 469	0	174	−100	100	11	77
Dutchess	275	381	156	171	9	42	41	119
Otsego	63	94	73	167	128	28	04	84
Broome	279	361	131	162	23	73	31	62
Tompkins	94	120	142	155	9	41	03	87
Richmond	0	443	0	149	−100	100	11	126
Franklin [1]	47	57	105	129	22	40	05	57
Oneida [1]	322	354	121	129	6	68	31	63
Seneca [1]	29	45	90	128	42	38	05	79
Orange [1]	219	283	119	127	6	51	03	99
Ontario [1]	89	99	130	125	−4	34	21	97
Suffolk [1]	725	1, 377	108	122	12	89	11	188
Chemung [1]	108	117	109	115	5	74	41	63
Clinton [1]	60	79	82	108	31	40	04	60
Ulster [1]	120	148	101	104	2	37	03	93
Jefferson [1]	94	92	107	103	−4	39	03	62
Sullivan [1]	52	54	114	102	−11	19	05	90
Caitaraugus [1]	88	81	109	99	−10	35	04	60
Genesee [1]	50	57	92	97	5	38	04	77
Cayuga [1]	77	74	104	95	−9	44	03	74
Putnam [1]	27	53	85	93	9	38	11	185

State and county name	1960 M.D.s	1970 M.D.s	Ratio M.D.s per 100,000 population, 1960	Ratio M.D.s per 100,000 population, 1970	Percent change M.D.s per population, 1960–70	Percent urban population	City size code	Percent change income 1960–70
Rensselaer [1]	163	139	114	91	−21	63	21	78
Yates [1]	14	18	75	90	20	26	04	102
Schoharie [1]	19	22	84	89	5	17	06	90
Niagara [1]	200	210	82	89	9	72	11	47
Madison [1]	48	56	87	89	2	42	21	89
St. Lawrence [1]	100	98	89	87	−3	44	04	62
Fulton [1]	57	46	111	87	−22	56	04	59
Cortland [1]	39	40	94	87	−8	51	04	77
Montgomery [1]	53	48	92	86	−7	55	21	62
Delaware [1]	44	38	101	85	−16	25	06	86
Hamilton [1]	6	4	140	85	−40	0	06	62
Steuben [1]	100	84	102	84	−18	36	04	63
Chenango [1]	41	39	94	84	−11	19	05	78
Essex [1]	42	29	118	83	−30	21	05	67
Columbia [1]	51	43	107	83	−23	17	05	88
Chautaqua [1]	134	121	92	82	−11	54	03	58
Livingston [1]	48	43	108	79	−27	33	21	120
Wayne [1]	61	56	89	70	−22	28	21	108
Washington [1]	35	37	72	70	−3	34	05	75
Wyoming [1]	26	24	74	63	−15	29	06	84
Oswego [1]	96	61	184	60	−68	40	21	90
Herkimer [1]	49	40	73	59	−20	52	31	71
Greene [1]	26	19	82	57	−31	16	05	82
Schuyler [1]	11	9	73	53	−28	16	06	90
Saratoga [1]	68	64	76	52	−32	47	21	140
Orleans [1]	20	19	58	50	−14	31	21	89
Allegany [1]	34	23	77	49	−37	20	05	88
Tioga [1]	24	21	63	45	−29	33	31	116
Lewis [1]	15	9	64	38	−41	15	06	72

[1] Counties which have fewer physicians per population than the U.S. average of physicians per population.

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Counties which have fewer physicians per population than the U.S. average of physicians per population:

Franklin, Oneida, Seneca, Orange, Ontario, Suffolk, Chemung, Clinton, Ulster, Jefferson, Sullivan.

Cattaraugus, Genesee, Cayuga, Putnam, Rensselaer, Yates, Schoharie, Niagara, Madison, St. Lawrence, Fulton.

Cortland, Montgomery, Delaware, Hamilton, Steuben, Chenango, Essex, Columbia, Chautauqua, Livingston, Waynes.

Washington, Wyoming, Oswego, Herkimer, Greene, Schuyler, Saratoga, Orleans, Allegany, Tioga, Lewis.

Mr. HATHAWAY. Mr. President, as I understand the time-limitation agreement, we are going to vote at 10 minutes to 2 on, first, the Proxmire amendment, which would take away from the Food and Drug Administration any control over vitamins; and although the proponent of that amendment is not present in the Chamber, and not many other Senators, either, I thought I would address my first remarks in opposition to that amendment, because we are going to have to vote on it in just about 20 minutes.

I was privileged to preside over 1 of the 2 days of hearings on this vitamin controversy, and believe me, it is a very highly charged debate. We had much conflicting testimony as to the efficacy and particularly the safety of the employment of large doses of vitamins. There was testimony indicating that large doses of either vitamin A or vitamin D can have toxic effects. There was some statement that even vitamin C, which we had heretofore considered to be innocuous, if taken doses, could have a deleterious effect in that it offsets the beneficial effects of vitamin B_1 and, therefore, could possibly lead to pernicious anemia.

I think that there was enough doubt brought out during the course of those hearings to justify at least postponing the consideration of the amendment of the Senator from Wisconsin, especially in view of the fact that we have just had the recent court decision—Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HATHAWAY. Especially in view of the fact that we have had a recent court decision which threw out the Food and Drug Administration regulations which the Senator from Wisconsin objects to.

The FDA is going to have to revise its regulations so that there are really no regulations now in effect that the Senator's amendment would knock out. The court has already taken care of that. The FDA has indicated that it will take care of the objections that the Senator from Wisconsin sees in the first set of regulations and, I think, we should await the promulgation of the new regulations by the Food and Drug Administration before we adopt an amendment such as the one offered by the Senator from Wisconsin. Many witnesses before the committee stated the Senator's amendment was somewhat ambiguous and was questionable, and we should wait until such time as the Food and Drug Administration comes out with new regulations and then, perhaps, take the matter up again.

But I assume that the Food and Drug Administration will answer the objections of the Senator from Wisconsin. If it does not, we will be prepared to renew our hearings on this matter and be able to legislate upon it on a much firmer basis than we would if we should adopt the amendment of the Senator from Wisconsin today.

Mr. President, I ask unanimous consent that I may insert in the RECORD at this point a statement by the Consumers Union in regard to the amendment of the Senator from Wisconsin.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Under S. 2801, the protection of consumer health would be entirely reliant on government experimentation and proof of injury, which would amount to virtually no protection at all. New and reformulated products are constantly introduced into the marketplace. FDA would be unable to gather proof and act until long after damage might be done. If protection is to be truly adequate, the purveyor, not the government, must bear the initial burden of proving safety and efficacy. If the sponsoring manufacturer must come forward with evidence to the government, it would be forced to research directed to consumer safety as well as research directed only to sales promotion. The costs of such research would be distributed through the pricing mechanism to all users, as is appropriate. Of course, in a perfect world the government would have an adequately funded testing laboratory, free of all outside influences, to conduct such research. It is not optimal to let manufacturers collect their own data for the government merely to review. But that procedure is certainly preferable to requiring no showing by the purveyor, leaving the consumer without protection unless and until the government, seeing that a problem has already arisen, could initiate and complete testing.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that I may insert in the RECORD at this point a Health, Education, and Welfare Department letter and memorandum.

There being no objection, the memorandum and letter were ordered to be printed in the RECORD, as follows:

FOOD AND DRUG ADMINISTRATION,
Rockville, Md., June 27, 1974.

RECENT DEVELOPMENTS RELATING TO VITAMIN AND MINERAL DIETARY SUPPLEMENT REGULATIONS

As you know, last August we published new regulations relating to dietary supplements of vitamins and minerals. Shortly after these regulations appeared in the *Federal Register*, several petitions for review were filed in Federal courts. These reviews have been consolidated in the United States Court of Appeals for the Second Circuit.

Because of the widespread interest in these regulations and legislation which has been proposed to overturn them, we believe you will find the enclosed brief our Counsel has prepared for the judicial review of the regulations helpful in considering the issues involved. We also enclose some additional material on this subject for your reference.

If we can be of further assistance, please let us know.

Sincerely yours,
ROBERT C. WETHERELL, Jr.,
Director, Office of Legislative Services.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
June 24, 1974.

Hon. HARRISON A. WILLIAMS, Jr.,
Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your request of December 12, 1973 for a report on S. 2801, a bill "To amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements and for other purposes."

The bill would insert in the Federal Food, Drug, and Cosmetic Act a definition of "food supplement" as "food for special dietary uses." "Special dietary uses" would then be defined as particular (as distinguished from general) uses of food which supply particular dietary needs that exist by reason of a physical, physiological, pathological, or other condition, including but not limited to the conditions of diseases, convalescence, pregnancy, lactation, allergic hypersensitivity to food, underweight, and overweight; uses which supply particular dietary needs which exist by reason of age, including but not limited to the ages of infancy and childhood; and uses for supplementing or fortifying the ordinary diet with any vitamin, mineral, or other dietary property. Any such particular use of a food would be regarded as a special dietary use regardless of whether the food also purports to be or is represented for general use.

S. 2801 would also provide that no regulation under the Department's authority under section 403(j) of the Act concerning labeling of food for special dietary uses shall be construed as exempting any food from any provision of the Act.

The bill would also insert in the Act a new section 410 providing that the Secretary shall not, in administering the Act, "limit the potency, number, combination, amount, or variety of any synthetic or natural vitamin, mineral, or other nutritional substance, or ingredient of any food for special dietary uses if the amount recommended to be consumed does not ordinarily render it injurious to health."

The Department strongly opposes enactment of S. 2801. The purpose of S. 2801 and related bills is to in some way affect or modify our regulations regarding foods for special dietary use. As you know, we fully support these regulations, which are the result of several years of hearings, the review of massive numbers of comments, and consultation with appropriate scientific bodies. The regulations are now the subject of a number of suits pending in the Federal Courts, where they are receiving further review. Enclosed are copies of court decisions to date which concern regulation of dietary supplements and of our appellate brief in National Nutritional Foods Association v. Weinberger, now pending in the United States Court of Appeals for the Second Circuit. We believe our regulations to be fair and circumspect.

On October 29, 1973, Department witnesses presented testimony on bills similar to S. 2801 in the House of Representatives at hearings held by the Subcommittee on Public Health and the Environment of the Committee on Interstate and Foreign Commerce. We enclose a copy of our testimony, which outlines the reasoning behind our regulations and their history and explains some features of the regulations which have been misunderstood. One bill considered at the House hearings and addressed in our testimony was H.R. 10115, which is identical to S. 2801.

There has been a substantial amount of misinformation about the new Food and Drug Administration (FDA) regulations on vitamins and minerals.

1. The new regulations do not remove one nutrient or other food component from the marketplace. Every nutrient or other food component that has been available to consumers up to now will remain available in the future.

2. The new regulations do not place all nutrients on prescription. All but two will remain available to consumers for purchase in grocery stores, pharmacies, and other retail stores throughout the country as nonprescription products. The only two exceptions are potentially toxic high levels of vitamins A and D. And low levels of those two vitamins will also remain available as nonprescription products.

3. The new regulations do not limit the amounts or kinds of nutrients that the public can consume. An individual remains free to eat as many different products as he chooses.

In essence, the consumer has everything to gain, and nothing to lose, from these new regulations. We are enforcing rules that will guarantee that every consumer has complete freedom of choice in the marketplace. We will require accurate and truthful labeling, and rational combinations of ingredients. Consumers may then choose whatever they wish to buy, as is their right. The legislation designed to upset these regulations would promote widespread consumer fraud.

As we explained at the hearings, the effect of H.R. 10115 (and thus S. 2801 as well) upon our regulations concerning dietary supplements is rather unclear since one section of the bill (section 3) seems to be intended to limit our authority to provide for a margin of safety and seems to shift to the Government the burden of proving lack of safety, while another provision purports to preserve all present authority since it states that foods for special dietary uses are not exempt from applicable sections of the Federal Food, Drug, and Cosmetic Act. It is therefore quite unclear to us that enactment of S. 2801 would disturb our regulations at all.

This is, indeed, the problem with this legislation. If it fails to change our regulations, there is little point in enacting it. If it does change our regulations, it will permit the sale of unsafe and fraudulently promoted dietary supplement products, to the great harm of the public. We do not believe that, having enacted important consumer protection legislation to control foods and drugs over the years, Congress now wishes to exempt specific types of foods and drugs from those laws.

The provision of S. 2801, stating that regulations to establish labeling for special dietary foods shall not be construed as exempting any food from the other food provisions or drug provisions of the Act, merely restates present law. Moreover, the bill does not exempt special dietary foods from the food additive, color additive, food misbranding, or drug provisions of the Act. Regulations under section 403(j) have not been intended to exempt products from other applicable sections of the Act. If the intent of this provision is to ensure that the consumer protection features of the Federal Food, Drug, and Cosmetic Act are not diminished, then the provision renders the rest of the bill meaningless, for our present dietary regulations would not be disturbed.

Assuming, however, that the sponsors did not intend to propose a nullity and that some change is intended in FDA's present authority, we are constrained to oppose the bill since it negates important consumer protection principles incorporated in the Federal Food, Drug, and Cosmetic Act and our regulations. In particular, we object to the provision which would insert in the Act a new section 410 providing that the Secretary shall not "limit the potency, number, combination, amount, or variety of any synthetic or natural vitamin, mineral, or other nutritional substance, or ingredient of any food for special dietary uses if the amount recommended to be consumed does not ordinarily render it injurious to health."

This language would exempt all ingredients in special dietary foods from the safety provisions of the current law. Such an exemption would apply to an enormous number of currently marketed foods, including all low-calorie foods, low-sodium foods, infant foods, and "medical foods" such as special diets for children suffering from phenylketonuria (PKU), as well as the common vitamin pill. Moreover, it fails to distinguish between nutrients (e.g., vitamin C) and other ingredients included in these products (e.g., preservatives, nonnutritional components, flavors, etc.).

This language quoted also appears to prevent provision for a reasonable margin of safety (which is important both because of limits of present scientific knowledge concerning effects of ingesting large quantities of many substances and because many individuals do not always adhere to recommended dosages). Our authority to provide a margin of safety has been recognized in Federal food and drug law for more than sixty years. To eliminate this authority would be a regressive change in the law and a setback for consumer protection, particularly in view of the broad definition of "special dietary uses" contained in S. 2801 which would apply the limitation on applying a margin of safety to a broad spectrum of products under the Act, including virtually all food additives and many drugs.

Furthermore, by requiring the Government to sustain the burden of establishing that the amount of substance recommended does not ordinarily render it injurious to health before limits can be required, S. 2801 would allow the sale of worthless substances as dietary supplements and would foster the sale of recognized essential nutrients as dietary supplements in amounts far too low for—or which far exceed—any known nutritional supplement need.

All consumers will definitely be hurt if the subject legislation is enacted. Those who will benefit are those promoters who want to sell unproven substances or irrational combinations of substances as dietary supplements and who want to make unfounded claims to promote the sale of these articles. We are of the view that every manufacturer who markets consumer products has the duty to assure that these products are safe, properly labeled and honestly promoted, and otherwise in compliance with applicable law. We oppose giving one segment of the food and drug industries a special interest exemption from compliance with duties applicable to other manufacturers of consumer products. If these bills became law and were construed in accordance with what seems to be the intent, this would, in effect, enable one segment of industry to return to the "patent medicine" abuses which prevailed at the turn of the century.

We therefore strongly oppose enactment of S. 2801.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,
FRANK C. CARLUCCI,
Acting Secretary.

FOOD AND DRUG ADMINISTRATION,
Rockville, Md.

The following are the court decisions mentioned on page 2 of the Secretary's letter:

The National Nutritional Foods Association and Solgar Co., Inc., v. Caspar W. Weinberger and Alexander M. Schmidt; United

States District Court Southern District of New York; 73 Civ. 3448 Opinion

The National Nutritional Foods Association and Solgar Co., Inc., v. Caspar W. Weinberger and Alexander M. Schmidt; United States District Court Southern District of New York; 73 Civ. 3448 Memorandum

The National Nutritional Foods Association and Solgar Co., Inc., v. Caspar W. Weinberger and Alexander M. Schmidt; United States Court of Appeals for the Second Circuit; Docket No. 73-2430

Ajay Nutrition Foods, Inc., et al. v. Food and Drug Administration; United States District Court of New Jersey; Civil Action No. 328-73

National Nutritional Foods Association et al. v. Food and Drug Administration; United States Court of Appeals for the Second Circuit; Docket No. 73-2129

The National Nutritional Foods Association and Solgar Co., Inc., v. Alexander M. Schmidt and Caspar W. Weinberger in the United States District Court for the Southern District of New York.

United States of America v. Hunt Investment, Inc., d/b/a Miller Laboratories, Inc.; United States Court of Appeals for the Eighth Circuit; No. 72-1626 226 F. Supp. 266

Recent Enforcement Actions in Federal Courts Involving Food Supplements—April 15, 1960–September 15. 1961.

Recent Enforcement Actions in Federal Courts Involving Food Supplements—November 1, 1961–September 30, 1963.

National Health Federation et al. v. Caspar Weinberger; United States District Court Northern District of Illinois Eastern Division; No. 73 C 2466

Because of volume, we have not enclosed copies of these decisions. If you desire copies of any or all of these, we will be glad to provide them.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that I may insert another letter from the Department of HEW in regard to the vitamin issue.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
May 8, 1973.

Hon. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request for a report on H.R. 135, a bill "to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes." The views expressed herein apply to similar bills referred to your Committee on which we have not been asked to report including H.R. 643.

The bill would insert in the Federal Food, Drug, and Cosmetic Act a definition of "food supplement" as "food for special dietary uses." "Special dietary uses" would then be defined as particular (as distinguished from general) uses which supply particular dietary needs that exist by reason of a physical, physiological, pathological, or other condition, including but not limited to the conditions of diseases, convalescence, pregnancy, lactation, allergic hypersensitivity to food, underweight, and overweight; uses to supply particular dietary needs which exist by reason of age, including but not limited to the ages of infancy or childhood; and uses for supplementing or fortifying the ordinary diet with any vitamin, mineral, or other dietary property. Any such particular use of a food would be regarded as a special dietary use regardless of whether the food also purports to be or is represented for general use.

The definition of the term "drug," which now includes "articles (other than food) intended to affect the structure or any function of the body," would be amended to specifically exclude "food supplements."

The bill would also insert in the Act a new section (Section 708) providing that the Secretary shall not, in administering the Act, "limit the potency, number, combination, amount, or variety of any synthetic or natural vitamin, mineral, substance, or ingredient of any food supplement unless such article is intrinsically injurious to health in the recommended dosage." The proposed legislation further provides that the Secretary "shall not require a warning label on any food supplement unless it is intrinsically injurious to health in the recommended dosage."

The Department strongly opposes enactment of H.R. 135. We believe that, for the reasons set forth below, enactment of the bill would be a serious and significant setback to consumer protection afforded under existing law.

1. Under existing law, a vitamin and/or mineral product may be a new drug as well as a food by reason of its being offered for the treatment or cure of disease. As a new drug, it would be required to be affirmatively proven to be safe and effective under the conditions of use recommended in the labeling. Under H.R. 135, the Government could not, apparently, require premarketing approval of a food supplement which is also a new drug.

By excluding "food supplements" from the drug provisions of the Act, products with unproven label claims—or products containing ingredients of doubtful and unproven safety or effectiveness—could be marketed unless the Department found them to be "intrinsically injurious to health in the recommended dosage." This would be especially detrimental if the food supplement-drug were offered or intended for use in a serious disease condition. It should be emphasized in this connection that delay in seeking proper medical attention because of reliance on an ineffective article may be just as dangerous as taking a preparation that is "intrinsically" injurious to health.

2. To place upon the Government the burden of establishing that a food supplement is "intrinsically injurious to health" before it could require a label warning or limit the use of food supplements would also thwart the consumer protection presently afforded by the Food Additives Amendment to the Act. Instead of placing the burden of proving the safety of food additives on the manufacturer, this bill would require the Government to prove that a food additive (covered by the broad definition of food supplement) is intrinsically dangerous before its use could be restricted.

The Food Additives Amendment to the Act became law in 1958 to protect the consumer against uses of additives in foods which have not been proven to be safe. The Congressional intent was to place upon the manufacturer, not the Government, the burden of proof of safety. For example, a regulation to permit the use of pangamic acid (Vitamin B_{15}), has been denied under the food additive provisions of the Act because the petitioner had failed to submit the required data to show that the proposed use of the vitamin would, in fact, be safe. Because B_{15} falls within the definition of "food supplement" in H.R. 135, however, the Secretary would be prohibited under this bill from limiting the "potency, number, combination, amount or variety" of the vitamin as proposed to be used and, therefore, would have to prove that the proposed use is "intrinsically injurious to health" before preventing its use on safety grounds.

To require the Government to establish that a product is "intrinsically injurious to health" before requiring a label warning, or before limiting the potency, number, combination, amount, or variety of food supplements would, moreover, reverse the philosophy of Section 402(a)(1) of the Act, which has been a part of the Act since its enactment in 1938, and which deems a food to be adulterated if it "bears or contains any poisonous or deleterious (added) substance which may render it injurious to health" (emphasis added). Thus a potential rather than actual risk of injury to man is sufficient for the Department to act under present law. This would not be true if H.R. 135 were enacted.

3. The bill would also limit authority under Section 401 of the Act which directs the issuance of a standard of identity for a food when, in the judgment of the Secretary, such action will promote honesty and fair dealing in the interest of consumers, and under Section 403(j) which requires the label of a food for special dietary uses to bear such information concerning the food's vitamin, mineral, or other dietary properties as is determined by regulation to be necessary in order to fully inform purchasers as to the value of these foods for such uses.

New regulations were issued for food for special dietary uses on January 19, 1973. These regulations have been subjected to extended scrutiny and deliberation and have been revised several times. These regulations were promulgated in recognition of the developments in nutritional science, in food technology, and industry marketing practices which have in many respects outmoded the regulations for food for special dietary uses which were issued in 1941. The standards for vitamin and mineral supplements were based, in part, on an adaptation of recommended dietary allowances established by the National Research Council for the National Academy of Sciences.

For all of the above reasons, we recommend against enactment of H.R. 135.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

Mr. HATHAWAY. Now, Mr. President, with regard to the Kennedy-Javits-Hathaway-Clark substitute, which we will vote on immediately after the vote on the Proxmire amendment, I have been here most of the morning and listened to the arguments of both sides. I think that most of the salient points have been made.

But I would like to point out just two things in my remarks in this regard: Under the Kennedy substitute, with the adoption of the Nelson amendment that is incorporated into the substitute, there will be a 6-year period before the provisions of the committee bill are implemented.

Now, the Senator from Maryland and other sponsors of the substitute of the Senator from Maryland, the Beall substitute, have indicated that they think that voluntary action can solve the problems that the committee bill addresses itself to. These problems are the distribution of medical people throughout the country and the quality of medical care throughout the country.

During the 6-year period we will have a chance to see whether or not the various voluntary efforts that have been spoken of by the Senator from Maryland and others will solve this problem. If they do solve this problem then there will not be any necessity for having those who have agreed to serve in the medically underserved areas go to those areas. It is as simple as that.

If this bill passes with the Kennedy substitute rather than the Beall substitute prevailing, even though new medical students will have to sign up to serve in medically underserved areas, they will not have to fulfill this obligation, if there are no medically underserved areas 6 years from now when they are ready to serve.

If the thinking of the Senator from Maryland and the others supporting his position is correct, I would assume that through voluntary action this problem will be solved at that time.

The second point I want to make, Mr. President, and the final point, is that this is not a doctor draft, as has been indicated by some of the opponents of the committee bill. This is simply an agreement between the Federal Government and medical students, and the agreement is this: "That the Federal Government, paying 50 percent of the costs of your education, Mr. Student, in exchange for that asks that you make a commitment to serve in a medically underserved area for a period of 2 years after you have received your license to practice."

I think that is a very understanding agreement. I think that the people of the United States, the taxpayers of the United States, should get no less for their money. The various charts around the Chamber indicate the serious maldistribution that we have with respect to medical personnel. All of these people in these underserved areas are paying taxes to the Federal Government, and I think they are entitled to a return for the taxes that they pay.

Mr. CLARK. Mr. President, I am pleased to join Senators JAVITS, KENNEDY, and HATHAWAY in sponsoring this substitute amendment which will, in effect, delay the operative provisions of the original committee bill, S. 3585, for 6 years, until 1980.

The need for a comprehensive program to get health professionals into medically underserved areas has been conceded by both the proponents and opponents of this amendment.

Right now, good health care is not available to too many of our citizens, the rural and inner city residents, the elderly, the poor, and the disadvantaged.

Simply stated, this substitute amendment will provide a 6-year period for the private sector—the medical schools and the medical societies to respond to the health manpower needs in this country. If, at the end of this 6-year period, the private sector has not responded to the doctor shortage, the maldistribution of doctors by specialty and the geographical disparities between urban and rural areas, then the original provisions of the committee bill, S. 3585, will take effect.

The 6-year period will give States the opportunity to reexamine their licensing requirements, and it will give notice to medical schools and the medical profession, that they must deal with this Nation's most pressing manpower problems if they do not want the Federal Government to set standards on licensing and residency requirements, and to require all medical students to serve in medically underserved areas of this country.

The substitute amendment will continue to recognize that the taxpayers of this country underwrite the major share of medical education, and in return for that investment, they are entitled to a sufficient number of physicians and related health personnel in their communities to serve their health needs.

Hopefully, the private sector will respond to the needs which the Senator from Massachusetts and the committee report have so clearly drawn out. But, in the event that the private sector is unable to come to grips with this Nation's most pressing health manpower problems, then the operative provisions of the original committee bill will take effect in 1980.

Mr. President, it is essential that all the people of this country get good medical care, and this amendment will take the necessary steps to guide this country toward that goal. While I feel that the original committee bill would take a more concrete and realistic approach to our health manpower problems in the coming years, the compromise amendment offered by Senators KENNEDY, JAVITS, HATHAWAY, and myself, will not compromise our basic thrust—to get the healing services back to the people who have already paid for them through medical education.

Mr. DOLE. Mr. President, I cannot agree with the attempt of the distinguished Senator from Massachusetts (Mr. KENNEDY) to salvage, under the guise of a substitute, essentially the same bill reported from the committee by simply delaying its implementation for 6 years.

Apparently, he is hoping to avert a rejection of the original proposal by having us approve the identical revision of health manpower policy, but at some time in the future. The doctor-shortage problem is with us now, however, Mr. President, and I would hope that recognition of that fact—as brought out time and time again in the committee report on S. 3585—has not so soon been lost.

This proposed substitute makes, in my view, adoption of the compromise offered by the distinguished Senators from Maryland, Colorado, and Ohio (Mr. BEALL, Mr. DOMINICK, and Mr. TAFT) just that much more essential, for the Beall plan would address the problem so vividly portrayed by the graphs around us right now. It would begin in 1975 to prepare doctors for service in a shortage area—not wait until 1980.

Undoubtedly, the Kennedy substitute is intended to thwart the adoption of the Beall substitute. I sincerely hope that every Senator here will be quick to discern such a move, however, and will vote down the so-called substitute so that we can get on with approval of the far more realistic and acceptable Beall-Dominick-Taft approach.

I stress again that this is nothing more than "the same horse with a different collar"—although perhaps 6 years older—and that no one should permit himself to think otherwise. Mr. President, I urge the rejection of this substitute, and feel that the majority of us here are ready to take responsible action now.

S. 3164—THE REAL ESTATE SETTLEMENT PROCEDURE ACT OF 1974—SENATOR CRANSTON REPLACED BY SENATOR McINTYRE AS CONFEREE

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Senator from California (Mr. CRANSTON) be excused as a conferee on S. 3164, the Real Estate Settlement Procedure Act of 1974, and be replaced by the Senator from New Hampshire (Mr. McINTYRE).

The PRESIDING OFFICER. Without objection, it is so ordered.

H.R. 15977—A BILL TO AMEND THE EXPORT-IMPORT BANK ACT OF 1945—SENATOR McINTYRE AND SENATOR BENNETT ADDED AS CONFEREES

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the names of Senator McINTYRE and Senator BENNETT be added to the list of conferees on H.R. 15977, a bill to amend the Export-Import Bank Act of 1945, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. HATHAWAY) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE NATIONAL HEART AND LUNG ADVISORY COUNCIL—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. HATHAWAY) laid before the Senate a message from the President of the United States transmitting the annual report of the National Heart and Lung Advisory Council, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

The "National Heart, Blood Vessel, Lung, and Blood Act of 1972" created a National Heart and Lung Institute and required the Director in consultation with the National Heart and Lung Advisory Council to prepare and submit to the President for transmittal to the Congress an annual report and a plan for the next five years.

This report is enclosed. It is a detailed and thorough description of what is being done in research and treatment of heart and lung diseases, with a thoughtful plan for what might be done in the next five years. The keynote of the report is the same as that of the NHLI's first program plan: "to marshal national resources for promoting and restoring health, and for preventing and treating disease more effectively. . . ."

That part of the report which deals with the future proposes certain expenditures for fiscal years 1976 through 1980 which are in excess of what has been requested in the 1975 budget. The report, of course, frankly says that it represents a parochial, although important, point of view, and does not take into account the competing claims on the Federal budget at any time.

There is no conflict, however, about the depth of this administration's commitment to find cures and preventions for diseases of the heart, blood vessels, lungs, and blood. From a commitment of $182 million in 1971 to a proposed commitment of $309 million in 1975, the Federal Government's concern and determination on this matter has grown steadily greater. My administration reaffirms that commitment.

This report shows that the money spent by the NHLI has been well spent. I hope that the NHLI's accomplishments will be further milestones in our progress for our Nation and for mankind against those diseases which wreak so much heartbreak, death, and misery.

GERALD R. FORD.

THE WHITE HOUSE, *September 24, 1974.*

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1974

The Senate continued with the consideration of the bill (S. 3585) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes.

Mr. HATHAWAY. Mr. President, I suggest the absence of a quorum, the time to be charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The hour 1:50 having arrived, the vote occurs on the amendment of the Senator from Wisconsin (Mr. Proxmire). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Alaska (Mr. Gravel), the Senator from Iowa (Mr. Hughes), and the Senator from Illinois (Mr. Stevenson) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. Stevenson) and the Senator from Alaska (Mr. Gravel) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Arizona (Mr. Goldwater), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

I further announce that the Senator from Pennsylvania (Mr. Schweiker) is absent due to a death in the family.

The result was announced—yeas 81, nays 10, as follows:

[No. 421 Leg.]

YEAS—81

Abourezk
Aiken
Allen
Baker
Bartlett
Beall
Bible
Biden
Brock
Brooke
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Griffin
Gurney
Hansen
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Long
Magnuson
Mansfield
McClellan
McClure
McGee
McGovern
Metzenbaum
Mondale
Montoya
Moss
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—10

Bennett
Burdick
Clark
Hart
Hathaway
Kennedy
McIntyre
Metcalf
Muskie
Percy

NOT VOTING—9

Bayh
Bellmon
Bentsen
Goldwater
Gravel
Hughes
Mathias
Schweiker
Stevenson

So Mr. Proxmire's amendment No. 1880 to Mr. Beall's amendment, in the nature of a substitute, was agreed to.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays on the Kennedy-Javits substitute.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President, for the information of the Senate there is unanimous-consent agreement that this be a 10-minute rollcall vote.

The PRESIDING OFFICER. Under the previous order, the question now is on agreeing to the Kennedy amendment in the nature of a substitute for the Beall amendment, as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Alaska (Mr. Gravel), the Senator from Iowa (Mr. Hughes), and the Senator from Illinois (Mr. Stevenson) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. Stevenson) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Arizona (Mr. Goldwater), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

I further announce that the Senator from Pennsylvania (Mr. Schweiker) is absent due to a death in the family.

The result was announced—yeas 33, nays 58, as follows:

[No. 422 Leg.]

YEAS—33

Abourezk
Aiken
Bible
Burdick
Byrd, Robert C.
Cannon
Case
Clark
Cranston
Hart
Haskell
Hathaway
Hollings
Humphrey
Inouye
Jackson
Javits
Kennedy
Mansfield
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Pell
Ribicoff
Stafford
Tunney
Williams

NAYS—58

Allen
Baker
Bartlett
Beall
Bennett
Biden
Brock
Brooke
Buckley
Byrd, Harry F., Jr.
Chiles
Church
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Griffin
Gurney
Hansen
Hartke
Hatfield
Helms
Hruska
Huddleston
Johnston
Long
Magnuson
McClellan
McClure
McGee
Nunn
Packwood
Pastore
Pearson
Percy
Proxmire
Randolph
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—9

Bayh
Bellmon
Bentsen
Goldwater
Gravel
Hughes
Mathias
Schweiker
Stevenson

So the Kennedy amendment in the nature of a substitute for the Beall amendment, as amended, was rejected.

Mr. TAFT. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BEALL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Will the Senator yield to me for 1 minute?

Mr. KENNEDY. Yes, I yield.

S. 707 AND H.R. 13163 PLACED UNDER "SUBJECTS ON THE TABLE"

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 857, S. 707, and Calendar No. 895, H.R. 13163, be placed under the heading "Subjects on the Table."

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object, and I shall not object, I think it should be clear, because it was such a very hotly controverted bill, that one of these bills is the so-called consumer protection agency bill. The other sponsors of the measure and I are convinced that the cause of getting the bill enacted into law will be retarded, not advanced, if we continue to press the matter in this session.

Therefore, in the interest of getting a law which we are confident we can get when the Congress convenes, we are not interposing objection to this procedure; we are simply recognizing reality.

The PRESIDING OFFICER. Will the Senator suspend?

May we have order in the Senate. The Senator from New York has the floor.

The Senator from New York is recognized.

Mr. JAVITS. Also, and I emphasize that we do this in the interest of insuring that we will prevail. We believe that that total effort will be prejudiced against us if we persist at this time.

Mr. CRANSTON. Mr. President, reserving the right to object, I wish also to join in stating that, in my judgment, the leader has made a wise decision in placing this measure aside.

However, I wish to join in the expression of confidence by the Senator from New York that we can and will pass this measure early in the next Congress.

The PRESIDING OFFICER. Is there further objection?

Mr. ALLEN. Mr. President, reserving the right to object, and I shall not object, I assure the leader I never had any doubt that the leader was going to take these bills down, because a commitment was made in the Senate that there be four cloture votes, and, as the distinguished Senator from New York has said, a fifth cloture vote will not advance the cause of the bill, because there were a number of Senators who voted for cloture on the fourth vote, who would not have voted for cloture had there been a fifth vote. I never had any doubt but that the majority leader would be fair and would live up to the commitment that was made, and I am delighted that he is taking this action at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1974

The Senate continued with the consideration of the bill (S. 3585) to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. BEALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BEALL. As I understand the parliamentary situation at the present time, the Beall-Taft-Dominick substitute is now before the Senate, with a time limitation.

The PRESIDING OFFICER (Mr. DOMENICI). That is correct, as amended.

Mr. BEALL. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BEALL. There are several amendments which Senators want to offer, which are acceptable, to the substitute. Does all time have to be yielded back before amendments are offered?

The PRESIDING OFFICER. That is correct, unless unanimous consent is obtained.

Mr. BEALL. Mr. President, I ask unanimous consent that the Senator from Idaho (Mr. CHURCH) and the Senator from Alabama (Mr. ALLEN) be permitted to offer amendments prior to the expiration of the time for debate on the substitute.

The PRESIDING OFFICER. Is there objection?

Mr. PASTORE. Mr. President, reserving the right to object, will the Senator answer one question for me? Does his substitute, in essence, in providing that those who may be assigned to a rural area or an area where there is a scarcity of medical assistance, further provide that this applies only to those students who receive either a loan or a grant as tuition during their time in the university?

Mr. BEALL. That is correct.

Mr. PASTORE. It does not apply to anyone else?

Mr. BEALL. It applies only to those people receiving assistance in the category reserved in the 25 percent slot at the schools.

Mr. PASTORE. In other words, they are obligated in return for some assistance given to them?

Mr. BEALL. That is right; and they are obligated for one year of service for each year of assistance, or otherwise they are required to pay back double.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. BEALL. I yield.

Mr. BROOKE. Do I correctly understand that those who do not receive the assistance are in a separate category?

Mr. BEALL. They will be under a separate program so that disadvantaged students will have an opportunity to enter the unreserved positions.

Mr. BROOKE. And they are not affected by the Senator's amendment?

Mr. BEALL. That is correct.

Mr. CHURCH. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CHURCH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with, and that I may explain it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH's amendment is as follows:

On page 63, line 9, insert "(1)" after "(B)".

On page 64, insert between lines 9 and 10 the following:

"(2) In the case of any State which provides financial assistance for any year to any school or schools of medicine (allopathic and osteopathic) or dentistry located outside of such State which receives a grant under section 770 for the support of its education program, the Secretary shall, for such year, assign (under Section 329 or under agreements entered into with individuals under Sections 750 and 752), to serve any populations and in any areas and institutions described in subparagraph (A) which are located within such State, a number of individuals equal to at least 50 per centum of the total number of individuals determined to be receiving assistance through the financial assistance being provided by such State and who are obligated to provide service during such year. The Secretary shall make assignments within such State only to the extent that such individuals are needed to serve populations and in areas and institutions described in subparagraph (A) which are located within such State. To the maximum extent feasible the Secretary shall assign, to provide service in any such State, individuals who are residents of such State and who are likely to remain in such State to practice their professions."

Mr. CHURCH. Mr. President, Idaho has no medical schools, but the Idaho State Legislature appropriates a sum of money to the State of Washington in order to receive for Idaho students a certain allotment of admissions at the medical school in Washington. The legislature has committed up to $12,500 a year for each Idaho student who is admitted under this program to the medical school at the University of Washington.

The purpose of this amendment is simply to give to Idaho the same status that is given to States which do maintain medical schools. That is to say, in conjunction with students who are obligated to give this service in areas that are not adequately serviced by medical personnel and for whom the Idaho Legislature obligates money to the State of Washington above or beyond tuition fees, Idaho will have a claim on 50 percent of such students in the same way that other States would have.

The substitute amendment before us specifies that a State which provides substantial financial assistance to one of its medical schools which receives capitation grants under this act is entitled to have an equivalent of 50 percent of the graduates of that school, who have incurred medical service obligations under the scholarship program, assigned within that State if there is need for these professionals.

I support this provision of the bill, but I find that it does not address itself to the matter of a State which supports a medical school outside its boundaries. The State of Idaho, for instance, does not have a medical school. This is most unfortunate for Idaho students since they often encounter difficulties in gaining admission to out-of-State schools which give admission preference to resident students. Because of this, and until such time as the establishment of a medical school in Idaho becomes feasible, Idaho has joined with the States of Montana and Alaska—also without medical schools—in developing a program in conjunction with the medical school at the University of Washington in Seattle, Wash. This program—called WAMI, the initials representing the States involved—allows the participating States without medical schools to contribute to the support of the medical program at the University of Washington in order to assure that an allotted number of slots will be held for qualifying nonresident students. For those of my colleagues interested in a more detailed description of this program. I ask unanimous consent that the attached article be printed at the end of my remarks.

This is a relatively new program; and each State is allowed to participate to the degree desired, the allotment of student slots being in direct proportion to the degree of participation. For instance, the Idaho State Legislature agreed last year to pay Washington the full costs for 10 Idaho students above and beyond what the student himself paid in tuition fees. The University of Washington estimates the cost per year per student to run about $12,500 and this year they asked the Idaho Legislature for $89,000 to support these 10 slots. Next year it is hoped that 20 slots can be reserved for Idaho medical students, and is order to do so the Idaho Legislature will be called upon to more than double its appropriation for this purpose.

Now, my point is, since a situation exists where a State contributes to a medical school outside State lines, it seems only fair that such a State also receive 50 percent of the students it supports which have incurred a service obligation if it, too, can demonstrate need for these professionals in medically underserved communities. My amendment adds a new section to the bill to accomplish just that, and I hope that the distinguished author of this amendment, Senator BEALL, will recognize this inequity and agree to accept this amendment.

I ask unanimous consent to have printed in the RECORD an article entitled "WAMI Extends Medical Education in the Pacific Northwest," written by M. Roy Schwarz, M.D., and published in the current issue of WAMI News.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WAMI EXTENDS MEDICAL EDUCATION IN THE PACIFIC NORTHWEST

(By M. Roy Schwarz, M.D.)

Because you live in Washington, Alaska, Montana, or Idaho and will help determine the future of health care in your state, we'd like to introduce you to WAMI. Named for the four states participating in the program, WAMI is an experiment in broadening the base of medical education. Its goals are to reduce the physician shortage in the small communities in the region and to provide medical training to an increased number of students who are residents of the four states.

The program has made considerable progress since December, 1969, when it was conceived. Five universities in the WAMI states are participating. These include the University of Washington, which provides the bulk of the medical school experience. The other schools in the WAMI Program are the University of Alaska, the University of Idaho, Montana State University, and Washington State University. Family doctors, obstetrician-gynecologists, and pediatricians are training students in clinical medicine in eight small communities in the four states. Internists in outher outlying communities will be teaching in the program in the coming months, and plans are being made to include psychiatrists and surgeons in this part of the WAMI program.

WAMI owes its achievements to the extraordinary support by many persons and to funding by the Commonwealth Fund of New York, a private organization, and to the newly created Bureau of Health Resources Development of the Health Resources Administration (formerly the Bureau of Health Manpower Education of the National Institutes of Health).

You are reading the first issue of the WAMI News. It will be publishted bimonthly to tell you what WAMI is, why it was created, and current developments. We welcome your questions or comments on the program.

You may address your remarks to the WAMI Coordinator at the participating university in your state:

Dr. Richard Lyons, WAMI Program, University of Alaska, Box 95753, Fairbanks, Alaska 99701.

Dr. Guy Anderson, WAMI Coordinator, Life Science 112, University of Idaho, Moscow, Idaho 83843.

Dr. John Jutila, WAMI Coordinator, Montana State University, Department of Botany and Microbiology, Bozeman, Montana 59715.

Dr. Ronald J. Adkins, WAMI Coordinator, Washington State University, Box P—College Station, Pullman, Washington 99163.

Or to me: Dr. M. Roy Schwarz, Director, WAMI Program, University of Washington School of Medicine, Seattle, Washington 98195.

WAMI SEEKS TO REVERSE PHYSICIAN SHORTAGE

There is a clear need for more primary-care physicians in the small communities of the WAMI states. Alaska has only one-half of its fair share, based on its population, of the available U.S. physician pool. In 1969, Idaho's physician-to-population ratio was 89:100,000, compared to the U.S. average of approximately 150:100,000. Montana had only 100 physicians for 100,000 persons. Washington's physician population is only slightly less than the national average. The majority of the physicians are clustered in the Puget Sound and Spokane regions, boosting statistics there well above the norm, but leaving large rural areas of the state with few physicians and great health care needs.

Alaska, Montana, and Idaho are at a particular disadvantage. None of them has a medical school, and an estimated sixty million to one hundred million dollars would be needed to build one such facility. As do all other state-supported medical schools in the country, the University of Washington's school must give preference to applicants from its own state, and even then approximately three students apply for each one that can be accepted. None of the WAMI states has the economic resources to devote to construction of new facilities or, in Washington's case, to adequate expansion of the existing medical school.

To ease these problems, the UW School of Medicine created WAMI.

MORE SLOTS CREATED FOR TRAINING

The University Phase of WAMI began in the fall of 1971 at the University of Alaska in Fairbanks. Nine freshman medical students took the first academic quarter of their basic science curriculum at the university in Fairbanks. They then joined the rest of the first-year medical school class at the University of Washington. Last fall, Washington State University and the University of Idaho entered the program, and the three participating schools taught a total of thirty students for their first academic quarter of medical school. This fall, Montana State University is also teaching medical students. It is planned to allow students to take a full academic year at a participating university.

The University Phase of WAMI is expanding the classroom space and teaching faculty for medical students without the cost of building new facilities. This will allow more students from the states to enter medical school.

CLINICAL TRAINING PROVIDED IN OUTLYING COMMUNITIES

The other aspect of the WAMI program, the Community Clinical Phase, is increasing the number of sites for training medical students and, at the same time, giving them a firsthand view of medicine in practice in smaller communities of the region. Family physicians in four towns in Washington and one in Alaska take third- and fourth-year students and, more recently, residents into their daily practices for six weeks. These Community Clinical Units, as the sites are called, are in Omak, Grandview, Oak Harbor, and Anacortes, Washington, and in Kodiak, Alaska. A Community Clinical Unit in obstetrics-gynecology serving Nampa, Boise, and Caldwell (the Treasure Valley area) in Idaho began receiving students in March. Additional units in pediatrics opened in July in Pocatello, Idaho, and Great Falls, Montana. Units in internal medicine will be established in the coming months. Other sites for training students in psychiatry and surgery are being planned.

During their stay, the students become familiar with the patients and the community, the types of illnesses the family physician sees, and the role and kind of life the doctor has in a rural community. Because physicians often practice in the areas where they have had clinical training, it is hoped this exposure to the attractions of medical practice in a farm-related community will influence the WAMI students to return there to establish practices.

FIRST 2 YEARS YIELD ENCOURAGING RESULTS

The WAMI program is being funded as an experiment. The attitudes and performance of the students and participating faculty are continuously assessed to determine if the project could become a practical ongoing program.

While all the units expose the students to the private practice of community medicine, each one offers an experience unique to the area. In Omak, a small community in northeastern Washington, the students are conducting in-depth studies of patients' families. The UW Department of Psychiatry and Behavioral Sciences is working with the Omak physicians in improving a mental health program. The clinic's business manager has developed a computer program to learn which students are seeing what types of patients and the numbers involved.

In Kodiak, Alaska, the site of the most recently established family medicine unit, three physicians and one surgeon are responsible for the health care of a community of ten thousand persons on an island in the Aleutian chain. In addition to observing the local medical practice, the students are learning about another system of providing health care. A radio network links eight outlying villages with the Kodiak medical center. Once each day, health aides in the villages communicate with the Kodiak physicians on specific needs of the community and individual patients.

Other positive experiences are expected in Idaho and Montana as new Community Clinical Units are established.

WHAT LIES AHEAD?

WAMI, as an experimental program, has progressed more than halfway through its funding period. The Commonwealth Fund of New York, a private foundation, provided the original financing for the program. That funding period will end June 30, 1974. Additional funding, provided in the spring of 1972 and again this summer by the Federal Bureau of Health Resources Development, will end in 1975. Both the Commonwealth Fund and the government have made it clear that financing would be provided for this limited period as seed money to establish a sound, self-sustaining program of medical education in the Pacific Northwest. WAMI is perceived as a viable means of solving the physician shortage in rural areas. To sustain success and to reap the rewards of a broadened system of medical education, the participating states will have to assume the financial responsibilities the program requires.

To evaluate the success of the courses at the different schools and to compare the WAMI students' progress with that of their classmates at the University of Washington, all the freshman students are given a common test at the end of the first academic quarter. Results of the tests given last December showed that students in the WAMI program scored at least as well as their classmates at the University of Washington. Student performances at one school did not differ significantly from performances at any of the other schools in the four states.

In the Community Clinical Units, the students and their physician-teachers have found rewarding experiences. Patients have expressed appreciation for the attentiveness and interest of the students. For the physicians at the Oak Harbor unit on Whidbey Island, for example, say they are learning from the students and from their link with the University faculty. They believe that because of WAMI they are providing better health care to the community. A hospital built three years ago on the island brought together physicians who, because of their previous geographical separation, had not worked with each other. Dr. John Teays at the Oak Harbor unit said WAMI has improved the physicians' relationships with one another and has contributed to their learning experiences and professional development in a way that "couldn't be equalled anywhere else."

Anacortea, the site of another WAMI Community Clinical Unit, has a physician shortage. Dr. Harold E. Clure said the students have had an important positive impact on the community. Because of the students, he said, two new primary care physicians were attracted to the area. Physicians want to be involved with students, teaching, and the University, he said.

The Community Clinical Unit in Grandview was the first to receive residents. The Grandview physicians believe that the residents, who are still involved in medical training, are teaching the Grandview doctors a few things in addition to doing the important work of instructing the medical students.

Mr. CHURCH. I have discussed this matter with the distinguished floor leader and the distinguished Senator from Maryland, who both find the amendment entirely acceptable and equitable, and I hope the Senate will approve it.

Mr. KENNEDY. Mr. President, whether you support our amendment or the Beall amendment, this proposal is eminently fair and makes eminently good sense. It covers a very special situation of Idaho in a tri-State arrangement, and should be accepted.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. STEVENS. Does the Senator's amendment apply to all those States that do not have medical schools, or specifically to the State of Idaho?

Mr. CHURCH. It applies to those States that do not have medical schools and are making contributions. Idaho makes a contribution.

Mr. STEVENS. I am concerned about WAMI, the Washington-Alaska-Montana-Idaho program. It has no effect on that?

Mr. CHURCH. It would have no effect on the operation of the program itself.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. HANSEN. The State of Wyoming, along with a number of other States, has been a participant and one of the compacting States in the Western Commission for Higher Education, which includes the kind of support, I think, which the distinguished Senator from Idaho has just reported. Am I right about that?

Mr. CHURCH. The Senator is correct.

Mr. HANSEN. Would this amendment, which as I understand recognizes the contributions the State of Wyoming is making, insure that proportional to the contribution the State has made it would be assured of the return and practice in the State for a commensurate period of time of doctors who had been participants in the program?

Mr. CHURCH. That is the purpose of the amendment. I do not know the situation in Wyoming. The Senator from Wyoming certainly does know it.

This is meant to apply to all those States which are contributing to the medical education of students from the States, who must go elsewhere to receive their medical education because of the lack of a medical school within the State.

Mr. HANSEN. Mr. President, if the Senator will yield further, I ask unanimous consent that I be included as a cosponsor of the amendment.

Mr. CHURCH. I am happy to have the Senator as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. McCLURE. I ask that I also be included as a cosponsor.

Mr. CHURCH. Mr. President, I ask unanimous consent that the name of my colleague, Mr. McCLURE, be included as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Idaho (Mr. CHURCH).

The amendment was agreed to.

The PRESIDING OFFICER. Is all time on the amendment yielded back? The question is on agreeing to the amendment of the Senator from Maryland, as amended.

Mr. BEALL. Mr. President, we previously received unanimous consent for the Senator from Alabama to offer an amendment.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

AMENDMENT NO. 1861 (AS MODIFIED)

Mr. ALLEN. Mr. President, I call up my amendment No. 1861, and ask unanimous consent that it be conformed so as to fit the Beall substitute, it having been drafted as an amendment to the original bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. I further modify the amendment on page 2, line 4, by striking "section 754" and inserting in lieu thereof "section 752".

The PRESIDING OFFICER. The amendment will be so modified.

Mr. ALLEN's amendment, as modified, is as follows:

On page 155 insert between lines 2 and 3 the following:

(c) Such Act is further amended by inserting after section 754 the following new section:

"LISTER HILL SCHOLARSHIP PROGRAM

"SEC. 755. (a) In addition to the scholarship grants made by the Secretary under the preceding sections of this subpart the Secretary shall make grants to ten individuals (to be known as Lister Hill Scholars) in accordance with the provisions of this subpart, who agree to enter into the family practice of medicine in areas described in subsection (a) of section 752. Grants made under this section shall be made from funds appropriated under subsection (b).

"(b) There are authorized to be appropriated to carry out the purposes of this section $60,000 for the fiscal year ending June 30, 1975, $120,000 for the fiscal year ending June 30, 1976, $180,000 for the fiscal year ending June 30, 1977, and $240,000 for the fiscal year ending June 30, 1978. For the fiscal year ending June 30, 1979 and for each succeeding fiscal year, there are authorized to be appropriated such sums as may be necessary to continue to make such grants to students who (prior to July 1, 1978) have received such a grant under this part during such succeeding fiscal year.".

Mr. ALLEN. Mr. President, this amendment is offered on behalf of myself and Senators SPARKMAN, ERVIN, MANSFIELD, McGEE, STENNIS, HUMPHREY, and BIBLE.

Mr. President, this is the amendment setting up the Lister Hill scholarship program providing for 10 medical school scholarships, 4-year scholarships, annually for the study and practice of family medicine, family practice medicine.

A separate bill was introduced, and this amendment, which is added to a section providing for several hundred scholarships in the Public Health Service Act, would provide 10 additional scholarships in honor of Senator Lister Hill.

I ask unanimous consent that the distinguished Senator from Rhode Island (Mr. PASTORE) be added as a cosponsor.

Mr. DOMINICK. Mr. President, will the Senator from Alabama yield?

Mr. ALLEN. I yield.

Mr. DOMINICK. Would he mind if he joined the Senator from New York (Mr. JAVITS) and myself as cosponsors?

Mr. ALLEN. Yes; I would be delighted.

The PRESIDING OFFICER (Mr. McCLURE). Without objection it is so ordered.

Mr. ALLEN. The Senator from Washington (Mr. MAGNUSON), the Senator from Kansas (Mr. DOLE), the Senator from New York (Mr. JAVITS), the Senator from Colorado (Mr. DOMINICK), and the Senator from North Dakota (Mr. YOUNG).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. The distinguished Senator from Massachusetts (Mr. KENNEDY) and the distinguished Senator from New York (Mr. JAVITS) agreed to accept this amendment to S. 3585. The distinguished Senator from Maryland (Mr. BEALL) agreed to accept it to his substitute.

I would like to yield back the remainder of my time.

Mr. KENNEDY. Will the Senator withhold and yield for one moment?

Mr. ALLEN. Yes.

Mr. KENNEDY. It seems to me, Mr. President, that this amendment makes eminently good sense. It honors one of the great legislative leaders in the health area, Chairman Hill of Alabama, who has probably done more in the development of health manpower legislation than any other living or deceased Senator, and it is entirely appropriate that he be honored in this way, and I hope that it will be accepted and adopted.

Mr. ALLEN. I thank the distinguished Senator.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. BEALL. I am happy to support the amendment of the Senator from Alabama and to urge its adoption. I am ready to go back to my amendment.

Mr. ALLEN. I thank the Senator.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Alabama. [Putting the question.]

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. BEALL. Mr. President, I ask unanimous consent that the Senator from Kansas (Mr. DOLE) and the Senator from Oregon (Mr. HATFIELD) be added as cosponsors of the substitute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, I ask unanimous consent that it be in order to offer an amendment by my colleague from Maryland (Mr. MATHIAS) and myself.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk proceeded to read the amendment.

Mr. BEALL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 114, insert the following after line 19:

SEC. 705. The Secretary shall, within 3 months after the date of enactment of this Act, issue regulations in final form to implement section 799A and section 845 of the Public Health Service Act.

Mr. BEALL. Mr. President, this amendment was previously offered by my colleague, Senator MATHIAS, to the Kennedy substitute. It requires the Department of Health, Education, and Welfare within 3 months to issue regulations concerning sex discrimination in health institutions in accordance with amendments sponsored by Senator MATHIAS and Senator HART under the provision of the law in 1971.

There is no objection to this amendment; it is worthwhile and it should be added, and I am prepared to yield back the remainder of my time on the amendment.

Mr. KENNEDY. I yield back whatever time is remaining on my behalf.

Mr. BROOKE. Mr. President, may I ask the Senator one question? Suppose the money is not appropriated? I know the Senator used the word "entitlement" in this bill. Suppose the money is not appropriated? The student, as I understand it, is still required to serve?

Mr. BEALL. He is required to serve but there is a provision for loan forgiveness, so he can get reimbursement through the loan forgiveness procedures already established.

Mr. BROOKE. The Senator uses the language "entitlement."

Mr. BEALL. Well, we cannot bind the Appropriations Committee.

Mr. BROOKE. I know we cannot bind the Appropriations Committee. But I would hate to see a situation exist whereby the money is not there and then the student is still bound to serve.

Mr. BEALL. In all honesty I do not think we run that risk because the Appropriations Committee has a very good record of support for programs of this sort, and we do have the loan forgiveness programs in back of it, that feature, so I think the students will be adequately cared for.

Mr. BROOKE. So there must be some good faith in what the Appropriations Committee does to guarantee under these circumstances that there will be appropriations for the students to serve.

Mr. BEALL. Yes. There is good faith involved which, I think, is a reasonable expectation that the committee will accept the mandate of the Senate in issuing a program of this sort.

Mr. BROOKE. There is good faith in this legislation.

Mr. BEALL. There certainly is.

Mr. President, I ask unanimous consent that the Senator from New Mexico (Mr. DOMENICI), and the Senator from Indiana (Mr. HARTKE), be allowed to present amendments prior to yielding back the time on my substitute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, will the Senator yield for a question? I would like to ask the distinguished sponsor if there is anything in this substitute which mandates an increasing enrollment in medical colleges year by year.

Mr. BEALL. One year only.

Mr. STAFFORD. Will the Senator advise this Senator how much this mandate or increase is?

Mr. BEALL. It is the same as in the reported bill.

Mr. STAFFORD. Ten percent required increase?

Mr. BEALL. Yes.

Mr. STAFFORD. Is there anything in the Senator's substitute which would provide for a situation, as the original committee bill did, that would give the Secretary some discretion——

Mr. BEALL. Yes.

Mr. STAFFORD (continuing). If there is some inadequate population in the area served by the medical school to permit the school to provide medical training if such increase occurs?

Mr. BEALL. The Stafford-Mondale amendment, as contained in the committee bill, has been preserved in the substitute.

Mr. STAFFORD. That is in the substitute?

Mr. BEALL. The Senator is correct.

Mr. STAFFORD. I thank the Senator very much.

The PRESIDING OFFICER. Has all time been yielded back on the amendment pending of the Senator from Maryland?

Mr. BEALL. Yes. All time has been yielded back.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Maryland (putting the question).

The amendment was agreed to.

Mr. DOMENICI. Mr. President, I send to the des an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk proceeded to read the amendment.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 86, line 13, strike the "(21)": and insert in lieu thereof "(22)"

On page 86, line 19, strike "(22)" and insert in lieu thereof "(23)".

On page 86, insert between lines 12 and 13 the following:

"(21) encourage experienced physician and other health care personnel to relocate to medically underserved areas determined under section 329."

Mr. DOMENICI. Mr. President, I have discussed this amendment with both the minority leader and the majority leader on this bill and, basically, that section of the bill wherein $75 million is provided, aside from scholarships and other things, to encourage the relocation of physicians in areas that are low on physicians. I am just adding a section that takes care of one of the problems we discussed this morning, and that is that it adds a section that reads:

To encourage experienced physicians and other health care personnel to relocate to medically underserved areas determined under section 329.

So what we have done is just added one more way for this bill to be administered in terms of attracting physicians to underserved areas.

This would permit physicians to move, say, from East to West or West to East and locate in a small town. This would permit a national game plan of some sort or a State plan to be funded which would so encourage experienced as compared with the new that have gotten scholarships.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. KENNEDY. I hope the amendment will be accepted. It makes eminently good sense, and it follows the observations of earlier comments of the Senator from New Hampshire about encouraging medical schools to move in a more aggressive area. There are approximately $35 billion for special projects that will be appropriated. We have authorized $150 million and this makes eminently sound sense, and I hope it will be supported.

Mr. DOMENICI. I thank the Senator from Massachusetts.

Mr. BEALL. I second the remarks of the Senator from Massachusetts, if the Senator will yield. This is, indeed, in keeping with the discussion we had this morning, and another worthwhile effort that should be made and should be added to the special projects.

Mr. DOMENICI. I thank the Senator.

Mr. BEALL. I am happy to accept the amendment.

Mr. DOMENICI. I yield back all my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New Mexico (putting the question).

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. HARTKE. I have an amendment at the desk and I ask the clerk to report.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HARTKE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Add the following new section to Title V:

Sec. —. Section 785 (as so redesignated) is amended by inserting after "entities" and before "to":

", or a State, a unit of general local government, or any other public entity which has established an emergency medical services system or given adequate assurances that it will establish such a system which meets the requirements of section 1206(b)(4) and which has entered into a contract or other agreement with an appropriate educational entity,"

Mr. KENNEDY. Mr. President, will the Senator yield without losing his right to the floor?

Mr. HARTKE. I yield.

Mr. KENNEDY. I believe this is the last amendment. I do not know if the Senator from Maryland has any additional amendments. I understand this can be done very briefly. We will have a vote on the Beall amendment, and then I would hope final passage.

Mr. HARTKE. Mr. President, this is an amendment which, at this moment, applies only to the State of Indiana. It applies to the State of Indiana simply because of the fact that Indiana has established an umbrella organization to coordinate all emergency medical service programs in the State, and this organization applied for funds and the Department told them they were not eligible under the definition of the act.

What the amendment does is simply enable State and local governments who established, or are about to establish, a medical service system and which entered into a contract with an educational institution to apply for and receive training grant funds.

I have cleared this matter with Senator KENNEDY, the distinguished floor leader, and with Senator JAVITS. I know of no objection. It is a technical amendment to clarify the issue.

I yield back the remainder of my time.

Mr. KENNEDY. Mr. President, if the Senator would withhold for a moment.

This deals with an emergency medical program and is extremely useful. I hope it will be accepted, as well.

Mr. HARTKE. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. DOMENICI). All time having been yielded back, the question is on agreeing to the amendment of the Senator from Indiana (Mr. HARTKE).

The amendment was agreed to.

Mr. BUCKLEY. Mr. President, I would like to ask a couple of questions of the Senator from Maryland.

The PRESIDING OFFICER. Will the Senators suspend, we must have order in the Senate.

Mr. BUCKLEY. Mr. President, I would like to ask the Senator a couple of questions with respect to his substitute amendment.

What would happen under his proposal if a medical school could not find enough volunteers to meet the requirement that 25 percent, or whatever percentage is decided upon, but students who have agreed to serve 2 years in a medically underserved area, would the situation remain empty, or other students admitted to fill it?

Mr. BEALL. Well, technically, this would be a problem, but practically it is not, because, there is no question that those positions will be filled. There are so many applicants for medical school that these positions will be filled by qualified applicants.

Mr. BUCKLEY. In other words, there are enough people so anxious that they are willing to sell their bodies for a 2-year period?

Mr. BEALL. Yes, currently 45,000 people per year apply for 15,000 slots, so there are 30,000 not being admitted, further, there are some 3,000 students each year going to medical schools in foreign nations to get their training and coming back to practice. Thus, there are plenty of students, very well qualified incidentally, who want to go to school and are deprived at the present time.

Mr. BUCKLEY. But the condition is that they must, nevertheless, commit themselves to go where the Federal Government wants them to go as an indentured service?

Mr. BEALL. In return for a scholarship.

Mr. BUCKLEY. No, not in exchange for a scholarship; we hope the scholarship will be appropriated, but if it does not come through——

Mr. BEALL. If they take one of these slots.

Mr. BUCKLEY. Any school with a funding would have that.

Mr. BEALL. They get a loan and that can be forgiven.

Mr. BUCKLEY. I thought the way the bill read was that we might have no loans, no scholarships——

Mr. BEALL. No. The present loan programs continue, they can be continued, the loan can be forgiven, at the rate of 25 percent a year.

It says that if they go into a shortage area the loan is forgiven.

Mr. BUCKLEY. What about the capitation provision for the school?

Mr. BEALL. That does not go to the school unless it agrees to set aside 25 percent of the slots, people who are willing to train people in primary care, and they are willing in return for a scholarship to serve in shortage areas.

Mr. BUCKLEY. Well, does the loan automatically accompany the capitation program?

Mr. BEALL. It does not automatically cover, but under the present law, if one serves a shortage area one can get a loan and it is forgiven.

Mr. BUCKLEY. So this is a loan to cover tuition?

Mr. BEALL. Tuition, plus expenses.

Mr. BUCKLEY. Under any circumstances.

I thank the Senator for that clarification.

Mr. President, on a number of grounds this legislation is objectionable. As is so often the case the Senate is confronted with a laudable objective, sought by means that are unwarranted and unwise. Certain methods employed in the Health Professions Educational Assistance Act are discriminatory and constitute an intervention and demand upon the lives of medical personnel that is fundamentally objectionable. From involuntary servitude to subsidization the defects with S. 3585 are so serious that this legislation should not be passed. S. 3585 should be returned to committee. This is one of those instances where there are so many problems you do not know where to begin.

It is generally accepted that the United States could use more doctors. It is also known that medical schools, like everybody else, are hard pressed by rising costs. Perhaps there is a role for the Federal Government to play in facilitating the entrance of qualified and motivated persons into the medical profession. But, Mr. President, S. 3585 embodies as objectionable a way to accomplish that goal as I can imagine.

The requirement that medical schools receiving capitation funding from the Federal Government be required to extract from their entering students the signed agreement to serve in the so-called "medically underserved" areas of our Nation is nothing short of involuntary servitude. It smacks of a willingness to employ authoritarian measures when none are required and where none should be tolerated.

Mr. President, I expect to support the substitute amendment when it is brought to a vote. But I wish to make it absolutely clear that I find certain provisions within the substitute no less objectionable. The Beall substitute would require that medical schools receiving capitation grants from the Federal Government reserve at least 25 percent of their slots for entering students who are willing to commit to serve professionally in areas where there is a designated shortage of medical personnel. The requirement is discriminatory. It could conceivably lead a medical school to accept less qualified students who will agree to the indentured service or mandate a form of blackmail: If you want to get in, you will agree. On this question, the substitute is better only in degree. The requirement constitutes an acceptance of the principle contained within the committee bill. What the committee would demand of 100 percent, the substitute would demand of 25 percent.

If it is desired that it be the public policy of the United States that we encourage medical personnel to move into designated shortage areas, then it can and should be done by wholly different means. The technique should be grounded on the voluntarism that is part of the tradition of our political and economic freedoms, and that is essential to them. The method on which I would suggest we should rely can be incorporated into the payback provisions of a system of low-cost loans available to any student in medical school. In societies where freedom is the rule by which the society operates, there is always a chance that no doctor will choose to live north of the Arctic Circle. The implications of a government program which repudiates the essential element by choice in a free society, that substitutes compulsion for incentives in the achievement of governmental goals, is truly frightening.

Interestingly, the State of Alaska effectively employs a similar technique. It will remit student education loans, in whole or in part, to induce young Alaskans to take up residency in the State following graduation. The State would not even think that it had the right to order its young graduates to remain or return to the State. And yet this is exactly what the committee bill, and, to a lesser extent, the substitute would do. The notion that socially useful people can be ordered into State service is repugnant to the tradition of the free society. The Gulag Archipelago was constructed not just for the detention of political prisoners; but to bring people into the hinterlands by force to perform services which the resident population was unable to perform themselves. I find the principle of S. 3585 strikingly similar, even if the administration would be more artful and humane.

In addition to the provisions for indentured service, the committee bill presents a number of other problems. The committee would require that all doctors submit themselves to relicensing every 6 years. Aside from the fact that this would represent still another preemption by the Federal Government of responsibilities traditionally reserved to the States—the qualifications and licensing of professionals, I question whether there is a demonstrable need for such requirements. I wonder if the profession so amply represented in this body would consider it sound policy to require periodic reexamination for all who wish to maintain their license to practice law. Many doctors and attorneys soon after their admission examinations are passed proceed to specialize. The very act of specialization contributes to expertise, but at the same time it requires as a practical matter paying less attention to other areas of the law or medicine. To require these professionals to submit to necessarily general relicensing procedures would build into the law a disincentive to specialize.

Mr. President, I am also disturbed that the committee would have the Congress authorize the Secretary of the Department of Health, Education, and Welfare to determine within geographical regions the numbers of medical graduates who can enter into specializing residencies Giving any Government administrator the authority to control the total number of postgraduate residencies is an unconscionable act, in this instance, of Federal authoritarianism. We have spent many decades talking about eliminating second-class citizens. It occurs to me, Mr. President, that in service of some social goals that may or may not be relevant to the needs of particular States, there are Members of this body who actively and strongly favor the creation of new categories of second-class citizens as long as it coincides with their grand design.

The last point which I would like to make about this legislation is the method by which the Federal Government would subsidize the medical profession. Make no mistake about it that is what this bill is all about. The Government of the United States has for some time been giving "aid to medical schools" through a capitation grant formula. What this aid to medical schools accomplishes is to permit a medical school to use the subsidy to lower the cost of medical training to those very people who can anticipate very high earnings during their professional careers. Such a formula constitutes a discrimination against all low- and middle-income families whose children do not go to medical school. It is the kind of subsidization of the rich, or at least potentially rich, which frustrates the low- and middle-income taxpayer. It is not fair and it ought not to be condoned.

It occurs to me that it would serve the ends of justice if the capitation formula of aid were replaced by a complete system of loans to the medical students, with the terms tailored to need so that young doctors are not faced with heavy financial burdens before they can become established. This approach would in no way affect the desires of those who wish to get a medical education but cannot afford it. At one point in their career they will be able to afford it. There is no reason why taxpayers of modest means should subsidize these students.

I would like to return for a moment to the question of providing medical services to designated shortage areas. If the method on which the United States relied to aid the cause of more doctors was based upon loans there would be no need to even consider such a fundamental abridgement of the freedom of an individual who wishes to become a doctor.

If the Government wishes to act to correct some of these problems, then it can provide the necessary incentives by incorporating provisions into the payback provisions of the medical loans, or even by payment of appropriate bonuses. There is nothing discriminatory or unreasonable about giving a trained doctor who gained his education and entrance to his profession with the help of public loans the option to repay portions of loans in the form of social or military service.

What is happening is that we are becoming captive of our own method of direct subsidies to this very highly paid profession. To accomplish socially desirable goals, the Congress is now being asked to use wage subsidies as the means for inaugurating a coercive system of indentured service.

There is no reason why the Federal Government should not support policies and programs which would tend to facilitate entrance into the medical profession. To become fully trained doctors, students commit themselves to as many as 8 years beyond their bachelor degree. This is costly. It is almost prohibitively so for all but the very rich. But that does not mean the Federal Government must support capitation grants to schools when alternatives such as full-cost tuition loans would give the student and the medical school the necessary ways and means to function.

Undoubtedly it is too late this year to provide for a fundamental reform of the system. But it seems to me that those who are seriously committed to the cause of equitable treatment at and by the hands of Government would gladly support a review and redirection of Federal programs whose objective is to increase the Nation's supply of doctors.

Clearly, there is a better way. But unfortunately that matter must be laid aside until the Congress has disposed of the proposal that the Federal Government establish a system of indentured service.

Mr. DOLE. Mr. President, it is with a vital concern for the entire future status of our Nation's medical profession that I rise as a cosponsor in support of the amendment offered by the distinguished Senator from Maryland (Mr. BEALL).

I am seriously distressed by the approach which the committee has taken in advocating such a radical alteration of our health manpower policies, and feel that adoption of this substitute is our only hope of avoiding what will surely become the Federal domination of American medical schools.

CRASH PROGRAM

I cannot agree more with the minority view on this legislation that it will effectively create a civilian draft for the health professions—and that to me is an unacceptable and intolerable prospect. I personally worked for an end to the involuntary conscription of our young people for military service, and am not about to sanction the establishment of a similar program under the guise of its being a solution to our health care problems.

The important point to be made in this debate is that everyone recognizes, and supports efforts to remedy, the physician distribution problem in our Nation today. But an overnight crash program to address that shortcoming by changing the very direction and scope of American medicine is hardly a judicious and enlightened undertaking.

SOCIALIZED MEDICINE

Everyone, including the proponents of the excessive measures contained in this bill, will I am sure throw up his hands and say "Oh, no" at the very mention of the term "socialized medicine." But is not that the practical long-range effect of what is being advocated in this bill?

Although it may be masked under the not-so-unpalatable term of "federalized," anytime we start talking about mandatory service in an arbitrarily-assigned area; governmentally controlled licensing standards; and absolute authority to regulate certification and residency, then we are clearly on the verge of outright socialization—if not for the entire profession, itself, then at least a portion of it. And that to me is a dangerous and irreversible trend toward ultimate vacation of our fundamental free enterprise system.

NATIONALIZED INDUSTRY

We all get immediately upset anytime a foreign government talks about and acts to nationalize our private industrial investments abroad. Why, then, should we be willing to set out on a similar course with respect to our doctors and dentists here at home?

Historically, on the international scene, strict regulation or takeover of the medical practice has been the precursor of subsequent events relative to other professions or businesses. Of course, this first step—as put forward in the Health Professions Educational Assistance Act—is not quite that drastic initially, but how can we ignore the committee language expressing an interest to further expand this matter at an appropriate time?

ADVERSE RAMIFICATIONS

I think one of the major reasons I am so opposed to the doctor-distribution solution proposed in S. 3585 is that it reeks of the very things that will likely provoke a rebellion of sorts among our medical and dental professionals. And such a development can hardly be construed as an improvement in our present day health care, which is considered highly satisfactory by nearly 95 percent of all Americans.

Among the negative consequences which I can foresee from this legislation, as reported, are enhancement of the movement toward medical unionization; early retirement of experienced physicians; and suppression of the desire to even enter the field in the first place. Naturally, this is only speculation, but when we are considering such an unmitigated overhaul of our present system, we are forced to think in terms of "the worst that can happen."

TREND TOWARD UNIONIZATION

It has been an historical pecedent that licensing of different specialties has resulted in rapid unionization. By that I mean that it has fostered a trend toward collective bargaining between specialty groups which have been drawn together and made more prone to organize for their own interests alone.

I am not saying that this is inevitable if the bill under consideration passes as is, but it is certainly predictable. It is a fact that membership in the American Federation of Physicians and Dentists and the AFL-CIO affiliated National Physicians Council has more than quadrupled in the last year and a half, and I fully expect that we can count on the movement to expand even more rapidly if the Federal controls incorporated into this legislation become a reality.

RURAL RETIREMENT BILL

The drafters of S. 3585, and variations of the proposal on the House side, have taken a very saintly approach in purporting to afford instant relief to the health-care problems of our rural and other underserved areas. What they have not considered, however, is that the heavyhanded philosophy which they are espousing is likely to drive our most experienced and qualified practitioners right out of the business.

I have talked to numerous physicians in my State of Kansas who forthrightly state that if this bill—and related public utility-type health planning legislation is enacted—they will refuse to put up with it and seriously consider early retirement. Others have said they will be compelled to seek administrative positions, feeling that patient care will no longer be enjoyable or even manageable.

SECOND-CLASS HEALTH CARE

It is estimated that 61 percent of the practicing physicians in my State of Kansas today are aged 55 and above. Moreover, the most valuable medical resource in our rural areas is that very category of career family doctor who has spent his life in the small community. What then, if we suddenly create the disincentives for him to continue in that capacity by making it not only unattractive, but unfeasible as well?

If we are to replace those dedicated, experienced country doctors—who have known and understood their patient following for decades—with a young physician fresh out of medical school—who would probably be in an unfamiliar setting, unable to identify with the people, and aware of the fact that he was only going to be assigned there for a brief time—would we not in fact be promoting mediocre, second-class health care for our rural areas—with regular turnover every 2 years.

EMOTIONAL TIES

I am far from suggesting that our young doctors and dentists are not technically qualified to take charge of the health care needs of any patient who might come to them. For most certainly, I will be the first to laud the outstanding training which our medical and dental schools provide, and endorse the superior professional skills which students of medicine and dentistry possess when they are awarded their M.D. or D.D.S. degrees.

But we are talking about much more than that when addressing the subject of patient care. And by that I mean that the emotional factor has to be there as well: The provider has to have the desire to be where he is and want to be taking care of the patients whom he is. No matter what his qualifications, the personal—not just professional—dedication is essential to the best performance of his duties.

A BETTER ALTERNATIVE

Some may respond to all this that "any doctor is better than none at all" and I heartily agree with that. But I would qualify it by saying that if that doctor is there by choice; has returned to his own hometown; and intends to remain there to practice primary care throughout his medical career, then that is a vastly preferable alternative.

I think we have that alternative in the proposed substitute now before us, which would encourage the voluntary practice in underserved areas, while at the same time providing an environment which would encourage a physician to "stay on." I firmly believe that we must attract and keep a young doctor in a rural area in order to be successful in relieving present health-care problems.

QUESTIONABLE ASSIGNMENT PRACTICES

It seems to me that the amendment offered by my good friends and distinguished colleagues from Maryland, Colorado, and Ohio (Mr. BEALL, Mr. DOMINICK, and Mr. TAFT), and which I am cosponsoring, is an effective and workable way to accomplish this without resorting to a dismantling of a system that, despite its few deficiencies, has given us the best medical care in the world. The substitute proposal would guarantee that 25 percent of all students entering medical school would be doing so in anticipation of voluntarily establishing their practice in an area of their choice—which area would also be one in need of their service.

I seriously doubt that even the committee bill can match that percentage figure—regardless of the methodology involved in promising to "get doctors into" those same areas. For, practically speaking, we can just about count on the majority of the National Health Service Corps personnel being assigned to HEW units, Federal institutions, and even to military facilities—all of which would be authorized under the provisions of S. 3585—and not to rural communities.

SITUATION IN KANSAS

In our substitute proposal, however, 3,750 doctors a year would be attracted to practice primary care in underserved areas. They would receive a special scholarship under either the National Health Service Corps in the Federal service, or the physician shortage area scholarship program as a civilian practitioner—in exchange for their commitment to serve, and the Federal capitation grants would still be retained for the medical schools themselves.

This would go a long way toward bringing relief to the doctor distribution problem in Kansas, where 54 percent of our physicians practice in only 4 counties—leaving the other 46 percent to cover the remaining 101. Moreover, it would mean that the 2 Kansas counties which have no physician services and the 14 which have only 1 doctor could look forward to having a primary care practitioner who wanted to go there to open his office in the very near future.

ROOTS OF THE PROBLEM

Before yielding the floor, Mr. President, I would like to suggest that we need to do much more than just "mathematically assign"—as S. 3585 in its present form would do—a certain number of young doctors to perform service in what are determined to be shortage areas. That is, in proposing a solution to any problem, we need to first go to its roots and understand why it is a problem in the first place.

Aside from the financial incentives and equipment and facility attractions of locating in a big city, the principal reason why physicians do not go to rural areas is that they lose their professional contact and cannot keep up with new developments. In order to have any hope of retaining the ones who do go, therefore, we must ideally work toward having two doctors in an area to allow each the opportunity to "get away" every other year—with assurances that there will be continued care for his patients—to bring himself up to date with new procedures.

I know that a very successful and sophisticated program of this type is underway in the State of Maine, and feel that it can provide an excellent model for rural health care development generally. Certainly, it addresses the continuity and retention factors which are noticeably absent from S. 3585, while at the same time permitting upgrading by individual motivation—not out of necessity to comply with some federally mandated standard.

LICENSING A STATE FUNCTION

I would like to coment, too, on that very point, by suggesting that it is going to be extremely difficult for any Federal bureaucracy to come up with a set of standards which could be applied to 360,000 physicians nationwide, and which could be realistically up-dated on a regular basis. This is not to mention the expense of such an operation which should, in my view, remain at the state level.

Licensure and relicensure have customarily been the province of the States, and I see no reason to change that practice. As the minority so aptly states:

> Licensing and credentialing of health professionals is a legitimate state responsibility. The states are moving toward national uniformity in the licensing area, with all but two states having adopted the Federation's Licensing Exam (FLEX). Under FLEX, a doctor who passes the test in one state qualifies to be licensed in any other state where the test is offered.

Adoption of our substitute proposal would insure that present licensing provisions be retained. Additionally, it would strike from the bill the "Radiation Health and Safety Act" which has been aimed at creating licensure standards for radiologists—a measure which is at best an extraneous and premature attempt to unnecessarily regulate that group of technicians.

WHERE, IN WHAT, AND FOR WHOM

Although the American Academy of Family Physicians, and indeed medical societies in general, have set up their own, extremely rigorous standards for recertification, the proponents of S. 3585 apparently believe that HEW is more qualified to control residencies and dictate who and how many are going to practice what and where. Either that or they consider it somehow efficient to duplicate what medical societies are already doing.

This whole notion of imposing Federal restrictions on numbers and types of allowable residency positions—with suspension of licenses for education outside the restricted residencies—to me smacks of the attitude which prevails in a particular Eurasian country I know of where a young person is "told" for what he is qualified and in what he is to occupy himself "because the Government says so." I do not care to have any part of that type of policy and am at a loss to understand how it could even be brought to the floor of the Senate.

SOLUTION WORSE THAN PROBLEM

Mr. President, if the "constructive changes" implicit in this bill are indicative of the excesses and extremes we have to go to in order to solve a "pressing national problem" of any kind, then I am convinced that this is another occasion in which "the solution is worse than the problem." That does not have to be the case at all, however, for I genuinely feel that our amendment offers a workable alternative and effective solution to the very real problem which exists, but which can be met in a reasonable and responsible manner.

It is not just a "better way to go," but is, as far as I am concerned, the "only" way to go. As I stated before, I voted to end the military draft, and am not about to foresake that commitment by voting to begin the conscription of our health professionals.

There is still some room left in this country for voluntarism and freedom of choice, Mr. President, and I urge every Member of this body to make that fundamental liberty meaningful by supporting this effort to avoid a very costly, unfair, unreasonable and unnecessary legislative revamping of our national health manpower priorities.

I have received numerous communications from my constituents in Kansas expressing opposition to this bill, but a telegram which arrived just today summed up the general feeling which they convey. It said:

> Do not wish doctor-son told where or what specialty to practice. Defeat S. 3585.

Mr. President, we can do just that by adopting this substitute.

Mr. BEALL. Mr. President, I ask for the yeas and nays for the Beall-Taft-Dominick substitute.

The PRESIDING OFFICER. Is there a sufficent second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do the Senators yield back their time? The question is on agreeing to the Beall amendment, as amended. The yeas and nays have been ordered.

Mr. BEALL. Mr. President, I am ready to yield back the remainder of my time.

Mr. KENNEDY. Mr. President, I yield back my time.

The PRESIDING OFFICER. Will the Senators yield back their time?

Mr. BEALL. Mr. President, I yield to the Senator from New Hampshire.

Mr. COTTON. Just a minute.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. COTTON. I intend to vote for the Senator's substitute, but before final passage of the bill can the Senator tell us in figures now, with all the amendments adopted, how much more costly or more appropriations will be required to satisfy the bill than we are now giving to medical education?

Mr. BEALL. How much more costly than what is appropriated now, or how much more costly at the time the substitute was introduced?

Mr. COTTON. I am not talking about the original bill, I am talking about at the present time.

How much——

Mr. BEALL. The cost of this?

Mr. COTTON. Yes.

Mr. BEALL. I do not have any appropriation, but the cost of this particular substitute is just over $600 million per year.

Mr. COTTON. In addition to what we have now?

Mr. BEALL. No; this total authorization.

Mr. COTTON. Does that include or is it in addition to what we have been giving medical schools now?

Mr. BEALL. It includes what we have been giving the medical schools.

Mr. COTTON. But not all of it, there are some benefits we are giving medical schools in addition to capitation?

Mr. BEALL. Well, this is the whole program that we are now doing, plus some new additions we made in the substitute. In other words, everything which covers all the health manpower programs is just over $600 million.

Mr. COTTON. But the Senator is not in a position to tell us how much it exceeds what we are giving?

Mr. BEALL. No, I do have the current appropriation.

Mr. COTTON. I thank the Senator.

Mr. McCLURE. Mr. President, I rise in opposition to S. 3585 and in support of the Beall amendment. The draft-doctors bill, which goes under the guise of the Health Professions Education Assistance Act, is conscription no matter which way you slice it.

At best, the draft is a necessary evil in time of war. In peacetime, we have abandoned the idea in favor of the all-volunteer Army, the very principle upon which the Beall substitute is based.

The basic bill proposes that young doctors be drafted—or subject to the possibility of a draft. The unlucky ones would be caught by lottery. Does that sound familiar?

As you read this legislation you will find quite a few other things which sound familiar. As a matter of fact they sound like familiar discards. The young medics with the short straws will get a residency predetermined for them by the National Advisory Council on Health Research Facilities. Then they will be sent out to whatever part of the country that same group thinks they should go.

Liberals have often spoken of the importance of having teachers and doctors working among people of similar ethnic groups and backgrounds. This system would send New Yorkers to Oklahoma, Floridians to Alaska, and virtually assure that doctors would practice among religious and ethnic groups as dissimilar from their own as possible. The effect on the patient would be obvious. But the effect on the drafted doctor is incalculable. He would not only not be able to choose his specialty, but might very well not be allowed to specialize at all.

Furthermore, this legislation does not specify what would happen to a draftee who, after completing his residency does not choose to serve as required. Many of the supporters of this bill have been unequivocal in their remarks on two other subjects. They have strongly supported the notion of blanket amnesty to Vietnam draft dogers. They have also decried the pardon of the ex-President as a failure in the application of equal justice. The only logical reaction to the question of medical draft dodging is a policy of universal amnesty. What this does to the legislation in question is obvious. It renders it an exercise in futility.

I will admit that I sympathize with those people who will vote for it in one respect. There are a great many legislators who call continually for reduction in spending. These are most often those who find the opportunity to spend another billion dollars a year—as this bill would do—a delicious temptation which they can not resist, especially if it is sweetened by the delightful possibility of setting up that Frankenstein so dear to their hearts, another Federal bureaucracy. I know how strongly those instincts are inculcated in the thinking of many—and I am afraid as a result they will be blind to the absurdities in the bill itself.

For instance there are many people who go into the theoretical aspects of medicine, such as public health policies, and research, who have no interest in, or talent for, caring for the sick. The perfect research temperament is not necessarily even an acceptable one for practicing general medicine. But, says S. 3538, that does not matter.

I am afraid that it is a twisted notion of an intrinsically good principle which is at the root here. The great American tradition of equality before the law has been turned into something like an attempt to mandate a similarity of talent. To say that men are equal is not to say that they are equally gifted or, less still, similarly gifted, or that this would even be desirable.

American ingenuity will probably win out here, too. Canadian medical schools will probably find that they are getting the other kind of dodger, the one who wants to work. Mexican schools, heretofore a refuge for some of these unable to qualify in the United States, will probably improve. Teachers will start to move up to the ranks in those schools in other countries which do not try to mandate talent.

Although I have made a comparison to the draft, what this bill could do to a young person's life is really similar to the indenture system. Under the peacetime draft a man at best lost 2 years earlier. Under the doctor-draft a man may well suffer a change in the course of his whole life.

There is one aspect of this which does appeal to me. Conservatives prefer a quid pro quo exchange rather than a subsidy whenever possible. We do not generally enthuse over Government handouts. But we are treating doctors like the horses in Orwell's "Animal Farm," in that we are adding to the burden of our hardest working citizen while we maintain loafers on welfare systems. It is remarkable to me that just as there are those who see no correlation between spending and inflation, there seem to be those who see no connection between massive Government interference with the citizens' life, and the increasing lack of confidence in the Government. Idahoans have made it clear to me that part of my job in this body is to keep the Government off the peoples' backs. The person who pays the bill, the taxpayer, is once again being charged for the privilege of making fewer and fewer decisions for himself. He will not react favorably to being forced to add doctors to the Nation's busing programs. If we were to be perfectly consistent in implementing the theory that Government must control what it funds, we would have to accept further controls. For instance the Government should censor public broadcasting.

I would prefer an attempt at correcting this inequity to go in the direction of decreasing the Federal subsidy for doctors in residency in those areas which are most in demand. I would also remind you that those people have been proven right who told us that eventually what Government funded, Government would control. Everything has its price. The price paid for this bill is freedom.

Mr. DOMINICK. Mr. President, I rise in opposition to S. 3585, as reported by the committee. If passed, as reported, this bill will take us one giant step down the road toward a complete system of federalization of medical practice in this country to the detriment of both physicians and patients. I predict that the result will be further erosion of personal initiative and private innovation to be replaced with more enlightened guidance from Washington, D.C., for each and every Member involved in delivering health care in this country.

I, for one, come from a State which is very much aware of what I consider to be one of the most fundamental problems of health care delivery in this country—inadequate distribution of physicians and medical services. Clearly no one disputes the fact that in too many areas of this country, people do not have access to quality medical care. In my home State, we are often faced with small rural communities unable to attract the services of a qualified physician or unable to financially support the existence of a hospital or medical clinic. The search for solutions to these problems is ongoing, but I submit the committee's attempt to institute a mandatory service program for doctors, in short a doctor draft, is overreaction, is unwise and has serious constitutional problem which will be tested in the courts in cases initiated as soon as the ink of the pen signing this bill into law has dried.

In my own judgment, I believe that the volunteer approach will work, and the question which we should be facing on this floor is whether or not the present incentives to make the volunteer approach work are adequate, and if not, how can we improve them.

For example, currently efforts which the Congress has attempted in working toward a solution to the maldistribution Service Corps and the physician shortage scholarship program. This year, those two programs received over 2,000 applications, and better than 700 scholarships were awarded. I would note that the PSSP, of which I was an active supporter in 1971, was implemented in May of this year when regulations were issued. These two programs alone has a surplus of 1,200 applicants, and I submit that such a statistic, as well as the fact that applications for medical school are running almost three times the number of acceptances is indicative of the need to explore alternatives other than the doctor draft.

Senators BEALL, TAFT, and I have developed one alternative approach which aims at insuring that up to 25 percent of the places in a medical class go to those who have agreed to serve in medically underserved areas. In return for such an agreement, the student himself becomes eligible for Federal scholarship money to finance his education. Such a proposal will maintain the rights of students to choose to pursue their professional career without a draft.

Additionally, Mr. President, there are other parts of this bill which I believe are unwarranted at this time. These include Federal licensure and relicensure of physicians and dentists, establishment of "regional councils" on medical specialists, and the cost of this bill overall.

As reported, this bill would require national uniform standards for the licensure of physicians as well as a requirement that such license must be renewed every 6 years. In the committee, Senator HUGHES and I were able to amend the relicensure requirement to insure that practicing physicians could be relicensed through a program other than a written examination.

The more fundamental question, however, is whether the Federal Government in view of the progress already being made by the States and amongst private medical groups should be moving into this area at all. Already 48 out of the 50 States have adopted the examination developed by the Federation of State Licensing Boards. In addition, there has been no evidence produced that Federal reexamination standards as a prerequisite to licensure have any bearing on the quality of health care provided by a physician, but there is clear evidence that amongst private organizations there is a strong trend toward establishment of programs to insure continuing competence without need of Federal participation. Such groups include the American Board of Internal Medicine, the American Board of Family Practice, the American Board of Ophthalmology, and the American Board of Thoracic Surgery. I submit that here again, S. 3585 is premature, and that Federal licensure is not needed.

This bill creates "specialist" councils within HEW. As of July 1, 1976, the Secretary of HEW would establish the total number of postgraduate physician training positions in the United States, assign the positions to various categories of specialties, and then assign the specialties by number to the 10 regions in the United States. Any doctor who was then trained in a position uncertified by the Secretary would not be able to renew his license.

Mr. President, I believe that this approach will result in more than 200 additional bureaucrats to lay out the road that medical practice will take in this country in the specialty area without adding anything to quality care. Again, the problem which needs solution is the trend away from primary care practice. The solution proposed by the committee, however, a system of mandatory controls imposed by HEW, leads to the question: What do we control next?

The proposed substitute that we have offered will place more emphasis on getting physicians into primary care through use of incentives for training and participation in primary care programs.

Mr. President, every Senator on this floor is aware of the problems caused by inflation, and we all share a responsibility to seek out and reduce expenditures where Federal spending has contributed to our inflation rate. The total cost of this bill in the first 3 years is $2.99 billion, a cost that I believe to be excessive. The substitute bill has trimmed that figure to almost $2 billion, a cut of almost 33⅓ percent. The cuts were not easy, as no cuts are when we look at reducing programs. However, I believe they are reasonable, and the substitute is more acceptable as an inflation fighter.

As we proceed to vote on the substitute, I believe the choice before us is clear. Are we really ready to institute more Federal control or are we willing to seek an alternative approach which preserves the characteristic Federal-State partnership as well as freedom of choice? As succinctly stated in our minority views to S. 3585:

> We cannot believe that a Congress which has helped end the military draft and a nation and its youth who are making an all volunteer armed services work will support a civilian draft for the health professions.

Mr. President, my own opposition to this bill is such that I altered my campaign schedule in Colorado this past weekend when I learned when the vote would occur on this bill. I submit that we do not need more Federal control over our medical professions and schools, and I shall cast my vote accordingly.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. KENNEDY. I yield back the remainder of my time.

Mr. BEALL. I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment (No. 1919) of the Senator from Maryland (Mr. BEALL), as amended. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), the Senator from Minnesota (Mr. MONDALE), the Senator from Illinois (Mr. STEVENSON), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. JAVITS), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that the Senator from Pennsylvania (Mr. SCHWEIKER) is absent due to a death in the family.

I further announce, that, if present and voting, the Senator from New York (Mr. JAVITS) would vote "nay."

The result was announced—yeas 70, nays 18, as follows:

[No. 423 Leg.]

YEAS—70

Aiken
Allen
Baker
Bartlett
Beall
Bennett
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Griffin
Gurney
Hansen
Hartke
Hatfield
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Johnston
Long
McClellan
McClure
McGee
McIntyre
Metzenbaum
Montoya
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—18

Abourezk
Clark
Cranston
Hart
Haskell
Hathaway
Jackson
Kennedy
Magnuson
Mansfield
McGovern
Metcalf
Moss
Muskie
Nelson
Randolph
Tunney
Williams

NOT VOTING—12

Bayh
Bellmon
Bentsen
Goldwater
Gravel
Hughes
Javits
Mathias
Mondale
Schweiker
Stevenson
Symington

So Mr. BEALL's amendment (No. 1919), as amended, was agreed to.

Mr. BEALL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COTTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment as amended by the Beall amendment.

The committee amendment, as amended by the Beall amendment, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. BEALL. Mr. President, I ask for the yeas and nays on passage.

The yeas and nays were ordered.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. KENNEDY. I yield back the remainder of my time.

Mr. BEALL. I yield back the remainder of my time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), the Senator from Minnesota (Mr. MONDALE), the Senator from Illinois (Mr. STEVENSON), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. STEVENSON) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. JAVITS), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that the Senator from Pennsylvania (Mr. SCHWEIKER) is absent due to a death in the family.

I further announce that, if present and voting, the Senator from New York (Mr. JAVITS) would vote "yea."

The result was announced—yeas 81, nays 7, as follows:

[No. 424 Leg.]

YEAS—81

Abourezk
Aiken
Allen
Baker
Bartlett
Beall
Bennett
Bible
Biden
Brock
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fong
Fulbright
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Long
Magnuson
Mansfield
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Randolph
Ribicoff
Roth
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—7

Buckley
Cotton
Curtis
Fannin
Helms
Proxmire
Scott, William L.

NOT VOTING—12

Bayh
Bellmon
Bentsen
Goldwater
Gravel
Hughes
Javits
Mathias
Mondale
Schweiker
Stevenson
Symington

So the bill (S. 3585) was passed, as follows:

S. 3585

An act to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied health professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Health Manpower and Shortage Area Assistance Act of 1974".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

TITLE I—GENERAL PROVISIONS

Sec. 101. (a) Sections 701 through 711 are repealed.

(b) Sections 724, 725, 799, and 799A are transferred to part A of title VII and are redesignated as sections 701, 702, 703, and 704, respectively.

(c) Section 701 (as so redesignated) is amended—

(1) by striking out "As used in this part and parts C, E, and F—" and inserting in lieu thereof "For purposes of this title:"; and

(2) in paragraph (4), by—

(A) striking out "and 'school of public health' " and inserting in lieu thereof " 'school of public health, and school with a graduate program in health care administration' "; and

(B) striking out "and a graduate degree in public health" and inserting in lieu thereof "a graduate degree in public health or an equivalent degree, and a graduate degree in health care administration or an equivalent degree".

(d) Section 702 (as so designated) is amended by—

(1) striking out "twenty" in subsection (a) and inserting in lieu thereof "twenty-two",

(2) striking out the second sentence of paragraph (a) and inserting in lieu thereof the following: "The appointed members of the Council shall include (1) eight representatives of the health professions schools assisted under programs authorized by this title, including one each from the schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health, and (2) four time students enrolled in such health professions schools, including one each from the schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health, and (3) four members of the general public", and

(3) striking out "parts A and G" in subsections (b) and (c) and inserting in lieu thereof "part G".

(e) Section 703 (as so redesignated) is amended to read as follows:

"ADVANCE FUNDING

"Sec. 703. An appropriation under an authorization of appropriations for grants or contracts under this title for any fiscal year may be made at any time before that fiscal year and may be included in an Act making an appropriation under such authorization for another fiscal year; but no funds may be made available from any appropriation under such authorization for obligation for such grants or contracts before the fiscal year for which such appropriation is authorized.".

(f) Part A of title VII is amended by adding at the end thereof the following new sections:

"DELEGATION

"Sec. 705. The Secretary may delegate the authority to administer any program authorized by this title to the administrator of a central office or offices in the Department of Health, Education, and Welfare, but such authority shall not be further delegated to any officer in any regional office or offices.

"RECORDS AND AUDIT

"Sec. 706. (a) Each recipient of financial assistance (including each entity which receives a grant, loan, loan guarantee, or interest subsidy or which enters into a contract with the Secretary) under this title shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such financial assistance, the total cost of the project or undertaking in connection with which such financial assistance was given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

"(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall have access for the purpose of audit and examination to any book, document, papers, and records of such recipients that are pertinent to the financial assistance received under this title."

(g) The Secretary of Health, Education, and Welfare shall submit an evaluation report to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives not later than March 31 of each year. Such report shall—

(1) contain the Department's statement of specific and detailed objectives for the program or programs assisted under the provisions of this Act, and relate these objectives to those in this Act,

(2) include statements of the Department's conclusions as to effectiveness of the program or programs in meeting the stated objectives, measured through the end of the preceding fiscal year,

(3) make recommendations with respect to any changes or additional legislative action deemed necessary or desirable in carrying out the program or programs,

(4) contain a listing identifying the principal analyses and studies supporting the major conclusions and recommendations, and

(5) contain the Department's annual evaluation plan for the program or programs through the fiscal year for which the budget was transmitted to Congress by the President, in accordance with section 201(a) of the Budget and Accounting Act, 1921, as amended (31 U.S.C. 11).

(h) The heading of part A of title VII is amended to read as follows:

"Part A—General Provisions

(i) The heading of part II of title VII is repealed.

TITLE II—ASSISTANCE FOR CONSTRUCTION OF TEACHING FACILITIES

Sec. 201. Section 720 is amended to read as follows:

"GRANT AUTHORITY; AUTHORIZATIONS OF APPROPRIATIONS

"Sec. 720. (a) The Secretary may make grants to assist in the construction of teaching facilities for the training of physicians, dentists, pharmacists, optometrists, podiatrists, veterinarians, and professional public health personnel.

"(b) There are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975, and each of the two succeeding fiscal years for grants under this part.".

Sec. 202. Section 721 is amended by adding at the end the following new subsection:

"(f) The Secretary shall afford a priority, in the award of a grant under this part, to applications to aid in the construction of facilities intended to improve the quality or facilitate the use of existing facilities."

Sec. 203. (a)(1) Subsection (a) of section 722 is amended to read as follows:

"(a) The amount of any grant under this part for construction of a project shall be such amount as the Secretary determines to be appropriate after obtaining advice of the Council, except that no grant for any project may exceed 80 per centum of the necessary costs of construction, as determined by the Secretary, of such project."

(2) The amendment made by paragraph (1) shall take effect with respect to grants made under part B of title VII of the Public Health Service Act from appropriations under section 720 of such Act for fiscal years beginning after June 30, 1974.

(b) Subsection (d) of section 722 is amended by striking out "(within the meaning of part A of this title)".

Sec. 203. (a) Subsections (a) and (b) of section 729 are each amended by striking out "1974" and inserting in lieu thereof "1977".

(b) Subsections (a) and (b) of section 729 are further amended by inserting "enter into an agreement to" before "guarantee" in the first sentence of subsection (a), and before "pay to the holder" in subsection (b).

(c) The second sentence of section 729(e) is amended by striking out "and $24,000,000 in the fiscal year ending June 30, 1974" and inserting in lieu thereof the following: "$1,000,000 for the fiscal year ending June 30, 1975, $2,000,000 for the fiscal year ending June 30, 1976, and $3,000,000 for the fiscal year ending June 30, 1977."

Sec. 204. (a) Section 721(c) is amended—

(1) by striking out "section 770(f) of this Act" in paragraph (2) and inserting in lieu thereof "section 771";

(2) by striking out the sentence at the end of paragraph (2);

(3) by striking out paragraph (5) and redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively;

(4) by striking out "and" at the end of paragraph (5) (as so redesignated), by striking out the period at the end of paragraph (6) (as so redesignated) and inserting in lieu thereof "; and", and by inserting after paragraph (6) the following:

"(7) the application contains or is supported by adequate assurance that any laborer or mechanic employed by a contractor or subcontractors in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act).

The Secretary of Labor shall have with respect to the labor standards specified in paragraph (7) the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).", and

(5) by striking out "section 725" in the last sentence of such subsection and inserting in lieu thereof "section 702".

(b) Sections 726, 727, 728, and 729 are redesignated as sections 724, 725, 726, and 727, respectively.

(c) If, within twenty years (or ten years in the case of a facility constructed with funds paid under part A as in effect before the date of the enactment of the Health Manpower and Shortage Area Assistance Act of 1974) after completion of the construction of any facility for which funds have been paid under such part A (as so in effect) or under part D (as in effect before July 1, 1967)—

(1) the applicant for such funds or other owner of such facility shall cease to be a public or nonprofit private entity, or

(2) such facility shall cease to be used for the puropses for which such funds for its construction were provided, unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so,

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio of the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

TITLE III—STUDENT ASSISTANCE; NATIONAL HEALTH SERVICE CORPS

SEC. 301. (a) Section 740 is amended—

(1) by striking out "or veterinary medicine" in subsection (a) and inserting in lieu thereof ", veterinary medicine, or public health or schools with a graduate program in health care administration",

(2) by striking "or doctor of veterinary medicine or an equivalent degree" in subsection (b)(4) and inserting in lieu thereof "doctor of veterinary medicine or an equivalent degree, graduate degree in public health or an equivalent degree, or graduate degree in health care administration or an equivalent degree,",

(3) by striking out "and" at the end of paragraph (4),

(4) by redesignating paragraph (5) as paragraph (6), and

(5) by inserting after paragraph (4) the following new paragraph:

"(5) provide that the school shall advise, in writing, each applicant for a loan from the student loan fund of the provisions of section 741 under which outstanding loans from the student loan fund may be paid (in whole or in part) by the Secretary; and".

(b) Section 741 is amended—

(1) by amending subsection (a) to read as *follows:*

"(a) Loans from a student loan fund established under an agreement under section 740 may not exceed for any student for an academic year (or its equivalent) an amount equal to $4,000.".

(2) by striking out "or doctor of veterinary medicine or an equivalent degree" in subsection (*b*) and inserting in lieu thereof "doctor of veterinary medicine or an equivalent degree, graduate degree in public health or an equivalent degree in health care administration or an equivalent degree",

(3) by striking out "or veterinary medicine" in subsection (c) and inserting in lieu thereof "veterinary medicine or public health or a school with a graduate program in health care administration",

(4) by striking out "or doctor of podiatry" in subsection (f) and inserting in lieu thereof "doctor of podiatry or an equivalent degree, graduate degree in public health, or graduate degree in health care administration",

(5) by striking out "or podiatry" in subsection (f) and each place such phrase occurs in subsection (1) and inserting in lieu thereof "podiatry, or public health or in a graduate program of health care administration",

(6) by striking out "3 per centum" and inserting in lieu thereof "7 per centum" in subsection (e),

(7) by amending subsection (f)(1)(C) to read as follows:

"(C) who agrees in writing to practice his profession in accordance with section 771(b).",

(8) by amending subsection (f)(2) to read as follows:

"(2) Upon completion by the individual for whom the payments are to be made of each year of the practice specified in section 771(b), the Secretary shall pay 25 per centum of the principal of, and the interest on each loan of such individual described in paragraph (1)(B) which is outstanding on the date he began such practice, except that this paragraph shall not apply to any loan made to the individual in or for an academic year for which the individual received any payment under a scholarship awarded pursuant to section 750 or section 752."

(9) by amending subsection (f)(3) by (A) striking out "or (2)(C)", (B) striking out everything after the semicolon, and (C) by striking out the semicolon and inserting in lieu thereof a period, and

(10) by striking out "(A)" in subsection (f)(4).

(c) In the case of any individual who, on or after November 18, 1971, and prior to the date of enactment of this Act, has received a loan pursuant to section 741, and who meets the requirements of subparagraphs (A) and (B) of paragraph (1) of subsection (f) of that section and who practices his profession as described by subparagraph (C) of that paragraph, as in effect prior to the date of enactment of this Act, by virtue of his employment as a member of the National Health Service Corps, as an officer of the Regular or Reserve Corps of the Public Health Service, or as a civilian employee of the Public Health Service, the individual shall be deemed to have entered into the agreement required by such subparagraph (C) with respect to that practice.

(d) Subsection (a) of section 742 is amended to read as follows:

"(a) For the purpose of making Federal capital contributions into the student loan funds of schools which have established such funds under an agreement under section 740, there are authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years. For the first year ending June 30, 1978, and each of the two succeeding fiscal years, there are authorized to be appropriated such sums as may be necessary to enable students who have received a loan under this part for any academic year ending before July 1, 1979, to continue or complete their education."

(e) Section 743 is amended by striking out "1977" each place it occurs and inserting in lieu thereof "1980".

(f)(1) Section 744 is repealed.

(2) The health professions education fund created within the Treasury by section 744 (d)(1) of the Public Health Service Act, as in effect prior to the date of enactment of this subsection shall remain available to the Secretary of Health, Education, and Welfare for the purpose of meeting his responsibilities respecting participations in obligations acquired under such section 744 of such Act. The Secretary shall continue to deposit in such fund all amounts received by him as interest payments or repayments of principal on loans under such section 744. If at any time the Secretary determines the moneys in the fund exceed the present and any reasonable prospective future requirements of such fund, such excess may be transferred to the general fund of the Treasury.

(3) Section 742(b) is amended (1) by striking out ", and for loans pursuant to section 744" in paragraph (1); and (2) by striking out "(whether as Federal capital contributions or as loans to schools under 744)" in paragraph (3).

(g)(1) Section 746 is repealed.

(2) Section 740 is amended (A) by striking out "of Health, Education, and Welfare" in subsection (a); and (B) by striking out ", except as provided in section 746," in paragraphs (2) and (3) of subsection (b).

SEC. 302. Section 747(d) is amended by striking out "two" and inserting in lieu thereof "five".

SEC. 303. (a) Subpart I of part F of title VII is repealed.

(b) The Secretary of Health, Education, and Welfare may, during the period beginning July 1, 1974, and ending June 30, 1979, make grants to public and nonprofit private schools of medicine, osteopathy, dentistry, optometry, podiatry, pharmacy, and veterinary medicine to enable such schools to continue making payments under scholarship awards to students who initially received such awards out of grants made to the schools under subpart I of part F of title VII for fiscal years ending before July 1, 1974.

SEC. 304. (a) Section 329 is amended to read as follows:

"NATIONAL HEALTH SERVICE CORPS

"SEC. 329. (a) There is established, within the Service, the National Health Service Corps (hereinafter in this section referred to as the 'Corps') which shall consist of those officers of the Regular and Reserve Corps of the Service and such other personnel as the Secretary may designate and which shall be utilized by the Secretary under this section to improve the delivery of health services to medically underserved populations.

"(b)(1)(A) The Secretary shall, on the basis of standards promulgated in accordance with section 553 of title 5, United States Code, designate the medically underserved populations in the States periodically, but at least annually. For purposes of this section, a medically underserved population is the population of an urban or rural area (which does not have to conform to the geographical boundaries of a political subdivision and which should be a rational area for the delivery of health services) which the Secretary determines has a critical shortage of any class or classes of health professions personnel or a population group determined by the Secretary to have such a shortage; and the term 'State' includes Guam, American Samoa, and the Trust Territory of the Pacific Islands.

"(B) Each year the Secretary shall notify the chief executive officer of each State of his intention to designate populations and shall request each chief executive officer to submit to the Secretary within one hundred and eighty days of such notification, recommendations respecting the designation of populations within his State. The Secretary shall also take into account (i) the recommendations of the entities responsible for the development of the plans referred to in section 314(b) which cover all or any part of the areas in which populations under consideration for designation reside, and (ii) in the case of any such area for which no such entity is responsible for developing such a plan, the recommendations of the agency of the State (or States) in which such area is located, which administers or supervises the administration of a State plan approved under section 314(a).

"(C) By promulgation of a rule under section 553 of title 5, United States Code, the Secretary shall thereafter designate medically underserved populations. If the Secretary does not designate a population which has been recommended for designation by the chief executive officer of any State, he shall include in the final order designating populations an adequate statement of the reasons for disapproving such recommendation.

"(2) Any person may apply to the Secretary (in such manner as he may prescribe) for designation of a population as a medically underserved population. In considering an application under this paragraph, the Secretary shall take into account the following in addition to criteria utilized by him in making a designation under paragraph (1):

"(A) ratios of available health professions personnel engaged in the delivery of health care to the population for which the application is made;

"(B) indicators of the population's access to health services;

"(C) indicators of health status of the population;

"(D) indicators of such population's need and demand for health services;

"(E) relative levels of reimbursement under titles XVIII and XIX of the Social Security Act with respect to such population.

"(3) The Secretary shall (A) provide assistance to persons seeking assignment of Corps personnel to provide under this section for medically underserved populations, (B) conduct such information programs in areas in which such populations reside as may be necessary to inform the public, public and private health entities serving those areas, and the appropriate State and local agencies of the assistance available to such populations by virtue of their designation under this section as medically underserved, and (C) provide technical (including management) assistance to such persons (especially appropriate State and local agencies) in order to improve the capacity of such medically underserved populations to secure health services from health professions personnel in addition to that provided by Corps personnel.

"(c) (1) (A) The Secretary may assign personnel of the Corps to provide, under regulations prescribed by the Secretary, health services for a medically underserved population if—

"(i) the State health agency of each State in which such population is located or the local public health agency or any other public or nonprofit private health entity serving such population makes application to the Secretary for such assignment, and

"(ii) the (I) local government of the area in which such population resides, and (II) any State and district medical or dental society for such area or any other appropriate health society (as the case may be), for such area certify to the Secretary that such assignment of Corps personnel is needed for such population.

"(B) The Secretary may not approve an application under paragraph (1) (A) (i) for an assignment unless the applicant agrees to enter into an arrangement with the Secretary in accordance with subsection (e) (1) and has afforded—

"(i) the entity responsible for the development of the plans referred to in section 314(b) which covers all or any part of the area in which the population for which the application is submitted resides, and

"(ii) if there is a part of such area for which no such entity is responsible for developing such plans, the agency of the State in which such part is located which administers or supervises the administration of a State plan approved under section 314(a), an opportunity to review the application and submit its comments to the Secretary respecting the need for and proposed use of health professions personnel requested in the application. In considering such an application, the Secretary shall take into consideration the need of the population for which the application was submitted for the health services which may be provided under this section; the willingness of the population and the appropriate governmental agencies or health entities serving it to assist and cooperate with the Corps in providing effective health services to the population; and recommendations from medical, dental, or other health professional societies or from medical personnel serving the population.

"(C) If with respect to any proposed assignment of Corps personnel for a medically underserved population the requirements of clauses (i) and (ii) of subparagraph (A) are met except for the certification by a State and district medical or dental society or by any other appropriate health society required by clause (ii) (II) and if the Secretary finds from all the facts presented that such certification has clearly been arbitrarily and capriciously withheld, the Secretary may, after consultation with appropriate medical, dental, or other health professional societies, waive the application of the certification requirement to such proposed assignment.

"(2) (A) In approving an application submitted under paragraph (1) for the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary may approve the assignment of Corps personnel for such population during a period (referred to in this paragraph as the 'assistance period') which may not exceed four years from the date of the first assignment of Corps personnel for such population after the date of the approval of the application. No assignment of individual Corps personnel may be made for a period ending after the expiration of the applicable approved assistance period.

"(B) Upon expiration of an approved assistance period for a medically underserved population, no new assignment of Corps personnel may be made for such population unless an application is submitted in accordance with paragraph (1) for such assignment. The Secretary may not approve such an application unless—

"(i) the application and certification requirements of paragraph (1) are met;

"(ii) the Secretary has conducted an evaluation of the continued need for health professions personnel of the population for which the application is submitted, of the utilization of the services of the health profession personnel by such population, of the growth of the health care practice of the Corps personnel assigned for such population, and of community support for the assignment; and

"(iii) the Secretary has determined that such population has made continued efforts to secure its own health professions personnel, that there has been sound fiscal management of the health care practice of the Corps personnel assigned for such population, including efficient collection of fee-for-service, third party, and other funds available to such population, and that there has been appropriate and efficient utilization of such Corps personnel.

"(3) Corps personnel shall be assigned to provide health services for a medically underserved population on the basis of the extent of the population's need for health services and without regard to the ability of the members of the population to pay for health services.

"(4) The Secretary may assign, to serve any medically underserved population, such Corps personnel from among one or more of the various health professions (including physicians, dentists, nurses, physician extenders (including nurse practitioners), veterinarians, optometrists, podiatrists, pharmacists, public health personnel, health care administration personnel, audiologists, speech pathologists, and allied health personnel) as he determines to be essential to meet the needs of such population.

"(5) (A) In making an assignment of Corps personnel the Secretary shall seek to match characteristics of the assignee (and his spouse (if any)) and of the population to which such assignee may be assigned, and shall consider the assignment of any qualified individual from a medically underserved population to serve that population, in order to increase the likelihood of the assignee remaining to serve the population upon completion of his assignment period. To the extent practicable, the Secretary shall assign individuals in accordance with their stated preferences.

"(B) The Secretary shall, before the expiration of the last nine months of the assignment period of a member of the Corps, review such member's assignment and the situation in the area to which he was assigned for the purpose of determining the advisability of extending the period of such member's assignment.

"(6) The Secretary shall provide technical assistance to all medically underserved populations to which are not assigned Corps personnel to assist in the recruitment of health professions personnel. The Secretary shall also give such populations current information respecting public and private programs which may assist in securing health professions personnel for them.

"(d) (1) In providing health services for a medically underserved population under this section, Corps personnel shall utilize the techniques, facilities, and organizational forms most appropriate for the area in which the population resides and shall, to the maximum extent feasible, provide such services (A) to all members of the population regardless of their ability to pay for the services, and (B) in connection with (i) direct health services programs carried out by the Service; (ii) any direct health services program carried out in whole or in part with Federal financial assistance; or (iii) any other health services activity which is in furtherance of the purposes of this section.

"(2) (A) Notwithstanding any other provision of law, the Secretary (i) shall, to the extent feasible, make such arrangements as he determines necessary to enable Corps personnel in providing health services for a medically underserved population to utilize the health facilities of the areas in which the population resides; and (ii) shall make such arrangements as he determines are necessary for the use of equipment and supplies of the Service and for the lease of acquisition of other equipment and supplies, and may secure the temporary services of nurses and allied health personnel.

"(B) If such area is being served (as determined under regulations of the Secretary) by a hospital or other health care delivery facility of the Service, the Secretary shall, in addition to such other arrangements as the Secretary may make under subparagraph (A), arrange for the utilization of such hospital or facility by Corps personnel in providing health services for the population, but only to the extent that such utilization will not impair the delivery of health services and treatment through such hospital or facility to persons who are entitled to health services and treatment through such hospital or facility. If there are no health facilities in or serving such area, the Secretary may arrange to have Corps personnel provide health services in the nearest health facilities of the Service or the Secretary may lease or otherwise provide facilities in such area for the provision of health services.

"(3) The Secretary may make one grant to any applicant with an approved application under subsection (c) to assist it in meeting the costs of establishing medical practice management systems for Corps personnel, acquiring equipment for their use in providing health services, and establishing appropriate continuing education programs and opportunities for them. No grant may be made under this paragraph unless an application is submitted therefor and approved by the Secretary. The amount of any grant shall be determined by the Secretary, except that no grant may be made for more than $25,000.

"(4) Upon the expiration of the assignment of Corps personnel to provide health services for a medically underserved population, the Secretary (notwithstanding any other provision of law) may sell to the entity which submitted the last application approved under subsection (c) for the assignment of Corps personnel for such population equipment of the United States utilized by such personnel in providing health services. Sales made under this paragraph shall be made for the fair market value of the equipment sold (as determined by the Secretary).

"(e) (1) The Secretary shall require as a condition to the approval of an application under subsection (c) that the entity which submitted the application enter into an appropriate arrangement with the Secretary under which—

"(A) the entity shall be responsible for charging in accordance with paragraph (2) for health services by the Corps personnel to be assigned;

"(B) the entity shall take such action as may be reasonable for the collection of payments for such health services, including if a Federal agency, an agency of a State or local government, or other third party would be responsible for all or part of the cost of such health services if it had not been provided by Corps personnel under this section, the collection, on a fee-for-service or other basis, from such agency or third party the portion of such cost for which it would be so responsible (and in determining the amount of such cost for which such agency or third party would be responsible, the health services provided by Corps personnel shall be considered as being provided by private practitioners); and

"(C) the entity shall be entitled to retain any amount collected by the entity in accordance with subparagraph (B).

The amount collected by an entity in accordance with subparagraph (B) which the entity is entitled to retain under subparagraph (C) shall be used by the entity to expand or improve the provision of health services to the population for which the entity submitted an application under subsection (c) or to recruit and retain health professions personnel to provide health services for such population.

"(2) Any person who receives health services provided by Corps personnel under this section shall be charged for such services on a fee-for-service or other basis at a rate approved by the Secretary, pursuant to regulations, to recover the value of such services; except that if such person is determined under regulations of the Secretary to be unable to pay such charge, the Secretary shall provide for the furnishing of such services at a reduced rate or without charge.

"(f) (1) The Secretary shall conduct, at medical and nursing schools and other school and accredited graduate training programs) of the health professions and entities which provide training and education for the allied health professions, recruiting programs for the Corps. Such programs shall include the wide dissemination of written information on the Corps and visits to such schools by personnel of the Corps.

"(2) The Secretary may reimburse applicants for positions in the Corps for actual expenses incurred in traveling to and from their place of residence to an area in which they would be assigned for the purpose of evaluating such area with regard to being assigned in such area. The Secretary shall not reimburse an applicant for more than one such trip.

"(3) Commissioned officers and other personnel of the Corps assigned to provide health services for medically underserved populations shall not be included in determining whether any limitation on the number of personnel which may be employed by the Department of Health, Education, and Welfare has been exceeded.

"(4) The Secretary shall, under regulations prescribed by him, adjust the monthly rate of pay of each member of the Corps (other than a medical officer of the Public Health Service with whom the Secretary has entered into an agreement under section 313 of title 37, United States Code) who is directly engaged in the delivery of health services to a medically underserved population as follows:

"(A) During the first thirty-six months in which such a member is so engaged in the delivery of health services, his monthly rate of pay may be increased by an amount (not to exceed $1,000) which when added to the member's regular monthly rate of pay and allowances will provide a monthly income competitive with the average monthly incomes from an established practice of a number of such member's profession with equivalent training who is practicing in such area.

"(B) During the period beginning upon the expiration of the thirty-six months referred to in subparagraph (A) and ending with the month in which the member's regular monthly rate of pay and allowances is equal to or exceeds the monthly income he received for the last of such thirty-six months, the member shall receive in addition to his regular rate of pay and allowances an amount which when added to such regular rate equals the monthly income he received for such last month.

In the case of a member of the Corps who is directly engaged in the provision of health services to a medically underserved population in accordance with a service obligation incurred under section 750, the provision of this paragraph shall apply to such member upon satisfactory completion of such service obligation and the first thirty-six months of his being engaged in the delivery of health care shall, for purposes of this paragraph, be deemed to begin upon such satisfactory completion.

"(g) The Secretary shall report to Congress no later than May 15 of each year—

"(1) the number and identity of all medically underserved populations in each of the States in the calendar year preceding the year in which the report is made and the number of medically underserved populations which the Secretary estimates will be designated under subsection (b) in the calendar year in which the report is made;

"(2) the number of applications filed in such preceding calendar year for assignment of Corps personnel under this section and the action taken on each such application;

"(3) the number and types of Corps personnel assigned in such preceding year to provide health services for medically underserved populations, the number and types of additional Corps personnel which the Secretary estimates will be assigned to provide such services in the calendar year in which the report is submitted, and the need (if any) for additional personnel for the Corps;

"(4) the recruitment efforts engaged in for the Corps in such preceding year, including the programs carried out under subsection (f) (1) and the number of qualified persons who applied for service in the Corps in each professional category;

"(5) the total number of patients seen and patient visits recorded during such preceding year in each area where Corps personnel were assigned;

"(6) the number of health professions personnel electing to remain after termination of their service in the Corps to provide health services to medically underserved populations and the number of such personnel who do not make such election and the reasons for their departure;

"(7) the results of evaluations made under subsection (c) (2) (B) (ii), and determinations made under subsection (c) (2) (B) (iii), during such preceding year; and

"(8) the amount (A) charged during such preceding year for health services by Corps personnel, (B) collected in such year by entities in accordance with arrangements under subsection (e) (1), and (C) paid to the Secretary in such year under such arrangements. "(h) (1) There is established a council to be known as the National Advisory Council on the National Health Service Corps (hereinafter in this section referred to as the 'Council'). The Council shall be composed of fifteen members appointed by the Secretary as follows:

"(A) Four members shall be appointed from the general public to represent the consumers of health care, at least two of whom shall be members of a medically underserved population for which Corps personnel are providing health services under this section.

"(B) Three members shall be appointed from the health professions (including nurses and allied health personnel) and health teaching professions.

"(C) Three members shall be appointed from State health or health planning agencies.

"(D) Three members shall be appointed from the Service, at least two of whom shall be members of the Corps directly engaged in the provision of health services for a medically underserved population.

"(E) One member shall be appointed from among individuals associated with institutional providers of health services.

"(F) One member shall be appointed upon recommendation of the Chief Medical Director of the Veterans' Administration.

The Council shall consult with, advise, and make recommendations to, the Secretary with respect to his responsibilities in carrying out this section, and shall review regulations promulgated or proposed to be promulgated by the Secretary under this section and section 750, and advise the Secretary with respect thereto.

"(2) Members of the Council shall be appointed for a term of three years and shall not be removed, except for cause. Members may be reappointed to the Council.

"(3) Appointed members of the Council, while attending meetings or conferences thereof or otherwise serving on the business of the Council, shall be entitled to receive for each day (including traveltime) in which they are so serving the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

"(i) To carry out the purposes of this section, there are authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1975, $35,000,000 for the fiscal year ending June 30, 1976, and $50,000,000 for the fiscal year ending June 30, 1977."

(b) The Secretary of Health, Education, and Welfare shall report to Congress (1) not later than January 1, 1975, the criteria used by him in designating medically underserved populations for purposes of section 329 of the Public Health Service Act, and (2) not later than May 1, 1975, the identity and number of medically underserved populations in each State meeting such criteria.

(c) The amendment made by subsection (a) which changed the name of the advisory council established under section 329 of the Public Health Service Act shall not be construed as requiring the establishment of a new advisory council under that section; and the amendment made by such subsection with respect to the composition of such advisory council shall apply with respect to appointments made to the advisory council after the date of the enactment of this Act.

SEC. 305. (a) Section 225 is transferred to part C of title VII, redesignated as section 750, and amended to read as follows:

"PUBLIC HEALTH AND NATIONAL HEALTH SERVICE CORPS SCHOLARSHIP TRAINING PROGRAM

"SEC. 750. (a) The Secretary shall establish the Public Health and National Health Service Corps Scholarship Training Program (hereinafter in this section referred to as the 'program') to obtain trained health professions personnel (including physicians, dentists, nurses, physician extenders (including nurse practitioners), veterinarians, optometrists, podiatrists, pharmacists, public health personnel, health care administration personnel, audiologists, speech pathologists, and allied personnel) for the National Health Service Corps or other units of the Public Health Service.

"(b) To be eligible for acceptance in the program, an applicant for the program must—

"(1) be accepted for enrollment, or be enrolled, as a full-time student in an accredited (as determined by the Secretary) educational institution in a State which provides a course of study approved by the Secretary leading to a degree of doctor of medicine, a degree of doctor of osteopathy, a degree of doctor of dentistry or an equivalent degree, a degree of bachelor of science in pharmacy or an equivalent degree, a degree of doctor of optometry or an equivalent degree, a degree of doctor of podiatry or an equivalent degree, a degree of doctor of veterinary medicine or an equivalent degree, a graduate degree in public health or an equivalent degree, a graduate degree in health care administration or an equivalent degree, a graduate degree in audiology or an equivalent degree, a graduate degree in speech pathology or an equivalent degree, a degree of bachelor of arts in nursing, a degree of bachelor of science in nursing, a degree of bachelor of nursing or an equivalent degree, a graduate degree in nursing, an associate degree in nursing or an equivalent degree, or any other course of study approved by the Secretary for the training of nurses, physician extenders (including nurse practitioners), or allied health personnel;

"(2) be eligible for, or hold, an appointment as a commissioned officer in the Regular or Reserve Corps of the Service or be eligible for selection for civilian service in the Service; and

"(3) agree in writing to serve, as prescribed by subsection (d) of this section, in the Commissioned Corps of the Service or as a civilian member of the Service.

To remain in the program an individual must pursue at such an institution such an approved course of study and maintain an acceptable level of academic standing in it.

"(c)(1)(A) Each participant in the program shall receive a scholarship for each approved academic year of training, not to exceed four years. A participant's scholarship shall not exceed (i) an amount equal to the basic pay and allowances of a commissioned officer on active duty in pay grade O–1 with less than two years of service, and (ii) payment of the tuition expenses of the participant and all other necessary and reasonable educational expenses incurred by the participant, including fees, books, and laboratory expenses.

"(B) The Secretary may contract with an institution in which participants are enrolled for the payment to the institution of the tuition and other educational expenses of such participants. Payment to such institution may be made without regard to section 3648 of the Revised Statutes (31 U.S.C. 529).

"(2) When the Secretary determines that an institution has increased its total enrollment for the sole purpose of accepting members of the program, he may provide under a contract with such an institution for additional payments to cover the portion of the increased costs of the additional enrollment which are not covered by the institution's normal tuition and fees.

"(d)(1) Each participant in the program shall provide service as prescribed by paragraph (2) for a period (hereinafter in this section referred to as a 'period of obligated service') that is the larger of (A) one year of service for each academic year of training received under the program, and (B) two years. Except as provided in the following sentence, a period of obligated service of any individual shall commence within six months after the date upon which such individual is licensed to practice his profession (or the date upon which such individual completes his first year of post-graduate clinical training, if such year of training is completed after the date on which he is so licensed) and such service shall continue without substantial interruption until such service is completed, except that for persons licensed to practice medicine or dentistry, the commencement of a period of obligated service may be deferred by the Secretary for postgraduate physician training where appropriate to meet the needs of the National Health Service Corps or other units of the Public Health Service. In the case of any individual obligated to provide service in accordance with this subsetion who may lawfully practice his profession without first obtaining a license, a period of obligated service shall commence within six months after the date upon which such individual completes his training in any school subject to the provisions of this subsection.

"(2)(A) Except as provided in subparagraphs (B) and (C), an individual obligated to provide service on account of his participation in the program shall provide such service for the period of obligated service applicable to him as a member of the National Health Service Corps or the Indian Health Service.

"(B) If there are no positions available in the National Health Service Corps or the Indian Health Service at the time an individual is required by the Secretary to begin his period of obligated service, such individual shall serve in the clinical practice of his profession for such period as a member of the Bureau of Medical Services of the Health Services Administration.

"(C) If there are no positions available in the National Health Service Corps, Indian Health Service, or the Bureau of Medical Services at the time an individual is required by the Secretary to begin his period of obligated service and neither the Corps, the Service, or the Bureau has a need at such time for a member of the profession for which such individual was trained, such individual shall serve for such period as a member of the Public Health Service in such units of the Department of Health, Education, and Welfare as the Secretary may prescribe or may serve in a Federal health care facility, but only upon the request of the head of the department or agency of which the health facility is a part.

"(e)(1) If, for any reason, an individual fails to either begin his service obligation under this section in accordance with subsection (d) or to complete such service obligation, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula—

$$A=2\phi\left(\frac{t-s}{t}\right)$$

in which 'A' is the amount the United States is entitled to recover; ϕ is the sum of the amount paid under section 770 to a school on the basis of the enrollment in such school of such individual and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate; 't' is the total number of months in such individual's period of obligated service; and 's' is the number of months of such period served by him in accordance with this subsection. Any amount which the United States is entitled to recover shall, within the one-year period beginning on the date the United States becomes entitled to recover such amount be paid by such individual to the United States. Amounts recoverable under this subsection shall be in addition to amounts recoverable under other provisions of this Act by reason of the individual's failure to begin or complete any service obligation, whether or not the period of that obligation is concurrent with the service obligation under this subsection.

"(2) When an individual undergoing training in the program is academically dismissed or voluntarily terminates academic training or fails to obtain a license to practice his profession he shall be liable for repayment to the United States for an amount equal to the amount paid under this section to or on behalf of such individual.

"(3) The Secretary shall by regulation provide for the waiver or suspension of any obligation of any individual under this section whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"(f) Notwithstanding any other provision of law, persons undergoing academic training under the program shall not be counted against any employment ceiling affecting the Department of Health, Education, and Welfare.

"(g) The Secretary shall issue regulations for the implementation of this section.

"(h) To carry out the purposes of this section, there is authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1975, $30,000,000 for the fiscal year ending June 30, 1976, and $40,000,000 for the fiscal year ending June 30, 1977."

(b) Part C of title VII is amended by inserting immediately before section 750 the following heading:

"Subpart III—Public Health and National Health Service Corps Scholarship Training Program".

SEC. 306. (a) Subpart II of part F of title VII is transferred to part C and redesignated subpart IV. Section 785 of subpart II is redesignated section 751.

(b) Subsection (b) of section 751 (as so redesignated) is amended (1) by striking out "to practice medicine in the United States for a period of five years." and inserting in lieu thereof "in accordance with subsection (d)(3)." and (2) by striking out the second sentence of such subsection.

(c) Subsection (d) of section 751 (as so redesignated) is amended by adding at the end thereof the following:

"(3)(A) No scholarship grant under this subpart shall be made to any individual unless such individual agrees in writing to practice his profession in accordance with section 771(b), except that the period of obligated service for such individual shall be the larger of (i) one year for each year for which he receives a scholarship grant under this subpart, and (ii) two years.

"(B) The provisions of subsection (b) of section 771 shall apply to any individual who receives a scholarship pursuant to this section. If, for any reason, an individual who is obligated to provide service under this section and who has been selected by the Secretary under section 771 (b) to provide such service, fails either to begin his service obligation or to complete such service obligation, the United States shall be entitled to recover from such individual an amount determined under section 771(b)(2)(D), except that in applying the formula contained in that section 't' shall be the period of the individual's obligated service under this section and 's' shall be the number of months of that period served by him."

(d) Subsection (e) of section 751 (as so redesignated) is amended (1) by striking out "1972" and inserting in lieu thereof "1975", (2) by striking out "1975" and inserting in lieu thereof "1978", and (3) by striking out "1974" and inserting in lieu thereof "1977".

SEC. 307. (a) Subpart III of part F of title VII is transferred to part C and redesignated subpart V. Sections 784, 785, and 786 of such subpart III are redesignated sections 752, 753, and 754, respectively.

(b) Section 752(a) (as so redesignated) is amended to read as follows:

"(a) In order to promote the more adequate provision of medical and dental care for medically underserved populations the Secretary may, in accordance with the provisions of this subpart, make scholarship grants to individuals who are medical or dental students and who agree to engage in the practice of primary care or dentistry, as applicable, after completion of their professional training, in the provision of health services to a medically underserved population designated under section 329(b). For purposes of this subpart the term 'primary care' means the practice of family medicine, general pediatrics, or general internal medicine."

(c) Section 752(b) (as so redesignated) is amended (1) in paragraph (2) by striking out "$5,000" and inserting "$6,000" in lieu thereof, and (2) by striking out paragraph (3).

(d) Paragraph (4) of section 752(c) (as so redesignated) is redesignated as paragraph (6), and the remaining paragraphs of that section are amended to read as follows:

"(c) (1) To be eligible to receive a scholarship award under this subpart an individual must enter into an agreement with the Secretary that provides that the individual—

"(A) will engage, within such reasonable period of time after the completion of his professional training as the Secretary's regulations prescribe, in the private practice of his profession in an area designated under section 329(b) for a period that is the larger of (i) one year for each academic year of that training for which a scholarship was received under this subpart and (ii) two years;

"(B) will, during the period prescribed by subparagraph (A), engage in the full-time provision of primary health care services or the practice of dentistry as applicable;

"(C) will charge any individual who receives medical or dental services provided by him the usual and customary charge for those services in the area in which it is provided unless the individual is unable to pay those charges, in which case the charges will be reduced or waived; and

"(D) will not discriminate against any individual on the basis of his ability to pay for care or services or because he seeks care or services for which payment will be made under the program established by title XVIII or XIX of the Social Security Act.

"(2) With respect to each individual who enters into an agreement under paragraph (1), the Secretary shall, except as provided in paragraph (5), guarantee the individual an annual net income from the practice of his profession under the agreement equal to the prevailing pay and allowances for an officer of the Commissioned Corps with similar training and experience, and will pay amounts due under the guarantee at the end of each quarter (including such adjustments as may be necessary to correct over or underpayments for prior quarters), as determined under regulations prescribed by the Secretary and on the basis of such information submitted by the individual as the Secretary may prescribe and such inspection of the records of the participant as the Secretary considers appropriate.

"(3) If the Secretary determines that an individual is not meeting his obligations under an agreement entered into under this subsection, he shall place the individual on probation for a period not to exceed one hundred and twenty days, and during that period shall provide technical assistance to the individual in meeting his obligations under the agreement. If, at the end of the probation period, the Secretary determines that the individual is still not meeting his obligations under the agreement, the United States shall be entitled to recover from the individual an amount determined under section 771(b)(2)(D), except that in applying the formula contained in that subsection 't' shall be the number of months that the individual agreed to practice his profession under paragraph (1), and 's' shall be the number of months that the individual practiced his profession in accordance with the agreement (including the period of probation).

"(4) The Secretary shall provide individuals who are engaged in the practice of their profession under agreements entered into under paragraph (1) with technical assistance to the same extent that technical assistance is provided to members of the National Health Service Corps under section 329.

"(5) Any individual who has entered into an agreement under paragraph (1) may extend the period of obligated service under the agreement for one year in exchange for a grant of $12,500 or two years in exchange for a grant of $25,000 from the Secretary to assist him in establishing and operating his medical or dental practice. The provisions of paragraph (2) shall not apply to the period of such extension. Any grant under this paragraph shall be expended in accordance with regulations prescribed by the Secretary, which regulations shall provide that no expenditures may be made for the purchase or construction of facilities. In determining the amount of any recovery to which the United States is entitled under paragraph (3), the amount of any grant under this paragraph shall be included in the sum of the amount paid under this section to or on behalf of the individual."

(e) The heading of subpart V (as so redesignated) of part C of title VII is amended to read as follows:

"Subpart V—Health Services Shortage Area Scholarship Program".

(f) Section 754 (as so redesignated) is amended to read as follows:

"Sec. 754. For the purpose of making scholarship grants under this subpart, there are authorized to be appropriated $40,000,000 for the fiscal year ending June 30, 1975, $55,000,000 for the fiscal year ending June 30, 1976, and $70,000,000 for the fiscal year ending June 30, 1977. For the fiscal year ending June 30, 1978, and for each succeeding fiscal year, there are authorized to be appropriated such sums as may be necessary to continue to make such grants to students who (prior to July 1, 1977) have received such a grant and who are eligible for such a grant under this part during such succeeding fiscal year.".

Sec. 308. The heading of part C of title VII is amended to read as follows:

"Part C—Student Assistance".

TITLE IV—GRANTS FOR HEALTH PROFESSIONS SCHOOLS

Sec. 401. (a) Subsection (a) of section 770 is amended to read as follows:

"(a) Grant Computation.—The Secretary shall make annual grants to schools of medicine (allopathic and osteopathic), public health, dentistry, veterinary medicine, optometry, pharmacy, and podiatry for the support of the education programs of such schools and to schools with graduate programs of health care administration for the support of such programs. The amount of the annual grant to each such school with an approved application shall be computed for each fiscal year as follows:

"(1) Each school of medicine (allopathic and osteopathic) shall receive—

"(A) for the fiscal year ending June 30, 1975, 1976, and 1977, $2,500, $2,350, and $2,200, respectively, for each full-time student enrolled in the medical training program of the school in each such year; and

"(B) $800 for each student who is enrolled in each such year on a full-time basis in a program of each such school of medicine for the training of physician extenders (as defined by regulations of the Secretary but including nurse practitioners).

"(2) The amounts established by paragraph (1)(A) shall be $2,500 for the fiscal year ending June 30, 1976, or 1977, in the case of each school of medicine (allopathic or osteopathic) that presents evidence satisfactory to the Secretary that, in such fiscal year, not less than 50 per centum of the students who graduated from the medical training program of the school during the preceding fiscal year are serving a residency in the practice of family medicine, general pediatrics, or general internal medicine.

"(3) Each school of dentistry shall receive—

"(A) $2,200 for each full-time student (except those described in subparagraph (B)) enrolled in such school in such year; and

"(B) $800 for each student who is enrolled in such year on a full-time basis in a program of such school for the training of expanded duty dental auxiliaries (as defined by regulations of the Secretary).

"(4)(A) Each school of public health shall receive $1,100 for each student equivalent enrolled in such school in such year.

"(B) For purposes of subparagraph (A) and section 771, the number of student equivalents for a class enrolled in a school of public health in any year is the number obtained by dividing—

"(i) the sum of the credit hours of instruction in public health taken by each student in such class, by

"(ii) the number of credit hours of instruction in public health required by such school to be taken in that year by a full-time student.

"(5) Each school of veterinary medicine shall receive $1,650 for each full-time student enrolled in such school in such year.

"(6) Each school of optometry shall receive $800 for each full-time student enrolled in such school in such year.

"(7) Each school of pharmacy (other than a school of pharmacy with a course of study of more than four years) shall receive $800 for each full-time student enrolled in such school in such year. Each school of pharmacy with a course of study of more than four years shall receive $800 for each full-time student enrolled in the last four years of school. For purposes of section 771, a student enrolled in the first year of the last four years of such school shall be considered a first-year student.

"(8) Each school of podiatry shall receive $800 for each full-time student enrolled in such school in such year.

"(9)(A) Each school with a graduate program of health care administration shall receive $1,100 for each student equivalent enrolled in such program in such year, except that no school of public health shall receive a grant under this paragraph.

"(B) For purposes of subparagraph (A) and section 771, the number of student equivalents for a class enrolled in a graduate program of health care administration in any year is the number obtained by dividing—

"(i) the sum of the credit hours of instruction in health care administration taken by each student in such class, by

"(ii) the number of credit hours of instruction in health care administration required by such school to be taken in that year by a full-time student.".

(b) Subsection (c) of section 770 is amended to read as follows:

"(c) Apportionment of Appropriations.—If the total of the grants to be made in accordance with subsections (a) and (b) for any fiscal year to schools of medicine (allopathic and osteopathic), public health, dentistry, veterinary medicine, optometry, pharmacy, or podiatry or schools with graduate programs of health care administration with approved applications exceeds the amounts appropriated under subsection (1) for such grants, the amount of the grant for that fiscal year to a school which may not because of such excess receive for that fiscal year the amount determined for it under such subsections shall be an amount which bears the same ratio to the amount so determined for it as the total of the amounts appropriated for that year under subsection (f) for grants to such schools bears to the amount required to make grants in accordance with subsections (a) and (b) to such schools.".

(c)(1) Subsections (d), (e), (f), and (g) of section 770 are repealed.

(2) Subsection (h) of section 770 is (A) redesignated as subsection (d), and (B) is amended to read as follows:

"(d) Enrollment and Graduation Determinations.—

"(1) For purposes of this section and sections 771 and 772, regulations of the Secretary shall include provisions relating to determining the number of students enrolled in a school or in a particular year-class in a school, or the number of graduates, on the basis of estimates, on the basis of the number of students who in an earlier year were enrolled in a school or in a particular year-class or who were graduates, or on such other basis as he deems appropriate for making such determination, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school, except that for the purposes of this section and section 771 any individual who is a United States citizen who transfers from a medical or dental school located in a foreign nation and who is enrolled in an undergraduate program in a school subject to the provisions of such sections shall be deemed to be a first-year student during the first year of such enrollment in such school.

"(2) For purposes of this section and sections 771 and 772, the term 'students' (whether such term is used by itself or in connection with a particular year-class) means students pursuing a course of study leading to a degree of doctor of medicine, doctor of dentistry or an equivalent degree, doctor of osteopathy, bachelor of science in pharmacy or an equivalent degree, doctor of optometry or an equivalent degree, doctor of veterinary medicine or an equivalent degree, or doctor of podiatry or an equivalent degree, a graduate degree in public health or an equivalent degree, a graduate degree in health care administration or an equivalent degree or other course of study approved by the Secretary for the training of physician extenders (including nurse practitioners) or expanded duty dental auxiliaries and the term 'full-time students' means students pursuing such a course of study on full-time basis."

(3) subsection (i) of section 770 is (A) redesignated as subsection (e) and (B) amended by—

(i) striking out "or podiatry" and inserting in lieu thereof "podiatry, public health, or a school with a graduate program in health care administration," and

(ii) inserting ", or student equivalents, as the case may be," immediately after "students".

(4) Subsection (j) of section 770 is redesignated as subsection (f) and is amended to read as follows:

"(f) Authorizations of Appropriations.—

"(1) There are authorized to be appropriated $145,000,000, for the fiscal year ending June 30, 1975, $152,000,000 for the fiscal year ending June 30, 1976, and $157,000,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of medicine (allopathic and osteopathic) based on the number of full-time students enrolled in such schools.

"(2) There are authorized to be appropriated $1,600,000 for the fiscal year ending June 30, 1975, $2,400,000 for the fiscal year ending June 30, 1976, and $3,200,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of medicine (allopathic and osteopathic) based on the number of students enrolled in programs of such schools for the training of physician extenders.

"(3) There are authorized to be appropriated $45 000,000 for the fiscal year ending June 30, 1975, $46,000,000 for the fiscal year ending June 30, 1976, and $48,500,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of dentistry based on the number of full-time students enrolled in such school.

"(4) There are authorized to be appropriated $1,600,000 for the fiscal year ending June 30, 1975, $2,400,000 for the fiscal year ending June 30, 1976, and $3,200,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of dentistry based on the number of students enrolled in programs of such schools for the training of expanded duty dental auxiliaries.

"(5) There are authorized to be appropriated $6,000,000 for the fiscal year ending June 30, 1975, $7,000,000 for the fiscal year ending June 30, 1976, and $8,000,000 for the fiscal year ending June 30, 1977, for payments under grants under subsection (a) (3) to schools of public health.

"(6) There are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1975, $10,600,000 for the fiscal year ending June 30, 1976, and $11,400,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of veterinary medicine.

"(7) There are authorized to be appropriated $3,000,000 for the fiscal year ending June 30, 1975, $3,200,000 for the fiscal year ending June 30, 1976, and $3,400,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of optometry.

"(8) There are authorized to be appropriated $22,000,000 for the fiscal year ending June 30, 1975, $22,700,000 for the fiscal year ending June 30, 1976 and $23,800,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of pharmacy.

"(9) There are authorized to be appropriated $1,500,000 for the fiscal year ending June 30, 1975, $1,600,000 for the fiscal year ending June 30, 1976, and $1,700,000 for the fiscal year ending June 30, 1977, for payments under grants under this section to schools of podiatry.

"(10) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, $2,250,000 for the fiscal year ending June 30, 1976, and $2,500,000 for the fiscal year ending June 30, 1977, for payments under grants under subsection (a)(7) to schools for graduate programs in health care administration.

"(11) No funds appropriated under any provision of this Act other than this subsection may be used to make grants under this section."

(d) The heading for part E of title VIII is amended to read as follows:

"Part E—Grants and Contracts To Improve the Quality of Schools of Medicine (Allopathic and Osteopathic), Public Health, Dentistry, Veterinary Medicine, Optometry, Pharmacy, and Podiatry and Schools With Graduate Programs of Health Care Administration"

Sec. 402. Part E of title VII is amended (1) by redesignating sections 771, 772, and 773 as sections 772, 773, and 774, respectively, (2) by redesignating section 774 (as in effect prior to the enactment of this Act) as section 776 and placing it after section 775, and (3) by adding after section 770 the following new section:

"ELIGIBILITY FOR CAPITATION GRANTS

"Sec. 771. (a) In General.—The Secretary shall not make a grant under section 770 to any school in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) the enrollment of full-time students (or, in the case of schools of public health and schools with graduate programs of health care administration, the enrollment of student equivalents) in such school and—

"(A) in the case of a school of medicine (allopathic or osteopathic), the enrollment of students on a full-time basis in a program of such school for the training of physician extenders, and

"(B) in the case of a school of dentistry, the enrollment of students on a full-time basis in a program of such school for the training of expanded duty dental auxiliaries, in the school year beginning after the beginning of the fiscal year in which such grant is made will not be less than the enrollment of such students or student equivalents, as the case may be, in such school in the preceding school year; and

"(2) the applicant will expend in carrying out its functions as a school of medicine (allopathic or osteopathic), public health, dentistry, veterinary medicine, optometry, pharmacy, or podiatry, as the case may be (or, in the case of a school with a graduate program of health care administration, for support of such program), during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the fiscal year immediately preceding the fiscal year for which such grant is sought.

"(b)(1)(A) The Secretary shall not make a grant under section 770 to any school in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that for the first school year beginning after the year in which such grant is made and for each school year thereafter during which such a grant is made 25 per centum of the individuals accepted for admission as students (or such lesser per centum as the Secretary may determine is required to meet the needs of medically underserved populations designated under section 329), as a condition of, and prior to, their admission, volunteer to enter into a written agreement with the Secretary to practice their profession in accordance with paragraph (2). In accepting, on behalf of the Secretary, applications for such agreements, a school shall give special consideration, to the extent feasible, to applications from individuals resident in areas containing medically underserved populations.

"(B) Upon the Secretary's determination that the needs of medically underserved populations for health services in any fiscal year will not be met by the number of individuals obligated to provide those services under the provisions of this Act, he may, with the agreement of each school affected, raise to 50 per centum the 25 per centum requirement with respect to any school for that fiscal year under subparagraph (A). In such case, the Secretary shall increase the amount otherwise payable to that school under section 770 for that fiscal year by 10 per centum. Amounts payable under section 770 by virtue of the operation of this subparagraph shall be obtained by reducing, pro rata, the amounts payable under that section to all medical and osteopathic schools that are not affected by this subparagraph.

"(2)(A) Each individual who has entered into an agreement under paragraph (1) shall be obligated to provide health services for a period of obligated service equal to two years, except that in the case of individuals who have undergone training in a program of less than three academic years, in any school subject to the provisions of this subsection, the Secretary may, by regulation, reduce the period of obligated service of any class or classes of such individuals. A period of obligated service under this section shall run concurrently with any period of service an individual is obligated to perform as a condition of receiving any scholarship or other assistance under this Act. The period of obligated service shall be spent providing health service—

"(i) to a population designated under section 329(b) as a medically underserved population, or

"(ii) in an area or at an institution (including any Federal health care facility) designated by the Secretary to have a shortage of and need for individuals trained in his profession; and

"(iii) in the case of an individual entering the medical program of a school of medicine (allopathic or osteopathic) the health services shall be provided through his full-time practice of family medicine, general pediatrics, or general internal medicine.

In designating areas and institutions pursuant to subparagraph (A)(ii), the Secretary shall follow the procedures required by section 329(b)(1). No institution shall be designated pursuant to subparagraph (A)(ii) unless such institution has applied to the Secretary for such designation. In the case of a Federal health care facility, the Secretary shall designate such facility only upon the request of the head of the department or agency of which the health facility is a part.

"(B)(1) In the case of any State which provides substantial financial assistance for any year to any school or schools of medicine (allopathic and osteopathic) or dentistry which is located within such State and which receives a grant under section 770 for the support of its education program, the Secretary shall, for such year, assign (under section 329 or under agreements entered into with individuals under sections 750 and 752), to serve any populations and in any areas and institutions described in subparagraph (A) which are located within such State, a number of individuals equal to at least 50 per centum of the total number of individuals who graduated from such school or schools and are obligated to provide service under this subsection during such year: *Provided*, That the percentage of the costs of support of the education programs of such school or schools provided by such State for such year is at least equal to the percentage of such costs provided by such State in the preceding year: *And provided further*, That the Secretary shall make such assignments within such State only to the extent that such individuals are needed to serve populations and in areas and institutions described in subparagraph (A) which are located within such State. To the maximum extent feasible, the Secretary shall assign, to provide service in any such State, individuals who are residents of such State and who are likely to remain in such State to practice their professions.

"(2) In the case of any State which provides financial assistance for any year to any school or schools of medicine (allopathic and osteopathic) or dentistry located outside of such State which receives a grant under section 770 for the support of its education program, the Secretary shall, for such year, assign (under section 329 or under agreements entered into with individuals under sections 750 and 752), to serve any populations and in any areas and institutions described in subparagraph (A) which are located within such State, a number of individuals equal to at least 50 per centum of the total number of individuals determined to be receiving assistance through the financial assistance being provided by such State and who are obligated to provide service during such year. The Secretary shall make assignments within such State only to the extent that such individuals are needed to serve populations and in areas and institutions described in subparagraph (A) which are located within such State. To the maximum extent feasible the Secretary shall assign, to provide service in any such State, individuals who are residents of such State and who are likely to remain in such State to practice their professions.

"(C)(i) Except as provided in clause (ii), a period of obligated service of any individual shall commence within six months after the date upon which such individual is licensed to practice his profession (or the date upon which such individual completes his first year of postgraduate clinical training, if such year of training is completed after the date on which he is so licensed) and such service shall continue without substantial interruption until such service is completed, except that in the case of individuals who are licensed to practice medicine the commencement of such period of obligated services may be deferred for the period of time required to complete primary care postgraduate physician training if such training is in family practice, general internal medicine, or general pediatrics.

"(ii) In the case of any individual obligated to provide service in accordance with this subsection who is not required to obtain a license in order to lawfully practice his profession, a period of obligated service shall commence within six months after the date upon which such individual completes his training in any school subject to the provisions of this subsection.

"(iii) An individual obligated to provide health services under this subsection shall be entitled, for the period of training required to obtain his first health professions degree, to receive a Public Health and National Health Service Corps Scholarship under section 750, or a scholarship under section 752, if otherwise eligible for that scholarship, upon his agreement to comply with the requirements imposed by the applicable section and by this subsection.

"(D) If, for any reason, an individual who is obligated to provide service under this subsection fails either to begin his service obligation or to complete such service obligation in accordance with this subsection, the United States shall be entitled to recover from such individual an amount determined in accordance with the formula

$$A=2\varphi\left(\frac{t-s}{t}\right)$$

in which 'A' is the amount the United States is entitled to recover; φ is the sum of the amount paid under section 770 to a school on the basis of the enrollment in such school of such individual and the interest on such amount which would be payable if at the time it was paid it was a loan bearing interest at the maximum legal prevailing rate; '*t*' is the total number of months in such individual's period of obligated service; and '*s*' is the number of months of such period served by him in accordance with this subsection. Any amount which the United States is entitled to recover shall, within the one-year period beginning on the date the United States becomes entitled to recover such amount be paid by such individual to the United States. Amounts recoverable under this subsection shall be in addition to amounts recoverable under other provisions of this Act by reason of the individual's failure to begin or complete any service obligation, whether or not the period of that obligation is concurrent with the service obligation under this subsection.

"(3)(A) The Secretary shall, by regulation, provide for the waiver or suspension of any obligation of any individual under this subsection whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"(B) Notwithstanding any other provision of this subsection—

"(i) any individual who is obligated to provide health services pursuant to an agreement entered into with any State may provide such service in accordance with such agreement in lieu of providing service under this subsection: *Provided*, That the period to be served is at least equal to the period of obligated service of this subsection,

"(ii) no individual shall be required to provide services for more than one period of obligated service under this section,

"(iii) in the case of any individual who is obligated to provide service under section 750 and under this subsection, the periods of obligated service of such individual under section 750 and this subsection shall run concurrently.

"(4) When any individual undergoing training in any school subject to the provisions of this subsection—

"(A) is academically dismissed or voluntarily terminates academic training, or

"(B) in the case of an individual who is required to obtain a license in order to lawfully practice his profession, fails to obtain such a license,

he shall not be obligated to provide service under this subsection unless he, at some subsequent date, completes such training and, in the case of an individual described in clause (B), obtains a license to practice his profession.

"(c) SCHOOLS OF MEDICINE (ALLOPATHIC AND OSTEOPATHIC).—The Secretary shall not make a grant under section 770 to any school of medicine (allopathic and osteopathic) in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year (hereinafter in this section referred to as the 'base year') preceding the school year beginning after the close of the fiscal year ending June 30, 1975, or the school year beginning after the close of the first fiscal year in which such grant was made to such school, whichever is later—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred;

"(2) the number of foreign medical graduates in its affiliated postgraduate training positions will not exceed 40 per centum, 35 per centum, and 25 per centum for the fiscal years ending June 30, 1975, 1976, and 1977, respectively; and

"(3) the school (except in the case of a two-year school of medicine) will establish, by the close of the fiscal year in which the grant is made, and maintain in each succeeding year in which a grant is made, an administrative unit (which may be a department, division, or other unit) to provide clinical instruction in family medicine or comparable primary care, as determined by the Secretary, which unit will (A) be comparable to academic administrative units for other major clinical specialties in the school, (B) be responsible for directing a portion of the curriculum for each member of the student body engaged in a program leading to the degree of doctor of medicine or doctor of osteopathy, which portion is determined by the Secretary to be comparable to the portion devoted by the school to other major clinical specialties, (C) employ a number of full-time faculty which, for the academic year ending in calendar year 1976, is determined by the Secretary to be sufficient to conduct the clinical instruction required by clause (B) and to be comparable to the number of faculty assigned to other major clinical specialties by the school, and (D) administer a three-year approved or provisionally approved graduate training program in family practice, which program shall make available postgraduate physician training positions equal in number, in the fiscal year ending June 30, 1975, 1976, and 1977, to not less than 10 per centum, 15 per centum, and 20 per centum, respectively for those years, of the total postgraduate physician training positions established by, or affiliated with, the school; or, alternatively, administer a comparable graduate training program in the provision of primary care, as defined by the Secretary, which shall make available postgraduate physician training positions equal in number in those years to not less than 35 per centum, 40 per centum, and 45 per centum, respectively, of such total postgraduate physician training positions.

"(d) Schools of Dentistry.—The Secretary shall not make a grant under section 770 to any school of dentistry in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that for the first school year beginning after the close of the fiscal year ending June 30, 1975, or (if later) beginning after the close of the fiscal year in which such grant is made, and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the base year—

"(1) by 10 per centum of such number if such number was not more than one hundred, or

"(2) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred.

"(e) Schools of Public Health and Schools With Graduate Programs in Health Care Administration.—The Secretary shall not make a grant under section 770 to any school of public health or school with a graduate program of health care administration in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of student equivalents in such school will exceed the number of such student equivalents enrolled in the base year—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten student equivalents, whichever is greater, if such number was more than one hundred, or

"(2) during each such school year such school will establish and carry out special new projects, or make significant expansions of, or improvements in, existing projects, meeting criteria set forth by the Secretary in regulations in at least three of the following categories of projects:

"(A) projects to establish cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary medicine, nursing, public health, and allied health, including projects for training for the use of the team approach to the provision of health services;

"(B) projects to provide for increased emphasis on, and training in, health care administration and management training;

"(C) projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged;

"(D) projects to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability;

"(E) projects to provide increased emphasis on the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society;

"(F) projects to plan, develop, and implement a program of nutrition education within their curricula.

"(f) Schools of Veterinary Medicine, Optometry, Pharmacy, and Podiatry.—The Secretary shall not make a grant under section 770 to any school of veterinary medicine, optometry, pharmacy, or podiatry in a fiscal year beginning after June 30, 1974, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

"(1) for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the number of such students enrolled in the base year—

"(A) by 10 per centum of such number if such number was not more than one hundred, or

"(B) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred, or

"(2) during each such school year such school will establish and carry out specific new projects, or make significant expansions of, or improvements in, existing projects, meeting criteria set forth by the Secretary in regulations, in at least two of the following categories of projects (or, if the application is for a school of pharmacy, specific projects in the category described in clause (C) and specific projects in at least two other categories, or, if the application is for a school of optometry, specific projects in the categories described in clauses (D) and (E) and a specific project in at least one other category):

"(A) to establish cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, optometry, podiatry, pharmacy, veterinary, medicine, nursing, public health, and allied health, including projects for training for the use of the team approach to the provision of health services;

"(B) projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or otherwise disadvantaged;

"(C) in the case of schools of pharmacy, projects to provide for increased emphasis on, and training in, clinical pharmacy, drug use and abuse, and, where appropriate, clinical pharmacology;

"(D) in the case of schools of optometry, projects to develop residency training programs respecting optometry;

"(E) in the case of schools of optometry, projects to develop and implement programs specifically designed to lead to the early detection and treatment of diseases which can be diagnosed as a consequence of the practice of optometry;

"(F) projects to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability;

"(G) projects to provide increased emphasis on the ethical, social, legal, and moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society;

"(H) projects to establish and operate satellite clinical training centers in underserved areas, in coordination, whenever feasible, with health training institutions in other disciplines, to emphasize the provision of primary care to the residents of such areas, and to provide continuing education programs for health professions personnel in such areas; and

"(I) projects to establish increased emphasis on, and training in, the aging process, including the social, behavioral, and biomedical aspects of the aging process, and training, as appropriate, in the diagnosis, treatment, and prevention of diseases and related problems of the aged.

"(g) For the purposes of subsections (c), (d), (e), and (f)—

"(1) in the case of any school which (as a result of an increase in enrollment or through the application of this paragraph) has a first-year enrollment of full-time students or student equivalents for any year in excess of the number required by such subsection (c), (d), (e), or (f) for such year, the number in excess of the required number shall be deemed to have enrolled in the next school year for purposes of meeting the enrollment increase requirement for such next year.

"(2) in the case of any school which, within the six years preceding the enactment of this section, has increased its first-year enrollment of full-time students or student equivalents in any year (except the first year in which such school has students enrolled) by more than 33⅓ per centum of the number of such students enrolled in the preceding school year, the requirements of such subsection (c), (d), (e), or (f) shall apply only to the extent they would apply had the provisions of such subsection and this subsection been applicable in the year of such increase and all subsequent years.

"(h) (1) (A) The Secretary may waive (in whole or in part) the requirements of subsection (c), (d), (e), or (f) with respect to any school upon written notification by the appropriate accreditation body or bodies (as defined in section 721(b) (1)), that compliance by such school with the assurances required by such subsection will prevent such school from meeting the accreditation standards of such body or bodies.

"(B) The Secretary may waive (in whole or in part) the requirements of paragraph (1) of subsection (c), (d), (e), or (f) respecting enrollment increases, upon a finding by the Secretary that because of inadequate size of the population served by the hospital or other facilities in which such school conducts its clinical training compliance by such school with such assurances will prevent such school from providing high quality clinical training for the students added as a result of such increase.

"(C) Nothing in this paragraph shall be construed as affecting the obligation of any school to comply with any requirements of subsection (c), (d), (e), or (f) which have not been waived pursuant to subparagraph (A) or (B).

"(2) The requirements of paragraph (1) of subsection (c), (d), (e), or (f) shall not apply to any school which is prohibited by law from complying with the assurances required by such paragraph. Nothing in this paragraph shall be construed as affecting the obligations of any school to comply with the requirements of paragraph (2) of each such subsection.

"(i) The Secretary is authorized to make onsite inspections of any school receiving a grant under section 770 and to require the submission of reports or other data and information by any such school for the purpose of ascertaining the extent of compliance by such school with the assurances made in connection with such school's application for such grant.

"(j) (1) Whenever the Secretary, after reasonable notice and opportunity for hearing, finds that any school receiving assistance under section 770 has failed to comply with any assurances required to be given under this section, the Secretary shall forthwith order (A) that no further grants will be made to such school under section 770, or (B) that further grants will be withheld, in whole or in part, until such school repays Federal moneys to which such school was *not entitled* because of such failure, and shall notify such school of such order. The Secretary shall not order any action under the preceding sentence in any case in which such a school has admitted an individual, in contravention of the assurances required to be made by such school under subsection (b) (1), pursuant to an order of any court of competent jurisdiction: *Provided*, That such school has provided notice in accordance with paragraph (2).

"(2) Whenever a civil action is instituted by an individual against a school, receiving assistance under section 770, to obtain admission to such school in contravention of the assurances required to be made under subsection (b) (1), the Attorney General may intervene in such actions, upon timely application and in the manner prescribed by section 2403 of title 28, United States Code. Any such school shall promptly notify the Attorney General and Secretary of the institution of any such action.

"(k) (1) Any school which has been adversely affected by any order of the Secretary pursuant to this section may appeal to the United States court of appeals for the circuit in which such school is located, by filing a petition with such court within sixty days after such order. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary, or any officer designated by him for that purpose. The Secretary shall thereupon file in the court the record of the proceedings on which he based his order, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the order of the Secretary or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Secretary may modify or set aside his order.

"(2) The findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous order, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

"(3) The judgment of the court affirming or setting aside, in whole or in part, any order of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this section shall not, unless so specifically ordered by the court, operate as a stay of the Secretary's order.".

SEC. 403. Section 773 (as so redesignated) is amended to read as follows:

"SPECIAL PROJECT GRANTS AND CONTRACTS

"SEC. 773. (a) The Secretary may make grants to assist a school of medicine (allopathic and osteopathic), dentistry, veterinary medicine, optometry, pharmacy, podiatry, or public health, or any other public or nonprofit private health or educational entity, to meet the costs of special projects to—

"(1) effect significant improvements, including increased emphasis on nutritional education, in the curriculums of any such schools;

"(2) develop programs for cooperative interdisciplinary training among schools of medicine (allopathic and osteopathic), dentistry, veterinary medicine, optometry, pharmacy, podiatry, nursing, public health, and allied health, including projects for training in the use of the term approach to the delivery of health services;

"(3) develop and operate training programs, and train, for new roles, types, or levels of health professions personnel, including programs for the training of physician extenders (including nurse practitioners), and other health professions assistants;

"(4) develop new training programs to educate specialized physician assistants, to assume at least some of the service roles traditionally fulfilled by residents in hospitals;

"(5) plan, develop, or establish new programs, or innovative modifications of existing programs, of education in such health professions including the teaching of the organization, delivery, financing, or evaluation of health care;

"(6) research, develop, or demonstrate advances in the various fields related to education in such health professions;

"(7) assist in increasing the supply, or improving the distribution by geographic area or specialty group, of adequately trained personnel in such health professions needed to meet the health needs of the Nation;

"(8) establish and operate programs at schools of medicine (allopathic and osteopathic) (and where applicable at other health professions schools) (A) providing increased emphasis on, and training in, the prevention, diagnosis, treatment, and rehabilitation of alcoholism and drug dependence, and the assessment of the efficacy of various therapeutic regimens, or (B) providing increased emphasis on the ethical, social, legal, or moral implications of advances in biomedical research and technology with respect to the effects of such advances on individuals and society;

"(9) establish increased emphasis on, and training (including continuing education) in, clinical pharmacology and the assessment of the efficacy of various therapeutic regimens;

"(10) establish and operate programs designed to identify, and increase admissions to and enrollment in dentistry, veterinary medicine, optometry, pharmacy, podiatry, and public health of, individuals whose background and interests make it reasonable to assume that they will engage in the practice of their health profession in rural or other areas having a severe shortage of personnel in such health profession;

"(11) plan experimental teaching programs or facilities;

"(12) provide traineeships (including costs of training and fees, stipends, and allowances for the students (including travel and subsistence expenses and dependency allowances)) for full-time students to secure part of their education under a preceptor in family practice, pediatrics, internal medicine, or other health fields designated by the Secretary, or in rural or other areas having a severe shortage of physicians;

"(13) utilize health professions personnel more efficiently through the use of computer technology and otherwise;

"(14) encourage new or more effective approaches to the organization and delivery of health services through the use of the team approach to delivery of health services and the utilization of computer technology to process biomedical information in the provision of health services;

"(15) establish and operate programs in the interdisciplinary training of health professions personnel for the provisions of emergency medical services, with particular emphasis on the establishment and operation of training programs affording clinical experience in emergency medical services systems receiving assistance under title XII of this Act;

"(16) plan, develop, and operate programs to increase the awareness by health professions personnel of the cultural sensitivities related to health of individuals with limited English-speaking ability, with special emphasis on training programs which include clinical training and utilize team training, and on continuing education programs, in communities where a substantial proportion of the population is of limited English-speaking ability;

"(17) establish and operate programs to encourage greater knowledge of and sensitivity toward the special health problems of women;

"(18) establish and operate programs designed to provide increased emphasis on, and training in, rehabilitation medicine and encourage greater knowledge of and sensitivity toward the special health problems of handicapped individuals, especially women who are handicapped.

"(19) establish and operate satellite clinical training centers in underserved areas, which coordinate to the maximum feasible extent training programs of each of the health disciplines in coordination with appropriate health training institutions, to emphasize the provision of primary care to the residents of such areas, and to provide continuing education programs for health professions personnel in such areas;

"(20) provide increased emphasis on, and training in, the aging process, including the social, behavioral, and biomedical aspects of the aging process, and training in the diagnosis, treatment, and prevention of diseases and related problems of the aged;

"(21) encourage experienced physicians and other health care personnel to relocate to medically underserved areas determined under section 329;

"(22) substantially expand programs to train United States citizens who have transferred from medical schools in foreign countries or from two-year medical schools in the United States and who have enrolled in such schools as full-time students with advanced standing; and

"(23) assist schools of public health and other public or nonprofit private institutions providing graduate training in health care administration and management training, for the purpose of strengthening or expanding such training in such institutions.

The Secretary may also enter into contracts with public or private health or educational entities to carry out any project described in this subsection.

"(b) Grants and contracts may also be made by the Secretary under this section for—

"(1) the discovery, collection, development, or confirmation of information for,

"(2) the planning, development, demonstration, establishment, or maintenance of,

"(3) the alteration or renovation of existing facilities for, any project described in subsection (a).

"(c) Contracts under this section may be entered into without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(d) (1) There are authorized to be appropriated $75,000,000 for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years for the purpose of making payments pursuant to grants and contracts under subsections (a) and (d)."

SEC. 404. Section 772 (as so redesignated is amended by—

(1) striking out "or dentistry" in paragraphs (1) and (4) of subsection (a) and

inserting in lieu thereof "dentistry, podiatry, or optometry".

(2) by amending paragraph (3) of subsection (a) to read as follows:

"(3) The Secretary shall give special consideration to each application of a school for grant assistance under this subsection which—

"(A) is located in a State which has no other such school of medicine, osteopathy, dentistry, podiatry, or optometry;

"(B) contains or is reasonably supported by assurances, that, because of the use that the school will make of existing facilities (including Federal medical or dental facilities), it will be able to accelerate the date on which it will begin its teaching program."

(3) by amending paragraph (6) of subsection (a) to read as follows: "There are authorized to be appropriated $6,000,000 for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years, for payments under grants under this subsection. Sums appropriated under this paragraph shall remain available until expended."

(4) in paragraph (2) of subsection (b), (1) striking out "1974" and inserting in lieu thereof "1977", and (2) striking out "1975" and inserting in lieu thereof "1978".

SEC. 405. Section 774 (as so redesignated), is amended by—

(1) amending subsection (a) to read as follows:

"(a) There are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1975, and for each of the two succeeding fiscal years, to make grants under this section, and to the extent that sums appropriated under this subsection are not used for such grants, for grants under section 773."

(2) striking out "or podiatry" in subsection (b) and inserting in lieu thereof "podiatry, or public health or school with a graduate program of health care administration."

SEC. 406. (a) Section 776(a) (as so redesignated) is repealed.

(b) For the fiscal year ending June 30, 1975, and for each of the next two fiscal years there are authorized to be appropriated such sums as may be necessary to continue payments under contracts entered into under section 774 of the Public Health Service Act (as in effect before the date of the enactment of this Act) for area health education centers. Such payments may only be made from such sums for the periods and the amounts specified in such contracts.

(c)(1) Subsection (b) of section 776 (as so redesignated) is redesignated as subsection (a) and amended by striking out the matter following subparagraph (C) of paragraph (2).

(2) There is inserted before subsection (c) of that section a new subsection (b) to read as follows:

"Disadvantaged Assistance Program

"(b)(1) With respect to any individual authorized to be assisted under subsection (a)(2)(A), the Secretary may award to such individual a stipend, with allowances for travel and for dependents, for postsecondary education or training required to qualify the individual for admission to a program of a school, above the undergraduate level, leading to the first professional degree in the provision of health care. For purposes of this paragraph a degree in public health administration shall not be deemed to be a degree in the provision of health care.

"(2) With respect to any individual authorized to be assisted under subsection (a)(2)(A), the Secretary may award a stipend, as described in the preceding paragraph, to assist the individual in meeting the cost of his first year of study in such program."

(3) Subsection (e) of that section is amended to read as follows:

"(e) For the purposes of this section where there are authorized to be appropriated $5,000,000 for the fiscal year ending June 30, 1975, and each of the next two fiscal years."

(1) by striking out "770, 771, 772, or 773" each place it occurs and inserting in lieu thereof "770, 772, 773, or 774";

(2) by striking out "or podiatry" in subsection (b) and inserting in lieu thereof "podiatry, or public health, or school with a graduate program in health care administration";

(3) by striking out "this part" in subsection (c) and inserting in lieu thereof "section 770, 772, 773, or 774";

(4) by striking out "725)." in subsection (c) and inserting in lieu thereof "702);";

(5) by striking out "770, 771, or 773" in subsection (d)(1) and inserting in lieu thereof "770, 771, 772, 773, or 774"; and

(6) by amending subsection (d)(3) to read as follows:

"(3) provides for such fiscal control and accounting procedures and reports, including the use of such standard procedures for the recording and reporting of financial information as the Secretary may prescribe, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under the grant and to enable the Secretary to determine the costs to the applicant of its program for the education or training of students."

SEC. 408. Sections 312 and 313 are repealed.

TITLE V—ASSISTANCE FOR SPECIALIZED TRAINING

SEC. 501. (a) Section 767 (entitled "GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS IN FAMILY MEDICINE") is transferred to part F of title VII and redesignated as section 781.

(b) Section 781 (as so redesignated) is amended—

(1) by striking out "and" after "1973,";

(2) by inserting after "1974," the following: "$40,000,000 for the fiscal year ending June 30, 1975, and $50,000,000 for each of the two succeeding fiscal years";

(3) by inserting "or comparable primary care field" after "family medicine" and "family practice" each time they appear;

(4) in clause (2) by striking out "and" at the end thereof and inserting immediately before the semicolon in such clause the following: ", with special consideration to those who are bilingual with respect to the predominant language in those areas served by the hospital where a substantial proportion of the population is of limited English-speaking ability";

(5) by renumbering clause (3) as clause (4); and

(6) by inserting immediately after clause (2) the following new clause (3):

"(3) to plan, develop, and operate, special programs to increase the awareness of trainees in such programs to the cultural sensitivities of individuals with limited English-speaking ability where the hospital serves an area where a substantial proportion of the population is of limited English-speaking ability;".

SEC. 502. (a) Section 768 (entitled "GRANTS FOR SUPPORT OF POSTGRADUATE TRAINING PROGRAMS FOR PHYSICIANS AND DENTISTS") is repealed.

SEC. 503. There is inserted after section 782 a new section to read as follows:

"COMMUNITY-BASED HEALTH MANPOWER EDUCATION PROGRAM

"SEC. 783. (a) In order, through regional affiliations of health services institutions and health manpower educational institutions, which must include at least one school of medicine, to promote—

"(I) the training of undergraduate and graduate medical, nursing, and physician extender students in rural and inner city locations to expose them to career opportunities in such areas;

"(II) regional systems of continuing education to upgrade the skills of rural and inner city primary care providers; and

"(III) closer functional integration of regional health personnel and educational institutions,

the Secretary is authorized to make grants to, or contracts with public or private health or educational entities to—

"(1) train undergraduate and graduate students in health care in underserved rural and inner city areas in institutions which provide primary care including community hospitals, ambulatory care centers, nursing homes, and home health agencies;

"(2) rotate medical, nursing, and allied health teaching staff from the health education institutions to these rural and inner city teaching sites to provide instruction to improve the technical skills of local health professionals;

"(3) encourage new or more effective approaches to the organization and delivery of health services through the training of rural or inner city practitioners in the use of the team approach to the delivery of health services.

"(b) Grants under this section may be awarded to plan, develop, and operate new programs or to significantly expand existing programs and may include amounts for structural renovation in rural and inner city teaching sites necessary to carry out the teaching function, and travel costs and stipends to the temporarily assigned trainees and rotating teaching personnel as the Secretary shall determine is necessary.

"(c) Grants under this section shall be awarded to affiliations of health services providers in the target rural or inner city regions and health manpower educational institutions which demonstrate the capability of and commitment to providing the described educational program.

"(d) No application for a grant or contract under this section shall be approved unless the application contains or is supported by reasonable assurances satisfactory to the Secretary that:

"(1) the training programs covered by the grant or contract application will have a total of at least twenty-five individuals enrolled in them;

"(2) at least 25 per centum of the costs of the training programs for which such grant or contract is to be made will be met with funds from non-Federal sources;

"(3) the training in such regional sites of students enrolled in participating health manpower education institutions will, in the aggregate, total not less than four weeks per assigned student per year;

"(4) contains a specific plan for hiring, as members of the faculty of participating health manpower education institutions, some locally practicing health professionals to serve as instructors at the rural or inner city training sites, including a plan for frequent counseling and consultation between the faculties of the schools involved and these practitioner-instructors;

"(5) contains a detailed description of the type and amount of training to be given in the rural or inner city teaching sites including provision for periodic review and evaluation of such training and the periodic delivery of reports of such evaluations to the Secretary; and

"(6) contain a plan for phasing financial support of the proposed program from Federal to non-Federal sources.

"(c) No grant or contract for any training program under this section may exceed 75 per centum of the costs, as determined by the Secretary, of such program. The Secretary shall give priority in making awards under this section to applicants not affiliated with any health manpower educational institution.

"(f) There are authorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1975, $50,000,000 for the fiscal year ending June 30, 1976, and $50,000,000 for the fiscal year ending June 30, 1977, for carrying out the purposes of this section."

"SUPPORT FOR STUDY OF CLINICAL PHARMACOLOGY AND CLINICAL PHARMACY

"SEC. 784. (a) The Secretary is authorized to make grants to public or nonprofit private schools of medicine (allopathic and osteopathic), dentistry, pharmacy, optometry, and public health and entities for the training and education for the allied health professions which are eligible for grants under part E to assist in meeting the costs of—

"(1) planning, establishment, and operation of programs providing for inclusion of courses relating to clinical pharmacology or clinical pharmacy as part of undergraduate training programs in such schools and entities, and

"(2) planning, establishment, and operation of programs of continuing education in the field of clinical pharmacology or clinical pharmacy.

"(b) The Secretary is authorized to make grants to public or nonprofit private schools of medicine (allopathic and osteopathic) which are eligible for grants under part E to assist in meeting the costs of—

"(1) planning, establishment, and operation of graduate training programs for individuals who plan to specialize or work in the field of clinical pharmacology, and

"(2) providing financial assistance (in the form of traineeships) for training in the field of clinical pharmacology to graduate students, interns, and residents who participate in such programs and who plan to specialize or work in such field.

"(c) The Secretary is authorized to make grants to public or nonprofit private schools of pharmacy which are eligible for grants under part E to assist in meeting the costs of—

"(1) planning, establishment, and operation of graduate and undergraduate training programs in the field of clinical pharmacy, and

"(2) providing financial assistance (in the form of traineeships) for training in the field of clinical pharmacy to graduate students who participate in such programs and who plan to specialize or work in such field.

"(d) There are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, $3,000,000 for the fiscal year ending June 30, 1976, and $5,000,000 for the fiscal year ending June 30, 1977, for grants under this section."

SEC. 505. (a) Section 776 is transferred to part F of title VII, inserted after section 785 and redesignated as section 786.

(b) Section 786 (as so redesignated) is amended by inserting immediately after "1974" in subsection (e) "and for each of the three succeeding fiscal years."

SEC. 506. Part F of title VII is amended by adding after section 786 (as so redesignated) the following new section:

"GRANTS FOR BILINGUAL HEALTH TRAINING CLINICAL CENTERS

"SEC. 787. There are authorized to be appropriated for the fiscal year ending June 30, 1975, and for each of the two suceeding fiscal years, $2,500,000 for the purpose of establishing not more than four bilingual health training clinical centers, in affiliation with university medical centers, in dispersed areas of the United States in communities where a substantial proportion of the residents is of limited English-speaking ability, such centers to place special emphasis on (1) the training in internship, residency, and other health training programs (utilizing to the greatest extent the concept of team training) of personnel who are bilingual and (2) the provision of health care services to the surrounding community."

SEC. 507. (a) Section 769B is transferred to part F of title VII, inserted after section 787, and redesignated section 788.

(b) Section 788 (as so redesignated) is amended by—

(1) striking out "under section 767, 769, and 769A" each place it occurs and inserting in lieu thereof "under this part",

(2) striking out "under sections 767 and 769" in subsection (b) and inserting in lieu thereof "under this part",

(3) striking out "The amount" in subsection (c) and inserting in lieu thereof "Except as otherwise provided, the amount",

(4) adding at the end thereof the following new subsection:

"(d) The Secretary shall not act upon any application for a grant under section 785 unless an appropriate scientific peer review group has reviewed such application or contract."

SEC. 508. Section 769 (entitled "GRANTS FOR TRAINING, TRAINEESHIPS, AND FELLOWSHIPS FOR HEALTH PROFESSIONS TEACHING PFRSONNEL") and section 769A (entitled "GRANTS FOR COMPUTER TECHNOLOGY HEALTH CARE DEMONSTRATION PROGRAMS") are repealed.

SEC. 509. The heading for part F of title VII is amended to read as follows:

"PART F—ASSISTANCE FOR SPECIALIZED TRAINING".

SEC. 510. The hearing for part D of title VII is amended to read as follows:

"PART D—MISCELLANEOUS PROVISIONS".

SEC. 511. Section 785 (as so redesignated) is amended by inserting after "entities" and before "to": ", or a State, a unit of general local government, or any other public entity which has established an emergency medical services system or given adequate assurances that it will establish such a system which meets the requirements of section 1206(b) (4) and which has entered into a contract or other agreement with an appropriate educational entity,".

TITLE VI—ALLIED HEALTH PERSONNEL

SEC. 601. (a) Part G of title VII is amended to read as follows:

"PART G—TRAINING PROGRAMS FOR ALLIED HEALTH PERSONNEL

"DEFINITION

"SEC. 789. For purposes of this subpart, the term 'allied health personnel' means individuals with training and responsibilities for (1) supporting, complementing, or supplementing the professional functions of physicians, dentists, and other health professionals in the delivery of health care to patients, or (2) assisting environmental personnel in environmental health control activities.

"PROJECT GRANTS AND CONTRACTS

"SEC. 789A. (a) The Secretary may make grants and enter into contracts to assist eligible entities in meeting the costs of planning, study, development, demonstration, and evaluation projects undertaken with respect to one or more of the following:

"(1) methods of coordination and management of education and training at various levels for allied health personnel within and among education institutions and their clinical affiliates,

"(2) methods and techniques for State and regional coordination and monitoring of education and training for allied health personnel,

"(3) programs, methods, and curricula (including model curricula) for training various types of allied health personnel.

"(4) programs, or means of adapting existing programs, for training as allied health personnel special groups such as returning veterans of the Armed Forces, the socioeconomically disadvantaged, and persons reentering any of the allied health fields,

"(5) new types of roles and uses for allied health personnel,

"(6) in coordination with the Secretary's program under section 1123 of the Social Security Act, methods of establishing, and determining compliance with, proficiency requirements for allied health personnel, including techniques for appropriate recognition (through equivalency and proficiency testing or otherwise) of previously acquired training or experience,

"(7) methods of recruitment and retention of allied health personnel, or

"(8) providing special emphasis on clearly defined career ladders and programs of advancement for practicing allied health personnel.

"(b)(1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall be regulation prescribe.

"(2) For purposes of subsection (a), the term 'eligible entities' means those entities which have had an application approved under paragraph (1) and which are—

"(A) schools, universities, or other educational entities which provide for allied health personnel education and training meeting such standards as the Secretary may by regulation prescribe,

"(B) States, political subdivisions of States, or regional and other public bodies representing States or political subdivisions of State or both, or

"(C) any entity which has a working arrangement (meeting such requirements as the Secretary may be regulation prescribe) with an entity described in subparagraph (A).

"(3) Contracts may be entered into under subsection (a) without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(4) The amount of any grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(c) For the purpose of making payments under grants and contracts under subsection (a), there are authorized to be appropriated $30,000,000 for the fiscal year ending June 30, 1975, $35,000,000 for the fiscal year ending June 30, 1976, and $40,000,000 for the fiscal year ending June 30, 1977.

"TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PERSONNEL

"SEC. 789B. (a) The Secretary may make grants to public and nonprofit private entities for traineeships provided by such entities for the training of allied health personnel to teach in training programs for such personnel or to serve in administrative or supervisory positions.

"(b)(1) No grant may be made under subsection (a) unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) Payments under such grants (A) shall be limited to such amounts as the Secretary finds necessary to cover the cost of tuition and fees of, and stipends and allowances (including travel and subsistence expenses and dependency allowances) for, the trainees; and (B) may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary finds necessary.

"(c) For the purposes of making payments under grants under subsection (a), there are authorized to be appropriated $7,000,000 for the fiscal year ending June 30, 1975, $8,000,000 for the fiscal year ending June

30, 1976, and $9,000,000 for the fiscal year ending June 30, 1977.

"GRANTS AND CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDUCATIONAL TALENT FOR ALLIED HEALTH PERSONNEL TRAINING

"SEC. 789C. (a) The Secretary may make grants to, and enter into contracts with, State and local educational agencies and other public or nonprofit entities—

"(1) to (A) identify individuals of financial, educational, or other need who have a potential to become allied health personnel, including individuals who are veterans of the Armed Forces with military training or experience similar to that of allied personnel and individuals who are bilingual in an appropriate language as determined by the Secretary, and (B) encourage and assist, whenever appropriate, the individuals described in clause (A) to (i) complete secondary education, (ii) undertake such postsecondary training as may be required to qualify them to undertake allied health personnel training, and (iii) undertake postsecondary allied health personnel training (including continuing education); and

"(2) to publicize existing sources of financial aid available to individuals undertaking allied health personnel training.

"(b)(1) No grant may be made or contract entered into under subsection (a) unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

"(2) Contracts may be entered into under subsection (a) without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

"(3) The amount of any grant under subsection (a) shall be determined by the Secretary. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(c) For payments under grants and contracts under subsection (a) there are authorized to be appropriated $500,000 for the fiscal year ending June 30, 1975, $1,000,000 for the fiscal year ending June 30, 1976, and $1,500,000 for the fiscal year ending June 30, 1977.

"SCHOLARSHIP GRANTS

"SEC. 789D. (a) The Secretary is authorized to make (in accordance with such regulations as he may prescribe) grants to any public or nonpublic private agency, institution, or organization with an established program for training or retraining of personnel in the allied health professions or occupations specified by the Secretary for (1) scholarships to be awarded by such agency, institution, or organization to students thereof, and (2) scholarships in retraining programs of such agency, institution, or organizaion to be awarded to allied health professions personnel in occupations for which such agency, institution, or organization determines that there is a need for the development of, or the expansion of training.

"(b) Scholarships awarded by any agency, institution, or organization from grants under subsection (a) shall be awarded for any year only to individuals of exceptional financial need who require such assistance for such year in order to pursue a course of study offered by such agency, institution, or organization.

"(c) Grants under subsection (a) may be paid in advance or by way of reimbursement and at such intervals as the Secretary may deem appropriate and with appropriate adjustment on account of overpayments or underpayments previously made.

"(d) Any scholarship awarded from grants under subsection (a) to any individual for any year shall cover such portion of the individual's tuition, fees, books, equipment, and living expenses as the agency, institution, or organization awarding the scholarship may determine to be needed by such individual for such year on the basis of his requirements and financial resources; except that the amount of any such scholarship shall not exceed $2,000, plus $600 for each dependent (not in excess of three) in the case of any individual who is awarded such a scholarship.

"(e) The Secretary shall not approve any grant under this section unless the applicant therefor provides assurances satisfactory to the Secretary that funds made available through such grant will be so used as to supplement and, to the extent practicable, increase the level of non-Federal funds, which would in the absence of such grant, be made available for the purpose for which such grant is requested.

"(f) For the purpose of carrying out the provisions of this section, there is authorized to be appropriated $1,000,000 for the fiscal year ending June 30, 1975, $2,000,000 for the fiscal year ending June 30, 1976, and $3,000,000 for the fiscal year ending June 30, 1977.

"STATISTICAL AND ANNUAL REPORT

"SEC. 789E. (a) The Secretary shall continuously develop, publish, and disseminate on a nationwide basis statistics and other information respecting allied health personnel, including —

"(1) detailed descriptions of the various types of such personnel and the activities in which such personnel are engaged,

"(2) the current and anticipated needs for the various types of such health personnel, and

"(3) the number, employment, geographic locations, salaries, and surpluses and shortages of such personnel, the educational and licensure and certification requirements for the various types of such personnel, and the cost of training such personnel.

"(b) The Secretary shall submit annually to the Committee on Interstate and Foreign Commerce of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a report on—

"(1) the statistics and other information developed pursuant to subsection (a); and

"(2) the activities conducted under this part, including an evaluation of such activities.

Such report shall contain such recommendations for legislation as the Secretary determines is needed to improve the programs authorized under this subpart. The Office of Management and Budget may review such report before its submission to Congress, but the Office may not revise the report or delay its submission beyond the date prescribed for its submission and may submit to Congress its comments respecting such report. The first report under this subsection shall be submitted not later than September 1, 1975."

(b)(1) Section 704 (as so redesignated) is amended (1) by striking out "any training center for allied health personnel" and inserting in lieu thereof "any entity for the training of allied health personnel", and (2) by striking out "or training center" each place it occurs and inserting in lieu thereof "or entity".

(2) Section 314(c) is repealed.

QUALITY ASSURANCES RESPECTING EDUCATION AND TRAINING OF ALLIED HEALTH PERSONNEL

SEC. 602. The Secretary of Health, Education, and Welfare shall within one year of the date of the enactment of this Act (1) submit to the Congress a report which identifies and describes each of the programs which he administers under which the costs of programs of education and training for allied health personnel (as defined in section 789 of the Public Health Service Act) are directly or indirectly paid (in whole or in part); and (2) take such action as may be necessary to require that such assistance is provided only those programs which meet such quality standards as the Secretary may by regulation prescribe.

TITLE VII—MISCELLANEOUS PROVISIONS

SEC. 701. Section 401 of the Health Programs Extension Act of 1973 is amended by adding at the end thereof the following new subsection:

"(e)(1) No individual shall be required to perform or assist in the performance of any portion of a health service program or research activity funded in whole or in part by the Department of Health, Education, and Welfare if such performance or assistance would be contrary to his religious beliefs or moral convictions.

"(2) No entity shall be required to make its facilities available for the performance of any health service program or research activity funded in whole or in part by the Department of Health, Education, and Welfare if such performance is prohibited by the entity on the basis of religious beliefs or moral convictions.

"(3) No entity may (A) discriminate in the employment, promotion, or termination of employment of any physician or other health care personnel, or (B) discriminate in the extension of staff or other services to any physician or other health care personnel solely because he performed or assisted in the performance of a lawful health service program or research activity in an unrelated facility, or solely because he refused to perform or assist in the performance of such a health service program or research activity, in a facility controlled by such entity on the grounds that his performance or assistance in the performance of such health service program or research activity would be contrary to his religious beliefs or moral convictions."

SEC. 702. The provisions of this section shall not be construed as superseding the provisions of section 401 (b) and (c) of the Health Programs Extension Act of 1973.

SEC. 703. Any action brought by an individual against an entity in which it is asserted that subsection (e)(2) of section 401 of the Health Programs Extension Act of 1973 is repugnant to the Constitution of the United States shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28, and any appeal shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing and determination thereof, and to cause the case to be in every way expedited.

SEC. 704. (a) Section 212(a) of the Immigration and Nationality Act (8 U.S.C. 1182) is amended by renumbering paragraphs (15) through (31) as (16) through (32), respectively, and by inserting after paragraph (14) the following:

"(15)(A) Aliens who are members of the medical profession, unless the Attorney General finds, after consultation with the Secretary of Health, Education, and Welfare that—

"(i) the alien has passed parts I and II of the National Board of Medical Examiners Examination or the Federal Licensing Examination; and

"(ii) the alien has demonstrated competency in oral and written English; and

"(iii) the admission of the alien will not lead to a surplus of practitioners in a speciality area or geographical area in which there is no present or projected need.

"(B) The Attorney General may grant a waiver of the provisions of paragraph (A) for a period of one year where he finds (after consultation with the Secretary of Health, Education, and Welfare) that a waiver—

"(i) is necessary to meet a critical need for which no reasonable alternative exists, and

"(ii) that the alien will be enrolled in a supervised training program designed to identify and correct the educational deficiencies of the alien so as to enable the alien to pass the required examinations within a one-year period.

"(C) The waiver provided for in subparagraph (B) may be extended for a period of one additional year.

"(D) The exclusion of aliens under this paragraph shall apply only to (i) special immigrants defined in section 101(a)(27)(A) (other than the parents, spouses, or children of United States citizens or of aliens law*fully admitted* to the United States for permanent residence), (ii) to preference immigrant aliens described in section 203(a) (3) and (6), and (iii) to nonpreference immigrant aliens described in section 203(a) (8);".

(b) Section 212(a)(14) of the Immigration and Nationality Act is amended by inserting "(except aliens described in paragraph (15))".

(c) The amendments made by this section shall take effect July 1, 1975.

Sec. 705. This Secretary shall, within three months after the date of inactment of this Act, issue regulations in final form to implement section 799A and section 845 of the Public Health Service Act.

Sec. 706. The Public Health Service Act is further amended by inserting after section 754 the following new section:

"LISTER HILL SCHOLARSHIP PROGRAM

"Sec. 755. (a) In addition to the scholarship grants made by the Secretary under the preceding sections of this subpart the Secretary shall make grants to ten individuals (to be known as Lister Hill Scholars) in accordance with the provisions of this subpart, who agree to enter into the family practice of medicine in areas described in subsection (a) of section 752. Grants made under this section shall be made from funds appropriated under subsection (b).

"(b) There are authorized to be appropriated to carry out the purposes of this section $60,000 for the fiscal year ending June 30, 1975, $120,000 for the fiscal year ending June 30, 1976, $180,000 for the fiscal year ending June 30, 1977, and $240,000 for the fiscal year ending June 30, 1978. For the fiscal year ending June 30, 1979 and for each succeeding fiscal year, there are authorized to be appropriated such sums as may be necessary to continue to make such grants to students who (prior to July 1, 1978) have received such a grant under this part during such succeeding fiscal year.".

Sec. 707. (a) Paragraph (f) of section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(f)) is amended by (1) redesignating clauses "(1)", "(2)", and "(3)" as clauses "(A)", "(B)", "(C)", respectively, (2) inserting "(1)" immediately after "(f)", and (3) adding at the end thereof the following:

"(2) The term 'food supplement' means food for special dietary uses.

"(3) The term 'special dietary uses', as applied to food for man, means particular (as distinguished from general) uses of food, as follows:

"(A) Uses of supplying particular dietary needs which exist by reason of a physical, physiological, pathological, or other condition, including but not limited to the conditions of disease, convalescence, pregnancy, lactation, allergic hypersensitivity to food, underweight, and overweight;

"(B) Uses for supplying particular dietary needs which exist by reason of age, including but not limited to the ages of infancy and childhood;

"(C) Uses for supplementing or fortifying the ordinary or usual diet with any vitamin, mineral, or other dietary property. Any such particular use of a food is a special dietary use, regardless of whether such food also purports to be or is represented for general use."

(b) No provision of any regulation under section 403(j) of the Act shall be construed as exempting any food from any other provision of the Act or regulations thereunder, including sections 403 (a) and (g) and, when applicable, the provisions of chapter V of the Act.

Sec. 708. Chapter IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341–348) is amended by adding at the end thereof the following new section:

"Sec. 410. In administering this Act the Secretary shall not limit the potency, number, combination, amount, or variety of any synthetic or natural vitamin, mineral, or other nutritional substance, or ingredient of any food for special dietary uses if the amount recommended to be consumed does not ordinarily render it injurious to health.".

Mr. ERVIN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McGEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NO DOCTOR DRAFT

Mr. EAGLETON. Mr. President, I opposed the provisions of the Kennedy-Javits health manpower bill (S. 3585) that relate to mandatory service for graduates of health professions schools when it was under consideration in the Labor and Public Welfare Committee of which I am a member. For this reason, I voted against the Kennedy-Javits measure today and in support of the alternative proposed by the Senator from Maryland (Mr. Beall). While I have been an active participant in the development of existing health manpower programs and will continue to support their existence and expansion, I cannot go along with a bill that would impose inequitable and unreasonable service requirements on every graduate.

Mr. President, the purpose for my opposition to the Kennedy-Javits bill is set out fully in my supplemental views that I added to the committee report on the bill. I ask unanimous consent that my supplemental views be printed in full in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

XVI. Additional and Supplemental Views Re: Student Assistance

SUPPLEMENTAL VIEWS OF MR. EAGLETON

My disagreement with certain provisions of S. 3585, as amended by the Committee, rests upon the conviction that the "doctor draft" created by the bill is an unreasonable and inequitable scheme. I concur in the need to overcome the geographic imbalance that now characterizes the distribution of health professionals. In some circumstances, it may be perfectly proper to require a period of service for health professionals following graduation so as to make available health services to *all* Americans and particularly to those living in underserved areas of rural America and in the inner cities. But the service requirement embodied in S. 3585 is unreasonably coercive and, in my view, ought to be replaced by a method that will assist in overcoming the present geographic imbalance in a manner that treats students of the health professions in a fair and equitable fashion.

Over the last decade, programs authorized by the Health Professions Educational Assistance Act (HPEAA) have been of considerable benefit in supporting education in the health professions—medicine (allopathic and osteopathic), dentistry, veterinary medicine, optometry, podiatry, public health and, in separate legislation, nursing. Through the assistance provided by these programs new institutions have been opened, facilities at existing institutions have been upgraded, new educational programs have been undertaken and enrollments have been increased. In some cases schools have been saved from going under and continue operating today to help meet the nation's needs for trained health personnel. Student assistance programs funded by the federal government (more than 70% of them in the form of repayable loans) have worked to make education in the health professions available on the basis of qualifications rather than according to family wealth.

These programs are grounded on that notion that institutions providing education in the health professions are a special kind of natural resource and federal programs supporting them ultimately contribute to the health care of all Americans. As a member of this Committee, I have consistently supported these programs and took an active part in developing and passing the Comprehensive Health Manpower Training Act of 1971. As a member of the Appropriations Committee, I have supported funding for the programs thus created. In my judgment, an adequate supply of health personnel is a key element in our efforts to increase the availability and accessibility of health services to the American people, regardless of whether the present system for financing health care is retained or some new mechanism is adopted.

S. 3585, as reported by the Committee, is laudable in that it maintains and, in some cases, enlarges most of the programs contained in the 1971 Act. Moreover, it seeks to deal with another major problem—that of maldistribution of health personnel by geography and, in the case of physicians, maldistribution by specialty.

These provisions relating to geographic maldistribution and the system thus established for mandatory service form the basis for my disagreement with the Committee bill.

There is no question that there are today, on a per capita basis, fewer health professionals in the Middle Western and Southern regions of our nation than in the New England and Western regions. There are also fewer health professionals, on a per capita basis, in our inner city and rural areas than in our suburban areas. And the maldistribution, both with respect to the regions of the country and to the inner city and areas, has increased over the past decade.

Previous efforts to deal with this problem have been almost totally ineffectual. Since 1965, the Health Professions Student Assistance Program has authorized the cancellation of loans in whole or in part for those individuals who agree to serve for a period of time in an area designated by the Secretary of Health, Education, and Welfare as an underserved area. Initially such service was rewarded by cancellation of up to 50% of the principal and interest of a student's loan at a rate of 10% for each year of practice in a shortage area. Thereafter, 100% forgiveness was authorized, first at the rate of 15% for each year of service and, later, in return for an agreement to serve two years in a designated underserved area.

Not surprisingly, few borrowers have taken advantage of these provisions. For the most part their training enables them to earn a sufficiently high income so that they can afford to repay their loans in order to be free to make their own choice of where to practice rather than serve by assignment by the Secretary—even for a period of only two years. About 30,000 of the approximately 93,000 medical and dental students who graduated between 1965 and 1972 received loans under the Student Assistance Program. A study by the General Accounting Office found that, as of October 1973, only 86 physicians and 133 dentists had obtained cancellations through practicing in a shortage area. Moreover, inquiries by the GAO to these practitioners who had obtained cancellations through practice in an underserved area revealed that more than 80% of them would have chosen the same practice location even if loan cancellation provisions had not been available. The conclusion is inescapable that the present loan forgiveness program is inadequate to deal with problems of geographic maldistribution.

The Committee bill seeks to meet this situation by provisions that have the effect of making all students at health professions schools supported by the federal government subject to a two-year period of service in a shortage area following graduation. The goal is commendable—to provide service in hitherto underserved areas. But the mechanism chosen is unfortunate—every institution covered by this Act is required as a condition of receiving federal aid to impose as an admission requirement that the entering student sign an agreement to provide such service, regardless of whether the student himself receives any federal aid.

By tying the requirement of service to institutional assistance as well as to student assistance, the Committee bill gives truth to the often-heard claim that "federal assistance ultimately means federal control." Moreover, the practical effect of these provisions of the bill is that a "doctor draft" is being imposed even though all service requirements for everyone else were ended with the termination of the conscription system under the Selective Service Act.

I have no objection to legislation that meets the need for making health services available in all areas in this manner so long as the service requirement is reasonably related to benefits received by the individuals who have the obligation to render service. Thus, it is fitting to require those individuals receiving direct assistance from the federal government to agree to render service as a condition of their loan or scholarship agreement. But the Committee bill does not make this distinction. The inequities inherent in the system provided in the Committee bill can be seen in the following illustration:

(1) Student A receives student assistance covering tuition payments and, in addition, up to $2,500 for each year he is in school. As a consequence, he is subject to a two-year service requirement.

(2) Student B neither asks for nor receives any direct assistance from the federal government. The cost of his education is paid entirely through his own and his family's resources. Yet, he too is subject to a two-year service requirement merely because the institution he attended received federal assistance.

During Committee consideration of this legislation, I proposed an alternative system of student assistance and mandatory service which I believe would be a much more reasonable approach to this problem. Under this proposal, every student attending an accredited health professions educational institution covered under this Act would be assured of a scholarship covering the cost of tuition and, in addition, a fixed dollar amount to cover living expenses. The schools would be permitted to raise tuition to more nearly cover their costs than tuition fees presently do. This program would be in lieu of present programs of institutional support under which payments are made on the basis of capitation and special projects. Every student who received such a scholarship would be subject to a two-year service obligation as a condition of federal assistance.

This proposal has the advantage of linking service directly to benefits received. It enables institutions to receive support that would, in nearly every case, exceed the support now received through direct federal payments for institutional support. Those students who chose not to accept a scholarship would have no service obligation but the advantages of participating in this scholarship program would be so great that it could reasonably be anticipated that the overwhelming majority of students would seek such scholarships and thus would be obligated to render service after graduation.

The cost of such a system is somewhat greater than that contained in the Committee bill. However, the greater costs are necessitated by the federal government's paying for the service obligation that the Committee bill would extract without payment from the student who receives no direct federal aid.

In summary, I fully support the federal government's commitment to provide aid to both health education institutions and their students; I oppose the coercive elements of the new institutional support system contained in the Committee bill under which students who receive no direct benefits are obligated to put in a two-year period of service after graduation. We should avoid conditioning federal aid upon the kind of overwhelming federal control of educational institutions contemplated by the bill. Rather, we should provide inducements sufficient to recruit the numbers of persons needed to provide health care in shortage areas while allowing each individual a free choice as to whether or not to accept federal benefits and thus incur an obligation. This bill would make the Secretary of Health, Education, and Welfare the supreme arbiter of where every graduate of a health education institution practices his or her profession. How long before the Secretary dictates how each individual practices?

FOREIGN ASSISTANCE ACT OF 1974

The PRESIDING OFFICER (Mr. DOMENICI). Pursuant to the previous order, the Senate will proceed to the consideration of S. 3394, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Foreign Assistance Act of 1974".

FOOD AND NUTRITION

SEC. 2. Section 103 of the Foreign Assistance Act of 1961 is amended

(1) by inserting the subsection designation "(a)" immediately before "In";

(2) by striking out "$291,000,000 for each of the fiscal years 1974 and 1975" and inserting in lieu thereof "$291,000,000 for the fiscal year 1974, and $491,000,000 for the fiscal year 1975"; and

(3) by adding at the end thereof the following:

"(b) The Congress finds that, due to rising world food, fertilizer, and petroleum costs, human suffering and deprivation are growing in the poorest and most slowly developing countries. The greatest potential for significantly expanding world food production at relatively low cost lies in increasing the productivity of small farmers who constitute a majority of the nearly one billion people living in those countries. Increasing the emphasis on rural development and expanded food production in the poorest nations of the developing world is a matter of social justice as well as an important factor in slowing the rate of inflation in the industrialized countries. In the allocation of funds under this section, special attention should be given to increasing agricultural production in the countries with per capita incomes under $300 a year and which are the most severely affected by sharp increases in worldwide commodity prices."

POPULATION PLANNING

SEC. 3. The Foreign Assistanct Act of 1951 is amended as follows:

(1) In section 104, strike out "$145,000,000 for each of the fiscal years 1974 and 1975" and insert in lieu thereof "$145,000,000 for the fiscal year 1974, and $165,000,000 for the fiscal year 1975".

(2) In section 292, strike out "$130,000,000" and insert in lieu thereof "$150,000,000".

EDUCATION AND HUMAN RESOURCES DEVELOPMENT

SEC. 4. Section 105 of the Foreign Assistance Act of 1961 is amended by striking out "$90,000,000 for each of the fiscal years 1974 and 1975" and inserting in lieu thereof $90,000,000 for the fiscal year 1974, and $92,000,000 for the fiscal year 1975".

HOUSING GUARANTIES

SEC. 5. The Foreign Assistance Act of 1961 is amended as follows:

(1) In section 221, strike out "$305,000,000" and insert in lieu thereof "$405,000,000".

(2) In section 223(i), strike out "June 30, 1975" and insert in lieu thereof "June 30, 1976".

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 6. Section 302(a) of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1975, $150,000,000" and inserting in lieu thereof "for the fiscal year 1975, $186,900,000".

MILITARY ASSISTANCE AUTHORIZATIONS

SEC. 7. Section 504(a) of the Foreign Assistance Act of 1961 is amended by striking out "$512,500,000 for the fiscal year 1974" and inserting in lieu thereof "$550,000,000 for the fiscal year 1975."

SPECIAL AUTHORITY

SEC. 8. Section 506 of the Foreign Assistance Act of 1961 is repealed.

MILITARY ASSISTANCE AUTHORIZATIONS FOR SOUTH VIETNAM

SEC. 9. Section 513 of the Foreign Assistance Act of 1961 is amended as follows:

(1) Strike out "Thailand and Laos" in the caption and insert in lieu thereof "Thailand, Laos, and South Vietnam".

(2) At the end thereof add the following new subsection:

"(c) After June 30, 1975, no military assistance shall be furnished by the United States to South Vietnam directly or through any other foreign country unless that assistance is authorized under this Act or the Foreign Military Sales Act."

EXCESS DEFENSE ARTICLES

SEC. 10. (a) Chapter 2 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 514. LIMITATION ON THE GRANT OF EXCESS DEFENSE ARTICLES.—(a) The value of any excess defense article furnished to a foreign country or international organization by any agency of the United States Government shall be considered to be an expenditure made from funds appropriated under section 504 of this Act. Unless such agency certifies to the Comptroller General of the United States that the excess defense article it is ordering is not to be transferred by any means to a foreign country or international organization, when an order is placed for a defense article whose stock status is excess at the time ordered, a sum equal to the value thereof (less amounts to be transferred under section 632(d) of this Act) shall (1) be reserved and transferred to a suspense account, (2) remain in the suspense account until the excess defense article is either delivered to a foreign country or international organization or the order therefor is canceled, and (3) be transferred from the suspense account to (A) the general fund of the Treasury upon delivery of such article, or (B) the appropriation made under section 504 of this Act for the current fiscal year upon cancellation of the order. Such sum shall be transferred to the appropriation made under section 504 of this Act for *the current fiscal* year, upon delivery of such article, if at the time of delivery the stock status of the article is determined in accordance with section 644(g) or (m) of this Act to be nonexcess.

"(b) The President shall promptly and fully inform the Speaker of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate of each decision to furnish on a grant basis to any country excess defense articles which are major weapons systems to the extent such major weapon system was not included in the presentation material previously submitted to the Congress. Additionally, the President shall also submit a quarterly report to the Congress listing by country the total value of all deliveries of excess defense articles, disclosing both the aggregate original acquisition cost and the aggregate value at the time of delivery."

(b) Section 644(m)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(1) with respect to an excess defense article, the actual value of the article but not less than 33⅓ per centum of the amount the United States paid at the time the defense article was acquired by the United States;".

(c) Sections 8 and 11 of the Act entitled "An Act to amend the Foreign Military Sales Act, and for other purposes", approved January 12, 1971 (84 Stat. 2053), as amended, are repealed.

STOCKPILING OF DEFENSE ARTICLES FOR FOREIGN COUNTRIES

Sec. 11. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended by section 10(a) of this Act, is further amended by adding at the end thereof the following new section:

"Sec. 515. Stockpiling of Defense Articles for Foreign Countries.—(a) Notwithstanding any other provision of law, no funds, other than funds made available under this chapter or section 401(a) of Public Law 89–367 (80 Stat. 37), or any subsequent corresponding legislation, may be obligated for the purpose of stockpiling any defense article or war reserve material, including the acquisition, storage, or maintenance of any war reserve equipment, secondary items, or munitions, if such article or material is set aside, reserved, or in any way earmarked or intended for future use by any foreign country under this Act or such section.

"(b) The cost of any such article or material set aside, reserved, or in any way earmarked or intended by the Department of Defense for future use by, for, or on behalf of the country referred to in section 401(a)(1) of Public Law 89–367 (80 Stat. 37) shall be charged against the limitation specified in such section or any subsequent corresponding legislation, for the fiscal year in which such article or material is set aside, reserved, or otherwise earmarked or intended; and the cost of any such article or material set aside, reserved, or in any way earmarked or intended for future use by, for, or on behalf of any other foreign country shall be charged against funds authorized under this chapter for the fiscal year in which such article or material is set aside, reserved, or otherwise earmarked. No such article or material may be made available to or for use by any foreign country unless such article or material has been charged against the limitation specified in such section, or any subsequent corresponding legislation, or against funds authorized under this chapter, as appropriate.

"(c) This section shall not be construed as conferring any authority to stockpile defense articles or war materials under this Act or such section 401(a), or subsequent corresponding legislation."

MILITARY ASSISTANCE ADVISORY GROUPS AND MISSIONS

Sec. 12. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended by sections 10(a) and 11 of this Act, is further amended by adding at the end thereof the following new section:

"Sec. 516. Military Assistance Advisory Groups and Missions.—An amount equal to each sum expended under any provision of law, other than section 504 of this Act, with respect to any military assistance advisory group, military mission, or other organization of the United States performing activities similar to such group or mission, shall be deducted from the funds made available under such section 504, and (1) if reimbursement of such amount is requested by the agency of the United States Government making the expenditure, reimbursed to that agency, or (2) if no such reimbursement is requested, deposited in the Treasury as miscellaneous receipts."

TERMINATION OF AUTHORITY

Sec. 13. (a) Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended by sections 10(a), 11, and 12 of this Act, is further amended by adding at the end thereof the following new section:

"Sec. 517. Termination of Authority.—(a)(1) The President shall gradually reduce assistance (other than military training) provided under this chapter so that, not later than September 30, 1977, no assistance (other than military training) shall be provided under this chapter.

"(2) Paragraph (1) of this subsection shall not apply to funds obligated prior to October 1, 1977.

"(b) For each of the fiscal years 1975, 1976, and 1977, the President is authorized to finance procurements of defense articles and defense services (other than military training) by any foreign country receiving defense articles or defense services during fiscal year 1974 under this chapter on terms providing for payment to the United States Government in United States dollars (1) of the value of such articles and services which value shall not exceed during each such fiscal year the value of such articles and services (other than military training) furnished that country in fiscal year 1974 under this chapter, (2) at a rate of interest of not less than four per centum a year, and (3) within ten years after delivery of the defense articles or rendering of the defense services.

"(c)(1) By not later than September 30, 1977, all the functions of a military assistance advisory group, a military mission, or other organization of the United States Government in a foreign country performing activities similar to any such group or mission, shall be transferred to the Chief of the United States Diplomatic Mission to that country. Upon the transfer of such functions, that group, mission, or organization, as the case may be, shall cease to exist.

"(2) On and after October 1, 1977, the total number of military attachés assigned or detailed to the United States Diplomatic Mission of a foreign country shall not exceed by more than twenty-five per centum the total number of military attachés authorized to be assigned or detailed to that mission on June 30, 1974.

"(3) On and after October 1, 1977, no military assistance advisory group, military mission, or other organization of the United States Government in a foreign country performing activities similar to any such group or mission, shall be established or continued unless such group, mission, or organization is authorized by law specifically for that country."

(b) Effective October 1, 1977—

(1) the heading of chapter 1 of part II of the Foreign Assistance Act of 1961 is amended to read as follows:

"Chapter 1—Providing Military Training";

(2) sections 501, 502A, 514, and 516, subsection (g) of section 644, of the Foreign Assistance Act of 1961 are repealed;

(3) section 502 of the Foreign Assistance Act of 1961 is amended by striking out the caption "Utilization of Defense Articles and Services" and inserting in lieu thereof "Providing Military Training", by striking out of the text "Defense articles and defense services" and inserting in lieu thereof "Military training", and by striking out the last sentence;

(4) the heading of chapter 2 of part II of the Foreign Assistance Act of 1961 is amended to read as follows:

"Chapter 2—Military Training";

(5) sections 503–505 of the Foreign Assistance Act of 1961 are stricken out and the following inserted in lieu thereof:

"Sec. 503. General Authority.—The President is authorized to furnish, on such terms and conditions consistent with this Act as the President may determine, military training to any foreign country or international organization. Funds for such training shall be appropriated for each fiscal year pursuant to authorization for that fiscal year. After September 30, 1977, no such training shall be conducted outside the United States except by specific authorization of law.";

(6) section 511 of the Foreign Assistance Act of 1961 is amended by striking out of the section caption "Assistance" and inserting in lieu thereof "Training", and by striking out of the text "military assistance" and "such assistance" and inserting in lieu thereof "military training" and "such training", respectively;

(7) section 636(g)(1) of the Foreign Assistance Act of 1961 is amended by striking out "defense articles and defense services on a grant or sales basis" and inserting in lieu thereof "military training"; and

(8) section 644(m) of the Foreign Assistance Act of 1961 is amended by striking out subparagraph (1) and by striking out of subparagraphs (2) and (3) "nonexcess" wherever it appears.

TERMINATION OF MILITARY ASSISTANCE TO SOUTH KOREA

Sec. 14. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended by sections 10(a), 11, 12, and 13(a) of this Act, is further amended by adding at the end thereof the following new section:

"Sec. 518. Termination of Military Assistance to South Korea.—(a) The total of (1) the amount of funds obligated under this chapter to furnish assistance to South Korea, and (2) the value of excess defense articles

"(A) $91,500,000 during the fiscal year 1975; furnished to South Korea under this chapter, shall not exceed

"(B) $61,000,000 during the fiscal year 1976; and

"(C) $30,500,000 during the fiscal year 1977.

"(b) The aggregate total of credits extended, including participations in credits, and the principal amount of loans guaranteed, under the Foreign Military Sales Act with respect to South Korea shall not exceed—

"(1) $42,450,000 during the fiscal year 1975;

"(2) $28,300,000 during the fiscal year 1976; and

"(3) $14,150,000 during the fiscal year 1977.

"(c) On and after October 1, 1977, no assistance shall be furnished South Korea under this chapter, and no credits, including participations in credits, shall be extended, and no loans shall be guaranteed, under the Foreign Miliary Sales Act with respect to South Korea. The preceding sentence shall not apply with respect to funds obligated prior to such date."

SECURITY SUPPORTING ASSISTANCE

Sec. 15. Section 532 of the Foreign Assistance Act of 1961 is amended by striking out "for the fiscal year 1974 not to exceed $125,000,000, of which not less than $50,000,000 shall be available solely for Israel" and inserting in lieu thereof "for the fiscal year 1975 not to exceed $585,550,000".

TRANSFER BETWEEN ACCOUNTS

Sec. 16. (a) Section 610 of the Foreign Assistance Act of 1961 is amended as follows:

(1) In subsection (a), immediately after "any other provision of this Act", insert (except funds made available under chapter 2 of part II of this Act)".

(2) Add at the end thereof the following new subsection:

"(c) Any funds which the President has notified Congress pursuant to section 653 that he intends to provide in military assistance to any country may be transferred to, and consolidated with, any other funds he has notified Congress pursuant to such section that he intends to provide to that country for development assistance purposes."

(b) (1) Section 614 of such Act is repealed.

(2) Such Act is further amended as follows:

(A) In section 109, strike out "sections 610 (a) and 614(a)" and insert in lieu thereof "section 610(a)".

(B) In section 210(c), strike out the comma and "nor may the authority of section 614(a) be used to waiver the requirements of this title".

(C) Section 251(c) is amended to read as follows:

"(c) The authority of section 610 may be used to transfer funds made available for this title only to funds made available for title I of this chapter."

(D) Section 302(b)(2) is amended by striking out "or 614(a)".

(E) Section 610(b) is amended by striking out "sections 451, 506, and 614" and inserting in lieu thereof "section 451".

(F) Section 634(d) is amended by striking out "or 614(b)".

(G) Section 652 is amended by striking out "section 506(a), 610(a), or 614" and inserting in lieu thereof "section 610(a)".

(H) Section 653(b) is amended by striking out "and may not be waived under the provisions of section 614(a) of this Act".

ACCESS TO CERTAIN MILITARY BASES ABROAD

Sec. 17. (a) Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"Sec. 659. Access to Certain Military Bases Abroad.—None of the funds authorized to be appropriated for foreign assistance (including foreign military sales, credit sales, and guaranties) under any law may be used to provide any kind of assistance to any foreign country in which a military base is located if—

"(1) such base was constructed or is being maintained or operated with funds furnished by the United States; and

"(2) personnel of the United States carry out military operations from such base; unless and until the President has determined that the government of such country has, consistent with security authorized access, on a regular basis, to bona fide news media correspondents of the United States to such military base."

(b) Section 29 of the Foreign Assistance Act of 1973 is repealed.

PROHIBITING POLICE TRAINING

Sec. 18. (a) Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended by section 17(a) of this Act, is further amended by adding at the end thereof the following new section:

"Sec. 660. Prohibiting Police Training.—(a) None of the funds made available to carry out this Act, and none of the local currencies generated under this Act, shall be used to provide training or advice, or provide any financial support, for police, prisons, or other internal security forces for any foreign government or any program of internal intelligence or surveillance on behalf of any foreign government within the United States or abroad.

"(b) Subsection (a) of this section shall not apply—

"(1) with respect to assistance rendered under section 515(c) of the Omnibus Crime Control and Safe Streets Act of 1968, or with respect to any authority of the Drug Enforcement Administration or the Federal Bureau of Investigation which related to crimes of the nature which are unlawful under the laws of the United States; or

"(2) to any contract entered into prior to the date of enactment of this section with any person, organization, or agency of the United States Government to provide personnel to conduct, or assist in conducting, any such program.

Notwithstanding clause (2), subsection (a) shall apply to any renewal or extension of any contract referred to in such paragraph entered into on or after such date of enactment."

(b) Section 112 of such Act of 1961 is repealed.

LIMITATIONS UPON ASSISTANCE TO OR FOR CHILE

Sec. 19. Notwithstanding any other provision of law, the total amount of assistance that may be made available for Chile under this or any other law during fiscal year 1975 may not exceed $65,000,000, of which amount not to exceed $10,000,000 may be made available for the purpose of providing military assistance (including credit sales and the face amount of guaranties).

POLICY WITH RESPECT TO INDOCHINA

Sec. 20. (a) The Congress finds that the cease-fire provided for in the Paris Agreement on Ending the War and Restoring Peace in Vietnam has not been observed by any of the Vietnamese parties to the conflict. Military operations of an offensive and defensive nature continue throughout South Vietnam. In Cambodia, the civil war between insurgent forces and the Lon Nol government has intensified, resulting in widespread human suffering and the virtual destruction of the Cambodian economy.

(c) The Congress further finds that continuation of the military struggles in South Vietnam and Cambodia are not in the interest of the parties directly engaged in the conflicts, the people of Indochina, or world peace. In order to lessen the human suffering in Indochina and to bring about a genuine peace there, the Congress urges and requests the President and the Secretary of State to undertake immediately the following measures:

(1) to initiate negotiations with representatives of the Soviet Union and the People's Republic of China to arrange a mutually agreed-upon and rapid de-escalation of military assistance on the part of the three principal suppliers of arms and material to all Vietnamese and Cambodian parties engaged in conflict;

(2) to urge by all available means that the Government of the Khmer Republic enter into negotiations with representatives of the Khmer Government of National Union for the purpose of arranging an immediate cease-fire and political settlement of the conflict; and to use all available means to establish contact with the Khmer Government of National Union and to urge them to participate in such negotiations. The United States should urge all Cambodian parties to use the good offices of the United Nations or a respected third country for the purpose of bringing an end to hostilities and reaching a political settlement;

(3) to utilize any public or private forum to negotiate directly with representative of the Democratic Republic of Vietnam, the Provisional Revolutionary Government, and the Republic of Vietnam to seek a new cease-fire in Vietnam and full compliance with the provisions of the Paris Agreement on Ending the War and Restoring Peace in Vietnam, including a full accounting for Americans missing in Indochina;

(4) to reconvene the Paris Conference to seek full implementation of the provisions of the Agreement of January 27, 1973, on the part of all Vietnamese parties to the conflict; and

(5) to maintain regular and full consultation with the appropriate committees of the Congress and report to the Congress and the Nation at regular intervals on the progress toward obtaining a total cessation of hostilities in Indochina and a mutual reduction of military assistance to that area.

PRINCIPLES GOVERNING ECONOMIC AID TO INDOCHINA

Sec. 21. (a) Congress finds that, after expending over a billion dollars in funds for economic purposes in Indochina last year, and vast amounts in previous years, little in lasting economic benefit remains. A large proportion of the funds expended have been used for consumable items related to the war effort. Very little of our money has found its way into capital investments of a lasting productive benefit to the people. Congress calls upon the President and Secretary of State to take immediately the following actions designed to maximize the benefit of United States economic assistance:

(1) to organize a consortium to include multilateral financial institutions to help plan for Indochina reconstruction and development; to coordinate multilateral and bilateral contributions to the area's economic recovery; and to provide continuing advice to the recipient nations on the use of their own and outside resources;

(2) to develop, in coordination with the recipient governments, other donors, and the multilateral financial institutions, a comprehensive plan for Indochina reconstruction and economic development;

(3) to develop country-by-country reconstruction and development plans, including detailed plans for the development of individual economic sectors, that can be used to identify and coordinate specific economic development projects and programs and to direct United States resources into areas of maximum benefits;

(4) to shift the emphasis of United States aid programs from consumption-oriented expenditures to economic development;

(5) to identify possible structural economic reforms in areas such as taxation, exchange rates, savings mechanisms, internal pricing income distribution, land tenure, budgetary allocations and corruption, which should be undertaken if Indochinese economic development is to progress; and

(6) to include in Indochina economic planning and programming specific performance criteria and standards which will enable the Congress and the executive branch to judge the adequacy of the recipients' efforts and to determine whether, and what amounts of continued United States funding is justified.

(b) This section is not meant to imply continuation of a United States financial commitment beyond the authorization provided for in this Act or amendments made by this Act.

INDOCHINA POSTWAR RECONSTRUCTION

SEC. 22. Section 802 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 802. AUTHORIZATION.—There are authorized to be appropriated to the President to furnish assistance for the relief and reconstruction of South Vietnam, Cambodia, and Laos as authorized by this part, in addition to funds otherwise available for such purposes, for the fiscal year 1974 not to exceed $504,000,000, and for the fiscal year 1975 not to exceed $550,000,000. Of the amount appropriated for fiscal year 1975—

"(1) $420,000,000 shall be available only for the relief and reconstruction of South Vietnam in accordance with section 806 of *this Act;*

"(2) $70,000,000 shall be available only for the relief and reconstruction of Cambodia in accordance with section 807 of this Act;

"(3) $45,000,000 shall be available only for the relief and reconstruction of Laos in accordance with section 803 of this Act;

"(4) $3,750,000 shall be available only for the regional development program; and

"(5) $11,250,000 shall be available only for support costs for the agency primarily responsible for carrying out this part.

Such amounts are authorized to remain available until expended."

ASSISTANCE TO SOUTH VIETNAMESE CHILDREN

SEC. Section 803 of the Foreign Assistance Act of 1961 is amended as follows:

(1) In subsection (a), strike out "rights, particularly children fathered by United States citizens" and insert in lieu thereof "rights".

(2) In subsection (b), between the second and third sentences, insert the following: "Of the sums made available for South Vietnam under section 802(1) of this Act for fiscal year 1975, $10,000,000, or its equivalent in local currency, shall be available until expended solely to carry out this section."

LIMITATIONS WITH RESPECT TO SOUTH VIETNAM

SEC. 24. Part V of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 806. LIMITATIONS WITH RESPECT TO SOUTH VIETNAM.—(a) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of $1,280,000,000 during the fiscal year ending June 30, 1975, for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of South Vietnam. Of that amount, there shall be available during such fiscal year—

"(1) $700,000,000 for military assistance;

"(2) $160,000,000 only to carry out the Agricultural Trade Development and Assistance Act of 1954; and

"(3) $420,000,000 only for economic assistance, of which there shall be available—

"(A) $95,000,000 for humanitarian assistance, of which there shall be available—

"(i) $66,500,000 for refugee relief;

"(ii) $8,200,000 for child care;

"(iii) $10,300,000 for health care; and

"(iv) $10,000,000 for the City-to-Farm program;

"(B) $188,000,000 for agricultural assistance, of which there shall be available—

"(i) $150,000,000 for fertilizer, POL, and pesticides;

"(ii) $20,000,000 for rural credit;

"(iii) $10,000,000 for canal dredging;

"(iv) $4,000,000 for low-lift pumps; and

"(v) $4,000,000 for fish farm development;

"(C) $95,000,000 for industrial development assistance, of which there shall be available—

"(i) $85,000,000 for commodities;

"(ii) $10,000,000 for industrial credit; and

"(iii) $600,000 for development planning; and

"(D) $41,400,000 for miscellaneous assistance, of which there shall be available—

"(i) $30,000,000 for transportation; and

"(ii) $11,400,000 for technical support.

"(b)(1) No funds made available under paragraph (2) or (3) of subsection (a) may be transferred to, or consolidated with, the funds made available under any other paragraph of such subsection, nor may any funds made available under subparagraph (A), (B), (C), or (D) of paragraph (3) of subsection (a) of this section be transferred to, or consolidated with, the funds made available under any other such subparagraph.

"(2) Whenever the President determines it to be necessary in carrying out this part, any funds made available under any clause of subparagraph (A), (B), (C), or (D) of subsection (a) of this section may be transferred to, and consolidated with, the funds made available under any other clause of that same subparagraph.

"(3) The President shall fully inform the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate of each transfer he intends to make under paragraph (2) of this subsection prior to making such transfer.

"(c) In computing the $1,280,000,000 limitation on obligational authority under subsection (a) of this section with respect to such fiscal year, there shall be included in the computation the value of any goods, supplies, materials, equipment, services, personnel, or advisers provided to, for, or on behalf of South Vietnam in such fiscal year by gift, donation, loan, lease, or otherwise. For the purpose of this subsection, 'value' means the fair market value of any goods, supplies, materials, or equipment provided to, for, or on behalf of South Vietnam but in no case less than 33⅓ per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

"(d) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of South Vietnam in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

"(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of South Vietnam for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

"(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of South Vietnam during the preceding quarter by the United States Government, and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.

"(g)(1) Effective six months after the date of enactment of this section, the total number of civilian officers and employees, including contract employees, of executive agencies of the United States Government who are citizens of the United States and of members of the Amed Forces of the United States present in South Vietnam shall not at any one time exceed four thousand, not more than two thousand five hundred of whom shall be members of such armed forces and direct hire and contract employees of the Department of Defense. Effective one year after the date of enactment of this section, such total number shall not exceed at any one time three thousand, not more than one thousand five hundred of whom shall be members of such armed forces and direct hire and contract employees of the Department of Defense.

"(2) Effective six months after the date of enactment of this section, the United States shall not, at any one time, pay in whole or in part, directly or indirectly, the compensation or allowances of more than eight hundred individuals in South Vietnam who are citizens of countries other than South Vietnam or the United States. Effective one year after the date of enactment of this section, the total number of individuals whose compensation or allowance is so paid shall not exceed at any one time five hundred.

"(3) For purposes of this subsection, 'executive agency of the United States Government' means any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment within the executive branch of the United States Government.

"(h) This section shall not be construed as a commitment by the United States to South Vietnam for its defense."

LIMITATIONS WITH RESPECT TO CAMBODIA

SEC. 25. (a) Part V of the Foreign Assistance Act of 1961, as amended by section 24 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 807. LIMITATIONS WITH RESPECT TO CAMBODIA.—(a) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of $347,000,000 during the fiscal year ending June 30, 1975, for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Cambodia. Of that amount, there shall be available—

"(1) $200,000,000 for military assistance;

"(2) $77,000,000 only to carry out the Agricultural Trade Development and Assistance Act of 1954; and

"(3) $70,000,000 only for economic assistance, of which there shall be available—

"(A) $20,000,000 for humanitarian assistance;

"(B) $31,000,000 for commodity import assistance;

"(C) $17,500,000 for multilateral stabilization assistance; and

"(D) $1,500,000 for technical support and participant training.

"(b) No funds made available under paragraph (2) or (3) of subsection (a) of this section may be transferred to, or consolidated with, the funds made available under any other paragraph of such subsection, nor may any funds made available under any subparagraph of paragraph (3) of subsection (a) of this section be transferred to or consolidated with, the funds made available under any other such subparagraph.

"(c) In computing the $347,000,000 limitation on obligation authority under subsection (a) of this section with respect to such fiscal year, there shall be included in the computation the value of any goods, supplies, materials, equipment, services, personnel, or advisers provided to, for, or on behalf of Cambodia in such fiscal year by gift, donation, loan, lease or otherwise. For the purpose of this subsection, 'value' means the fair market value of any goods, supplies, materials, or equipment provided to, for, or on behalf of Cambodia but in no case less than 33⅓ per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

"(d) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Cambodia in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

"(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of Cambodia for any fiscal year, the President shall furnish a written report to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

"(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year, beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of Cambodia during the preceding quarter by the United States Government, and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.

"(g) (1) The total number of civilian officers and employees, including contract employees, of executive agencies of the United States Government who are citizens of the United States and of members of the Armed Forces of the United States (excluding such members while actually engaged in air operations in or over Cambodia which originate outside Cambodia) present in Cambodia at any one time shall not exceed two hundred. Effective six months after the date of enactment of this subsection, such total number shall not exceed at any one time one hundred and seventy-five.

"(2) The United States shall not, at any one time, pay in whole or in part, directly or indirectly, the compensation or allowances of more than eighty-five individuals in Cambodia who are citizens of countries other than Cambodia or the United States. Effective six months after the date of enactment of this section, the total number of individuals whose compensation or allowance is so paid shall not exceed at any one time seventy-five.

"(3) For purposes of this subsection, 'executive agency of the United States Government' means any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment within the executive branch of the United States Government.

"(4) This subsection shall not be construed to apply with respect to any individual in Cambodia who (A) is an employee or volunteer worker of a voluntary private, nonprofit relief organization or is an employee or volunteer worker of the International Committee of the Red Cross, and (B) engages only in activities providing humanitarian assistance in Cambodia.

"(h) This section shall not be construed as a commitment by the United States to Cambodia for its defense."

(b) Section 655 and 656 of such Act are repealed.

LIMITATIONS WITH RESPECT TO LAOS

SEC. 26. Part V of the Foreign Assistance Act of 1961, as amended by sections 24 and 25(a) of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 808. LIMITATIONS WITH RESPECT TO LAOS.—(a) Notwithstanding any other provision of law, no funds authorized to be appropriated by this or any other law may be obligated in any amount in excess of $100,000,000 during the fiscal year ending June 30, 1975, for the purpose of carrying out directly or indirectly any economic or military assistance, or any operation, project, or program of any kind, or for providing any goods, supplies, materials, equipment, services, personnel, or advisers in, to, for, or on behalf of Laos. Of that amount, there shall be available—

"(1) $55,000,000 for military assistance; and

"(2) $45,000,000 only for economic assistance, of which there shall be available—

"(A) $13,000,000 for humanitarian assistance;

"(B) $9,900,000 for reconstruction and development assistance;

"(C) $17,500,000 for stabilization assistance; and

"(D) $4,600,000 for technical support.

"(b) No funds made available under paragraph (2) of subsection (a) of this section may be transferred to, or consolidated with, the funds made available under paragraph (1) of such subsection, nor may any funds made available under any subparagraph of pragraph (2) be transferred to, or consolidated with, the funds made available under any other such subparagraph.

"(c) In computing the limitations on obligation authority under subsection (a) of this section with respect to such fiscal year there shall be included in the computation the value of any goods, supplies, materials, equipment, services, personnel, or advisers provided, to, for, or on behalf of Laos in such fiscal year by gift, donation, loan, lease or otherwise. For the purpose of this subsection, 'value' means the fair market value of any goods, supplies, materials, or equipment provide to, for, or on behalf of Laos but in no case less than 33⅓ per centum of the amount the United States paid at the time such goods, supplies, materials, or equipment were acquired by the United States.

"(d) No funds may be obligated for any of the purposes described in subsection (a) of this section in, to, for, or on behalf of Laos in any fiscal year beginning after June 30, 1975, unless such funds have been specifically authorized by law enacted after the date of enactment of this section. In no case shall funds in any amount in excess of the amount specifically authorized by law for any fiscal year be obligated for any such purpose during such fiscal year.

"(e) After the date of enactment of this section, whenever any request is made to the Congress for the appropriation of funds for use in, to, for, or on behalf of Laos, for any fiscal year, the President shall furnish a written reprt to the Congress explaining the purpose for which such funds are to be used in such fiscal year.

"(f) The President shall submit to the Congress within thirty days after the end of each quarter of each fiscal year beginning with the fiscal year which begins July 1, 1974, a written report showing the total amount of funds obligated in, to, for, or on behalf of Laos during the preceding quarter by the United States Government and shall include in such report a general breakdown of the total amount obligated, describing the different purposes for which such funds were obligated and the total amount obligated for such purpose.

"(g) This section shall not be construed as a commitment by the United States to Laos for its defense."

TRANSFER OF FUNDS

SEC. 27. Part V of the Foreign Assistance Act of 1961, as amended by sections 24, 25(a), and 26 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 809. TRANSFER OF FUNDS.—(a) The authority of section 610 of this Act shall not apply with respect to any funds made available to South Vietnam, Cambodia, or Laos.

"(b) Any funds made available under any provision of this or any other law for the purpose of providing military assistance for South Vietnam, Laos, or Cambodia may be transferred to, and consolidated with, any funds made available to that country for war relief, reconstruction, or general economic development."

MIDDLE EAST ASSISTANCE

SEC. 28. (a) The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new part:

"PART VI

"SEC. 901. GENERAL AUTHORITY FOR ASSISTANCE TO THE MIDDLE EAST.—The President is authorized under section 902 of this Act to furnish, by loan or grant, assistance authorized by this Act, and to provide credits and guaranties authorized by the Foreign Military Sales Act. Any such assistance, credits, and guaranties shall be provided in accordance with all the purposes and limitations applicable to that type of assistance under this Act and applicable to credits and guaranties under the Foreign Military Sales Act.

"SEC. 902. ALLOCATIONS.—(a) Of the funds appropriated to carry out chapter 2 of part II of this Act during the fiscal year 1975, not to exceed $100,000,000 may be made available for military assistance in the Middle East.

"(b) Of the funds appropriated to carry out chapter 4 of part II of this Act during the fiscal year 1975, not to exceed $577,500,000 may be made available for security supporting assistance in the Middle East.

"(c) Of the aggregate ceiling on credits and guaranties established by section 31(b) of the Foreign Military Sales Act during the fiscal year 1975, not to exceed $330,000,000 shall be available for countries in the Middle East.

"SEC. 903. (a) SPECIAL REQUIREMENTS FUND.—There are authorized to be appropriated to the President for the fiscal year 1975 not to exceed $100,000,000 to meet special requirements arising from time to time for the purpose of providing any type of assistance authorized by part I of this Act, in addition to funds otherwise available for such purpose. The funds authorized to be appropriated by this section shall be available for use by the President for assistance authorized by this Act in accordance with the provisions applicable to the furnishing of such assistance. Such funds are authorized to remain available until expended.

"(b) The President shall keep the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Speaker of the House of Representatives currently informed on the programing and obligation of funds under subsection (a).

"(c) (1) Prior to obligating any amount in excess of $1,000,000 from funds made available under this section, the President shall transmit a written report to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate on the same day giving a complete explanation with respect to such proposed obligation. Each report shall include an explanation relating to only one proposed obligation.

"(2) (A) The President may make such obligation thirty days after the report has been so transmitted unless, before the end of the first period of thirty calendar days of continuous session of Congress after the date on which the report is transmitted, either House adopts a resolution disapproving the proposed obligation with respect to which the report is made.

"(B) For purposes of subparagraph (A) of this paragraph—

"(i) the continuity of a session is broken only by an adjournment of the Congress sine die; and

"(ii) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the thirty-day period.

"(3) Paragraphs (4) through (11) of this subsection are enacted by Congress—

"(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in the House in the case of resolutions described by this subsection; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

"(4) For purposes of paragraphs (2) through (11) of this subsection, 'resolution' means only a resolution of either House of Congress, the matter after the resolving clause of which is as follows: "That the —— does not approve the obligation for —— and explained in the report transmitted to Congress by the President on ——, 19——;, the first blank space therein being filled with the name of the resolving House, the second blank space therein being filled with the name of the foreign country or organization on whose behalf the obligation is to be incurred, and the other blank spaces therein being appropriately filled with the date of the transmittal of the report; but does not include a resolution specifying more than one proposed obligation.

"(5) If the committee, to which has been referred a resolution disapproving a proposed obligation, has not reported the resolution at the end of ten calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the same obligation which has been referred to the committee.

"(6) A motion to discharge may be made only by an individual favoring the resolution, is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same proposed obligation), and debate thereon is limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(7) If the motion to discharge is agreed to, or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same obligation.

"(8) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to an obligation, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(9) Debate on the resolution is limited to not more than two hours, to be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

"(10) Motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to an obligation, and motions to proceed to the consideration of other business, are decided without debate.

"(11) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to an obligation are decided without debate."

(b) Section 620(p) of such Act is repealed.

FOREIGN MILITARY SALES ACT AMENDMENTS

Sec. 29. The Foreign Military Sales Act is amended as follows:

(1) Section 3(d) is amended to read as follows:

"(d) A country shall remain ineligible in accordance with subsection (c) of this section until such time as the President determines that such violation has ceased, that the country concerned has given assurances satisfactory to the President that such violation will not recur, and that, if such violation involved the transfer of sophisticated weapons without the consent of the President, such weapons have been returned to the country concerned."

(2) Section 22 is amended by adding at the end thereof the following new subsection:

"(c) No sales of defense articles shall be made to the government of any economically developed country under the provisions of this section if such articles are generally available for purchase by such country from commercial sources in the United States."

(3) Section 23 is amended to read as follows:

"Sec. 23. Credit Sales.—The President is authorized to finance procurements of defense articles and defense services by friendly foreign countries and international organizations on terms requiring the payment to the United States Government in United States dollars of—

"(1) the value of such articles or services within a period not to exceed ten years after the delivery of such articles or the rendering of such services; and

"(2) interest on the unpaid balance of that obligation for payment of the value of such articles or services, at a rate equivalent to the current average interest rate, as of the last day of the month preceding the financing of such procurement, that the United States Government pays on outstanding marketable obligations of comparable maturity, unless the President certifies to Congress that the national interest requires a lesser rate of interest and states in the certification the lesser rate so required and the justification therefor."

(4) In subsections (a) and (b) of section 24, the parenthetical phrase in each is amended to read as follows: "(excluding United States Government agencies other than the Federal Financing Bank)".

(5) Section 24 is amended by adding at the end thereof the following:

"(d) The President may guarantee under this section only those payments for any defense article or defense service which are due within ten years after that defense article is delivered or that defense service is rendered, except that such guaranty may be made for not more than twenty years if the President certifies to Congress that the national interest requires that the period of guaranty be longer than ten years, and states in the certification the country or international organization on whose behalf the guaranty is to be made, the period of the guaranty, and the justification for the longer period."

(6) In section 31—

(A) in subsection (a), strike out "$325,000,000 for the fiscal year 1974" and insert in lieu thereof "$455,000,000 for the fiscal year 1975"; and

(B) in subsection (b)—

(i) strike out "$730,000,000 for the fiscal year 1974" and insert in lieu thereof "$872,500,000 for the fiscal year 1975"; and

(ii) add at the end thereof the following new sentence: "Of the funds made available under subsection (a) of this section, $100,000,000 shall first be obligated with respect to financing the procurement of defense articles and defense services by Israel under section 23 of this Act, except that Israel shall be released from contractual liability to repay the United States Government for the defense articles and defense services so financed."

POLITICAL PRISONERS

Sec. 30. Section 32 of the Foreign Assistance Act of 1973 is amended by adding at the end therof the following new sentence: "Commencing with respect to 1974, the President shall submit annually to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a written report setting forth fully the steps he has taken to carry out this section."

GORGAS MEMORIAL INSTITUTE

Sec. 31. The first section of the Act entitled "An Act to authorize a permanent annual appropriation for the maintenance and operation of the Gorgas Memorial", approved May 7, 1928, as amended (22 U.S.C. 278), is amended by striking out "$500,000" and inserting in lieu thereof "$1,000,000".

INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION IN VIETNAM

Sec. 32. (a) There are authorized to be appropriated to the Department of State for fiscal year 1975 not to exceed $16,526,000 for payments by the United States to help meet expenses of the International Commission of Control and Supervision in Vietnam. Funds appropriated under this subsection are authorized to be made available for reimbursement to the Agency for International Development of amounts expended by the Agency during fiscal year 1975 as interim United States payments to help meet expenses of the International Commission of Control and Supervision.

(b) There are authorized to be appropriated to the Department of State not to exceed $11,200,000 for reimbursement to the Agency for International Development of amounts expended by the Agency for International Development to help meet expenses of the International Commission on Control and Supervision in fiscal year 1974.

(c) Reimbursements received by the Agency for International Development under this section may be credited to applicable appropriations of the Agency and shall be available for the purposes for which such appropriations are authorized to be used during fiscal year 1975.

EXTENSION OF THE TERMINATION DATE OF THE EXPORT-IMPORT BANK

Mr. PACKWOOD. Mr. President, I send to the desk a joint resolution, and ask for its immediate consideration.

The PRESIDING OFFICER. The joint resolution will be stated.

The joint resolution was read the first time by its title and the second time at length, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section VIII of the Export-Import Bank Act of 1945 (12 USC 635F) is amended by striking "September 30, 1974" and inserting in lieu thereof "October 15, 1974".

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the joint resolution.

Mr. PACKWOOD. Mr. President, the House of Representatives has passed Export-Import Bank legislation, as has the Senate. We will not get to conference before October 1. Under present law, the life of the Bank terminates at the end of September, and this is simply a 15-day extension of the Bank's life.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the third reading be dispensed with.

The PRESIDING OFFICER (Mr. DOMENICI). Is there objection? Without objection, it is so ordered. The question is, Shall the joint resolution pass?

The joint resolution (S.J. Res. 244) was passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking "September 30, 1974" and inserting in lieu thereof "October 15, 1974".

SENATE RESOLUTION 409—DESIGNATING THE WEEK OF SEPTEMBER 23 THROUGH SEPTEMBER 27 AS "MEALS-ON-WHEELS WEEK"

Mr. McGOVERN. Mr. President, I am about to ask for the immediate consideration of a resolution which has been fully cleared on both sides of the aisle.

One of the most worthy organizations in this country is the so-called "Meals-on-Wheels" program operated by church groups and synagogues across the Nation, to bring meals to shut-ins, invalids, and the handicapped.

Those organizations are designating this week as "Meals-on-Wheels Week," and this resolution would provide a similar designation by the Senate. I have cleared the resolution with the distinguished majority leader, the distinguished minority leader, the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Nebraska (Mr. HRUSKA), and the appropriate members of the committee, and I ask unanimous consent for immediate consideration of the resolution.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution designating the week of September 23 through September 27 as "Meals-on-Wheels Week."

Mr. McGOVERN. "(He that) hath given his bread to the hungry—shall surely live"—Ezekiel 18:16–17. No stronger imperative can be found in the religious heritage of our Judeo-Christian tradition than the call to feed the hungry and to share our bread with those who are in need. President Ford's address to the United Nations last week has helped emphasize the gathering world crisis in food supply, a crisis very much in our minds as we read daily reports of outright starvation in part of Africa and Asia.

The challenge of hunger among the people of the world presents us with a problem of major dimensions, both moral, and practical. However, our own personal response as concerned persons is to seek immediate implementation of our impulse to share—in short, to begin where we are and to do what we can. This is the primary reason that I, together with my good friends and colleagues, Senators SCHWEIKER, MANSFIELD, and SCOTT are sponsoring a Senate resolution designating the week of September 23 through 27 as Meals-on-Wheels Week in honor of the first National Conference on Meals-on-Wheels.

The history of the Meals-on-Wheels program provides a truly inspiring example of human response—person to person—to human need, and illustrates the power of men and women of good will to act together in behalf of the community of man. Born in London in the dark days of the Second World War during the blitz as a way of feeding victims of air raids, Meals-on-Wheels first came to the United States, just 20 years ago in 1954 when a kitchen opened in Philadelphia to feed the homebound in that city. Since that time it has been spread throughout the States, providing nutritious meals for elderly and handicapped citizens who for a variety of reasons related to age, economic need, or disability, are unable to prepare adequate meals for themselves.

The underlying objective of this project is to sustain the health of the elderly and handicapped, and so enable them to continue to live independently in their homes for as long as possible, thus relieving the pressures on institutions and nursing homes.

Our senior citizens and many handicapped are the ones hardest hit by economic dislocation and inflationary pressures. They are the ones least able to bear rising costs. In this regard, Meals-on-Wheels is nothing more nor less than a way in which fellow citizens can express their care for others who are in need, and in so doing can help others retain their sense of dignity as well as their health. It is a dramatic instance of how people can care for people.

The Senate Nutrition Committee, which it is my privilege to chair, will be directly involved in the work of the Washington, D.C., Meals-on-Wheels Confederation during the observance of National Meals-on-Wheels Week.

Participants from more than 30 States and Canada will attend the local sessions at the New York Avenue Presybterian Church, all of which are open to the public. A noon meal in the Cannon Office Building on Friday, September 27, will honor some 370 local Meals-on-Wheels volunteers and recipients, who will be served by Congressmen and Senators as well as Ambassadors from nations which have similar programs. After serving, the waiters-for-a-day will join other invited guests in the meal.

The local conference will actually begin on Wednesday, September 25, with a 9:30 a.m. workshop on the mechanics of Meals-on-Wheels as it operates differently in various communities. Wednesday afternoon's activities will include a legislative workshop led by members of the Senate Select Committee on Nutrition and Human Needs and of the House Agriculture Committee. A "fasting meal" of soup and unleavened bread at 6 p.m. will mark the observance of Yom Kippur. At 7:30 the evening program will feature the Toronto Meals-on-Wheels, which is administered by the Canadian Red Cross. Earlier that day at a noon luncheon, a prominent Jewish speaker will speak on the need for added kosher Meals-on-Wheels in programs throughout the country. The New York Avenue Church's own Meals-on-Wheels facilities, now observing their third year of service, will be used for this occasion.

A highlight of the Thursday session will be the interfaith, ecumenical service, led by Dr. Martin Luther King, Sr., on the theme, "Still Hungry in America: An Encounter in Worship." Participants will include local clergy—Christian and Jewish, Meals-on-Wheels leaders, congressional and Senate leaders, and representatives from the Mayor's office. There will be a noon address by Dr. Arthur S. Flemming, Commissioner of the Administration on Aging of HEW, which administers some federally funded Meals-on-Wheels programs.

At 6:30 p.m. a panel on funding, civic support, and volunteer service for Meals-on-Wheels will feature Nancy Clay of Colorado, Daphne Kralse of Minnesota, and Ruth Wise of Wheaton, Md.

The Friday sessions will move to Capitol Hill. The 9 a.m. program at the Longworth Office Building will feature Ms. Ruby Bancroft, director of Washington's Visiting Nurse Association, and Dr. Susan Schiffman of Duke University's Center for the Study of Aging. The noon meal at the Cannon Building will close the conference.

Meals-on-Wheels is a striking example of voluntary service in the best American tradition, which is why it has flourished in this land. The enterprise, compassion, and devotion of countless thousands of unsung volunteers clothes their service with the precious ingredients of human love and warmth for those who are too often isolated from these life-giving qualities. The overwhelming majority of Meals-on-Wheels programs are conducted in, by, and through private bodies, whether local churches, temples, synagogues, or concerned civic groups. It is a venture which deserves the support of all people, and we commend its observance to all who share a common concern for the religious and ethical teachings which have always marked our Nation at its finest moments.

The character of Ruth is beautifully described in the Book of Ruth as "a nourisher of thine old age." So may it be with those who participate in Meals-on-Wheels, responding to the spirit of him who said, "For as much as ye have done it unto one of the least of these, my brethren."

I ask unanimous consent that certain documents be printed at this point in the RECORD.

There being no objection, the documents were ordered to be printed in the Record, as follows:

Capitol Hill United Methodist Church,
Washington, D.C., September 24, 1974.

Dear Friend: Today as delegates from 30 of the United States and Canada arrive in Washington, D.C. to assemble for the first national conference of Meals-on-Wheels, Senator George S. McGovern will introduce for himself and Senator Richard S. Schweiker, the attached resolution which would declare the week of September 23–27 national "Meals-on-Wheels" week.

It is our hope that you will join your fellow Senators in unanimous support of this resolution. It is designed to draw the nation's attention to a program which seeks to meet—now—the needs of those who are elderly and convalescent by providing them with home-delivered, hot nutritious meals.

These are mostly private programs, sponsored by local religious and civic groups. The programs work because volunteers prepare, cook, package, and deliver the food at cost.

It is a worthy program worthy of recognition. We hope you agree with us and will give your support by unanimous consent today when the resolution is introduced.

With warm wishes, I am

Sincerely yours,

Neil Scott,
Chairman, Greater Washington Meals-on-Wheels Confederation.

Home Delivered Meals—A National Directory

SOUTH DAKOTA

Aberdeen

Aberdeen Recreation-Home Service.

Sponsor, if any: Aberdeen Senior Center, Inc.

Meals served per week, 178. Different persons served per week, 34.

Restrictions: 55 years and over. Other, unspecified restriction.

Meals served: Hot lunch meal $.76–$1.00.

Provision for special diets: Flexible diets.

Minimum length of enrollment: No limit.

Maximum length of enrollment: No limit.

Age distribution of participants: Under 55, none; 55-64, 2 percent; 65-74, 23 percent; 75-84, 61 percent; 85 and over, 14 percent.

Brookings

Meals on Wheels-Brookings Hospital Auxiliary.

Sponsor, if any: Hospital and Rest Home Auxiliary.

Meals served per week, 55. Different persons served per week, 11.

Restrictions: None.

Meals served: Hot lunch meal $1.01-1.25.

Provision for special diets: Flexible diets.

Minimum length of enrollment: No limit.

Maximum length of enrollment: No limit.

Age distribution of participants: Under 55, 9 percent; 55-64, 37 percent; 65-74, 54 percent; 75-84, none; 85 and over, none.

Clark

Meals on Wheels.

Sponsor, if any: Local churches.

Meals served per week, 4. Different persons served per week, 4.

Restrictions: None.

Meals served: Hot lunch meal $.76-1.00.

Minimum length of enrollment: No limit.

Maximum length of enrollment: No limit.

Age distribution of participants: Under 55, none; 55-64, none; 65-74, 50 percent; 75-84, 50 percent; 85 and over, none.

Madison

Meals on Wheels, Madison Senior Center.

Sponsor, if any: Interlakes Community Action.

Meals served per week, —.Different persons served per week, 35.

Restrictions: 55 years and over.

Meals served: Hot lunch meal, $.51–.75.

Minimum length of enrollment: No limit.

Maximum length of enrollment: No limit.

Age distribution of participants: Not noted.

Milbank

Meals on Wheels.

Sponsor, if any: Ministerial Association.

Meals served per week, 75. Different persons served per week, 15.

Restrictions: None.

Meals served: Hot dinner meal, $.76–1.00.

Provision for special diets: salt and sugar substitutes.

Minimum length of enrollment: No limit.

Maximum length of enrollment: No limit.

Age distribution of participants: Under 55, none; 55–64, none; 65–74, 10 percent; 75–84, 90 percent; 85 and over, none.

Rapid City

Mobile Meals, Inc., 213 Berry Pine Road.

Sponsor, if any: Independent Corporation.

Meals served per week, 50. Different persons served per week, 12.

Restrictions: Shut in, living alone.

Meals served: Hot dinner meal, $.76–1.00.

Provision for special diets: Special diet prescribed.

Minimum length of enrollment: No limit.

Maximum length of enrollment: No limit.

Age distribution of participants: Under 55, none; 55–64, 10 percent; 65–74, 50 percent; 75–84, 40 percent; 85 and over, none.

Sioux Falls

Meals on wheels.

Sponsor, if any: Lutheran Social Services.

Meals served per week, 215. Different persons served per week, —.

Restrictions: Poor nutrition.

Meals served: Hot lunch meal, $.76–1.00.

Provision for special diets: Special diet prescribed.

Minimum length of enrollment: 5 days.

Maximum length of enrollment: No limit.

Age distribution of participants: Under 55, 5 percent; 55–64, 24 percent; 65–74, 24 percent; 75–84, 29 percent; 85 and over, 18 percent.

Spearfish

Meals on wheels.

Sponsor, if any: Spearfish Senior Citizens Ser.

Meals served per week, 20. Different persons served per week, 6.

Restrictions: None.

Meals served: Hot lunch meal, $.76–1.00.

Provision for special diets: Flexible diets.

Minimum length of enrollment: No limit.

Maximum length of enrollment: No limit.

Age distribution of participants: Under 55, 0 percent; 55–64, 0 percent; 65–74, 80 percent; 75–84, 20 percent; 85 and over, 0 percent.

Vermillion

Meals on wheels.

Sponsor, if any: Vermillion Civic Council.

Meals served per week, 60. Different persons served per week, 12.

Restrictions: 55 years and over; other, unspecified restriction.

Meals served: Hot dinner meal $.76–1.00.

Provision for special diets: Flexible diets.

Minimum length of enrollment: No limit.

Maximum length of enrollment: No limit.

Age distribution of participants: Under 55, 0 percent; 55–64, 0 percent; 65–74, 10 percent; 75–84, 70 percent; 85 and over, 20 percent.

Watertown

Meals on wheels.

Sponsor, if any: None at present.

Meals served per week, 110. Different persons served per week, 22.

Restrictions: None.

Meals served: Hot dinner meal $.76–1.00.

Provision for special diets: Flexible diets.

Minimum length of enrollment: No limit.

Maximum length of enrollment: No limit.

Age distribution of participants: Under 55, none; 55–64, none; 65–74, 50 percent; 75–84, 40 percent; 85 and over, 10 percent.

Yankton

Meals on wheels.

Sponsor, if any: Yankton Senior Citizens.

Meals served per week, 60. Different persons served per week, 15.

Restrictions: None.

Meals served: Hot lunch meal $.76–1.00.

Provision for special diets: Special diet prescribed.

Minimum length of enrollment: No limit.

Maximum length of enrollment: No limit.

Age distribution of participants: Under 55, 20 percent; 55–64, 20 percent; 65–74, 30 percent; 75–84, 20 percent; 85 and over, 10 percent.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was considered and agreed to.

The preamble was agreed to.

The resolution (S. Res. 409), with its preamble, is as follows:

S. Res. 409

Resolution, designating the week of September 23 through September 27 as "Meals-on-Wheels Week".

Resolved, Whereas, the World Hunger Action Coalition has proclaimed the week of September 22 through September 29 as the "Week of Concern for World Hunger," and

Whereas, the thousands of Meals-on-Wheels organizations in the United States, Canada, and many other countries provide hot, nourishing meals each day to the hungry, housebound, elderly, handicapped, and the disabled, without regard to race, creed, color, or financal ability, and

Whereas, the vast majority of these Meals-on-Wheels organizations are privately organized as activities of local churches, temples, or concerned civic groups, and

Whereas, such Meals-on-Wheels programs enable millions of individuals to remain in their homes and maintain their health, and

Whereas, Meals-on-Wheels has grown to serve the purposes previously listed since it was first started in England in 1939 and begun in the United States in 1954, and

Whereas, as elected public servants, we welcome and encourage programs which serve the less fortunate and are especially grateful for efforts which originate on a volunteer basis in the private sector, and

Whereas, those meals are planned, packaged, and delivered by the enterprise, compassion and devotion of literally thousands of volunteers who are helping to bring a measure of human warmth and love to those they serve: Now, therefore, be it

Resolved, That the week of September 23 through September 27 be designated as "Meals-on-Wheels Week" in the United States in recognition of the selfless service these Meals-on-Wheels units perform and in honor of the first National Conference of Meals-on-Wheels.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1975—CONFERENCE REPORT

Mr. McCLELLAN. Mr. President, I submit a report of the committee of conference on H.R. 16243, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Domenici). The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16243) making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of September 18, 1974, at page 31505.)

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the requirement that the conference report be printed as a Senate report be waived, inasmuch as under the rules of the House of Representatives it has been printed as a report of the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, on Tuesday, September 17, 1974, the conferees on the Department of Defense appropriations bill for fiscal year 1975 reached agreement on the differences between the two Houses after 2 days of meetings and about 8 hours of deliberations.

The total amount agreed to was $82,576,297,000 in new budget authority, including transfers of $480 million.

This is $4,481,200,000—or 5.15 percent — below the administration's amended budget request of $87,057,497,000.

It is also $817,273,000 below the amount approved by the House and $478,439,000 above the amount approved by the Senate.

The appropriation agreed upon by the conferees will result in a reduction in actual outlays of $2.5 billion during the 1975 fiscal year, which should have a significant impact on helping to combat inflation.

Although strong efforts were made by the House conferees to restore sizable appropriations which had been cut by the Senate, your conferees were successful in limiting add-ons to only 36.9 percent of the Senate reduction.

There were 57 amendments made by the Senate to the House bill, and in all, a total of 368 individual line-item dollar or language differences that needed to be resolved.

I am convinced that the conference committee has produced a reasonable compromise and that the amount appropriated in this bill establishes a level of funding that is a fair balance between the requirements of the Nation's defense and the need for reduced Federal spending in order to deal with inflation.

Mr. President, I wish to point out that the reductions made in the administration's budget request are significantly greater than was thought possible at the time that the Defense Appropriation Subcommittee of the Committee on Appropriations forecast a reduction of $3.5 billion in new budget authority.

We have, instead, by applying the most rigid standards, made savings of nearly $1 billion more than the target amount we set at the time the hearings were opened on this bill.

FISCAL YEAR 1975 SUPPLEMENTALS

Mr. President, I want to make it clear to my colleagues that, although large, this bill will not fund all of the Nation's military costs in fiscal year 1975. In addition to the military construction, family housing, military assistance, and civil defense areas, which will be included in other bills, there is $1,740 million which will be required in a fiscal year 1975 supplemental to pay for military and civilian pay raises to be granted in October 1974 and wage board pay increases which are automatically required as wages in the private sector rise. I want to make it very clear to the Defense Department that, barring exceptional and unexpected changes in the security posture of this Nation, the Congress will take a very dim view of supplementals for anything other than those statutory pay and wage board increases.

We do not want a repetition of last year's "readiness supplemental," which included many items that probably could have waited for the fiscal year 1975 appropriation. Of course, if there are compelling reasons for funding a critical item, they will be considered, but only after all means of readjusting within available funds and reprograming have been exhausted by the Department of Defense.

I wish to emphasize, Mr. President, that while some military authorities may regard this is a lean budget, their objectives will be met if they apply the same diligent scrutiny to their programs as the members of the Senate Committee on Appropriations applied in making our recommendations for spending during fiscal 1975.

In view of the economic and fiscal disarray in which the United States presently finds itself, the most strenuous efforts must be made at all levels of the Department of Defense to become more cost-conscious, to examine all items with the view of eliminating or dispensing with those that are unnecessary without unduly or adversely affecting essential operations.

Perhaps one of the problems with military spending is that the professional soldiers, the generals and admirals who manage programs and projects in the Defense Department, have not had the experience of working in the private marketplace where profits—and not appropriations—determine expenditures. We must get full value for every dollar expended. Our generals and admirals must come to realize that we do not intend to appropriate for any purpose unless it is fully justified.

I have asked each service secretary to make a determined effort to save dollars and personnel and to submit periodic reports on these efforts and their results.

In conclusion, Mr. President, it is my hope that we will soon enter a period in which international tensions will be reduced. But until then, we must maintain a defense posture that will be an adequate shield for our liberties and a deterrent to aggression—while taking into account the limitations of our resources. I am certain that the appropriations contained in this bill are adequate to meet this challenge.

As George Washington said in his first inaugural address:

> To be prepared for war is one of the most effectual means of preserving peace.

Mr. President, I ask unanimous consent that a list of major items in conference and a tabulation summarizing the actions of the House, the Senate and the conference be printed in the RECORD at this point.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1975 (H.R. 16243)

Appropriations (by functional title)	Revised fiscal year 1975 budget estimate	House allowance	Senate allowance	Conference agreement	Conference compared with—		
					Budget estimate	House allowance	Senate allowance
TITLE I—MILITARY PERSONNEL							
Military personnel, Army	$7,963,200,000	$7,875,013,000	$7,762,213,000	$7,780,263,000	−$182,937,000	−$94,750,000	+$18,050,000
Military personnel, Navy	5,809,900,000	5,720,230,000	5,665,510,000	5,679,810,000	−130,090,000	−40,420,000	+14,300,000
Military personnel, Navy 1969, 1971 (liquidation of deficiencies)	51,026,000	43,356,000	43,356,000	43,356,000	−7,670,000		
Military personnel, Marine Corps	1,732,500,000	1,713,506,000	1,686,206,000	1,695,456,000	−37,044,000	−18,050,000	+9,250,000
Military personnel, Air Force	7,475,700,000	7,332,151,000	7,210,881,000	7,229,531,000	−246,169,000	−102,620,000	+18,650,000
Reserve personnel, Army	490,600,000	498,600,000	485,800,000	493,800,000	+3,200,000	−4,800,000	+8,000,000
Reserve personnel, Navy	209,700,000	216,200,000	202,900,000	211,900,000	+2,200,000	−4,300,000	+9,000,000
Reserve personnel, Marine Corps	73,000,000	68,500,000	67,800,000	66,800,000	−6,200,000	−1,700,000	−1,000,000
Reserve personnel, Air Force	148,565,000	145,865,000	147,865,000	147,865,000	−700,000	+2,000,000	
National Guard personnel, Army	621,700,000	660,800,000	661,300,000	660,800,000	+39,100,000		−500,000
National Guard personnel, Air Force	198,577,000	204,527,000	205,027,000	204,527,000	+5,950,000		−500,000
Total, title I—Military personnel	24,774,468,000	24,478,748,000	24,138,858,000	24,214,108,000	−560,360,000	−264,640,000	+75,250,000

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1975 (H.R. 16243)—Continued

Appropriations (by functional title)	Revised fiscal year 1975 budget estimate	House allowance	Senate allowance	Conference agreement	Conference compared with—		
					Budget estimate	House allowance	Senate allowance
TITLE II—RETIRED MILITARY PERSONNEL							
Retired pay, Defense	$6,040,600,000	$6,040,600,000	$6,040,600,000	$6,040,600,000			
TITLE III—OPERATION AND MAINTENANCE							
Operation and maintenance, Army	7,048,500,000	6,228,389,000	6,137,532,000	6,137,532,000	−$910,968,000	−$90,857,000	
Operation and maintenance, Navy	7,665,900,000	7,177,915,000	7,140,575,000	7,151,175,000	−514,725,000	−26,740,000	$+10,600,000
Operation and maintenance, Marine Corps	457,100,000	451,624,000	449,284,000	449,284,000	−7,816,000	−2,340,000	
Operation and maintenance, Air Force	7,855,200,000	7,113,254,000	7,077,930,000	7,062,030,000	−793,170,000	−51,224,000	−15,900,000
Operation and maintenance, Defense agencies	1,881,700,000	2,357,375,000	2,350,159,000	2,350,159,000	+468,459,000	−7,216,000	
Operation and maintenance, Army Reserve	281,400,000	279,600,000	273,600,000	276,600,000	−4,800,000	−3,000,000	+3,000,000
Operation and maintenance, Navy Reserve	247,900,000	245,200,000	245,200,000	245,200,000	−2,700,000		
Operation and maintenance, Marine Corps Reserve	11,700,000	11,700,000	11,700,000	11,700,000			
Operation and maintenance, Air Force Reserve	288,800,000	286,680,000	292,580,000	286,680,000	−2,120,000		−5,900,000
Operation and maintenance, Army National Guard	614,900,000	586,500,000	589,500,000	589,500,000	−25,400,000	+3,000,000	
Operation and maintenance Air National Guard	628,500,000	632,500,000	652,500,000	642,500,000	+14,000,000	+10,000,000	−10,000,000
National Board for the Promotion of Rifle Practice	178,000	178,000	168,000	178,000			
Naval petroleum reserve	6,900,000	81,900,000	56,900,000	69,400,000	+62,500,000	−12,500,000	+12,500,000
Claims, Defense	54,600,000	54,600,000	54,600,000	54,600,000			
Contingencies, Defense	5,000,000		5,000,000	2,500,000	−2,500,000	+2,500,000	−2,500,000
Court of Military Appeals	1,065,000	1,065,000	1,065,000	1,065,000			
Total, title III—Operation and maintenance	27,049,343,000	25,508,480,000	25,338,303,000	25,330,103,000	−1,719,240,000	−178,377,000	−8,200,000
TITLE IV PROCUREMENT							
Aircraft procurement, Army	339,500,000	224,300,000	284,200,000	242,800,000	−96,700,000	+18,500,000	−41,400,000
Transfer from other accounts		(7,000,000)	(7,000,000)	(7,000,000)	(+7,000,000)		
Missile procurement, Army	459,200,000	416,500,000	416,500,000	416,500,000	−42,700,000		
Transfer from other accounts		(15,000,000)	(15,000,000)	(15,000,000)	(+15,000,000)		
Procurement of weapons and tracked combat vehicles, Army	385,300,000	344,800,000	343,500,000	344,800,000	−40,500,000		+1,300,000
Transfer from other accounts		(3,000,000)	(3,000,000)	(3,000,000)	(+3,000,000)		
Procurement of ammunition, Army	1,344,800,000	726,500,000	720,200,000	720,200,000	−624,600,000	−6,300,000	
Transfer from other accounts		(170,000,000)	(170,000,000)	(170,000,000)	(+170,000,000)		
Other procurement, Army	786,200,000	669,600,000	689,700,000	681,100,000	−105,100,000	+11,500,000	−8,600,000
Transfer from other accounts		(3,000,000)	(3,000,000)	(3,000,000)	(+3,000,000)		
Aircraft procurement, Navy	2,960,600,000	2,814,000,000	2,745,200,000	2,775,400,000	−185,200,000	−38,600,000	+30,200,000
Weapons procurement, Navy	833,900,000	762,000,000	748,600,000	729,500,000	−104,400,000	−32,500,000	−19,100,000
Transfer from other accounts		(10,000,000)	(10,000,000)	(10,000,000)	(+10,000,000)		
Shipbuilding and conversion, Navy	3,562,600,000	3,059,000,000	3,140,400,000	3,059,000,000	−503,600,000		−81,400,000
Transfer from other accounts			(103,600,000)	(70,000,000)	(+70,000,000)	(+70,000,000)	(−33,600,000)
Other procurement, Navy	1,684,500,000	1,602,600,000	1,582,600,000	1,582,600,000	−101,900,000	−20,000,000	
Transfer from other accounts		(20,800,000)	(20,800,000)	(20,800,000)	(+20,800,000)		
Procurement, Marine Corps	228,800,000	207,800,000	207,800,000	207,800,000	−21,000,000		
Transfer from other accounts		(10,000,000)	(10,000,000)	(10,000,000)	(+10,000,000)		
Aircraft procurement, Air Force	3,496,600,000	3,190,300,000	2,705,700,000	3,062,800,000	−433,800,000	−127,500,000	+357,100,000
Transfer from other accounts		(76,200,000)	(153,600,000)	(153,600,000)	(+153,600,000)	(+77,400,000)	
Missile procurement, Air Force	1,610,800,000	1,555,200,000	1,518,700,000	1,533,700,000	−77,100,000	−21,500,000	+15,000,000
Transfer from other accounts		(5,000,000)	(5,000,000)	(5,000,000)	(+5,000,000)		
Other procurement, Air Force	2,071,800,000	1,864,400,000	1,772,000,000	1,776,500,000	−295,300,000	−87,900,000	+4,500,000
Transfer from other accounts		(12,600,000)	(12,600,000)	(12,600,000)	(+12,600,000)		
Procurement, Defense agencies	102,017,000	102,017,000	98,416,000	98,416,000	−3,601,000	−3,601,000	
Total, title IV—Procurement	19,866,617,000	17,539,017,000	16,973,516,000	17,231,116,000	−2,635,501,000	−307,901,000	+257,600,000
Transfer from other accounts		(332,600,000)	(513,600,000)	(480,000,000)	(+480,000,000)	(+147,400,000)	(−33,600,000)
TITLE V—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION							
Research, development, test, and evaluation, Army	1,985,976,000	1,831,630,000	1,749,152,000	1,779,339,000	−206,637,000	−52,291,000	+30,187,000
Research, development, test, and evaluation, Navy	3,261,933,000	3,065,121,000	2,979,612,000	3,006,914,000	−255,019,000	−58,207,000	+27,302,000
Research, development, test, and evaluation, Air Force	3,518,860,000	3,377,317,000	3,144,460,000	3,274,360,000	−244,500,000	−102,957,000	+129,900,000
Research, development, test, and evaluation, Defense agencies	528,700,000	492,057,000	491,057,000	491,057,000	−37,643,000		
Director of Test and Evaluation, Defense	27,000,000	25,000,000	25,000,000	25,000,000	−2,000,000		
Total, title V—Research, development, test and evaluation	9,322,469,000	8,790,125,000	8,389,281,000	8,576,670,000	−745,799,000	−213,455,000	+187,389,000
TITLE VI—SPECIAL FOREIGN CURRENCY PROGRAM							
Special foreign currency program	2,900,000	2,900,000	2,900,000	2,900,000			
TITLE VII—MILITARY ASSISTANCE, SOUTH VIETNAMESE FORCES							
Military assistance, South Vietnamese forces	(1,450,000,000)	622,600,000	700,000,000	700,000,000	+700,000,000	+77,400,000	
Transfer from other accounts		(77,400,000)				(−77,400,000)	
TITLE VIII—GENERAL PROVISIONS							
Additional transfer authority, sec. 834	(750,000,000	(750,000,000)	(750,000,000)	(750,000,000)			
TITLE IX—RELATED AGENCY							
Defense Manpower Commission	1,100,000	1.100,000	800,000	800,000	−300,000	−300,000	
New obligational authority	87,057,497,000	82,983,570.000	81,584,258,000	82,096,297,000	−4,961.200,000	−887,273,000	+512.039,000
Transfers from other accounts		(410 000.000)	(513.600,000.	(480,000,000)	(+480,000,000)	(+70,000,000)	(−33,600,000)
Total funding available	87.057,497.000	83,393.570.000	82.097.858.000	82,576.297,000	−4.481,200,000	−817.273,000	+478,439,000
Transfer authority	(750.000,000)	(750.000,000)	(750.000,000)	(750,000,000)			

MAJOR ITEMS IN THE CONFERENCE

TITLE I—MILITARY PERSONNEL

Mr. McCLELLAN. Mr. President, the conference agreed to restore the $61 million reduction made by the Senate in support and headquarters staffing transfers. The conferees agreed that, as the military become more efficient in the use of manpower, the savings must ultimately be passed on to the taxpayer; however, they felt that further study of specific changes in force structure proposed by each service was needed prior to taking further action to reduce manpower levels significantly.

The conference also agreed to reductions in terminal leave payments, superior performance pay, and junior enlisted travel benefits as proposed by the Senate.

TITLE IV—PROCUREMENT

AIRCRAFT PROGRAMS

The conference agreed to include $18.5 million for the 48 UH-1H helicopters for the Army as proposed by the Senate and delete $41.4 million for 19 CH-47C Army helicopters. A total of $118 million for 30 A-7E Navy attack aircraft is included in the conference agreement as proposed by the Senate, instead of $130.7 million for 34 aircraft as proposed by the House. The conference agreement provides $429.4 million for 45 S-3A antisubmarine warfare aircraft as proposed by the House instead of $385.8 million for 40 aircraft as proposed by the Senate. The conference agreed to include $138 million for procurement of 25 A-10 close air support aircraft, which is midway between the 20 aircraft proposed for procurement by the Senate and 30 proposed by the House. The conferees also agreed on the appropriation of $328 million for six airborne warning and control system aircraft and $42 million for advance procurement as proposed by the House, instead of funding only four aircraft as proposed by the Senate. The conference agreed to provide $756.9 million for procurement of 72 F-15 fighter aircraft as proposed by the House instead of $690.7 million for 62 aircraft as proposed by the Senate. The agreement also provides $205.5 million for 12 F-111F aircraft as proposed by the House, but deletes $15 million for advance procurement of future F-111's.

I cannot emphasize more strongly that the conferees do not intend to provide any further funds for the F-111 program unless it is requested by the administration and sufficiently justified before the proper congressional committees.

SHIPBUILDING

The conference deleted the $81.4 million provided by the Senate for a fleet oiler. The conference also agreed to provide $70 million for escalation and cost growth associated with the procurement of two submarine tenders instead of the transfer of $103.6 million as proposed by the Senate. These two submarine tenders were funded in fiscal years 1972 and 1973, but the sums appropriated are insufficient to construct them. The additional $70 million will be obtained by the cancellation of a destroyer tender, but the conferees indicated that if it is required, the destroyer tender can be included in the fiscal 1976 budget request.

TITLE V—RESEARCH, DEVELOPMENT, TEST AND EVALUATION

AIRCRAFT DEVELOPMENTS

For the Navy, the conference agreement provides $4.6 million for development of the F-401 jet engine instead of $21 million proposed by the House and no funds as proposed by the Senate. These funds are provided to pay only for prior year effort and the conferees agreed that further development should be delayed until the Navy adequately justifies a requirement for this engine. The conference agreed to provide $20 million as proposed by the Senate instead of no funding as proposed by the House for the Navy VFAX fighter aircraft, but stipulated that the development program must make maximum use of the Air Force's YF-16 and YF-17 fighters, and indicated that future funding is to be contingent upon the capability of the Navy to produce a derivative of the selected Air Force air combat fighter design.

For the Air Force, the conference agreement provided $445 million for the B-1 bomber instead of $400 million proposed by the Senate and $455 million proposed by the House. The conferees also agreed to provide $2 million for the advanced tanker/cargo aircraft which may be required to keep our bomber force viable in the future.

The conferees agreed to provide $210 million for the airborne warning and control system instead of $190 million proposed by the Senate and $219.7 million proposed by the House.

MISSILE DEVELOPMENTS

The conference agreed to provide $104.2 million for the Army's surface to air missile development program—SAM-D, instead of $100 million as proposed by the Senate and $111.2 million as proposed by the House. The conference agreement provides $118 million for the site defense antiballistic missile system, instead of $123 million proposed by the House and $100 million as proposed by the Senate. The conferees also provided $2 million for the Pershing II missile system, instead of $95 million as proposed by the House and no funds as proposed by the Senate. The conference agreement provides $27.7 million for the advanced forward area air defense system, instead of $30.7 million as proposed by the House and $24.7 million as proposed by the Senate. Of the total provided, $18.2 million is for the short range air defense missile system.

In the area of cruise missiles, the conference agreement provides $38 million for the Navy's strategic cruise missile, instead of $41 million proposed by the House and $31 million as proposed by the Senate. The conferees agreed to provide $66.5 million for the Air Force air launched cruise missile instead of $61.5 million as proposed by the Senate and $71.5 million as proposed by the House.

TITLE VII—MILITARY ASSISTANCE SOUTH VIETNAMESE FORCES

The conference agreed to appropriate $700 million for Military Assistance South Vietnamese Forces instead of $622.6 million in new obligational authority and $77.4 million by transfer as proposed by the House.

GENERAL PROVISIONS

The conference reached agreement on a number of language differences in the general provisions, providing as follows:

For a reduction of 12,500 in military personnel stationed overseas, instead of 25,000 as proposed by the Senate and none as proposed by the House.

That no funds may be used for site acquisition or construction of the continental United States Over the Horizon radar system. The original Senate provision had prohibited use of funds for development of this system.

That no war materiels may be transferred to any foreign country unless such transfer is specifically authorized by law. The Senate provision had also originally prevented the use of funds for the purpose of stockpiling war materiels for equipment for Asian countries.

Mr. President, I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, I support and concur in the remarks by the distinguished chairman of the Committee on Appropriations (Mr. McCLELLAN). Our conferees strongly supported the Senate position and sought to retain to the maximum degree the position of the Senate on the specific issues, as well as to maintain the maximum reductions possible.

The difference between the House bill and the Senate bill was approximately $1.5 billion. On balance the restoration of $478,439,000, approximately one-third of the difference between the two Houses, indicates strong support of the Senate's position.

I am certain that the Senate is concerned that defense outlays have risen from $78 billion in 1968—when we were fighting a war in South Vietnam—to a request of over $85 billion in fiscal year 1975. The reason for this results primarily from the very heavy impact that inflation has had on the defense budget. Between 1968 and today's defense budget, military basic pay rates have more than doubled. Military allowances are up 41 percent. Civil service pay has risen 59 percent. The cost of supplies has increased 54 percent. These items have added $31 billion to the budget request.

Another way of explaining this Defense appropriations bill is to compare it in constant fiscal year 1975 dollars to past bills.

In 1964 approximately $50 billion was appropriated but when converted to fiscal year 1975 dollars it would be approximately $94 billion.

In 1968, the peak year of the war in Vietnam, approximately $78 billion was appropriated but in today's dollars that would be almost $125 billion.

In 1972 approximately $75 billion was appropriated which was the equivalent of $95 billion in fiscal year 1975 dollars. This was a reduction of $30 billion in buying power, personnel, goods and services.

In 1975, this conference report before us today continues a downward trend in the funds available for defense.

Overall this fiscal year 1975 appropriations bill is less in constant dollars than the pre-Vietnam appropriations and since 1968 has been decining each year.

Although in current dollars this is the biggest appropriations for defense in our history it will provide less purchasing power. In fact, this appropriation bill will require the Department of Defense and the Armed Services to reevaluate and tighten their respective belts. This is particularly true in the area of research and development. However, the conferees believe that the vital programs contained in this bill will be preserved or continued as appropriate and that no high priority project or weapon system has been dealt a fatal blow.

This bill reduces the budget request significantly, as the chairman has indicated, and will contribute to the reductions in Federal expenditures requested by the President.

Mr. President, I urge my colleagues to adopt this conference report.

Mr. STENNIS. Mr. President, will the Senator yield to me very briefly?

Mr. McCLELLAN. I yield.

Mr. STENNIS. Mr. President, I commend and also thank the Senator from Arkansas and the Senator from North Dakota for the long months, in fact 12 months, of work, attention, and effort that they have put into this bill. They have had to go over and over and over the same instruments, the same weapons systems, the same political questions, the same hardware, and the same manpower questions, all these months, and I know that they have already started work on next year's bill.

I think few of us realize how much there is involved here. I think we all realize that it is important. But they have done an excellent job and, in my opinion, the reductions have not cut into the bone and muscle of this military program, and the people of America can have the satisfaction of knowing, as I see it, that we do have a strong military protection, security or whatever name we may call it.

I made a speech the other day of a general nature, but about our Navy, the naval power which we have, which has been unfavorably compared by some with the Soviet Navy.

I think the facts are to the contrary. It is partly due very much to the work these gentlemen have done.

Mr. McCLELLAN. I thank the distinguished Senator from Mississippi. I do not think there is anyone in the Senate who is more familiar with the military, with its problems, its requirements, and the need for our support of it.

He is also a very valuable member on the Appropriations Committee, and has given us his assistance as we mark up these bills. His advice and counsel are always very helpful to the distinguished Senator from North Dakota (Mr. YOUNG) and myself. We value this assistance that the Senator has given.

Mr. YOUNG. I, also, want to thank the distinguished Senator from Mississippi for his favorable comments. His advice and counsel all through these months was very helpful. I do not know anyone in the Senate who has tried harder to reduce military spending but, at the same time, to maintain an adequate defense than the Senator from Mississippi. He has been most helpful.

Mr. THURMOND. Mr. President, will the distinguished Senator yield?

Mr. McCLELLAN. I yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I want to take this opportunity to congratulate the able distinguished chairman of the Senate Appropriations Committee, Senator McCLELLAN, and the able ranking member of that committee, Senator YOUNG, for the hard work, the dedication, and effective manner in which they have handled the defense appropriations bill. The defense appropriations bill is one of the most important bills to come before the Senate.

Some years ago it consumed—in fact, in 1968—about 42.5 percent of the budget. It is down now to about 27 percent of the budget.

There is no piece of legislation that can mean more to the survival of America than this defense bill. There are some items in here that some may feel are too low—and they probably are. There are other items that some may feel are too high. But I am pleased that these gentlemen have brought to the Senate a bill that we feel will protect the interests of America, and protect the survival of this country, and also that of the free world. I just want to express my high approval of their magnificent work.

Mr. McCLELLAN. Mr. President, I thank the distinguished Senator from South Carolina. I know he is one of those who believes strongly, as strongly as anyone in the Senate, that it is imperative that this country remain a first-rate power militarily. I certainly share his views.

It is true that, in some instances, we may have cut a little too much, but we are under the compelling necessity in these critical times with respect to the condition of our fiscal affairs to make reductions wherever possible.

I do believe, Mr. President, I say again, that we have struck a fair balance taking all attending circumstances and conditions into consideration, and I hope this bill will be, and I believe the funds to be provided will be adequate to maintain the deterrent that is necessary to make a contribution to the peace of the world.

Mr. President, I yield to the distinguished Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I am gratified to learn that the conferees to the fiscal year 1975 Department of Defense Appropriations bill have agreed to retain the essential spirit, if not the exact wording, of my amendment to that bill:

> SEC. 850. No funds appropriated to the Department of Defense in this Act may be used to transfer war materials to any foreign country, unless such transfers are specifically authorized by law.

As you know, the Department of Defense, in its request for fiscal year 1975 funds, proposed to procure $529.6 million of weapons and equipment for the purpose of adding to the war reserve stockpile in anticipation of future South Korean, South Vietnamese, and Thailand requirements in the event of war affecting those countries. Such a sum would have been in addition to the $517 million in weapons and equipment already stockpiled by the Department of Defense for such purposes during fiscal years 1973 and 1974.

This excess in the U.S. war reserve stockpile, which would have amounted to over $1 billion, presents, according to a July 17, 1974, GAO report, a situation whereby the excess could be transferred to foreign countries outside of the purview of the foreign military assistance ceilings as heretofore enacted into law.

I have several questions to address to the manager with regard to his understanding of the import of this section of the act.

Is it the manager's understanding that no funds in this act can be used to transfer war materials to a foreign country unless such a transfer is specifically authorized in some other act, such as the Foreign Assistance Act or the Foreign Military Sales Act?

Mr. McCLELLAN. Yes.

Mr. KENNEDY. In the absence of a specific authorization to transfer U.S. war materials to a foreign country, then no such transfer can be made?

Mr. McCLELLAN. That is correct.

Mr. KENNEDY. If the authorization to transfer U.S. war materials to a foreign country specifies that the costs of such a transfer—including the value of the materials themselves as well as any incidental transfer costs—are to be charged to foreign military assistance accounts, or to some other accounts, then such a specification would have to be adhered to?

Mr. McCLELLAN. Yes.

Mr. KENNEDY. And there would be no cost at all to the Department of Defense budget as appropriated in this act?

Mr. McCLELLAN. Yes. That is right.

Mr. KENNEDY. By the use of the language "specifically authorized," does this section mean that the transfer must be authorized on a country-by-country basis, or in a general sense?

Mr. McCLELLAN. In a general sense.

Mr. KENNEDY. Is it your understanding that the requirement for authorization to transfer U.S. war materials includes any transfers, such as by cash sales, credit sales, guaranties, grants, loans and leases, excess, or scrap?

Mr. McCLELLAN. That is correct.

Mr. KENNEDY. Is there current legislative authority to transfer U.S. war materials to a foreign country under the various manners I mentioned above?

Mr. McCLELLAN. There is.

Mr. KENNEDY. Would you cite the provisions covering each of those manners?

Mr. McCLELLAN. The Foreign Assistance Act and the Foreign Military Sales Act.

Mr. KENNEDY. Is it your understanding that the $529.6 million in war reserve stocks which the Defense Department has proposed to procure this year, as well as the $517 million in such stocks procured in prior years, are over and above the war reserve stocks requirements of U.S. active and reserve forces?

Mr. McCLELLAN. No; the materials are not identified within overall war reserve material stockpiles.

Mr. KENNEDY. Would the chairman consider requesting that a distinction be made in the future between the United States and the requirements of potential allies?

Mr. McCLELLAN. The General Accounting Office has been directed to make an in-depth study of the matter and report to the Committees on Appropriations in 6 months. The committee will explore the subject during its hearings on the fiscal year 1976 Defense budget.

Mr. KENNEDY. I thank the chairman.

UNWANTED WEAPONS IN FISCAL YEAR 1975 DEFENSE APPROPRIATIONS BILL

Mr. PROXMIRE. Mr. President, there are two defense items remaining in this fiscal year 1975 Defense Appropriations bill that were not requested by the Department of Defense.

There is a little over $100 million for 24 A-7D attack aircraft and $205.5 million for 12 F-111 fighter-bombers. By placing money in this bill for both these weapons, Congress has once again turned a deaf ear toward requests for moderation and good sense.

There is no justification for these aircraft to be in the budget. The Defense Department did not request funding for either plane. And yet for the second year running, the conference report turns out to have full funding for both aircraft. It is somewhat amazing to see how these two planes get full funding while other programs requested by the Pentagon are cut back. The sense of priorities seems distorted at best.

On August 7, I wrote the Secretary of Defense asking for a clear statement that the Defense Department does not need these aircraft and that they were not requested. I told Secretary Schlesinger that I would try to remove these appropriations if I could get a strong statement from him that they were not necessary to the national defense.

In place of a clear answer from the Secretary of Defense, I received a bureaucratic whitewash from the Assistant Secretary on Defense John M. Maury. Mr. Maury wrote on August 10 that:

> There are specific categories in which we might have wished to see larger authorizations and appropriations.

He went on to say:

> While we concur in the high regard the Committee on Armed Services of both the House and Senate have for the F-111F and A-7D aircraft, we believe these aircraft to be of lower priority than a variety of other programs included in our original request. Should the Congress desire to add funds for these aircraft, we would hope that this would not be done at the expense of programs which we consider of higher priority.

For that statement, Mr. Maury should receive the bureaucrat of the year award. He could not even force himself to say that the Pentagon had not even requested funds for these two aircraft.

Mr. President, I ask unanimous consent that the letter from the Assistant Secretary of Defense be printed in the RECORD.

One can only conclude, Mr. President, that once again Congress will look the other way and not question the most obvious example of wasteful spending in the defense budget.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., Aug. 10, 1974.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: The Secretary of Defense has asked that I reply to your letter of August 7 regarding funds for F-111F and A-7D aircraft in the FY 1975 Appropriations Bill.

With respect to the overall FY 75 Defense budget, there are specific categories in which we might have wished to see larger authorizations and appropriations. However, in present circumstances, we believe it to be an austere, but prudent budget.

While we concur in the high regard the Committee on Armed Services of both the House and Senate have for the F-111F and A-7D aircraft, we believe these aircraft to be of lower priority than a variety of other programs included in our original request. Should the Congress desire to add funds for these aircraft, we would hope that this would not be done at the expense of programs which we consider of higher priority.

Thank you for your continued interest in the Department of Defense.

Sincerely,

JOHN M. MAURY.

Mr. McCLELLAN. Mr. President, I move the adoption of the conference report on H.R. 16243.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

The PRESIDING OFFICER. The clerk will report the amendments in disagreement.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 7 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: $66,800,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 15 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: $7,062,030,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 15 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: $7,062,030,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 28 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

CONTINGENCIES, DEFENSE

For emergency and extraordinary expenses arising in the Department of Defense, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes; $2,500,000.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 34 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: $729,500,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 38 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert: and in addition $70,000,000 for escalation and cost growth on prior year programs which shall be derived by transfer from "Shipbuilding and Conversion, Navy 1973/1977".

Mr. McCLELLAN. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 7, 15, 28, 34, and 38.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas.

The motion was agreed to.

Mr. McCLELLAN. Mr. President, I yield the floor.

ADMINISTRATION POLICIES TOWARD THE OIL-PRODUCING COUNTRIES

Mr. THURMOND. Mr. President, yesterday the administration addressed the very serious implications of the unrestrained economic nationalism presently being exhibited by many of the oil-producing nations.

In separate speeches, President Ford, Secretary Kissinger, and Secretary Simon accurately warned that the artificial rigging of oil prices threatened the structure of world security and could bring disastrous consequences.

Mr. President, I fully share the grave concerns expressed yesterday, and pledge my support to the necessary efforts to meet this threat, not only to the economic survival of the United States, but to the rest of the world.

President Ford stated five principles which should be embodied in a comprehensive energy program for the world: increased production, decreased demand, cooperation between producers and consumers, attention to the poorer nations, and fair pricing. I endorse these principles, and sincerely hope that negotiation, cooperation, compromise, and common sense will result in their implementation. A stable and binding understanding of all concerned nations is essential—and it must be obtained soon.

Mr. President, I would like to add one point. The American people are willing to negotiate, to cooperate, to compromise, to use common sense—and to sacrifice—to resolve the severe economic problems that face the United States and the world today.

However, the American people will not stand idly by and watch our great country destroyed by economic blackmail. I caution all concerned nations to recognize and remember that the American people unite when their security is threatened, and that they will rise to meet any danger with the appropriate action.

A LATIN-AMERICAN NEWSPAPER'S COMMENT ON THE CUBA-PANAMA AXIS.

Mr. THURMOND. Mr. President, many people are now saying that we must make concessions to extreme nationalism in Latin America if we are to maintain a friendly relationship with those countries. We are told that we should make these concessions even if they play into the hands of Communist and pro-Communist governments. Examples of such suggested concessions include the surrender of our sovereignty in the Canal Zone to Panama, and diplomatic recognition of the Castro regime in Cuba.

Such concessions are in the interests neither of the American people or the peoples of Cuba, Panama, or other Latin American countries. The people of Latin America are aware that it is not in their interest for the United States to withdraw its friendly presence from its rightful sphere. I have recently received an English translation of an article by Guillermo Martinez-Marquez which appeared in the Spanish-language press throughout Latin America, and which carefully analyzes the implications of recent developments in Cuba and Panama. Senor Martinez-Marquez clearly warns that these developments will lead to disaster for freedom-loving people everywhere unless the United States drastically changes the course of its policies.

This article appeared in the following papers:

La Prensa, New York; Mundo, San Juan, P.R.; Caribe, Dominican Republic, Los Tiempos de Cochabamba, Bolivia; El Imparcial, Guatamala; El Heraldo, Mexico; Diario de la Paz, Bolivia; Columbiano Medellin, Columbia; Los Principios, Cordova, Argentina; Guia de la Plata, Argentina; La Capital Rosario, Argentina; El Litoral Sta Fe, Argentina; and Diario de las Americas, Miami.

Mr. President, I ask unanimous consent that the article by Senor Martinez-Marquez be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Dangerous Panama-Havana Axis

(By Guillermo Martinez-Marquez, English translation from original Spanish)

The restoration of the diplomatic relations Panama-Cuba announced officially by the government of Torrijos, is not even news. For long time, the two dictators were having cordial relations and exchanges of every kind. They were brought together by their Marxist ideology in one hand, and the common hate to the United States in another. In good logic is possible to understand that the Russians gave them a helping hand to this understanding. At the end, they may be the ones who can benefit the most with what can be known as the Panama-Havana Axis.

For long time, the men that study the geopolitics of this hemisphere have been worried about the aggressive campaign of the Panamanian regime, supported, of course, by those allied to Moscow as well as the demagogs from South America and the "liberals" from the North. The call to a meeting of the Security Council of the United Nations, which could and should have been vetoed by Washington, did not open the public opinion eyes in this country, almost completely absorbed by the Watergate scandal. But that meeting, and the position stated in it, had the characteristics of a frontal challenge to the North Americans.

The "joint declaration" signed February 7th of this year by the dynamic Secretary of State Henry Kissinger and the Panamanian Chancellor, only produced a short pause in the contest, and the pause only was prolonged, officially during the meetings at Tlatelolco, Washington and Atlanta.

It was clear since then, that Panama was going to insist in the demands and that at each meeting was going to adopt a harder position to the point of threats. And it was easy to realize that even if Kissinger would have wanted, it would have been impossible for him to concede to the demands of Torrijos, because any understanding even in principles, would have to be approved by the United States Senate. And the U.S. Senate, with the leading of Senator Strom Thurmond, decided to maintain at least the military protection of the Canal Zone, because of the unquestionable strategic importance for the United States.

While the attention of the North American people was distracted by the proceedings towards the destitution of Nixon internally, and by the dangerous tensions externally, especially in the Middle East and later in Chipre, the Panamanian government continued with their plan, with the cooperation of the "Anti-Yankis Governments of the Continent," which are increasing in number every day and seem to be more decided against their "rich and powerful neighbor."

The businesses of Torrijos and his family were extended to Costa Rica and Honduras. A campaign, similar to the Arabian Oil campaign, was planned with the bananas from Central America. The ties and promises of help were strengthened between Havana and Panama.

Nobody paid attention to Senator Thurmond when he emphatically expressed that the sovereignty of the Panama Canal should never be released by the United States and that the control and operation of the canal were essential to the defense of this country.

His colleague, Gale W. McGee, was of the opinion that it was possible to reach a mutually agreeable treaty and that proof of good will was necessary for the negotiations.

Now everything is clear. The conversations and joint resolutions of February of this year, were only movements by the Panamanians, in order to gain the time needed by them, to reach other agreements more important for them, with the traditional U.S. enemies.

The offerings from Havana to help Panama in its fight with United Brands Co. is more important than what has been reported. Cuba will sign some time soon, a treaty of "mutual help" with Panama. This Cuban help, will not be limited to buying bananas, which Cubans don't need, but also to the export of modern arms, planes, rockets, etc.

The Panamanians will then state, that they don't need North American help to protect the Canal, because the Cubans have given them what is needed for self-defense.

And following the Cubans, is logic to imagine, the "technicians and strategics" from Russia, will be there!

Those are the dangers—dangers that right now, can be seen very clear—from the Panama-Havana Axis Proposition.

If Washington doesn't act fast and with energy, an International campaign against the U.S. permanency in Panama is sure to start soon.

And following the Panama Canal, the Naval Base in Guantanamo, Cuba will be next.

And, like in the Nixon case, there will be many of the "so called" friends of Washington that will, one by one, join their adversaries.

There will be the ones who will assure that the solution of the problem is the recognition of the Cuban regime! . . . Open doors to the O.E.A. and let them infiltrate the Universities, the Art medias, the News media, and the minorities in this country!

This way will be the opening of a dramatic chapter about the most dramatic capitulation of the democracy in our times.

RESOLUTION ADOPTED BY CONCERNED LIVESTOCK FARMERS IN SOUTH CAROLINA

Mr. THURMOND. Mr. President, much has been said in recent months about the wide disparity between farm and retail prices of red meats. The special task force appointed by Secretary of Agriculture Earl Butz to study this subject found that the farm-retail price spread for beef and pork in the first half of 1974 was the highest it has been in the last decade. Neither our livestock farmers nor American consumers are very happy over this situation, and I think it is imperative that Congress strongly consider the recommendations of the special task force in an effort to achieve greater efficiency in the marketing of red meat.

South Carolina livestock farmers are very disturbed over this situation. Many of them are on the verge of bankruptcy because farm production costs far exceed the prices they are now receiving for their cattle and hogs. Yet, at the same time, the prices of beef and pork in the grocery stores remain unusually high.

Recently a group of approximately 60 farmers from Darlington County, S.C., met to discuss the livestock situation. The group agreed that current retail meat prices do not accurately reflect farm prices, which are so low that farmers are sustaining significant losses on every animal produced. In an effort to point out these inequities to agricultural agencies and leaders, the Darlington County Livestock, Poultry, and Dairy Committee adopted a resolution urging a greater degree of economic competition and efficiency in the marketing of beef and pork. The group also requested that the news media be more attentive to the price relationships of farm products at all marketing levels.

Mr. President, I ask unanimous consent that this resolution adopted by the Darlington County Livestock, Poultry, and Dairy Committee be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is ordered.

(See exhibit 1.)

Mr. THURMOND. I also ask unanimous consent that a recent news article in the September 7, 1974 issue of the Index-Journal of Greenwood, S.C., be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Low Prices May Cull Livestock Farmers' Ranks

(By Vicki Thomas)

While the price of beef is still high in the stores, low prices being paid for cattle on the hoof could put many people out of the livestock business this year.

"I don't see how the livestock farmer can survive on prices paid for feeder calves this year," Dan Warner, president of the S.C. Livestock Producers Association said. "Some calves are bringing about one-fourth of what they brought last year while grain and fertilizer prices have almost doubled."

Warner explained that with the price of feed so high it costs about 50 cents to put one pound on a calf. But farmers are only receiving between 38-40 cents per pound for their cattle.

"We had a sale Thursday night and the results were very disappointing. And it looks like prices will go even lower," Paul Lofton, vice president of Greenwood Area Feeder Cattle Sales said.

He said, "Last year many farmers held cattle back thinking that prices would go up. Now their cattle are overweight and they have too much surplus," he said.

Lofton said farmers now are really hurting with low prices, causing some to go bankrupt with losses of over $100 per head.

"I've been in the cattle business for 30 years and this is the first time I've lost money on cattle," he said.

"The price of grain is grading out the choice cattle, that's where the real pinch is," Lofton added.

"In one or two years, if grain prices keep rising, there won't be any feeder cattle. We'll have a lot of lean meat, but it will be very tough."

Although livestock prices have been falling since February, many farmers are not yet aware of how serious their losses may be.

"Most farmers don't sell their cattle until the end of the year and they haven't realized what is happening yet," Warner said. "Many of these farmers owe money and they will never make their payments with prices what they are."

He said while many are still in the livestock business, the lower prices should knock them out when they go to sell their cattle.

Johnson Craig, a Greenwood livestock farmer, said, "If production and profitability don't improve, it will be necessary for a great many livestock farmers to do something else."

Craig said the new low prices are creating "a real depression in livestock farming."

"Livestock producers are caught in a price squeeze, between the high labor costs and low beef prices," he said. "Cattle prices follow a cycle of rises and falls about every 10 years, but none have been as severe as at this time."

But while prices are low for cattle farmers, prices in food stores remain high.

"I don't see how beef in the store can be so high, as cheap as they pay for it," Warner said. "Cattle prices are down by about one-half but beef prices are still as high as ever."

Warner said he had heard that, "with beef prices so high, red meat would be replaced by soybeans. But with beef as cheap as it is there is no way it could be replaced," he said.

"Forty cents on the hoof and about $2 per pound for choice cuts to get it back is too far out of proportion," he added.

Lofton blames the U.S. import-export market for part of the farmer's problem.

"I know we have to export things, and import too, but I think we import too much beef," he said. "We're now importing more than we ever have and I think it is having this effect on the livestock industry."

Mr. THURMOND. This article contains comments of several beef cattle farmers regarding the cost-price squeeze which now threatens their livelihood.

I would urge that Congress and this administration heed the voices of our farmers who are experiencing economic hardships. They, as much as any other group in our economy, are bearing the full brunt of inflation. Production costs continue to soar, while farm prices for beef and pork are only slightly over half what they were a year ago. I strongly support the efforts of the administration to halt the inflationary spiral. Bringing inflation under control will benefit us all, and it will especially aid the American farmer.

EXHIBIT 1

RESOLUTION AS REQUESTED BY FARMERS OF SEPTEMBER 6, 1974, DARLINGTON, S.C.

The Darlington County Livestock, Poultry, and Dairy Committee, in acknowledgement of both unprofitable livestock production price relationships and unreasonably elevated meat prices, adopts the following resolutions:

(1) That farm organizations and related associations take an active leadership in defending the right of the American public to purchase farm products at prices regulated by the laws of supply and demand in proper relationship to farm and wholesale prices.

(2) That all news media be encouraged to report price relationship of farm products.

Livestock producers respect the right of retail merchants to make a fair profit; however, food items such as red meat should not be sold at increased prices to protect the sale of non-food items.

T. B. CUNNINGHAM,
Chairman,
Total Resource Development Committee.
POSEY D. KELLEY,
Chairman,
Livestock, Poultry & Dairy Committee.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business this afternoon it stand in adjournment until the hour of 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR EAGLETON AND SENATOR ROBERT C. BYRD TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the leadership has been recognized tomorrow that the distinguished Senator from Missouri (Mr. EAGLETON) be recognized for not to exceed 15 minutes, and that the distinguished assistant majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF RAILROAD RETIREMENT ACT OF 1937—UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when Calendar No.1112 (H.R. 15301), an act to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered thereunder, and for other purposes, is called up, there be a time limitation of 3 hours on the bill, 1 hour on amendments, in the usual form, and that rule XII be waived. That will apply to H.R. 15301, which hopefully, we can take up tomorrow afternoon on the second track basis.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD subsequently said: Mr. President, I would like to add to my unanimous-consent request concerning the Railroad Retirement Act, that there be 30 minutes on debatable motions and appeals, the time to be equally divided in the usual manner.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the unanimous-consent agreement is as follows:

Ordered, That during the consideration of H.R. 15301, an act to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered thereunder, and for other purposes, debate on any amendment shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion or appeal shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion or appeal.

WEATHER MODIFICATION ACTIVITIES

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3320.

The PRESIDING OFFICER (Mr. DOMENICI) laid before the Senate the amendment of the House of Representatives to the bill (S. 3320) to extend the appropriation authorization for reporting of weather modification activities, as follows:

Strike out all after the enacting clause and insert: That section 6 of the Act entitled "An Act to provide for the reporting of weather modification activities to the Federal Government", approved December 18, 1971 (15 U.S.C. 330e), is amended by striking out "ending June 30, 1973, and June 30, 1974," and inserting in lieu thereof "1973, 1974, 1975, 1976, and 1977,".

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the amendment of the House.

The motion was agreed to.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the disposition of the special orders tomorrow there be 30 minutes for the conduct of morning business with a time limitation of 5 minutes attached thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, the pending business tonight will be the pending business tomorrow At the conclusion of the morning hour, and hopefully sometime around 3 o'clock or thereabouts, or perhaps a little earlier, we will be able to consider the Railroad Retirement Act.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. MANSFIELD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12 o'clock noon tomorrow.

The motion was agreed to; and at 3:50 p.m., the Senate adjourned until tomorrow, Wednesday, September 25, 1974, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate September 24, 1974:

DEPARTMENT OF JUSTICE

Peter C. Dorsey, of Connecticut, to be U.S. attorney for the district of Connecticut for the term of 4 years vice Stewart H. Jones, resigned.

George Beall, of Maryland, to be U.S. attorney for the district of Maryland for the term of 4 years. (Reappointment.)

Johnny M. Towns, of Alabama, to be U.S. marshal for the northern district of Alabama for the term of 4 years. (Reappointment.)

Frank X. Klein, Jr., of California, to be U.S. marshal for the northern district of California for the term of 4 years vice George E. Tobin, term expired.

Kenneth M. Link, Sr., of Missouri, to be U.S. marshal for the eastern district of Missouri for the term of 4 years. (Reappointment.)

Edward S. King, of New York, to be U.S. marshal for the western district of New York for the term of 4 years. (Reappointment)

Charles W. Koval, of Pennsylvania, to be U.S. marshal for the western district of Pennslyvania for the term of 4 years. (Reappointment)

Marshall F. Rousseau, of Texas, to be U.S. marshal for the southern district of Texas for the term of 4 years. (Reappointment)

IN THE MARINE CORPS

The following: named officers of the Marine Corps for permanent appointment to the grade of major general:

Victor A. Armstrong
Wilbur F. Simlik
William G. Joslyn
William R. Quinn
Francis W. Vaught
Robert L. Nichols

The following-named officers of the Marine Corps for permanent appointment to the grade of brigadier general:

Nolan J. Beat
Edward A. Parnell
Thurman Owens
Edward B. Meyer
William J. White
Noah C. New
Harold L. Coffman
Maurice C. Ashley, Jr.

IN THE ARMY

The following-named persons for reappointment in the active list of the Regular Army of the United States, from the temporary disability retired list, under the provisions of title 10, United States Code, section 1211:

To be colonel, Regular Army, and colonel, Army of the United States

Balthis, Jack L., [redacted].
Taylor, Noble E., [redacted].

To be lieutenant colonel, Regular Army, and Colonel, Army of the United States

Hauck, Wayne O., [redacted].
Tierney, Marian A., [redacted].

To be lieutenant colonel, Regular Army, and lieutenant colonel, Army of the United States

Stielau, Walter E., 271–05–6569.
Tyndall, Arnold E., [redacted].

The following-named persons for appointment in the Regular Army, by transfer in the grade specified, under the provisions of title 10, United States Code, sections 3283 through 3294:

To be first lieutenant

Besanceney, Charles F., [redacted].
Bryan, Peter K., [redacted].
Butler, Craig D., [redacted].
Catangaro, Thomas E., [redacted].
Coleman, Fred H., [redacted].
Coolger, Arthur C., Jr., [redacted].
Edwards, Fred H., [redacted].
Fournier, Raymond M., [redacted].
Freeley, Douglas A., [redacted].
Hadley, Phillip, Sr., [redacted].
Rogers, Jack A., [redacted].
Savory, Carlton G., [redacted].
Stalker, William H., [redacted].
Swee, Ross B., [redacted].
Truxal, Daniel J., [redacted].
Weeks, Kenneth D., [redacted].
Withrow, Gene, [redacted].

The following-named persons for appointment in the Regular Army of the United States, in the grades specified, under the provisions of title 10, United States Code, sections 3283 through 3294 and 3311:

To be lieutenant colonel

Powers, Charles F., [redacted].

To be major

Aiken, Clyde M., [redacted].
Burns, Thomas P., III, [redacted].

To be captain

Aaron, Gerald R., [redacted].
Agar, John A., [redacted].
Anderson, Garry B., [redacted].
Backenstose, William M., [redacted].
Bartelt, David F., [redacted].
Beamesderfer, Henry C., [redacted].
Brander, William, [redacted].
Burston, William Allen, [redacted].
Davenport, David E., [redacted].
Derouen, Donald B., [redacted].
Dunn, John P., [redacted].
Eiffler, Darrell D., [redacted].
Fowler, William H., Jr., [redacted].
Gardner, Furmon M., [redacted].
Godat, Ronald F., [redacted].
Griffin, Robert E., Jr., [redacted].
Hanley, Joseph B., Jr., [redacted].
Haym, Jerome L., [redacted].
Kallio, Donald M., [redacted].
Klee, Jimmy M., [redacted].
Lessin, Michael E., [redacted].
Liggett, William R., [redacted].
Pirk, Frederick W., [redacted].
Rampton, Jon B., [redacted].
Ramseth, Douglas J., [redacted].
Smith, Malcolm G., Jr., [redacted].
Vincent, Jack W., [redacted].

To be first lieutenant

Alfino, Joyce, [redacted].
Bailey, Mary A., [redacted].
Carty, Robert E., [redacted].
Childress, Robert L., [redacted].
Daake, Dean R., [redacted].
Deane, Lawrence J., [redacted].
Deline, Donald A., [redacted].
Dennis, David A., [redacted].
Douglas, Earl M., [redacted].
Drobotij, Elias, [redacted].
Dunn, Larry M., [redacted].
Ebert, Linda M., [redacted].
Godwin, Fitzhugh L., Jr., [redacted].
Goetz, Mary A., [redacted].
Grace, James N., [redacted].
Hagan, William R., [redacted].
Helms, William F., Jr., [redacted].
Jackson, Robert T., [redacted].
Klein, Harley G., [redacted].
Kozma, Marie G., [redacted].
Lemberger, Jerome L., [redacted].
Levinson, Carolyn H., [redacted].
Lopez, Julio R., [redacted].
Martin, Gerald K., [redacted].
Martin, James A., [redacted].
Mayer, Randell F., [redacted].
McCarthy, Daniel C., [redacted].
Meyers, Charles E., [redacted].
Moen, Cynthia S., [redacted].
Murphree, Billie D., [redacted].
Newell, Robert D., [redacted].
Nieves, Wilfredo, [redacted].
Northrop, John K., [redacted].
Petersen, Robert G., [redacted].
Pine, Louis F., [redacted].
Potter, Joseph C., [redacted].
Pulskamp, Frank E., [redacted].
Rehm, Adele L., [redacted].
Schlueter, David A., [redacted].
Sewell, Benjamin C., III, [redacted].
Sherman, Frank Biddle, Jr., [redacted].
Shire, Lawrence H., [redacted].
Smith, Joyce A., [redacted].
Smith, Thomas M., [redacted].
Taylor, William S., [redacted].
Wells, Walter L., [redacted].
Yustas, Vincent P., [redacted].

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 2106, 3283, 3284, 3286, 3287, 3288, and 3290:

Banks, Quentin W., Jr., [redacted].
Crocker, Richard H., [redacted].
Davis, Terry M., [redacted].
Deardorff, Stephen E., [redacted].
Dobbs, Ronnie D., [redacted].
Dunavant, Larry R., [redacted].
Dunn, Patrick Y., [redacted].
Frysinger, Richard B., [redacted].
Goodrow, Russell D., [redacted].
Grigsby, Kerry E., [redacted].
Haass, William C., [redacted].
Hackerson, Michael W., [redacted].
Hall, Jimmie C., [redacted].
Hicks, Harvey W., [redacted].
Hill, Frank G., [redacted].
Huffman, Dennis G., [redacted].
Lambert, Alvin L., [redacted].
Lesslie, Gary A., [redacted].
Morgan, Craig A., [redacted].
Nishikawa, Jeffrey M., [redacted].
Nishizawa, Bryan T., [redacted].
North, Robert D., [redacted].
Pierce, Jeffery L., [redacted].
Place, Charles A., [redacted].
Raymond, Douglas C., [redacted].
Sharkey, John D., [redacted].
Smith, Eric F., [redacted].
Sparkman, Harvey B., III, [redacted].
Thacker, William R., [redacted].
Tovar, Roberto, [redacted].
Trimbur, Gregory R., [redacted].
Trimmier, Timothy C., [redacted].
Tucker, Archie L., [redacted].
Van Cour, Daniel M., [redacted].
White, Ronald W., [redacted].
Wiser, Edward H., [redacted].
Woody, Leonard S., Jr., [redacted].

The following-named scholarship students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 2107, 3283, 3284, 3286, 3287, 3288, and 3290:

Davis, Gregory S., [redacted].
Depper, Robert L., Jr., [redacted].
Guild, Peter B., [redacted].

Harris, Jeffrey L., [redacted].
Harville, Donald L. [redacted].
James, Michael F., [redacted].
Lee, Joseph K., Jr., [redacted].
Mattingly, Richard T., [redacted].
Mikalauskas, Thomas P., [redacted].
Nakai, Alan T., [redacted].
Payne, James E. III, [redacted].
Petersen, Murray T., [redacted].
Urias, John M., [redacted].
Wooten, James B., Jr., [redacted].
Yocom, Charles W., [redacted].

IN THE NAVY

The following-named officers of the U.S. Navy and Naval Reserve for temporary promotion to the grade indicated in the line subject to qualification therefor as provided by law:

LINE

Captain

Agnew, Dwight Merle, Jr.
Albee, Thomas Louis, Jr.
Alexander, Adelore Louis
Almberg, Francis Joseph
Alvarado, Ramon Catalino
Amoruso, Alfred Paul
Anderson, Eugene Gottshall
Anderson, Joseph Franklin
Anderson, Thomas Frank
Arnold, Robert Burton
Atwood, Henry Clayton, Jr.
Austin, James Willis
Banham, Herbert George, Jr.
Barber, James Alden, Jr.
Barber, William Harris
Barke, Arthur Randall
Barker, George Delmar
Barrett, Thomas Donald
Bartlett, Frederick Robert
Basford, Michael Gordon
Bassett, Bradley Alden
Bauchspies, Rollin Leroy, Jr.
Baumgardner, John Frederick
Beck, Walter Raymond
Belechak, Stephen Clair
Bell, James Franklin
Berg, Robert Lloyd
Bergbauer, Harry William, Jr.
Berkhimer, Frank Reed
Berry, Richard Clayton
Berthe, Charles Judson, Jr.
Biggar, William
Bilyeu, Roland Clarke
Blaes, Richard William
Block, Steven
Boland, Bruce Raymond
Booth, Peter Blake
Bowling, Charles Ray
Brackin, John David
Briner, Robert Rathbone
Bristol, Robert Burton
Brown, Christopher Howard
Brown, Robert Henry
Brown, Thomas Francis, III
Buchanan, Edward Oliver
Buckley, James Ralph
Burnett, William McKee
Byington, Melville Rhoten, Jr.
Byrd, Mark Willard
Byrne, John Anthony, Jr.
Cammall, John Kenneth
Campbell, Hugh Joseph, Jr.
Cane, Guy
Carlson, Dudley Louis
Carmody, Cornelius James
Carroll, Peter August
Carter, Gerald Michael, Jr.
Casimes, Theodore Chris
Castro, William Bernard
Cavicke, Richard John
Chidley, Ralph Edward
Clark, Charles Raymond
Cleveland, Jerome Laverne
Cloud, Benjamin Wallace
Coe, Raymond Paul
Colbus, Louis
Cole, Thomas Thadeus, Jr.
Coleman, Richard Fredrick
Collier, Byron Henry
Conaughton, Robert Gail
Conboy, Thomas William
Connolly, Paul Patrick
Copeland, Edward Claremont
Corkhill, Thomas Mills
Cox, Gerald Wilbur
Cox, Henry
Crandall, Alan Walker
Crawford, Bobby Charles
Crawford, Roderick Phillip
Crayton, Render
Cross, Claude Christopher
Culbert, Joseph Matthew, Jr.
Currier, Richard Andrews
Curry, Thomas Leo
Czaja, Bernard Francis
Daigneault, Joseph John, Jr.
Dalton, Richard Velez
Davidson, Charles Homer
David, Robert Hampton, Jr.
Deam, Norman Arthur
Dean, Herbert Joseph
Dehart, William
Delaney, John Ross
Dillion, Alfred John
Dipace, Joseph Victor
Donnell, Joseph Stover, III
Donnelly, Richard Finlay
Donovan, Daniel Emmett
Donovan, Philip Carney
Drayton, Henry Edward, Jr.
Drenkard, Carl Curtis
Dunn, John Francis
Durant, Thomas Wynne
Easton, Peter Bigelow
Ediin, Robert Lee
Edney, Leon Albert
Edwards, Donald Lee
Elder, Ralph Collins
Eldridge, David Burton, Jr.
Elliott, Donal Willis
Fellingham, Robert Walter
Fellows, Charles Dwight
Ferguson, David Edward
Fiedler, Peter Bernard, Jr.
Fiske, Harry Kenneth
Flaherty, Robert Michael
Flatley, James Henry III
Fletcher, John Gibbs
Forsman, Arvid Edwin
Forsyth, James Perry
Foster, Clifton Gideon, Jr.
Fountain, Robert Roy, Jr.
French, Henry Appold
Freund, Herman Clifford
Furey, Laurence Thomas
Furlong, George Morgan, Jr.
Gaffrey, Leo Joseph
Gaskill, Richard Tillman
Gibber, Philip F
Gilham, Richard Davison
Glover, Dennis Charles
Glovier, Harold Alba, Jr.
Goddard, Thomas Bohner
Greene, George William, Jr.
Griffiths, Rodney Dick
Guess, Malcolm Nueal
Hall, John Valentine
Hamel, Louis Henry III
Hanigan, Marvin Frank
Hargrave, William Walter, Jr.
Harris, James Corbett
Hawkins, Cecil B, Jr.
Hay, James Cahill
Hayes, James Clero
Helm, George Neville, Jr.
Helms, Raymond Earl, Jr.
Henifin, Edward Eugene
Henson, George Marshall
Herzer, Oscar Alfred
Heyward, Irvine Keith IV
Hickman, William James
Hicks, Dilliard Dashwood, Jr.
Higgins, John Francis
Highfill, Kenneth Lee
Hille, Edward William
Holland, William Jeremiah, Jr.
Hollenbach, Richard George
Hollingworth, Roy Milton
Holloway, Lowell John
Hope, Herbert Arthur, Jr.
Hopper, Thomas Miner
Horowitz, Norman
Hryskanich, Paul Louis
Hubbard, Clifford Ray, Jr.
Hubbell, Walter Bates
Hughes, Peter Finley Hugh
Hughes, Ronald Everett
Huisman, Roland Keith
Hunter, William Joseph
Hurt, Jonathan Swift
Ireland, Blair
Isaacs, Allen Leonard
Jobe, James Eldon
Johnson, William Thomas
Johnston, Fox Helms
Johnston, Fred William, Jr.
Jolliff, James Vincent
Jones, John Lee
Joy, James Anderson
Kattmann, Roger Hugo
Kearns, William Anslem, Jr.
Keely, Leroy Bertrand
Kiernan, Warren Randall
King, Richard Boose
Kingsley, Stephen Sackett
Kingston, John James, Jr.
Kinley, Frederic Henry M.
Kneisl, John Frederick
Knepper, Donald Eugene
Kohn, Edwin Rudolph, Jr.
Kowalskey, Zygmont John, Jr.
Krumwiede, Jerold Laverne
Lahr, John Jude
Lardis, Christopher Stephen
Larson, Charles Robert
Laurentis, William Donald, Jr.
Learned, Charles William, Jr.
Leslie, Richard
Lewis, Willis Ivan, Jr.
Limroth, David Fuller
Lindsay, Gilbert Moore
Livingston, Robert Neal
Loeffler, William Herbert
Lorden, Lawrence Robert
Lott, William Andrew
Lyons, Philip
Mackinnon, Malcolm, III
Maddox, Iven Junior
Marsha, Patrick Paul, Jr.
Martinez, Lucian Charles
Masalin, Charles Ero
Mason, Ralph Alton, Jr.
Mathis, Harry Lewis, II
Matthews, Paul Calvin, Jr.
Mauldin, James Howard
Mauldin, Richard Allen
Maxwell, John Anthony
McCaffree, Burnham Clough, Jr.
McCarthy, Gerald Duane
McCarty, Charles Merrill
McClellan, Parker Wilkinson
McCrane, Brian Patrick
McDowell, Don Hardin
McKay, Robert Wallace
McKee, George Roush Jr.
McKenzie, James Arthur, II
McKenzie, Jon Consitt
McKinster, James Ward
McNulty, James Francis
Melville, Noel
Meyer, Donald James
Miller, Raleigh Bryan, Jr.
Miller, Ronald Chester
Mode, Paul Joseph
Moranville, Kendall Elmer
Morton, Robert Ryan
Moss, Robert Beuford
Mozley, James Frederick
Mullen, Richard Dean
Munsey, Malcolm Harvey
Munson, Roger Dow
Murphy, Richard Glenn
Myers, Lowell Richard
Narmi, Ronald Eugene
Neel, William Mayson
Nix, Walter Collier
Obrien, John Timothy
Oldmixon, William John
Olson, Gerard Robert
Omalia, Robert John
Orsik, Walter Anthony
Oshaughnessy, Robert Joseph
Parker, Jackson Knowles
Pasztalaniec, Matthew Franci
Patrick, Julian Cleveland

Patterson, Lee Roy
Patterson, William Vanhorn
Paulson, Allan Gerald
Peery, William Kiah
Petersen, Walter Richard
Peterson, Dale Arthur
Peterson, Mell Andrew, Jr.
Petit, Pierre Andre
Phoenix, David A.
Pippin, William Earl
Pitkin, Ronald Eugene
Poore, Ralph Everett
Pope, John William Rippon, Jr.
Poreda, Charles Peter
Potosnak, Joseph Edward
Prezioso, Ronald
Primeau, Don Gene
Purtell, Joseph Michael
Ramzy, James Robert
Reisinger, John Ebling
Renard, John Walter
Rice, Gary Leavitt
Ricketts, Myron Vernon
Riendeau, Arthur Ovilda, Jr.
Robertson, Robert Russell, Jr.
Robey, George Roscoe, Jr.
Roth, Conrad Warren
Ruggles, Kenneth Warren
Sabol, Ernest John, Jr.
Schaadt, Douglas Dean
Schlenzig, Robert Edward
Schmitt, Robert William
Schoeffel, Peter Vanruyter
Seifert, Robert Joel
Sellers, John William
Sesler, Ralph Morris
Shanaghan, John Joseph
Shea, Rolland Kenneth
Shewchuk, William Michael
Shoemyer, James Wesley
Shughrou, John James, Jr.
Shuman, Edwin Arthur, III
Simon, Roger Oscar
Sisson, Thomas Upton, Jr.
Skarlatos, Paul
Skillen, Robert Leroy
Smidt, Robert Lloyd
Smith, William Dee
Snyder, Virgil Chester
Somerville, William Joseph
Southwick, Charles Everett
Spargo, Richard Aloysius
Spaulding, Ralph Leon
Speirer, Paul Everett, Jr.
Steel, Charles Elwood
Steele, Ted Charles, Jr.
Stefferud, David Roberts
Stembel, David Maynard, Jr.
Stephens, Wayne Leon
Stoffel, Michael John
Stoltz, Kenneth Edward
Storck, Bernard Frederick
Storms, James Granville, III
Stovall, John Charles
Struven, Robert Louis
Sturm, Gerard Majella, Jr.
Sullivan, John Grover
Sweeney, John Henry, III
Tanner, Charles Nels
Taylor, Charles Claburn
Taylor, Harold Addison, Jr.
Taylor, James Donald
Tenney, Vincent Laurel
Thalman, Robert Hillix
Thompson, Richard Lee
Tomion, Jack Walter
Toole, Morton Egner
Townley, John Louis
Treagy, Paul Everett, Jr.
Trebbe, Shannon Leigh
Trenham, Herbert Delos
Trevors, George Aloysius
Turner, Ralph Alamore, Jr.
Ulrich, Charles Henry
Vanantwerp, Richard Don
Vandyke, Willard Herman, Jr.
Vatidis, Christopher Robert
Vaughan, Evan James, Jr.
Vellom, Lee Sherwin
Vohden, Raymond Arthur
Walker, Peter Robert
Wallace, James Dewey, Jr.
Walsh, Don
Watson, Robert M.
Watson, Thomas Campbell, Jr.
Weaver, John Clark
Webster, James McAllen
Weir, Jack Tex
West, Denton Walter
Wheeler, Charles Griggs
White, Bernard Adelbert
Wilkinson, Edward Anderson J.
Will, John Mylin, Jr.
Williams, Edward O'Neil
Williams, Ronel Joseph Donal
Williamson, James Frederick
Wilmer, Robert Ringgold
Wilson, David Glenn
Winkowski, John Raymond
Winslett, John Candler, Jr.
Winton, Fred B., Jr.
Wirt, Robert Orville
Wisdom, Robert Willis
Withers, Fred John
Wood, Noel Temple
Woodward, John Leslie
Wright, James Russell
Wyckoff, Peter Bedle
Yates, James Lucas, Jr.
Young, James Edward
Youngblood, Newton Crawford
Zidbeck, William Edward
Zirps, Christos

The following-named women officers of the U.S. Navy, for permanent promotion to the grade of captain in the line, subject to qualification therefor as provided by law:

Barrett, Elizabeth Merriman
Hartington, Pauline Martha
Kuhn, Lucille Ross

IN THE MARINE CORPS

The following-named officer of the Marine Corps for permanent appointment to the grade of colonel:

Jenny Wrenn

The following-named officers of the Marine Corps for permanent appointment to the grade of lieutenant colonel:

Vera M. Jones
Gail M. Reals

The following-named officers of the Marine Corps for temporary appointment to the grade of lieutenant colonel:

Patrick G. Collins
John F Drummond
James P. Griffin
Donald W. Johnston
Charles J. Mears, Jr.
Richard P Miller
Charles G Mulford
Merton J. Oss
James E. Wells

The following-named officers of the Marine Corps for permanent appointment to the grade of major:

Delores R. Gresham
Shirley E. Leaverton
Barbara A. Schmidt

The following-named officers of the Marine Corps for temporary appointment to the grade of major:

Michael C. Arajian
Charles K. Ables
Robert L. Adams
John H. Admire
Allan A. Algoso Jr.
George E. Allen, Jr.
Kenneth E. Allen
Lloyd Allen, Jr.
Jose G. Alonzo
Richard S. Alvarez
Granville R. Amos
George A. Ampagoomian
Charles W. Anderson
Lee H. Anderson
James O. Atkinson, Jr.
John P. Aymond, Jr.
Russell F. Bailes, Jr.
Thomas C. Bailey, Jr.
Richard A. Bagby
Randolph S. Balara
Lorenzo R. Bancells
Andrew R. Barkovich
Garold N. Batterman
Michael C. Bell
Virgil M. Berdine
Stephen R. Berkheiser
Rudy W. Bernard
Floyd A. Best
Russell M. Black
Frank S. Blair III
Gary A. Blair
James T. Blake
Richard J. Blanchfield
Andrew J. Blenkle
Edward L. Bloxom
Delmar G. Booze
Thomas A. Bowditch
Charles W. Bowers
Lionel H. Bridges
Randolph H. Brinkley
Donald P. Brown
James C. Brown
Curtis B. Bruce
William L. Buck III
David N. Buckner
James C. Buffington
John G. Burns
Raymond M. Burns
Dwight R. Byers
Wallace L. Campbell
Ray G. Canada
Joseph L. Cannava, Jr.
Nicholas F. Carlussi, Jr.
Thomas W. Carter III
John J. Caskey
Bernie N. Caviness
Henry P. Cipolla
William J. Clancy, Jr.
David W. Cleeland
Brascal B. Cole, Jr.
James G. Collins
Joseph P. Colly, Jr.
Leslie R. Conklin
Ronald W. Corner
Thomas P. Craig, Jr.
Arthur O. Cravets
Fred R. Crowley
Louis M. Croy, Jr.
Gary J. Cummins
William M. Dale
Walter E. Daniell
John F. Darracott
John J. David
William A. Davidson III
William E. Davidson
Charles R. Davis
Pleas E. Davis
John E. Day
Stephen M. Day
Walter S. Deforest
John F. Dennis
Richard E. Dennis
Gerald L. Dereberry
James A. Derrico, Jr.
Kenneth W. Dewey
Wililam J. Dibello
James H. Divis
Peter Dobon, Jr.
Gary D. Dockendorff
Harry C. Dolan
Michael J. Donovan
James J. Doyle, Jr.
John Doyle
Donald R. Dunagan
Thomas H. Eagen, Jr.
Edgar J. Easton, Jr.
Thomas R. Edmunds
Larry M. Edwards
William E. Egen
Michael W. Emmett
Leroy B. Evans
John P. Farrell
Thomas M. Fine III
George A. Fischer
William C. Fite III
Jimmy D. Fitzpatrick
Horace H. Fleming III
James P. Fleming
Fredric L. Fletcher
Arturo E. Flores
Walter H. Flynn, Jr.
William R. Ford
John B. Fretwell
Dennis B. Fryrear
Larry D. Gable
Henry W. Gardner
Jerald B. Gartman
Phillip E. Gates
Jeffrey A. Gaugush
Jerry R. German
Terry G. German
Walter M. Gibbs
Woody F. Gilliland
John T. Gipson
Robert E. Godwin
Jerome E. Goodrich
Lance A. Goodrum
John B. Goody
John H. Grant
Thomas H. Griffith, Jr.
Gunnar Gudjonsson
David I. Habermacher, Jr.
Harry A. Hadd, Jr.
James C. Hallman II
Glenn R. Hammond
James W. Hardy
Richard L. Harris
Robert L. Harrison
James G. Hart
Norbert J. Hart
James M. Hayes
Preston D. Haynes
Charles T. Hedrick
Lawrence N. Helber
William M. Hemlepp
Phillip R. Hemming
Roger M. Henry
James E. Henshaw
Richard Herber, Jr.
Leslie B. Herman
Roger A. Herman
Milton J. Hester
Larry T. Higbee
Steven M. Hinds
Harry L. Hooper III
Comer E. Hobbs
Howard M. Hoffman
Harold L. Honbarrier, Jr.
John T. Horvatich
Terry L. Howard
Jack R. Hoy
Merlin R. Huckemeyer
Ralph P. Hundley
Michael M. Hynes
Charles H. Ingraham, Jr.
Thomas R. Irvine
Marvin L. Jackson
Michael R. Janay
Victor Johnnides
David A. Jones
Gerald W. Jones
Richard D. Jones
Thomas L. Jones
Louis S. Jumbercotta, Jr.
Thomas A. Kahl
Patrick J. Kahler
William Kasten
James H. Kean
William G. Kemple
Laurance J. Kennedy
Lynn J. Kimball
Ronald D. Kincade
Kenneth Kiriacopoulos
Robert H. Kirkpatrick
Edward D. Klatte
James J. Knocke
Kenneth A. Koelln
Raymond O. Kotrla
Melvin P. Krone
Carl S. Kusky, Jr.
Alexander E. Lancaster
Robert M. Lancaster
James L. Laney
Robert K. Lange
Robert L. Larkin
Shawn W. Leach
Harry E. Lee III
Terrence D. Lewis
Willard R. Lewis
Jay C. Lillie
Achim W. Lind
Stephen E. Lindblom
William W. Lindsay, Jr.
David B. Littell
Junior D. Littlejohn
Anthony A. Lopez
John S. Lowery, Jr.
Gary K. Lulfs
Warren R. Madsen
Harry B. Malnicof
John M. Maloney
David P. Martin
Wayne B. Mason
Don E. Mathis
Robert E. Mattingly
Marvin K. McAfee

Jeffery B. McAnally
John C. McAnnally
Robert M. McBride
Patrick J. McCann
Daryl S. McClung, Jr.
Stephen R. McComb
Thomas C. McDonald
Gary W. McDowell
David L. McInturff
Dennis T. McKee
Gary S. McKissock
Robert J. McLaughlin
Thomas H. Meeker
Ronald R. Meints
Robert B. Meissner
James H. Merrill
Thomas H. Meurer
Gary G. Meyers
Richard B. Meyers
Don P. Miller, Jr.
Jacques L. Miller
Charles R. Mills
John W. Mohr
John W. Moffett
John R. Moore
Walter H. Moos I
William A. Morgan
Michael J. Moss
John J. Mulholland
James W. Murphy
Michael W. Murphy
William F. Murphy
Norbert M. Murray III
Joseph A. Murry
Lonnie M. Myers
Thompson D. Neff
John J. Nelson, Jr.
Monte V. Nelson
John W. Neubauer
David E. Neiderhaus
Doyle A. Nicholson
Donald D. Nimmow
Richard C. Norris, Jr.
Robert G. Nunnally
Robert M. Nye, Jr.
Kevin P. O'Mara
Edward P. O'Neil
James M. O'Rourke, Jr
Theodore D. Owens
Robert F. Patton
Frank K. Peterson
Kenneth B. Petersen
Robert L. Peterson
Frank S. Phillips
William E. Platz
William W. Pollock
Robert G. Pontillas
Frank D. Powell
Jimmy M. Ray
Philip H. Ray
Charles Rechtenbach
Henry L. Reed
Robert E. Reedhill, Jr.
Claude W. Reinke
Stanley J. Rembish, Jr.
Larry D. Richards
Arthur D. Richmond
David A. Richwine
Carroll J. Riley
Clarence C. Riner III
Frederick M. Rivers, Jr.
Emmett L. Robertson, Jr.
Henry A. Robertson III
Lawrence R. Robillard
Gary H. Robinson
Peter R. Rounseville
Bernard R. Rusthoven
Dennis C. Rydstrom
Edward M. Rynne
Robert V. Sabia
William J. Sandberg
Raymond H. Schmidt
Ernst U. Schultes A.
Bruce A. Schwanda
Peter A. Schwartz
James E. Scoggins
Michael F. Shisler
Michael W. Smith
William R. Spicer
Fletcher B. Sojourner
Michael A. Stankosky
Edward M. St. Clair
Gregory C. Steele
Charles R. Stichter II
Robert R. Stout
Robert J. Sullivan
Robert E. Swete
Larry L. Terry
Raymond L. Thacker, Jr.
Raymond A. Thomas
Joseph G. Thomas
Gary R. Thompson
Edward F. Thruston
Frank L. Turner
Gary R. Vangysel
Donald L. Vanhoose
Richard H. Voigt
John M. Wagner
Loren A. Wasson
Jerome L. Weis
Edwin W. Welch
Roger V. Wellbrook
Daniel T. Wellman, Jr.
Robert F. Wemheuer
Buddy P. Westmoreland
Billy K. White
Jack A. Wilder
Robert T. Willis
Robert O. Wills
Jeffrey A. Wilson
Lynn W. Wilson
Sydney M. Wire
John A. Woodhead III
Clyde E. Woods
Dalney E. Wooldridge III
Robert E. Yeend
Paul D. Young
Anthony C. Zinni
Lawrence M. Zipsir, Jr.

The following-named officers of the Marine Corps for temporary appointment to the grade of captain:

Charles W. Adams
David S. Aldrich
Joseph N. Anderson
James B. Ash
Raymond F. Asselin
Wayne D. Bahr
Claude R. Baldwin, Jr.
Ronald A. Balius
Bonnie H. Bass
Charles S. Bennett
Michael B. Bennett
Gary M. Boggess
Raymond D. Bourque
Robert L. Bowen
Donald B. Braun
Lawrence C. Brinkman
Albert K. Britton
William C. Brown, Jr.
Victor E. Browning, Jr.
Charles J. Bruce
James R. Bullock, Jr.
Billy R. Campbell
Everett J. Campbell, Jr.
John E. Casey
Robert J. Caulfield
Tilden U. Click
Rayborn S. Clifton, Jr.
John H. Cole, Jr.
Frank J. Conti
Charles A. Dankmyer, Jr.
Douglas J. Danley
Joseph L. Deguise
Eldon L. Dodson
Terrell L. Dulaney
Roley S. Ethington
Harold D. Ferguson
Jerry D. Floe
Joe M. Floyd
Jack W. Flynn
Nickolas G. Fotinos
Eugene T. Franklin
Earl G. Gale, III
Emil A. Gillberg, Jr.
Johann Haferkamp
Donald L. Hanson
Lorell J. Haugley
Herbert O. Hicks, Jr.
Raymond L. Hug
Edward W. Humphrey
Holland C. Hutchinson
Barton E. Immings
Carl E. King
Thomas F. King, Jr.
William A. Kuykendall
Michael S. Lainhart
Roland L. Lambert, Jr.
Albert Lane, Jr.
Bernard L. Lee
Juan M. Lem
Philip D. Leslie
Kenneth D. Lewis
Wayne W. Macey
Raymond J. Main
Barry E. Marsh
Howard McDonald
Bryan M. McGill
Benjamin H. McNutt
Edward R. Miller
George A. Miller
Patrick J. Mongoven
Samuel Moore, Jr.
Terrence L. Moore
Lloyd G. Phillips
Thomas T. Renau
Joseph Ribeiro
Frank Rivas, Jr.
Dorsey Robinson, Jr.
William H. Rosser
Stephan C. Salamack
Efrain F. Sanchez
Peter B. Sawin
Stephen G. Seman
Michael L. Shanklin
William F. Shidal, Jr.
Charles R. Salvens
James A. Sorley
Herbert B. Stafford
Patrick L. Stevens
John A. Steward, Jr.
George B. Strickroth
Robert L. Vincent
Larry F. Wahlers
Bennie R. Walker
Napoleon K. Weaver
John Whitley, Jr.
Wayne D. Wildgrube
Larry L. Wine
Warren W. Winter
Stanley G. Woinoski
Richard L. Yoerk

HOUSE OF REPRESENTATIVES—*Tuesday, September 24, 1974*

The House met at 12 o'clock noon.

Rev. W. Jack Lamb, First United Methodist Church, Fayetteville, Ga., offered the following prayer:

Except the Lord build the house, they labour in vain that build it: except the Lord keep the city, the watchman waketh but in vain.—Psalms 127: 1.

Almighty God, Creator and Sustainer of life, we invoke Thy blessings upon this House of Representatives.

This is a crucial and uncommon time fraught with difficulties and problems almost beyond our comprehension.

Therefore, we need deliverance from mediocrity, and the endowment of superhuman understanding and divine wisdom.

Wilt Thou give these Thy servants and others to whom Thou hast committed the Government of this Nation gifts of foresight and insight, that upholding what is right, and following what is true, they may more fully bring to realization the hopes and dreams and aspirations of the more than 200 millions of Americans whom they represent.

Grant that they, discharging their responsibility, and obeying Thy will, may fulfill Thy divine purpose for this noble land. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 5507. An act to authorize the conveyance to the city of Salem, Ill., of a statue of William Jennings Bryan.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3234) entitled "An act to authorize a vigorous Federal program of research, development, and demonstration to assure the utilization of solar energy as a viable source for our national energy needs, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON, Mr. JOHNSTON, Mr. HASKELL, Mr. FANNIN, and Mr. MCCLURE to be the conferees on the part of the Senate.

THE REVEREND W. JACK LAMB

(Mr. FLYNT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLYNT. Mr. Speaker, our guest chaplain today is the pastor of the First United Methodist Church of Fayetteville, Fayette County, Ga., the Reverend W. Jack Lamb. Reverend Lamb is a long-time friend of mine and has been for more than a quarter-century, when he served the Griffin Circuit Methodist Church, consisting of Midway, Sunny Side, Mount Zion, and Vaughan Methodist Churches.

A graduate of Young Harris College and Emory University, Reverend Lamb is a member of the North Georgia Conference of United Methodist Church and has been for the past 26 years. For 4 years prior to becoming a member of the conference he served as a supply preacher in the North Georgia Conference. He has held pastorates in the Methodist churches La Fayette, Toccoa, Calhoun, Rome, and Augusta, Ga.

He is an outstanding member of the North Georgia Conference and a dedicated and consecrated minister of the Methodist Church. Reverend Lamb is accompanied today by his wife, their daughter Jaqueline—Mrs. Walton Peabody—and two grandsons, Dan and Ben Peabody.

Mr. Speaker, it is my pleasure to welcome Reverend Lamb to our midst today.

WYMAN LAUDS FORD POLICY ON FOREIGN OIL PRICES: ASKS CONTROL OF FOREIGN INVESTMENTS

(Mr. WYMAN asked and was given permission to address the House for 1 minute.)

Mr. WYMAN. Mr. Speaker, President

Ford has acted with initiative and foresightedness in calling upon the Organization of Oil Exporting Nations to reduce their posted prices for oil. If the present exorbitantly high foreign oil price, which is 300 percent, at the least, of what it should be, is persisted in, major sacrifices and eventual insolvency is indicated for many of the great world powers, whose balance of payments are already in turmoil from the quadrupling of world oil prices in the past year. These stark conditions result from the selfish greed of a few tiny states in the Middle East, and a few other oil exporting countries.

There is no justification for this world extortion. At half of the price now being charged, the Arab nations will have more money than they know what to do with.

One of the things necessary for this Congress to do in this situation is to legislate to control foreign investment in the United States. Unless we do this, we face a very real probability of a Middle East financial takeover of many major U.S. companies. As a matter of fact, heavy buy-ins are reported to be underway at this moment. I think we should not fail to act to provide for a new program of protection against this contingency, and I am introducing legislation to so provide today.

VICE-PRESIDENT-ELECT PAYS THE TAXES OF A STEELWORKER

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, the disclosure of the gargantuan scope of the Rockefeller fortune and the added disclosure that the Vice-President-designate managed to pay no Federal income tax on $2,443,703 total income in 1970, would appear to create an insurmountable barrier to his confirmation by the Congress as Vice President of the United States.

Over the past 10 years, he paid taxes at an average effective Federal income tax rate of 24.2 percent, which would be the equivalent to the effective rate paid by a steelworker. I think that the American people have a right to expect more tax loyalty from their highest officials.

I just cannot understand how anyone in this country can be permitted to earn almost $2½ million and pay no Federal income tax. This morning, I asked the Ways and Means Committee to determine whether the tax reform legislation we were considering would have any effect on this kind of income.

In 1970, 60 million Americans paid more income tax than Vice-President-Designate Rockefeller. I think it is unfair to the American people to permit the wealthiest citizens to freeload, while millions of Americans must cut back on their family budgets in order to pay Federal income taxes.

Mr. ANDERSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Speaker, I just wonder if the gentleman would not feel that perhaps part of the blame lies with Congress in not reforming the tax laws. How would the gentleman expect the man to pay his income tax under the law as it now stands?

Mr. VANIK. Mr. Speaker, I have heard that before. Our tax system provides the wealthy citizen with the opportunity to escape taxation. But it is the wealthy citizen who elects to take advantage of an unfair law. It was Mr. Rockefeller who designed his affairs in 1970 to pay no taxes—not one dollar to the Government which protects and shelters his wealth.

The gentleman in the well has very fine credentials in his efforts to bring about tax reform. I invite and solicit the support of my colleagues on both sides of the aisle in order to bring about a change in the law which would prevent this sort of thing to reoccur.

THE GOLD IS IN FORT KNOX

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, the Congress can now be assured that there is gold bullion at the Fort Knox Depository. Several of us went there yesterday to try to make sure that many of these rumors and counterrumors were either correct or not correct. Members of the Committee on Banking and Currency and Senator HUDDLESTON of Kentucky actually entered the Fort Knox Depository to check the validity of claims that U.S. gold bullion had been depleted.

We can be assured that our civil servants are watching the gold at Fort Knox. It is there. Roughly half of our supply of gold is in the vault at the depository and will be fully audited by the General Accounting Office within the next 3 months.

RESIGNATION OF CONFEREE AND APPOINTMENT OF CONFEREE ON S. 386 AND H.R. 11221

The SPEAKER laid before the House the following communication:

WASHINGTON, D.C.,
September 19, 1974.

Hon. CARL ALBERT,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: In view of my present circumstances, and because of the provisions of House Resolution 128, I hereby tender my resignation as a member of the conference committee on S. 386 and H.R. 11221.

With warmest personal regards, I am,
Sincerely yours,
FRANK J. BRASCO.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

The SPEAKER. The Chair appoints the gentleman from California (Mr. STARK) as a conferee on the bill S. 386 to fill the vacancy resulting from the resignation of the gentleman from New York (Mr. BRASCO), and the Chair appoints the gentleman from Pennsylvania (Mr. MOORHEAD) as a conferee on the bill H.R. 11221 to fill the vacancy resulting from the resignation of the gentleman from New York (Mr. BRASCO).

The Clerk will notify the Senate of the action of the House.

A SALUTE TO MISS SUSAN LYNN McDONALD OF STEUBENVILLE

(Mr. HAYS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HAYS. Mr. Speaker, I have the honor of representing in my district a fine athlete and outstanding young lady, Miss Susan Lynn McDonald of Steubenville, Ohio. Sixteen-year-old Susan is the daughter of Mr. and Mrs. Robert E. McDonald of Steubenville and attends Wintersville High School, where she is a sophomore.

Susan and her partner Ron Sabo of Painesville, Ohio, captured the world roller skating championship on August 29, 1974, in La Carona, Spain. Scoring nothing but perfect scores from the judges, they received a standing ovation at the end of their performance.

No newcomer to national or international competition, Susan has compiled an enviable record of accomplishments. She has twice won the U.S. doubles and singles championships as well as finishing fourth in the 1973 world doubles competition held in Germany.

I would like to take this opportunity to congratulate Susan and her partner on the fine work they have done and to wish them the best of luck in their future endeavors. It is truly a pleasure to have this young lady in my district.

CONFERENCE REPORT ON H.R. 15323, REVISING AND AMENDING THE PRICE-ANDERSON INDEMNITY PROVISIONS OF THE ATOMIC ENERGY ACT OF 1954

Mr. PRICE of Illinois. Mr. Speaker, I call up the conference report on the bill (H.R. 15323), to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 20, 1974.)

Mr. PRICE of Illinois (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE of Illinois. Mr. Speaker, I urge the adoption of the conference report. It provides for a 5-year extension of the Price-Anderson insurance and indemnity provisions of the Atomic Energy Act, and for a transfer to the nuclear industry of the full responsibility for protection for the public from losses from a nuclear incident. The Government indemnity will be phased out and replaced by a mandatory retrospective premium insurance system for all licensees of nuclear reactors.

The Price-Anderson Act provides a comprehensive system of mandatory no-fault insurance protection for the public. Unless it is extended, the public may be left without protection, and the growth of the nuclear industry may be slowed at a time when its contributions are becoming critical to the United States and particularly to regions such as New England.

It is because of the importance of an extension at this time that the House conferees agreed to Senate amendments which shortened the extension provided by this bill to 5 years rather than the 10 years the House had provided for. The 5 years was considered the minimum extension which is reasonable if the new system provided for in this bill is to have a chance. As the conferees noted in the report, most of the features of the Price-Anderson Act must be viewed as permanent. The 5-year extension is intended only to insure that Congress takes another look at this subject 5 years from now, and that whatever changes are indicated at that time will be made. That time frame corresponds roughly with the phaseout of the Government indemnity provided for in this bill

The conferees also accepted a Senate amendment deleting the House floor amendment that prohibited indemnity payments for incidents occurring in other nations. As you will recall, that amendment was proposed in order to preclude payments for accidents involving reactors exported to other nations, such as have been proposed for Israel or Egypt, by U.S. manufacturers. Other provisions of the Atomic Energy Act already preclude that possibility, and the amendment would have had a harmful effect on the AEC's defense and space programs by preventing contractor indemnity for overseas incidents. Since it was redundant insofar as its intended effect, and harmful in other respects, the provision was deleted.

A further Senate amendment which the conferees accepted was one which corrected the identification of the Rasmussen study and which allows the Congress to prevent this bill from becoming effective by a joint resolution passed within 30 days of the Joint Committee's report on the Rasmussen study. I would like to point out that the draft of that study has now been released for comment and a briefing was held to which all Members of the House were invited. The final report is scheduled to be issued sometime early next year. The report's conclusions do not differ from those previously described in the Joint Committee report on H.R. 15323.

The changes made by the Senate and accepted by the conferees do not detract from the major purposes of this bill—to protect the public and to transfer the full responsibility to the nuclear industry in an orderly way so as not to disrupt its growth. These essential purposes will be fulfilled by the adoption of the conference report. I urge the House to do so.

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I join with the gentleman from Illinois in urging the adoption of the conference report.

The extension of the Price-Anderson Act during this session of Congress is essential if the planning and financing crisis that electric utilities are now undergoing is not to be compounded. While I would have preferred the longer extension that this body approved, the extension provided for in the conference report will alleviate the present uncertainties and allow planning and expansion of nuclear power to go forward for the next few years. Perhaps by the time the Congress looks at this problem again in 1979 or earlier, the remaining doubts some Members have expressed about the safety of nuclear power will have been dispelled. Certainly the Rasmussen study, which has received so much attention during the debates on this measure, goes a long way toward resolving that question.

The various amendments that have been accepted represent major concessions to the critics and doubters. These concessions were made not because of any lessening of the confidence of the members of the Joint Committee in the safety of nuclear power, but because we are confident that when the dust has settled around the Rasmussen report, this question will have been put to rest just as the question of radioactive effluents has been put to rest as a major concern regarding nuclear power.

This bill takes a major step that nuclear critics have called for in that it transfers the full responsibilities to the nuclear industry. By the time Congress will need to look at the Price-Anderson Act again, the Government indemnity should be essentially or even completely phased out. At that time, permanent legislation for the regulation of nuclear indemnity insurance will be a strong possibility inasmuch as the nuclear industry should be fully mature, the retrospective premium system well established, and the probabilities of nuclear accidents well understood.

For the interim, this bill provides an excellent mechanism for the transfer of reponsibility without either lessening the public protection or pulling the rug from under the nuclear industry. It also provides plenty of time for those who wish to carefully examine the Rasmussen study. I urge those Members who are concerned about nuclear safety to do so, and to vote for the adoption of the conference report.

Mr. PRICE of Illinois. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WYDLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 376, nays 10, answered "present" 2, not voting 46, as follows:

[Roll No. 535]

YEAS—376

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bergland
Bevill
Biester
Bingham
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chappell
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Donohue
Dulski
Duncan
du Pont
Edwards, Ala.
Edwards, Calif.
Eilberg
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gross
Grover
Gubser
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harsha
Hastings
Hawkins
Hays
Hébert
Heckler, Mass.
Heinz
Helstoski
Henderson
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
O'Brien

O'Hara
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Sebelius
Shipley
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Waggonner
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—10

Bennett
Burton, John
Drinan
Esch
Harrington
Hechler, W. Va.
Landgrebe
Obey
Seiberling
Stark

ANSWERED "PRESENT"—2

Chamberlain
Scherle

NOT VOTING—46

Armstrong
Biaggi
Blackburn
Blatnik
Brasco
Brooks
Burke, Calif.
Carey, N.Y.
Clark
Davis, Ga.
Dellums
Diggs
Dorn
Downing
Eckhardt
Erlenborn
Gettys
Grasso
Gude
Gunter
Hanna
Hicks
Hosmer
Johnson, Colo.
Jordan
Lehman
Metcalfe
O'Neill
Owens
Podell
Powell, Ohio
Rarick
Reid
Rhodes
Rooney, N.Y.
Roy
Ruth
Shoup
Tiernan
Towell, Nev.
Vigorito
Waldie
Widnall
Wiggins
Wilson, Charles H., Calif.
Wright

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. O'Neill with Mr. Blackburn.

Mr. Brooks with Mr. Rhodes.

Mr. Rooney of New York with Mr. Ruth.

Mr. Hanna with Mr. Gude.

Mr. Reid with Mr. Widnall.

Mr. Roy with Mr. Powell of Ohio.

Mr. Vigorito with Mr. Erlenborn.

Mr. Dellums with Mr. Blatnik.

Mr. Tiernan with Mr. Dorn.

Mr. Diggs with Mr. Waldie.

Mr. Charles H. Wilson of California with Mr. Shoup.

Mr. Wright with Mr. Towell of Nevada.

Mr. Carey of New York with Mr. Wiggins.

Mr. Clark with Mr. Hosmer.

Mrs. Burke of California with Mr. Davis of Georgia.

Mr. Downing with Miss Jordan.

Mr. Lehman with Mrs. Grasso.

Mr. Hicks with Mr. Gettys.

Mr. Biaggi with Mr. Owens.

Mr. Eckhardt with Mr. Gunter.

Mr. Metcalfe with Mr. Rarick.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

APPOINTMENT OF CONFEREES ON S. 3234, SOLAR ENERGY TECHNOLOGIES

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 3234) to further the conduct of research, development, and demonstrations in solar energy technologies, to establish a solar energy coordination and management project, to provide for scientific and technical training in solar energy, to establish a solar energy research institute, to provide for the development of suitable incentives to assure the rapid commercial utilization of solar energy, and for other purposes, with a House amendment thereto, insist on the House amendment and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none and appoints the following conferees: Messrs. TEAGUE, MCCORMACK, FUQUA, SYMINGTON, MOSHER, GOLDWATER, and WYDLER.

PERMISSION FOR COMMITTEE ON GOVERNMENT OPERATIONS TO FILE A REPORT

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations may have until midnight tonight to file a conference report on H.R. 12471.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A PRIVILEGED REPORT

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 1131, MAKING FURTHER CONTINUING APPROPRIATIONS, 1975

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1379 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1379

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 1131) making further continuing appropriations for the fiscal year 1975, and for other purposes. After general debate, which shall be confined to the joint resolution and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the joint resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Texas is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Nebraska (Mr. MARTIN) pending which I yield myself such time as I may require.

Mr. Speaker, House Resolution 1379 provides for an open rule with 1 hour of general debate on House Joint Resolution 1131, which extends the continuing resolution on June 30, 1974, from September 30, 1974, until the "sine die adjournment of the second session of the 93d Congress."

I urge adoption of House Resolution 1379 in order that we may consider and adopt House Joint Resolution 1131.

Mr. MARTIN of Nebraska. Mr. Speaker, as the gentleman from Texas has explained, House Resolution 1379 provides for an open rule with 1 hour of debate on the continuing resolution.

I support the rule, and reserve the balance of my time.

Mr. YOUNG of Texas. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, I take this time because I have made a previous commitment to go down to Atlantic City this afternoon to speak to a nationwide group on pension reform. But, I want it known that I oppose this resolution. I probably am seeing boogies in it, but I think I am honest, at least, in what I think about it.

I think it is wrong to come before this

body and ask us to extend a continuing resolution until day sine die, because that means this Congress will be in session until December 31. The only reason for asking for that long is because, evidently, some Members believe there are not enough votes in this House at this time to pass the foreign aid bill. By doing this, we are not only putting the stamp of approval on the spending that has been done without the permission of Congress and without even notification to Congress, but also it sort of puts the brand of a whitewash on the situation in Chile and expenditures of funds that come through our various spending agencies for that foreign aid.

We no longer can afford—whether we like it or not—we no longer can afford to be the good neighbor in that situation. We started out—and I have read all the history I can on foreign aid programs—based upon what are the most humanitarian motives and endeavors ever made by a civilized nation on the face of this Earth. That was to take both the vanquished and the victor in the war and to bring them to a level of economic well being that they enjoyed before the devastation of war destroyed their economies and their countries. Being the one nation that had come through unscathed in physical damage, we probably made this move with good, honest intentions.

However, it was easily and quickly perverted by the internationalists of both this and other countries, and it has become nothing now but a drain upon the American people that will not go away until a courageous Congress has the guts and the foresight to face the issue where it belongs.

I say to the Members that my people are opposed, and opposed vigorously, to handing out any more money to nations that have more than we have; nations that have a well-being that we have not enjoyed in the last 30 years in this country of ours. We are further in debt than we ever were, a debt that will not go away when we have to borrow and create more debt to give it away without any great production increase.

Our entire trouble in this country—I hear talk that all we need is increased productivity—where are we going to increase productivity? In the factories that have gone to Mexico or to every country on the face of the Earth? That is the only place, because we do not have the production facilities in this Nation where we could increase the productivity in factories, mining, agricultural fields which are dependent upon the individual productivity, because the productivity is measured by machines that are tied to production.

Therefore, with all of the talk about this country getting increased productivity, no one but a fool or no one but an idiot would spend money today at 10 or 12 or 14 percent interest to build production facilities that will not be protected by any law of the United States against invasion from overseas.

What production will they put back into this Nation the minute they get well? In the meantime, we will have their production built up during that time to meet their costs and their new energy crisis.

We have more facilities overseas owned by Americans than we have production facilities in certain key nations.

In this Nation something is wrong, and that wrong is right here in Congress.

I do not care how anyone alibis. I do not care how anyone tries to sell it. We cannot get away from the fact that this resolution that is before us is here for one reason, and that is to expend foreign aid until the beginning of next year by not adjourning sine die until that time. The Members know it, and I know it. That is the only way anyone can do it because we cannot pass the foreign aid bill today without opening up the Chilian situation for any kind of talk right here at this time.

Mr. MORGAN. Mr. Speaker, will the gentleman yield?

Mr. DENT. I will be happy to yield to the gentleman.

Mr. MORGAN. I am the chairman of the Committee on Foreign Affairs. The gentleman will have an opportunity to vote on the foreign aid bill before adjournment. Foreign aid markup is making progress. We expect to finish it next week. The gentleman will have an opportunity to vote on it.

Mr. DENT. Will we vote on it next week?

Mr. MORGAN. We hope to complete our markup next week. But the gentleman's speech did not do justice to the hard work of our committee in trying to bring out the authorizing bill and give the House the opportunity to vote on it. We would hope to have the gentleman's support.

Mr. DENT. I was not saying what I was going to do. I told the Members what I thought was behind it, and I still think so. There is no way for that bill to come up next week.

Mr. MORGAN. Is the gentleman accusing me, as chairman of the committee, of delay, of holding up that bill?

Mr. DENT. No, I did not accuse the gentleman, but I will be happy to say that I will vote for the bill next week if the gentleman brings it to the floor. Everybody will when we meet next week.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. DENT. Will the gentleman yield me 2 more minutes?

Mr. YOUNG of Texas. Mr. Speaker, I yield 2 additional minutes to the gentleman from Pennsylvania.

Mr. DENT. Mr. Speaker, the gentleman from Washington is an old friend of mine, and he is the head of the Committee on Foreign Affairs of the House. However, I am saying that if my suspicions are wrong, then my suspicions are wrong, but that does not alter the fact that the foreign aid bill is one of the most serious causes and reasons for the condition we are in today.

That $2 billion or more will not be available in the United States out of income. It will have to come from borrowings which will not be paid off because they have not been paid off since the very first day, because the whole national debt of the United States is made up of moneys that are spent on foreign aid and on other offshore expenditures, plus the interest we have had to pay on these borrowings.

If anybody doubts that, I suggest that he take his pencil and pad and figure it out, and he will find that this Nation with all its mistakes is in this condition: The people have been able to pay for everything that we have spent for ourselves in the United States, but not overseas.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. DENT. I will be happy to yield to the gentleman from Iowa.

Mr. GROSS. I commend and thank the gentleman for the statement he is making. There is one thing that is dead sure and certain: We are not going to get a vote on the foreign giveaway program before the election if it can be avoided and for the reason that the climate in Congress is not good.

Mr. DENT. I said that was the reason for not adjourning sine die.

Mr. MORGAN. Mr. Speaker, will the gentleman yield?

Mr. DENT. I yield to the gentleman.

Mr. MORGAN. I just want to make a correction with respect to some of the gentleman's remarks.

Mr. DENT. The gentleman's corrections do not agree with what I have said, but he may go ahead.

Mr. MORGAN. The gentleman said, "The gentleman from Washington." I happen to be his neighbor. I live in Pennsylvania.

Mr. DENT. I meant Washington County. I am sorry.

The gentleman has been here long enough to be in Washington.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNUAL REPORT OF THE NATIONAL HEART AND LUNG INSTITUTE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce.

To the Congress of the United States:

The "National Heart, Blood Vessel, Lung, and Blood Act of 1972" created a National Heart and Lung Institute and required the Director in consultation with the National Heart and Lung Advisory Council to prepare and submit to the President for transmittal to the Congress an annual report and a plan for the next five years.

This report is enclosed. It is a detailed and thorough description of what is being done in research and treatment of heart and lung diseases, with a thoughtful plan for what might be done in the next five years. The keynote of the report is the same as that of the NHLI's first program plan: "to marshall national resources for promoting and restoring health, and for preventing and treating disease more effectively. . . ."

That part of the report which deals with the future proposes certain expenditures for fiscal years 1976 through 1980 which are in excess of what has been requested in the 1975 budget. The report, of course, frankly says that it represents a parochial, although important, point of view, and does not take into account the competing claims on the Federal budget at any time.

There is no conflict, however, about the depth of this administration's commitment to find cures and preventions for diseases of the heart, blood vessels, lungs, and blood. From a commitment of $182 million in 1971 to a proposed commitment of $309 million in 1975, the Federal Government's concern and determination on this matter has grown steadily greater. My administration reaffirms that commitment.

This report shows that the money spent by the NHLI has been well spent. I hope that the NHLI's accomplishments will be further milestones in our progress for our Nation and for mankind against those diseases which wreak so much heartbreak, death, and misery.

GERALD R. FORD.

THE WHITE HOUSE, *September 24, 1974.*

MAKING FURTHER CONTINUING APPROPRIATIONS, 1975

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 1131) making further continuing appropriations for the fiscal year 1975, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. MAHON).

The motion was agreed to.

The SPEAKER. The Chair designates the gentleman from Wyoming (Mr. RONCALIO) to preside as Chairman of the Committee of the Whole. The gentleman from Washington (Mr. ADAMS) will kindly take the chair temporarily as Chairman pro tempore.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 1131) with Mr. ADAMS (Chairman pro tempore) in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

The CHAIRMAN pro tempore. Under the rule, the gentleman from Texas (Mr. MAHON) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. CEDERBERG) will be recognized for 30 minutes..

The Chair recognizes the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have before us a further continuing resolution. It is the second continuing resolution for the year and, hopefully, the last.

The new continuing resolution is required because the existing authority under the current continuing resolution expires on September 30. The expiration date of the new resolution is the sine die adjournment of this session of Congress. We have to have a further continuing resolution because all of the appopriation business of the session has not been concluded. With the exception of the vetoed agriculture-environment and consumer protection bill the delays in appropriations bills can be attributed to the lack of legislative authorization.

For example, we have not been able to bring up the appropriation bill for military construction because of lack of authorization. But it is anticipated that on tomorrow there will be agreement in conference in the Armed Services Committees of the House and Senate and we will then have enacted by the Congress an authorization bill for military construction.

The Appropriations Committee completed hearings on the foreign assistance bill in June but we have been unable to bring forward a bill due to the lack of legislative authorization.

This afternoon the Committee on Appropriations will agree on a supplemental appropriation bill to be considered by the House next week. This involves some $8 billion and is largely composed of items in the areas of education, health, and housing which were deferred because of the lack of authorization. So these are some of the factors outside the control of the Committee on Appropriations which necessitate this further continuing resolution which is before us today.

There is also the Labor-HEW bill involving some $33 billion in appropriations which has passed the House and Senate and will be in conference this week and thus will probably not be enacted by September 30.

Also while the defense appropriation bill of $82 billion has passed the House and the Senate and it has been agreed to in conference and the conference report agreed to by the House, it has not yet been agreed to by the other body. Thus, it may not be signed into law by September 30. So it becomes evident that this further continuing resolution is necessary.

We have always considered these continuing resolutions as more or less routine matters. In other words, we try not to initiate new legislation or new programs and we try not to stop ongoing programs in a continuing resolution. We do not seek to have a continuing resolution used as a vehicle for a lot of amendments that more properly belong on the regular appropriation bills or the various authorization bills. We do not seek to pull the rug out from under the authorization committees in passing a continuing resolution. And in this resolution we only change the date to sine die adjournment from September 30.

So I would hope that no amendments would be offered to the resolution. It is urgent that we not inject controversial matters into this continuing resolution because if we do, a controversy over legislative matters involving various aspects of program would be precipitated and would delay, I am fearful, the final action on the continuing resolution. This would also take away from the proper legislative committees and appropriation subcommittees the authority to act in certain fields.

In my judgment, Mr. Chairman, we should pass this continuing resolution promptly without amendment. We are moving rapidly and if our plans work out, we will have all of the appropriation bills required for this session through the House of Representatives, and most of them sent to the White House, by the time we recess for the November elections.

Mr. Chairman I appeal to the Members to withhold amendments until the time when amendments can be offered on the proper legislative vehicle; for example, to the foreign aid authorization bill. There was a colloquy on the House floor earlier in regard to the authorizaton bill for foreign aid. We are assured by the gentleman from Pennsylvania (Mr. MORGAN) the chairman of the committee that this bill will be before us soon so that the House can work its will on that difficult and controversial subject. If it is not before the House soon or before the adjournment of the Congress then we will have to have another continuing resolution and any legislation that is required by way of appropriation or otherwise that is pertinent can be considered by the House at that time.

I am not willing to write off the Committee on Foreign Affairs as not having any role to play in this very important matter, and certainly I do not intend to usurp for the Committee on Appropriations decisions to be made in this area.

Mr. Chairman, I do hope that Members—I wish they all were on the floor at the moment—will be aware of this problem and try to steer passage of this continuing resolution as smoothly and as quickly as possible.

Mr. CEDERBERG. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the distinguished gentleman from Texas has explained the necessity for his continuing resolution. I, for one, regret that it is necessary to have continuing resolutions, but the facts are that all of the authorizations are not available, and some of the appropriations have not been enacted.

As the chairman has stated, it is just impossible to complete the action on appropriations by the time the current continuing resolution expires on September 30.

One thing that I want to emphasize, and I hope the Members will consider, is what the chairman has stated. I think that to try to conduct foreign policy on a continuing resolution, or to add other things to a continuing resolution bypassing the legitimate committees of the House, is, first, an affront to those committees, and secondly, it just does not seem to me the proper way to conduct the business of the House. We of the Committee on Appropriations, as I said, prefer not to have a continuing resolution, but when we have one, we would like just to have it continued to the sine die date that is prescribed in this resolution and then let the House work its will on the other important matters that will be coming before the House between now and when we adjourn. When we come back after the election, I am sure there will be other matters that will have to be considered. So I would urge to the best of my ability that all Members resist all amendments to the continuing resolution, and then let the other committees work their will in the proper fashion as far as the legislative procedures are concerned.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Texas.

Mr. MAHON. I think it is not improper to relate the conversation I had with the chairman of the Committee on Appropriations of the other body. He discussed the urgency of getting action on the continuing resolution prior to September 30 and he urged me to do everything in my power to persuade the House to send to the Senate a simple continuing resolution changing only the date. He said he would do everything in his power in the other body to enact a similar resolution, not amending it otherwise, only as to the change of date. Of course, he will have to act on the issues in the other body as they arise.

I think we have unanimity between the two Committees on Appropriations of the House and the Senate, and I just hope we can work this out in a smooth way as a legislative body ought to work out a problem of this kind.

Mr. CEDERBERG. Mr. Chairman, I thank the gentleman.

I would just add further we are faced with some very current deadlines. The present resolution ends, I believe, next Monday, September 30. We are here on Tuesday, looking forward to a couple of holidays that are taking place toward the end of the week, so we are not really in a position to try to write all kinds of legislation in a continuing resolution in the hope we can conclude it by September 30.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from New York.

Mr. ROSENTHAL. My distinguished colleagues and good friends, both the chairman and the ranking member, have alluded to trying to report out by making a genuine and sincere effort a clean resolution and not offer any amendments. I suspect—as a matter of fact I know—they are referring to the amendment Mr. du Pont and I are going to offer with reference to the situation in Greece, Turkey, and Cyprus. I agree with the distinguished chairman. I wish we did not have to do this. I wish there were an equally timely and legislative moment where this could be done. And he said he hoped we did not get involved in a controversial debate or any controversial language that flowed from that debate in this legislation.

But we are living in a controversial world and the fact of the matter is that the smooth-flowing functioning of this body is important; but responding to important issues, even if controversial, is a responsibility of this Chamber.

I do want to say to the distinguished chairman that I understand his feelings. I am sympathetic to his feelings, but it happens every so often an important, albeit controversial, subject comes up. We have to do it and regrettably today, from the chairman's point of view, is the opportunity to do it.

Mr. CEDERBERG. Well, I can say, I see nothing so urgent to include it in a continuing resolution. This could be handled in the gentleman's committee.

As a matter of fact, I am surprised that as a member of that committee, he wants to handle it under a continuing resolution. We could have amendments to the bill on Southeast Asia, on NATO, and a lot of amendments in which the gentleman has a current interest.

Let me say in addition to that, there are some very delicate negotiations going on in the very subject the gentleman raises today. I think it would be tragic to write foreign policy on a continuing resolution. I do not think it is good for the country, nor do I think it is good for the long-term interest of the very parties involved in the matter the gentleman raises in his amendment. I do not think we are doing anyone a favor, including the Greek Government, the Turkish Government or NATO.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield further?

Mr. CEDERBERG. Yes.

Mr. ROSENTHAL. Let me respond to the very serious position the gentleman has taken. I happen to think, and this goes to the substance of the thing, that time is very important in this Greek-Turkish-Cyprus situation.

Since last Saturday, we have had 2 months of quiet diplomacy. It seems to me every day is important.

The gentleman asks why is not the Committee on Foreign Affairs an appropriate vehicle. We are considering the very same amendment in the foreign aid bill. It may be weeks or months until that is reported out, until that is reported out by the House and a similar bill passed by the Senate and signed into law. I believe a matter of 6, 8 or 10 weeks, is a matter of urgency to continue the Cyprus situation, to continue into September, October, November, into the rainy season in such an isolated situation and it requires urgency.

I would not impose myself or the amendment of the gentleman from Delaware (Mr. du Pont) on this committee or anyone else if I did not genuinely believe it was urgent and this vehicle was the appropriate vehicle for that.

Mr. CEDERBERG. Let me respond to this. I can understand the gentleman's position and he has perfect right to it; but on the very day the Secretary of State is meeting with the foreign minister of the Greek Government, the foreign minister of the Turkish Government, to try to talk about and reach an agreement on these things and progress is being made, and then for the U.S. Congress to take a position on this would be disastrous for this Government and for stability in an area in which we are so desperately in need of stability.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Texas.

Mr. MAHON. I could appreciate the position of the gentleman from New York, if this were the last chance or the only chance that would be available to write legislation in regard to Cyprus, Greece, and Turkey. It would obviously not be fair to ask Members to foreclose their last opportunity to do something they consider important.

The truth is that it is not going to be long before we have either the foreign aid authorization or appropriation bill before the House of Representatives. If the Committee on Foreign Affairs does not present to the House an authorization bill within a reasonable length of time, the House is not going to wait for months, as everybody knows, for that committee to act. We are going to move toward adjournment, but before we adjourn we must address the issue of foreign aid.

If there is no authorization bill passed, we will bring up another extension of the continuing resolution. These amendments will be in order, as the gentleman's amendment is in order now, and we will resolve this matter then.

But, to do this at this time is ill advised. We have throughout this country numerous communities, where Americans of Greek descent live. These people are entitled, as well as all other Americans, to our consideration and to an attitude of helpfulness.

To do something which would jeopardize their homeland, more or less, would seem to be most ill advised. If I should take an action which I felt would be injurious to the negotiations going on between our Government and Turkey and Greece, I would feel that I was doing an injustice to our Greek friends in the United States. I am concerned about the welfare and interests of American citizens of Greek origins, and I do not want to do anything that is hurtful to them.

But, the Secretary of State tells me and the President tells me and my common sense tells me that it would be against the best interests of Greece, against the best interests of our Government for us to rock the boat at this particular time.

Mr. Chairman, I wanted to get the latest view about what was considered to be in the best interest of the people of Greece, and of course, in keeping with the best interest of Greek-American citizens, and all American citizens, so I made a call this morning and asked, "What is the latest word from the Secretary of State on the issue involved in the proposed amendment?"

The latest word from Secretary Kissinger and which I wrote down, is that the passage of such an amendment would be very destructive to the negotiations that we are trying to arrange, and it would be an ill advised move.

The Secretary thinks he is making progress, and he does not want us to rock the boat at this time. I do not see why we should not be willing to wait a few weeks if necessary and not upset this delicate situation.

This is what motivates me. I am trying to help the United States. I am trying to be kind to the Greek-Americans in the United States, and I am trying to do that which is in their best interests. They may not think it is in their best interests, but it is the duty of a Member of Congress to exercise his independent judgment and serve the best interests of the United States.

Mr. Chairman, I thank the gentleman for yielding to me.

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Chairman, I would like to address myself to the remarks of the distinguished chairman of the Committee on Appropriations.

I am quite aware, and indeed not surprised, Mr. Chairman, that the chairman of the Appropriations Committee should have had a statement from Secretary Kissinger saying that he felt the passage of the amendment which the gentleman from New York (Mr. ROSENTHAL) and the gentleman from Delaware (Mr. DU PONT) want to offer would be destructive of the possibilities of negotiations. That contention does not surprise me.

My distinguished colleagues in this body, the gentleman from Maine (Mr. KYROS), the gentleman from Maryland (Mr. SARBANES), the gentleman from Pennsylvania (Mr. YATRON), the gentleman from Florida (Mr. BAFALIS) and I went down, Mr. Chairman, on the 15th of August to discuss this matter with Secretary Kissinger. Today is the 24th of September. At that time Secretary Kissinger was singing the same song to us he is singing even today.

What has happened? I will tell the Members what has happened, and every Member of this body knows what has happened. In a very small island republic of some 700,000 people, 200,000 of those people are now refugees. Those people have been bombed, murdered, and wounded with weapons supplied by the people of the United States in direct violation of the law; in violation of the provisions of the Foreign Assistance Act; in violation of the provisions of the Foreign Military Sales Act, both of which make clear that weapons that are supplied by the taxpayers of the United States are to be used for defensive purposes only, and not for aggressive purposes.

I say to my colleagues in this body that I find it very difficult to understand how we would be stabbing anybody in the back, an American of Greek origin or an American of any origin, by obeying the law of our country.

Mr. Chairman, we have experienced during the last several months what President Ford has rightly called a long nightmare. Why? Because of defiance of the law of the land.

The law of which I now speak makes very clear that any nation that receives American military services or equipment becomes immediately ineligible for such assistance if that equipment or those services are utilized for aggressive purposes.

There can be no question whatsoever that American planes and American ships have been used to attack the people of a friendly foreign country. There can be no question whatsoever therefore that the law is being violated.

There can be no excuse for continuing to disobey the law.

Mr. Chairman, I think that the course of action followed by the Department of State in this matter has been a calamitous failure for American foreign policy. The Department of State has made this policy; and as I said to Secretary Kissinger in our conversation with him, we did not place the responsibility for this calamitous failure on President Ford, who had only taken office a few days before, but we placed the responsibility squarely on the Secretary of State.

How long are the 200,000 refugees on the island of Cyprus to suffer while we in the Congress go through our appropriate legislative processes?

It seems to me, Mr. Chairman, that the interest of the United States is in preserving a strong NATO yet it is clear that the Government of Greece has been compelled by the failure of American diplomacy to withdraw its military forces from NATO.

It is, moreover, possible that the first civilian, democratic government in Greece after 7 years of military rule, supported by the Nixon administration, is now jeopardized by American policy.

So, Mr. Chairman, if we look at the continued viability of this small island republic and of our relations within NATO we must ask ourselves seriously about the wisdom of our policy: Has this secret diplomacy, this behind-the-scenes negotiation, proved effective?

To anyone with eyes to see and ears to hear, the answer is obviously "No."

The Turks have occupied 40 percent of the island, with 40,000 troops on Cyprus.

I repeat. This has been one of the most calamitous failures in American foreign policy, but let us agree ever to put that consideration to one side; namely, the folly of American policy in Cyprus.

Let us not even talk about the wisdom or unwisdom of American policy. Let us rather look at the law of the land.

I say, Mr. Chairman, that if we fail to support the amendment that will subsequently be offered by Mr. ROSENTHAL and Mr. DU PONT, we shall in affect have allowed the Department of State to thumb its nose at the Congress of the United States, to thumb its nose at the law of the land. We shall in effect, if we fail to pass this amendment, say that we in Congress are willing to continue to acquiesce in the defiance of the rule of law.

I hope very much, Mr. Chairman, that there will be overwhelming support by Members of this body on both sides of the aisle for the Rosenthal-du Pont amendment.

And let me add that I am delighted that so many Members of the House of Representatives of every political view and of both our great parties have indicated their support for this attitude by their cosponsorship of House Resolution 1319.

I thank my colleague from Michigan for yielding. I hope my distinguished friend, the gentleman from Texas, will on greater reflection, realize that the wise thing to do, the American thing to do, the moral thing to do, is to obey the law of the land.

Mr. CEDERBERG. Mr. Chairman, I refuse to yield any further time. I know there is going to be adequate time to respond to the gentleman from Indiana. However, I think in this whole situation there is plenty of blame to go around for everybody insofar as the using of American equipment is concerned. We have supplied the Greek Government. I have many Greek friends. I would not take a position in opposition to this amendment if I did not think it was in the best interests of the citizens of Greece and those who support the Greek Government.

This is a very simple fact, of course: We supplied plenty of weapons to the Greek Government, and I assume some of those have been used in Cyprus, though probably not to the extent that they were used by the Turkish people.

In any event, if we want to get into a discussion about this, there will be time to do that. However, I am just emphasizing again that I just do not think that, in considering a resolution calling for continuing appropriations, this is the proper place to make this kind of very delicate decision.

Now, I can understand my friends here who are of a Greek background have more of a concern. I would, too. That is a very natural concern. However, I believe sincerely and I believe fundamentally that if we take this kind of an action today, it will not be of assistance to the Greek people, those people who live in the country of Greece, or those who are on the island of Cyprus, because if we take our assistance away from the Turkish Government, what incentive is there for them to try to work out a sensible arrangement on this very difficult problem? They would have lost any incentive to do that.

Really the United States is probably the one power that has the opportunity to get the two sides together to try to work this out.

If we have two people in negotiations and we try to moderate those negotiations and then our Government takes a stand against one of the parties, then we know very well that that kind of consultation and that kind of negotiation is going to break down.

The simple fact is, as the gentleman from Indiana said, that there are about 40,000 Turkish troops on the island. There are only about 1,000 or 2,000 Greek troops on the island, plus other indigenous people who have always lived on that island. So the odds are not in favor of our friends from Greece in a further confrontation there.

So why should we exacerbate that kind of a situation when we know that it can lead to a further deterioration of the best interests of the citizens of Greece?

Mr. Chairman, many of my best friends at home are of Greek descent. I have known them for years. But this is not the way to help them. This is one way, I think, to cause irreparable damage to efforts being made in trying to bring about a solution to a very, very difficult problem.

Mr. MAHON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am impressed by the high-level discussion which we have had on this subject. The problems of the Middle East have been before us for centuries. The problems of Greece and the problems of Turkey have been before us for many, many generations also. The problem of Cyprus has been before us for years and years.

Turkey and Greece are very important to the United States and to our NATO commitments. We cannot expect a sudden and miraculous settlement of the Cyprus issue, nor a perfect settlement, but it is not fair, in my opinion, and it is not appropriate in my opinion, to say, "Well, we have been working since August 15 and we have not achieved results, so here we go with an amendment that may very well end all chances for the United States to be influential toward a negotiated settlement."

After all, while these refugees are in trouble and they are suffering hardships, we must look down the road a longer distance than just a few weeks or a few months and not in the short run do something that would be very injurious to these refugees. So how can we settle this matter?

The best way to settle this matter is to try to exert major American influence with respect to Turkey. For us to slap the Turkish Government in the face at such a critical time and cause that Government to feel that there is no use to deal further with the United States is to throw away our leverage in this entire matter.

Mr. Chairman, there are other solutions, of course. We could send an expeditionary force of American troops to Cyprus, and we could drive out the 40,000 Turkish troops, or we could undertake to do it. Of course, this would be preposterous; no one would suggest it. But short of our engaging in a military action, we must depend upon diplomacy, and we must not take action in the Congress on this issue at this time.

We should give diplomacy a chance to succeed, because we are not going to undertake military action in Cyprus or in Turkey or in Greece.

So I would hope then that we could let this issue continue in the negotiation stage for an additional time because the only way it will be settled is by negotiations. If we block ourselves out of the negotiating room and are not being listened to by the Government that is giving us the greatest difficulty I cannot see how we can do ourselves anything but irreparable harm.

Mr. DU PONT. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Delaware.

Mr. DU PONT. Mr. Chairman, I thank the chairman, the gentleman from Texas (Mr. MAHON), for yielding to me.

I just want to address myself to two points the gentleman made. First, I do not think it is fair to say in the resolution that we are slamming the door in anyone's face, and if the chairman will address himself to the amendment it says that the military aid is suspended until such time as the President certifies to the Congress that substantial progress toward agreement has been made.

Now if the Turkish Government, indeed, wants to get an agreement, and that is far from clear, but if it does, it seems to me this amendment would be a step in that direction and would be an impetus toward agreement, because it says that as soon as the Turkish Government begins to seriously negotiate, begins to pull together, then shipments will be resumed.

Also I would say to the distinguished chairman that we do not always have the opportunity to present our actions in the Congress exactly when we would like to do so. I would much have preferred, for instance, that the foreign aid bill had come up a month and a half ago when the problem in Cyprus began and that we would have had the opportunity to offer our amendment then. That was the appropriate spot to do so, but since we did not have that opportunity, then this is the only spot that we have in which to introduce the amendment.

Since there is foreign aid money in the continuing resolution, it seems to me a very appropriate vehicle to use until such time as the foreign aid bill gets to us on the floor, and I hope to offer an amendment to the foreign aid bill, such as this, to take over from there.

Mr. MAHON. There are two chances for this legislative matter to be resolved in a regular way, one is through the foreign aid authorization bill, and if that fails, then in the final continuing resolution of the session this issue can be met head on because probably at that time the only issue before us with respect to a continuing resolution would be the matter of foreign assistance. That is my point. I do not think it is wise or proper and certainly not prudent at this time to try to usurp the functions of other committees of the House especially at this unpropitious moment.

Mr. SARBANES. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Maryland.

Mr. SARBANES. Mr. Chairman, I think it is important to underscore the fact that the issue involved here is not only the question of what our policy should be and whether mistakes have been made in policy; and it is my opinion that the policy of the Secretary of State has been catastrophic in the circumstances. However, more importantly and pertinent to the continuing resolution is the fact that the money which it will appropriate to continue to provide aid to Turkey is in conflict with existing provisions of law. Turkey is in violation of the statutory provisions of the Foreign Assistance Act and there is simply the fundamental question of whether the Department of State and the U.S. Government is going to carry out the law and apply its provisions. On the 29th of August we wrote to the Secretary of State pointing out the provisions of the Foreign Assistance Act and saying to him that the State Department should not and would not wish to be in a position of pursuing a policy which directly violates applicable provisions of the law, and that since the terms of the act call for immediate ineligibility that their prompt reply was requested. We have not received from the Department of State any legal opinion with respect to this very critical matter.

We have a letter of September 10 from former Governor Holton saying our letter has been received, but we have been almost a month without the Department responding to the fundamental legal question of whether the Government of the United States is going to carry out the law written by the Congress. I think given this issue, it is timely and it is imperative that the matter be considered now in the continuing resolution that is before us.

I thank the distinguished gentleman for yielding.

Mr. MAHON. We can only operate this Congress, in view of our urgent need from time to time for continuing resolutions, by having more or less a straight continuing resolution. So I regret to see anything that would cripple the regular format we have followed so successfully in the past.

If it is illegal now for any kind of aid to be provided to Turkey, if that is against the law, that is certainly a factor to be considered, and piling on another law would not necessarily make the previous law any more effective. Perhaps I am not fully aware of all of the aspects of the issue the gentleman raises, but what I am trying to do is avoid an avalanche of amendments to this bill because we will have opportunities to otherwise handle this very great issue, and it ought to be handled at a time that any kind of amendments would be more or less in order for the purpose of exploring this matter more fully.

The Committee on Appropriations has had no hearings on this aspect of the matter. We want to promote orderly operation of the U.S. Government, and this amendment runs contrary to our objective of orderly procedure.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

Is there anyone here today saying that Greek forces on the island of Cyprus did not use U.S. military equipment in their fight against Turkey?

Mr. MAHON. I would assume that the military equipment that we supplied to Greece was used and, therefore, if it is illegal for the Turks, I would assume it would be illegal for the Greeks. I do not know whether we have resolved who was the aggressor in this contest or not. That is a matter that is in some degree of controversy, but I assume that U.S. equipment is being used on both sides.

Mr. GROSS. Why is the proposed amendment being used exclusively against Turkey?

Mr. MAHON. The sponsor of the amendment would have to respond to that question.

Mr. SARBANES. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Maryland.

Mr. SARBANES. I thank the gentleman for yielding.

There are no forces of Greece on the island of Cyprus. The equipment used by the Cypriot national force is 20 or 25 years old. The aggressive action was taken by the Government of Turkey using modernized American armaments given to them under the various assistance programs. The United States is placed clearly in the posture in this instance of having underwritten the aggressive action of the Government of Turkey. We certainly ought not to continue to allow our own law to be violated by providing further assistance.

Mr. MAHON. I will say to the gentleman from Iowa that upon inquiry today I was told that there are about 1,000 Greek troops on the island of Cyprus, and I assume they are equipped with American weapons.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

What difference does it make whether the equipment is 25 years old? If hit by a bullet or a number of bullets from a 25-year-old weapon, one is just as dead as if he were hit with the latest weapon issued by the U.S. military.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Alabama.

Mr. BUCHANAN. I thank the gentleman for yielding.

I should like to pursue very briefly one question.

Mr. MAHON. I think this is about all we can handle at the present moment.

Mr. BUCHANAN. I should like to ask the chairman if it is not true that there was earmarked for Israel some $300 million for military credits sales and $50 million for supporting assistance last year?

Mr. MAHON. The gentleman is correct. However, this subject would actually pertain to another amendment.

Mr. BUCHANAN. I am not thinking of an amendment. I just want to know if the current rate would be continued in the period covered by the continuing resolution for Israel. Is that the case?

Mr. MAHON. These funds could be made available in these same amounts.

Mr. BUCHANAN. In the new authorization bill, the Committee on Foreign Affairs does provide an amendment in the bill now under consideration for additional earmarking for Israel; but in this continuing appropriation bill, funds would be expended at the same rate as the old earmarking formula for this purpose; is that correct?

Mr. MAHON. There is no earmarking as such contained in this continuing resolution.

Mr. BUCHANAN. But would it be a normal circumstance that funds would be expended under this continuing resolution at the same rate as they were expended last year for Israel with regard to military credit sales and security supporting assistance?

Mr. MAHON. Mr. Chairman, I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, the administration could provide $300,000,000 in military credit sales and $50,000,000 in security supporting assistance for Israel on an annual basis under this continuing resolution. Actually, if the gentleman will yield further, there is over $1 billion in the pipeline to the credit of Israel yet to be disbursed.

Mr. WOLFF. Mr. Chairman, I will vote against the amendment to restrict the CIA, when it is offered; not because I believe that the Congress should refrain from overseeing the activities of the Central Intelligence Agency, but because, unfortunately, this amendment exercises congressional power too broadly, without the benefit of adequate information.

The difficulty that I have with supporting this particular amendment is that the prohibition against the CIA conducting various covert activities in "any" country, ignores the very real need for CIA intelligence to have broad discretion to operate in the best interests of freedom and democracy in certain areas of the world where human rights are trampled, torture is a regular mode of operation, and individuals are denied the basic dignity which should be afforded to all. If the only way to assure that these human rights will be recognized is for CIA operations to bolster the forces of democracy, then I do not believe this Congress should act to enforce a blanket ban on these activities.

This is not to say that I am not tremendously disturbed by the recent news of covert CIA operations to destabilize the constitutionally elected Government of Chile. Indeed, I believe that this is precisely the type of covert, subversive activity that should be prohibited by law, and carefully watched by Congress. I strongly endorse legislation which would give Congress broad oversight powers as an equal branch of Government, and which would require a regular and formal reporting of covert activities by the Central Intelligence Agency. And I believe that the CIA must be restrained from engaging in these noxious endeavors in any country which is freely elected by the people of that country.

But at the same time, I do not agree with some of my colleagues that we can paint with so broad a brush as is proposed in this amendment. Where there are wrongs, we must seek to correct them. Where there are abuses, we must seek to eliminate them. But we cannot here, by a stroke of the legislative pen, deny that much of the work of the CIA is vitally important not only to the security of our Nation, but also to the people living under the yoke of oppression in certain areas of the world.

Mr. BAUMAN. Mr. Chairman, when the rollcall is taken on the final passage on House Joint Resolution 1131, I will be forced to vote against this continuing resolution.

Since the House reconvened on September 11, I have sat here day after day watching little or no business being transacted while I have heard repeated public calls from the other party for a special session after the election on November 5. Simple logic would dictate that if the problems that face this country are of such a serious nature, and I believe they are, then by all means we should be working every day of the week for as many hours as it takes to solve these problems.

At a time when inflation is the most pressing issue for almost every individual American, today we are asked to pass a continuing resolution which will extend appropriations, including foreign aid spending at a level of nearly $6 billion a year, without any full consideration by the House of the need to cut back these programs. At a time when President Ford has rightfully suggested nearly $20 billion in cutbacks or deferrals, we, the elected representatives of the people are not being permitted to consider, except by this blanket resolution, the individual appropriation bills which it is our constitutional duty to pass or reject.

I am therefore constrained to cast a "no" vote in protest against this procedure and the total lack of willingness to take immediate action to solve the pressing problems of the American people.

Mr. ANDERSON of California. Mr. Chairman, I will support the amendment that will be offered to cut off all military aid to Turkey until the President certifies to Congress that an agreement has been reached regarding the presence of military forces on Cyprus.

In light of the worsening situation in Cyprus and the continued presence of Turkish troops on that war-torn island, I urge my colleagues to join me in having Congress take this immediate and effective step to help restore peace and freedom to Cyprus.

I find it appalling that we should continue to provide foreign aid to any nation which employs weapons and supplies that are indirectly financed by the United States to build up NATO forces against any nation which NATO is intended to protect.

Furthermore, I find it self-defeating to provide assistance to any country which openly advocates the cultivation of opium poppies that wind up as deadly drugs inflicting our own youth.

It is for these reasons that I earlier cosponsored resolutions to help alleviate this inequity and condemn the actions of Turkey. And for which I now seek a remedy by halting further military aid to Turkey until a satisfactory agreement has been reached.

Mr. ADDABBO. Mr. Chairman, I rise in full support of the amendment that will be offered by the gentleman from New York (Mr. ROSENTHAL).

I believe that the House has no option but to approve this amendment. To do otherwise would indeed be a violation of existing law which requires that further foreign aid be terminated whenever a nation uses material gained through that aid for aggressive military action.

Greece has long been a staunch aid of this Nation, and it is not right that Greek Cypriots have been victimized by weaponry provided by the United States.

I would hope that a political settlement can be reached between Turkey and Greece over Cyprus. I would hope that the attitude of the Turkish Government will eventually change enough so that foreign assistance can be reinstated. But at this point, I see no alternative than to adopt the amendment offered by Mr. ROSENTHAL.

I urge the House to vote "yes" on this amendment.

Mr. FORD. Mr. Chairman, I rise in support of the Rosenthal-du Pont amendment cutting off all military aid to Turkey until the President certifies to Congress that "an agreement has been reached regarding military forces in Cyprus which is acceptable to all parties concerned."

The time is long overdue for the U.S. Government to exercise stiff pressure on the Government of Turkey to cease its aggression on the island of Cyprus. It is outrageous that American taxpayers should be supplying arms to Turkey that are used in attacks upon a friendly country in violation of NATO commitments.

Turkey's aggressive actions, starting last August, clearly show that funds from the Foreign Assistance Act of 1961 were misused, in that materials furnished by the United States have been used by the Government of Turkey for purposes directly contrary to its objectives. According to law, the principal purpose of U.S. military aid is for defensive rather than aggressive purposes. Proper application of the Foreign Assistance Act requires the immediate halt of aid to Turkey.

I would like to point out a study prepared by the Library of Congress that has also concluded that Congress has outlawed the supply of arms to other countries for purposes "not related to national self-defense or regular defense."

The study to which I refer, "Military Aid Cut-Off to Aggressor—Recipients," dated September 9, 1974, declares "That U.S. military aid is intended for the sole and exclusive purpose of permitting recipients to defend themselves against aggression, whether from internal or external sources, seems to permeate the laws governing this matter."

Approval of this amendment is vital not only because the Foreign Assistance Act requires an immediate cutoff of aid to aggressor countries, but a suspension of aid to Turkey will enhance the likelihood of meaningful negotiations regarding Cyprus.

Ms. ABZUG. Mr. Chairman, it is essential that the Congress express the dismay we all feel over the tragedy in Cyprus. The reluctance of the administration to speak out forcefully on this situation is contributing to the stalemate in negotiations. Meanwhile hundreds of thousands of people are homeless, bereft, and frightened.

We must do more than deplore the situation; we must demand that Turkey abide by the U.N. cease-fire to withdraw the troops and return to their original territory. Our Secretary of State should use his good offices to persuade the Turkish Government to withdraw from Cyprus. It is unthinkable that we should now turn our backs on Cyprus and Greece, our historic friends. Turkey has received billions of dollars of American aid. That this money should be used to invade an ally is a perversion of its purpose. We cannot tacitly recognize the military takeover and partitioning of the island, with such terrible human suffering as a consequence.

It is entirely appropriate that all aid be cut off until this problem is resolved, and I support the amendment to do so.

Mr. GILMAN. Mr. Chairman, I will support the Rosenthal-du Pont amendment to House Joint Resolution 1131, the continuing appropriations extension for fiscal year 1975 when it is offered.

The continuing strife on the Island of Cyprus prompts me to urge my colleagues to join with me in supporting this amendment which will prohibit from date of enactment all military, economic, or other assistance and all sales of defense articles and services to the Government of Turkey until such time as the President certifies to the Congress that substantial progress has been made toward agreement regarding the presence of military forces in Cyprus.

The fighting and bloodshed on this island have caused great consternation to Americans and to people throughout the world. Turkey's occupation of one-third of Cyprus is in flagrant violation of its cease-fire agreement. I have publicly voiced my objections to the invasion of Cyprus by Turkish forces and have called for an immediate withdrawal of their troops to enable the United Nations to restore peace to the island and to guarantee to Cypriots the right to determine their own destiny. I have previously cosponsored legislation to cut off aid to Turkey until the resumption of opium production is halted. Additionally, I have introduced a measure which will permit large scale emigration of Cypriot refugees as an expression of our concern over these grief-stricken victims.

In light of Turkey's continued aggression and negative responses to world pleas, it is my firm opinion that passage of the amendment now before us is a needed and significant action which will, hopefully, bring about the cessation of hostilities on Cyprus.

It has been pointed out that there may even be a serious question of the legality of American military assistance being used by Turkey for purposes other than defense, making it ineligible for further assistance.

It is hoped that this legislative step will prompt the Turks to remove themselves from this devastated part of the world. Accordingly, I strongly urge my colleagues to act favorably upon this important amendment to House Joint Resolution 1131.

Mr. WOLFF. Mr. Chairman, I rise in support of the amendment calling upon the President to cut off all U.S. aid to Turkey because of its military activities on Cyprus. As a sponsor of the amendment, I believe it is essential both to insure that the rule of law is upheld and that the Cypriot people are guaranteed the right to determine their own destiny.

Turkey's invasion of Cyprus is in clear violation of the law governing the use of American military assistance. The Foreign Assistance Act and the Foreign Military Sales Act specifically and explicitly state that U.S. military assistance is intended solely for the recipient country's defense. Turkey now occupies over one-third of the island of Cyprus, and it has accomplished this seizure with the use of American arms. If we allow this act of aggression to go unrecognized, we are in effect supplying a nation with arms to use against our friend and ally.

Turkey has violated both the laws of the United States and the territorial integrity of Cyprus, and it continues to do so by its presence on the island. The Turkish invasion has seriously strained relations with our NATO allies and has created untold suffering for 225,000 refugees. We cannot in good conscience sit idly by while the Cypriot people are thus assaulted and international obligations thus defied.

All foreign troops must be withdrawn from Cyprus so that the Cypriot people can resolve their own crisis. President Ford has an obligation under the law to disbar Turkey from further U.S. aid until Cyprus regains its territorial integrity and independence. I urge my colleagues to join with us in conveying, in the clearest of terms, this message to the President and to the Turkish Government.

Mr. MAHON. Mr. Chairman, I ask that the Clerk read.

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

The Clerk read as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That clause (c) of section 102 of the joint resolution of June 30, 1974 (Public Law 93-324), is hereby amended by striking out "September 30, 1974" and inserting in lieu thereof "sine die adjournment of the second session of the Ninety-third Congress'.

SEC. 2. Section 101(e) of such joint resolution is amended by striking out "first quarter" and inserting in lieu thereof "quarterly".

AMENDMENT OFFERED BY MR. ROSENTHAL

Mr. ROSENTHAL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROSENTHAL: Page 1, after line 10, insert the following new section:

"SEC. 3. None of the funds herein made available shall be obligated or expended for military assistance, or for sales of defense articles and services (whether for cash or by credit, guaranty, or any other means) to the Government of Turkey until the President certifies to the Congress that substantial progress toward agreement has been made regarding military forces in Cyprus."

(By unanimous consent Mr. ROSENTHAL was allowed to proceed for an additional 5 minutes.)

The CHAIRMAN. The gentleman from New York is recognized for 10 minutes.

Mr. ROSENTHAL. Mr. Chairman, I appreciate the difficulties that the very distinguished chairman of the Committee on Appropriations has with what he sees as a disruption to orderly process. I am quite sympathetic to him.

It is my view that this matter is one of such great urgency that a modest disruption to the otherwise orderly congressional process is a luxury we can afford.

It is also my view that world peace and the stability of the eastern Mediterranean, and the strength and viability of NATO, is being threatened with every day that this action is delayed. I do not say this without serious reflection.

I, too, am a student and believer in quiet diplomacy, as is the distinguished chairman; but last Saturday marked the second month—to the day—that quiet diplomacy has failed. It has brought us to the situation we are in today, a situation in which every day Greece is moving inexorably to remove itself from NATO, with 200,000 Cypriot refugees who are unprotected, unfed, unclothed, ill-housed, where, if the rainy season develops as it will soon in the latter part of September and in October, we will have on our hands a disaster of enormous proportions.

The views I give today are given with an objectivity in my role as chairman of the Committee on Europe in the House Committee on Foreign Affairs. I returned last week from a week's visit to both Greece and Turkey.

I submit as a matter of solid fact that leading government officials in both those countries, and I report to this body, I think, in an objective and unbiased fashion. There is no question that from 1960 until 1974, there were difficulties on the island of Cyprus. I think there is enough blame to go around for everyone to feel some sense of remorse about what happened there.

I submit as a mater of solid fact that there is no question that the United States for 7 years kept quiet and indulged in quiet diplomacy, by inferentially, if not overtly, supporting a military junta in Athens. I do not think there is any question but that the military junta in Athens, stimulated the coup in Cyprus. I do not think there is any question that the Turkish Government at that moment felt some real threat to its citizens and felt compelled to take the modest, military action which it did.

It was at that moment that the United Nations Security Council urged a cease-fire. The Secretary of State was using what is known as "telephone diplomacy," urging the parties to show restraint. At that moment both parties, Greeks and Turks, hoped that the British, the third guarantor party, would exercise its responsibility, but nothing happened. Then, what happened was the aggression that my colleagues have been talking about.

The Turkish Army moved in a massive military effort to occupy one-third of the island, to virtually achieve all of the objectives it hoped to gain by negotiation. On August 18, as reported by United Nations sources, the Turkish Army had on the island of Cyprus—and remember this, Cyprus is an independent nation with deep emotional and ethnic ties to both Greece and Turkey and to Armenia to a small extent, but an independent nation recognized by the world as such.

The Turkish Army conducted an invasion of these proportions: They had 35,000 men on the island; they had 220 American tanks on the island; they had 144 large artillery pieces on the island; they had organized into two infantry divisions, three commando companies and one armored regiment.

At that moment they were using air forces to bomb civilian targets, destroy civilian hospitals, and take over civilian property. The net result of that invasion in violation of every responsible international covenant, was the death of 5,000 innocent people on the island of Cyprus.

There is one thing that must be remembered. U.S. arms supplied that invasion force, and U.S. arms and the continuous distribution of U.S. arms today stimulates that force on the island and fuels that force this very afternoon.

The United States bears not only the legal responsibility for which we are in unconditional violation of our own laws, but also a major moral responsibility in violation of the U.N. Charter, the NATO covenants, and our own agreements with both nations, because 80 to 90 percent of the equipment that was used in that aggressive military action was made, paid for, and delivered by the United States. This year, presently, we are delivering $80 million in military grant assistance to the Government of Turkey.

Now, do we share responsibility for this? Should we let it continue? How can we condone the continued violation of law? I do not want to burden the Members with reading what the law is, but the law says that all of these articles given under section 502 of the Foreign Assistance Act must be furnished solely for internal security, for legitimate self-defense, or to permit the recipient country to participate in regional or collective arrangements.

Then, it says in section 505(d) that if there is a violation of this, there shall be immediate cutoff and that such country shall be immediately ineligible for further assistance. Now, the United States continues to give these arms under an illegal situation.

What does all this mean in terms of where we are as regards a negotiating position? We have had 2 months of quiet diplomacy. The Turkish Army occupies one-third of that island. They are not going to voluntarily or unilaterally, withdraw unless they feel the heat of world opinion and unless they feel some pressure from their principal, donor country, the United States.

The Greek Government cannot negotiate because they would be negotiating from a humiliating position. They cannot negotiate while the Turks occupy one-third of that island, and they cannot negotiate when they feel so cut off from United States.

The Secretary of State is making his strongest effort to achieve a resumption of negotiations. That effort, without being backed by the Congress of the United States, is simply inadequate.

We have importuned the Turkish Government for 2 months. We have pleaded with the Turkish Government for 2 months. We have begged the Turkish Government for 2 months. Yet they will not yield because they are still sitting in a very, very strong military position.

If we were the Turkish Government, would we give up any of that land which we achieved without some real motivating reason to do so? The reason is the loss of future U.S. military assistance.

If we pass this resolution today, it is a twofold signal: It is a signal to the American people that we are going to obey the law, and that we are a responsible, law-abiding Congress and Government. It is a signal to the Government of Turkey that they cannot have military equipment to continue and maintain this kind of aggressive action. It is, indeed, a signal to the Greek Government, which says, "Why don't you come on along in the negotiations because we are going to use all the effort and muscle we can vis-a-vis the Turkish Government?"

Then, maybe, we can bring the Greeks

not only back into a negotiating stance, but back, hopefully, into NATO.

This is where we are today. If we do not take this action, I think the negotiation cannot resume and the passage of time will make the situation irretrievably worse. The Greeks will continue the momentum of their withdrawal from NATO, and the Turks will enjoy the situation that they have presently on the island of Cyprus.

Mr. Chairman, I urge all of the Members today to put aside the formalistic approach to this continuing resolution. It is nice if we can do it that way, but we cannot. If we think of the responsibility this Government has in granting military assistance to aggressive nations, we cannot permit that to go on.

It really does not have anything to do with whether anyone has some Greek friends or he does not have some Greek friends, or whether we have Greeks in our district or not. The issue is, What is right for the United States of America? What is right for the United States of America is not to condone serious violations of our own law. What is right for the United States of America is to maintain a neutralist position so that the negotiations can go forward.

Mr. Chairman, I urge the adoption of the amendment.

Mr. du PONT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first, I am pleased to rise as one of the two cosponsors of this amendment, an amendment that we are hoping first to attach to the foreign aid bill, the foreign aid authorization bill in our committee, and secondly, to attach to this continuing resolution on the floor.

I think there have been a number of things said that require response, but maybe I should begin by addressing myself to the Greek argument. We have heard some cloakroom talk that this is not an even-handed resolution, and that this should be applied to the Greeks as well.

Mr. Chairman, I will admit that it was the Greek Government that upset the apple cart, to start with. I will admit that when the apple cart was upset, the Turkish Government certainly had some right to go in and pick up the Turkish apples—to look after the rights and interests of Turkish Cypriots.

But they certainly did not have the right to seize the entire orchard! That is exactly what they have done on the island of Cyprus, and that is exactly what we are talking about—the seizing of the orchard, the taking over of the whole island, virtually the whole island, of Cyprus.

Mr. Chairman, there are two reasons why the United States should go on record as cutting off aid to Turkey. One of them is that it is the right thing to do.

When we see a nation acting as an aggressor, moving in and taking over territory and people who are part of another nation or which belongs to somebody else, we clearly ought to be on the side of opposing that aggression.

Second, we ought to cut off aid to Turkey because the law says we must. That is a law that we here in Congress passed. We said very simply that if our military aid is used for the purposes of aggression, we have got to stop giving aid to the country so using it. It is there, it is in the law, it is congressional policy, it is U.S. policy, and it ought to be followed.

Now, let us go back a month or so in time to the middle of August, when the Turkish forces were overrunning the island of Cyprus. Mr. Hartman, the Under Secretary of State, was testifying before the Committee on Foreign Affairs, and I asked him whether U.S. military aid to Turkey had been suspended, and he said, "No, it has not been suspended."

I asked further, "Is it possible, then, Mr. Secretary, that the military aid that is landing in Turkey today, as we talk here, is being immediately transshipped and used on the battlefields in Cyprus?"

He said, and I am paraphrasing now, "Well, I consider it unlikely, but, yes, it is possible."

Mr. Chairman, does it not seem to the Members, as it seems to me, that if we are sending military aid across the ocean, and it is being transshipped from our delivery ship to a Turkish naval vessel and then steamed south to Cyprus and used in the battle, that the United States ought to be saying that we do not want our materiel used that way and we ought to stop aid? It seems to me very clear that that should be the case.

Let me address myself now very briefly to three arguments, arguments which have also been raised by the gentleman from Texas, the chairman of the Committee on Appropriations.

The gentleman said, "Why will Turkey not just walk out? Why should Turkey not say, 'The devil with it' " if we cut off aid?

Well, the reason they will not is that they have a vital interest in Cyprus. They have Turkish people there, and they want to protect them. It is in their interest to get a settlement, and it is certainly in their interest not to go to war with Greece.

How about the argument that by passing this resolution we are undercutting Secretary Kissinger in his efforts? I do not think that is correct either. I think we are helping him by doing that. He can go to the negotiations and say, "Look at what the Congress is forcing me to do. Those people there are putting the screws on. They are tightening things up. They are demanding that we cut off aid, and if you fellows do not get an agreement worked out, they are going to cut it off. We are going to have to get to work."

Finally, Mr. Chairman, there is the argument that respect will be lost for the United States if we suddenly cut off aid to a NATO partner. I would argue, on the contrary, that this will add to respect for the United States. The law is clear as to what we are supposed to do.

What kind of respect do we get when we waive the law, when we say, "Oh, well, even if it says we are supposed to cut off aid, we are not going to bother in this case"? Mr. Chairman, that fosters disrespect. That is what causes the kind of disrespect that we get around the world.

The CHAIRMAN. The time of the gentleman from Delaware (Mr. du Pont) has expired.

(By unanimous consent, Mr. du Pont was allowed to proceed for 1 additional minute.)

Mr. du PONT. So I think, Mr. Chairman, in summary that suspending aid at this time would be the right thing to do.

Our resolution is drafted very carefully. It is not irrevocable. It suspends military aid until such time as the President certifies to the Congress that substantial progress is being made.

That is the kind of signal we ought to be sending to Turkey. That is the way in which we can keep the commitment that the Foreign Aid Act demands us to keep.

Mr. Chairman, I believe it is very clear that we ought to accept this resolution, and I urge my colleagues to vote for it.

Mr. FRELINGHUYSEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to this proposal. I think it would be most unwise. Both the gentleman from New York and the gentleman from Delaware (Mr. du Pont) have said that we should support this amendment because it is the right thing for America.

I think the right thing to do is to look at how we can help facilitate a settlement of a very complex and delicate situation. I do not think we should at this moment become overcome by moral indignation, natural as that feeling may be, because of the way in which the Turks have been behaving on Cyprus. Of course we do not condone their actions. However, if we now publicly should throw the book at Turkey, we must recognize we would not be accomplishing anything except to make a settlement more unlikely.

The gentleman from Delaware (Mr. du Pont) has said that this resolution has been carefully drafted. It says that if substantial progress on negotiations has been accomplished then we can continue assistance. But what would be the likelihood of getting substantial progress if one of the major parties to these negotiations should be directly challenged? I do not see how we can underestimate the effect on Turkey if we should at this stage challenge them in this way. The result would not be that the Turks would feel obliged to negotiate simply because we want them to. In my opinion it would diminish to a point of no return the likelihood of meaningful negotiations.

The gentleman from New York has suggested that somehow the new Government of Greece needs to have its confidence boosted by an action like this. I doubt very much whether the boosting the self-confidence of Greece is enough to secure a settlement on Cyprus. I would guess that both sides to this unhappy event would like to see negotations but for us now publicly to belabor a longtime ally and an important partner of NATO in an effort to expedite negotiations is, I think, completely misreading the actualities.

We have heard expressed that the law as it is now written should obligate us to cut off aid. Well, if this is so it seems to me an argument against language such as this. Why not let the administration wrestle with the implications of the law as it is now written without indulging in this kind of an exercise? Without any question the situation at the present time is at a delicate phase, even though there was some scoffing in the Committee on Foreign Affairs this morning about the signficance of private diplomacy. Yet that is the only reasonable course.

I would suggest, in conclusion, that the United States alone does not hold the key to the Cyprus situation, yet the impression we are giving here today is that somehow if we make a public declaration against one of those who must do the negotiating that we can bring them to heel and force them to negotiate. This is very misguided. I would hope that we could recognize that this move could complicate, and surely not improve, the situation. If Congress should appear to be tightening the screws, or if we should be actually tightening the screws, this surely is not giving the Secretary of State the flexibility which he needs.

So I hope we defeat this amendment. If such a proposal is to be brought up, it should be brought up in the foreign aid bill and not in this continuing resolution. The whole question can be actively discussed in that committee.

Mr. KYROS. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman, it seems to me the first thing we ought to do is to put this amendment in its proper perspective, and that is that there are many Members in the House who have sailed the Mediterranean Sea and the oceans of the world and who know how necessary it is to maintain our lifelines out in the Mediterranean or in the other oceans. There is a direct interest to our country in maintaining peace and stability in the Middle East and in the Mediterranean. Greece and Turkey should both be our friends, because they are the eastern flank of our NATO forces, and we should like today to see them both remain friends.

Unfortunately, however, our policies to date have caused a situation where we are imperiling the friendship of both Greece and Turkey, and that becomes so because at this very monent, as has been explained, there is an expeditionary force of roughly 40,000 Turkish soldiers, armed with American weapons, trained by Americans, using American communications, occupying part of Cyprus. If this force continues, then the Greek Cypriots and the Turkish Cypriots will be at war, even as wars go on in Ireland or Palestine or other areas of the world, those wars will continue forever. We have two major positions, two major roles to play.

First, we would like to see peace and stability maintained in the Middle East as well all over the whole world. But more importantly, we have provided the weapons to this Turkish Army. We did it properly, but they were not supposed to be used in this method. All we ask simply is not that someone humble Turkey, but that someone speak to the Turkish Government and explain that no stability can be realized in the Middle East unless they withdraw their forces and use the United Nations to reestablish peace in Cyprus. Otherwise we will be met with continual insurgent warfare. There will be constant problems in an area which is like a tinderbox.

To speak today on the floor of the House about someone being pro-Greek or pro-Cyprus or pro-Turk I think is a useless endeavor. I think we are all friends with the involved parties. I do not know what it means to say that some of the Greeks are our friends and some of the Turks are our friends. I think that is a very careless attitude. The important thing is this: What is the national interest?

Every Member of the House, I am sure, knows how to carry that out. Our national interest since the end of World War II has been to maintain our lifelines in the Mediterranean and to maintain our friendships in the Mediterranean. We lose those friendships every single moment we stand in the immoral, illegal, indefensible position of having armed a huge Turkish expeditionary force and now having them let loose among helpless civilians.

The stories of terror, of death, and rape will continue endlessly, and they all ring around America because it was initially our weapons that were available to maintain this conflagration.

There was a statement to the effect that there might be Greek Nationals on Cyprus with American weapons. I doubt this is true. The war going on now, if it continues, will be between the regular Turkish Army, well armed and well drilled with our weapons, against Greek Cypriot insurgents, and they will both kill each other, and innocents as well will be killed.

Our job, it seems to me, is to monitor the Department of State on foreign policy. We failed to do it for years on the Vietnamese conflict. Yet in the end, when the House exercised its responsibility, that war ended. It seems to me we ought to remind the Department of State of our concerns and assist it by showing it is the desire of America that we welcome friendship with both Turkey and Greece by speaking to them as neighbors and friends, and saying, "Withdraw your troops; leave some police forces there." Let the United Nations come in and make peace on that beleaguered island. That is the role America should play, and it should be debated on its merits and not based on illusory arguments concerning Member's motivations.

I urge passage of the Rosenthal-Du Pont amendment.

Mr. SIKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is, of course, tempting to seek to write foreign policy on the floor of the House of Representatives, but it is an area in which we must proceed with care. We do have strong feelings about foreign policy; we have a right to and we should express those feelings—within reason. The point is this is a highly emotional issue, much more so than the average issue dealing with foreign matters.

Most of us have Greek-American constituents. In my district they are included among some of my best friends. We know of the long tradition of friendship between our two countries and our peoples, and we in America want to help the people who are our friends. But we must remember that this is an emotion-charged issue and we should realize that this is not a time for emotion. Much damage already has been done through emotion on both sides. This is a time for careful deliberation.

It is time for negotiations. I beg the House to remember that negotiations are in progress. We hope that they are going to be meaningful. We know that a very genuine effort is being made and will continue to be made to resolve this problem in a way that is reasonable and acceptable to both sides.

Now, I think we must remember here today that while most of us do not have any Turkish constituents, the Turks as a nation also are our friends. They also are very important to NATO and to peace in the world. This resolution, this effort to write foreign policy on the floor of the House would be a slap in the face to a nation that is friendly to us and is important to peace in the world, and particularly to maintaining a balance of power in the Mediterranean.

There will be an election soon in Turkey. This type of resolution would be an affront to the Turkish Government, and to the Turkish people. It will certainly be played up in the coming election and it could arouse antagonisms there that would require years to ameliorate. It could do great damage to the negotiations that are in progress.

Let us remember there are bases in Turkey where our forces are stationed, bases that are very important to the United States and to NATO; to peace in the Mediterranean and to peace in the world.

I think we must consider all of those matters. After all, if we want an immediate settlement of the Cypriot problem once and for all, the only way to do is by invading Cyprus, taking it back by force of arms, and handing it over to the Greeks, or whomever we want to have it. Of course, we are not going to do that. I doubt there is anyone in the House who would vote to go to war using American forces to resolve this issue. The resolution which as now proposed is not going to settle the problem. It will only aggravate the situation.

If we want to help Greece, and most of us do, we must seek an acceptable compromise that both sides can live with. We want the Greeks to be our friends. We want the Turks to be our friends. That is why the committee today is asking that this resolution not be injected into the problem, that we do not aggravate the problem by the adoption of a resolution that will only do harm.

Mr. WYMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Undoubtedly legislation other than the continuing resolution would be a preferable vehicle for its attachment, but in the absence of a firm agreement that the alternative will be presented, the amendment of the gentleman from New York should be adopted.

I have cosponsored a House resolution calling for a halt to U.S. economic or military assistance or military sales to Turkey until Turkish armed forces have been withdrawn from Cyprus. The present amendment falls far short of this objective, but it clearly suspends further military assistance to Turkey until meaningful negotiations for settlement of the conflict on Cyprus are underway.

Turkey has been a friend and I hope will continue to be, but its activities on Cyprus have been highly aggressive and it has used arms and military equipment that we have furnished Turkey under military assistance programs designed to assist Turkey in its defense. They were never intended to be used in aggression of the type the world has witnessed in the invasion of Cyprus.

Exhortations to negotiation are one thing. Leverage of sanctions of this type must be applied when exhortations fall on deaf ears. In the interests of world peace and stability the Cyprus situation must be amicably resolved and we should use whatever means short of military intervention are available to us to induce negotiations of a meaningful and constructive nature between Greece and Turkey at the earliest possible moment.

I urge the adoption of the amendment.

Mr. CRONIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there has been much discussion here today about what is really in the best interest of these United States. As a matter of fact, that is what all of us were elected to represent. Many of us have different views about how that is accomplished.

I think that one of America's labor leaders perhaps put it best when Samuel Gompers said that labor should remember its friends and punish its enemies. That phrase has some relevance here today, because we are talking about two nations, Turkey and Greece. On the one hand we have with Turkey the concern of many people today that it has great strategic value; yet Turkey was the nation where we were willing to trade our missiles as long ago as the 1960's during the Cuba crisis. We were then in a situation where they did not have any great strategic value to us.

Turkey is the nation where we had surveillance radar and we developed even better radar. Today our new radars supersede anything that is in Turkey and give us improved capabilities.

Russian ships currently sit in Turkish ports. There is no additional threat involved today; its already a reality.

Then Turkey, who is supposedly our friend, has disobeyed our joint treaties on growing poppy and is continuing to poison the youth of our country in every major city with heroin.

On the other hand, we have Greece. Greece has been one of the oldest and strongest allies this country has ever had. We all know the Marine song, from the "Halls of Montezuma to the Shores of Tripoli"; but there were Greek troops fighting with Americans on the shores of Tripoli. There were Greek troops with us in World War I and World War II. Greece has always been with us.

Greece has been a very hospitable port for the 6th Fleet. Greece has always been there when we needed Greece.

Mr. Chairman, I think with the Cyproit situation, we have seen the nation of Turkey commit, for the second time in this century, genocide. The first time was when they completely annihilated the nation of Armenia. Now, they have come back in Cyprus, and we have seen genocide again against the Greek residents of that island.

I think, Mr. Chairman, it is best for this Nation to decide which side is in the best interests of America. It has been pointed out that the law is very clear, that Turkey committed an act of aggression. It moved with American arms against the Greek Cypriots. I think the United States has a responsibility to eliminate the support we have been providing Turkey as a result of that. We have a duty to uphold our own laws.

Mr. Chairman, I certainly agree that we should be moving towards peace in that area, but it is very apparent that the negotiations for months now have been very one-sided. Turkey on the one hand has all of the power, all the big sticks, all the good weapons. The Greeks, on the other hand, do not have the weapons or resources. As a result, the negotiations have gotten nowhere.

I think it is time to give the Secretary of State a big stick; to give the Secretary of State some power in his negotiations; it is time to give the Secretary of State the power to say to the Turkish people, "If you do not negotiate in good faith, no more weapons from the United States of America."

I think, Mr. Chairman, that this big stick would be the best thing we could have to bring peace to that area.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. CRONIN. I yield to the gentleman from New York.

Mr. ROSENTHAL. Mr. Chairman, I commend the gentleman for his remarks. There are some other things that we might point out. The amendment says that at any time the President feels the situation has progressed and an agreement has been made regarding the situation, he shall notify the Congress. Really, this is a very healthy escape clause to meaningful and sensible negotiations.

Mr. CRONIN. I think that is a very important point, because this is not a black and white, cut and dried situation. It is an arrangement which recognizes that negotiations are going on. It gives the negotiations a chance to work and provide the vehicle whereby the Secretary of State and President of our country can, when they see some progress being made, rescind any actions we may take today.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. CRONIN. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Chairman, I thank the gentleman for yielding to me. I regret very much that the gentleman tried to divide the friendship of the Greeks or the Turks as far as the United States is concerned.

I think they are both important to us, although I recognize that there are more Greeks in the United States. The gentleman should also remember that the Turks sent a division to fight alongside our troops in Korea during the Korean war.

Mr. CRONIN. Mr. Chairman, I thank the gentleman for pointing that out, but it is also important to point out that the Turks are also sending opium to the streets of New York, Boston, and every major city of the United States today. The concerns of today are what concern me.

Mr. SARBANES. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I want to thank the distinguished gentleman from New York (Mr. ROSENTHAL) and the distinguished gentleman from Delaware (Mr. DU PONT) for their leadership in bringing this critical issue to the attention of the Members of this body.

Adoption of the amendment will accomplish a vitally important objective: It will reaffirm in unmistakable terms the commitment of this House to see that existing statutory provisions governing U.S. foreign assistance programs are complied with. These provisions clearly set out the purposes for which defense materials received under the aid programs may be used.

Thus, the pertinent section of existing law provides:

> Defense articles and defense services to any country shall be furnished solely for internal security, for legitimate self-defense, to permit the recipient country to participate in regional or collective arrangements or measures consistent with the Charter of the United Nations, or otherwise to permit the recipient country to participate in collective measures requested by the United Nations for the purpose of maintaining or restoring international peace and security, or for the purpose of assisting foreign military forces in less developed friendly countries (or the voluntary efforts of personnel of the Armed Forces of the United States in such coun-

> tries) to construct public works and to engage in other activities helpful to the economic and social development of such friendly countries . . .

Obviously, the law does not recognize aggressive military actions as a legitimate purpose. And in view of the statute's explicit references to the United Nations, it is imperative to emphasize here that Turkey has violated two U.N. Security Council resolutions.

In fact, the proper application of the law requires an immediate halt to U.S. assistance to Turkey, for the Foreign Assistance Act, as amended, specifically provides:

> Any country which hereafter uses defense articles or defense services furnished such country under this chapter, the Mutual Security Act of 1954, as amended, or any predecessor Foreign Assistance Act, in substantial violation of the provision of this chapter of this title or any agreements entered into pursuant to any of such acts shall be immediately ineligible for further assistance.

Furthermore, the July 1947, bilateral agreement between the United States and Turkey requires Turkey to obtain the approval of the United States for the use of American defense articles for any purpose other than the defensive purposes for which our arms are furnished.

It is imperative to recognize—and I say to the chairman and the ranking member of the committee—would not the adoption of this amendment reaffirm the most basic principle of this country's system of government, that the laws are to be faithfully executed and not bent, ignored, or circumvented for the convenience of any official.

The gentlemen have not addressed themselves to the fact that the continuing assistance is now in direct contravention of statutes passed by the Congress and signed by a President of the United States.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. SARBANES. Yes, I will be happy to yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Chairman, I do not disagree with the gentleman's statement as long as we treat both parties equally. That is all I say: Treat both parties the same.

Furthermore, I would like someone to tell me how the adoption of this amendment will remove one Turkish troop from Cyprus. That is what we want to get done. We want some peace and calm in Cyprus, and this amendment will not do it.

Mr. SARBANES. The policy pursued by this Government has resulted in the intrusion of Turkish troops on Cyprus and has led to the present situation, with 40 percent of the island occupied by Turkish troops and with 200,000 refugees.

Let me address myself briefly to some of the consequences of the policy pursued by our State Department during the Cyprus crisis.

First. NATO has been plunged into its worst internal crisis since its creation 25 years ago and the Western security system in the Eastern Mediterranean has collapsed. The likelihood of conflict between Greece and Turkey, two NATO allies, has been greatly increased.

Second. Efforts to support the civilian government of Constantine Karamanlis and the restoration of constitutional democracy to Greece have been dealt a serious blow. Karamanlis, a man of outstanding ability and a close friend of the United States throughout his political life, has been placed in an exceedingly difficult position.

Third. Peace and justice on Cyprus have been jeopardized, perhaps for generations to come, as efforts to develop harmony between its people have given way to hatred and bitterness. The independence and integrity of a peaceful nation has been subverted contrary to all rules of international law.

Fourth. A consequence which must pain us all is the grave deterioration in Greek-American relations. America and Greece have always had a close relationship since this country assisted Greece in its struggle against Turkey for national independence and human dignity. In two world wars Greece fought valiantly with America against the forces of aggression and she has consistently been one of our closest allies. Is Greece now to be lost as our friend, because of the shortcomings of the State Department's policy.

However, the most urgent question today reaches not to the distortions in our policy, as serious as they may be, but is rather the simple question whether the executive branch is obliged to carry out policies consistent with existing statute or whether applicable provisions of the law can be disregarded at the pleasure of the State Department.

In the present instances, the law is unequivocal. Suspension of all aid to Turkey in the wake of the Cyprus aggression is mandatory. It is not a discretionary matter. The State Department must recognize the seriousness of the legal question. Yet it has failed to respond substantially to a letter of inquiry addressed to the Secretary almost a month ago by a group of Members of this House raising this fundamental legal issue.

What is so deeply disturbing is the apparent course of action of the State Department to circumvent the unambiguous provisions of existing law clearly rendering Turkey ineligible for assistance. The amendment offered by the gentleman from New York (Mr. ROSENTHAL) and the gentleman from Delaware (Mr. DU PONT) would have the effect of insuring that the existing requirements of the law will be observed. Mr. Chairman, I strongly urge the adoption of this amendment.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by my good friend the gentleman from New York (Mr. ROSENTHAL) to cut off aid, both military and economic, to Turkey until the President certifies that an agreement has been reached regarding military forces in Cyprus which is acceptable.

Mr. Chairman, by supporting this amendment, Members of the House are insisting that the administration ought to support the law. The Foreign Assistance Act states quite clearly that military assistance may be used only for certain designated purposes including internal security, self-defense, regional and collective defense activities consistent with the United Nations Charter or authorized by that body. Quite clearly the recent Turkish aggression in Cyprus does not qualify for American aid. Despite the clear language in the law, the State Department has chosen to ignore the strictures in the act.

Mr. Chairman, I urge all of my colleagues on both sides of the aisle to join with me in voting no to aggression and in favor of the rule of law in this House, in the State Department, and throughout the world.

By taking this action today, I hope that we will indicate to the government in Ankara that we are serious about our commitment to law and that we desire meaningful efforts toward peace on the troubled island of Cyprus. Most important, we want to see a modus vivendi established whereby the people of Cyprus, the Greek-descended majority and the Turkish-descended minority, can live in peace with mutual respect for each other's rights.

I urge all Members to join with me in supporting the Rosenthal amendment.

Mr. ANDERSON of Illinois. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, this amendment admittedly does pose a very difficult problem for all of us here in the committee who are obliged to vote on it.

There is not any question but what there is a great feeling of affection, a great reservoir of affection among all of us for the Greek people.

Those of us who listened earlier to the very eloquent remarks of the gentleman from Indiana (Mr. BRADEMAS) in his recitation of some of the horrible atrocities that were committed on that island where 200,000 refugees have resulted because of the military depredations committed by the Turkish Army, certainly know what the situation is there.

Mr. Chairman, we certainly do not, in expressing opposition to this amendment, seek to put our imprimatur of approval on that kind of lawless conduct, nor do we seek to choose between the Greek and the Turkish people. But I would challenge the reasoning of those who this afternoon have suggested in this very high-level debate, that we are going to be helping the Secretary of State by adopting this amendment, that we are going to give him a "big stick," that we are going to give him the club which he needs to push through this settlement of this very difficult and indeed age-old problem.

If the Secretary of State wanted this kind of assistance, it seems to me he would not be talking to individual Members of Congress, as he has to me, and pleading, literally pleading, "Do not act on this amendment today, this continuing resolution. It will upset the very delicate course of negotiations which we have very good reason to believe will bring us a successful resolution of this most difficult diplomatic problem."

So I think we must reject out of hand the notion that by adopting this amendment we are helping the Secretary of State in the very difficult task he has.

I want to respond very briefly in the short time that I have to another argument that has been made by the gentleman from Maryland (Mr. SARBANES). I think it is an important question, one which has to be faced. That is as to whether or not there is something lawless in not cutting off aid at the present time, whether we are in effect countenancing a violation of the law unless we adopt this amendment.

I am familiar, I will say to the members of the committee, with the legal memorandum on this question that was prepared by a senior specialist in American public law at the Library of Congress. It is the one that is being used by the proponents of this amendment.

A superficial reading of that memorandum would seem to indicate that the actions of Turkey do fall under the prohibition contained in the Foreign Assistance Act. That memorandum goes on to read, as follows, and I quote:

> . . . the apparent absolute prohibition contained in section 505(d) is subject to the President's special waiver authority.

I think that is what the proponents of this amendment have failed to take into consideration. That waiver states in part that the President may authorize the use of funds made available by the act, that is, the Foreign Assistance Act, other provisions notwithstanding—and I quote:

> When the President determines that such authorization is important to the security of the United States.

Mr. SARBANES. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. Yes. Since I mentioned the gentleman's name, I will be glad to yield.

Mr. SARBANES. Mr. Chairman, I have two very quick responses to the gentleman.

First, of all, there is a difficult legal question whether the waiver is even applicable to this situation. The section of the law providing waiver authority for the requirements of the act also provides that the authority be exercised in furtherance of the purposes of the act. There is a serious question whether to this instance a waiver could be in furtherance of the purposes of any act on the statute books.

Second, even if this legal argument is not accepted, it is clear that the President has not exercised the waiver in this instance.

Mr. ANDERSON of Illinois. Mr. Chairman, he has not exercised the waiver in the precise form which the gentleman would seek to have him do it. However, I think the very fact that the President and his Secretary of State are pleading with us not to take the action that is proposed today is a de facto expression of his opinion that he wishes to waive this particular requirement in section 505(d), and the gentleman himself has conceded that there is a very serious legal question involved.

I concede that it may even be a very close question.

All I am suggesting and all I am pleading with the members of the committee to do this afternoon is to refrain from the desire to take this action. And it is an understandable desire, because, as I said earlier, we do have this great affection for the Greek people. No one has more than I, as many of the Members know. We have a deep and abiding affection and respect for the Greek people, both in this country and in Greece itself. But what I am pleading with the Members to do is not to take the opportunity that seems to be afforded in this continuing resolution of amending it and of using it as a vehicle to attempt to resolve this enormously difficult and complex legal question.

The time will come before the sine die adjournment of this Congress when we will be required, either in a foreign aid authorization bill or in another continuing resolution, to face this question, and at that time I think it would be entirely proper that we do so.

Mr. Chairman, I plead with the Members not to do that this afternoon in the vote on this particular amendment.

Mr. Chairman, as one whose name was used, or I should say, misused, on a "Dear Colleague" letter on this amendment, I feel compelled to speak out against the amendment. The authors of this amendment, in their "Dear Colleague," attached a list of 176 Members "who have sponsored resolutions consistent with the purposes" of their amendment. My name was included on that list.

Let me make clear at the outset that while this reference may be technically correct, it is nevertheless misleading. The resolution which I cosponsored, House Concurrent Resolution 597, with the gentleman from Indiana (Mr. BRADEMAS) simply stated that it is the sense of the Congress "that all foreign troops currently involved in Cyprus be withdrawn immediately so that the United Nations may be permitted to restore peace to the island and the Cypriot people guaranteed the right to determine their own destiny." No mention was made in this resolution about cutting off all U.S. military and economic aid to Turkey. I would further point out that the resolution I cosponsored is consistent with U.S. foreign policy objectives and the position our country took on resolution 353 as adopted by the Security Council on July 20, 1974. The amendment before us today, on the other hand, is not consistent with our stated foreign policy and is opposed by the administration.

In opposing this amendment today, I would caution against attempting to set American foreign policy in concrete by a rider on a continuing appropriation bill. If there is a legitimate question as to whether there may be a violation of existing law in our present policy, this matter should be thoroughly reviewed by our Foreign Affairs Committee in consultation with the Department of State, and a full and complete report should be made to the House on the basis of this review.

While the intentions of the authors of this amendment are well-meaning and they raise a very legitimate question, I for one am not prepared to decide this question at this time and in this manner, without first having more information and more input from the appropriate committee of this body. I am especially reluctant to decide this question in a continuing appropriations bill when our entire NATO alliance hangs in the balance. I have been one of the most vocal people in this body urging that we reassert our legitimate constitutional prerogatives. I was one who voted to override a Presidential veto to enact the war powers bill and thus restore to the Congress its rightful role in this area. But I also recognize that the Congress is not in a position to make foreign policy, as much as we should have some role in it. When we do act in the area of foreign policy, it must be from an informed and responsible standpoint. Tacking on riders to continuing appropriations bills is not my idea of being responsible and constructive. It is nothing more nor less than instant foreign policy and it can be very dangerous in terms of our short- and long-term national security interests.

I urge defeat of this amendment.

AMENDMENT OFFERED BY MR. GROSS TO THE AMENDMENT OFFERED BY MR. ROSENTHAL

Mr. GROSS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. GROSS to the amendment offered by Mr. ROSENTHAL: On line 4 of the amendment, strike the words "Government of Turkey" and insert in lieu thereof "Governments of Turkey and Greece."

Mr. GROSS. Mr. Chairman, with the addition of this amendment the amendment offered by the gentleman from New York (Mr. ROSENTHAL) would read as follows:

> None of the funds herein made available shall be obligated or expended for military assistance, or for sales of defense articles and services (whether for cash or by credit, guaranty, or any other means) to the Governments of Turkey and Greece until the President certifies to the Congress that substantial progress toward agreement has been made regarding military forces in Cyprus.

Mr. Chairman, it will take only a minute for me to say what I have to say in behalf of my amendment to the amendment. If the House proposes to accept the Rosenthal amendment, then let the Members be fair and deal evenhandedly as between these two governments, the Government of Turkey and the Government of Greece. Anything else adopted here today, and in the light of the negotiations which we all hope will be immediately forthcoming, may be seriously damaging to the cause of those negotiations and a peaceful solution of the situation on the island of Cyprus. The Greeks must take their share of the blame for what has happened.

I yield back the balance of my time.

Mr. ROSENTHAL. Mr. Chairman, I rise in opposition to the amendment offered by Mr. GROSS to my amendment.

Mr. Chairman, before discussing the amendment offered by the gentleman from Iowa to my amendment, I would like to make a comment on something that my distinguished colleague, the gentleman from Illinois (Mr. ANDERSON), suggested. It was the first time that I have ever heard of such a thing, the President calling on the telephone or Mr. Kissinger calling on the telephone Members of Congress under a new legal concept which is known as a de facto waiver. I am sure the gentleman could not be serious about this. It would be interesting if we could create a new legal concept in the body of law but I do not think it would be useful.

The fact of the matter is that the U.S. Government is in violation of the present law by continuing the shipment of military assistance to Turkey, period. The President does, under the law, have the right to waive that violation. And if he would send a letter to the Speaker of the House of Representatives and to the President pro tempore of the Senate he could say it is in the national interest of the United States, and we would have a piece of paper and a man would come down the aisle saying "I have a message from the President of the United States." And that is the way it would come, but that has not happened and the reason it has not happened is because the President feels, obviously, that he does not have to do so.

So far as this amendment is concerned, the best I can say for it is absurd on the face of it. It is an outrageous idea to offer this amendment this afternoon.

The fact of the matter is that of the invading force of the Turkish Army which included 220 tanks, 35,000 troops, 145 artillery pieces, F-4 planes, 2 infantry divisions and 3 commando units, they were all supplied by the United States under the Foreign Military Sales Act and the Foreign Assistance Act that came out of our distinguished committee. They invaded a neutral country. They invaded an independent country. A country that has necessarily ethnic ties to both principals but, nonetheless, an independent country.

The Greek Government did not use any military assistance supplied by the United States in this situation. The Greek Government used nothing whatsoever.

The gentleman from Iowa asked earlier, or somebody else did, did the Greeks on the island of Cyprus, or the irregular Cypriots, the Cypriot militia whether they had had any military assistance and someone remarked that the rifles they had were 25 and 30 years old. They were not supplied under the U.S. statutes and they were not supplied by grant authority or anything else.

The fact of the matter is that there is no more reason to include Greece in this amendment than there is to include Great Britain or France or any other country. The only country that used American military assistance for the invasion of Cyprus was Turkey. It has nothing to do with whom one is friendly with or whom one is not friendly with, or whom one has in his district or whom one does not have in his district.

Does the gentleman from Iowa (Mr. GROSS) know what this situation is really like? It is like giving a policeman a revolver to go out and protect the houses in the neighborhood, and if one finds him breaking into one of the houses, does the gentleman know what to do? We take back the revolver.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is always a sad situation when friends fall out, and we have certainly had two friendly nations, nations which have been historically good friends of ours, fall out over Cyprus. I am in hopes, of course, we will be able, with the help of other nations, to solve this matter so that NATO once again can have a southern flank which is secure. I think the thing we should all realize right now is that the future of NATO is exactly what we are talking about.

Certainly the previous Greek Government, prior to this government, was involved in an uprising on the island of Cyprus. The Turkish Government overreacted. We have had Greeks fighting Turks on the island of Cyprus, and certainly it is a situation which is explosive, dangerous, and very sad indeed.

The thing which I think we all should be considering is that which is best for the free world, not what is best for just the island of Cyprus or just for Turkey or for Greece. The whole NATO structure has been based on a system of alliances. American presence in the Mediterranean is only possible because of bases provided by that system of alliances.

If it should become necessary for the United States to withdraw the 6th Fleet from the Mediterranean, the whole balance of power in that part of the world would be upset so radically that it would no longer be possible for us to carry out our treaty obligations in that area of the world. I am not only talking about our obligations to the Turks and Greeks but also to Israel, and to all the countries of the Mediterranean littoral.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to our distinguished Speaker.

Mr. ALBERT. I thank the gentleman for yielding.

Mr. Chairman, I desire to make these two or three points in conneection with what the gentleman is saying.

This is a really tragic situation, and I think the hearts of Americans go out to the Greeks and the Cypriots. There is widespread concern about the extent to which there has been a Turkish invasion of the island. I think this point should be made. First of all, we are in a position, I think where we need the friendship of both Greece and Turkey as the two bastions of strength and freedom in the eastern Mediterranean. There is a democratic, moderate government in Greece today, and we want to help bolster it. We do not want to do anything, as I see it, that would cause us extra problems beyond the efforts which are being made—I hope in good faith; I believe in good faith—to bring this matter to a conclusion and to free the Greek Cypriots.

I think it should be pointed out next that this is a continuing resolution. I recognize that Members often use continuing resolutions to advance propositions, but it is just right on the heels of a program announceed by the chairman of the Committee on Foreign Affairs. Tomorrow, I am informed, that committee will take up this very subject. That is a more logical and appropriate place to take it up. I hope we do not do anything here—as much as we want to help the Cypriots, and as friendly as we are to the Greeks, who have been one of our really great allies in that part of the world—that will alienate the Turks or cause them to be more explosive, or cause them to be more difficult to deal with on the topic under discussion with and to settle this problem in a manner that will be satisfactory to Greece and to the Cypriots on the island of Cyprus.

Mr. RHODES. I thank the Speaker. It will do the new Government of Greece, which is a democratic government, no favor at all to have the U.S. 6th Fleet withdrawn from that part of the Mediterranean. It would place all of that part of the world, including Greece in danger from aggression by Iron Curtain countries.

When we look around the littoral of the Mediterranean and the uneasy political stability of the many nations of that area, the connections and alliances we have had with Greece and Turkey take on added importance.

What I hope we will be able to do and I am sure we will be able to do it if we do not take unwisely precipitate action, is to repair the system of alliances so that once again we can work in a friendly way with both Greece and Turkey.

It is not my desire to favor one over the other or condemn one more than the other, but it is my desire and intention to make sure that this Government can preserve the situation in the Mediterranean.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close at 2:45.

The CHAIRMAN. All debate upon the pending amendment and the amendment to the amendment?

Mr. MAHON. That is correct.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

(By unanimous consent Messrs. JOHN L. BURTON and CARNEY of Ohio yielded their time to Mr. BRADEMAS.)

The CHAIRMAN. The gentleman from Indiana is recognized for 3 minutes.

Mr. BRADEMAS. Mr. Chairman, I rise in opposition to the Gross amendment and in support of the Rosenthal amendment. I do so for the following reasons: In the first place, as the gentleman from New York (Mr. ROSENTHAL) said, the Gross amendment is absurd on the face of it. The problem we face is that there are 40,000 Turkish forces on the island with American military equipment, not that there are Greek forces on the island with American military equipment; so that the whole point of the amendment is absurd.

The second point I make, Mr. Chairman, is this. I have not heard one single reply in this body this afternoon in response to a fundamental point, that the United States, in continuing military aid to Turey, is in direct violation of the Foreign Military Sales Act and the Foreign Assistance Act.

Now, if we vote against the Rosenthal

amendment, in effect we in Congress are saying that it is perfectly all right, if Dr. Kissinger feels it convenient for the Congress of the United States to acquiesce in the breaking of the law of the land.

Mr. Chairman, what have we been experiencing in this country for the last year if it has not been the complete disruption of a good deal of the Government of the United States as the result of the defiance of the law of the land?

There has been talk here today about orderly processes. Well, one of the orderly processes is obeying the law. So, my plea is for law and order, for obeying the law, not continuing to break the law, and, therefore, my plea is for a vote in favor of the Rosenthal-du Pont amendment.

Mr. Chairman, I want also to say a word about the U.S. national interest. A vote for the Rosenthal-Du Pont amendment is a vote in the national interest of the United States. It is a vote to help bring Greece back into NATO from which Greece was compelled to pull its military forces as a result of the bankruptcy of American diplomatic policy in the Cyprus crisis.

A vote for the Rosenthal-Du Pont amendment is a vote to help enable the first civilian government in 7 years in Greece to have a chance to survive, and I would remind my friend from Arizona, the distinguished minority leader, Mr. RHODES, that his administration supported the military junta in Greece which made the abortive coup.

Third, Mr. Chairman, I would say to my friend from Texas, the distinguished chairman of the Appropriations Committee, that this amendment is an instrument of diplomacy. There is not a single Member of the House of Representatives I know of who has urged that we send American troops to Cyprus. That would be absurd, but the passage of this amendment would, to paraphrase one prominent figure in the Nation's life, send a message to the Turks that they should be willing to negotiate seriously and constructively.

It does astonish me, Mr. Chairman, to sum up, that there has not been one expression of concern by the opponents of the Rosenthal-Du Pont amendment about the fundamental point I was making, the violation of the law of the land.

Mr. Kissinger, on August 19, promised in a press conference that he would be getting a legal opinion on that matter. On the 29th of August, several of us wrote him a letter urging him to give us a legal opinion in response to our charge that the Department of State was violating the law. Here we are today, the 24th of September, and we still do not have that legal opinion. Secretary Kissinger is obviously stalling and as his stall continues, what is happening?

American military aid continues to be sent, illegally, to the Government of Turkey, which has used American guns and American planes to bomb, wound, and murder helpless civilians on the island of Cyprus.

Now, Mr. Chairman, I want to address myself to one other point before I stop.

I believe I am correct in my understanding that the gentleman from Illinois (Mr. ANDERSON), in his remarks, attempted to suggest that the President might have certain authority to waive the ineligibility of Turkey for military aid resulting from its aggression in Cyprus.

But, Mr. Chairman, I disagree, and let me here try to explain my reasons for disagreeing with the gentleman from Illinois.

Mr. Chairman, on July 20, 1974, Turkey rendered itself ineligible for further military aid by using defense articles in attacks on Cyprus in violation of the provisions of the foreign assistance laws and its agreement with the United States. (22 U.S.C. 2314 (d)).

It is now suggested that military aid can be continued because the President has statutory authority to waive Turkey's ineligibility. But, in the circumstances relating to the Turkish attack on Cyprus, no such waiver authority exists in the President and the continued furnishing of defense articles to Turkey is in violation of law.

Mr. Chairman, the section relied upon for the claim of waiver authority is apparently 22 U.S.C. 2364(a). That section provides:

> The President may authorize . . . the furnishing of assistance . . . without regard to the requirements of this chapter or any other law . . . *in furtherance of any of the purposes of such acts, when the President determines that such authorization is important to the security of the United States.* [Italics mine.]

The provision quoted does not authorize the President to continue military assistance to Turkey because, Mr. Chairman:

First. It relates essentially to the commencement of military assistance to a country, and not to the continuance of such assistance to a country which is in violation of its military aid agreement with the United States.

Second. The purposes of the foreign assistance legislation are purely defensive in nature, and the continuance of military assistance to Turkey which has been, and is, engaged in aggressive activities, would, therefore, not be "in furtherance" of such purposes.

Third. Authorization of continued military assistance to Turkey is not "important to the security of the United States.

The legislative history of 22 U.S.C. 2364(a) indicates clearly that its principal purpose was to allow the initiation of military assistance to a country before it has signed an agreement or met other eligibility requirements, or under circumstances which make it politically inexpedient for it to do so. Thus, the House committee report stated:

> In the recognition of the fact that there may be occasions when the United States should be able to show its friendship and its desire to help nations which are unable to sign formal agreements in order to qualify for assistance. . . .

This provision is included. Further on the report states with reference to 22 U.S.C. 2364(a):

> This (section) would permit giving limited assistance to nations which we wish to help but who may be afraid to enter into agreements with us.

Finally, in the section-by-section analysis appended to the committee report the section is justified, in slightly different terms as follows:

> The Committee considered it important to provide for some flexibility to deal with emergency situations and to provide limited amounts of assistance in circumstances which do not warrant the negotiation of agreements.

Mr. Chairman, nowhere in the legislative history is there any indication that the Congress intended this section to qualify or limit the application of the ineligibility section. It is therefore clearly not an authorization to continue aid when a nation has become ineligible under section 2314(d). Because of substantial violations of the provisions of the act, and of related international agreements, utilization of 22 U.S.C. 2364(a) in such circumstances would be clearly and flagrantly contrary to law and the express intent of Congress.

The foregoing analysis should dispose of the question. But for the sake of thoroughness two other points are made with respect to the claim that 22 U.S.C. 2364(a) justifies continuance of aid to Turkey. The express purposes for which military assistance may be provided are stated in the act to be such things as internal security, legitimate self defense, regional and collective defense activities, et cetera. No provision can be found which by any stretch of the imagination could be construed as authorizing the furnishing of military assistance to be used, or to replace equipment used in belligerent actions against a small nonalined nation and member of the United Nations. It is clear that Turkey has used and is using equipment furnished in violation of the purposes of the act. The continuation of such assistance cannot then be "in furtherance of any of the purposes of such acts."

Moreover, Mr. Chairman, it cannot be said that continuance of such assistance is "important to the security of the United States." One of the fundamental purposes of the military assistance legislation is to allow for aid "to strengthen the security of the United States." This goal is achieved by assistance solely for defense, individually and collectively. Hence, continuance of assistance to a country committing aggression cannot be considered "important to the security of the United States."

How then, Mr. Chairman, can the continued furnishing of military assistance and equipment for use, or to replace equipment used, to commit aggression against another free world friendly country be legally justified? It cannot.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Chairman, I would like to thank my distinguished colleague for yielding to me, and commend him and our other colleagues for making this important fight for adoption of the Rosenthal amendment to cut off arms to Turkey. A vote for this amendment is a vote for justice for the Greek Cypriots.

Because of the lamentable fact that Turkey used American arms and planes to bomb unarmed Cypriot civilians, we have a special responsibility to restore justice and peace to Cyprus. I support the same and would like to associate myself with the remarks of the gentleman from Indiana (Mr. BRADEMAS).

The CHAIRMAN. The chair recognizes the gentleman from New Jersey (Mr. FRELINGHUYSEN) for 1 minute.

Mr. FRELINGHUYSEN. Mr. Chairman, I rise in opposition to the Gross and the Rosenthal amendments.

What we want, and this is what this debate has indicated quite clearly, is a resolution of the Cyprus situation. However, if we should vote for the Rosenthal amendment, the result conceivably could be that Turkey would pull out of NATO. Passage of the amendment surely would not make it more likely that Turkey would engage in the meaningful and constructive negotiations needed in order to get a resolution of the situation in Cyprus.

So, I hope, because we are indignant about the way Turkey has been acting in Cyprus, that we do not help make it less likely that we get a constructive resolution of this problem. I think it is very much in the U.S. national interest that we encourage meaningful negotiations. However, the message that the adoption of the Rosenthal amendment would send would not bring about meaningful negotiations.

(By unanimous consent, Mr. YATES yielded his time to Mr. BOLAND.)

Mr. BOLAND. Mr. Chairman, I rise in support of the Rosenthal amendment to cut off the flow of economic and military aid to Turkey until the President feels the facts warrant his certification that "an agreement has been reached regarding military forces in Cyprus which is acceptable to all parties concerned."

There are those among us who will agree that this country is in part responsible for the situation which now exists in Cyprus. I will not argue whether that be true or not, but I do feel that we must admit to ourselves that continued aid to Turkey, in light of the inexorable advance of Turkish forces and their refusal to surrender 1 inch of captured territory, much less leave the island, is indeed both an encouragement and a support to present Turkish policies toward Cyprus.

Mr. Chairman, the time for invoking the rightness or wrongness of the initial Turkish incursion on Cyprus has long since passed. We are faced with the hard fact that Turkish forces are daily becoming more entrenced in that island nation. Their actions must be said to constitute naked aggression against a pitiably weak and divided people, whose hope for a negotiated and reasoned settlement of their differences is permanently prevented by the Turkish military presence.

Those are the facts. Greeks and Greek Cypriot representatives will never accept a settlement—political or otherwise—at the point of a Turkish gun. Regardless of their own culpability in the generation of the conflict on Cyprus, we should not expect them to. Those guns were made in this country, just as were the tanks and ships which are used by the Turkish Army. Those weapons, like the identical military weaponry that fills Greek arsenals, represent the military assistance that this country has extended over the years to the Government of Turkey. The law authorizing such transfers clearly states that arms obtained under the foreign aid program are to be used for internal security, self-defense, and regional or collective security. Any other use renders the recipient "immediately ineligible for further assistance."

Mr. Chairman, the use to which American made arms have been put on Cyprus clearly is not an allowable one. The Turkish Government, just as clearly, is no longer eligible for our foreign aid assistance. Our State Department has delayed action on the Cyprus situation to the point where the Turks have not felt disencouraged from taking the steps that they have taken. If our foreign aid program is to have any meaning, indeed, if we are to adhere to the principles of "life, liberty and the pursuit of happiness" for all, we must insist that our Government enforce our laws and immediately cease further economic and military assistance to Turkey. This is not a back door approach to foreign policy. It is a reaffirmation of it.

Such an action, Mr. Chairman, can only serve to aid international negotiations concerning Cyprus. If the Turks appreciate that the United States will no longer tolerate their aggressive stance in the occupation of the island, then they will be much more likely to begin meaningful negotiations over the future of the island. If we are serious in our efforts to reach a solution allowing self-determination by the Cypriot people, then this cutoff of aid cannot come soon enough. I cannot urge the passage of this amendment more strongly.

The CHAIRMAN. The gentleman from Louisiana (Mr. PASSMAN) is recognized for 1 minute.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to both the Gross and Rosenthal amendments.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. FINDLEY) for 1 minute.

AMENDMENT OFFERED BY MR. FINDLEY TO THE AMENDMENT OFFERED BY MR. ROSENTHAL

Mr. FINDLEY. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from New York (Mr. ROSENTHAL).

The CHAIRMAN. The Chair will state that the amendment is not in order at this point. There is an amendment pending to the Rosenthal amendment.

Mr. FINDLEY. Mr. Chairman, may I be recognized for my 1 minute at a later time?

May I be recognized for my 1 minute after the disposal of the pending amendment?

The CHAIRMAN. There will be no time remaining under the limitation.

Mr. FINDLEY. Mr. Chairman, while I feel the Rosenthal amendment could be improved, I nevertheless consider it worthy of support.

It represents a useful statement of congressional concern over the continued substantial presence of Turkish troops on Cyprus without impeding the ability of the President to influence a settlement.

It sends a signal but does not tie the President's hands.

Unquestionably defense articles furnished to Turkey by the United States are being used improperly by Turkey on Cyprus.

In the face of this misuse the Congress should not be silent.

In voicing support for the amendment, I restate clearly my support for the U.S. obligation to Turkey and Greece under the NATO treaty. This is a sacred obligation that must be preserved.

The CHAIRMAN. The Chair now recognizes the gentleman from Maine (Mr. KYROS) for 1 minute.

Mr. KYROS. Mr. Chairman, the distinguished minority leader said a few moments ago that he as well as the rest of us in this Chamber should recognize the geographical position of the Mediterranean and our interests in being there.

There are few important facts to think of: First, the Greek national forces are not in Cyprus right now. Turkish national forces are, armed with our weapons.

Therefore, there is no sense in talking about an amendment that precludes aid to Greece because the Greek national forces are not there. Therefore the amendment offered by my friend from Iowa should be defeated.

On the other hand, if we do not take action, we will have a war. If we have a war in the Middle East, we cannot tell how far it will go.

It is the interest of all of us to assure that we have both Turkey and Greece as friends. We can do it by simply going along with this resolution, which will indicate to the State Department the sense of the Congress that negotiation will produce some result other than that achieved through the use of military force. I urge your support of the Rosenthal-Du Pont amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. PEYSER) for 1 minute.

Mr. PEYSER. Mr. Chairman, I rise in support of the Rosenthal amendment.

While I am also outraged by the action of Turkey on Cyprus I would like, in my few seconds, to devote my time to the violation of the Turkish Government in its actions dealing with the growth of opium. It has only been mentioned once on the floor of the House this afternoon, and its seems to me that it is one of the most impact issues, particularly if we are concerned with the national interest of this country, the Turkish Government had agreed to stop the growth of opium and to really take a major step in fighting the heroin market in the United States. Within 1 year's time they have reversed that agreement.

I will not vote for any aid to Turkey, until we can reach a new agreement with them on this issue as well as on the Cyprus issues.

The CHAIRMAN. The Chair now recognizes the gentleman from Maryland (Mr. SARBANES) for 1 minute.

Mr. SARBANES. Mr. Chairman, I rise in opposition to the Gross amendment.

Greece is not the aggressor on Cyprus.

The amendment is nonsensical. I hope the House will reject it overwhelmingly.

I support strongly the Rosenthal amendment.

How far will the United States go in order to "maintain our influence with Turkey"? We obviously can have influence with any country in the world if we support its actions no matter what they might be.

The Government of Turkey has clearly been the aggressor in Cyprus. It is the object of two U.N. resolutions and of the condemnation of world opinion.

I earnestly hope the Rosenthal amendment will carry.

The CHAIRMAN. The gentleman from Michigan (Mr. Cederberg) is now recognized for 1 minute.

Mr. CEDERBERG. Mr. Chairman, the President of the United States, the Secretary of State, the distinguished Speaker of the House of Representatives, and the minority leader all agree that this amendment would be at this time most unfortunate as far as our foreign policy is concerned.

On the very day that our Secretary of State is meeting in New York with the foreign ministers of both Greece and Cyprus, to take this action, in my opinion, would be dangerous to the peace in that area, at a time when Cyprus is relatively calm and when negotiations are taking place; this is no time to take this kind of action.

I do not believe that if this amendment passes, it would remove one Turkish troop from Cyprus. I fear that what it will do is that it will raise even more conflict in this already war-torn island and that it is not in the best interests of the Greek Government or of the people of Cyprus for this Congress to support this kind of action.

Mr. Chairman, I believe very sincerely that it ought to be voted down at this time.

The CHAIRMAN. The Chair recognizes the chairman of the committee, the gentleman from Texas (Mr. Mahon).

Mr. MAHON. Mr. Chairman, we are not likely to send American troops to Cyprus, to Greece, or to Turkey. Therefore, this matter, insofar as this Nation is concerned, is going to have to be settled by negotiation.

The President of the United States and the Secretary of State are our top people in international matters and in matters of negotiations between countries, and they are very concerned about the pending amendment being offered and agreed to by the House.

So I would say this: Let us not encumber this continuing resolution with this sort of amendment.

Both countries are somewhat at fault, no doubt. There are troops from Greece in Cyprus, according to the information which I am able to secure from highest sources this very day. The number is not great—about 1,000, I believe. And there are Turkish troops there in much larger numbers.

What we need to do is to find a way to negotiate this matter, and we can and should give our assistance to the people who have the responsibility for these negotiations by opposing this amendment.

Mr. Chairman, I hope the Members will support the committee and vote down the amendment. I do not believe that the amendment would serve the best interests of the citizens of Cyprus or Greece.

Mr. KOCH. Mr. Chairman, I rise in support of the amendment by Mr. Rosenthal and Mr. du Pont. The amendment will prohibit funds for military assistance to the Government of Turkey until the President certifies to the Congress that substantial progress toward an agreement regarding military forces on Cyprus has been reached.

I would prefer stronger language in the amendment to forthwith end all American aid to Turkey so long as the Turkish military forces remain on Cyprus. I have joined with the five American Helenes—John Brademas, Peter Kyros, L. A. Bafalis, Gus Yatron, and Paul Sarbanes—in sponsoring House Resolution 1319, which would state the clear sense of Congress on this issue. However, even though the amendment offered today to the continuing appropriations bill is not as strong as our resolution, it is a good amendment, and I urge its adoption.

While the press is not reporting to the same extent as heretofore, the tragedy which is occurring in Cyprus, the fact is that tragedy continues unabated. Our national policy is in part responsible for what occurred in Cyprus. We supported the Greek junta and it was that junta that executed the coup d'etat in Cyprus, removing President Archbishop Makarios from office. And it was our refusal to cut off economic and military aid to Turkey that encouraged the Turkish Government to invade Cyprus.

Upwards of 200,000 Cypriots are now refugees on their island home. The island is in part occupied by Turkish military forces that have extended their enclave so that it now occupies near 40 percent of the island. The Turkish Government refers to the military perimeter as the "Attila" line. How ghoulish. Yet, in a way, the Turkish Government, with that infamous name, properly labeled its occupation as barbaric.

On Friday, August 16, I visited in New York City with His Eminence Archbishop Iakovos of the Greek Orthodox Archdiocese of North and South America. For me it was a very moving experience. He was to leave that night for Greece. The depths of his agony were expressed when he said to me and I shall always remember those words:

> What have our people, yours and mine, done that we should have suffered so through the ages.

And he lamented the fact that the administration and Secretary of State Henry Kissinger had apparently turned their backs on the Greek Cypriots and were failing to respond even to the modest requests for consultation with representatives of the Greek-American community. I was overwhelmed with the sadness and goodness that flowed from His Eminence.

Three weeks ago I was present at a church meeting held at the Greek Archdiocese Cathedral of the Holy Trinity where hundreds of Greek-Americans were present to demonstrate their upset and indeed anger at the heartless U.S. policy which by its continuation of support of Turkey economically and militarily implicates us in the Turkish military occupation of Cyprus.

The failure of the U.N. to stop the aggression gives every future aggressor license. The involvement of the United States in that aggression, by failing to cut off military and economic aid to Turkey, makes every American in part responsible for the Cyprus calamity.

The amendment before us must be passed. Only if it is passed, becomes law, and is implemented will we in the United States begin to have our honor returned to us.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. Gross) to the amendment offered by the gentleman from New York (Mr. Rosenthal).

The question was taken; and on a division (demanded by Mr. Rosenthal) there were—ayes 11, noes 48.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Rosenthal).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ROSENTHAL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 307, noes 90, answered "present" 1, not voting 36, as follows:

[Roll No. 536]

AYES—307

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Bennett
Bergland
Bingham
Boggs
Boland
Bolling
Brademas
Breckinridge
Brinkley
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Butler
Byron
Carney, Ohio
Casey, Tex.
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Delaney
Dellenback
Dellums
Denholm
Derwinski
Dingell
Donohue
Downing
Drinan
Duncan
du Pont
Edwards, Ala.
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Flood
Flynt
Foley
Ford
Forsythe
Fraser
Frenzel
Frey
Froehlich
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Guyer
Haley
Hammerschmidt
Hanley
Hanrahan
Hansen, Wash.
Harrington
Harsha
Hastings
Hays
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Howard
Huber
Hudnut
Hungate
Hunt
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch

Kuykendall
Kyros
Lagomarsino
Landgrebe
Latta
Leggett
Lent
Litton
Long, La.
Long, Md.
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McKay
McKinney
Macdonald
Madden
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mayne
Mazzoli
Meeds
Mezvinsky
Milford
Miller
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher

Nedzi
Nix
Obey
O'Brien
O'Hara
Parris
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Preyer
Price, Ill.
Pritchard
Quillen
Randall
Rangel
Rees
Regula
Reuss
Rinaldo
Roberts
Robinson, Va.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruth
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Schroeder
Seiberling
Shipley
Shuster
Sikes
Slack
Smith, Iowa

Snyder
Spence
Staggers
Stanton, James V.
Stark
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Tiernan
Traxler
Udall
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Waggonner
Walsh
Wampler
Whalen
Whitehurst
Williams
Wilson, Bob
Wolff
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zion

NOES—90

Anderson, Ill.
Arends
Beard
Bell
Bevill
Biester
Bowen
Bray
Breaux
Broomfield
Burleson, Tex.
Burlison, Mo.
Camp
Carter
Cederberg
Chamberlain
Conable
Davis, Wis.
de la Garza
Dennis
Devine
Dickinson
Dulski
Erlenborn
Evins, Tenn.
Fisher
Flowers
Fountain
Frelinghuysen
Fulton
Gettys

Goodling
Gross
Hamilton
Hanna
Hansen, Idaho
Hébert
Hosmer
Hutchinson
Ichord
Landrum
Lott
McEwen
McFall
McSpadden
Madigan
Mahon
Martin, Nebr.
Matsunaga
Melcher
Michel
Minshall, Ohio
Montgomery
Myers
Nelsen
Nichols
Passman
Patman
Pickle
Poage
Price, Tex.
Quie

Railsback
Rhodes
Robison, N.Y.
Ruppe
Ryan
Scherle
Schneebeli
Sebelius
Shriver
Skubitz
Smith, N.Y.
Stanton, J. William
Steed
Symms
Teague
Thornton
Treen
Ullman
Ware
White
Whitten
Wiggins
Wilson, Charles, Tex.
Winn
Wyatt
Young, Fla.
Zablocki
Zwach

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—36

Armstrong
Biaggi
Blackburn
Blatnik
Brasco
Brooks
Carey, N.Y.
Davis, Ga.
Dent
Diggs
Dorn
Eckhardt
Grasso

Gunter
Hawkins
Heckler, Mass.
Johnson, Colo.
Jones, Okla.
Lehman
Metcalfe
O'Neill
Owens
Podell
Powell, Ohio
Rarick
Reid

Riegle
Rooney, N.Y.
Shoup
Sisk
Towell, Nev.
Vigorito
Waldie
Widnall
Wilson, Charles H., Calif.
Wright

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. ROUSH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am voting "aye" on this resolution only because several agencies and departments must have appropriations to continue operating. I do want it understood, however, that this vote should in no way indicate my support for the foreign aid program. I am accepting the assurances given that the House will have the opportunity to work its will on a foreign aid bill. I have many objections to foreign aid and feel there must be drastic changes in that which has been proposed by the administration. I shall voice those objections at the appropriate time.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to ask the chairman of the Subcommittee on Foreign Operations of the Appropriations Committee a question in regard to aid to Israel.

I would like to ask the chairman of the subcommittee this question: Is it his understanding under the continuing resolution that aid to Israel be provided in the sum of $50 million in supporting assistance and $300 million in foreign military credit sales;

Mr. PASSMAN. Mr. Chairman, will the gentleman yield;

Mr. CONTE. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, the administration could provide $300 million in military credit sales and $50 million in supporting assistance to Israel which is the save level as last year and the same amount requested for fiscal year 1975. That is correct.

Mr. CONTE. I thank the gentleman.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been concerned, and some other Members have been concerned, that under the wording of the continuing resolution funds would not be available for the program for assistance for Soviet refugees authorized under the State Department Authorization Act.

I wonder if the chairman of the subcommittee could comment on that point.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Mr. Chairman, under the basic law, they do have funds available.

Under the Migration and Refugee Assistance Act of 1962, as amended, there is a provision which would allow the President to make a determination and transfer up to $10 million from other foreign aid accounts in any fiscal year to meet unexpected urgent refugee and migration needs. These funds could be used to finance the refugees from the Soviet Union program, if needed, on an interim basis until a regular foreign aid bill is presented to the House.

They may transfer these funds out of the development loan funds, the President's contingency fund, the technical aid program or others. So, not only do they have the legislation which would permit it, but they have the funds whereby these funds could be transferred.

Mr. BINGHAM. I thank the gentleman from Louisiana for his reply.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, as many Members of the House, I feel that Israel should receive its fair share of aid under this continuing resolution.

Based on last year's appropriations, my calculations would show that by the end of the second quarter of this fiscal year, December 31, 1974, Israel should have received at least $25 million under the security supporting assistance program and arms credits under the foreign military credit sales program of $150 million. This $175 million would be half of the aid that Israel received in fiscal year 1974 under these two programs; however, it is only a minimum.

Because of Israel's economic burdens and the Arab arms buildup, the House Foreign Affairs Committee has already recommended an increase in aid for Israel over last year—from $50 million to $250 million in security supporting assistance and a change of $100 million of the $300 million in foreign military sales credits from loans to grants.

Since these increases will likely be appropriated, the administration, as a minimum, should be obligating funds for Israel at an annual rate at least equal to the aid received by Israel last year under the security supporting assistance and foreign military credit sales programs.

(By unanimous consent, Mr. McFall was allowed to speak out of order.)

THE 200TH ANNIVERSARY CELEBRATION OF CONTINENTAL CONGRESS

Mr. McFALL. Mr. Chairman, I take this time to call the Members' attention to the anniversary celebration on tomorrow.

Mr. Chairman, the House this Wednesday, September 25, will celebrate the 200th anniversary of the First Continental Congress.

The ceremonies will begin after the first quorum call and will last about 45 minutes. All proceedings will be broadcast live on network television. Public broadcasting will tape the event and rerun it Wednesday at 9 p.m.

Each Member will be sent his usual one gallery pass Tuesday afternoon by the Doorkeeper.

Congressman Mike McCormack is chairman of the special committee on arrangements which has arranged a fine program for this historic occasion.

Alistair Cooke, whose "America" series is currently running for the third time on television, will give the principal address. Cecilia Kenyon of Smith College and Merrill Jensen of the University of Wisconsin will also speak about the First Continental Congress.

Barbara Jordan will talk about the prayer offered at the First Congress and music will be provided by the Old Guard Colonial Fife and Drum Corps and the Camerata Chorus of Washington.

Mr. RHODES. Mr. Chairman, will the gentleman yield

Mr. McFALL. I yield to the distinguished minority leader.

Mr. RHODES. Mr. Chairman, the

House will have an opportunity on September 25 to play a significant role in sparking our national Bicentennial spirit. It was my privilege to be in Philadelphia recently for the re-creation of the original Continental Congress. It was a stirring affair. It was a sharp reminder of the responsibilities Congress faced in our revolutionary fight for freedom—and during our efforts to preserve it through the years.

The program on September 25 will help rekindle in all of us a greater awareness of our heritage as free Americans. We are beginning an observance unique in the history of the world—two centuries of the American Republic. It is appropriate that the House—the body closest to the people—be chosen for this ceremony. We will pay tribute to our sage and courageous founders—and look ahead to our 200th birthday. I urge all my colleagues to be a part of this historic observance.

AMENDMENT OFFERED BY MS. HOLTZMAN

Ms. HOLTZMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. HOLTZMAN: Immediately after line 10, insert the following new section:

"SEC. 3. Such joint resolution is amended by adding at the end thereof the following new section:

" 'SEC. 112. After September 30, 1974, none of the funds appropriated under this joint resolution may be expended by the Central Intelligence Agency for the purpose of undetermining or destabilizing the government of any foreign country.' "

Ms. HOLTZMAN. Mr. Chairman, I am introducing this amendment because of the revelations that have come out in the past few weeks about the efforts of the Central Intelligence Agency to destabilize and undermine the government in Chile, which resulted in the military coup and its repressive aftermath.

I do not object in any respect to having an intelligence agency. In fact, I think it is important to pursue our country's legitimate intelligence functions, and the CIA is the agency to do it. I do not believe however, that the CIA ought to be engaging in activities to destabilize and undermine governments of foreign countries, whether we agree with those governments or not, especially in an atmosphere of virtually complete secrecy, without approval by the Congress, or approval by the people of this country.

The Constitution does not permit the Pentagon or even the President to try to defeat another government in war without the approval, indeed, the authorization of Congress. We just passed the war powers resolution to insure that executive branch would not take such action against foreign governments. How then can we countenance permitting the CIA to overthrow governments or to take actions designed specifically to accomplish that end without the consent of the Congress or even its knowledge?

If we are talking about restoring congressional prerogatives over the activities of the Government of this country and particularly over the executive branch, then it seems to me that my amendment is an important beginning. The foreign policy of this country should not be engaged in by the CIA in this manner without appropriate congressional control.

Finally, I do not believe that the CIA ought to be engaged in actions designed to overthrow a foreign government with which we are not at war. One of the main criticisms leveled against the Soviet Union for decades has been that it conducts a policy of subversion in foreign countries. It is therefore appalling to hear that we should model ourselves after the Soviet Union and that the CIA should engage in a policy of subversion just because the Soviet Union does. Since when is the Soviet Union a model for this country? Would the advocates of this policy suggest that we should have slave labor camps in the United States, total censorship of the press, elimination of the right of free speech, and torture for dissenters?

We are a democratic country and hopefully can inspire other countries to adopt the liberties we cherish by demonstrating their success. Through our foreign policy we can support our friends and fail to support our enemies. It is hard for me to believe that we are reduced to persuading other governments of the merits of democracy my having the CIA engage in subversion, finance violence abroad, and covertly pave the way for takeovers by military juntas.

We do not have to sell our way of life by undermining, destabilizing, and overthrowing governments.

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I had urged earlier, and others had, that the House act in an orderly way in passing this continuing resolution, because much of the Government could come to a screeching halt if we do not pass a further continuing resolution. The present resolution expires on September 30.

We have had one amendment. It has been adopted. Here is a proposal for another amendment. I do not know what the next amendment will be, but we cannot run the House of Representatives and the U.S. Government in an orderly or proper way if we are going to be confronted with this kind of situation.

Mr. Chairman, the funds for the Central Intelligence Agency are in the Defense appropriation bill. That bill has passed the House and the Senate; it has been agreed to in conference by the conference committee. The conference agreement has been approved by the House but I am not sure whether it has been approved by the Senate as yet to day. At any rate, it is well down its legislative path.

This amendment is irrelevant, among other things, to the bill which is before us, because undoubtedly within a few days the Defense appropriation bill will be signed into law. For this to be thrown at the Members of the House out of the blue, without sufficient hearings by any committee of the House, seems to me intolerable and indefensible, and I hope that the House will not approve this proposal.

The amendment provides that none of the funds appropriated under this joint resolution may be expended for "undermining or destabilizing" any government.

We are not proposing in this legislation to undermine or destabilize any government.

Obviously, those of us who oppose this amendment do not intend that our Government undermine any other government, just as those who support the amendment do not intend that their vote be interpreted as support for governments of other countries who are clearly opposed to the best interests of the United States.

Mr. Chairman, I urge that the House vote down this amendment, and let us see if we cannot, prior to September 30, enact this further continuing resolution into law.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I urge support of this amendment. I find it shocking that the chairman suggested that we should get on with the serious business of this Government and not waste our time on unimportant things, such as this matter of improper covert activities of the CIA in Chile and perhaps other countries.

This amendment is a serious matter, because it goes to the very essence of the righteousness of America's cause as the leading nation of the free world.

Since we have been informed of the improper activities of the CIA in Chile, and perhaps in other countries—and we have certainly been informed of its wrongful activities in Chile—this is the first opportunity which we have had in this Congress to voice either approval or disapproval of the actions of our Government as they relate to the CIA. This is the first bill before us which presents us that opportunity. It is too late for us as a practical matter to do anything in the defense appropriation bill, but it is not too late now for us to approve this amendment and to show to the world that the U.S. Congress will not sanction these nefarious and covert activities of the CIA; that the people of the United States will not approve and ratify the improper and wrongful acts of the CIA in Chile.

It is shameful that the committee continues to ask us to provide in legislation and in appropriation bills secret and unexplained moneys for activities which are not presented or approved in the Congress, activities which we in the Congress and the people of the United States know nothing about, activities which only a very small handful of people; namely, the President, the Secretary of State, and a few Members of Congress alone, know about. And then we learn from the media, as we just recently have learned, of the improper activities of the CIA in helping to overthrow the legitimate government in Chile. It is shameful that we in Congress today do nothing about it.

If Members vote against this amendment today, in effect what they will be doing is ratifying and affirming the improper activities of the CIA in Chile.

I, for one, do not see how we can abide this type of activity any longer. For years people in the world have been saying that the United States has been involved in this way, that the CIA has been responsible for many activities in other countries. We now have the evidence of it, and I think we ought to repudiate it and terminate it now so that once again we can gain the respect and approval of the world.

Acceptance of this amendment will make our moral position in the world much stronger. We will once again regain that moral posture which this Nation has always had and which in very recent years we run the risk of losing through activities such as this.

Mr. Chairman, I urge the approval of this amendment. It is the first time that we have had the opportunity to send a very real message downtown to the executive branch in the White House and the State Department saying, "We in Congress will not tolerate this type of legislation any longer, and we do not want CIA funds for covert activities concealed in appropriation bills."

We, the Congress, have had to vote blindly, without knowing about the existence of these funds, the amount of such funds, what they are used for, and which countries they have been used in. It is outrageous.

Mr. Chairman, I urge support of this amendment.

Mr. CEDERBERG. Mr. Chairman, I move to strike the requisite number of words.

Mr. CEDERBERG. Mr. Chairman, I rise in strong opposition to this amendment. It has often been referred to here in the House that there is a small group that does get together and looks at the activities of the Central Intelligence Agency and I happen to be a member of that group. Let me just say to the Members: Do not be overtaken by the frenzy that would seem to indicate that there is some sinister force at work trying to undermine governments around the world. The simple fact of the matter is that the Central Intelligence Agency is trying to do its best to protect the best interests of the free world, including our own.

It just is not possible for a large group of people to know all of the activities that are going on in the Central Intelligence Agency, and I would urge the Members to be fair and to put their faith in some of the Members who do know some of the things that are taking place. Let me assure the Members that what is being done is being done in the best interest of our country.

I dread to think what could have happened in the Manhattan project during World War II. That project resulted in the atomic bomb being developed that brought the war to a conclusion. At that time there were a very small handful of Members of this House and of the Senate that knew some of the activities that were going on in that project. It was just not possible for all of the Members to know what was going on, and it was not because people were not competent to know them, it was just the fact that the more who know about certain things that take place the easier it is for the enemy to know those things too.

When I go into a meeting concerning the Central Intelligence Agency I try to do the best that I know how, and when I walk out, I try to do the best I can to wipe my brain free of what is going on. But, I do want to assure the Members that we are looking into these things and if they were not in the best interest of our country we would not participate in them.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Arizona.

Mr. RHODES. Mr. Chairman, I hope that nobody in the House is under the mistaken impression that the United States is the only nation that spends money on covert activities. As a matter of fact, if it were possible to make some kind of a treaty with the Communist bloc which would hold up, then I am certain we would be very happy to do away with it. But, so long as they do not play by our rule book then I think we have to be very cautious that we ourselves do not suffer from such practices by other countries. At the present time our efforts are devoted toward keeping the free nations of the world aware that they do not have to be Communist dominated.

Mr. CEDERBERG. The intelligence activities of our country are much more circumscribed than are those of many other nations that are spending vast sums on such activities.

I say to the Members please do not get involved in this emotional amendment because I do not think it is in the best interest of our country.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I am happy to yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, I find it very interesting that the gentleman in the well said that he was one of those who was aware of the activities of the CIA, and I would ask the gentleman, was the gentleman aware of what was going on in the terms of using American dollars and American policy to destabilize Chile?

Mr. CEDERBERG. I am well aware of all of the things that happened in Chile.

Ms. ABZUG. And the gentleman did not find any of our actions in Chile——

Mr. CEDERBERG. I did not find our actions taken there as not in the best interest of the United States.

Mr. HUNT. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I am happy to yield to the gentleman from New Jersey.

Mr. HUNT. Mr. Chairman, I want to associate myself with the remarks of the gentleman in the well and I agree with the points of view the gentleman has covered so well, especially the fact that we are only one nation in the world among many who are engaged in intelligence work.

But, I do fail to understand why it is that there are so many bleeding hearts who want to rush to the rescue of Mr. Allende, now deceased, and not the people of Chile because they did not want a Marxist government. Why we have so many Members in this House voting on the Marxist theory again. I cannot understand why they should condemn our Central Intelligence people who do such a marvelous job protecting our country from the people who are devoted to one theory, one ideology, and that is the take over of this country. The CIA is one of the most outstanding segments of our Government. Their work is delicate but vitally needed—defeat this amendment for the good of our country. I say to the gentleman from Michigan in all sincerity that if he is aware of these things, I commend him for his work.

Mr. CEDERBERG. I thank the gentleman. I will just say this: I do not think anyone wants that responsibility.

MOTION OFFERED BY MR. MAHON

Mr. MAHON. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Chairman, William Colby, the Director of the CIA, said in Time magazine this week when asked, "What would you regard as a successful covert action?", that in his judgment Laos was a very good example.

I ask those who sit on the Committee here, like the gentleman from Michigan (Mr. CEDERBERG), Did he know about Laos and all of the covert activities there? Can he justify Mr. William Colby's, the Director of the CIA, putting this forward deliberately and expressly as a good example of covert activity?

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. DRINAN. I yield to the gentleman from Michigan.

Mr. CEDERBERG. I thank the gentleman for yielding.

I will say to the gentleman from Massachusetts I am in full accord with what happened in Laos.

Mr. DRINAN. That confirms the very point of this amendment, that we have no right, without a declaration of war, to move into a country with whom we have no grievance and to change the nature of that country. When people say that the other side does it, that Russia does it, or other nations do it. I think we have to say. "What is American democracy all about?" We do not do it just because other nations engage in it, but we like to think that we follow the rule of law where we have to go through some international arrangement. What the CIA does by way of covert activity is contrary to its own charter, is in defiance of the United Nations, violates the very preamble of the United Nations, and is definitely contrary to every normal precept of international law.

Mr. Chairman, I urge, therefore, that we vote aye on the amendment offered by the gentlewoman from New York (Ms. HOLTZMAN).

The CHAIRMAN. The Chair recognizes the gentleman from Arizona (Mr. CONLAN).

Mr. CONLAN. Mr. Chairman, there are two questions that have been raised on this matter. One is what really happened in Chile and was it for our benefit, and the second concerns our national intelligence operations.

This spring I went to Chile with the Secretary of the Treasury and several Members of this body to the Inter-American Bank board meeting. I broke away from the normal Department of State routine and talked with local people there who were not Chileans but longtime residents of that area—American missionaries, Catholic, Mormon, and Protestant. They told me with tears in their eyes that if the Marxist-Communist hold on that country had not been broken by their own people rising up, they would not be alive then . . . and that was in the spring of this year.

Many House Members did not see in the Washington Post here that wireservice photo which was pictured in many other papers of the country just 2 weeks ago. I happened to be passing through one of the Midwest cities and saw in the newspaper there that 750,000 people—the largest crowd in Chile's history—voluntarily came out at the end of 1 year of the new regime there and said, "We thank you for overriding, overruling, and breaking the Communist dictatorship over this country."

If we want to get into the merits of Chile, if the CIA had anything to do with it, it probably was one of their finest jobs in helping bring that country out of a Communist dictatorship and bringing it back into the free world.

As to the second question, if we want to go at this time into the merits of this particular amendment, you are, in effect, asking our Government to cease or to lay out in full the financing of our intelligence operations throughout the world.

You might as well write the amendment a little bit further, because it is implied in it now, that all of our intelligence agents throughout the world be publicly identified by name, serial number, and pay grade so that the Communist apparatus can pick them up. If you want to do that, vote for this amendment, because we are, in effect, asking our intelligence forces to self-destruct the basic defenses in counterintelligence and offensive operations that provide us the freedom we have in the free world today.

I think that is really what the amendment will eventually lead to. To cut off our covert intelligence operations would be a vote for national suicide.

I urge a "no" vote on this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. HOLTZMAN).

RECORDED VOTE

Mr. MAHON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 108, noes 291, answered "present" 1, not voting 34, as follows:

[Roll No. 537]

AYES—108

Abzug
Addabbo
Anderson, Calif.
Anderson, Ill.
Aspin
Badillo
Barrett
Bennett
Bergland
Biester
Bingham
Bolling
Brademas
Brown, Calif.
Burke, Calif.
Burton, John
Burton, Phillip
Carney, Ohio
Chisholm
Clark
Clay
Cohen
Collins, Ill.
Conte
Conyers
Corman
Coughlin
Culver
Delaney
Dellums
Denholm
Drinan
Edwards, Calif.
Eilberg
Evans, Colo.
Fascell
Findley
Foley
Forsythe
Fraser
Giaimo
Gibbons
Green, Oreg.
Green, Pa.
Griffiths
Gude
Hamilton
Harrington
Hawkins
Hechler, W. Va.
Helstoski
Holtzman
Howard
Hungate
Jordan
Karth
Kastenmeier
Koch
Kyros
Leggett
Long, Md.
Luken
McCloskey
McCormack
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mink
Mitchell, Md.
Moakley
Mosher
Moss
Nix
Pickle
Pritchard
Quie
Rangel
Rees
Reuss
Riegle
Rodino
Roncalio, Wyo.
Rosenthal
Roush
Roybal
Ryan
St Germain
Sarbanes
Schroeder
Seiberling
Stanton, James V.
Stark
Steele
Stokes
Studds
Sullivan
Symington
Thompson, N.J.
Tiernan
Van Deerlin
Vanik
Whalen
White
Yates
Young, Ga.

NOES—291

Abdnor
Adams
Alexander
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Ashbrook
Ashley
Bafalis
Baker
Bauman
Beard
Bell
Bevill
Boggs
Boland
Bowen
Bray
Breaux
Breckinridge
Brinkley
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collier
Collins, Tex.
Conable
Conlan
Cotter
Crane
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Dellenback
Dennis
Derwinski
Devine
Dickinson
Dingell
Donohue
Downing
Dulski
Duncan
du Pont
Edwards, Ala.
Erlenborn
Esch
Eshleman
Evins, Tenn.
Fish
Fisher
Flood
Flowers
Flynt
Ford
Fountain
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Gilman
Ginn
Goldwater
Goodling
Gray
Gross
Grover
Gubser
Guyer
Haley
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harsha
Hastings
Hays
Hébert
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Horton
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kemp
Ketchum
King
Kluczynski
Kuykendall
Lagomarsino
Landgrebe
Landrum
Latta
Lent
Litton
Long, La.
Lott
Lujan
McClory
McCollister
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mayne
Michel
Milford
Miller
Mills
Minish
Minshall, Ohio
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Obey
O'Brien
O'Hara
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Poage
Preyer
Price, Ill.
Price, Tex.
Quillen
Railsback
Randall
Regula
Rhodes
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Roe
Rogers
Roncallo, N.Y.
Rooney, Pa.
Rose
Rostenkowski
Rousselot
Roy
Runnels
Ruppe
Ruth
Sandman
Sarasin
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stubblefield
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Traxler
Treen
Udall
Ullman
Vander Jagt
Vander Veen
Veysey
Waggonner
Walsh
Wampler
Ware
Whitehurst
Whitten
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wyatt
Wydler
Wylie
Wyman
Yatron
Young, Alaska
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—34

Armstrong
Biaggi
Blackburn
Blatnik
Brasco
Brooks
Carey, N.Y.
Davis, Ga.
Dent
Diggs
Dorn
Eckhardt
Grasso
Gunter
Heckler, Mass.
Johnson, Colo.
Lehman
O'Neill
Owens
Podell
Powell, Ohio
Rarick
Reid
Rooney, N.Y.
Shoup
Sisk
Teague
Towell, Nev.
Vigorito
Waldie
Widnall
Wilson, Charles H., Calif.
Wright
Young, Fla.

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. RONCALIO of Wyoming, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H.J. Res. 1131) making further continuing appropriations for the fiscal year 1975, and for other purposes, pursuant to House Resolution 1379, he reported the joint resolution back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 374, nays 26, not voting 34, as follows:

[Roll No. 538]

YEAS—374

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Beard
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg

Chamberlain
Chappell
Chisholm
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Derwinski
Devine
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holtzman
Horton
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
King
Kluczynski
Koch
Kuykendall
Kyros
Landrum
Latta
Leggett
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Sebelius
Seiberling
Shipley
Shriver
Sikes
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion

NAYS—26

Anderson, Calif.
Archer
Ashbrook
Bauman
Burgener
Camp
Clancy
Collins, Tex.
Conlan
Crane
Gross
Holt
Hosmer
Jarman
Ketchum
Lagomarsino
Landgrebe
Moorhead, Calif.
Poage
Rousselot
Schroeder
Shuster
Snyder
Steiger, Ariz.
Symms
Taylor, Mo.

NOT VOTING—34

Armstrong
Biaggi
Blackburn
Blatnik
Brasco
Brooks
Carey, N.Y.
Davis, Ga.
Dent
Diggs
Dorn
Eckhardt
Grasso
Gunter
Heckler, Mass.
Heinz
Johnson, Colo.
Lehman
Maraziti
O'Neill
Owens
Podell
Powell, Ohio
Rarick
Reid
Rooney, N.Y.
Shoup
Sisk
Towell, Nev.
Vigorito
Widnall
Wilson, Charles H., Calif.
Wright
Zwach

So the joint resolution was passed.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Reid.

Mr. Dent with Mr. Gunter.

Mr. Brooks with Mr. Biaggi.

Mr. Carey of New York with Mrs. Grasso.

Mr. Sisk with Mr. Podell.

Mr. Vigorito with Mr. Dorn.

Mr. Charles H. Wilson of Califonia with Mr. Davis of Georgia.

Mr. O'Neill with Mr. Blackburn.

Mr. Eckhardt with Mrs. Heckler of Massachusetts.

Mr. Rarick with Mr. Heinz.

Mr. Wright with Mr. Maraziti.

Mr. Lehman with Towell of Nevada.

Mr. Diggs with Mr. Blatnik.

Mr. Owens with Mr. Powell of Ohio.

Mr. Widnall with Mr. Zwach.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in the record on the joint resolution just passed, and that I may insert extraneous tabular material.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

RESERVATION OF ALL POINTS OF ORDER ON SUPPLEMENTAL APPROPRIATIONS BILL

Mr. CEDERBERG. Mr. Speaker, I ask unanimous consent that I may reserve all points of order on the supplemental appropriations bill, 1974, on which a report will be filed by the Committee on Appropriations by midnight tonight.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERSONAL EXPLANATION

Mr. RUPPE. Mr. Speaker, on rollcall vote No. 534, the Defense Appropriations Act, I was unavoidably detained and was not recorded. Had I been present, I would have voted "aye."

Mr. Speaker, I would like the RECORD to show how I would have voted.

CONFERENCE REPORT ON H.R. 15404, MAKING APPROPRIATIONS FOR THE DEPARTMENTS OF STATE, JUSTICE, COMMERCE, THE JUDICIARY, AND RELATED AGENCIES, FISCAL YEAR 1975

Mr. SLACK. Mr. Speaker, I call up the conference report on the bill (H.R. 15404) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of September 19, 1974.)

Mr. SLACK (during the reading). Mr. Speaker, I ask unanimous consent to dispense with further reading of the statement.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. SLACK. Mr. Speaker, the bill (H.R. 15404) making appropriations for the Departments of State, Justice, and Commerce, the judiciary and related agencies for the fiscal year ending June 30, 1975, and for other purposes, as agreed to by the conferees, contains a total of $5,290,157,100 in new obligational authority.

It also contains an additional $242,800,000 for liquidation of contract authorizations.

The bill is $21,297,000 below the bill as originally passed by the House.

It is $27,655,100 above the Senate bill.

Estimates totaling $40,990,000 in budget amendments were considered by the Senate which were not considered by the House.

The bill is $162,642,500 below the total of the budget estimates.

Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a table showing the conference action by department and agency as compared with fiscal year 1974, the budget estimates, the House bill, and the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. SLACK. Mr. Speaker, the table follows:

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES, 1975

						Conference action compared with—			
Department or agency	New budget (obligational) authority, fiscal year 1974	Budget estimates of new (obligational) authority, fiscal year 1975	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill	New budget (obligational) authority recommended by conference action	New budget (obligational) authority, fiscal year 1974	Budget estimates of new (obligational) authority, fiscal year 1975	New budget (obligational) authority recommended in House bill	New budget (obligational) authority recommended in Senate bill
Department of State	$678, 952, 000	$743, 995, 000	$698, 784, 000	$706, 726, 000	$705, 692, 000	+$26, 740, 000	—$38, 303, 000	+$6, 908, 000	—$1, 034, 000
Department of Justice	1, 919, 197, 000	2, 146, 875, 000	2, 112, 512, 000	2, 075, 662, 000	2, 089, 002, 000	+169, 805, 000	—57, 873, 000	—23, 510, 000	+13, 340, 000
Department of Commerce	1, 308, 662, 000	1, 414, 863, 000	1, 377, 828, 000	1, 360, 228, 000	1, 374, 478, 000	+65, 816, 000	—40, 385, 000	—3, 350, 000	+14, 250, 000
The Judiciary	214, 009, 300	313, 256, 600	297, 573, 100	297, 513, 100	297, 513, 100	+83, 503, 800	—15, 743, 500	—60, 000	
Arms Control and Disarmament Agency	8, 065, 000	9, 500, 000	9, 250, 000	9, 250, 000	9, 250, 000	+1, 185, 000	—250, 000		
Board for International Broadcasting	49, 625, 000	49, 840, 000	49, 800, 000	49, 800, 000	49, 800, 000	+175, 000	—40, 000		
Commission on American Shipbuilding	205, 000					—205, 000			
Commission on the Civil Rights	5, 950, 000	6, 905, 000	6, 850, 000	6, 850, 000	6, 850, 000	+900, 000	—55, 000		
Commission on the Organization of the Government for the Conduct of Foreign Policy	1, 050, 000	1, 600, 000	1, 250, 000	1, 594, 900	1, 594, 000	+544, 000	—6, 000	+344, 000	—900
Department of the Treasury, Bureau of Accounts, Fishermen's Protective Fund	1, 000, 000					—1, 000, 000			
Equal Employment Opportunity Commission	44, 400, 000	56, 170, 000	52, 347, 000	54, 847, 000	53, 597, 000	+9, 197, 000	—2, 573, 000	+1, 250, 000	—1, 250, 000
Federal Maritime Commission	6, 385 000	7, 382, 000	7, 300, 000	7, 300, 000	7, 300, 000	+915, 000	—82, 000		
Foreign Claims Settlement Commission	947, 000	1, 250, 000	1, 240, 000	1, 240, 000	1, 240, 000	+293, 000	—10, 000		
Marine Mammal Commission	412, 000	1, 000, 000	600, 000	900, 000	750, 000	+338, 000	—250, 000	+150, 000	—150, 000
National Commission for the Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance	332, 000	500, 000	332, 000	332, 000	332, 000		—168, 000		
Small Business Administration	248, 973, 000	446, 100, 000	445, 500, 000	443, 500, 000	444, 000, 000	+195, 027, 000	—2, 100, 000	—1, 500, 000	+500, 000
Special Representative for Trade Negotiations	1, 519, 000	1, 925, 000	1, 850, 000	1, 850, 000	1, 850, 000	+331, 000	—75, 000		
Tariff Commission	7, 400, 000	9, 000, 000	8, 900, 000	8, 900, 000	8, 900, 000	+1, 500, 000	—100, 000		
U.S. Information Agency	220, 914, 000	242, 638, 000	239, 538, 000	236, 009, 000	238, 009, 000	+17, 095, 000	—4, 629, 000	—1, 529, 000	+2, 000, 000
Total, new budget (obligational) authority	4, 717, 997, 300	[1] 5, 452, 799, 600	5, 311, 454, 100	5, 262, 502, 000	5, 290, 157, 100	+572, 159, 800	—162, 642, 500	—21, 297, 000	+27, 655, 100
Appropriations to liquidate contract authorizations	(244, 515, 000)	(242, 800, 000)	(242, 800, 000)	(242, 800, 000)	(242, 800, 000)	(—1, 715, 000)			

[1] Includes $40,990,000 in budget amendments not considered by the House.

Mr. CEDERBERG. Mr. Speaker, as the gentleman from West Virginia has explained in his remarks on the bill, there is no controversy that I know of.

I have no requests for time.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, do I understand that this conference report is $572,159,300 over expenditures for the same general purposes last year?

Mr. CEDERBERG. That is correct.

Mr. GROSS. I have no desire to prolong the agony of the taxpayers. I will not go further. I will simply vote against this kind of spending.

I thank the gentleman for yielding to me.

Mr. FRASER. Mr. Speaker, it is most unfortunate for our country as a world leader, that the State Department appropriations bill will place the United States in default of its legally assessed contributions to UNESCO, the International Civil Aviation Organization—ICAO—and the World Health Organization—WHO—for fiscal year 1975. By placing a unilateral ceiling of 25 percent of the total budgets on the U.S. contribution the United States is ignoring its obligations.

Two years ago, Congress mandated that after January 1, 1973, the United States would pay no more than 25 percent of the regular budget of the United Nations despite the fact that as a member of the United Nations, the United States—under the U.N. Participation Act—acknowledges the authority of the U.N. to set rates of assessment through negotiations among member nations. Fortunately, our representatives were able to negotiate a reduction of our budget contribution to 25 percent before the date of the congressional deadline, saving the United States from being in default. In the U.N. resolution which lowered our rate of assessment, however, there was a provision that no other nation should have to increase its contribution as a result of the reduced rate for the United States. The difference was to be covered by the admission of new members to the organization; in this case, East and West Germany made up the amount lost by the reduced U.S. contribution.

In the U.N.'s specialized agencies, however, a problem arose in that West Germany had been a member for a number of years. Since no major new nation joined immediately, the U.S. representatives found that it would take a little longer to bring the U.S. assessment rate down, within the terms of the U.N. resolution. Accordingly, the administration asked Congress for an extension of the reduction deadline until January 1, 1975. That extension was granted in the authorizing bills in both the House and the Senate. However, the appropriations conference report before us today ignores the date set in the authorizing bill and goes ahead blindly cutting our legally assessed contributions, unmindful of the consequences to the specialized agencies and the position of the United States as a responsible member of them.

I believe it is proper that the United States should seek to have its assessment rate lowered in international organizations in order that the financial burden can be shared as fairly as possible among those nations able to pay. But reductions should be negotiated within the framework of our international legal obligations, not willfully imposed in defiance of them.

It is my hope that, if this conference report is approved today, a supplemental appropriations bill will be passed by Congress in the near future which restores the funds withheld from UNESCO, ICAO, and WHO.

The SPEAKER. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 358, nays 31, not voting 45, as follows:

[Roll No. 539]

YEAS—358

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Ashley
Aspin
Badillo
Bafalis
Baker
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Boggs
Boland
Bolling
Bowen
Bray
Breaux
Breckinridge
Brinkley
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Carney, Ohio
Carter
Casey, Tex.
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellums
Denholm
Dennis
Derwinski
Devine
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch

Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Harrington
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Hudnut
Hungate
Hunt
Hutchinson
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lent
Litton
Long, La.
Long, Md.

Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Martin, Nebr.
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
Parris
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.

Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shriver
Sikes
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stubblefield
Stuckey
Studds
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Wiggins
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wyatt
Wydler
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion

NAYS—31

Archer
Ashbrook
Bauman
Beard
Broyhill, N.C.
Byron
Camp
Collins, Tex.
Conable
Conlan
Crane

Dellenback
Frenzel
Gross
Harsha
Huber
Ichord
Jarman
Landgrebe
Maraziti
Martin, N.C.
Mathis, Ga.

Mizell
Rousselot
Satterfield
Shuster
Skubitz
Symms
Traxler
Wylie
Zwach

NOT VOTING—45

Armstrong
Barrett
Biaggi
Blackburn
Blatnik
Brademas
Brasco
Brooks
Carey, N.Y.
Cederberg
Culver
Davis, Ga.
Dent
Diggs
Dorn
Eckhardt

Grasso
Gray
Gubser
Gunter
Hansen, Wash.
Heckler, Mass.
Heinz
Johnson, Colo.
Lehman
McKinney
Minshall, Ohio
O'Neill
Owens
Passman
Podell
Powell, Ohio

Rarick
Reid
Rooney, N.Y.
Rose
Shoup
Sisk
Stephens
Sullivan
Towell, Nev.
Vigorito
Widnall
Wilson, Charles H., Calif.
Wright

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Gunter.
Mr. O'Neill with Mr. Reid.
Mr. Brooks with Mr. Davis of Georgia.
Mr. Biaggi with Mr. Dorn.
Mr. Carey of New York with Mrs. Grasso.
Mr. Eckhardt with Mr. Gray.
Mr. Rarick with Mrs. Hansen of Washington.
Mr. Lehman with Mr. Gubser.
Mr. Diggs with Mr. Blatnik.
Mr. Charles H. Wilson of California with Mr. Cederberg.
Mr. Owens with Mrs. Heckler of Massachusetts.
Mrs. Sullivan with Mr. Blackburn.
Mr. Vigorito with Mr. McKinney.
Mr. Barrett with Mr. Minshall of Ohio.
Mr. Brademas with Mr. Heinz.
Mr. Sisk with Mr. Powell of Ohio.
Mr. Culver with Mr. Shoup.
Mr. Dent with Mr. Podell.
Mr. Passman with Mr. Stephens.
Mr. Rose with Mr. Wright.
Mr. Widnall with Mr. Towell of Nevada.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 1: Page 7, after line 10, insert:

INTERNATIONAL COMMISSION OF CONTROL AND SUPERVISION

For payments by the United States to meet expenses of the International Commission of Control and Supervision in Vietnam, $5,658,000: *Provided*, That this appropriation shall not be available for obligation except upon enactment into law of authorizing legislation.

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: Page 14, line 17, insert: "not to exceed $30,000 for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on his certificate;"

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 5 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 10: Page 20, line 7, insert: "*Provided*, That not to exceed $1,500,000 shall be available for expenses incurred in the fiscal year 1974."

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 10 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 11: Page 22, line 3, insert: "*Provided*, That notwithstanding the provisions of this section, not to exceed $1,159,800 from any funds in the Treasury of the United States to the credit of the District of Columbia shall be available for reimbursement to the United States pursuant to this section."

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendments of the Senate numbered 11 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 18: Page 28, line 1, insert: "*Provided further*, That the sum of $500,000 shall be made available to the following Commissioners for fact gathering leading to the development of a national fisheries policy; the Atlantic States Marine Fisheries Commission, $175,000; the Gulf States Marine Fisheries Commission, $200,000; and the Pacific Marine Fisheries Commission, $125,000".

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 18 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 19: Page 28, line 7, insert: "*Provided further*, That the amount appropriated for "Operations, Research, and Facilities" in the Special Energy Research and Development Appropriation Act, 1975 (Public Law 93-322, approved June 30, 1974) shall be merged without limitation with this appropriation."

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 19 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 24: On page 33, line 18, insert:

"SEC. 305. None of the funds appropriated in this title for the Maritime Administration shall be available for obligation for ship construction, operating-differential subsidies, research and development, nor operations and training, except upon enactment into law of authorizing legislation."

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 24 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 28: On page 37, line 18, insert: ": *Provided further,* That the chief judge of each circuit may appoint law clerks to the court within the limits of the funds provided herein and that not more than $30,000 may be expended for one senior law clerk."

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 28 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: ": *Provided further,* That the Chief Judge of each circuit may appoint a senior law clerk to the Court at not more than $30,000 per annum, without regard to the limitations referred to above".

The motion was agreed to.

The SPEAKER. The Clerk will report the last amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 33: On page 44, line 10, strike out $600,000 and insert: "$900,000."

MOTION OFFERED BY MR. SLACK

Mr. SLACK. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. SLACK moves that the House recede from its disagreement to the amendment of the Senate numbered 33 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "$750,000: *Provided,* That, notwithstanding Section 207 of Public Law 92-522, not to exceed $300,000 may be used for administrative expenses".

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE

Mr. SLACK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

BIG CYPRESS NATIONAL PRESERVE

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10088) to establish the Big Cypress National Preserve in the State of Florida, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments numbered 4, 5, 6, 9, 11 and 12; disagree with Senate amendment No. 2 and concur in Senate amendments numbered 1, 3, 7, 8, and 10, with amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 18, after "only" insert: ": *Provided further,* That no improved property, as defined in this Act, or the mineral estate, excluding limestone, in any property, shall be acquired without the consent of the owner unless the Secretary, in his judgment, first determines that such property or estate is subject to, or threatened with, uses which are or would be detrimental to the purposes and objectives of this Act."

Page 2, line 18, after "only" insert: ": *And provided further,* That notwithstanding the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, the Secretary (1) may evaluate and accept an offer by any landowner without an appraisal, and (2) with respect to any unimproved property of forty acres or less, need not afford the landowner the opportunity to accompany the Secretary's appraisal officer."

Page 2, line 24, strike out all after "2." over to and including line 13 on page 3 and insert: "In recognition of the efforts of the State of Florida in the preservation of the area, through the enactment of chapter 73-131 of the Florida statutes, 'The Big Cypress Conservation Act of 1973', the Secretary is directed to proceed as expeditiously as possible to acquire the lands and interests in lands necessary to achieve the purposes of this Act. The Congress expects that the Secretary will complete his acquisition program within six years from the date of enactment of this Act."

Page 3, strike out all after line 13 over to and including line 5 on page 5.

Page 5, line 10, strike out "for noncommercial residential purposes".

Page 5, line 21, after "Act," insert: "which shall include the exercise of such right in violation of any applicable State or local laws and ordinances,".

Page 6, strike out lines 1 to 8, inclusive, and insert:

"(b) As used in this Act, the term 'improved property' means a building, construction of which was begun before November 23, 1971, which was constructed and is used, in accordance with all applicable State and local laws and ordinances, together with as much of the land on which the building is situated, such land being in the same ownership as the building, as the Secretary shall designate to be reasonably necessary for the continued enjoyment and use of the building in the same manner and to the same extent as existed on November 23, 1971, together with any structures accessory to the building which are situated on the lands so designated. In making such designation the Secretary shall take into account the manner of use in which the building, accessory structures, and land were customarily enjoyed prior to November 23, 1971, except that in the case of property used solely for residential purposes, the amount of land so designated shall not exceed three acres."

Page 8, line 15, strike out "Federal".

Page 8, line 16, strike out "reserve" and insert: "preserve".

Page 8, line 18, strike out all after "6." down to and including line 25 and insert: "Notwithstanding any other provision of law, before entering into any contract or agreement to provide new revenue-producing visitor services within the preserve, the Secretary shall offer to the Miccosukee Tribe of Indians of Florida and the Seminole Tribe of Florida the right of first refusal to provide such services, the right to be open for a period of ninety days. Should both Tribes respond with proposals that satisfy the terms and conditions established by the Secretary, the Secretary shall allow the Tribes an additional period of ninety days in which to enter into an inter-Tribal cooperative agreement to provide such visitor services. If the Tribes have not entered into an inter-Tribal cooperative agreement by the end of the ninety-day period which satisfies the terms and conditions established by the Secretary, then the Secretary shall enter into a contract with the Tribe whose proposal best satisfies, in the judgment of the Secretary, the terms and conditions established by the Secretary. No such agreement may be assigned or otherwise transferred without the consent of the Secretary."

Page 9, strike out all after line 13 down to and including "Act." in line 18 and insert: "development."

Page 9, line 18, strike out all after "Act." down to and including line 20 and insert: "Any funds donated to the United States by the State of Florida pursuant to chapter 73-131 of the Florida statutes shall be used solely for the acquisition of lands and interests in land within the preserve."

Mr. TAYLOR of North Carolina (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. SKUBITZ. Mr. Speaker, I reserve the right to object until the gentleman explains the amendments.

Mr. TAYLOR of North Carolina. If the gentleman will yield, I will state it is my intention to explain the amendments which will be read in just a moment.

Mr. SKUBITZ. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER. The Clerk will report the amendments to the Senate amendments.

The Clerk read as follows:

In lieu of Senate amendment No. 1, insert the following: "*Provided further,* That no Federal funds shall be appropriated until the Governor of Florida executes an agreement on behalf of the State which (i) provides for the transfer to the United States of all lands within the preserve previously owned or acquired by the State and (ii) provides for the donation to the United States of all lands acquired by the State within the preserve pursuant to the provision of 'the Big Cypress Conservation Act of 1973' (Chapter 73-131 of the Florida Statutes) or provides for the donation to the United States of any remaining moneys appropriated pursuant to such act for the purchase of lands within the preserve. No improved property, as defined by this Act, nor oil and gas rights, shall be acquired without the consent of the owner unless the Secretary, in his judgment, determines that such property is subject to, or threatened with, uses which are, or would be, detrimental to the purposes of the preserve. The Secretary may, if he determines that the acquisition of any other subsurface estate is not needed for the purposes of the preserve, exclude such interest in acquiring any lands within the preserve. Notwithstanding the provisions of section 301 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894, 1904) the Secretary (i) may evaluate any offer to sell land within the preserve by any landowner and may, in his discretion, accept any offer not in excess of $10,000 without an appraisal and (ii) may direct an appraisal to be made of any unimproved property within the preserve without notice to the owner or owners thereof.

The House disagrees with Senate amendment No. 2.

In lieu of Senate amendment No. 3 insert the following:

"(a) In recognition of the efforts of the State of Florida in the preservation of the area, through the enactment of chapter 73–131 of the Florida statutes, "The Big Cypress Conservation Act of 1973", the Secretary is directed to proceed as expeditiously as possible to acquire the lands and interests in lands necessary to achieve the purposes of this Act.

"(b) Within one year after the date of the enactment of this Act, the Secretary shall submit, in writing, to the Committee on Interior and Insular Affairs and to the Committees on Appropriations of the United States Congress a detailed plan which shall indicate:

"(i) the lands and areas which he deems essential to the protection and public enjoyment of this preserve,

"(ii) the lands which he has previously acquired by purchase, donation, exchange or transfer for administration for the purpose of this preserve, and

"(iii) the annual acquisition program (including the level of funding) which he recommends for the ensuing five fiscal years.

"(c) It is the express intent of the Congress that the Secretary should substantially complete the land acquisition program contemplated by this Act within six years after the date of its enactment.

The House concurs in Senate amendment No. 4.

The House concurs in Senate amendment No. 5.

The House concurs in Senate amendment No. 6.

The House concurs in Senate amendment No. 7 with an amendment as follows: In lieu of Senate amendment number 7, insert the following:

"(b) As used in this Act, the term 'improved property' means:

"(i) a detached, one family dwelling, construction of which was begun before November 23, 1971, which is used for noncommercial residential purposes, together with not to exceed three acres of land on which the dwelling is situated and such additional lands as the Secretary deems reasonably necessary for access thereto, such land being in the same ownership as the dwelling, and together with any structures accessory to the dwelling which are situated on such lands and

"(ii) any other building, construction of which was begun before November 23, 1971, which was constructed and is used in accordance with all applicable State and local laws and ordinances, together with as much of the land on which the building is situated, such land being in the same ownership as the building, as the Secretary shall designate to be reasonably necessary for the continued enjoyment and use of the building in the same manner and to the same extent as existed on November 23, 1971, together with any structures accessory to the building which are situated on the lands so designated. In making such designation the Secretary shall take into account the manner of use in which the building, accessory structures, and lands were customarily enjoyed prior to November 23, 1971."

In lieu of Senate amendment No. 8, insert "Federal or federally acquired".

The House concurs in Senate amendment No. 9.

The House concurs in Senate amendment No. 10 with an amendment as follows: In lieu of Senate amendment No. 10 insert the following: "Notwithstanding any other provision of law, before entering into any contract for the provision of revenue producing visitory services,

"(i) the Secretary shall offer those members of the Miccosukee and Seminole Indian Tribes who, on January 1, 1972, were engaged in the provision of similar services, a right of first refusal to continue providing such services within the preserve subject to such terms and conditions as he may deem appropriate, and (ii) before entering into any contract or agreement to provide new revenue-producing visitor services within the preserve, the Secretary shall offer to the Miccosukee Tribe of Indians of Florida and the Seminole Tribe of Florida the right of first refusal to provide such services, the right to be open for a period of ninety days. Should both Tribes respond with proposals that satisfy the terms and conditions established by the Secretary, the Secretary may allow the Tribes an additional period of ninety days in which to enter into an inter-Tribal cooperative agreement to provide such visitor services, but if neither tribe responds with proposals that satisfy the terms and conditions established by the Secretary, then the Secretary shall provide such visitor services in accordance with the Act of October 9, 1965 (79 Stat. 969, 16 U.S.C. 20). No such agreement may be assigned or otherwise transferred without the consent of the Secretary."

Mr. TAYLOR of North Carolina (during the reading). Mr. Speaker, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. DANIELSON). Is there objection to the request of the gentleman from North Carolina?

Mr. SKUBITZ. Mr. Speaker, I reserve the right to object. Will the gentleman explain the amendments?

Mr. TAYLOR of North Carolina. Mr. Speaker, both the House and Senate have passed bills to designate the same area in the State of Florida as the Big Cypress National Preserve. There is no difference in the Federal investment involved, but there are several differences in the approach of the legislation which the amendments to the Senate amendments will resolve. Briefly, they are:

First. The House adopted language providing that all lands and interests therein would be taken when the State of Florida donates its landholdings and the dollars it has committed to the project to the United States. The Senate deleted this provision and eliminated the requirement that the lands be donated before any Federal funds can be appropriated. The amendments at the desk will assure the ultimate conveyance of all lands and funds which the State has committed to this project, but will not require them to be donated before appropriations can be made by the Congress.

Second. The Senate exempted from acquisition all improved property and all minerals, except limestone, without the owners consent. The House version of the bill contemplated the revestment of any property—surface and subsurface—not needed for the preserve. The amendments strike a middle ground by allowing owners of improved properties to retain them indefinitely as long as they are used in a manner compatible with the preserve or to sell them to the Government subject to a right to retain them for a period of years or for the life of the owner—of course, in the case of a corporate owner, this would have to be for a term of years, not over 25 years. In those cases the value of the right retained is deducted from the fair market value of the property.

The only mineral values which some feel are likely to exist in the area are oil and gas. To buy these subsurface values might be prohibitive; thus the amendments prohibit their acquisition without the consent of the owner unless their development is determined to be detrimental to the preserve. With modern techniques of oil and gas extraction, it was felt that we could live with this exemption from acquisition.

Third. As I have stated, we had a legislative taking in our bill, but the Senate deleted it. The amendments at the desk provide that the Secretary of Interior shall proceed to acquire the lands as expeditiously as possible, that he shall report his progress to the committees, and that he shall endeavor to substantially complete the acquisition program within 6 years.

Fourth. Another difference involves the question of revenue-producing visitor services within the area. Normally, these are handled through concession contracts according to law; however, in this case the House provided that if a Miccosukee or Seminole Indian is furnishing services which the Secretary plans to continue, then that person should have the right of first refusal to continue providing such services. The Senate changed this to give the tribes the right of first refusal on all revenue-producing visitor services. The amendments now proposed combine the two. The individual Indians get the right of first refusal on services which they now provide and the tribes get the right of first refusal on any new visitor services. If that is unsuccessful, then the Secretary may provide the services under the usual policies applicable to concession operations.

That, very briefly, explains the major differences and the proposed amendments before the House.

Mr. SKUBITZ. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

A motion to reconsider was laid on the table.

AUTHORIZING ESTABLISHMENT OF BIG THICKET NATIONAL PRESERVE IN THE STATE OF TEXAS

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 11546) to authorize the establishment of the Big Thicket National Preserve in the State of Texas, and for other purposes, with Senate amendments thereto, disagree with Senate amendments Nos. 1 through 5, and 7 through 10, and concur in Senate amendment No. 6 with an amendment.

The Clerk read the title of the bill.

The Clerk read Senate amendments as follows:

Page 2, line 1, strike out "November 1973" and insert: "May 1974".

Page 2, lines 1 and 2, strike out "NBR–BT 91,027" and insert: "NBR–BT 91,030".

Page 4, line 7, strike out "and".

Page 4, line 10, strike out "acres." and insert: "acres; and".

Page 4, after line 10, insert: "Big Sandy-Village Creek Unit, Hardin County, Texas, comprising approximately fifteen thousand four hundred and fifty acres."

Page 5, strike out all after line 9 over to and including line 17 on page 7.

Page 7, line 18, strike out "3." and insert: "2.".

Page 9, line 6, strike out "4." and insert: "3.".

Page 10, line 19, strike out "5." and insert: "4.".

Page 11, line 3, strike out "6." and insert: "5.".

Mr. TAYLOR of North Carolina (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the amendments be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER. The Clerk will report the amendment to the Senate amendment numbered 6.

The Clerk read as follows:

In lieu of the matter proposed in Senate amendment No. 6, insert the following:

"SEC. 2. (a) The Secretary shall, immediately after the publication of the boundaries of the preserve, commence negotiations for the acquisition of the lands located therein: *Provided*, That he shall not acquire the mineral estate in any property or existing easements for public utilities, pipelines or railroads without the consent of the owner unless, in his judgment, he first determines that such property or estate is subject to, or threatened with, uses which are, or would be, detrimental to the purposes and objectives of this Act: *Provided further*, That the Secretary, insofar as is reasonably possible, may avoid the acquisition of improved properties, as defined in this Act, and shall make every effort to minimize the acquisition of land where he finds it necessary to acquire properties containing improvements.

"(b) Within one year after the date of the enactment of this Act, the Secretary shall submit, in writing, to the Committee on Interior and Insular Affairs and to the Committees on Appropriations of the United States Congress a detailed plan which shall indicate:

"(i) the lands and areas which he deems essential to the protection and public enjoyment of this preserve,

"(ii) the lands which he has previously acquired by purchase, donation, exchange or transfer for administration for the purpose of this preserve, and

"(iii) the annual acquisition program (including the level of funding) which he recommends for the ensuing five fiscal years.

"(c) It is the express intent of the Congress that the Secretary should substantially complete the land acquisition program contemplated by this Act within six years after the date of its enactment."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. SKUBITZ. Reserving the right to object, will the gentleman explain the amendments.

Mr. TAYLOR of North Carolina. Mr. Speaker, will the gentleman yield to me?

Mr. SKUBITZ. I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Speaker, let me first say that there are really only two issues in controversy between the House and the Senate on H.R. 11546—the size of the area and the legislative taking provision.

First, on the question of size, the Senate expanded the preserve to include approximately 15,000 additional acres along Big Sandy and Village Creeks. This addition is very controversial. It involves many developed properties and it would require a substantial outlay for acquisition. We considered including this area—or part of it—during our deliberations and we concluded that it would not be desirable to do so. The amendments at the desk disagree with this addition approved by the Senate.

Second, on the legislative taking question the spokesmen for the Senate are apparently adamant. The administration opposes it. I feel, and I am sure my colleagues agree, that we should move this legislation to final enactment. We can do it if we compromise on this issue. The amendments which I am recommending will direct the Secretary to acquire the lands as expeditiously as possible, will require him to advise the committees of his progress and plans with regard to acquiring the lands, and expresses the clear congressional intent that the land acquisition program be substantially completed within 6 years after enactment.

That very briefly explains the differences between the two Houses and the amendments which I have offered.

The second would have dealt with legislative taking. The spokesmen for the Senate were determined to prevail on this. The administration opposes it.

We had a feeling that in order to get a bill this year, we perhaps should give in on this issue. Therefore, the House is receding to the Senate in regard to legislative taking.

I might point out that this amendment has been cleared with Mr. WILSON, who is the author of the bill, and with two Members of the Texas delegation, who did not always agree on details, Congressman STEELMAN and also with Congressman ECKHARDT, who introduced a similar bill.

Mr. SKUBITZ. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

A motion to reconsider was laid on the table.

PROVIDING FOR THE PRESERVATION AND PROTECTION OF CERTAIN LANDS KNOWN AS PISCATAWAY PARK IN PRINCE GEORGES AND CHARLES COUNTIES, MD.

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 4861) providing for the preservation and protection of certain lands known as Piscataway Park in Prince Georges and Charles Counties, Md., and for other purposes, with Senate amendments thereto and concur in the Senate amendments Nos. 1 and 2, disagree with Senate amendments 3 and 4, and concur in Senate amendment No. 5 with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendments as follows:

Page 2, line 2, strike out "PIS–P–7000," and insert: "PIS–P–90,000,".

Page 2, lines 2 and 3, strike out "Revised January, 1973,". and insert: "July 19, 1974"."

Page 2, lines 9 and 10, strike out "Effective on the date of enactment of this Act, there is hereby vested in the United States" and insert: "Within one year from the date of enactment of this Act, the Secretary shall acquire".

Page 2, lines 11 and 12, strike out "in, and the right to immediate possession of," and insert: "in".

Page 2, line 14, strike out all after "in" over to and including "therefrom." in line 10 on page 3 and insert: "subsection 2(b) by purchase with donated or appropriated funds, donation or exchange."

Mr. TAYLOR of North Carolina (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the Senate amendments be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER. The clerk will report the amendment to the Senate amendment numbered 5.

The Clerk read as follows:

In lieu of the matter proposed in Senate amendment No. 5 insert the following: "subsection 2(b). The United States will pay just compensation to the owners of any property taken pursuant to this subsection and the full faith and credit of the United States is hereby pledged to the payment of any judgment so entered against the United States. Payment shall be made by the Secretary of the Treasury from moneys available and appropriated from the Land and Water Conservation Fund, subject to the appropriation limitation contained in section 4 of this Act, upon certification to him by the Secretary of the Interior of the agreed negotiated value of such property, or the valuation of the property awarded by judgment, including interest at the rate of six (6) per centum per annum from the date of taking to the date of payment therefor. In the absence of a negotiated settlement or an action by the owner within one year after the date of enactment of this Act, the Secretary may initiate proceedings at any time seeking a determination of just compensation in a court of competent jurisdiction. The Secretary shall allow for the orderly termination of all operations on real property acquired by the United States in parcels A, B, C, and D of this subsection, and for the removal of equipment, facilities, and personal property therefrom: *Provided*, That in no event shall the Secretary allow operations at the Marshall Hall Amusement Park to continue beyond January 1, 1980. The Secretary shall, on lands acquired for the purposes of this park, implement a development plan which will assure public access to, and public use and enjoyment of, such lands."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. KETCHUM. Mr. Speaker, reserving the right to object—and I shall not object—I would like to address a question or two to the chairman of the subcommittee.

I notice that on line 15, page 3, there has been an increase from $5,657,000, as was in the House bill, to $10,557,000 in the conference report, is that correct?

Mr. TAYLOR of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. KETCHUM. Certainly.

Mr. TAYLOR of North Carolina. The answer is no, that is not correct. The amendment before us makes no changes in the spending.

Mr. KETCHUM. I thank the gentleman.

I would only say this: I really feel that this is a rather expensive memorial, somewhat in the memory of a fallen comrade, and I certainly have no objections to doing something along those lines.

I said in the committee and in the subcommittee that I believe this is one of the biggest boondoggle bills I have seen yet pass this body.

Mr. TAYLOR of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. KETCHUM. Certainly.

Mr. TAYLOR of North Carolina. I might say that this bill did pass this body by virtually unanimous vote. The cost of the bill is $4.9 million, which is the cost of acquisition of Piscataway Park. There is no development involved.

Mr. KETCHUM. As the chairman of the subcommittee well knows, I am a member of the subcommittee, and in 90 percent of the cases concur in his opinion. However, this particular bill, when it was before the subcommittee and before the full committee, was objected to by the Department of the Interior. At least in my opinion there is no reason for the passage of this, and since I shall ask for no vote on this bill, I simply want to be recorded in the RECORD as opposing passage.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

A motion to reconsider was laid on the table.

CHANGE IN LEGISLATIVE PROGRAM ON TOMORROW

(Mr. MATSUNAGA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MATSUNAGA. Mr. Speaker, I have taken this time to announce a change in the agenda for tomorrow.

On tomorrow, H.R. 11666, the Asian Development Bank bill, will be taken off the calendar, and we will have for consideration only H.R. 16032, changing the composition of the penny and authorizing grants to Eisenhower College and Rayburn Library, as the order of business. We will also have on tomorrow the Bicentennial Celebration of the Continental Congress.

NUCLEAR POWER SAFETY IS SERVED

(Mr. RONCALIO of Wyoming asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. RONCALIO of Wyoming. Mr. Speaker, the New York Times this Sunday carried a front page article which I include with these remarks, to the effect that the AEC has ordered 21 of 50 nuclear reactors closed to determine whether cracks are developing in pipes of cooling systems.

It states that an employee of the AEC has quit to join the critics of nuclear power generation to inform the public of what is sometimes termed wholly unacceptable methods to judge the danger of these reactors.

While I continue to encourage the growth of a nuclear power generation, I nevertheless believe that a full and candid discussion of every safety factor should be before the public at all times. I am, therefore, including with these remarks the article listing the facilities to be shut down for periodic inspection.

I hope all Members will avail themselves of every opportunity to be well informed on safety of nuclear power generation.

I happen to believe that it is an inevitable course which we must pursue and that it can be made acceptably safe with a candid and open law-making authority, helping with the quality insurance program. I think it is appropriate that this matter be discussed today on the floor of the House as we are about to vote on a conference report on the Price-Anderson Act granting immunity from liability to those who would generate electricity by nuclear means.

Mr. Speaker, the article from the New York Times of last Sunday follows:

POWER REACTORS FACE SAFETY TEST—21 OF 50 TO BE CHECKED FOR CRACKS IN COOLING PIPES—AEC AIDE QUITS POST

(By David Burnham)

WASHINGTON, September 21.—The Atomic Energy Commission has ordered 21 of the 50 nuclear reactors producing commercial electric power in the United States to close down within the next 60 days to determine whether cracks are developing in the pipes of their cooling systems.

Meanwhile, a leading nuclear safety expert announced he was quitting his job with the commission "in order to be free to tell the American people about the potentially dangerous conditions in the nation's nuclear power plants."

SUGGESTS COMPLETE HALT

Carl J. Hocevar, author of one of the commission's basic methods of analyzing nuclear power plant safety, said in his letter of resignation to the commission chairman, Dixy Lee Ray, "In spite of the soothing reassurances that the A.E.C. gives to the uninformed, misled public, unresolved questions about nuclear power safety are so grave that the United States should consider a complete halt to nuclear power plant construction while we see if these serious questions can, somehow, be resolved."

Mr. Hocevar, one of several safety research experts who have recently resigned from the commission's Idaho Safety Research Center, said in a statement that he planned to work with critics of nuclear reactors, such as the Union of Concerned Scientists in Massachusetts and Ralph Nader, the consumer advocate, to inform the public that the commission was using what he termed "wholly unacceptable" methods to judge the dangers of reactors.

The order to shut down power plants was relayed by telephone last Thursday to power companies in 15 states, including New York, New Jersey and Connecticut, after cracks were discovered in the pipes of three boiling water reactors within the last 10 days.

The commission ordered the inspection of the 21 reactors because the failures found in the quarter-inch-thick stainless steel walls of the pipes in the three plants raised the possibility of such problems in all the reactors.

HAZARD HELD DOUBTFUL

Although the failures were not believed to pose a serious safety hazard, they could mean long shutdowns for the plants while the cooling systems were repaired.

Twenty of the reactors were manufactured by the General Electric Company and one by the Allis-Chalmers Corporation.

A commission official said that he recalled three other mandatory shutdowns and inspections of similar magnitude for various kinds of technical problems with boiling water reactors.

About 6 to 7 per cent of the country's electric power is generated by atomic facilities.

The first indication of a potentially widespread problem in the reactor cooling systems came a week ago yesterday when an alarm sounded in the Dresden 2 reactor of the Commonwealth Edison power plant near Morris, Ill. The alarm indicated a leak of radioactive water that is used to cool the nuclear core of the reactor; in this case, 5 gallons a minute, according to the commission.

As a result of this leak, Commonwealth Edison examined similar piping in its Quad Cities No. 2 unit near Cordova, Ill., which at the time was shut down for routine maintenance. Using special equipment, the inspectors found cracks that had not yet penetrated the pipe wall.

WOULD SHUT DOWN

Then last Tuesday, a crack that appeared to have been leaking was found in a cooling pipe of the Northeast Nuclear Energy Company in Connecticut.

A spokesman for the commission said that if a serious leak suddenly developed in an operating sector the radioactive cooling water would be caught in special catch basins and the reactor would be automatically shut down.

According to the commission, the 21 reactors that must be inspected produce about 14,000 of the 34,000 megawatts of electricity developed by atomic reactors in the United States. A megawatt is a million watts and refers to the amount of power that a facility can produce at any one time.

The commission estimated that each inspection would require a week. A spokesman for General Electric said that one day would be enough. Spokesmen for both the commission and the company also noted that the inspection order would require a special shutdown for only about half the 21 reactors because 10 of them either are now shut down for routine maintenance or are scheduled to be shut down during a 60-day inspection period.

Following is a list of the affected facilities:

Duane Arnold, Iowa Electric Light and Power.

Big Rock Point, Consumers Power of Michigan.

Browns Ferry No. 1 and 2, Tennessee Valley Authority, Alabama.

Cooper Station, Nebraska Public Power District.

Dresdon No. 1, 2 and 3 and Quad Cities 1 and 2, Commonwealth Edison Company, Illinois.

Humboldt Bay, Pacific Gas and Electric, California.

La Cross, Dairyland Power Cooperative, Wisconsin.

Millstone No. 1, Northeast Nuclear Energy Company, Connecticut.

Monticello Northern States Power Company, Minnesota.

Nine Mile Point Unit No. 1, Niagara Mohawk Power Corporation, New York.

Oyster Creek, Jersey Central Power and Light.

Peach Bottom No. 2 and 3, Philadelphia Electric Company.

Pilgrim No. 1, Boston Edison Company.

Vermont Yankee, Vermont Yankee Nuclear Power Corporation.

Hatch No. 1, Georgia Power Company.

PRESIDENT'S CHALLENGE TO THE OIL PRODUCING NATIONS

(Mr. SIKES asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. SIKES. Mr. Speaker, President Ford has struck a chord which should gain for him universal and enthusiastic support from the American people. He has challenged the oil-producing nations of the Middle East on the unprincipled and exorbitant price increases they imposed on oil-buying nations during last winter. Theirs is an action which, in time, could bankrupt many of the industrial nations of the world. The President is to be congratulated on making very clear the concern of the United States and the determination of his administration to seek remedial action.

It is to be hoped that responsive action will be forthcoming, but if this is not the case, the United States should press vigorously for cooperative action among oil-consuming nations to offset the oil price squeeze to the greatest extent possible.

As a part of our effort, we should regenerate efforts to become self-sufficient. These efforts were prominent in our thinking during the oil-scarce months of last winter. Now because gasoline is plentiful they have been relegated to some extent to the background. It is time for full speed ahead on all possible sources for additional energy. The continued harassment of the environmentalists against additional nuclear power should be curbed. New sources of energy, such as solar production, should be expedited. And most of all, we should make greater utilization of coal. The United States has possibly the greatest coal reserves in the world. Yet year after year we have been using less and less coal. Even now we are buying coal from abroad despite the abundance of our own assets, and coal is actually scarce in many areas of America.

The oil-producing nations, almost without exception, are looking to the United States to help resolve the problems of the Middle East. They and their neighbors in Africa need American agricultural products, some of them desperately. We are accustomed to cooperating with nations all over the world and to helping, almost without stint, those nations which are in trouble. Now it is time for reciprocal action. Generally the Arab countries do not need the funds which excessively high prices on oil are bringing into their treasuries.

Quiet diplomacy brought no results in our dealings with oil-exporting nations. It is to be hoped that Mr. Ford's direct public warnings will bring into focus the necessity for a better understanding by the oil producers of the world of the problems they have brought about.

CONGRESSMAN DRINAN ANALYZES WATERGATE ISSUES

The SPEAKER pro tempore (Mr. MEZVINSKY). Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 20 minutes.

Mr. DRINAN. Mr. Speaker, a large number of proposals have been advanced in the wake of President Ford's pardon of Richard Nixon. Many of these proposals are interwoven and go back to the central fact that former President Nixon aborted the impeachment process by his resignation.

I would like to furnish accurate information and some judgment on the major questions and proposals which are now emerging. My comments will relate to: First, the pardon of Richard Nixon and other prospective Watergate pardons; second, the proposed $850,000 for Richard Nixon; third, methods proposed to guarantee the right of the American public to know the full details about Watergate; fourth, proposals to alter or amend the power to pardon given in the Constitution to the President; and fifth, related proposals concerning the 25th amendment.

THE PARDON OF RICHARD NIXON

President Ford's decision to grant an absolute pardon to Richard Nixon is constitutionally and morally wrong. It cannot be justified by any reading of the spirit and intent of the Constitution nor can it be reconciled with the most fundamental moral assumptions underlying the administration of justice in America.

At the Constitutional Convention in 1787 a motion was made to restrict the grant of pardon only to cases "after conviction". This motion was withdrawn after the delegates were advised that a pardon before judgment might sometimes be necessary in order "to obtain the testimony of accomplices in a crime." It seems clear, therefore, that President Ford exceeded any power conferred by the Framers of the Constitution with respect to preindictment pardons.

President Ford's action is also open to question on another constitutional point. The Constitution withholds the power to pardon from a President in "cases of impeachment." The intent of the Framers was to prevent Presidents from doing what Gerald Ford has done, using the pardoning power to rehabilitate political allies whose conduct merited impeachment. If Richard Nixon had taken his chances on conviction in the Senate after impeachment in the House and had lost, President Ford would be expressly barred by the Constitution itself from ever pardoning Nixon. Is it proper or just to ignore and flaunt the manifest intent of the Constitution by taking advantage of the technicality that Nixon resigned rather than allow himself to be removed by impeachment?

President Ford acknowledged that:

> There are no historic or legal precedents to which I can turn in this matter. . . .

Nevertheless he moves forward with the amazing and unbelievable assertion that:

> Only I, as President, have the constitutional power to firmly shut and seal this book (of Watergate).

What the President forgets is that the last chapters of that book have not yet been written and that his gratuitous assumptions convey the inevitable impression that he does not want those chapters to be written or read.

The Constitution may be vague on the contours of a President's right to pardon. But English history, basic logic, and language itself all teach us that a pardon cannot be applied to acts of wrongdoing that have never been proved, admitted, or even alleged. To extend a pardon to such a wide range of unnamed, unnumbered, and indeed unknown events is more of a coverup than a reprieval.

No matter how compassionate one tries to be in assessing the pardon given to Richard Nixon one cannot escape the conclusion that Mr. Ford has told us that a President may ignore the laws and the Constitution, evade an impeachment inquiry, lie to the Congress and the country, and still obtain a pardon from his successor.

President Ford in his address on September 8 stated:

> I deeply believe in equal justice, for all Americans, whatever their station or former station. The law, whether human or divine, is no respecter of persons. . . .

But then he adds that "the law is a respecter of reality." Apparently in this case, Mr. Ford is telling us, "reality" means that we cannot have "equality."

President Ford's incoherent statement speaks of compassion, but where is his compassion for the Constitution and the Government of laws and not of men which was almost destroyed by some 30 lawless men acting at the direction of the Nation's Chief Executive? Where is his compassion for the families of those already convicted or about to go on trial? Was he without compassion when he stated on August 28 that it would be "unwise and untimely for me" to act until some "legal process has been undertaken?"

When all the confusion is removed from President Ford's case he is really telling us that he does not want to see Mr. Nixon twisting slowly, slowly in the wind. Ford wants to protect us against ugly passions and bad dreams. Such contentions bring us back to the verbal illusions of Ron Ziegler and the absurd claims of President Nixon.

President Ford has placed the peace of mind of Richard Nixon above the peace of mind of the Nation. He has divided the Nation in ways which even the Saturday night massacre did not achieve. Indeed even Ford's designate Vice President is now involved in the revival of the Watergate coverup. Rockefeller has said that Mr. Ford's pardon was an act of "conscience, compassion and courage." Those are words which make him already tarnished.

Americans want their Government to be open and moral. Watergate has humiliated the people of this Nation more than any previous scandal in all of American history. Americans are now humiliated once again by a President they never elected pardoning a former President whom they in effect impeached.

Several proposals have been made with respect to the pardon offered by President Ford to Richard Nixon. On September 12, for example, by a vote of 55 to 24, the Senate passed a resolution that there should be no more Watergate pardons until indictments and trials are over. This is merely a sense of the Congress resolution which, even if it were adopted by the House, has no binding effect upon the President. I am not certain that Congress has the authority to impede the constitutional power of the President to grant pardons.

Proposals have been made that the House Judiciary Committee investigate the circumstances surrounding the pardon granted to Richard Nixon by President Ford. While the intent of these resolutions is laudable, I am doubtful that Congress would find much documentation explaining why President Ford pardoned Mr. Nixon. It may be that the legality of the pardon itself will be tested in court in the near future. In any event, the Constitution does not require the President to disclose any reasons for the exercise of his power to grant reprieves and pardons.

I shall continue to follow very closely all of the developments related to the extraordinary pardon offered by the President in an extraordinary way to Mr. Nixon. I will continue to explore every method by which the fullest explanation can be ascertained.

PROPOSED FUNDS FOR MR. NIXON

Sixteen years ago the Congress legislated that every "former President" who is not impeached would get $60,000 annual pension for life and up to $96,000 annually for staff expenses. The Congress supplemented this 1958 statute by enacting in 1963 authorization for "transitional expenses" for former Presidents. I must say that I am opposed to any "transitional expenses' for former Presidents. I intend to vote against any Federal funds for Richard Nixon except the pension to which he contributed as a Member of Congress. I do this without any sense of vindictiveness but simply from reading the relevant statutes. It is clear to me that Congress intended to give pensions and other benefits only to Presidents who served "honorably." Mr. Nixon, who resigned in order to avoid inevitable impeachement, does not fulfill that requirement.

Several proposals have emerged to amend the statutes concerning benefits for former Presidents. At first I thought that we should tighten up existing legislation so that no future President could receive Federal funds even though his Presidency had been less than honorable. On second thought, however, I have come to the conclusion that all of the statutes awarding any Federal funds to a former President should be totally reexamined. It may well be that such benefits are a part of the "imperial presidency" from which the Nation has suffered so much. No one wants a former President to live in penury. At the same time, I cannot justify existing law which rewards any person who has held the Presidency for any period, however brief, by a lifetime pension equal to the salary of a Cabinet member or, at the present time, $60,000 per year.

GUARANTEEING THE RIGHT OF THE AMERICAN PUBLIC TO KNOW ALL OF THE FACTS ABOUT WATERGATE

Senator MANSFIELD has proposed that the President provide the American public full access to the tapes and other documents except in those rare instances where there is involved a clear case of national security. The Mansfield resolution also recommends that the President should assure the public full access to any information acquired during the Watergate investigations.

I have proposed a similar measure in the House except that the bill which I have sponsored would make it mandatory on the President to vindicate the right of the American people to know the whole truth about the Watergate scandal.

Of the hundreds of letters which I have received following the pardon of Mr. Nixon, many have urged that the impeachment proceedings be reopened by the House Judiciary Committee. While I continue to explore every possible reason for reopening the impeachment inquiry, it is my judgment at this time that the conclusion of this inquiry in the House and the Senate could result only in the disqualification of Mr. Nixon from holding any further public office. It appears to me that the use of a constitutional weapon like impeachment as a vehicle to bring out further facts about Watergate is a misuse of this constitutional device.

The Congress can direct the Special Watergate Prosecutor to include in his final report all information he has concerning Mr. Nixon's involvement in Watergate. Mr. Jaworski apparently feels reluctant to assume this obligation. In any action by the Congress designed to bring out the full facts about Mr. Nixon's involvement in Watergate, the utmost care should be taken to prevent the Congress from assuming law enforcement powers which only the executive branch of the Government possesses.

It is possible that President Ford will ultimately abolish the office of the Special Watergate Prosecutor. Mr. Ford might prefer to follow up on all possible prosecutions through the ordinary channels of the Department of Justice.

In such event, the Congress would obviously have to insist that complete justice be done and that all of the still-mysterious events related to the Watergate breakin and coverup be comprehensively investigated.

The arrangement worked out by President Ford by which the General Services Administration—GSA—and Mr. Nixon have exclusive jurisdiction to the tapes over the next several years raises the possibility that this crucial documentary evidence may never come to light. While the transfer of these tapes to California has been postponed, the long-term agreement has not yet been revised.

I feel certain that the Congress, insofar as its jurisdiction permits, will seek to assert the rights of the people of America to due process with regard to disclosures from the tapes.

Some bills have been filed that would make all presidential documents the property of the U.S. Government. Certainly, a clarification of the law in this area would be desirable. I am in the process of perfecting a bill which will state that all public papers of Federal elected officials belong to the people.

I feel obliged to reiterate, however, that the sense of Congress and any laws that may be enacted will be insufficient to compel the full revelation of all of the facts behind the Watergate scandal. Only the patience, the persistence, and the patriotism of vast numbers of American citizens will be sufficient to prevent a further extension of the coverup of the coverup.

THE SCOPE OF THE PARDONING POWER OF THE PRESIDENT

Because of the most serious objections to the presidential pardon of Mr. Nixon, several Members of Congress have proposed restrictions on the right of the President to grant pardons. These measures have ranged from a proposal that would require the President to provide Congress with a full report on the justification of all Presidential pardons to a suggestion that the President be permitted to grant pardons before conviction only if a majority of both Houses of Congress concur.

The House Judiciary Committee will hold hearings as soon as feasible on these proposals. In view of the fact that the power to pardon possessed by all previous Presidents has seldom if ever been abused, there must be the most serious and indeed overwhelming justification established before a constitutional amendment should be initiated.

PROPOSALS TO ALTER THE 25TH AMENDMENT

When two-thirds of the House and Senate and three-fourths of the States ratified the 25th amendment in 1967, no one really contemplated the possibility of having both the President and the Vice President elected, not by the people, but by the two branches of Congress. Because this undesirable situation may become reality in the near future, several persons have proposed that the Constitution be amended once again to provide for a popular election some 60 or 90 days after the Vice Presidency becomes vacant. This is, of course, precisely the practice followed by State law when a Member of the U.S. House of Representatives dies or resigns during his term of office. On the other hand, when a U.S. Senator ceases for any reason to hold office before his term has been finished, the Governor of the particular State appoints a Senator to fill out the unexpired term.

All of these proposals were, of course, fully explored in the extensive debate that preceded the enactment of the 25th amendment. Under that amendment, the 535 Members of the House and Senate conduct a "minielection" in which these individuals are the surrogates or spokespersons for their constituents. The 25th amendment was never intended to be a method by which an incumbent President could appoint a member of his own party as the Vice President and expect the Congress to rubber stamp his choice. One could argue that in the confirmation of Gerald Ford the Congress of the United States did not completely fulfill the objectives of the 25th amendment. It was said in response that the popular mandate obtained by Mr. Nixon in November 1972 was so overwhelming that the Congress should reflect it in its voting on the candidacy for Vice President of Gerald Ford.

I would assume that Congress might well have a different approach in connection with the candidacy for Vice President of Mr. Nelson Rockefeller. It is certain that Mr. Rockefeller will be questioned very closely concerning his attitudes toward issues related to Watergate and in particular to his support of President Ford's decision to pardon Richard Nixon.

Although a thorough reexamination of the 25th amendment might be in order sometime in the future, I am of the opinion at this time that it would be premature to reopen the extensive national debate which culminated in the adoption of the 25th amendment in 1967.

Every American had hoped, Mr. Speaker, that in the next 1,000 days as we prepare to celebrate the Bicentennial of this Nation, we could have seen restored to the Presidency and to all of our institutions that integrity and majesty given to them by the Constitution. But instead, another dark night is descending upon us as the President takes action which appears to be an assault on the very foundations of equality, justice, and the right of the people to know.

This is not the time for the American people to remain quiet. It was the 3 million telegrams and letters which American men and women sent to their congressional representatives after the Saturday night massacre that brought about the impeachment inquiry.

I have received and responded to hundreds of antipardon letters and have assured my constituents that I will develop and justify a firm and fair stance on the various Watergate-related issues which are still before the Congress and the country. These will be resolved in the most satisfactory manner only if the people of America continue to demand and obtain a government of the people, by the people, and for the people.

A TASK FORCE ON ECONOMIC REVITALIZATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STEELMAN) is recognized for 5 minutes.

Mr. STEELMAN. Mr. Speaker, it is an understatement to say that this country's businesses are facing a critical capital shortage. Like the energy crisis in its early stages, the current capital shortage is not drawing adequate concern, but unlike the energy crisis, let us not wait until our alternatives are few with our backs against the wall.

The truth is, many companies have already reached the point of no return, and unless action is taken soon, business failures and insolvency may pyramid. As the importance of this situation cannot be overstated, neither can its complexity. There are no simple solutions. We cannot afford to haphazardly introduce legislation; we need sound evaluation and recommendations to base our efforts on. Surely, any legislation we consider on this subject must be comprehensive and sound.

We need an organized effort in this behalf, and that is why I introduced today a bill, calling for the creation of a Task Force on Economic Revitalization. This task force would consist of 15 members, appointed by the Secretary of the Treasury, from the executive and legislative branches, private industry, labor, the financial community, the Federal Reserve System, and the academic community. This wide representation will help to insure objective, well rounded recommendations; there is to be no domination of one particular segment.

It will be the primary duty of this task force to formulate recommendations to insure adequate sources of investment for capital formation. Along with this, it will evaluate means of broadening the base of corporate ownership in this country, of increasing equity financing, and determining what role Government would play in this revitalization.

The tax structure and financial conditions are such that corporations are financing out of debt rather than equity. Besides obvious ramifications on the future of public ownership of corporations, this heavy debt financing increases the strain on interest rates. The task force will study restructuring of corporate taxes to induce equity financing. Along this line, low- and middle-income persons have in many ways been locked out of sharing in the growth and prosperity of our economy, and the task force will study this situation, considering such incentives as employee stock ownership plans and Government loans for the purchase of new stock issues.

The Task Force on Economic Revitalization calls for the submission of two reports to the Secretary of the Treasury, the Committee on Ways and Means, and the Senate Committee on Finance. The first will be within 3 months after the enactment of this bill on actions immediately desirable in the area of corporate finance to combat inflation, increase economic growth and employment. This report will be helpful in meeting those situations which are most current and pressing. The second report will be submitted within 1 year, and will focus on the long range means to increase economic growth, productive capacity, productivity, and to broaden corporate ownership.

Mr. Speaker, the urgency for such a task force is paramount. The aid and guidance provided to this Congress would be invaluable.

TRIBUTE TO THE LATE HON. ALLEN ELLENDER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. HÉBERT) is recognized for 60 minutes.

Mr. HÉBERT. Mr. Speaker, Allen Ellender was a man whose record of public service to Louisiana and this Nation will go unparalleled. As I have often said, he was a giant in power. He was a dedicated, loyal, tireless worker, crowned by an integrity few men can claim. His 36 years in the Senate brought to the people of Louisiana and the people of this Nation untold benefits in all areas: agriculture, flood control, education, fiscal responsibility. I need not remind my colleagues of the quality of the dedicated life and the valuable work of my good friend for they are known well to every Member of this body. I believe that he demonstrated all the qualities of leadership and public service that should be a model for present and future leaders as well.

I know that Senator Ellender would be most honored to know that his example lives on daily in the minds of thousands of young people today through the memorial we have provided in his name to continue the work of the Close Up program administered by the Close Up Foundation in involving disadvantaged young people in learning about their Government. In communities around the Nation, his name has become synonymous with opportunity and constructive activism, as a result of the Allen J. Ellender Fellowship program which I sponsored after his death. These fellowships have helped to continue the work of the Close Up organization in making Government meaningful to a real cross section of students and teachers throughout the country.

Personally, I have had the opportunity to talk with many students and teachers not only from New Orleans but from other communities as well. Our sessions are spirited and, while many of the students do not agree with my very frank and unhesitatingly given point of view, we part friends. They are most interested in getting it straight and appreciate candor. They are here to get their information first-hand and Close Up provides them with that opportunity.

Mr. Speaker, I would like to dedicate this day as a day of remembrance and would like to encourage my colleagues to recall the memory of my dear friend Allen Ellender as they recount the successes of the continued work of the Close Up organization and the Allen J. Ellender Fellowship program in other communities.

I also want to add a word of praise for Margy Krauss and Steve Janger and the entire Close Up staff for the fine job they had done in administering this program. I am inserting a copy of the proclamation of Mayor Moon Landrieu of New Orleans in connection with this program and also a few letters to the Close Up staff from young people who participated in this program so you can see just what Senator Ellender accomplished:

City of New Orleans Proclamation

Whereas, Close Up is a program to provide a week of learning in the nation's capital, Washington, D.C., to help bridge the gap of understanding through a nonprofit, nonpartisan forum for the involvement of youth in the federal government; and

Whereas, the students selected to participate in Close Up work very hard at gaining an understanding of the people and processes which have made this country great, operating on the basis that a healthy, objective examination of government in action is necessary to achieve even the slightest degree of understanding; and

Whereas, 600 students and teachers from Metropolitan New Orleans High Schools have been selected as the first to participate in Close Up 1973, and will therefore be the first recipients of the newly established Close Up/Allen J. Ellender Fellowship program which was authorized by Congress in recognition of the late Louisiana Senator's enthusiasm and support of Close Up and its ideals:

Now, Therefore, I, Moon Landrieu, Mayor of the City of New Orleans, do hereby proclaim the weeks of January 7–14 and January 21–28 and January 28–February 4, 1973 to be "Close Up Weeks," in New Orleans.

Metairie, La.,
January 17, 1974.

Close Up,
Washington, D.C.

Dear Staff: Thank you for such an exciting and informative week in Washington. Before leaving for the week with Close Up I felt I was expecting too much from the program. Having completed the week I look back and realize I gained more than I had hoped. You have done a fine job of organizing your seminars and choosing your speakers. Next year I hope to return to Washington for another week with Close Up. I feel much closer to our government now. If you could expand your program I feel more young Americans would become involved in government at all levels with a renewed faith and confidence in our system. It is such a wonderful experience to get to see our government in action and talk with our officials.

I wish only the best for your program in the future. Thank you again for such a wonderful week.

Sincerely yours,
Marie Ryan.

Metairie, La.,
February 6, 1974.

Dear Margy: This letter is long overdue. I wanted to write much sooner but school and the holidays kept me extra busy. This past weekend I attended the N. O. Close Up II reunion. [Although] only about half of the people attended it all seemed as if the trip to Washington had not ended.

It is hard to express in words the impact of the Close Up Program has made on me. Although the program is not perfect in every aspect, it offers opportunities for students and teachers that could not be obtained in any other way. For me, government came alive. Since I teach four classes of Civics and one of American Government I can feel the difference in teaching these courses. My knowledge of our government is no longer limited to what I have read and studied. I hope and really think that this experience is now being shared by all my students. My only regret is that the stay in Washington had not been longer. I would like very much to be invited by the Close Up Staff to attend the Program next year.

I hope that the New Orleans Group is invited by the Close Up Staff to attend the Program next year. Is there still possibilities that our city will not be included in the program next year? The enthusiasm at my school, Grace King High is already building. I am attempting to form a Close Up Club in the P. M. school for all those students interested in attending next year. These girls have already begun to look for sponsors and start to raise money. If there is a good possibility that the New Orleans Group will not be invited to attend, please let me know? I would hate for all of these enthusiastic and hard working girls to be disappointed at a late date next year.

I sincerely hope to see you and the staff again next year. I would like to compliment the staff on their great job. I enjoyed meeting and working with the members of the Close Up Staff.

Sincerely,
Pat Creel.

P.S.—Please don't forget to include me on the list of teachers to be requested to attend next year. I really think I could benefit tremendously from another week with Close Up in Wash., D.C.

Orleans Parish School Board,
New Orleans, La., March 23, 1973.

Mr. Steve Janger,
Director of Special Programs, Close-Up, Washington, D.C.

Dear Mr. Janger: As this school year draws to an end, I must take time to comment on an outstanding program which has been of great benefit to our school system and to students. I am referring, of course, to Close-Up.

It is my privilege to serve as an advisor to what has turned out to be an outstanding program. The participation of our students has enabled youngsters from diverse backgrounds to come together and to learn more about our country and its workings. The inter-change between the students has provided new understandings between individuals.

An important part of the youngsters' education process and, in view of the urban nature of our school system, it is particularly important to us. We have further been impressed with the continuing effects of Close-Up on our students as they return to the school system. I believe it will nave an impact on their future life.

If there is anything that I can do to assist in the development of the program for next year, please do not hesitate to call us.

Sincerely,
Gene Geisert,
Superintendent.

Close-Up,
Washington, D.C.

Dear Staff: I really enjoyed being a part of your organization. It was such a great opportunity for me to learn about the government on my level. The staff was so understanding, it made learning and forming opinions a much easier task.

The program provided us with an awareness of the government and the city. It gave us the opportunity to come face to face with important heads of our state, and learn what they are really all about. The days went by smoothly and all too quickly. With the information I learned on my trip, I can more fully understand what is happening in the government and how it works.

I hope that you have continued success with your program, and each segment is more exciting than the last. As I go to school each morning, I can only wish I were with you once again.

Sincerely,
Jayne Prieur.

Mr. ALBERT. Mr. Speaker, I join my colleagues in honoring the late Senator from Louisiana, Allen Ellender, on the anniversary of his birth. He was a great statesman and legislator, and his many contributions to the Congress and the country are memorials to his many years of hard work and dedication.

One project in which he was vitally interested, and which is testimony to his great efforts of helping young people, is the Close Up program. Through this city-community concept, young people can obtain a better understanding of our Democratic processes by coming to Washington to personally meet with representatives of Government and study government first hand. This program benefited from the Senator's contributions while he was alive, and is now partially supported by memorial fellowships in his name. And it seems to me that each participant in this fine program becomes yet another living memorial to the great Senator from Louisiana and his work.

I thank the distinguished chairman of the Armed Services Committee for taking this time for us to stop to remember this great American.

Mr. O'NEILL. Mr. Speaker, today, Mr. Speaker, let us pause and pay tribute to a man who, during his lifetime, made a remarkable and unselfish contribution to his State and to his country. Today we celebrate the 84th anniversary of the birth of Allen Joseph Ellender, the late distinguished Senator from the State of Louisiana. We could have many areas in which Senator Ellender made a significant contribution—agriculture, public works, national defense; but one area stands out as being of special significance—the education of our young people. It is therefore very appropriate that the Congress sought to memorialize Allen Ellender by providing, in his name, a continuing means of sustaining, upon his death, a program and a concept which was so important to him during his life.

The Allen J. Ellender fellowships assisted in bringing thousands of students and teachers from across the Nation to Washington for a first-hand look at their Government in action.

In my home district in Massachusetts, the Close Up program was welcomed as an exceptional opportunity for the student community to experience Washington in a valuable way. I had the chance, Mr. Speaker, to personally meet with the Boston students during their week in Washington with Close Up and I found in them a new enthusiasm to learn about their Government and themselves.

Mrs. BOGGS. Mr. Speaker, I rise today, on the 84th anniversary of the birth of our late, dear friend, Allen J. Ellender, to recall his long service to our country and to remember, in particular, his great interest in helping the youth of America.

Born in the small south Louisiana town of Montegut in Terrebonne Parish, Senator Ellender had a long and distinguished career which spanned 50 years in public service on the local, State, and

National levels. At various times, he was elected city attorney in Houma, La., district attorney for Terrebonne Parish, and a member of the State house of representatives in which he served as speaker from 1932 until 1936, when he was elected to the U.S. Senate. Reelected five times, he was vigorously campaigning for a seventh term at the time of his death. In the Senate he was a leader in the real sense of the word, serving the other body as chairman of the Agriculture and Appropriations Committees and President pro tempore.

Allen Ellender was a lawyer, farmer, and consummate politician, but he never forgot the circumstances of his childhood. He was raised on his family's farm, Hard Scrabble Plantation, where he frequently had to stay home from school to help his parents scratch a living from the earth. Because of his understanding and compassion for the disadvantaged and the needy he was one of the chief sponsors of legislation which created the food stamp, the school lunch, and the food for peace programs.

Yet, his interests were not limited to these grant programs. He always found the time to meet with young people and to participate in their programs. He took a particular interest in one such endeavor, Close-Up, a Washington based, nonprofit and nonpartisan foundation which offers young people an opportunity to learn more about their Government than they could learn in their classrooms. Senator Ellender was particularly active in generating interest in this public affairs forum among his fellow legislators. I have participated in the programs of Close-Up and I can heartily recommend them to all of my colleagues for bringing young Americans in close contact with their Government and the people who run it and participate in it.

After Senator Ellender's death, in 1972, Senator HUMPHREY, Chairman HÉBERT, Mr. PERKINS, and my husband, Hale, were instrumental in obtaining funding of $1.5 million, over a 3-year period, for scholarships which provide financial assistance to economically disadvantaged secondary school students and their teachers so that they too can participate in Close-Up. Now a real cross-section of American youth, both rich and poor, can experience their Government in action. These scholarships, the Allen J. Ellender Fellowships, are a truly fitting memorial to this outstanding leader, whose achievements during his long and productive career are a guide to the young people of today. This year, I understand that there will be some 45 weekly sessions, bringing upwards of 8,000 students from 13 metropolitan areas to the Capital.

Finally, I recently participated in the dedication of another memorial to our late friend from the Teche country, the Allen J. Ellender School in Jefferson Parish, La. It further exemplifies this great citizen's interest and devotion to shaping and developing young minds. I know he would be very proud of this honor.

Mr. CASEY of Texas. Mr. Speaker, I am proud to share the story of the Houston area's involvement with Close Up. The success of the program is exemplified by the enthusiastic support Close Up has received in the communities of the Houston metropolitan area. Over the last 3 years, Houston has had the largest participation from each high school of any community involved. Since 1972, a total of 2,372 Houston students and teachers have come to Washington with the Close Up program. Hundreds of other youngsters have come from adjoining school districts on the Texas gulf coast.

One of the most important aspects of the Close Up experience, Mr. Speaker, is that the learning does not stop when the students return home. Their enthusiasm has spurred involvement in Texas Girls State and Boys State and attendance at the Texas Constitutional Convention. The study of government at all levels becomes more alive, it seems, once a youngster experiences Close Up.

I would like at this time, Mr. Speaker, to present to you the following letters written by students and school officials about their experience with the Close Up program. They certainly are an appropriate part of the continuing Close Up story:

HOUSTON INDEPENDENT
SCHOOL DISTRICT,
Houston, Tex., March 15, 1974.

Mr. STEVE JANGER,
Washington, D.C.

DEAR MR. JANGER: I would like to express my appreciation to you for the Close Up program in our schools. We have many outstanding programs in the Houston Independent School District. I don't know of any that is more meaningful or educational than the Close Up program.

The experiences these youngsters have means so much to each of them and I hope that it will be possible for us to continue this program.

May I express my sincere appreciation to you for your interest and support of the program and the opportunities we have to participate in the program.

Thank you.

Sincerely,

GORDON M. COTTON,
Superintendent.

HOUSTON INDEPENDENT
SCHOOL DISTRICT,
Houston, Tex., March 13, 1973.

Mr. STEVE JANGER,
Close Up,
Washington, D.C.

DEAR STEVE: I want to thank you for making Close Up possible. Close Up has meant so much to me personally and even more so in terms of the great effect the program has had on all of my students. Sam Houston High School will never be the same. Our 78 students have really begun to spread their enthusiasm throughout the school.

I have already had two group discussions at my house. This is probably the best aspect of the Close Up program. Students develop a keen interest in learning about our government and about themselves. Many of our students had never really met students from other areas of Houston and after really being together in Washington, they have come to the conclusion that not every student from Spring Woods is a rich snob. Close Up has also made a permanent change in the racial prejudices once felt by many of my students. Our black students did not all room together, but, rather reluctantly shared rooms with other white students. These students along with others became so close and their genuine friendships are serving as a great cohesive force within Sam Houston.

I also want to especially thank you for awarding us that beautiful trophy. It is in display in our school right now. We are all so proud of it. I can never tell you how I felt when you made the presentation. I just thought of how much Close Up meant to me and my students. It is such a great feeling to look at the beautiful trophy and just think. I guess it really makes me feel that the feeling must be mutual . . . that Close Up must think as much of Sam Houston and myself as we do about you and the Close Up staff.

Well, I could go on and on about you and Close Up. You must know how valuable I knew the program is and how lucky I feel to even be able to participate in Close Up. Steve, you must be a proud man.

Thanks again for everything.

Your friend,

JIM LYONS,
Government Teacher.

CLEAR CREEK
INDEPENDENT SCHOOL DISTRICT,
League City, Tex., April 2, 1973.

Mrs. MARGERY KRAUSE,
Close-Up,
Washington, D.C.

DEAR MRS. KRAUSE: It is virtually impossible to list for you the results of our participation in Close-Up. As first year participants the students approached the program with much anxiety and apprehension. They soon found themselves wrapped in an experience that will never be duplicated and is priceless to each person.

After a month back in school, the students were requested by me to express their feelings about the program. Unanimously they are going to return if the Houston area schools are invited. Classmates share this same enthusiasm and are planning a school club with the goal of participation in Close-Up. Perhaps the preceding partially speaks of the results. While they are not easily catalogued or categorized, they are such as to bring in others and the "pros" shall return. Two of the participants for this year, Brenda McCoy and Bill Gilmer, have since been accorded awards by being selected by their classmates and teachers to represent this school at Girl's State and Boy's State respectively. Brenda has also appeared on a local panel show to explain the Close-Up program to the Houston community.

As for the results of such a program to the teacher, my first reaction is that it should be required for all government teachers. As the course proceeds, I find that I am better prepared and more comfortable in my teaching having had this practical experience. It means a great deal to explain a committee hearing if you have seen one or to explain the Supreme Court in action. It also has a greater impact on the students since they know that I speak from experience not just from reading reports.

Thank you for allowing us to participate. Our school is greatly indebted to you. Keep your fine program going.

Sincerely,

THOMAS T. BARKER, Jr.

DEAR CLOSE-UP STAFF: Of all the valuable bits and pieces of information I acquired throughout the Close-up program in Washington, D.C., perhaps the most beneficial result would be a stronger knowledge of myself and others. The trip was not simply an education in our governmental structure, politics, and issues but a striving for personal understanding of these areas. There is a strong distinction between reiterating facts and understanding a subject. I found my knowledge to be only the outer crust of the core of government.

Close-up provided a stimulating atmosphere of thought. With the many guest speakers in positions of power and responsibility in our government, I was compelled to weigh opposing stands and reach for conclusions. Often my roommates and I would share viewpoints on issues brought out in the course of the day late into the night with a few jokes mingled in. We were forced to formulate reasons along with our opinions.

Cooperation and respect for others was a necessity for participation in this trip. Due to the very nature of the program we had to function as a group respecting the dignity, opinions, and rights of other individuals whether they be distinguished Senators or fellow students. Is this not the essence of a democracy?

Indeed government is more than facts and figures in civics books and weekly magazines. It is made up of knowledgable individuals with sincere objective points of view. Its continuation depends on cooperation and respect for others.

Sincerely,

JOHN REDD.

Mr. SYMINGTON. Mr. Speaker, during my tenure as Director of the President's Commission on Juvenile Delinquency under President Johnson, I became acutely aware of the complex pressures and problems faced by many of our young people. Some youth view Government as a very negative and impersonal force, because their first contact has been the result of misconduct, and therefore involved punishment for an offense. Other young people have a very passive attitude toward their Government, seeing it as a force outside of themselves, not realizing the potential for their own involvement. Unfortunately, Mr. Speaker, as a result, many are apathetic, not caring enough about politics or government to make any effort at all. This presents a very sad and negative picture.

But fortunately, Mr. Speaker, there exists a program that is actively trying to make politics, Government and the potential for involvement real and living forces in the lives of thousands of young people all across the country. After watching the growth and development of the Close Up program in many other communities the past 2 years, I was very pleased to be of help in the organization of the first St. Louis Close Up program this last spring. Although St. Louis has only been involved with Close Up for 1 year, the impact upon the community has been remarkable. There has been a 10-fold increase in the number of students enrolled in civics classes in one high school alone. I am most pleased to welcome Close Up back to St. Louis this school year. I consider Close Up a very valuable and important program certainly worthy of both the praise it has received here today and the continued support of the Congress.

I include the following:

SUPERINTENDENT OF SCHOOLS,
St. Louis, Mo., April 4, 1974.

Mr. STEPHEN JANGER,
Director, Close Up Program,
Washington, D.C.

DEAR MR. JANGER: I have been informed by Sister Rose Mershon of how well the Close Up Program is going with students from the St. Louis area. We had some contact about the program through one of our staff people here at the Catholic School Office, Mr. Jerry Porath. It seems from the information given to me by Sister Rose that the program more than lived up to everyone's expectations. I write to let you know how pleased our Catholic high schools here in St. Louis were to participate in the program. Many young people have been given a very special experience and all of us are grateful to the Close Up Program for it.

With every best wish, I am

Sincerely yours,
Reverend JOHN J. LEIBRECHT,
Superintendent.

BALLWIN, MO.

MARGY KRAUS,
Close Up,
Washington, D.C.

DEAR MARGY: As I sat at the typewriter working on some things for next year Close Up came across my mind and I thought I might send along a letter with some good news.

It seems as though the American Government program here at West is really starting to take off. We had set a goal for ourselves during my first year here to triple the size of the enrollment. Happily I can say that at present the enrollment is ten times what it was the previous year, we went from one class of 26 seniors and juniors to eight classes of 250 sophomores, juniors and seniors. Seems like everybody is getting into the act.

I attribute a lot of that success to Close Up. Our kids who came back from Washington were really excited. Some of them will be working in campaigns next year, while Paul Bedard will be going to Washington.

I am hoping very much that you can tell me that Close Up will be returning to St. Louis. There is a very large group of West kids who would be on the plane tomorrow. I have not yet heard anything from either Close Up or our school district. Please apprise me of the situation, as I am looking to take a large group.

Sincerely,

GARY CHESLEY.

APRIL 9, 1974.

CLOSE UP,
1053 31st St. N.W.
Washington, D.C. 20007

TO THE CLOSE UP ADMINISTRATORS AND STAFF: The last seven days have been seven of the most eventful and memorable days that I will ever experience. Through my involvement with the Close Up program from March 31 to April 7, I learned many worthwhile things.

I would like to take this opportunity to thank everyone involved with Close Up for allowing me to be a recipient of the Allen J. Ellender Fellowship. There is no way I could have been involved in the program without the aid of the fellowship. Words can not express my gratitude to you for giving me this opportunity.

By reading textbooks one can learn about the governmental system. But there is a much greater advantage when you can gain information first-hand from Congresspersons, Senators, lobbyists, etc. In our seminars we can question people when we aren't sure of something. But to me Close Up, was much more than just learning about government. I also learned about people. Workshops were a very important part of the day; here we discussed events of the day, shared experiences, and gained insight to each others feelings, wants, ambitions, and goals. I learned to accept people for what they are, and not judge them by racial, ethnic, or religious backgrounds.

Close Up was one the best things that I have had the privilege to take part in. I would like to commend all the Staff Administrators and Staff Instructors that worked with the St. Louis III group. They were a dedicated and well-informed group of men and women. I really enjoyed my stay in Washington. And I plan to keep up with Close Up activities.

With Sincere Appreciation,

MS. JACQUELINE BROOKS.

OAKVILLE SENIOR HIGH SCHOOL,
St. Louis, Mo., May 22, 1974.

MS. MARGIE KRAUS,
Close Up,
Washington, D.C.

DEAR MS. KRAUS: I am very sorry for being so tardy in writing you this note and returning my evaluation sheet, but personal business and a family illness has occupied much of my time during the last eight weeks. However all is well now, and I can catch up on some of my paper work.

I cannot tell you how very impressed I was with your program. I know before we left St. Louis I tried to warn my students not to get their hopes up too high because, cynical me, I felt no one could possibly fulfill all the promises Steve had made. Within seven short days you proved me to be a false prophet. And believe me, my students let me know in no uncertain terms.

However, having egg all over my face this one time did not hurt much. Believe me, both my students and myself had a tremendous time. I could not have imagined an any more interesting, informational, nor enjoyable trip. You and your staff touched all the bases from providing both adolescent and adult entertainment, to fascinating sight seeing trips, to controversial speakers, to competent, instructive group leaders.

My students were so impressed that, the very next week, on their own, they had begun organizing groups to raise funds to enable themselves and more students to return. Our personal goal is to raise thirteen thousand dollars. Just how close to that goal we will eventually arrive, I don't know. But I do know we will make a valiant effort.

Enclosed you will find my evaluation sheet and copies of letters we sent to some Congressmen.

You had mentioned at one of the meetings that, if we teachers were interested in returning, to make you aware of that fact. I definitely would like an opportunity to return to Washington and to again participate in your program. I feel as if I learned a great deal, but, of course, there is just so much more. I'd like a second chance.

Again, thanks to you, to Jim, and to your staff—for the fellowship, for the program, and for the opportunity to meet an awful lot of community neighbors I never knew I had before.

Sincerely,

MIKE BRADLEY.

[From the South Side Journal, Mar. 1, 1974]

CLOSE UP PROGRAM—FIRST-HAND VIEW OF GOVERNMENT

Only a few years ago a group of individuals discussed an idea to expose young people by first-hand experience to the people, places and processes of our democratic system.

Traditional education was not producing politically interested electorate but, much to the contrary, it was vague in showing students how to turn the wheels of change in government. There was a real need for some on-the-job training in politics to help young people regain their lost confidence and want to get involved.

Thus, the birth of the Close Up Program.

This program gives students a close up examination of some of the people and processes in government to give them a better sense of their community and country. It was established to benefit all students without regard to gradepoint average, financial status or leadership ability.

To do this, the community concept was developed whereby each year a limited number of communities are invited to participate.

Each school in each community selected may send one teacher and several students to the program. The number of students participating must include representatives from public, private and parochial schools. Or if any one type is missing from the community, that community is disqualified.

Fellowship grants are awarded to each school on the basis of financial need to under privileged students.

The Close Up Program consists of a one week stay in Washington, D.C. Buildings generally closed to the public, such as the Pentagon, will be open to the students participating in the program. Students and teachers will meet with the senators and representatives from their community for breakfast. They will question other senators and Supreme Court justices in seminars. Of course, there is a little time set aside to see the different monuments but this week is for participants, not spectators or sightseers.

Since the program is open to all high school students in the community, those students who are going need preparation for the program, they need to be aware of congressional issues. For this purpose each school receives a Weekly Report each of the four weeks prior to their departure.

These reports provide background information for selected issues.

Only awareness of current issues and realization of a speaker's attitude can help the student ask informed, piercing questions. It is, therefore, necessary for their teacher to discuss current issues with the students who are to attend before they leave.

This year for the first time, St. Louis has been invited to attend the Close Up Program. Seventy-seven public, private and parochial schools will attend from the St. Louis area.

Approximately 90 per cnt of the Catholic High Schools in the St. Louis area have decided to participate and are making plans. This is the first such educational program in which so many Catholic schools have been invited and have actively participated.

To make it necessary for parochial and private schools to participate before a community can participate is a big boost for Catholic education. One such Catholic school is St. Anthony High School, where students are eagerly trying to raise the cost of the trip.

Students have geared such activities as a raffle, bake sales, sales of Aquilan, and solicitation of tax deductible donations from businessmen.

The money collected plus the fellowship grants will be divided among the students attending to help defray the cost for each one.

The deadline for collecting money is frantically approaching.

The number of schools are divided into three groups which will leave three successive weeks. The St. Louis community begins its travel to Washington on March 17. The next two groups will be leaving on March 24 and 31 respectively.

Mr. FRENZEL. Mr. Speaker, as a longtime supporter of Close Up, I am happy to share with my colleagues some important aspects of the program in general and the Minnesota experience in particular. During the last three years, I have had the opportunity to meet with Close Up students and teachers from all parts of the Nation, and though the groups have been very different in many ways, one important characteristic is always the same. Close Up seems to have a special talent to spark enthusiasm and interest in the study of government in each participant. The week in Washington seems to make the often dull and dry subjects in their civics books come alive.

One of the qualities I admire most about this special program is its strong sense of fairness. The Close Up Board of Advisers, of which many of us are members, represents every political persuasion. The weekly schedule of speakers presents a carefully balanced group representing different areas of interest and ideological beliefs. The business community, grassroots organizations, political parties, the press, as well as the administration and Congress, are all given the chance to make their concerns known.

I am particularly proud of the Minneapolis/St. Paul participation in Close Up. The community has distinguished itself by having the highest number of individual funding sources of any Close Up community. The Minneapolis Chamber of Commerce felt that its participation with Close Up was so important that it made a special presentation about the program to the National Chamber of Commerce Convention here this past spring. The program participants have also made a special effort to take maximum advantage of the opportunity to study politics and government in a more real and recently meaningful way. Three hundred students attended a full-day seminar on party politics and government, sponsored by the Urban Concerns Workshops, Inc., the Honeywell Corp., and the Minneapolis Chamber of Commerce. During the seminar a mock caucus was held to prepare students for participation in the real caucuses of their chosen party. Seven students went on to become elected delegates to their State party convention. One student completed a semester as an intern to a State representative.

As you can see, the total community is involved in the Twin Cities Close Up program because we feel that this special experience is an important part of our students' education. This Nation needs the talents, ideas, and effort of a politically educated citizenry to solve the immense challenges we now face and will encounter in the future.

I include the following:

Harding Senior High School,
St. Paul, Minn., April 2, 1974.

Attention: Closeup Foundation.

I would like to extend my congratulations to all of those who have contributed to the development of the Closeup program. From my own point of view it was a truly worthwhile experience that will not easily be forgotten. I was pleased to be selected as the teacher-coordinator for the 1973–1974 school year and would certainly enjoy going next year. However, in the interest of fairness, someone else should have the opportunity.

I'm sure I speak for my students as well as myself when I commend the program. The three students that participated with me had a wonderful time and only two of them would have been able to attend without the generous support of the Foundation through its fellowship program. Also, the teacher fellowship was most generous and greatly appreciated.

It has been very pleasing to find that the Twin Cities area is so enthusiastic about the program. On February 26, 1974, we had a full day seminar on government at Hamline University in St. Paul. About 300 students from the Twin Cities area participated, including most of the Closeup participants. Their interest in that program was certainly stimulated by their involvement in the Washington D.C. program.

Once again, on behalf of the program participants from this school, it is quite evident that the program was most meaningful and rewarding.

Sincerely yours,

Ronald O. Breivold.

Chosen Valley Public Schools,
Chatfield, Minn. April 3, 1974.

Close Up,
Washington, D.C.

Dear Sirs: It has been brought to my attention that you are now considering which areas of the United States should have the opportunity to participate in the 1975 close-up program. As a student who attended the 1974 session during the week of January 20–27 with the Minnesota II group, I ask you to seriously consider keeping Minnesota in the program next year.

Two years have gone by now during which our school has had this unique opportunity. With each year, interest has risen steadily. In 1973, we sent four students—two with fellowships and two which paid their own way. This past winter (1974) we sent eleven people—one with a fellowship, two sponsored by our community, and eight which paid their own way. As we came back and told of our experiences, we excited even more people who I am sure will want to go next year. The more they hear of it, the more they want to see it themselves.

To wear out an old cliche, it was a great educational and long remembered chance. I personally wish more from Minnesota and especially from Chatfield will be able to take part in a week in Washington, D.C. in future years.

Respectfully,

Debbi Allen.

A "Close Up" Report From Minnesota, April 15, 1974

(By Robert D. Klepperich)

"Using the unique facilities of Washington as a classroom, you will, for one week, be part of the processes of government. As such, you will be involved in head-to-head discussions with congressmen, senators, committee staffers, administration figures, judges, lobbyists, reporters, politicians, ambassadors, and just plain concerned citizens who contribute to the daily complexity that is our government."

The above promise is made in a brochure published by Close Up, "a nonpartisan forum on the participation of youth in government." And as one who has been part of the Close Up experience for three years, I can say that this is one Washington organization which does not simply offer promises. The following report is intended to serve as a summary of my most recent experiences with Close Up and to give an indication of what this educational program has made available to 267 students and 59 teachers from Minnesota who participated this year.

This was the third year Minnesota schools were invited to Washington for Close Up. A total of 28 schools participated January 13–20 and 30 schools the week of January 20–27. Participants represented the Twin Cities metropolitan area, suburbs, large towns, small towns, and rural areas. This is in keeping with a basic Close Up philosophy which calls for the establishment of lines of communication between students, who while they may be from the same geographic area, seldom have the opportunity to share ideas with one another. (The same philosophy applies to teachers also.) In summary, Close Up provides the opportunities for students (and teachers) from a variety of social, ethnic, economic, religious, political, and educational backgrounds to come together in Washington, D.C. to observe the operation of the federal government first-hand and to interact with the personalities of government, business, and the media as well as with one another so as to air grievances, exchange ideas, state and defend beliefs, and find out what is important to "the other person."

Cost of the program was $364, which included all meals, lodging at the Ramada Inn in Rosslyn, Virginia, and transportation costs. Grant money, made available through the close up Foundation; and fellowships, financed by the federal government in memory of the late Senator Allen J. Ellender; made it possible for at least one student and teacher from each school to participate free of charge. Some schools, with support from local businesses and community organizations and with the help of local fund-raising projects, were able to finance the particiaption of additional students besides those who received help from the Close Up foundation or who were able to pay their own way. Leading the "honor roll" in terms of numbers of participants were Derham Hall High School in St. Paul with 25, and LaCrescent High School in LaCrescent with 21.

Close Up is staffed by ten dedicated young people who have a sincere interest in working with high school students. Staff members bring diverse backgrounds of schooling and experiences to Close Up and add to the "cross-section" flavor of the program. All are college graduates, and their experiences range from teaching and researching to community organizing, and from studying in a Buddhist monastery to house painting. Margery Kraus, program director since Close Up's beginning in 1971, is a former teacher and educational consultant who has the personal charm and expertise to deal with Washington's various agencies and come up with the best possible schedule of seminar speakers each week.

Minnesota's delegation had 1½-hour sessions with Senator Mondale and with Congressmen Frenzel, Karth, and Quie. Other seminar speakers represented the National Chamber of Commerce, American University's School of International Studies, Johns Hopkins School of Advanced International Studies, the State Department, the Internal Revenue Service, the Department of Labor, the Department of Defense, and the Center for Law and Social Policy. Also conducting seminars were Mr. Victor Gold, syndicated columnist and at one time press secretary for former Vice President Agnew; and Mr. David Broder, staff writer on the national desk for the Washington Post. Highlight of the week for some students was a presentation by Mr. Ed Anderson, lobbyist for the American Federation of State, County, and Municipal Employees, who shared his thoughts on the subject of "Values in Politics."

Many sessions were held in government buildings close to where speakers actually worked. Each seminar consisted of a presentation by the speaker and plenty of time for questions and answers. At least 2–3 dozen questions were launched by students during each seminar.

Tours were made of major churches and historical monuments of D.C., as well as the Kennedy Center, Arlington Cemetery, Georgetown, the White House, and the Smithsonian Institution.

Free time was available to allow students time to explore Capitol Hill, to sit in on committee meetings, to visit offices of senators and representatives, and "to absorb atmosphere."

Small group "break-out" sessions each evening, conducted by staff assistants, provided a medium for students to discuss the day's activities and to share points of view.

Participants received tickets to attend James Whitmore's portrayal of *Will Rogers' U.S.A.* at Ford's Theater. As a special treat, Mr. Whitmore came back to the stage after his performance to answer questions from Close Up students.

A concluding banquet featured the entertaining Mr. James Bostain, scientific linguist with the Foreign Service Institute of the State Department. Certificates of participation were also presented.

Following numerous exchanges of addresses and phone numbers, participants boarded planes for the return to Minnesota. Each has been firmly ingrained with ideas on how the federal system of government operates, and many realize that this Close Up delegation of 326 people could carry considerable influence on the local level if it came to attempting to sway the feeling of public officials. The first opportunity for this came February 26 when more than 300 students and teachers gathered on the campus of Hamline University in St. Paul for a follow-up program coordinated by Mr. Ron Speed, of Minneapolis Honeywell; and Ms. Marcia Youngman, of the Minneapolis Chamber of Commerce. The day's activities focused on the local political scene and concluded with a mock caucus in preparation for that evening's "real life" caucuses taking place in precincts throughout the state.

As Close Up promises in its brochure: "The Close Up curriculum goes far beyond the rigidly structured curriculum of textual American government. Rather than utilizing the formal institutional approach, you as a Close Up participant will focus on the informal aspects of government; the cooperation, conflict, and compromise that take place in our everyday government process—a side of government about which texts do not and cannot provide complete understanding."

I have had the Close Up experience, and I can proudly shout that Close Up delivers what it promises. And much more!

St. Paul, Minn.,
February 11, 1974.

Margy Kraus,
Close Up,
Washington, D.C.

Dear Margy, I want to thank you and the whole Close-Up staff for the wonderful time I had in Washington. I was a second year student, and I enjoyed my week and learned twice as much as last year. I just wish more kids could be given an opportunity that I was lucky enough to have.

My two short weeks (or should I say long? It seemed as though it were closer to a month each time) in Washington have gotten me very involved in current events, in the political scene, and also in what's going on in government. I never used to care one way or another about news; now I can't go anyplace in the morning before I read the newspaper.

Back in St. Paul, we are still keeping busy planning reunions and possibly a session of seminars and workshops on a state level I'm also looking forward to our precinct caucus meeting on February 26. From Johnson High School, we've already talked to a few classes about Close-Up and gotten good receptions from many of them.

I can't say enough to praise Project Close Up; only that it's really changed my life, opened me up to what's happening. It's given me a more open mind and the ability to analyze facts and opinions more critically. It's even gotten me fired up enough to consider seriously a career in politics, never before had I even thought about it.

I also want to say that I would highly endorse a graduate program for Close Up. Being an assistant as Rich Neumeister was, or possibly setting aside a two-week block in January as an interim for college students across the country would be wonderful.

Even now in my daily life, Close Up is an unforgettable experience in Washington, it's never far from my thoughts. As the song some of my fellow Close Up students wrote (Ode to Close Up)—As Close Up marches on!

Thank you so much again!

Yours truly,

Debby Axness.

Dear Mrs. Kraus, I would personally like to thank you for making the 1974 Close Up program possible. It was one of the greatest experiences in my life and one I will never forget. That is probably the best part too, remembering this for a lifetime which proves we all enjoyed it as much as possible.

Many things were learned, not only about government but about people. Being able to meet so many new people and getting to know them so well in just one week leaves a beautiful feeling within. A lot of us are still keeping in touch by phone, letters, and visiting, and are anxious for the follow up programs.

Please say hi to Donna Chaka and all the other staff members and say a special thanks to each of them also.

I only wish more people could experience this trip and I wish I could relive it next year.

Thank you again.

Pam Ericksen.

Mr. QUIE. Mr. Speaker, I am happy to join my colleagues today in saluting a great American and a great program.

Five years ago, I joined Senator Ellender as an original member of the Close Up board of advisers. I shared with him his belief that meaningful education for our young people in civics is of vital importance to this country.

The Close Up concept is one which was most worthy of his time and attention. He discovered, as I did, that the beneficiaries of this chance to observe and examine "the system" are not only the students and teachers who participate. The greatest attraction has been the tremendous ability of the program to involve entire metropolitan and rural areas, thus creating benefits for teachers, parents, and business leaders as well as the students who participate. Thus, the educational benefits of the program are greatly multiplied beyond the almost 12,000 students and teachers who have participated in the program thus far.

Mr. Speaker, I have seen the benefits of many Close Up experiences. My sessions with Close Up students and teachers have always been lively and very often, I have learned as much from the students as I hope they have learned from me. They bring to Members a genuine desire to learn. They are eager to shed their preconceived notions about politicians and politics, if only given a chance to observe for themselves.

Not too long ago, I was conducting a hearing when a number of Close Up students entered the hearing room to observe the processes that were taking place. The testimony was on the school lunch program, a subject of great importance to them. Knowing who the students were, I decided to invite them to give their point of view on the subject, an offer which they were eager to accept. The discussion that followed was most interesting and added to my understanding of the problems associated with the existing program. I learned afterward that this incident helped many other Close Up students develop confidence in the way the system operates.

Perhaps the greatest attraction of the program has been the remarkable ability of the Close Up experience to serve as "shock treatment" for the young people who come to Washington. Results of a scientific survey conducted before and after their participation in Close Up, show conclusively that a dramatic change takes place in the level of political self-confidence of these students. It is that kind of positive educational benefit that should not go unnoticed.

At a time when the costs of education soar, the investment of the Federal Government in Close Up has yielded benefits far beyond the dollars invested. The Federal moneys have served as a multiplier and catalyst for many private and philanthropic dollars. In the first 2 years that the Allen J. Ellender Fellowship program has been in operation more than $490,000 in additional funds have been generated by the Close Up Foundation. This year, the Close Up Foundation expects to raise even more private and philanthropic dollars than ever before.

I submit for the information of my colleagues the following items related to the program: Resolution of the Greater Minneapolis Chamber of Commerce; agenda for caucus day Close Up at Hamline University; letter from Close Up participant Cathy Stepaniak to Margy Krause of Close Up Washington office; letter from David Cox evaluating participation in Close Up program by Cleveland students:

RESOLUTION

Be it resolved that the Greater Minneapolis Chamber of Commerce endorses Minnesota involvement in the Close Up program and urges member firms to sponsor whatever fellowships it can to enable a maximum number of students to participate.

BACKGROUND

Close Up is a non-partisan national program which gives high school students and teachers week-long exposure to the people and processes of government. Washington, D.C., becomes a school without walls in a sense as participants meet with legislators, judges, lobbyists, reporters, administration staffers, and concerned citizens to grow in understanding of how government functions to meet changing situations and needs. They learn about formulation, legislation, adjudication, and implementation of policies, with substantial seminar time for question-asking and exploring their own ideas. Usually they return to their cities and schools eager to find out more about local issues and government and to become involved in school and city processes.

Each Close Up-sponsored group is comprised of students and teachers from the same urban area. This builds a sense of community among them and increases stimulus for follow up upon their return. The Twin Cities area was among the first seven cities sponsored in 1971, the first year of the program. Next January 13–20 and 20–27, two groups of 200 students and teachers will be part of Close Up. They will be drawn from 60 public, private, and parochial secondary schools.

Total cost per student is $353. On the basis of the financial need and not their leadership status, 180 students will be sponsored by fellowships. The mean multi-children family income average of students chosen is about $7,200. Half of the fellowships are covered through the Close Up Foundation by Allen J. Ellender Fellowships set up by Congress. The rest come from business and foundation donations. Since the total cost for the 180 fellowships is over $63,000, that leaves $31,770 to be contributed by area businesses and other donors. Including Ellender Fellowships, there is enough money so far to sponsor one student and teacher from each school. The full 180 would allow an additional 60 students without the means to pay for their own way. Many other students raise money through bake sales and so forth or are paid for by their parents.

Passed unanimously by the Executive Committee of the Board of Directors, October 25, 1973.

AGENDA OF CAUCUS DAY CLOSE UP, FEBRUARY 26, 1974, AT HAMLINE UNIVERSITY, ST. PAUL

LOCATIONS

General sessions: Bush Student Center Ballroom.

Workshops: Locations listed in folder according to letter, number label on cover.

Mock caucuses: In corner of ballroom according to letter label on folder cover.

Lunch: Building 8, Drew dining room.

8:45–9:10—Pick up packets, be seated as soon as possible.

9:10–10:10—General information. General session A, Secretary of State Arlen I. Erdahl, Speaker of the House Rep. Martin O. Sabo.

10:15–11:10—Workshop I, (break into groups by label on folders).

11:10–11:20—Break.

11:20–12:00—Workshop II, (subcaucus, break into groups by label).

12:10–1:00—General session B, panel of legislators, Representatives Robert Bell and Tad Jude; special interest groups, Jeri Rasmussen and Darla St. Martin; and moderator, Sergeant at Arms of the House Harlan Christensen.

1:00–1:45—Lunch.

1:50–2:45—General session C, St. Paul mayoral candidates Rosalie Butler, Mayor Lawrence Cohen, and Dean Meredith.

2:50–3:15—General session D, state party chairpersons Robert Brown and Hank Fischer.

3:15–4:15—Mock caucuses, (break into groups by letter on label).

MARCH 1, 1974.

DEAR MARGY: Knowing how busy the staff members are of "Close Up", I was really happy when I received a reply to my letter. I've also gotten letters from our school superintendent, Mr. Bill Frenzel, and Mr. Donald Fraser—thrilling!

Since we've returned from Washington, we've found out that there's an endless amount of activities to get involved in. Here are a few of the things we've done:

Thursday, February 14. Pam Teschendorf, Debbie Axness and I went to a college campus to have a seminar with Congresswoman Martha Griffiths (Democrat from Michigan). She spoke on "Opportunities for Women in Politics and Law" and we all agreed she was a dynamic speaker.

Wednesday, February 20, the first week of the Twin Cities Program got together at one of the high schools for a reunion. We all had our pictures to pass around and it was great to see everybody again. We also got into four committees to do some "follow-up" projects. At Johnson, all of us who went on the trip have had chances to speak in other classes to tell them about the program and how worthwhile it is—the idea is to get them interested in next year's program.

Tuesday, February 26, we had a "local Close-Up program." We were excused from school all day, as the agenda included seminars, workshops, lunch, and at the end of the day we had a mock caucus. The special focus was the precinct caucus meetings to prime us for going in the evening if we were interested. Our state political processes, issues, and current urban involvements were also focused on in our seminars. For speakers we had the Speaker of the House, Secretary of State, legislators, special interest group people, the St. Paul mayoral candidates, state party Chairpersons, and the Sergeant at Arms of the Minnesota House of Representatives. It was a fantastic day, and all of us appreciated the time and effort the teachers, Chambers of Commerce, students and all the other people involved took to put together a real stimulating day. Both weeks of the Twin Cities Programs were invited, so there was a good turnout.

In the evening, most of us did go to our precinct caucus meetings, and some of us were elected delegates—now we can go to our district caucus meeting.

Now I'd like to tell you about something I'm really proud of. Since I've come back, I've gotten an internship at our capitol with a legislator, Mr. Bruce Vento. On the agreement with my principal and teachers that I'd keep up my grades and hand in my assignments, I was able to get excused one day each week for this opportunity. Some of the things I do are—run small errands, interview people—either directly or over the phone, sit in on committee hearings that Mr. Vento is interested in but cannot attend himself, and research work. I have so many chances to meet people—for example I've met some of our governor's staff members, lieutenant governor, other representatives and some senators. Usually I get a chance to sit in the Chambers of either the House and Senate and I've had a chance to be on the Floor of the House and also in the retiring room. I really enjoy going down to the Capitol each week, and I always look forward to the following week. It's a fantastic experience and above all, I'm getting a first-hand education of our state government.

Well that just about sums everything up, so I will close here—hoping to hear from you again.

Sincerely,

CATHY STEPANIAK,
Johnson Senior High School.

CLEVELAND PUBLIC SCHOOLS,
Cleveland, Ohio, July 12, 1974.
Mr. JAMES LIPSCOMB,
Executive Director,
The George Gund Foundation,
Cleveland, Ohio.

DEAR MR. LIPSCOMB: Our initial enthusiasm for the Close Up program has been reinforced due to statements of evaluation by adult and student participants from the Cleveland Public Schools. During May, 1974, seventy students and seventeen faculty members were asked to respond to an evaluation questionnaire concerning their Close Up experience. We were interested in determining how the participants viewed the program several months after their active involvement.

The adult participants were asked whether the program had any impact on their classroom instruction, had they become more politically conscious, and were they more actively involved in political affairs. From both adults and students we sought appraisals of the personal benefit they gained from the program. We were also interested in knowing if the program had any effect on the political attitudes and actions of the adult and student participants. The reactions of Cleveland students and teachers are attached for your information. The following statements are just four of many that reflect the positive nature of the program:

ADULT REACTIONS

1. Close Up has given me a much greater insight as a teacher of American History and Government about the inner workings of our national government. For the first time in my life I worked in the congressional campaign of Congressman Charles Vanik. I think it's due to the fact that while I was in Washington, I had the great opportunity to meet and talk with the Congressman. I strongly urge all my students to get involved politically.

2. It is definitely a learning experience. I know of one suburban white teacher who had a distinct fear of black youth. The experience changed this narrow view. A teacher from each school is needed. The counselor role can be important as the youth do have problems that a familiar face from home can help out.

STUDENT REACTIONS

1. The Close Up programs made you think about our government and the people running it at all levels. I started to care about our country's condition and began research about the candidates running for office and the men already in.

2. I matured from my participation in Close Up. My greatest personal benefit was gaining friendship of both black and whites, there was an overflowing sense of love and compassion between the participants.

The 1974 Kiwanis Youth Day project held on March 28th at the Cleveland-Sheraton Hotel is an excellent example of how the Close Up experience was used as the basis for other education programs. The theme question for Youth Day was "People, Politics and Politicians: How Can Youth Help Improve the Political Process?" The program served as a natural follow-up to the Close Up experience. The featured speaker, Congressman Donald Riegle from Flint, Michigan, was selected with the assistance of the Close Up staff. Fourteen of the forty-six students who served as Youth Day discussion leaders had participated in Close Up. In total, thirty-nine of the seventy Cleveland Public High School students who were involved in Close Up, attended Kiwanis Youth Day activities.

The attached evaluations plus our own personal experiences with the program have convinced us of the educational as well as human relations benefits to be derived from continued participation in Close Up. We hope that students and teachers from the Cleveland Public Schools and the Greater Cleveland area may participate in this worthwhile program during the 1974–75 school year.

We sincerely appreciate the support the George Gund Foundation has given to this program and hope that your financial assistance will be available in the future.

Very truly yours,

David N. Cox,
Supervisor,
Division of Social Studies.

Mr. SEIBERLING. Mr. Speaker, I am pleased to report that Close Up has successfully completed 2 years of programs in my home district of Akron. As a member of the Close Up Board of Advisers, and because of my personal contact with the students, the substantial growth of the program, and the resulting excited nucleus of young people, I am very aware of the contribution this dynamic program is making in Metropolitan Akron and in many other communities across the country.

During the 2 years of experience that Metropolitan Akron has had with the Close Up program, the congressionally supported Allen J. Ellender Fellowships which were awarded to low-income students and their teachers have been matched by regional and national corporate offices of Montgomery Ward. I commend them for their belief in the Close Up city/community concept. The leadership that they have taken in the Metropolitan Akron area is an excellent example of government, business, and education working together, not only to create better understanding of our system of government, but of the communities in which we live as well. This matching funding process has also created opportunities and incentive for hundreds of additional students from Metropolitan Akron to participate in the Close Up program.

Mr. Speaker, the resulting enthusiasm from students, teachers, and parents is a strong and impressive testimonial for continued efforts in this direction of better understanding and appreciation of our democratic process.

Mr. FASCELL. Mr. Speaker, in the 3 years I have been involved in the Close Up program, I have been pleased to watch Florida participation grow in number and enthusiasm. Over 1,000 students and teachers from Dade County have had the opportunity to experience Washington with Close Up. The Dade County Public School System is so pleased with the program that the trip to our Nation's Capitol with Close Up has been included as a credited course in the curriculum.

Personally, my involvement with this unique and valuable organization has been enjoyable as well as fulfilling. Watching the students grow in political awareness and self confidence is very exciting indeed, and to have a small part in their education is a very rewarding experience.

Our community welcomes Close Up back this year and hopes to strengthen our warm and valuable friendship. For not only do the individual participants benefit from the Close Up experience, Mr. Speaker, but the community as a whole is better for it. The students return from their week in Washington willing to share with those around them a new sense of responsibility and sensitivity. Our Dade County Bi-Centennial Committee is already formulating plans so that this year's Close Up participants will be able to organize projects in their neighborhoods. It is this kind of enthusiasm and dedication that is apparent in the many letters I have seen indicating strong support for Close Up in Dade County. I think our colleagues might find some of these letters of interest:

The Hebrew Academy,
Miami Beach, Fla., May 3, 1972.

Ms. Margery Kraus
Close-Up Program,
Washington, D.C.

Dear Ms. Kraus: Although several weeks have gone by since our students returned from Washington, the echoes of that experience are still reverberating throughout the school.

Miss Rosalyn Chames and the students who visited Washington have been full of praise for that unforgettable experience in a first-hand study of our government, our democratic institutions and the detailed study of our Capitol city.

I believe that the Close-Up program has also fostered unity among all American youth and a deeper understanding of diversified faiths and viewpoints in addition to the tremendous educational and cultural value of the Close-Up program. These grants must be a part—a vital part—of the future program—Close-Up—and should be a community venture.

We wish to thank you personally for the tremendous part you played in getting our students to join the program and for your deep concern and help in making Close-Up so informative and enjoyable and so meaningful. If there is any way we can be of assistance to you in publicizing this program in this community, we shall be happy to do our maximum.

Sincerely,

Rabbi Alexander S. Gross,
Principal.
Miss Rosalyn Chames,
Eighth Grade-English Department.

Dade County Public Schools,
Miami, Fla., August 1, 1972.

Mr. Stephen A. Janger,
Coordinator of Special Programs,
Close-Up, Washington, D.C.

Dear Mr. Janger: In February, 1972, over 200 students and professional staff persons from Dade County participated, as one of a number of selected communities, in a national Close-Up program. During the two one-week sessions, the teachers and students were provided experiences designed to achieve a greater understanding of a human as well as operational side of our national government.

As citizens of this nation, learning gained from these experiences should prove among the most valuable and unforgettable which the participants will have.

In addition to the obvious educational benefits it is notable and significant that some of the students of our community, who otherwise may never have even met, were provided the opportunity to live, work, and learn together for a week in our nation's capitol. If this alone were the chief gain of the Close-Up program, it would be no small matter. Also, I personally was quite pleased and impressed with the manner in which the three sectors of our educational community (public, private and parochial) worked together to achieve Miami's participation.

None of this would have been possible if it weren't for the three scholarship grants awarded to each secondary school. Our gratitude goes out to the Close-Up Foundation for marshalling community resources to obtain financial backing for the scholarships and especially for underwriting the balance of needed funds to cover tuition and transportation costs of all grant recipients.

Dade County response to the 1972 Close-Up program was overwhelmingly favorable: from School Board members, administrators, teachers, students, parents, and media representatives. I earnestly hope that the Close-Up program continues and would be pleased if it becomes possible for the Miami area to participate again.

Sincerely,

James A. Fleming,
Social Studies Consultant.

Miami, Fla., *March 13, 1973.*

Dear Close Up Staff: My daughter just returned after spending a week in D.C. in the Close Up Program. I do wish there was some way for us, as a family, to express to you what it has meant to us.

For Pam it was an experience she will

> never forget. The tours were a genuine enrichment to her conception of things which she has read about for many years.
>
> The contact and exposure to government at work is unequaled. Books, research, even interviews with a few local people here in Miami could never teach as this project has done. Fortunately, our school philosophy gives our students a good background to American history and government, but Pam has added to this background the "touch" which is so vital to make theory comprehensible.
>
> As parents, we appreciate the dedicated effort and the enthusiasm displayed by the staff. I'm confident that 160 young people will become involved citizens as adults because of your efforts. Our sincere thanks to all of you.
>
> Yours truly,
>
> Mrs. Lois Plappert.

Mr. RAILSBACK. Mr. Speaker, I have been involved with Close Up since its founding 4 years ago. As an original member of its Board of Advisers, I had the unique opportunity to meet with students and teachers from Tulsa, Okla., the first community program brought to Washington by Close Up. More recently, my meeting with a New Orleans Close Up group emphasized my previous impression of the excellence of the program.

At this time, Mr. Speaker, I would like to quote from the statements of two fellow attorneys to emphasize the importance of such political education. My colleague on the Judiciary Committee, the gentleman from Alabama (Mr. Flowers) in his opening remarks at the recent hearings on impeachment said:

> We, acting in our communities across the nation can pull our fragmented society together. At the grassroots of this complex and industrialized nation we can renew the moral fiber of America in which men and women and young people speak to one another in trust and mutual respect. We, sharing common objectives, working toward common goals, can bring our nation to a path of confidence and well-being.

He is right, Mr. Speaker. We can create the America of which Mr. Flowers speaks, but only if we educate ourselves and our children in the processes of government. Reading and studying are not enough. We must experience the political process. Close Up, through its special city/community approach encourages a broad cross section of the community to come together, to learn together, to share a unique experience together. The activities scheduled during the Close Up week in Washington breathe life into political concepts and systems which previously existed only on paper for the student. A participant benefits not only by exposure to Washington but also by the fact that the experience is shared with others from his own community. A participant can also learn, therefore, about the ideas and concerns of the people with whom he lives and works.

To close, Mr. Speaker, let me quote from a recent address by Mr. Leon Jaworski to the International Platform Association. Mr. Jaworski states:

> Courses in the schools in the once familiar subject area of "civics" more often than not are inadequate to the interests of today's young people. In an era of profound evolutionary change in American life, we have failed to adapt course content and teaching techniques to present-day needs in this area of the schools' curriculum. We have failed to impress upon children at a receptive age why a free people must rely upon law and its institutions in their relationships.

This program helps to correct that serious failure. Close Up is not only an excellent program in political education. Mr. Speaker, it is a very necessary one.

Mrs. CHISHOLM. Mr. Speaker, before my election to the U.S. House of Representatives, I had been active for many years in the field of education. Upon entering the Congress, I requested to serve on the Committee on Education and Labor in hope of making a further contribution to the development of our young people. One of my goals in this field has been to make the learning process a more human, personal, meaningful experience. At this time I would like to commend the Close Up program for succeeding in making the study of government an exciting living experience. Through the Allen J. Ellender Fellowships sponsored by the U.S. Congress, thousands of students—from all across the country—have had the opportunity to participate in the Close Up program, and get a first-hand look at their government and the people who make it work. Not only have their horizons been expanded, but my contact with Close Up students from various communities has deepened my understanding of young people, and their concerns.

I am particularly proud of the participation of the students from Brooklyn and Staten Island. New York communities, like so many communities around the Nation, have problems that transcend neighborhoods. Very often the lines of communications are poor from area to area. It gives me a great deal of personal satisfaction, therefore, to witness an experience which brings all people together, to discuss common problems regardless of neighborhood or economic position. This is exactly what happened in my community as a result of the Close Up program. Before students returned home, they had established networks for continued communication and followup. There have already been several followup meetings during which students and teachers alike have been dealing with local issues and the opportunity for constructive involvement in facing these issues. It is exactly this kind of activism which this Nation needs to survive and I am happy to have had a part in supporting this effort.

GENERAL LEAVE

Mr. RYAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in connection with the special order today of the gentleman from Louisiana (Mr. Hébert).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

CONCURRENT RESOLUTION ON THE RELEASE OF MOROZ AND PLYUSHCH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Flood) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, in cosponsorship with other Members, I submitted today the following resolution seeking the release of two Ukrainian intellectuals who are reported to be subjected to extreme physical harm in Soviet prison confinements. By virtue of the numerous press reports on the two cases and also the pleas made by Andrei Sakharov and Alexander Solzhenitsyn in their behalf, the names of Valentyn Moroz and Leonid Plyushch have become well known to our Members and segments of our citizenry.

My distinguished colleagues Edward J. Derwinski of Illinois, James J. Delaney of New York, Edward I. Koch of New York, and Robert J. Huber of Michigan have joined in the sponsorship of this important resolution. We hope and pray that many similar resolutions will be submitted in this session.

Along with the text of the submitted resolution, I present here an editorial in the September 12, 1974, issue of the New York Times, "Ukrainian Injustice," the New York Post of September 11, 1974, on "Seventy-Two Hungry Days in a Soviet Jail," and an appeal to President Ford by the Ukrainian Congress Committee of America:

Concurrent Resolution

Whereas, two prominent Ukranian intellectuals, Valentyn Moroz, a thirty-eight year-old historian, and Leonid Plyushch, a thirty-four-year-old mathematician, are reportedly being subjected to physical harm in a Soviet prison only because of their continued pleas for constitutional rights of national identity, national language, and freer cultural expression: Now, therefore be it

Resolved by the House of Representatives (the Senate concurring), That the Congress urges President Ford to utilize every appropriate means for the transmission of a request to the Government of the Soviet Union that it release from prison Mr. Moroz and Mr. Plyushch, and that it permit them and their immediate families to emigrate from the Soviet Union to the country of their choice.

[From the New York Times, Sept. 12, 1974]

Ukrainian Injustice

Despite alternating tactics of persuasion and oppression, the Soviet authorities in Moscow still find themselves stymied by the tenacity of the dissident nationalist movement in the Ukraine, second most populous republic of the Soviet Union.

Ukrainian nationalism has had a checkered history in the twentieth century, bounced as it has been between the forces of German fascism and Soviet Communism. In recent years, however, it has gained influential champions among the other dissident groups of Moscow and Leningrad.

The current symbols of the Ukrainian campaign against Russian domination are a 38-year-old historian named Valentyn Moroz, reportedly held by the Soviet secret police in Vladimir prison, and 35-year-old Leonid I. Plyushch, a cybernetics specialist associated with the Ukrainian Academy of Sciences until his "psychiatric detention" in 1972. Both men were openly engaged in the civil rights struggle which has tied together many of the Soviet dissidents. Such distinguished leaders of that movement as Andrei Sakharov and Pavel Litvinov have repeatedly protested the inhumane and illegal conditions of their detention.

Moroz and Plyushch are not well known

in the West, and their plight has attracted little attention outside the circles of Ukrainians in this country and Canada. Perhaps for this reason, Soviet authorities have so far turned deaf ears to pleas in their behalf from international civil libertarian groups. Moscow's policymakers should not be deluded into waiting until some specific outrage against the two Ukrainians makes the protest genuinely universal.

[From the New York Post, Sept. 11, 1974]

SEVENTY-TWO HUNGRY DAYS IN A SOVIET JAIL

Dissident historian Valentyn Moroz, 38, is still alive after 72 days of a hunger strike in a Soviet prison, a PEN International spokesman says.

The international writers' organization said news reports that Moroz was near death had prompted a flood of phone calls from New York to Vladimir prison.

The spokesman said the KGB, the Soviet secret police, had ordered the prison switchboard shut down after the protest calls began. The prison's telephone number had been broadcast by a New York radio station.

Moroz, a Ukrainian, was sentenced to prison in November, 1970, after writing three essays condemning the secret police according to Pavel Litvinov, a Soviet dissident living in the U.S. Mrs. Moroz' letter charged that Soviet officials are trying to slowly drive her husband insane by cutting him off from contact with his family and even fellow prisoners.

Mrs. Moroz said the last time her husband saw her he told her he had visions of the prison walls closing in on him.

FRUSTRATING ATTEMPTS

"He declared to me . . . he would begin a hunger strike demanding to be transferred to a labor camp, to be in the open among people," Mrs. Moroz wrote. "He decided to refuse all food indefinitely until he is transferred to a camp or until he dies—for he prefers that to insanity."

Mrs. Moroz said she has been denied permission to visit her husband or even see him from a distance since he was placed in his solitary cell. Soviet experts in this country believe she learned of his condition through an "undergrounds" with contacts in the prison.

Her letter described a series of frustrating attempts to learn about her husband's condition from Russian officials. She said her inquiries always provoke the same response: "He feels normal and the law has not been violated in his case."

"This is the answer I am given by the warden of Vladimir Prison and by the prison doctor, but how can I believe that a person who has been confined for four years . . . and has refused food for two months, can feel normal?"

She said Moroz, who earlier served four years in a prison camp for alleged anti-Soviet statements, suffers from anemia, and has been beaten. She added that the prison is known for its "hard regime."

Her requests to have a private physician examine Moroz have been denied.

Adding to Mrs. Moroz' concern is the lack of a letter from her husband in July or August, although prison regulations permit inmates to write one letter a month.

A resolution urging Moroz' release has been introduced in the U.S. Senate by Robert A. Taft Jr. (R-Ohio).

UKRAINIAN CONGRESS COMMITTEE
OF AMERICA,

September 11, 1974.

NIGHT LETTER

Hon. GERALD R. FORD,
President of the United States,
The White House, Washington, D.C.:

On behalf of the Ukrainian Congress Committee of America, speaking for over two million American citizens of Ukrainian origin, as well as numerous American academic, professional, labor and civic groups, we appeal to you in the case of Valentyn Moroz, 38-year-old Ukrainian historian, who is reportedly dying from torture and abuse in Vladimir Prison in the Russian Republic. Moroz, who in 1970 was sentenced for the second time to nine years of imprisonment and five years of exile, went on a hunger strike on July 1, 1974, and said he will continue the strike "until death," unless he is transferred to a concentration camp. Information from his wife, Raissa, received some ten days ago and which was published in *The New York Times* on September 7, 1974, confirms that he was continuing the hunger strike. Reportedly, Moroz was fed forcibly and abused by prison authorities. An unconfirmed report of September 6 said that Moroz died on September 6 from starvation, but the Soviet government, upon countless inquiries from abroad, refuses to confirm or deny his death.

We urge you, Sir, to appeal directly to Leonid Brezhnev and Aleksei Kosygin, urging them to release Valentyn Moroz forthwith—if he is still alive—so that he can get proper medical treatment abroad. We also appeal to you, Sir, to instruct our Ambassador in Moscow to make appropriate inquiry with the Soviet government about the whereabouts of Moroz. Valentyn Moroz has become a symbol of resistance to tyranny not only for Ukrainians in Ukraine and around the world, but for countless thousands of freedom-loving people everywhere. We appeal to you in the spirit of compassion and justice to intervene for the dying Ukrainian historian. Saving a young intellectual's life who committed no crime is the concern of all civilized mankind.

MILITARY MEDICAL CARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, every citizen is concerned about the adequacy of medical care. Every citizen wants the best available care, in the best possible facilities. That is the way it should be. People in the military services, and their dependents, are no different from anyone else in their desire for the best quality of health care.

Those in the military, and those who best know the requirements that go into making and keeping a fine system of military medicine, are very concerned today about possible changes that could degrade medical care for the armed services.

This week, the Air Force Association met in Washington and gave high priority to the issue of medical care. The association feels strongly about maintaining the quality and integrity of American military medicine, which today by all accounts is far and away the best available in the world.

I think that we should be aware of the Air Force Association's concern. For that reason, I include in the RECORD the resolution adopted by the association earlier this week.

MILITARY HEALTH CARE

Whereas, an effective and viable Medical Service is vital to the successful combat support mission of the United States Air Force; and

Whereas, the health and well-being of the forces and their families is an integral part of accomplishing this mission; and

Whereas, a well-trained, experienced cadre of physicians is necessary for the effective operation and implementation of such a system; and

Whereas, attrition of medical facilities and medical services personnel is occurring at an accelerated pace, despite such recent legislation as the Physician's Bonus to improve this situation; and

Whereas, when a specific hospital or clinic is limited by space facilities, or capability of its professional staff, health care may be denied to dependents of active duty members, retirees and their dependents; and

Whereas, the in-house medical care of dependents and retirees provides the broad professional care and experience required by military physicians to broaden their skills and creates incentive for them to remain in the military service; and

Whereas, failure to provide this support would result in a reduction in health services to Air Force families and retirees and would, in turn, break faith with those who have served their country faithfully and well; now, therefore, be it

Resolved, That the Air Force Association urge the President of the United States and the Congress to formally recognize the vital role of the Air Force Medical Service and the other military medical services in maintaining the defense posture of the United States and that such effort and budgetary considerations as are required be expended to maintain an effective and viable worldwide military medical health care system, and that the Air Force Association advocate such appropriate action by the Department of Defense and the Administration to insure that the medical health care delivery system is consistent with our nation's moral commitments and responsibilities to the military men and women who are now serving, or who have served in the Armed Forces of the United States and are now in a military retired status, plus their dependents.

DIVIDING UP TIGHT CAPITAL AMONG DEMANDING AGENCIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 5 minutes.

Mr. FRASER. Mr. Speaker, recently released wholesale price figures indicate that our soaring inflation rate shows no signs of slackening. We must use every tool possible to slow down the price rises which are affecting Americans of all income levels.

Over the past few years, much of the burden of fighting inflation has fallen on monetary policy. Indeed the Federal Reserve System has cut back credit so severely that the cure is almost as bad as the disease. Tight money is part of the "old time religion," we are told. I am afraid it is becoming a sacred cow.

Monetary policy has a role to play in fighting inflation, but it cannot slow rising prices alone. At the first presummit conference of economists, Beryl Sprinkel estimated that less that half of the increased inflation we have experienced since the good old days of 3 percent inflation of 1972—during our incomes policy era, I might add—is due to excessive fiscal and monetary policy.

We need to start loosening the money faucet slowly.

More importantly we need to start allocating credit by social priorities as well as by price. We have estimates that as much as 70 percent of the burden of a restrictive monetary policy falls on the housing industry. This only aggravates housing shortages at a time when new family formations are high.

Credit allocation or channeling available funds into areas that ought to have high priorities such as housing, productive investment, and other areas designated by Congress, is a fairly new idea. Harold Chucker, the editorial editor of the Minneapolis Star, has written an excellent article on this subject.

As Chucker points out, there are difficulties in administering credit allocation. One of them stems from the fact that not all banks belong to the Federal Reserve System. Carefully written legislation, however, could prevent those nonmember banks from escaping the credit allocation program.

I commend this excellent article to my colleagues. It is a fine contribution to the discussion and constructive criticism needed on the credit allocation mechanism.

[From the Minneapolis Star, Sept. 6, 1974]

Dividing Up Tight Capital Among Demanding Agencies

(By Harold Chucker)

The question that is increasingly being asked goes something like this: Why, when credit is so tight that home mortgage loans are out of reach or almost impossible to find, should there be money available to build a casino in Las Vegas or to finance backyard swimming pools?

The answer—"That's the way the free market operates"—is drawing more frowns than nods these days. The free credit market is almost swamped by a gargantuan demand for money. With other avenues to raising funds—selling stock or borrowing in the bond market—either closed or narrowed by rising costs, the focus turns to commercial banks.

But the banks themselves are hard pressed for capital. And record yields on securities sold by governments, which compete for funds, have diverted savings from thrift institutions. This, in turn, has meant a disaster for the housing industry and dashed hopes for those who want to buy or build a home.

The problem boils down to this: How do you divvy up a fixed amount of capital among growing, competing demands? The answer, offered by some congressmen and a few bankers, is to allocate credit resources, either by voluntary plans or mandatory allocations.

Sen. Jacob Javits, R-N.Y., is one of those proposing a voluntary plan. Javits suggests sorting out credit priorities, with the federal government—presumably the Treasury or the Federal Reserve Board—advising lenders on which categories, of borrowers should have preference on getting loans. Under such a system of priorities, housing might get top priority, with the Las Vegas casino or the backyard pools at or near the bottom.

Javits is confident such guidelines on bank loans would be followed. He may be overly optimistic, even though some bankers might welcome such a program as a way to relieve the pressure from borrowers.

Sen. Walter Mondale, D-Minn., has introduced a bill for mandatory allocation of credit, but it is doubtful that there are enough votes to push such a measure through. Dr. Arthur Burns, chairman of the Federal Reserve Board, and others in government have said "no way" to mandatory allocations.

Mondale, however, has growing support for his proposal, particularly from Democrat-oriented economist. A group of economists, including Walter Heller, Otto Eckstein, Arthur Okun, Paul Samuelson and Charles Schultze, pointed out in a joint statement that "the large, powerful corporate borrower is still able to meet his credit needs. If an excessive expansion of bank loans is the central problem, the Federal Reserve should impose limits on bank loans as numerous other countries have done. It should also restrain the unsound use of credit to finance speculative inventories, enterprise acquisition and foreign exchange speculation."

A powerful argument for credit allocation has come from one of banking mavericks, John R. Bunting, chairman of First Pennsylvania Bank. In a speech last May, Bunting called on the monetary authorities to encourage banks to channel loans into industries whose products are in short supply and whose production is pushing close to capacity. Banks, he said, should be discouraged from making nonproductive loans in a highly inflationary environment.

Bunting suggested one tool for allocating credit: Let the Federal Reserve give banks an incentive for making loans to capacity-short industries. It could do this, he said, by allowing banks to set aside smaller reserves against "scarcity and energy" loans than on other types of loans, thus making the former more profitable.

Under present rules, banks are required to set up reserves against deposits, not loans. But the Federal Reserve could change the rules, Bunting said. Presumably, this would involve setting up a sliding scale of reserve requirements on loans. Banks would have to set aside a larger reserve for nonproductive loans—the backyard swimming pool type. Loans for productive purposes would require the least amount of reserves.

There is, however, a loophole in this argument. The nation's commercial banks are not a monolith. Not all of them belong to the Federal Reserve System. In fact, there has been a decline in the number of member banks, since some feel they are at a competitive disadvantage because of the requirement that they hold reserves against deposits in the form of vault cash or as deposits at the Federal Reserve. Such reserves, of course, cannot be loaned out.

In addition to those banks dropping out of the Federal Reserve System, and those that have never joined, there are the thrift institutions, over which the Federal Reserve has no control. So the Federal Reserve's control over the monetary system, via the reserve requirement, is far from precise. This could be remedied by giving the system blanket authority over all banks and thrift institutions, but this move, proposed as far back as 1950, has gotten nowhere.

But given this loophole, and even with the Federal Reserve's reluctance to take on the job of allocating credit, don't count out the prospect of such allocations in the future. The growth demands for credit, and dislocations resulting from the present free market system, could force the Federal Reserve into the business of deciding who should get credit, and how much.

RESOLUTION INTRODUCED TO DECLARE THE WEEK OF MARCH 16 THROUGH 23, 1975, AS DEMOLAY WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. FOUNTAIN) is recognized for 5 minutes.

Mr. FOUNTAIN. Mr. Speaker, for more than a half-century the Order of DeMolay has been a strong force for personal character building in our Nation and it would be most appropriate, I feel, for this order's distinguished contribution to improving our future leadership to be recognized by a presidentially proclaimed DeMolay Week.

Accordingly I am today introducing a joint resolution which would authorize and request the President to declare the week of March 16 through 23, 1975 as DeMolay Week.

Young men from 13 to 21 years of age find the DeMolay experience invaluable, emphasizing as it does the virtues of comradeship, reverence for God, love of parents, patriotism, courtesy, cleanliness, and fidelity.

Inculcating principles of such importance as these in young Americans is a most worthy task, and the Masonic lodges of our Nation are to be commended for their leadership in establishing and assisting DeMolay chapters across the country.

The young men of America who participate so wholeheartedly in furthering the highminded aims of DeMolay—working to advance themselves and their communities—are to be particularly commended. They dedicate themselves to the accomplishment of significant goals and they constantly achieve them.

With established moral values under daily attack in America, with declining interest in the basic principles which made our society a shining beacon of freedom—the hope of the world, with patriotism derided by too many, and with the old-fashioned virtues of civic and social responsibility of less and less interest to some, it is good to recall that many fine young people, such as those in the Order of DeMolay, still populate our 50 States, and that they are hard at work on the ongoing task of national renewal.

Named for Jacques DeMolay, who was burned at the stake in 1314—a martyr to fidelity, truth, loyalty, and tolerance, the Order of DeMolay has a distinguished record of splendid service to America.

For many years I have heard wonderful things about the work of DeMolay and the fine young men who make it up, and I count it a privilege to offer this joint resolution and to urge its prompt passage.

WATERGATE—WRITING THE FINAL CHAPTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 10 minutes.

Mr. DANIELSON. Mr. Speaker, we who are in the center of the national arena, have our own strongly held beliefs about the Watergate matter and the events which culminated in the resignation of Richard Nixon from our Nation's highest office. We have our own, well-founded, opinions as to the role of each of the players in that sordid series. I submit, however, that we also have an obligation to future generations to leave behind not just our impressions and beliefs but also a clear, complete, and unambiguous record of the facts of the Watergate affair—a record which is not susceptible to conflicting interpretations.

At present, such a record does not exist. Day after day, letters from citizens arrive on my desk asking whether the full story will ever be told and demanding that it be. While I believe that President Ford meant to do well when he pardoned former President Nixon, many Americans continue to believe that the pardon is just one more episode in what has been, and continues to be, a massive coverup of the most sordid scandal in our Nation's history.

Mr. Speaker, this Nation cannot afford to let Watergate rest in a posture which permits the inference that a President of the United States is above the law, or that he can be "hounded out of office," because he made unpopular decisions. Neither can we permit future generations to be deceived into believing that "left-leaning mass media" undermined President Nixon, because his philosophy conflicted with their own. Mr. Nixon did not resign his office and become a private citizen, because of mere differences of opinion.

Yet, as the record presently stands, there are those who would have the world believe that President Nixon might not have been convicted in a Senate impeachment trial. There are those who preach the false gospel that if Mr. Nixon had not been granted a full pardon, he might never have been indicted, tried, or convicted. Even disciplinary proceedings against Mr. Nixon, as a lawyer, which were pending before the State Bar of California, were cut short by his resignation from the bar, and I submit that Mr. Nixon tendered that 11th-hour resignation for no reason other than to prevent the truth concerning his activities in recent years from coming to light.

Obviously, the coverup is still going on. That coverup is no longer limited to an attempt to conceal evidence of misconduct and criminal activities from appropriate law-enforcement agencies, it is now an attempt to conceal that evidence from history.

In an effort to clarify the record of the Watergate case, eight members of the Senate Judiciary Committee wrote a letter to Special Prosecutor Leon Jaworski, whose role in the Nixon prosecution has been aborted by the full pardon. They asked the Special Prosecutor to disclose those charges which he would have made against Richard Nixon had he not been pardoned. Mr. Jaworski, however, has respectfully declined to list those charges. The Special Prosecutor's office has correctly announced its belief that it would be improper for any prosecuting attorney to exceed the scope of his responsibilities, which is to prosecute criminal offenses in court, and not to make accusations in the arena of public opinion. We must always be concerned with the serious adverse impact upon individual rights which would result if prosecutors were permitted to make charges and accusations outside of the judicial process. Mr. Jaworski's role is to prosecute—not to persecute. He is guided and governed by that principle, and I respect him for it. Yet the presidency belongs to no man—it belongs to all of the American people. The President should be the most public of all public officials; his conduct, or misconduct, his stewardship of the office of the Presidency, is a matter of prime concern to all of the American people, of this generation and of future generations. The American people have a fundamental and inalienable right to a full accounting for his public trust by each and every President.

Accordingly I have today introduced legislation, H.R. 16816, which will permit the Watergate grand jury to publish a full report of the results of its investigation. By authorizing the grand jury to submit a report on Watergate, rather than asking for such a report from the Special Prosecutor, we would avoid placing Mr. Jaworski in a conflict between the need for the submission of such a report, and the ethical standards which govern his actions as a prosecuting attorney.

The legislation I have proposed incorporated by reference our Federal statute providing for reports by special grand juries, and makes available the safeguarding of individual rights as set forth in section 3333 of title 18, United States Code. That section empowers a special grand jury to submit a report to the court, for ultimate publication, concerning misconduct by public officials which does not amount to a criminal offense. This is similar to the case of former President Nixon in that no criminal prosecution can now be brought against him, because of the full, free, and absolute pardon which was granted to him by President Ford on September 8 of this year.

Under my bill, H. R. 16816, Mr. Nixon would be entitled to designate a reasonable number of witnesses in his behalf to be called before the grand jury. He would further be afforded the opportunity to prepare an answer, to any report which the grand jury may submit to the court, containing a statement of the law and facts which constitute his defense to the charges made in such report. The court would further have the power to seal the report if due process has not been complied with, or if publication of the report would prejudice the fair consideration of any pending criminal matter.

Mr. Speaker, the vast majority of the American people are calling for the writing of the final chapter on Watergate. Under the procedure and legislation I have outlined, modeled after our acting Federal statute on special grand juries, the final chapter on Watergate can be written, and we can finally bring to a close this tragic chapter in the history of our Nation.

My proposed legislation reads as follows:

H.R. 16816

A bill to authorize the June 5, 1972, grand jury of the United States District Court for the District of Columbia to submit a report concerning its inquiry, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the grand jury which was impaneled by the United States District Court for the District of Columbia on June 5, 1972, may, with the concurrence of a majority of its members, upon completion of its term, which was extended under the authority of Public Law 93–172, or any subsequent extension thereof, submit to the court a report concerning offenses against the criminal laws of the United States, and noncriminal misconduct, malfeasance or misfeasance in office by elected or appointed public officials, arising out of the unauthorized entry into Democratic National Committee Headquarters at the Watergate, all offenses arising out of the 1972 Presidential Election for which the Special Prosecutor deemed it necessary and appropriate to assume responsibility, allegations involving former President Richard M. Nixon, members of his White House Staff, or his appointees, and any other matters which the Special Prosecutor consented to have assigned to him by the Attorney General.

SEC. 2. In the event that the grand jury shall submit the report authorized by section 1 of this Act, the court shall proceed upon such report as if it were a report submitted by a special grand jury under section 3333 of title 18, United States Code, and if such report makes critical reference to an identified person, such person shall be afforded the same rights and privileges as are afforded to a public officer or employee under section 3333 of title 18, United States Code: *Provided,* That the subject matter of such critical reference has not or will not be resolved in an appropriate judicial proceeding, either because such subject matter does not amount to an offense against the criminal laws of the United States, or the person named therein has been granted immunity or has been pardoned, or for such other valid reason as the court may find.

SEC. 3. The term of said grand jury may be extended by the court in order that the report be submitted, additional testimony be taken, or the provisions of section 3333 of title 18, United States Code, may be met.

SEC. 4. As used in this Act, the term "Special Prosecutor" means the Director of the Office of Watergate Special Prosecution Force established under subpart G–1, Part O, of Chapter 1 of title 28, Code of Federal Regulations.

URGING PUBLIC ACCESS TO WATERGATE TAPES, CONTINUATION OF JAWORSKI INVESTIGATION OF NIXON, COURT TEST OF NIXON PARDON, AND NO FURTHER WATERGATE PARDONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, former President Nixon is fast being granted all the benefits and honors of a national hero. Despite the circumstances under which he resigned, Mr. Nixon is receiving all the emoluments of a chief executive who has left office after distinguished service. I hope that the Congress will initiate swift action by the Congress that will make clear to future generations that crimes against the Constitution and the people by any President or other high officials will not be swept under the rug, as though they never occurred.

The Judiciary Committee's final report on impeachment stated the unanimous view of the members that Mr. Nixon committed at least one impeachable offense, and a majority voted articles of impeachment on two other grounds. There is little question that he would have become the first impeached and convicted President in our history, and this is precisely why he was the first President in our history to resign. There also was the strongest probability that, in upcoming months, he would have been indicted for criminal activities.

The pardon by the President at this time was an affront to our judicial system. The hearings this week on the pardon and related questions in the House Judiciary Subcommittee on Criminal Justice, chaired by Mr. HUNGATE, are a great service to the American people. I agree with Prof. Philip Kurland of the University of Chicago Law School, acknowledged as one of the Nation's leading constitutional authorities, who has argued that the constitutionality of granting the pardon prior to conviction should be challenged in the court. Professor Kurland argues that an individual cannot be pardoned before it is legally determined that he committed some crime for which he has been convicted. U.S. District Court Judge Charles B. Richey, in the *McCord* case now before him, has indicated that he may test the validity of the Nixon pardon.

It is incumbent on the Congress to take action. In pursuit of that, I have introduced a concurrent resolution (H. Con. Res. 643) stating the sense of the Congress that the pardoning of Richard Nixon was wrongful and premature, and that no further Watergate-related pardons should be granted prior to indictment, prosecution, and conviction, and then only on an individual basis where warranted by special circumstances. Twenty House colleagues have joined in cosponsoring this resolution, and the Senate adopted a similar resolution on September 12.

I also suggest that legislation be enacted directing the Special Prosecutor to proceed with his investigation of Presidential actvities both in order to bring out the facts and to raise before the court the constitutionality of the timing of the pardon. Professor Kurland contends that if Mr. Nixon used his pardon as a defense against specific charges, this would define the crimes covered by the pardon. Kurland believes that the judge in the case would then be required to rule if the pardon were applicable, as he would rule on any defense motion. Upon the judge determining that the pardon is applicable Nixon would then be deemed guilty as a matter of record of the crime to which the pardon applies.

I also believe that as soon as consistent with fair justice, materials from Watergate-related investigations, including that of the Special Prosecutor, should be made public. I have introduced legislation, H.R. 16750, cosponsored by 32 Members of Congress, to provide public access to all Watergate-related facts, documents, papers, and tapes produced by investigations by any Federal executive office, department, or agency, and all other related materials at the time of Mr. Nixon's resignation. Only by full knowledge of and availability to all the facts and records will the American people be assured that an administration coverup has really stopped and that Government officials are sincere in attempting to avoid the mistakes of the past. The only exception to full public disclosure allowed by the bill relates to materials clearly vital to the national security interests of the United States and required for valid purposes to be sealed.

I believe that the Nixon administration papers and documents belong to the United States, not to private citizen Nixon. The extraordinary factors behind his involuntary resignation from office mandate public access to the materials. I do not believe that resignation from office negates public access to the materials. I do not believe the agreement between GSA and Mr. Nixon disposing of the Watergate materials to be constitutional or legally binding. Under article IV of the Constitution, Congress has express power to "make all needful rules and regulations respecting the property of the United States." The materials in question were produced completely with public funds. In addition, the United States Code (44 U.S. Code sec. 2108) states that although GSA has authority to accept Presidential papers and other historical materials, it shall negotiate "the right to have continuous and permanent possession of the materials." Nowhere is there mentioned any right to negotiate the destruction of materials, as in the Nixon-GSA agreement.

In the Washington Post of September 21, 1974, Prof. Arthur Miller argues that "the agreement about destruction is a legal nullity." He also points out that Attorney General Saxbe's contention that there is a custom of past Presidential ownership does not make such a custom legally binding.

If these tapes and other documents, for any present legalistic reason, cannot be subjected to public access, the U.S. Government should exercise the power it presently has of eminent domain and retain them, even if due process requires a payment to the former President for their value. That payment, if any, could be offset against what Mr. Nixon owes the Government for back taxes or moneys illegally spent on his estates. Such a procedure of eminent domain was used by Federal authorities to obtain the gun assertedly used by Lee Harvey Oswald to kill President Kennedy in 1963. The Government paid the value of the gun to a private individual who had bought it, retaining the weapon for U.S. Archives.

Above all, we must not allow the tapes and documents to be destroyed, selectively or collectively. Totalitarian nations, including Nazi Germany, have burnt books and documents in an effort to distort the truth. In the United States, no one should have the right to erase the facts of history.

The reasons given by President Ford for the pardon shed insufficient light on the matter. First and foremost is the question, specifically what crimes was Nixon pardoned for? Mr. Chairman, I was pleased to learn of your recent letter to President Ford asking for elaboration on the matter and posing additional questions which must be answered. The resolution of inquiry introduced by Congresswoman BELLA ABZUG, if answered without evasion by the President, will provide the Congress and the people with information vital for them to make informed decisions and judgments in crucial matters. She deserves our congratulations for her initiatives, and I am delighted to be a cosponsor of that resolution. I hope that the resolution is passed with rapidity. If the President responds to the committee's letter, the purpose of the resolution will have been served. This is a matter which requires immediate action and will not tolerate delay.

History must record the truth before the memory of man fades. The Presidential pardon before conviction was, in my judgment, wrong, if not illegal. The Congress must reaffirm that no man is above the law, not even a President and his advisers. I am hopeful that you will report out legislation stating the sense of the Congress in this matter, and guaranteeing access to all the facts and records about this, one of the saddest episodes in our history.

I am reminded of the statement in the Gettysburg address of 1863 which says we are a Government of the people, by the people, for the people. Today, the people want the facts surrounding Watergate, they are owed the facts, and it is the obligation of the Government to provide them. The President's constitutional power of pardon, is not, I submit, unlimited, and those who abuse it must be called to task.

A DESPERATELY HEAVY BURDEN

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the magazine Sea Power for September 1974 gives a distressing but factual analysis of the declining strength of the U.S. Navy and the buildup which has taken place at the same time in Soviet naval power. It is entitled, "A Desperately Heavy Burden," and it deserves the consideration of Members of Congress. I submit it for reprinting in the RECORD:

A DESPERATELY HEAVY BURDEN

In national security matters, as in the physical world, it is often possible to see things more clearly from a distance rather than from closeup.

Which is one reason, we suppose, why the yearly arrival of "Jane's Fighting Ships," the British annual long regarded as "the bible of the world's navies," arouses such interest in naval circles in this country. The view of the U.S. Navy, as seen from the other side of the Atlantic, it seems apparent, provides a more fascinating perspective than a similar view of the Navy from the vantage point of the E-Ring.

There's another factor, of course: the supposed objectivity and credibility of the disinterested observer. If the U.S. Secretary of the Navy and the U.S. Chief of Naval Operations, in other words, tell us the Russians are coming, they're being self-serving. If the editor of "Jane's" tells us the same thing, he's merely reporting the facts.

Well, the 1974–75 edition of "Jane's"—once again edited by the admirably articulate Captain John E. Moore, Royal Navy (most capably assisted by Mr. Norman Polmar, who edited the sections on the United States, the Philippines, South Korea, South Vietnam and Taiwan)—reiterates some rather grim facts about the U.S. Navy, as well as some cheery news about the Soviet Navy. Cheery, that is, if your name happens to be Gorshkov or Brezhnev.

Looking at the Soviet Navy first, as Captain Moore does in his characteristically candid foreword to the 1974–75 edition, one finds a number of "great strengths" as well as a few, very few, "possible weaknesses"—which depending on circumstances, might even be "important weaknesses."

The current list of Soviet naval "weaknesses," as compiled by "Jane's," is distressingly short: "manpower and, consequently, technical maintenance, submarine silencing, anti-submarine operations, shipborne aircraft and custom-built fleet supply ships, although this last is now being remedied."

The Soviet Navy's "great strengths," however, are much more numerous and of a significantly more formidable magnitude. A few examples, of many cited:

"The Soviet Navy leads the world in seaborne missile armament, both strategic and tactical, both ship- and submarine-launched. Their shore-based air-force is second to none, they have large mine-warfare forces and a considerable amphibious capability."

The USSR's submarine force, already the world's largest—and probably the most powerful as well—continues to grow in quality and numbers. The nem "Delta"-class ballistic missile submarine is now operational, and the "Delta-II"—"a giant amongst big submarines"—and two additional new classes are on the way. The Delta-II, incidentally, is expected to carry "at least" 16 SS–N–8 missiles, which have "a range of 4,200 nautical miles, giving them a capability of covering the whole of North America and the rest of NATO without the parent submarine leaving the Norwegian Sea."

The Soviet surface Navy, which for the first time ever now outnumbers the U.S. surface Navy, is also coming into its own. Among the Soviet superstars: (1) the Krivak-class destroyer, which "is more than a match for any Western destroyer and, in any event, could outrun anything opposed to her"; (2) the Kara-class cruiser, possessed of "formidable power with her own helicopter and double the strength of missile-power possessed by the Krivaks—a single vessel of the Kara class could well engage a squadron of attacking aircraft"; and (3) the Kuril-class aircraft carrier, which, carrying both V/STOL (vertical/short take-off and landing) aircraft and helicopters, "will provide a much-needed strengthening of the 'balance' in the Soviet fleet."

What is more ominous than present Soviet naval capabilities is the probability of even more powerful capabilities in the future. The Soviet research and development program, Moore observes, has increased "by well over half in the last five years."

Moore's commentary about "the other super-power Navy," the U.S. Navy (once known, in an expression which had become trite with usage, as a Navy "second to none"), is good writing but poor reading.

"As the predominant partner in the NATO naval forces, a partnership in which too many of the other nations are below their numerical commitments with fleets oriented to national needs," Moore writes, "it bears a desperately heavy burden."

Part of the burden is numbers. The U.S. Navy has been cut almost in half within the past six years. The decision to scrap older vessels in order to fund the fleet of the future was a conscious one, and probably a wise one. A "calculated risk," former Chief of Naval Operations Admiral Elmo R. Zumwalt used to say, to mortgage today to pay for tomorrow. If it works, the risk will have been well worthwhile. If it works.

Another serious defect appears in U.S. technological capabilities, or lack thereof. The U.S. Navy, Moore says, is afflicted with a "serious gap" in surface-to-surface missile armament, and an "inferior balance" in nuclear submarines. Another gap, equally serious, perhaps, was "left by the disposal of the specialized anti-submarine carriers." (Illustrating the dimensions of the problem that exists when the other side gets the jump in an important area of technology is the fact that U.S. nuclear attack submarines do not even now possess the anti-ship missile capability "such as the USSR has had since the first 'Whisky' class modification some 15 years ago.")

The big problem for the U.S. Navy, however, is much more than numbers, and much more than technology. It is a matter of national will, which in our opinion translates into a matter of national education—about the need for a Navy, and the needs *of* the Navy. "Of those countries to whom a navy is today essential," Capitain Moore writes, "the United States of America is one of the foremost, and the U.S. Navy is probably also in the van of those subjected to misinformed, illogical and irrational attacks by some of those who depend upon it most."

Amen, we say. In a democracy it is not possible to develop and maintain the strong oceanic forces necessary for national survival without the confidence and the backing of the general public, and of the public's elected representatives in Congress. But achieving that confidence, obtaining that backing, is no easy matter. It is, indeed, a desperately heavy burden.

GAS IS NOT A DIRTY WORD IN SOVIET ARMY

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, it is important for Members of Congress to realize that gas warfare is not a happy prospect for the U.S. Army and that defense leaders of the United States only seek a deterrent capability to deal with the obvious threat of chemical warfare on the part of the Soviets. We hear much on the floor of Congress against providing a U.S. capability in this field. We hear very little about the capability already possessed by Russia. To me this is a serious, almost unbelievable, discrepancy. The Soviet capability is clearly pointed out in an article in the Army magazine of September 1974, by Lt. Col. Rudolph S. Malooley. It is entitled, "Gas Is Not a Dirty Word in Soviet Army," and I submit it for reprinting in the Record:

Gas Is Not a Dirty Word in Soviet Army

(By Lt. Col. Rudolph S. Malooley)

During the present chemical warfare treaty conferences in Geneva we must be fully aware of Soviet chemical warfare (CW) capabilities before we can negotiate wisely. This observation in no way implies that the United States does not support the concept of détente, nor does it indicate less than complete U.S. support for an adequately verified, comprehensive CW ban.

But the Soviets have maintained a CW capability unequalled anywhere in the world and this capability must be addressed in the interest of national security. In other words, we cannot rely on Soviet intentions regarding a CW treaty. When compared with their CW capabilities, those statements give rise to formidable misgivings. We should look closely at the Russians' CW capabilities shrouded behind their stated intentions.

Information gathered from the recent Middle East War has emphasized that foremost among the potential adversaries of the United States in CW is the Soviet Union. Although the CW equipment they furnished in the October War was defensive, their forces are considered to be well-equipped for offensive and defensive CW operations. Evidence of CW delivery systems and weapons development, chemical, biological and radiological protective systems (CBR), realistic CBR training and civil CBR training support the fact that the Soviets can operate in a toxic environment.

The large amounts of Russian CBR equipment captured in the Middle East only 11 months ago reflect this capability and emphasize Soviet CW preparedness. As the Army's chief of staff, Gen. Creighton W. Abrams, testified before Congress on 14 February, the U.S. Army was surprised by the sophistication and quantity of the Soviet CBR equipment provided the Arab forces, and is determined to improve its own CBR defenses.

The Russians consider chemical weapons to be tactical and subject to the same type of controls as nuclear weapons. Their military doctrine views chemical munitions as an integral part of the Soviet Union's overall capability. It is believed that they have developed, standardized and stockpiled highly toxic chemical agents for dissemination by tactical missiles, aircraft and ground systems such as rockets and artillery. The Soviet Union is technically capable of producing all known toxic agents in militarily significant quantities sufficient to support full-scale operations.

Modernization and proliferation of defensive CBR equipment and stepped-up training in its use predated known efforts on Soviet chemical weaponry and have continued unabated up to the present time. The large quantity, wide variety and sophistication of this equipment on issue in Russia is readily apparent from a review of Soviet military periodicals.

The quantities on issue and the extent of Soviet training suggest that the Russians are concerned not only with defense against enemy CW weapons, but also with being able to immediately exploit the results of their own offensive chemical operations.

Soviet individual protective equipment provides overall body and respiratory protection against toxic agents in any form, and is available in various versions designed to optimize the wearer's performance depending upon his military mission. Antidotes for treating nerve agent poisoning and compounds for blister agents are general troop issue items. Manual and battery operated kits that detect all standard lethal Western agents are on issue and automatic alarms mounted on vehicles re activated by nerve agents or hazardous levels of radiation.

Soviet standard radiacs are modern, light, transistorized, sophisticated instruments. Automatic flag-marking devices are mounted on Soviet CBR reconnaissance vehicles to permit rapid delineation of contaminated areas. Decontamination equipment is especially plentiful for every conceivable tactical situation involving contamination of people, clothing, small arms and crew-served weapons, conventional and armored vehicles and critical areas of terrain. Collective protection devices for providing uncontaminated air to field shelters and combat vehicles are also described in military publications.

Soviet chemical defense units are well-equipped and thoroughly trained to carry out their missions of chemical and radiological reconnaissance and decontamination of personnel, clothing, combat equipment, vehicles and terrain.

Chemical defense training throughout their armed forces stresses both technical proficiency in the use of equipment and psycological preparation of the individual soldier to control fear and panic in any future war involving "weapons of mass destruction"—nuclear, biological and chemical. Major military exercises held by Warsaw Pact countries routinely include practice in a simulated toxic environment (chemical-biological-radiological) and training of chemical forces includes toxic agent exercises. Soviet forces are well-equipped and trained to operate in a toxic environment, either of their own creation or in one used against them.

Russian pragmatism toward chemical warfare is confirmed in the published papers of the late Oleg Penkovskiy, a colonel in the Soviet Intelligence Service whose sympathies veered to the West before he was discovered. Penkovskiy stated that the Soviets considered toxic chemical agents to be one of the most powerful means of destroying the enemy under modern combat conditions, that chemical missiles and artillery shells were available, and that the Soviet Army would use these weapons should hostilities erupt. Further, he pointed out that research and development on toxic chemical agents and weapons were continuing at research institutes, laboratories and at a special chemical proving ground near Moscow.

Negotiations currently under way at Geneva are seeking to place further prohibitions on the development, production and stockpiling of chemical weapons. The U.S. Government supports such prohibitions as long as adequate means of verification are agreed upon. The Soviet Union's insistence on verification by national means only and the U.S. requirement for a more reliable method continue to frustrate attempts to negotiate a CW treaty.

If the negotiations can continue and reach a successful recommendation for a CW treaty, I believe we will have taken one more step toward peace. However, until the elimination of chemical warfare is an assurance and not just a hope, we would be well-advised to base our CW posture and treaty negotiations on a realistic appraisal of the Soviets' demonstrated capabilities—and not on our perception of their intentions.

STATEMENT BY THE PRESIDENT OF THE SOUTHEASTERN LUMBER MANUFACTURERS ASSOCIATION

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the president of the Southeastern Lumber Manufacturers Association is Mr. Harvey Fleming of Crestview, Fla., in my congressional district. He is a member of a leading family which long has been associated with the lumber industry in Florida. As an executive in that industry, he obviously is knowledgeable of industry problems. As an official in the Southeastern Lumber Manufacturers Association, he also is well informed on the problems of industry generally.

Mr. Fleming has addressed a letter to the President which, in my opinion, provides a clear analysis of today's situation for the independent lumber producers. He has made realistic proposals for improvements in the industry's economic condition. I trust his letter will receive careful consideration by the President and his advisers, and that at least some of its recommendations will be incorporated into a program to improve the general economy. I am glad to submit it for reprinting in the Record:

Southeastern Lumber
Manufacturers Association,
College Park, Ga., September 20, 1974.
The President,
The White House,
Washington, D.C.

My Dear Mr. President: I am writing to express the views and the concern of the Southeastern Lumber Manufacturers Association (SLMA) about the present crisis in the homebuilding industry, and the impact of that crisis, and inflation, on the thousands of lumber manufacturers in the country.

SLMA is an association of 230 independent small business lumber manufacturers in the states of Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama and Mississippi. While we are small business manufacturers in one sense of the word, in a local sense most of us are among the most important employers in the many, many communities in which we are located through out the South. Collectively, tens of thousands of persons are dependent upon our members for employment. Moreover, collectively we have millions at stake in capital invested in our sawmills. The housing slowdown, prompted by the excessive interest rates, and today's inflationary costs of operation, threaten the survival of many independents like us. This housing crisis likewise threatens the local economies of the many communities in which we operate, and the jobs of countless employees tied to the continuation of our members' operations.

With inflation on everyone's lips, we must emphasize that the lumber industry is not a contributor to inflation today. Rather, it is an unwilling victim. The lumber industry is a highly competitive industry with prices dependent upon the interplay of supply and demand. In an indstry comprised of hundreds of lumber manufacturers, the presence of independent manufacturers such as we represent results in a competitive pricing structure that, because of the housing slump, now threatens our existence. With housing starts so low, we have been faced with a depressed market. About one year ago the demand for our products began to decline. As a result of the declining demand and the large number of lumber manufacturers competing for the reduced sales, SLMA members' sales have been sharply reduced and the prices we have been able to get for our products have fallen precipitously. In no way can it be said that the lumber industry today is contributing to inflation when prices for this bellweather commodity are 30%, 40% and even 50% below last year's levels. Yet the hundreds of independent lumber producers for which I speak are at the same time being victimized by inflation—both by the inflationary costs of machinery, labor and supplies, and more significantly, in the continuing high prices for the timber raw materials that we purchase.

We generally refer to ourselves as independent producers because none of the SLMA members are owned or controlled by any of the giant forest products companies in the industry. However, we are not truly independent in the sense that we have the raw material timber base to support our own operations. Unlike the giant companies, we lack a timber base, and we are necessarily dependent upon public timber or other privately held timber to meet our raw material needs. Our plight is clear. The raw materials we need comprise some 60% of the total cost of producing lumber. They have not declined in price despite the housing slowdown, the reduced sales, and the lower resulting prices for lumber. Owners of timber do not have to sell now. They can wait for six months or a year until buyers can pay higher prices. Further, the giant companies with whom we compete can draw from their own vast resources of timber.

We independents are now faced with the specter of operating at a loss, and realizing less than half the income of only one year ago. Yet we continue to operate in order to avoid laying off our skilled employees and to meet our obligations to lending institutions. And if we are to continue to operate, we must continue to buy timber at the prices demanded by timber owners. In the face of the desperate picture in the housing industry, with the high timber raw material prices and the low lumber prices, we face cash flow problems of immense proportions that may lead to bankruptcy for many of us.

A further shakeout of the lumber industry is not healthy. Apart from the significant consequence of emplyoees out of work, the failure of many independents will further increase concentration in this all-important industry. This will in the long run result in an industry that, in another day, with a similar crisis would be able to maintain high non-competitive prices that contribute so substantially to runaway inflation.

We deplore the present crisis that envelops us, and we urge high level attention to this industry. We believe that the cause of the present crisis in homebuilding is the current high interest rates—rates that are ever so high because of government tight money policies and government borrowing resulting from deficit spending in the past. Money that traditionally is available to home builders or homeowners is being loaned to the government at rates much higher than homeowners are willing or able to pay. We respectfully urge that in order to ease the crisis and avoid losing the productive capability and employment opportunities generated by our members a number of the following steps be taken immediately:

1. Immediate cash should be made available to small business lumber manufacturers in the form of direct Small Business Administration "economic-disaster" loans.

2. Money should be made available to home builders as soon as possible through the Federal Home Loan Mortgage Corporation; by expanding the Federal Housing Administration, Veterans Administration, and Farm Home Administration programs to increase direct-loans to homeowners; and by reactivating the 235 program of the Federal Housing Administration.

3. Interest rates should be reduced by balancing the federal budget, thus reducing government borrowing, and by relaxing monetary policy by the Federal Reserve Board.

4. Savings institutions (the historical source of most conventional mortgage money) should be made more competitive with other forms of investment by excluding from federal taxation all or a large part of the interest earned on savings deposits.

5. Tax incentives should be allowed to finance institutions, pension funds, and private trusts to encourage them to invest in home mortgages.

We feel that our industry has historically been the first and hardest-hit by government anti-inflation policies; therefore, we should receive extraordinary assistance to enable us to weather this latest crisis.

I hope you will give special consideration to our views during your up-coming Council on the Economy.

Respectfully submitted,
Harvey Fleming,
President.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Regula) to revise and extend their remarks and include extraneous material:)

Mr. Esch, for 1 hour, on September 25.

Mrs. HECKLER of Massachusetts, for 10 minutes, today.

Mr. STEELMAN, for 5 minutes today.

Mr. MOSHER, for 15 minutes, today.

Mr. ASHBROOK, for 15 minutes, today.

Mr. RUPPE, for 5 minutes, today.

Mr. BRAY, for 15 minutes, on September 25.

(The following Members (at the request of Mr. RYAN) to revise and extend their remarks and include extraneous material:)

Mr. HÉBERT, for 60 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mr. O'HARA, for 15 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. FRASER, for 5 minutes, today.

Mr. VANIK, for 10 minutes, today.

Mr. FOUNTAIN, for 5 minutes, today.

Mr. DANIELSON, for 10 minutes, today.

Mr. KOCH, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. KOCH, immediately before passage of Rosenthal-Du Pont amendment.

(The following Members (at the request of Mr. REGULA) and to include extraneous matter:)

Mr. GILMAN in three instances.

Mr. HOGAN.

Mr. O'BRIEN in 10 instances.

Mr. BROOMFIELD.

Mr. DERWINSKI in three instances.

Mr. WYDLER.

Mr. ANDERSON of Illinois in two instances.

Mr. GUYER.

Mr. HUDNUT in two instances.

Mr. GOLDWATER.

Mr. TOWELL of Nevada.

Mr. MCCLORY.

Mr. ESCH.

Mr. BROYHILL of Virginia.

Mr. CRANE in five instances.

Mr. ROBISON of New York.

Mr. HANRAHAN in two instances.

Mr. RONCALLO of New York.

Mr. SYMMS.

Mr. WYMAN in two instances.

Mr. BURKE of Florida.

Mr. ASHBROOK in two instances.

Mr. HUNT in three instances.

Mr. MARAZITI.

Mr. STEELMAN.

Mr. FRELINGHUYSEN.

Mr. MARTIN of North Carolina.

Mr. GROVER.

Mr. QUIE.

(The following Members (at the request of Mr. RYAN) and to include extraneous material:)

Mr. MURTHA in 10 instances.

Mr. CONYERS in three instances.

Mr. GAYDOS.

Mr. FRASER in three instances.

Mr. EILBERG in three instances.

Mr. CLAY in two instances.

Mr. SYMINGTON.

Mr. RODINO.

Mr. BADILLO in four instances.

Mr. CAREY of New York.

Mr. TEAGUE in 10 instances.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. ANDERSON of California in two instances.

Mr. BROWN of California in 10 instances.

Mr. ASPIN.

Mr. STARK in two instances.

Mr. EVINS of Tennessee in five instances.

Mr. DINGELL in two instances.

Mr. ROE in two instances.

Mr. DULSKI in five instances.

Mr. YATRON.

Mr. RYAN.

Mr. STUDDS.

Mr. HOWARD.

Mr. WALDIE in three instances.

Mr. MINISH.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3221. An act to increase the supply of energy in the United States from the Outer Continental Shelf; to amend the Outer Continental Shelf Lands Act; and for other purposes; to the Committee on Interior and Insular Affairs.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 5507. An act to authorize the conveyance to the city of Salem, Illinois, of a statue of William Jennings Bryan.

ADJOURNMENT

Mr. RYAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 1 minute p.m.), the House adjourned until tomorrow, Wednesday, September 25, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2785. A letter from the Secretary of the Treasury, transmitting the third annual report of the Emergency Loan Guarantee Board, covering the year ended July 31, 1974, pursuant to section 12 of Public Law 92-70; to the Committee on Banking and Currency.

2786. A letter from the Attorney General, transmitting a report on voluntary agreements and programs as of August 9, 1974, pursuant to section 708(e) of the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

2787. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the intention of the Department of State to consent to a request by the Government of Iran for permission to transfer a C-130 aircraft to a friendly country, pursuant to section 3(a) of the Foreign Military Sales Act, as amended [22 U.S.C. 2753(a)]; to the Committee on Foreign Affairs.

2788. A letter from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties entered into by the United States, pursuant to Public Law 92-403; to the Committee on Foreign Affairs.

2789. A letter from the Director, Office of Administrative Services and Property, Department of Commerce, transmitting the annual report of the Department of Commerce on its disposal of foreign excess property, covering fiscal year 1974, pursuant to section 404(d) of the Federal Property and Administrative Services Act of 1949 [40 U.S.C. 514(d)]; to the Committee on Government Operations.

2790. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of June 1974, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HOLIFIELD: Committee on Government Operations. H.R. 16225. A bill to provide authority to expedite procedures for consideration and approval of projects drawing upon more than one Federal assistance program, to simplify requirements for operation of those projects, and for other purposes; with amendment (Rept. No. 93-1371). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT:

H.R. 16811. A bill to amend title 10 of the United States Code in order to eliminate or reduce certain deductible payments by patients for treatment under the uniformed services health benefits program, and to repeal the provision of law prohibiting CHAMPUS benefits to persons entitled to medicare benefits; to the Committee on Armed Services.

By Mr. CEDERBERG:

H.R. 16812. A bill to amend title 39, United States Code, to require the Postal Service to consult with agencies of State and local governments with respect to the construction of certain Postal Service facilities, to establish hearing procedures with respect to proposals for such construction, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. COCHRAN:

H.R. 16813. A bill to prevent air carriers from charging passengers for security services in excess of the actual costs to the air carriers for providing the services; to the Committee on Interstate and Foreign Commerce.

By Mr. DOMINICK V. DANIELS (for himself, Mr. HARRINGTON, Mr. BRECKINRIDGE, and Mr. REES):

H.R. 16814. A bill to provide for the development and implementation of programs for youth camp safety; to the Committee on Education and Labor.

By Mr. DANIELSON:

H.R. 16815. A bill to amend title 18, United States Code, to provide that corporations and labor organizations which make unlawful political contributions shall be subject to a criminal fine equal to the amount of such contributions; to the Committee on the Judiciary.

H.R. 16816. A bill to authorize the June 5, 1972, Grand Jury of the United States District Court for the District of Columbia to submit a report concerning its inquiry, and for other purposes; to the Committee on the Judiciary.

By Mr. DENT (for himself, Mr. Hays, Mr. Ware, Mr. Frenzel, Mr. Jones of Tennessee, and Mr. Dickinson):

H.R. 16817. A bill to guarantee the constitutional right to vote and to provide uniform procedures for absentee voting in Federal elections in the case of citizens who are residing or domiciled outside the United States; to the Committee on House Administration.

By Mr. DOWNING:

H.R. 16818. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. EDWARDS of Alabama:

H.R. 16819. A bill to authorize the Secretary of the Interior to conduct a study with respect to the feasibility of establishing the Bartram Trail as a national scenic trail; to the Committee on Interior and Insular Affairs.

By Mr. ESCH:

H.R. 16820. A bill to encourage on-the-scene emergency care aboard aircraft by relieving physicians from civil liability for damages resulting from any act or omission in rendering such care; to the Committee on the Judiciary.

By Mr. FROEHLICH:

H.R. 16821. A bill to amend the Federal Aviation Act of 1958 to deal with discriminatory and unfair competitive practices in international air transportation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 16822. A bill to amend title II of the Social Security Act to increase minimum benefits, to improve benefits computation, to liberalize widow's and widower's benefits, to liberalize disability benefits, to repeal the earnings test, to provide an optional exemption from coverage for persons over 65, and to improve financing; to amend title XVIII of such act to expand coverage under the medicare program; and for other purposes; to the Committee on Ways and Means.

By Mr. FUQUA:

H.R. 16823. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. GOLDWATER:

H.R. 16824. A bill to amend the Federal Aviation Act of 1958 to permit aliens holding permanent residence visas to register aircraft in the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GREEN of Pennsylvania:

H.R. 16825. A bill to amend title 38 of the United States Code so as to entitle veterans of the Mexican border period and of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively, and to increase pension rates; to the Committee on Veterans' Affairs.

By Mrs. HECKLER of Massachusetts:

H.R. 16826. A bill to provide additional fiscal assistance to local governments and to extend revenue sharing for local governmental units for 2 additional years; to the Committee on Ways and Means.

By Mr. HELSTOSKI:

H.R. 16827. A bill to require gasoline and gasoline pumps to be color coded with respect to the octane rating of gasoline dispensed by such pumps in a manner prescribed by Federal Trade Commission, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 16828. A bill to amend title 39, United States Code, to prohibit the mailing of unsolicited commercial mail to persons filing a statement with the Postal Service indicating they do not desire to receive such mail; to the Committee on Post Office and Civil Service.

By Mr. KYROS (for himself, Mr. Sikes, Mr. Yatron, Mr. Cleveland, and Mr. Cotter):

H.R. 16829. A bill to provide for the establishment of a national advisory commission to develop a national plan for the control of epilepsy and its consequences; to the Committee on Interstate and Foreign Commerce.

By Mr. LONG of Maryland:

H.R. 16830. A bill to amend the Internal Revenue Code of 1954 to provide individuals a limited exclusion from gross income for interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. LUKEN:

H.R. 16831. A bill to designate the birthday of Martin Luther King, Jr., as a legal public holiday; to the Committee on the Judiciary.

By Mr. LUKEN (for himself, Mr. Thompson of New Jersey, Mr. Rosenthal, Mr. Aspin, Mr. Roncallo of New York, Mr. Owens, Mr. Gude, Mr. Gilman, Mr. Traxler, Mr. Murtha, Mr. Helstoski, Mr. Addabbo, Mr. Koch, Mr. Harrington, Mr. Yates, Mrs. Collins of Illinois, Mr. Boland, Mr. Rose, Mr. Studds, Mr. Morgan, Mr. Williams, Mr. Cohen, Mr. Eilberg, and Mr. Carey of New York):

H.R. 16832. A bill to amend title XVI of the Social Security Act to require that the value of maintenance and support furnished an individual by a nonprofit retirement home be excluded from income for the purpose of determining eligibility for supplemental security income benefits under such act; to the Committee on Ways and Means.

By Mr. MARAZITI:

H.R. 16833. A bill to prohibit any increase in the price of certain consumer commodities by any retailer once a price is placed on any such commodity by such retailer and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. MINK:

H.R. 16834. A bill to amend the Immigration and Nationality Act to eliminate the legal custody requirement and the requirement of residence and physical presence in the United States for the naturalization of children adopted by U.S. citizens; to the Committee on the Judiciary.

By Mr. MIZELL:

H.R. 16835. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. MURPHY of New York:

H.R. 16836. A bill to amend title 49 of the United States Code to protect airline ticket agents from liability for the usage of stolen airline tickets; to the Committee on Interstate and Foreign Commerce.

H.R. 16837. A bill to amend the Communications Act of 1934 to provide that certain television broadcasting stations must include foreign language subtitles in programs of local origin; to the Committee on Interstate and Foreign Commerce.

By Mr. MURTHA:

H.R. 16838. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplifications, reform, and relief for small business; to the Committee on Ways and Means.

By Mr. O'BRIEN:

H.R. 16839. A bill to amend section 5724a(a) of title 5, United States Code, to provide that real estate expenses incurred by a Government employee transferred to a new official station shall be subject to reimbursement to the extent that such expenses were incurred not more than 2 years after such transfer; to the Committee on Government Operations.

By Mr. PATMAN:

H.R. 16840. A bill to exclude from gross income the first $1,000 of interest on deposits in savings institutions; to the Committee on Ways and Means.

By Mr. QUIE:

H.R. 16841. A bill to provide for the development of a long-range plan to advance the national attack on arthritis and related musculoskeletal diseases and for arthritis training and demonstration centers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROE (for himself, Mr. Bauman, Mr. Burke of Florida, Mr. Gibbons, Miss Jordan, Mr. Ketchum, Mr. Lagomarsino, Mr. Lehman, Mr. Meeds, and Mr. Reid):

H.R. 16842. A bill to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in, Huntington's disease; to the Committee on Interstate and Foreign Commerce.

By Mr. SEBELIUS:

H.R. 16843. A bill to amend title 23, United States Code, the Federal-Aid Highway Act of 1973, and other related provisions of law, to increase safety on the Nation's highways; to the Committee on Public Works.

By Mr. SPENCE:

H.R. 16844. A bill to establish an Executive Department to be known as the Department of Education, and for other purposes; to the Committee on Government Operations.

By Mr. STEELE:

H.R. 16845. A bill to amend the Internal Revenue Code of 1954 to increase the investment credit for certain public utility property and to make certain changes in the method of computing earnings and profits for certain public utilities; to the Committee on Ways and Means.

By Mr. STRATTON:

H.R. 16846. A bill to amend the Internal Revenue Code of 1954 with respect to certain charitable contributions; to the Committee on Ways and Means.

By Mr. SYMINGTON:

H.R. 16847. A bill to improve agricultural yields in the production of soybeans through the establishment of a Soybean Research Institute jointly supported by the United States and the People's Republic of China; to the Committee on Foreign Affairs.

By Mr. WYMAN:

H.R. 16848. A bill to establish a National Foreign Investment Control Commission to prohibit or restrict foreign ownership control or management control, through direct purchase, in whole or part; from acquiring securities of certain domestic issuers of securities; from acquiring certain domestic issuers of securities, by merger, tender offer, or any other means; control of certain domestic corporations or industries, real estate, or other natural resources deemed to be vital to the economic security and national defense of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. BINGHAM:

H.R. 16849. A bill to prohibit the introduction, or manufacture for introduction, into interstate commerce of tear gas, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROBERT W. DANIEL, JR.:

H.R. 16850. A bill to restore the value of the dollar and restrain inflation by providing for a Federal budget in which expenditures do not exceed revenues; to the Committee on Government Operations.

By Mr. du PONT:

H.R. 16851. A bill to authorize the Federal Energy Administration to allocate scarce supplies of natural gas; to the Committee on Interstate and Foreign Commerce.

H.R. 16852. A bill to designate the Federal office building located in Dover, Del., as the "J. Allen Frear Building"; to the Committee on Public Works.

By Mr. FOLEY (for himself and Mr. Symms):

H.R. 16853. A bill to authorize the construction of a highway bridge across the Snake River between Clarkston, Wash., and Lewiston, Idaho; to the Committee on Public Works.

By Mr. GILMAN:

H.R. 16854. A bill to restore to Federal civilian employees their rights to participate, as private citizens, in the political life of the Nation, to protect Federal civilian employees from improper political solicitations, and for other purposes; to the Committee on House Administration.

By Mr. HORTON (for himself, Mr. Roe, Mr. Hammerschmidt, Mr. St Germain, Mr. Price of Illinois, Mr. Ashley, Mr. Steiger of Arizona, Mr. Hinshaw, Mr. Wright, Mr. Rosenthal, and Mr. Moorhead of Pennsylvania):

H.R. 16855. A bill to establish a Commission on Federal Paperwork; to the Committee on Government Operations.

By Mr. JONES of Oklahoma:

H.R. 16856. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. JONES of North Carolina.

H.R. 16857. A bill to provide for emergency allotment lease and transfer of tobacco allotments or quotas for 1974 in certain disaster areas in North Carolina; to the Committee on Agriculture.

By Mr. LUKEN (for himself, Mr. Shipley, Mr. Koch, Mr. Udall, Mr. Conyers, Mr. Ashley, Mr. Harrington, Ms. Schroeder, Mr. Gunter, Mr. Badillo, Mr. Brown of California, Mr. Hechler of West Virginia, Mr. Lehman, Mr. Riegle, Mrs. Chisholm, and Mr. McCormack):

H.R. 16858. A bill to provide for public ownership of all documents prepared for or by any elected Federal official in connection with the performance of the duties of such official, and for other purposes; to the Committee on House Administration.

By Mr. STEELMAN:

H.R. 16859. A bill to establish a task force on economic revitalization; to the Committee on Ways and Means.

By Mr. ROBERT W. DANIEL, JR.:

H.J. Res. 1143. Joint resolution designating February 1975 as "Crib Death Information Month"; to the Committee on the Judiciary.

By Mr. FOUNTAIN:

H.J. Res. 1144. Joint resolution to designate March 16 through 23, 1975, "DeMolay Week"; to the Committee on the Judiciary.

By Mr. LUKEN (for himself, Mr. Conyers, and Mr. O'Hara):

H.J. Res. 1145. Joint resolution proposing an amendment to the Constitution to permit the President to grant pardons only after conviction, unless a majority of both Houses of Congress shall concur in such action; and to permit a two-thirds vote of both Houses of Congress to overrule a Presidential pardon following conviction; to the Committee on the Judiciary.

By Mr. MOORHEAD of California:

H.J. Res. 1146. Joint resolution to designate March 16–23, 1975, "DeMolay Week"; to the Committee on the Judiciary.

By Mr. CONLAN:

H. Con. Res. 647. Concurrent resolution to provide an opportunity for an orderly and cohesive policy toward inflation and economic stability by declaring a 36-month moratorium on all foreign aid appropriations; to the Committee on Government Operations.

By Mr. du PONT (for himself, Mr. Horton, and Mrs. Collins of Illinois):

H. Con. Res. 648. Concurrent resolution to express congressional support of the United Nations sponsored World Food Conference and World Population Conference taking place this year; to the Committee on Foreign Affairs.

By Mr. FLOOD (for himself, Mr. Derwinski, Mr. Delaney, Mr. Koch, and Mr. Huber):

H. Con. Res 649. Concurrent resolution requesting release of two Ukrainian intellectuals; to the Committee on Foreign Affairs.

By Mr. BRADEMAS (for himself, Mr. Patten, Mr. Towell of Nevada, Mrs. Burke of California, Mr. Corman, Mr. Ginn, Mr. Conable, Mr. Anderson of California, Mr. Burgener, Mr. Horton, Mr. Rangel, Mr. Culver, Mr. Downing, Mr. Staggers, Mr. Teague, Mr. Satterfield, Mr. Reid, Mr. Kyros, Mr. Yatron, Mr. Sarbanes, Mr. Bafalis, and Mr. Stratton):

H. Res. 1386. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish armed forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

By Mr. DICKINSON:

H. Res. 1387. Resolution amending rule XXIII, clause 6, of the rules of the House; to the Committee on Rules.

By Mr. FROEHLICH (for himself and Mr. Symington):

H. Res. 1388. Resolution creating a select committee to study the impact and ramifications of the Supreme Court decisions on abortion; to the Committee on Rules.

By Mr. SLACK:

H. Res. 1389. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish armed forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

By Mr. TALCOTT:

H. Res. 1390. Resolution to amend the Rules of the House of Representatives with respect to the estimated cost to the public and nonpublic sectors of legislation and proposed administrative rulemaking; to the Committee on Rules.

By Mr. TAYLOR of North Carolina:

H. Res. 1391. Resolution expressing the sense of the House regarding the halt of U.S. economic and military assistance to Turkey until all Turkish armed forces have been withdrawn from Cyprus; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of XXII, memorials were presented and referred as follows:

534. The SPEAKER presented a memorial of the Legislature of the State of California, relative to California's livestock and poultry industries; to the Committee on Agriculture.

535. Also, memorial of the Legislature of the State of California, relative to the National Railroad Passenger Corporation; to the Committee on Interstate and Foreign Commerce.

536. Also, memorial of the Legislature of the State of California, relative to terminating the Airline Mutual Aid Agreement; to the Committee on Interstate and Foreign Commerce.

537. Also, memorial of the Legislature of the State of California, relative to Filipino veterans; to the Committee on the Judiciary.

538. Also, memorial of the Legislature of the State of California, relative to the issuance of a commemorative stamp honoring Jedediah Strong Smith; to the Committee on Post Office and Civil Service.

539. Also, memorial of the Legislature of the State of California, relative to earthquake hazard; to the Committee on Public Works.

540. Also, memorial of the Senate of the State of California, relative to timely payment of social security, supplemental security income, and State supplementary program benefits; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 16860. A bill for the relief of Reynaldo Ayala; to the Committee on the Judiciary.

By Mr. GRAY:

H.R. 16861. A bill for the relief of Angel Hurtado Rodiguez; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

H.R. 16862. A bill for the relief of Yolanda E. Vez; to the Committee on the Judiciary.

By Mr. O'BRIEN:

H.R. 16863. A bill for the relief of Walter M. Twardosz; to the Committee on the Judiciary.

By Mr. WALDIE:

H.R. 16864. A bill for the relief of Gordon Hopper; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.R. 16865. A bill for the relief of Agnes Jones; to the Committee on the Judiciary.

By Mr. JOHNSON of Pennsylvania:

H. Res. 1392. Resolution to refer H.R. 16779, a bill for the relief of the Upper Allegheny Sand and Gravel Co., to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

518. Mr. HOSMER presented a petition of Mrs. Norma J. Dugas, Long Beach, Calif., relative to the Federal Housing Administration which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

EL GRITO DE LARES

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. BADILLO. Mr. Speaker, yesterday, September 23, Puerto Rico observed one of its most important patriotic feasts—El Grito de Lares—the Cry of Lares. On that day some 106 years ago Ramón Emeterio Betances led 400 armed followers into the small mountain village of Lares, where they captured the town hall. The group carried banners enscribed with the words "Liberty or Death," and their leader proclaimed the day as the birth of the Republic of Puerto Rico.

Ramón Emeterio's move came after more than three centuries of Spanish rule in Puerto Rico and at a time when Spain, too busy with her own problems to concern herself with those of the island, had failed to keep her promises of greater freedom for the colony. In fact, the Grito de Lares came some 50 years after Spain had granted her only significant decree toward Puerto Rico since the beginning of the 19th century—the right to trade freely with all nations of the world.

In 1868 Ramón Emeterio and his followers were branded as radicals. Their movement failed to acquire popular support, and the uprising was quickly put down. Many years later, however, as the demand for self-rule grew and Puerto Ricans became increasingly intolerant of Spanish rule, the Grito de Lares came to symbolize a new movement for political autonomy. The banner which Emeterio had carried eventually became the official flag of Puerto Rico. Today Puerto Ricans continue to observe September 23 as one of the more significant dates in their long and hard-fought struggle for self-determination.

On days of such importance those of us who have migrated to the mainland United States to make our homes take pride in joining our fellow Puerto Ricans on the island as we recall the courage and determination of the men and women who worked to bring political and economic freedom to our homeland. We remember, also, that the fight for justice and equality for all Americans is not yet over and that much work remains to be done if Puerto Ricans, both on the island and on the mainland, are to have their fair share of the benefits this country has to offer. There could be no more fitting time than this to rededicate ourselves to the belief that each and every American must have the right to a better education, suitable employment, decent housing, adequate health care and all the basic rights and opportunities which we have come to expect in a democratic society. I congratulate the people of Puerto Rico on this historic occasion, and I pledge my cooperation in the continuing effort to bring equality of opportunity to all Americans.

THE TOWN OF SHARON SALUTES DR. GRIFFIN

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mrs. **HECKLER** of Massachusetts. Mr. Speaker, on Sunday, September 29, the townspeople of Sharon, Mass., will gather at the Sharon Community Center in honor of the 100th birthday of a great physician and humanitarian, Dr. Walter A. Griffin.

Dr. Griffin has continuously served the citizens of Sharon as a resident physician since 1901 and is believed to be the oldest practicing doctor in Massachusetts and in the United States.

The belated birthday celebration for Dr. Griffin is a product of the work of many of the residents of Sharon. Special appreciation should be extended to David Clifton, the coordinator of the birthday celebration. Among the many prominent people who have lent their time to making this event a success are Michael Ahern; Jack Albert; Arthur Collins, town clerk; Al Horan, chief of police; William Cooper, chairman of the Sharon Council on Aging; Joseph Petrosky, chairman of the Sharon Recreation Commission; Norman Katz, chairman of the Board of Selectmen; and Robert Curry and George Donovan, both Sharon selectmen.

I would like to submit to the RECORD two articles which describe the accomplishments of Dr. Griffin. The first article, "Happy 100th Birthday Today, Dr. Griffin," written by two residents of Sharon, Walter and Esther Reeve, appeared in the Sharon Advocate on August 22, Dr. Griffin's actual birthday. The second article, "Sharon's Dr. Griffin Putting Along at 100," appeared recently in the Boston Globe.

"HAPPY 100TH BIRTHDAY TODAY, DR. GRIFFIN"—SHARON PAYS SPECIAL TRIBUTE TO ITS OWN FAMILY DOCTOR AND HUMANITARIAN

(By Walter & Esther Reeve)

Today is the hundredth birthday of Dr. Walter A. Griffin and it seems fitting that on this day he should be honored by all persons in the Town of Sharon. At 12 noon today, the church bells in the town will ring 100 times in honor of the doctor for his unparalleled service (73 years) as a doctor in the town and to thank him for his many gifts of land which have been extensively used for recreation areas, much to the benefit of the Town of Sharon.

On Sunday, September 29th, the town will also honor Dr. Griffin with a belated birthday party, to be held at the Sharon Community Center on the Lake, from 2 p.m. on. The bells will ring once again 100 times on that day to celebrate this birthday party.

Walter Alden Griffin was born in Bradford, Mass., a town near Haverhill, on August 22, 1874, the son of the late Sidney and Keziah Griffin. He had three brothers, Herbert, William and Frank all deceased. He was the youngest. After graduating from Haverhill High School, he entered Harvard and received his A.B. (Magna Cum Laude) in 1897, and then took only three years to graduate from Harvard Medical School (Cum Laude) in 1900. During the last year in Medical School he took and passed the Boston City Hospital examination, where he was accepted to do his internship that same year. He received his internship certificate July 15, 1901. He passed the state board medical exam on July 10, 1901.

Dr. Griffin then came directly to Sharon on invitation by Dr. V. Y. Bowditch, who had offered him the opportunity to be the physician at the Sharon Sanitorium. He was the physician and superintendent at the Sanitorium from 1901 until it closed in the late '40's.

The Doctor Bowditch mentioned above was one of the country's foremost authorities on tuberculosis. The Sharon Sanitorium was opened in 1890 due to the efforts of Dr. Bowditch.

Besides his work at the Sanitorium, Dr. Griffin immediately began his practice of medicine in the Town of Sharon, having his first office at 14 East Chestnut St. and from there he went to 62 South Main Street in the home of Mr. and Mrs. M. Gilmore Richards parents of Mrs. Walter L. Reeves. In 1909 he purchased the house at 28 South Main Street and moved his office to that location. In 1940 he bought the house at 38 North Main Street, where his office is located now.

Shortly after Dr. Griffin came to Sharon he married Mabel Gage, on February 12, 1902. When first married, Dr. and Mrs. Griffin lived in an apartment on the Sanitorium grounds, and then later moved to his present home at 113 Norwood Street. Mrs. Griffin died on September 16, 1955.

During his first years of practice, Dr. Griffin recalled he used a horse and buggy to make his calls, and when reliable automobiles became available, he was one of the first to use a motor driven vehicle to visit his patients.

Dr. Griffin has received many honors relating to his profession. He was elected to the American Climatology and Clinical Association in 1909, of which he is now an emeritus member. He is also a member of the well known Trudeau Society, the A.M.A. and the Norfolk County Medical District. In 1972 he completed 64 years' service as Sharon's school physician, being appointed to that position in 1908. As a graduate of Harvard Medical in 1900, age 26, and now at the age of 100, he is their oldest practicing graduate, as well as the oldest practicing physician in Massachusetts, and it is believed now to be the oldest in the United States.

Fraternally he is an over 70 year member of the Blue Hill Lodge AF&AM in Canton, and a member of the I.O.O.F.

Among the many awards and citations the doctor has received during the years are: The Massachusetts Recreation and Park Award, The Rotary Award, The Salvation Army Camp Wonderland citation, Camp Gannett citation, 50-year citation from Sharon's Civic Organization in 1952, Sharon Civic Foundation Tribute in 1959, and the Sharon Town Meeting Testimonial Resolution at the Town Meeting in 1966.

Well known as a tenor, Dr. Griffin sang for 20 years with the Handel and Haydn Society of Boston and is now an honorary member. He still sings every Sunday in the choir and is a Deacon Emeritus of Sharon's First Congregational Church.

The Doctor has composed several hymns and remarked that one of the greatest thrills of his life was when his "Thanksgiving Song" was sung in the church by a quartet of which he was a member.

He also has written many good poems, one of which we are sure you will all enjoy:

PRIVILEGES OF AGE

[Written by Walter A. Griffin on
April 9, 1935]

At 10 Years

If I were old I'd have a gun
To put the red skins on the run
And shoot wild cats and buffalo
While riding on a swift bronco
If I were old.

At 20 Years

If I were old I'd have a car
To smash all records near and far
And Sally M. would go with me
Or maybe fellers, two or three
If I were old

At 30 Years

If I were old I'd have a biz
I'd speed it up and make it whiz
And all the other bosses round
Would be left flat upon the ground
If I were old.

At 40 Years

If I were old I'd have a shack
Made for comfort without lack
With rooms of green and rooms of blue
And servants, halls and ballroom too
If I were old.

At 50 Years

If I were old I'd have a club
To change me from a golfer dub
I'd give a swing and hit the pill
'Till it were lost o'er yonder hill
If I were old.

At 60 Years

If I were old I'd have a yacht
To sail the seas the geography taught
I'd visit China and Siam
And Africa's shores and Hindustan
If I were old.

At 70 Years

If I were old I'd have some books
To carry off to shady nooks
I'd read some Dickens, Wallace, Poe
Some murders dark and some Thoreau
If I were old.

At 80 Years

If I were old I'd write a book
And tell that e'er in life I took
My honest place and played the game
And never caused my forebear shame
If I were old.

At 90 Years

As I am old, and weak of knee
I'd see a hundred, if you please
Though bent of frame and dim of sight
A hundred please before the night
Tho I am old.

Dr. Griffin's second marriage took place on August 29, 1956, when he married his present wife Helen M. (Eaton).

Dr. Griffin has always maintained himself in fine physical condition. He was a pretty good golfer and tennis player, enjoying both sports until he reached 95. He also likes working in his garden, cutting wood, traveling and is an excellent cribbage and billiards player.

When asked about his medical practice now that he has attained the century mark, the Doctor said, "I intend to keep right on; I will never let go."

Congratulations to a great doctor and a great man!

DR. WALTER A. GRIFFIN CENTENNIAL RESOLUTION

Whereas Walter Alden Griffin, M.D., has continuously served the citizens of Sharon as a resident physician since 1901; and

Whereas he has served as school physician for the Sharon schools from 1908 until Oct. 1972; and

Whereas he is currently the oldest practicing physician in the United States; and

Whereas he has provided many recreational opportunities for the youth of Sharon through his generosity and concern; and

Whereas in 1930 he deeded to the Sharon Civic Foundation a playground area at Ames Street for the residents of Sharon; and

Whereas in 1940 he deeded to the Sharon Civic Foundation a tract of land off Depot Street, known as "Pettee's Hill," for use as the winter sliding area for the residents of Sharon; and

Whereas he gave a tract of land on Station Street to the Girl Scouts of America in 1944; and

Whereas he has given of his time to the Congregational Church of Sharon as well as to the entire Charon Community; and

Whereas by many untold acts of kindness, generosity, counsel and encouragement he has inspired and aided his fellow Townspeople and others; and

Whereas Dr. Walter A. Griffin will be 100 years of age on the 22nd of August 1974;

Now, therefore, be it resolved that Dr. Walter A. Griffin of Sharon, by unanimous vote of the Board of Selectmen and unanimous endorsement of his fellow Townspeople, be presented this resolution and proclamation as a small but tangible expression of our grateful and affectionate recognition of the good deeds that have made and will continue to make Sharon a better Town in which to live, work, and play; and

Be it further resolved that 22 August 1974 be proclaimed as "Dr. Walter A. Griffin Day" in Sharon.

[From the Boston Globe, Sept. 14, 1974]

Sharon's Dr. Griffin Putting Along at 100

(By Mary Sarah King)

A winter visitor to the home of a Sharon couple stricken suddenly with a rising temperature and chills needed medical care.

The family physican was away so they called in another doctor who arrived at the wheel of a bright red sports car within minutes. Mounting the stairs he shrugged off the snows of a February blizzard.

He took blood and urine tests, even heated the end of his stethoscope with a lighted match so the cold wouldn't bother the patient, and after giving him emergency treatment, ordered him removed to the hospital.

His fee for the housecall: $5.

The time: only five years ago.

The attending physician: Sharon's Dr. Walter A. Griffin, whose 100th birthday Aug. 22 was heralded by the town's churches ringing their bells 100 times.

And they'll ring again on Sept. 29 when the townspeople many of whom he's treated for his 73 continuous years in medical practice will turn out for his belated birthday party at the Sharon Community Center.

Oh yes, the patient recovered.

Believed to be the oldest practicing physician in Massachusetts, perhaps in the country, the Bradford-born doctor still holds office hours. He's at his deek from 1:30 to 3:30 days and from 7:30 to 9 evenings. The American Medical Assn. estimates there are four MD centenarians in the United States, but has no idea whether they're still practicing.

His well worn Harvard chair, gold-leafed with the college motto: "Veritas," is a daily reminder of his graduations from Harvard (magna cum laude) in 1897 and from Harvard Medical School (cum laude) in 1900 after completing the eight academic years in six. And he served his internship as house office at Boston City Hospital his last year in medical school.

Dr. Griffin arrived in Sharon in 1901, opened a private practice (for a time the only physician for the town of 2000). He was invited to serve on the staff of the one-time Sharon Sanitorium (tuberculosis) which he later headed, and because of which he took a little known foray into the milk business, building a barn and buying a few cows "to make sure the patients had enough milk," he explained.

A writer of poetry, he jotted down a few facts about the start of his career, in which he noted that Sharon was "a peaceful town then that had less than 10 automobiles. I started practice with a horse and buggy. In fact, I had two horses in all. And then I bought a secondhand automobile. They sent a man to drive it to Sharon. I watched what he did and at Forest Hills I said: 'I'll take it now,' "and he humorously referred to the few near-misses—a tree and a train—before reaching home "without incident."

He remembered that at the time the registration numbers had to be painted on the car's lanterns. His was 5690 and when he discovered that a person holding only two numbers could get to keep them permanently, he applied for No. 69—"so I wouldn't have to paint all four numbers on year after year," he said. He still has it!

His patients today still range from schoolchildren (he had been school physician from 1908 to 1972) to senior citizens whose families he's treated for generations.

Just how many babies he's delivered in 73 years he said was "impossible" for him to tell, but Esther Reeve who publishes the town paper, The Sharon Advocate, along with her husband, Walter, told of a town gathering honoring his 50th anniversary as a doctor, when he asked how many of "his babies" were present.

"Practically the whole hall stood up," said Mrs. Reeve, who was one of them. The present town clerk, Arthur Collins, is another.

She mentioned that the doctor was 92 when on three separate occasions (one after he had had a cataract operation on both eyes) he sewed up her fingers which were badly cut sawing type at the paper. Later a surgeon specialist examined the operations and said he couldn't see a scar on any finger.

Dr. Griffin as a general practitioner, did other minor surgery like taking out tonsils and adenoids. "I left the major jobs to the surgeons," he said.

His office is located on North Main Street in a big white, turn-of-the-century house which had been offered to him "as a nice place for a young doctor" for $10,000 in the early days of his practice. "I didn't have 10 thousand cents," he said, with a smile, admitting that two owners later at the end of the depression years he was able to buy it considerably cheaper.

He lives at 113 Norwood St., in a trim white cottage with a big fieldstone barn which he had built. His second wife of 18 years is the former Helen M. Eaton. She was a Latin and Greek major, at Wheaton and a cellist, she is still teaching piano on a full schedule. They vacation still at his place at Harborside, Maine. His first wife, the former Mabel Gage, died in 1955.

Dr. Griffin has an exceedingly long list of accomplishments and affiliations which the board of selectmen had proclaimed in a centennial resolution in August, and in which his contributions to the young people's recreational opportunities are highlighted.

He spoke with particular pride of building a playground on Ames street, in 1930 at a cost to him of $10,000 even when told it couldn't be done. And 10 years later of purchasing a tract of land known as "Pettee's Hill" as a winter sliding area for the children, both of which he deeded to the Sharon Civic Foundation which he had founded. In 1944 he also gave a tract of land on Station street to the Girl Scouts of America Inc. and for years contributed both medically and financially to the Salvation Army's freshair Camp Wonderland in Sharon.

Just this year in May, Dr. Griffin was made deacon emeritus of the First Congregational Church, where he still sings tenor in the choir every Sunday. In fact, it was while crossing the street from his office to attend a choir rehearsal that he fell and broke his hip two-and-a-half years ago. Although he walks with the aid of a cane, he religiously exercises to maintain his mobility.

Otherwise in good health, with a fair appetite, in particular enjoying sweet desserts, he only gave up golf when he broke his hip and only a few years earlier had stopped playing tennis. He and his wife played the game on his own courts with friends—"and we gave anyone a pretty good battle," she said.

It wasn't until 1970 when he gave up driving. He was taking his driver's renewal test—"and while backing up I looked into the rear mirror instead of turning my head, and didn't get my license renewed," he said, regretfully.

He's an emeritus member of the American Climatology and Clinical Assn. and honorary member of the Handel and Haydn Society.

Throughout most of his life, Dr. Griffin has worked seven days and seven nights a week, fairly often getting up in the middle of the night to answer a sick call. "I was available any old time," he said, and recalled that he charged $1.50 for a house call—"doubled it when it was the middle of the night."

Doctoring's pretty different now from the days when he had to travel long distances in all kinds of weather to his patients.

"Now doctors have their offices near the general hospital where they can skip in and visit several patients at the same time," he said.

Dr. Griffin never felt the need of having an office receptionist or a nurse. He kept all his records himself, in small, precise lettering, and in order to retain the privacy of his patients, he kept a secret code of their ability to pay which only he can decipher.

"If a patient told me he couldn't pay—well, he didn't, and that's all there was to it," he said.

U.S. FOOD POLICY

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. FRASER. Mr. Speaker, I am encouraged by the generally positive approach to world food needs adopted by President Ford in his speech last week to the United Nations General Assembly.

Hearings conducted last week by the Foreign Affairs Subcommittee on International Organizations and Movements and the Subcommittee on Foreign Economic Policy, which I had the privilege of chairing, showed the massive challenge which faces us and other nations in combatting hunger around the world.

The President was right in pledging increased U.S. assistance in raising agriculture production abroad. The Foreign Affairs Committee, recognizing the absolute necessity of increasing farm yields in poor developing countries as a long-term solution to the problem, already has approved a substantial rise in such assistance this year.

The President is to be commended also for his endorsement of the principle of an international system of food reserves and for his promise of increased U.S. outlays for food shipments to nations in immediate needs.

But I must point out that the President's address was couched in terms of broad policy—without containing the detail needed for meaningful implementation of that policy. Beyond that, and especially at the World Food Conference convening in Rome in November, the world will be watching for positive leadership from the U.S. Government in developing a cooperative worldwide effort to respond to mankind's great need for more food.

I urge the President to follow through on his United Nations address with specific instructions to the Secretary of State and other U.S. representatives for constructive application of the policies he has set forth.

STUDDS-MAGNUSON 200-MILE BILL

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. STUDDS. Mr. Speaker, I am very pleased to report to you and to my colleagues in the House that we now have 168 cosponsors of the Studds-Magnuson 200-mile fish conservation zone bill and support for this desperately needed legislation continues to grow daily. On September 14, the Cape Cod Standard Times of Hyannis, Mass., endorsed this bill because of the "dismal failure" of the Law of the Sea Conference to reach agreement on conservation of fish stocks in the offshore waters of the various nations. I would like to enter in the RECORD at this point the full text of that well-written editorial:

In Our Opinion—200-Mile Zone a "Must"

Rep. Gerry Studds brought the House Subcommittee of Fisheries, Wildlife Conservation and the Environment of New Bedford Friday to demonstrate at first hand the overwhelming problems area commercial fishermen face.

Studds' main objective was to gain more support for the Studds-Magnuson bill calling for a 200-mile conservation fishing zone off American coasts. He has 168 cosponsors now and is optimistic about speeding up passage of the bill designed to save the area fishing industry from extinction.

Action on the bill had been delayed by congressional leaders waiting to see what the Law of the Sea Conference would do about extending the territorial and conservation coastal limits. The Conference, as predicted by many, produced much bombast but no action.

This dismal failure of the nations to agree on extending the coastal limits gives great impetus to the move for the U.S. to act unilaterally and declare a 200-mile limit.

If the American fishing industry, including that of Cape Cod and the Islands is to survive, it must be protected from the gigantic foreign fishing trawlers which sweep up everything in their paths.

The foreign fishing fleets have no concern about conservation or the continuation of any fishing stock and have almost ruined the rich fishing grounds where area fishermen have gone for generations.

Some stocks have already been depleted to point of no return. In a few years, unless drastic steps are taken, it will be too late to save any.

A 200-mile fishing limit with the U.S. controlling the amount of fish taken is not a panacea. But it would be a strong beginning toward keeping the fishing industry from extinction. Congress must act swiftly to extend the limit.

JOE BEIRNE, FORMER PRESIDENT OF THE COMMUNICATION WORKERS OF AMERICA, AFL–CIO

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. CLAY. Mr. Speaker, a few weeks ago in Washington, Joe Beirne died. President emeritus of the Communications Workers of America and an executive council member of the AFL–CIO, Joe Beirne was one of the outstanding leaders in the development of the American trade union movement.

Beyond that, he was a fighter for social progress and civil rights for all Americans at home; and free and democratic trade unionism throughout the world.

But today I want to discuss one less well-known aspect of Joe Beirne's career: His service on the Democratic Party's Commission on Delegate Selection and Party Structure—the "Mikulski Commission," on which I also served.

As that commission began its work, following the 1972 election, the Democratic Party was, to put it mildly, in disarray. And the most controversy centered on the party's delegate selection rules—then called the "McGovern Commission Guidelines."

To many of us, these rules had opened up the Presidential nomination process. No longer were delegates chosen years before the convention, designated automatically because of high position, or required to vote against their convictions due to imposition of a unit rule. Furthermore, women, young people, and minority group members were, for the first time in history, significantly represented in the process.

The changes, of course, were more than cosmetic; they represented real shifts in power. And, as is usually the case when such shifts occur, there was a backlash. Many elements of the party resisted the change.

So the party prepared for a classic confrontation: the old against the new; the regulars against the reformers.

But things did not happen that way. And one of the major reasons was Joe Beirne. Joe Beirne was a "regular" Democrat. He had supported Lyndon Johnson's Presidency and HUBERT HUMPHREY's candidacy in 1968. In the 1972 primaries, he vigorously fought for HUMPHREY's renomination. In the fall, however, Joe Beirne had no trouble discerning the difference between Richard Nixon and GEORGE MCGOVERN; he helped organized labor for McGovern-Shriver and backed his party's ticket to the hilt.

Nevertheless, as a "regular", Joe Beirne might well have been expected to join those wishing to turn back the clock. But that was not the case. Because Joe Beirne studied the rules, considered their impact, and rejected backlash and fear. And because, more importantly, he was dedicated to an open, Democratic Party.

And so, Joe Beirne joined with other thoughtful, progmatic members of his Commission in providing leaderhip; and fighting for tough affirmative action provisions to encourage the participation of women, young people, and minorities in the delegate selection process and in all affairs of the party.

To a few of his old allies, Joe Beirne's role on the commission was, to say the least, surprising. To many of those working with him he was a spokesman for progressive change within the party.

To the Democratic Party as a whole, he was one of the few leaders to bridge the gap. A powerful force in the party's establishment, he realized the need to open the doors of the party if it was to survive.

The struggle to open those doors continues. However, any success the party achieves this area will be Beirne's leadeship. We will surely miss him.

TRIBUTE TO BERNARD SPECTOR

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. EILBERG. Mr. Speaker, Bernard Spector, District Manager of the Northeast Philadelphia office of the Social Security Administration, has retired after 34 years of service with the agency.

I have known Bernie Spector for many years, and while we will remain friends, I will miss the warm working relationship we had established.

Bernie Spector is the type of person who should serve as a model for all government workers. He was a public servant, not a bureaucrat, who worked hard at his job, but never forgot that he was supposed to be helping people not just making sure forms were completed properly.

As the northeast district manager he also supervised the branch office located at Kensington and Allegheny Avenues. Spector had the responsibility of serving more than 740,000 residents of Northeast Philadelphia with a staff of 110 employees. The number of beneficiaries at the time he retired was 104,563, who received monthly benefits totaling $16,000,000.

And, with all that volume and responsibility Mr. Spector was never too busy to personally help anyone who had a social security or community problem.

He began his career with the SSA as a field representative in Greensburg, Pa., in 1940. He served in similar posts in Pittsburgh and Philadelphia, was promoted to administrative assistant in the Philadelphia downtown office and later was named assistant district manager for Norristown, Pa., in 1948.

Two years later, Spector was appointed district manager in New Kensington, Pa., and then assistant district manager in Philadelphia before being promoted to district manager of the northeast office in April 1963.

Mr. Spector's outstanding performance did not go unnoticed by his superiors. He received the Director's Citation and the Commissioner's Citation. The Commissioner's Citation is the Social Security Administration's highest award and it was presented to him "for performing the duties of a district manager in a consistently outstanding manner."

In addition to his outstanding contributions through his job, Mr. Spector was also involved in community affairs. He is a past president of both the Frankford Kiwanis Club and the Israeli Chapter of B'nai B'rith and now serves on the executive boards of both organizations.

Mr. Spector was honored at a special dinner on his last day of work which was attended by almost 200 fellow workers and officials of the SSA.

Spector said he is following his own advice given in speeches to various civic and community organizations over the years, which is that:

> A person should consider retirement when he's in good health, satisfied with the job he has done, has a wife urging him to retire, and is ready for new challenges.

THE 15TH ANNIVERSARY OF OAKLAND UNIVERSITY

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. BROOMFIELD. Mr. Speaker, this fall marks the 15th anniversary of one of my district's most honored residents—Oakland University in Rochester, Mich. A celebration commemorating this occasion will take place on Sunday, September 29, with a day long community open house featuring more than 200 free events.

Although still a young school, Oakland University has made a name for itself as one of the finer institutes of higher learning in Michigan, the Midwest, and the country.

Unique as an essentially urban university in a suburban setting, Oakland has established a reputation for excellence in many fields, including education, management, and the arts. Its high levels of achievement have produced outstanding graduates in all of the academic areas it offers.

Throughout its 15-year history, Oakland University has continually grown and expanded its horizons in an effort to offer more and better programs and services to the university population and the community. This year the enrollment figure will top the 10,000 mark for the first time. Nearly 20 new programs have been introduced in the last 2 years, and the university is currently planning a 4-year bachelor of science in nursing program.

Oakland University is a great source of pride for all residents of Oakland County, and I join in saluting President Donald D. O'Dowd, as well as the faculty, staff, alumni, and student body of this great school on its anniversary. I am sure that the future will be every bit as successful for Oakland University as its first 15 years have been.

BILINGUAL EDUCATION GAINS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. BROWN of California. Mr. Speaker, the following article from the Washington Post discusses the latest improvements to the 1974 Education Act in the area of bilingual education. While the newspaper account refers to the gains as sleeper sections, nothing can be further from the truth. I have been privy to many of the efforts over the last few years to beef up this aspect of our educational programs. I realize, as many of you also realize, that the gains made in this area have been the result of hard work on the part of several organizations and groups. The most outstanding advocates, not mentioned in the article, have been: The Raza Association of Spanish Surnamed Americans headed by Manuel D. Fierro; the AFL–CIO; Senators MONTOYA, MONDALE, and KENNEDY; Representatives ROYBAL, CHISHOLM, BELL, PERKINS, MINK, MEEDS, BADILLO, and BENITEZ; and the multitude of citizens who have tried to make us face the realities of the need for bilingual and bicultural education.

Now that victory seems so close, the administration has stepped in to thwart the will of Congress. President Ford is only requesting $70 million for a program that requires a much higher funding level. I hope the members of the Appropriations Committee can see the merits and need for expansion of this important program when they deliberate today.

I salute the progress made by bilingual education advocates and I stand with you in support of this critical educational tool.

The article follows:

[From the Washington Post, Sept. 22, 1974]

BILINGUAL EDUCATION GAINS

(By Austin Scott)

Although it's hardly ever discussed in such terms, the United States has the fifth largest Spanish-speaking population in the world, following Mexico, Spain, Argentina and Colombia.

Partly because of that, the 1974 Education Act President Ford signed last month contains a "sleeper," a little-noted section that could transform public education nearly as much as the Supreme Court's 1954 order outlawing segregated schools.

While public attention focused on the bill's anti-busing provisions, Congress wrote into it $170 million to start changing national policy on bilingual education—something that affects not only the Spanish speaking but, among others, Chinese, Greeks, Haitians, and French-Canadians.

That's about four times as much as the $45 million appropriated last year, and five times as much as the Nixon administration asked for.

On top of that, the bill earmarks more than $700 million for such programs over the next five years.

More importantly, Congress said it expects school districts to work to make not just bilingual, but genuinely bicultural, education easily available for the estimated 5 million children who need it.

Last year's funds reached an estimated 147,000 children, or about 3 per cent.

"I believe that bilingual education can be a great force in fostering educational changes in America," said Sen. Alan Cranston (D-Calif.) when he introduced the bill.

"It clearly rejects the idea that the prime objectives of the school is to wipe out all differences in style, heritage, and language background, delivering to society—at the end of 12 years—a nicely packaged, well rehearsed automatic reciter of majority maxims."

"This is the route that schooling in America has traveled historically . . . and it reflects an anti-minority tradition in American public education that is only now beginning to change," he said.

Two events prodded Congress into trying to change national bilingual policy. The first was eloquent testimony in a series of congressional hearings on the damage done to children who can't understand what's going on in school.

Spanish speakers aren't the only ones having trouble in U.S. schools, but they make up by far the largest single group. The problems of all groups appear to be similar.

"For some years now, the 10.5 million Spanish speakers in the United States have been concerned with the failure of the schools to educate their children," testified Spanish-speaking educator, Dr. Jose A. Cardenas.

"Their dropout rate is abnormally high. Almost all studies of Spanish-surnamed children have revealed that over 50 per cent of the children drop out of school prior to completion of the 12th grade . . .

"Recent studies indicate that more than 50 per cent of all Spanish-speaking children are retained (held back) at least once before completing the third grade."

As if that weren't bad enough, Cardenas said, the reasonable assumption that those Spanish-speaking students who remain would do very well because the poorest have dropped out is not borne out by statistics.

"In general," he said, "Spanish-surnamed children (who remain) perform the average one year below national norms at the third-grade level, 1.5 below at the sixth grade level, and 2 years below . . . at the seventh-grade . . ."

Similar stories came from all over. In Maine, where 51 per cent of high school graduates enter college, in one town in which 96 per cent of the children grow up speaking French only 2 per cent of them ever enter college.

Witnesses testified that tests in three French-speaking centers of Maine showed marked IQ score decreases from fourth to 12th grade, reflecting, they say, "that IQ tests are designed to measure one's ability to cope with the dominant society."

Anita Bradley, a Navajo school board member, said of the 50,000 Navajo children enrolled in school in 1971–72 less than half spoke much English, and the figure was down to only 12 per cent for those entering Bureau of Indian Affairs schools.

"In the same year, these children had over 2,200 teachers, all of whom knew English, and probably fewer than 100 of whom knew Navajo," she said.

"Frequently interpreters are used to fill in, explaining troublesome concepts in the child's mother tongue, but only after he fails to comprehend them in English." She continued:

"Gradually he is sifted out of the 'faster' groups, and classed with younger children as 'not yet ready' to go on to 'more difficult material.' The indirect messages involved are not lost on him. His confidence falters, and school becomes more and more of an endurance contest, and less and less of an opportunity to learn . . . At about fourth grade, they begin to show a cumulative result that may leave him educationally crippled for life."

The "real culprit," Ms. Bradley said, "is the cultural parochialism of the higher educational system which prepared him (the teacher), and the professional associations which certified him as adequately prepared to teach non-English-speaking children, when he could not even say 'hello' in these children's language himself."

According to the Coalition of Indian-Controlled School Boards, there are 250 organized Indian tribes in the United States, speaking 50 dialects from six linguistic stocks.

Of the 250,000 Indian school-age children, only 3,500 to 7,500 are being reached by any bilingual programs now, depending on whether one accepts Indian estimates, or the more optimistic estimates of the Bureau of Indian Affairs.

The Hellenic American Neighborhood Action Committee of New York City testified that there are about 350,000 Greeks in New York City, and that most of the 40,000 Greek immigrants a year eventually settle there.

"Among these Greeks it would be conservative to say that 90 per cent have a language problem," the committee said.

Lily Fok, assistant coordinator of a bilingual project in lower Manhattan, testified that from June, 1970, to July, 1971, "more than 34,000 Chinese entered the United States, chiefly from Hong Kong and Taiwan."

While there are no precise breakdowns of where they settle, she said, "it is estimated that some 9,000 stay in San Francisco (the chief port of entry), approximately 8,000 a year settle in the New York City area, and large numbers of others find their way to other major cities having established Chinese communities."

Those cities are Boston, Los Angeles, Chicago, New Orleans, Philadelphia and the Washington-Baltimore area.

"The majority of Chinese children arriving in this country do so with little or no knowledge of English," she testified.

The second prod that Congress took note of was the U.S. Supreme Court's decision in the Lau case, issued last January.

The court ruled that schools must take positive action to help students who are not fluent in English.

It told San Francisco school officials they weren't doing enough when they provided the same education to all pupils in English, because 1,800 of the city's Chinese students didn't understand English.

Advocates of bilingual education hailed the decision as the dawn of a new day, and immediately geared up a large lobbying effort.

Genuinely bicultural teaching, they argued, could stop the kind of unintentional cruelty described by Sister Frances Georgia Vicente of Massachusetts, who serves as a school interpreter for Spanish-speaking pupils.

"She (the teacher) says to me, 'What is their name?' " Sister Vicente testified. "She hears this long, strange name. She doesn't know what was said. I explain we have three surnames.

"She cuts off the last name, those names,' so she starts.

She cuts off the last name. It is the mother's name and the mother dies. She lost her maternity. She cuts off the next surname. That is the father's, and all of a sudden the child becomes illegitimate . . ."

Marcello Fernandez, coordinator for the nine D.C. schools that have bilingual or multicultural programs, said his teachers take great pains to see that "the classroom instruction never violates the home environment. It is in agreement with, never in violation."

The act signed by President Ford describes as its goal "a child with a full understanding of his cultural heritage in command of that heritage, and with a deep respect for all it implies."

A FULL ACCOUNTING OF ALL MIA'S

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Ms. GRASSO. Mr. Speaker, every effort must be made to determine the status of those valiant and patriotic Americans who served their country nobly and were reported missing in action during the Vietnam war.

For the wives and children, fathers and mothers, brothers and sisters, of these men, daily life is often a succession of anguished days filled with the pain of being separated from a loved one, and the gnawing uncertainty of his unknown fate.

I strongly endorse attempts to obtain a full accounting of those who became MIA's during the war, and I urge my fellow Americans to join me in supporting these efforts.

As a Member of Congress I have long been committed to actions aimed at determining the status of each and every one of our MIA's.

Earlier this year it was my privilege to sponsor a resolution calling on Secretary of Defense James Schlesinger to suspend MIA reclassifications until certain criteria are met. Before the reclassifications could start again, North Vietnam would have to comply with the Paris Peace Accords, and a determination would have to be made that all possible means have been taken to ascertain the status of MIA's. Another resolution cosponsored by me would put Congress officially on record as opposing diplomatic and any other kind of recognition for North Vietnam or the Vietcong until a full accounting of MIA's is made. Legislation similar to this bill has been passed by the House and now awaits Senate action on House amendments.

It was with pride that I joined several of my House colleagues in writing Defense Secretary Schlesinger urging concrete action to improve the handling of MIA cases by the Government. A Defense Department MIA specialist answered by pledging a continuation of the Department's efforts at obtaining a full accounting of those listed as missing in action. It is my understanding that at the present time no reclassifications of MIA status are being made unless an investigation is requested by the serviceman's next of kin with the aim of changing status.

Last week, Mrs. Dorothy Fitton, of East Hartford, together with six other Americans—all relatives of missing servicemen—left for Laos, hoping to be able to enter North Vietnam and obtain information on their loved ones. Mrs. Fitton is seeking to learn the status of her son, Lt. Col. Crosley J. Fitton, Jr., who was listed as missing after his plane was shot down over North Vietnam.

I am proud to join all patriotic Americans in praising the boundless love and bold determination of Mrs. Fitton and her companions and in wishing them "Godspeed." We are all moved with compassion at the sad and beautiful pilgrimage of these truly loving people. Justice dictates that all avenues be taken to determine the fate of Lieutenant Colonel Fitton and his fellow missing servicemen.

To this end I pledge my efforts and energies, my heart and my support. We must not forget these valiant Americans.

GIVE FORD A CHANCE

HON. HOWARD W. ROBISON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. ROBISON of New York. Mr. Speaker, keeping our balance and keeping our perspective in the aftermath of "Watergate" is proving to be difficult. As quickly as President Ford's "honeymoon" began, it was over. The pardoning of Mr. Nixon has seemingly used up a good deal of the reservoir of good will that President Ford had accumulated during his first 30 days in office. But need it be? Should President Ford be given a chance? I think so.

A column by the well-known and much respected chief of the Christian Science Monitor Washington Bureau, Godfrey Sperling, Jr., helps, I believe, restore some balance to the present situation. I commend it to the House with the hope that we can put behind us both "Watergate" and the pardon so that attention can be focused on other pressing issues.

In addition, I would like to place in the RECORD my own comments on the pardon for whatever value and worth they may have to the House.

The articles follow:

NO TIME FOR BREAKING A PRESIDENT

(By Godfrey Sperling, Jr.)

WASHINGTON.—In the second year of the Nixon administration the highly respected political columnist of the Washington Post, David S. Broder, wrote a column in which he expressed his opposition to what he called "The Breaking of the President." This latter phrase was Mr. Broder's description of the possible effect of the techniques being used by the war dissenters to destroy Mr. Nixon on the war issue. In his column Mr. Broder underscored the grave dangers involved in undermining the president's capacity to lead, particularly when that chief executive still had some years left to serve. Mr. Broder maintained that the real losers under those circumstances were the American people.

I cited that article back in the early spring of 1973, asserting that it seemed to me that critics of Mr. Nixon were trying to break the president on the Watergate issue. This was long before we knew very much about Watergate—and long before, too, there was evidence that the White House and the president, himself, were involved in this terrible scandal.

As emerging evidence brought Watergate to the president's door, I pulled away from my "breaking of the president" rationale. It became clear that it was Mr. Nixon, himself, who had made himself vulnerable to destruction. He was not being broken. He was breaking himself.

Now, however, in the early moments of the Ford administration, it seems relevant to reapply the "Broder thesis" as I see it to be: It would be a tragedy for the American people if Mr. Ford were broken over the Nixon-pardon issue. Should Mr. Ford now be reduced to ineffectiveness, or relative ineffectiveness, the public would clearly be the great losers.

A critic of the President could say, of course: "Well, if Ford has impaired his usefulness, it is his own fault. It was he who made the decision to pardon Nixon now. He's being punished for his own acts."

But this column is a plea to those who make up this growing tide of Ford critics to curb their feelings a bit—to stop short of putting the kind of adverse pressure on the new President that will hamstring him, right at the outset of his administration.

They might well note the assessment of the pardon by Mr. Broder, who has written, "What happens to Richard Nixon as a private citizen seems to me to be a secondary question—one which can well be put aside by an act of executive clemency, either out of consideration for him or out of a belief that the public interest is not served by a continued rehashing of his crimes."

The President needs widespread support if he is going to be able to deal effectively with the great urgencies of the day, particularly the problems of the economy.

If the timing of the Nixon pardon was a mistake, as the President's critics contend, they should give the President another chance. After all, if it was a major blunder, it has to be called an honest mistake in judgment on the President's part.

There was no immoral act involved here. Also, the President had constitutional authority to issue such a pardon.

Of the growing threat to the President's capacity to govern occasioned by the public reaction to the pardon, a nationally recognized authority on public opinion had this to say, privately, the other day:

"The increase in public disapproval of the President following his pardon of Nixon was the biggest such disapproval rise ever recorded in such a short length of time. No president has ever lost favor so fast before.

"Certainly, a lot of those who now disapprove of Ford would have disapproved of him eventually anyway.

"But it would be a real shame if this disapproval rating keeps rising and this anti-Ford feeling gets so widespread that he just can't get his job done."

It would, indeed, be a real shame—a national misfortune, in fact—if the promise of Gerald Ford is lost even before he gets started.

This is not the moment for the opposition to climb on the President's back and hobble him.

This is the moment for Mr. Ford to be given another chance. For the good of all of us.

A WASHINGTON REPORT

(By Congressman HOWARD W. ROBISON)

Now that the voters have selected the candidates for the 27th Congressional District contest in November, the time has come for attention to focus on their discussion of the problems and challenges we face as a Nation. For that reason, this will be the last in this nearly two year series of "Washington Reports."

Without doubt, the topic most discussed here during the past two weeks has been the pardon of former President Nixon by President Ford. Regrettably, it has re-opened the wounds of Watergate in an unanticipated fashion. While, along with many people, I have difficulty with the timing of the pardon—preferring that it would have followed indictment and/or trial—I have no quarrel with the act itself.

I disagree with those who maintain that the pardon places former President Nixon "above" the law. The fact that it was thought necessary to pardon Mr. Nixon—and, the fact that the pardon was accepted by him—both indicated to me, in any case, an implicit admission of guilt of criminal offenses. Without an overwhelming possibility that criminal activity was likely to be proved, there would have been no need for a pardon. As President Ford himself has stated, the evidence is persuasive.

But, then, what of the pardon itself? I do not find myself offended by the pardon, for, along with columnist David Broder, ". . . it seems essentially a matter of no great public significance what happens to Richard Nixon, private citizen."

For the most part, the offenses which Mr. Nixon is alleged to have committed were unique in that only a President could have committed them. While some technically may have been criminal offenses, they were, more importantly, political actions which offended, and harmed, our system of government.

In that case, the public interest has already been served by Mr. Nixon's leaving office. Regardless of his own rationale for resignation, the naked truth is that he was forced from office because he had grossly violated the ethical standards determinable for American Presidents. Additionally, a rather complete record of documentation has been made through the impeachment inquiry by the House Judiciary Committee. It fully chronicled for posterity the sorry chain of events and misdeeds that eventually brought dishonor to Mr. Nixon.

Although the Nixon resignation made it unnecessary for the House to vote on the Articles of Impeachment drafted by that Committee, let us remember that eventually all 37 members of the Committee indicated their support of at least Article I (the obstruction of justice charge) of the impeachment resolution, and that subsequently the Committee's report summarizing the results of its inquiry was filed with and "accepted" by the House on a near-unanimous vote.

Some critics of the pardon nevertheless argue that it barred the door to our knowing the "full truth" about Watergate. It is possible, one has to assume, that the indictment and public trial of Mr. Nixon on whatever criminal charges flowed against him from Watergate would have brought out further facts. But, as President Ford noted, any such trial would have required many months to complete, during which time "our people would again be polarized in their opinions," and our national attention would continue to be focused on Watergate to the detriment of our capacity to resolve our other problems.

In any event, Mr. Nixon—unless his ill health prevents—can still be called as a witness in some of the lesser Watergate trials yet pending, and cannot now claim the benefit of the Fifth Amendment. In the context of getting at "the truth" then, it is possible he is in greater jeopardy now, than before the pardon. Finally, since there is a valid public interest in knowing all we can about Watergate—to at least lay at rest whatever suspicions remain that he was unfairly hounded from office—legislation is pending in Congress, of which I am a cosponsor, to authorize the Special Prosecutor to render a full accounting of his separate Watergate investigation, in all its aspects, once the same is complete.

This would seem to leave for discussion, then, only the question of what the pardon did to our concept of "equal justice." Mr. Nixon will not got to jail, although John Dean is now in jail and lesser Watergate participants either have been or may yet be so sentenced. Fairness to the lesser participants is a troubling issue—and one which President Ford has not properly addressed. And, yet, has not Richard Nixon been punished enough? As columnist Vermont Royster states it: "He did not merely lose an office. His life has been destroyed, his place in history sullied, his 40 years of public service smashed. He wears already the stigma of the outcast; the shame must haunt him forever. That he brought it on himself makes it no less a punishment."

As I asked earlier, of what importance then is that which happens now to Richard Nixon, private citizen?

We will continue to differ in seeking to answer. President Ford may have blundered in granting the Nixon pardon when he did and in the manner he did. The early violence of public reaction indicates that he underestimated the lasting strength of the bitter passions generated among us by Watergate—and by so doing he lost both credibility and most of the reservoir of good will normally extended to a new President.

And, yet, I believe President Ford's act was one of conscience, born out of a deep-felt need to try somehow to help the people of this Nation put the terrible legacy of Watergate behind them.

It is clear his attempt did not succeed; not at first, anyway. But, in time, the pardon may be seen as less crucial and unwise an act as it first appeared, and the Nation can resume the era of good will that had so hopefully begun during the first thirty days under our new President.

Surely that is the hope of this correspondent, as he prepares for his return to private life with a grateful heart for your understanding, interest and past support.

THE PUBLIC CLAMOR FOR ECONOMIC CONTROLS

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. GAYDOS. Mr. Speaker, President Ford has already launched his scheduled series of meetings with various special

interest groups to prepare himself for a high level "economic summit" conference on how to combat our raging inflation.

I applaud our President's course of action. I am gratified he is going outside the sphere of the White House to meet with people and listen to their views and recommendations. But, I am concerned over his reported strong opposition to the possibility of renewing Federal economic controls, even on a standby basis.

I believe it unwise to enter into discussions of such a serious nature with a mind closed to any possibility of solution, particularly to one that not only is probable but may even be inevitable.

Contrary to what the President may believe, not everyone in the Nation is opposed to the idea of economic controls. There are people in the Congress who would accept them. There are even labor leaders who would live with them, although labor certainly has reason to oppose such restrictions. And, there is evidence of a growing sentiment on the part of the American people that governmental controls are the only solution to taking the curl out of the inflationary spiral.

In fact, I wonder if the President is as adamantly opposed to control as has been reported. Has he not asked the Congress to delay the 5.5-percent pay increase mandated by law for Federal employees for a 90-day period? Is this not a form of wage control?

Incidentally, I will not support the President's request for a delay in granting the pay increase. Federal employees have as much right to receive what is lawfully due them as any other citizen. They have already played the role of the sacrificial lamb on the altar of inflation. President Nixon unilaterally withheld a previous pay raise from them until the courts forced him to release the funds. I do not believe the Federal employees should be called upon for an encore so soon.

However, it is not my intention today to champion the cause for or against Federal economic controls. I wish only to point out that the Nation and the people need a respite from the inflationary squeeze of the past 5 years. They need a chance to catch their economic breath. Controls may provide that opportunity. Based on the facts available to me, I can see where their renewal is a distinct probability, particularly since inflation will continue to grow while we grope for a solution.

Nevertheless, I understand the reluctance of those who oppose Government's intervention in economics. Business, with some justification, traditionally looks on controls as a monkey wrench in the machinery of free enterprise. Labor, as I have said, has grounds to be wary of controls. Under President Nixon's wage and price freeze, rank and file members were the ones who were chilled. They watched prices outstrip paychecks and now are trying to play catch-up ball.

On the other hand, a vast segment of the American public is becoming impatient at the soaring cost of inflation. They are angry at the continued escalation of prices and the decreasing purchasing power of their dollar. They are bitter at the on-again, off-again shortages of food, fuel, and other commodities which magically disappear when the price becomes right. They want the economy straightened out and they want the Government to do it.

But, they want proof relief is forthcoming, not prophecies. They remember the economists who early this year talked glowingly of a slowdown in the rate of inflation during the second half of 1974. Where is it? They hear the experts now talking in terms of 2 years or more before inflation will be curbed—if we can settle on a course of action.

Frankly, I do not believe the people will accept that deadline. I believe they will be clamoring for economic controls before then and the Federal Government will have no choice but to impose them, whether it wants to or not.

A Gallup poll in early August reported the people want more in the way of Federal participation in the inflation fight than what now is contemplated by President Ford. The President has indicated he will use jawboning and the newly reactivated Cost of Living Council to monitor the economy. The people feel the Council is nothing more than a watchdog with no bite.

Gallup's survey also showed public support for economic controls has gained consistently since November 1971, when President Nixon initiated phase II of his economic program. The inflation rate then was nowhere near the 12 percent it is today but during the time phase II was operative, inflation slowed and public support for controls rose from 38 percent to 52 percent.

Similar findings were compiled in a "home phone poll" I conducted on three occasions in the 20th District of Pennsylvania on the subject of controls. In each instance, the majority of people contacted supported restrictions and by an ever-increasing margin.

In the summer of 1971, after President Nixon reversed his position on controls and ordered the first wage-price freeze, I sampled public opinion and found 67 percent of those contacted approved the move, 24 percent opposed it and the rest were undecided. In April 1973, as the Congress considered extending the Economic Stabilization Act, I took another sampling. The results showed 69.7 percent favoring continuation and broadening of controls with only 16 percent opposed.

I am now conducting a third survey and, while it is not completed, it is apparent that again the weight of public opinion is on the side of controls by a very substantial margin. The people, however, are insistent that if controls again are applied, they should be applied fairly and firmly to all segments of the economy.

To those who oppose controls and point to the track record compiled during the era of Nixonomics, I would caution them not to use that period as a yardstick in measuring the ineffectiveness of restrictions. It must be remembered Mr. Nixon balked at using the authority given him by Congress for 18 months. When he did use it, he used it unfairly, slapping some controls on here and leaving them off there. He later compounded the confusion by rapidly shifting from one "phase" into another, leaving the economic wreckage strewn behind.

Nevertheless, phase II of the Nixon program was a bright spot in an otherwise dismal picture. During the time it was in effect, inflation did slow, dropping from the rate of 6 percent in 1971 to 3.5 percent in early 1973. Unfortunately, where Mr. Nixon acted too late in imposing controls, he now acted too hastily in removing them. He discarded phase II and the inflation exploded.

If the rate of inflation continues as it has, and I expect it will, public clamor for Federal controls will increase with it. Ultimately, like it or not, I believe the President and the Congress will have to impose economic restrictions once again because the people will demand it.

Therefore, I hope President Ford will be flexible in his attitude toward controls and if they are to be the safety valve to release the steam from our pressure cooker economy, as I think they will, then so be it.

IMPEACHMENT STATEMENT

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. RYAN. Mr. Speaker, the Presidency of Richard Nixon is now history. The role of the Congress in determining whether or not to impeach and then to convict him for certain abuses in office is now simply history.

At the time that the House Judiciary Committee completed its very fine, thorough, and exemplary hearings on the impeachment bill and reported that bill to the floor, it appeared that the issue would be joined and there would be some further debate regarding the articles of impeachment.

At that point, I had read extensively on the Judiciary Committee's hearings, I had listened to the White House tapes, and I had formed a conclusion that I must vote for the impeachment of Richard Nixon. Now that the matter is history, it might be well at least to include in the CONGRESSIONAL RECORD the comments that I had prepared as there was to be a floor debate on the impeachment of President Richard Nixon.

The comments follow:

COMMENTS

I intend to vote for the impeachment of Richard Nixon. There has already been enough comment about the dangerous precedent set in doing so, and in not doing so. Much has also been said about the guilt or innocence of the President, implying that he may be impeached only if he is guilty of criminal activity.

Former Minority Leader Gerald Ford probably came closest to what grounds for impeachment are when, during the time that he was actively pursuing the impeachment of Supreme Court Justice William O. Douglas, he defined grounds for impeachment as whatever the House of Representatives say they are.

Our Constitution left the question very broadly defined, and the Federalist Papers support the broad interpretation. With very little precedent for Presidential impeachment, we must now set our own precedent.

What are the limits of Presidential power under the Constitution? How far can a President go 'n using power before he treads upon the prerogatives of the other two branches? How far beyond the laws binding ordinary citizens may he travel before he goes too far?

In our courts, and in our daily lives as citizens we know that we will be apprehended for misdeeds, whether we farm the land, drive a truck, or govern a state. We know this because others have authority to step in and to arrest, to stop such activity. But who will stop a President if he steps beyond the law? Who will say when he has gone too far when he has abused his office, and remove him for doing so? Under our Constitution, only the Congress may do that.

And what constitutes an abuse of power? History can be of some help. We find that almost every President was accused of an abuse of power. John Adams for pushing through the Alien and Sedition laws that were so repressive and which the Supreme Court threw out. Andrew Jackson for his destruction of the National Bank, James Polk for his warfare against Mexico, Thomas Jefferson for his Louisiana Purchase, Abraham Lincoln for suspension of the rights of citizens, Ulysses Grant for the most corrupt administration in history. In modern times, Franklin Roosevelt's gift of American war material to Britain, the seizure of steel plants by Harry Truman, later declared unconstitutional, and the undeclared wars in Korea and South Vietnam under the last five Presidents are abuses of Presidential power under the Constitution.

For all of these violations, no President was punished. No President was impeached. I submit that the reason was because the House, representing the American people, did not believe the abuse of power to be sufficient to require impeachment. If they had they would have done so.

The question then arises, what constitutes an abuse of power so substantial that the House feels bound to vote a bill of impeachment? In the words of Jefferson, to do so for "light and transient reasons" would endanger the Presidency and our very system of government. But, again in the words of Jefferson, when there have been "a long train of abuses", action must be taken. What, then, constitutes "a substantial abuse of power" in the words that came from ancient Anglo-Saxon law, according to Professor Charles Black's Handbook on Impeachment is described as to what constitutes high crimes and misdemeanors: "Those offenses whether or not criminal, which are rather obviously wrong and so seriously threaten the order of a political society."

The word substantial is the binding word, and it is most subjective in its interpretation both in the courts, common law, and in ordinary usage. It must be subject to individual interpretation, in this case by each member of the House, according to his own conscience as a literal representative of a portion of the American people.

There is no single "right" answer. There is no final proof of guilt or innocence. There is only the determination by each man and woman on the floor of this House as to the substance of the abuse of presidential power by Richard Nixon.

For my own part, I believe his abuse of power is substantial. The break-in at Watergate. The attempted subversion of the IRS for political intimidations. The plumbers gang. The cover-up of all these carefully plotted activities. This list is long and already well-documented by the work of the Judiciary Committee, and need not be repeated here.

If I do not vote for impeachment, and if the House does not vote impeachment, they will, in effect be saying to the American people, and to other Presidents in decades and centuries to come that these activities by the President and his immediate staff do not constitute enough substance to warrant removal from office, and may therefore be engaged in—for whatever reason the President cares to give. I do not want to give to *any* future President, Republican or Democrat that kind of power. Therefore I vote in favor of the impeachment of Richard Nixon.

THEY FARM THE CLOUDS

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. ABDNOR. Mr. Speaker, man's quest to try and do something about the weather has prompted a lot of activities and inventions through the centuries. Some were exercises in flights of fancy. Others were serious endeavors to implement scientific principles and knowledge.

In my home State of South Dakota our farmers have an annual guessing game around two questions: "Are we going to have enough rainfall?" and "Are we going to be hit by hail?" The threat of drought and/or hail hangs over every farmer and rancher every growing season, testing his ingenuity and his persistence. In an effort to try and do something more than complain about the vagaries of Mother Nature, South Dakota has pioneered cloud seeding in an attempt to conquer both drought and hail.

Starting with small test projects, the program grew to multicounty studies and finally a statewide cloud-seeding endeavor. All of the work has been carefully monitored for its effectiveness and the results compared on a year-to-year basis. While much more must be learned about controlling the big hailstorms, the evidence confirms that cloud seeding does play a role in increasing rainfall and decreasing hail damage.

Dick Braun, managing editor of the Farm Journal, flew a mission with one of South Dakota's cloud seeders. With permission of the Farm Journal we are reprinting his report as it appeared in the September issue:

IN SOUTH DAKOTA THEY FARM THE CLOUDS

(By Dick Braun)

As the story goes, farmers in the Great Plains are usually looking down or up—down when they're praying for rain, and up to see if the clouds are coming yet. That explains why South Dakota was the first to inaugurate a statewide cloud-seeding program, with taxpayers picking up the check. As a wind-leathered Dakotan put it: "We always gamble on a crop here, and then gamble on prices; why not gamble a bit on making more rain and less hail?"

Three years ago the South Dakota Legislature enacted and funded a Weather Modification law which, among other things, allows the state and counties to raise tax money for cloud seeding. The program has grown to a $1.040-million operation this year 75% of that from the state and 25% from cooperating counties. Less than a third of the state's 67 counties remained out of the program, mostly counties with much non-taxable federal and state land.

There's no iron-clad proof that cloud seeding will make more rain or less hail. This summer, large blocks of the state have had a serious moisture shortage, even with cloud seeding. But the weight of evidence from countless projects around the world tips the scale in favor of properly conducted cloud seeding for moisture-short or hail-prone areas. "We can expect 10% to 20% more rainfall during our May 1 to Sept. 1 cloud-seeding season" says Merlin Williams, who administers South Dakota's Weather Modification Commission (WMC). "Last year we increased rainfall in the seeded districts by 18% to 22% over what fell in adjacent, non-seeded counties." Research there and in the large hail-suppression districts of North Dakota and Canada indicates that cloud seeding reduces hail by 40% to 60%. "The additional rainfall in South Dakota increases income by about $30 million a year," says Williams, once a weather forecaster for the Air Force and more recently in weather modification work to increase the snow pack in Wyoming and California.

That extra rainfall estimated for 1973 deposited water at a cost of 32¢ n acre-foot, a bargain compared with the $50 cost of irrigation water. As Day County farmer Dean Johnson puts it: "That cost of cloud seeding is so small—3.4¢ an acre—that just a little more rain or a few less hailstones more than pays the bill."

"But what if they make it rain on this hay tonight?" I asked him. "A quarter-inch won't make much difference to the hay, but it would save my wheat," replied Johnson a member of the District 6 Weather Modification Advisory Board at Webster.

Clutching his tractor to a halt, dusty-faced Edgar Dewald in Hanson County voiced some doubts about weather modification: "It doesn't seem possible—or even right to—fool with Mother Nature. But they say they can tame hurricanes. Twenty years ago I never thought they could fly to the moon, either. So who can say that they can't make it rain?"

As you would expect, in South Dakota there are those in favor of cloud seeding, those on the fence, and those like the skeptical farmer-rancher in Beadle County who pin-pointed the biggest problem: "How can they make it rain when there aren't any clouds?" Of course, they can't. Just any old cloud won't do, either. Success in weather modification comes only from seeding the towering cumulous-type clouds that mushroom upward in puffy, billowing formations, and those stratus clouds that spread across the state and frequently bring general rain in the spring.

A radar covers each of the six weather modification districts in South Dakota. Blips appear on the radar screen if a cloud contains sizeable droplets of precipitation.

"That's why we resent it when they call us 'rainmakers,' as a national magazine did recently," retorts Bob Swart, a bright young meteorologist from Oklahoma who monitors cloud-seeding activity for District 6 in northeast South Dakota.

"We can make it rain from certain clouds, but mostly we extend it 30 minutes or so—tickle it to start raining a little sooner and last a little longer," says Swart.

When a radar spots the right type of cloud, a pilot scrambles for his plane and flies up for a closer look. In radio contact with the radar center, the pilot and the meteorologist decide if the cloud is a "juicy" one.

They want a base no higher than 11,000′ so rain drops won't evaporate before they hit the ground. Cloud depth should be at least 6,000′ with a temperature at 23° or colder at the top.

Pilots seed clouds with silver iodide, either at the base or inside the cloud. Strong updrafts lift the iodide particles high into the cloud. These particles produce ice crystals that, when large enough, are pulled earthward by gravity, melting into rain drops on the way.

Cloud seeding is tricky because the silver iodide can cause clouds to mushroom higher, according to research at the South Dakota School of Mines and Technology. But if a cloud builds above 40,000′ "there is danger of hail," says a major cloudseeding contractor in the Dakotas, Wilbur Brewer.

"Heavier applications of silver iodide lower and flatten hail clouds into an anvil top," he explained as we were flying across the state, Brewer, who is also a farmer, got into cloud seeding with his crop-spraying plane after hail severely damaged his crops six years out of seven on his Bowman County, N.D. farm.

It takes a concerted push to launch a statewide weather modification program such as the one in South Dakota (and a new one just passed in Utah). If you live in Pennsylvania or West Virginia, forget it.

"New laws in those states hold cloud seeders liable for rain or hail damage they may have caused," says Ray Davis at the College of Law, University of Arizona. These states have the most "acceptable" laws, according to Davis: Illinois, Texas, Colorado, Kansas, Montana, Utah, Oklahoma and South Dakota.

Considered by outsiders as a model for weather modification, South Dakota carries out its Weather Modification law, passed almost unanimously by the legislature, through the WMC administered by Williams. He studied cloud-seeding projects around the world before putting together the program.

The South Dakota law allows participating counties to levy up to 1 mil in taxes to raise their share of the cost. The Commission contracts with operators who supply planes, pilots, radar equipment and meteorologists. It also contracts with the participating counties.

Serving each Weather Modification district is one radar unit and operator, a meteorologist, pilots and two to four planes. A state-employed monitor, such as Swart, checks their activities and verifies that planes deliver the goods to the right place at the right time.

To keep control at the local level, the law requires an Advisory Board for each district, consisting of a county commissioner from each participating county in the district.

The Advisory Board has veto power over cloud seeding, halting operations when there has been too much precipitation and starting them up again when they need more. The Board also specifies priority between rain making and hail suppression.

"We decided early that the program must have local control or it wouldn't go at all," says Williams.

What do taxpayers think of the program? Researchers from the Institute of Behavorial Science, University of Colorado, checked the opinions of 436 South Dakotans—farmers, ranchers, townfolks and city dwellers—in 1972 and 1973. A majority favored weather modification in 1972, and this "trended toward more favorable in 1973," says researcher Barbara Fahrer. More than half (53%) of the South Dakotans interviewed in September, 1973, favored cloud seeding; 14% were opposed, but a third were still on the fence.

Are taxpayers really willing to pay for cloud seeding? Nearly three-fourths indicated willingness to pay something, in a survey by Orville B. Lanham, rural sociologist at South Dakota State University.

As Washington politicians ponder various weather modification bills and local groups seek federal money for more research projects. South Dakotans remain unimpressed with outside help—and control. "I hope we can keep the Federal government out of this program so it doesn't get all twisted up," emphasizes young LeRoy Epp, a milk and feeder pig producer in Turner County.

ASTRONAUT SENSOR HELPS PALSY VICTIM LEARN TO WALK SMOOTHLY

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. TEAGUE. Mr. Speaker, the May edition of the Medical Group News, offers an insight into the importance of the technology derived from our national space program. Developing techniques of physical therapy for young sufferers of cerebral palsy, has taken advantage of components devised from our national space program. This important article describes well, one of the many ways that our space effort helps improving our medical treatment capabilities:

From Space Flight to Earth Walk: Astronaut Sensor Helps Palsy Victim Learn To Walk Smoothly

Mountain View, Calif.—An ingenious application of tiny electronic body sensors developed here by NASA for space research has led to development of a technique for remotely measuring the precise walking patterns of young clinic patients with cerebral palsy.

Understanding the walking patterns or gait of these children is important in prescribing physical therapy for individual leg muscles. Conventional methods involve literally wiring the patient to a muscle-measuring machine.

However, consistent, noise-free readings are difficult to obtain because jerky leg movements can cause motion-induced errors. And young patients are often inhibited by awkward body electrodes and trailing wires.

Miss Fran Ford, an orthopedic research associate at the faculty group-oriented Stanford University Children's Hospital in Palo Alto, was aware of a NASA Tech Brief on space-developed body sensors. She asked Sal A. Rositano, a research engineer at the nearby NASA Ames Research Center in Mountain View, Calif. for help in developing a better system for gait measurements of her cerebral palsy patients.

Ames Research has had considerable experience in remotely recording physical responses of test subjects undergoing centrifuge and exercise tests as part of its space flight research program. Rositano explained to Miss Ford NASA's experience with preamplifiers, body electrodes, telemetry systems, and similar devices.

Edward P. Luzzi of L-M Electronics in Daily City, Calif., an Ames contractor whose firm had developed small, remote monitoring devices, was also consulted. An expert on telemetry system problems, he made available at no charge three new postage-stamp-size amplifiers.

Attached to muscle-sensing electrodes, these could send impulses to a small telemetry transmitter worn around the patient's waist—for signal relay to a receiver in the test room where the data could be recorded. Thus, the patient would be free of cumbersome equipment and more accurate test results could be achieved.

Working on their own time, Luzzi and Rositano designed and built the unit. They sent it to Children's Hospital, where Miss Ford reported immediate success on her first patient. She reported the gait data was not distorted; error-free results were obtained.

To date, Miss Ford has successfully tested more than 30 cerebral palsy children. She believes the simple, portable system will aid in research of the disease.

PRESIDENTIAL ACTION LACKS HISTORICAL CONSISTENCY

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. CONYERS. Mr. Speaker, many Americans have raised their voices to protest the glaring contrast between the unconditional pardon President Ford granted to Richard Nixon and the highly conditional terms of the repatriation extended to the young men who refused to go to war in Vietnam. On the one hand, we find unprecedented generosity extended to a person who grossly abused the most sacred trust the American people can bestow. And on the other hand we have thousands of people who made great sacrifices in order to register their moral convictions that they should take no part in an undeclared war against people who had never jeopardized American security. Yet President Ford sees fit to forgive venality while requiring contrition from people of conscience. Little wonder that so many Americans see no sense in President Ford's action.

But President Ford, and a few others, argue that an unconditional amnesty granted to the men who refused to be used militarily in Vietnam would undermine the whole Military Establishment. They contend that if we forgive the 15,000 young men who avoided the recent conflict, then young men will refuse to fight in future wars. They believe that forgiving men who would not kill would offend the many who were killed. But President Ford's arguments fly in the face of history. An article in the September 19, 1974, issue of the Washington Post forcibly documents the vacuity of the President's position. The authors are our distinguished colleague, Frank Thompson, Jr., of New Jersey, and Daniel Pollitt, professor of law at the University of North Carolina. The text of their article, entitled "Amnesty: The American Tradition," follows.

[From the Washington Post, Sept. 19, 1974]

Amnesty: The American Tradition

(By Daniel Pollitt and Frank Thompson, Jr.)

President Ford's program to provide clemency for Vietnam War draft evaders and deserters is in some particular respects more demanding and less forgiving than most of the post-war grants of amnesty by his predecessors. But its spirit of mercy and charity fellows well-established precedents dating back to George Washington.

Amnesty, in short, is as American as apple pie. Presidents have granted "reprieves and pardons" not only to those who have resisted the Selective Service laws for reasons of conscience (religious or otherwise), but also to those who have deserted the armed forces, to those who have engaged in espionage against the United States during time of war, and even to those who have borne arms against the United States on the field of battle. This tradition of amnesty goes back to Washington, the father of our country and our first President; and has been maintained and reinforced by all of our great Presidents: Jefferson, Jackson, Lincoln, the two Roosevelts and Wilson. Other Presidents as well—Adams, Madison, Grant, Harrison, Cleveland, Harding and Coolidge—also exercised their constitutional prerogative to grant reprieves and pardons when appropriate to temper the rigors of the law with justice especially when some larger national objective could be thus obtained.

The story of presidential amnesty begins in 1791, when our First Congress imposed a tax upon the process of distilling grain into whiskey. The burden of this tax fell heavily upon the western farmers (located around Fort Pitt) who could carry the whiskey, but not the bulky grain, over the Appalachian Mountains to the cash market in the east. Consequently the "whiskey boys," as they became known, resisted the tax, and the tax collectors, with tar and feathers. President Washington would have none of this and sent the militia under the command of Lighthorse Harry Lee to put down the tax rebellion. The insurrection was easily crushed and the leaders tried, and found guilty, of treason. There was then time for reflection. Congress repealed the tax law (admitting initial error) and Washington granted "a full, free, and entire pardon" to persons guilty of said treasons, or otherwise concerned in the late insurrection." He explained that his personal feeling "is to mingle in the operations of the government every degree of moderation and tenderness which justice, dignity and safety may permit."

John Fries was one of the militiamen who had marched from Bucks County, Pennsylvania, across the mountains to enforce the tax against the Whiskey Boys. Ironically, he led a similar tax rebellion which was the occasion for the next presidential grant of general amnesty.

When word of "Fries Rebellion" reached President John Adams, he called forth the militia and put down the rebellion with overwhelming force. Fries and some of his lieutenants were tried, convicted, and sentenced to death for treason. The following year, with the restoration of "peace, order, and submission to the laws," President Adams granted a "full, free and absolute pardon" to the "ignorant, misguided, and misinformed" persons "concerned in the said insurrection."

Thomas Jefferson was our third President and the first to grant general amnesty to those "who have deserted from the Army of the United States and sought shelter without the jurisdiction thereof." In 1806, Jefferson learned a conspiracy by former Vice President Aaron Burr to raise a private army and establish a nation west of the Alleghenys. Jefferson mobilized the militia from several of the "western" states, and after some weeks Burr was arrested, put to trial and subsequently acquitted. The sentiment for separatism was strong in the western states, and Aaron Burr commanded a large popular following. Consequently, desertion among the western militia was high. With the end of the "Great Conspiracy" and the acquittal of Burr, Jefferson pardoned all those who had deserted and were "desirous of returning to their duty."

James Madison, our fourth President also granted amnesty to those who deserted the Army. Desertions apparently were quite frequent during the War of 1812, for amnesty was granted in February 1812, in October 1812, and again in June 1814 to "a number of individuals who have deserted from the army" but who since "have become sensible of their offenses and are desirous of returning to their duty." The deserters were given three months to "surrender themselves" and thereafter serve out the remaining terms (if any) of their enlistments.

Abraham Lincoln demonstrated through his exercise of the Pardoning Power that he indeeed had "malice toward none," "charity for all." Midway through the Civil War he offered pardon to any citizen of the Confederacy who would take an oath to support the Constitution of the United States; and he granted amnesty to all Union soldiers "now absent from their respective regiments without leave." The condition of amnesty for the deserters was that they "report themselves to a rendezvous" designated by the War Department. Those deserters who did not report for duty, and who were apprehended, were tried and sentenced to death. Lincoln promptly commuted the death sentences to imprisonment for duration of the war.

President Andrew Johnson was guided by the Lincoln principles of reconciliation. One of his first official acts after the assassination of Lincoln was to grant a general pardon to "all persons who have participated in the existing rebellion." Exempted from this general amnesty were those who had held high positions in the Confederacy, and he promised them individual consideration. By 1866 some 13,500 amnesty applications had been favorably acted upon; and in 1868 Johnson granted another general amnesty, excepting this time only Jefferson Davis, former President of the short-lived Confederate States of America.

Ulysses S. Grant, like his predecessor Andrew Jackson, had first hand experiences with the barren existence of frontier military life in time of peace. When Grant assumed the presidency, he found large numbers of peacetime desertions and, in 1873, gave a "full pardon, only forfeiting the pay and allowance due them" to those who had "deserted their colors." Unlike Jackson, Grant conditioned the pardon. Those who had deserted must "surrender themselves at any military station" and thereafter "faithfully serve through the term of their enlistment."

Theodore Roosevelt is one of the Presidents who gave full pardon to those who bore arms against the United States—during the conquest of the Philippines. Over 100,000 American troops waged a four year war during the conquest, but after the triumph of our arms and the triumph of our laws and principles President Roosevelt granted amnesty to our adversaries on Independence Day in 1902. The only condition was that they take an oath recognizing the "Supreme authority of the United States of America in the Philippine Islands."

World War I witnessed the first massive conscription in the country's history. The Selective Service law exempted from conscription those who were members of the traditional "pacifist" church groups, but made no provision for those outside the pacifist churches who objected to participation in war because of conscientious scruples, religious or otherwise. Consequently, a significant number of young men were drafted and refused to obey orders upon arrival at the military bases.

They were court-martialed and sentenced to long prison terms. In 1918 President Woodrow Wilson established a Board of Inquiry, composed of Walter G. Kellogg of the Judge Advocate's Office, Federal Judge Julian Mack, and Harlan F. Stone, dean of the Columbia Law School. The board was instructed to investigate all cases on an individual basis and "furlough" to civilian employment those whose objections to war was found to be sincere and conscientious, regardless of the source of the anti-war belief.

Also jailed during World War I were prisoners convicted under the war-time Espionage Acts, among whom was the socialist leader, Eugene V. Debs. Two weeks before his inauguration, President-elect Warren G. Harding requested his soon-to-be Attorney General Daugherty to investigate the case of Debs and other socialists convicted under the Espionage Acts. Daugherty advised Harding to pardon Debs and selected others. Harding waited until the Peace Treaty was ratified in November 1921 and then released Debs on December 24—so he could enjoy Christmas dinner with his family. Throughout 1922 and 1923, Harding released many more political prisoners—all on an individual basis. In reply to public criticism Harding replied: "I was persuaded in my own mind that it was the right thing to do."

President Calvin Coolidge followed up in 1923 with a Christmas message which granted a general pardon to all those convicted and jailed under either the World War I draft or espionage laws. In March 1924, he granted amnesty to those who had deserted from the armed forces during the three year period between the armistice and the formal ending of the war.

President Franklin D. Roosevelt terminated the problems created by World War I with a 1933 Christmas Day restoration of all rights of citizenship. This amnesty was applicable to all those who had violated either the Selective Service or espionage laws, other than those who had fled the country.

During World War II, the Selective Service Act exempted those who were opposed to war "by reason of religious training and belief," but made no provisions for those whose equally sincere opposition to war emanated from "personal philosophical conceptions." A number of young men refused to register or participate in the war and were jailed. There was also a limited number of desertions.

President Harry Truman, in a series of Christmas actions, gradually broadened the exercise of his pardoning power to grant leniency to those convicted of World War II related crimes. On Christmas Eve of 1945, he granted amnesty, with full restoration of political and civil rights, to those who had deserted, provided they had at least one year of honorable service. On Dec. 23, 1946, he announced the appointment of an Amnesty Board (similar to that created by President Wilson) to examine the individual cases of those convicted under the Selective Service laws. On Dec. 24, 1947, the board recommended the release and pardon of some 3,000 of the approximately 15,000 persons convicted for violation of the Selective Service laws. Most, by that time, had served their sentences, and the issue concerned the restoration of civil and political rights. The board recommended *against* pardon for those who had objected to war for "political and sociological" reasons, *against* pardon for the Jehovah's Witnesses (some 4,300) who had demanded classification as "ministers" and for only a limited pardon for Japanese-Americans who had refused to fight until their civil rights had been restored. Finally, on Dec. 24, 1952, President Truman granted amnesty to all those who had been convicted of desertion from the armed forces at any time between the end of hostilities (Aug. 15, 1945) and June 25, 1950.

The Korean War was about to begin, and this war was unique in that a large number of American prisoners became what was known as "turncoats," actively aiding the enemy. President Dwight D. Eisenhower administratively ordered that there be no prosecution of the approximately 4,500 American collaborating prisoners of war absent "the most compelling and convincing evidence" that the individual was guilty of a serious crime. Consequently, there were very few prosecutions for this most serious of wartime crimes. President Eisenhower did not exercise his constitutional power to grant reprieves or pardons for those who had deserted or for those who failed to meet the "religious training and belief" standard for conscientious objection, and consequently chose prison over participation in a war which violated their individual conscience.

This, then, is the brief history of presidential amnesty.

PING-PONG EUPHORIA IS DECEIVING

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. HUNT. Mr. Speaker, much has been made of the détenté between the United States and Communist China. Most of what has been made of it, however, has come from those who really have little understanding of what is at stake.

Those who do know what is actually going on are much more cautious about this relationship. One who does know about the situation is Mr. Frank Tao, press counselor, Embassy of the Republic of China. Mr. Tao has just written recently to the Baltimore Sun, and I should like to share his August 15 letter with my colleagues:

TAIPEI'S VIEW OF UNITED STATES-CHINA RELATIONS

SIR: In the July 24 edition of *The Sun* there appeared an article by Robert W. Barnett, "Buttressing the Shanghai Communique." In the interest of objectivity, I would like to present the views of the government of the Republic of China on this important matter of "U.S.-China Relations."

Few fair-minded readers of the Barnett article could escape the impression that it lacks evenhandedness. In fact, it shows that its writer is not only unsympathetic toward the position taken by the government of the Republic of China in its fight for freedom and the cause of democracy, but actually quite biased in his whole approach. The use of such terms as "petulant anachronism" and "[running] a risk of being viewed as a troublemaker within the area [East and Southeast Asia]" to the carefully considered policy decisions of a friendly government does not seem to be very discerning or temperate.

Such decisions are generally guided by high principles and consideration of vital national interests, and no responsible leaders would allow themselves to be influenced by capricious sentimentality or obstructionism. It would be unaffected simplicity to assert otherwise.

As regards contacts between the contending factions of the "divided countries," it is pertinent to observe that the accommodation between the Federal Republic of Germany and Communist East Germany was brought about by Willy Brandt's policy of *ostpolitik*. It would not have been possible if the circumstances which gave occasion to his resignation from the premiership had been disclosed before consummation of the negotiations at the end of 1971.

It should also be pointed out that the ideal of a "sovereign state of Korea" to be governed by a united, independent and democratic government, had its inception in the United Nations.

Despite repeated affirmations by both sides of their desires for eventual unity and many meetings of Red Cross representatives and other emissaries, no meaningful exchange toward that end has come about. One of the reasons, it seems, is that the authorities of the Republic of Korea are deeply aware of the aggressive intention of the north and are not disposed to put any alliance on its words.

We of the Republic of China have learned in a painfully hard way, especially during the 1940's, that the Chinese Communists are not trustworthy and that they are incapable of compromise attained by mutual concessions as the word is generally understood in the West and the Free World. To them a promise could be made as a matter of temporary expediency. But that promise is intended to be reneged on when it becomes incompatible with larger political interests.

That China should be united under a free and democratic government is indeed our goal. But it cannot be achieved when Communist armed insurgency is rampant on the mainland.

The Ping Pong euphoria after the Shanghai Communique has given people many wrong notions of the actual conditions on the Chinese mainland. Those who are interested in the detente would do well if they try to ascertain how the Chinese Communist leadership views it as revealed in its explanations to the cadres of lower echelons in the several provinces and local areas and how prevalent has been the opposition to this detente with the United States (which to the Communist cadres and rank and file has appeared so similar to "revisionism" and "collusion with a class enemy").

In fact, this dialogue has contributed in some measure to the open criticism of many high Communist party persons in power, which has formed part of the general melee called forth by the "Anti-Confucius and Anti-Lin Plan" directives.

As explained in the secret documents of the Central Committee of the Chinese Communist party, as well as in the political report to the Chinese Communist Tenth Party Congress, the detente with the United States was a temporary expediency resorted to for specific gains pursuant to Mao's "revolutionary diplomatic line." There is "no change in policy," and "U.S. imperialism" and "Soviet revisionism" remain the "two major enemies."

I am constrained to state that the suggestions made by Mr. Barnett are very damaging to the government of the Republic of China. They, too, have adverse effects on the free nations in Asia. Furthermore, they are not in line with the basic, long-term interests of the United States.

Any proposal or undertaking on the part of the Free World that would give the Chinese Communist regime comfort or opportunity to consolidate its control of the Chinese mainland is tantamount to strengthening its bondage over the people there and frustrating the fervent hopes of all the Chinese who cherish liberty to build a free nation pursuant to their cultural heritage and established values.

Recent reports from the Chinese mainland give every indication of instability and deepening struggle. In fact, they portend further strife, and even the beginning of the battle of succession. In these circumstances closer relationship with Peiping does not seem to be in the interest of the United States—the leader of the Free World.

FRANK TAO,
Press counselor, Embassy of the Republic of China.
WASHINGTON.

H.R. 15799

HON. JOSEPH J. MARAZITI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. MARAZITI. Mr. Speaker, I have introduced H.R. 15799.

I hope that by the passage of this bill we can outlaw a barbaric practice.

It has come to my attention that in numerous parts of the Nation, cruelty in its worst form is being practiced on animals.

My bill would prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purpose of sport, wagering, or entertainment.

Baby kittens are used as bait to make dogs become vicious. They are dangled in front of these "killer" dogs while the dogs rip and tear them apart. The dogs are placed in a ring to attack one another and fight to the death while wagers are made on the outcome of the fight.

I can think of nothing more degrading to the human spirit and nothing more cruel or inhumane to defenseless animals.

Those who are so depraved to authorize and/or engage and enjoy these inhumane activities ought to be immediately and severely punished.

The bill provides for severe penalties for all those involved including fines and/or jail sentences.

SHENANDOAH DRILLING

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. COLLINS of Texas. Mr. Speaker, there has been much discussion of oil depletion. Last week, I was talking to Elliott Roosevelt, Jr., who is vice president of Shenandoah Oil. We discussed what depletion means to their company. Since this is a small independent company, it is interesting to see the adverse effect that depletion removal will have on them.

Shenandoah is a company devoted to the search and development of new oil and gas reserves. As this Congress emphasizes the importance of oil and gas reserves self-sufficiency, we need to analyze the tax impact of depletion on exploration. In simple language, the depletion allowance has given Shenandoah the momentum for continuing drilling.

If oil depletion is eliminated, the major companies can absorb this additional expense and pass it on to the public. But independents, who do 80 percent of wildcat exploration, will be washed out.

Many independent oil firms have private figures and we cannot present them for review. Fortunately, Shenandoah is on the American Stock Exchange and we have an opportunity to see the disastrous effect of removing depletion. Let us take the past 5 years. Shenandoah has covered its financial deficits for the past 5 years by additional public stock offerings of $9 million and bank loans of $18 million. This might surprise some of my colleagues who believe that all oil that flows produces cash income, whereas Shenandoah has continually reinvested additional resources to carry on its acquisitions, exploratory and development programs.

During this past 5-year period, Shenandoah invested a total of $36,349,000. Of this $36 million, $27 million had to be secured from outside financial resources.

In talking to Elliott Roosevelt, Jr., I was interested in the outlook of this corporation. He tells me that Shenandoah has continually reinvested more money every year. He is enthusiastic about their tremendous program of expansion ahead. Here is an independent oil man who cannot understand why Congress should consider canceling depletion.

Here is Shenandoah Oil investing all the money from selling additional stock and borrowing money from the bank, so they can continue oil exploration and development. We need to make America energy self-sufficient and the retention of depletion is an essential incentive.

TRIBUTE TO ROSS SCIARROTTA, SR.

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. ANDERSON of California. Mr. Speaker, one of the most rewarding aspects of the job of being a Congressman is the opportunity to work closely with local officials. These public servants have the advantage of being in constant contact with the people they represent, and provide us with valuable information and counsel during our long months in Washington, D.C.

During my tenure in Congress, one of the most dedicated local public servants I have had the pleasure to work with is the Honorable Ross A. Sciarrotta, Sr., a Torrance, Calif., city councilman for 12 years.

Ross Sciarrotta brought to the city council a strong belief in efficient and effective municipal government, along with business expertise and an independent mind—qualities which will be sorely missed.

And Ross did not just talk about his belief in economy in government—he worked hard to achieve this goal.

When Ross Sciarrotta said that he believed in fiscal responsibility, he provided it by reorganizing certain city services, saving Torrance over $50,000 yearly.

When Ross said he believed in keeping local taxes down, he proved it by insisting on a full-time city treasurer with the responsibility of investing the city's "idle money," earning millions of dollars.

The Los Angeles County Board of Supervisors also recognized Ross Sciarrotta's dedication and ability, appointing him to their committee on economy and efficiency. While on the committee, he was named to head the task force investigating welfare, an assignment which involved checking the expenditure of public assistance funds.

The effort Ross put into his duties on the Torrance City Council befitted a full-time job. But during this time he was also an instructor of political science at Long Beach City College, and often brought his classes to Torrance City Hall for a first hand view of municipal government in action.

Another of Ross' outstanding qualities is his deep interest in youth. Not only has he raised a large family to be educated and become responsible citizens, but he has worked hard for the welfare of all youth in Torrance.

Mr. Speaker, the outstanding service of Ross Sciarrotta, Sr. will certainly be missed by all the people of Torrance. But I know that he will enjoy the additional time he has to spend with his lovely wife, Nellie; his children, Frank, Ross Jr., Pat, Don, Jerry, Maria, Gregory, Chris, and Cyndi; his grandchildren; as well as his favorite hobbies, writing poetry and woodworking.

THE PLIGHT OF THE CATHOLIC CHURCH IN HUNGARY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. DERWINSKI. Mr. Speaker, yesterday, I was pleased to insert the first part of a lecture by Dr. Andras H. Pogany, president of the World Federation of Hungarian Freedom Fighters. The address entitled, "The Plight of the Catholic Church in Hungary," was delivered before His Eminence, Jozsef Cardinal Mindszenty during the Roman Forum's monthly meeting at Fordham University.

Mr. Speaker, at this point, I would like to insert the continuation of Dr. Pogany's lectures on the situation in Hungary and its relationship to the Catholic Church:

THE PLIGHT OF THE CATHOLIC CHURCH IN HUNGARY—PART II

THE RELIGIOUS ORDERS

Each of the three remaining orders for men, the Benedictines, the Piarists and the Franciscans, and the only remaining order for women, the School Sisters of Kalocsa, are allowed to accept only *two* novices a year, and not more. It is a well-known Government-initiated practice in today's Hungary, that the young novices are immediately called in for military service: one upon his acceptance by the religious order, the other one three months later. They have to serve three consecutive years in the Army, as privates and are exposed to all kinds of physical and mental pressure in order to discourage them from their religious vocation. We may thank Almighty God, that according to report we have, the Communists seldom succeed in doing so.

Another intolerable fact is the State's shameless meddling into the internal affairs of the religious orders. They brutally interfered, for instance, in 1973, with the election of the Benedictine Arch-Abbot of Pannonhalma, who is an "Abbas Nullius" and one of the oldest and most respected church dignitaries in Hungary. The legally elected new Arch-Abbot was simply forced to resign from his new position and the congregation of the Benedictine Fathers, hurriedly reconvened, was made to elect another archabbot, more to the liking of the Government.

Hundreds of former monks and nuns are still working in civilian jobs and are forbidden to live in communities. And the new Vatican policy has not been able to help them.

And what about the most important asset of religious life, that is free participation in religious services and religious education in Hungary?

According to the so-called constitution of the Hungarian People's Republic, freedom of religion is guaranteed for Hungarian citizens. This is true in the sense that everyone may attend Holy Mass or services, go to confession and partake in the blessings of the Sacraments. This does not mean however. that there are no serious discriminative and punitive practices against those who expose themselves as believers. A citizen, fearing of and believing in God, cannot be trusted and is declassified to third or fourth rate citizenship. Teachers at all levels of the educational system are immediately fired if they are caught attending church or sending their children to religious education. Only confessed non-believers and atheists are permitted to teach the young Hungarian generation.

Religious instruction is allowed on paper, but in practice it has all but disappeared in Budapest and in the cities of Hungary. The pressure is so tremendous, the intimidation is so shamelessly strong, that most parents simply do not dare to risk their jobs by sending their children to religious education. It was most difficult, even before 1956—and I could detail hazards during that period, as a father of six children in Budapest—but now it is almost impossible. Religious education is dead now in Hungary. Dead in the cities and dying in the villages, where the last vestiges of the ancient Hungarian village social structure are being systematically demolished. In the new order, with a quickly changing village population, the defense of religious education is weakened to a point of total annihilation. The right of spiritual self-defense is deprived from the Churches in Hungary.

The result is a totally uneducated young generation of Hungarians, as far as God, religion, and Church are concerned. They still have a strong desire to know God and to have answers to the basic human problems: life and death. Instead of the official teaching of the Church—which is not available for them—many young people create their own "private" religions put together by a wide variety of books read and by impressions received. The Communists failed to turn them into atheists; but they do not belong to the organized churches either.

But there is an even more frightful aspect of this new trend in church-State relations. And this is the disillusionment of the faithful in Hungary who are fighting for their faith and for their church. For many years our situation was frightening, but simple. On the one side were Cardinal Mindszenty and his fellow priests suffering in prison, but with them were the blessing of the Vicar of Christ and the prayers and loyalty of the Hungarian people. We were oppressed, jailed, and tortured, but was this not the unavoidable fate of the Ecclesia Militans? On the other side was the devil himself, the anti-Christ and his followers, represented in Hungary by the Communist Party and its secret and not-so-secret agents, among them excommunicated priests and members of the Communist front-organization, the Opus Pacis. We had many hardships in our everyday life, but we also had the promise of our divine Master: "Blessed are those who are persecuted for me."

Now the picture has changed and for the worse. This new Vatican policy has ended up only in giving without receiving. We can easily measure up the total bewilderment of our own in Hungary, who now cannot identify between good and bad or right or wrong in Church affairs, after seeing persons of highly doubtful repute being elevated to positions in the Hungarian Catholic hierarchy, thus seemingly bestowing upon them the sign of approval of the Holy See. Atheistic attack from outside, bewilderment and disillusionment from the inside are such heavy burdens that they can hardly be carried by the Hungarian Catholic Church for a very long time.

Concluding in short: the plight of the Church in Hungary still continues. From the Rákosi tyranny we fell into the Kádár oppression: more subtle, perhaps, but even more cruel and sophisticated than the other one ever was. The approach introduced by the 1964 Vatican-Budapest protocol, after 10 years of negotiations proved to be unsuccessful.

That the February developments of 1974 did not improve Vatican-Budapest relations is evidenced by the latest occurrences in Hungary.

First of all, the appointments of 2 good men to the sees of Eger and Székesfehérvár, without a basic change in the present structure of church administration and without a basic change in the State's approach to ecclesiastical matters cannot be construed as some fine advantage achieved.

Secondly, on March 28, 1974, Janos Kadar, the aging Communist boss of Hungary seemingly taken aback by the world-wide storm following the recent Mindszenty-affair, in a speech delivered to a large audience of factory workers in Nyiregyhaza, with real Communist impertinence, assigned the full responsibility for the Mindszenty-affair to the Vatican alone. "Those who blame us for Mindszenty's retirement—said Kadar—for putting undue pressure on the Vatican, highly overestimate our possibilities and deeply underestimate the Vatican's own power. Something quite different was involved: the Church, too, is searching for its place in the modern world."

On March 20th, 1974 the Central Committee of the Hungarian Communist Party published a long statement on its policies. The text named two persons as mortal enemies of their kind of socialism: one of them Solzhenytsin, the other one Cardinal Mindszenty, which proves that the Vatican's declaration did not change Cardinal Mindszenty's role as the favorite scapegoat of the Communist dictatorship in Hungary.

Even before this, the Office of Church Affairs called a meeting for young Hungarian priests in Budapest. Imre Miklos, head of the Office, addressed them himself, pressuring them to join to the Peace Movement of Priests, the Opus Pacis.

All this happened within six weeks of the memorable February 5th 1974 Vatican declaration, which could hardly have influenced the Party-cadres favorably toward the Church in Hungary as the facts, just mentioned, clearly show.

Perhaps the most characteristic example of the ecclesiastical situation today is an article published on March 31, 1974 in the *Katolikus Szó* (Catholic Word), a State-sponsored so-called Catholic periodical. The reporter, in a long article, presents his findings on the state of affairs of country parishes and pastors in Hungary.

The reporter, who wrote this article for a "Catholic" periodical and who supposedly should be promoting faith, religion and priestly vocations, finds that the Hungarian Catholic Church's greatest problem is to retain the 99 lambs in the fold without worrying about the one lamb which has been lost. He visited several country parishes. In one rectory the pastor—a Doctor of Sacred Theology—was cooking some squash, his only plate for dinner. The kitchen was loaded with unwashed utensils. The priest's study was loaded with books, but he had not cleaned his quarters for at least a month. The pastor was very proud of having up to 15 children in his religious class, but, the reporter tells us no one opens his door on weekdays. There are 4 or 5 weddings, 8 to 10 baptisms and 15 to 20 burials a year, apart from the Sunday Masses, and that's all. If he feels himself alone, he goes to the organ, sings a "Tantum ergo . . ., or an "Ave Maria". After that only a few bottles of wine remain for him. The reporter found the same scenery in other parishes too.

Some priests write for their own desk-drawer, others desperately try to have retreats organized for their flock, even more, according to the reporter, simply drink. And almost all of them, sooner or later, have ulcers. They cannot hire a cook, cannot afford to eat regularly in a restaurant, and so the ulcers are unavoidable. The pastor has more and more empty wine-bottles, and he, himself, slowly, but surely is being covered with dust. . . .

This is how a Hungarian, state-sponsored "Catholic" periodical "promotes" the idea of priesthood and Church for the general public in Hungary on March 31st, 1974. And there is no protest from the Hungarian Board of Bishops or from anyone else. There is none, because, it would be an exercise in futility.

Seeing the plight of the Church in Hungary, should we despair? Never. A Christian can never despair.

The Communists may mislead many, but they can never mislead the Holy Spirit who lives in the Hungarian Catholic Church also. Neither can they mislead our Hungarian saints in Heaven, like Saint Steven, our first apostolic king, St. Ladislaus, the knight-king, Saint Elizabeth of Hungary or her niece, Saint Margaret of Hungary. They and many more are praying for their Church and their prayers and ours will save the Hungarian Catholics from the wrongdoings of the Devil.

Meanwhile, on behalf of more than 7 million suffering Roman Catholics in Hungary I urgently ask your prayers for a nation and for their Catholic Church in a time of great distress, of great sacrifices and of great and painful disappointments.

THE STRENGTH OF AMERICA

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. MURTHA. Mr. Speaker, the strength of America has always been the spirit and involvement of its people. Our past has been deservedly proud, and our future secure, because of the spirit and commitment of individual citizens.

Few of us will have an opportunity to change history with one act. Each of us, however, can contribute to the future of America through our own individual talents and abilities.

And it is that spirit, Mr. Speaker, that will be honored at half-time of the Westmont-Conemaugh Township football game on Saturday, October 5. The ever deserving recipient of that day in his honor is Mr. Carl A. Engh.

Mr. Engh was a teacher, coach, and educator of young people at Westmont High School from 1918 to 1959. Like any man who loves his profession. Mr. Engh was diligent, and it should be noted that in those 41 years, he missed only 5 days at school.

As revealing as those figures are, it is impossible, Mr. Speaker, to count accurately the number of lives Mr. Engh touched and improved. Throughout the United States today there are individuals making contributions who benefitted from their contact with this remarkable man.

As an athletic coach, athletic director, and commercial teacher, Mr. Engh instilled in the young people he met the virtues and ideals of life that had helped him to shape his career. I know that as these young people went out to lead their own lives, the contact with Mr. Engh proved invaluable to them in shaping their own lives.

I know, Mr. Speaker, that I speak for the entire U.S. House of Representatives, in congratulating Mr. Engh on his brilliant career and extending him all best wishes on this day in his honor.

The spirit of America continues and grows in strength through the individual dedication and spirit of our people. Mr. Carl Engh symbolizes that spirit, and richly deserves this day in his honor.

INTERNATIONAL DAY OF PRAYER FOR CYPRUS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. EILBERG. Mr. Speaker, the administration's response to the tragedy of Cyprus continues to be unfeeling and inhumane.

We are still trying to work out solutions that are strategically beneficial while hundreds of thousands of people are living in refugee camps with inadequate food, water, clothing, and shelter.

However, there are groups all over the country which are trying to help these people.

At this time I enter into the RECORD an account of the part of the effort in my city, Philadelphia:

CHURCH OF THE ANNUNCIATION,
GREEK ORTHODOX COMMUNITY
OF PHILADELPHIA,
Elkins Park, Pa.,

The congregation of the Church of the Annunciation joined with coreligionists in the tristate region and with millions of their counterparts on the American continent Sunday, September 22, to offer prayers for those who died in the recent Cyprus tragedy and for those 234,000 homeless people driven from their homesteads over the last several months as result of the unprovoked Turkish invasion of the island republic. "The prayers come on the eve of the resumption of UN deliberations scheduled to take-up the Cyprus crisis," according to Archbishop Iakovos, primate of the Church in America. Speaking in behalf of the Greek Orthodox Archdiocese of North and South America, the prelate stated that "for us Greek Orthodox Christians in America the Cyprus problem is actually a most deeply human and Christian one, because upon it rests the question if, and to what extent, our God-given freedom and sense of justice are still considered to be universal rights, and whether or not it is our duty to defend and uphold them . . ."

Services at the Church of the Annunciation were conducted by its pastor, Fr. John A. Limberakis, following the regular 10:30 AM liturgy. Attempting to explain the current wave of anti-Americanism sweeping Greece and other parts of the world, Father Limberakis, a Bostonian by birth, said that "the antagonism and outrage is not against America and Americans per se, but against the ideology demonstrated by the U.S. State Department in failing abysmally to oppose by public statement or deed what the whole civilized world has condemned: Turkey's invasion of Cyprus and the ravaging of innocent, unarmed, unprotected civilians. This is what every Greek abhors and every civilized man in the world deplores . . ."

The archdiocese has called for the collection of clean, usable clothing to be shipped to the Cypriote refugees from the port of Philadelphia. Parishes throughout the archdiocese are serving as official collection depots.

THE FAMOUS TOASTED ENGLISH MUFFIN CAPER

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. FRASER. Mr. Speaker, David S. Broder, the Washington Post's perceptive political columnist, devoted his September 18, 1974, column to the sense of perspective of the Washington political community.

Broder writes that "government is larger and more complex than one man." It is.

He also makes the point that concern with and creation of "the mythical super-President" as in the "toasted English muffin caper" is a disservice. This President is, as Broder points out, a "quite ordinary, unpretentious working politician." All Presidents ought to be.

They are also fallible. And it is their fallibility that is obscured when we raise them to the level of super-President.

Presidents also can be very powerful. This is why the deification that seems to accompany each occupant who enters the Oval Office is so dangerous.

Bringing the President back into human focus is an important way to inhibit Presidential excesses. Bringing the other political actors into clear view is another way to avoid the Imperial Presidency.

The article follows:

[From the Washington Post, Sept. 18, 1974]

GOVERNMENT: MORE THAN THE PRESIDENCY

(By David S. Broder)

In all the frantic discussion these past ten days about the Nixon pardon, one interesting question has barely been addressed. There has been endless speculation and comment about Mr. Nixon's condition, President Ford's leadership capacity and the influences operating in today's White House.

But not much has been said about what the Washington reaction reveals about the character and climate of this capital. And that is, all things considered, perhaps the biggest cover-up of all.

What it shows, I am afraid, is that this political community is as hopelessly addicted to the distortion and magnification of the President and the presidency as it has ever been—that, in this fundamental sense, it has learned nothing at all from the painful experience of the past decade.

There is no question, obviously, that a President issuing a blanket pardon to his predecessor is big news—especially when the action comes in dramatic fashion on a Sunday morning, with no advance preparation and no very thorough explanation.

But the sirens that went off inside the heads of journalists and politicians here made it sound like a declaration of war had been issued or a man from Mars had just landed. Newspaper staffs were assembled, instant TV specials rushed on the air, and every press secretary on Capitol Hill went racing for his mimeograph machine.

To a journalist on assignment halfway across the continent, the Washington reaction betrayed, at least in part, an emotional backlash to a self-induced high. The press was betrayed, not by the real Gerald Ford, but by the mythical super-President created by the press' own artifice during the previous month.

As has been said here before, the Ford succession offered the Washington press corps the opportunity to get the presidency back into human focus, by accepting him as the quite ordinary, unpretentious working politician he is, and by covering his official actions, rather than glamorizing his private life. Instead of that, what we produced was a tidal wave of guff about the euphoria of dancing parties in the East Room, poolside picnics at television correspondents' homes, and the internationally famous toasted English muffin caper.

Despite this flood of puffery, most Americans were able to make quite sensible judgments about their new President. The day before the pardon, interviewing voters in a barometer precinct in Denver, one heard complimentary remarks about the personality of Mr. Ford and his apparent desire to be open and candid in his dealings. But when one asked those voters if they planned to support him in 1976, nearly everyone said, "It depends on how he does between now and then."

That common-sense view seems to escape us in Washington. We are congenitally incapable of getting it in our heads that the President is just another politician who ought to be viewed with tolerant skepticism as a human being, and be judged over some reasonable length of time on the basis of the inevitable successes and failures of public policy for which he can be held to account.

Instead, we seem determined to take him with us on a roller coaster ride—elevating him to paragon status for no good reason and then condemning him utterly when, in our view, he makes his first mistake.

Above all else, we seem unable to broaden our view beyond the White House and let people know the government is larger and more complex than one man.

The result of that tunnel vision is that far worse examples of irresponsible behavior go by unheeded and unchecked every day in Washington than those presidential aberrations that preoccupy us.

Why is it, for example, that almost no one has pointed out that most of those same senators and representatives who have been waxing indignant about the Nixon pardon were so conspicuously silent, during the previous month, when the Special Prosecutor looked to Capitol Hill for guidance on whether he should proceed with the Nixon case?

Why are those who are so vocally insistent on equal treatment before the law too busy to notice that Wilbur Mills is once again about to legislate new loopholes for the wealthy and increase the inequity in a tax system that affects far more people prejudicially than the presidential pardon?

Could not some of that relentless publicity focusing on the search for the mysterious person or persons who influenced Mr. Ford's decision shift, for a moment, to the four senators—George Aiken, Howard Baker, Peter Dominick and Ted Stevens—whose cloture votes on Thursday will decide whether the Agency for Consumer Advocacy bill is killed or saved in the Senate?

Why does the vigilance of the press not extend to the House Rules Committee, where the most serious, significant effort in a quarter-century to sort out the jumbled jurisdiction of House committees is slowly being talked to death by a combination of special-interest lobbies and seniority-conscious legislators?

Where were we all when a young Vietnam veteran named Kowalski asked the members of the New York congressional delegation to explain and justify a parliamentary sleight-of-hand by which the House reduced benefits for handicapped Vietnam veterans and killed a promised fifth year of schooling, supposedly in the interest of economy?

The answer to all these questions is that we are still acting as if the President were the entire government, and each of his actions the be-all and end-all of his entire public career. Where the devil is our sense of perspective?

BLUE CROSS: WHAT WENT WRONG?

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. BROWN of California. Mr. Speaker, there is a growing conviction on the part of the average citizen that our Government, and various nonprofit service oriented institutions are actually self-serving, exclusively bureaucratic, too rich, and in a back-scratching relationship with the other major financial interests in the same arena. While in extreme cases this may be considered paranoia there is increasing evidence on many fronts that the gut reaction of many Americans is right on target.

The following book review regarding a subject of great concern to us legislators in the coming months is must reading if we want to try and protect the consumer of the health industry. As we embark on our new efforts to bring a new national health insurance scheme into being it is time to review some of our past mistakes. I feel this book may give us some advice on pitfalls we seem to be on the verge of repeating for the sake of political expediency.

The book review follows:

[From the Washington Post, Aug. 23, 1974]

BLUE CROSS—A HEAVY CROSS TO BEAR FOR HEALTH CARE

(Reviewed by Richard J. Margolis)

Blue Cross: What Went Wrong? By Sylvia A. Law, prepared by the Health Law Project, University of Pennsylvania.

The reviewer, a free-lance writer, is working on a book about the nation's health system.

Remember when Americans believed that the nation's health system was practically beyond reproach? We may have discerned a few blemishes, but those would surely vanish in the rush of medical technology and amid the blessings of medical free enterprise.

Or would they? Today many Americans have come to suspect that the system is beyond redemption—too bureaucratic to be reformed, too tangled to be understood and too rich to be respected.

Somewhere near the center of this miasma lurks Blue Cross, that remarkable nonprofit conglomerate of health insurance plans to which more than one-third of all Americans under 65 subscribe.

It is an enormous business, accounting for better than half of all payments to hospitals and about a quarter of the nation's entire annual health bill. In one way or another, it is a cross we all bear.

Yet until Sylvia Law and her colleagues on the Health Law Project at the University of Pennsylvania completed their research, we were privy to an astonishingly little information about the enterprise's inner workings. We absorbed a fair amount of propaganda from Blue Cross public relations offices, but scarcely any news.

The news in this book is mostly bad, though some of it is obscured by technical jargon or buried in an avalanche of documentation. (There are, alas, 857 footnotes.) The impact is nevertheless devastating. Law reveals an institution fiercely dedicated to corporate gain, and she spells out the unwholesome partnership between Blue Cross and the hospitals in which the patient is simply a pawn who pays and pays. In the end we begin to understand why Blue Cross rates have been going up almost as fast as Blue Cross office buildings.

What went wrong? Why has the sweet dream of this "unique American institution," as Law calls it, turned unaccountably sour?

Blue Cross arrived during the Depression as an imaginative solution to the dilemma of that threadbare period: patients without money, hospitals without revenue. But from the start, says Law, it was seen less as a service to the patient than as a collection agency for hospitals.

And in the absence of consumer representation on local Blue Cross boards, the association rubber-stamped whatever prices the hospitals cared to charge, blithely passing on the burgeoning costs to voiceless subscribers.

With collections thus guaranteed, hospitals have been free to indulge their inefficiencies as well as their avarice. In Pennsylvania a few years ago it was discovered that hospitals were buying "hospital" scissors from special supply houses for $7.50 a pair when they could have been buying the same article for $2.49. That is a small example, but the book contains hundreds more; and when multiplied by thousands of daily purchases they amount to plain profligacy.

Since passage of Medicare and Medicaid the bedfellowship between Blue Cross and the hospitals has grown ever more profitable. In most states the hospitals have chosen Blue Cross as their "fiscal intermediary," which means that the association collects federal medical payments and passes them along to the hospitals.

HEW pays Blue Cross plans a fee for this service and expects them to check the hospital bills for fairness and honesty. But that is like asking a Watergate conspirator to keep an eye on the White House tapes: Blue Cross is too deeply implicated in hospital finances to take an objective view toward billing practices. As a result, says Law, millions of the taxpayers' dollars have been squandered.

All of this, in Law's opinion, typifies the evil good men do when given a blank check by the citizenry. There are no villains here, only a system gone haywire and a bureaucracy intent on keeping consumers out of the picture. For Sylvia Law, all reform hinges on the patient's struggle to find his voice. Her research brings us a little nearer to that distant day.

The most telling tribute that can be paid the book is to note the instant opposition it engendered among Blue Cross supporters. No sooner had the book been published than editors at Yale University Press began getting letters and phone calls warning that the book contained "many errors" and that "the Yale University Press has been used . . . to present a biased . . . point of view under the guise of scholarly presentation. . . ."

Duane R. Carlson, Blue Cross's vice-president in charge of communications, even requested that the publisher submit "a list of all persons sent complimentary copies" of the book. The list, he said, would "enable us to provide a correction of many of the errors in the book. . . ."

Errors do exist. But they are minor and in no way undermine the book's main point—namely, that Blue Cross has lost touch with its 70 million subscribers. The association's harsh and heavy-handed response to so mild a work is not reassuring. It suggests that Law is correct when she says, "There is no reason to believe that Blue Cross will move toward greater consumer control and accountability in the absence of hard and specific requirements to do so."

A KOREAN ACT OF COMPASSION

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. WALDIE. Mr. Speaker, for the past 4 years I have been working with officials of the Republic of Korea and the U.S. Army for the release of Sgt. John W. Blount from a Korean prison.

Mr. Speaker, on August 15, 1974, Sergeant Blount was given his freedom by the Korean Government and I would like to go on record to indicate my satisfaction and complete appreciation to the officials of that nation for the manner in which the Blount case was handled.

Sergeant Blount is now home. For him, and his family, may I express my thanks to the U.S. Army and the Government of the Republic of Korea for the manner and dignity in which this matter was resolved.

May I especially commend President Park for this act of compassion.

FATHER JOE FERREIRA

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. STARK. Mr. Speaker, I would like to invite my colleagues to join with San Leandro, Calif., citizens in expressing appreciation to the Reverend Father Joseph A. Ferreira, "Father Joe," for the good works he has achieved for the city and environs over the past several years.

As recipient of the Cardinal Spellman and Home Town Awards, Father Joe is being honored for dedicating his life to helping mankind improve his life and environment.

This is not the first time Father Joe has been recognized for his contributions to his communities. In 1963, he was presented the Man of the Year Award by the San Leandro Junior Chamber of Commerce, in 1965 he was chosen as one of the Outstanding Young Men of America, and in 1973 he received the Community Service Award from the Friday Observer Newspapers.

Father Joseph Ferreira was born December 31, 1935, in Ribeira Grande, island of St. Michael, Portuguese Azores. He attended Angris Seminary, Azores, and St. Patrick's Seminary, Menlo Park, Calif., where he finished seminary training in 1958. He taught Latin and religion at Bishop O'Dowd High School, Oakland. He was ordained a priest on January 6, 1959, at the Portugese National Church of the Five Wounds in San Jose, Calif., after having received a special dispensation from Rome because of his young age.

He has been assistant pastor of St. Louis Bertrand, Oakland, St. Leander's, San Leandro, Queen of All Saints, Concord, St. Paschal's Oakland and St. Leonard's, Fremont, and pastor of Our Lady of Good Counsel, San Leandro.

During his career, he organized the Parish Men's Club and Parish Children's Choir, reorganized the Parish Women's Club and Parish Youth Choir, sponsored several new social, religious, and civil events in the parish, including the Thanksgiving Day Pageant and the St. Patrick's Day Golf Tournament and Dinner, all of which have become annual events.

He has stimulated thousands of dollars payment to the parish debt and built a new parish house next to the church.

His other activities include: State chaplain, Luso American Fraternal Federation, Portugese Society of Queen St. Isabel, Portugese Protective Union of the State of California, Brotherhood of Divine Holy Spirit, Brotherhood of Santa Maria Magdalena, Brotherhood of St. Anthony and Protective Association Madeirense Union State of California; local chaplain, Portugese American Civil Club of Oakland, Knights of Columbus Council 3637 of San Leandro, and Young Men Institute of San Leandro; and Official Correspondent, News Agency ANI and Lusitania, Lisbon, Portugal, Newspaper A Luta, New York, and Portugese Times, New Jersey. He continues to write to all newspapers in the Azores Islands.

Mr. Speaker, today we join residents of California's Ninth District in thanking Father Joe for the inspiration and fellowship he has brought to us all.

THE SEAT BELT INTERLOCK SYSTEM

HON. WILLIAM H. HUDNUT III

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. HUDNUT. Mr. Speaker, last month I joined a majority of my colleagues in supporting an amendment to the motor vehicle traffic safety bill that would eliminate the requirement that seat belts be hooked to an ignition interlock or sequential warning system. I am sure that a majority of Americans approved our action concerning the seat belt interlock system. WISH–TV, channel 8, of Indianapolis, for example, responded to this amendment with an editorial on August 29, which I would like to share with my colleagues:

Seat Belt Interlock System

> Massive citizen complaint about the required seat belt interlock system on new cars has resulted in the passage of a new Motor Vehicle Safety Bill by the House of Representatives. The bill contains an amendment making the now mandatory interlock system . . . and the air safety bag due on 1977 model cars . . . optional, rather than mandatory safety features.
>
> Channel 8 believes the Senate should pass the Motor Vehicle Safety Bill now due before a joint House and Senate committee.
>
> The seat belt interlock system mandate is the outgrowth of the Highway Safety Agency, created by Congress in 1966 to find solutions to the problem of highway carnage in this country. Because most drivers weren't using their seat belts, the Safety Agency came up with the seat belt interlock requirement . . . a system by which a car cannot be started until the seat belts are in use. Armed with statistics that show accident deaths and injuries are reduced among seat belt users, the Safety Agency enacted a regulation intended to force all drivers to use seat belts.
>
> A loophole in the regulation permits new car owners to disconnect the interlock as soon as they take possession of their car . . . and many people do that. Despite information obtained by the Highway Safety Agency that an additional 50 percent of the people are using seat belts since the new requirement went into effect, nevertheless, Channel 8 maintains drivers should have the right to decide whether or not to "hook up."

The evergrowing list of regulations and standards that act as "law", has brought Americans to the day where they are governed as much by bureaucratic edict as by duly passed legislation . . . and bureaus are not answerable to the voters.

Channel 8 takes the position that laws affecting all of the citizens should be made by legislators responsible to all the citizens through their votes.

SIMON, SAWHILL, AND NASSIKAS—TOP ADMINISTRATION OFFICIALS—PRESSURE STATE REGULATORY AGENCIES TO INCREASE ELECTRIC POWER RATES

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. EVINS of Tennessee. Mr. Speaker, the American Public Power Association in its weekly newsletter has reported that top administration officials have applied the pressure to members of State regulatory bodies in an effort to give private utilities record power rate boosts.

It was reported that the officials applying the pressure to load higher power rates on the American people at a recent meeting at the FPC in Washington are Treasury Secretary William E. Simon, Federal Power Commission Chairman John Nassikas, and Federal Energy Administrator John Sawhill.

The newsletter reports that these three top administration officials took turns in attempting to convince members of State regulatory bodies that "instant" and "high" rate increases should be approved.

It was significant that Energy Administrator Sawhill urged the adoption of automatic passthroughs of various utility costs to consumers in addition to fuel adjustment clauses.

In my own State of Tennessee, the TVA recently shifted to fuel adjustment clauses to "automatically passthrough" increased costs of coal to the people of the Tennessee Valley area.

Certainly this show of pressure by administration officials in Washington on behalf of the friends of the big utilities again demonstrates that this big business administration with special interest policies could care less about the American consumer.

This new pressure for increased rates by the administration also adds credence to my own previous contention that TVA has been influenced in its unprecedented series of power rate increases by the Office of Management and Budget—OMB—of the administration.

TVA has imposed nine rate increases providing increased revenues in excess of $460 million in the past 7 years on the people of the area. TVA officials have denied that these rate increases were set by the Office of Management and Budget. However, it is my view that TVA's current rate increase policy is influenced by OMB and this Administration.

It is interesting to note that TVA is using a fuel adjustment factor which administration officials are now recommending to private utilities as a means of increasing power rates monthly.

In my view TVA, with its aggregate rate increases of more than 80 percent in 7 years, has severely damaged its image as a low-cost power rate yardstick for the Nation. It is my further view that TVA, with its rate escalation policy, may well have laid the foundation for rate increases now being sought by public and private utilities throughout the Nation.

Many feel that TVA has helped to build the case which the administration is now attempting to make in its pressure play to jack up the rates of private utilities.

I deplore this blatant effort by the administration to bulldoze State regulatory bodies into approving increased power rates, especially at a time when efforts are being made to halt inflation.

In addition, there are statutes and regulations in each State which govern the review of any proposed rate increase request and these statutory procedures should not be short-circuited by administration pressures.

Because of the interest of my colleagues and the American people in this important matter, I place the article from the newsletter of the American Public Power Association in the RECORD herewith.

The article follows:

FEDERAL OFFICIALS URGE STATE REGULATORS TO "BAIL OUT" UTILITIES BY RAISING RATES

An imposing array of top-level Ford Administration officials, led by Treasury Secretary William E. Simon, took turns trying to convince the nation's state regulatory commisioners this week that they should missioners this week that they should "bail out" financially-pinched investor-owned electric utilities by ordering immediate and sizable electric rate increases.

The regulators were summoned to Washington on short notice for a meeting at the Federal Power Commission, organized and orchestrated by Mr. Simon, who warned that unless the private utilities are given the record-high rate increases they want—in addition to huge new tax writeoffs, tax-free bond options and other subsidies—the nation will be subjected to "brownouts and blackouts." . . . But although most of the assembled state regulators were prevented from presenting their views because of the structured speaking program, a number voiced their dissatisfaction with what they called unprecedented attempts by Federal officials to influence their ratemaking decisions at the state level; and their resentment of efforts by the Administration to make them the victims of the inflationary, economic "blunders" made in Washington.

They sharply criticized Administration officials for failing to take action to reverse high fuel costs and spiraling interest rates—which they identified as the major causes of the utilities' plight . . . Florida Power Commission chairman William Bevis said that further rate increases—on top of the 30% national average rate boosts allowed in recent months—"would be an unjust additional burden on consumers." . . . The meeting, which was originally to have been closed to the public, was opened up at the last minute because of protests lodged by a number of consumer organizations . . . Richard Morgan of the Environmental Action Foundation provoked an angry response from Mr. Simon when he charged that the meeting was "unfair, improper and illegal" because its objective was to "intervene in the process of state regulation."

The consumer spokesman said that instead of raising rates and further subsidizing private utilities, the Administration "should freeze oil, gas and coal prices and end foreign tax credits, oil depletion allowances and other tax subsidies to oil companies." . . . But the top Administration officials selected by former energy czar Simon, like former Federal Reserve governor Andrew Brimmer, scored the failure of state regulators to authorize higher utility rates; Federal Power Commission chairman John Nissikas claimed that five-month suspensions of wholesale power rate increases are now "arbitrary" in urging the state commissioners to follow the FPC's recent example of ordering "instant" increases and adopt "future test year" approaches to ratemaking; Federal Energy Administrator John Sawhill agreed and also urged automatic pass-throughs to consumers of various utility costs in addition to fuel adjustment clauses and said that utilities should be permitted to collect a 15% rate of return; and Assistant Treasury Secretary Frederick Hickman detailed Administration plans, enthusiastically recommended earlier by Mr. Simon, to raise private utilities' tax investment credit benefits from 4% to 7%, and to allow them additional tax subsidies including accelerated depreciation and other tax writeoffs.

Consumer representative Morgan pointed out that the investor-owned electric utilities are already the beneficiaries of special tax relief measures; that their total Federal tax payments have dropped from 12% of their operating revenues in 1955 to a record low of 2.6% in 1973; and that 49 of the nation's private utilities paid no Federal income tax at all in 1973.

BIKE RIDE AGAINST DIABETES

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. BELL. Mr. Speaker, today I would like to call attention to the "Bike Ride Against Diabetes" to take place all over southern California on Sunday, October 6. Congresswoman YVONNE B. BURKE and I are cochairpersons of the event which will involve 50,000 riders to raise more than half a million dollars to fight diabetes.

The bike ride is sponsored by the Southern California Affiliate of the American Diabetes Association and by the more than 200 McDonald's restaurants in southern California which will be providing information, checkpoints, and refreshments to all riders.

The Diabetes Association has sponsored other successful fundraising bike rides in past years, but this will be the first to include all of southern California from Santa Barbara to San Diego.

Diabetes in the United States has become the fourth leading cause of death by disease and the prime cause of new cases of blindness. Approximately 6 percent of our national population is affected by the disease. Insulin was discovered 50 years ago, and there have been few significant advances in the field since that time. And the number of diabetes victims doubles every 10 years.

So the proceeds from the October 6 bike ride will go for research, public and professional education in the field, and for the summer camp program for diabetic children conducted by the Diabetes Association.

In addition to diabetes, a subsidiary theme will be bicycle safety. Riders will be able to obtain bike flags and safety kits at cost from their local McDonald's.

The Bike Ride Against Diabetes will involve more than 2,000 volunteers in nearly every community in southern California. The sponsors hope, as we do, Mr. Speaker, that the event might be duplicated next year on a national scale. Mrs. Burke and I are pleased and proud to commend all the participants for their efforts.

RESIDENT ALIEN AIRCRAFT REGISTRATION ACT OF 1974

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. GOLDWATER. Mr. Speaker, I am pleased to take this opportunity to introduce legislation permitting aliens who possess permanent residency visas to register aircraft in the United States. The Federal Aviation Act currently restricts the ability to register aircraft to persons who are citizens of the United States.

The United States is a signatory to the Convention on International Civil Aviation—ICAO. Among other objectives, that convention seeks to foster the growth and vitality of civil aviation and to encourage the highest possible level of maintenance for civil aircraft and related equipment. Current FAA law achieves part of this objective with reference to aliens holding permanent residency visas for the United States by permitting the FAA Administrator to issue pilots license certificates to resident aliens—section 602, 49 U.S.C. 1422.

Thus, the human aspect is taken care of; but, what about the equipment and the craft? Because the Administrator cannot register the aircraft of aliens, these craft are not subject to the high standards and requirements for airworthiness and quality of the United States. Further, because these aircraft must meet the airworthiness requirements of the foreign state of registration, it is extremely difficult if not impossible for an alien to contract with qualified American mechanics and repair stations. The U.S. aircraft and maintenance industry loses business and we risk letting nonairworthy aircraft and equipment continue to legally operate.

Most aliens possessing permanent residency visas are skilled and professional persons who will eventually become full, responsible citizens of the United States. These civil pilots already can be brought under the exacting standards of U.S. pilot license qualification. This is desirable and beneficial. Such law should be balanced by bringing the aircraft and related equipment of such individuals under similar standards.

The legislation I am introducing seeks to do just that. It would make uniform and comprehensive our laws regarding alien civil aviators who possess permanent residency visas.

I include at this point a copy of the text of my bill for the convenience of my colleagues:

H.R. —

A bill to amend the Federal Aviation Act of 1958 to permit aliens holding permanent residence visas to register aircraft in the United States, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION I

That this Act may be cited as the "Resident Alien Aircraft Registration Act of 1974".

SECTION II

Sec. 501 (b) (1) The Federal Aviation Act of 1958 is amended to read as follows:

"(1) It is owned by a citizen of the United States or an individual citizen of a foreign contracting state to the Convention on International Civil Aviation who has been lawfully admitted for permanent residence in the United States and it is not registered under the laws of any foreign country; or".

UNICO NATIONAL SEEKS TO HONOR ENRICO FERMI AND GUGLIELMO MARCONI

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. GILMAN. Mr. Speaker, the following resolution, which was introduced by the Newburgh Chapter of Unico National, was unanimously accepted by Unico's National Convention in Miami Beach, Fla., this summer.

I am today presenting the following text of the resolution to my colleagues and urge them to join with me in the pursuit of the resolution's noble objectives of honorable Enrico Fermi and Guglieimo Marconi:

Mr. Chairman, it is our belief that the time has come for this Nation, to honor Guglielmo Marconi and Enrico Fermi.

These men should be duly honored for their outstanding contribution to science; Marconi for his invention of wireless radio and Fermi for his work on the controlled release of nuclear energy. These outstanding scientists have made contributions dramatically affecting and improving the quality of life throughout the world, contributions that will continue to be the foundation of future development in communications and energy research.

Since 1974 marks the 100th Anniversary of the birth of Guglielmo Marconi, it is especially fitting at this time that we appropriately honor his memory and 1974 is also an appropriate time in history to rededicate ourselves as a Nation to the wisdom and farsightedness typified by the energy research of Enrico Fermi over three decades ago. The 1974 experience of the scarcity of fossil fuels and the peril to national security invited by our dependency on the resources of foreign nations make this year an appropriate time to honor one of the world's greatest pioneers in energy research, Enrico Fermi.

Therefore, be it resolved, that the Newburgh Chapter of Unico National, communicate with the Citizens Stamp Advisory Committee of the United States Postal Service their support for the issuance of stamps of common denomination, honoring these Americans on the following dates, Marconi on December 12, 1974, commemorating the first wireless radio transmission of December 12, 1901, and Enrico Fermi on December 2, 1974, commemorating the first controlled release of nuclear energy on December 2, 1942."

AMERICA'S TIME FOR SOUL SEARCHING

HON. TENNYSON GUYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. GUYER. Mr. Speaker, for many years I have been speaking all over the United States, and I firmly believe we are the most fortunate people on Earth. Every evaluation and every evidence tells us that America is underappraised and overendowed.

The change and challenge of today mandates a return to new frontier days. Just as our forefathers traversed the land in prairie schooners, braving the perils of plains, valley, mountains and desert—so must our people today meet the crisis of multifold problems of a new kind.

As the Bible states so well, "Not by might, not by power, but by My spirit, saith the Lord," so today our future depends upon the spirit of our people.

Pursuant to permission granted, I am proud to share with you a recent editorial from the Lima News, Lima, Ohio, in my district. It is both a valedictory and a call to action. I firmly believe the American people are equal to the challenge.

The article follows:

America's Time for Soul Searching

When people complain about the government they have, it probably is a reflection on the people they are.

There has been a lot of complaining about government of late. It will get no better until individuals start looking into their mirror more and to Washington less.

As long as there are people who figure that government can do something for them and as long as there are political candidates who know how to pick up a ball and run with it, government will get no better and indeed might get worse.

This is a magnificent country we live in—full of promise and hope, born quickly and with sudden maturity, populated with a great people and built on a backbone of steel.

Its people are accustomed to a feeling of supremacy. There is nothing we can't do if we try, really try. We win all the wars. We master the seas and the skies. We build the best boats and have the best medicine. Our system of justice has its roots in swiftness and certainty. Our lands yield plentiful harvest and the air we breathe is comparatively clean and pure.

But best of all, we have people who welcome a challenge, people who go quietly about shaping the impossible into the mold of their own needs. We have people who like to work and who know the meaning of the word "freedom" and who are willing to put their lives on the line to defend it.

These things make this country great. These things make this country the best country on earth in which to live.

They have in the past. They will in the future.

Admittedly, there has come to the collective mind of this nation's people a question mark that won't go away. We get up in the morning and look out across the fields of tomorrow and wonder about those reports that keep cropping up: stock market falling, people being laid off their jobs, prices spiraling, depression just around the corner.

We go to work and find our associates wondering, too, about the state of the economy. On the street, we interview shoppers and they, too are worried that tomorrow will bing even higher prices and maybe no jobs at all.

The country is sitting on the edge of a bad case of jitters. It is almost as if we have known all along that something less than the good life that we have known was bound to come along, but we kept right on living recklessly and putting the thought out of our mind.

Meanwhile, many have demanded that our federal and state representatives pass laws that will give us more, forgetting that no government can give anything unless it first takes away. Government has nothing to give. It starts out with nothing. It has nothing. It ends up with nothing. If it gives, it first must take away.

Government in America has been taking away. By leaps and bounds, it has been taking away. But it takes away only because individuals demand that it give. It can't give without first taking away.

We return to the mirror.

Do we really like what we see? Is that reflected image that we view what we want as individuals, as a nation? If it is, then we might as well kiss goodbye the concept of freedom as we have known it and cherished it. How many of us have been demanding programs and subsidies and free food and tax write-offs and depletion allowances and all the rest and borrowing ourselves into bankruptcy while having our cake and eating it, too?

We have demanded and got laws that make quitters out of some of us and turn others of us into slaves of compulsory unionism.

We are going to come out of this impending economic crisis all right, and in the end we could be a stronger nation, a more enlightened people. It will take some doing, some soul-searching, some mirror-looking. We might have to quit building million-dollar rest stations along superhighways and we might have to call more than one public official or his designate into court for misuse of people's money and we might have to park the idea, temporarily at least, that we are invincible, all-powerful, all rich. We might have to call up the pioneering spirit of our forefathers and know sweat and blood and tears that have become uncommon in our recent lifestyles.

Yes, we'll make it. But it won't happen as if by magic. It will take work.

And we must begin by looking hard and long in that mirror.

FORWAY INDUSTRIES, INC.—A RESPONSIBLE COMPANY

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. HUNT. Mr. Speaker, recently I had the pleasure of visiting Forway Industries, Inc., at 122 Green Avenue, in Woodbury, N.J., a stone's throw away from my office in my district.

Forway is a small company heavily engaged in the manufacture of extremely complicated mechanical and electronic assemblies and parts. Most of these parts are sold to the U.S. Navy as replacement parts. I was very impressed by the fact that in my congressional district we have a small company with high technical capabilities, competing in the true sense of the free enterprise system against the largest corporations in the United States. I was impressed by the fact that Forway Industries not only can produce these parts, but produces them at reasonable prices to the U.S. Government. During my visit I saw many parts that are used in hydraulic systems, Tacan antennas, and other complex systems.

The technical expertise of the employees is commendable—the overall supervision left nothing to be desired. The attitude of the personnel and their devotion to national interests stood out vividly. We need more people of this caliber. I am very proud to have Forway Industries in my district, and I felt I should share this information with the Members of Congress.

ST. FRANCIS UPWARD BOUND PROGRAM

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. MURTHA. Mr. Speaker, in our rush to analyze and consider various bills and amendments in this great Chamber, we sometimes do not have enough time to follow up the results of the laws we create, or the people who are helping to make them work.

This was brought to my attention recently by Judge Arnold D. Smorto of the Cambria County Court of Common Pleas. Judge Smorto was kind enough to send me a copy of a newspaper published by the Upward Bound students who spent their summer at St. Francis College. Upward Bound projects are funded by HEW.

The program's success is most of all a tribute to the students. But all students and all programs need guidance and the success of this program leaves no doubt how fortunate the students at St. Francis College were in having Dr. Joseph Benivegna as director of the project.

It is clear from the newspaper these students published, and their testimony to the program, that we are all quite fortunate in having Dr. Benivegna direct this program. If it is true that our future rests with our young people, then it is dedicated men like Dr. Benivegna who are insuring that our future will be bright.

Mr. Speaker, I would like to submit an article from that newspaper for the RECORD. It outlines the program and its goals:

LIKES AND DISLIKES

(By Charlie Lawrence)

What I dislike about the high school is having to take some subjects that are not in the field. You should be able to choose just like in the Upward Bound Program. In high school, the majority of the teachers use books in every class. In the Upward Bound program they use books but they illustrate more and give less homework.

I know if the high school didn't give as much homework as it does, I'd like going to school even more. Upward Bound gives homework but the teachers don't kill you or overload you.

The main difference between Upward Bound and high school is that Upward Bound helps those underachieved and disadvantaged secondary school students from low income backgrounds to pursue higher education. Upward Bound helps supply academic remediation and cultural enrichment opportunities. There are many students that can do the work of high school but don't put forth their greatest effort. But when enrolled in Upward Bound, all their potential is put forth.

Upward Bound is a federal program designed to help underachieving and disadvantaged secondary school students from low-income backgrounds to pursue a higher education. The program is funded by the Department of Health, Education and Welfare through the Division of Special Services.

Many students who are culturally and materially deprived may need special assistance in achieving on the same level of competence as the more advantaged students. Upward Bound helps supply this motivating force through a program which stresses academic remediation and cultural enrichment opportunities.

The program teaches these students the worth of self-respect, and encourages them to pursue the training which fits their particular interests and needs.

The program may be divided into two parts per year. The first is the 6-8 week summer residence session which is offered on the campus of the sponsoring college or university. There, Upward Bound students attend classes taught by a combination of college and high school faculty in a highly individualized curriculum. They also participate in many cultural and social events.

The second part of an Upward Bound year is referred to as the academic follow-up. Students are expected to attend enrichment classes and tutoring sessions offered throughout the entire school year. Supportive counseling is very important at this time.

Most Upward Bound students enter the program at the end of their tenth grade studies and continue with the program until the time that they enter college. The period as an Upward Bound student usually spans a little more than two years.

The summer between high school graduation and actual entrance into a college is known as the "bridge" summer. It is a time when Upward Bound students who have been accepted by a college must prepare themselves academically and culturally for the new experience to which they will soon be exposed. Upward Bound seeks to make the "bridge" summer as much like the college experience as possible in order to ensure the student's future success. In some cases the Upward Bound student is enrolled in summer college courses.

Upward Bound funds do not pay for the student's college education. Such funds are used solely for the purpose of preparing the student for college. For this reason, efforts are made by the staff to locate the necessary college finances. Financial packages combining National Defense Loans, Educational Opportunity Grants, College Work Study and aid through the Pennsylvania Higher Education Assistance Agency, etc. are usually made available to the students upon entry into the college of their own choice. All projects have been successful in negotiating for a high percentage of their bridge students into college.

ERNEST PETINAUD

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. ASHBROOK. Mr. Speaker, an old friend came back to Capitol Hill today.

Ernest Petinaud and his lovely wife Jeannette spent several hours visiting their friends in and around the House of Representatives.

That Ernest left a mark on this chamber cannot be doubted. I spent an hour with him and in that time it was barely possible to talk since he was constantly beseiged by his friends who just wanted to say hello.

The only enduring relationships are those built on friendship and respect. In that department, Ernest has no peer. He will be greeted and welcomed back to these halls as long as anyone who ever knew him remains. That is the legacy of Ernest Petinaud. He was here for many years. Many people have been here many years, however, and few are missed or remembered as well and with such fond recollections as our good friend, Ernie.

All of us wish Ernest and Jeannette the very best in the years ahead. They recently returned from a 18-day trip through the Northwest and to Expo '74. They deserve their years of retirement but we hope they will return to their old home as often as they can.

WE CANNOT RELAX

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. WALDIE. Mr. Speaker, the State of California's Department of Water Resources in league with the Metropolitan Water District of Southern California is about to launch another effort to foist the much-debated and much-debased peripheral canal project onto the taxpayers of the state.

This project, Mr. Speaker, has long fallen on its own merits. It has not been able to meet the requirements for congressional consideration and thus the Department of Water Resources and its customers, principally the Metropolitan Water District, are attempting to have the State "go it alone" and leave the wreakage of a delicate ecosystem in its wake.

The Bay-Delta Estuary of the San Francisco-Delta area cannot undergo the diversion of fresh water from the Sacramento River that would follow construction of the peripheral canal.

Logic and reason dictate no construction—but the plans in Sacramento and Los Angeles to built this monster continue.

A purported "environmental impact report" is due within days, Mr. Speaker, and we will know the lengths the Department and the district will go to bewilder the public into falling for the peripheral canal.

I suspect, Mr. Speaker, that the intelligent people of California would not fall for it. As evidence of that conclusion, I would like at this time to insert into the RECORD a recent editorial from the Breantwood News on this subject.

The editorial follows:

WE CAN'T RELAX

We can't relax one moment . . . the State Water Resources agency is pushing to build the peripheral canal and this time they are striking through the Department of Fish and Game, one of the state agencies that has not been too keen on the canal in recent times because of the fear of what the canal would do to fish and wildlife in the Delta. The two state agencies have signed a "statement of intent," concerning the operation of the peripheral canal.

In the statement, the departments "agree to agree" on water management objectives in relation to fish and wildlife resources in the Sacramento-San Joaquin Delta and Estuary.

It appears to us that it will be tough stopping the state as it bulls its way ahead in building a canal that does not have federal sanction or backing; does not have an environmental impact report; and does not have approval of the people of the State of California for the state to build the canal on its own without federal money.

Where does the state agency get so much power that it can push through a multi-million dollar project that the majority of the people in Northern California do not want and if it was put to a vote, there is a good chance the people in Southern California would not vote for it if they knew what they were voting on? We base this statement on the small number of interviews we have had with people visiting the Delta from Southern California, who think the Delta is paradise and they are not aware their Metropolitan Water agency is one of the big buyers that is trying to get the water out of the Delta.

As we see it, an agreement such as the one above or others that will be coming on the management of water and the canal, is only as good as the parties signing the paper. The minute another administration or another regime takes office, or another legislature takes office, those great sounding agreements can and many times do, go down the drain for new agreements to suit the new managers.

If we're to stop the peripheral canal, we must be diligent of all happenings concerning the canal and we must write, write, write, to all legislators at state and federal levels and make them aware of our wishes. We must make our southern neighbors aware of what the big water agencies are trying to do, these southern people do not realize what the canal will do to the Delta, the Delta where they love to play and houseboat. Tell them, look at the Owens Valley if you need proof. BG.

THE FIRST AMBASSADOR TO EAST GERMANY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. MAZZOLI. Mr. Speaker, one of Kentucky's foremost citizens, statesmen, and public servants, John Sherman Cooper, has been confirmed as the United States first Ambassador to East Germany.

I am proud, as are all Kentuckians, to see our former Senator placed in a diplomatic post of critical import, where his international experience, understanding temperament, and political sagacity will once again be called upon to serve the needs of a world striving for peace.

The "delicate balance" of East-West relations will surely benefit from John Sherman Cooper and his amiable wife, Lorraine.

The credentials the Senator carries with him to East Berlin—former U.S. Ambassador to India, a U.S. representative at the initial meetings of NATO and the United Nations—are an indication of the strength and experience the United States will have in its newest diplomatic mission. And Lorraine Cooper, affable, intelligent, and adventurous—"I always look forward to adventure"—will bring a warm and exciting atmosphere to the new East German residence.

I congratulate Ambassador and Mrs. Cooper on their new assignment and wish them a successful and fulfilling stay in East Germany.

CAPITAL CHRISTMAS CEREMONIES TO INCLUDE NATIVITY SCENES

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. HOGAN. Mr. Speaker, for 20 years the Christmas Pageant of Peace on the Ellipse has been a traditional part of the holiday season in Washington. It has attracted hundreds of thousands of area residents and visitors from every part of the country.

In 1973, the U.S. Court of Appeals for the District of Columbia ruled that inclusion of the Nativity scene in the pageant represented "excessive government entanglement with religion." In order to continue to sponsor the Christmas Pageant of Peace, the Government decided it must eliminate the Nativity scene.

This court order was a disappointment and shock to many. Fortunately, the American Christian Heritage Association, Inc., was organized immediately after the adverse ruling and was granted a permit to erect the Nativity scene near the Ellipse during the 1973 pageant.

I am happy to report that the association has received a similar permit this year from the National Park Service, again insuring that the theme of worship and brotherly love will be part of the 1974 celebration.

This annual event began in 1923 as the National Community Christmas Tree Celebration. The first tree, a giant fir cut from the Green Mountains, was presented to President Calvin Coolidge by President Paul D. Moody of Middlebury College, Middlebury, Vt. This tree was erected in the Ellipse just south of the White House.

In 1924, a living Christmas tree, a Norway spruce, was presented to the American Forestry Association and planted in Sherman Plaza in the grounds south of the Executive Mansion. In 1925, the program was broadcast to the Nation for the first time.

The ceremonies were transferred to Lafayette Park in 1934, and two Fraser fir trees were installed in the park for this purpose, being used on alternate years until 1939, when the event was again moved to the Ellipse. From 1941 through 1953, the programs were held in the Executive Mansion grounds. Two living oriental spruce trees were used on alternate years for the annual ceremonies.

From 1954 until 1972, cut trees from various States were used as the national tree. In 1973, the National Park Service revived the former tradition, using a living tree, a Colorado blue spruce from northern Pennsylvania, planted on the Ellipse.

In 1954, the Christmas Pageant of Peace, Inc., was organized. The scope of the National Community Christmas Tree Celebration was broadened to emphasize the desire of this Nation and other nations of the world to find peace through the spirit and meaning of Christmas. An elaborate setting was arranged on the Ellipse.

By acceding to the September 26, 1973, court of appeals ruling, the Government eliminated all legal problems and opened the way for private sponsorship of the Nativity scene. The American Christian Heritage Association was organized as a nonprofit entity, established for the purpose of erecting the Nativity in the Pageant of Peace area, complete with life-size figures, live animals, and a recorded narration of the Christians story from the New Testament.

Within the spirit of the law, under rights given by the first amendment to the Constitution, a petition for a permit was filed on October 1, 1973, stating that the American Christian Heritage Association should be allowed to demonstrate its expression of religious freedom in accordance with the rules and regulations by which other demonstrations are governed.

On November 13, 1973, a permit was issued to the association to erect the Nativity scene near the Ellipse during the annual Pageant of Peace.

On December 13, 1973, the Nativity was dedicated to the people of the United States in the spirit of the Christmas season. Applications were filed and permits have been issued to the association for a repeat performance during the 1974 Christmas Pageant of Peace.

Those wishing to support the efforts of the American Christian Heritage Association can contact the association by writing P.O. Box 347, Greenbelt, Md. 20770. Its program is financed by public donations.

THIS IS NO DEPRESSION

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. HANRAHAN. Mr. Speaker, American citizens are continually complaining about how difficult it is to make ends meet. The cost of living is continually rising, but times are not as hard as they were in the 1930's. I wish to insert the following article from the Washington Post for the interest of my colleagues:

> THIS IS NO DEPRESSION
>
> This is no depression. I went through one, so I know. The summer of 1930 was dry. We watered our limas; kept them going when no one else had anything. Two neighbors, my mother and I sat up all night and shelled 105 quarts. We took them into town, to Jake Hyman, who had a store. I drove the machine up. He offered us 25 cents a quart. "The only way," I said to Jake, "is to take them, every blamed one. Or I'll tramp the streets and sell them door to door." He said, "Oh, lady, that's a helluva lot of beans." I said, "I found that out last night."
>
> My parents had a grocery at the time. My mother missed one of her regular customers and went by to see if she was all right. The lady began to cry. She had killed their little dog and was cooking it on the stove. Well, there was not much we could do, so we didn't think about it a great deal. We sat there and lived. That was the Depression.
>
> MARY ROBINSON.

There's no doubt Mary Robinson is right: This is no depression. These are nonetheless troubled times, with many fearing worse to come. This section is an attempt to define these apprehensions, to explore the reasons behind them, to examine solutions being proposed.

FRANKLIN IS SOLVENT

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. RONCALLO of New York. Mr. Speaker, I am deeply disturbed over threatened action by the Federal Reserve System to force the Comptroller of the Currency to put Franklin National Bank into receivership for liquidation by the Federal Deposit Insurance Corporation.

Franklin is solvent. As of August 30, 1974, it had capital of $168 million and reserves for bad debts of $33 million. Does that sound like insolvency? The test for solvency always has been assets in good standing greater than liabilities.

I want to know on what possible grounds, or what is the real motivation behind scrapping this historic test of bank solvency in the case of Franklin. Such unprecedented action threatens shock waves throughout the entire banking system.

Will regulatory authorities demand all financial institutions write down assets, their bonds and mortgages to present-day depreciated values? Yes? Then vast numbers of all types of institutions must be declared bankrupt, kindling chaos in financial markets at home and abroad.

Franklin is a solvent bank. Therefore, the underlying issue is whether Franklin will continue as an independent Long Island bank or be taken over by other New York or foreign banks.

The words "taken over by" differ significantly from "merged by." "Taken over by" means simply the sale at an auction of assets and liabilities with nothing left for shareholders. At Franklin, 96 percent of its 21,557 shareholders own less than 500 shares each. Regrettably many shareholders believe rumors of Government-forced action mean a merger. That is not the case. It is a takeover, a rip-off of unsuspecting, unsophisticated small investors.

Recently Franklin submitted to the Federal Deposit Insurance Corporation a positive program of action which will permit its continued operation as a viable, competitive institution providing essential banking services as a Long Island-based operation at no ultimate cost to the United States.

While initial assistance to implement this program has been requested by Franklin from the FDIC, such assistance would be given even on a greater scale to domestic and foreign takeover banks in a Government-held auction. Foreign? Are we saying FDIC assistance in a foreign takeover deserves precedence over direct assistance to Franklin?

Franklin is no ordinary bank. Its pioneering record in financing housing, in its knack for understanding the needs of the small businessman and the consumer, its responsible role in assisting school districts and municipalities, all form a character in banking well worth preserving within the program proposed.

Yes, I want to know on what possible grounds should the risk be taken of abandoning the historic test of bank solvency, an unnecessary and highly dangerous risk.

Franklin is solvent with $200 million in good assets in excess of liabilities. I earnestly favor prompt and affirmative action on Franklin's plan to remain independent now under consideration by the Federal Deposit Insurance Corporation.

A TRIBUTE TO HONORABLE JOHN F. SHELLEY

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, if the young men and women of America today want to know if our system works, the life and career of our former colleague John F. Shelley, who died September 1, is a shining example that it does.

John Shelley came to Congress 3 years before I did, but our struggles for orientation in the ways of this body were mutual and ran parallel, although our constituencies were as far apart as this Capitol and the city of San Francisco, which he loved and served with honor as mayor from 1964 until his health forced him to relenquish political activity in 1967.

John Shelley was the child of Irish immigrant parents, in a family of nine children. He started out as a deck hand on a freighter, worked his way through law school by driving a bakery truck, started his political career as a State Senator in California and served for 13 years as a Member of the Congress of the United States.

His career, Mr. Speaker, is a tribute, not only to the citizens of Irish descent in this Nation, but to the Congress where he served with distinction until lured back to his native State and beloved city, where he met the street problems of the sixties with courage and honor.

I join with those who knew John Shelley as friend and former colleague, in a tribute to a fine American whose life and service is a tall memorial to opportunity and faith in this land of yours and mine.

REPRESENTATIVE DINGELL URGES CONFEREES RECONSIDER DECISION TO ALLOW COAL MINING WITHIN NATIONAL FOREST SYSTEM

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. DINGELL. Mr. Speaker, when H.R. 11500, the surface mining control and reclamation bill, was debated last July on the floor of the House of Representatives, it prohibited deep and surface coal mining within some, but not all, areas of the national forest system. During that debate I offered an amendment to extend the prohibition to all areas of the national forest system, including the national grasslands, except where the deeds conveying the surface lands to the United States reserved the coal and specifically provided for the mining thereof. Thus, where the United States owned both the surface and the underlying coal, mining would be prohibited. I believed then and now that such mining is inimical to the very purposes of the national forest system.

Unfortunately, the bill that passed the other body did not contain this or any similar prohibition. That body would allow mining—surface and deep—anywhere in the national forest system.

Today, the Washington Post reports that the conferees have abandoned my amendment and have agreed to a provision that allows the Atlantic Richfield Co., Peabody Coal Co., and the Kerr-McGee Corp. to destroy a part of the national forest system; namely, the national grasslands. Moreover, I understand that the conferees have gone further. They have agreed to open up by statute the entire national forest system to deep mining with all its surface effects.

Under the reported conference agreement, surface coal mining within such national forests as the Daniel Boone in Kentucky is prohibited. But, by the same agreement, deep mining within the Monogahela National Forest in West Virginia is permitted.

I cannot support approval of a conference report that encourages coal mining in any area of the National Forest System, the National Park System, the National Wildlife Refuge System, the National Wilderness System, or the National System of Scenic Trails and Rivers.

I urge that the conferees reconsider their decisions of yesterday and restore the House language to this bill. Our energy problems will not be solved or even minimized significantly by the piecemeal destruction of the National Forest System. Coal is abundant in many other areas of the Nation. If it must be mined within the National Forest System, let it be done as a last resort and not to satisfy the profits and desires of major oil companies who control much of the coal industry, like ARCO.

We must regulate surface coal mining operations. But legislation to achieve this in the 93d Congress is not so essential as to warrant its enactment at any price.

On September 17, 1974, I wrote to the Comptroller General about the validity of leases issued by the Interior Department to ARCO, Kerr-McGee, and Peabody to mine coal in the Thunder Basin grasslands. In that letter, which was made available to the conferees through their staff, I said:

> It is my hope that the conference committee will resist efforts by the mining industry and others to delete my amendment, or to adopt some weak substitute that will not adequately protect *all* areas of the National Forest System, including the grasslands from destruction by coal surface mining.

I reiterate those views and hope that the final conference report protects "all areas of the National Forest System," not just some of them.

A copy of the full text of my letter to the GAO follows:

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., September 17, 1974.

Mr. ELMER B. STAATS,
Comptroller General, General Accounting Office, Washington, D.C.

DEAR MR. STAATS: It is my understanding that the Thunder Basin Grasslands and other grassland areas of the National Forest System are subject to the requirements of the Act of July 22, 1937 as amended (7 U.S.C. 1010, *et. seq.*). Section 31 of that Act provides:

"The Secretary is authorized and directed to develop a program of land conservation and land utilization, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, preserving natural resources, protecting fish and wildlife, developing and protecting recreational facilities, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare, *but not to build industrial parks or establish private industrial or commercial enterprises.*" (Emphasis supplied.)

In my judgment, the above underlined words in section 31 prohibit all commercial enterprises, including the commercial mining of coal, within the grasslands. I was therefore troubled that the Surface Mining Control and Reclamation Bill (H.R. 11500) as reported by the House Interior Committee on May 30, 1974 appeared to cloud this matter. This clouding was done as follows: Section 209 authorizes the issuance of permits to engage in coal surface mining. Subsection (d)(9) prohibits issuance of such permits in, among other places, "the national forests." The Committee report explains (H. Rept. 93–1072, p. 74) that the bill prohibits "all surface coal mining on lands in . . . the national forests (exclusive of National Grasslands). . . ." This legislative history, if the bill as reported were adopted, would certainly be used to argue that the latter legislation had implicitly amended the language in section 31 of the 1937 Act quoted above, insofar as commercial coal surface mining is concerned. Hence, when H.R. 11500 was debated in the House, I offered to prohibit surface mining on Federal lands within the National Forest System, including the National Grasslands and the House adopted my amendment. (Cong. Rec., July 25, 1974, p. 25217.)

My amendment would maintain the prohibition of section 31 as to coal surface mining since such mining would certainly not "assist in controlling soil erosion, reforestation, preserving natural resources, protecting fish and wildlife," etc.

It is my hope that the conference committee will resist efforts by the mining industry and others to delete my amendment, or to adopt some weak substitute that will not adequately protect *all* areas of the National Forest System, including the grasslands from destruction by coal surface mining.

However, after the House adopted my amendment, I learned that several companies—Atlantic Richfield Company, Peabody Coal Co., and the Kerr-McGee Corp.—plan to surface mine a portion of the Thunder Basin National Grasslands in Wyoming. The *Denver Post* reported on July 31, 1974 that these companies "presently have federal coal leases" on several thousands of acres authorizing such surface mining. These leases were issued by the Interior Department, but we do not know when.

1. Please advise us:

(a) What coal leases do the above mentioned companies hold within the Thunder Basin?

(b) When were they issued?

(c) How many acres does each lease encompass?

(d) On which leases has surface mining commenced?

Section 31 was enacted on July 22, 1937. The prohibition in the clause underlined above was enacted on September 27, 1962.

2. If any of the leases were issued during the period July 22, 1937 to September 27, 1962, please advise us whether such leases are compatible with the purpose of section 31 as enacted in 1937.

3. If any of the leases were issued after September 27, 1962, please advise us whether surface coal mining is prohibited by the underlined language of section 31.

4. Have coal leases been issued by Interior for other grassland areas within the National Forest System? If the answer is yes, please identify the leases and indicate whether mining has commenced pursuant to those leases.

5. (a) What type of activities have thus far been permitted by the Forest Service within grasslands subject to the prohibition?

(b) What type of activities has the Forest Service stated are prohibited under that clause?

We shall appreciate your early reply.

Sincerely,

JOHN D. DINGELL,
Chairman, Fisheries and Wildlife Conservation and the Environment Subcommittee.

AMNESTY

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. STARK. Mr. Speaker, as an early advocate of amnesty I have been gratified these past months to see support for the concept grow. To me, it is particularly moving to learn of its endorsement among individuals who suffered personal tragedy as a result of the Vietnam conflict. In this regard, I commend to my colleagues a letter from a constituent and friend, Dawn Rutter, who is a leader in the Veterans of Foreign Wars Auxilliary. In a few eloquent words Dawn demonstrates a love for our country and a concern for a quick healing of the wounds inflicted on us all.

The letter follows:

DUBLIN, CALIF., *September 2, 1974.*
Congressman FORTNEY PETE STARK,
Washington, D.C.

DEAR PETE: Please support the President's policy for amnesty for the sons of American families involved in evading the Vietnam War.

My family name died with my youngest brother when he was killed in Vietnam. I think that it is time to allow those sons who live to come home to their loved ones.

I know it is not a popular view with some organizations where I hold membership but I must be myself before I can be a follower. I am unable to follow in paths that do not reflect my own attitudes and beliefs.

Most sincerely,

DAWN E. RUTTER.

IS AN ELECTRONIC NOMINATING CONVENTION THE ANSWER?

Hon. PETER H. B. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. FRELINGHUYSEN. Mr. Speaker, each of the major political parties is actively considering alternative methods of selecting delegates to, and conducting, Presidential party nominating conventions. Paul M. Douglas, a constituent of mine and son of our former colleague, Senator Paul Douglas, has written an interesting article on a possible alternative to the current method of holding such affairs. His article, entitled "Is an Electronic Nominating Convention the Answer?" follows:

IS AN ELECTRONIC NOMINATING CONVENTION THE ANSWER?

(By Paul M. Douglas)

The American conventions that are the grand daddies of them all—the Democratic and Republican nominating conventions—are in trouble. In "The Convention Problem," Judith Parris of The Brookings Institution puts it, "Either the major institutions of the United States must operate to fulfill the values that they were intended to serve or they risk perishing in a tide of public disgust." Experts seem unanimously agreed that in many ways the nominating conventions are disgusting.

The conventions may not themselves be major political institutions like Congress or the Judiciary but they are of both symbolic and strategic importance in our system of government and in the two party set up. To many Americans they also define what conventions are. Thus they should be conducted to represent the best in conventions rather than the worst.

PURPOSES OF THE CONVENTIONS

As we all know the basic purposes of the two quadrennial conventions are to nominate the parties' candidates for President and Vice President, to adopt the party platforms and to get the candidates' campaigns off to a rousing start.

And we also recognize that, like most conventions, the people who attend them do so for other and more personal reasons including a desire to simply have a good time or to advance their individual social, economic, and certainly in this case, political interests and aspirations.

Parties and conventions were unforeseen by the Founding Fathers and the Constitution mentions neither. However, parties soon came into play and in the earliest years the candidates were selected in Congressional caucuses. This worked poorly and the practice of holding conventions, as we know them, began in 1832.

WHY THE CONVENTIONS ARE IN TROUBLE

What is the matter with the conventions? Briefly most critics find them undemocratic, unfair, undignified and dull. Many suggest that the selection of delegates—and the selection process differs from state to state—must be made more democratic if minorities are to be treated fairly and the will of the broad membership of the parties is to be reflected. They feel that the conventions would be more dignified and less dull if the delegates participated more fully in the convention business. In 1952 television coverage began in earnest and has come in for increasing criticism as it has expanded and influenced the proceedings.

I contend that the basic problem of the conventions is that their pattern of organization, while the only one conceivable in 1832, is inappropriate to modern circumstances, because this pattern virtually ignores and where it does not ignore it misuses, nearly a century and a half of advances in methods of communication. The main exceptions to this are the utilization of public address systems and the occasional use of other audio-visual techniques. Except for some incidental use of video magnification they have not used television technology at all, although broadcast television has certainly used the conventions.

If we insist on trying to jam everyone involved into one room and keep them there until they finish their business it will be impossible to solve the convention problem.

If the important objectives of the conventions were to reward thousands of the party faithful with a blast to fatten the coffers of a particular convention city, to make coverage convenient although expensive for the broadcast television interests, or to simplify the problems of groups attempting to exploit the convention for their special interests, then continuing the pattern of 1832 might make some sense today.

A much more logical pattern, and perfectly feasible in view of the current state of electronic communication technology, is to have each state delegation meet in a central location in each state and conduct all of the convention business on a special conference television circuit operated by the party holding the convention. The video and audio feeds of the convention would be made available to the nation's broadcasters and other media for incorporation into their own programming for whatever fees the parties could obtain.

TV COVERAGE OF STATE CONVENTION

Freed of the enormous problems of finding facilities extensive enough, to accommodate the entire attendance and of the necessity of conducting all the disparate pieces of business in a single series of meetings, the conventions could at long last be made more efficient, dignified and interesting.

Each and every delegation would, of course, need television production/origination service and this could be provided on a contract basis by production crews and facilities hired and directed by the state parties. The convention management apparatus (permanent chairman, parliamentarian, etc.) would simply operate out of a studio and control room which they would rent and supervise and in which there would be no audience. The video and audio feed from each state would be made available to the broadcasters and to the press in each state and to the networks if they could use it. The consolidated convention program, from the switcher in the national party studio, would be made available via an AT&T national network to all broadcasters in the United States, possibly for fees that would help defray convention costs, although this ought not to be necessary.

The problem of setting up this circuit would be a little greater in one respect than preparing for a closed circuit telecast of a championship fight because of the large number of originating points and the need for sophisticated switching. But there is no doubt that AT&T's long lines could handle the service—or that the FCC and Congress could arrange a special public service rate for this and similar public conferences.

AFFECT ON THE CONVENTIONS

How would this help solve the convention problem?

Making the conventions substantially more democratic and fair would still be largely problems of the delegate selection and other nominating processes. It is certainly to be hoped that the national committees, the state parties and legislatures, individual politicians, minority rights groups, etc., would continue their recent efforts in this direction. They could do so much more by working with the open, flexible and certainly efficient electronic format.

Beyond this, electronic conventions would go a long way toward getting the whole convention process into more public view. Also, each state would have an opportunity to follow its own delegation's deliberations and actions for the first time ever.

Achieving more democratically constituted delegations could be made easier because state delegations could be of any size. Of course, each delegation would still have the same relative strength regardless of the type of convention format used. In any event, delegates could be chosen with much less concern about their ability to afford the convention trip.

OTHER ADVANTAGES

The electronic conventions would inevitably be more dignified and orderly because so much of the utter confusion resulting from so many strangers jamming into one city and one room in one building would be eliminated. The individual delegates would have more opportunities to participate, to speak and to be heard. In fact they could literally be sure of being seen and heard by everyone in their delegation and its audience and, when recognized by the national convention chairman, by everyone in all delegations as if in the same room.

In due course, delegates could anticipate having copies of the draft of the party platform in time to study it carefully before having to debate or vote on it. This has not been the case to date. As a matter of fact it might make more sense to conduct this function a week or so after the nomination of the candidates in a separate session for which the delegates could quite easily return. Additionally, the wide dispersion of the delegates would be a deterrent to extremists attempting to disrupt the convention to further their own ends.

The conventions would be more genuinely interesting for several reasons. One is that the new format would encourage party utilization of electronic, computer aided, balloting which could be instantaneously recorded and reported rather than handled on a voice roll call basis as in the past. This kind of change, not just in the balloting for the nominations, but also in the voting on procedural questions, etc., could speed up the conventions and keep much of the voting from deteriorating into silly games of which state delegation casts the deciding vote for this and that, etc.

At the same time home audiences in each state could have an opportunity to look and/or listen in during the periods in which the state delegations are making up their minds about the candidates and the issues. This would reveal to everyone both how the system works and how individual delegates behave.

The needs of the candidates themselves for intelligence gathering and communication facilities could be accommodated in their home states or wherever they wished to have their operating headquarters. And they could be operated economically and efficiently with everyone concerned available almost immediately by telephone. Time zone variations would make no more difference than they do in the conduct of other business, as has been proved by the many video conferences, etc., that have been held by businesses and associations over the past two decades.

OBJECTIONS CAN BE ANTICIPATED

There has, of course, never been anything quite like what is suggested here. As with any innovation, criticism and objections can certainly be anticipated. Many of them will reflect unwarranted concern about how the political movers and shakers will be able to operate in such changed circumstances. Much criticism would conceal concern that electronic conventions will discriminate all too clearly between the basic purposes of the conventions which are important to the working of our political system and the fun and games which are not.

Actually, the individual state conventions could be exciting and rewarding for all concerned and important and novel occasions for rallying large numbers of party workers in each state.

With all of the promotional talent associated with the two parties there can be no doubt that the final sessions kicking off the election campaigns would be big events, carried on television and radio to large audiences.

Press reaction to electronic nominating conventions may be mixed at first but more favorable upon reflection. State and local press representatives would have much better access to newsmakers.

However, what politicians, hangers-on and the press like or don't like is hardly our major concern as either citizens or party members. Of course, what they like and don't like could have a major effect on whether electronic conventions are adopted or even given consideration. But the time has never been so ripe for the rank and file party member and the ordinary citizen to make his voice heard. The Bicentennial year would be an appropriate time for some major changes in the way political decisions are made.

A MEASURE TO CURTAIL EXCESSIVE SPENDING

HON. WILLIAM H. HUDNUT III

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. HUDNUT. Mr. Speaker, today I signed a discharge petition filed with the Clerk of the House by my colleague, the Honorable CHALMERS P. WYLIE from Ohio, the purpose of which petition is to gain consideration by the House of Representatives on H.R. 15375, an anti-inflation bill. This legislation is similar to one of my own bills, H.R. 7154, that would require the Federal Government to operate on the basis of a balanced budget except in times of congressionally declared emergencies, and also to make systematic payments on the national debt.

In my view such action by Congress would not only help to curtail inflation, but also would be effective in restoring confidence in our economy. If the effort to secure 218 signatures on the discharge petition helps achieve this end, then so much the better.

I believe every means should be exercised to force the Government to live within its means. I have also tried to impress upon my colleagues the importance of keeping our Federal budget within limits and wherever possible reducing the Federal debt. It is my hope that my colleagues on both sides of the aisle will demonstrate their willingness to consider a law against inflation by signing this discharge petition.

THE UNCONSCIONABLE PARDON: REPRESENTATIVE WALDIE'S ANALYSIS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. CONYERS. Mr. Speaker, those of us who witnessed it will recall, and history will record, the dogged efforts of my friend and colleague on the Judiciary Committee, Representative JEROME R. WALDIE, to spread upon the record during those fateful days in July the full train of Executive abuses that flowed from Watergate.

At that time, JERRY WALDIE embodied in a most eloquent way the concern of many of his fellow citizens; if there are pages in the endless volumes of congressional debate that could be offered as evidence of thoughtful scholarship and true patriotism, those that bear his statements made during the course of the impeachment hearings would be among them. We may be certain of his dedication to the principle of equal justice, because his interest did not end when the final gavel fell. In the most recent issue of the Nation, he has set forth and penetratingly analyzed the issues surrounding the so-called Sunday morning suicide—the President's full and unconditional pardon of Richard M. Nixon. He views them from a variety of perspectives and concludes that the paramount interest to be served—that of the public and its renewed faith in our system of laws—has been compromised. I urge my colleagues to consider this statement; therefore, I insert it into the RECORD for that purpose.

I would also like to take this opportunity to commend JERRY WALDIE for the conviction and dignity he lent to the impeachment proceedings. His diligent pursuit of the facts and the law was a source of strength for many of us and a model for all.

The article by Mr. WALDIE follows:

PLAYING POLITICS WITH JUSTICE

The promising beginnings of the Ford Presidency became a quick casualty of his incomprehensible decision to grant his predecessor and benefactor a complete pardon from not only the consequences of any criminal conduct during the Nixon Presidency but even from the judicial process that would determine the nature and precise existence of that criminal conduct. And it is not only President Ford who will suffer the adverse reaction that ensued; a nation that had just begun to climb out of the shadows and the darkness of the Nixon years is now again plunged into the abyss of Watergate.

Ford's credibility is the prime casualty of that Sunday morning decision. The sensible restraint he had announced on August 28 as to the way in which he would approach the question of a Nixon pardon was rejected just eleven days later. His earlier position had seemed eminently fair and reasonable. He would await the completion of the judicial process and would then determine whether the act of mercy and compassion that is embodied in a Presidential pardon would be warranted. Few would have found fault with that restrained approach. And few would have protested such mercy and compassion when the full extent of Richard Nixon's criminal conduct had been judicially defined and recorded. But the granting of the pardon prior to a beginning, let alone a completion, of the judicial process simply has to be considered an act of inequity and of injustice.

The consequences of that untimely act are many and devastating, both as to the nation's unity and the Ford Administration's stability. One of the purported reasons for the pardon, to end the divisiveness that further attention to Watergate would assure, not only will not be achieved; indeed, the precise opposite has occurred. The anger and outrage from the people was immediate and vehement. They perceived the act of pardon as being unworthy in two aspects. First, it was widely viewed as setting forth a different standard of accountability to the law for Presidents than for persons of lesser stature. Second, it was seen by many as representing a further cover-up of the former President's role in Watergate, and was widely considered to have been part of a deal between Ford and Nixon.

So, the cover has not been closed on the book of Watergate by Ford's Sunday morning pardon. It is true, the book has never been closed, but following the House Judiciary Committee's impeachment recommendation and the resulting resignation of Nixon, the tumultuous chapters of the Watergate book had been losing their emotional hold on the American public. As the judicial process continued, both in the Watergate trials of the lesser conspirators and in the probable trial of Richard Nixon, the attention of the nation could not have been fully distracted from Watergate for some time to come, but it would have been a more detached interest than will now be the case. That interest, in the absence of the controversial pardon, would have been tempered by the belief that the judicial process was proceeding without interference and that Richard Nixon's accountability would eventually be determined and understood.

Such knowledge and confidence have now been shattered. The interest of the public has been replaced by its anger. Far from causing divisiveness to subside, President Ford has caused a renewal of passions that in fact had begun to subside; the unity he claimed to have sought by his act is now further from attainment than it has been since the resignation of Nixon.

The other immediate casualty of this astonishing decision is the stability of the Ford Presidency. Few if any Presidents have succeeded to the office when it was in a state of greater chaos than was the Nixon Presidency when Ford assumed that burden and that opportunity. For the first thirty days it appeared that few new succeeding Presidents had ever moved with the sureness, the poise, the grace and the confidence of Gerald Ford. He seemed to be precisely the man for whom we all desperately yearned after the years of despair under Nixon. People warmed to Jerry Ford. They gave him their affection and their confidence. He had a basis of trust on which he could have relied in meeting the desperate domestic problems of this nation.

That is all gone. His Administration has suffered what may well be a mortal blow to any opportunity to move decisively toward solving the problems we confront. He is not trusted; little affection remains. He is a part of the swamp of Watergate. He has touched Nixon and in touching him has been corrupted.

Why did he do it and what can now be done?

Though I, too, was among the many who were impressed and encouraged by Ford's initial responses to the challenges of the Presidency, I should have recalled an incident from his past that might have warned me that his seeming grace and poise were illusions. Ford's problem with granting this premature pardon was his inability to understand the basic lesson of Watergate that the law applies equally to all, including Presidents. Gerald Ford has never been sensitive to the demands of the law.

In fact, Ford engaged in an undeniable abuse of the law when he sought, many years ago, to impeach Supreme Court Justice William O. Douglas. That action was prompted by his disagreement with the liberal views of Justice Douglas and because President Nixon directed that politically motivated attack to threaten the Senate for its failure to approve Nixon's nominees to the Supreme Court, Carswell and Haynsworth. Ford knew that there was no real basis to seek impeachment of Douglas, and yet he pursued that objective to attain the political objective of coercing the Senate. He pursued it at the bidding of President Nixon. He utilized the Department of Justice, in the person of Atty. Gen. John Mitchell and the FBI, in order to obtain, improperly and covertly, information about Justice Douglas that was unconfirmed, malicious and erroneous raw gossip.

That whole sordid episode should have been sufficient to warn us that Ford does not understand, nor does he respect, the law. Gerald Ford's approach to the political use of the instruments of justice is not unlike the approach of his predecessor, and it is equally probable that this deficiency will lead him to engage in similar excesses in the future.

So we should not be surprised that Gerald Ford would have so little hesitation in usurping the judicial power when the end to be served was essentially a political one. And I believe the end *was* political. I do not overlook the impossible conflict of interest created by the Twenty-Fifth Amendment, whereby Ford is made President by Nixon and then is permitted to judge Nixon. There is no way, once that authority to judge is exercised, that the judgment rendered can be free of the corrupting influence of indebtedness and personal obligation. And I believe those factors also weighed in the decision to pardon Nixon.

But I believe the most influential forces on that decision were political. Had Ford awaited the definition of the risk Richard Nixon faced in terms of criminal liability, which would have become evident with indictment, his act of pardon would have been required perilously close to the November elections. Ford assumed, and properly, that his pardon would be unpopular and that the political consequences would be negative. He did not want this weight to fall on his party in the November elections and so he exercised his pardon before indictment, believing that the unpopular reaction would quickly subside and have minimal effects on the coming Congressional elections.

He also weighed the political consequences of the course of action he outlined in his August 28th news conference, which was to consider the pardon after the judicial process against Nixon had been completed. But a trial of Nixon would surely consume the better part of 1975 and, should it go against him, force a pardon decision from Mr. Ford during a period of time very close to his own Presidential election.

It seems certain that Ford always intended to grant Richard Nixon a pardon. After all, it is doubtful that he believes Nixon did anything improper. As recently as a week before the conclusion of the House Judiciary Committee proceedings, he announced to the nation, "I can say from the bottom of my heart that the President is innocent and he is right." And up to the bitter end of resignation, Ford was assuring the American people that "the preponderance of the evidence, all of it, is in favor of the President and exonerates him from any impeachable offenses."

His only doubt regarding the issuing of the pardon involved the timing, and I believe the timing was dictated almost solely by the political consequences to Gerald Ford and his party, as he perceived them to be. Despite his pious Sunday announcement, I do not believe the consequences to the nation played much part in his decision. I also believe he has erred in his assessment of the political consequences. Rather than being a short-lived political setback, I think it will prove devastating to the Republican Party and to President Ford personally.

Perhaps the most troublesome historical loss occasioned by this precipitous pardon will be the failure to complete the record of Richard Nixon's abuse of the Presidency and of the criminal acts for which the pardon was extended and because of which it was accepted. As long as the former President persists in his assertion that his resignation was caused by the liberal press and by a temporary loss of political support in the Congress, a substantial number of Americans will continue to believe him innocent of criminal conduct or impeachable offenses. And as long as President Ford fails to disabuse himself of such sentiments, the number of Americans so deluded is likely to increase with the passage of time.

The only record of consequence now existing is that made by the House Judiciary Committee. That record is a good one, careful and persuasive. But much of its persuasion is the result of its currency and of the participation by the American people, via the televised hearings, in the making of that record.

I doubt that many who viewed those debates and were persuaded by them will be troubled to the point of doubt by the failure of that record to be added to and completed by the judicial proceedings against Mr. Nixon. But many in this country were not so persuaded. Many did not view the proceedings. And Americans of future generations will not be provided that opportunity of participation, with the consequent belief that Nixon should have.been removed.

It is to that group of Americans, those who exist and are not persuaded, and those who are yet to come, that we owe the responsibility of a full and complete record to explain the necessity of removing Richard Nixon from the Presidency; to explain and record the extent of the abuse he committed on this nation.

It is therefore necessary to complete the record, and for that purpose there reasonably remains only one available forum—the Congress; and only one process—the still pending impeachment proceedings. I believe the Congress should undertake a number of responses to this problem of the unfinished record.

Clearly, we should encourage the Special Prosecutor, Leon Jaworski, to disclose the full extent of the evidence he possesses bearing on the possible criminal conduct of Mr. Nixon. To the extent that his investigations are not completed, he should be instructed to continue gathering and developing the available evidence—not for presentation in the trials that are now denied by Ford's pardon but for presentation to the American people as part of the incomplete record.

The Special Prosecutor took an oath that bound him to "well and faithfully discharge his duties," including the duty to "investigate and prosecute offenses against the United States," including "allegations involving the President." Though President Ford has prevented the Special Prosecutor from "prosecuting" Nixon, the obligation remains to continue, conclude—and then report on—the investigation of allegations concerning the former President.

Neither should the Congress ignore the desire of President Ford to pardon the remaining forty or fifty lesser defendants in Watergate. The abomination represented by the pardon of Nixon will in no way be lessened by extending that outrage to all who were criminally involved in that assault on our political system. Congress should express its disagreement with any proposal for a blanket pardon of Watergate defendants and should particularly express its disapproval of the grant of any pardon to any individual prior to the completion of the judicial process.

But, most urgently, the record will be completed only when the evidence of Richard Nixon's wrongdoing can be obtained in a judicial manner. The only forum not realistically denied such an opportunity by President Ford and his pardon is the Judiciary Committee and the Congress in pursuit of the impeachment process. When Richard Nixon resigned his office, on the completion of the House Judiciary Committee proceedings and in response to the Articles of Impeachment voted by them, it was widely assumed that the primary purpose of impeachment, the removal from office of the offending official, had been accomplished and that the process should therefore conclude, even though it was not completed.

I concurred in that decision because I believe that the necessary record of the full extent of Nixon's wrongdoing would be completed in the upcoming judicial proceedings against him I did not then seek the remaining consequences of full impeachment, trial and conviction, namely the loss of all emoluments pertaining to his service as President and the loss of his right to seek or hold any office of public trust in the future. I was content with the apparent attainment of two of the objectives of impeachment, removal from office and the completion of a full and accurate record justifying the necessity for impeachment and conviction.

President Ford has now deprived us of the opportunity that the judiciary system afforded of completing the full and accurate record that would have justified the removal of Mr. Nixon from office. I do not disagree with those who contend that, as it stands, the record of the Judiciary Committee will justify the votes for impeachment and removal from office that Nixon avoided by resigning. It will do so for me, and I suspect for a vast number of Americans—and as of today, for a majority of Americans. But we are recording history, and the record is insufficient to guarantee such a historical assessment.

Particularly, as the counteroffensive continues—Nixon denying culpability for anything beyond minor lapses in judgment and President Ford concurring by his constant expression of sympathy for the travail of Mr. Nixon and his family, and by his total rejection of any references to the reasons for that unfortunate plight.

At a minimum, the Judiciary Committee should insist on now receiving the many tapes it had subpoenaed and been refused by Nixon. Those tapes are truly in peril of being forever denied the American people as a result of the generous grant of custody of those important items of evidence given Mr. Nixon by President Ford.

And, before it considers closing the record, the committee should also seek the personal testimony of Mr. Nixon under oath and subject to cross-examination. If Mr. Nixon can testify as a witness in pending civil and criminal trials, then he assuredly can and must give his testimony to the House Judiciary Committee.

It may be that at the conclusion of such evidentiary proceedings, the committee will determine to end the impeachment process without proceeding to trial.

It may be that the purpose of reopening the proceedings will have been adequately fulfilled—that is, the record will be deemed sufficient and complete. But that assessment cannot be made today.

To the extent that the lesson of Watergate remains unclear to President Ford, it will encourage further instances of his inadequate comprehension of the role of law and justice in his execution of the office of the Presidency. We owe him and the American people a more clearly defined lesson as to the limitations and obligations of his office. If he is as deficient in sensitivity and understanding of the limitations of law on Presidents as his actions in the pardon to Nixon would appear to demonstrate, we are in deep trouble. We reduce that probability if we respond firmly to his lapse.

"INEDIBLE" PLANTS FOR PROTEIN

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. SEIBERLING. Mr. Speaker, I think it appropriate during the Week of Concern being sponsored by the World Hunger Action Coalition to draw public attention to the wide variety of as yet untapped food sources which could help to meet the world's growing food needs. Yesterday I reintroduced a revised version of the Food Research and Development Act of 1974 to establish a crash program to develop these new food sources.

One area of research the Food Research and Development Act would support is the use of protein from foodstuffs which are commonly discarded as wastes, such as carrot tops, pea and potato vines, and plant leaves. The Washington-Star News recently published an article on the potential of such foodstuffs for alleviating hunger and malnutrition in the world. The article points out that we waste over 393,000 tons of leaf protein each year in the United States alone which could be consumed by humans after being processed. As the article further notes, protein from these sources could be very economical, a factor of prime importance in solving the world food problem.

Unfortunately, scientists working on this research have had to operate on very restricted budgets. The Food Research and Development Act would insure that adequate funds are provided to continue this kind of research and insure that it is applied to our practical food needs.

I insert the article from the Washington Star-News in the RECORD at this point:

[From the Washington Star-News, Aug. 28, 1974]

"INEDIBLE" PLANTS FOR PROTEIN

(By Judith Randal)

Carrot tops, pea vines, bean leaves and lake weeds are not ordinarily considered gourmet fare. Nor are forage crops such as alfalfa—except possibly by cows.

But in the face of rising food prices, crop failures here at home and chronic hunger in the underdeveloped world, a growing number of scientists are taking another look at the heretofore neglected potential of the "inedible" portions of plants.

"Of the 20 amino acids from which proteins are built, 8 must be supplied to man from the leaves of green plants", says Prof. Mark A. Stahmann, a biochemist. "These so-called 'essential' amino acids are produced in green leaves through photosynthesis and then only part are concentrated into seeds, tubers or animal products which will be consumed by man.

"The conversion of leaf protein into seed protein is wasteful. Only 8 to 20 percent of the protein fed to farm animals is recovered as protein for human nutrition. Over 21 million tons of vegetable wastes containing 393,000 tons of protein are lost yearly in the United States alone."

Currently, one of a team of scientists and engineers working on leaf protein at the University of Wisconsin in Madison, Stahmann first became aware of its possibilities while in England in 1961. At that time he learned that the British, during World War II, had developed a machine—similar to a hammer mill—that would separate protein from fiber in leaves, squeezing out a digestible juice.

Returning to Madison, Stahmann obtained vegetable tops, pea and potato vines from local farmers and more than 200 pounds of aquatic plants from a nearby lake. After reducing these materials to a pulp with primitive equipment and removing the fibers, he and his colleagues analyzed the proteins left behind.

Although some plant materials scored better than others—with the lake weed leading and spray-dried pea vines in last place—all contained as much or nearly as much high quality protein as hens' eggs or cow's milk. As in milk, all but one of the essential amino acids—methionine—was present in generous amounts.

Since then, scientists in several countries have done feeding studies on both animals and children with equally promising results. The Nigerian experience with the dietary deficiency disease kwashiorkor is an example. Kwashiorkor is a form of severe protein-calorie malnutrition, prevalent in food-short countries, that kills many children before the age of 5 and permanently stunts the intellects of many others.

Eggs or milk could help prevent or correct kwashiorkor. But many mothers in Nigeria entertain the belief that eggs—commonly fed to prisoners in West African jails—will somehow make their children grow up to be criminals. And cow's milk, while high in protein, causes diarrhea in many black children because they lack an enzyme required for its proper digestion. Besides, the country has so few dairy herds that milk is expensive and scarce.

During a study at the University of Ibadan, Nigerian children suffering from kwashiorkor had three tablespoonfuls of dried leaf protein derived from corn leaves added to their daily rations. All gained weight and were on the road to recovery in less than two weeks.

The study was a small one, involving only 26 children, but the scientists conducting it were elated because the use of leaf protein did not require refrigeration or professional supervision. It was also extremely economical. The children's mothers were simply told how to use it and the total estimated cost for a family of six worked out to less than a penny a day.

Indeed, the experiment's outcome so impressed the Nigerian scientists that they have persuaded several native healers ("witch doctors") to include leaf protein among the herbal medicines they dispense.

But this may be only a beginning, scientists say, because the nutrients used in experiments to date have been derived chiefly from among the 20 or 30 plants historically harvested for human food.

Prof. Howard Ream, who heads the Wisconsin project says "Of the some 300,000 species that may be suitable we have tapped very few. It is perfectly possible that high quality protein from other green plants is quite capable of becoming a nutritious and palatable part of our diets and that of livestock as well."

Ream, an agronomist recently retired from the State Department's Agency for International Development, believes that one of the most promising of these previously overlooked species is alfalfa which up to now has been used strictly for grazing animals. Many other agricultural experts agree. In alfalfa, they contend, lies a potential protein source so rich that it may rival even the soybean.

For one thing, alfalfa yields four times as much protein per acre as soybeans and will grow in soil and under conditions where soybeans will not. And for another, all efforts to increase the productivity of soybeans have failed in the last 10 years, whereas there is apparently no such limitation on alfalfa.

Conservative estimates are that the protein now wasted in this country by using alfalfa for fodder alone represents 60 percent of the annual protein needs of the entire United States. Why not, these scientists reason, develop the means to exploit alfalfa's full nutritional potential?

This is not so far-fetched as it may sound. "The chemical process of making valuable human food from alfalfa is very much like cheese making," Prof. Lowell Saterlee of the department of food, science and technology at the University of Nebraska in Lincoln explains.

"Then, since you don't want to throw anything away, you use the curd for food directly and put the whey to work. It can be fed to livestock, fermented into alcohol or used to raise yeast that can be the basis of producing protein itself. Or a fraction of it, rich in nitrogen and potassium, can be returned to the land as fertilizer which is in critically short supply because of a scarcity of its underlying raw material—natural gas."

For years, scientists have been using computers to formulate animal feeds of the proper chemical composition, nutritional quality and taste appeal. The Nebraska group—among others—is now attempting to do so for humans. Specifically, it is testing a light tan powder obtained from alfalfa, blending it into baked goods and cereals and using it experimentally as an extender for meat.

By itself, the powder has a slight grassy taste, undetectable, says Satterlee when it is added to highly flavored foods like sausage, but all too readily apparent when blended with blander products like flour.

With further effort, however, he and other food scientists interviewed by the Star-News are convinced that this drawback can be overcome. "It has to be," he says. "No one is going to eat something, no matter how nutritious, if it tastes or smells funny, has an unpleasant texture or looks wrong to the eye. That kind of protein just isn't functional."

Meanwhile, work on alfalfa protein is also under way at the Department of Agriculture's Western Research Laboratory in Berkeley, Calif. There, Dr. George C. Kohler, the scientist in charge, has been interested in its possibilities ever since he was a graduate student in 1938. "In those days," he recalled recently, "no one was much interested because it wouldn't have been economic. The energy crisis, the population explosion, inflation and the food shortage have completely turned all this around."

Kohler's hopes are pinned on two kinds of alfalfa protein concentrate, similar but not identical to products being studied in Nebraska and Wisconsin. One is a yellowish powder that when fed to poultry heightens the color of egg yolks and gives the skin of broilers and roasters an appetizing golden appearance instead of the usual faintly bluish hue.

The other is a white powder—somewhat richer in protein—that Kohler envisions as a sort of "soybean plus." By that he means a product that could be consumed by animals, such as hogs, which ordinarily do not thrive on alfalfa, as well as by cattle and other livestock, or eaten directly by man.

There is always the possibility, he concedes, that such a powder might contain something toxic and the laboratory works closely with the Food and Drug Administration, making checks as it goes along. But barring some poison that could not be eliminated or some environmental hazard not now foreseen, he feels alfalfa protein could be produced that would be as cheap if not cheaper than that of soybeans. It would also be economical to ship.

No product can compete in the market place, of course, if it is too expensive to produce. So leaf protein enthusiasts are also looking closely at the energy inputs required for alfalfa to be transformed from merely a forage crop for cattle into a basic commodity like wheat, soybeans and corn.

The final verdict isn't in yet, but the evidence to date suggests that—since alfalfa destined to become hay has to be dried out anyway to prevent spoilage—utilizing distillation and spray-drying may turn out to be a highly efficient use of energy. And looking to the future, experts believe that the system would be especially cost-effective in underdeveloped countries where because of longer growing seasons more protein can be produced per acre than in the United States.

It is already apparent, for example, that if the incentive were there to harvest the alfalfa crop before its leaves dropped off, the energy now spent in turning it over to dry before taking it into the barn for hay would be saved. The Wisconsin group figures that this would reduce harvest costs per acre by $6.26 when compared to low moisture silage and by $2.52 when compared to baled hay.

Indeed, protein recovery is apparently so potentially profitable that in Europe—where alfalfa is known as luzerne—the giant France Luzerne Co. is already building a large plant where the technology developed on a pilot basis in the United States will be used for the commercial manufacture of alfalfa concentrates.

In this country, progress towards large-scale application has been slower, largely because most of the alfalfa projects have had to get along on shoestring budgets and so have been strapped for research and development funds.

The Nebraska program, for example, is relying primarily this year on $6,000 pledged by the American and Nebraska Dehydrators Associations (Alfalfa trade groups), while in Wisconsin the leaf protein project has had to depend entirely on the School of Agriculture's Alumni Research Foundation which has competing demands on its resources. And, although the USDA laboratory has five scientists assigned full-time to alfalfa, a Task force of this size hardly can be expected to achieve rapid results.

In the end, it is not the food crisis, but the energy crisis that may soon push alfalfa to the fore. As fossil fuels become scarcer and more expensive, the cellulose that plants produce in such abundance—which can be reduced to glucose and then turned by fermentation into alcohol or other sources of power—becomes more and more attractive: the more so because a sophisticated technology might well be capable of supplying both sugar and protein.

That is why, for example, when for two years the group at the University of Wisconsin has applied without success for National Science Foundation support, it suddenly finds its proposals being taken seriously. As one NSF spokesman said when asked about the prospects: "We can't make any promise, but this sort of thing is looking better all the time. When it comes to energy—either to fuel the body or to fuel machines—plants are a resource that has barely been touched."

NEW PRESIDENT OF KIWANIS INTERNATIONAL

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. DERWINSKI. Mr. Speaker, next Tuesday, October 1, a man whom I am proud to call a friend becomes president of Kiwanis International, one of the great community-serving organizations of our time.

That man, Roy W. Davis, is a Chicagoan, a vice president of the Continental Illinois National Bank, and a longtime contributor to the civic and charitable institutions of Chicago and its environs.

He was elected at the 59th Annual Convention of Kiwanis International in Denver last summer attended by some 18,000 people—Kiwanians and their families including many from my State, and Mr. Davis', Illinois.

I am proud to be a Kiwanian and to have worked with Mr. Davis through the years. I know that, as he and Mrs. Davis travel the world in carrying out their Kiwanis duties, they will be fitting representatives not only of Illinois, but of all the United States.

I know of no one more fitted for the role, by training, by temperament and by inclination. All of us can take pride in Roy W. Davis, the new president of Kiwanis International.

At this point I would like to include a biographical sketch of Roy W. Davis whose home Kiwanis club is the Kiwanis Club of Chicago, Ill.

Roy W. Davis, Chicago, Ill., a vice president of Continental Illinois National Bank, Chicago, was named president of Kiwanis International as a high point of the organization's 59th annual convention in Denver this June. Prior to his election to the presidency, Davis had been serving as president-elect of Kiwanis. He will assume the presidency on October 1 at the start of Kiwanis' 1974–75 administrative year.

Prior to becoming president-designate, Davis served 1 year as Kiwanis' president-elect, 1 year as vice president, 1 year as treasurer, and 4 years as a trustee. He also served as lieutenant governor and governor of the Illinois-Eastern Iowa Kiwanis District and as president of the Kiwanis Club of Chicago. He has been a member of the Kiwanis International Committees on Spiritual Aims, and Organization Study. He has also served as member and chairman of several district committees. He is a member of the board of trustees of the Kiwanis International Foundation.

Davis will serve as chairman of Kiwanis International's executive committee.

The new Kiwanis president has been a vice president of the Continental Illinois Bank & Trust Co. since 1961. He began his banking career with Continental in 1931. He has been a Kaiwanian for 25 years.

Holding memberships in the American Institute of Banking and the Chicago Association of Commerce and Industry, Davis is also a member of the Newcomen Society, the American Legion, the Christian Business Men's Committee, and the South Suburban Family Counseling Service.

A lay leader in his church, Davis currently serves as treasurer of the Bethany Brethren Garfield Park Community Hospitals of Chicago and is a past trustee of the Bethany Theological Seminary. He is also a past trustee of the Chicago Hospital Council.

Davis and his wife, Evelyn, have a son and a daughter, both married. They have three grandchildren.

Mr. Davis sounded the keynote for his year as head of Kiwanis during his inaugural speech in Denver when he said:

> Our dream of fulfillment must be a dream that we live—not just a day but for every day—to show the world that Kiwanis cares. Our dream calls for decision and for action—for sharing, and for giving all the love we can give—and there is no other acceptable way to show that we care.
>
> We should not ask to be praised for expressing concern, for even the crocodile can shed tears. Nor should we seek to be esteemed for a generosity confined to the circles of our families, for even the lowliest beast shares with its own. Only when you follow the Golden Rule—in *all* human relationships—can you show you care.

Mr. Speaker, I believe you and the Congress will share with me the pride and feeling of personal challenge which such a theme evokes.

In conclusion I would like to put in the Record a list of the 129 Kiwanians in Congress in which number I am proud to be included:

KIWANIANS IN THE 93D CONGRESS

SENATE

Key.—(a) active; (h) honorary.

Baker, Howard H., Jr., Oneida, Huntsville, Tennessee. (a)

Bellmon, Henry, Oklahoma City, Oklahoma. (h)

Biden, Joseph R., Jr., Rodney Square, Wilmington, Delaware. (a)

Case, Clifford P., Rahway, New Jersey. (h)

Chiles, Lawton M., Lakeland, Florida. (a)

Cotton, Norris, Concord, New Hampshire. (h)

Dole, Bob, Russell, Kansas. (a)

Domenici, Pete V., Albuquerque, New Mexico. (h)

Dominick, Peter H., Littleton, Colorado. (h)

Ervin, Sam J., Jr., Morgantown, North Carolina. (a)

Fannin, Paul J., Camelback, Phoenix, Arizona. (h)

Goldwater, Barry, Valley of the Sun, Phoenix, Arizona. (h)
Griffin, Robert P., Traverse City, Michigan. (a)
Hansen, Clifford P., Cheyenne, Wyoming. (h)
Hatfield, Mark O., Salem, Oregon. (h)
Hruska, Roman L., Omaha, Nebraska. (a)
Javits, Jacob K., Manhattan West, New York City, New York. (a)
Mathias, Charles McC., Jr., Frederick, Maryland. (h)
McClure, James A., Payette, Idaho. (a)
McGovern, George S., Mitchell, South Dakota. (h)
McIntyre, Thomas J., Laconia, New Hampshire. (a)
Nunn, Sam, Perry, Georgia. (h)
Pastore, John O., Providence, Rhode Island. (a)
Randolph, Jennings, Elkins, West Virginia. (h)
Schweiker, Richard S., Lansdale, Pennsylvania. (h)
Sparkman, John J., Huntsville, Alabama. (a)
Stevens, Theodore F., North Star, Anchorage, Alaska. (h)
Taft, Robert, Jr., Silverton, Ohio. (h)
Talmadge, Herman E., Hampton, Lovejoy, Georgia. (h)
Tower, John G., University, Wichita Falls, Texas. (a)
Young, Milton R., Jamestown, North Dakota. (a)

HOUSE OF REPRESENTATIVES

Addabbo, Joseph P., Ozone Park, New York. (a)
Anderson, Glenn M., Hawthorne, California. (a)
Ashbrook, John M., Northwest Licking County, Johnstown, Ohio. (a)
Bevill, Tom, Jasper, Alabama. (h)
Biester, Edward J., Jr., Doylestown, Furlong, Pennsylvania. (a)
Blackburn, Ben B., Decatur, Georgia. (h)
Blatnik, John A., Chisholm, Minnesota. (h)
Bray, William G., Martinsville, Indiana. (h)
Brinkley, Jack T., Columbus, Georgia. (h)
Broomfield, William S., Royal Oak, Michigan. (h)
Brown, George E., Jr., San Bernardino, California. (a)
Broyhill, James T., Lenoir, North Carolina. (h)
Buchanan, John H., Birmingham, Alabama. (h)
Burke, J. Herbert, Hollywood Beach, Hollywood, Florida. (a)
Chamberlain, Charles E., Lansing, Michigan. (a)
Clausen, Don H., Crescent City, California. (h)
Clawson, Del, Compton, California. (a)
Cleveland, James C., Concord, New Hampshire. (h)
Conte, Silvio O., Pittsfield, Massachusetts. (h)
Daniel, W. C., Danville, Virginia. (a)
Davis, Glenn R., Waukesha, New Berlin, Wisconsin. (a)
Dellenback, John R., Medford, Oregon. (a)
Denholm, Frank E., Brookings, South Dakota. (a)
Derwinski, Edward J., South Holland, Chicago, Illinois. (a)
Devine, Samuel L., Columbus, Ohio. (h)
Dickinson, William L., Montgomery, Alabama. (a)
Duncan, John J., Northside, Knoxville, Tennessee. (a)
Edwards, Jack, West Mobile, Alabama. (h)
Eshleman, Edwin D., Lancaster, Pennsylvania. (h)
Evans, Frank, Pueblo, Colorado. (a)
Fisher, O. Clark, Alamo, San Antonio, Texas. (h)
Flynt, John J., Jr., Griffin, Georgia. (a)
Ford, Gerald R., Grand Rapids-Southkent, Michigan. (h)
Fountain, L. H., Tarboro, North Carolina. (a)
Gray, Kenneth J., West Frankfort, Illinois. (a)
Gunter, Bill, South Orlando, Florida. (h)
Hammerschmidt, John Paul, Harrison, Arkansas. (h)
Hanrahan, Robert P., South Holland, Illinois. (h)
Harsha, William H., Portsmouth, Ohio. (h)
Hicks, Floyd V., Parkland Area, Tacoma, Washington. (a)
Hosmer, Craig, Long Beach, California. (h)
Hungate, William L., Troy, Missouri. (a)
Jarman, John, Oklahoma City, Oklahoma. (h)
Landrum, Phil, Canton, Jasper, Georgia. (h)
Latta, Delbert L., Bowling Green, Ohio. (a)
Leggett, Robert L., Greater Vallejo, California. (a)
Lujan, Manuel, Jr., Albuquerque, New Mexico. (a)
Macdonald, Torbert H., Malden, Massachusetts. (h)
Madigan, Edward R., Lincoln, Illinois. (a)
Mahon, George H., Lubbock, Texas. (h)
Mann, James R., Greenville, South Carolina. (a)
McCollister, John Y., Omaha, Nebraska. (a)
McEwen, Robert C., Ogdensburg, New York. (h)
McFall, John J., Manteca, California. (h)
McKinney, Stewart B., Fairfield, Connecticut. (h)
Meeds, Lloyd, Everett, Washington. (a)
Miller, Clarence E., Lancaster, Ohio. (h)
Mills, Wilbur D., Searcy, Kensett, Arkansas. (h)
Mitchell, Donald J., Herkimer, New York. (h)
Mosher, Charles A., Oberlin, Ohio. (h)
Natcher, William H., Bowling Green, Kentucky. (a)
Nichols, Bill, Sylacauga, Alabama. (h)
Patten, Edward J., Perth Amboy, New Jersey. (a)
Pepper, Claude D., Coral Gables, Miami, Florida. (a)
Preyer, Richardson, Greensboro, North Carolina. (h)
Price, Melvin, East St. Louis, Illinois. (h)
Quillen, James H., Kingsport, Tennessee. (h)
Randall, William J., Inter-City District, Kansas City, Missouri. (h)
Regula, Ralph S., Navarre, Ohio. (a)
Rhodes, John J., Mesa, Arizona. (h)
Robison, Howard W., Owego, New York. (h)
Rogers, Paul G., West Palm Beach, Florida. (a)
Roncallo, Angelo D., Massapequa, New York. (h)
Rose, Charles, III, Fayetteville, North Carolina. (a)
Rostenkowski, Dan, Northwest Town, Chicago, Illinois. (a)
Roush, J. Edward, Huntington, Indiana (a)
Roybal, Edward R., Boyle Heights, Los Angeles, California. (h)
Satterfield, David E., III, Richmond, Virginia (a)
Saylor, John P., Johnstown, Pennsylvania. (h)
Schneebeli, Herman T., Williamsport, Pennsylvania. (a)
Shriver, Garner E., East Wichita, Kansas. (a)
Sikes, Robert L. F., Crestview, Florida. (h)
Sisk, B. F., North Fresno, California. (a)
Staggers, Harley O., Keyser, West Virginia. (h)
Stanton, J. William, Panesville, Ohio. (h)
Steiger, Sam, Mile-Hi, Prescott, Arizona. (a)
Stephens, Robert G., Jr., Athens, Georgia. (h)
Stratton, Samuel S., Amsterdam, New York. (a)
Stubblefield, Frank A., Murray, Kentucky. (h)
Van Deerlin, Lionel, Chula Vista, San Diego, California. (h)
White, Richard C., El Paso, Texas. (h)
Wilson, Bob, San Diego, California. (h)
Wilson, Charles H., Inglewood, California. (h)
Wright, Jim, Fort Worth, Texas. (h)
Wylie, Chalmers P., Columbus, Worthington, Ohio. (a)
Wyman, Louis C., Manchester, New Hampshire. (h)
Young, John, Corpus Christi, Texas. (h)
Zwach, John M., Tracy, Minnesota. (h)

STATEMENT OF CONGRESSMAN JAMES W. SYMINGTON CONCERNING THE ESTABLISHMENT OF A SOYBEAN RESEARCH INSTITUTE

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. SYMINGTON. Mr. Speaker, the shortage of food supplies which now faces the world has forced governments, agricultural experts, and concerned citizens to look for ways to increase production, not only through expanding acreage, but through increasing yield per acre. This goal has been achieved in some areas of the world as a result of new rice and wheat strains springing from green revolution research. These new strains, however, require applications of great amounts of fertilizer, the cost of which has skyrocketed due to increased demand and the outrageous cost of petroleum products. This year's fertilizer shortage will cost India alone 10 million tons of grain—a year's supply for 50 million Indians. Clearly, we must step up our agricultural research to improve our agricultural technology and our system of transmitting that technology to the world's farmers.

One such area of research which seems promising is in the production of soybeans. "Seen against an increasing demand for meat protein, soy represents the only consistent and abundant vegetable protein resource available for human food and animal feed purposes," according to Edythe Robertson, director of ARA World Food Systems. Expansion of soybean production could be a significant factor not only in satisfying the protein desires of the developed world, but in meeting the critical protein deficiencies in the diets of developing nations. Soybean research is needed because, although the quantities of soybeans produced has increased in the last 25 years, those increases are attributable to expanded acreage; there have been no significant breakthroughs in the amount of yield per acre. Since arable land is in painfully short supply worldwide, it becomes imperative to achieve substantial improvements in soybean yields.

Toward this end, I am introducing today a bill to establish a Soybean Research Institute to be jointly supported by the United States and the People's Republic of China. The Institute's objectives, as outlined in the bill, are:

First, to immediately devote its facilities and expertise to the specific need for increased soybean yields and soybeans adaptability to new producing regions;

Second, the development of additional uses for soybeans and soybean products as sources of human and animal protein, including the development of new foods and food substitutes and extenders; and

Third, to serve as a basis for full cooperation and coordination between the People's Republic of China and the United States in the field of soybean research and technology.

The United States and the People's Republic of China are the world's leading producers of soybeans and both have conducted soybean research which could be mutually beneficial: the United States in high-yield varieties, the People's Republic of China in varieties better suited to northerly climates. It would be in the interests of both nations and the world community for such a cooperative research effort to be undertaken. The distinguished Senator from Minnesota, Senator HUMPHREY, who first introduced this bill in the Senate, has discussed this proposal with the Deputy Minister of Agriculture of the People's Republic of China; the Minister's response was very favorable and he indicated that "he would discuss the feasibility of such an effort with his government," according to the Senator. I submit that the favorable congressional consideration of this legislation will give our Government the incentive to open the doors to such productive and mutually beneficial agricultural cooperation.

RURAL AND URBAN DECAY: PART OF THE SAME PROBLEM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. BROWN of California. Mr. Speaker, I am very impressed by this brief article. It fits into my philosophical concern over the need for smaller units in urban areas, and connects the two areas of rural and urban living. I have introduced legislation this session trying to address the problems of urban alienation and the need to decentralize decisionmaking and give individuals back their rights to self-determination. This short article helped me rethink and connect what has been happening to our agricultural communities and the continuing destabilizing effect the destruction of the family farm has had on our urban communities.

We as legislators seem to be incapable of assessing the future impact of some of our best intentioned legislation. This shortcoming, added to punitive administrative procedures, tears at the connecting fibers of families, communities, and our ability to govern.

The article follows:

[From the Los Angeles Times, Sept. 8. 1974]

OLD VALUES, CULTURE WITHER ON THE AMERICAN FARM

(By Wendell Berry)

In my boyhood, Henry County, Kentucky, was not just a rural county, as it still is. It was almost entirely a farming county. The farms were generally small. They were farmed by families who lived not only upon them, but within and *from* them. They grew gardens. They produced their own meat, milk, and eggs. They were highly diversified.

In those days a farm family could easily market its surplus of cream, eggs, old hens, and frying chickens. The major motive power for field work was still furnished by horses and mules. There was still a prevalent pride in workmanship, and thrift was still a forceful social ideal. The pride of most people was still in their homes, and their homes looked like it. This was by no means a perfect society. Its people had often been violent and wasteful in their use of the land and of each other. Its present ills had already taken root in it. But I speak of its agricultural economy of a generation ago to suggest that there were also good qualities indigenous to it that might have been cultivated and built upon.

That they were not cultivated and built upon—that they were repudiated as the stuff of a hopelessly outmoded, unscientific way of life—is a tragic error on the part of the people themselves, and it is a work of monstrous ignorance and irresponsibility on the part of the experts and politicians who have prescribed, encouraged and applauded the disintegration of such farming communities all over the country into our allegedly miraculous "modern American agriculture."

In the decades since World War II the farms of Henry County have become increasingly mechanized. Though they are still comparatively diversified, they are less diversified than they used to be. The holdings are larger, the owners are fewer. The land is falling more and more into the hands of speculators and professional people from the cities, who—in spite of all the scientific agricultural miracles—still have much more money than farmers. There are not nearly enough people on the farms to maintain them properly, and they are for the most part visibly deteriorating. The number of part-time farmers and ex-farmers increases every year.

In all this few people whose testimony would have mattered have seen the connection between the "modernization" of agricultural techniques and the disintegration of the culture and the communities of farming—and the consequent disintegration of the structures of urban life. What we have called agricultural progress has, in fact, involved the forcible displacement of millions of people.

I remember, during the fifties, the outrage with which certain of our leaders spoke of the forced removal of the populations of villages in Communist countries. I also remember that at the same time, in Washington, the word on farming was "Get big or get out"—a policy that is still in effect.

And this community-killing agriculture, with its monomania of bigness, is not primarily the work of farmers, though it has burgeoned upon their weaknesses. It is the work of the institutions of agriculture; the experts and the agri-businessmen, who have promoted so-called efficiency at the expense of community, and quantity at the expense of quality.

Last year in Kentucky 1,000 dairies went out of business. They were the victims of policies by which we imported dairy products to compete with our own, and exported so much grain as to cause a drastic rise in the price of feed. Typically, an agricultural expert at the University of Kentucky was willing to applaud the failure of 1,000 dairymen, whose cause he is supposedly being paid—with *their* money—to serve. They were inefficient producers, he concluded, who needed to be eliminated.

He did not say—indeed, there was no indication that he had ever considered—what might be the limits of his criterion or his logic. Does he propose to applaud this same process year after year until "biggest" and "most efficient" become synonymous with "only"? This sort of brainlessness is invariably justified by pointing to the enormous productivity of American agriculture. But any abundance, in any amount, is illusory if it does not safeguard its producers—and in American agriculture abundance has tended to destroy its producers.

Along with the rest of the society, the established agriculture has shifted its emphasis—even its interest—from quality to quantity. And along with the rest of society it has failed to see that, in the long run, quantity is inseparable from quality. To pursue quantity alone is to destroy those disciplines in the producers that are the only assurance of quantity. The preserver of abundance is excellence.

The results are a drastic decline in farm population and political strength; the growth of a vast, uprooted, dependent and unhappy urban population. Our rural and urban problems have largely caused each other. The result is an unimaginable waste of land, of energy, of fertility, of human beings. The result is that the life on the land, which in its native processes, is infinite has been made totally dependent upon the finite, scarce and expensive products of industry. The result is the disuse of so-called marginal lands, potentially productive, but dependent upon intensive human care and long-term human familiarity and affection. The result is the virtual destruction of the farm culture without which farming, in any but the exploitive or extractive sense, is impossible.

My point is that food is a cultural, not a technological, product. A culture is not a collection of relics or ornaments, but a practical necessity, and its destruction invokes calamity. A healthy culture is a communal order of memory, insight, value, and aspiration. It would reveal the human necessities and the human limits. It would clarify our inescapable bonds to the earth and to each other. It would assure that the necessary restraints be observed, that the necessary work be done, and that it be done well.

But this attitude does not come from technique or technology. It does not come from education; in more than two decades in universities I have rarely seen it. It does not come even from principle. It comes for a passion that is culturally prepared—a passion for excellence and order that is handed down to young people by older people whom they respect and love. When we destroy the possibility of that succession we will have gone far toward destroying ourselves.

A LETTER ON THE PARDON

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. WALDIE. Mr. Speaker, since President Ford's action pardoning former President Nixon from prosecution by Federal authorities for any crimes committed during his Presidency I have received more than 2,700 letters, cards, and telegrams from persons offended, outraged, and disappointed in President Ford's decision.

One of the most persuasive and articulate letters was from Washington attorney Joseph Nellis.

Mr. Nellis sums up the feelings of many of us and I think it most worthwhile to have this letter inserted in the CONGRESSIONAL RECORD:

SEPTEMBER 11, 1974.

Hon. JEROME R. WALDIE,
House of Representatives.

DEAR JERRY: I am writing not only to express agreement with all that you said last night on "Evening Edition" with respect to the President's precipitous "pardon" of Nixon, but also to express my own sense of incredulity and outrage at this action. I cannot believe that I have not been entirely correct right along in my cynical assumption that such a deal was made prior to Nixon's long-awaited resignation—that the President must have agreed to some sort of amnesty for Nixon as consideration for Nixon's leaving office. It is this possible aspect of the situation that I feel should be investigated by the House Judiciary Committee, not what I suspect to be a fruitless attempt to re-open the impeachment proceedings.

Despite Professor Van Alstyne and other academic geniuses who claim, without foundation in fact or in law, that President Lincoln's amnesty offer to rebels in 1864 offers a historical or legal precedent for President Ford's action, I cannot find any precedent for this kind of prosecutorial immunity where no crime has been charged, nor any legal proceedings held. The Lincoln offer had to do with bringing back into the fold those who had seceded for reasons of misguided allegiance to the South. Nothing like it is present in the Nixon case. Clearly, if Nixon had been proceeded against and amnesty later granted as a matter of compassion or because the prospect of a former President in jail might create problems, I think most of the country would have uttered one long sigh and gone along with it. But the Nixon pardon raises ugly prospects—where is equal justice if 38 underlings and their families lie in ruins, all because of the bidding of the chief culprit who is shielded from prosecution and sits in baronial splendor waiting for the dust to settle so he can cash in on his sordid "memoirs" and spend the people's tax dollars in the form of emoluments which he does not deserve?

I believe that President Ford has destroyed his reservoir of good will with Democrats, Independents and reasonable Republicans who desperately wanted him to succeed in the Presidency for the good of the country. There can be no partisanship in this now-shattered hope. The harm done by Nixon, his mob and his Watergate will live in our history for generations to come. Why Gerald Ford with everything and almost everyone going for him; with the hopes of the country for relief from 15 years of accumulated tragedy, strife and pain so clearly evident; with institutions of society crumbling away—why Gerald Ford would have risked revival of the bitterness and anger in which the country is again engulfed is beyond my comprehension and I revert to my cynical belief that a deal was struck. If I am right, then this is the greatest betrayal of all. How can we ever find out?

Most cordially,

JOSEPH L. NELLIS.

EARLY CHILDHOOD EDUCATION IS A JOB FOR THE PUBLIC SCHOOLS

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. QUIE. Mr. Speaker, for almost 5 years now the Education and Labor Committee has been considering preschool legislation of one form or another. Presently, we have pending before the Select Education Subcommittee the Child and Family Services Act which will be the subject of action by our committee sometime during the next session of Congress. I have been vitally interested in the subject of early childhood education while I have been in Congress. My efforts on behalf of early childhood programs predate even the Head Start program. Legislation developed by the Congress in the area of early childhood development should be tied in some way to the public schools. Involvement of the public schools is essential since the programs for children 1 to 10 and their parents are so interrelated. Therefore, I was interested when I read a recent article written by Albert Shanker, president of the United Federation of Teachers, which supports the position that early childhood education should be provided by the public schools. When hearings are held on this subject next session, Mr. Shanker hopefully will testify.

The article follows:

EARLY CHILDHOOD EDUCATION IS A JOB FOR THE PUBLIC SCHOOLS

(By Albert Shanker)

In 1971 former President Nixon vetoed a bill which would have provided care for preschool children. But the setback he dealt a worthy movement was only temporary. Sentiment continues to grow for a major federal effort to provide child care and early childhood education. The demand for such a program stems from many considerations, two of which are most important: first, that the early childhood years are the period in which the intellectual development of children can most effectively be aided, and second, that early childhood services are urgently needed by mothers who cannot afford to pay for private services but deserve what well-to-do women now enjoy—the freedom to pursue a career. Early childhood projects are already being funded under the 1970 Education of the Handicapped Act. Early this summer a major bill in this field was introduced by Senators Walter F. Mondale (D-Minn.) and Jacob Javits (R-N.Y.) and Representative John Brademas (D-Ind.). Known as the Child and Family Services Act of 1974, the bill will surely generate significant legislative action in the next session of Congress.

As we move toward a comprehensive early childhood program, it is important that some of the shortcomings of earlier legislation be avoided. Programs such as Head Start and the Job Corps suffered greatly as a result of political compromises in which many different public, private, profit and non-profit agencies won government contracts for the needed services. The same helter-skelter pattern is already evident in the grants for projects to aid the handicapped, with sponsors as diverse as the University of Colorado, the Salvation Army of Honolulu, La Raza (a militant Chicano organization) and the Mister Rogers Neighborhood Television Program. Since the Mondale-Javits-Brademas Bill also provides for a broad range of sponsoring agencies (with limits greater than heretofore on the private profit-making sector) some warnings recently voiced by Edwin W. Martin, Acting Deputy Commissioner of the U.S. Bureau of Education for the Handicapped should be studied carefully before we move further ahead. In a talk before a group of educators in Boston, Martin observed that the provision of preschool and early childhood education "seems destined to be based on the same assumptions that my wife and I use in what she has called our Buddhist approach to gardening. That is, with a reverence for all living things, we allow to grow around our house what will. I can report to you that this approach involves a minimum of prior planning, that the results are judged to be uneven at best by third-party evaluators, and that later revisions are costly and difficult."

Martin raises basic questions: Who shall be responsible for delivering early childhood services? Should the system be all public or should there be an essential role for the private sector? Should there be a single public agency with responsibility or should we assume that employing many agencies will lead to "creative pluralism" and "flexibility"? Martin doesn't limit himself to question-raising; he is a forthright advocate. He proposes: "1) Public policy makers should 'bite the bullet' and begin the process of making a specific decision about where the responsibility for early childhood education services should be lodged. No more Buddhist gardening. 2) Public policy must be based on the assumption of equal access for all children, and so a public system must be developed based on this 'zero reject' concept. Private agencies can offer alternatives for those who can afford them, or serve as subcontractors for the public agency. 3) A single public agency should be charged with the primary responsibility. 4) That agency should be the public education agency."

In arguing his position, Martin anticipates that there will ultimately be universal early childhood education but that it will evolve in a "randomized" fashion "by extending public school programs; expanding Headstart; developing new Federal initiatives in family and child services such as those proposed by the Mondale and Brademas bills, recently re-introduced by the development of new state offices of Child or Human Development; day care centers; community health and mental health programs; and a variety of profit and non-profit agencies."

"I think," he asserts, "that such a development process will result in all of the problems we now see in many of our governmental programs; conflicting responsibilities and assumptions, duplication and overlap, gaps and unevenness of access, wide variations in qualities of services, etc. . . ." Since there are 17.2 million children under 5 years of age "I belive it is accurate to say that no formalized public service delivery system, other than the schools, deals with such a large population and its attendant logistical problems." It is the public school system, he contends, which should be responsible for early childhood education. The public schools have the building, and, with the decline in the birthrate, will soon have much of the needed space. The public school system "has the capacity to set standards, to certify, regulate, etc. The capacity to train educators and specialist is in place, and it, too, is seeking new avenues for development, as we now face a 'teacher surplus.'"

Only the public schools, Martin claims, are prepared to administer early childhood education in functional continuity with their regular instructional program. "Will some other agency," he asks, "provide parallel services . . . with all the attendant problems of continuity of programming when the youngsters reach school age? I hope not."

Universal early childhood education is a must, but previous pitfalls must be avoided. The demands of special interests must give way to coherent public policy. As we expand the education of our children, the responsibility for the enlarged program should be borne by the public schools. The public schools are not perfect, but they are a far cry from the Buddhist garden.

THE EPA VERSUS CITIES

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. CRANE. Mr. Speaker, much has been written in recent days about the need for the Congress to reestablish its own authority over the activities of the executive branch of Government.

All too often in recent years the Congress has abdicated such authority. In the Gulf of Tonkin resolution it, in effect, told the President that he could act in any way he saw fit with regard to the war in Vietnam. During the Nixon administration, Congress, in effect, told the President that he could impose wage and price controls whenever he felt it necessary to do so.

In a similar manner, Congress has given governmental agencies broad grants of authority, grants which have often been used in an autocratic and arbitrary manner as, for example, with regard to the compulsory seat belt interlock system imposed upon the American people by bureaucrats at the Department of Transportation.

In creating the Environmental Protection Agency, Congress has once again acted in this manner, abdicating its own authority to nonelected bureaucrats. The results, which we are only now beginning to understand, have been disastrous.

In Houston, Tex., for example, the EPA mandated that those firms with 1,000 or more employees in one facility and 700 company parking spaces exclusively for employees, must start a plan to encourage use of car pools and buses. The Houston Chronicle pointed out that the term "encourage" is euphemistic language which hides EPA's intent to force them to do what the bureaucrats wish. The Chronicle reported that the EPA laid down regulations for the companies to *enforce*, one being that employees driving to work alone must pay a $1-per-day fine plus a fee which is the average of what the three nearest commercial parking lots would charge for the day.

Discussing these regulations, Anthony Harrigan, executive vice president of the U.S. Industrial Council, declared:

> The legality of such a regulation is highly dubious. What the EPA is doing is setting aside a special class of Americans—those who choose to drive to work—and penalizing them for exercising their rights as citizens to select their mode of transportation. I cannot believe that this EPA regulation could meet the equal protection of the law test embodied in the U.S. Constitution. Certainly, it was not the intent of Congress when it approved the National Environmental Policy Act, to delegate such power to a Federal agency. And I am convinced that such a delegation of power is unconstitutional on its face.

In an address to the Central Phoenix, Ariz., Business and Professional Association's Downtown Merchants, Mr. Harrigan stated:

> Local governments might just as well give up if the EPA can step in and usurp all rights, can become the super zoner and final authority as to the pattern of economic development in a community. And that's what EPA is trying to do, trying to lay down models of development for every city and State.

It seems to me that the EPA is exercising authority which Congress never meant to delegate and which Congress must now carefully circumscribe. I wish to share with my colleagues the address by Anthony Harrigan concerning the EPA and insert it into the RECORD at this time:

THE EPA VERSUS CITIES

(By Anthony Harrigan)

The American people do not fully realize what the Environmental Protection Agency is doing, how it is violating basic rights, and how its rule-making authority strikes at our free enterprise system and at local and state government.

The EPA came into existence as the "Mr. Clean Agency," as a symbol of public concern for the environment. But the public's sound desire for a healthy environment and Congress' intention to enact a reasonable law balancing a health environment with traditional opportunities for economic growth have been twisted into an arrogant, bureaucratic overlording of individual citizens and communities.

Controls decreed by the Environmental Protection Agency—and I use the word "decreed" advisedly—have been aptly described by the *Houston Chronicle* as being of "questionable legality, questionable authority, and questionable necessity."

The EPA's edicts have been so numerous that the public finds it hard to focus on them. Moreover, it is difficult for Americans, who regarded the establishment of the agency as a progressive step, to recognize that the EPA is an agency running wild in violation of the most deeply rooted property and local rights.

Let me give you an example.

The Environmental Protection Agency announced last fall that automobile controls would be established for the Houston area. It declared that economic sanctions would be taken against people to force them into car pools and buses as part of its strategy to control pollution.

Whether or not controls on cars are the way to curb pollution, the agency favors methods that smack of an autocratic regime.

The EPA mandated that those firms with 1,000 or more employes in one facility and 700 company parking spaces exclusively for employes, must start a plan to encourage use of car pools and buses. As *The Houston Chronicle* pointed out, "encourage" is euphemistic language which hides the EPA's intent to force them to do what the bureaucrats wish. *The Chronicle* reported that the EPA laid down regulations for the companies to enforce, one being that employees driving to work alone must pay a $1 per day fine plus a fee which is the average of what the three nearest commercial parking lots would charge for the day.

The legality of such a regulation is highly dubious. What the EPA is doing is setting aside a special class of Americans—those who choose to drive to work—and penalizing them for exercising their rights as citizens to select their mode of transportation.

I cannot believe that this EPA regulation could meet the equal protection of the law test embodied in the U.S. Constitution. Certainly, it was not the intent of Congress, when it approved the National Environmental Policy Act, to delegate such power to a federal agency. And I am convinced that such a delegation of power is unconstitutional on its face.

Unfortunately the regulations prescribed for Houston are only one small piece in the overall framework of EPA regulations that seem to be in violation of individual and property rights.

Houston is not the only major city to be confronted with an edict from the new city managers in the Environmental Protection Agency. In late November, a team of EPA bureaucrats swooped into Indianapolis, Ind., and announced a set of regulations which, in the words of *The Indianapolis News*, would "turn downtown Indianapolis into a national forest."

The EPA plans announced for Indianapolis included a harassment tax on downtown parking, an emissions test for automobiles—the passing of which would be a prerequisite for obtaining license plates, and restrictions on off-street parking. Beyond the downtown area, the EPA plans to drastically curtail the construction of shopping centers and other facilities the federal agency feels might contribute to air pollution.

Fortunately, the mayor, press, and business leaders in Indianapolis were aroused, active and out-spoken against these EPA proposals. As a result, the EPA plans have been modified, though not eliminated.

The EPA backed away from several of the more illogical and outrageous proposals, including the tax for using parking lots or garages, the proposal for exclusive car pool lanes in the streets, and establishment of a bus-car pool matching service. Morever, the indignation in Indianapolis resulted in U.S. Rep. William Hudnut of Indiana introducing an amendment to the energy emergency powers bill aimed at removing from the EPA the power to impose parking surcharges on cities. This surcharge should be seen as what it is, namely a tax on anyone shopping downtown.

But these good efforts do not remove the overall problem posed by EPA arrogance and what the congressmen referred to as "the disdain" with which EPA officials regarded the testimony of prominent Indianapolis citizens opposed to the EPA plans. Constant public attention needs to be focused on EPA's wholesale promulgation of rules that affect thousands of businesses.

I am not alone in this judgment. The Washington editor of the highly respected *Barron's Financial Weekly* has said (Oct. 10) that the EPA's effort "unguided by common sense and the art of the possible, can lead to totalitarianism and the end of capitalism."

The Washington editor of *Barron's* went on to say that "the transportation edicts are framed by the EPA under the authority of the Clean Air Act which is one of the greatest instruments of tyranny fashioned by Congress. Although EPA itself admits that some of its orders under it lack scientific validity and that it is having trouble equating economic costs with health benefits, woe be to anyone who doesn't obey EPA.

"The Act calls for fines of up to $25,000 a day and imprisonment up to a year for a first violation of EPA rules and $50,000 a day and two years for a second offense. In some instances compliance requires passage of state laws. Yet, the Bill of Rights not withstanding, the penalties for non-compliance apply to state and local officials as well as ordinary citizens."

Aside from from the genuinely tyrannical aspects of EPA's rule-making power, we have to be concerned with the enormously hurtful effects of the practical, everyday, economic standpoint. Mayor Lugar of Indianapolis correctly said that the EPA must understand "what cities are all about."

People do not come to cities to camp in a pristine wilderness or to enjoy scenic wonders. They go into the countryside for that. People move to cities to find jobs, build businesses, provide services, and create economic opportunities for themselves and their neighbors. In short, people concentrate in cities for a purpose. A city is not an unnatural growth of undesirable form of social organization. Central cities and downtown areas specifically play an absolutely key role in the economic life of their areas. They are the hubs of banking, entertainment, and the center for specialty shops. They are the principal areas for the transaction of business of all kinds. And the automobile will continue to be essential.

Important as central cities are, they have taken a terrible beating since the end of World War II. A generation of planners and politicians discounted the role of cities. Many businesses, however, have come to realize in the last few years that downtown areas must be revitalized for the sake of a much larger metropolitan area. And in Indianapolis, for example, the downtown area showed an increase in retail sales in 1972 for the first time in a decade. This improvement came after substantial investment in new construction, including new parking facilities. But the Environmental Protection, in issuing its anti-automobile, anti-parking rules, was in Mayor Lugar's words, "attempting to plow under" the downtown development "by distant decree and sheer ignorance of the dynamics of cities."

Not only is EPA ignorant of the dynamics of cities, but the agency is trying to usurp decisionmaking traditionally reserved to the cities and counties. Its usurpation of power has resulted in a giant step in the direction of the downgrading local government.

The bureaucrats in the EPA simply declare that cities and states haven't moved boldly enough, and set forth to issue decrees. The EPA threat is a truly national problem.

For example, the EPA has issued plans that would freeze parking in New Jersey suburbs. In New York City taxi cruising would be sharply reduced and truck deliveries would be forbidden except at night. In Minneapolis, downtown parking would be prohibited and replaced by fringe parking on the outskirts of the city.

The most dangerous, hurtful and near totalitarian EPA regulations of all, however, deal with the construction or modification of buildings. I don't believe that the American people have begun to understand what these regulations involve.

The regulations were promulgated in the Federal Register (38 FR 15834) last June 18th under section 110 of the Clean Air Act passed in 1970. Under these regulations, the states were directed to expand their present procedures for review of buildings or other facilities prior to construction or modification *"in order to include consideration of the air quality impact not only of pollutants emitted directly from stationary sources, but also of pollution arising from mobile source activity assocated with such buildngs or facilities."*

Beneath that thick layer of bureaucratic language is EPA insistence that it will make the final decision as to approving new construction or modification of highways and roads, parking lots and garages, shopping centers, recreational centers and amusement parks, sports stadiums, airports, and all kinds of commercial and industrial development.

To make this absolutely clear, the new regulations state that "No owner or operator of an indirect source subject"—a garage or parking lot, for example—"shall commence construction or modification of such source after the effective date of this paragraph without first obtaining approval from the director."

Well, talk about socialism, nationalization of property, or land use controls that take away a landowner's rights! These EPA regulations are the ultimate. No business decision of any significance, affecting property expansion or change, can be made without a say-so from an EPA bureaucrat. The EPA has taken the clean air mandate and run away with it, using it as a means to impose a straitjacket on American business.

From the practical standpoint, the EPA regulations impose a staggering burden on individual businesses, requiring them to have costly studies done and elaborate reports prepared for the EPA.

Like so many other federal requirements, these burden productive businesses and add nothing to the wealth or well-being of the country. These provide simply more grist for the bureaucratic mill.

But leaving the practical aspect aside, I submit these proposed EPA controls over construction and modification of every type of commercial building is an intolerable abuse of the law.

Local governments might just as well give up if the EPA can step in and usurp all rights, can become the super zoner and the final authority as to the pattern of economic development in a community. And that's what EPA is trying to do, trying to lay down models of development for every city and state. But that's not a legitimate task for the EPA. It is not a task that the American people want to assign to any governmental agency, for it would require the severe curtailment or outright abolition of the right to engage in a productive enterprise.

The EPA decrees are being felt on an uneven basis. Only a few cities have yet to experience the sting of EPA decrees.

The majority of Americans don't know what EPA is doing. Thus they aren't greatly concerned. When the regulations hit those unaffected at present, the shock will be traumatic. But we don't want near-totalitarian regulation of our economic life to steal over us piecemeal so that it is virtually an accomplished fact before the people understand what is going on.

U.S. Sen. James Buckley of New York has warned that we are living in an "authoritarian economy" for the first time in peacetime. The EPA regulations point that up more forcefully than any existing or proposed economic controls.

I hope that concerned Americans, who understand the high-handed, arrogant and authoritarian nature of the Environmental Protection Agency's rules and edicts will speak up and let other Americans know the score. I hope that concerned Americans will organize and conduct a national campaign to halt the EPA's usurpation of property and local rights. I hope they will go into court to contest the violation of liberties. Finally, I hope that Americans who recognize the threat to traditional rights inherent in the National Environmental Policy Act and related legislation will create a demand for reform of that legislation so that the EPA is cut down to size and no longer is able to attempt dictation to cities and citizens. We need a nationwide protest against the EPA's authoritarianism.

NIXON RECORDS BELONG IN PUBLIC DOMAIN

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. BADILLO. Mr. Speaker, I believe that it is the responsibility of the Congress to intervene and abrogate the agreement by which General Services Administrator Arthur Sampson handed over possession and control of Nixon administration documents to the resigned former President. I believe that the American people will rightly not sit still for this deal negotiated between a Federal executive and the man who appointed him to office, and it will be difficult to dispel the suspicion that this act will be regarded as one more element of the endless Watergate coverup.

Mr. Sampson must be fully aware of the pending legal actions related to Watergate, and he cannot be ignorant of the potential use of a great many of these tapes and records as crucial evidence in the upcoming trials. Furthermore, as Prof. Arthur Miller of George Washington University pointed out in an article in the Washington Post on September 21, 1974, there is simply no legal justification for the GSA Administrator to assume responsibility for the voluminous records of the Nixon administration.

Professor Miller suggests two ways in which Congress can act to terminate eternal finagling of Richard Nixon and his surviving minions in the bureaucracy. We can enact legislation to overturn the Nixon-Sampson agreement and give Congress title to the documents, and we can also pass a broader bill to provide that all such future documents become part of the public domain inasmuch as they were produced at taxpayer expense by an elected official in the course of his public duties.

The latter purpose would be accomplished by passage of the Public Documents Act of 1974, H.R. 16719, which I have cosponsored. I believe that we should quickly enact this or simiiar legislation to end the presumption of some public officials that they have a right to take with them everything that is not nailed down when they leave office. Particularly in the Nixon case, however, there is a paramount public interest in keeping these records out of the control of an individual whose self-interest might be served by their destruction rather than their being opened up to public scrutiny. As a cogent argument for ending unauthorized and overweening practices of past and future Chief Executives, I insert Professor Miller's article here in full for the guidance of my colleagues:

WHO OWNS THE NIXON TAPES AND PAPERS?

(By Arthur S. Miller)

The question of who owns documents accumulated in the White House during a President's tenure has been thrown into sharp controversy by the "agreement" concluded between Richard Nixon and General Services Administrator Arthur Sampson. Two days before President Ford pardoned him, Mr. Nixon sent a letter to Mr. Sampson indicating that he desired "to donate to the United States, at a future date, a substantial portion of my Presidential materials . . ."

In the letter Mr. Nixon flatly stated the materials, including tape recordings, were his: "I retain all legal and equitable title to the Materials, including all literary property rights." Mr. Sampson agreed to the entire letter on Sept. 7, ceding to Nixon the power to destroy the tapes after Sept. 1, 1979. The letter purports to be a legal document, which binds both Mr. Nixon and Mr. Sampson (speaking for the government).

Presumably, Mr. Sampson relied on an Attorney General's opinion sent to President Ford on Sept. 6, in which William Saxbe concluded Mr. Nixon was the owner of the "papers and other historical materials retained by the White House Office" during the Nixon administration. As is the custom with the "President's lawyers' lawyer," Mr. Saxbe found that a practice traceable to George Washington meant that the materials are "the property of former President Nixon."

That conclusion seems more the result of reaching a desired decision than of a process of reasoning that could get by any middling competent law student. There are no Supreme Court decisions on this point. Nor is there any statute that expressly states that Presidents have legal title to White House documents. Mr. Saxbe relied on the Presidential Libraries Act of 1955 as a congressional "acknowledgement" of ownership by Presidents. But Congress did not say so; nor did it define what "presidential papers" are. The question of title to White House documents has never been examined by Congress.

One federal court decision of modern vintage (*Nichols v. United States*, decided by the 10th Circuit Court of Appeals in 1972) holds that President Kennedy's executor could validly restrict access to X-rays and other materials of the Warren Commission, even though the materials were not owned by the Kennedy family. That case, not mentioned by Mr. Saxbe, does not recognize a property interest of Presidents in White House materials. It thus could not be used to justify the Saxbe conclusion.

A proper analysis should begin with the Nixon-Sampson "agreement" itself. While Mr. Sampson had statutory authority to accept "papers and other historical materials" of a former President, nowhere is he given authority to agree to their destruction. Rather, 44 U.S. Code Sec. 2108 states in part that the GSA administrator, "in negotiating for the deposit of presidential historical materials, shall take steps to secure to the Government, as far as possible, the right to have continuous and permanent possession of the materials."

The agreement about destruction thus is a legal nullity, for any public administrator has only the authority delegated to him by Congress. The extent of Mr. Sampson's power was to agree to restrictions as to the "use" of presidential materials. "Use" can hardly mean destruction. Anything that goes beyond the statutory language is, in legal parlance, *ultra vires*—and that is so whether or not Mr. Nixon has title to the materials.

Despite the Saxbe opinion, the question of legal title for Mr. Nixon is still very much an open question. Under the Constitution, Congress has express power to "make all needful rules and regulations respecting the . . . property belonging to the United States." The materials—files, papers, tapes, etc.—were produced by public money on public property by people paid with public funds and now rest in publicly owned files. To rely, as did the Attorney General, on past practice to justify ownership by Richard Nixon is to put forth an untenable theory of law.

Under that theory, whatever occurs for a period of time becomes part of American law simply by custom and usage. But can that be so, particularly with respect to presidentical powers? The answer must be negative if one examines some analogous claims by Presidents about other powers. Several may be mentioned.

President Nixon, both personally and through his minions in the Justice Department, maintained in 1973 that he had an unrestricted power to "impound" appropriated funds. Other than some flimsy statutory arguments, which do not hold up under scrutiny, the principal basis for the claim was past practice—said to go back to President Jefferson. Federal judges disagree: Of the more than three dozen judicial opinions in impoundment cases in the last two years, the vast majority emphatically rejected the broad claim of presidential power.

Presidents since at least the Hoover administration have engaged in wiretapping—with Nixon asserting an "inherent" power to do so without prior judicial approval. That claim was repudiated 8–0 by the Supreme Court in 1972.

In like manner, extravagant claims about executive privilege have been made, again by Mr. Nixon or his cohorts and again based on a reading of history. The Supreme Court knocked back that claim of "absolute power" unanimously in July of this year.

Both Presidents Johnson and Nixon asserted complete power to commit American troops to combat, under the "commander-in-chief" clause of the Constitution. Although the Supreme Court has consistently ducked that question, there can be little doubt that past practice would be rigidly examined and probably even rejected, should the Court ever rule on the merits.

In 1952, President Truman seized the nation's steel mills during a strike. Among other arguments to justify the seizure, government lawyers cited a series of other seizures, including one in 1941 upheld by then Attorney General Robert Jackson. Jackson, as Associate Justice, saw the matter differently 11 years later, saying: "I do not regard it [the 1941 seizure] as a precedent for this, but even if I did *I should not bind present judicial judgment with earlier partisan advocacy.*" (Italics added.)

That, if nothing else, should put an effective quietus on the Saxbe opinion. Government lawyers, it should be remembered, are legal *apparatchiks*—paid to take orders. As President Andrew Jackson reportedly said when faced with an Attorney General who had doubts about Jackson's actions concerning deposits of U.S. funds: "Sir, you must find a law authorizing the act or I will appoint an Attorney General who will." Or, as Senator Sam Ervin often reminded executive branch lawyers, "We have had thievery and homicide for thousands of years, but that does not make murder meritorious nor larcency legal."

The Saxbe opinion and the Nixon-Sampson "agreement" as to ownership are at most interesting historical oddities without legal validity. But even so, that still does not definitively settle the question of legal title to "presidential" or "White House" materials. That could, and should, best be done by congressional action under its Article IV power over the property of the United States.

Needed are two statutes. One, which should be enacted without delay, would vitiate the Nixon-Sampson "agreement" and place title where it belongs—in the government. If the former President contested that, a judicial ruling could then determine the question of legal title. Even if the courts ruled for Nixon, the papers and tapes could still be taken by eminent domain—provided, of course, that the constitutional requirement of "just compensation" was paid. It is highly doubtful that the courts would rule against an express congressional decision. Further, there need be no worry that it be held to be an *ex post facto* law and thus invalid. Since *Calder v. Bull* (1798), it has been settled that the *ex post facto* prohibition applies only to penal and criminal statutes.

The second statute should be long-range. The Presidential Libraries Act should be amended to provide that *all* documents officially produced by or for a President or Vice President are the property of the United States. Custody could, as now, remain with the National Archivist. Perhaps more presidential libraries could be built, although a valid reason for them is hard to find—other than the quest for symbolic immortality by chief executives. Just before he left office, Lyndon Johnson "raided" the executive branch, gathered millions of documents—some say as many as 75 million—for deposit in the Johnson Library in Austin, Tex. How most of those documents can be called "presidential" is completely mysterious. It is time to halt such a practice, and the imbroglio over the Nixon tapes and files provides an unparalleled opportunity to do so.

CONGRESSMAN JOHN W. WYDLER REPORTS VOTING RECORD FOR 93D CONGRESS, TO FABULOUS FIFTH CONGRESSIONAL DISTRICT

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. WYDLER. Mr. Speaker, a man who wants to effectively represent people must communicate with them all the time. This connection must be two-way to be effective. I believe in this principle and have put it into practice. For the past 12 years I have sent "Fabulous Fifth" reports to the people in my district, many times each year, and have sent numerous special reports as well as an annual questionnaire seeking their opinions.

This year I find an increased interest in the voting record of Members of Congress. I have always included some of these votes in the reports I mail out, but this year I believe a much more comprehensive voting report will be appreciated.

For that reason, I am offering this comprehensive record of my votes on the major questions before the House of Representatives during the 93d congressional sessions, covering the years 1973 and 1974.

There were over 1,000 rollcalls recorded in these 2 years, from January 3, 1973, until August 22, 1974, the day the Congress recessed. My attendance record on these votes was 90.1 percent. I have included herein those which were the most important and critical, based on the Congressional Quarterly, the interest of the public and news media, and the views of my colleagues in Congress. I believe those included here cover the substantial issues before the Congress.

No person would agree with me on every vote. In fact, no two voting records of the 435 Members of the House are the same. I can assure you I tried to do what I believed to be in the best interest of my district, and, while recognizing room for error, say that I am proud of the record I have compiled.

I am sure you will find this voting record of interest, and would like to hear from any of my constituents in the Fabulous Fifth Congressional District in regard to it:

VOTING RECORD—1ST SESS., 93D CONG., JAN. 3 TO DEC. 22, 1973

Bill number	Issue	Wydler vote
	Election of the Speaker of the House (Albert 236; Ford 188)	Ford.
H. Res. 132	Create special committee to study role, jurisdiction and procedures of the standing committees of the House (yea 282; nay 91).	Yea.
H.R. 2107	To require the Secretary of Agriculture to carry out the REAP program of farm subsidies (yea 251; nay 142).	Nay.
H.R. 3577	Extend the equalization tax, first enacted in 1963 as a temporary deterrent to the outflow of U.S. capital to other nations by removing the incentive for foreigners to borrow funds in the United States and for Americans to invest in foreign securities bearing a higher interest rate from Mar. 31, 1973 to June 30, 1974 (yea 358; nay 23).	Yea.
H.R. 3298	Restore the rural water and sewer grant program under the Consolidated Farm and Rural Development Act (yea 297; nay 54).	Nay.
H.R. 4278	Amend the National School Lunch Act to assure that Federal financial assistance to the child nutrition programs is maintained at the level budgeted for fiscal year ending June 30, 1973 (yea 352; nay 7).	Yea.
H. Res. 259	Amend House rules to require open committee meetings except where national security or personal privacy was involved, or where a committee decided by majority vote to close its doors (yea 370; nay 27).	Yea.
H.R. 17	Amend the Vocational Rehabilitation Act to extend for 2 years the authorization of grants to States for vocational rehabilitation services at an authorization of $1,500,000,000 and authorizing new grants for 3-yr period for rehabilitation services to persons with severe disabilities (yea 318; nay 57).	Nay.
H.R. 2246	Extend Public Works and Economic Development Act of 1965 for 1 yr, through fiscal 1974, authorize a total of $1,200,000,000, including $800,000,000 for public works grants; $170,000,000 for public works and business development loans; $50,000,000 for technical assistance and research; $50,000,000 for growth centers and economic development districts, and $152,500,000 for regional action planning commissions (yea 278; nay 108).	Nay.
H.R. 5446	Extend for 1 yr the Solid Waste Disposal Act of 1965 authorizing for fiscal 1974 $238,500,000 (yea 392, nay 2).	Yea.
H.R. 5445	Extend for 1 yr the Clean Air Act of 1970 authorizing for fiscal 1974 $475,000,000 (yea 387; nay 1).	Yea.
H.R. 3577	Adopt conference report to extend the interest equalization tax to other nations by removing the incentive for foreigners to borrow funds in the United States and for Americans to invest in foreign securities bearing higher interest rates from Mar. 31, 1973, to June 30, 1974 (yea 396; nay 18).	Yea.
H.R. 5683	Amend the Rural Electrification Act to establish a revolving fund made up in part of current Rural Electrification Administration assets for insured and guaranteed loans to rural electric and telephone systems at subsidized interest rates below commercial loan rates (yea 317; nay 92).	Nay.
H.R. 3298	To override veto of REAP program originally passed Feb. 7 (yea 220; nay 189).	Nay.
H.R. 3180	Clarify the use of the franking privilege by Members of Congress and to establish a select commission to advise Congressmen and decide grievances (yea 354; nay 49).	Yea.
H.J. Res. 496	Authorize urgent supplemental appropriations for fiscal 1973 of $26,800,000 for CAB, $468,000,000 for Veterans' Administration, $872,000,000 for college student aid programs, and $1,800,000 for GSA (yea 367; nay 0).	Yea.
H.R. 6168	Extend President's authority to control wages and prices for 1 yr to April 30, 1974 (yea 293; nay 114).	Yea.
S. 50	Extend and expand Older Americans Act of 1965 authorizing $543,600,000 as necessary for fiscal 1973–75 and strengthening interests of the elderly at the Federal level (yea 348; nay 0).	Yea.
S. 502	Amend Federal Aid highway program to permit urban areas to use $700,000,000 in each fiscal year 1974–76 from the highway trust fund for mass transit projects on roads (yea 190; nay 215).	Yea.
S. 398	Adopt conference report to extend President's authority to control wages and prices for 1 yr to Apr. 30, 1974 (yea 267; nay 115).	Yea.
H.R. 2828	Provide additional burial allowances for veterans and consolidate most federal cemeteries under the Veterans Administration (yea 340; nay 1).	Yea.
H.R. 5452	Extend the National Sea Grant College and Program Act of 1966 and authorize funding of $30,000,000 for fiscal 1974; $40,000,000 for fiscal 1975 and $50,000,000 for fiscal 1976 (yea 368; nay 9).	Yea.
H.R. 6370	Extend the authority of Federal bank regulatory agencies to set different limits on interest paid on time and savings deposits and to forbid mutual savings banks to allow negotiable orders of withdrawal on accounts on which interest is paid (yea 376; nay 4).	Yea.
S. 394	Adopt conference report to amend the Rural Electrification Act to establish a revolving fund to provide for insured and guaranteed loans to rural electric and telephone systems at low interest rates (yea 363; nay 25).	Nay.
H.R. 7447	Provide supplemental appropriations of $2,855,542,209 for 10 Cabinet-level departments, several Federal agencies and legislative branch operations for remainder of fiscal 1973 and prohibit appropriations or transfer funds from being used in or over Cambodia (yea 284; nay 96).	Nay.
H.R. 6768	Authorize $40,000,000 contribution by the United States over fiscal 1974–78, with a maximum of $10,000,000 for fiscal 1974, to the U.N. Environmental Fund for international environmental concerns (yea 266; nay 123).	Yea.
H.R. 7200	Amend Railroad Retirement Act and the Railroad Retirement Tax Act to extend temporary retirement benefit increases through Dec. 31, 1974, and to liberalize eligibility requirements for railroad retirement (yea 387; nay 5).	Yea.
S. 518	To override veto of bill passed May 1 giving Senate retroactive approval over incumbent Director and Deputy Director of Management and Budget (yea 236; nay 178).	Nay.
H.R. 7528	Authorize $3,100,000,000 for the National Aeronautics and Space Administration for fiscal 1974 for the U.S. space program and related activities (yea 322; nay 73).	Yea.
H.R. 6912	Authorize the Secretary of the Treasury to revise the international par value of the dollar; provide for private ownership of gold in the United States and to authorize $2,250,000,000 for international development lending institutions (yea 281; nay 36).	Yea.
H.R. 5857	Authorize $8,680,000 to complete the renovation of Washington's Union Station as a National Visitor Center and to direct the Secretary of the Interior to provide for transportation services between the center and points in the capital (yea 288; nay 75).	Yea.
H.R. 7806	Authorize $1,270,000,000 to extend 12 expiring health programs through fiscal 1974 (yea 372; nay 1).	Yea.
H.R. 6458	Authorize $145-million for fiscal years 1974–76 for grants to local communities to plan, establish or initially operate emergency medical care systems and for research and tranining in emergency medical services (yea 261; nay 92).	Nay.
H.R. 8070	Authorize $660,000,000 for fiscal 1974 and $690,000,000 for fiscal 1975 for rehabilitation services grants to the States and other sums as necessary for special rehabilitation programs (yea 384; nay 13).	Yea.
H.R. 7935	Increase the hourly minimum wage to extend coverage to about 6,000,000 workers and to extend overtime pay coverage to certain employees previously exempted (yea 287; nay 130).	Yea.
H.R. 7645	Authorize $687,400,000 for the Department of State and related activities, require certain nominees to ambassadorships to disclose campaign contributions, and prohibit use of any funds authorized for reconstruction aid to North Vietnam (yea 331; nay 57).	Yea.
H.R. 5293	Adopt conference report on bill authorizing $77,000,000 for Peace Corps in fiscal 1974 (yea 329; nay 64).	Yea.
H.R. 77	Amend the Labor-Management Relations Act of 1947 to permit employer contributions to jointly administered trust funds to defray cost of legal services for employees, their families and dependents (yea 257; nay 149).	Yea.
H.R. 8410	Extend the temporary $465,000,000,000 Federal debt ceiling to Nov. 3, 1973, to exclude bonds sold to Government agencies and to the Federal Reserve System from a $10,000,000,000 limit on sales of long-term Treasury bonds paying interest of more than 4¼ percent and to authorize the Treasury to issue checks convertible into savings bonds as payment of Federal income tax refunds (yea 261; nay 152).	Yea.
H.R. 8152	Authorize $1,000,000,000 a year for programs of the Law Enforcement Assistance Administration in fiscal 1974–75 (yea 391; nay 0).	Yea.
H.R. 5464	Authorize $15,800,000 for saline water conversion program for fiscal 1974 (yea 399; nay 4).	Yea.
H.R. 8760	Appropriate $2,753,216,000 for the Department of Transportation and related agencies (yea 414; nay 2).	Yea.
H.R. 7824	Establish Independent Legal Services Corporation to replace the legal services program operated by the Office of Economic Opportunity (yea 276; nay 95).	Yea.
H.R. 8510	Prohibit National Science Foundation from funding research on live human fetuses (yea 288; nay 73).	Yea.
	Authorize $612,900,000 for the National Science Foundation (yea 364; nay 6).	Yea.
H.R. 8825	Appropriate $19,070,954,000 for the Department of Housing and Urban Development, the National Aeronautics and Space Administration, the Veterans Administration and 6 other independent agencies for fiscal year ending June 30, 1974 (yea 316; nay 21).	Yea.
H.R. 8662	Authorize $2,400,000,000 for fiscal 1974 operations and programs of the Atomic Energy Commission (yea 398; nay 4).	Yea
H.J. Res. 636	Adopt resolution to continue funding through Sept. 30, 1973 for all government activities for which regular fiscal 1974 appropriation bills have not been enacted and to bar any funds in the bill or in any previously enacted bill from being used to support U.S. combat activity in or over Cambodia and Laos (yea 325; nay 86).	Nay.
H.R. 8877	Reduce the funds for the Office of Economic Opportunity by $100,000,000 (yea 110; nay 288).	Nay.
	Reduce by $632-million the appropriation for HEW and for OEO (yea 186; nay 213).	Yea.
	Appropriate $32,816,467,000 for the Department of Health, Education, and Welfare, Labor and the Office of Economic Opportunity for fiscal 1974 (yea 347; nay 58).	Yea.
H.R. 7447	Pass over the President's Veto, $3,362,845,279 in supplemental fiscal 1973 funds for several departments and agencies and to bar funds in the bill and in previously enacted appropriation bills from being used to support U.S. military activity in or over Cambodia and Laos (yea 241; nay 173).	Nay
H.R. 8917	Appropriate $2,269,554,200 in fiscal 1974 funds for the Department of the Interior and $191,200,000 to liquidate contract authority (yea 405; nay 4)	Yea.
H.R. 8947	Add $4,700,000 for geothermal energy research to Public Works, Atomic Energy Commission Appropriations, fiscal 1974 (yea 206; nay 205).	Yea.
	Appropriate $4,676,395,000 in fiscal 1974 for public works, flood control and electric power projects, the Atomic Energy Commission and related agencies (yea 384; nay 26).	Yea.
H.R. 9055	Appropriate $3,362,845,279 in fiscal 1973 funds for several departments and agencies and to bar upon enactment the use of funds in bill to support United States combat activities in or over Cambodia, Laos, North Vietnam and South Vietnam and to bar use of funds in previously enacted appropriation bills for such purposes after Aug. 15, 1973 (yea 278; nay 124).	Yea.
S. 504	Adopt conference report on bill authorizing $185,000,000 for fiscal year 1974–76 for Federal assistance to area emergency medical care systems and to prohibit the Secretary of Health, Education, and Welfare from closing 8 Public Health Service hospitals without specific authorization from Congress (yea 306; nay 111).	Nay.
H.R. 9048	Expand Veterans Administration medical programs at a 1st-year cost of $64,900,000 and authorize the VA to contract for medical care of certain dependents and survivors (yea 421; nay 0).	Yea.

VOTING RECORD—1ST SESS., 93D CONG., JAN. 3 TO DEC. 22, 1973—Continued

Bill number	Issue	Wydler vote
H.J. Res. 542	Require President to report to Congress within 72 hrs any commitment or increasing commitment of U.S. combat troops abroad, require him to terminate any such action within 120 days of his report unless Congress authorizes continuation, and allow Congress to direct by a concurrent resolution the termination of U.S. commitment at any time (yea 244; nay 170).	Nay.
H.R. 8860	Establish for 4 years a modified price support program for wheat, feed grains and cotton (yea 266; nay 182).	Nay.
H.R. 8538	Authorize $80,000,000 for fiscal 1974 and $95,000,000 for fiscal 1975 for programing and construction of facilities for the Corporation of Public Broadcasting (yea 363; nay 14).	Yea.
H.R. 5356	Authorize the Administrator of EPA to require the testing of chemical substances, establish a system of premarketing screening of test data of potentially dangerous chemicals and adopt rules restricting the manufacture of chemical substances in order to protect human health and environment (yea 324; nay 73).	Yea.
H.R. 8480	Set a $267,100,000,000 ceiling on Federal spending in fiscal 1974, provide procedures for either the House or the Senate to force the President to release impounded funds and direct the President to impound funds proportionately from controllable Federal spending programs to meet the ceiling (yea 254; nay 164).	Nay.
H.R. 9360	Prohibit foreign assistance to any country which expropriates any property owned by U.S. citizens, repudiates any contract or imposes any discriminatory measures having the effect of expropriation, unless the President determines that appropriate steps toward compensation are being taken (yea 278; nay 102).	Yea.
	Authorize for fiscal year 1974 $978,900,000 for foreign economic assistance, $632,000,000 for Indochina postwar reconstruction, $1,150,000,000 for foreign military assistance and credit sales, and for fiscal 1975 $821,000,000 for foreign economic assistance (yea 188; nay 183).	Yea.
H.R. 9286	Authorize $20,450,000,000 for military procurement, research and development and military assistance to South Vietnam and Laos in fiscal 1974 (yea 367; nay 37).	Yea.
H.R. 8825	Adopt conference report on appropriations of $19,056,500,000 for Department of Housing and Urdan Development, the National Aeronautics and Space Administration, the Veterans Administration, and 6 other independent agencies (yea 401; nay 9).	Yea.
H.R. 9130	Require President to develop a national petroleum contingency plan to assure equitable allocation of available crude oil and petroleum products among the States and the five Petroleum Administration for Defense districts at nondiscriminatory prices during periods of disproportionate shortages (yea 179; nay 233).	Yea.
	Authorize a trans-Alaska oil and gas pipeline (yea 356; nay 60).	Yea.
H.R. 7935	Adopt conference report on minimum wage bill to increase the hourly minimum wage for most workers covered under the Fair Labor Standards Act of 1938 to $2.20 an hour after June 30, 1974, and to extend coverage to approximately 6,700,000 additional workers (yea 253; nay 152).	Yea.
H.R. 8658	Adopt conference report on District of Columbia appropriations appropriating from local revenues $954,781,200 for the District of Columbia for fiscal 1974 and setting the annual Federal payment to the city (paid in lieu of taxes on federally owned property) at $187,450,000 (yea 342; nay 47).	Yea.
H.R. 8760	Adopt conference report appropriating $2,898,446,000 for fiscal 1974 operations and programs of the Department of Transportation (yea 359; nay 5).	Yea.
H.R. 8920	Authorize $52,500,000 in each of fiscal 1974–75 for detection and treatment of lead-based paint poisoning in children, elimination of lead-based hazards and research on safe lead-content in paint (yea 368; nay 11).	Yea.
H.R. 8449	Increase face value authorized for Federal flood insurance programs to $10,000,000,000 from $6,000,000,000 and to deny, after July 1, 1975, Federal financing for acquisition or construction purposes to any community designated as a flood prone area which does not participate in the Federal flood insurance program (yea 359; nay 21).	Yea.
H.R. 8351	Authorize $107,300,000 for the National Railroad Passenger Corporation for fiscal 1974 (yea 357; nay 37).	Yea.
H.R. 8547	Amend Export Administration Act of 1969 to require the Secretary of Commerce in most instances to determine materials or commodities to be subject to export controls as a result of current or prospective domestic inflationary impact or short supply of such materials (yea 220; nay 133).	Yea.
S. 504	Pass over President Nixon's 1st veto, emergency medical services bill authorizing $185,000,000 in fiscal 1974–76 for Federal assistance to area emergency medical care systems and prohibiting the Secretary of HEW from closing 8 Public Health Service hospitals without specific authorization from Congress (yea 273; nay 144).	Nay.
H.R. 7974	Authorize $240,000,000 in fiscal 1974–78 to aid the development of health maintenance organizations and require certain employers to make the options of a health maintenance organization health benefits plan available to employees (yea 369; nay 40).	Yea.
H.R. 9639	Increase basic Federal payment for each meal served under the National School Lunch and Child Nutrition Acts to 10 cents from 8 cents (yea 389; nay 4).	Yea.
H.R. 9553	Allow 3 yr of television broadcasts of home games of certain professional sports if tickets had been sold out for at least 72 hr prior to game time (yea 336; nay 37).	Yea.
H.R. 8070	Adopt conference report to authorize $1,550,000,000 in fiscal 1974–75 for Federal grants to States for rehabilitation of the handicapped and create several new programs to aid the handicapped (yea 400; nay 0).	Yea.
H.R. 37	Provide for the conservation, protection and propagation of species or sub species of fish and wildlife threatened with extinction (yea 390; nay 12).	Yea.
H.R. 7935	Pass minimum wage bill, over the President's Sept. 6 veto, amending the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act and expand the coverage of that act (yea 259; nay 164).	Yea.
H.R. 8917	Adopt conference report on $2,433,137,200 appropriations for fiscal 1974 for the Department of the Interior and related agencies (yea 385· nay 14).	Yea.
H.R. 8619	Adopt conference report on Agriculture, Environmental and Consumer Protection Appropriations of $9,927,667,000 for agriculture, environmental and consumer protection agencies for fiscal 1974 (yea 348; nay 24).	Yea.
H.J. Res. 727	To prohibit the Cost of Living Council from conducting a program which discriminated among petroleum marketers in the method for establishing gasoline and other petroleum product prices (yea 371; nay 7).	Yea
H.R. 10397	Authorize $1,500,000 for Cabinet Committee on Opportunities for Spanish-speaking People for the period of June 30, 1973 to Dec. 31, 1974 (yea 241; nay 130).	Yea.
H.R. 6452	Authorize $800,000,000 for fiscal 1974–75 grants to States and local agencies for urban mass transit operating subsidies and increase the Federal share of assistance for mass transit capital grant programs (yea 219; nay 195).	Yea.
H.J. Res. 748	Appropriate such sums as necessary up to a limit of $2,203,000,000 to maintain the gold value of U.S. financial commitments to the International Monetary Fund and international development banks in terms of the dollar which was devalued by 10 percent on Feb. 12, 1973 (yea 274; nay 90).	Nay.
H.R. 9682	Provide for the non-partisan election of a 13-member city council and mayor by the residents of the District of Columbia and reorganize the District government (yea 343; nay 74).	Yea.
H.R. 10614	Authorize $2,651,227,000 in fiscal 1974 appropriations for construction projects at military bases in the United States and overseas (yea 359; nay 28).	Yea.
H.J. Res. 542	Adopt conference report on War Powers bill establishing a 60-day limit on the President's powers to commit U.S. troops abroad, unless Congress declared war or specifically authorized the action or was unable to meet because of an armed attack on the United States, and permitting Congress to end such a commitment at any time by passage of a concurrent resolution (yea 238; nay 123).	Nay.
H.R. 10203	Authorize $1,258,257,000 for fiscal 1974 for construction, repair, design. and development of flood control, navigation, and other water resources projects on the Nation's rivers, harbors and coastlines (yea 337; nay 14).	Nay.
H.R. 9590	Adopt conference report appropriating $5,233,189,000 in fiscal 1974 for Treasury Department, U.S. Postal Service, Executive Office of the President and related agencies (yea 403; nay 10).	Yea.
H.R. 6691	Adopt conference report appropriating $605,189,933 for fiscal 1974 operations of the legislative branch (yea 400· nay 11).	Yea.
H.R. 9681	Direct President to establish a mandatory program to allocate crude oil and refined petroleum products to assure that shortages are shared equally by all users and all regions of the United States (yea 337; nay 72).	Yea.
H.R. 3927	Extend through fiscal 1976 the Environmental Education Act of 1970 and authorize appropriations under the Act of $5,000,000 in fiscal 1974, $15,000,000 in fiscal 1975 and $25,000,000 in fiscal 1976 (yea 335; nay 60).	Yea.
H.R. 10956	Authorize $185,000,000 in fiscal 1974–76 to aid areawide systems of emergency medical care (yea 364; nay 18).	Yea.
H.R. 9456	Authorize $90,000,000 in fiscal 1974–76 appropriations under the Drug Abuse Education Act of 1970 for school-based and community-based education programs on drug and alcohol abuse (yea 372; nay 13).	Yea.
H.J. Res. 542	Pass over President Nixon's Oct. 24 veto, war powers bill establishing a 60-day limit on the President's powers to commit U.S. troops abroad (yea 284; nay 135).	Nay.
H.R. 9142	Authorize $421,500,000 plus $1,000,000,000 in Federal loan guarantees to reorganize the 6 bankrupt railroads in the Northeast into 1 profitable corporation (yea 306; nay 82).	Yea.
S. 1081	Adopt conference report to authorize the immediate construction of the trans-Alaska pipeline, amend right-of-way provisions of the Mineral Leasing Act of 1920, authorize Federal Trade Commission to take certain court actions (yea 361; nay 14).	Yea.
H.R. 8916	Adopt conference report appropriating $4,687,527,000 in fiscal 1974 for the Departments of State, Justice, Commerce, the Federal Judiciary, and 15 related agencies (yea 394; nay 11).	Yea.
S. 1570	Adopt conference report to direct the President to establish a mandatory program for the allocation of oil and oil products (yea 348; nay 46).	Yea.
H.R. 11459	Appropriate $2,609,090,000 for fiscal 1974 Department of Defense construction of family housing, bachelor living quarters and other Armed Forces facilities (yea 366; nay 29).	Yea.
H. Res. 702	Provide $1,000,000 for the House Judiciary Committee to carry out its investigation of impeachment charges against President Nixon (yea 367; nay 51).	Yea.
H.R. 11333	Increase social security benefits by 7 percent in March 1974 and an additional 4 percent in June 1974, increase the social security payroll tax wage base to $13,200 in January 1974 and provide future adjustments in the payroll tax rate and move up to January 1974 from July 1974 scheduled increases in benefits under the Federal supplemental security income (SSI) program which was scheduled to replace existing Federal-State matching assistance programs for the aged, blind, and disabled poor (yea 391; nay 20).	Yea.
H.R. 11324	Provide for daylight savings time from the first Sunday occurring 15 days after enactment until the last Sunday in April 1975 (yea 311; nay 88).	Yea.
H.R. 11010	Extend manpower development programs providing for employment and training opportunities for the unemployed (yea 369; nay 31).	Yea.
H. Res. 721	Provide for House disagreement to Senate amendments to the Federal debt limit bill and return the bill to the Senate. Senate had added to the bill amendments to provide for Federal financing of Presidential and congressional election campaigns (yea 347; nay 54).	Yea.
H.R. 11575	Appropriate $74,488,609,000 for Department of Defense activities and all major Armed Forces and weapon programs in fiscal 1974 (yea 336; nay 23).	Yea.
S. 1191	Authorize $600,000,000 in fiscal 1974–76 for prevention and treatment of child abuse and neglect and establish a National Center on Child Abuse and Neglect (yea 354; nay 36).	Yea.

VOTING RECORD—1ST SESS., 93D CONG., JAN. 3 TO DEC 22, 1973—Continued

Bill number	Issue	Wydler vote
H.R. 11710	To lower the salary of the Attorney General and to clarify the proper use of the franking privilege by Members of Congress (yea 261; nay 129).	Yea.
H.R. 9437	Amend International Travel Act of 1961 to authorize $40,000,000, in fiscal 1974–76 for programs to encourage foreign travelers to visit the United States (yea 272; nay 120).	Nay.
S. 1443	Adopt conference report on bill authorizing $2,400,000,000 for foreign economic and military assistance in fiscal 1974 and $922,000,000 in economic assistance in fiscal 1975 (yea 210; nay 193).	Yea.
H. Con. Res. 173	Declare it the policy of Congress to support protect, and enhance the coastal and offshore fisheries resources of the United States (yea 405; nay 0).	Yea.
H.R. 8877	Adopt conference report on bill appropriating $32,926,796,000 in fiscal 1974 funds for HEW and related agencies (yea 371; nay 33).	Yea.
H.R. 7130	Revise congressional procedures to give Congress better control over Federal spending and fiscal policy and allow either the House or the Senate to direct the President to spend impounded funds (yea 386; nay 23).	Yea.
H. Res. 735	Confirm President Nixon's nomination of Representative Gerald R. Ford, of Michigan, to be Vice President of the United States (yea 387; nay 35).	Yea.
H.R. 11459	Adopt conference report on bill appropriating $2,658,861,000 in fiscal 1974 for construction of military family housing, bachelor quarters, and other installations in the United States and overseas (yea 329; nay 40).	Yea.
H.R. 10710	Forbid extension of credits or guarantees by any Federal Government agency for trade with a Communist nation if the President found that its government denied the right to emigrate or imposed more than nominal fees or taxes on citizens who wished to emigrate (yea 319; nay 80). Yea. Give President broad powers to negotiate trade expansion agreements and to take steps to reduce trade barriers subject to congressional veto procedures, grant import relief, provide adjustment assistance for workers and industries hurt by imports and retaliate against unfair trade practices (yea 272; nay 140).	Yea.
H.R. 11088	Authorize $2,200,000,000 in emergency security assistance for Israel (yea 364; nay 52).	Yea.
H.R. 11771	Appropriate $5,833,912,000 in fiscal 1974 for foreign economic and military assistance (yea 219; nay 180).	Yea.
H.R. 11450	Ban allocation of petroleum for busing of students to school farther than the school nearest to their homes (yea 221; nay 192).	Nay.
	Rescind the requirement for emission control devices on vehicles throughout the Nation until Jan. 1, 1977, except for certain areas which have significantly high pollution levels (yea 180; nay 210).	Nay.
	Provide for Federal grants to States for those who are unemployed as a result of the administration of the National Energy Emergency Act (yea 311; nay 73).	Yea.
H.R. 11450	Provide that the Adminstrator of the act may restrict exports of coal and petrochemical feedstocks if such exports will result in unemployment in the United States (yea 327; nay 27).	Yea.
	Prohibit the exportation of crude oil, residual fuel oil, and refined petroleum products unless the President orders the approval of the export (yea 152; nay 205).	Yea.
	Authorize specific, temporary emergency actions to insure the essential U.S. energy needs would be met (yea 265; nay 112).	Yea.

VOTING RECORD—2D SESS., 93D CONG.. JAN. 21 TO AUG. 22, 1974

Bill number	Issue	Wydler vote
H.R. 11387	A bill to amend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 and other related acts to concentrate the resources of the Nation against the problem of alcohol abuse and alcoholism; to coordinate the National Institute of Mental Health, the National Institute on Alcoholism and Alcohol Abuse, and the National Institute on Drug Abuse; and for other purposes, as amended (yea 338; nay 22).	Yea.
H.R. 11537	A bill to extend and expand the authority for carrying out conservation and rehabilitation programs on military reservations and to authorize the implementation of such programs on certain public lands, as amended. (yea 355; nay 25.)	Yea.
H.R. 11809	A bill to amend the act entitled "An act to establish a contiguous fishery zone beyond the territorial sea of the United States," approved October 14, 1966, to require that the method of straight baselines shall be employed for the purposes of determining the boundaries of such fishery zone. (yea 375; nay 1).	Yea.
H.R. 11354	A bill to provide for increased participation by the United States in the International Development Association. (yea 155; nay 248).	Yea.
H.R. 11221	A bill to provide full deposit insurance for public units and to increase deposit insurance from $20,000 to $50,000 (yea 282; nay 94; "present" 30).	Present.
H. Res. 803	A resolution providing appropriate power to the Committee on the Judiciary to conduct an investigation of whether sufficient grounds exist to impeach Richard Nixon, President of the United States, and for other purposes. (yea 410; nay 4).	Yea.
H.R. 11873	A bill to authorize the Secretary of Agriculture to encourage and assist the several States in carrying out a program of animal health research (yea 325; nay 23).	Nay.
H.R. 11864	A bill to provide for the early commercial demonstration of the technology of solar heating by the National Aeronautics and Space Administration and the Department of Housing and Urban Development, in cooperation with the National Bureau of Standards, the National Science Foundation, the General Services Administration, and other Federal agencies, and for the early development and commercial demonstration of technology for combined solar heating and cooling (yea 253; nay 2).	Yea.
S. 2589	A bill to declare by congressional action a nationwide energy emergency, authorizing the President to immediately undertake specific actions to conserve scarce fuels and increase supply, and for other purposes. Recorded vote on agreeing to the conference report. (yea 258; nay 151).	Yea.
H.R. 2	A bill to revise the Welfare and Pension Plans Disclosure Act (yea 376; nay 4).	Yea.
H.R. 11793	A bill to reorganize and consolidate certain functions of the Federal Government in a new Federal Energy Administration in order to promote more efficient management of such functions. Recorded vote on Dingell amendment as amended by Eckhardt amendment. (yea 218; nay 175)	Yea.
H.R. 11793	A bill to reorganize and consolidate certain functions of the Federal Government in a new Federal Energy Administration in order to promote more efficient management of such functions (yea 353; nay 29).	Yea.
H.R. 12466	A bill to amend the Department of State Appropriations Authorization Act of 1973 to authorize additional appropriations for the fiscal year 1974 (yea 331; nay 75).	Yea.
H.R. 3858	A bill to amend secs. 101 and 902 of the Federal Aviation Act of 1958 to implement the Convention for the Suppression of Unlawful Seizure of Aircraft; to amend title XI of such act to authorize the President to suspend air service to any foreign nation which he determines is encouraging aircraft hijacking by acting in a manner inconsistent with the Convention for the Suppression of Unlawful Seizure of Aircraft; and to authorize the Secretary of Transportation to suspend the operating authority of foreign air carriers under certain circumstances (yea 361; nay 47).	Yea.
H.R. 12471	A bill to amend the Freedom of Information Act (yea 383, nay 8).	Yea.
S. 2771	An act to revise the special pay bonus structure relating to members of the armed forces (yea 237; nay 97).	Yea.
H.R. 12503	A bill to amend the Controlled Substances Act to provide for the registration of practitioners conducting narcotic treatment programs (yea 375; nay 0).	Yea.
H.R. 12417	A bill to require the development of a long-range plan to advance the national attack on diabetes mellitus (yea 380, nay 6).	Yea.
H.R. 11105	A bill to amend title VII of the Older Americans Act relating to the nutrition program for the elderly to provide authorization of appropriations (yea 380; nay 6).	Yea.
H.R. 12435	A bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rates under that act, to expand the coverage of that act (yea 375; nay 37).	Yea.
H.R. 11929	A bill to amend sec. 15d of the Tennessee Valley Authority Act of 1933 to provide that expenditures for pollution control facilities will be credited against required power investment return payments and repayments (yea 209; nay 193).	Nay.
H.R. 12920	A bill to authorize additional appropriations to carry out the Peace Corps Act (yea 294; nay 103).	Yea.
H.J. Res. 941	A joint resolution making an urgent supplemental appropriation for the fiscal year ending June 30, 1974, for the Veterans' Administration (yea 398; nay 0).	Yea.
H.R. 69	A bill to extend and amend the Elementary and Secondary Education Act of 1965. Recorded vote on Ashbrook amendment (yea 239; nay 168).	Yea.
H.R. 69	A bill to extend and amend the Elementary and Secondary Education Act of 1965 (yea 380; nays 26).	Yea.
S. 2747	A bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under that act, to expand the coverage of the act. On agreeing to the conference report (yea 345; nay 50).	Yea.
H. Res. 937	A resolution authorizing expenditure of certain funds for the expenses of the Committee on Internal Security (yea 247; nay 86).	Yea.
S. 2770	A bill to revise the special pay structure relating to medical officers of the uniformed services (yea 291; nay 106).	Yea.
H.R. 13163	A bill to establish a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers. (yea 293; nay 94).	Yea.
H.R. 12565	A bill to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test, and evaluation for the Armed Forces, and to authorize construction at certain installations. Recorded vote on Hébert amendment (yea 154; nay 177).	Yea.
H.R. 14013	A bill making supplemental appropriations for the fiscal year ending June 30, 1974. Recorded vote on Obey amendment (yea 236; nay 168).	Nay.
H.R. 14013	A bill making supplemental appropriations for the fiscal year ending June 30, 1974. Recorded vote on Addabbo amendment (yea 254; nay 149).	Yea.
H.R. 14013	A bill making supplemental appropriations for the fiscal year ending June 30, 1974. On passage (yea 375; nay 22).	Yea
S. 2770	A bill to revise the special pay structure relating to medical officers of the uniform services. On agreeing to the conference report (yea 372; nay 17).	Nay.
H.R. 13919	A bill to authorize appropriations to the Atomic Energy Commission in accordance with sec. 261 of the Atomic Energy Act of 1954, as amended, and for other purposes. Recorded vote on Lujan amendment (yea 275; nay 122).	Nay.
H.R. 13919	A bill to authorize appropriations to the Atomic Energy Commission in accordance with sec. 261 of the Atomic Energy Act of 1954, as amended. Recorded vote on Robison amendment (yea 115; nay 283).	Nay.

VOTING RECORD—2D SESS., 93D CONG., JAN. 21 TO AUG. 22, 1974—Continued

Bill number	Issue	Wydler vote
H.R. 11321	A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 as amended to provide benefits to survivors of certain public safety officers who die in the performance of duty (yea 320 ; nay 54).	Yea.
H.R. 13998	A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development construction of facilities and research and program management (yea 341; nay 37).	Yea.
H.R. 13999	A bill to authorize appropriations for activities of the National Science Foundation. Recorded vote on Roncallo amendment (yea 281; nay 58).	Yea.
H.R. 13999	A bill to authorize appropriations for activities of the National Science Foundation (yea 330; nay 8).	Yea.
H.R. 11793	A bill to reorganize and consolidate certain functions of the Federal Government in a new Federal Energy Administration in order to promote more efficient management of such functions. On agreeing to the conference report (yea 356; nay 9).	Yea.
H.R. 11989	A bill to enhance the public health and safety by reducing the human and material losses resulting from fires through better fire prevention and control (yea 352; nay 12).	Yea.
H.R. 14434	A bill making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1975 (yea 392; nay 4).	Yea.
H.R. 14368	A bill to provide for means of dealing with energy shortages by requiring reports with respect to energy resources, by providing for temporary suspension of certain air pollution requirements, by providing for coal conversion. Recorded vote on Wyman amendment (yea 169; nay 221).	Nay.
H.R. 14368	A bill to provide for means of dealing with energy shortages by requiring reports with respect to energy resources, by providing for temporary suspension of certain air pollution requirements, by providing for coal conversion (yea 349; nay 43).	Yea.
H.R. 13053	A bill to amend the Public Health Service Act to improve the national cancer program and to authorize appropriations for such programs for the next 3 fiscal years (yea 390; nay 1).	Yea.
H.R. 6175	A bill to amend the Public Health Service Act to provide for the establishment of a National Institute on Aging (yea 379; nay 1).	Yea.
H.R. 11035	A bill to declare a national policy of converting to the metric system in the United States, and to establish a National Metric Conversion Board to coordinate the voluntary conversion to the metric system over a period of 10 yrs (yea 153; nay 240).	Yea.
H.R. 14117	A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, and the rates of dependency and indemnity compensation for their survivors (yea 396; nay 0).	Yea.
H. Res. 929	A resolution providing for the consideration of H.R. 8053, a bill to amend title 13, United States Code, to establish within the Bureau of the Census a Voter Registration Administration for the purpose of administering a voter registration program through the Postal Service (yea 197; nay 204).	Nay.
H.R. 8193	A bill to require that a percentage of U.S. oil imports be carried on U.S. flag vessels (yea 266; nay 136).	Yea.
H.R. 7824	A bill to establish a Legal Services Corporation, and for other purposes. On agreeing to the conference report (yea 227; nay 143).	Nay.
H.R. 13834	A bill to provide standby emergency authority to assure that the essential energy needs of the United States are met (yea 191; nay 207).	Yea.
H.R. 13221	A bill to authorize appropriations for the saline water program for fiscal year 1975 (yea 396; nay 3).	Yea.
H.R. 14592	A bill to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active-duty component and of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads. Recorded vote on Aspin amendment (yea 185; nay 209).	Yea.
H.R .14592	A bill to authorize appropriations during the fiscal year 1975 for procurement of aircraft, missiles, torpedoes, and other weapons, and research, development, test and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads (yea 358; nay 37).	Yea.
H.R. 14832	A bill to provide for a temporary increase in the public debt limit (yea 191; nay 190).	Yea.
H.R. 14449	A bill to provide for the mobilization of community development and assistance services and to establish a Community Action Administration in the Department of Health, Education, and Welfare to administer such programs (yea 331; nay 53).	Yea.
H.R. 10265	A bill to provide for an audit by the General Accounting Office of the Federal Reserve Board, banks, and branches, to extend sec. 14(b) of the Federal Reserve Act, and to provide an additional $60,000,000 for the construction of Federal Reserve Bank branch buildings (yea 333; nay 20).	Yea.
H.R. 13678	A bill to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals (yea 240; nay 58).	Yea.
H.R. 13595	A bill to authorize appropriations for the Coast Guard (yea 365; nay 0).	Yea.
H.R. 12565	A bill to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test, and evaluation for the Armed Forces, and to authorize construction at certain installations. On agreeing to the conference report (yea 354; nay 14).	Yea.
H.R. 14013	A bill to provide supplemental appropriations for the fiscal year ending June 30, 1974. On agreeing to the conference report (yea 339; nay 27).	Yea.
H.R. 14747	A bill to amend the Sugar Act of 1948, as amended (yea 175; nay 209).	Nay.
H.R. 15155	A bill making appropriations for public works for water and power development, including the Corps of Engineers—Civil, the Bureau of Reclamation, the Bonneville Power Administration and other power agencies of the Department of the Interior, the Appalachian regional development programs, the Federal Power Commission, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1975 (yea 374; nay 21).	Nay.
H.R. 10701	A bill to amend the act of Oct. 27, 1965, relating to public works on rivers and harbors to provide for construction and operation of certain port facilities. Recorded vote on Eckhardt amendment. (yea 311; nay 27).	Yea.
H. Res. 1110	A resolution providing for the consideration of H.R. 10294, a bill to establish land use policy; to authorize the Secretary of the Interior, pursuant to guidelines issued by the Council on Environmental Quality, to make grants to assist the States to develop and implement comprehensive land use planning processes; to coordinate Federal programs and policies which have a land use impact; to make grants to Indian tribes to assist them to develop and implement land use planning processes for reservation and other tribal lands; to provide land use planning directives for the public lands. On agreeing to the resolution (yea 204; nay 211).	Nay.
S.J. Res. 202	A joint resolution designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations (yea 380; nay 23).	Yea.
H.R. 14354	A bill to amend the National School Lunch Act, to authorize the use of certain funds to purchase agricultural commodities for distribution to schools. On motion to suspend the rules and agree to the conference report (yea 345; nay 15).	Yea.
H.R. 7130	A bill to improve congressional control over budgetary outlay and receipt totals, to provide for a Legislative Budget Office, to establish a procedure providing congressional control over the impoundment of funds by the executive branch. On agreeing to the conference report (yea 401; nay 6).	Yea.
H.R. 15404	A bill making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1975 (yea 365; nay 36).	Yea.
S. 411	A bill to amend title 39, United States Code, with respect to certain rates of postage (yea 277; nay 129).	Yea.
H.R. 15405	A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1975 (yea 392; nay 4).	Yea.
H.R. 15361	A bill to establish a program of community development block grants, to amend and extend laws relating to housing and urban development. Recorded vote on Ketchum amendment (yea 285; nay 114).	Yea.
H.R. 15361	A bill to establish a program of community development block grants, to amend and extend laws relating to housing and urban development. Recorded vote on Steele amendments (yea 274; nay 112).	Yea.
H.R. 15361	A bill to establish a program of community development block grants, to amend and extend laws relating to housing and urban development. On passage (yea 351; nay 25).	Yea.
H.R. 15472	A bill making appropriations for agriculture-environmetal and consumer protection programs for the fiscal year ending June 30, 1975. Recorded note on Mizell amendment (yea 213; nay 103).	Nay.
H.R. 15544	A bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1975 (yea 367; nay 13).	Yea.
H.R. 15572	A bill making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975 (yea 407; nay 7).	Yea.
H.R. 14883	A bill to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a 2-yr period (yea 402; nay 11).	Nay.
H.R. 15580	A bill making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for fiscal year ending June 30, 1975 (yea 329; nay 43).	Yea.
S. 3458	A bill to amend the Agriculture and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes. On agreeing to the conference report (yea 325; nay 0).	Yea.
H.R. 7724	A bill to amend the Public Health Service Act to establish a national program of bio-medical research fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States. On agreeing to the conference report (yea 311; nay 10).	Yea.
H.R. 15581	A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1975 (yea 236; nay 36).	Yea.
H.R. 15276	A bill to provide a comprehensive, coordinated approach to the problems of juvenile delinquency (yea 329; nay 20).	Yea.
H.R. 15465	A bill to provide for increased participation by the United States in the International Development Association to permit U.S. citizens to purchase, hold, sell, or otherwise deal with gold in the United States or abroad (yea 225; nay 140).	Yea.
H.R. 14920	A bill to further the conduct of research, development, and demonstration in geothermal energy technologies, to establish a geothermal energy coordination and management project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources (yea 404; nay 3).	Yea.

VOTING RECORD—2D SESS., 93D CONG., JAN. 21 TO AUG. 22, 1974—Continued

Bill number	Issue	Wydler vote
H.R. 15323	A bill to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident (yea 360; nay 43).	Yea.
S. 3203	A bill to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals. On agreeing to the conference report (yea 205; nay 193).	Nay.
H.R. 14215	A bill to amend the Developmental Disabilities Services and Facilities Construction Act to revise and extend the programs authorized by that act (yea 387; nay 2).	Yea.
H.R. 15427	A bill to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation (yea 317; nay 67).	Yea.
H.R. 15560	A bill to provide temporary emergency financing through the establishment of a guaranteed loan program for livestock producers (yea 210; nay 204).	Nay.
H. Res. 1107	A resolution to amend the Rules of the House of Representatives to provide for the broadcasting of meetings, in addition to hearings, of House committees which are open to the public (yea 346; nay 40).	Yea.
H.R. 11500	A bill to provide for the regulation of surface coal mining operations in the United States, to authorize the Secretary of the Interior to make grants to States to encourage the State regulation of surface mining (yea 291; nay 81).	Yea.
H.R. 15472	A bill making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975. On agreeing to the conference report (yea 351; nay 41).	Yea.
S. 386	A bill to amend the Urban Mass Transportation Act of 1964 to authorize certain grants to assure adequate commuter service in urban areas. On motion to recommit the conference report (yea 221; nay 181).	Nay.
S. Con. Res. 93	A concurrent resolution relating to an inflation policy study. On agreeing to the resolution (yea 335; nay 66).	Yea.
H.R. 69	A bill to extend and amend the Elementary and Secondary Education Act of 1965. On agreeing to the conference report (yea 323; nay 83).	Yea.
H.R. 15582	A bill to amend the Atomic Energy Act of 1954, as amended, to enable Congress to concur in or disapprove international agreements for cooperation in regard to certain nuclear technology (yea 373; nay 8).	Yea.
H.R. 14012	A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1975. On agreeing to the conference report (yea 380; nay 13).	Yea.
S. Con. Res. 72	A concurrent resolution extending an invitation to the International Olympic Committee to hold the 1980 winter Olympic games at Lake Placid, N.Y., in the United States, and pledging the cooperation and support of the Congress of the United States as amended (yea 382; nay 4).	Yea.
H.R. 14402	A bill to amend the act of Sept. 26, 1966 (Public Law 89-606), as amended, to extend for 2 years the period during which the authorized numbers for the grades of lieutenant colonel and colonel in the Air Force are increased. On motion to suspend the rules and pass (yea 271; nay 108).	Nay.
H.R. 13377	A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I and World War II (yea 341; nay 40).	Yea.
H.R. 15912	A bill to amend ch. 37 of title 3, United States Code, to improve the basic provisions of the veterans home loan programs and to eliminate those provisions pertaining to the dormant farm and business loans, and for other purposes, as amended (yea 384; nay 0).	Yea.
H.R. 16077	A bill to amend the Public Health Service Act to extend through fiscal year 1975 the scholarship program for the National Health Service Corps and the loan program for health professions students (yea 371; nay 9).	Yea.
S.J. Res. 229	A joint resolution to amend the Export-Import Bank Act of 1945, as amended (yea 271; nay 113).	Yea.
H.R. 16243	A bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1975. Recorded vote on Flynt amendment (yea 233; nay 157).	Nay.
H.R. 16243	A bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1975. Recorded vote on Addabbo amendment (yea 178; nay 216).	Yea.
H.R. 16243	A bill making appropriations for the Department of Defense for the fiscal year ending June 30, 1975 (yea 350; nay 43).	Yea.
H.R. 16090	A bill to impose overall limitations on campaign expenditures and political contributions; to provide that each candidate for Federal office shall designate a principal campaign committee; to provide for a single reporting responsibility with respect to receipts and expenditures by certain political committees; to change the times for the filing of reports regarding campaign expenditures and political contributions; to provide for public financing of Presidential nominating conventions and Presidential primary elections. Recorded vote on Mathis amendment (yea 187; nay 223).	Yea.
H.R. 16090	A bill to impose overall limitations on campaign expenditures and political contributions; to provide that each candidate for Federal office shall designate a principal compaign committee; to provide for a single reporting responsibility with respect to receipts and expenditures by certain political committees; to change the times for the filing of reports regarding campaign expenditures and political contributions; to provide for public financing of Presidential nominating conventions and Presidential primary elections (yea 355; nay 48).	Yea.
H.R. 16136	A bill to authorize certain construction at military installations	Yea.
S. Con. Res. 108	A concurrent resolution extending the best wishes of the Congress to President Gerald R. Ford (yea 329; nay 0).	Yea.
H.R. 14214	A bill to amend the Public Health Service Act and related laws, to revise and extend programs of health revenue sharing and health services (yea 359; nay 12).	Yea.
H.R. 16090	A bill to impose overall limitations on campaign expenditures and political contributions; to provide that each candidate for Federal office shall designate a principal campaign committee; to provide for a single reporting responsibility with respect to receipts and expenditures by certain political committees; to change the times for the filing of reports regarding campaign expenditures and political contributions; to provide for public financing of Presidential nominating conventions and Presidential primary elections (yea 355; nay 48).	Yea.
H.R. 16136	A bill to authorize certain construction at military installations (yea 322; nay 30).	Yea.
S. Con. Res. 108	A concurrent resolution extending the best wishes of the Congress to President Gerald R. Ford (yea 329; nay 0).	Yea.
H.R. 14214	A bill to amend the Public Health Service Act and related laws, to revise and extend programs of health revenue sharing and health services (yea 359; nay 12).	Yea.
H.R. 5529	A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize appropriations for the fiscal years 1974, 1975, and 1976, to provide for the recall of certain defective motor vehicles without charge to the owners thereof. Recorded vote on Wyman amendment (yea 339; nay 49).	Yea.
H.R. 15405	A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1975. On agreeing to the conference report. (yea 394; nay 3).	Yea.
H.R. 15264	Extend to June 30, 1976, the authority of the Secretary of Commerce to regulate exports (yea 379; nay 6).	Yea.
S. 3066	Housing and Community Development Act of 1974, to consolidate, simplify, and improve laws relating to housing and housing assistance, and to provide federal assistance in support of community development activities. Vote on adoption of conference report on S. 3066 (yea 377; nay 21).	Yea.
H.R. 16425	To provide for a cost of living task force within Executive Office of the President, for the monitoring of the economy (yea 379; nay 23).	Yea.
H.R. 2	Agreement to conference report on pension reform bill (yea 407; nay 2).	Yea.
H.R. 12859	Federal Mass Transportation Act, amendment reducing overall authorization from $20,400,000,000 to $11,400,000,000 (yea 257; nay 155).	Nay.
H.R. 12859	Federal Mass Transportation Act, amendment deleting provision to allow States to increase weight limit of trucks operating on interstate highways (yea 252; nay 159).	Yea.
H.R. 12859	Federal Mass Transportation Act, vote on passage, authorizing $11,400,000,000 in fiscal years 1975-80 (yea 324; nay 92).	Yea.
S. 3919	To establish and authorize a Council on Wage and Price Stability within the Executive Office of the President (yea 369; nay 27).	Yea.
H.R. 11864	Adoption of conference report on Solar Heating and Cooling and Demonstration Act (yea 402; nay 4).	Yea.
H.R. 15977	An amendment to allow either House or Senate to disapprove Export-Import Bank financing of exports to a Communist country by adopting a resolution within 30 days after the bank reported the transaction (yea 178; nay 215).	Nay.
H.R. 15977	Amending and extending the Export-Import Bank Act through June 30, 1978 (yea 330; nay 67).	Yea.
H.R. 12628	Agreeing with Senate amendments to veterans education and rehabilitation bill, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances for eligible veterans (yea 386; nay 0)	Yea.

PUBLIC SAFETY OFFICERS

HON. J. HERBERT BURKE

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. BURKE of Florida. Mr. Speaker, in 1973, a total of 17 city, county, and State law enforcement officers were killed in the line of duty. This is the highest annual figure ever recorded. In addition many other public safety officers die each year in the performance of their duties. Most are young men who leave behind young families with little more to cling to than brutal memories.

Recently, a Fort Lauderdale policeman, Officer Walter D. Ilyankoff, age 40, a 15-year veteran of the force, answered a radio dispatcher's report of a robbery in progress. He found four men holding up a restaurant's employees at gunpoint. One gunman wheeled around and fired twice, seriously wounding the officer in the chest and stomach. Then another gunman brutally "executed" the downed policeman with a bullet in the head. The deceased officer leaves behind his wife of 20 years, Mary Ann Ilyankoff, and his 18-year-old son, William.

Last year Henry Minard, a policeman from Hollywood, Fla., was killed attempting to stop a jewelry store robbery. Earlier several other police officers from Broward County, which is my home county were killed. Jerry Genova of Lauderdale Lakes, Fla., was killed in the line of duty in a traffic accident while chasing a speeder. Bryon Riley and Philip C. Yourman of my home city of Hollywood, Fla., were killed when their patrol car skidded out of control and struck a tree as they chased a lawbreaker.

Over the past 10 years, 858 law enforcement officers died from criminal action. Of these, 613 have died from handguns. Sunday nights are the most dangerous nights, and the hours between 10 p.m. and 2 a.m. are the most dangerous hours. Most officers are slain in robbery pursuit or in attempting arrests. It is shocking to note that last year 29 officers were killed while responding to "disturbance" calls, and 25 more were killed as they made routine traffic stops.

Mr. Speaker, the 127 law enforcement officers killed last year were mostly white with only 10 percent black and 3 percent from other races. Most were in their late twenties or early thirties with an average of 5½ years of police service. Most were killed during regular patrol duty in their squad cars, however 11 were killed on off-duty time.

Most of the killers of the 127 policemen have been arrested, only 6 remain to be caught. However, it is astonishing to note that of the 192 identified offenders, 77 percent had prior criminal records, 61 percent had previously been convicted and released on parole or probation. Sixteen percent were actually on parole or probation when they were involved in the killing of an officer.

Early this year I cosponsored legislation to amend the Omnibus Crime and Safe Streets Act to provide for a $50,000 death benefit to the survivors of public safety officers who die in the performance of their duty. My bill would provide a death benefit not only to the families of policemen, but to firemen and other public safety officers as well. Although the House Judiciary Committee reported out this measure earlier this year, and it was passed by the House of Representatives, their bill was significantly different from the one that was passed by the Senate. Normally, the Senate either approves the House amendments or asks for a conference on the legislation, but in the case of S. 15 it has done nothing at all.

On July 26, 1974, I wrote to the Senate majority leader, MIKE MANSFIELD, and expressed my concern about the lack of action by the Senate on this measure which was sent to them by the House on April 24, 1974. To date I have received no response to my inquiry.

One of the objections that has been made to the measure is the cost which could be $20 million annually. Another objection is that it raises questions of federalism which might cause difficulty later. Still the basic idea should not be allowed to falter as it has. Public safety officers know little of public honor or respect in life, and the bloodless, faceless computerized numbers in the annual FBI Uniform Crime Report should be brought into proper focus by the people in our society.

No matter what objections are raised to this legislation, the need for it is overwhelming. Order must be maintained for our society to function. The people in our country and the other public safety officers risk their lives daily to assure this. We owe their families not only a debt of gratitude, but some financial consideration, when their lives are lost protecting us. It is my hope that the 94th Congress will act favorably on my bill to provide a death benefit to the survivors of public safety officers.

EIGHT SILVER DOLLARS MEASURE ONE FOOT

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. SYMMS. Mr. Speaker, I commend the following tract for my colleagues—written by Mr. Robert Burrell of West Haven, Conn.

Mr. Burrell puts in a few words a most important message—about eight silver dollars:

EIGHT SILVER DOLLARS MEASURE ONE FOOT

An open letter to the Honorable members of the Senate and Congress expressing the sentiment of millions of U.S. citizens.

The national debt is the tax payer's grief and one of the principal causes of inflation.

It is a creeping menace which will eventually explode and engulf us in economic chaos, worse than 1929.

How did a country with such a vast number of highly educated and intelligent people allow itself the illusion of Total Prosperity by means of Ever-Increasing Debt? A Keynesian myth that spells doom.

When will we stop long enough to consider, "Where are we going?"

Fifty years ago during Calvin Coolidge's first year of his second term in the presidency in 1924 he reduced the national debt to 17 billion dollars.

In January 1974 the national debt had reached the astounding figure of 500 billion dollars.

30 billion was entered in the 1973–1974 budget just to pay interest costs on the national debt.

From 1930 to 1973, a period of 43 years, the Federal budget was balanced in only 10 fiscal years. These years were 1930, 1947, 1948, 1949, 1951, 1952, 1956, 1957, 1960 and 1969.

This 500 billion is a tremendous debt.

A burden to taxpayers through the next century.

What caused this debt?

Inflation? Yes.

Congress? Yes.

The United States voters? Yes.

Inflation is a principal cause of our national debt.

Our legislators do not operate within their yearly budgets.

Year after year special expenditures are requested beyond the budget limits set by Congress.

Priorities are argued and the decision is made that special expenditures are necessary. Thus, control of the budget is lost.

New money must be obtained by the Federal Reserve Board.

This means additional bonding with its cheaper dollars and increased inflation.

Let us make a quick review.

During Franklin D. Roosevelt's term, 1932–1945 and since then, in Harry Truman's term, 1945–1952, as president, the national debt had risen to 257 billion dollars.

During Dwight D. Eisenhower's term 1952–1960 and John F. Kennedy's term 1960–1963 and Lyndon B. Johnson's term 1963–1968 the national debt had risen to 354 billion dollars.

During 1968, the last year of President Johnson's term and since then, during President Nixon's term 1969 to the present 1974 the national debt has risen to 500 billion dollars.

Could we finance our homes in this manner?

This method of management would bankrupt our wealthiest corporations.

Is not the government merely home financing in a big way?

Until March 1968 the key to international trade and commerce was gold, pegged at $35 an ounce by the United States government.

By law, the United States had to keep on hand $25 in gold for every $100 in United States paper dollars. This gold is stored in Fort Knox and other U.S. vaults.

Due to our foreign commitments, Berlin, Britain, France, Korea, Vietnam and 45 other foreign countries held over 30 billions of our dollars.

In spite of all our help they insisted on redemption in gold.

Since 1957, the dollar back-up gold in storage has been reduced from 23 to 11½ billion dollars.

Ironically, France, under de Gaulle, which country we helped save from disaster in W.W. 2 is the worst offender and was bleeding our gold supply purposely and shamefully.

Yet, France owes us over 5 billion dollars, but we refrain from collecting lest we disrupt the monetary system of friendly countries and cause financial trouble in Europe.

Russia owes us over 11 billion from World War 2 and even now we are loaning them millions on very modest interest.

Germany, a country we helped revive to prosperity after W.W. 2 refuses to help pay for our military support, yet squeals with anguish when we threaten to remove our military coverage guarding against Russia.

Britain devalued the pound-sterling on November 18, 1967 from 2.80 to 2.40, thus reducing further the value of our dollars.

50 foreign nations receive our good-will billions reducing further our trade and commercial balance of payments.

France, Russia and China watch and wait for the first signs of our economic collapse.

Each country, in its own subtle way helps to bring it about.

Due to the gold speculation in 1967 and 1968 and to the deflation of the dollar, members of the 7 countries comprising the International Monetary Fund took drastic action in Washington on March 16 and 17, 1968 to stop the flow of gold from the United States.

They created a Two-price system, one for governments only at $35 an ounce, the other, for individuals at free market prices, without regulation.

On March 19, 1968 the U.S. administration removed the gold cover from our paper dollars, thereby freeing 10.7 billion in gold to protect our dollars in foreign markets.

This is a stop-gap only which is proved by the wild rise in the price of gold by speculators since 1968.

What is a billion dollars?

Is there a unit of measurement which will show the average citizen what a billion dollars represents?

Would it help our Federal, state and local legislators to govern reasonably if we drew a picture for them?

Let you and I try it.

Let us take a flight in fancy.

Imagine you and I taking a long walk across the country laying down one silver dollar touching another, on an imaginary straight line from New York to the Golden Gate in San Francisco.

Forget the mountains and rivers and valleys.

Now we start our *imaginery journey*.

A tour in simple arithmetic.

1 Silver dollar measures 1½ inches across the diameter.

12 inches measure 1 foot.

8 Silver dollars measure 1 foot.

5,280 feet measure 1 mile.

42,240 Silver dollars measure 1 mile.

3,000 miles measure from New York to San Francisco.

126,720,000 Silver Dollars measure from New York to San Francisco.

Notice we have laid down a string of bright silver dollars clear across the country and we have only used approximately one eighth of one billion dollars.

There it is in clear hard facts.

8 Silver dollars measure one foot.

8 Silver streaks from New York to San Francisco measure practically one billion dollars.

Never again need you be in doubt.

When someone mentions one billion dollars you will see those eight Silver streaks extending clear across the country.

But our present national debt is 500 billion dollars.

Is Congress to blame? Yes.

The controlling party's mistakes and inequities are hard to correct and they multiply over the years of control by the same party.

Are the United States voters to blame for the increase in the national debt? Yes.

No matter how high the national debt the voters return a majority of legislators to both houses who have proved to be the greater spenders of the voter's own tax money. Like a paranoic seeking inevitable self ruin.

In February 1973 two joint resolutions were offered in the House of Representatives, H.J. Res. 332 and H.J. Res. 374. Proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt.

If passed by two-thirds of the Senate and House of Representatives and ratified by the legislatures of three-fourths of the states this legislation would curb inflation.

Suppose a beautiful framed picture were hung in the hall of Congress and it showed 8 silver streaks extending from New York to San Francisco.

This beautiful picture representing the distance travelled to lay down one billion dollars on our *Imaginary Journey* may cultivate thoughts in the legislator's mind of his own home financing.

Since the present national debt is 500 billion these thoughts may make him more reasonable in spending the taxpayer's money.

This picture may act as a guide to prevent that economic chaos indicated on Page 1 of this letter.

This letter may be copied by the news and other media.

This attempt is to save this great country from economic collapse.

AMERICAN METRIC JOURNAL EDITOR URGES FEDERAL LAW TO AID METRIC CONVERSION

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. McCLORY. Mr. Speaker, my friend, Robert A. Hopkins, editor and publisher of the American Metric Journal has prepared and published a best seller on the subject of the metric system entitled "International—SI—Metric System and How It Works."

Polymetric Services, Inc., a division of American Metric Journal Publishing Co., is engaged in producing and marketing metric educational products for schools and industry. According to Mr. Hopkins, the AMJ Publishing Co., which publishes its periodical on a bimonthly basis, has received as many as 3,000 mail requests in a single day for metric information. Mr. Hopkins feels that the enactment of useful metric conversion legislation by the Congress, under which the Nation could convert on an orderly and coordinated basis to the metric system of weights and measures, would save the taxpayer millions of dollars and enable us to avoid years of confusion.

The benefits which could flow from the enactment of H.R. 11035 or comparable legislation to facilitate a comprehensive program of orderly conversion to the metric system are set forth in the following paper recently prepared by Mr. Hopkins:

BENEFITS OF METRIC LEGISLATION OR LET'S ALL GO METRIC TOGETHER

We do not need a law to compel the public to use the metric system of measurement. Legislation is not required to force industry or any part of commerce to convert to metric measure.

The nation has already discovered sufficient advantages and reason to support a change to the universally adopted language of measurement now being used by approximately 90% of the earth's population.

Our educators have not only recognized the requirement for teaching international metric measure to all students at this time, but have used and taught it in scientific areas for many years.

The superiority of metric over the customary inch/pound system is so obvious to most sectors of society that legislation is not required to encourage, or enforce its usage.

A number of the largest manufacturers in the country have announced plans or have already begun a conversion program. As an example, General Motors is one of the large corporations who have already begun to manufacture products in metric measure and plan to ultimately convert all their products to metric. They have approximately 40,000 suppliers and subcontractors who are having to learn metric. Ford produces the popular Mustang II metric engine in an Ohio plant. Chrysler Corporation is changing. International Business Machine, Hewlett Packerd, Caterpillar Tractor and many others favor and are changing to metric without waiting for federal legislation.

At this time America is changing its language of measurement. Some school systems have begun to teach it, most others are planning metric instruction. Hundreds of colleges and universities have extended existing metric classes and have added new credit courses. Twenty-one states and three U.S. Territories expressed their intention at a meeting in July of 1974 to begin teaching metric on a statewide basis to all school children not later than 1977. It is to become the preferred system of measurement by 1979—in the 21 states.

Our only problem is in having all states begin to teach metric at the same time . . . To agree to use the same parts of metric for the same purposes, standardization is vital. It is also important to have students trained to work in the measuring system required by the trade, profession or industry they will enter upon graduation from school. They should be able to go from one city or state to another and find the same system being used.

The general public needs to begin to understand a small amount of basic metric in order to make quantity comparisons and take advantage of this superior and simple language of measurement. This can be accomplished with one or two public awareness programs, but requires government endorsement.

The entire country should begin to instruct its student population in metric at the same time. The public should be exposed to metric on a national basis through a scheduled program. The easiest way to initiate this change is to establish a Metrication Board representing all sectors of society and plan conversion in logical stages. This changeover can be coordinated to reduce cost and confusion. Continuing with the present disorganized switch to metric, as is now being done, state by state and industry by industry without any planning, a time table or national uniformity, will result in exorbitant costs and years of confusion for the public.

A federal metric law will constitute a government stamp of approval. An edict could establish an official office (NBS) or source of authentic information and interpretation of the international (SI) metric units. Legislation will make it possible to post nationwide speed and distance signs on roads and highways. The National Weather Service can provide metric weather information. The National Weather Service has postponed plans to announce temperature in metric until federal laws are passed. It is widely held that weather reporting will be the single most influential factor in the introduction of metric to the general public. This has proven to be the case in other nations changing to the SI in recent years.

The public will accept metric and recognize its value if the government enacts a law endorsing the system. They will learn it faster by seeing road signs and hearing metric weather reports than any other way.

Without legislation, America will surely be divided into many groups adopting various parts of the SI at different times at an unnecessarily high cost, spread over years of confusion.

Without legislation, all kinds and varieties of school text books could be adopted utilizing non-uniform teaching methods. Those 29 remaining undecided states waiting for federal legislation may never change without enactment of a law.

About 50% of all packaged food items are now labeled in both customary and metric quantities. There are some inconsistencies being found in the metric units being employed to express quantity. This can be corrected by the appointment of a Federal Metrication Board and by using (NBS) National Bureau of Standards to interpret international metric rulings.

Adoption of the system by law will provide uniform measuring and weighing standards for our consumer goods. It will provide a foundation from which the Department of Weights and Measures can monitor our Trade and Commerce.

Without legislation, industrial and educational associations can establish their own brand of metric without regard to national uniformity. Some special interest groups could become recognized as "official" sources of metric information and interpretation. These special groups could easily change the (SI) International System of Units to serve a single purpose which might not be in the best interest of the nation.

America needs federal legislation to help it convert to the metric system in a coordinated way within a limited period of time. This law will provide the psychological encouragement being sought by the public to get started with the change.

HOLDING UP CAMPAIGN REFORM

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. HANRAHAN. Mr. Speaker, the House and Senate conferees are having a difficult time agreeing on campaign reform laws. The problem right now seems to be relating to public financing of congressional campaigns. Whether or not this will be included in the final bill is not yet known. We do know, however, there is a definite need for campaign reform in our Government. I wish to insert the following article from the Washington Post for the benefit of my colleagues:

HOLDING UP CAMPAIGN REFORM

Now it's the reformers who are stalling reform. Sen. Edward M. Kennedy (D-Mass.) and a few colleagues are holding up the Senate-House conference on campaign reform by insisting on some form of public financing for congressional campaigns. The House last month rejected even a relatively modest plan for public aid to congressional candidates, and House conferees have made it plain that they will not accept any such scheme at all. The impasse has already caused the conference to be recessed for a week. If the senators still refuse to yield when the discussions resume, they could be headed toward one of two undesirable points. They could create a deadlock and kill the bill. More probably, they could delay a conference agreement long enough to ensure that a final measure would not reach President Ford until after the November elections—at which time it will be easier for him to veto the legislation if he is so inclined.

The diehards seem to think the whole drive for federal election reforms will have been fruitless if they do not achieve a conceptual breakthrough on congressional public financing this year. It may look that way from the millennial perspective which some reformers like to take. From any realistic vantage point, however, the kind of bill likely to come from conference—if the senators cooperate—would be an enormous improvement over the present state of political financing and campaign controls. Moreover, such a bill without congressional public finance, would have such general, bipartisan support that a presidential veto would be extremely hard to justify or uphold.

The fact is that the Senate has already won House agreement on many significant points. For one thing, unless the legislative process breaks down, future presidential races will be paid for differently. There will be no more extravagant, heavy-handed committees squeezing large contributions out of those who must deal with the government. Instead, future races for the White House will be largely financed through automatic appropriations from the dollar check-off fund, with major-party spending held to $20 million. The conferees also have agreed to provide $2 million for each major party's nominating convention and to give partial public subsidies to match small private gifts to candidates in presidential primaries. There are serious questions about the wisdom of subsidizing the chaotic way that presidential tickets are selected. This approach does, however, permit a full test of public financing—a test which seems only prudent before Congress talks any more about extending the idea to 100 Senate races and 435 contests for the House.

The House also has accepted the regulatory concepts, applicable to both presidential and congressional campaigns, which the Senate approved last year before the fever for public financing struck. Thus any bill which emerges from the conference will include limits on private contributions and spending curbs on cash contributions, a ban on multiple campaign committees for any candidate, an end to secret ear-marking of gifts, a ban on donations by foreign nationals, and tightened reporting requirements. It is true that on some specifics the House, with its self-protective outlook has prevailed. Thus the Senate apparently has agreed to a higher limit on contributions by interest groups, which happen to give about two-thirds of their funds to incumbents. More important, the Senate has so far acceded to the House-passed limit of $75,000 for spending in House elections. That amount is less than most challengers have had to spend to beat incumbents, and seems likely to discourage competition—which, debates suggest, is just what many members had in mind.

The two houses also differ on the question of enforcement, which is the most important aspect of any regulatory scheme. The Senate would create an independent seven-member commission with strong powers to probe and prosecute civil and criminal violations of the campaign laws. The House Administration Committee under Rep. Wayne Hays (D-Ohio) originally tried to set up a weak supervisory board controlled by Congress. Under heavy pressure on the House floor, Rep. Hays did agree to a four-member commission, chosen by the congressional leadership, which would have somewhat broader powers and more autonomy. In conference, the House negotiators have shown some willingness to move still closer to the Senate's stand.

Without tough, consistent enforcement, any campaign regulation is a sham. Thus if the Senate conferees really want to show their devotion to reform, enforcement is where they should concentrate their efforts. It may be that no showdown is required on this field. Rep. Hays, who says he wants a bill, may be much more amenable to a strong enforcement plan once the roadblock of congressional public financing has been removed. In contrast, it would be foolish to try to barter strict enforcement—something which is overdue—for congressional public funding, which is premature at best. And it would be downright reckless to jeopardize the entire bill over that cause. Sen. Kennedy and his allies have amply shown their readiness to fight all summer for public financing of campaigns. But it is autumn now, and time to pass the bill.

THE RESULTS OF THE YATRON 1974 PUBLIC OPINION POLL

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. YATRON. Mr. Speaker, this year, I have again distributed my annual public opinion poll to the people of Pennsylvania's Sixth Congressional District, comprising Berks, Schuylkill, and part of Northumberland Counties.

The poll, as I have emphasized to those who took part, is an extremely helpful and effective guideline for me, as I consider the many pressing national issues before the Nation and the Congress. I am convinced that the questionnaire enables me to provide more responsible representation.

The results of my latest poll are now available. They have been sent to the President and I am taking this opportunity to also bring them to the attention of my congressional colleagues.

The people of the Sixth District take an active interest in the broad range of current national issues and problems. The very large response received thus far—over 30,000—indicates an awareness on the part of my constituents of these matters and a genuine interest. This yearly questionnaire opens the line of communication between my constituents and their elected Representative, which is the hallmark of our democracy.

I, therefore, heartily commend to your attention the outcome of my 1974 public opinion poll, with a special note of thanks to all who took part.

The results are as follows:

1974 PUBLIC OPINION POLL

1. Please indicate below the five most pressing issues facing our nation today, in the order of their priority:

A. Inflation (1).
B. Impeachment question.
C. Health Care.
D. Election reform.
E. Education.
F. Unemployment.
G. Reduce federal spending (2).
H. Tax reform (3).
I. Welfare reform (4).
J. Environment.
K. Drug abuse.
L. Crime control (5).
M. Consumer protection.
N. Senior citizens.
O. Foreign policy change.
P. Continue detente.
Q. Penal reform.
R. Restore faith in govt.

2. Realizing that the impeachment situation could rapidly change by the time you receive this questionnaire, which of the following is closest to your current view: (questionnaire distributed prior to resignation; limited response)

A. The President is innocent of any wrongdoing; stop all investigations: 7%.

B. The president may be guilty of wrongdoing, but allow him to continue in office: 17%.

C. Sufficient information indicates Presidential wrongdoing. The House should vote articles of impeachment and the Senate should conduct a formal trial to establish Presidential guilt or innocence: 76%.

3. If you feel that in recent years, our system of checks and balances between the three branches of government has become unbalanced. Kindly indicate which branch of government you feel has gained excessive power:

Executive: 56%.
Legislative: 10%.
Judicial: 21%.
Not unbalanced: 13%.

4. Some have suggested federal financing of elections as the solution to campaign irregularities. Which best expresses your view? (Combination answer accepted.)

A. No public or federal financing: 15%.

B. Strict limitations on amount any individual can contribute to campaign: 23%.

C. Strict limitations on organization contributions to campaign: 21%.

D. Overall limit on campaign contributions for each official: 31%.

E. Full public or federal financing of general elections for all offices: 10%.

5. Do you believe the "energy crisis" is real: Yes, 43%; No, 46%; Undecided, 11%.

6. If it is accurately determined that an energy crisis exists, which of the following energy sources do you feel should be most extensively explored?

Coal: 25%.
Solar (sun): 38%.
Nuclear: 30%.
Undecided: 17%.

7. If faced with another gasoline shortage, which policy would you most favor?

A. Raise price of gasoline to reduce demand: 10%.

B. Continue cutbacks, offer gasoline on first come-first served basis: 11%.

C. Initiate gasoline rationing with coupon books: 65%.

D. Undecided: 14%.

8. The Postal Service has now been operating over three years as an independent corporation. Do you feel its operating efficiency has improved?

Yes: 28%.
No: 60%.
Undecided: 12%.

Do you favor legislation restoring the old Post Office Department?

Yes: 38%.
No: 41%.
Undecided: 21%.

9. Do you believe the judicial system in recent years has contributed to a sense of permissiveness and lawlessness, through excessive court leniency?

Yes: 87%.
No: 10%.
Undecided: 3%.

10. Do you favor reinstatement of capital punishment as an available option of the courts?

Yes: 84%.
No: 12%.
Undecided: 4%.

Do you feel the parole laws are too lenient and that qualifications should be tightened?

Yes: 89%.
No: 6%.
Undecided: 5%.

(Space provided for listing two suggestions for crime control.)

11. How do you feel on the issue of granting general amnesty to those who refused to fight in Vietnam?

Favor: 25%.
Opposed: 66%.
Undecided: 9%.

Would you support consideration of amnesty on a case-by-case basis, studying each on its own merits?

Yes: 41%.
No: 51%.
Undecided: 8%.

12. Would you be willing to forego some federal services or programs to reduce spending and perhaps help control inflation?

Yes: 91%.
No: 5%.
Undecided: 4%.

(Space provided for listing programs prefer cutting back.)

13. Wage and price controls have been removed, but do you favor reinstatement as one effort to control inflation?

Yes: 58%.
No: 32%.
Undecided: 10%.

14. (Space provided for listing two major anti-inflation efforts.)

15. On the issue of military versus domestic spending, which is closest to your view?

A. Substantially reduce military spending, channeling more funds into domestic areas: 16%.

B. Substantially cut back domestic spending, increasing funds for military: 4%.

C. Determine and reduce areas of wasteful military spending, while trying to maintain an adequate defense posture: 80%.

16. Which of the following is closest to your view on abortion?

A. Abortion should be entirely a decision between a woman and her doctor: 43%.

B. Opposed to abortion on any grounds: 18%.

C. Support the Supreme Court decision, allowing abortion in earlier months of pregnancy: 11%.

D. Abortion should be allowed in any instance to protect health or life of mother: 26%.

E. Undecided: 2%.

17. Which type of National Health Insurance program would you favor?

A. A government plan covering medical care for everyone: 40%.

B. A government plan covering only long-term or catastrophic illness: 26%.

C. Continued reliance on private health insurance, with government paying premiums for the poor: 18%.

D. No new program: 14%.

E. Undecided: 2%.

18. Which of the following is closest to your view on the environment and energy?

A. Until the energy crisis is over, relax controls on air, water: 21%.

B. Continue controls; permit no relaxation of harm to environment: 20%.

C. Efforts to conserve energy and fufill our needs can work hand in hand with efforts to protect environment; are not in conflict: 57%.

D. Undecided: 2%.

19. If our government disagrees with the internal policies of another country, should we reflect this disapproval by modifying our relations, perhaps through cutting back foreign aid or trade?

Yes: 75%.
No: 15%.
Undecided: 10%.

20. Which of the following is closest to your opinion of current U.S.-Russion "detente" which literally means a relaxation of tensions between nations?

A. Current detente is sincere Soviet desire for friendship with U.S.: 3%.

B. Detente represents Soviet attempt to take advantage of U.S., for its own ultimate gain, defeat of U.S. system: 27%.

C. American foreign policy toward China and Russia is merely "dollar diplomacy;" opposed to extending Export-Import Bank trade credit: 24%.

D. Favor continued U.S.-Soviet detente on its present course: 19%.

E. Favor slowing down of current detente: 10%.

F. Favor free and expanded trade with Russia and China: 17%.

21. Regarding U.S. foreign aid programs, which is closest to your viewpoint?

A. Continue and expand U.S. aid, to maintain role as Free World leader: 5%.

B. Favor sharp reductions in foreign aid, including nations in need: 17%.

C. Favor selected aid to those nations friendly with the U.S., but adopt "get tough" policy to nations not friendly with America: 46%.

D. Support system of exchange of U.S. aid for strategic raw materials: 27%.

22. I have introduced the Congressional Advisory Legislative Line (CALL), to enable you to call an 800 toll-free number for instant status information on all pending legislation. The CALL service would be tied to an existing House computer office, assisting staff members. Would you use such a service if available?

Yes: 59%.
No. 18%.
Undecided: 23%.

In a special sample, three additional questions were included. The results are:

Do you feel that despite the current national crisis, America is still on the right track and will emerge perhaps stronger when these problems are resolved? Yes: 71%.

Do you feel the oil industry should be regulated like public utilities: Yes: 73%.

Do you favor channeling greater funds into mass transit development, as one aspect of future energy policy? Yes: 74%.

Do you favor continued expenditure of funds for highway development, rather than mass transit? No: 78%.

Do you favor a combination of these two? Yes. 53%.

PARDON WAS SURELY RESPECTABLE; VENEMOUS CRITICISM OF FORD HAS SOME DISTURBING IMPLICATIONS

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. MARTIN of North Carolina. Mr. Speaker, amid the flood of editorial comments on the President's pardon of former President Nixon, two have risen above the flood. I wish to bring to the attention of the House the editorial comments of Mr. Stewart Spencer of the Charlotte News, and Edwin Yoder of the Greensboro Daily News, two of the leading newspapers of North Carolina:

PARDON WAS SURELY RESPECTABLE; VENEMOUS CRITICISM OF FORD HAS SOME DISTURBING IMPLICATIONS

DEAR READERS: I thought at the time President Ford's pardon of Richard Nixon was acceptable, and I still think so.

By the same token, I thought a blanket pardon for all other Watergate offenders would have been a serious mistake, and was pleased to see the administration's trial balloon—if that's what it was—pulled down and put away.

Are there contradictions in this view? Of course there are. I can't imagine how it could be otherwise. Nothing seems less likely to me than that the strands of Watergate will be woven into a seamless pattern making sense in every way to every eye.

Presume there were no Nixon in the picture, and consider only the cases of the various lower conspirators. They were different men with different responsibilities, capacities and powers. They had different opportunities to betray law and trust, and they did in fact betray them in different ways. Our law sets different penalties for different people committing different offenses, and allows different judges discretion in applying even these. It surprises us not at all, when the time comes for setting punishment, to see the courts take into account personal circumstances, attitude, penalties already suffered. In looking upon the finished matter it would not surprise us to see some of these lower conspirators heavily penalized but others—a contrite John Dean for example—treated more lightly.

Now, add Richard Nixon to this picture. He too was a different man with different powers and opportunities to betray law and trust. He too betrayed them in different ways. He too is open to different penalties and already has suffered different consequences. And his judges, too, are by law granted discretion in deciding what punishment best fits his case.

A SINGLE STANDARD?

Some of the criticism now flying seems to suggest that when all is said and done we should be able to produce a single yardstick reaching handily from President to free-lance footpad, and be able to find neatly arrayed along its single scale of crime and punishment all the culprits in-between—campaign committee hirelings and attorneys general, lawyers and laymen, presidential friends and presidential appointees.

On its face the concept is not sensible. It does trouble me some to look ahead and see that all others conceivably could go to jail while Nixon did not. The prospect is a little troubling, but not surprising. Also a little troubling would be the prospect of things happening the other way around. And it's possible to imagine being troubled by an outcome in which all including Nixon went to jail, but the relative severity of their sentences seemed unfair.

Every day a diverse judicial system produces results that fit the judge and jury's most earnest concept of what is right, but less nearly fits our own. Sometimes we're irked but, again, we're not basically surprised. We understand that different people see things differently, and we understand the value of having a judicial system that leaves room for human discretion rather than marching in lock-step to some grand abstraction.

Punishment is the issue in the controversy over the Nixon pardon. It behooves us to be clear and candid ourselves on that point. The question is not whether presidents are above the law. At least since Nixon was knocked on his heels in the firing of Archibald Cox, it has been made abundantly clear to Nixon and to history that the law applies to presidents. In the pardon controversy, the issues are how much punishment should be inflicted on him for his offenses, and what could be the consequences to the nation, as well as to him.

Inescapably the matter affects the national welfare. Not so many weeks ago fiery controversy raged around the narrowest questions of guilt or innocence; Nixon's resignation from office was bitterly wanted by some, bitterly opposed by others. The nation was wracked and harmed.

Could any responsible president now simply presume that a criminal trial and jail for Richard Nixon would go smoothly down like honey, with no potential for further national harm? Of course not. Is it really credible that Ford would have caused less stir had he held the Nixon pardon until after trial and conviction? Of course not. It is empty pretense to claim that criminal trial would merely array the evidence and establish a record for history. A trial for Richard Nixon would point squarely at jail, or at more bitter strain for the nation, or more likely at both.

BALANCING INTERESTS

Law; mercy; the broader best interests of the nation. How to balance these various and potentially conflicting interests is the kind of issue on which men of good conscience will disagree. And our nation is founded on the concept that the most profound disagreements of conscience—religious differences, for example—are among those to be most profoundly respected. As a personal matter I am not sure I share President Ford's view that Nixon has been sufficiently punished for what he did. But it does seem to me that President Ford's own view of that question is responsible and respectable, whether or not I agree with it.

Maybe this is why I'm particularly bothered by the venomous nature of some of the criticism directed at Ford. The point is eloquently treated in the article by Ed Yoder of the Greensboro Daily News reprinted elsewhere on today's editorial page.

It is false and shabby to say that if President Ford's conscience differs from ours, he has no conscience at all. And it is potentially dangerous to insist of our leaders that being mistaken or even unwise is the same as being untrustworthy.

The easy assaults on Ford's character and motive remind me too much of the way Richard Nixon used to like to deal with his enemies. If we expect our leaders to make no serious mistakes, expect them to eliminate the gritty contradictions of real life from one of the knottiest problems in American history; expect them to spare us profound doubts and disagreements—if we expect all this of our leaders, and make withdrawal of trust the penalty for error, we are holding them to an impossible standard and endangering ourselves.

Sincerely,

STEWART SPENCER.

SHELL-SHOCK: OVER-REACTING TO THE PARDON

(By Edwin M. Yoder, Jr.)

I recall being told, years ago, by a professor at Chapel Hill of this eerie experience: It was just after World War II and his class, an elementary survey of English literature, was full of returning veterans.

He announced a quiz but on entering the classroom on the appointed day was appalled to find himself confronted by rows of ashen faces and trembling hands. A mere exam, it seems, had tripped battlefield preconditioning and induced a state of battle-readiness. He called off the quiz.

Since I am neither psychiatrist nor physiologist, I cannot vouch for the clinical accuracy of this conclusion. But it accords with Pavlov's famous experiment with the salivating dogs, and also with the basic theory of Freudian psychology about the long-lingering—and often grossly distorted—after-effects of trauma.

How else, to come to the point, can we explain the violence of the national reaction to President Ford's compassionate pardon of Richard Nixon? It goes far beyond mere disagreement over the timing or legal repercussions of the act, which are certainly debatable. It verges on national hysteria, frenzy, catatonia.

The President Ford who only yesterday was an amiable, candid man who toasted his own English muffins is today a scheming trifler with the Constitution—"an ordinary pol," in the patronizing words of Joseph Kraft, "who cannot be deeply trusted—even if he does make his own breakfast."

I am not altogether sure that President Ford acted wisely in pardoning Mr. Nixon, but the act is not lacking in perfectly honorable and comprehensible foundations. It seems likely, in fact, that far from being a sordid "deal" or "plot" his was an act of compassionate impulse. That does not make it wise. But it ought at least to commend tranquil consideration to those who have some nodding acquaintance with Judaeo-Christian principles and the nature of the pardoning power.

It is nonsense to attack a pardon, whatever one thinks of its wisdom, as an attack upon or interference with due process of law. That is precisely what pardons are and always have been—an interference with the course of law. In his Commentaries on English law, Sir William Blackstone described the pardoning power as "a power to extend mercy wherever . . . it is deserved," and as if to spite Blackstone—who insisted that the pardon was a peculiar virtue of monarchs—the writers of the Constitution took care to confer it on Presidents. A pardon, in Edward Corwin's word, is always "more or less opposed to the law."

But whatever the risks or disadvantages of pardoning Mr. Nixon now—for all we know he is a very sick man, soul and body—they portend less evil for this country than our seeming inability to react with anything short of full battle-readiness to a debatable presidential decision. One would think that President Ford had resumed the bombing of North Vietnam or extolled his predecessor as a guardian of the Constitution, so vehement is the response.

In this hair-trigger over-reaction, several disturbing, possibly disabling, possibilities may be seen.

The most obvious is a simple inability to sense when a battle has been won and to think of clemency or the casualties. As the ever-sensible David Broder has pointed out, the great constitutional battle over Mr. Nixon's presidency was won the day he left office. Those who want it punctuated and underlined with a symbolic beheading of the losers underestimate the capacity of historians to draw the lesson for future Presidents.

To be sure, it would have been more satisfying for all if Mr. Nixon had left office in sackcloth and ashes, confessing his sins like the Ancient Mariner to all who would hear. But it is not in the perilously rigid nature of Mr. Nixon's personality to do so. He has never, alas, learned the value of confession to the confessor. He has never, I think, comprehended the lesson of great art and religion that we are all, at times and in some sense, losers and victims, which we sometimes call the tragic view of life. Or at least he has never exhibited the grace, humor and candor usually associated with it.

But Mr. Nixon, whether or not he himself acknowledges it, has been disgraced as no other president ever was; and considering the hypnotic centrality of presidencies in our daily life that is indeed to have "suffered enough." It is distressing to think that some of us need him, still, to "kick around" when he is ruined beyond all repair.

A more ominous possibility is that the last two presidencies, those of Nixon and Johnson, have so conditioned us to the anticipation of deceit and fraud in presidents that we can no longer distinguish between them as people, and will see error as evil and misjudgment as venality. Our national adrenal glands have been battle-conditioned to a point that deprives us of the ability to react with due measure and discrimination to what happens in the White House. Like the war veterans who were asked only to write a few lines about Chaucer but reacted as if about to face enemy gunfire, we need a long rest. We need the therapy of worrying about dull, prosaic things like the cost of living, the exhaustion of energy resources, jobs, and ladies' hemlines.

The frenzied eagerness with which we leap from these dull but fundamental concerns at the cry that the Constitution is in danger and the sky is falling is, to me at least, a warning of dangerous national instability. It is, if so, a far more serious threat to our national well-being than a pardon for a vanquished and stricken foe.

DUNDEE CELEBRATES 150TH YEAR

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. ESCH. Mr. Speaker, the residents of Dundee, Mich., have undertaken a long-awaited celebration marking the 150-year history of the community and its people. It was my great pleasure to join with the residents at the festivities marking the sesquicentennial observance.

The history of this community exemplifies the progress that has been made in our Nation during the past 150 years. From a rugged group of hardy pioneers who challenged the Michigan wilderness has grown a community dedicated to accomplishment and justifiably proud of its achievements. Moreover, throughout these years the spirit of individualism and pride of family has continued to be an important part of life in Dundee.

This pride in community has taken many forms over the years and now it is all coming together in one weeklong observance to which many dozens of persons have contributed time and effort. Some of the area women who worked from the beginning and are still involved in the effort are: Judy Labun; Beth Norman; Ruth Roof; Shirley Massingill; Elizabeth (Betty) Bowman; Majorie Busz; and Carol Majors.

Also, Larry Heck; Bill Gossett; Dick Wakefield; Rodger Barnes; Charles Reifert and their committees and many, many more.

Special committees have been formed under General Chairman Gerald L. Missler. In addition, there is an advisory board consisting of Ben Ball, Keith Baranowski, Wyman Fisher, Helen Hovizi, Miss Labun, Mr. Missler, Mrs. Norman, Ken Roof, Mrs. Roof, Ron Swehla. And, of course, many others are working to make the sesquicentennial a success.

At this point in the RECORD, I would request that there be printed a brief history of Dundee which was prepared by Lois Eicholtz who also helped in production of a book depicting the history of Dundee:

BRIEF HISTORY OF DUNDEE, MICH.

It was in 1824 that a small community was carved out of the Michigan wilderness by a group of hardy pioneers from New York state. Ebenezer Dustin, owner of the first general store and trading post, christened it Dundee after the town of Dundee, Scotland. After it was determined that the Indians in the area were of friendly nature, more and more settlers arrived until by 1868 there was a population of 500 inhabitants and the business area included 15 stores, five millinery shops, two wagon shops, a school and a Masonic Lodge. Before the turn of the century, however, disaster struck. The entire north side of the business district was completely destroyed by fire. This turn of events only strengthened the pioneers' determination and eventually all the shops were rebuilt. The river Raisin, which divides the village into two sections, has played an important role in the development of Dundee. One of Dundee's historic landmarks is a three-story mill which was built on the river bank in 1866. This was used for a variety of businesses until 1931 when it stood empty and in need of repair. The village council intended to raze it until Henry Ford indicated a desire to renovate it and put it to use as one of his "little factories." The landmark was used by the Ford Motor Company for approximately 19 years before it was purchased by the Wolverine Manufacturing and Fabricating Company.

They utilized the site until 1970 when the Wolverine firm sold the structure and surrounding area of 13.8 acres to the village of Dundee for $1. The company realizing that the old mill played a big part in the region's growth, and felt it should be used and preserved for future generations.

Another aid to community growth has been the building of the Dundee Cement Plant, one of the largest of its kind in the world. The cost of construction was $25 million and it employs over 400 area residents.

Many changes have been wrought during the 150 year span of Dundee's history. It has grown from a small picturesque village to a thriving community with a population of over 2,500. It is with a sense of pride and accomplishment that the people of Dundee can look forward to the future with hopes of continued prosperity.

AMNESTY: THE AMERICAN TRADITION

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. ASPIN. Mr. Speaker, as a mem-of the House Armed Services Committee, I was particularly interested in an article which appeared in last Thursday's Washington Post titled "Amnesty: The American Tradition." The article, written by our colleague from New Jersey, Mr. FRANK THOMPSON, and Mr. Dan Pollitt, professor of law at the University of North Carolina, is a first rate piece of work. It is an extremely interesting historical account showing that the recent actions taken by President Ford have "well established precedents dating back to George Washington." I hope that all my colleagues, no matetr what their views on amnesty may be, will take the time to read this valuable account.

The article follows:

[From the Washington Post, Sept. 19, 1974]

AMNESTY: THE AMERICAN TRADITION

(By Daniel Pollitt and Frank Thompson, Jr.)

President Ford's program to provide clemency for Vietnam War draft evaders and deserters is in some particular respects more demanding and less forgiving than most of the post-war grants of amnesty by his predecessors. But its spirit of mercy and charity follows well-established precedents dating back to George Washington.

Amnesty, in short, is as American as apple pie. Presidents have granted "reprives and pardons" not only to those who have resisted the Selective Service laws for reasons of conscience (religious or otherwise), but also to those who have deserted the armed forces, to those who have engaged in espionage against the United States during time of war, and even to those who have borne arms against the United States on the field of battle. This tradition of amnesty goes back to Washington, the father of our country and our first President; and has been maintained and reinforced by all of our great Presidents: Jefferson, Jackson, Lincoln, the two Roosevelts and Wilson. Other Presidents as well—Harding and Coolidge—also exercised their constitutional prerogative to grant reprives and pardons when appropriate to temper the rigors of the law with justice especially when some larger national objectives could be thus obtained.

The story of presidential amnesty begins in 1791, when our First Congress imposed a tax upon the process of distilling grain into whiskey. The burden of this tax fell heavily upon the western farmers (located around Fort Pitt) who could carry the whiskey, but not the bulky grain, over the Appalachian Mountains to the cash market in the east. Consequently the "whiskey boys," as they became known, resisted the tax, and the tax collectors, with tar and feathers. President Washington would have none of this and sent the militia under the command of Lighthorse Harry Lee to put down the tax rebellion. The insurrection was easily crushed and the leaders tried, and found guilty, of treason. There was then time for reflection. Congress repealed the tax law (admitting initial error) and Washington granted "a full, free, and entire pardon" to persons "guilty of said treasons, or otherwise concerned in the late insurrection." He explained that his personal feeling "is to mingle in the operations of the government every degree of moderation and tenderness which justice, dignity and safety may permit."

John Fries was one of the militiamen who had marched from Bucks County, Pennsylvania, across the mountains to enforce the tax against the Whiskey Boys. Ironically, he led a similar tax rebellion which was the occasion for the next presidential grant of general amnesty.

When word of "Fries Rebellion" reached President John Adams, he called forth the militia and put down the rebellion with overwhelming force. Fries and some of his lieutenants were tried, convicted, and sentenced to death for treason. The following year, with the restoration of "peace, order, and submission to the laws," President Adams granted a "full, free and absolute pardon" to the "ignorant, misguided, and misinformed" persons "concerned in the said insurrection."

Thomas Jefferson was our third President and the first to grant general amnesty to those "who have deserted from the Army of the United States and sought shelter without the jurisdiction thereof." In 1806, Jefferson learned of a conspiracy by former Vice President Aaron Burr to raise a private army and establish a nation west of the Alleghenys. Jefferson mobilized the militia from several of the "western" states, and after some weeks Burr was arrested, put to trial and subsequently acquitted. The sentiment for separatism was strong in the western states, and Aaron Burr commanded a large popular following. Consequently, desertion among the western militia was high. With the end of the "Great Conspiracy" and the acquittal of Burr, Jefferson pardoned all those who had deserted and were "desirous of returning to their duty."

James Madison, our fourth President, also granted amnesty to those who deserted the Army. Desertions apparently were quite frequent during the War of 1812, for amnesty was granted in February 1812, in October 1812, and again in June 1814 to "a number of individuals who have deserted from the army" but who since "have become sensible of their offenses and are desirous of returning to their duty." The deserters were given three months to "surrender themselves" and thereafter serve out the remaining terms (if any) of their enlistments.

Abraham Lincoln demonstrated through his exercise of the Pardoning Power that he indeed had "malice toward none," "charity for all." Midway through the Civil War he offered pardon to any citizen of the Confederacy who would take an oath to support the Constitution of the United States; and he granted amnesty to all Union soldiers "now absent from their respective regiments without leave." The condition of amnesty for the deserters was that they "report themselves to a rendezvous" designated by the War Department. Those deserters who did not report for duty, and who were apprehended, were tried and sentenced to death. Lincoln promptly commuted the death sentences to imprisonment for duration of the war.

President Andrew Johnson was guided by the Lincoln principles of reconciliation. One of his first official acts after the assassination of Lincoln was to grant a general pardon to "all persons who have participated in the existing rebellion." Exempted from this general amnesty were those who had held high positions in the Confederacy, and he promised them individual consideration. By 1866 some 13,500 amnesty applications had been favorably acted upon; and in 1868 Johnson granted another general amnesty, excepting this time only Jefferson Davis, former President of the short-lived Confederate States of America.

Ulysses S. Grant, like his predecessor Andrew Jackson, had first hand experience with the barren existence of frontier military life in time of peace. When Grant assumed the presidency, he found large numbers of peacetime desertions and, in 1873, gave a "full pardon, only forfeiting the pay and allowance due them" to those who had "deserted their colors." Unlike Jackson, Grant conditioned the pardon. Those who had deserted must "surrender themselves at any military station" and thereafter "faithfully serve through the term of their enlistment."

Theodore Roosevelt is one of the Presidents who gave full pardon to those who bore arms against the United States—during the conquest of the Philippines. Over 100,000 American troops waged a four year war during the conquest, but after the triumph of our arms and the triumph of our laws and principles, President Roosevelt granted amnesty to our adversaries on Independence Day in 1902. The only condition was that they take an oath recognizing the "Supreme authority of the United States of America in the Philippine Islands."

World War I witnessed the first massive conscription in the country's history. The Selective Service law exempted from conscription those who were members of the traditional "pacifist" church groups, but made no provision for those outside the pacifist churches who objected to participation in war because of conscientious scruples, religious or otherwise. Consequently, a significant number of young men were drafted and refused to obey orders upon arrival at the military bases. They were court-martialed and sentenced to long prison terms. In 1918 President Woodrow Wilson established a Board of Inquiry, composed of Walter G. Kellogg of the Judge Advocate's Office, Federal Judge Julian Mack, and Harlan F. Stone. The board was instructed to investigate all cases on an individual basis and "furlough" to civilian employment those whose objections to war was found to be sincere and conscientious, regardless of the source of the anti-war belief.

Also jailed during World War I were prisoners convicted under the war-time Espionage Acts, among who was the socialist leader, Eugene V. Debs. Two weeks before his inauguration, President-elect Warren G. Harding requested his soon-to-be Attorney General Daugherty to investigate the case of Debs and other socialists convicted under the Espionage Acts. Daugherty advised Harding to pardon Debs and selected others. Harding waited until the Peace Treaty was ratified in November 1921 and then released Debs on December 24—so he could enjoy Christmas dinner with his family. Throughout 1922 and 1923, Harding released many more political prisoners—all on an individual basis. In reply to public criticism, Harding replied: "I was persuaded in my own mind that it was the right thing to do."

President Calvin Coolidge followed up in 1923 with a Christmas message which granted a general pardon to all those convicted and jailed under either the World War I draft or espionage laws. In March 1924, he granted amnesty to those who had deserted from the armed forces during the three year period between the armistice and the formal ending of the war.

President Franklin D. Roosevelt terminated the problems created by World War I with a 1933 Christmas Day restoration of all rights of citizenship. This amnesty was applicable to all those who had violated either the Selective Service or espionage laws, other than those who had fled the country.

During World War II, the Selective Service Act exempted those who were opposed to war "by reason of religious training and belief," but made no provisions for those whose equally sincere opposition to war eminated from "personal philosophical conceptions." A number of young men refused to register or participate in the war and were jailed. There was also a limited number of desertions.

President Harry Truman, in a series of Christmas actions, gradually broadened the exercise of his pardoning power to grant leniency to those convicted of World War II related crimes. On Christmas Eve of 1945, he granted amnesty, with full restoration of political and civil rights, to those who had deserted, provided they had at least one year of honorable service. On Dec. 23, 1946, he announced the appointment of an Amnesty Board (similar to that created by President Wilson) to examine the individual cases of those convicted under the Selective Service laws. On Dec. 24, 1947, the board recommended the release and pardon of some 3,000 of the approximately 15,000 persons convicted for violation of the Selective Service laws. Most, by that time, had served their sentences, and the issue concerned the restoration of civil and political rights. The board recommended *against* pardon for those who had objected to war for "political and sociological" reasons, *against* pardon for the Jehovah's Witnesses (some 4,300) who had demanded classification as "ministers" and for only a limited pardon for Japanese-Americans who had refused to fight until their civil rights had been restored. Finally, on Dec. 24, 1952, President Truman granted amnesty to all those who had been convicted of desertion from the armed forces at any time between the end of hostilities (Aug. 15, 1945) and June 25, 1950.

The Korean War was about to begin, and this war was unique in that a large number of American prisoners became what was known as "turncoats," actively aiding the enemy. President Dwight D. Eisenhower administratively ordered that there be no prosecution of the approximately 4,500 Americans collaborating prisoners of war absent "the most compelling and convincing evidence" that the individual was guilty of a serious crime. Consequently, there were very few prosecutions for this most serious of wartime crimes. President Eisenhower did not exercise his constitutional power to grant reprieves or pardons for those who had deserted or for those who failed to meet the "religious training and belief" standard for conscientious objection, and consequently chose prison over participation in a war which violated their individual conscience.

This, then, is the brief history of presidential amnesty.

NEWSLETTER

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. WOLFF. Mr. Speaker, periodically, I distribute a newsletter to my constituents in a continuing effort to keep them informed on my activities as their representative in Washington. And often, I use the newsletter as a vehicle to obtain their views on major issues, thus allowing me to function more effectively on their behalf on Capitol Hill. I would like to share with my colleagues my latest newsletter:

WOLFF NEWSLETTER

DEAR FRIEND AND CONSTITUENTS: I am becoming increasingly alarmed with the build-up of petrodollars by the oil producing nations of the world, a build-up that threatens the future economic stability of the United States.

While we rightly concern ourselves with curing the current ills of domestic inflation, we also should be focusing on the long range picture, for within a short period of time more than a $2 trillion (petrodollars) will be in the hands of these oil producing nations—the result of a growing world reliance on oil as its chief source of energy. These petrodollars will thus be available to some mid-east states and those of the Persian Gulf to be used as a tool to control the economy, foreign policy and security of the free world.

To emphasize, I point to several recently concluded transactions I believe forebodes the trend—the Saudis bought up 25 percent control of Krupp in West Germany, one of the world's largest munitions plants; the Kuwaitis invested in one-half of all the real estate holdings in the central city of London; and right here in New York, Grumann Aerospace negotiated a $100 million loan from Iran to finance new production.

The interdependence between our inflation-ridden economy, the large-scale rise in foreign investments in the United States and countries of our allies, and the stability and security of our nation poses a serious situation replete with dire consequences if we do not come to grips with the matter now.

In short, what this means is that our destiny as a nation can be manipulated by little despots sitting in tents some thousands of miles away, unless we recognize the danger and react now.

While the world's need for oil remains critical, these small foreign states already have begun to invest, overtly and covertly, in U.S. industry, financial institutions, defense production, real estate, natural resources and in other business areas. Make no mistake, through absentee ownership, these small foreign states could take our dollars and buy us, piece by piece. No corporation, no bank, nor any board of directors would be immune—our nation could be bought like so much meat in a butcher shop, along with our industries and the resources of our allies. The basic tenets of independence and freedom would fall victim to a new form of international blackmail.

Recently, Secretary Simon appeared before the Subcommittee on Foreign Economic Policy of the House Foreign Affairs Committee, of which I am the ranking member, to report on a tour he made to the world's energy capitals. I specifically asked him: What do you think is the greatest security threat to our nation—is it military or economic?

He emphatically answered: "It is economic."

I ask you to hearken back to Khrushchev's infamous remark that he was "going to bury us." History bears out that the comment did not refer to a frontal military assault on the United States and the free world, but rather to a calculated economic undermining of our free enterprise system to ultimately bring the capitalist system to its knees.

We are not on our knees today, but recent events evidence that we are still reeling from the blows of Vietnam, the Mid-east war and the subversion of our economic stability through the systematic blockage of the flow of energy to our industrial and military facilities.

The energy war is cutting short our ability to respond to challenges, challenges that must be met for our own existence as well as for the future of the industrial and developing nations of the world.

The counter attack I have proposed and which is presently under consideration by the European Parliament, is the establishment of a Mutual Economic Defense Organization, as far reaching in scope on the economic front as NATO is on the military. This organization would join the economic and natural resources, the industrial capacities and the technological know-how of our allies for mutual benefit. I believe nothing less will save the world from eventual domination by a few small states which, in alliance with a super power, already possess weapons more threatening than the nuclear bomb.

We have seen the containment of the Soviet military challenge through NATO which united the military might of Europe and the United States—and while we are still engaged in this war, the balancing of forces has precluded any adventurism on both sides.

Such a Mutual Economic Defense Organization would contain the economic war. It would deal with the entire range of economic problems which pit country against country, interest against interest. It would look closely at trade, currency and private investment problems. It would consider imports and exports of vital resources, food and technology, for no cosmetic approaches or recommendations will suffice at this time. We must place rigid controls on domestic producers and penalize those who fail to cooperate in this all-out effort to stabilize our economy.

If we are to win the economic war, and I believe we will, we must institute domestic and international wartime measures needed to assure this nation's security. We must concern ourselves with those nations that hold monopolies on strategic materials and have been given new courage to continue by the success of last winter's oil embargo. These nations will attempt to hold our country hostage, while they sit in lofty command.

Our adversaries who use oil as an econome weapon must be squeezed as hard as they press us—no oil, no food, no water, no technology, no equipment.

The time to act is now for we still have time to reverse the initial successes of our adversaries, but we cannot wait much longer. I have already taken steps. My Foreign Investment Study Act of 1974, HR 15487, to authorize the Commerce and Treasury departments to undertake a survey of foreign investments in the U.S. and probe their implications on our domestic economy, was passed by the House last month.

Now you will ask where do we find the money to mount such an ambitious effort as MEDO? I say, what is the price of freedom?

If we could find $25 billion to go to the moon, if we had $160 billion to pour into Vietnam, then we should be capable of providing what is needed to save our nation through the exploitation of new resources. Our economy is floundering, our policy is weak; we must reorder our priorities, and once again begin to serve your interest.

FEDERAL UNION THE ANSWER

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. FINDLEY. Mr. Speaker, Winfried H. Oppenheimer has long been an astute observer of international relations, especially as they affect the Atlantic community. Mr. Oppenheimer recently wrote the following analysis of this critical period in U.S. history. Pointing to the remarkable transition in Presidential power which has taken place, he asks the question:

> If a federal union of more than 200 million people can achieve so peacefully such unprecedented political changes, could not a federal union of the free European nations, Canada and us be able to solve some very urgent common problems equally successfully and thus avoid the downfall of the Free World with its great historic accomplishments for civilization and freedom?

This is exactly the question which House Joint Resolution 205, the Atlantic Union resolution, proposes to explore. The resolution was passed without opposition by the Senate and reported by a substantial vote by the House Foreign Affairs Committee. Unfortunately, the rule to bring the resolution up for consideration was narrowly defeated on the floor. I commend Mr. Oppenheimer's thoughts to all my colleagues who supported, or opposed, the Atlantic Union resolution in this Congress:

OPPENHEIMER THOUGHTS

Last month's dramatic events in our country were the greatest proof of the soundness of our federal constitution. For the first time in our history a president resigned during his term in office. Had he not resigned his impeachment would have been most likely—which would also have been a first in our history. Another precedent: President Gerald Ford had been appointed vice president by President Nixon, thus did not gain his position by popular vote. All this happened without any violence; on the contrary, the country today is more united than in many years and cooperation between executive and legislature seems to have been restored to an extent unprecedented in very many years.

This accomplishment should give the free world fruit for thought. If a federal union of more than 200 million people can achieve so peacefully such unprecedented political changes, could not a federal union of the free European nations, Canada and us be able to solve some very urgent common problems equally successfully and thus avoid the downfall of the Free World with its great historic accomplishments for civilization and freedom?

What are the most urgent problems of the Free World today? Speaking of our country, President Ford mentioned as our number one problem: inflation. The same seems to be the case if we look at the rest of the Free World. Everywhere inflation has been dramatically accelerated last year by the unprecedented blackmail policy of the Arab oil producing countries—instigated and strongly supported by Russia with political, economic and military aid. A few days ago—to be precise on August 24th—Germany's Chancellor Helmut Schmidt asked the other free nations and especially the USA for daily consultations about anti-inflationary planned measures and decisions. The New York Times reports that "the World Bank now estimates that the transfer of monetary reserves to member nations of the international oil cartel will climb to a staggering $650-billion by 1980 compared to $26-billion last year." No wonder that Chancellor Schmidt—a financial expert—is worried and criticises the August 15th, 1971, decision of former President Nixon to end the dollar's convertibility into gold and questions the soundness of the subsequent floating of currencies.

In my opinion it is high time not only to consult but to decide together on steps to counteract the Free World's monetary reserves falling entirely into the hands of the oil cartel causing disastrous inflation, currency upheavals, and economic depression, with possibly most ominous political consequences in the Free World. With regard to a common currency policy, I emphasize again (I know prominent American authorities disagree with me) that gold should not be eliminated as the currency denominator. The present floating system does not allow free convertibility of one currency into another and subjects the fate of each and every currency, singly or together, to the whims of the oil cartel which has listened to Russian advice before! The dollar remains the world's leading currency—but don't forget the increasing trade deficit of our country due to the high price of petroleum imports. It is imperative that the Free World cut down drastically and as quickly as possible its usage of petroleum and develop without delay other sources of power such as coal, uranium, solar, geothermal, etc. If other industrial development in the Free World would have to suffer for a few years this should not be too great a sacrifice to preserve freedom and avoid Russian world domination.

This brings us to more political aspects of the current situation. Look at what happened to NATO over the last year due to the Arab-Israeli war, Cyprus, and the economic situation mentioned above. On the other hand, think of the tremendous advance Russia made at the same time—I have in mind not only the Mediterranean but our country's immediate surroundings: Panama, Barbados, Latin America, and the Far East.

Now, having just demonstrated to the world how excellently our federal system can overcome a serious crisis, the House of Represenatives should no longer postpone adopting Bill HJR 205—the so-called Atlantic Union Resolution which the Senate unanimously passed about 20 months ago. This would be the signal to our European and Canadian allies that we are determined to solve by mutual consent the very serious problems all of us face: inflation, monetary, trade and show our resolve for independence of the Free World by union of the free who have a common background and heritage.

Although the above recommendation is more political than economic, its adoption would—at least in my opinion—help tremendously in solving our domestic and international economic problems. Please give this your active support and thus help our president and country to build a glorious future on a sound basis.

OUR NATION SALUTES THE HISTORIC UNITED PRESBYTERIAN CHURCH OF PATERSON AND BRINGS GREETINGS TO ITS EXPANSION AS THE GRACE UNITED PRESBYTERIAN CHURCH IN WAYNE, N.J.

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. ROE. Mr. Speaker, on Sunday, September 29, the residents of the township of Wayne, my Eighth Congresssional District, State of New Jersey will be observing dedication services of the Grace United Presbyterian Church and I know you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to Rev. A. Culver Gordon and all of the members of his congregation on this most joyous, noteworthy occasion.

Although the location of the church and the name of the church are new, the Grace United Presbyterian Church is steeped in 122 years of unswerving devotion in service to God under its founding name of the United Presbterian Church of Paterson.

Mr. Speaker, with your permission I would like to insert at this point in our historic journal of Congress a brief history of this most esteemed church in my congressional district as told to me by Pastor Gordon whose quality of leadership and untiring, unselfish efforts dedicated to the religious and spiritual needs of mankind continues to promulgate sincerity of purpose, good will, and the warmth of brotherhood so essential to the well-being and inspiration of life's purpose and fulfillment. The statement of history is as follows:

HISTORY OF UNITED PRESBYTERIAN CHURCH OF PATERSON

The United Presbyterian Church of Paterson, founded in 1851, is moving to Wayne and taking a new name, Grace United Presbyterian Church, 981 Preakness Avenue. It will be dedicated on September 29th, 1974 at 4 p.m.

This historic church was organized in the summer of 1851 just a few weeks after the City of Paterson was incorporated on April 22, of that same year. The first pastor was the Rev. Robert Hill. In 1958 this congregation became part of the United Presbyterian denomination that was organized that year, and continued in it for exactly a century, when it united with the Presbyterian Church to form the United Presbyterian Church in the U.S.A.

During the first hundred years of its corporate life it had thirteen pastors, and for the last twenty-years, the Rev. A. Culver Gordon, has occupied the pulpit.

This congregation has been active in the life of the city and has turned out into its citizenry honest and faithful men and women who have labored in its industry and contributed to its social life. Henry Smith, the son of one of its pastors, served as a lawyer in Paterson for nearly seventy years, and was acclaimed for his long and faithful service by the Bar Association. Others, too numerous to mention, have served in its government and industrial life. In moving to Wayne, after its building on Smith Street was taken for urban renewal, the congregation was following the trend of its members to move west of the city. A goodly percentage of its members had already tended in that westward migration as the character of the city had changed in the last twenty years.

This congregation has sent into the ministry some seven of its sons to serve the larger church. At the present time two of its young men are preparing for such service, and it is our hope that others will follow in their train.

This church which for more than a century was located at 40 Smith Street, halfway between the Court House and City Hall, was largely Scot and Scots Irish in membership. The very churches which formed it, the Reformed Presbyterian and the Associate Reformed Presbyterians were offshoots of the troubled history of church in Scotland. In more recent times other strains were added to the membership. Goodly stock from the Hollanders of the Reformed persuasion, and then others who were just unhyphenated Americans. They were united in a common Christian faith in the Triune God.

A number of attempts were made to take the valuable property on which the church was built. In 1952, the City of Paterson had a plan to tear down the church and build a parking lot, but the congregation refused. About ten years later another attempt was made but repulsed by the congregation which was then ministering to a people no longer in the immediate neighborhood but spread over the Paterson area.

However in 1970 the Paterson Redevelopment Agency told the church it would have to move as the whole area was to be torn down and rebuilt. The whole south side of Smith Street has since been removed. The congregation looked around and finally bought five acres at 981 Preakness Avenue. Since then it has been building its new quarters which will be dedicated in September. (One of our members can remember spending a summer on a farm on Valley Road, owned by a cousin, George Winter, and driving a wagon with produce into the farmers market in Paterson. She, Helen Miller, drove right by our new property on Preakness Avenue 70 years ago.) We ask God's blessing as we seek to serve Him in our location in Wayne in the years to come.

Grace United Presbyterian Church has a full program, and its aim is reflected in the slogan, "There is a place for you to grow" in this church. This refers to individual progress and is based on the last words that the Apostle Peter wrote, "But grow in grace and in the knowledge of our Lord Jesus Christ." We have room for everyone from little children up to the aged. Mr. Daniel Weitner, a recent graduate of Princeton Theological Seminary, has been working with the young adults. Mr. Alexander Moore, who just came out of four years service in the Air Force, is using the method of the Navigators with the teen-age group. The Navigators have been very successful in all of the armed forces, as Pastor Gordon, a chaplain in the Army, well knows.

This congregation has a worthy history, and we hope a useful future. It would describe itself as Evangelical in its outlook. The old building had a picture of the burning bush over the front door with the motto of the Church of Scotland, "Nec tamen consumbesatur." This is a reference to the burning bush that attracted the attention of Moses and led him down into Egypt. The bush burned and "yet it was not consumed." The church also is to burn in the service of the Saviour and yet not be burnt up. The new building has on the cornerstone the following passage from the New Testament, proclaiming salvation, "By grace, through faith, unto good works." Here the Apostle Paul sets forth the way the Gospel lays hold of men through God's grace, received by faith in Christ, and issuing in a new life of goodness.

The Session, which is the ruling body, says it feels encouraged, as it begins another chapter of history. We believe that truth is in order to goodness, and that the best way we can serve the community is to turn out good men and women. The century has made great progress in technology and we need most of all good people to control it.

Mr. Speaker, it is a privilege and honor for me to seek this congressional recognition of the Grace United Presbyterian Church—nee, the United Presbyterian Church of Paterson—and to ask you and our other colleagues here in the Congress to join with me now in extending greetings and felicitations from the Congress to Pastor A. Culver Gordon and all of the members of his congregation. May they enjoy God's blessings and continued success of achievement in service to His Holy Name in their new home in Wayne, N.J.

OPEC NATIONS MUST HALVE THEIR OIL PRICES AND WE MUST MONITOR THEIR U.S. INVESTMENTS

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. WYMAN. Mr. Speaker, President Ford has acted with initiative and foresightedness in calling on the Organization of Oil Exporting Nations to reduce their posted prices for oil. If the presently exhorbitantly high—300 percent what they should be—prices are persisted in, major sacrifice and eventual insolvency is indicated for many major world powers whose balance of payments is already in turmoil from the quadrupling of demanded oil prices in the last year.

OPEC nations have no justification for this world extortion. At half what they are now charging they will have more money than they know what to do with. It is ridiculous to think the rest of the world is going to stand idly by while their economics go down the drain because of the selfish greed of a few tiny countries that are long on a world necessity.

If alternative forms of energy were available within the time frame of the near present the crisis would not be so serious. But these are not except for coal in the United States. It will be years, the experts say, before the world can have in hand adequate alternatives, one of which may well turn out to be the confinement of oil to petrochemicals and lubrication rather than burning for heat.

Legislation to restrict the huge potential for foreign investment in U.S. corporations is urgently needed now to prevent the buy-ins that are reported to be now underway. I am introducing such a bill today.

It is manifestly unjust to have a few tiny oil rich countries holding up the rest of the entire world in this manner and I commend President Ford on his declared policy of jawboning them toward lowering their prices. In this connection today's lead editorial in the Washington Post is of interest. The article follows:

[From the Washington Post, Sept. 24, 1974]

PRESIDENT FORD AND OIL PRICES

American oil policy has changed sharply within the past week, as President Ford abandoned quiet diplomacy and shifted to direct public warnings to the oil exporters. He is now telling the exporting nations that they are not going to be permitted to tip the rest of the world into economic chaos through constantly escalating prices. "The whole structure of our society rests upon the expectation of abundant fuel at reasonable prices," the President said yesterday in Detroit. True, and that expectation has now been turned upside down by the exporting countries. "Sovereign nations," the President told them, "cannot allow their policies to be dictated, or their fate decided, by artificial rigging and distortion of world commodity markets." At almost the same moment, Secretary of State Kissinger was delivering the same message at the United Nations. "The world," he said, "cannot sustain even the present level of prices, let alone continuing increases."

This new turn in policy began to be evident last week, with the United Nations speech in which President Ford warned the newly rich oil producers against political manipulation of oil prices. Other American officials immediately began talking in even more direct terms. Federal Energy Administrator John C. Sawhill told a congressional hearing: "There comes a point where the conditions under which oil is supplied lose their commercial character and become issues of national survival. At that point—and we have long passed it—we must explore the full range of options at our disposal to protect our national interest."

The reasons for this drastic change in American posture are not hard to find. Last spring, most American and European officials expected the new high prices of oil to induce consumers to reduce their purchases, creating a surplus that would push prices back down. In early summer the surplus did indeed appear. But OPEC—the Organization of Petroleum Exporting Countries—responded, instead, by cutting back production and raising prices again. Last spring American diplomacy spoke softly on the subject of oil, to avoid jeopardizing Secretary Kissinger's excruciatingly delicate negotiation of the Arab-Israeli case-fire. Now Mr. Kissinger has been forced to consider whether the continued increases in oil costs may not constitute a greater menace to world order than even the disputed national boundaries of the Mideast.

Above all, the new Ford administration has come to perceive that OPEC is not only using oil as a political weapon but as a revolutionary weapon—revolutionary in the sense that it is being deliberately invoked to make drastic changes in the structure of world power. When Secretary of the Treasury William E. Simon went to the Mideast two months ago, he carried with him elaborate studies arguing that the OPEC governments would make more money through higher production at lower prices. His mission was not a success. Most of his listeners already commanded more money than they knew what to do with. They are now pursuing goals that go far beyond money or economics. They are convinced that they have been cheated and exploited for decades by the oil companies and by the rich countries. They now have inherited real power in the world's economy, and they are using it with increasing intemperance to settle old grievances.

Last spring, most Americans assumed that the great surge in oil prices was over, and the only question was how to absorb it. But over the past six months it has become very clear that the price increases are continuing rapidly and endlessly. For the United States, the average cost of oil imports two years ago was $2.58 a barrel, not including transportation. In the first quarter of this year it was up to $8.74. In the second quarter it went to $11.69, and it is substantially higher now. The quarterly meeting of OPEC in Vienna earlier this month only confirmed and strengthened this pattern of continuous rise. It imposed an average increase of 3.5 percent, with another rise promised at the next quarterly meeting in December. OPEC says that these increases will be tied to inflation rates in the industrial countries. Since the soaring price of oil contributes to the inflation, the process now threatens to become circular. It is this prospect of further arbitrary price increases, to enforce a variety of political purposes, that makes the pattern intolerably dangerous.

President Ford and his administration have taken the right first step toward an answer. They have delivered a clear statement to the OPEC governments that they are misusing their new power. What is the next step? Perhaps that depends upon OPEC's answer, if any. In the past, President Ford observed yesterday, nations have gone to war over this kind of menance. "But in the nuclear age," he emphasized, when any local conflict may escalate to global catastrophe, war brings unacceptable risks for all mankind." Instead, he returned to the great theme of interdependence: "The quest for energy need not promote division and discord . . . I envisage movement toward a unifying cooperation to ensure a decent life for all. Most Americans understand that oil in the future is going to cost a good deal more than, until very recently, we had ever anticipated. But it is necessary to arrive at terms that do not throw the oil-consuming countries, both rich and poor, into turbulence. President Ford is talking, explicitly, in the language of peaceful accommodation. But he is also telling the OPEC governments that a stable and binding agreement is now essential.

FEA TO CONSIDER RELIEF

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. YOUNG of Florida. Mr. Speaker, today I called on the Federal Energy Administration to adopt a rule under the Petroleum Allocation Act which could reduce the cost of residual fuel to Florida utilities, and thus lower electric bills of Florida consumers.

In a letter to Federal Energy Administration John Sawhill, I pointed out: Alternative rule 3 would provide substantial relief to the customers of the Florida Power Corp. while at the same time cutting down on the exorbitant profits being made by major oil companies. Under alternative rule 3, residual fuel prices being paid by Florida Power could drop from their current high of $9.80 per barrel to as low as $6 per barrel. This could mean an average 40-percent reduction on the fuel surcharge of individual customers.

The FEA is currently considering rulemaking relating to allocations of low-cost domestic crude oil versus high-cost imported oil among all refiners and importers. My letter will become a permanent portion of the public hearing record. I have repeatedly called on FEA in recent months to alleviate the extreme hardships being suffered by Floridians living on limited incomes and faced with huge increases in their electric bills.

I also noted in my letter that alternative rule 3 could provide some of the necessary relief in a manner equitable to all concerned: While easing the burden on consumers and utilities, it could also reduce the unacceptably high profit levels of the oil companies.

Calling for immediate adoption and implementation of alternative rule 3, I concluded that if this rule is not adopted and FEA continues to ignore the plight of inflation-ridden consumers, the FEA will not be adhering to the legislative mandate from Congress to give equal treatment to all sectors of the economy.

During consideration of the original Petroleum Allocation Act on October 16, 1973, I created a legislative record establishing the intent of Congress that States such as Florida would receive special consideration under the act, and I have since consistently reminded the FEA of its responsibilities in this record.

My letter to Mr. Sawhill follows:

SEPTEMBER 24, 1974.

Mr. JOHN SAWHILL,
Administrator, Federal Energy Administration, Washington, D.C.

DEAR MR. SAWHILL: I wish to go on record during the current hearings on your proposed rule change (10 CFR Part 211) as strongly supporting Alternative Rule 3, dealing with old oil import rights.

Alternative Rule 3 could provide substantial relief to the customers of the Florida Power Corporation, while at the same time cutting down on the exorbitant profits being made by major oil companies. Under Alternative Rule 3, residual fuel prices being paid by Florida Power could drop from their current high of $9.80 per barrel to as low as $6.00 per barrel. This could mean an average 40 percent reduction on the fuel surcharge of individual customers.

I have informed you repeatedly in past correspondence of the extreme hardships being suffered by many retired Floridians, as well as average workers, who are trying to live within limited and fixed incomes, and who are unable to pay their electric bills without depriving themselves of other necessities of life. Alternative Rule 3 is a concrete step which the FEA can take to relieve this suffering and give the consumer a break. In the face of first-half oil company profit increases averaging close to 100 percent, there can be no question as to whose welfare should be of central concern at this point.

For months and months now, Floridians and other east coast utility users have pleaded for relief. The utility companies themselves have sought in vain to have the FEA bring some equity into the situation. Millions of dollars, most of them from consumers who could ill-afford the loss, have flowed into the coffers of the oil companies, contributing to such profit levels as 106 percent for Amoco and 403 percent for Occidental. Alternative Rule 3 provides some of the necessary relief in a manner equitable to all concerned: it eases the burden on consumers and utilities and reduces the unacceptably high profit levels.

If you do not adopt this Rule, if you continue to ignore the plight of inflation-ridden consumers, you will not be adhering to your legislative mandate from Congress to give equal treatment to all sectors of the economy. I urge your immediate adoption and implementation of Rule 3, so as to restore confidence that our government does, indeed, look out for the American people and their interests.

With best wishes and personal regards, I am

Very truly yours,
C. W. BILL YOUNG,
Member of Congress.

ANNUAL QUESTIONNAIRE RESULTS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. EILBERG. Mr. Speaker, each year I send a questionnaire to every home in my district in Philadelphia and at this time I enter into the RECORD the results of my eighth annual survey of the residents of my district, which I also sent to them:

CONGRESSMAN JOSHUA EILBERG REPORTS TO THE PEOPLE—SEPTEMBER 1974

DEAR FRIEND: When I sent you my annual questionnaire earlier this year, the House Judiciary Committee, of which I am a member, had just begun in earnest the work which led to the climactic events of last month.

During the past summer we, as a people, have gone through a wrenching, soul searching experience which could have destroyed other nations, but we survived and are perhaps stronger because of it. We can all be proud of the fact that our system of government was able to sustain this shock and to continue to function. It is a reaffirmation of the principles of the Founding Fathers that we must be governed by our law and not the whims of men who hold office temporarily.

Now, however, we must deal with the formidable problems which are still before us; inflation, energy, crime, the continuing destruction of our environment, and the other concerns you listed in your responses. Additionally, we must work together to rebuild confidence in our political system and our institutions of government.

Fortunately, our new President, Gerald Ford, has recognized the fact that one of his most important duties is to close the divisions which separate so many of our people, and to make government a servant of the people not something for them to fear and hate.

As a Member of Congress, I shall support President Ford's policies when I believe they will help the people of the Fourth Congressional District and the nation as a whole. However, we must never again allow ourselves to be told that those who do not support the President are disloyal or unpatriotic. It is the job of the Congress to question and investigate the policies of the Executive Branch and to support the President only when we are sure he is right.

It is also your job to question and decide for yourselves what is right. Americans have always had a healthy skepticism about government and politics. It is only when this questioning attitude becomes cynical rejection of all ideas and all potential leaders that our system of government will be in danger of collapse.

The Constitution is a covenant between the American people and their elected leaders. It is government with the consent of the governed.

You do not give that consent every two or four years and then give up your rights and responsibilities until the next election.

This process is a continuing and living thing which can only remain alive and vital as long as it is in constant use.

America is what we make it—as individuals working in a common cause.

With best wishes,

Sincerely,

Joshua Eilberg.

1. Do you believe the President's statement that he had no knowledge of either the planning of the Watergate break-in or the cover-up which followed it? Yes, 18.4. No. 73.7. Undecided, 7.0.

2. Should the President be held responsible for the actions of his aides? Yes, 70.9. No, 21.9. Undecided, 6.2.

3. Do you believe President Nixon should give the House Juidciary Committee all of the information the Committee requests for its impeachment inquiry? Yes, 77.1. No, 17.6. Undecided, 4.6.

4. If the President fails to comply with the Committee's requests, do you believe he should be impeached for withholding this evidence? Yes, 62.6. No, 26.3. Undecided, 10.2.

5. Should the United States refuse to grant trade concessions to the Soviet Union until the Russian Jews are permitted to emigrate to Israel? Yes, 47.2. No, 32.5. Undecided, 18.3.

6. Do you believe the "energy crisis" has been at least partly manufactured by the oil companies? Yes, 92.9. No, 4.1. Undecided, 2.4.

7. Are the oil companies using the "energy crisis" to increase their profits? Yes, 93.3. No, 2.8. Undecided, 3.3.

8. The eight major petroleum companies control more than 50 percent of the industry. In order to increase competition in the oil industry, should these firms be forced to give up either the production and refining of fuel or the retail selling of gas and oil? Yes, 67.8. No, 14.2. Undecided, 16.0.

9. Should environmental regulations be relaxed in order to make more fuel available? Yes, 33.8. No, 51.3. Undecided, 13.1.

10. If the fuel shortage continues, should the country adopt a system of gas rationing? Yes, 62.0. No, 23.4. Undecided, 12.8.

11. Do you believe the experiment with year-round Daylight Savings Time should be continued as a means of conserving energy? Yes, 38.5. No, 51.9. Undecided, 8.4.

12. Should grain to Russia and other countries continue if these sales continue to cause higher food prices? Yes, 4.4. No, 91.4. Undecided, 3.1.

13. Are you buying more or less:

Meat: More, 1.3. Less, 69.5. Same amount, 27.8.

Poultry: More, 39.3. Less, 19.2. Same amount, 39.4.

Fish: More, 31.3. Less, 21.5. Same amount, 43.8.

Fresh fruits and vegetables: More, 13.8. Less, 30.5. Same amount, 48.7.

Canned, powdered, and frozen foods: More, 20.3. Less, 21.4. Same amount, 55.2.

14. Have the increases in the prices of basic necessities caused a noticeable change in your style of living? Yes, 67.1. No. 27.7. Undecided, 4.0.

15. Will you take a shorter or less expensive vacation this year? Yes, 65.5. No. 15.6. Undecided, 12.4.

16. Do you believe the Administration's policies will solve the nation's economic problems? Yes, 7.5. No, 78.8. Undecided, 11.8.

17. Do you believe the President is more concerned with helping big business instead of the consumer? Yes, 81.2. No, 11.8. Undecided, 6.0.

18. Should the United States reduce the number of troops stationed in Europe? Yes, 59.0. No 22.8. Undecided, 16.8.

19. What do you think are the three most pressing problems facing America today: (Please list in order of urgency).

(*Using a weighted point system, the following results were tabulated.*)

1. Economy/Inflation, 39.6%.
2. Crime, 30.9%.
3. Energy Crisis, 9.1%.

The remaining 20.4 percent included taxes, foreign policy, education, problems of the elderly and a wide variety of other concerns.

20. What is the one local problem which troubles you the most?

1. Crime, 27.3%.
2. Inflation, 19.5%.
3. Schools, 17.6%.
4. Taxes, 16.6%.

The remaining 19 percent went to a wide range of problems.

SENATE—*Wednesday, September 25, 1974*

The Senate met at 12 o'clock noon and was called to order by the President pro tempore (Mr. Eastland).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Praise be to Thee, O Lord, for this new day, for the altar of prayer, and for the vision of higher and better things.

"O grant us light, that we may know
The wisdom Thou alone canst give;
That truth may guide wher-e'er we go.
And virtue bless wher-e'er we live.

"O grant us light, that we may see
Where error lurks in human lore,
And turn our seeking minds to Thee,
And love Thy holy Word the more."
—Lawrence Tuttiett, 1864.

Imbue all who labor here with wisdom, goodness, and truth that these days of crisis may be times of growth in character and the increase of justice and righteousness in all the nations of the Earth.

Through Him who is King of Kings and Lord of Lords. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, September 24, 1974, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

REHABILITATION OF ENIWETOK ATOLL

• Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1116, S. 3812.

The PRESIDING OFFICER (Mr. Hathaway). The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 3812) to authorize the appropriation of such sums as may be necessary to rehabilitate Eniwetok Atoll, Trust Territory of the Pacific Islands.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Interior and Insular Affairs with an amendment on page 1, beginning at the end of line 3, strike out "such sums as may be necessary" and insert in lieu thereof "not to exceed $12,000,000," so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there are hereby authorized to be appropriated not to exceed $12,000,000 to enable the Department of the Interior to rehabilitate Eniwetok Atoll, Trust Territory of the Pacific Islands.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ORDER FOR CONSIDERATION OF H.R. 15301, RESTRUCTURING OF THE RAILROAD RETIREMENT SYSTEM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid aside at least until the conclusion of the session today and that at the conclusion of the morning hour, the Senate turn to the consideration of Calendar No. 1112, H.R. 15301, an act to amend the Railroad Retirement Act of 1974.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUGH SCOTT. Mr. President, the manager of H.R. 15301 on this side of the aisle is the junior Senator from Pennsylvania (Mr. Schweiker). In his absence, I have designated the senior Senator from Ohio (Mr. Taft), who has agreed to manage the bill until Senator Schweiker is able to return from the funeral of his mother. I say this simply to advise the majority.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the Senator from Missouri (Mr. EAGLETON) is recognized for not to exceed 15 minutes.

NOMINATION OF PETER M. FLANIGAN TO BE AMBASSADOR TO SPAIN

ORDER OF BUSINESS

Mr. EAGLETON. Mr. President, in his inaugural address before Congress, President Ford urged the Nation to put Watergate behind it. He sounded a call for integrity and openness in government. It was a refreshing change after 5 years of corruption and secrecy.

But rhetoric alone will not suffice to divorce President Ford from the mentality and attitude of the Nixon White House. The President can make a clean break with the Watergate albatross only by matching his words with his deeds. And, thus far, despite the fact that President Ford has personally demonstrated that he is a man of integrity, the Nixonian influence has yet to be exorcised from his administration.

Aside from the President's unfortunate and premature pardon of Mr. Nixon, this negative influence is best exemplified by the blanket endorsement of nominations made by President Nixon and the appointment of a number of former Nixon aides to important Government posts. Nowhere is this insensitivity to the Nation's post-Watergate temperament more apparent than in the nomination of Peter Flanigan as Ambassador to Spain.

The President could perpetrate no more cruel hoax, whether intentional or not, than to nominate a man as an American Ambassador who has been accused under oath of participating on behalf of Richard Nixon in the illegal sale of ambassadorial positions. Such a man is Peter M. Flanigan.

In testimony before the House Judiciary Committee during its impeachment inquiry, Mr. Herbert W. Kalmbach said that he had been told by Mr. Flanigan to contact Dr. Ruth Farkas concerning an ambassadorial assignment to Costa Rica. According to Kalmbach, Flanigan told him:

> She is interested in giving $250,000 for Costa Rica.

Kalmbach explained his conversation with Flanigan this way:

> It is clear in my understanding of that conversation . . . that she would contribute $250,000 to the President's campaign and in return for that $250,000, she would be appointed Ambassador to Costa Rica.

Mr. Kalmbach acted on that understanding, and in August 1971 he offered Dr. Farkas Costa Rica for $250,000.

Further confirming this unseemly "monopoly game" exercise was a White House memorandum which appeared among evidentiary documents presented by the House Judiciary Committee. This memorandum, sent by Mr. Gordan Strachan to Mr. H. R. Haldeman, discussed the necessity to inform two other purchasers that commitments to give them European posts could not be met. The Senate Watergate Committee was pointing to the illegality of such commitments, and Mr. Haldeman had decided that their donations would have to be returned. Mr. Strachan also reported that:

> The only commitment that Kalmbach is aware of at this time is Farcas (sic) for Costa Rica.

It seems clear that Mr. Kalmbach made that illegal commitment to sell an ambassadorship on the authority of Mr. Peter M. Flanigan.

In February 1974, Mr. Kalmbach pleaded guilty to a charge of illegally offering an ambassadorship to Mr. Fife Symington in exchange for a campaign donation. He is now in a Federal prison serving time. Mr. Peter Flanigan, on the other hand, has now been nominated by President Ford as Ambassador to Spain. I wonder what Mr. Kalmbach thinks of that.

Considering the gravity of the charge made against him, it is inappropriate even to consider Mr. Flanigan's nomination at this time. Rather than have the Foreign Relations Committee investigate Mr. Flanigan's qualifications, I think it far more appropriate that the Justice Department investigate whether he was guilty of participating in illegal activity.

This, of course, is not an isolated case for Mr. Flanigan. He established a track record of highly questionable behavior during his years as a Nixon aide.

He first came into public view in the ITT affair when he admitted having hired Mr. Richard Ramsden, a friend and former employee at Dillon-Read, to "advise" the head of the Antitrust Division, Mr. Richard McLaren, in the ITT merger case. In deciding to abandon the prosecution of ITT, which had coincidentally offered $400,000 to subsidize the Republican National Convention, Mr. McLaren said he had based his decision on Ramsden's advice.

Mr. Flanigan had no statutory authority to involve himself in the ITT suit but, as was his custom when big business was involved, he did intervene to the advantage of his client, ITT.

In a letter to the Chairman of the Foreign Relations Committee I have enumerated other situations where Mr. Flanigan's name appears in questionable roles. I ask unanimous consent that this letter appear after my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EAGLETON. The list of allegations against Mr. Flanigan is a long one and includes the following:

First. Forcing the resignation of CAB board member Robert Murphy after Murphy ruled against American Airlines, which company had illegally given $55,000 to President Nixon's reelection campaign.

Second. Interfering with the independence of the Corporation for Public Broadcasting by attempting to influence a crucial vote by the board.

Third. Protecting businesses against adverse antipollution rulings by the Environmental Protection Agency.

Fourth. Influencing the Postal Service to sell $250 million in bonds to Wall Street underwriters rather than to the U.S. Treasury. One of the underwriters involved, I hasten to add, was Dillon-Read, Mr. Flanigan's former employer.

Fifth. Protecting the oil industry by stopping a Cabinet-level task force report recommending that oil import quotas be scrapped.

Sixth. Using his position to obtain a Treasury Department exemption so that a foreign tanker owned by one Peter Flanigan could engage in domestic shipping. This exemption would have inincreased the value of Flanigan's company by $6 million.

Seventh. Planting information he knew to be untrue in Life magazine for the purpose of ruining the political career of Senator Joseph Tydings, and subsequently holding up the investigation that would clear Tydings until 2 days after his 1970 reelection defeat.

Mr. President, Peter Flanigan's Government service is not such that he should be rewarded by sending him to represent the United States in Spain. If President Ford wants to divorce his administration from Watergate and all its nefarious manifestations, he will immediately withdraw Mr. Flanigan's nomination. This nomination is an insult to the Senate and an affront to the American people.

When considering the allegations made against Mr. Flanigan, it is clear that they can be resolved only after hearing, under oath, such individuals as Haldeman, Strachan, Kalmbach, Higby, Colson, Kleindienst, and Richard Nixon himself. Since most of these people are awaiting trial, it would be impossible to hear their testimony before the end of this session of Congress.

Therefore, it would, in my opinion, be improper for the Senate to vote on this confirmation before these serious allegations are put to rest. In the case of the Kalmbach charges, activity is involved that is appropriately within the investigative province of the Department of Justice.

Whether or not Mr. Flanigan is absolved of all or part of the charges made against him, it seems apparent that we should expect much more from those who will represent the United States to the rest of the world. I call upon President Ford to break once and for all from the influences of Watergate by withdrawing Peter Flanigan's nomination as Ambassador to Spain.

EXHIBIT 1

SEPTEMBER 23, 1974.

Hon. J. W. FULBRIGHT,
Chairman, Senate Foreign Relations Committee, Dirksen Building, Washington, D.C.

DEAR MR. CHAIRMAN: The Foreign Relations Committee recently received the nomination of Mr. Peter Flanigan for the post of Ambassador to Spain. I understand that confirmation hearings will be held in the near future. This nomination is particularly surprising and disturbing because it comes at a time when the nation is trying to recover from the attitudes which created Watergate. That recovery will not be aided by Mr. Flanigan's nomination.

In your committee's draft rules for ambassadorial appointments you state: "The Committee . . . will oppose confirmation of ambassadorial nominees whose prima facie qualification for appointment rests on monetary political contributions . . ." I understand that your committee's action was based on deep concern over the excesses of the Nixon

White House in this area. As you may know, during his tenure at the White House Mr. Flanigan was responsible for filling vacant ambassadorial posts and other high-level executive positions. I feel that his possible role in the selling of ambassadorships should be thoroughly explored.

In testimony before the House Judiciary Committee on July 17, 1974, Mr. Herbert W. Kalmbach said that he had been told by Mr. Flanigan in 1971 to contact Dr. Ruth Farkas concerning a possible ambassadorial assignment. According to Kalmbach, Mr. Flanigan said "She is interested in giving $250,000 for Costa Rica." Kalmbach, in answer to a question by the committee's minority counsel, Mr. Jenner, said ". . . it is clear in my understanding of that conversation that she was interested in . . . that she would contribute $250,000 to the President's campaign and in turn for that $250,000 she would be appointed Ambassador to Costa Rica."

Mr. Kalmbach testified that he did contact Dr. Farkas and made the Costa Rica offer in early August 1971. Dr. Farkas at that time said she was more interested in a European post, according to Kalmbach.

Among the evidentiary documents presented by the House Judiciary Committee in its impeachment report was a September 24, 1971 White House memorandum from Mr. Gordon Strachan to Mr. H. R. Haldeman. This memorandum discussed the necessity to inform Mr. J. Fife Symington and Mr. Vincent de Roulet that commitments to give them European ambassadorships could not be met and that their campaign donations would have to be returned (this was apparently the result of Senate Watergate Committee inquires into the legality of such commitments). In the same memorandum, Mr. Strachan reported that "the only commitment that Kalmbach is aware of at this time is Farcas [sic] for Costa Rica."

Under cross-examination by President Nixon's impeachment lawyer, James St. Clair, Kalmbach said that he had made no commitment to Dr. Farkas about an ambassadorship *to Europe* and that he had no authority to make such a promise. But he apparently did have the authority to offer her Costa Rica. Gordon Strachan's September memorandum makes it clear that Kalmbach made a commitment to Dr. Farkas for that post and Kalmbach has testified that this commitment was made on the authority of Peter M. Flanigan.

Mr. Flanigan, in a letter to the Senate Watergate Committee which was investigating the Symington and de Roulet cases, stated that Mr. Kalmbach had misunderstood about the "commitments" to the two individuals and that such promises to campaign contributors were contrary to Administration "policy." Such offers are also prohibited by federal law, a fact about which Mr. Flanigan was undoubtedly cognizant when he wrote to the Committee. Mr. Kalmbach pleaded guilty in February 1974 to charges that he promised Mr. Symington a European post in return for a contribution to President Nixon's campaign.

The offer of the Costa Rica assignment to Dr. Farkas was, of course, equally unlawful whether or not it was ever consumated. Mr. Kalmbach's statement under oath that he based the offer on Mr. Flanigan's say so is, therefore, a serious charge involving Mr. Flanigan's alleged participation in illegal activity. I feel that the Justice Department should look into charges of this nature.

It is well known that Mr. Flanigan was in charge of filling ambassadorial and other high-level vacancies in the Nixon White House. He also was known to be Mr. Nixon's liaison man between the powerful business interests and the governmental agencies which regulate their activities. It would seem, therefore, inconceivable that Mr. Flanigan could have been completely unaware of Mr. Kalmbach's job offers and the various commitments made by the Committee to Re-Elect to assist campaign donors in their "problems" with the government.

Mr. Flanigan's track record establishes a pattern of governmental behavior which, if not illegal, is, in my opinion, highly detrimental to our democratic institutions. I would like to enumerate some of Mr. Flanigan's questionable activities during his tenure at the White House.

The ITT case: During the hearings on the confirmation of Mr. Richard Kleindienst as Attorney General a question was raised over whether a multi-billion dollar Justice Department anti-trust settlement was linked to a subsidy for the Republican National Convention. Although Mr. Kleindienst testified that President Richard Nixon did not contact him concerning the matter, he subsequently pleaded guilty to a charge of misrepresenting himself on that point before a congressional committee. In fact, President Nixon did contact Kleindienst with an order to drop the ITT case, an order he soon rescinded, according to Kleindienst.

Although the Justice Department Anti-Trust Division under Mr. Richard W. McLaren had exclusive jurisdiction over the matter, Mr. Flanigan became deeply involved. Mr. Flanigan has testified that he hired a friend and former colleague, Mr. Richard Ramsden to "advise" Mr. McLaren on the ITT suit.

In deciding to abandon the prosecution of the ITT merger case, Mr. McLaren admitted that he based his decision on a study prepared by Mr. Ramsden. Two Justice Department economic advisors stated that they had never been consulted about the case. A *New York Times* editorial had this to say about Mr. Flanigan's role in the affair:

"The participation of White House aide Peter M. Flanigan in shaping the ITT settlement is—or ought to be—highly irregular. The work of the Anti-Trust Division will collapse if politically well-connected companies can go over its head and cook up deals at the White House.

"Mr. Flanigan has no statutory authority to deal with anti-trust matters. Yet it was he who recruited a young Wall Street broker to prepare an economic analysis of the issues in the ITT case. To no one's surprise, this analysis was markedly sympathetic to ITT's position. Since the federal government has many qualified economists, why was not one of them asked to prepare this analysis?

"Mr. Flanigan's fishy activities in this case need to be fully explored. So does that $100,000—or was it $400,000?—which an ITT subsidiary offered to subsidize the GOP convention in San Diego."

Did Mr. Nixon ask Mr. Flanigan to intervene in the ITT case? Was Flanigan's intervention connected in any way to the ITT offer to subsidize the Republican Convention in San Diego? Was Mr. Flanigan only carrying out orders, or was he actively interfering in the judicial process on his own volition? These are questions which, it seems to me, must be resolved.

American Airlines and the Civil Aeronautics Board: On July 12, 1973, Special Prosecutor Archibald Cox announced that he would investigate White House maneuvering over the nomination of Mr. Lee West to replace CAB member Robert G. Murphy. Cox was looking into allegations that the decision to drop Mr. Murphy was tied to a CAB vote unfavorable to American Airlines which had illegally contributed to Mr. Nixon's re-election campaign. Mr. Flanigan was instrumental in securing Mr. West's appointment, although he had previously promised Senator Norris Cotton that Mr. Murphy would be re-nominated. Senator Henry Bellmon has acknowledged publicly that American Airlines "didn't like" Murphy and wanted him off the CAB.

What role did Mr. Flanigan play in dropping Mr. Murphy? Was he ordered to do so by President Nixon? Despite denials, was Murphy's departure from the CAB connected in any way to the contribution of American Airlines to the Nixon re-election campaign?

White House interference with the Corporation for Public Broadcasting: On June 1, 1973 the former Chairman for the Corporation for Public Broadcasting, Mr. Thomas Curtis, charged that Mr. Clay Whitehead, Director of the White House Office of Telecommunications and Mr. Peter Flanigan contacted members of the CPB Board prior to a key vote on a compromise agreement with the Public Broadcasting Service. According to Curtis, the independence and integrity of the Board were severely undermined by Mr. Flanigan's effort to influence the important vote.

Was this an appropriate activity for a White House aide? Was Mr. Flanigan attempting to influence the programing schedule of the Public Broadcasting System?

The Anaconda case: Late in 1971 the Montana State Board of Health held hearings on proposed new Montana air pollution regulations. An employee of the Environmental Protection Agency (EPA) testified there in favor of stringent air pollution control.

The President of Anaconda, Mr. John Place, was reportedly angered over the testimony of the EPA employee and fired off a blistering letter to EPA Administrator William Ruckelshaus. Without giving Ruckelshaus a chance to respond, Place and other moguls of the copper industry sat down with Peter Flanigan in the White House and told him of their dissatisfaction.

Place acknowledged this meeting with a "Dear Peter" letter of December 29, 1971, in which he concluded: ". . . Any assistance you can offer in having EPA acknowledge that it got overzealously involved in Montana's affairs will be appreciated."

Flanigan contacted EPA and interceded on behalf of Anaconda. EPA then decided to disavow the testimony of its own employee. The disavowal letter was flown in person from Denver to Helena, Montana. Was this an improper use of White House power to overrule an important regulatory agency?

ARMCO Steel Case: In September 1971, the Environmental Protection Agency won a court order preventing ARMCO from dumping highly toxic chemicals into the Houston ship channel. EPA had taken the position that the wastes in question—cyanide, phenol ammonia and sulphide—could be burned off. ARMCO complained of the additional cost and threatened to lay off over three hundred workers.

ARMCO President William Verity—whose executives had contributed at least $14,000 to the 1968 Nixon campaign—wrote to President Nixon complaining of the EPA suit. According to House testimony, Peter Flanigan contacted EPA officials—who were told to "negotiate the case like any other . . ." whatever that meant. EPA and the Justice Department then entered into negotiations with ARMCO and reached an agreement whereby ARMCO could continue dumping its chemicals until the summer of 1972.

The 1972 fund-raising exploits of the Committee to Re-Elect the President have been well-chronicled by the Senate Watergate Committee, the House Judiciary Committee and the Special Prosecutor. According to testimony, corporations were asked to pay "protection" money which, it was said would be considered if future problems arose with government regulatory agencies. *Washington Post* reporter Carl Bernstein interviewed a Texas lawyer, Mr. Richard Haynes, who was intimately familiar with this operation. In a conversation with Bernstein, Haynes mimicked the typical pitch made by chief fund-raiser Maurice Stans:

"You know we got this crazy man Ruckelshaus (head of the Environmental Protection Agency) back East who'd just as soon close your factory as let the smoke stack belch. He's a hard man to control and he is not the only one like that in Washington. People need a place to go, to cut through the red tape. . . ."

If his experience during the first Nixon Administration was any indication, the evidence is overwhelming that the man to see in Washington was Mr. Peter M. Flanigan. Called by *Time Magazine* the "Mr. Fixit" of the Nixon Administration, Mr. Flanigan was the liaison with big business and in charge of regulatory agencies at the White House. His name comes up time again in news articles and testimony as the man who, more than any other, could deliver on Mr. Stan's promises.

Postal Service Bonds: In 1971 the newly-restructured Postal Service announced its intention to issue $250 million worth of bonds. The Postal Service decided: (1) to sell the bonds on Wall Street rather than selling them to the U.S. Treasury; (2) not to take advantage of federal guarantees (which meant the price of the bonds would be higher); (3) that underwriters to float the bonds on the market would be selected through negotiations rather than competititive bidding; and (4) that one of the underwriters would be the Dillon-Read Company (Mr. Flanigan's former employer).

In his September 21, 1971 report to the Chairman of the House Committee on Post Office and Civil Service, Representative Morris Udall stated two principal conclusions: "(1) this important bond issue has been handled in such a way that the strong appearance of impropriety has arisen; and (2) that the method chosen for this financing may eventually and unnecessarily cost the taxpayers and the Postal Service large sums of money."

Udall reported further, "Peter Flanigan is a Special Assistant to the President and was formerly a Vice President of Dillon-Read and Company. There is ample evidence to indicate that he has been involved in discussions and meetings involving this issuance of the bonds by the Postal Service."

Add to this that the bond deal was negotiated by James Hargrove, Senior Assistant Postmaster General, formerly a Vice President of Texas Eastern Transmission . . . whose own issues had been handled for years by Flanigan for Dillon-Read.

It is hardly surprising, perhaps, that this exercise in public-private high finance was enriched by the appointment of none other than Mudge, Rose, Guthrie and Alexander as counsel to the underwriters—counsel doubtless enhanced by the fact that two former senior partners are former President Richard Nixon and then Attorney General John Mitchell.

Oil imports: The oil import quota system was estimated in 1972 to cost consumers up to $5 billion a year. The Treasury gets none of it; oil companies get it all. A Cabinet-level task force recommended in 1970 that the quota system be scrapped. Peter Flanigan is known to have stopped the original report and guided the work of a successor panel which brought in the opposite verdict.

In firm control of the oil import control system, Mr. Flanigan embarked on Phase II. According to *The Oil Daily*, "orders have now gone down" to the Oil Policy Committee to report by April 1, 1973 on the import of new gas sources. The Committee was expected to recommend "large scale imports of LNG (liquified natural gas) and oil for SNG (substitute natural gas)," to meet the increasing gas shortage.

Mr. Flanigan apparently finds no conflict of interest in the fact that Texas Eastern Transmission Corporation, mentioned above, is planning a SNG facility which will require 125,000 barrels per day of imported naphtha. It has also applied for permission to import LNG from Algeria (on a temporary basis, thus far) to a terminal facility on Staten Island. Dillon-Read underwrote the first offering of TETCO common stock in 1947 when it was formed, and it has underwritten every one of TETCO's public debt issues since that time. TETCO has been Dillon-Read's creation and, to a large degree Peter Flanigan's. In an oil market controlled by the White House, Peter Flanigan was in a position to insure the continued prosperity of his corporate ward.

The Sansinena case: In March 1970, Senator Joseph Tydings accused Mr. Flanigan of obtaining an "exemption" from the Treasury Department for a foreign tanker named "The Sansinema," to engage in domestic shipping. Mr. Flanigan was also the owner of the Sansinena and, according to Senator Tydings, the permit to allow the ship to engage in domestic shipping increased the value of the Flanigan company by up to $6 million. Mr. Flanigan's father held his shares in the company. It should be noted that a similar request was turned down by the Navy during the Johnson Administration. Shortly after Senator Tydings' speech, the Treasury Department suspended the exemption fearing a possible congressional investigation.

Political sabotage of Senator Tydings: A few months after the Tydings' speech on the Sansinena exemption, Senator Tydings was made the subject of a damaging *Life magazine* article which accused him of using his political office to advance a private financial venture. Tydings was said to have appeared personally before an AID officer to secure a $7 million loan for his company in Nicaragua, which loan was approved.

Senator Tydings has accused Mr. Don Hoffgren, Assistant to Mr. Flanigan for AID matters, as the person who fed the erroneous story to *Life magazine*. Tydings said that Hoffgren was in a position to know of the joint venture in the Nicaraguan project with Tydings business associates.

I have looked further into this matter and have received some unsubstantiated allegations that Mr. Charles Colson, a White House aide, and two high-level State Department employees conspired to withhold the State Department investigation on this affair which cleared Senator Tydings of any wrongdoing, until after the 1970 election. If this allegation is true, it demonstrates that the State Department was used for highly partisan purposes.

Was Mr. Flanigan involved in the leak to *Life magazine* about Senator Tydings? Did he conspire to withhold results of the State Department investigation clearing Senator Tydings until after the 1970 election? These are areas which should be explored especially since Mr. Flanigan is being considered for a State Department post.

On June 1, 1974, Special Prosecutor Leon Jaworski told U.S. District Chief Judge George L. Hart, Jr. that a Watergate grand jury has "circumstantial and direct evidence" that large contributors to President Nixon's 1972 re-election campaign sought or were promised federal jobs in return for their donations. Jaworski made this disclosure in papers filed with Judge Hart to explain why the Special Prosecutor's office needed access to correspondence between former President Nixon and Maurice Stans concerning federal job appointments. According to Jaworski, the evidence to support such a request came from several persons, including White House aides H. R. Haldeman, Lawrence M. Higby, Peter Flanigan, Frederick C. Malek and Stanton Anderson. It is my belief, therefore, that Mr. Jaworski holds evidence which would be important to your committee's inquiry.

On the basis of the information which I possess concerning Mr. Flanigan, I could not in good conscience vote to confirm him as Ambassador to Spain. I believe that we should expect much more from those who represent the United States in foreign countries. Mr. Flanigan's ability is well known, but should the Senate reward him with one of the most prestigious titles our government can confer simply because he, unlike his many cohorts at the Nixon White House, has thus far escaped the long arm of the law?

For your information, I will deliver a speech on this subject Wednesday on the floor of the Senate. At that time I will ask President Ford to withdraw Mr. Flanigan's nomination.

Thank you very much for considering my views.

Sincerely,

THOMAS F. EAGLETON,
U.S. Senator.

Mr. EAGLETON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, how much time remains under the Senator's order?

The PRESIDING OFFICER. There are 6 minutes remaining.

Mr. EAGLETON. I yield 6 minutes to my distinguished colleague from West Virginia.

Mr. ROBERT C. BYRD. I thank my distinguished colleague and friend from Missouri, and I compliment him on his speech.

PETER FLANIGAN AND ITT

Peter Flanigan was an important business-oriented aide in the Nixon White House.

As such, he came to be one of the key figures in the nomination hearings before the Senate Judiciary Committee of Richard Kleindienst to be Attorney General. I am a member of that committee and was a member at the time of those hearings. The hearings, which ultimately produced a guilty plea by Mr. Kleindienst in Federal court for failure to respond fully to the committee's questions, became popularly known as the ITT hearings, due to allegations of high Government misconduct in the settlement of the Justice Department's antitrust suit against the International Telephone & Telegraph Co.

Mr. Flanigan became a central figure in the case when it was discovered that he had secured the services of an outside financial analyst, Richard Ramsden, to do a financial study of the effect upon ITT of the proposed Justice Department divestiture of the Hartford Fire Insurance Co. from ITT. This report was used as the analysis to persuade the Chief of the Antitrust Division, Richard McLaren, that the Justice Department studies of 2 years were incorrect and that ITT should not lose Hartford Fire.

The roles of Mr. Flanigan and other top administration officials—notably Attorney General John Mitchell and Richard Kleindienst—in the settlement of the ITT case at the same time as ITT was pledging $400,000 to San Diego, Calif., for the 1972 Republican National Convention are murky at best.

The now famous Dita Beard memorandum stated that the favorable antitrust settlement for ITT was the result of negotiations between high ITT officials and top Presidential officials resulting in ITT's $400,000 pledge to the 1972 Republican National Convention site.

When the Judiciary Committee attempted to call Mr. Flanigan to testify during the hearings, the White House indicated that Flanigan would not be allowed to testify. When it became apparent that the committee would not act on Mr. Kleindienst unless Flanigan testified, the White House position changed somewhat. Mr. Flanigan offered to respond to interrogatories sent by the committee. The committee rejected the offer. Then Mr. Flanigan offered to appear in executive session of the committee and respond to a narrowly drawn area of questioning. Finally, the committee accepted the narrow field of questioning in exchange for a public session.

The substantive role played by Mr. Flanigan in getting prepared the outside financial analysis from Mr. Ramsden that was so persuasive to the Antitrust Division and Chief Richard McLaren in the key event involved in the ITT controversy and the executive privilege cloak that was attempted to be placed around him to prevent the Judiciary Committee from fully questioning him on his role in the ITT settlement, makes him a questionable figure, at best, in light of the later Watergate related investigations.

In summary, Mr. Flanigan was essential in the changing of the Justice Department's position on the ITT case; that position was allegedly changed due to ITT's offer of $400,000 to the Republican National Committee site in 1972; the resistance of the White House to allowing Flanigan to testify before the Judiciary Committee; the subsequent referral of the Kleindienst hearings to the Justice Department for possible perjury charges by the committee; the subsequent guilty plea in Federal court by former Attorney General Richard Kleindienst concerning his testimony during his confirmation hearings; and the subsequent knowledge that the ITT hearings were really the first tip of the iceberg of Watergate-related offenses that were opened up by congressional hearings, leads me to the inescapable conclusion that Mr. Flanigan is not a suitable man, under the circumstances that I have enumerated, to represent the United States as an Ambassador.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that my time under the order allotted to me be yielded to the distinguished majority leader for whatever use he may desire to make of it.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. HATHAWAY). Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 5 minutes each.

PUBLIC CONFIDENCE CONTINUES TO FALL

Mr. HARRY F. BYRD, JR. Mr. President, a basic problem facing our country is a lack of confidence.

The average citizen, it has been my observation, is concerned just where our country is going economically, and perhaps politically.

Albert Sindlinger, whose marketing opinion research organization telephones consumers around the United States, reports that confidence has been on a downslide for quite awhile—and is continuing its downward trend.

His polling, which he has been doing for 20 years, indicates that the public is becoming more and more "antibusiness, antilabor, and anti-Government."

Mr. Sindlinger's report says that President Ford's series of highly publicized economic summit meetings is adding to the growing confidence slide. I am not sure just why this should be the case. But, Mr. Sindlinger's polling results through the years suggest that what he is saying should not be written off.

For example, he predicted in early July that the stock market, already low, should fall by 20 percent in the next 8 weeks, and by 25 percent in the next 15 weeks. Actually, the market fell slightly more than 20 percent in the following 9 weeks. He today predicts a further substantial decline.

Consumer confidence is, of course, a vague concept—but is of much importance. If the consumer is cautious and uneasy, as he appears to be today, it affects adversely the economic outlook.

In dealing with the economic problems besetting our Nation, the Members of the Congress need as much information as can be obtained—and this includes information on consumer economics. Mr. Sindlinger is providing a copy of his Consumer Confidence Report to each Member of the Senate and House of Representatives.

In talking with him today, he expressed a deep concern that the economy is downsliding, and he is making available to the individual Members of the Congress his reasons for such a view, based on polling techniques and procedures which he has been using for 20 years.

My own instinct suggests to me that we do have a crisis of confidence on the part of the public—born, I should judge, from uncertaintly.

I am convinced also that the public senses better than does official Washington that our Nation has been and is now on an unsound course which can be remedied only by time and imagination.

THE NOMINATION OF PETER FLANIGAN

Mr. COTTON. Mr. President, I have just learned that while I was detained in committee during this morning hour, both the distinguished Senator from West Virginia, the assistant majority leader (Mr. ROBERT C. BYRD), and the distinguished Senator from Missouri (Mr. EAGLETON) spoke, making certain allegations and attacking Peter Flanigan, who is under consideration for appointment as Ambassador to Spain.

I merely want to take this opportunity to say, Mr. President, that long before the ITT episode occurred, even in the very early days of the Nixon administration, Mr. Flanigan was bitterly attacked on the floor of the Senate concerning matters that were known to me and that were in the purview of the Commerce Committee and, at that time, I think I was able to set the record straight. At least, I presented the case in defense of Mr. Flanigan.

Mr. President, I have just learned of the speeches; I have not even had a chance to read them, but I simply want to serve notice that if there is some way perhaps later today that I can get some time, or if I have to wait—I wonder if the opportunity presented itself, if the majority leader would help me some time within the next 2 days to receive 20 minutes—at least——

Mr. MANSFIELD. Of course. There is no problem.

Mr. COTTON (continuing). to discuss the case.

I appreciate the courtesy of the majority leader and, as soon as I have had an opportunity to get the facts I wish to present them as I did when the attack on Mr. Flanigan started long ago. I feel confident that once again, when the facts are presented, Mr. Flanigan will be vindicated of charges made against him.

I thank the majority leader.

SECURITY OF U.S. NUCLEAR WEAPONS IN EUROPE

Mr. PASTORE. Mr. President, last evening on a national network Congressman CLARENCE LONG discussed the security of the U.S. nuclear weapons in Europe. Now that this matter has been brought out in the open I feel it is incumbent upon me and my colleagues on the Joint Committee on Atomic Energy to report to the Senate and the people of the country on the part that our committee has played in this matter back to November 1972. The reason for not having made our position publicly known before was because of the sensitivity and the classification involved and of equal importance because of the effect that public discussion of a matter of this nature would have upon those who might be stimulated in activities of terrorism. In other words, we did not want to give the hint to any madmen, and that is the reason why we did not discuss it publicly.

Now, in November of 1972, as chairman of the Joint Committee on Atomic Energy, I directed the deputy director of the committee staff, Mr. George Murphy, to go to Europe and to review security practices and procedures concerning nuclear weapons at certain NATO installations.

His report to the committee on this matter pointed out weaknesses in the security arrangements to protect nuclear weapons in peacetime as well as raised questions on the vulnerability and usefulness of these weapons in the event of a surprise attack.

To verify these disturbing findings, Senator Baker and I visited a significant sampling of nuclear installations during the week beginning March 19, 1973. We not only verified the findings of the November report but we were even more disturbed by the situation. While it was clear that at the sites we visited certain improvements had been made since the November visit, nonetheless, the basic vulnerability to terrorist attack remained.

Senator Baker and I wrote a classified report of our visit to NATO on this highly significant matter and sent copies to the Secretary of Defense and the chairman of the Atomic Energy Commission. At the time of our visit Elliot Richardson was Secretary of Defense. Subsequently, I have discussed this matter in considerable detail with Secretary of Defense James Schlesinger on several occasions.

In June 1974 at the request of Chairman Price and myself, the deputy director of the committee staff again visited NATO nuclear weapons sites as a follow-up to the two earlier committee reports. While noting certain improvements in security practices and procedures, his conclusion remained that certain sites continued to appear to be vulnerable to terrorist attack.

Since our first report in 1972 and based largely on our insistence, certain concrete steps have been taken. Of course because of national security I cannot go into great detail as to just what sites were affected and where they are, but I will say that at one base nuclear weapons were removed entirely. In another case a facility where nuclear weapons have been stored is about to be closed down. Further, certain changes in the disposition of nuclear weapons have taken place.

A great deal more remains to be done, and I want to congratulate the House Appropriations Committee for becoming involved in this matter. I consider this matter of paramount importance and great concern to the American people.

I have been assured by Secretary of Defense Schlesinger, General Goodpaster, Supreme Allied Commander, Europe, and by NATO Ambassador Rumsfeld that they all agree that it is imperative that nuclear weapons abroad be made invulnerable to terrorist attack. Despite these assurances, it is my serious recommendation that if this situation persists, the only alternative we have is to remove a number of nuclear weapons from NATO or any other place where they may be vulnerable. Otherwise, any incident would be counterproductive to the reason they were put there in the first place.

Mr. President, here we are; we have been talking for days and days and days about the possibility of terrorists stealing plutonium while it is being shipped.

That is an insignificant problem when comparing it to the ghastly possibility of the theft of a complete atomic weapon.

When we deal with plutonium, first of all, we take a chance of becoming personally radiated. Second, we have got to know how to put it together to make a bomb.

We have all these already fabricated bombs lying around, sometimes not only atomic weapons, but we have conventional weapons in the same storage place as well, and the situation is deplorable.

When we discussed this matter with General Goodpaster, who is at the head of NATO, and discussed it with other military officials in Europe, we told them there was hesitancy on the part of our NATO allies to come up with the necessary money in order to make the improvements.

I can understand their reluctance because, after all, Uncle Sam is always Santa Claus. If they do not come along with the money, eventually we will do it all.

All I say is that the time has come that unless these improvements are made, what we should do is take those weapons out of Europe, because that is the only way we can protect them against terrorists.

Mr. President, I am very happy that this matter came up on a national hookup last night. The only trouble is that nobody took the trouble to come and ask the Joint Committee on Atomic Energy what this was all about. The Joint Committee has been investigating this since November 1972.

I would hope that both the Defense Secretary and the President of the United States take action, because I say to you, Mr. President, unless President Ford himself makes the demand upon our allies, I am afraid something is going to happen.

In many of these instances, these depositories are outside of some of our airfields which are under the supervision of a foreign government. These same depositories are of World War II vintage and, they are not always the best place to store nuclear weapons.

I say that this is very important and rather than worry so much about who is going to attack an American truck when it is transporting nuclear or fissionable material, we should start worrying about these bombs.

If a terrorist—and it is not that difficult breaking into one of these depositories—takes one of these bombs and it is heralded all over the world, I am telling everyone that we are going to be in a bad way.

Mr. President, I am happy that this matter came up. I repeat again, the only reason why we did not discuss this on the floor of the Senate before is because we have wanted the Defense Department to do something about it.

It is highly classified as to where these are, we could never be specific, but just equally as important, as I have already said, we did not want to give some madman the hint.

It would be obvious to anyone who passed one of these depositories what is stored there. They have these tremendous searchlights that light up the night. Then they have a certain type of fence.

Now, how long would it take 12, 13, or 14 terrorists to shoot them, jump over the fence, break open one of these depository igloos, grab one of these weapons and say, "The next move is yours"? Where would we be?

I am hopeful that this administration and I am not being critical of any administration—specifically, I hope that the President of the United States will get busy about this and do something about it.

I want to congratulate my colleague from Tennessee (Mr. Baker). After all, it was not a pleasant trip. We started out on a Monday, we went all over Europe and were back home Friday.

We did not have that much time. We used to get up at 7 o'clock in the morning and go to bed at almost midnight every night just to make sure we were carrying out our responsibilities.

I want to say to the Senate, that was no junket trip. As a matter of fact, it was a hard trip that we took at a very inconvenient time, but we thought it was necessary for us to go and verify the report that was made by George Murphy to our committee.

I yield to my distinguished friend from Tennessee.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, thank you very much for recognition at this point.

I associate myself with the remarks of the distinguished senior Senator from Rhode Island who has dealt in some detail and with great accuracy and grace on a matter of extreme importance to this country and the world.

As chairman of the Joint Committee on Atomic Energy and now as vice chairman, soon to be chairman once again, he has always had a keen concern for our nuclear responsibility and he continues to have it.

I am happy to be of whatever assistance I can in fully exploring this subject and providing whatever suggestion and useful information we may in that respect.

Mr. President, I come from Tennessee, which in many ways is the birthplace of the nuclear bomb.

I recall as a young man in the U.S. Navy during World War II learning of the first nuclear explosion in Japan. I remember then my recollection of Oakridge, Tenn., which was a Federal compound surrounded by fencing and guarded by helmeted troops and armored personnel carriers. Machinegun turrets were located at the main entrances to that facility. There were in all the world at that time only two known nuclear weapons. One was exploded over Nagasaki, and one was exploded over Hiroshima.

Such extreme, extraordinary security measures were taken to protect those devices, to protect the knowledge that they existed. America was truly, the world was truly, in awe of this horrendous new weapon. They were awe struck at the catacylsmic power that scientists unleashed that could kill not only thousands but hundreds of thousands of people in a single explosion. We have come a long way since then. We have come a long way. There are no longer one, two, or three nuclear weapons. There are thousands of nuclear weapons.

There are literally thousands of these now, and they are no longer protected with the precautions at the height of World War II.

As the Senator from Rhode Island pointed out, they are presently in many parts of the world in numerous enclaves protected with various degrees of efficiency. They are vulnerable.

I do not wish to encourage anyone to indulge their sense of adventure by trying to penetrate one of these enclaves or to be in possession even temporarily of a nuclear bomb. I warn them right now the chances of escaping with their life are very remote. A person would probably have his head blasted off if he tried.

Do not get the idea that we are advertising to the world that America's nuclear arsenal is available to any terrorist who wants to try it. It is not. But the security is not what it ought to be and what it was during the time of World War II.

I am concerned. I am concerned about our command and control mechanisms. I am concerned about our communications capability. I am concerned about the physical security of the weaponry. I am concerned about the reserve military forces that are available in case there is an attempt to take them over. I am concerned about their vulnerability to encroachment by a military force from only a few miles away in some cases where these weapons may be deployed near the frontier of another country. I am concerned with our ability to destroy them, if that becomes necessary, with the locking mechanisms, with the so-called double key system for the protection against inadvertent explosion. What I am saying is I am concerned about the nuclear knowledge.

I am not sure there is any answer, except maybe to bring them all home. I am not prepared to say we can do that. All I can say at the moment, while I continue to agonize over this question, is that we have to be exquisitely careful in our storage of nuclear weapons, and I do not believe we are now. We have improved it greatly since Senator PASTORE and I were in Europe. Many improvements were done at our suggestion and at the suggestion of the staff of the Joint Committee on Atomic Energy, particularly Mr. Murphy. But much more remains to be done now, as a result of the interview on network television last night, now that the subject is fully in the public arena. I believe it is time that we turned our attention to the importance and significance of this crucial matter.

Let me reiterate, I am not advertising to the terrorists of the world that they can have an American nuclear bomb for the asking. They cannot. I do not believe they will succeed. America will take whatever measures are necessary, in my judgment, to see that they do not succeed. But I am also saying to our own Government, and this Congress, to the people of the United States, that we have lost our awe of nuclear weaponry.

While, as the saying goes, we have not learned to love the bomb, we certainly have learned to live with it; but if we ever lose one, we may not live much longer.

AMENDMENT OF THE NATIONAL BANK ACT, THE FEDERAL DEPOSIT INSURANCE ACT, AND THE NATIONAL HOUSING ACT

Mr. BROCK. Mr. President, from the Committee on Banking, Housing and Urban Affairs, I report S. 3817, to amend the National Bank Act, the National Housing Act, the Federal Deposit Insurance Act, and the Small Business Investment Act, and for other purposes. I ask unanimous consent that S. 3817 be laid before the Senate for immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 3817) to amend the National Bank Act, the Federal Deposit Insurance Act, the National Housing Act, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking, Housing and Urban Affairs with an amendment to strike out all after the enacting clause and insert:

S. 3817

An act to amend the National Bank Act, the Federal Deposit Insurance Act, the National Housing Act, the Small Business Investment Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—INTEREST RATE AMENDMENTS REGARDING STATE USURY CEILINGS ON BUSINESS LOANS

SEC. 101. Section 5197 of the Revised Statutes, as amended (12 U.S.C. 85), is amended by inserting in the first and second sentences before the phrase "whichever may be the greater", the following: "or in the case of business or agricultural loans in the amount of $25,000 or more, at a rate of 5 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the bank is located,".

SEC. 102. The Federal Deposit Insurance Act (12 U.S.C. 1811–31) is amended by adding at the end thereof the following:

"SEC. 24. (a) In order to prevent discrimination against State-chartered insured banks with respect to interest rates, if the applicable rate prescribed in this subsection exceeds the rate such State bank would be permitted to charge in the absence of this subsection, a State bank may in the case of business or agricultural loans in the amount of $25,000 or more, notwithstanding any State constitution or statute, which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at a rate of not more than 5 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the bank is located, and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt has to run.

"(b) If the rate prescribed in subsection (a) exceeds the rate such State bank would be permitted to charge in the absence of this paragraph, and such State fixed rate is thereby preempted by the rate described in subsection (a), the taking, receiving, reserving, or charging a greater rate of interest than is allowed by subsection (a), when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of the interest paid from the State bank taking or receiving such interest.".

SEC. 103. Title IV of the National Housing Act (12 U.S.C. 1724–1730(d)) is amended by adding at the end thereof the following:

"SEC. 412. (a) If the applicable rate prescribed in this section exceeds the rate an insured institution would be permitted to charge in the absence of this section, such institution may in the case of business or agricultural loans in the amount of $25,000 or more, notwithstanding any State constitution or statute, which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any loan or discount made, or upon any note, bill of exchange, or other evidence of debt, interest at a rate of not more than 5 per centum in excess of the discount rate on ninety-day commercial paper in effect at the Federal Reserve bank in the Federal Reserve district where the institution is located, and such interest may be taken in advance, reckoning the days for which the note, bill, or other evidence of debt has to run.

"(b) If the rate prescribed in subsection (a) exceeds the rate such institution would be permitted to charge in the absence of this section, and such State fixed rate is thereby preempted by the rate described in subsection (a), the taking, receiving, reserving, or charging a greater rate of interest than that prescribed by subsection (a), when knowingly done, shall be deemed a forfeiture of the entire interest which the note, bill, or other evidence of debt carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of the interest paid from the institution taking or receiving such interest.".

SEC. 104. Section 308 of the Small Business Investment Act of 1958, as amended (15 U.S.C. 661), is amended by adding at the end thereof the following:

"(h)(1) In order to facilitate the orderly and necessary flow of long-term loans and equity funds to small business concerns, as defined in the Small Business Act, if the maximum interest rate permitted by the Small Business Administration exceeds the rate a small business investment company would be permitted to charge in the absence of this subsection, such small business investment company may in the case of business loans in the amount of $25,000 or more, notwithstanding any State constitution or statute, which is hereby preempted for the purposes of this section, take, receive, reserve, and charge on any such loan, interest at a rate of not more than 5 per centum in excess of the discount rate on ninety-day commercial paper in effect ta the Federal Reserve bank in the Federal Reserve district where the small business investment company is located.

"(2) If the rate prescribed in paragraph (1) exceeds the rate such small business investment company would be permitted to charge in the absence of this subsection, and such State fixed rate is thereby preempted by the rate described in paragraph (1), the taking, receiving, reserving or charging a greater rate than is allowed by paragraph (1), when knowingly done, shall be deemed a forfeiture of the entire interest which the loan carries with it, or which has been agreed to be paid thereon. If such greater rate of interest has been paid, the person who paid it may recover, in a civil action commenced in a court of appropriate jurisdiction not later than two years after the date of such payment, an amount equal to twice the amount of interest paid from the small business investment company taking or receiving such interest."

SEC. 105. If any provision of this title or the application of such provision to any person or circumstances shall be held invalid, the remainder of the title and the application of such provision to any person or circumstance other than that as to which it is held invalid shall not be affected thereby.

SEC. 106. The amendments made by this title shall apply to any loan made in any State after the date of enactment of this title, but prior to the earlier of July 1, 1977, or the date (after the date of enactment of this title) on which the State enacts a provision of law which prohibits the charging of interest at the rates provided in the amendments made by this title.

TITLE II—APPLICABILITY OF STATE USURY CEILINGS TO CERTAIN OBLIGATIONS ISSUED BY BANKS AND AFFILIATES

SEC. 201. Section 19 of the Federal Reserve Act is amended by adding at the end thereof the following new subsection:

"(k) No member bank or affiliate thereof, or any successor or assignee of such member bank or affiliate or any endorser, guarantor, or surety of such member bank or affiliate may plead, raise, or claim, directly or by counterclaim, setoff, or otherwise, with respect to any deposit or obligation of such member bank or affiliate, any defense, right, or benefit under any provision of a statute or constitution of a State or of a territory of the United States, or of any law of the District of Columbia, regulating or limiting the rate of interest which may be charged, taken, received, or reserved, and any such provision is hereby preempted, and no civil or criminal penalty which would otherwise be applicable under such provision shall apply to such member bank or affiliate or to any other person."

SEC. 202. Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended by adding at the end thereof the following new subsection:

"(k) No insured nonmember bank or affiliate thereof, or any successor or assignee of such bank or affiliate or any endorser, guarantor, or surety of such bank or affiliate may plead, raise, or claim, directly or by counterclaim, setoff, or otherwise, with respect to any deposit or obligation of such bank or affiliate, any defense, right, or benefit under any provision of a statute or constitution of a State or of a territory of the United States, or of any law of the District of Columbia, regulating or limiting the rate of interest which may be charged, taken, received, or reserved, and any such provision is hereby preempted, and no civil or criminal penalty which would otherwise be applicable under such provision shall apply to such bank or affiliate or to any other person."

SEC. 203. Section 5B of the Federal Home Loan Bank Act (12 U.S.C. 1425b) is amended by adding at the end thereof the following new subsection:

"(e) No member or nonmember association, institution, or bank or affiliate thereof, or any successor or assignee, or any endorser, guarantor, or surety thereof may plead, raise, or claim, directly or by counterclaim, setoff, or otherwise, with respect to any deposit or obligation of such member or nonmember association, institution, bank or affiliate, any defense, right, or benefit under any provision of a statute or constitution of a State or of a territory of the United States, or of any law of the District of Columbia, regulating or limiting the rate of interest which may be charged, taken,

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the National Bank Act, the Federal Deposit Insurance Act, the National Housing Act, the Small Business Investment Act, and for other purposes."

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the bill be held at the desk until the close of business Friday, September 27, 1974.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 410—RESOLUTION IN SUPPORT OF THE EFFORTS OF PRESIDENT FORD IN SEEKING WORLD ECONOMIC STABILITY

Mr. METZENBAUM. Mr. President, I submit a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

Whereas the economy of the United States, as well as the economies of her allies and the less developed nations of the world, has been severely affected by the geometric and unabated rise in the price of petroleum; and

Whereas the actions of the Organization of Petroleum Exporting Countries in fixing the price of oil represent a dangerous and artificial rigging of a vital commodity market and run counter to the classic economic principles of supply and demand; and

Whereas disruptive flows of monetary reserves imperil world financial institutions and threaten to overwhelm international capital markets; and

Whereas unprecedented inflation in the price of petroleum is and will continue to be a major contributor to inflation in countless sectors of the world economy, inflation which threatens the economic structure of the United States and the free world; now therefore be it

Resolved, That it is the sense of the Senate that the well-being of the world and all of its people is gravely threatened by exorbitant or rigged foreign oil prices. It is further the sense of the Senate that Congress and the American people support President Ford and Secretary Kissinger in their call to the OPEC nations to lower the price of petroleum.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

Mr. MANSFIELD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The resolution will go over under the rule.

Mr. METZENBAUM. Mr. President, noting that the resolution goes over under the rule until the conclusion of morning business tomorrow, due to the fact that I shall not be present tomorrow by reason of a holiday for myself, I ask unanimous consent that the measure lie over until Monday at the same time, at the conclusion of morning business.

The PRESIDING OFFICER. Is there objection?

Mr. ABOUREZK. Mr. President, reserving the right to object, I shall not object, but I do want to ask one or two questions of the Senator from Ohio concerning this resolution.

Is this the resolution that endorses President Ford's attack yesterday as well as the threats delivered by President Ford, Secretary Kissinger, and Secretary Simon upon oil exporting nations that are in the OPEC cartel?

Mr. METZENBAUM. No, it is not. The resolution supports President Ford's call upon the OPEC nations to roll back the petroleum prices, not supporting any threats, which I am not familiar with, but rather because I firmly believe that the high price that we are paying for OPEC nations oil is contributing to the problems of inflation in this country, and unless we do roll back the price of that oil, I do not think we can control the problem of inflation.

Mr. ABOUREZK. Mr. President, before I make a couple of points on this resolution, I want to make it very clear to the Senate and to the Senator from Ohio that I, too, believe that oil prices ought to come down, both the prices of oil presently being exported by the OPEC nations and also the prices on oil that is produced here domestically.

I wish to advise the Senate at this point that all of the hullaballo and the hysteria that has developed as a result of what the President and two Cabinet members as well as other, lesser lights in our Government said a couple of days ago—and over the past few weeks—about oil prices from the OPEC cartel, is creating what I believe to be a smokescreen to hide, in part, what is happening with the domestic oil industry with our energy prices.

I know that the Senator from Ohio does not want to become involved in that kind of thing by way of creating a smokescreen for the domestic oil industry, but I should like to remind the Senator of some statistics that have been developed recently by various agencies of our Government.

While the price of OPEC oil has increased 225 percent since last October, we import only 15 percent of our total energy needs from the OPEC cartel. The other 85 percent is furnished by domestic States.

If the Senator is searching for the source of inflation, 15 percent of it comes from the OPEC cartel. Eighty-five percent comes from the domestic energy industry, which since October 1973 has increased the price of coal by 133 percent, the price of crude oil by 92 percent, and the price of propane by 169 percent.

So, while I join the Senator from Ohio in his concern about the increase in oil prices coming from OPEC-producing countries, I would suggest to the Senator and to other people who are concerned that we not restrict our threats to the OPEC countries. I believe that threats to other sovereign nations may not be as beneficial as negotiations. We might consider threatening where we have the power to deliver that threat, and that is to the domestic oil industry, which is a virtual monopoly within the United States.

I wonder whether the Senator would be willing to comment on that.

Mr. METZENBAUM. Mr. President. I appreciate the comments of the distinguished Senator from South Dakota. As he well knows, I share his concern about the high prices as well as the profits of domestic oil companies. This resolution does not address itself to that subject.

The Senator from South Dakota knows that the more we pay OPEC nations for oil, the more it is possible for domestic oil companies to charge for new oil in this country. Therefore, the thrust of this resolution, as I see it, is an indication to the people of this country and of the world that the Senate supports the President in calling upon the OPEC nations to turn back or to reduce the price, which has gone up about fourfold in the last 2 years.

I do not use the word "threat" and would not want to use the word "threat." Nowhere in this resolution is any suggestion of that made. I do not believe that international policies, international economics, or international finance should be based on the matter of a "big stick" or threats.

I do believe that the President enunciated clearly that the economic problems of this country are of such a nature that we cannot continue to export capital at the present rate to the OPEC nations. As long as there is in excess of a $3 billion shortfall of capital to this Nation, there will not be adequate funds in this country to do the things that have to be done in our country. The net result will be that interest rates, which we are all concerned about, will continue to be at a high level, domestic oil prices will continue to be at a high level, and food prices will continue to be at a high level.

I think there is no more challenging problem that any of us face than the entire question of inflation. The buck stops here with respect to that problem. Much of it really lies in the tremendous increase we are paying for imported oil from OPEC nations.

Mr. President, I ask unanimous consent to have printed in the Record an article from the Wall Street Journal of September 23, 1974, by James C. Tanner. The title of the article is: "Saudi Oil Chief Sees 'Major Recession' Due to High Prices but He Backs OPEC."

There being no objection, the article was ordered to be printed in the Record, as follows:

Saudi Oil Chief Sees "Major Recession" Due to High Prices But He Backs OPEC

(By James C. Tanner)

New York.—Still maintaining that Persian Gulf posted petroleum prices are $2 a barrel too high, Sheikh Ahmed Zaki Yamani of Saudi Arabia said he anticipates a "major world recession" due in part to expensive oil.

Nonetheless, the Saudi oil minister all but eliminated the possibility of his government taking any action on petroleum prices that could lead to disunity in the Organization of Petroleum Exporting Countries, or OPEC. He pledged only that Saudi Arabia will "study what we can do unilaterally in the framework of our general policy to preserve OPEC."

Indeed, Sheikh Yamani indicated Saudi Arabia's oil prices, at least those paid by the oil companies for the government's oil, might be further increased in the fourth quarter. He said such a boost would come if other Persian Gulf countries again raised their "buy-back" prices.

"We told the oil companies last June any price given to any producer in the (Persian Gulf) area will be immediately applicable in Saudi Arabia," he said.

On his way to Detroit, where he will address a world energy conference today, Sheikh Yamani stopped over in New York for a long informal session with newsmen. At the news conference, and later in an interview, he touched on a number of points regarding oil.

NO TIME SCHEDULE

He insisted he wasn't in New York to negotiate with the four U.S. oil companies that share ownership with the Saudi government in Arabian American Oil Co., or Aramco. He said that while he is in "constant communication" with the companies, he wasn't "pressing" them on the Saudi government's plan for a complete take-over of Aramco. Although other sources have suggested that Saudi Arabia hopes to complete the take-over before year-end, he said the government doesn't "have any time schedule" for such an arrangement.

The Saudi government currently owns 60% of Aramco, which produces most of the kingdom's oil. The other 40% is held by Exxon Corp., Texaco Inc., Standard Oil Co. of California and Mobil Oil Corp.

Mr. Yamani indicated that once the take-over is completed, the oil companies will get preferential treatment in buying back the Aramco oil they will give up. "They won't have to stand in line for the oil," he said. Also, he said, the price the companies pay for the oil will be less than what they are currently paying the government for its share of Aramco's crude production.

SOUGHT TO EXPLAIN BOOST

The Saudi official also sought to explain again how and why Saudi Arabia increased its buy-back price to the oil companies for the third quarter at a time it claimed publicly to be working toward lower world oil prices.

In September 1973, he said, Saudi Arabia verbally agreed with the oil companies that the buy-back price for the government's oil, then 25% of Aramco's output, would be the same as the price that Petromin, the government state-owned oil company, received in its sales on the open market.

Prior to last October, when the OPEC member nations initiated their sharp upward swing in posted prices, Petromin had been charging 93% of the posted price of Saudi crude. This led to the general belief that the Aramco companies would pay 93% for the Saudi oil they bought.

But beginning last November, Mr. Yamani said, Petromin began receiving over 93% of the posted price (he didn't say how much more) because of the rocketing rise in oil prices everywhere.

Effective this past July 1, the buy-back price for other Persian Gulf crudes, specifically Kuwaiti oil, went to nearly 94.9% of the posted price. That percentage also became effective immediately for the Saudi buy-back price, making the government oil $11.05 a barrel on a posted price of $11.65 a barrel.

CANNOT GIVE PREFERENTIAL TREATMENT

"The 94.9% wasn't started by Saudi Arabia, but Saudi Arabia cannot give the oil companies any preferential treatment to increase their profits even though our aim is to lower the market price to consumers," Mr. Yamani said.

Gulf Oil Corp. and British Petroleum Co. are currently negotiating with Kuwait for fourth quarter buy-back prices in that country. If the percentage again is increased, the buy-back price in Saudi Arabia also will be increased for the 4.8 million barrels a day of the Aramco oil that the companies buy from the Saudi government, Mr. Yamani said.

If, however, the Kuwaiti buy-back price is lowered, that doesn't necessarily mean that the buy-back price in Saudi Arabia will be reduced. It means only, Mr. Yamani said, that the Aramco companies will pay whichever is higher of either the weighted average of the Petromin sales or the buy-back price charged elsewhere in the Persian Gulf.

As for world oil prices, Mr. Yamani said he believes they should come down $2 a barrel since the increases by OPEC last winter built in for petroleum "all the inflation for the last 10 years and probably to 1976." He said Saudi Arabia is continuing to call for a reduction in the posted prices but that it has been getting very little support in OPEC. He confirmed, however, that both Algeria and Kuwait endorsed the Saudi suggestion at the recent Vienna meeting of OPEC. And he said Iran didn't oppose the proposal.

DISAGREED WITH THEORY

Mr. Yamani disagreed with the theory being advanced by most oil observers that posted prices have become meaningless in view of the increasing government ownership of the oil produced on their soil.

Previously, the posted price was a theoretical figure used by the governments only to calculate the taxes and royalties due them from the oil companies they hosted. Of late, though, the main use of posted prices has been to calculate buy-back prices that oil companies pay to acquire the oil flowing to host governments from their share in oil operations.

Mr. Yamani said that posted prices are still important. "If I want to help the consumers I have to reduce the posted price," he said, but he conceded that when the Saudi government completes the Aramco take-over there won't be any further need for a multitiered pricing system. Saudi Arabia will have to set only a single market price at which it will sell its oil.

The Saudi official differed with U.S. government estimates that the world oil surplus is currently narrowed to about one million barrels a day. He said the surplus has grown to at least three million barrels a day, despite production cutbacks in some OPEC countries.

He said Saudi Arabia won't join other OPEC nations in cutting production to prop prices. Neither, he said, will it increase its output to put additional downward pressure on oil prices. "Saudi Arabia can't drink its oil," he contended.

Mr. ABOUREZK. I am glad to hear that the Senator from Ohio does not consider President Ford's statement or the Cabinet members' statements any kind of threat or implied threat to the oil-exporting nations; because I, for one, sincerely believe that we ought to bring down prices of foreign oil, that we ought to try to reduce them, but by cooperation and negotiation. I do believe that the Middle East countries which are exporting a considerable amount of oil consider what President Ford said to be a threat, and I am glad that the Senator has made it clear that he would not endorse such a threat.

Mr. METZENBAUM. I certainly am not a spokesman for the President of the United States.

Mr. ABOUREZK. I wonder whether the Senator also believes, as some people do, that, by way of retaliation, we ought to cut off food supplies to those countries that are maintaining high prices for oil we import?

Mr. METZENBAUM. I am a peace-loving man who would like to work out the problems we have with the other nations of the world. I do not believe in using the "big stick," and I do not believe in saying that the answer to the problems of high oil prices is causing people in the other parts of the world to starve. I would not be in favor of using food as a threat over the OPEC nations which continue high prices. That might increase the price of food, but I do not think we would cut them off from an opporunity to buy.

Mr. ABOUREZK. I would be in favor of that, because it would help my constituents in South Dakota if that were to be the case. But it would hurt my constituents to cut off the supply of food, to say nothing of other, more far-reaching consequences.

As a matter of fact, I know that the Senator from Ohio was opposed to that kind of policy before I asked. The reason I brought it up was simply to point out that there is a great deal of hysteria, most of it centered in Washington, D.C., that concerns food embargoes and high oil prices.

The PRESIDING OFFICER. The time for morning business has again expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time be extended for an additional 5 minutes, because I have some questions I should like to raise.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. It concerns preelection politics in this country with regard to the Middle East situation. I would hate to see this kind of thing—the implied threats by the President and members of his Cabinet, the joining of those threats by the Senate or by any group of Senators. I would hate to see anything damaging to the interests of the United States, by virtue of whether it be an angering of the oil exporting countries over unfair policies, or whether it would mean an escalation of the rhetoric, and then of arms shipments, and then of a conflict that might involve the two superpowers, Russia and the United States, in a nuclear confrontation. I sincerely believe that that could very well be the end result of what we consider harmless preelection demagoguery concerning high oil prices.

I know that the Senator is not involved in that—I concede that—but a lot of people are. I would hate to see the interests of the United States of America damaged through that kind of hanky-panky.

I am very glad to hear that expression from the Senator, who I know is absolutely sincere in what he is attempting to do. But I believe there are some people in this country who are not that sincere and who are playing other kinds of politics, to the detriment of the people of this country.

I thank the Senator for yielding.

Mr. MANSFIELD. Mr. President, reserving the right to object—and I shall withdraw my objection shortly—I think this has been a most interesting and constructive colloquy which has taken place this morning between the distinguished Senator from South Dakota (Mr. ABOUREZK) and the distinguished Senator from Ohio (Mr. METZENBAUM), the sponsor of the resolution.

According to the public press, stories have been emanating from various parts of the Middle East—to wit, Beirut—to the effect that what President Ford, Secretary Kissinger, and Secretary Simon have been saying in recent days amounted to a threat, unless the members of OPEC, the oil-producing nations, reduced their prices and made oil more available. That is a gross misapprehension of what President Ford has said.

I recall to my colleagues the words of Sheik Yamani, the Saudi Arabian oil minister, on yesterday, in Chicago, when he said, in effect, that he thought the speech by President Ford at Detroit was a well-balanced speech. Those are not his exact words, but they are almost his exact words. I think that was a far better reaction than the one supposedly carried in certain newspapers in the Mideast, which indicated that President Ford was implying a threat of war if conditions did not change.

What did the President say? He said on Monday that artificial rigging of oil prices could bring "disastrous consequences." Then the President said:

> Throughout history, nations have gone to war over natural advantages such as water or food or convenient passages on land or sea.

Then he added:

> But in the nuclear age, when any global conflict may escalate to global catastrophe, war brings unacceptable risks for all mankind.

What the President was doing was pointing out a difficulty which confronts not only the United States but Western Europe, Japan, and the underdeveloped nations of the world. If something is not done to bring equilibrium out of the present oil situation, which I think, along with the Vietnam tragedy, is responsible for the recession which confronts this Nation today, the consequences are going to be such that people are going to be starving and we shall not even begin to have enough food to take care of those who are in want in the sub-Sahara area of Africa, in Bangladesh, in India, or elsewhere.

What I think the President, Mr. Kissinger and Mr. Simon did was to lay out in calm and sober tones a situation which confronts, not this Nation alone, but large portions of this globe and, despite the use of the word, "doomsday," by Dr. Kissinger—I think he used it when he spoke to the U.N. on yesterday—there is a good deal of truth in what he says.

Threats will get us nowhere, but cooperation and conciliation may develop something in the way of positive results.

Let me say to the Senator that the accumulation of tens of billions, possibly hundreds of billions of dollars by the OPEC countries is not going to do them a bit of good if the rest of the world goes down into a depression. One cannot eat dollars. One cannot eat gold. But we can help the world, if we all will, by seeing that an economic equilibrium of sorts is maintained. In that way, we can avert catastrophe, we can give hope to our people, and food to the people in need in underdeveloped countries.

I hope that out of this colloquy this morning has come a better understanding as far as our friends in OPEC are concerned as to what this present administration meant through its spokesmen, the President and the Secretary of State and the Secretary of the Treasury, when they uttered their remarks this week. What they were doing was, in effect, raising a warning flag, not issuing threats, not saying "we are going to war," because that would be counterproductive and it would be impossible to achieve the end desired. Nothing of that nature, I am sure, was in the minds of those who spoke. Rather, it was an attempt to paint the whole picture and, thereby, to show our interdependence in this world, one with the other and all together.

I compliment the distinguished Senator from Ohio and ask that my name be added as a cosponsor to his resolution on the basis of the colloquy which has issued on the floor of the Senate this morning.

Mr. ABOUREZK. Mr. President, I wish that the Senator from Montana had delivered the U.N. address 2 days ago rather than the President and the Secretary of State, because what he has said, in my opinion, is right on target. There must be something done, but it is the manner in which the threats were delivered that has disturbed so many people who ordinarily would have congenial relations with us. When the President says, "People have gone to war over lesser things; however, we do not want to have a war," it is reminiscent of a recent President who said, "I can raise a million dollars, but it would be wrong."

What he was doing was delivering, whether he denies it or not, a threat that is counterproductive, in my opinion, to the interest of the United States of America. As the Senator from Montana said, in his continual wisdom in these matters, that is not the kind of thing that will work. Cooperation, negotiation, and some kind of education of countries that charge high prices for oil, including the oil industry in our own country, ought to be what we should do rather than delivering threats. I thank the Senator from Montana and the Senator from Ohio for the time.

Mr. MANSFIELD. Mr. President, if the Senator will yield further, may I say I still stand by my contention as to what the President meant when he referred to things in the past; that he was not stating a threat; that he was not calling for direct action, but that he was laying out the grisly picture which confronts this country and the free world today, primarily because of the exorbitant rise in the price of petroleum, quadrupled in the past year.

I think the record ought to be clear that what he did was, for the first time, I think, lay out for the world to see the extremely difficult situation which confronts this Nation and the Western World and the third world, as well, if things continue to get out of hand and inflation continues to ride the waves.

I withdraw my objection.

The PRESIDING OFFICER. Does the Senator withdraw his objection to the original unanimous-consent request to consider the resolution?

Mr. METZENBAUM. No, Mr. President; I have never made the request that it be considered at the present time.

My request was that it be laid over under the rules and be set down on Monday instead of on tomorrow, in view of the fact that I shall not be present tomorrow.

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to.

Mr. MANSFIELD. Mr. President, has the Senate disposed of the resolution for the time being?

The PRESIDING OFFICER. The Senate has disposed of the resolution for the time being.

EXECUTIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS

The assistant legislative clerk read the nomination of Henry F. Trione, of California, to be a member of the Board of Directors of the National Corporation for Housing Partnerships.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

U.S. TARIFF COMMISSION

The assistant legislative clerk read the nomination of Daniel Minchew, of Georgia, to be a member of the U.S. Tariff Commission.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I request that the President be notified.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer (Mr. HATHAWAY) laid before the Senate a message from the President of the United States submitting a nomination which was referred to the Committee on Armed Services.

(The nomination received today is printed at the end of the Senate proceedings.)

REPORT ON AGRICULTURAL EXPORT ACTIVITIES UNDER FOOD FOR PEACE PROGRAM—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. HATHAWAY) laid before the Senate a message from the President of the United States transmitting the 1973 annual report on agricultural export activities carried out under Public Law 480 (Food for Peace), which, with its accompanying report, was referred to the Committee on Agriculture and Forestry. The message is as follows:

To the Congress of the United States:

I am pleased to transmit to the Congress the 1973 annual report on agricultural export activities carried out under Public Law 480 (Food for Peace). This has been a successful program. It has provided a channel for humanitarian assistance, promoted economic development and, in general, supported foreign policy objectives of the United States.

Throughout the year, the Food for Peace program demonstrated its flexibility in a changing agricultural situation. Because of the tight commodity supply situation in the United States, shipments during the year were somewhat restricted. This was especially true of wheat and wheat product shipments. However, our food contributions to the drought-stricken African countries, including Ethiopia, were substantial. In both East and West Africa, United States food aid represented about 40 percent of the total supplied by the international community. The level of U.S. contributions to the World Food Program and the U.S. voluntary agencies was maintained and the Title I concessional sales programs continued in such high-priority countries as Bangladesh, Bolivia, Cambodia, Israel, Pakistan, and Vietnam.

The Food for Peace program continues to be the primary U.S. food aid activity. Concessional sales programs continued to encourage recipient countries to establish self-help objectives and also support economic development projects. The program retains its emphasis on improving the nutrition of pregnant and nursing mothers, babies, and pre-school children, the most nutritionally significant periods of human life. Although most programs have aspects of agricultural market development, specific programs for trade expansion have been limited because of strong commercial demand. Such programs could be resumed under changed supply conditions.

As 1973 legislation authorized the extension of the Public Law 480 program through 1977, it will go on playing its vital role in terms of development assistance, trade expansion, and promotion of our foreign policy objectives.

GERALD R. FORD.

THE WHITE HOUSE, *September 25, 1974.*

REPORT OF THE ADVISORY COUNCIL ON INTERGOVERNMENTAL PERSONNEL POLICY—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. HATHAWAY) laid before the Senate a message from the President of the United States transmitting the final report of the Advisory Council on Intergovernmental Personnel Policy, which, with its accompanying report, was referred to the Committee on Government Operations. The message is as follows:

To the Congress of the United States:

It is a privilege for me to transmit to the Congress the final report of the Advisory Council on Intergovernmental Personnel Policy.

This report, which supplements earlier work by the Council, addresses three issues of importance to Government at all levels: equal employment, labor-management relations, and the development of workforce policies by State and local governments. Because the members of the Council have expressed themselves forcefully and forthrightly on these matters, their work should serve as a useful reference point for public officials everywhere. All of us should be indebted to the Council members for their dedicated service and wisdom.

GERALD R. FORD.

THE WHITE HOUSE, *September 25, 1974.*

MESSAGES FROM THE HOUSE

At 12:02 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15404) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 1, 5, 10, 11, 18, 19, and 24 to the aforesaid bill and concurs therein; and that the House recedes from its disagreement to the amendments of the Senate numbered 28 and 33 to the aforesaid bill and concurs therein, each with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House has passed the joint resolution (H.J. Res. 1131) making further continuing appropriations for the fiscal year 1975, and for other purposes, in which it requests the concurrence of the Senate.

At 4:00 p.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 11546) to authorize the establishment of the Big Thicket National Preserve in the State of Texas, and for other purposes, with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the amendments of the Senate numbered 1 and 2 to the bill (H.R. 4861) to amend the Act of October 4, 1961, providing for the preservation and protection of certain lands known as Piscataway Park in Prince George's and Charles Counties, Md., and for other purposes; that the House agrees to the amendment of the Senate numbered 5 to the aforesaid bill with an amendment in which it requests the concurrence of the Senate; and that the House disagrees to the amendments of the Senate numbered 3 and 4 to the aforesaid bill.

The message further announced that the House agrees to the amendments of the Senate numbered 4, 5, 6, 9, 11, and 12 to the bill (H.R. 10088) to establish the Big Cypress National Preserve in the State of Florida, and for other purposes; that the House agrees to the amendments of the Senate numbered 1, 3, 7, 8, and 10 to the aforesaid bill, each with an amendment in which it requests the concurrence of the Senate; and that the House disagrees to the amendment of the Senate numbered 2 to the aforesaid bill.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has affixed his signature to the following enrolled bills:

S. 3320. An act to extend the appropriation authorization for reporting of weather modification activities; and

H.R. 16243. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J. Res. 1131) making further continuing appropriations for the fiscal year 1975, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BROCK, from the Committee on Banking, Housing and Urban Affairs, with amendments:

S. 3817. A bill to amend the National Bank Act, the Federal Deposit Insurance Act, the National Housing Act, and for other purposes (Rept. No. 93-1171).

By Mr. SPARKMAN, from the Committee on Banking, Housing and Urban Affairs, without amendment:

S. 4004. A bill to amend the Federal Home Loan Bank Act to provide for the continued duration of the Federal Savings and Loan Advisory Council (Rept. No. 93-1172). (Referred, by unanimous consent, to the Committee on Government Operations.)

Mr. METCALF. Mr. President, the Committee on Banking, Housing and Urban Affairs has ordered reported S. 4004, a bill which would except the Federal Savings and Loan Advisory Council from section 14(a) of the Federal Advisory Committee Act.

The Federal Advisory Committee Act—Public Law 92-463—is within the jurisdiction of the Committee on Government Operations. Therefore I request that S. 4004, when reported, be referred to the Committee on Government Operations.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. McGOVERN, from the Committee on Agriculture and Forestry, with amendments:

H.R. 12526. An Act to amend sections 306 and 308 of the Rural Electrification Act of 1936, as amended (Rept. No. 93-1173) (Referred, by unanimous consent, to the Committee on Banking, Housing and Urban Affairs).

Mr. McGOVERN. Mr. President, I ask unanimous consent that a bill reported by the Committee on Agriculture and Forestry, which report I now submit, be referred to the Committee on Banking, Housing and Urban Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. McCLELLAN, from the Committee on Appropriations, with amendments:

H.J. Res. 1131. A joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes (Rept. No. 93-1174).

By Mr. BURDICK, from the Committee on the Judiciary with an amendment:

S. 2752. A bill for the relief of North Central Educational Television, Inc. (Rept No. 93-1175).

By Mr. LONG, from the Committee on Finance, with amendments:

H.R. 13370. An act to suspend until June 30, 1976, the duty on catalysts of platinum and carbon used in producing caprolactam (Rept. No. 93-1176).

By Mr. FANNIN, from the Committee on Interior and Insular Affairs, with amendments:

H.R. 10337. An act to authorize the partition of the surface rights in the joint use area of the 1882 Executive Order Hopi Reservation and the surface and subsurface rights in the 1934 Navajo Reservation between the Hopi and Navajo Tribes, to provide for allotments to certain Paiute Indians, and for other purposes (Rept. No. 93-1177).

EXTENSION OF TIME FOR FILING REPORT ON H.R. 10337 TO 6 P.M. TODAY

Mr. FANNIN. Mr. President, I ask unanimous consent that the time for filing the report on H.R. 10337, relating to the Navajo Indian-Hopi land dispute, be extended to 6 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. HARTKE, from the Committee on Commerce:

Paul Rand Dixon, of Tennessee, to be a Federal Trade Commissioner,

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear before any duly constituted committee of the Senate.)

Mr. HARTKE. Mr. President, as in executive session, I report favorably from the Committee on Commerce sundry nominations in the National Oceanic and Atmospheric Administration which have previously appeared in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators .

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed at the end of the Senate proceedings of September 17, 1974.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HATHAWAY:

S. 4041. A bill to amend section 552 of title 5 of the United States Code to clarify certain exemptions from its disclosure requirements, to provide guidelines and limitations for the classification of information, and for other purposes. Referred to the Committee on Government Operations.

By Mr. METCALF:

S. 4042. A bill to authorize Federal cost sharing in promoting public safety through the elimination of hazardous open canals by converting them to closed conduits and by fencing. Referred to the Committee on Banking, Housing nad Urban Affairs.

By Mr. SPARKMAN (for himself and Mr. ALLEN):

S. 4043. A bill providing that certain State medical officers and employees are deemed to be Federal officers or employees for purposes of section 1346(b) and chapter 171 of title 28, United States Code. Referred to the Committee on the Judiciary.

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 4044. A bill to amend the Act entitled "An act to authorize the sale of certain public lands in Alaska to the Catholic Bishop of Northern Alaska for use as a mission school", approved August 8, 1953. Referred to the Committee on Interior and Insular Affairs.

By Mr. HELMS:

S. 4045. A bill to amend the act relating to the Lumbee Indians of North Carolina. Referred to the Committee on Interior and Insular Affairs.

By Mr. SCHWEIKER:

S.J. Res. 245. A joint resolution granting the consent of Congress to an amendment to the compact between the State of Ohio and the Commonwealth of Pennsylvania relating to Pymatuning Lake. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. METCALF:

S. 4042. A bill to authorize Federal cost sharing in promoting public safety through the elimination of hazardous open canals by converting them to closed conduits and by fencing. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. METCALF. Mr. President, I am today introducing a bill to provide Federal cost sharing to eliminate hazardous open canals and ditches. The need for such a program is so evident this bill hardly needs explanation. Each year gives us another round of accidental drownings in open ditches running through urban areas. The fact that most of these victims are children compounds this tragic situation. In most Montana cities, a child death by drowning in one of the many miles of uncovered canals is an event almost as regular and dependable as the annual spring rains.

This bill allows the Secretary of the Interior to provide funds to municipalities not to exceed 50 percent of the cost of closing the existing open canals. The measure would help our towns and cities protect our children from senseless and avoidable dangers.

I send the bill to the desk for appropriate reference and ask unanimous consent that its text be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the intent of Congress that the United States encourage safety to the public in urban areas by sharing in the cost of converting open canals to closed conduits and of safety fencing of large canals which are economically infeasible to enclose in conduits.

Sec. 2. (a) The Secretary of the Interior may provide funds not to exceed 50 per centum of the cost of converting existing open canals in or adjacent to urban areas to closed conduits or of providing for safety fencing of large canals in or adjacent to urban areas. Except as provided in subsection (b), the assistance provided under this Act shall be under terms and conditions satisfactory to the Secretary of the Interior.

(b) The portion of the cost of projects described in subsection (a) not provided by the United States may be provided by labor and materials, as well as by money. The costs of labor and material so provided shall be determined by their fair market value.

Sec. 3. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. STEVENS (for himself and Mr. GRAVEL):

S. 4044. A bill to amend the act entitled "An act to authorize the sale of certain public lands in Alaska to the Catholic Bishop of Northern Alaska for use as a mission school," approved August 8, 1953. Referred to the Committee on Interior and Insular Affairs.

Mr. STEVENS. Mr. President, I would like to introduce a measure today to remove a potential reverter from land now owned by the Catholic Bishop of Northern Alaska, near Cooper River, Alaska.

In 1953, 452 acres were transferred to the bishop by Private Law 152 for use as a mission school. The church was not given the land but paid above the appraised value. A mission school was built on the land and for many years this land was used for this purpose.

Now, however, things have changed: The school is closed and the church would like to sell this land which is now necessary to support the construction of the Alaska pipeline. It is time to remove this cloud on the title and return the land to productive use, both the State of Alaska and the Catholic Church in Alaska will be the beneficiaries.

Mr. President, I ask unanimous consent to have my bill printed in the Record immediately following my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 4044

Be it enacted by the Senate and House of Represenatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act to authorize the sale of certain public lands in Alaska for use as a mission school", approved August 8, 1953 (67 Stat. A53), is amended by deleting "for use as a mission school,".

By Mr. HELMS:

S. 4045. A bill to amend the act relating to the Lumbee Indians of North Carolina. Referred to the Committee on Interior and Insular Affairs.

Mr. HELMS. Mr. President, today I introduce legislation to eliminate an outdated discrepancy between the Federal law with regard to Lumbee Indians and the full recognition they have had for nearly a hundred years in the statutes of their home State of North Carolina. And it will remove the obstacles which unjustly deny to the Lumbees unhampered access to the far-reaching programs developed for all native Americans at the Federal and State levels in recent years.

Since at least 1885, the Lumbees have been recognized in the laws of North Carolina. They are referred to initially as the "Croatans" in the act of 1885, as "the Indians of Robeson County" in the subsequent act of 1911, and as "the Lumbee Indians of North Carolina" in the act of April 20, 1953. The act of 1953 describes them as "the Indians now residing in Robeson and adjoining counties of North Carolina, originally founded by the first white settlers on the Lumbee—sic—River in Robeson County . . ."

The Federal Public Law 570, of June 7, 1956, which is to be amended and modified by the proposed legislation, uses the same language as the North Carolina act of 1953 to describe and recognize the Lumbee Indians. But Public Law 570 goes on to deny to the Lumbees equal access to Indian programs of the Federal Government. That restriction in favor of, and in distinction from, so-called "Reservation Indians" belongs to a day when Federal programs were found to address the status of Indians on reservations inadequately and when the economic plight and civic inequality of the urban and rural Indian had been totally ignored.

The Eisenhower administration took the first step in giving to the Lumbee Indians, by means of Public Law 570, the first national recognition they had ever formally received in the Federal law. And that recognition was, and still remains, the intent of the Congress. But Indian programs remain restricted to Indians on reservations until recent years. During the past 5 years, programs that could give to all native Americans the full opportunities for economic enterprise, for civic equality, and meaningful cultural preservation have been established. So the erstwhile restriction in Public Law 570, which denied to the Lumbees access to the only Indian programs then available—for Indians on reservations—is now out of date and unnecessary. In fact, the very programs recently initiated for the urban and rural Indians cannot come to fruition if such self-reliant and populous groups as the Lumbees are not put into the very mainstream of the economy and of the development of their native State.

The proposed change will give nothing to the Lumbees that they have not traditionally enjoyed in the laws of North Carolina. But the proposed clarification is urgently needed to give the Lumbee Indians full access to the new national programs for urban and rural Indians and to assure the full availability of Federal matching funds for the relevant State-funded programs. Identical legislation is currently pending in the House and I commend this legislation to my colleagues in the Senate for quick adoption.

By Mr. SCHWEIKER:

S.J. Res. 245. A joint resolution granting the consent of Congress to an amendment to the compact between the State of Ohio and the Commonwealth of Pennsylvania relating to Pymatuning Lake. Referred to the Committee on the Judiciary.

PENNSYLVANIA AND OHIO PYMATUNING LAKE COMPACT

Mr. SCHWEIKER. Mr. President, I am today introducing legislation which would grant the consent of the Congress to the amendment of the joint compact between Ohio and Pennsylvania relating to Pymatuning Lake. The amendment, enacted by the General Assembly of Ohio on August 25, 1973, and the General Assembly of Pennsylvania on July 23, 1971, would permit boats equipped with a motor in excess of 10 horsepower to operate on the lake provided that the propeller is removed and left ashore.

Approval of this amendment would improve boating safety on the lake and has the support of the community and local groups. I am hopeful that the Congress will grant its consent to this change already approved by both States.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the Record at this point.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 245

Whereas by the Acts of October 28, 1937 (50 Stat. 865); July 24, 1945 (59 Stat. 502); July 31, 1961 (75 Stat. 242); and July 14, 1964 (78 Stat. 313), Congress gave consent to a certain compact between the State of Ohio and the Commonwealth of Pennsylvania, relating to Pymatuning Lake, and to three consecutive amendments thereto; and

Whereas the State of Ohio by an Act of its General Assembly approved April 25, 1973, and the Commonwealth of Pennsylvania by an Act of its General Assembly numbered 49 and approved July 23, 1971, have identically enacted a further amendment to said compact providing that boats equipped with a motor in excess of ten horsepower may be operated on said lake provided that the propeller is removed and left ashore: Be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby given to the State of Ohio and the Commonwealth of Pennsylvania to said further amendment of their compact relating to Pymatuning Lake as provided by said Act of the General Assembly of the State of Ohio, approved August 25, 1973, and said Act of the General Assembly of the Commonwealth of Pennsylvania, approved July 23, 1971.

SEC. 2. The right to alter, amend, or repeal the provisions of this joint resolution is hereby expressly reserved.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 3955

At the request of Mr. METZENBAUM, the Senator from Rhode Island (Mr. PELL) and the Senator from Florida (Mr. GURNEY) were added as cosponsors of S. 3955, the Foreign Investment Review Act of 1974.

S. 3982

At the request of Mr. WEICKER, the Senator from Ohio (Mr. METZENBAUM), the Senator from New York (Mr. BUCKLEY), the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. COOK), the Senator from Kansas (Mr. DOLE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Alaska (Mr. STEVENS), the Senator from California (Mr. TUNNEY), the Senator from Iowa (Mr. CLARK), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 3982, a bill to restrict the authority for inspections of tax returns and the disclosure of information contained therein, and for other purposes.

S. 3985

At the request of Mr. WILLIAMS, the Senator from Connecticut (Mr. WEICKER), the Senator from California (Mr. TUNNEY), the Senator from Rhode Island (Mr. PELL), and the Senator from New Jersey (Mr. CASE) were added as cosponsors of S. 3985, the Anti-Dog-Fighting Act.

S. 4019

At the request of Mr. WEICKER, the Senator from Ohio (Mr. METZENBAUM), the Senator from Kentucky (Mr. COOK), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Kansas (Mr. DOLE) were added as cosponsors of S. 4019, a bill to establish a Joint Committee on Intelligence Oversight.

SENATE RESOLUTION 410—SUBMISSION OF A RESOLUTION IN SUPORT OF EFFORTS OF PRESIDENT FORD IN SEEKING WORLD ECONOMIC STABILITY BETWEEN OIL-PRODUCING AND CONSUMER NATIONS

(Ordered to lie over until Monday, by unanimous consent.)

(Mr. METZENBAUM, for himself, Mr. AIKEN, Mr. ALLEN, Mr. BIDEN, Mr. CHILES, Mr. CHURCH, Mr. CLARK, Mr. COOK, Mr. CASE, Mr. CRANSTON, Mr. DOLE, Mr. DOMENICI, Mr. EAGLETON, Mr. FANNIN, Mr. GURNEY, Mr. HART, Mr. BIBLE, Mr. HARTKE, Mr. HATFIELD, Mr. HATHAWAY, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. INOUYE, Mr. JACKSON, Mr. JAVITS, Mr. JOHNSTON, Mr. MAGNUSON, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MONDALE, Mr. MONTOYA, Mr. MOSS, Mr. MUSKIE, Mr. NELSON, Mr. NUNN, Mr. PACKWOOD, Mr. PASTORE, Mr. PERCY, Mr. PROXMIRE, Mr. RIBICOFF, Mr. ROTH, Mr. SCHWEIKER, Mr. SPARKMAN, Mr. STAFFORD, Mr. STEVENS, Mr. TAFT, Mr. TALMADGE, Mr. THURMOND, Mr. RANDOLPH, Mr. TUNNEY, Mr. WEICKER, Mr. WILLIAMS, Mr. YOUNG, Mr. HUGH SCOTT, Mr. GOLDWATER, Mr. MCCLELLAN, Mr. MANSFIELD, and Mr. BARTLETT) submitted the above-mentioned resolution.

(The remarks of Mr. METZENBAUM and other Senators on the submission of the resolution appear earlier in the RECORD.)

SENATE RESOLUTION 411—SUBMISSION OF A RESOLUTION CONCERNING FAIR TREATMENT OF U.S.-FLAG INTERNATIONAL AIR TRANSPORT CARRIERS

(Referred to the Committee on Commerce.)

Mr. INOUYE (for himself, Mr. MAGNUSON, Mr. CANNON, and Mr. PASTORE) submitted the following resolution:

S. RES. 411

Resolved,

Whereas, the United States flag international air transport system contributes to the national security and the balance of payments of the United States; and

Whereas, a large part of the United States flag international air transport system built up over many years of pioneering effort is in a critical financial condition; and

Whereas, the failure of any major United States flag carrier in the United States flag international air transport system would result in a substantial increase in unemployment, a reduction in tax payments, a reduction in demand for goods and services, a decrease in our national security capacity, and an increase in our balance of payment deficit; and

Whereas, the Civil Aeronautics Board and the Executive agencies have within their discretion the authority to strengthen the competitive position of United States flag international air carriers: Now, therefore, be it

Resolved, That it is the sense of the Senate that (1) the Civil Aeronautics Board shall immediately take steps to eliminate discrimination in mail compensation in favor of foreign flag carriers and to assure fair and reasonable compensation for the transportation of passengers and freight; and that (2) the Civil Aeronautics Board and the responsible executive agencies shall cooperate with the United States flag international air carriers to improve their route structure and shall take steps to eliminate any discrimination against the United States carriers being practiced by foreign governments or authorities.

AMENDMENTS SUBMITTED FOR PRINTING

FOREIGN ASSISTANCE ACT OF 1974—S. 3394

AMENDMENT NO. 1927

(Ordered to be printed and to lie on the table.)

Mr. MCGOVERN submitted an amendment intended to be proposed by him to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

AMENDMENT NO. 1928

(Ordered to be printed and to lie on the table.)

Mr. JOHNSTON. Mr. President, I submit an amendment to the foreign aid bill, S. 3394, which will soon come before the Senate for consideration.

The Government of Puerto Rico has expressed an interest in joining the Caribbean Development Bank in order to contribute toward regional development and to play a greater role in Caribbean regional affairs.

Puerto Rico would contribute capital and participate with the other members in the management of the Bank; it would not be eligible to receive funds provided to the Bank by the United States.

The Federal Government would assume no financial or other responsibility with regard to Puerto Rico's obligations or membership in the Bank.

The proposal has been examined closely by the U.S. Department of State and it has concluded that Puerto Rican accession to the Bank would be feasible with appropriate approval by the Department of State.

Following consultations between the Department of State and the Congress, it was determined that legislative authorization for this action would be appropriate.

The question of membership by Puerto Rico in the Caribbean Development Bank is unique in several respects:

First. The charter of the Bank specifically provides for membership by political entities that are not fully independent and, in fact, many of the members—primarily British possessions—are entities that are not fully independent;

Second. The U.S. Government, although eligible for membership in its own right, is not a member of the Bank and does not intend to become a member;

Third. The Caribbean Development Bank is a regional economic—rather than political—organization which operates only in the geographical area where Puerto Rico is located; and

Fourth. Puerto Rico, because of Operation Bootstrap and other economic successes, is highly qualified to provide through an organization such as the Bank much-needed technical advice and assistance to neighboring countries and territories.

Because of the uniqueness of this question, this bill provides no precedent for the larger question of the Puerto Rican government's interest in greater participation in foreign affairs. That issue is being addressed by the Ad Hoc Advisory Group on Puerto Rico.

AMENDMENT NO. 1929

(Ordered to be printed and to lie on the table.)

Mr. NELSON. Mr. President, last year, the U.S. Senate adopted an amendment to S. 1443, the Foreign Military Sales and Assistance Act, which would have required the President to submit to a congressional veto all plans to sell $25 million of U.S. Military goods and services to a foreign nation. The amendment would have also required this procedure whenever a foreign nation bought over $50 million of U.S. military goods in one year. The amendment, as well as a majority of that Senate passed bill's provisions, was deleted in the Senate-House conference on foreign assistance legislation.

Today I am introducing an amendment which is essentially the same as last year's amendment. The circumstances which warranted its consideration and Senate passage last year have grown even more serious in the interval.

When I offered this amendment last June 25, 1973, I said that "it is difficult these days to open the newspaper without coming across unexpected reports of another U.S. multimillion-dollar arms deal with another small nation somewhere."

Ironically this year, not only have the sums, which were already vast, grown astronomically but the newspaper accounts now relate State Department and Defense Department internal criticism of the policy of pushing arms sales overseas. Our foreign policy experts have come to question the wisdom of some of these massive deals. Had this amendment become public law, Congress and the public would have had a role in reviewing the highly significant foreign policy implications of these sales before the sales were finalized and before the potential damage had been precipitated.

Clearly foreign military sales has become a major instrument of U.S. foreign policy. The executive branch of this Nation involves the United States in military situations throughout the world without congressional and public debate, discussion, or deliberation.

The bare statistics and figures for the FMS—foreign military sales—program tell much of the story. A DOD chart indicates that the United States has sold over $20 billion worth of military goods in the years between 1950 and 1973.

Mr. President, I ask unanimous consent to have the DOD chart entered in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. NELSON. Last year when I offered this amendment, available data showed that the FMS program was estimated to rise from $3.5 billion in 1972 to $3.8 billion in 1973. Fiscal year 1974 sales had been estimated to be in the neighborhood of $4.6 billion.

The latest figures now available, however, reveal that the forecasts of all the experts in and out of the Government were frightfully off. The United States in fiscal year 1974, in fact, sold $5.9 billion in arms—a huge increase over the previous fiscal year and much more than had been anticipated. When credit sales and guarantees are added, in the FMS program in fact totals a phenomenal $8.5 billion. This is practically double the arms sales for the previous year and almost $2 billion more than all the arms sold or given away by all nations 3 years ago. In 4 short years, the program has grown sixfold. Clearly we are in need of a review process to keep up with the galloping growth of this program. Congress must have the necessary information and oversight authority on proposed foreign military sales to exercise its responsibility in this crucial area. Legislation which the Senate perceived a need for last year is even more crucial this year.

Foreign military sales constitute major foreign policy decisions involving the United States in military activities without sufficient deliberation. This has gotten us into trouble in the past and could easily do so again.

Despite the serious policy issues raised by this tremendous increase in Government arms sales, these transactions are made with little regard for congressional or public opinion. The Department of Defense is consulted. The manufacturers of weapons and the providers of military services are consulted. The foreign purchasers are involved. But Congress is hardly informed of these transactions, much less consulted as to their propriety. As it stands now, the executive branch of the Government simply presents Congress and the public with the accomplished facts.

The lack of required reporting to Congress, coupled with the traditional secrecy surrounding international arms transactions, frequently results in Congress learning about arms sales only as a result of the diligent efforts of the press. Thus, ironically, the American public learned of the 1973 sales to Persian Gulf countries only after the American media picked up an Agence France-Presse report and pressed the State Department spokesman to officially confirm the fact that we had an agreement in principle to sell Phantoms to Saudi Arabia and that we were negotiating a giant deal for arms to Kuwait.

So, too, the American public learned about negotiations for the sale of jets to Brazil last year from a report originating in Brazil. And this summer the Washington Post correspondent in Quito, Equador—not Capitol Hill, Washington—reported U.S. intentions to resume military sales to Equador after a 3-year ban. Equador, which has been involved in the so-called Tuna War with the United States, resulting in seizure of U.S. tuna boats and expulsion of U.S. military mission to Quito, reportedly has a long shopping list including 12 T–33 trainer jets, basic infantry equipment, and large quantities of engineering equipment.

Mr. President, I ask unanimous consent to have the Washington Post report entered in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. NELSON. Congressional reliance on the press for hard data on U.S. Government arms sales abroad, however, is not the most serious deficiency in the decisionmaking system governing such sales. At this time there is no formal procedure by which Congress can participate in determining the merits of these arms deals before they are finalized. Nor is there any way for Congress to exert effective oversight authority and monitor the impact of these deals after they are negotiated.

When this amendment was first introduced, I pointed out the press reports of burgeoning U.S. arms sales to the Persian Gulf nations, including Saudi Arabia, Kuwait, and Iran, and to Latin America. Apparently those sales were only the tip of the iceberg.

PERSIAN GULF

An article in the Christian Science Monitor based on interviews with officials of the State and Defense Departments estimated that the size of arms sales to Persian Gulf countries in fiscal year 1975 alone could total $4 to $5 billion. These prospective sales deserve particular attention in the light of heavy U.S. sales in the past 2 years.

IRAN

In fiscal year 1973 Iran contracted to buy $2 billion worth of U.S. military equipment. In the past year, according to the Wall Street Journal the Shah's "purchases totaled a staggering $3.5 billion, several times the amount of 2 years before." And the New York Times on September 19 reports a possible $10 billion sale of communications equipment, including satellites.

Wall Street Journal Staff Reporter Richard J. Levine stated in an August 29, 1974, dispatch that:

> Defense Department officials have allowed and even encouraged (the Shah) to purchase some of the most sophisticated weapons in U.S. arsenals, including Grumman's swing-wing F14 fighter (the Navy's newest warplane), McDonnell Douglas' F4 fighter, Lockheed's C130 transport and Hughes Aircraft's TOW antitank missile. In the case of Bell's AH1J attack helicopter, the Shah is getting a whirlybird more advanced than any used by the American Army. His future purchases are likely to include Litton's DD963 destroyer and a lightweight fighter still under development.

More significantly, the usually reliable and generally unhysterical Wall Street Journal reports that:

> It is increasingly uncertain whether U.S. policy has promoted stability and U.S. access to Mideast oil, or, rather, has fueled a Persian Gulf arms race that is heightening regional tensions and spurring the oil-producing states to raise oil prices to pay for expensive weapons.

It reveals that some experts in Government consider our policy "at least self-defeating and at most highly dangerous." One top State Department official worried publicly that weapons sales to Iran have "achieved a magnitude people did not anticipate without benefit of consideration of the long-term consequences."

Mr. President, I ask unanimous consent to have the Christian Science Monitor, Wall Street Journal, and January 18, 1974, New York Times articles entered in the RECORD at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 3, 4, and 5.)

Mr. NELSON. Selling to Iran means more than just a fast buck for U.S. defense contractors or a shot in the arm for U.S. trade balance. It means we are deeply involving U.S. policy in the military future of Iran, a nation for which under a 1959 agreement, the United States is committed to "take such appropriate action, including the use of armed forces, as may be mutually agreed upon." We are pouring rivers of sophisticated arms into a nation whose dubious military adventures include the recent occupation of three small strategically located islands at the entrance to the Persian Gulf, which the Arabs in the area also claim.

THE ARAB NATIONS IN THE PERSIAN GULF

Moreover, in an incredible policy which attempts to be evenhanded in the Mideast but which boggles the mind for its shortsightedness, the same policymakers in our Government who approve sales to Iran are also pushing sales to the Arab powers in the Persian Gulf region—Saudi Arabia and Kuwait—and fueling an arms race.

SAUDI ARABIA

Saudi Arabia, which last year ordered a total of between 150 to 200 F–5 fighters, signed a $355 million agreement in April for the modernization of the Saudi National Guard. The agreement includes the purchase of American armored vehicles, antitank weapons, and artillery batteries. In the year ending June 30, Saudi purchases totaled a little over half a billion dollars.

Recently, two high-ranking military experts visited Saudi Arabia in a move that the New York Times says illustrates growing U.S. military involvement which stops just short of a mutual defense pact, which would oblige the United States to resist a foreign attack on the country.

In the words of one U.S. military official:

> I do not know of anything that is nonnuclear that we would not give the Saudis.

On September 11, 1974, New York Times listed examples of these massive sales:

Raytheon Corp.—Hawk missiles, a $265 million purchase program for advanced Hawk ground-to-air missile batteries for the Saudi air defense system. and the stationing of 450 Raytheon technicians to service the missiles.

The Northrup Corp.—F–5E jet fighters, pilot training and development of personnel and facilities.

Lockheed Corp.—C–130 cargo plans with pilot training and ground personnel.

Bendix—track and armored vehicles for the Saudi Army.

The United States has entered into a $250 million arms and training contract with the National Guard, the Saudi internal security force.

The United States maintains a training mission for the Saudi Army, Air Force and Navy.

The Corps of Engineers has supervised the construction of the two big army bases at Tofuk, near the northwest border with Jordan, and at Khamis Mushait, in the south near Yemen and Southern Yemen.

The United States is also involved in a 10-year program to improve the Saudi Navy by selling patrol craft and building bases.

These deals, reports a September 19, 1974, New York Times article, are arranged by means of newly established joint commissions with Iran and Saudi Arabia. Secretary of State Kissinger regards these arrangements as "less than a formal alliance and more than bilateral talks," thus "sidestep(ing) congressional concerns about treaty commitments and mak(ing) it possible to give permanence to negotiations."

The magnitude of the sales and the means by which they are instrumented should, it seems to me, be a source of alarm to every single Member of Congress. Unless Congress acts soon, its will shall continue to erode as the administration continues to concoct hybrids such as joint commissions. The amendment which I am offering today is an appropriate form of congressional oversight. Congress failure to act now would serve as a sign of further abdication of power to the executive branch.

KUWAIT

Saudi Arabia is not the only Arab country in the Persian Gulf taking part in this massive arms race fueled by products made in the United States. Kuwait, according to a September 18 Washington Post dispatch from Beirut, is about to sign a contract worth $450 million for American arms and equipment including advanced design Hawk surface-to-air missiles. It will shortly open final negotiations for American fighter bombers. The article states:

> The Kuwaiti purchases and large-scale buying of aircraft by Saudi Arabia form part of a heated arms-buying campaign that is turning the Persian Gulf into a gigantic armory. . . . Strong reaction from Israel and its supporters in Washington can be expected if the Arab desires (for more sophisticated fighters with greater range and firepower) are met.

Moreover, the Post reports:

> There are American hints that a large arms package deal would imply a strengthening of American-Kuwaiti defense ties and a willingness to offer large aircraft.

The Post article reports:

> American planes under discussion are the McDonnell-Douglas Phantom F–4, one of the mainstays of the Israeli air force, and the more recent longer-range Ling - Temco-Vought A–7 Corsair. . . . The Corsair a U.S. Navy light attack bomber, is capable of reaching the borders of Israel from Kuwait.
>
> Kuwait has reportedly opted for a defense plan that will have its air force scattered at four or five locations in Kuwait and in neighboring Arab states.

This indicates to me, at least, that a massive sale to Kuwait will not only imply strengthening ties between the United States and Kuwait. It may also have the direct effect of arming other Arab nations more directly involved in the Arab-Israel conflict.

Mr. President, I ask unanimous consent to have the September 11, 1974, and September 19 New York Times articles and the September 18 Washington Post article entered in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 6, 7, and 8.)

Mr. NELSON. Both the regional and East-West implications of these large weapons sales is beginning to worry some Government officials and recognized experts in the field. Former Secretary of Defense Melvin Laird has publicly echoed this concern in the introduction to an American Enterprise Institute study titled "Arms in the Persian Gulf." Mr. Laird suggests that while providing armaments to third world countries might be a positive short-term measure, it should be accompanied by diplomatic activity so that weapons sales do not become a standard long-term U.S. policy. He also raises important questions about the implications of such sales for future peace and accommodation in the region.

In another forum, Laird recently stated in a Forbes magazine interview:

> To me the most important agreement that can be worked out in the next four or five years is to involve the Soviet Union, the United States, and all other arms-producing countries to limit the sale and delivery of conventional military equipment into the Middle East, Southeast Asia, Latin America, and Africa.

These are serious issues—issues that deserve to be debated by both the Congress and the executive branch. Without this amendment introduced today, Congress will be totally ill-equipped to debate them. It will not have adequate information. Nor will it have the necessary formal procedure to make its voice heard.

Similar questions concerning sales in the Persian Gulf might well be raised about recent and potential sales of jet aircraft to Latin American countries. In 1973 the administration authorized sales of F–5E international fighters to Argentina, Brazil, Chile, Colombia, and Venezuela, ending in one sweep a 3-year ban on the sale of sophisticated military equipment to underdeveloped countries. As of December 1973, Brazil had ordered 42 aircraft. Potential orders from Chile, Peru, and Venezuela could total 90 aircraft. At a cost of $2.5 million per plane, jet aircraft sales to Latin America could amount to $300 to $400 million over the next few years. And, as previously noted, the United States plans to sell arms to Ecuador as a result of the truce in the 3-year tuna war with the United States.

Perhaps these transactions—in the Persian Gulf, in Latin America, anywhere—have merit. Perhaps they do not. Without debating the merits of these sales, it seems to me that they represent such a qualitative change in our involvement in the Persian Gulf area and such a significant turn in our Latin American relations, that Congress must be afforded the opportunity to deliberate on these matters as well as on all other significant sales agreements entered into by the U.S. Government.

INADEQUACY OF PRESENT REPORTING REQUIREMENTS

This proposal fills a vacuum in information available to the Congress. There is no statutory requirement to insure that Congress receives up-to-date information on U.S. Government foreign military sales. The various required reports either provide information on last year's sales or provide detailed information on only a small part of total American arms sales abroad. Thus, the report required by 657(a)(1) of the Foreign Assistance Act lists only the total amount of U.S. Government sales by country for the past fiscal year. The report contains information on the dollar value of U.S. Government arms grants and sales to each foreign country. It provides no specific information on the type or quantity of weapons ordered. More importantly the report, which covers the preceding fiscal year, is issued 6 to 9 months after the end of that fiscal year. Thus the commitment to transfer weapons could have been made up to 18 months before the release of the report.

Since government-to-government arms sales do not require an export license, the portion of the section 657 report titled "Export of Arms, Ammunition, and Implements of War," provides past fiscal year data only on commercial sales which are approximately one-eighth of total American arms sales abroad. Moreover the information, when it is reported, deals with arms deliveries during the preceding fiscal year. And it is released up to 18 months after the delivery of equipment identified in the report.

The 657(a)(4) report on "Exports of Significant Defense Articles on the U.S. Munitions List" was formerly required by section 36 of the Foreign Military Sales Act. That requirement was made a part of the section 657 report in 1973. To date no reports have been issued pursuant to section 657(a)(4). Although the report will cover all categories of arms transfers, by definition it will not provide information on all weapons transfers *abroad. Again,* the report will probably be released approximately 9 months after the end of the fiscal year and contain data on exports made up to 18 months previously. Similarly, the more current reports on munition lists exports totaling more than $100,000, required under another commercial sales reporting provision sponsored last year by Senator HATHAWAY, contain no data on the majority of U.S. arms sales—the government-to-government sales in which the U.S. acts as an intermediary between an American munitions firm and a foreign country.

Section 35(b) of the Foreign Military Sales Act calls for semi-annual reports on a country-by-country basis of "forecasts of sales and of guarantee and credit applications and anticipated guaranty and credit extensions to economically less-developed countries for the current fiscal year." However, since the approval of the Foreign Military Sales Act in October 1968, the House Foreign Affairs Committee Calendar lists only three reports submitted pursuant to the section 35(b) requirement; approximately 12 reports should have been received to date. And as the report title describes, the reports only contain data on sales to less-developed countries—thus leaving out highly relevant information concerning sales made elsewhere. The three reports thus far filed were issued in April, January, and February respectively. The annual presentation document which the Defense Department claims contains data submitted in lieu of a second semi-annual report, is also transmitted to the Congress sometime during March or April. In effect, therefore, Congress is receiving what are supposed to be two different reports at approximately the same time.

As for the presentation material, a detailed justification of the administration's military aid program, it contains an estimate on a country-by-country basis of the dollar value of cash, credit, and guaranty weapons sales. In recent years, however, actual sales have far exceeded the original DOD estimates. An example which bears repeating is the original DOD estimate for cash sales in fiscal year 1974—$3.678. Actual cash sales during fiscal year 1974 on the other hand totaled $5.9 billion.

In summary, two facts should be kept in mind about the information currently submitted to Congress. First, a great deal of the information is on arms transfers that have already taken place. Second, none of these reports contains procedures by which Congress may reject arms sales which it does not feel are in the national interest.

The purpose of this amendment is to give Congress the opportunity to consider—and if necessary—reject foreign military sales according to prescribed conditions.

ADMINISTERING THE AMENDMENT

The enactment of this provision should place no significant administrative burden on the executive branch. Neither Congress nor the executive branch will be inundated in paperwork as a result of the adoption of this amendment. The total number of statements that would have been submitted for congressional consideration in fiscal year 1973 had the Nelson amendment been in effect is approximately 30.

Nor should the 30-day congressional review period prior to consummation of sale provide any serious interference with normal procedures. Under normal circumstances the negotiation of a sales agreement can take months and the delivery period for such purchases may extend over a period of several years. Moreover, once an offer of sale is accepted by a foreign country there is a second period of negotiations on a production contract. Only then, is a final price agreed to.

The negotiation of a production contract pursuant to the offer and acceptance takes anywhere from 3 weeks to 9 months. This time lag is in addition to the time lag of from 90 to 120 days which a foreign country is given to accept or reject a letter of offer.

When the acceptance involves material ordered from U.S. defense stocks, there is also bound to be a bureaucratic time lag before the implementation of the acceptance.

The contract—form 1513 of the DOD—allows for delays, changes in conditions, or even cancellation by both the seller and purchaser. Thus the fact that the acceptance is considered legally binding on both parties does not prevent either the United States or the foreign government from canceling the agreement. Section A(6) of the explanatory "Conditions" accompanying the letter of offer—form 1513—specifically reserves the right of the U.S. Government to cancel the order "under unusual and compelling circumstances when the best interests of the United States require it." Similarly, a foreign government may at any time terminate the acceptance. If the order is canceled before the final negotiation of a production contract—which can take from 3 weeks to 9 months after the signing of the acceptance—it does so at no cost to itself.

Mr. President, I ask unanimous consent to have DOD form 1513 for letters of offer and acceptance entered in the RECORD at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 9.)

Mr. NELSON. Moreover, a purchasing country's decision to buy U.S.-produced military equipment is made primarily on the basis of the high technical quality of American weapons and only secondarily on the basis of the price and delivery schedules. Iran, for example, negotiated the purchase of F–14's for more than a year and reportedly paid more than double the price that the U.S. Navy paid for the same plane. Their delivery is not expected to be completed before 1977. A 30-day congressional review period, therefore, would not cause any significant delay nor lose the sale.

EMERGENCY WAIVER

In an emergency situation, the amendment provides a special waiver to cover circumstances such as occurred during the October conflict in the Middle East.

The Defense Department has argued that the Nelson amendment would have hampered the U.S. effort to bring about a cease-fire during the 1973 Middle East war. This argument is hypothetical at best and indicates a misunderstanding of the purposes of the amendment. Moreover, the Nelson amendment would not preclude the President from submitting special legislation to permit the continuance of sales. And in fact, shortly after the outbreak of hostilities, the President did request special emergency assistance for Israel. Nor would the Nelson amendment have prevented the Congress from acting expeditiously to approve sales during an emergency. The Defense Department argument that the Congress would do nothing, thus blocking further sales, is not supported by recent congressional response to Israel's vital needs.

There are an increasing number of precedents for the legislative approach employed in the amendment—congressional veto of proposed actions by the executive branch. Some of them are:

War Power Act—Public Law 93–148—concurrent resolution can terminate of U.S. Forces to hostilities abroad;

Rail Reorganization Act—Public Law 93–236—final reorganization plan for Nation's railroads will be accepted unless either House or Senate passes a resolution rejecting it;

Budget and Impoundment Control Act—Public Law 93–344—either House of Congress can disapprove Presidential proposal to defer expenditure of funds; both Houses must approve any proposed rescission of appropriate funds within 45 days; and

District of Columbia Self Government Act—Public Law 93–198—either House of Congress can disapprove acts of the D.C. City Council within 30 days.

Mr. President, I request that a study on the constitutionality of the legislative veto, embodied in the original Nelson amendment, prepared at my request by the Congressional Research Service, be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 10.)

Mr. NELSON. That study finds that—

> The proposed amendment is constitutional. It closely parallels the analogous provisions of the Executive Reorganization Act, the constitutionality of which has not been challenged by the Executive Branch. Moreover, the amendment would serve a useful function in assuring that the Congressional policy origination power is not abdicated to the Executive Branch.

If a one-House veto is constitutional, then a concurrent resolution or two-House veto should be subject to even less question.

To sum up, this provision would require that the President report to Congress whenever he intends to finalize an agreement to sell or extend credits or guarantees for the sale of U.S. military goods and services for $25 million. The amendment further requires a report whenever sales, credits, or guarantees extended to one country in 1 year amount to $50 million. If, after Congress has examined these sales plans for 30 days and both Houses of Congress have not voted disapproval in the form of a concurrent resolution, the President's sales plans may be finalized.

THE REVISED AMENDMENT

The provision has been slightly revised from last year's amendment to meet some procedural and administrative difficulties which the Department of Defense found with the amendment. And the amendment which I am asking the Senate to vote on today also has been revised to meet the legitimate procedural problems which the Foreign Relations Committee perceived at the time it considered the amendment in executive session.

The revisions will:

Cut down on the number of statements which must be submitted to Congress.

Grant the President a waiver on any single report whenever the President certifies to Congress that there was an emergency affecting the interest of the United States.

Clarifies a semantic issue which troubled the Department of Defense. The term "proposed sale" has been changed in this amendment to the term "agreement or contract to sell," thus making it clear that Congress shall receive statements on U.S. offers to sell that have been accepted by foreign governments.

Employs a concurrent resolution instead of a one House veto.

In closing, let me reemphasize the importance of these foreign military sales by citing a Washington Post article by Andrew Hamilton, a former National Security Council assistant to Henry Kissinger, who discussed five major aspects of the burgeoning arms sales program of the United States:

First. Much of the new wealth of developing nations is paying for nonproductive military equipment at inflated prices at a time when more than a billion people face starvation because of inadequate food supply and distribution;

Second. The sales have created new regional arms races, thus boosting demand for more arms and contributing to the risks of war—and of great power confrontation—in unstable areas like the Persian Gulf;

Third. For the first time, the United States is selling its most advanced, most expensive, and most highly classified conventional weaponry and electronics technology;

Fourth. The danger exists that the buyers, to pay for U.S. and other modern weapons, will be tempted to further increase raw material prices, which in the long run could wipe out any advantage from arms sales and intensify worldwide inflation; and

Fifth. Despite the diplomatic and economic risks involved, the key decisions behind the new rise in U.S. arms exports were made by President Nixon without consulting or even informing Congress.

Mr. President, I ask unanimous consent to have the Washington Post article entered in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 11.)

Mr. NELSON. The Defense Appropriations Subcommittee has also expressed its concern about burgeoning U.S. arms sales. Incorporated in its report passed by the Senate is language closely paralleling my amendment which requires prior notice to the Defense Subcommittee of certain future cash sales of military equipment to foreign governments. The distinguished chairman of the committee and I had a colloquy on this subject in which he stated that "the committee does not in any way mean to preclude his (Mr. Nelson's) amendment to the Foreign Military Sales Act."

Mr. President, I ask unanimous consent to have entered in the Record the Defense Appropriations Committee report and the colloquy between the distinguished Senator from Arkansas (Mr. McClellan) and myself.

There being no objection, the material was ordered to be printed in the Record, as follows:

Department of Defense Appropriation Bill, 1975

(Report, August 16, 1974)

SALES OF MILITARY EQUIPMENT TO FOREIGN GOVERNMENTS

This Committee views with concern the dramatic increase in cash sales of U.S. military equipment to foreign governments. Actual cash sales of $5.9 billion during fiscal year 1974 far exceeded the original DOD estimate of $3.9 billion. Cash sales over the past decade have totaled $19.1 billion—of which $9.5 billion was negotiated during the past two years.

The political and economic impact of foreign military sales on the United States and recipient foreign countries is immeasurable. Of more direct interest to this Committee, however, is the real and potential impact that the sale of military equipment has on the security interests and objectives of this Nation and on defense expenditures.

The recent sale of 80 F–14 fighter aircraft to Iran could considerably reduce combat capability of the U.S. Armed Forces. These aircraft, the most sophisticated fighter aircraft available, will be delivered to Iran prior to the planned U.S. Navy F–14 force being fully equipped.

Of equal concern is the impact on U.S. military forces of supplying foreign nations with military equipment withdrawn from Department of Defense inventories and operational forces and the additive cost of replacing the equipment. These withdrawals may compromise the readiness of U.S. armed forces to meet national security demands. The incremental cost of replacement often requires additional funding. A prime example is the $133 million included in the FY 1974 Defense Supplemental Appropriations Act to provide the additive funds required to replace equipment provided to Israel during the October 1973 Middle East conflict.

The Committee is particularly concerned that long term security interests of the United States might be jeopardized by large cash sales of sophisticated weapons systems in areas of potential conflict. Recent arms sales to the Middle East, Greece, and Turkey have created severe political, military, and economic repercussions on both the United States and the international community. These conflicts weaken detente, threaten super-power confrontation, and have profound economic consequences.

The demonstrated and potential impact of cash weapons sales on DOD appropriated funds as well as on long term U.S. security interests places a special obligation on this Committee to exercise careful oversight of developments in this area. At present, Congress has little meaningful statutory control over cash sales which are the largest category of foreign military sales. Therefore, the Committee will require prior notification of future cash sales of military equipment to foreign governments which exceed $25,000,000; provide for the introduction of new weapon systems to the inventory of foreign armed forces; or when cumulative military cash sales to any foreign government exceed $50,000,000 in any fiscal year.

[From the Congressional Record, Aug. 21, 1974]

Mr. Nelson. Mr. President, I would like to ask the distinguished chairman of the Defense Appropriations Subcommittee, Mr. McClellan, a question concerning the report language dealing with military sales to foreign countries, which appears on pages 15 and 16 of the defense appropriations bill report.

The report language emphasizes the "political and economic impact of foreign military sales of the United States and recipient foreign countries." The committee expressed particular concern "that long-term security interests of the United States might be jeopardized by large cash sales of sophisticated weapons systems in areas of potential conflict." The report continued:

> Recent arms sales to the Middle East, Greece, and Turkey have created severe political, military, and economic repercussions on both the United States and the international community. These conflicts, weaken detente, threaten superpower confrontation, and have profound economic consequences.

Most importantly, the Defense Appropriations Committee concluded that—

> At present, Congress has little meaningful statutory control over cash sales which are the largest category of foreign military sales.
>
> The committee henceforth will require:
>
> Prior notification of future cash sales of military equipment to foreign governments which exceed $25 million; provide for the introduction of new weapon systems to the inventory of foreign armed forces; or when cumulative military cash sales to any foreign government exceed $50 million in any fiscal year.

Mr. President, as you know significant portions of this reporting procedure parallels language of my amendment to the Foreign Military Sales Act which passed the Senate last year, but which was removed in conference along with the majority of the Senate provisions.

While I commend the distinguished chairman for recognizing the potential consequences of these massive sales of arms and for establishing this mechanism whereby the Department of Defense will report to the Senate Defense Appropriations Committee, I still believe that significant features of the Nelson amendment still should be put into law. I intend to reoffer my amendment, but I believe that the appropriate legislation to amend is the Foreign Assistance Act, which will be debated after the Labor Day recess, and not the defense appropriations bill.

Mr. McClellan. I want to thank the distinguished Senator from the State of Wisconsin (Mr. Nelson) for his kind words.

The language in the report requiring the Defense Department to give prior notice of certain future cash sales of military equipment to foreign governments merely evidences our concern over the impact of these transactions. The committee felt that it would be desirable to have this information on hand as another factor in making determinations about production and procurement of military weapons. It is certainly not our intention to preempt this field.

I commend the distinguished Senator from Wisconsin for his efforts in this area and want to assure him that the committee does not in any way mean to preclude his amendment to the Foreign Military Sales Act.

Mr. NELSON. Mr. President, I ask unanimous consent that certain Knight newspaper syndicated articles by James McCartney, on the global conventional arms race be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 12.)

Mr. NELSON. Mr. President, in closing, let me repeat my firm belief that this Government—including both Congress and the executive branch—has the responsibility to its own citizens and to the international community to give very careful consideration to weapons sales of such magnitude. This amendment would provide both the essential information and the necessary procedure for congressional review.

Mr. President, I ask unanimous consent to have the following Senators added as cosponsors of my amendment of the Foreign Assistance Act: the Senator from South Dakota (Mr. ABOUREZK), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Iowa (Mr. CLARK), the Senator from California (Mr. CRANSTON), and the Senator from Maryland (Mr. MATHIAS).

The PRESIDING OFFICER. Without objection, it is so ordered.

EXHIBIT 1

FOREIGN MILITARY SALES ORDERS

[Value in thousands of dollars]

	Fiscal years—											
	1950–63	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1950–73
Worldwide	3,738,726	1,401,218	1,261,585	1,579,172	980,031	1,177,109	1,348,377	926,343	1,599,979	3,282,431	3,619,368	20,914,340
Argentina	47,525	1,524	1,276	7,295	6,534	14,871	4,013	11,406	14,374	16,795	14,032	139,647
Australia	144,208	134,816	326,155	47,521	114,168	32,879	35,768	61,357	44,361	117,222	18,515	1,076,969
Austria	32,838	2,804	6,212	2,167	2,181	6,041	1,180	1,770	2,189	2,359	2,450	62,192
Belgium	72,106	6,658	7,709	6,310	15,412	2,236	9,739	4,458	4,845	5,080	5,660	140,212
Bolivia	736	5	28	132	5	17	3		45	15	19	1,005
Brazil	19,217	60	23,625	223	31,384	4,265	11,493	2,584	21,489	34,567	12,386	166,293
Burma	1,474	31	53	91	113	100	46	7	84	281	167	2,448
Canada	592,635	59,330	41,070	71,264	21,822	18,377	16,183	53,500	29,683	38,429	83,793	1,026,686
Chile	12,742	3,524	2,181	1,058	2,560	4,134	1,697	7,738	3,016	6,075	14,896	59,621
China	1,491	625	1,095	5,008	14,662	42,996	37,174	33,638	61,143	81,073	96,109	375,014
Colombia	9,986	195	150	496	98	56	144	176	2,179	5,514	1,331	20,324
Costa Rica	761	141		(1)						34		935
Cuba	4,510											4,510
Denmark	29,448	1,627	8,206	7,330	9,098	9,080	10,378	6,937	15,570	16,276	7,657	121,607
Dominican Republic	1,434	60	115	266	1	(1)			31	16	80	2,003
Ecuador	2,619	34		119	114	1,476	14	20	315	4		4,716
Egypt	355	1	2	(1)								358
El Salvador	874	3	18	35	15	514	6		11	(1)	70	1,546
Ethiopia	663		(1)	30	12	4	7	6		12		734
Finland			(1)	1	1	1	(1)		1	59		63
France	254,590	27,002	11,130	8,911	6,472	7,495	6,289	3,487	6,085	7,826	7,951	347,237
Germany	1,680,792	591,903	313,967	167,589	191,779	163,998	601,236	253,990	186,997	958,024	200,535	5,310,810
Ghana			1	(*)			2	61	(1)			64
Greece	1,104	175	709	472	8,089	15,366	11,283	29,302	25,416	193,406	52,669	337,992
Guatemala	719	261	444	546	101	329	153	464	8,779	2,511	3,727	18,035
Haiti	224											224
Honduras	1,008	2	13	4	6	59				27	418	1,536
Iceland	(1)	14							(1)	436	47	498
India	52,266	12	1,874	389	1,988	1,576	167	2,095	856	1,515	(1)	62,738
Indochina	8,542											8,542
Indonesia	622			1	1	24		(1)	18	(1)	148	815
Iran	1,261	24	68,876	124,080	147,916	69,279	255,960	112,664	433,108	521,700	2,054,311	3,789,180
Iraq	665	1,254	10,783	87	361		(1)					13,152
Ireland	(1)	(1)				(1)	1	(1)	11	248	197	458
Israel	6,789	332	60,009	72,134	9,425	430,822	71,850	45,287	313,480	435,525	183,499	1,629,151
Italy	131,658	62,540	41,563	38,418	21,463	101,761	38,259	37,403	27,245	78,205	89,984	668,500
Jamaica	(1)		1	1	3	3	(1)	8	9	3	7	34
Japan	73,549	45,618	15,977	16,742	10,282	20,277	52,294	21,291	11,639	46,593	50,856	365,118
Jordan	828	1,408	41,100	1,627	30,597	33,485	13,421	30,655	20,109	18,637	14,740	206,607
Kenya							(1)					(1)
Korea	286				9	1,504	3,368		847	2,362	2,579	10,956
Kuwait			(1)							(1)	53	53
Lebanon	276	55	1	67	2,235	48	60	1,558	492	299	5,634	10,725
Liberia	1,146		77								1,636	2,860
Libya	73	614	52	541	15,524	2,389	1,811	5,447	632	3,125	177	30,385
Luxembourg	558	258	443	457	88	1	113	107	93	24	624	2,764
Malaysia	27	3	17	563	509	1,608	1,323	1,838	272	28,547	1,821	36,529
Mali							84	5		48		137
Mexico	8,944	949	573	101	802	96	399	13	437	182	1,097	13,592
Morocco		60		6,040	697	12,955	4,631	2,441	2,627	7,179	2,386	39,016
Nepal									11		83	94
Netherlands	40,037	5,460	16,157	24,192	25,206	6,485	5,248	7,618	7,651	17,832	46,476	202,363
New Zealand	3,781	11,676	24,424	5,361	9,401	11,144	30,267	5,499	6,524	3,453	3,264	114,795
Nicaragua	1,995	21	26	10	85	105	2	93	797	92	15	3,242
Nigeria	(1)	335		5	10		2			2,244	684	3,281
Norway	5,049	7,477	21,334	12,949	38,695	56,855	24,330	9,790	23,409	20,338	17,729	237,954
Pakistan	32,557	774	1,319	1,147	5,571	15,031	22,532	4,854	20,473	449	21,925	126,633
Panama	13	(1)		(1)			3	15	10	20	1,567	1,627
Paraguay	342		34			1		(1)			35	413
Peru	20,777	597	3,727	2,679	3,363	1,661	1,015	2,244	1,492	1,150	6,659	45,363
Philippines	4,213	36	260	137	439	237	454	868	1,107	630	708	9,088
Portugal	4,108	1,115	425	115	497	780	500	1,191	1,461	3,676	558	14,425
Saudi Arabia	86,179	847	8,443	8,652	46,175	4,844	4,096	4,625	96,863	333,388	60,693	654,805
Senegal										6		6
Singapore					1	841	196	2,476	2,089	5,917	7,573	19,090
South Africa	925	2,157	(1)	56	1	1	4	1	1	2	1	3,149
Spain	2,222	2,781	28,857	20,019	122,942	8,647	14,226	25,954	111,304	23,888	49,484	410,326
Sri Lanke	3	(1)	(1)	(1)			1			(1)		4
Sweden	26,688	897	880	449	723	8,011	106	324	1,037	1,041	2,449	42,606
Syria					1							1
Switzerland	15,233	31,747	492	1,345	602	25,790	19,980	4,428	581	6,978	8,107	115,284
Thailand	1,219	(1)	12	1	10	10	3,829	21,150	48	17,360	1,970	45,608
Trinidad/Tobago								85				85
Tunisia	2,874		11									2,885
Turkey	240	182	129	804	922	139	2,106	2,480	1,154	5,499	212,801	226,456
United Kingdom	92,169	360,648	154,747	875,136	23,677	16,370	17,523	63,582	46,805	125,993	117,836	1,894,487
Uruguay	2,305	(1)		56	350	30	26	241	2,086	1,683	1,612	8,389
Venezuela	61,181	9,551	10,529	11,833	9,770	1,242	1,177	788	1,607	42,208	23,373	173,260
Vietnam	5						2			2	1,089	1,098
Yugoslavia	9,373	1,168	2	185	377	221	212	44	12	123	717	12,433
Zaire				1,142	166	226	(1)	54	17,490	301	580	19,959
International organizations	123,687	19,826	3,672	24,780	24,519	18,316	9,989	36,224	17,478	37,926	94,119	410,539

[1] Less than $500.

Source: Department of Defense.

Note: Totals may not add due to rounding.

Exhibit 2

[From the Washington Post, May 21, 1974]

United States Reviving Arms Sales to Ecuador After Cutoff

(By Terri Shaw)

Quito, Ecuador.—As part of U.S. Secretary of State Henry A. Kissinger's drive to improve relations with Latin America, the United States reportedly is about to resume some military sales to Ecuador after a three-year ban.

Informed sources here said that Ecuador's military government has presented a long list of military equipment it wants from the United States, including 12 T–33 trainer jets, basic infantry equipment and large quantities of engineering equipment.

The sources said the United States is also planning to invite Ecuadorean officers to attend training programs in the Panama Canal Zone.

Resumption of military weapons sales, which were cut off in January 1971, during a dispute over Ecuador's seizure of American fishing boats, appeared to be part of a general warming of relations between Washington and the two-year-old military government that rules this small country on the west coast of South America.

U.S. officials reportedly hope that an improvement in relations will make Ecuador more receptive to U.S. views during Kissinger's periodic meetings with Latin American foreign ministers.

Ecuador will receive no U.S government credits for the weapons, because the country has recently begun exporting oil and has enough hard currency to buy the arms on standard commercial terms, the sources said.

Having money to buy modern weapons is new for Ecuador, for many years one of the poorest Latin-American countries. The military government, which seized power in February 1972, has pledged to spend most of its oil reserves on economic development, and some Ecuadoreans question the wisdom of the arms purchases while there is still hunger and widespread poverty, especially in the countryside.

Most of the equipment used by the 56,000-man armed forces is of World War II vintage. Military aircraft visible at Quito's airport, high in the Andes mountains, include several C–47 transports, a Constellation and a Flying Boxcar. The military government recently purchased 41 new tanks from France and sent a mission to Moscow to discuss possible arms purchases.

A factor in Ecuador's quest for new arms is fear of neighboring Peru, which in 1942 occupied a large chunk of Ecuadorean jungle at the headwaters of the Amazon River. While the two countries now have good relations, Ecuador has not given up its ambitions as an "Amazonian country." Peruvian oil exploration in the area has fed rumors of military incursions and even of skirmishes between forces of the two countries.

Lifting of the U.S. ban on military aid followed a discreet exchange of "smoke signals" between Quito and Washington, informed sources said.

While the United States quietly eased some of the restrictions placed by Congress on aid to Ecuador after the seizures of U.S. tuna boats, the Ecuadoreans reportedly moderated their criticisms of American "economic coercion" in international forums like the United Nations and the Organization of American States.

There was also a letup in the "Tuna War," which began in 1962 when Chile, Peru and Ecuador declared a 200-mile territorial limit and required boats fishing within 200 miles off their coasts to purchase licenses.

The military government has decreed a new fishing law which informed sources said could open the way to joint ventures by Ecuadorean and U.S. interests. The U.S. embassy is expected to mediate between the Ecuadorean government and the U.S. fishing companies in San Diego in an attempt to work out an agreement under the new law.

The truce in the "Tuna War" prompted President Nixon's formal lifting of the sales ban in January.

Resumption of military sales and training is not expected to bring back a large U.S. military mission to Quito. The last one was expelled in 1971 following the cutoff of the arms sales program. Ambassador Robert C. Brewster is expected to enlarge his staff of military attaches to handle the paper work involved in the training program and weapons sales.

Exhibit 3

[From the Christian Science-Monitor, May 9, 1974]

Mideast Arms Deals Disturb United States: Costly Weapons From West, Their Effect on Arab Nations, Soviets Cause Concern

(By Dana Adams Schmidt)

Washington.—The prospect of more multibillion-dollar arms deals with Iran and Saudi Arabia in the 1975 fiscal year—and the arms race such deals may portend—is beginning to worry some officials of the State and Defense Departments.

The outlook, these officials say, is for $3 billion and possibly as much as $4 billion worth of sales to Iran during this period and more than $1 billion worth to Saudi Arabia. Kuwait is, meanwhile, in the market for a several hundred million dollar air defense system.

Privately, American officials are convinced that hundreds of millions of dollars worth of costly weapons sent to these and other countries of the Middle East are bound to end up rusting in warehouses, or more likely, out in the open. These officials point out that it is a great deal easier to buy a piece of military hardware than to train men to use it.

But the thing that worries the officials much more than the waste is the effect these huge programs, combined with additional purchases from France and Britain, are going to have on Iraq and its superpower backer, the Soviet Union. Saudi Arabia, Kuwait, Iran, and Iraq are the principal countries on the shore of the Persian Gulf, all of them oil billionaires.

The rationale for the programs is that, since the British military withdrawal from the gulf at the end of 1967 the countries of the area have themselves begun to fill the power vacuum the British presumably left behind.

But some here believe it is likely that they are in fact getting into a new and major arms race—a race made more complex by the fact that in addition to the East-West implications, Saudi Arabia and Iran are traditional rivals.

Here are some of the sketchy facts on the sales available from company and official sources. (The purchasing countries object to the publication of details of their transactions, and American companies concerned with their own profits and American officials concerned with the United States balance of payments are usually eager to cooperate in withholding the information.)

The $3 billion to $4 billion deals with Iran for the period in question include about $1 billion worth of F–14 jet fighters built by Grumman, together with the extra gear that may be required over a period of three years—spare parts, spare engines, technical equipment, ground support, bombs, missiles, and electronic firecontrol equipment.

SELLING AGREEMENT

In addition the Shah probably will be buying McDonnell-Douglas F–15's as these become available. The U.S. already has agreed to sell them.

Other deals with the Iranians which are included in the coming fiscal year (although they may take years longer to complete) include $400 million to $500 million for naval craft, notably two Spruance-class destroyers.

MISSILES INCLUDED

Another item on the Iranian list is reequipment with the latest-model Hawk missiles. These are air-defense missiles said to be the American answer to the Russian SA–6 which proved so effective against the Israelis last October.

The size of the coming year's military deals should be appreciated against the background of about $2 billion worth of military sales last year and about $1 billion worth during the preceding years.

The Saudis have not thus far purchased the most expensive American jet fighters, although they were told last fall that the United States was willing to sell them F–4 Phantoms. No answer has been received from Saudi Arabia, and American officials now presume that the Saudis are buying French Mirages.

The biggest item in the coming year will be a $750 million naval expansion program. This includes sizable sums for the bricks and mortar of naval base development as well as 19 ships ranging in size from coastal craft to frigate.

Most of the rest of the billion-dollar estimate for the year is devoted to modernization and mechanization of the Saudi national guard.

Not included in the estimate for the year is a $360 million agreement recently concluded between the Saudi Government and Raytheon for the modernization of the country's eight-year-old Hawk missile-defense system.

The Kuwaits, who have definitely opted out of the F–4 market in favor of French Mirages, are engaged in comparing the Hawk with the French crotale and British missile systems.

Exhibit 4

[From the Wall Street Journal, Aug. 29, 1974]

United States Arming of Iran Seeks Oil and Stability, But Could Lose Both

(By Richard J. Levine)

Some monarchs of Mideast oil lands may have more money than they know what to do with. But not his imperial majesty Mohammed Reza Pahlavi, the Shah of Iran; he knows how to use his oil billions.

The Shah has been on a shopping spree—buying heaps of modern arms from the U.S. In the past year his purchases totaled a staggering $3.5 billion, seven times the amount of two years before. With a seemingly insatiable appetite for sophisticated weaponry, the tough-talking, fiercely independent Shah has equipped his armed forces with high-performance jet fighters, military transport planes, swift air-cushion ships and hundrdes of tanks and armored personnel carriers.

His aims, though not entirely clear, seem to be to swell national pride and his own ego, to impress Iran's neighbors and to dominate the Persian Gulf region.

The Shah's eagerness to buy is almost equaled by U.S. willingness to sell, and Washington's aim is quite clear; creation of a military power in the oil-rich Persian Gulf that could guarantee regional stability and thus assure U.S. access to Mideast oil.

THE GIANT OF THE GULF

In fact, the U.S. arms sales, besides benefiting American defense contractors and aiding the balance of payments, have turned Teheran into a military giant in the area. Non-Arab Iran is capable of projecting its power into Arab states throughout the Persian Gulf region as well as protecting its western border from hostile Iraq.

But it is increasingly uncertain whether U.S. policy has promoted stability and U.S. access to Mideast oil or, rather, has fueled a Persian Gulf arms race that is heightening regional tensions and spurring the oil-producing states to raise oil prices to pay for expensive weapons. For the U.S. has begun selling arms to several of Iran's Arab neighbors, too.

Some government and private analysts believe that American arms sale to Iran could turn out to be at least self-defeating and at most highly dangerous. In the long run, critics say, Washington's policy threatens to alienate Saudi Arabia and other Arab states (which have even more oil to sell than Iran) and possibly entangle the U.S. in an unwanted war in the Persian Gulf.

THE SAUDIS WONDER

While American diplomats describe Saudi Arabia's relations with Iran as "good," King Faisal is less than enthusiastic about the big arms buildup on the other side of the Gulf. "The Saudis wonder why so much equipment has been sold the Shah," is the understated way one State Department observer puts it.

"We should never have given the Shah a blank check," grumbles an American diplomat. And a top State Department official worries that weapons sales to Iran have "achieved a magnitude people didn't anticipate," without adequate "consideration of the long-term consequences."

Outside the administration, blunter warnings are being sounded.

"To pump arms (into the Persian Gulf) is a high-risk kind of adventure," maintains Indiana Democrat Lee Hamilton, chairman of the House subcommittee on the Near East and South Asia. Stability, he contends, can be achieved by dealing with the long-term economic and political problems in the region—not simply by selling arms.

THE U.S. AND MOSCOW

"With the advanced military hardware has come greater superpower involvement in the Gulf, and a concomitant increase in the danger of military confrontation between the U.S. and the Soviet Union," says defense analyst Dale R. Tahtinen in a study published recently by the American Enterprise Institute, a Washington research organization. "This danger would reach a particularly high level if fighting were to erupt between the client states"—meaning U.S.-backed Iran and Soviet-supported Iraq.

Now, spurred by the desire to cultivate the Saudis following the Arab oil embargo, the State Department and the National Security Council have undertaken a broad review of U.S. policy toward the Persian Gulf region. This reexamination is leading to greater emphasis on forging economic, social and military ties with the Arab governments. It may bring some real restrictions on U.S. weapons sales to Iran.

So far, the U.S. arms shipments to Iran's Arab neighbors remain on a rather modest scale because of their lack of skilled military manpower. But the trend is upward.

Saudi Arabia ordered $582 million in arms and training aid from the U.S. in the year ended June 30. The U.S. is supplying Northrop F5E fighters and is engaged in a 10-year program to improve the Saudi navy by selling patrol craft and building bases. It is also engaged in a $335 million project to modernize the Saudi national guard, which is responsible for internal security and protection of oil installations. A current U.S. review of the Saudis' long-term defense needs will inevitably result in further weapons sales.

Kuwait, flush with oil money, has also been eyeing and buying American arms. The past year's orders totaled only $18.2 million, but the Kuwaitis have under consideration a $300 million to $400 million package that includes ground-to-air-missiles.

Meantime, Defense Department officials insist they have blunted the Shah's interest in some advanced military merchandise, such as Boeing's airborne warning and control aircraft (originally intended to detect long-range Soviet bombers) and Lockheed's giant C5A cargo jet.

But he has been allowed and even encouraged to purchase some of the most sophisticated weapons in U.S. arsenals, including Grumman's swing-wing F14 fighter (the Navy's newest warplane), McDonnell Douglas' F4 fighter, Lockheed's C130 transport and Hughes Aircraft's TOW antitank missile. In the case of Bell's AH1J attack helicopter, the Shah is getting a whirlybird more advanced than any used by the American Army. His future purchases are likely to include Litton's DD963 destroyer and a lightweight fighter still under development.

(The Shah has offered to extend credit to financially troubled Grumman Corp. to assure continued production of the F14 for both the U.S. Navy and the Iranian air force. But U.S. officials, apparently fearful of the growing dependency of some American defense contractors on Iran, are reluctant to okay such a plan.)

Thus Iran remains the dominant Persian Gulf power, and its lead appears to be lengthening. Tehran boasts a well-equipped, highly mobile 160,000-man army, a 40,000-man air force outfitted with 159 modern combat planes (247 more are on order) and a small but expanding navy. A particular pride of the navy is the world's largest operational fleet of hovercraft (high-speed vessels that skim over the water on a cushion of air) capable of landing a battalion of trops on the opposite, or Arab, side of the Gulf. "The hovercraft bother the hell out of Kuwait," says an expert on the region.

The design of this formidable force, as well as the rationale behind it, is the personal handiwork of the 54-year-old Shah—a self-styled military expert with grand visions for his 2,500-year-old nation.

The Shah sees Iran as a bastion of stability in a region including both dangerous Soviet-supported states like Iraq and South Yemen and militarily weak oil-producing states like Saudi Arabia, Kuwait, Oman and the United Arab Emirates. He speaks frequently of a role for Iran as policeman of the Persian Gulf—helping, for example, to assure safe passage of tankers carrying oil to Europe, Japan and the U.S.—and of his willingness to come to the aid of any Gulf states threatened by radical terrorists. He has referred to the Persian Gulf as "my lake."

The Shah's aspirations, both military and other, have been abetted by his oil wealth; Iran's oil industry is expected to yield about $18 billion in revenue this year. With this money, he has not only bought weapons but has purchased 25% of Germany's Krupp steelworks, made a $1.2 billion loan to Britain and agreed to buy $5 billion in industrial products from France. He sees Iran emerging as a world power on the scale of those three nations. "It's hard to conclude that there isn't an element of ego and national pride" in the Iranian military expansion, says a Pentagon planner.

Neighboring Iraq, ruled by the left-wing Baath Party, poses the most immediate threat to Iran. The two countries have engaged in repeated border clashes and there is a long-standing dispute between Tehran and Baghdad over the Shatt al Arab river that runs into the Gulf. Moreover, the 1972 Iraqi-Soviet treaty, which includes a vaguely worded mutual defense provision, makes the Shah nervous. (The Shah maintains good formal relations with the Russians but deeply distrusts them.)

Iraq has slightly more warplanes and tanks than Iran, yet almost all military analysts rate the Shah's forces as vastly superior. "There is absolutely no doubt that the Imperial Iranian Armed Services are already in a position to preserve the territorial integrity of Iran against any single aggressor in any conflict below the level of nuclear war," concludes the International Defense Review, an authoritative military journal.

ONE DAY TO BAGHDAD?

Indeed, Iran's strength could tempt it to go too far in one of its periodic border fights with Iraq. Iranian officials have said privately that their forces could be in Baghdad "in a day" if allowed to pursue. But that would surely prompt the Russians to help the Iraqis, leading Tehran to call for American assistance. (Under a 1959 agreement with Iran, the U.S. is committed to "take such appropriate action, including the use of armed forces, as may be mutually agreed upon.")

While U.S. officials believe that such a confrontation of the superpowers is most unlikely, they don't rule out the possibility. The Shah himself outlined such a possibility late last year in an interview with the Italian journalist Oriana Fallaci that appeared in the New Republic. After telling her that "nobody can influence me, nobody at all" and describing Iraq's rulers as "a group of crazy, bloodthirsty savages," the Shah declared:

"Lots of people believe a third world war can only break out on account of the Mediterranean, whereas I maintain it could break out much more easily over Iran. . . . It's we who control the world's resources of energy."

While the Shah takes a tough line in public, many American officials contend he is no territorial expansionist and is unlikely to push the Iraqis to a point where Moscow would feel impelled to move militarily. But it is a lot less certain the Shah would exercise restraint if he felt that one of the conservative sheikhdoms on the Arabian peninsula was threatened by a radical take-over.

THE HORMUZ INCIDENT

In November 1971, some U.S. officials recall, Iranian troops occupied three small, strategically located islands in the Strait of Hormuz at the entrance to the Persian Gulf. "The Arabs knew our weapons and training, were involved," says a foreign service officer. The diplomatic repercussions of the Shah's military move delayed the opening of two American embassies in the Persian Gulf region.

Today, Iran has 1,000 to 1,500 troops in the sultanate of Oman at the lower end of the Arabian Peninsula. They are helping the sultan's force try to put down a left-wing rebellion financed and armed by the Russians and staged from South Yemen. The rebels go by the formal name of the Popular Front for the Liberation of the Occupied Arab Gulf, a title that the Shah takes seriously.

"Any such Iranian incursions into the Arabian Peninsula carry with them the danger—however remote—of an Arab military response," says Mr. Tahtinen, the defense analyst, in his study for the American Enterprise Institute. "The Arab powers may feel it is essential to challenge what they perceive as Iranian expansionism before Tehran further increases its power."

U.S. officials concede that their policy of arms sales to Mideast nations carries some risks, but they insist that America's need for Persian Gulf oil gives them little choice. In any case, they add that other countries—Britain, France and Russia—would step up their sales if Washington clamped down. Too, they say that because of the complexity of U.S. weapons, Washington has a measure of control over the Shah's actions. "We will be able to put those F14s on the ground by withholding spare parts," says a U.S. military man.

As things stand, Iran's arms buildup is likely to continue. Certainly the Shah's fascination with sophisticated military hardware doesn't appear to be diminishing. Says an American observer:

"Some men take Playboy to bed; the Shah reads Aviation Week."

Exhibit 5

[From the New York Times, January 18, 1974]

Arms Sales Boom in Mideast; United States Is the Principal Supplier

Paris, January 12.—The decision by Iran to order $900-million in American-built fighters is only one sign of the growing business in arms in the Middle-East—a business that is expected to continue booming as coffers of the oil state swell following recent price increases.

Several industrial countries, in particular France, Britain, Italy and Japan, are competing for oil supply contracts with the Middle East producers.

Among the inducements are commitments by the industrial countries to participate in the economic, technological and military development of the producer countries.

The oil states of the Persian Gulf are especially interested in military development, and even though Washington is not competing for oil supplies—or at least not openly—it is the United States that is the principal arms supplier in the region.

ABU DHABI BUYS JETS

But France and Britain are coming up fast. France, for instance, has just sold the tiny emirate of Abu Dhabi 14 Mirage Jets. Abu Dhabi has only 80,000 people and no pilots. The pilots will come from Pakistan.

The producing states justify their demand for military equipment in several ways.

In the first place, many are still run on conservative feudal lines and face constant internal threats from separatists and Palestine guerrillas. So they say they need the arms to maintain internal stability.

To keep control on border conflicts, such as that between Kuwait and Iraq last spring, and to reduce the possibilities of intervention in the region by the major powers are other arguments used to justify the arms build-up.

POSITION OF UNITED STATES

The United States, which has contingents of arms salesmen, technicians and counselors in most of the Middle Eastern states, maintains that its desire is to help the producers resist eventual penetration by the Russians or the Chinese.

While the oil producers have been raising their prices, the cost of arms has also been moving up swiftly.

In fact, from the point of view of Iran, the biggest arms purchaser in the region, the fact that defense goods have moved up so rapidly was one of the elements behind the recent sharp increases in oil prices.

Iran was reportedly interested in the F-14A fighter for some time, but was reluctant to pay the high price, $30-million for each aircraft, demanded by the manufacturer, the Grumman Corporation of Long Island.

That figure, which includes spare parts, is believed to be twice what the United States Navy and Marine Corps have paid for their F-14A fighters.

LEVEL OF SPENDING

With prospects for quadrupled oil revenues this year, Iran presumably now feels able to afford the Grumman price.

Iran's annual military budget has risen recently at a rate of nearly 50 per cent and that of Saudi Arabia by nearly a third.

In the nineteen-fifties Iran's arms buying was less than $10-million a year. By the late nineteen-sixties the figure exceeded $150-million, and it will reach $2-billion a year during the current five-year plan, begun last March.

The French have military contracts with a number of Persian Gulf states. Saudi Arabia, for instance, is buying 38 Mirage III jets, AMX-30 tanks, light automatic machine guns, amphibious equipment, and tactical air-to-air and ground-to-air missiles.

KUWAIT: CONTRACTS SOUGHT

French and American arms salesmen are now fighting for new contracts in Kuwait. The French are proposing Mirage jets for the Kuwait air force, while the United States is offering F-5's or F-4's.

Although Britain's influence in the region is on the wane, the British were able to get an important contract with Saudi Arabia last year, representing deliveries of $600-million of arms purchases, mainly aeronautical equipment, over five years.

Britain has sold naval equipment to several of the emirates, and some aircraft and antisubmarine helicopters to Iran.

But the United States is by far the biggest supplier to the two principal arms purchasers in the region, Iran and Saudi Arabia.

Exhibit 6

[From the New York Times, Sept. 11, 1974]

U.S. Role Grows in Arming Saudis

(By Juan de Onis)

Jidda, Saudi Arabia, September 10.—With billions in military sales at stake, the United States is making a determined effort to retain its position as the dominant supplier of arms to Saudi Arabia against competition from Britain, France and other Western nations.

The American interest was illustrated by the visit here today of J. William Middendorf 2d, the Secretary of the Navy, and of Lieut. Gen. W. C. Gribble Jr., the chief of the United States Army's Corps of Engineers.

Saudi Arabia's military development plans give high priority to establishing naval forces with modern bases on the Persian Gulf and the Red Sea.

The plans have created great interest in the Navy Department, which could sell some ships, and to the Corps of Engineers, which has a long record of designing and supervising construction of military installations for the Saudi Army and Air Force.

The two visitors were received by King Faisal and by Prince Sultan Ibn Abdel Aziz, the Minister of Defense and Aviation, who planned a large party at his Red Sea villa for General Gribble later this week.

United States military cooperation with Saudi Arabia, which began in 1952 with the assignment of a military training mission here, is to undergo a major review when a new Saudi-American defense commission meets here in November. United States military involvement is growing but stops just short of a mutual defense pact, which would oblige the United States to resist a foreign attack on the country.

During the last 10 years, the United States has conducted major arms supply and training programs here through American defense contractors, in addition to maintaining several hundred officers in the training mission.

Through the Raytheon Corporation, the Saudi air defense system has been supplied with Hawk missiles and has a $265-million purchase program for advanced Hawk ground-to-air missile batteries. Under a maintenance contract, Raytheon keeps 450 technicians here to service the missiles.

NORTHRUP TRAINS PILOTS

The Northrup Corporation is in charge of supplying several squadrons of F-5E jet fighters, with training of Saudi pilots and development of personnel and facilities.

The Lockheed Corporation is supplying the Saudi air transport command with C-130 cargo planes, with similar training of pilots and ground personnel. The Bendix Corporation has a long-term contract to maintain the truck and armored vehicles of the Saudi Army.

The United States has entered into a $250-million arms and training contract with the National Guard, the Saudi internal security force. The training mission for the National Guard is separate from the training missions that the United States maintains for the army, air force and navy.

The Corps of Engineers has supervised the construction of the two big army bases at Tofuk, near the northwest border with Jordan, and at Khamis Mushait, in the south near Yemen and Southern Yemen. Southern Yemen has been armed by the Soviet Union and China.

The Joint Saudi-American defense commission will seek to determine Saudi military requirements that call for more direct Pentagon involvement in the procurement of advanced weapons, such as the new supersonic jet fighters that will replace the F-4 Phantom and the F-5 models.

"I do not know of anything that is nonnuclear that we would not give the Saudis," said a United States military official here, "we want to sell and they want to buy the best."

The British Aircraft Corporation has had a program supplying Lightning fighters here since 1965 and has also been in charge of radar installations. The French military mission attached to the Saudi Army has helped to promote sales of French tanks and the French are trying to sell advanced Mirage fighters.

With billions accumulating from oil sales, the Saudis are anxious to establish a deterrent to any threat to their oilfields, concentrated in the eastern province and off shore in the Persian Gulf.

The Saudis are impressed by the large arms build-up in Iran, which is spending even more than the Saudis on the modern weapons.

After Mr. Middendorf ends his stay here today he planned to go to Bahrain, where the United States is trying to maintain a token naval presence in the Persian Gulf with the LaSalle, an amphibious dock vessel, as the flagship.

During the Middle East war in October Bahrain gave six months notice of concellation of an agreement allowing the LaSalle to berth there. The ship is now in the Philippines being reconditioned, and the status of the agreement with Bahrain is under review.

Exhibit 7

Iran Negotiating Big Deal With United States

(By Lesile H. Gelb)

Washington, September 18.—Ford Administration officials say the Pentagon is negotiating an agreement for cash sales of communications and other equipment to Iran, with the deal expected to total at least $4-billion.

Last year Iran purchased almost $4-billion in equipment, nearly all of it military, and about $2-billion in arms the year before. But, officials say, the bulk of the purchases currently under negotiation may well be of communications equipment, with most of that to be used for nonmilitary purposes.

According to the officials, Iran is looking to the United States Air Force to help her develop a national communications system that will tie together and vastly expand existing economic, educational and military networks.

Asked why the sale of equipment for civilian use was being discussed with the Pentagon, an official said communications satellites were a part of the package. Another said, "Over the years Iran has built up confidence in the managerial skills of the American Air Force."

AGENCY IS MIDDLEMAN

Under the program of cash sales run by the Pentagon, the Defense Security Agency acts as middleman between buyers and American companies, with sales agreements, between buyer and the Pentagon and then the Pentagon and producer. The bulk of American arms sales are in this fashion.

Officials predicted that contracts resulting from the projected sale, if consummated, could be in excess of $10-billion.

Secretary of State Kissinger is expected to discuss these and other matters when he visits Iran next month, the officials said. He and Shah Mohammed Riza Pahlevi are also expected to establish joint commissions for economic and military planning.

The joint commission, a relationship less than a formal alliance and more than bilateral talks, sidesteps Congressional concerns about treaty commitments and yet makes it possible to give permanence to negotiations.

TO AID POORER LANDS

A ranking State Department official said that the whole idea had been discussed by Mr. Kissinger since last fall and that he had decided to use the commissions as vehicles to "transfer technology from the American private sector" to developing countries.

Two officials added that the joint commission was also thought of as a way for the donor and recipient countries to deal on a more equal basis. The usual method has been for the recipient to work with American economic and military personnel.

An American-Soviet economic commission was established in 1972. Last summer the United States and Egypt set up commissions for economic and scientific affairs, and the United States and Saudi Arabia established economic and military commissions.

When Mr. Kissinger visits India in the fall, it is reported, a United States-Indian economic commission will be announced.

The negotiations between the Pentagon and the Iranian Government are also said to cover further sales of sophisticated aircraft, including the F-4, modern missiles, electronic gear and spare parts.

Also under discussion, the officials said, is the establishment of a number of joint American-Iranian plants, particularly for helicopters. Under this arrangement Washington would provide the physical plant and the technology and license Iran to produce the equipment.

EXHIBIT 8

[From the Washington Post, Sept. 18, 1974]

U.S. ARMS FLOW TO PERSIAN GULF

(By Jim Hoagland)

BEIRUT, September 17.—Kuwait is to sign a contract this week for $450 million worth of American arms and equipment, including advanced-design Hawk surface-to-air missiles, and will shortly open final negotiations for American fighter bombers, Arab military sources said today.

The Kuwaiti purchases and large-scale buying of aircraft by Saudi Arabi form part of a heated arms-buying campaign that is turning the Persian Gulf into a gigantic armory.

Arab oil producers have already committed themselves to buy more than $2.7 billion worth of airplanes, missiles, tanks and other equipment from the United States and Western Europe this year.

Iraq is reported by Western diplomats to be receiving about $1 billion in arms supplies from the Soviet Union this year and neighboring nonArab Iran has placed orders for more than $2.5 billion in arms.

Kuwaiti officials stress that their arms buildup is a defensive one. An incursion by Iraqi forces into northern Kuwait last year has heightened fears of the Connecticut-sized sheikhdom's being swallowed up by its bellicose neighbor to the north.

The Kuwaiti decision to buy U.S. warplanes instead of British Jaguar aircraft represents a commercial and strategic victory for the United States in the escalating race to sell arms and gain influence in oil-rich countries of the Perisan Gulf.

But the pending negotiations emphasize a growing U.S. dilemma on arms sales to Arab countries. Prospective Arab customers reportedly are pressing for more sophisticated fighters with greater range and firepower than Washington appears willing to provide.

Strong reaction from Israel and its supporters in Washington can be expected if the Arab desires are met.

But Arab military analysts are saying privately that the United States runs the risk of being accused even by its Arab friends of trying to pawn off inferior goods on the Arabs and thereby losing sales that would help the economically depressed American aerospace industry and give the United States more leverage in the Arab world.

Kuwait, which is involved in a billion-dollar expansion of its tiny armed forces, has already rebuffed American efforts to push the Northrop F-5E in sales negotiations that began nearly 18 months ago.

The Kuwaitis turned to the British Jaguars rather than accept the smaller plane. But American hints that a large arms package deal would imply a strengthening of American-Kuwaiti defense ties and a willingness to offer larger aircraft, have brought the Kuwaitis back around to committing themselves to buy American.

Kuwait, concerned about a continuing Russian arms buildup in neighboring Iraq, is shopping for 38 fighter-bombers to go with one squadron of French Mirage F-1 jets ordered earlier this year.

American planes under discussion are the McDonnell Douglas Phantom F-4, one of the mainstays of the Israeli air force, and the more recent longer-range Ling-Temco-Vought A-7 Corsair.

The Corsair, a U.S. Navy light attack bomber, is capable of reaching the borders of Israel from Kuwait. It has been exported to only a few countries in Western Europe.

The Pentagon is said to have recommended to Kuwait the A-4F, an older model of the McDonnell Douglas Skyhawk than that possessed by the Israelis, who have made significant modifications in the aircraft.

In Saudi Arabia, the United States faces a similar problem. King Faisal is reported by reliable Arab sources to be under pressure from young Saudi pilots and high-ranking Egyptian officers, who have a formal advisory role in Saudi Arabian arms purchases, to reject American efforts to sell 32 F-5Es to the Saudi air force.

The Saudis have been rankled by reports circulating in Riyadh that a U.S. Defense Department evaluation team that visited Saudi Arabia this summer concluded that Saudi pilots are not sufficiently prepared to handle and maintain more sophisticated aircraft. The team reportedly stressed the ease of maneuverability and maintenance of the F-5E, which is in wide use in developing countries.

Saudi Arabia has three squadrons of the Northrop fighter on order and would like to build its air force to 200 combat aircraft. It has already ordered deep-penetration French Mirage bombers, which Arab observers here believe are destined for Egypt.

Egyptian President Anwar Sadat recently said that friendly countries were buying warplanes for him to replace Egyptian losses in the October war with Israel.

Kuwait will be filling its immediate priority of air defense by signing $125 million contract with Raytheon this week for Superhawk missiles, an advanced version of the air defense weapon already supplied to Israel and Saudi Arabia and sought by Jordan.

The rest of the contract will be for radar, computer systems and buildings to support the air defense system. Yugoslavia will also help Kuwait build airport facilities under a separate contract to be signed this week.

Kuwait has reportedly opted for a defense plan that will have its air force scattered at four or five locations in Kuwait and in neighboring Arab states to prevent a first strike destroying the air force. This is a major factor in the Kuwaiti desire for longer-ranged aircraft, according to Arab sources.

EXHIBIT 9

United States Department of Defense: Offer and Acceptance.

(1) Purchaser (Name and Address) (Include ZIP Code).

(2) Purchaser's reference.

(3) Case designator.

Offer: The Government of the United States hereby offers to sell to the above purchaser the defense article(s) and defense service(s) listed below, subject to the terms contained herein and conditions cited on the reverse.

(4) This offer expires ———, 19—.

(5) Signature, typed name and title of U.S. Representative.

(6) Date.

(7) U.S. Department of ———.

(8) Item or reference No.

(9) Item description (Including stock number, if applicable).

(10) Quantity.

(11) Unit of issue.

(12) Estimated unit cost.

(13) Estimated total cost.

(14) Estimated availability and remarks.

(15) Estimated cost $—.

(16) Estimated packing, crating, and handling costs.

(17) Estimated administrative charge.

(18) Estimated charges for supply support arrangements.

(19) Other estimated costs (Specify).

(20) Estimated total costs $—.

(21) Terms.

ACCEPTANCE

(22) I am a duly authorized representative of the Government of ———, and upon behalf of said Government, accept this offer under the terms and conditions contained herein, this (23) — day of ——— 19—.

(24) Offer/Release code —.

(25) Freight forwarder code —.

(26) Mark for code —.

(27) Point of delivery ———.

(28) Typed name and title.

(29) Signature ———.

CONDITIONS

Pursuant to the US Foreign Military Sales Act, as amended, the Government of the United States (*hereinafter referred to as "USG"*) hereby offers to sell to the Purchaser the defense articles and defense services listed (*hereinafter referred to collectively as "items" and individually as "defense articles" or "defense services"*) subject to the conditions set forth below:

A. The Government of the Unitde States:

1. Agrees to furnish such items from tis Department of Defense (*hereinafter referred to as "'DOD"*) stocks and resources, or to procure them under the most advantageous terms and conditions available consistent with DOD regulations and procedures. When procuring for the Purchaser, the DOD shall, to the extent possible employ the same contract clauses, the same contract administration, and the same inspection procedures as would be used in procuring for itself, except as otherwise requested by the Purchaser and as agreed to by the DOD.

2. Advises that when the DOD procures for itself, its contracts include warranty clauses only on an exceptional basis. However, the USG shall, with respect to items being procured, and upon timely notice, attempt to obtain any particular or special contract provision and warranties desired by the Purchaser. The USG further agrees to exercise, upon the Purchaser's request, any rights (*including those arising under any warranties*) the USG may have under any contract connected with the procument of any items. Any additional cost resulting from obtaining special contract provisions or warranties,

or the exercise of rights under such provisions or warranties or any other rights that the USG may have under any contract connected with the procurement of items, shall be charged to the Purchaser.

3. Shall, unless the condition is otherwise specified herein (*e.g.*, "*As Is*"), repair or replace free of charge defense articles which are damaged or found to be defective in respect of material or workmanship and which are supplied from DOD stocks, when it is established that these deficiencies existed prior to passage of title. Qualified representatives of the USG and of the Purchaser, upon notification pursuant to paragraph B4 below, shall agree on the liability of the USG hereunder and the corrective steps to be taken. With respect to items being procured for sale to the Purchaser, the USG agrees to obtain and exercise warranties on behalf of the Purchaser pursuant to A2 above to assure, to the extent provided by the warranty, replacement or correction of such items found to be defective. In addition, the USG warrants the title of all items sold to the Purchaser hereunder. The USG, however, makes no warranties other than those specifically set forth herein. In particular the USG disclaims any liability resulting from patent infringement occasioned by the use or manufacture by or for Purchaser outside the United States of items supplied hereunder.

4. Agrees to deliver and pass title to the items to the Purchaser at the initial point of shipment unless otherwise specified herein. With respect to defense articles procured for sale to the purchaser, this will normally be at the manufacturers' loading facilities; with respect to defense articles furnished from stocks, this will normally be at the U.S. depot. Articles will be packed, crated or otherwise prepared for shipment prior to the time title passes. If "Point of Delivery" designated on the reverse is specified otherwise than the initial point of shipment, the supplying Military Service will arrange movement of the items to the authorized delivery point as reimbursable service. Custody must not be construed to mean retention of title.

5. Advises that: a. Unless otherwise specified, USG standard items will be furnished without regard to make or model.

b. The price of items to be procured shall be at their total cost to the USG. Unless otherwise specified, the cost estimates of items to be procured, availability determination, and delivery projections quoted are estimates based on current available data. The USG will use its best efforts to advise the Purchaser or its authorized representative:

(1) of any identifiable cost increase that might result in an increase in the "Estimated Total Costs" in excess of 10 percent, but its failure to so advise shall not affect the Purchaser's obligation under paragraph B5 below.

(2) of any delays which might significantly affect the estimated delivery dates.

c. The USG will, however, use its best efforts to deliver items or render services for the amount and at the times quoted.

6. Under unusual and compelling circumstances when the best interests of the United States require it, the USG reserves the right to cancel all or part of this order at any time prior to the delivery of defense articles or performance of services. The USG shall be responsible for all termination costs of its suppliers resulting from cancellations under this paragraph.

7. Shall refund to the Purchaser any payments received hereunder which prove to be in excess of the final total cost of delivery and performance of this order.

B. The Purchaser:

1a. In payment for the items shall forward with its acceptance of this offer a check payable in United States dollars to the Treasurer of the United States in the amount shown as the estimated total cost, unless different arrangements are specified under "Terms".

b. Agrees, if "Terms" specify payment by "dependable undertaking" to pay the USG such amounts at such times as may be specified by the USG in order to cover shipments from stock or services rendered or to meet payments required by contracts under which items are being procured, and any damages and costs that may accrue from cancellation of contracts resulting from Purchaser's action under paragraph B6 hereof. Requests for funds may be based upon requirements for advances and progress payments to suppliers or delivery forecasts, as the case may be. Requests for funds and billings, when funds are not already on deposit, are due in full on presentation. Documentation concerning advance and progress payments or proof of shipment in support of bills will be made available to the Purchaser by the DOD upon request. When appropriate, the Purchaser will request adjustment of any questionable billed items by subsequent submission of required discrepancy reports in accordance with paragraph B4 below.

c. Agrees, if "Terms" specify payment on evidence of constructive delivery, to make payment in full amount of any request for funds or billing within the month following the month of the request, or as otherwise required in accordance with the "Terms" herein.

d. Agrees, if "Terms" specify payment under a Credit Agreement between the Purchaser and DOD, to pay to the USG on a "dependable undertaking" basis, in accordance with B.1b. about, such costs as may be in excess of the amounts funded by the Credit agreement.

2. Shall furnish shipping instruction for the items with its acceptance of this offer. Such instructions shall include (a) Offer/Release Code, (b) Freight Forwarded Code, and (c) the Mark for Code, as applicable.

3. Shall be responsible for obtaining the appropriate insurance coverage, and, except for items exported by the USG, appropriate export licenses.

4. Shall accept title to the defense articles at the initial point of shipment (*see A4 above*) unless otherwise specified herein. Purchaser shall be responsible for in-transit accounting and settlement of claims against common carriers. Title to defense articles transported by parcel post shall pass to the Purchaser on date of parcel post shipment. Standard Form 364 shall be used in submitting claims to the USG for non-receipt, overage, shortage, damage, duplicate billing, item deficiency, improper identification or improper documentation and shall be submitted by Purchaser promptly. Claims of $25.00 or less will not be reported for overages, shortages, or damages. Claims received after one year from date of passage of title or billing, whichever is later, will be disallowed by the USG.

5. Shall reimburse the USG if the final cost to the USG exceeds the amounts estimated in this sales agreement.

6. May cancel this order with respect to any or all of the items listed in this sales agreement at any time prior to the delivery of defense articles or performance of services. It shall be responsible for all costs resulting from cancellation under this paragraph.

7. Shall, except as may otherwise be mutually agreed, use the items sold hereunder only.

a. For the purposes specified in the Mutual Defense Assistance Agreement, if any, between the USG and the Purchaser;

b. For the purposes specified in any bilateral or regional defense treaty to which the USG and the Purchaser are both parties, if subparagraph a of this paragraph is inapplicable; or

c. For internal security, self-defense, and/or civic action, if subparagraphs a and b of this paragraph are inapplicable.

8. Shall not transfer title to, or possession of, the defense articles, components and associated support material furnished under this sales agreement to any person, or organization (*excluding transportation agencies*), or other government, unless the written consent of the USG has first been obtained. It shall not disclose, dispose of, or permit use of any plans, specifications or information furnished in connection with this transaction, except to the extent authorized in writing by the USG. To the extent that any items, plans, specifications, or information furnished in connection with this transaction may be classified by the USG for security purposes, the Purchaser shall maintain a similar classification and employ all measures necessary to preserve such security, equivalent to those employed by the USG, throughout the period during which the USG may maintain such classification. The USG will notify the Purchaser if the classification is changed. The Purchaser will ensure, by all means available to it, respect for proprietary rights in any defense article and any plans, specifications, or information furnished, whether patented or not.

C. Indemnification and assumption of risks:

1. It is understood by the Purchaser that the USG in procuring and furnishing the items specified in this agreement does so on a nonprofit basis for the benefit of the Purchaser. The Purchaser therefore undertakes, subject to A3 above, to indemnify and hold the USG, its agents, officers, and employees harmless from any and all loss or liability (*whether in tort or in contract*) which might arise in connection with this agreement because of: (i) injury to or death of personnel of Purchaser or third parties; (ii) damage to or destruction of (A) property of the DOD furnished to suppliers specifically to implement this agreement, (B) property of Purchaser (*including the items ordered by Purchaser pursuant to this agreement, before or after passage of title to Purchaser*), or (C) property of third parties; or (iii) patent infringement.

2. Subject to any express, special contractual warranties obtained for the Purchaser in accordance with A2 above, the Purchaser agrees to relieve the contractors and subcontractors of the USG from liability for, and will assume the risk of loss or damage to Purchaser's property (*including the items procured pursuant to this agreement, before or after passage of title to Purchaser*) to the same extent that USG would assume for its property if it were procuring for itself the item or items procured pursuant to this agreement.

D. Acceptance:

To accept this offer, the Purchaser will return the original and three copies properly signed, to the U.S. Military Department making the offer not later than the expiration date of the offer set forth herein. When properly accepted and returned as specified herein, the provisions of this offer shall be binding upon both Governments. Unless written extension is obtained from an authorized representative of such U.S. Military Department, this offer shall terminate at the end of such expiration date.

E. Enclosures:

Enclosures attached hereto are, by this reference, incorporated herein and are made a part hereof as though set forth in full

EXPLANATORY NOTES

1. The item or reference numbers appearing in the "ITEM OR REF. NO." column may not correspond with references used in your original request. However, this number, together with the case designator shown should always be used as a reference in future correspondence.

2. Availability lead time quoted in the "AVAILABILITY AND REMARKS" column is the number of months required to deliver items after receipt of acceptance of this offer pursuant to Section D above and the conclu-

sion of appropriate financial arrangements. The planned source of supply for each item is expressed in the following codes:

S (*) Service Stocks.
P (*) Procurement.
R (*) Rebuild/Repair/Modification.
X (*) Stock and procurement, e.g., initial repair parts.

*Availability is stated in months.

3. Condition of the defense articles shown in the "availability and remarks" column is expressed in the following codes:

AI—Items to be provided in existing condition without repair, restoration or rehabilitation which may be required. Condition indicated in item description.

M—Articles of mixed condition (*new, reworked and rehabilitated*) may be commingled when issued. Example: repair parts, ammunition, set assemblies, kits, tool sets and shop sets.

N—Serviceable defense articles.

O—Obsolete or non-standard item in an "AS IS" condition for which repair parts support may not be available from DOD.

S—Substitute. Suitable substitutions may be shipped for unavailable defense articles unless otherwise advised by the Purchaser.

U—Reworked or rehabilitated defense articles possessing original appearance insofar as practicable; including all Modification Work Orders and Engineering Change Orders as applied to such defense articles when issued but defense articles should not be considered as having had total replacement of worn parts and/or assemblies. Only parts and components not meeting US Armed Forces serviceability tolerances and standards will have been replaced; in all instances such defense articles will meet US Armed Forces standards of serviceability.

EXHIBIT 10

CONSTITUTIONALITY OF THE LEGISLATIVE VETO AMENDMENT TO THE FOREIGN MILITARY SALES AND ASSISTANCE ACT

This memorandum is in response to your request of July 30, 1973, for material on the constitutionality of the legislative veto.

Amendment No. 253 to S. 1443, the proposed Foreign Military Sales and Assistance Act, requires Congressional approval of any foreign military sale exceeding 25 million dollars, or sales to any country exceeding 50 million dollars for a fiscal year. The amendment permits either House of the Congress to disapprove a sale or increase in assistance by means of a simple resolution within thirty days of the report to the Congress of the proposed transaction. See 119 Cong. Rec. S. 11930 (daily ed. June 25, 1973).

Our analysis of the problem persuades us that the proposed amendment is constitutional. Perhaps, the best way to demonstrate this is to examine the historical background of the legislative veto as it developed in the Executive Reorganization Acts. We will begin by defining the terms commonly used in this area.

DEFINITIONS

A. *Congressional veto.* The term "congressional veto" is a generic term covering a variety of statutory devices which enable one or both Houses of the Congress, or one or more committees of the Congress, to preclude the Executive from final implementation of a proposed action authorized by law. This definition includes only those measures which legally compel the Executive to forego the proposed action. It excludes many provisions that are often described as Congressional legislative or committee vetoes, but which do not legally preclude Executive action if Committee approval is not forthcoming.

B. *Legislative veto.* A legislative veto is a provision in a statute that requires the President or an Executive agency to submit actions proposed to be taken pursuant to statutory authority to the Congress at a specified interval, usually 30 to 60 days, before they become effective. The action becomes effective at the close of the interval 1) if the Congress fails to express its disapproval, or 2) in a few cases, if the Congress expresses its approval. If the disapproval or approval takes the form of a concurrent resolution by both Houses of the Congress, the measure can be termed a "two-House" legislative veto. If the disapproval takes the form of a simple resolution by either House, then the device is a "one-House" legislative veto.

Neither a concurrent resolution nor a simple resolution is presented to the President for his signature. Thus, neither form of approval or disapproval is subject to veto by the President. In this memorandum, the term legislative veto does not include measures which require the Congressional disapproval to take the form of legislation enacted by both Houses and signed by the President (or passed over his veto).

C. *Committee veto.* The committee veto includes several types of statutes. Among these are provisions which require an Executive agency to submit a report of a proposed action to one or more committees of the Congress at a stated interval, usually 30 to 60 days, prior to its effective date. During the interval, the action may be blocked by a resolution of disapproval by any of the committees. In some instances, the action does not become effective until all designated committees pass resolutions of approval. Finally, some committee veto provisions do not specify an interval, but rather provide that the Executive agency must "come into agreement" with the responsible committees before it may take the proposed action.

D. *Reporting Provisions.* The term "reporting provision" refers to those statutes which provide that a proposed action by the Executive branch shall not take place until the expiration of a specified time, usually 30 to 60 days, after the proposed action has been reported to the two Houses of the Congress or to designated committees of the Congress.

This type of statute is often referred to as a waiting period, a report-and-wait, or a laying-on-the-table provision. In some cases, the waiting period may be waived in whole or in part by resolutions of approval by the designated Houses or committees. Some of these laws do not specify the waiting period, but simply provide that no action may be taken until after there has been "full consultation" with the designated committee.

During the waiting period, the responsible committees have an opportunity to review the proposed action and make their approval or disapproval known to the agency. The agency, however, is not legally bound by a committee's resolution of disapproval. It may go forward with the proposed action unless the disapproval takes the form of enacted legislation.

The practical effect of most reporting provisions may be the same as that of a committee veto, because most agencies are usually reluctant to take an action that is clearly contrary to the wishes of its oversight Congressional committee. For this reason, reporting provisions are frequently lumped together with true legislative or committee vetoes in discussions of the general topic. See Harris, *Congressional Control of Administration* 204–48 (1962). From a constitutional viewpoint, however, there is a major distinction between the two types of legislation.

Many of the statutory provisions commonly referred to as committee vetoes or Congressional vetoes are actually reporting provisions. Twelve of the 19 veto provisions compiled by this Division in 1967 were reporting requirements. See Small, *The Committee Veto: Its Current Use and Appraisals of Its Validity* (Legislative Reference Service, Jan. 16, 1967). Twenty-two of the 39 provisions compiled by the American Law Division in January 1973 were reporting provisions.

See Williams, *Federal Statute Citations Which Give Congressional Veto Over the Power of the Executive Relating to Disposal of Federal Property or Interest* (American Law Division, January 15, 1973).

PARALLEL PROVISIONS

There are numerous other statutes which also contain "one-House" legislative vetoes. See, for example, 22 U.S. Code sec. 2587, dealing with transfer of functions to the Arms Control and Disarmament Agency; 50 U.S. Code App. sec. 194g, dealing with sales of military rubber plants; and 8 U.S. Code sec. 1254, governing the suspension of deportation proceedings for aliens by the Attorney General. Because the legislative veto originated in the Reorganization Acts, this memorandum will concentrate on the legislative background of that Act. It would appear clear that if the legislative veto feature of the Executive Reorganization Act is constitutional, then the similar provisions in analogous statutes are also constitutional.

LEGISLATIVE HISTORY: ACTS OF 1932 AND 1933

The legislative history of the provision for disapproval of reorganization plans by either House of the Congress extends back to 1932. The Economy Act of 1932 gave President Hoover the authority to consolidate, redistribute, and transfer various Government agencies and functions by Executive Order. The Act provided that each other should be transmitted to Congress in session, and should not become effective until 60 days thereafter. The Act also provided that "if either branch of Congress within such 60 calendar days shall pass a resolution disapproving such Executive order or any part thereof, such Executive order shall become null and void to the extent of such disapproval." 47 Stat. 414 (1932).

In an opinion dealing with the propriety in an urgent deficiency bill of a provision authorizing a joint committee of Congress to make the final decision as to whether refunds over $20,000 shall be made and to fix the amount thereof, Attorney General William D. Mitchell cast doubt on the one-House disapproval mechanism.

"It must be assumed that the functions of the President under this act were executive in their nature or they could not have been constitutionally conferred upon him, and so there was set up a method by which one house of Congress might disapprove Executive action. No one would question the power of Congress to provide for delay in the execution of such an administrative order, or its power to withdraw the authority to make the order, provided the withdrawal takes the form of legislation. The attempt to give to either House of Congress, by action which is not legislation, power to disapprove administrative acts, raises a grave question as to the validity of the entire provision in the Act of June 30, 1932 for Executive reorganization of governmental functions." 37 Op. Atty. Gen. 64–65 (1933).

Largely as a result of the Attorney General's criticism, Congress replaced the one-House disapproval provision in 1933 with a "waiting period" provision. This latter provided that an order became effective after 60 days, unless Congress provided otherwise by statute; this disapproval, in turn, was subject to being vetoed by the President. Act of March 3, 1933, Sec. 407, 47 Stat. 1519. The Congress appears to have countered the objection to its disapproval power by limiting the Act's duration to two years. Accordingly, it expired in 1935. The next Reorganization Act was not enacted until 1939.

THE 1939 ACT

The Reorganization Act of 1939 granted reorganization authority to President Roosevelt for a two year period. The Act provided that the Presidential reorganization proposals were to be embodied in "plans", not in Executive "orders". Each plan would become effective 60 days after its transmittal to the Congress, unless it was disapproved in its entirety by a *concurrent* resolution of *both* Houses of the Congress. Such a concurrent resolution was not subject to Presidential veto.

The House Committee which reported the bill proceeded on the constitutional theory that the power conferred upon the President by the Act was legislative in character; because of this, it seemed inaccurate to provide that his action take the form of an Executive order, as did the 1933 Act. The Committee reasoned that the power was neither "executive" in a true sense, or an "order", for the reorganizations would take place not as a consequence of the President's order, but as a consequence of the happening of the contingencies set forth in the Act. The Committee stated:

"The failure of Congress to pass such a concurrent resolution is the contingency upon which the reorganizations take effect. Their taking effect is not because the President orders them. That the taking effect of action legislative in character may be made dependent upon conditions or contingencies is well recognized." House Report No. 120, 76th Cong., 1st Sess. 4–6 (1939).

The Committee relied on the then recent Supreme Court decision in *Currin* v. *Wallace*, 306 U.S. 1 (1939), which upheld the validity of a referendum of farmers which determined whether the Secretary of Agriculture could exercise the authority given him by the statute. The Committee concluded that it seemed "difficult to believe that the effectiveness of action legislative in character may be conditioned upon a vote of farmers but may not be conditioned on a vote of the two legislative bodies of the Congress." House Report No. 120, 76th Cong., 1st Sess. 6 (1939). See also *United States* v. *Rock Royal Cooperative, Inc.*, 307 U.S. 533 (1939) (agricultural marketing statute); *Marshall Field & Co.* v. *Clark*, 143 U.S. 649 (1892) (finding of fact by executive officer under Tariff Act); *J. W. Hampton, Jr. & Co.* v. *United States*, 276 U.S. 394 (1928). The Supreme Court has stated that the Congress may fulfill "the essentials of the legislative function" by authorizing "a statutory command to become operative upon ascertainment of a basic condition of fact by a designated representative of the government." *Hirabayashi* v. *United States*, 320 U.S. 81, 104 (1943).

THE 1945 ACT

In 1945, a Report of the Senate Committee on the Judiciary recommended a veto by *either* House.

The Committee reasoned that the Reorganization Act delegates part of the legislative power of the Congress to the President; when subject to a one-House veto, such a delegation does not operate to deprive either House of its constitutional right not to have any change made in the law without the assent of at least a majority of its members; either House, after seeing precisely how the President proposes to exercise the general power delegated effectively to him would have its own independent right to veto the Presidential action and thus to retain the essential authority vested in it by the Constiution. Senate Report No. 638, 79th Cong., 1st Sess. at 3 (1945). The Senate, however, restored the veto by concurrent resolution, after a discussion of the constitutionality of the one-House veto. See 95 Cong. Rec. 10269–74, 10714 (1945).

THE 1949 ACT

The one-House veto was first enacted in its present form in 1949. The specific provision originated in the proposed Senate bill. The Senate Committee on Expenditures in the Executive Departments (now the Committee on Government Operations) requested the Justice Department's current views of the constitutional issues raised earlier by Attorney General Mitchell in 1933.

The Department responded, first, that Mitchell's statement concerning the 1932 Act was *obiter dictum*, (that is, not essential to the central matter being decided and, hence not binding), because his opinion was concerned only with the constitutionality of proposed legislation affecting tax funds. Secondly, the Department stated that Mitchell's opinion was based on the unsound premise that the Congress, in disapproving a plan, is exercising a legislative function in a nonlegislative manner. The memorandum continued:

"But the Congress exercises its full legislative power when it passes a statute authorizing the President to reorganize the executive branch of the Government by means of reorganization plans. At that point the Congress decides what the policy shall be and lays down the statutory standards and limitations which shall be the framework of Executive action under the Reorganization Act. If the legislation stops there, with no provision for future reference to the Congress, the President's authority to reorganize the Government is complete. Indeed, such authority was given in full to President Roosevelt in the Reorganization Act of 1933 (47 Stat. 1517).

"The pattern of the 1939 and 1945 Reorganization Acts has been to give the reorganization authority to the President, and then provide machinery whereby the Congress may approve or disapprove the plans proposed by the President. Nor is it, in the circumstances, an improper legislative encroachment upon the Executive in the performance of functions delegated to him by the Congress. As indicated above, the authority given to the President to reorganize the Government is legally and adequately vested in the President when the Congress takes the initial step of passing a reorganization act.

"The question here raised relates to the reservation by the Congress of the right to disapprove action taken by the President under the statutory grant of authority. Such reservations are not unprecedented. There have been a number of occasions on which the Congress has participated in similar fashion in the administration of the laws. An example is to be found in section 19 of the Immigration Act of 1917, as amended (8 U.S.C. 155(c); Public Law 863, 80th Cong.), which requires the Attorney General to report to the Congress cases of suspension of deportation of aliens and which provides further that "if during the session of the Congress at which a case is reported * * * the Congress passes a concurrent resolution stating in substance that it favors the suspension of such deportation, the Attorney General shall cancel the deportation proceedings. * * * If prior to the close of the session of the Congress next following the session at which a case is reported, the Congress does not pass such a concurrent resolution, the Attorney General shall thereupon deport such alien * * *.' The Congress has thus reserved the opportunity to express approval or disapproval of executive actions in a described field.

"Still other examples may be found in the laws relating to the administration by the Secretary of the Navy of the naval petroleum reserves, which require consultation by him with the Armed Services Committees of the Congress before he takes certain types of action, such as entering into certain contracts relating to those reserves, starting condemnation proceedings, etc. (34 U.S.C. 524); and in the statute which requires the Joint Committee on Printing to give its approval before an executive agency may have certain types of printing work done outside of the Government Printing Office (44 U.S.C. 111).

"It cannot be questioned that the President in carrying out his Executive functions may consult with whom he pleases. The President frequently consults with congressional leaders, for example, on matters of legislative interest—even on matters which may be considered to be strictly within the purview of the Executive, such as those relating to foreign policy. There would appear to be no reason why the Executive may not be given express statutory authority to communicate to the Congress his intention to perform a given Executive function unless the Congress by some stated means indicates its disapproval. The Reorganization Acts of 1939 and 1945 gave recognition to this principle. The President, in asking the Congress to pass the instant reorganization bill, is following the pattern established by those acts, namely by taking the position that if the Congress will delegate to him authority to reorganize the Government, he will undertake to submit all reorganization plans to the Congress and to put no such plan into effect if the Congress indicates its disapproval thereof. In this procedure there is no question involved of the Congress taking legislative action beyond its initial passage of the Reorganization Act. Nor is there any question involved of abdication by the Executive of his Executive functions to the Congress. It is merely a case where the Executive and the Congress act in cooperation for the benefit of the entire Government and the Nation.

"For the foregoing reasons, it is not believed that there is constitutional objection to the provision in section 6 of the reorganization bills which permits the Congress by concurrence resolution to express its disapproval of reorganization plans."

Memorandum Re: Constitutionality of Provisions in Proposed Reorganization Bills Now Pending in Congress, reprinted in Senate Report No. 282, 81st Cong.; 1st Sess. 18–20 (1949) (Citations omitted; emphasis added).

Although the conclusion was limited to the use of the concurrent resolution, the underscored portions of the memorandum noted that "disapproval . . . by . . . either House" was not a legislative act and thus not constitutionally objectionable.

On the Report accompanying the Bill, the Senate Committee stated:

"It was determined that the most direct and effective way to eliminate the need for exemptions was to include an amendment providing that a simple resolution of disapproval by either the House or the Senate would be sufficient to reject and disapprove any reorganization plan submitted by the President.

"By reserving to either House the power to disapprove, Congress retains in itself the power to determine whether reorganization plans submitted to the Congress by the President shall become law. The power of disapproval reserved to each House by the bill does not delegate to either House the right to make revisions in the plans, but it will enable each House to prevent any such plan of which it disapproves from becoming law. The power thus reserved to each House seems essentially the same as that possessed by each House in the ordinary legislative process, in which process no new law or change in existing law can be made if either House does not favor it. No significant difference would seem to exist by reason of the fact that under the ordinary legislative process the unwillingness of either House to approve the making of new laws or a change in existing law is manifested by the negative act of refusing to register a favorable vote, whereas under the bill the unwillingness must be manifested by the affirmative act of the passage of a resolution of disapproval of a reorganization plan. The unessential character of this difference becomes even more apparent when regard is had to the stringent rule contained in the bill which makes impossible actions calculated to delay or prevent consideration of resolutions of disapproval which have been favorably reported by the appropriate committee."

Senate Report No. 232, 81st Cong., 1st Sess. (1949).

Since the House version of the bill called for disapproval by concurrent resolution, the bills went to conference:

The Senate conferees stood solidly for retention of the provision for rejection by a simple majority vote of either House, which, had been included in the Senate bill, the conferees agreeing to a considerable broadening of the President's authority compared with previous reorganization acts.

As finally approved in conference, after an impasse which lasted for several weeks, the bill incorporated Senate proposals granting the President authority to propose the creation of new departments—a power which was not given to him under earlier acts—and eliminated all restrictive and limiting provisions, but incorporated the provision requiring that a reorganization plan submitted under the act would require the adoption of a resolution of disapproval by a majority of the authorized membership of either House. The Senate, in approving the original Senate bill, had made it clear that the granting of these additional powers to the President had been conditioned upon retention of the provision permitting rejection of any plan by a simple majority vote of either House, and the concessions made by the conferees were approved only because they were necessary if any reorganization authority was to be granted to the President.

Senate Report No. 386, 85th Cong., 1st Sess. (1957).

The Act was discussed on the floor of the Senate at 95 Cong. Rec. 7785, 7827 & 7829 (1949) and in the House of Representatives at 95 Cong. Rec. 7838–39 & 7444–46 (1949). For an extensive discussion and analysis of the legislative history of the legislative veto provisions of the Reorganization Acts from 1932 to 1949, see *Ginnane, The Control of Federal Administration by Congressional Resolutions and Committees*, 66 Harv. L. Rev. 569 (1953).

In 1957, the Act was amended to permit disapproval by a simple majority of either House, rather than by majority of the authorized membership of either House, Public Law 85–286, 71 Stat. 611 (1957). In 1964, the President's power to create new Cabinet Executive Departments was eliminated from the Act, Public Law 88–351, 78 Stat. 240 (1964).

CONSTITUTIONALITY OF THE ONE-HOUSE VETO

As the foregoing legislative history suggests, the constitutionality of the one-House legislation veto mechanism embodied in the Reorganization Act of 1949 and in other statutes is virtually universally accepted. Although occasional arguments in opposition have been raised during floor debates, they have been resolved in favor of the constitutionality of the provisions, either expressly or implicitly, by all concerned legislative committees from 1945 to the present; by the Justice Department, when its opinion was requested; and by the votes of both Houses of the Congress, which are not inconsiderable since the Act has undergone successive extension in 1953, 1955, 1957, 1961, 1969 and 1971.

Reorganization plans submitted by the President more closely resemble proposed legislation, in form and substance, rather than Presidential actions or Executive orders. Legislation proposed to Congress cannot become law if either House votes "no". The effect of the Reorganization Acts have been similar, that is, no "plan" can become "effective" if either House votes "no". As the Senate Committee remarked in 1949, there is no significant difference between the negative act of refusing to register a favorable vote and the affirmative act of a resolution of disapproval.

As to the question of legislative encroachment on the powers of the President, it should be noted that the President arguably accepts the limitation on his delegated powers when he signs the Reorganization Act itself; he has the alternative of vetoing the Act. The power of legislation, including the power to reorganize the Executive branch, is vested by the Constitution in the Congress, U.S. Constitution, Art, I, Secs. 1 and 8. Congress has no obligation to delegate this power to the President, and the President has no obligation to accept the delegation. As the Justice Department pointed out in 1949, each Reorganization Act is a case of the Executive and the Congress acting in cooperation.

There are no court decisions dealing with the constitutionality of the provisions of the Reorganization Act of 1949 under discussion. However, in *Sibbach* v. *Wilson & Co.*, 312 U.S. 1 (1941), the Supreme Court did consider the validity of the analogous "waiting period" provided for the promulgation of the Federal Rules of Civil Procedure. In its discussion of this provision, the Court stated:

"The value of the reservation of the power to examine proposed rules, laws and regulations before they become effective is well understood by Congress. It is frequently, as here, employed to make sure that the action under the delegation squares with the Congressional purpose. That no adverse action was taken by Congress indicates, at least, that no transgression of legislative policy was found." (Footnotes omitted). 312 U.S. at 15–16.

In support of this position, the Court cited there analogies; (a) the organic acts of some of the territories, providing that laws passed by the territorial legislature prior to their admission to statehood would be valid unless Congress disapproved; (b) the provisions of the Act of March 3, 1933, for the laying over of reorganization orders before the Congress, (also known as a "waiting period" provisions); and (c) the Reorganization Act of 1939, which included provision for disapproval by concurrent resolution. (312 U.S. at 15 n. 17).

The holding in the *Sibbach* case does not apply directly to the one-House veto in the 1949 Reorganization Act, because the Court cited only those statutes which required disapproval by both Houses of the Congress. However, the rationale of the case appears to be that the absence of adverse congressional action implies that there is no transgression of legislative policy in a proposed rule, law or regulation. The one-House veto is consistent with this rationale, because it is an accurate method of recording the lack of congressional assent to a proposed change; it is accurate because *either* House can voice its objection readily and independently. In the case of reorganization plans, the failure of either House to register its disapproval is even stronger support for the inference that the plan under consideration does not transgress any legislative policy.

In the case of the proposed Foreign Military Sales and Assistance Act, the legislative veto would enable the Congress to review the proposed military sales and assure itself that it is consistent with Congressional policy.

Therefore, it may be asserted that the legislative veto is neither unconstitutional nor "extra-constitutional". The Act does not allow one House of the Congress to take legislative action binding on the President. It may be persuasively argued that the resolution of disapproval is not a legislative act; that there is no opportunity to amend, alter or delay the proposed plan. Rather, it is merely a reservation to the Congress of the power to examine the exercise of power delegated to the Executive. Congress presumably can be far more generous in amounts of authority which it delegates when the power of review is expressly retained; in the absence of a legislative veto, the Congress usually substitutes other, more stringent limitations on the subject matter and duration of the delegated powers.

Perhaps the best summary of the argument in favor of the legislative veto is contained in Professor Corwin's treatise on the Presidency:

"It is generally agreed that Congress, being free not to delegate power, is free to do so on certain stipulated conditions, as, for example, that the delegation shall terminate by a certain date or on the occurrence of a specified event: the end of a war, for instance. Why, then, should not one condition be that the delegation shall continue only as long as the two houses are of opinion that it is working beneficially? Furthermore; if the national legislative authority is free to delegate powers to the President, then why not to the two houses, either jointly or singly? And if the Secretary of Agriculture may be delegated powers the exercise of which is subject to a referendum vote of producers from time to time, as he may be, then why may not the two houses of Congress be similarly authorized to hold a referendum now and then as to the desirability of the President's continuing to exercise certain legislatively delegated powers?

"As we have seen, moreover, it is generally agreed that the maxim that the legislature may not *delegate* its powers signifies at the very least that the legislature may not *abdicate its powers*. Yet how, in view of the scope that legislative delegations take nowadays, is the line between *delegation* and *abdication* to be maintained? Only, I urge, by rendering the delegated powers recoverable without the consent of the delegate; and for this purpose the concurrent resolution seems to be an available mechanism, and the only one. To argue otherwise is to affront common sense."

Corwin, *The President: Office and Powers, 1787–1957* (4th rev. ed. 1957 (Footnotes omitted). (Emphasis in original.)

By serving as a limitation on the delegation of powers to the Executive branch, the legislative veto serves to strengthen rather than weaken the traditional separation of powers. Faced with a choice between legislating in excessive detail, on the one hand, and a major abdication of authority to the Executive on the other, the Congressional veto provides a practical middle course. In Corwin's phrase, what better way is there to maintain the line between *delegation* and *abdication* of legislative powers?

CONCLUSION

The legislative veto has become generally accepted on the theory that it is a reservation by the Congress of the power to approve or disapprove the exercise of a delegated power by an official of the Executive branch. This is a power which the Congress reserved to itself in the original law that delegated authority to the official.

In the light of the foregoing analysis, it would appear that the proposed amendment is constitutional. It closely parallels the analogous provisions of the Executive Reorganization Act, the constitutionality of which has not been challenged by the Executive branch. Moreover, the amendment would serve a useful function in assuring that the Congressional policy origination power is not abdicated to the Executive branch.

VINCENT E. TREACY,
Legislative Attorney.

EXHIBIT 11

[From the Washington Post, Aug. 11, 1974]

EXHIBIT OF UNCLE SAM, ARMS DEALER

(By Andrew Hamilton)

The Merchant of Death, that international arms salesman, was a sinister figure in the public mythology of the last generation. His rattlesnake eye glinting, a dry rattle in his voice, he plotted to set nation against nation for the sake of profits and a certain perverse delight in destruction.

He was a melodramatic villian, a figment of between-the-wars romance, the old-fashioned European armaments king filtered through Eric Ambler and Graham Greene, but his place in the world was long ago usurped by anonymous bureaucrats. From whatever imaginary place he watches the world, his imaginary eye must be glinting again with cold pleasure, for his successors are making up in business volume what they lack in style.

The world arms trade is flourishing as never before, up 50 per cent since 1970. Vietnam and the Arab-Israeli wars account for only a part of this spurt. Of equal or greater significance is the fact that once poor nations of Asia, the Middle East and Latin America have become avid consumers of arms. And industrial nations, both Western and Communist, are racing each other for sales and the influence they are supposed to bring.

Conflicts are also flourishing, with more than a dozen wars, near-wars, border clashes and shattered truces in the last four years alone, not to mention numerous internal upheavals in which arms played a dominant role. These wars and revolutions not infrequently lead to new orders for military equipment. The United States sold or gave more than $2 billion in arms to Israel following last October's war, while the Soviet Union generously resupplied Egypt and Syria.

Governments which supply arms sometimes argue that there is a beneficial, even an altruistic side to the arms trade. Suppliers, they say, gain influence with recipients and thereby can promote the peaceful resolution of conflicts. In the grandiose words of the most recent report to Congress by the U.S. Defense Security Assistance Agency, "Security assistance is an instrument of national policy which, if put to full use, can effectively expedite the transition from the Cold War confrontation of the past to the generation of peace established by the United States as its goal for the future." Arms transfers, according to this statement, promote "cooperation and partnership" with recipients and are "conducive to restraint."

On July 15, spurred by a military government in Greece critically dependent on American military aid and political support, officers of the Greek Cypriot national guard deposed the president of Cyprus, Archbishop Makarios, and precipitated a continuing crisis. On July 20, Turkish troops in American uniforms and carrying American weapons invaded Cyprus from American-made aircraft, and helicopters and ships carrying American-made trucks and tanks. They were supported by a navy and air force equipped and armed by the United States.

When, next day, Greece began marshaling its American-equipped army aboard American-built landing craft for a counter-invasion, there was imminent danger of war between two nations whose military establishments were largely made in the U.S.A. While Washington did at last persuade the Greeks not to attack, it had failed to restrain either the coup against Makarios or the Turkish invasion.

Conflicts between nations with the same suppliers are becoming common. India and Pakistan fought each other with American equipment in 1971. In the Middle East, Israel, armed with American, British and French weapons, faces Arab nations armed with American, British and French weapons. The grip which the suppliers have on these clients is a tenuous one. And the more sources of supply a nation can draw upon, the less dependent it becomes on any one supplier, and the less subject it is to restraint.

LOTS OF COMPETITION

A new world arms market—a buyer's market—is taking shape. It grows out of the mixture of new wealth and old regional rivalries, and is fed by competition among more than a half-dozen suppliers of modern military equipment. These suppliers include the United States, the Soviet Union, England, France, West Germany, Poland, Czechoslovakia and Sweden.

This new market for arms is dominated by the United States, long the General Motors of the arms trade. In the past four years, foreign orders for U.S. military goods have approached $20 billion (not counting another $8 billion in giveaways, mostly to Israel and Vietnam). This adds up to more than the United States sold in the previous two decades, from 1950 to 1970. Orders for U.S. weapons in the last 12 months alone exceeded $8 billion.

Several striking aspects of these developments demand far closer scrutiny than they have received.

First, cash sales make up a high percentage of the new weapons trade. The U.S. share alone has been more than $13 billion since 1971. Much of the new wealth of developing nations is paying for non-productive military equipment at inflated prices at a time when more than a billion people face starvation because of inadequate food supply and distribution. The funds invested in weapons, if shifted to agriculture, would help alleviate the world food shortage.

Second, the sales have created new regional arms races, thus boosting demand for more arms and contributing to the risks of war—and of great power confrontation—in unstable areas like the Persian Gulf.

Third, the character of the sales has changed. No longer is the world arms trade limited to second-hand, obsolescent weapons. For the first time, the United States is selling its most advanced, most expensive and most highly classified conventional weaponry and electronics technology. Iran, the major customer, will get more weapons simultaneous with their delivery to U.S. forces, and has entered into co-production arrangements with certain U.S. arms manufacturers.

The United States is exporting weapons which could be used to deliver nuclear weapons over distances of several hundred miles, to nations, such as Israel and Iran, which are known to be capable of producing nuclear weapons in the next few years.

Fourth, the huge jump in U.S. arms exports affects the domestic economy and the Pentagon's own procurement programs. Besides improving the nation's balance of payments, the foreign orders now provide thousands of jobs in U.S. industry. In the past year they were roughly equivalent to a 40 percent increase in the Pentagon's weapons budgets. It is clear that such an increase in orders from American industry must affect the number of weapons the Pentagon buys, the rate at which it procures them, and the prices it pays.

There are important economic risks in this situation. Take, for example, the balance-of-payments question. In the short term, large foreign orders for weapons will improve the nation's trade balance. But the danger exists that the buyers, to pay for U.S. and other modern weapons, will be tempted to further increase raw material prices, which in the long run could wipe out any advantage from arms sales and intensify worldwide inflation.

Fifth, despite the diplomatic and economic risks involved, the key decisions behind the new rise in U.S. arms exports were made by President Nixon without consulting or even informing Congress.

THE LOOPHOLES

Underlying these developments is the gradual abandonment of previous U.S. efforts to impose restraint on regional arms races. Even in credit sales, where Congress has a hand in setting policy, restrictions on the volume and quality of weapons sales have been relaxed by amending the Foreign Military Sales Act. The annual credit ceiling is now more than twice as high as it was six years ago; cash sales in Africa and Latin America have been set free of the regional ceilings imposed in the act, and the regional credit ceiling for Latin America has doubled to $150 million a year.

In the Foreign Military Sales Act, enacted in 1968, Congress sought to curb the vigorous merchandising of Henry Kuss, the Pentagon's chief arms salesman in the 1960s, by setting credit limits and a general policy against the sale of sophisticated weapons to developing countries. But the act was riddled with loopholes. Chief among them was the lack of any provision covering cash sales to industrialized countries and nations such as Greece, Turkey, Iran, Korea and the Philippines. There was not even a requirement that Congress be notified in advance of such sales.

Since some of these nations have emerged as major customers, the loophole has turned out to be more important than the act. And the remaining bastions of restraint have slowly crumbled under the pressure of competition from Communist suppliers and from the nation's former cash customers in Western Europe, now significant arms suppliers in their own right. The restrictions on sales to Latin America, for example, were greatly relaxed after France sold sophisticated Mirage aircraft to four Latin governments in 1970–71.

Administration officials argue with seeming perverseness that the nation's basic policy on arms exports has not changed despite the huge jump in sales and radical change in that type of equipment on the market. "What has happened is not new or dramatic," said one official in a recent interview concerning exports to Iran, which, he observed, has long received large quantities of U.S. military aid. This view was echoed by Richard Violette, acting director for sales negotiations of the Defense Security Assistance Agency, and as such the Pentagon's chief arms salesman. Aside from adjustments approved by Congress, he said, "there really was no change in policy on paper." A third official, asserting that restraint is still the rule, declared, "We don't force our arms on anyone."

But in the face of the facts, the administration view seems little more than a semantic quibble. Call it a new approach or a new policy, the effects are the same. The recent sales add a startling and hitherto unsuspected dimension to the Nixon Doctrine, which urged allies to look after their own security.

THE NIXON ORDER

The nature of the change is illustrated by the key sales decision of the past three years. This was former Persident Nixon's order authorizing the formal offer of a long list of advanced weapons to Iran.

This 1973 order supplanted a decision by the Johnson administration, reported to Congress in 1968, limiting Iran to purchases of $600 million a year in American military equipment. It represented the first time that a large slice of the nation's most advanced conventional military technology was offered for sale to a foreign buyer (with the exception of occasional and limited offers to NATO allies). And, of course, it represented an entirely new stage in U.S.-Iranian relations. The decision was not communicated to Congress.

As a result of that decision, Iran is getting, among other things, the nation's most advanced attack helicopter, thousands of costly "smart" bombs and rockets, and the Navy's newest fighter, the Grumman F–14. Negotiations for Iranian purchase of the newest Air Force fighter, the costly F–15, are under way and officials expect that a sale will be concluded. And the Shah has indicated a desire for other weapons still under development, such as the projected lightweight fighter. Indeed, it is not clear what limits have been imposed on the Shah shopping list.

"What," one senior official was asked, "if the Shah asked for the F-111 or the B-1, bomber," both long-range, offensive weapons.

"That would be a tough one," came the reply. "We would have to look at it very carefully."

Included in the purchase price for the new weapons is extensive training for Iranian users by U.S. military personnel. As a result, U.S. servicemen in Iran, exclusive of dependents, have more than tripled in the past year, to more than 1,100 men, mostly on temporary training duty.

The Shah is paying handsomely for all this. Iranian orders already exceed $5 billion—all cash—and are going higher. The price for 80 F-14s alone approaches $2 billion, or about $25 million a copy, including spares and training. This represents about a 40 per cent premium over the Navy's price.

Officials have indicated that the decision to sell to the Shah was hotly debated within the administration. The Shah already was the dominant power in the Persian Gulf, armed with F-4 Phantoms and other modern military equipment, and it was recognized that he has unresolved territorial claims in the area. (In February and March this year Iranian troops clashed with the armed forces of Iraq in a boundary quarrel.) On the other hand, some administration officials feared a Soviet move to dominate the oil-rich gulf.

The issue, it is said, was decided "at the highest level of government," meaning the President himself.

UNANSWERED QUESTIONS

Some pointed questions remain unanswered. What lay behind the decision to sell first-line technology? To what extent was this decision influenced by the Pentagon's own procurement troubles, exemplified by the 250 per cent jump in F-14 unit costs from 1969 to 1972, or by the political impact of declining employment in the U.S. aerospace industry?

Highly informed sources acknowledge that in the fall of 1971 the Pentagon's budget for fiscal 1972 and fiscal 1973 was increased in order to protect defense industry jobs and stretch out the impact of Vietnam disengagement. According to these sources, a boost in export sales was considered as one way of helping ease the impact on the defense industry of declining Pentagon orders.

How did the Shah learn of his opportunity to buy advanced U.S. weapons? According to formal policy, foreign governments initiate all requests to buy weapons, but the United States had never before offered such a range of weaponry for sale. What emboldened the Shah to ask? There were, as it develops, numerous opportunities in 1972 for intimate conversations between high ranking U.S. officials and the Shah.

Navy Secretary John Chaffee visited Tehran in January; Air Force Secretary Robert Seamans went in April. In May former President Nixon himself was in Tehran wtih Henry Kissinger. In July, then-roving ambassador John Connally was there. If they discussed arms sales—and it seems likely—who was the wooer and who the wooed?

What changed the administration's view of the Shah's ability to pay? The 1968 decision to limit sales to $600 million a year was based in part on an estimate of the Shah's financial capacity. The 1973 decision to sell a lot of costly new weapons came almost a year before the price of oil was raised.

To what extent were the economic and diplomatic risks of the decision given a serious appraisal? Former Defense Secretary Melvin R. Laird, who supported the decision at the time, has recently expressed equivocal feelings about the wisdom of an unrestrained arms supply policy in the Persian Gulf.

"While providing armaments to Third World countries may often be a positive short-term measure," Laird wrote this year in a foreword to a critical study entitled "Arms in the Persian Gulf" that "it must be accompanied by diplomatic activity so that massive military assistance and/or large weapons sales do not become a standard long-term policy."

The study was written by Dale R. Tahtinen, an associate of the American Enterprise Institute for Public Policy Research, which could be described as a conservative think-tank. Tahtinen, an expert on the arms balance in the Middle East is appalled by the Iranian supply decision.

He writes: "At this time, the military balance of power in the Persian Gulf leans heavily in Iran's favor, and the gap appears to be widening. This, however, does not decrease the likelihood of war. In fact, as the last two Arab-Israeli conflicts have demonstrated, the possession of highly sophisticated weapons by potential belligerents in explosive situations enhances the possibility that disagreements will be settled by fighting instead of diplomacy. Furthermore, with the advanced military hardware has come greater superpower involvement in the Gulf, and a concomitant increase in the danger of military confrontation between the United States and the Soviet Union" (which supplies Iran's rival, Iraq).

"This danger would reach a particularly high level if fighting were to erupt between the client states. Thus it seems imperative that the United States should review the pattern of its military policy in the Persian Gulf."

CONGRESS ALERTED

The Iranian decision was conceived and executed in secret. Its dimensions have become clear only in retrospect, and in piecemeal fashion. Congress, which was not consulted on the Iranian sales decision, only recently has begun to face its implications. The House Foreign Affairs Committee now is considering amendments to the Foreign Military Sales Act which could provide at least a modicum of restraint on future cash sale decisions. One, sponsored by Rep. Jonathan Bingham (D-N.Y.) would require the President to submit all sales of $25 million or more to a congressional veto; a similar amendment is being pressed in the Senate by Sen. Gaylord Nelson (D-Wis.). Such an amendment, if adopted, would close the loophole in the act through which cash sales can be made without consulting or notifying Congress.

But neither amendment attacks the root of the problem: a booming arms market, fed by rising raw materials revenues, and avidly courted by every arms manufacturer in the world. Unilateral gestures of restraint must be backed by international agreements among suppliers not to supply and among recipients not to buy.

There has been much repetitive talk about international restraint. The question of conventional arms limitation comes up annually at the Conference of the Committee on Disarmament, a 26-nation disarmament forum in Geneva acting under U.N. auspices. It has been an aspect of U.S.-Soviet discussions on the Middle East at least since 1967. But there has been no action in either case. Two international agreements with conventional arms control provisions—the Korean armistice agreements of 1953 and the Indochina ceasefire agreements of 1973—have been repeatedly breached.

Fresh approaches are required. One possibility is a serious attempt to achieve a NATO-wide agreement limiting competition to sell advanced military equipment. This would do much to alleviate the current rush to conclude advantageous deals with Arab states. But in the long run it will be necessary to include the Soviet Union and other Communist states in an agreement on conventional arms transfers.

"To me," said former Defense Secretary Laird in a recent interview in Forbes magazine, "the most important agreement that can be worked out in the next four or five years is to involve the Soviet Union, the United States and all other arms-producing countries to limit the sale and delivery of conventional military equipment into the Middle East, Southeast Asia, Latin America and Africa."

[From the Hartford Courant, Sept. 22, 1974]

EXHIBIT 12

UNITED STATES IS KINGPIN OF GLOBAL ARMS SELLING BOOM

(By James McCartney)

WASHINGTON.—The mushrooming U.S. arms business with foreign countries—which soared to an all-time record of $12 billion this year—is virtually running wild.

There are few controls over the business, which has more than doubled in the last year and multiplied eight times over since 1970.

Under a screen of official secrecy, key decisions by the Nixon-Ford Administration to sell arms abroad on a vast scale have been made without consulting either Congress or the public.

No overall monitoring system for arms sales exists within the government.

The result is that U.S.-built arms are pouring into the world's high tension areas, particularly the Middle East, but also into Asia, Latin America and Africa.

More and more countries—a total of 51—are getting more and better armaments, made in the U.S. And they are using them—for all practical purposes, any way they want—without significant restrictions.

Thus the U.S. is often providing arms to both sides in quarrels and, in effect, profiting from war.

Sen. Thomas F. Eagleton, D-Mo., has charged that laws designed to control the use of American-built arms have been "ignored or openly abridged."

Sen. Gaylord Nelson, D-Wis., has complained that "there is at present no practicable statutory requirement for reporting arms deals to Congress."

Philip Farley, former head of the U.S. Arms Control and Disarmament Agency, an expert on conventional armaments, was asked recently whether the U.S. exercises any effective controls over the sale and distribution of arms abroad.

Said Farley, succinctly: "None."

Congress in the next few days will attempt to write some new restrictions on the use of U.S. equipment, when it considers this year's foreign assistance bill.

But there has been no broad-scale debate on the overall impact of the rapidly expanding U.S. arms business abroad, and none appears imminent.

The foreign arms program has been promoted by the Nixon-Ford administrations as a tool to create "stability" around the world and a way to maintain America's trade balance.

But in recent years it has fueled regional arms races. Some tension areas have burst into war.

In the Indo-Pakistani war of 1971 both sides were equipped with U.S. arms. The same thing happened on Cyprus between Turks and Greeks this year.

In the Persian Gulf, perhaps the most tension-ridden area of the world today, the U.S. is selling billions of dollars worth of arms to potential enemies in Iran and Saudi Arabia—with no firm controls over how the arms may be used.

These powder-keg situations have attracted the deep concern of some conservatives who have traditionally supported almost any kind of military program.

The Senate Appropriations Committee, headed by Sen. John McClellan, D-Ark., has warned officially that it is "particularly concerned that long-term security interests of the United States might be jeopardized by large cash sales of sophisticated weapons systems in areas of potential conflict."

The committee specifically singled out recent arms sales in the Middle East, Greece and Turkey.

Also concerned is former Defense Secretary Melvin R. Laird, who presided over the beginnings of the new races in conventional arms.

Laird has said that as far as he is concerned "the most important agreement that can be worked out in the next four or five years is to involve the Soviet Union, the U.S. and all other arms-producing countries to limit the sale and delivery of conventional military equipment into the Middle East, Southeast Asia, Latin America and Africa."

At the moment, this is an idle dream.

For although the U.S. has been engaged in extensive negotiations to try to control strategic arms, and to reduce military forces in Europe, there are no negotiations under way, or apparently contemplated, to control conventional arms.

Ironically, the Nixon-Ford Administration has argued that the public, and the world, should have no fear about government decisions to give nuclear materials and expertise to Egypt. Secretary of State Henry A. Kissinger has said that the U.S. has established "effective" controls to prevent misuse of the nuclear fuel.

But recent history suggests strongly that the U.S. has not been able to establish effective controls over the use of conventional military weapons distributed to other countries, which raises doubts about the effectiveness of the nuclear controls.

"Perhaps," says one arms control expert wryly, "we should learn to walk, before we try to run."

UNPRECEDENTED GROWTH

The U.S. military sales program has grown phenomenally in recent years—an unprecedented growth in U.S., or any other country's history.

According to Senate Foreign Relations Committee figures, cash and credit sales for 1974 will total about $8.6 billion.

That is more than double last year's $4 billion.

In 1970 the figure was less than $1 billion.

Pentagon officials suggested in interviews that the remarkable jump may be attributed largely to special situations in Israel, which needed material for war, and Iran, which has been permitted to purchase billions in a vast new program supported personally by former President Richard M. Nixon.

But an analysis for military sales between 1973 and 1974 shows that Israel and Iran were far from alone in increasing purchases of weapons from the U.S.

Argentina doubled its purchases; Brazil's were more than tripled.

Chile's quadrupled.

Purchases by Greece grew from $52 million to $434 million—a multiple of nine.

Jordan's purchases quadrupled and neighboring Kuwait's increased by 300 times. Saudi Arabia's grew from $60 million to $587 million, another multiple of nine.

Spain's tripled, Thailand's multiplied 10 times.

Not every country's military purchases increased, but that was clearly the trend, and the U.S. business has boomed as a result.

The degree of secrecy is best illustrated by the experience of Sen. Nelson who has fought for legislation to require the administration to tell Congress of any plans to permit the sale of more than $25 million to any one country.

Last June Nelson sought an estimate from the Pentagon of 1974 military sales and was given an estimate of $4.6 billion. By August the figure had risen to $8.5 billion, and he first learned of the growth as a result of a leak to a newspaper.

But a persistent and largely unanswered question is: Why have military sales grown so dramatically, and so widely?

According to careful congressional students of the programs, there is no question that the Pentagon in the Nixon-Ford administration has actively promoted the sales programs.

TACIT APPROVAL

And experts believe the sales have had the tacit approval of the State Department and the Treasury.

Most list several factors in the background, all relating to hard-sell activities by military contractors with close Pentagon and administration ties.

"The administration has been engaging in hard selling for economic purposes," says one. "Part of it was to take up some of the slack in military sales after the Vietnam war wound down.

"It involves jobs and unemployment. You could say that it is the military-industrial complex at work."

Another motivating factor has been the administration's desire to improve the so-called "balance of payments"—to try to cut down on overall U.S. trade deficits.

Says one official: "No one in Treasury is going to stand up and oppose military sales when they are the biggest thing we've got going to improve our balance of payments."

Almost any administration official who is asked will point out that both the French and the British are in the arms business. And the argument goes that if the U.S. didn't sell arms to those who want to buy, the French and British, or the Germans and the Russians will.

Economists say that both the French and the British arms industries depend on exports for their survival, and are strong competitors, particularly in the rich Middle East markets.

Oddly enough, former President Nixon and Kissinger have bragged often about negotiating a strategic arms control agreement with the Soviet Union in 1972.

But they have failed to get the British and the French, U.S. allies, to sit down and try to negotiate controls over the sale of conventional arms.

Thus today there are no effective controls over the mushrooming international arms business, in which the U.S. is the world leader.

Nor is the administration so much as talking about a need for them.

[From the Philadelphia Inquirer, Sept. 23, 1974]

ARMS SALES ABROAD SKIRT LAW'S CONTROL

(By James McCartney)

WASHINGTON.—On paper, and in theory, the U.S. government has a variety of ways to monitor and to control the use of billions of dollars in U.S. armaments sold or handed out around the world.

But, in fact, there is virtually no control, either sales or use of the arms.

A few months ago U.S.-built armored cars were used by Greeks in staging a coup on Cyprus.

Turkey then invaded the island, using fleets of U.S. planes and ships, U.S.-made uniforms, U.S. tanks.

The U.S. Foreign Assistance Act clearly declares that any country that uses U.S. equipment for purposes not intended by the act shall be "immediately" ineligible for further help.

And the act's purposes—clearly stated—are that arms should be used "solely for internal security" or "legitimate self defense."

But there was no move within the U.S. government to so much as study the question of who was obeying the law and who wasn't.

Secretary of State Henry Kissinger, more than a month after the Turkish invasion, said he couldn't foresee circumstances under which aid might be cut to Turkey, the major violator—and he acknowledged he hadn't looked into the legal requirements of the legislation.

POOR PROCEDURES

The situation is only one example of a lack of monitoring procedures within the government to control the use of U.S. military equipment distributed abroad.

A few years ago, this issue was not particularly important.

But today the U.S. has become the world's leading arms merchant, selling more than $8.6 billion in arms in the last year and giving away or lending another $3.4 billion.

The nation's leading arms salesman is Richard Violette, an energetic, affable man of 49, who makes his living as director of sales negotiations for the Pentagon's Defense Security Assistance Agency (DSAA).

In this job, Violette presided over the sale of about $7.5 billion in arms last year—far more than any other individual.

Violette, who says policy is made by the State Department not by him, views himself as simply a technician to see that arms are delivered.

He insists that no arms are sold unless the State Department approves.

That is the rule. But it's not what happens.

The agency at the State Department from which approval is supposed to come is the little-known Bureau of Politico-Military affairs.

PENTAGON MOVES

But an expert at State says that in reality, the Pentagon manages to get around the complicated regulations in about two-thirds of the cases—meaning that about $8 billion of the $12 billion in arms sold or given away is not effectively controlled by the Bureau.

"The other two thirds," he said, "we may not even know about at State. The Pentagon doesn't come over and ask us, 'Can we do this?' "

According to this expert, and to others who have studied the program carefully both from within and outside the administration, the Pentagon essentially runs the huge and growing U.S. arms sales program.

One former high official in the program, no longer with the government, says that the Pentagon receives "immense pressure" from suppliers of military materials to permit them to sell overseas.

"It is properly described as the military-industrial complex at work," says the former official. "All the pressures are to sell, sell, sell. And there aren't many restraints." Theoretically, the Politico-Military Affairs Bureau is to implement policy, and if there is any one group that can be assigned responsibility for setting policy in overseeing the burgeoning military sales program abroad, it would be the Security Assistance Program Review Committee (SAPRC).

This is an inter-agency committee currently headed by Carlyle E. Maw, former State Department legal adviser, who now is Under Secretary of State for Security Assistance.

The committee, which has representation from the Pentagon, the CIA and other major government agencies, makes an annual review of military sales programs.

The committee meets in secret and makes no public report, thus there is no way for an outsider to know whether it has ever sought to establish ground rules or to slow down booming sales.

Insiders report, however, that the committee made no general policy review to approve the recent dramatic expansion of arms sales.

Nor did the SAPRC group specially approve the largest single armaments program fueling the current splurge in spending—a multibillion program in modern armaments for Iran.

PERSONAL FETISH?

Officials throughout the government say that the Iranian program, which could add up to more than $10 billion before it's over, was, for all practical purposes, a personal fetish of former President Nixon.

"The word came down a few years ago that Nixon didn't want any niggling complaints from the bureaucracy about anything that the Shah of Iran asked for," says one official, "and it's been that way ever since."

The probable reason for so little control over the huge sale of arms overseas is the feeling in the responsible agencies that the White House, Secretary Kissinger and the National Security Council want the arms sold because that helps the economy.

GRANTS LICENSES

One other government agency with functions related to monitoring arms sales is the Office of Munitions Control in the State Department, whose acting director is William Robinson, a retired colonel, formerly at the Pentagon.

The office grants licenses to private commercial operators who want to sell munitions abroad. But this kind of business accounts for a very small portion of the U.S. arms trade—about $360 million. Most of the business is handled in the Pentagon, on a government-to-government, rather than a private basis.

Sen. Frank Church (D., Idaho), a member of the Foreign Relations Committee and a long-time critic of foreign military aid programs, says flatly that "there are no controls" of the disbursement of U.S. arms.

"We pretend that we have agreements with governments that receive material . . . but again and again equipment has been misused and nothing was done about it."

Church scoffs at the idea that the State Department exercises any meaningful control at all.

"In all my years on the Foreign Relations Committee I have never known the State Department to take issue with the Pentagon on an arms program," he says.

"Guidelines and criteria aren't going to work in controlling the distribution of armaments," he says. "The only approach I can see that will work is to cut back drastically on arms programs—just cut them out."

Church believes U.S. arms are contributing to instability, rather than stability, in many parts of the world, and he fears that someday the flow of arms from the U.S. into the Persian Gulf area will be regarded as the prelude to disaster. Other senators also are trying to find ways to establish controls.

NELSON'S FIGHT

Sen. Gaylord Nelson (D., Wis.) has been waging a lonely fight to require the administration to report to Congress on any sale of arms to a single country of $25 million or more, or over $50 million in one year.

"As it stands now," says Nelson, "the executive branch of the government simply presents Congress and the public with accomplished facts."

"Sen. Thomas Eagleton (D., Mo.) has been campaigning for enforcement of the foreign assistance act—meaning in this instance cutting out military aid to Turkey for using U.S. weapons on Cyprus.

"We have just emerged from a trying period of American history," says Eagleton, "a period when laws were winked at and rationalized to fit the concepts of policymakers."

Citing an Aug. 19 statement by Secretary of State Kissinger that it would not be in the "U.S. interest" to terminate aid to Turkey, Eagleton said "it is always in the interests of the U.S. to assure that our laws are faithfully executed."

SMALL EFFORTS

These are small efforts, however, in a very large and complex field.

A basic problem is that, overall, the U.S. does not accept responsibility for the use of billions in arms it is producing and sending around the world.

Said one lawyer at the Pentagon who has helped to handle military sales: "What we are doing is pure insanity, and no one seems to care."

AMENDMENT NO. 1930

(Ordered to be printed and to lie on the table.)

Mr. CHURCH. Mr. President, the extensive hearings of the Subcommittee on Multinational Corporations, which I chair, have focused public attention on the political hijacking of petroleum prices by the members of the Organization of Petroleum Exporting Countries. These countries, operating as a well-organized cartel, have shoved the prices of petroleum up fivefold in the space of a year and a half.

According to Mr. Walter Levy, a prominent petroleum analyst:

> Even if import volumes in 1974 were no higher than in 1972, U.S. import costs (exclusive of transportation and related charges) would increase from just under $5 billion in 1972 to more than $20 billion in 1974; in Western Europe, from about $11 billion to more than $50 billion; in Japan, from under $4 billion to more than $16-billion. Oil import costs of developing countries would increase in about the same proportion. For example, India's f.o.b. import costs would rise from about $200 million in 1972 to about $1 billion in 1974.

The long run consequences of these actions to the U.S. economy and the economy of the West are beyond calculation. Inflation caused directly by the oil price increase is rampant throughout the industrial countries of the West. Inflationary pressures are further exacerbated by the printing of money to pay for imported oil, the only option left to many governments. The banking systems of the free world stand in great jeopardy because of their inability to digest the enormous flows of funds which have been set in motion. Unless there is an immediate and drastic change in this situation, we may very well face a worldwide depression.

As President Ford has said:

> Sovereign nations cannot allow their policies to be dictated, or their fate decided by artificial rigging and distortion of world commodity markets.

Mr. President, when a man throws rocks at the windows of your house, you do not go out the front door and pass him more rocks to throw at you. Yet that is precisely what the pending Foreign Assistance Act of 1974 does. That act includes direct economic and military assistance and credit sales assistance to members of the Organization of Petroleum Exporting Countries in an amount in excess of $270 million. Included on the list of recipients are Indonesia, Venezuela, Iran, and Algeria. All three countries have been leaders in the effort to push prices up.

It is ridiculous that American taxpayers should pay outrageous prices for oil, watch their wealth being swiftly transferred to the hands of OPEC nations, and at the same time be asked to give those nations additional millions in "aid."

The time has come for American foreign policy to adjust to the new reality which is that the OPEC countries have decided to help themselves to most of the wealth of the West. It is inane for us to continue to give them money after they have made such a decision and successfully implemented it.

I, therefore, submit an amendment which would bar all further U.S. aid to those members of the Organization of Petroleum Exporting Countries, which are not cooperating with the worldwide effort to lower oil prices. This amendment would apply not only to the direct bilateral foreign assistance in those categories specified in the amendment, but also to loans made to these countries by the World Bank, the Inter-American Development Bank, and the Asian Bank. Under the terms of the amendment, the U.S. executive director of each Bank would be instructed to vote against any loan or other utilization of the funds of the bank to any OPEC country, unless the President has certified to the Congress, in writing, that such country is making a good faith effort to lower the world market price of petroleum.

In this connection, Mr. President, I ask unanimous consent that several tables, showing the amount that has been loaned to OPEC countries in recent years by each of these Banks, be printed in the RECORD, together with a table setting out the amount of new aid that would be given in fiscal year 1975 to the OPEC countries by the United States under our various bilateral assistance programs, should this amendment not be adopted.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Asian Development Bank approved loans to Indonesia 1968–73

($ Millions)

Indonesia	$110.86
1973	(41.22)

INTER-AMERICAN DEVELOPMENT BANK APPROVED LOAN TO ECUADOR AND VENEZUELA, 1971–73

[In thousands of dollars]

	1971	1972	1973	Totals
Ecuador	30,300	39,700	55,700	125,700
Venezuela	71,001	18,900	43,100	133,001
Total	101,301	58,600	98,800	258,701

Approved World Bank and IDA credits 197[illegible]–74 to OPEC countries

[In millions of dollars]

Gabon	$9.5
Algeria	182.0
Iran	414.5
Iraq	80.0
Nigeria	129.0
Indonesia	192.9
Ecuador	43.2
Venezuela	22.0
Total	1,073.1

Total bilateral economic and military assistance and credit sales to OPEC countries proposed for fiscal year 1975

[In thousands of dollars]

Algeria	$1,409
Gabon	530
Nigeria	6,133
Indonesia	221,369
Iran	1,569
Saudi Arabia	220
Ecuador	19,976
Venezuela	19,557
Total	270,763

Mr. CHURCH. Finally, Mr. President, I ask unanimous consent that the text of the amendment may appear in the Record following the publication of the tables.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1930

On page 55, line 17, insert the following:

Sec. 3. Prohibitions Against Furnishing Assistance to Certain Oil Producing Exporting Countries.

(a) Section 620 of the Foreign Assistance Act of 1973 is amended by adding the following new subsection. (x.)

No assistance should be furnished under this or any other Act, and no sales shall be made under the Agricultural Trade Development and Assistance Act of 1954 or the Foreign Military Sales Act, to the following member countries of the Organization of Petroleum Exporting Countries (OPEC): Abu Dhabi, Algeria, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, and Venezuela.

This restriction may be suspended with respect to any enumerated country when the President has certified to the Congress in writing that such country is making a good faith effort to lower the world market price of petroleum.

(b) The Inter-American Development Bank Act is amended by adding the following new section (23).

The Secretary of the Treasury shall instruct the United States Executive Director of the Bank to vote aganst any loan or other utilization of the funds of the Bank for the benefit of any country enumerated in Section 620 (x) of the Foreign Assistance Act of 1973, unless, under the provisions of that section, the President has certified the Congress in writing that such country is making good faith effort to lower the world market price of petroleum.

(c) The Asian Development Bank Act is amended by adding the following new section (20).

The Secretary of the Treasury shall instruct the United States Executive Director of the Asian Development Bank to vote against any loan or other utilization of the funds of the Bank for the benefit of any country enumerated in Section 620 (x) of the Foreign Assistance Act of 1973, unless, under the provisions of that section, the President has certified to the Congress in writing that such country is making a good faith effort to lower the world market price of petroleum.

(d) The International Development Association Act is amended by adding the following new section (14).

The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development and the International Development Association to vote against any loan or other utilization of the funds of the Bank and the Association for the benefit of any country enumerated in Section 620(x) of the Foreign Assistance Act of 1973, unless, under the provisions of that section, the President has certified to the Congress in writing that such country is making a good faith effort to lower the world market price of petroleum.

EMERGENCY MARINE FISHERIES PROTECTION ACT—S. 1988

AMENDMENT NO. 1931

(Ordered to be printed and to lie on the table.)

Mr. GRAVEL submitted an amendment intended to be proposed by him to the bill (S. 1988) to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENTS NOS. 1869 AND 1870

At the request of Mr. Abourezk, the Senator from California (Mr. Tunney) was added as a cosponsor of amendments Nos. 1869 and 1870, intended to be proposed to the bill (S. 3394), the Foreign Assistance Act of 1974.

NOTICE OF HEARING

Mr. ALLEN. Mr. President, the Subcommittee on Agricultural Research and General Legislation of the Committee on Agriculture and Forestry will hold a hearing Thursday, October 3, on S. 2728 and H.R. 11273, providing for the control of noxious weeds. The hearing will begin at 10 a.m. in room 324, Russell Office Building. Anyone wishing to testify should contact the committee clerk as soon as possible.

ADDITIONAL STATEMENTS

NELSON ROCKEFELLER SUPPORTED FOR VICE PRESIDENCY

Mr. RANDOLPH. Mr. President, I ask unanimous consent to have printed in the Record a statement I delivered this morning before the Committee on Rules and Administration on the nomination of Nelson Rockefeller.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Nelson Rockefeller Supported for Vice Presidency

Mr. Chairman, it is a privilege to counsel with the Members of the Rules Committee on the nomination of Nelson Rockefeller.

The selection of our nation's highest officers is a paramount challenge. In carrying out this duty there is one attribute of the nominee that must take precedence over all others: his qualifications to be President of the United States, should the need arise. I believe that Nelson Rockefeller meets this criterion.

I have known and worked with him for many years. Our personal and official association began in the early 1940's when Nelson Rockefeller, at President Roosevelt's request, established and headed the Office of the Coordinator of Inter-American Affairs. It continued while he was Assistant Secretary of State for Latin American Affairs.

His vigor, intelligence, and integrity are genuine. His career of dedicated public service has been varied and constructive. He has served at Federal and State levels. He has been involved with complex international affairs. For 15 years he administered the government of the people of New York State.

For the past 16 months, Governor Rockefeller has been Chairman of the National Commission on Water Quality. This body was established by the Federal Water Pollution Control Act Amendments of 1972. Its mandate is to review and assess our efforts in water pollution control and to recommend essential modifications to make the program more responsive to meeting our national goals. All of you understand the economic and health consequences of this work. I am a member of the Commission, and under Nelson Rockefeller's leadership it has moved forward energetically to provide the information and guidance required to fulfill our long-range commitment to clean water. Mr. Rockefeller's close personal involvement in this work is indicative of his dedication to realistic environmental improvement. As Chairman during its formative period he has given the Commission the momentum to execute its responsibilities.

Another area in which we have been working together is transportation. As Governor he addressed his efforts to the growing requirements for transportation in an urban society. His leadership has enabled New York to move forward in the difficult area of improving the mobility of people.

While he is an accomplished practitioner of the art of politics, Nelson Rockefeller has sought individuals for appointment to public positions on the basis of their abiilty regardless of party affiliation. In the decision-making process, he is ready to listen to advisers. I believe that Governor Rockefeller as Vice President would help President Ford in his efforts to attract able people to serve the governorment in these troubled times. His experience as an administrator is the ideal complement to the President's legislative background.

Nelson Rockefeller is a creative, resourceful and imaginative man. He has had many years of concerned experience in public affairs but his interests and his talents are not restricted.

But above all, I believe it is his compassion and the ability to translate concern into positive programs for action, that make Nelson Rockefeller uniquely qualified to be Vice President of the United States.

PEER GROUP REVIEW, AN EDUCATIONAL EXPERIENCE

Mr. BENNETT. Mr. President, I ask that a recent article which appeared in the Ohio State Medical Journal be printed in the Record as it has, I think, some relevance to the debate now going on in medical circles over the concept of professional standards review organizations.

There being no objection, the article was ordered to be printed in the Record, as follows:

Peer Group Review, An Educational Experience

(By James K. Skipper, Ph.D.; Jack L. Mulligan, M.D.; Mohan L. Garg, ScD.; and Michael J. McNamara, M.D.)

Peer group review is one of the most important issues being debated in American medicine today. Welch has stated that the establishment of Professional Service Review Organizations (PSRO's) may make greater changes in the practice of medicine than any other piece of legislation in American history.[1] While this law is shrouded in controversy, many medical societies including the

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Footnotes at end of article.

American Medical Association [2] and the Ohio State Medical Association [3] as well as many individual physicians have labeled it a "poor law" and called for its repeal. The American Association of Physicians and Surgeons maintains that PSRO's violate the First, Fifth, Seventh, and Ninth Amendments to the Constitution by destroying the privacy and confidentiality of the physician-patient relationship.[4] It has been said that it threatens the autonomy of the profession [5] and is degrading to physicians. Opponents maintain that it would be difficult to administer, would raise the cost of medical care, would create a massive bureaucracy, and would be susceptible to political manipulation.[6] Arguments have been presented that this law would cause either an over- or an under-utilization of services [7] and would take valuable physician time for direct patient care.[8] Finally, some believe that the PSRO legislation would stifle innovative behavior in medicine because physicians would strive to keep their practice within existing norms.[1]

Despite the widespread criticism of PSRO, few physicians oppose peer group review in principle. In fact, the medical profession has been engaged in such activities for some time. The opposition to PSRO appears to be based on the Federal Government's involvement, the punitive features of the law, and the assumed motivation behind its passage; namely, the reduction of spiraling costs of medical care rather than the improvement of its quality.

Nevertheless, one of the initial functions of the PSRO legislation has been to alert the medical profession to the presumed need for greater emphasis on the peer group review process. The suggestion has been made that the best way to live with the present law, is to work within existing systems as much as possible, especially in surveilling the quality of care in institutions.[8] Schless has further suggested that peer group review, which focuses on quality of care rather than just cost, may offer an educational challenge to physicians and be a valuable experience in continuing education. He writes:

> "The educational chart audit in the community hospital almost ideally satisfies the requirements of this type of quality control. The process of setting pattern criteria and developing a data display of actual performance is in itself a valuable educational experience requiring specific responses of an educational nature in order to correct shortcomings and narrow the gap between the optimal model and actual performance." [9]

Despite the importance of and current controversy over the establishment of PSRO's, most undergraduate medical students at the Medical College of Ohio at Toledo had very little knowledge of this legislation. They were unaware of its implications for the quality of medical care, the cost, and the utilization of health services. They had not considered how this legislation was related to peer group review and record auditing. The few students who were familiar with the law were as suspicious of its ramifications as practicing physicians and for about the same reasons as described above.

Based on the assumptions that peer group review could be made a valuable learning experience and that medical audits might be a useful methodology for developing and improving diagnosis and treatment criteria, the study of PSRO and related materials was incorporated in the curriculum during a phase of the one-month clerkship in Community and Family Medicine at the Medical College of Ohio at Toledo. The students were provided with a reading list and seminars were conducted with faculty members in which PSRO's peer group review and medical audits were discussed from both theoretic and pragmatic viewpoints. Also, some students actually engaged in medical auditing as their Community Medicine project.

The points of departure for the audit projects were based primarily on the works of Brook and Appel [10] and Kessner, et al.[11] Brooks and Appel define five different methods of peer group review for evaluating quality of care. They are in terms of process (what a physician does on behalf of patient) and outcome (the results of the care given to a patient). Three of the methods are called implicit; that is, they are based on expert judgments or evaluations of: (1) process, (2) outcome, and (3) process and outcome. Two methods are called explicit. Criteria for (4) process, and (5) outcome are set in advance of evaluation by experts. In their study, Brooks and Appel reviewed the care of 296 patients with urinary tract infections, hypertension, or ulcerated gastric or duodenal lesions by all five methods. They discovered that: "Depending on the method, from 1.4 to 63.2 percent of patients were judged to have received adequate care. Judgments of process using explicit criteria yielded the fewest acceptable cases (1.4 percent)." [10]

Kessner, et al, using an explicit measure of process (the method Brooks and Appel found to most discriminate), developed what they term the tracer method of evaluating ambulatory care. The assumption of the tracer method is that:

> ". . . . how a physician or team of physicians routinely administers care for common ailments will be an indicator of the general quality of care and the efficacy of the system delivering that care." [11]

They suggest a set of six tracers to evaluate ambulatory care received by a cross-section of a population—middle ear infection and hearing loss, visual disorders, iron deficiency anemia, hypertension, urinary tract infections, and cervical cancer. As an illustration, they provide a minimal care plan for hypertension.

For four months, students were assigned half-time either to physicians in family practice in the community or to the associated hospitals' ambulatory clinics. The students' projects consisted of evaluating the care of patients by applying Kessner's minimal care for hypertension to what was recorded in physician's chart.

In the initial stages of study, the students had negative attitudes toward the PSRO legislation. During the seminars, they expressed the belief that audits would be costly and increase physicians' administrative time. They did not look forward to spending time conducting an audit themselves and were less than enthusiastic about what educational value it might have. While working on the projects, however, the students came to certain conclusions which affected their attitudes toward peer group review and resulted in changes in their professional behavior.

When the students compared the hypertensive minimal care plan standard, which itemizes content of history, physical, diagnostic studies, and treatment options with the content of patient charts, they discovered first, that the patient charts were generally inadequate. Full personal and social histories were omitted. Many times blood pressure was not recorded even in the case of consecutive visits of the same patients. In other cases, there was no mention of hypertension on the charts even though patient's diastolic blood pressure was consistently high. Second, the students found that patients in a clinic setting often have more than the one illness (hypertension). With the multiproblem patient they were hampered in trying to audit hypertension independently of other diseases due to the fact that test orders were listed on the charts without any correlation of test to problem. For example, there was no way to differentiate serum lipids when the patient had hypertension, diabetes, and arteriosclerotic heart disease. Finally, the students' audit revealed that the cost to the patient of various diagnostic tests and drugs prescribed for the treatment of hypertension was not taken into account. No positive correlation was found between the cost to the patient and the length of time until the patient's hypertension was brought under control.

The students' findings are interesting and may have some implications for the future development of technics and strategies for peer group review. How well these findings may have already been assimilated by the medical community is speculative. The significance of the students' work with peer group review, however, lies not with their research findings themselves but what was learned in the process of completing the audit and the effects it had on attitudes and behavior.

The students became aware of the importance of PSRO's in terms of their possible effects on the medical profession. They became more open minded about the legislation and were able to discuss rationally its pros and cons. One student, who was vehemently opposed to peer group review at the beginning of the clerkship, remarked shortly before the month was over: "I am still opposed to government interference in medicine, but I have to admit auditing practice is not all bad." Through the use of the audit project, the students learned something about the state of the art of evaluating the quality of medical care, the strengths and limitations of medical auditing, and the value of well-recorded, problem oriented records. Several students remarked that although they had been informed about problem-oriented records, it was only after the audit experience that they really were able to assess their importance.

Perhaps the most important behavioral change came in the area of record keeping. As the students progressed through their project and viewed the untidy and incomplete records kept on patient charts, their own record keeping on patients became more thorough and complete. In a student's own words:

> "When I first reviewed patients' charts with an audit on my mind, I was shocked at how sloppy they were kept. It was hard to make anything out of them. Then I looked at my own notes and found they were in no better order. I decided right then that I was going to do all I could to make mine as readable and complete as possible, even if it meant I had to type them myself."

There is little doubt in our minds that the peer group review experience was educational and very meaningful to the students. We firmly believe that they are now more ready to devote time in the future to the whole spectrum of medical care evaluation, including their own practice. We speculate that the students' experience might be duplicated with practicing physicians. If physicians could become less resentful of government's initiative in establishing PSRO's and think less about the so-called punitive features of the law, and more about the opportunities for continuing education inherent in it, and the possibilities of making improvements in the delivery of health care, the results might be as positive as we found with undergraduate medical students. Granted, the students were in a situation supposedly structured so that learning may take place and changes in attitude and behavior occur. That is part of the socialization process expected in any professional school. We suggest, however, that it is not impossible for physicians at least part of the time to look upon medical practice as a learning situation. Is this not what the concept of continuing education is all about? It would seem that in this day and age in which society is placing greater and greater pressure on all professional groups to document their competence to practice and also to keep their skills cur-

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Footnotes at end of article.

rent, it would behoove physicians to be leaders in evaluating the quality of their own services. To the extent to which PSRO legislation urges and/or demands action toward such ends, we highly recommend that physicians take advantage of its opportunities for educational advancement.

FOOTNOTES

[1] Welch C: Professional standards review organizations—problems and prospects. *N. Engl J Med* 289:291–295, 1973.

[2] Wording of new AMA policy on PSRO, *Am Med News*, Dec 10, 1973, p. 14.

[3] Ohio State Medical Assn: *OSMAGRAM*, Jan 18, 1974, p. 1.

[4] Heard JP: Should M.D.'s work for repeal of PSRO? *Am Med News*, Oct 27, 1973, p. 10.

[5] AAPS pledges continued campaign against PSRO, socialized medicine. *Am Med News*, Oct 22, 1973, p. 18.

[6] Somers AR: PSRO: friend or foe? *N Engl J Med* 289:321–322, 1973.

[7] Williamson J: Evaluating the quality of medical care. *N Engl J Med* 288:1352–1353, 1973.

[8] A reaction to AMA's PSRO stand. *Am Med News*, Dec 17, 1973, p. 4.

[9] Schless J: Peer review as an educational challenge. *JAMA* 1060, 1972.

[10] Brook R, Appel F: Quality-of-care assessment: choosing a method for peer group review. *N. Engl J Med* 288:1323–1329, 1973.

[11] Kessner D, Kalk C, Singer J: Assessing health quality—the case for tracers. *N Engl J Med* 288:189–194, 1973.

Mr. BENNETT. Mr. President, the authors are all members of the Department of Community and Family Medicine at the Medical College of Ohio at Toledo. They relate the experience of undergraduate medical students in carrying out a program of peer review modeled after that legislated in the PSRO amendment which I proposed.

Students who participated in the medical review program displayed a marked change of attitude, becoming more open-minded toward PSRO legislation. Their experience, the article says, might be duplicated with practicing physicians.

They point out that if physicians would display less concern with the Government's initiative in establishing the law, and more for the opportunities it affords for continuing education, the possibilities for improving our health care delivery system would be positively enhanced.

DAN JASPAN

Mr. McGEE. Mr. President, since April of 1956, up until a few short days ago, the National Association of Postal Supervisors has been represented in Washington, and especially here on the Hill, by a genuine and warm individual who ably represented the members of NAPS in all respects. I refer to Dan Jaspan, who has stepped aside after more than 18 years in the position of legislative representative and administrative vice president of the Postal Supervisors organization. Dan also has taken retirement from the U.S. Postal Service.

Back when he moved from Philadelphia to Washington to assume his duties for NAPS, Dan Jaspan wrote in the Postal Supervisor that it would be his policy to call things as they were. He said:

> I feel that the supervisors are mature enough to face issues squarely and I don't think that you will want to hear only optimistic reports.

For more than 18 years, Dan did indeed call things as they were. He was of immense help to the Congress in aiding members to understand the problems of the people he represented. And those people benefited immensely from Dan's endeavors. Much credit is due to him, and as chairman of the Committee on Post Office and Civil Service, I want to salute Dan Jaspan on his retirement, both from his post with NAPS and from the Philadelphia Post Office. He and his wife, Belle, plan to remain in the Washington area and, I understand, undertake some well deserved travel and relaxation.

CHANGE OF ANNOUNCEMENT ON CALL OF THE ROLL

Mr. GRIFFIN. Mr. President, due to a printing error, Senators BELLMON, GOLDWATER and MATHIAS were incorrectly listed in yesterday's RECORD as absent on official business on quorum No. 420.

I ask unanimous consent that the permanent RECORD be changed to indicate that they were necessarily absent instead of absent on official business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FRANCHISE GAME—IV

Mr. HARTKE. Mr. President, in the fourth in its series of articles on franchise swindles, the Chicago Tribune quotes Arthur Bailey, executive board member of the American Trial Lawyers Association, on the franchise problem:

> The franchise concept has become so successful that many people cash in on the bonanza by selling completely phony nonexistent franchises. The company they claim to be from is a shell, and they walk away.

For the public to regain its confidence in franchises, the Congress needs to develop legislation that will regulate this new industry. As a first step, we should conduct hearings into the matter, using as a springboard my legislative proposal, S. 2467, which would require complete financial disclosure to prospective buyers.

I ask unanimous consent, Mr. President, to print the previously quoted article in the RECORD.

There bing no objection, the article was ordered to be printed in the RECORD, as follows:

FRANCHISERS GET RICH ON FAILURES

When James Sanford, 24, and his 23-year-old wife Sherry paid $2,000 for five vending machines and 500 packets of cookies and candies, they thought they were buying a part of a large, diversified corporation.

The title implied it; the promotion stated it flatly.

Among other things, the Schaumburg couple were impressed by the "History of Vending" booklet that traced vending back to 50 B.C. And they liked the personal message from the president of Monroe Industries, Inc., and the picture of the president with his wife and two children.

But they didn't like the machines. "All five machines were completely inoperable," Sanford said.

Like thousands of other Americans each year, the Sanfords had crossed paths with the clever breed of men who promise a lot, deliver little, and are almost never prosecuted for their misdeeds.

Using the term franchising in its broadest sense, these are the men at the bottom of the heap. Or as Arthur Bailey, executive board member of the American Trial Lawyers Association and franchise law expert, puts it:

"The franchise concept has become so successful that many people cash in on the bonanza by selling completely phony nonexistent franchises. The company they claim to be from is a shell, and they walk away."

And thousands of Americans are left holding the bag, duped by an avalanche of salesmanship designed to hide the company's facile ability to slip into bankruptcy overnight.

"They'll always tell you, 'Look, I may be a bad businessman, but I'm no crook,'" said Margaret Kemp, assistant district attorney in San Mateo County, Cal. "And they'll say it with a straight face."

The truth is they thrive on convincing the prospective customer that their fly-by-night venture is as stable as the companies that have become household words.

Thus, while Budget Rent-A-Car will promise and deliver a nationwide reservation system, the flimsy vending company will lean on its phony affiliation with a brand name like Nabisco or Planters Peanuts, claiming the benefits of national advertising

When budget is helping its franchisee locate near airports, the vending company's "expert locater" will talk the owner of an out-of-the-way service station into letting the machine stand on his premises for a week or two.

But it never got even that far with the Sanfords. No one ever came to locate their machines at all. Their faith was rekindled a little when a repairman came to look at the machines, but it died quickly.

"He couldn't get the machines working," Sanford said. "They looked like they had been used or junked in the past."

Variations on their story were repeated thruout the country hundreds of times before Monroe Industries died in a bankruptcy court in Louisiana. Officials estimate that in the seven months before the bankruptcy, $1.3 million was poured into the company by 400 investors.

"I have been able to find only one of the 140 people I represent"—said Charles Smith, an attorney who filed a civil suit against the company—"who can assert that he actually got one of his machines to work."

Unofficially, Louisiana prosecutors thought they had the operation figured out.

On the surface, the scheme looks like it was a well-intended business venture that went sour," said a prosecutor who refused to be identified. "When you get close to the facts, you begin to wonder if it wasn't planned that way, to make it look like an honest attempt went awry, when in fact it was a calculated fraud from the beginning."

But fraud is a crime, and the hard fact is that these clever men seldom face criminal charges. Tho mail fraud is the most common tool used against the franchise con men, postal inspectors can point to only 80 indictments and 38 convictions thruout the nation in the last three years.

These figures are based on 392 investigations that ended in 161 franchising and distributorship schemes going out of business or declaring bankruptcy.

Lawyers quicky point out that "intent" is the legal key to proving fraud, and many of these men are adept enough or lucky enough to deliver just enough of their promises to prove, from a legal standpoint, that they were trying to do the right thing.

But sometimes they slip up.

A Des Plaines-based corporation apparently didn't keep enough of its promises, and postal inspectors swooped down on their nationwide operation.

The federal agents were able to indict four officers of the company, which sometimes called itself the House of Colognes and sometimes the Thomas Company.

Two of the officers eventually were sent to prison, and two others remain on probation.

But by the time the indictments came—in Minnesota in April, 1973—the company had left a string of victims across the country. In 19 months, according to the postal inspectors' estimate, the company made $614,000.

At least one franchise sale even came after the indictment—one day after. Mrs. Jean Livingston of McKeesport, Pa., remembers it well.

She paid $2,500 for a shot at that dream, a chance to distribute the "variety" of perfumes and colognes the company had put in small bottles for display racks. But before she invested, she called the company's bank and the Des Plaines Chamber of Commerce.

"Everyone, to a man, had nothing but praise for the company," she said. "They couldn't tell me enough about the way it had grown so rapidly."

Tho she thought she had joined a large corporation, she actually had become involved in a scheme to rebottle name-brand perfumes. While the Thomas Company continued to sell distributorships, its source was cut off in Florida when the name perfume companies filed suit.

Meanwhile, the company salesmen used an astonishing array of tools to convince everyone that the firm was flying high.

"He [a salesman] told me that the stuff was selling so fast they were letting retarded children peddle it in a one-block commercial district in Florida, and they were making a bundle," said Robert Spaete of Maquoketa, Iowa, recalling what prompted him to invest $5,000.

Later the investors learned that the long list of references the salesmen handed out often listed themselves—an act that led to one count of the indictment. They also listed the names of references with business ties to the firm.

Herschell Lewis, for example, was prominent on the list. And Lewis, himself a veteran of several questionable franchise schemes, was handling the company's advertising from his Wrigley Building offices.

The Thomas Company is typical of the shaky firms that draw their victims from all over the country. Seldom do they stack up too many buyers in one area and risk the heat of law enforcement.

There were 145 persons in the Chicago area, however, who can talk about an exception—Consolidated Chemical Company of Houston. That company's representative breezed thru Chicagoland between March and July, 1972, recruited the 145 for vending-route deals, and took out half a million dollars in sales.

Then the company declared bankruptcy. But by the time a tax lien was enforced against the company, there were no assets left.

Only last month did the Federal Trade Commission get around to signing a consent order in which the defunct firm and its former officers are prohibited from using deceptive practices in franchise sales.

The order was two years too late for Tom Matz, 28, who has 20 vending-machine cases of dried coffee, soup, and tea stacked in his garage to show for his $3,316.80 investment.

Matz first read about the company in a newspaper ad and then agreed to talk to the company's salesman one evening.

"I wanted my son to think it over, but the salesman said he would have to leave and couldn't come back again to make the offer," said Mrs. Veronica Matz, 59. "I said the bank was closed, but he [the salesman] knew it was open on Friday nights."

Matz gave in and went to the bank for the money. Then he waited in vain for the "locater" to come and help him find the right places for his vending machines.

No locater ever came, and the machines never left his garage.

Now Matz and his mother make the best they can out of a bad investment—occasionally they have the coffee and soup with their meals.

The bankruptcy all but removed any hopes of getting back their money.

At the very least a declaration of bankruptcy ties the company's tangled affairs into a neat bundle that prosecutors and creditors can inspect. Some companies prefer to avoid even that and just disappear.

The M. Gordon Companies, tho headquartered in suburban Northlake, almost always dealt with people from out of town. K. Walker Lindsay of Harbert, Mich., bought a $3,000 distributorship for their line of security products.

"They had a tremendous sales talk about their research and how well they were set up in other places," he said. "It looked good."

Lindsay, a 52-year-old retired Air Force lieutenant colonel, thought the company had a huge warehouse full of material in Chicago because they assured him that was true. When his first supplies were late, he surprised them by coming to Chicago to find out why.

"I had a heck of a time finding the place," he remembered. "I finally found to my chagrin that it was the back end of a warehouse. They had leased strictly warehouse space.

"It looked like the set of an Al Capone movie."

IS REVENUE SHARING IN TROUBLE?—YES, NO, AND MAYBE

Mr. BROCK. Mr. President, there appears to be a question arising regarding revenue sharing. Is it in trouble? According to articles by three very distinguished gentlemen who should know, the answer is—"yes," "no," and "maybe." The gentlemen representing the various views are David S. Broder, Charls E. Walker, and Edmund S. Muskie, representing the "yes," "no," and "maybe" views respectively. In my opinion revenue sharing, more accurately the State and Local Fiscal Assistance Act of 1972, is one of the most important pieces of legislation that Congress has ever passed. Revenue sharing is supported virtually 100 percent by those concerned—the State and local officials—and any suggestion that the program might be in trouble should be carefully examined. I would like to have these three articles reprinted in the Record, but before that, considering the importance of the program and the importance of the three authors, I would like to make a few comments on each.

David Broder opened the debate in an article of May 29, 1974, entitled "The Future of Revenue Sharing." Citing a recent poll of Representatives, he came to the conclusion that "yes," revenue sharing was in trouble. He felt that when the act came up for renewal in the next, 94th Congress, that the Democrats might make a major push to terminate general revenue sharing, or to tie it more tightly to Federal priority programs. In a "Taking Exception" article by Charls Walker entitled "Permanent Revenue Sharing," he dismissed this conclusion because he reminded us that "the first point to understand is that Congress did 'not' pass revenue sharing because it wanted to." In other words, whether you have a Democratic controlled Congress or not, Congress will be forced into renewing the program. Mr. Walker thus concluded that "no," revenue sharing was not in trouble.

Then, just recently, my distinguished colleague from Maine, Senator Ed Muskie, wrote an article on "Saving Revenue Sharing" with the tone that "maybe" revenue sharing was in trouble, because:

> Despite its long-standing promise that general revenue sharing would be new money, the Administration some time ago launched an all out attack on the budgets of numerous Federal social programs.

The obvious question arises, "Who is right?" And, the answer is, of course, they all are to a certain extent. First, we should realize that they are all very knowledgeable about the program. David Broder is one of America's foremost journalists, and has a longstanding interest in revenue sharing and the concept of the New Federalism. Charls Walker is an ex-Deputy Secretary of the Treasury, and was given the task in the spring of 1969 to start developing the program that eventually became revenue sharing. And, Senator Muskie is chairman of the Intergovernmental Relations Subcommittee, which has oversight authority of revenue sharing. All three are more than just casual observers of the scene, and thus their views are important. Returning to the more substantive response to who is right, I think that Dave Broder is too pessimistic, Charls Walker too optimistic, and Senator Muskie close to why revenue sharing is in trouble, while yet showing why it should not be in trouble.

I think that Charls Walker's point that Congress was forced to enact revenue sharing because the people wanted it is valid. Thus, revenue sharing will not be terminated as Dave Broder suggests. However, the latter's other point, that it might be tied more "tightly to Federal priority programs," is, in my opinion, very valid, and Charls Walker's optimism does not properly respond to this point. Why there might be "tighter" control is the theme of Senator Muskie's article. His point is that revenue sharing is in trouble because it cut into categorical grants. The point is well taken, but the reverse could be said, that is, categorical grants cut into revenue sharing. But, this gets into the argument about which is better, Great Society type categorical grants or New Federalism revenue sharing programs, and in some respect it could be mixing apples and oranges. Why can't you support both? Revenue sharing was introduced to help State and local governments use the money as they saw fit with as little redtape from Washington as possible. Categorical grants are based on the assumption that Washington knows best, and only they can direct. In some areas, categorical grants might have validity, but not in others. Thus, you could support both programs. I personally would rather see more revenue sharing type programs, but I would not rule out both kinds of programs. However, it is my fear that, while revenue sharing will be extended "in name," it will be categorical grants "in fact," just the antithesis of revenue sharing. This has prompted Senators BAKER and COOK and I to introduce a bill, S. 3903, to extend revenue sharing now. I wholeheartedly recommend that those who support revenue sharing read these three articles very carefully, and make their own judgement. Mr. President, I ask unanimous consent that the three articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 29, 1974]

THE FUTURE OF REVENUE SHARING

(By David S. Broder)

If passage of general revenue sharing was, as many believe, the landmark achievement in the domestic record of the first Nixon administration, then repeal or drastic revision of that legislation may be the second-term result of Mr. Nixon's Watergate problems.

The possibility is clearly implied by the first systematic survey of current congressional attitudes toward revenue-sharing. It was published with a minimum of fanfare last month by the Intergovernmental Relations Subcommittee of the House Government Operations Committee.

The report written by the staff of Rep. L. H. Fountain's (D-N.C.) panel is relentlessly neutral in tone, and avoids raising any questions about the future of the five-year, $30 billion program of unrestricted grants to state and local governments.

But the replies from almost 40 per cent of the House and Senate members appear ominous for this keystone of Mr. Nixon's "New Federalism" program.

They imply that if the Democrats enjoy the mid-term election victory this November that many of them now predict, it may be a close question whether revenue-sharing is continued in anything like its present form.

That will, no doubt, come as a surprise, for there certainly has been no indication that revenue-sharing would be much of an issue in this year's campaign.

In its third year of life, the subsidy program which has been welcomed as manna from heaven by most of the 33,000 recipient governments is assumed by many to be a permanent part of the federal fiscal system.

While many believe that Congress would not dare turn off the revenue-sharing tap, such scholars of the Federal system as Harvard's Samuel Beer argue that passage of general revenue-sharing was possible only under the peculiar circumstances of 1972—a divided government, with neither party united on priority domestic goals of its own—and that its continuance is at least problematical.

That is what makes the findings of the Fountain sub-committee survey so ominous for those who would like to see this experiment in fiscal decentralization given a real crack at proving itself.

Overall, the survey of 97 Republicans and 109 Democrats shows approval for the uses and administration of revenue-sharing funds so far. But while Republicans are heavily supportive, Democrats tend to be skeptical.

For example, when asked if they thought it desirable or not that revenue-sharing funds were being used in many instances to stabilize or reduce local taxes, Democrats, by a 46-to-37 per cent margin, said "undesirable."

By a 42-to-38 per cent margin, the Democrats agreed with the statement that revenue-sharing money is spread too thinly among the recipient units of government. Only 6 per cent of the Democrats thought general revenue-sharing plays too small a part in the present mix of federal aid, but 36 per cent said its role is too large.

By 41 to 35 per cent, the Democrats say that if Congress extend revenue-sharing, they would favor restricting state use of funds to high priority purposes specified by the Federal government. By a wider margin, they would oppose ending the current modest restrictions on the use of the money by local governments.

On all these questions, congressional Republicans who responded to the inquiry took sharply opposing views.

What this suggests is that if the Democrats are greatly augmented in numbers in the November election, a major push to terminate general revenue-sharing or to tie it more tightly to federal priority programs may be expected in the next Congress.

This is an issue that is important enough to be debated in congressional campaigns across the country this fall. It is not a decision that should be made without debate. The Fountain subcommittee has given friends of revenue-sharing adequate warning to be on their toes.

[From the Washington Post, June 20, 1974]

"PERMANENT" REVENUE SHARING

(By Charls E. Walker)

David Broder's outstanding reputation for accuracy in reporting and analysis is so well-deserved that one takes pen in hand only reluctantly to challenge his recently stated conclusions (May 29) regarding a House subcommittee survey of congressional attitudes on general revenue sharing. Broder concludes from the survey that reevnue sharing is in trouble.

But, as the former Nixon administration official who was asked by the President in the spring of 1969 to start developing the administration proposal (which was sent up in August of that year); as one who said from the start that revenue sharing would pass the Congress sooner rather than later; and as the Treasury official who had primary responsibility for "lobbying" the legislation through in 1972, I think I can rightfully say that I understood the forces at work which led to original passage, and have some credibility in analyzing the results of the subcommittee survey. After having done so, I am much more optimistic than Broder about the possibility of permanent and growing general revenue sharing in the United States.

The first point to understand is that Congress did not pass revenue sharing because it wanted to. To bear the onus of taxing without the direct benefits of the spending that taxes make possible is anathema to many a politician—and especially when some of his potential opponents (translation: mayors, governors and county officials) get the primary credit for how the money is spent.

Nor do I believe Harvard professor Samuel Beer to be correct in arguing (according to Broder) that "general revenue sharing was possible only under the peculiar circumstances of 1972—a divided government, with neither party united on priority domestic goals of its own . . ." To the contrary, general revenue sharing passed for two reasons: (1) the grass-roots support of state and local officials, which the administration carefully nurtured and built in 1969–71; and (2) it's not all that hard to give away $30 billion.

Nor are the figures in the committee poll convincing when closely reviewed. By the rather slim margin of 42 to 38 percent, Democrats agreed with the statement that revenue-sharing money is spread too thinly—only to vote in the next breath that its role is too large. That seems to me almost like preaching that the world is flat and round at the same time.

In addition, Broder missed an important point when he failed to note that the shelving of the Select House Committee's proposals for re-structuring committees, which would have shifted revenue sharing from Ways and Means to Government Operations, is a plus for continuation of the program. Not that the latter committee would necessarily have been unsympathetic to extending revenue sharing; maybe so, maybe not. Rather the important point is that Ways and Means lived, breathed and slept with revenue sharing for much of the summer of 1972, and its members have been understanding (partly as a result of countless computer runs) of the intricacies of the program.

Having said all this, however, I must strongly commend Broder for highlighting the issue now, several months in advance of the 1974 elections. He is right on the beam when he states that revenue sharing "is important enough to be debated in congressional campaigns across the country this fall," and that the subcommittee survey "has given friends of revenue sharing adequate warning to be on their toes."

The passage of revenue sharing in 1972 had its immediate political roots in the mid-term elections of 1970, in which (not accidentally) it was a major issue. And if the governors, mayors and county officials are "on their toes," it will be an issue again this fall. Early and effective work on their part can assure a majority in favor of extending revenue sharing—with few "strings" and perhaps on a permanent basis—even before the 94th Congress convenes next January, regardless of its political make-up.

[From the Washington Post, Aug. 29, 1974]

SAVING REVENUE SHARING

(By Edmund S. Muskie)

Less than two years ago, the passage of general revenue sharing was hailed as the cornerstone of a "New American Revolution"—the beginning of the end of three decades of ever-increasing power in the hands of the federal government.

As one of the original promoters of this concept in Congress, I share the assessment that revenue sharing is a revolutionary step, of potentially great importance to the health of our federal system of government. And I believe that we all have a stake in making it work.

I am concerned, therefore, that this program—which dispenses some $6 billion a year in federal revenues to more than 38,000 units of government throughout the nation—is now in political trouble. It has been undercut by its most ardent supporter—the administration itself.

Despite its long-standing promise that general revenue sharing would be new money, the administration some time ago launched an all-out attack on the budgets of numerous federal social programs—making that promise meaningless. As a result of massive cutbacks in existing programs, revenue sharing can no longer be considered additional relief for financially strapped state and local governments. Instead, it has come to be judged—particularly by its liberal critics—as a substitute for existing federal programs, and an inadequate one at that.

To be sure, there are other problems with general revenue sharing, not the least of which is the formula created by Congress which provides money to more than 38,000 jurisdictions, some of which have neither demonstrated a need nor provided a use for it. In the spirit of compromise necessary to secure passage of the act, the program was transformed into a streamlined form of federal aid to virtually every local government in the nation—regardless of size, function or relative need.

Today, the failure of the allocation formula to insure that those with the greatest need receive the greatest assistance has left ample room for the criticism that revenue sharing means an abdication of our national commitment to alleviate the social ills of poverty, ignorance and disease.

A formula, however, is primarily a technical matter. It is not easy to find the proper one, but we can certainly improve upon the one we have. This and other problems with the actual implementation of revenue sharing make the program vulnerable to criticism, but these are problems that can be corrected. What cannot be corrected so easily is the highly publicized context in which revenue sharing has come to be judged. As happened so often in the Nixon administration, a widely supported federal program was turned into a political tool. The result was a serious threat to revenue sharing's continued existence. The new Ford administration has a chance to recoup those losses and regain the bipartisan support revenue sharing enjoyed in Congress two years ago. This is no small task.

In recent months, the pace of criticism of general revenue sharing has stepped up considerably, and it has become increasingly clear that changes are going to have to be made. Accordingly, early this summer, the Senate Subcommittee on Intergovernmental Relations began a series of hearings on general revenue sharing—the first such major review since the program's enactment. As a long-time supporter of the program; I felt it imperative that we begin now to examine carefully and dispassionately both its strengths and its shortcomings, in order to focus attention on the steps that must be taken in the next year to insure its continuation.

The testimony we heard was mixed, indeed. From those officials most closely involved with the program—governors, mayors and county executives—we heard enthusiastic praise. But from representatives of civil rights groups we heard serious charges of racial discrimination in the use of revenue-sharing funds. And from citizens' groups we heard of their frustrated attempts to use revenue sharing as a lever to gain more impact on budget-making at the local level. As for the accomplishments, the news was even more mixed. Revenue sharing has helped hold down taxes at the state and local level, but has had little or no impact on efforts to make those taxes more progressive or efficient. Nor has it significantly alleviated the financial pinch for many of our nation's largest cities.

These problems are serious, indeed. If revenue sharing is to survive beyond its first five years, as I believe it should, we must set about finding solutions to them—today, not six months before the program is to expire.

Revenue sharing as a concept deserves the continuing support and cooperation of Congress. Five steps seem in order:

We must make a full-faith effort to improve upon its present administration, not kill it as its harshest critics suggest.

We must modify the formula used to distribute funds so that those with the greatest need receive the most help.

We must insist that revenue sharing be not only a buffer against higher taxes, but a catalyst for fairer taxes as well.

We must insure that revenue sharing does not become a tool for the perpetuation of discrimination, which would happen if safeguards already in the law were enforced more stringently.

Finally, we must reaffirm our original intent that revenue sharing should be an aid, not a substitute, in the battle of the fiscal stability in communities crippled by demands on local revenues that are rapidly outstripping revenues themselves.

CONGRESSMAN ORVAL HANSEN: A PROFILE IN COURAGE

Mr. CHURCH. Mr. President, recently there has been distributed in Idaho an attack against me which has been mounted by members of the John Birch Society.

While the subject of that attack is not the purpose of these remarks, it is relevant that when this attack began circulating, my Republican colleague from Idaho's Second Congressional District, Representative ORVAL HANSEN, rose on the floor of the House and condemned smear tactics of the sort being employed against me. Two weeks later, Congressman HANSEN was defeated by his opponent in Idaho's primary election.

I will never know whether or not ORVAL HANSEN's defense of me contributed to his defeat in the Republican primary, although it is my earnest hope that it did not. In any case, I admire him for choosing to take a stand for political decency in Idaho when the easy course would have been to remain silent.

The Lewiston Tribune, one of Idaho's leading newspapers, wrote an editorial on this matter. Tribune Editor Bill Hall wrote:

> Orval Hansen knows that silence can be a lie. He has far less responsibility in the matter than the candidates keeping their silence, but he feels a responsibility to himself, to his party and to the cause of keeping Idaho politics clean.

I wish, at this time, to extend publicly my gratitude and my thanks to a man who has served the State of Idaho with distinction, integrity, and courage.

I ask unanimous consent, Mr. President, that the Tribune's editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

A PROFILE IN COURAGE

> (NOTE.—I deplore the tactics that are being used by that organization (the John Birch Society) through the publication and circulation in Idaho of thousands of copies of an article that attempts to picture Senator Church as pro-Communist . . . I disagree with Frank Church on many public issues. Our differences are often wide and fundamental. But I have great respect for him as a man and as a friend and I know him to be a loyal and patriotic American . . . There is no place in politics for tactics such as this. I would hope that all candidates and their supporters will rise up and repudiate attempts such as this by outside forces to interfere in and try to influence the outcome of an Idaho election.—Congressman ORVAL HANSEN.)
>
> Idaho Sen. Frank Church is a Democrat. Idaho's Second District Congressman Orval Hansen is a Republican—a Republican engaged in a sharply contested primary campaign for re-election against former GOP Congressman George Hansen.
>
> The John Birch Society has published and caused to be circulated in Idaho a smear charging that Democrat Church is "pro-Communist." Silence would have been the safer course for Orval Hansen. He could have followed the customary cowardly line of too many conventional politicians and decided that, although he knows the charges against Church are untrue, discretion would be the better part of valor for a Republican fighting for renomination. He could have kept quiet and wouldn't have lost a vote. By speaking out in defense of a Democrat's good name, in the middle of an election, Orval Hansen risks losing votes.
>
> Why then would he stick his neck out?
>
> The answer is simple. Orval Hansen is now and always has been one of the most decent people in Idaho politics. Decent people don't know any other way to operate.
>
> Orval Hansen is a protege of former Sen. Len B. Jordan. In this era of political dirty tricks, it is instructive to remember that Idaho has known finer moments. In the late 1940s and early 1950s, Idaho experienced an era of exceptionally clean politics at the top of the ticket. The late Gov. C. A. Robins was one of that era's sponsors. Jordan and his Democratic opponent for the governorship, Calvin Wright, campaigned so cleanly against each other that they have remained good friends. Jordan still jokes that he isn't sure he voted for the right candidate when he voted for himself.
>
> Orval Hansen is a graduate of that period in Idaho politics. He is a student of men like Robins and Jordan who believed that a candidate must never descend to the gutter and that each party was in charge of keeping its own house in order when its zealots went too far.
>
> That is why Orval Hansen took the floor of the U.S. House last Friday and repudiated the smear against a Democratic senator. He doesn't know how to keep silent on such matters. He cares more about being able to look himself in the eye when he shaves in the morning than about getting re-elected. Unlike the right-wing candidates in Idaho this year who are playing dumb on their responsibility to keep smears out of this state, Orval Hansen knows that silence can be a lie. He has far less responsibility in the matter than the candidates keeping their silence, but he feels a responsibility to himself, to his party and to the cause of keeping Idaho politics clean.
>
> It is wise to keep our perspective in these times and remember that it really is true that Watergate proves nothing base about Republicans in general. But it proves that point and drives it home to have the decent example of a man with as much integrity and courage as Orval Hansen, Republican of Idaho.—B. H.

MILITARY INFLUENCE IN THE WHITE HOUSE

Mr. PROXMIRE. Mr. President, the recent trend at the White House to rely ever more heavily upon military advice and personnel could lead to serious long-term consequences.

Gen. Alexander Haig's service as Chief of Staff of the White House was only the most apparent abuse of the formerly held principle of separation of military career and politics.

As of the end of last year, at least 14 military personnel were serving the White House at various posts. The list included Col. Dana G. Mead, who was associate Director of the Domestic Council, and Maj. George A. Joulwan as aide to General Haig.

What are these military men doing at the White House carrying on civilian functions and having duties that have nothing to do with their military training? And why do these men inevitably end up with early promotions?

As a case in point, I have been informed that Marine Corps Lieutenant Colonel Sardo, who nominally is assigned as a military aide to the President, actually is acting as an aide to Mrs. Ford in the role of "Chief of Staff."

Why, Mr. President, should a military man on active duty be assigned to anyone in the White House other than the President, and then only as a military assistant?

Colonel Sardo apparently was assigned to the White House by the Marine Corps Commandant to assist the President in his constitutional duties as Commander in Chief. If he instead is involved in domestic matters or personally serving any other member of the staff in a nonmilitary capacity, then I think that service is improper and unwarranted.

At some point we must put a stop to this continuing reliance on the always present and free military manpower for civilian activities. A good start would be to either reassign Colonel Sardo to his original duties as Assistant to the President, or send him back to the Marine Corps in his official capacity as an officer.

Mr. President, it will be interesting to follow the promotion schedules of those military officers now in the White House. If, for example, Lieutenant Colonel Sardo is promoted over his fellow officers, as was the case in several other "White House" promotions last year, then politics will once again triumph over the military system.

Mr. President, I intend to ask the General Accounting Office for an investigation into the number of military men serving in the White House and what duties they are performing. In the meantime I call upon all concerned in this matter, the Secretary of Defense, the Secretaries of the Services, and the White House, to rethink the wisdom of continuing to rely extensively on military assistants in the White House in nonmilitary capacities.

Mr. President, I ask unanimous consent that the Marine Corps response to my inquiries regarding Lieutenant Colonel Sardo be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE NAVY,
HEADQUARTERS, U.S. MARINE CORPS,
Washington, D.C., September 24, 1974.
Hon. WILLIAM PROXMIRE.
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: The following answers are in response to questions from Mr. Ron Tammen, related to Lieutenant Colonel Sardo's assignment to the White House. Since the inquiry was by telephone, the questions are restated as understood from the discussion between Mr. Tammen and Major Tinsley, Marine Corps Liaison Officer to the Senate.

Q. Is Lieutenant Colonel Sardo attached permanently or on TAD to the White House?

A. Lieutenant Colonel Sardo was permanently assigned to the Office of the Military Assistant to the President effective August 9, 1974.

Q. Who ordered his present assignment to the White House?

A. The Commandant of the Marine Corps ordered Lieutenant Colonel Sardo's assignment to the Office of the Military Assistant to the President.

Q. What is the legal authority for assigning Lieutenant Colonel Sardo to the White House?

A. Lieutenant Colonel Sardo was assigned to serve as Military Aide to assist the President in his constitutional duties as Commander-in-Chief of the Armed Services.

Q. What will his tour length at the White House be?

A. Under the normal rotational policies of all U.S. Armed Services, officers can expect reassignment after 3 or 4 years at a duty station.

Q. Describe his duties, including his job title, at the White House.

A. Military Aide to the President.

It is hoped that the above is satisfactory for your purposes.

Sincerely,

E. R. REID, Jr.,
Brigadier General, U. S. Marine Corps, Legislative Assistant to the Commandant.

TAX REFORM LEGISLATION

Mr. HUGH SCOTT. Mr. President, in view of imminent, major tax reform legislation, I want to encourage my colleagues to include in this comprehensive package some form of tax relief for middle-income people to offset the increase in tuition costs for higher education. This has been a long-term goal of mine and to this end I have introduced S. 3898, a bill which would allow a $2,000 tax deduction for middle-income people for higher education.

A recent editiorial on WTAE radio, TV in Pittsburgh recognizes this need. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TAX REFORM LEGISLATION

If you believe—as we do—that higher education costs should be tax deductible, there's a bill in the Senate that could use your help.

It's S–3898, sponsored by Pennsylvania's Hugh Scott. The bill would provide tax relief to parents paying for higher education or post secondary vocational training.

Its terms are modest: Only up to $2,000 in education costs are deductible. Only families with income under $25,500 a year could claim the deductions. But it's a start toward correcting what we believe to be a great inequity in the tax structure. Higher education seems to us more worthy of a tax break than a great many other things that now can be written off.

The advantage of Scott's bill are two-fold: Tax relief might spare some families the heavy burden of debt that college educations often represent. And it might be a boost for private institutions, which are now losing out to publicly supported universities and community colleges in the competition for students.

The Scott bill is now in the Senate Finance Committee, with no hearings scheduled. But Senator Scott's office has told us the volume of mail supporting it is steadily growing.

With time fast running out on this session of Congress, we'd like to see that volume of mail continue to grow. If you share this view, drop a line to Hugh Scott, Senate of the United States, saying you like S–3898.

PRESIDENTIAL PARDON

Mr. HASKELL. Mr. President, during the last few weeks there has been an overwhelmingly negative reaction to President Ford's complete and absolute pardon of Richard Nixon before the judicial process could run its course. Most people have deplored the President's precipitous action. They have expressed anger and regret that "equal justice under law" does not have the meaning it was thought to have during almost two centuries of this country's history. Also, many people are frustrated at the unquestioning acceptance of President Ford's authority to grant this pardon.

Most of the lawyers, legal scholars, commentators, and Members of this Congress who are appalled by the untimely granting of this pardon have, nevertheless, conceded that its grant was legitimately within the President's pardoning power. Although there is a pervasive feeling that there has been an incalculable injury to the legal process and to the principle that no one stands above the law, most people believe there is no further recourse.

Mr. President, in my opinion, the President's authority to grant this pardon is not as clear cut as some of my friends and colleagues believe. In making this statement, I am fully aware that there are few who share my view. But I am also mindful of the words of Thomas Paine in urging independence from Great Britain:

> Perhaps the sentiments contained in the following pages, are not yet sufficiently fashionable to procure their general favor; a long habit of not thinking a thing wrong, gives it a superficial appearance of being right, and raises at first a formidable outcry in defense of custom.

I hope, with this statement, to raise a doubt in the minds of those who have accepted without challenge the legality of President Ford's action. Congress cannot limit the effects of a Presidential pardon, so it is not for this body to seek rescission. Perhaps a private individual, the Special Prosecutor or the grand jury may yet decide to proceed. In encouraging consideration of these arguments, I hope to see the issue pursued.

At the outset, I recognize that cases previously decided by the U.S. Supreme Court have declared the President's pardoning power to be virtually absolute. Nevertheless, it must also be pointed out that none of those cases arose from such extraordinary circumstances as those surrounding the pardon of Richard Nixon. It is my belief, therefore, that those cases cannot be considered as having laid to rest the issue of the exercise of Presidential pardoning authority in this instance.

The debates on the pardoning power at the Constitutional Convention in 1787 reveal several interesting things. First, the framers viewed the pardon not only as an instrument of clemency and mercy, but also as a tool for law enforcement. That perspective is apparent in the discussion and then withdrawal of a suggestion that reprieves and pardons be limited until "after conviction." The resolution was objected to, because a pardon before conviction might be necessary in order to obtain the testimony of accomplices.

It is also important to note the debate on a proposed, but defeated, "cases of treason" exception to the President's pardoning power. The exception stemmed from fears that the President's unrestrained power of granting pardons for treason would sometimes be "exercised to screen from punishment those whom he had secretly instigated to commit the crime, and thereby prevent a discovery of his own guilt." But opponents asserted that there were important reasons for keeping the pardoning power exclusively in the Executive's hands, and if the President were involved in a conspiracy, the impeachment process would insure full disclosure. It is this notion of assuring a thorough investigation and full disclosure of the misconduct of high officials which led the framers to except "cases of impeachment" from the President's power.

From this brief review of the background, it is apparent that the framers contemplated the use of preconviction pardons as a means of discovering the truth and not as a way to close the book before anyone has had a chance to read it. Moreover, the framers contemplated use of the impeachment process as a truthfinding tool in cases of official misconduct or crime. We were recently involved in a "case of impeachment" which was shortcircuited by Mr. Nixon's resignation. The Constitution, however, still insured the discovery of truth in its express declaration that one subject to impeachment is also subject to the criminal process. It is this safety valve that Mr. Ford has attempted to close. We can conclude that the drafters of the Constitution intended the pardoning power and the impeachment process to work in concert to assure full investigation and discovery in a case in which a President and his subordinates are involved in a criminal conspiracy.

The framers did not foresee, however, a situation in which a President would resign in face of an imminent vote to impeach him and then would be pardoned by his successor. Indeed, it seems clear that Richard Nixon's resignation and Gerald Ford's subsequent pardon of him thwarted the process intended by the delegates at the Constitutional Convention.

My colleague, the distinguished Senator from Minnesota (Mr. MONDALE) has recommended that we prevent a recurrence of this abuse of the pardoning power by the adoption of a constitutional amendment which would provide an additional check on the President's exercise of the power. I suggest there is another alternative. While the President's pardoning authority is undeniably broad, the preceding analysis raises the question of whether the framers intended the authority to apply to these circumstances. That issue, it seems to me, is a litigable one, one never decided by any court.

Furthermore, Mr. President, I would like to emphasize that I am not altogether convinced that this is not a "case of impeachment" to which that exemption from the President's pardoning power should directly apply. Since the Constitution is not more specific and the Convention debates do not clarify the issue, it seems to me there are several possibilities. A "case of impeachment" might refer to any intermediate stage in the impeachment process, or to a vote in the House of Representatives to impeach, or to a conviction by the Senate. In my view, a tenable argument can be made that a situation such as we have here—where impeachment articles approved by the House Judiciary Committee are only prevented from coming to a vote before the full House by the resignation of the person who is about to be impeached—can be considered as included within the term "cases of impeachment." At any rate, I think the meaning of the phrase is sufficiently unclear that this too is an unresolved legal issue.

Finally, Mr. President, one additional issue has not been settled by previous case law. That issue is whether this pardon contravenes the authority of the Special Prosecutor, as set out in the regulations creating the office. The regulations provide that the Special Prosecutor shall have full authority to prosecute offenses against the United States involving the President and that he shall have full authority with respect to those matters for deciding whether or not to prosecute any individual. Further, the Special Prosecutor was assured in the regulations that the President will not exercise his constitutional powers to limit the Special Prosecutor's independence. If we assume, as we should, that it is reasonable to include the President's pardoning power within the constitutional powers that the President has agreed not to exercise, then the pardon of Mr. Nixon can be viewed as a violation of the regulations establishing the Special Prosecutor's authority. Of course, this view still leaves the President free to pardon anyone within the Special Prosecutor's jurisdiction after prosecution.

Something more than angry rhetoric is necessary to reestablish confidence in the principle of an equal system of justice. I do not contend that mercy and compassion have no place in such a system; indeed, they are admirable qualities for a President to express at an appropriate time.

I do believe, however, the debate over the legality of this unprecedented pardon must continue. The pardon has seriously undermined the basic tenets of our judicial system and must be challenged if at all possible. There are serious unanswered questions about the relationship of the pardon power to the impeachment process and to the role of the Special Prosecutor. There may well be additional questions which need to be raised and pursued. I hope to be able to contribute to the debate in attempting to answer those questions. I hope that I will be joined by those who are in a position to take action.

DELTA SIGMA RHO-TAU KAPPA ALPHA FORENSIC SOCIETY CONFERS THEIR SPEAKER OF THE YEAR AWARD ON SENATOR SAM J. ERVIN, JR.

Mr. ALLEN. Mr. President, Delta Sigma Rho-Tau Kappa Alpha Forensic Society has recently honored our colleague, Senator SAM J. ERVIN, JR., by conferring upon him its speaker of the year award in the field of public affairs for "effective, intelligent, and responsible" speaking on significant public questions during the year 1973.

In presenting the award to Senator ERVIN, Delta Sigma Rho-Tau Kappa Alpha assigned these reasons for its action in so doing:

> The Roman, Cato the Censor, described the orator as "a good man skilled in speaking." Delta Sigma Rho-Tau Kappa Alpha's 1973 Speaker of the Year meets that requirement. In the first year of the post-Watergate era the award committee was keenly aware of the standard of "responsible" speaking in making a selection. We chose a speaker who has consistently demonstrated high standards of honesty and responsibility in contrast to the current practices that debase the public discourse. In addition our 1973 Speaker of the Year consistently shows the qualities of "intelligent" and "effective" speaking in what many perceive to be the old and expansive style in which language and illustrations are carefully chosen and each utterance bears the clearly identifiable mark of its author. Agree or disagree, the audience knows where our Speaker of the Year stands and the reasons for that stance. These qualities have contributed to his election and reelection to public office. It is an honor to present the Speaker of the Year award for 1973 to Senator Sam J. Ervin of North Carolina, a good man skilled in speaking.

The official publication of Delta Sigma Rho-Tau Kappa Alpha, "Speaker and Gavel," carried an article in its May 1974 issue concerning Senator ERVIN which was written by Prof. Peter E. Kane, chairman of its Speaker of the Year Award Committee.

I ask unanimous consent that a copy of this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SAM J. ERVIN, JR.: A GOOD MAN SPEAKING WELL

(By Peter E. Kane)

The constellation of events that have become known as the "Watergate situation" have had a profound impact on the thoughtful critic of public address. The fact that some have chosen to debase the coin of public discourse easily leads to cynicism and a distressing loss of faith in all currency. Under these circumstances it is easy to abandon the search for good coin—the speaker who exemplifies the ideals of intelligent, effective, and responsible public address. However, attention to the range of public discourse quickly proves not only that there are such speakers but also that they are in the clear majority. One noteworthy representative of that vocal majority is Senator Sam J. Ervin, Jr., of North Carolina.

I

For the general public Senator Ervin became known through the hearings of the Senate Select Committee on Campaign Activities (the Watergate Committee). The Senator both by the force of his character and by his role as committee chairman was one of the main figures in these televised hearings that ran throughout the summer. For the television audience Senator Ervin came to be known for his country humor, his apt and often Biblical quotation to suit every situation, for his penetrating questioning of witnesses, and for his fundamental honesty and fairness.

As a member of the Watergate investigating committee Senator Ervin was responsible for a number of those memorable moments that have been etched on the public mind. The following examples are fairly representative. The first is in a lighter vein. Through a very subtle legal maneuver former Presidential advisor H. R. Haldeman had succeeded in getting Watergate Committee Chairman Ervin to force the revelation of a White House version of tape recorded conversations that the White House had refused to allow the committee to hear. Senator Ervin commented on the trap that had been set for him:

"And I would have to say that not only is that what we would call very skillful legal dexterity, connegling in North Carolina, but if the writer of the Book of Ecclesiastes had been here he wouldn't have been able to say right that 'there is nothing new under the sun.' And that's the genuine truth."[1]

In this way the Senator expresses his sense of offense at having been used and does so in a manner that effectively makes his point while at the same time turning aside anger.

A second characteristic example of Senator Ervin's impromptu comments during the Watergate hearings is found during his cross-examination of witness Fred LaRue, a former special counsel to the President:

"I can't resist the temptation to philosophize just a little bit about the Watergate.

"The evidence thus far introduced or presented before this committee tends to show that men upon whom fortune had smiled benevolently and who possessed great financial power, great political power, and great governmental power, undertook to nullify the laws of man and the laws of God for the purpose of gaining what history will call a very temporary political advantage.

"The evidence also indicates that the efforts to nullify the laws of man might have succeeded if it had not been for a courageous Federal judge, Judge Sirica, and a very untiring set of investigative reporters. But you [Fred LaRue] come from a State like the State of Mississippi, where they have great faith in the fact that the laws of God are embodied in the King James version of the Bible, and I think that those who participated in this effort to nullify the laws of man and the laws of God overlooked one of the laws of God which is set forth in the seventh verse of the sixth chapter of Galatians:

"Be not deceived. God is not mocked; for whatsoever a man soweth, that shall he also reap."[2]

The record at this point indicates that the audience in the hearing room broke into applause.

Perhaps the most memorable example of Senator Ervin's gift for spontaneous oral prose invention in the best humanistic and classical tradition occurred during the questioning of former Presidential advisor John Ehrlichman. Mr. Ehrlichman's defense of the wire tapping and covert searches approved by him prompted the following comment:

"The Senate is going to have several more votes, and there will be very little interrogation of the witnesses until the morning. But I do want to take this occasion to amplify the legal discussion and I want to mention a little of the Bible, a little of history, and a little of law.

"The concept embodied in the phrase every man's home is his castle represents the realization of one of the most ancient and universal hungers of the human heart. One of the prophets said—described the mountain of the Lord as being a place where every man might dwell under his own vine and fig tree with none to make him afraid.

"And then this morning, Senator Talmadge talked about one of the greatest statements ever made by any statesman, that was William Pitt the Elder, and before this country revolted against the King of England he said this:

"The poorest man in his cottage may bid defiance to all the forces of the crown. It may be frail, its roof may shake, the wind may blow through it, the storm may enter, the rain may enter, but the King of England cannot enter. All his force dares not cross the threshold of the ruined tenements."

And yet we are told here today, and yesterday, that what the King of England can't do, the President of the United States can.[3]

This statement continues on for several minutes with references to Supreme Court cases including citations and quotations, comments about English common law, and the noting of historical analogies.

II

For students of debate, the legislative process, and the United States Senate, Senator Ervin has been well known for many years as one of the most active and effective participants in Senate floor debates. He has fought vigorously with cogent argument for those principles in which he believes. As a strict constructionist of the United States Constitution he has challenged advocates of both liberal and conservative ideas when those ideas appear to him to violate constitutional principles. These Senatorial activities have demonstrated a belief that problems of public policy can be solved by ethical men of good will using reasoned discourse.

Although Senator Ervin has become best known by the general public for his role in the Watergate hearings, his principal Senate responsibility has been that of Chairman of the Constitutional Rights Subcommittee of the Senate Judiciary Committee. During the last year a major concern of that subcommittee has been the attempt to draft legislation to protect the confidentiality of the sources used by reporters in the preparation of news stories. This concern rests on the concept that a free flow of information, like reasoned discourse, is essential to the healthy functioning of a democracy. Senator Ervin has viewed efforts by courts and grand juries to force news reporters to reveal their sources as one of many actions that have the effect of inhibiting the flow of information.

The issue of protection of reporters' sources known as "newsmen's privilege" is an old one that became a legislative concern in 1972 when the United States Supreme Court ruled in a group of three cases that the First Amendment guarantee of freedom of the press did not provide a basis for a reporter to refuse to reveal the sources of his information. Legislation is the only apparent sure remedy for this adverse decision. In order to examine the issue the Constitutional Rights Subcommittee held hearings beginning January 20, 1973, to receive testimony from expert sources concerning legislative solutionss. As an opening statement for these hearings Senator Ervin outlined the problem as follows:

Thomas Jefferson wrote in 1787: "The basis of our government being the opinion of the people, the very first object should be to keep that right; and were it left to me to decide whether we should have a government without newspapers, or newspapers without government, I should not hesitate a moment to prefer the latter."

"The Founding Fathers, of course, decided that we should have both government and newspapers. Ever since then we have time and again sought to reconcile asserted government necessity—warranted or not—to the demands of the First Amendment. And today, almost two hundred years later, we again find ourselves attempting to define the relationship between these two essential components of our society. Specifically, we will consider in these hearings the question of whether government should be permitted to compel the press to reveal the identity of confidential sources of information or the content of unpublished information.

* * * * *

"The situation, until the present controversy arose, has largely been one of an informal accommodation between newsmen and prosecutors. The newsman has been willing to give testimony under certain conditions, and prosecutors have sometimes been willing to recognize the harm to confidential sources in those cases where the reporter balked. Often they did not press their demands for testimony. Of course, where demands were pressed, the reporter faced a jail sentence for contempt if he insisted on remaining silent. If court challenges ensued, inevitably the reporter would lose. Even in states which had protective statutes, courts have been prone to look for ways to get around them, and thereby obtain the newsmen's testimony.

* * * * *

"Our problem, then, in a nutshell, is to decide whether or not to adopt some form of statutory protection and, if so, what form that protection should take. In doing so we must resolve many very delicate issues. We face a complicated legislative responsibility not unlike the one the Founding Fathers dealt with two hundred years ago, and I do not presume that we have the same wisdom as they. It would have been far better if the Court had properly faced the issue last June. To write legislation balancing the two great public interests of a free press and the seeking of justice is no easy task. This is a problem better approached through case-by-case litigation rather than through inflexible statutory words. Nonetheless, we must try.

* * * * *

"The great rights the press now enjoys were not conferred as a gift from Congress. Quite the contrary. They were wrested from a reluctant, and more accurately, an antagonistic government. When the press was licensed, publishers went to jail to win the freedom to publish.

"When prior censorship existed, they fought with their bodies and their fortunes.

"When seditious libel was a crime, they nonetheless criticized king and parliament, and went to jail for the privilege.

* * * * *

"To be sure, the press feels threatened and intimidated by a hostile administration. It has begun to wonder whether it is still able to fulfill its role as a conveyor of information to the public. Members of this administration have publicly castigated and threatened press and broadcast media. Proposals have been made to set new standards for the renewal of broadcast licenses which are little more than transparent attempts to censor unfavorable comment. Funds for public broadcasting have been vetoed and public affairs programming, sometimes critical of the administration, has been curtailed. The FBI spends its time trying to catch critical reporters in illegal conduct.[4]"

The portion of this speech quoted in conclusion here calls attention to the broader aspects of freedom of communication and information. Senator Ervin is here noting in passing some of the many techniques that have been used by the Nixon administration to limit the flow of information and consequently the knowledge base which the general public uses to make judgments about people and events. In this context Jefferson's preference for newspapers without government rather than government without newspapers takes on added significance.

The theme of freedom of information and the First Amendment has been a major topic of many of Senator Ervin's speeches including those presented to public audiences outside of the Senate. An excellent example of such a presentation is the Senator's statement to the North Carolina Press Association in Chapel Hill on January 19, 1973. His detailed analysis of some of the forms of interference with the public's right to know was introduced with these comments:

"It is my belief that the First Amendment was adopted by our Founding Fathers for two basic reasons. One reason was to insure that Americans would be politically, intellectually, and spiritually free. The other was to make certain that our system of government, a system designed to be responsive to the will of an informed public, would function effectively.

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[1] United States, Senate, Select Committee on Presidential Campaign Activities, *Hearings*, Book 8, p. 3114, July 31, 1973.

[2] *Ibid.*, Book 6, pp. 2343–2344, July 19, 1973.

[3] *Ibid.*, Book 6, pp. 2630–31, July 25, 1973.

[4] United States, *Congressional Record*, Ninety-third Congress, First Session, March 1, 1973.

"The scope of First Amendment freedoms, including freedom of press, is broad and was intended to be so. The First Amendment is impartial and inclusive. It bestows its freedoms on all persons within our land, regardless of whether they are wise or foolish, learned or ignorant, profound or shallow, and regardless of whether they love or hate our country and its institutions.

"For this reason, of course, First Amendment freedoms are often grossly abused. Society is sorely tempted at times to demand or countenance their curtailment by government to prevent abuse. Our country must *steadfastly spurn* this temptation if it is to remain the land of the free. This is so because the only way to prevent the abuse of freedom is to abolish freedom.

"The quest for the truth that makes men free is not easy. As John Charles McNeill, a North Carolina poet, said, "teasing truth a thousand faces claims as in a broken mirror." The Founding Fathers believed—and I think rightly—that the best test of truth is its ability to get itself accepted when conflicting ideas compete for the minds of men.

And, so, the Founding Fathers staked the very existence of America as a free society upon their faith that it has nothing to fear from the exercise of First Amendment freedoms, no matter how much they may be abused, as long as truth is free to combat error."[5]

This presentation was concluded with an obvious but unstated allusion to the ideas of John Stuart Mill expressed in the second chapter of *On Liberty:*

"A free press is vital to the democratic process. A press which is not free to gather news without threat of ultimate incarceration cannot play its role meaningfully. The people as a whole must suffer. For to make thoughtful and efficacious decisions—whether it be at the local school board meeting or in the voting booth—the people need information. If the sources of that information are limited to official spokesmen within government bodies, the people have no means of evaluating the worth of their promises and assurances. The search for truth among competing ideas, which the First Amendment contemplates, would become a matter of reading official news releases. It is the responsibility of the press to insure that competing views are presented, and it is our responsibility as citizens to object to actions of the government which prevent the press from fulfilling this constitutional role."[6]

HOUSING AND REFORM OF FINANCIAL STRUCTURE

Mr. BENNETT. Mr. President, there has been a great deal of discussion about the housing industry recently and what can be done to help it. As almost everyone knows by now, the housing industry is in the doldrums because of high interest rates and inflation, and a variety of proposals has been put forward to correct this situation. Among these proposals are such schemes as the direct allocation of credit and the direct Treasury financing of housing through the establishment of a housing trust fund.

During the past year the Banking Committee's Financial Institutions Subcommittee, of which I am a member, has been holding hearings on the Financial Institutions Act (S. 2591). A great deal of the discussion at these hearings has been devoted to the question of housing and how the Financial Institutions Act would affect its financing.

Recently, the subcommittee received some very interesting testimony from a group of well-known academicians. All of them expressed general support for adoption of the Financial Institutions Act.

One of the most interesting statements presented during those hearings was by Dr. Allan H. Meltzer of Carnegie-Mellon University. Dr. Meltzer concludes that Government efforts to solve the housing problem are often self-defeating and counterproductive. In view of the growing interest in the housing industry, and proposals which have been put forward for helping it, I would like to share Dr. Meltzer's statement with my colleagues.

I ask unanimous consent that Dr. Meltzer's statement be printed in the RECORD in its entirety.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

HOUSING AND REFORM OF FINANCIAL STRUCTURE

(By Allan H. Meltzer)

(NOTE.—Prepared for the Subcommittee on Financial Institutions, Senate Committee on Banking, Housing and Urban Affairs, September 11, 1974.)

Mention the subject of financial reform and the conversation turns to housing. Open discussion of the allocation of credit, and the subject of mortgages dominates all others. Suggest that monetary policy be used to reduce inflation gradually, and the survival of thrift institutions is brought into question.

Four beliefs about housing and mortgages are widespread. One, without an adequate supply of mortgage credit, few homes would be built. Two, the financial market place is unwilling or unable to provide an adequate supply of mortgage credit. Three, government intervention in the financial markets reallocates credit to the mortgage market. Four, controls on interest rates, like Regulation Q, protect the thrift institutions and increase the supply of mortgage credit.

Each of the four propositions is false or misleading. Increasing the supply of mortgage credit does not increase housing. Government activities in financial markets have little net effect on the amount of mortgage credit. Controls on interest rates under Regulation Q penalize small savers and those least informed about market opportunities. The benefit to housing has not been shown and is probably non-existent.

The fact that repeated attempts to increase the supply of mortgages have had little effect on housing has not led to the abandonment of the policies. Instead, failure seems to stimulate the demand for more of the same. Now, after years of Regulation Q, with almost $60 billion of agency borrowing outstanding—much of it for mortgages—and more than $15 billion of Home Loan Bank advances to thrift institutions, there is a rising demand for direct allocation to mortgages and other so-called priority uses.

There are two main questions to be answered about financial structure and housing finance. Why is the gap between facts and beliefs so wide? Why is the relation between housing and housing finance so frequently misinterpreted?

If I could give only a brief answer to these questions, it would be: Government policy is based on the presumption that increases in the supply of mortgage credit increase the supply of housing. Regulation Q is defended as a means of assisting thrift institutions to compete with other lenders. Government sponsored agencies such as FNMA, GNMA, the Federal Home Loan Banks borrow in the money and capital markets and lend in the mortgage market.

All of these actions are remote from housing. I am not certain after reviewing most studies of the effects of Regulation Q and the Federal credit agencies, that they have any effect on the supply of housing after allowance is made for withdrawals from banks and savings and loan associations to purchase credit market instruments or to consume. The net effect is small and may be zero. Even if the stock of mortgages is increased by the government's policies it does not follow that the housing stock is increased. Home mortgages finance a wide range of financial and real assets other than housing.

My study of the evidence leads me to conclude that policies to help housing by increasing mortgage credit have had little effect on housing. Below, I summarize some of the evidence from long-term movements during the past sixty years and from recent housing cycles.

The main conclusion I draw from these studies is that the often repeated explanation of housing cycles is largely incorrect. That explanation emphasizes the importance of credit availability. Rising interest rates are said to reduce the availability of mortgage credit and thus reduce purchases of housing and housing starts.

An alternative explanation emphasizes an entirely different effect of the rise in interest rates. Housing is a long-term, durable asset. Increases in market interest rates, relative to past rates or average, anticipated rates, encourage buyers to postpone purchases. Reductions in market rates, relative to average, anticipated rates, accelerate purchases. The decline in rates is a reduction in the cost of housing. Purchasers can achieve their desired long-term position at substantially lower cost by purchasing when mortgage rates are relatively low and deferring purchases when rates are high. Housing cycles, in this interpretation, are largely a consequence of individual decisions to postpone or accelerate purchases. Mortgage lending declines because housing purchases decline and not the other way around.

The evidence I discuss in the following sections generally supports the view that housing cycles are the result of decision to defer purchases when rates rise and to accelerate purchases when rates fall. If, as I believe, this interpretation is correct, government operations to provide mortgage credit by borrowing and relending or by secondary market purchases have little effect on purchases or production of housing.

HOUSING AND MORTGAGES: LONG-TERM CHANGES

Mortgage contracts, the functioning of the mortgage market and the role of government in the mortgage market have changed considerably during this century. Mortgage insurance, amortization, monthly payments, longer-terms are common. Partly as a result of the changes in the mortgage contract, the proportion of mortgage debt in the total liabilities of the public has increased. More than 60%, and as much as 66%, of the outstanding debt of non-farm households consisted of mortgages on residential property in the 1960's.

The proportion of owner equity in housing fell as mortgage debt rose. Despite the imprecision of our measurements of the value of housing, there is little doubt about the trend. Mortgage debt as a percentage of the value of non-farm housing increased 250% to 300% from 1912 to 1960 or 1970. Most of the increase occurred in the 1960's and 1970's, the period of rising government assistance to the mortgage market.

There is no corresponding increase in non-farm housing relative to total assets for those dates on which measurements have been made. The proportion was about 25% in 1912, in 1933, and in 1958.

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[5] *Ibid*, January 26, 1973.

[6] *Ibid*.

These data give no support to the notion that very large increases in mortgage credit and changes in the availability or terms of mortgage contracts have any long-term effect on housing. The main long-term effect has been the substitution of borrowed funds for owner's equity in housing.

The conclusion that increases in the availability of mortgage credit have had no long-term effect on housing may seem surprising. The opposite point has been made so often. There is no reason for surprise. We have known for centuries that specific liabilities do not finance specific assets. We expect improvements in the mortgage contract to increase the use of mortgage contracts. Mortgage insurance, lower down payments and other changes encourage purchasers of housing to substitute mortgage credit for equity and encourage lenders to increase the loan-to-value ratio on houses. The equity previously invested in housing is available for investment elsewhere and has been invested elsewhere. There is no reason to expect nonfarm households to buy more housing because they borrow more on housing, and the long-term data provide no evidence that they do.

HOUSING CYCLES AND HOUSING POLICIES

The long-term data are consistent with two very different conclusions about short-term housing cycles. Either homebuilding increases with increased availability of mortgages and later declines, so there is no long-term effect, or there is neither a short-term nor a long-term effect.

Examination of the evidence from most studies of housing leads me to conclude that there may be a small short-term effect. In my own work I found no effect of mortgage policy on the annual volume of housing starts. The positive effect on housing starts of an increase in the availability of mortgage credit is offset by the reduction in housing starts caused by the additional government debt issued to finance the purchases. The government's purchase of mortgages in the secondary market lowers mortgage rates; the sale of debt to finance the purchase raises market rates and mortgage rates, offsetting the effect of the purchase. The net effect is approximately zero.

Annual data may hide some short-term changes. Studies of quarterly housing starts suggest that mortgage market operations have very little effect on mortgage rates, and changes in mortgage terms and conditions do not seem to have any significant effect. Advances from the Federal Home Loan Banks to the member associations appear to increase the amount of mortgages offered, but the change in mortgages is less than the amount of the advances, and the effect on housing is even smaller.

Let me turn to the broad picture shown by the three most recent periods of declining housing starts. I have delineated these periods by computing annual change in housing starts between the corresponding months of successive years—January to January, February to February, etc. I dated the start of the decline at the beginning of a sustained fall in starts and the end of the decline at the first positive change. The dating for each period is shown in Table 1. Data for the current decline end in April, but the decline continues.

TABLE 1.—COMPARISON OF 3 PERIODS OF DECLINING HOUSING STARTS

Period	Length of decline (months)	Size of the decline (percent)	Change in mortgage debt of U.S. agencies [1]		Change in home loan bank advance		Change in FHA mortgage rates (percent)	Change in interest rate spread, FHA 10-yr Government bonds
			Current dollars (billions)	Constant dollars [2]	Current dollars (billions)	Constant dollars [2]		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
I. January 1966 to April 1967	16	−21	+$4.0	+$4.0	−$1.2	−$1.2	13	+67
II. July 1969 to June 1970	12	−20	6.6	4.0	+3.2	+2.8	14	−27
III. June 1973 to April 1974	[3] 11	−30	9.5	6.5	+4.9	+3.3	20	+67

[1] Annual report of the Council of Economic Advisers, February 1974, p. 322.

[2] Deflated by index of prices of residential structures 1966–67=100.

[3] April 1974 is the last month included. Decline continues.

Compare the three declines. The first two are about equally severe. The percentage declines in housing starts are about equal; the percentage increase in mortgage rates are about equal also. The third is 50% more severe and the increase in mortgage rates is about 50% greater. Data for three periods would be reconciled if each 1% increase in interest rates encouraged buyers to postpone purchases and reduced the demand for housing and the number of housing starts by 1½%. This is almost the exact response to be expected, based on our studies of housing cycles, if the effect of factors other than interest rates cancelled so that the effect of postponement in response to higher rates of interest dominates the observed changes.

Columns (4) to (7) show the amount of "support" for the mortgage market and mortgage lenders by agencies of the Federal government. Columns (4) and (6) are the amounts the agencies had to borrow to sustain their lending operations. Columns (5) and (7) are deflated to eliminate the effect of increased housing prices when comparing the change in assistance to the decline in the number of starts. The amount of assistance to the mortgage market, in constant dollars, is the sum of columns (5) and (7). This sum has no clear relation to the decline in housing starts.

There is no evidence (column 9) that mortgage rates have been reduced relative to other rates. In one cycle, the spread between the mortgage rate and the rate on government bonds narrowed. If we interpret this finding as evidence of the effect of government operations in the mortgage and credit markets, how do we explain the contrary findings for the remaining periods, 1966–67 and 1973–74? In both periods, mortgage rates increased relative to rates on government bonds, just as in 1957–58 and in 1959–60 before government operations in the mortgage market reached their present scale.

The results I have cited summarize only part of the available evidence. Experience in a number of European countries is similar to our own. A variety of policies that encourage housing by increasing the supply of mortgage credit or by changing the terms and conditions under which mortgages become available have been dropped. There is little evidence showing any substantial effect on housing.

SOME SIDE EFFECTS OF MORTGAGE POLICIES

From 1952 to 1973, the mortgage portfolio of government agencies increased from $4 billion to $55 billion. More than half the increase has occurred in the past five years. Yet, the share of output going to housing has declined. During 1952 to 1956, residential investment as a percentage of GNP was never below 5%; after 1959, the percentage never reached 5%.

The sizeable increase in the amount of government agency debt sold to finance mortgage operations appears to have little, if any, effect on housing. The effect of issuing the debt and purchasing mortgages is not negligible, however. The sale of debt substitutes government debt for private securities in portfolios. Individuals borrow more in the form of mortgages and less in other forms. The government and its agencies dominate the capital markets.

I believe the more serious effect is that like most other forms of government intervention in markets, one type of intervention begets another. The failure of mortgage policy to reduce fluctuations in housing does not bring the policy to an end. Those who proposed the policy do not admit that their arguments were incorrect and their policies ineffective. They ask, instead, for additional controls and new restrictions on free exchange in open markets.

There is now a rising demand for controls on the allocation of credit. A growing number of voices ask that financial institutions be forced to allocate a larger share of total credit to the uses they think are important and a smaller share to the uses the public chooses by their decisions in the marketplace.

There is no way in which regulators can control both the quantities of particular types of credit and the price or interest rate at which loans are made. Interest rates will decline on the types of credit that the regulators favor, for example mortgages, relative to the rates of interest on types of credit that are in disfavor. There will be incentive to borrow on mortgages if they are favored and relend. The incentives to borrow in favored forms and relend increases as the relative rates of interest diverge from the rates determined by the market. The incentive to borrow abroad and relend at home increases also and for the same reasons. Controls on the allocation of credit impose costs on private borrowers and lenders who must seek new ways to achieve their desired ends.

Costs will increase, efficiency will be reduced; freedom will be lost. The demand for new controls to restrict capital exports or imports will grow. These costs aside, controls on the uses of credit will have no effect on the allocation of real resources.

The most baneful side effect of mortgage policy has been the effect on inflation. Increases in government and agency debt raise market interest rates; large increases in debt cause large increases in market rates. The Federal Reserve increases the growth rate of money to slow or prevent the rise in market rates. We get inflation.

The effects of inflation make matters worse, and particularly so because regulation prevents rate increases at thrift institutions. There is an outflow from saving accounts. Instead of removing the ceiling on rates, the Federal Reserve tries to prevent rates from increasing or to slow the increase. The agencies borrow from the thrift institutions or the mortgage market raising market interest rates. The Federal Reserve, beguiled by its policy of controlling market rates, accelerates the monetary growth rate. The rate of inflation increases.

CONCLUSION

There are less costly ways for Congress to improve the allocation of financial resources. Repeal Regulation Q; end the controls on portfolio decisions; eliminate special agencies that try, with little success, to reallocate real resources by reallocating credit. Experience with Regulation Q and similar devices should by now have made clear that the principal effects of regulation have not been the effects promised by proponents of regulation. Regulation Q has not increased the competitive position of the savings and loan associations. Government operations in the mortgage markets have not made housing less sensitive to changes in interest rates.

The appropriate direction for change is more freedom, not more regulation. The Financial Institutions Act moves in that direction. I welcome the change and urge you to adopt the new approach.

I have spoken at length, and I hope effectively, about the importance of ending controls and regulations. I want to end by favoring a particular set of controls.

Congress has agreed to a new approach to the budget and has shown new determination to control the total spending, the size of the annual deficit and the amount of borrowing. I hope you will succeed. Control of the budget and the size of the deficit is one important step toward improving the financial structure, the capital and credit markets and reducing inflation.

Another step remains to be taken. Congress must provide guidelines for the financing of budget deficits and surpluses that restrict the growth of money. Broad quantitative restrictions are required to prevent the Federal Reserve from reproducing the deflationary policies of 1930–33 or the inflationary policies of 1965–73.

Increased freedom for private institutions, greater control of the budget and the financing of the budget, a stable monetary policy that promotes price stability, these are the lasting powerful contributions that Congress can make to provide stable, innovative financial institutions that serve the public efficiently and creatively.

ZOOS ARE FOR ANIMALS

Mr. HOLLINGS. Mr. President, the September 17, 1974, issue of the Tulsa Tribune in Tulsa, Okla., contained an editorial on the issue of Federal Government intervention and control of zoological parks. I have been requested by the Columbia Zoological Park, Columbia, S.C., to bring this editorial to the attention of my colleagues in the Senate. I ask unanimous consent that the editorial entitled "Zoos Are for Animals" be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Tulsa (Okla.) Tribune,
Sept. 17, 1974]

Zoos Are for Animals

(By John Chamberlain)

There is a move on in Congress to federalize the zoos. Now, really!

If the zoos of the nation were to be federalized, the humane societies would surely dominate the pressure on whatever zoo bureaucracy happened to be set up by the White House. Well, what would be wrong about that? Let John Mehrtens, who runs the very successful Columbia Zoological Gardens in Columbia, S.C., tell you what is wrong.

The average save-the-animals American, he says, is a biological illiterate, and his reaction is always emotional. This illiterate deplores it when a cheetah is taken from its native habitat in South Africa, or when an Indian tiger is wrenched from his home in the Indian jungle. But the truth is that, in the not-so-distant future, the cheetahs and Indian tigers may very well owe their existence to protected zoo breeding banks.

"Habitat destruction," says Mr. Mehrtens, "is remorseless everywhere, and in South Africa the cheetah is regarded as vermin to be exterminated."

The Mehrtens' statistics are ominous. A few years ago there were 40,000 tigers in India: today the number has dwindled to 1,800. There are more registered Siberian tigers in zoos than in the whole of Siberia. The last wild Balinese tiger was recently shot by a poacher. So the Balinese tiger is now extinct simply because nobody had taken a pair out of their native habitat for a Western zoo. One of three organutans are now born in captivity, as are two of every four gorillas. As for the African lion, 50 years hence he will be lucky to be living in a game park.

Mehrtens' point is that zoos are merciful as well as useful, provided, of course, they are well run. In a period of inflation, Congress, though it would surely be responsive to the emotional pressures for the humane societies, would hardly be willing to provide money to make the zoos better or to build up their breeding banks of endangered species.

Rather than have a timorous and poorly funded Washington bureaucracy running our zoos for the 103 million people who visit them in a year, and doing the usual sloppy federal job of it, Mehrtens would have the American Association of Zoological Parks and Aquariums take the responsibility for the animal show much as the doctors and the lawyers provide professional competence for their own ranks.

Washington has run the U.S. currency into the ground, devastating thousands of human beings. Why, then, should it be trusted to keep the animals happy?

THE WORLD FOOD CONFERENCE AND THE NATIONAL WEEK OF CONCERN

Mr. HUMPHREY. Mr. President, I wish to bring to the attention of my colleagues an address, "Everyone Can Help," by Mr. Herbert Waters on September 23 before the Washington chapter of the Society for Nutrition Education. These remarks are especially important during this National Week of Concern, when many of our citizens including eight Governors and mayors of 15 major cities are taking steps to demonstrate their concern.

Mr. Waters is the chairman of the World Hunger Action Coalition, a group of nongovernmental groups which have banded together to influence the policies of the U.S. Government at the World Food Conference.

The statement of Mr. Waters calls on the people of this Nation to become better acquainted with the world food problem. He also urges that we be prepared to make sacrifices in order to avoid mass starvation.

Clearly, Mr. Waters is convinced that the American people will respond generously to this challenge.

The theme of this session was "What Can I Do About the World Food Situation?" and a number of questions are raised which we all should consider.

Mr. President, I commend this statement to the attention of my colleagues. I ask unanimous consent that these remarks be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Everyone Can Help

(By Herbert J. Waters)

It is especially appropriate for the Metro D.C. Chapter of the Society for Nutrition Education to devote this meeting to a panel discussion on what you can do about the world food situation. Your timing couldn't be better.

The world is just awakening to the urgent need to be concerned, and deeply concerned, about food—and better food.

Some of us have been sounding this battle cry for many, many years. At last, people are beginning to listen—and to act.

Throughout this year some seventy-five U.S. organizations have joined with the American Freedom from Hunger Foundation in a World Hunger Action Coalition to try and stimulate public concern and public consciousness of hunger problems, leading up to the coming UN-sponsored World Food Conference in Rome.

We are seeking to bring our efforts to a peak this very week, designated as a National Week of Concern starting yesterday.

Governors of eight states have issued formal proclamations regarding the Week of Concern for Hunger. Mayors of fifteen major U.S. metropolitan cities have done likewise. Meetings and discussions like this are taking place across the country.

Right here in the nation's capital, the week is being observed by churches and universities and just concerned citizens conducting a "Hunger Vigil" at the Lincoln Memorial, opening last night. Each evening at 7:30 p.m. there will be speakers on hunger issues, and a vigil of mediation by "hunger witneseses" who have been invited to fast for 24 hours as a demonstration of moral concern. Similar "fast days" have been scheduled in an array of cities, with people pledging money saved on a day's food budget to the agency of their choice to help alleviate hunger problems among the world's poorest of the poor.

We are also circulating petitions nationally, on which we have already collected several hundred thousand signatures, which we intend presenting to Secretary Kissinger before he goes to the World Food Conference as an expression of concern among the American people.

We have felt compelled—and still feel compelled—to stir up maximum public concern because of government timidity to really come to the grips with the magnitude of the problem that exists.

We have been encouraged by the President's public commitment to the United Nations—in generalities. We are still awaiting to see the fine print of what the United States will be willing to offer, or decline to offer, at the World Food Conference itself.

So we warmly welcome groups like yours conducting discussions on these issues, and I particularly like the topic you selected, "What Can I Do About the World Food Situation?" I welcome it, because food concern must be *everyone's* concern, and whatever is done or not done about it will affect everyone, one way or another. For that reason I think it is sound to consider what each of us might do, as individuals and as groups, to help avoid mass human tragedy within our lifetime from hunger and malnutrition.

Let me just enumerate *some* of the things I think we might do—and probably *must* do.

First, be informed—and help others become informed.

Most of you are educators, in one way or another. You know that you can't find answers to many problems without first getting people to understand the problem. Despite all that has been done to stir up awareness in the last year or so, most Americans are still woefully unaware of the seriousness of the food problem confronting the world over the next few decades. We have taken food and abundance of food for granted so long in this country that it is hard to suddenly wake up to the fact that we are as vulnerable as the rest of the world to the total world supply picture—that what happens to weather and crop conditions in any part of the world affects our prices and food availability right here in the United States.

We no longer have the reserves we used to complain about as "surplus". We don't have the reserves in bins nor in idle land. We have traditionally neglected rural American and farm people, here and in other countries. We know and get excited about what food costs in the grocery store, but we pay little attention to the soaring costs of production—of fuel and fertilizer so necessary for production, or labor getting crops from farm to the dinner table. We really pay very little attention to where our food dollar goes. It's about time all of us became far better informed about the necessity of a sound, prospering agriculture to protect our future food supplies—and far more about the relative costs of food in the U.S., in relation to our earning power, compared to food costs in most other areas of the world.

We need to make people understand that our population is doubling before the end of this decade—and that means it will take twice as much food as we have today to even feed people as poorly as they are being fed today.

And they *are* being fed poorly, even in our own country. Our knowledge and understanding of nutrition is even more lacking than our knowledge of the food production situation generally. Most of our nutrition education is far out of date. Most of our medical doctors practicing today never even received any nutrition education.

As the poorer countries of the world struggle for life and survival, they are learning that they are going to have to get the most nutrient value out of every dollar invested in food. We haven't even learned that lesson in the United States.

These are just thumbnail comments on our basic ignorance on food and nutrition—but they may serve my point. The first thing everybody can do is to get better informed. A vast array of new technical knowledge and research into problems of malnutrition, particularly among infants, is available for those who will take the time and trouble to explore it. A vast additional amount of information about the potential—and lack of potential—for increasing food production is being compiled by all nations of the earth for the UN World Food Conference, and should become an added source for better appraising a long-range look at national and international food policies in the future.

Second, show you care. All the experts in the world can come up with the best research schemes and agricultural development schemes in the world for solving this world food dilemma, but nothing is really going to happen unless and until enough American people show enough concern and determination to insist that something be done. It is really a matter of determination and willingness, more than lack of technical knowledge; it is a matter of moral concern, a willingness to help pay for what it will cost to solve the problem, and a willingness to share what food we have until we can raise the world's production enough to provide adequate, nutritional diets for all people.

There are many ways individuals can show they are concerned, that they *do* care. Write to your Senators and Congressman. Write to the President. Write to Secretary of State Kissinger. Take the issue up in all the organizations you are affiliated with and stir others to action. Circulate petitions yourself. Contribute to any agency of your choice you feel is doing a constructive job of helping those who need help, in this country and abroad.

Why do we have to wait for mass tragedy to strike—to wait for television scenes viewed in our own homes of bloated bellies of starving children in the Sahel—before we act? We are basically a humanitarian people, a generous people. We always rally to help our neighbor in a crisis. Let's remember that we have neighbors all over the world, for whom eating every day is a crisis. Let's find ways to show the world that the American people *do* care, that we are not just a selfish, greedy nation concerned only about ourselves.

Third, be willing to do some soul-searching on our own eating habits, our own life styles.

I'm not a dreamer who imagines we can change everybody's eating habits overnight, but I think we could all stand some soul-searching on our conspicuous consumption habits—for our own sake, for our health's sake, for our conscience sake, and for the world's sake.

I haven't joined those who have called for meatless days, because there is no simple one answer. People do have preferences, and people should feel free to choose what form of sacrifice they want to make, if they want to sacrifice at all to help others. But we can and should heed the advice of our doctors, and our more advanced nutritionists—most of us eat too much, and eat too much fat. The AMA tells us we would all be healthier if we can cut down on animal fats. It should make us feel even better that what we do for our own health also helps extend the world's food supplies—for animal fat in this country accounts for a greater share of our grain products than necessary. and the same products could go much further feeding people directly than in fattening animals.

Our cattle industry is already recognizing this, and turning to more grass fed cattle. USDA is considering changing its grades to put less premium on "larded" or fat red meats.

If we could live just a little less "high on the hog", it would be far easier to help feed millions of people in the world. The peoples of Western Europe and the United States—the higher income areas—should be strongly encouraged to obtain more protein from vegetable sources such as legumes and oilseeds, and consume somewhat smaller portions of meats and dairy products. I know this is a touchy subject, but I think it is a coming trend of the future, particularly for adults—and it would be well to recognize it. New technology has taught us much about how we can get high quality protein from vegetable sources at lower-cost—and all of us are going to have to be looking at how much food value, in the nutritional sense, particularly protein, we get for each food dollar. As you probably know, some five pounds of grains are consumed daily per capita in the USA largely because animal-derived foods require high levels of grain for production. Yet we know that in many developing countries people subsist on one pound of grain per capita per day because they don't have or can't afford much in the way of animal-derived foods. Perhaps we need the help of nutrition education to raise a generation that understands there are ways of having a healthy diet, at low cost, instead of having to seek all our protein from the highest cost sources—just because that has been ingrained into our lifestyles of the past.

Perhaps we all have some re-learning to do, about eating. What has become accepted as the "diet of the rich" may not, in fact, be the best diet for us. Already scientists are reporting differences in disease rates in some primitive African countries with more fiber in their diets than in western countries where we have refined out so much fiber that there has been a rapid increase in certain illnesses in less than a century.

The lessons we have learned in many of our international emergency feeding programs has been to create blends of cereal grains with high-protein oilseeds—giving us both the fiber and the protein, and at the lowest possible cost. We haven't yet really applied many of these lessons at home, because we still think it demeaning to suggest anyone struggling with a tight budget shouldn't have the same food on his table as the rich man has. Perhaps we need to show them we can be smarter than the rich man—healthier, at less cost. We have a lot of pioneering yet to do in this area, but such changing eating habits can make a real contribution to prolonging the world's ability to feed itself, and feed itself better.

While I am talking about considering personal changes in lifestyle, let's also think a little bit about the rest of our consumption. We use enough fertilizers on our lawns and gardens and golf courses to provide for vastly increased food production in India or other poorer countries of the world.

Now, I'm not against an attractive lawn or nice putting greens; but if we want these luxuries for ourselves, we must be willing to share, somehow, in financing development of more fertilizer for where it is really needed—to produce food.

Fourth, and related to the previous point, is cutting out waste.

We waste enough food in this country everyday to feed millions of people in the world. We over-fill our plates, then dump it in the garbage. Airlines overfeed us. We carelessly waste available production of grains and perishable products between the farm and the dinner table in many ways—poor storage, careless handling, lack of protection against insect and rat infestation. While this is true for us, it is equally true for the world. A real campaign against food waste is needed, worldwide.

But the burden is really on us, in this country. We use such a vastly disproportionate share of all the world's resources—food, energy, raw materials, on a per capita basis. It has truly been said that the world really couldn't stand another major country with the consumption habits and patterns of the United States; we would simply exhaust the world's total resources.

We become a bit more conscious of this during the too-short-lived energy crises. It made us conscious of our over-consumption. We turned down our thermostats, and didn't freeze. We cut down, some, on our driving, and didn't suffer. There's no question but that the United States could still maintain the highest living standard in the world with a tremendous saving in food and energy resources by simply eliminating waste, and becoming more conscious that everything we waste was taking away an opportunity for life and happiness from someone else, somewhere in the world.

Don't treat this waste issue too lightly. In addition to what we can do as individuals, we can do much more by encouraging industry and government to accelerate the recycling of waste products and the utilization of now-wasted by-products. Properly treated manures can constitute a useful portion of animal feeds instead of now taking grain out of the mouths of humans. Worldwide, there is a projected production of both animal feed and food grade yeast for a total of 880 million pounds by the end of 1975, mostly from petroleum substrates. Such yeasts contains some 50% protein. Waste cellulose from corn stalks, sugar cane, and other crops can be processed and fermented to produce single cell protein in the form of yeast, fungi, and other acceptable microorganisms. Such systems have the advantage of providing a large biomass of feed and food within a very limited space, and the substrate is a reproducible crop. Every encouragement should be given to an accelerated development of these single cell production systems, but particularly those based upon waste products.

I have endeavored to highlight a few areas for you to think about in response to your panel question, "What Can I do About the World Food Situation?" Many more could be enumerated.

But if I may, I would prefer summarizing by coming back to the moral decisions we as a people must make.

There's no argument about the need for increasing food production in developing countries, within a wider framework of total economic and social development. The only question is the extent to which the "have" nations will really share with the "have not" nations in getting that job done better than we have been able to do in the past.

There's no argument about the need for continuing long range research into new crop varieties adapted to other areas of the world, about greater research into converting waste products into animal feed or improving our knowledge and ability to prejudge weather cycles and forecast droughts. The research scientists have shelves full of projects that could make a contribution to the problem. The only question is who is going to pay the bill—and for how long are we willing to make the commitment needed?

There's no argument about the need, worldwide, for improved education generally, and improved nutritional education specifically, as part of solving the food problem. But how strongly are the American people going to support Congressional funds for economic development assistance to make that possible?

What is more pressing, right now, is our willingness to share the food we have—now—with those who needed it the most.

Whatever the programs evolved out of the World Food Conference for long-range answers, people are hungry now. Millions of children are suffering from malnutrition, now. More millions will be victims next year as higher food prices make the right kinds of food they need less within their financial reach.

We might as well face it; we are going to need continued direct food aid to millions in the world for many years to come.

All the increased production the scientists can promise us will mean little to people without any money to buy.

We were willing to share our food, generously, when we thought we had more than we knew what to do with. Are we as willing to share some of whatever we have, with people who might need it more?

President Ford committed our nation to expand expenditures for food aid, in his presentation to the United Nations. We're still waiting to see the figures. Are we actually going to provide more food—or just spend more for less food because the prices are higher.

These are very real concerns that must be answered better than they have been answered before our Government stands before the other nations of the world in Rome, and indicates how committed we are—or how timid we are—about tackling the problems of world hunger, for the present and the future.

Our government is still trying to judge the mood and attitude of the American people, before making firm commitments.

Success or failure of this world food conference will likely hinge on the degree of forceful leadership taken by the United States—and, in the long run, what our government will do or will not do will probably be in response to the degree of insistence and concern shown by the American people.

That's where the moral choice comes back to you—to each of us.

Can we really accept for the world, a policy where nations with the most gold can gobble up all the available world food, and, within those nations, people with the most money can gobble up all that is available—leaving nothing but the scraps of our unwanted wastings for the poor and hungry?

Or is mankind wise enough, compassionate enough, rational enough, to devise—together—a better food security system that offers better future hope of a decent diet for all, a chance in life for every child?

That really is our moral challenge confronting us this year—it will be with us for many years to come.

Whatever comes out of the World Food Conference will be a start, a challenge, a trumpeting of the world problem—and a lot of rhetoric from governments. Whether we can turn that rhetoric into action will depend on each government, *after* the conference. And whether our Government does its share—whether our Government really reflects the concern of the American people—may depend to a great degree on people just like you. It will depend on everyone. It will depend on everyone being willing to accept some share of the commitment against hunger, at home or abroad—or answer to their own conscience, and their own God.

CHARLES A. LINDBERGH

Mr. MATHIAS. Mr. President, the press coverage of the death of Charles A. Lindbergh served to remind us of not only an age of heroes, but of one hero whose contributions to his field and to the Nation continued for decades after the limelight had moved to focus on others.

Without belaboring the cliches so often voiced about our Nation, I can think of no finer example than Charles A. Lindbergh of this country's capacity to give full reign to talent and perseverance. Our ability to produce men of genius, not only from an aristocracy but from the full range of our society, and to allow their talents and energy to flower, is one of the neglected secrets of our greatness.

As one who passed through triumph and tragedy in the spotlight, and who pursued his interests and managed to contribute years later when he was denied an official role, Lindbergh earned many times over any final tribute he might have been paid. Yet, characteristically, he chose to pass from us with as little fanfare as possible, on a distant island at the other end of the world from his greatest triumph, with too little notice for elaborate ceremony.

An account of his last journey, carried out under his own instructions, was reported in the Troy, N.Y., Times Record. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the news article was ordered to be printed in the RECORD, as follows:

LINDBERGH PLANNED FOR HIS DEATH AS CAREFULLY AS HE DID HIS LIFE

HANA, HAWAII.—Charles A. Lindbergh, who sparked worldwide excitement with his "Lone Eagle" flight from New York to Paris in 1927, has been buried in a small, seaside graveyard less than eight hours after his death.

The only family members present on Monday when the 72-year-old aviation hero was buried beside the nondenominational Kipahulu Hawaiian Church were his widow, Anne, and one of the five Lindbergh children, Land.

The other four living children of the man who flew out of obscurity with an epic solo crossing of the Atlantic in a single-engined plane were too far away to fly to Hawaii in time for the service.

The eulogy—part of which Lindbergh had written himself—was delivered by a young Protestant minister, the Rev. John Tincher.

Lindbergh penned these words:

"We commit the body of General Charles A. Lindbergh to its final resting place, but his spirit we commend to Almighty God, knowing that death is but a new adventure in existence and remembering how Jesus said upon the Cross "Father, into Thy hands I commend my spirit."

At his own request, Lindbergh was buried in a khaki shirt and dark cotton trousers. His casket of eucalyptus wood was built by cowboys from nearby ranches.

"The Lone Eagle planned his final trip as much as he planned his Atlantic trip or anything else he ever did in his life," said Dr. Milton Howell, a longtime friend.

Howell said Lindbergh died of cancer of the lymphatic system. The pioneer aviator had spent the last eight days of his life in Hawaii after a month-long stay in New York's Columbia-Presbyterian Hospital.

"When he knew he could not recover, Mr. Lindbergh requested that he be taken here from Columbia so he could die. He had made his vacation home here for many years and wanted to die here," Howell said.

In addition to his widow and Land, Lindbergh is survived by sons Jon of Washington state and Scott of Paris and daughters Reeve of New England and Anne Lindbergh Feydi of Paris.

The slim, shy, 25-year-old former barnstormer and pioneer air mail pilot found instant fame and fortune. But awaiting him also was great personal tragedy and dark political denunciation and innuendo.

Charles Augustus Lindbergh was born in Detroit, Mich., Feb. 4, 1902. He grew up in Little Falls, Minn., where his father was a five-term congressman.

Young Lindbergh took mechanical engineering at the University of Wisconsin. But he left in less than two years to enroll in a Lincoln, Neb., flying school. His future was already committed to the skies.

In those early days of aviation, Lindbergh served an apprenticeship as a wingwalker, barnstormer and a member of a small band of hardy aviation pioneers who risked their lives to fly the mail. He bought his first plane for $500.

Lindbergh was lured into his great adventure by a $25,200 Orteig prize for the first transatlantic nonstop flight from New York to Paris. Others before him had flown across the Atlantic, though never alone.

With the backing of a St. Louis group, Lindbergh supervised construction of a Ryan airplane, and in the misty drizzling dawn of May 20, 1927, he took off from Long Island's Roosevelt Field in "The Spirit of St. Louis."

At 122 m.p.h., the young pilot faced 3,610 miles of treacherous ocean passage. To sustain him, he carried a canteen of water and five sandwiches in a brown paper bag.

Showered with medals and honors, "Lucky Lindy" came home to adulation. To promote aviation, he toured 75 cities in what turned out to be one long triumphal parade.

Later, as a goodwill ambassador to Latin America, Lindbergh met Anne Spencer Morrow, daughter of U.S. ambassador to Mexico, Dwight Morrow. They were married on May 27, 1929.

Seeking a measure of solitude, the Lindberghs took asylum in a home built in a secluded section of New Jersey near the village of Hopewell. It was here that tragedy sought out the couple.

On March 1, 1932, their first-born, 19-month-old Charles A. Lindbergh, Jr., was kidnaped from his second floor crib. A nation that had cheered Lindy's triumph five short years before, now found itself caught up in his grief.

Lindbergh paid a $50,000 ransom. But the baby was already dead, its skull shattered. A truck driver came across the body in a shallow grave less than five miles from the Lindbergh home on May 12, 1932.

Bruno Richard Hauptmann, a carpenter, was convicted of the abduction in a six-week kidnap trial and was electrocuted on April 3, 1936. He had been arrested in the act of passing a marked $10 ransom bill, and $13,000 additional in ransom money was found in his Bronx home.

Lindbergh and his wife fled to England and self-imposed exile. With them they took their second son, Jon, born after his brother's tragic death.

Lindbergh returned in 1939, with America edging closer to the European crisis that led to World War II. He campaigned against U.S. entry, called for a negotiated peace with Nazi Germany and argued that modern airpower precluded any successful U.S. intervention.

Critics demanded that Lindbergh return the Order awarded him by Nazi air leader Hermann Goering.

Eventually, President Franklin D. Roosevelt indirectly questioned Lindbergh's patriotism—denounced him as an appeaser and ranked him with skeptics who urged George Washington to quit at Valley Forge and Northerners who wanted to make peace with the South before the Civil War.

As a result, Lindbergh resigned his commission as a colonel in the U.S. Army Air Corps reserves. Three days after the Pearl Harbor attack, he tried to rejoin but was blocked by Roosevelt.

As a civilian, he quietly joined American forces in the Pacific, teaching flight techniques to Army Air Force combat fliers. Lindbergh himself flew combat missions and shot down two Japanese planes.

Lindbergh's reserve commission was restored after the war and he was promoted to brigadier general.

He and his wife, in continued pursuit of privacy, withdrew to Darien, Conn. He held technical posts with Trans-continental and Western Air Transport, later TWA, and Pan American World Airways.

FAIRNESS: VOLUNTARY AND INVOLUNTARY

Mr. PROXMIRE. Mr. President, Clay T. Whitehead said farewell to Washington and his former job as director of the White House Office of Telecommunications Policy the other day with an interview in The Washington Post.

He had some pointed observations about the Federal Communications Communication Commission's fairness doctrine.

"Fairness doctrine" is a phrase with the ring of Orwellian doublethink. It is really the "unfairness" doctrine by which the Government tells broadcasters what and how they must broadcast while espousing the first amendment's freedoms of speech and of the press.

Listen to Whitehead in his interview with the Post:

> There were some people at the White House . . . who considered the Fairness Doctrine a tool to keep the networks in line.

Whitehead claims, in effect, that he had to play along in order to accomplish his ends of protecting the first amendment rights of broadcasters.

Many people in the White House, he told the Post, blamed him for suggesting the fairness doctrine should be taken off the books. Whitehead puts that in the context of his criticized remarks about "elitist gossip" and "idealogical plugola" in network news in an Indianapolis speech in December, 1972.

I was one of those who criticized Whitehead for those remarks. In fact, that speech was directly responsible for my reexamination of the FCC's fairness doctrine, which I was instrumental in incorporating into the Communications Act.

Whitehead told the Post that those remarks were actually a successful political maneuver on his part to save his Office of Telecommunications Policy from extinction at the hands of highly placed opponents "directly under the President" in the White House.

A few paragraphs of quotation from the Post story flush out the explanation:

> "You've got to understand the climate of the Nixon administration then," Whitehead said. "There was the heady feeling of power with four years more and everybody was riding high.
>
> "There were some people at the White House," said Whitehead, "who considered the Fairness Doctrine a tool to keep the networks in line." He declined, however, to name names.
>
> It was at this "heady" time, says Whitehead, that he decided to deliver his Indianapolis speech, which he says he wrote with the aid of Henry Goldberg, now general counsel of OTP ("Those phrases were my phrases, however," says Whitehead).
>
> "I made the calculated decision that the only way to preserve OTP and its mission was to package a program and make it clear to the President, the press and the public.
>
> "I offered a broadcast license renewal bill that was definitely pro-First Amendment and which gave broadcasters relief from FCC program regulation while coupling it with responsibility to the public. At the same time I wasn't going to say everything was hunky-dory with network news.
>
> "The great tragedy," Whitehead recalls, "was that the relations between the administration and the media were so bad, I knew damned well the networks would flail the speech but I thought the broadcasters would support the bill. They did, but not publicly."
>
> Whitehead also asserts that after his four years as a gadfly at OTP his own values are "on the side of the publishing and broadcasting interests."

This report about Whitehead is most revealing, both to what happened inside the White House and how a free press can bring out the facts eventually.

Self-serving remarks aside, Whitehead reveals that not all that appears on the surface is true. Just as in the same Post story, Whitehead explains some of how he and others orchestrated the transition from President Nixon to President Ford and how Mr. Ford would create a public image of a fresh breeze.

I wish I could quote from the transcript of a television or radio show instead of a newspaper. But this is the kind of newsstory one is unlikely to hear on radio or TV.

That is because of the fairness doctrine. The fact that this Post news story dealt, in part, with the fairness doctrine helps point up the negative aspects of that doctrine.

In essence, the fairness doctrine requires broadcasters "to afford reasonable opportunity for the discussion of conflicting views on issues of public importance."

Broadcasters would think twice before devoting much broadcast time to a news story about the sword that hangs over their head. Why should they give importance to a public issue over their freedom when it involves their relationship with their controllers?

They know too well from other types of news stories that a complaint to the FCC from a listener can get them into trouble with their license grantor. Even when the broadcaster has handled an issue fairly, defending himself can cause him plenty of trouble in time and money. Sometimes—too many times—it is just easier to forget an issue that is not obviously controversial.

But newspaper and other publishers are free to cover any issue they wish, knowing that they are answerable to no governmental agency.

And newspapers, taken as a whole, cover those issues fairly.

The American free press is one of the most misunderstood blessings of our Constitution. The important word in the phrase "free press" is free.

It means freedom from governmental control.

It does not mean freedom from error.

A free press envisions a free people: an electorate able to decide for itself. A citizenry interested enough in its own future to take facts it garners from the press, ponder them and make collective decisions.

Leaders are elected as the result of those decisions. What is more: it is for those leaders to act after taking into account those decisions of the citizenry, communicated through the ballot box and through individual conversations, letters and wires.

We sometimes forget how dependent we all are on the information we get from the press—printed and electronic.

If we asked ourselves where we obtained certain information, particularly about current events, the ultimate source would turn out to be, in almost every case, the press.

Take but one example: every fourth year on the first Tuesday after the first Monday in November we wait to learn who has been elected President of the United States. Usually around midnight, we know for a fact the name of the President-elect. We are informed of that early by radio and TV. Until a generation ago we found out by standing outside newspaper offices watching chalkboard bulletins.

We, in Congress, have even gone so far as to provide that in the event there will be a new President, money is provided to him to get ready to take over as President the following January 20.

Yet, and this is important, it is not until the new Congress convenes on the 3d of January that the electoral votes are counted and it is officially known who has been elected President. Of course, the electors meet in each State capital about a month earlier, but even then, we would be dependent upon the press to know the unofficial results.

My point is this: the press informs us of many events, happenings, and trends just as important as the election of a President. And we trust that information. We trust it because we know that publishers are competitive, private businessmen whose future in business ultimately depends upon their credibility.

So then, why is the press criticized so much?

The criticism stems from the other important element of a free press that we are prone to forget: that we each put our own interpretations on the information relayed to us by the press.

We are free, after all, to accept or reject anything we read, hear, or see.

We have a tendency to forget our part. We have a tendency to attribute to the press our interpretations of the news brought to us by the press.

That is the basis for that old cliche always heard when a free press is discussed, the one about the king having killed the messenger who brought the bad news.

From the time it was established in 1934 the FCC has put off or kept off the air a total of 105 broadcasters.

Since January 1, 1970, the FCC has revoked or denied renewal of 21 broadcast licenses. When voluntary surrender of licenses and denial or cancellation of construction permits are counted, that 21 grows to 27.

The FCC last week tentatively decided to deny renewal of the licenses of the eight stations operated by the Alabama Educational Television Commission because of discrimination against blacks in programing and in hiring.

It will be at least 2 months before the FCC's order is final, and then it is possible the Alabama agency might retain the licenses because of improvements it has made since the renewals were challenged by a group of people.

Of course the existence of governmental licensing was the reason the Alabama educational television stations have improved. They now have black employees in 10 percent of their positions instead of one full-time janitor and a part-time student, and the stations now use all black programing from the educational network.

Nevertheless, if governmental control can bring good results, it can also bring evil ones. That is why the authors of the Bill of Rights made freedom of speech and of the press part of their No. 1 addition to the Constitution.

The public's right to turn the dial must be the ultimate arbiter of the elecronic media as its right not to buy controls the print media.

That is the public control that should be final.

Also since January 1970, there have been 511 fines totaling $638,275 levied by the FCC. Most of the fines have been for violations of engineering rules and only a handful for political candidate editorials and personal attack. The FCC says no fine was levied for a fairness doctrine violation.

But consider this: no newspaper has ceased publication because of governmental fiat, and none has been fined for the way it handled the news.

If our print media were controlled by the Government, we certainly would have something different. We would have propaganda. We would have a press spreading only the word that the Government would want us to have, keeping from us the news that the Government did not want us to have.

We would not, I contend, have a submissive citizenry because of a controlled press.

Rather, we would have a citizenry that was completely skeptical and poorly informed. A citizenry that would know they could believe none of the news they read and heard.

What we would not have is information we could rely upon—the bits and pieces of fact we could put together for ourselves—in making up our minds. Without information, we could not react very effectively in throwing off such a cruel and suppressive government.

We then would have trouble in exercising that marvelous and seldom remembered part of our Declaration of Independence that says:

> . . . that whenever any Form of Government becomes destructive of these Ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its Foundation on such Principles, and organizing its Powers in such Form, as to them shall seem most likely to effect their Safety and Happiness.

Thank God that we do not need to use that part of the Declaration of Independence today.

Yet, we must always be alert.

And keeping us alert is our—I stress—our ability to interpret the news and information, and, if you will, the opinion, we get in our free press.

The press down through the years has not always been fair. It has become more fair as the citizenry has become better educated.

There is an interaction between the press and the public that is synergistic. The two, working together, can bring results. They can cause government to act.

We are in the midst of one of those occasions now. The state of the economy is such that we all feel the results of stagflation each time we go to the store, try to get a home mortgage, buy a car.

But we learn from the press that this is occurring not only where we live, but everywhere in the country.

Our indignation is causing the Government to attempt to do something about the economic conditions.

Public opinion will not be quieted until something is done.

Like beauty, fairness is in the eye of the beholder.

It is difficult to prove that the press today is more fair than it has been in the past.

Yet we all know of the fairly recent development of op-ed pages in many newspapers. These are attempts to publish a variety of opinions, some that agree with the editorial positions of the papers themselves, but, more important, opinions that do not agree. These newspapers are saying: here is a service we are giving; you can get opinions of various shadings by buying our paper; you need not search for opinions agreeing with your own.

But for the most part, those op-ed pieces are polemical. The writers are trying to persuade their readers.

There was a time when broadcasters were not permitted to air editorials. They may do so now, but not all choose to do so. When they do. they must give the right to reply. This year, the Supreme Court struck down such a requirement for newspapers in a Florida law.

What about the news columns of newspapers?

Most newspaper editors try to make their news columns unbiased and informative.

For example, when one politician accuses another of some less-than-honorable act, the accused is given a chance to answer in the same news story or dispatch. If he chooses not to comment, he is quoted as saying so. If he chooses to comment but not to the point, he is quoted as saying so. If the reporter can not reach him for comment, that, too, is reported.

Most times, the person being sought for comment eventually does comment, and that appears in the paper.

There is one aspect of modern journalism that disturbs some readers: interpretation. They like to equate interpretation with editorializing.

Ethical newspapermen disput that claim. They say that if a political office holder, for example, makes a statement that contradicts an earlier statement without acknowledgement or explanation, then it is the duty of a responsible reporter to write that fact. And it is the duty of a responsible editor to make sure that the fact is reported. It is also necessary for the reporter to seek the reasons for the contradictory statements.

To do otherwise would be to mislead the reader, who is also likely to be a voter. To know of the discrepancy and not to report it would be lying.

Those supporters of the politician, of course, might claim that the paper was being unfair. But it would be unfair to those needing to be informed not to report that fact.

Comment on the contradiction, of course, should be treated in the news columns only by reporting the opinion of other leaders: both pro and con. The newspaper's own comment should appear only on the editorial page.

And that is the way competent newspapers operate. Close reading will show that to be true in most instances.

A radio or television newsman doing that—and many do—leaves himself and his employer wide open to a complaint to the FCC. Since July 1, 1969, there have been 145,482 complaints to the FCC concerning radio and TV programing. Of those, 20,446 have concerned news and public issues other than political candidates. Fairness doctrine complaints totaled 5,966. The equal time provision for political candidates has brought 4,766 complaints.

In fiscal 1974, the FCC had 1,309 fairness doctrine complaints. The FCC says only 94 were referred back to stations for reply, and only 5 of those received "letters of admonition." The letters go into a file for consideration in the event of challenges at license renewal time.

A reasonable assumption is that such power, although infrequently used, must affect the way broadcast newsmen do their jobs.

No newspaper has had to answer to a government agency because of complaints from readers. Newspapers handle complaints direct. When an error is made, it is usually corrected. In fact, more and more newspapers are clearly labeling corrections—and they are doing it voluntarily.

In what other ways have newspapers become more fair and unbiased?

I maintain they have done so by expanding their coverage. There was a time—not too long ago—when we could not read stories about environment and health hazards, such as those caused by insecticides, food additives, previously arcane chemicals. There was a time when we did not see stories about social concerns, such as crime-ridden neighborhoods, venereal diseases, old age, populalation growth, racial relations, school curricula.

Women's rights have been reported since long before the bloomer girls. But now we get searching reports on what women's rights really mean.

The list is endless. But, fair coverage means that problems, advances and experimentation in areas of life affecting all of us are covered in all their aspects.

Another advancement in the cause of fairness made by many newspapers is the ombudsman. The newspapers that use this approach do have variations. There are those who have a readers' editor who takes complaints on the operation of his paper and provides explanations, usually in a column. The Milwaukee Journal uses that method. Others have assigned an editor to criticize the operation of his own paper, sometimes on the editorial page. The Washington Post did that for a time.

The St. Louis Post-Dispatch has hired a reader's advocate to take criticism and suggestions from the public. No law says it must do that.

Many newspapers have demonstrated that they are aware of their public responsibilities and try to meet them.

Nearly all newspapers police their advertising, watching for misleading ads and refusing to run them, even though it means lost revenue. Broadcasters do it because of governmental watchdogs.

What about big advertisers trying to influence an editor, threatening to pull their ads unless some news is left uncovered? That abuse is almost unheard of these days. I suspect the reason is that enough fearless editors and publishers have stood up to such advertisers to discourage such attempts.

Overall, we Americans can be proud of our free press. Errors and excesses could be cited, I know. But the fact remains that the press acts responsibly.

Sensationalism has died out. People will not stand for it in the long run. If you do not think that is true, may I ask: Whatever happened to the New York Mirror with its million readers?

The press of this country has accomplished what it has because it has not been controlled by government. There are not licenses. There are few restraints, other than those dealing with libel and obscenity, and the press wants to live with those.

More than 62 million newspapers are distributed in this country every weekday; another 51 million on Sundays. In addition, there are some 35 million weekly papers circulated. All are free to print what they choose. And, as I have pointed out, do a pretty good job of it.

Yet, the most popular of the mass media, television, and its older cousin, radio, do not have freedom. There are 66 million television homes in the United States. As a number, that is 4 million more than the daily circulation of newspapers.

Each newspaper is read by about 1.4 persons. That means that the country's largest paper, the New York Daily News, has a readership of just under 3 million.

A poorly rated network TV show will have several times that many persons watching it.

But the Daily News can print anything it likes and no governmental agency can dictate to it. That is not true of the Walter Cronkite news show, or the NBC Nightly News, or of the local news show in your hometown.

TV and radio broadcasters have the FCC and its fairness doctrine to contend with. By law, they must be fair.

Are not newspapers fair without governmental control?

I think I have demonstrated that they are.

And, I contend that radio and TV would be fair without governmental control.

There is no reason why the first amendment should not fully apply to broadcasters as it does to publishers.

If rights of free speech and of a free press are so sacred as to have been preserved consistently by the courts, why is it that broadcasters have not been successful in obtaining those same rights fully?

Newspapers in the last few years have beat the Federal Government in the Pentagon papers case—although some will argue that—and a State government in the Miami Herald case. The Supreme Court has given only lipservice to the first amendment when it comes to broadcasters.

Is not governmental control of electronic journalism just as dangerous to the freedom of the Republic as control of print journalism?

The President cannot command the top line of all the newspapers in the country by announcing to editors that he is going to speak. He may obtain prime time on all network radio and TV stations and many nonaffiliated stations merely by having his press secretary announce he is going to speak.

He could do the same thing to newspapers if they were licensed. Still, the free newspapers print fully and fairly what the President says.

Freedom of the press is defended for newspapers. Why cannot it be defended for radio and television?

I say that it can.

Mr. President, I intend to give more speeches on this subject before introducing a bill to eliminate the fairness doctrine and the equal time rule.

A TRIBUTE TO CHET HODGE

Mr. RIBICOFF. Mr. President, one of the most beloved men of the Nayaug section of South Glastonbury, Conn., is Chet Hodge. He has been employed at Gardiner's Market for many many years, and is retiring on October 12, 1974. During his years at Gardiner's, he has won the respect and admiration of the people of the community. His customers are having a 3-day celebration which includes a parade, square dance, lawn party, band concert, and church services of all denominations throughout the town because of his loyal service to the people of Nayaug.

I, too, join in congratulating Chet Hodge and his loyal customers who hold him in such high esteem.

TO SAVE THE DEPOTS

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that an editorial from the Wilkes-Barre Times Leader on the use of railroad depots for art and cultural centers as part of the Bicentennial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TO SAVE THE DEPOTS

At one time, every community of any size had its own railroad station. Northeastern Pennsylvania was dotted with them. Some were tiny, others large; but they all had a couple of things in common. They were well built and conveniently located, usually near the center of town. The larger ones were often superior examples of period architecture.

With the decline of railroad travel, many of the stations have been abandoned and about half of the 40,000 depots built in the United States between 1830 and 1950 have been razed. Most of the others are in various stages of deterioration. The fact that they were so well constructed probably accounts for the fact that many might still be rehabilitated and made available for other uses.

Over the years, community-minded organizations in various parts of the country have tried to preserve some of the old stations as historical landmarks. They have been successful in such metropolitan centers as Indianapolis, St. Louis, Chattanooga, and Duluth.

Some years ago, an effort was made to save the Central Railroad of New Jersey station in Wilkes-Barre because of its interesting architecture, but interest flagged and the building now stands in the middle of what is to become an industrial park. It may soon fall to the wrecker's ball.

But there are probably quite a few stations in this part of the Commonwealth which could be saved, and which would make excellent community centers.

Toward this end, Senator Hugh Scott has introduced a bill to make unused depots available to communities for art and cultural centers as part of the bicentennial observance. Sen. Scott's proposal is similar to a measure introduced in the House by Rep. Frank Thompson, Jr., of New Jersey, which would amend the National Arts and Humanities Act of 1965.

If the Scott-Thompson proposal is successful, those communities which are prepared to act will have the best chance of obtaining federal help. A necessary step in this direction would be to identify depots that might still be saved and converted to community center use.

This task falls naturally to regional historical societies and organizations of railroad buffs often associated with them. It is to be hoped they will not miss a new opportunity to contribute toward preservation of landmarks which Sen. Scott calls "unique expressions of American culture."

DEFENSE APPROPRIATIONS CONFERENCE REPORT: STOKING THE INFLATION INFERNO

Mr. MOSS. Mr. President, yesterday, the Senate passed, on a voice vote, the conference report making appropriations for the Department of Defense. I think it is reprehensible that we approved the final version of this legislation—the largest single appropriation bill in our history—without significant debate. We should not have passed a bill making such extravagant expenditures during this time of inflationary crisis.

The Defense Department has now been given $82.56 billion to spend in fiscal year 1975. That is $3.6 billion more than last year, and $478.4 million more than the Senate bill approved.

This bloated appropriation cannot be justified on the grounds that the entire amount is necessary to the national security. The Defense Department budget which we have now approved is, as usual, replete with pork barrel politics which in no way relate to the strength of our defenses. I cite as one flagrant example, the restoration of $205.5 million for the purchase by the Air Force of 12 F–111F aircraft which the Air Force does not even want to buy.

It is a painful irony that President Ford, who must share in the blame for the mistake we made yesterday, and Members of the House and Senate who profess themselves to be both fiscal conservatives and deeply concerned about the security of our Nation, have acted to undermine our security by further weakening the economy with an inflationary Defense budget. Let there be no doubt on this score: overspending on military hardware feeds the fires of inflation, weakens the dollar, and, by jeopardizing the economic health of the Nation, diminishes our financial ability to maintain a strong national defense over the long haul.

We should not forget the words of President Franklin D. Roosevelt in his 1944 message to Congress:

> We have accepted . . . a second Bill of Rights under which a new basis of security and prosperity can be established for all—regardless of station, race or creed. Among these are: The right of a useful and remunerative job in the industries or shops or farms or mines of the Nation:
>
> The right to earn enough to provide adequate food and clothing and recreation;
>
> The right of every farmer to raise and sell his products at a return which will give him and his family a decent living;
>
> The right of every businessman, large and small, to trade in an atmosphere of freedom from unfair competition and domination by monopolies at home or abroad;
>
> The right of every family to decent home;
>
> The right to adequate medical care and the opportunity to achieve and enjoy good health;
>
> The right to adequate protection from the economic fears of old age, sickness, accident, and unemployment;
>
> The right to a good education;
>
> All of these spell security.

Mr. President, this Defense Appropriations Act was the wrong bill at the wrong time.

THE 25TH ANNIVERSARY OF INTERNATIONAL CHRISTIAN UNIVERSITY

Mr. ROTH. Mr. President, this coming month International Christian University in Tokyo, Japan, will be celebrating its 25th anniversary. The renowned theologian and author, Dr. Norman Vincent Peale, has said of this unique university that—

> I know of no more creative Christian enterprise in the education world than the International Christian University.

In its short history, ICU has become one of Asia's premier institutions in higher education. With students and teachers from more than 20 countries over the world, it is a great experiment in international education and understanding, helping to bridge East and West by drawing on the best traditions of both.

The Japan International Christian University Foundation is supported by a number of U.S. denominations including the American Baptist Churches in the United States, the American Lutheran Church, Christian Church—Disciples of Christ—the Council of Community Churches, the Episcopal Church, the National Baptist Convention, U.S.A., Inc., Presbyterian Church in the United States, Reformed Church in America, Religious Society of Friends, United Church of Canada, United Church of Christ, the United Methodist Church, and the United Presbyterian Church in the United States.

Henry Adams once wrote that—

> A teacher asserts eternity; he can never know where his influence stops.

What is true of a single teacher is multiplied many times in a great institution such as International Christian University. ICU is one of the many centers of higher education the world over which are contributing to a brighter tomorrow.

ADJUSTMENTS NECESSARY FOR U.S. AIRLINES

Mr. PROXMIRE. Mr. President, even though I strongly opposed the requested bailout for Pan American World Air Lines, there are a number of adjustments that should be made to assist U.S. airlines.

First. I have noted with approval the decision to raise the international mail rates 20 percent. This still is lower than the fees the U.S. Government pays to foreign carriers but it does present more of an equitable fee schedule.

Second. I am encouraged with the agreeements reached with the United Kingdom and other North Atlantic route governments in reducing the number of flights along this overused corridor.

Third. I hope that the other points of the Department of Transportation recommendations can be quickly implemented including legislation to rectify the varying landing fees which have an adverse impact on U.S. carriers.

I urge the State Department and the Civil Aeronautics Board to take strong measures to bring these landing fees into line or seek to apply corresponding pressures on the offending governments.

If the Federal Government can move on enough of these critical issues this year, Pan Am and TWA may be able to avoid complicated reorganization on other equally severe measures.

Mr. President I ask unanimous consent that an article appearing in the September 25 issue of the Washington Star-News be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Star-News, Sept. 25, 1974]

UNITED STATES ACTS TO RAISE FEES ON INTERNATIONAL AIRMAIL

The Ford Administration, making good in its promises to help financially strapped Pan American World Airways—without providing federal subsidies—has asked the Civil Aeronautics Board to raise the rates the U.S. Postal Service pays for international airmail.

Meanwhile, in other developments in the Pan Am situation:

The CAB ordered a 20 percent increase in rates paid to the U.S. International airlines for carrying military mail on a space available basis in the transatlantic, transpacific and Latin American areas. The raise would be retroactive to May 26.

Pan Am reported an August profit of nearly $4.4 million, or 11 cents a share, down from $9.4 million and 23 cents in August 1973. . . The company—which now has a loss for the first eight months of $28 million compared to a $4 million loss during the first eight months of last year—placed the blame on a 155 percent increase in fuel prices in the past year.

In a letter to CAB Chairman Robert D. Timm, Undersecretary of Transportation John W. Barnum wrote that the present rates for transportation of international mail have been basically unchanged since 1968 despite substantial increases in airline costs. Further, he said, present rates don't reflect the substantial increases in fuel and other costs since then.

As a result, he said the CAB should expedite a decision to determine promptly the final international mail rates so that U.S.-flag airlines will receive "fair and reasonable rates" to which they are entitled.

Barnum's letter was accompanied by a motion by the Department of Transportation urging speedy redetermination of mail rates which it says are now below the airlines' costs of carrying mail.

Until final rates are determined, the Barnum letter and DOT's motion ask that the CAB should determine a temporary rate that would go into effect immediately. The final rate would be made retroactive to March 8, DOT said.

Aviation industry figures say that while U.S. airlines receive 31 cents a ton-mile for international mail, foreign-flag airlines, paid under different standards—receive up to $1.73 a ton-mile for first class and 57.7 cents for other classes. The differential cost U.S. flag airlines about $68 million last year, according to industry figures.

Support for higher international airmail rates was the administration's second move within days to aid Pan Am. Last week it announced agreements with the United Kingdom and other foreign governments to cut flights on the North Atlantic where airlines have been losing money because, they contend, there are more available seats than there are passengers.

A BUSINESSMAN AND ART COLLECTOR

Mr. HARTKE. Mr. President, University magazine, the Princeton University quarterly, published an interview with a dear friend of mine, Norton Simon, which brings out the outstanding character and self-made determination of this fine American.

The Norton Simon, Inc., Museum of Art has a primary objective of collecting and exhibiting major works of art throughout the United States. Mr. Simon's definition of art is,

"... a communication channel that can take people and open them up in a unique way. Art can start getting people to look at themselves which is important since one of our prime problems in society is the need for introspection. Art can help us not only look at ourselves, but also it makes it possible to see others with greater sensitivity and insight. It is particularly useful when cultural barriers are involved. The more we are exposed to the art of other countries, the better we are able to understand and communicate with the people from whose culture the art comes.

The encouragement of public understanding and participation in the arts by the Congress and Government leaders will enrich our society. That is the faith of Norton Simon. Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks the interview with Norton Simon by William McCleery appearing in the spring 1974 issue of University.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

[From University Magazine, spring 1974]

A BUSINESSMAN AND ART COLLECTOR TALKS OF ART (AND BUSINESS)

(By William McCleery)

Wandering wide-eyed through an art museum in which outstanding paintings and sculptures are being exhibited can arouse a variety of feelings in the wanderer, including curiosity. Curiosity about the person who put the collection together is perhaps an over-journalistic response to art, but it is one that kept recurring to this reporter each time he visited the exhibition of more than 100 works from the Norton Simon, Inc. Museum of Art collection, now in its second year of display at the Princeton University Art Museum.

Who, we wondered, is this Norton Simon?

We knew from reading the catalogue that the exhibition would not have been possible without the support of the Directors of Norton Simon, Inc., and its present chief executive, David Mahoney; and without the help of Robert S. Macfarlane Jr., President of Foundation Funds of Norton Simon, Inc. [The relationship between NS, Inc., and the NS, Inc. Museum of Art, and The NS Foundation is described in the box on p. 10.] Still, one man—Norton Simon—had dreamed up the idea of a corporation's supporting the collecting of art through a foundation and the showing of it in university and other museums; one man had decided what works to buy for the collection being shown at Princeton, and two other collections of comparable size. What kind of man would that be?

A visit to the library told us that Norton Simon is 67 years old, a native of Portland, Oregon, son of a small department store owner who lost most of his money in the 1921 Depression; a dropout from the University of California at Berkeley (after only six weeks); the amasser of a small fortune in the tomato products business, which he built into a large fortune, the basis for the approximately $100 million which went into art through personal and foundation collections; and the builder of the consumer goods conglomerate Norton Simon, Inc., which at the time of his retirement in December 1970 owned not only several food companies such as Canada Dry Corporation, Hunt Foods, and Wesson Oil, but enterprises as inedible as Ohio Match, Fuller Paint Co., Glass Containers Corporation, United Can Co., McCall Printing, *Redbook* magazine, and Talent Associates.

All of which only whetted our basic curiosity: What kind of man has the toughness and aggressiveness to self-make it so big in the business world, and, at the same time, the sensitiveness and taste and perceptiveness—and the desire—to assemble an art collection of such beauty and variety?

With these and other questions in mind we wrote to Simon in Los Angeles and asked to interview him for University when he was next in Princeton for a conference with The Art Museum staff or a meeting of the Board of Trustees of the Institute for Advanced Study, of which he is a member. Though he gives relatively few interviews, he seemed interested in the question we proposed, and so, on a Sunday morning in late winter, we were shaking hands with him in the lobby of the Nassau Inn where he had stayed overnight: a tall, rangy, fit, western-looking man with curly graying hair, wearing a white turtle-neck sweater, light gray flannel trousers with matching jacket of unusual design, rather like a battle jacket, the effect California-casual and springlike for a bitter, sleeting New Jersey day.

We had expected to talk with Simon in a suite upstairs, but he began peering around the lobby for an unoccupied corner and we recalled *Time's* having said of him "He lives modestly except for his art, will search the streets for a restaurant where he can eat for $5." It occurred to us that perhaps he didn't have a suite. (We learned later that he did, but that Mrs. Simon, the actress Jennifer Jones, was traveling with him.) In any case, we ended up downstairs in the tap room, deserted on a Sunday morning, seated at a large round oak table scarred with initials of Princeton undergraduates long gone, a faint odor of last night's beer lacing the air, and as background music the sounds of a quiet bartender getting set for the lunch trade.

One tends not to bandy words with a man worth millions, no matter how casual and unpretentious he may seem, and we would have put our first question at once, but Simon expressed interest in a new book, of which this reporter is co-author, on the need to revive U.S. rail passenger service, and he volunteered that he would be attending hearings in Washington the next day on proposed new railroad legislation. He said that as a director of a major railroad for 22 years—first of Northern Pacific and later of its successor-by-merger, Burlington Northern (from whose board he has now resigned)—he had been appalled by bad management practices in railroads generally, and by the ineptitude of the Interstate Commerce Commission. He said the U.S. railroad industry was one of his chief concerns, and he felt the general public had no idea how incompetent and in some cases corrupt the lines were. He expressed the need for "exposure" of the ugly truth about U.S. railroads with such feeling that we recalled Steven V. Roberts' writing in the *New York Times* that Simon was "something of a cross between two men he deeply admires, Ralph Nader and Charles de Gaulle."

Our conversation would work its way back to railroads, but since time was short and the subject was, after all, *art*, we took advantage of a pause to ask that first question: Why had he chosen to exhibit the collections of the Norton Simon, Inc. Museum of Art principally in university museums such as Princeton's and city museums such as Houston's, which had Rice University and Houston College nearby?

"Originally—I got started collecting twenty years ago for a new home and I became involved with a museum in Los Angeles; but I was also involved with universities—I've been on the Board of Regents of the University of California for thirteen years—and I discovered you get different reactions to art at schools."

Simon does not always speak in that style—sentences that start in one direction, dart off in another, before finally answering the question—but he often does, giving the impression of a man with tremendous vitality, more interested in concepts, and in getting the truth said, than in forming neat sentences. He sat his captain's chair in a rather relaxed slouch, but his hands were nearly always in motion, rapping the table edge for emphasis, tugging an ear, rubbing his cheek.

"All art museums, of course, attract students and academics, but not with the same interest and motivation of those at colleges. I don't mean to be denigrating, but art does seem to attract pseudo-intellectuals. Many around art museums live the lives of pseudo-intellectuals. There is enough power in great art to take many of the pseudos and convert them, but in a good university there is more concern for the *why* of art; more searching for truth and for the meanings of things."

He contrasted the showings of his collections at Princeton with showings at non-university museums. At the latter "there was a phony element, too. Oh, I suppose you get some of that in a university museum, too, but there you get much more *trained curosity*, on the part of young people—students—and academics; more dedication and freedom to dig for the reality of art, what it's all about. And even the non-academic people who come to a university museum seem to take on some of this searching quality from the ambience of the university."

Moreover, many of those who study art in a university museum, he said, go forth as teachers or scholars or museum administrators to spread the truths they have discovered.

"I believe that a meaningful search for new understanding creates an interest in art that can be communicated to a much broader audience. It keeps the art *living* in the sense that to be deeply interested in a particular picture, and find out something new about it, from looking at it differently, contributes to an understanding of what the creative element is all about." He shook his head. "This is hard to intellectualize."

In this day of enormous prices for great art, he said, "the financial element in the art world is a distortion factor; but it has always been there, the price getting in the way of an accurate appraisal of the aesthetic value of a work. It seems more distorting today because the numbers are larger, but these things are relative."

We asked whether knowing that the art he collected would be exhibited in university or university-connected museums, and subjected to the kind of scrutiny he favors, affected his approach to collecting.

"No."

Did it add to the pleasure of collecting, now and retroactively?

"Yes." He nodded emphatically. "My reason for being in Princeton today is to see a work which I bought at an auction in London one or two years ago but have never seen exhibited in public—a fourteen-century Italian altarpiece by the Paduan painter Guariento di Arpo."

It is being shown for the first time in America at the Princeton Art Museum and we had seen it a few days earlier: a large—perhaps five feet high, six feet wide—piece depicting "The Infancy of Christ and the Passion" in a series of 24 panels, all set in a single gold-leaf frame, a large part of which is known not to be the original frame.

"We know the arrangement in the frame is not right; or rather, it may not be." He said an entire book had been written about that one painting, but he felt sure that scholars and students seeing the painting at Princeton would not only benefit from studying it but would answer significant questions about it which are not answered in the existing book, particularly about the arrangement of the panels. "The uniqueness of the altarpiece makes it a delight to look at and study."

He referred to the scholarly work done by Millard Meiss of the Institute for Advanced Study on another group of paintings which he had acquired and which had been lent by The Norton Simon Foundation to the Princeton Museum—two fifteenth-century panels painted by Filippino Lippi of *Saints Benedict and Apollonia* and *Saints Paul and Frediano.*

"I think that connecting, trying to connect, the whole body of art, and trying to understand the aesthetics of it, sheds light on the nature of the human spirit, makes it more tangible."

He did feel, then, that great art is not only an evidence of civilization but that exposure to it has the effect of civilizing people?

"Art has the ability to—for example in the 1960s when young people were revolting on the campuses because of Vietnam, they were groping for something. They went to extremes, using the filthiest language they could think of, they went in for pornography. I think they were trying to break through—it was a strange way to do it—but I say it partly as a search for meaning: the kind of meaning that art, in other circumstances, can help to supply. Art—aesthetic feeling—has a tendency to pull things together at times like that, to accentuate the creative side of man. How do we get people to—we see all around us the struggle of demagogues, and the 'I'm-not-a-crook' mentality—how do you bust through all that and get to something that's positive?

We began to perceive those mini-karate chops of index fingers against table edge as the gestures of a man very intent on busting through.

Elaborating on his view that art can help to civilize man, if it is respected and understood, he said it was important that people see art as connected with the rest of life and not as a thing apart. He said a book that had meant a great deal to him was Jacques Mritain's *Creative Intuition in Art and Poetry*. "I used to have discussions—I was just getting started collecting—with someone I knew well who tried to isolate artists as a particular kind of human being, far above the more mundane people like businessmen. We used to argue about the phoniness in the contemporary art world. I liked what Maritain wrote about beauty in a bridge, or an airplane; about how a certain beauty goes with function; and how the same object often has the ultimate in both."

Simon's enthusiasm made him seem younger as he talked; made us feel younger as we listened. We said we could begin to see a similarity between the way he looked at art and the way he looked at the railroads; the same urge to "bust through" to the truths that lie under the surface. Was that far-fetched?

"No," he said, "Not at all. I think there *is* a correlation between an abstract element in art and an abstract element in business and politics. It's funny to me how all bright money men try to find the answer. They put theories together and the theories fall down because there is something abstract that is more controlling."

By "abstract" did he mean—?

"A larger, under-the-surface meaning."

And in business and politics, what was this?

He tugged at his ear, frowned over how to say this, finally said, "The real thing is the human quality. What is man? What does he do? What can be done to make his life better and give it more meaning? It's an abstraction."

He tried again, starting from another point. "If you look at the paintings of the fifteenth century, or the sixteenth, what we now call abstract art was the farthest thing from their thoughts, and yet when you examine the great paintings carefully, they do have an abstract element in them. An ability to communicate not just with our minds but with our senses; to state truths that can't be said in words. My wife is not interested in religious art because she has a resistance to religion, through over-exposure to it in childhood, but I say to her, 'I don't see the religion in it. There's an abstraction in it. The iconography is secondary to the artist's *feeling*.'

"When I first began collecting art I would often turn a picture upside down and sideways, look at it that way, to try to evaluate—to take the *literal* meaning out of it. Not all pictures have under-the-surface meaning, the ability to communicate with something deeper in us than our literal, conscious minds. Before photography, both the pseudo-artist and the almost-artist could be promoted into a kind of frame by dealers, and enjoy success for a while, because of the literal content of their work. But it turns out to be phony, in time, in comparison to the work of the good artist. Sometimes it's damned hard to distinguish between the two, though, because everyone who views it has a certain amount of the phony in him along with a certain amount of the real. It takes a lot of hard *looking*."

And did seeing the truth about, say, business and political matters require the same kind of hard looking—even to the point of turning them upside down and sideways?

"In a way, yes. The main trouble with straightening out the railroads in America is that they're covered with so much rubbish you can't easily see what the hell the problem is, let alone solve it!"

Rubbish of what kind?

"Inaccurate accounting practices that are accepted or hardly noticed because they've been going on so long; preoccupation of railroad managements with other businesses they own; wrong relationships between government and railroads. Finding the truth about railroads is like trying to find the real truth in a representational painting which has been around so long you can't really *see* it.

"In business, what you have trouble getting at is the motivation of people who keep it in the status quo; who fight to resist change. Why? Why do they hate to do anything new?" He paused. It apparently hadn't occurred to him that not everyone, even in positions of power, has Norton Simon's intellectual muscle and love of seeing things in new ways. "But," he said, "I'm not pessimistic."

Did he mean that he thought his own way of seeking truth by looking at business and political matters upside down and sideways might eventually prevail?

"I don't want to push that image, but—" he began again. "We have to break old lines of communication and get new lines open. In business as in art we have to break the purely representational line, look at things in a new way. In the railroads it's a phony idea that there is real competition and that this makes them healthy, and we have to look at them in such a way that we *see* that. We need something that undercuts the established form of—it took de Gaulle to help straighten out some of the traffic in Paris, you know.

"The problem is entrenchment. Look at the history of art." He referred to the famous New York "Armory Show" of 1913 which was an "organized semi-rebellion against entrenched standards and styles; but not so alienated that it didn't fit into the establishment. And it did have significant influence."

We said the suggestion that we need a semi-rebellion in this country—to straighten out the railroads and a few other enterprises and institutions—was surprising, coming from an avowed capitalist, an ardent believer in free enterprise, and a registered California Republican.

He nodded. "People who try to get *moderate* change are up against—when you try to get reform within the system, you say to yourself, 'I'll play a little of their game rather than try to find and follow the Lenin in our society.' When you're up against the demagogues you may even have to 'demagogue it' a bit yourself. But I believe times are changing, *people* are changing. We are beginning to look at things in new ways. There are encouraging signs that foreshadow significant change, just as artists often foreshadow what will happen in society. The first abstract painters, many of them failed then, or had to struggle hard for recognition, because the times were not ready for them. Abstract is 'where it's at' now in art, but we forget how long it took to arrive."

Getting back to the abstract element in business, he had called it "the human quality." Would he spell that out?

"Spiritually—in a broad sense—one reason I'm working to improve the railroads is that I'd like human beings not to have to be traveling like cattle. I'd like to see their possessions—freight—moved expeditiously and economically. You have a certain respect for human beings; you want better things for them. I think that is an aesthetic. And that's the *core* of my concern about the railroads."

Clearly he thinks that exposing people to great art is a means of serving them? He nodded. And that doing so in a university museum is an especially effective means? Yes. And clearly he thinks it appropriate for a giant company such as Norton Simon, Inc. to support this kind of service to both higher education and people, even when there can be no direct, material reward to the corporation? Yes. Did he feel that other corporations might be influenced by this example of generosity he had set?—or helped to set, since obviously he had the support of others in the corporation to bring it off?

He thought that over, oblivious to a sudden racket at the bar, of ice cubes being dumped into an empty metal bin. Lunch time was closing in.

"Anything one corporation does for education—there is always the hope it will influence others. The important thing in my mind is that when a corporation does something of value for a college or a university, without expecting any direct return, it creates a certain respect, subtle or otherwise, on the part of youth—the students—and the scholars—the people who are searching—between them and the corporation; and a certain deserved respect for our free enterprise system.

"Corporations are searching for achievement—ways of recognizing and encouraging achievement—in supporting anything, research in art, in medicine, whatever. It's just plain good business for a pharmaceutical house or a manufacturer of medical instruments, for example, to support medical research. It's clear what they have to gain. Oh, they may be helping mankind, but they're lining their pockets at the same time. So it's clearly good business. But for a consumer company—an automobile manufacturer, say—to support medical research, now that calls for a different, more humane, kind of motivation; a belief that those who can afford to do it have an obligation to try to make life a bit better for mankind even if the corporation has nothing to gain directly."

He referred to a series of advertisements of several years ago which the Container Corporation of America published in magazines, as low-key advertising: good color reproductions of the work of mainly unknown contemporary painters. "Of course they were accused of wasting the stockholders' money, and management was accused of having their own egos involved. Well, of course people's egos are involved in just about everything they do. You're interviewing me, you'll try to make my views clear to your readers, you want to do a good job, but you want to get credit for it, too, don't you? There's nothing wrong with that. The question is whether the things a person does partly for ego's sake also benefit mankind."

Didn't a corporation always have something to gain from improving its image?

The word "image" bothered him. "I think 'improving the image'—some people go all out—'improved image': what does that mean? The image has to come out of the truth of the person or the institution. I think you get greater returns if you cast your bread upon the waters not expecting to get your bread back. If your motive is *only* to improve your image—it's that thing of abstraction again. Some of what you do as a person or a corporation you ought to do out of a love of doing it. If what you are is positive, is on the side of man, then what you do for the love of doing it may 'improve your image,' but if you demand a dollar's worth of benefit for every dollar you give to good causes, that can have a crippling effect on the spirit of a person or a corporation. And in the end it won't 'improve the image' and it won't be good business."

But, we asked, how does a corporation sell that kind of philosophy to its stockholders?

"America is at a point where we have enough food and shelter, even though it may be inequitably distributed. We have to aim now toward having a better society; one that will be more sensitive and more equitable. If you operate a company, no matter what kind, you ought to have as your objective better living for more humans. Some of your profits ought to go into making a better society, because not to do this is to be selfish, and selfishness is uncreative in a person or a business.

"I have to admit that as a businessman my motivations were in conflict. I was acquisitive—in the food business I got no greater satisfaction than looking around and seeing what I could adopt from other companies—ideas and practices—to make my business more successful in money terms. I was in conflict because I wanted more dollars *and* the creative satisfaction of doing more to serve society. But on the other hand the dollars made it possible to be more creative.

"It's natural in our society, in man himself, to be acquisitive. But after our basic physical needs—for food and shelter and so on—are satisfied, we want status, and power. Henry Kissinger does things that benefit mankind, but he can't be unaware of what he's doing at the same time for his own status.

"When we're younger one of our main drives is for identity. As we gain maturity we change our motivation a little. I sometimes wonder—Princeton, with its last fall's losing football season would be a good example—when you see recent comments, some of Nixon's people seem to have gotten away from the old idea that 'it's not just winning, but how you play the game.' It makes me think that within sports too much emphasis is put on the 'win' conception. Even though I'm a Regent of the University of California I'm not sorry to see the UCLA basketball team knocked off once in a while. It may help to remind them what the game is all about. The great part of American sports has always been teamwork."

And since "the great part" of American business and politics was serving people, for a corporation occasionally to do something that simply did this, without any clear and certain profit to the corporation, might serve to remind it of its true purpose?

"I think so."

Did he, as an extremely successful businessman, feel that exposure to great works of art contributed to a person's ability to solve problems, to cope with the world?

"In a way." He thought it over, and replied characteristically; that is, at first seeming to have changed the subject, and then looping back with a direct answer that made the first part of his reply fall into place. "Business is highly psychological. During my last twelve or thirteen years as a businessman I experienced greater achievements as a result of making more use of psychologists and sociologists than any other business I've heard of."

Did he mean that he used them as consultants to "psych out" consumers and improve marketing procedures?

"No, I mean in the management of the corporation; in getting the best from the top executives through a better understanding of the need for such people to express themselves and participate."

Would he spell that out?

"There would be seven of us around a table, arguing—"

About whether to acquire another company? That sort of thing?

"Yes—with a psychologist sitting there, observing, listening. And sometimes a sociologist."

To make some kind of report afterward?

"Or even to speak up during the meeting. To make a commentary on the quality of the argument; on the extent to which personal egos might be entering into the argument; to point our personal and social considerations we might be overlooking.

"Art, too, is highly psychological, and so my answer to your question is Yes, from really getting inside the works of art a businessman, or anyone, can improve his understanding of himself and others and make better decisions.

"Don't forget that a precursor of Freud was Rembrandt, who did sixty or sixty-five self-portraits. Maybe in the early years he did it just to have a model, but then you can see him studying what's going on inside himself and trying to get at the truth of that in later paintings of himself and you see it in his paintings of other people, too."

Tried to look into himself and other people, did he? And paint what he saw under the surface?

"I don't know how consciously—probably it was mostly unconsciously. *He painted what he saw,* period. But what he saw—as he grew older he simply *saw more*; saw beneath the surface.

"For a long time, in business, I overemphasized, in dealing with other people—I would ask 'How bright is the guy? How much does he know?' From involvement with art I learned to ask different questions. 'What are the feelings of the person? How does he express them?'

"There are plenty of examples of damned bright men in business and politics who have made fools of themselves because of a lack of understanding of human feelings."

If men and women in business and politics spent more time communing with great artists, through their works in museums, would they be less likely to commit some of the dumb and dirty tricks which have come to light recently?

He shook his head.

"To relate it that tangibly sounds almost wrong. Does going to church improve a person's behavior? Not necessarily. You can be pious as hell on Sunday, and exploit people all week, and then go back and be pious again on Sunday. I can conceive of people spending a lot of time in art museums and being as screwed up as they were to begin with."

But if they go under the surface of the art and really did commune with the artist?

"I don't see how anybody could do *that* without being better for it, if he really *did* it. But people can be very phony about art.

"To me an art museum is a kind of church; a source of deep truths and spiritual experience. If a person gets the human understanding in art—gets it not just intellectually but in his unconscious and subconscious—it can have this effect. But there are people who have a great intellectual understanding of art, and still it's hard for them to—it becomes an intellectual exercise. But even with them, probably more gets through—to the unconscious and subconscious—than they realize."

He had been leaning forward, speaking with fervor. Now he sat back and smiled, as if at himself, ironically, and commented on his own philosophizing: "Art has a lot to give, but I think you can get there without art at all." By "there" he clearly meant the truth about life and oneself.

As we walked back up to the lobby he added, "I'm a skeptic about art. Not about *art*. About the phony in the world of art; about people using it."

We asked if he ever regretted having run for the Republican nomination for the U.S. Senate in California, in 1970, against George Murphy.

"No! I learned a hell of a lot! It was one of the great experiences of my life. George Murphy was a fundamentally nice sort of guy, but was captured—his experience foreshadowed—it bugged me a lot—it was a kind of precursor of Watergate. That is, it was disclosed that he was being paid, was on the *payroll* of Technicolor, which like any big company had things to gain from a political connection like that. Actually, it was relatively innocent compared to the sort of political payoffs that have been uncovered since, but the Los Angeles *Times* ran an editorial saying he was not fit to represent the state any more, so I was persuaded at the last minute to run against him. Nobody expected me to win, least of all me, but we thought I'd be able to undermine the right wing Republican organization. I got more votes than I dreamed I would and I got some exposure for the case against Murphy and he was more easily defeated [by Democrat John Tunney] in the election.

"My interest was in the *exposure,* and that's my interest in the railroad mess; to try and expose it so that people can see it the way it is, which is far worse than it has been shown so far, or than they ever imagined."

So: Norton Simon, retired businessman, is in the business of encouraging people to look with a new, piercing intensity at art, at themselves, the railroads, at everything that matters. We came away with our curiosity not satisfied but appeased, convinced that art and higher education—which thrive on hard, rubbish-removing scrutiny—are lucky to have such a friend; and the entrenched status quo deserves such an enemy.

HEALTH CARE FOR RETIRED MILITARY

Mr. MATHIAS. Mr. President as we approach the time of decision on the direction of our national health care efforts in the years ahead, I have found myself increasingly concerned with trying to hear from all concerned with the problem, the professionals, the educators, and the citizens who in this context are described as "health care consumers."

If we now confront, as I believe we do, a major turning point, it is vital that we consider as thoroughly as we can foresee the effects of the various alternatives on the many groups concerned.

In that light, I would like to call the attention of this body to one group, military personnel and their families, who traditionally have been able to rely on the Armed Forces to provide complete medical service, during the years of active duty and in retirement as well.

Indeed, the security of knowing that such support is available to meet serious personal and family health crises has long been accepted as part of the compact which constitutes the basis for a career-long association of men and women, who have given their working lives to an Armed Forces which was often unable to compensate them in terms of personal safety, comfort, or stability of location or assignment.

The current issue of the Retired Officer includes an article which addresses the problem of health care and the military retiree. It raises questions which I feel deserve good answers before we give our active or passive endorsement to any sudden revision of what has been a valuable inducement toward a military career. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Special Report—Now the Health Care Crisis

The amount and quality of health care the military retiree and his family can expect in military hospitals in the future hangs precariously on several critical and imminent decisions now being made at the highest levels of government.

Not only will the outcome affect the health care of the retiree, but also that of the dependents of active duty people and, ultimately, according to the Surgeons General of the Armed Forces, of active duty men and women as well.

Nobody should really be surprised that the military medicine crisis is upon us. After all, the Surgeons General have been sounding the alarm for two years now—ever since the end of the doctor draft. Yet despite their warnings of doctor shortages, dwindling resources and the rapidly growing numbers of eligible recipients, the majority of those people most affected has reacted almost apathetically.

Now there is little time left for warning. The day of Armageddon is here. And suddenly the stakes are larger, the issues greater and the outcome more critical than anyone ever imagined.

The battle is joined. On the one side, there is a body of influential opinion which holds that military medicine should confine itself to the care of active duty men and women only, that all others who are now eligible recipients should fend for health care along with the general population—probably under some form of national health insurance program.

On the other side is military medicine as it exists today after several decades of growth and achievement, and a century-old tradition of the military services taking care of their own. To limit military medicine to the care of healthy young folks, military doctors say, would result in a serious degradation of military medicine; a potentially dangerous situation in time of war.

Between these views are some alternatives combining in varying degrees certain aspects of each. The real answer, proponents of a compromise solution believe, lies somewhere in between and involves a combination of present programs. Perhaps even a new program—something that has not yet been thought of.

Without question, opposition to dependent and retired medical care in military medical facilities has been growing. Some people attribute this essentially to the general "cut the military establishment" sentiment characteristically rampant after every war. Certainly, the joint report to the President and Congress by the Secretaries of Defense, and Health, Education and Welfare in October 1972 did much to solidify this opposition. The position of HEW, in fact, was to question relatively cost-free medical care to a preferred population—DoD medical care beneficiaries, to be exact. The report also expressed concern that the perpetuation of a broad DoD health care system, presumably including the CHAMPUS program, would conflict with national health care proposals being submitted to the Congress.

Perhaps even more dire for the proponents of military health care systems as they exist today, is the current study underway by the Office of Management and Budget. Begun in July of last year, the study is an in-depth comparative evaluation of existing military and non-military health care systems. Its listed goals include:

Assess the ability for current military medical programs to meet the future health needs of the armed forces;

Evaluate the existing military medical care system and alternatives to it with respect to their costs, quality of care, impact on doctor requirements and contributions toward DoD health care objectives;

Recommend modifications to the military health care system that complement the President's national health care initiatives, that are compatible with civilian health care systems and that minimize the overall costs of military medical care.

When it was announced that this study was to be undertaken, several sweeping preconceived positions were listed, most an outgrowth of the DoD-HEW report of 1972. Some of these were:

"Eliminate or transfer to other systems specific categories of beneficiaries—dependents and survivors of active duty and retired personnel.

"Restrict scope of services offered or eliminate specific services altogether.

"Co-payment charges for office visits or prescription drugs.

"Co-insurance—for example, each beneficiary would pay 20 percent of all costs."

Astoundingly, these proposals were developed by a steering committee *without military representation*, a situation later rectified when all three services protested vigorously. Now the three Surgeons General and the Deputy Assistant Secretary of Defense for Military Personnel Policy are on the steering committee. The study is well underway and is scheduled to be concluded in this fall.

Because of the nature of the situation—which all three Surgeons General agree involve the future viability of military medicine—the military services find themselves in opposition to their civilian bosses in the Department of Defense, Indeed, several high ranking military men have expressed incredulity at DOD's attitude.

"For example," one military physician said, "even though Congress passed legislation on May 6 authorizing the military services to pay physicians up to $13,500 annually over and above their regular pay, Defense delayed until mid-July in sending recommended implementing instructions to OMB for review prior to Presidential approval, as required by the law."

He pointed out that this was unforgivable, particularly since the bonus program was delayed a year in Congress, resulting in the loss of many physicians who might otherwise have stayed in the service.

One admiral, not a medical man, likened this situation to a man "bleeding to death on the deck, while people argued about applying the tourniquet Congress had handed to them."

Furthermore, DOD has dictated changes in planning for health care delivery in the future. In essence, it has decreed that:

"Manpower and facility modernization programs must be limited to the delivery of health care to the active duty population only, except in those facilities which are so-called medically remote; which operate a medical training program; or where it can be clearly shown that the provision of health care is more economical when rendered by the military medical facility as opposed to civilian sources."

Varying degrees of entitlement for different categories of beneficiaries are established by law (Chapter 55, Title 10 U.S. Code). In effect, the law divides the major eligible groups into three priorities for care in military facilities:

First, active duty members, whose entitlement is absolute.

Second, dependents of active duty members and the survivors of deceased active duty members. Under the law, these categories *must* be provided care if it is available.

Third, retired members, their dependents and survivors. Under law, these categories *may* be provided care if it is available.

Every service recognizes that when facilities are limited by space, staff or so forth, care can be denied beneficiaries in the second and third priorities, and the facility commander has the authority to make that decision.

Likewise, every service recognizes that, traditionally, military men consider lifelong health care an implicit fringe benefit of a military career, and the military services are unanimous in their desire to provide this as long as it is possible to do so.

It is important to note that military medicine's opposition to limiting its services to active duty personnel only is based on much more than an altruistic desire to take care of its own. The real need is for a patient mix—active duty people, their dependents and retirees.

Vice Admiral Donald L. Curtis, the Navy Surgeon General, told The Retired Officer that "You simply cannot have a quality health care delivery system without three elements: patient care, teaching and research.

"Historically," he explained, "our training programs have been the main factor in attracting and holding physicians. This is apparent when you realize that about two percent of all draft-derived doctors coming to the Navy stayed for a career. In contrast, more than 30 percent of those we've trained have stayed for a career."

He points out that once doctors are trained, they need professional satisfaction, which must be provided through research and a proper patient mix.

"If military medicine is forced into a situation where only healthy, young adults are the patients, it will deteriorate to where it was in the 1930's," he said.

Realistically, however, the services recognize the staggering magnitude of the retiree problem, which for the foreseeable future can only become larger.

Presently, considering all eligible beneficiaries, the military services are providing health care *for five percent of the total United States population, or 10 million people!* And they are doing an incredibly good job of it. According to HEW, a total of $94 billion will be spent this year on health care throughout the nation. The entire military health care budget—including research, contingency operation, CHAMPUS and so forth—amounts to 3.5 percent of that $94 billion. In other words, the services handle five percent of the load for 3.5 percent of the cost. Dollar-wise, they provide care at $3.50 per capita as compared to the national rate of $4.50 per capita.

Hardly a wasteful system, as some have charged.

Nevertheless, they recognize that it is unlikely they will ever be staffed completely at all their facilities to the extent necessary to handle the retiree load. Consequently, the search for alternative solutions is hot and heavy.

Dr. Theodore C. Marrs, former Deputy Assistant Secretaray of Defense for Reserve Affairs and now Special Assistant to the President, is a medical doctor and vitally interested in the problem of military health care. Before he left Defense for his new post, he analyzed the options open to DoD.

"The basic issue is whether the military is or is not to take care of retiree health needs," he said.

"If the answer is 'Yes' then there must be budgeting to insure quality care.

"This opens numerous possible options:

budgeting for complete medical care for retirees;

budgeting for certain specified medical services for retirees;

budgeting for total medical services for retirees but with provision for partial payment on an as used basis or a contributing insurance basis;

budgeting for total medical service for retirees but only in specific localities;

budgeting CHAMPUS to cover all aspects of military retiree care and to insure quality of such care.

"If the answer is 'No' to the question of the military medical services taking care of retiree health needs, then there are two courses. One is to not provide such care. The other is to continue erratic, partial, 'space available' care.

"While considering these and other possible options all principals must keep in mind the fundamental mission of military medical services to provide peacetime medical care to the military and have the ability to expand medical care to meet the valid requirements of the services in wartime.

"It is an important problem deserving of attention and has far reaching impact on reserve forces, on medical insurance programs and on military morale in peace and war."

Pending the final solution to the problem, however, and barring any drastic cut-backs in the CHAMPUS program, the military services feel they can weather the storm of the next two or three years. All have programs in the "physician-extender" category, which are designed to provide greater utilization of doctors, nurses and physicians assistants. Also, they are banking heavily on the bonus bill to help get them over the hump until increased recruiting efforts and ongoing scholarship programs begin to produce results.

For the retiree, it is important to realize that the military services have not reneged on any promises. Likewise, the medical facilities personnel are on the retiree's side—they are doing more than can reasonably be expected in face of the problems they are encountering. They definitely are not the ones to blame for the predicament.

At the same time, it is to every retiree's own personal benefit to take an active interest in every program being proposed regarding health care for the future. It is not enough to worry only about CHAMPUS or whether retirees will be able to get adequate care. It is also essential that retirees get involved in any action that might adversely affect the overall medical services of the armed forces. It is all one problem, vital not only to the health and welfare of the individuals involved, but the well-being of the military establishment and the security of the nation.

NEW JERSEY FEELS ERTS POTENTIAL HAS BEEN SHOWN

Mr. MOSS. Mr. President, I have received a letter from the Honorable David J. Bardin, commissioner, Department of Environmental Protection, State of New Jersey, regarding their participation in the ERTS program.

New Jersey has found ERTS data to be useful in management and protection of the coastal zone by surveillance through successive orbits However, it would be necessary to shorten the delivery time to 3 to 5 days in order for the data to be useful on an operational basis.

ERTS data has also been useful in monitoring offshore waste disposal—an increasing problem in some of our coastal States.

The commissioner concludes his letter by stating:

> The potential for using ERTS data in an operational mode for New Jersey's coastal zone management program has been shown in this experiment. Timely receipt of data would result in more effective decisions for the benefit of all, and a truly operational ERTS system, sensitive to the needs of the user community, definitely would be in the public's interest.

Mr. President, I ask unanimous consent that Commissioner Bardin's letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Washington, D. C.

Hon. Frank E. Moss,
Chairman, Committee on Aeronautical and Space Sciences, U.S. Senate, Washington, D.C.

Dear Senator Moss: The State of New Jersey, specifically the Office of Environmental Analysis, Department of Environmental Protection (DEP), was an ERTS–1 participant under NAS5–21765, "The Application of ERTS Data to the Protection and Management of New Jersey's Coastal Environment." The principal objective of the project was to develop information products from ERTS data to be used in the every day decision-making in the management and protection of the coastal zone.

ERTS data was found to be useful in the area of coastal zone surveillance. Successive orbits were compared to detect changes (mostly developmental) in the coastal zone, which are then reported to field inspectors. DEP regulates these areas under New Jersey's Riparian Law, Wetlands Act and Coastal Area Facility Review Act. As quasi-operational demonstration was completed at the end of the project by quick processing of computer compatible tapes made available by NASA. Timely delivery of ERTS imagery (3–5 working days rather than the 60–90 day delivery time during the ERTS–1 project) is necessary to the operational use of ERTS data for this purpose.

Offshore waste disposal in the New York Bight area was also monitored with ERTS data. The presence and geographical extent of acid and dredge spoil were mapped for each orbit.

Ocean outfall plumes could also be monitored using ERTS data to determine their effect on shore. Also, the percent cover of eel grass and sea lettuce could be estimated from ERTS as an aid for establishing yearly bag limits for the Atlantic brant.

The potential for using ERTS in an operational mode for New Jersey's coastal zone management program has been shown in this experiment. Timely receipt of data would result in more effective decisions for the benefit of all, and a truly operational ERTS system, sensitive to the needs of the user community, definitely would be in the public's interest.

Faithfully,

David J. Bardin,
Commissioner.

THE PRINCIPLES OF THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, there is at least one statement about the Genocide Convention with which everyone will agree: It has come under exceedingly close scrutiny, both here in the Senate and among the citizenry. This scrutiny is entirely proper. Every treaty which the Senate is called upon to ratify should be carefully examined to insure that our national interests, as well as international order and justice, are upheld.

But the prolonged and redundant nature of our scrutiny of this convention is truly unfortunate. Essentially the same arguments have been made since the convention's introduction. Most of these arguments have been technical, focusing on very small parts of the convention and its language. Again, it is proper that these matters should be scrutinized, but unfortunately the prolongation of excessively detailed scrutiny has meant that the larger principles involved have been almost forgotten, at least by those opposed to the convention.

The Genocide Convention is a declaration that the United States and all civilized nations are opposed to mass murder and that all of them will do their share to assure that the horrors of Nazi Germany are not repeated. We are all against genocide. We all abhor the brutal elimination of racial, ethnic, and religious groups. Now we all have a chance to do something about it. To pass up this chance—as we have for 5 years—would be extremely unfortunate.

The Senate can ratify the Convention on the Prevention and Prosecution of the Crime of Genocide. This would be an international commitment to decency and morality entirely consistent with our tradition of concern for the welfare of all. Ratification of this treaty is in keeping with our position as a leader of the free world. Now we can do more than just say that we are opposed to genocide. Now we can take constructive action to prevent the occurrence of the crime of genocide.

Mr. President, the time has come for the Senate to ratify the Genocide Convention.

ADDRESS BY THE HONORABLE JAMES R. SCHLESINGER, SECRETARY OF DEFENSE, ON SEPTEMBER 24, 1974, AT THE NATIONAL SECURITY INDUSTRIAL ASSOCIATION DINNER

Mr. THURMOND. Mr. President, it was my pleasure to hear the address given by the Honorable James R. Schlesinger, Secretary of Defense, at the National Security Industrial Association Dinner at the Sheraton Park Hotel last evening. I was very much impressed with his address, and I urge my distinguished colleagues to read it.

Secretary Schlesinger presented a clear and forthright assessment of the state of our national security and our arsenal of democracy. His remarks succinctly reflect the transition experienced the last 5 years by our Armed Forces and the changing role of the United States in the security of the world.

Mr. President, I particularly noted the comments of the Secretary of Defense regarding military and economic aid to South Vietnam which was recently debated extensively and reduced by Congress. The Secretary noted that the Congress quickly approved $2.2 billion for assistance to Israel which amounts to about $700 million a week. The Secretary said:

> Yet we now begrudge the South Vietnamese $700 million a year for munitions and refuse to appropriate the resources necessary for the replacement of their losses in equipment.

Mr. President, I ask unanimous consent for the address given by Secretary Schlesinger before the National Security Industrial Association on September 24, 1974, to be printed in the RECORD at the conclusion of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE HONORABLE JAMES R. SCHLESINGER

It is reported that when our original parents were driven out of Paradise, Adam remarked comfortingly to Eve: "Despair not, my dear; just recognize that we live in an age of transition."

Today we continue to live in such an age. Despite a nostalgia, as understandable as it is irrelevant, we too have been driven out of the Paradise of isolation and noninvolvement which characterized the 19th and early 20th centuries. And, as Thomas Wolfe vividly reminds us: We can't go home again. Isolation is a practical impossibility for the United States. We can not be ignored. We are too large a weight in world politics; we are in too many ways strategically and economically vulnerable; we have too many national interests abroad, most notably the preservation of our type of free institutions.

We have been expelled from another, later, lesser Paradise. No longer can we act as a great reserve, partially detached from the continuing struggle to maintain a reasonable equilibrium of power in the word. No longer can we expect other nations to hold the front lines while we serve as the arsenal of democracy. No longer can we depend on the strength of our allies to buy us the time to expand the defense production base, to mobilize and deploy our forces, to learn the lessons of the conflict and change the tide of war. The luxury of time—and the old role that went with it—are gone, perhaps forever.

The new role thrust upon us is far more demanding. Though we remain the arsenal of democracy, we have a number of other roles to perform as well. It may not be quite fashionable to say so; still, it is the United States which must now, at least in spirit, stand guard along the frontiers of freedom. Our friends and allies can—and do—provide the bulk of the forward forces. But in a world in which two great powers remain militarily paramount, the United States must provide much of the leadership and some of the presence that sustain the cohesion of the Free World, however defined. We may not be the policeman of the world—a role to which we never aspired, but we certainly remain the principal contributor to an active system of collective security. The sole alternative would be to depend on the goodwill of others for the preservation of the social order to which we adhere. Six of his predecessors, and now President Ford, has rejected that alternative. I certainly will not advocate it here.

The new role obviously requires that the United States remain a first-class military power. More specifically, the new role imposes five major requirements on our defense establishment, our industry, and the country at large.

First, in a complicated world of nuclear and non-nuclear capabilities, we must define and articulate strategic objectives that are within our means and acceptable to the American people.

Second, if we are to honor our commitments and to deal with contingencies under conditions in which we have lost the luxury of time, we must have active forces that are combat-ready and judiciously distributed between overseas deployments and a continental reserve. At the same time, we must maintain the intercontinental mobility both to reinforce our deployed forces and to move rapidly into such theaters as the President may direct and the Congress approve.

Third, in a period of uncertainty about the nature and duration of potential conflict, not only do we need the production base to assure the timely modernization of our active and reserve forces, we also require a minimum industrial mobilization base to permit rapid expansion of defense production in an emergency.

Fourth, in an era marked by long-term competition and by closed societies, we must continue to stimulate our military technology and obtain those R&D hedges that are so necessary in the face of uncertainty about the programs and intentions of other powers.

Fifth, and finally, after nearly thirty years of carrying leadership's burdens, we must still shoulder those burdens and demonstrate the resolve to support our friends and deter our foes no matter how long it may take. If we should falter, there is no one else to take our place.

These are large requirements. And they impinge upon us at a time when there is much to do at home. How well are we meeting the requirements? How fares the arsenal of democracy under these new conditions? It has been said that in discussing matters of grave importance, style, not candor, is the vital thing. But even if a little candor is viewed in some quarters as a dangerous thing—and a great deal possibly fatal—let me give my unvarnished view on how we are progressing.

Most of us, I think, have a reasonably clear idea of what our security objectives should be. In an age of parity with the Soviet Union (if we really mean that we should be equal), it is hard to quarrel with essential equivalence as a continuing requirement for our strategic nuclear forces. Secretary Kissinger recently stated that policy: "We will maintain the nuclear balance by unilateral actions if we must and by negotiations if at all possible." It is equally vital to establish a balance of conventional forces between NATO and the Warsaw Pact, to keep our defense perimeters in the Western Pacific sufficiently strong to hold until reinforced, and to guard those sea lanes essential to the well-being of the United States and its allies.

Those are quite modest and defensible objectives for a very great nation living in a world, not as yet altogether safe. Yet there are some who profess to see this quest for deterrence and equilibrium, not as the necessary basis for détente, but as the springboard for superiority and provocation. I find such attitudes puzzling at a minimum. By what species of logic are such conclusions reached? By what concrete measures should military power be judged? By what magic formula is it believed that the United States can remain a "military power second-to-none" on an ever shrinking share of the national resources?

If there continues to be some debate about how best to achieve our objectives, there can be little question about the performance of our Armed Forces. We have traversed as difficult a passage as any in our history during the past decade; we have thrown our Four Services into a distant war, and then withdrawn them—undefeated and, to a regrettable extent, unappreciated. Through it all they have proved rocklike in their stability. All of us will recall, I trust, the example they have set for the country. All of us will appreciate, I trust, the professional way in which they have proceeded with the tasks of postwar deterrence—even as we have constrained their resources, converted them to an All-Volunteer force, and shrunk their numbers during the last six years by nearly a million and a half men and women.

Though on this score we have fared well, the arsenal of democracy has performed less impressively in its more traditional role. Ready, modern forces—whether we are talking about our nuclear or non-nuclear capabilities—require a skilled, diversified, and flexible industrial base. It is not clear that those attributes characterize our industrial base at the present time.

It is worth recalling what this arsenal of democracy was able to do during World War II. On the average, we managed an annual production of more than 50,000 aircraft, 20,000 tanks, 500,000 trucks, 1.5 million rifles, and 80,000 artillery pieces. As late as 1963 we could still launch 13 Polaris and 4 attack submarines in one year. Now, while the Soviets produce thousands of tanks a year, we are struggling to build to an annual rate of some 800. New aircraft are coming off the lines at a rate of about 600 a year, and helicopter production over the last decade has fallen by a factor of ten.

That record—it should be acknowledged—is hardly a tribute to the supposed power and skullduggery of the military-industrial complex. With a villain and a conspiracy like that, indeed the critics hardly need friends!

One major factor that accounts for this anemic record is, of course, the dramatic decline in defense procurement. But other national policies have also had an adverse impact. Our new maritime programs have caused a crowding of our shipyard capacity, driven up prices, and lessened the attractiveness of naval contracts to shipyards. Environmental programs and higher standards of health for industrial workers have eliminated reserve capacity, increased prices, and slowed reaction times—problems reflected in such diverse products as forgings, castings, and propellants. In some instances, because defense demands are currently low, we find ourselves reduced to a single supplier of vital military goods—with considerable uncertainty as to whether we can generate enough orders to keep that one producer in production.

I do not wish to pretend that these factors are the only causes of the difficulties that we face. You are all familiar with the other problems we have identified—and such solutions we have proposed in the form of high-low mixes, milestones, and designs-to-cost. Consequently, I do not propose to expand on them further here. What I do want to do, however, is to emphasize four aspects of our defense procurement policy.

First, the Defense Department will continue to be interested in and support advanced technology developments particularly when they promise the same kinds of payoffs that precision guided munitions, for example, have provided.

Second, there remain many forms of combat where numbers count and where the best may become the enemy of the good; weapon systems required in those areas will necessitate incremental development rather than great leaps forward, relatively low costs, and long production runs.

Third, while we will encourage reasonable profits for capable firms, we do not propose to subsidize sluggishness and inefficiency.

Fourth, we will not let our inventories of weapon systems get out of balance with our ability to operate and maintain them; nor will we arbitrarily reduce our procurement of consumables in order to buy more hardware, no matter how pressed to do so.

Within these guidelines we would wish to make doing business with the Department of Defense much less of a chore. Hopefully, we can reduce the layering and proliferation of administrative control elements, which substantially inflate the cost of doing business with the Government in comparison with commercial business. That could potentially not only reduce costs, but make more readily available to the Department that margin of industrial capacity necessary to sustain the defense production base. Secretary Clements will be working on the problem of improving these operating procedures. To be sure, this is part of the more general goal of reducing nonproductive overhead so that an increased percentage of the procurement dollar can go into real output. We shall need your assistance, and, in principle, there is no reason that cost reduction efforts of this type cannot be reflected in incentive contracting.

I cannot leave the subject of industry's contribution and the contemporary role of the arsenal of democracy without taking special notice of the technology base. Increasingly it is this dimension, rather than simple production capacity, that so brilliantly serves the national purpose. I would suggest that we bend every effort to sustain the health and vigor of the scientific and technological base.

Our technological achievements have played a significant role in the achievement of arms limitation agreements. Despite the grosser advantages of the Soviet Union in missile numbers and throw-weight allowed by the May 1972 Interim Agreement, it is legitimately argued that American technology more than redressed the balance.

Ironically, some voices have been raised to suggest that technological advance be terminated. Having asserted that U.S. technology compensates for the asymmetries favoring the Soviet Union, some have subsequently suggested that we abandon the compensation—hardly consistent with maintaining essential equivalence. Indeed, I might sympathize with such suggestions, were Andrei Sakharov charged with the direction of military R&D in the Soviet Union. Unfortunately, as is only too obvious, he is not.

But the edge that technology provides is just as dramatically reflected in the general purpose forces—whose role is, if anything, more significant than strategic capabilities. If the quality of U.S. airpower serves as a great equalizer in terms of the overall balance, for example, this reflects the technological advantages of the United States—in ECM, in precision guided munitions, in avionics. Soviet avionics packages, for example, continue to rely heavily on vacuum tubes—while ours exploit large scale integrated circuits, as well as mini-computers. The weight differential of such packages is on the order of 4 : 1 to the advantage of the United States. Such differentials are reflected in the relative combat effectiveness of the two force structures.

We shall call upon industry to provide the United States with a continuing technological margin—but, once again, keeping in mind the other goals of affordability and reliability. Reliability is, after all, technology in its most practical form.

Let me turn now to what I earlier described as the fifth requirement: that of resolve. How are we performing on that score? Clearly this nation, in satisfying all the other conditions so necessary to deterrence and security, will fare well only to the extent that its citizens remain resolute in their purposes. It does no good simply to pile up weapon systems and force structures in a vacuum, however sophisticated and capable they may be. Foreign policy, to the extent that the military forces of this country and our allies buttress it, depends on the moral stamina of the societies concerned. And on that score we must acknowledge that of late, throughout the Western world, we have witnessed some disarray, as much overseas as in this country.

We have not in recent years suffered from an overabundance of naivete or simple straightforward enthusiasm. These existed in ample supply, I think, a decade or more ago when the Peace Corps volunteers went out to save the world and remake it. There is less of that belief and enthusiasm today, and that is a serious loss for all our societies. The problem we face now is a cynicism which can corrode and an irresolution that can undermine us all. Cynicism has been defined as knowing the price of everything and the value of nothing. Of irresolution it has been said that the wavering mind is but a base possession.

I believe there may be less cynicism today than there was two months ago. But there remain those among us who, in Churchill's words, are decided only to be undecided, resolved to be irresolute, adamant for drift, solid for fluidity, all powerful for impotence.

One of their victims has been the Republic of Vietnam. Our forces are now out of that tortured country, and the cost of the continuing conflict to the United States is currently about 3 percent of what it was at the peak. The South Vietnamese did not tell us: "Give us the tools and we will do the job." Instead, we simply informed them that we would provide them with the tools—and the munitions—and would expect them to do the job.

Since that time, three things have happened: The South Vietnamese have done the job; our assistance to Saigon has declined; and outside aid to Hanoi has increased. A small state, beholden to us, still struggles to survive, but we have neither the temerity to sever its lifeline nor the resolution to pay the relatively small but necessary price to assume its continued existence. Rather, we have chosen to put an ally on the military equivalent of starvation rations.

This is hardly an edifying spectacle. As a contrast, consider what occurred when conflict broke out in the Middle East last October. Members of Congress—not all of whom have sympathized with the munitions requirements of the South Vietnamese—persistently urged us to do whatever was necessary to ensure the survival of Israel. A supplemental request of $2.2 billion for military assistance to Israel was sent to the Hill, and the Congress quickly approved it.

Note that the hostilities in the Middle East lasted for 3 weeks. In a sense, the bill worked out to $700 million a week. Yet we now begrude the South Vietnamese $700 million a year for munitions and refuse to appropriate the resources necessary for the replacement of their losses in equipment. Exactly how that redounds to our credit or demonstrates our resolve is not easy to say.

So at this point, we may well inquire: How has the arsenal of democracy fared in this latest period of transition? The record has been mixed, but I hope you will agree that the prognosis remains hopeful.

President Ford has already emphasized that: "A strong defense is the surest way to peace. Strength makes detente attainable. Weakness invites war. . . ."

Secretary Kissinger has echoed that policy in his declaration that: "for other nations to have confidence in our purposes and faith in our word, America must remain a military power second-to-none."

In closing, I might add some words spoken by Franklin D. Roosevelt more than 30 years ago: "I, too, pray for peace—that the ways of aggression and force may be banished from the earth—but I am determined to face the fact realistically that this nation requires a toughness of moral and physical fibre. These qualities, I am convinced, the American people hold to a high degree."

Strength cannot come from physical capacity alone. It requires a tenacious will.

FARMERS IN DAHOMEY GET CONCRETE HELP VIA PEACE CORPS VOLUNTEER FROM LEWISTON

Mr. HATHAWAY. Mr. President, I ask unanimous consent to have printed in the RECORD a news release from ACTION concerning the activities of a constituent of mine, 25-year-old Laurier Nadeau who is serving in the Peace Corps in Dahomey, a small struggling agricultural country on the West Coast of Africa. Mr. Nadeau, a native of Lewiston, Maine, is primarily involved in boosting the corn crop of Dahomey.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

FARMERS IN DAHOMEY GET CONCRETE HELP VIA PEACE CORPS VOLUNTEER FROM LEWISTON

The farmers of southern Dahomey rely heavily on corn, the area's staple crop, as food for their families and as a marketable commodity that provides cash income. But they have been unable to prevent insects, rats and moisture from destroying up to half of each year's corn harvest stored in their traditional granaries.

Laurier F. Nadeau, 25, a Peace Corps volunteer from Lewiston, Maine, is showing farmers in the West African nation a better way to store their corn. He is building cement silos of Peace Corps design to replace the frail palm leaf granaries that provide little protection for stored corn crops.

Nadeau, who works in Dahomey's Pobe district, claims that the cement silos can maintain dried corn for more than two years with as little as a three per cent storage loss.

Before Nadeau's grain storage project was started, Pobe's facilities could hold only two tons of corn, a minimal capacity considering that the district produces more corn than any other in southern Dahomey. Now, the new cement silo facilities have increased the district's storage capacity to 60 tons of dried corn.

The implications of increased and improved storage capacity are significant. There are two corn crops a year in southern Dahomey. The first growing season, between April and July, is the longer of the two and holds the promise of a good crop because of adequate rainfall. The second season, between September and November, is shorter and less reliable due to the uncertainties of rainfall at this time of year.

Farmers often sell their entire crop after the first harvest to minimize losses from rodent, bug and humidity damage to corn they might store. With plenty of corn available in the marketplace at that time of year, prices go down to their lowest levels.

If the second harvest is poor, these same farmers have to buy back corn at peak prices in order to feed their families. Such price fluctuations and low yields, coupled with the pressure of increasing population in southern Dahomey, result in over-planting and decreased soil fertility.

Nadeau also teaches silo-building techniques to a class of 20 agricultural students in a nearby village. Besides taking 15 hours of instruction each week, they are required to build their own five-ton silo and corn dryer. At the completion of the course, students will be assigned throughout Pobe. Each will be responsible for constructing a concrete grain storage site in his area. This program will assure the rapid expansion and dispersion of these much-needed facilities.

The basic food eaten every day in Pobe is corn, usually a mixture of corn flour and water served with a hot pepper tomato sauce and fish, beef, chicken or goat meat. Nadeau, however, admits to a preference for "Egba", a mixture of manioc (a starchy root vegetable) flour and water served with bush rat.

Weekends are a time of leisure and relaxation for Nadeau. He spends them in town with Dahomean friends. "More often than not, I am invited to a ceremony where there are always tom toms, food and local fire water made from distilled palm sap," he says.

Nadeau is the son of Mr. and Mrs. Joseph Nadeau, 82 Ste. Croix St., Lewiston. He majored in sociology at Providence College in Providence, R.I., and graduated in 1972, the same year he joined the Peace Crops.

He is one of 61 Peace Corps volunteers in Dahomey. At present, there are 7,300 Peace Corps volunteers serving in 69 developing nations around the world.

Mr. HATHAWAY. Mr. President, while I am most pleased and proud of the work being done by Laurier Nadeau in Dahomey, I think we can all share pride in representing the 7,300 men and women like Mr. Nadeau who are spending the more carefree years of their lives caring for and helping others all over the world through their service in the Peace Corps.

DEATH OF MR. REID LOVE

Mr. COOK. Mr. President, it is with a deep sense of loss that I announce to my colleagues the death of Mr. Reid Love, a great Kentuckian and American. Reid Love lost his battle last month against cancer at the Veterans Administration Hospital in Lexington, Ky., at the age of 50. He displayed great courage during the difficult period of infirmity and never lost his zest for life.

As president of the League of Kentucky Sportsmen in 1972 and 1973, Reid accomplished many outstanding feats which won him the respect and admiration of his fellow members. I know the league will miss his dedicated leadership.

I have had the pleasure to work with Reid and the League of Kentucky Sportsmen on several occasions. Perhaps my most memorable and rewarding experience came during our efforts to prevent the construction of a road through the middle of the magnificent pioneer weapons hunting area in the Daniel Boone National Forest of Kentucky. Reid fought unceasingly to preserve this hunting area, and I am proud to be associated in some small way with his efforts.

At the league's annual statewide meeting in Louisville this summer, Reid received the organization's sportsman of the year award for 1974. Cited for his efforts to preserve the pioneer weapons hunting area and to stop the barging of coal on Lake Cumberland, Reid Love truly deserved this great honor bestowed upon him by his associates.

Unaffected by his many accolades and ever devoted to a multitude of friends, Reid Love was a remarkable man. He will be sorely missed by the many of us who had the pleasure of knowing him.

In the July issue of Happy Hunting Ground, a Kentucky wildlife and conservation publication, Reid's "President's Message" is typical of his devotion and dedication to the cause of conservation, wildlife, and the environment. It is men like Reid Love who have insured the preservation of Kentucky's environmental heritage for our future generations, a debt we can never repay him.

Mr. President, I ask unanimous consent to print in the Record, "President's Message" and an editorial from the July 1974 Happy Hunting Ground, as well as an article from the June 11 Kentucky Post, and an article from the Courier-Journal of the same date.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Happy Hunting Ground,
July, 1974]

President's Message—As We See It

(By Reid Love)

Illness enables one to throw a searchlight on one's inner soul and discover the values that give meaning to one's life. It induces gratefulness, humility, an understanding and forgiveness of humanity, and a realization that friendships formed give one riches far greater than gold.

In the several years I have been a member and a part of the administration of the League of Kentucky Sportsmen, many enrichments and pleasures have been added to my life. I have no way of evaluating the many benefits derived from being president of this organization. Traveling throughout Kentucky has made me aware of Nature's great and beautiful Source Book. The people I have met—hunters, fishermen and conservationists—have been an inspiration to my work, in that they gave so freely of their time and talents without seeking personal gain. The many worthwhile conservation projects started and finished by the various organizations within the league and those associated with the league give me faith that man will not destroy his future.

I feel very appreciative and thankful for the encouragement and cooperation given me during my tenure in office. However, the friendships offered by the members of the League of Kentucky Sportsmen will offer dividends that will continue for the rest of my life.

My most sincere wish and hope is that someday I may have the honor to again serve the league as president.

[From the Happy Hunting Ground, July 1974]

A Job Well Done

(By Pat Moynahan)

The League of Kentucky Sportsmen machinery ran smoothly and efficiently during Reid Love's two terms in office and we owe him a hearty and sincere thanks.

He skippered the ship through some stormy seas but kept her upright at all times. And, few LKS presidents have so devoted themselves to the task or served with more integrity.

Love was an extremely active president and the LKS track record for the past two years reflects his enthusiasm and tireless devotion to the interests of Kentucky sportsmen. Wherever the position demanded he go, he went regardless of personal or business considerations. He was always on the go and made countless trips into each district trying to spread enthusiasm for the League.

His tenure in office was marked by one of the League's greatest accomplishments ever—preservation of the Pioneer Weapons Hunting Area in the Daniel Boone National Forest. In the beginning, the League was advised the issue was a lost cause. A road bisecting the area appeared inevitable.

Love was not dissuaded and refused to accept a series of setbacks which seemed to spell defeat. If we knew how many hours he personally devoted to the fight, we would probably be astounded. But his diligence paid off and it appears now the League is on the verge of victory.

He attacked the membership problem with the same vigor and dedicated himself to a goal of 50,000. If one man could have enlisted that many members single-handed, we might have made it. But, we let him down. He certainly gave it his best.

Even the membership drive was not without successes. Love started an essay contest for youngsters as part of the campaign. That brought the League and conservation to the attention of many young people and, without doubt, some of them will grow up to be League members.

Love always kept the wheels turning and the League rolling. When Redmon Payne and John Murphy retired in July, 1972, the burden upon Love's shoulders increased for the two had been the overseers and get-things-done men for years. League operation continued smoothly without so much as a skipped heartbeat, however. Love assumed many of their duties and repsonsibilities until new people could settle into the positions and orient themselves.

League thanks, Mr. Love, and our best for the future.

[From the Courier-Journal, July 8, 1974]

Roy Haddix Heads League; Love Sportsman of the Year

(By Earl Ruby)

Reid Love of Vanceburg, retiring President of the League of Kentucky Sportsmen was named Sportsman of the Year by the association of hunters and fishermen at their annual convention in Louisville yesterday.

Reid was succeeded as president by Roy M. Haddix of Lexington, who won a two-horse race with Al Blum of Murray, one of the most dedicated sportsmen in the group who served more than nine years as the chief executive back in the early days of the organization.

Love, who is seriously ill and was unable to attend the convention, led a fight to prevent a highway from being built through the pioneer weapons area in the Daniel Boone National Forest in Rowan County and was instrumental in stopping coal barging on Lake Cumberland.

He has been a working member of the Alum City Sportsmen's Club and the Trinith Fish and Game Club of Lewis County, along with Lewis County Landowners and Wildlife Protective Association, the Citizens Advisory Committee of the Ohio River Basin Commission and the Ohio Valley Water Sanitation Commission.

Haddix served as chairman of the League's legislative committee this year and was instrumental in getting 11 unfavorable bills shelved in committee.

He is a director of the Sixth District Wildlife Federation and chairman of the board of the Bluegrass Sportsmen's League with 10 years of service in the latter. For two years, he was president.

Haddix, 47, served as a paratrooper in the Korean War. He is married and has two children, a boy and a girl.

The League membership has dropped from a high of 41,000 in 1963, when Clyde Hubbard of Louisville was president, to 33,000 this year. Both candidates for president ran on a platform of returning the membership to its former size.

A determined effort by eight bass clubs in the state to get a recommendation that the minimum size limit for bass be raised from 10 to 12 inches lost by the rather close vote of 42-33.

The sentiment was that many small streams do not support 12-inch bass and that youngsters would be the losers. It was suggested by some delegates that the bass clubs were free to name their own limit for their tournaments. The bass club members argue, and perhaps rightly, that a 12-inch limit would allow for one more spawning season in the lakes.

There are approximately 59 bass clubs in Kentucky, with 1,200 members.

A resolution that the red fox be placed on the protected list with no open season was rejected.

A resolution to close the season on deer in Clark County was referred to the fish and wildlife officials for consideration.

The Governor's Conservation Achievement Awards, formerly made at this convention, will be made on Nov. 9 at the State Fairgrounds. Nominations for the awards must be made before Oct. 1.

Judge Walter L. Mims of Birmingham, president of the National Wildlife Federation, was the speaker at the annual banquet. He presided over two federation awards—one to the Kentucky Long Rifles of Morehead for their conservation efforts and one to John Murphy of Florence for outstanding service in the cause of conservation.

[From the Kentucky Post, June 11, 1974]

AWARDS WELL EARNED

It takes a dedicated lover of the outdoors and wildlife and a tenacious appreciation for the importance of conservation of wildlife to deserve the Sportsman of the Year award handed out once a year by the League of Kentucky Sportsmen.

And Reid Love, Vanceburg, has the qualities to win the award for 1974.

The 1972 and 1973 president of the Sportsmen League was named to the honor Saturday in Louisville by previous recipients of the award.

Those who elected him cited these actions that Love has taken in support of wildlife:

His efforts to delay and possibly permanently prevent the construction of a vehicular road which would bisect the Pioneer Weapons Hunting Area in Daniel Boone National Forest in Bath and Menifee counties.

And his participation in efforts to halt the barging of coal on Lake Cumberland.

Love, seriously ill, couldn't make it to the awards ceremony. A long-time sportsman friend, Woodrow Horsley, Vanceburg, accepted the honor.

Another friend, Kentucky Post Outdoors editor John Murphy, was awarded the National Wildlife Federation conservation service citation for outstanding and distinguished service in the field of natural resources management.

Men like Murphy and Love are working to ensure future generations will be able to enjoy the natural resources and scenic beauty we have in Kentucky today.

TRANSPORTATION OF HAZARDOUS MATERIALS BY AIR

Mr. HARTKE. Mr. President, earlier this year, the Senate Commerce Committee held hearings on the transportation of hazardous materials by air. The distinguished Senator from Nevada (Mr. CANNON) and I cochaired those hearings. What we learned was both shocking and dismaying.

Dangerous cargo is being carried aboard passenger aircraft under conditions which subject passengers to unnecessary danger. I intend to offer some legislation on this subject within the next few weeks so that we can eliminate this unnecessary danger.

Mr. President, I ask unanimous consent that another installment of a series on this subject written by John and Christine Lyons and broadcast on WNEW in New York City be printed in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

THE HIDDEN PASSENGER—AN UPDATE

(By John and Christine Lyons)

VANCE HARTKE. Well, it's quite obvious and very conclusive that the shipment of hazardous materials in the United States is a potential bombshell, just waiting to go off, any place and any time. The evidence is of such convincing nature that I find that even ordinarily differing people are agreeing that something should be done . . . should be done now . . . that regulations need to be drafted . . . effective regulations and enforcement regulations and enforcement procedures and enforcement personnel put to work immediately.

JOHN LYONS. Senator Vance Hartke at a Senate Commerce Committee Hearing this week which looked into the transportation of hazardous materials . . .

Good evening, I'm John Lyons. On Sunday News Closeup tonight . . . "The Hidden Passenger—An Update." As the week began, TWA Pilots met with the company to demand that hazardous cargo be removed from passenger planes.

JIM MCENTYRE. Trying to chase down what's permitted on passenger airplanes is like trying to chase down a will o the wisp.

LYONS. Captain Jim McEntyre . . . Airline Pilots Association Hazardous Materials Chairman at TWA . . . talking about a demand the pilots have made of the company.

MCENTYRE. What we want to do right now is simply say . . . Okay . . . we'll restrict the carriage of all hazardous materials other than the radioactive isotopes (properly shielded down where they won't do any damage to the people above) and put it all on the cargo airplane. Then we can concentrate our efforts in this area and I think we can come up with some solutions. When we talk about hazardous . . . we're not talking about something that is kind of nice to play around with . . . but don't get too close. We're talking about something that's gonna kill you. I've been in the accident investigation business for the Airline Pilots Association for about fifteen years, but you never forget the first time you walk up to a stinking hulk that was once a beautiful airplane . . . you never forget it as long as you live. And the first thing you say when you walk into somethink like that is . . . Someday, I want to be able to prevent one. And that's where we are right now.

LYONS. On Wednesday, TWA agreed to revise its hazardous materials procedures. The company agreed to eliminate the carriage of the heaviest form of radioactive material but to allow emergency radioactive pharmaceuticals. The company also agreed to set up a Committee of Pilots and Management to decide what other hazardous materials should not be carried on passenger planes. There was also an agreement on an improved training program for TWA employees. The TWA agreement is a big step forward. Tom Ashwood is Chairman of the Airline Pilots Association Air Security Committee.

ASHWOOD. The effect of the agreement that was just reached between TWA and the TWA pilots is manifold. One, of course, is that benefits to the passengers who fly on TWA will suffer or be exposed to less danger, if you will, or less exposure to these hazardous and radioactive materials. A second benefit coming from this is that the whole industry has been put on notice that a crack has been made in the wall that they've built around themselves. The wall of lies and deceit and falsehood, and, I think, the third thing that has happened is it's caused the various involved government agencies to realize that we're very serious about this. It's a serious problem and they're going to have to do something about it in terms of legislation.

LYONS. Another important part of the TWA agreement is to monitor all radioactive packages coming across the TWA freight docks. Delta Airlines is already starting to do this. Wednesday afternoon, the Sente Commerce Committee began hearings on the transportation of hazardous cargo. I talked with Reuben Robertson, of the Aviation Consumer Action Project.

REUBEN ROBERTSON. Well, I think there's a tremendous opportunity now for the public to get some response on this crisis of transporting radioactive and other hazardous materials on airplanes. I think now is the time. The public is becoming increasingly aware that there are tremendous hazards. . . . That a whole planeload of people can be wiped out. . . . They can get cancer or a plane carrying hazardous cargo can crash into an urban area and create a tremendous catastrophe. Now is the time, and I think that this Committee is going to have to face up to its responsibility. One of the things it could do would be to write a law, an amendment to the Federal Aviation Act saying. . . . "No more hazardous material shall be transported on airline passenger flights. That seems to me to be the most fundamental thing they could do. You might want to have an exemption from that law for radiopharmaceutical products. I think the doctors have made a good case . . . that they're very small quantities and that they're essential for humanitarian purposes . . . to have in hospitals around the country. But, that's only a very small corner of what we're talking about. We're talking about acids, explosives and hand grenades, which are, literally, carried on passenger planes all the time . . . every day and nuclear materials, of course.

LYONS. The Airline Pilots Association has estimated that 90 per cent of the airliners are carrying some form of hazardous cargo. In a Congressional hearing in April, C. R. Melugian announced the preliminary result of an FAA study on how much is carried.

MELUGIAN. We just have very preliminary results and our methodology was to look at the manifests over a 30-day period of 140 thousand flights. The preliminary information indicates, based on the manifests that approximately 3 per cent of the flights each day carry hazardous materials. And I would submit . . . clarify, though, that this is based on the manifests. If the manifest is not correct, not correctly documented, according to the regulations, this could be misleading.

LYONS. At the Senate Hearings this week, Senator Vance Hartke asked Captain James

Eckols of the Airline Pilots Association. . . . "What's wrong with those numbers?"

Eckols. We discussed this in a meeting on May the 17th, when the FAA officially gave out this very preliminary report. We are now trying to determine on the basis of what they said, what basis they used to prepare this. They say they used the load manifest form. The Airlines do not, per se, use the load manifest form to mark hazardous materials. They notify the Captain of the flight by a separate pilot notificattion. We think that their estimate is grossly in error.

Lyons. The Airline Pilots Association has been claiming for a long time that the FAA's enforcement of its own hazardous materials regulations is a complete failure. During the hearing, Ralph Nader read from a letter he wrote to the head of the Department of Transportation about what his staff found out about the enforcement of hazardous materials regulations.

Ralph Nader. Last January, one of my staff talked to people in your office of Hazardous Materials about the safety of radioactive shipments. He was assured that existing procedures and controls were adequate, and he was given copies of the voluminous D.O.T. Safety regulations. Shortly thereafter, the AEC announced that 130 passengers on a Delta Airlines flight sequence had been exposed to radiation from an improperly packaged container of radioactive material carried on the planes.

Lyons. Senator Hartke questioned Robert Barker of the A.E.C.

Hartke. Well, do you think that the testimony you've heard today indicates that you could feel very secure that the Department of Transportation is doing the type of job that you want done for you and your children . . . and the 210 million Americans here?

Parker. With respect to the transportation of radioactive materials thru the cooperation that we do have with the Department of Transportation including all the agencies involved in the transportation (administrators involved) that program is well taken care of.

Lyons. Oscar Baake is Assistant FAA Administrator for Aviation Safety. Several weeks ago, Baake was asked by Metromedia, Washington his assessment of how the FAA is enforcing the regulations.

Baake. I think by several tests . . . certainly the accident record is one such test, it's clear that it has been under fairly effective control.

Lyons. On Wednesday morning, Senator Vance Hartke dropped a bombshell on the FAA. He released an internal FAA assessment of its own enforcement program.

Hartke. We're having a discussion on which we start with, the executive summary or the conclusions. I don't think it makes much difference. They're both rather devastating in their final implications. Conclusion #1 is that, "there were no full-time hazardous materials inspectors employed in any of the air carrier district offices visited by the evaluation team." Now, in regard to that conclusion, "the 18 fulltime field positions for hazardous materials coordinators called for in an AFS 1 letter to all regions dated August 9th, 1973 have not been filled.

The southwest region has the only full-time regional coordinator, all the other regions had personnel performing their hazardous material function as colateral duty. Percentage of time spent on these duties varied from 25 per cent to 90 per cent of the individual's working time." The second conclusion is: "There is no handbook distributed to the field providing policy and guidance for carrying out the FAA HM surveillance program. Third: The ACDO's are not following a systematic inspection program for the surveillance of hazardous materials. The data obtained from response to Notice 8000.98 to survey the extent of air shipments of Hazardous Materials could aid the ACDO's in formulating an inspection program. Fourth: Inspectors have noted that regulatory materials are not clear. Inspection of freight forewarder and air carrier facilities revealed that at the majority of facilities visited packages of hazardous materials were discovered which were not in compliance with Federal Aviation Regulations. In all ". . . now this is that short period of 60 days . . ." 240 discrepancies were discovered in 70 shipments observed by the team ". . . in a 60-day period." Now . . . it's a damning indictment of the whole process. This is an in-house report done by the FAA in response to the Board's letter to which I previously referred. I'm going to make it a part of the record at this time and, therefore, it will become public.

In this draft of the investigation which was conducted in response to the Board's recommendations, they found that in 70 shipments they had 240 discrepancies. In the annual report which is going forth from the Secretary's office, the FAA noted only 232 instances. In other words, fewer instances of non-compliance in the whole year which demonstrates, I think, quite conclusively that not much went on in looking for the violations. The point that is very disturbing to me is, why they are hiding all this information from the public. There is no reason for the public not to be aware of the potential danger to which they are being exposed. And I feel that it is a disservice to the public—a disservice probably to a lot of airport employees and a lot of personnel who are operating these places.

Lyons. After the session, I asked Senator Hartke about the study.

Hartke. The FAA study which was made as a result of the directives of the National Transportation Safety Board indicates that as far as hazardous materials is concerned, on airplanes, that very little, if anything, is being done to protect the public. In fact, not alone is very little being done but it appears that the FAA was attempting to hide the net results of their own study. In other words, they would not permit us to have a copy of the report. In fact, they refused to permit the staff even to read the report. So, I feel at this time that it's important not alone for the public to know that the hazardous materials being shipped on airplanes presents not alone, a potential danger in cargo planes but also presents a real danger in passenger planes.

Lyons. How would you categorize what you've been hearing today . . . from the Department of Transportation . . . from the AEC as far as the whole hazardous materials picture?

Hartke. Well, the whole hazardous materials picture is very sad. I think that very little is being done. The potential for a great disaster is certainly there. Some of the smaller incidents are going unnoticed. The investigations are not complete. In fact, it's a miserable mess.

Lyons. On Thursday, I went over to ask Oscar Baake of the FAA the same question he had been asked weeks ago. How do you assess the FAA's enforcement program? And, for the first time, the FAA seemed to be admitting they have a problem.

Oscar Baake. We've noticed an increase in the amount of hazardous materials that have been carried. We sense the need for a greater amount of attention but the inertia of the bureaucracy, our inability to pull people out of programs that are presently underway and move them in here, has meant in the last couple of years that we've sort of been behind the power curve slightly. This stuff has increased in intensity and it's taken us a little time to move people into it. So, when you speak of adequacy in terms of whether we've really been able to be on top of it. I think the answer is probably no . . . that we've been a little—

Baake (continuing)—slow in moving folk up. But there are good reasons for that. It doesn't make people who are especially concerned with hazardous materials particularly happy to know it but we have other problems in aviation that require attention. And, we examine the question of priorities typically in terms of the numbers involved . . . the statistics of how many people are hurt. We can't pull people off instrument, approach procedures or divert manpower from programs where we are having some difficulties which require attention into hazardous materials merely because we sense a statistical increase in the volume of traffic. So . . . the answer is yes. The bureaucracy moves perhaps slowly and it does require additional attention. We've given it a great deal of additional attention. Nineteen hundred and seventy three saw a very significant increase in activity in surveillance, regulatory attention over any previous year . . . Seventy-four shows, a continuing increase in that activity.

Another kind of answer to your question is essentially a statistical one. You know, historically, we look at aviation in terms of how many people have we hurt in the last decade doing certain things. And here, I think, we have to say that by any reasonable test in the long term . . . not only such gross tests as, how are we doing in aviation compared with other transportation modes . . . Well, for four consecutive years, we've posted safety records in aviation that are better than any other transportation mode barring none. There isn't any way that you can get from Point A to Point B, including by walking, that's any safer than flying and air transportation. And when we look back at the record concerning how many people we've hurt in the carriage of hazardous materials . . . Why, the record is not only good, it is exemplary . . . by any fair test.

So, you know we're not happy with our record because we also have to live in terms of the prospective threat. That's why my first answer to you is . . . no, we're not happy with it. It's got to be readjusted. We've got to get more people into it. We've got to improve things like our instructions to the field, and to develop additional materials in the form of a handbook which has been a long time in coming. But, which I think we have a pretty good handle on now and will be getting out shortly. We have to update our regulations. We have to increase the effectiveness of the administration of the programs within the Department. You know, the integration of the programs. We sure as heck have to do a better job of getting to the shipper.

Lyons. With all this agreement . . . How should the problem be handled? Consumer Advocate Ralph Nader . . .

Ralph Nader. I think what's needed is the the banning, except for the most emergency medical purposes, of all radioactive cargo on passenger planes. The airline pilots are in favor of such a ban. And I think consumer groups led by the Aviation Consumer Action Project here in Washington and the stewardess groups are fighting for a similar ban.

Lyons. You're also talking about notifying the passengers when this stuff is aboard?

Nader. Yes, I think most airline passengers should ask before they embark on a plane . . . ask the ticket agent whether the cargo manifest shows any presence of radiocative cargo in the cargo hold. And, most pilots will willingly tell the passengers whether there is or not. But, I think it should be a matter of Federal law, that is, I think a passenger has a right to find out about whether radiocative or other hazardous materials are on board the plane that they're going to take.

Lyons. The FAA's Oscar Baake says the FAA is going to try to convince shippers to regulate themselves . . . by telling them that if they don't the government may be forced to license them.

BAAKE. We want some instruments so far as the shippers are concerned . . . some mechanisms thru which we can put the squeeze if necessary . . . identify soft spots in the system and get some action taken where we ourselves don't have the necessary authority or muscle to make it effective. But all of the awareness of the problem appears to be there.

LYONS. Captain Tom Ashwood of the Airline Pilots Association . . .

ASHWOOD. That's the most ridiculous thing I've heard. That's like your house is on fire so you mail a letter to the local fire department, inviting them to come over to discuss how they're going to put it out. They're telling these people to police themselves. I've always understood the FAA was a regulatory and enforcement agency to protect the traveling American public . . . and the crews and so forth that fly under their control and regulation. And, they're just asking these people to discuss with them how the shippers are . . . how they are going to regulate themselves and make sure they don't break any of the rules. I just don't understand this approach.

LYONS. Delta Airlines Vice President Frank Rox.

ROX. The primary responsibility, I think everyone recognizes, including the AEC, the DOT and the FAA and hopefully, you, Senator, and other members of your Committee . . . is with the shipper. If the shipper does his job, then, theoretically, we don't have a problem. We inherit the problem when the shipper doesn't package the shipment properly. Secondly, we hope the Committee will make it possible for the Department of Transportation and the Atomic Energy Commission to obtain the necessary manpower and the funds to sustain a viable and strong enforcement program.

LYONS. At the Senate hearing, Captain Alex Bonner, First Vice President of the Airline Pilots Association, gave that Association's recommendations.

BONNER. Frankly, airline pilots see the situation as nothing less than an accident of major proportions just waiting to happen. It only remains to be seen where and when it will occur. As airline pilots, we are both morally and legally responsible for the safety of our passengers and fellow crew members. We are the ones who make the ultimate determination that our aircraft is or isn't safe to fly. In a very real sense, we make a personal commitment to our passengers that all safety rules and regulations have been met, but this judgement can only be made when all the facts are available to us. In the case at issue here, all of the facts are not known. Instead, we must rely on the assurances of others that the cargo aboard our aircraft poses no threat to passengers. As more and more evidence comes to light, no airline pilot today can have the needed confidence in those assurances. As the president of our Association has warned the Federal Aviation Administration: If remedial action is not forthcoming, we may have no other alternative than to refuse flatly to operate aircraft with hazardous materials on board. We would like to make the following recommendations:

(1) Hazardous materials should be banned from passenger-carrying aircraft, with the following exceptions: (a) radioactive pharmaceuticals that are processed and ready for delivery to a patient, and transported only in minimum-risk (Category I or II) packaging; (b) dry ice used to refrigerate perishable goods; and (c) magnetic materials when packaged and loaded in accordance with applicable regulations.

(2) Hazardous materials should be carried exclusively in all-cargo aircraft, but limited to those commodities and amounts now acceptable for passenger aircraft.

LYONS. I asked Oscar Baake of the FAA if he would be in favor of banning most hazardous materials from passenger planes, as many groups have demanded.

BAAKE. I think this would be a mistake. I don't think the United States has achieved its commercial and industrial and general economic dominance by that kind of negative, which I would classify as bureaucratic approach to a problem, such as the hazardous materials problem. The ban of materials is the easy way to control it. But I think it's the negative and I think it's the bureaucratic way to control it. I think the more challenging control is one that identifies the conditions which must be met in order to carry a particular commodity safely. Now it may very well be that the particular condition may be prohibitive with respect to aviation. If it is, I'm sorry but if we will have established preicsely what is required to carry it safely then I think we will have been doing our job.

LYONS. Flight attendants have become concerned about hazardous materials on their flights . . . and want to know if the radioactive material carried on passenger planes is contributing to the large percentage of problem—

LYONS—continuing—births stewardesses have been experiencing. At the hearings . . . the flight attendants announced a joint program with the AEC to study 100 flight attendants for two months to find out exactly how much radiation they're getting from the materials carried on their planes. Reuben Robertson of the Aviation Consumer Action Project says there's something you can do.

R. ROBERTSON. I think it's very important for citizens who are concerned about the transportation of any kind of hazardous materials on airline flights, including radioactive products and explosives and chemicals to write their Congressmen about it. Write your Congressman now . . . write your Senator now and if you can write the members of the Senate Commerce Committee, that would also be helpful but it's very essential to build up a groundwave of support for reform in this area. Let your Representatives know that you think that there's a problem and want change. I think it would be very helpful to write to Senator Vance Hartke and to Senator Warren Magnuson, who's the Chairman of the full Senate Commerce Committee . . . to Senator Howard Cannon, who's the Chairman of the Senate Avaition Subcommittee and I think it's important to write to each of the members both on the Senate and the House side as well. The Chairman of the House Commerce Committee is Congressman Harley Staggers from West Virginia.

LYONS. Some groups say passengers should know what's aboard the planes . . . that planes carrying hazardous materials should have signs on them. Oscar Baake of the FAA says he doesn't think putting signs on planes would help.

BAAKE. We have a fairly deep conviction that even if there were such placards, that there wouldn't be one passenger in a thousand who would ever read it and those that would read it, it would have absolutely no effect on their transportation. We think that the impact would be nill.

LYONS. Asked if he thought the passenger should be given the chance to decide, Baake said:

BAAKE. I guess I would have to answer that by saying, if I were certain that a significant number of passengers were concerned, then I would say, yes. It wouldn't improve his safety one way or the other, so that we wouldn't feel any urgency to install a placard because a passenger would be safer with it than without it. So, I would say that if a significant number of the traveling public were to give us some indication that they wanted to make that choice, why, I would say, yes. . . . I think the FAA would be glad to accommodate them but we've never seen that kind of evidence.

LYONS. His address is Oscar Baake . . . BAAKE, Aviation Safety Office, Federal Aviation Administration, 800 Independence Avenue, SW, Washington, D.C.

There are strong indications of movement on this issue. Pilots at Eastern Airlines are reportedly about to tell the company they won't carry radioactive cargo. If they do, pilots at other airlines will no doubt quickly follow. Some legislation will probably come out of the Commerce Committee . . . the FAA itself is even admitting it has a problem and will have to work on it. But still most of the time you fly a passenger plane . . . you're probably sitting just a few feet above some hazardous cargo . . . providing the possibility that you could be in for a lot more than you bargained for when you paid your money for a peaceful flight in an airplane.

I'm John Lyons, WNEW News. Good Night.

ANNOUNCER. Sunday News Closeup. . . . "The Hidden Passenger—An Update" . . . was written and produced by John and Christine Lyons. Executive Producer—Dick Stapleton. Sunday News Closeup is a public affairs presentation of WNEW Metromedia Radio in New York.

SENATOR COOK COMMENDS LOUISVILLE BROADCASTERS AND URBAN LEAGUE

Mr. COOK. Mr. President, as a member of the Senate Communications Subcommittee of the Commerce Committee, I have long been interested in the role that broadcasters can play in providing increased employment opportunities for women and minorities in cooperation with businesses and community organizations.

In this regard, I am very pleased and proud of the efforts being made in Louisville by the Louisville Urban League in cooperation with three of our television stations, in providing summer employment and training opportunities for minority college students in broadcasting. For the second summer in succession, three major television stations in Louisville—WLKY, WAVE, WHAS—have cosponsored a student intern program with the Louisville Urban League as part of their affirmative action program in employment. This program is partly in response to Federal Communications Commission affirmative action requirements for broadcasters to take positive steps to recruit, train, and employ women and minorities. However, our program in Louisville is also the result of a concerned group of media representatives dedicated to the provision of such employment opportunities working with a conscientious Urban League dedicated, not only to pursuing job opportunities for women and minorities, but also to providing programs and opportunities in many other areas such as housing.

The Louisville Urban League annually sponsors a dinner for the college interns and this year the dinner guest speaker was Clarence V. McKee, Esq., who is the Deputy Chief of the Industry Equal Employment Opportunity Unit in the General Counsel's Office at the Federal Communications Commission.

I had the pleasure of working with Mr. McKee while he was serving as the Professional Staff Member for the Minority of the Select Committee on Nutrition and Human Needs—the so-called "hunger committee"—of which I am still a member. I found Mr. McKee's address to the college interns to be particularly appropriate and timely and therefore would like to have my colleagues share with me the full context of his speech, "A Little Straight Talk on Being Prepared." I ask unanimous consent that the full text of Mr. McKee's remarks be printed in the RECORD immediately following my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A LITTLE "STRAIGHT TALK" ON BEING PREPARED

(By Clarence V. McKee, Esq)

I come to you this evening, not to address the broadcasters, bankers and law enforcement officials who have participated in the Urban League's "internship program" nor to commend them and the Urban League for developing such a meritorius program, though commended they all must be, but rather, I come and am honored, to speak to the youth of this city, not only those who have participated and benefited, but also those countless others whom they represent.

On this occasion honoring you, the youth of Louisville, I wish to give you, as President Ford said only a week ago, "a little straight talk." A little straight talk about you, and your obligations to yourselves, your community and to your Nation.

I address myself to youth this evening because you, more than anyone else, hold the key to our civilization, our Nation, to Kentucky and to Louisville. For you are the persons to whom the "torch of leadership and the mantel of responsibility" will soon be passed by this Nation. You will be the determiners and the architects of this Nation's fate at home and abroad. And you, through your careers in broadcasting, law enforcement, banking, or other such commendable pursuits, shall chart the course for the "Ship of America" during the next several decades, generations, and centuries.

In determining what I would address myself to this evening, I considered several topics including the role of the Federal Communications Commission in insuring equal employment opportunities for women and minorities in broadcasting; or in a general discussion of this Nation's fair employment practices and non-discrimination laws. However, I concluded that such a discussion would indeed be meaningless unless you, the future editorial writers, assignment editors, bank managers, police officials and political leaders, were really prepared to assume such positions of responsibility in Louisville, in Kentucky, in the Nation and indeed the world.

Furthermore, unless you are prepared to assume such positions, then all of those of your age group who have not yet had the benefit of your education, your community, your family, and your breaks, would not be able to see you as an object of respect, admiration, imitation, and as some semblance of hope for themselves and their children.

What good is it to fight for hundreds of years for laws to insure that our basic constitutional guarantees of equal educational and employment opportunity are given to all if the benefactors of such laws cannot assume the positions and do well once the long closed door of opportunity is opened.

What will you Kentuckians tell the 24,000 black Kentuckians recruited to fight in the Civil War, and the thousands of others who have since given their lives in other wars and other causes for you to be here today?

My first premise is that YOU ARE, TO A GREAT EXTENT, THE DETERMINER OF YOUR FATE AND DESTINY. Why? Because you will have the final choice in saying either "I GIVE UP", or "I WILL FORGE ON IN SPITE OF OBSTACLES".

Why be prepared? Because you never know when the torch of leadership or the mantel of responsibility will be thrust upon your shoulders. You never know when you will be dealt the ACE. Therefore, you must be prepared to take the iniative, to take advantage of every single opportunity for knowledge, for formal education and for betterment. Man as the highest form of life in nature was not put on this planet to do nothing. You must always be able and be prepared to "take control" and to do so with confidence which inspires admiration. This applies to any situation or any professional pusuit in which you are now or will be immersed, either from your sweat and toil or that of your parents, or both.

It is useless to make attempts at "doing your own thing" without actually being prepared to do it. For if you are without preparation, then all of your attempts will only remain attempts. Now, how is all of this related to you today and tomorrow in your lives.

I am talking about your responsibilities and your obligations to yourself, your family, community and nation. They are all related. You can never lose sight of your ultimate goal—and every one of you has to have one.

If you shirk your responsibility to yourself, you also shirk it to your family, community and nation. No one will ever respect or admire you, if you lack self respect and shirk responsibility. And the first indication of a person's ability to be responsible in any capacity, is how he views his own sense of responsibility to himself.

We have seen in the past several weeks and months a shining example of why you must be prepared and why you must pursue excellence. Our laws and our form of government were geared to individuals exercising responsibility and pursuing excellence in the conduct of the affairs of government and citizenship. There is represented in our laws a confidence in the people.

Being prepared and the pursuit of excellence means that you should pay more attention to the meaning and results of words in political speeches and less to simple rhetoric. I have often become discouraged in hearing prominent individuals speak to groups of blacks or women, stating words with flowery and often firey rhetoric, which brings the audience to its feet, all ending with all persons going home talking about how great a speech was given.

It is fine to yell "Right On", but it is meaningless if nothing follows to implement the rhetoric.

It is fine to criticize in speeches problems which every one knows exists, or to criticize political leaders, without providing alternatives and follow-through suggestions and action programs.

You must learn to discern the difference between the cheap talk and rhetoric designed to make you yell "Right On", bring you to your feet, or give a speaker more news coverage, and the serious and constructive words and comments upon which the speaker can take action with you.

Concerning those youths who are less fortunate than yourselves, and to the young blacks in this city and nation who are now being the objects of experiments on "Formalizing black english" you must tell them, and those who advocate such "ghetto english" or "black english" that black english never wrote a Supreme Court brief, or edited a television commentary, or wrote a police department budget request, or wrote housing legislation. And to those who advocate such programs, you must say, if black english is so important, why is it that you have spent all of your life learning the "kings english" and perhaps sending your children to private schools to master the "kings english".

Yes, you must know and tell your colleagues that being prepared means knowing and speaking the language of communication. The name of the game today is communications—written and spoken. And if you can not communicate in the language of the people, in the media of the people, then you certainly will not have any input into your destiny or anyone else's.

How many would have followed and listened to Martin Luther King and Adam Clayton Powell if they were unable to communicate? Not many. How many people would honor and respect Senator Edward Brooke, or Congresswoman Barbara Jordan if they came on television speaking broken english. Not many, because they want to be proud of their leaders, to point to them as examples for their children to follow. You are in a similar position.

I can think of no black leader who did not have the ability to communicate to all people in any form of media.

Being prepared also means that you become more concerned with what is inside of your head than how long your hair is. That you realize that no one looks at the length of your hair but rather the contents of your mind. Fads and fashions are temporary, intelligence and knowledge last a lifetime.

You must always conduct yourself in any place, in the manner in which you view yourself in terms of your goals. If you want to someday replace my good friend and often adviser, Marlow Cook, as the U.S. Senator from Kentucky, now is the time to start conducting yourself like a U.S. Senator. In social events, in business events, be as a U.S. Senator would be courteous, respectful and learned. People will notice you.

If you want to someday be the manager of the bank like the one in which you now work, and that should be the goal, then assume the integrity, compassion for others, and self respect in your actions that would fit the position today.

If you want to someday be the General Manager of a radio or television station like the one in which you work today, and that should be the goal, then assume the character, intellect, and confidence necessary in your preparation to achieve that goal and let them know at the station that you are the one who someday could be that general manager. People will notice you.

If you want to be the editorial writer, program manager or the Chief of Police, conduct yourself like one destined for that position.

Being prepared is all of the above. It is also making sure today, that although you might take courses in black studies, that you also have read Marcus Aurelius, Aristotle, Machiavelli, James Madison the Federalist papers and other works of history's great philosophers and writers.

Being prepared and the pursuit of excellence is not only making sure that you are prepared, but also using your influence with those who are younger and less fortunate to be an example of what they must strive for. You must be prepared to bite the bullet and not hesitate to tell them that although they may think it may be fine to listen to "soul" music 24 hours a day with a portable radio or tape recorder being as attached to them as their clothing, that a future employer does not care to know who sings what song, or who can harmonize the best; remind them that everything must be put into perspective. Remind them to spend just as much time reading the paper and absorbing programs of news and public affairs as they do in listening to music.

I would not come here this evening without taking the opportunity to comment on the meaning of communications to you. We at the Federal Communications Commission are involved every day in decisions regarding the pluses and minuses of various broadcast entities as they relate to the "public interest." In this capacity, we know that young people today, by the time they are 18 years of age, have spent more time in front of the television set than they have in school. We know that it is important therefore, for our radio and television entities to operate truly in the public interest. We do our role pursuant to our Congressional mandate. You must do your role as citizens. Work with broadcasters in a constructive manner. Tell them that you realize that the important positions in the media are the program directors, the editorial writers, the assignment editors, and until women and minorities occupy these positions and not just be the reporter or the anchor person on camera, women and minorities will not have really made it in that industry. However, women and minorities must be prepared to occupy such positions. We have the responsibility at the FCC to make sure that the access to such positions is there; it is your responsibility to make sure that once the access is gained, that the excellence and preparation needed to do a great job is there. I am confident that you will have no problems making your mark as long as you believe in yourself and your cause. I believe in you. The Federal Communications Commission believes in you. The Louisville Urban League believes in you, and your employer believes in you. You are all going to do very well. And as you go through life, keep in mind the words of the Roman Emperor Marcus Aurelius who said over 1700 years ago:

"Think nothing profitable to you which compels you to break a promise, to lose your self-respect, to hate any man, to suspect, to curse, to act the hypocrite, to desire anything that needs walls and curtains about it. For he who values his own intelligence and the divinity within him and the worship of its excellence before all else, plays no tragic part, does not groan, does not need either solitude or much company. And, what is more than all, he lives without either pursuing or flying from life. . . . Bear in mind also, that every man lives only in the present . . . And that all the rest of his life is either past or uncertain."

FAMINE IN INDIA

Mr. HUMPHREY. Mr. President, reports in recent weeks of a severe food shortage in India focus our attention once more on the widespread dimensions of the world food crisis and the complexity of the reasons behind it.

India is presently suffering a 1-million-ton shortage of fertilizer. The increased cost of nitrogen-based fertilizer, the result of escalating oil prices and reduced petroleum availabilities, combined with new U.S. export restraints on fertilizer, are in large measure the cause of this shortage. While India's food consumption for the next year is placed somewhere between 110 and 115 million tons, analysts estimate her domestic food production to reach a maximum level of 100 million tons.

Such deficits in the past have been made up by large-scale imports from the United States. However, the United States no longer has the vast reserves of former years. Because India's foreign exchange reserves have been drained by the rise in world oil prices, she is limited in purchasing food to meet her needs.

The picture is further complicated by a vast drought that has hit the northern and central regions of the country, causing a migration of millions from the countryside to the cities.

Mr. President, I wish to point out three very significant articles: "Energy, Food and Famine," by George Will, Washington Post of September 24; "Need for Large Imports Faces India as Food Crisis Worsens," by Bernard Weinraub, Washington Post of September 20; and "Millions Starving in India," by Jacques Leslie, New York Times of September 24. I ask unanimous consent that these articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, Sept. 24, 1974]

Energy, Food, and Famine

(By George F. Will)

There is an old axiom that becomes more important as the world becomes more interdependent. The axiom is: Governments cannot do one thing.

That is, governments cannot do only one thing. Every governmental action has consequences other than the consequences it was designed to have. In fact, the unintended (and often undesired and undesirable) effects of government actions frequently are more important than the intended effects.

It would be nice—it also would be amazing—if the oil producing nations, and especially the Arabs, would pause in their mischief long enough to consider how that axiom applies to what they are doing.

Last winter when the producers' cartel decided to raise prices and restrict production, the cartel members had several intentions. They wanted to make a lot of money and to isolate Israel, diplomatically, by putting intense pressure on the oil-consuming nations of Europe, North America and Japan.

But, presumably, the oil producing nations did not intend their policy to help cause—as a potential side effect—death on a scale far beyond that which World War II produced.

The sober truth is that the price and production decisions of a few officials of a few oil producing nations have helped bring more than 50 million people in Africa and along the southern rim of Asia to the brink of ghastly death by starvation.

The officials of the oil-producing nations probably did not pause last winter, while launching their price and and production policies, to consider the link between energy and food. They are not alone in not understanding agriculture.

Agriculture is the most important and least understood of the world's major industries. Indeed, one measure of the general ignorance about agriculture is the fact that many people think it is odd to call agriculture an industry. But social analyst Peter Drucker is correct:

"Agriculture in the developed countries had become the most productive, the most capital-intensive, the most highly mechanized, and altogether the most 'industrial' of all modern industries. It is an industry with a very high input of scientific knowledge per unit of production, From being the most traditional sector, agriculture in the developed countries has become the most progressive sector."

The industrial dimension of agriculture—and the energy component—is increasingly important even in developing nations. It involves the use of heavy machinery and most important, fertilizer. One billion people—a quarter of the world's population—is fed by the extra crop yields that fertlizers produce.

In recent years India became virtually self-sufficient in wheat, thanks to a new grain that is very dependent on fertilizer. But the most important fertilizer is nitrogen, and much of it comes from natural gas and petroleum. This year India is suffering a one million ton fertilizer shortage, in large measure because oil production has been cut/and because soaring fertilizer costs caused the U.S. government to restrict fertilizer exports. (Even with a partially protected supply, U.S. farmers this year will spend 50 per cent more—nearly $2 billion more—on fertilizer than they spent last year.)

For every 15-cent pound of fertilizer that India lacks, India loses 10 pounds of wheat. This year's fertilizer shortage will cost India 10 million tons of grain—a year's supply for 50 million Indians.

Americans use three million tons of fertilizers on lawns, rose gardens, nonplastic football fields, cemeteries and for other ornamental purposes. Various oil-producing nations are "flaring"—burning as waste—4.5 trillion cubic feet of natural gas each year. That is 10 times more natural gas than the U.S. uses each year to produce nitrogen fertilizer and it is enough to produce double the current world consumption of nitrogen fertilizer.

When the oil-producing nations made their price and production decisions last winter, they did not intend to produce a fertilizer shortage to discombobulate the world agricultural industry, and to expose millions to famine. But the fact that this great evil was unintended will not make anyone's life easier, or longer.

[From the Washington Post, Sept. 20, 1974]

Millions Starving in India

(By Jacques Leslie)

New Delhi.—As each day of unrelenting sunshine passes, the possibility of widespread starvation provoked by drought is growing in India.

Roughly 200 million people, a third of India's population, live in areas seriously affected by drought. In several states up to half of the November rice crop has already been lost. In some areas drinking water is difficult or impossible to obtain.

Migration from dry countryside areas to cities, perhaps involving hundreds of thousands of people, is thought to have occurred.

New Delhi newspapers frequently carry reports of starvation deaths. Government officials maintain that the only deaths so far have been "hunger-related"—the result of disease or malnutrition rather than outright starvation.

While that distinction may be largely semantic, the more important issue is the possibility of famine in the next few months.

"If the monsoon continues to be dormant," said one foreign agricultural specialist, "there could be large numbers of people dying of starvation."

The experts, who just completed a tour of drought-struck areas, said that in some places "as far as the eye can see, plants are shriveling. They look half-dead, and they are past recovery." This year's drought is not yet considered as harsh as another one two years ago, but its impact may be more devastating. This is because India depleted its food reserves in alleviating the effects of the 1972 drought and has been unable to replenish them since.

While 110 million tons of food is required this year to avoid serious malnutrition, authorities now predict that this year's crop may not top 100 million tons even if the drought ends now.

Thus, depending on the severity of the drought, the government will be forced to import as much as 10 million tons—a figure that might be beyond the government's capacity.

First, India's limited foreign exchange

reserves, already drained by the increase in world oil prices, prevents the government from buying all the food required on the world market.

The only other alternative is aid. But here too, the prospect is discouraging, since potential donor nations such as the United States do not have a substantial food surplus this year and India is not alone in needing food.

The crunch periods will be the next six weeks before the arrival of the present crop and a period of two or three months before the next crop comes in spring.

Hoarding by farmers anxious to get the best price for their crop is contributing to the present shortage. The government has the problem of fixing the food price for public distribution high enough to encourage farmers to sell their stocks but low enough to hold down inflation. Partially because of the drought, food prices in India have gone up 37 per cent this year.

Some foreign officials here accuse the Indian government of being short-sighted in dealing with the food situation. One agricultural observer said, "A year ago they should have made firm commitments on fertilizer imports. They should have moved into world grain markets in May and June when prices were lower."

Officials at an international relief organization charged that delays by the government in declaring an emergency would hurt relief operations later on. An emergency declaration "is going to come out so late that our agency won't be able to help," one official said. "Right now we are introducing programs in limited blocks. In an emergency situation everything could be increased."

[From the New York Times, Sept. 24, 1974]

NEED FOR LARGE IMPORTS FACES INDIA AS FOOD CRISIS WORSENS

(By Bernard Weinraub)

NEW DELHI, September 23.—India's grave food situation has deteriorated in the last two weeks. Further millions are facing hunger in several northern states.

Government officials, still optimistic that widespread starvation in the north can be averted, hope that food imports and a national drive to "de-hoard" will ease the situation. The drive is aimed at wealthy farmers who have kept supplies off the market as prices rise.

But economists and food experts agree that the nation is in the grip of a crisis that can be eased only with sizable imports—seven million to ten million tons. A wide belt of northern and central India is drought stricken, and millions of hungry people are moving into cities in the eastern state of Orissa.

Almost every day there are reports of hunger and violence in Uttar Pradesh, Gujarat, West Bengal and Rajashtan. In Agra, site of the Taj Mahal, riots broke out last week and food shops were looted. A minister in West Bengal said that 15 million people in rural areas were either starving or living on one meal a day. A report said that more than 500 people had died of malnutrition in the state.

Gujarat is now in the grip of the worst drought in 79 years. In the last two weeks more than 200,000 head of cattle have migrated there from Rajasthan, where officials are alarmed because as much as 85 per cent of the current autumn harvest has been destroyed. "The state is faced with the grim reality of fighting the worst-ever famine in its history," said The Indian Express.

Many human tragedies exemplify India's food crisis.

In Bombay, the penniless widow of a soldier wandered from crematorium to crematorium pleading to place the body of her child, dead of malnutrition, on the funeral pyre of a stranger. The police finally took the body to a morgue and the woman was given something to eat. There are reports of mothers in Madhya Pradesh selling their children for food, and families in Assam struggling to subsist on grass, seeds and roots.

Emaciated villagers in West Bengal are wandering through the countryside in search of food, eating, according to one report, whatever they can possibly chew.

"My only hope is that death will strike fast," said Samsul Ahmed, the father of six, beginning for alms outside a district office in Siliguri.

SHADOW OF HUNGER

"The cruel shadow of hunger and starvation is falling across the land," The Economic Times said recently.

The Indian Express said: "Famine conditions, widespread destitution and starvation deaths are being reported from different parts of the country. It is, of course, a set official policy not to admit starvation deaths. But that cannot hide the ugly reality."

Government officials had hoped that some late summer rain could have salvaged the crop. But a prolonged dry spell with only paltry rainfall in the last two weeks, coupled with the absence of power for irrigation, a chaotic food distribution system and dwindling stocks, diesel shortages, the worst inflation in India's post-independence history and a relentlessly growing population have created a grim mood in New Delhi.

One agriculture specialist said that India was facing "immense problems in terms of human misery, malnutrition and starvation." He added: "The big question is how many people will actually die."

CITY VIOLENCE FEARED

"It's a problem of the cities," another expert said. How will the cities be fed and how will they keep violence from getting out of hand?"

"Not only is it the drought but the whole administrative machinery," said an expert. "No one is accounted for. There's little dedication to the job. It's a failure of planning, of looking ahead to expand irrigation and fertilizer facilities. Things are done in a haphazard way. You have an administrative set-up that was designed by the British to suppress a maximum number of people, and that same system is working today."

The autumn harvest, the source of most of India's food, is expected to produce only 60 million tons of grain, compared with 67 million tons last year. The target was 69 million tons.

It is now predicted that total grain production for the next agricultural year, which runs from July, 1974, to June, 1975, may reach 100 million tons. With India's population growing at 13 million a year, minimum food needs are thought to range from 115 million to 120 million tons. That would mean a gap of up to 20 million.

India averted starvation in the last two years only by using her food reserves—as much as nine million tons two years ago—and by buying some food abroad.

India's reserves now are at an ebb, perhaps as low as two million tons, and the international market has tightened. So far, India has ordered 2.7 million tons abroad, mostly from the United States.

Officials are especially worried about food shortages in the dense cities. Eighty million to 100 million Indians in cities—the numbers fluctuate—depend on a ration system, which enables families to buy fixed amounts of rice and wheat at low prices.

The food for the ration shops is purchased from farmers by the government at a set price. Last year the government distributed through the ration system about 11.5 million tons of grains. The year before 11 million tons was distributed.

This year, some experts say, India must distribute 12 million tons of food to her city dwellers. But the nation has bought less than five million tons from farmers. The Government has said that ration shops will distribute 10-million tons of food, but this seems doubtful. The gap will have to be filled by imports.

"It's obvious that the public distribution system is going to be cut back and this is very dangerous," said one European expert.

"The system is absolutely inadequate to meet the needs," he said. "For the first time the middle class is being pushed hard. Before this it was the poor. The middle class are not as complacement as the poor, and the situation looks very bad."

DACCA, BANGLADESH, September 23.—Prime Minister Mujibur Rahman left Dacca today for the United Nations to appeal for more aid for his shattered nation.

He told newsmen that his country has reached "near famine conditions" and said he had ordered 4,300 gruel kitchens set up in the hope of feeding almost all the nation's 75 million people.

Thousands are pouring into Dacca seeking food and shelter after devastating monsoon floods destroyed rice crops on more than 500,000 acres, the Government said.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, the morning business is concluded.

RESTRUCTURING OF THE RAILROAD RETIREMENT SYSTEM

The PRESIDING OFFICER. Under the previous order, the Chair lays before the Senate Calendar No. 1112, H.R. 15301, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (H.R. 15301) to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered thereunder, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Labor and Public Welfare with amendments on page 15, in line 2, strike out "months." and insert in lieu thereof "months—".

On page 28, in line 19, after "202", strike out "(d)," and insert in lieu thereof "(d)".

On page 41, at the end of line 24, insert "(converted to a decimal fraction)".

On page 61, at the beginning of line 3, strike out "COMPENSATION" and insert in lieu thereof "COMPUTATION".

On page 64, in line 12, strike out "in".

On page 65, in line 76, strike out "subsection" and insert in lieu thereof "subsections".

On page 75, at the beginning of line 2, strike out "months," and insert in lieu thereof "month,".

On page 80, in line 9, strike out "payments" and insert in lieu thereof "payment".

On page 93, at the end of line 21, insert "insurance".

On page 93, in line 24, strike out "II," and insert in lieu thereof "II".

On page 103, in line 21, after "those" insert "of".

On page 113, in line 22, strike out the parentheses and the figure "1" and insert in lieu thereof parentheses and a lower case "L".

On page 114, in line 14, strike out "(f)" and insert in lieu thereof "(g)".

On page 115, in line 6, strike out the parentheses and the figure "1" and insert in lieu thereof parentheses and a lower case "L".

On page 116, in line 9, after "206" strike out "(a)".

On page 116, beginning with line 12, insert "such amount as the Board determines, on an estimated basis, is equal to the excess of (i) the interest which such account will actually earn in the fiscal years 1976 through 2000 over (ii) the interest which such account would have earned in such fiscal years if the provisions of subsection (e) of this section were identical to the provisions of section 15(c) of the Railroad Retirement Act of 1937."

On page 116, in line 18, after the period, strike out "One half of 1 percent of taxable payroll for each such fiscal year."

On page 116, beginning with line 20, insert "at the time of each actuarial valuation made prior to the fiscal year 2000 pursuant to the provisions of subsection (g) of this section".

On page 116, in line 22, strike out "1994, and 1999".

On page 121, at the end of line 8, strike out "subsection" and insert in lieu thereof "section".

On page 125, in line 9, after "206" strike out "(a)".

On page 130, in line 17, strike out "as" and insert in lieu thereof "or."

On page 133, in line 22, strike out "(a)".

On page 134, in line 6, strike out "subsection" and insert in lieu thereof "section".

On page 135, in line 11, strike out "subsection" and insert in lieu thereof "section".

On page 136, at the beginning of line 12, strike out "subsection" and insert in lieu thereof "section".

On page 136, in line 23, strike out "subsection" and insert in lieu thereof "section".

On page 137, in line 11, strike out "subsection" and insert in lieu thereof "section".

On page 137, in line 21, strike out "subsection" and insert in lieu thereof "section".

On page 141, in line 9, after "206" strike out "(a)".

On page 142, in line 9, strike out "(a)".

On page 142, in line 16, strike out "(a)".

On page 143, in line 6, strike out the parentheses and the figure "1" and insert in lieu thereof parentheses and the lower case "L".

On page 144, beginning with line 17, strike out (1) by striking out "(o)" at the beginning thereof and inserting in lieu thereof "(o)(1)";

On page 144, at the beginning of line 19, strike out "(2)" and insert in lieu thereof "(1)".

On page 144, at the beginning of line 22, strike out "(3)" and insert in lieu thereof "(2)".

On page 145, at the beginning of line 1, strike out "(4)" and insert in lieu thereof "(3)".

On page 147, at the beginning of line 1, strike out "and inserting in lieu thereof "Railroad Retirement Act of 1974.".

Mr. STAFFORD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. METZENBAUM). Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 2 o'clock today.

The motion was agreed to; and at 1:22 p.m. the Senate took a recess until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HATHAWAY).

ORDER OF BUSINESS

Mr. PASTORE. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time for the quorum call not be counted against the other bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENTS OF STATE, JUSTICE, COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1975—CONFERENCE REPORT

Mr. PASTORE. Mr. President, I submit a report of the committee of conference on H.R. 15404, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. WILLIAM L. SCOTT). The report will be stated by title.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15404) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies for the fiscal year 1975, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of September 19, 1974, at page 31712.)

Mr. PASTORE. Mr. President, the act making appropriations for the Departments of State, Justice, Commerce, the judiciary, and related agencies, as it passed the Senate, provided a total of $5,262,502,000 in new obligational authority, which sum was a reduction of $190,297,600 below the revised budget estimates and $48,852,100 below the House.

The conference committee's recommendation provides a total of $5,290,157,100 in new obligational authority. This is an increase of $27,655,100 in the Senate allowance and is $21,297,000 under the House allowance. The conference total represents a reduction of $162,642,500 under the revised budget estimates totaling $5,452,799,600, which sum included $40,990,000 in budget amendments which came directly to the Senate and were not considered by the House. The total of this bill reported from conference is 3 percent under the amended budget estimates.

Mr. President, I would like to now briefly point out the major changes from the Senate-passed bill.

DEPARTMENT OF STATE

For the Department of State, the conferees agreed on a total of $705,692,000, which amount is $1,034,000 below the Senate bill, $6,908,000 above the House allowance, and $38,303,000 below the budget. The Senate considered $27,726,000 in budget amendments not considered by the House.

For the International Commission of Control and Supervision in Vietnam, the conferees recommend $5,658,000, the Senate allowance to be available only upon the enactment of authorizing legislation.

For American Sections, International Commissions, the conferees recommend $1,350,000 which sum is $20,000 below the Senate allowance and the budget estimate of $1,370,000.

For mutual educational and cultural exchange activities, the conferees recommend $54 million, which sum is $1 million below the Senate allowance of $55 million, is $1 million over the House allowance, and is a reduction of $3,500,000 below the budget.

For the Center for Cultural and Technical Interchange Between East and West, the conferees recommend $7,400,000 which sum is $14,000 below the Senate allowance and the budget estimate and is an increase of $200,000 over the House.

DEPARTMENT OF JUSTICE

For the Department of Justice, the committee on the conference agreed to a total of $2,089,002,000, which amount is $13,340,000 above the Senate bill, $57,873,000 below the revised budget estimate, and $23,510,000 below the House allowance. The Senate considered $5,200,000 in budget amendments not considered by the House.

Under salaries and expenses, general legal activities, the conferees recommend language included by the Senate making not to exceed $30,000 available for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on his certificate.

For the Immigration and Naturalization Service, the conferees recommend $175,850,000 which sum is $500,000 below the Senate allowance of $176,350,000 and is $500,000 above the House allowance of $175,305,000. The conferees are agreed that all of the additional positions allowed are for the Border Patrol.

For the Federal Prison System, buildings and facilities, the conferees recommend $27,690,000 instead of $53,200,000 proposed by the House and $13,850,000 proposed by the Senate. The increase of $13,840,000 over the Senate allowance consists of $2,550,000 for site acquisition and planning for a northeast adult complex and $11,290,000 for construction of a southeast youth complex for which a site has been chosen. The conferees are agreed that upon selection of a site for a northeast youth complex, consideration will be given to a supplemental request for funds.

For support of U.S. prisoners, the conferees recommend $26,200,000, the Senate allowance and budget estimate and an increase over the House of $1,500,000. This increase was contained in a budget estimate not considered by the House and will be used to liquidate a deficit incurred in this account in fiscal 1974.

DEPARTMENT OF COMMERCE

For the Department of Commerce, the committee of the conference recommends a total of $1,374,478,000, which amount is $14,250,000 above the Senate bill, $40,385,000 below the revised budget estimate, and $3,350,000 below the House allowance. The Senate considered $8,046,000 in budget amendments not considered by the House.

For Domestic and International Business Administration, the conferees recommend $58,750,000, a reduction in the Senate allowance of $250,000.

For the U.S. Travel Service, the conferees recommend $11,250,000, an increase of $250,000 over the Senate allowance of $11,000,000 and a reduction of $283,000 in the budget estimate.

For the National Oceanic and Atmospheric Administration, the conferees recommend $434,300,000, the Senate allowance and a reduction of $2,000,000 below the House. The sun recommended is $15,207,000 below the amended budget estimate. In addition, the conferees recommend language included by the Senate which provides that the sum of $500,000 shall be made available to the Atlantic States Marine Fisheries Commission, $175,000; the Gulf States Marine Fisheries Commission, $200,000; and to the Pacific Marine Fisheries Commission $125,000.

For science and technical research, the conferees recommend $61,400,000, a reduction of $750,000 in the Senate allowance of $62,150,000, but an increase of $1,000,000 over the House. The increase of $1,000,000 for the National Bureau of Standards consists of $500,000 for computer science technology, $250,000 for safety research on radioactive materials and X-ray equipment, and $250,000 for replacement of general laboratory equipment.

For the Maritime Administration—ship construction, the conferees recommend $275,000,000, the House allowance and budget estimate, and an increase of $15,000,000 over the amount proposed by the Senate.

THE JUDICIARY

For the judiciary, the conferees recommend a total of $297,513,100, the Senate allowance, a decrease of $60,000 in the House allowance and a decrease of $15,743,500 below the budget estimate. The Senate considered a budget amendment of $18,000 for the Supreme Court, not considered by the House.

RELATED AGENCIES

For related agencies, the conferees recommend a total of $823,472,000, an increase of $1,099,100 over the Senate allowance, a reduction of $1,285,000 below the House, and a reduction of $10,338,000 under the budget estimate.

For the Commission on the Organization of the Government for the Conduct of Foreign Policy, the conferees recommend $1,594,000, a reduction of $900 in the Senate amount.

For the Equal Employment Opportunity Commission, the conferees recommend $53,597,000, a decrease of $1,250,000 below the sum approved by the Senate of $54,847,000. In addition, the conferees recommend $3,500,000 for the limitation on payments to States and local agencies, an increase of $1,000,000 over $2,500,000 proposed by the House.

For the Marine Mammal Commission, the conferees recommend $750,000 instead of $900,000 proposed by the Senate and $600,000 proposed by the House. In addition, the amendment will provide that, notwithstanding section 207 of Public Law 92-522, not to exceed $300,000 may be used for administrative expenses.

For the Small Business Administration, the conferees recommend a transfer of not to exceed $85,415,000 from the revolving funds to salaries and expenses, instead of $86,180,000 as proposed by the Senate and $84,650,000 as proposed by the House. Also recommended is the sum of $327,500,000, an increase of $500,000 over the Senate proposal for the Business Loan and Investment Fund. For the Disaster Loan Fund, the conferees recommend $90,000,000, the Senate allowance.

For the U.S. Information Agency, the conferees recommend $218,462,000 for the regular salaries and expense account, an increase of $2,000,000 over the Senate allowance. In addition, $8,377,000 is recommended for salaries and expenses, special foreign currency program.

Mr. President, I shall be happy to answer any questions that any Senator would like to ask.

I ask unanimous consent that a tabulation of the fiscal year 1974 appropriations and the budget House-Senate and conference committee allowances for the fiscal year 1975 be printed in the RECORD.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1974 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1975

TITLE I—DEPARTMENT OF STATE

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

Item (1)	New budget (obligational) authority, fiscal year 1974 (enacted to date)[1] (2)	Budget estimates of new (obligational) authority, fiscal year 1975 (3)	New budget (obligational) authority recommended in House bill (4)	New budget (obligational) authority recommended in Senate bill (5)	Conference action (6)
Administration of Foreign Affairs:					
Salaries and expenses	$322,180,000	$352,000,000	$349,650,000	$349,650,000	$349,650,000
Representation allowances	1,200,000	[2] 1,500,000	1,350,000	1,350,000	1,350,000
Acquisition, operation, and maintenance of buildings abroad	22,358,000	22,914,000	22,914,000	22,914,000	22,914,000
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program)	5,462,000	4,870,000	4,870,000	4,870,000	4,870,000
Emergencies in the diplomatic and consular service	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Payment to Foreign Service retirement and disability fund	20,535,000	20,535,000	20,535,000	20,535,000	20,535,000
Total, administration of foreign affairs	373,835,000	403,919,000	401,419,000	401,419,000	401,419,000
International Organizations and Conferences:					
Contributions to international organizations	218,537,000	214,079,000	205,903,000	205,903,000	205,903,000
Missions to international organizations	5,951,000	6,660,000	6,600,000	6,600,000	6,600,000
International conferences and contingencies	6,200,000	6,400,000	6,400,000	6,400,000	6,400,000
International trade negotiations	1,744,000	2,465,000	2,000,000	2,000,000	2,000,000
International commission of control and supervision		[3] 27,726,000		5,658,000	5,658,000
Total, international organizations and conferences	232,432,000	257,330,000	220,903,000	226,561,000	226,561,000

Footnotes at end of table.

Item (1)	New budget (obligational) authority, fiscal year 1974 (enacted to date)[1] (2)	Budget estimates of new (obligational) authority, fiscal year 1975 (3)	New budget (obligational) authority recommended in House bil. (4)	New budget (obligational) authority recommended in Senate bill (5)	Conference action (6)
International Commissions:					
International Boundary and Water Commission, United States and Mexico:					
Salaries and expenses	$4,595,000	$4,701,000	$4,701 000	$4,701,000	$4,701,000
Construction	3,800,000	[4] 7,731,000	6,231,000	6,231,000	6,231,000
American sections, international commissions	1,003,000	1,370,000	1,300,000	1,370,000	1,350,000
International fisheries commissions	3,575,000	4,030,000	4,030,000	4,030,000	4,030,000
Total, international commissions	12,973,000	17,832,000	16,262,000	16,332,000	16,312,000
Educational Exchange:					
Mutual educational and cultural exchange activities	50,587,000	57,500,000	53,000,000	55,000,000	54,000,000
Center for cultural and technical interchange between East and West	6,925,000	7,414,000	7,200,000	7,414,000	7,400,000
Total, educational exchange	57,512,000	64,914,000	60,200,000	62,414,000	61,400,000
Other: Payment to International Center, Washington D.C	2,200,000				
Total, title I, Department of State	678,952,000	743,995,000	698,784,000	706,726,000	705,692,000
TITLE II—DEPARTMENT OF JUSTICE					
Legal Activities and General Administration:					
Salaries and expenses, general administration	$17,334,000	$22,486,000	$21,850,000	$21,850,000	$21,850,000
Salaries and expenses, general legal activities	53,361,000	[5] 60,530,000	59,000,000	59,000,000	59,000,000
Salaries and expenses, Antitrust Division	14,790,000	[5] 16,882,000	16,762,000	16,762,000	16,762,000
Salaries and expenses, U.S. attorneys and marshals	108,050,000	[5] 129,952,000	126,600,000	126,600,000	126,600,000
Fees and expenses of witnesses	13,100,000	14,200,000	14,200,000	14,200,000	14,200,000
Salaries and expenses, Community Relations Service	3,551,000	4,050,000	3,750,000	3,750,000	3,750,000
Total, legal activities and general administration	210,186,000	248,100,000	242,162,000	242,162,000	242,162,000
Federal Bureau of Investigation: Salaries and expenses	392,290,000	435,600,000	433,100,000	433,100,000	433,100,000
Immigration and Naturalization Service: Salaries and expenses	153,704,000	[18] 184,100,000	175,350,000	176,350,000	175,850,000
Federal Prison System:					
Salaries and expenses, Bureau of Prisons	143,374,000	172,500,000	169,000,000	169,000,000	169,000,000
Buildings and facilities	14,800,000	53,200,000	53,200,000	13,850,000	27,690,000
Support of U.S. prisoners	21,500,000	[6] 26,200,000	24,700,000	26,200,000	26,200,000
Total, Federal prison system	179,674,000	251,900,000	246,900,000	209,050,000	222,890,000
Law Enforcement Assistance Administration: Salaries and expenses	870,675,000	886,400,000	880,000,000	880,000,000	880,000,000
Drug Enforcement Administration: Salaries and expenses	112,664,000	140,775,000	135,000,000	135,000,000	135,000,000
Total, title II, Department of Justice	1,919,197,000	2,146,875,000	2,112,512,000	2,075,662,000	2,089,002,000
TITLE III—DEPARTMENT OF COMMERCE					
General Administration:					
Salaries and expenses	$8,625,000	$10,773,000	$9,800,000	$10,200,000	$10,200,000
Special foreign currency program	2,940,000				
Total, General Administration	11,565,000	10,773,000	9,800,000	10,200,000	10,200,000
Social and Economic Statistics Administration:					
Salaries and expenses	41,000,000	[7] 52,128,000	47,977,000	47,977,000	47,977,000
Periodic censuses and programs	19,100,000	23,579,000	23,000,000	22,250,000	22,250,000
Total, Social and Economic Statistics Administration	60,100,000	75,707,000	70,977,000	70,227,000	70,227,000
Economic Development Administration:					
Economic development assistance programs	[8] 220,500,000	[9] 184,200,000	184,200,000	184,200,000	184,200,000
Administration of economic development assistance programs	20,100,000	[10] 17,787,000	17,625,000	17,625,000	17,625,000
Total Economic Development Administration	240,600,000	201,987,000	201,825,000	201,825,000	201,825,000
Regional Action Planning Commissions: Regional development programs	42,000,000	35,008,000	34,995,000	34,995,000	34,995,000
Domestic and International Business Administration:					
Operations and Administration	53,700,000	59,521,000	58,500,000	59,000,000	58,750,000
Participation in U.S. expositions	150,000				
Total Domestic and International Business Administration	53,850,000	59,521,000	58,500,000	59,000,000	58,750,000
Foreign Direct Investment Regulation: Salaries and expenses	2,700,000	(11)			
Minority Business Enterprise: Minority business development	35,681,000	[12] 55,374,000	53,000,000	52,000,000	52,000,000
U.S Travel Service: Salaries and expenses	11,100,000	11,533,000	11,500,000	11,000,000	11,250,000
National Oceanic and Atmospheric Administration:					
Operations, research, and facilities	367,001,000	[13] 449,507,000	436,300,000	434,300,000	434,300,000
Coastal zone management	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
Administration of Pribilof Islands	3,598,000	3,937,000	3,937,000	3,937,000	3,937,000
Fishermen's Guaranty Fund	101,000	125,000	61,000	61,000	61,000
Offshore Shrimp Fisheries Fund	325,000				
Total, National Oceanic and Atmospheric Administration	383,025,000	[14] 465,569,000	452,298,000	450,298,000	450,298,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1974 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR 1975—Continued

TITLE III—DEPARTMENT OF COMMERCE—Continued

[Note: All amounts are in the form of "appropriations" unless otherwise indicated]

Item (1)	New budget (obligational) authority, fiscal year 1974 (enacted to date) (2)	Budget estimates of new (obligational) authority, fiscal year 1975 (3)	New budget (obligational) authority recommended in House bill (4)	New budget (obligational) authority recommended in Senate bill (5)	Conference action (6)
National Bureau of Fire Prevention: Operations, research, and administration		$13,000,000	$7,000,000	$5,000,000	$6,000,000
Patent Office: Salaries and expenses	$71,982,000	[11] 77,194,000	76,300,000	76,300,000	76,300,000
Science and Technical Research: Scientific and technical research and services	65,232,000	65,835,000	60,400,000	62,150,000	61,400,000
Maritime Administration:					
Ship construction	275,000,000	275,000,000	275,000,000	260,000,000	275,000,000
Operating-differential subsidies (appropriation to liquidate contract authority)	(244,515,000)	(242,800,000)	(242,800,000)	(242,800,000)	(242,800,000)
Research and development	19,000,000	27,900,000	25,900,000	25,900,000	25,900,000
Operations and training	36,827,000	40,462,000	40,333,000	40,333,000	40,333,000
Total, Maritime Administration	330,827,000	343,362,000	341,233,000	326,233,000	341,233,000
Total, title III, Department of Commerce	1,308,662,000	1,414,863,000	1,377,828,000	1,360,228,000	1,374,478,000
TITLE IV—THE JUDICIARY					
Supreme Court of the United States:					
Salaries	$4,154,000	$4,496,000	$4,450,000	$4,450,000	$4,450,000
Printing and binding Supreme Court reports	515,000	565,000	565,000	565,000	565,000
Miscellaneous expenses	605,000	642,000	642,000	642,000	642,000
Automobile for the Chief Justice	16,000	16,300	16,300	16,300	16,300
Books for the Supreme Court	63,000	63,000	63,000	63,000	63,000
Care of the building and grounds	1,493,300	[16] 687,300	669,300	687,300	687,300
Reappropriation	75,000		371,500	371,500	371,500
Total Supreme Court of the United States	6,921,300	6,469,600	6,777,100	6,795,100	6,795,100
Court of Customs and Patent Appeals: Salaries and expenses	677,000	816,000	782,000	782,000	782,000
Costoms Court: Salaries and expenses	2,424,000	2,479,000	2,479,000	2,479,000	2,479,000
Court of Claims: Salaries and expenses	2,194,000	2,341,000	2,341,000	2,341,000	2,341,000
Courts of Appeals, District Courts, and Other Judicial Services:					
Salaries of judges	27,300,000	27,975,000	27,975,000	27,975,000	27,975,000
Salaries of supporting personnel	90,000,000	103,756,000	101,800,000	101,822,000	101,822,000
Representation by court-appointed counsel and operation of defender organizations	18,675,000	15,700,000	15,700,000	15,700,000	15,700,000
Fees of jurors	18,500,000	18,500,000	18,500,000	18,500,000	18,500,000
Travel and miscellaneous expenses	12,909,000	15,365,000	15,200,000	15,100,000	15,100,000
Administrative Office of the U.S. Courts	4,208,000	5,645,000	5,090,000	5,090,000	5,090,000
Salaries and expenses of U.S. magistrates	7,837,000	8,764,000	8,764,000	8,764,000	8,764,000
Salaries of referees (special fund)	6,991,000	6,990,000	6,990,000	6,990,000	6,990,000
Expenses of referees (special fund)	13,300,000	14,101,000	14,000,000	14,000,000	14,000,000
Total, courts of appeals, district courts, and other judicial services	199,720,000	216,796,000	214,019,000	213,941,000	213,941,000
Federal Judiciary Center: Salaries and expenses	2,073,000	2,699,000	2,400,000	2,400,000	2,400,000
Space and Facilities, the Judiciary: Space and facilities		78,500,000	66,100,000	66,100,000	66,100,000
Expenses, U.S. Court Facilities: Furniture and furnishings		[17] 3,156,000	2,675,000	2,675,000	2,675,000
Total, title IV, the Judiciary	214,009,300	313,256,600	297,573,100	297,513,100	297,513,100
TITLE V—RELATED AGENCIES					
Arms Control and Disarmament Agency: Arms control and disarmament activities	$8,065,000	$9,500,000	$9,250,000	$9,250,000	$9,250,000
Board for International Broadcasting: Grants and expenses	49,625,000	49,840,000	49,800,000	49,800,000	49,800,000
Commission on American Shipbuilding: Salaries and expenses	205,000				
Commission on Civil Rights: Salaries and expenses	5,950,000	6,905,000	6,850,000	6,850,000	6,850,000
Commission on the Organization of the Government for the Conduct of Foreign Policy: Salaries and expenses	1,050,000	1,600,000	1,250,000	1,594,900	1,594,000
Department of the Treasury: Bureau of Accounts: Fishermen's Protective Fund	1,000,000				
Equal Employment Opportunity Commission: Salaries and expenses	44,400,000	56,170,000	52,347,000	54,847,000	53,599,000
Federal Maritime Commission: Salaries and expenses	6,385,000	7,382,000	7,300,000	7,300,000	7,300,000
Foreign Claims Settlement Commission: Salaries and expenses	947,000	1,250,000	1,240,000	1,240,000	1,240,000
Marine Mammal Commission: Salaries and expenses	412,000	1,000,000	600,000	900,000	750,000
National Commission for the Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance: Salaries and expenses	332,000	500,000	332,000	332,000	332,000
Small Business Administration:					
Salaries and expenses:					
Appropriation	23,000,000	27,100,000	26,500,000	26,500,000	26,500,000
Transfer from revolving funds	(78,150,000)	(86,200,000)	(84,650,000)	(86,180,000)	(85,415,000)
Payment of participation sales insufficiencies	973,000				
Business loan and investment fund	225,000,000	328,000,000	328,000,000	327,000,000	327,500,000
Disaster loan fund		91,000,000	91,000,000	90,000,000	90,000,000
Total, Small Business Administration	248,973,000	446,100,000	445,500,000	443,500,000	444,000,000
Special Representative for Trade Negotiations: Salaries and expenses	1,519,000	1,925,000	1,850,000	1,850,000	1,850,000
Tariff Commission: Salaries and expenses	7,400,000	9,000,000	8,900,000	8,900,000	8,900,000

Footnotes at end of table.

Item (1)	New budget (obligational) authority, fiscal year 1974 (enacted to date) [1] (2)	Budget estimates of new (obligational) authority, fiscal year 1975 (3)	New budget (obligational) authority recommeded in House bill (4)	New budget (obligational) authority recommended in Senate bill (5)	Conference action (6)
U.S. Information Agency:					
Salaries and expenses	$203,062,000	$222,091,000	$219,668,000	$216,462,000	$218,462,000
Salaries and expenses (special foreign currency program)	6,000,000	9,377,000	8,700,000	8,377,000	8,377,000
Special international exhibitions	10,774,000	6,770,000	6,770,000	6,770,000	6,770,000
Special international exhibitions (special foreign currency program)	78,000				
Acquisition and construction of radio facilities	1,000,000	4,400,000	4,400,000	4,400,000	4,400,000
Total, U.S. Information Agency	220,914,000	242,638,000	239,538,000	236,009,000	238,009,000
Total, title V, related agencies	597,177,000	833,810,000	824,757,000	822,372,900	823,472,000
Total, titles I, II, III, IV, and V, new budget (obligational) authority	4,717,997,300	4,452,799,600	5,311,454,100	5,262,502,000	5,290,157,100
Consisting of—					
1. Appropriations	4,717,922,300	5,452,799,600	5,311,082,600	5,262,130,500	5,289,785,600
2. Reappropriations	75,000		371,500	371,500	371,500
Memoranda:					
Appropriations to liquidate contract authorizations	(244,515,000)	(242,800,000)	(242,800,000)	(242,800,000)	(242,800,000)
Total appropriations, including appropriations to liquidate contract authorizations	(4,962,512,300)	(5,695,599,600)	(5,554,254,100)	(5,505,302,000)	(5,532,957,100)

[1] Includes amounts in 2d Supplemental Appropriation bill, 1974. In addition the bill includes an indefinite appropriation for certain prior-year pay cost increases.

[2] The budget proposed consolidation of this item with "Salaries and expenses."

[3] $27,726,000 contained in S. Doc. 93-88 not considered by House.

[4] Excludes request of $94,575,000 for the Colorado River International Salinity Control project.

[5] The budget proposed consolidation of "Salaries and expenses, Antitrust Division" and "Salaries and expenses, U.S. attorneys and marshals" with "Salaries and expenses, general legal activities."

[6] Includes $1,500,000 contained in S. Doc. 93-89 not considered by House.

[7] Includes $2,145,000 not considered by House (H. Doc. 93-305—$700,000; S. Doc 93-93—$1,455,000).

[8] Reflects consolidation of appropriation items.

[9] Includes budget amendment of $30,200,000, contained in H. Doc. 93-305.

[10] Includes budget amendment of $1,787,000, contained in H. Doc. 93-305.

[11] Reflects withdrawal of budget estimate of $1,971,000 in H. Doc. 93-305.

[12] Excludes request of $39,527,000 for the Community Development Corporation program.

[13] Includes $5,901,000 not considered by House (H. Doc. 93-305—$300,000; S. Doc. 93-93—$5,601,000).

[14] Excludes $6,630,000 contained in the Special Energy Research and Development Appropriation Act, 1975 (Public Law 93-322 approved June 30, 1974).

[15] The budget included this item in "Scientific and technical research and services."

[16] Includes $18,000 contained in S. Doc. 93-85 not considered by House.

[17] Estimate contained in H. Doc. 93-221, transmitted to the Congress on Feb. 25, 1974.

[18] Includes $3,700,000 contained in S. Doc. 93-101 not considered by House.

Mr. HRUSKA. Mr. President, as ranking minority member on the Subcommittee on State, Justice, and Commerce, the Judiciary, and Related Agencies appropriation bill, I would be terribly remiss if I failed to commend our chairman, the senior Senator from Rhode Island (JOHN O. PASTORE), for his faithful diligence in maintaining the priorities established by the Senate during our conference with Members of the House.

This conference report which is on the desk of every Member should be adopted. It was approved by the conferees as the best possible solution to those items and matters in disagreement by the two Houses.

Last month President Ford outlined his views to the Congress with respect to frugality in Government and the necessity that we all cut Government spending. I share those views, Mr. President, and because this conference report is bare bones and is $162,642,500 or 3 percent below the budget, I commend it to my colleagues as worthy of quick approval by the Senate.

Mr. PASTORE. Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER (Mr. WILLIAM L. SCOTT). The question is on agreeing to the motion of the Senator from Rhode Island.

The motion was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate No. 28 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter proposed to be inserted by said amendment, insert: : *Provided further*, That the Chief Judge of each circuit may appoint a senior law clerk to the Court at not more than $30,000 per annum, without regard to the limitations referred to above

Resolved, That the House recede from its disagreement to the amendment of the Senate No. 33 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the matter proposed to be inserted by said amendment, insert: $750,000: *Provided*, That, notwithstanding section 207 of Public Law 92-522, not to exceed $300,000 may be used for administrative expenses

Mr. PASTORE. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate Nos. 28 and 33.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

The motion was agreed to.

SENATE RESOLUTION 409—DESIGNATING THE PERIOD SEPTEMBER 23 THROUGH SEPTEMBER 27 AS "MEALS-ON-WHEELS WEEK"

Mr. McGOVERN. Mr. President, I ask unanimous consent that a resolution (S. Res. 409) submitted on yesterday be corrected to concur with the proper language. It is simply a perfecting amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 409), with its preamble, is as follows:

S. RES. 409

Resolution, designating the period September 23 through September 27 as "Meals-on-Wheels Week".

Resolved, Whereas, the World Hunger Action Coalition has proclaimed the week of September 22 through September 29 as the "Week of Concern for World Hunger," and

Whereas, the thousands of Meals-on-Wheels organizations in the United States, Canada, and many other countries provide hot, nourishing meals each day to the hungry, housebound, elderly, handicapped, and the disabled, without regard to race, creed, color, or financial ability, and

Whereas, the vast majority of these Meals-on-Wheels organizations are privately organized as activities of local churches, temples, or concerned civic groups, and

Whereas, such Meals-on-Wheels programs enable millions of individuals to remain in their homes and maintain their health, and

Whereas, Meals-on-Wheels has grown to serve the purposes previously listed since it was first started in England in 1939 and begun in the United States in 1954, and

Whereas, as elected public servants, we welcome and encourage programs which serve the less fortunate and are especially grateful for efforts which originate on a volunteer basis in the private sector, and

Whereas, those meals are planned, packaged, and delivered by the enterprise, compassion and devotion of literally thousands of volunteers who are helping to bring a measure of human warmth and love to those they serve: Now, therefore, be it

Resolved, That the period September 23 through September 27 be designated as "Meals-on-Wheels Week" in the United States in recognition of the selfless service these Meals-on-Wheels units perform and in honor of the first National Conference of Meals-on-Wheels.

RESTRUCTURING OF THE RAILROAD RETIREMENT SYSTEM

The Senate continued with the consideration of the bill (H.R. 15301) to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered thereunder, and for other purposes.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HATHAWAY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATHAWAY. Mr. President, what is the pending business?

The PRESIDING OFFICER. H.R. 15301, the railroad retirement bill.

Mr. HATHAWAY. Is there a time agreement on that?

The PRESIDING OFFICER. Three hours on the bill, 1 hour on each amendment.

Mr. HATHAWAY. Thank you, Mr. President.

I ask unanimous consent that Angus King, Frank Crowley, and Robert Hunter be given the privilege of the floor during debate and votes on the pending measure.

The PRESIDING OFFICER (Mr. McClure). Without objection, it is so ordered.

Mr. BEALL. Will the Senator yield?

Mr. HATHAWAY. I am happy to yield, but I have one more unanimous-consent request.

Mr. President, due to an error in the printing of this bill, a part of one line stricken from the House bill was omitted from this print. I ask unanimous consent that this language, which should appear in line type, be reinserted on page 116, line 22, immediately following the word "section." The words are "during fiscal years 1979, 1984, 1989,".

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

Mr. HATHAWAY. Mr. President, I yield to the Senator from Maryland (Mr. Beall).

Mr. BEALL. Mr. President, I ask unanimous consent that David Rust of my staff be given the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATHAWAY. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. HATHAWAY. Mr. President, the Senate is considering today a major piece of legislation aimed at solving a chronic problem which has been before this body all too often in the past several years. The bill I refer to is H.R. 15301, which would restructure the railroad retirement system. As all of my colleagues are aware, this system, which provides retirement and disability benefits to over one million of our citizens, is currently in serious financial difficulty. Estimates vary, but all projections indicate bankruptcy for the railroad retirement fund by the early 1980's if no changes are made. It is out of this crisis situation that H.R. 15301 has grown.

Serious questions were first raised as to the actuarial soundness of the railroad retirement system in 1970 at the time that consideration was being given to an increase in railroad retirement benefits. Since adequate information on which to base a long-term solution was not then available, Congress established a Commission on Railroad Retirement to study the system and its financing for the purpose of making recommendations as to the measures necessary to provide adequate levels of benefits on an actuarially sound basis—Public Law 91-77.

On September 7, 1972, the report of the Commission was received by Congress. The principal recommendations set forth in this report called for the restructuring of the railroad retirement program into a two-tier system, under which railroad employees would receive a basic benefit payable exactly the same as social security benefits, with a second tier of benefits over and above the social security tier.

The Commission further recommended that future accrual of dual benefits—payment of separate social security and railroad retirement benefits—should be stopped, but that "legally vested rights" of railroad workers and railroad retirement beneficiaries to benefits based on social security covered nonrailroad service should be guaranteed; that a "firm financial plan" should be adopted to finance the second, or staff tier of railroad retirement benefits on an assured, fully self-supporting basis by contributions from the railroad community; and that the railroad retirement benefit formulas should be restructured "to assure that the overall benefits in the future continue to bear a reasonable relationship to wages in a dynamic economy and to make benefits more equitable among the various groups of beneficiaries." As will be seen as I outline the major provisions of this bill, it carries out, in significant part, these recommendations made by the Commission.

Shortly after the Commission issued its report, Congress enacted Public Law 92-460, which contained a provision instructing representatives of railroad labor and management to enter into negotiations that would take into consideration the Commission's specific recommendations and to submit a report containing their mutual recommendations as to what measures should be taken to assure the receipt of sufficient revenues to finance the benefits provided by the Railroad Retirement Act. Pursuant to that directive, the representatives submitted a report, dated February 27, 1973, calling attention to the complex issues involved and stating that substantial progress had been made in shaping mutual agreeable recommendations.

Subsequently, Public Law 93-69 was enacted, a provision of which directed the representatives of labor and management to present to Congress their joint recommendations in the form of a draft bill for restructuring the railroad retirement system in a manner which will insure its long-range actuarial soundness. The bill before us today implements the recommendations submitted by the Joint Labor-Management Railroad Retirement Negotiating Committee in accordance with the directive contained in Public Law 93-69.

Essentially, the bill provides for a complete restructuring of the system by preventing the future accrual of so-called dual-benefit rights and breaking the retirement benefit into two components, one reflecting a basic social security benefit—calculated on the basis of both railroad and nonrailroad service—and the other related strictly to railroad service. The dual benefits of those already retired as well as those still active in railroading who are vested under both systems as of January 1, 1975, are protected.

Further, the formula for the second tier—the "staff" benefit—is altered by the bill so as to produce future benefit levels which bear a reasonable relationship to wages. It should be noted that these two changes in existing law—the elimination of future dual benefits and the alteration of the formula—are major concessions on the part of the workers in this industry and account for cutting the system's deficit by more than one-half.

For their part, the rail carriers, through this bill and last year's legislation—Public Law 93-69—have taken on the responsibility for funding the entire future cost of the system, with two exceptions: the employees will continue to pay a tax equal to the social security tax paid by all other workers, and the cost of the phasing out of dual benefits will be borne by the general revenues. This cost is estimated to amount to 3.64 percent of payroll or $285 million a year on a level cost basis for the next 25 years.

It is possible, I should note, that this cost could rise to a maximum of $315 million a year due to cost-of-living increases in the dual benefits. I would point out, however, that this increase is not certain, and, in any case, would be entirely offset by gains anticipated from the changes the bill makes in the investment policy of the railroad retirement fund.

Prior to last year's changes, the cost of the system was borne equally by the workers and the carriers, an arrangement contrary to that prevailing in most major American industries.

Obviously, the question which can be asked about this bill is why the future dual benefit cost should be carried by the general revenues. This cost—estimated at $285 million a year, as I mentioned—represents the amount necessary to continue paying dual benefits—that is, benefits under both social security and railroad retirement—to those people protected under the bill—present retirees and those currently vested under both systems. And this cost constitutes the major segment of the present railroad retirement deficit. In order to explain how this situation arose and to justify the general revenue appropriations authorized in this bill, it is necessary to go back to the interrelationship between the railroad retirement and social security systems and trace the roles of the carriers, railway labor, and the Congress.

In 1951 the Congress created what is called the financial interchange, under which the railroad retirement system was reinsured with the social security system. Under this program, the railroad retirement system pays to the social security system each year an amount equal to the taxes which would have been paid by all railroad employees, and by the railroads, if railroad service were service covered under the Social Security Act. The social security system, on the other hand, transfers to the railroad retirement system each year an amount equal to the total of social security benefits which would have been paid to all retired railroad employees, their dependents, and survivors if all railroad service of the employees since 1936 had been covered under the Social Security Act. The net result of the financial interchange program has been a transfer over the years of $8.2 billion from the social security system to the railroad retirement system.

The Social Security Act prohibits payment of multiple benefits to any individual under that act. For this reason, whenever an individual receiving railroad retirement benefits also qualifies for social security benefits, the amounts paid to the railroad retirement system under the financial interchange on account of that individual are reduced by the total of the social security benefits which that individual receives. The lost reimbursement to the railroad retirement system over the years arising out of this situation is in excess of $4 billion, and it is estimated that the present value of the future lost reimbursement which will arise out of the provisions of the bill continuing payment of both railroad retirement and social security benefits to certain individuals is an additional $4½ billion.

A principal factor leading to this $8½ billion loss to the railroad retirement account—$4 billion in the past and $4½ billion in the future—arises out of the manner in which benefits are computed under the Social Security Act. That act grants proportionately greater benefits to persons with relatively short periods of covered service and relatively low wages. In computing the amounts to be transferred to the railroad retirement system under the financial interchange arising out of the service of any individual employee, the amounts to be transferred are computed on the basis of both his railroad employment and his nonrailroad employment. When that individual then begins to draw benefits from the social security system based upon his nonrailroad employment, the amounts by which the financial interchange reimbursement are reduced are disproportionate to the individual's total employment, railroad and nonrailroad. In other words, a person working 40 years for the railroads would get a smaller social security benefit than someone working 20 years for the railroad and 20 years for someone else. And therein lies the dual benefit problem.

H.R. 15301 eliminates this situation for the future by providing for the computation of railroad retirement tier I benefits under the social security formula based on both railroad and nonrailroad service.

So the question we were confronted with was who should bear the cost, estimated to be 3.64 percent of taxable payroll, of continuing these benefits to persons already retired and those with vested rights protected under the bill.

The Office of Management and Budget has suggested that this cost can be met by simply cutting benefits under the bill. The committee rejected this suggestion for three reasons: First, cutting off the benefits of those already receiving or legally entitled to them would clearly be inequitable.

These individuals have a right to receive those benefits the law had led them to rely upon or expect. Second, as I have mentioned, more than half of the long-range cost of putting the overall system in actuarial balance under this bill is accomplished through significant reductions in benefits payable to future retirees. These reductions include the prohibition of future dual benefits as well as changes in the benefit formula. Finally, since accrual of future dual benefit rights is prohibited under the bill, it seems unfair to assign this cost to people who will never be able to collect such benefits.

Then the question becomes whether these costs should be assigned to the carriers. Aside from the obvious questions as to whether the carriers, particularly those in the northeast, can afford this additional burden, the committee—and the House—decided that to place the cost on them would be inequitable.

In the first place the railroads had no part in the creation of this dual benefit situation. The lost reimbursement to the railroad retirement system arising out of individuals becoming entitled to social security benefits arises out of nonrailroad employment performed by these individuals—employment which has not benefitted the railroad industry in any fashion. A further factor leading to lost reimbursement arises in part out of provisions contained in the Social Security Act, and the formula for the computation of benefits thereunder—again matters over which the railroad industry has no control. With respect to legislation enacted repealing restrictions on dual benefits, the railroad have consistently opposed such legislation.

The problem of dual beneficiaries has not occurred overnight. In 1953, when the problem was discussed in the report of the Joint Committee on Railroad Retirement established under Senate Concurrent Resolution 51, 82d Congress, approximately 15 percent of railroad retirement beneficiaries were also entitled to social security benefits. The report stated:

> With regard to persons with ten years or more of service the problem of dual benefits is not now serious, and if this ever should become a problem in the future, it could be solved by amendment to the Railroad Retirement Act, or the Social Security Act, without integration. (S. Rept. 6, Part I, 83d Cong. 1st Sess., p. 6.)

Today approximately 40 percent of railroad retirement beneficiaries are also entitled to social security benefits. This has resulted from liberalizations in eligibility requirements for social security benefits being enacted, and from acts repealing restrictions on railroad retirement benefits for persons also receiving social security benefits.

A detailed study of the legislative history of the various congressional actions with regard to the development of the dual benefit problem clearly indicates that this increase in dual beneficiaries from 15 percent of railroad retirees to 40 percent is, in large measure, attributable to acts of Congress which have made it possible for individuals to qualify under both acts. And, as I mentioned before, the rail carriers in each instance are on record as being firmly opposed to these various congressional actions. Each year the problem has grown just a bit greater than it was the year before, but it was not until the Commission on Railroad Retirement submitted its report in 1972 that the full dimensions of the problem became apparent. It hardly seems fair for Congress to have created, maintained, and even expanded a discriminatory and irrational pension structure which in no way benefits the railroad industry and then turn around and thrust its enormous costs onto that industry.

I should point out to my colleagues that there is precedent for the approach taken in this bill. I refer here to the appropriations made from the general revenues each year to cover the cost of allowing social security and railroad retirement credits for military service. Providing these payments represents a policy decision by the Congress that it would be inequitable not to provide them—and we do pay the cost out of general revenue. By the same token, the decision which we are making in this bill—and with which few of my colleagues would quarrel—is that it would be fundamentally unfair to cut off these dual benefits to those already receiving them and those with a legally vested expectation of receiving them. And by making this decision, we assume a Federal responsibility. Just as we would not impose the social security on the worker's last premilitary employer, so we should not impose this dual benefit cost on the railroad industry.

Before concluding on this point, I should say a word about the effect of this bill on the present troubled state of the national economy.

Mr. CURTIS. Mr. President, will the Senator yield for a question or two on the benefits before he goes to the economy discussion?

Mr. HATHAWAY. If the Senator will refrain, I just have another page or so in my general remarks, and then I would be glad to answer his questions at that time.

Mr. CURTIS. I would be happy to defer.

Mr. HATHAWAY. It will be argued, I am sure, that the cost associated with this bill—by adding to the size of the Federal budget—will aggravate our already chronic inflation. A strong case can be made that exactly the opposite will happen—that a tax increase on the carriers instead of the public financing provisions of the bill would actually lead to more inflation which will hit quicker than any generated by the present bill. A simple look at the economics of the transportation industry, shows why. The railroads, by and large, simply cannot afford to absorb the costs associated with this bill.

In the industry in general these costs would sop up almost one-half of net income. And they would simply put many roads that much more in the hole. So if this cost cannot be absorbed, what happens to it? It gets passed on to shippers—and then to consumers obviously—in the form of a rate increase. And that is direct, measurable inflation in the price of every good shipped by rail, from coal to automobiles, from chemicals to wheat.

In short, we have isolated and ended the source of Railroad Retirement's difficulties—the continuation and growth of the dual benefit problem. This process has required sacrifices from both railway management and railway labor, and, we feel, requires participation by the Federal Government. Although we do not relish the necessity of this participation, it is a finite cost which seems justified by the long-range solution agreed upon in this bill.

Mr. President, I do not wish to prolong my remarks but would only call to the attention of my colleagues several other important features of the bill.

The first of these is the fact that several benefit liberalizations are made—not across the board, but to certain groups of beneficiaries. These changes, which have a cumulative cost estimated at 3.1 percent of payroll, provide:

First, people who retire at age 60 with 30 years of service could receive supplemental annuities at age 60, rather than at age 65;

Second, the spouse of an individual who retires at age 60 with 30 years of service could qualify for a spouse's annuity at age 60, rather than at age 65—these two provisions make fully effective the early retirement provisions passed last year—and

Third, the benefits generally payable to survivors—most widows—would be increased from 110 percent of the comparable social security benefit to 130 percent of the comparable benefit.

I should point out that this last change, which is the most significant in terms of cost, follows an explicit recommendation of the Commission on Railroad Retirement and answers what is undoubtedly the number one criticism of the program by the retirees themselves.

An additional change in current law made by the bill concerns control of the investments of the railroad retirement fund. Presently, the Secretary of the Treasury determines the manner in which the account will be invested. Under the bill this authority over investments would be vested in the Railroad Retirement Board and any additional income earnings would be used, in effect, to reduce the payments out of general revenues authorized to meet the cost of phasing out dual benefits. We were informed in committee that under the House-passed provision, the Railroad Retirement Board, by returning low-interest earning investments and making new investments at higher interest rates, anticipated additional income over the long-run equal to one-half of 1 percent of taxable payroll, or $30 million a year.

However, the formula used to determine the amount to be transferred to the Treasury as an offset for general revenue payments might result in transfers in excess of the actual additional interest earnings. Accordingly we have modified the House bill so that the additional interest earnings as actually determined by the Board will be deducted from the authorization for general revenue contributions under the bill. Thus, any gain from the change in investment policy will accrue to the general taxpayers as long as there is Federal participation in the funding of the system.

Mr. President, I have presented a brief look at our approach to a most complex and troublesome subject. I hope that my colleagues will support this bill as the best and most equitable solution available to the problems of this system. And, finally, I hope that this measure will mark the end of the difficult period all those involved in this system have just been through and the beginning of a new system which will be both more stable and more fair.

I yield to the Senator from Nebraska.

Mr. CURTIS. I thank my distinguished colleague, and I commend him for his statement and the clarity with which he has presented it.

The committee has worked on this matter that is filled with problems, it has been difficult, and which has been with Congress for some time.

In the matter of establishing the record there are a few questions I would like to ask. One is this: When we speak of a dual system, it is not for the same employment, is that not correct?

Mr. HATHAWAY. Not for what?

Mr. CURTIS. Not for the same identical work performed.

Mr. HATHAWAY. The Senator is correct. It is for different employers.

Mr. CURTIS. In other words, the Social Security Act does not apply to railroad labor.

Mr. HATHAWAY. The Senator is correct.

Mr. CURTIS. But this dual system of benefits comes about when individuals who are performing railroad labor have a second job.

Mr. HATHAWAY. That is correct.

Mr. CURTIS. Or a third job.

Mr. HATHAWAY. Either concurrently or one following the other.

Mr. CURTIS. And from that job they earn social security entitlement.

Mr. HATHAWAY. The Senator is correct.

Mr. CURTIS. And to that extent it is somewhat similar to the problem in reference to civil service employees who may work for the Government; and civil service employees, for the most part, do not pay social security taxes nor does the Government as the employer; yet many of them will be entitled to benefits; is that correct?

Mr. HATHAWAY. They are not really the same because under civil service there is no financial interchange as there is under the railroad retirement system. It is dual benefits as they affect the financial interchange that forms the basis for the shortfall that we are trying to take care of in this bill by the appropriation of $285 million a year out of general revenue for a period of 25 years.

Mr. CURTIS. Yes.

Now, as I understand the new plan, if a retiring employee or other beneficiary is entitled to benefits, he receives the amount from the social security fund to which he is entitled, and then from the railroad retirement fund he gets a supplement for that to bring it up to the promised amount; is that correct?

Mr. HATHAWAY. The Senator is correct. He receives a social security benefit as part of his railroad retirement check.

Mr. CURTIS. Does the Senator happen to know how much the tax or contribution of an individual railroad employee is at the present time, assuming that he pays the maximum?

Mr. HATHAWAY. A railroad employee pays the same as a social security employee now.

Mr. CURTIS. How much does it amount to in dollars?

Mr. HATHAWAY. I think it is 5.8 percent.

Mr. CURTIS. Is it not on a lesser base?

Mr. HATHAWAY. It is 5.8 percent. The base is somewhat less, up to about $2,000 less.

Mr. CURTIS. What is the maximum dollar amount that a railroad employee pays into the railroad retirement fund? Is it in the neighborhood of $63 a month?

Mr. HATHAWAY. It is about that, yes.

Mr. CURTIS. How much does the employing company, the railroad company, pay?

Mr. HATHAWAY. In the neighborhood of some 15 percent.

Mr. CURTIS. About three times.

Mr. HATHAWAY. That is correct. About three times, as much as the employee pays.

Mr. CURTIS. In the neighborhood, we are talking about the maximum, of about $195?

Mr. HATHAWAY. The Senator is correct.

Mr. CURTIS. So, on a 12-month basis, it is roughly in the neighborhood of $2,300?

Mr. HATHAWAY. The Senator is correct.

Mr. CURTIS. Under this new plan, will the dollar amount to be contributed by railroad employees be in any way diminished?

Mr. HATHAWAY. No, it will not.

Mr. CURTIS. How about the dollar amount contributed by the railroad company, will that be in any way diminished?

Mr. HATHAWAY. No, it will not be diminished.

Mr. CURTIS. How many railroad employees are there in the country?

Mr. HATHAWAY. There are presently 600,000 railroad employees.

Mr. CURTIS. And how many beneficiaries are on the railroad retirement rolls?

Mr. HATHAWAY. A little over a million.

Mr. CURTIS. So we have over a million beneficiaries of the retirement system as compared to 600,000 workmen?

Mr. HATHAWAY. The Senator is correct.

Mr. CURTIS. Now, that part that the General Treasury of the United States is going to pick up represents the total amount they would earn under social security; is that correct?

Mr. HATHAWAY. The amount the taxpayers will pick up represents the shortfall in the financial interchange resulting from the dual-benefit system. The cost is the amount necessary to continue dual-benefit payments to those who are already retired and those who have a vested interest in both systems, both social security and railroad retirement as of January 1, 1975.

Under the dual-benefit system, the railroad employee is unique in that he receives, in effect, two social security payments, one from social security and one as a component of his railroad benefit.

Another employee working for two different employers would not receive two checks such as that because his two employment periods would be added together to compute one social security benefit. The problems arises because the social security system favors the lower income employee. When you add his two checks together, they are greater than if that employee had had all his service, railroad and nonrailroad, lumped together. However, the social security system has been reimbursing the railroad retirement system as if that railroad employee was getting only one benefit.

As a result of that, there is a differential which has amounted, as I stated in my general remarks, to $4 billion over the past 23 years, and we estimate $4.5 billion for the next 25 years. The sum of $285 million per year on a level basis for the next 25 years will make up for that deficit.

Mr. CURTIS. What happens in the estimated period of 25 years?

Mr. HATHAWAY. At the end of the 25 years, there will no longer be any necessity of any payment made from general revenues.

Mr. CURTIS. Is it expected that with the exception of someone who already has an entitlement to two benefits that the entire cost of his retirement, if he is a railroad employee, will be borne by the railroad retirement fund?

Mr. HATHAWAY. It is expected, yes.

Mr. CURTIS. What if that individual in the future performs labor in a second job?

Mr. HATHAWAY. If he does not have a vested interest under the railroad retirement system and the social security system as of January 1, 1975, he will not be entitled to the so-called dual benefits. He will be paid a social security component of his railroad retirement based on rail and nonrail service just like any other social security recipient, and he will get the second tier of benefits based strictly on his railroad service.

Mr. CURTIS. That part, that will end, will be the interchange, and the reimbursement comes to an end for the new employees, but what will be the situation of a young man who starts out now in railroad and continues on for the normal period to retirement and then, in addition, he has a second job, totally unrelated to railroading, on which he and his employer pay the social security tax, will he be entitled to two benefits?

Mr. HATHAWAY. He will not be able to accrue dual benefits because he will not be vested under the system, so he will be just like any other employee.

Mr. CURTIS. What will prevent——

Mr. HATHAWAY. If he goes to work for 10 different employers, he gets one check based on his employment with those 10, no matter whether he worked for the railroad or who he worked for, but the railroad employee will get an additional benefit from the railroad retirement fund from the additional moneys that the carriers put in.

Mr. CURTIS. Perhaps I have not made myself clear.

Here is what I assume, the young man starts out now, he enters the railroad employment, he continues on for the normal number of years and he retires, but he also has a second job which he and his employer pay the social security tax on.

Will he be entitled to both retirement funds figured independently?

Mr. HATHAWAY. He will get one social security benefit as part of his railroad retirement and he gets an additional benefit based on contributions made to the railroad retirement fund.

That is not the same as a dual benefit.

Mr. CURTIS. Well, I will withdraw the word "dual."

Will he not get two benefits handled separately?

Mr. TAFT. Will the Senator yield?

Mr. HATHAWAY. He will get one check which will include his social security component.

Mr. TAFT. Will the Senator yield?

Exactly the same as an employee covered by a private employer and social security.

Mr. HATHAWAY. The Senator is correct.

Mr. CURTIS. Most people covered by a private pension plan are also covered by social security.

Mr. TAFT. Yes, and this is essentially what will happen to a railroad employee under this bill. He will get his "private pension" as tier II or his railroad retirement benefit and he will get his social security as tier I.

Mr. CURTIS. Yes.

Mr. TAFT. But in the future, there will not be any dual benefit social security cost on the interchange with the railroad retirement fund.

Mr. CURTIS. In other words, and I do not wish to be argumentative, I merely want to understand because we run into this in social security legislation and we have the same problem in reference to other groups that are extant from social security, the biggest group is the civil service group, but there are, for instance, firemen in some cities and States, as well as some other employees, that are not covered by social security.

Now, for the new railroad employee that operates under the passage of this bill, his situation in regard to a second job will be the same as a civil service employee's situation is now, is that correct?

Mr. TAFT. That is correct, in that he will get social security credit for his nonrailroad work. He will not get two checks, however, as his social security entitlement will show up as tier I of his railroad retirement check.

Mr. CURTIS. Is it not true that one of the things that made this legislation necessary at this time is that the railroad retirement fund could not carry on and pay its obligations under existing law?

Mr. HATHAWAY. That is right. We estimate the fund would be bankrupt about 1980 if it continues as at the present.

Mr. CURTIS. So the contribution to be made by the Federal Government over the next 25 years is brought about by the threat of bankruptcy of the railroad retirement fund, as a practical matter?

Mr. HATHAWAY. That is correct.

Mr. CURTIS. I thank my distinguished colleagues for their helpful information.

Mr. HATHAWAY. Mr. President, I reserve the remainder of my time.

Mr. SCHWEIKER. I yield 15 minutes to the distinguished Senator from Ohio.

Mr. TAFT. I thank the Senator.

I would like to thank the distinguished Senator from Maine for a very lucid explanation of a very complicated subject. I concur with many of the comments which he has made.

Mr. President, I urge support of H.R. 15301, a bill to amend the Railroad Retirement Act of 1937 to revise the retirement system for employees of employers covered thereunder, as amended in the Labor and Public Welfare Committee.

As I view it, there is really only one matter that is controversial in this bill. I refer to the provision under which Federal funds would be used to finance, in part, the phase-out cost of windfall dual benefits to the extent of $285 million per year over a 25-year period. Frankly, I had some misgivings myself on this aspect of the bill, but after having reviewed the testimony given before the subcommittee and studying the problem carefully, I have come firmly to the conclusion that the solution proposed by the bill is the only rational one.

Dual benefits are the social security benefits that under existing law a railroad employee may qualify for by working for an employer covered by social security, whether on a "moonlighting" basis or as a separate part of his working career.

They are dual benefits in the sense that, under the financial interchange between railroad retirement and social security, a basic portion of all regular railroad retirement benefits is financed by social security. A second social security benefit, paid directly, is thus in that sense dual to a part of the railroad retirement benefit.

These dual benefits produce a windfall to the employee, because they involve the payment of two social security benefits in relation to an employee's working career, and the nature of the social security formula is such that if a career is split into two pieces and a separate social security benefit is computed in relation to each piece their total is greater than the amount of a single social security benefit computed in relation to the entire career.

Dual benefits of this nature are unique to the railroad industry—no other private industry in the United States has them.

The dual benefit windfall is inequitable in that it gives an advantage to employees who split their working careers between railroads and other industries, as compared with employees who devote their entire working careers either to the railroad industry or to industries under social security. On the other hand as to employees entitled and retirees the benefits are in effect vested and promised, and Congress has so regarded them.

Finally, dual benefits resulted in added cost to the railroad retirement system because under the financial interchange the railroad retirement system is charged with the windfall cost, even though the benefit is a social security benefit.

Dual benefits are not like most elements of the railroad retirement system in representing the product of an agreement between railroad management and railroad labor. Quite the contrary. They were imposed on the railroad retirement system by action of the Congress, over the objection initially of railroad labor as well as railroad management, and every stage of liberalization by Congress thereafter was over the objections of railroad management.

I believe this problem of dual benefits must be examined in historical perspective. Before 1950, because of the way the social system was set up, there was no real problem of people qualifying under both social security and railroad retirement, and shortly after the financial interchange was introduced a joint committee of Congress reported that if dual benefits ever should become a problem it could be solved by amendment of either the Railroad Retirement Act or the Social Security Act. In 1950 the social security system was changed so that it became easier to qualify for social security benefits and not at all difficult to qualify during a single working career for both railroad retirement and social security benefits, but at that time there were certain restrictions in effect on the payment of dual benefits. The railroad employee labor unions as well as the railroads opposed legislation which would eliminate those restrictions.

Congress nevertheless enacted legislation in 1954, and the foundations were laid for development of the problem. Subsequently, on three occasions the railroad employees labor unions joined with the railroads in supporting legislation which would prevent an increase in social security benefits being duplicated by an increase in railroad retirement benefits for the retired employee who was receiving the dual benefit. On other occasions this was not agreed to. Although the problem began to be recognized for what it was, its full dimensions did not become clear until in 1972 the Commission on Railroad Retirement, which had been created as the result of our legislation in 1970, made its report. In the meantime, in 1971, 1972, and 1974 the Congress enacted further increases in both social security and railroad retirement benefits, and the legislation was so structured that for those who were receiving dual benefits there was a double increase.

These dual benefits are now responsible for an actuarial deficit in the railroad retirement system of almost 8 percent of taxable payrolls. The total deficit in that system is slightly more than 9 percent. So the dual benefits are directly responsible for about 85 percent of the deficit.

Mr. President, I ask for the yeas and nays on the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. TAFT. The railroads and the labor unions have agreed to eliminate dual benefits in the future. Under the pending bill, no new employees, and no present employees unless they are fully qualified under both railroad retirement and social security by the end of this year, would receive dual benefits, and those who are qualified would not be able to earn future dual benefit credits after this year. Those measures would cut the future potential cost of the dual benefits by more than 4 percent of taxable payroll. That is more than one-half of what would be the cost of dual benefits; it is almost one-half the total deficit.

There remain, however, the rights of those now on beneficiary rolls who are receiving dual benefits and those not yet retired who have already qualified for dual benefits. Under the pending bill, those on beneficiary rolls would continue to receive the windfall portion of the dual benefits they are now receiving, and those who have already qualified as of prescribed qualifying dates will on retirement receive the windfall portion of the benefit for which they have qualified. In both cases the windfall amounts will be frozen upon retirement and will not be subject to any increase which may be made thereafter in social security benefits. This treatment of those on beneficiary rolls and those who are, so to speak, already vested is generally in keeping with the recommendations of the Commission on Railroad Retirement, and I do not see how we in Congress could fault the industry or the unions for recommending that those people be taken care of in accordance with existing commitments.

With these measures effectuated by the enactment of the pending bill, over the next several decades dual benefits will disappear from the railroad retirement system. However, payment of the windfall to those limited classes who would continue to receive them through their lifetimes would have to be financed. It is estimated at about 3⅔ percent of taxable payroll on a level basis. The critical issue is—who will bear the cost?

Under the bill the phaseout cost of dual benefits would be paid out of general revenues. The bill as reported by the committee calls for the Railroad Retirement Board to estimate the amount the railroad retirement fund would require, on a level basis, over the next 25 years ending with the fiscal year 2000 which, with additional interest income as will be hereinafter discussed, would enable that fund at this point to pay all the windfall dual benefits to the limited and shrinking group of people still entitled to them. This, of course, would include benefit payments continuing, on a diminishing basis, after the year 2000 as well as before that year. According to the committee amendment, the Railroad Retirement Board is to update its estimates every 3 years. On the basis of the Board's initial estimates, it appears that what we are talking about is a contribution from the general revenues of $285 million, or probably less, annually over a 25-year period.

I am frank to admit that this calling on the Treasury is troublesome, and it was a last resort. But let us consider the alternatives.

In doing so we must recognize that the windfall dual benefit is an inequitable benefit. It gives an advantage to the split career employee and to the "moonlighter" over the employee who has stuck by the railroad industry, and over any other industrial worker who has not divided his time between the railroad industry and other private industry. It provides an unrealistically large benefit in relation to the tax payments the employee made under social security during his working career. When we are dealing with such an inequitable benefit, no method of financing can be entirely equitable. The job before us is to find the least inequitable method.

First, can we turn to the railroad community to finance it?

If we were to look to the current and future employees for financing, we would place this cost on those who cannot benefit from the very program we would be calling on them to finance. Furthermore, under our legislation last year the railroad employees are paying retirement taxes at the same rate as employees in industries covered by social security. To interfere with that arrangement without the most compelling reasons for doing so would in my judgment, be a mistake.

Can we look to the railroads for the phaseout cost? This too would seem unwarranted. As I stated earlier, the railroads opposed the dual benefits from the outset. The railroads have received no benefit from the service which gives rise to the dual benefit: That is service for employers under social security, not for railroad employers. The railroads and their employees have jointly borne the dual benefit cost for the last 20 years, and it has amounted to $4 billion—the cost of a social security benefit paid for service to employers under social security.

Neither does it make sense to impose the cost on the railroads in the thought that they will pass it on to the shipping public in the form of higher freight rates. In the first place, competitive considerations might make it difficult if not impossible for the railroads to recoup all their increased cost in this way. Second, to the extent that railroads could increase freight rates, it would place them at a competitive disadvantage—and would invite their competition to increase their rates too. Third, through increased freight rates by the railroads and their competitors, and through the cumulative effect of freight rate increases which carry through with a multiplier effect to the prices of the commodities that are shipped, this process would be the most inflationary of all possible ways of raising the money.

The solution that the parties themselves suggested was that inasmuch as they were dealing with a social security benefit, the social security system would be called upon to finance it. But it turned out that, although the social security system is not in the grave financial difficulty the railroad retirement system is in, there are foreshadowings of possible future difficulties. Representative WILBUR MILLS discussed this subject on the House floor during the September 12 debate on H.R. 1530. Accordingly, the other Chamber dropped the idea of social security financing, and our committee has concurred.

That rules out every one but the one body really responsible for this condition. The Congress has been responsible for providing these dual benefits, and for increasing them to the point where they have become such a burden. It seems only right that we recognize the matter for what it is—a legislative error—and take the only steps that are available to us to correct it. By that I mean that we should authorize the backup financing which would assure the payment of windfall dual benefits to the two groups who would be entitled to them in the future, until those groups disappear and the payments run out.

Let me make clear that I am not suggesting this as a means of picking up the deficit in the railroad retirement system. It is true that with all the changes which the parties have agreed to and this bill would provide, including the financing of the phaseout of windfall dual benefits, the system will be on a sound basis, but the parties themselves have made arrangements, by changing the benefit formula, and, more important, by putting a stop to the further accrual of dual benefit credits, that will do far more than we are being asked to do to take care of the deficit. All that is involved is the payment of that part of the windfall dual benefits, during the phaseout period, that is not financed as a result of the new investment policy.

There is precedent for financing a portion of these retirement benefits from Federal funds. Both railroad retirement and social security grant members of the uniformed services a credit toward their retirement benefits which takes into account the time they have spent in military services. In recognition of the public purpose of their military service, this credit is financed by contributions from the general revenues. In fact, the method of financing it under the Social Security Act is the model after which the section of the bill H.R. 15301 on financing the phaseout cost of dual benefits was patterned. Like the military service credits, the windfall dual benefits are not something for which the railroads as employers are responsible; they developed as a result of congressional action. As in the case of the military service credits, the arrangements for financing from general revenues are appropriate for the windfall dual benefits.

On the other hand, these financing arrangements would not constitute any precedent for extending the same source of financing to other portions of the railroad retirement system, or to other industrial pension plans or even social security. So long as the railroad retirement system bears a reasonable resemblance to other private industry pension plans, we have the commitment of the railroad industry by Mr. Dempsey, its chief negotiator, that the railroad companies will finance that part of the system which is supplementary to social security. I believe we can hold the railroad companies to that commitment. So far as concerns social security, or other industrial pension plans, we are creating no precedent because what we are contending with here in the dual benefit areas is something which is unique and without counterpart in American industry.

Plainly, the bill proposes the only alternative that is both practical and by and large noninflationary. What we are dealing with is not a new program that would pump additional money into the spending stream, but rather the limited continuance, phasing out, and winding up of an existing program. To be sure, if all of the dual benefits were cut the result would, I suppose, be deflationary; but given the injustice of such an approach, that is surely all that could be said for it. If these benefits, then, are to be continued for this limited group and the choice is between funding through increased railroad taxes and funding through general Federal revenues, the latter would have by far the least damaging effect on the economy. An increased tax on the railroads would mean immediately increased freight rates, which would have a multiplier effect throughout the entire economy. The amounts to be drawn from general revenues, on the other hand, will simply go into the fund and be invested in Federal securities for many years to come, and accordingly will have no such inflationary impact at all.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. SCHWEIKER. Mr. President, I yield the Senator an additional 5 minutes.

Mr. TAFT. Finally, under the bill a part of the phaseout cost would be made available through the revised and a somewhat more liberal investment policy provided for the railroad retirement system. Under present law, the Secretary of the Treasury controls the actual investment of railroad retirement funds. Under a provision which was added to the legislation in the House, the Railroad Retirement Board would be in position to direct the investment of its funds, and the types of investment which could be made would be somewhat expanded although full safeguards would be afforded for the protection of those investments.

As I stated in my supplementary views to the committee report, I have some reservations regarding the concept underlying Representative Moss' floor amendment to H.R. 15301, as modified during the Labor Committee's markup session. This amendment provides that any additional interest income produced in the future by the liberalized investment policy provided for in the bill will be credited to the cost of paying the windfall dual benefits to the classes for whom such benefits would be preserved until the dual benefits are entirely phased out.

It seems to me that our goal in passing any railroad retirement restructuring legislation should be to assure the financial ability of the railroad retirement fund over the long run I have doubts in my own mind as to whether the Moss amendment is consistent with this purpose since it could build up no surplus from good investment yield. In the House debate on this subject, the point was repeatedly made that if the railroad retirement system had been free to invest its funds in the same manner as well-managed private pension plans, its income over the years would have been $2.4 billion greater than it actually was. Actually since the Treasury paid low interest, general revenue funds benefited. I think this is a point well made and constitutes an object lesson to us that we should not place these kinds of undue restrictions on the fund. I believe it would make better economic sense not to insist on the application of expected additional income as a credit against the deficit in general revenues occasioned by the payment of dual benefits. Instead, it would be a better practice to apply the entire income derived from investments to the fund for the future as would a private pension fund.

This would strengthen the fund and assure its continuing actuarial soundness, and more importantly, insure that over the long haul the parties in interest will not be back to Congress seeking additional funds from the general treasury to make up any deficit in the fund.

However, for the time being, I will not propose any deletion or modification of what has been termed the "Moss amendment." I will watch with great interest the experience gained under the amendment's operation for the next year or so. If in operation the amendment proves to be adverse to the posture of the fund, I may undertake efforts at that point to delete this provision from the bill.

In conclusion, I submit that in the light of the history of dual benefits, the responsibility of Congress for allowing and increasing them, the willingness of the unions to terminate them, and all the available alternatives, the financing responsibility should rest right where the bill H.R. 15301 would place it—as a part of the Federal obligation.

Mr. SCHWEIKER. Mr. President, I yield 10 minutes to the distinguished Senator from Maryland, who is also a member of our Subcommittee on Railroad Retirement.

Mr. BEALL. I thank the distinguished Senator from Pennsylvania for yielding to me.

Mr. President, as a member of the Railroad Retirement Subcommittee, it is a pleasure to participate in today's debate on H.R. 15301.

This legislation marks a significant milestone in our efforts to strengthen the railroad retirement system so that the employees contributing to this program as well as the recipients currently receiving benefits can be assured that their retirement fund is viable, strong, and able to fulfill its commitments.

To understand fully the intricacies of the railroad retirement system, it is important for us to survey briefly the history of the Federal Government's involvement in this pension program. During the closing years of the 19th century the railroad companies established a pension system designed to serve their employees.

Because the railroads were, at this point in our history, so productive, it was not deemed necessary to establish a pension fund. Instead, the benefits were paid out of the corporation's revenue. Needless to say, such a system functions well in a thriving and expanding industry. The depression, however, brought to an end the companies' ability to shoulder this burden, and the Federal Government intervened to establish the quasi-public railroad retirement system in 1935. Today, *as has been* indicated earlier approximately 1 million beneficiaries receive monthly benefits from this program, and about 600,000 employees are currently contributing to the railroad retirement fund.

Two major factors are currently contributing to the substantial deficit the trust fund is incurring each year. First, as the railroad industry has declined in recent years, the number of employees has likewise diminished. Thus approximately 1.7 persons are drawing monthly benefits from the railroad retirement system for each employee who is paying taxes into the fund. Second, Congress has, over the years, permitted employees to accrue benefits under both the railroad retirement system and the social security system. This so-called dual benefits problem is a major drain on the resources of the railroad retirement trust fund. H.R. 15301 provides for the gradual phaseout of dual benefits and will thus alleviate this burden.

I would also note, Mr. President, that H.R. 15301 substantially restructures the railroad retirement system. In the short run, the benefit structure will become more complex and it is unlikely that the average rail employee will be able to determine his or her benefits. However, in the long run, the new system provided in this bill will establish a simplified system that will more nearly parallel those of private industry. Under the new system, tier I benefits will constitute a social security benefit which will be paid to the recipient through the railroad trust fund. The social security system will finance this provision by way of the financial interchange. Tier II benefits will be based upon the employees railroad service and they will be paid by the railroad retirement trust fund from taxes paid by the railroad industry. Any additional changes in the tier II benefits will result from collective bargaining between the rail industry and their unions and the subcommittee has been assured that no additional Federal fund will be requested to pay for such benefits.

I am sure that the establishment of the Federal payment to the Railroad retirement trust fund may be controversial in some quarters but I am inclined to believe that it is necessary because of actions of the Congress which were enacted over the objections of the rail industry and the rail unions. The dual benefit problem exists because of the actions of the Federal Government and I believe it is appropriate for us to bear the burden of phasing out this anomaly. I believe, Mr President, that there are some major questions that should be completely discussed during this debate so that the public will have a better understanding of this legislation in general and the rationale behind the Federal payment in particular.

Mr. President, our Nation's economic health depends in part upon the strength of our rail system. We must recognize the need to provide rail employees with an adequate retirement system which will help to attract able people into this vital industry. The rail industry has long been an important element in the economic strength of the State of Maryland. Because of its overall importance to our Nation's economic security. I was pleased, Mr. President, to have participated in the Senate's consideration of this legislation.

In closing, Mr. President, I commend the distinguished Senator from Maine (Mr. HATHAWAY) for his patience and perseverance in the handling of this very difficult bill. I should also like to thank Mr. Angus King, the counsel to the Subcommittee on Railroad Retirement, and Mr. Frank Crowley, from the Library of Congress, for the excellent staff support they have given to all of the members of the subcommittee on this very complicated bill.

Mr. President, I have several questions that I would like to direct to the distinguished chairman of the Railroad Retirement Subcommittee (Mr. HATHAWAY).

I think, Mr. President, that one aspect that may concern some of us is the fact that we may be establishing a precedent by allowing, in this legislation, general funds to flow into a trust fund. Is it the opinion of the chairman that we are establishing a precedent? Will the passage of this bill increase the pressure for general funding of other trust funds?

Mr. HATHAWAY. If the Senator will yield, it is the opinion of the Senator from Maine that this will not set a precedent, because we are dealing with a unique situation; namely, the dual benefits problem. To the best of this Senator's knowledge, that problem does not exist in any other industry, so I do not think that this is a precedent-setting action that we are taking today.

Mr. BEALL. The railroad retirement trust fund was established by contributions from both the employer and the employee. By passing this bill, whereby we are contributing funds from the General Treasury, are we in any way endangering the principle of the contributory relationship that exist between the employer—the railroad in this case—and the employee—the railroad employee?

Mr. HATHAWAY. I suppose that we are, but I think it should be noted that most major industry pension plans, such as the auto workers, are already noncontributory.

Mr. BEALL. I am not as much concerned about the noncontributory aspect on the part of labor. I am concerned about the question of whether we are endangering this relationship, in that the Federal Government might be assuming a role that has formerly been carried by one of the partners.

Mr. HATHAWAY. I do not think so. I think, for the same reason I gave before, that this is solving a problem. An additional factor is that we are dealing here with a finite sum over a finite period of time. Albeit 25 years, nevertheless, there is a ceiling on the Federal contributions involved.

Mr. BEALL. It is my understanding that the legislation contains three major liberalizations of benefits that are unrelated to the dual benefits issue.

Mr. HATHAWAY. The Senator is correct.

Mr. BEALL. It is my further understanding that these accrued benefits will cost between $250 million and $300 million a year. There are no new taxes proposed in this legislation to pay for these benefits. My question is, Can the trust fund absorb the increases and remain actuarially sound?

Mr. HATHAWAY. Yes, the trust fund can. Actuarial projections show that the cost of increased benefits is covered by the taxes provided for under the bill.

Furthermore, the carriers are committed to covering all the future increases in benefits as well.

Mr. BEALL. There are no additional taxes in this bill.

Mr. HATHAWAY. The Senator is correct.

Mr. BEALL. I assume the Senator meant to say that taxes already in effect are sufficient to provide the funds necessary to maintain the viability of the fund.

Mr. HATHAWAY. The Senator is correct.

Mr. BEALL. There is a chart on page 2 of the Senate report that shows that with the $285 million annual Federal payment, the fund will diminish from $3.7 billion now to $2.9 billion in 1979. I assume that this results from decreased employment and the increased number of pensioners in the railroad retirement system. I am wondering what the projection is beyond 1979 and at what point this situation will stabilize? Or does it, perhaps, not stabilize, thus reaching the point where there is nothing left?

Mr. HATHAWAY. We do not reach the point where there is nothing left. The fund is projected to reach a low of about $620 million sometime shortly after the year 2000. At that time, the fund should start to go back up. The reason for this is because of the bulge in retirements expected in the next several decades.

Of course, this assumes that the financial interchange with social security will be put on a current basis.

Mr. BEALL. Does it also assume that 600,000 is as low as railroad employment will go?

Mr. HATHAWAY. No; it assumes that railroad employment will go down to about 350,000.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. BEALL. Two more minutes?

Mr. SCHWEIKER. I yield the Senator 2 more minutes.

Mr. BEALL. If Congress through its efforts and the executive branch through its efforts are successful in stimulating increased rail transportation, it is possible that this situation could be improved in the future. It is possible that we might not have such a severe dropoff in railroad employment, but could possibly even have an increase?

Mr. HATHAWAY. The Senator is correct.

Mr. BEALL. It is very difficult for a layman to completely understand the actuarial aspects of this legislation. As I understand it, abolishing the dual benefits will result in a significant saving to the fund?

Mr. HATHAWAY. The Senator is correct.

Mr. BEALL. And that saving is about $4.5 billion?

Mr. HATHAWAY. The Senator is correct; about $4.5 billion.

Mr. BEALL. So that saving, plus the $285 million being used to pay the future cost of eliminating the dual benefits, will both restore the viability of the fund and pay for the increased benefits being legislated in this bill. Is that an oversimplification, or is that accurate?

Mr. HATHAWAY. The Senator is essentially correct.

Mr. BEALL. As I understand, the trust fund has been penalized since the Congress allowed the dual benefits because it has had to assume this additional liability for which it had no responsibility?

Mr. HATHAWAY. That is correct.

Mr. BEALL. And as of this date, we are going to take over this responsibility and the fund will be allowed to recoup some of this loss.

Mr. HATHAWAY. The Senator is correct.

Mr. BEALL. I thank the Senator.

Mr. SCHWEIKER. Mr. President, I commend the distinguished Senator from Maine for his leadership on our committee. I have been pleased to work with him as the ranking Republican member of the committee on this very important problem.

I think there is one aspect of the problem that should be pointed out at this point, because of an adverse effect that it has had on the railroad retirement fund. Initially the railroad retirement fund was set up with the idea that it would enjoy some interest advantage in the investments made after putting the employee contributions and the railroad contributions into the regular retirement fund; but actually, since 1956, instead of having an interest advantage by using the Federal Government trustees as the trustee of the fund, quite the opposite has happened.

I think the Record should show that the fund has really been discriminated against, in that the Secretary of the Treasury has used the fund for his own purposes at the expense of those who participated in the fund, that is, the railroad companies and the workers themselves.

For example, a recent study made for the Railroad Negotiating Committee indicates that if the railroad retirement fund had been invested in private securities commencing in 1955, on the same basis as uninsured private pension plans, it would have earned since then an additional $2.4 billion.

I think this is important, because here we are talking about some revenue financing, when the truth of the matter is that the Secretary of the Treasury acted in the interest of the Government and not in the interest, as a trustee, of the workers and of the companies involved, and in fact if some other trustee of some other private fund had done this, we would have charged them with mismanagement of the fund and a transaction that was not at arm's length, in the terminology of financial fiduciaries.

So I think it is only fair to point out that indirectly the Government has taken advantage of the fund and has issued to the fund low interest-bearing bonds and certificates, say in the 4-percent range, when, if the funds had been invested in the private market as a normal pension fund would have invested them, they could have obtained private securities at an average return of 6.5 to 7 percent. That is exactly what the study has shown, that since 1955 alone, the fund has unfairly lost, for the benefit of the workers and the companies who put the money in—and I might say it is not Government money, it is private money; this is a very unique situation, the only one of its kind, where we have a company and workers putting money into a fund that is regulated by the Government, even though in fact it is not Government money, and the Government used it for its own advantage against the interests of the workers and companies—interest to the tune of $2.4 billion since 1955 and to the tune of $4.1 billion since the fund was started.

All I wish to point out for the Record is that the railroad workers and the railroad companies were discriminated against by the way that the Secretary of the Treasury executed his duties as a trustee, and that in fact if it had been a private fund, the trustee could have been charged with malfeasance or misfeasance because of this discrepancy.

So when we talk about using some revenue financing to tide them over the period of switching from the dual benefit system, perhaps we are only rightfully returning to the participants of the fund money they would have accumulated if the Secretary of the Treasury had looked at it from two viewpoints instead of a single viewpoint, when he was wearing two hats instead of one hat.

I think we should point this out because nowhere else has this happened, and in no other way could the funds have been used in such a fashion without legal points, moral issues, or issues as to propriety being raised; but because the Government did it, no one raised the issues. I think that is important in view of the transition we are now making.

Mr. President, as ranking Republican on the Senate Railroad Retirement Subcommittee, I would like to bring several additional points to the attention of my colleagues in connection with H.R. 15301.

First, it should be emphasized that this measure is a complete rewrite of the Railroad Retirement Act of 1937. This is a major accomplishment, Mr. President; it affects many thousands of past and future railroad retirees, in varying circumstances, and in my judgment, it affords fair and equitable treatment to all.

The second point is that this legislation represents a landmark agreement between rail labor and rail management. Representatives of labor and management negotiated for months to resolve the many contested issues, and the agreement they finally reached has been substantially incorporated into H.R. 15301. Rail labor and management should be commended, Mr. President, for their accomplishment in accommodating the many divergent viewpoints on this issue.

I would also like to stress that under this legislation, persons now receiving both railroad retirement and social security benefits, or those having presently vested rights to both benefits, will receive both benefits in the future. I believe this is a vital feature of this legislation; vesting means promising to pay, and I think it is essential for the Government to keep the commitment when a promise to pay has been made. This is particularly appropriate in light of the strong vesting requirements which have now been made applicable to private employers by the new pension legislation.

In reality, all we are doing is requesting the Government to keep up its good faith, as we require, under the Pension Reform Act of 1974, which was signed on Labor Day, the private sector to keep its promises.

I should also add that this legislation should be viewed in the context of our continuing energy crisis. A strong national rail system must be maintained if coal and other alternative energy sources are to be developed, and our national rail system will not be strong if our railroad retirement legislation is not strong. Thus, this bill is a particularly vital measure at this time, and I urge my colleagues to support it.

Finally, this legislation will lower the retirement age to 60 for persons with 30 years of service, and lower the spouses' annuity to 60 as well, making this a true 30/60 package. It will increase survivor benefits from 110 to 130 percent of the comparable social security benefit. And it will insure that the Railroad Retirement Fund is sufficiently funded to pay these benefits, so we keep our promise to our Nation's thousands of railroad retirees.

This is very important and vital legislation, Mr. President, and I urge its prompt passage.

Mr. HATHAWAY. Mr. President, I yield to the Senator from Kansas.

Mr. SCHWEIKER. Mr. President, I yield 2 minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas (Mr. Dole) is recognized.

Mr. DOLE. Mr. President, I have heard the debate and listened to the discussion, and wish now to speak myself in full support of this legislation, which is so very vital to the railroad retirement system. As one of the few labor proposals I can think of that is fully endorsed by both management; that is, the railroad—and the unions, it is especially unique and deserves expeditious action on our part.

SOUND FINANCIAL BASIS

As pointed out by the Senators on the committee and others with special knowledge of the problem, H.R. 15301 will completely restructure the Railroad Retirement Act to place it on a sound financial basis. Although the retirement fund now stands at approximately $5.5 billion, estimates are that that amount would be depleted by 1981 if the existing system were to continue.

In order to preclude that development, this bill will initiate a phaseout of the "dual-benefits" setup, under which a great percentage of our Nation's 1 million railroad workers have been receiving both pension and social security payments—but at a loss to the system from reduced reimbursements of more than $4 billion. The proposed changes will, however, be made in the most fair and equitable manner possible from the standpoint of everyone involved—including the Government itself.

GENERAL FUNDS

While there may be some controversy over the propriety of authorizing funds from the general treasury to pay for the phaseout, I think the committee aptly explained that it was the only acceptable and workable alternative available. That is, no justification could be made for requiring the social security system to bear the burden of any deficit—thereby necessitating further payroll tax increases.

This bill will thus authorize appropriations of $285 million annually through the year 2000 to accomplish the intended transition. No one will dispute that the price tag is substantial, but the long-range rewards in the form of stability for a very worthwhile and deserving program are even greater.

TWO-TIER SYSTEM

The new structure of railroad retirement under this bill will be based on a two-tier system, the first of which is a continuation of the financial interchange practice with social security. These benefits would be based on both raliroad and nonrailroad service.

The second tier of benefits would be based solely on railroad-connected employment and be financed strictly by the railroad industry. Increases in this level will not—it has been agreed—be considered until 1978.

ELIGIBILITY

The "two-tier" system will provide the formula under which all those with less than 25 years of railroad service and fewer than the required number of social security quarters will have their railroad retirement benefits computed. In this way, there will be maximum protection for payments made under both systems.

Those persons with under 25 years of service who did have the necessary number of quarters in both railroad retirement and social secuity when their service with the railroads was terminated will, however, be eligible for dual benefits. Otherwise, the changes will not apply to anyone with more than 25 years of railroad service—whether or not they are presently employed by a railroad—who have accumulated the necessary number of quarters under both systems. And in no event will persons already retired and receiving dual benefits be affected.

EARLY RETIREMENT

Although Public Law 93-69, enacted last year, included a provision which enabled an employee to retire at age 60 with 30 years service, that measure was only temporary. H.R. 15301 will make such a plan permanent, as well as change the payment of annuities to spouses.

Accordingly an unreduced annuity will be payable to spouses at the age of 60 if the employee retires after June 30, 1974—having reached the age of 60 with the 30 years of service. For a reduced annuity, spouses would be eligible at the age of 62 if the employee retires after December 31, 1974, at age 62 with less than 30 years of service.

While it is unfortunate that some will miss qualifying for this supplemental benefit by perhaps only a few months, it was felt that a definite cutoff date was imperative. The ones established, it should be pointed out, were agreed upon by a labor-management group pursuant to development of this legislation.

FURTHER IMPROVEMENTS

Other noteworthy improvements in existing authority deserve special mention, I think, in commenting on the merits of the bill before us. Among these, for example, is the provision that employees who are not retired with dual benefits will receive any excess employee tax contributions at time of retirement.

A similar effort at making the overall system more equitable is evidenced by the fact that employees will not be required to make any contributions to the Railroad Retirement Fund in excess of social security tax levels. Also, any changes in social security benefits effective after December 31, 1974, will be passed through to railroad retirement beneficiaries.

Finally, the minimum guaranteed benefits payable to widows and other survivors of railroad employees will increase from 110 to 130 percent of comparable social security benefits. In addition, H.R. 15301 provides for four annual cost-of-living adjustments, beginning in 1977, and establishes other assurances that those retiring during the next 8 years will receive not less than the benefit computed under the current railroad retirement formulas and the current limit on creditable compensation.

TIMELY LEGISLATION

Mr. President, this legislation clearly demonstrates congressional willingness to affirmatively and expeditiously respond to a very real, but solvable problem. Quick action was certainly essential here—for benefit increases were set to expire on December 31, 1974, and the entire system was in immediate need of constructive changes—and that action will have been taken with passage of the bill today.

That it is a well-drafted, meaningful and productive piece of legislation is very apparent, I believe, from the observation that no new amendments or revisions to the law will now be necessary until 1978. Taken together with the recently enacted Employee Retirement Income Security Act, then, this restructuring of the railroad retirement system represents not just a significant, but a landmark achievement of the 93d Congress on behalf of pensioners who have been the very strength of our American work force.

EFFECTS IN KANSAS

The extent of the impact of this proposal is readily seen in the fact that nearly 26,000 beneficiaries on the railroad retirement rolls will be affected in the State of Kansas alone. Add to that the approximately 17,000 present railroad employees—plus their dependents—who stand to benefit in future years, and I have a very sizable percentage of constituents with a great personal interest at stake here.

I have received nearly a thousand letters from those same concerned individuals urging my support for this bill. And as the representative of the many fine railroad people in my State, I wholeheartedly endorse its principles and purpose—expressing the hope that it will receive unanimous approval, and soon be signed into law.

Mr. President, I yield back the remainder of my time.

Mr. HATHAWAY. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Maine.

Mr. HATHAWAY. Mr. President, before we conclude action on this bill, I want to express my special appreciation to the members of the Railroad Retirement Subcommittee and their staffs for their work on this bill. Also, I want to recognize those here who have been extensively helpful in the bill's development. I include Senator SCHWEIKER and David Marston and Ruthann Chocola of his office; Senator BEALL and David Rust of his office; Senator TAFT and Robert Hunter; Senator WILLIAMS and his counsel Donald Elisburg; Senator JAVITS and Don Zimmerman, and our minority counsel. Also I want to recognize the invaluable assistance of James Cowen and Dale Zimmerman of the Railroad Retirement Board, Frank Crowley of the Congressional Research Service, and Angus King and Connie McInnis of the subcommittee staff.

Mr. WILLIAMS. Mr. President, the passage today of H.R. 15301, the Railroad Retirement Act of 1974, represents the culmination of many frustrating years in attempting to solve piecemeal the myriad problems which have been encountered by the railroad retirement system.

As a result of these revisions to the railroad retirement system, the financial security of the thousands of railroad retirees and future retirees will be guaranteed and the financial structure will be made secure.

Serious questions were first raised as to the actuarial soundness of the railroad retirement system in 1970 at the time that consideration was being given to an increase in railroad retirement benefits. Since adequate information on which to base long-term solutions was not then available, Congress established a Commission on Railroad Retirement to study the system and its financing for the purpose of making recommendations as to the measures necessary to provide adequate levels of benefits on an actuarially sound basis (Public Law 91-377).

On September 7, 1972, the report of the Commission was received by Congress. The principal recommendation set forth in this report called for the restructuring of the railroad retirement program into a two-tier system, under which railroad employees would receive a basic benefit payable exactly the same as social security benefits, with a second tier of benefits over and over the social security tier. The Commission further recommended that future accrual of dual benefits should be stopped, but that "legally vested rights of railroad workers and railroad retirement beneficiaries to benefits based on social security-covered nonrailroad service should be guaranteed; that a "firm financial plan" should be adopted to finance the second—staff—tier of railroad retirement benefits on a fully self-supporting basis by contributions from the railroad community; and that the railroad retirement benefit formulas should be restructured "to assure that the overall benefits in the future continue to bear a reasonable relationship to wages in a dynamic economy and to make benefits more equitable among the various groups of beneficiaries."

Shortly after the Commission issued its report Congress enacted Public Law 92-460, which contained a provision instructing representatives of railroad labor and management to enter into negotiations that would take into consideration the Commission's specific recommendations, and to submit a report containing their mutual recommendations as to what measures should be taken to assure the receipt of sufficient revenues to finance the benefits provided by the Railroad Retirement Act. Pursuant to that directive, the representatives submitted a report, dated February 27, 1973, calling attention to the complex issues involved, and stating that substantial progress had been made in shaping mutually agreeable recommendations. Subsequently, Public Law 93-69 was enacted. One of its provisions directed the representatives of labor and management to present to Congress their joint recommendations, in the form of a draft bill, for restructuring the railroad retirement system in a manner which will insure its long-range actuarial soundness.

The present railroad retirement system was established by, and operates under, the Railroad Retirement Act of 1937. This new act will provide all retirement and survivor benefits to employees with 10 years or more of railroad service, retiring after December 31, 1974, and their spouses and survivors.

The bill restructures the Railroad Retirement Act of 1937, and places it on a sound financial basis. Railroad retirement benefits will hereafter consist of two components—the first tier will be a benefit computed under the Social Security Act, counting all railroad employment as social security covered employment, and combining that service with all social security-covered employment; and a second tier of benefits based on railroad service alone computed under the Railroad Retirement Act.

This new technique of computing benefits will bring about more adequate coordination between the Railroad Retirement Act and the Social Security Act, thereby preventing future excess costs to the railroad retirement system which threaten the existing system with bankruptcy.

Persons in receipt of both railroad retirement and social security benefits as of December 31, 1974, will continue to receive benefits under both systems without any reduction in those benefits. Persons who already have vested rights under both the railroad retirement and the social security systems will in the future be permitted to receive benefits computed under both systems similarly to existing law. The excess costs of paying benefits to persons described in this paragraph will be met through appropriations estimated at $285 million per year through the year 2000.

The measure closely follows the recommendations of the Commission on Railroad Retirement that a new railroad retirement benefit formula be adopted.

The bill also makes permanent three increases in the level of railroad retirement benefits under the 1937 act which the Congress, commencing in 1970, put into effect on a temporary basis pending a restructuring of the railroad retirement system. Those temporary increases, which were respectively 15 percent, 10 percent, and 20 percent of then existing benefits, would otherwise expire at the end of this year.

The new benefit formula which the bill would establish contains another feature which has no counterpart in the 1937 act—cost-of-living adjustments in the level of benefits. Since the social security component of the formula will be the equivalent of benefits payable at the time under the Social Security Act, the level of that component will be increased at the same time and in the same amount as the level of social security benefits is increased, including increases resulting from the automatic cost-of-living adjustments under section 215(i) of the Social Security Act. This not only will maintain a congruence between the level of the social security component and the level of benefits under the Social Security Act, but also will insure retired railroad employees of at least as much protection against inflation as the Social Security Act affords to retired employees in other industries.

The eligibility requirements for regular employee age and disability annuities under the proposed Railroad Retirement Act would remain the same as under present law. The eligibility conditions for an employee's entitlement to a supplemental annuity would differ from those contained in the present law only in that under the new act an employee who has completed 30 years of service would be eligible for a supplemental annuity at age 60 rather than at age 65; the applicability of this liberalization, however, would be confined to employees whose regular annuities first began to accrue on or after July 1, 1974.

In the case of spouses, the present law provides that a spouse of an employee can be eligible for a spouse's annuity only if the employee has attained age 65. Furthermore, a spouse who does not have a child of the employee in her care can receive an unreduced spouse's annuity only if she has attained age 65 or a reduced annuity if she has attained age 62. These eligibility requirements would be liberalized under the proposed act to provide: First, that a spouse of an employee who has 30 years of service would be eligible for an unreduced annuity when both she and the employee have attained age 60—this liberalization would be applicable only in cases where the employee's annuity first began to accrue on or after July 1, 1974, and second, that a spouse of an employee who has less than 30 years of service can receive an unreduced spouse's annuity when the employee has attained age 62 and the spouse has either attained age 65 or has a child of the employee in her care or a reduced spouse's annuity when the employee and the spouse have both attained age 62—this liberalization would be applicable only in cases where the employee's annuity first begins to accrue on or after January 1, 1975.

The eligibility requirements for survivor annuities under the proposed act would be the same as those set forth in the present act.

Finally, the proposed act contains a provision which would provide automatic adjustments in the eligibility requirements for social security level annuity amounts or health care benefits provided under the act whenever amendments to the Social Security Act become effective after December 31, 1974, to liberalize the eligibility requirements for similar benefits under that act. No person can become entitled to an annuity under the Railroad Retirement Act by reason of this provision if: First, the Social Security Act provided benefits for such a person prior to 1975 but the Railroad Retirement Act did not—examples of such persons would be divorced wives and children of living employees, or second, the person does not satisfy a requirement contained in the proposed Railroad Retirement Act of a kind which was either not imposed by the Social Security Act on December 31, 1974, or was not liberalized by the amending legislation. Furthermore, the provision in question would not operate to provide annuities to an employee, and those deriving from them, who has less than 10 years of railroad service or to survivors in a case where the employee did not have a current connection with the railroad industry at the time of his death.

Mr. President, I believe this bill represents a true balancing of all of the interests involved. It will finally place the railroad retirement system on a sound financial footing. In my judgment, the most important feature of this bill will be the increased protection of the retirement benefits that will be accruing to present and future retired railroad workers and their survivors. In reaching this solution, I believe the parties have given the interests of the retirees appropriate priority and I commend the many railroad brotherhoods, the railroad industry and the chairman of the Railroad Retirement Subcommittee, Senator Hathaway, for their efforts in resolving this matter.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that the distinguished Senator from New York, who is unable to be in attendance today, be permitted the privilege of presenting a statement for the Record on this bill prior to the vote on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Javits

Mr. President, this is the opportunity to reassure the one and one-half million railroad employees and retirees, after years of uncertainty, that the railroad retirement system will at last be put on a sound financial basis. This bill will assure them that the basic system on which they depend for income security will continue and that none of the benefit increases which the Congress enacted in recent years will be reduced.

It was not until 1970 that it became apparent that the railroad retirement system, which we first established in 1934, was in a dire financial condition. At that time we provided for an independent Commission on Railroad Retirement to study the railroad retirement system and recommend the necessary legislative changes. The Commission filed its report in 1972 and recommended major restructuring of the railroad retirement system into a two-tier program. Subsequently, in 1973, Congress directed representatives of railroad management and labor to establish a Joint Negotiating Committee to negotiate an agreement on specific changes to the Railroad Retirement Act within the framework of the Commission's recommendations. After long, hard and statesman-like bargaining, and concessions made on both sides, the parties recommended a bill which is substantially identical to the proposed legislation before us today, H.R. 15301.

The two-tier system embodied in this bill is substantially that recommended by the Commission. The first component of railroad retirement benefits will be a basic social security benefit. This will be calculated on the basis of the benefit formula provided in the Social Security Act as applied to all the employee's wages and services, whether that employment is for a railroad or for an employer covered by the Social Security Act. Whenever future increases in the level of social security benefits are provided, they will be applied to the new railroad retirement formula just as if the railroad employees were social security beneficiaries. This will establish, on a permanent basis, an entirely secure benefit structure based on combined railroad and non-railroad services and compensation.

The second component will be in addition to the social security "tier" and will be financed completely by the railroad industry, based on a formula calculated from a combination of the employee's career railroad earnings and a flat dollar amount for years of service. In addition, the supplemental annuity now provided to long-term railroad employees will be continued. In order to protect career railroad employees, the bill contains a special feature to ensure that no employee retiring within the next eight years will receive less than he would under the present benefit formula.

It is also important to note that the three temporary benefit increases enacted since 1970, of 15%, 10% and 20% consecutively, which were adopted to put railroad employees in parity with social security beneficiaries, will be made permanent by this bill. There will also be four cost-of-living adjustments for the second component of benefits over the next six-year period as a guard against the kind of crippling inflation we are facing today.

Another important aspect of the bill is that it will make more effective the early retirement provision of the legislation adopted last year, which entitled a railroad employee to retire with his full basic benefit with 30 years of service at age 60. We will now remove the remaining disincentive to early retirement by enabling the employee also to receive his supplemental annuity, and by allowing his or her spouse to receive the full spouse benefit at age 60 with 30 years of railroad service. I understand on the basis of information supplied to me by the Railroad Retirement Board, that ten to twelve thousand employees can be expected to take advantage of these early retirement provisions over the next 1 to 2 years. Additional benefit increases which are included in this bill for widows, widowers and other survivors are consistent with the Commission's recommendations. Survivors' benefits will be increased to 130% of the comparable social security benefits, from the present 110%.

Much attention has been focused on the so-called dual benefit issue, which has caused so much difficulty for the railroad retirement system. This problem has been caused by previous amendments to the Railroad Retirement Act which have allowed persons with vested benefit rights under both the Social Security Act and the Railroad Retirement Act to receive the full amount of both benefits upon retirement, despite the fact that such employees receive a significantly larger combined amount than they would receive under either system alone.

The financial burden of this problem has fallen upon the railroad retirement system, and has been a major cause of that system's projected financial collapse within the next seven years, unless corrections are made. This bill will end the future accrual of dual benefits, leaving only the problem of phasing them out without undue hardship to present employees. The Committee correctly concluded that among the several alternatives of providing the costs of this phase-out over the next twenty-five years, the most equitable method will be to provide for appropriations from general federal revenues. I believe that this one-time cost is appropriate and necessary to bring about a solution to this most difficult problem.

In closing, Mr. President, I extend my congratulations to the fine job carried out by representatives of labor and management in working out this total restructuring of the railroad retirement system, as well as to my colleagues on the Labor and Public Welfare Committee for their careful attention to this complex legislation. I urge full support for this bill before us today.

Mr. HATHAWAY. Mr. President, I am prepared to yield back the remainder of my time unless there are some further questions about the bill.

Mr. SCHWEIKER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question first occurs on the committee amendments. Does the Senator wish them considered en bloc?

Mr. HATHAWAY. Mr. President, I do wish the committee amendments to be considered en bloc, and I ask unanimous consent that they may be so considered.

The PRESIDING OFFICER. Including the correction on page 116?

Mr. HATHAWAY. Including the correction on page 116.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments. (Putting the question.)

The committee amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Delaware (Mr. Biden), the Senator from Arkansas (Mr. Fulbright), the Senator from Iowa (Mr. Hughes), and the Senator from Rhode Island (Mr. Pell) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Utah (Mr. Bennett), the Senator from Colorado (Mr. Dominick), the Senator from Arizona (Mr. Goldwater), the Senator from Oregon (Mr. Hatfield), the Senator from New York (Mr. Javits), and the Senator from Kansas (Mr. Pearson) are necessarily absent.

I also announce that the Senator from Illinois (Mr. Percy) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) and the Senator from Illinois (Mr. Percy) would each vote "yea."

The result was announced—yeas 86, nays 1, as follows:

[No. 425 Leg.]

YEAS—86

Abourezk
Aiken
Allen
Baker
Bartlett
Beall
Bentsen
Bible
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—1

Ervin

NOT VOTING—13

Bayh
Bellmon
Bennett
Biden
Dominick
Fulbright
Goldwater
Hatfield
Hughes
Javits
Pearson
Pell
Percy

So the bill (H.R. 15301) was passed.

Mr. HATHAWAY. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SCHWEIKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM TOMORROW UNTIL MONDAY, SEPTEMBER 30, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow, it stand in adjournment until the hour of 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROLLCALL VOTES TO OCCUR AFTER 3:30 P.M. ON MONDAY, SEPTEMBER 30, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be no rollcall votes on Monday next prior to the hour of 3:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR GRIFFIN AND SENATOR ROBERT C. BYRD AND FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, the distinguished assistant Republican leader, (Mr. GRIFFIN), be recognized for not to exceed 15 minutes; that he be followed by the junior Senator from West Virginia for not to exceed 15 minutes; after which there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on tomorrow, the Senate will convene at the hour of 12 o'clock noon. After the two leaders or their designees have been recognized under the standing order, the Senator from Michigan (Mr. GRIFFIN) will be recognized for not to exceed 15 minutes; after which the junior Senator from West Virginia will be recognized for not to exceed 15 minutes; after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each, at the conclusion of which period the Senate will take up, presumably in the following order, the following measures: Calendar Order No. 1114, S. 2233, the Hells' Canyon National Recreation Area measure; Calendar Order No. 1117, S. 3378, a bill of rights for the disabled; and Calendar Order No. 1111, H.R. 16102 the daylight saving time bill. Whether or not action will be completed on that last measure, I cannot say at this time. Rollcall votes may occur during the afternoon.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 12 noon tomorrow.

The motion was agreed to; and at 4:16 p.m., the Senate adjourned until tomorrow, Thursday, September 26, 1974, at 12 noon.

NOMINATION

Executive nomination received by the Senate September 25, 1974:

IN THE MARINE CORPS

The following-named (Naval Reserve Officer Training Corps) graduate for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Morse, Frederick R.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 25, 1974:

NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS

Henry F. Trione, of California, to be a member of the Board of Directors of the National Corporation for Housing Partnerships for the term expiring October 27, 1977.

U.S. TARIFF COMMISSION

Daniel Minchew, of Georgia, to be a member of the U.S. Tariff Commission for the remainder of the term expiring June 16, 1976.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Wednesday, September 25, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, offered the following prayer:

Let integrity and uprightness preserve me; for I wait on Thee.—Psalms 25: 21.

God of our fathers, we draw near to Thee as we celebrate the 200th anniversary of the First Continental Congress and we pause to acknowledge our dependence on Thee, to thank Thee for Thy guiding spirit which led our Nation in the past, and to pray that Thy presence may be with us to lead us in the days ahead.

May our celebration issue into a greater commitment to Thee and to our country that this Nation of ours may be great in religious faith, great in moral living, great in liberty and justice for all, and great in the brotherhood of man.

May the words of our mouths, the worship of our hearts, and the works of our hands be acceptable unto Thee as we seek to bring in the day when nations shall live in peace, for freedom and with good will in every heart.

In Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 16243) entitled "An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes."

The message also announced that the Senate agreed to the amendments of the House to the amendments of the Senate numbered 7, 15, 28, 34, and 38 to the foregoing bill.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 3320. An act to extend the appropriation authorization for reporting of weather modification activities.

The message also announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 3585. An act to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes; and

S.J. Res. 244. Joint resolution to extend termination date of Export-Import Bank.

The message also announced that Mr. McIntyre was appointed to replace Mr. Cranston as a conferee on S. 3164, providing for greater disclosure of the nature and costs of real estate settlement services; and that Mr. McIntyre and Mr. Bennett were appointed as additional conferees on H.R. 15977, to extend for 4 years the life of the Export-Import Bank and to provide increases in its overall commitment authority.

The message also announced that the President pro tempore, pursuant to Public Law 70–770, appointed Mr. Burdick to the Migratory Bird Conservation Commission, in lieu of Mr. Metcalf, resigned.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on a bill making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

Mr. ANDREWS of North Dakota reserved all points of order on the conference report.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE CONFERENCE REPORT

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Friday, September 27, 1974, to file a conference report on the bill (H.R. 15580) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the bill making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

Mr. ANDREWS of North Dakota reserved all points of order.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 12471

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 12471), the Freedom of Information Act amendments.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Conference Report (H. Rept. No. 93–1380)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12471) to amend section 552 of title 5, United States Code, known as the Freedom of Information Act, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

H.R. 12471—FREEDOM OF INFORMATION ACT AMENDMENTS

That (a) the fourth sentence of section 552(a)(2) of title 5, United States Code, is amended to read as follows: "Each agency shall also maintain and make available for public inspection and copying current indexes providing identifying information for the public as to any matter issued, adopted, or promulgated after July 4, 1967, and required by this paragraph to be made available or published. Each agency shall promptly publish, quarterly or more frequently, and distribute (by sale or otherwise) copies of each index or supplements thereto unless it determines by order published in the Federal Register that the publication would be unnecessary and impracticable, in which case the agency shall nonetheless provide copies of such index on request at a cost not to exceed the direct cost of duplication.".

(b)(1) Section 552(a)(3) of title 5, United States Code, is amended to read as follows:

"(3) Except with respect to the records made available under paragraphs (1) and (2) of this subsection, each agency, upon any request for records which (A) reasonably describes such records and (B) is made in accordance with published rules stating the time, place, fees (if any), and procedures to be followed, shall make the records promptly available to any person."

(2) Section 552(a) of title 5, United States Code, is amended by redesignating paragraph (4), and all references thereto, as paragraph (5) and by inserting immediately after paragraph (3) the following new paragraph:

"(4)(A) In order to carry out the provisions of this section, each agency shall promulgate regulations, pursuant to notice and receipt of public comment, specifying a uniform schedule of fees applicable to all constituent units of such agency. Such fees shall be limited to reasonable standard charges for document search and duplication and provide for recovery of only the direct costs of such search and duplication. Documents shall be furnished without charge or at a reduced charge where the agency determines that waiver or reduction of the fee is in the public interest because furnishing the information can be considered as primarily benefiting the general public.

"(B) On complaint, the district court of the United States in the district in which the complainant resides, or has his principal place of business, or in which the agency records are situated, or in the District of Columbia, has jurisdiction to enjoin the agency from withholding agency records and to order the production of any agency records improperly withheld from the complainant. In such a case the court shall determine the matter do novo, and may examine the contents of such agency records in camera to determine whether such records or any part thereof shall be withheld under any of the exemptions set forth in subsection (b) of this section, and the burden is on the agency to sustain its action.

"(C) Notwithstanding any other provision of law, the defendant shall serve an answer or otherwise plead to any complaint made under this subsection within thirty days after service upon the defendant of the pleading in which such complaint is made, unless the court otherwise directs for good cause shown.

"(D) Except as to cases the court considers of greater importance, proceedings before the district court, as authorized by this subsection, and appeals therefrom, take precedence on the docket over all cases and shall be assigned for hearing and trial or for argument at the earliest practicable date and expedited in every way.

"(E) The court may assess against the United States reasonable attorney fees and other litigation costs reasonably incurred in any case under this section in which the complainant has substantially prevailed.

"(F) Whenever the court orders the production of any agency records improperly withheld from the complainant and assesses against the United States reasonable attorney fees and other litigation costs, and the court additionally issues a written finding that the circumstances surrounding the withholding raise questions whether agency personnel acted arbitrarily or capriciously with respect to the withholding, the Civil Service Commission shall promptly initiate a proceeding to determine whether disciplinary action is warranted against the officer or employee who was primarily responsible for the withholding. The Commission, after investigation and consideration of the evidence submitted, shall submit its findings and recommendations to the administrative authority of the agency concerned and shall send copies of the findings and recommendations to the officer or employee or his representative. The administrative authority shall take the corrective action that the Commission recommends.

"(G) In the event of noncompliance with the order of the court, the district court may punish for contempt the responsible employee, and in the case of a uniformed service, the responsible member.".

(c) Section 552(a) of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(6)(A) Each agency, upon any request for records made under paragraph (1), (2), or (3) of this subsection, shall—

"(i) determine within ten days (excepting Saturdays, Sundays, and legal public holidays) after the receipt of any such request whether to comply with such request and shall immediately notify the person making such request of such determination and the reasons therefor, and of the right of such person to appeal to the head of the agency any adverse determination; and

"(ii) make a determination with respect to any appeal within twenty days (excepting Saturdays, Sundays, and legal public holidays) after the receipt of such appeal. If on appeal the denial of the request for records is in whole or in part upheld, the agency shall notify the person making such request of the provisions for judicial review of that determination under paragraph (4) of this subsection.

"(B) In unusual circumstances as specified in this subparagraph, the time limits prescribed in either clause (i) or clause (ii) of subparagraph (A) may be extended by written notice to the person making such request setting forth the reasons for such extension and the date on which a determination is expected to be dispatched. No such notice shall specify a date that would result in an extension for more than ten working days. As used in this subparagraph, 'unusual circumstances' means, but only to the extent reasonably necessary to the proper processing of the particular request—

"(i) the need to search for and collect the requested records from field facilities or other establishments that are separate from the office processing the request;

"(ii) the need to search for, collect, and appropriately examine a voluminous amount of separate and distinct records which are demanded in a single request; or

"(iii) the need for consultation, which shall be conducted with all practicable speed, with another agency having a substantial interest in the determination of the request or among two or more components of the agency having substantial subject-matter interest therein.

"(C) Any person making a request to any agency for records under paragraph (1), (2), or (3) of this subsection shall be deemed to have exhausted his administrative remedies with respect to such request if the agency fails to comply with the applicable time limit provisions of this paragraph. If the Government can show exceptional circumstances exist and that the agency is exercising due diligence in responding to the request, the court may retain jurisdiction and allow the agency additional time to complete its review of the records. Upon any determination by an agency to comply with a request for records, the records shall be made promptly available to such person making such request. Any notification of denial of any request for records under this subsection shall set forth the names and titles or positions of each person responsible for the denial of such request."

SEC. 2. (a) Section 552(b)(1) of title 5, United States Code, is amended to read as follows:

"(1)(A) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (B) are in fact properly classified pursuant to such Executive order;"

(b) Section 552(b)(7) of title 5, United States Code, is amended to read as follows:

"(7) investigatory records compiled for law enforcement purposes, but only to the extent that the production of such records would (A) interfere with enforcement proceedings, (B) deprive a person of a right to a fair trial or an impartial adjudication, (C) constitute an unwarranted invasion of personal privacy, (D) disclose the identity of a confidential source and, in the case of a record compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, confidential information furnished only by the confidential source, (E) disclose investigative techniques and procedures, or (F) endanger the life or physical safety of law enforcement personnel;"

(c) Section 552(b) of title 5, United States Code, is amended by adding at the end the following: "Any reasonably segregable portion of a record shall be provided to any person requesting such record after deletion of the portions which are exempt under this subsection.".

SEC. 3. Section 552 of title 5, United States Code, is amended by adding at the end thereof the following new subsections:

"(d) On or before March 1 of each calendar year, each agency shall submit a report covering the preceding calendar year to the Speaker of the House of Representatives and President of the Senate for referral to the appropriate committees of the Congress. The report shall include—

"(1) the number of determinations made by such agency not to comply with requests for records made to such agency under subsection (a) and the reasons for each such determination;

"(2) the number of appeals made by persons under subsection (a)(6), the result of such appeals, and the reason for the action upon each appeal that results in a denial of information;

"(3) the names and titles or positions of each person responsible for the denial of records requested under this section, and the number of instances of participation for each;

"(4) the results of each proceeding conducted pursuant to subsection (a)(4)(F), including a report of the disciplinary action taken against the officer or employee who was primarily responsible for improperly withholding records or an explanation of why disciplinary action was not taken;

"(5) a copy of every rule made by such agency regarding this section;

"(6) a copy of the fee schedule and the total amount of fees collected by the agency for making records available under this section; and

"(7) such other information as indicates efforts to administer fully this section.

"The Attorney General shall submit an annual report on or before March 1 of each calendar year which shall include for the prior calendar year a listing of the number of cases arising under this section, the exemption involved in each case, the disposition of such case, and the cost, fees, and penalties assessed under subsections (a)(4)(E), (F), and (G). Such report shall also include a description of the efforts undertaken by the Department of Justice to encourage agency compliance with this section.

"(e) For purposes of this section, the term 'agency' as defined in section 551(1) of this title includes any executive department, military department, Government corporation, Government controlled corporation, or other establishment in the executive branch of the Government (including the Executive Office of the President), or any independent regulatory agency."

SEC. 4. The amendments made by this Act shall take effect on the ninetieth day beginning after the date of enactment of this Act.

And the Senate agree to the same.

Chet Holifield,
William S. Moorhead,
John E. Moss.
Bill Alexander,
Frank Horton,
John N. Erlenborn,
Paul McCloskey,
Managers on the Part of the House.

Edward M. Kennedy,
Philip A. Hart,
Birch Bayh,
Quentin N. Burdick,
John V. Tunney,
Charles McC. Mathias, Jr.,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 12471) to amend section 552 of title 5, United States Code, known as the Freedom of Information Act, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

INDEX PUBLICATION

The House bill added language to the present Freedom of Information law to require the publication and distribution (by sale or otherwise) of agency indexes identifying information for the public as to any matter issued, adopted, or promulgated after July 4, 1967, which is required by 5 U.S.C. § 552(a)(2) to be made available or published. This includes final opinions, orders, agency statements of policy and interpretations not published in the *Federal Register*, and administrative staff manuals and agency staff instructions that affect the public unless they are otherwise published and copies offered for sale to the public. Such published indexes would be required for the July 4, 1967, period to date. Where agency indexes are now published by commercial firms, as they are in some instances, such publication would satisfy the requirements of this amendment so long as they are made readily available for public use by the agency.

The Senate amendment contained similar provisions, indicating that the publication of indexes should be on a quarterly or more frequent basis, but provided that if an agency determined by an order published in the *Federal Register* that its publication of any index would be "unnecessary and impracticable," it would not actually be required to publish the index. However, it would nonetheless be required to provide copies of such index on request at a cost comparable to that charged had the index been published.

The conference substitute follows the Senate amendment, except that if the agency determines not to publish its index, it shall provide copies on request to any person at a cost not to exceed the direct cost of duplication.

IDENTIFIABLE RECORDS

Present law requires that a request for information from an agency be for "identifiable records." The House bill provided that the request only "reasonably describe" the records being sought.

The Senate amendment contained similar language, but added a provision that when agency records furnished a person are demonstrated to be of "general public concern," the agency shall also make them available for public inspection and purchase, unless the agency can demonstrate that they could subsequently be denied to another individual under exemptions contained in subsection (b) of the Freedom of Information Act.

The conference substitute follows the House bill. With respect to the Senate proviso dealing with agency records of "general public interest," the conferees wish to make clear such language was eliminated only because they conclude that all agencies are presently obligated under the Freedom of Information Act to pursue such a policy and that all agencies should effect this policy through regulation.

SEARCH AND COPYING FEES

The Senate amendment contained a provision, not included in the House bill, directing the Director of the Office of Management and Budget to promulgate regulations establishing a uniform schedule of fees for agency search and copying of records made available to a person upon request under the law. It also provided that an agency could furnish the records requested without charge or at a reduced charge if it determined that such action would be in the public interest. It further provided that no fees should ordinarily be charged if the person requesting the records was an indigent, if such fees would amount to less than $3, if the records were *not* located by the agency, or if they were determined to be exempt from disclosure under subsection (b) of the law.

The conference substitute follows the Senate amendment, except that each agency would be required to issue its own regulations for the recovery of only the direct costs of search and duplication—not including examination or review of records—instead of having such regulations promulgated by the Office of Management and Budget. In addition, the conference substitute retains the agency's discretionary public interest waiver authority but eliminates the specific categories of situations where fees should not be charged.

By eliminating the list of specific categories, the conferees do not intend to imply that agencies should actually charge fees in those categories. Rather, they felt, such matters are properly the subject for individual agency determination in regulations implementing the Freedom of Information law. The conferees intend that fees should not be used for the purpose of discouraging requests for information or as obstacles to disclosure of requested information.

COURT REVIEW

The House bill clarifies the present Freedom of Information law with respect to *de novo* review requirements by Federal courts under section 552(a)(3) by specifically authorizing the court to examine *in camera* any requested records in dispute to determine whether the records are—as claimed by an agency—exempt from mandatory disclosure under any of the nine categories of section 552(b) of the law.

The Senate amendment contained a similar provision authorizing *in camera* review by Federal courts and added another provision, not contained in the House bill, to authorize Freedom of Information suits to be brought in the Federal courts in the District of Columbia, even in cases where the agency records were located elsewhere.

The conference substitute follows the Senate amendment, providing that in determining *de novo* whether agency records have been properly withheld, the court may examine records *in camera* in making its determination under any of the nine categories of exemptions under section 552(b) of the law. In *Environmental Protection Agency* v. *Mink, et al.*, 410 U.S. 73 (1973), the Supreme Court ruled that *in camera* inspection of documents withheld under section 552(b)(1) of the law, authorizing the withholding of classified information, would ordinarily be precluded in Freedom of Information cases, unless Congress directed otherwise. H.R. 12471 amends the present law to permit such *in camera* examination at the discretion of the court. While *in camera* examination need not be automatic, in many situations it will plainly be necessary and appropriate. Before the court orders *in camera* inspection, the Government should be given the opportunity to establish by means of testimony or detailed affidavits that the documents are clearly exempt from disclosure. The burden remains on the Government under this law.

RESPONSE TO COMPLAINTS

The House bill required that the defendant to a complaint under the Freedom of Information law serve a responsive pleading within 20 days after service, unless the court directed otherwise for good cause shown.

The Senate amendment contained a similar provision, except that it would give the defendant 40 days to file an answer.

The conference substitute would give the defendant 30 days to respond, unless the court directs otherwise for good cause shown.

EXPEDITED APPEALS

The Senate amendment included a provision, not contained in the House bill, to give precedence on appeal to cases brought under the Freedom of Information law, except as to cases on the docket which the court considers of greater importance.

The conference substitute follows the Senate amendment.

ASSESSMENT OF ATTORNEY FEES AND COSTS

The House bill provided that a Federal court may, in its discretion, assess reasonable attorney fees and other litigation costs reasonably incurred by the complainant in Freedom of Information cases in which the Federal Government had not prevailed.

The Senate amendment also contained a similar provision applying to cases in which the complainant had "substantially prevailed," but added certain criteria for consideration by the court in making such awards, including the benefit to the public deriving from the case, the commercial benefit to the complainant and the nature of his interest in the Federal records sought, and whether the Government's withholding of the records sought had "a reasonable basis in law."

The conference substitute follows the Senate amendment, except that the statutory criteria for court award of attorney fees and litigation costs were eliminated. By eliminating these criteria, the conferees do not intend to make the award of attorney fees automatic or to preclude the courts, in exercising their discretion as to awarding such fees, to take into consideration such criteria. Instead, the conferees believe that because the existing body of law on the award of attorney fees recognizes such factors, a statement of the criteria may be too delimiting and is unnecessary.

SANCTION

The Senate amendment contained a provision, not included in the House bill, authorizing the court in Freedom of Information Act cases to impose a sanction of up to 60 days suspension from employment against a Federal employee or official who the court found to have been responsible for withholding the requested records without reasonable basis in law.

The conference substitute follows the Senate amendment, except that the court is authorized to make a finding whether the circumstances surrounding the withholding raise questions whether agency personnel acted arbitrarily or capriciously with respect to the withholding. If the court so finds, the Civil Service Commission must promptly initiate a proceeding to determine whether disciplinary action is warranted against the responsible officer or employee. The Commission's findings and recommendations are to be submitted to the appropriate administrative authority of the agency concerned and to the responsible official or employee, and the administrative authority shall promptly take the disciplinary action recommended by the Commission. This section applies to all persons employed by agencies under this law.

ADMINISTRATIVE DEADLINES

The House bill required that an agency make a determination whether or not to comply with a request for records within 10 days (excepting Saturdays, Sundays, and legal public holidays) and to notify the person making the request of such determination and the reasons therefore, and the right of such person to appeal any adverse determination to the head of the agency. It also required that agencies make a final determination on any appeal of an adverse determination within 20 days (excepting Saturdays, Sundays, and legal public holidays) after the date of receipt of the appeal by the agency. Further, any person would be deemed to have exhausted his administrative remedies if the agency fails to comply with either of the two time deadlines.

The Senate amendment contained similar provisions but authorized certain other administrative actions to extend these deadlines for another 30 working days under specified types of situations, if requested by an agency head and approved by the Attorney General. It also would grant an agency, under specified "unusual circumstances," a 10-working-day extension upon notification to the person requesting the records. In addition, an agency could transfer part of the number of days from one category to another and authorize the court to allow still additional time for the agency to respond to the request. The Senate amendment also provided that any agency's notification of denial of any request for records set forth the names and titles or positions of each person responsible for the denial. It further allowed the court, in a Freedom of Information action, to allow the government additional time if "exceptional circumstances" were present and if the agency was exercising "due diligence in responding to the request."

The conference substitute generally adopts the 10- and 20-day administrative time deadlines of the House bill but also incorporates the 10-working-day extension of the Senate amendment for "unusual circumstances" in situations where the agency must search for and collect the requested records from field facilities separate from the office processing the request, where the agency must search for, collect, and examine a voluminous amount of separate and distinct records demanded in a single request, or where the agency has a need to consult with another agency or agency unit having a substantial interest in the determination because of the subject matter. This 10-day extension may be invoked by the agency only once—either during initial review of the request or during appellate review.

The 30-working-day certification provision of the Senate amendment has been eliminated, but the conference substitute retains the Senate language requiring that any agency's notification to a person of the denial of any request for records set forth the names and titles or positions of each person responsible for the denial. The conferees intend that this listing include those persons responsible for the original, as well as the appellate, determination to deny the information requested. The conferees intend that consultations between an agency unit and the agency's legal staff, the public information staff, or the Department of Justice should not be considered the basis for an extension under this subsection.

The conference substitute also retains the Senate language giving the court authority to allow the agency additional time to examine requested records in exceptional circumstances where the agency was exercising due diligence in responding to the request and had been since the request was received.

NATIONAL DEFENSE AND FOREIGN POLICY EXEMPTION (B)(1)

The House bill amended subsection (b)(1) of the Freedom of Information law to permit the withholding of information "authorized under the criteria established by an Executive order to be kept secret in the interest of the national defense or foreign policy."

The Senate amendment contained similar

language but added "statute" to the exemption provision.

The conference substitute combines language of both House and Senate bills to permit the withholding of information where it is "specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy" and is "in fact, properly classified" pursuant to both procedural and substantive criteria contained in such Executive order.

When linked with the authority conferred upon the Federal courts in this conference substitute for *in camera* examination of contested records as part of their *de novo* determination in Freedom of Information cases, this clarifies Congressional intent to override the Supreme Court's holding in the case of *E.P.A.* v. *Mink, et al.*, supra, with respect to *in camera* review of classified documents.

However, the conferees recognize that the Executive departments responsible for national defense and foreign policy matters have unique insights into what adverse effects might occur as a result of public disclosure of a particular classified record. Accordingly, the conferees expect that Federal courts, in making *de novo* determinations in section 552(b)(1) cases under the Freedom of Information law, will accord substantial weight to an agency's affidavit concerning the details of the classified status of the disputed record.

Restricted Data (42 U.S.C. 2162), communication information (18 U.S.C. 798), and intelligence sources and methods (50 U.S.C. 403(d)(3) and (g)), for example, may be classified and exempted under section 552(b)(3) of the Freedom of Information Act. When such information is subjected to court review, the court should recognize that if such information is classified pursuant to one of the above statutes, it shall be exempted under this law.

INVESTIGATORY RECORDS

The Senate amendment contained an amendment to subsection (b)(7) of the Freedom of Information law, not included in the House bill, that would clarify Congressional intent disapproving certain court interpretations which have tended to expand the scope of agency authority to withhold certain "investigatory files compiled for law enforcement purposes." The Senate amendment would permit an agency to withhold investigatory records compiled for law enforcement purposes only to the extent that the production of such records would interfere with enforcement proceedings, deprive a person of a right to a fair trial or an impartial adjudication, constitute a clearly unwarranted invasion of personal privacy, disclose the identity of an informer, or disclose investigative techniques and procedures.

The conference substitute follows the Senate amendment except for the substitution of "confidential source" for "informer," the addition of language protecting information compiled by a criminal law enforcement authority from a confidential source in the course of a criminal investigation or by an agency conducting a lawful national security intelligence investigation, the deletion of the word "clearly" relating to avoidance of an "unwarranted invasion of personal privacy," and the addition of a category allowing withholding of information whose disclosure "would endanger the life or physical safety of law enforcement personnel."

The conferees wish to make clear that the scope of this exception against disclosure of "investigative techniques and procedures" should not be interpreted to include routine techniques and procedures already well known to the public, such as ballistic tests, fingerprinting, and other scientific tests or commonly known techniques. Nor is this exemption intended to include records falling within the scope of subsection 552(a)(2) of the Freedom of Information law, such as administrative staff manuals and instructions to staff that affect a member of the public.

The substitution of the term "confidential source" in section 552(b)(7)(D) is to make clear that the identity of a person other than a paid informer may be protected if the person provided information under an express assurance of confidentiality or in circumstances from which such an assurance could be reasonably inferred. Under this category, in every case where the investigatory records sought were compiled for law enforcement purposes—either civil or criminal in nature—the agency can withhold the names, addresses, and other information that would reveal the identity of a confidential source who furnished the information. However, where the records are compiled by a criminal law enforcement authority, *all* of the information furnished only by a confidential source may be withheld if the information was compiled in the course of a criminal investigation. In addition, where the records are compiled by an agency conducting a lawful national security intelligence investigation, all of the information furnished only by a confidential source may also be withheld. The conferees intend the term "criminal law enforcement authority" to be narrowly construed to include the Federal Bureau of Investigation and similar investigative authorities. Likewise, "national security" is to be strictly construed to refer to military security, national defense, or foreign policy. The term "intelligence" in section 552(b)(7)(D) is intended to apply to positive intelligence-gathering activities, counter-intelligence activities, and background security investigations by governmental units which have authority to conduct such functions. By "an agency" the conferees intend to include criminal law enforcement authorities as well as other agencies. Personnel, regulatory, and civil enforcement investigations are covered by the first clause authorizing withholding of information that would reveal the identity of a confidential source but are not encompassed by the second clause authorizing withholding of all confidential information under the specified circumstances.

The conferees also wish to make clear that disclosure of information about a person to that person does not constitute an invasion of his privacy. Finally, the conferees express approval of the present Justice Department policy waiving legal exemptions for withholding historic investigatory records over 15 years old, and they encourage its continuation.

SEGREGABLE PORTIONS OF RECORDS

The Senate amendment contained a provision, not included in the House bill, providing that any reasonably segregable portion of a record shall be provided to any person requesting such record after the deletion of portions which may be exempted under subsection (b) of the Freedom of Information law.

The conference substitute follows the Senate amendment.

ANNUAL REPORTS BY AGENCIES

The House bill provided that each agency submit an annual report, on or before March 1 of each calendar year, to the Speaker of the House and the President of the Senate for referral to the appropriate committees of the Congress. Such report shall include statistical information on the number of agency determinations to withhold information requested under the Freedom of Information law; the reasons for such withholding; the number of appeals of such adverse determinations with the result and reasons for each; a copy of every rule made by the agency in connection with this law; a copy of the agency fee schedule with the total amount of fees collected by the agency during the year; and other information indicating efforts to properly administer the Freedom of Information law.

The Senate amendment contained similar provisions and added two requirements not contained in the House bill, (1) that each agency report list those officials responsible for each denial of records and the numbers of cases in which each participated during the year and (2) that the Attorney General also submit a separate annual report on or before March 1 of each calendar year listing the number of cases arising under the Freedom of Information law, the exemption involved in each such case, the disposition of the case, and the costs, fees, and penalties assessed under the law. The Attorney General's report shall also include a description of Justice Department efforts to encourage agency compliance with the law.

The conference substitute incorporates the major provisions of the House bill and two Senate amendments. With respect to the annual reporting by each agency of the names and titles or positions of each person responsible for the denial of records requested under the Freedom of Information law and the number of instances of participation for each, the conferees wish to make clear that such listing include those persons responsible for the original determination to deny the information requested in each case as well as all other agency employees or officials who were responsible for determinations at subsequent stages in the decision.

EXPANSION OF AGENCY DEFINITION

The House bill extends the applicability of the Freedom of Information law to include any executive department, military department, Government corporation, Government-controlled corporation, or other establishment in the executive branch of Government (including the Executive Office of the President), or any independent regulatory agency.

The Senate amendment provided that for purposes of the Freedom of Information law the term agency included any agency defined in section 551(1) of title 5, United States Code, and in addition included the United States Postal Service, the Postal Rate Commission, and any other authority of the Government of the United States which is a corporation and which receives any appropriated funds.

The conference substitute follows the House bill. The conferees state that they intend to include within the definition of "agency" those entities encompassed by 5 U.S.C. 551 and other entities including the United States Postal Service, the Postal Rate Commission, and government corporations or government-controlled corporations now in existence or which may be created in the future. They do not intend to include corporations which receive appropriated funds but are neither chartered by the Federal Government nor controlled by it, such as the Corporation for Public Broadcasting. Expansion of the definition of "agency" in this subsection is intended to broaden applicability of the Freedom of Information Act but it is not intended that the term "agency" be applied to subdivisions, offices or units within an agency.

With respect to the meaning of the term "Executive Office of the President" the conferees intend the result reached in *Soucie* v. *David*, 448 F.2d 1067 (C.A.D.C. 1971). The term is not to be interpreted as including the President's immediate personal staff or units in the Executive Office whose sole function is to advise and assist the President.

EFFECTIVE DATE

Both the House bill and the Senate amendment provided for an effective date of 90

days after the date of enactment of these amendments to the Freedom of Information law.

The conference substitute adopts the language of the Senate amendment.

Chet Holifield,
William S. Moorhead,
John E. Moss,
Bill Alexander,
Frank Horton,
John N. Erlenborn,
Paul McCloskey,
Managers on the Part of the House.

Edward M. Kennedy,
Philip A. Hart,
Birch Bayh,
Quentin N. Burdick,
John V. Tunney,
Charles McC. Mathias, Jr.,
Managers on the Part of the Senate.

CALL OF THE HOUSE

Mr. McCORMACK. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 540]

Abzug
Archer
Armstrong
Badillo
Bafalis
Biaggi
Blatnik
Brasco
Breaux
Brooks
Buchanan
Camp
Carey, N.Y.
Cederberg
Clark
Clawson, Del
Conyers
Corman
Daniel, Robert W., Jr.
Davis, Ga.
Dellums
Diggs
Dingell
Dorn
Drinan
Eckhardt
Fraser
Gettys
Gibbons
Ginn
Grasso
Gray
Green, Oreg.
Griffiths
Gunter
Hammerschmidt
Hansen, Wash.
Harrington
Harsha
Hays
Hébert
Holifield
Hudnut
Jarman
Johnson, Colo.
Koch
Leggett
Lehman
Luken
McCloskey
McKinney
McSpadden
Macdonald
Maraziti
Mayne
Michel
Mills
Mitchell, Md.
Moss
Nelsen
O'Hara
Owens
Podell
Powell, Ohio
Preyer
Price, Tex.
Rangel
Rarick
Reid
Robison, N.Y.
Roncalio, Wyo.
Rooney, N.Y.
Rosenthal
Ruppe
Schroeder
Seiberling
Shipley
Sisk
Stanton, James V.
Steed
Steele
Steelman
Steiger, Ariz.
Stephens
Symington
Tiernan
Towell, Nev.
Traxler
Udall
Wampler
White
Wilson, Charles, Tex.
Wright

The SPEAKER. On this rollcall 341 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RECESS

The SPEAKER. Pursuant to the order of the House of September 23, 1974, the Chair declares the House in recess for the purpose of observing and commemorating the 200th anniversary of the meeting and accomplishments of the First Continental Congress. The proceedings will actually start formally at 12:30 p.m.

Accordingly (at 12 o'clock and 20 minutes p.m.), the House stood in recess subject to the call of the Chair.

THE 200TH ANNIVERSARY OF THE FIRST CONTINENTAL CONGRESS, 1774–1974

During the recess, the following proceedings took place in observing and commemorating the 200th anniversary of the meeting and accomplishments of the First Continental Congress, the Speaker of the House of Representatives presiding:

COMMEMORATIVE CEREMONY IN HONOR OF THE 200TH ANNIVERSARY OF THE FIRST CONTINENTAL CONGRESS IN THE UNITED STATES HOUSE OF REPRESENTATIVES, SEPTEMBER 25, 1974

The Old Guard Colonial Fife and Drum Corps, led by Staff Sergeant John Markel as Drum Major, entered the door to the left of the Speaker and took the positions assigned to them.

The honored guests, Mr. Alistair Cooke, Prof. Cecelia M. Kenyon and Prof. Merrill Jensen, entered the door to the right of the Speaker and took the positions assigned to them.

The Old Guard Colonial Fife and Drum Corps presented a rendition of "Chester."

The Doorkeeper (Hon. William M. Miller) announced the First Flag of the United States.

[Applause, the Members rising.]

The Flag was carried into the Chamber by a Color Bearer and a Guard of Honor.

The Color Guard saluted the Speaker, faced about, and saluted the House.

The Flag was posted and the Members were seated.

The SPEAKER. The Chair recognizes the Honorable Mike McCormack of Washington, the chairman of the Committee on Arrangements.

Mr. McCORMACK. Mr. Speaker, fellow Members, ladies and gentlemen: December of 1773, a group of Boston citizens, outraged with a new British tax on tea, swarmed over three British ships in the Harbor and dumped the cargo overboard.

In the spring of 1774, the British Parliament, responding sternly, enacted the Coercive Acts, closing the port of Boston, quartering troops in Boston, and exempting British officials from trial in the Colony's courts.

The colonists called these the Intolerable Acts, and they were the central subject of discussion when the First Continental Congress met on September 5, 1774.

Out of this session came a "Declaration and Resolves" of colonial rights and an agreement to stand together in boycotting commerce with Great Britain.

The thirst for liberty and justice and a willingness to sacrifice for it was the initial manifestation of the spirit that produced the Declaration of Independence, the Constitution, the Bill of Rights, and a 200-year tradition of representative government, preserving freedom and dignity for all Americans.

Today we meet to commemorate the 200th anniversary of that First Congress. The other members of your arrangements committee are: The Honorable Joseph M. McDade, of Pennsylvania, the Honorable James M. Hanley, of New York, and the Honorable Jack F. Kemp, of New York.

News of Parliament's passage of the Coercive Acts arrived in the Colonies during the early summer of 1774. This news not only elicited demands for a general Congress to take steps to define and to secure colonial rights; it also provoked a searching reexamination of the nature of the connection between Britain and the Colonies, as well as the extent and character of American rights. The flood of pamphlets and newspaper essays that poured forth from American presses provided the intellectual context—and established the mood—within which the First Continental Congress acted. Perhaps the most penetrating, and certainly the most moving, of these pamphlets was entitled "A summary View of the Rights of British America," the inspired performance of a young Virginia lawyer and legislator, Thomas Jefferson. Here to read Jefferson's ringing conclusion is Congresswoman Barbara Jordan, of Texas.

Miss JORDAN. Proceeding from the then still novel assumption that the Colonies were distinct and independent governments bound to Britain only through their mutual allegiance to a common monarch, Jefferson argued at length in a summary view that the British Parliament had no authority over the colonists, who were bound only by laws made by their own elected representatives and the legislatures of each of the Colonies. But, Jefferson argued, Parliament had not been alone in pursuing illegal "Acts of Power" in what, he said, was "Too plainly a deliberate and systematical plan of reducing us to slavery." George III himself had been guilty of a "wanton exercise of power" in the Colonies. Charging the King with a long list of oppressive acts against the Colonies, Jefferson concluded his pamphlet with the following warning: (Last paragraph of "A Summary View of the Rights of British America.").

That these are our grievances, which we have thus laid before his majesty, with that freedom of language and sentiment which becomes a free people claiming their rights, as derived from the laws of nature, and not as the gift of their chief magistrate: Let those flatter who fear, it is not an American art. To give praise which is not due might be well from the venal, but would ill beseem those who are asserting the rights of human nature. They know, and will therefore say, that kings are the servants, not the proprietors of the people.

Open your breast, sire, to liberal and expanded thought. Let not the name of George the third be a blot in the page of history. You are surrounded by British counsellors, but remember that they are parties. You have no ministers for American affairs, because you have none taken from among us, nor amenable to the laws on which they are to give you advice. It behoves you, therefore, to think and to act for yourself and your people. The great principles of right and wrong are legible to every reader; to pursue them requires not the aid of many counsellors. The whole art of government consists in the art of being honest. Only aim to do your duty, and mankind will give you credit where you fail. No longer persevere in sacrificing the rights of one part of the empire to the inordinate desires of another; but deal out to all equal and impartial right. Let no act be passed by any one legislature which may infringe on the rights and liberties of another. This is the important post in which fortune has placed you, holding the balance of a great, if a well poised empire. This, sire, is the advice of your great American council, on the observance of which may perhaps depend your felicity and future fame, and the preservation of that harmony which alone can continue both to Great Britain and America the reciprocal advantages of their connection. It is neither our wish nor our interest to separate from her.

We are willing, on our part, to sacrifice everything which reason can ask to the restoration of that tranquility for which all must wish. On their part, let them be ready to establish union and a generous plan. Let them name their terms, but let them be just. Accept of every commercial preference it is in our power to give for such things as we can raise for their use, or they make for ours. But let them not think to exclude us from going to other markets to dispose of those commodities which they cannot use, or to supply those wants which they cannot supply. Still less let it be proposed that our properties within our own territories shall be taxed or regulated by any power on Earth but our own. The God who gave us life gave us liberty at the same time; the hand of force may destroy, but cannot disjoin them. This, sire, is our last; our determined resolution; and that you will be pleased to interpose with that efficacy which your earnest endeavors may ensure to procure redress of these our great grievances, to quiet the minds of your subjects in British America, against any apprehensions of future encroachment, to establish fraternal love and harmony through the whole empire, and that these may continue to the latest ages of time, is the fervent prayer of all British America!

Mr. McCORMACK. Thank you, BARBARA.

Ladies and gentlemen, Congressman JIM HANLEY of New York.

Mr. HANLEY. Mr. Speaker, I am privileged today to introduce our first guest speaker, Miss Cecelia M. Kenyon. Professor Kenyon is the Charles N. Clark professor of government at Smith College, and during this school year is serving as the James Pinckney Harrison Professor of History at the College of William and Mary.

She is known primarily for her penetrating and insightful essays on the political thought of the Founding Fathers and especially for her work on the Anti-Federalists. She is presently doing a large study of early American political ideas and is serving on the advisory committee for the Library of Congress American Revolution Bicentennial Program.

Professor Kenyon.

Prof. CECELIA M. KENYON. Mr. Speaker, Members of the House of Representatives, ladies and gentlemen:

Members of the First Continental Congress would be pleased indeed to know that this House, its heir and descendant, had paused in the midst of efforts to cope with contemporary problems and commemorate the purposes and achievements of that Congress of two centuries ago.

For the delegates of that Congress had a profound sense of the significance of their own meeting, for themselves and their generation, and for their posterity—that is to say, for us today in this Chamber, and for the millions of Americans represented here by the Members of this House.

That significance was stated succinctly by a delegate from Virginia, Richard Bland:

> The question is, whether the rights and liberties of America shall be contended for, or given up to arbitrary power.

The tasks that brought those men to Philadelphia in 1774 is still significant today. Indeed when we consider the relatively rare existence of constitutional republics throughout all of known history, the preservation of liberty will always be a difficult and continuous task. For no generation alone can guarantee the enjoyment of liberty either for itself or for its posterity.

It is therefore fitting and proper for us to look back at the thought and the work of our predecessors, for in doing so, we may gain insight and understanding that will enable us to pass on to our posterity the heritage of liberty and self government which the men of 200 years ago preserved, enhanced, and transmitted to succeeding generations of Americans.

What were the assumption of the Members of that First Continental Congress? What were their objectives and their problems? What were the political skills which they used to resolve their differences and reach conclusions to resolve their differences and reach conclusions to which at least a majority could in conscience consent, and then present to their constituents as a program for national action by which to defend their rights and liberties?

My colleagues and I will attempt to answer some of these questions.

First, all of the delegates, including those who later remained loyal to the British Government, were committed to the principles of constitutionalism and the rule of law. They differed in their interpretations of the British Constitution and its application to the American Colonies, but they were unanimous in their conviction that the only legitimate government was one based on a constiution and operated in accordance with the rule of law.

Second, they were agreed that Americans had a just claim to certain rights and liberties, and that these were in serious jeopardy because of policies adopted by the British Crown and Parliament. They were not agreed, however, as to the origin and justification of these liberties, and because the journal of the Congress is so sparse, and the rule of secrecy adopted by the delegates so well observed, we can only speculate about the debate that took place both in committees and in the Congress as a whole.

The issue was whether to base their liberties on natural law on the British Constitution, on their Colonial Charters or on all three. To rest their claims on colonial charters alone was probably unsatisfactory to many delegates because of experience. Charters had been revoked in the past, and might be again in the future. Indeed, the crisis which led to the meeting of the Congress was the virtual revocation of the Charter of Massachusetts.

To rely on the British Constitution alone must have seemed futile to some delegates, because the debates of the preceeding decades had already demonstrated either that the British Government was prepared to violate that Constitution or that the British in Britain interpreted the Constitution, in a manner quite different from that of their American cousins.

To rely on natural law as the foundation of their liberties must have made a number of delegates uncomfortable, for any one of several reasons. The doctrine of natural law, and its corollary of natural rights, was associated with the doctrine of a State of nature, in which men were supposed to have lived without any government and from which they emerged only by consenting to a social contract. The trouble was, or may have been, that some delegates simply did not believe that men had ever lived without government. James Otis, a pamphleteer popular during the 1760's, stated flatly that he did not believe in the state of nature, but that since he could find no better basis for the rights and liberties in which he did believe, he would use that concept.

A second problem in using natural law and natural rights doctrine was the principle of equality associated with it. All of the Colonies, without exception, required some property qualifications for voting, and in none of the colonies had slavery been abolished. But if men had been equal in the state of nature, then upon what principle could their inequality in civil society be justified? That was an embarrassing question, and we know from contemporary sources that some Americans were troubled by it.

In the end, the Congress agreed to use all three justifications: the British Constitution, the Colonial Charters, and the concept of natural law and natural rights. And despite all its problems and weaknesses it was the last of these three that gave the American Revolution its universality and its special quality of leaving to each generation of Americans the obligation to carry forward at least one more step its ever unfinished business.

A third belief shared by the delegates to the First Congress was that the most perfect form of constitutionalism was a government which had within it at least one strong representative branch, a branch which above all else, controlled the power of taxation and expenditure of the people's property. For centuries, as they knew very well, their English ancestors had stubbornly used the power of the purse to gain and preserve the rights, liberties, and privileges of free men. The Colonies themselves had repeatedly used that same power of the purse to win concessions from their royal governors, to erode their power, and in short, to compel their chief executives to be almost as accountable to the people over whom they ruled as they were to the monarch to whom they owed their appointment. The colonists knew that if they lost this power, they would lose their principal weapon against arbitrary government. Every schoolchild in America knows that the grand battle cry of the Revolution was, "No taxation without representation."

To this argument the British Government and its supporters replied that the Americans were "virtually" represented in Parliament, although they did not actually vote for or send any members to the Parliament. The British defenders of this system argued that actual voting was not the essential element in representation. Once a man got into Parliament he represented not the particular district for which he was elected; rather, he represented the entire nation, indeed, the entire Empire.

Americans did not accept this theory, for four reasons—two of them practical, and derived from experience, two of them theoretical, but also grounded in experience. In the first place Americans were accustomed to having their own man in their colonial assemblies. He usually came from the district he represented, and in some colonies his constituents sent him to the legislature with definite instructions. If they did not approve of his conduct, they could turn him out, usually within a year. The idea that some Englishman 3,000 miles away could represent them was outlandish. It was also unrealistic, and this was their second reason for rejecting this theory of "virtual" representation. To the Americans it was perfectly clear that there were areas in which the interests of the British voter and the American colonist were in direct conflict. An obvious example was taxation. If the Parliament could tax the colonists heavily, it could lower taxes for the British who lived in Britain.

The two theoretical arguments against "virtual" representation were also rooted in the colonists' experience in politics. That experience led them to doubt both the psychological and ethical assumptions upon which the British theory rested. Americans were not sure that it was possible for a man always to perceive what the interest of the entire nation or empire was—assuming that there was a common interest. The problem then was both cognitive and ontological. Finally, they doubted that it was ethically possible for a member of Parliament always to vote for the general welfare, when his own interest or that of his immediate constituents was or seemed to be in conflict with it.

Because of the Americans' insistence on voting as a crucial element in legitimate representation, it is pleasing to note that the delegates to the First Congress were all chosen by processes which involved some degree of voter choice, sometimes by direct election, more frequently by indirect election.

Of even greater importance, the delegates knew that their power and authority rested on the willingness of constituents to follow their lead. The sensitivity of the Members of the First Congress to the meaning of representation. their awareness that the only real power they possessed was the power to persuade, was well stated by a delegate from South Carolina.

> We have no legal authority; and obedience to our determinations will only follow the reasonableness, the apparent utility and necessity of the measures we adopt. We have no coercive or legislative authority. Our constituents are bound only in honor to observe our determinations.

Thus the great and crucial problem of the Congress was to devise ways and means that would be effective against the British Government, and voluntarily accepted by their American constituents.

Then, as now, the task of reaching agreement on means proved to be far more difficult than agreeing on ends.

It is in reading the record of disagreements within the Congress, and observing the methods by which its members resolved those differences, that a modern American senses the difficulty of their task and catches a glimpse of the political skills already acquired by our forefathers and used by them to take the first great step toward a continental union based upon the republican ideal of liberty and justice for every citizen.

In the end, and after practical compromises that would be perfectly understandable to this House, which, like its venerable predecessor, represents different regions and different interests, the Congress did agree to a plan for exerting peaceful but strong pressure on both the people of Britain and their government. Whether the plan would have been successful in its object, the restoration and preservation of American liberty without resort to armed force, we shall never know. Before it could take full effect. the conflict between America and Britain erupted into military action at Lexington and Concord on April 19, 1775.

Was this first Congress a success, and did its work really end on October 26, 1774? If judged by its immediate goal, to restore American rights without resort to force, it was a failure. If, however, we look upon it as a determined effort to secure American liberty by means of national unity, it was successful, because it was followed by the Second Continental Congress, and that Congress by an unbroken series of Congresses, from that day 200 years ago until this moment.

It therefore seems appropriate to end these remarks with a quotation taken, not from the First Congress, but from one of its immediate successors. The words are those of John Adams, written to his wife in late April of 1777. Adams was then working away at the Congress in Philadelphia, subject to cross pressures of conflicting interests and opinions, serving on multiple committees, responding to incessant demands on his time and energy, doing in short, very much the kind of job that a Member of this present House does.

But John Adams was alone, and he was homesick. He wanted to be back on his farm in Massachusetts, with his wife and his children. Weary of his work in the Congress, he wrote a very homesick letter to his wife, Abigail. The last words of that letter were not addressed to Abigail, really, but to us, to all of us: "Posterity! You will never know how much it cost the present generation, to preserve your Freedom! I hope you make a good use of it. If you do not, I shall repent in Heaven that ever I took half the paines to preserve it."

This quotation is from: L. H. Butterfield, editor in chief; Wendall D. Garret, associate editor; Marjorie E. Sprague, assistant editor, The Adams Papers, series II: "Adams Family Correspondence." Sponsored by the Massachusetts Historical Society, Atheneum (1965), originally published by Harvard University Press (1963). Volume II (June 1776–March 1778), page 224.

Mr. McCORMACK. Thank you, Prof. Cecelia Kenyon.

Now, ladies and gentlemen, Congressman JACK KEMP, of New York.

Mr. KEMP. Mr. Speaker, my distinguished colleagues and friends. It has been said that the only thing that people learn from history is that no one ever learns anything from history. And cerainly today we can ill afford the luxury of not learning the lessons of the past.

And our second guest speaker is Prof. Merrill Jensen, the Vilas Research Professor of History at the University of Wisconsin. After serving as the university's chairman of the history department for 4 years, he also today serves with Miss Kenyon as a member of the Library of Congress American Revolution Bicentennial Program. He is the author of several books on the era of the American Revolution and is widely recognized as the world's leading living authority on the history of the Continental Congress.

Professor Jensen is now at work on a project of the history of the First Federal Congress and I would like you to join with me in greeting Prof. Merrill Jensen of the University of Wisconsin.

Professor JENSEN. The history of the Congress of the United States—our oldest national political institution—began 200 years ago this month when delegates from 12 American Colonies met in Philadelphia on the 5th of September. The occasion for that meeting was British legislation. One law of Parliament punished the town of Boston for the Boston Tea Party by closing its port. A second law altered the constitution of Massachusetts to give the British Governor far more power than he had ever had before.

Some of the delegates thought that Boston got what it deserved for destroying private property, but most of them looked upon the alteration of the Massachusetts constitution as a dangerous threat to self-government in all the Colonies.

The 57 men who assembled had learned the art of politics in some of the toughest political schools in recorded history—the Colonial Assemblies—or "Houses of Representatives"—the only elected branches of the colonial governments. Forty-two of the delegates had been or were Members of those Houses. And, as elected legislators, they were devoted to the principle of legislative supremacy.

Above all most of them distrusted executive power. No one stated that distrust more eloquently than Roger Sherman, a key figure in the First Congress and in the Constitutional Convention. In 1787 he told the delegates to the Convention that the Presidency was "nothing more than an institution for carrying the will of the legislature into effect" for the legislature was "the depository of the supreme will of the society." Therefore the President should be elected by and dependent upon Congress, and if he were not dependent, it would be "the very essence of tyranny, if there was any such thing."

With a very few exceptions, most of the delegates were not full time professional politicians. They were merchants, planters, and professional men. Even so, some of them were close to being political geniuses, and in all candor it must be said that some of them used political methods that are always deplored but often used, and that concern for truth was not always uppermost in their minds.

Nevertheless they were men concerned with fundamental ideas about the nature of man, of society, and of government, and they could and did think and write about such matters on a high level seldom matched by American political leaders since the 18th century.

The Members of the First Congress divided bitterly about the nature of the policies to be adopted to oppose what they looked upon as British attacks on American liberties. Years later John Adams declared that "one-third were Tories, one-third Whigs, and the rest mongrels." Or, to put it in modern terms, "one-third conservatives, one-third liberals, and one-third fence-sitters."

The "liberals"—the "radicals" of the time—had their way. The Congress adopted a Declaration of Rights which denied that Parliament had any power to legislate for the Colonies, except to regulate their trade, and even that only with the consent of the Colonies. Furthermore, the Declaration based American rights, in part, on the "law of nature," a doctrine infinitely useful in political debate since no one knew what it meant and therefore anyone could define it to suit his purposes.

The Congress adopted an even more radical practical means of opposition, the complete stoppage of trade with Great Britain and the nonconsumption of all British goods. And the means of enforcement was revolutionary in result. The Congress called for the creation of committees in every local community throughout the colonies to enforce the stoppage of trade. Hundreds of such committees sprang up and within a few months these illegal grassroots organizations became the local governments in most Colonies, and the basis for the overthrow of the colonial governments themselves by the end of 1775.

The first Congress set the Colonies on the road to revolution and independence, and Americans at the time realized, some with horror and some with joy, that Congress had done so.

But the Congress did more than that, for its Members raised fundamental constitutional and political issues that are as of much concern today as they were 200 years ago.

For years many Americans had challenged the right of a central government—that of Britain—to interfere within the Colonies, and the first Congress was a climax of that challenge which led to independence. But it was also the beginning of a long debate among Americans themselves.

Some of the delegates in the First Congress insisted that a central government was necessary to regulate trade, control paper money, direct military forces, settle disputes among Colonies, and provide force to suppress internal rebellions. Americans, they argued, should either agree that Britain had such power or adopt a constitution of their own.

This was the view of such men as John Jay and John Rutledge in 1774, and in 1787 they supported the adoption of the Constitution.

Other members of the First Congress such as Samuel Adams and Richard Henry Lee believed that the State legislatures should retain ultimate power and that any American central government should be one of sharply defined, precisely delegated, powers. Thirteen years later they were leading opponents of the ratification of the Constitution unless it was amended to protect the rights of citizens, and to more carefully define and limit the power of the central government over the States.

The debates did not die with the adoption of the Constitution but continued on to another climax: One of the bloodiest civil wars in history between 1861 and 1865. And today, what with the talk about a "new Federalism," who can say that the debate begun 200 years ago has been settled to the satisfaction of all Americans.

The First Congress also debated a balance of power of another sort: That among the Colonies themselves. The issue was raised the first day. How should Congress vote: by population or by colonies? In the course of the debate, Patrick Henry of Virginia declared that the Colonies were in a state of nature, that distinctions among the Colonies were no more; and then declared: "I am not a Virginian, but an American." It was not a proclamation of American nationalism, as some have said and still say, but an argument that Virginia—with 20 percent of the population of the Thirteen Colonies—should have more votes than Rhode Island and the other small Colonies.

The small Colonies insisted that they had as much at stake as the large ones, and they had more votes. Congress therefore agreed that each colony should have one vote but that the decision should not become a precedent. But it did become a precedent and is a part of the American constitutional system today. The insistence upon the equality of the states was so powerful that it had to be granted in one branch of Congress to prevent the collapse of the Constitutional Convention in 1787. Embedded at the end of the amending article of the Constitution, article 9, is the proviso that—

> No State, without its consent, shall be deprived of its equal Suffrage in the Senate.

The First Congress did more than begin debate on great and lasting issues: It provided for the continuity of Congress by agreeing to meet again in May 1775 if Britain had not redressed American grievances. The British scorned the first Congress, turned to armed force, and by the time Second Congress assembled, a war had begun that was to last 8 years before Americans won their independence.

The second Congress, and its successors elected by State legislatures, became both the symbol and the governing body of the Nation. Congress, a single house legislature, established domestic policies, directed military operations, and determined and executed the foreign policies of the United States. Not until after the adoption of the Constitution of 1787 was the Congress divided into two branches and required to share its powers and responsibilities with an executive and a Supreme Court.

The Members of the First Congress did far more than prepare the way for independence, begin the debate on great and lasting issues, and create an enduring national institution. They went on to lay the constitutional and political foundations of a new nation on both the State and national level.

Eleven of the delegates served in the State legislatures and conventions that wrote the first State constitutions; 31 of them sat in State legislatures after 1776; 16 of them became Governors of their States; and 17 of them served on State supreme courts, 10 of them as chief justices.

On the national level, 41 of them served in Congress between 1775 and 1789, 6 of them as its president. In 1787, 41 Members of the First Congress were still living. Ten of them were elected to the Constitutional Convention, and 20 of them to the State conventions that ratified the Constitution.

And last, but by no means least, two Members of the First Congress—George Washington and John Adams—were the first two Presidents of the United States under the Constitution of 1787, and two others—John Jay and John Rutledge—were the first two Chief Justices of the U.S. Supreme Court.

They were strong men who differed profoundly about the character of the constitutional and political institutions they created, but the record of their collective achievement offers a challenge to their first creation, the Congress of the United States, and above all a challenge to this House of Representatives at the beginning of the third century of its history.

Mr. McCORMACK. Thank you, Prof. Merrill Jensen.

I would like to take a moment to recognize some of our distinguished guests and thank those who have helped contribute to the program.

I am going to ask several of them to stand and I would like to ask that we hold our applause until they are all standing.

I wish to express our thanks to Congresswoman LINDY BOGGS of Louisiana and Congressman CALDWELL BUTLER of Virginia, who are members of the Executive Committee of the American Revolutionary Bicentennial Administration; and Mr. John Warner, Administrator of the American Revolutionary Bicentennial Administration; and the distinguished president of the U.S. Capitol Historical Society and a former member of this body, the Honorable Fred Schwengel.

I would also make particular mention of the invaluable assistance given to us by the Woodrow Wilson International Center for Scholars. They have been of tremendous help to us.

I wish also to thank the Director, Dr. James Billington, and the Assistant Director, Mr. Mike Lacey. We wish to thank Dr. Jack Greene. Dr. Greene is the gentlemen who prepared the booklet for us today.

Also, I would like to acknowledge the presence of Deputy Chairman Robert Kingston and the Special Assistant to the Chairman, Joe Hagan, of the National Endowment for the Humanities, who helped finance this program today. These gentlemen are standing in the gallery. The endowment has helped defray the expenses of this program and the Public Broadcasting System.

I would also like to pay tribute to Mr. Hartford N. Gunn, president of the Public Broadcasting System. He is here today.

Then I would also like to commend the manager of our House restaurant, Mr. Kermit Cowan. He has prepared a special menu today with colonial style luncheons. I hope you all enjoy them.

I would like to pay particular tribute to three staff persons who did so much while we were at home over the Labor Day recess—Miss Ann Tonjes and Miss Barbara Grazulis of my staff and most of all Gary Hymel, executive assistant to the Majority Leader "TIP" O'NEILL's staff, who spearheaded this program from beginning to end and more than anyone else has made this entire program possible.

Will you stand up, and may we give them a round of applause.

[Applause.]

Of course we would like to thank the Third Infantry's Old Guard Fife and Drum Corps and the Camerata Chorus of Washington with its conductor, Joan Reinthaler, and the Camerata Chorus at this time will sing.

Thank you very much.

[Camerata Chorus.]

Mr. McCORMACK. I know we all want to express our appreciation to the Camerata Chorus for those songs. Not only for bringing them to us today but for learning them for us for this particular program. Alistair Cooke tells me that these were the two "pop" hits of 1774. You can see how things have changed.

Ladies and gentlemen, the Honorable Congressman JOSEPH MCDADE of Pennsylvania.

Mr. McDADE. Mr. Speaker, my colleagues, and fellow citizens. Our principal speaker today, Mr. Alistair Cooke, is well known to Americans as the creator and narrator of the special television series "America," on which his best selling book of the same title is based.

The series has won 18 awards around the world, including 5 Emmies and the Peabody Award. Mr. Cooke has been an interpreter of America for the British for 27 years through his distinguished radio series, Letters from America. He is perhaps a more sensitive interpreter of the American experience because unlike many of us and like so many of our forebears, he was not born an American but chose to become one.

A great privilege to warmly welcome Mr. Alistair Cooke.

[Applause.]

Mr. COOKE. Mr. Speaker, Mr. McDADE, Members of the House of Representatives, distinguished guests, ladies and gentlemen: Of all the times that I have sat in this House in the past 30-odd years as a reporter and listened to Presidents requesting from you declarations of war—not many of them any more since you lost the power!—listening to pronouncements that the state of the Union was good or bad or indifferent; and listening to debates on everything from the price of battleships to the coloring of margarine; I can assure you that this occasion is for me far and away the most terrifying. It was not at first put up to me as an ordeal, or even as a very great privilege, which indeed it is. I understood that there was to be a cozy get-together of some Congressmen, somewhere, a breakfast perhaps, at which I might be called on to say a few impromptu words. But standing here now I feel as if I were just coming awake from a nightmare in which I see myself before you unprepared and naked, as one often does in dreams, looking around this awesome assembly and blurting out "I accept your nomination for the Presidency of the United States."

When I blithely accepted—the invitation, that is—and the grandeur of this occasion was only then made clear to me, I tried to backtrack on the grounds of a conflict of interest. Because I was supposed now to be standing before an audience not in the United States but in the Kingdom of Fife addressing the annual dinner of the Royal and Ancient Golf Club of St. Andrews. My letter of abject apology to the Secretary prompted from him a chivalrous reply. He wrote:

> It is a pity that you will not be following in the footsteps of Francis Ouimet and Robert Tyre Jones, Jr., but it is splendid that you should be following in the footsteps of Lafayette and Churchill.

He added, however:

> A senior member asks me to remind you that we are 20 years more ancient than the First Continental Congress, and maybe you should get your priorities straight.

I cannot help recalling—and with some pride in the great honor that you do me today—that the only native-born Englishman I ever heard address this House was Winston Churchill. He remarked then that if his father had been American, and his mother English instead of the other way around he might have got here on his own.

The wistful thought occurs to me today that if my father had been Irish, and my mother English, instead of the other way round, I might have tiptoed, at a respectful distance, in the shadow of that mighty man.

We are met in what I take to be the first official celebration of the Bicentennial by the Congress to applaud the men who met in Philadelphia in September 1774, in response to many indignities, mainly, I think, to the military occupation of Boston and the monstrous, and, as it turned out, the fateful blunder of the Parliament, in closing the Port of Boston. This is an action which Englishmen, to this day, think of as being not particularly unreasonable, until you ask them to wonder how they would feel if the Congress of the United States were to close the Port of London.

They were, as we have been told, a very mixed bunch of aggrieved men. We tend to see them as a body of blue-eyed, selfless patriots all at one in their detestation of tyranny. But I doubt that the present Congress spans so wide a political gamut. They ranged from hidebound radicals to bloodshot conservatives. There were, of course, many disinterested men fighting for a principle, but there were also shrewd businessmen who saw, in a possible break with England, a gorgeous opportunity to ally with Spain and control all trade east as well as west of the Appalachians.

But—and it will be worth saying over and over in the next 2 years—the lovers of liberty carry no national passport.

This seems to me a good time to recall some unsung heroes of the American Revolution who sat not in Philadelphia but in the House of Commons, some of them who jeopardized their careers by taking the colonists' side: Henry Seymour Conway, who carried through the repeal of the Stamp Act; General John Burgoyne, himself to be the invasion commander, who raised a storm by urging Parliament to convince the colonies "by persuasion and not by the sword"; the sailor Johnstone, once the Governor of Florida, who warned the House of Commons that what it was doing would provoke a confederacy and a general revolt: a flash of foresight that made the Government benches rise and tell him he had "brought his knowledge of America to the wrong market"; and most of all, Edmund Burke, who got a respectful hearing on anything and everything until he rose to refute the argument that if the citizens of Boston were taxed without representation, they were no worse off than the citizens of Manchester. Burke replied:

> So, then, because some towns in England are not represented, America is to have no representative at all? They are our children,

> and when they wish to reflect the best face of the parent, the countenance of British liberty, are we to turn to them the shameful part of our Constitution?

He was booed to the rafters.

Now, by recalling these trans-Atlantic heroes of the Revolution, I wish only to suggest the dangers that lie ahead, and that have lain in the past, in our tendency, especially in the movies and in television, and in too many school books, to sentimentalize our history or to teach it as a continual clash between the good guys and bad guys, between America and Britain, the white man and the Indian, industry and labor, between us and them.

Now, practical men usually distrust history—Henry Ford said it was "the bunk"—as a false guide, and they are right if we think that anything ever repeats itself in the same way. It is, rather, the tendency of history to repeat itself in every way but one, and the new element is unfortunately and usually the only one that matters.

So, it is a normal impulse in men of action—and I take it that I am looking at men who are nothing but men of action—to distrust history because it is done with. Americans are all activists in the sense that they have always believed that tomorrow is going to be at least as good as today, and certainly better than yesterday. Nothing could be more American than the famous remark of Lincoln Steffens after he visited the Soviet Union: "I have seen the future and it works." Bertrand Russell saw the same future at the same time, and what he saw was the past in a new guise, and it chilled his blood. But then Russell had a passion for human liberty and he could smell tyranny even when he couldn't see it. Steffens, on the other hand, was a reporter—of a type not yet extinct—a reporter who believed everything he was told.

We are about to launch ourselves on a 2-year festival of commemoration of the American past. And from the early promises of some chambers of commerce, television producers, motel proprietors, and the manufacturers of buttons and medals, it could turn into an orgy of self-righteousness.

Practically every man who signed the Declaration of Independence is at this moment being measured for a halo, or at worst a T-shirt. This is done, I think, from a fear that the truth might turn out to be dull. Well it's often embarrassing, but it's never dull.

By sentimentalizing our history we do, most of all, an enormous disservice to the young. We imply or proclaim that the United States was invented by saints with a grievance. Now any perceptive 12-year-old knows from his own experience of life that this is nonsense, and any perceptive 5-year-old from her experience in life. So, they transfer their healthy suspicions from the teacher to what is being taught and conclude that American history is a great bore.

Professor Jensen has reminded us that we have the word of a man who was in the thick of things from the start—John Adams—that in 1776 no more than a third of the population was on the revolutionary side. One-third was openly or covertly Loyalist. And the other third was that dependable minority to whom the Gallup poll pays regular tribute: the people who know nothing, feel nothing, and stand for nothing.

We are also undoubtedly going to be plunged, through the TV tube, into a public bath of immigrants, all of whom will be warm-hearted, simple, courageous and abused. But it would do no harm to young Americans—it ought, rather, to fortify their ideals—to learn that many a shipload of immigrants from 1848 into our own time contained also men jumping military service, and delinquents, both adult and juvenile: a lot of people with a lot to hide. This does not demean, indeed, to me, it glorifies the legions who struggled for a decent and tidy life. To know this will only confirm the daily experience of many young people growing up today in a community of mixed national and racial origins. It seems to me that by such teaching of the truth—of the way it was—in all its maddening complexity, they might learn early on the simple lesson that courage and cowardice know no national frontiers or racial frontiers, and that when we say a man or woman is a credit or discredit to their race, we should mean no more or less than the human race.

The war against injustice and bigotry and greed started well before 1774—in fact, with Cain and Abel—and will trouble our history till the end of time.

Now, I think it is good and proper that in 1976 we should celebrate what is best in the American past. But we should remember that our history, like that of all nations, is sometimes fine and sometimes foul. The important thing is to know which is which.

For if we accept at any given time the inevitable complexity of human motives and desires that make up the past, and the present, there is no need to fear. But some people say, "Won't a strong dose of reality disillusion the idealism of the young? It is the same question that a member of the Constitutional Convention put to James Madison when he said that good government could only be based on "ambition counteracting ambition." Was he saying, asked a mocking delegate, that "the frailties of human nature are the proper elements of good government?"

Madison replied, "I know no other." That simple sentence which reflects Madison's unsleeping sense of reality and his ability to get the Convention to set up a system that hopes for the best in human nature, but is always on guard against the worst.

That is what I believe has guaranteed the survival of the Constitution as a hardy and practical instrument of government.

So I suggest that we would be making a foolish spectacle of ourselves if we spent the Bicentennial year proclaiming to a bored world that we are unique and holier than anybody, for today national sovereignty is a frail commodity. Today we and Western Europe are faced in common with a triple threat to representative government. For the first time since the 15th century our cities are threatened by the success of violence. For the first time since the 1920's our countries are threatened by an unstoppable inflation. And for the first time in human history our planet is threatened by an unstopped nuclear arms race.

We are very much in the parlous situation of the Thirteen Colonies. We don't have much time, if any, to think of ourselves as separate nations whose fate is in our hands. Franklin's warning is apt:

> We must all hang together, or assuredly we shall all hang separately.

More and more we and many more nations are, as the Bible warned us, "members one of another."

I think that honest persons who are concerned for the reputation of this country abroad had much cause for misgiving in the past year or two, when our image was rendered alarming to free men by the gradual growth in the executive branch of Government—and it began at least a dozen or 14 years ago—of a kind of domestic Politburo, which in the end, in its malignant form, was indifferent to the Congress and contemptuous of the people and the law.

But then, through the gloom and the squalor that lay on this city, there came a strong beam of light, and it came from this House. Nothing that I can remember has redeemed, in Europe anyway, the best picture of America, which is always the one that ordinary men and women want to believe in, more than the recent public sessions—and how fortunate it was that they were public—of your Judiciary Committee.

Here after a welter of truth, and possible truth, and rumor and hearsay, we saw and heard 38 men and women debating, with sense and dignity and seriousness, the most dire threat to the constitutional system since 1860. And so long as the standing committees of Congress remember that they are standing in for nobody but the people, the state of the Constitution, I think, will be sound. And just so long will the Executive be "the servant and not the proprietor of the people."

So it seems to me a happy thing, and enough of a celebration for today, at any rate, that 200 years after the First Congress met as a team of watchdogs eager to corner a tyrannical executive, this House should have made it possible for us today to say, without complacency, and with some legitimate pride: "I have seen the past—and it works!"

The Colors were retired from the Chamber, the Old Guard Colonial Fife and Drum Corps playing "Yankee Doodle".

The Old Guard Colonial Fife and Drum Corps retired from the Chamber.

The honored guests retired from the Chamber.

At 12 o'clock and 45 minutes p.m., the proceedings commemorating the 200th anniversary of the meeting and accomplishments of the First Continental Congress were concluded.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 3 o'clock p.m.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Marks, one of his secretaries.

PRINTING OF PROCEEDINGS HAD DURING THE RECESS

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the RECORD, and that all Members may have permission to extend their remarks on the 200th anniversary of the meeting and accomplishments of the First Continental Congress.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE 200TH ANNIVERSARY OF THE FIRST CONTINENTAL CONGRESS

Mr. GILMAN. Mr. Speaker, this month our Nation observes the 200th anniversary of one of the most momentous and important assemblies of men in the history of the world—the First Continental Congress.

From 11 of the 13 Colonies, delegates assembled in Philadelphia in the fall of 1774. They ranged from the then-unknown George Washington to the firebrand, Thomas Jefferson, and their range of opinions and backgrounds embraced every part of the social and political spectrum.

They came to Philadelphia, then a bustling town of about 38,000 inhabitants, and chose to meet, not in an official building or in the State house, but in a labor union hall, the Carpenters' Hall.

They met in a time of great tension and danger. The English Crown had subjected the Colonies to a succession of unjust and oppressive measures, and the citizens of the city of Boston were suffering under royal directives which had come to be known as the Intolerable Acts.

The work these diverse and distinguished men did in the month they met in Philadelphia changed the course of history. They united in their resistance to the British oppression; they gave voice to their grievances, defined the rights of the Colonies and denied the power of the Crown to abridge them.

The colonial representatives went a step further. In an act of enforcement of their grievances, they formed the Continental Association, an agreement not to import from, export to, or consume goods made in Britain.

This important action was among the first steps toward the creation of a union of the Colonies, to work for their rights and freedoms.

More important than any individual action of the First Continental Congress was the spirit the Congress embodied: the spirit of defiance, and of dedication to the principle that men are born free. It was this principle which led the Second Continental Congress, meeting in Philadelphia 2 years later, to declare the Thirteen Colonies free and independent States.

From their deeds, as we look back on them from our 200 years of perspective, we can take renewed dedication to their ideals and to their spirit which is embodied in their motto which should become the watchword of all Americans today:

> May no man enjoy freedom who has not spirit enough to defend it.

The men who met in Philadelphia are long gone. But their spirit and challenge lives on.

Mr. ROUSH. Mr. Speaker, 200 years ago the first National Government in America convened for the first time. George Washington, John Jay, John Dickinson, John and Samuel Adams represented their respective colonies. There were 56 delegates in all who came together to decide what the American colonists should do in light of the fact that the British Government was imposing tyrannical rule aimed at forcing the colonists to accept a domination that geography and political conviction had rendered impossible.

The House of Representatives justly considers this First Continental Congress as our forebear. From "The Congress," as it was simply designated at the time, would come the Second Continental Congress which was absorbed into the Articles of Confederation Government and this metamorphosed into the Congress we know of under the Constitution prepared in 1787.

The First Congress showed patience, determination, and political acuity. The members there in Philadelphia denounced the infamous Coercive Acts the British Government had imposed after the Boston Tea Party; issued a Declaration of Rights including among these life, liberty, property, the right of assembly, and trial by jury; established a Continental Association to boycott English goods and ultimately—unless the grievances were eliminated—embargo American exports to England.

Their hope was for peace and unity with the mother country—on their own terms, which meant the continuation of the kind of freedom and independence to which they were accustomed. But they prepared for the eventuality of failure of their petitions for redress to the King by expanding the Continental Association and by advising the Colonies to provide militia for themselves.

That the First Congress was to be a continuous association among the Colonies was evidenced by their agreement to meet again in the spring of 1775, if conditions had not so improved as to make this unnecessary.

Mr. Speaker, I look back upon this period of American history with a great deal of pride and much awe. I cannot help but marvel at the achievements that were made by this virtually untried group in such a time of crisis and uncertainty. With them began our national experiment with representative democracy and popular sovereignty. The leadership they gave to that movement in its earliest days certainly went far to assure the continuance, the stability, the sense of purpose that that first union among the American Colonies required.

In the 200 years since that First Continental Congress, 13 Colonies have grown to 50 States and 56 delegates to 435. But I can read what the delegates in Philadelphia said at that time. I can reflect on the principles they stood firmly by. I can observe the actions they took to defend themselves from arbitrary and tyrannical authority. And I find a continuity between that body and this one today. I find that what they cherished in the way of natural, God-given rights, the kind of society they demanded to protect those rights, are the same today. We in this body still enshrine human liberty and conceive of government as that mechanism to preserve and defend it. Our traditions in this House are finally rooted in the very beliefs and convictions of those delegates to the First Continental Congress 200 years ago.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the Rules Committee may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 16032, CHANGING THE COMPOSITION OF THE PENNY AND AUTHORIZING GRANTS TO EISENHOWER COLLEGE

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1312 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1312

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16032) to authorize the Secretary of the Treasury to change the alloy and weight of the one-cent piece and to amend the Bank Housing Act Amendments of 1970 to authorize grants to Eisenhower College, Seneca Falls, New York. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN) pending which

I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1312 provides for consideration of H.R. 16032, which, as reported by our Committee on Banking and Currency, would authorize the Secretary of the Treasury, under certain conditions, to change the alloy and weight of the 1-cent piece. The proposed legislation would also amend the Bank Holding Act Amendments of 1970 to authorize grants to Eisenhower College, Seneca Falls, N.Y.

The resolution provides an open rule with 1 hour of general debate, with the time being equally divided and controlled by the chairman and the ranking minority member of the committee.

After general debate, the bill would be read for amendment under the 5-minute rule. At the conclusion of such consideration the committee would rise and report the bill to the House with such amendments as may have been adopted, and the previous question will be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. Speaker, although the proposed legislation involves both ends of our coinage spectrum, pennies and dollars, each of the two sections of H.R. 16032 lends itself to separate consideration. In ascending order, therefore, let us first consider the penny problem, which is dealt with in section 1.

It is common knowledge that our 1-cent coin is composed of 95 percent copper and 5 percent zinc. Speculators, particularly, are aware of this fact. They also know that pennies could become very attractive for a purpose other than making change upon the concurrence of two things: First, if copper content of the 1-cent coin remains at 95 percent; and second, if the price of copper exceeds $1.50 per pound.

In April 1974, copper rose to $1.43 on the futures market, which prompted the Secretary of the Treasury to exercise his authority under the Coinage Act of 1965 by issuing an order prohibiting the melting, treating, or exporting of 1-cent coins.

To discourage such speculative interest in the 1-cent coin and to assure sufficient pennies in circulation to meet the needs of commerce, the proposed legislation would give the Secretary of the Treasury discretionary authority to reduce the copper content of the penny and even to direct the production of pennies of other metallic content, provided that he gives the Congress at least 60 days' notice of the alternative materials he intends to use, and provided, further, that he also considers the effect of the use of such other metallic coins upon coin-operated devices.

Section 2 of H.R. 16032 directs our attention to Eisenhower dollars. Up to the close of business on June 28, 1974, the Government had sold 8,306,294 of the Eisenhower proof silver dollars—40 percent silver content—at $10 each, as authorized by the Bank Holding Company Act Amendments of 1970. Section 2 of the proposed legislation would authorize the appropriation of one-tenth of the gross sales to date of the Eisenhower proof silver dollars, up to a total of $10 million, to Eisenhower College, which was designated by Congress in 1968 as a memorial to our 34th President. Under the provisions of the proposed legislation, therefore, the sum of $8,306,294, one-tenth of the gross sales, could be appropriated to Eisenhower College.

However, before the Secretary of the Treasury may transfer any money to Eisenhower College under the proposed legislation, Eisenhower College must make satisfactory assurances to him that 10 percent of the amount it receives will be transferred to the Sam Rayburn Library at Bonham, Tex.

Mr. Speaker, under section 1 of H.R. 16032, no costs would be incurred outside of the normal Bureau of the Mint expenditures in the production of the new authorized 1-cent coins. Under section 2, the maximum appropriation to Eisenhower College, assuming additional proof silver dollars are sold hereafter, would be $10 million, of which sum $8,306,294 would be authorized immediately.

Mr. Speaker, I urge the adoption of House Resolution 1312 in order that H.R. 16032 may be considered.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I will be happy to yield to the gentleman from Iowa.

Mr. GROSS. Was there similar legislation that the House killed about a year ago by striking down the rule making the legislation in order?

Mr. MATSUNAGA. That is my recollection, but within a year, it is the feeling of the Committee on Rules that Members of the House are enlightened as to the facts and as to the goodness of this bill. Therefore, we are bringing it up again, for the consideration of a slightly different bill.

Mr. GROSS. Is the financial situation of the country in such shape that we are now financing colleges out of specially minted coins and that sort of gimmickry? If so, why do we not just support all colleges by minting special coins?

Mr. MATSUNAGA. For this reason, I might say to the gentleman from Iowa: In the case of the Eisenhower College, the Congress approved it as a living memorial to our 34th President. None of the other colleges can make that claim, and therefore, I feel it is the obligation of the Congress to make good on our pledge.

The gentleman will recall also that in authorizing the minting and selling of Eisenhower dollars to be sold not at $1 apiece, but at $10 apiece, it was understood that some of that money would be used for the purpose of maintaining the Eisenhower College.

Mr. GROSS. This could also mean the House is trying to rectify a mistake it made when it defeated the rule a year ago?

Mr. MATSUNAGA. Well, I think perhaps at that time the gentleman from Iowa who opposed the measure was too strong in his persuasion.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I am happy to yield to the gentleman from California.

Mr. HOLIFIELD. Mr. Speaker, I am listening with a great deal of interest to this, and I just want to ask a question.

Does the gentleman consider this "backdoor spending"?

Mr. MATSUNAGA. I do not know what the gentleman means by "backdoor spending."

Mr. HOLIFIELD. Well, that is usually spending from nonappropriated funds, from a revolving fund or some special arrangement whereby it does not have to go through the authorization process and through the Committee on Appropriations. That is the way it has been explained to me.

Mr. MATSUNAGA. Mr. Speaker, if the gentleman will yield, I will state that I would hate to think of this bill as authorizing "backdoor spending" in the undesirable way. Everything is out in the open, and we are dealing with it specifically. I would certainly hate to think we can maintain the Eisenhower College, which is a living memorial to President Eisenhower, only by backdoor spending. I would like to authorize and appropriate it openly, through the front door; as we are proposing to do in H.R. 16032, by action of the whole House.

Mr. HOLIFIELD. Mr. Speaker, I have another question.

As I understand it and from the way the gentleman explained it, there would be some $8 million to go to the Eisenhower College and some $2 million to the memorial for our former revered Speaker, Sam Rayburn; is that right?

Mr. MATSUNAGA. Not $2 million but $1 million of it, yes.

Mr. HOLIFIELD. Is the figure $1 million?

Mr. MATSUNAGA. As a matter of fact, 10 percent of $8 million would be $800,000, not quite $1 million immediately, but a maximum of $1 million.

Mr. HOLIFIELD. I see. Mr. Speaker, I thank the gentleman.

Mr. MATSUNAGA. The grant to Eisenhower College would be conditioned upon its setting aside 10 percent of it for the Rayburn Library.

Mr. HOLIFIELD. Mr. Speaker, I will ask this further question:

Is this kind of a partnership arrangement, such as making hamburger meat out of a horse and a rabbit, 50–50 as far as animals are concerned, but 80–20 or 90–10 as far as the division of money is concerned.

Mr. MATSUNAGA. Mr. Speaker, if the gentleman will yield further, I do not know much about horses, and I do not believe I have ever eaten hamburgers made out of horsemeat. So I am afraid I am going to have to yield to the gentleman from Texas, Mr. Patman, to answer that question, or perhaps the gentleman might raise that question during general debate on the bill itself.

Mr. HOLIFIELD. Mr. Speaker, this House, of course, reveres both former President Eisenhower and our former Speaker, Sam Rayburn. I was just making the inquiries from the standpoint of broadening my knowledge of the subject matter which the gentleman has quite ably explained.

Mr. MATSUNAGA. Mr. Speaker, I might say to the gentleman from California that the money is already there. The dollars have been sold, and the money is already in the Treasury.

We made money by selling money, because we sold over 8 million silver dollars for $10 apiece. The taxpayer is not being asked to pay for the proposed expenditure; coin collectors like my son have already paid to finance the proposal.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am reading from the report on page 5, in answer to the question asked by the gentleman from California (Mr. HOLIFIELD) as to "backdoor spending."

It says as follows:

> Under section 2 of H.R. 16032 the $10 million authorized for grants to the two institutions can be made available only through appropriation.

The distinguished gentleman from Hawaii (Mr. MATSUNAGA) has ably pointed out the provisions of the resolution. I see no harm in debating the bill.

It is true that a similar measure was up in August 1973 and the rule was defeated, but the issue of the penny was not a part of the measure. Taking the copper out of pennies is merely a standby provision, and I feel that we do have an obligation to the Eisenhower College. And since we do have an obligation there, 10 percent of the total sales of the Eisenhower proof silver dollars goes to the Eisenhower College, and 10 percent of that amount would go to the Sam Rayburn Library.

Mr. DENNIS. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I am happy to yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Speaker, I thank my friend, the gentleman from Tennessee, for yielding.

I was just wondering about this: I am a little puzzled as to why such apparently different measures are joined in this bill.

It would seem to me that the matter of the content of the penny on the one hand and that of the support of these worthy institutions on the other are somewhat different matters. I do not quite understand why the two have been joined in this wedlock, or combination, or whatever it may be.

Mr. QUILLEN. That is a very good question, and it was asked of the chairman of the committee, the gentleman from Texas (Mr. PATMAN) when he was before the Committee on Rules, and I shall now yield to the gentleman for his answer at this time.

Mr. PATMAN. Mr. Speaker, both sections of this bill—and there are only two sections—deal with coinage. They are related. There is no question but what they belong together.

I believe that we could not honor the memory of two greater men than President Eisenhower and former Speaker Sam Rayburn who, incidentally, was born in west Tennessee, and then went to Texas when he was very young with his family, and they lived in the same congressional district, I mean President Eisenhower and Mr. Rayburn. Mr. Eisenhower was born over in the Sam Rayburn area in Texas. So that there is a lot of connection between the two of them.

Mr. QUILLEN. I thank the gentleman.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I will be delighted to yield to the gentleman from Iowa.

Mr. GROSS. I hope the gentleman from Texas will remain on his feet. Is the gentleman telling us that this is a real nice horse trade?

Mr. PATMAN. No.

Mr. GROSS. What did the gentleman say? The gentleman said he made some kind of a deal with the other body in order to trade one portion of this bill for the other?

Mr. PATMAN. The other body has passed the bill.

This is a true and genuine way to recognize the memories of two of the greatest men who ever lived in the United States.

It will not cost anything, and the Government actually makes money on it. It is all open and above board. There is no trade-out, or anything else.

Mr. GROSS. It sounds very much like a horse trade. Is the gentleman from Texas saying that?

Mr. PATMAN. There are some honest horse traders, you know.

Mr. GROSS. Well, that may be. I have not seen any of them around here lately.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from New York.

Mr. WALSH. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I believe there are a couple of points that I think are important and that should be brought out here today. One of them seems to be the fact that there is a misapprehension in the House that it was the officials of Eisenhower College who suggested this plan of financing the college. I want to make it perfectly clear that there was no official of Eisenhower College who made that suggestion.

The original idea for that came from a person by the name of Leonard Gorman, who is editor of the Syracuse Post-Standard, one of the leading daily newspapers in upstate New York, who suggested that a percentage of the money raised by this method would certainly provide a fitting memorial for President Eisenhower.

There is one other thing that I should like to mention. There has been a comment about back-door spending. Actually this is a misnomer. The truth is that this is back-door financing, because we are using the memory and the honor and the love of this great man to raise $470 million for the Treasury of the United States of America. All this bill does is suggest that less than 2 percent of that money be used to perpetuate a monument, a monument that he himself wanted in his memory.

I thank the gentleman for yielding.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I shall be delighted to yield to the distinguished gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. I thank the gentleman for yielding.

I think the gentleman from California (Mr. HOLIFIELD) raised a legitimate question when he asked if this is not in fact back-door spending. I say it is. The gentleman from Tennessee pointed to some language in the report in support of the idea that it is not back-door spending, but if we read the language of the bill, it says:

> Except as provided by subsection (b) and after receiving the assurances described in subsection (c), the Secretary of the Treasury is authorized to take one-tenth of all moneys derived from the sale of $1 proof coins minted and issued under section 101(d) . . . and transfer such amount of moneys to Eisenhower College, Seneca Falls, New York.

This Congress has no discretion as to how much money shall be appropriated, and that is what back-door spending is all about. This bill before us directs the Treasurer of the United States to transfer funds to the Eisenhower College immediately upon enactment.

It seems to me that it is back-door spending—and I should like to state that I agree with the gentleman from Hawaii (Mr. MATSUNAGA), that what we ought to do is be open and direct and for that reason I recommend to the gentleman a bill which several of us introduced, H.R. 9960, and which was referred to the Committee on Education and Labor, which is the proper committee to consider grants of this kind.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I shall be happy to yield 2 minutes to the gentleman from New York.

Mr. WALSH. I thank the gentleman for yielding.

I will not require 2 minutes. I just want to point out that on page 6 of the report under the "Cost of the Legislation," there is a statement that:

> This legislation would entail no costs outside the normal expenditures of the Bureau of the Mint in the production of coins authorized by Section 1.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. QUILLEN. I yield to the distinguished gentleman from New York (Mr. CONABLE).

Mr. CONABLE. I thank the gentleman for yielding.

Mr. Speaker, I consider this to be a worthy bill. I think we can spend a lot of time arguing about technicalities—such things as how the obligation is financed, as to whether or not some official of the college made some commitment in the past as to whether or not he would be back for appropriations at some time in the future. Appropriations, as such, are not at issue here. The fact is that this is an appropriate living memorial to President Eisenhower. It is something that will be of considerable benefit to the youth of our country. His widow and his family would appreciate additional assistance on a memorial that is faltering at this point for financial reasons. We are using President Eisenhower's memory to raise substantial sums of money through sale of these coins. How odd that we are quibbling about giving a very small portion of that money back to sustain the only memorial he wanted.

I should hope that my colleagues in this body will look into their hearts and do an appropriate act of generosity and of wisdom in supporting an institution which desperately needs our help.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I want to say to the membership that I would strongly urge the passage of this resolution and the bill, for the reasons as set forth by the gentleman from New York, the gentleman from Hawaii, and others. It is a worthy measure.

Mr. Speaker, I reserve the balance of my time.

Mr. HANLEY. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I yield to the gentleman from New York.

Mr. HANLEY. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the rule which will allow us to accomplish several things. Fundamentally, it will give the Treasury Department the flexibility it needs with regard to the composition of the penny.

Second, it allows the Congress to recognize the obligation that it undertook back in 1968 with regard to Eisenhower College. I am confident that the majority of the House wants to support this measure. They want to support a living memorial to two great Americans, Dwight Eisenhower and Sam Rayburn.

I hope very much we can agree on this rule and then let the House debate the merit of the bill. I am confident that the majority will support the bill.

Mr. MATSUNAGA. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Speaker, I had not intended to speak on the rule, but I know what the reaction to this bill has been in the past. It is conceivable that the House might try to vote down the rule. For that reason, I would like to say what little I have to say on this subject now. There has been a great deal of misunderstanding with regard to the legislation which created this college as a memorial to the late President Eisenhower. It happened to be in my congressional district at that time. The stories that have appeared in the press and in some of the fun that was made on the floor a year ago when this rule was voted down have completely ignored that particular point.

We have created this college as a memorial to a former President. I think it would be unfortunate if by our inaction, by our nitpicking, by our attempt to say, "Well, we would like to help this college but we want to do it some other way," we would allow this memorial to a great President to falter.

I think it says something about the character of President Eisenhower—who, incidentally, like President Truman, is beginning to look a good deal better than when he retired from the Presidency—I think it says a lot about his character that when he was asked what kind of memorial he wanted, he said he wanted this little college in upstate New York, named after him for his official memorial. What we are doing is not a dipping in the Treasury. The money from which these funds are to come is money that has been made for the United States because of the love and affection that the people of the United States have had for President Eisenhower. In a very real sense President Eisenhower has gone out and raised this money posthumously by his personality and his dedication. All we are asking is that a small portion of those funds should be used to keep alive a living memorial in his name.

I hope the rule will be adopted.

Mr. QUILLEN. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Iowa (Mr. SCHERLE).

Mr. SCHERLE. Mr. Speaker, I would like to ask my colleague from New York or the gentleman from Hawaii who has the rule, did not this bill originally surface some time in 1968 and was not a proposition made at that time that $5 million matching funds would go to this particular institution, that it would be a one-shot deal?

If I remember correctly, a statement was made to that effect—that $5 million would be all they would request. They will not be back here anymore. Now, is that correct?

Mr. MATSUNAGA. Mr. Speaker, I yield to the gentleman from New York. He went to the committee for that.

Mr. STRATTON. Mr. Speaker, if the gentleman will yield to me, I certainly would agree with that. There was a statement made when we came in with the original legislation, of which I was the author, that the $5 million which was to be given by the Federal Government, in return for $5 million in matching funds to be raised by the college, would represent all that the college needed to survive. So this new request does represent an overrun, if you like. This is the kind of thing we have seen before, I daresay. The John F. Kennedy Memorial Center came back to us with an overrun of 140 percent, and we had to appropriate additional funds, and we did appropriate them.

Mr. SCHERLE. I decline to yield further.

All I am saying is that we have many institutions of higher learning that have run into financial difficulty. If the gentleman is going to start a precedent by bailing out every single——

Mr. STRATTON. They are not memorials to Presidents of the United States, however.

Mr. SCHERLE. Mr. Speaker, let me say to my colleague that I have as great admiration and love and affection for Sam Rayburn and President Eisenhower as he does. We are not talking about them personally. We are talking about a higher institution of learning.

What I am saying is that to come in here for a repeat performance on a one-shot deal which the House provided—I have three institutions of higher learning in Iowa such as Iowa State University, Simpson College, and Graceland College.

Mr. STRATTON. These colleges are not memorials to a President of the United States. Eisenhower College is a memorial, the only one we have. That makes a big difference.

Mr. SCHERLE. It will not take long for me to change the name of the college and put in some notable such as James Harlan or Sam Kirkwood.

Mr. STRATTON. If the gentleman wants to allow this great memorial to a great Republican President, that is his responsibility.

Mr. SCHERLE. Mr. Speaker, the House is getting a little tired of these one-shot deals which come back to haunt this body despite the fact that it ends up holding the sack for the initial proposition, which at the time it was made could not be honored.

Mr. Speaker, I thank my colleagues for yielding to me.

Mr. MATSUNAGA. Mr. Speaker, I yield 4 minutes to the gentleman from Texas, the chairman of the committee, (Mr. PATMAN).

Mr. PATMAN. Mr. Speaker, it occurs to me that the Rayburn sections of the bill merit, and if this were not the case, I would feel that the memory of one of the greatest men in the world, Sam Rayburn, was not given proper attention or proper support or proper recognition.

Mr. Rayburn, I think, did more for young Members of Congress than any other man who has ever served here. He was kind, he was respectful, he was attentive to their needs and wishes. He always had time to talk to them. He would advise them, and advise them correctly. We just did not have a better man in the Congress.

It is true that all the Members here now were not here when Mr. Rayburn served, but everyone who was here certainly respect his memory, and I believe will do anything they can to properly represent what should be done to recognize his memory.

This bill is different than the one last year. Then, we had a bill up here that was an open-ended bill and could not be restricted to $10 million, as this bill is. It could have been $100 million. That is one of the things that caused the defeat of the rule.

Another thing was that in addition, it had back-door financing in it. This bill does not have back-door financing. This bill says under section 2 that $10 million is authorized to be appropriated to the two institutions to be made available only through appropriations.

So, it has no open end to it and it has no back-door financing. Those are the two things that caused the defeat of the rule a year ago that were in the bill, and since they caused the defeat, I think it is perfectly reasonable to ask that the Members reconsider that after we have taken these features out.

Mr. Speaker, I certainly hope that the Members can see their way clear to support this bill. It is certainly worthy of their support. I do not believe there is any way we can recognize or remember two greater men in the country with such a small amount of money as contained in this bill. I ask the Members to support the rule and we will hear the arguments with regard to the bill.

Mr. MATSUNAGA. Mr. Speaker, I urge my colleagues to vote the rule, and if there are any further questions relative to the bill, we can take it up in the Committee of the Whole.

Mr. Speaker, I urge the adoption of the rule.

I move the previous question on the resolution.

The SPEAKER. Without objection, the previous question is ordered on the resolution.

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. SIKES. Mr. Speaker, I note that on yesterday, on rollcall 536, which appears on page H9491 of the House Record, I am recorded as voting for a resolution to cut off arms to Turkey.

Mr. Speaker, I spoke against the resolution. I am against the resolution. I thought that I was voting against the resolution. I intended to vote against the resolution.

I ask that this explanation appear in the Record.

HON. EMMETT FRANCIS BYRNE

(Mr. PRICE of Illinois asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, it is my sad duty to inform the House that our former colleague, the Honorable Emmett Francis Byrne of Chicago, Ill., died last evening after serious illness.

Although Representative Byrne served only one term, the 85th Congress, he was well known and highly regarded as an effective legislator who worked diligently for his district, State, and Nation. An attorney, Representative Byrne served as assistant corporation counsel for the city of Chicago, assistant State attorney for Cook County, draft board chairman, Illinois Commerce Commission hearing officer, and most recently, as a member of the Chicago Regional Export Expansion Council.

On behalf of my colleagues in the Illinois delegation, I extend deepest sympathies to the Byrne family.

PLACING CERTAIN SUBMERGED LANDS WITHIN THE JURISDICTION OF THE GOVERNMENTS OF GUAM, THE VIRGIN ISLANDS, AND AMERICAN SAMOA

Mr. de LUGO. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 11559) to place certain submerged lands within the jurisdiction of the governments of Guam, the Virgin Islands, and American Samoa, and for other purposes, with Senate amendments thereto and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Amendments

Page 2, line 14, strike out all after "(iii)" down to and including line 17 and insert: "all submerged lands adjacent to property above the line of mean high tide acquired by the United States by eminent domain proceedings, purchase, exchange, or gift, after the date of enactment of this Act, as required for completion of the Department of the Navy Land Acquisition Project relative to the construction of the Ammunition Pier authorized by the Military Construction Authorization Act, 1971 (84 Stat. 1204), as amended by section 201 of the Military Construction Act, 1973 (86 Stat. 1135);"

Page 4, line 1, after "reimbursement," insert: "and subject to the procedure specified in subsection (c) of this section".

Page 4, after line 6, insert:

"(c) No conveyance shall be made by the Secretary pursuant to this section until the expiration of sixty calendar days (excluding days on which the House of Representatives or the Senate is not in session because of an adjournment of more than three days to a day certain) from the date on which the Secretary of the Interior submits to the Committees on Interior and Insular Affairs of the House of Representatives and the Senate an explanatory statement indicating the tract proposed to be conveyed and the need therefor, unless prior to the expiration of such sixty calendar days both committees inform the Secretary that they wish to take no action with respect to the proposed conveyance."

Page 5, after line 8, insert:

"(d) Nothing in this Act shall affect the status of lands beyond the three-mile limit described in section 1 of this Act."

Page 6, line 17, after "ancestry" insert: ": *Provided, however,* That this section shall not be construed in derogation of any of the provisions of the April 17, 1900 cession of Tutuila and Aunuu or the July 16, 1904 cession of the Manu's Islands, as ratified by the Act of February 20, 1929 (45 Stat. 1253) and the Act of May 22, 1929 (46 Stat. 4)".

Mr. GROSS. Mr. Speaker, reserving the right to object, this is confined to Guam? What territory does this legislation embrace?

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Yes.

Mr. DON H. CLAUSEN. I will read fully this statement that I intend to put in the Record:

Mr. Speaker, I rise in support of H.R. 11559 as amended by the other body. H.R. 11559 conveys title and control of submerged lands on Guam, the Virgin Islands, and American Samoa. Local control of such area is in consonance with the authority already vested in the 50 States and the Commonwealth of Puerto Rico, permitting better land and water use development and closing the timelag to initiate shoreline improvement. This act also turns over to the Virgin Islands government title of properties which have been under territory government control since 1937. The provisions of this act provide for the protection of U.S. Federal interest while simultaneously stimulating political and economic growth in America's territories. In meeting these two objectives, Mr. Speaker, I therefore recommend the unanimous consent of this measure by my colleagues.

Mr. GROSS. Then this legislation in no way affects submerged rights to minerals or petroleum on submerged lands offshore from the continental United States?

Mr. DON H. CLAUSEN. Mr. Speaker, the answer is "No."

Mr. GROSS. Mr. Speaker, I thank the gentleman.

I withdraw my reservation of objection.

Mr. WON PAT. Mr. Speaker, on behalf of my fellow Americans on Guam, I rise to ask that the Senate amendments to H.R. 11559, a bill to confer certain submerged lands to the governments of Guam, the Virgin Islands, and American Samoa, be accepted so that this bill can become law.

As you know, this measure in its original form passed the House on March 18, 1974 without a single dissenting vote. I am proud to be a cosponsor of this crucial measure together with my fellow Delegate from the Virgin Islands, Ron deLugo, and my other good friends, Representatives Phillip Burton, chairman of the House Subcommittee on Territories, Don H. Clausen, and Ralph Regula.

Although the measure now before us has been amended in four minor instances, I find no reason why these amendments should not be accepted to prevent further delay in sending H.R. 11559 to the White House for final action.

The first amendment simply clarifies the language to ensure that the properties to be acquired by the Department of Defense on Guam for the construction of a new ammunition pier will remain under Federal jurisdiction. The House passed bill would place some clouds on the title of the properties conveyed by this act.

The second amendment suggested by the Senate also asks that Congress retain its present 60-day review of all future land transfers under the provisions of the 1963 Submerged Lands Act. Here, too, I have no objection as past experience has never shown this provision to be a problem.

The remaining two amendments only clarify that territorial jurisdiction over our respective submereged lands shall be within the standard 3-mile limit accepted by all coastal States and to comply with the Treaty with American Samoa as it deals with communal property rights in those islands.

Mr. Speaker, and my colleagues here today, your acceptance of this measure now will be recorded in history as a major advance for the political rights of your fellow Americans in the Territories.

These citizens have earned the right to have the same degree of political control over their lands as have their mainland counterparts. They have shown their ability to govern wisely and fairly and need your assistance in removing Federal control over territorial submerged lands and transferring it where it belongs: to the people who live there.

I know that the people of Guam will be appreciative of your support and I urge that this measure be supported by the House.

Mr. DE LUGO. Mr. Speaker, it is with very real pleasure that I rise this afternoon to ask for unanimous consent for the acceptance of the Senate's amendments to my bill which would transfer submerged lands to the governments of the Virgin Islands, Guam, and American Samoa, and would also transfer many pieces of real property, which have important cultural and historic significance to the people of the Virgin Islands, to the territorial government.

I wish to thank the distinguished chairman of the Interior and Insular Affairs Committee, Congressman JAMES A. HALEY, for his continuing support and encouragement, and Congressman PHILIP BURTON, the distinguished chairman of the Interior Committee's Subcommittee on Territories and Insular Affairs for his thoughtfulnes in relinquishing what traditionally is his role in handling this legislation on the floor of the House. I also want to express my appreciation to my distinguished colleague from California, Congressman DON H. CLAUSEN, the ranking minority member of the subcommittee, for his gracious assistance throughout the history of this bill.

I am particularly happy to be able to speak on behalf of this legislation which has such profound economic and political significance for the territories. This legislation will make the rental and permit fees for the use of submerged and tidal lands payable to the territorial governments rather than to the Department of the Interior. While these funds are only a fractional amount of the Department's budget, they will be of substantial assistance to these governments.

In addition, the direct control of submerged lands by the local governments involved will eliminate the present long and frustrating administrative process involved in going through the Federal bureaucracy every time an application for use is submitted. While my legislation will ease the administrative burden involved in the development of submerged lands, the placing of these properties under local jurisdiction and supervision will lead to stricter adherence to ecological considerations than is possible with the present absentee ownership. An essential feature of this legislation is that the lands transferred will be administered for the benefit of the people guaranteeing their productive use and preservation for the present and future generations.

Mr. Speaker, the amendments offered by the Senate have the full concurrence of both the majority and minority members of the subcommittee in which hearings on this legislation were held initially, and therefore I ask unanimous consent for their acceptance. This will be the final legislative act before this bill is ready for the President's signature and marks an historic step forward in the recognition of the political maturity of the territories.

The SPEAKER. Is there objection to the request of the gentleman from the Virgin Islands?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DE LUGO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the Senate amendments to the bill H.R. 11559 just concurred in.

The SPEAKER. Is there objection to the request of the gentleman from the Virgin Islands?

There was no objection.

ANNUAL REPORT ON AGRICULTURAL EXPORT ACTIVITIES (FOOD FOR PEACE)—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-362)

The SPEAKER laid before the House the following message from the President of the United States; which was read, and, together with the accompanying papers, referred to the Committee on Agriculture and ordered to be printed with illustrations.

To the Congress of the United States:

I am pleased to transmit to the Congress the 1973 annual report on agricultural export activities carried out under Public Law 480 (Food for Peace). This has been a successful program. It has provided a channel for humanitarian assistance, promoted economic development and, in general, supported foreign policy objectives of the United States.

Throughout the year, the Food for Peace program demonstrated its flexibility in a changing agricultural situation. Because of the tight commodity supply situation in the United States, shipments during the year were somewhat restricted. This was especially true of wheat and wheat product shipments. However, our food contributions to the drought-stricken African countries, including Ethiopia, were substantial. In both East and West Africa, United States food aid represented about 40 percent of the total supplied by the international community. The level of U.S. contributions to the World Food Program and the U.S. voluntary agencies was maintained and the Title I concessional sales programs continued in such high-priority countries as Bangladesh, Bolivia, Cambodia, Israel, Pakistan, and Vietnam.

The Food for Peace program continues to be the primary U.S. food aid activity. Concessional sales programs continued to encourage recipient countries to establish self-help objectives and also support economic development projects. The program retains its emphasis on improving the nutrition of pregnant and nursing mothers, babies, and pre-school children, the most nutritionally significant periods of human life. Although most programs have aspects of agricultural market development, specific programs for trade expansion have been limited because of strong commercial demand. Such programs could be resumed under changed supply conditions.

As 1973 legislation authorized the extension of the Public Law 480 program through 1977, it will go on playing its vital role in terms of development assistance, trade expansion, and promotion of our foreign policy objectives.

GERALD R. FORD.

THE WHITE HOUSE, *September 25, 1974.*

FINAL REPORT OF THE ADVISORY COUNCIL ON INTERGOVERNMENTAL PERSONNEL POLICY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor.

To the Congress of the United States:

It is a privilege for me to transmit to the Congress the final report of the Advisory Council on Intergovernmental Personnel Policy.

This report, which supplements earlier work by the Council, addresses three issues of importance to Government at all levels: equal employment, labor management relations, and the development of workforce policies by State and local governments. Because the members of the Council have expressed themselves forcefully and forthrightly on these matters, their work should serve as a useful reference point for public officials everywhere. All of us should be indebted to the Council members for their dedicated service and wisdom.

GERALD R. FORD.

THE WHITE HOUSE, *September 25, 1974.*

CHANGING THE COMPOSITION OF THE PENNY AND AUTHORIZING GRANTS TO EISENHOWER COLLEGE

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 16032) to authorize the Secretary of the Treasury to change the alloy and weight of the 1-cent piece and to amend the Bank Holding Act Amendments of 1970 to authorize grants to Eisenhower College, Seneca Falls, N.Y.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. PATMAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 16032, with Mr. DANIELSON in the chair.

The Clerk read the title of the bill.

(By unanimous consent, the first reading of the bill was dispensed with).

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. PATMAN) will be recognized for 30 minutes, and the gentleman from New Jersey, (Mr. WIDNALL) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. PATMAN).

Mr. PATMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 16032 is a good bill, a well-thought-out bill, to accomplish two important purposes in the national interest.

One, it will provide the Treasury Department with flexibility in meeting the tremendous demand for 1-cent coins in our economy, no matter what happens in the future to the price of copper. We came very close this year to not having enough pennies to enable merchants throughout the country to make change, because billions of pennies were disappearing from circulation and being hoarded for their copper content. We need pennies in vast quantities. If we did not have pennies, then every cash sale would be marked up to the next nickel, and we certainly do not want that kind of further contribution to inflation.

The price of copper has come down from its record levels in April, and we have every hope that the standby provisions of H.R. 16032 will not have to be utilized. But when a commodity can go from 50 cents a pound to nearly $1.50 a pound in 1 year's time, as copper did, then we have to be prepared in case it should go even higher at some future time. What section 1 of this bill does is to permit the Secretary of the Treasury to reduce the copper content of the penny in case copper prices should go above $1.50 and make the standard penny more valuable for its copper content than as a coin.

Reducing the copper content to 70 percent—instead of 95 percent—would provide enough leeway to allow for copper prices up to about $1.86 per pound. But if copper went above that, then the Secretary could, under this bill, temporarily use some other metal or metals in the 1-cent coin until it was again feasible to go back to copper pennies. He would have to take into consideration the problems which might arise in vending machines from the use of a noncopper penny, and he would also have to give Congress enough advance notice of any change to allow us time to act in case we did not want to let him go ahead with a particular copper substitute for the penny.

Basically, it is standby legislation. If copper prices do not go high enough to make it impractical to continue minting copper pennies, then nothing will be changed. But since we need more than 8 billion new pennies a year for commercial purposes, we have to be prepared for any future threat to the circulation of these coins. As the Members know, our committee acted 9 years ago to save the dimes, quarters and half-dollars from going out of circulation because of pressures on silver prices, and we solved that problem with the cupro-nickel coins. They are not as handsome as the old silver coins, but they get the job done, and we have had no shortages of the subsidiary coins. This bill will assure a continued supply of pennies, no matter what happens in the copper or other metals markets.

Section 2 of the bill deals with a matter which I am sure is close to the hearts of every Member of the Congress—Republican and Democrat alike—and that is honoring in a most appropriate manner the memories of two of the great men of our national history, the late Five-Star General and President Dwight David Eisenhower and our own Mr. Sam, the late Speaker Sam Rayburn.

Both men have had memorial institutions named after them—Eisenhower College at Seneca Falls, N.Y., the living memorial to Ike; and the Samuel Rayburn Library at Bonham, Tex., where Speaker Rayburn's papers are deposited for study by scholars interested in learning about the processes of democracy from the standpoint of one of its greatest practitioners.

Both institutions need additional funds to provide greater service to the educational community. The two institutions are bound together in a cooperative program to share materials and information and training opportunities. This is most fitting, because Dwight Eisenhower was born in the congressional district represented for so many years by Speaker Rayburn; and Speaker Rayburn guided through Congress the legislation which enabled General Eisenhower to liberate North Africa and Western Europe in World War II and worked closely with President Eisenhower during his two terms in office.

In this legislation we honor a Republican and a Democrat, both among our greatest Americans.

More than 8 million Eisenhower proof silver dollars have been sold to Amercans who revere Ike's memory and who have been willing to pay $10 each for a coin with a face value of $1. Under this bill, $1 of the mint's very high profits from each of those $10 coins would go to the college President Eisenhower himself designated as his primary memorial, and the college in turn would provide 10 percent of such receipts to the Rayburn Library.

There is no backdoor spending aspect to this. The funds would have to be appropriated, and a limit of $10 million is set under the bill. These changes from the bill we reported last year should eliminate objections voiced on the floor last year that the bill was open ended with no limit imposed and that it was backdoor spending.

Mr. Chairman, I now yield such time as she may consume to the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Chairman, I am happy to explain the provisions of section 1 of this bill. Section 1 deals only with the penny, and is in the form in which this legislation was approved by the Subcommittee on Consumer Affairs. Section 2, of course, deals with Eisenhower College, and was not in the subcommittee bill.

Section 1 is standby legislation, in case the price of copper should shoot up so high that pennies would again disappear from circulation because of their copper value. The so-called "melting point" of pennies, in terms of copper prices, is $1.50 per pound. A year ago, copper was only about 50 cents a pound; this spring it rose above $1.43 on the futures market. It is now down to less than 70 cents, but it is pretty volatile and could move back up again and go higher than it ever did before. We just do not know.

When this situation began to develop over the winter, with copper prices soaring, the Treasury asked for authority to go to an aluminum coin. We held hearings on that bill, and rejected it. There was no sentiment for an aluminum penny and a lot of opposition to it, from the vending machine industry which would have had a real problem with aluminum pennies jamming their machines, and even from the pediatricians who pointed out how hard it is to find an aluminum coin through X-rays in case a child swallows one. The Treasury acknowledged that the vending machine problem would be solved if they reduced the content of the penny from 95 percent copper, 5 percent zinc, to a low of 70 percent copper, 30 percent zinc. The resulting coin would be just about the same weight as the present coin. But if they went below 70 percent copper content, the metal would be too hard to strike in large quantities, the dies would wear out too fast. So 70 percent copper is the practical minimum for coinage in large quantities. Just remember that 80 percent of all coins we turn out now are pennies, more than 8 billion a year.

So what we did in the subcommittee was this: we proposed allowing the Secretary of the Treasury to reduce the copper content on a temporary basis whenever that is necessary to assure continued availability of pennies. A penny of 70 percent copper content would have a melting point of $1.86 per pound copper, compared to $1.50 per pound copper for the present 95 percent copper cent.

But if the price were to go to above $1.86 by any significant amount, then the problem would reoccur. So we provided very strictly limited authority to the Treasury to go to some other material if it is impracticable to use copper. But that could be done only after notification to Congress at least 60 days in advance of any change—and those 60 days do not include any period of adjournment of Congress or recess for more than 3 days. So if they came up with another proposal for an aluminum coin, and we still felt as we do now about aluminum, we would have a chance to block such a change. Whatever substitute material they intended to use would have to be decided upon only after taking into consideration the use of such coins in coin-operated devices, and I think that pretty well rules out aluminum for the penny. It is the light weight of an aluminum coin which causes the problems in the vending machines.

The reason we have to worry about copper prices in relation to the circulation of the penny is that, even though it is illegal to melt down pennies for their copper content, a lot of speculators jump in and buy up pennies when copper prices approach the penny's melting point. For instance, until we stepped in and called upon the Federal Reserve System to stop it, a lot of banks were ordering pennies in huge quantities from the Federal Reserve banks for speculators and hoarders. One commercial bank officer in the Nashville area wanted $10,000 worth as a personal investment. A speculator in San Antonio tried to get $10,000 worth through his bank.

In El Paso, someone wanted a local bank to order $50,000 worth. And in the Richmond Federal Reserve Bank there was an order from a bank for $100,000 worth of pennies from an individual. That is 10 million pennies. That is more than 25 percent of the entire output for 1 day from all of the facilities of the Bureau of the Mint. This information is included at page 98 of our hearings.

I repeat, section 1 of the bill is strictly standby legislation. We hope it will not have to be used. The Treasury has no plans for changing the composition of the penny this year regardless of what happens on this bill. It has enough copper for this year to meet the anticipated production of pennies.

If this bill passes, the standard penny of 95 percent copper, 5 percent zinc will remain the statutory standard. Any change would be temporary. On the other hand, if we had passed the administration bill, and they had to change from 95 percent copper, the only material they would have been allowed to use would be 96 percent aluminum, and that would have become the permanent standard for the 1-cent coin there after.

The 95 percent copper penny is the most practical alloy for minting purposes; a 70 percent copper penny would be only a temporary expedient if copper prices rose above $1.50 a pound and stayed there for any length of time. Any other material used if copper prices went above $1.86 would be authorized for only a short period of time—until December 31, 1977.

Similar legislation was enacted as a standby measure in World War II, and it too had a cutoff date. They made steel coated zinc pennies for a period during World War II under that temporary authority, but turned out only a fraction of the number of pennies needed in the present economy.

Section 1 of this bill had the unanimous support of the subcommittee.

Mr. WIDNALL. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, H.R. 16032 would legislate two basic provisions with regard to coinage. The first is a necessity on a nationwide basis and the second a necessity for two particular institutions.

The first and most pressing is that of the composition of the penny. Our 1-cent coin presently is composed of 95 percent copper and 5 percent zinc. The metallic content, and in particular the value of the copper component, makes the penny susceptible to speculation and eventual destruction. Although the Treasury Department has placed in effect a prohibition on the melting of pennies, the enforcement of it is such that additional authority is needed in order to avoid a potentially serious coinage problem. The committee bill provides a two-stage response to the composition-supply problem in 1-cent pieces.

First is a broad discretionary authority within the Secretary of the Treasury to alter the copper-zinc proportions in the penny. We are assured that the maximum modification involved would be to change from a 95–5 alloy to a 70–30 alloy. The net effect of this change would be to raise "melting point" prices of copper from about $1.50 per pound to $1.85 per pound, although that price is far removed from present prices of copper—current cash price is in the 80 to 90 cents per pound range. Earlier this year prices ranged as high as $1.43—April 1974 futures market. It would indeed be folly to make no provision of alternatives if we are faced by a similar upswing in the future. On the practical side, it is assured that 70 percent would be the lowest copper content for this coin as excessive diewear would result from blanks made with a lower copper content. We are also assured that the 70-percent-copper coin would function in vending machines interchangeably with the present coin.

A secondary provision is made by the bill to provide for the more extreme situation which might result from more volatile copper prices. Under this section, the Secretary would be authorized to change the composition of the penny to other metallic compositions under certain circumstances. To do so, the Secretary would have to determine that it was no longer practicable to use copper for penny production; he would have to make a specific proposal as to the content, weight, dimensions, shape, and design of such coin; and, furthermore, he would have to report his determination to Congress and wait for a 60-day period to expire. I would point out that this is both experimental and of a protective nature in that it would be available only until the end of 1977.

I think my colleagues will agree that our experiences of this year demonstrate the necessity of providing a contingency authorization for the continued production of pennies, even under adverse circumstances. I know that many areas of the country experienced penny shortages earlier this year and some retail establishments were forced to go as far as issuing paper scrip in order to make change for their customers. Naturally, the impetus for legislation of this nature is weakest when the pressure is off and the solutions are most difficult to reach when the pressure is on. For this reason, I urge my colleagues to support this bill while we have a moment's respite from the onslaught of increased copper prices.

Section 2 makes provisions for the funding of two specific institutions, to be provided out of revenues derived from $1 proof coins bearing the likeness of the late President of the United States, Dwight D. Eisenhower. The maximum amount authorized under this provision is $10 million, of which 90 percent would go to Eisenhower College in Seneca Falls, N.Y., and the balance to the Sam Rayburn Library at Bonham, Tex. When this provision came before the House as a separate bill last year, the rule was voted down. I believe this was an unfortunate occurrence in that the merits of funding these two institutions were not adequately considered. There is undoubtedly some resistance to set any precedent which would subsidize individual institutions with funds obtained as seignorage resulting from the coinage operations of the U.S. Mint. I would not presume to make a claim to my colleagues that this was other than appropriated taxpayers' money simply because the funds are raised by the sale of coins at profit rather than by tax revenues. Nonetheless, the relationship of the proof coin itself and the institution which bears the name of Dwight D. Eisenhower is undeniable. I do not believe that it is necessary in this forum to belabor the obvious by pointing out one more time the respect which we all owe the former Speaker of the House, Sam Rayburn.

Let me say that this bill does represent a cohesive package which should be acted on promptly in order that the confidence and security which it will provide may be on the books and that we may not be asked to deal with the problems involved under a crisis situation in the future.

Mr. WIDNALL. Mr. Chairman, at this time I yield 4 minutes to the gentleman from New York (Mr. WALSH).

Mr. WALSH. Mr. Chairman, I rise in support of H.R. 16032. Eisenhower College is located in Seneca Falls in the heart of the Finger Lakes area in New York State. Even before I was elected to represent this area, I followed the beginnings of this college and its very remarkable career. Now that I do represent the area, I am even more proud of the accomplishments and the quick national fame that this institution has already won.

The college is now 6 years old and was established as a public trust by the founders. The late President Eisenhower himself heartily approved of this memorial and suggested that this was the only type of memorial that he really wanted.

In the past 6 years I have seen Eisenhower College literally lift itself up by the bootstraps. It has built a campus worth conservatively over $19 million. It has created a very distinctive curriculum and a quality academic program. It has enrolled over 900 students, achieved a growing national reputation, earned full accreditation in the shortest possible time, and recently, when it ran into financial difficulty, enlisted the support of hundreds of students and people in the area and was able to continue to operate.

By the combined efforts of the trustees, the staff, the faculty, but even more importantly, the students, they have been able to keep their doors open.

Mr. Chairman, these are truly remarkable accomplishments for an institution as young as this one. One of the things that I want to disabuse here in the House—and I mentioned it when we had the debate on the rule—is that it was not the people of Eisenhower College who conceived the idea of using money from the memorial coin to finance the $9 million grant to the college. It was the editor of the Syracuse Post-Standard, one of the leading daily newspapers in upper New York State, who first suggested this.

The special merit of this proposal is the fact that it represents absolutely no cost to the taxpayer, since the money comes from the proceeds of the sale of the Eisenhower silver dollar.

I would like to make one other very important point. The Congress proposes by this method to raise about $470 million by the sale of the Eisenhower coin. It is even projected now that this could go, because of the Bicentennial coming up, to almost twice that, or close to $900 million.

This bill provides that less than 2 percent of this money but not over $9 million can be used as a permanent living memorial to one of the greatest military leaders in the history of this world, and certainly one of the finest Presidents that this country has ever had. I do not see how in the world we can justify the use of the name of this great man to raise funds for the General Treasury, and yet deny him the simple memorial that he requested so much and desired so greatly.

It seems to me that simple justice demands that if we use a man's name, we compensate him in some way. General Eisenhower or his family or his heirs get nothing out of this. All we are attempting to do is create a living memorial to this very wonderful American.

Mr. Chairman, I thank the gentleman from New Jersey for yielding to me.

Mr. PATMAN. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Chairman, it is a pleasure to rise in support of this legislation today. As I said earlier during the colloquy on the rule, it will allow us the ability to do two things: That is, assign to the Treasury Department that badly needed flexibility insofar as the composition of the penny is concerned. That flexibility is direly needed, and the authority is long overdue.

Beyond that, it allows us again that opportunity to assist in the funding of the living memorials to two truly great Americans, former President Dwight Eisenhower and former Speaker Sam Rayburn.

Really, everybody gains from this legislation. The U.S. Treasury, for instance, in recognition of the estimate that the sale of the coin will gross somewhere in the neighborhood of $100 million. So, again, we profit from the image of Dwight Eisenhower.

So, is it too much to ask that for this memorial, a percentage of the gross return on that sale be allocated in accord with the commitment that the Congress made back in 1968 insofar as Eisenhower College is concerned? I do not think that is asking too much.

I feel confident that a little later this afternoon, when Members assemble in this Chamber and cast their votes, that the majority will agree that this is not doing too much; that the intent of the legislation is, indeed, noble.

I am very hopeful that the majority of this House today will see it the way that I and others who are not only supporters but proponents of the legislation see it.

We have dealt with this matter for a long time. I thought it was most regrettable some time ago, about a year ago, when the rule was defeated under very difficult circumstances. I think that if the full House at that time had had the opportunity to vote it up or down, the matter would have become law about a year ago.

Again, it is a delight to support, and I hope that the majority of this House today will see fit to approve, this legislation.

Mr. WIDNALL. Mr. Chairman, at this time I yield 5 minutes to the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Chairman, I rise to oppose section 2 of the bill, and at the proper time I hope that the House will support a motion to strike section 2.

Mr. Chairman, time after time we hear section 2 referred to as a grant to the living memorial for ex-President and General Eisenhower. Mr. Chairman, at no time has this Congress determined that this would be our memorial for President Eisenhower.

In 1968, while President Eisenhower was still alive, some of his friends and those who had worked for him and his administration came to this Congress, and told us about the fond hopes that they had for this college to which he had agreed to lend his name. They told us at that time that the college was in some difficulty and that with a little bit of help they could make it.

They came to the subcommittee, of which I was a member. The gentlewoman from Oregon (Mrs. GREEN) was the chairwoman.

We were reluctant to accede to their request for authorization for $5 million. We feared that in making this first grant, the college would become forever the obligation of the taxpayers of the United States. We expressed our reservations to the president of the college and to the other people who were asking for this help for the college.

Finally, very reluctantly, we supported that authorization, but with the express and firm promise from Mr. Rosenkrantz, the president of the college, and the others who lobbied for this that they would never again ask the Treasury of the United States to support the college.

They are now back asking for funds in a manner they say will not be a cost to the United States.

What it does is take $10 million which otherwise would go to the Treasury and belong to the United States out of the Treasury. Therefore, it is going to cost us $10 million, $9 million of which will go to the college.

I think this is a breech of faith, and I understand that in the most recent hearings, the president, Mr. Rosenkranz, again has said that he does not believe that they would ever come back again; but he is even now less firm than he was in 1968 in his statement that the college will not ever again look to the Treasury of the United States for support.

Mr. Chairman, higher education generally has experienced difficulty in recent years. Many institutions have not been economically viable.

This institution, which had projected an enrollment of 1,200 for this year, now has about 600. Their projections just about a year ago fell about 200 short. They expected to have 800. They now have a 600 enrollment.

In the State of New York, the board of education, which has jurisdiction over private as well as public schools, estimates that many institutions of higher education in New York will be forced to close their doors in coming years.

Mr. Chairman, as of 1980 the attendance in institutions of higher education generally is going to drop precipitously in the State of New York, as well as in the rest of the country. There is no assurance that if we authorize this $10 million for Eisenhower College, the college will be able to continue.

However, there is one thing that is certain, and that is this: If we again make this grant, we will just etch more deeply into their consciences the fact that we are going to guarantee their success regardless of whether they can make it as an institution on their own. I do not think we should do that. I think it would be unfair to other institutions.

We have a Roosevelt College in the city of Chicago. It has been there for a number of years, and it would love to have help. It was also named for an ex-President. They do not ask for funds, nor do I think we should express a willingness to give them funds from the Treasury to support that college.

Mr. WIDNALL. Mr. Chairman, will the gentleman yield?

Mr. ERLENBORN. I am happy to yield to the gentleman from New Jersey.

Mr. WIDNALL. Mr. Chairman, I would like to point out that the amount involved would be paid out of the sale of proof sets that have been issued with President Eisenhower's face upon the coin. That is the reason it has value. The money that is being raised and that the Government can use is coming out of the sale of something that is attached to the name of President Eisenhower.

This is the only memorial that we have for President Eisenhower in the country, and this is all that he said he wanted. I think this is done for a very fine purpose, and I am happy to be one of the sponsors of the bill.

Mr. ERLENBORN. Mr. Chairman, I appreciate the gentleman's comments.

However, I think all numismatists would place a value on the coin, in any event. If we put a picture of the American eagle on a coin or if we put a picture of the fleur-de-lis on a new coin, it would have value.

I appreciate the gentleman's position. I would reiterate, however, that this Congress never decided we would make this our memorial to President Eisenhower.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentlewoman from Oregon (Mrs. GREEN).

Mrs. GREEN of Oregon. Mr. Chairman, I probably will not take the 5 minutes.

This matter was rather thoroughly debated when it was up before. I think the gentleman from Illinois has covered some of the basic points.

When the people who were promoting Eisenhower College came to the Committee on Education and Labor and requested $5 million, they made a firm commitment, in response to questions, that this would be the one and only request for funds.

Mr. Chairman, all private colleges throughout the United States or almost all of them, with the exception of maybe a dozen which have huge endowments, are facing a real financial crisis. I think the Members of this House will have to ask themselves this: Is there real justification for continuing to give millions of dollars to this one small college in upper New York when other colleges in our own congressional districts will be closing their doors? All of the studies that have been made agree that private colleges are going out of business, and the only question is which ones.

Now, if the commitment had not been made that that would be the only request, I feel absolutely certain that that bill would never have gotten out of the committee in the first place and we never would have started this drain on the Federal Treasury.

I do not think the issue today is whether or not Democrats or Republicans consider Eisenhower and Rayburn as great Americans. I certainly do. If any Member wants to bring out a bill that would provide $1 million for the Rayburn Library, I would enthusiastically support it.

I have grave reservations about political deals which are made so we can get support from both sides of the aisle, with the understanding that if we give this much to Eisenhower College they will give a percentage of it to the Rayburn Library. It just does not set very well with me.

Mr. Chairman, I think also that the Members ought to consider the precedent that is being set.

In our committee Kennedy College came to the committee for funds. I believe it was Kennedy College in Iowa. They came before our committee, as I believe the gentleman from Illinois will recall; Kennedy College wanted Federal funds because it was going to be a living memorial to another great President.

Mr. Chairman, are we setting a precedent that at any time a college is in trouble if they name it after some great American hero then we can appeal to the emotions of the Members of the Congress and thereafter that we must continue to finance another and another college as a memorial to each of those American heroes?

It seems to me, Mr. Chairman, that is hardly the kind of a precedent that we want to set.

Finally, Mr. Chairman, I suggest to the Members of this House that the $10 million which is requested today is not going to be the final chapter. I predict there will be hardly a private college that is going to be able to continue in the years ahead without some kind of special funding. I would be willing to wager that in a year or 2 years, or 3 years, the president and board of trustees will be back again, and they will say, "Here is a college that was set up as a memorial to President Eisenhower, and now is about to close its doors; this would be a terrible thing. So there will be another request for funds, and this will be a continuing proposition. So it seems to me that the simple thing to do would be to bring out a bill in support of the Rayburn Library; we would also say that the Eisenhower Center here in Washington where millions and millions of the American people come is a more fitting memorial to a great American President than a small college, where very, very few Americans will ever visit.

So I hope, when the amendment is offered by the gentleman from Illinois later on, that it will receive the support of the House.

Mr. STRATTON. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I certainly respect the viewpoint of the gentlewomen from Oregon. The gentlewoman was the chairman of the committee that reported out this original legislation in the first place. I do not intend to take issue now with all of the things the gentlewoman has said. I may do so at a later time. But I would like to make one correction.

I know the gentlewoman from Oregon would not want an erroneous impression to be left, and that is the impression she gave that this college decided to name itself after President Eisenhower when they got into financial trouble. I was in on the birth of this college, and I think I know something about it. And I can assure the gentlewoman from Oregon that the name of Eisenhower was attached to this college before the ground was ever broken and long before any financial troubles developed.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. WIDNALL. Mr. Chairman, I have no further requests for time.

Mr. PATMAN. Mr. Chairman, we only have one more speaker, and since the gentleman from New Jersey has no further requests, then I will yield such time as he may consume to the gentleman from Texas (Mr. ROBERTS) to close debate.

Mr. ROBERTS. Mr. Chairman and my colleagues, I appreciate very much the opportunity to appear here primarily to support the Rayburn library.

As most of my colleagues know, I had the privilege of being associated on the staff of the late Speaker Rayburn. His entire life's dream was wrapped up in this library. Not only was his dream there, but every single dime that he had was left to support the library. It is a magnificent structure, although it is very small, because he did not have a great amount of worldly goods. It has in it every single volume from the Continental Congress up to date that has to do with the Congress of the United States. A great many scholars use it for their research.

Speaker Rayburn was unable to leave enough money to carry on the library as it needs to be carried on. I believe now they have only about three employees. But it is a library that has everything he had. Certainly we recognize that he was one of the greatest Speakers, and served more than three times as long as Henry Clay.

The Sam Rayburn Library is a great institution. Mr. Rayburn did not want a direct Federal appropriation to be necessary. He tried to carry it himself.

Let me say in all candor to the Members maybe he would not want this. But those of us who are interested in it and who have tried to keep it going have not been able to do so. This is one way we can do it without any direct cost to the Government. Despite what some say—it may be backdoor, it may be all this—But there is no Federal cost at all. We are getting, $10 for each silver dollar that the Government mints of the Eisenhower coin. The Library gets 10 percent of proceeds of this bill. I wish we had a 50–50 split, but we do not have.

But this money will make it possible to continue the Sam Rayburn Library, and if any Member has not seen it, if he were not there at Speaker Rayburn's funeral or some of the other occasions, I hope he will go see it. I sincerely hope my colleagues, and particularly all of those who served with the Speaker, who witnessed his magnificent leadership and his compassion for all of the Members, will give us his vote to approve of this legislation.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I will be happy to yield to the gentleman.

Mr. FLYNT. I thank the gentleman from Texas for yielding to me.

At this time I would like to associate myself with his remarks and say that I support the bill and I hope it will be passed.

Mr. ROBERTS. I thank the gentleman from Georgia very much.

Mr. PATMAN. Mr. Chairman, I ask that the Clerk now read.

The CHAIRMAN. The Clerk will read.

Mr. GROSS. Mr. Chairman, I make

the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. 100 Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3515 of the Revised Statutes (31 U.S.C. 317) is amended by inserting "(a)" immediately prior to "The minor coins" and by adding at the end thereof the following new subsections:

"(b) Whenever in the judgment of the Secretary of the Treasury such action is necessary to assure an adequate supply of coins to meet the national needs, he may prescribe such composition of copper and zinc in the alloy of the one-cent piece as he may deem appropriate. Such one-cent pieces shall have such weight as may be prescribed by the Secretary.

"(c) (1) The Secretary of the Treasury may change the alloy of the one-cent piece to such other metallic composition as he shall determine—

"(A) whenever he determines that the use of copper in the one-cent piece is not practicable;

"(B) after he issues an order stating the pertinent physical properties, including content, weight, dimensions, shape, and design; and in determining such physical property takes into consideration the use of such coins in coin-operated devices; and

"(C) after he notifies in writing, on the same day as the issuance of the order under subparagraph (B), the Committee on Banking and Currency of the House of Representatives and the Committee on Banking Housing and Urban Affairs of the Senate of the contents of the determinations and orders made under paragraph (1), and a period of sixty calendar days of continuous session of Congress commencing after the date of such notification elapses.

"(2) There shall be no coinage pursuant to this subsection after December 31, 1977.

"(3) For purposes of this subsection—

"(A) continuity of session is broken only by an adjournment of Congress sine die; and

"(B) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period."

SEC. 2. (a) Except as provided by subsection (b) and after receiving the assurances described in subsection (c), the Secretary of the Treasury is authorized to take one-tenth of all moneys derived from the sale of $1 proof coins minted and issued under section 101(d) of the Coinage Act of 1965 (31 U.S.C. 391(d) and section 203 of the Bank Holding Company Act Amendments of 1970 (31 U.S.C. 324b) which bears the likeness of the late President of the United States, Dwight David Eisenhower, and transfer such amount of moneys to Eisenhower College, Seneca Falls, New York.

(b) For the purposes of carrying out this section, there is authorized to be appropriated not to exceed $10,000,000.

(c) Before the Secretary of the Treasury may transfer any moneys to Eisenhower College under this Act, Eisenhower College must make satisfactory assurances to him that an amount equal to 10 per centum of the total amount of moneys received by Eisenhower College under this Act shall be transferred to the Samuel Rayburn Library at Bonham, Texas.

Mr. PATMAN (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYLIE: On page 3, strike out line 8 and all that follows thereafter through page 4, line 2.

Mr. WYLIE. Mr. Chairman, I am not going to spend a lot of time explaining my amendment, because I think every Member knows what it does. If the Members have read the report accompanying this bill which came from committee, they will know exactly what it does and why I am offering it at this time.

Mr. Chairman, I do not feel any tremendous surge of satisfaction or any great thrill as I offer this amendment.

I leave it to the conscience of the Members of this body as to whether they should support it or not. Without meaning to be presumptuous, I understand the emotional consideration surrounding the second section of this bill, and we have received a letter which was cosigned by the Speaker of the House and our minority leader suggesting that the pending amendment should be defeated. Also, George Meany thinks the amendment should be defeated.

Nonetheless, I have the temerity to offer it again because I oppose the bill which was similar to section 2 back in August of last year, and the bill was defeated on the rule, as the Members of this body well know.

I am not necessarily opposed to appropriating money to Eisenhower College or for the Rayburn Library either, for that matter. However, I am opposed to the procedure which is being suggested or being used for this bill.

As a matter of fact, I introduced a bill which was cosponsored by 24 other Members of this body, which would provide $4.5 million for Eisenhower College and a half million dollars for the Rayburn Library.

The bill was sent to the Committee on Education and Labor, which is where it should be sent. I filed a statement in support of my bill, and I understand that the bill has had extensive hearings in the Committee on Education and Labor.

Why that bill has not been reported from the Committee on Education and Labor I do not know, but to finance an educational institution or a library, for that matter, through the back-door spending process provided in section 2 is, in my judgment, wrong. I cannot, in good conscience, support such a proposal, regardless of the worthwhileness of the cause.

What is wrong with using the orderly procedure provided for appropriating money for an educational institution and a memorial library?

To say that this is not back-door spending is not accurate. No appropriation is necessary if this bill is enacted into law, and that is my understanding of what back-door spending is all about.

To say that it will not cost the taxpayers of the United States any money is not accurate either because we have already sold $83 million worth of Eisenhower proof dollars, and the Treasury of the United States would be directed by the provisions of section 2 of this bill to transfer to Eisenhower College and the Rayburn Library $8.3 million immediately upon its enactment. Where else would it come from, but from the Treasury of the United States, from moneys which have already been collected as general revenues?

Besides, the two issues involved in this bill are not germane to each other and should be considered separately. Therefore, I respectfully urge support of my amendment so that the two matters can be considered separately.

I support section 1 of this bill. It is not controversial. However, I urge my colleagues to support my amendment, which would strike section 2.

I would add that financial support for Eisenhower College is laudable, but sentiment should not motivate the passage of otherwise unwise legislation.

I thank you.

Mr. ALBERT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in what I think to be opposition to the amendment offered by the gentleman from Ohio (Mr. WYLIE), because I strongly support the bill.

In the first place, I think the establishment and the continuation of a living memorial to one of the great men of this century, the man who was the No. 1 soldier of World War II and a great President, is something of which this Congress can be justly proud.

I am going to leave that issue primarily to those Members who are sponsoring the bill.

I would like to urge my colleagues, however, while they are considering the entire bill, to consider that portion of the bill which deals with the Rayburn Library.

Not only did I, along with every other Member who was here 15 years ago, know Mr. Rayburn, but I know the Rayburn Library well. I know the town of Bonham well. The Rayburn Library is about 8 or 10 miles from my congressional district, just across the Red River from the district that I represent.

Mr. Chairman, it is a typical small town American community. It is isolated from all the great colleges and universities of the country and of the Southwest. It is isolated from all the great cultural institutions in that part of the country.

Mr. Rayburn thought—and he told me that he thought this—that in dispersing the works of Government officials, we should not limit them only to the great central locations in the Nation, but that we should put some of them in the smaller areas, particularly in cases where they are identified with the person who is involved.

Of course, during Mr. Rayburn's lifetime many of his friends donated money to build the library and to equip the library. I was present when the ground was broken; I was present when the library was dedicated. I have been through the library; I have visited the library many times. Along with many other Members of Congress, I have made financial and other types of contributions to the library.

As I say, Mr. Chairman, the friends of Mr. Rayburn raised money for this library which was built. Most of them have gone on. Mr. Rayburn has been gone now about 12 years or more. Most of his old friends are gone. Many of those who knew him and who were of his own generation have passed on.

There is no way for the community of Bonham to support this library in perpetuity. They do not need a lot of money. They will get only a small part of the amount set aside under the provisions of this bill.

Mr. Chairman, this is a great library. It is unique. It is one of its kind in the entire country. There is more of the Congress of the United States in the Rayburn Library at Bonham, Tex., than anywhere else in the United States, with the possible exception of the Library of Congress. Every single CONGRESSIONAL RECORD from the very first down to date is on deposit in that library. I do not know of anywhere else in the United States, except the Library of Congress, where one can find such a complete and authentic history of the Congress of the United States.

Those of us who knew Mr. Rayburn knew that perhaps of all the men who ever served in this House, from its beginning, his life was more closely identified with this House than any other. This House was his life.

Both Mr. Rayburn and the great Speaker who followed him, John McCormack, each of them served longer than any other Speakers in the history of the United States. Mr. Rayburn served more than twice as long as Henry Clay, and John McCormack served longer than Henry Clay. John McCormack is one of the staunchest advocates of this library and of this legislation living in the United States today. If he were here, he would make a speech far more eloquent than anything I could hope to say, because the two of them grew up together living with and loving this House.

Mr. Chairman, let us do this for Sam Rayburn and for General Eisenhower.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I wish first to associate myself with the remarks of the distinguished Speaker of the House, the gentleman from Oklahoma (Mr. ALBERT).

In the first place, I have to admit that there are ways of financing projects such as this that I might prefer to the one that is used in this bill, but the fact that it is so necessary to proceed with haste causes me in this particular instance to be very much in favor of passing the bill the way it is.

To begin with, I am informed that the Eisenhower College, which is a living memorial to President Dwight D. Eisenhower, will have to close its doors unless something is done, and done within the next several weeks, to allow it to keep its doors open.

I came to the Congress when Dwight D. Eisenhower first came into the Presidency. To me he will always be the President. He was a statesman, a soldier, a good friend, and a person who was deeply interested in the future generations of the country. He let it be known from the very first that the thing he wanted most of all as a living memorial to him was an educational institution. Before he became President he was president of one of the great universities of this Nation. So his love was for higher education, and his determination to provide it for the people of this country was not something which came recently.

Mrs. Eisenhower has been in touch with our friend and former colleague, Melvin Laird. He called me and told me of her call. Mrs. Eisenhower is very desirous that this bill pass today, because of the sense of dedication and the great desire of President Eisenhower to have this college as a living memorial. I think that it would be unthinkable for the Congress of the United States to pass the amendment offered by the gentleman from Ohio, as much respect and admiration as I have for the gentleman, because of the fact that what you will be doing if you adopt the amendment is to kill the Eisenhower College, and to put the Rayburn Library in serious jeopardy.

I do not believe that anybody who served in the Congress with Sam Rayburn, or who served while Dwight Eisenhower was in the Presidency, would want that to happen.

If, in fact, we do not pass this legislation then I am satisfied that it will be back here some other time, probably funding much more money than is provided for in these bills in order to accomplish our purpose, and to undo the mischief which we might do if we do not finance these two institutions.

So, Mr. Chairman, it is my hope that the Members of this body will be generous today, will be remembering some of the great services of the past, some of the things that Sam Rayburn did in his long life as a Member and as a Speaker of this House. These are things that Dwight David Eisenhower did not only for the country as President, but for the country as one of its most valiant soldiers.

It is a good thing to be warmhearted, and I hope that today the people of this House will be warmhearted, will vote down this amendment, and will proceed to pass this bill because it is the right thing to do.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

Mr. Chairman, I should like to associate myself with the remarks of the distinguished minority leader. I support this bill, and I oppose the amendment that the Speaker opposed as well. We should support the Eisenhower College Memorial.

Mr. RHODES. I thank the gentleman from New York, and I yield back the balance of my time.

Mr. PATMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

The House of Representatives joined enthusiastically with the late President Eisenhower in 1968 in designating Eisenhower College at Seneca Falls, N.Y., as his official living memorial. It was done in conformance with General Eisenhower's own wishes. He had given this college the right to use his name; he had participated in the ground-breaking ceremonies; he wanted this institution to become a unique educational force in the country, to instill in its students a close identification with and devotion to the advancement of the American form of government to which he himself had devoted his entire life.

Thanks to the support the Congress provided in 1968, and to contributions from Ike's many admirers, the college was launched on its mission that year, and has already graduated three 4-year classes while quickly winning accreditation. But everyone knows what has happened to costs and prices since 1968. We have had a tremendous inflation, particularly in construction costs. Much remains to be done to complete the college's educational plant. Without further help from the Congress, this living memorial to a great American may have to close its doors. I am sure none of us wants that to happen.

One of the imaginative projects of Eisenhower College is a cooperative educational arrangement with the Samuel Rayburn Library at Bonham, Tex., the depository of the papers of the late, great Speaker of the House, our own Mr. Sam. Section 2 of this bill not only aids Eisenhower College but provides that one-tenth of all of the funds received by the college under this bill will be transferred to the Rayburn Library to make possible expanded study activities at the Library by students of Eisenhower College and other colleges and universities to do field research in the legislative process at the Federal, State, and local levels. This is a most worthwhile use of a very modest amount of Federal funds.

Where is the money to come from? It is to come from a very special source: The tremendous profits made by the

Treasury in the sale of commemorative Eisenhower silver proof dollars at $10 each. More than 8 million such coins have been sold since they were authorized by the Coinage Act Amendments of 1970—title II of the Bank Holding Company Act Amendments of 1970. The people who paid $10 for those coins—coins with a face value of only $1, of course purchased them in most instances as a mark of respect and admiration and love for Dwight D. Eisenhower. Some of the huge profits from these coins rightfully should go to the living memorial in his name—the college he watched grow with great satisfaction during the last years of his life. His widow, the beloved Mamie Eisenhower, his son, John, and his brother, Dr. Milton Eisenhower—an outstanding educator—all attested to our committee that Ike wanted this college to grow and succeed, and they urged us to enact this legislation as a means of carrying out his wishes. And all of us who served with Speaker Rayburn know that the arrangement in this bill for financial assistance to Ike's college and to Mr. Sam's library would have pleased him more than anything in the world.

There is no backdoor spending in this bill. There is a firm limit on the amount authorized. Every cent would have to be appropriated in the regular manner. The $10 million provided for—a maximum of $9 million for the college and $1 million for the Rayburn Library—would earn dividends for the educational good of this country out of all proportion to the modest cost.

Just as we refused to permit the John F. Kennedy Center for the Performing Arts to fail in its mission because of lack of funds, so we must see to it now that Eisenhower College can survive and prosper and fulfill the goals it was intended to serve when former President Eisenhower agreed to its establishment as his memorial—the only memorial he sought. Other memorials have been named after Dwight D. Eisenhower, but this is the one memorial he himself desired. We cannot let it die for lack of the modest amount provided for in this bill.

I urge the amendment be defeated. The money is available out of the proceeds of the only commemorative coin the Congress has authorized in many, many years.

This coin was authorized in 1970 primarily because silver producers, and the firms which fabricate silver into coinage metal, wanted to insure the continued use of some silver in our coinage. They got what they wanted. What better use of some of the proceeds from this highly profitable sale than to make a reality of the Eisenhower dream of a fine educational institution devoted to his ideals of public service, and to honor, at the same time, the man who served longer as Speaker of the House of Representatives than any man in our history—probably the greatest practitioner of the science and art of the American legislative process.

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time in opposition to the amendment offered by the gentleman from Ohio. While it may be somewhat presumptuous of me, I want to address my remarks chiefly to the Republican side of the aisle because, as I understand it, there is a good deal of opposition to this legislation on the Republican side. Incidentally, I have voted with my Republican friends on a number of occasions in the 16 years that I have had the privilege of serving in this House. So I think perhaps I am entitled to say a word to them.

I asked one of my Republican friends the other day why there was this opposition. How is it that one of the most famous Republican Presidents should evoke such little response from the Republican side of the aisle? They said, "You know, we have got a lot of young Members on our side. They do not even remember Ike Eisenhower."

That was 16 years ago, and I suppose it makes sense that those who are 30 or a little bit under, or even a little bit over, will find it hard, really, to remember what Dwight Eisenhower was or what he stood for. I shudder to think that the years must be passing by so rapidly because I can still remember him very vividly. That was a day, those were the days, when we had some bipartisanship in this Congress, when the Democratic Congress did not hesitate to support a Republican President when they felt he was right. I wish we might achieve something of that same spirit again today.

Let me just comment on a couple of points that have been made in this debate. It was said by the gentleman from Illinois (Mr. ERLENBORN) that this college was never designated as a memorial to the late President. Maybe the gentleman did not read the original bill which I introduced and which was enacted into law; but here is what it said:

> To provide funds on behalf of a grateful nation in honor of Dwight David Eisenhower, thirty-fourth President of the United States, to be used in support of construction of educational facilities at Eisenhower College, Seneca Falls, New York, as a distinguished and permanent living memorial to his life and deeds.

So this Eisenhower College is the official memorial to President Eisenhower.

Second, the gentlewoman from Oregon (Mrs. GREEN) and others have come down here in the well and said, "The people from Eisenhower College are breaking faith to come back and ask for more money when they promised back in 1968 that $5 million would be all that they would need."

Well, is it breaking faith to recognize that inflation and unanticipated problems, which are confronting almost every educational institution today, mean that we need more money in 1974 than we thought in 1968 we were going to need? Even the United States finds that it needs more money today than it needed in 1968.

And if we are going to talk about overruns, we have got the Kennedy Center. We have already appropriated something up to $46 million, I think, for that permanent memorial to President Kennedy, although we were told originally all that was needed was $15 million.

Even the memorial to Governor Rockefeller, the South Mall project in the city of Albany, in my congressional district, was supposed originally to cost only about one-half billion dollars; it is well over a billion dollars now, but they are not letting it go to seed. So overruns are nothing new; and to suggest that an overrun in this age of inflation is somehow a violation of honor or a failure to keep faith is just kidding ourselves.

The question is whether we are prepared to let this memorial to a great President, a President who was great enough to ask that his memorial be in a college, rather than in brick and mortar, should be allowed to deteriorate just because of some technical objection that this is not the ideal bill to put it on or that somebody should not have said something that they said back in 1968.

If the Lincoln Memorial is in need of additional funds, and I understand it is weathering away and we may soon have to repair it, are we going to say, "Oh, no, no more for Abe Lincoln. He got his money and we do not have to put any more into that memorial."

Oh, no, we do not want that memorial to deteriorate in the city of Washington. And I do not think we ought to allow this memorial for President Eisenhower to deteriorate in the village of Seneca Falls, N.Y., either.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto conclude at 5 minutes after 5.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas

Mr. ROUSSELOT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

MOTION OFFERED BY MR. PATMAN

Mr. PATMAN. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close at 5:15.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

(By unanimous consent Mr. DELLENBACK yielded his time to Mrs. GREEN of Oregon.)

Mr. PATMAN. Mr. Chairman, I had recognition when I made my remarks for the RECORD and I will yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Chairman, we are here today to celebrate a strange marriage of the Eisenhower College and the Rayburn Library; but in light of the distance existing between these two institutions, I think it is unlikely that they will ever be able to cohabit; however, the Eisenhower College will, under the terms of an agreement they have already entered into, pay support payments in an amount equal to 10 percent of whatever they realize under the terms of this bill.

Mr. Chairman, I have explained in greater detail during general debate my objection to this section of the bill.

I support the amendment offered by the gentleman from Ohio.

Mr. Chairman, there is one thing that President Eisenhower was known for probably above all else. That was that he was a man who was good to his word.

I think it is a very poor memorial for him to have the college named after him not to be good to their word. The only reason Eisenhower College was able to obtain $5 million from the Federal Treasury in 1968 was because they gave their word. The president of the college and others speaking for the college gave their word that they would not make that be a precedent upon which to base coming back to this Congress. They firmly promised that they would never again ask for funds from this Congress.

They have not been good to their word. They are back here asking for more. If we approve this, I predict it will not be the end. The college will not necessarily survive with these funds, and we may just see them back here again.

Mr. Chairman, I hope the amendment is adopted.

The CHAIRMAN. The Chair recognizes the gentlewoman from Oregon (Mrs. Green).

Mrs. GREEN of Oregon. Mr. Chairman, I do not want to be repetitious. The gentleman from Illinois has accurately stated the situation. We would not be here today with this bill if it were not for the fact that we originally gave $5 million on the absolute promise that that would be the one and only time that they would ask for funds.

Mr. Chairman, I would like to ask the distinguished chairman of the committee if he would respond to a question. This year, when they came and asked for 10 million additional dollars, did they make any commitment that this would be the last request they would make?

Mr. PATMAN. Mr. Chairman, if the gentlewoman will yield, I will say that there is none, as far as I am concerned. This will be the last. That is my understanding with the sponsors of the bill.

I will say to the gentlewoman from Oregon that I will not support an amendment in the future, if we get this bill passed.

Mrs. GREEN of Oregon. But, Mr. Chairman, my question was, did the people who requested this $10 million make any commitment that they would not come back and ask for any additional funds?

Mr. PATMAN. It was generally understood that they would not.

Mrs. GREEN of Oregon. By what kind of a colloquy or statement? Is it in the record?

Mr. PATMAN. Well, I would not support it.

Mrs. GREEN of Oregon. Well, Mr. Chairman, it does not seem even as much of a commitment was made this year as we had 3 years ago. I would just again say to my colleagues that in my congressional district—and maybe it is the only one out of 435 in the country, I do not know—but in my congressional district there are private colleges that are going to close their doors because they do not have sufficient funds. It seems to me that any Member who is representing his own district would have a pretty difficult time voting another $10 million to another college in a far away State, and not voting any funds for the continuation of the colleges in his own congressional district.

If this bill is passed without the Wylie amendment we are, in effect, encouraging colleges that are facing a financial crisis to name that college after some great American hero, then it can come to the Federal Government and expect funds.

Mr. Chairman, I hope the amendment will be adopted.

Mr. BROWN of Ohio. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, the question was asked about assurances. I gather we have the same assurances that they will not be back that we have on the Kennedy Center. Is that about right?

Mrs. GREEN of Oregon. I suspect it might be similar, but our experience should tell us that the assurances we have had do not last long because we have had some pretty firm commitments from the Eisenhower College people when they were here 3 years ago.

Mr. BROWN of Ohio. We had some pretty firm commitments on the Kennedy Center, also.

Mrs. GREEN of Oregon. I think we must hold these people to their word.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague from Ohio (Mr. Wylie) which would strike section 2 in its entirety from this bill.

H.R. 16032 is the logical result of the precedent which was set when this House passed H.R. 15465 on July 2, 1974. That bill combined a provision for increased participation in the International Development Association, which had failed of passage on January 23, 1974, with a provision permitting private ownership of gold, which enjoyed broad public and congressional support.

Today the same technique is being employed, with the combination of a provision authorizing grants to Eisenhower College and Rayburn Library and a provision permitting a change in the composition of the penny. In this instance the change in penny composition is clearly essential and noncontroversial. The Eisenhower College and Rayburn Library grant provisions, on the other hand, represent a somewhat improved version of a highly controversial bill, S. 1264, the rule for which was defeated on August 3, 1973, by a vote of 183 to 230. The earlier bill provided for open-ended, backdoor financing. The Secretary of the Treasury would have been directed to pay $1 out of each $10 received from the sale of Eisenhower silver dollars to Eisenhower College. The college had entered into a contract with the Rayburn Library to permit the library to share in the Eisenhower College proceeds to the extent of 10 per cent of each dollar the college would receive from the sale of Eisenhower dollars. These infirmities have been corrected by providing a $10 million ceiling on the grant authorization and requiring the grants to be subject to the regular appropriation process.

Despite these improvements, which were made imperative by the failure of the rule on S. 1264 last year, I have two major procedural objections to H.R. 16032:

First. The "log rolling" aspect of S. 1264, which had included the Rayburn Library in order to make the grant to Eisenhower College more palatable, has been compounded by the addition of the penny provision. This is a terrible way to legislate because it confuses the issues by attempting to avoid separate consideration of these issues involved; and

Second. Authorization of grants to colleges and libraries is not, in my judgment, the proper province of the Committee on Banking and Currency. This point is borne out by the fact that the original authorization of assistance to Eisenhower College was provided in 1968 by the Committee on Education and Labor.

Concerning the merits of the grants, I would observe that the original authorization was approved upon the understanding that it would be a "one-time-only" commitment. During the debate on the rule for S. 1264 last year, the distinguished Congresswoman from Oregon, Mrs. Edith Green, reminded us of an exchange she had with President Rosenkranz when the original authorization was being considered in 1968—Mrs. Green was then a member of the Education and Labor Committee:

> Mrs. Green. I am not talking about the eligibility of Eisenhower College to participate in all the other Federal programs for higher education but (Mr. Rosenkranz) do you see this $5 million as the only special contribution Congress would be called upon to make or do you see this as the first of many continuing contributions?
>
> Dr. Rosenkranz. No, I would see this as the only contribution that they would be asked to make. (August 3, 1973, page H7384, Congressional Record)

Nevertheless, we find Eisenhower College asking today for up to $10 million, $1 million of which would go to the Rayburn Library, over and above the original $5 million which the college had previously received. As for the Rayburn Library, to my knowledge it is not in desperate need of funds, and the Rayburn Building next door serves as a fitting and substantial memorial to the late Speaker.

Therefore, I strongly urge my colleagues to support the Wylie amendment, so that we can vote for the passage of needed penny composition legislation without the unnecessary and unwarranted encumbrance of the grants to

Eisenhower College and Rayburn Library.

The CHAIRMAN. The Chair recognizes the gentleman from Hawaii (Mr. MATSUNAGA).

Mr. MATSUNAGA. Mr. Chairman, I have no real interest in the Eisenhower College or the Rayburn Library, as such.

I am here in the well of the House to remind its Members that we have a commitment, a commitment which we made some time ago when we authorized the Eisenhower College as a living memorial to the 34th President of the United States.

When we authorized the minting of the silver dollars to be sold at $10 apiece, it was upon the suggestion of Eisenhower College people that we did so, on the understanding that a percentage of that money would be contributed to Eisenhower College. This is what we are being asked to do, as I understand it. If I am wrong in my understanding, I wish someone would correct me.

Furthermore, if the money had to come from taxpayers, I would have second thoughts about this, but the $80 million in total which has already been collected in the Treasury of the United States was paid by coin collectors, like my son, not taxpayers. I urge the defeat of the pending amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Chairman, I rise in support of the amendment, for I agree with the gentlewoman from Oregon (Mrs. GREEN), and the gentleman from California (Mr. ROUSSELOT) that this kind of financing of colleges and libraries would set a very bad precedent.

The gentleman from Hawaii (Mr. MATSUNAGA) says that a commitment was made. There was also a commitment to Congress in that the $5 million already given to the Eisenhower College would wash out any further obligation.

Yes, we had a commitment that the sports stadium in Washington would never cost the taxpayers a dollar, and they reneged on that, as well as the Kennedy Center. Now the Visitors Center, so-called, is in trouble.

When are those who make commitments to Members of Congress going to carry out those commitments?

This provision in the bill is motherhood, brotherhood, sisterhood, and Robin Hood, all rolled together. It is about time that we put a stop to this business of going to the Federal Treasury to finance projects of this kind.

If you want to finance projects of this kind, lay them right out on the table where we can see and smell them and appropriate directly from the U.S. Treasury, and let us stop this kind of log-rolling.

This is indirect financing and a precedent that will one day haunt those who vote for it.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, I wish to associate myself with the remarks which were made by the Speaker of the House, Mr. ALBERT. I also wish to associate myself with the remarks of the minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. WYLIE).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WALSH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 166, noes 169, answered "present" 1, not voting 98, as follows:

[Roll No. 541]

AYES—166

Abdnor
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Ashley
Aspin
Bauman
Beard
Bergland
Bevill
Bingham
Blackburn
Bowen
Brademas
Breckinridge
Brinkley
Brotzman
Brown, Ohio
Burlison, Mo.
Butler
Byron
Chappell
Chisholm
Clancy
Clawson, Del
Clay
Cochran
Collins, Ill.
Collins, Tex.
Conte
Crane
Culver
Daniel, Dan
Daniels, Dominick V.
Danielson
Davis, Wis.
Dellenback
Dellums
Dennis
Derwinski
Devine
Dingell
Downing
Drinan
Dulski
Duncan
du Pont
Edwards, Calif.
Erlenborn
Eshleman
Findley
Fish
Foley
Ford
Forsythe
Fountain
Frey
Fuqua
Ginn
Green, Oreg.
Gross
Haley
Hamilton
Hanrahan
Harsha
Hays
Hechler, W. Va.
Henderson
Hicks
Hinshaw
Hogan
Howard
Huber
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Kastenmeier
Ketchum
Koch
Landgrebe
Landrum
Leggett
Lott
McClory
McCormack
Martin, Nebr.
Mathias, Calif.
Mazzoli
Meeds
Melcher
Mezvinsky
Miller
Minish
Mink
Mollohan
Moorhead, Calif.
Moss
Murtha
Myers
Nedzi
Nichols
Obey
O'Hara
Parris
Patten
Perkins
Pike
Preyer
Pritchard
Rangel
Rees
Reuss
Robinson, Va.
Roncalio, Wyo.
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Runnels
Ryan
St Germain
Sarasin
Satterfield
Schneebeli
Schroeder
Seiberling
Shoup
Sikes
Smith, Iowa
Snyder
Staggers
Stanton, James V.
Steed
Steiger, Wis.
Stubblefield
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Treen
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Veysey
Waggonner
Waldie
Whitehurst
Whitten
Wiggins
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wylie
Young, Ill.
Zion

NOES—169

Addabbo
Anderson, Ill.
Annunzio
Arends
Baker
Barrett
Bennett
Biester
Boggs
Boland
Bolling
Bray
Breaux
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Burke, Calif.
Burke, Mass.
Carter
Casey, Tex.
Cederberg
Chamberlain
Clark
Clausen, Don H.
Cohen
Collier
Conable
Conlan
Corman
Cotter
Coughlin
Davis, S.C.
de la Garza
Denholm
Dent
Dickinson
Edwards, Ala.
Evins, Tenn.
Fascell
Fisher
Flood
Flynt
Frelinghuysen
Frenzel
Froehlich
Fulton
Gaydos
Gettys
Gibbons
Gonzalez
Goodling
Gray
Green, Pa.
Grover
Gubser
Gude
Guyer
Hammerschmidt
Hanley
Hanna
Hansen, Idaho
Hastings
Heckler, Mass.
Heinz
Hillis
Holt
Horton
Hosmer
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kemp
King
Kuykendall
Kyros
Latta
Lent
Litton
Long, La.
Long, Md.
McDade
McEwen
McFall
McKinney
Macdonald
Madden
Mahon
Mann
Martin, N.C.
Mathis, Ga.
Matsunaga
Mayne
Metcalfe
Michel
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Natcher
Nelsen
O'Brien
O'Neill
Passman
Pátman
Pepper
Peyser
Pickle
Poage
Price, Ill.
Quie
Quillen
Railsback
Randall
Regula
Rhodes
Riegle
Rinaldo
Roberts
Robison, N.Y.
Rodino
Rogers
Roncallo, N.Y.
Rooney, Pa.
Roy
Ruth
Sarbanes
Scherle
Sebelius
Shipley
Shriver
Shuster
Skubitz
Slack
Smith, N.Y.
Spence
Stark
Stratton
Stuckey
Symington
Thompson, N.J.
Thomson, Wis.
Thornton
Traxler
Vander Jagt
Vigorito
Walsh
Whalen
Widnall
Williams
Wilson, Bob
Winn
Wyatt
Wydler
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki

ANSWERED "PRESENT"—1

Sullivan

NOT VOTING—98

Abzug
Adams
Armstrong
Badillo
Bafalis
Bell
Biaggi
Blatnik
Brasco
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burton, John
Burton, Phillip
Camp
Carey, N.Y.
Carney, Ohio
Cleveland
Conyers
Cronin
Daniel, Robert W., Jr.
Davis, Ga.
Delaney
Diggs
Donohue
Dorn
Eckhardt
Eilberg
Esch
Evans, Colo.
Flowers
Fraser
Giaimo
Gilman
Goldwater
Grasso
Griffiths
Gunter
Hansen, Wash.
Harrington
Hawkins
Hébert
Helstoski
Holifield
Holtzman
Hudnut
Johnson, Colo.
Kazen
Kluczynski
Lagomarsino
Lehman
Lujan
Luken
McCloskey
McCollister
McKay
McSpadden
Madigan
Mallary
Maraziti
Milford
Mills
Minshall, Ohio
Montgomery
Nix
Owens
Pettis
Podell
Powell, Ohio
Price, Tex.
Rarick
Reid
Roe
Rooney, N.Y.
Roush
Ruppe
Sandman
Sisk
Stanton, J. William
Steele
Steelman
Steiger, Ariz.
Stephens
Stokes
Tiernan
Towell, Nev.
Wampler
Ware
White
Wolff
Wright
Wyman
Yates
Young, Alaska
Young, S.C.
Zwach

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DANIELSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 16032) to authorize the Secretary of the Treasury to change the alloy and weight of the one-cent piece and to amend the Bank Holding Act Amendments of 1970 to authorize grants to Eisenhower College, Seneca Falls, N.Y., pursuant to House Resolution 1312, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read a third time.

MOTION TO RECOMMIT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WYLIE. I am in its present form, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WYLIE moves to recommit the bill H.R. 16032 to the Committee on Banking and Currency.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. WYLIE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

Mr. WYLIE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. Two hundred thirty-one Members are present, a quorum.

The question is on the passage of the bill.

Mr. WYLIE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 172, nays 166, not voting 96, as follows:

[Roll No. 542]

YEAS—172

Addabbo
Alexander
Anderson, Ill.
Annunzio
Arends
Ashley
Baker
Barrett
Beard
Bevill
Biester
Bingham
Boggs
Boland
Bolling
Bray
Breaux
Breckinridge
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Burke, Calif.
Burke, Mass.
Carter
Casey, Tex.
Cederberg
Chamberlain
Chisholm
Clark
Clausen, Don H.
Cohen
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
Daniels, Dominick V.
Davis, S.C.
de la Garza
Fascell
Flood
Flynt
Frelinghuysen
Frenzel
Fulton
Gettys
Gibbons
Gonzalez
Goodling
Gray
Green, Pa.
Grover
Gubser
Gude
Guyer
Haley
Hammerschmidt
Hanley
Hanna
Hastings
Hays
Hébert
Heckler, Mass.
Heinz
Hillis
Hogan
Holt
Horton
Hosmer
Howard
Hunt
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kemp
King
Kuykendall
Kyros
Lent
Litton
Long, La.
Long, Md.
McDade
McEwen
McFall
McKinney
Macdonald
Madden
Mahon
Mann
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Metcalfe
Michel
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Myers
Nelsen
Nichols
O'Neill
Passman
Patman
Pepper
Perkins
Peyser
Pickle
Poage
Price, Ill.
Quillen
Railsback
Randall
Regula
Rhodes
Riegle
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roncallo, N.Y.
Rooney, Pa.
Roy
Ruth
Sarbanes
Sebelius
Shipley
Shriver
Shuster
Skubitz
Slack
Smith, N.Y.
Stark
Stratton
Stuckey
Studds
Symington
Teague
Thompson, N.J.
Thomson, Wis.
Thornton
Treen
Udall
Ullman
Vigorito
Waggonner
Walsh
Whalen
Widnall
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wyatt
Wydler
Young, Ga.
Young, Tex.
Zablocki

NAYS—166

Abdnor
Adams
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Aspin
Bauman
Bennett
Bergland
Blackburn
Bowen
Brademas
Brinkley
Brotzman
Brown, Ohio
Burlison, Mo.
Butler
Byron
Chappell
Clancy
Clawson, Del
Clay
Cochran
Collier
Collins, Tex.
Conlan
Conyers
Crane
Culver
Daniel, Dan
Danielson
Davis, Wis.
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Downing
Drinan
Dulski
Duncan
du Pont
Edwards, Ala.
Edwards, Calif.
Erlenborn
Eshleman
Evins, Tenn.
Findley
Fish
Foley
Ford
Forsythe
Fountain
Fraser
Frey
Froehlich
Fuqua
Gaydos
Ginn
Green, Oreg.
Gross
Hamilton
Hanrahan
Hansen, Idaho
Harsha
Hechler, W. Va.
Henderson
Hicks
Hinshaw
Huber
Hungate
Hutchinson
Ichord
Jarman
Karth
Kastenmeier
Ketchum
Koch
Landgrebe
Landrum
Leggett
Lott
McClory
McCormack
Madigan
Martin, Nebr.
Mayne
Mazzoli
Meeds
Melcher
Mezvinsky
Miller
Minish
Mink
Mitchell, Md.
Moorhead, Calif.
Moss
Murtha
Natcher
Nedzi
Obey
O'Brien
O'Hara
Parris
Patten
Pike
Preyer
Pritchard
Quie
Rangel
Rees
Reuss
Robinson, Va.
Rogers
Roncalio, Wyo.
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Runnels
Ryan
St Germain
Sarasin
Satterfield
Scherle
Schneebeli
Schroeder
Seiberling
Shoup
Sikes
Smith, Iowa
Snyder
Spence
Staggers
Stanton, James V.
Steed
Steiger, Wis.
Stubblefield
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Traxler
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Waldie
Whitehurst
Whitten
Wiggins
Wilson, Charles H., Calif.
Wylie
Yatron
Young, Fla.
Young, Ill.
Zion

NOT VOTING—96

Abzug
Armstrong
Badillo
Bafalis
Bell
Biaggi
Blatnik
Brasco
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burton, John
Burton, Phillip
Camp
Carey, N.Y.
Carney, Ohio
Cleveland
Cronin
Daniel, Robert W., Jr.
Davis, Ga.
Delaney
Diggs
Donohue
Dorn
Eckhardt
Eilberg
Esch
Evans, Colo.
Fisher
Flowers
Giaimo
Gilman
Goldwater
Grasso
Griffiths
Gunter
Hansen, Wash.
Harrington
Hawkins
Helstoski
Holifield
Holtzman
Hudnut
Johnson, Colo.
Kazen
Kluczynski
Lagomarsino
Latta
Lehman
Lujan
Luken
McCloskey
McCollister
McKay
McSpadden
Mallary
Maraziti
Milford
Mills
Minshall, Ohio
Montgomery
Nix
Owens
Pettis
Podell
Powell, Ohio
Price, Tex.
Rarick
Reid
Roe
Rooney, N.Y.
Roush
Ruppe
Sandman
Sisk
Stanton, J. William
Steele
Steelman
Steiger, Ariz.
Stephens
Stokes
Sullivan
Tiernan
Towell, Nev.
Wampler
Ware
White
Wolff
Wright
Wyman
Yates
Young, Alaska
Young, S.C.
Zwach

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Kazen for, with Mr. Yates against.

Mr. Donohue for, with Mr. Nix against.

Mr. Carney of Ohio for, with Mr. Badillo against.

Mr. Biaggi for, with Mr. Roe against.

Mr. Delaney for, with Mr. Stokes against.

Mr. Gilman for, with Mr. Pettis against.

Mr. Cronin for, with Mr. Buchanan against.

Mr. Rooney of New York for, with Mr. Bafalis against.

Mr. Steele for, with Mr. Burke of Florida against.

Mr. Wright for, with Mr. Minshall of Ohio against.

Until further notice:

Mr. Kluczynski with Mr. Fisher.

Mrs. Sullivan with Mrs. Grasso.

Mr. J. William Stanton with Mr. McSpadden.

Mr. Holifield with Mrs. Griffiths.

Mr. Helstoski with Mrs. Hansen of Washington.

Mr. Hawkins with Mr. Gunter.

Mr. Lehman with Mr. Podell.

Mr. Mills with Mr. Rarick.

Mr. Montgomery with Mr. Tiernan.

Mr. Phillip Burton with Mr. Blatnik.

Mr. Carey of New York with Mr. Dorn.

Mr. John L. Burton with Mr. Davis of Georgia.

Mr. Eckhardt with Mr. Broyhill of Virginia.

Mr. Eilberg with Mr. Esch.

Mr. Evans of Colorado with Mr. Burgener.

Mr. Flowers with Mr. Goldwater.

Mr. McKay with Mr. Camp.

Mr. Milford with Mr. Hudnut.

Mr. Giaimo with Mr. Cleveland.

Mr. Harrington with Mr. Lagomarsino.

Ms. Abzug with Mr. Reid.

Ms. Holtzman with Mr. Latta.

Mr. Owens with Mr. Robert W. Daniel, Jr.

Mr. Roush with Mr. Lujan.

Mr. Sisk with Mr. Diggs.

Mr. Stephens with Mr. Lukens.

Mr. Burleson of Texas with Mr. Mallary.

Mr. Maraziti with Mr. Young of South Carolina.

Mr. Wolff with Mr. McCloskey.

Mr. White with Mr. McCloskey.

Mr. Ruppe with Mr. Powell of Ohio.

Mr. Price of Texas with Mr. Sandman.

Mr. Steelman with Mr. Steiger of Arizona.

Mr. Towell of Nevada with Mr. Wampler.

Mr. Ware with Mr. Young of Alaska.

Mr. Wyman with Mr. Bell.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REQUEST TO CONSIDER S. 2795

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency be discharged from the further consideration of the Senate bill, S. 2795, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

TO EXTEND TERMINATION DATE OF EXPORT-IMPORT BANK

Mr. PATMAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 244) to extend the termination date of the Export-Import Bank.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, I would ask the gentleman from Texas how long does the gentleman from Texas propose to extend this?

Mr. PATMAN. The Senate passed a 15-day extension. That is the reason for taking it up today, otherwise there would be a hiatus in the termination date.

Mr. GROSS. There would be what if we did not get the time?

Mr. PATMAN. A hiatus.

Mr. GROSS. A hiatus?

Mr. PATMAN. The word does not mean anything. In other words, the Export-Import Bank will expire. We are leaving here at this time, and it will expire. We will have to wait until we come back to get it extended, and that always causes trouble, as the gentleman knows.

Mr. GROSS. Where is the bill?

Mr. PATMAN. The bill is in conference right now, the Export-Import Bank bill, and while it is in conference, the Senate extended it for 15 days.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. RES. 244

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 of the Export-Import Bank Act of 1945 (12 U.S.C. 635f) is amended by striking "September 30, 1974" and inserting in lieu thereof "October 15, 1974".

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill H.R. 16032.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO HAVE UNTIL THURSDAY, SEPTEMBER 26, 1974, TO FILE REPORT

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight Thursday, September 26, 1974, to file a report on H.R. 5385.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

PERSONAL STATEMENT

Mr. DULSKI. Mr. Speaker, on September 23, 1974, I missed the two rollcall votes on the floor. I would like the RECORD to show that had I been present and voting I would have voted "Yea" on both roll No. 533 and roll No. 534.

JOBS FOR THE UNEMPLOYED

(Mr. MEEDS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MEEDS. Mr. Speaker, I am today introducing legislation to set up a public service jobs program for the unemployed who seem inevitably to be thrown out of work by the misguided tight money policies of the Ford-Nixon administrations.

Once again, as in 1970–71, my region, the Pacific Northwest, is being made the scapegoat of deliberate high interest rates. The region is dependent on forest products and aircraft manufacturing, industries highly sensitive to credit costs. Already, the depression in homebuilding is causing layoffs in lumbering, plywood manufacturing and construction. Soon, tight money will hit aircraft manufacturing.

I am frustrated and saddened at watching history repeat itself in less than 5 years, all because no one in the White House has learned anything about the ravages of using tight money as a substitute for a comprehensive economic policy. Unemployment in the Puget Sound area hit upwards of 15 percent the last time around and we are already started on a rerun.

The bill I am introducing would provide up to $4 billion in aid to local governments to hire the unemployed, depending on a sliding scale of unemployment from 4.5 percent to 6 percent nationally. Congress in 1971 approved an Emergency Employment Act to do much the same thing with a stopgap public service jobs program. But this program has since been cut down and crammed under the revenue-sharing tent—thus losing the impact it needs now.

Emergency employment aid can forestall the devastating loss of payrolls—and subsequent loss in tax revenues that comes from throwing people out of work and onto welfare rolls. As Members know, the huge budget deficits of 1971 and 1972 were caused not by Government spending but by revenue shortfalls brought about by a depressed economy.

I hope that President Ford's economic listening posts will bring back the message that tight money is not a comprehensive economic policy. I believe we must have fair wage and price controls as part of an overall economic package that will include greater availability of credit and restrictions on commodity exports.

THE 250TH ANNIVERSARY OF THE BIRTH OF COL. MICHAEL KOVATS

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from New Jersey (Mr. PATTEN) is recognized for 30 minutes.

Mr. PATTEN. Mr. Speaker, it is in the spirit of the coming Bicentennial that I rise with my distinguished colleagues to remember the 250th anniversary of the birth of the American Hungarian hero of the Revolutionary War, Col. Michael Kovats, who has contributed greatly and participated in the battles of our War of Independence.

Col. Michael Kovats was born in 1724 at Karcag, Hungary. At 20 years of age, he was already an ensign in one of Empress Maria Theresa's cavalry regiments and fought meritoriously in the First Silesian War. After the Peace of Dresden in 1745 his regiment was disbanded and he entered the service of the great Prussian King, Frederick II. The Prussians realized the importance of the Hungarian-type light cavalry and the Hungarian colonel, Michael Székely became commander of the Prussian Hussar regiment. Kovats served in this regiment distinguishing himself during the Seven Years War and rose to captain in the Prussian Army. He left the Prussian service in 1761 in protest of Frederick II's practices to exploit the population of occupied areas and to suppress them.

He visited Poland establishing contacts with nationalist circles, then returned to Hungary. In spite of the proclaimed amnesty, he was court-martialed; but, the highest Austrian Military Court and the Imperial Council acquitted him and Empress Maria Theresa pardoned him and gave him the rank of major of cavalry. He married a Hungarian noblewoman, but upon the death of their son, the couple separated. In 1773 he visited Saxony where he heard of the conflict between Britain and the American Colonies. Upon his return to Hungary, he applied for a passport and in 1776 left his country for France to embark for America.

He wrote to Benjamin Franklin in Paris for a letter of recommendation. The original of this classic letter may be found in the American Philosophical Society Library in Philadelphia. The letter follows:

Golden freedom cannot be purchased with yellow gold. I, who have the honor to present this letter to Your Excellency, am also following the call of the Fathers of the Land

> as the pioneers of freedom always did. I am a free man and a Hungarian. I was trained in the Royal Prussian Army and raised from the lowest rank to the dignity of a captain of the Hussars, not so much by luck and the mercy of chance, than by most diligent self-discipline and the virtues of my arms. The dangers and the bloodshed of a great many campaigns taught me how to mould a soldier and, when made, how to arm him and let him defend the dearest of the lands with his ability under any conditions and developments of war.
>
> I am here now of my own free will, having taken all the horrible hardships and bothers of this journey. I beg Your Excellency to grant me a passport and a letter of recommendation to the most benevolent Congress.
>
> At last, waiting for your gracious answer, I have no wish greater than to leave soon, to be there where I am needed most, to serve and die in everlasting obedience. Faithful unto death (*Fidelissimus ad mortem*).

Michael Kovats did not receive the recommendation personally, although the recommendation was forwarded by Franklin to the Continental Congress, and Kovats left for the United States where he arrived in 1777.

It is more than just a matter of speculation as to what his plans were. He was a specialist in the training of light cavalry, the Hussars. He knew that General Washington had no cavalry in the professional sense. The four "mounted" regiments of Colonels Moylan, Bland, Baylor and Sheldon were little more than mounted infantry without the necessary training.

Kovats was aware that 15 of Frederick II's battles were won by his cavalry. Training was the secret of Frederick II's success and Kovats was trained by Frederick. Organization was Kovat's function in fighting for Frederick and he wanted to use these talents now to train the colonists.

He immediately became a recruiting officer of the Philadelphia German regiment, and soon met Count Casimir Pulaski who was known to him in Poland and Hungary. Pulaski offered his fortune and fiery zeal for the cause of the Colonies. By July 1777 he arrived in Boston and fought and distinguished himself at Brandywine. On September 15, 1777, Pulaski was appointed a brigadier general and commander-in-chief of Washington's cavalry. Kovats now joined Pulaski's headquarters and received the assignment of "master of exercises" even before official sanction arrived from General Washington on January 14, 1778. Both Pulaski and Kovats encountered a certain distrust of the British-trained General Washington toward any cavalry. In addition, the small numbers and inadequate equipment of the army at Valley Forge made Pulaski's and Kovats' plan appear unrealistic.

In March 1778 Pulaski resigned, but 8 days later the Continental Congress authorized the creation of what was later known as the Pulaski Legion, an independent cavalry corps. A week later Washington recommended Kovats for the colonelcy and Congress approved. Pulaski served as the overall chief with Kovats as the commanding colonel.

The legion enlisted 320 men, no small accomplishment at a time when the Army numbered around 4,000 men. Kovats trained his troops in New Jersey during the summer of 1778 with headquarters at Princeton. He participated in two battles against the British at Osborne Island and Egg Harbor. With the approach of the winter the legion was ordered from Trenton to Sussex Court House and on November 10 to Cole's Fort where it stayed until February 2, 1779. Then the legion was ordered to Charleston, S.C., to assist Gen. Benjamin Lincoln.

In little more than 3 months he fell in Charleston, S.C. But his life, struggle and death remain one of the fondest memories among revolutionary heroes. They came from the elites of many nations, just as Americans came from many lands during our 200-year history. Americans of Hungarian descent are justifiably proud of this fine soldier-hero of the 18th century who offered, because of his high ideals, his sword and finally his life for the cause of freedom in America and in doing so, for the freedom of all mankind.

We celebrate not only the valiant Hungarian Hussar fighting for American freedom but also the man who, amid the many battles and historical twists and turns of the 18th century, preserved in himself a devotion and commitment to the cause of freedom and human dignity.

The American Hungarian Federation, which devoted its time and energy to bring to the attention of the American people the memory of a brave fighter for American freedom, worked for a congressional resolution in 1955 declaring the anniversary of Kovats' death as Col. Michael deKovats Day.

The federation is led by the able chairman of the board, Rt. Rev. Zoltan Beky, D.D., who for 35 years served as pastor of the Free Hungarian Reformed Church in Trenton, N.J., and afterwards, 7 years as bishop of the same church. I also owe my appreciation to Dr. Elemer Bako and Dr. Z Michael Szaz who provided a wealth of information on the life of Colonel deKovats after great study.

Mr. HOWARD. Mr. Speaker, this is the 250th anniversary of the birth of the brave colonel of the Revolutionary War, the organizer of Washington's cavalry, Michael Kovats.

Kovats, the commanding colonel of the Pulaski Legion, a great collaborator of Count Casimir Pulaski, was Hungarian of birth. He served in the two best cavalries of Europe, the Austrian Army of Empress Maria Theresa and the Prussian Army of Frederick the Great.

At 52 years of age, he offered his services to the United Colonies and embarked for America from Bordeaux. His military career in the United States brought him in 1778 to New Jersey after having organized his independent cavalry unit consisting of four companies. At the end of the summer the Legion was ordered to Princeton, N.J. He fought the British on two occasions; on September 10 at Osborne Island, where his casualties were 22 men, and at Egg Harbor on the 14th of September. The latter was a defeat because of the treachery of an originally English officer who was not recruited by the Legion, but assigned to it by the Board of War. The Legion lost 30 men. In October of 1778, the Legion was sent to Trenton and then to Sussex Courthouse. On November 10 they moved to Cole's Fort. But in February 1779, they were ordered first to Virginia and then to South Carolina.

Many of the recruits of the Legion came from New Jersey, especially as the losses of the two battles had to be replaced by new recruits before departing to South Carolina to help General Lincoln.

Colonel Kovats was an officer well-trained in organizing light cavalry. His original Hungarian Hussar training taught him an elan and tactics which made the name Hussar world-famous in the 18th century. His long service and training in the Prussian army, however, also imbued him with the methodological training methods of the best drilled and most professional army of Europe and these dual qualities in him predestined him to become the founder of American cavalry. Unfortunately, his early death and the subsequent death of Count Casimir Pulaski, the overall commander of the Legion, at Savannah in 1779, ended the short-lived experiment for several decades.

We remember the valiant Hungarian officer whose motto in his American service was: "Faithful unto death!" as a hero of the emerging American Nation, and a man who lived and fought in New Jersey in 1778. He teaches us that the devotion to freedom and human dignity was eminently present in the sons of many European nations who offered their swords and their lives so that the American Nation may be born in freedom and retain its democratic traditions. Americans of Hungarian descent may be very proud of the man who blazed their trail in American history and the same commitment to freedom and democracy was the hallmark of American Hungarians in our history and society during the 198 years of our Republic.

Mr. MINSHALL of Ohio. Mr. Speaker, this year marks the 250th anniversary of the birth of Col. Michael Kovats, who came from Hungary in 1777 to fight for the cause of the colonists against the British.

Kovats' military career in Europe was distinguished. As a young officer he fought in the Empress Maria Theresa's Hussar regiment in the Second Silesian War. Later he became a captain of the Gersdorf Free Hussars of Frederick II under whom he had fought in the Seven Years' War. At the time he left Hungary to go to America he was a reserve major of the cavalry by appointment of the Empress.

Kovats offered his services to Benjamin Franklin in Paris in a letter in which he promised to be "faithful unto death" to the cause of the Colonies, a promise he was to keep. A copy of Franklin's letter of recommendation of Kovats, sent to the Continental Congress, is preserved in the National Archives.

Upon arriving in this country, he met Count Casimir Pulaski. After some difficulties in persuading General Washington to accept their ambitious plans for cavalry training and regiments, General Washington and the Continental Congress established the independent cavalry, later known as the Pulaski Legion, with Pulaski as chief and Kovats as his commanding colonel.

Kovats wanted to bring the elan of the Hungarian Hussars and the meticulous, precise Prussian training of cavalry to the colonists' cause.

Despite the relative ignorance of the Colonies in regard to cavalry fighting and tactics, Kovats drew an enthusiastic response. He exceeded his recruitment quota by 62 men, adding close to 400 cavalrymen to the Army of the Continental Congress under General Washington. When winter weather and smallpox decimated his troops as did two battles in the fall of 1778 at Osborne Island and Egg Harbor, he found willing recruits to replace them.

The Legion under Kovats had to travel much as in the winter of 1778-79 General Washington sent it to help General Lincoln against the British general Provost who was trying to wrest the Southern States from the colonists. Kovats' legion traveled from Cole's Fort to Charleston, S.C., during the winter months and contemporary documents show that they did not commander their food and other necessities but paid for them in Maryland, Virginia, and North Carolina. At Salem the dreaded smallpox epidemics started, and by the time they arrived at Charleston, their effective strength fell to 120 men. But Kovats immediately attacked the British in order to cause a diversion and raise the morale of the people of the beleaguered port city. He succeeded in the attack, but fell in the battle on May 11, 1779 ending a life rich in independent spirit, love of freedom and soldierly virtues. American Hungarians can look with pride upon this soldier who had become the hero of two nations, the Hungarian and the American.

Mr. ADDABBO. Mr. Speaker, on this 250th anniversary of the American Hungarian hero of the War of Independence, Col. Michael Kovats, I am joining my colleagues in remembering his character and accomplishments during his short, but eventful stay in the United States between 1777 and 1779.

A distinguished cavalry officer of Empress Maria Theresa and King Frederick the Great of Prussia, this man offered his sword to the cause of American freedom in 1777. Despite the perils and inconveniences of the journey, he traveled on his own from Budapest to Bordeaux that year via Geneva and wrote to Benjamin Franklin asking him for a letter of recommendation which Franklin sent to the Continental Congress, but not before the impatient and enthusiastic Kovats already had embarked for America. He was stated in 1777-78 mostly in New Jersey, close to British occupied New York City. He recruited his men not only from New Jersey and Pennsylvania, but also from the unoccupied areas of New York State.

In April 1778 he was appointed as commanding colonel of the independent cavalary unit, known as the Pulaski Legion, as its overall commander was the Polish American hero, Count Casimir Pulaski. Aware that Frederick the Great won most of his battles by the use of cavalry, especially the Hungarian-type light cavalry, the Hussars, Kovats tried to train his troops as Hussar units. His greatest praise was given by the British major who lost the battle in which Kovats fell at Charleston. He reported that Kovats' cavalry was the best cavalry that "the Rebels ever had." More important for our times than the organizational and martial talents of Colonel Kovats were his character and ideals.

Here was a man who was battle-trained and battle-weary, and already 53 years old. He still had the idealism and enthusiasm to take up arms in a far away country for which he considered to be the cause of freedom. It is not money which drew him to the cause. In his letter to Franklin he stated this clearly:

> Golden freedom cannot be purchased with yellow gold.

He had wanted to train the troops in precise military manner so that they may "defend the dearest of the lands with their best ability under any conditions and developments of the war." And he ends with the memorable phrase: "Faithful unto death" which in the 20th century became the motto of the American Hungarian Federation as well.

Today we recall the memory of this man of spirit and talent who contributed with his sword and life to the independence of our country displaying the virtues which most of his fellow countrymen who followed him to America had exhibited during the last 198 years.

Mr. WILLIAMS. Mr. Speaker, today Americans of Hungarian descent are proudly commemorating the 250th anniversary of the birth of the American Hungarian hero of the Revolutionary War, Col. Michael Kovats.

We Pennsylvanians are particularly proud of Colonel Kovats because of his recruitment and other military activities in our State.

Early in the summer of 1777, two cavalry officers, Count Casimir Pulaski, of Poland, and Col. Michael Kovats, of Hungary, arrived in Philadelphia, and presented themselves offering their services. Pulaski had a formal agreement with Silas Deane, then Ambassador of the United States to France, guaranteeing for him a commission as Commander of the U.S. cavalry forces, with the rank of brigadier general. As he arrived. General Washington, although not too enthusiastically, honored the agreement made in faraway Paris, and wrote to Congress suggesting that Pulaski be given "the command of the horse." In the interim, Washington invited Pulaski to serve on his staff as a volunteer officer.

About the whereabouts of Colonel Kovats, the Hungarian, the news is less conclusive in the summer months. There is a source which mentions that he served as a recruiting officer for the Pennsylvania German battalion in the summer. The next time his name is mentioned is in the Moravian diary of Nazareth, Pa., in September that "the famous Prussian Hussar officer Colonel Kobatsch" visited there, referring also to the circumstance that he had lived, "quietly," in this country for some time already.

The commission of brigadier general in command of all the cavalry of the American Forces, given by Congress to Count Pulaski on September 5, was reinforced by the personal bravery and usefulness of Pulaski as demonstrated in the battle at Brandywine on September 11, when he virtually saved George Washington's life by detecting in time a British detachment near the position of Washington.

During the fall months Pulaski and Kovats, a veteran of 15 battles in the service of Frederick of Prussia, met and discussed the impending problems of cavalry organization and training in the new American republic. Pulaski, Kovats' junior by 24 years, readily admitted that Kovats was the only expert of light cavalry training in America, praising him on four different occasions in his letters, reports and proposals to General Washington.

Finally, on January 14, 1778, Pulaski received Washington's approval of the appointment of Kovats as "master of exercise" for a few monhts.

The records of the Continental Congress, the Board of War, and the dispatches of General Washington from his headquarters at Valley Forge are filled during the following months with references to increasing difficulties of Pulaski with various officers at Washington's headquarters or in the cavalry units. At that time there were only four, heavily undermanned cavalry regiments, under the command of Colonels Moylan, Bland, Baylor, and Sheldon, mostly of the type of infantry on horseback. The situation was solved by the resignation of Pulaski as commander of the cavalry and his assignment for the organization of an independent unit later called the Pulaski Legion. Soon after, on the 18th of April, Michael Kovats was commissioned by Congress as "colonel commandant" of the same unit.

After the British left Philadelphia in the spring of 1778, Pulaski and his officers, including Colonel Kovats, as well as the various cavalry and infantry units of his legion, became more and more conspicuous in Philadelphia. The citizens of Philadelphia, by then a symbol of American liberty and independence, learned to value these well-trained warriors whose martial appearance and precise troop movements were noted in the contemporary press. Their presence did much to enhance the preservation of the recently won independence of the United States.

We Pennsylvanians share the pride of the many Americans of Hungarian descent by pointing to the fine letter by Michael Kovats to Benjamin Franklin dated in Bordeaux, France, on January 13, 1777, in which he offered his life and sword for the cause of American independence. We treasure this beautiful document even among the wealth of the "Benjamin Franklin Papers" preserved at Philadelphia, and we regard it as a fine manifestation of the new American patriotism. "Most faithful unto death,"—wrote Michael Kovats in this letter, and less than 2½ years later sealed his promise by sacrificing his life in the defense of American freedom and independence at faraway Charleston, S.C.

But prior to this ultimate sacrifice, he fought, according to his orders received from General Washington and other superior officers, both the British forces and the various Indian bands which tried to break through the line of defense above Philadelphia. Thus, he contributed, bravely and loyally, to the safety and freedom of that great city.

The city of Philadelphia is proud of having given him occasional shelter during these last years of his life. In Germantown, now a part of modern Philadelphia, Colonel Kovats, with reference to his "late expedition against the Indians," submitted his proposals to the Congress "concerning a durable future security against the Indians and other bad fellows." His letter, dated on the 19th of September, 1778, was read in the session of the 21st, and referred by Congress, along with his proposals, to the Board of War.

Now, and in the future, our academic institutions and collections will aid and enhance Hungarian research on the numerous topics related to the historical connections between so many generations of Americans and Hungarians. Certainly one of the most attractive connections is the impressive life story and the shining example of Col. Commandant Michael Kovats, the brave and faithful Hungarian Hussar officer.

GENERAL LEAVE

Mr. VANDER VEEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the special order today of the gentleman from New Jersey (Mr. PATTEN).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

BURN CARE PROBLEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. ESCH) is recognized for 60 minutes.

Mr. ESCH. Mr. Speaker, few of us give much thought to the adequacy of burn care facilities in this country until tragedy strikes. We tend to assume that most hospitals have the personnel and equipment required for this very specialized treatment. Unfortunately, the statistics prove otherwise; and the National Institute of Burn Medicine in Ann Arbor, Mich., says the burn problem has long been one of this country's large, but hidden problems.

Indeed, the scope of the situation can be better understood by considering the following: each year burns kill and cripple more children in the United States than polio did at its peak. More than 12,000 people die of burns and the tragedy is that with better care, which is now possible, half of those who die could be saved.

It is because of the need for burn prevention education and improvements in burn medicine that the National Institute for Burn Medicine—under the direction of Dr. Irving Feller—has undertaken a 10-year, nationwide assault on the problem. Through the Institute's efforts, September has been proclaimed "State Burn Prevention—Burn Treatment Month" by the Michigan Legislature and thousands of volunteers are, this week, joining together to raise funds for the institute.

Certainly this is a very worthy cause when one considers that in Michigan alone, the people suffering burns each year would fill the University of Michigan football stadium. In short, there are about 100,000 burn victims in Michigan annually and almost half of the 400 who die as a result of burns are children. Moreover, the institute estimates that only five of the 200 hospitals in Michigan offer specialized burn treatment. Dr. Kathryn Richards, assistant director of the University of Michigan's burn center, reports that there are three to four people a week that ought to be treated by that facility on an urgent basis who must be turned away because of lack of space and qualified staff. In addition, Dr. Feller and his colleagues have found that only 41 of the 92 medical schools in the United States are presently affiliated with hospitals offering any specialized burn care and only nine of these have burn centers for teaching and research as well as patient care. They stated in an article published in Michigan Medical that:

> The net effect of today's shortage of medical skills and facilities for burn treatment is that approximately 90 percent of all burn patients do not receive the quality of care they need.

Dr. Feller's recommendations include not only a dramatic increase in the number of physicians skilled in burn treatment, but also an increase in the number of facilities offering specialized treatment to burn victims. He says that nationally there is a need for 160 burn units and 600 burn programs. Significant increases in facilities are also needed in Michigan with particular need to better distribute the facilities so that victims are not referred long distances from home and friends for what often is a lengthy treatment.

In view of the need for which the Institute has made such an outstanding argument, I would like at this point to thank Dr. Feller, the Institute and Board Chairman Merritt D. Hill for their efforts to awaken us to the hidden problems of burn treatment and prevention. I want also to note the substantial contribution being provided by the institute to the cause of improving burn medicine in the United States. For example, the institute plans over the next 10 years to train 750 surgeons in burn medicine. The institute also plans to build a 30-bed burn center in Michigan during the next 5 years which will serve as a model for burn injury care facilities throughout the country. The institute will of course continue to work on a number of research projects including new ways of controlling infection. Additionally, the Institute will continue through its National Burn Information Exchange to gather a great deal of data on what types of burn accidents are suffered by a given age group. This material will be used to create mass media programs to help people prevent burn injuries.

All of these efforts cost money and require the public support to assure success. Gov. William Milliken has proclaimed this week "Michigan Burns-Awareness Week" and many thousands of volunteers are joining together in an attempt to raise more than half a million dollars to help the National Institute for Burn Medicine fight burn injuries, deaths, disfigurements, and disabilities. I would like to point out to my colleagues that the groups embarked on this fundraising effort are Michigan's 14,000 Jaycees, 6,000 unionized firefighters, volunteer fire departments, the Jaycees' and Firefighters' auxiliaries, and Epsilon Sigma Alpha Sorority.

Indeed, fundraising is a top priority feature of the Jaycees' burn-awareness program and more than 240 of the Michigan Jaycees' 300 active chapters are participating in the burn-awareness drive. In many communities, firefighters and Jaycees are running joint projects. Both the State and national International Association of Fire Fighters—IAFF—have pledged their support to the program. As President Earl Berry of the Detroit Fire Fighters Association wrote in Detroit Fire Fighter magazine:

> I feel there is no project that Fire Fighters could undertake that could have more relevance to our own lives and to the lives of every person in the communities we serve than assisting the National Institute for Burn Medicine." In addition, Tom Ritter, president of the Michigan Jaycees and a recent appointee to the National Institute for Burn Medicine's Board of Governors, said, "there is no other public or community service project that Michigan Jaycees could undertake with more relevance to our tradition of community service.

Mr. Speaker, this effort in Michigan marks the beginning of the National Institute for Burn Medicine's 10-year, $125 million campaign aimed at resolving the burn problem in the United States. This is, of course, an ambitious goal. But with the leadership of Dr. Feller and his associates with the help of so many volunteers and supporters, I am confident of the outcome. As I have said on other occasions, our country's problems can best be solved at the local level in a cooperative effort between the the public and private sector, and by making the most of the talents and expertise of volunteer groups, community organizations and private business. This initiative is worthy of our support and I know that other members of Congress will lend support in any way they can.

CONGRESS AND SUPREME COURT SAY: STOP BUSING AND START EDUCATING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRAY) is recognized for 15 minutes.

Mr. BRAY. Mr. Speaker, the month of July 1974, will go down as a landmark month in two respects for stopping the tide of busing pupils for so-called racial balance. Both the Supreme Court and the Congress, for the first time, made part of the law of the land, the fact that there were definite limits to busing.

The action by the Supreme Court came on July 25. A 5–4 ruling all but barred the busing of children across school district lines to achieve integration, which, of course, was the situation facing Indianapolis under a Federal court order, as well as other communities.

Chief Justice Burger, writing for the *majority* of the Court, said:

> The notion that school district lines may be casually ignored or treated as a mere administrative convenience is contrary to the history of public education in our country.

This decision reversed a lower court order that had called for cross-country busing in Detroit and 53 surrounding communities. What the Court said, in essence, was that busing stops at the city limits. There is much similarity between the Detroit and Indianapolis cases.

Then, on July 31, the House passed the conference report on H.R. 69, Education Amendments of 1974. The Senate had passed it already on July 24.

For the first time in writing legislation on Capitol Hill, some very specific antibusing provisions were written into law, and passed. The final version of the bill was not as strong in its antibusing provisions as the stand taken by the House of Representatives, originally, but its provisions are significant.

The House, on three separate occasions, by 2–1 margins, had approved and ordered its conferees—who met with the Senate conferees—to insist on strong antibusing regulations when this bill was in conference. The Senate repeatedly refused to go along with the House. But, what did go into the final version of the bill was this:

First, busing beyond the next closest school is prohibited;

Second, assignment of students to their neighborhood schools does not violate the 14th amendment;

Third, population changes are not to serve as the basis for new desegregation lawsuits—which could conceivably lead to busing;

Fourth, racial balance is not required to achieve desegregation;

Fifth, there will be no busing unless and until all other alternatives have been explored and exhausted;

Sixth, any busing at all can start only at the beginning of the school year;

Seventh, there can be no busing at all until after a school district has been given reasonable time to formulate a voluntary plan to achieve desegregation, if so ordered to do so;

Eighth, court orders on busing may be reopened when the health of the child is impaired or the child's educational process is imperiled;

Ninth, court orders on busing are to be terminated if the school district is found to be in compliance with the 14th amendment; and

Tenth, no Federal funds may be used for busing.

A GOOD BEGINNING—BUT NOT THE END

Now, none of this means the fight against busing is over. The Supreme Court and Congress went a long way; both took a giant step in removing this questionable social experiment from American life and education. The present situation in Boston is a case in point. Opposition to forced busing to achieve racial integration has flared, violently and forcefully, in that city.

Probusing advocates—not, in this case, Federal judges, but others—have planned their campaign rather well.

They knew that if they tried to force this issue on the entire country at one time it would have meant violent reaction all over the United States similar to that in Boston. But they took one area at a time. Richmond, Va.—where, incidentally, the Federal judge who ordered very drastic busing sent his own children to a private school and made absolutely no apologies for it; Mecklenburg County, N.C.; Detroit; Indianapolis; and, of course Boston, to name some of the more prominent incidents.

Why did the entire country not react, as did the citizens of these areas? It seems to be a rule of human nature that, with very rare exceptions, there is no real mass reaction over an unpopular idea or movement. The reaction itself is generally confined to the area affected, and the community involved.

But who is next? Or, where? It is quite certain there will be more communities singled out for desegregation suits by probusing zealots, and busing will be very much in the minds of those who push the issue. It is equally certain the reaction in the community involved will duplicate that of the areas listed above.

BUSINESS LONG BANNED BY LAW

The stark truth of the matter—and why it has not gotten through some skulls to date is beyond me—is that busing is in no sense a legally sanctioned—meaning, here, by Congress—method for desegregation. In fact, it is just the opposite; consider this language in the Civil Rights Act of 1964:

> But desegregation shall not mean the assignment of students to public schools in order to overcome racial imbalance.

And an amendment adopted when the Civil Rights Act of 1966 was before the House of Representatives:

> Nothing in this title shall be construed to authorize action by any department or agency to require the assignment of students to public schools to overcome racial imbalance.

This language is crystal clear and anyone who has passed the sixth grade, at least, can be assumed to be capable of understanding it. All right, then, why the push for busing?

Zealots. Fanatics. These words are not too strong. A couple of comments on fanatics are in order here.

Finley Peter Dunne has his irrepressible fictional Irishman, Mr. Dooley, say:

> A fanatic is a man that does what he thinks th' Lord wud do if he knew the facts iv the case.

And the philosopher, George Santayana, in his *"The Life of Reason"*:

> Fanaticism consists of redoubling your efforts when you have forgotten your aim.

Just where, though, did all of this start? I detailed the genesis of the busing idea in a 1969 speech before the House of Representatives which was entitled "Education or Social Experimentation?" From the speech:

> The entire issue revolves around a very unfortunate sequence of events, practically all of which are attributable to some extremely radical proposals originating among the Health, Education and Welfare bureaucrats back in 1966. Now, Congress had been aware for a couple of years of what might eventually be cooked up in fertile but feverish minds. Equally aware of the potential for great damage to the nation's educational structure, congressional intent forbidding any such meddling had been made quite clear and plain."
>
> But there is always someone who does not get the word, and if they do, they choose to ignore it, setting themselves up as being better qualified to dictate to the American public what their educational structure should be. In this instance, "someone" was Harold Howe II, former Federal Education Commissioner, who took office in 1966 and almost at once made it quite clear that he was going to set the rules. A Wall Street Journal story of August 12, 1966, about Howe, was headlined as follows: "Integrating Classes—Federal Officials Now Favor End to Tradition of Neighborhood School—New Education Commissioner Calls for Busing, 'Plazas'; Suburbanites Are Alarmed—His Only Weapon: U.S. Cash."

In the same speech I also quoted an editorial from the Washington, D.C. Star of August 12, 1966; the editorial dealt with the 1966 amendment I cited earlier:

> The thrust of the amendment is in this sentence: "Nothing in this title shall be construed to authorize action by any department or agency to require the assignment of students to public schools to overcome racial imbalance."
>
> What he (Howe) intends to do, in brief, is to bus school children back and forth to achieve a racial mix satisfactory to himself, and if necessary to abolish the neighborhood schools in the process. This has never been required by the Supreme Court nor intended by Congress.

WHO WANTS BUSING?

Who is for busing? Parents? Certainly not. Every poll that has been taken in the country on the issue shows a heavy majority—black and white—of parents against busing. Pupils? They are overwhelmingly opposed. School superintendents? National School Magazine, in its May 1968 issue, reported results of a poll showing 74 percent were opposed. School boards? The same survey showed 88 percent opposed. Teachers? Today's Education, March 1969, carried a National Education Association research division survey showing 78 percent of the teachers opposed.

So who does favor it? This brings us right back to the zealots and fanatics who would, in the words of the title of a speech I made to the House of Representatives on October 7, 1970, on busing, use "Classroom for Chessboard: Pupils for Pawns."

Then, too, among the zealots and fanatics, you have those whose interest in controlling—absolutely controlling—the lives of their fellow men embraces the busing concept and goes beyond even that, into other fields. They seek a utopia, really; the idea of utopia was once called "The Perennial Heresy," by the writer Thomas Molnar, who had some very harsh things to say about those who pursued it, to the detriment of their fellow men.

Not all probusing advocates fall into this extreme category. But many of the extremist type are definitely in the front ranks. What they lack in numbers, they make up in zeal—misguided zeal, I might add.

EDUCATION NOT THE GOAL IN BUSING

There has been considerable controversy over busing plans ordered for Pasadena, Calif. On Tuesday, September 24, the Christian Science Monitor, one of the most respected newspapers in the country, carried an Associated Press story headed "Test Scores Fuel Debate on Forced Busing in Pasadena." From the story; the words speak for themselves; the implication is grim indeed:

> In the last four years, the school district has lost 6,671 of its white students—37.4 per cent—and if the trend continues, Mr. Marcheschi (President of the School Board) says, "We aren't going to have enough white students left to integrate."
>
> The school board has been trying desperately to stop the white flight, fighting in vain to have the busing plan rescinded or modified and imposing a philosophy of fundamental education that appeals to conservative whites.
>
> But the effort was hurt with the revelation that test scores of both whites and blacks have declined in reading and math during the busing period.

That is bad enough, and one would think a factor of sufficient weight to give pause to the probusing forces. But Mr. Ramon Cortines, superintendent of Pasadena Schools, does not seem to mind: he is all for busing. From the same story:

> Mr. Cortines says the scores do not mean busing has failed, "*because the purpose was to integrate, not improve students' achievements.*" (Italics supplied)

Just what, may I ask, is a school for? To experiment with the lives and futures and careers of pupils? To be used as a lever to tear apart communities and contribute directly and forcefully to violence and civil discontent? Or to prepare a pupil for his future? According to Mr. Cortines—and I have never, in the voluminous files I have on busing—some material goes back 8 years—seen such an incredible admission of sheer zealous, fanatic devotion to the pursuit of the goal of busing—the role of the school as far as the pupil goes is to use the school system, and the pupil, in social experimentation.

"Education or Social Experimentation?" I asked in my House speech on July 30, 1969. Mr. Cortines makes it clear: social experimentation comes first. And, I would imagine, according to him, if the student somehow manages to get an education, that is a relatively insignificant byproduct of the whole ghastly process.

I began these remarks by noting, with considerable satisfaction, the actions of the Supreme Court and the Congress in recent months. But, from the conclusion—from the Pasadena experience—it is quite clear the fight is far from ended.

Win it? Yes, I do believe so; we are closer now than we were 5 months ago, and that in itself is a significant achievement. But those of us who want education for the youth of America; those of us who look upon students as what they really are: future leaders of this country; those of us who want our educational system returned to its first task—education—still have much to do.

We cannot let down; we cannot stop. We must continue. And I am positive we will prevail in the end.

ANY CONSIDERATION OF AN AMNESTY PROGRAM SHOULD BE CANCELED UNTIL AMERICA GETS A FULL ACCOUNTING OF ALL U.S. SERVICEMEN MISSING IN SOUTHEAST ASIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, the question of general and blanket amnesty has been placed—once again—squarely before the Nation by the President's decision to grant an amnesty to Vietnam era draft evaders and deserters.

This question, in my opinion, was well on its way to being resolved through decisions of the courts with respect to specific cases and through the individual decisions of evaders and deserters on whether to return to the country or surface from the underground and in what circumstances. But, it has now been reopened. Unfortunately, its reopening has rekindled the animosities associated with it—on both sides of it.

I am opposed to blanket amnesty for two principal reasons: It shortcircuits the judicial process, and it places the administration's concern for draft dodgers and deserters above those of families of men still considered as missing in action in Southeast Asia.

THE JUDICIAL PROCESS SHOULD BE FOLLOWED

On September 12, I addressed this House on the importance of relying on the judicial process—in lieu of a blanket pardon and alternative public service program. In those remarks, I said:

> There is a proper process for the resolution of the two questions of pardons now pending before the Nation—those relating to Watergate and those relating to Vietnam—and that process is judicial. These matters ought to be resolved in the courts of law, for that is the proper forum for their resolution. Only after the full judicial process has run its course as to each defendant—including appeals—ought a pardon to be in order. It is that way with respect to other cases involving violations of Federal statutes; no other standard should be used here.
>
> A cornerstone of our Anglo-American system of law is that each and every defendant has an absolute right to prove his or her innocence. It must be only that one person, whose conduct must be examined against the requirements of a specific statute, who stands before judge and jury—before the public and history's judgment. Once in court, that person cannot be considered as part of an amorphous group of Watergate defendants or draft evaders, for the freedom and future of that particular individual defendant is what is at stake.
>
> There are young men now living outside the United States, as a result of not serving or continuing to serve in the Armed Forces during the Vietnam war, who claim that there were mitigating circumstances which would lead either to acquittal or the dropping of charges against them. They ought not to be lumped together with those who have already acknowledged willful violations of criminal statutes without such particular, mitigating circumstances.
>
> To grant pardons to some Watergate defendants or those already convicted or to grant blanket amnesty for draft evaders and deserters runs directly counter to the right of others to prove their innocence and to clear their names. Those rights must not be denied through the use of Presidential pardons or amnesty while the judicial processes are still running. As trials are concluded and precedents established, patterns may emerge which warrant a change in policy, but that is not now the case. Let the courts and prosecutors, not elected officials, determine that at the appropriate time.
>
> I think the President would be well advised to let the constitutional and judicial processes run their courses fully before considering—at that time and in light of circumstances emerging thereafter—to decide what power under the Constitution he ought then to invoke, if any.

The program announced by the President on September 16 treats all evaders and deserters as members of that "amorphous group" to which I referred. This was in the face of a Washington Post news account of the same day about how effectively the courts had been working with this issue.

According to the Administrative Office of the U.S. Courts, 21,500 draft evasion cases have been concluded since 1964 with 8,400 ending in conviction—4,000 of those getting prison sentences and 4,400 of them being placed on probation; with 1,300 being acquitted; and, with 11,200 having the cases against them dismissed.

Whether one believes these men ought to be found guilty or innocent, the fact is that the courts were resolving this matter on an effective case-by-case basis.

The assumption in our system—that an accused individual has a right to prove his innocence before a court—is circumvented—it is actually denied—by the use of blanket pardons which leave no room to prove innocence and to clear one's name.

On the other side of the coin, the effectiveness of deterring evasion and desertion in future wars is undermined by allowing alternative public service or the acceptance of a dishonorable discharge to stand on the same plane as those who answered the call and fought.

NO DISCUSSION OF AMNESTY UNTIL AMERICAN SERVICEMEN MISSING IN ACTION IN SOUTHEAST ASIA ARE ACCOUNTED FOR

There ought to be, in my opinion, a precondition for the granting of amnesty—even if a general program is to be pursued—and it now appears that the program set into motion by the President is going forward.

It was interesting—and very disturbing—to me to see that in all the coverage of the amnesty program—for 15,500 draft evaders and 12,500 deserters who broke the law—there were no words about those families who still await news, any word, concerning the plight of their loved ones still missing in action or unaccounted for in Southeast Asia.

The families—wives, mothers, children, and kin—of some 1,300 still missing were, in essence, told by this amnesty declaration that, as a matter of priorities, the concern for the families of our evaders and deserters was to be placed above theirs. In short, the Government is going to do something about the evaders and deserters but nothing about the missing in action.

In addition to these 1,300 MIA's, there are the families of an additional 1,200 who were killed in action but whose bodies have not been recovered from Communist-controlled zones, in order that they can be returned to the United States for proper burial.

To me, it is the most fundamental kind of human decency which requires us to give those Americans who might still be alive—held still as POW's—and their long-suffering families due consideration before any amnesty is granted to those who broke the law.

I can understand the President's emotions on this matter—to resolve the matter once and for all, to allow men to renew their lives and families to overcome uncertainty—but I cannot understand why that same emotion does not apply to our MIA's and their families.

SENSE OF THE HOUSE RESOLUTION INTRODUCED

That is why I am today introducing a resolution expressing the sense of the House that the amnesty program announced by the President should be put into abeyance—into limbo—until all U.S. servicemen still missing in Southeast Asia are accounted for—until all POW's are returned—and until the remains of all U.S. servicemen are brought home.

The distinguished Senator from North Carolina (Mr. HELMS) introduced a similar measure, S. 402, stating the sense of the Senate, on September 16. I am honored to offer this House companion to that measure, and I call upon the Committee on Armed Services to consider this measure as soon as possible, in that the amnesty program is now being launched.

The text of the House resolution follows:

H. RES. —

Resolution that it is the sense of the House of Representatives that there should be no continuance of the announced general program of amnesty for Vietnam era draft dodgers or deserters until a full accounting is made of American servicemen missing in Southeast Asia

Whereas more than two and one-half million United States servicemen served honorably during the conflict in Southeast Asia, and

Whereas fifty-five thousand servicemen lost their lives while performing their duty in service to their country in that conflict, and

Whereas nearly one thousand and three hundred American servicemen remain unaccounted for in Southeast Asia: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that no general program of amnesty, conditional or otherwise, be continued for any United States citizen who knowingly evaded the draft in order not to serve in the conflict in Southeast Asia, or who knowingly deserted from the armed services while serving our country, until such time as there is—

(a) the fullest possible accounting of all Americans still missing in action or otherwise unaccounted for in Southeast Asia; and

(b) a return of all prisoners of war; and

(c) the fullest possible accounting for and repatriation of the remains of those American servicemen who died in the conflict in Southeast Asia.

Mr. Speaker, surely, we can all see the need for such an expression. At a time in our Nation's history when the call goes out for a national reconciliation, the hopes of the loved ones of our missing in action ought to be given priority.

GENERAL LEAVE

Mr. GUYER. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks on the subject of the special order of the gentleman from New York (Mr. KEMP).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ECONOMIC SUMMIT CONFERENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Delaware (Mr. DU PONT) is recognized for 60 minutes.

Mr. DU PONT. Mr. Speaker, on Friday and Saturday of this week President Ford will convene an economic summit conference. The participants will begin to draw together the best economic thinking our Nation has to offer—and to focus that thinking on the most difficult problem facing America in the seventies.

I am not a participant in the conference, nor am I an economist; however, I believe that the burden is on us, the Members of Congress, to shape our own thinking about the economy and lay out a strategy for beating what we all recognize to be the major problem in this country today—inflation. Naturally, the executive branch has great resources and authority to deal with inflation, but we cannot forget that the Constitution gives the Congress the power of the purse and the legislative authority to enact major economic policy programs. It is my belief that the question of inflation ultimately rests on Congress. No matter what progress the President makes in his summit conferences, his efforts will be meaningless if he cannot work in partnership with a Congress that understands the dimensions of the inflation problem and a Congress that has dedicated itself to meeting the problem of inflation head on, and by meeting head on I don't mean choosing the politically expedient way fighting inflation—I mean talking straight to the American people and letting them know there is no popular, easy way to solve inflation and by taking actions that may be politically unpopular, but economically necessary.

INTRODUCTION

We have to begin facing the problem of inflation by first recognizing how people are affected in real terms, and realize that what we do here in Washington ultimately impacts the individual consumer's pocketbook.

The price of gasoline has gone from 39 cents per gallon to nearly 60 cents. The price of sugar has risen 65 percent in the last 3 months. Milk has gone from 60 cents to 80 cents per half gallon from 1972–74. Heating oil increased 67 percent in cost in the last year. Mortgage money is nearly unavailable and electric rates continue to go up and up.

Is it any wonder that across the Nation, as well as in Delaware, economic problems are considered the No. 1 problem for the American family? A recent comprehensive survey by the News-Journal papers in Delaware pointed out that over 50 percent of Delawareans believe that inflation is public enemy No. 1.

And what may be even worse than the problem itself, is the nagging worry most Delawareans, and I believe most Americans, that perhaps nothing can be done about the problem. People feel caught, and squeezed between the rising cost of living, and wages which do not keep pace. The News-Journal survey pointed out that the average Delawarean feels he is worse off economically than ever before. He feels he is struggling for survival, and losing the fight. He feels that elected officials do not understand his problems, and that Government is incapable of providing realistic solutions. Double digit inflation piled on top of endless scandals in Washington have proved a heavy load for the American spirit to bear; and confidence in Government has sunk to an all-time low.

So far the performance of the Federal Government, both the Congress and the executive branch has done little to engender any confidence in our ability to meet the challenge of inflation. There has been a lot of talk on the subject, a lot of accusations about who is responsible and unfortunately very little real understanding of the problem. Even the experts cannot arrive at a concensus on how to beat inflation. But before we begin the debate on solutions to the problem, we can make substantial progress if we level with the American people on three basic premises which I think most people can agree on: First, inflation will not be stopped overnight. It is a problem that has been gaining momentum for at least the last 10 years and is being pushed along by worldwide inflation. Second, inflation cannot be stopped without incurring costs. Third, if the Congress or anyone else tries to sell quick, painless cures to inflation we will simply be postponing the day when we do come to grips with the problem. A modest but necessary step in combatting inflation must therefore be a candid admission to the American people inflation can be cured—but it will take time and in some instances it will have to hurt. Inflation campaign rhetoric simply will not do. Curing inflation is politically popular but unfortunately the means will not be.

Because inflation is a pervasive problem that stems from multiple causes, we need to develop an integrated strategy. No single policy can be the answer—adjusting the money supply alone cannot stem inflation, nor will fiscal restraint alone solve the problem. Likewise stimulation alone may help one sector of the economy and hurt another.

We must also recognize that because curing inflation invariably incurs costs—in terms of unemployment in particular—we must adopt a policy of moderation. Obviously we are going to want to help those who take the brunt of the battle against inflation, and we are going to live up to our commitment to provide assistance to those on fixed incomes. The difficult job of the Congress will be to determine what mix of restraint and expenditures we need to both curb inflation and reduce the hardships of those most severely hit by inflation and anti-inflation policies. Congress has an opportunity to effect an anti-inflation policy along two fronts: the Government sector and the private sector, and it has responsibility in two other areas: assisting the victims of inflation and insuring economic equity throughout our system.

I. THE GOVERNMENT SECTOR

There are many causes of inflation but certainly no one cause has been more important than the enormous deficits that have been run up by the Federal Government in the last 10 years. Since 1965 the Federal Government has spent $102.9 billion more than it received in revenues, so we must begin our fight here in Washington.

The genesis of the current problem goes back to the war in Vietnam. We tried to fight the most expensive war in our history while continuing to provide expanded Federal programs and more consumer goods for more people than ever before. The American economy was called upon to make precious few economic sacrifices during the war; and our budget deficits exploded: $1.6 billion in 1965, $8.7 billion in 1967, and $25.7 billion by 1968. And when the peak activities of the war subsided, did the deficits come down? They did not. The 1972 deficit was $23.7, and the 1973 deficit was $14.3 billion. And as the deficits soared so did prices, to the point where the Consumer Price Index rose by an annualized rate of over 14 percent during the first quarter of 1974.

The plain truth is that inflation will never be cured—never—as long as the Federal Government continues to run budgetary deficits of this size. Some people have said that cutting the budget is not necessary—that such action is too simplistic to be worthwhile. They are wrong; budget restraint has been, and will continue to be, the key to curing this double-digit inflation. That is why I have said that the budget submitted by the administration for fiscal 1975 of $304.5 billion is too high and must be cut. And I believe it can be cut without doing serious damage to any one sector of our Government. I applaud President Ford for his recent announcement that he hopes to be able to reduce Federal obligations by $24 billion during this fiscal year. I am also pleased to see that he is using the machinery set up for him in the new Budget Reform Act of which I was a strong supporter.

Over the past 9 months I have initiated some action on my own in an attempt to trim the budget where I believe it is justified. To date, I have voted to cut more than $6 billion out of the budget to reduce it below $300 billion. With current projections for 1975 in the neighborhood of $296 billion, I am hopeful that sound, responsible actions by both the Executive and the Congress can dissolve what had been predicted to be an $11 billion deficit and provide us with a balanced budget.

Where can these cuts be made? The votes I have already cast put my views clearly on the RECORD. The defense budget—currently 30 percent of the entire budget—can be cut without weakening our national defense. That is why I joined as a cosponsor of the Aspin-du Pont amendment to limit research and development funds for the Defense Department; that is why I voted for the O'Neill amendment to reduce U.S. troops overseas by 100,000 men; and that is why I voted for the Addabbo amendment to cut $2.3 billion from the overall defense budget.

These actions produced results—the final fiscal year 1975 defense appropriation was $4.5 billion below budget.

Cuts can also be made in an over-sized foreign aid budget. For too long the U.S. foreign aid budget has operated on the assumption that political friendship can be bought with American dollars. I submit that you can not buy political allies with American arms. That is why I sponsored a series of amendments in the Foreign Affairs Committee to drastically cut military aid to countries like Vietnam, Cambodia, Jordan, and Turkey. To date we have been successful in committee in reducing the foreign aid bill by $900 million.

Budget cuts can also be made by eliminating some of the outrageous subsidies the American taxpayer is carrying on his already overburdened shoulders; third class mail subsidies, sugar subsidies, wheat export subsidies, just to name a few. All of these, I voted against or worked to end, and I will continue to oppose them in my own personal effort to bring the Federal budget into balance, and to stem the tide of inflation.

Reducing the size of the Federal budget and correspondingly reducing the size of the deficit, is, and will continue to be, the single most important action we can take to bring inflation under control.

Further, reducing the size of these deficits also can have a significant impact in our fight against high interest rates and the unavailability of credit—especially in the mortgage market. Recently, the Federal Government has been financing these enormous deficits—our average of over $30 billion per year—by borrowing; by increasing the national debt. And when the Federal Government goes into the market to borrow to finance the deficits, it sucks up loanable funds, and drives interest rates through the ceiling. If the Federal Government did not have to borrow $30 billion a year to finance the deficit, that would be $30 billion in credit and loanable funds that would be available to the private sector to provide more mortgage money, and more money for business expansion—and to provide more money at lower interest rates.

So controlling the Federal deficit not only can help stem the tide of inflation, but it can also take a great deal of the pressure off interest rates and the availability of credit across the country.

It is my belief, that as we begin to control the size of this year's budget a great deal of the pressure will be taken off the money markets and the high interest rate policy of the Federal Reserve System. If we in Congress can take our share of the responsibility, then I believe the Federal Reserve should begin to relax its hold on the money supply, free up the availability of funds, and begin to reduce the inacceptably high level of interest rates in the United States today. An increase of a few percentage points in the growth of the money supply would be appropriate—if, the Congress accepts its responsibility in conducting a balanced fiscal policy.

II. THE PRIVATE SECTOR

The Congress also has wide authority to deal with the problems of inflation in the private sector. Because we are experiencing inflation at the same time we are experiencing economic stagnation, the Congress must adopt as one of its strategies, a policy of stimulating production. An expanding industrial sector is central to the country's economic health.

1. STIMULATION OF ECONOMIC ACTIVITY

A. INDUSTRIAL EXPANSION

It has become painfully apparent during the recent inflationary surge with its skyrocketing interest rates, that capital shortages are just as severe as the shortages of some of our raw materials. The long-term implications of a scarcity of available capital causes me a great deal of concern. Continued economic growth is the key to providing this generation of Americans and future generations of Americans the jobs they need, and the standard of living they desire in the years ahead. Our economy doesn't have to grow at a dizzying pace; but it does have to grow if jobs are to be available for our expanding work force. If capital is not available to build homes, to expand plants, to pay for costly pollution control equipment, to build new plants, and to provide new equipment, then I fear that the jobs will not be available when our children need them, and that our ever-bettering standard of living will be stymied.

One of the primary sources of capital is the individual American. The money he saves today becomes the investment capital of tomorrow. That is why I believe we must find new incentives for the individual American to save an increasing percentage of his annual income. The best incentive, of course, is to get inflation under control so that he feels that money he is saving now will be worth something when he seeks to withdraw his savings. But, I believe it is time to look to additional incentives. Legislation has already been introduced in Congress to give the individual a tax deduction of $400 on his tax return—$800 on a joint return—for funds he invests in savings and loan institutions—the prime source of funds for home mortgages. I think this is a sound approach, and hope that the Congress will give its attention to this legislation. Perhaps a tax credit would be a fairer approach—but in any case, the time has come for the Congress to reexamine the relationship between consumption and savings in America, and act to help assure that the enormous need and demand for capital to provide for jobs in the years ahead, will be met adequately.

I would also think that the time has come to reexamine some of the rules and laws which affect the availability of capital for businesses. For example, do rules that limit depreciation to $10,000 on a piece of equipment that will cost $15,000 to replace, really make sense? I believe the Congress should begin to examine this question and other questions which are related to the internal availability of capital for business and job expansion. Tying the basis for depreciation to the rate of inflation is one possible method of encouraging industrial expansion; we should consider others as well.

B. HOUSING

The housing industry is a critical component of our economy. Today it is in serious decline. Aside from trying to bring down the interest rates, the Government can play an important role in providing the funds to local governments for construction of low-income housing. This year we passed the Community Development Act which authorizes expenditures of $8.3 billion for housing over the next 3 years. This should help. In addition, the Federal Government through the Ginnie Mae program can act as a stimulant in encouraging more housing construction loans and by providing the lending institutions with liquidity in exchange for the purchase of mortgage portfolio. This is one of the most effective ways for the Congress to stimulate housing starts and we should continue to support appropriations for Ginnie Mae activities.

C. RAW MATERIALS

As demand for raw materials soar and the supplies diminish, the Congress must adopt policies which will both encourage conservation of the materials we already have and incentives for the increased availability of more raw materials to ease the demand. Energy resources require particular attention because they form the basis of the whole economic life of this country. Support of accelerated research and development is essential if we are to increase supplies. This year we increased the research and development expenditure by the Federal Government by 70 percent, with an appropriation of $2.3 billion. This support must continue if we are to increase our own domestic supplies and maintain independence from economic blackmail by the oil producing nations. We must also reform our tax laws so that we provide tax incentives for increased production, not simply tax breaks for oil companies. The oil depletion allowance has not been an effective tool in encouraging investment in production; it should be repealed. If our incentive beyond prices should become necessary, it should be a plow back provision that provides advantages only if the oil companies reinvest in production facilities.

D. FARMING

With the price of food continuing to plague American consumers, it is essential that the Federal Government get firmly behind a policy of full production. For years the American farmer was under restraints not to grow and not to produce. We no longer have the luxury of surpluses and must bring crop production to the most efficient levels that technology will permit. The Congress this year passed the Omnibus Farm bill which shifted us toward a full production agricultural sector—a hopeful step in the right direction.

III. ASSISTANCE TO THE VICTIMS OF INFLATION

While pursuing policies of restraint in Government spending, we must not lose sight of the need to continue support for the victims of inflation and the fight against inflation. While we need to cut the budget, we must set as a top priority the protection of the elderly, the unemployed and the poor—those who bear the heaviest consequences of inflation.

As we continue our efforts to control inflation, reduce interest rates, and foster an economic expansion which provides for new jobs and a better standard of living for all of us, I think we should be particularly careful to make sure we protect the victims of inflation too. Senior citizens who live on fixed incomes, the poor, those who have lost their jobs, and the middle-income American who continues to bear the cost of increasing taxes and an ever-increasing cost of living, are all very directly affected by double-digit inflation. The victims of inflation must be protected while we find the solutions to solve the problems.

Since I have come to the Congress, I have voted for social security benefit increases totaling 41 percent to help protect our senior citizens. I am proud that we have finally enacted legislation which I have advocated to tie social security benefits to the cost of living. This "escalator" will go into effect in January of 1975. In further recognition of the plight of many of our senior citizens, I have sponsored legislation to remove the earnings limitation from social security recipients, to include the costs of prescription medicine in medicare, to give a Federal tax deduction for property taxes paid, and to prevent veterans' pensions from going down when social security goes up. These are some of the steps we in Congress must take to protect perhaps our most vulnerable victims of inflation—our senior citizens.

For those on the lowest rung of the economic ladder—the poor—the cost of inflation is most severe. Food and fuel demand a huge percentage of his income—and in these areas the price increases have been the sharpest. The food stamp program is well established, and I am working on legislation to provide similar benefits—"energy stamps" for use in paying fuel and electric bills.

We are going to have to increase our assistance to the unemployed, too. I was a strong supporter of the recent amendments to the Labor-HEW appropriation bills to raise our Federal commitment for public service jobs from $250 million to $620 million. I think we can do no less. This increase will mean that Delaware, for example, will have its share of jobs for the chronically unemployed increased from about 200 to nearly 500.

Unemployment insurance benefits must be expanded too. I have introduced legislation to increase the maximum duration of benefits from the current base of 26 weeks to a more appropriate 39 weeks. Together with the "extended benefits" provisions, unemployment benefits then could be paid a maximum of 52 weeks. I would hope that Congress could act swiftly on this—or similar—legislation.

IV. ECONOMIC EQUITY

In the pursuit of these policies we must also insure that the Government is being evenhanded. Otherwise we will lose the support of the American people. Two major areas of economic policy need reform: Taxes and competition.

A. TAX REFORM

Assistance for the taxpaying, middle-income individual who is struggling to stay even, I believe, can also be provided by the Congress. I have sponsored, along with many of my colleagues in both the House of Representatives and the Senate, what is known as the Cost-of-Living Adjustment Act, to give the middle-income American some protection from the effects that inflation is having on him and his family. This act would amend the tax laws to provide for automatic cost-of-living adjustments in income tax rates, the amount of the standard deduction, the amount of the personal exemption, and the amount of the depreciation deduction for the taxpayer. It strikes me as being only fair that a taxpayer's taxes should not increase solely because of inflation. This act would recognize the effects of inflation on the taxpayer, and increase his personal exemption, his standard deduction, and adjust his tax brackets to allow for inflation each year. I think this is a good bill; it has broad support; and I hope that Congress will consider it in the very near future.

What about the costs of these various protections against inflation? How can we afford these programs and these tax adjustments during a time when balancing the budget must be our No. 1 concern? In my opinion, we can and we must, find additional sources of revenue and continue to reduce spending in other less important areas.

Tax reform, I believe, is as much of a key as reducing the budget. We must act to make sure every taxpayer pays his fair share of the tax load, and that tax loopholes which give undue benefits to a variety of special interests are closed. And tax reform will produce additional and new sources of revenue. I have sponsored legislation to require that all tax loopholes and preferences expire every 3 years to give Congress the opportunity to determine whether or not the preferences are still justified. I am on record in support of increasing the minimum tax on the wealthy so that individuals cannot pile one loophole on top of another and avoid paying their fair share of taxes, and I have also been in support of legislation to abolish oil depletion allowance and the foreign tax credit for oil companies. The cost savings associated with these changes approaches $5 billion; careful study of all the "loopholes" will unquestionably produce additional savings.

These are some of the issues to which I hope the House Ways and Means Committee will address itself in its effort to provide the full House with a meaningful piece of tax reform legislation this year.

B. FOSTERING COMPETITION

Another aspect of the economy in which corrective congressional action is needed is in the field of antitrust legislation. A special task force has been investigating this problem and I look forward to their specific findings and recommendations. However, there is no question in my mind that in some areas of our economy more stringent regulations and more forceful action by the Justice Department will be needed to offset the ability of monopolies, oligopolies, and other collusive combines to impose artificial price increases on the consumer who is presently without recourse from these pricing policies. The competitive situation in industries such as steel, oil, and automobiles demands careful investigation by the Justice Department and action to insure that a greater measure of competition is released to these marketplaces.

CONCLUSION

On the eve of the convening of the White House Conference on the Economy, these are just a few of the steps which I believe must be taken if we are to put a harness on public enemy No. 1—inflation. Reduced Federal spending and correspondingly reduced Federal deficits; easing of Federal monetary policy to help bring interest rates back down to reasonable levels; incentives to increase personal savings so that funds will be available for economic expansion and particularly additional funds for mortgages; protection for the victims of inflation by expanding and increasing our assistance for senior citizens and the unemployed; tax relief for middle America which is caught in the cost-of-living squeeze; and tax reform to insure that everyone pays his fair share of the burden.

I would hope that these, and other issues, could be discussed at the White House Conference, and I would hope that Congress would return to session after the election to deal with the problems of our national economy. We must take prompt action—the Congress cannot stand idle while the average American goes further and further in debt, and falls further and further behind in his effort to keep pace with this double digit inflation for which the Congress and the Federal Government are in part responsible.

FEDERAL FOOD RESERVE ACT OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 10 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, each time the American consumer goes to the supermarket checkout counter, he or she finds that a larger portion of their monthly paycheck is required for food expenses. Nothing has hurt the American consumer more over recent years than wildfire food price inflation. It is estimated by the Department of Agriculture that food prices will have risen by 15 percent by the end of this year over food costs in 1973.

Earlier this summer overly optimistic projections for this year's crop harvest gave us reason to anticipate a bumper crop and a drop in food prices—especially meat and poultry. However, our hopes were shattered with the recent release of USDA's crop forecasts which revealed the disastrous effects of this summer's drought in the Midwestern States on the corn and soybean crops.

The disappointing projections for this year's crop yields mean that livestock and poultry producers will again be forced to pay high prices for the feedgrains essential to their industry and that in turn consumers will continue to pay high prices for meat and poultry products.

Until we adopt a national food policy to protect us in times of surplus and scarcity, there will be no relief from this vicious inflationary spiral for either the consumer or the producer.

Today I am introducing a bill which would lead us toward a national food policy by establishing and maintaining a Federal food reserve of certain agricultural commodities. This legislation, the Federal Food Reserve Act of 1974 would provide an adequate supply of food for domestic consumers and would prevent domestic shortages of designated commodities by creating a system of export controls. The provisions of this bill would also allow us to provide a continuing supply of commodities to foreign countries for humanitarian purposes.

The Federal Food Reserve Act is designed to prevent the wild price fluctuations that are harmful to consumers and producers by creating a national reserve system of wheat, feedgrains, and soybeans. My bill authorizes the Secretary of Agriculture to accumulate 300 million bushels of wheat, 25 million tons of feedgrains, and 100 million bushels of soybeans for inventories in a Federal food reserve in times of surplus production.

The Secretary would be authorized to dispose of commodities in circumstances of tight domestic supply and in times of national disasters and for the relief of famine and similar emergencies in other parts of the world.

The second major provision of my bill provides for the automatic imposition of export controls on wheat, feedgrains and soybeans whenever the Secretary of Agriculture determines that there is a domestic shortage of these commodities or at any time when the retail price of any wheat-based, feedgrain based, or soybean-based product, based on the Consumer Price Index, increases by 8 percent above retail prices in the preceding 12-month period.

By requiring exporters to obtain licenses for each commodity sale aboard, we are establishing a monitoring system on exports which would protect the U.S. consumer and producer against unexpected raids on U.S. supplies like the 1972 Russian grain deal which depleted our wheat stocks and fueled food price inflation.

At present we have neither a system of monitoring exports to foreign buyers or export controls for times of short supply. In view of a reduced feed grain crop predicted for this year, the Department of Agriculture has requested the Japanese and the EEC countries to scale down their purchase of U.S. feedgrains by 10 percent by voluntary agreement. I do not regard pledges from importing nations to reduce the amount of feedgrains they had planned to buy as a more desirable alternative to export controls.

Export controls would require foreign buyers to establish themselves in our marketplace on a stable and regular basis. While it is important for the United States to maintain its integrity as a reliable supplier of farm products in world markets, it is just as important that foreign buyers become equally reliable as regular purchasers in our market, rather than buying undetermined amounts of commodities on an erratic basis.

As an additional safeguard in periods of short supply and large foreign demand, foreign buyers would be prohibited from purchasing more than 100 percent of the amount of commodities they purchased in the preceding year.

Clearly, our present exporting system is devised to maximize our foreign exchange earnings without regard to inflation at home or famine in underdeveloped countries. By creating a national commodity reserve and export controls, we would be able to assure all Americans adequate supplies at reasonably stable prices, while making the United States a reliable supplier on the export market and enabling us to respond in cases of national and international emergencies.

"TRANSITION" MONEYS FOR PRESIDENT NIXON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ROBISON), is recognized for 15 minutes.

Mr. ROBISON of New York. Mr. Speaker, early next week—perhaps even on Monday—the House will be considering the supplemental appropriations bill which, while the same will contain numerous important items involving a great deal more money and provocative, really, of what should be wider public interest, will also present to my colleagues a thorny issue involving how much money should be voted, in the way of "transition" assistance and staff allowances, et cetera, under the Former Presidents Act, for the use of former President Richard M. Nixon.

As the ranking Republican member on the Steed subcommittee that was called upon to consider these two controversial budget requests, I know full well that Members will want to inquire deeply into the justification for the same. I also know that there has been an unfortunate amount of misunderstanding—even perhaps some unintentional misrepresentation—on the part of the news media concerning these items.

I have, naturally enough, had a substantial number of letters on this subject and have replied to the same through use of a general response, composed following the subcommittee's tentative action. A copy of that response is now set forth in the hope that enough of my colleagues will read through it for background information as to the subcommittee's decision so as to make our debate over the same more informed and useful than it might otherwise be.

GENERAL RESPONSE LETTER

Your communication on the $850,000 request made of Congress by President Ford to provide "transition" moneys and, after next February 9th, staff aid and other benefits for the use of former President Nixon is noted. The volume of my mail on this subject is such that I must give you this rather general reply. If it is not fully responsive to some of the points you raised, I shall be glad to hear from you further.

The request was based-on two existing laws, the Former Presidents Act of 1958 (FPA), and the Presidential Transition Act of 1963 (PTA). All former Presidents starting with Herbert Hoover, as the eldest former President eligible, have received benefits under the FPA. Benefits available include the former President's pension (now $60,000 per annum); up to $96,000 per annum in office staff salaries (and such employees' related benefits as the government's share of their retirement and health programs); the privilege of "franked" mail (with reimbursement required of equivalent postage to the Postal Service), plus the provision of such office space and equipment, the cost of communications, and of travel and related expenses as Congress may allow.

The actual annual cost of benefits thus paid out has varied with the former President-beneficiaries. Comparisons are not altogether helpful, but former President Truman in 1972, while occupying rent-free space in the Truman Library, received $122,375, this being his last full year of such assistance. In the same year, which was also his last full year, former President Johnson received $206,599 in such benefits.

President Ford's request in behalf of Mr. Nixon was for $400,000, and included $55,000, representing 11/12ths of Mr. Nixon's pension in this Federal fiscal year; the full $96,000 for staff, plus another $8,000 for their related benefits; the cost of office equipment estimated at $50,000, and the cost of "communications" (most of which would be for postage) estimated at $35,000; printing costs estimated at $10,000; travel expenses for Mr. Nixon and two staff aides estimated at $10,000; $110,000 towards the cost of a proposed vault to be built in a Federal facility near San Clemente, California, to temporarily house some of the classified Nixon papers, and, finally, $26,000 in "miscellaneous" expenses.

The House Appropriations Subcommittee (on which I am the ranking Republican Member) handling the request, disallowed specifically the moneys requested for the proposed vault and recommended that all such Nixon papers and tapes should continue to be held by the Ford Administration and not removed to California until after Special Prosecutor Jaworski and the courts had concluded the still-pending Watergate inquiries. The subcommittee specifically allowed the $55,000 requested for Mr. Nixon's pension, but then reduced the overall request to a proposed total of $153,000—in effect leaving it to Mr. Nixon to allocate the remaining $98,000 as might best fit his needs as a former President between next February 9th and June 30th, the end of the present Federal fiscal year. The subcommittee action—obviously a compromise—is subject as this is written to such modification as may be made by the full Appropriations Committee, or the House and the Senate.

Transition moneys to help an outgoing President "wind up" his Presidential affairs are available only during the first six months after he has left office; thus to next February 9th, in Mr. Nixon's case. Under the PTA, they are limited to $900,000 to be shared between the outgoing President and an incoming President, and are intended to be used again for suitable temporary office space and equipment, staff salaries and benefits, the cost of postage, of travel, and the like. President Ford waived any such benefits, but requested the full $450,000 (one half of the authorized total) for Mr. Nixon's benefit, citing the outgoing President's need to reply to some 350,000 accumulated letters addressed to him, and his need to begin to sort and declassify the mass of personal and public papers left behind in Washington after his precipitate departure therefrom in August.

For obvious reasons, only outgoing President Johnson was eligible for aid under this Act. Comparisons again are not altogether helpful since Mr. Johnson had some nine months to get ready to leave office after announcing his decision not to stand for reelection. Nevertheless, he did receive $375,000 in such benefits under the PTA's authority, with another $75,000 worth of such benefits going to Hubert Humphrey, as outgoing Vice President.

Our subcommittee reduced the $450,000 Ford request to $245,000—in part in light of the fact that Mr. Ford has, up to now, detailed certain former Nixon White House personnel to Mr. Nixon's use at San Clemente, as the PTA permits him and other Federal departmental and agency heads to do on a non-reimbursable basis during that same six months period. Again, the subcommittee action is subject to full Committee, or House and Senate modification.

Thus, at this writing, the Ford total of $850,000 has been tentatively reduced to $398,000—including $55,000 for the Nixon pension to which he appears to be legally entitled whatever one's opinion of him.

I recognize full well that some critics think Mr. Nixon should receive nothing further in such Federal benefits—and Congress may eventually bow in that direction of public opinion. I have no personal enthusiasm for supporting the subcommittee's action. Nevertheless, it seems to me that Mr. Nixon does face a problem in dealing with his mail and his papers, and that, despite the nature of his leaving office, he should not be left high and dry, as it were, to solve the same on his own; not, that is, unless Congress now wishes to reconsider the intent and availability of the benefits so that "good" Presidents receive benefits in excess of those now authorized, "average" Presidents receive the currently authorized amounts, and "bad" Presidents receive nothing.

Kindest regards,

Sincerely yours,

HOWARD W. ROBISON,
Member of Congress.

SURVEILLANCE OF PRIVATE AMERICAN CITIZENS BY THEIR GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. MOSHER), is recognized for 15 minutes.

Mr. MOSHER. Mr. Speaker, I have requested this special order so that I may speak briefly about an extremely serious matter, surveillance of private American citizens by their Government.

Earlier this year, on April 2, I joined with many of my colleagues in another special order, on the subject of rights to privacy. At that time, I noted, "when Government agents are turned loose at the whim of bureaucrats and politicians to search our homes, seize our papers and tap our telephones without any prior judicial approval, the most important liberties of a free people are eroded."

To remedy what I believe is a very alarming trend in the executive branch toward increased Government surveillance without prior court orders, I joined with our former colleague, Senator Mac Mathias, to coauthor the Bill of Rights Procedures Act of 1974.

That bill, which was first introduced in the House on May 2 as H.R. 14564, requires that the Federal Government must obtain, in all cases, court orders for the interception of communications by electronic and other devices, for the entering of any residence, for the opening of any mail and for the inspection or procurement of certain records.

Last month, the House Republican Task Force on Privacy, of which I am a member, issued its preliminary report—reprinted in the CONGRESSIONAL RECORD of September 13. In the report's section on surveillance, we unanimously stated:

> The Task Force on Privacy is deeply disturbed by the increasing incidence of unregulated, clandestine Government surveillance based solely on administrative or executive authority.

In summarizing its findings in the area of surveillance, the report says:

> The Task Force feels that surveillance is so repugnant to the right to individual privacy and due process that its use should be confined to exceptional circumstances. The Task Force further feels that no agent of federal, state, or local government should be permitted to conduct any form surveillance, including wire-tapping of U.S. citizens in national security cases, without having demonstrated probable cause and without having obtained the approval of a court of competent jurisdiction. The Task Force recommends enactment of new legislation to prohibit the unauthorized surveillance by any means, and further recommends that existing laws be clarified to the extent this may be necessary to ensure that no agent of the government shall have the authority to conduct any surveillance on any American citizen for any reason without first obtaining a court order.

The Task Force believes that this proposal would not lessen the capability of the government to protect and defend the American people, but would go a long way toward assuring the individual citizen that his constitutional rights will not be abridged by government without due process of law.

Mr. Speaker, I am very pleased to inform you that five of my colleagues on the Task Force on Privacy today joined me in reintroducing the Bill of Rights Procedures Act. The very able chairman of the task force, Mr. Goldwater, and my fellow members, Mr. Conlan, Mrs. Heckler, Mr. Lagomarsino, and Mr. Thone, are cosponsoring the bill I placed in the hopper today.

I am grateful for their support and involvement, and I look forward to the added support of many more Members. During the next few weeks, I will be actively seeking additional cosponsors for the Bill of Rights Procedures Act of 1974.

At this point, I would like to present a brief summary of the legislation I am advocating here today. It is my sincere hope that the Judiciary Committee will be able to act upon this proposal as expeditiously as possible.

Summary of Bill of Rights Procedures Act of 1974

The key provision of the proposed Bill of Rights Procedures Act is that it would require any Federal government agent to obtain a court order before he or she may conduct any form of surveillance on a private citizen. Probable cause would have to be demonstrated before the court order could be issued, and the warrant must be specific in its particulars.

The term "surveillance" includes bugging, wiretapping, opening of mail, entering of dwellings, and the inspection or procurement of the records of telephone, bank, credit, medical or other private transactions. Court orders would be required in virtually every instance, thus clarifying the law and closing many loopholes in present statutes. The only exceptions made are in the cases of: the serving of an arrest warrant, the "hot pursuit" of a criminal, or when the consent of the subject individual has been obtained.

A penalty of up to $10,000 and/or a year imprisonment is provided for any government official, employee, or agent who willfully violates or causes the violation of this legislation.

The bill requires that within thirty days after application has been made for a court order the applicant must file a report with: the Administrative Office of the U.S. Courts and with the Committees on the Judiciary of the House and Senate. Follow-up reports on approved surveillance activities would also be required.

The Bill of Rights Procedures Act is intended primarily to reinforce the protections provided by the Fourth Amendment to the Constitution. That section assures "the right of the people to be secure in their persons, houses, papers and effects against unreasonable searches and seizures." This legislation is also directly relevant to the First Amendment (freedom of speech, assembly, etc.) and the Fourteenth Amendment (equal protection).

Mr. GOLDWATER. Mr. Speaker, I am pleased to join Congressman Charles Mosher in this special order marking the introduction of his legislation entitled a Bill of Rights Procedures Act of 1974. This legislation will definitively and conclusively spell out the circumstances and procedures under which the Federal Government can legally conduct surveillance for law enforcement purposes on citizens of the United States.

As the chairman of the House of Representatives Republican Task Force on Privacy, I believe this bill to be of special significance. The "Surveillance" section of that report reads as follows:

> The Task Force feels that surveillance is so repugnant to the right to individual privacy and due process that its uses should be confined to exceptional circumstances. The Task Force further feels that no agent of federal, state, or local government should be permitted to conduct any form of surveillance, including wiretapping of U.S. citizens in national security cases, without having demonstrated probable cause and without having obtained the approval of a court of competent jurisdiction. The Task Force recommends enactment of new legislation to prohibit the unauthorized surveillance by any means, and further recommends that existing laws be clarified to the extent this may be necessary to ensure that no agent of the government, for any reason, shall have the authority to conduct any surveillance on any American citizen for any reason without first obtaining a court order.

Mr. Mosher's legislation is fully consistent with the task force recommendations. It will go a long way toward eliminating the technical gray areas and traps that have ruined good law enforcement cases. It will eliminate that vague administrative prerogative that encourages abuse and misuse of the surveillance power. This legislation will enable the law enforcement officer to be certain of his authority while ensuring the protection of those basic, inalienable rights and liberties we Americans hold so dear.

I commend Congressman Mosher's legislation to the considered attention of my congressional colleagues.

GENERAL LEAVE

Mr. REGULA. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks on the subjects of the special order of the gentleman from Ohio (Mr. Mosher).

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from Ohio?

There was no objection.

DELINQUENT FOREIGN DEBT OWED UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. Alexander) is recognized for 15 minutes.

Mr. ALEXANDER. Mr. Speaker, this week the Economic Summit Conference will convene in Washington. In reviewing the agenda, I am surprised to discover the delinquent foreign debt owed to the United States, which exceeds $60 billion, is not included. In hopes that this important matter may be considered, I have forwarded the following letter to President Ford:

House of Representatives,
Washington, D.C., September 23, 1974.

President Gerald Ford,
The White House,
Washington, D.C.

Dear Mr. President: This letter is written with the hope that you will give thoughtful consideration to adding a subject to the agenda of your Economic Summit Meeting this week. That subject is the $60 billion foreign debt owed to the United States.

Briefly, the situation is this. The Foreign Operations and Government Information Subcommittee of the House Committee on Government Operations, of which I am a Member, has been conducting detailed studies for five years of the problem of delinquent international debts and unpaid claims owed to the United States. Our findings show *more than 100 countries of the world are delinquent in paying their debts, including nations that are now prosperous. Some are now gouging us with high prices for their oil.*

The Departments of State, Defense and Treasury are pushing debt collection in some countries but failing miserably in several other key nations, such as France and Iran. The total foreign debt owed to the United States is still growing rather than decreasing. This tide must be reversed, I'm sure you will agree.

I respectfully urge that the Economic Summit address itself to the following courses of action:

1. The launching of a top-priority effort to collect delinquent debts and unpaid claims owed to the United States;

2. Asking now prosperous nations to accelerate their debt payments to help us in our time of need; and

3. Urging the oil-rich nations to pay the full amount of debts and claims owed to the United States.

4. Seeking new creative ways to make it possible for the less developed nations to meet their debt obligations to the United States, such as the bill, H.R. 6061, which you co-sponsored as a Member of the House of Representatives in the current session of Congress.

Mr. President, I am sure the American people and the Congress would applaud the inclusion of this subject on the agenda of the Economic Summit. In any event, I would greatly appreciate it if you would kindly include this letter in the record of your proceedings.

With kind regards,
Faithfully yours,
Bill Alexander,
Member of Congress.

REMARKS OF CONGRESSMAN GONZALEZ IF HE COULD PARTICIPATE IN PRESIDENT'S CONFERENCE ON ECONOMICS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. Gonzalez) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, the capital is awash with economic thinkers these days. Cabinet officers and economic advisers are up to their ears in advice—hearing impossibly oversimplified summations of things they mostly already know, chairing one or another meeting to hear nostrums and complaints—and occasionally bemoaning the fate of stockbrokers.

All this summitry more than faintly

resembles the one contribution of Hitler's finance minister, one Schmidt, who assembled a national meeting to discuss the economic ills of the Reich. This convention—the word "summit" had not been invented then—was known as the Supreme Chamber of German Economics. That august body met just one time. And I guess that our latter day supreme chamber will meet just one time, with our own Schmidt-like Greenspan at the helm.

This summit, like Schmidt's Supreme Chamber of German Economics, is faulty in two ways: first, it consists mostly of showmanship and gamesmanship. Not much useful work is going to be done in 1-day meetings of several hundred more or less knowledgeable heads apiece. Nobody has much time to say anything in such meetings, and those who ought to be listening are too busy checking their watches and trying to hold eyelids open. Second, these meetings project the impression that there is going to be some magic formula produced for the quick resolution of all our economic ills. But our problems are complex, and took a long time to mature. The answers to those problems are likely to be difficult, and require patience and dedication to solve. Convening a summit of all economists is likely to produce only noise, and once the noise has abated, I doubt that we will see another such summit, just as the Earth never witnessed more than one meeting of the Supreme Chamber of German Economics.

If I were to attend one of these meetings, I would very likely say pretty much the same thing I told my constituents last week. I will not be at the Hilton this weekend to participate in the President's conference—but if I were there, this is what I would say:

Remarks of Henry B. Gonzalez

Anybody who has been on the planet Earth for the last few years knows that the number one, pervasive concern that people have is about the economy. This is true not just for Americans, but for the people of virtually every country.

People are concerned because they do not really understand what is happening that could cause what we were all taught could never happen—and that is, having an increasing rate of inflation at the same time we are having a recession. The times are getting harder every day, but the prices in the stores and at the gas pump keep going higher.

People are concerned because they hear no understandable explanation for all this. No economist seems able to say what is wrong, or what can be done; no politician seems able to offer a program; and no leader of this or any other government seems capable of instilling confidence, or even lighting a spark of hope that this great economic puzzle can be deciphered. For a while, a few days in August, there was hope that with Richard Nixon gone, Washington could focus on the basic and compelling problems of the country. But most of that hope seems to have gone aglimmering as President Ford deals with other problems—a pardon for his predecessor, though Mr. Nixon had never been charged with a crime, and devising an amnesty for Viet Nam deserters and draft evaders. Mr. Ford has little to say about any economic program, and the fear grows daily that he either has not come to grips with the situation, or has no idea what might be done about it.

Meanwhile, the stock market alternates between irrational optimism and equally irrational gloom. There will be a rally based on the idea that the Federal Reserve might be loosening up the monetary purse; then there will be a slide based on rumor or plain old-fashioned fear. The sharp movements in the market, and the general slide downward indicate pretty much the level of confidence that people have: not much, and weakening every day.

And there is reason for all this concern. You know it, and your neighbors and customers know it.

Consumer prices in this country have advanced by 40 percent since 1969—and nine per cent since January. And there is no sign that things are getting any better. Wholesale prices increased 3.9 per cent in July, and it won't be long before that shows up on the grocery shelves and in the stores. Since 1969, wholesale prices have gone up 55 per cent.

During July the consumer price index shows a full one per cent increase in the cost of nonfood commodities—that is an inflation rate of 12 per cent a year.

These huge increases in wholesale and consumer prices took place despite the fact that the gross national product actually went down by almost one per cent during July, in real terms—and has declined by nearly seven billion dollars this year. There has not been any noticeable growth in the gross national product in nearly two years—and yet, during that time the rate of inflation has continued to increase.

When we learned economics, we were taught that if the rate of economic growth declined, inflation would also decline. But that is not the case today. This is a real puzzle. If the market mechanism really works, excess demand is supposed to create higher prices, and excess supply is supposed to depress prices. But in recent months, we have seen dramatic declines in the farm price of meat, while retail prices remained pretty much unchanged. Evidently something is not working. Farm income is down by six billion dollars since the last quarter in 1973, and that is a decline of something like 25 per cent. Yet food prices since January have increased by a full nine per cent. People wonder: if the price of food at the farm is down by 25 per cent, why does it cost nine per cent more in the store? This is only one example of the economic puzzle we confront—how is it possible to have inflation and recession at the same time.

The American people are worse off now than they were at the beginning of the year—you know it, and I know it. The numbers prove it—real per capita income in this country has declined by 4.5% since January. This is reflected in the rising number of personal bankruptcies, and in the inexorably growing number of credit delinquencies and collection problems. I have heard some reports that collection agencies have fifty per cent more business this year than last—but that their collection rate is down considerably. This is one more sign of plain old hard times.

The rate of unemployment is creeping up—evidence that the economy is not growing. Last month unemployment payments probably matched the July pace of $510 million—an increase of almost 100 per cent over the payment for June, 1973. A good part of this unemployment is probably in the housing industry, which is in a virtual depression. Housing starts declined 16 per cent in July alone, and now stand at the lowest rate since 1970.

Almost any way that you look at it, the numbers say that the rate of inflation ought to be down—but that is not the way it is.

People know that the realities of today's economic situation contradict all the supposedly foolproof theories. They know that economists are just as puzzled about the situation today as their forebears were about the Great Depression. They have seen time after time assurances that this year, things are going to get better—only to see them get worse. We have been told that tight money would help, and we've got the highest interest rates in this century today—but it has not slowed inflation. We have been told that cutting the government deficit would help. The deficit has been cut in half since 1972, but the rate of inflation has nearly doubled since then. Wage and price controls were supposed to help, but they did not—whether because the government was never really committed to the program, or it was unworkable anyway, we'll never know. During these last five years, there have been new economic programs embracing just about every standard prescription, and all have failed to improve the general economic picture.

There was the "game plan" of 1969, which proved a disaster. This was followed by the "freeze" of late 1971, which was supposed to be a kind of shock treatment. This was followed by Phase I, II, III and out—all of which failed. Today, we have economic summits.

There is no reason to wonder why people are disillusioned and afraid. They know perfectly well that neither this nor any other government in the industrial world is dealing successfully with inflation. We may be better off than some—but that is no reason for comfort when in real terms, the American people may be six per cent worse off by Christmas than they were on New Year's Day.

This is a time to look at some realities.

One is that there are not any easy or quick answers to our economic problems.

Second, at least part of the cause of inflation may be beyond the power of our government to cope with. We are confronting an international, worldwide problem. It may take worldwide action to solve.

I would like to comment about the worldwide nature of the inflation problem, because I think it is too little understood or appreciated.

Every time you pay your electric bill, every time you buy gasoline, every time you buy food, or even clothing, you contribute a little more to our economic ills, and feel a little pinch from the world's fantastic cost of oil.

This country imports nearly 40 per cent of its oil. That is something like nine million barrels of oil a day. The bill for that oil is enormous, and thanks to the oil producing countries' cartel, it grows regularly.

Our oil import bill in 1972 was six billion dollars. In 1973 it was eight and a half billion dollars. This year it will be twenty-four billion dollars. Remember that, and you won't have to wonder much about where a good part of inflation came from.

Forty per cent of your gasoline is imported, and that costs nearly four times what it did two years ago. There is no economic reason for this; it simply reflects the fact that there is an oil cartel that jacked up the prices beyond reason, and in my opinion, irresponsibly.

It costs a lot more for your electric utility to use oil for electricity generation than it would if it could use gas all the time. This is true for several reasons—but most of all it is true because for a given amount of gas, you get four times as much heat as for a comparable amount of oil. And to compound that, oil, thanks to the cartel, costs four times as much today as it did only a year or so ago. The price of oil on the market today is about 70 times its cost of production in the typical Middle Eastern country.

But the Middle East is not alone in taking as much as they can get out of the world for oil. We get a great deal of our oil from Venezuela—and they are members of OPEC, and believe me, we get no price breaks from them. The same goes for other producers like Nigeria and Indonesia.

No matter how healthy an industrial economy is, increasing the cost of energy by 400 per cent, as OPEC did, is bound to create huge problems.

Japan, which by all accounts is about the hardest working country on the globe, must import all its energy—and thanks to these increased energy costs, Japan today has one of the highest rates of inflation anywhere. Italy, which has a pretty unproductive labor force (labor costs there are higher than in the United States) is correspondingly worse off than Japan, and in fact is close to economic breakdown. Italy was bad off before the oil price increases, and now is close to catastrophe. Even Germany is having rough times with inflation, again, largely because of energy costs.

Oil shows up in about everything: plastics, nylon, anti-freeze, tires, asphalt, thousands of chemicals. And every one of these has gotten a price jolt because of the actions of the oil cartel—which now, ironically, regularly demands price increases to cover the costs of inflation. Just this month, the cartel met in Vienna, and raised taxes on oil enough to cause a one percent per gallon increase in our oil import bill. That agreement was not accepted by Saudi Arabia, and maybe it won't stick, since Saudi Arabia is the biggest oil producer of them all. But if it does, energy costs will go up again, costing us close to four million dollars a day.

In our country, energy consumption grows at a rate of five per cent or so a year. Every additional gallon of oil comes from abroad—so every day, we grow more dependent on oil imports. As I've said, already this dependence amounts to forty per cent of our consumption.

If we consume less, the OPEC cartel would probably respond by raising prices still more—if it operates in the classic monopoly fashion. However, it is possible that by a combination of less consumption and increased domestic production, we could at least stabilize the money we are paying out for oil. That would put us in a position of eliminating our balance of payments deficit, which is almost wholly due to oil costs. And that, in turn, should help us stabilize our economy.

The other possible solution to the oil problem is that OPEC will simply break up. I don't think that the Saudis want this to happen, despite their dissent from the last action of OPEC. Afer all, the cartel is an invention of the Saudis, and I believe that they still place enormous importance on keeping the cartel. It is a symbol of Arab unity, and as long as the cartel works, it maintains Saudi Arabia as the leader of the Arab world. It does not really matter to them what is best for the rest of the world; they aim to protect their own interests, political and economic, first.

So here, in my view, is perhaps the biggest villain behind inflation. It's oil, and the oil cartel. Our government does not control that cartel, and for that reason, a good part of the business of solving inflation may well be out of the hands of our government.

If our government cannot control the oil cartel, it should at least be about the business of making our country less vulnerable to it.

I think that the United States ought to set about creating an oil stockpile. We ought to have on hand a six-months' supply of oil.

There would be several advantages to this.

First, it would obviously make us less vulnerable to an embargo. Peace in the Middle East is by no means assured. If there is a new war there, which seems more likely than not, we would have a new embargo. We ought to recognize that, and be prepared accordingly.

Second, a stockpile good for six months would probably put a damper on new price increases. If we were not compelled to import so much oil, the cartel might feel a little more careful about imposing new price increases every three or four months.

A six month supply of oil would require an investment of about ten to twelve billion dollars. That's a lot of money. But I am beginning to wonder: could this country afford not to do it?

I believe that if we are going to solve the problem of inflation, we have to look beyond our own shores. A good part of our problem is imported—imported oil. Until we can lick that, no matter how much the economy is depressed, the cost of living is going to keep going up. Stabilize or reduce the cost of energy, and prices will start going down.

It is silly to think that by inducing recession we are going to end inflation. These last few months and years should have taught that lesson well. But still we are hearing calls for the "old time religion" in economic policy.

If recession would stop price increases, we would be seeing price declines by now—but instead, judging from the wholesale price index, inflation is only getting worse.

If cutting the government deficit would cure inflation, the fifty percent reduction in deficit we have had in the last 18 months would be showing results by now. But that is not happening.

If strangling the money market would stop inflation, we would have seen results long before now—but conditions are worse now than they were when the prime interest rate was half what it is today.

The time has come to face the truth: standard remedies against inflation simply are not working today, and there is no sign that they will.

Maybe what we have to do is look at the whole problem, worldwide, and from that perspective, have a new start.

My feeling is that if that is done, we will discover that the first effective step in controlling inflation will be to stabilize and reduce our expenditures for imported oil. Once oil inflation is stopped, its pervasive influence will also be stopped. From there, from stopping that powerful external force for inflation, maybe we can deal successfully with our internal economic problems. And maybe, just maybe, we will find that we really don't have much of a domestic problem.

One thing is certain: more of the same, or going back to things that did not work before, will not help. It is time to try something new, and in my book, that means going after the number one world inflation engine: the endless, senseless price increases imposed by the OPEC cartel.

THE BICENTENNIAL ANNIVERSARY OF THE FIRST CONTINENTAL CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. CORMAN) is recognized for 5 minutes.

Mr. CORMAN. Mr. Speaker, today we mark the anniversary of an event that can be described as nothing less than the birth of the U.S. Congress. Two hundred years ago, 56 men answered the call of their colonial legislatures and gathered to consider a common course of action to be pursued by the North American colonies. They were not the flawless leaders that popular myth has made them out to be, but, rather, they were decent, ordinary individuals, remarkably similar, in fact, in their background and beliefs to the women and men of the 93d Congress. They came from diverse backgrounds and represented the full spectrum of colonial opinion, counting, among their number, planters, farmers, merchants, millers, lawyers, civil servants, a surveyor, and a carpenter. Their political views ranged from the radical republicanism of the great Sam Adams to the cautious and aristocratic conservatism of Philadelphia's Joseph Galloway.

Some of the Members of the First Continental Congress later were among the signers of the Declaration of Independence; others remained neutral; but, divergent as their opinions were, they all stood united on the burning issue of that day in 1774, sharing a passionate concern for the preservation and extension of the liberties they believed were derived from the British Constitution and natural law.

Although the Continental Congress did not start out as a revolutionary body, it became one in time, almost out of necessity. Faced with continued and growing British intransigence, the delegates found themselves moving toward the inevitable rupture of 1776. Few nations have been so fortunate in the leaders of their revolution. America, almost singularly, was blessed with stable, public-spirited men whose concern was not revenge or power or self-aggrandizement, but, rather, freedom, equality, stability, and justice. They were wedded to no dogma other than that of the dignity of man.

This anniversary of the First Continental Congress also denotes another landmark event in American history: It was there, at Carpenters' Hall, that the colonies were able, for the first time, aside from the short-lived Stamp Act Congress of 1765, to forget their ancient quarrels and their petty current differences, and work together for common benefit. Just 20 years earlier, they had been unable to resolve their differences and join in the plan of union proposed by Benjamin Franklin at the Albany Congress of 1754. But in Philadelphia that long-ago fall of 1774, they realized that the time for united action had arrived.

The session of the First Continental Congress adjourned in late October of 1774, to be followed by the Second Continental Congress in May of 1775; and, in 1789, by the Congress of the United States, of which great legislative assembly we here today are the 93d. The delegates of the First Continental Congress acted with courage and foresight in the teeth of crisis in 1774; the 93d Congress will have served the American people well in 1974 by having done the same.

PAVING THE WAY FOR NORMALIZATION FOR RELATIONS WITH CUBA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. CULVER) is recognized for 5 minutes.

Mr. CULVER. Mr. Speaker, I am today introducing legislation that would pave the way for a normalization of relations with Cuba. In recent weeks there has been discussion by the administration of movement in this direction, but no firm decisions have yet been taken. At the same time, member nations of the Organization of American States which will be meeting in November to consider removal of collective sanctions against

Cuba have increasingly been expressing their anticipated approval of this step.

I am concerned that the United States should not be left in the rearguard of Western Hemisphere opinion on this matter. I believe it is important that Congress should indicate its willingness to clear the decks from diplomatic progress.

It is now more than 15 years since the Castro regime assumed power in Cuba, and 12 years since the legislative response of this country was formulated. That response was premised on the announced Castro goal of exporting the Cuban revolution by force of armed subversion to the other republics of Latin America. Against that threat the members of the OAS stood firm. It has long been clear, however, that the Cuban efforts have in practice been a total failure, and they have been abandoned.

The U.S. policy of isolating Cuba has itself been enforced with decreasing rigor over recent years. We have seen some of our closest friends, such as the United Kingdom, treat the economic blockade as a nullity. We have ourselves in past months lifted the ban on trading with Cuba from U.S. subsidiary companies in Canada and Argentina. In my judgment, it would be better to take whatever credit attaches to forthright dissolution of an outmoded policy than to allow that policy to fragment from disuse.

I therefore offer this legislation, and hope that it will be set down for early hearings, as a way of confronting both the Congress and the administration with the necessity of making concrete decisions in the near future.

Section 1 of the bill would amend the Foreign Assistance Act of 1961 in two respects. First, it would repeal the restrictions in section 301(b) of that act on U.S. contributions through the United Nations Development Program for economic or technical assistance to Cuba, "so long as Cuba is governed by the Castro regime." Multilateral aid decisions should be made multilaterally, and if the OAS votes as expected to end economic sanctions against Cuba the United States should not continue to interpose a unilateral restriction on the U.N. fund.

Section 620(a) of the Foreign Assistance Act would likewise be repealed by the bill. In practical effect, this would end the present ban on assistance to third countries which furnish aid to Cuba or whose ships or aircraft transport goods to or from Cuba, and it would also terminate the legislated embargo on all U.S. trade with Cuba.

Section 620(a) contains other provisions, but their repeal would carry no practical effect. There is a specific ban on assistance to Cuba, but this is again repeated in section 620(f), which would remain in force, where Cuba is listed among a number of Communist nations to whom assistance is prohibited. There is also a denial to Cuba of any sugar quota or of any other benefit under U.S. law until compensation is paid for expropriated U.S. property. The Sugar Act will expire at the end of this year, and the Foreign Assistance Act contains other applicable provisions conditioning any U.S. assistance to any nation upon settlement of compensation claims.

Section 2 of this bill would eliminate the specific references to Cuba in section 103(d) of Public Law 480, the Agricultural Trade and Development Act. It would remove the present prohibition on concessional sales of agricultural commodities to nations that allow their citizens to trade with Cuba. This amendment would allow such sales to third countries, but it would leave untouched the prohibition on sales to Cuba itself, as a country "dominated by a Communist government."

Finally, section 3 of the bill would repeal Public Law 87–733, the so-called Cuban resolution, which is couched in terms of the military and subversive threats perceived 12 years ago but which today stands as a naked expression of hostility. The resolution in any event commits the United States to "work with the Organization of American States," and if a majority of its members are now prepared to abandon their earlier fears this country should do no less.

Mr. Speaker, in my judgment the time is ripe for the Congress to reconsider the restrictive trade and economic policies it has kept in force for more than a decade against Cuba. Let me emphasize that we are not talking here about authorizing economic or military assistance to Cuba, but simply of dismantling the quarantine on normal commercial relations that have existed between our two countries.

There would still be much for the Executive to do before we could reestablish normal relations. There is in force a whole network of Executive decrees affecting passports, export licensing, and the disposition of Cuban assets in this country. On the other side of the coin, the U.S. claims for expropriated property in Cuba would have to be taken up and a timetable established for discussions with the Cuban Government.

What I am suggesting is that hearings on the bill I am introducing would serve as a suitable occasion for the administration to develop and present its position on these related, nonlegislative matters as well.

The first order of business is to prepare a well-considered U.S. position for the forthcoming OAS meeting on lifting the collective sanctions against Cuba. I believe our hemispheric responsibilities require us to lead, not follow, in the venture—and it is in that spirit that I have introduced this congressional initiative.

MILKING AND BILKING THE PUBLIC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, I would like to bring to the attention of our colleagues a heinous situation involving the milking and bilking of consumers by the Dairylea Cooperative in New York State. In this case, the consumers included many children and pregnant women.

While the offenders in this case must be indicted and prosecuted, we must also take steps to prevent recurrences of such practices. Presently the Food and Drug Administration audits the operation of State and local inspection facilities for milk processors. Supervision is limited to testing for bacteria, microbiotics, and other contamination in milk. I have written to the FDA to ask that the watering down of milk be included in its supervisory inspection of local dairy producers.

The following letters to Secretary of Agriculture Earl Butz, and Attorney General Saxbe describe the situation in detail. Similar letters have been sent to Representative W. R. POAGE, chairman of the House Agriculture Committee, and New York Attorney General Louis Lefkowitz.

The letters follow:

WASHINGTON, D.C.,
September 25, 1974.

Attorney General WILLIAM SAXBE,
The U.S. Justice Department,
Washington, D.C.

DEAR MR. SAXBE: I am enclosing a letter sent to Secretary of Agriculture Earl Butz with regard to the adulteration of thousands of gallons of milk by the Dairylea Cooperative of New York State. This is a deplorable situation that I believe requires the immediate attention of the Department of Justice.

I also want to bring to your attention a statement made by Bruce Snow, public relations manager of Dairylea. Mr. Snow described the adulteration as an act of true desperation "by an industry trying to remain solvent." In view of the tragic series of events to which our country has recently been subjected, I find that particular defense most appalling.

I urge that you initiate criminal proceedings forthwith against the individual directors of Dairylea responsible for this outrage.

Sincerely,

EDWARD I. KOCH.

WASHINGTON, D.C.,
September 25, 1974.

Hon. EARL BUTZ
Secretary of Agriculture, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: Ten months ago the Dairylea Cooperative in the State of New York admitted adulterating thousands of gallons of milk and falsifying records to cover it up. Since that admission, neither state nor federal law enforcement agencies have initiated criminal proceedings against the individuals responsible. According to an investigation of the situation by the *New York Times*, it appears that millions of quarts of mislabeled watered-down milk were sold over a five and one half year period. Reportedly, criminal proceedings against individuals responsible have not taken place because of confusion over jurisdiction and a lack of communication.

The Federal government, and the Department of Agriculture in particular, has a responsibility in that its Federal "market orders" protect milk producers by establishing minimum milk prices. The government also subsidizes other manufactured milk products. Indeed, even the Federal government has been the unwitting purchaser of some of the adulterated milk through its food purchasing programs.

You are continually talking of the farmer and how he must be assisted. I agree. But what of the bleeding consumer, fleeced by wolves in lambs' clothing? It was only yesterday that the President talked of dealing with crime in the streets. How about crime in the corporation? What answer can we give to those who look at our system of justice in a jaundiced way and see it is not even handed. Is it not incumbent upon you and your department and the U.S. law enforcement agencies to immediately initiate criminal proceedings against those responsible for these consumer crimes? I am convinced that unless individuals who now hide behind the corporate veil are personally indicted for the crimes which they have executed in the name of the corporation that there will not be adeqaute redress. Put one of these directors in jail and see if that will not inhibit others who would conspire to defraud the consumer. Unless and until we equate the white collar crime with crime in the streets there will not be justice in this country.

I await your response, and hope that it will indicate that you will press the Department of Justice to commence criminal proceedings forthwith.

Sincerely,

EDWARD I. KOCH.

COMPLETING THE INVESTIGATION OF WATERGATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

Mr. BINGHAM. Mr. Speaker, Richard Nixon's forced resignation and subsequent pardon have stymied an historic attempt to reassert the constitutional principles on which this Nation was founded and the concept of equal justice under the law which has been its hallmark. In the months ahead this Nation must decide whether or not it will accept this abrupt and incomplete ending or whether it will refuse to close the book on the most corrupt chapter in American history until the full story is known.

President Ford has chosen the former course, and in pardoning Richard Nixon of any and all crimes which he may have committed while in office he hopes to put Watergate behind us. For the sake of consistency the White House at one point indicated that pardons for other Watergate figures were also being considered, but the national uproar which followed that announcement led to its immediate cancellation. I believe now the President will not consider such additional pardons at least until the criminal justice system has disposed of the various Watergate cases presently before the courts. However, a formal expression of congressional opposition to further pardons might strengthen his resolve, and I have introduced House Concurrent Resolution 629 as one vehicle for such a statement.

The Nixon pardon and the possible pardons of his close associates have appalled the Nation for two reasons. They make a mockery of the principle of equal justice under the law for all citizens, regardless of rank or station, and they are premature, since they precede action by the courts. The nationwide outcry over the Nixon pardon has focused principally on the former because the favoritism and dual standard it implies do violence to our sense of fair play. But I submit that the second reason for opposition to the pardon is equally important.

The pardon of Nixon put the cart before the horse, by absolving the former President of the consequences of his wrongdoing even before he has been formally charged with any offenses. Millions of people are outraged by the pardon not simply because it seems to prevent Nixon from being summoned before a court to answer for his conduct, but because it might forever protect the full story of the Nixon administration's violations of the law and the Constitution from full disclosure.

This is no picayune matter, no petty vengeance against a fallen leader. The American people still do not have all the facts about the Nixon administration's misconduct, and without those facts we cannot know their true magnitude and significance. Each investigation of Nixon's administration has been limited or aborted. The Senate Watergate investigation focused principally on the Watergate affair, election campaign abuses and their coverup, and we now know that Presidential wrongdoing was not confined to these abuses. Further, the Senate Committee was denied access to the best evidence, Nixon's own tapes and documents.

The Special Prosecutor is not hampered by these limitations, but his prosecutions to date have not covered the full range of Nixon's offenses. The formal court actions initiated by the Special Prosecutor do not charge Richard Nixon himself with any offenses, and Nixon's role is obviously central to any inquiry.

As for the impeachment inquiry by the House Judiciary Committee, we cannot say that it was able to fill the gaps in the record left by the Special Prosecutor's office. In fact, the President's response to committee subpenas included nothing not also furnished to the Special Prosecutor. Although the committee concluded, from the evidence available to it, that the President ought to be impeached, its inquiry was continually frustrated by lack of evidence. Article III spoke directly to this point—the President's refusal to comply with subpenas properly issued by a committee of the Congress charged with the responsibility of determining whether or not the President had committed impeachable offenses.

The evidence which remains hidden is astounding. The committee issued eight separate subpenas between April 11 and June 24, 1974, for recordings and materials relating to 147 separate conversations, plus various other documents. The committee felt that the subpenaed materials were necessary in order to learn the full story of Watergate, the abuse of the IRS, domestic surveillance, the dairy case, and the ITT and the Kleindienst confirmation hearings. In response to its subpenas, the committee received some notes previously turned over to the Special Prosecutor, news summaries without the President's notations, and the edited transcript of 36 conversations. The committee received none of the lists of meetings and phone calls which had been subpenaed, and no tape recordings. Even the transcripts turned out to be of highly dubious accuracy.

The cumulative results of both Senate and House committees' and the Special Prosecutor's efforts will be an impressive but truncated review of Nixon administration offenses. There will be no final judgment by the Congress or the courts on that conduct, and the record will be incomplete and liberally sprinkled with gaps and unanswered questions. History and the American people may forever suffer an incomplete understanding of these traumatic events and the lessons they must teach. Corrective changes in our body of laws will be more difficult without a clearer understanding of the offenses which must be prohibited. Finally, Richard Nixon could some years hence resurrect his claims of innocence, relying heavily on the fact that he was never proved guilty of any violation of the Constitution nor formally charged with criminal conduct by any court.

These possibilities make imperative further investigation, analysis, and judgment of Richard Nixon and his administration. The question which the Congress must now answer is how should this be done. There are some who argue that the House should impeach Richard Nixon and send his case to the Senate for trial. This suggestion is not without merit, since it would at least insure a definitive constitutional judgment of Richard Nixon's responsibility for high crimes and misdemeanors. However, resumption of the impeachment process is not only unlikely, it would also provide a completed record of Nixon's misconduct in only those areas covered by the articles of impeachment, when in fact the areas of wrongdoing are far more extensive.

It would be most useful, however, for the House Judiciary Committee to insist that its outstanding subpenas be answered, and submit a supplementary report based on that evidence. As I have said since Richard Nixon resigned, this relatively simple step would produce answers to a number of open questions about corruption and other misdeeds in the Nixon administration and about Nixon's personal responsibility therefor.

A National Commission of Inquiry similar to the Warren Commission which investigated the assassination of President Kennedy has also been suggested as a means of completing the record of Watergate and related matters. I fear that such a Commission would mean long and unnecessary delays while its members and staff became familiar with all the details already revealed by prior investigations. Moreover, its findings might not achieve widespread acceptance. This, you will recall, was the fate of the Warren Commission report.

Most importantly, there are the Special Prosecutor and the Watergate grand jury with the capability of carrying through with a comprehensive review of Nixon's alleged offenses. Two weeks ago, a group of Senators led by Senator EDWARD KENNEDY urged the Special Prosecutor to include in the final report he must submit to Congress "a full and complete record detailing any involvement of the former President in matters under investigation by you." The Special Prosecutor responded to this suggestion by citing "substantial legal and ethical questions as to the statutory authority for the issuance of a detailed report on the matters you suggest."

I have urged the House Judiciary Subcommittee on Criminal Justice to take immediate steps to grant the Special Prosecutor whatever authority he needs to present such a comprehensive report. However, any such action should not preclude the Watergate grand jury from issuing an indictment of Richard Nixon for any crimes he might have committed while holding the Office of President. I believe that the grand jury not only has the power to issue an indictment of the former President but also that it should issue such an indictment if the evidence justifies it, despite the pardon granted by President Ford.

Although the public seems generally unaware of this point, the Presidential pardon power is nothing more than "an act of grace which exempts the individual from the punishment the law inflicts for a crime he has committed" *U.S.* v. *Wilson,* 32 U.S. 150 (1833). In 1867, the Supreme Court ruled that a pardon, if granted before conviction, "prevents any of the penalties and disabilities consequent upon conviction, from attaching; if granted after conviction, it removes the penalties and disabilities." There is no legal precedent, to my knowledge, for a Presidential pardon precluding a properly constituted grand jury from issuing an indictment.

If the Watergate grand jury were to issue an indictment of Richard Nixon, as it reportedly wanted to do many months ago, he could then come into court and plead the pardon to block further court proceedings. This would allow a court test of the legality of the pardon, as was only yesterday suggested by a U.S. district court judge.

Grand jury action and the Special Prosecutor's report together could tie up all the loose ends left hanging by earlier truncated investigations. These steps would provide the opportunity for filing formal criminal charges against the former President and a comprehensive statement of the evidence which supports those charges. Parallel action by the Congress to ensure necessary access to the Presidential tapes and documents currently in the custody of the White House would also be desirable. These actions are the minimum required to bring the entire Watergate affair to a just and final conclusion.

CORPORATIONS' ILLEGAL CAMPAIGN CONTRIBUTION — THEY WIN BOTH WAYS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 10 minutes.

Mr. DANIELSON. Mr. Speaker, the Watergate and related scandals have demonstrated the strengths of our system of government and laws, and have demonstrated the weaknesses as well. It is our responsibility to preserve those strengths, and strive to eliminate the weaknesses wherever we may find them.

One such weakness, which has been brought to light in recent court actions by the Special Prosecutor, involves those corporations which have made political contributions which are prohibited by law. Section 610 of title 18, United States Code, prohibits corporations and labor unions from making campaign contributions, and section 611 of that title forbids such contributions by Government contractors.

Up to the present time, 14 corporations have pleaded guilty to one or more counts of violating those Federal criminal laws against political contributions by corporations or Government contractors. A glaring anomaly is this: While the unlawful contributions of those 14 corporations totaled $1,116,900, the fines which have been imposed in those cases total only $128,000. Moreover, many, if not all, of those illegal corporate campaign contributions have been returned to the corporate donors by the donees, and the corporations which gave the illegal contributions, but got caught, are ahead by $988,900.

The smallness of those fines was not due to laxity on the part of the judges who imposed them. In all but one case, the fine imposed by the court for each violation was $5,000, the maximum fine permitted under the law.

The circumstances I have just outlined indicate that corporations which have made unlawful campaign contributions actually stand to benefit by being caught. They get their contribution back, and, instead, are fined an amount significantly less than the contribution.

For example, American Airlines pleaded guilty to making an unlawful contribution of $55,000 to the Committee To Re-Elect the President. If the crime had gone undetected, American Airlines would be out $55,000. Instead, they were caught. Their $55,000 was returned, and they were fined $5,000, resulting in a net gain of $50,000. In addition, American Airlines had the benefit of the good will which they sought and their contribution may have purchased during the time in which the Committee To Re-Elect the President retained possession of the $55,000.

Mr. Speaker, in order to remedy this situation, I have introduced legislation to amend sections 610 and 611 of title 18, United States Code, to provide that every corporation found guilty of making a political contribution prohibited by law would be fined in an amount equal to the unlawful contribution involved. If my proposed legislation had been law during the recent spate of unlawful corporate campaign contributions, American Airlines, for example, would have forfeited the $55,000 unlawful contribution to the court as a fine, in addition to the $5,000 fine already provided for by law, resulting in a net loss to the corporation, for its unlawful act, of $60,000. That procedure would put an effective damper on illegal campaign contributions by corporations.

In order to illustrate the problem in more detail, I wish to list the corporate donor, the amount, the fine imposed, and other relevant details of each of the 14 cases of unlawful campaign contributions by corporations which have been brought to a conclusion by the Special Prosecutor's Office. The table reads as follows:

Defendant	Court action	Amount of contribution	Amount of fine
American Airlines	Pleaded guilty on Oct. 17, 1973, to an information charging a violation of 18 U.S.C. 610, illegal campaign contribution.	$55,000	$5,000
Minnesota Mining & Manufacturing Co	do	30,000	3,000
Goodyear Tire & Rubber Co	do	40,000	5,000
Braniff Airways	Pleaded guilty on Nov. 12, 1973, to an information charging violation of 18 U.S.C. 610, illegal campaign contribution.	40,000	5,000
Gulf Oil Corp	Pleaded guilty on Nov. 13, 1973, to an information charging a violation of 18 U.S.C 610, illegal campaign contribution.	125,000	5,000
Ashland Petroleum Gabon Inc	do	100,000	5,000
Phillips Petroleum Co	Pleaded guilty on Dec. 4, 1973, to an information charging a violation of 18 U.S.C. 610, illegal campaign contribution.	100,000	5,000
Carnation Co	Pleaded guilty on Dec. 19, 1973, to an information charging violation of 18 U.S.C. 610, illegal campaign contribution.	8,900	5,000
Diamond International Corp	Pleaded guilty on Mar. 7, 1974, to an information charging a violation of 18 U.S.C. 610, illegal campaign contribution.	5,000	5,000
American Shipbuilding Co	Pleaded guilty to 1 count conspiracy (18 U.S.C. 371) and 1 count violation of 18 U.S.C. 610, illegal campaign contribution.	53,000	35,000
Northrop Corp	Pleaded guilty on May 1, 1974, to a charge of violation of 18 U.S.C. 611, illegal campaign contribution by Government contractor.	150,000	5,000
Lehigh Valley Cooperative Farmers	Pleaded guilty on May 6, 1974, to an information charging violation of 18 U.S.C. 610, illegal campaign contribution.	50,000	5,000
Associated Milk Producers, Inc	Pleaded guilty on Aug. 2, 1974, to 1 count of conspiracy and 5 counts of making illegal and willful campaign contribution.	350,000	35,000
LBC & W	Pleaded guilty on Sept. 17, 1974, to an information charging a violation of 18 U.S.C. 611, illegal campaign contribution by a Government contractor.	10,000	5,000

PUBLIC LAND CONTROL BY CONGRESS TO BE STRENGTHENED NOT WEAKENED AS SIERRA CLUB CLAIMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MELCHER) is recognized for 5 minutes.

Mr. MELCHER. Mr. Speaker, a national news report drafted September 20 by the Sierra Club headquarters staff here in Washington dealing with the Public Land Policy and Management Act contains some inaccuracies that should be corrected.

H.R. 16800, seeks to establish public land policy for the Bureau of Land Management. In some instances, the U.S. forests west of the hundredth meridian are also covered with definitive policy on rights of way, western desert lands, recording of mining claims, inventory, land use planning, sales, exchanges, or withdrawals.

All of that is quite a chunk of legislation, but it is quite a chunk of public lands—over 600 million acres. The bill does not, as the Sierra Club misleadingly attributes to me—I repeat, the bill does not put the Forest Service and the Bureau of Land Management under a single basic law. The U.S. Forest Service has its own organic act and a host of Federal statutes enacted by Congress during the past 75 years which are left intact to continue to guide the actions of administering our forest lands.

We have allowed our public lands that are grazed by livestock to be treated as a stepchild. There has been little done for range improvements to increase capacity for both livestock and wildlife. The bill would remedy that by doubling the grazing fees, but requiring half of the fees to be used for range improvements. The Sierra Club fails to recognize the need for this and mistakingly claims that there would be "attempts to replace vegetation with exotics." This statement is in itself exotic, because in the year and a half of hearings and deliberations on these points no one has advocated or in any way indicated such a proposal. A word that rhymes with "exotic" is "idiotic" and aptly applies to such a conjecture.

Contrary to the Sierra Club's assessment, the bill actually encourages range improvements by the rancher who has the grazing privilege on public lands and directs both Agriculture and Interior Departments to work vigorously in cooperation with the ranchers for better grazing, improvement of wildlife habitat, and more recreational opportunities on public lands. But the bill clearly retains control of the public land and directs the Secretaries of both Agriculture and Interior to use their authority to protect the quality of the land and to use it under any circumstances for the benefit of the public. The bill does not give vested interests to the ranchers who have grazing leases or permits.

There are many other parts to the bill that the Sierra Club ignores such as the California desert protection title, fair market value for right-of-way permits, and standards of environmental protection on such rights of way.

And there is another significant point to be made in that the bill gives specific criteria for managing the public lands on these points and retains greater congressional control.

WHEN JUDGES OBSTRUCT JUSTICE

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the public well remembers the Indian uprising at Wounded Knee. It involved armed insurrection against the United States and other crimes including kidnaping of hostages and destruction of property. At the trial an angry judge in St. Paul, Minn., dismissed the charges ignoring the obvious fact that crimes were committed. Instead of judging the case on its merits, he delivered a blistering attack against the FBI, the Department of Justice, and the chief U.S. prosecutor in the case, saying the trial was a misuse of power. Presumably, his honor has opened the door for the Indians to reoccupy Wounded Knee and to assert their independence of the United States if they so choose. This is another illustration of obstruction of justice by judges who may be incompetent or prejudiced.

The judge referred to the decision of another district judge who dismissed the Pentagon papers trial of Ellsberg and Russo. That should tell us quite a bit about the learned judge's philosophy. Ellsberg and Russo were coconspirators who stole secret Government papers and sold them to leftwing publications—and got off scot-free.

It is well to be reminded, also, that only a few years ago, another Federal judge threw out a case involving a murder charge in the East when a hung jury resulted from the trial. He said there was not any use to try the case again. Who gave him the wisdom to decide whether justice could be done, or the right to dismiss charges against a person who had been indicted by a grand jury for murder?

Judges owe it to the American people to provide an example of calm, intelligent reasoning and a guarantee that the processes of justice will be served for everyone. Decisions of this type cause universal disrespect for court procedures.

SECRETARY McLUCAS AND GENERAL JONES HONORED IN NORTHWEST FLORIDA

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, Florida's First and finest District was honored on September 10 by the visit of the Secretary of the Air Force, Dr. John McLucas, and the Chief of Staff of the Air Force, Gen. David Jones, to Fort Walton Beach and Panama City. I want to express my personal appreciation for the presence of these distinguished leaders. The meetings held for them by the local communities were outstanding in every respect. The Chambers of Commerce took the leading role in planning for their visits, and Clifford Long in Fort Walton Beach, and Gerry Clemons in Panama City, provided excellent leadership for the chambers. The civic clubs, the local leaders, and in fact, the entire communities gave fine support. It has been stated many times that the community support given to the Air Force and Air Force personnel by these communities is unsurpassed. The visits of Dr. McLucas and General Jones also provided excellent opportunity for them to become more familiar with the outstanding work being accomplished at Eglin Air Force Base and Tyndall Air Force Base.

I have been provided with copies of the speeches delivered by Secretary McLucas both at Fort Walton Beach and at Panama City. These I am pleased to submit for reprinting in the CONGRESSIONAL RECORD:

PROGRESS IN THE AIR FORCE

(By John L. McLucas)

I. INTRODUCTION

I am very glad to be here in northwest Florida and talk with people who so strongly support their country and the Air Force. It's really a wonderful feeling to be in a place which is proud to call itself the "Patriotic Center of America." And for some in the Air Force, visiting here is something which makes you feel comfortable and gives you the reassuring thought that you are with friends.

I understand that there are people here today from Crestview, the twin cities of Niceville-Valparaiso, DeFuniak Springs, and maybe even from Destin—if they're not all out fishing—as well as from the greater Fort Walton Beach area. It's good to see you all, and I know why Congressman Bob Sikes is so proud to represent this fine district.

II. TOWN AND BASE

We in the Air Force would like to thank you all for your wonderful support, especially for our activities at Eglin Air Force Base. Your sponsorship of such events as the commanders' get together at Brooks Camp, the commanders' and first sergeants' receptions and the planned Eglin Appreciation Day next spring are a great help for both our morale and our operations. These activities make us feel welcome and foster a spirit of cooperation which is invaluable in helping both the base and the surrounding communities get things done together. For our part, we're happy to help out in the area in any way we can, such as the oil spill removal last spring and the clean up and repair activities in Shalimar after last fall's tornado. I'm sure the folks in Laurel Hill remember the Air Force water truck which helped them out during their three day emergency in August of a year ago. Eglin people have also provided literally life-saving assistance to air and sea travelers in distress.

We also want to be good neighbors in normal situations as well as emergencies. For that reason we're glad that we can support such programs as Boy Scout camporees and the on-going scout reforestation project, which, by the way, benefits all of us as well as the scouts. We have also been proud of Eglin's role in hosting Florida's District I Special Olympics for mentally handicapped children. Finally, I would like to mention that the base has a very active program for preserving the beautiful natural environment of this area. In fact, Eglin was chosen as a co-runnerup for the 1973 Secretary of Defense Natural Resources Conservation Award.

However, as valuable as all these activities are, Eglin's reason for existence is its important role in our nation's defense posture. Eglin serves as one of the major testing centers in the country. Testing of all of our non-nuclear munitions takes place here. For example, guided bombs which performed so well in Southeast Asia and in the Mid East were tested here. We do a lot of our electronic countermeasure testing here also. As a matter of fact, the new F-15 air superiority fighter, which I'll talk more about later on, is currently undergoing that kind of testing. In addition to being the location of a major space watch facility, the base has a tactical fighter wing which, by the way, was once commanded by the Chief of Staff, General Jones. It also has a rescue and recovery wing and other important support and Reserve units. Finally, the Tactical Air Warfare Center here is the primary organization for tactical testing of fighter, reconnaissance, and tactical airlift aircraft.

The testing being done at Eglin takes space, and this area is an ideal place for it. Of course, we also realize there are other potential uses for this land and water. To the extent possible, we try to work out compatible use plans which will not degrade the vital testing and other military missions which are so necessary for national defense. For example, we were able to arrange for off-shore oil drilling in certain areas under our air weapons range. Another example is the Gulf Islands National Seashore plan on which Congressman Bob Sikes worked so hard. In this case these areas have now been reserved for public benefit when government use is no longer necessary. Here at Fort Walton, arrangements are being made to include the 19 acre city park at the eastern end of Santa Rosa Island in the Gulf Islands plan. Of course, the rest of the island will continue to be available for public recreation most of the time.

On the Gulf Islands project, as in so many others, Congressman Sikes has rendered a real public service to both the community and the country. Of course, we in the Department of Defense know Bob Sikes well for his support of the strong national security posture which is essential to the maintenance of peace and further progress toward international détente.

III. AIR FORCE PROGRESS

For the Air Force maintaining such a posture means that we must continue to attract and keep well qualified and highly dedicated people. It also means that we need programs which will give us good, modern equipment. Today I would like to take a few minutes to tell you where the Air Force stands in terms of these two factors of people and equipment. I'll start off by saying that I believe we are in pretty good shape now and that we have underway the necessary programs to insure our future strength.

A. People

In my years with the Air Force, I have had occasion to visit many units around the world. I have always been impressed with the job our people are doing. This continues to be true in the all-volunteer environment. We've been operating without the draft for over a year now and about 75,000 people entered the military ranks of the Air Force as we met or exceeded our monthly goals. The quality of our enlistees is also holding up. This is shown both in their scores on the various tests we give and in the percentage who are high school graduates. About 93% of our new enlistees are high school graduates or have the equivalent level of education and, of course, all our newly commissioned officers are college graduates.

As most of you know, there has been some speculation that without the draft incentive we would begin attracting people who would not represent the broad spectrum of our society and thus in time the military would become isolated and alienated from the rest of the American people. The Air Force experience to date does not support this contention. The people we are getting now come from the same kinds of backgrounds as they did prior to the all-volunteer force. Although we are not getting as many new enlisted people with college education, the overall social and economic backgrounds of our new people remain essentially unchanged. Our young people exhibit a commendable level of patriotism as well. So all of these factors mean that we are operating in the all-volunteer environment within projected costs and without compromising Air Force effectiveness or professional stands.

We know that we can't stop and rest on our laurels. We are therefore seeking new ways to keep the Air Force both a challenging and a rewarding career. One thing necessary to do this is to insure equal opportunity for all of our people. I think one of the reasons we have successfully attracted good people is because of our progress in this area, but we do still have further to go.

We in the Air Force are trying to increase the number of women in our Service. We doubled the number once between 1968 and 1971; doubled it again between '71 and '74; we now have 24,000 women in the Air Force and plan to double that figure again by 1978.

We are trying to give women meaningful jobs, and we are not limiting them to clerical fields. In fact, they can be in all career fields except those involving combat. We believe that this exception is consistent with what the American people want. I might mention that this is the reason we did not favor admitting women to the Air Force Academy since its fundamental purpose is to train combat leaders. However, if it is the will of the American people and Congress changes the law restricting women from combat, the Air Force will support that decision and permit women to attend the Academy. Perhaps at this point I should emphasize that although we do not want women in a combat role, we do want women in the Air Force, and as I said our goal is to double their number by 1978. ROTC is the primary avenue for women to obtain a commission. We currently have over 5,000 women enrolled in that program.

Another part of our equal opportunity program concerns racial and ethnic minorities. In our enlisted force the per cent of minorities is about the same as in the country at large, so that looks good. In the officer force we need to make more progress. We require every new officer to have a college degree and our goal is to have the same per cent of minority officers as there are minority college graduates in the country. We are actively pursuing this goal, but due to the competition for minority college graduates we do not expect to achieve it until 1980.

B. Equipment

In addition to good people, we must have modern equipment if we want to have effective forces. So I would like now to turn to the development of necessary new weapon systems, which is another area where we are making progress. Although we don't have the time for a detailed review of Air Force programs, I can highlight some of our major efforts.

Perhaps our most important new system is the B-1 bomber. Bombers form part of the strategic arsenal with intercontinental missiles and submarine-launched missiles. Together they provide assurance that no enemy could neutralize our nuclear deterrent by developing a way to attack effectively any single element of these strategic forces. Further, bombers can help provide highly selective, discriminate, and controlled responses. With the B-1 we will have a bomber that could penetrate even the improved Soviet air defenses that can be expected in the 1980s and beyond.

Although this has been a very complex project, I believe it is coming along quite well. The first B-1 aircraft is in final checkout now and we expect rollout in about six weeks or so with the first flight probably in December.

For our tactical forces we have several new aircraft either entering the inventory or under development. In addition, as a result of our experience in Southeast Asia and the lessons that we were able to draw from the Mid East conflict last fall, we are putting more emphasis on guided and standoff weapons to augment our tactical aircraft.

To be more than a match against the best air superiority aircraft the Soviets are expected to have in the late 1970s and 1980s, we developed and are producing the F-15. I imagine many of you have heard about it. I have flown in it and can tell you it's a fine airplane. It's the first one we have had with a thrust-to-weight ratio greater than one. This power gives it tremendous acceleration; as one example, it can go from the start of takeoff to 35,000 feet in less than 60 seconds. The F-15 has also been designed for great maneuverability and has a spectacular radar with a look-down capability to help position it favorably for a fight.

We have already flown 17 test aircraft about 2,500 flights. As I mentioned earlier, the F-15 is currently in testing here at Eglin. The first production aircraft, for the Tactical Air Command, is due in November.

In addition to the F-15, we also need a less expensive Air Combat Fighter that we can afford to buy in greater numbers. For this purpose we have developed what we call a Lightweight Fighter. To get the best technology and design we selected two contractors to build prototypes which we are now testing. Both of these versions—the YF-16 and the YF-17—have thrust-to-weight ratios greater than one and are designed for maneuverability like the F-15. They will have less range and payload, as well as less sophisticated avionics, but they will help us get the numbers we need. We plan to select one contractor in January and begin full scale development of the follow-on Air Combat Fighter early in 1975. Our NATO Allies are also interested in such an aircraft, and we hope that a common choice can be made. This would help NATO standardization and lower the cost for everyone.

Another important new system is the A-10 which has been designed for close air support of ground troops. It is our first aircraft designed especially for this mission since World War II. It is highly maneuverable and thus can operate very effectively under low clouds and over rough terrain. It is well armored and can loiter for a long time over a battle area. It also has a high payload—some eight tons of bombs and missiles as well as an extremely accurate 30-mm. cannon. Congress has recently authorized us to go ahead with procurement of 30 aircraft and certain long lead time items for others. Of course, there still remains the need for Congress to appropriate the necessary funds to carry out this authorization, but we are optimistic about that.

As my final system, let me mention the E-3A AWACS. It is essentially a 707 aircraft with a 27,000-pound radar and associated computers. We learned in SEA that with fast, relatively long-range jet aircraft, a commander needs airborne radar and control capabilities. This new kind of radar can see hundreds of airplanes, even fast low-flying ones over an area of thousands of square miles. With the use of radar beacons, it can also integrate the positions of our ground and naval forces in the overall battle situation. Thus we believe AWACS would give us a quantum jump in improving command and control of forces in an entire combat region. It would be especially useful in Europe where a battle would very likely involve a high density of aircraft and military units.

The AWACS is now undergoing flight testing as an integrated system. It has been demonstrated in Europe and, understandably, our allies are very interested. Congress has authorized production of the first six aircraft and long lead time equipment for another six.

IV. CONCLUSION

By way of closing, I would like to say again that I believe the Air Force is making good progress in modernizing our equipment and that we are continuing to attract the well qualified people we need. But we realize fully that maintaining an effective Air Force ultimately depends upon the American people. I assure you we are doing our best to deserve your continued backing, and truly appreciate the wonderful support that you here in northwest Florida and other parts of the country have given us in the past.

It's been a great pleasure to be here.

JUDICIOUS USE OF THE DEFENSE DOLLAR

(By John L. McLucas)

I. INTRODUCTION

It is a great pleasure for me to be in Panama City this evening to speak before such a distinguished audience. Congressman Bob Sikes has already informed me that Panama City is located in Florida's "First and finest district." I am sure he would find hearty agreement at Tyndall and among Tyndall alumni throughout the Air Force.

Actually, I am well acquainted with the delightful living West Florida has to offer. I made my first visit to this area back in the 1930s during a fishing trip to a little town called Panacea. I understand Panacea is still going strong—about 45 air miles from here. Believe me, I have found few "Panaceas" since that time—fishing or otherwise.

Tyndall, home of the Air Defense Weapons Center, has long been a vital link in our nation's air defense. I think a large measure of the credit for that success can be attributed to the close ties the base enjoys with the surrounding area. So, the theme you have selected for this evening on the civilian-Air Force relationship is a very appropriate one.

On behalf of the Air Force, I want you to know that we appreciate your efforts in support of our activities at Tyndall. Your military affairs committee is indeed a unique organization and the programs they organize and sponsor are seldom duplicated anywhere in the nation.

I understand that in June you completed another successful beach party for first-term airmen with more than 1,400 in attendance, including 500 airmen plus their wives and children.

I understand also that plans are already underway to honor participants in the William Tell Aerial Weapons Meet to be held at Tyndall next month.

There are other programs, which I will not take time to mention, but we do appreciate your support of the Tyndall mission and your concern for our people stationed here.

Let me say that I feel very much at home this evening—among personal friends and friends of the Air Force. Congressman Sikes has long been a supporter of a strong defensive posture. I am sure he reflects the viewpoint of his constituency.

So I think it would be appropriate to discuss with you some issues that are important to today's Air Force and our contribution to national defense. Specifically, the issues involve our people and weapons systems modernization and steps we are taking to manage both in a qualitative and cost conscious manner.

II. PEOPLE IN THE AIR FORCE

Since 1968, the peak period during our involvement in the Southeast Asian conflict, the Air Force has seen a decline in active duty military manpower from approximately 900,000 men and women to around 615,000 by the end of this fiscal year—the smallest since 1950.

We are emphasizing today in the Air Force a personnel program known as Total Force Management which seeks to blend effectively and efficiently active duty, Air National Guard, Reserve, and civilian employees into a qualitative team.

In keeping with that concept, we are placing increased emphasis on our Air National Guard and Reserve forces. Since 1968, the Reserve components have received the most modern weapon systems in our inventory—including RF–4s, F–4s, F–106s, A–7s, C–130s and associate units in the C–5 and C–141. And these same units have been assigned high-priority, early-response missions previously given only to active duty forces.

Another facet to Total Force Management is the commonality of manpower between active duty and Reserve components. Of course, that requires a common classification and training system, job standards, and a compatible career management program.

In essence, we are seeking to integrate, in as many ways as possible, our Reserve forces into the current Air Force mission. To be a credible aspect of our nation's defense, the Reserve forces must have the latest equipment and receive thorough training before a crisis starts. There simply will not be time afterwards.

Of course, the backbone of our personnel structure is—and will continue to be—our active duty force. However, reductions in manpower have placed greater emphasis on quality rather than quantity. And our current efforts are tied to attracting quality people in sufficient numbers and insuring that their time spent in the Air Force—whether four years or a full career—has contributed to mission accomplishment and their personal development.

A. Attracting/retaining capable men and women

First of all, the Air Force is operating very well under the all-volunteer policy. We are having some difficulty in attracting physicians and other people with very specialized skills. But we are meeting our other requirements both in quantity and quality.

For example, more than 97% of our enlisted people today have at least a high school education or equivalent and many of this same group have college degrees or are well on their way. Close to 25% of our officers have either a Masters or Ph. D.

In terms of quantity, we have consistently met our recruiting objectives each month since the end of the draft.

There are a number of reasons for this success. Two, I think, are particularly worthy of mention.

First of all, there is some evidence that the public attitude toward the military has become more favorable. The Institute of Social Research at the University of Michigan released in June the results of a survey which indicated that the public rates the military highest among major institutions in terms of how good a job the military is doing for the country.

I believe the second reason is that the Air Force is working very hard to make our program attractive to the volunteer and to sustain that attractiveness in terms of a rewarding career.

1. Educational programs

For example, I feel certain that the educational programs offered by the Defense Department are the largest in the free world. In FY 1974, the Air Force spent approximately 7% of its total budget—about $1.6 billion—on educational programs ranging from basic military training to doctorate studies.

The Community College of the Air Force (CCAF) is just one example. Our new enlistlees are enrolled in this college when they enter the Air Force and basic and technical training courses are accredited and transcripted. Through agreement with a large number of colleges and universities throughout the country, credit is given for these courses toward a degree program. To date, more than 57,000 transcripts have been issued.

There are a number of other educational opportunities—Air Force Academy, ROTC programs on some 180 college compuses, Air Force Institute of Technology (AFIT), and others. But I think you see the thrust of our efforts.

2. Guaranteed Training Enlistee Program—GTEP

We are also striving to give our people a greater voice in deciding issues that directly affect their future.

And we're able to do this, to a great extent, through the use of computers. Now I am familiar with the charge that computers tend to "dehumanize" the individual. But in the Air Force, computers in many cases have enabled us to be more responsive to individual needs. We can fit personal preferences, with Air Force requirements and, in so doing, save time, effort, and money.

The Guaranteed Training Enlistee Program is one good example. Suppose a young man or woman here in Panama City desires training in electronics and talks to one of our recruiters. Through the use of computers, the recruiter can verify that a vacancy exists in the electronics area and reserve and guarantee classification, training, and a first assignment in the electronics specialty. In addition, the recruiter can schedule this person to enter active duty anytime from a few days to six months—depending on the individual desires and the availability date of the training requested.

And we can follow this procedure, not only in electronics, but in more than 140 Air Force specialties. If for some reason the young man or woman is later disqualified for training, through no fault of their own, they can select reclassification or an honorable discharge.

In the fiscal year just completed, approximately half of the 74,000 enlistees entered the Air Force through this option. For the first time, the military is able to match private industry in hiring people for a specific job.

3. Career Airman Reenlistment Reservation System

The use of computers is also evident in another area known as the Career Airman Reenlistment Reservation System or CAREERS.

Prior to the start of this fiscal year, our reenlistment program permitted all enlisted people—both male and female—recommended by their superiors to reenlist regardless of their specialty or career area. And this system resulted in shortages for some skills and overages for others.

But through computerization, we are able to maintain a job requirement file containing approximately 19,300 annual quotas for first-term reenlistment. For example, that same young man who requested and received training in electronics can eventually apply for reenlistment. We are quickly able to tell him whether a vacancy exists in his specialty. If none exists, he can elect to retrain into a specialty of his choice needed by the Air Force or separate at the end of his commitment.

4. Equal Opportunity

In conjunction with our efforts in education and in allowing the individual a greater voice in his future, we are making equal opportunity a way of life. For example, we now have approximately 24,000 women serving in the Air Force and plan to double that figure by 1978.

If you are looking for percentages, 3½% of the force today are women, increasing to 8% by 1978.

In regard to women, we're concerned not only with numbers but insuring that our women are assigned to meaningful and responsible positions. They can be given any job, except combat related duties that are prohibited by law and policy.

I think all of this indicates quite clearly that we do want women in the Air Force.

Minority participation is also a subject receiving close attention. Currently, the percentage of minorities in our enlisted ranks approximates the percentage in the country at large. However, we have some work to do in the officer corps. Since a college degree is required for commissioning, our goal for minority officers is to approximate the national percentage of minority college graduates. Today, approximately 3% of our officers are minority members. We expect to have about 6% by 1980.

As in the case of women, we are also working to provide meaningful jobs for our minority members—insuring that they receive equal education, training, and opportunity for advancement.

B. Improving work environment

All of the programs I have mentioned—and there are quite a few that I did not mention—are elements of an overall effort to improve the working environment of our people. I think the movement, very clearly, is toward a more open, visible, responsive system which provides the framework for our people to mature and progress to the limits of their abilities.

We have a young force. Forty-five percent of our officers and 70% of our enlisted are 30 years old or younger. If they choose military careers, they will find a more stable promotion system and greater predictability in career patterns and progression.

Times are changing in other respects, also. There is a trend away from total dependency on the system for basic needs. That means more freedom for the average serviceman to decide where he wants to live, eat, and spend his spare time.

By the way, I think this trend will support even more interaction with the civilian community and provide more opportunities for community service.

We will also see fewer reassignment moves. Whenever possible, we are encouraging Air Force people to extend their stay at their current locations.

In summary, we are working to create an atmosphere where people can mature, improve their skills and understanding, and accept more challenging jobs and greater responsibilities.

III. COST EFFECTIVE MODERNIZATION

Although attracting, training, and retaining quality people are extremely important to the Air Force, we also have some pressing requirements to modernize our equipment.

We have some weapon systems that have served us well for a number of years and continue to do so. But we must keep in mind that development of new weapon systems is a 5–10 year process. We must plan and prepare now for our national security in the 1980s. The B–52, for example, the backbone of our manned bomber force, was originally designed in 1946. The F–4, our mainstay in the tactical fighter area, was designed in 1957.

Although modernization is required, we must be sure that we get the best value for our dollar. Now, I am going to use some "buzz" words on you—at least that's what we call them in the Pentagon. But they do involve procedures that we are following to procure quality weapon systems at the lowest possible cost.

As business and professional people, I am sure you can appreciate the necessity for the most judicious use of the defense dollar or "maximizing" it, if you will.

A. Prototyping

The first of these so-called "buzz" words is known as prototyping. It has a relatively simple definition—making sure technologies will work before we commit large sums of money to development.

We build two, three, or four airframes which house the technology we wish to test. We then can evaluate innovative ideas and advanced technology before we commit ourselves. As you can appreciate, major changes during the later stages of development or in production are very costly.

Another advantage is that prototyping is one system that provides the contractor with the opportunity to work on his own ideas using his own initiative without having to comply with a long list of specifications. The contractor then can maximize his strengths and give us a better product.

After the process of prototyping has run its course, we have concrete demonstration of promising new technology. This provides quite a confidence factor when we face development decisions.

We're using prototyping in a number of areas. One good example involves our new Lightweight Fighter program. In this program, we have two versions—the YF–16 and YF–17. Both employ quite a bit of new technology which can best be tested and proven with actual prototypes.

The YF–16, produced by General Dynamics, was first flown this past February and has had over 160 flights since that time. The YF–17, produced by Northrop, has had over 60 flights since June. Flight testing will continue through December. The prototyping effort has been very effective—in fact, so effective that we plan to select one of the prototypes to enter development early next year as the new Air Combat Fighter.

B. High-low mix

The Lightweight Fighter concept, which involves relatively smaller and less costly prototypes, is in keeping with the idea behind the "high-low mix" principle, another of our buzz words. With today's high cost of modern weapon systems, we realize the need for capable, relatively low-cost aircraft that we can buy in greater numbers. Together with the more expensive and sophisticated, new F–15 air superiority fighter—which, by the way, is performing very well in flight tests—the lightweight fighter program will give us the high-low mix that we need for the future.

C. Design-to-cost

Another procedure we are using involves setting cost goals on various types of weapon systems and equipment. We call it design-to-cost and we tell the manufacturer in advance how much we plan to spend on a particular unit—whether a fighter, bomber, or whatever. The manufacturer then does the best he can to give us the product we want within the stated price range.

The new A-10 close air support fighter is a good example of this idea. In fact, the A–10 is the first aircraft we have built under this concept. We set a cost objective figure and we have done everything possible to see that it does not exceed that figure.

The close-air support A–10, by the way, fared very well in its flyoff with the A–7D, a tactical aircraft that we already have in the inventory. We are hopeful that the first production increment will begin in the near future.

Let me stress that design-to-cost will not solve all of our problems concerning the high cost of producing new weapons systems. But it does provide a means for helping to strike the optimum balance between performance and cost.

Trade-offs are possible for significantly improved performance or substantial savings. If resulting designs meet requirements, we buy the one that provides the best technical approach and is closest to the cost goal.

D. Life-cycle cost

One other area that I would like to discuss briefly is the idea of life-cycle cost, or the cost to maintain and operate a system over its total life. It makes no sense to buy something cheap if maintenance and operational costs later prove to be prohibitive.

So, we have life-cycle costs on our mind from the start of development. We attempt to insure that maintainability and reliability are designed-in. Our production goal then becomes the task of balancing acquisition cost, performance requirements, and life costs—all to get the best weapon system for the money.

IV. SUMMARY

Let me summarize this evening by saying that the Air Force is in good shape. In this age of rising prices, we are becoming increasingly "cost conscious" in the management of our people and the development of our weapon systems.

Even in this all-volunteer enivronment, we are getting quality people in sufficient numbers to carry out our responsibilities for national defense.

If your sons or daughters choose an Air Force career, they will find an open, responsive environment in which to satisfy their personal goals and contribute significantly to our nation's welfare.

In weapon systems development, we are striving to "maximize" the defense dollar—striking a prudent balance between production costs, performance, and operational costs.

V. CLOSURE

In closing, I want to again thank you for this opportunity to share some of the issues we are currently facing in the Air Force.

I also want to express my gratitude again to Congressman Sikes and to the people of Panama City and surrounding areas for consistently supporting the Air Force and our activities here at Tyndall.

It has been a pleasure to be with you this evening.

SUBCOMMITTEE PROPOSES CUTS FOR NDEA III

(Mr. MEEDS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MEEDS. Mr. Speaker, having advocated modernization and improvement in our education system, and having observed the increased use of audiovisual and other instructional equipment and materials in the classrooms and libraries, it was disappointing to learn that the House Subcommittee on Labor-HEW Appropriations is recommending that title III of the National Defense Education Act, NDEA III, be cut almost in half for fiscal year 1975.

Much to his credit President Ford this year recommended that NDEA III be budgeted at $28.5 million. This is the first time in 6 years that this program has been in the President's budget. I feel we should honor this request, for I am well aware of the many successes this program has resulted in in Washington State and around the country.

So that each Member can see exactly what the subcommittee's cuts will do in their State, I will insert a table in the RECORD at the close of my remarks. In the first column is the total received by each State for grants and administration in fiscal year 1974. In the second column is the amount each State would receive if the subcommittee's cut is agreed to by Congress and signed into law by the President. For example, last year Washington State received $438,114, whereas, under the subcommittee's recommendation we would receive only $230,597. It is my hope that every Member will examine these cuts below the budget in terms of the effect on their schools and I hope the Appropriations Committee will restore this cut before sending the supplemental appropriations bill to the House floor.

The table referred to follows:

EFFECT OF CUTS PROPOSED BY HOUSE LABOR-HEW APPROPRIATIONS SUBCOMMITTEE TO TITLE III, NATIONAL DEFENSE EDUCATION ACT (NDEA III) IN FISCAL YEAR 1975 SUPPLEMENTAL APPROPRIATIONS BILL

United States and outlying areas	Fiscal year 1974 appropriation[1]	Fiscal year 1975 appropriation after proposed cut
Alabama	$633, 878	$333, 635
Alaska	59, 426	31, 278
Arizona	301, 604	158, 746
Arkansas	334, 413	176, 015
California	2, 199, 344	1, 157, 603
Colorado	329, 572	173, 467
Connecticut	300, 445	158, 136
Delaware	81, 758	43, 032
Florida	859, 134	452, 197
Georgia	762, 881	401, 535
Hawaii	113, 906	59, 953
Idaho	136, 919	72, 066
Illinois	1, 271, 415	669, 196
Indiana	747, 557	393, 469
Iowa	409, 932	215, 764
Kansas	304, 143	160, 083
Kentucky	539, 943	284, 194
Louisiana	702, 435	369, 720
Maine	164, 959	86, 824
Maryland	515, 647	271, 406
Massachusetts	621, 413	327, 074
Michigan	1, 260, 289	663, 340
Minnesota	592, 217	311, 707
Mississippi	436, 664	229, 834
Missouri	635, 343	334, 406
Montana	129, 155	67, 979
Nebraska	213, 710	112, 484
Nevada	67, 768	35, 669
New Hampshire	112, 773	59, 357
New Jersey	769, 272	404, 898
New Mexico	217, 182	114, 311
New York	1, 641, 552	864, 014
North Carolina	833, 409	438, 656
North Dakota	122, 043	64, 236
Ohio	1, 478, 006	777, 934
Oklahoma	374, 935	197, 343
Oregon	284, 846	149, 926
Pennsylvania	1, 457, 264	767, 016
Rhode Island	112, 327	59, 122
South Carolina	492, 807	259, 384
South Dakota	126, 542	66, 604
Tennessee	636, 950	335, 252
Texas	1, 798, 103	946, 413
Utah	212, 773	111, 991
Vermont	78, 765	41, 457
Virginia	687, 513	361, 866
Washington	438, 114	230, 597
West Virginia	282, 417	148, 647
Wisconsin	675, 260	355, 416
Wyoming	64, 359	33, 875
District of Columbia	66, 918	35, 222
Bureau of Indian Affairs	27, 244	14, 340
American Samoa	29, 000	15, 264
Guam	29, 000	15, 264
Puerto Rico	416, 756	219, 355
Virgin Islands	29, 000	15, 264
Trust Territory	29, 000	15, 264
Total	28, 250, 000	14, 869, 000

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[1] The actual 1974 appropriation was $30,000,000. However the Administration exercised the authority to cut the appropriation by 5 percent, reducing it to $28,500,000. $250,000 was used for the NDEA III loan program which provides equipment loans to nonpublic schools. This $250,000 has been deducted from the $28,500,000, making the total available for acquisition and administration in 1974, $28,500,000.

[2] The House Labor-HEW Appropriation Subcommittee recommends $15,000,000 for fiscal year 1975 compared to President Ford's request of $28,500,000. Under the $15,000,000, approximately $131,000 would be available for NDEA III loans to nonpublic schools. Thus, the total available for acquisition and administration in fiscal year 1975 would be approximately $14,869,000.

THE ARSENAL OF DEMOCRACY IN AN AGE OF TRANSITION

(Mr. HOLIFIELD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HOLIFIELD. Mr. Speaker, recently, I was privileged to hear the Honorable James R. Schlesinger, Secretary of Defense, address the National Security Industrial Association. His subject was most timely and appropriate in the light of conditions throughout the world. He asked a question which should be central to our thinking during this and future Congresses:

> By what magic formula is it believed that the United States can remain a military power second to none on an ever shrinking share of the national resources?

I recommend that Secretary Schlesinger's speech be carefully read by all of my colleagues and I include it in the RECORD at this point:

ADDRESS BY HON. JAMES R. SCHLESINGER

It is reported that when our original parents were driven out of Paradise, Adam remarked comfortingly to Eve: "Despair not, my dear; just recognize that we live in an age of transition."

Today we continue to live in such an age. Despite a nostalgia, as understandable as it is irrelevant, we too have been driven out of the Paradise of isolation and noninvolvement which characterized the 19th and early 20th centuries. And, as Thomas Wolfe vividly reminds us: We can't go home again. Isolation is a practical impossibility for the United States. We cannot be ignored. We are too large a weight in world politics; we are in too many ways strategically and economically vulnerable; we have too many national interests abroad, most notably the preservation of our type of free institutions.

We have been expelled from another, later, lesser Paradise. No longer can we act as a great reserve, partially detached from the continuing struggle to maintain a reasonable equilibrium of power in the world. No longer can we expect other nations to hold the front lines while we serve as the arsenal of democracy. No longer can we depend on the strength of our allies to buy us the time to expand the defense production base, to mobilize and deploy our forces, to learn the lessons of the conflict and change the tide of war. The luxury of time—and the old role that went with it—are gone, perhaps forever.

The new role thrust upon us is far more demanding. Though we remain the arsenal of democracy, we have a number of other roles to perform as well. It may not be quite fashionable to say so; still, it is the United States which must now, at least in spirit, stand guard along the frontiers of freedom. Our friends and allies can—and do—provide the bulk of the forward forces. But in a world in which two great powers remain militarily paramont, the United States must provide much of the leadership and some of the presence that sustain the cohesion of the Free World, however defined. We may not be the policeman of the world—a role to which we never aspired, but we certainly remain the principal contributor to an active system of collective security. The sole alternative would be to depend on the goodwill of others for the preservation of the social order to which we adhere. Six of his predecessors, and now President Ford, have rejected that alternative. I certainly will not advocate it here.

The new role obviously requires that the United States remain a first-class military power. More specifically, the new role imposes five major requirements on our defense establishment, our industry, and the country at large.

First, in a complicated world of nuclear and non-nuclear capabilities, we must define and articulate strategic objectives that are within our means and acceptable to the American people.

Second, if we are to honor our commitments and to deal with contingencies under conditions in which we have lost the luxury of time, we must have active forces that are combat-ready and judiciously distributed between overseas deployments and a continental reserve. At the same time, we must maintain the intercontinental mobility both to reinforce our deployed forces and to move rapidly into such theaters as the President may direct and the Congress approve.

Third, in a period of uncertainty about the nature and duration of potential conflict, not only do we need the production base to assure the timely modernization of our active and reserve forces, we also require a minimum industrial mobilization base to permit rapid expansion of defense production in an emergency.

Fourth, in an era marked by long-term competition and by closed societies, we must continue to stimulate our military technology and obtain those R&D hedges that are so necessary in the face of uncertainty about the programs and intentions of other powers.

Fifth, and finally, after nearly thirty years of carrying leadership's burdens, we must still shoulder those burdens and demonstrate the resolve to support our friends and deter our foes no matter how long it may take. If we should falter, there is no one else to take our place.

These are large requirements. And they impinge upon us at a time when there is much to do at home. How well are we meeting the requirements? How fares the arsenal of democracy under these new conditions? It has been said that in discussing matters of grave importance, style, not candor, is the vital thing. But even if a little candor is viewed in some quarters as a dangerous thing—and a great deal possibly fatal—let me give my unvarnished view on how we are progressing.

Most of us, I think, have a reasonably clear idea of what our security objectives should be. In an age of parity with the Soviet Union (if we really mean that we should be equal), it is hard to quarrel wtih essential equivalence as a continuing requirement for our strategic nuclear forces. Secretary Kissinger recently stated that policy: "We will maintain the nuclear balance by unilateral actions if we must and by negotiations if at all possible." It is equally vital to establish a balance of conventional forces between NATO and the Warsaw Pact, to keep our defense perimeters in the Western Pacific sufficiently strong to hold until reinforced, and to guard those sea lanes essential to the well being of the United States and its allies.

Those are quite modest and defensible objectives for a very great nation living in a world, not as yet altogether safe. Yet there are some who profess to see this quest for deterrence and equilibrium, not as the necessary basis for detente, but as the springboard for superiority and provocation. I find such attitudes puzzling at a minimum. By what species of logic are such conclusions reached? By what concrete measures should military power be judged? By what magic formula is it believed that the United States can remain a "military power second-to-none" on an ever-shrinking share of the national resources?

If there continues to be some debate about how best to achieve our objectives, there can be little question about the performance of our Armed Forces. We have traversed as difficult a passage as any in our history during the past decade; we have thrown our four Services into a distant war, and then withdrawn them—undefeated and, to a regrettable extent, unappreciated. Through it all they have proved rocklike in their stability. All of us will recall, I trust, the example they have set for the country. All of us will appreciate, I trust, the professional way in which they have proceeded with the tasks of postwar deterrence—even as we have constrained their resources, converted them to All-Volunteer force, and shrunk their numbers during the last six years by nearly a million and a half men and women.

Though on this score we have fared well, the arsenal of democracy has performed less impressively in its more traditional role. Ready, modern forces—whether we are talking about our nuclear or non-nuclear capabilities—require a skilled, diversified, and flexible industrial base. It is not clear that those attributes characterize our industrial base at the present time.

It is worth recalling what this arsenal of democracy was able to do during World War II. On the average, we managed an annual production of more than 50,000 aircraft, 20,000 tanks, 500,000 trucks, 1.5 million rifles, and 80,000 artillery pieces. As late as 1963 we could still launch 13 POLARIS and 4 attack submarines in one year. Now, while the Soviets produce thousands of tanks a year, we are struggling to build to an annual rate of some 800. New aircraft are coming off the lines at a rate of about 600 a year, and helicopter production over the last decade has fallen by a factor of ten.

That record—it should be acknowledged—is hardly a tribute to the supposed power and skulduggery of the military-industrial complex. With a villain and a conspiracy like that, indeed the critics hardly need friends!

One major factor that accounts for this anemic record is, of course, the dramatic decline in defense procurement. But other national policies have also had an adverse impact. Our new maritime programs have caused a crowding of our shipyard capacity, driven up prices, and lessened the attractiveness of naval contract to shipyards. Environmental programs and higher standards of health for industrial workers have eliminated reserve capacity, increased prices, and slowed reaction times—problems reflected in such diverse products as forgings, castings, and propellants. In some instances, because defense demands are currently low, we find ourselves reduced to a single supplier of vital military goods—with considerable uncertainty as to whether we can generate enough orders to keep that one producer in production.

I do not wish to pretend that these factors are the only causes of the difficulties that we face. You are all familiar with the other problems we have identified—and such solutions we have proposed in the form of high-low mixes, milestones, and designs-to-cost. Consequently, I do not propose to expand on them further here. What I do want to do, however, is to emphasize four aspects of our defense procurement policy.

First, the Defense Department will continue to be interested in and support advanced technology developments particularly when they promise the same kinds of payoffs that precision guided munitions, for example, have provided.

Second, there remain many forms of combat where numbers count and where the best may become the enemy of the good; weapon systems required in those areas will necessitate incremental development rather than great leaps forward, relatively low costs, and long production runs.

Third, while we will encourage reasonable profits for capable firms, we do not propose to subsidize sluggishness and inefficiency.

Fourth, we will not let our inventories of weapon systems get out of balance with our ability to operate and maintain them; nor will we arbitrarily reduce our procurement of consumables in order to buy more hardware, no matter how pressed to do so.

Within these guidelines we would wish to make doing business with the Department of Defense much less of a chore. Hopefully, we can reduce the layering and proliferation of administrative control elements, which substantially inflate the cost of doing business with the Government in comparison with commercial business. That could potentially not only reduce costs, but make more readily available to the Department that margin of industrial capacity necessary to sustain the defense production base. Secretary Clements will be working on the problem of improving these operating procedures. To be sure, this is part of the more general goal of reducing nonproductive overhead so that an increased percentage of the procurement dollar can go into real output. We shall need your assistance, and, in principle, there is no reason that cost reduction efforts of this type cannot be reflected in incentive contracting.

I cannot leave the subject of industry's contribution and the contemporary role of the arsenal of democracy without taking special notice of the technology base. Increasingly it is this dimension, rather than simple production capacity, that so brilliantly serves the national purpose. I would suggest that we bend every effort to sustain the health and vigor of the scientific and technological base.

Our technological achievements have played a significant role in the achievement of arms limitation agreements. Despite the grosser advantages of the Soviet Union in missile numbers and throw-weight allowed by the May 1972 Interim Agreement, it is legitimately argued that American technology more than redressed the balance.

Ironically, some voices have been raised to suggest that technological advance be terminated. Having asserted that U.S. technology compensates for the asymmetries favoring the Soviet Union, some have subsequently suggested that we abandon the compensation—hardly consistent with maintaining essential equivalence. Indeed, I might sympathize with such suggestions, were Andrei Sakharov charged with the direction of military R&D in the Soviet Union. Unfortunately, as is only too obvious, he is not.

But the edge that technology provides is just as dramatically reflected in the general purpose forces—whose role is, if anything, more significant than strategic capabilities. If the quality of U.S. airpower serves as a great equalizer in terms of the overall balance, for example, this reflects the technological advantages of the United States—in ECM, in precision guided munitions, in avionics. Soviet avionics packages, for example, continue to rely heavily on vacuum tubes—while ours exploit large scale integrated circuits, as well as minicomputers. The weight differential of such packages is on the order of 4:1 to the advantage of the United States. Such differentials are reflected in the relative combat effectiveness of the two force structures.

We shall call upon industry to provide the United States with a continuing technological margin—but, once again, keeping in mind the other goals of affordability and reliability. Reliability is, after all, technology in its most practical form.

Let me turn now to what I earlier described as the fifth requirement: that of resolve. How are we performing on that score? Clearly this nation, in satisfying all the other conditions so necessary to deterrence and security, will fare well only to the extent that its citizens remain resolute in their purposes. It does no good simply to pile up weapon systems and force structures in a vacuum, however sophisticated and capable they may be. Foreign policy, to the extent that the military forces of this country and our allies buttress it, depends on the moral stamina of the societies concerned. And on that score we must acknowledge that of late, throughout the Western world, we have witnessed some disarray, as much overseas as in this country.

We have not in recent years suffered from an overabundance of naivete or simple straightforward enthusiasm. These existed in ample supply, I think, a decade or more ago when the Peace Corps volunteers went out to save the world and remake it. There is less of that belief and enthusiasm today, and that is a serious loss for all our societies. The problem we face now is a cynicism which can corrode and an irresolution that can undermine us all. Cynicism has been defined as knowing the price of everything and the value of nothing. Of irresolution it has been said that the wavering mind is but a base possession.

I believe there may be less cynicism today than there was two months ago. But there remain those among us who, in Churchill's words, are decided only to be undecided, resolved to be irresolute, adamant for drift, solid for fluidity, all powerful for impotence.

One of their victims has been the Republic of Vietnam. Our forces are now out of that tortured country, and the cost of the continuing conflict to the United States is currently about 3 percent of what it was at the peak. The South Vietnamese did not tell us: "Give us the tools and we will do the job." Instead, we simply informed them that we would provide them with the tools—and the munitions—and would expect them to do the job.

Since that time, three things have happened: The South Vietnamese have done the job; our assistance to Saigon has declined; and outside aid to Hanoi has increased. A small state, beholden to us, still struggles to survive, but we have neither the temerity to sever its lifeline nor the resolution to pay the relatively small but necessary price to assume its continued existence. Rather, we have chosen to put an ally on the military equivalent of starvation rations.

This is hardly an edifying spectacle. As a contrast, consider what occurred when conflict broke out in the Middle East last October. Members of Congress—not all of whom have sympathized with the munitions requirements of the South Vietnamese—persistently urged us to do whatever was necessary to ensure the survival of Israel. A supplemental request of $2.2 billion for military assistance to Israel was sent to the Hill, and the Congress quickly approved it.

Note that the hostilities in the Middle East lasted for 3 weeks. In a sense, the bill worked out to $700 million a week. Yet we now begrudge the South Vietnamese $700 million a year for munitions and refuse to appropriate the resources necessary for the replacement of their losses in equipment. Exactly how that redounds to our credit or demonstrates our resolve is not easy to say.

So at this point, we may well inquire: How has the arsenal of democracy fared in this latest period of transition? The record has been mixed, but I hope you will agree that the prognosis remains hopeful.

President Ford has already emphasized that: "A strong defense is the surest way to peace. Strength makes detente attainable. Weakness invites war. . . ."

Secretary Kissinger has echoed that policy in his declaration that: "For other nations to have confidence in our purposes and faith in our word, America must remain a military power second-to-none."

In closing, I might add some words spoken by Franklin D. Roosevelt more than 30 years ago: "I, too, pray for peace—that the ways of aggression and force may be banished from the earth—but I am determined to face the fact realistically that this nation requires a toughness of moral and physical fibre. These qualities, I am convinced, the American people hold to a high degree."

Strength cannot come from physical capacity alone. It requires a tenacious will.

WVU'S HARRY ERNST IS NO RON ZIEGLER

(Mr. HECHLER of West Virginia asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, one of the most highly respected newsmen in West Virginia, Harry Ernst, left his beloved profession 6 years ago to become director of West Virginia University relations. He has been equally successful in this field as pointed out in the following article from the Morgantown, W. Va., Sunday Dominion Post which was written by Barbara Rasmussen:

"DECEPTIVE PR TACTICS HAVE NO PLACE AT WVU"

(By Barbara Rasmussen)

As one of two "official spokesmen" for West Virginia University, University Relations Director Harry Ernst doesn't consider himself one of the 10 most powerful men at WVU.

Only he and President James G. Harlow speak for the University as a whole Ernst is, however, somewhat flattered by the rating ascribed to him by the campus press two years ago.

"Power is diffuse at the University," he says. "It's not a simple corporate model of responsibility. It's much more diffuse than for other institutions.

He demurs to intimations that he is a policy-maker for the University. He will admit to offering advice within his area of expertise and he does attend the President's Monday morning staff meetings.

He and his responsibilities came to the University with President James G. Harlow in 1968, in response to demands from the state news media that the University provide a readily accessible spokesman on issues that develop within the University.

He has a news reporter's backgrounds. He was Washington correspondent for The Charleston Gazette before assuming his WVU position.

In explaining his philosophy of public relations, Ernst says it isn't quite the same as managing the public relations of any large business.

Noting the University is a public institution, supported by public funds, he directs his office's energies to communication services.

These services help inform the people of West Virginia about what is going on at WVU, and provide a continuing education tool for adults, he said.

As an example, he points to the many science features written by William Aston, the University science writer.

"The people want substance, not a PR slick," Ernst says as he voices pride in continuing improvement in the West Virginia University Magazine which is published quarterly under his jurisdiction.

Commenting on "Zieglerism" in public relations, Ernst said one's boss shapes the dilemma such as those which constantly plagued former presidential press spokesman Ronald Ziegler, and finally cost him his credibility.

"Universities are committed to values that preclude dishonest or devious public relations practices," Ernst said. "That would betray the purpose of the university.

"I deal as openly as possible and still protect the individuals involved," he said.

Deceptive public relations tactics could destroy the institution, he said, explaining that "a public relations program is only as good as the institution" that it reflects.

"Zieglerism issues" just don't occur, Ernst said. "Even in the case of public relations, if it distorts or deceives, it will catch up with you, and your credibility is destroyed," he said.

"The University's public relations program has to begin with an assumption of integrity. I have never been asked to lie or distort facts."

Ernst says President Harlow is an "unqualified pleasure" to work for, and "he believes in honesty."

"The president sets the goals; the president is the key to the success of the program, and Dr. Harlow is very supportive," Ernst said.

Asked what he would do if he were ever told to misrepresent events, Ernst said, "I would hope I have as much courage as Jerry terHorst (President Gerald R. Ford's former press secretary who resigned after learning of plans to pardon former President Richard M. Nixon and that he had been lied to by other White House officials).

"That's an option open to all of us in life. But it's often hard to perceive a violation of conscience. It's easy to rationalize, and it's sometimes hard to find the courage to follow through with the dictates of conscience," Ernst said.

In his capacity as director of University relations, Ernst oversees the printing of all University publications and directs a small news staff.

He says his office works closely with the Appalachian Center, WWVU–TV, the athletic publicity office and the University Foundation to bring WVU and its activities closer to the people of West Virginia.

Ernst claims "maverick tactics" in his efforts to publicize WVU.

He says less emphasis is being placed on the number of news releases sent out by his office, and the emphasis now is on quality information. Again, he refers to the University magazine and Aston's work as examples.

Other efforts are aimed at gaining national news coverage for the University.

Ernst is careful about expressing personal opinions on many matters, citing his affiliation with the University. He says it's important his comments not be attributed to WVU unless they really are University policy.

For that same reason, he says, he curtails many activities he might otherwise pursue.

Ernst also carries the title of assistant to the president for communications.

The 43-year-old former journalist served four years in his capacity as a Washington correspondent. Before that, he was assigned to general reporting and sports for the Gazette.

He is the author of a political study, "The Primary That Made a President: West Virginia 1968," and is co-author, with Robert Sherill, of a book—"The Drugstore Liberal: Hubert H. Humphrey in Politics."

He is 43 years old and is the father of two sons, Eric, 15, and Steve, 7. His wife, Mary, is a former Gazette staffer also.

His hobbies include tennis, travel and reading.

His travels have taken him to East Africa to view the University's off-campus programs there, and through northern Europe to study new towns.

He says Kurt Vonnegut, Jr., and John Le Carre are among his favorite authors, and that "Catch-22" is the funniest book he ever read. He also enjoyed "Cancer Ward."

Although he says he spends a great deal of time reading non-fiction material, his preference is for a "good novel."

Ernst hesitates to say just what the University's communication program costs. "What would you include in that category? We even print the University catalogues, and that alone costs $40,000 per year," he said.

JOHN COLTRANE REMEMBERED: A CELEBRATION OF SPIRIT

Mr. CONYERS. Mr. Speaker, September 23 marked the 48th anniversary of the birth in Hamlet, N.C., of John William Coltrane, Jr.

Many will take this occasion to single out some quality or factor manifested in Coltrane's professional life as a touchstone in a memorial footnote that will satisfy some particular expectation. Such manifestations may be:

That he was black;

That he was a gifted musician, a true virtuoso;

That, as such, he was a devotee of modern sounds;

That he was an experimenter, innovator, and visionary; hence a jazz leader and pioneer;

That, by lumping together the last three observations, he solidified, improved, and advanced the idiom and expression of jazz.

Some elements of the mass of his personal history will be plucked off, like bits of clay, and engrafted as a contribution onto some notion of the state of the art. Peers will remember him in faithful, loving terms as simply a bad horn player, expressing the intensity of his devotion in every single piece he wrote, arranged, improvised, or blew. Technicians will marvel at his virtuosity, recalling the complexity and accomplishment of his sheets of sound, multiple tones, and concurrent notes and the depth of his inquiry into diverse instrumentalism. Ethnic historians will review his leadership in the preservation of the integrity of the Afro-American "Bebop" contemporary character of jazz; how his forays beyond traditional strictures of time, rhythm, and harmony defied the "imitators" and the bastardizing effects of pop. Those concerned about the survival of the primal purity of jazz expression will cite his genius at using the barest of conventions as bases for improvisation and experimentation. Chroniclers will wonder at the stamina of his short life, leaving a legacy of countless club and concert dates and 40 albums in print. Critics, who interpreted his new work as reactionary rather than actively creative because they could not pierce his complexity, will trouble over their incapacity to fit Coltrane into marketable categories.

I knew John Coltrane, but not intimately; I am an aficionado of his music, but my insight is not yet developed enough to do verbal justice to his product; I think I understand his place in the subculture of jazz, but am not presumptuous enough to try to categorize it. Rather, I must relate to him from a more general perspective—one that I feel is important, because it is the most common of perspectives.

Music is, I think, the most envied medium of communication because the musician deals only in truth; motives are immaterial, in that they are the afterthought of the listener more than the dissectable preconditions of the speaker. There are no falsehoods in his speech, only gradations of sincerity that are proportionate to its passion. The essence of Coltrane, evident everywhere in his music, is an exaltation of the human spirit—it is purposeful, undeniable, and unquantifiable in its dimensions. True, music was the center of his life; through it, however, he makes it clear that it is merely the veneer on a core of caring, like paper on a spool around which every other thread of existence is entwined. For many of us, it is the reverse; music is one of the threads that encircles but never penetrates that paper to touch the center of our beings. We marvel at its color, feel its texture, and analyze its composition but, in our preoccupation, never comprehend what it really is. It is a rare gift to be able to use musicianship as a means of merging the spirit of listener with performer and elevating them together. As listeners, we must conclude that Coltrane had such a gift and used it eloquently to help us comprehend the simple importance of feeling. As observers of Coltrane, simple facts—his relationships with his family, sidemen, and students, for example—reinforce this.

I insert into the Record at this point chapter 9 of Phyl Garland's "The Sound of Soul" for a more detailed discussion of an outstanding human being who spoke through his horn.

The excerpt follows:

REQUIEM FOR TRANE: ANOTHER KIND OF SOUL

The death of John Coltrane, the saxophonist and jazz experimentalist, in 1967, is said to have marked the end of an era, for he became in the final decade of his life a dominant musical force. His essential message was in his music, but there is another that he expressed with his total being—a belief in the universality of music and a concern for the human condition. He was, indeed, another kind of soul.

In the days, not so long ago, when he played, he stood before his audiences like an earnest black knight intent on blowing away evil spirits with an unrelenting sound that seared the consciousness of those who had come to listen. Horn in hand—most often tenor saxophone, but occasionally soprano sax—he gave freely of his complex musical "thing" to anyone willing to accept it. For those who did not understand his music, he tried ever a little harder, but even they could not dissuade him from his quest as he reached for the sonic stratosphere rising to fantastic peaks of intensity.

And, suddenly, the sound was no more.

John William Coltrane, known to friends and fans alike as "Trane," was dead at the age of forty, victim of a liver ailment that had steadily sapped his strength during the last months of life. A giant had been silenced.

In the general scheme of events where art, and particularly black art, must take a back seat to wars, rebellions and celebrity weddings, his death in a Huntington, Long Island, hospital on July 17, 1967, was briefly noted—if at all. But later it was said that a whole phase of jazz died with this man who reached out beyond the constricting barriers of time, rhythm and harmony. He led where others might follow and go further out on their own. After his death, those who realized his significance as a man and a musician entertained a shadow of belief that he might still be "cooking" away in some celestial combo.

As those who did appreciate his music paused in the void he left, many tried to evaluate what had been lost. Measured by any standards, the contribution of John Coltrane must be considered unusual. Conception for him was so interwoven with act that he became one of the most prolific and extensively recorded of modern artists, leaving behind forty albums in print, not to mention countless sessions on which he did not appear as leader. They contain a vast store of original compositions, the later ones in an experimental "free" form. But he produced this huge quantity without compromising his artistic standards, never bowing to the bids of commercialism. Though he disdained calling the music he played "jazz," objected to the term as being too confining, jazz was the foundation of the musical architecture he created, rooted in rhythm, sustained by inspired improvisation of the most daring sort. Discontented with the patterns into which this music had fallen before his arrival on the scene, he sought to expand its horizon, never willing to rest too long on any plateau of expression. He abandoned the song as a necessary point of departure and opened up the music, enabling it to move in all directions, filling the spaces with incredible flurries of notes not always related to any set pattern or form. As his voice called out for a new freedom, others were impelled to answer their inner voices, and he became the acknowledged spiritual father of the avant-garde in jazz. Like "Bird," the late Charlie Parker, he, too, soared, and left the scene a little different from how he found it.

Yet the importance of John Coltrane exceeds his prominence as a musician. He was known to be a gentle and deeply religious man who had succeeded in finding a path to personal truth while making his way through the dusky evening world. The aura that surrounded him was steeped not in drugs, drink and debauchery but in a sincere concern for the human condition. This, too, was unusual for a man who had to live the late-hour life, described by one musician as being a matter of "always hustling, living out of suitcases, paying two rents, trying to get the leeches off you and wondering where your next gig's coming from." Though a leading exponent of a music still unjustifiably linked with the early brothels where it was played, Coltrane apparently saw through the surface of things and went on to seek a higher meaning. *A Love Supreme,* an extended four-part jazz "prayer" without words that became one of his most famous recorded works, grew out of his nonsectarian spirituality and was dedicated to the God in which he believed. In his dedication of that album, he referred to a spiritual awakening he had experienced in 1957, which was followed by a period of irresolution and, later, reaffirmation of faith. In his words:

"I do perceive and have been duly re-informed of His omnipotence, and of our need for, and dependence on Him. At this time I would like to tell you that no matter what . . . it is with God. He is gracious and merciful. His way is in love, through which we all are. It is truly—a love supreme." [1]

It was not a "jive" thing. If it had been, those who knew him best would not so frequently speak of him as being a "sweet man, the one cat who never put anybody down." They would not so openly describe him as being "almost a saint."

Coltrane best stated his philosophy in the last extensive interview conducted with him, which appeared in *Jazz and Pop* magazine. He simply said: "I know that there are bad forces, forces put here that bring suffering to others and misery to the world, but I want to be the force which is truly for good." As a mature person, he arrived at this conclusion only after he had been through his "changes" and "paid his dues."

Born in Hamlet, North Carolina, on September 23, 1926, Coltrane was the son of a tailor who played several musical instruments as a hobby. The family later moved to Philadelphia, where his mother still lives. After young John's father died, when he was twelve, his relationship with his mother became exceptionally close, possibly because he was an only child. The spiritual strain that later was to become so apparent might have been linked to the fact that both his grandfathers were ministers. But while the traditional family mode of expression had been that of the spoken word, it was to be music for John, who studied E-flat alto horn, clarinet and saxophone in high school. However, music was not to become a dominant force in his life until he reached the age of eighteen. It was then that he undertook serious studies at Granoff Studios and the Ornstein School of Music. After fulfilling military duties with a U.S. Navy band in Hawaii, Coltrane returned to the mainland in 1947 to serve his musical apprenticeship as a sideman in the bands of Eddie "Cleanhead" Vinson and Dizzy Gillespie, working later in small groups led by Earl Bostic and Johnny Hodges.

The first major break in his career came in 1955, when the relatively obscure Coltrane joined the Miles Davis Quintet, a group that was destined to become one of the most outstanding of the post-bop era. Even in that early stage of his development, the style for which he was to become known was beginning to be evident; his way of playing blistering barrages of notes, even more startling when contrasted with the economical Davis approach. In those days, critic John S. Wilson wrote of Coltrane that "he often plays his tenor sax as if he were determined to blow it apart, but his desperate attacks almost invariably lead nowhere." Unlike the improvisation of Charles Parker, whose ingenious constructions were variations based on the chords underlying familiar melodies and variations on those variations, Coltrane's eruptions of 16th, 32nd and seemingly undefinable notes sometimes appeared to bear little or no relationship to anything else that was going on in the music, though this was just the beginning of where he was to go. Furthermore, his tone was not "sweet," in the terms of a tenor saxman such as the late Ike Quebec. Later, Coltrane himself admitted, "When they first heard me with Miles, they didn't like it." But eventually his surging passion and strange kind of lyricism began to reach those who had scoffed at this wild new man. A very few hailed him as an individualistic and influential musical personality.

In the latter part of 1957, Coltrane worked with Thelonious Monk at the old Five Spot in New York, rejoining Miles Davis the following year. The reputation he acquired by performing with that other giant of jazz provided the impetus that led to an initial acclaim when he branched out on his own and recorded works that have now become classics in their genre. He achieved a droning, hypnotic Indian sound when he turned to the neglected soprano saxophone for a singular interpretation of *My Favorite Things,* which is found on the Atlantic record of 1960 that first turned the public onto him. His lovely composition *Naima,* which was included in the album *Giant Steps* from that period, eventually found its way into the general jazz repertoire. By this time, his method of imposing torrential explosions of notes on basic changes had been dubbed "sheets of sound." Coltrane was a force to be reckoned with.

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[1] From impulse! Album A-77 A Love Supreme/John Coltrane (c) 1964 ABC-Paramount Records, Inc. All rights reserved. Used by permission.

The year 1961 marked the beginning of Coltrane's ascension to the position of the most influential jazz musician of his time. Settling down to a group composed of himself on tenor and soprano saxophones, McCoy Tyner on piano, Jimmy Garrison on bass and Elvin Jones on drums, he created some of the most remarkable music of the sixties. Occasionally a second bassist, another reedman, such as the late Eric Dolphy, or a big-band backing was added, but Tyner, Garrison and Jones were the three key men in the unit that was with Coltrane in 1965 when he made an unprecedented sweep of the annual *Downbeat* magazine readers' poll, being voted top tenor saxophonist and Jazzman of the Year, elected to the Hall of Fame and honored by having his *A Love Supreme* named Record of the Year.

The Coltrane quartet of that period, the most popular unit he ever led, has been most vividly described by Jimmy Garrison, who was associated with the leader longer than any other single musician, remaining even after 1965 when Trane's desire to experiment led to a shifting in personnel that resulted in McCoy Tyner's and Elvin Jones's going out on their own.

One night, within a month after Coltrane's death, I met Garrison in a small East Side Manhattan bistro where he was accompanying a nondescript cocktailish singer-pianist whose job was to provide an unobtrusive background for intimate discussions. With a touch of nostalgia, he recalled the way it had been. Garrison had joined the Coltrane group after working with Ornette Coleman, who had not then been recognized as the great innovator he is. "It was at a time when Trane was just coming into his own," said Garrison, "a time when he was searching for the right combination of people to produce a sound that only he could hear." In the group that finally was assembled, a rare sort of musical empathy flourished. "Things were just unbelievable. We'd get on the bandstand and everything would build to such an intensity that everything else would disappear and there would just be the music."

Amazingly, the group that played with such an uncommon unity never had an actual rehearsal. The music unfolded spontaneously, with each man building his own ideas on a general pattern set forth by the leader. "Many of the times when we went in for a record date, it was the first time we'd seen the music," Garrison explained. "Often there was *no* written music. He'd just announce what key we'd be playing in, or that we'd be playing in twelve tones and we'd take it from there. I remember one time when he announced a certain number and I said, 'Man, I've never heard *that* before.' He answered, 'well, you'll be hearing it now,' and we proceeded to play it. It was really a unique band, but he gave you confidence by giving you responsibility. He was a genius."

In live performances, the group also acquired a reputation for the length of some of its renditions. The habit of extending a single number, *My Favorite Things*, for example, to twenty-five minutes or more drew criticism from some, particularly those unaccustomed to atonal sounds interspersed with harsh bleats and shrieks. According to Garrison, this grew out of Coltrane's deep desire to communicate and to share. "He wanted people to like what he was doing. If they didn't, he wouldn't bust it over their heads, but just hoped that eventually they would understand. Sometimes he thought maybe he hadn't gotten his thing together enough to really put it across to them, but he felt that if he stayed up there on the bandstand long enough, he was at least giving to the people."

Like all great innovators, Coltrane was frequently misunderstood. The harshness of his sound, at times, the forcefulness and intensity he projected were misinterpreted as expressions of rage. Actually, the reverse was more likely true. As Garrison said, "There was a love that he emitted that is rare to find, a thing you recognized immediately on meeting him. He lived the way of the things he wrote or said. There was something sainted about him. This force he had became a part of the band. There was never any malice. We were like four brothers in the deepest sense of the world. We had respect for each other, a love for each other." When the end did come for that notable band, it was not due to inner strife, but because "Trane had started hearing other voices, other ways of doing things. He was the sort of man who was always learning, always practicing, even between sets. He was one big piece of music and he knew there had to be more roads to cover."

Coltrane's desire to cover new territory and to scale restraining barriers led him to assemble an eleven-piece unit in 1965 to record *Ascension*, a thirty-eight-minute free form improvisation that was hailed by one critic as "possibly the most powerful human sound ever recorded." Here all customary forms were set aside and all that went with them in order that all concentration might be applied to the music itself, springing from each of the eleven men as it was felt and thought, meshing into a tour de force of free sound. In his liner notes for that album, critic A. B. Spellman quoted tenor saxophonist Archie Shepp, who played on that set, thus:

"It achieves a certain kind of unity; it starts at a high level of intensity with the horns playing high and the other pieces playing low. This gets a quality of like male and female voices. It builds in intensity through all the solo passages, brass and reeds, until it gets to the final section where the rhythm section takes over and brings it back down to the level it started at." [2]

Spellman aptly adds, "By that time your nervous system has been dissected, overhauled and reassembled."

This drive toward the new also resulted in Coltrane's forming another quintet, markedly more avant-garde, featuring Pharoah Sanders as a second tenor saxophonist, Rashied Ali on drums, Garrison on bass and Trane's wife, the former Alice McLeod, of Detroit, on piano. Many of his fans from the earlier periods recoiled at the seeming chaos of his new sound, but he continued to forge ahead, for, as his associate later explained. "He felt every man must live his own life and find his own path to himself."

This searching nature was carried over from his music into his personal life. During his later years, he delved into Eastern religions, studying yoga, the Bhagavad Gita, sacred Hindu text and the Torah. He was known to be a health food advocate who drank "mostly a lot of carrot juice," ate meat only infrequently and found great pleasure in his family life, as was demonstrated in an eight millimeter home movie showing him romping in the grass of his back yard with his three small sons. Successful enough to be able to work as often as he liked, Coltrane would hurry home after he'd completed a night's work, tarrying in the clubs only when another master such as Sonny Rollins, the tenor sax colossus, was in town.

The sanctuary of John Coltrane was a large, comfortable modern house situated on three acres of land near Deer Park, Long Island, within driving distance of the mashing crowds of Manhattan. There it was that he spent the happy moments with his wife, three sons and one stepdaughter. Aside from music and spiritualism, he had few compelling interests, but he did personally furnish his favorite part of the house, a sprawling living room done in bright colors that seemed to echo his celebration of life. Even after his death, his touch remained in that room with the piano where he sketched his music. On it sat the tenor sax that was the musical nucleus of his life, an alto sax that he was exploring and an unstrung Indian sitar, reflecting his manifest affinity for music of the East. On a leather bench beneath the piano sat another tenor sax, as though awaiting his breath to give it animation. His musical catholicity was apparent in a set of drums, on which he was practicing not too long before his death, the flute he played on his last record date, a set of bagpipes, a small African horn.

"He was a humble man who didn't have the personality one would expect of a musician," reminisces his wife. "He was a healthy energetic man who liked to get out early in the morning and be in bed by ten or eleven o'clock." She points to his importance as a teacher, saying, "The best part was when I joined the band, after McCoy quit. We could travel together and we went to Japan and made a couple trips to California. He was very patient with me, because I hadn't played or even practiced in almost two years and I was blowin' some wrong chords. But he showed me how to build the sort of impact he wanted. He always made you feel you could do it yourself if you really tried. One point he made above all others, and that was 'Don't ever play *down* to anyone. Play just what you feel yourself.' He didn't believe in just playing what people might want to hear."

She describes him as "a man with a universal concept," for he liked to draw an analogy between his horn and mankind, explaining that one group might represent the upper register, another the mid-range and yet another the deeper notes, but that it took all to make the whole. Because of this desire for human unity and his exposure to a world in which things were more often bitter than sweet, he had a great concern for "the plight of his people." During the last months of his life he expressed a desire to go to Africa, "to check everything out." He was also concerned with the plight of musicians, the conditions under which they had to work and the way in which their music was received. "He was disturbed because the type of music he played was confined to nightclubs," says Mrs. Coltrane. "It was music for listening, not for drinking in all the places where there's so much buying and selling. Maybe the concert hall would have been the place for his music, but we had thought of setting up a center that would be like a church—we wouldn't call it a church, because it might frighten people away and they might wonder what kind of church it was, but it would be a church in that it would be a place for music and meditation, and maybe someone would feel like praying. It would bring others a kind of fellowship based on music, because he thought music was a single universal force and that there could be no dividing lines or categories. That's why he disliked the term 'jazz.'"

But the end came too quickly for John Coltrane to fulfill all his dreams of universalizing music. He never did set up his "church," and he never went to Africa. He spent his last days stretched out on a couch in his living room, listening to tapes of the new music he had created. Quiet, as always, he never let anyone know how ill he was.

"Maybe I didn't know how bad he felt because he wouldn't tell me," says his wife. "I used to leave him alone when I thought he wanted to be alone. I was busy with the kids and I didn't want to bother him, to get in his way or to bug him."

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[2] A. B. Spellman notes. From impulse! Album A-95 Ascension/John Coltrane C 1965 ABC-Paramount Records, Inc. All rights reserved. Used by permission.

Mrs. Coltrane readily contradicts any rumors that her husband died of the destructive forces that have cut down so many jazz musicians in their prime. He had been under medical treatment for at least two months before his death and seldom performed in public during the last six months of life. Sporadically, he had complained of feeling tired after playing, of being tired of working, of the nightclub life and all it entailed. Nobody knew exactly how tired he was. Nobody knows what dread disease he might have thought he had, but he rejected his physician's suggestion that he have an operation and refused to be hospitalized until his last day, when it had become impossible for him to take even soup.

"It was on a Sunday," his wife recalls, "and he was such a strong man that he walked out the door himself. He was walking slow, but he made it. And then he went down so fast. He was such a beautiful man and I guess those kind of people don't stay here too long. They come here and do their work and then they leave."

There are some indications that Coltrane had suspected his own imminent death: casual statements about "if I ever play again" and "if I have to leave you," a stealthy, abruptly concluded telephone call concerning insurance, the fact that he made seven record sessions during the last year while his usual output was two or three discs a year. For his wife there are only thoughts of "all my life I have to live without him, though I know it is his invisible hand that has brought me through."

But though the man Coltrane is dead, his valuable musical legacy lives on, not only in the recorded sounds he left behind, but in the marginal world of New York's East Village where the eager young exponents of free music lurch toward their own aesthetic horizons. Their music has been described by some, such as Nat Hentoff, as "black, angry and hard to understand." It, too, is marked by a stark breaking away from the old conceptions of melody, harmony and form with the inclusion of sounds other than those customarily produced on musical instruments. Where Coltrane led, others are reaching ever further out.

One of the front runners and an heir to the Coltrane mantle has been Archie Shepp, a tenor saxophonist who is also a highly articulate spokesman with an academic background in playwriting.

"He was a bridge," Shepp says of Coltrane, "the most accomplished and comprehensive of the so-called post-bebop musicians to make an extension into what is called the avantgarde. I met him at the time when I was still a student at Goddard College and he took the time to talk to me. It was time for that sort of thing, for the younger men to begin to have that sort of exchange with their elders. He was one of the few of the older men to demonstrate a sense of responsibility toward those coming behind him. He provided a positive image that was greatly needed and stood against the destructive forces that might have claimed so many. Having suffered and seen so much himself, he tried to see that others coming along wouldn't have to go through all that.

"Perhaps many didn't understand his music—the sort of thing he was doing in his last two years, not the earlier things for which he was known best—and they might not understand the music we are creating now, but it is truly a reflection of our times, as much as the spirituals were of their time, or Leadbelly. Trane's music exemplified his feeling for what *is* and he accomplished a great deal for the short time he was with us— much more than most do in a lifetime. He left the scene a little different and I believe John's death has drawn us, as musicians, closer together, has brought us closer to a kind of unity. This is the way we must assess a great man."

DEATH OF MRS. JOAN F. BUSHNELL, LEGISLATIVE AIDE AND DIRECTOR OF OFFICE OF HEALTH LIAISON, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

(Mr. STAGGERS asked and was given permission to extend his remarks at this point in the Record and to include extarneous matter.)

Mr. STAGGERS. Mr. Speaker, it is with deep regret and personal sadness that I report the death of Mrs. Joan F. Bushnell, a legislative aide and Director of the Office of Health Liaison in the Department of Health, Education, and Welfare. She died on Wednesday, September 18, 1974, at George Washington Hospital, of aplastic anemia.

Over the past several years, in which official relations between the Congress and the administration were strained, Mrs. Bushnell labored diligently in an informal way to keep the lines of communication open between our staffs here and the health staff at HEW so that constructive work toward development of new and necessary health programs could go forward. We shall forever be in her debt.

I want her family to know that Ms. Bushnell, working behind the scenes quietly and unobtrusively, has made a significant contribution toward improvement of health in America. We shall all miss her.

Mr. Speaker, I request that the obituary which appeared in the Washington Post of September 20, be inserted at this point in the Record.

HEW CHIEF OF HEALTH LIAISON

Joan F. Bushnell, 40, director of the Office of Health Liaison of the Department of Health, Education, and Welfare, died Wednesday of pneumonia at George Washington University Hospital. She had suffered from aplastic anemia for several months.

Mrs. Bushnell joined the HEW Office of General Counsel in 1965 as a lawyer specializing in administrative law and legislation.

Later she moved to the Public Health Service of HEW, where she was assistant administrator for legislation of the Health Services and Mental Health Administration before becoming health liaison director.

She was involved mainly in the development of legislation on health planning, health services for migrants, health maintenance organizations and health research programs.

Born in Altadena, Calif., Mrs. Bushnell received a bachelor's degree from Michigan State University, a master's degree from the University of Connecticut and a law degree from the University of Virginia.

She was associated with the Washington firm of Steptoe and Johnson from 1960 until 1965, specializing in administrative law, regulated industries and health and education legislation.

A member of the American and D.C. Bar associations and the Virginia State Bar, Mrs. Bushnell was the author of numerous legal articles.

She is survived by a son, Douglas Scott Bushnell, of the home, 6229 Utah Ave. NW; her mother, Maren W. Fulton, and a brother, John R. Fulton, both of Altadena, and four sisters, Dorothy Sterling, of Oxnard, Calif., Patricia McGinnis, of Houston, Marge Fulton, of Redondo Beach, Calif., and Sara Gulich, of Emporia, Kan.

The family suggests that expressions of sympathy be in the form of contributions to the Beacon-Hill Research Foundations at the University of Washington School of Medicine in Seattle.

EQUITY NOT SUBSIDY

(Mr. STAGGERS asked and was given permission to extend his remarks at this point in the Record.)

Mr. STAGGERS. Mr. Speaker, I wish to express my concern about the serious situation which now confronts some of our air carriers, particularly Pan American World Airways and Trans World, Airlines. They constitute vital elements in the air transportation system of the United States. As chairman of the House Interstate and Foreign Commerce Committee, I am charged with the responsibility of our Nation's air carrier system as it was established in the Civil Aeronautics Act of 1938 and the Federal Aviation Act of 1958. The present law specifically states that there will be developed a sound "air transportation system properly adapted to the needs of the foreign and domestic commerce of the United States, of the Postal Service and the national defense".

Currently, the President and the Civil Aeronautics Board will not approve subsidy for carriers not now on subsidy. However, the President has outlined a course of action which would correct many inequities in our international air carrier system and our committee has pending a bill, H.R. 14266, which is aimed at these inequities.

Specifically, Pan American and other U.S.-flag international carriers are being "shortchanged" by the U.S. Government in the carriage of international air mail. The Civil Aeronautics Board sets mail rates for U.S. air carriers at an average 33 cents a mile for international mail, while the Postmaster General through international treaty agrees to pay foreign air carriers $1.73-a-ton-mile for letter mail. The Civil Aeronautics Board and the U.S. Postal Service have been aware of this practice for years but have not seen fit to change the procedure. Our Government should not be subsidizing foreign flag carriers to the detriment of our own U.S. flag air carriers.

Also, U.S. airlines in many locales abroad pay grossly inflated landing fees while the local foreign carrier is often exempt or pays a much smaller fee for the same service. Many foreign governments require travel of their nationals on the national carrier if they are either in the direct service of their government, or a contractor to their government. If a similar "Fly U.S." policy were directed for travel and shipments by contractors to the U.S. Government, it would mean an improvement of millions of dollars to our U.S.-flag carriers.

To prevent the disappearance of the American flag on the airways—as the American flag has disappeared on the sea lanes—it has become imperative that the U.S. flag system be provided with an equality of competitive opportunity.

Since our flag carriers are not subsidized by the Government, it is imperative that we at least provide them a maximum of equity in place of subsidy.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mrs. Hansen of Washington (at the request of Mr. O'Neill), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Holifield to address the House under a special order for 30 minutes tomorrow, Thursday, September 26, 1974, and to include extraneous matter.

(The following Members (at the request of Mr. Regula) to revise and extend their remarks and include extraneous material:)

Mr. Kemp, for 30 minutes, today.

Mr. du Pont, for 60 minutes, today.

Mrs. Heckler of Massachusetts, for 10 minutes, today.

Mr. Robison of New York, for 15 minutes, today.

Mr. Don H. Clausen, for 30 minutes, today.

Mr. Scherle, for 1 hour, October 8, 1974.

Mr. Mosher, for 15 minutes, today.

(The following Members (at the request of Mr. Vander Veen) to revise and extend their remarks and include extraneous material:)

Mr. Alexander, for 15 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Ms. Holtzman, for 5 minutes, today.

Mr. Corman, for 5 minutes, today.

Mr. Culver, for 5 minutes, today.

Mr. Koch, for 5 minutes, today.

Mr. Bingham, for 10 minutes, today.

Mr. Danielson, for 10 minutes, today.

Mr. Melcher, for 5 minutes, today.

Mr. Brademas, for 5 minutes, September 26, 1974.

Mr. Wolff, for 15 minutes, October 8, 1974.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the Record, or to revise and extend remarks was granted to:

Mr. Holifield, and to include extraneous matter.

Mr. Conyers, to extend his remarks in the body of the Record, notwithstanding it exceeds two pages of the Record and is estimated by the Public Printer to cost $695, to be printed permanently in the Record of September 23.

(The following Members (at the request of Mr. Regula) and to include extraneous matter:)

Mr. Forsythe in two instances.

Mr. Robison of New York.

Mr. Young of Florida in five instances.

Mr. Wyman in two instances.

Mr. Nelsen in two instances.

Mr. Pettis.

Mr. Frenzel in three instances.

Mr. Hogan.

Mr. Gilman.

Mr. Huber in two instances.

Mr. Derwinski in three instances.

Mr. Grover.

Mr. Dickinson.

Mr. Hosmer in three instances.

Mr. Chamberlain.

Mr. Brown of Michigan.

(The following Members (at the request of Mr. Vander Veen) and to include extraneous material:)

Mr. Roy in two instances.

Mr. Byron in 11 instances.

Mr. Anderson of California in two instances.

Mr. Gonzalez in three instances.

Mr. Rarick in three instances.

Mr. Howard.

Mr. Roncalio of Wyoming.

Mr. Rooney of Pennsylvania.

Mr. Fraser.

Mr. Karth.

Mr. Hamilton in 10 instances.

Mr. Traxler.

Mr. Alexander.

Mr. Jones of Tennessee in six instances.

Mr. Evins of Tennessee in two instances.

Mr. Aspin.

Ms. Abzug in two instances.

Mr. Wolff in five instances.

Mr. Moorhead of Pennsylvania in 10 instances.

Mr. Ginn.

Mr. Conyers.

Mr. Thompson of New Jersey in 10 instances.

Mr. Fauntroy.

Mr. Won Pat.

Mr. Bennett.

Mr. Ichord in two instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3585. An act to amend the Public Health Service Act to revise and extend the programs of assistance under title VII for training in the health and allied professions, to revise the National Health Service Corps program and the National Health Service Corps scholarship training program, and for other purposes; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 16243. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1975, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3320. An act to extend the appropriation authorization for reporting of weather modification activities.

ADJOURNMENT

Mr. LUKENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 57 minutes p.m.), the House adjourned until tomorrow, Thursday, September 26, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2791. A letter from the Deputy Assistant Secretary of the Interior, transmitting copies of proposed amendments to concession contracts authorizing the operation of bathhouses in Hot Springs National Park for the 3 years ending December 31, 1977, pursuant to 67 Stat. 271 and 70 Stat. 343; to the Commitee on Interior and Insular Affairs.

Received From the Comptroller General

2792. A letter from the Comptroller General of the United States transmitting a report on progress and problems with numerically controlled industrial equipment in the Department of Defense; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITE: Committee on Post Office and Civil Service. H.R. 10510. A bill to amend section 131 of title 13, United States Code, to provide for the taking of censuses of manufacturers, of mineral industries, and of other businesses, for congressional approval of the content of questionnaires used in the taking of such censuses, and for other purposes; with amendment (Rept. No. 93–1372). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITE: Committee on Post Office and Civil Service. H.R. 13340. A bill to amend section 141 of title 13, United States Code, to provide for the transmittal to each of the several States of the tabulation of population of that State obtained in each decennial census and desired for the apportionment or districting of the legislative body or bodies of that State, in accordance with, and subject to the approval of the Secretary of Commerce, a plan and form suggested by that officer or public body having responsibility for legislative apportionment or districting of the State being tabulated, and for other purposes. (Rept. No. 93–1373). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 1296. An act to further protect the outstanding scenic, natural, and scientific values of the Grand Canyon by enlarging the Grand Canyon National Park in the State of Arizona, and for other purposes; with amendment (Rept. No. 93–1374). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 3362. An act to enable the Secretary of the Interior to provide for the operation, maintenance, and continued construction of the Federal transmission system in the Pacific Northwest by use of the revenues of the Federal Columbia River Power System and the proceeds of revenue bonds, and for other purposes. (Rept. No. 93-1375). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 2001. An act to redesignate the Alamagordo Dam and Reservoir, N. Mex., as Sumner Dam and Lake Sumner, respectively (Rept. No. 93-1376). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 1395. Resolution providing for the consideration of H. Res. 988. Resolution to reform the structure, jurisdiction, and procedures of the committees of the House of Representatives by amending rules X and XI of the Rules of the House of Representatives (Rept. No. 93-1377). Referred to the House Calendar.

Mr. MAHON: Committee on Appropriations. H.R. 16900. A bill making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93-1378). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN. Committee on Appropriations. H.R. 16901. A bill making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93-1379). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOORHEAD of Pennsylvania: Committee of conference. Conference report on H.R. 12471 (Rept. No. 93-1380). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CAREY of New York:

H.R. 16866. A bill to amend the Internal Revenue Code of 1954 to increase the amount of refund payable with respect to fuels by local transit systems for commuter service, and with respect to the definition of commuter fare revenue; to the Committee on Ways and Means.

H.R. 16867. A bill to amend the Internal Revenue Code of 1954 to exempt from the manufacturers excise tax parts and accessories used on local transit buses, and tires, inner tubes, and tread rubber used on such buses; to the Committee on Ways and Means.

By Mr. CULVER:

H.R. 16868. A bill to repeal economic sanctions against Cuba which are contained in certain acts of Congress; to the Committee on Foreign Affairs.

By Mr. DANIELSON:

H.R. 16869. A bill to amend title 18, United States Code, to provide that certain Government contractors which make unlawful political contributions shall be fined in an amount equal to the amount of such contribution; to the Committee on House Administration.

By Mr. DANIELSON (for himself, Mr. Brown of California, Mr. Conyers, Mr. Dellums, Mr. Dent, Mr. Edwards of California, Mr. Eilberg, Mr. Harrington, Mr. Hechler of West Virginia, Ms. Holtzman, Mr. Koch, Mr. Long of Maryland, Mr. McCormack, Mr. Mitchell of Maryland, Mr. O'Hara, Mr. Riegle, Mr. Rosenthal, Mr. Roybal, Mr. Shipley, Mr. Stark, and Mr. Waldie):

H.R. 16870. A bill to amend the definition of "former President" under the act of August 25, 1958 (Public Law 85-745), and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FASCELL:

H.R. 16871. A bill to create a national system of health security; to the Committee on Ways and Means.

By Mr. GILMAN:

H.R. 16872. A bill to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes; to the Committee on Government Operations.

By Mr. GROVER (for himself, Mr. Addabbo, Mr. Badillo, Mr. Hastings, Mr. Peyser, Mr. Reid, Mr. Robison of New York, Mr. Roncallo of New York, Mr. Walsh, Mr. McEwen, and Mr. Lent):

H.R. 16873. A bill to amend section 206(e) of the Federal Water Pollution Control Act to increase the authorization for reimbursement; to the Committee on Public Works.

By Mrs. HECKLER of Massachusetts:

H.R. 16874. A bill to authorize the establishment and maintenance of a Federal food reserve of certain agricultural commodities in order to provide an adequate supply of food for domestic consumers; to provide a continuing supply of commodities to foreign countries for humanitarian purposes; to maintain and promote foreign trade; and to prevent domestic shortages of designated commodities by creating a system of export controls; to the Committee on Agriculture.

By Mr. HUBER (for himself and Mr. Hudnut):

H.R. 16875. A bill to establish a Commission on Medical Malpractice Awards; to the Committee on the Judiciary.

By Mr. JARMAN:

H.R. 16876. A bill to repeal the Occupational Safety and Health Act; to the Committee on Education and Labor.

By Mr. KETCHUM:

H.R. 16877. A bill to amend certain provisions of Federal law relating to explosives; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Mr. Fraser, Mr. Luken, Mr. McCloskey, and Mr. Wolff):

H.R. 16878. A bill to provide for public access to all Watergate-related facts produced by any investigation conducted by any Federal executive office and to all Watergate-related documents which were produced from January 20, 1969, through August 9, 1974, and which were in the custody of the United States on August 9, 1974; to the Committee on the Judiciary.

By Mr. MADIGAN:

H.R. 16879. A bill to amend the Sugar Act of 1948, as amended; to the Committee on Agriculture.

By Mr. MADIGAN (for himself and Mr. Poage):

H.R. 16880. A bill to amend the Consolidated Farmers Home Administration Act of 1961 to authorize and direct the Secretary of Agriculture to contract the construction and operation of pilot facilities for use in the production of fertilizer for agricultural commodities; to the Committee on Agriculture.

By Mr. MEEDS:

H.R. 16881. A bill to amend the Comprehensive Employment and Training Act of 1973 to provide additional jobs for unemployed persons through programs of public service employment; to the Committee on Education and Labor.

By Mr. MICHEL:

H.R. 16882. A bill to prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering, or entertainment; to the Committee on the Judiciary.

By Mr. NELSEN:

H.R. 16883. A bill to further the purposes of the Wilderness Act by designating certain lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RINALDO:

H.R. 16884. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. YOUNG of Georgia:

H.R. 16885. A bill to increase the availability of reasonably priced mortgage credit for home purchases; to the Committee on Banking and Currency.

By Mr. YOUNG of Florida:

H.R. 16886. A bill to prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering, or entertainment; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama:

H.R. 16887. A bill to amend the Civil Rights Act of 1964 to provide a limitation of 2 years on civil actions brought to prevent unlawful unemployment practices; to the Committee on Education and Labor.

By Mr. GUYER:

H.R. 16888. A bill to prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering, or entertainment; to the Committee on the Judiciary.

By Mr. HEINZ (for himself, Mr. Gilman, and Mr. Cohen):

H.R. 16889. A bill to establish a National Center for the Prevention and Control of Rape and provide financial assistance for a research and demonstration program into the causes, consequences, prevention, treatment, and control of rape; to the Committee on Interstate and Foreign Commerce.

By Mr. HEINZ (for himself, Mrs. Heckler of Massachusetts, Mr. Luken, Mr. Michel, Mr. Murtha, Mr. Nix, Mr. O'Brien, Mr. Owens, and Mr. Preyer):

H.R. 16890. A bill to amend the Internal Revenue Code of 1954 to allow an individual to elect a tax credit for 50 percent of his charitable contributions in lieu of the deduction allowed for such contributions; to the Committee on Ways and Means.

By Mr. HOWARD:

H.R. 16891. A bill to prohibit the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering, or entertainment; to the Committee on the Judiciary.

By Mr. LANDGREBE:

H.R. 16892. A bill to amend the Internal Revenue Code of 1954 to increase the exception for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide and alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. MAHON:

H.R. 16893. A bill to rescind certain budget authority recommended in the message of the President of September 20, 1974 (H. Doc. 93-361), transmitted pursuant to section 1012 of the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. MAYNE:

H.R. 16894. A bill to direct the Comptroller General of the United States to conduct a study of the burden of reporting requirements of Federal regulatory programs on independent business establishments and for other purposes; to the Committee on Government Operations.

H.R. 16895. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

By Mr. MOSHER (for himself, Mr. Goldwater, Mr. Conlan, Mrs. Heckler of Massachusetts, Mr. Lagomarsino, and Mr. Thone):

H.R. 16896. A bill to require in all cases court orders for the interception of communications by electronic and other devices, for the entering of any residence, for the opening of any mail, for the inspection or procurement of certain records, and for other purposes; to the Committee on the Judiciary.

By Mr. MURTHA (for himself, Mr. Hechler of West Virginia, Mr. Morgan, Mr. McSpadden, Mr. Charles H. Wilson of California, Mr. Conyers, Mr. Moakley, Mr. Helstoski, Mr. Rosenthal, Mr. Riegle, Mrs. Collins of Illinois, Mr. Young of Georgia, Mr. Bevill, Mr. Price of Illinois, Mr. Roybal, Mr. Johnson of Pennsylvania, Mr. Harrington, and Ms. Holtzman):

H.R. 16897. A bill to amend the Federal Coal Mine Health and Safety Act of 1969; to the Committee on Education and Labor.

By Mr. RONCALLO of New York:

H.R. 16898. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for higher education expenses; to the Committee on Ways and Means.

By Mr. BOB WILSON:

H.R. 16899. A bill to amend chapters 2 and 21 of the Internal Revenue Code of 1954 to provide that individuals 65 years of age or over who are eligible for or receiving social security benefits (and employers, with respect to such individuals) shall be exempt from payment of social security taxes; to the Committee on Ways and Means.

By Mr. MAHON:

H.R. 16900. A bill making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

By Mr. WHITTEN:

H.R. 16901 A bill making appropriations for Agriculture-Environmental and Consumer Protection programs for the fiscal year ending June 30, 1975, and for other purposes.

By Mr. DERWINSKI:

H.J. Res. 1147. Joint resolution calling upon the President to reduce drastically the amount of bureaucratic redtape which currently exists in the executive branch of the Federal Government; to the Committee on Government Operations.

H. Con. Res. 650. Concurrent resolution to provide an opportunity for an orderly and cohesive policy toward reducing the rate of inflation; to the Committee on Government Operations.

By Mr. HARRINGTON (for himself, Mr. Ashley, Mr. Badillo, Mr. Brown of California, Mr. Clay, Mr. Drinan, Mr. Hechler of West Virginia, Mrs. Heckler of Massachusetts, Mr. Helstoski, Ms. Holtzman, Mr. Koch, Mr. Long of Maryland, Mr. McCloskey, Mr. McCormack, Mr. Metcalfe, Mr. Rangel, Mr. Roe, Mr. Rosenthal, Mr. Roybal, Mr. Seiberling, Mr. Stark, and Mr. Young of Georgia):

H. Res. 1393. Resolution to amend the Rules of the House of Representatives to create a standing committee to be known as the Committee on Intelligence Operations, and for other purposes; to the Committee on Rules.

By Mr. LITTON (for himself, Mr. Scherle, Mr. Robison of New York, Mr. Ichord, Mr. Sisk, Mr. Harrington, and Mr. Rose):

H. Res. 1394. Resolution expressing the sense of the House of Representatives concerning the need for immediate and substantial public investments in agriculture research and technology for the express purpose of increasing food production; to the Committee on Agriculture.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

519. By the SPEAKER. Petition of the City Council, Cleveland, Ohio, relative to food price control; to the Committee on Banking and Currency.

520. Also, petition of Kyriacos Mavroudhis, Amherst, Mass., and others, relative to Cyprus; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

FOREIGN AID AND HUMAN RIGHTS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. FRASER. Mr. Speaker, Friday, September 20, 1974, I delivered to the Secretary of State a letter signed by 104 Members of Congress. In our letter we stated that our support for foreign aid legislation in the future will be influenced by the extent to which U.S. foreign policy shows more concern for human rights in recipient countries.

Mr. Speaker, I want to place in today's Record the complete text of our letter, the list of those who agreed to send the letter, and a news release issued by my office about this matter.

September 20, 1974.

Hon. Henry A. Kissinger,
Secretary of State, Department of State, Washington, D.C.

Dear Mr. Secretary: The undersigned have supported legislation in recent years providing economic and military assistance to other nations. We are troubled, however, about continued American assistance to a number of foreign governments which are increasingly indifferent to internationally recognized human rights and deal with their own people in an increasingly oppressive manner.

We recognize that a large number of countries are ruled by governments which restrict the full observance of political rights as we know them, including one-party and authoritarian states. It may not be realistic to expect strict observance of political, civil and other human rights by these governments while their political systems are still evolving. Nevertheless, even within such countries, the observance of certain fundamental human rights is practicable, including freedom from torture, arbitrary arrest and detention, and arbitrary curtailment of existing political rights.

In the absence of extraordinary circumstances, we do not believe that long-term U.S. foreign policy interests are served by maintaining supportive relationships with oppressive governments, especially in the military field, since military power is directly associated with the exercise of governmental control over the civilian population.

Unless U.S. foreign aid policies—especially military assistance policies—more accurately reflect the traditional commitment of the American people to promote human rights, we will find it increasingly difficult to justify support for foreign aid legislation to our constituents. We cannot, in good conscience, associate ourselves with policies which lack active concern about the fate of people living under oppressive governments. While it may be beyond our power to alleviate the plight of those people, we can refuse to be identified with their oppressors.

Sincerely,

James Abourezk of South Dakota, Bella S. Abzug of New York, Brock Adams of Washington, Joseph P. Addabbo of New York, Glenn M. Anderson of California, Thomas L. Ashley of Ohio, Les Aspin of Wisconsin, Herman Badillo of New York, William A. Barrett of Pensylvania, Alphonzo Bell of California, Bob Bergland of Minnesota, Edward G. Biester, Jr. of Pennsylvania, Jonathan B. Bingham of New York, John A. Blatnik of Minnesota, Edward P. Boland of Massachusetts, John Brademas of Indiana.

George E. Brown, Jr. of California, Yvonne Braithwaite Burke of California, John L. Burton of California, Phillip Burton of California, Charles J. Carney of Ohio, William S. Cohen of Maine, John Conyers, Jr. of Michigan, James C. Corman of California, Alan Cranston of California, John Dellenback of Oregon, Ronald V. Dellums of California, Charles C. Diggs, Jr. of Michigan, Robert F. Drinan of Massachusetts, Don Edwards of California, Joshua Eilberg of Pennsylvania, Dante B. Fascell of Florida, William D. Ford of Michigan.

Edwin B. Forsythe of New Jersey, Donald M. Fraser of Minnesota, Bill Frenzel of Minnesota, Sam Gibbons of Florida, Gilbert Gude of Maryland, Lee H. Hamilton of Indiana, Michael Harrington of Massachusetts, Philip A. Hart of Michigan, Augustus F. Hawkins of California, Margaret M. Heckler of Massachusetts, Henry Helstoski of New Jersey, Elizabeth Holtzman of New York, Frank Horton of New York, James J. Howard of New Jersey, Harold E. Hughes of Iowa, Robert W. Kastenmeier of Wisconsin, Edward M. Kennedy of Massachusetts, Edward I. Koch of New York, Robert L. Leggett of California, Mike McCormack of Washington, George McGovern of South Dakota, Stewart B. McKinney of Connecticut.

Richard W. Mallary of Vermont, Spark M. Matsunaga of Hawaii, Lloyd Meeds of Washington, Ralph H. Metcalfe of Illinois, Edward Mezvinsky of Iowa, Patsy T. Mink of Hawaii, Parren J. Mitchell of Maryland, Joe Moakley of Massachusetts, Walter F. Mondale of Minnesota, William S. Moorhead of Pennsylvania, Frank E. Moss of Utah, John E. Moss of California, Morgan F. Murphy of Illinois, Lucien N. Nedzi of Michigan, Robert N. C. Nix of Pennsylvania, David R. Obey of Wisconsin, James G. O'Hara of Michigan, Bertram L. Podell of New York, William Proxmire of Wisconsin, Charles B. Rangel of New York, Thomas M. Rees of California, Ogden R. Reid of New York.

Henry S. Reuss of Wisconsin, Donald W. Riegle, Jr. of Michigan, Howard W. Robison of New York, Peter W. Rodino, Jr. of New Jersey, Robert A. Roe of New Jersey, Benjamin S. Rosenthal of New York, Edward R. Roybal of California, Leo J. Ryan of California, Paul S. Sarbanes of Maryland, Patricia Schroeder of Colorado, B. F. Sisk of California, Fourtney H. (Pete) Stark of California, Louis Stokes of Ohio, Leonor K. (Mrs. John B.) Sullivan of Missouri.

Frank Thompson, Jr. of New Jersey, Robert O. Tiernan of Rhode Island, John V. Tunney of California, Morris K. Udall of Arizona, Charles A. Vanik of Ohio, Jerome R. Waldie of California, Charles W. Whalen, Jr. of

Ohio, Harrison A. Williams, Jr. of New Jersey, Charles Wilson of Texas, Charles H. Wilson of California, Lester L. Wolff of New York, Antonio Borja Won Pat of the Territory of Guam, Andrew Young of Georgia.

FRASER TIES HUMAN RIGHTS TO FOREIGN AID SUPPORT

Representative Donald M. Fraser, Democrat of Minnesota, and 104 other members of Congress have notified Secretary of State Henry Kissinger that their support for foreign aid legislation in the future will be influenced by the extent to which U.S. foreign policy shows more concern for human rights in recipient countries. The message was conveyed in a letter to Kissinger.

The signatories have been supporters of foreign aid legislation heretofore. The letter criticizes U.S. aid policies which have had the effect of "maintaining supportive relationships with oppressive governments," and points especially to military assistance to such governments because "military power is directly associated with the exercise of governmental control over the civilian population."

The letter implies a threat to reconsider support for future aid bills by saying, "unless U.S. foreign aid policies—especially military assistance policies—more accurately reflect the traditional commitment of the American people to promote human rights, we will find it increasingly difficult to justify support for foreign aid legislation to our constituents. We cannot, in good conscience, associate ourselves with policies which lack active concern about the fate of people living under oppressive governments. While it may be beyond our power to alleviate the plight of those people, we can refuse to be identified with their oppressors."

The message to Kissinger acknowledged that strict observance of traditional political, civil and other human rights might not be realistic to expect in certain developing countries whose political processes are still at an early stage of evolution. However, "even within such countries, the observance of certain fundamental human rights is practicable, including freedom from torture, arbitrary arrest and detention, and arbitrary curtailment of existing political rights."

Specific examples of oppressive governments whose military aid he thought should be cut by the United States, Fraser said, are Chile under the military junta, and South Korea under President Park Chung Hee. He added:

"U.S. foreign policy interests are not served—and in fact are seriously damaged—by ignoring the cruel acts of repression which these governments commit against their own people. U.S. military assistance to these governments betrays both the American people and the people of those countries."

Fraser also noted that the Foreign Military Sales Act already contains a provision against supportive relations with repressive governments except in the most extraordinary circumstances involving U.S. national security. The Congressman said:

"Our government has not heeded the expressed will of Congress in this Act."

Fraser, chairman of the House Subcommittee on International Organizations and Movements, has held more than 20 hearings during the past year on human rights and U.S. foreign policy. His subcommittee published a report last March containing 29 recommendations for upgrading the human rights factor in U.S. foreign policy.

RIGHT FROM THE HORSE'S MOUTH

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 24, 1974

Mr. HUNT. Mr. Speaker, when was the last time any of us heard a convicted criminal criticize judges for being soft? It has been a long, long time, if ever. But here it is. The words of bank robber Raymond E. James, a man who has been in 58 correctional institutions since 1943, including five Federal penitentiaries.

Convict James admits that had he thought he would have received a longer and stiffer sentence he never would have robbed the bank. But he knew before the crime was even committed that he would receive a light sentence.

For the information and edification of my colleagues, I submit Mike Royko's column from the August 27 edition of the Philadelphia Bulletin for the RECORD:

BANK ROBBER SAYS JUDGES ARE TOO SOFT

(By Mike Royko)

Every convict I've ever listened to has said just about the same thing. They were railroaded or framed. If they weren't framed, society made them do whatever they did. And, in any case, the justice was too harsh and the prison system no good.

So I couldn't believe my eyes when I recently got a letter from Raymond E. James, who is a bank robber.

James isn't robbing banks at the moment because he was caught and now is doing a stretch in a federal prison in Washington State.

Being in prison several times has given him a lot of time to think. So he wrote to say that he eventually is going to write a book on our system of criminal justice.

It should make remarkable reading if he gets around to it, because James thinks the reason we have a high crime rate is that judges are too easy on people such as himself.

"I suppose," he wrote, "that I am the only federal prisoner who is a conservative, Republican bank robber. Needless to say, my views aren't held in too high esteem by my peers of the moment."

He offers his own sentence as an example of judicial softness.

"The judge stated in sentencing me that I was indeed 'a dangerous' offender, and that he expected me to rob another bank at the first opportunity.

"Then he sentenced me to eight years out of a possible 20 years and inserted immediate parole eligibility.

"This, although he knew I had previously been confined 15 of the past 20 years for 13 felonies and four misdemeanors."

What would James have considered to be a proper sentence for himself?

"Had I known that I would have received a mandatory 25-year sentence for bank robbery, without any opportunity to negotiate a plea, there would have been no power on earth strong enough to have forced me to rob the bank I robbed.

"I gambled and, really, I won. Please don't get me wrong. Only a fool would consider eight years in prison as a prize. But compared to 20, or possibly 30 (which I faced initially before entering plea bargaining), it is indeed a blessing—however mixed.

"I have been in 58 institutions since 1943, including five federal penitentiaries. I know many bank robbers and have learned something quite common about them. They, like myself, are failures. But many of them think along parallel lines with me."

James says that too many federal judges are political hacks, who get on the bench through clout.

"The courts are ruled by recipients of political patronage, instead of devoted men of integrity elected by and for the people."

(He can't be talking about the federal judges in Chicago—not about Judge Bill Lynch, Mayor Daley's former law partner, or Judge Abraham L. Marovitz, the Mayor's former Springfield crony.)

James also feels that society should stop wasting money keeping softies in prison—the white-collar criminals—and instead concentrate its spending on "treating and attempting to rehabilitate the violent 25 percent who do need incarceration, of whom I am one."

And he concludes with this cheerful message.

"Just remember, you and I have to face the unalterable fact that I will join you in 1978—rehabilitated or not . . . willing or not . . . ready or not.

"And that judge will have to adjust to the presence in his community of this man he deemed a 'dangerous' offender.

"By the way, how about sending me a subscription to your paper. Gratis."

AL KALINE—TRIBUTE TO A CHAMPION

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Wednesday, September 25, 1974

Mr. GRIFFIN. Mr. President, Detroit is proud to be known nationally as a city of champions—and one of its greatest champions in the field of sports is Al Kaline of the Detroit Tigers.

As baseball fans around the Nation and the world are well aware, Al Kaline last night passed another spectacular milestone on his way to Cooperstown and baseball immortality—cracking his 3,000th major league hit.

It is a source of special satisfaction to Detroit and all of Michigan that every one of Al Kaline's hits were made in a Tiger uniform. At the same time, it is most appropriate that his accomplishment came at Memorial Stadium in his original hometown of Baltimore, before his parents, other members of his family, and friends.

In his 22 starring seasons with the Tigers, Al Kaline has been a champion both on and off the diamond. Always a fine gentleman and a great sportsman, he has been an inspiration to his teammates and an example to his admirers, young and old. He has been the mainstay of a team which has made so many important contributions to our spirit of community.

Sadly for Detroit, Al Kaline has announced that this is his last season as an active player. But we who have known him through the years have no doubt that he will remain an important part of our community and continue to contribute in the quiet but impressive manner that marks him as a true champion.

Mr. President, I ask unanimous consent that an article from this morning's Detroit Free Press, celebrating Al Kaline's 3,000th hit, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HE DID IT!—KALINE JOINS GREATS WITH 3,000TH HIT

(By Jim Hawkins)

BALTIMORE.—Al Kaline can retire in peace. His all-out season-long quest for that elusive 3,000th hit is over.

It ended Tuesday evening, at 20 minutes past 8 o'clock, in the fourth inning of the 2,817th game of his brilliant 22-year career.

Kaline sliced Dave McNally's first pitch of the fourth inning down the rightfield line for a stand-up double, avoiding the white chalk foul line by less than two feet.

Al also singled during the course of the Tiger narrow 5–4 deficit at the hands of the pennant conscious Baltimore Orioles, lifting him past the late Roberto Clemente and into 11th place on baseball's all-time hit parade, with 3,000 to his credit.

And, as he sat in the clubhouse sipping half a glass of champagne afterward, Kaline had to admit his latest milestone meant even more to him than the batting title he won in 1955 at the unprecedented age of 20.

"This definitely ranks above the batting championship," said the beaming 39-year-old Tiger superstar. "Anytime you win a batting championship, there's a lot of luck that goes with it.

"But when you get 3,000 hits, I don't think anybody can say you were just lucky. You've had to withstand the pressure of all those seasons, and injuries and everything. To me, that really means something.

"But," he added, "nothing will surpass winning the World Series."

It was a fastball that McNally fed him for the first pitch in the fourth inning and when he first hit it, Kaline thought for sure the ball was going to curve foul.

"I almost forgot to run," he confessed with a sheepish grin. "The ball was really curving foul. It was plenty fair when I hit it but I didn't think it was going to make it.

"When I got to second base I said a little prayer of thanks for letting me play all these years and get all those hits," Kaline continued. "Once I got this close I knew I'd get the hit sometime, but I'm very glad to get it here. I knew I had a lot of friends and relatives in the stands and I would have hated to disappoint them.

"I'm proud to have been able to get my 3,000th hit off McNally, too. I know he says I've gotten a lot of hits off him, but he must remember more of them than I do. He's a real tough pitcher.

"I don't really remember much of anything at the time of the pitch. I know it was a fastball . . . it was up a little bit and falling off some . . . I'm just happy it's finally over. It semed like a big black cloud had been lifted from me as soon as I got it."

Kaline also indicated he will continue to play every game, so long as the Tigers are opposing teams in contention.

Kaline, who signed with the Tigers right out of high school and never spent a moment in the minor leagues, thus became the 12th man in the major leagues to accumulate as many as 3,000 hits.

And he is the first in the American League since Eddie Collins reached that mark on June 5, 1923, nearly half-a-century ago.

Roberto Clemente was the last player in the National League to join the so-called "club," collecting his 3,000th hit on Sept. 30, 1972, the final day of the season. Clemente, of course, was killed in that tragic plane crash the following winter.

Kaline, who won 10 Gold Gloves and was generally regarded as one of the finest fielding rightfielders too ever play the game, was employed exclusively as the Tigers' designated hitter this season in what was admittedly an effort to get the 120 hits he needed to reach 3,000.

The retiring superstar will be honored with a special day at Tiger Stadium next Sunday. Each fan attending the game to pay tribute to No. 6 will receive a commemorative poster and Kaline himself will be given a gift by Tiger owner John Fetzer.

Kaline will retire at the end of the season and his plans for the future still aren't solidified. He can just about take his pick of positions with the Tigers, but doesn't know precisely what he wants to do and probably will partially detach himself from baseball for the first year.

The Tigers' first hit off McNally resulted in a run in the third when Ron LeFlore doubled up the right-centerfield gap, driving home Eddie Brinkman, who had walked.

The Orioles, who failed to score in the first inning despite three singles, got two unearned runs off rookie righthander Vern Ruble in the fifth when LeFlore let Paul Blair's routine inning-ending flyball drop at his feet with Mark Belanger and Rich Coggins on base.

The Tigers got one run back in the sixth—though it took them another double by LeFlore, plus singles by Gary Sutherland and Kaline, to do it.

But the Birds countered with one more of their own in the bottom half of the inning on basehits by Tommy Davis and Don Baylor, with Boog Powell's sacrifice bunt in between.

Brinkman put the Tigers back on top in the seventh when the skinny shortstop just did reach the leftfield seats with Auelio Rodriguez aboard.

Hiller was five outs away from a major league record 18th victory when Baylor doubled in the bottom of the eighth. Brooks Robinson also doubled, tying the score, then advancing to third on a wild pitch and crossed the plate on catcher Andy Etchebarren's suicide squeeze bunt.

So instead of his 18th victory Hiller had to settle for his 12th defeat.

IN SUPPORT OF H.R. 15301

HON. WILLIAM R. ROY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. ROY. Mr. Speaker, as a strong supporter of H.R. 15301, I was very pleased with the approval of the House of Representatives of the bill revising the Railroad Retirement Act of 1937. If this bill becomes law in its present form, the railroad retirement system will be put on a financially sound basis for the first time in many years. The enactment of this legislation will eliminate the threat to the solvency of the existing system which is operating at an actuarial deficit of approximately $530 million per year.

The House Interstate and Foreign Commerce Committee, on which I serve, spent a great deal of time deliberating over this legislation trying to find a way to ensure that railroad retirees and their families would not lose the benefits they have paid for over the course of the years while at the same time placing the system on a financially sound basis. Both labor and management assisted in the development of this legislation and support the committee bill. I think that H.R. 15301 effectively addresses the problems now facing the railroad retirement system and protects the existing benefit rights on the part of current beneficiaries and railroad employees.

Under the provisions of H.R. 15301, no one presently on the rolls would suffer any reduction in the level of benefits he is receiving. Current railroad employees would be provided a guarantee of their vested retirement annuities and social security benefits. Because these benefits require some means of funding, this measure authorizes annual appropriations of $285 million to meet these costs.

In the future, benefits would be computed on a two-tier basis with the first tier being computed under the Social Security law on the basis of combined earnings covered under the social security program and under railroad retirement and a second tier would be based on railroad employment alone. Other provisions of the bill include a reduction in the minimum retirement age from 65 to 60 for receiving the supplemental annuity based on 30 years of service. The spouse of an employee with 30 years of service may receive an unreduced annuity when both the spouse and employee reach age 60. The spouse of an employee with less than 30 years of service can receive either an unreduced annuity when the employee reaches age 62 and the spouse has reached age 65 or has a child of the employee in her care, or a reduced annuity when both the spouse and the employee reach the age of 62. Current law grants an unreduced annuity to the spouse only if the employee or spouse is at least 65 and allows a reduced annuity to a spouse 62 or older. Widows' benefits would be increased from 110 percent to 130 percent of the survivor benefits payable under social security. Last, the bill increases a lump sum refund or payments over railroad retirement for those retired employees who have had some social security employment prior to January 1, 1975, but do not qualify for benefits under the Social Security Act.

The House approved H.R. 15301 on September 12, 1974, by a vote of 343 to 10. I voted for this bill. I hope that the Senate will follow the same course of action very soon so that this bill can be signed into law.

MARYLAND BASEBALL TEAM IN LEGION WORLD SERIES

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. HOGAN. Mr. Speaker, I would like to share with my colleagues a sense of admiration and appreciation for the outstanding work done by the American Legion, but in particular for the work they have done in sponsoring amateur baseball teams throughout the country.

Especially pleasing to me is the fact that the State of Maryland was represented in the American Legion World Series held this year in Roseburg, Oreg., by the Cheverly, Md., American Legion Post 108. More specifically, this was only the second time that an American Legion baseball team from Maryland had competed in the Legion World Series in 34 years.

I am pleased to commend Cheverly Post 108, its manager, coaches, and especially the players for their great showing in placing third during the tournament that took place from August 22 to 27.

This fine competitive American Legion baseball team, managed by Mr. William "Bumps" Vaughn, and coached by Mr. Ray Ruffing and Mr. Tom Lind, consisting of young men aged 16–19 from within Prince Georges County, with the preponderance from Bowie, Md., and surrounding areas, vied with other top teams from all over the State to earn the right to compete in the Legion World Series.

Following their great victories in Easton, Md., against other Maryland teams, Cheverly earned the title of Maryland State Champions and the honor of competing against American Legion teams from West Virginia, Virginia, Delaware, New Jersey, and New York in the Mid-Atlantic Eastern Regional Tournament held in Lyndhurst, N.J.

Their victory in the finals against a scrappy team from Verona, N. J., put them in the coveted World Series, where they competed against teams from Puerto Rico, Iowa, Indiana, Louisiana, California, Oregon, and Connecticut in the ultimate of amateur baseball tournaments, the American Legion World Series.

Although Cheverly Post 108 was finally defeated in the semifinals by a fine Oregon team, their determination, spirit and desire were amply demonstrated. To have reached the World Series, let alone the semifinals, was an honor in itself.

These fine young men, as they stood among over 4,000 people in attendance, even in losing, received a standing ovation for their excellent play and sportsmanlike conduct. They have distinguished themselves, the sport of baseball, the American Legion, and their Cheverly Post 108 which they represented in a manner worthy of true professionals. They and their parents are to be congratulated.

We in Maryland and particularly in Prince Georges County are proud of them. So that they will be appropriately recognized, I am listing their names for all to see and to congratulate for a job well done: Jeff Serra, catcher; Tom Emsweller, outfielder; Chuck Johnson, outfielder; Brett Terrill, infielder; Tom Sullivan, infielder; Steve Pasztor, infielder; Ken Johnson, outfielder; Don Houchen, outfielder; Steve Massengale, pitcher; David Terrill, pitcher; Dan Glover, pitcher; Tim Manley, pitcher; Gary Colten, infielder; Bill Foley, infielder; Ray Allebach, pitcher; Mike Darrell, infielder; Sam Mulhollen, infielder; Larry Colein, catcher.

U.S. PUBLIC FAVORS LIMITED CONTROL OF BIG BUSINESS

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. HUBER. Mr. Speaker, in spite of the bitterness of the recent energy crisis, the Lou Harris poll recently found 83 percent of the American people were opposed to the Federal Government taking over the management of most big business. In my view, this is reassuring as I know a number of us received mail suggesting that the oil industry be nationalized. We only have to look across the Atlantic Ocean at the United Kingdom to see the results of excessive nationalization of industry in a democracy. I commend this article from the Detroit Free Press of September 9, 1974, to the attention of my colleagues:

U.S. PUBLIC FAVORS LIMITED CONTROL OF BIG BUSINESS

(By Louis Harris)

Although 82 percent of the public agree that big business, if left alone, would be greedy and selfish and would make profits at the expense of the public, there is virtually no demand from the American people for the federal government to take over and run most big business. An equally decisive 83 percent oppose any such form of socialism.

Fundamentally, the public opts for pretty much the status quo in government regulation of business. Americans seem to feel that the role of government is to make certain that big business operates in the public interest to an acceptable degree.

The issue of extending federal intervention in business operations has recently risen most sharply because of rising gasoline prices and the energy shortage.

Yet the idea of the federal government setting up model companies to compete with private companies as a kind of yardstick to measure the way big companies might be run is rejected by a 38 percent margin by the public. More specifically, the proposal for creating a government-owned oil corporation is opposed by a 48-26 percent majority.

Another crisis point in recent times has been whether the federal government should bail out key companies that might well go bankrupt without federal funds. Two companies that might have been aided this way are the Penn Central Railroad and the Lockheed Corp. in the aerospace industry.

By 50–39 percent, most Americans are against the federal government taking over big companies that have gone broke. By a narrow 46–43 percent margin, the public opposes the federal government's putting up money to save big companies that have gone broke but which are essential businesses.

When asked why they oppose a government takeover of companies such as the Penn Central, people substantially responded with the answer that as badly as the Penn Central has been run, it would be even worse run if the federal government took it over. The notion of federal operation of nearly any ongoing entity is generally regarded with widescale suspicion across the country.

ON THE BASIC FACTS OF COMMUNISM

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. CRANE. Mr. Speaker, one important failing of the press in the United States and other Western nations has been their inability to explain the nature of communism and of life in Communist countries.

Too many Americans now believe that, somehow, communism has changed and that the era of "détente" about which we hear so much has, in reality, provided additional freedom and dignity to those who live under Communist governments.

The unfortunate fact is that the men and women who live under communism have none of the basic freedoms which we take for granted, such as freedom of speech, press, religion, and assembly. They do not, in addition, even have the right to leave their own countries. They are no more than pawns of the state establishment, not free individuals who determine for themselves the important decisions in their lives.

Part of what is wrong with the Western press was recently described by Soviet author Alexander Solzhenitsyn. He drew a contrast between reporters in Western Europe—"They pursued me everywhere"—and their counterparts in the Communist nations.

> What is strange is when this Western press gets to Moscow or to Eastern Europe, or even to China, for example.

Solzhenitsyn said:

> Here there's nothing sacred for them. They go at Presidents, military ministries and so forth, but there, if some miserable Bulgarian policeman tells them not to photograph a church, they stop. Or the Red Guards . . . if they hang up some kind of leaflet and a correspondent comes up to read it and some wretched little Red Guard tells him not to read it, the correspondent turns and walks away. If the press has such freedom in the West then it must carry the same kind of freedom when it gets into the East.

Commenting upon the conduct of American correspondents on the trip to Peking taken by President Nixon, Edwin A. Roberts, Jr., of the National Observer notes that:

> I didn't understand then, I don't understand now, and I won't understand tomorrow why so many American correspondents returned from a brief visit to China in 1972 and reported their findings in the manner of high-school boys emerging from a sex education class.

Mr. Roberts declares that:

> Even more troubling than their implicit approval of Chinese Communism was the giddy tone of their reports. Not only did these reports ring with respectfulness for Mao and Chou, they seemed to reflect an ingratiating attitude that is particularly sickening in a working journalist.

The only reason the Soviet Union and Communist China may be free of blood baths today, Mr. Roberts notes, is that "the controlling ideologies would not have had a chance of popular acceptance if blood baths had not occurred in the past. In this century events have shown that Communist ideology is so faulty a system of ideas that only terror can save it from abandonment. Because this is true, there is no need for any of us to behave deferentially toward communism."

I wish to share the important article, "On the Basic Fact of Communism," by Edwin A. Roberts, Jr., as it appeared in the National Observer of July 20, 1974, with my colleagues, and insert it into the Record at this time:

On the Basic Fact of Communism

(By Edwin A. Roberts, Jr.)

I didn't understand then, I don't understand now, and I won't understand tomorrow why so many American correspondents returned from a brief visit to China in 1972 and reported their findings in the manner of high-school boys emerging from a sex education class.

It struck me at the time that many of the newsmen who accompanied President Nixon to Peking were overcome by a kind of hysteria, the chief symptoms of which were open-mouthed credulousness and a bad case of the giggles. The praise these experienced reporters rained down upon Mao's totalitarian regime was startling. One might have thought they were just returned from a Gray Line tour of Eden.

But even more troubling than their implicit and explicit approval of Chinese communism was the giddy tone of their reports. Not only did those reports ring with respectfulness for Mao and Chou, they seemed to reflect an ingratiating attitude that is particularly sickening in a working journalist.

LAMBS BEHIND THE CURTAIN

Not all the reporters who went on that trip took leave of their critical powers. But to my mind many of them did. Something happens to some American newsmen when they venture into the lair of the Red overlords. The same individuals who stand ready to raise hell with a U.S. Secretary of State become strangely sheepish—almost little-girl shy—when they are examining the life and leadership of a Communist state.

I am not alone in this opinion. Aleksandr I. Solzhenitsyn, in his recently televised interview with Walter Cronkite, made exactly that point. The greatest Russian writer of the century said it perplexed him that Western newsmen could behave like a pack of wolves (I paraphrase him) when they were after a story from an exiled writer, and yet were as meek as lambs when on assignment behind the Iron Curtain.

In the first sentence of this column I confess ignorance of the reasons for the double standard. That is somewhat rhetorical. At least two explanations come to mind.

THE HOST PACKS A GUN

For one thing, a Western reporter in a Communist country tends to feel a little like a guest in the house of an eccentric. As a guest, one instinctively is reluctant to remind the host of his peculiarities. If on top of that the host has a long criminal record about which he is acutely sensitive, it is human nature not to remind the gentleman that his house was bought with the blood of his innocent victims. The guest's discretion is increased further when he considers that his host packs a gun.

And yet reporters are experienced in impertinence and risk. There must be something else, some other reason why many newsmen on short visits to Communist countries lose part of their critical sense. I think that other reason is bizarre wishful thinking.

In his review of Solzhenitsyn's *The Gulag Archipelago* in the New York Times Book Review for June 16, Stephen F. Cohen, a teacher at Princeton, takes interesting exception to Solzhenitsyn's thesis that the Kremlin's murder of tens of millions of Soviet citizens between 1918 and 1956 is attributable chiefly to Communist ideology.

Writes Cohen: "Despite the plain circumstances that capricious terrorizing of millions began and ended with Stalin's rule—the autocrat's presence as an animating force appears in asides throughout *The Gulag Archipelago*—Solzhenitsyn attributes no special significance to his role or personality."

Well, the "plain circumstances" is that Lenin and his fellow Bolsheviks understood from the beginning that the Russian peasantry could not simply be asked to become collective farmers. They had to be forced. That maximum force wasn't exerted until Stalin had consolidated his power is less a tribute to the humanity of Lenin than it is a reflection of the fact that Lenin was compelled by his multitude of problems to postpone certain "reforms."

It is true that Stalin's brand of terrorism was "capricious." But since the Bolsheviks first took control of Russia, terrorism has been state policy. A totalitarian regime cannot survive without terrorism. And a totalitarian Communist regime is particularly dependent on terrorism because it requires a hideous contortion of human nature.

PILLARS OF THE STATE

Russia and China may be free of huge blood baths today, but the controlling ideologies would not have had a chance of popular acceptance if blood baths had not occurred in the past—no matter what individual reigned at the time.

Nor is there any way for present Kremlin leaders to disavow Stalin's unspeakable cruelty. The slave camps, the torture, the millions of political murders—these are the pillars of the Soviet state. Stalin's temperament was responsible for the number of atrocities but not for their acceptability as official policy. Today dissidents risk imprisonment in mental hospitals and forced labor camps. They are in less danger of their lives. Does this mean that the Kremlin no longer rules by terror? Ask Solzhenitsyn.

When American reporters were finally admitted to China, they were struck by the cleanliness and orderliness of a country famous for filth and chaos. Many of them, I think, decided to believe the result was worth the cost.

That is an attitude unworthy of free men. In this century events have shown that Communist ideology is so faulty a system of ideas that only terror can save it from abandonment. Because this is true, there is no need for any of us to behave deferentially toward Communists or to doubt Solzhenitsyn when he tells us their problem is basic.

HEARINGS ON NIXON PARDON

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Ms. ABZUG. Mr. Speaker, yesterday I had the privilege of testifying before the Subcommittee on Criminal Justice of the House Committee on the Judiciary which is presently investigating President Ford's pardon of Richard Nixon. These hearings were stimulated by resolutions introduced by a number of the Members of the House, including my privileged resolution of inquiry, House Resolution 1367 with 13 cosponsors. As a result of President Ford's nonserious response to the questions contained in the resolution, it appears that these hearings will continue next week. I would like to insert in the Record my testimony at this hearing:

Testimony of Representative Bella S. Abzug

H. RES. 1367: AN INQUIRY RELATING TO PRESIDENTIAL PARDON OF RICHARD NIXON

In behalf of myself and 13 co-sponsors, including members of the Judiciary Committee, I welcome this opportunity to appear before you to testify for our Resolution of Inquiry on the unconditional pardon of Richard M. Nixon.

Not since the storm of public reaction to the Saturday night massacre and the Nixon tape disclosure of August 5th that led to his forced resignation a few days later has there been such an overwhelmingly negative response by the American people to a White House action.

President Ford says the pardon was motivated, at least in part, by his desire to heal the wounds of Watergate. He clings to this rationale despite the clear evidence that this totally premature, confusing, and unprecedented pardon is opposed by a majority of Americans and is viewed as a further cover-up of Watergate.

The wounds have, in fact, been reopened, leaving to fester suspicions of White House deals, deception, abuse of Presidential power, and perhaps further blanket pardons of the Watergate culprits. Most wounding of all is what Mr. Ford's action has done to our concept of equal justice for all and the belief that the President is accountable for his actions and not above the law. This is the very concept that was supposed to have been reaffirmed by this committee in its impeachment proceedings and vindicated in Mr. Nixon's forced resignation.

It would be a disservice to that concept to leave unchallenged the many contradictory and self-serving statements that have been issued by the principals, their subordinates and others in this affair. Further, I believe the legality of both the pardon itself and the arrangement under which the tapes are to be returned to Mr. Nixon should be challenged.

The Congress and the Committee on the Judiciary have a primary responsibility to act in behalf of the American people on all aspects of these issues. I am aware that a number of resolutions dealing with these matters are before the committee. I will address myself here primarily to my Resolution of Inquiry, which is privileged and can be called up on the floor of the House within seven legislative days after introduction, and to some observations on the legality of the pardon.

I believe approval of the Resolution of Inquiry is a necessary step in an investigation this committee should conduct to determine all the facts in the events leading up to the issuance of the pardon. The American people have a right to know these facts. They have a right to get answers to their questions in an appropriate forum from witnesses under oath, instead of in speculative news stories and columns, television interviews and other publicized unsupported and contradictory comments by a host of people who have been involved in the pardon controversy in one way or another.

The response of the President to the questions propounded in the Resolution of Inquiry which was sent to him by the Chairman of this subcommittee reveals a nonserious and trifling attitude that demeans the authority and dignity of this committee and this parliamentary procedure. It is totally inadequate for Mr. Ford to respond by sending a batch of White House press releases and an accompanying letter.

I have in the past introduced a number of Resolutions of Inquiry which have been addressed either to the President or to members of his cabinet. This is the first time in my experience that there has not been a point by point specific response to specific questions even though in some cases I have not felt the answers to be satisfactory.

It should also be noted that this Committee is still operating under House Resolution 803, adopted on Feb. 6, 1974, which authorized and directed the Judiciary Committee "to investigate fully and completely whether sufficient grounds exist for the House of Representatives to exercise its constitutional power to impeach Richard M. Nixon."

The committee has not been discharged of this duty. The articles of impeachment voted out by the full committee were never debated or voted upon by the full House, despite its vote to accept the committee report. Incidentally, I said at the time that the House should vote on approving the articles of impeachment, instead of evading this issue, and I believe that events since then have shown it was a mistake not to do so. I would also note in passing that the House can still vote on impeachment, and if there is no other way to enter on the record books the political crimes for which Richard Nixon was forced to resign, then I believe the House should proceed to a vote.

Under Resolution 803, this committee is fully empowered to determine whether there is any new evidence relevant to the conduct in office of the former President.

My resolution requires the President to answer specific questions about the circumstances leading up to the pardon proclamation.

There are, of course, many other questions that can and should be asked of the President and others involved in this affair, and I have submitted to the chairman a list of those who I believe should be called before this committee, including: President Gerald Ford, Attorney General William Saxbe, Special Prosecutor Leon Jaworski, Alexander Haig, Benton Becker, Philip Buchen, Herbert J. Miller, Ron Zeigler, Dr. Walter Tkach, Dr. John C. Lundgren, Julie Nixon Eisenhower, and Richard M. Nixon.

But as a preliminary, it is vital that we get answers to the following questions from Gerald Ford:

1. Did you or your representatives have specific knowledge of any formal criminal charges pending against Richard Nixon prior to issuance of the pardon? If so, what were these charges?

2. Did Alexander Haig refer to or discuss a pardon for Richard M. Nixon with Richard M. Nixon or representatives of Mr. Nixon at any time during the week of August 4, 1974 or at any subsequent time? If so, what promises were made or conditions set for a pardon, if any? If so, were tapes or transcriptions of any kind made of these conversations or were any notes taken? If so, please provide such tapes, transcriptions or notes.

3. When was a pardon for Richard M. Nixon first referred to or discussed with Richard M. Nixon, or representatives of Mr. Nixon, by you or your representatives or aides, including the period when you were a Member of Congress or Vice President?

4. Who participated in these and subsequent discussions or negotiations with Richard M. Nixon or his representatives regarding a pardon, and at what specific times and locations?

5. Did you consult with Attorney General William Saxbe or Special Prosecutor Leon Jaworski before making the decision to pardon Richard M. Nixon and, if so, what facts and legal authorities did they give to you?

6. Did you consult with the Vice Presidential nominee, Nelson Rockefeller, before making the decision to pardon Richard M. Nixon, and if so, what facts and legal authorities did he give to you?

7. Did you consult with any other attorneys or professors of law before making the decision to pardon Richard M. Nixon, and, if so, what facts or legal authorities did they give to you?

8. Did you or your representatives ask Richard M. Nixon to make a confession or statement of criminal guilt, and, if so, what language was suggested or requested by you, your representatives, Mr. Nixon, or his representatives? Was any statement of any kind requested from Mr. Nixon in exchange for the pardon and, if so, please provide the suggested or requested language.

9. Was the statement issued by Richard M. Nixon immediately subsequent to announcement of the pardon made known to you or your representatives prior to its announcement, and was it approved by you or your representatives?

10. Did you receive any report from a psychiatrist or other physician stating Richard M. Nixon was in other than good health? If so, please provide such reports.

We need direct answers to these direct questions, answers that the committee can corroborate in the course of an inquiry and hearings. There are suspicions that Richard Nixon may have made a deal on the pardon with Gerald Ford before nominating him to the Vice Presidency. If Richard Nixon made Ford's elevation to Vice President conditional upon the promise of a pardon or even if Nixon conditioned his own resignation on a promise of receiving a pardon, then conceivably Mr. Ford could be charged with accepting a bribe, which is an impeachable offense. Grim as this possibility may be, it is nonetheless the duty of this committee to investigate the facts and make a determination.

There are suspicions that General Haig, who reportedly was instrumental in convincing Mr. Nixon to resign, may have held out to him the promise of a pardon. There are suspicions arising from the belief that in the negotiations for the pardon, the roles appear to have been switched, with Mr. Ford acting as supplicant and Mr. Nixon dictating the terms of the pardon, the socalled statement of contrition, and the agreement on the tapes. There are grave questions as to whether, in issuing a pardon before Nixon was indicted, tried or signed a statement of guilt, Mr. Ford abused his pardon powers. And, of course, there are a multitude of questions about whether Mr. Nixon's physical or mental condition justified such an unprecedented pardon.

I make no judgment here as to whether these suspicions are justified. It is a fact, however, that they are widespread and only a full investigation by the Committee can either confirm some or any of them, or lay them to rest.

For more than two years the American people suffered the consequences of having a President who lied and misled them at every opportunity throughout the course of the Watergate investigations. The stability of our nation requires that the citizens be able to believe that their President is telling them the truth, at least most of the time. In the wake of the pardon, Gerald Ford has created an enormous credibility problem for himself and the Presidency. He is in a particularly vulnerable position because he is the first non-elected President in the history of our nation and because he was named to the Vice Presidency by a discredited and impeachable President. The Committee on the Judiciary which recommended confirmation and the Congress which confirmed his nomination also have a responsibility to the American people to investigate and report to them on the conduct of President Ford in connection with the pardon and the agreement on the tapes.

President Ford's own actions and many conflicting statements have added to his credibility problem. On August 28, 1974, in his first news conference as President, he advised the American public that he was not going to make any comment on a pardon "during the process of whatever charges were made." He further stated that it would be "unwise and untimely" for him to pardon Nixon before any charges had been brought against him. Yet, just two days later, on August 30, he asked Philip Buchen formally to study the presidential power of pardon. Furthermore, according to a report in the September 22 Washington Post, as early as Friday September 6 Ford had revealed to his staff his intention to pardon the ex-President. Thus it presumably took the White House less than a week to make a study of and reach a decision on this highly controversial and explosive issue.

The question naturally arises as to whether the President consulted fully on this question with Attorney General Saxbe and Special Prosecutor Jaworski to find out whether they considered legally valid a pardon, issued before indictment or trial, a pardon that the President himself described as unprecedented, and that did not specify the offenses for which the pardon was issued. The question also arises as to whether the President asked Saxbe or Jaworski what efffect the pardon would have on the pending Watergate trial and other possible investigations, indictments and trials, or did he already have in mind what he later hinted at—a wholesale pardon for the entire Watergate gang.

In his pardon proclamation, President Ford made the prior judgment that Richard Nixon would be unable to obtain a fair trial, implicitly an attack on our judicial system, and also expressed his belief that "ugly passions would again be aroused" during the long period of delay before Mr. Nixon could be brought to trial. As we know, Mr. Ford has accomplished the reverse of what he said he intended to do.

Finally, President Ford inserted in his statement a sentence which said that "serious allegations and accusations . . . hang like a sword over our former President's head and threaten his health as he tries to reshape his life . . ." It is this factor that has become the subject of the widest speculation and conflicting reports. Did President Ford receive any new evidence in the interval between August 28 and August 30 indicating a change in Nixon's health—physical or mental?

I regret, of course, that Mr. Nixon is ill and has had to be hospitalized. The gravity of his present illness can no doubt be determined by court appointed physicians, as may be requested by Special Prosecutor Jaworski. Certainly, no one wishes Mr. Nixon ill health or physical punishment, and clearly he is suffering over his fall from enormous power. How could he feel anything but regret and anguish? But it is a mark of the man and his reputation for trickery and deceit that even now, people are questioning whether he is seriously ill or whether he has taken refuge in a hospital to escape testifying at the Watergate defendants trial, or to develop sympathy as a rationale for the pardon.

Most of the facts respecting Nixon's health were released following the pardon. They appeared to be a well-orchestrated after-the-fact attempt to protect the vitality of the pardon by promoting the notion that Nixon was grievously ill. We are familiar with the alarming statements issued by Dr. Tkach, Mr. Nixon's personal physician. According to Dr. Tkach, the former President was a ravaged man who had lost his will to fight. However, after Dr. Tkach left San Clemente, communications director Kenneth Clausen spent three hours with the former President and said he seemed animated and in no visible pain.

Did Mr. Nixon's condition suddenly worsen after the pardon? Or did Mr. Ford receive new information about Mr. Nixon's health after his first news conference? The American people have a right to know. Certainly their deep sense of compassion and fair play should not be played upon, if the facts do not warrant it.

Finally, beyond the questions raised in my Resolution of Inquiry, I believe the Judiciary Committee should support efforts to obtain a legal test of the validity of the pardon. I have already called upon Attorney General Saxbe and Mr. Jaworski to make such a test possibly by proceeding with an indictment of Mr. Nixon, if the evidence so warrants, and I would like to state my reasons.

I disagree with those who claim the pardon was a constitutional exercise of presidential power and cannot be overturned. President Ford himself asserted in his statement announcing the pardon that "there are no historic or legal precedents to which I can turn in this matter," and there is already serious debate within the legal community as to the constitutionality of Ford's granting a pardon before formal charges were filed and without a formal admission of guilt from Mr. Nixon.

Defenders of the pardon are on weak ground in citing as authority for it an 1867 case—Ex Parte Garland 71 U.S. 33—a 5-to-4 U.S. Supreme Court decision in which the written opinion explaining the ruling said:

"That a President's discretion to pardon is unlimited and extends to every offense known to the law, and may be exercised at any time after . . . commission (of the crime) either before legal proceedings are taken, or during their pendency or after conviction and judgment."

This language is dictum, was not crucial to the decision in the case, and does not constitute a precedent.

Moreover, the impact of the Garland case has been eroded for a number of reasons, principal among them being that Garland received a grant of amnesty rather than a pardon. As you will recall, Garland, who had been a Senator in the Confederate Government during the Civil War, was granted a blanket Presidential amnesty, which applied to all crimes that may have been committed during the war.

The courts have come to draw a distinction, not drawn by the Garland court, between amnesty and pardon, and this is a significant distinction as it relates to individual admission of guilt.

The phrase "reprieves and pardons" as used in article II, section 2 of the Constitution has been interpreted as a phrase of art including within its purview reprieves, commutations, pardons, both conditional and unconditional, and amnesties (Lupo vs. Zerbst, 92 F2d 362, 365 (CA 5th 1937).

The Supreme Court has recognized that "amnesty and pardon" are distinct and different. In an 8-to-0 ruling in *Burdick vs. United States,* 236 U.S. 79, 94–95, it stated that they "are of different character and have different purposes. The one—amnesty—overlooks offense; the other—pardon—remits punishment.

The first is usually addressed to crimes against the sovereignty of the State, to political offenses, forgiveness being deemed more expedient for the public welfare than prosecution and punishment. The second condones infraction of the peace of the State. Amnesty is usually general, addressed to classes or even communities, a legislative act . . . the act of the supreme magistrate."

When the Burdick case went to the Supreme Court, the justices were asked to rule on whether the President had the authority to pardon Burdick before he had been indicted. The court, however, ruled on another issue, whether Burdick could decline the pardon. Stating that a grant and acceptance of a pardon "carries an imputation of guilt; acceptance a confession of it," the court held that an individual does not have to accept a pardon.

The need for either a confession or judgment in a pardon case is evident from the language of the Constitution itself: the power to grant pardons only goes to "offenses." Without either a confession or at the very least an indictment, there is no offense. Richard Nixon has made no confession or admission of guilt and there has been no indictment. Instead, in collaboration with President Ford, he has made a statement of "contrition" which is a religious rather than a legal concept.

The first case examining the power of the President to pardon was *United States v. Wilson,* 32 U.S. 150 (1833). The question involved there was whether it was necessary for an individual to accept the pardon in order for it to become effective. The court held that it was, and that a pardon was without effect if the person refused it. Under this decision, it was also held that a court cannot take judicial notice of a pardon unless it is pleaded in court.

It would appear from this ruling that the Watergate grand jury is free to proceed with an indictment of Richard Nixon, as it had indicated earlier that it wished to do. The court does not have to take notice of President Ford's pardon of Richard Nixon unless Mr. Nixon pleads it in court. If he should plead that he has been pardoned, he would have to state for which offenses he has been pardoned.

Special Prosecutor Jaworski has stated that the Presidential pardon of Mr. Nixon preempts any Federal legal action against him for the period covered by the pardon. However, as demonstrated in my testimony, not only is the legality of the pardon open to serious doubt, but also the pardon itself neither precludes nor preempts grand jury action. Consequently, I would strongly urge that the grand jury proceed with an indictment, if the facts warrant it, and that Special Prosecutor Jaworski or Attorney General Saxbe sign it, so that the American people may be assured that the system of equal justice prevails and so that the groundwork may be laid for a court test of the constitutionality of President Ford's action.

If it is shown that the pardon was intended to prevent an indictment or a trial, contrary to the President's stated reasons for the pardon, and if it is shown that the agreement on the tapes was intended to prevent further information from becoming public, then these actions might well be construed to be an abuse of power by President Ford and/or an obstruction of justice.

In view of the President's unresponsive reply it seems to me that the subcommittee has no alternative but to act favorably in reporting this Resolution of Inquiry to the full committee with the recommendation that the full committee likewise report it out favorably to the floor.

I would also hope that the full committee would support and initiate efforts to investigate the validity of the agreement concerning the tapes and take appropriate steps to preserve this valuable evidence in whatever way it deems possible.

The committee should also support the resolution which suggests that the House go on record favoring the grand jury going forward with the indictment and Mr. Jaworski signing it.

The committee should also consider lending its support to a legal challenge as to the validity of the pardon.

I want to thank this committee for its consideration of this matter and for agreeing to have me come to testify before it.

ARTIST ERNIE BARNES: EMPHASIS ON THE POSITIVE

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. CONYERS. Mr. Speaker, the impression most Americans have of the ghetto is one of an environment breeding only crime, destitution, and hopelessness. While these are indeed realities of ghetto existence, they should be distinguished from the positive human qualities possessed by many of the individuals living there. One man with such a viewpoint is California artist Ernie Barnes, whose 35-painting exhibit entitled, "The Beauty of the Ghetto," will be shown at the Museum of African Art, 316 A Street NE., from Thursday, September 26th to Thursday, October 10th, thanks to the tireless efforts of Ms. Claudette Johnson who also assisted Mr. Barnes with his previous Washington Exhibit in 1970. The excellent and unique quality of the present exhibit already has earned him special honors for his humanitarian work from Georgia Gov. Jimmy Carter, Atlanta Mayor Maynard Jackson, and State Legislator Julian Bond.

Through his art, Ernie Barnes expresses his belief that the ghetto must not be viewed simply as decaying buildings and city streets. He seems to me to be saying it is also a place where people live; a place he says, that is filled with love, wit, faith, compassion, and strength. It is a place where there is happiness in daily life and where the best qualities in each human being enable most black people to fight the good fight against an environment that could easily overwhelm them. It is a life of good friendships and dreams of better days, depicted in some of his paintings by a young boy playing basketball on a dirt court, or by a man enjoying himself shooting some pool, or by others just standing around "rapping."

I invite my colleagues to join with me in evaluation of Ernie Barnes' work, the work of a man who emerged from the ghetto through excellence in athletics, and now, having achieved distinction in the arts, unselfishly devotes himself to sharing his philosophy of black pride with the youth of our cities so that their futures may be as productive as his own.

A 120-DAY NOTICE OF GROUNDING ORDER FOR ENLISTED FLYERS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. ASPIN. Mr. Speaker, on the 16th of August the Army answered my letter of July 23 asking how the Congress 120-day notice of grounding order for enlisted flyers would be implemented. Secretary Callaway provided me with his April 1974 message to all units which directed notice to enlisted crew members "to the extent practicable." This qualified obedience to Congress' directive has subsequently been found unsatisfactory by the Military Compensation Subcommittee of the Armed Services Committee. As a result, the Army as well as the other services have been once again directed to notify enlisted men 120 days prior to removal from flight pay and to do this without qualifications or vague exceptions.

My letter, Secretary Callaway's answer, and the Army's directives follow:

JULY 23, 1974.

Hon. HOWARD CALLAWAY,
Secretary of the Army, The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: Subcommittee #4 of the Armed Services Committee has recently questioned General Benade and the Air Force's Deputy Chief of Staff, Personnel, General Roberts, about Congress' requirement that enlisted crew members cannot be removed from flying status without 120 days' notice. General Benade has said he needs legislative authority to accomplish this, but General Roberts has found the administrative measures available to him sufficiently flexible to allow his service to observe the order of Congress. The Air Force has now centralized grounding actions that cannot be accommodated at lower command levels and will allow temporary overmanning authority so that 120 days' notice of grounding can always be given.

The Subcommittee was asked to grant some exceptions to the 120 day requirement. These were crew members grounded for cause or because of medical disqualification for flying duty. The third exception was for enlisted noncrew members who are assigned flight duties for a period or for a task specified in orders. Since these categories are the same for officers and enlisted men and because they seem fully justified exceptions, the Subcommittee did not object to them.

General Roberts has suggested one other exception that could, in rare cases, be required. When aircraft are not available, the legal requirement of "frequent and regular aerial flight" might not be met. Since "frequent and regular" are defined by executive order, granting exceptions might be a way of avoiding the perhaps complex procedure to change executive orders. In any event, this one area of exception does not appear to require a legislative solution.

Nevertheless, Chairman Stratton has suggested legislation might be the best way to insure enlisted crew member save-pay for 120 days or some other period. If you think the matter should be considered by Congress, I would like you to tell me what features you wish to see in an enlisted flight pay protection bill.

In addition to your legislative suggestions would you also comment on the Air Force's interpretations of the 120 day notice requirement? Please send me copies of whatever instructions or directives on this subject you have sent to your bases and units.

I am sending a letter similar to this one to General Benade and to the Secretary of the Navy.

Thank you for your assistance.

Sincerely,

LES ASPIN,
Member of Congress.

AUGUST 16, 1974.

Hon. LES ASPIN,
House of Representatives,
Washington, D.C.

DEAR MR. ASPIN: This is in reply to your letter of 23 July 1974, concerning the advance notification of removal of enlisted personnel from flight duty.

Lieutenant General Benade's letter dated 8 August 1974 concerning the views of the Department of Defense on this subject is, I believe, fully responsive to your questions. The Army has, of course, been working in full cooperation with the Department of Defense, and we will continue wholeheartedly to do so.

As you have requested, I am attaching a copy of our April message to Army commanders establishing the policy that all enlisted personnel would be provided 120 days advance notification prior to involuntary removal from flight duty. Additionally, the policy that General Benade implemented in his 26 July 1974 memorandum on this subject has been disseminated to Army commanders by message as of 5 August 1974; a copy of that message is also attached. I understand that you were provided a copy of this 26 July memorandum with the Department of Defense reply.

We will continue to work with General Benade to protect our members' entitlements and privileges, and to ensure that our management system is responsive to individual needs. Your concern for equitable treatment of our members is appreciated.

Sincerely,

HOWARD H. CALLAWAY.

MESSAGE FROM DEPARTMENT OF ARMY,
APRIL 5, 1974

ATCOM: For Army, USDAO, MAAG, MILGP, and MSN receiving direct.

Subj.: Advance notification of removal of enlisted personnel from flying pay.

1. Reference AR 600-106, aeronautical designations and flying status for Army personnel.

2. To prevent hardships caused by the sudden loss of flying pay for enlisted personnel as may occur under the provisions of paragraph 14B, cited reference, the following policy is effective upon receipt of this message.

"A 120 day advance notification will be provided, to the extent practicable, to all enlisted personnel on crewmember or noncrewmember flying status prior to involuntary removal from flight duty."

3. This policy does not constitute authority for entitlement to flying pay not already provided for in the applicable regulations. Rather, the intent of the policy is to insure that maximum consideration and advanced planning prevail in those situations that may result in enlisted personnel losing their entitlement to flying pay. It is recognized that the ability to provide the above advance notification is influenced and dependent on numerous factors, some of them being beyond your control. Nevertheless, to minimize inequities and provide enlisted personnel receiving flying pay the advance notification necessary to make adjustments, it is essential that the above procedure be adhered to whenever possible.

4. Alternative solutions are considered which will minimize the administrative workload and at the same time be equitable from the individual point of view.

Request this message receive widest dissemination. Message should be retransmitted to subordinate elements within 96 hours.

MESSAGE FROM DEPARTMENT OF THE ARMY,
AUGUST 5, 1974

Subj: Advance notification of removal of enlisted personnel from flight duty

A. AR 600-106, aeronautical designations and flying status for Army personnel

B. DA MSG, DAPC-PM, DTG 051732Z Apr. 74, Subj: Advance notification of removal of enlisted personnel from flying pay

C. DA MSG DAPC-PM, DTG 171230Z Jul 74, Subj: Removal of enlisted personnel from flying duty (notal)

1. Reference B established the policy that all enlisted personnel on flying status would be provided a 120 days advance notification prior to involuntary removal from flight duty.

2. Reference C required a one time report from major commands of all enlisted personnel who were involuntarily removed or placed on orders which would remove them from flight duty without 120 days advance notification to include reasons.

3. The purpose of this message is to provide further policy guidance in this area. House report No. 93-799 directed that regulations be promulgated to insure that at least 120 days advance notice be provided to enlisted crewmembers prior to their involuntary removal from flight status. In view of strong concern expressed by Congress over compliance with this requirement it has been deemed imperative that the policy measures outlined below be implemented as expeditiously as possible pending the processing and issuance of changes to appropriate regulations.

4. Policy guidance:

A. Definitions.

(1) Enlisted crewmember. An enlisted member on competent orders which require the performance of hazardous duty involving frequent and regular participation in aerial flight.

(2) Proper advance notification.

(A) Receipt of orders by enlisted crewmembers indicating reassignment to ground duty, or

(B) Notification to enlisted crewmember in writing by competent authority of impending removal from flying status or verbal notice of same, providing an appropriate memorandum for the record is made, or

(C) Written notification to enlisted crewmember of medical disqualification.

B. Policy.

(1) That enlisted crewmembers be accorded at least 120 days advance notification prior to being involuntarily removed from flying status through no fault or action of their own.

(2) Assignments of enlisted crewmembers will be intensively managed in order to achieve the required advance notification prior to removal from flying status and the loss of flight pay.

(3) Exceptions to the 120 day advance notification policy may be authorized under circumstances in which removal from flight status is individually generated by an enlisted crewmember as a result of his voluntary actions or inactions.

(4) Additional exceptions will be made on a case-by-case basis and approved only by this headquarters (DAPC-PMP-I).

C. Reporting. A system which will provide for semiannual reporting of the number and type of exceptions granted will be established by forthcoming DOD instructions.

5. Notwithstanding. This message does not constitute authority to continue flying pay to enlisted crewmembers who have been removed from flight status. In carrying out this policy, applicable provisions of law, Executive Order 11157, the DOD pay and allowances entitlements manual, DOD issuances and service regulations, as appropriate, will be complied with.

PUBLIC ENEMY NO. 1

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. YOUNG of Georgia. Mr. Speaker, I would like at this point to share with my colleagues a couple of pertinent items regarding what President Ford has appropriately called public enemy No. 1—inflation.

A recent issue of Business Week magazine carried an excellent article, entitled "Points That Got Lost in the Shuffle," by Prof. Emeritus Roy Blough of Columbia University. Dr. Blough identifies several crucial areas which deserve exploration, but which were ignored or overlooked during the recent "minisummit" conference on inflation at the White House.

Another article from Business Week provides a cogent overview of our inflationary problems in the context of world markets and monetary policies; and an editorial commentary by Atlanta's WSB radio, delivered on September 8 by Mr. Elmo Ellis, WSB's vice president and general manager, offers a sober but correct appraisal of what will be required of Americans in the months ahead.

I insert these three articles in the hope that ideas and analysis are not only beneficial, but necessary if we are to meet the complex problems of inflation and public policy realistically. The days for superficial thinking and simplistic orthodoxies are over. We are confronted with a genuine crisis, the dimensions of which will only grow to smother us unless we move beyond political rhetoric and the kind of conventional wisdom that is more conventional than wise.

The articles follow:

POINTS THAT GOT LOST IN THE SHUFFLE

(By Roy Blough)

The "minisummit" of 28 economists held in the White House on Sept. 5 brought out some excellent points. It distinguished the different sources of inflation. It clearly indicated the importance of suddenly erupting shortages of food, raw materials, and oil—combined with the astronomical increases in prices by the oil cartel—in propelling the U.S. to two-digit levels of inflation. It identified and condemned the many government measures that act as protectionist devices, enabling specific economic groups to raise their prices above free market levels. It recognized the basic necessity of monetary and fiscal restraints. It emphasized the need to stimulate supply and productivity along with restriction of demand. This had been missing in many earlier discussions.

But in stressing a few points by each economist, a number of other points that I think are important were either not made or were made by so few among the 28 as to seem unimportant in the session as a whole. It seems to me that among the points that received inadequate attention, if any at all, are the following:

Taxation as an instrument to fight inflation. That basic element of fiscal policy, taxation, seems virtually to have disappeared as an anti-inflationary instrument from the minds of even the public finance specialists. There seemed to be more interest in using tax measures to correct distributional distortions than for the primary purpose of modern taxation, which is to achieve a noninflationary shift of resources from private to public control. Year after year it may be noted in passing, some of our leading economists have been telling Congressional committees and the public that fiscal pressures were "about right," despite the persistence of large budget deficits, high rates of inflation, and very tight money. Such a situation calls for prompt moves toward a budget surplus. Higher taxes combined with tax reform are a more realistic way to achieve such a surplus than reduced expenditures.

The dangers of the inflationary spiral. Once an inflation has been started, whether by deficit spending by government, an excessive rate of private investment, decreased supply and increased cost of key materials, or international economic imbalances, the continuing danger is from the inflationary spiral: wage-price-wage-price, etc., up and up. Some strong references were made to the danger from the spiral, but the majority appeared to be ignoring it as a force in itself once inflation is started. Moreover, very little was said about the fact that the U.S. policy for many years has been that of an inflation pump. The market result of pushing wages and prices up in the absence of excessive demand is normally a fall in sales and a rise in unemployment. But with the U.S. "full employment" policy, when this occurs, there is immediate alarm; the money supply is increased or permitted to rise, and expansionary fiscal measures are used. With such an inflation pump in operation, demand is created confirming the inflation, and it is hard to see the end of any inflation. Moreover, a complete indexation of incomes would strongly stimulate the spiral, especially in the absence of substantial increases in productivity.

The "revolution of rising expectations." Rather lost in the general shuffle was the fact that when there is a decrease in supply resulting in higher prices, there are only two remedies. The first is to reduce the use of the commodity, even if this means lowering the standard of living. The other is somehow to increase the supply. The "catch-up" policy, that is, the effort to gain back what was lost in decreased supply by increasing money income, must fail in the absence of supply increases, which may be very slow in coming. A "revolution of falling expectations" would be a wholesome development in this situation. Underlying most inflation in prices are inflated expectations of what the economy is likely to produce.

The allocation of credit and thereby of resources. With very few exceptions, the economists who wanted to relax monetary tightness gave no indication as to how to direct money and credit, and therefore resources, among economic sectors so that shortages in supply and capacity might be overcome and excessive demand avoided. High interest rates do indeed enter into costs and are inflationary. Their justification is that they make it unnecessary to use other methods of allocating resources. But it ought to be clear that in the persent situation the ability to pay high interest and to exert economic pressure on bankers to secure credit bear no necessary relationship to where the credit ought to be going to increase supply, relieve shortages, and expand needed capacity. An alternative to easing monetary restraint would be the allocation of credit through various possible methods to high priority uses and away from the expansion of inflationary demand.

Inability to achieve full employment through increasing demand. Very little recognition was given to the difficulty if not impossibility of achieving full employment by increasing demand. It can be done in a situation such as all-out war, when no one cares about the cost since the life of the nation is at stake. At other times, the lack of "fit" between the abilities and location of workers and the demand for labor services, and the lack of balance in the capacity of different industries relative to demand, make it too costly to go beyond some point substantially below full employment. This should be recognized, and the effort to expand employment through increased demand should be more fully coordinated with improved employment services, training, and public service employment. The last approach received a full measure of discussion from the economists but it was not linked to this rationale.

Overestimation of "full employment income." There was no recognition of the responsibility that economists must share for the persistent tendency to overstate the level that national income would reach at full employment. The overstatement resulted from a failure to recognize that the capacity of the economy cannot be measured by adding up the capacities of the various sectors of plant and adding up the total labor force. As full employment of plant is approached, sectoral bottlenecks and shortages develop, and there is no longer a supply of all kinds of labor skills where they are needed. The total capacity of the economy is thus less than the sum of the parts, and the amount of discount to be applied is not readily apparent until the shortages develop. Overstatement of full employment income results in overstatement of "fiscal drag" and of the level of a full employment balanced budget.

Effectiveness of wage-price guidelines. Vigorous arguments were raised against wage-price guidelines on the ground that the very hint of controls would bring on a wave of increases to beat the controls—a clear recognition that the market is not acting like a competitive market. However, while the expectation of future controls might have this effect, and may even now be having it, the argument scarcely applies to a board having the power of subpoena, publicity, and rollback in extreme cases.

Such a board, if properly staffed, should be able to expose to the public unjustified increases in prices and wages before they have had a chance to enter into the permanent inflationary spiral. In a society with a defective market system such as ours, the emphasis placed on promoting competition is justified. But in the meantime, the market power of labor and business to increase their incomes in money exists even in the presence of declining demand, with the assurance that public opinion will insist that money supply and fiscal stimulation be increased to create demand. It is not enough to rely on fiscal and monetary restraints. The use of wage-price guidelines with authority to impose rollbacks is one of the few defenses the public has in breaking the inflationary spiral based on wage-push and price-push. Granted, they are no substitute for fiscal and monetary restraint and will not work in a demand-pull economy.

Some of the items that I have discussed above are rejected by many economists. My regret is that they did not get, in my opinion, the kind of exploration that they deserve.

THE BUILT-IN BIAS THAT CONTROLS CANNOT STOP

The U.S. began the 1970s with a recession, deliberately induced by the Nixon Administration to turn off inflation. It comes up to the midpoint of the decade teetering on the edge of another recession, with the Consumer Price Index 35% above its 1969 level and still roaring ahead at the rate of 12% a year.

The five years between those two dates were humiliating for economic policymakers and economic theorists alike. For at one time or another, the Administration tried every trick the economists could suggest to stop inflation—and all of them failed. The original "game plan" for slowing down the economy by fiscal and monetary restraints cut production and incomes without stopping the cost-push inflation of outsize wage demands. The strict wage-price controls of Phase I and Phase II worked well at first, but the Administration failed to take advantage of this respite and flooded the system with federal deficits and easy money before the 1972 elections. The loose controls of Phase III were a disaster. And return to toughness in Phase IV was washed out by food and feed shortages. Since the fall of 1973, the only real anti-inflation policy in force has been the monetary squeeze enforced by the Federal Reserve. It has brought the nation very close to another recession, or perhaps something worse, but it has not checked the upward rush of prices.

In the 1960s, economists talked confidently of "fine tuning" the economy. Today, they cannot even agree what music the band should be playing.

The faults. Looking back on the dreary record, however, economists are beginning to see where they went wrong. And while they offer little hope of getting the U.S. back to a 2% or 3% annual inflation rate, they do see the possibility of winding down from the predicted 10% in 1974 to 5% or 6% a year in the second half of the 1970s.

In retrospect, it appears that there were two great faults in the economic theories of the late 1960s and in the policies based upon them:

They failed to allow for the built-in inflationary bias that has developed in all the industrialized economies of the world since the end of the Depression.

They failed to appreciate the interdependence of the industrial nations and the extent to which the U.S. is part of a worldwide market.

These two omissions led President Nixon's original team of advisers to think that the traditional medicine of monetary restraint and a little trimming of the federal budget would stop inflation. And the same blind spots made another group confident that direct wage-price controls could withstand the combined pressures of heavy deficit spending at home and ravenous demand abroad.

The U.S. has never thought of itself as an inflation-prone country. That sort of thing was for banana republics. But the 40-year-old commitment to use the full powers of the federal government to promote maximum employment, production, and incomes has gradually given the economy an increasingly inflationary tilt. Like every other industrial nation, the U.S. has used frequent infusions of fiscal and monetary stimulation to keep the system going full blast. The very success of this policy in the past has weakened the effectiveness of the marketplace in setting wages and prices. "The fear of unemployment and excess capacity in substantial amounts for long periods of time has disappeared," observes Robert M. Solow, an economist at the Massachusetts Institute of Technology. "People have less inclination to hold back on price-and-wage demands in the fear that goods or workers can be priced out of the market."

THE CYCLE

With strong unions in key industries, labor is in a position to push its wage demands regardless of the trends of production and employment. The union response to an increase in prices is to ask for higher wage increases to keep real income rising. This in turn generates cost increases that producers with market power pass through to consumers in the form of price increases.

Thus, the inflation process has assumed a two-stage form that classical economists could not have imagined. In the first step, a little excess in government monetary and fiscal stimulation generates demand-pull inflation. This is translated into cost-push inflation in the second phase, and so prices keep rising even if the economy has started to slow down.

Economists are beginning to recognize this process as a pyramiding of competing income claims. The various sectors of the economy—labor and management, for instance—are constantly pushing for a larger share of total income. Their demands keep adding up to more than 100% of gross national product no matter how fast it grows. Government tries to make it all come out even by increasing federal spending or cutting taxes. This increases the dollar amount of GNP, but if the economy is already running close to capacity, it does not increase production. The extra stimulus is translated into higher prices, and the rise in the price level generates yet higher demands for wages. Once the inflation cycle gets momentum, it will keep running even though the government policies move from stimulation to restraint.

With cost-of-living escalator clauses built into an increasing number of union wage contracts—as well as into the U.S. Social Security pensions—the response of the economy to any sort of inflationary push has become automatic.

OUTSIDE PRESSURE

In the first half of the 1970s, strong inflationary pushes began coming not just from within the U.S. economy but from the world outside. In their continuing efforts to expand international trade and investment, the industrial nations have almost inadvertently created a world economy that is bigger and more powerful than any of the individual national economies that belong to it. Lower trade barriers, convertible currencies, relaxed restrictions on investment, and more efficient transportation and communication have created true international markets in a wide variety of commodities and manufactured goods. As a result, nations acting individually have lost the power to control their economies.

"The factors which have given rise to closer economic interdependence are beneficial," says Richard N. Cooper, an international economist at Yale, "but unless our policy responses are geared to deal with a more interdependent world, it may be a mixed blessing."

The double devaluation of the dollar and the system of floating exchange rates that has succeeded the old Bretton Woods apparatus for international payments has driven this point home to the U.S. With the dollar exchanging for other currencies at a less favorable rate, the cost of imports to the U.S. has increased. At the same time, demand for exports has climbed in response to a price cut on anything carrying a dollar price tag.

The combination of a devalued dollar and a bad crop year in most of the world brought an enormous surge of foreign demand into U.S. food and feed markets in the second half of 1973. Later that same year, the Arabs embargoed oil shipments, and the Organization of Petroleum Exporting Countries rammed through a fourfold increase in crude oil prices. For the first time in history, the U.S. found itself dealing with an inflation that was neither demand-pull nor cost-push: an inflation generated by a worldwide shortage of crucial commodities.

NEW POLICIES

When a group of 28 leading economists met last week as a prelude to President Ford's summit conference on inflation, it was at once obvious that none of them could see an easy way out of the dilemma that now faces U.S. policymakers. Essentially, the U.S. is suffering from the penalties of the answered prayer. It has tried for three decades to avoid serious economic contractions and to promote rapid growth in world trade. It has succeeded in both, and it now does not know how to deal with the consequences.

But looking ahead to the second half of the Seventies, economists think they can see the outlines of a solution. At a minimum, it would contain these elements:

STRICTER DISCIPLINE IN FISCAL POLICY

The inflationary bias of the economy makes it peculiarly sensitive to federal deficits. Instead of pouring deficit spending casually into the system, the government will have to stick to a budget that would be balanced at an acceptable level of unemployment and would run a surplus in boom times. The old dream of 4% unemployment as a long-term goal is probably not practical. Policymakers will have to think in terms of 5% and make provision for dealing with the problems of the least employable—the blacks, the untrained young, and the rural poor.

CONTINUING PROGRAMS TO RAISE PRODUCTIVITY

The only real answer to the problem of competing income claims is to keep total output rising. This can be done by providing incentives for capital investment and by enlisting union help in eliminating restrictive work rules.

SOLVING STRUCTURAL PROBLEMS

A maze of government regulations and special interest legislation obstructs the efficient working of the marketplace. At last week's White House Conference, Hendrik Houthakker of Harvard listed some 45 of these "sacred cows" in transportation, agriculture, banking, and energy. These programs must be reviewed and revised.

Conservation of scarce resources. World demand will keep pressure on supplies of key materials and fuels. All industrial countries will have to begin thinking of more efficient use, recycling, and development of less extravagant life styles.

International cooperation. In a world of scarcities, user nations will need some sort of agreement on the allocation of short supplies. They must also find a way to make the oil-producing countries realize that the present prices on crude are intolerable.

If all these approaches are tried, and if policymakers and theorists think in terms of an international economic system rather than national ones, the U.S. and the world may slowly work back toward stability.

WSB RADIO COMMENTARY, SEPTEMBER 8, 1974

The American economy has been called the 8th wonder of the world. It is based on an idea that was initially startling and revolutionary; namely, that a society can prosper and grow on the basis of free economic choices by individuals.

The market place, in effect, regulates the economy. The desire for private gain and self-fulfillment is the motivating force. It is a system that does not seek or welcome government planning, decrees or coercion.

And it has worked remarkably well in providing the American people the highest standard of living anywhere on earth.

In fact, the American way of life has become the standard for untold millions of people in other countries to set as their goal.

And in increasing numbers, all over the globe, they have begun to accumulate and treasure the creature comforts, the mouth-watering foods and the modern conveniences that are basic necessities to millions of people in this country.

This is one of the major factors multiplying the economic uncertainties that presently confront us. Unlike recessions and depressions of the year, this is a period in which a large number of Americans are not without money. What they are lacking is the confidence to invest it, or the easy availability of the products and services that they want. To further complicate matters, in many cases, the supplementary funds required to finance major undertakings are just not available at reasonable rates.

Up to now we've heard little if any agreement about how to rectify this situation and to halt the spiraling cost of living.

Economics professors seem to specialize in disagreeing about the proper steps to take.

This was obvious a few days ago when the President called a covey of economic wizards to the White House. If they reached any consensus, we have yet to hear about it.

It was former Secretary of Commerce Luther Hodges who noted that "If ignorance paid dividends, most Americans could make a fortune out of what they don't know about economics."

It is an area of ignorance that cries for attention at this time. And the sooner we put our minds to comprehending and dealing forcefully with the unique conditions that confront us—the sooner will we see a turn-around in the battles against inflation, shortages, and unemployment.

One thing seems for sure, we must be prepared to bite the bullet. Worldwide demand for foodstuffs, oil, manufactured products, and services will continue to exert tremendous inflationary pressures, as well as a constant drain on available supplies of essentials and non-essentials.

The future will doubtlessly require that we learn to live with limitations that we have not known in the past, and to cooperate on a global basis to a degree far surpassing anything we have yet done.

MODIFICATIONS TO AND EXTENSION OF PRICE-ANDERSON LEGISLATION

HON. TENO RONCALIO

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. RONCALIO of Wyoming. Mr. Speaker, when the Joint Committee first reported out the legislation revising and amending the Price-Anderson indemnity provisions of the Atomic Energy Act, on June 18, 1974, I presented a separate view in the report stating in substance that I felt that additional time was needed to assimilate the findings of the AEC's report—the Rasmussen study—on the probabilities and consequences of large accidents at nuclear power plants. When the House considered the legislation on the floor, there was an amendment adopted which provided that the Joint Committee on Atomic Energy report to the Congress its evaluation of the Rasmussen study. I should point out that on August 20, the Commission made available to the public a draft of the final report in order that interested persons might have an opportunity to provide comments. I understand that the Commission expects to consider the comments when received and publish a final version of the report early next year.

The Senate amended the House version pertaining to this aspect of the bill to provide that in addition to the Joint Committee reporting its evaluation of the Rasmussen study, there was added a provision enabling Congress to prevent the effectuation of the act which would extend Price-Anderson indemnity by a concurrent resolution passed within 30 days after submission of the Joint Committee's report.

In view of the amendments which have been made to this bill and the agreements which have been reached in the conference, I supported the legislation in its present form and voted in favor of adoption of the conference report.

DR. JOHN A. HANNAH

HON. CHARLES E. CHAMBERLAIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. CHAMBERLAIN. Mr. Speaker, ordinarily a university magazine article lauding one of its alumni would be of limited interest to others. But many Members of the Congress came to know Dr. John A. Hannah, former president of Michigan State University, during his years as Assistant Secretary of Defense for Manpower, as the first Chairman of the Civil Rights Commission, and until recently, as head of AID, will find special interest in the accompanying article from the September 1974 issue of MSU, the Michigan State University alumni magazine. Others may read this account for special insight into Dr. Hannah's present undertaking, one of momentous importance to everyone on Earth; alleviating a world food shortage.

It is stimulating and heartening to learn from the article that Dr. Hannah, now 72 years old, is throwing his great and vigorous abilities into an attack on one of mankind's oldest and now most desperate plights: hunger and starvation.

All of us wish him well in this great and humane undertaking. All of us can be cheered by the personal example he continues to set. Michigan State University may properly be proud of his achievements, past, present, and future.

The article follows:

HANNAH 5 YEARS LATER: STILL IN PERPETUAL MOTION

(By Robert Bao)

"I spent a lifetime getting ready to retire," muses the white-haired man at his Dansville farm. He is wearing khakis, slippers, and a weary look. Suddenly a twinkle of merriment appears in his blue eyes. "But when the moment came," he continues, his lips forming some semblance of a smile, "it turned out I needed more preparation."

Now the smile elongates to a full crescent, and for a few seconds, stays that way. It is a sight that friends of John Alfred Hannah might well treasure. These days, the often solemn President Emeritus of Michigan State seems more troubled than ever, sparing litlte time for rest, much less for laughter.

At 72, and retired from the helm of the Agency for International Development, Hannah has accepted a mission with the United Nations that might eventually overshadow his already long, accomplished career. Named deputy secretary general, Hannah is the American who has been charged with organizing the World Food Conference to be held in Rome this November. His responsibility is awesome. The outcome of the conference will, *literally*, spell life or death for some 500 million people, the victims of a creeping famine that has girdled the globe in recent months.

A vicious drought, the worst in centuries, has cut a 1,000-mile-wide swath of devastation along the earth's tropical circumference, stretching from Africa's Senegal to Ethiopia, over the Red Sea to Yemen, across Asia's underbelly, India and Bangla Desh, through the Pacific to Bolivia. The famine envelopes one-third of 51 million inhabitants in the sub-Sahara Sahel alone. "Many of them may die," notes Hannah. Already thousands have died; hundreds of thousands more lie emaciated, moribund, the victims of hunger, cholera, diphtheria. Even camels have dropped dead. "The main purpose of the Rome conference," says Hannah, somewhat chagrined that the media has not already made it clear, "is to get all the countries to agree that this is indeed the number one problem in the world.

This specter of mass starvation has even quickened the pace of Hannah's normally untempo life. It now borders on the cardiac. Every Monday he rises at 5 a.m., drives to Detroit with his strong, supportive wife Sarah, flies to the U.N. office in New York, and sometimes to foreign cities, works indefatigably around the clock till Thursday, then flies back to Detroit, drives either to Canada or to his 1,200-acre cattle farm in the Upper Peninsula, where he oversees the operations. It isn't until the seventh day that he gets to relax at his 570-acre farm in Dansville, 20 miles from campus. But the "R&R" comes sandwiched between a five-hour drive from the north and occasional interviews with persistent newshounds, not to mention the early schedule the next morning. "The problems of the world," understates Hannah, "have made my life a little bit complicated."

Complicated, yes. Complaints, no. Hyperkinetic by nature, Hannah is more than used to such perpetual motion itineraries. As president of MSU from 1941 to 1969, Hannah worked non-stop. "He kept you hopping all the time," recounts James Denison, a Hannah associate for 22 years. In his four years and seven months at AID, in pursuit of "shirtsleeve diplomacy," Hannah traveled to every single related country, whether to confer with chieftains or merely to pat cheetahs.

If his stamina seems handy for his new job, so do numerous other experiences, instincts and lessons he has collected in his lifetime. His arrival at the Secretariat Building, actually, seems as foreordained as a geometric proof unfolding toward the QED. The humanitarian aspect of his U.N. efforts, for example, logically culminates a career that spanned five presidential appointments to public service posts, a career marked by emphasis on helping people—"especially poor people," as Hannah likes to interject.

Hannah himself, in contrast to the Biblical Lot, recoils at prolonged looks backwards into history. "The future is what is important," he stresses, often in vain. A close look at Hannah's history, however, reveals just how tailor-made he is for the food effort.

Organizing the conference, which involves a number of mutually hostile nations, calls for the internationalism of an ambassador, the administrative skills of a business tycoon, the vision of an educator and the expertise of an agriculturist. To get the nations to agree on priorities requires far more: The persuasive power of a promoter and the flexibility of compromise that successful legislators acquire. All of these qualities inhere in Hannah's past, particularly his MSU years.

Hannah's agricultural background actually roots back to his teenage days, when at age 16 he became a Michigan poultry expert. Later, in 1923, he graduated from MSU with a bachelor's in poultry science. But it wasn't until he became MSU president that he applied it with international impact. For one thing, Hannah pioneered the use of academic resources at land grant colleges—particularly MSU—to help raise food production in the poor nations.

Early in the 1940's, he prepared, with 20/20 vision, what was then Michigan State College, for a new world order that was emerging after World War II; he established the International Studies Institutes and hired as director the eminent Hawaiian educator and Chinese scholar, Shao Chang Lee. In 1949, as president of the Association of Land Grant Colleges and State Universities, Hannah responded enthusiastically to President Truman's inaugural address challenge to rally American resources for international development. MSU soon became the first American university with direct federal overseas programs; by 1969 MSU had administered ten AID projects including the development of an MSU-style university in Nigeria.

In 1969, Hannah resigned the presidency and accepted his appointment by President Nixon as administrator of the $1.5 billion a year, 18,000-man Agency for International Development. The move confirms Hannah's knack for being the right man for the right job at the right time—and exactly the right time. The timing of his departure from MSU could not have been more opportune; likewise for his arrival at AID.

Hannah's master plan for MSU had largely been completed. A sleepy cow college of 6,390 students had become a 5,000-acre megaversity with an enrollment of 42,541, an annual budget of more than $100 million, 85 departments offering 20 different degrees, and in Hannah's last year, more Merit Scholars than any other campus (684 vs. 503 for Harvard). All it lacked then, and still does, was a law school.

Possibly Hannah was becoming somewhat weary after 28 years in the MSU presidency. "This can be a pretty unpleasant job, although it didn't used to be," he admitted.

Although the Board of Trustees had exempted him from normal university retirement regulations (he was 66 in 1969), some members had begun to question his maverick style and his longevity in office which evoked this comment from Hannah: "The president serves at the pleasure of the Board of Trustees . . . if the board decides it's time to change, I'll be gone . . . tomorrow, next month, next year."

During his heyday, Hannah used a shotgun approach to running MSU, and got away with it. "He would announce to the press that we're going to build then he would expect me to go down and get it through the Legislature," recalls MSU's Executive Vice President Jack Breslin.

In 1969, the student mood, sombered by the Vietnam War, was a far cry from the Joe College attitude of the previous decade. The Ramparts-CIA controversy had exploded three years earlier and only months before Hannah's own resignation, his vice president for business since 1947, Philip J. May, had retired following a lengthy conflict-of-interest controversy.

But in commenting on Hannah's decision to leave MSU for AID, his long-time friend and fellow member of the U.S. Civil Rights Commission, the Rev. Theodore Hesburgh, president of Notre Dame, said: "This is a clear case of where the job sought the man, not where the man sought the job."

And in evaluating his tenure at MSU, *Time* magazine concluded admiringly that "whatever cloistered scholars think of him, Hannah is obviously the kind of populist educator who yearns to make U.S. expertise serve those who need it."

Indeed. Such yearnings made Hannah a natural for the AID post. "I found that the underdeveloped world had not changed much since my first exposure to the Marshall Plan and Point IV (of Truman's 1949 inaugural address) 20 years ago," he observed shortly after moving into the high-ceilinged, paneled office in the State Department. He proceeded, however, to impose drastic changes in American foreign aid practices and policies. More significantly, he managed, in the nick of time, to save the agency from prospective demise; he succeeded in his rescue mission because his experience at MSU taught him how to communicate with politicians.

In his five-year term, he supervised a major revision in aid, from heavy technical assistance to developmental aid focused on food production, family planning, education, health care, and increases in specialized programs, rather than on general purpose assistance. He encouraged increased private participation in foreign development. He divorced the AID from its clandestine liaison with the CIA. Less successfully, he tried to pry loose foreign aid from short run military and political objectives. "You don't move the mountain," he rationalizes now. "All you can do is make progress."

He was more successful, ironically, at streamlining the agency by halving the number of employees, from 18,000 to a little more than 9,000. Firing, he discovered, was quite a different ball game than all the hiring he did for MSU. "The problem was, how do you re-tread tenured people," he explains. Another problem confronting the nation's former and first chairman of the Commission on Civil Rights was minority hiring: "It was very difficult to change the percentages when you're reducing staff." Because of his inability to do so, Hannah's entire minority advisory board at AID resigned in protest.

But Hannah's main victory at AID still remains the very survival of AID itself. The weary, withering American involvement in Vietnam had made the people, and Congress, suspicious of and opposed to foreign aid. These undercurrents, somewhat like a storm that develops into a tornado, reached their vortex on October 29, 1971—"Black Friday," as AID-men called it—when the Senate voted 41-27 to kill the foreign aid program.

The future careers of some 13,000 AID employees were in jeopardy. Hannah rose to the occasion. He mustered all the persuasive powers he had honed for years at the Michigan Capitol, pleading funds for MSU, and used them on "key members of the Senate Foreign Relations Committee—Fulbright, Church, Aiken, Humphrey."

Meanwhile, he told a jammed auditorium at AID headquarters: "You do your job—and let me worry about where the money is coming from. . . ."

His remarks were cabled to every AID mission in the world, and rumor has it that the message itself helped prevent 1,000 potential ulcer cases. Within weeks, probably 1,000 *actual* ulcer cases were cured. The Senate reversed itself and voted to keep the AID in business. (In fact, by the time Hannah departed the agency, even the downward trend of foreign aid expenditures was reversed, from $1.3 billion in 1969 to $1.6 billion in 1973).

How did Hannah do it? Louisiana Rep. Otto Passman, a longtime foe of foreign aid and the influential chairman of the Subcommittee on Foreign Operations and Related Agencies, cryptically told Hannah after the AID victory: "We move on the basis of flattery. Of course, you have done a pretty good job flattering me and some of it has rubbed off." Hannah merely adds, "Basically you have to sell yourself, be honest and forthright."

When pressed for more details, Hannah adds: "Say over and over again that the United States has no alternative but to be a part of the world, and that a succession of U.S. Presidents have made the commitment to involve the U.S. in the world, and you don't say suddenly, 'We won't play the game any more.' When they began thinking about it, they began coming around."

Now he shrugs his shoulders, refusing to go on because "I don't like blowing my own horn." Too bad. Finally, that twinkle brightens his eyes once more. "I'll tell you one thing," he says sheepishly. "It took a lot of ingenuity to keep it from going under."

The trick in Congress, technically, was to reduce the hardcore opposition to about three or four key legislators. But for the long run, the public must be convinced of the rightness of foreign aid. Hannah constantly tries to sell this point of view. Whenever asked about it, he brims with evangelistic energy, and delivers yet another of his staccato monologues:

"There are two ways you can persuade people. First, you can say, 'We're interested in poor people because that's the basic, decent, human, Judeo-Christian thing to do.' Or you can put it the other way in the most selfish, narrow-gauge form you can imagine: 'We're living in a shrinking world, and what happens here can trigger something else there.'

"The real concern," he rambles on past the speed limit for normal thought, "for our children and our grandchildren is what kind of lives are they going to lead? You can't answer that unless you have some idea of what the world is like 50 years from now.

"Now, it's my recognition that economic systems, political systems, social systems—they all change. But the basic objective has to be putting more emphasis on giving meaningful lives to more and more people. That doesn't change. What it all boils down to is this. People are important, especially poor people.

"And that," concludes Hannah in the manner of Walter Cronkite concluding a newscast, "is what it's all about."

Hannah's tunnel vision on "people, especially poor people," is exceeded, if at all, only by his disdain for red tape. He ran MSU pretty much like a father his home, establishing personal channels of communications rather than a system of memos, computer cards and regulations. "He didn't like written reports," recalls Breslin. "He wanted to know all the time what was going on—and believe me, he did."

Alas, Washington, D.C., with its massive, crustaceous bureaucracies, was a far cry from Hannah's version of paradise. Trying to change anything there, Hannah once mused, "is like putting your hand in a pail of water. When you take out your hand, the water is still there."

While at AID, however, Hannah ruefully kicked that proverbial bucket over, and lots of bureaucrats were Deep Sixed. Once, for instance, after leaving a Defense Department press conference he reached into his briefcase, pulled out a statement, and handed it to a reporter.

"I can't use this," protested the newsman. "This is classified."

Hannah took the paper and tore off the part with the TOP SECRET stamp and gave it back to the reporter, saying,

"There. Now you can use it."

More significantly, Hannah rolled up his sleeves and took off his tie, and roamed into the field missions of AID around the globe. "On his first trip to Africa," recounts Maurice Williams, deputy administrator of AID under Hannah, "we sent a young assistant along with Dr. Hannah. They took a little Jeep down all these very rough back trails and were gone all day. Well, the assistant returned all worn out but Hannah just came back all the more exhilarated.

"The man was widely respected for what he stood for in the country and the universities," Williams notes. "He reached people and he made a difference. He touched something in the American conscience that made sense of foreign aid and at a time when it wasn't easy for people to make sense."

Hannah's technique for making sense is easy. He seldom talks of theories about international power politics nor does he offer loads of macro-economic statistics. To dispel the myth that foreign aid hemorrhages the U.S. Treasury, he simply points out:

"Did you know that only three-tenths of a penny per tax dollar goes to foreign assistance? It's peanuts! Unless people apply it for chewing gun, it's totally unimportant."

When the topic shifts to foreign countries, however, Hannah becomes more diplomatic. The most he will criticize another nation is, "Countries like India have an irritating way of making themselves seem ungrateful."

These days, however, Hannah reserves his testiness for reporters only. "Next question," he hurries along ritualistically, prodding, ever impatient with the demands of time, hoping that others will see the light that he sees all too clearly.

That light, in fact, is the stark fact that

500 million human beings are in the process of starving. "Now 500 million people is a lot of people," Hannah reminds the listener. "That's two and a half times the number of people in the United States."

Despite the urgency of the matter, Hannah seldom gets gory to make his points. The facts are many, and they are grim. The sights and smell are revolting. But Hannah stops short of bringing home the full horror of famine. Instead, he tries, like impeachment lawyers, to coldly sketch the facts.

It is ironic, he explains, that the present famine comes only years after the widely hailed "Green Revolution," in which the use of fertilizers greatly increased food production per unit land. Because most "miracle" fertilizers are made from petrochemicals, however, the energy shortage has drastically cut their supply and upped their prices. Meanwhile, the world's population escalates by 200,000 a day. Feeding his Malthusian gap with relief foodstuffs remains, at best, of temporary benefit. Last year the U.N. delivered 500 million tons of grain to the Sahel, but since there are 1.4 million more mouths to feed on earth every week, such efforts are tantamount to running on a treadmill.

"For 40 years," Hannah notes "North American food reserves have been a hedge against starvation anywhere in the world. But in the last year and a half those reserves have disappeared." Hannah believes that the situation in many countries is "hopeless," and that, alarmingly, it is not much better in this country. "Americans," he warns, "have been lulled into a great sense of security because in the last 10 years we've had no serious droughts. But it could happen, and there are some signs that it is happening in some parts." (Indeed: Michigan, as of late July, was experiencing a drought that wiped out much of its corn crops.)

For the moment, however, the most critical problem areas are in Africa—Senegal, Mauritania, Mali, Chad, Upper Volta, and Niger, some 2,500 miles of sub-Saharan lifelessness. This region will undoubtedly receive high priority from the Rome conferees. Although the issue of priorities remains for governments and their agents (for the U.S., Henry Kissinger) to resolve, Hannah, itchy to get things going, never hesitates to list his own.

"Problem number one," he speeds along, "is increased food production. The fertilizer shortage, right now, is the main problem. One possible solution is to get Arabs to channel burnt gas into the manufacture of nitrous fertilizers. But the important thing is that solutions must be based on facts." He goes on and on, staccato-like, intoning the other priorities—population control, education, etc. Not only has he done his homework; he enjoys every minute of his evangelical work.

And so it has been for John Hannah throughout his life. Working, speeding along, talking, helping people, especially poor people, going from one right job to another, rescuing a university from mediocrity, salvaging a multi-million-dollar agency from oblivion, now making perhaps the most momentous impact in his career. Ever since Hannah, in his youth, traversed the U.S. via every trancontinental road, the peripatetic unfolding of his life seems to have been established like a gravitational law.

Looking over the total spectrum of Hannah's 72 years, one finds, most notably, a beautiful pattern of simplicity, something as consistent as the palindromatic precision of his surname. Yes, as Hannah has claimed, he is at heart a farmer. At MSU, his field was the MSU campus, and what he sowed were seeds of learning. At AID, he was truly able to expand the horizons of his farm in line with his famous boast, "The world is our campus." Today, Hannah's farm is really the surface of the earth. The mission—the feeding of people—cannot be more basic for this singular, American Gothic.

He is now in his Dansville farm, his hair combed straight back, with, as usual, the slight ruffles above the temples. The creases on his face, like trenches, are well-dug, reflecting his 72 embattled years.

"I hope," he intones, "that when we get through this conference that I'll get retired."

Hannah pauses for about two seconds, but for him, that seems like two hours.

"I probably won't," he finally concludes. "There is so much more to do."

PATRONAGE IN FEDERAL CIVIL SERVICE

HON. DAVID N. HENDERSON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. HENDERSON. Mr. Speaker, I am inserting in the RECORD a copy of a joint statement released today by Congressman THADDEUS DULSKI and myself. We wish to share with our colleagues the information in this statement:

JOINT STATEMENT BY THADDEUS J. DULSKI, CHAIRMAN DAVID N. HENDERSON, VICE CHAIRMAN, HOUSE POST OFFICE AND CIVIL SERVICE COMMITTEE, SEPTEMBER 25, 1974

PATRONAGE IN FEDERAL CIVIL SERVICE

We are reassured by the action taken by President Ford, as shown by his memorandum of September 20, 1974, directing the heads of departments and agencies to support the Federal Civil Service Merit System and to keep the System free from partisan politics. It is sobering to know that conditions now or in the immediate past were such as to require the highest public official in our country to take such action—an action that should have been taken immediately when the preliminary results of investigations of allegations to this effect were known in early 1973.

Allegations of "Special Referral Unit" in General Services Administration and supporting documentary evidence has been under study and investigation by our Committee since the summer of 1973. The Executive Director of the United States Civil Service Commission has fully cooperated with the Committee and Subcommittee staffs in providing information as requested.

In early August 1974, at the request of Chairman David N. Henderson of the Subcommittee on Manpower and Civil Service, the Executive Director, Civil Service Commission, was asked to furnish to the House Post Office and Civil Service Committee the full results of the Civil Service Commission's investigation, report of findings, responses and corrective actions by General Services Administration, and the names of those individuals within GSA charged with improper actions. The Executive Director promptly responded and cooperated with our Committee in this matter. Copies of the correspondence exchanged between the Civil Service Commission and our Committee to obtain this material will be made available.

At that time our views were strongly represented regarding the inordinate delays being encountered in finalizing proposed disciplinary actions. It was pointed out in August 1974 that over one year had elapsed since initiation of the investigation began as a result of a detailed affidavit provided by a high level GSA career official to the Civil Service Commission investigators.

We hope that the President's memorandum will lead to "a cease and desist" condition by the Administrator of the General Services Administration and other GSA officials, who have delayed, for more than nine months, disciplinary actions on the eight officials charged in connection with political influence matters.

The Investigations Subcommittee under Chairman Dulski and the Manpower and Civil Service Subcommittee under Chairman Henderson have been and are conducting investigations of alleged violations of the merit principles in career Civil Service, both in Washington and the field activities of GSA and other agencies. Chairman Dulski has directed the Manpower and Civil Service Subcommittee, under Mr. Henderson, to continue to pursue additional leads in order to finalize the investigations.

There has been continuing coordination and exchange of information between the House Post Office and Civil Service Committee, House Judiciary Committe, and Senate Select Committee on Presidential Campaign Activities. Senator Ervin has turned over all material developed as a result of the investigations by his Committee with regard to political influence or other improper actions taken to thwart the Merit System in the career Civil Service.

We believe that at this time a continuation of our investigations on current matters and other matters affecting the career Civil Service, as may be requested from other committees of the Congress or individual Members, is warranted. Upon completion of these studies, the Manpower and Civil Service Subcommittee will hold hearings and recommend such Committee action as may be indicated to change laws or administrative practices to insure that the Federal Civil Service Merit System is maintained in a proper manner as intended by the law.

It is our intent to review the results of all investigations of allegations regarding improper actions to assure the Congress of the adequacy and the degree of compliance with corrective and disciplinary actions recommended as a result of such investigations. Furthermore, we think this is the time to examine institutions, executive practices, and administrative procedures in an effort to prevent similar abuses from occurring in the future. Included in this much broader review are such items as:

a) Authority for and number of noncareer positions. Rules for converting positions from career to noncareer and vice versa.

b) Qualifications for noncareer executives and relationship to career Civil Service.

c) Review policies and procedures governing referrals of "name request" by agencies to Civil Service Commission for certification to career positions in agencies.

d) Civil Service Commission's role in noncareer personnel actions.

e) Roles and mission of the Civil Service Commission.

f) Consider pros and cons of separating the appellate functions from operating and policy functions of the Civil Service Commission.

g) Personnel policy role of the Office of Management and Budget vs. Civil Service Commission.

In such a review, we intend to utilize fully the study by and findings of the panel of the National Academy of Public Administration made at the request of the Senate Select Committee on Presidential Campaign Activities. This panel was chaired by Frederick C. Mosher, Professor of Government and Foreign Affairs at the University of Virginia, who was well known for his outstanding work in the Federal Government at the University of California and Syracuse University. The panel consisted of twelve citizens who had made outstanding contributions either in Government, private industry, or academic fields. Mr. Bertrand Harding, former field official, who served with Veterans Administration and Atomic Energy Commission, as Personnel Director for Federal Aviation Administration, and as Deputy Commissioner of the Internal Revenue Service, was the Staff Director for the panel.

HEW ATTITUDES

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. GINN. Mr. Speaker, citizens throughout the Nation were shocked recently when Mr. Caspar W. Weinberger, Secretary of Health, Education, and Welfare, commented on HEW attitudes regarding school desegregation in northern cities. Mr. Weinberger said, in effect, that the rigid, shortsighted and destructive Federal desegregation tactics that are being used in southern school systems today will not be used in the North.

I do not wish to see the North subjected to the tyrannical whims of HEW that have been used in the South. But I believe the Congress should demand to know why this tyranny continues in operation in the South today and yet will not be put into use in the North. Public education in the South has been torn apart by social planners in HEW who play the numbers game with schoolchildren in order to achieve racial balance.

I joined recently with my colleague from Georgia (Mr. MATHIS) in sponsoring a resolution declaring it to be the sense of the House that HEW efforts to desegregate public schools "should be applied with the same intensity, standards, and sanctions in every region of the United States." I would hope this will underscore the hypocrisy of HEW standards and bring about an end to the HEW policy of abandonment of the neighborhood school.

The Honorable Jack P. Nix, State superintendent of schools in Georgia, recently provided me with a copy of a letter he has sent to Secretary Weinberger. It gives some excellent illustrations of the problems I have mentioned, and I insert it in the RECORD at this point:

ATLANTA, GA.,
September 17, 1974.

Hon. CASPAR W. WEINBERGER,
Secretary, U.S. Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. SECRETARY: The news media has reported quotations made by you relative to the implementation of federal statutes concerning desegregation in northern states. I am really appalled that a "double standard" is acceptable to federal officials—one standard for the South and another standard for the North. If, in reality, you, as a federal official, implement such a procedure, it seems to me that you would be in violation of the federal statutes relating to equal and nondiscriminatory action.

It has been my privilege to serve as State Superintendent of Schools in Georgia since January 1, 1966. During this period, untold hours of my time, time of the State Board of Education, local system administrators, local boards of education, and the State Attorney General's staff have been devoted to complying with rules and regulations developed by federal officials to bring about desegregation of all school systems. The people of Georgia, and throughout the South, have worked diligently at the expense of improving instructional programs to implement the Civil Rights law. It is true that people are sensitive to change, and particularly to this tremendous social change, but the sensitivity is not limited to northern people—southern people are sensitive too.

The Associated Press article, appearing in the September 7, 1974 issue of the Atlanta Constitution, identifies statements made by you relative to applying the Civil Rights Act to northern school districts. Your position, as reflected by the news media, including newspapers, television and radio, was discussed at some length with the Georgia State Board of Education at its regular monthly meeting on September 11 and 12. The Georgia State Board of Education unanimously agreed that there should be no discrimination in administration of a federal act according to geographical area. The position that you have apparently taken in dealing with the northern school districts is creating considerable unrest in our State, and in discussing your statements with my counterparts in seven other southeastern states, anxieties are being expressed in those states as well.

To bring our concerns more forcefully to you, I would like to quote from correspondence written by federal officials to local school systems in the State of Georgia:

LAURENS COUNTY SCHOOL SYSTEM

"The review team reviewed the disciplinary record book at N. W. Laurens Elementary School located at Dudley and Millville and the N. W. Laurens Junior High. It was noted that black students were subjected to a higher degree of corporal punishment than white students for major and minor infractions of school rules and regulations. According to the records, from the beginning of the school term until the time of the review, approximately 480 students were disciplined at Primary Center, N. W. Laurens Elementary School. Two hundred and thirty-five of these were white students, only ten received "licks", all others were "talked to" or "warned". Of the 145 black students sent to the principal, only two were "talked to", these on August 30 and 31. Every other black student sent to the principal received "licks". In addition, on several occasions, such as on September 23 and October 5, several students were referred for the same reason; in each case, the white students were "talked to" and black students received "licks".

"In order for you to be in compliance with this assurance, it will be necessary for you to take immediate action to correct this discriminatory administration of discipline."

GLYNN COUNTY SCHOOL SYSTEM

"1. A narrative description of your district's disciplinary practices, policies and procedures including: expulsions, suspensions, corporal or other punishment; statement of general rules of conduct; who determines violations; how are the violations determined; what standards are used; how are the standards established, communicated, implemented; who metes out the punishment; how; what options are available?

"2. Provide a discipline report for the current school year for each school in your district. This report should include the number of students suspended and the number of students expelled during the current school year and the total number of suspension days by race."

COOK COUNTY SCHOOL SYSTEM

"Please have the following information prepared for the team when it arrives on April 11, 1972. (This is the same information Mr. Gill requested over the telephone.)

"1. Class schedules of each teacher showing the teacher's name and race and the numbers of black and white students in each class.

"2. The district's full policy with regard to discipline.

"3. Names and race of all teachers dismissed or contracts not renewed for the school years 1969–70 and 1970–71.

"4. Those students suspended or expelled for the last three school years (including the current year) giving name, race, reason for action, grade and school. If possible, also state the name of the teacher who initiated the action and the principal who administered it.

"5. A complete staff directory (including administrative, cafeteria and other nonprofessional as well as professional staff), noting the race of each person.

"6. Teachers newly hired to serve for the current (1971–72) school year by schools, giving: name, race, years of experience, certification, and subject or grade taught.

"7. The district's policy on inter-district and intra-district transfer.

"8. The district's policy on student assignment to class by ability or other factors.

"9. A list by schools showing numbers and race of students participating in extracurricular activities."

ELBERT COUNTY SCHOOL SYSTEM

"In discussions with district personnel, the Office for Civil Rights staff members stated that in order for the district to correct its ineligibility under Section 185.43 (b)(1) and (3), the district would have to offer Mr. Brownlee the next vacant principalship and to pay him the difference between what he would have earned as a principal and what he now earns as an assistant principal (an amount equaling approximately $3,000). The superintendent of the Elbert County School District informed the Office for Civil Rights that this was not possible, and the Office for Civil Rights in turn informed Mr. Atkinson that the district was ineligible for funding under the Emergency School Aid Act (ESAA)."

EVANS COUNTY SCHOOL SYSTEM

"It is not the policy of this Office to accept any plan which might delay the complete elimination of the dual school system past the beginning of the 1970 school year. Therefore, in the unlikely event your new building is not ready for occupancy at that time, we must require that you implement an alternate desegregation plan utilizing existing facilities. Please indicate in your amended plan what contingency measure in the way of reorganization to eliminate your dual system you might undertake in September 1970, should the building not be ready for occupancy."

GWINNETT COUNTY SCHOOL SYSTEM

"We also request information from you concerning the seating arrangements on your school buses. It has been reported to us that on at least one bus, black children are asked to sit in the rear. Could you clarify this issue for us? As you know, such a practice would be in violation of Title VI of the Civil Rights Act of 1964."

MUSCOGEE COUNTY SCHOOL SYSTEM

"If you wish to justify ability grouping practices at Blanchard Elementary, South Columbus Elementary, and Daniel Junior High, you must provide the following:

"1. In view of the time requirements which we face, achievement test scores for three consecutive years for those students assigned to the fifth or sixth grades at Blanchard Elementary will suffice.

"2. In order that we may obtain testing data for three consecutive years, please provide testing data for the fifth or sixth grade at South Columbus Elementary. Testing data is being requested for the fifth or sixth grade, because the assignment practices which are utilized in the third grade, most likely are utilized in the higher grades also.

"3. Achievement test scores for three consecutive years for all sections of English and math in grade eight at Daniel Junior High."

Secretary Weinberger, the State Board of Education and I wish to call to your attention that if, in reality, you administer the Civil Rights law differently in the North and fail to demand these same "nit-picking" requirements of the northern districts that you are requiring of the southern districts, you will be in violation of the Civil Rights Act. It is not our desire to ask that northern districts be required to meet all the specific requirements that southern districts have had to meet. We simply demand that southern districts be treated in exactly the same manner as you treat northern districts.

The demands by federal staff, in most instances, are made without regard for the instructional programs. In addition, the tremendous time devoted to assembling such irrelevant educational statistics, consuming the time of administrators, supervisors, and teachers, causes a further deterioration of educational opportunities. Mr. Secretary, it takes a great deal more than just having two people of opposite races sitting beside one another to have a good school program.

I will be most happy to devote a portion of my time and that of my staff in assisting you or your top aides in structuring procedures that will permit us to return to planning and implementing good instructional programs for children as our first priority for operating public schools.

With kindest regards, I am,

Sincerely,

JACK P. NIX,
State Superintendent of Schools.

THE FORD-NIXON FIX: AN ANALYSIS

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Ms. ABZUG. Mr. Speaker, the current issue of the New York Review of Books contains a brilliant and perseptive article by I. F. Stone. Mr. Stone has again gone right to the heart of the tapes deals and reveals for the first time that the memorandum from the Attorney General that President Ford cited in his authority to make the tapes deal was not prepared for the purposes for which it was used. This is another example of the questionable nature of the events surrounding the pardon of the former President, the administration request for funding for the former President and the tapes arrangement itself. As Mr. Stone says, the destruction of the tapes may lead to "poisonous untruths about his—Nixon's—forced resignation which may someday prove injurious to the political health of our country."

I commend the I. F. Stone article to the attention of my colleagues and include it in the RECORD:

THE FIX

(By I. F. Stone)

WASHINGTON.—The latest chapter of Watergate, the chapter being written by Ford, involves two interrelated matters. One is the pardon for Nixon and perhaps later for his aides. The other involves the disposition of the Nixon tapes and related materials. The full dimensions of this continuing cover-up have yet to be fully appreciated.

The net effect intended may easily be summed up. It is to let the culprits go free and send the full truth to the gas chambers. For the Ford-Nixon agreement on the tapes allows Nixon to control access to them during his lifetime and to destroy any of them he chooses after five years. After ten years, or upon his death should that come sooner, all the remaining tapes are to be destroyed. Destruction of these tapes is the essential first step to any Nixon comeback as a political influence.

Whatever secrets on those tapes Nixon has fought so hard and successfully to hide all these months will remain forever unknown. Nixon will be able to write his own story of his administration without being embarrassed by them, except for those disclosed in the tapes already obtained by Jaworski. The way is thus opened to poisonous untruths about his forced resignation which may some day prove injurious to the political health of our country.

There are two immediate steps Congress could take to preserve these tapes from destruction and to prevent the agreement from taking effect. One is for the judiciary committees of either or both houses to subpoena the tapes as part of an investigation into their disposal.

The second is to summon the attorney general and ask him to explain in plain language the tortured meaning of his convoluted legal memorandum which was released with the announcement of the tricky deal between the Ford White House and Nixon on the tapes.

The legal opinion was released as if it supported the tapes agreement. But a closer reading leads to other conclusions. The legal memorandum does say, in a curiously negative way, that these tapes can be considered Nixon's property. But it concludes by advising the White House that none of the tapes or other materials "can be moved or otherwise disposed of" without court permission where subpoenas or other judicial orders are outstanding. This is so, the legal opinion says, because in both civil and criminal cases subpoenas may be issued "directing a person to produce documents or other objects which are within his possession but belong to another person." The tapes and other materials covered by the agreement were left behind in the White House or deposited previously with the General Services Administration.

The agreement provides that all this material be removed from the District of Columbia, where the cover-up cases are being prosecuted, and "deposited temporarily," so the letter of agreement by Nixon provides, "in an existing facility belonging to the United States, located within the State of California near my present residence." The facility referred to is the so-called Laguna Miguel pyramid near San Clemente.

When Ford's lawyer Philip Buchen was asked at his September 8 briefing when the tapes and other materials would be moved to California, he said, "As soon as we can get rid of, or modification of, the existing orders that require they be retained here."

He admitted there were at least three sets of judicial orders requiring that some at least of the tapes be kept available here. But none of these cases covers or protects all the tapes whose subpoena by the House Judiciary Committee was disregarded by Nixon or all the tapes and other materials which may prove necessary in current or future investigations by Special Prosecutor Jaworski. It is important that the judiciary committees and Jaworski be forced by public opinion to go into court and assert *their* rights to block the transfer agreement and save the tapes for posterity.

The first judicial order requiring the White House to maintain custody of tapes despite the Ford-Nixon agreement was issued by federal judge John H. Pratt on September 11 in connection with Watergate-related suits brought by R. Spencer Oliver, head of the Association of State Democratic Chairmen, and by James W. McCord, Jr.[1] Judge Pratt's order covers four months of Watergate tape recordings.

In these cases the Ford administration has already begun to try to use its agreement with Nixon as a means of escaping judicial involvement in Watergate cases. Buchen, ordered to give a deposition in these cases September 12, filed an affidavit saying that while the tapes were still in the White House, they were now the property of Nixon under the new agreement and any subpoenas should be taken up with the ex-president.

We can now begin to see that Ford and Nixon have a common interest in extending the pardon as soon as possible to other Watergrate defendants who have yet to be tried. For Ford it may prove hard to avoid the ticklish problem of tape subpoenas as long as prosecutions are under way. Nixon for his part would not want to have to appear as a witness in the trials. In addition, as long as they are in prospect he must contend with subpoenas and possible contempt citations even if he can get the tapes into his possession. There is for him always the danger that some tapes may have to be produced with more damage to his reputation. No doubt he will plead executive privilege to resist subpoenas as Truman once did when called to testify after leaving office. Only general pardons can protect both Ford and Nixon from all these unpleasant possibilities.

The Ford administration is trying, by a private agreement with Nixon, to evade its responsibility to produce tapes still in its physical possession. That is what the attorney general's opinion says the Ford administration cannot do. But that is exactly the obligation the agreement with Nixon tries to evade. For the terms laid down by Nixon and countersigned for the Ford administration by Arthur F. Sampson, head of the General Services Administration (as if it were some routine custodial matter), are that in the event of any subpoena or other judicial order for tapes or papers Nixon alone is to decide whether to obey or contest the order.

Nixon will respond "as the owner and custodian of the Materials [as the tapes and other documents are termed in the letter of agreement], with sole right and power of access thereto and, if appropriate, assert any privilege or defense I may have."

Should Nixon agree to produce the requested material, the government could then *and only then*, step in—but only to raise additional objections! Nixon wrote, "Prior to any such production, I shall inform the United States so it may inspect the subpoenaed materials and determine whether to object to its production on grounds of national security or any other privilege."

This is very different from the situation which existed before this questionably legal agreement was secretly signed on September 6, two days before the Nixon pardon was announced. In the event of a subpoena for documents Nixon left behind in the White House or with the GSA, it was the Ford administration that had to decide whether to obey the subpoena and if not on what basis to disobey the order for the tapes or other materials.

In other words, Ford had to decide whether to act just like Nixon or to take a fresh look at the public policy involved and adopt a more open, a more forthright—and to echo a word the new president himself picked for the hallmark of his administration—a more candid policy.

The choice was especially embarassing because of the pledges made by Ford *not* to invoke executive privilege against court orders when questioned by Senator Byrd at the Senate Rules Committee hearing on his nomination as vice president the same hearing in which Ford said, "The public wouldn't stand for it" if he pardoned Nixon.

Byrd confronted Ford with a speech Ford made in 1963 in the House of Representatives condemning the invocation of "executive privilege" in Teapot Dome, Truman's tax scandals, and the Bay of Pigs affairs. He said the doctrine was usually a cover for "dishonesty, stupidity and failure of all kinds." Byrd said, "The shoe is on the other foot now," but Ford replied he still felt the same way. Byrd led him through a stiff interrogation [2] which now has a fresh and immediate relevancy.

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[1] These suits and a similar action by E. Howard Hunt involving the tapes are in addition to the three cases cited by Buchen at his September 8 briefing. These are the Wounded Knee trial in Minnesota, the suit brought by the TV networks which gave money to the Nixon 1972 campaign on the implied assurance that this would protect them from anti-trust prosecution, and thirdly, a civil suit brought by persons barred from a Billy Graham Day celebration in North Carolina. It is significant that Buchen "forgot" to mention the three pending Watergate cases though he himself is under court order in them.

Byrd. Is it your opinion that withholding of information which may go to the commission of serious crimes is justified under any circumstances when ordered by a president?

Ford. At this time I have not foreseen it, but that is a pretty broad statement. At the moment, I cannot foresee any.

Byrd. Would you, Mr. Ford, at the high mantle of presidential authority, if it were ever bestowed upon you, invoke presidential privilege to prevent the courts from seeing documents the courts ordered you to hand over to the courts?

Ford. . . . if I had to weigh those two, the political public impact on the one hand, and the legal and constitutional issues on the other, I think my judgment would be to make them available. . . .

This answer seems to reflect an instinctive opportunism: constitutional considerations should prevail over political impact. But now that the time has come to fulfill this implied promise, Ford's answer is to enter into a surprise agreement by which the government hands over the tapes and other documents to Nixon's sole authority, transporting them to California and housing them near him at public expense. Nixon in return makes the government a "gift" of the documents, but this is to take effect only five years hence and is subject to the provision that Nixon can destroy all the tapes he wishes after five years and the rest must be destroyed after ten years or on his death. Thus Ford evades his moral and political responsibility and carries on the cover-up.

This is of a piece with his conduct on the pardon. He gave the Senate committee and the country the clear impression, without saying so directly, in that disingenuous style of the Nixon and Lyndon Johnson eras, that he would not issue a pardon to Nixon. "I do not think the public would stand for it" has proven to be his most accurate prediction.

Ford made another implied pledge at the same hearing which also deserves more notice than it has received. "The attorney general," he said, "in my opinion, with the help and support of the American people, would be the controlling factor." This implies that the attorney general would be consulted in advance of a decision on pardon—otherwise how could his views possibly be "controlling" and how could public opinion help him block a pardon? But the attorney general said the day the Nixon pardon was announced and has repeated several times since that he was never consulted on the Nixon pardon.

If this is true, and Saxbe's press aides keep repeating it, then the attorney general was as much taken by surprise as Congress and the country. The surprise was all the stronger because at Ford's press conference of August 28 he over and over again gave the impression that he would take no action on a Nixon pardon until legal process had run its course. Yet we now learn that only two days later he disclosed to a few intimates that he had decided to pardon his predecessor. Duplicity is the only word for that sequence.

The same secretiveness appears in the case of the tapes agreement. Despite the historic importance and legal complexity, there was no consultation with the attorney general in advance—so Saxbe's press officers insist. They say he did not hear of it until it was announced, that the legal opinion he furnished—which the White House released with the agreement—was written before he knew about it. These are all matters which should be explored with the attorney general in a public congressional hearing preparatory to a legal challenge of the deal itself.

There is some reason to suspect that the attorney general, like the rest of the Ford entourage, is being a little tricky. His legal opinion, fourteen opaque pages, is a masterly job of scholarly obfuscation, skillfully designed both to give the White House just what it needed and yet to protect the attorney generals' flank from criticism.

The draftsman was the head of his office of legal counsel—the intricate footwork is beyond the capacity of Saxbe himself—but for all the research the memo could only cite two cases for the proposition that the tapes and all other presidential documents *are* the private property of Nixon.

Even to find two cases the memo had to scrape the bottom of the legal-historical barrel. Only one case has to do wtih presidential papers. In the other, the memo culls some dubious dicta about oil leases on public lands (*U.S.* v. *Midwest Oil Co.* 236 US 459 in 1915) which say that rights may be established by congressional acquiescence.

The case bearing on presidential papers, a decision on Circuit by the famous constitutional commentator Mr. Justice Story (*Folsom* v. *Marsh* 9 F. Cas. 342 in 1841), dealt with a copyright problem in publishing the works of Washington. As a precedent this is skewed because here we are confronted with the opposite problem—Nixon's burning desire to keep his tapes *out* of the Works of Richard Nixon and forever unpublished.

Anyway this decision by Mr. Justice Story could be used to uphold a proposition directly contrary to that sought and applied by Ford and Nixon. Mr. Justice Story said at one point that the courts had to distinguish, in dealing with presidential papers, between the private and the official papers. The latter were affected with a public interest and the government had a right to decide on the one hand whether they could be published at all and on the other—

"From the nature of the public service, or the character of the documents, embracing historical, military or diplomatic information, it may be the right, and even the duty, of the government, to give them publicity, *even against the will of the writer.*"

The added italics nicely fit the case of the Watergate tapes. But Saxbe's memorandum interprets this very narrowly as applying only to the censoring of national security information, an interpretation which perfectly fits Nixon's penchant for seeing national security information almost anywhere.

The Saxbe memorandum also selects one sentence from the report on Nixon's tax returns made last April 3 by the staff of the Congressional Joint Committee on Internal Revenue Taxation. This 780-page report limited its discussion of the question "Who Owns Presidential Papers?" to two half pages (28–29), perhaps because quite a few congressmen have also been in on the racket of "bequeathing" their papers for tax advantages.

Saxbe's memo quotes from this one page the assertion that "the historical precedents taken together with the provision set forth in the Presidential Libraries Act *suggest* [our italics, not a very strong word] that the papers of President Nixon are *considered* [again our italics] his personal property rather than public property."

The report on Nixon's taxes says that in passing the Presidential Libraries Act Congress "suggested" that it agreed with this view by authorizing the GSA to accept for deposit "the *personal* papers and other *personal* [again our italics] historical documentary materials of the present President of the United States [Truman]."

But are the Watergate tapes Nixon's "personal" property? Has he the right to destroy records of the criminal conspiracy, which sent so many of his associates to jail and drove him from the presidency? The Saxbe memo did not quote the report's prescient observation that allowing absolute ownership may tempt some public officials "to destroy certain sensitive papers" or its softly spoken but cogent suggestion that "in view of these diverse considerations, it may be that the whole question of the ownership of papers of public officials is a matter which the appropriate congressional committees might want to consider." There couldn't be a better time than now.

Article IV, Section 3, Paragraph 2 gives Congress alone the power to dispose of government property. The Congress has never used this power to regulate the disposal of public papers. "A President's papers," the Joint Committee report said, "may contain much that is essential in conducting the national business in subsequent administrations." This certainly holds true of the investigations and trials still underway in connection with Watergate.

The report on Nixon's tapes also touched on the danger that presidents "may make future historical work more difficult" by how they handle their papers. The Ford-Nixon agreement would certainly do so by arranging for the destruction of the tapes and allowing Nixon in the meantime to control all access to them.

The Ford administration is fully aware of all this, and quite cynical about it. The cynicism was all too evident in the press briefing September 8 by Ford's friend and lawyer, Buchen. When asked why the tapes "were going to be destroyed after five years," Buchen first adopted a civil liberties posture to defend this, calling himself "an old spokesman for the right of privacy." Thereupon this gem of an exchange—

Q. Mr. Buchen, was any consideration given to the right of history?

Mr. Buchen: I am sure the historians will protest, but I think historians cannot complain if evidence for history is not perpetuated which shouldn't have been created in the first place.

This was Nixonism, pure and undefiled.

An honorable man in Ford's shoes before entering into his tapes agreement with Nixon would have consulted the attorney general, the special prosecutor, and the judges who have cases involving Watergate or the tapes. He would have sought the advice of Chairman Ervin of the Senate Watergate investigation committee [3] and Chairman Rodino of the House Judiciary Committee, both of which still have outstanding subpoenas for tapes which Nixon refused to honor.

At his confirmation hearing Ford over and over again expressed disagreement with the withholding of these tapes by Nixon. That he has now acted so differently, and so covertly and so swiftly, speaks for itself about the true character of Gerald Ford. Tricky Dicky has been replaced by Foxy Ford. All this will deepen the suspicion that the pardon was part of a prenomination deal. If not, Ford could have plainly said so before the Senate committee last November instead of evading the issue with his disingenuous remark that "the public wouldn't stand for it." Was he then telling the truth, the whole truth and nothing but the truth—so help him the God he evokes as effusively and frequently as did Nixon before him?

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[2] See pages 39–42 of Senate Rules Committee hearings on the Ford nomination.

[3] Senator Mondale has already written Senator Ervin in the latter's capacity as chairman of the Senate Government Operations Committee asking him to subpoena "all relevant presidential materials [on Watergate] in order to establish the right of access to such materials and to guarantee their preservation." He also suggested an Ervin committee investigation as the best way "to accomplish full disclosure and to probe the propriety of the GSA agreement" between Ford and Nixon.

THE 100TH ANNIVERSARY OF ST. STANISLAUS PARISH

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. TRAXLER. Mr. Speaker, this year the parish of St. Stanislaus Church in Bay City, Mich., is celebrating its 100th year of service to the people and community of Bay City. One of the 10 oldest Polish parishes in the United States, St. Stanislaus should be proud of a century of serving the spiritual needs of its people, providing them the opportunity to worship and offering guidance and counseling. Throughout its entire history, the parish has always attached great importance to the education of its youth. In this centennial year, the parish of St. Stanislaus deserves special tribute for its contributions to the growth and greatness of Bay City. I would like to share with my colleagues in the House of Representatives the story of this parish, as typical of the stories of thousands of hearty immigrants migrating to the new land for a better life, establishing their roots, and building our Nation:

The 100th Anniversary of St. Stanislaus Parish

Around the year 1865, economic and political conditions in Poland were unstable and difficult. As a result of this, Poles as well as other Europeans, began to immigrate to other countries. Many Poles found their way to America. By the early 1870's they settled in Bay County and by 1873, approximately 200 families resided in the southeastern part of Bay City, east of South Madison and Michigan avenues. They knew nothing of the English language and the people here knew no Polish. One of their countrymen, Ludwig Danielewski, a taylor by trade, had arrived here about 1867. He was so attentive to the wants and needs of the newly-arrived that he was looked upon as their chief advisor, guardian and protector.

On February 8, 1874 this group organized the St. Stanislaus Kostka Society. The settlers had originally attended church services at St. James Church and St. Joseph Church. Under the leadership of Mr. Danielewski, this group made plans to build a church to fill the needs of the Polish-speaking community. The enthusiasm of the Poles was hampered by their lack of funds; however, donations from prominent residents of Bay City aided their cause. William D. Fitzhugh gave the site for the church which was one square block, eight lots on the corner of South Grant and 22nd. Streets. Lumberman Nathan B. Bradley donated $500, and as much in building supplies. Work pushed forward and the building was finished by December at a cost of $4,000. On December 13, 1874, the parishioners of Bay City's newest church rejoiced in seeing Bishop Casper Borgess, of Detroit, solemnly dedicated the church, which was the fulfillment of their hopes through many troubled months.

The church was dedicated to St. Stanislaus Kostka who was one of the patron saints of Poland. St. Stanislaus was born in 1550 in Poland. At an early age, he left home seeking further education, and found his way to Vienna. Desiring to enter the Society of Jesus (Jesuits) he contined on to Rome where, he was received into the Society at the age of 17. He died shortly after. He was canonized in 1726 and had always been revered as one of the patrons of Poland. So it was that the church built in 1874 was dedicated in his honor.

Due to a scarcity of Polish speaking priests, Father Joseph Dabrowski, of Detroit, and Father Xavier Szulak, S.J., of Chicago, ministered to the spiritual needs of the people in the interim until a resident pastor could be supplied.

Lay people who served in various capacities in the organizational days of the parish were: Ludwig Danielewski, Joseph Madajaki, Felix Tafalski, Simon Nowakowski, Albert Pawlanty, Andrew Betcher, Anthony Prybylinski, John Bajerski, Vincent Kazyak, and John Breski.

The parish continued to grow and expand. On October 28, 1877 Bishop Borgess confirmed 111 children. By 1886 membership grew to 700 families and there was need and a fervent desire for a larger church. The cornerstone of the present edifice was blessed June 24, 1890 and the building completed in 1892. The Bay City Times Press on July 14, 1892 described the structure as follows:

"The new church edifice is the finest in the city and one of the finest in the state. It is of brick, with stone foundation and in pure Gothic style of architecture. It is surmounted on each corner in front with two large towers, each 175 feet high. There is a gallery in each of the transepts and vestibule. The interior of the edifice is simply grand."

The church was designed by Pratt and Koeppe and completed at a cost of $60,000. St. Stanislaus, celebrating it's centennial, holds the distinction of being one of the 10 oldest Polish parishes in the United States.

The first school was a rented store building on 19th and Farragut Streets, the present site of the Kloha-Delta Agency. In 1876 Father Augustine Sklarzyk wrote to Mother Monica, Provincial Superior of the Felician Sisters. She personally appointed three Sisters to staff the school, and accompanied them to their destination in the "wilderness of Michigan", coming here from Polonia, Wisconsin. The Felician Sisters later moved their Motherhouse from Wisconsin to Michigan. St. Stanislaus school is the oldest school staffed by the Felician Sisters of the Livonia Province. On January 19, 1879 a frame two-story school was built at the corner of 21st and South Grant Streets. It had three classrooms downstairs and Sisters' living quarters and a Chapel upstairs. Prior to the Sisters' arrival, 20 students were taught by Wladyslaw Pociecha who also served as parish organist. Sister Mary Cajetan, superior, and Sister Mary Hyacinth and Sister Mary Joseph were the first Sisters to serve the parish. In 1909 the first eighth graders received their diplomas.

Eleven classrooms housed 800 pupils, which prompted the pastor, Father Edward Kozlowski, to begin the construction of a larger school building. In November of 1913, in recognition of his outstanding achievements Father Kozlowski was appointed Bishop to serve as an auxiliary in Milwaukee. He left the parish on January 26, 1914 and Father Ladislaus P. Krakowski became the new pastor. His first task was the completion of the present grade school building in March of 1914. Further development of the parish included the construction of the present rectory in 1921 and the present convent in 1927.

In 1925 there were 1,250 families in the parish and 1,100 children in the grade school. This provided motivation to establish the first St. Stanislaus High School. By 1932 there had been four graduating classes with a total of 37 graduates.

Due to the lack of funds, the high school was discontinued in 1932, to be reopened in 1950, with 3 graduating in the Class of 1950. The year 1952 saw the completion of the new high school building, presently housing the South Campus of All Saints Central High School. In the parish's 99 year history, it's primary role has been to serve the spiritual needs of its people and the community, providing them the opportunity to worship and offering guidance and counseling. Above all, throughout its entire history, the parish has always attached great importance to the education of its youth. Continuing in the effort the parish publications include a weekly Sunday Bulletin, this Education Board Newsletter, and the Athletic Club Annual covering current year's events. Plans are currently under way to publish a Centennial History of the Parish.

In 1874, the Parish primarily served its members in their mother language. Through the years, however, because of intermarriage and expansion, this is no longer true. The old traditions are maintained to a degree, and Polish liturgies are scheduled occasionally. Weekly Lenten services are held in Polish. The custom of blessing Easter Baskets takes place on Holy Saturday (Swienconka). Many families still follow the centuries-old custom of sharing the Wafer (Oplatek) on Christmas Eve. In addition to the annual singing of Polish Christmas Carols (Kolendy) the parish also maintains the custom of blessing of chalk and incense for use in private homes at Epiphany time. For almost a half-century the Men's Choir has led the congregation during the 9:30 A.M. Sunday Liturgy. Their hymns usually include a selection of traditional Polish hymns.

During 1974 the Parish will commemorate its Century of Service with planned spiritual and social events, between February and December.

An extensive renovation of the building which has served the parish since 1890 is about to get under way, with the approval of Most Reverend Francis F. Reh, Bishop of Saginaw, and the Diocesan Building Committee. Renovation plans call for new pews, carpeting, interior decorating and renovation of the Sanctuary, to be completed by late fall. Mr. Rex Rittenbach, of Saginaw, is the architect. As plans for the Observance of its 100th Anniversary are formulated, St. Stanislaus Parish numbers approximately 1,600 families. Father Richard E. Jozwisk serves as Pastor with Father Chester V. Tomaszewski and Father Robert J. Deland as Associate Pastors. Elected representatives of the parishioners who currently form the Administrative Church Committee are: Stanley Borkowski, Leo Plucinski, Gerald Jantzi, Joseph Madziar, and George Majohrzak. Miss Angeline Gasta is the Organist. The Centennial Committee is composed of the following: Ernest Holka, Stanley Jamrog, Mrs. Harry (Leona Wisniewski) Michalak, Mrs. Veronica (Nowak) Campbell, and Henry Linkowski (Historian).

THE NATIONAL INSTITUTE FOR BURN MEDICINE

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. BROWN of Michigan. Mr. Speaker, I am pleased to have this opportunity today to join with several of my colleagues from Michigan in praise of the National Institute for Burn Medicine located in Ann Arbor, Mich.

This unique institution is engaged in an almost single-handed effort to reduce the suffering and death caused by burns. The organization's founder, Dr. Irving Feller, who has been engaged in burn treatment for most of his professional career, has launched a 10-year program to achieve a 50-percent reduction in burn deaths and 20-percent reduction in hospital admissions due to burns.

To accomplish this, Dr. Feller and the National Institute are moving in two directions—burn prevention education and improved burn treatment techniques.

At the present time, there are distressingly few hospitals in this country which can provide specialized burn care and even fewer which offer training to physicians in burn medicine.

Dr. Feller's immediate goals are to train 750 physicians in the art of burn treatment and to make available to hospitals desiring to establish burn care facilities the technical, financial, and managerial assistance they will need.

Both of these programs will, however, cost a great deal of money. In this regard, I am extremely proud of the citizens of Michigan and several constituent organizations. First, the Michigan Legislature responded to the call by declaring the month of September "Burn Prevention—Burn Treatment Month" to help focus attention on this disturbing problem. The Michigan Jaycees—14,000 strong—Michigan's 6,000 unionized fire fighters, Michigan's volunteer fire departments, the Jaycees and fire fighters' auxiliaries, and Epsilon Sigma Alpha sorority have jointly initiated a fund raising effort to raise more than $500,000 for the National Institute for Burn Medicine. Let me say at this point that I am extremely proud of these organizations for displaying the initiative they have in this worthy effort.

Of course, more money will be needed. Burn injuries are everyone's problem, not Michigan's alone and improved burn treatment and burn prevention should be everyone's goal. I am hopeful that through the efforts of Dr. Feller and his National Institute for Burn Medicine and because of the support shown by the Michigan Jaycees, the Michigan Fire Fighters, both paid and volunteer, their auxiliaries, and Epsilon Sigma Alpha sorority, awareness of the problem, recognition of the work of the national institute, and assistance in this fund-raising effort will be forthcoming from other parts of the country. Thank you, Mr. Speaker.

SOS FOR YEAR-ROUND DAYLIGHT SAVING TIME

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. BINGHAM. Mr. Speaker, when the House voted to repeal daylight saving time during the months of November, December, January, and February, I argued against such hasty action because I felt it would tend to aggravate the country's energy situation.

I, therefore, noted with particular interest a recent newspaper editorial urging the Senate to reject this ill-timed amendment to the Emergency Daylight Saving Time Act of 1973, for precisely the same reasons.

I include herewith the editorial which appeared in the September 20 edition of the New York Times:

SOS FOR DST

Almost as if by stealth, Congress is in the process of repealing around-the-year Daylight Saving Time. When the plan was adopted last fall, the principal argument was that it would save electricity—and therefore fuel. The same reasoning prompted its wartime introduction in this country and in Western Europe, where several countries made it a permanent arrangement. That reasoning is not refuted by the simple fact that one can now get gasoline without waiting in line.

A slack-jawed desire to forget the energy shortage does no credit to Congressmen who only a year ago vied with each other for ways to demonstrate their deep concern. Yet an amendment to the Emergency Daylight Saving Time Act of 1973 that would exclude the four months from November to the end of February slipped through the House of Representatives a few weeks ago and is now up for consideration by the Senate.

The case for year-round Daylight Saving Time is shored up by other considerations as well—particularly the reduction in auto accidents yielded by an additional hour of daylight for weary home-bound motorists in the evening traffic rush. But essentially it rests on the saving of energy. If D.S.T. reduces the peak-hour load by 5 per cent, as Consolidated Edison has testified, that should be no small consideration for those who talk of Project Independence.

The energy crisis is intensifying, not receding. A scheme that helps even by 1 per cent should not be lightly sacrificed to the slight convenience of a small percentage of the population. Parents of young children are understandably concerned with their having to leave for school when it is still dark, but for those very few weeks the schools could surely move their schedules up an hour.

The Senate can save much more than its own time and the country's daylight by promptly rejecting this year's amendment with last year's arguments.

SPEAKING OUT BY E. GRANT TAYLOR

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. FORSYTHE. Mr. Speaker, recently Mr. E. Grant Taylor, past commander of the Disabled American Veterans, sent me a copy of his newspaper column "Speaking Out." Mr. Taylor's most recent column entitled "Amnesty versus Compassion" is a moving statement of how many Americans feel about President Ford's amnesty proposal.

Although I do not completely share Mr. Taylor's viewpoint, I would like to take this opportunity to read his thoughts into the RECORD for the benefit of my colleagues:

SPEAKING OUT—A VETERAN'S VIEWPOINT . . .

(By E. Grant Taylor)

AMNESTY VERSUS COMPASSION

President Gerald R. Ford reversed his position on amnesty in favor of compassion and not revenge. Veterans deplore his choice of words because it implies draft dodgers and deserters deserve more consideration as quitters than those loyal to our country. In fact, it implies we quit them instead of the reverse. The question is not whether the Vietnam conflict was right or wrong. All wars are morally wrong. In this case, three presidents were involved and if, my memory serves me correctly the Tonkin-resolution was passed almost unanimously by Congress. Not to declare war outright was in my opinion hypocrisy. The buck passed to our presidents. This issue is based solely on loyalty and disloyalty. To defect to other nations rather than serve is inexcusable. Those who stayed as conscientious objectors to serve in other areas we must respect and admire because they are sincere.

After listening and viewing defectors in Toronto harshly criticized President Ford after his announcement to the V.F.W. National Convention, he had reversed his stand on amnesty: it is evident he put the shoe of revenge on the wrong foot. As for compassion, that is reserved for people who cannot help themselves. Not quitters!

Like those gallant boys returned to us disabled who occupy our VA hospitals. Like their orphaned children and widows and aged parent who are left distraught by their loss of an only son and/or sons. We owe quitters nothing and never will! We seek no revenge on anyone but we have no intention of pampering quitters. They made their choice to disown our country and as time will come to truly appreciate those immortal words: "Breathes there a man with soul so dead who, to himself hath said 'This is my own, my native land'!"

Watergate tore our nation apart and President Ford needs all the help he can get to bring us together and bind up the wound. Vietnam remains an open wound, too. It was healing with time and we hope it will not be reopened with ill-advised false compassion.

On the subject of compassion, if my memory serves me again, I believe the Vietnamese people asked us for our help and our presidents were not found wanting of compassion. Our quitters did not know the meaning of compassion. Unfortunately, we did not declare war and end it pronto . . . that to me was our greatest mistake. Because to commit our youth to battle lines and call it by any other name than war is outrageous. When are we going to learn double standards are destroying us? Why must we support this double standard on the question of amnesty? Our president now implies we are seeking revenge and we resent its implication. Revenge for what? We should be thankful Vietnam separated the men from the boys! We should be thankful Vietnam has taught Congress a bitter lesson of never again to shirk their responsibility about war. Vietnam as an undeclared war drained our economy and caused inflation to run away. Now, we need mandatory controls. Price, profit and wage controls are needed. We do not like them but what are the alternatives? Another double standard is not the answer.

Cut the defense budget now echoes in the ivory halls of Washington and other cuts in areas of compassion to save the economy. Keep profits, prices and wages booming . . . do not impede free enteprise. This too in my book is quitting on America for the affluent sector. Throughout our early history we never flinched from tightening our belts when the need arose. Are we too great now? Our presidents all use the same cliche, "To serve all the people". No one can serve all the people and its time we stopped kidding ourselves. We can strive to serve as many as possible. We can serve more firsts by cutting out serving seconds and thirds to the select ones among us. This means to control the servings. How long it will last will depend on all of us doing their fair share.

Look what controls did for our nation during WW II. Controls never have to be permanent. In a crisis such as we face with runaway inflation, I see no other choice except national bankruptcy. With controls we can stabilize the economy and rebuild our cities which will take care of full employment. Who the hell was out of work during WW II? Instead of our fighting a war let's fight our blighted cities. Let's show the world we are not all quitters. Let's war on crime, disease and ignorance. They are our real enemies today. Some of course will renege but hell that is to be expected. Most of us will serve our nation with honor, pride and dignity. All we require is the chance to do so. Think about it! In the meantime let me hear from you.

Speaking Out, P.O. Box 513, Jackson, N.J. 08527

PITY THE POOR BROKER

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. EVINS of Tennessee. Mr. Speaker, the Washington Star-News in a recent editorial takes the President's top economic adviser, Alan Greenspan, to task for his incredible statement that "Wall Street brokers" are being hurt most by the current inflation and economic slump.

Mr. Greenspan stated that—

> If you want to examine who is hurting the most in terms of percentage of lost income, it's Wall Street brokers who are hurt the most.

The twisted economic perspective of Republican economic advisers has been evident for some time—their orientation is to Big Business, corporate wealth, and the special interests.

It is difficult for them to see and understand the desperate plight of those who work for a living and whose incomes have been 100 percent diminished because they are out of work because of the high interest, tight-money policies of this administration. Greenspan's statement is a classic that will be repeated and remembered as a blunder.

Because of the interest of my colleagues and the American people in this most important matter, I place the editorial from the Star-News in the RECORD herewith.

The editorial follows:

[From the Washington Star-News, Sept. 24, 1974]

PITY THE POOR BROKER

Talk about a faux pas. That was a beaut pulled by President Ford's top economic adviser, Alan Greenspan, at one of those mini-summits on the economy being held by the administration.

Speaking to representatives of union, consumer and minority groups who were trying to help the administration find a way to keep inflation from picking America's pockets, Greenspan, chairman of the President's Council of Economic Advisers, said: "If you want to examine who is hurting the most in terms of percentage of lost income, it's Wall Street brokers who are hurt the most."

The reaction was predictable: boos and angry retorts. Which undoubtedly were matched by equally loud groans of dismay from the White House and Republican candidates battling to hold their own in the fall election.

The Republican party has been trying for years to get the public to put aside the notion that the GOP is tied to big business. It achieves some height of political folly for a Republican administration spokesman to tell a group of unionists, consumers and minority representatives to pity the poor Wall Street broker.

Ironically, at about the same time, another Ford economic adviser, Paul McCracken, was saying the administration ought to humanize its anti-inflation policies. Talking about tough policies "without regard for the problem areas and the casualties," said McCracken, "sounds to people a little like the government is telling them to eat cake."

Mr. Greenspan, meet Mr. McCracken.

DISCRIMINATION AGAINST U.S. AIR CARRIERS

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. WYMAN. Mr. Speaker, I am distressed by the fact that foreign airports are charging our carriers discriminatory sums when the carriers land there. This is outrageous. It is demonstrably unreasonable.

The difficulty is that the American taxpayer is again forced to carry the burden and this must be remedied.

I hope and trust that the agencies who are entrusted with the responsibilities of protecting American interests in this regard will see that these inequities are ended. If they do not, I believe it is a continuing responsibility of the Congress not to fund subsidies for this, but instead to deny the availability of service in terms of route certification to foreign carriers until the discrimination stops.

I intend to bring this matter to the attention of both the FAA and the CAB at the earliest opportunity and urge the reading by persons who might not be familiar with the inequities of the situation, a recent article from Airline Pilot of August 1974 showing how U.S. airlines are taken.

HOW U.S. AIRLINES ARE TAKEN

(By Danna K. Henderson)

The Australian government charges Pan American World Airways $4,200 to land a Boeing 747 at Sydney Airport. At San Francisco, Australia's Qantas Airways pays $271 for a 747 landing.

In Rome, Trans World Airlines is billed about $600 for each 747 landing (plus a 50% surcharge if the landing is at night). The Italian national carrier, Alitalia, pays nothing.

When U.S. airlines want to add airplanes to their fleets, they borrow money from commercial banks at interest rates currently in the 11%-12% neighborhood. When a foreign airline wants to buy a U.S.-built airplane, it finances the purchase at 7% through the Export-Import Bank. As a result, the U.S. airline pays about $7 million more for a wide-body jet than does the foreign airline that competes with it on its routes..

If an Italian industrialist needs to come to the U.S. on business, the Italian government requires him to fly on Alitalia. When an American businessman goes to Italy, the U.S. government places no restraints on his mode of travel. (If his destination is somewhere other than Rome, however, he may find that connecting space on Alitalia is "not available" if he crosses the Atlantic on a U.S. carrier. But the space will magically become available if he changes his transatlantic reservations to Alitalia.)

These startling facts are just a sampling of the discriminations with which U.S. flag airlines must contend as they compete for business in the world transportation marketplace. When the burdens of discrimination are coupled with traditional enormous wage disparities and the recent extraordinary escalation in fuel costs around the world, it is little wonder that the future viability of U.S. flag carriers is currently in serious question.

The gist of the problem facing the U.S. international airlines, says the Air Transport Association, is that they must vie as free enterprises against competitors that are controlled and financed by governments, and must do so in a market in which both prices and the costs of doing business are also a matter of government edict. What's more, foreign airlines have virtually unrestricted access to the U.S. passenger market, while U.S. carriers are hampered at every turn in their efforts to do business abroad.

That this nation's airlines aren't faring very well in the competitive arena is evidenced by the statistics.

In 1973, U.S. airlines exported an estimated $1 billion in air transport services to foreign countries, but the U.S. imported $1.7 billion worth of services from foreign carriers. The U.S. provided 68% of the passengers that crossed the North Atlantic, but 58% of the total passengers flew on foreign airlines. There are 57 foreign carriers providing service to and from the U.S.; only four U.S. carriers (Pan Am, TWA, Braniff and Northwest) are engaged in scheduled international service in a major way.

It is against this background that the U.S. flag carriers are currently seeking redress in Congress against the unfair and unequal competitive treatment visited upon them from two sources: foreign governments and their own government. "We have now reached the point where America's international airlines can no longer accept such unequal treatment and continue to be viable competitors carrying the United States flag around the world," says ATA.

LANDING CHARGES[1] AT SELECTED UNITED STATES AND FOREIGN AIRPORTS—BOEING 747B (200 PASSENGERS)

[In dollars]

	Landing fee	Per A/C charge	Per Pax charge	Total Pax charge	Total charges
UNITED STATES					
New York (J.F.K.)[2]	291	48.86	5.82	1,164	1,503.86
Chicago (O'Hare)	328		.40	80	408.00
Miami	118				118.00
Los Angeles	178				178.00
San Francisco	237		.17	34	271.00
Seattle	902				902.00
Honolulu	494				494.00
FOREIGN					
Amsterdam	1,036		3.27	654	1,690.00
Frankfurt[3]	1,395	177.25	1.96	392	1,964.25
London[4]	840	296.10	1.90	380	1,516.10
Paris[5]	1,180	94.94	3.54	708	1,982.94
Sydney[3]	4,200				4,200.00
Tokyo	1,215				1,215.00

[1] Landing charge defined as any charge related to movement of aircraft, passengers or cargo into or out of an airport paid by an airline.

[2] Charges estimated for processing passengers through the International Arrivals Buildings.

[3] To be increased.

[4] Plus $150 peak-movement charge.

[5] Night surcharge: $12.50.

The discriminations that disturb the carriers the most are those practiced by the U.S. government. For example:

(1) Foreign airlines spend less for the airplanes they fly than do American carriers because they are able to finance the purchase of U.S.-built aircraft through the Export-Import Bank at interest levels far below the U.S. prime rate. Over the past 17 years, Eximbank has loaned $4.2 billion to nearly 100 airlines for the purchase of 1,009 commercial jets, giving these airlines a significant cost advantage over their American competitors.

Congress is now considering legislation that would extend the Eximbank charter for another four years and increase its lending authorization to $30 billion. The U.S. airline industry is seeking to attach to this legislation an amendment that would give U.S. carriers access to Eximbank financing for the purchase of U.S.-manufactured airplanes used primarily in international service. ATA cities as precedent for its request the maritime industry policy of providing a construction cost differential for ships built in the U.S.

"More favorable financing of foreign carrier aircraft purchases has become too much of a burden for the privately owned and financed U.S. carriers to bear," ATA told the Senate Banking Committee. "We believe that this major cost of doing business must be equalized for the U.S. flag airlines operating in competition with foreign carriers."

(2) The U.S. Postal Service pays much higher rates to foreign carriers than to U.S. airlines for the transportation of international air mail. The present rate paid to U.S. carriers is 31 cents per ton-mile, but the U.S. government, as a member of the Universal Postal Union, pays as much as $1.73 per ton-mile to foreign airlines to transport U.S. mail.

In an effort to rectify this and similar inequalities, the airline industry has rallied behind H.R. 14266, a bill "to deal with discriminatory and unfair competitive practices in international air transportation." One section of the bill would require the payment to U.S. airlines of mail rates no lower than those the Postal Service pays to foreign airlines for the transportation of the same mail.

(3) There is no legislative mandate requiring that U.S.-financed travel be accomplished on U.S. flag carriers. Most other nations, by contrast, require that their national carriers be used not only for official government travel, but for transportation required by businesses and organizations financed in whole or in part by the government. In many countries, most corporations have some measure of government control; thus, such policies mean that U.S. airlines are denied access to a large proportion of the world's business travel market.

H.R. 14266, if passed, would help this situation by requiring that U.S. government-financed movements of both people and cargo be accomplished on U.S. airlines wherever possible.

U.S. ROUTE CARRIERS ENGAGED IN FOREIGN OPERATIONS AND FOREIGN POINTS SERVED AS OF JUNE 30, 1973

Area	Countries	Points
Europe	21	39
Africa	14	14
Asia	17	22
Oceania	5	6
Western Hemisphere	32	58
Total	89	136

(4) Foreign governments spend a considerable amount of money to entice U.S. citizens to fly on foreign airlines, but U.S. airlines do not receive equal promotional assistance from the U.S. Travel Service. To remedy this problem, H.R. 14266 would require USTS to "encourage to the maximum extent feasible travel to and from the U.S. on U.S. carriers."

The second source of the discriminations suffered by U.S. flag carriers are the actions through which foreign governments extend preferential treatment to their national airlines.

The problems faced by U.S. carriers in this area are well recognized by the U.S. government. They were documented in country-by-country detail by CAB in a two-volume study published by 1973, and they are currently under study by an inter-agency task force that is engaged in a major effort to improve the financial situation of U.S. international airlines.

As ATA put it in testimony prepared for congressional hearings on H.R. 14266 and its Senate equivalent, S. 3481: "(We)" emphasize most strongly the shocking difference between the competitive conditions U.S. airlines find in many foreign countries and the complete freedom and equality of opportunity found by foreign airlines in their operations here in the United States."

CAB was even more blunt: "(Foreign) government aviation policy is designed to protect the government interest and the carrier at all costs, or without regard for cost, as the case may be."

As described by CAB and ATA, here are some of the practices with which U.S. carriers must cope abroad:

(1) Because the government-owned national carrier frequently controls both domestic and international services, it is able to deny connecting domestic space to passengers who do not enter the country via the national airline. On occasion a rebate of the domestic portion of the transportation is also granted in return for booking the international portion on the national carrier.

(2) Discriminatory taxes and fees are often imposed on U.S. airlines. For example, a country may tax the gross sales of a U.S. carrier but collect taxes only on the net income of the national airline. Or it may exempt its own carrier from customs charges. Or it may charge duty on support equipment imported by U.S. carriers but not on equipment brought in by its own airline. In some instances, countries have reduced the duties charged on imported goods if the goods are transported by the national airline.

(3) Contrary to the policy that prevails in the U.S., many countries allow their airlines to own or control such travel subsidiaries as travel agencies, tour operators and freight forwarders. Since more than half of the total business of international airlines is produced by travel agencies and similar organizations, control of the retail marketing system in a foreign country by the national carrier severely curtails the marketing opportunities of U.S. carriers. By contrast, the vast U.S. travel retailing system is available on an equal basis to U.S. and foreign airlines.

(4) Currency restrictions create financial problems for U.S. carriers in many countries. Often a U.S. airline is not allowed to accept local currency in payment for air transportation. Some countries require elaborate authorization procedures of citizens who wish to use local currency to pay U.S. airlines, but impose no such restrictions on payments to the national airline. U.S. airlines experience long bureaucratic delays in seeking to convert and remit funds they hold in the national currency.

(5) The national carrier often is given preference in air traffic control handling, assignment of terminal and gate space, baggage handling, schedule slotting and similar matters. In some countries, the national airline is provided with free services by other elements of the government.

CAB characterizes the practices indulged in by other countries as "questionable or unethical" at best and "obviously discriminatory" at worst. Where the restrictions severely curtail the competitive freedom of U.S. carriers, says CAB, efforts to counteract them should receive "high priority" in bilateral negotiations. The prime objective of the United States, adds CAB, should be "equality of opportunity for U.S. carriers to compete for the national traffic on an equal footing with the national carriers."

Although governmental policies aimed at giving national carriers an edge in the market are looked upon with disfavor by U.S. airlines and the government, they are not nearly as objectionable as are the blatantly discriminatory user charges that are found in many countries.

The airlines emphasize that they are not in any way opposed to paying a fair price for services they receive in the form of communications and navigation networks, air traffic control, and airports at which to land. What they object to is footing the bill for things they don't use, or paying excessive charges that are not related to the cost of the services rendered.

The "for instances" occupy a full volume of the CAB study of restrictive practices.

In some countries, like Italy and Greece, U.S. carriers pay healthy landing fees while the national carriers pay none. For example, U.S. airlines spent some $2 million for landing fees at Rome in 1973; Alitalia spent nothing.

To the argument that the payment of fees by a government-owned airline to a government-owned airport authority amounts merely to a transfer of funds from one pocket to another, the airlines reply that payment of such fees is carried as an expense in an airline's books and thus forms a part of the cost base for ratemaking purposes. Moreover, says ATA, "it must be assumed that the landing fee charged to the U.S. carrier is sufficient to compensate for the exemption to the national carrier." In other words, all of the airport's costs are being paid by outside users.

In other countries, like England and Australia, a different practice prevails. Here the airport authority has two mandates from the government: to operate a network of airports and to return a profit. It fulfills its obligation by establishing for its principal airport a landing fee structure high enough to balance the losses incurred at secondary landing fields.

It is for this reason that U.S. airlines pay $4,200 to land a 747 at Sydney Airport, and $1,965 for a 707 landing at Qantas, the government-owned carrier, pays the same charges to the government airport authority. Through these fees, the carriers are paying not only for the facilities and services they receive at Sydney, but for maintaining airports they do not use in places like Perth and Brisbane.

The situation is similar in Great Britain. There, the fees paid by airlines using London's Heathrow Airport are used not only to subsidize four other airports, but to provide a 14% return on investment for the British Airport Authority. This rate of return incidentally, is somewhat above the 12% rate established by CAB as desirable for U.S. airlines, and seldom if ever achieved by them.

The startling disparity in landing fees that results from such policies becomes evident in a comparison between Heathrow and New York's JFK International. At JFK, where it has its own terminal, British Airways pays $291 to land a 747, plus about $100 in aircraft-related charges such as ramp fees, for a total of $391. At Heathrow, Pan Am and TWA pay an $840 landing fee for the 747s, plus a $282 terminal air navigation facility charge, $14.10 for the use of loading bridges, and $380 in passenger service charges for 200 passengers—along with an additional $150 surcharge if the airplane arrives during peak hours. The total bill comes to $1,675.

Says CAB: "The United States basically has no quarrel with levels of landing charges set to recover costs. But it is another question when the rates are designed to subsidize other airports—not used by U.S. carriers—or to meet unrealistic rates of return on assets. It is equally a problem to us when foreign air carriers are exempt . . . from the payment of landing fees which U.S. air carriers must pay."

CAB is also alarmed at the sharply rising levels of airways and enroute charges being levied around the world in a growing move to recover the costs of these services from the people who use them. "There is nothing inherently wrong with this objective if the increases are introduced in an orderly manner and the cost recovery objective remains centered," says CAB. "The real crux of the

problem is whether the entire cost of recovery can be passed on to the carriers and users without doing harm in a wide economic context."

In an effort to combat the problem of excessive and unfairly levied user charges, the airline-backed unfair competitive practices bill proposes to give the U.S. government the authority to impose offsetting charges on foreign carriers. The amounts collected would accrue into a special account from which payments would be made to U.S. carriers "to compensate (them) for excessive or discriminatory charges paid by them to the foreign countries involved."

The airlines regard the offset charge authority primarily as an "ultimate weapon" to strengthen the U.S. position in bilateral negotiations, rather than as a revenue-producing venture. Pointing out that efforts to moderate excessive fees have not met with notable success to date, ATA contends that the authority to retaliate will give the government the clout it needs to force a more reasonable approach to user charges.

The airlines are hopeful that their efforts to improve their competitive position in the world will bear fruit this year, and that Congress will act on the unfair practices bill before it becomes embroiled in the impeachment proceedings this fall.

ATA summarizes the position of the U.S. flag carriers succinctly:

"We firmly believe it is time for the American government to be aware of these problems and to understand the necessity for equalizing the competitive balance that for years has rested in favor of the foreign competition. Our international airlines ask no more than an equal opportunity to compete."

APPEAL TO GO FORWARD WITH THE WISDOM AND DETERMINATION OF TWO CENTURIES AGO, COMBINED WITH THE KNOWLEDGE OF TODAY

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. PETTIS. Mr. Speaker, it is a privilege to be a Member of Congress during its 200th anniversary celebration. At this observance, let us hope we understand somewhat more completely today our responsibilities as a Congress, and as a Nation, than could be understood 200 years ago. Today, in contrast to 200 years back, we have an established place in international affairs, and respect throughout the free world as a pillar of democracy. Let us guard these assets closely, and use them for the benefit of mankind, and not for the benefit of a select few.

Today is an anniversary. But it is more than that—it is a reaffirmation of the beliefs so eloquently stated, by deed as well as word, two centuries past, regarding the purpose of this Nation, and the type of government it would be—of the people. Let us therefore go forward with a resolution to carry out the beliefs, needs, and wishes of today's people. Let us not be deterred by recent traumatic events in the Nation's Capital. This country was borne out of trauma, and has proven its strength and determination in the face of trauma time and again. I am confident our country will do so once more. If there is one attitude I pray has survived these two centuries of growing, it is the faith in America, by Americans, to survive and to do what is right; and the will to make America as great as this belief tells us she is.

DELTA AIRLINES TOP PILOTS TO RECEIVE $100,000—WHY SHOULD THE TAXPAYERS SUBSIDIZE AIRLINES?

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. HUBER. Mr. Speaker, I was amazed to recently learn that Delta Air Lines had negotiated a settlement with its pilots enabling some of the more senior ones to earn an income of $100,000 a year. This pay is for about 12½ flying hours a week. The tragic part of all this is that the taxpayers are continually being asked to subsidize the airlines and at the same time that these Delta negotiations were going on, other lines were in Washington asking Uncle Sam to bail them out. Delta is a very profitable airline, but certainly now all the other airline pilots will want similar settlements and the money can only come from one place—you and I. In my view, the Congress should eliminate subsidies for the airlines until they show a modicum of responsibility in these days of rampant inflation. I commend the article from the Wall Street Journal of September 18, 1974 to the attention of my colleagues:

Flying High: New Pilot-Pay Pact At Delta Air Lines Has the Industry Agog

(By Todd E. Fandell)

When it comes to airline pilot salaries, many a traveler would take this position: 'Those guys should be paid anything they want: when I'm flying my life is in their hands and I want them perfectly happy."

Listening to executives of other airlines in recent weeks, one would assume that passengers subscribing to that theory and flying on Delta Air Lines should feel completely safe these days. That's because Delta and the Air Line Pilots Association, representing the line's 3,200 pilots, quietly negotiated earlier this summer a 30-month agreement that boosted annual pay rates 31%, including a 15% jump this year. Details of that pact have come to light only in recent weeks and have not been published previously.

It looks to us now like Delta gave them all the money they wanted," declares a top executive of one of the biggest U.S. airlines. "This pact has created traumatic shock waves throughout the industry, and its inflationary impact probably will spread far. Delta can afford it, but it's a big problem for all the rest of us. Every union in the industry will want similar increases and we'll be whipsawed."

The agreement not only puts wages of Delta's pilots well ahead of cockpit crew members at other airlines but also is believed to provide for the richest salaries ever negotiated by any labor union. "We consider it as having put our senior pilots in the over $100,000 income class," an ALPA spokesman says. The union obtains that figure by adding the $82,000 base salary the typical Delta Boeing 747 captain will reach under the agreement and company-paid pension and insurance benefits that average about 25% of a pilot's base salary. Delta currently has 29 pilots assigned to 747 duty.

NEW UNREST SEEN

The Delta pact has become a hot issue at nearly every other domestic airline. "We consider its terms to be superinflationary," says a spokesman for Braniff Airways, which is facing an imminent strike threat from its pilots. Interviews with numerous officials at other carriers reveal similar sentiments. With few exceptions, they predict it will lead to a new period of labor unrest in the 300,000-man industry, possible strikes, accelerated cost problems for managements and still stronger pressures for further passenger-fare hikes.

It has dropped Delta's popularity among executives at sister carriers to a new low and, in some cases, stirred feelings of anger. "I don't have any friends at Delta," one top industry executive snaps when asked if he has gotten an explanation of certain terms of the agreement from Delta. "Some of us even are suspicious of Delta's motives," says another, hinting that executives of the financially-strong carrier may be relishing the prospect of watching less-prosperous airlines wrestle with the problem of matching its pay scales.

Delta, while declining to discuss details of the agreement "because it has become a rather sensitive matter," firmly denies all the charges. "We feel it's a good, sound contract for Delta and we do not feel it's inflationary," asserts David C. Garrett, Jr., Delta president. The ALPA also defends the terms: "We don't consider the pay increases at all excessive under the circumstances," a spokesman says.

Braniff is providing the first big test for the pattern-setting potential of the Delta agreement. The complex procedures of the Railway Labor Act that govern airline negotiations have been exhausted and the airline's 1,300 pilots will be legally free to strike this Saturday. Braniff officially says it has made its pilots "an excellent offer" and "it's inconceivable to us that they would strike."

But many industry sources think a strike is likely because Braniff has taken a hard line against ALPA demands that it match the Delta pay scales. "They're far apart, and somebody's going to have to bend a lot," claims one source.

A $42,000 BASE

The Delta agreement was retroactive to last Jan. 31 and extends to July 31, 1976. It contained pay increases effective as of Jan. 31 (5.5%) and May 1 (9.5%) this year, next Jan. 1 (10.2%) and Feb. 1, 1976 (3.4%). According to the ALPA, the two boosts this year have raised the current base pay of Delta pilots—including copilots—to an average of close to $42,000 and the figure will approach an estimated $48,000 before the agreement runs out. (A Delta official calls these estimates "too high," but the carrier, like most airlines, declines to give its own figures on the ground that pilot pay computations are so complex it would be very difficult to calculate an "average" figure.)

By comparison, the ALPA says the average annual salary of all pilots it represents at 36 airlines is now $35,000. Braniff, which is being pressed to match the Delta scales, says it has been paying its pilots about $30,600 on average.

For veteran Delta pilots, the basic pay scale jumps are even more impressive: Its 747 captains, for example, now average over $71,000, up from under $62,000 last year. Their salaries will jump to nearly $79,000 in January, and by early 1976 will be close to $20,000 ahead of their pay rates at the start of this year. Captains of Delta's next largest planes—wide-bodied Lockheed L1011s and McDonnell Douglas DC10s—are now getting base pay of $60,700 and will reach $69,200 while captains of the smallest plane in its fleet, the twin-engined McDonnell Douglas DC9, are now at $47,900 and will reach $54,-

590. First and second officers (known at some airlines as copilots and flight engineers) make less, of course.

For its part, Delta says it obtained certain manning and "duty rigs" changes that will increase its pilot productivity and offset the apparent high cost of the pilot agreement. (Duty rigs are the complicated regulations under which pilots receive pay and flight-time credits toward their monthly maximum hours of work for the time spent on duty when they've not actually flying a *plane*.) After calculating such offsets, and taking into account the staggered application of the pay increases, the agreement will increase the airline's total pilot costs by 10% this year, 9% next year and 3% in the first seven months of 1976, says Robert Oppenlander, Delta's senior vice president for finance.

But other airline executives claim they have carefully analyzed the Delta agreement and, in the words of one, "we just can't find any of these alleged offsets." Still other concede that there may be productivity gains hidden within the contract that will help Delta but that the changes involved wouldn't be of any material value to their own systems. A Delta source says this confusion isn't surprising because it's impossible for one airline to figure how another's contract would work since every carrier has its own unique crew scheduling requirements. Also, he says, others may be overlooking a reduction of about 150 pilots that Delta expects to achieve through the new agreement in its manning requirements.

Whether or not Delta derived significant productivity benefits, there's full agreement that Delta's duty rigs already were more favorable to the company than those in other airline contracts. Delta gets about 50 actual flying hours per month from its pilots, the highest among the major airlines and significantly above the 43 hours, for example, that United Airlines, the largest U.S. carrier, is averaging.

Further, there's little question that Delta is in better position to afford the settlement than any other carrier. It earned $90.6 million in the fiscal year ended June 30, an airline industry record even though it ranks only sixth in size among the U.S. carriers. As measured by the Civil Aeronautics Board, Delta's rate of return on investment for the year was 17.5%, easily the best in the industry and well above the 7.1% average for all 11 major U.S. airlines. Delta's profitability also is far above the 12% rate of return the CAB has set as the maximum target for average industry profits.

"With those kind of profits, Delta easily can afford those salaries but we simply can't," says the personnel vice president of a major airline. "If we could approach Delta in getting rid of some of the 'make work' duty rigs we're stuck with, maybe we could afford similar pay scales. Unfortunately, our pilots have had their expectations raised by the Delta pay but won't listen to any counterproposals to match Delta's productivity rules," he claims.

Many airline officials express concern that Delta's contract will cause them problems not only with their own pilots, but with other employee groups, too. "We've always followed a policy of not treating other employees like second class citizens and have given them relatively comparable 'catch-up' wage increases in the wake of pattern-breaking agreements with the flight crews," says one executive. "I don't think we'd be in position to continue that policy now if we have to pay our pilots at the Delta rates."

Other tests of the Delta pay scales will be coming up soon after the Braniff dispute. New contract negotiations involving 12,000 pilots are underway or due to begin shortly at United, National Airlines, Northwest Airlines and Eastern Airlines. The Delta pact is expected to be the big issue in all of those talks.

Subsequent to the Delta agreement, which was reached without any strike deadline pressure (a most unusual situation for airline labor talks), negotiations have been concluded at Pan American World Airways and Trans World Airlines with the ALPA agreeing to pay increases somewhat below those it obtained at Delta. But industry sources say the Delta contract wasn't a major problem in those bases, partly because of the shaky financial situation of those two international lines and partly because details of the Delta agreement weren't yet widely known in the industry.

MICHIGAN BURNS-AWARENESS WEEK

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. BROOMFIELD. Mr. Speaker, I am pleased to join my colleagues from Michigan in recognizing September as our State's Burn Prevention-Burn Treatment Month." Governor Milliken has proclaimed this week as "Michigan Burns-Awareness Week," and thousands of volunteers from civic groups will be joining together to raise more than $500,000 to help the National Institute for Burn Medicine in Ann Arbor, Mich., fight burn injuries and deaths.

Burn Prevention-Burn Treatment Month marks the beginning of a nationwide attack on the problems of burn treatment. Long one of our country's largest, but least publicized, health problems, burns injure more than 2 million Americans every year, 75,000 of them severely enough to require hospitalization. Burns kill and cripple more children in a year than polio did at its peak in 1954.

Burn treatment costs the Nation over $300 million every year in hospital and medicine costs alone. The sad part is that, according to NIBM founder, Dr. Irving Feller, few burn victims receive adequate medical attention for their burns. Fewer than 100 of the 6,000 general hospitals in the United States provide specialized burn care. In addition, only 41 of the 91 medical schools are affiliated with hospitals offering specialized burn care.

The goal of NIBM is to alleviate this dramatic shortage of burn facilities by providing technical, financial, and managerial assistance to hospitals planning burn-care units.

A program of this scope will require adequate funding, and that is why Burn Prevention-Burn Treatment Month in Michigan is so important. Over 20,000 volunteers from the Jaycees, firefighters, volunteer fire departments, the Jaycees' and firefighters' auxiliaries, and Epsilon Sigma Alpha Sorority are joining together in an effort to raise more than half a million dollars to help the Institute toward its goal. Plans call for a 10-year, $125 million campaign to resolve the serious burn problem in the United States.

I am proud that the great State of Michigan is the birthplace of this national assault on our Nation's burn problems, and I join my colleagues in paying tribute to the thousands of volunteers and workers who are trying so hard to give burn victims a fighting chance.

IN SUPPORT OF THE VETERANS' EDUCATION BILL

HON. WILLIAM R. ROY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. ROY. Mr. Speaker, I had hoped that by this time, the veterans' education bill would be signed into law and that Vietnam veterans would be receiving the benefits they rightfully deserve. Unfortunately this is not the case. Rather, the veterans' education bill is the victim of executive/legislative haggling.

There is no doubt that the World War II GI bill was one of the most important and effective pieces of social legislation Congress has ever enacted. It profoundly affected the fortunes of veterans and the post war society. It transformed the Nation's system of higher education. But these images from the past should not cloud our vision of the present. When it comes to educational benefits, Vietnam-era veterans do not fare as well as their Korean or World War II counterparts. A 1973 educational testing service study indicated that the " 'real value' of the educational allowance available to veterans of World War II was greater than the current allowance being paid to veterans of the Vietnam conflict when adjustments are made for the payment of tuition, fees, books, and supplies."

It was my hope that the veterans' education bill now before Congress would equalize the benefits offered to the veterans of past wars and to the veterans of Vietnam. I believe that the bill reported by the Conference Committee was designed toward this end. It included a 23-percent increase in educational benefits, an extension of the entitlement to benefits period of 9 months and the establishment of a new cash loan program. I supported this legislation and was disappointed that we, in the House, did not have an opportunity to cast our votes on this compromise bill. The bill we passed in its stead was less comprehensive in its provisions. This legislation did not contain the 9-month extension of benefits nor the cash loan program. I was disappointed to learn that President Ford supports an 18.2-percent increase in benefits as opposed to the 23-percent increase contained in both the conference report and the substitute bill approved by the House.

It is my hope that we will soon overcome the legislative impasse on this bill. We must act swiftly to approve a bill which provides Vietnam veterans with the benefits they deserve so that they may achieve their educational goals.

THE AMERICAN LEGION SUPPORTS HOUSE COMMITTEE ON INTERNAL SECURITY

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. ICHORD. Mr. Speaker, the American Legion, which is our country's largest veterans' organization, has always been known for its dedication to the American ideal. There is no group more solicitous of the security, strength, and welfare of our Nation than the members of the American Legion.

At a time when opponents of the House Committee on Internal Security, which I chair, are endeavoring to abolish it by transferral of its jurisdiction, a resolution was adopted at the Legion's 56th Annual National Convention strongly recommending that the Committee on Internal Security be maintained as a standing committee of the House of Representatives and opposing the transfer of its function to any other committee.

It is indeed a privilege and a source of continuing encouragement to receive the valuable support of the prestigious American Legion. I am pleased to offer the Legion's resolution for inclusion in the RECORD, and I commend it to the consideration of all of my colleagues:

RESOLUTION NO. 113: AMERICAN LEGION SUPPORT OF THE HOUSE COMMITTEE ON INTERNAL SECURITY

Whereas, For many years, The American Legion has supported and commended the House Committee on Internal Security, formerly known as the House Committee on Un-American Activities, and requested that Congress appropriate sufficient funds for it to continue and expand its work in the important function of guarding the internal security of the United States; and

Whereas, While the Federal Bureau of Investigation does a splendid job, its work must be performed in a confidential manner and it does not possess a legislative mandate to provide recommendations to the Congress for legislation to strengthen law enforcement, engender respect for the law and prescribe penalties for those guilty of vicious and infamous crimes designed to destroy American lives and emasculate the Government of the United States; and

Whereas, This obligation rests solely with the Congress of the United States and is vested in the House Committee on Internal Security; and

Whereas, There is presently an effort under way in the Congress of the United States to transfer the functions of the House Committee on Internal Security to another Standing Committee of the House, which would, in effect, mean the demise of the Internal Security Committee and the important services it presently renders for the internal security of the Nation; now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Miami Beach, Florida, August 20, 21, 22, 1974, that The American Legion urge that the House Committee on Internal Security be maintained a Standing Committee of the House of Representatives and oppose a transfer of its functions to any other Standing Committee of the House.

RESOLUTIONS OF THE RETIRED ENLISTED ASSOCIATION, INC.

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. BENNETT. Mr. Speaker, I include in the RECORD at this point, resolutions of the National Convention of Retired Enlisted Association, Inc., held at Jacksonville, Fla., in June of this year. The association has done a great deal in helping all military retired personnel in the problems which beset them. I join all of my colleagues in the hope that remedies can be found to the perplexing problems which still are with them and with us here in Congress to solve these problems. Their resolutions are very helpful in this regard.

The resolutions follow:

RESOLUTION—AMEND THE FEDERAL EMPLOYEES' COMPENSATION ACT

Whereas, The Federal Employees' Compensation Act (5 U.S.C. 8101 et seq.) provides compensation benefits to civilian employees of the United States for disability due to personal injury sustained while in the performance of duty or to employment related disease, and

Whereas, Said Act does not apply if one is receiving retired pay from the Armed Services except with forfeiture of such retired pay; yet allows persons receiving retired pay from sources other than the Armed Services to receive such benefits of the Act without forfeiture of their retired pay, and

Whereas, We consider such action discriminatory against dedicated personnel who have remained loyal members of the Armed Services until retirement requirements were fulfilled. Therefore, Be it

Resolved, by the Retired Enlisted Association, Incorporated, in National Convention assembled at Jacksonville, Florida, June 22, 1974, that we petition the Congress of the United States to act forthwith to amend said Act to provide full benefits of the Federal Employees Act for retired military personnel.

RESOLUTION—OUR MISSING IN ACTION SERVICEMEN

Whereas, An agreement was entered into by this nation and North Vietnam in January 1973 so that a determination could be made as to the whereabouts of the remains of our missing in action military and civilian personnel and/or any further information concerning those still considered missing in action, and

Whereas, no action or accounting has yet been taken to finally settle this matter and ease the mental anguish of the families left behind. Therefore, Be it

Resolved, by the Retired Enlisted Association, Incorporated, in National Convention assembled in Jacksonville, Florida, June 22, 1974, that we request the President of the United States and the Congress of the United States to take the necessary action to insure compliance with the aforesaid agreement.

RESOLUTION—VETERANS DAY

Whereas, By Presidential decree Federal Government has set the fourth Monday of October as Veterans' Day and discontinued November 11 as Armistice Day, and

Whereas, Numerous States of these United States have changed the fourth Monday of October called Veterans' Day back to November 11 and renamed it Armistice Day, and

Whereas, By not honoring the true date of an event, the meaning for the holiday has vanished and history has lost its impact. We ask if Congressional action can change historical dates, then how can true history be written? Therefore, Be it

Resolved, by the Retired Enlisted Association, Incorporated, in National Convention assembled at Jacksonville, Florida, June 22, 1974, that we whole-heartedly endorse the changing and renaming of Veterans' Day from the fourth Monday of October to Armistice Day, November 11, and be it further

Resolved, that we request the Congress of the United States of America to act forthwith to make November 11 once again Armistice Day.

RESOLUTION—MEMORIAL DAY

Whereas, By Presidential decree Federal Government has set the last Monday of May as Memorial Day and discontinued the original date of May 30 as Memorial Day, and

Whereas, By having this day be a part of a long weekend the meaning for the holiday has been weakened and has lost its impact. Therefore, Be it

Resolved, by the Retired Enlisted Association, Incorporated, in National Convention assembled at Jacksonville, Florida, June 22, 1974, that we request the Congress of the United States of America to act forthwith to make May 30 once again Memorial Day so that this day will indeed be a day set apart to honor our dead comrades.

RESOLUTION—AMEND THE DUAL COMPENSATION ACT OF 1964

Whereas, By Public Law 448, 88th Congress, effective December 1, 1964, drastic changes were made in the various laws previously on the federal statute books regulating the employment of retired military personnel in government jobs, and

Whereas, For a person to spend twenty or more years on active military service, part of which was during war time, to be told one cannot be considered a veteran at the time of a reduction-in-force in Federal Civil Service is an appalling affront to one's personal pride and loyalty to one's country. Therefore, Be it

Resolved, by the Retired Enlisted Association, Incorporated, in National Convention assembled at Jacksonville, Florida, June 22, 1974, that we petition the Congress of the United States of America to act forthwith to amend that portion of Public Law 88–448 to reinstate veterans' retention rights during reduction-in-force in Federal Civil Service.

RESOLUTION—RECOMPUTATION OF MILITARY RETIRED PAY

Whereas, Prior to 1958 a positive system of computing military retired pay was in effect, and

Whereas, The Cost Price Index for adjusting the retiree's pay has not been equitable, and we are not asking for retroactive recomputation, but rather to adjust our retired pay to cope with today's cost of living, and

Whereas, Congress has a moral obligation to restore the system of recomputing retired pay for those dedicated retirees who entered service prior to June 1, 1958. Therefore, Be it

Resolved, by the Retired Enlisted Association, Incorporated, in National Convention assembled at Jacksonville, Florida, June 22, 1974, that we petition the Congress of the United States to pass legislation to correct the present method of computing retired military pay.

Resolution—Amend the Hatch Act

Whereas, One of the most sacred rights of a citizen in a democracy is that of the right to vote and, for this right to be effective, there should be the opportunity to actively support the party and/or candidate who most nearly represents the causes in which one believes, and, if one desires, to be a candidate for office, and

Whereas, There are approximately 11 million citizens who cannot contribute to the party or candidate of their choice, cannot volunteer to work in a political campaign, cannot run for public office, and

Whereas, It is ironic that the very group of citizens who execute our country's laws and administer its programs are discouraged by law from helping to choose its leadership. Therefore, Be it

Resolved, by the Retired Enlisted Association, Incorporated, in National Convention assembled at Jacksonville, Florida, June 22, 1974, that we petition the Congress of the United States to act forthwith to amend the Hatch Act to open up the political process to Federal employees.

Resolution—Retain Medical Care in Service Facilities for Retired Military Personnel and Their Dependents

Whereas, The assumption of continued medical care for the retiree and his dependents was a factor for personnel to remain on active duty until retirement, and

Whereas, Personnel were told they would have this benefit by recruiters and are still being told this fact, and

Whereas, Many retired personnel planned for their retirement years expecting to retain this benefit and to lose medical care would create a hardship. Therefore, Be it

Resolved, by the Retired Enlisted Association, Incorporated, in National Convention assembled at Jacksonville, Florida, June 22, 1974, that we petition the Congress of the United States of America, the Secretary of Defense, and the Armed Services to act forthwith to assure continued medical care for the military retired personnel and their dependents.

100TH ANNIVERSARY OF THE FOREST AND STREAM CLUB

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. BYRON. Mr. Speaker, last Saturday I was proud to attend the 100th Anniversary of the Forest and Stream Club, Inc., Westminster, Md. This club has been an institution in Carroll County, fostering a love of nature among its members by encouraging participation and fraternity in outdoor sports and activities.

Since 1874, the club has aided in the preservation of our environment through propagation and care of the wildlife in area forests and streams. Their credo has always been to protect our fragile ecology "in order that the coming generation may pursue those forms of outdoor relaxation and diversion which are the heritage of their race." To this end they have succeeded admirably, and I know you join me in wishing the Forest and Stream Club continued success in the next 100 years.

AID ADMINISTRATOR APPROVES POLICY DETERMINATION ON INTEGRATION OF WOMEN INTO NATIONAL ECONOMIES

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. FRASER. Mr. Speaker, on September 16 the Administrator of the Agency for International Development, AID, Daniel Parker, approved the policy determination on integration of women into national economies, which appears below.

Section 113 of the Foreign Assistance Act of 1973—known as the Percy amendment—provides that—

> U.S. foreign aid programs should be administered to give particular attention to those programs, projects, and activities which tend to integrate women into the national economies of foreign countries, thus improving their status and assisting the total development effort.

The AID policy statement outlines the principles which underlie the policy and the methods by which the policy is to be implemented.

Administrator Parker and his staff should be congratulated on the forthright manner in which they have sought to implement the Percy amendment. I fully support AID's policy statement and hope that it will soon become an integral part of the Agency's program.

The statement follows:

Policy Determination on Integration of Women into National Economies

LEGISLATIVE MANDATE

Section 113 of the Foreign Assistance Act of 1973, known as the "Percy Amendment", requires that the U.S. bilateral development assistance programs authorized in "Sections 103 to 107 of the Act, be administered so as to give particular attention to those programs, projects, and activities which tend to integrate women into the national economies of foreign countries, thus improving their status and assisting the total development effort."

The Amendment gives Congressional endorsement to the increasing concern of the development assistance community and developing countries that women participate fully in the tasks and benefits of economic growth. Sections 103 to 107 of the Act, to which the Amendment refers, calls for concentrating AID resources on critical development problems, including food and nutrition; population planning and health; education and human resource development; selected economic and social development problems; and support of the general economy of selected recipient countries and international organizations.

PRINCIPLES

1. It is AID policy to implement fully the Percy Amendment through the inclusion of a role for women in all of the Agency's programs and projects.

2. Development of programs and activities pursuant to the Percy Amendment, and in accord with the basic policy concepts stated above, will be a responsibility resting with field missions and with all offices and bureaus in AID/W. The primary emphasis will be on the integration of women as both agents and beneficiaries in the mainstream of the Agency's programming.

3. This policy rests on the following tenets:

a. Inclusion of women in development must be a conscious concern. Equity and equal opportunity are basic to the developmental process of any country.

b. Under the Percy Amendment, AID has the mandate to design programs which integrate women in the development process. This mandate affects, in varying degree, all sectors and activities within those sectors.

c. Women are a vital human resource in the improvement of the quality of life in the developing world. In the home and community and as producers of goods and services, they contribute directly to national social and economic progress. As potential child-bearers, they determine the pace of national population growth. As mothers and child-raisers, they have a direct influence upon children in their formative years and, thereby, influence the building of essential human resources for national and international development. AID's implementation of the Percy Amendment, therefore, will provide a new dimension to the resolution of critical problems in development. AID's approach to this implementation will:

Reveal the actual role and status of women and their contributions to development; provide the information and services that will enable women to control their fertility; assist women and girls in self-improvement programs, stressing increased attention to their practical education in order to permit choices in their contribution to and benefit from development programs; and provide for review of AID and other donor programs which affect women and seek means of helping increase the understanding of and assistance for women in all development areas.

d. The central responsibility for integrating women into national economies rests with LDC governments. While AID can play an important catalytic role in both the international arena and in countries where it has assistance programs, real progress requires host country commitment. Developing countries often have very different social, cultural, and family relationships from those of the U.S. Any intrusion into these relationships is a most delicate matter—only to be attempted with adequate knowledge and understanding of the existing manners and mores of the people. Accordingly, the role of AID should, as in other areas, conform to the collaborative style.

IMPLEMENTATION

1. The Administrator hereby directs PPC and other central and regional bureaus and field missions to institutionalize the conscious concern for women in development throughout the Agency's programing processes from concept and design through review, implementation, and final evaluation. All development assistance plans, sector analyses and assessments, preliminary and final project papers and field submissions shall contain a clear statement of how women in the developing countries will be involved in the development processes being analyzed and how the plan or proposal will use the capacities of women in the host country or benefit them. In the approval of plans and projects, strong preference (other things being equal) will be given to those which provide for effective utilization of women.

2. Bureaus and field missions will encourage international development institutions and other donors and private voluntary organizations and foundations to give specific attention to the role of women in development. Grantors, contractors, and other intermediary groups will be required to consider the role of women.

3. Bureaus and field missions will take steps to collect information which may be

used to illuminate the role, status, and contributions of women in developing countries. This involves three distinct responsibilities. First, substantial improvement is required in the collection of basic national data on the role and status of women in developing countries. Although encouraging and assisting developing countries in this major undertaking is primarily the responsibility of international organizations, AID should stress the need for improvement of such data through the international channels.

Second, better data on women are required for designing and evaluating AID projects. Where this is not available from national or international efforts, AID central or region-supported studies and data gathering may be required. For example, specific information on the activities of women in rural areas may be needed to assist in the design and implementation of a rural development strategy. Third, reasonable reporting requirements must be designed to keep AID/W informed about effective projects and general progress of integrating women in the development process by improving the utilization of and equality of opportunity for women in LDCs. This information will be shared within AID and with Congress and other organizations outside AID concerned with the implementation of the Percy Amendment.

4. On request of the LDCs, the bureaus and field missions will assist in the establishment or development of women's commissions, bureaus, and non-governmental organizations in the host countries and encourage their work as it relates to legal, economic, and social development activities which promote the integration of women in development. In furtherance of this objective, bureaus and field missions may co-sponsor conferences and working seminars and provide consultative services and leadership training.

FROM NORTH COLLINS, N.Y., A SONG ABOUT THE REAL SPIRIT OF AMERICA

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. KEMP. Mr. Speaker, as the time draws nearer for the observance of our Nation's Bicentennial, there is a growing awareness and appreciation among Americans of the values, visions and great strengths of our forefathers and founders.

It is being said more frequently and with a sense of deep conviction that the spirit in which we face today's challenges and opportunities "is 1776 all over again."

I personally believe the people of our country are imbued with such spirit. I believe the problems we are confronting and work to help solve are opportunities.

My conviction in this regard has been reinforced by one of my constituents, Mr. Ronald C. Myers of North Collins, N.Y., who has sent me a taped recording of high school boys and girls singing a song entitled "Bring Us Together."

The music and lyrics of this inspiring song, written by the talented Mr. Myers, have a meaning which transcends American history. They are contemporary as well as reflective of our country's past.

Mr. Myers, who is 40, is a former public schoolteacher who taught in my hometown of Hamburg and North Collins and still provides private tutoring while pursuing a career involving composing and guiding young musical groups, such as the nationally popular teenage "Osmonds" in Hollywood and the DiFranko Family whose first record has been an international success.

Sung by a choir of freshmen and sophomores of North Collins High School in my 38th Congressional District, "Bring Us Together" has been sent in tape form by Mr. Myers to President Ford at the White House.

With your permission, Mr. Speaker, I should like to share the lyrics of this composition with my distinguished colleagues in the Congress:

BRING US TOGETHER

Let our love bring us together
In the days that lie ahead,
Let our differences disappear
And let's walk hand in hand instead.

Let us learn to live together
Without bitterness and strife
That we may build a better life.

Forgetting every thing that would divide us,
Forgetting all the wrongs that have been done,
With our humanity to guide us,
Let our many peoples now be one.
Let our prayer bring us together
That God himself might lead the way
To a better, better day.

NATIONAL BUSINESSWOMEN'S WEEK—OCTOBER 13–19

HON. FRANK THOMPSON, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. THOMPSON of New Jersey. Mr. Speaker, I would like to take this opportunity, as the Nation prepares to celebrate National Businesswomen's Week, to pay tribute to the working and professional women of the United States, in particular those who live in the Fourth Congressional District of New Jersey.

In my home city of Trenton, a series of community activities will take place under the auspices of the Trenton Business and Professional Women's Club, the city of Trenton and various businesses saluting the achievements and contributions of working women. The Trenton Business and Professional Women's Club, under the leadership of its president, Ms. Eileen P. Thornton of Hamilton Township, was instrumental in organizing this observance. A leading force in New Jersey for equal pay and job opportunities for women, the Trenton Business and Professional Women's Club has been active in the drive to establish a Women's Bureau in the New Jersey Department of Labor.

As a sponsor of the Equal Pay for Equal Work Act, the equal rights amendment, and the Equal Credit Opportunity Act, I fully share the aspirations of Ms. Thornton and the Trenton Business and Professional Women's Club in trying to promote equal opportunities for women. The importance of such groups working in local communities should not be underestimated. As a legislator, I fully recognize that without their support we would not be able to pass much of the legislation which is providing the foundation for equal rights. Therefore, I believe we should recognize people like Eileen Thornton who give of themselves in worthy causes and I commend the city of Trenton for undertaking this celebration of National Businesswomen's Week.

SALUTE TO FELIX GRANT

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. FAUNTROY. Mr. Speaker, Felix Grant is one of Washington's cultural assets. For the past 20 years, he has dominated evening radio in the Nation's Capital with his "Album Sound," broadcast over WMAL radio from 7:30 to midnight, Monday through Friday.

Felix is recognized by those in and out of the business as an expert on the complete spectrum of blues and jazz music which he popularized on the "Album Sound." His dedication to this "sound" and his admiration of its creators has kept this music alive all these years. He successfully weathered Elvis, the Beatles, Elton John and the Jackson Five—and won.

The format of the "Album Sound" never changes. It is blues and jazz from the traditional to the innovative. Felix's audience is vast. They love the music—and him. He even receives fan mail from loyal and ardent admirers, ages 5 to 7. These kids will grow up with Felix—and blues and jazz.

Felix Grant has received national and international honors during his long and sustained reign on radio. He was the first radio personality to be the subject if a feature story in the USIA Russian language publication Amerika.

In 1964, Felix was awarded the Order of the Southern Cross, Brazil's highest civilian award, for his role in introducing and promoting the cultural affairs of Brazil, principally its music, in the United States.

Felix led a U.S. State Department mission in 1966 to establish a cultural liaison between our capital and Brasilia. In May 1972, Felix Grant was asked by the Brazilian American Cultural Institute to conduct a lecture tour in Brazilian museums and universities on "100 Years of American Music" with an emphasis on jazz. In 1973, the American Association of University Women presented Felix with a MAM Award for his outstanding service to the community.

Felix Grant was born in New York and attended LaSalle Academy and Cathedral College there. He served 4 years in the U.S. Coast Guard and was decorated by the Navy for bravery during World War II.

Following his discharge from the service in 1945, and for the next 7½ years, Felix worked as an announcer for WWDC Radio in Washington, D.C. In 1953, he joined the staff of WMAL–AM–FM–TV as a weekend announcer. Felix inaugurated "The Album Sound" in September 1954 and has been heard in that nighttime spot ever since. For many years, the program was broadcast throughout the world via the Armed Forces Radio Network. Felix produced and narrated, for 8 years, a series of programs entitled "Jazz on the Potomac" for the U.S. Marine Corps in connection with their recruitment program. Currently, he is hosting a 1-hour monthly syndicated jazz show heard exclusively on some 50 classical music stations.

Felix is a member of the Partners of the Americas and is also active in many social and cultural endeavors in Washington, D.C. He loves to swim, is skilled in linguistics and has strong interests in Latin American affairs.

Married to the former June Deeds of Enid, Okla., Felix and his wife reside in Washington, D.C.

PRETRIAL DISPOSITION IN THE TWIN CITIES

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. FRENZEL. Mr. Speaker, in the last several years something new in the criminal justice system has emerged in the twin cities of Minneapolis and St. Paul. Project's DeNovo and Remand are part of a nationwide pioneering effort to establish a system of pretrial diversion. In this system individuals charged with various types of crimes are diverted from the traditional courtroom scene and offered program rehabilitation and counseling. If they successfully complete the program, they are released with a new future devoid of the criminal stain they might ordinarily have carried.

The fine record which our local agencies have been compiling is described in the September issue of the American Bar Association Journal. I recommend it to the Members' attention:

PRETRIAL DISPOSITION IN THE TWIN CITIES

(By James F. Chatfield)

In February, 1970, Chief Justice Warren E. Burger delivered his "No Man Is an Island" address at an American Bar Foundation dinner in Atlanta (56 A.B.A.J. 325). In that address, the relatively new chief justice implored the legal profession to tackle "the neglected element of criminal justice"—corrections. He urged lawyers to begin by getting the facts and visiting prisons.

Chief Justice Burger pointed out that prison inmates vary as human beings, just like law-abiding citizens on the outside. Many inmates are seriously maladjusted, he said, and "those who are not when they go in are likely to be so when they go out."

Any hope of correcting, reforming, or rehabilitating prison inmates, the chief justice continued, will call for a wide variety of educational and vocational training programs, plus intensive psychiatric therapy. Meeting these needs only in the nation's "fortress" prisons cannot be done. "There must be one kind of institution for the first offenders, another for the very young—and this is an enormous proportion—and still other institutions for yet other categories; and all of them must be staffed by trained personnel."

The chief justice's call for reform began to bear fruit in at least one metropolitan area—months later when Project DeNovo was launched in Minneapolis and two years later its twin, Project Remand, got under way in Saint Paul.

As Roland Faricy, a forty-year-old municipal judge in Saint Paul has said, "We have reached the stage in this community and throughout the nation where community involvement has to be the answer to war on crime. We have to try to lighten the load of the courts to some extent, but we must call upon the community to help make the necessary court and corrections reforms urged upon us by the chief justice."

Judge Faricy is vice chairman of the new community-action group that started Project Remand. The chairman is a thirty-four-year-old lawyer, John Wylde, and the other members of the board of directors of the project include twenty representatives from Saint Paul's police department, the Ramsey County sheriff's office, the public defender, city and county prosecutors, local corrections and political officials, church leaders, the county bar association, and the American Bar Association's Commission on Correctional Facilities and Services.

Through its board's efforts, $189,000 was obtained last September from federal, state, and local criminal justice agencies to fund a formal pretrial diversion program for the Saint Paul area.

The deferred prosecution calls for the screening of those arrested for criminal offenses within twenty-four hours to determine their eligibility for pretrial release. Initially, the project's staff will concentrate its efforts on those accused of misdemeanors—accused felons may be helped later, perhaps within six months after the wheels of the program have begun to turn.

The primary difference between the planners of Project Remand and their distinguished fellow Minnesotan, Chief Justice Burger, is that they are training, teaching, and rehabilitating the accused on the outside, drawing on the resources of 204 community service agencies, rather than on the limited, often poorly funded and equipped facilities inside jails or prisons.

AN "ALTERNATIVE TO CONVENTIONAL PROSECUTION"

"We hope that Project Remand develops as a viable alternative to conventional prosecution in certain situations," Mr. Wylde explained. "We start out on a limited scale and develop as we go. But we are not going to hesitate to take accused felons or deal with people who might be branded as incorrigibles."

He was touching on one of the most controversial aspects of formal pretrial diversion programs now operating in an estimated thirty major American cities. He added that Project Remand would pass up pretrial diversion candidates accused of narcotics offenses or crimes of violence.

The goal set for Project Remand's first year of operation will be to secure pretrial diversion services for 240 accused criminals. They will represent 100 per cent of program capacity, with each counselor's caseload amounting to twenty-one or twenty-two individuals. With prosecution deferred, diverted clients will participate for a ninety-day maximum, subject to any extension that may be agreed to by the project, defense and prosecuting attorneys, and the judge.

Agreement among these persons is the key that unlocks—or locks—the door to pretrial diversion. The answers obtained by a pretrial diversion program screener within hours of an arrest begin the progress.

As Raymond Nimmer recently wrote in an exhaustive study of the subject for the American Bar Foundation, "Diversion involves the disposition of criminal charges without a conviction. The disposition does not imply a finding of not guilty; rather it often assumes guilt. It is conditioned on the defendant's performance of specified obligations."

These obligations, according to Mr. Nimmer, can range from making good on a forged check to entering and completing a treatment program. In efforts like Project Remand, the accused returns to court after ninety days, and if project officials report favorably on their client's use of the prescribed social services and the public defender and prosecutor agree, a recommendation is made to the court that the charges be dropped.

Chairman Wylde justifies these efforts in human terms. "I would hope that, in our still-civilized society, there is an objective to striving to help people on the street, to keep them functioning, living and socially active," he says. "The alternative is putting him in prison. Is that 'functioning'?"

ECONOMY IS NOT THE ONLY BENEFIT

Pretrial diversion program advocates note that the cost of keeping an unmarried man in prison for a year ranges from four to ten thousand dollars. The average successful male participating in a pretrial diversion program costs the taxpayer between five hundred and one thousand dollars. Economy is not the only benefit: even more important are the humanitarian and public safety aspects.

In the twin cities one of the most vocal advocates of pretrial diversion is George M. Scott, who after eighteen years as Hennepin County attorney, was recently named a justice of the Minnesota Supreme Court. "I'm sold forever on pretrial diversion," he said on the day after the governor appointed him to the bench.

OPERATION DENOVO MEANS A NEW START

Justice Scott talks with obvious pride of his service as a member of the governing board of the Hennepin County Pretrial Diversion Project, popularly known as Operation DeNovo—meaning a new start.

The desire for a new start was felt by leaders of the Minneapolis business community after the rioting, burning, and looting that took place in the city's north side ghetto in 1967. Two years later a task force of the Urban Coalition of Minneapolis decided to develop a program to help the city's racial minorities, most of them poor, in their confrontations with the courts. They studied the then unique Manhattan Court Employment Project in New York City and the similar Project Crossroads in Washington, D.C. Both programs offered accelerated rehabilitation services in misdemeanor cases.

Using funds from the United States Department of Labor, these two programs ran as experiments for more than three years. Today they are full-fledged components of the court system. Additional demonstration grants under the Labor Manpower Development and Training Act were made to create similar programs in eight second round cities, one of which was Minneapolis.

The Minneapolis Urban Coalition task force moved quickly to obtain funding and line up local support from civic, political, and judicial leaders.

The coalition task force received a $474,000, eighteen-month contract late in 1970 and hired a project director in January, 1971. Project DeNovo's first diverted client came through its doors four months later. Since that time, almost a thousand individuals have been diverted to Operation DeNovo.

According to former project director William B. Henschel, the largest number of clients are charged with petty theft—from stolen property to writing bad checks.

Since employment is a primary objective of DeNovo, signed written agreements are drawn up early in the diversion experience to provide the client with an incentive to make restitution.

The second largest category of diverted offenses is disorderly conduct. Men predominate in this category, while women offenders are most often accused of petty theft and shoplifting.

What Mr. Henschel and his screeners look for in either sex are the individuals they can help the most. These people are often unemployed, unskilled, and unschooled.

The majority are young. Their alleged offenses, Mr. Henschel believes, are the result of these deficiencies which make it impossible for them to function in a modern urban society.

Many of his clients come to Operation DeNovo completely devoid of motivation. "Their attitude of failure comes from having experienced it a good deal. A kind of unwillingness to take risks—like trying for a job—results."

Where DeNovo succeeds, according to Mr. Henschel, is in a careful matching of client and counselor. Counselors include former offenders, blacks, and what he calls "street types."

Close friendships often develop between client and counselor. If a client tries to snow his ex-convict counselor, he's soon set straight. The same can be said for the so-called street-smart types; their street-smart counselors stay smarter with constant contact in the community, often in the process of seeking job openings for their clients.

The prevailing atmosphere at DeNovo is "we're all in this together," and the mutual goal is to avoid the client's becoming enmeshed in the criminal justice system.

The courts that divert cases from the criminal justice system in Minneapolis are only two blocks away from the project's headquarters. Its offices are on the second floor above a machine shop that also houses an artist with a loft studio.

DeNovo is a busy place. All five telephone lines are constantly busy. The visitor usually can't tell the clients from the office workers, the counselors, or the court screeners.

Mr. Henschel—lawyer, social worker, and former probation and parole supervisor—says DeNovo clients are the first to recognize the importance of staying out of jail or prison. "Defendants are more aware than corrections people that the further they get into the system the more deviant they become."

About half the people that DeNovo screeners interview in court are turned down, either by the screener or by the prosecutor's staff. Most of those accepted are young, charged with their first offense, and in need of a job or job training. Two out of three clients meet their program goals successfully, and initial arrest charges are dismissed.

The fact that Operation DeNovo has lowered the conviction record of the Hennepin county attorney's office has never bothered Justice Scott. "I really don't think the responsible prosecutor even thinks of that," he said.

Justice Scott, who serves on DeNovo's governing board, says the nation's prosecutors are trying to spread the promising news about pretrial diversion through the National District Attorneys Association.

As Justice Scott sees it, pretrial diversion candidates are not "rought characters," but rather "poor slobs in trouble." The proper thing for the police, prosecutors, and judges to do, he says, is to "divert these people immediately, hold something [imprisonment] over their heads, and give them a chance of not having a record. I think it has worked well at Operation DeNovo."

He predicted that pretrial diversion "will spread like wildfire throughout this country and will be accepted everywhere." At present, he added, the concept is controversial because of the lack of public knowledge on precisely how diversion programs work.

According to Arnold J. Hopkins, assistant director of the American Bar Association's Commission on Correctional Facilities and Services, pretrial diversion is "a practice in search of a theory." The twenty or so programs now known to the commission vary widely in what they attempt to accomplish.

Some authorities herald pretrial diversion as *the* primary alternative to imprisonment. Influential groups and their leaders line up solidly behind the practice, Mr. Hopkins reports.

In Washington federal officials are moving ahead with a so-called "third round" of ten to fifteen new cities to be funded for pretrial diversion projects. This is exactly what Labor Department officials had in mind when funding the American Bar Association Corrections Commission's pretrial intervention service center. These will not be demonstration programs, according to Mr. Hopkins, but full-fledged correctional service efforts to keep people out of jail and prison and to help them function as useful, productive citizens.

COMMUNITY PARTICIPATION IS A MUST

One thing about pretrial diversion is sure: the programs will work only where there is community participation, which includes the efforts, support, and skills contributed by members of the legal profession.

What is the alternative to pretrial diversion, to corrections reform and innovation? The chief justice said it eloquently in his 1970 address:

"When a sheriff or a marshal takes a man from a courthouse in a prison van and transport him to confinement for two or three or ten years, this is our act. We have tolled the bell for him. And whether we like it or not , we have made him our collective responsibility. We are free to do something about him; he is not."

RELIEF FOR HURRICANE VICTIMS IN HONDURAS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. JONES of Tennessee. Mr. Speaker, the fine people of the twin cities of Fulton, Ky., and South Fulton, Tenn., are presently engaged in a drive to raise funds for the victims of the recent hurricane in Honduras.

Fulton-South Fulton, a rail center through which a major portion of the Nation's supply of bananas passes every year, is the site of the annual International Banana Festival. As a result of this festival, the community has developed over the years a close working relationship with many of the Central American countries, including Honduras. This relationship has included educational, cultural, and commercial exchange programs and is a model of international cooperation.

Mrs. R. Ward Bushart, president of the International Banana Festival Association, and Mr. Gary Williamson, president of the Fulton-South Fulton Chamber of Commerce, are leading the drive for funds to provide relief to the hurricane victims of Honduras. The drive will end Sunday, September 29, with a special offering at all of the churches in the community.

Mr. Speaker, my colleague Mr. Stubblefield and I feel that this gesture exemplifies the spirit of international cooperation which the world sorely needs and that the people of Fulton, Ky., and South Fulton, Tenn., are to be commended for their efforts and concern.

HUMAN RIGHTS AT THE U.N.: THE DOUBLE STANDARD

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. BINGHAM. Mr. Speaker, I would like to include in the Record an article by our colleague Congressman Donald M. Fraser of Minnesota, which recently appeared in the Nation magazine.

Congressman Fraser discusses one of the most difficult challenges facing the United Nations—how to prevent gross violations of human rights. Mr. Fraser draws upon his experience as an adviser to the U.S. delegation to the recent session of the U.N. Commission on Human Rights, as well as the hearings on the Commission's session which were held by the Subcommittee on International Organizations and Movements.

The article indicates that the United Nations has the authority to act upon gross violations of human rights, and that the Commission on Human Rights has the machinery necessary to implement this authority. Member states, regrettably, are often reluctant to apply these powers against other governments. The United States, which played a significant role in incorporating the human rights provisions into the U.N. Charter, should also strongly support the United Nations in its efforts to prevent human rights violations.

The article follows:

Human Rights at the U.N.

(By Representative Donald M. Fraser)

Washington.—The United Nations Charter declares that promotion of human rights is one of the basic purposes of the world organization. But despite the noble words of the Charter, U.N. members have been notably reluctant to authorize the world body to review alleged cases of torture, massacre and acts of political repression in specific countries. Many have argued that such investigations would violate Article II of the Charter which prohibits the organization from intervening in the affairs of member states.

During its first twenty years, however, the United Nations never hesitated to speak out against violations of human rights when a majority of member states favored action. The international organization consistently opposed colonialism and apartheid in Southern Africa, as it still does today. In the early days, when the United States had a voting majority, the practice of forced labor and other rights violations in the Soviet-bloc states were frequent targets of the world body.

The U.N.'s credibility was undermined by the obvious use of political criteria to determine which violations of human rights deserved the organization's attention. Recognizing this major flaw in the United Nations' method of operation, the United States and other delegations urged that the U.N.'s Commission on Human Rights be given the authority to investigate complaints from individuals and private groups who considered themselves victims of repression.

In 1967, the Economic and Social Council (ECOSOC) authorized the Commission on Human Rights and its Subcommission on Prevention of Discrimination and Protection of Minorities to examine complaints received from individuals and nongovernmental groups. Three years later, the council adopted detail procedures for the review of such complaints. The subcommission was authorized to receive communications dealing with alleged human rights violations and to determine which, if any, reveiled a "consistent pattern of gross and reliably attested violations," requiring attention by the full commission. The Commission, in turn, would determine whether an investigation should be made and a report filed with ECOSOC. The commission, however, was not free to act unilaterally under the 1970 procedures. Any on-site investigations of alleged rights violations required the consent of the country involved.

Last year full use was made of these elaborate referral procedures for the first time. The Subcommission on Prevention of Discrimination referred eight cases of rights violations to its parent body, the Commission on Human Rights. The eight cases involved Great Britain (for allegations of torture in Northern Ireland), Brazil, Indonesia, Portugal, Iran, Tanzania, Guyana and Burundi. But the full commission, unwilling to deal with the recommendations made by its subcommission, postponed decisions on all eight cases until 1975. The governments cited were asked to reply to the charges made against them by December 7 of this year.

Under the terms of the 1967 ECOSOC policy, the full commission does not have to wait for its subcommission to lay the groundwork. It can act on its own, as it did this spring with regard to Chile. Here, the Communist states, led by the Soviet Union, were the principal initiators of the complaints against the new military government in Santiago. The Eastern-bloc countries were not alone, however. In all, twenty-nine U.N. members expressed concerns about recent events in Chile. Many nongovernmental organizations spoke on the issue, including the International Association of Democratic Lawyers, whose spokeswoman was Mrs. Salvadore Allende, widow of the late Chilean President.

Despite efforts by the government of Chile to prevent the commission from taking action, the U.N. agency agreed to send a telegram to Chilean leaders noting "with deep concern numerous reports from a wide variety of sources relating to gross and massive violations of human rights" in that country. The commission called on the Chilean regime to cease "immediately any kind of violations of human rights." And finally, the commission asked the Chilean Government to report back "as a matter of urgency about the measures taken in pursuance of this telegram."

In its reply to the commission, Chile denied any wrongdoing, acknowledging only that certain restrictions had been placed on the right to individual liberty while the country remained in a state of siege.

Recognizing that the situation in Chile has not improved, the U.N. Economic and Social Council, meeting last May, adopted a resolution endorsing the concern expressed by the Human Rights Commission and calling on the government of Chile "to take all necessary steps to restore and safeguard basic human rights and fundamental freedoms in Chile, particularly those involving a threat to human life and liberty."

The House Subcommittee on International Organizations and Movements, which I chair, has taken a special interest in the United States' role in these U.N. deliberations. Earlier this year, our subcommittee completed a series of hearings on international human rights issues. These hearings, I think, gave us a fuller understanding of how this country views the United Nations' authority to deal with human rights violations.

First of all, it is clear that neither the United States, nor most other governments, for that matter, is particularly eager to press for full use of the U.N.'s recently acquired authority in the field of international human rights. In large part, it is a matter of whose ox is being gored. Member states are quite willing to push for an investigation of those governments with which they have unfriendly relations, but everyone starts getting a little edgy when the investigation gets too close to home.

William Buffum, Assistant Secretary of State for International Organization Affairs, was candid about this point when he appeared before our subcommittee saying: "It is obviously much easier for us to attach special weight to an adverse finding of an international body when that finding relates to a country with which we do not have a particularly close relation."

When a friend and ally is involved, however, the United States shrinks from action. Northern Ireland is a case in point. Mrs. Rita Hauser, a former U.S. representative to the Human Rights Commission, told our subcommittee how she tried to persuade the State Department to speak out on rights violations in Northern Ireland by the British Government. She was told in no uncertain terms by a department policy maker that, "This involved a friendly country and we do not wish to get entangled in any way, shape or form in what is happening there. . . . We just want to stay away from it, because it would offend a long-standing ally."

Prof. Frank Newman, from the University of California Law School at Berkeley, who has represented many individual and organizational complaints before the U.N., told us that the United States has a good record in pushing for adoption of procedures aimed at strengthening human rights. But, Newman went on, when it comes to specific charges of rights violations in specific countries, "the United States is terribly sorry about all [these] cases and wishes they could have just been from Eastern Europe and that would have been much nicer."

Thus, the United States was on the spot when charges were brought against Chile, a new-found ally. In that case, the United States did not press for an investigation—an action favored by several other delegations. In response to an inquiry from our subcommittee about this country's rationale for its position on the Chilean case, the State Department told us that few delegations favored the investigation and that, in any case, the Chilean representative had made clear that his government would not accept the presence of a formal investigatory group in Chile.

During the full ESOSOC session, a proposal was put forward that the Subcommission on the Prevention of Discrimination prepare a report on the Chilean situation. Here, the United States objected, saying (in response to an inquiry from our subcommittee) that the subcommission, being an expert body, should not be used as an agency for carrying out a study with strong political overtones.

I considered this a rather weak excuse for inaction. The Chilean situation may, indeed, have strong political overtones, but that does not reduce the seriousness of the events that are occurring in that country. It seemed evident to us that the United States wanted the U.N. to deal with the Chilean case as quickly and superficially as possible.

The United States found that it had little company when the mildly worded Economic and Social Council resolution was considered by the council's subordinate body, the Social Committee. The resolution calling on Chile to "restore and safeguard basic human rights" was adopted by a vote of 41 to 0, with two abstentions, Chile and the United States were the two abstainers.

Any effectiveness the U.N. might have in these situations, however, results from the application of persistent pressure on the government concerned. Secretary Buffum acknowledged as much before our subcommittee: "Any government which is at all responsive to world opinion is obviously going to be more sensitive about its record in the human rights field, if its performance will come under continuing review.

"In many ways, I think it is fair to say that the [Human Rights] Commission's final action is still hanging over these governments as a sword of Damocles, so to speak, and this has as much or even more influence than an ill-conceived and hastily adopted resolution which the government concerned can claim was merely politically motivated."

Despite Secretary Buffum's support for the concept of U.N. oversight in the field of human rights, there is still little tangible evidence of sustained U.S. effort when we move from the abstract to the specific. The State Department has not shown that it is pressing the Human Rights Commission for a full investigation of the eight cases brought before it by the Subcommission on the Prevention of Discrimination. The United States does not appear to favor action by the commission without the consent of the government concerned. The Human Rights Commission needs to make a good-faith effort to get this consent, but when it cannot, it can still proceed with an investigation under policies laid down by the ECOSOC.

Despite these criticisms of U.S. policies at the U.N., I believe there is still hope that the priority of human rights will be raised in determining U.S. foreign policy. There is some indication, in fact, that the State Department is beginning to gear up to deal with human rights issues more effectively. The International Organizations Bureau is strengthening its staff in this area and the regional bureaus are appointing human rights officers.

The United States may be no worse than most countries when it comes to the priority it gives to human rights. In fact, it is probably better than most. But the obvious clichés about the dominance of power politics notwithstanding, I think we have a right to expect more from our government. If Congress and the American people persist, I am hopeful that this Administration will come to recognize that a foreign policy founded on human rights principles is not only morally right but practically sound.

As former Atty. Gen. Ramsey Clark said at our hearings last fall, "Human rights . . . will be the way we learn to live together on this planet at peace."

SENATORS JACKSON, JAVITS, MUSKIE, AND BAYH ANSWER GREEK STAR LETTER ON CYPRUS

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. BRADEMAS. Mr. Speaker, I insert in the Record the answers to five questions on Cyprus given by Senators Jackson, Javits, Muskie, and Bayh in response to an inquiry by the Greek Star of Chicago.

The response to which I refer follows:

[From the Greek Star, Sept. 19, 1974]

Jackson, Javits, Muskie, Bayh, Answer Greek Star Letter on Cyprus

Answering a five-point questionnaire on Cyprus, addressed to them by The Greek Star recently, many U.S. Senators, Con-

gressmen and State Governors made very clear their opposition to the Turkish aggression of the Independent Republic of Cyprus.

The five questions were:

(1) Do you support the UN Resolution 353 demanding the withdrawal of all foreign troops from Cyprus?

(2) Do you support the return of all Cyprus refugees to their homes?

(3) Are you opposed to any attempt by Turkey to settle the "occupied" area of Cyprus with Turks from the mainland?

(4) Do you support a large scale program of relief for all Cypriots?

(5) Do you believe the United States should take the lead in negotiating a peaceful resolution of the Cyprus crisis which guarantees the independence and sovereignty of Cyprus, with full adherence to the UN charter, including guarantees of the minority rights?

SENATOR JACKSON

DEAR EDITOR:

Thank you very much for your recent letter and for the related material on the situation in Cyprus. I share your concern over the grave consequences of the Turkish invasion of the island. In my view, we cannot allow the future of Cyprus to be dictated by naked military force.

As you know, I have urged the Administration to stand firm in support of an independent Cyprus whose political arrangements reflect the views of the Cypriots themselves. I am enclosing two items about this important question which I hope will be of interest to you.

With good wishes,

Sincerely yours,

HENRY M. JACKSON,
U.S. Senator, (Wash.).

SENATOR MUSKIE

DEAR EDITOR:

Thank you for taking the time to contact me about your deep sense of concern over the tragic events which have occurred in Cyprus in recent weeks, and about the direction of U.S. policy during the crisis. I appreciated hearing from you.

I agree with you that our government should urge the immediate withdrawal of all foreign troops from Cyprus. The unhappy state of U.S.-Greek relations has continued to deteriorate because of the continued silence of our government on the Turkish invasion of Cyprus.

Despite the breakdown of peace negotiations in Geneva, I hope that the intervention of Secretary General Waldheim of the United Nations will help bring the disputing parties together to negotiate a lasting peace settlement.

Let me assure you that I will do what I can to encourage a more enlightened American policy on the issue, and that I will keep your our views in mind.

With best wishes, I am

Sincerely,

EDMUND S. MUSKIE,
U.S. Senator, Maine.

SENATOR JAVITS

DEAR EDITOR:

Thank you for your letter concerning the dangerous and heart-rending crisis on Cyprus. You may be sure that I understand and appreciate the profound concern that prompted you to write.

The true dimensions of the Cyprus crisis may not as yet be appreciated fully by the American people, except by the Greek-American community, which has watched fellow Greeks being killed, maimed and subjugated by naked military force while the whole world seemed to stand by immobilized.

On September 5, I introduced S. Con. Res. 115 in the Senate which condemns in clear and unmistakable terms the irresponsible and dangerously short sighted actions of Turkey on Cyprus. Turkey's efforts to impose its will be force cannot be acquiesced in by the United States or by the world community. Such actions have dangerously exacerbated tensions on Cyprus and in the Mediterranean, are completely counterproductive to any lasting settlement of the crisis and are totally out of date in these times.

The resolution I have introduced also focuses on two critical elements of a settlement of the crisis; the continued provision of emergency relief for all Cypriot refugees coupled with a comprehensive program of ecnomic assistance to rehabilitate the crippled Cypriot nation and economy; and removal of all foreign troops from Cyprus with the exception of United Nations peacekeeping forces.

To provide you with a detailed understanding of my position on the tragic crisis on Cyprus, I enclose the text of S. Con. Res. 115 and my introductory remarks.

Thank you for taking the time to write and to give me your views.

With best wishes,

Sincerely,

JACOB K. JAVITS,
Senator, New York.

SENATOR BAYH

DEAR FRIENDS:

Because you have expressed your concern about the recent events on Cyprus, I would like to take this opportunity to bring you up to date on the steps I have taken to bring about a change in the direction of American policy in this matter.

As you may know, I have joined with those calling for the withdrawal of all foreign troops from Cyprus in order to permit the Cypriot people to reach an agreement on the future of their country and personally written to Secretary of State Kissinger on this matter. I have enclosed a copy of my letter to the Secretary for your review.

Most recently, I have joined with Senators Abourezk and McGovern in offering an amendment to the Foreign Assistance Act which will suspend all aid to Turkey until an agreement is reached which is acceptable to Cyprus, Greece and Turkey. I have also co-sponsored S. Res. 397 which calls upon the President to implement the provisions of the Foreign Assistance Act and the Foreign Military Sales Act and end all military aid to Turkey. These Acts prohibit the use of American supplied defense articles for offense actions, such as the Turkish invasion of Cyprus.

By these actions I hope we will be able to display to the Turkish government our commitment to the continued existence of the independent Cypriot state, and to present to the Greek government an evenhanded policy which seeks to uphold the North Atlantic Charter principle of self-determination for all people. Only by implementing such a policy will be able to expedite a return to stability in the eastern Mediterranean and a revitalization of the NATO alliance.

You can be sure that I will be following developments in this situation very carefully in the days ahead. I appreciate your sharing your views on this difficult problem with me.

Sincerely,

BIRCH BAYH,
U.S. Senator, Indiana.

HELP FOR SIMAS KUDIRKA

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. HOWARD. Mr. Speaker, nearly 4 years ago now, a Soviet citizen endeavored to defect to this country by seeking asylum on a Coast Guard cutter near Boston, only to be returned to his Soviet ship and thence to exile in the Soviet Union.

Much has happened since that most unfortunate occurrence, including the declaration of Simas Kudirka's mother as an American citizen, thus conferring the same citizenship on her son. Simas Kudirka has now been released from prison in Siberia, and continues his efforts to obtain permission to leave the Soviet Union for the United States.

I am proud to say that among the greatest supporters of Simas Kudirka and his family have been Dr. and Mrs. Roland D. Paegle of Middletown Township, N.J., in the Third Congressional District.

Recently, the Asbury Park, N.J., Press ran an article about the Paegle's efforts, and their joy over the progress which has been made. Without objection, I would like to insert this article and commend it to my colleagues as a fine example of American determination and concern for those who are less fortunate in their freedoms than we. Additionally, I would like to insert a further article from the Christian Science Monitor regarding other Soviet citizens who are suffering from conditions of bondage, but who have not been so fortunate as the seaman, Simas Kudirka.

[From the Asbury Park (N.J.) Sunday Press, Sept. 15, 1974]

REJECTED SOVIET DEFECTOR MAY WIN FREEDOM SOON—COUPLE IN AREA HELPING

(By Ed Reiter)

MIDDLETOWN TOWNSHIP.—A gold-plated telephone is helping a local couple punch a hole in the Iron Curtain.

Grazina Paegle, 112 Hawthorne Rd., Locust, spends hours on that special phone each week speaking—pleading—with senators, congressmen, and State Department officials in Washington. Her message is always the same: "Help us win freedom for Simas Kudirka."

Simas Kudirka? Few people remember the name. Many, however, recall the story behind it. Kudirka is the young Lithuanian who sought asylum on a U.S. Coast Guard cutter in November 1970—only to be returned to his Soviet ship.

Much has happened to Kudirka since then, and Mrs. Paegle and her physician husband, Dr. Roland D. Paegle, have had a big hand in writing the happier chapters. Best of all, they feel sure the dramatic story will soon have a happy ending.

"We're confident the Russians will soon permit not only Simas, but also his family, to come to the United States," says Dr. Paegle a pathologist at Perth Amboy General Hospital and research consultant at Jersey City Medical Center.

As it is, Kudirka recently was granted a pardon by the Supreme Soviet and allowed to return to his mother's home in Griskabudis, Lithuania, after nearly four years imprisonment. And both he and his mother have been declared U.S. citizens.

These developments can be credited, in large measure, to the countless calls Mrs. Paegle has made on her special telephone. And the success of those calls is responsible for the telephone's gold plating.

"Back in December," Dr. Paegle recalls, "Things looked very black. Federal officials told us, 'We will not let a case like this interfere with detente.' So just to cheer up my wife, I told her 'If we ever get Kudirka's U.S. citizenship recognized, I'll buy you a gold phone.'"

Kudirka got his citizenship this summer—and Mrs. Paegle got her gold phone.

The Paegles have been working for Kudirka's freedom from the minute they learned of his plight. They were instrumental in publicizing the story in the first place—helping to organize a protest demonstration which made it front page news after first reports went almost unnoticed.

Subsequently they fought, successfully, for new legislation protecting defectors under similar circumstances; U.S. personnel are not allowed to return defectors now and must notify the State Department immediately in all such cases.

They also helped form an organization called the Seamen's Education Federation, which, among other things, has placed spot announcements on coastal radio stations and dropped leaflets on Soviet fishing ships, assuring other political Kudirkas that such a mistake couldn't happen again. Dr. Paegle is chairman of the federation, Mrs. Paegle executive secretary.

They sought to help Kudirka directly, too, by sending parcels of food and clothing to him and his mother. His never reached him; his mother did get hers—though usually after considerable delay.

Above all, they kept applying pressure to U.S. officials who might, in turn, put pressure on the Russians—and enlisted the aid of valuable allies in Congress. They number New Jersey's two U.S. senators, Harrison Williams Jr. and Clifford Case, and Rep. James J. Howard, D-N.J., among their most helpful friends.

Their efforts—and those of other American sympathizers—began to pay off a year ago when a Paegle family friend, Dara Kezys of Queens, N.Y., located a baptismal certificate at a Catholic church in New York City, verifying that Kudirka's mother, Marija Sulskis, had been born in Brooklyn.

She hadn't lived there long; her family had moved back to its native Lithuania when she was only 6. Lithuania permitted dual citizenship, however, while the U.S. recognized only its own. And so, the sympathizers reasoned, Mrs. Sulskis must still be a U.S. citizen.

On May 17 of this year, after a barrage of letters and phone calls—many of them made by Mrs. Paegle, the State Department formally recognized Mrs. Sulskis' U.S. citizenship. On July 17, after further intense pressure, the ultimate irony was acknowledged; because of his mother's status, Kudirka himself was declared a citizen of this, the country which had turned him away.

All this is more than Kudirka and his American friends dared to hope for back in 1970, in the dark days following his aborted defection. He himself was convinced he would be executed, the Paegles report.

As it was, his captors kept him in solitary confinement for six months before bringing him to trial. When he did come to trial—for "betrayal of the motherland"—he steadfastly refused to denounce the United States, even though it was hinted this would gain him a lighter sentence. Upon his inevitable conviction, he was sentenced to 10 years imprisonment in a Siberian labor camp.

Even while in prison, he continued to speak out. In 1971, he signed a petition to the International Red Cross protesting conditions in Soviet detention camps. In 1973, he cosigned a letter supporting dissident physicist Andrei Sakharov in his fight for human rights.

At the end, he staged a hunger strike—and may, in the process have hastened his release.

"He seems to have helped force the hand of Soviet authorities to release him sooner," Mrs. Paegle says. "They didn't want a sick or dead man on their hands while delicate trade negotiations were in progress."

Kudirka was released Aug. 23 and arrived at his mother's home three days later. On Sept. 1, before U.S. officials had even confirmed his release, he spoke with Mrs. Paegle—who was using her gold-plated phone, as she frequently does, for a trans-Atlantic call to his mother.

"His tone of voice during the first part of the conversation suggested that he was reading a prepared statement," Mrs. Paegle reports.

The Paegles tape-recorded the conversation, and a transcript shows that prison failed to dampen Kudirka's fiery spirit.

"I am now as though in a dream," he told Mrs. Paegle. "Although I live in so-called freedom, I am still under a curtain. I am waiting for the hour when the curtain will finally be completely opened and we can leave."

If Kudirka and his family—his mother, wife, 14-year-old daughter, and 8-year-old son—do gain visas from the Soviet Union, they'll come to live with the Paegles.

"They'll be living here for as long as they want," Dr. Paegle says. "We're going to start reconstructing the attack this week to get ready for them."

The doctor and his wife also have two children, both sons; Tadas, 7, and Edward, 5.

The Paegles aren't related to Kudirka—nor were they acquainted before the ordeal began.

They do share common roots: Dr. Paegle was born in Latvia, his wife in Lithuania, and both came to the U.S. at early ages. Their involvement with Kudirka is based on more than that, though.

We have tremendous admiration for him," Mrs. Paegle declares, "and we've come to have great admiration for his mother, too."

"As we read about him, and as we worked in his behalf, we felt he was a most courageous and persistent man."

"At one point we called him 'The Most Unforgettable Man We Never Met.' In light of more recent events, though, another title seems more fitting: 'The American Who Never Gave Up.' "

[From the Christian Science Monitor, Aug. 22, 1974]

EX-SOVIET CITIZEN CONTRADICTS PROPAGANDA—BRUVERS TELLS OF HIS BROTHERS' CONFINEMENT BY SECRET POLICE

BOSTON.—The Soviet authorities are not amused when they hear ex-Soviet citizens like Daniels Bruvers talking to the Western press.

What he has to say squarely contradicts official Soviet propaganda about religious freedom and the social, educational, and economic equality of all peoples within the Soviet Union.

Last year Mr. Bruvers married a young woman from West Germany while she was visiting Latvia. She left for home when her tourist visa expired. Four visa applications, one 30-day hunger strike, and eight months later, Mr. Bruvers, who like the rest of his family is a devoted Baptist, was allowed to leave and join his wife in West Germany.

He told this newspaper in an interview, "My brothers are being held in solitary confinement by the KGB (Soviet secret police) for circulating a seemingly innocuous questionnaire in Riga, the capital of Soviet Latvia, about radio programming, vacation preferences, and the state of the nation."

After the brothers, Olafs and Pavils, turned in the over 100 anonymously completed questionnaires to local newspapers, they were called by the KBG and asked to reveal the identities of the respondents. They refused.

Since then, their parents have been interrogated and charged with bringing up their children in "bourgeois nationalistic and Christian ways."

Last week Mr. Bruver's brother-in-law, who is a Baptist preacher in Ayzpute, 90 miles from Riga, was summoned by the local KGB, relieved of his parish, and deprived of his license to preach.

CHURCHGOERS HARASSED

It is a crackdown on the whole family, says Mr. Bruvers. He believes his brothers may be sent to Siberia on charges of "slandering" the Soviet Union.

Latvians who, like the Bruvers family, attend church openly find life difficult, KGB officials wait outside church to jot down the names of those entering. At Christmas and Easter "it almost looks like the cheering section at a football game"—everyone from school principals and teachers to police and work foremen turn out to identify the churchgoers, Mr. Bruvers says.

For attending church regularly, a Latvian can be denied an apartment or his job. But despite these threats most Latvians remain religious, Mr. Bruvers claims.

"The old yeast still remains," he says. "And it keeps on working."

After Latvia was annexed by the Soviet Union, the Russians tried to "Sovietize" the Latvians. The Latvians call it bluntly "Russification."

It took many forms. In 1944–1945 great numbers of Latvians were deported to Siberia. Today Latvians are lured from their homes to the Far East by wage bonuses and other incentives. Siberian minorities and Russians all the while are being urged to go to Latvia to live and work.

SIGNS SCRAWLED

What do Latvians think of the Russians? Mr. Bruver's face turned a bit sterner as he answered: "Quite honestly, the Latvians despise the Russians."

Latvian children scrawl anti-Russian signs on town walls. "When I was in school," he said, "if you were really mad at a Russian schoolmate, you'd call him an 'occupant.' Of course he'd immediately shout back 'fascist!' "

Last summer's gala gathering outside Riga for the 100th-anniversary Latvian Song Festival illustrated the Latvians' supppressed contempt for anything Soviet-Russian and a corresponding love for "their homeland."

The concert began with a few Latvian choral folk melodies. Stillness hung over the 75,000 in the audience. All listened silently, reverently.

LISTENERS FIDGETY

But as soon as the chorus announced the next series of songs—Soviet ditties—the audience grew fidgety; chairs squeaked, candy wrappers crackled. A typical present-day Latvian protest.

Each person who leaves the Soviet Union has his own opinion of the Soviet regime's future. "If the present trend toward liberalization continues,'" says Mr. Bruvers, "the regime will fall from within." He doubts this will happen without some attempts to return to the days of Stalin. "But it's not possible to go all the way back now," he adds.

"If a light beams into darkness, it destroys the darkness."

Daniels Bruvers has been in the United States visiting American Latvian and Baptist organizations appealing for support for his family.

PRIVATE PENSION PLANS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. COLLINS of Texas. Mr. Speaker, recently Congress passed a pension bill with only two of us in opposition. I ask you all to be openminded and watch future developments to review this.

When I was in Texas this past weekend, I found four small companies who are already considering termination of their pension plans.

Here is a good editorial on this pension subject that was in the September 4 issue of the Wall Street Journal.

> The costs [of the law] are not so clear. There's no way of knowing the extent of the aggregate unfunded liability of all pension plans. Many of the plans that are technically fully funded may not be, owing to the state of the equity markets; assets are reported at purchase, not market value. Robert T. Knowles, vice president of Crompton & Knowles Corporation, thinks that "as a direct result of this legislation, American business will be saddled with additional debt ranging from $30 billion immediately to at least $100 billion within the next decade." The U.S. Chamber of Commerce reckons the law could increase over-all plan expenses by $3 billion to $7 billion a year.
>
> Considering the desirability of the benefits, these are not staggering economic costs. But for a while, they may produce painful distortions in the market. . . .
>
> There's no way of knowing, though, what effect the law will have on the financial markets. Salomon Brothers observes that five years ago pension funds had unrealized stock market gains of $18.4 billion, or 43% of the $43.1 billion cost of their equity holdings. By June 30, 1974, this had turned into an 11% equity portfolio loss totalling $9.1 billion. Given the market decline since, the loss is no doubt higher by now.
>
> According to the new law, pensions funds have to report assets at market, rather than purchase value. They also have to pay interest and principal on the unfunded liability, which not only implies an immediate drain on corporate earnings, but future problems as well. How will the law affect the decisions of pension-fund trustees, who are as a further result of the new law held personally liable for any losses caused by breaches of responsibility? Will the funds be driven out of equities into fixed-income securities, if only to protect against personal liabilities in a declining stock market? "Client pressure" is said to be the latest buzz word among institutional money managers, who are being pressed to sell stocks and buy bonds or money market instruments.
>
> "Trustees are faced with a dilemma. Writing in the current Harvard Business Review, Robert D. Paul notes that many pension plans assume a 2% to 2½% annual increase in the Consumer Price Index. If the future rate of inflation is 5% to 10%, investment returns of 10% to 13% will be needed to maintain costs at a level percent of payroll. "Are there such investment—sound, secure investments—that will meet the 'prudent man rule' written into the new pension legislation?" Mr. Paul believes pension-plan designs will have to be altered, both to cope with the new law and with new economic realities.
>
> Because so many of the effects of this new legislation are unclear, but potentially great, it is at least plain that corporate management should spend a good deal more time worrying about their pension plans than they have in the past. Politicians are not affected a bit by a new pension law; they can continue to hand out pension promises and bequeath the costs to their successors. For private pension plans, the future is now.

PRODUCTIVITY ON FARMS HAS HELPED HOLD FOOD COSTS IN LINE

HON. ANCHER NELSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. NELSEN. Mr. Speaker, at long last it appears some economists and consumer advocates are recognizing that the American farmer is not the villain in the spiral of food costs from which we have all suffered in recent months. In fact, except for the farmer's increased productivity we would be in much worse shape than we are. I would like to insert in the RECORD following my remarks an article from the business and finance section of last Sunday's New York Times which sets forth some very interesting specifics about where efficiency lies in our agricultural production and marketing system.

According to the article by William Robbins:

> Shoppers have noticed that more of their money is going to farmers, but they have failed to realize that an increasing proportion of it is going to the processors and marketers that come between them and the original producer.

Those of us who represent rural areas have seen our hard-working constituents take too much heat for high food prices. But as the article indicates, only 38 cents of the market dollar goes to the farmer in spite of the fact that farmers have increased their productivity at an average annual rate of more than 5 percent.

Thus, while the food industry as a whole has not been improving its productivity at a very good rate, the actual producer of raw food is the most efficient link in the whole chain. We must do more to get this story across to consumers and so-called consumer interest groups.

The article follows:

WASTE IN MARKETING LIFTS GROCERY COSTS

(By William Robbins)

The inflationary cost of food has disrupted many a family budget, leading Americans to wonder: Does food really have to cost *that* much? Now economic analysts have an answer for harassed consumers: Maybe not.

The food industry, they say, probably has more opportunities than any other major sector of the economy to eliminate waste and inefficiency—invisible items that add up at the supermarket check-out counter.

One promising area is productivity, where the food industry in general lost ground last year. Compared with the year before, it used just as much labor to move less food from farm to consumer. And food retailing in particular, which had a scant productivity gain of 1.5 per cent in the previous three years, apparently slipped last year.

How to overcome such problems was among the challenges tackled by economists and food experts at the food conference on inflation held last week in Chicago. One of the things they discussed was a proposal that emerged from the Agriculture Department last Tuesday.

While others were cursing the darkness, a group of specialists in the agency's Agricultural Marketing Service ignited one small candle to help light the path out of food inflation. They produced a new grading plan that could lead Americans to eat leaner meat and thus save millions of bushels of costly feed grains. The plan could mean important savings for both the food industry and consumers.

The food industry as a whole took in $132 billion from United States consumers last year, and by year's end it was collecting money for food at an even faster annual pace. Since then, shoppers have noticed that more of their money is going to farmers, but they have failed to realize that an increasing proportion of it is going to the processors and marketers that come between them and the original producer.

When the housewife forks over a dollar bill at the check-out counter, only about 38 cents finds its way to the farmer. Here's what the food industry does with the remaining 62 cents: It pays about 30 cents for labor costs, 7 cents for packaging and 4½ cents for transportation. The next biggest item is corporate profits, roughly 4 cents. Then business taxes get 2½ cents, and interest and repairs combined also get 2½ cents. Advertising, depreciation and rent take 2 cents each. The 5½ cents that remain is spent on a variety of expenses, such as utilities, promotion, fuel and insurance.

Nearly all of these outlays are fertile ground for improving productivity and reducing costs, recent studies have found.

The National Commission on Productivity discovered in 1973 that increases in productivity in the food sector were below the national average. Had it not been for farmers' enormous and steady improvements in productivity, the average would have fallen to a far lower scale. Over recent decades farmers have increased their productivity at an average annual rate of more than 5 per cent. Oddly, it was at the farm level that the first step came last week toward cost-saving.

The new meat-grading plan, by reducing the amount of feeding time to fatten cattle, could save as much as 5 cents a pound for beef at current grain prices, the American National Cattlemen's Association has estimated. Others say that, by stretching out supplies, the plan could reduce grain prices and lead to still further reductions in feeding costs.

As much as farming productivity has increased, however, it offers still further scope for improvement.

The Agriculture Department has noted, for example, that the top 10 percent of producers get crop yields that are 50 percent above the national average. Experts believe that, by adopting known practices, many of the average and below-average producers could increase their productivity.

Meanwhile, agricultural researchers are developing new improvements. Among them are increased fertility of beef cattle, which would lower the required size of breeding herds as a proportion of beef produced, and improvements in plant architecture, which would increase the exposure of leaves to sunlight and thus increase their efficiency.

But the biggest opportunities for better food efficiency are in the farm-to-consumer sector, the so-called marketing margin.

Packaging, which next to labor accounts for the largest percentage of the consumer's dollar, offers perhaps the greatest chance for savings. Food-packaging costs totaled $10-billion last year. Aside from "convenience" foods (which many consumer studies have found offer little convenience and add substantially to labor costs), packaging is often quite wasteful, contributing to further waste in other operations.

American processed foods are packaged in more than 2,500 different sizes and shapes, according to several estimates, in addition to 1,400 different packages for fresh produce.

This multiplicity of packages aggravates the expenses involved in processing, storing and handling food. And it raises obstacles to automated warehouse systems that could be introduced with present technology.

"There has to be a better idea," said Grant C. Gentry, executive vice president of the Jewel Companies, Inc., summing up packaging inefficiencies in a presentation at the last annual meeting of the National Association of Food Chains.

The diversity of packages also contributes to waste in transportation, which already has inefficiencies of its own. Because of the wide variety of packages, it is nearly impossible to stack goods without wasting space. Often, movement of unevenly stacked pallets, with boxes bulging over edges, leads to damaging of goods.

Railroad and truck transportation accounted for $6.1-billion of food costs last year, and a large part of that went for waste movement and idle time.

"Almost half of the trucks engaged in food transportation are empty at any one time," Mr. Gentry noted. Part of this waste results from Interstate Commerce Commission rules that many trucks must make backhauls (return trips) without a paying load.

Still less efficiency is found in the use of railroad cars. The National Commission on Productivity found last year that, although rail rates had increased 33 per cent since 1967, railroad cars were still moving food across the country at a slower pace than they did 20 years ago. The cars were moving only 12 per cent of the time and moving with a load only 7 per cent of the time.

"Enormous productivity gains could flow from an improved transportation system, not only from faster service but from the more efficient packaging and handling that it would make possible," the commission said.

Among the business interests that take a share of the food marketing dollar, the largest goes to the processing industry, which got $28-billion last year. Retail food stores received the second largest share, nearly $24-billion. Restaurants and similar institutions took the third largest portion, $18.9-billion.

Some segments of the family's budget cut across all these areas. Meats, which account for more than $3 out of every $10 spent at the grocery store, offer many opportunities for cost savings, according to a recent study by a special task force of the Agriculture Department.

One saving could be achieved by increasing shipments of boxed beef after carcasses are broken down into primary sections, allowing efficiencies through manpower savings with assembly-line cutting and use of trimmed bone and fat for by-products, plus additional savings in transportation.

More savings could be gained by the further reduction of beef at central cutting points to the final retail cuts, the task force said, and still more savings through marketing of frozen beef, which could eliminate much of the spoilage now paid for ultimately by consumers.

"Of the meat we transport, 27 per cent is bone and waste—that is, garbage," Mr. Gentry of the Jewel Companies had said in his presentation.

Other studies have shown that producer savings could be achieved by marketing bulls instead of steers because bulls grow faster and make more efficient use of feeds. Young bulls are only slightly less palatable than steers, food experts say.

Meanwhile, processor savings have been made possible through studies resulting in greater control over the arrival of animals at slaughtering plants, allowing better planning and use of labor and facilities.

But perhaps some of the greatest savings, at least in the labor segment of the food marketing dollar, are available in the stores, retail analysts say. One reason is that each individual item a shopper buys must be handled at least twice—once when it is marketed and stacked on the shelves and again at the check-out counter.

A development of some promise is experimenting now under way in the automatic coding of retail goods for electronic, hands-off check-outs before the shopper pays for the groceries.

Perhaps a long-range dividend of the current inflation will come from the increased urgency brought now to the examination of these and other means of increasing productivity and elimination of waste.

APPEALS COURT RECOGNIZES RIGHT OF DRIVERS TO REFUSE TO OPERATE UNSAFE VEHICLES

HON. FRED B. ROONEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. ROONEY of Pennsylvania. Mr. Speaker, for the last several years I have sponsored many bills on motor carrier safety. In one of my bills, H.R. 6180, there is a provision which protects employees from discrimination against them by their companies if they should refuse to drive an unsafe vehicle on our Nation's highways.

Recently, PROD, the Professional Drivers Council for Safety and Health, brought a lawsuit for two of its members who were discharged by their employer companies because they refused to drive unsafe vehicles that violated State safety laws.

The employees union grievance committee and the National Labor Relations Board approved the employees discharge holding that such discharge was proper within the contract agreement between the union members and the company.

The U.S. Court of Appeals for the District of Columbia Circuit has recently ruled that:

> No contract provision or arbitration award can permit an employer to require his employees to violate state laws or to create safety hazards to themselves or others.

The court further held that such contracts must be congruent with the resolution of statutory unfair labor practice issues.

This decision of the court of appeals is very logical. Yet, frequently I receive letters from professional drivers indicating to me that their companies force them to choose between risking their life or their job.

Recently, the department of transportation, in a published statistic stated that 41 percent of the common carrier vehicles inspected by them during roadside spot checks in 1972 were found to be mechanically unfit and imminently hazardous. The court's decision also upheld the right of all workers to refuse to work in circumstances which might "reasonably be considered abnormally dangerous."

It is time, Mr. Speaker, that we concern ourselves with the safety of the men and women who are responsible for driving these unsafe vehicles. We must give them statutory protection from discrimination when they refuse to take such vehicles on the road. They are protecting us as well as themselves. H.R. 6180 is the protection that the entire public needs in order to protect us from unsafe common carriers that are forced onto our highways by certain companies with no concern for the public's safety.

Therefore, Mr. Speaker, I invite your concern for H.R. 6180 and I also draw your attention to a summary of the court of appeals decision which was published by the Bureau of National Affairs, Inc. of Washington, D.C., in their August 16, 1974, issue of "Daily Labor Report, Current Developments Section," pages A–16 to A–18.

APPEALS COURT TELLS NLRB TO DECIDE MERITS OF DISCHARGES IN SAFETY CASES

The U.S. Court of Appeals for the District of Columbia remands two NLRB decisions involving two truck drivers who were discharged for refusing to drive what they thought were unsafe trucks because it says the Board erroneously applied the *Spielberg* and *Collyer* doctrines in dismissing the drivers' unfair labor practice charges in deference to arbitration awards. The Board is instructed to rule on the merits of the complaints.

The thrust of the opinion by Judge Wilkey, joined by Judge Wright and in part by Judge MacKinnon, is a clarification of these doctrines. "Our acceptance of those doctrines was and is founded upon the premise that they are appropriately applied only where the resolution of the contractual issues is congruent with the resolution of the statutory unfair labor practice issues," the court holds. Judge MacKinnon concurs in the majority opinion in *Ferguson,* and concurs in the result in the other case, *Banyard*.

In both cases, the drivers, Ferguson and Banyard, members of the Teamsters, refused to drive trucks which they thought were dangerous and were fired. Banyard was fired on October 7, 1969 for refusing to drive an admittedly overloaded truck in violation of Ohio state law. The contract between the Teamsters and his former company, the McLean Truck Company, provided in Article 16 that employees would not be required to violate any applicable statute or a governmental regulation relating to safety.

Banyard filed a charge with the NLRB on January 2, 1970 alleging violation of Sections 8(a)(1) and (3) of the Taft-Hartley Act. A trial examiner concluded on July 23, 1970 that since grievance proceedings were underway, there was no award for the Board to recognize, but he concluded that the discharge was a violation of those sections. The Board reached no decision until after the union's claim was denied at the final stage of the grievance procedure, and on March 23, 1973, dismissed the unfair labor complaint, deferring to the *Spielberg* doctrine.

In *Spielberg,* the Board established its policy of dismissing unfair labor practice complaints where the issues involved had been previously resolved by arbitration award. The court explains that under *Collyer,* "the Board will withhold its processes until the parties first submit to those processes upon which they have privately agreed. If, after the Board has withheld under *Collyer,* the unfair labor practice issues are resolved by the arbitral tribunal, the Board will apply Spielberg and defer to the arbitral award."

In the second case, Ferguson, a driver for Roadway Express, Inc., pulled his truck over because he thought it had defective suspension and a dangerous shimmy. He hailed another driver and asked him to drive the truck to check for possible defects. The court quotes the second driver as telling the trial examiner: "Well, it scared me. I thought maybe it was going to break in two. . . . I didn't see how that I could drive the truck because I thought it was unsafe." A truck stop mechanic also said the truck was unsafe. However, Roadway sent a safety supervisor and a mechanic to check the truck and they indicated that it was safe to drive. Ferguson still refused to drive it. At his request, a state safety inspector inspected the vehicle and stated he "could find nothing visibly wrong with it." When Ferguson then refused to be responsible for the unit," he was discharged.

Concerning the Banyard case, the court says it agrees with the following conclusion of the trial examiner (now administrative law judge):

"In the instant case, it is patent that the issue raised by the allegations of the complaint, namely, whether Banyard has been discharged by respondent because of his concerted or union activity, is not one which falls within the special competence of an arbitrator, but is primarily one for resolution under the provision of the Act which the Board has been mandated by Congress to enforce."

The court points out that the award by the joint Teamsters-McLean Trucking Company grievance committee in the Banyard grievance, to which the Board deferred, only states, in its entirety:

"Please be advised that the National Grievance Committee on December 2, 1971, adopted a motion that based on the transcript, the claim of the union be denied."

The court says the Board should not have deferred this case because "the arbitral award below grants the company a license to violate state law." The opinion says:

"Regardless of the purpose of the Ohio statute, it remains axiomatic that it was still the law; for this or any other company to require its employees to act in violation thereof can never be upheld by the Board or this court. We concur in the dissenting Board members' perception of the dispositive issue in this case, viz, 'No contract provision or arbitration award can permit an employer to require his employees to violate state laws or to create safety hazards for themselves or others.' Left standing, the arbitral award below grants the company a license to violate state law and as such is void as against public policy and repugnant to the purposes of the National Labor Relations Act.

"Congress recognized that neither employers, employees, nor labor organizations have 'any right in [their] relations with each other to engage in acts or practices which jeopardize the public health, safety, or interest.' Whether Banyard's discharge was violative of section 8(a)(1) of the Act was the proper issue for the Board's consideration, and this in turn necessarily embraced the admitted violations of Ohio law and their repugnance to public policy and the purposes of the Act."

The court points out that in *Local Union 715 v. NLRB*, it held that the Board should only defer to arbitration awards where three prerequisites established in the *Spielberg* opinion are met: (1) fair and regular arbitral proceedings, (2) parties agree to be bound by the arbitral award, and (3) a decision which is "not clearly repugnant to the purposes and policies of the National Labor Relations Act." To these prerequisites, the court adds that the *Spielberg* doctrine only applies if the arbitral tribunal (4) clearly decided the issue on which it is later urged that the Board should give deference, and (5) the arbitral tribunal decided an issue within its competence, and (6) the arbitral tribunal's award appears repugnant to the statute.

In the *Ferguson* case, the driver contended that his refusal to drive was a protest against "abnormally dangerous" working conditions protected under Section 502 of the Act and a protest on behalf of other employees against the unsafe condition of the truck and to secure its repair. He argued that such protest is protected under Section 7 of the Act, which gives employees "the right to engage in concerted activities for the purpose of mutual aid or protection."

The Board argued that its deferral under *Spielberg* was proper because the statutory question—whether in all the circumstances Ferguson was justified in refusing to operate the tractor because of unsafe operating conditions—"was squarely faced by the Joint [Grievance] Committee since Article 16 of the contract prohibited discharging Ferguson unless his refusal to drive based on safety factors 'is unjustified.'"

The court takes this issue with the Board on this point, saying:

"... the Board's characterization of the contract and statutory issues as identical does not make them so, and our decisions make it clear that deferral on statutory issues is proper only where there is congruence with contractual issues." In explaining further why it remands the two cases to the Board, the court states:

"Our reluctance in the case sub judice to sanction the Board's deferral to the Joint Committee award stems from our uncertainty over whether the standard applied by the Joint Committee to the contractual issue before it is the correct standard to be applied to the statutory issue before the Board. Our concern is that the Joint Committee applied a 'safe-in-fact' standard and thereby found that Ferguson was not contractually justified in refusing to drive the tractor. Under the more liberal Gateway Coal standard the Board might have concluded that Ferguson's belief that the tractor was unsafe was amply supported by 'ascertainable, objective evidence.'

"Our approval of the Board's deferral under *Spielberg* of statutory issues to arbitral resolution along with contractual issues is conditioned upon the resolution by the arbitral tribunal of *congruent* statutory and contractual issues. In that situation 'the arbitration award becomes the sole remedy for both contractual and statutory violations.' If in the present case the Joint Committee applied to the issue before it a standard correct under the contract but not under judicial interpretation of section 502, then it cannot be said that the statutory issue was decided by the Joint Committee. In that event the Board's abstention goes beyond deferral and approaches abdication."

As in the *Banyard* case, the court says the award of the grievance in the *Ferguson* case was "exceedingly brief." After merely summarizing the company's and the union's positions, the award states in its entirety: "Claim of union denied."

Addressed the effect of the abbreviated award, the court says:

"The trial examiner, whose findings were adopted by the Board in this case, stated that the 'Committee in reaching its conclusion to deny the grievance had to conclude that Ferguson's refusal to drive the vehicle was unjustified.' Yet the failure of the Committee to amplify its decision forced the trial examiner to speculate by what standard the refusal was 'unjustified.' Neither the examiner, the Board, nor we are entitled to engage in such speculation."

The court concludes:

"Accordingly, these petitions are remanded with instructions that deferral not being appropriate, the Board should proceed to a consideration of the unfair labor practice issues in a manner not inconsistent with this opinon."

The two suits were brought by the Professional Drivers Council (PROD). According to PROD Executive Director Arthur Fox, "the teamsters union universally fails to enforce the National Master Freight Contract's prohibition against requiring drivers to perform dangerous work. As a result, the nation's over-the-road truck drivers are left at the mercy of their employers who frequently present them with the choice of risking their lives or losing their jobs."

In Fox's view, the court's decision "upholds the right of all workers to refuse to work in circumstances which might reasonably be considered abnormally dangerous." He adds that the Department of Transportation recently said that 41 percent of the common carrier vehicles inspected during roadside spot-checks in 1972 were found to be "mechanically unfit and imminently hazardous."

THE FOOD OF THE FUTURE

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. SEIBERLING. Mr. Speaker, this week has been proclaimed a Week of Concern about the world food crisis by the World Hunger Action Coalition. As the author of the Food Research and Development Act of 1974, I have been inserting a series of articles in the RECORD in recognition of the Week of Concern to bring public awareness to the many new food techniques which, if developed, could wipe hunger off the face of the Earth.

Today I am inserting an article from the Los Angeles Times on research being done with an amazing microscopic plant which yields over 15,000 times as much protein per acre as wheat, produces a new crop every 4 days, and has a higher protein value than milk, beef, or soybeans. All this tiny plant needs in order to grow is sunlight, a small amount of water and carbon dioxide, and a special mineral fertilizer.

With no end to the spreading shortage of food in sight, the development of economical, abundant, and nutritious new foods like this is essential to avert worldwide famine. The article from the Los Angeles Times giving further details follows:

SCIENTISTS CULTIVATE, STUDY "FOOD OF FUTURE"

(By David F. Belnap)

"The limits to growth on this planet will be reached sometime within the next one hundred years." (From a report for the Club of Rome's Project on the Predicament of Mankind.)

LIMA, PERU.—On the sunny Pacific slopes north of this capital, Peruvian and West German scientists are busy with a project that will help feed a hungry world when the day comes that conventional agriculture can no longer do the job, even for the affluent.

As the world's population booms and available new agricultural land shrinks in proportion, futurologists predict that day may come in as few as 70 years.

"The 'green revolution,' encouraging as it is, nevertheless shows that traditional agriculture won't solve the food problem of the future," according to Rainer Gross, West German nutritionist working on the Peru project.

The undertaking here is far from traditional. Essentially, it converts sunlight, a minimum of water, and a tiny fresh-water plant into a "flour" that nourishes human beings with vitamins, minerals, fatty acids and, above all, protein, the basic element of all healthy human nutrition.

The plant is a microalga with the scientific name of Scenedesmus. Sown in shallow plastic basins of water, it is cultivated with abundant sunshine, measured doses of carbon dioxide and a special mineral fertilizer. It produces a crop every four days.

A centrifuge harvests the crop, recycling the water back into the growing basins. Dried, the microscopic plant becomes a powdery, leaf-colored "flour" with the faint scent and flavor of fresh salad greens.

Except in appearance and consistency, however, it's not really a flour at all. It neither thickens nor binds when combined with other foods, whose colors and flavors it easily assumes; and it boosts the nutritive value.

"The traditional food with the highest protein value is the egg, followed by milk, beef and soya," Gross said. "Scenedesmus ranks between eggs and milk. By adding it to milk, we can give the latter a higher protein value than eggs."

West Germany has conducted research on cultivation of Scenedesmus for human nutrition for more than two decades with excellent results. Among the most dramatic of these proved to be its high yield of protein compared to traditional foodstuffs.

Studies at a Dortmund experimental station show that one acre devoted to producing Scenedesmus "flour" can yield 21,900% more protein in a year than the same area assigned to milk production, 15,900% more protein than an acre planted with wheat and 4,400% more protein than an acre of soybeans.

"Production of new foodstuffs must take into account other considerations, notably ecology," Gross told a reporter recently. "With Scenedesmus, little water is needed to produce a ton of protein, and contamination is almost nonexistent."

The Peruvian project, a cooperative effort of the governments of Peru and West Germany, began two years ago. Scientists of both countries studied the possible nutritional worth of the "flour" in this nation where 60% of all children are born undernourished and where protein deficiency averages 15% in the population as a whole.

They built a pilot plant to produce the "flour" for experimental purposes, and researchers investigated the economic feasibility of the product and the public's reaction to it.

Health ministry technicians served 8,000 meals featuring Scenedesmus-fortified dishes. *Peru's Institute of Nutrition* prepared a cookbook. The recipes use the green "flour" in everything from minestrone soup to chocolate pudding.

So far, research shows Scenedesmus can be cultivated economically on a commercial scale here and that there will be acceptance by the pubic.

Gross reported "very good results" with Scenedesmus in correcting deficiencies of badly nourished Peruvian children and emphasized that the "flour" has important implications for the overfed as well as the underfed.

"Because of its high protein, vitamin and mineral worth and its low caloric content, Scenedesmus can form the basis of a healthy reducing diet," Gross declared.

As conceived here at present, the "flour" would be marketed as a "fortifying addition to food, to raise its nutritive value, but not as a separate product by itself," according to Gross. "Different food-stuffs, enriched with Scenedesmus, would be produced for different socio-economic classes."

The possibilities are almost unlimited, Gross said. They range from "baby foods for infants to cookies for preschool children to green noodles for pasta lovers to protein drinks for weight watchers."

CIA INVOLVEMENT IN INTERNAL AFFAIRS OF OTHER NATIONS QUESTIONED

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. EVINS of Tennessee. Mr. Speaker, the Tennessean in Nashville in a recent editorial questions the involvement of the Central Intelligence Agency in the internal affairs of other nations.

The editorial specifically refers to testimony of CIA Director William Colby before a House subcommittee to the effect that the CIA was actively involved in the agitation in Chile against President Allende prior to his overthrow and death.

This testimony included the statement that the CIA authorized $500,000 to aid the political opposition to President Allende, $300,000 to bribe Chilean legislators to vote against the late President, and millions of dollars for destabilization of the government.

Hopefully these policies of covert activities related to the internal affairs of other nations will be reversed and a new set of principles adopted for the operation of the CIA with much tighter reins on covert action.

Because of the interest of my colleagues and the American people in this matter, I place the editorial in the RECORD herewith.

The editorial follows:

UNITED STATES NEEDS TO REASSESS COVERT ACTIVITIES ABROAD

Disclosures that the Central Intelligence Agency authorized millions of dollars for covert activities in Chile are bad enough, but President Ford's public defense of this Nixon administration policy is astounding.

While President Ford denied there was any involvement by the U.S. in the coup against Chilean President Allende, he said there was an effort by the CIA to prop up opposition news media and political parties during the Allende regime, and he deemed this in the best interests of the Chilean people and the U.S.

That view has also been supported by Secretary of State Henry Kissinger who told the Senate Foreign Relations Committee covert activities were intended to prevent establishment of a one-party government by a minority president.

It is difficult to see why Mr. Ford hasn't disassociated himself from this policy, unless the reason is that he doesn't want to undercut Secretary Kissinger, who headed an interagency panel which decided on the policy against the Allende government.

In testimony before a House subcommittee, CIA Director William Colby has reportedly said that his agency authorized $500,000 to aid the political opposition to President Allende; $300,000 to bribe Chilean legislators to vote against him, and millions of dollars later for destabilization of the government.

This apparently included secret financing of labor unions and trade groups in Chile in support of striking anti-Allende workers.

Such revelations are in conflict with earlier testimony of Mr. Richard Helms, former CIA director, and three retired Nixon administration officials during the publicized hearings on the role of the International Telephone and Telegraph Company in the domestic affairs of Chile.

Testimony at the time was that the U.S. was not involved in any way; that it bought no votes, pressured no one or promoted any trouble.

The discrepancies between that testimony and the disclosures have renewed the interest of the Congress in the testimony as well as in the way the CIA operates. And well it should.

Obviously the so-called CIA "oversight" committees of Congress either went along with what was happening in Chile or didn't know about the CIA activities. Either way, they were the watchdogs that didn't bark, and that seems to be giving the Congress pause.

At his news conference last week, Mr. Ford justified the interference in Chile and, for that matter, elsewhere, on grounds that Communist regimes also do this and spend a lot more money on similar activities.

Well, Communist regimes do a great many things that this country in no way wants to imitate. It is no justification at all to say that whatever the Communists do, the U.S. should feel free to do.

It has long been a public-stated principle of this nation that other countries ought to have the right to choose freely the kind of government it wants. This nation fought a long and expensive war in Vietnam while arguing this.

The U.S. may not have liked Mr. Allende, and he may have been a minority president, but he was elected to office under constitutional processes and in fact could claim his office and election with more basis of fact than President Thieu of South Vietnam.

The fall-out of the Chilean intervention is the fact it will increase the fears of many other nations in the world that Washington interferes routinely in the domestic affairs of any country whose leadership it doesn't like.

The CIA is frequently blamed around the world when things go wrong, however blameless it may be. But the tendency to see the CIA under every rock in every land is now going to take a quantum jump.

President Ford and congressional leaders have been discussing the role of the CIA. And hopefully the end result will be a new set of principles for its operations and a much tighter rein on its covert activities.

THE PANAMA CANAL

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. FORSYTHE. Mr. Speaker, in recent weeks, a great deal of controversy has been generated by Secretary of State Kissinger's proposal to renegotiate the 1903 Panama Canal Treaty. As a member of the Panama Canal Subcommittee of the Merchant Marine and Fisheries Committee, this issue has been a matter of deep interest to me. For this reason, I would like to share with my colleagues a recent speech by Mr. Morton C. Steinberg which thoroughly examines the questions raised by the proposed Treaty renegotiation.

Mr. Steinberg, who served as the Navy representative on the Panama Canal Treaty Commission, has carefully examined the history of the canal and has prepared an incisive analysis of its future.

The speech follows:

PANAMA, THE VULNERABLE SOFT UNDERBELLY TO UNITED STATES AND WESTERN HEMISPHERIC SECURITY

(By Morton C. Steinberg)

The United States has had Lend-Lease, Marshall Plan, Berlin Airlift, Foreign Aid, Korea, Tonkin Resolution, Viet Nam, Nato, Seato, Cento, Anzuk and Detente. Let us now turn our long over-due attention to the Western Hemisphere, and commence at the "Crossroads of the World"—the center of this hemisphere—the Republic of Panama.

Ten years after the United States Senate ratified the 1903 Treaty with the Republic of Panama, the Panama Canal was opened. Notwithstanding political quarrels within Congress during the building of the canal, President Theodore Roosevelt stated, "I now propose to put it in charge of men who will stay on the job until I get tired of keeping them or until I say they may abandon it. I shall turn it over to our army."

It is worth noting that in spite of colossal expenditures in the construction of the Canal, there were never charges of graft which has been evidenced in numerous other American public-work programs supervised by civilians. The building of the canal by army engineers proved that the organization of the army and the education of its officers is as important in peace as in war.

To know the Isthmus of Panama, it is necessary to become acquainted with two distinct places: (1) The Republic of Panama, and (2) the Panama Canal Zone. The zone is a strip of territory *leased* to the United States by the Republic of Panama for the purposes of the construction, maintenance, operation, and defense of the Panama Canal. It stretches for five miles on either side of the Canal, and bisects the Republic into two roughly-equal sections. The canal zone is under the jurisdiction, not the sovereignty, of the United States. The Republic of Panama is a completely independent nation.

Early this year Secretary of State Henry A. Kissinger, in initiating and signing the eight fundamental principles to guide negotiations in an effort to conclude an entirely new and equitable inter-oceanic treaty which would eliminate the causes of conflict between the United States and the Republic of Panama, stated that "it is the first step toward a new era in inter-American affairs."

May I briefly explain my past participation and my continued interest in the matter of a new treaty. From 1945 to 1948, I was the District Legal Officer for the 15th Naval District, headquarters in the Panama Canal Zone, and I served as the Navy representative on the Treaty Commission, authorized by Congress in 1945, (1) to prepare the defense site agreement with the Republic of Panama; (2) to submit a proposed revision of the 1903 Treaty; and (3) to submit plans for the construction of a new sea-level canal through the Isthmus. Upon completion of the draft agreement, the Republic of Panama conferred upon me their highest decoration given to any foreign citizen, the Orden de Vasco Nunez de Balboa, in Knight Commander Grade.

I am also admitted to practice law in the Canal Zone with reciprocal rights in the Republic of Panama. Upon my return to civilian status I had the honor of being appointed Honorary Consul for the Republic of Panama in New Jersey, which appointment necessitated consent of the United States President, the Secretary of the Navy and the Secretary of State.

CONGRESSIONAL INACTION

Our "Good Neighbor Policy", initiated by President Franklin D. Roosevelt in 1938, was at its highest level immediately after World War II. Lyndon B. Johnson was a Congressman in 1938, and he served on a congressional committee which recommended the building of the sea-level canal and the revision of the Treaty. Nothing was accomplished. In 1947, President Harry S. Truman sent a report to Congress, which urged ratification of the canal through a sea-level route and the revision of the Treaty. Debate ensued in Congress, and again nothing was accomplished. During the second Eisenhower administration the canal project was revived, but again nothing was accomplished. During the Kennedy administration recommendation was made for a sea-level canal and the revision of the Treaty, and again nothing was accomplished. Also during the first Nixon administration a similar recommendation for revision of the Treaty was made to Congress, and again nothing was accomplished.

The four main considerations that were and are vital to United States interest will now again become priority issues facing the administration and Congress this year: (1) the sea-level canal, (2) Panama sovereignty, (3) jurisdiction of the canal, and (4) higher rental payments.

EXTREMISTS IN BOTH COUNTRIES DEFEAT ACCORD

Now is the time we urgently need to restore our "Good Neighbor Policy"; especially in view of the energy crisis which has become a vital concern to the United States. The State Department and Congress must of necessity now negotiate in good faith, fair dealing, and friendly cooperation with mutual respect in order to regain the confidence and good will not only of Panama but of all other Central American, Caribbean and South American countries. We must abandon our paternalistic dollar diplomacy. The vital outcome of an equitable new treaty with Panama now under negotiation would be evidence to all the western hemispheric countries that we are at long last dealing in good faith. Let us hope that there will not be a repetition of emotionalism and political demagoguery to upset the attempt to achieve a new treaty.

Panama severed diplomatic relations during the crucial period when President Johnson of the United States and President Robles of the Republic of Panama worked for ratification of a new treaty. At that time former President Dwight D. Eisenhower heralded the announcement as "hope for a new era of harmony with Panama", but Senator Strom Thurmond of South Carolina, and Representatives Gross of Iowa and Flood of Pennsylvania, expressed outrage in the United States readiness to acknowledge Panama's sovereignty and called the agreement "President Johnson's Folly." The powerful Panama Canal Company and Zonite Lobbyists are again at work in the Congress, interested only in perpetuating their dynasty from generation to generation.

The dispute between the Republic of Panama and the United States is older than the canal itself, going back to 1902 when Congress authorized President Theodore Roosevelt to acquire the Canal Zone in "perpetuity." Panama has much at stake besides pride; the canal represents her economic life blood. However, she lacks the skill, money, and military forces required to operate, to improve, to rebuild and to protect the Canal. The United States also has much at stake in terms of economics, security and the opportunity to try to convince the world that it is not an imperialistic power.

Since World War II more than 80% of the ships passing through the canal were and are of foreign registry, but because the ships' tariff has not been increased to meet the rising costs of operation, the American taxpayer is carrying the additional heavy load.

The construction of a new sea-level canal would be a broad open waterway, free of dangerous curves, five miles shorter than the present canal, and saving about four hours in transit time. The conversion would not interfere with the operation of the present canal.

An atomic or hydrogen bomb could cause only a short delay for a sea-level repair, whereas destruction of only one of the present locks in the canal would cause a delay of several years for repairs.

During the Spanish-American War, the graphic determination by President William McKinley to dig a canal came in 1898, as a result of the race of the battleship "Oregon" around Cape Horn to join the United States fleet off Cuba, and in 1899 he appointed the Walker Commission, headed by Admiral John G. Walker to investigate all Central American routes. The Admiral had data, which had been collected for almost a century, at his disposal, and very speedily settled down to the alternative between Panama and the Nicaragua routes. Over this choice controversy raged loud and noisy in the Congress when an assassin's bullet ended the life of President McKinley; and Theodore Roosevelt succeeded him. President Roosevelt, being a man of strong convictions, favored the Panama route and got it; and also there was bitter debate in Congress whether to construct a sea-level or a lock canal. The majority of construction engineers recommended a sea-level canal; however, President Roosevelt believed in a lock canal and enforced his belief over the professional opinions he invited and ignored.

Not over-tolerant to other people's rights, he thought the United States should have a free hand over the canal and adjacent territory and when Colombia, which happened to own that territory was slow in accepting this view, he set up, out of nothing overnight, the new Republic of Panama, recognized it as a Sovereign State, giving the United States all he thought it should have, and years later, in a moment of frankness declared, "I took Panama and left Congress to debate it later." History, which is not always moral, is apt to applaud results regardless of methods.

On May 7, 1974, an article written by Senator Strom Thurmond appeared in several metropolitan newspapers entitled "For Perpetual United States Control Over the Panama Canal" stating that Secretary of State Kissinger committed an egregious blunder in committing the United States to a joint statement of principles with Foreign Minister Juan Antonio Tack of Panama, and that "surrender of United States sovereignty in the Canal Zone was not a negotiable item." How can the honorable Senator from South Carolina be so uninformed or misinformed as to make statements that do not conform with historical facts? The United States procured jurisdiction but not sovereignty, and therefore cannot surrender that which it does not possess. If the Senator can be confused by the outmoded wording of the 1903 Treaty, it is understandable that other Americans might be confused by the difference in meaning between jurisdiction and sovereignty.

As a condition of the 1903 Treaty, the United States paid to Panama $10,000,000. in cash and in 1913 began the annual rental payment of $250,000 in perpetuity. The United States and Panama revised the treaty in 1936, increasing United States payment for rights to the use of the Panama Canal Zone to $430,000 per annum. Again in 1955, the rental was increased by treaty to $1,930,000.

Senator Thurmond contends that the original treaty was not a "lease" but was a "purchase" of the Canal Zone. This misconception has caused some senators to adopt a very inflexible and narrowminded stand to the point of exposing themselves to ridicule by asserting that the United States had bought the canal zone outright as it bought Louisiana and Alaska. Were this true, why is it, therefore, necessary to pay an annual rental to the Republic of Panama for the use of the Canal Zone? There is no private industry or enterprise in the Zone. The United States is landlord, doctor, hotelkeeper, teacher and laundryman as well as the only employer in the zone under congressional watchdog and supervision in one degree or another.

1960, a nine point program was adopted for improvement of relations between United States and Panama vis-a-vis the Canal Zone and in September of that year, the Panamanian flag was flown alongside the United States flag within the Canal Zone.

1964, Panama suspended relations with the United States after rioting by Panamanian students in a dispute over the flying of the Panamanian flag in the Canal Zone which resulted in 25 deaths. The United Nations Security Council called upon both countries to establish an immediate ceasefire and the matter was referred to the Inter-American Peace Committee. Negotiations collapsed, thus Panama took its charge of aggression against the United States to the Organization of American States Council. Notwithstanding, relations between the two countries resumed April 3, 1964, pressure continued for a far-reaching modification of the Canal Zone agreements.

President Johnson announced that a new sea-level canal would be built at an undetermined location and that United States would propose negotiations for an entirely new treaty with Panama.

1965, United States and Panama agreed on a new treaty that would recognize Panama's sovereignty over the Panama Canal and make it a partner in operating the canal.

1966, Panama and United States reached an agreement providing for a survey of the Sasardi-Morti route in Darien Province as the location for a new sea-level canal.

June 26, 1967, United States and Panama announced agreement had been reached on new treaty governing control of the Panama Canal and the possible future development of a new sea-level canal.

November 27, 1973, Panama and U.S. officials resumed talks in Panama City, deadlocked since March 1972, on a new treaty for the Panama Canal and Zone, which talks are presently being resumed between Ambassador Ellsworth Bunker, and the Foreign Minister for the Republic of Panama, Juan Antonio Tack.

CONGRESS MUST REASSESS THE U.S. POSITION FOR SELF-SUFFICIENCY

The United States is now experiencing the social and economic effects of the political blockade of essential fuel and petroleum. However, there are other raw materials which are crucial, and must be imported from foreign, South American and Caribbean countries.

Venezuela and Ecuador are planning to nationalize and have adopted the same policies and join with the Middle East Oil Producing Exporting Countries (OPEC). Copper, which at one time was plentiful in the United States, must be imported from Chile and Peru, which countries are forming a copper producing exporting agreement known as CIPEC. Chilean ports have been opened to Soviet war ships.

Bauxite comes from Jamaica, Surinam, and the Dominican Republic. Since Britain has withdrawn from Jamaica there are two communist parties competing for control of that Island. The United States air base was terminated upon Jamaican independence. Jamaica and Cuba exchanged ambassadors, and Havana is now a Soviet port of call in the middle of the Caribbean approach to the Panama Canal. Jamaica threatens to nationalize bauxite and aluminum.

The policies of Argentina, one of our suppliers of beef and wheat, are uncertain. Colombia has been suspicious of the United States ever since we took its most important province, Panama, from its control. We are also in need of Bolivian tin and natural gas. United States today is none too popular at any point south of its borders, and democracy has taken a terrible beating throughout the Islands and Latin America.

Congress voted to boycott Rhodesia, leaving American industry no choice but to purchase chromite from the Soviet Union and South Africa. United States has contradictory policies with reference to Rhodesia and South Africa. It endorses United Nations sentiments respecting Rhodesia, but it ignores similar attacks on South Africa, notwithstanding our need of chromium, antimony, manganese, platinum, palladium, and other materials from those two countries.

The politics of the anti-capitalist labor governments of New Zealand and Australia are uncertain, which countries supply 65% of zinc, tungsten, titanium, thorium, manganese, lead and even iron ore to the United States. Australia and New Zealand are looking toward Japan as the coming foremost naval power in the Western Pacific, especially in view of the fact that Washington has failed miserably to maintain its naval superiority in the face of the challenge created by the Soviet Union's modern navy.

The weak link in American military and naval capability is a lack of strategic materials available domestically and therefore, there is continuous need to control adequate ocean transport for delivery of such materials from overseas.

Ninety-nine percent of the raw materials imported by the United States must be delivered by ship over the world's oceans in sufficient quantity to keep our American industries prosperous and functioning.

The growing naval strength of the Soviet Union throughout the Mediterranean and its seas, Northeast Pacific, Arctic and Indian Oceans must alert the administration and Congress that our lifelines must be protected and extended.

The lessons of the Spanish American War, World War I and World War II, Korea and Southeast Asia, illustrate that in this era of detente the casual attitude toward the lack or loss of air and sea bases and a modern navy by Washington forcibly indicates the need of renewed interest in hemispheric interdependence with Latin America.

The areas of communist pressure during the cold war era were the four bottlenecks of the oceanic world, the Strait of Malacca, the Suez Canal, Straits of Gibraltar, and the Panama Canal.

Ours is an oceanic world and the Soviets have studied well their geography and history including Themistocles who said hundreds of years ago; "He who commands the sea has command of everything." It is for this reason that the Soviet Union, occupant of the world's largest single landmass is quietly building the world's largest merchant fleet, and at the same time it has become the world's leading undersea power with more commerce-destroying submarines in its fleet than any nation has ever had in war or peace.

In an article which I wrote, entitled "Sea-Level Canal Vital Defense Need", and which was published in a syndicated newspaper, Sunday supplement on December 26, 1948, I stated in part with reference to western hemispheric security as follows:

"This is evident by the fact that plans for the three-perimeter defense of the Panama Canal, outlined by the Army, Navy, and Air Force, cannot be put into effect at present.

"This defense calls for bases on three perimeters: the outer perimeter passing through the Galapagos Islands in the Pacific and Puerto Rico in the Caribbean; the perimeter of the middle ring passing through Nicaragua, Ecuador, Costa Rica, Republic of Panama, Colombia, and Venezuela. The third, inner circle is within the Canal Zone.

"With the international situation tense, there is no time to be lost in negotiations with our Latin-American neighbors for the defense sites so necessary for the security of the Americas."

The same issues about which I wrote in 1948, remain prevalent today.

Since Great Britain granted independence to Jamaica, Barbados, Trinidad, and other islands in the Caribbean, we must rely on surveillance from the naval base at Guantanamo Bay and the Canal Zone for the protection of the Panama Canal which means in the event of an emergency, the Panama Canal can only be defended from the mainland of the United States.

DÉTENTE-DEFENSE-DEFEAT

Despite detente, the United States and the Soviet Union are in competition, if not in conflict for world supremacy. We have been laggard in defense of what once was the "status quo" and the building of a modern navy. The United States is now under the additional handicap of overcoming many shortages besides that of oil and petroleum. The Soviet Union backed the French stand in the energy crisis endorsing an independent policy, which was in conflict with the Kissinger policy, and continues to use gunboat diplomacy in the Middle East and Indian Ocean.

Soviet military advisors and technicians have arrived in Peru with heavy Soviet armament purchased by Peru. The Soviet Union has been attempting for years to gain a foothold throughout South America. If we commit another Aswan Dam mistake, watch the Soviet's move throughout Ecuador, Colombia and Panama. What is there to prevent these countries from negotiating with the Soviet Union to build a sea-level canal?

France entered into a defense and economic agreement with Tripoli (Libya) directed against the United States. The countries of Mexico, Peru, Argentina, Barbados, Jamaica, Trinidad, Tobago and Guyana urge the raising of the economic blockade against Cuba, which will be on the agenda of the Organization of American States in March of 1975. Brazil, importing two-thirds of her oil from the Middle East, was not interested in or becoming embroiled in Washington's dispute with the Arab oil producing countries.

The United States is being out-banked and under-priced throughout world markets, especially in Latin America and the Caribbean Islands by West Germany, Japan, Great Britain, Soviet Union, Canada and other European Common Market Countries.

A new and better diplomacy is required from our government to reconstruct and to rebuild our worldwide trade, friendship, peace, and to modernize the treaty with the Republic of Panama to include the construction of the sea-level canal on the Isthmus to replace the outmoded, Japanese made, electric driven mule-shiptowing undersized sixty year old lock-canal.

It is vital for hemispheric cooperation that Congress support Secretary of State Henry A. Kissinger's negotiations with Panama, Latin America and Caribbean countries toward the rebuilding of a strong Western Hemispheric Pan-American Union in order to create a new era of harmony and solidarity.

I am convinced that the Foreign Relations Committee of the United States Senate will maintain close watch over current negotiations with the Republic of Panama and the new draft treaty when submitted to the Senate for ratification.

By turning away mistrust, suspicion, hatred and fear of the "Colossus of the

North" at the conferences with the foreign ministers of South America and the Islands, we may yet realize that with mutual cooperation, an era of harmony shall prevail throughout the Western Hemisphere on domestic as well as foreign affairs; moral as well as material matters; political as well as economic and technological advancement.

Americans have recently learned, during the Arab oil embargo, that we cannot rely upon our NATO allies, except the Netherlands, for political, military or economic support. We are only useful to them when we fight their wars and rebuild their nations with our treasures.

Let us not repeat history, but rather let us make history move forward with progress.

CONGRESS MUST PROHIBIT COVERT CIA OPERATIONS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. CONYERS. Mr. Speaker, I was pleased to support the amendment introduced on Tuesday by our distinguished colleague, Elizabeth Holtzman of New York, which would have prohibited the use of Central Intelligence Agency funds for the purpose of undermining or otherwise "destabilizing" the government of any nation. More careful congressional oversight of CIA activities and methods is certainly long overdue. Recent revelations of CIA activity in Chile, a nation with which we claim to have friendly and peaceful relations, are merely the latest in a series of disclosures of CIA activities which violate the United Nations Charter and the principles of international law we so piously encourage other nations to adopt.

We know so little about the CIA that we cannot even be certain if the CIA has acted on its own initiative or only at the direction of the President and his chief national security advisers. Fortunately, however, the veil of secrecy surrounding the CIA is beginning to lift. A review by Richard J. Barnet of Victor Marchetti and John Marks' "The CIA and the Cult of Intelligence," notes in detail some of the covert operations undertaken by this agency and the damage such operations have caused. Mr. Barnet is codirector of the Institute for Policy Studies and the author of several books, including "The Roots of War," "The Economy of Death," and "Intervention and Revolution." Mr. Barnet's review, which appeared in the October 3 issue of the New York Review of Books, follows:

The CIA and the Cult of Intelligence

(Review by Richard J. Barnet)

In drafting impeachment articles the Judiciary Committee of the House of Representatives charged Nixon with "misuse of the CIA." The more fundamental question was outside the scope of their inquiry: What is the proper use of the CIA?

In the national security world Watergate has become a code word for official dismay that the wrong people were supplied with ill-fitting wigs and burglar tools at the wrong place and time. Nixon's defenders on the committee argued that if the president had reason to think that the CIA was involved in "proper" covert operations that would be jeopardized by a vigorous FBI investigation he was indeed obliged to mislead the chief investigating arm of the federal government. The president's accusers believed that he committed an impeachable offense by allowing members of the intelligence underworld like Hunt and Liddy to go after the wrong targets.

"National security" is the holy oil that converts felonious acts into patriotic exploits. It has been sprinkled liberally to justify break-ins at foreign embassies, but it is, fortunately, not yet available to bless burglaries on Beverly Hills psychiatrists. In the practice of covert intelligence the working tools are burglary, assassination, extortion, blackmail, and lying. It is hardly surprising that agents like E. Howard Hunt labor under some moral confusion. The following exchange between Hunt and Assistant U.S. Attorney Earl Silbert took place before a federal grand jury in April, 1973:

Silbert. Now while you worked at the White House, were you ever a participant or did you ever have knowledge of any other so-called "bag job" or entry operations?

Hunt. No, sir.

Silbert. Were you aware of or did you participate in any other what might commonly be referred to as illegal activities?

Hunt. Illegal?

Silbert. Yes, sir.

Hunt. I have no recollection of any, no, sir.

Silbert. What about clandestine activities?

Hunt. Yes, sir.

Silbert. All right. What about that?

Hunt. I'm not quibbling, but there's quite a difference between something that's illegal and something that's clandestine.

Silbert. Well, in your terminology, would the entry into Mr. Fielding's [Daniel Ellsberg's psychiatrist] office have been clandestine, illegal, neither, or both?

Hunt. I would simply call it an entry operation conducted under the auspices of competent authority.

Hunt's responses illustrate what Victor Marchetti and John Marks call the "clandestine mentality," the state of mind which sustains the entire covert intelligence effort. Richard Bissell, former head of clandestine operations, once put it that CIA men "feel a higher loyalty and . . . they are acting in obedience to that higher loyalty." That higher loyalty is a definition of "national security" developed and communicated in secret by higher-ranking bureaucrats hermetically sealed from public scrutiny. "The nation must to a degree take it on faith that we too are honorable men devoted to her service," CIA Director Richard Helms declared in 1971. There is indeed a code of honor operating in the intelligence underworld, which is made up of people who surpass most of us in dedication to a higher cause. The question still obscured in the Watergate debate is this: What is that higher cause for which we must stand accepted norms of civilized conduct on their head?

Marchetti and Marks barely suggest an answer to that question in their heavily censored book *The CIA and the Cult of Intelligence*. The book mainly describes the life they observed when Marchetti was an assistant to the deputy director of the CIA and Marks worked for the director of intelligence in the State Department. They make no full analysis of the effects of the intelligence underworld on domestic politics and foreign policy. That book remains to be written. But when it is, the effort of Marchetti and Marks to collect specific data on the structure, finances, and operations of the CIA will be an indispensable source. For the increasing numbers of concerned citizens who vaguely feel they are being conned by government this book will be clarifying and infuriating. It destroys the CIA official cover story that it has replaced its spies, adventures, and assassins with rows of Princeton graduates reading foreign newspapers. The following passage, which the CIA tried unsuccessfully to excise, makes it clear how important "dirty tricks" still are.

At present the agency uses about two-thirds of its funds and its manpower for covert operations and their support—proportions that have been held relatively constant for more than ten years. Thus, out of the agency's career work force of roughly 16,500 people and yearly budget of about $750 million 11,000 personnel and roughly $550 million are earmarked for the Clandestine Services and those activities of the Directorate of Management and Service (formerly the Directorate of Support), such as communications, logistics, and training, which contribute to covert activities. Only about 20 percent of the CIA's career employees (spending less than 10 percent of the budget) work on intelligence analysis and information processing.

Nothing in the career of the agency's new director, William Colby, suggests that covert operations will now become less important. Colby was an alumnus of OSS parachute operations in France and Norway, director of the 30,000-man Meo Armee Clandestine in Laos, designer of the agency's "Counter Terror" program in Vietnam (described by a former U.S. Foreign Service adviser to South Vietnam internal security programs as the use of "Viet Cong techniques of terror-assassination, abuses, kidnapings, and intimidation—against the Viet Cong leadership"), and coordinator of the Phoenix program two years later (20,587 "executions" of suspected Viet Cong in two and a half years, according to Colby's own testimony). Probably more than any of his predecessors, he represents the clandestine mentality. Marchetti and Marks describe how his upside down view of the world is taught:

He learns that he must become expert at "living his cover," at pretending he is something he is not. Agency instructors grade the young operators on how well they can fool their colleagues. A standard exercise given to the student spies is for one to be assigned the task of finding out some piece of information about another. Since each trainee is expected to maintain a false identity and cover during the training period, a favorite way to coax out the desired information is to befriend the targeted trainee, to win his confidence and make him let down his guard. The trainee who gains the information receives a high mark; his exploited colleague fails the test. The "achievers" are those best suited, in the view of the agency, for convincing a foreign official he should become a traitor to his country; for manipulating that official, often against his will; and for "terminating" the agent when he has outlived his usefulness to the CIA. . . .

Most operators see no inconsistency between an upstanding private life and immoral or amoral work, and they would probably say that anyone who couldn't abide the dichotomy is "soft." The double moral standard has been so completely absorbed at the CIA that Allen Dulles once stated, "In my ten years with the Agency I only recall one case of many hundreds where a man who had joined the Agency felt some scruples about the activities he was asked to carry on."

The authors describe some of these "activities:" Colonel Lansdale's "psywar operation" would ambush suspected Huk rebels, puncture their necks "vampire-fashion with two holes," hang their bodies upside down "until the blood drained out" and put the drained corpses back on the trail to scare off their insurgents. (Enterprising agency anthropologists had discovered that even revolutionary Filipinos in the area would melt at the thought of encountering a vampire.) The CIA broke into a bonded warehouse in Puerto Rico in order to contaminate Cuban sugar stored there. Tibetan refugees trained in Colorado raided mainland China and stole mailbags. The Green Beret operation in Peru in the mid-1960s secretly provided helicopters and arms, as well as counterguerrilla training, in a "miniature Fort Bragg" deep in the jungle. Secret operations in Southeast Asia were carried on under the cover of Air America, Southern Air Transport, CAT, and Air Asia. Mountain Air Aviation "served as a conduit in the sale of B–26 bombers to Portugal for use in that country's colonial wars in Africa."

Since Marchetti and Marks did not take part in such covert operations, their account of them relies largely on inside gossip and outside resources rather than direct experience. Although they add a few new details to previously published accounts of CIA operations in Indonesia, Tibet, Bolivia, and elsewhere, they do not take us much beyond Thomas Ross and David Wise's *The Invisible Government,* a brilliant piece of investigative journalism published in 1962. They do give the best available description of what the agency looks like at the top, particularly its structure and mystique. No one has yet been able to give a full picture of what agents in the field do, although a book about to be published in England by Philip Agee, a secret agent in Latin America for many years, may begin to fill this gap.

The agency itself has confirmed the accuracy of *The CIA and the Cult of Intelligence* by its extraordinary efforts to censor it. So far their efforts have been largely successful and have cost the publisher over $100,000 in legal fees, as the CIA is no doubt aware. One hundred and sixty-eight passages are still deleted pending the ruling of higher courts and almost 200 more passages were restored only after persistent negotiations. The latter appear in boldface type throughout the book. By examining the bold-faced passages and filling in some of the gaps one can, thanks to the diligence of Jack Anderson, gain some insight into the minds of the CIA officials who seem so worried about this book. They do not mind taking credit for the 1954 "coup" in Guatemala but don't want us to know about Indonesia capturing a CIA pilot who carried out secret bombing missions against the Sukarno regime, something that has been public knowledge for years. They are uneasy about references to CIA guerrilla raids against North Vietnam in 1964 at the time of the Tonkin Gulf affair even though the raids were revealed in the Pentagon Papers.

For the most part the deletions appear to be based on concern for public relations rather than for national security. The Russians are undoubtedly aware of the ridiculous incident in Tokyo when CIA and KGB operatives scuffled over a would-be Soviet defector and were carted off by the Japanese police for disturbing the peace; the American public is not. The Chinese know about the mountain-climbing crew that installed a nuclear listening device which collapsed and contaminated the Ganges river: most congressmen do not know about such extremely provocative operations.

The CIA also does not like references to its cavalier use of clandestine funds, such as Robert McNamara's secret transfer of CIA funds to Norway in 1967 when the Pentagon military assistance budget ran short, or Lyndon Johnson's use of "The Directors Contingency Fund" to supplement the State Department's entertainment allowance during an OAS meeting in Uruguay the same year. The CIA also cut references to its use of secret funds to play the stock market for the same reasons of "national security" that Richard Nixon used to protect private and public wrongdoing.

That Willy Brandt took money from the CIA when he was a young politician after the war might have been politically embarrassing to him, but to impose unconstitutional censorship in order to suppress that fact is more than we owe even the most cooperative foreign politician. That the so-called *Penkovsky Papers* were an agency forgery has been one of Washington's worst kept secrets. It was an elaborate but quite useless prank, fun for those in on the joke; nothing is damaged by revealing it except the reputation of the CIA. Bugging Kremlin limousines sounds like the ultimate in espionage coups, but in fact it produced only the gossip and trivia one would expect. Perhaps this information was useful in preparing the famous psychological profiles in which the agency specializes (unless, of course, it was too secret because of its source to entrust to psychiatrists); no one in the US was wiser or safer for it.

The CIA's spies, buggers, code-snatchers, crop contaminators, covert philanthropists, and secret political manipulators live in an atmosphere of pretentious banality. Vast amounts of money, time, and energy are expended in designing signal transmitters that can fit in a false tooth, in amassing gossip on the eating, drinking, and sleeping habits of political figures around the world, and in caring for defectors, the agency's principal "assets" in communist countries. (Colonel Penkovsky was given a secret CIA medal and a US Army colonel's uniform as assurance that transfer of allegiance would involve no loss of rank.) Other secret activities such as overflights of the Soviet Union, China, and Albania, electronic surveillance by ships off North Korea and Israel, hidden bases in Pakistan and elsewhere involve much higher costs than an occasional stage prop. We know of too many CIA missions that not only failed—e.g. the U–2 and RB–70 overflights in the Soviet Union and the unhappy voyages of the *Pueblo* and the *Liberty*—but ran serious risks of provoking war.

Secret bases and secret armies which are intended to "open up the options" for US foreign policy have a way of doing precisely the opposite. Once the secret base is established, its "cover" must be protected. Considerable concessions have been made to Pakistan, Ethiopia, and other countries to protect such "assets." (One of the reasons why President Kennedy decided to go through with the Bay of Pigs adventure, in spite of misgivings, was the fear the Cuban exiles in the training camps would talk if they were not staked to an invasion.)

What is it all for? Although there is rampant silliness in the intelligence underworld, it is also a necessary institution for managing a modern empire. While the failures are spectacular, it is the successes that raise the most important issues. No one can quarrel with the need for intelligence, which is merely another name for information on which to base decisions. But the CIA is spending a major share of its budget on covert action, which is not information-gathering at all, but secret warfare. Bissell has catalogued some of the activities of covert action specialists:

(1) political advice and counsel;

(2) subsidies to an individual;

(3) financial support and "technical assistance" to political parties;

(4) support of private organizations, including labor unions, business firms, cooperatives, etc.;

(5) covert propaganda; (6) "private" training of individuals and exchange of persons; (7) economic operations; and (8) paramilitary [or] political action operations designed to overthrow or support a regime.

To manage political and social change around the world and to oppose national revolutions, as in Chile, is a "responsibility" that requires covert action. As long as the US maintains its extravagant policy of trying to make the world safe for established political and economic power, there will always be men like Colby, Bissell, and Hunt ready to lie, steal, and kill in that higher cause. Indeed there are many reasons why the CIA now seems a more political instrument than ever including the improved techniques for "low profile" interventions, the growing desire to control resource-producing Third World countries, the increasing difficulties in mounting conventional military operations abroad. If we do not wish to use the state to legitimize criminal activity at home and abroad, then we must stop trying to set the conditions for the internal development of other nations.

In 1963 Harry Truman said that he was "disturbed by the way CIA has been diverted from its original assignment. It has become an operational arm and at times a policy-making arm of the Government." But fifteen years earlier he began the process by establishing the Office of Policy Coordination, the first postwar "dirty tricks" operation. Classified National Security Intelligence Directives broadened its scope, giving it, among other powers, the authority to question Americans about their foreign travels and to enter into contracts with American universities. Once the cold war defined the American national purpose, lethal pranksterism became a growing industry. The CIA's legitimacy, once accepted, cannot be effectively controlled, as the sorry record of the Senate "watchdog" committee attests.

It is hard to find public defenders of "dirty tricks" these days. Despite the evidence now coming to light about the agency's role in the Greek coup of 1967 and its generous payments to high Mexican officials, the only clandestine activity to which the CIA admits is covert intelligence collection. How else, Colby asked recently in a speech to the Los Angeles World Affairs Council, can we get "information on the intentions of other powers"? The revolution in technical intelligence-gathering of the past twenty years, he points out, has "not removed the need to identify at an early stage research abroad into some new weapon system which might threaten the safety of our nation."

Richard Bissell has provided us enough of a glimpse into the "intelligence community" to expose the disingenuousness of this statement. Clandestine intelligence collection is primarily directed against those societies least able to hurt us because these also happen to be the societies least able to protect themselves from penetration. The Soviet Union makes such a large investment in counterespionage that, except for an occasional defector like Penkovsky, most of the information about their intentions has to be pieced together from open sources. Powerful countries, the only plausible security threats, can develop sophisticated codes that are, as cryptologist David Kahn puts it, "unbreakable in practice." In 1970 Admiral Gayler of the National Security Agency admitted privately according to Marchetti and marks, "that a good part of the NASA's successes came from breaks" into embassies and other places where code books can be stolen. Thus it is possible to break the codes of poor Third World countries such as Chile. "One surreptitious entry can do the job successful at no dollar cost," the authors of the 1970 Huston Plan reported to President Nixon. But such cheap petty thievery produces information the US government does not need or should not have.

The reason the underdeveloped world "presents greater opportunities for covert intelligence collection," as Richard Bissell explained to a Council on Foreign Relations study group in January, 1968, is that governments "are much less highly oriented; there is less security consciousness; and there is apt to be more actual or potential diffusion of power among parties, localities, organizations, and individuals outside the central governments." Thus, the same internal suspicions, rivalries, and bribery that keep poor nations from effectively organizing themselves to overcome mass poverty make them attractive targets of the intelligence underworld. Real and exaggerated fears of being infiltrated help to keep such societies in a continual state of political disorganization. As Bissell points out, the less totalitarian the society, the easier it is to find out and to influence what goes on there. Salvador Allende's tolerance of forces opposing him made it easy for the CIA and other intelligence agencies to work with them to hasten his downfall.

Bissell argues that espionage in the poorer countries is needed to produce "timely knowledge" of "tactical significance." In fact most clandestine collection of information serves no purpose other than to support covert activities that subvert foreign regimes. Bissell himself concedes that sometimes "the tasks of intelligence collection and political action overlap to the point of being almost indistinguishable." For what legitimate purpose does the United States need to immerse itself in the internal political developments of Third World and other countries which pose no threat to the security of the United States other than the assertion of their own independence?

The usual argument for a large secret warfare department is that other nations have them too. The "clandestine mentality" pervades the Soviet Union, and the record of the KGB for murder, theft, torture, and forgery is probably unmatched. But do criminal activities of other countries require us to maintain our own? Certainly it is necessary to carry on counterintelligence work against penetration and manipulation of our government and theft of military secrets. But there is a difference between such defensive counterespionage operations and secret warfare against other nations, although there is always the risk that the one can be disguised as the other. The "gap" in dirty tricks (if indeed there is one) is no more justification for the United States to corrupt our own society and distort our foreign relations than the "missile gap" or the "bomb shelter gap" of the 1960s.

Like all other arms races we have been running mostly against ourselves, the "back-alley-war," as Dean Rusk calls it, could be drastically cut down on our side with a net gain in security for the American people. This is so because most of the information so expensively and dangerously procured by clandestine means often turns out to be politically worthless. The work done by spies is inherently suspect because specialists in espionage are in the business of producing disinformation as well as information. Indeed the more esoteric and elaborate the deception required to produce a given bit of data, the less likely are the spy's political superiors to believe it. Thus some of the great intelligence coups of history—the advance warning to Stalin of the impending German attack, for example—were never translated into effective policy (as more recently the warnings of the Defense Intelligence Agency that the Egyptians and Syrians were about to attack in October, 1973, were ignored by policy makers). Meanwhile the bribery, blackmail, and theft that produces piles of tape recordings of foreign politicians, photographs of documents, and dossiers on friends and enemies breeds fear and distrust of the United States around the world. The blunders and petty triumphs of US agents abroad have done more to damage the reputation of the United States for trustworthiness and decency than all the machinations of the KGB.

For the protection of our own society the "dirty tricks" department must be recognized for what it is, a criminal enterprise. Dismantling it and preventing its reappearance in newer and slicker disguises would be one of the first acts of a new administration genuinely concerned to preserve constitutional liberty and to stop the wreckage our paid pranksters are causing around the world.

WHAT THE FEDERAL GOVERNMENT CAN DO ABOUT INFLATION

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. FRENZEL. Mr. Speaker, no problem is more important to all Americans than stopping inflation. Constructive ideas are badly needed—especially for action by the Federal Government which has the responsibility to take the lead in the fight against inflation. On September 25 President Ford received just such a list of proposals which I would like to insert in the RECORD for the consideration of all Members of Congress. This statement was prepared by Willis D. Gradison, Jr., former mayor of Cincinnati, and now a candidate for Congress in Ohio's First Congressional District. After earning his doctorate at the Harvard Business School, Mr. Gradison served in Washington as Assistant to the Under Secretary of the Treasury and later as Assistant to the Secretary of Health, Education and Welfare.

The list of proposals follow:

SEPTEMBER 25, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I appreciate this opportunity to convey to you and your advisors the attached recommendations on what the Federal government can do about the inflationary crisis which grips our Nation and the world. These ideas are my own, but do take into account the suggestions which have come to me from citizens from all walks of life in Ohio's First Congressional District.

As I see it all Americans—all parts of our economy—are looking to Washington for a signal that halting inflation will be our Nation's top priority and that first steps in this direction will be taken now. The clearest sign that could be given would be for you to call on the Congress to remain in session until it cuts the spending rate (not appropriations, not authorizations, but spending) to an annual rate of $300 billion or less for the current fiscal year. I would further suggest that you indicate that if the Congress is not able or willing to prescribe the needed spending cuts, you would be willing to have Congress grant authority to you to make the needed reductions.

If I can be of further assistance, I stand ready to assist you and your advisors at any time.

Respectfully yours,
WILLIS D. GRADISON, Jr.

WHAT THE FEDERAL GOVERNMENT CAN DO ABOUT INFLATION

World-wide inflation has resulted from excess demand coupled with an inadequate supply of goods and services. Rising living standards are pressing against finite resources. Life-time savings are being confiscated, thrift discouraged, and the spector of unemployment caused by inflation haunts the working men and women of our Nation.

Price competition has been restrained by monopolistic practices and shortages of productive capacity. And government actions have intensified the inflationary tendencies by counter-productive fiscal policies and by a pattern of political promises with costs far in excess of available revenues. This buy now, pay later attitude must end. In performing on its promises for more spending (validating the voters' expectations and stimulating even larger pressures for future spending) the government has levied a tax in the form of inflation to pay for its inability to balance its income and outgo or to resist political pressures.

While this analysis is based on what the Federal Government can do about inflation, we must recognize that it cannot deal with all aspects of the problem. The price increases exacted by the major oil producing nations, crop shortages in the Soviet Union or the Peoples Republic of China, monetary instability—these and other events are beyond the power of our government to cope with (at least in the short run). Obviously industry and labor have major roles to play in successfully containing inflation, but right now the question is who should take the first step. And it clearly must be the government itself which must recognize its leadership role, and that it cannot expect others to act until it acts.

What then can the Federal Government do?

1. Fiscal policy and the budget

The cumulative effects of huge Federal deficits have required large Federal borrowings and these in turn have absorbed savings which otherwise would have been available for job-creating capital investment and for housing. Sound management of Federal financing in recent years would have required surpluses, not deficits. The rapid increase in spending coupled with the expansion of credit-guarantee programs has played a major role in the present inflation. *The current situation calls for a cut in spending rather than an increase in taxes,* since the latter would likely be used as a justification for even higher outlays. Spending cuts should begin in the Federal Government's own programs, not only to restrain demands on credit but also to increase the productivity of Federal spending. Examples abound where cuts should be made:

The postal deficit with its hidden subsidy for newspapers and magazines.

Other business subsidies such as shipbuilding, Penn Central, Lockheed, private airlines.

Space projects which could be spread out over a longer period of years.

Agriculture where acreage restrictions and price supports should be ended for all crops.

Livestock loans which keep meat prices from falling as dictated by supply and demand.

Overlapping welfare programs where too much of the Federal dollar is absorbed in administration at the Washington and regional levels.

Poor administration such as ADC in Ohio

with 28.7% of all cases ineligible or receiving overpayments.

Coupled with a pruning of existing programs *all new expenditure programs should be deferred* until revenues are available to pay for them, or cuts in older programs free funds for more urgent activities. A good place to start would be the construction projects of the U.S. Corps of Army Engineers such as the Red River Gorge in Kentucky.

2. Monetary policy and interest rates

For years monetary policy has carried the laboring oar in the fight against inflation, with fiscal policy usually pulling in the opposite direction. *As effective fiscal policy moves from speeches and promises into action steps towards monetary ease will follow.* Without stern action by the Federal Reserve the inflationary situation would have been far worse; but as we have seen such action cannot do the job alone. We are at a critical stage where even higher interest rates could cause a massive flow of funds from thrift institutions, an even more severe drop in housing than has already taken place, and require rescue operations by the Federal Reserve and the Treasury which would all but doom to defeat further efforts to stop inflation.

3. Taxation

The time for tax reform is always with us, and changes are obviously needed in the interest of equity and to assure that everyone carries his fair share of the tax burden. With reference to inflation, however, *tax reform takes on a new dimension, namely the need to stimulate expansion of productive capacity, research, and development.* This need not result in favoritism to anyone; merely a removal of present restraints on savings and investment would help. For example, utilities, which have huge needs for capital and expansion, receive an investment credit of only 4% while the credit in other industries is 7%. Depreciation allowances are based on historic cost rather than present (and higher) replacement cost. Individuals can exclude from income a portion of dividends received but not of interest on thrift accounts (which are the main source of funds for housing). And while the tax rate on investment gains has increased, the opportunity to writeoff losses against other income continues to be severely limited. In this regard leadership is needed from the *Federal level* in educating the general public to the need for savings, thrift, and investment, and to the way in which prices, job opportunities, and consumption in the future are related to capital creation today.

4. Energy

Until the Federal Government establishes the ground rules, expansion of energy output is likely to lag. Taxation, price regulations, rules with respect to coal mining on public lands, environmental standards and other aspects of public policy all bear upon the ability and the willingness of energy companies to commit the resources needed for expansion. Such policies should be developed with the objective of stimulating output and fostering research, not with a spirit of vindictiveness or hostility. The need for capital is so great and the opportunities for investment of capital outside the energy field so large that unduly harsh government policies would discourage investment and intensify both energy shortages and our dependence on foreign sources. *A Presidential veto of the Energy Transport Security Act would be a signal that energy prices will not be permitted to rise unnecessarily.*

5. Federal regulation

Over the years Federally sanctioned rules have inhibited competition and indeed led to price-fixing in many industries. *All such limits on competitive prices should end.* Examples abound ranging from freight rates for railroads and trucks to dairy prices to stock brokerage commissions to charges for interstate moving. Low priced imports from abroad are restricted. Farm co-operatives can fix prices higher than rates which the market would set. *A comprehensive review of all such inflationary rules should be undertaken immediately with a view to ending them all.*

6. Food prices

A 60-day moratorium should be declared on food exports until the present harvests are completed and an assessment can be made of how much food is needed at home, and how much could be sent abroad. No increase in food commitments under P.L. 480 should occur during the moratorium, and future increases should be conditioned on other major food-producing nations doing their fair share. The United States has quite properly taken the lead over the years in playing a humanitarian role, but must first be sure that needs are met at home before increased gifts are considered abroad.

7. Employment

Inflation itself—at double digit rates—causes rising unemployment; for example, in home building. And the effects of the transition to a non-inflationary economy may cause unemployment. Steps must be taken to protect those who cannot protect themselves: the unemployed. *The Emergency Employment Act should be expanded, the level to be triggered by the unemployment rate in local labor markets.* This approach offers great speed and flexibility and has the virtue (unlike most other Federal programs) of automatically shrinking when economic conditions justify (when unemployment falls).

8. Anti-trust

Vigorous anti-trust action should be pursued with special emphasis on actions which keep prices high. For example, in the automobile industry the anti-trust implications of annual model changes should be examined, and in the oil industry dealer agreements which discourage vigorous retail price competition. Anti-trust efforts which may actually increase costs (and prices) should be reconsidered. For example, breaking up integrated oil companies may be costly to the consumer since it could lead to redundant refining capacity. *Penalties for anti-trust violations should be substantially increased.* The present $50,000 penalty is a mere slap on the wrist to large companies and does not deter violators.

Conclusion

What is needed, then, is a new attitude, an approach which looks at all programs old or new and asks "What will this do about inflation?" When this question is asked about banning all surface mining of coal in the United States the answer must be "No, it would make inflation worse." When this question is asked about the Energy Transport Security Act the answer must be "No, it would unnecessarily increase the price of gasoline." When this question is asked about increasing expenditures under P.L. 480 the answer must be "No, not now, not until we're sure how much food is needed at home."

Just as inflationary tendencies have been built into our fiscal and monetary policies in the past, we need new mechanisms to encourage fiscal and monetary restraint in the future.

1. *The Employment Act of 1946 should be amended to include "reasonable price stability" as a goal of National policy.* The actual wording of the Act, its legislative history, and experience since 1946 all suggest that this would be helpful in focusing the attention of Congress and the Administration on prices as well as "maximum employment, production, and purchasing power."

2. *Inflation impact statements should be required on all measures under consideration by the Congress.* Just as environmental impact statements are now required and have resulted in greater awareness of environmental considerations before action is taken, so too the proposed inflation impact statements would discourage inflationary actions from being taken by alerting the public to the inflationary effects of measures which on the surface are politically appealing.

3. *The Constitution should be amended to require a balanced budget except when the President and the Congress find that a national military or economic emergency exists.* This requirement would put the burden on those who wish to spend more than revenues can finance rather than the present situation which virtually invites continuing inflationary deficits regardless of the stage of the economic cycle. The required finding that an emergency exists should be made annually so that a frequent reassessment of any waiver of the balanced budget rule would be required.

Inflation is man-made, and can be man-cured. It will not be stopped by price-wage controls or indexing which cover up the causes of inflation and in the long run only make it worse.

Our people are crying out for leadership and action from those who have the knowledge and the power to act. If we disappoint them our entire society is in jeopardy.

A STATEMENT BY ALBERT SHANKER "TAX LOOPHOLES: A DRAIN ON SOCIAL SERVICES"

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. BRADEMAS. Mr. Speaker, I insert in the RECORD the text of a most thoughtful article by Albert Shanker, the newly elected president of the American Federation of Teachers, AFL–CIO, which appeared in the September 22, 1974, issue of the New York Times.

I comment Mr. Shanker's essay, "Tax Loopholes: A Drain on Social Services" to my colleagues in the House.

The article follows:

TAX LOOPHOLES: A DRAIN ON SOCIAL SERVICES

(By Albert Shanker)

Two weeks ago, I was a member of a 28-member delegation of labor leaders who met with President Ford at the White House to discuss the twin problems of inflation and unemployment. Last week I attended the Conference on Inflation on Health, Education, Income Security and Social Services, which was chaired by HEW Secretary Caspar Weinberger and attended by 260 leaders in the health, education, health security and welfare fields. Next week I will attend the so-called "summit" on inflation. It is too early to tell whether these meetings will inspire a change in the administration policies of the last five years (policies of high interest rates and cutbacks in expenditures on human services)—or whether they were mere window dressing. If the administration is to move in the right direction, public understanding is needed in a number of areas.

First, these must be recognition of the fact that inflation, and the administration's approach to the problem of inflation over the last five years, have imposed unequal sacrifices on different segments of our population. The burden has fallen mainly on low and middle-income groups, now poorer than they were five years ago. While these groups have been economically victimized, huge profits have been reaped in other sectors of the economy.

The burden carried by the low and middle-income groups is visible on all sides. It was these groups which suffered most as a result of the "wage-price controls" and "guidelines." The controls effectively put a 5.5% ceiling on workers' wages while the government did nothing to curb prices, profits, interest rates and rents. When the controls were lifted, the "guidelines" failed to keep prices or interest rates down. As AFL-CIO President George Meany pointed out, what the guidelines did was to turn every employer into a patriot determined to keep wages down for the good of the country.

Low and middle-income groups have also suffered greatly because of the reduction of government services on which they depend. Not only were needed services abolished through Presidential vetoes, but, because of inflation, federal aid to health, education and welfare is now less in *real* dollars than it formerly was.

Furthermore, government policy, in encouraging high interest rates, hits those at the bottom—those who are forced to borrow because they don't have the cash—more than anyone else. Soaring interest rates mean that only the wealthy can afford private homes. They mean that entire families can be economically wiped out by being forced to borrow to pay medical bills for single surgical operations. They mean that our deteriorating cities are forced to divert hundreds of millions of dollars from health and education to interest payments on long and short term municipal bonds.

The government policies of budget cutback and preservation of high interest rates have increased unemployment—yet another calamity for low and middle-income groups. The current 5.4% unemployment rate sounds "low", but it is a misleading average hiding the fact that among the young—those under 24—as well as among blacks, Puerto Ricans and Chicanos, and in certain cities and specific trades, the unemployment rate is between 25% and 50%. To the person who can't find a job the "low" 5.4% statistic is no consolation. For the rest of society, the unemployed represent a great burden; they do not contribute to the productivity which we need and they consume billions in tax dollars allotted to provide unemployment benefits and cover welfare costs.

In these White House conferences a clear choice presents itself. The federal budget can be balanced in two ways. One is the administration way; reducing federal spending on human services and thus placing a still greater burden on the low and middle-income groups. Preference for this course of action was clearly expressed by the chairman of the President's Council of Economic Advisors, Alan Greenspan, who disputed the argument that the poor and middle-income groups would suffer most. He said, "Everybody is hurt by inflation. If you really wanted to examine percentagewise who was hurt most in their income, it was Wall Street brokers." An immediate response came from the back of the hall when AFL–CIO Vice President George Hardy shouted, "That's the whole trouble with this Administration—Wall Street brokers."

The other way is, I am convinced, the better way. It is a way of balancing the budget and meeting human needs at the same time.

First, there should be an increase in the budget for human services. This would restore some of the services destroyed by inflation. It would provide compensation to the low and middle-income groups for the unfair burden they now bear. It would provide many new jobs. It would lead to high quality services in health and education.

Second, government must guarantee low interest rates for human needs—even if the government has to subsidize loans. It has already done so in other areas. It provides 6% interest to "most favored nations" in international trade. It provided 6% in the Russian wheat deal. In a quickie 48-hour action, it funded a $2 billion "rescue" of the cattle industry. Now the government must be as considerate of people of low income who want to buy modest homes—or of cities wanting to build new schools and hospitals.

Third, budget balancing must not be accomplished at the cost of essential social services. The needed revenues must be raised through the long overdue elimination of tax shelters and loopholes. The billions needed are there. The capital gains loophole should be closed. There is no reason why profits made through capital gains should be taxed at 50% the rate of income earned by work. Closing this loophole alone would add $10 billion to the federal fund.

Tax subsidies for overseas investments should be eliminated. If corporations operating overseas were treated the same as individual citizen taxpayers with respect to taxes, another $3 billion would be available.

The 7% tax credit enacted in 1971 has not resulted in increased capital investment. Its repeal would close a $6 billion loophole.

Repeal of the oil depletion allowance will add $2.6 billion to the U.S. budget.

Finally, a tax is needed on the excess profits made by industries which, through monopolistic price-gouging and other such practices, have contributed to inflation. Within a year oil profits, for example, are expected to rise from $4 billion to $9 billion—a $5 billion increase! That figure represents more than 80% of the 1974 education budget.

If tax loopholes are plugged, $30 billion could be raised. Instead of unemployment and a lower standard of living, the nation could enjoy full employment, decent health care, smaller class size in its schools.

The choice is clear. With millions unemployed, the government seems more willing to pay unemployment and welfare costs than to pay for the hiring of people to serve the young, the sick, the disabled in our schools, colleges and health facilities. It is time for the President to recognize the dangers inherent in present policy and to demonstrate his readiness to sponsor policies directed at improving the quality of life for millions of people rather than increasing the profits of the few.

RHODESIAN CHROME

HON. RICHARD H. ICHORD

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 25, 1974

Mr. ICHORD. Mr. Speaker, when the membership of this House is finally confronted by the proposal to reinstitute the ban on importing Rhodesian chrome, I hope and trust we will not yield our reason to the misconceptions and hypocrisy advanced by the Senate sponsors of the legislation.

It is interesting to note that some of the same people who want to tighten up the sanctions against Rhodesia are now trying to convince us that we must remove all sanctions against Cuba and grant full diplomatic recognition to the Communist regime of Fidel Castro. They are saying, in effect, that while it is wrong for a white minority to continue to dominate the political life of Rhodesia, it is quite appropriate for a Communist minority in Cuba to continue its persecution of the Cuban people. I do not accept such a double-standard and I do not think the Government of the United States should do so, either.

Furthermore, the economic realities of our times—our increasingly hard times, Mr. Speaker—demand that the Congress reassert America's independence to buy and sell for raw materials as well as finished products wherever the United States can gain the best bargain. Nothing could be more ridiculous in this day and age of rising prices and severe shortages to cut off Rhodesia—the biggest and best supplier of chrome—and place our dependence for this vital material on the Soviet Union with its inflated pricing and arbitrary, sometimes hostile, use of trade as a weapon of intrigue in world affairs.

Columnist James J. Kilpatrick has recently put the issue into better perspective and, for the benefit of my colleagues, I now submit his remarks as printed in the Baltimore Sun on September 19, 1974 for insertion in the RECORD:

[From the Baltimore Sun, Sept. 19, 1974]

HOUSE CAN END FOLLY, ASSURE U.S. CHROME

(By James J. Kilpatrick)

HOT SPRINGS, Va.—Eighty top executives of North American steel companies met here last week to talk about industry problems. What they talked about, among other things, was chrome—Rhodesian chrome.

The steel officials, meeting under auspices of the American Iron and Steel Institute, see the issue in wholly practical terms. Chrome is an indispensable element in the making of stainless steel. So long as Rhodesian ferrochrome remains available, mounting domestic needs can be met. Without the Rhodesian chrome, the supply of stainless steel will move swiftly from critical to desperate.

By way of background: In 1966, in an act of hypocrisy, futility and folly, the United Nations undertook to impose economic sanctions on Rhodesia. The idea was to bring the breakaway government in Salisbury to its knees. The United States honored the sanctions. No other important nation did. Rhodesia declined to be brought to its knees.

In 1971, Virginia's Senator Harry F. Byrd, Jr. (Ind.) took the lead in restoring some sanity to a lunatic condition. Congress approved the "Byrd amendment," which had the effect of permitting the renewed importation of Rhodesian chrome.

Meanwhile, the price of chrome ore from the Soviet Union had been soaring. The Japanese were profiting from the export of stainless steel sheet (made from Rhodesian ferrochrome imported in covert defiance of the sanctions). The U.S. ferrochrome industry was languishing.

By early 1972, when the Byrd amendment opened the closed doors, several things had happened. With Japanese engineering and Italian equipment, the industrious Rhodesians had built the finest ferrochrome processing plant in the world, squarely atop their tremendous fields of chrome ore. They were shipping ferrochrome throughout the world.

The United States steel industry swiftly became a customer. In 1973, the U.S. imported 155,000 tons of ferrochrome; at least 10,000 tons came directly or indirectly from Rhodesia.

Where are we now? The Senate incomprehensibly voted last December to repeal the Byrd amendment. In July, the House Foreign Affairs Committee voted 25 to 9 to approve the repealer. House sponsors admit privately that they do not now have the votes in sight to win passage on the floor. Without some vigorous arm-twisting from President Ford, they cannot get the votes. Temporarily, the bill languishes.

What does all this mean to consumers? The new catalytic converters to control automobile emissions demand stainless steel. Once these converters become standard equipment, domestic requirements for ferrochrome will increase from 470,000 to 525,000 tons annually. If the Byrd amendment is repealed, our domestic production capacity will drop from 240,000 to 200,000 tons.

Somehow, at exorbitant prices, 325,000 tons of ferrochrome (or its sheet equivalent) will have to be imported. And this is the sharp-edged irony: One way or another, it will still be Rhodesian chrome, shipped and transshipped through world markets.

By killing the Senate bill, the House could strike a blow for chrome, consumers and common sense. It is a blow worth striking.

SENATE—*Thursday, September 26, 1974*

The Senate met at 12 o'clock noon and was called to order by Hon. William D. Hathaway, a Senator from the State of Maine.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God our Father, who dost speak to us in quietness, come to us not in the quietness of indifference or inactivity but in the stillness of creativity and calm confidence. Steady our spirits that we may concentrate all our powers of insight and thought upon the baffling problems of our day. And when the way is uncertain, shed Thy light upon our pathway. Fill our hearts with the truth, discipline our minds, strengthen our wills in righteousness, and grant us the power to match great needs with great deeds.

In the name of our Lord and Master we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., September 26, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. William D. Hathaway, a Senator from the State of Maine, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. HATHAWAY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, September 25, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER TO POSTPONE SENATE RESOLUTION 410 UNTIL TUESDAY NEXT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the resolution submitted by the Senator from Ohio (Mr. Metzenbaum), Senate Resolution 410, a resolution in support of efforts of President Ford in seeking world economic stability between oil-producing and consumer nations, which the Senate agreed to postpone until Monday, be postponed until Tuesday next.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations on the Executive Calendar will be stated.

FEDERAL TRADE COMMISSION

The legislative clerk read the nomination of Paul Rand Dixon, of Tennessee, to be a Federal Trade Commissioner.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NOMINATIONS PLACED ON THE SECRETARY'S DESK—NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The legislative clerk proceeded to read sundry nominations in the National Oceanic and Atmospheric Administration.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSULAR CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE CZECHOSLOVAK SOCIALIST REPUBLIC

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 4, Executive A (93d Cong., 2d sess.), that the matter be carried to final reading, but that it not be voted on today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senate, as in Committee of the Whole, proceeded to consider Executive A, 93d Congress, 2d session, the Consular Convention between the Government of the United States and the Government of the Czechoslovak Socialist Republic, along with the agreed memorandum and related exchange of notes, signed at Prague on July 9, 1973, which was read the second time, as follows:

Executive A

Consular Convention Between the United States of America and the Czechoslovak Socialist Republic

The United States of America and the Czechoslovak Socialist Republic:

Wishing to regulate the relations in the consular field between the two States and thus to facilitate the protection of their national interests and the protection of the interests and rights of their nationals;

Have decided to conclude this Consular Convention and have appointed as their Plenipotentiaries for this purpose:

For the United States of America:
William P. Rogers, *Secretary of State.*

For the Czechoslovak Socialist Republic:
Ing. Bohuslav Chnoupek,
Minister of Foreign Affairs.

Who, having communicated to each other their respective full powers, which were found in good and due form, have agreed as follows:

PART I

Definitions

Article 1

For purposes of this Convention the terms listed below shall have the following meanings:

(*a*) "consulate" is any consulate-general, consulate, vice-consulate or consular agency;

(*b*) "consular district" is the area assigned to the consulate for the performance of consular duties;

(*c*) "head of a consulate" is any person charged by the sending State with the performance of duties connected with this position;

(*d*) "consular officer" is any person, including the head of a consulate, who has been charged with the performance of consular duties;

(*e*) "consular employee" is any person employed to perform administrative, technical or other services of a consulate;

(*f*) "members of a consulate" are consular officers and consular employees;

(*g*) "consular premises" are buildings or parts of buildings and land connected thereto, used exclusively for the purposes of a consulate, irrespective of ownership;

(*h*) "consular archives" includes all official papers, documents, correspondence, books, films, recording tapes and registers of a consulate, together with ciphers and codes, card files and any equipment used for their protection and storage;

(*i*) "vessel of the sending State" is any vessel sailing under the flag of the sending State excluding warships;

(*j*) "members of the family" are the spouse, minor children and other relatives of a consular officer or a consular employee, who reside with him as a part of his household.

PART II

Establishment of consulates and appointment of consular officers and consular employees

Article 2

1. A consulate may be established in the territory of the receiving State only with the consent of that State.

2. The seat of the consulate and the limits of the consular district shall be determined by agreement between the sending and receiving States.

Article 3

1. The sending State shall request in advance through diplomatic channels the consent of the receiving State to the appointment of a head of the consulate.

2. After such consent has been obtained, the diplomatic mission of the sending State

shall transmit to the Ministry of Foreign Affairs of the receiving State the consular commission or other document of appointment. The consular commission or other document of appointment shall specify the full name of the head of the consulate, his nationality, his class, the seat of the consulate and the consular district.

3. Upon the presentation of the consular commission or other document of appointment of a head of the consulate, the exequatur or other authorization shall be granted as soon as possible by the receiving State.

4. The head of a consulate may enter upon the performance of his duties upon the presentation of the consular commission or other document of appointment and upon the granting by the receiving State of the exequatur or other authorization.

5. As soon as an exequatur or other authorization has been granted in conformity with this Article, the appropriate authorities of the receiving State shall take all necessary measures to ensure that the head of a consulate is enabled to enter upon the performance of his duties and is accorded the right, facilities, privileges and immunities due to him under this Convention and the law of the receiving State.

Article 4

Pending the granting of an exequatur or other authorization, the receiving State may grant the head of a consulate a provisional authorization for the performance of consular duties.

Article 5

A consular officer shall be a national of the sending State and shall not be a national or a permanent resident of the receiving State.

Article 6

1. The sending State shall, in advance, notify the receiving State in writing of the full name, nationality, rank and class of each consular officer appointed to a consulate.

2. The sending State also shall, in advance, notify the receiving State in writing of the full name, nationality and function of a consular employee appointed to a consulate.

Article 7

1. The sending State may, in conformity with Articles 3, 5 and 6, charge one or more members of its diplomatic mission in the receiving State with the performance of consular functions. A member of the diplomatic mission charged with the performance of consular functions shall continue to enjoy the privileges and immunities to which he is entitled as a member of the diplomatic mission.

2. A consular department, charged with the performance of consular functions, may be established by the sending State at its diplomatic mission.

Article 8

The receiving State shall issue to each consular officer a document certifying his right to perform consular functions in the territory of the receiving State.

Article 9

The receiving State shall afford its protection to a consular officer and shall take all appropriate measures to prevent any attack on his person, freedom or dignity, and shall take all necessary measures to ensure that he is enabled to perform his duties and is accorded the rights, facilities, privileges and immunities due to him under this Convention.

Article 10

1. If the head of the consulate is unable for any reason to carry out his functions or if the position of the head of the consulate is temporarily vacant, the sending State may appoint a consular officer belonging to the same consulate or to another consulate of the sending State in the receiving State or a member of the diplomatic staff of its diplomatic mission in that State to act as temporary head of the consulate. The full name of the person concerned shall be notified in advance and in writing to the Ministry of Foreign Affairs of the receiving State.

2. A person acting temporarily as head of a consulate shall be entitled to perform all functions of a head of a consulate and to enjoy all rights, facilities, privileges and immunities as a head of a consulate appointed under Article 3.

3. A member of the diplomatic staff of the diplomatic mission, temporarily acting as head of a consulate, shall continue to enjoy the privileges and immunities accorded to him by virtue of his diplomatic status.

Article 11

1. The receiving State may, at any time and without having to explain the reason for its decision, notify the sending State through diplomatic channels that a consular officer is persona non grata or that a consular employee is unacceptable.

The sending State shall thereupon recall the person concerned.

2. If the sending State fails to carry out its obligations under paragraph 1 within a reasonable period of time, the receiving State may decline to continue to recognize such person as a member of the consulate.

Article 12

1. The sending State may, to the extent that it is permitted under the law of the receiving State, acquire by ownership, lease, or any other form of tenure which may exist under that law, land, buildings or parts of buildings for the purposes of the consulate or residences for the members of the consulate, provided that the person concerned is not a national or a permanent resident of the receiving State.

2. The receiving State shall provide to the sending State all assistance necessary to facilitate the acquisition of land, buildings or parts of buildings for the purposes mentioned under paragraph 1.

3. Nothing in paragraph 1 or paragraph 2 of this Article shall be construed to exempt the sending State from compliance with the building, planning, zoning and other similar regulations or restrictions of the receiving State in connection with construction or alteration of buildings or parts of buildings in the receiving State.

PART III

Rights, facilities, privileges and immunities

Article 13

1. The coat of arms of the sending State together with an inscription designating the consulate in the language of the sending State and of the receiving State may be affixed to the buildings in which the offices of a consulate are located as well as to the building which is the residence of the head of a consulate.

2. The flag of the sending State may be flown on the buildings in which the offices of a consulate are located and also at the residence of the head of a consulate and on his means of transport used for official duties.

Article 14

The consular premises and the residence of the head of the consulate shall be inviolable. The authorities of the receiving State may enter the consular premises or the residence of the head of the consulate only with the consent of the head of the consulate or the head of the diplomatic mission of the sending State or by a person designated by one of them.

Article 15

The consular archives shall be inviolable at all times and wherever they may be. Documents and objects of an unofficial character shall not be kept in the archives.

Article 16

1. A consulate shall be entitled to exchange communications with its Government, with the diplomatic missions of the sending State and with other consulates of the sending State wherever they may be. For this purpose the consulate may employ all suitable means of communication, including diplomatic and consular couriers, diplomatic and consular bags and codes or ciphers. A wireless transmitter may be installed only with the consent of the receiving State.

2. With respect to public means of communication the same conditions shall be applied in the case of a consulate as are applied in the case of the diplomatic mission.

3. The official correspondence of a consulate and courier containers and bags shall, provided that they bear visible external marks of their official character, be inviolable and may not be examined or detained. They may contain only official correspondence and articles intended for official use.

4. A consular courier shall be provided with an official document indicating his position and specifying the number of containers forming the consular bag. The consular courier shall enjoy the same rights, facilities, privileges and immunities as a diplomatic courier of the sending State.

5. The master of a vessel or the captain of a civil aircraft of the sending State may also be charged with the conveyance of a consular bag. The master or captain shall be provided with an official document indicating the number of containers forming the consular bag entrusted to him; he shall not, however, be considered to be a consular courier. By arrangement with the appropriate authorities of the receiving State, the consulate may send a member of the consulate to take possession of the consular bag directly and freely from the master of the vessel or captain of the aircraft or to deliver such bag to him.

Article 17

1. Consular officers and members of their families, provided that the person concerned is not a national or a permanent resident of the receiving State, shall be immune from the criminal, civil and administrative jurisdiction of the receiving State.

2. Consular employees and members of their families, provided that the person concerned is not a national or a permanent resident of the receiving State, shall be immune from the criminal jurisdiction of that State. They shall also be immune from the civil and administrative jurisdiction of the receiving State with respect to any act performed in their official capacity.

3. Provisions of paragraphs 1 and 2 shall not apply to civil proceedings:

(*a*) resulting from agreements that have not been concluded by the consular officer or consular employee on behalf of the sending State;

(*b*) relating to succession in which the consular officer or consular employee is involved as executor, administrator, heir or legatee as a private person and not on behalf of the sending State;

(*c*) concerning a claim brought by a third party for damage caused in the receiving State by a vessel, vehicle or aircraft;

(*d*) relating to any private or commercial activities engaged in by a consular officer or consular employee in the receiving State outside his official functions;

(*e*) relating to private immovable property in the territory of the receiving State unless the consular officer or consular employee holds it on behalf of the sending State for the purposes of the consulate.

4. The sending State may waive any of the immunities provided for in this Article. The waiver shall be express and shall be communicated in writing to the receiving State.

5. The waiver of immunity from jurisdiction with respect to civil and administrative proceedings shall not be held to imply waiver of immunity with respect to execution of the judgment for which a separate waiver shall be required.

Article 18

1. Members of a consulate may be requested to give evidence as witnesses in judicial or administrative proceedings. If a consular officer declines to give evidence, no coercive measures shall be taken against him. Consular employees are not entitled to decline to give evidence with the exception of the cases referred to in paragraph 3.

2. The appropriate provisions of paragraph 1 pertaining to consular officers and consular employees shall also apply to members of their families.

3. Members of a consulate are entitled to decline to give evidence as witnesses with regard to matters falling within the performance of their official functions or to produce any official document and official correspondence. They are also entitled to decline to give evidence as experts on the law of the sending State, as well as on its application and interpretation.

4. The authorities of the receiving State requesting evidence from consular officers or from consular employees shall take all steps to avoid interference with the performance of their official functions. Where it is possible, the evidence may be given at the consulate or at the residence of the consular officer or consular employee, or it may be given in a written form.

Article 19

Members of a consulate and members of their families, provided that the person concerned is not a national or a permanent resident of the receiving State, shall be exempt in the receiving State from public service and obligations of any kind.

Article 20

Members of a consulate and members of their families, provided that the person concerned is not a national or a permanent resident of the receiving State, shall be exempt from all requirements under the law of the receiving State relative to the registration of aliens, permission to reside and other regulations concerning the residence of aliens.

Article 21

1. The sending State shall be exempt in the receiving State from all taxes, charges and fees with respect to:

(*a*) land, buildings, and parts of buildings acquired in accordance with Article 12 and used for consular purposes or as residences of the members of a consulate, provided that the premises in question are owned or leased in the name of the sending State;

(*b*) transactions and instruments relating to the acquisition of the immovable property referred to in paragraph 1(a) of this Article;

(*c*) the performance of consular functions, including payments for consular services.

2. The sending State shall also be exempt in the receiving State from all taxes, charges and fees with respect to movable property owned, possessed or used by the sending State exclusively for consular purposes.

3. The exemptions provided for in this Article shall not apply to charges and fees for specific services rendered.

Article 22

A member of a consulate and members of his family, provided that the person concerned is not a national or a permanent resident of the receiving State, shall be exempt in the receiving State from taxes and charges with respect to the salary, emoluments, wages and allowances which he receives in connection with the discharge of his official duties.

Article 23

1. A member of a consulate and members of his family, provided that the person concerned is not a national or a permanent resident of the receiving State, shall be exempt in the receiving State from all national, regional and local taxes and charges, including taxes and charges imposed on movable property that he owns.

2. The provisions of paragraph 1 shall not apply with respect to:

(*a*) indirect taxes that are, as a rule, contained in the prices of goods or services;

(*b*) charges and taxes on private immovable property situated within the receiving State unless an exemption is provided under Article 21;

(*c*) taxes on the transfer or instruments effecting the transfer of property, including taxes related to succession, collected by the receiving State;

(*d*) taxes and charges on private income the source of which is situated within the receiving State;

(*e*) court, mortgage and administrative charges, unless an exemption is provided under Article 21;

(*f*) charges collected for specific services rendered.

Article 24

If a member of a consulate or a member of his family dies and leaves movable property in the receiving State, no estate, succession, or inheritance or other tax or charge on the transfer of property at death shall be imposed by the receiving State with respect to that property, provided that the deceased person was not a national or a permanent resident of the receiving State and that the presence of the property in that State was due solely to the presence of the deceased in his capacity as a member of a consulate or as a member of the family of such a member of a consulate.

Article 25

1. All articles, including motor vehicles, imported for the official use of a consulate shall, in conformity with the law of the receiving State, be exempt from all customs duties and all charges imposed upon or by reason of importation to the same extent as if they were imported by the diplomatic mission of the sending State in the receiving State.

2. All articles imported for the personal use of a consular officer and members of his family, including articles for the initial equipment of his household, provided that the person concerned is not a national or a permanent resident of the receiving State, shall be exempt from all customs duties and all charges imposed upon or by reason of their importation. A consular employee shall enjoy the exemptions provided for in this paragraph only with respect to articles imported by him at the time of his first installation at the consulate.

3. The articles designed for personal use shall not exceed the quantity required for direct use by the persons concerned.

4. The personal baggage of consular officers and members of their families, provided that the person concerned is not a national or a permanent resident of the receiving State, shall be exempt from customs inspection. It may be inspected only in cases when there is serious reason to believe that it contains articles other than those stated in paragraph 2 or articles the importation or exportation of which is prohibited by the law of the receiving State or which are subject to its quarantine law. Such an inspection must be undertaken in the presence of the consular officer concerned or a member of his family or a person authorized by the consular officer or a member of his family to represent him.

Article 26

1. All persons to whom the rights, facilities, privileges and immunities are accorded under this Convention shall, without prejudice to the said rights, facilities, privileges and immunities, be under an obligation to respect the law of the receiving State, including law relative to the control of traffic and to the insurance of motor vehicles.

2. All vehicles owned by the sending State and used for the purposes of the consulate and all vehicles belonging to consular officers, consular employees, or members of their families must be adequately insured against third-party risks. In the case of nationals or permanent residents of the receiving State, such insurance shall be obtained as required by the law of the receiving State.

Article 27

Subject to the law concerning zones entry into which is prohibited or regulated for reasons of national security, the receiving State shall ensure freedom of movement and travel in its territory to all members of the consulate.

PART IV

Consular functions

Article 28

1. A consular officer shall be entitled to perform the functions specified in this Part in keeping with the law of the receiving State. He may perform other consular functions only under the provision that they are not contrary to the law of the receiving State.

2. A consular officer shall be entitled to represent, in his consular district and in accordance with the law of the receiving State, the rights and interests of the sending State and of its nationals, both natural and juridical persons.

3. In the exercise of his functions, a consular officer may address directly, in writing as well as orally, and receive direct replies from:

(*a*) the competent local authorities of his consular district;

(*b*) the competent central authorities of the receiving State, to the extent permissible under the laws, regulations and practice of the receiving State.

4. A consular officer shall be entitled, subject to the consent of the receiving State, to perform consular functions also outside his consular district.

Article 29

A consular officer shall further the development of economic, commercial, cultural and scientific contacts between the two States and contribute to the strengthening of mutual friendly relations.

Article 30

1. A consular officer shall be entitled within the consular district:

(*a*) to keep a register of nationals of the sending State;

(*b*) to receive applications and declarations relative to nationality of citizens of the sending State and to issue respective documents;

(*c*) to receive declarations pertaining to the family relationships of a national of the sending State in accordance with the law of that State;

(*d*) to register the births and deaths of nationals of the sending State;

(*e*) to draw, attest, certify, authenticate, legalize or otherwise validate legal acts and documents required by a national of the sending State for use outside the territory of the receiving State or required by any person for use in the sending State, provided that such acts of consular officers are not at variance with the law of the receiving State;

(*f*) to translate legal instruments and documents and to certify the accuracy of the translation, as well as to issue certified copies of these translated documents.

2. It is understood that the registration or the receipt of notification of a birth or death by a consular officer, the recording by a consular officer of a marriage celebrated under the law of the receiving State, or the receipt by a consular officer of declarations pertaining to the family relationship in no way exempts a person from any obligation contained in the law of the receiving State with regard to the notification to or registration with the appropriate authorities of the receiving State of births, deaths, marriages or other matters pertaining to family relationships of a person.

Article 31

Legal acts and documents, issued, translated or certified by a consular officer in accordance with Article 30, paragraph 1, subparagraph (*e*), shall have equal legal effect and evidentiary value in the receiving State as documents issued, translated or certified by the competent authorities of the receiving State, provided such acts and documents have been drawn and executed in a manner not inconsistent with the law of the receiving State.

Article 32

1. A consular officer shall be entitled to issue, extend, amend and revoke travel documents of nationals of the sending State.

2. He shall also be entitled to issue visas to persons wishing to travel to the sending State.

Article 33

A consular officer may, in accordance with the law of the receiving State, recommend to the courts or other competent authorities of the receiving State appropriate persons to act in the capacity of guardians or trustees for nationals of the sending State or for the property of such nationals when this property is left without supervision.

Article 34

1. The competent authorities of the receiving State shall, if they have knowledge and without delay, inform the appropriate consular officer of the death of a national of the sending State in the territory of the receiving State.

2. The competent authorities of the receiving State shall also inform the consular officer, if they have knowledge, of an estate of a national of the sending State or of an estate of a person deceased in the receiving State, without regard to his nationality, which estate may concern a national of the sending State.

3. The competent authorities of the receiving State shall take measures, in cases under paragraph 2 and provided that the estate is situated on the territory of that State, to secure the estate in conformity with the law of the receiving State and, upon his request, shall convey to the appropriate consular officer a copy of the testament, if it had been made, as well as all available information with respect to the heirs, the content and the value of the estate and shall advise him of the date on which probate proceedings will be opened.

4. A consular officer shall be entitled, in accordance with the law of the receiving State, to represent, directly or through a representative, the interests of a national of the sending State who has a claim to the estate situated in the receiving State and who is not a permanent resident of that State, unless or until such national is otherwise represented. However, nothing herein shall authorize a consular officer to act as an attorney at law.

5. A consular officer shall be entitled, in accordance with the law of the receiving State, to receive money or other property on behalf of a national of the sending State who is not a permanent resident of the receiving State, to which the national concerned may be entitled as a consequence of the death of a person, including payments made in pursuance of workmen's compensation laws, within a pension or social security scheme and the proceeds from insurance policies. The law of the receiving State must be applied so as to give full effect to the purposes for which these rights are intended.

6. Movable property and money derived from the liquidation of an estate belonging to a national of the sending State may be handed over to the appropriate consular officer, provided that the claims of creditors with respect to the estate have been settled or secured and that the taxes and charges in respect to the estate have been paid.

7. A consular officer shall be entitled to deal directly with the competent authorities of the receiving State in securing the estate pursuant to this Article.

8. In any case where a national of the sending State who is not a permanent resident of the receiving State dies while temporarily present in that State, money and personal effects in his possession, provided that they are not claimed by a person who is present and entitled to claim them, shall be turned over without delay for provisional custody and for conservatory purposes, to the appropriate consular officer of the sending State. This provision shall be without prejudice to the right of the competent authorities of the receiving State to take charge of them in the interests of justice. If an authority of the receiving State is charged with the administration of the estate of the deceased person, the consulate shall hand over the money and personal effects to said authority. The exportation of the money and personal effects shall be subject to the law of the receiving State.

9. Whenever a consular officer or a member of the diplomatic mission charged with the performance of consular functions shall perform the functions referred to in this Article, he shall be subject, with respect to the exercise of such functions, to the law of the receiving State and to the civil jurisdiction of the judicial and administrative authorities of the receiving State in the same manner and to the same extent as a national of the receiving State.

Article 35

1. A consular officer shall be entitled to represent, in the consular district in accordance with the law of the receiving State, nationals of the sending State before the authorities of the receiving State, if they are unable, for reasons of absence or for other serious reasons, to assume the defense of their rights and interests at the proper time. The representation shall continue until the represented person appoints his representative or assumes himself the defense of his rights and interests.

2. A consular officer shall be entitled, within his consular district, to establish and maintain contact with any national of the sending State, to provide him with counsel and all necessary assistance and, if necessary, to take steps to secure legal assistance for him. The receiving State shall in no way infringe upon the right of a national of the sending State to communicate with his consulate or visit his consulate.

Article 36

1. In all instances when a national of the sending State is placed under any form of deprivation or limitation of personal freedom, the competent authorities of the receiving State shall inform the consulate of the sending State without delay, and, in any event, not later than after three calendar days. Upon request, the consular officer shall be immediately informed of the reason for the national being placed under deprivation or limitation of personal freedom.

2. The competent authorities of the receiving State shall, without delay, inform the national of the sending State of the rights accorded him by this Article to communicate with a consular officer.

3. A consular officer shall be entitled to receive from and send to a national of the sending State who is under any form of deprivation or limitation of personal freedom correspondence or other forms of communication and take appropriate measures to assure him legal assistance and representation.

4. A consular officer shall be entitled to visit a national of the sending State who is under any form of deprivation or limitation of personal freedom, including such national who is in prison, custody or detention in the consular district in pursuance of a judgment, to converse and correspond with him in the language of the sending State or of the receiving State and to arrange for legal representation for him. These visits shall take place as soon as possible but in any event shall not be refused after the lapse of a four-calendar-day period from the date when the national was placed under any form of deprivation or limitation of personal freedom. Visits may be made on a recurring basis but at intervals of not more than one month.

5. In the case of a trial of a national of the sending State in the receiving State, the appropriate authority shall, at the request of a consular officer, inform such officer of the charges against such national and shall permit the consular officer to be present during the trial of such national and any subsequent appeal proceedings.

6. A national to whom the provisions of this Article apply may receive from a consular officer parcels containing food, clothes, medication and reading and writing materials to the extent the applicable regulations of the institution in which he is detained so permit.

7. The rights contained in this Article shall be exercised in conformity with the law of the receiving State, subject to the proviso, however, that the law must be applied so as to give full effect to the purposes for which these rights are intended.

Article 37

1. A consular officer shall be entitled, within the consular district, to render every assistance and aid to a vessel of the sending State which has come to a port or the coastal or inland waters of the receiving State, as well as to its crew and passengers.

2. A consular officer may invoke the aid of the competent authorities of the receiving State in any matter relating to the performance of his duties with respect to a vessel of the sending State or members of the crew or the passengers of such a vessel.

3. A consular officer may proceed on board of the vessel as soon as it has been given permission to establish contact with the shore. Members of the crew may immediately establish contact with the consular officer.

4. A consular officer shall be entitled within the consular district:

(*a*) to investigate, without prejudice to the rights of the authorities of the receiving State, any incident occurring on board a vessel, question any member of the crew, examine the vessel's papers, take statements with regard to its voyage and destination and generally facilitate the vessel's entry into, stay in and departure from a port;

(*b*) without prejudice to the rights of the authorities of the receiving State, to settle disputes between the master and any member of the crew, including disputes as to wages and contracts of service, to the extent that this is permitted under the law of the sending State;

(*c*) to make arrangements for medical treatment for or the repatriation of any member of the crew or any passenger of the vessel;

(d) to receive, draw up or certify declarations or other documents prescribed by the law of the sending State in connection with vessels.

Article 38

1. If the competent authorities of the receiving State intend to take any coercive action or to institute any formal inquiry on board a vessel of the sending State, they shall so inform the appropriate consular officer through the competent authorities of the receiving State. Except in cases when such notification is impossible because of the need to take immediate action on the matter, it shall be made in time to enable the consular officer or his representative to be present. If the consular officer or his representative has not been present, the competent authorities of the receiving State shall provide the consular officer with full information with regard to what has taken place.

2. The provisions of paragraph 1 shall also apply in any case in which the competent authorities of the port area intend to question members of the crew ashore.

The provisions of this Article shall not, however, apply to any routine examination by the competent authorities with regard to customs, immigration or public health nor to any acton taken at the request or with the consent of the master of the vessel.

Article 39

1. If a vessel of the sending State is wrecked, runs aground, is swept ashore or otherwise sustains damage in the receiving State or if any article forming part of the cargo of a wrecked vessel of the sending, receiving or a third State, being the property of a national of the sending State, is found on the coast or in the inland or territorial waters of the receiving State as an article swept ashore or is brought into a port of that State, the competent authorities of the receiving State shall as soon as possible notify the consular officer accordingly. They shall also inform him of measures already taken for the preservation of the lives of persons on board the vessel, the vessel, the cargo and other property on board, as well as of articles belonging to the vessel or forming part of her cargo which have become separated from the vessel.

2. The consular officer may render every assistance to such vessel, her passengers and members of her crew. For this purpose he may invoke the assistance of the competent authorities of the receiving State. The consular officer may take the measures described in paragraph 1 as well as measures for the repair of the vessel, or request the competent authorities of the receiving State to take, or continue to take, such measures.

3. If the master or the owner or the underwriter of the vessel or other person who represents the interests of a vessel described in paragraph 1 is unable to make necessary arrangements in connection with the vessel or its cargo, a consular officer may make such arrangements on his behalf. A consular officer may under similar circumstances take appropriate steps with regard to cargo and other property owned by the sending State or the nationals thereof, which belongs to a wrecked or damaged vessel which is registered in a state other than the sending State, except when the vessel is under the flag of the receiving State.

4. No customs duties shall be levied against a damaged vessel of the sending State or its cargo or stores unless they are delivered for use in the receiving State.

Article 40

The provisions of Articles 37, 38 and 39 shall, to the extent feasible, apply also in relation to aircraft, provided that the application of these Articles is not contrary to the provisions of any agreements in force between the sending State and the receiving State.

Article 41

A consulate shall be entitled to levy in the receiving State the fees and charges prescribed under the law of the sending State for consular services.

PART V

Final provisions

Article 42

1. This Convention shall be subject to ratification and shall enter into force on the thirtieth day following the date of the exchange of instruments of ratification which shall take place in Washington, D.C.

2. This Convention shall remain in force until the expiry of six months from the date on which one of the High Contracting Parties shall have given the other High Contracting Party a written notice of its intention to terminate the Convention.

In Witness Whereof, the respective plenipotentiaries of the two High Contracting Parties have signed this Convention and affixed thereto their seals.

Done at Prague on this 9th day of July, 1973, in two original copies in the English and Czech languages, both texts being equally authoritative.

For the United States of America:

William P. Rogers.

For the Czechoslovak Socialist Republic:

Ing. Bohuslav Chnoupek.

Agreed memorandum

In connection with the signing today of the Consular Convention between the United States of America and the Czechoslovak Socialist Republic, it has been agreed by both Parties to record the discussion carried out during the negotiation of the Convention with respect to the meaning of the terms "law" and "pravni predpisy" as they are used in its various provisions.

The head of the delegation of the United States of America explained that, from the United States viewpoint, the term "law" includes all relevant national, state and local laws, ordinances, regulations, resolutions and similar provisions having the force and effect of law, including determinations of courts and other judicial agencies.

The head of the Czechoslovak delegation explained that, from the Czechoslovak viewpoint, the expression "pravni predpisy" encompasses all laws and other norms which are legally binding.

Done at Prague this 9th day of July, 1973.

For the United States of America:

William P. Rogers.

For the Czechoslovak Socialist Republic:

Ing. Bohuslav Chnoupek.

Prague, *July 9, 1973.*

His Excellency, Ing. Bohuslav Chnoupek,
Minister of Foreign Affairs of the Czechoslovak Socialist Republic.

Excellency: I have the honor to refer to the Consular Convention between the United States of America and the Czechoslovak Socialist Republic signed today and to confirm that both parties have agreed to the following provisions with respect to the implementation of that Convention:

1. Persons entering the Czechoslovak Socialist Republic for temporary visits on the basis of United States passports containing valid Czechoslovak entry visas will, during the period for which temporary visitor status has been accorded, in accordance with the visa's validity, be considered United States nationals by the appropriate Czechoslovak authorities for the purpose of insuring the consular protection provided for in the Convention signed today, as well as the right of departure from the Czechoslovak Socialist Republic without further documentation, regardless of whether such persons may also be regarded as citizens of the Czechoslovak Socialist Republic.

2. Persons entering the United States of America for temporary visits on the basis of passports of the Czechoslovak Socialist Republic containing valid United States entry visas will, during the period for which temporary visitor status has been accorded, be considered Czechoslovak citizens by the appropriate authorities of the United States of America for the purpose of insuring the consular protection provided for in the Convention signed today, as well as the right of departure without further documentation, regardless of whether such persons may also be regarded as nationals of the United States of America.

3. With reference to the provisions of paragraphs 1 and 2 above, it is understood that passports of the United States of America are issued only to persons considered by the Government of the United States of America as nationals of the United States of America. It is further understood that passports of the Czechoslovak Socialist Republic are issued only to persons considered by the Government of the Czechoslovak Socialist Republic as citizens of the Czechoslovak Socialist Republic.

4. The persons mentioned in paragraphs 1 and 2 above shall not lose the right of consular protection or the right of departure without further documentation if the period for which temporary visitor status has been accorded to these persons has expired during the course of judicial or administrative proceedings which prevent their voluntary departure.

5. The above agreement is not intended to modify or affect the obligations incurred by both Governments under the Treaty of Naturalization signed at Prague on July 16, 1928.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

William P. Rogers,
Secretary of State.

I, the undersigned consular officer of the United States of America, duly commissioned and qualified, do hereby certify that the foregoing is a true and faithful copy of the original this day exhibited to me, the same having been carefully examined by me and compared with the said original and found to agree therewith word for word and figure for figure.

In Witness Whereof I have set my hand and affixed the seal of the American Embassy at Prague, Czechoslovakia, this ninth day of July, 1973.

Robert D. Johnson,
Consul of the United States of America.

Mr. MANSFIELD. Mr. President, presently there is no bilateral consular convention between the United States and the Czechoslovak Socialist Republic. The purpose of this convention is to improve and broaden the bilateral relationship between the two countries and to facilitate the ability of American and Czechoslovak consuls to extend assistance to their fellow citizens. By so doing, it is expected that the convention will contribute to the growth of travel and commercial contracts between the two nations.

The Consular Convention between the United States of America and the Czechoslovak Socialist Republic, along with the agreed memorandum and related exchange of notes, was signed at Prague on July 9, 1973. It is one of several consular conventions which have been negotiated in recent years in an effort to improve relations with various countries, particularly those of Eastern Europe. The convention's provisions follow the pattern of those signed with Poland, Romania, and Hungary which entered into force July 6, 1973.

The specific consular functions and services which will be assured on a reciprocal basis include the issuance of passports and visas, performance of notarial services, and representation of the interests of the sending state in estate matters. Most significantly, article 36 of the convention assures that consuls, whose nationals are detained or have their personal freedom limited in any way, will be notified within three days and will have the right to visit and communicate with them and see that they receive legal assistance and representation. Visits by consular officers will be permitted as soon as possible and may not be refused after four calendar days from the date of detention or other limitation of personal freedom.

The convention will enter into force 30 days after instruments of ratification are exchanged in Washington, D.C., and shall remain in effect until the expiration of 6 months from the date on which one of the contracting parties gives notice of intent to terminate the convention. According to the Department of State, the ratification process has been completed by Czechoslovakia.

COMMITTEE ACTION AND RECOMMENDATION

The Committee on Foreign Relations held a public hearing on the Consular Convention with Czechoslovakia on September 11, 1974, at which time Mr. Horace F. Shamwell, Jr., acting assistant legal adviser for Management of the Department of State, testified in support of the convention.

The committee considered the Consular Convention in executive session immediately after the public hearing and, by voice vote and without dissent, ordered it reported out with the recommendation that the Senate advise and consent to its ratification.

Mr. HUGH SCOTT. Mr. President, reserving the right to object—and I shall not object—I do this simply to note that I favor the treaty. If the majority leader has no objection, I ask unanimous consent that if compelled to be absent on Monday at an energy and conservation conference in Philadelphia, I may be excused as on official business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object—and I shall not object—I should like to ask the majority leader this question: I assume that this treaty does not go into the matter of the confiscation of American property and the holding of Czechoslovakian gold by the United States?

Mr. MANSFIELD. No, it does not. The matter was reported unanimously by the Committee on Foreign Relations.

Mr. HARRY F. BYRD, JR. I thank the Senator.

The ACTING PRESIDENT pro tempore. If there be no objection, the Executive A will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification. The resolution of ratification of Executive A will now be read.

The resolution of ratification of Executive A was read, as follows:

> *Resolved (two-thirds of the Senators present concurring therein)*, That the Senate advise and consent to the ratification of the Consular Convention between the Government of the United States of America and the Government of the Czechoslovak Socialist Republic, along with the agreed memorandum and related exchange of notes, signed at Prague on July 9, 1973.

Mr. ROBERT C. BYRD subsequently said: Mr. President, as in executive session, I ask unanimous consent that the vote on Executive A (93d Con., 2d sess.), the Consular Convention with the Czechoslovak Socialist Republic, occur at the hour of 3:30 p.m., on Monday next.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. That will be a rollcall vote, Mr. President, although the yeas and nays have not been ordered on it. They will be ordered later.

LEGISLATIVE SESSION

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

AUTHORIZATION FOR THE SECRETARY OF THE TREASURY TO CHANGE THE ALLOY AND WEIGHT OF THE 1-CENT PIECE AND TO AMEND THE BANK HOLDING ACT AMENDMENTS OF 1970 TO AUTHORIZE GRANTS TO EISENHOWER COLLEGE, SENECA FALLS, N.Y.

Mr. HUGH SCOTT. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 16032.

The ACTING PRESIDENT pro tempore laid before the Senate H.R. 16032, to authorize the Secretary of the Treasury to change the alloy and weight of the 1-cent piece and to amend the Bank Holding Act Amendments of 1970 to authorize grants to Eisenhower College, Seneca Falls, N.Y., which was read twice by its title.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the bill.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HUGH SCOTT. Mr. President, this bill undertakes to lighten the weight of the penny. We hate to see come true what occurs to me in the following two lines:

A penny saved is a penny earned;
A penny lightened is a penny spurned.

The bill was ordered to a third reading, was read the third time, and passed.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Michigan (Mr. GRIFFIN) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may be recognized under the order allotted to me, without prejudice to Mr. GRIFFIN.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MANSFIELD OF MONTANA

Mr. ROBERT C. BYRD. Mr. President, the October issue of the Saturday Evening Post contains an article by Paul Healy, entitled "Mansfield of Montana."

Partially through Mr. Healy's observations, and partially from the distinguished majority leader's own quoted words, the article draws a picture of the man as we who serve with him in the U.S. Senate know him, respect him, and revere him.

William Shakespeare, in his play "Henry VIII," wrote the line:

He was a scholar, and a ripe and good one;
Exceeding wise, fair-spoken, and persuading. . .

Anyone who reads the Saturday Evening Post profile of Mr. MANSFIELD will agree, I am sure, that those lines might well have been written to describe the senior Senator from Montana.

I recommend the article to my colleagues. It will not apprise them of anything that they do not already know about the majority leader, but it will serve to reinforce in us the already very high regard in which we hold the majority leader for his qualities as a human being, as well as for his outstanding qualities as the leader of this venerable body.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MANSFIELD OF MONTANA—THE SENATE MAJORITY LEADER IS HEWN FROM BEDROCK AMERICA

(By Paul Healy)

(NOTE.—Paul F. Healy has been the top White House correspondent for the New York

Daily News since the Kennedy administration and written extensively about White House affairs. Past articles for the Post have included pieces on Lyndon B. Johnson, Richard M. Nixon, John F. Kennedy, and Barry Goldwater. His most recent article, "Sunday Afternoon With the Ronald Reagans," was in the April 1974 issue.)

When I called on Senator Mike Mansfield for an in-depth interview, I had no idea how long he would put up with me. Mansfield is known in the news media as the "fastest gun in the West" (and East, South, or Midwest, for that matter). On televised panel shows, he snaps off answers so quickly that reporters sometimes run out of questions before the program time is up. Like a fellow Montanan, the late Gary Cooper, the senator favors monosyllabic replies, such as a "Yep," a "Nope," a "Can't say," or a "Don't know." He never evades, digresses, amplifies, or filibusters.

An additional obstacle in my path was the fact that—again unlike most other politicians—Mansfield dislikes personal publicity and does not even have a press secretary.

On the quiet Saturday morning of our interview, however, he looked content and amiable as he welcomed me from behind his desk in the Old Senate Office Building. He was, for Mansfield, sportily attired—corduroy trousers and pin-striped shirt open at the neck and with sleeves rolled up. His necktie was draped over a nearby briefcase and his ubiquitous pipe was in his hand.

Mansfield is in his fourteenth consecutive year as Senate Majority Leader, an unsung record in U.S. history. I asked if this made him feel tired.

"Yeah," he agreed with a rueful smile. The leadership today is a heavy burden. And Montanans are writing him more than ever—not about Watergate or foreign crises but about such closer-to-home concerns as veterans' pensions and taxes.

Mansfield accepted the leadership post reluctantly in January, 1961, only after special urging from President-elect John Kennedy. Some observers thought that "Mike is too nice a guy" to step into the hot spot where Lyndon Johnson had performed like a ringmaster before becoming Vice-President. As Democratic Whip, Mansfield had been nominally number two in his party in the Senate but he had languished in the shadow of LBJ's one-man show.

Mansfield was, and is, extremely popular with his colleagues but there are those who wish he resembled St. Michael the Archangel more than St. Francis of Assisi. To be sure, he is modest and mild-mannered, with a face as ascetic as an El Greco painting—plain and bony, with a high forehead and a thin, firm mouth. Mansfield, however, detests the sainthood quips, according to an associate. After all, he does—on rare occasions—take a drink, cuss and get angry.

I asked him if the years had changed his original views on how to "lead" a collection of rugged individualists.

"Not at all," he replied quickly. "My philosophy lies in giving recognition that they are senators, and not shoving anything down their throats. I think the Senate's record of the past thirteen or fourteen years will stack up against any period in the history of the republic.

"Johnson and I were quite different. I don't believe in putting pressure on a member. I ask him to give the leadership the benefit of the doubt if he can see our point of view. If I got a Senator to switch through pressure tactics, he might do it, but he wouldn't like it, and he might not do it a second time. It's a long-range view. Animosities will not develop, and senators will be senators."

He added, with a reflective pull on his pipe, "Even if I had not served under Johnson, I would feel the same. You have to be yourself."

Mansfield has been Majority Leader now more than double LBJ's six years. I asked him if, in fourteen years, he had ever put the pressures on for a senator's vote.

"I wouldn't know how, wouldn't be good at it, and the Senate would pay the price in the long run," he shot back.

He continued slowly: "I think the best way to operate in a body of your peers is to work for what can be achieved by logic, persuasion, and accommodation."

Mansfield stressed that he and Senate Republican leader Hugh Scott realizes that "as leaders we are subject to the rest of the membership of the Senate, and have to keep ourselves under control . . . to get the Senate to do what is best for the institution of the Senate. This is a very important factor, because a single senator has such great powers he could make it difficult, and if a number of senators got together, it could make the institution an anachronistic body.

"Scott is a very good man to work with," he said. "We lay our cards on the table and don't pull any tricks on each other. Under Johnson sometimes—I won't mention any names—the cards were not always on the table. When LBJ was around, he kept all the reins in his hands. What I learned was through observation, and not through training."

Noting that the Senate glories in its often windy "unlimited debate," I asked whether a senator can actually affect the outcome of a vote through sheer oratorical argument.

"In all my years down here," Mansfield responded, "I have seen just three men change votes—and all in one instance only. Walter George did it on a foreign policy matter I can't remember. Alben Barkley did it on my resolution to create a joint Congressional committee to check up on the CIA. I had fifty-four signatures on the resolution but when Barkley got through talking against it on the floor I wound up with only twenty-eight votes! The third senator was Ed Muskie, who sold the model cities bill by the way he mastered the debate and then switched a lot of ambivalent votes to his side."

Mansfield pointed out that Muskie had worked hard for legislation in which his own state, Maine, had no interest. The hardest time for a senator, he said, is the case where he should vote in good conscience *against* the wishes of his constituents. That "difficult choice" happened to him on the gun control bill in 1968.

Mansfield recalled that he got between 25,000 and 30,000 pieces of mail from Montana against the bill, the biggest outpouring he has ever had.

"You couldn't explain it to them," he said. "It was too emotional. The legislation took away none of their rights, and was no problem out there, where people are trained to use guns. It was directed at urban crime areas, and all it did was provide a closer check on gun sales to help the legal authorities track down murderers."

Did he try to educate Montanans on the issue before casting his vote for gun control?

"I never try to 'educate' anybody," he answered. "I've always gone on the theory that I should listen to the other fellow, recognizing that he might be right. There are always two sides to every question—if not more. People sent me here to use my best judgment. I explain why, and let it go at that.

"I guess I've done very little leading in my life," Mansfield mused wryly, with no trace of regret. "I was a seaman second class in the Navy, a private in the Army, and got as high as private first class in the Marine Corps."

The extraordinary experience of serving in three service branches happened to a rootless transplanted New Yorker. Mansfield was born in New York City on March 16, 1903, the son of Patrick and Josephine (O'Brien) Mansfield, both natives of Ireland. His mother died when he was six and his father, a hotel porter, packed him off with his two sisters to Great Falls, Montana, to live with two uncles.

"In 1917 there was a war on, and I wanted to get into it," he remembered. "I told the Navy recruiting station I was eighteen when I was really fourteen."

After seven Atlantic crossings in transport service, young Mike was discharged by the Navy in 1919 and restlessly joined the Army. After a dull one-year hitch, he next tried the Marines and "hit the jackpot"—service in the Far East.

"I loved the sights, sounds, smells, and the people of China," he said. It was the start of his long preoccupation with Asia.

Mansfield returned to Montana in 1922 and took the only job open to him—a mucker in the Butte copper mines, 2,800 feet below the ground. Within a few years, ambitious for more daylight, he was doing two other things at the same time, making up his high school credits (he had none) while studying for a bachelor's degree at the Montana School of Mines. He also found the time and energy to play on the college football team, a rangy, twenty-four-year-old six-footer at left end.

Mansfield's pursuit of higher education was inspired in part by his high school teacher, pretty Maureen Hayes, a graduate of St. Mary's College of Notre Dame. They were married in 1931. Both are Roman Catholics. They have one daughter, Anne, now living in England with her husband, Robin Marris, a professor of economics at Oxford.

In 1934 Mansfield earned a master's degree in political science and came out of the mines. For the next nine years he taught Latin American and Far Eastern history at Montana State University. In 1942 he was elected to the House.

Four times Mansfield was reelected, and in 1952 he ran for the Senate, where he has served ever since. He continued to specialize in foreign policy, particularly the Far East.

Mansfield told me how he was summoned to the White House by President Roosevelt in 1944, when he was still a green freshman. He still seemed astonished as he described the scene. "I was ushered into the President's study and without any ado he said, 'Mike, I have asked you to come here to request that you undertake a confidential mission for me to China. I've had economic and military reports but what I want is an overall picture and I think you are the man to get it for me. I have been watching your work in Congress.'"

Under secret instructions from FDR, Mansfield was flown in a bucket-seat military plane to interior China for meetings with the American and Chinese generals as well as others. His report, among other recommendations, concluded that Generalissimo Chiang Kai-shek, despite his shortcomings, was the only man who could reunite that war-torn country because "he *is* China."

Mansfield recalled Roosevelt in 1944 and 1945 as "a sick man. I guess the strain was terrible, and it showed."

I asked for his impressions of the other five Presidents he has worked with. He called Harry Truman "a good, down-to-earth man who lived up to the name of his birthplace, Independence, Missouri." He said, "Before the Japanese war ended he called me to the White House with Senator Elbert Thomas, of Utah, another ex-professor, and asked if Emperor Hirohito should be returned to

Japan. We said yes; we thought he would be a solidifying factor."

As for Eisenhower, Mansfield continued, "I liked him. I thought he could have done more than he did, due to his father-figure prestige, but as I look back, I think he did extremely well."

Mansfield was the Senate Democratic delegate to the 1954 Manila Conference, where the Southeast Asia Treaty Organization was created. At a reception during the conference, then Secretary of State John Foster Dulles pulled him into a corner and confided that Admiral Arthur W. Radford, then chairman of the Joint Chiefs of Staff, had recommended a U.S. air strike against the Chinese mainland in the face of the Chinese communists' threats to "liberate" Taiwan from the Chinese Nationalists.

Asked for his review, Mansfield told Dulles he was "adamantly opposed," and that any such action—which could result in war with China—should be taken before a joint session of Congress. When the matter subsequently came before the President, Mansfield learned, Ike said the Senator had taken the right position.

There are four pictures of JFK in Mansfield's leadership office, just off the Senate floor, and one drawing of Jacqueline Kennedy.

"We had a very, very close, very warm relationship," he told me. "Kennedy was never demanding, he simply said what he would like to see done."

When the slain President lay in state in the Capitol rotunda, Mansfield delivered one of the televised eulogies. In a voice uncharacteristically vibrant with barely controlled emotion, he spoke of the significance of the terrible event with a candor that shocked some of the VIP's in the audience. But Jackie Kennedy, thrilled, said it was "as eloquent as a Pericles oration."

When I asked if he had needed any help in preparing his soaring Kennedy tribute, Mansfield said quietly, "No—it just came out."

Remembering Lyndon Johnson as President, Mansfield told me: "We were friendly, and understood each other. He never demanded anything—he knew me pretty well. But he would bring up things about Vietnam with the Cabinet and Joint Chiefs of Staff present, and ask for individual views. On at least three occasions I was the only one who differed from all the rest. He took it, but I don't think he liked it.

"Back in 1964, one month before the Democratic convention," Mansfield continued, "LBJ called me down to the White House and asked me to be his running mate. I said no. Of course, he probably asked the same thing of others, but I would not have taken it even if they forced it on me at the convention. My ambition originally was to be a congressman from Montana, and when I got to be senator that was my *highest* ambition.

"I have always wanted to be my own man," he explained, "and a Vice President—or President—is anything but his own man. I have never for a moment wanted to be President. I often have wondered why so many other senators do want it but I'm glad they do. It has too much responsibility for me."

Returning to his LBJ recollections, Mansfield went on: "In late March, 1968, I went down to the White House about six p.m., very reluctantly, after mutual friends repeatedly urged me to see the President and talk to him about Vietnam. I didn't think it would do any good.

"Johnson very shortly started to talk about Vietnam . . . he asked my opinion about sending 40,000 more troops, I said, 'No, we've got to get out, should not have been there in the first place.' I spent three and a half hours there that night with Johnson. That's a long time for me to be talking to anyone (and this is a long time to be talking to you, Paul) and as I finally got to the door, he said, 'Mike, I wish my leader would support me.' Well, I was not his leader, I was the Senate's leader. 'But,' he said, 'I want you to know I appreciate your honesty in telling me how you feel about it.'

"Three days later I heard him deliver that Sunday night TV speech—which he had been working on that night—and I heard him add that he would not run for reelection. I was surprised."

Mansfield called his relationship with President Nixon "good."

"I think we understand each other in the positions we hold. Early in his first year he often had me down to breakfast where there were just the two of us present, and he raised the question of normalizing our relations with the People's Republic of China. He told me what he intended to do and I gave him my wholehearted support. He said, 'I want you to be the first to visit the PRC' (after his own trip there).

"This has been Nixon's outstanding accomplishment in foreign policy, and it had a greater impact on the world of the foreign policy than that of all the presidents I have worked with."

Although he generally votes with the liberals, Mansfield said he identifies himself only "as a democrat—with a small 'd.'

"I like to keep everything small," he quipped.

Mansfield rides from his northwest Washington home before dawn in the chauffeur-driven limousine provided for the majority leader. By six o'clock he is in his office, where he starts catching up on his mail. He and Maureen are invited to the best parties in town—only because of his senatorial status, he insists—but they join the social whirl only when they have to or really want to. Mansfield said his favorite recreation is to go home and listen to his collection of New Orleans jazz records on his stereo.

When we ended the interview, after three hours, he said with a smile, "Tap 'er light, Paul. That's an old Butte copper miners' expression. It means, 'take it easy.'"

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and I ask that it be charged against my time.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BUCKLEY. Mr. President, will the distinguished assistant majority leader yield?

Mr. ROBERT C. BYRD. I shall be glad to yield to the Senator some time. How much time would he like?

Mr. BUCKLEY. Two minutes.

Mr. ROBERT C. BYRD. I shall be glad to yield as much time as he wishes. Three minutes?

Mr. BUCKLEY. Three minutes will be more than adequate.

The ACTING PRESIDENT pro tempore. The Senator from New York is recognized.

DEVELOPMENTALLY DISABLED ASSISTANCE AND BILL OF RIGHTS ACT

Mr. BUCKLEY. Mr. President, I have come to my desk to find legislation, S. 3378, for a very fine purpose; namely, to provide assistance to the developmentally disabled, establish a bill of rights for the developmentally disabled, and for other purposes. This legislation was just printed. It is 376 pages in length. I have asked my staff what it is all about, and I am advised that no report is yet available for it. We do not even have an estimate as to what the authorizations might be that are included.

I have had occasion several times, Mr. President, to express an institutional complaint; namely, that we are required to pass judgment far too many times on complex, far-reaching, novel legislation without any possibility of having the time to inform ourselves as to the contents. Under the circumstances, I advise the leadership that I shall insist that the rules be observed to the letter with bringing up this legislation.

Mr. MANSFIELD. Will the Senator yield?

Mr. BUCKLEY. I am glad to yield.

Mr. MANSFIELD. May I say that the leadership was aware of the interest of the distinguished Senator from New York, but not until this morning. The reports will be available around 2 o'clock this afternoon. The Senator from New York may rest assured that his request will be honored.

Mr. BUCKLEY. I very much appreciate that. I say to the distinguished majority leader that my interest is not because I think there is anything in there that I may disapprove of. It is simply that I do not know what is in there.

Mr. MANSFIELD. Fair enough. The request will be honored.

Mr. STAFFORD. Mr. President, who has the time?

Mr. ROBERT C. BYRD. Mr. President, I yield the Senator from Vermont 2 minutes.

Mr. STAFFORD. I thank the distinguished assistant majority leader.

Mr. President, I simply want to assure the Senator from New York that considerable work has been done on this bill. It is one that Senator RANDOLPH and this Senator has been handling through committee and expect to handle on the floor of the Senate. It is a very long bill. It came out of the subcommittee, and the full committee unanimously, and we were not aware until we learned of the concern of the Senator from New York that there was any objection to it. Otherwise, we would not be prepared to handle it this afternoon.

We want the Senator from New York to have an adequate opportunity to examine the bill and to examine the report before the Senate acts upon this piece of legislation. This Senator does believe that when the Senator from New York has had a chance to examine the report and examine the bill, he may even wish to be a cosponsor of it before it goes to the Senate.

Mr. BUCKLEY. Mr. President, I wish to make clear that as far as I know, I have no objection to this bill. I simply believe, however, that I have a responsibility to this institution and to the citizens of the State of New York to be somewhat familiar with what, at least in terms of bulk, promises to be a most significant, far-reaching piece of legislation.

I do not want to have to do what we, each one of us, too often find ourselves having to do: Trying to determine within the 15 minutes between when a bell rings and the time we have to vote what some proposal or amendment we have never heard of is intended to do, and whether it merits our support.

Mr. STAFFORD. We appreciate the position of the Senator from New York, and we want him to have adequate opportunity to examine this legislation.

Mr. BUCKLEY. If I may say so, under existing rules, I shall not, in fact, have had that opportunity. I hope that when the next Congress convenes, we shall study this problem with greater care and see if we cannot devise rules that, in the normal case, will allow at least 2 or 3 weeks from the time of the availability of the report before we are forced to vote. Each one of us is bogged down with his own committee responsibilities and his own work. Each one of us is handicapped in terms of inadequate staff capability.

I think that, also, each one of us would like to have public input of the kind that would not be possible by the time we come to vote on this particular bill, which undoubtedly is an excellent bill.

Mr. STAFFORD. I thank the distinguished assistant majority leader for yielding the time.

Mr. ROBERT C. BYRD. Mr. President, if no other Senator requests time, I yield back the remainder of my time.

ORDER TO VACATE ORDER FOR RECOGNITION OF SENATOR GRIFFIN

Mr. ROBERT C. BYRD. Mr. President, in view of the fact that Mr. GRIFFIN did not request an order for time, and I merely had the order entered as a courtesy to Senator GRIFFIN in the event any Senator on his side wished time this morning, I ask unanimous consent that the order for the recognition of Mr. GRIFFIN also be vacated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes.

The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordeerd.

THE DESIGNATION OF SENATOR HUGHES AS ADDITIONAL CONFEREE ON H.R. 14214

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Iowa (Mr. HUGHES) be added as a conferee on H.R. 14214. This was an oversight which is now being corrected.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

APPROVAL OF A BILL

A message from the President of the United States stated that on September 19, 1974, he approved and signed the bill (S. 3052) to amend the act of October 13, 1972.

REPORT OF THE SECRETARY OF AGRICULTURE—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. HATHAWAY) laid before the Senate a message from the President of the United States transmitting a report of the Secretary of Agriculture concerning the activities by the Farmers Home Administration, which, with an accompanying report, was referred to the Committee on Agriculture and Forestry. The message is as follows:

To the Congress of the United States:

I am transmitting herewith the report of the Secretary of Agriculture as required by 7 U.S.C. 1981.

This report sets forth the activities by the Farmers Home Administration in contracting for consultant and feasibility evaluation studies for the purpose of processing Business and Industrial Loans under authority of the Consolidated Farm and Rural Development Act, as amended.

GERALD R. FORD.

THE WHITE HOUSE, *September 26, 1974.*

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. HATHAWAY) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House has passed without amendment the joint resolution (S.J. Res. 244) to extend the termination date of the Export-Import Bank.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 11559) to place certain submerged lands within the jurisdiction of the governments of Guam, the Virgin Islands, and American Samoa, and for other purposes.

The message further announced that the House has passed the bill (H.R. 16032) to authorize the Secretary of the Treasury to change the alloy and weight of the 1-cent piece and to amend the Bank Holding Act Amendments of 1970 to authorize grants to Eisenhower College, Seneca Falls, N.Y., in which it requests the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker has affixed his signature to the following enrolled bills and joint resolution:

H.R. 11559. An act to place certain submerged lands within the jurisdiction of the governments of Guam, the Virgin Islands, and American Samoa, and for other purposes;

H.R. 15404. An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies, for the fiscal year ending June 30, 1975, and for other purposes; and

S.J. Res. 244. A joint resolution to extend termination date of the Export-Import Bank.

The enrolled bills and joint resolution were subsequently signed by the Acting President pro tempore (Mr. HATHAWAY).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. HATHAWAY) laid before the Senate the following letters, which were referred as indicated:

SUPPLEMENTAL APPROPRIATION TO PAY CLAIMS AND JUDGMENTS (S. DOC. 93–114)

A communication from the President of the United States requesting a supplemental appropriation of $903,211 to pay claims and judgments rendered against the United States (with accompanying papers). Ordered to be printed and referred to the Committee on Appropriations.

SUPPLEMENTAL REQUEST FOR THE GOVERNMENT PRINTING OFFICE (S. Doc. 93–115)

A communication from the President of the United States requesting supplemental appropriations for the fiscal year 1975 providing for an increase of $300,000 for the Government Printing Office (with accompanying papers). Ordeerd to be printed and referred to the Committee on Appropriations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CRANSTON, from the Committee on Banking, Housing and Urban Affairs, without amendment:

S. 4037. A bill to extend for 2 years the authorization for the striking of medals in commemoration of the 100th anniversary of the cable car in San Francisco (Rept. No. 93–1178).

By Mr. ERVIN, from the Committee on Government Operations, without amendment:

S. Res. 399. A resolution urging full public access to all facts and the fruits of all investigations relating to Watergate and full public access to all papers, documents, memorandums, tapes, and transcripts during the period January 20, 1969, through August 9, 1974 (Rept. No. 93–1179).

S.J. Res. 234. A joint resolution transferring to the State of Alaska certain archives and records in the custody of the National Archives of the United States (Rept. No. 93–1180).

By Mr. ERVIN, from the Committee on Government Operations, with an amendment:

S. 4016. A bill to protect and preserve tape recordings of conversations involving former President Richard M. Nixon and made during his tenure as President, and for other purposes (Rept. No. 93–1181).

S.J. Res. 240. A joint resolution requiring full public access to all facts and the fruits of all investigations relating to Watergate and full public access to all papers, documents, memorandums, tapes, and transcripts during the period January 20, 1969, through August 9, 1974 (Rept. No. 93–1182).

By Mr. ERVIN, from the Committee on Government Operations, with amendments:

S. 3418. A bill to establish a Federal Privacy Board to oversee the gathering and disclosure of information concerning individuals, to provide management systems in Federal agencies, State and local governments, and other organizations regarding such information, and for other purposes (Rept. No. 93–1183).

H.R. 9075. A bill to authorize the disposition of certain office equipment and furnishings, and for other purposes (Rept. No. 93–1184).

By Mr. TUNNEY, from the Committee on the Judiciary, with amendments:

S. 1724. A bill to amend title 28, United States Code, to provide more effectively for bilingual proceedings in certain district courts of the United States, and for other purposes (Rept. No. 93–1185).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with amendments:

H.R. 10834. An act to amend the act of October 27, 1972, establishing the Golden Gate National Recreation Area in San Francisco and Marin Counties, Calif., and for other purposes (Rept. No. 93–1186).

By Mr. BURDICK, from the Committee on the Judiciary without amendment:

S. 3021. A bill to amend title 28, United States Code, to provide that Madison County, Fla., shall be included in the northern judicial district of Florida (Rept. No. 93–1187).

By Mr. BURDICK, from the Committee on the Judiciary, with amendments:

S. 3265. A bill to increase the fees and reduce the financial hardships for those individuals who serve on grand or petit juries in district courts (Rept. No. 93–1188).

By Mr. HARTKE, from the Committee on Veterans' Affairs:

S. Res. 412. An original resolution authorizing supplemental expenditures by the Committee on Veterans' Affairs for inquiries and investigations (Rept. No. 93–1189). Referred to the Committee on Rules and Administration.

EXTENSION OF TIME FOR FILING COMMITTEE REPORT ON H.R. 12993

Mr. PASTORE. Mr. President, I ask unanimous consent that the Committee on Commerce have until midnight Friday, September 27, 1974, to file its report on H.R. 12993, a bill relating to broadcast license renewal.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

William D. Rogers, of Virginia, to be an Assistant Secretary of State; and

Edward S. Little, of Ohio, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Chad.

(The above nominations were reported with the recommendation that the nominations be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. BURDICK (for himself and Mr. COOK):

S. 4046. A bill to establish a uniform law on the subject of bankruptcies. Referred to the Committee on the Judiciary.

By Mr. PROXMIRE (for himself and Mr. BROOKE):

S. 4047. A bill to protect purchasers and prospective purchasers of condominium housing units and residents of multifamily structures being converted to condominium units by providing national minimum standards for the regulation and disclosure of condominium sales to be administered by the Secretary of Housing and Urban Development. Referred to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MONDALE:

S. 4048. A bill for the relief of Alfred Francis, wife, Doreen, and Anthony and Angeline Francis. Referred to the Committee on the Judiciary.

By Mr. SCHWEIKER:

S. 4049. A bill to reduce interest rates and make additional credit available for essential economic activities. Referred to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MONTOYA:

S. 4050. A bill to establish a temporary special commission on Guadalupe-Hidalgo land rights. Referred to the Committee on the Judiciary.

By Mr. TUNNEY (for himself and Mr. HART):

S. 4051. A bill to establish a Research and Development Program within the Department of Commerce for alleviating shortages of products and materials in interstate commerce, and for other purposes. Referred to the Committee on Commerce.

By Mr. HARTKE:

S. 4052. A bill to amend the Internal Revenue Code of 1954 to provide a refundable credit against tax for post-secondary education expenses for tuition and fees paid by the taxpayer attributable to the attendance of a student at an institution of post-secondary education, and for other purposes. Referred to the Committee on Finance.

By Mr. PELL:

S. 4053. A bill to establish a commission to study rules and procedures for the disposition and preservation of records and documents of Federal officials. Referred to the Committee on Government Operations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BURDICK (for himself and Mr. COOK):

S. 4046. A bill to establish a uniform law on the subject of bankruptcies. Referred to the Committee on the Judiciary.

Mr. BURDICK. Mr. President, today Senator COOK and I are introducing, by request, a bill to revise the Bankruptcy laws of the United States.

The bill that is being introduced today is a bill which is sponsored by the National Conference of Bankruptcy Judges and one which is the end product of several months of intensive work by the National Conference of Bankruptcy Judges.

On October 11, 1973, Senator COOK and I introduced S. 2565, to revise the Bankruptcy laws of the United States. That bill was the end product of over 2 years of work by the Bankruptcy Commission.

A quarter century has now passed without major amendment to the Bankruptcy Act. During that period there has been a staggering increase in bankruptcy filings, from 10,000 in 1946 to 200,000 in 1972. It is not surprising that serious flaws have developed.

While there is general agreement that a new bankruptcy law is needed to remedy the faults of the present system, there are, of course, differences as to the exact form this new law should take. The bill being introduced reflects the thinking of the National Bankruptcy Conference as to the most effective changes in modernizing the administrative structure of the bankruptcy courts and, in general, setting uniform standards and laws throughout the United States.

While I am not unalterably wed to each and every provision of this bill, I believe that it will serve as an excellent vehicle alongside S. 2565 for further study of the needed reforms of the Federal bankruptcy law.

By Mr. PROXMIRE (for himself and Mr. Brooke):

S. 4047. A bill to protect purchasers and prospective purchasers of condominium housing units and residents of multifamily structures being converted to condominium units by providing national minimum standards for the regulation and disclosure of condominium sales to be administered by the Secretary of Housing and Urban Development. Referred to the Committee on Banking, Housing, and Urban Affairs.

Mr. PROXMIRE. Mr. President, on behalf of the distinguished Senator from Mass. (Mr. Brooke) and myself, I introduce today a bill to protect the condominium buyer from misrepresentations and abuses which have received increasing attention as the "condominium craze" spreads throughout our Nation's metropolitan areas and vacation spots. Our bill will set Federal standards for regulation and disclosure in connection with condominium sales and require the Secretary of the Department of Housing and Urban Development to enforce these standards.

The condominium boom, once confined to vacation spots, is now hitting our Nation's cities with epidemic force. A study of 25 metropolitan areas showed that in 1972, 40.3 percent of the new units for sale were condominiums. The figures for individual cities ran far higher. In Milwaukee, for example, 45 percent of the new housing was condominiums; in Cleveland it was 57 percent, in Bridgeport, Conn. an astonishing 83 percent.

All indications are that the condominimum craze is growing rapidly and changing the face of the housing market. The National Association of Homebuilders estimates that condominiums accounted for 8 percent of total housing starts in 1972, 10.8 percent in 1973 and up to 14.3 percent this year.

Furthermore, these figures just take into account new condominium construction. The total is in fact much larger because of the huge number of apartment buildings that are being converted from rental to condominium units, thus feeding the ownership market at the expense of the rental market.

What does the condominium buyer get in his purchase? He becomes the owner of one unit in a multi-family housing complex, which may be an apartment in a high-rise or low-rise structure or a townhouse, and may be located in the city's center, in the suburbs, or in a resort area. Along with his unit, the buyer also acquires an undivided share in the project's common areas and facilities, which can range from the lobby, grounds, and electrical and mechanical systems to extensive recreational facilities such as swimming pools and tennis courts.

The price of a condominium can range from $20,000 or less to over $100,000. The purchaser makes monthly payments on the mortgage on his unit and takes the same tax deductions for mortgage interest and property taxes as does the owner of a single-family home. In addition, the condominium owner pays a monthly condominium fee, for operating and maintenance and any common costs shared by the project's owners as a whole; this is not tax deductible. Other fees may be charged on top of that, such as recreation fees.

CAUSES OF THE "CONDOMINIUM CRAZE"

What are the causes of the condominium craze? The basic answer is cost. Inflation in real estate prices has pushed the price of the standard single-family house beyond the reach of many potential homebuyers. Soaring land and construction costs, sewer moratoriums and other anti-growth policies have placed further pressures on the supply and price of housing, leading even to some predictions that the single-family detached house may become obsolete.

Another side of the picture is that rental housing has become an increasingly less attractive investment. Costs of maintenance and utilities have risen rapidly, as have real estate taxes, and imposition of rent controls in many cities has cut into landlords' profit margins. Thus the incentive is to turn the building over to a developer, who takes his tax breaks, does some renovation, then sells the units at an inflated price and gets his money out fast. As for building new rental housing, costs of construction make projected rents prohibitively high, and here again, the developer sees an advantage in getting his money out quickly and turning responsibility for running the building over to the residents.

BRIGHT PROMISES, SAD REALITIES

So developers and real estate agents are heralding the condominium as the wave of the future. Open the real estate pages of any metropolitan area newspaper and you will be bombarded with advertisements that promise your dreams will come true when you buy your own condominium. Prospective buyers are told that they will have all the advantages of homeownership, without the headaches of maintenance and repair. They are lured with visions of swimming pools and tennis courts—country club living at apartment prices.

Certainly condominiums do represent an attractive housing choice for many people. They offer homeownership and its accompanying tax benefits to people whose incomes are too low to afford conventional housing.

But too often bright promises fade in the face of sad realities, and the condominium owner finds himself faced with unanticipated problems and unexpected expenses.

The monthly condominium fee charged for maintaining common areas and other building expenses doubles or triples, because the developer understated the expenses in the promotional material.

The swimming pool he thought he had bought along with the house turns out to belong instead to the developer, who rents it out to the condominium owners at an exorbitant fee.

The project's owners are locked into a long-term contract with a management company, often one in which the developer has an interest, so they are not free to select the management and negotiate the rates.

In older buildings converted to condominiums, owners are often saddled with expensive repairs, as long-neglected electrical and mechanical systems left untouched by cosmetic renovation fall apart completely.

The owner may find himself paying as much or more for his condominium as he would have to pay for a house. He is disappointed and frustrated; he feels he has been misinformed and misled. And yet willy-nilly he is the owner of his condominium castle, and the law holds that he is responsible for whatever befalls him in it.

NEED FOR FEDERAL REGULATION OF CONDOMINIUM SALES

Mr. President, there is an obvious need for more protection for the consumer entering the condominium market. A condominium is a complex legal entity involving several levels of ownership and responsibility. There is much room for misunderstanding; there is great opportunity for abuse.

The legislation we are introducing today is aimed at clearing up misunderstandings and eliminating abuse. It requires that the prospective condominum purchaser receive full disclosure of the details of his purchase, including a description of his legal rights and responsibilities, a statement of all the costs he will have to bear, and an explanation of what the developer is providing in addition to the condominium unit itself.

In addition to giving full disclosure, the bill places requirements on the developer which are designed to protect the consumer from abuses often associated with condominium purchases. These include a 1-year warranty on the structure and mechanical and other systems, coupled with a statement of the responsibility of the developer for any structural or engineering defects; assurances that the owners will be able to form an owners' association within 1 year to select the project management and will not be bound by any long-term management contracts; and a requirement that recreation fees be stated separately, with an indication of the extent to which purchase of the condominium includes use of the project's recreational facilities.

The bill directs the Secretary of the Department of Housing and Urban Development to issue rules and regulations necessary to carry out the requirements of the legislation. It also calls on him to draw up, within 1 year following the date of enactment, standard forms to be used in all condominium transactions. One of the problems faced by condominium purchasers is that the legal documents involved in the transaction are so long and complicated that the buyer is in doubt as to what they entail. This bill would require full disclosure of the terms of the transaction in clear and concise form.

NEED FOR REGULATION OF CONDOMINIUM CONVERSIONS

Mr. President, there are special problems involved in the conversion of existing structures to condominiums, and this bill seeks to address those problems.

First, the prospective purchaser runs the risk of buying into a building which looks all right on the surface but turns out to have faulty wiring, or a worn-out heating system, or to be falling apart in any number of ways. Our bill requires that each prospective purchaser of a unit in a building converted to a condominium receive an engineering report on the condition and rated life and expected useful life of the structure and all engineering systems, together with a projection of repair and replacement costs over the next 5 years. He would also receive a statement of the operating and maintenance costs of the building as a whole and of each unit for the preceding 3 years, to give him additional information on the condition of the building and the costs he will have to bear.

A second problem, and one which concerns me greatly, is the fate of the tenants of rental buildings which are converted to condominiums. When the conversion occurs, the tenant is forced either to buy his apartment or to move out. Often he has to do this on very short notice. This works a particular hardship on certain groups of tenants, such as the elderly and lower income people, who may well not be able to afford to buy their units and may have great difficulty finding other housing.

The problem is compounded when one looks at the rental housing market as a whole. Condominium conversions are aggravating the already severe shortage of rental units in metropolitan areas. The supply of rental housing is dwindling rapidly, particularly the supply of moderately priced rental housing, while the demand for such housing continues and grows.

Under current conditions, many groups in the population can only be served by rental housing. Lower income people cannot get mortgages. Elderly people, even if their incomes are high enough, are also denied mortgages on account of their age. Students, young people, people on temporary—all seek rental housing to meet their needs.

Mr. President, in this legislation we attempt to deal with some of these problems and look for solutions to them.

The bill directs the Secretary of HUD to make a study, and report back to Congress within 1 year following the date of enactment, with respect to the state of the rental housing market in representative metropolitan areas and the effects of condominium construction and conversion on that market. The aim is to measure the demand for rental housing and the projected supply to meet that demand, and then to recommend measures to increase the supply of rental housing if it appears—as I believe it will—that we are facing shortages and severe hardship in this area.

Furthermore, the bill calls for specific recommendations from the Secretary to deal with the problems of tenants affected by condominium conversion. It directs him to explore such approaches as requiring that at least 50 percent of the tenants agree either to purchase their units or to move out before the structure can be converted, or deferring conversions in areas where the rental market is not sufficient to take care of tenants displaced by such conversions, or giving tenants who would experience severe hardship in relocating special consideration, such as continued rental of their units or preferential financing arrangements.

FEDERAL LEGISLATION NEEDED TO COMPLEMENT STATE AND LOCAL EFFORTS

Mr. President, I must call attention to the fine work already done in some States and localities to address the problems involved in the condominium boom and to regulate condominium sales. Laws of this sort have been passed recently in such places as Maryland, Virginia, New York, Florida, and the District of Columbia. This legislation draws on many of ideas and provisions contained in those existing laws.

Some have claimed that regulation of condominium sales should appropriately be carried out at the State and local level and that the Federal Government should not play a role in this area.

Senator BROOKE and I certainly do not intend to preempt the role of States and localities in regulating condominium sales where a positive and comprehensive effort is being made. In fact, this bill specifically provides that State or local laws shall prevail where they are not inconsistent with standards established under this legislation, and it allows the States and localities to set more stringent standards for consumer protection as well.

Nonetheless, we believe there is a definite and compelling need for Federal regulatory legislation at this time. The condominium craze has given rise to a host of questions and problems which demand the consideration of the Congress and of the Federal Government. This matter affects a large number of our citizens. It is a major component of the housing market nationwide.

It is our duty to examine all aspects of the condominium phenomenon and to prescribe corrective measures where difficulties and abuses exist. Moreover, it is important to do this at the Federal level. If it is done in a piecemeal and patchwork fashion, then we will end with a maze of differing and conflictng local standards whch will cause more confusion and invite further abuses. Developers will move from States with strong laws and into States with weaker laws. A person who moves from one place to another will find that the protections he enjoyed formerly are no longer available in his new place of residence.

Mr. President, the Housing Subcommittee of the Senate Committee on Banking, Housing and Urban Affairs will hold hearings on condominium legislation on October 9 and 10. I look forward to those hearings as an opportunity to examine further all the factors involved in condominium sales and to gather information useful for the committee's work on condominium legislation.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD at the conclusion of the remarks of the Senator from Massachusetts (Mr. BROOKE).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROOKE. Mr. President, 15 years ago the word "condominium" was unfamiliar to all but a few Americans. Today it would be surprising to find an urban resident who hasn't heard of condominiums. About 2 million American families own housing units under this form of ownership, and the construction of new condominiums as well as the conversion of existing structures to condominiums seems to be absorbing the attention of a large part of the real estate industry in many of our cities.

Between 1970 and the present time, condominium ownership has increased almost sevenfold from 300,000 units to approximately 2 million units. Thousands of rental units in existing structures are each year converted to condominiums, decreasing the supply of rental housing in many urban areas.

Our communities have hardly had time to assess the impact of this new trend in the housing market. A number of questions regarding condominiums have arisen and remain unanswered: What protections should be given by law to condominium buyers? What role should developers be permitted to play in the management of condominium projects? What are the implications of condominium conversions for the rental housing market? Are our Federal tax laws deciding the future of the urban rental housing market by encouraging condominium construction and conversion? What are the implications for lower income families?

Some State legislatures have taken the initiative in passing laws to protect condominium purchasers. Newspapers and television networks have started to run features on condominiums, and the public is becoming educated. However, the Congress has yet to consider the implications of burgeoning condominium development on our housing markets.

With a view to stimulating discussion of this issue and protecting the condominium purchaser, Senator PROXMIRE and I have introduced the Condominium Act of 1974. The Senate Housing Subcommittee plans to hold hearings on our bill on October 9 and 10. While it may be too late for condominium legislation to be enacted in this session of the Congress, we hope that by initiating consideration of this subject in the 93d Congress, we shall be on the way to prompt action in this area in the 1st session of the 94th Congress.

A bill to protect purchasers and prospective purchasers of condominium housing units and residents of multifamily structures being converted to condominium units by providing national minimum standards for the regulation and disclosure of condominium sales to be administered by the Secretary of Housing and Urban Development.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Condominium Act of 1974."

DEFINITIONS

SEC. 2. For the purposes of this Act, the term—

(1) "Secretary" means the Secretary of Housing and Urban Development;

(2) "person" means an individual, incorporated organization, partnership, association, corporation, trust, or estate;

(3) "condominium" means a single-family dwelling unit which is sold or offered for sale (or held) together with and undivied interest in common areas of the project in which the unit is located;

(4) "condominium project" means a multifamily housing project, consisting of one or more buildings and related property, facilities, and appurtenances, in which all of the dwelling units (or some but not all of the dwelling units where clause (2) of section 10 applies) are or will be held as condominiums;

(5) "condominium instruments" means all legal instruments, contracts, plats, plans, or other documents which are recorded or filed, with respect to a condominium project, under local law, or which the Secretary, by regulation, determines are relevant to the rights of a purchaser of a condominium in a project and to the effective enforcement of this Act;

(6) "developer" means any person who owns or constructs a condominium project (or converts or proposes to convert a multifamily rental housing project to condominium ownership) and who offers or proposes to offer dwelling units in such project for sale;

(7) "agent" means any person who represents or acts for or on behalf of a developer in selling or offering to sell any condominium in a project, but such term does not include an attorney at law whose representation of another person consists solely of rendering legal services;

(8) "federally related condominium housing loan" means a loan which is made to finance the transfer of a condominium to an individual or family or the purchase, construction, rehabilitation, or conversion of an existing structure to a condominium project by a developer, and which—

(A) is made in whole or in part by a lender the deposits or accounts of which are insured by any agency of the Federal Government, or is made in whole or in part by a lender which is itself regulated by any agency of the Federal Government; or

(B) is made in whole or in part, or insured, guaranteed, supplemented, or assisted in any way, by the Secretary or any other officer or agency of the Federal Government or under or in connection with a housing or urban development program administered by the Secretary or a housing or related program administered by any other such officer or employee; or

(C) is eligible for purchase by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, or from any financial institution from which it could be purchased by the Federal Home Loan Mortgage Corporation; or

(D) is made in whole or in part by any "creditor", as defined in section 103(f) of the Consumer Credit Protection Act of 1968 (15 U.S.C. 1602(f)), who makes or invests in residential real estate loans aggregating more than $1,000,000 per year;

and the term "federally related condominium project" means a condominium project (i) the purchase, construction, rehabilitation, or conversion of which was financed in whole or in part with a federally related housing loan a portion of which remains outstanding, or (ii) dwelling units in which are currently (as determined by the Secretary) being sold with the aid of federally related housing loans;

(9) "interstate commerce" means trade or commerce among the several States;

(10) "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States;

(11) "purchaser" means an actual or prospective purchaser or lessee of a condominum in a project; and

(12) "offer" includes any inducement, solicitation, or attempt to encourage a person to acquire a condominium in a project.

PROHIBITION; REQUIREMENTS FOR FEDERAL ASSISTANCE TO CONDOMINIUMS

SEC. 3. (a)(1) It shall be unlawful for any developer or agent, directly or indirectly, to make use of any means or instrument of transportation or communication in interstate commerce, or of the mails, to sell any condominium in any project unless the project is registered and a statement of record with respect to such condominium is in effect in accordance with sections 4, 5, and 6, and a printed public offering statement, meeting the requirements of section 7, is furnished to the purchaser in advance of the signing of any contract or agreement for sale by the purchaser.

(2) Any contract or agreement for the purchase of a condominium in a project covered by this Act, where the public offering statement has not been given to the purchaser in advance or at the time of his signing, shall be voidable at the option of the purchaser. A purchaser may revoke such contract or agreement within ten days, where he has received the public offering statement less than forty-eight hours before he signed the contract or agreement, and the contract or agreement shall so provide.

(b) No federally related condominium housing loan shall be made unless (1) the project is registered and a statement of record with respect to the project or the condominium involved is in effect in accordance with sections 4, 5, and 6, and (2) the developer of the project submits such statement of record along with the application for such loan.

REGISTRATION OF CONDOMINIUM PROJECTS

SEC. 4. (a) A project shall be registered by filing with the Secretary a statement of record, containing the information specified in section 5, which (1) meets the requirements of this Act and such rules and regulations as may be prescribed by the Secretary in furtherance of the provisions of this Act, and (2) is approved by the Secretary as being accurate, complete, and in accordance with the purposes of this Act.

(b) At the time of filing a statement of record, or any amendment thereto, the developer shall pay to the Secretary such fee as the Secretary may prescribe to cover the cost of rendering services under this Act.

(c) The filing with the Secretary of a statement of record, or an amendment thereto, shall be deemed to have taken place upon the receipt thereof, accompanied by payment of the fee required by subsection (b); and such statement shall become effective as provided in section 6.

(d) The information contained in or filed with any statement of record shall be made available to the public under such regulations as the Secretary may prescribe, and copies thereof shall be furnished to every applicant at such reasonable charge as the Secretary may prescribe.

CONTENTS OF STATEMENT OF RECORD

SEC. 5. (a) The statement of record required by section 3 and referred to in section 4(a) shall contain or be accompanied by—

(1) the name and address of each person having an interest in or lien on the project covered by the statement and the extent of such interest (including any interest to be retained by the developer);

(2) the developer's name and address, and, in the case of an organization, the form, date, and jurisdiction of the organization and the address of each of its officers;

(3) the name, address, and principal occupation for the past three years of every officer of the developer;

(4) a statement of the condition of title to the project for one year preceding the date of application, furnished in a title opinion of a licensed attorney who is not a salaried employee, officer, or director of the developer, or supported by other evidence of title acceptable to the Secretary;

(5) a legal description of the project and the land on which it is situated, in sufficient detail to identify the common elements and units in the project and their relative locations and approximate dimensions, together with copies (signed by a professional registered engineer or architect or both) of all engineering and architectural plans for the construction or conversion of the project;

(6) a copy of all condominium instruments;

(7) the estimated operating and maintenance costs of the project, as well as any other costs which may be passed on to the owners of the dwelling units in the project whether in the form of recreational fees, maintenance fees, or otherwise;

(8) recreation fees (A) will be stated separately from any other fees to be charged purchasers of dwelling units in the project, and each prospective purchaser of a dwelling unit in the project will be informed in writing of (i) the extent to which (and the basis on which) the purchase of such unit would include the use of the project's recreational services and facilities and (ii) the nature of the interest in such services and facilities which the purchase of such unit would confer.

(9) satisfactory assurances that no certificate of occupancy will be presented by the developer, or utilized to compel the signature of any prospective purchaser, until the structure involved is 95 per centum completed;

(10) a clear statement of the responsibility of the developer for any structural or engineering defects in the project;

(11) satisfactory assurances that all purchasers of dwelling units in the projects will be given a full one-year warranty on all electrical, heating, air-conditioning, and ventilation equipment and on the plumbing, roofing, and elevators;

(12) satisfactory assurances that—

(A) owners of the condominiums in the project will be permitted to form an owners' association, to select the project management, and to establish appropriate employment contracts and other contracts or agreements affecting the use, maintenance, or access to all or a part of the project no later than one year after the initial occupany of the project or as soon as 80 per centum of the units are occupied as condominiums, whichever is earlier;

(B) each owner of a condominium in the project shall have one unit in the owners' association;

(C) if, after one year, 100 per centum of the units are not sold as condominiums, the developer may participate in the owner's association in his capacity as owner of the units not sold, and

(D) the developer will not establish a management lease which is enforceable against the owners of the units in the project beyond the earliest date on which such owners are authorized to select the project management and establish related contracts as described in subparagraphs (A), (B) and (C);

(13) a statement of any zoning or other governmental regulations affecting the use of the project, including the site plans and building permits and their status, and a statement of existing or proposed special taxes or assessments which may affect the project;

(14) a narrative description of the promotional plan for the disposition of the condominiums in the project;

(15) a copy of the proposed public offering statement in accordance with the provisions of Section 7; and

(b) In any case where the project involved is a leased-unit structure which is to be converted to a condominium project, the information required in the statement of record shall also include satisfactory assurances that—

(1) existing tenants will have first priority to purchase dwelling units in the project;

(2) all of the tenants of the structure or structures involved will have been given at least six months, after notification of the proposed conversion, to decide whether or not to purchase their dwelling units;

(3) no tenant will be required to move from the project upon its conversion without ninety days' written notice;

(4) no lease agreement outstanding at the time of conversion (and covering a dwelling unit in the project) will be abridged without the consent of both the lessee and the developer;

(5) each prospective purchaser of a dwelling unit in the project will be furnished with copies of the purchase agreement and the public offering statement at least fifteen days prior to signing, and in addition will be furnished with—

(A) a statement of the total operating and maintenance costs of the structure, and of the operating and maintenance costs per unit, on a monthly and yearly basis, for preceding three years.

(B) a statement of the costs to be assumed by the owners of dwelling units in the project, both on a unit-by-unit basis and for the project as a whole;

(C) a list of the services to be offered to owners of dwelling units in the project;

(D) statement of any changes to be made in the structure, with floor plans showing the contemplated alterations;

(E) a description of any new additions to be made to the structure (including recreational facilities) and the cost thereof;

(E) a report from a qualified licensed engineer stating the condition and the rated life and expected useful life of the roof, foundation, external and supporting walls, mechanical, electrical, plumbing and structural elements, and all other common facilities, together with an estimate of repair and replacement costs projected for the five years following the effective date of the statement of record; and

(F) a list of any outstanding building code or other municipal regulation or code violations, which shall include the dates the premises were last inspected for code or regulations compliance.

(c) The fact that a statement of record with respect to a project has been filed or is in effect shall not be deemed a finding by the Secretary that the statement of record is true and accurate on its face, or be held to mean the Secretary has in any way passed upon the merits of, or given approval to, such project. It shall be unlawful to make, or cause to be made, any prospective purchaser any representation contrary to the foregoing.

EFFECTIVE DATE OF STATEMENT OF RECORD

SEC. 6. (a) Except as hereinafter provided, the effective date of a statement of record, or any amendment thereto, shall be the thirtieth day after the filing thereof or such earlier date as the Secretary may determine, having due regard to the public interest and the protection of purchasers. If any amendment to any such statement is filed prior to the effective date of the statement, the statement shall be deemed to have been filed when such amendment was filed; except that such an amendment filed with the consent of the Secretary, or filed pursuant to an order of the Secretary, shall be treated as being filed as the date of the filing of the statement of record.

(b) If it appears to the Secretary that a statement of record, or any amendment thereto, is on its face incomplete or inaccurate in any material respect, the Secretary shall so advise the developer within a reasonable time after the filing of the statement or the amendment, but prior to the date the statement or amendment would otherwise be effective. Such notification shall serve to suspend the effective date of the statement or the amendment until thirty days after the developer files such additional information as the Secretary shall require. Any developer, upon receipt of such notice, may request a hearing, and such hearing shall be held within twenty days of receipt of such request by the Secretary.

(c) If, at any time subsequent to the effective date of a statement of record, a change occurs affecting any material fact required to be contained in the statement, the developer shall promptly file an amendment thereto. Upon receipt of any such amendment, the Secretary may, if he determines such action to be necessary or appropriate in the public interest or for the protection of purchasers, suspend the statement of record until the amendment becomes effective.

(d) If it appears to the Secretary at any time that any statement of record which is in effect includes any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading, the Secretary may, after notice, and after opportunity for hearing (at a time fixed by the Secretary) within fifteen days after such notice, issue an order suspending the statement of record. When such statement has been amended in accordance with such order, the Secretary shall so declare and thereupon the order shall cease to be effective.

(e) The Secretary is authorized to make an examination in any case to determine whether an order should issue under subsection (d). In making such examination, the Secretary or anyone designated by him shall have access to and may demand the production of any books and papers, and may administer oaths and affirmations and examine, the developer, any agents, or any other person, in respect of any matter relevant to the examination. If the developer or any agent fails to cooperate, or obstructs or refuses to permit the making of an examination, such conduct shall be proper ground for the issuance of an order suspending the statement of record.

(f) Any notice required under this section shall be sent to or served on the developer or his authorized agent.

CONTENTS OF PUBLIC OFFERING STATEMENT

SEC. 7. (a) A public offering statement relating to the condominiums in a project shall contain such of the information contained in the statement of record, and any amendments thereto, as the Secretary may deem necessary, and shall disclose fully and accurately, in accordance with the provisions of this Act, the characteristics of the project and the condominiums therein offered and shall make known to prospective purchasers all material circumstances or features affecting the condominiums. Such statement shall include—

(1) the name and address of the registrant;

(2) a general narrative description of the project stating the total number of units planned to be sold or rented, and the total number of units that may be included in the project by reason of future expansion or merger of the project by the registrant;

(3) copies of the declaration and bylaws, with a brief narrative statement describing each and including information on declarant control, a projected budget for at least the first and second years of the project's operation (including projected common expense assessments for each unit), and provisions for reserves for capital expenditures and restraints on alientation;

(4) copies of the management contract, described in section 5(a)(11), any lease of recreational areas, and any similar contract or agreement affecting the use, maintenance, or access to all or any part of the project with a brief narrative statement of the effect of each such contract or agreement upon a purchaser, and a statement of the relationship, if any, between the registrant and the managing agent;

(5) a general description of the status of construction, zoning, site plan approval, issuance of building permits, and compliance with any other State or local statute or regulation affecting the project;

(6) satisfactory assurances that the date on which each structure in the project is to be completed will be clearly set forth in each purchase agreement covering a dwelling unit in such structure.

(7) the significant terms of any encumbrances, easements, liens, or other matters of title affecting the project;

(8) the significant terms of any financing offered by the registrant to purchasers of units in the project;

(9) the provisions of the warranties required by section 5(a)(10);

(10) a statement of the rights guaranteed a purchaser under section 3(a)(2); and

(11) such other information, documents, and certifications as the Secretary may require in order to assure that purchasers are protected in a manner consistent with the purpose of this Act.

(b) The public offering statement shall not be used for any promotional purposes before registration of the project and afterward only if it is used in its entirety. The Secretary shall require that the registrant alter or amend the proposed public offering statement in order to assure full and fair disclosure to prospective purchasers. No change in the substance of the promotional plan or plan of disposition or development of the project may be made after registration without notifying the Secretary and without an appropriate amendment to the public offering statement.

INVESTIGATIONS

SEC. 8. (a) The Secretary shall conduct such investigations as may be appropriate to determine the extent of compliance with section 3(a)(1) by a developer or agent. If the Secretary finds any material misrepresentation in any case, he shall afford the developer a ten-day period to correct the representation.

(b) Whenever it shall appear to the Secretary that any person is engaged or about to engage in any acts or practices which constitute or will consitute a violation of the provisions of this Act or of any rule or regulations prescribed hereunder, he may, in his discretion, bring an action in any district court of the United States, or the United States District Court for the District of Columbia to enjoin such acts or practices, and, upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond. The Secretary may transmit such evidence as may be available concerning such acts or practices to the Attorney General who may, in his discretion, institute the appropriate criminal proceedings under this Act.

(c) The Secretary may, in his discretion, make such investigations as he deems necessary to determine whether any person has violated or is about to violate any provision of this Act or any rule or regulation prescribed hereunder, and may require or permit any person to file with him a statement in writing, under oath or otherwise as the Secretary shall determine, as to all the facts and circumstances, concerning the matter to be investigated. The Secretary is authorized, in his discretion, to publish information concerning any such violations, and to investigate any facts, conditions, practices, or matters which he may deem necessary or proper to aid in the enforcement of the provisions of this Act, in the prescribing of rules and regulations thereunder, or in securing

information to serve as a basis for recommending further legislation concerning the matters to which this Act relates.

(d) For the purpose of any such investigation, or any other proceeding under this Act, the Secretary, or any officer designated by him, is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memorandums, or other records which the Secretary deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

(e) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memorandums, and other records and documents. Such court may issue an order requiring such person to appear before the Secretary or any officer designated by the Secretary, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found.

PENALTIES

SEC. 9. Any person who willfully violates any provision of this Act or of the rules and regulations prescribed hereunder, or any person who willfully, in a statement of record filed or public offering statement issued pursuant to this Act, makes any untrue statement of a material fact or omits to state any material fact required to be stated therein, shall upon conviction be fined not less than $5,000 or imprisoned not less than six months, or both.

AUTHORITY OF THE SECRETARY

SEC. 10. (a) The Secretary is authorized to issue such rules and regulations and such orders as are necessary or appropriate to the exercise of the functions and powers conferred upon him elsewhere in this Act, and for such purpose he may (1) classify persons and matters within his jurisdiction and prescribe different requirements for different requirements for different classes of persons or matters, and (2) modify the provisions and requirements of this Act, to the extent necessary to assure that it will apply in accordance with its purpose, in any case where only a part of the units in a project are or will be condominiums.

(b) The Secretary shall develop and prescribe, within 1 year following the date of enactment, a standardized form for the statement of record, containing the information specified in section 5, and for the public offering statement, containing the information specified in section 7, and such forms shall be uniformly used (with only such minimum variations, in different areas, as may be necessary to reflect unavoidable differences in legal and administrative requirements) as the standard forms in all transactions in any State which involve federally related condominium housing loans.

STUDY OF RENTAL HOUSING SITUATION AND TENANT RELOCATION PROBLEMS

SEC. 11. (a) The Secretary is authorized and directed to conduct a full and complete study, and report to Congress not later than one year after the date of enactment of this Act, with respect to the state of the rental housing market in representative metropolitan areas experiencing significant increases in condominium construction and condominium conversions. Such study shall include, but not be limited to, the following:

(1) Rates of increase or decrease in rental housing units and condominium (or cooperative) units available to individuals and families at different income levels.

(2) Trends in demand for rental and condominium (or cooperative) units, including projections of future demand.

(3) Factors affecting conversion of existing rental housing to condominium projects, including the impact of tax laws and other Federal, State, and local laws or regulations; financial factors involved in rental housing management, and trends in housing construction.

(b) On the basis of the study authorized in section (a), the Secretary shall report to Congress within one year following the date of enactment his recommendations for handling tenant relocation problems involved in condominium conversion and shall give particular attention to the following possible approaches:

(1) a requirement that approval of any federally related condominium housing loan for a condominium conversion project be contingent upon its being demonstrated that at least 50 percent of the tenants have freely agreed either to purchase a dwelling unit in the structure or to move from the structure;

(2) a requirement that tenants who would experience severe hardship in relocating be given special consideration, such as continued rental of certain units in the structure, preferential financing arrangements, or relocation services.

(3) authority for the Secretary to defer condominium conversions in an area until such time as the rental market will provide sufficient rental housing to accommodate tenants who would be displaced by such conversions.

(c) On the basis of the study authorized in section (a) and any other current studies bearing on this matter, the Secretary shall report to Congress as soon as is feasible and no later than 2 years following the date of enactment of this Act his findings with respect to supply and demand in metropolitan rental housing markets and his recommendations for meeting the projected demand for rental housing, including any proposed changes in law or administrative procedure.

COURT REVIEW OF ORDERS

SEC. 12. (a) Any person aggrieved by an order or determination of the Secretary issued after a hearing may obtain a review of such order or determination in the court of appeals of the United States within any circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court, within sixty days after the entry of such order or determination, a written petition praying that the order or determination of the Secretary be modified or be set aside in whole or in part. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Secretary, and thereupon the Secretary shall file in the court the record upon which the order or determination complained of was entered, as provided in section 2112 of title 28, United States Code. No objection to an order or determination of the Secretary shall be considered by the court unless such objection shall have been urged before the Secretary. The finding of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the hearing before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be adduced upon a hearing in such manner and upon such terms and conditions as to the court may seem proper. The Secretary may modify his findings as to the facts by reason of the additional evidence so taken, and shall file such modified or new findings, which, if supported by substantial evidence, shall be conclusive, and his recommendation, if any, for the modification or setting aside of the original order. Upon the filing of such petition, the jurisdiction of the court shall be exclusive and the judgment and decree, affirming, modifying, or setting aside, in whole or in part, any order of the Secretary, shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(b) The commencement of proceedings under subsection (a) shall not, unless specifically ordered by the court, operate as a stay of the Secretary's order.

RELATION TO STATE LAWS

SEC. 13. "(a) This Act does not annul, alter, or affect, or exempt any person subject to the provisions of this Act from complying with, the laws of any State or local government with respect to condominium sales, except to the extent that those laws are inconsistent with any provision of this Act, and then only to the extent of the inconsistency. The Secretary is authorized to determine whether such, inconsistencies exist. The Secretary may not determine that any State or local law is inconsistent with any provision of this Act if the Secretary determines that such law gives greater protection to the consumer.

"(b) The Secretary may by regulation exempt from the requirements of this Act condominium sales within any State or local if he determines that under the law of that State or locality condominium sales are subject to requirements substantially similar to those imposed under this Act or that such law gives greater protection to the consumer, and that there is adequate provision for enforcement."

JURISDICTION OF OFFENSES AND SUITS

SEC. 14. (a) The district courts of the United States, the United States courts of any territory, and the United States District Court for the District of Columbia shall have jurisdiction of offenses and violations under this Act and under the rules and regulations prescribed by the Secretary pursuant thereto, and, concurrent with State courts, of all suits in equity and actions at law brought to enforce any liability or duty created by this Act. Any such suit or action may be brought to enforce any liability or duty created by this Act. Any such suit or action may be brought in the district wherein the defendant is found or is an inhabitant or transacts business, or in the district where the offer or sale took place, if the defendant participated therein, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found. Judgments and decrees so rendered shall be subject to review as provided in sections 1254 and 1291 of title 28, United States Code. No case arising under this Act and brought in any State court of competent jurisdiction shall be removed to any court of the United States except where the United States or any officer or employee of the United States in his official capacity is a party. No costs shall be assessed for or against the Secretary in any proceeding under this Act brought by or against him in the Supreme Court or such other courts.

ADMINISTRATIVE PROVISIONS

SEC. 15. In order to carry out the provisions of this Act, the Secretary may establish such agencies, accept and utilize such voluntary and uncompensated services, utilize such Federal officers and employees and (with the consent of the State involved) such State and local officers and employees, and appoint such other officers and employees as he may find necessary, and may prescribe their authorities, duties, and responsibilities. The Secretary may delegate any of the functions and powers conferred upon him under this section to such officers, agents, and employees as he may designate or appoint.

APPROPRIATIONS

SEC. 16. There are authorized to be appropriated such sums as may be necessary to carry out this Act.

EFFECTIVE DATE

SEC. 17. This Act shall take effect upon the expiration of six months after the date of its enactment.

By Mr. SCHWEIKER:

S. 4049. A bill to reduce interest rates and make additional credit available for essential economic activities. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. SCHWEIKER. Mr. President, I introduce today the Interest Reduction and Credit Priority Act of 1974, a bill which will establish a two-tier credit system, to insure that sacrifices required by tight money conditions are borne equally by all segments of our economy.

For too long, tight money has invariably meant hard times for the little man. Housing funds disappear first, and low- and middle-income housing is always hit hardest. Business expansion becomes too expensive, so jobs are eliminated. And while major financial powers can usually continue to borrow money at some price, many sectors of our economy are frozen out of the credit market at any price.

This does not make sense to me. If tight money is the right prescription to cure inflation—and I am not at all convinced that it is, Mr. President—we should have different rules for borrowers building swimming pools and gambling casinos than we have for those building low-income housing and vital productive capacity.

The need for legislation in this area has been widely recognized. The Congressman from Wisconsin, Mr. REUSS, has introduced H.R. 15709, which would allocate credit by fluctuating reserve requirements. My colleague from Minnesota, Senator MONDALE, has introduced a similar measure to Mr. REUSS' in the Senate.

Others have proposed allocating credit by means of subsidies or tax incentives, and the Federal Reserve Board has now adopted its own voluntary guidelines for credit allocation.

However, I would emphasize that the legislation I introduce today goes one step beyond credit allocation—my bill creates an entirely new two-tier credit system. Thus, it not only has a mandatory allocation feature, insuring that money will be available for priority purposes; it also mandates a 7 percent interest ceiling on priority loans, to insure that money for priority needs is available at reasonable rates.

My two-tier credit proposal has the following basic provisions:

First, the President shall authorize the Federal Reserve Board to issue rules and regulations, as provided by the Credit Control Act—Public Law 91-201 et seq.—to provide for the allocation of credit in a manner consistent with my bill.

Second, the regulations issued by the Federal Reserve Board shall require at least 50 percent of all credit extensions to be for defined essential economic activities, specifically housing and industrial expansion required to prevent scarcities, high prices or unemployment.

Third, the Federal Reserve Board must prescribe maximum interest rates, not to exceed 7 percent, for lending for such essential economic purposes.

Fourth, it should be emphasized that under the authority of the Credit Control Act, the regulations established by my bill may be applicable to all classes of creditors, so the impact will be equitably spread throughout our economy.

I ask unanimous consent that the full text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 4049

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Interest Reduction and Credit Priority Act of 1974."

PRESIDENTIAL AUTHORITY

SEC. 2. The President shall exercise the authority conferred by the Credit Control Act to authorize the Board of Governors of the Federal Reserve System (hereinafter referred to as the "Board") to issue rules and regulations in accordance with the provisions of this Act.

ALLOCATION OF CREDIT

SEC. 3. Rules and regulations issued hereunder shall require that not less than 50 per centum of the principal amount involved in extensions of credit after the date of enactment of this Act by any creditor or class of creditors shall be made for any of the following purposes;

(1) The production of housing and related facilities for families of low and moderate income.

(2) The provision of capital for investment in plant and equipment where necessary to assure adequate supplies of essential goods or commodities.

(3) The provision of capital for investment necessary to prevent unemployment or inflationary prices.

(4) Such additional purposes as the Board determines to be appropriate in order to assure stable and balanced economic growth by the most efficient use of available credit.

MAXIMUM INTEREST RATES

SEC. 4. The Board shall prescribe one or more maximum rates of interest for transactions subject to section 3, but in no case shall interest be charged in connection with any such transaction at a rate in excess of 7 per centum per annum.

By Mr. MONTOYA:

S. 4050. A bill to establish a temporary special commission on Guadalupe-Hidalgo land rights. Referred to the Committee on the Judiciary.

Mr. MONTOYA. Mr. President, I am today introducing legislation to establish a temporary special commission to study and report on the land rights of descendants of land holders in the territories ceded to the United States by Mexico under the Treaty of Guadalupe-Hidalgo of 1848.

The controversy over these rights is not new. However, the deeply rooted feelings of bitterness and resentment among the approximately 11 million persons of Mexican-American descent is part of a growing disenchantment being expressed openly in many parts of the Nation, particularly in the Southwest. This is clearly manifest in emergence of protest groups making demands upon State and Federal Governments and upon "Anglo" communities.

The Government of the United States has been insensitive to this problem for many years. I think it is time for us to rethink the position of the Federal Government in this situation, to search out the history and record. If an injustice has been done, it is important that we right the wrong.

I would like to take this opportunity, Mr. President, to touch upon some of the history of the area concerned, and to explain to my colleagues the cultural and historical reasons for the resentment which so many Mexican-Americans feel.

For the Spanish and the Indian peoples who settled originally on the land which is now the Southwestern part of the United States, the land itself was of great importance. Land, for these people, was more than just a commodity to be bought and sold. It was truly a part of the individual and the family, a part of the culture and the life, and a part of the tradition which had grown for centuries in importance. When this land was taken away from them, these people felt that life and tradition had also been taken away. With the land loss came poverty and a loss of pride and family honor.

The Treaty of Guadalupe-Hidalgo, signed in 1848, and ratified that same year by the Congress, guaranteed the property and civil rights of the people who lived on the land ceded to the United States. Despite this commitment by the Federal Government, the privilege of community landgrant ownership was denied to these people, and in many cases their rights were abrogated. Injustices did occur. It was a period of rapid expansion, of many misunderstandings, and of discrimination against the Spanish-speaking people of the Southwestern States.

Certainly, lack of land ownership is not the only problem of the Mexican-American. Spanish-speaking citizens of the United States have historically been the victims of discrimination in almost every facet of their lives: In education, employment, housing, economic opportunities, and in the administration of justice. The confidence of these citizens in the fairness of our institutions is shaken. They doubt the sincerity of Government. Resentment and cynicism pervade their thinking.

In the last 10 years there has been a strong movement to eliminate discrimination for many groups in this Nation. The 1964 Civil Rights Act was designed to protect minorities and women from the kind of discrimination which has tragically been a part of their lives for many years.

Great progress has been made in education, in employment, and in many other aspects of discrimination. However, nothing has ever been done to answer the questions which many Mexican Americans have pertaining to the rightful ownership of community land grants. The record is filled with case after case of gross abuse of the uneducated Spanish-speaking community by unscrupulous landgrabbers. In some cases, sadly, the landgrabber involved has been the Government.

Every attempt by the Spanish-speaking community to receive judicial or legislative review has failed. No attempt has ever been made to study the problem thoroughly.

Mr. President, if we are to fully restore the confidence of the Mexican-American citizen in the existence of equal justice under the law in the United States, we must take responsible action now. If certain lands have been wrongfully taken from these people, we must make amends.

The legislation I am introducing today would establish a Special Commission on Guadalupe-Hidalgo Land Rights. The Commission would analyze specific provisions of the treaty to determine, among other things:

First. What property rights of landholders, their heirs and descendants, were protected by the treaty;

Second. Whether those rights have been properly protected by the United States since 1848; and,

Third. The most equitable means for settling claims for these land grant rights.

The Commission will be asked to make interim reports to the Congress and the President, and to make a final report at the end of 18 months.

The purpose of this bill is not to dispossess those current legal landowners involved. Certainly those who have valid title to their property should not be concerned that the results of this study would endanger their ownership or the value of their land.

However, approximately 100 million acres of the land in question is presently public land, mainly that of the Federal Government. It is possible that some restitution could be made where public land is concerned. The recommendations of the Commission would undoubtedly speak to the question of alternate compensation for those who are judged to have been wrongfully deprived of their rights under this treaty. That compensation would do much to restore confidence in the system to those in the Mexican-American community who feel themselves to be ignored today.

We must breath new life into the concept of justice under law for the citizens of the United States who question its reality. We must find a way to prove to the Mexican-American citizen that his voice can be heard in an appeal to Government.

A public hearing on this question would allow the Nation to be fully informed about the position of all parties to this dispute, and would allow the members of the Commission to question members of the Mexican-American community face to face.

This is a national problem, Mr. President. It is a national disgrace that we have so long ignored the feelings of the second largest minority in this country.

I urge the support of my colleagues for this bill. I ask unanimous consent that the bill be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 4050

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT OF COMMISSION

SECTION 1. There is established a temporary commission to be known as the Special Commission on Guadalupe-Hidalgo Land Rights (hereinafter referred to in this Act as the "Commission").

FINDINGS AND PURPOSE

SEC. 2. The Congress finds and declares that the property rights of persons living in territories ceded to the United States by Mexico pursuant to the Treaty of Guadalupe-Hidalgo, signed February 2, 1848, and the property rights of the heirs of such persons, are unclear. It shall be the purpose of the Commission to determine the nature and extent of such rights.

FUNCTIONS OF THE COMMISSION

SEC. 3. (a) The Commission shall make a comprehensive study and analysis of the provisions of the Treaty of Guadalupe-Hidalgo and shall determine—

(1) what property rights were vested by the treaty in private land holders and their heirs;

(2) whether those rights have been properly protected by the United States since 1848; and

(3) if the Commission finds that such rights have not been properly protected, the most equitable means of settling claims it deems meritorious.

(b) The Commission shall submit to the Congress and the President such interim reports as it deems advisable. Not later than 18 months after the date of enactment of this Act, the Commission shall submit to the Congress and the President a final report, together with such recommendations, as it deems advisable.

(c) The Commission shall cease to exist 60 days after the submission of its final report.

MEMBERSHIP OF COMMISSION

SEC. 4. (a) The Commission shall be composed of five members appointed by the President, at least one of whom shall be an heir or descendent of a Mexican citizen whose property rights were affected by the Treaty of Guadalupe-Hidalgo.

(b) Three members shall constitute a quorum, but a lesser number may conduct hearings. The chairman shall be selected by a majority of the members of the Commission.

(c) Members of the Commission shall, while serving on the business of the Commission, be entitled to receive compensation at a fixed rate by the Director of the Office of Management and Budget but not in excess of $125 per day, including traveltime; and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code.

(d) All officers and employees of the Commission shall be subject to the provisions of sections 7324 through 7327 of title 5, United States Code, notwithstanding and exemption contained in such subsection.

POWERS AND ADMINISTRATIVE PROVISIONS

SEC. 5. (a) The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out the provisions of this Act, hold hearings, administer oaths for the purpose of taking evidence in any such hearings, take testimony, and receive documents and other matter. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before a Commission, or any subcommittee thereof.

(b) Each department, agency, and instrumentality of the executive branch of the Federal Government shall furnish to the Commission, upon request made by the chairman, such information as the Commission deems necessary to carry out its functions under this Act.

(c) The Commission, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and general schedule pay rates, shall have the power—

(1) to appoint and fix the compensation of such personnel at it deems necessary;

(2) to procure the services of experts and consultants in accordance with section 3109 of such title; and

(3) to adopt such rules and regulations as it deems necessary to carry out this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 6. There are authorized to be appropriated to the Commission such sums as may be necessary to carry out the provisions of this Act.

By Mr. TUNNEY (for himself and Mr. HART):

S. 4051. A bill to establish a research and development program within the Department of Commerce for alleviating shortages of products and materials in interstate commerce, and for other purposes. Referred to the Committee on Commerce.

PRODUCTS AND MATERIALS SHORTAGES RESEARCH AND DEVELOPMENT ACT OF 1974

Mr. TUNNEY. Mr. President, I am pleased to introduce today, on behalf of myself and Senator HART, the Products and Materials Shortages Research and Development Act of 1974.

Shortages of products and basic raw materials have become a major stumbling block to the national economic stability and well-being of us all. Shortages of one type or another have affected, and will continue to affect, our daily lives and institutions.

The consumer has probably been hit the hardest. Short supplies of fuel for home and transportation, food, and a myriad number of other consumer necessities have disrupted us and taken us seemingly by surprise. Even when consumer goods are available, prices have skyrocketed.

On the industrial side, which really is inseparable from shortages of consumer goods, the shortages are equally as acute. The basic factors of production such as energy supplies, metals, wood products, petrochemicals, and other materials have become increasingly scarce.

Congress has recognized that the structure of government and its ability adequately to monitor, predict, and deal with product and material shortages need prompt revision. Both Houses have passed the National Commission on Supplies and Shortages Act of 1974, which is designed to facilitate more effective and informed responses to resource and commodity shortages. Final Presidential approval and appointment to the Commission can come none too soon.

But while we await the March 1 report of the Commission, we should not let our guard down and assume that our immediate task is finished. Congress must continue to seek legislative solutions to alleviate shortages and to develop a national materials policy. It is in this spirit that I introduce the Products and Materials Shortages Research and Development Act today.

It has become increasingly clear that the Nation's research and development efforts have not sufficiently stimulated the better utilization of products and materials to decrease waste, and to improve the means of expanding supplies as well.

The opportunities for research and development to improve materials technology and products are vast. For example, the National Commission on Materials Policy in its June 1973 report stated that losses in the United States due to corrosion and wear alone have been estimated to be $15 to $20 billion, respectively.

Another major opportunity lies in developing methods for something called nondestructive testing. This is a vastly improved method of checking the quality of fabricated parts so that their service life may be extended, product control may be improved during manufacturing, and materials may be saved by reducing the overdesign necessary to provide for margins of error now found in testing the quality of materials.

There is an urgent need to more fully understand the properties of materials such as metals and plastics in order to better understand how these characteristics relate to the uses to which these materials are put. Obviously, the composition, structure, and defects of a bridge girder are extremely important in determining how much steel goes into it. If designers were better able to predict what characteristics of a bridge girder were essential to its strength, the amount of materials consumed could be vastly reduced. To quote the Materials Policy Commission report:

> Some of these properties are affected profoundly by variations that are often too small to be detected with present techniques.

The National Commission on Materials Policy concluded that materials research and development must be high on the priorities list of a national materials policy.

The need for increased research and development in materials and products was also underscored by the Committee on the Survey of Materials Science and Engineering of the National Academy of Sciences. In a January 1974 report entitled, "Materials and Man's Needs," the NAS devoted a great deal of attention to the prospects of materials research for coping with materials shortages. The NAS lists numerous areas as priority problems, including corrosion, flammability of polymers, fracture mechanisms, and others. In short, the opportunities for materials research and development to alleviate shortages is nearly boundless.

One of the most readily accessible sources of raw materials for the Nation's products is our waste stream. While American industry is starving for supplies of raw materials, we are being virtually buried by our trash. Better design methods for the recovery and recycling of valuable materials from garbage and industrial waste must be found in order to fully utilize this neglected resource.

While we are on the brink of a very real crisis in materials and products scarcity, we must be encouraged by the possibilities that exist to expand supplies and reduce wasteful demand through an intensive research and development program.

The bill I introduce today is designed to stimulate product and materials research and development not only within Government but in the private sector as well. The bill requires the Secretary of Commerce, utilizing the National Bureau of Standards, to conduct an intensive research and development program.

The Secretary would publish a report, not later than 180 days after the enactment of the act, establishing research and development priorities with a twofold purpose. First, priorities would be established for those projects necessary to increase the supply of scarce products and materials. The full range of possible means to increase supply would be explored by the Secretary including the development of efficient production and processing methods, improvements in discovery, extraction, and refining techniques, and in the development of product improvement in order to eliminate transportation bottlenecks.

Second, the priority list would include those research and development projects designed to reduce excessive demand for scarce products and materials. The Secretary would consider research and development projects which would develop substitutes for scarce products and materials, processes which recover products and materials from waste, and means to develop increased durability, reliability, and repairability of scarce products and materials.

The research and development would be conducted by private entrepreneurs with financing provided by the Department of Commerce, and by scientists within the National Bureau of Standards as well.

A grant and contract program is provided as are loan guarantees as an alternative to outright grants or contracts.

In order to provide effective coordination with environmental and energy conservation efforts, the Administrator of the Environmental Protection Agency and the Administrator of the Federal Energy Administration would be given a 30-day opportunity to review proposed research and development programs for adverse effects. If either administrator objected, the Secretary of Commerce would be required to meet their objections to the maximum extent practicable.

Mr. President, I introduce the bill, for appropriate reference and ask unanimous consent that the text of the bill be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 4051

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Products and Materials Shortages Research and Development Act of 1974".

FINDINGS AND PURPOSES

Sec. 2. (a) Findings—The Congress finds that—

(1) Shortages of products and materials are becoming increasingly frequent in the United States and such shortages are a major cause of inflation and result in substantial inconvenience and expense to consumers and a burden on interstate commerce and the nation's economy.

(2) Such shortages may result from a number of causes including inadequate supplies of raw materials, inefficient methods of production, inadequate utilization of potential performance levels, waste in utilization and disposal, and other factors affecting the supply and demand of such products and materials.

(3) The availability of such products and materials can be expanded through an intensive research and development program designed to develop new technology to improve methods of producing such products and materials; eliminate excessive demand for such products and materials by increasing performance levels improving techniques for non-destructive testing, and other methods of utilizing such products and materials more efficiently; and make such products and materials available at a reasonable cost. Such research and development projects may include, but shall not be limited to, improvements in production efficiency, the development of substitute products and materials, the development of technology to place greater reliance on renewable resources as opposed to non-renewable resources, improvements in the recycling and reuse of products and materials, the development of more durable and easily repairable products and materials, and greater efficiency in the discovery, extraction, and development of products and materials.

(4) Existing programs within the National Bureau of Standards of the Department of Commerce are designed to develop improved technology to reduce product and materials shortages, but are insufficient to meet the needs of the Nation and should be substantially increased in order to avoid duplication and to coordinate such research and development with governmental and private interests.

(5) The results of any research and development programs should be consistent with environmental and energy conservation goals and should not result in any other unreasonably deleterious side effects.

(b) Purposes.—It is the purpose of this Act to establish within the Department of Commerce, utilizing the National Bureau of Standards, a research and development program to alleviate existing and potential product and material shortages and to improve technology with respect to such products and materials. It is further the purpose of this Act to make the results of such program available to the American public on the broadest possible scale.

DEFINITIONS

Sec. 3. As used in this Act—

(1) "Product and material shortage" or "shortage of products and materials" refers to a market condition where any product, food, mineral, raw material or other commodity is not reasonably available to all users or can be acquired only at a price

which has increased significantly relative to the general price level.

(2) "Secretary" means the Secretary of Commerce.

DUTIES OF THE SECRETARY

SEC. 4. (a) IDENTIFICATION OF PRIORITIES.—(1) The Secretary shall, not later than 180 days after the enactment of this Act, compile and publish a report identifying existing and potential product and material shortages and those research and development projects which are most likely to substantially reduce such shortages and improve product and materials technology consistent with the provisions of this Act and in conformance with the provisions of paragraphs (2) and (3) of this subsection. Such report shall establish priorities for such projects in a manner which will be most beneficial in alleviating such shortages and otherwise accomplishing the purposes of this Act and shall give special attention to materials research and development. Such report may be revised from time to time.

(2) Such report shall list those research and development projects designed to alleviate existing or potential shortages of products and materials by expanding the supply of such products and materials and to otherwise improve product and materials technology to the extent that such improvements are related to expanding the supply of products and materials. Such projects may include, but shall not be limited to, improvements in—

(A) techniques for discovering, extracting, and refining raw materials necessary for the production and supply of such products and materials;

(B) the efficiency of producing, processing, and fabricating such products and materials; and

(C) the design or other characteristics of such products and materials and the containerization or packaging thereof to the extent that such improvements will reduce or eliminate limiting factors relating to the transportation, distribution, or storage of such products and materials.

(3) Such report shall also list those research and development projects designed to alleviate shortages of products and materials by reducing the demand for such products and materials and to otherwise improve product and materials technology to the extent that such improvements are related to reducing the demand for products and materials. Such projects may include, but shall not be limited to the development of—

(A) substitutes for such products and materials including the substitution of renewable for non-renewable resources;

(B) processes which recover such materials and products from industrial and consumer waste, including the recycling and reuse of such materials and products;

(C) means to increase the durability, reliability, and repairability of such products and materials; and

(D) more efficient and less costly factors of production of such products and materials.

(b) RESEARCH AND DEVELOPMENT.—The Secretary is authorized and directed to conduct research and development in accordance with the priorities established under subsection (a) of this section. In furtherance of that goal and to promote such research and development by private interests, the Secretary is further authorized and directed to—

(1) make grants and contracts for research and development in accordance with section 6 of this Act;

(2) make loan guarantees for research and development in accordance with section 7 of this Act;

(3) conduct and accelerate research and development programs within the National Bureau of Standards;

(4) collect, analyze, and disseminate to the public information, data, and materials relevant to the conduct of research and development under this Act;

(5) examine and evaluate any reasonable new technology, a description of which is submitted to him in writing, which could lead to the furtherance of the purposes of this Act.

POWERS OF THE SECRETARY

SEC. 5. In addition to the powers specifically enumerated in any other provision of this Act, the Secretary is authorized to—

(a) in accordance with Federal laws relating to the civil service, appoint such attorneys, employees, agents, consultants, and other personnel as he deems necessary; define the duties of such personnel; determine the amount of compensation and other benefits for the services of such personnel; and pay them accordingly;

(b) procure temporary and intermittent services to the same extent as is authorized under section 3109 of title 5, United States Code, but at rates not to exceed $150 a day for qualified experts;

(c) obtain the assistance of any department, agency, or instrumentality of the executive branch of the Federal Government upon written request, on a reimbursable basis or otherwise, identifying the assistance he deems necessary to carry out his duties under this Act, including, but not limited to, transfer of personnel with their consent and without prejudice to their position and rating;

(d) enter into, without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), such contracts, leases, cooperative agreements, or other transactions with any government agency or any person as may be necessary in the conduct of his duties under this Act; and

(e) purchase, lease, or otherwise acquire, improve, use or deal in and with any property; sell, mortgage, lease, exchange, or otherwise dispose of any property or other assets.

GRANTS

SEC. 6. (a) GENERAL.—(1) The Secretary shall provide funds by grant or contract to initiate, continue, supplement, and maintain research and development programs or activities described under section 4 of this Act.

(2) The Secretary is authorized to make such grants, and contracts with any laboratory, university, non-profit organization, industrial organization, Federal or other public or private agency, institution, organization, corporation, partnership, or individual.

(b) CONSULTATION.—The Secretary, in the exercise of his duties and responsibilities under this section, shall establish procedures for periodic consultation with representatives of science, industry, and such other groups as may have special expertise concerning shortages of or technological improvements concerning products and materials. The Secretary is authorized to establish any advisory panel to review and make recommendations to him on applications for funding under this section.

(c) PROCEDURE.—Each grant or contract under this section shall be made in accordance with such rules and regulations as the Secretary shall prescribe in accordance with the provisions of this section and in conformance with section 2 of this Act. Each application for funding shall be made in writing in such form and with such content and other submissions as the Secretary shall reasonably require.

(d) EXCEPTION.—No grant or contract shall be made under this section by the Secretary unless he finds that no other means of financing or re-financing, including a loan guarantee under section 7 of this Act, is reasonably available to the applicant.

LOAN GUARANTEES

SEC. 7. (a) GENERAL.—(1) The Secretary is authorized, in accordance with the provisions of this section and such rules and regulations as he shall prescribe, to guarantee and to make commitments to guarantee the payment of interest on and the principal balance of, and obligation to initiate, continue, supplement, and maintain research and development programs or activities described under section 4 of this Act: *Provided*, That the outstanding indebtedness guaranteed under this section shall not exceed ——: And provided further, that no guarantee or commitment to guarantee shall be undertaken under this section after June 30, 1977. Each application for such a loan guarantee shall be made in writing to the Secretary in such form and with such content and other submissions as the Secretary shall prescribe to reasonably protect the interests of the United States. Each guarantee and commitment to guarantee shall be extended in such form, under such terms and conditions, and pursuant to such regulations as the Secretary deems appropriate. Each guarantee and commitment to guarantee shall inure the benefit of the holder of the obligation to which such guarantee or commitment applies. The Secretary is authorized to approve any modification of any provision of a guarantee or a commitment to guarantee such an obligation, including the rate of interest, time of payment of interest or principal, security, or any other terms or conditions upon a finding by the Secretary that such modification is equitable and not prejudicial of the interest of the United States and has been consented to by the holder of such obligation.

(2) The Secretary is authorized to so guarantee and to make such commitments to any Federal agency, laboratory, university, nonprofit organization, industrial organization, public or private agency, institution, organization, corporation, partnership, or individual.

(b) EXCEPTION.—No obligation shall be guaranteed by the Secretary under subsection (a) of this section unless he finds that no other reasonable means of financing or refinancing is reasonably available to the applicant.

(c) CHARGES.—(1) The Secretary shall charge and collect such amounts as he may deem reasonable for the investigation of applications for a guarantee, for the appraisal of properties offered as security for a guarantee, or for the issuance of commitments.

(2) The Secretary shall set a premium charge of not more than 1 per centum per annum for a loan or other obligation guaranteed under this section.

(d) VALIDITY.—No guarantee or commitment to guarantee an obligation entered into by the Secretary shall be terminated, canceled, or otherwise revoked, except in accordance with reasonable terms and conditions prescribed by the Secretary. Such a guarantee or commitment to guarantee shall be conclusive evidence that the underlying obligation is in compliance with the provisions of this section and that such obligation has been approved and is legal as to principal, interest, and other terms. Such a guarantee or commitment shall be valid and incontestable in the hands of a holder as of the date when the Secretary entered into the contract of guarantee or commitment to guarantee, except as to fraud, duress, mutual mistake of fact, or material misrepresentation by or involving such holder.

(e) DEFAULT AND RECOVERY.—(1) If there is a default in any payment by the obligor of interest or principal due under an obligation guaranteed by the Secretary under this section and such default has continued for sixty days, the holder of such obligation or his agents have the right to demand payment by the Secretary of such unpaid amount.

within such period as may be specified in the guarantee or related agreements, but not later than forty-five days from the date of such demand, the Secretary shall promptly pay to the obligee or his agent the unpaid interest on and unpaid principal of the obligation guaranteed by the Secretary as to which the obligor has defaulted, unless the Secretary finds that there was no default by the obligor in the payment of interest or principal or that such default has been remedied.

(2) If the Secretary makes a payment under paragraph (1) of this subsection, he shall have all rights specified in the guarantee or related agreements with respect to any security which he held with respect to the guarantee of such obligation including, but not limited to, the authority to complete, maintain, operate, lease, sell, or otherwise dispose of any property acquired pursuant to such guarantee or related agreements.

(3) If there is a default under any guarantee or commitment to guarantee an obligation, the Secretary shall notify the Attorney General who shall take action against the obligator or any other parties liable thereunder as is, in his discretion, necessary to protect the interest of the United States. The holder of such obligation shall make available to the United States all record and evidence necessary to prosecute any such suit.

CERTIFICATION

Sec. 8. Prior to making any financial assistance available under this Act to any person for a research and development project or prior to making any commitment to conduct any research and development project under this Act within the Department of Commerce, the Secretary shall afford an opportunity to the Administrator of the Environmental Protection Agency and the Administrator of the Federal Energy Administration an opportunity, not to exceed 30 days, to review such project. If, as a result of such review, (i) the Administrator of the Environmental Protection Agency determines that there is reason to believe that such research and development project, or the expected result thereof, will result in any unreasonable risk to environmental values, or (ii) if the Administrator of the Federal Energy Administration determines that there is reason to believe that such project, or the expected result thereof, will result in any unreasonable consumption of scarce energy resources, the Secretary shall, to the maximum extent practicable, modify such project in a manner designed to eliminate any such determination.

PROPRIETARY INFORMATION AND PATENTS

Sec. 9. (a) Availability.—Whenever, pursuant to this Act, the Secretary enters into any agreement contracting for, sponsoring, or cosponsoring any research or development, he shall require as a condition of such Federal participation under this Act that all information—whether patented or unpatented, in the form of trade secrets, know-how, proprietary information, or otherwise—processes, or patents resulting in whole or in substantial part from such federally-assisted research or development shall be available to the general public, pursuant to subsection (b) of this section.

(b) Protection of Rights.—(1) Any such agreement must provide that all such information, processes, or patents be available to any qualified applicant on reasonable and nondiscriminatory license terms approved by the Secretary consistent with the purposes of this Act when the research or development project reaches the stage of commercial application as determined by the Secretary: *Provided*, That if such information, processes, or patents results in whole from financial assistance granted under this Act, such agreement may require, at the discretion of the Secretary, that such information, processes, or patents become the property of the United States and be dedicated to the general public.

(2) Whenever a participant in a research or development project, under this Act, holds background patents, trade secrets, know-how, proprietary information, or any other information, hereafter collectively referred to in this section as "background", which will be employed in and are requisite to the proposed research or development project, the agreement shall further provide that all background will be made available to any qualified applicant on reasonable and nondiscriminatory license terms approved by the Secretary, consistent with the purposes of this Act.

(3) Any such license terms referred to under this subsection shall take into account the extent to which the commercial viability of the total process or system was achieved with assistance under this Act (and whether such assistance was in the form of grants or obligation guarantees) and shall appropriately protect the interests of the participants.

(c) Effect on Competition.—The Secretary shall, in approving license terms, duly consider the effects of such terms on competitions within the United States.

RECORDS, AUDIT, AND EXAMINATION

Sec. 10. (a) Records.—Each recipient of financial assistance or guarantees under this Act, whether in the form of grants, subgrants, contracts, subcontracts, obligation guarantees, or other arrangements shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) Audit and Examination.—The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three years after completion of the project or undertaking referred to in subsection (a) of this section, have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which in the opinion of the Secretary or the Comptroller General may be related or pertinent to the grants, subgrants, contracts, subcontracts, obligation guarantees, or other arrangements referred to in such subsection.

REPORTS

Sec. 11. On or before August 1 of each year, the Secretary shall submit to Congress an annual report of activities under this Act. Such report shall include a description of the research and development conducted pursuant to this Act and the progress made in accomplishing the purposes of this Act.

RELATIONSHIP TO ANTITRUST LAWS

Sec. 12. (a) Disclaimer.—Nothing herein shall be deemed to convey to any individual, corporation, or other business organization immunity from civil or criminal liability or to create defenses to actions under the antitrust laws.

(b) Antitrust Laws Defended.—As used in this section, the term "antitrust laws" includes the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, 38 Stat. 730) as amended; the Federal Trade Commission Act (38 Stat. 717), as amended; sections 73 and 74 of the Act of August 27, 1894 (28 Stat. 570), as amended; the Act of June 19, 1936 (ch. 592, 49 Stat. 1526), as amended."

AUTHORIZATION FOR APPROPRIATIONS

Sec. 13. (a) General.—There is hereby authorized to be appropriated to carry out the purposes of this Act, other than section 7 of this Act not to exceed ——— for the fiscal year ending June 30, 1974, not to exceed ——— for the fiscal year ending June 30, 1976, and not to exceed ——— for the fiscal year ending June 30, 1977.

(b) Loan Guarantees.—There are hereby authorized to be appropriated to the Secretary not to exceed ——— to pay the interest on, and the principal balance of, any obligation guaranteed by the Secretary under section 7 of this Act as to which the obligor has defaulted.

By Mr. HARTKE:

S. 4052. A bill to amend the Internal Revenue Code of 1954 to provide a refundable credit against tax for postsecondary education expenses for tuition and fees paid by the taxpayer attributable to the attendance of a student at an institution of postsecondary education, and for other purposes. Referred to the Committee on Finance.

GUARANTEED POSTSECONDARY EDUCATION FOR AMERICANS ACT

Mr. HARTKE. Mr. President, today I introduce legislation which, when enacted, will guarantee every American a full opportunity to receive as much education as he or she desires. Through a $1,200 tax credit—or a tax refund if there is no tax liability—for tuition and fees, every student can be assured of full educational opportunity.

Mr. President, as I introduce this legislation, I am contemplating its effect on American society not only in the seventies and eighties, but also the effect it will have on the direction of our country in the 21st century.

Two hundred years ago, men of vision saw in education the opportunity to build a foundation for democracy. One hundred and fifty years ago, the people of my home State of Indiana translated that vision into the words of their constitution when they said:

> It shall be the duty of the General Assembly, as soon as circumstances permit, to provide, by law, for a general system of education, ascending in a regular gradation, from township schools to a state university, *wherein tuition shalll be gratis, and equally open to all.* (italics added)

Mr. President, it is time that circumstances did permit every American to have full access to postsecondary education. That is the purpose of my proposal.

With the establishment of an industrial society by the beginning of the 20th century, our attention has been focused on the need to provide full utilization of our labor force. By the end of this century, only 15 percent of our labor force will be utilized in the production of goods and the cultivation of food. Eighty-five percent of the labor force will be composed of people providing services. The children being born today are the children of the 21st century. It is not idle futurism to think of the world in which they will live, for that world is less than a generation away. We must plan for their education now.

Having said this, it is also worth noting that the direction which an individual takes in life is often dependent on the education opportunities available to him. Likewise, the direction a society takes depends to a large extent on the educational opportunities it affords its people. We cannot afford to ignore the need for individual creativity and productivity when we consider increasing educational opportunities, nor can we ignore the needs of those who are presently unable to pursue their education after high school. In short, any effort to increase educational opportunity must take account of those factors which presently inhibit the fullest possible education within our society. Unless we expand education to its widest horizons, we doom our society to all too narrow goals.

With these thoughts in mind, my legislation encompasses the widest possible participation by all those who are interested in furthering their education. It includes part-time students, professionals, those seeking new skills and proficiencies, and those pursuing advanced study. And because I am convinced that the 21st century will demand both the general and special knowledge which is provided by a wide variety of institutions, my bill gives consideration to community colleges and private schools.

The hard fact is that the cost of a college education these days is pricing more and more young people out of the market. We have adopted legislation to assist those from low-income families to pursue postsecondary education, but it is the children from middle income backgrounds who now need our attention. Often, it is these people who are being squeezed out of the postsecondary education market by skyrocketing tuition costs.

The cost of postsecondary education is rising at a rapid rate. Between 1973–74 and 1974–75, the increase at public 2-year colleges was an inflationary 15.4 percent. At private 2-year schools, the rate was even higher: 27.3 percent. The increase at public 4-year colleges was 17.5 percent, and at private 4-year institutions, it was 16.5 percent. These are increases the poor and middle income families cannot afford. They are increases that will result in a lessening of educational quality in our society.

In an effort to decrease the impact of inflation on postsecondary education, my legislation limits increased tuition costs over the 1974–75 year allowable under the credit to an adjustment no greater than the annual price index percentage.

In addition, my proposal provides a tax credit of up to $1,200 which may be applied only to actual academic tuition and fee payments, not to room, board, social, and other noneducational costs. A taxpayer may claim a credit against his tax liability for the costs of tuition and academic fees at an accredited postsecondary educational institution. If the taxpayer has no tax liability, he is entitled to a refund. The taxpayer may take this credit for expenses which he has paid toward the education of his or her spouse or dependent children.

The credit allowed is based on a formula of 80 percent of the first $500 of expenses, 60 percent of the expenses between $500 and $1,000, and 40 percent of expenses between $1,000 and $2,250, with a maximum allowable credit of $1,200. The allowable credit can be increased as the Department of Labor's annual price index increases.

Not only may a parent claim the credit, but a student who works while attending a postsecondary educational institution will be allowed to claim the credit against his own tax liability. Either the parent or the dependent will be allowed to claim the credit, but not both.

My bill provides relief when educational expenses are due. Many institutions require payments of tuition prior to enrollment. My proposal, therefore, permits the taxpayer to file an amended return with the Internal Revenue Service and receive the allowed credit prior to the required payment to the institution. Further, provisions are included which provide for the direct payment of the allowable credit by the Treasury to the educational institution. In this way, full educational opportunity is guaranteed.

Mr. President, a June 3 article in U.S. News & World Report states:

> Another year of scrimping and scrapping to make ends meet is in prospect for hundreds of American colleges and universities. . . . Some hard-pressed schools are wondering whether they will be able to make it through another academic year.

For many of our fine educational institutions, time is growing short. Solutions to their economic plight must be found or we will soon find that the doors to educational opportunity have been shut. Unless we act now, there simply will not be sufficient educational institutions to provide opportunity for our people.

So, Mr. President, we must now preserve the institutions both public and private that are providing vital educational services to our country. My legislation provides the long overdue first step of guaranteeing to the student the educational opportunity which was the vision of our Founding Fathers and which was the commitment of States such as Indiana 150 years ago.

In previous years, I have sponsored legislation providing for loans and grants to students in need of financial assistance. The bill I offer today recognizes that the vast majority of students are in need of financial assistance. For their sake, and for the sake of the future of our great Nation, we must provide that assistance now.

Mr. President, I ask unanimous consent that the text of my legislation be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 4052

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Guaranteed Post Secondary Education for Americans Act."

That subpart A of part IV of subchapter 1 of the Internal Revenue Code of 1954 (relating to credits allowed) is amended by renumbering section 42 as 43, and by inserting after section 41 the following new section:

"Sec. 42. Post-Secondary Education Expenses.

"(a) General Rule.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year, an amount equal to the amount of post-secondary education expenses paid by the taxpayer during the taxable year which are attributable to the attendance of any individual as a student at an institution of post-secondary education.

"(b) Limitations.—

"(1) One taxpayer per student.—With respect to post-secondary education expenses attributable to the attendance of one individual as a student at an institution of post-secondary education, the credit allowed under subsection (a) shall be allowed to only one taxpayer each taxable year to the extent such taxpayer pays such expenses attributable to such student during that year.

"(2) Amount per student.—The credit allowed under subsection (a) for post-secondary education expenses attributable to one student shall not exceed—

"(A) 80 percent of the amount of such expenses which does not exceed $500;

"(B) 60 percent of the amount of such expenses which is greater than $500 but does not exceed $1,000; and

"(C) 40 percent of the amount of such expenses which is greater than $1,000 but does not exceed $2,250. As soon after the end of each calendar year as the necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall report to the Secretary or his delegate the percentage difference, if any, between the price index for such calendar year and the price index for calendar year 1974. Each dollar amount in paragraph (2) of this subsection shall be changed by an amount corresponding to the percentage difference in price indices reported to the Secretary or his delegate and, as changed, shall be the limitation in effect for the calendar year during which such report is made. For purposes of this paragraph, the term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.

"(c) Definitions.—For purposes of this section—

"(1) Post-secondary education expenses.—

"(A) General Rule.—The term 'post-secondary education expenses' means amounts paid for tuition and fees for enrollment or attendance at an institution of post-secondary education, or for accredited courses of instruction at such an institution, and

"(B) Limitations.—

"(i) The amount of post-secondary education expenses attributable to the attendance of an individual as a student at an institution of post-secondary education during any taxable year shall be reduced for purposes of computing the credit allowed by subsection (a) by one-half the amount received by such student during such year as a scholarship or fellowship grant (within the meaning of section 117(a)(1)) which, under section 117, is not includable in gross income.

"(ii) The term 'post-secondary education expenses' does not include any amount paid during a calendar year for tuition and fees for enrollment and attendance of a student at an institution of post-secondary education which exceeds the amount such institution charged as tuition and fees during the calendar year 1974 (as adjusted under this clause). The amount to which tuition and fees are limited under the first sentence of this clause shall be changed by an amount corresponding to the percentage difference in price indices reported to the Secretary or his delegate under subsection (b)(2) and, as changed, shall be the limitation in effect for the calendar year for which reported.

"(2) Student.—The term 'student' means an individual who has been admitted and is or will attend an institution of post-secondary education on a full- or part-time basis leading toward a degree, diploma or certificate.

"(3) Institution of post-secondary education.—The term 'institution of post-secondary education' means those institutions approved by the Commissioner of Education for purposes of this section under rules prescribed by the Commissioner and certified by him to the Secretary or his delegate.

"(4) ACCREDITED COURSE OF INSTRUCTION.—The term 'accredited course of instruction' means a course of instruction for which credit is allowed by an institution of post-secondary education.

"(d) ELECTION TO APPLY CREDIT TO PRECEDING YEAR.—

"(1) IN GENERAL.—At the election of the taxpayer (made at such time and in such manner as the Secretary or his delegate prescribes by regulations), the credit allowable under subsection (a) for any taxable year (based on the post-secondary education expenses which the taxpayer has paid and reasonably expects to pay during the taxable year) shall be allowed as a credit against the tax imposed by this chapter for the preceding taxable year.

"(2) OVERESTIMATES.—If the amount of the credit allowed for a preceding taxable year by reason of an election made under paragraph (1) is greater than the amount of credit which is allowable for the taxable year (based on the post-secondary education expenses paid by the taxpayer during the taxable year), such excess shall be treated as an underpayment of tax for the taxable year in which such expenses are paid.

"(3) UNDERESTIMATES.—If the amount of the credit which is allowable for the taxable year (based on the post-secondary education expenses paid by the taxpayer during the taxable year) is greater than the credit allowed for the preceding taxable year by reason of an election made under paragraph (1), such excess shall be allowed as an additional credit under subsection (a) for the taxable year in which such expenses are paid.

"(e) DISALLOWANCE OF EXPENESE AS DEDUCTION.—No deduction shall be allowed under section 162 (relating to trade or business expenses) for any amount of post-secondary education expenses which (after the application of subsection (b)) is taken into account in determining the amount of any credit allowed under subsection (a). The preceding sentence shall not apply to the post-secondary education expenses of any taxpayer who, under regulations prescribed by the Secretary or his delegate, elects not to apply the provisions of this section with respect to such expenses for the taxable year.

"(f) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations as are necessary to carry out the provisions of this section.".

(c) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Post-secondary education expenses.

"Sec. 43. Overpayment of tax.".

(d) Section 6201 (a) (4) of such Code (relating to assessment authority) is amended by—

(1) inserting "or 42" after "section 39" in the caption of such section; and

(2) striking out "oil)," and inserting in lieu thereof "oil) or section 42 (relating to tax credit for post-secondary education expenses),".

(e) Section 6401(b) of such Code (relating to excessive credits) is amended by—

(1) inserting after "lubricating oil)" the following: ", and 42 (relating to tax credit for post-secondary education expenses),"; and

(2) striking out "sections 31 and 39" and inserting in lieu thereof "sections 31, 39, and 42".

(f) Section 6402 of such Code (relating to authority to make credits or refunds) is amended by adding at the end thereof the following new subsection:

"(c) Post-secondary education credit refund.—Subject to the provisions of subsections (a) and (b), any amount of the credit allowed under section 42(d) (relating to post-secondary education expenses) which is considered an overpayment under section 6401(b) shall be paid to the institution of post-secondary education to which the taxpayer intends to pay post-secondary education expenses for which the credit is allowed."

(g) The amendments made by this section apply to taxable years beginning after December 31, 1974.

By Mr. PELL:

S. 4053. A bill to establish a commission to study rules and procedures for the disposition and preservation of records and documents of Federal officials. Referred to the Committee on Government Operations.

PUBLIC DOCUMENTS ACT

Mr. PELL. Mr. President, I am introducing legislation today aimed at providing a proper answer to the problem of the disposition and preservation of the records and other pertinent documents of present and former Government officials.

I view with the greatest concern the agreement reached between President Ford and former President Nixon regarding the tapes which recorded highly important portions of his administration's history. We are considering now in the Congress how best to resolve the questions surrounding the disposition of those tapes, and I fully support the concept of taking action to preserve these records, so that they will not be destroyed, and so that they will be available for historic research in the future.

We should, however, have some long-range planning in this most important subject area. We need to think not only of the immediate time ahead, but of a more distant future.

We need to formulate policies to meet future events, and to insure that the records of present and former public officials be appropriately maintained and preserved.

In this effort I am very pleased to be joining with the distinguished Congressman from Indiana, Representative JOHN BRADEMAS, who has taken initiative with this legislation in the House of Representatives.

It would establish a 14-member commission to undertake a comprehensive study of this whole question.

The commission would include four Members of Congress, two from the Senate and two from the House. It would also include appointees of the President, of the Chief Justice of the Supreme Court, of the Secretary of State, of the Secretary of Defense, of the Attorney General, and the Administrator of General Services, plus a leading historian and a leading archivist.

The Commission would report to the President and to the Congress by December 31, 1975.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 4053

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Public Documents Act".

SEC. 2. Chapter 33 of title 44, United States Code, is amended by adding at the end thereof the following new sections:

"DEFINITIONS

"SEC. 3315. For purposes of section 3316 through section 3324—

"(1) the term "Federal office" means the office of President or Vice President of the United States, or Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States; and

"(2) the term "Commission" means the National Study Commission on Federal Records and Papers of Elected Officials.

"(3) the term "records and documents" shall include handwritten and typewritten documents, motion pictures, television tapes and recordings, magnetic tapes, automated data processing documentation in various forms, and other records that reveal the history of the nation.

"ESTABLISHMENT OF COMMISSION

"SEC. 3316. There is established a commission to be known as the National Study Commission on Federal Records and Documents of Federal Officials.

"DUTIES OF COMMISSION

"SEC. 3317. It shall be the duty of the Commission to study problems and questions with respect to the control, disposition, and preservation of records and documents produced by or on behalf of individuals holding Federal office and officers of the Federal Government, with a view toward the development of appropriate legislative recommendations and other appropriate rules and procedures with respect to such control, disposition, and preservation. Such study shall include consideration of—

"(1) whether the historical practice of regarding the records and documents produced by or on behalf of Presidents of the United States should be rejected or accepted and whether such policy should be made applicable with respect to individuals holding Federal office and of officers of the Federal Government, including Members of the Congress and members of the Federal judiciary;

"(2) the relationship of such conclusions and findings to the provisions of section 1901 through section 1914 and section 2101 through section 2108 of title 44, United States Code, and other Federal laws regarding the disposition and preservation of papers of elected or appointed officials;

"(3) whether such findings and conclusions should affect the control and disposition of records and documents of agencies within the Executive Office of the President created for short-term purposes by the President;

"(4) the recordkeeping procedures of the White House Office, with a view toward establishing means to determine which papers and documents are produced by or on behalf of the President of the United States;

"(5) the nature of rules and procedures which should apply to the control, disposition, and preservation of papers and documents produced by Presidential task forces, commissions, and boards;

"(6) criteria which may be used generally in determining the scope of materials which should be considered to be the papers and documents of individuals holding Federal office; and

"(7) any other problems, questions, or issues which the Commission considers relevant to carrying out its duties under section 3315 through section 3324.

"MEMBERSHIP

"SEC. 3318. (a) (1) The Commission shall be composed of 14 members as follows—

"(A) one Member of the House of Representatives appointed by the Speaker of the

House upon recommendation made by the majority leader of the House;

"(B) one Member of the House of Representatives appointed by the Speaker of the House upon recommendation made by the minority leader of the House;

"(C) one Member of the Senate appointed by the President of the Senate upon recommendation made by the majority leader of the Senate;

"(D) one Member of the Senate appointed by the President of the Senate upon recommendation made by the minority leader of the Senate;

"(E) one Justice of the Supreme Court, appointed by the Chief Justice of the Supreme Court;

"(F) three appointed by the President, by and with the advice and consent of the Senate, from persons who are not officers or employees of any government who are specially qualified to serve on the Commission by virtue of their education, training, or experience;

"(G) one representative of the Department of State, appointed by the Secretary of State;

"(H) one representative of the Department of Defense, appointed by the Secretary of Defense;

"(I) one representative of the Department of Justice, appointed by the Attorney General;

"(J) the administrator of General Services (or his delegate);

"(K) one member of the American Historical Association, appointed by the counsel of such Association; and

"(L) one member of the Society of American Archivists, appointed by such Society.

"(2) No more than 2 members appointed under paragraph (1)(F) may be of the same political party.

"(b) A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

"(c) If any member of the Commission who was appointed to the Commission as a Member of the Congress leaves such office, or if any member of the Commission who was appointed from persons who are not officers or employees of any government becomes an officer or employee of a government, he may continue as a member of the Commission for no longer than the 60-day period beginning on the date he leaves such office or becomes such an officer or employee, as the case may be.

"(d) Members shall be appointed for the life of the Commission.

"(e)(1) Members of the Commission who are full-time officers or employees of the United States or Members of the Congress shall receive no additional pay on account of their services on the Commission.

"(2) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commision shall be allowed travel expenses in the same manner as persons employed intermittently in the service of the Federal Government are allowed expenses under section 5703(b) of title 5, United States Code, except that per diem in lieu of subsistence shall be paid only to those members of the Commission who are not full-time officers or employees of the United States or Members of the Congress.

"(f) The chairman of the Commission shall be designated by the President from among members appointed under subsection (a)(1)(F).

"(g) The Commission shall meet at the call of the chairman or a majority of its members.

"DIRECTOR AND STAFF; EXPERTS AND CONSULTANTS

"SEC. 3319. (a) The Commission shall appoint a director who shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316).

"(b) The Commission may appoint and fix the pay of such additional personnel as it deems necessary.

"(c)(1) The Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-15 of the General Schedule (5 U.S.C. 5332).

"(2) In procuring services under this subsection, the Commission shall seek to obtain the advice and assistance of constitutional scholars and members of the historical, archival, and journalistic professions.

"(d) Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist it in carrying out its duties under section 3315 through 3324.

"POWERS OF COMMISSION

"SEC. 3320. (a) The Commission may, for the purpose of carrying out its duties under section 3315 through 3324, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission may deem desirable.

"(b) When so authorized by the Commission, any member or agent of the Commission may take any action which the Commission is authorized to take by this section.

"(c) The Commission may secure directly from any department or agency of the United States information necessary to enable the Commission to carry out its duties under section 3315 through section 3324. Upon request of the chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

"SUPPORT SERVICES

"SEC. 3321. (a) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services and assistance as the Commission may request.

"(b) The Librarian of Congress and the Archivist of the United States shall provide to the Commission on a reimbursable basis such technical and expert advice, consultation, and support assistance as the Commission may request.

"REPORT

"SEC. 3322. The Commission shall transmit to the President and to each House of the Congress a report not later than December 31, 1975. Such report shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for such legislation, administrative actions, and other actions, as it deems appropriate.

"TERMINATION

"SEC. 3323. The Commission shall cease to exist 60 days after transmitting its report under section 3322.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 3324. There is authorized to be appropriated such sums as may be necessary to carry out section 3315 through section 3324."

SEC. 3. The table of sections for chapter 33 of title 44, United States Code, is amended by adding at the end thereof the following new items:

"3315. Definitions.
"3316. Establishment of Commission.
"3317. Duties of Commission.
"3318. Membership.
"3319. Director and Staff of Experts and Consultants.
"3320. Powers of Commission.
"3321. Support Services.
"3322. Report.
"3323. Termination.
"3324. Authorization of Appropriations."

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 919

At the request of Mr. GURNEY, the Senator from Colorado (Mr. DOMINICK) was added as a cosponsor of S. 919, a bill to amend title XVIII of the Social Security Act to permit certain individuals, who have attained age 60 but not age 65 and who are entitled to widow's or widower's insurance benefits or are the wives or husbands of persons entitled to hospital insurance benefits, to obtain in consideration of the payment of insurance premiums, coverage under the insurance programs established by such title.

S. 1613

At the request of Mr. METCALF, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 1613, a bill to modify the restrictions contained in section 170(e) of the Internal Revenue Code in the case of certain contributions of literary, musical, or artistic composition, or similar property.

S. 3418

At the request of Mr. PERCY, the Senator from Arizona (Mr. GOLDWATER) and the Senator from Tennessee (Mr. BAKER) were added as cosponsors of S. 3418, a bill to establish a Federal Privacy Board to oversee the gathering and disclosure of information concerning individuals, to provide management systems in Federal agencies, State, and local governments, and other organizations regarding such information, and for other purposes.

S. 3753

At the request of Mr. MCCLURE, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of S. 3753, a bill to provide memorial transportation and living expense benefits to the families of deceased servicemen classified as POW's or MIA's.

S. 3790

At the request of Mr. WEICKER, the Senator from Illinois (Mr. PERCY) and the Senator from California (Mr. TUNNEY) were added as cosponsors of S. 3790, a bill to provide means for compensating U.S. air carriers for excessive or discriminatory airport landing fees charged such carrier in a foreign country.

S. 3903

At the request of Mr. BROCK, the Senator from North Dakota (Mr. YOUNG), the Senator from New Mexico (Mr. DOMENICI), the Senator from Wyoming (Mr. HANSEN), the Senator from Maryland (Mr. BEALL), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 3903, a bill to extend the State and Local Fiscal Assistance Act of 1972 for 7 years.

S. 3935

At the request of Mr. MONTOYA, the Senator from Ohio (Mr. TAFT) was added as a cosponsor of S. 3935, a bill to amend the Internal Revenue Code to prohibit the disclosure of tax returns without the consent of the taxpayer, and for other purposes.

S. 3945

At the request of Mr. PACKWOOD, the Senator from Oregon (Mr. HATFIELD) was added as a cosponsor of S. 3945, a bill to amend the Fish and Wildlife Act of 1956 in order to authorize the Secretary of Commerce to make loans to U.S. fishermen to cover the costs of damages to their vessels and gear by foreign vessels.

S. 3982

At the request of Mr. Weicker, the Senator from Colorado (Mr. Dominick), the Senator from Wyoming (Mr. McGee), the Senator from Vermont (Mr. Stafford), and the Senator from Massachusetts (Mr. Brooke) were added as cosponsors of S. 3982, a bill to restrict the authority for inspections of tax returns and the disclosure of information contained therein, and for other purposes.

S. 3985

At his own request, the Senator from Michigan (Mr. Griffin) was added as a cosponsor of S. 3985, a bill to prohibit the shipment in interstate commerce of dogs intended to fight other dogs for purposes of sport, wagering, or entertainment.

S. 4016

At the request of Mr. Ervin, the Senator from Connecticut (Mr. Ribicoff), the Senator from Montana (Mr. Metcalf), the Senator from Kentucky (Mr. Huddleston), the Senator from Florida (Mr. Chiles), and the Senator from Illinois (Mr. Percy) were added as cosponsors of S. 4016, the Presidential Recordings and Materials Preservation Act.

At the request of Mr. Robert C. Byrd (for Mr. Nelson), the Senator from Maine (Mr. Muskie), the Senator from Oregon (Mr. Hatfield), the Senator from Kansas (Mr. Dole), the Senator from New Mexico (Mr. Montoya), and the Senator from Illinois (Mr. Stevenson) were added as cosponsors of S. 4016, the Presidential Recordings and Materials Preservation Act.

S. 4019

At the request of Mr. Weicker, the Senator from Utah (Mr. Moss) was added as a cosponsor of S. 4019, a bill to establish a Joint Committee on Intelligence Oversight.

SENATE RESOLUTION 412—ORIGINAL RESOLUTION REPORTED AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON VETERANS' AFFAIRS

(Referred to the Committee on Rules and Administration.)

Mr. HARTKE, from the Committee on Veterans' Affairs, reported the following original resolution:

S. Res. 412

Resolved, That section 2 of Senate Resolution 250, 93d Congress, agreed to March 1, 1974, is amended by striking out the amounts "$221,000" and "$50,000" and inserting in lieu thereof "$275,000" and "$60,000" respectively.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 392

At the request of Mr. Taft, the Senator from New York (Mr. Buckley) was added as a cosponsor of Senate Resolution 392, concerning the safety and freedom of Valentyn Moroz, Ukrainian historian.

AMENDMENTS SUBMITTED FOR PRINTING

PRISONER OF WAR AND MISSING IN ACTION TAX ACT—H.R. 8214

AMENDMENT NO. 1932

(Ordered to be printed and to lie on the table.)

Mr. STEVENSON (for himself, Mr. Roth, Mr. Abourezk, Mr. Chiles, Mr. Clark, and Mr. Mondale) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 8214) to modify the tax treatment of members of the Armed Forces of the United States and civilian employees who are prisoners of war or missing in action, and for other purposes.

FOREIGN ASSISTANCE ACT OF 1974—S. 3394

AMENDMENT NO. 1933

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY (for himself and Mr. Humphrey) submitted an amendment intended to be proposed by them jointly to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

FURTHER CONTINUING APPROPRIATIONS, 1975—HOUSE JOINT RESOLUTION 1131

AMENDMENT NO. 1934

(Ordered to be printed and to lie on the table.)

MILITARY AID TO CHILE

Mr. KENNEDY. Mr. President, I earlier introduced amendment No. 1779 to the Foreign Assistance Act with the purpose of halting all military aid to the Government of Chile.

The amendment which I submit today to the continuing resolution will achieve the same purpose. Senators Hart, Haskell, Cranston, and Abourezk are cosponsoring this amendment.

Mr. President, I ask unanimous consent that the text of the amendment we submit, together with a letter I have sent to my colleagues and certain other material be printed at this point in the Record.

There being no objection, the amendment and material were ordered to be printed in the Record, as follows:

AMENDMENT NO. 1934

On page 3, after line 3, insert the following new section:

Sec. 6. Such joint resolution is amended by adding at the end thereof the following new section:

"Sec. 113. None of the funds made available under this joint resolution may be expended on or after the date of enactment of this section to provide military assistance (including security supporting assistance, sales, credit sales, or guarantees or the furnishing by any means of excess defense articles or items from stockpiles of the Department of Defense) to the Government of Chile.".

U.S. Senate,
Washington, D.C., September 24, 1974.

Dear Colleague: I have introduced Amendment No. 1779 to the Foreign Assistance Act scheduled to come before the Senate shortly. This amendment would eliminate all military assistance to the government of Chile. It would not affect the economic aid proposals to that country which generally are concentrated in the area of nutrition and food assistance. While those economic programs can be supported on humanitarian grounds, I find it impossible to justify continued military assistance to support the current government which has continued to receive condemnations from international agencies and associations concerned with the violations of human rights in that country.

A year ago, the Administration requested some $10 million in military assistance for Chile. Following the overthrow of the previous government of Salvador Allende by military forces, the U.S. increased its military aid to the junta by nearly 50%, raising it to more than $15 million. This year, the military aid budget request for Chile is $21.3 million. While the Committee has reduced the request as part of its overall reduction in military assistance, it still would authorize $10 million in military aid to the junta in FY 1975.

I believe it is not in our interests to assist the military efforts of the junta to remain in power. When it came to power, the junta declared a state of internal war existed in that country which justified extreme repressive measures. That was over a year ago.

A state of seige still exists. The Congress remains closed. Political parties remain suspended. Individual freedoms remain limited. Universities, and now high schools and elementary schools, are governed by military directors. Torture of political prisoners has been reported throughout the year. Press freedom has disappeared. More than 7000 political prisoners remain behind bars. All of these events have occurred since the junta took office.

The Commission on Human Rights of the United Nations, The Inter-American Commission on Human Rights, The International Commission of Jurists, Amnesty International and other groups, including a study mission of the Senate Refugee Subcommittee, have found a continuing pattern of repression and continuing violations of human rights. Among the individuals who have served on those commissions in recent months have been a former U.S. Ambassador to Chile, a former Attorney General of the United States, a former Assistant Secretary for Latin American Affairs and members of the organized bar and the judicial branch of government.

With these uncontested reports, I find it impossible to support extending military assistance to the current government. It would be particularly difficult to justify to the people of the United States and other nations such assistance in the light of recent disclosures of CIA involvement.

If you would like to join with me in sponsoring this amendment, please contact Mark L. Schneider (5-4543).

Sincerely,

Edward M. Kennedy.

[From the Congressional Record, Aug. 6, 1974]

Amendment No. 1779

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. Kennedy. Mr. President, I am submitting an amendment today to the Foreign Assistance Act of 1974, S. 3394, to terminate all military assistance to Chile.

Since the overthrow of the Allende government last September 11, reports from Chile consistently have reflected widespread violation of human rights by the authoritarian military junta now in power.

Shortly after the coup, the Senate Subcommittee on Refugees held a public hearing into the condition of refugees and of human rights in Chile. Testimony at that hearing and subsequent reports of respected international groups disclosed the existence in

Chile of summary executions, of torture, of mass arrests, of the deaths of two American citizens, and of continued threats to foreign nationals. Those reports prompted me to introduce an amendment to halt all military aid to Chile. That amendment to the fiscal year 1974 foreign aid appropriations bill was adopted by the Senate on December 17, 1973. However, it was deleted in conference.

Unfortunately, in the months since that action, the situation in Chile has not seen a return to the traditional Chilean respect for and protection of human rights. In fact, a series of reports from respected international organizations such as the International Commission of Jurists and Amnesty International as well as private contacts that I have had with both Chilean and third country individuals and agencies convince me that a systematic disregard for human rights continues today in Chile.

Amnesty International, in a letter to General Pinochet, stated:

> Contrary to some statements issued by Chilean Governmental officials abroad, there is substantial evidence of a persistent and gross violation of the most fundamental human rights.

The report went on to charge continuation of summary executions and torture, not only during their November visit, but up to the time of their letter of December 31, 1973.

In February, an ad hoc group of U.S. union officials, professors, lawyers, and church officials traveled to Chile. Their report was presented on February 28 at a congressional conference on the situation in Chile. It, too, disclosed thousands of "politically motivated detentions," the absence of effective legal process, the continued use of torture, the use of economic sanctions against those suspected of being in sympathy with the previous government and other violations of human rights.

In March, following a lengthy debate by the Commission on Human Rights of the United Nations, a telegram was issued by the United Nations. It stated:

> The Commission on Human Rights, while considering the obligation of all states under the charter of the United Nations to promote universal respect and observance of human rights and fundamental freedoms, has considered with deep concern numerous reports from a wide variety of sources relating to gross and massive violations of human rights in Chile in contradiction with the Universal Declaration of Human Rights and other relevant international instruments ratified by a great number of countries including Chile.
>
> The Commission on Human Rights, which has consistently deplored all violations of human rights, calls upon your Government for the immediate cessation of any kind of violations of human rights committed contrary to the principles of the United Nations Charter and other international instruments including the International Covenants on Human Rights.

In April, the International Commission of Jurists sent a delegation to Chile to inquire into the legal situation with regard to human rights. Its three-man delegation included Covey T. Oliver, former U.S. Ambassador to Colombia and former U.S. Assistant Secretary of State for Inter-American Affairs.

In May, the preliminary report of the delegation was released, expressing the "view that present judicial procedures and safeguards do not meet the minimum standards which Chile is bound to observe under article 3 of the Geneva Conventions, 1949." The report also stated:

> We received most convincing evidence to support the declaration of the Catholic Bishops on April 24, 1974, that there are "interrogations with physical and moral pressure." We believe that the various forms of ill-treatment, sometimes amounting to severe torture, are carried out systematically by some of those responsible for interrogation and not, as many people sought to persuade us, in isolated instances at the time of arrest.

A study mission of the Senate Refugee Subcommittee traveled in Chile in April as well. It included former U.S. Ambassador to Chile Ralph A. Dungan, former State Department Latin American expert John N. Plank, and Mark L. Schneider of my staff.

The report, after its conclusions and recommendations previously had been communicated to the junta, was given to the Senate Subcommittee on Refugees at a public hearing on July 23, a summary of which appears in the RECORD of July 23 at p.24731.

That testimony once again disclosed—contrary to the continued assurances of the Chilean Government and its representatives—the existence of a systematic, flagrant and continuing disregard for human rights in Chile. They found arbitrary arrest and indefinite detention without charge. Some 6,000 persons, according to junta statistics, were under detention at the time of their trip. Other sources cited additional persons under detention at less permanent detention sites throughout the country. Last week, the State Department reported that Chilean officials still acknowledge that some 6,000 persons are detained.

The study mission also noted that the Chilean habeas corpus protection had been suspended. Torture and mistreatment of prisoners continued. Some prisoners were held incommunicado for months. Others were permitted to see their families on a somewhat regular basis, but briefly. Most never had a chance to see a lawyer. Due process appeared limited in all instances; totally absent in some. Schools and colleges were under military control. Freedom of the press did not exist. Many thousands of individuals were fired arbitrarily for their political beliefs from public and private employment. Labor unions were barred from striking and restricted in their normal activities.

The study mission also noted that the Congress had been closed; the Constitution abridged; political parties abolished or suspended; and the number of Chilean refugees in neighboring countries was rising.

In May, the Inter-American Commission on Human Rights of the Organization of American States sent a telegram to the junta in which it stated:

> During this session, the study of the present situation of human rights in Chile has taken a great part of our time. On the one hand, we have examined those individual cases, clearly determinable, in which the violation of certain fundamental rights of one or several specified persons has been denounced. But, in addition, it has been necessary to analyze separately that which we might call a "general case," that is, the aggregation of charges from different sources according to which there is a policy in Chile which would imply, according to the claimants, the systematic disregard of fundamental human rights.

After some delay, the Commission was granted permission to visit Chile. Its recommendations were made public on Friday in Santiago. According to news reports, they indicated the Commission had found evidence that torture is used in interrogations of political prisoners, that people detained without charges are required to do hard labor, that Chileans sometimes disappear for days or weeks after being seized by police or military intelligence services and that military courts have limited lawyers' access to their clients and tried people under wartime rules, for acts committed before the September 11 coup."

In June, other observers, including the former Attorney General of the United States, Ramsey Clark, and New York City Criminal Court Judge William Booth, traveled to Chile. They visited the trials, now concluded, of former air force officers and several civilians who had held posts in the previous government of Salvadore Allende. Recently, the sentences were announced. They included four death sentences. Hopefully, those sentences will be commuted; particularly since the former Attorney General and Judge Booth described the proceedings as "show trials." They cited, along with other observers the lack of due process in the military court martial proceedings which operate for military and civilian alike.

One attorney was thrown out of court for speaking "too warmly" of Allende. Another was reprimanded for reporting that his clients had been tortured. Virtually all defendants were prosecuted on the basis of "statements" given by others who were themselves under indictment or under detention. And many of these defendants had told their families and their visitors of the systematic torture used during interrogations to obtain those "statements." The full texts of former Attorney General Clark's and Judge Booth's opening testimony to the Refugee Subcommittee are reprinted at page S 13899 of the CONGRESSIONAL RECORD of July 31, 1974.

Despite this unrefuted testimony from numerous respected international organizations, the attitude of the U.S. Government has been one of "business as usual." Despite the passage last fall of my amendment and its signature into law, stating the sense of Congress that—

"The President should request the Government of Chile to protect the human rights of all individuals, Chilean and foreign, as provided in the Universal Declaration of Human Rights, the Convention and Protocol Relating to the Status of Refugees, and other relevant international legal instruments guaranteeing the granting of asylum, safe conduct, and the humane treatment or release of prisoners.".

There is little evidence of forceful U.S. Government action.

The most obvious, and to me, the most unacceptable evidence of our policy has been the military aid program.

The administration has requested a near doubling of its fiscal year 1974 budget proposal for military assistance to Chile. Originally, a $10 million military credit sales program for fiscal year 1974 was recommended. Following the coup, that figure was increased to $15 million, a 50 percent hike. In its budget request for fiscal year 1975, the administration recommended another substantial increase, to $20.5 million, for credit sales and another $800,000 to support the training of Chilean military officers.

With a virtually unchallenged verdict of respected international organizations and respected jurists and scholars of a continuing pattern of gross violations of human rights in Chile, I believe the proposal for additional military aid to Chile to be unjustifiable and unacceptable. It contrasts with the announcements of Britain and France to withhold military equipment and it signifies a disturbing lack of commitment to basic human rights on the part of the administration.

For these reasons I am submitting this amendment, which I ask unanimous consent to be printed in the RECORD, along with several articles, to halt all military aid to Chile.

There being no objection, the amendment and articles were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1779

On page 6, between lines 23 and 24, insert the following:

(4) At the end thereof add the following new section:

"SEC. 514. Termination of Assistance to Chile.—No funds made available under this chapter of the Foreign Military Sales Act may be obligated to furnish assistance to Chile on or after the date of enactment of this section.".

[From the Washington Post, Aug. 3, 1974]

“Justice” in Chile

The “Justice” of the victors is being relentlessly administered in Chile by the officers who overthrew the Allende government last fall. Given the chaos of his last days, it is conceivable that some of Allende's supporters sensed that a coup was coming and hoped to forestall it by creating a power center of their own within the Chilean armed forces. At any rate, the coup came, destroying any such hopes, and the would-be hunters became the prey. The officers who had seized power looked about them for a dramatic way to legitimize their authority, to convince others inside and outside Chile that they had indeed saved the country by their own intervention. For Chileans are, despite their recent trauma, a law-minded people, and even the new leaders appreciate the benefits of winning their countrymen's respect. To fulfill this vital legitimizing purpose, they decided on a mass trial of Allende supporters, who were accused of trying to take over a substantial part of the Chilean air force. Sentences were handed down in that trial the other day.

Now, only in a country as politically riven as Salvador Allende's Chile could a group of 54 air force men (and 10 civilians) have contemplated a kind of coup within one branch of the armed forces in order to assure military support to keep the elected government in power. That is a fair measure of how things were in Santiago at that time. But only in a country as politically restrictive as General Pinochet's Chile would these defendants have been tried with so little a sense on the government's part of its own basic illogic.

Note that, despite government promises of a prompt public trial, a considerable number of Allende's civilian officials have remained in prison or otherwise under detention for almost a year, untried and uncharged. But apparently the military was offended by the thought that some of its own—air force men—supported Allende. The military perhaps also wanted to intimidate would-be dissenters still within the ranks. These seem to be the particular reasons why the 60-odd defendants were brought to trial before an air force court martial. That court sentenced four of them—a former Socialist Party leader and a colonel, captain and sergeant—to be shot, while 56 others received prison terms. Carrying out those sentences is a virtually certain way to build more hate and bitterness into Chilean society, which is desperately in need of a turn toward domestic peace.

In a trial where the crime charged is essentially loyalty to the previous government, there can be no question whether the trial is political: It is. Nonetheless, the Pinochet leadership permitted foreign observers to attend the sessions that were open—presumably to bear witness to the correctness of the proceedings or, at the least, to attest to the good faith of the Santiago junta. Whether the observers, simply by going, sanctioned the purpose of the trial would seem to be a fair question. Anyway, the reports of the several American observers, made to the Kennedy and Fraser congressional subcommittees, hardly gave the junta the clean bill of health it desired. The torture of political prisoners still goes on, the observers reported. Due process is an occasional thing. The exodus of political refugees runs high.

Official American interest in how the Chilean government lives up to international standards of human rights is hard to perceive. American military aid is high and getting higher. And in respect to Chile there is not even the excuse, offered most recently, for instance, in respect to police excesses in South Korea, that the United States has strategic interests requiring it to look the other way.

[From the Washington Post, Aug. 4, 1974]

OAS Group Urges Chile Stop Torture

(By Joseph Novitski)

Santiago, Chile.—The Human Rights Commission of the Organization of American States has recommended to the Chilean military junta that it stop physical and psychological torture, punishment without trial and pretrial detentions that amount to prison terms.

The recommendations, made privately to the government on Monday and given to the press last night, were the result of the first on-the-spot investigation of human rights violations in Chile by an international organization. Members of the Human Rights Commission spent two weeks in Chile talking to government officials and detainees and visiting prison camps, detention centers and military courts. They were not permitted to visit three military installations identified by detainees as torture centers.

The eight members of the commission did not make public the findings of their investigation. However, the 11 recommendations they made to the government clearly implied that they had gotten behind the increasingly easy-going normality of daily life in Chile and looked at the continuing repression of known or suspected Marxists since President Salvador Allende was overthrown last year.

The commission's recommendations indicate that it had found evidence that torture is used in interrogations of political prisoners, that people detained without charges are required to do hard labor, that Chileans sometimes disappear for days or weeks after being seized by police or military intelligence services and that military courts have limited lawyers' access to their clients and tried people under wartime rules, for acts committed before the Sept. 11 coup.

The Human Rights Commission, a permanent body of the OAS, is limited in its ability to investigate charges of human rights violations by requirements that it work with the government that has been accused. The governments of Cuba, Guatemala and Brazil, for example, have refused to allow commission representatives to visit their countries.

The OAS as a whole has never taken action on allegations of human rights violations by a member country, and in June tabled a commission report on torture in Brazil.

The government's decision to permit the commission to visit Chile appeared to be part of an effort by the junta to improve its international image. The jurists from the United States, Argentina, Brazil, Bolivia, Chile, Mexico, Venezuela and Uruguay said the government had cooperated with their mission.

Carlos Dunshee de Abranches of Brazil, vice president of the commission, called the Chilean foreign minister's response to their recommendations “positive.” That response was not made public immediately, but Santiago's pro-government newspapers published the commission's recommendations prominently today without comment.

In the military view, Chile's image has been hurt over the last 7 months by the very reports that the OAS commission came to investigate. Government officials and individual officers have dismissed the reports of violations of human rights as Communist propaganda. They have termed the individual Chileans, foreign journalists and church groups that have reported on the details and dimensions of repression here Communists, bad Chileans or Marxist dupes.

“They told me that they're always being lied about,” U.S. Secretary of the Army Howard Callaway said last month at the end of a courtesy visit to Chilean army officials. “They categorically and adamantly denied that this (torture) was happening and showed me orders that had gone out. They said some soldiers had disobeyed these orders and had been punished.”

There is no doubt that Communist and Socialist parties outside Chile, particularly in Western Europe, have organized a continuing campaign to denounce repression of leftists and others in Chile.

However, no communist or socialist countries belong to the OAS, a regional diplomatic grouping of the United States and 22 Latin American and Caribbean countries.

While the commission was here, according to an official estimate, 5,800 people were being held for political offenses in Chile, a country of 10 million.

About one-third of those held have had no charges lodged against them.

Hundreds of people, most of them women, went to the offices set up by the commission to add to the list of complaints before it. According to members of the commission, many came to report that relatives had disappeared after being detained.

While the commission was here, Jorge Montes, a Communist senator during Allende's government, was arrested with his wife and daughter. Relatives could not find out from junta officials where they were being held for more than a week.

Also during the commission visit, an air force court martial condemned a Socialist lawyer and three air force men to death for treason, for their role in supporting the Allende government.

The sentences, junta spokesmen emphasized, are subject to review by the commander of the Santiago air force garrison and by Gen. Augusto Pinochet, the leader of the junta. While the OAS commission was here, officials hinted that one or both of the officers would probably be moved to commute the sentences.

[From the Washington Post, Aug. 2, 1974]

Chile Junta Deals Democracy Out of Long-Term Plans

(By Joseph Novitski)

Santiago.—The Chilean military junta, after governing for 10 months with improvised policies and structures, has settled down for a long stay in power.

The junta, which replaced President Salvador Allende after the coup in which he died last September, began its tenth month by reordering the country's government, burning the national voter registry and breaking of relations with Chile's largest political party, the Christian Democrats. It all added up to a declaration that the military plans to govern for an indefinite span, without elections or organized civilian political support.

Government spokesmen, when asked how long military rule may last, answer, “We have plans, not deadlines.”

The plans are for the long term and on a large scale.

“If we don't do big, lasting things, we might as well go home now,” an adviser to the junta said recently.

Thus far, in what it calls “the second stage,” the junta has made known its intention to rebuild the economy, to make it grow with the help of foreign investment, to reduce and reorganize the government bureaucracy and to enforce a total ban on civilian political activity by continuing the detentions and military-court trials that have been made the rule since last September.

The first step of government reorganization came late in June, when the armed forces agreed to shift from a four-man junta to a one-man presidency. Since the military overthrew Allende and uprooted his Marxist-oriented government, the commanders of the army, the navy, the air force and the *carabineros*, Chile's national police force, had exercised the powers of the presidency. They also took over the law-making power of the Congress, which was closed last year.

Now, Gen. Augusto Pinochet, commander-in-chief of the army and leader of the junta, has been named president for an indefinite term with the formal title of "supreme chief of the nation."

The point of the change, government sources said, was efficiency. The four-man junta had been slower in reaching decisions than one would be, they said. The commanders of the army, navy, air force and police have retained the role of drawing up laws for promulgation by decree.

Pinochet's rise also represents the ascendancy of the Chilean army over the navy, air force and police. Some civilian observers, believing that the army officers in government had shown more moderation than air force and navy officers, thought this might mean an easing of repression. This has not yet been the case.

Chilean families report that men and women are still disappearing for days and sometimes weeks. A businessman told friends recently he had been arrested, held for four days alone in a tiny cell and then released without charges.

While Gen. Pinochet was forming a new Cabinet of 14 military men and 3 civilians, two of them technocrats with international reputations the government burned the national voter registration records. A government spokesman explained that the lists of a 4 million voters were "notoriously fraudulent." No plans were announced for making new lists or reregistering voters.

The remote expectation that the junta might call elections to carry out its announced aim of restoring Chilean democracy disappeared with the electoral records. There remained another possibility, suggested to the junta by leaders of the Christian Democratic Party. The party leadership, who opposed Allende and publicly accepted the coup as a necessary evil, had hoped for a return to civilian government within three to five years.

That hope, according to Christian Democrats familiar with party affairs, disappeared when the junta publicly broke off its semipublic relations with the party in July. Formally, there has been no political party activity in Chile since the junta outlawed the country's Marxist parties and declared the others, including the Christian Democrats, in recess.

During the recess, Christian Democratic leaders continued to meet privately. Last January they presented a memorandum to the government that criticized the military's treatment of prisoners and its disregard for legal and human rights. Also in January, former Sen. Patricio Aylwin, recognized by the junta as the party's president, suggested privately to a military minister that Christian Democrats saw no need for more than five years of military dictatorship in Chile.

It was not Christian Democratic political opinions, but censorship imposed on a Santiago radio station owned by the party that caused the party's complete break with the junta.

After an exchange of letters, the government called the party an "instrument of international Marxism" and told Aylwin bluntly to keep a respectful tongue in his head when he spoke to the military government.

Christian Democrats said the government's move looked like a signal from the army that its contacts with Christian Democrats were at an end.

Some party leaders said the break helped the party overcome the reputation of having helped in the coup. Even former President Eduardo Frei, the grand old man of Chilean Christian Democracy who had gone, with other former presidents, to a thanksgiving Mass with the junta last year, was reliably reported to be critical of the military government now.

"In the end it's probably better this way," said a Christian Democratic lawyer. "They tell us to shut up and we stop arguing. It shows everyone that this is a dictatorship and that's that."

Seventy-Three Socialists on Trial in Southern Chile

Santiago, August 1.—Seventy-three members of the outlawed Socialist Party are being tried on charges ranging from the illegal possession of arms to treason by a court martial in the town of Linares, about 172 miles south of Santiago, lawyers for the accused said today.

The lawyers said the prosecutor had demanded death penalties for four of the defendants charged with assisting the enemy during a state of internal war.

[From the New York Times, Aug. 4, 1974]

Chile Gets Suggestions

Since the overthrow in Chile of the government of Dr. Salvador Allende Gossens, there have been repeated charges of torture and other abuse by the military regime of its political prisoners. Last week a human rights committee from the Organization of American States implicitly confirmed those charges, calling on the regime to ban the application of physical and psychological pressure on detainees.

The six-nation group, after 15 days of inquiry into allegations that human rights were being violated by the junta, did not in its statement explicitly accuse the regime. It confined itself instead to suggestions that human rights should be honored. Among its "suggestions" was a proposal that the Government inform families of detainees that their relatives were being held, and the reasons.

[From the Washington Post, Sept. 10, 1974]

United States Again Denies Anti-Allende Policy

(By Laurence Stern)

The State Department found itself in the center of a growing congressional furor yesterday over the disclosure that some $11 million in U.S. funds had been authorized for covert political action against the late Chilean president, Salvador Allende.

In the face of new charges that it misled Congress on the issue of U.S. intervention in Chile, a State Department spokesman yesterday stood by sworn testimony of officials on Capitol Hill that the United States pursued a policy of non-intervention during the Allende period.

The new round of controversy over U.S. policy on Chile was triggered by the disclosure Sunday that CIA Director William E. Colby acknowledged to a House Armed Services subcommittee last April 22 that $3 million in covert funds was targeted against Allendes' candidacy in 1964 and more than $8 million was authorized to block his 1970 election and "destabilize" his government between 1970 and September, 1973, when he was overthrown.

Sen. Edward M. Kennedy (D-Mass.), chairman of a Senate Refugee subcommittee which is investigating human rights violations in Chile, said yesterday that the disclosure of CIA funding of Allende's opposition "represents not only a flagrant violation of our alleged policy of non-intervention in Chilean affairs but also an appalling lack of forthrightness with the Congress."

He noted that covert political funding, such as was acknowledged by Colby, "has been denied time and time again by high officials of the Nixon and now Ford administration."

Kennedy called for full congressional investigation of the discrepancies in the official versions of what the United States did in Chile during the Allende period.

Jerome Levinson, counsel for the Senate Foreign Relations Committee's multinational corporations subcommittee, said "there is no doubt that we were misled" by State Department witnesses who testified last year that the Untied States had not undertaken covert activities against Allende.

The former Assistant Secretary of State for Inter-American Affairs, Charles A. Meyer, gave sworn testimony to the subcommittee March 29, 1973 that "the policy of the government . . . was that there would be no intervention in the political affairs of Chile. . . . We financed no candidates, no political parties. . . ."

Last June 12 Acting Assistant Secretary of State Harry Shlaudeman told a House Foreign Affairs subcommittee: "Despite pressures to the contrary the U.S. government adhered to a policy of non-intervention in Chile's affairs during the Allende period. That policy remains in force today. . . ."

When pressed by Rep. Donald M. Fraser (D-Minn.) on whether "you are prepared today to deny an assertion that the U.S. funneled money covertly to opposition parties following the 1970 election in Chile," Shlaudeman responded: "I am not . . ."

Fraser, chairman of a House Foreign Affairs subcommittee on international organizations, charged yesterday that "the executive branch had deceived the Congress as well as the public with respect to its involvement in the overthrow of the Allende regime."

Yesterday State Department spokesman Robert Anderson said that "we stand by the statements that have been made in the past." He declined to confirm or deny the report of Colby's testimony published Sunday in The Washington Post.

Secretary of State Henry A. Kissinger similarly declined yesterday through a spokesman to respond to Colby's testimony, which was recounted in a confidential letter from Rep. Michael Harrington (D-Mass.) to House Foreign Affairs Committee Chairman Thomas E. Morgan (D-Pa.) appealing for further congressional inquiry into covert operations in Chile.

Kissinger was chairman of a meeting of the "Forty Committee" on June 27, 1970 when the question of covert political action against Allende was taken up. Kissinger, according to records of the proceeding, favored a limited and thoroughly concealed program of intervention.

The State Department, according to sources with access, to inter-departmental records of the deliberations, opposed CIA intervention in the Allende election but abandoned its opposition when President Nixon ratified a limited program of intervention for which some $350,000 to $400,000 was authorized by the Forty Committee.

Kissinger was quoted in minutes of the June 27 top-secret meeting at the White House as having said: "I don't see why we need to stand by and watch a country go Communist due to the irresponsibility of its own people."

A spokesman for the Secretary said yesterday that Mr. Kissinger had no recollection of having made such an observation and would not comment on his role in the deliberations.

Colby's closed testimony to the House Armed Service subcommittee, as recounted in the Harrington letter, was that the CIA's role in the 1970 Chilean election was that of a "spoiler" engaged in "general attempts to politically destabilize the country and discredit Allende to improve the likelihood that an opposition candidate would win."

The Forty Committee, which is an interdepartmental White House panel supervising all U.S. covert operations, authorized a steady outpouring of funds into Chile through individuals, political parties and news media through Latin American and European channels during the anti-Allende effort, according to the summary of Colby's testimony.

Kissinger had, on various occasions, expressed personal reservations about the emergence of the Allende government, which was committed to a program of nationalization and income redistribution.

After . . . Allende's popular election in September, 1970, but before the congressional run-off, Kissinger told a group of editors at the White House that "it is fairly easy for one to predict that if Allende wins, there is a good chance that he will establish over a period of years some sort of Communist government . . .

"So I don't think we should delude ourselves that an Allende takeover in Chile would not present massive problems for us, and for democratic forces and pro-U.S. forces in Latin America . . ."

But Kissinger added that the situation was not one "in which our capacity for influence is very great at this particular moment now that matters have reached this particular point."

It was during this period that the CIA and International Telephone and Telegraph Co. sought actively to undermine Allende's prospect for election, according to testimony that emerged last year before the Senate Foreign Relations multinational subcommittee and most recently corroborated in far greater detail by CIA Director Colby.

[From the New York Times, Sept. 11, 1974]

TORTURE IN CHILE SAID TO CONTINUE—AMNESTY INTERNATIONAL CITES "UNPRECEDENTED" TOLL IN REPORT YEAR AFTER COUP

(By Kathleen Teltsch)

UNITED NATIONS, N.Y., September 10.—Amnesty International charged today that the torture of political prisoners was continuing in Chile a year after the coup d'etat that overthrew President Salvador Allende Gossens.

The accusations were made in an 80-page report published here to coincide with the first anniversary of the coup tomorrow.

In a preface, Martin Ennals, Amnesty's secretary general, said, "The death roll of victims is unprecedented in Latin American history and there is little indication that the situation is improving or that a return to normality is intended."

ABOUT 6,000 REPORTED HELD

Amnesty, a London-based human rights organization, reported that "reliable sources" put the number of political prisoners still held in Chile at 6,000 to 10,000.

The mass killings that took place immediately after the military junta seized power to have ended, the report said, but it charged that Chileans continued to disappear without explanation. "It is feared that the lives of many persons are still in grave danger," it added.

Amnesty said that it continued to receive reports that prisoners were subjected to beatings, electric shocks and psychological torture.

"The most common forms of physical torture have been prolonged beatings with truncheons, fists or bags of moist material, electricity to all parts of the body, burning with cigarettes or acid," the report said. "Such physical tortures have been accompanied with deprivation of food, drink and sleep.

The report said former prisoners had charged that doctors were involved in their torture or used "truth drugs."

CHILEANS GET REPORT

The Chilean delegation to the United Nations was given copies of the report by Roger Plant, one of three amnesty investigators who visited Chile last November.

A delegation spokesman said the report would be studied but recalled that officials in Santiago had attacked the findings of Amnesty's November inquiry as being biased, based largely on hearsay and as having ignored the "positive" actions taken by the Chilean Government.

The spokesman noted that the Government had just released one prominent Chilean, Orlando Letelier, former Ambassador to the United States, who he said had left the country and was now in Venezuela. Other sources here said the Chilean diplomat had been detained for almost a year.

The new publication by Amnesty, entitled "Chile: An Amnesty International Report," was said to have been based partly on the November inquiry but brought up to date by material from church groups, from prisoners and their families, and from a number of sources described by Mr. Plant during a news conference as being "completely reliable."

[From the Washington Post, Aug. 31, 1974]

CHILEAN CLERGYMEN URGE JUNTA TO END REPRESSION

(By Joseph Novitski)

SANTIAGO, August 30.—The leaders of Chile's four largest religious congregations have asked the ruling military junta to ease its repressive policies by freeing political detainees, stopping political trials by military courts and ending the state of internal war that has been in effect almost a year.

The requests were sent to Gen. Augusto Pinochet, chief of the junta and president of Chile, in a letter signed by four bishops, representing the Roman Catholic Church and two Protestant denominations, and by the grand rabbi of Chile, representing the Jewish community. A spokesman for the junta said Gen. Pinochet would answer the letter, which was made public today.

Couched in diplomatic language and based on Pope Paul VI's bull. proclaiming this a holy year, the letter is the strongest public initiative by Chile's churches since the coup last Sept. 11 against President Salvador Allende.

However, the numerically dominant Roman Catholic Church and the Protestant churches have been actively working to defend the rights of those detained or tried because they had supported Allende, a Marxist, during his 34 months in power.

All 28 of Chile's Roman Catholic archbishops condemned the government last April for permitting torture, detention without trial and job purges for political reasons. Its authoritarian educational policy was also criticized. The junta, which responded then by suggesting that the church had been infiltrated by Marxists, has since won public support from three conservative Catholic bishops.

The joint letter, delivered several days ago to Gen. Pinochet, suggested that with the first anniversary of the military coup at hand, it was time for mercy.

"It is painfully clear to us that hatred has not yet died out among us and that many innocent people are suffering over the fate of members of their families," the churchmen said.

The phrase was a reference to relatives of about 6,000 people now detained for political reasons. The letter asked that military authorities, "in accord with their own prudent judgment," grant pardons to detainees.

Some of the prisoners now held at specially built concentration camps have been imprisoned since September without charges, under the state of siege the military declared Sept. 11.

The churchmen also asked for an end to the state of internal war declared a day later, while troops and snipers were still exchanging shots in downtown Santiago and organized groups of armed workers were shooting at troops and police from at least two factories and one shantytown.

These moves, the prelates said, "would facilitate reconciliation and peace in the Chilean family and would . . . increase the prestige of our fatherland among the democratic countries of the world."

Finally, the churchmen asked for a review by civilian courts of all sentences handed down by courts martial, which because of the state of internal war, have tried all political charges for 11 months.

The letter was signed by Raul Cardinal Silva, the Roman Catholic archbishop of Santiago and primate of Chile; Carlos Camus, a Roman Catholic bishop and secretary of the Bishop's Conference; Helumt Frenz, the Lutheran Bishop of Chile; Juan Vasquez del Valle, Methodist Bishop of Chile, and Dr. Angel Kreiman, grand rabbi of the Jewish community.

AMENDMENT NO. 1936

(Ordered to be printed and to lie on the table).

FERTILIZER PRIORITIES

Mr. HUGHES. Mr. President, this year's foreign aid request included about $250 million for the purchase of fertilizer for needy foreign nations, of which $120 million was slated for South Vietnam.

On the authority of the continuing resolution, in the past few months we have purchased 219,000 tons of fertilizer for Vietnam, but only 122,000 tons for the rest of the world.

We have been overly committed to Vietnam militarily and we are still overly committed economically. In fiscal year 1973, Vietnam received 45 percent of our foreign aid fertilizer, and that figure jumped to 62 percent in 1974.

Our Government's commitment to help alleviate the world's food crisis seems hollow when the bulk of our assistance goes to only one small nation.

Millions of people are facing starvation in Africa, India, Bangladesh, and elsewhere, but the U.S. Government can find only meager amounts of fertilizer for them.

The troubling facts about our current fertilizer program are spelled out in an article from today's Des Moines Register. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Des Moines Register, Sept. 26, 1974]

HUGE STORES OF FERTILIZER TO INDOCHINA

(By George Anthan)

WASHINGTON, D.C.—The U.S. government is sending almost twice as much fertilizer to South Vietnam and Cambodia as to all other countries in the world, some of which face severe hunger and even famine.

Records of the U.S. Agency for International Development (AID) indicate that since June 1, the agency has financed purchases of some 219,000 tons of fertilizer for South Vietnam and 10,000 tons for Cambodia.

Other nations, including Pakistan, Bangladesh, Kenya, Afghanistan, Honduras and the sub-Saharan African countries are being sent a total of some 120,000 tons.

The emphasis the U.S. has placed on supplying fertilizer to South Vietnam is outlined in figures showing that during late 1973 and early 1974, AID financed a total of 531,000 tons of fertilizer and shipped 355,000 tons to South Vietnam.

AID officials confirmed that most of the financial benefit of the American fertilizer shipments goes to the government of South Vietnam, which, in effect, sells the product to farmers through several layers of middlemen.

The U.S. officials said South Vietnamese farmers are paying more than $600 a ton for fertilizer purchased by AID for about $355 a ton.

PRESS ALLEGATIONS

The Indochina Resource Center, a church-sponsored group here that provides translations of Vietnamese newspaper articles, has reported that the Saigon press is carrying stories charging involvment of 100 to 150 middle level government officials in sale and distribution of American fertilizer.

According to the news reports, private importers sell fertilizer to Vietnamese province officials, some legislators and even religious leaders, who handle sales to farmers sometimes through an additional layer of distributors.

An AID official here said of the fertilizer situation in Vietnam: "There has been some concern over mishandling, hoarding and price-gouging, but we think most of that problem has been resolved."

International food and agriculture experts are becoming increasingly concerned over worldwide fertilizer shortages and rapidly rising prices.

They say adequate supplies of fertilizer must go to such countries as Pakistan, Bangladesh and the drought-ridden African countries that border the Sahara Desert if widespread starvation is to be averted.

The United Nations Food and Agriculture Organization (FAO) has started an emergency program to "find fertilizer wherever it can be produced and to come up with the cash to get hold of supplies for the developing countries that need it most," according to the Austrian agranomist heading the effort.

The FAO has received pledges of about $15 million for an international fertilizer pool it is trying to set up for poor countries. Officials say at least $750 million is needed.

LOST PRODUCTION

The agency has estimated that developing countries will lose some 20 million tons of grain production because of a two-million-ton shortfall in fertilizer supplies.

FAO officials say many poor countries have seen their fertilizer supplies cut off by wealthier nations.

Some U.S. officials privately say it is in America's national interest to provide heavy fertilizer supplies to "security" areas such as South Vietnam, and they contend that oil-rich states, including the Arab countries, should provide enough money so that the FAO can buy supplies for poor nations.

Senator Harold Hughes (Dem., Ia.) said, however, that the U.S. should take the lead, and he is preparing an amendment to the foreign aid bill now in Congress to limit fertilizer shipments to South Vietnam.

"Millions of people around the world may starve if they do not get sufficient fertilizer for their crops," said Hughes. "Yet, the U.S. government wants to channel the bulk of our aid to South Vietnam, where much of it reportedly is pocketed by corrupt officials."

He added, "This is wrong. If we are to fight famine, we should redirect our effort to areas where the hunger is."

The Senate Select Committee on Nutrition and Human Needs stated in a report that heavy *fertilizer* shipments to South Vietnam are aggravating the tight world supply and are committing limted U.S. funds to an area not in greatest need.

The U.S., the committee stated, "must reconsider its heavy commitment of sparse fertilizer resources to South Vietnam to determine whether portions might be reallocated to areas in which they might bring greater returns in food or ease hunger problems."

Senator Dick Clark (Dem., Ia.) will co-sponsor Hughes' amendment, and he said "It's indefensible for the government to be sending these quantities of fertilizer to Vietnam when many of our own farmers can't obtain it, and when those who can get it are having to pay exorbitant premiums."

Clark said, "The record indicates that here, as in so many other instances, the Vietnamese government has simply used these shipments as yet another opportunity to engage in profiteering . . ."

Another critic of the U.S. policy, Representative Jerry Litton (Dem., Mo.), said that even though Congress this year voted to "whittle down the tremendously big economic and military aid to South Vietnam, the minute we turn our backs, they start giving them something else. This time it's fertilizer, which is in very short supply in America."

Litton's administrative assistant, Edward Turner, began making inquiries into U.S. fertilizer shipments after a trip to South Vietnam earlier this month.

Turner said he noticed bags of fertilizer being hauled to rice fields in the Mekong Delta area and U.S. officials told him a moratorium on such shipments to Vietnam had been lifted in June without a public announcement.

AID officials here said much of the fertilizer sent to Vietnam by the U.S. government is being purchased from foreign based producers.

Mr. HUGHES. Mr. President, to deal with this grossly distorted set of priorities, which channels so much to Vietnam, I am today submitting, on behalf of myself and the distinguished junior Senator from Iowa (Mr. CLARK) and the distinguished senior Senator from Michigan (Mr. HART), an amendment to the foreign assistance act.

This amendment would limit funds for fertilizer to South Vietnam to the $85 million already obligated and it would rechannel the difference—some $35 million—into the food and nutrition program for other nations.

This amendment will have the effect of stopping further purchases of fertilizer for Vietnam this year and would rechannel our limited supplies to the areas of greatest immediate need.

I ask unanimous consent that a copy of this amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1936

On page 10, line 11, strike out "$491,000,000" and insert in lieu thereof "$526,000,000".

On page 11, line 3, strike out the quotation marks.

On page 11, between lines 3 and 4, insert the following:

"(c) Of the total amount obligated under this Act during any fiscal year after fiscal year 1975 to procure fertilizers for, and to provide such fertilizers to, foreign countries, not more than one-third of such amount may be obligated with respect to South Vietnam."

On page 31, line 4, strike out "$550,000,000" and insert in lieu thereof "$515,000,000".

On page 31, line 6, strike out "$420,000,000" and insert in lieu thereof "$385,000,000".

On page 32, lines 17 and 18, strike out "$1,280,000,000" and insert in lieu thereof "$1,245,000,000".

On page 33, line 4, strike out "$420,000,000" and insert in lieu thereof "$385,000,000".

On page 33, line 13, strike out "$188,000,000" and insert in lieu thereof "$153,000,000".

On page 33, line 15, strike out "$150,000,000" and insert in lieu thereof "$115,000,000".

On page 33, line 16, before the semicolon (;) insert the following:

", of which not more than $85,000,000 shall be available for fertilizer".

DEVELOPMENT OF A FAIR WORLD ECONOMIC SYSTEM—H.R. 10710

AMENDMENT NO. 1937

(Ordered to be printed and referred to the Committee on Finance.)

Mr. BUCKLEY submitted an amendment intended to be proposed by him to the bill (H.R. 10710) to promote the development of an open, nondiscriminatory and fair world economic system, to stimulate the economic growth of the United States, and for other purposes.

NOTICE OF HEARINGS S. 2820

Mr. McCLELLAN. Mr. President, I wish to announce that the Subcommittee on Criminal Laws and Procedures and the Subcommittee on Constitutional Rights of the Committee on the Judiciary will hold joint hearings on S. 2820, a bill to establish administrative and governmental practices and procedures for certain kinds of surveillance activities engaged in by the administrative agencies and departments of the Government when executing their investigative, law enforcement, and other functions, and for other purposes. The hearings will be on Tuesday, October 1, Wednesday, October 2, and Thursday, October 3, at 10 a.m. in room 2228, Dirksen Senate Office Building.

Additional information on the hearings may be obtained by calling the Subcommittee on Criminal Laws and Procedures, 202-225-3281.

NOTICE OF HEARING RELATING TO CONDOMINIUMS

Mr. MANSFIELD. Mr. President, I should like to announce that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing and Urban Affairs, will hold 2 days of hearings on Wednesday, October 9 and Thursday, October 10, 1974, on S. 3658, a bill introduced by Senator BIDEN to protect purchasers and prospective purchasers of condominium housing units, and residents of structures being converted to condominium units, by providing for disclosure and regulation of condominium sales by the Secretary of Housing and Urban Development, and on S. 4047, a bill introduced by Senator PROXMIRE for himself and Mr. BROOKE, to protect purchasers and prospective purchasers of condominium housing units and residents of multifamily structures being converted to condominium units by providing national minimum standards for the regulation and disclosure of condominium sales to be administered by the Secretary of Housing and Urban Development.

The hearings will begin at 10 each day and will be held in room 5302, Dirksen Senate Office Building.

The subcommittee would welcome statements for inclusion in the record of hearings.

ADDITIONAL STATEMENTS

OPPOSITION TO FOREIGN AID AUTHORIZATION BILL

Mr. TALMADGE. Mr. President, since I first came to the U.S. Senate, I have called for the United States to quit playing policeman, banker, and Santa Claus to the rest of the world. For each of 17 successive years, I have warned that the Federal Government has no business catering to the whims of every Tom, Dick, and Harry the world over while pressing domestic needs are ignored.

Now, in a time when the Federal Government is running a $14 billion deficit and domestic inflation is climbing over 15 percent, it ranks as the height of sheer folly for the Congress to approve a foreign aid package totaling over $3 billion.

While the administration asks the American family to tighten its belt, save more, and consume less, it has no business opening up the Treasury's coffers to 101 nations from every corner of the globe.

I cannot accept this, Mr. President. Public officials simply must realize that placing piles and piles of the taxpayers' hard earned dollars into the outstretched hands of governments from Afghanistan to Zambia buys no peace in the world and certainly gains America no friends.

The foreign aid bill on the floor today is the latest chapter in a 25-year global extravaganza totaling over $65 billion in economic aid alone and over $200 billion when military aid is included. Obviously, it has not made a dent in the discontent, war, and hunger in the world.

About all it has done is help saddle every man, woman, and child in the United States with a staggering national debt of well over $2,200 per person—over $500 billion in all.

It has been a prime example of the reckless Federal spending spree that has caused personal and corporate income taxes to reach a near-confiscatory level.

It has helped to blow the lid off interest rate ceilings, which are now the highest since the War Between the States. To many Americans, it has come to appear that their Government cares more about providing free houses and roads to people overseas than it does about helping them meet their own needs here.

By now, most Americans have heard that this or that appropriations bill has been slashed from 3 to 5 percent, in an effort to cut excessive Federal spending and return the Government to a balanced budget.

I would go beyond that, Mr. President. I would remove this entire bill from the budget.

I urge my colleagues to end this sacred cow of foreign aid once and for all, lest we go further and further down the road to economic chaos.

The Government cannot be all things to all people.

The absurdity of this bill is even more apparent when you look beneath the surface, Mr. President. Those Americans who were disturbed this past spring to hear that their tax dollars had gone to study why children fall off tricycles would, I am sure, be interested to know that they are now expected to foot a bill for tourism activities in Central America.

Those who might have had qualms when they discovered that the Government funded a study of perspiration among the aborigines will not be comforted to find out that they are underwriting export promotion in Honduras at the same time that America is again entering a trade deficit.

In fact, I dare say that some might be curious to know why we are asked to funnel money into Jamaican activities when that nation is imposing a huge tax on bauxite, causing the price of aluminum to leap here in America.

And, anyone interested in knowing why our Interstate Highway System still is not complete will be amazed to find out that we are helping to construct highways in Africa.

By the same token, prospective home buyers will, I am confident, not be happy to note that the same Federal Government which has until recently ignored the plight of the domestic housing market has been financing housing projects in Latin America and Asia. Parents and educators alike may question why bills appropriating badly needed funds for aid to our public schools have been vetoed as inflationary, while they are glibly asked to fork over almost $100 million for foreign schools.

Has any administration yet vetoed a foreign aid bill?

Then, too, taxpayers who favor better training for our policemen may dispute the value of spending $1½ million for the training of foreign police.

Surely, at a time when our crime rate is climbing by 15 percent, it is ridiculous for us to fight crime abroad, when we do not have the full resources to stop it here at home.

I submit that few Americans who waited patiently in long gas lines last winter would look kindly upon presenting Egypt with $253 million, but that is just what they have been asked to do.

Of course, that does not mean that the oil sheikhs in Iran and Saudi Arabia will be forgotten, for they, too, are slated to receive well over a million dollars of the taxpayers' generosity.

Whoever dreamed up this legislation must have been hell-bent on bending over backward to add more money to the overflowing vaults of the Arab treasuries.

I cannot understand why the American people are expected to humble themselves before those half-baked radicals in Algeria, Egypt, Iran, Saudi Arabia, and Jordan who pulled an oil embargo on us.

Surely, these countries can fend for themselves. Let them take the fruits of their unholy profiteering and give it to their neighbors, if need be.

Why should they get a free lunch off the American consumer?

Why should the American Government lavish vast sums or, for that matter, any sums at all on Turkey, when that Government winks at the drug traffic that supplies so much of the heroin that breeds addiction and crime in our cities?

I can see no logical reason why America should send economic or military aid to India, which values the development of the atomic bomb more than feeding starving masses.

Do the proponents of this bill realize that India is the very same country which finagled the previous administration into a shameful debt settlement of 3 cents on the dollar, in spite of the efforts of several of us in the Senate to obtain full repayment to the taxpayers?

The list goes on and on, Mr. President. Some accounts are small. Some are huge. Together, they add to an unhealthy dose of fiscal irresponsibility.

Mr. President, about all we ever hear in support of the foreign aid program are glowing promises about how well it works and how dire the consequences would be if we abandoned it.

In my travels abroad and in my discussions with American and foreign citizens, I have found few, if any, who could point to a particular project and describe in detail and in candor the benefits it had brought.

We should not and cannot afford to take this bitter pill.

I am tired of pious platitudes. It is time to realize that our own affairs must be set in order before even considering embarking on grandiose, frivolous, and financially reckless ventures overseas.

ON THE "IMPERIAL PRESIDENCY"

Mr. BUCKLEY. Mr. President, last Friday's Wall Street Journal contains an excellent article by Prof. Irving Kristol on the "instant political science" surrounding the subject on the "Imperial Presidency."

Conservatives have long warned about the concentration of power in the hands of the Executive. One such conservative, James Burnham, has analyzed this trend in a book published in 1959: "Congress and the American Tradition." Professor Kristol praises this work by one of our most distinguished political scientists as "still the most perceptive and thoughtful" in the "small library of books, essays, and editorials on the theme."

Naturally, conservatives are delighted that their arguments have been resurrected from what Professor Kristol calls academic and journalistic oblivion. But we are equally worried that the import of these arguments may soon be forgotten.

Therefore, I bring this thoughtful analysis to the attention of my colleagues while the troubles of the past 2 years are still fresh in our minds, and ask unanimous consent to have it printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Sept. 20, 1974]

THE INEXORABLE RISE OF THE EXECUTIVE

(By Irving Kristol)

One of the lesser consequences of Watergate has been the production of a small library of books, essays and editorials on the theme of "the imperial presidency." Some of these are scholarly and thoughtful; others are but the froth of journalistic commotion. The argument of all of them, however, is that we have for several generations permitted the presidency to evolve into something like a constitutional monarchy, that Watergate was a clear symptom of undue concentration of power in the White House, and that now we must see to it that the Legislative Branch regains much of the power that has been improperly drained from it.

This exercise in instant political science has its merits, but it is also full of ironies. Most of the authors involved are of the liberal persuasion, who until yesterday were actively promoting the very tendency they now deplore. Suspicion of a strong presidency has, in recent times, been a conservative prerogative. As a matter of fact, the best book on this whole matter was written by a conservative and was published back in 1959.

I am referring to James Burnham's "Congress and the American Tradition"—a critical analysis of the emerging 'imperial presidency" that is still the most perceptive and thoughtful of the lot. Naturally, it is out-of-print and is rarely quoted in the current literature. There is nothing like being prematurely right to achieve academic and journalistic oblivion; and if in addition to being prematurely right you are also conservative, it helps accelerate the process.

At the time Mr. Burnham was writing his book, the official liberal attitude on this matter was defined by Professor Arthur N. Holcombe, one of the nation's leading political scientists. In 1956, Professor Holcombe could write:

> "The function of Congress under the Federal Constitution is not to dictate legislative policy to the President. It is rather to insure that the policies of the administration will not be carried into execution without substantial evidence of the consent of the people in different parts of the country."

HAROLD LASKI'S VIEW

Professor Holcombe was here simply echoing an argument that American liberals had been proposing ever since Woodrow Wilson—an argument to the effect that, if you want to "get things done," you have to look to the Executive as your chosen instrument. Harold Laski, in his widely-read text, "The American Presidency" (1940), asserted matter-of-factly that "the modern state requires disciplined leadership" and that "no democracy in the modern world can afford a scheme of government the basis of which is the inherent right of the legislature to paralyze the executive power." And when President Truman seized the steel companies, he laid down the dictum:

> "I believe that the power of the President should be used in the interests of the people, and in order to do that the President must use whatever power the Constitution does not expressly deny him."

Up until Watergate, this was the liberal construction of presidential power. Though most liberals may have disapproved of the Bay of Pigs, they certainly did not think for a moment that President Kennedy had committed an impeachable offense. It was not until President Nixon followed this precedent in Cambodia that the meaning of the Constitution became clear to them. And it was not until the Nixon administration that even the investigative powers of Congress were conceded by liberals to have a good reason for existence.

Back in 1922, Walter Lippmann had described congressional investigations as "that legalized atrocity . . . where Congressmen, starved of their legitimate food for thought, go on a wild and feverish man-hunt, and do not stop at cannibalism." and this was the basic attitude until Mr. Nixon came to office. It was an attitude, obviously, much strengthened by the activities, after World War II, of Senator Joseph McCarthy, whose contemptuous disregard for executive privilege was seen as threatening the ability of any administration to govern. Senator McCarthy was certainly up to no good—but the liberal argument was that he had no constitutional right to be up to no good in this way. How different from their attitude toward Senator Sam Ervin.

It does seem clear that, in much of the controversy over the proper limits of congressional and presidential power, one's attitude is determined by which party is, at the moment, in control of those two institutions. But not entirely. It is also a fair generalization that, on the whole, conservatives have been more adverse to increasing presidential power than have liberals. After all, even during the Watergate years, the Nixon administration was trying to achieve the devolution of such power by way of "the new federalism," as represented by general and special revenue-sharing—while the same liberals who were supposedly alarmed by "the imperial presidency" suddenly found all sorts of reasons for thinking such decentralization of power was not really such a good idea.

I am not suggesting that the conservatives have been always right. Indeed, in the area of foreign affairs, I would say they were usually wrong. Though Congress certainly and properly has a certain measure of negative control over foreign policy—if only through the appropriations process—the notion, favored by many conservatives since 1920 and now propounded by some liberals, that Congress should have anything like an equal share in the making of foreign policy, is absurd. The Founding Fathers never expected it to; it cannot, in the nature of things, do so. Foreign policy involves secrecy in negotiation, swiftness in decision-making, and an irreducible minimum of duplicitous scheming—all of which go against (and should go against) the grain of Congress as a public, deliberative body.

Even the congressional prerogative of "declaring war" is no longer very significant in the 20th Century. As Mr. Burnham has well said:

> ". . . In our day the act of formally 'declaring' war, losing all substantial meaning, has been reduced to a legalistic ritual without important historical or social consequence. And in this case it is not that Congress has lost a right or power to the Executive . . . . Because of the change in the nature of war itself, the right or power 'to declare war' no longer has much meaning, no matter who possesses it."

In the atomic age, declarations of war are just too dangerous, which is why Israel has never declared war on Egypt, India never declared war on Pakistan, Turkey never declared war on Greece, and the United States never declared war on North Vietnam.

As with declarations of war, so it is with treaties, which the Senate still must ratify. Most of the important aspects of our relations with foreign countries do not, need not, and frequently cannot find expression in treaties. They rest, rather, on personal contacts between heads of states.

The growth of presidential prerogative in foreign affairs is a logical and inevitable consequence of the emergence of the United States as a world power. Many conservatives, fearful of "statism," really wish to see our nation withdraw from this condition: that was the impetus behind the movement for the Bricker Amendment in the 1950s. Their apprehensions are not unfounded—much of the increase in governmental power (and in federal taxes) results from our involvement in the wars of the past 60 years. But there is no way back: today's nuclear technology makes international anarchy a threat to our very survival. So a strong national government, and especially a strong presidency, is here to stay.

But there is a difference between a strong and decisive government on the one hand, and a sprawling, bureaucratic government that intrudes in just about every aspect of our personal lives, on the other. And there can be no doubt that it is the liberals, in their eagerness to see the federal government "solve our social problems," who have created and who sustain a national government that is a lot more imperial than it need have been.

If power flows to Washington—as it has for more than 50 years now—there are only two places it can comfortably flow to: the presidency and the federal bureaucracy. Indeed, our last three Presidents have been openly engaged in a struggle for power, not with Congress, but with the bureaucracy. And one consequence of Watergate, already visible, will be to strengthen the bureaucracy at the expense of the White House. The "independence" of the regulative agencies, and even of Cabinet departments, from "interference" by the White House has suddenly become a sign, not of bureaucratic intransigence, but of political morality at its best.

Presumably a liberal President in the future, whose efforts to concentrate power in the White House will have the blessing of the media, may be able to reverse this tendency. And it is quite certain that, if he tries, he will have the full support of many of those who now are most eloquent about the dangers of an "imperial presidency," but who will then be excoriating "bureaucrats" for frustrating "the will of the people."

Meanwhile, however, it is the federal bureaucracy which has gained most—in power, prestige, and autonomy—from Watergate. The regulatory agencies and Cabinet departments are now semisovereign bodies. They are governed by presidential appointees who are also in fact captives of the permanent staffs of these bodies, and live in fear that any member of their staffs will denounce them to the media for being insufficiently independent.

TELEVISION'S NEEDS

By the media I mean, above all, the television networks. Newspapers are essentially local institutions and have no particular need to feed off events in Washington in order to survive. With television it is quite otherwise. It is a disaster for the networks if a lot of interesting and important events are not happening in Washington. They therefore have an almost automatic and mindless predisposition to favor the largest possible concentration of power in the national center, and to minimize the importance of local and state government, which they always manage to treat with scarcely concealed contempt.

Moreover, the very conception of "news" which dominates these mass media is that of simple-minded melodrama, of one piece with their entertainment programs. (That, incidentally, was why they were originally and disparagingly called "*mass* media.") Television cameras, and the people who own them and operate them, would go mad with boredom and frustration if they had to cover serious, lengthy debates in Congress, in which the complexities of issues were patiently explored.

They want political "actors" who are good guys and bad guys, but in any case of "star" quality; they need clean conflict and quick, clear-cut resolution. If they don't get what they want and need, they will conclude that the government is being wilfully ineffectual: witness the way our television networks are covering the issue of inflation.

And Congress? Well, despite all the unctuous chatter about Congress exercising a new self-discipline and regaining its lost powers, nothing of the sort is going to happen. The sad truth is that Congress doesn't *want* power—because its exercise involves taking the long view rather than the short one, studying issues rather than striking postures about them, and above all because it involves making hard, controversial, and frequently unpopular decisions. The kind of Congress that would be willing to exercise power responsibly would consist of men and women who either had absolutely "safe" seats or who, though ambitious for temporary public recognition, did not think of themselves as having life-time careers as politicians. The first kind of Congressman is on the verge of extinction, as the result of various liberal reforms (reapportionment of electoral districts, "democratization" of party machinery, etc.). The second kind of Congressman doesn't even bother to enter politics these days—in the media-heated atmosphere of Washington, he would be either ignored or ridiculed.

If proof were needed of the willing impotence of Congress, it can be found in its tranquil toleration of the extraordinary growth in judicial power over these past two decades. The courts today assume prerogatives and powers—with regard to education, housing, environmental regulations, urban planning, the definition of police powers and civil liberties, etc.—which, in another time, Congress would have been quick to claim jealously as its own. Today, it is positively and obviously relieved by this new exercise in "judicial supremacy," and relinquishes its traditional powers to the courts with scarcely a murmur. It retains only the power to criticize and correct in extreme circumstances—it is no longer an equal branch of government, though it is still an important and potentially useful one.

NO TURNING BACK

The only possible inference from this state of affairs is that the "imperial presidency," in some form or other, is here to stay—along with the federal bureaucracy that is its true partner in power. That is the way our system of government has evolved over these past decades, and it is hard to see how the clock can be turned back. For those of us who have a special attachment to the American political tradition, it is not the happiest of spectacles. Still, there is no reason why this latest version of the democratic republic shouldn't be a reasonably decent form of government. It is even a form of government which some of the shrewdest among the Founding Fathers—Alexander Hamilton, most notably—preferred in the first place. Our textbooks still tell us that Hamilton lost out to Jefferson and Madison. But, then, authors of textbooks are always the last to know.

(*Mr. Kristol is Henry Luce, Professor of Urban Values at New York University and co-editor of the quarterly The Public Interest. He is also a member of the Journal's Board of Contributors, four distinguished professors who contribute periodic articles reflecting a broad range of views.*)

DÉTENTE: AN EVALUATION

Mr. JACKSON. Mr. President, I want to call the attention of my colleagues to an editorial on détente in today's edition of the New York Times. The editorial reinforces the point that many of us have been making on the need for a realistic quid pro quo in the context of negotiations with the Soviet Union for U.S. economic help, The considerable Soviet interest in, and need for, Western capital and technology is fundamental. Therefore, the West can properly bargain hard for the essential ingredients of a genuine détente—such as strategic arms reduction and freer movement of people and ideas.

I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Détente

No one is going to oppose the ideal of Soviet-American détente, in its pure meaning, any more than one would willingly choose a world of tension and hostility in preference to a "generation of peace." The issue is whether the pursuit of détente is being wisely conducted, with proper regard for fundamental interests and full realization of pitfalls as well as rewards.

Secretary of State Kissinger's long promised testimony before the Senate Foreign Relations Committee last week provided a convenient summation of the sound conceptual arguments which he has developed in a series of statements over recent years.

He gave needed emphasis to the point that détente is a continuing process, a dynamic relationship, not a state of grace that at a given time will be finally achieved, signed and sealed, permitting the two superpowers to move on to other things. Détente is a pattern of mutual behavior that arises from each side's perception of its own self-interest. To be effective, in short, détente must give each side something that it wants.

The chief reservation about the policy of détente, as conceived by Mr. Kissinger under two Presidents now, is that this country may find itself settling for minimal tangible benefit for itself in pursuit of a desirable abstraction, while the Soviet leadership successfully extracts real concessions in return for empty lip service.

Nowhere is this danger more clearly raised than in Secretary Kissinger's discussion of expanding trade relations between the United States and the Soviet Union. "The significance of trade . . . is inflated out of all proportion," he said, when political concessions—on Soviet emigration policy or other matters—are demanded in exchange. Is it really?

It is difficult to talk with a single Soviet official these days without learning that, far from being inflated out of proportion, trade is the single most important component in détente, as viewed from Moscow. Easing of nuclear tensions, formal recognition of the European status quo—these are desired goals of Soviet foreign policy; but the desperate, driving impulse of détente is access to Western advanced technology.

The broadest criticism to be made of the détente policy as so far implemented is that the extent of the political cost which the Russians are willing to pay for this access has scarcely even been tested in American diplomacy.

Mr. Kissinger argues that this country's bargaining power is limited, for the technology the Russians so desire is available as well from other countries as the United States. True in principle, perhaps, but demonstrably false in the recent years' experience of frustrated Soviet trade missions around the world. The dimensions of scale in the Soviet economy are so vast, the capacity of the Western industrial world—excluding the United States—so small by comparison, that only this country can begin to provide the massive capacity which Moscow requires.

Even the working procedures on the American side of the trade bargaining process can be faulted, despite high level assurances to the contrary. While the Soviets envisage their many transactions in the broad context of political and economic needs, the American side has too often been content to let private entrepreneurs make their own deals on a purely commercial basis. If the Government finally moves in to consider these transactions from a national interest viewpoint, it may be too late to matter.

The danger of détente as it has been pursued, therefore, is that the United States may get an eloquently expressed design for interrelationship, while the Russians get a new generation of computers. Compounding this imbalance, principles of behavior—however solemnly agreed—can be readily revoked; technological knowledge once disclosed can never be withdrawn.

Many in the Executive branch as well as the Congress are well aware of these dangers. It is their responsibility to restrain an enthusiastic political leadership in the White House and State Department from succumbing to the abstract desirability of superpower détente, and insist that every single economic and political engagement with the Soviet Union be studied for its measure of mutual benefit, on its own merits.

ENVIRONMENTAL HISTORY

Mr. MUSKIE. Mr. President, I would like to share with my colleagues an article by Dr. Edward Schriver, associate professor of history at the University of Maine, entitled "Clio and the Environment: Some Thoughts on Teaching Environmental History." The article appeared in the Summer 1974 issue of the Phi Kappa Phi Journal.

Many Americans tend to feel that environmental concern is a new phenomenon, but we should not ignore the lessons of history in this area—as in other areas of public concern. As Dr. Schriver suggests, environmental history can teach us which past dangers to avoid and can allow us to integrate what we have learned about ourselves and our interdependencies. It can also help us avoid portraying the so-called environmental movement as a battle between heroes and villains, or between preservationists and utilitarians. In his article, Dr. Schriver offers a discussion not only of these points, but also of how they can be presented in the classroom.

I ask unanimous consent that the article from the Phi Kappa Phi Journal be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Clio and the Environment: Some Thoughts on Teaching Environmental History

(By Edward Schriver*)

How to teach environmental history has yet to be clearly thought through. Environmental history—or what has been called conservation history—in the past has had many pitfalls. One of the dangers has been the devil theory of causation which forces the teacher to focus upon alleged heroes and villains. One incarnation of this syndrome, for instance, leads the instructor to portray the conservation struggle as a battle between the preservationists in all their purity and the utilitarians in all their practicality, between the symbolic presence of John Muir, keeper of the Sierras, and Gifford Pinchot, leader of the prudent, but treecutting, foresters.

Today we require more than an avoidance of past dangers to sound conservation history; we need to integrate what we have learned about ourselves and our interdependencies.

I

Applying sound historical and interdisciplinary principles is obviously more easily outlined than implemented. History 177, History of the Treatment of the American Environment, which I teach is one attempt to bridge the gap between the old conservation history and the new environmental history.

History 177 is approached from four perspectives: the historical, the man-nature, the environmental crisis, and defending the environment. Needless to mention, none of these perspectives is self-contained.

What historical insights can a teacher prudently present in a one semester course which covers the whole spectrum of American environmental history from before 1607 to the present?

To reply to the above question, three basic strands of environmental history are isolated in America's past: the utilitarian, the aesthetic, and the ecological. The utilitarian strand can be illustrated by reference to the life and work of George Perkins Marsh. Marsh's *Man and Nature,* first published in 1864, has latterly become a classic to which many turn for guidance.[1] One can move from Marsh to consider Gifford Pinchot and his concept of conservation which includes the admonition to use natural resources for the benefit of all the American people, not merely for the welfare of a special few. Pinchot advocated that scientific principles and prudence be applied so that the resources base would not be destroyed.

Practical elements in environmental history can be elucidated by the examples offered after Pinchot by the TVA, by the water quality and clean air acts, and by Earth Day, 1970.

The aesthetic strand may be found in the life and thoughts of Henry David Thoreau and John Muir.[2] This strand seems to be more difficult to get across to some people. The utilitarian approach to the land is clear; use America's resources, everybody use them, but use them scientifically and wisely. On the other hand, appreciation of shade, color, and line in nature is more difficult to portray, even with the eventful controversy surrounding a man such as John Muir.

The insight that nature has a life of its own and that life must be respected and cooperated with, if for no other reason than that it is beautiful, is very hard to document. The co-ordinate concept of quality of life is analogous to respect for nature is now only just beginning to permeate the public mind.

The ecological strand, as exemplified by the American Indian and his accommodation to his surroundings, has also just recently come into public purview. This awareness is being heightened daily by one series of man induced crises after another. The recent past has presented us with examples in Donora, Pennsylvania in 1948; London in 1952; and in subsequent occurrences (not the least being the current energy crisis). Nuclear fallout and Rachel Carson have added to the burden of the evidence.

The ecological strand runs squarely against the American ethos. Aldo Leopold's dictum that we are indeed members of the total biotic community (not the masters of it) is difficult for Americans as a people to follow. Even harder to comprehend is the corollary of Barry Commoner: "There is no such thing as a free lunch."

Our economic reasoning, for example, has yet to face directly the notion that our surroundings may well put even more severe limitations on future development and on our exploitative activities than they already do.[3] The American mental set—conditioned by generations of apparent success—has been expansive. The idea that the environment must be our partner in business may well be too much for us to accept at this point in time.

There is, naturally, the alternative which allows us to ignore the interaction and interdependence of living systems. However, we will only delude ourselves and invariably do ourselves and our fellows a great deal of damage (and bequeath a terrible legacy to the future) if we persist as a nation in this type of approach.

Other major concerns are also considered in History 177: the juxtaposition of the concept of wilderness and the American mind; how Americans have viewed the frontier through the decades; the general direction of land law development including the Public Land Law Review Commission's Report in 1970, *One Third of the Nation's Land*[4]; the establishment and activities of selected government agencies involved with the land (the Corps of Engineers, the Forest Service, the National Park Service, the Reclamation Service, and the Soil Conservation Service; to note but a few); the Progressive Era of American politics and conservation (including the first major national resource battle over the damming of Hetch Hetchy Valley in California); the smozzle caused by the Teapot Dome oil Scandal; and the age of Franklin Delano Roosevelt to the present.

Any acceptable introductory text—particularly Hans Huth's *Nature and the American* and Roderick Nash's *Wilderness and the American Mind*—will give the student enough material to move to more advanced studies.[5]

The second course perspective, man-nature, serves to illustrate the character of the relationship between mankind and his environment. There is an almost endless list of topics, books, and lectures in this area. Only a few of them will be noted for purposes of illustration.

The classic book—mentioned already—is by Aldo Leopold.[6] His *A Sand County Almanac* should be pondered by every interested American historian who is not familiar with its message. Through his career with the Forest Service and with the University of Wisconsin, Leopold drank deeply of the man-land connection. From his emerging love affair (not a sentimental, gushing relationship it must be made plain) with the land, he perceived the requirement for a land ethic. Of this ethic, he wrote with depth and feeling.

"When we see land as a community to which we belong, we may begin to use it with love and respect. There is no other way for land to survive the impact of mechanized man, nor for us to reap from it the esthetic harvest it is capable, under science, of contributing to culture. That land is a community is the basic concept of ecology, but that land is to be loved and respected is an extension of ethics. That land yields a cultural harvest is a fact long known, but latterly often forgotten." [7]

Edward Abbey's anguished cry from the Arches National Monument in Utah stands in stark contrast to the moderate words of Aldo Leopold. Abbey in his *Desert Solitaire* comes forward as an angry defender of the wonders of nature against the onslaughts of Tourist Culture.[8] With a venom-tipped pen he charges.

"At once I spot the unmistakable signs of tourist culture—tin cans and tinfoil dumped in a fireplace, a dirty sock dangling from a bush, a worn-out tennis shoe in the bottom of a clear spring, gum wrappers, cigarette butts, and bottle caps every where. This must be it, the way to Rainbow Bridge; it appears that we may have come too late. *Slobivious americanus* has been here first." [9]

From the bitter exhortations of an Edward Abbey, one can shift to the deep flowing insights of John Hay *In Defense of Nature:*

"The field of life, and not the landscape, garden, or even wilderness, terms we use to define our relationship with nature, this cosmic field, is where the hunting is. How could an Indian or an Eskimo, following his prey without help from guns and machines, risking his life each time he went out to hunt, not know himself to belong to the same earth as his quarry? How, since he was so near in self and in spirit, could he not venerate the powers that give and take away, and even ask forgiveness of that animal he was about to kill?" [10]

Ian McHarg provides still another focus on the man-land relationship. If, McHarg insists, we design with nature, we will build well and perhaps will avoid ecological disaster. While perhaps trite, the margarine ad on television makes this point; it's not nice to fool Mother Nature with an artificial product (because if you do, you will regret it at some later date). McHarg produces his evidence in the form of the wreckage cottages (and other data) on the New Jersey sand dunes.[11]

John McPhee bares the preservationist mind set toward manland in *Encounters with the Archdruid* (who happens to be David Brower, formerly of the Sierra Club, now with Friends of the Earth).[12] Brower faces three opponents: a mining engineer who believes that our well-being rests with finding and extracting more and more minerals; a resort developer who regards all conservationists as "Druids;" and a builder of gigantic dams who grew up in the dry west and who deeply believes in the power of impounded water.

The environmental crisis is the third perspective. For the eye, other than direct personal observation, there is ample evidence of the malaise in the National Geographic Society's *As We Live and Breathe.*[13]

One cannot enter this area without encountering Barry Commoner and Paul Ehrlich, head to head.[14] For Commoner, the crisis in large measure is one of uncontrolled innovation in technology; Paul Ehrlich, on the other hand, contends that Commoner has seriously neglected the environmental growth.

The environmental crisis and its sources, history, and current status is multi-faceted: the debates over the future of nuclear energy, the water crisis, the pesticide and herbicide battles, the struggle to save endangered species, the attempts to recover air purity, the debate over economic growth versus a stable state, the presence of massive spills of oil in the oceans, the threat to health from metal poisoning, the shoot-out over strip mining, the fears over chemicals in our foods, the decisions over clearcutting, and all the other symptoms of the problem.

There are those who insist that too much is being made over the so-called environmental dilemma. They too must be heard, if not heeded.

John Maddox, a former editor of the English journal *Nature,* has written the most uncompromising refutation of the doomsayers.[15] Maddox tells his readers in *The Doomsday Syndrome* that while there are certainly environmental problems, there is nothing amiss that doing business-as-usual with a bit more caution will not alleviate. He takes it upon himself to castigate a veritable galaxy of environmental leaders: Rene Dubos, Paul Ehrlich, Kenneth Boulding, to mention but three. Maddox has special scorn to heap upon the late Rachel Carson for alarming us all in 1962 with *Silent Spring.*[16]

John Maddox and those who agree with his point of view both in Britain and the United States, further, are appalled by the suggestions offered by Dennis Meadows and the M.I.T. team in *Limits to Growth* and by the journalist editors of the *Ecologist* in *Blueprint for Survival.*[17] A Sussex University group has given the Maddox forces ammunition in a study done on the *Limits* entitled *Models of Doom.*[18] The Sussex researchers uphold the same optimistic view that John Maddox posits and look to man's ingenuity and to past escapes to sustain us.

Defending the environment is the concluding perspective in History 177. From colonial times until the present, attempts have been made by government and private individuals and bodies to protect the land and its resources. Colonial officials were completely aware of the need to protect natural resources. Their inclinations were blunted, of course, by the prevailing climate of opinion which was amenable to taming, to conquering, and to subduing the land.

To conclude that Americans as a people require a change of heart, lifestyle, and way of doing things is obvious. Rene Dubos hits the issue squarely when he writes:

"Conservation therefore implies a creative interplay between man and animals, plants, and other aspects of Nature, as well as between man and his fellows. The total en-

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Footnotes at end of article.

vironment, including the remains of the past, acquires human significance only when harmoniously incorporated into the elements of man's life." [19]

Raymond F. Dasmann, John P. Milton, and Peter H. Freeman carry the issue from the point to which Rene Dubos brings it in the above statement:

"But just as it has long been obvious that development efforts which ignore economics and engineering are likely to founder, so it should by now be equally obvious that development efforts that take no account of the ecological 'rules of the game' are also bound to suffer adverse consequences." [20]

Lynton K. Caldwell, a political scientist, proposes defending the environment through professional, research based management.[21] Besides scientific and ecologically sound stewardship of our resources, an understanding and use of legal tools to protect the environment are required. What can the citizen do to prevent or to correct abuses of the public interest? What are the legal ramifications of the Calvert Cliffs Decision or the National Environmental Policy Act of 1970?

On the practical level, how can the public get involved? A spate of good and bad popular books answer this question: from *The User's Guide to the Protection of the Environment to Teaching for Survival*.[22]

II

No special uniqueness is posited for the approach mentioned above. No brief is set forward for the exclusion application of this means to teach environmental history. Certainly, the scope is widened to include other disciplines besides history (environmental geoscience, economics, geography and others); this will alienate some and may be a danger in and of itself.[23]

Nothing is said about the researching and writing of environmental history. This activity complements its teaching and is necessary to growth in understanding. Lawrence Rakestraw cautions moderation in churning out endless reams of environmental history.[24] I argee. We need to re-think what it is that we are doing. In his conclusions about our perception of the task, Rakestraw is correct:

"Historians who regard conservation as past politics might profit by a spell on the sawmill greenchain, or as trail workers for the Park Service to get some grassroots insights. Those who look at conservation from the field would profit from a government internship and exposure to bureaucratic frustration. We need better work as both government agencies and private groups look to history for guidance and decision making. Resource decisions are too important to be made on the basis of shoddy scholarship and faulty hypothesis." [25]

"It is impossible for a man to learn what he thinks he already knows."—Epictetus.

FOOTNOTES

*Dr. Schriver, associate professor of history at the University of Maine at Orono, is the author of "Pursuit of Excellence," the 75-year history of Phi Kappa Phi. This paper is a condensation of an address given at the Conference of New England Historians, October, 1973.

[1] David Lowenthal (ed), *Man and Nature* (Cambridge: Belknap Press, 1967).

[2] Two useful books on Muir are Holway R. Jones, *John Muir and the Sierra Club: The Battle for Yosemite* (San Francisco: The Sierra Club, 1965) and Linnie Marsh Wolfe, *Son of the Wilderness* (New York: Alfred A. Knopf, 1945).

[3] It must be noted that man can create with nature as Rene Dubos is careful to point out. His little article, "Man's Creative Touch Often Improves the Land . . .", *Smithsonian*, Volume Three, Number Nine, December 1972, pages 18-28, points this out. Also, one must take care not to be too absolute in one's pronouncements about how limited man is by his environment. Clarence J. Glacken's *Traces on the Rhodian Shore: Nature and Culture in Western Thought from Ancient Times to the End of the Eighteenth Century* (Berkeley: University of California Press, 1967) and Thomas F. Saarinen's *Perception of Environment* (Washington, D.C.: Association of American Geographers, 1969) help to show some of the pitfalls.

[4] *Once Third of the Nation's Land: A Report to the President and to the Congress by the Public Land Law Review Commission* (Washington, D. C.: United States Government Printing Office, June 1970).

[5] Hans Huth, *Nature and the American: Three Centuries of Changing Attitudes* (Lincoln, Nebraska: University of Nebraska Press, 1972) and Roderick Nash, *Wilderness and the American Mind* (New Haven: Yale University Press, 1973).

[6] Aldo Leopold, *A Sand County Almanac* (New York: Ballantine Books, 1970). Susan L. Flader has written "Aldo Leopold and the Evolution of an Ecological Attitude," (Stanford University, PhD Dissertation, 1971). Flader's work is being published as a book.

[7] Aldo Leopold, *A Sand County Almanac*, pp. xviii–xix.

[8] Edward Abbey, *Desert Solitaire* (New York: Ballantine Books, 1971).

[9] Abbey, *Desert Solitaire*, pp. 214–215.

[10] John Hay, *In Defense of Nature* (Boston: Little, Brown and Co., 1969), p. 125.

[11] Ian L. McHarg, *Design with Nature* (Garden City, New York: Doubleday and Company, 1971).

[12] John McPhee, *Encounters with the Archdruid* (New York: Farrar, Straus, and Giroux, 1971).

[13] *As We Live and Breathe: The Challenge of our Environment* (Washington, D.C.: National Geographic Society, 1971).

[14] See Commoner's *The Closing Circle* (New York: Alfred A. Knopf, 1971) and Ehrlich's *Population, Resources, Environment: Issues in Human Ecology* (San Francisco: W. H. Freeman, 1972).

[15] John Maddox, *The Doomsday Syndrome* (London: Macmillan Ltd., 1972).

[16] Rachel Carson, *Silent Spring* (Greenwich, Connecticut: Fawcett Books, 1962).

[17] Donella H. Meadows *et al*, *The Limits to Growth* (New York: Universe Books, 1972) and the Editors of the *Ecologist*, *Blueprint for Survival* (Boston: Houghton Mifflin Company, 1972).

[18] H. S. D. Cole *et al*, *Models of Doom: A Critique of the Limits to Growth* (New York: Universe Books, 1973).

[19] Rene Dubos, *So Human an Animal* (New York: Charles Schribner's Sons, 1968), p. 199,

[20] Raymond F. Dasmann *et al*, *Ecological Principles for Economic Growth*, (London: John Wiley & Sons Ltd., 1973), p. vii. See also E. J. Mishan, *Growth: The Price We Pay* (London: Staples Press, 1969).

[21] Lynton K. Caldwell, *Environment. A Challenge to Modern Society* (Garden City, New York: Doubleday and Company, 1970).

[22] Paul Swatek, *The User's Guide . . .* (New York: Ballantine Books, 1970) and Mark Terry, *Teaching for Survival* (New York: Ballantine Books, 1971). See also Joseph Sax, *Defending the Environment* (New York: Alfred A. Knopf, 1971) for a lawyer's view.

[23] No one should dismiss the battle between disciplines. It can be bitter, as everyone is aware.

[24] Lawrence Rakestraw, "Conservation Historiography: An Assessment," *Pacific Historical Review*, Volume XLI, August 1972, Number 3, p. 288.

[25] Rakestraw, "Conservation Historiography," p. 288.

SUNDAY PATRIOT-NEWS

Mr. HUGH SCOTT. Mr. President, in 1949, a new concept in journalism for central Pennsylvania was initiated with the birth of a regional newspaper.

On September 17 of that year, the first edition of the Harrisburg Sunday Patriot-News promised its readers what had never before been attempted in the heart of the Commonwealth—a newspaper that would serve a 100-mile radius of the capital city.

That promise has been fulfilled, and this year the Sunday Patriot-News marks a quarter-century of service. This fine newspaper enjoys both a large and continually growing circulation and a loyal readership.

The Sunday Patriot-News grew from an initial circulation of 57,122 to reach its goal of more than 100,000 circulation within 4 years. Today it is the fifth largest Sunday newspaper serving the Commonwealth.

I congratulate the Sunday Patriot-News on 25 years of service to the people of central Pennsylvania, and I ask unanimous consent that two articles commemorating this benchmark be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

SUNDAY PAPER IS 25 TODAY

(By Paul B. Beers)

The Sunday Patriot-News, Vol. 1, No. 1, had a rousing, rather brazen birth just 25 years ago. In bold, one-inch type, printed in red above the masthead, or flag, was the assertion: "Number One!"

Meaning "number one" as a regional Sunday newspaper, as well as the number one keepsake edition, The Sunday Patriot-News entered the Central Pennsylvania world with an initial healthy circulation of 57,122.

Within four years, it surpassed its goal of 100,000 circulation and, before it was out of its infancy, it was the most sucecssful newspaper ever published in the almost 200-year history of Central Pennsylvania. Better than 50 newspapers in Harrisburg alone had gone before it, but none topped The Sunday Patriot-News.

In news coverage, circulation, advertising and reader loyality, the Sunday Patriot-News has far exceeded any expectations of its founders. Today's circulation of 168,319 was never imagined when the bulldog (first) edition appeared on Market Square at 7:40 p.m. Saturday, Sept. 17, 1949.

"The Sunday Patriot-News humbly bows its greetings to the people of Central Pennsylvania, whom it promises to serve faithfully and energetically," the first editorial proclaimed.

What the paper also promised was what it termed "regional journalism," a new concept for 1949 and never before attempted in Central Pennsylvania.

As much as any idea can bring success, it was the concept of "regional journalism" that did it for The Sunday Patriot-News.

From the beginning, the news converage, circulation and advertising message extended to a 100-mile radius of Downtown Harrisburg. The readership and market was the vast Pennsylvania T-zone between Philadelphia and Pittsburgh.

Patriot-News executives anticipated population growth and increased prosperity in the Midstate, but their forecasts were conservative. No one expected that in two decades the population would soar by a third—almost 230,000 persons—in Adams, Centre, Cumberland, Dauphin, Lebanon, Perry and York counties alone, which now have almost one million people.

Enterprise, remarkably perceptive planning, hard work and good luck enabled the

Sunday Patriot-News to establish itself quickly and grow with the Central Pennsylvania community. So much is it a part of the scene that thousands of readers cannot imagine a Sunday morning when this newspaper isn't either at their doorstep or at a newsstand.

Continuity has long been a major ingredient of American newspapering history, and The Sunday Patriot-News in particular has had unusual continuity, both in its format and its personnel.

As the child is father to the man, the first editor of The Sunday Patriot-News bears a direct resemblance to today's Vol. 25, No. 52. A reader from 1949 would note the same section breaks in today's Sunday paper, with special emphasis on sports and family news and such enduring features as television listings in a magazine format and "Parade." Beyond some modernizing improvements, the single major change is that the 1949 paper had two-inch columns and was 17 inches wide and 21¼ inches deep, while today's paper has 1¾-inch columns and is 14½ inches wide and 22½ inches deep. Its original new idea in layout, design and use of pictures has remained fresh and appealing.

That The Sunday Patriot-News format has lasted a quarter of a century is a tribute to the planning that went into the product and the newspaper expertise of those who did it.

The continuity in personnel is extraordinary. Better than a tenth of today's Patriot-News staff was here 25 years ago when the first Sunday newspaper was born. Edwin F. Russell, the principal founder of The Sunday Patriot-News, was president then and now. John H. Baum, today's publisher, was an account executive then. Marion W. Milliron was managing editor of the first Sunday newspaper and is managing editor today. Al Clark was the executive sports editor then, and is now. David Fair has been circulation director all 25 years.

There was not much to go on in developing The Sunday Patriot-News.

At the turn of the century Harrisburg had a short-lived Sunday Telegram, which was produced on Walnut Street near the old jail; today the site is Shoppers Parking.

The Harrisburg Sunday Courier lasted from World War I to World War II. Founded by the late Harry and Leon Lowengard, it went out of business in mid-1942 when their nephew, Ben Lowengard, now president of the Harrisburg School Board, went off to war. An earlier Courier, at the turn of the century, had come out on Tuesday and Fridays before it became a Sunday newspaper. The Sunday Courier sold for 5 cents and had 12 to 16 pages, with a maximum of 24, including four preprinted pages of color comics. It had one full-time staff writer, its circulation varied between 5,000 and 7,000, and it was never a regional newspaper.

Among the key figures devising The Sunday Patriot-News were Russell, E. A. Doepke, Fair, Eugene G. Farrell, the late Dean M. Hoffman and Clark. Doepke, now retired in Camp Hill, was the long-time advertising manager. Farrell, recently retired in Jersey City, N.J., was the editorial assistant to the publisher, and Hoffman was the veteran editor.

Farrell, an expert in news coverage, contributed ideas for the format of the paper and then worked beside Sunday editor Milliron to put it out. Clark, with a national reputation as a sports editor, put together his sports section so that it has remained, with only slight change, as one of the top Sunday sports sections in the nation.

Hoffman, a Harrisburg editor from 1911 to 1953 and a popular local figure, added a touch of humor to the founding of The Sunday Patriot-News with his memorable "Behold Speech." One evening prior to the first edition, The Patriot-News rented the old Penn Harris Hotel ballroom for a presentation to 150 area businessmen. Page-by-page blow ups of the coming Sunday paper were made, and they were carried on stage accompanied by Hoffman's commentary. "Behold, here comes the sports page," Hoffman exclaimed, and then, "Behold, here comes the women's page," and so forth, each announcement preceded by his "behold."

The audience was captivated by what they saw in the planning of the new paper and equally charmed by Hoffman's resounding "beholds." During the briefing, in fact, one businessman came in the back door with some drinks for friends and was greeted by colleagues who shouted, "Behold, here comes so-and-so with the refreshments."

The businessmen were excited about the paper for two reasons. Its regionalization meant an extension of Midstate commerce. "This will bring the countrymen from Lebanon and Penn State into the Harrisburg market," Doepke explained, as the paper quickly did when it was established. Furthermore, the Sunday paper opened Monday shopping. "In Pennsylvania, everybody had reserved Mondays for washing until then," said Doepke, who traveled as far as Milwaukee in preparation for the advertising plans of the new paper.

The Saturday the first Sunday Patriot-News was produced was an historic one. Editor Milliron recalls having a full staff aboard, and everyone involved. He, Farell, Philip Hochstein in from Newark, N.J., and others were at the copydesk handling stories and writing headlines. Reporters had spot features for the first edition.

The paper was produced in the old Market Square building next to the Senate Theater, from which The Patriot-News eventually moved in 1953. The editorial room was on the third floor.

As Patriot-News employees awaited the first paper off the press, so did a crowd of citizens in the street below. A story at the bottom of Page 1 described what happened:

"Like waves from a big rock dropped into a lake, the new Sunday paper spread through Harrisburg and into the entire Central Pennsylvania area last night."

Newspaper history had happened, and it is still happening.

ON ORIGINAL STAFF—SIXTY-THREE VETERANS "STILL AROUND"

Sixty-three members of the original Sunday Patriot-News staff are still in the newspaper business and with the Patriot-News Co.

The group of veteran employes is headed by Edwin F. Russell, who has been president since 1947. Publisher John H. Baum was an account executive for the first issue of the Sunday newspaper. Marion W. Milliron was editor of the Sunday paper and after other assignments has returned as Sunday editor again. Al Clark was the executive sports editor and is today, and David Fair has been circulation director for a quarter-century of the Sunday Patriot-News.

Other members of the first Sunday Patriot-News still active are:

Art director, Nick Ruggieri. Accounting, Martha Johnson. Administration, Janet Lau. Classified advertising, Raymond Willett. Engraving, Charles Fromm.

Editorial, John Travers, Madeline Bosworth, Fred Gilbert and Harry Goff, Switchboard, Mary Shoemaker. Stereotype, Solomon Swartz, Walter Bubb and Edgar Carpenter. Press room, Kenneth Kreiger, Franklin Anderson, Clarence Waltermyer, Jacob Stark, Robert Houseal and Ralph Williams Jr.

Composing, John Palm, Lester Slough, William Speese, Warren Tippett, Earl Whitman, Gilbert Wolfe, Emerson Wade, Howard Brown, Emil Brunner, Lester Conrad, Jay Eckert, Marlin Erhart, James Gordon, Frank Hummer, George Looker, Donald Monroe, Roy Morris, William Shearer, John Clark, Walter Brubaker, Wilbur Corpman, Fulton Howell, Richard Hyde and David Maeyer.

Mailroom, Albert Good, George Fillmore, William Wilsbach, Charles Rau, Melvin Kramer, Richard Swartz and Paul McClain.

Display advertising, Lee Anthony, Wray Beinhauer, Richard Dougherty, James Floyd, Lewis Neidhammer, Ernest Reed, John Renshaw and Roberta Baldwin.

Neidhammer is dean of the staff, having joined The Patriot-News on Aug. 15, 1923. Fair joined the company in 1926 and Mrs. Shoemaker in 1929.

EMERGENCY MARINE FISHERIES PROTECTION ACT

Mr. METCALF. Mr. President, I have just finished reading the unfavorable report (S. Rept. 93–1166) by the Committee on Foreign Relations on S. 1988, the bill to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish, previously reported favorably by the Committee on Commerce (S. Rept. 93-1079).

I take this opportunity to associate myself with the Additional Views in the Foreign Relations Committee report by the senior Senator from Maine (Mr. Muskie) and the junior Senator from Rhode Island (Mr. Pell).

Mr. President, the Foreign Relations Committee has pending before it S. 1134, a bill to provide the Secretary of the Interior with authority to promote the conservation and orderly development of the hard mineral resources of the deep seabed, pending adoption of an international regime therefor. It was favorably reported by the Committee on Interior and Insular Affairs in Senate Report 93–1116.

I have taken the liberty of inserting, in brackets, in the Additional Views, the words "mineral resources" wherever the word "fisheries" appears and additional comments. I ask unanimous consent that this statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

ADDITIONAL VIEWS

As part of the rather substantial minority within the Foreign Relations Committee that voted for a favorable report on S. 1988, we as New England Coastal State Senators believe it particularly necessary to prepare these additional views strongly supporting the passage of this legislation.

Together we have closely followed and participated in the development of the U.S. position and the preparations aimed at establishing an international legal regime governing the uses of the oceans. Both of us have been named as Senate Advisors to the U.S. Delegation to the Third UN Law of the Sea Conference and have actively discussed the aims and progress of this Conference with both the United States and foreign delegations. [The Senate Committee on Interior and Insular Affairs also named Advisors to the U.S. Delegation.]

From a philosophical and idealists point of view, we both believe that a comprehensive multilateral treaty is necessary to solve the numerous problems associated with ocean space. However, with respect to fisheries [mineral resources], it is our belief that the delays in negotiations and the time needed to conclude an agreement of this magnitude will not realistically serve our country's best interests. At the present time, there are 149 nations participating in the

UN Law of the Sea Conference, many of which have not determined their own national policies or interests. These countries hope to deal with approximately 81 items, each having various degrees of importance to certain groups of countries. Four years of preparatory meetings have done little to reconcile the wide disparities between these nations and their ocean interests. Consequently, we believe that it will be very difficult for the Conference to complete its tasks by 1975, and that interim action is essential to prevent the further depletion of our own U.S. coastal fish species [to prevent the loss of the fragile lead now enjoyed by the United States in the technology necessary to discover and develop the mineral resources basic to our economy].

In New England, the problem is particularly acute. [In the United States, the problem is particularly acute. Recently we have had an example of the effect on the American economy when a group of raw material producers band together to increase their economic and political clout. According to the most recent statistics available, the United States is importing about one-third of the oil we need. But our dependence on foreign sources for the essential ingredients of steel is more than 90 per cent. At the same time, the minerals we need are available on the bottom of the ocean and there is substantial evidence that American industry can find and recover these minerals without impairing other uses of the oceans and with every regard for the purity of their waters.] Since the early 1960's, foreign fishing has severely reduced the number of our coastal stocks. The National Marine Fisheries Service indicates that Atlantic haddock, herring, menhaden, yellowtail flounder and halibut have been severely depleted, some to a point where they may never recover. Although the United States is party to a large number of international fishery conservation conventions, most of these agreements fail to contain realistic or effective enforcement provisions. Consequently, these arrangements have miserably failed in their efforts to stop over-exploitation. [These arrangements have failed to stop the governments of the United Kingdom, Canada and Japan from encouraging their nationals to develop seabed mineral resources.]

We have been told by both foreign delegates and by the Administration that it takes time to negotiate solutions to these very important international problems. We have been urged to use restraint and to await the outcome of the Law of the Sea Conference. However, we fail to discern similar restraint being exercised by foreign trawlers off our New England coasts [by foreign governments on their nationals seeking seabed minerals], nor do we see any bilateral agreements being concluded to the same effect. We firmly believe that a generally acceptable treaty on fisheries [mineral resources] will not be negotiated and implemented before the late 1970's, and that there is a serious danger of a further depletion of our coastal species [of a loss of the fragile technological lead now held by American industry]. Therefore, we feel that it is in our best national interest and in the interests of conservation to adopt the emergency interim measures contained in S. 1988 [S. 1134] designed to regulate, control and protect the fishery stocks within 200 miles of our coasts [to regulate the activities of the U.S. nationals including every regard for other uses of the ocean—as they head seaward for the minerals we must have].

It should be noted and emphasized that the testimony received by the Foreign Relations Committee indicates that the provisions of S. 1988 [S. 1134] are totally consistent with the current fishery [mineral resource] goals of the United States at the Law of the Sea Conference and are meant to be interim only. Sections of this bill specifically state that if the Law of the Sea negotiations produce an acceptable agreement which is ratified by the Senate, this legislation will be preempted. Consequently, we strongly urge our fellow Senators to vote for the passage of S. 1988 [S. 1134].

Mr. President, I congratulate my colleagues on their views. I hope they prevail when the Committee on Foreign Relations reports S. 1134.

AIR FORCE RESTRICTS FLY-BYS

Mr. PROXMIRE. Mr. President, on Tuesday I released an advance statement calling on Gen. David C. Jones, the Chief of Staff of the Air Force, to halt all aerial fly-bys for retirement ceremonies of high ranking officers.

I noted that General Jones deserved commendation for cracking down on the unauthorized use of support aircraft. His August 23 message to all commanders was strong and to the point.

He said:

> In this era of rising prices and very great concern on proper use of taxpayers' money, we cannot afford to use any resource for other than mission essential requirements.

I then urged General Jones to apply the same standards to fly-bys for retirement ceremonies.

One such fly-by was just conducted at the retirement of Gen. Jack Catton on August 30, 1974. At that time one KC–135, one B–52, one C–141, one KC–97, and four RF–4's were assembled and flown for review by General Catton.

General Catton was the Commander of the Air Force Logistics Command who personally authorized the expenditure of $670,000 of Air Force funds to convert his jet into a luxurious "flying penthouse."

General Catton's fancy retirement ceremony stands in stark contrast to the earlier retirement of former Chief of Staff Gen. John D. Ryan. General Ryan chose not to have a fly-by in light of the energy crisis.

Another fly-by was planned for the November 1, 1974, retirement of Gen. Arthur G. Salisbury, Commander of the U.S. Air Force Southern Command at the Panama Canal. Practices for this ceremony were underway. The plans for the fly-by included the use of A–7's, C–130's, C–123's, helicopters and observations planes in addition to General Salisbury's "own" C–118.

I strongly recommended that the aerial flybys be canceled. Retiring generals and admirals deserve the recognition of their country but I was sure that ways could be found that were less energy and dollar wasteful.

Yesterday I was informed that General Jones will shortly issue a directive to all commands restricting flybys of aircraft for retirement ceremonies. This prompt and tough action shows that the new Chief of Staff means business in his campaign to limit unwarranted defense spending. He has my enthusiastic support and I warmly commend his initiative and response.

General Jones apparently will direct major commands to cancel all flybys for the remainder of the year, including the planned exercise for Gen. Arthur G. Salisbury at the Panama Canal on November 1.

He also intends to prohibit flybys when the sole purpose is to recognize an individual. Any exceptions will be granted only in "very unusual circumstances" and all future flybys will require the personal approval of the Air Force Chief of Staff.

General Jones has indicated that fuel expenditures will be a key consideration in any decision as well as public opinion.

I have been impressed with the responsiveness and leadership of the Air Force in recent months. General Brown, former Chief of Staff and now Chairman of the Joint Chiefs, made an unprecendented speech outlining just how strong the U.S. Air Force was compared to our potential adversaries.

And now General Jones has cracked down on the unauthorized use of support aircraft and retirement flybys. He also intends to make further reductions in headquarters staffing I am told.

These decisions deserve the support of Congress and the American people.

EXIMBANK'S LOW INTEREST LOANS TO COMPETITIVE FOREIGN AIRLINES

Mr. GURNEY. Mr. President, the recent timing of the announcement by the Export-Import Bank of loaning $66 million to foreign air-flag carriers at low interest rates comes at a crucial time when the very survival of our own U.S. international carriers is at stake.

How can we on one hand provide low interest loans for aircraft to foreign airline carriers, while at the same time deny Pan Am and TWA similar assistance because of their cost squeeze due mainly to recent dramatic increase in jet fuel prices? Ironically, some foreign airlines are aided by foreign fuel suppliers who have contributed to the increase of jet fuel prices charged to U.S. carriers by as much as 300 percent during the last year.

The United States has provided aid for nearly 30 years to foreign airlines through low interest loans. These loans have been handled by the Export-Import Bank recently for as much as 4 to 5 percent below the prime interest rate which U.S. international flag carriers pay for the identical aircraft. This difference allows foreign airlines the opportunity of purchasing an aircraft, such as the 747, DC–10, or L1011 for as much as $7 million reduction in interest on loans below what U.S. carriers pay. Certainly, a point must be reached when we have to realize that by offering these low interest loans to the airlines which compete against our own U.S. air carriers in the international travel market, we are sabotaging not only the competitive capability of our air transport system, but dealing a financial blow to them as well, affording foreign air carriers a financial advantage at the outset.

I certainly endorse the expansion of our exports for the obvious economic reasons, but not at the expense of our international air carriers. An example of the inadequacies in the policies of the Eximbank toward the commercial air transport sector is supplied in House Report 93–1261, amending the Export-Import Bank of 1945, in the supplemental views of Congressman HENRY S. REUSS, as follows:

> In some sectors, the Bank has provided credit where there is clear evidence that credit was unnecessary. Long-range jet aircraft, an American monopoly, provide the most flagrant abuse of this kind. Foreign air carriers, which have little competitive choice but to buy American 747's, L–1011's and DC–10's, have been able to obtain credit from the Eximbank at rates which are unavailable to our domestic carriers. A Treasury staff study over two years ago called for an end to this practice. There is no competition from foreign sources for our long-range plans. The oft-mentioned European airbus, which is the only foreign-made wide-bodied plane, has too short a range and is unsuited, for safety reasons, to high altitudes or hot climates. Yet the Eximbank has failed to make the obvious economic judgment and deny credit where credit is clearly unneeded. It should begin to do so . . .

Recent legislation has been introduced to correct this inequity by amending the Export-Import Bank Act of 1945 by providing guarantees, insurance, and credits made available to foreign air carriers for acquisition of U.S. aircraft used in foreign air transportation shall be made available on no less favorable terms to U.S. air carriers for acquisition of such aircraft—including spare parts and equipment—used in competition with such foreign air carriers.

This legislation, if passed, would place our international airlines on an equal financial basis with foreign air carriers in the purchasing of aircraft.

Action of this kind represents the beginning of many actions which are needed to aid our financially plagued international air carriers.

The Secretary of Transportation, Claude S. Brinegar, recently announced the creation of a new aviation economic policy office. This office has the responsibility of coordinating and implementing new procedures designed to enhance the financial position of our U.S. international carriers. The broad areas the new aviation policy office will be looking into include:

First, identifying potential improvement in airline revenue and costs, operating authority and its utilization;

Second, analyzing the effectiveness of various elements of public policy affecting aviation; and

Third, gaining an understanding of the problems of privately owned, profit-oriented U.S. airlines in competing with foreign government-owned or subsidized airlines.

Mr. President, this is the approach—not Federal subsidies—Congress must take in providing a competitive, economically viable atmosphere if our international flag carriers are to survive. We can either sit back and let our U.S. air carriers go under or we can take the appropriate action and pass legislation which will end these unfair policies.

DEVELOPMENTALLY DISABLED ASSISTANCE AND BILL OF RIGHTS ACT

Mr. TUNNEY. Mr. President, I would like to express my support of S. 3378, the Developmentally Disabled Assistance and Bill of Rights Act which will soon be before the Senate. The Developmental Disabilities Services and Facilities Construction Act has provided assistance to States in developing a plan for the provisions of comprehensive services to persons affected by mental retardation and other developmental disabilities originating in childhood. It also has provided aid in the construction of facilities.

Before the implementation of this act in 1963, very little was being done to provide aid to the mentally retarded. The enaction of the Developmental Disabilities Act marked a new era in the Federal Government's efforts to provide a better life for all mentally retarded and other developmentally disabled citizens. The success of the Developmental Disabilities Act has been overwhelming and I am pleased to see that S. 3378 does a great deal to broaden the scope of the present program.

I am particularly interested in the inclusion of "autism" in the definition of developmental disabilities. I have maintained a long-standing interest in the plight of the autistic child and I have been particularly concerned over the lack of available funding for research into the cause and ultimate treatment of this disorder.

Clearly, the most natural source of funding stemmed from the Developmental Disabilities Services and Facilities Construction Act. In June 1972, I directed a letter to the Secretary of Health, Education, and Welfare requesting that he include in the Developmental Disabilities Act, "autism," which by definition aligns itself with the definition of "developmental disability" already established in the act. The Secretary chose not to expand the definition to include autism and as a result of that decision I introduced legislation, S. 1949, that would allow for the inclusion of "autism" in the act.

A provision identical to my bill has been incorporated into S. 3378 and I am pleased to see that it was preserved in mark-up.

There are over 80,000 classic cases of autism in the United States today and the time has come when the autistic child should finally be given the full consideration he rightfully deserves as a developmentally disabled child. Tremendous strides have been made over the past few years in the treatment of "autism." If we continue to progress at the rate we are going, perhaps in the very near future we can eliminate "autism" completely from the list of unfortunate mental disorders.

THE FRANCHISE GAME—V

Mr. HARTKE. Mr. President, the losers in franchise schemes have few laws to help them recover their investments and fewer remedies to enforce judgments against unscrupulous promoters. Existing laws are weak and do not provide sufficient remedy when the seller is thousands of miles away finding another unsuspecting buyer of a hollow franchise arrangement.

The fifth in a series of articles published by the Chicago Tribune after a 2-month investigation that covered 30 States and Canada reported that franchise legislation has been enacted in several States but with little consistency or effectiveness.

Mr. President, I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune]

FRANCHISE LOSERS FIND FEW LAWS TO CATCH THE HUSTLERS

Patricia Jackson, 27, has walked with a limp since birth because of a dislocated hip, and she is allergic to dust and mold.

Then she dislocated her shoulder and developed arthritis.

Last year she lost $1,495 to a salesman who convinced her she could go into business cleaning homes and offices. The ailments didn't matter, he said, because she would be an executive directing the work of others.

Now Miss Jackson knows that like thousands of other Americans, she was the victim of a bad franchise investment.

Instead of selling her a business, the salesman for Cyclo Designs, Inc., of Waukegan simply peddled a few chemicals, an overpriced vacuum cleaner, and two floor polishers touted as unique new equipment.

Even the inventor says the polisher's 1961 patent is nearly obsolete. But Cyclo's president, Tim Christian, is unsympathetic to demands for refunds from investors like Miss Jackson. He claims he was gypped himself when he bought the polisher eight years ago.

"I've got a lot of money invested in this," he told a Tribune reporter. "It cost me $200,000 to get into this business, and I found I had been the victim of a fraud. The patent was okay, but 25 per cent of the motors that were used burned out. Nobody gave me my money back. Why should I give hers back?"

So Christian continues to sell his wares as a franchise investment thruout the Midwest to anyone who will buy them, and he doesn't care about their chances of success.

He has left a trail of broken and indebted dealers who found their small operations could not compete for cleaning jobs, and who complain that the equipment continually breaks down.

"I realized $100 out of my $5,000 investment since 1973," says Cyclo investor Gerald RuLon of St. Paul, who tried for months to recruit workers and accounts. "They promised me I'd be up to $50,000 in a year. It works on paper. You can see their mathematics but it doesn't work in reality."

Eager investors fall for these sales pitches every day. The salesmen sit in a thousand living rooms, exploiting the franchising boom to hide a bad business idea or inflated costs on equipment investors could buy themselves at a corner store.

And there is precious little information available to advise the franchise shopper differently.

Illinois is one of only seven states that have passed laws requiring franchisers to file disclosure statements detailing information on their financial condition, officers, and other operating franchises.

Failure to file the statement with the secretary of state or making false statements in the report is a felony. Under the law, a franchise shopper may demand a copy of the disclosure statement from the company.

But firms investigated by The Tribune, including Christian's, have ignored the disclosure law, often simply claiming they are not obliged to file because they are not a franchise operation.

Still, they use the lure of franchising's good name in drawing investors, and their operations have all the elements of a franchise.

For three years the controversy over the definition of the word franchise has bogged down attempts to enact federal disclosure regulations. The Federal Trade Commission, for example, has been trying to put together a package of regulations, but lawyers can't even agree on a definition for the word.

"There have been over a hundred suggestions," said one FTC attorney in Washington. "Each would include and exclude different businesses."

The federal delays have prompted a handful of states to pass their own disclosure laws, each defining franchising in a different way. The effect is confusing, and doesn't hinder the operations of shady companies.

Food Resources, Inc., for example, has found a sanctuary in its home base of San Mateo, Cal. Meanwhile, it sells franchises in other states peddling nut vending machines called nut shacks or nut huts—a name similar to an established Chicago manufacturer's "Little Nut Hut."

Its business doesn't qualify it as a franchiser under the definitions of California law, said Margaret Kemp, an assistant district attorney in San Mateo.

But it does qualify as a franchiser under the laws of Washington state, and the attorney general's office there was quick to slap the company with a restraining order that kicked the salesman over the state line.

"They would set up an appointment on a weekend, sell the distributorship, and take the check and get out of the state," said James Kaiser, Washington state atorney general.

Often their victims waited for weeks before they knew their vending machines wouldn't make any money, or that the beverage machines sold by Redi-Brew, Inc., a sister corporation, were unable to pass the board of health inspections.

The company cut a quick swath across the state, even going so far as to sell three persons the same exclusive area in one weekend.

In October, 1973, a court ordered the company to stop selling franchises in Washington. Officials correctly predicted "they will move to another state."

The company's advertisements appeared in early fall in Arizona, and by Nov. 7 Richard G. Smith of Tucson had paid $2,126 for 10 of the vending machines and a distributorship.

"They said if I did all right I could easily go into it full time, like a fella in Washington. They said he was making $50,000 a year," said Smith.

"I thought it was a pretty tidy income. On paper it sure looked good."

But Smith found that his machine couldn't make anywhere near the money the salesmen had predicted on paper. Eight of the 10 were kicked out of the taverns where they had been placed, and Smith knew his business was a failure.

A few weeks ago the company opened offices in Wheeling.

But throughout its odyssey from state to state, Food Resources has never failed to get a glowing report from the National Business Reporting Bureau, a San Mateo County-based firm that sells good recommendations to questionable franchise operations.

The bureau operation has moved into the informational vacuum surrounding franchise sales. Gilbert Gafner, the man behind it, admitted the company gives no bad reports. It advertises all over the country as a place where investors can check on a franchise.

And James Baumhart, a spokesman for the Chicago Better Business Bureau, thinks, the reporting bureau's name is trading on the reputation of his organization. The two are in no way associated, and their policies are very different.

"People call us and they want us to tell them a company's okay, and they should go ahead and invest their money," Baumhart said. "We just can't do that."

On the other hand, he said, his agency can't legally reveal information on court actions or investigations until there is a final disposition.

"What people don't understand is that we don't get complaints on the bad outfits until the damage is done and the company is already starting to phase out," Baumhart said. "By then it's too late."

Bilked investors all over the country complain that they had no warning about companies that would later let them down. As a founder of the International Franchise Association and consultant to the Small Business Administration, A. L. Tunick gives authoritative advice on how a franchise shopper can spot a shady deal:

"I would be very careful if a company says it never had a failure. There are always failures. People fail. There is no way it can be prevented.

"I'd be very leery of a company that doesn't take a chance with me, one that doesn't have something to lose if I fail. Ask the franchiser what his risk is.

"A lot of times the buyer doesn't need the franchiser for anything. You could go out and buy what you need on your own. Their name doesn't do any good. They don't teach you anything.

"Make sure it is a long-term relationship they are offering. It's the difference between a wedding and a date. You marry for a long-going relationship.

That's what Roxanna Kennedy, 34, thought she was getting when she borrowed $5,000 to become the Cahokia, Ill., distributor for New York-based Rings Unlimited, Inc.

It was a chance for her to get off the public assistance and save money to send her three children to college.

"Start with us," the ad read. "You won't stop making money."

But she said the 150 dozen rings the company sent "looked like junk" compared with the quality merchandise the company salesman had shown her during his sales pitch. Within six months the merchants had thrown her merchandise out of their stores.

Now she is still paying the $5,000 loan, the New York firm is gone, and she is stuck with 820 rings.

"I wasn't worried at first," she said, "because I knew that if I had been defrauded I could go to a lawyer or the federal officials, and they would help me get my money back."

But she was wrong. She had taken for granted that she had legal safeguards that do not exist.

In the federal arena there is a hit-or-miss method in which franchise investors try to recover losses by coming into court under the cloak of the securities laws. Because fraud is so difficult to prove, they must convince the judge that the deal they bought qualified as a security under the Securities Exchange Act.

And for it to qualify, the buyer must have had reasonable cause to believe he would profit from the company's efforts, not his own.

But judges don't buy that argument with any regularity, and the absence of federal franchising laws leaves the hapless investor out in the cold.

Three attempts to fill that gap have been made in recent years. Two bills to provide federal controls over franchising have died.

One remains, but Sen. Vance Hartke [D., Ind.] says he has been unable to get a hearing on the bill, which he introduced in November of 1971.

The bill would provide for nationwide disclosure and permit victims of fraudulent franchise offers to sue for treble damages. It would also impose criminal penalties of up to five years in prison and a $10,000 fine for deceptive franchise practices.

"Opponents have implied that it [the bill] is the big hand of government interfering in business," Hartke said. "That's not true. It is not a blanket condemnation of franchisers. It is legislation that is needed to protect people who can lose their whole life savings, be fleeced, and yet no law has been broken."

A Downers Grove man found local remedies equally useless when he lost $20,000 in a car-rental franchise owned by Herschell Lewis. Lewis, a veteran franchise promoter, is better known as an advertising executive and producer of horror movies.

Instead of providing 18 one-owner, insured cars and half-a-dozen prize locations for a car-rental business, the company sent the suburban publisher 11 junk cars, found only three depots, and failed to pay insurance.

"The state's attorney's office wouldn't proceed because they didn't think there was provable fraud," he remembers. "The attorney general's office wouldn't do anything. Then I went to three private attorneys, and they said it would cost too much to try to untangle the mess."

Then any hopes he had of getting his money back grew dimmer when Lewis filed bankruptcy, claiming he had no funds to pay $500,000 in refunds demanded by investors in the franchise, the Daily Auto Rental Service.

Bankruptcy Court is a frequent dead-end for investors seeking their money back, but Lewis added a new wrinkle this time. He failed to list his latest venture, Energy Research Corporation, on the petition listing his other business interests.

In fact, the very day he filed his bankruptcy petition, Lewis' partner in Energy Research was telling two Tribune reporters how the partners had poured all their money into the enterprise.

Energy Research Corp., which is selling distributorships for worthless gas-saving devices, was in the midst of a nationwide sales campaign.

SENATOR HELMS LISTS QUESTIONS TO BE ASKED GOVERNOR ROCKEFELLER

Mr. HELMS. Mr. President, I appeared this morning before the Senate Rules Committee which is now considering the nomination of Nelson Rockefeller for Vice President.

Perhaps some of my comments, and some of the questions that I feel should be raised about this nomination, will be of interest to my colleagues.

For that reason, I ask unanimous consent that the text of my statement, plus the questions I raised, and other material, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Statement of Senator Jesse Helms Before Senate Rules Committee With Reference to Nomination of Nelson Rockefeller, Thursday, September 26, 1974

Mr. Chairman and distinguished members of the Committee, I first want to express my thanks for this opportunity to share with you my views on the nomination of Nelson Rockefeller to be Vice President of the United States.

Let me begin by telling you why I requested this opportunity to testify. I know that you and the Committee and staff have approached this profoundly important task with the diligence, patience and attention to detail that commend your efforts to the

American people. I want to extend to you my personal congratulations in this regard. I mention this only to emphasize the fact that my desire to express my own views on this matter in no way should be seen as a criticism of what has gone before.

Rather, we are faced with a unique question, in that the nominee is a man of considerable significance both as a public and as a private man. We know his record both in international affairs and as the chief elective official in New York State. We know also that, as a man of wealth, he does not stand alone. He stands with a dynasty of *wealth and* power unequalled in the history of the United States. I think we ought, in fairness to the nominee, set aside his protests that the Rockefeller power is a "myth." It would not be fitting for a man of stature to appear before this distinguished committee and boast about his significance. Let us regard his protests, therefore, as a worthy exercise in humility appropriate to the occasion.

But, despite the ritual, our duty as United States Senators remains. We cannot let either personal admiration or animosities interfere with the job before us. In last evening's edition of the Washington Star News, there appeared a headline that I feel did a great disservice to this committee and to the Congress. "They Can't Lay a Glove on Him," said the headline. The story went on to say, "The first round in the title bout between Nelson A. Rockefeller and the U.S. Congress has turned into a lopsided mismatch between a heavyweight and a 'flock of bantams.' "

Now, Mr. Chairman, the metaphors of the prize-fighting world are not those I would choose to describe the kind of important task confronting you. And I very strongly reject any interpretation that is made in the media that this committee is not doing its utmost to discover the truth. Yet the impression is obviously there, at least on the part of one of Washington's newspapers, and it is an impression that must be erased. We all know the power of the media, and the catchy prize-fighting metaphor may well shape the history of these hearings more than the cold and sober record itself.

Let us go, then, to the vitally important question of the public man and the private man, both of whom are the nominee. With most of us, the private man has little public significance. That is not the case with Mr. Rockefeller. The Governor has offered to divest himself of his holdings by putting them in a blind trust. But we have to ask ourselves whether, especially in this unique circumstance, any such divestiture is really meaningful.

This nomination is unlike ordinary executive nominations in that the legislative process is substituting for the electoral process. The scrutiny given the nominee should be as thorough as that given by the seventy-eight million people who participated in the last national election. An overwhelming mandate was given by the people in that election, and that mandate has been circumvented. If we are to have national acceptance of our work here, we must use only the most stringent standards.

A blind trust is an inadequate safeguard when we consider the high nature of the office involved.

Even for the lesser office of Secretary of Defense, Charles E. Wilson was required to divest himself completely of his holdings, most of which consisted of General Motors stock. In the case of Robert McNamara, who was nominated by President Kennedy for the same office, McNamara was forced to sell any investments and holdings in any company holding defense contracts. This was required after McNamara had offered to put those assets in a blind investment trust.

Most recently, Deputy Secretary of Defense David Packard was required to place his holdings, consisting of millions of dollars of stock in Hewlett-Packard, into a charitable trust.

This was in a pre-Watergate era, and the stringent requirements imposed were for lesser jobs.

Although no form of divestiture has ever been required for an elective office, such as Vice President, it is up to the voters to decide in the voting booth whether they want a nominee with certain known qualifications. But because the elective nature of the office has been set aside in our present unusual circumstances, Congress should take no action to approve a nominee who does not meet the most stringent safeguards. The turmoil our nation has just gone through demands no less.

But again I ask, is any divestiture really meaningful—or even possible—in this unique case? If it takes place, can it be genuine? In other words, is the discharge of national public office possible by a man who has played such an important role in private affairs throughout his life? The nominee, as the record clearly shows, has broad connections, not only with a family of rich and powerful men, but with generations of wealth, and with broad philanthropies which collectively adopt a distinctive world view which may or may not be compatible with the discharge of public office. It is not inimical to the nominee, but merely a concession to human frailty, to point out that there may very well be an unconscious commingling of his personal interests with those of the nation.

By the very nature of the situation, the interests of the Rockefeller group and those of the nation are bound to become intermingled in the conduct of affairs of state. The nominee may divest himself or insulate himself from direct personal profit, but the dynastic connection may turn out to be more important than personal control of his immediate wealth.

We are dealing not simply with his own personal fortune, but with the values of a large group of special interests. We are talking not only about finance, real estate, oil, media control and so forth, but about extremely influential philanthropies and public service activities associated with the values of that group. And these values include not only profit-oriented motives, but also attitudes toward abortion as a means of population control, attitudes toward world order, the decline of national sovereignty, relations with Communist nations, human relations, education as a determinant of personality and so forth. The Rockefeller name has been closely associated with the promotion of these attitudes in such groups as the Population Council, The Council on Foreign Relations, the so-called Bildeberger Meetings, the Rockefeller Foundation, and the Rockefeller Brothers Fund. All of these groups operate largely outside of our political system, with its concept of checks and balances. It is very difficult to tell where the profit motive ends and the altruistic motive begins, and where the two become indistinguishable.

The nominee has been very closely associated with these ornaments of the Rockefeller dynasty—with some no doubt to a higher degree than with others. But should we impose upon the nominee the burden of attempting to detach himself from his past? And the question remains whether or not the dynastic connection—which can never be severed—is more important than divestiture of personal holdings. If the nominee is ever faced with the problem of the survival of ingrained dynastic values as against the survival of the national interest, is there any human being on earth who can be sure what will survive?

Mr. Chairman, this country has just been through a time of turmoil and suffering, because a President of the United States and his immediate group believed that the survival of their power was more important than the interests of the nation. This lesson should teach us to be wary of associating unusual power circles with the high office of the Presidency and Vice Presidency. Nothing which I have said here today is intended to reflect upon the integrity or good motives of the nominee; rather, I have been talking about the human situation and the realities of unparalleled power. We are in fact asking ourselves whether we want the highest political offices of the land to be identified with one of the highest concentrations of private power in the land. My appearance here is intended to help the Committee in its deliberations, and to focus more precisely upon the unusual dilemma presented by this nomination.

Many people have written to me from all over the country expressing similar concerns to those I have discussed here today. Many people have submitted questions which they think would help to shed light upon the issues with which we are struggling. From these I have developed a few lines of questioning which I hope the Committee may find helpful, either to be answered by a face-to-face exchange with the nominee so they can be fully developed, or, if necessary, in writing. These lines of questioning examine some of the nominee's areas of activity, including his Administration as Governor, and including areas of dynastic activity. They are designed to help shape a judgment as to whether the nominee in his past career has been able to separate the public and private man. We must not forget that we are acting as surrogates in this matter for seventy-eight million voters.

Mr. Chairman, I submit these questions and ask that they be presented to the nominee. Thank you for your time and courtesy.

Questions Submitted by Senator Jesse Helms Concerning Rockefeller Financial Holdings

PREFACE TO QUESTIONS

It is well-known among lawyers that there are two kinds of ownership of property. The first is legal ownership. This is the simple, straight-forward kind of ownership that every citizen is familiar with. The second is equitable ownership. A person has an equitable interest in property when he is the beneficiary of a trust.

(a) I believe that you have testified that you have equitable interests in trust property. Is this correct?

(b) Is the property in which you have an equitable ownership interest of greater value than the property in which you have a legal ownership interest?

(c) May we conclude that in order to accurately understand your holdings, it is necessary to take into account both the trust property in which you own an equitable interest and the property in which you own a legal interest?

(d) Now, it is well-known among lawyers that the equitable owner of trust property does not have the primary responsibility for controlling the property; the trustee, or legal owner, has this responsibility. Nonetheless, the trustee has a duty to control the property in a manner that is in the best interest of the beneficiary.

If a conflict of interest arose between your trust property and your duties as Vice President, would your trustee be free to further the interests of the United States or would he have a legal duty to act in favor of your property against the best interest of the United States?

(e) In this regard, do you have any influence with the trustees of your trust property?

(f) Do the trustees of your trust property take your views and your preferences into consideration in making decisions regarding the handling of this property?

(g) In making decisions regarding that property, which you hold regular legal title to yourself, do you ever consult with your trustees regarding the effect of contemplated action on your trust property?

(h) Do you and your trustees ever act together regarding such matters?

(i) Do you own an equitable interest in trust property jointly with other members of your family?

(j) Do you and other members of your family ever consult with one another and/or with the trustees regarding the use and disposition of trust property?

(k) It has been widely reported that other members of your family own a great deal of property themselves. Is this correct?

(l) Other than trust property, do you own any property jointly with any other members of your family?

(m) Would it then be accurate to conclude that you and other members of your family do from time to time act in concert regarding business matters?

(n) Can this committee accurately appraise the full power and effect of one segment of the Rockefeller family holdings without taking into consideration all of the other segments of the holdings?

(o) Because of the inter-relationship of your family's properties, would it not be necessary to have a full disclosure of the property interests of all members of your family in order for this committee to fully be appraised of the impact of your property interests on the United States, at home and abroad?

(p) Has such a disclosure been made?

Is it contemplated?

Questions Submitted by Senator Jesse Helms Concerning the "Secret Pact" on the Triborough Merger

PREFACE TO QUESTIONS

Governor, the question has been raised as to whether or not the influence of your personal holdings, your family holdings, and the holdings of trusts and foundations related thereto is so great that your stewardship of the public trust will inevitably come into a conflict of interest. You have spent a great deal of time explaining why you do not think this to be the case.

Nevertheless, the question has been raised in the work of responsible journalists. I cite specifically the recent book by Robert A. Caro entitled *The Power Broker: Robert Moses and the Fall of New York*. Mr. Caro is reported to me as a journalist of outstanding integrity; his publisher, Alfred A. Knopf, is one of the leading New York publishers. Mr. Caro is a former reporter for Newsday, and a Nieman fellow at Harvard. In Chapter 49 of his book, Mr. Caro alleges that you and your brother David conspired to sign a secret stipulation defrauding the bondholders of the Triborough Bridge and Tunnel Authority of their legal rights in the matter of the merger of the regional public transportation agencies in 1967.

According to Mr. Caro's analysis, your motivation was to use the annual surplus generated in Triborough to make up the deficit of the other agencies; your brother's part was to act for Chase Manhattan, which was the trustee for the bondholders. The need of the Rockefeller administration to cover up deficits outweighed the right of the bondholders to retain the security of their investments. The merger of profitable Triborough with the financially weak agencies diluted the safety of the bondholders' investments. And Chase Manhattan, even though it was supposed to act in a fiduciary capacity as trustee for the bondholders, ignored their interest to protect the Rockefeller political power. If Mr. Caro's account is correct, it is illustrative of the inevitable clash between Rockefeller interests and the public trust. Now I would like to ask some specific questions testing the truth or falsity of Mr. Caro's allegations.

1. Is it true that the covenants between the bondholders and the Triborough Bridge Authority forbade any merger until the bonds were paid off? Would not such a merger dilute the security of their investments?

2. Is it true that Chase Manhattan was the trustee for the Triborough bondholders?

3. Is it true that Chase Manhattan field suit in June, 1967, to protect the bondholders?

4. Is it true that you and your brother met on or about February 9, 1968, to discuss the suit and its impact upon the State of New York policies and upon the rights of bondholders? Where was this meeting held?

5. Who else was present at the meeting?

6. Is it true that a legal stipulation was signed at this meeting by yourself on behalf of the State of New York and by your brother David? (If such a stipulation were signed in addition or instead by others, who were they?)

7. Was this stipulation sealed by New York State Supreme Court Justice William C. Hecht, Jr., or any other judge? Why was it sealed?

8. Who else has seen the stipulation, to your knowledge, or is familiar with the contents?

9. Did the stipulation indeed result in the withdrawal of the suit filed on behalf of the bondholders?

10. What considerations may have motivated the trustee, Chase Manhattan, to step down from its defense of the bondholders?

11. Can you identify, to your knowledge, the ownership of those bonds?

12. How did the merger satisfy the interests of the bondholders?

13. Did the bondholders receive any other consideration as a result of the stipulation or as a result of any other agreement, oral or written?

14. Did Chase Manhattan receive any consideration from the State or from any other public authority as a result of any such agreements?

15. Can you supply a list of New York State bond issues during your administration in which Chase Manhattan participated, alone or in syndication, as underwriters, alone with the dollar amounts involved?

16. What would be the extent of underwriters' fees for such bonds?

Questions Submitted by Senator Jesse Helms Concerning the Rockefeller Stand Against Human Life

PREFACE TO QUESTIONS

Governor Rockefeller, your name and the name of your family has been intimately associated with the anti-life, pro-abortion movement both in the United States, and throughout the world. You yourself have testified about your action in signing a pro-abortion law in New York State and in voting a repealer that had passed the legislature by a comfortable margin.

1. Do you regard human life as sacred, even if that human being has not yet been born, and even if that human life still needs the protective environment intended by God to keep him alive?

2. Do you believe that a mother has the right to kill her unborn child, even if that child cannot yet survive outside the womb?

3. On many occasions in the past few months, both the Senate and the House of Representatives have overwhelmingly voted to protect the life of the unborn, the most recent time only a few days ago. As Vice President of the United States, and as President of the Senate, would you use your influence with the President of the United States to see that the will of Congress is upheld by signing such legislation into law? If you should succeed to the Presidency, would it violate your conscience to sign anti-abortion legislation into law?

4. Would you supply for the record the amount of contributions which the Rockefeller Foundation, the Rockefeller Brothers Fund, Chase Manhattan Bank, or any other Rockefeller family interests, including personal contributions, have made to the following:

Population Council.
Population Crisis Committee.
Association for the Study of Abortion.
Pathfinder Fund.
Planned-Parenthood—World Population.
Population Reference Bureau.
Population Crisis Committee.
UN Fund for Population Activities.

5. Some of these agencies receive tax funds from HEW, AID, OEO, and so forth. Would you see any conflict of interest in recommending that the Administration increase tax funds to agencies organized and partially funded by Rockefeller interests?

6. To what extent do these support abortion programs as a method of family planning?

7. To what extent do these agencies support research on methods of abortion or methods of promoting abortion or of inducing people whose cultural values reject abortion to accept abortion anyway?

8. To what extent do these agencies support research, manufacture, or distribution of drugs or devices which destroy the fertilized ovum or the fetus before birth?

9. How many induced abortions have been performed in New York State since you signed the New York abortion statute into law?

10. Does Chase Manhattan Bank make loans to abortion clinics or centers, or otherwise support their operation?

Questions Submitted by Senator Jesse Helms Concerning Dr. Kissinger and Nixon-Ordered Wiretaps

(1) At any time during the administration of President Nixon, was any information regarding wiretaps transmitted to you from White House or other sources?

IF YES

(2) At the time that this information came to you did you have any reason to believe that the persons transmitting this information were doing so without the approval of their superiors?

(3) Did you pass on to Dr. Kissinger, or any other person, any information regarding wiretaps that you received from such sources?

(4) Did you at any time receive any information from any source that President Nixon intended to place wiretaps on the telephones of members of Dr. Kissinger's staff?

If so, who supplied you with this information, and did you relay it to Dr. Kissinger?

(5) It is well-known that Dr. Kissinger formerly served as your advisor for foreign affairs. Did Dr. Kissinger continue to enjoy a confidential relationship with you after he became the Head of the National Security Council?

IF NO TO FIRST QUESTION

(2) During the Watergate hearings, John Dean testified under oath that you tipped off Dr. Kissinger, then Head of the National Security Council, about plans of President Nixon to place wiretaps on the telephones of members of Dr. Kissinger's White House staff.

Would you comment on this?

(3) It is well known that Dr. Kissinger formerly served as your advisor for foreign affairs. Did Dr. Kissinger continue to enjoy a confidential relationship with you after he became the Head of the National Security Council?

[From the Washington Post, Sept. 26, 1974]

Mr. Rockefeller: Money and Economic Power

In a television interview the other day, Sen. Howard W. Cannon laid out what seems to us to be the proper rationale for the hearings now under way on the nomination of Nelson A. Rockefeller to be Vice President. Mr. Cannon expressed the belief that while Congress ought not to reject a nominee for this office because his political views are at variance with its own, Congress has an obligation to ask a good many questions about the nominee's views. That way, he explained, the public "would have the opportunity to learn what his views are and to know something about this man whom they did not have the opportunity to vote for." In essence, the hearings serve to replace the campaign which normally precedes the election of a President and Vice President.

Under this rationale, the Senate Rules Committee is quite properly exploring Mr. Rockefeller's actions as Governor of New York on such diverse matters as Attica, abortion, tax increases and intervention with the federal government on behalf of the Grumman Corporation. These are matters which are important in terms of public understanding of the man and his views on public policy, even though Mr. Rockefeller's answers are not likely to affect the outcome of the nomination. A nominee under the 25th Amendment ought generally to be confirmed unless he is demonstrated to be incompetent or corrupt, and we know of no serious allegations made about Mr. Rockefeller in either connection.

This same rationale seems to provide the best framework in which to consider Mr. Rockefeller's financial holdings and the potential conflicts of interest they could create. The conflict of interest laws on the books cannot apply to Presidents or Vice Presidents, nor should they. Even if they did, the customary ways by which other public officials have handled their money won't work in Mr. Rockefeller's case; he simply has too much of it. He can't be asked to dispose of his holdings in various companies whose financial success may be affected by decisions in which he would be involved as Vice President or President; the holdings are so large as to make the impossible; besides, what would he do with the cash? He can't be asked to isolate himself from decisions which might have an impact on companies in which he has a financial interest; that would make him a neuter, because few decisions of government fail to touch some Rockefeller interest somewhere. Even the idea of a "blind" trust, which he has said he will establish, fails to make much sense; Mr. Rockefeller's present assets are so large that they cannot be shifted easily. That alone defeats the whole purpose of a blind trust—which is that the public official will not know what securities are in it.

So the question comes down to a matter of public disclosure of assets and of public confidence in Mr. Rockefeller's honesty. If he were involved in a presidential election campaign, the size of his fortune and the manner in which he has used it would be an issue for the voters to decide. They would determine whether it presented a potential conflict of interest sufficient to deny him the office or whether they had sufficient trust in his personal integrity to elect him. Since there is no popular election in this situation, that decision is up to Congress and it ought to be made on the basis of Mr. Rockefeller's record in public and private life.

So far as we know, there has been no serious allegation that Mr. Rockefeller ever permitted his financial position to influence his decision as Governor of New York, as Under Secretary of HEW, as Assistant Secretary of State or in any of the other public offices he has held during the past 34 years. Unless something new arises, we see no reason for Congress to pursue the matter of his personal finances much further. The record of his public service speaks for his personal honesty.

Some senators, however, have expressed an understandable concern about the concentration of economic and political power that would be in the hands of a Rockefeller in the White House. And Mr. Rockefeller's response to that concern—in essence, a denial that the Rockefeller family holds substantial economic power—is not altogether reassuring. Indeed, it is a bit naive. The Rockefeller economic power may not exist in terms of a company-by-company analysis or in terms of outright control of particular companies. But it does exist in the minds of most Americans. Most businessmen would react quite differently if a Rockefeller-backed enterprise went into competition with them—or if they were invited into joint participation with such in a venture—from the way they would if it were a John Doe-backed venture. The power is there and is real to most people even if Nelson Rockefeller doesn't think it exists.

Mr. Rockefeller's failure to understand the way most Americans look upon his family's wealth is not necessarily a shortcoming. It simply reflects the fact that people of such extravagant wealth often fail to understand that their lives, their influence and their power are different in kind from that of other Americans simply as a function and consequence of that wealth.

Here, again, the only way Congress can resolve this question of a concentration of power is to look at Mr. Rockefeller's record. Has the melding of political power in New York State, where he served as governor for 15 years, with the economic power of his family in New York City been used in ways detrimental to the public interest? If it has not, that is the strongest evidence available that a similar concentration of power in Washington will not be dangerous to the country.

[From the Washington Post, Sept. 22, 1974]

Rockefeller Family Holdings Touch Every Economic Sphere

(By William Greider and Thomas O'Toole)

The question of how much money Nelson Aldrich Rockefeller is worth seems like quibbling over mere millions because, in reality, the Rockefeller family together exercises awesome economic power, so vast that it dwarfs Nelson's individual fortune.

The Vice President-designate says he is worth $62 million. Make it $132 million with two of his trust funds. Maybe there is even more. It hardly matters.

Congress, which must confirm him, may find the Rockefeller nomination poses a much deeper question about power in America—whether the complex and largely hidden economic power which the Rockefeller family jointly holds, which Nelson shares, which stretches across the nation's economy, and the world's shall be twinned with the second highest political office in the land or even with the presidency itself.

Oil, banking, airlines, real estate, insurance, retailing and communications, hotels and supermarkets, electronics and mutual funds, coffee beans and chickens. The power of the family fortune is beyond measure, too, a nexus of ownership and leverage that is greater than the sum of its parts. It is more powerful than most foreign governments, more impressive than the RCA Building which the family built, richer than the Rockefeller who started it all 80 years ago, Nelson's grandfather, John D. the First.

If Nelson Rockefeller becomes Vice President, or events make him President someday, he will bump into his family's wealth on practically every major public issue.

As President, he would have the last word on chartering overseas air routes, yet his family's bank is the largest stockholder in Northwest Airlines, which flies the Pacific. The bank holds major stakes in six competing airlines, not counting Eastern which Nelson's brother Laurence launched.

If President Ford wants oil prices held down, he could speak to the ones who could talk to his family. They control the largest bloc of Exxon stock and have a substantial presence in three other major oil companies: Mobil, Amoco, and Standard of California.

If "Vice President" Rockefeller tours the Middle East, he may find tracks in the sand left by his brother, David who, as chairman of Chase Manhattan, the family bank, has been consulting the Arab sheikhs on where to invest their money—the bulging fortune from their oil wells.

If "President" Rockefeller asks the CIA for intelligence on the Soviet Union or China, he could take comfort in the knowledge that the spy-plane reconnaissance photos were taken with Rockefeller-made electronic gizmos.

If he wants to check on conditions in Latin America, the stomping ground of his youth, he can do it through his own personal company—IBEC, or International Basic Economy Corp.—now run by his own Rodman. It's a mini-conglomerate with affiliates in 30 countries and sales this year of more than $300 million—housing and supermarkets, mutual funds and coffee marketing, poultry and canned fish.

If the television networks give "Vice President" Rockefeller a bad time, he might turn to a friend at Chase Manhattan. According to a Senate subcommittee's study of corporate ownership, the bank controls respectable minority blocks of stock in CBS, ABC and NBC, not to mention modest bites of The New York Times and Time-Life Inc.

Taxes, the environment, government regulation of business, prices, interest rates, overseas diplomacy, war and peace—Rockefeller interests are enhanced or hurt by government policymaking in practically every major area of American life.

When Nelson Rockefeller became governor of New York 15 years ago, he and the family discreetly got out of some holdings which created obvious conflicts for him. Consolidated Edison, New York's premier power company, was one of them, according to family associates, although Rockefeller was raked over the coals for years afterwards" on that issue. Another was United Nuclear Corp., which the family bought because Nelson was enthusiastic about atomic energy. He started a state version of the AEC and the Rockefeller money managers quietly sold the family's United Nuclear stock.

At the federal level, however, it is difficult to imagine how Rockefeller could insulate himself from the vast interests which his family controls. He can't very well put Rockefeller Center—a billion-dollar complex of skyscrapers in midtown Manhattan—into a blind trust. As Vice President or President, he couldn't very well disqualify himself every time a policy decision potentially affected Chase Manhattan Bank. He would be out of work if he did. Even if Rockefeller took a vow of poverty, this empire would remain intact, still dominated by his family.

But the Rockefeller wealth goes beyond the conflict of interest question. Most people assume Rockefeller already has so much money, he wouldn't shave corners to get a little more. The problem is really the other way around—what impact would that great economic power have on government and politics if it were marshaled in tandem with presidential power?

What would a middle-level bureaucrat do, for instance, if he knew he was regulating the President's family fortune? Would a senator or congressman be able to resist the combined might of the White House and Wall Street's second largest bank, not to mention all the corporations which do business there?

The first Senate hearings begin Monday and Congress will have to decide if these questions have answers. It is a unique crossroads. Rockefeller faces close congressional scrutiny because he was nominated, not elected, under provisions of the 25th Amendment. No other politician of great wealth has had to travel that route.

The only other non-elected Vice President in history—Gerald R. Ford—had his personal finances picked over with a fine-tooth comb during last year's confirmation hearings, but congressional investigations despair over doing the same with Rockefeller. It could take months, maybe years.

This is a crude portrait of Rockefeller economic power one which probably misses as much as it describes. For two generations, the great fortune passed down by John D. has been fractionated and cloaked by increasing layers of trusts and closely held companies, where no public reports were required, none volunteered, and all inquiries politely rebuffed.

The family's philanthropy has virtually erased the robber baron image which clung to its patriarch. The infamous Standard Oil Trust which John D. put together was broken into many pieces by a Supreme Court ruling in 1911. In 1930, the family bought 4 or 6 per cent of Chase Bank, enough to control it. Through a half-dozen foundations, the family name became better known for giving away money to promote health, education, civil rights, conservation and population control among other causes.

But the private fortune is still there, only less visible. Nelson, his four brothers and his sister each got trust funds plus direct inheritances. Other trust funds were created as fourth generation Rockefellers came along. Each owns houses or cars or vacation homes or Caribbean resorts, whatever suits him or her.

The Rockefeller money, however, is still managed at one place—two floors at 50 Rockefeller Plaza—where an investment agent called Rockefeller Family and Associates handles the labyrinth of trusts and bank accounts, with policy directives set by the brothers. Their sister, Abby Rockefeller Mauze, is believed to be a less active partner.

J. Richardson Dilworth, nephew of the former Philadelphia mayor, runs it and when Dilworth's name turns up on a board of directors—like R. H. Macy's or Chrysler Corp., among others—Wall Street assumes that he is there to watch after Rockefeller money. Other Rockefeller surrogates from the investment group serve on boards where the family has a direct stake. Operating at the same address are batches of other experts on topics ranging from ecology to urban development, hired by the brothers to pursue their individual interests.

"I can tell you that each brother has his own show," said Fred Smith, a conservation expert who advises Laurance Rockefeller. "There is fine coordination at a very high level. They have meetings of the brothers to discuss policy, but each brother does as he pleases."

The empire is not a single-minded monolith. Each brother has sunk his own money into his own schemes, usually joined by the family if the venture prospered, and several of them have proved spectacularly adept at making still more money, not to mention giving it away.

Different as they are, the brothers work well together. When David was caught up in an environmental controversy over a San Francisco Bay fill project, he asked brother Laurance if the ecological damage would be as bad as the critics warned. Laurance looked it over and advised David to get out. He did.

Nelson and Laurance still call each other "Bill," the childhood nickname they gave one another, the way kids do. When Laurance writes Nelson, he addresses him, "Dear Bill." Nelson's reply always begins, "Dear Bill."

Nelson, whose business ventures have been comparatively few, is the politician in the family and his most spectacular spending has been on his own campaigns. One foundation study calculated that since 1952 his state and national campaign expenditures have exceeded $27 million.

At present, he and Laurance have sunk $1 million each into the Commission on Critical Choices for America, which Nelson chairs. This prestige forum will give him good political publicity prior to the 1976 campaign and his spending on the commission is not subject to the $100,000 legal limit on what a candidate and his family can donate to his own campaign.

His public service notwithstanding, Nelson has also done his turn at family enterprises. At age 28, he was a director of Creole Petroleum, the Exxon subsidiary that markets oil from Venezuela. He did a stint at the Chase. He was rental agent for Rockefeller Center in the 1930s (and earned a reputation for hard-nosed tactics when he struggled to fill up the new building with tenants). He launched his own corporation in Latin America, intended to bring American know-how to the markets of underdeveloped nations.

Of all the enterprises, Rockefeller Center is the brightest gem in the family crown. It is a maze of 21 skyscrapers on almost 24 acres of Manhattan heartland that is the world's largest privately owned business.

Nobody but the stockholders (the four surviving Rockefeller brothers, Nelson, John D. III, David and Laurance, their sister, Abby, and the heirs of their brother Winthrop, who died in 1973), and a handful of Wall Street bankers know its true value, but the educated guess of New York's real estate crowd is that Rockefeller Center, land and buildings, is worth $1 billion. Realtors talk about it with reverence, as if it were a work of art instead of a land development.

"It's beautiful real estate, the best in New York," said one realtor. "God knows what the middle of New York would look like if Rockefeller Center hadn't been built there."

Rockefeller Center is so immense that even the Rockefellers don't own all of it. Columbia University owns the 510,000 square feet where the first 14 buildings were built. This land was reappraised a year ago for the first time in 40 years and the land alone was valued at $180 million.

The original buildings on Columbia's land are all owned by Rockefeller Center, Inc., and while they're not worth as much as the land (because the land fronts Fifth Avenue and the buildings are 40 years old) they're not worth much less, maybe $160 million.

Rockefeller Center's so-called new land, all of it owned by the Rockefellers, lies along Sixth Avenue. They have entered into joint agreements for ownership and management of the buildings, whose tenants include many of the premier corporations in America—Time-Life, Exxon, McGraw-Hill, Celanese.

Beyond the value of the land and buildings, Rockefeller Center has an unappraised aura all its own—worth as much as $200 million, according to one realtor. "If these buildings all had to be replaced today, they would cost well over $1 billion," he said.

To measure Rockefeller power, however, you have to look beyond what they own directly. The family's string of tax-exempt foundations, large and small, represents a vast pool of money, not only for the Rockefeller philanthropy, but for compatible ownership of stocks.

Thus, the Rockefeller Foundation, which John D. III chaired for years, reported 1972 assets of $976.9 million and about $362 million of it was invested in oil stocks (although the foundation's oil holdings used to be even larger). The Rockefeller Brothers Fund, where the family is heavily represented on the board and Nelson is an honorary trustee, had $268 million in 1972 with $67 million in oil companies.

Exxon and Mobil led the list. If you throw in the huge blocks of oil stock held and controlled by Chase Manhattan's trust department for anonymous owners (some of whom are probably named Rockefeller), it comes to a total of about 8.6 million shares of Exxon, almost 4 per cent, the largest chunk of stock in the world's largest oil company.

Even that rough estimate might be too low. A source inside the company figures that the "family holdings" total about 9.9 million shares.

Besides Exxon, the real leverage is at Chase Bank, total assets of $8.8 billion last year. Again, everyone knows the Rockefellers control it but nobody outside the family can say precisely how much they own of it.

Board Chairman David, the only Rockefeller required to report his holdings, had 337,500 shares at last count, about 1 per cent. The Rockefeller Brothers Fund had another 148,000 shares. Rockefeller University, a unique graduate-study and research center in Manhattan, held 81,000 shares. Back in 1964, when House Banking Committee Chairman Wright Patman (D-Tex.) studied bank ownership, Rockefeller Center, Inc., (which is wholly owned by the family) owned 86,200 shares. That has presumably doubled through two stock splits in the intervening years. Today, Rockefeller Center, Inc., won't tell how much it owns of Chase Manhattan Bank.

Control of the bank and its trust department has the effect of multiplying the family's economic leverage far beyond the limits of the Rockefellers' wealth. Every major bank in New York holds millions of shares in their trust departments for other owners—most of whom give the banks the power to vote the shares and, thus, influence corporate management.

Chase's trust department, with the bank's companion investment management corporation, controls the single largest block of stock in United Air Lines, Northwest Airlines, Long Island Lighting, Atlantic Richfield Oil, National Airlines, to name a few. It holds important chunks in a galaxy of leading corporations—AT&T, IBM, Sperry Rand, International Paper, Motorola, ITT, Avon Products, Safeway Stores.

Major banks like Chase protest that their enormous trust holdings do not give them control over a corporation, that their stewardship is rendered neutrality on behalf of the anonymous owners. Wall Street has many skeptics, and so does Washington.

"It is reasonable to assume," said one well-known oilman, "the Chase would not have its trust holdings in a mangement of which they did not approve."

Thus, Chase Manhattan is a good place to be if you want to take part in crucial decision, of capital and control which can alter the structure of American business. The board of directors represents a bewildering maze of interlocking interests, often competing companies sitting down side by side at the same table to discuss where the economy is headed, who's winning and who's losing.

To make it simple, here are the corporations represented on Chase's board by their chief executive officers or their own board chairmen:

American Smelting and Refining, Honeywell, Allied Chemical, General Foods, Hewlett-Packard, Exxon, Federated Department Stores, AT&T, Royal Dutch Petroleum, (Shell), Burlington Industries, Equitable Life Assurance, Standard Oil of Indiana. The Chase executive officers all serve on other corporate boards and some of them see each other again in foundations, clubs, and civic endeavors.

America's commercial airlines represent

one example of how the Chase bank exerts industry-wide leverage. According to a new report compiled by the Civil Aeronautics Board, the bank holds about 12 per cent of National, 9 per cent of Northwest, 8 per cent of United, 7 per cent of Overseas National, 6 per cent of TWA, 5 per cent of Delta, 4 per cent of Braniff, and other lesser holdings.

While Chase holds stock in airlines, the bank also lends them a lot of money. Last year, two Senate Government Operations Subcommittees jointly investigating corporate power disclosed that 14 airlines owed *$274 million* to Chase Manhattan. Pan Am owed $20.8 million. Continental owed $95.5 million.

Credit also flows from large insurance companies and the Rockefeller interests are well represented on the board of Equitable Life, a mutual company owned by its policy holders but, of course, controlled by its directors. Equitable held notes worth $241 million from five major airlines—Pan Am, United, TWA, American and Eastern.

While the issue is debatable, some critics think the debt structure gives the big banks and insurance companies more control over significant corporate decisions than the stockholders have. A Senate hearing earlier this year was told that Mohawk Airlines was forced to merge with Allegheny because it was unable to increase the size of its credit. It was Chase Manhattan which told Mohawk it would call its loans unless the airline found new capital to buy replacement aircraft. The only place Mohawk could find the money was with Allegheny.

"While many marriages are made in heaven, this one was made in the vaults of Chase Manhattan Bank," claimed Reuben B. Robertson III, a consumer advocate on aviation issues. "While the stockholders' interests were substantially diluted, Chase and the other participating lenders emerged unscathed."

When the Civil Aeronautics Board set up an advisory committee on finance a few years ago, Chase, Equitable and Rockefeller Family & Associates each had a man on the nine-member board.

The man from the Rockefeller family on the committee was Harper Woodward, a director of Eastern Airlines and one of those surrogates who serves in place of a Rockefeller. Eastern Airlines first took off in 1938 with the help from Laurance Rockefeller (who also gave an early boost to McDonnell Aircraft). He still owns 49,000 shares. Chase holds 240,000 shares. According to an associate, Woodward sat in for him on the Eastern board when Laurance tired of the chore.

Laurance is best known to the general public as a leading conservationist, but he has also been the family's most adventurous investor, putting money on new ideas which proved to be profitable. He owns all of Eastern's preferred stock (216,736 shares), which he acquired seven years ago when he sold the airlines a majority interest in several luxury resorts which he developed—the Dorado Beach and the Cetromar Beach in Puerto Rico, the Mauna Kea in Hawaii.

Eastern still owns the Puerto Rican hotels, but it sold Mauna Kea back to Laurence when it failed to win CAB approval for a Pacific route to the island state. In the deal, Eastern received a 40 per cent interest in Rockefeller resorts, properties valued at more than $100 million, developed and mostly owned by Laurance.

The Rockefellers have used their personal fortunes imaginatively over the last generation, seeding new ventures with a genuine feel for risk and new technology, like a family game of Monopoly, only they play with real money.

Rockefeller cash—perhaps no more than $30 million over the past two decades—has provided crucial seed money for a long list of struggling companies, at least a dozen of them. "We always invested this money as a minority interest, never more than a one third interest," said Teddy Walkowicz, a longtime member of the Rockefeller Family & Associates who resigned his partnership a year ago. "The philosophy was to help people get started and to attract other investors to fields blossoming but still too risky for people to put money in them."

The Rockefeller venture companies may never make Fortune's "top 50" and their names are not household words—Evans and Sutherland Computer and Iomec Inc. and Safetran Systems and Scantlin Electronics. Others are fair-sized concerns which more than returned the original investment.

GCA, Inc., makes rocket-borne precision instruments and has sales of about $30 million a year. The best known Rockefeller-backed company is Itek, Inc., which grew from nothing back in 1957 to a company doing more than $200 million a year. Itek is believed to have made the high-altitude spy camera aboard Francis Gary Powers' U-2 plane and it makes the cameras for Air Force spy satellites.

The driving force behind GCA and Itek was Laurance Rockefeller, but all the brothers lent a hand. They helped start GCA with $500,000 and their original investment in Itek was only $750,000. The family is understood to have sold most of its holdings in both.

Not all of the Rockefeller moves have turned to gold. Scantlin Electronics, now called Quotron, pioneered in the electronic stock calculator, then watched as two large companies (General Telephone and Bunker-Ramo) muscled their way into the field. Today all three are hurting as the stock market falls.

Another Rockefeller vision—an integrated nuclear power company with uranium mines and atomic power plants—led to United Nuclear Corp., which lost money for years. The uranium mines were profitable, but the power plants were sold for nuclear submarines, not cities, at losses.

Nelson Rockefeller himself had some hard times as a businessman when he launched International Basic Economy Corporation back in 1947 in Venezuela with $8.5 million of Rockefeller seed money. It has never been a big moneymaker, but the founder's main intent was economic development. The corporation was once refused a charter by New York State on the grounds that its stated purpose was "not" to make money.

Some of his early moves were flops and Nelson still jokes about them, according to associates. Once his development experts advised a grain-marketing center would go in one South American country. After it was built, they noticed there were no trains to ship the commodity.

In Venezuela, Rockefeller motorized the Caribbean fishing boats to encourage the fleet, but the fishing captains instead went into the charter business. When it got the fleet organized, IBEC decided to freeze the fish for marketing, and learned too late that Venezuela housewives insisted on fresh fish.

IBEC is a lot healthier and more diversified now. It operates what may be the world's only wholesale supermarket outside Sao Paulo, Brazil. One retailer drives 3,000 miles once a month to shop there, buying stocks for his stores in the Amazon jungle. In Venezuela, where IBEC has 48 supermarkets, the Vice President-designate also owns an 18,000-acre ranch and part of a milk distribution concern.

In recent years, the Rockefeller interests and their corporate allies have been singed by the nationalism burning across Latin America. In Peru, a subsidiary of Exxon lost its oilfield concession. In Chile, Anaconda Copper, which then had two interlocking directors with Chase Manhattan, lost its huge copper mine, although the new Chilean government has indicated its willingness to compensate the company for the mine.

In Venezuela, where IBEC does its biggest business, the government proposes to reduce foreign holdings in all businesses to 20 per cent by 1977.

"We're not traumatized at the thought of going down to 20 per cent," said IBEC vice president Harvey Schwartz. "We would like to stay in Venezuela . . . We happen to feel very strongly pro-Venezuelan."

In Chile, the Marxist government of Salvador Allende expropriated Concretos Redi-Mix, an IBEC cement plant. After Allende was toppled last year in a military coup, the new government offered to give it back. An IBEC spokesman said the corporation isn't sure it wants it.

The irony is that the Rockefellers are criticized from both the left and the right in this country for the way they have reacted to upheaval overseas. Some conservative businessmen argue, in private, that if Exxon and other major oil companies had used their economic power more forcefully in South America and the Middle East, they might have stemmed the tide of expropriation and higher taxation. The far right thinks Rockefeller money is in league with the communists.

Meanwhile, left-wing critics think Rockefeller is part of a Central Intelligence Agency plot, a suspicion encouraged by his tenure on the Foreign Intelligence Advisory Board and his association with such right-wing businessmen as Augustin Edwards, publisher of El Mercurio in Chile, and once a director of an IBEC mutual fund. Edwards has been named in congressional hearings as a probable recipient of CIA covert funds.

It is the sort of dilemma which could provoke future controversy if Rockefeller becomes Vice President. IBEC and Chase Manhattan, for instance, have some of their overseas investments covered by the federal government's Overseas Private Investment Corp., an insurance system which dominantly protects large American corporations against such calamities as war damage or expropriation without fair compensation.

If IBEC filed an insurance claim with OPIC on a supermarket or a concrete factory, it would be pennyante to Nelson Rockefeller. But how would it seem to the government claims adjuster?

[From the Washington Post, Sept. 22, 1974]

FROM SW RENEWAL AREA TO FOXHALL: ROCKEFELLER'S BIG INVESTORS IN THE DISTRICT OF COLUMBIA

(By Eugene L. Meyer)

A tailor by trade, Jimmie Muscatello is chairman of a small businessmen's group fighting planned development of high-rise, high-rent office buildings in the old downtown between the White House and Capitol Hill.

Muscatello fears the Rockefeller family because it has played a major behind-the-scenes role in the redevelopment of central Washington, a redevelopment which has virtually excluded small independent merchants.

The Rockefellers own a substantial portion of the Southwest urban renewal area—approximately 40 percent of L'Enfant Plaza, the $100 million office-hotel-shopping complex that is the highest valued District property and the largest completed commercial urban renewal project in the country.

The Rockefeller family's impact on the District of Columbia is small compared with its role in New York City, where Rockefellers owned the land on which the United Nations building rose, raised substantial money for construction of the Lincoln Center and built Rockefeller Center in midtown Manhattan.

The Rockefeller involvement here is less publicized and less personalized; it is tied more to money than moxie.

It includes the 25-acre estate of vice president designate Nelson A. Rockefeller, at 2500 Foxhall Rd. NW, which is valued by tax assessors at more than $2 million and has been appreciating in recent years at an annual rate of about 25 per cent.

The property contains a pond and a house built in 1790 by a Revolutionary War colonel who led his troops in battle with the Continental Congress for their pay. The land eventually became part of the Glover Archbold estate. Rockefeller acquired it in stages, starting in 1948.

The property is not listed in Rockefeller's name. The owner of record is Paul H. Folwell, an attorney with the New York law firm of Robert R. Douglass, legal counsel to Rockefeller when he was New York's governor and the man designated as his personal liaison with Congress during nomination proceedings.

Folwell, reached at his New York office, said the use of his name "doesn't mean anything. Everyone knows Mr. Rockefeller owns that property."

Godfrey A. Rockefeller, a distant cousin, who maintains residences here and on Gibson Island, Md., said, "Members of the family use (the property) when they're down here."

The property is regularly listed as among the 10 highest assessed residences in Washington. The 1974 tax bill came to more than $37,000.

In Washington, some Rockefeller interests are in the hands of retired Air Force Gen. Elwood R. R. (Pete) Quesada, president and board chairman of L'Enfant Plaza. Quesada also is the presidentially appointed chairman of the Pennsylvania Avenue Development Corporation.

The corporation was created by Congress to redevelop 23 acres on Pennsylvania Avenue's north side, with power to condemn property and subsidize developers by selling them the land at a discount. No small businessmen serve as corporation directors.

"We fear big money, anybody's big money,'" Muscatello says.

"You got to remember," Muscatello said of Quesada and downtown development, "he fronts for the Rockefellers, and Rockefeller has been nominated to be vice president. . ."

Quesada bristles at such suggestions. "The Rockefellers have nothing to do with Pennsylvania Avenue."

He has had no discussions with the Rockefellers about investing on Pennsylvania Avenue, he said over lunch recently at the L'Enfant Plaza hotel, but he did not foreclose such discussions.

"Anybody would welcome them, and everybody should," he said.

Quesada, a native Washingtonian, brought banker David Rockefeller into L'Enfant Plaza as a major investor nine years ago.

Rockefeller, in turn, brought in his son, David Rockefeller, Jr.; his sister, Abby Rockefeller Mauze; his brother, John D. Rockefeller III, who is generally known more for his concern with population control and the bicentennial, and his nephew, John D. Rockfeller IV, former West Virginia secretary of state and current president of West Virginia Wesleyan College.

David Rockefeller also brought in Chase Manhattan Bank, of which he is board chairman, and of which his brother Nelson is said to be a large shareholder.

While Nelson has no direct interest in L'Enfant Plaza, he recently considered—then rejected—the idea of moving a staff into one of its office suites for the nomination hearings. The Rockefeller staff is located instead at 1100 17th St. NW.

According to papers on file with the D.C. urban renewal authority, ownership of the $30 million L'Enfant Plaza hotel-office building in May, 1971, gave the combined Rockefeller interests 39.1 per cent of the stock, divided this way—Chase Manhattan, D.R. Associates and nominees, 28.1 per cent; John D. Rockefeller III and John D. Rockefeller IV, 5.5 per cent, and Abby R. Mauze, 5.5 per cent.

According to Quesada and to additional information on file with the D.C. corporation records office, Rockefeller holdings in the rest of the L'Enfant project are similar, with David Rockefeller Jr., as an added shareholder.

Quesada said he asked the Rockefellers to invest in L'Enfant Plaza because "I knew they were civic-minded and interested in urban development."

It was 1965 and New York real estate magnate William Zeckendorf—the original redeveloper of Southwest Washington—was in financial trouble.

"I had sold my interest in the Senators," Quesada said. "I was foot loose and fancy free." He became interested in L'Enfant Plaza, and Zeckendorf suggested he take over development of the entire project, then existing only in model forms.

Quesada said he could finance one building, but not four. He contacted Laurance Rockefeller, "a longstanding friend" from aviation circles. "Laurance said, 'I don't do that sort of thing. David does. I'll put you in touch with him.' David sent a fellow down here, looked over the project and said yes.

"He put in one-half of the equity, and I put in one half," Quesada said, declining to state dollar amounts.

Work on L'Enfant Plaza began in late 1965 and was completed last year, when the hotel opened and the west office tower was sold for $30 million to the U.S. Postal Service. The L'Enfant Plaza Corp. continues to control the rest, through a 99-year lease with the D.C. Redevelopment Land Agency, the urban renewal authority, which still owns the land underneath.

Recently, the L'Enfant Plaza Corporation has tried to control some development beyond its own borders in Southwest, opposing subsidized housing for poor and moderate-income families and battling commercial enterprises that could compete with its own.

The opposition has taken the form of court suits against the housing project across the Southwest Freeway, against a waterfront motel that wants to build 150 rooms instead of the 100 originally approved, against the nearby Nassif Building, which let ground floor space to a bank and drug store.

To date, L'Enfant Plaza has won the suit, while the others are pending.

The legal battle over the subsidized housing has divided Southwest, with some adjacent townhouse owners siding with L'Enfant Plaza in opposition and other citizens and community groups favoring the project.

Seeking to separate the Rockefellers from this dispute, Quesada said last week, "I and I alone am responsible for that suit."

The L'Enfant Plaza Corp. is doing "all right" Quesada said, but he refused to provide details about the private corporation's finances.

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49. The Last Stand

(From "The Power Broker: Robert Moses and the Fall of New York," By Robert A. Caro. Alfred A. Knopf, New York, 1974)

Rockefeller had been laying his transportation plans out for eight years. Now they were ready. Ronan had filled in the details. Lindsay's attempt to take over the transportation setup had been the final factor in determining the Governor to move to implement them. If there was going to be a takeover it was going to be *his* takeover. And therefore, the Governor seemed to feel, it was time for Moses to go.

To implement his grand conception, the Governor needed money, a particular kind of money—seed money.

It was, of course, impossible, in so inflationary an era, to calculate with precision the cost of the network of highways, mass transit facilities and airports of which he was dreaming. If he had even a rough estimate, moreover, he made sure it was never revealed honestly to the public—for a very sound political reason when dealing with a Legislature in which upstate conservatives played a prominent role: it was almost unimaginably huge. One estimate, probably far too low, was that, if begun in 1968, it would cost $6.4 billion in the next five years alone. Much of this money Rockefeller had to obtain from the federal government, but federal contributions were determined in some cases by state and local participation in the funding. That meant local money. In almost all cases federal contributions were dependent on state and local planning—Nelson Rockefeller had learned what Moses knew: that it was the state with plans, not vague proposals but detailed blueprints, ready when new federal appropriations became available, that got the federal money. And certain pieces of the grand conception could not be built by the federal government at all, because the only way to make their building feasible was to make them toll or revenue-producing facilities, for which federal expenditures were prohibited.

But state and local money on the scale the Governor needed was simply unavailable: eight years of his massive spending had reduced the state to a condition in which it was all but impossible for him to meet the constitutional requirement that he balance its budget annually; costs were outrunning revenues even for current programs; state revenues could simply not support a major new one. A $500,000,000 highway bond issue passed some years before was all exhausted in 1966; if a new one wasn't approved, highways would have to be built out of current revenues—which meant that, in effect, no major new highways would be built. As for local money—New York City money—deficits stared him in the face everywhere: Transit Authority deficits, Long Island Rail Road deficits, Penn Central Railroad deficits, the city itself so broke that it had to borrow money each year just to pay current bills—everywhere, that is, but in the accounts of the two giant public authorities, Port and Triborough. Port, armored by the fact that he had to win approval from the New Jersey Governor and Legislature for anything he wanted that agency to do, was, for the immediate future at least, beyond his reach. And that left just one place to turn.

The Triborough Bridge and Tunnel Authority had $110,000,000 in cash and securities on hand—a surplus that was growing at the rate of almost $30,000,000 a year. A surplus that would grow much faster if Triborough's tolls were raised—and Rockefeller was already secretly considering raising the tolls. A capitalizable surplus—worth, over the next five years, even if current tolls were not raised perhaps half a billion dollars. He needed that money. He wanted it. And Moses, adamant that he and he alone would decide how it was to be used, stood in his way.

And more important than money was personality. There were Ronan's and Moses', of course—the personality of the cool, cautious, bankerly corporation man versus that of the bold, slashing, imaginative creator; an exceptionally perceptive politician and reader of men who had plenty of time to read those two (and who was to have a ringside seat during the ensuing struggle), Assembly Speaker Perry Duryea, says, "They were too antagonistic to work together in *any* setup." And there were Rockefeller's and Moses'. When Moses was in a picture, he dominated it; any transportation improvement in which he played any sort of a key role would, in the public's eye, be *his* improvement, not the Governor's.

"So," as Duryea says, "Rocky wasn't satisfied with what happened in '62. He really had to knock him out of the box."

And Moses had so little left to fight back with.

Once he had had so much. With income from the State Power, Jones Beach and Bethpage authorities as well as from a State Park

Commission and Parks Council as well as the City Park Department, Triborough's annual surplus had been only one piece of a very large pie. More important than the size of the pie had been the fact that it was divided into so many pieces. More important than the amount of money at his command was the fact that this money came from so many different and varied sources, that he had held simultaneously twelve different government jobs—some state and some city. A Governor contemplating removing him from those under his control would have to reckon with the fact that, because Moses' authority chairmanships had staggered six-year terms, he could do even that only over a period of years. And he had to reckon with the fact that, not only during those years but thereafter, Moses would still be holding many powerful city posts, that "you'd have to fight him on so many different fronts." Moses had been able to prop up each post with others, to use each as leverage to make the others more powerful than they would otherwise have been. The position in which he had once stood had been all but unassailable. But he had, by resigning in anger from his state posts, knocked out many of the props himself. Now all the props were gone. His single remaining post stood alone. And he now had only $30,000,000 a year left to fight with—a significant sum but not when measured against the resources of the state that were the resources at his foe's command, and a sum even less significant because it was derived from only one post, his last post, so that men who choose up sides on the basis of money could see clearly that if he lost that post, he would have nothing left to give them—a factor which made them reluctant to take his side. If Robert Moses had still possessed twelve jobs—if "Triborough" had still consisted of twelve arms—Nelson Rockefeller might have found, as Harriman and Dewey and Roosevelt had found, that it was unfeasible to cut off one of them. But now "Triborough" consisted only of Triborough. A Governor could lop off that arm with the assurance that if he did so, Moses would have none left at all.

Moses' lone position might still have been secure, for it rested on the solid rock of the Triborough bond covenants, the contracts sacred under law. Not even a Governor, backed by the Legislature and armed with the full authority of the state, could break those covenants, for if he tried, bondholders could sue, and the courts would surely uphold them.

Except for one consideration. While in theory even a single injured bondholder could sue, in practice no individual bondholder would. In the first place, the legal costs of so complicated a suit would, even in the preliminary steps, be enormous—far beyond any injury the bondholder might have suffered or any damages he could realistically claim. More important, a bondholder contemplating an individual suit would be faced with a legal reality: suing as an individual would be viewed by a court as an admission that only he was hurt—why weren't other bondholders suing?—so that the bondholders, or a substantial number of them, would have to sue as a group. To cover such a possibility, an agent had been appointed, in the contracts, to protect the bondholders' rights—to, if necessary, sue on their behalf. The contracts had appointed a bondholders' trustee.

And the trustee was the Chase Manhattan Bank, and the Chase Manhattan was the only large bank in the United States still controlled by a single family.

The Governor's.

"After the 1966 Legislature had wound up its business without passing our bill and had gone home, we began to get straws in the wind that the Governor and Ronan had plans of their own for taking over transportation," Arthur Palmer says. Lindsay was in no position to object, desperate as he was for a way out of the continual financial crisis posed by the subways (and for a way to avoid a second fare increase—Lindsay had already raised it from fifteen to twenty cents—before he had to run for re-election in 1969). Moreover, neither the Mayor nor his aides seem to have grasped the extent of the power Ronan was negotiating away from the city. By January 4, 1967, Rockefeller was confident enough of city cooperation to ask Legislature and voters to approve a $2,000,000,000 bond issue for highways, mass transit facilities and airports throughout the state and to begin planning a "coordinated," "balanced," "regional approach"—with far greater emphasis than ever before on mass transit—to transportation in the metropolitan region, merging and incorporating in Ronan's Metropolitan Commuter Transportation Authority all the region's public transportation agencies: the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority (MABSTOA), the Long Island, Penn Central and New Haven railroads, the Staten Island Rapid Transit Service—and the Triborough Bridge and Tunnel Authority.

Rockefeller had a lot riding on approval—not only the plan itself, which had fully captured his imagination, but a consideration considerably more mundane: driven to the wall by the state's worsening financial crisis, the Governor had, through various budgetary devices, discharged his legal obligation to balance the budget by including in anticipated "revenues" a substantial amount—according to some sources $49,000,000, according to others $51,000,000, according to still others $80,000,000—in money from the bond issue for which he was still asking approval. If it were not approved, the resultant deficit would prove highly embarrassing. The Governor was, moreover, planning to use bond issue monies to help in future budgets. If it were not approved, the state would be in for a truly hair-raising tax increase, one that would reinforce his image as a wildly spending liberal among the Republican conservatives across the country whose support he needed for his planned 1968 presidential bid.

The emphasis on mass transit insured media support for the plan in the metropolitan area, and, with leading politicians, Democratic and Republican, endorsing it, legislative approval was assured. Approval in the November referendum, however, was more doubtful. Widespread voter resentment against higher taxes had in recent years caused the rejection of many bond issues; the Governor was worried about the so-called silent vote. Resentment on the part of upstate conservative voters against the Governor's free-spending, high-taxing policies was flooding toward a crest that would spill over in the conservative legislative revolt two years later. In an off-year election, with most voters apathetic and the turnout small, passage of controversial bond issues is traditionally difficult when the only voters who turn out in force are those opposed to specific transportation projects. Results of Rockefeller-commissioned polls were highly discouraging. With the issue in the balance, Rockefeller was afraid that Moses would tip it against him.

The powerful construction labor unions were still solidly behind Moses, for Van Arsdale and Brennan knew that vast allocations were of little use in creating jobs unless the crushing of local opposition and the planning and blueprinting that had to take place before men could actually be put to work was ramrodded through, and their meetings with Ronan had convinced them that he was not a ramrod—if indeed he was even competent, which the two union leaders doubted. "You need a man who knows how to put a show on the road," Brennan was to say. "We had to keep Moses in there." More important, Moses still possessed his name—which, while a symbol around Washington Square of all that was hated, was a symbol of something quite different in Queens and Staten Island. Moses would continue to have the voters' ears, the Governor knew, because he still had the *News* and *Newsday*, the papers with the largest circulation in New York City and on Long Island; in its editorial on the Governor's proposal, for example, the latter had said: "Essential is the participation of Bob Moses in the new agency. His experience will be invaluable." Most important of all, Moses still possessed, unimpaired by his seventy-eight years, the instrument that had gotten him power in the first place: his powerful, supple intelligence. Alone now, Robert Moses began doing what he had done when he had been trying to find a way out of the West Side Improvement financial impasse, when he had conceived the possibilities of the public authority—at so many crises during his career; jotting down figures on a yellow legal note pad.

Ronan's public relations men had been feeding the press figures showing that the unification would end the city's traditional subway deficit crisis. Several years later, Duryea, no friend of Ronan's, could still recall them with a wry grin: "The surplus from Triborough would be $30 [million] a year, the surplus from MABSTOA would be about $5 [million], the Long Island [Rail Road] would either break even or have a surplus of about $1 [million], and these surpluses would be just enough to make up the Transit Authority deficit."

But Moses found that the merger wouldn't come close to making up the transit deficit. Calculating the present and future cost of union contracts then being negotiated and union contracts that would have to be negotiated within the next year or two, increasing maintenance costs and future debt service, he concluded that MABSTOA and LIRR would have not small surpluses but tremendous deficits, and that the Transit Authority's deficit was growing so fast that no conceivable combination of contributions from other agencies could make it up. The primary rationale that the Governor was using to sell the plan to the conservative upstate voters—that it would free the state once and for all from the annual worries about New York's subway problem—wasn't true at all.

And that was only one small point proved by Moses' figures.

Since he had become Governor, Rockefeller had created several giant "public authorities" that were bastards of the genre because their revenue bonds would be paid off not out of their own revenues but out of the general revenues of the state.

No one outside the Governor's confidential staff had ever figured out what the total debt service of all these bond issues was going to be when they were all sold and paying interest simultaneously. Only one other state official, the quietly independent Democratic Comptroller, Arthur Levitt, was interested in doing so—teams of his auditors had just begun calculating that very point.

Moses did it alone. He would never discuss what he found. But Duryea—his last friend in power and the one he took most fully into his confidence at this stage in his career—did, in an interview in 1969: "Three years ago, the state had budgeted for debt service 25–30 million. Last year, it was 40 million and this year 47. Well, Moses had a projection that if all the authorities Rocky was proposing went through, the debt service in 1972—this was the year of total sale—would be 500 million." Rockefeller's proposals would load down present and future taxpayers of the state with a staggering debt. In addition, Moses had done the simple multiplication necessary to figure out something all the reporters and editorial writers who had written about the $2,500,000,000 Metropolitan Transportation Authority bond issue had apparently never bothered to figure out—at least not one of them had mentioned the point: how much that bond issue was going to cost the taxpayers in interest. The answer was more than $1,000,000,000. A billion dollars in interest! By the time Moses finished figuring, Duryea says, "he had some numbers that were devastating."

The implications were enormous. "If he had ever gone screaming to the public . . .," Duryea says. Moses not only possessed devastating numbers; he could devastate with them. While other opponents of the bond issue had no money to put their case before the public, Moses, with the resources of Triborough still behind him, did, and his prestige alone guaranteed him a full hearing in the media; let him take those numbers to the public with his vast and efficient public relations apparatus, and he could well wreck Rockefeller's grand conception.

And he was prepared to do so. "Only two or three of us knew of these figures," Duryea says. "But we knew that Moses was ready to blow the Governor's transportation" referendum with them. "They had to get him on board so that he wouldn't scream and holler."

Before delivering his "State of the State" message, the Governor and Ronan had had at least one conference with Moses at which they attempted to enlist his support. They failed; he flew off to a vacation in the Bahamas still an opponent. While he was there, Ronan drafted, and airmailed to the old warrior honing his rapier down there in the warm sun, some modifications designed to mollify. They did not; during the three weeks he stayed away following the Governor's speech, reporters checked with Triborough daily to try to talk to him, and as soon as he returned, he had a statement for them. He was too smart to play his trump on the first hand; it was not empty victory but power in the new transportation setup that he wanted. He did not reveal his figures. But he gave the Governor an inkling of the intensity of the opposition he was prepared to provide. It was uncompromising. The merger proposal was "absurd," he said. "Grotesque. It just won't work. . . . They don't know what they are driving at." And the opposition made major stories in every metropolitan area newspaper. On March 9, 1967, Moses met with Rockefeller in Rockefeller's Fifty-fifth Street townhouse And two days later he announced that the Governor's plan—the "absurd," "grotesque" plan—was "indispensable" and that he was supporting it. "We believe the Governor is on the right track, that only a bold approach can succeed, and for our part shall cooperate to this end." (Said Ronan: "This is welcome news.")

The reason Moses gave for his 180-degree change of heart was that "after considerable discussion, the Governor included in his proposal a paragraph on protecting the rights of Triborough bondholders." Actually, however, nothing new of any major significance to the bondholders had been added to the proposal. Levitt and Duryea knew the real reason: the Governor had bought Moses' support with the only coin in which Moses was interested—power, a promise that he would have it under the revised transportation setup. "I know for a fact that Rockefeller felt he had bought Moses' support," Duryea says. "How [do I know]? I know because one Monday in Albany—it was at one of those Monday-morning so-called leadership conferences—Rockefeller announced that Moses would support his transportation unification program. I said, 'What'd you give him?' And Rockefeller said, 'A promise that he wouldn't be thrown in the ashcan,' that he would be given something substantial in the MTA reorganization." Levitt had even more conclusive proof.

To gain maximum impact for his "figures," Moses knew they should be released by someone other than himself, someone who could not be accused of having a personal stake in the defeat of the transportation proposal. On March 8, the day before his conference with the Governor, he had telephoned Levitt, who recalls: "He called me up and said, 'I want to see you. I have figures . . . and I want you to use them and blast Rockefeller.' The very next day, I had to go to Fifty-fifth Street for a meeting of the state pension fund. I didn't know what room to go in, and I was wandering around from room to room, trying doors, and I opened one, and there, to my surprise, was Moses and his whole coterie. I said 'What are you doing here?' He said, 'Oh, waiting to see the Governor.' I said, 'Where are those figures?' He said, 'Oh, I'll send them to you,' in a hedging tone of voice. And the next day he comes out for MTA. I never got the figures."

Van Arsdale and Brennan knew the reason, too. Rockefeller had also told it to them. The day after Moses' announcement of support, Brennan—previously conspicuously silent on the Governor's proposal—chimed in with his. The *Times* story announcing the arrival on board of the powerful unionist contained a sentence whose sources was apparently Brennan himself: "It was learned . . . that Governor Rockefeller had offered Robert Moses a seat [on the MTA board] . . . as well as continued direction" of Triborough. Brennan himself confirms that Rockefeller had given "Van and I" that impression: "The Governor said he would have an important part [for Moses]." Not satisfied with that vague statement, the two unionists asked Rockefeller precisely what that meant. He told them he had given Moses what Moses wanted: "He told us Moses wanted a part of the construction." "Will he have a part?" Brennan asked. "And the Governor said, 'Oh, absolutely. We know his talents, his ability, and we want to use them.'" Rockefeller was careful to leave the same impression with the public. The Governor told reporters that each of the authorities, while being merged, would "retain [its] identity and be under the administrative direction of an executive head in charge of operation," who, the *Times* reported, "would possibly have the title of president of the agency." *President of Triborough*—that sounded even better than "Chairman."

Moses appears to have had no doubt that the Governor would keep his promise. His statement announcing his support of the referendum had stated: "If the verdict is favorable, all the talent and goodwill available must be recruited to realize the exceedingly complex, long-term improvements." He had no doubt that that talent would, in the fields of highways and bridges, continue to be his own. And with the assurance in hand, he proceeded during the seven months prior to the referendum to prove that he would violate any principle—even that most sacred one to which he had always sworn allegiance, the sacredness of the bondholders' convenants—to keep power.

He outdid himself in support of the referendum; when Rockefeller didn't contact him, he called the Governor's office to ask for an appointment so that he could learn how he could best be of assistance in persuading voters, and following that meeting, he lied for the referendum (although he knew that bond revenues were slated for approach roads to his proposed Long Island Sound Crossing, he told the press: "Statements . . . that the pending transportation proposition is to be tapped to pay in whole or in part for the Long Island Sound Crossing . . . are wholly irresponsible and malicious. Not a cent of state subvention, aid or credit is required. . . ."); poured money behind it, using Triborough funds to pay for a full-scale advertising campaign ("Traffic—Commuter—Transit Delays Get Your Goat? Don't Sit And Grumble. Get Out And VOTE!"), plastering Triborough's toll booths with huge "VOTE YES!" signs—and repeatedly flattered the Governor so enthusiastically and obsequiously ("Governor Rockefeller has . . . guts"; "It takes a lot of courage and faith to ask the voters to approve a $2.5 billion . . .") that at times he seemed to be almost desperately trying to reassure Rockefeller that the Governor wouldn't have to worry about his loyalty after the reorganization, that he could be a loyal member of his team.

After an almost equally frantic statewide campaign by Rockefeller, the referendum passed, but there remained another, equally important reason to keep Moses on board. There was still the possibility of a legal fight over whether the Triborough bond covenants would be violated by the merger of the Authority into a larger authority—a question which, it seemed likely, could, if pressed, be resolved only one way: in the bondholders' favor.

Any party to a contract can bring suit if he feels it has been violated. There were two parties to the contracts that were the Triborough bonds—the Authority and the bondholders, represented by the trustee Chase Manhattan Bank.

Prior to his March 9 meeting with Rockefeller, Moses had prepared to have the Authority bring suit; he had instructed Sam Rosenman to gear up for a full-scale, no-holds-barred legal battle. But after his March 9 meeting with Rockefeller, he had Rosenman stand down, at least in part; the attorney, on behalf of Triborough, joined Dewey, representing Chase Manhattan, in attacking the proposal to use the Authority's surpluses, but let the former Governor carry the load, following through only pro forma, and he dropped opposition to the merger, the part that would have deprived Moses of power—because. of course, Moses believed Rockefeller had promised him power after the merger as well. "I understand that he had a promise that he would be part of the MTA board," Dewey was to recall. "I don't think Rosenman would have been so cooperative with the MTA if Moses hadn't thought that he'd have a place."

Of the circumstances surrounding the final removal of Robert Moses from power, the key one—the resolution of the suit against the merger that, if successful, could have kept him in power—remains shrouded in mystery.

Two things are clear. One: that, in the opinion of almost every legal expert on municipal and public authority bonds, if the suit had been prosecuted vigorously, it would have been successful—the merger would have been voided. Until all its $367,200,000 bonds had been redeemed, the Triborough Bridge and Tunnel Authority would have remained an independent, autonomous agency, and if the Authority chose not to redeem its bonds, it would have remained independent and autonomous indefinitely Two: that the suit was not prosecuted vigorously. Why the suit was not prosecuted vigorously is not known.

Chase Manhattan had certainly given the impression that it intended to press the suit to the limit when it was filed in June 1967. The retaining of Dewey as counsel seemed proof enough of that, and the bank's initial sixteen-page, thirty-six-count complaint instituting the action seemed determined. Transfer of the Authority's surpluses or income to the Metropolitan Transportation Authority would, the bank's complaint stated, cause the bondholders the bank represented "irreparable injury, for which they have no remedy at law." Both state statute—the New York public authorities law—and the Authority's contract with its bondholders forbade such a financial merger until all bonds were paid off and the contract thus voided, the complaint stated.

An administrative merger was similarly illegal, the brief stated, forbidden by Federal and State Constitutions and state law as well as bond convenants, and was injurious to bondholders because the aims and interests of the TBTA and those of the MTA contained a basic, irreconcilable conflict: "Triborough must facilitate the use of its projects by motor vehicles whereas the MTA and the TA must facilitate the use of their respective train and subway service systems, thereby diverting traffic from Triborough bridge and tunnel projects."

Following passage of the referendum, the suit was resumed, but all through December and January, intensive negotiations were being carried out between representatives of Governor Nelson Rockefeller and those of his brother David, Chase Manhattan's president and absolute boss. And the suit was finally settled not in court, open or closed, but in the Governor's Fifty-fifth Street townhouse, shortly after 9 a.m., February 9, 1968, at a fifty-minute meeting attended by the two brothers, each attended by one aide, Dewey for David and Ronan for Nelson. At this meeting a three-page stipulation previously drawn up by attorneys for both sides was signed by Nelson Rockefeller on behalf of the State of New York and David Rockefeller on behalf of the Chase Manhattan Bank. Following the meeting, the stipulation was taken to the chambers of the judge who would have been sitting on the case had there been a case—State Supreme Court Justice William C. Hecht, Jr.—and sealed, not to be seen by any outsider or newspaperman. Under the stipulation, the Governor's family's bank dropped all opposition to the Governor's transportation merger, the merger under which the Triborough board—Robert Moses, chairman—was supplanted by the MTA board—Dr. William J. Ronan, chairman. The point that Moses had always believed would keep him in power, therefore, was not contested—even by Moses. On his instructions, Rosenman agreed on behalf of Triborough that the merger was constitutional and legal. The crucial point was not contested by anyone.

What Chase got in exchange is not known, although it continued to head syndicates—as it had in the past—that underwrote and purchased tens of millions of dollars in state bonds, immensely profitable to banks.

Even such a bonus would probably not have persuaded the normal bank—run by a board of directors responsible to a multitude of stockholders—to abrogate its legal obligations, thereby leaving itself open to stockholder action. A bank controlled by a single family could do so. however. In the entire United States, only one bank large enough to be a trustee for $367,200,000 in bonds is still family controlled. What was necessary to remove Moses from power was a unique, singular concatenation of circumstances; that the Governor of New York be the one man uniquely beyond the reach of normal political influences, and that the trustee for Triborough's bonds be a bank run by the Governor's brother.

Why did Moses choose to rest his future on Rockefeller's words? At least part of the answer is probably understood by the perceptive Duryea, who says he had little choice but to do so. "He didn't have much left to fight with any more," the Speaker says. And probably another part is provided by Shapiro, who, asked why his boss had not exacted a promise in writing, says: "I suppose because he couldn't really believe that they wouldn't want him in the picture at all. I mean, they wanted the bridge [Sound Crossing] built, didn't they? They wanted the program pushed, didn't they? And he was the only one who could push it like it should be pushed. He just couldn't understand that they might not feel like that, I suppose. I mean, it had always been like that before . . ."

Rockefeller's promise to Moses had served its purpose well. It had kept Moses quiet for almost a year, persuaded him not to oppose Rockefeller's transportation merger or the referendum which had funded it. The Governor's promise had, moreover, persuaded Moses to withdraw the lawsuit which might have invalidated Rockefeller's transportation merger. It had enable Rockefeller to use his name.

And now, having used his name, having gotten everything out of him that he could, the Governor threw him away.

* * * * *

Up until the very day on which the crucial stipulation was signed and sealed, all was honey between the Governor and the old man, now seventy-nine. On February 9, the day it was signed, Moses still believed he had a firm promise that he would have a substantial role in the new setup, possibly as president or executive head of Triborough, certainly as a member of the MTA board. Then, with less than three weeks before the merger was to take effect, the mask dropped away.

Immediately following the stipulation signing, Moses telephoned the Governor for an appointment. He got one—and when they met, Rockefeller apparently repeated his promise. Moses says that the Governor "told me I would be appointed to the MTA and would have the title of president or something of the sort at the head of Triborough under the general supervision of the MTA." But, Moses says, "Dr. Ronan did not like this." Perry Duryea says that "Moses asked me—really to intercede—with the Governor and Ronan to attempt to guarantee that he would get a meaningful position. He didn't ask me himself; he had someone else [Shapiro says it was he] ask me if we could get together and I went to his apartment in New York. He had met with Ronan and Rockefeller the week before and he left that meeting with a very bad taste in his mouth. He felt the Governor hadn't given him the time he deserved. The Governor was in and out of the room, the conference was interrupted. It was left that Ronan would call him in a week. And he hadn't heard from Ronan. And the deadline . . ." The deadline—the date for the merger—was midnight, February 29. At 12:01 a.m., March 1, the Triborough board would go out of existence. He would be out of a job— out of power completely.

Duryea felt sorry for Moses. "It was his dream to be part of the new transportation setup," the Speaker says. "He still felt the drive and the involvement, the old fire horse when the bell clangs. Here was this great new thing going forward—he wanted to be part of it." Duryea agreed to intercede on the old man's behalf, and thereafter, no more than a day or two at most before the merger took effect, Ronan contacted Moses.

He offered Moses a post as "consultant" to the Triborough Bridge and Tunnel Authority. The post, he said, carried with it a salary of $25,000 a year and continued use of his limousine, his chauffeurs and his secretaries. Moses would be in charge of "coordinating" Triborough's present construction program, and his "primary responsibility" would be the Long Island Sound Crossing.

Whether Moses could bring himself to question Ronan further about the "details" of this offer himself, or whether he had an intermediary do it, is not known, but with each answer he received, his humiliation must have deepened. For there were no further "details." That offer was all there was. He had thought he had been promised a seat on the MTA board; there was no mention of such a seat now; during the next day or two, in fact, Ronan announced the names of the nine members of the board of the agency that would be responsible for all intrastate public transportation in the New York metropolitan region—the name of Robert Moses was not among them. Moses had thought he had had a promise of Triborough's "presidency," or at least its chief executive officer, whatever the precise title might be; Ronan did not make any mention of such a promise now; in fact, when Moses or his intermediary asked Ronan directly about it, Ronan replied that there *would* be a chief executive officer—but it would be Joseph F. Vermaelen, Moses' chief engineer. Vermaelen, and Lebwohl, and the rest of Moses' team, would report directly to the MTA staff.

Analyzing the offer only deepened the humiliation. "Coordinating" Triborough's current construction program was a meaningless phrase: that program consisted only of a relatively minor reconstruction of the Cross Bay Bridge and the adding of a second deck on the Verrazano—and those projects were already under way. The Sound Crossing would be a great project, but no one knew when it would start—and it would probably not start soon. And that was only one project—one for a man accustomed to directing dozens. "Don't take all Bob's toys away," Moses' wife had begged the Governor. Well, the Governor hadn't. He had left him one—or, to be more precise, the promise of one. When the implications of what Ronan was saying sank in, Moses realized that he was being allowed, almost as a gesture of charity, to keep the perquisites of office—the car, the chauffeurs, the secretaries—but not so much as a shred of power. He could if he wished stay on at the Authority he had created and made strong and great, but not only would be no longer be in charge of it, he would no longer have any say in its affairs. Even the men around him, his muchachos, the men who had looked to him for leadership for so many years, would now be reporting to someone else.

The offer was a slap in the face. But there was no other offer. The fatal deadline of March 1 was upon him; he had no choice but to accept it; on the very last day before the merger was to take effect, he did so. His statement to the press, issued the following day, the day the Triborough Bridge and Tunnel Authority, the last remaining arm of once twelve-armed "Triborough," became a unit of the Metropolitan Transportation Authority, was one sentence long:

"The Metropolitan Transportation Authority has offered me an advisory post in the meropolitan transportation enterprise, and I have accepted."

More poignant than his statement on the day of the merger was his attitude.

Ronan had scheduled for that day a ceremonial tour of some of the Transit Authority and Triborough facilities by the members of the MTA board. Believing he would be one of them, Moses had invited Ronan and the board to lunch with him at Randall's Island, and Ronan had accepted. Now, though he sat at the head of the big table in the big dining room as he had sat there at a thousand lunches during the thirty-four years he had been head of Triborough, he had to know that he was sitting there only by sufferance, that he, who so loved to be the gracious host, was in reality not the host of that luncheon at all, that he was only a guest himself. The very cost of the lunch would have to be approved by someone else—by this college professor whom he had once derided as "sophomoric" but who had, he felt, weaseled his way into power, not by accomplishment, not by achievement, not by the honorable means by which he felt he had attained power, but by, he felt, "——— kissing" his way around Nelson Rockefeller.

Worse—much worse for him who had always delighted, gloried, in giving free rein to his feelings—he could not let his feelings show. If he were ever to have any power at all again—if he were ever to actually get to build even the Sound Crossing they had held out to him as a pittance—he would have to get on the good side of this man who had stripped him of power. Ronan, he felt—at least his aides say so—had defeated him not in a fair fight but by lying to him and betraying him. But he would have to make friends with Ronan. Reporter Richard Witkin, who covered the changeover for the

Times, noted that: "Mr. Moses . . . seemed to go out of his way yesterday to take a back seat to Dr. Ronan. . . ."

The *Newsday* story, which noted that "Moses, who once held fourteen [sic] public positions simultaneously, appeared to defer yesterday to Dr. William J. Ronan," noted also that the Authority adopted a new emblem, a two-tone blue "M" that would appear shortly on all its trains and other facilities, and said, "During the last four decades the same capital letter might have been used as a symbol of domination of the area's planning scene." But it couldn't any longer. The age of Moses was over. Begun on April 23, 1924, it had ended on March 1, 1968. After forty-four years of power, the power was gone at last.

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PRESIDENTIAL CAMPAIGN ACTIVITIES OF 1972, WATERGATE AND RELATED ACTIVITIES, PHASE I: WATERGATE INVESTIGATION

(Hearings before the Select Committee on Presidential Campaign Activities of the U.S. Senate, 93d Congress)

TESTIMONY OF JOHN DEAN, MONDAY, JUNE 25, 1974

I had received word before I arrived at my office that the President wanted to see me. He asked me if I had talked to the Attorney General regarding Senator Baker.

I told him that the Attorney General was seeking to meet with both Senator Ervin and Senator Baker, but that a meeting date had not yet been firmed up. I told him that I knew it was the Attorney General's wish to turn over the FBI investigation and the President said that he did not think we should, but asked me what I thought of the idea. I told him that I did not think that there was much damaging information in the FBI investigation, although there could be some bad public relations from it. He told me to think about this matter. He also said that he had read in the morning paper about the Vesco case and asked me what part, if any, his brother Ed had had in the matter. I told him what I knew of his brother's involvement, which was that he was an innocent agent in the contribution transaction.

We then discussed the leak to Time magazine of the fact that the White House had placed wiretaps on newsmen and White House staff people. The President asked me if I knew how this had leaked. I told him that I did not; that I knew several people were aware of it, but I did not know any who had leaked it. He asked me who knew about it. I told him that Mr. Sullivan had told me that he thought that Director Hoover had told somebody about it shortly after it happened because Hoover was against it and that Sullivan said that he had heard that this information had gone to Governor Rockefeller and in turn had come back from Governor Rockefeller to Dr. Kissinger. We then talked about the executive privilege statement and the President expressed his desire to get the statement out well in advance of the Watergate hearings so that it did not appear to be in response to the Watergate hearings. We also discussed Mr. Mollenhoff's interest in the Fitzgerald case, and he asked me to look into the matter for Mr. Mollenhoff.

Before departing his office, he again raised the matter that I should report directly to him and not through Haldeman and Ehrlichman. I told him that I thought he should know that I was also involved in the post-June 17 activities regarding Watergate. I briefly described to him why I thought I had legal problems, in that I had been a conduit for many of the decisions that were made and, therefore, could be involved in an obstruction of justice. He would not accept my analysis and did not want me to get into it in any detail other than what I had just related. He reassured me not to worry, that I had no legal problems. I raised this on another occasion with the President, when Dick Moore was present.

DOMESTIC SUMMIT CONFERENCE

Mr. HUDDLESTON. Mr. President, tomorrow the domestic summit conference on the economy will open at the Washington Hilton Hotel. This 2-day meeting will mark the culmination of a month-long, coordinated debate on our economic problems. It will not, however, mark the end of those problems.

Instead, if we are to move toward the elimination of those problems, it must serve as a beginning—as a time to bring together the various sectors of our economy and to initiate the development of a comprehensive policy which acknowledges and addresses itself to the myriad and complex issues confronting us.

When four of my colleagues and I joined last July in introducing a resolution calling for a domestic summit on the economy, we had little cause to believe that it would ever come to fruition in the scope that it has. We did, however, believe that the calling of such a meeting was essential—that the nature and extent of our economic difficulties demanded a meeting of summit proportions—a meeting at the highest levels of Government. And, we believed such a meeting, to accomplish its objectives, would require the approaches and skills of diplomacy—that negotiation, compromise and some ultimate commitment to an agreement would be necessary.

Those basic beliefs are as relevant today as they were then.

The U.S. economy is suffering from that now familiar malady, "stagflation." The cost of living soared ahead by 1.3 percent in August or at an annual rate of 15.6 percent. Most predictions are that inflation will remain in the double-digit figures for the rest of this year. Yet, the stagnation of the economy appears to be persistent and many fear there will be little real economic growth for the rest of this year or perhaps into 1975. Furthermore, the unemployment rate rose to 5.4 percent in August.

The sickness is a somewhat new one, and the cures not fully understood. The traditional prescriptions for inflation tend to contribute to stagnation; and the proven medicine for stagnation tends to exacerbate inflation.

It has been suggested that we need a new Keynes, and that is undoubtedly true. But, such insightful diagnosis and prescriptions for the economy, as produced by a Keynes, are historically few and far between, and it does not now appear that a physician with a healing and painless potion is on the scene.

In fact, it appears likely that we shall have, for the moment, to seek simply to arrest the disease—to experiment with various solutions and to hope for the current combination.

In our search for that elusive but vital combination, there are recognized but difficult-to-avoid pitfalls which could wreck the hope and opportunity which a summit offers. And, on this, the eve of the convening of the summit, it is, I believe, incumbent upon those who participate and those who listen to reexamine their own views and their own positions, mindful of at least three pitfalls which we can avoid and determined that we will avoid them.

The initial impetus for the summit conference was undoubtedly the inflationary trends which both chased the cost of products upward and imposed an added tax on the income of every American. But, a funny thing happened on the way to the conference table. To a great extent, the paramount concern became that of fighting a recession. In some ways, that is understandable. The economic indicators of the past few weeks evidence a deterioration in the economy and unemployment moves upward. But, just as these indicators are real, so is inflation. It has not disappeared, and recent increases in the wholesale price index, as well as recent wage increases, suggest that it is not likely to do so.

So distinguished an economist as John Kenneth Galbraith has warned us against this pitfall. And, as an article in the Monday Wall Street Journal noted:

> It's not hard to understand why the summit focus is shifting from inflation to recession. For one thing, the economy has shown signs of weakness in the past month or so, suggesting that recession may rival inflation as an economic problem in 1975. But perhaps more basic is Professor Galbraith's point: Fighting recession is more familiar—and more fun—than fighting inflation.

Certainly, no one should overlook the signs of downturn. That would be to overlook problems of far-reaching dimensions which impact hardest on the less fortunate in our society. But, at the same time, neither should we overlook the ubiquitous inflation monster which stalks each of us in each of our shopping trips and which imposes an additional burden upon those already suffering as a result of the other weaknesses in the economy.

Second, when the five original cosponsors of the summit conference resolution introduced our legislation, we all stated our belief that there would have to be compromise, negotiations and even sacrifice, if we were to come to grips with the economic problems facing our Nation. Again, nothing has changed that belief. But, again a funny thing happened on the way to the summit table. During a whole series of presummit conferences, sector after sector of the American economy indicated not what it was willing to do to pull us out of the current economic morass, but presented shopping list after shopping list to the Government.

It is, of course, true that Christmas is not that far away, but the spirit was not always the right one for the season and there was a great deal more concern over receiving than giving. Thus, if all advice is taken, the Federal Santa will be too busy serving special interests to take care of the overall needs of the American people. Perhaps the attitude of "me first" has been fostered too much in this Nation and perhaps the idea of belt-tightening does not have very much appeal. But, there are few observers who believe we can overcome our current economic difficulties without making some hard decisions relative to priorities, income distribution and allotment of scarce resources, whether the latter be capital or material.

Finally, several recent surveys suggest that the American people are less than impressed with the pre-summits and the upcoming conference. Thus, again a funny thing happened on the way to the conference table. A move to restore the confidence of the American consumer has apparently gone amiss, and that bodes ill. No effort can be successful without the backing, support and cooperation of the American people. It is certainly true that the Federal Government needs to demonstrate a greater willingness to make and execute the resolute policy needed to come to meet our problems. But, the American people must also demonstrate not only that they will cooperate, but also that they will demand of their elected representatives that there be moves in the right direction.

Time is running out. But, the final second is not yet here, and there is still time for those participating in the conference to put aside narrow self-interest, to seek to address the broad scope of current economic problems and to demonstrate to the American people that all sectors are ready and willing to move forward together.

Without that, we will be left with a collection of information which may be valuable, but we will have lost a more valuable opportunity to define, explain, discuss and negotiate a treaty among the American people—a treaty among Government, business, labor and consumers, containing terms necessary to thwart the frictions which can tear us apart over the food we eat, the clothes we wear, the houses we live in, the heat against the winter cold, and a host of lesser things, and a commitment to abide by those terms.

As a nation which remains the last best hope for a way of life and a system of government, we bear a grave responsibility—and we face a challenge which must be met. Failure to do so may hold consequences far beyond our personal comforts and desires, and far beyond the borders of this Nation.

U.S. FOREIGN POLICY

Mr. MUSKIE. Mr. President, last week, our colleague from Texas (Mr. BENTSEN) addressed a meeting of the Foreign Policy Association of New York. In his remarks, entitled "American Foreign Policy: The Future Price of Neglect," Senator BENTSEN discussed the price this country is paying—and will continue to pay—for neglecting several aspects of our foreign relations. Specifically, he perceptively analyzes how the present administration, despite certain diplomatic achievements of the last 5½ years, has badly neglected our European and Japanese allies, our Latin American and Canadian neighbors, a broad range of international economic issues, and our historical role of moral leadership.

Mr. President, I urge all Senators to read this thoughtful address, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AMERICAN FOREIGN POLICY: THE FUTURE PRICE OF NEGLECT

It is a privilege to meet with you today to discuss our mutual concern with American foreign policy.

When I accepted your invitation to speak—a political eon ago—I chose to title my remarks: "The Future Price of Neglect."

Now we have a new Administration, opening up new possibilities for foreign policy initiatives. And I want to make a few suggestions as to how this Administration's foreign policy agenda might be re-ordered.

The President said this week that he will ask Members of Congress whether we should change the procedures for reviewing the work of the "40 Committee"—an organization so secret that millions of Americans are only now learning of its existence.

We must make some changes. The revelation, well after the fact, of C.I.A. involvement in the domestic affairs of Chile, points up the urgent need for a new way of doing business.

Perhaps it was, as President Ford said, in our national interest to step in and protect opposition news media and opposition political parties from the Allende regime.

But who made that determination? Who is responsible for deciding what is in our national interest? And to whom are they accountable?

Every two years, across the land, we debate the issues confronting our country. Every two years, the people of the United States elect spokesmen who answer to them, to chart our nation's course, to decide what is in our national interest.

The C.I.A., the 40 Committee and other intelligence organizations are instruments for implementing foreign policy . . . not shaping it. They are responsible for carrying out activities and programs in our national interest; but after elected officials—accountable to the people—determine where our interest lies.

The proper arm of Congress must not be kept in the dark about the covert activities of any agency or bureau of this government. It is important that Congress and the President, working together, devise a workable, effective Congressional review process to help insure that those activities are, indeed, in our national interest, that the C.I.A. implements, but does not make our foreign policy.

When President Ford declared inflation our Public Enemy No. 1, he created the initial impression that his Administration will emphasize domestic policy, which most people agree was neglected by the Nixon Administration in its hot pursuit of foreign policy.

It is almost heretical to suggest that the Nixon Administration neglected foreign policy—the one area of performance in which it is generally given high marks.

But that is a judgment I made some months ago, and a judgment I make today.

I do not intend to castigate a President who is no longer in office to defend himself.

I do not want to detract from his real accomplishments abroad, for which we can be truly grateful.

But I do want us to take a realistic view of where we stand in the world arena—and of the price we are paying, and will continue to pay, for neglect in our foreign policy.

And there has been neglect—dating back to the Nixon Administration and beyond.

There has been neglect of our European friends in the Atlantic Alliance.

There has been neglect of our hemispheric neighbors in Latin America and our friend to the north, Canada.

There has been neglect of our relationship with Japan as a friend, ally, and major trading partner.

There has been neglect of the emerging Third World nations—such as Nigeria and Indonesia—that are destined to play a vital role in world politics.

There has been neglect of a whole broad range of economic issues that are having an increasingly serious impact on international peace and stability.

And there has been neglect of our historical role of moral leadership and spokesman for humanitarian values in the corners of the world where we have closed our eyes to official oppression.

On the positive side, we have seen the withdrawal of our military presence from Vietnam. We have seen tensions eased with China and the Soviet Union and Eastern Europe. We have seen some impressive personal diplomacy over the past few years, and some heroic peace-keeping efforts in one trouble spot after another.

But we have NOT seen the emergence of a coherent, global foreign policy. Instead we have seen a foreign policy dominated by a triangular relationship with our former adversaries.

An easing of relations with China and Russia is well and good, but the world is a sphere, not a triangle.

A policy based on the concept of three major power bases leaves out too much.

In the process of furthering amicable relationships with China on the one hand and the Soviet Union on the other, we have neglected too many other important facets of our foreign policy—in particular, our traditional allies.

That neglect has been deeply felt.

A measure of the depth of injured pride can be seen in the fact that French President Giscard d'Estaing was quick to observe that President Ford made absolutely no mention of Europe in his address to the joint session of Congress. So President Giscard—and others—have suggested that it is time for Europe to "go it alone."

It is easy to don the armor of isolation as a protection against wounded pride. But isolation is not the answer—for Europe or for us.

It is not only unwise—it is impossible. Our fortunes are so inextricably bound together that we could not sever the bonds if we tried.

In spite of occasional geopolitical differences, we cannot ignore the ancient emotional and cultural ties that bind the Atlantic nations together, any more than we can ignore our political and economic ties.

The European Alliance remains the most basic element of our foreign policy—and the basis for our national security. At the same time, the United States remains the guarantor of European security.

It is in our own best interests to support the Atlantic Alliance as an essential force in maintaining a safe international system. We must also recognize that strains on that Alliance pose threats to the stability of the Western Hemisphere. We cannot afford to permit the Alliance to be weakened.

But it has been weakened—by our preoccupation with Russia and China; by disagreement over trade and monetary issues; and by our serious failure to consult adequately with our long-time European allies on a wide range of pressing issues.

So it is not surprising that Europeans have lost faith in the U.S. commitment to Europe's defense, or that some among them even question the continuing viability of the Atlantic relationship.

The Europeans, who are far more dependent on Arab oil than we are, are vitally concerned with the Middle East. But when war erupted there, our Secretary of State flew directly to Moscow without stopping at even one of the capitals of Western Europe.

It is small wonder that our allies suspect us of empty rhetoric when we call for greater coordination in policy formulation—and then bypass them in vital considerations. Their suspicion is reinforced when we give lip service to European integration, and then react in a hostile manner when Europeans try to speak with one voice.

National interest and the determination of where that national interest lies may not carry the United States and Europe in the same direction at all times—as we saw during the Middle East crisis. But this is all the more reason to maintain a framework for consultation in order to avoid future problems.

We need to strengthen that framework—and we need to make use of it.

We have too much invested in NATO to permit it to come unraveled. But a series of conditions makes this all too possible:

The fear of nuclear holocaust and Soviet aggression has faded to the extent that conscription has been eliminated in most of Western Europe, as it has in the United States.

The energy crisis has hastened a review of European attitudes toward the Arab world.

Economic instability has resulted in pressures for reduced defense budgets.

Given these conditions, it is clear that the parties to NATO will have to exercise great care and restraint to insure the intergity, cohesion, and effectiveness of the Alliance.

Now, turning to Asia, it is reasonable to ask what we have actually gained from our new relationship with China—which still rests on a rather shaky foundation. The old order is passing in Communist China, and we cannot predict now what direction new leadership will take, or how the "cultural revolution" will affect our policy there.

In pursuing that policy—which the Nixon Administration obviously saw as one of the keys to the Vietnam solution—we again neglected our traditional allies.

Japan—our most important Asian ally and trading partner—was not even forewarned of this shift in policy, which could vitally affect its interests. Nor were any of our other friends who had loyally supported our policy of Communist containment through the Cold War Era.

Among those friends, none has given more loyal support than the Latin countries, who for more than two decades followed our lead in isolating Communist China. In spite of growing misgivings, they consistently cast their bloc of 20 votes to exclude Communist China from the United Nations.

Likewise, and with even greater misgivings, they backed our policy of boycotting Cuba and denying it membership in the OAS.

But our sudden reversal of policy in China—without the courtesy of consultation or advice—left the Latin countries out on a limb, and understandably ambivalent about continuing support of our Cuba policy. Now we are seeing an erosion of our position on Cuba—and our leadership in Latin America—as more and more Latin American countries move toward establishing closer ties with Cuba.

This is just one example of the price we pay for a piecemeal and fragmented approach to foreign policy in a dynamic world situation.

Foreign policy cannot be conducted on a one-to-one basis. Nor can it be conducted as an exercise in crisis-hopping.

I don't want to downplay the importance of our initiative toward China, which I heartily approved at the time and continue to approve. I would welcome similar initiatives to other nations from whom we have been estranged—but NOT at the expense of our traditional friends and allies; NOT as unilateral actions, bypassing the alliances to which we are committed. If we continue to ignore them, we may lose more than we gain.

If we learned anything from our experience with Communist China, we learned that 20 years of noncommunication and isolation handicapped us as much as it did the Chinese.

We learned that we cannot afford to live in ignorance of any other nation in this shrinking world.

Last year, I called on the Nixon Administration to normalize relations with Cuba. It now appears that the Ford Administration is moving in that direction. The signals are encouraging, and we can hope for an end to a period of isolation that is inconsistent with our policy toward other Communist regimes and detrimental to our relations with Latin America.

Ironically, our closest neighbors have been the most neglected. In our concentration on Big Power diplomacy, we have overlooked their growing importance in international trade and hemispheric stability. Our own national security is deeply involved with the development of Latin America.

I feel an instinctive reluctance to use the term "national security" because it was so blatantly misused and abused by an Administration that was distinguished by its corruption of the language. But that is past—and it is time to revive the term in its proper meaning and to examine the concept in a broader context.

National security implies not only military strength and an adequate defense budget. It includes the goodwill and trust of our global neighbors. It includes the careful cultivating of attitudes that make military solutions unattractive. It includes economic well-being—for no nation is more insecure than one that is haunted by economic instability.

President Ford is correct in placing inflation at the top of the national agenda and he should place it at the top of his foreign policy agenda as well. No reasonable person can question that inflation is a major threat to any nation's security, including our own.

But in declaring war on inflation, we have to be careful to avoid two great mistakes.

One is the mistake of turning inward—of treating inflation as only a local phenomenon when it is also a global problem, shared by industrialized and emerging nations alike. Indeed, our own rate of inflation is considerably behind that of Japan, Britain, France and Italy. In Italy and Great Britain, national bankruptcy is a real possibility.

The other mistake is to concentrate on inflation to the neglect of a whole range of increasingly complex economic issues that have been neglected too long. These issues, too, are global in scope, and deserve a higher priority on our foreign policy agenda. World-wide food shortages and scarcities of raw materials; the growing threat of trade wars; limitations on access to supplies and access to markets; the stockpiling of petrodollar reserves that jeopardizes the international monetary system—all these are world-wide economic problems that have an impact on our national welfare and must be given consideration in our total national policy.

We must also be aware that inflation and economic instability pose a serious threat to our national defense posture.

Arms control is an important element in maintaining the balance of peace—and I support continued efforts to reduce strategic armaments. But an equally important element is the control of economic problems, at home and abroad.

Right now, cutbacks in NATO commitments appear inevitable, as Europe struggles with unbalanced budgets. The Dutch and the British are considering troop reductions, and Western Europe is naturally apprehensive about troop reductions the United States might make in view of our own economic problems.

Chancellor Helmut Schmidt gave voice to this apprehension when he asked President Ford to advise him of any policy changes that could affect Germany and urged that no remedial measures be taken without consideration of the impact on the European economy.

This is a real and valid concern. The precarious balance of the world economy could easily be upset by unilateral action in any quarter. If we doubt that for a moment, we have only to recall the shattering effects of the Arab oil embargo and its contribution to double-digit inflation in a growing number of nations.

Governments that fail to cope with problems of runaway inflation and massive unemployment lose popular support, and people may turn to leaders who offer simplistic solutions to complex, interlocking problems. We must not forget the economic unrest and loss of faith in democratic institutions that were the prelude to the rise of Hitler and Mussolini.

So as we hold our summit meetings on the economy, we should be aware that they are not truly a domestic summit, but another aspect of foreign policy—and possibly the most neglected aspect. So neglected, in fact, that the Administration has left the top economic job at the State Department vacant since March.

The Nixon-Kissinger approach never gave sufficient weight to the economic issues that are at the forefront of international politics. That is a dangerously misguided approach to foreign policy.

The tapes of the former President betray his attitude toward the economic problems of our allies. "I don't give a—expletive deleted—about the lira," Mr. Nixon said. But, it's time somebody started giving an "expletive deleted" because, in a real sense, when the lira has problems, the dollar suffers too.

We have a tendency to try to divide that which is indivisible: politics from economics, domestic policy from foreign policy. Unfortunately, it is not that simple.

I am concerned that inflation and fear of inflation at home may prompt a dangerous drift into isolationism. There is a widespread feeling that we should concentrate on our own problems for a change and let the rest of the world look out for itself.

It will take strong leadership to counteract that impulse and to convince the people that isolation is impossible.

We live in one world. And whether we like it or not, we cannot withdraw from our relationships with other countries in that world.

It is reasonable and constructive to hold a summit to deal with our economy—so long as we don't narrow the scope of the problem to one of purely national interest.

For, to be realistic about it, there is no longer a distinction to be made between national interest and global problems.

The problems of war and peace, of political oppression and exploitation, of population growth and food supply, of energy and industrial development, of international trade and access to raw materials, of transportation and pollution—all these are global problems—as is the problem of economic stability which preoccupies us now.

And so I call on our policy-makers to take a global view of the economy—a global view and a long-range view, mindful of our obligations to our allies and to the developing nations of the world.

And again I urge a global approach to foreign policy. Big Power politics is an increasingly obsolete concept.

Naturally, we should seek to improve relations with both Russia and China, rejecting the temptation to take sides in any conflict between them, or to play off one side against the other.

But we cannot expect to build a structure of world peace on a special relationship with either China or Russia while neglecting our traditional allies and our potential allies.

There are many new actors on the world scene today whose roles are becoming major. We neglect them at our own risk.

In the past, while small countries could involve great powers in war, they could not affect the welfare and economic well-being of the great powers.

Now they can.

Through their policies on population control, industrial development and trade expansion, through their control of vital raw materials, they have the power to disrupt our economy and retard our economic growth.

The notion of a Third World which is poor and unimportant no longer makes sense. In Asia, in Africa, and in Latin America, there are many poor countries—but they are not unimportant.

They are critical to our own welfare—because of their resources; because of their population pressures; because of their increased demand for food and fertilizer; because of their needs for development; and—in some instances—because of their strategic locations.

We cannot afford to neglect them.

A foreign policy based on the outmoded concept of Big Powerism neglects too much.

True detente must address itself to all sources of conflict in a complex and interdependent world. It must not be compartmentalized or limited to certain countries, or to specific ideological disagreements.

Our national security is at stake. And our national security depends on far more than a lessening of tension with the U.S.S.R. and China, as important as that might be.

It also depends on the strength of the NATO alliance; on our relationships with Japan, with Canada, with our neighbors in Latin America and with other developing countries.

Our national security also depends on our response to the potentially dangerous pressures of world-wide inflation; food, energy and raw material shortages; the population explosion and havoc in the international monetary system.

Finally, we need to reassert our moral leadership and humanitarian concerns in our dealings abroad.

I agree with Secretary Kissinger that we cannot interfere with the internal policies of other nations whenever they diverge from ours. We must be sufficiently mature politically to maintain open lines of communications with countries whose policies and systems of government differ from our own. We should refrain from forcing our values on others.

But we should not be apologetic about those values. And we should not hold them in silence.

When we neglect our traditional ideals in the name of "realism," we pay the price in cynicism and loss of self-respect.

This is a price we need not pay. Realism and idealism can co-exist; both are essential to a global foreign policy.

We need to forge a foreign policy that is consistent with our domestic policy—and to make both consistent with our national character at its best.

HEALTH PROFESSIONS EDUCATIONAL ASSISTANCE ACT OF 1974

Mr. DOMENICI. Mr. President, I would like to take this opportunity to express my reasons for supporting the substitute health manpower measure cosponsored by Senators BEALL, DOMINICK, and TAFT to S. 3585, the Health Professions Educational Assistance Act of 1974.

While the sponsors of S. 3585 and the Labor and Public Welfare Committee are to be commended for their thorough documentation of the problems of doctor shortages, the shortage of primary care physicians, and our overreliance on foreign medical graduates, I believe they recommended solutions which are not in the best interests of the Nation.

I agree with the premise that ways have to be found to get doctors and other health personnel to underserved areas. There is probably not a single State that does not have medically underserved areas in them, and few, if any, can point to any improvement in the last decade. In New Mexico, we have the problem also, and the shortage has gotten worse.

All of us are aware of the scarcity of primary care doctors. The geographical and specialty distribution problems are related, because specialists have to practice in population centers in order to earn a living. Family practitioners on the other hand, can earn a good living serving far fewer people because they handle 80 to 90 percent of all the families' problems. The family or general practitioner is trained to handle most of the family problems, referring the most difficult cases to the specialist.

All of us are aware, too, of the staggering increase in the number of foreign medical graduates coming into this country to practice in recent years. When one-half of the newly licensed physicians in this country are foreign medical graduates, as was the case in 1972, and when serious questions are raised about the quality of these physicians, it is time to do something about the problem.

It it obvious that we need to do something about the entire matter now. While action is required, we must be sensitive to the rights of the physicians, and other health professionals, who we are expecting to serve in underserved areas. A doctor draft is not the answer. Based on the available evidence of student receptivity to scholarship programs, and other incentives for medical schools proposed in the substitute bill, we should be able to correct the problems of geographical maldistribution and speciality maldistribution. As Senator BEALL has pointed out, medical students have applied for scholarships in return for service in medically underserved areas in surprisingly large numbers. This fact is particularly encouraging in view of the very short time these programs have been in effect and the modest amounts of publicity that apparently have been given to these programs.

The substitute proposed by Senators BEALL, DOMINICK, and TAFT also deals forthrightly and effectively with the foreign medical graduate problem by exercising quality controls through amendments in the Immigration and Nationality Act. In addition, this approach allows the Federal Government to act in an area where it clearly has jurisdiction. Foreign medical graduates have served to disguise some of the weaknesses in our health system by providing care in our emergency rooms, our mental institutions, and our inner-city hospitals. It is time we dealt with these problems by training U.S. citizens to assume these responsibilities.

In addition, the substitute bill will leave the licensure of physicians and dentists where it belongs—with the States. Above the legal questions raised concerning Federal involvement in licensure, the evidence doesn't support the action proposed by S. 3585 as reported by the committee. States have made impressive strides in developing uniform standards for licensure for all States, with all but two States adopting the so-called Federal licensing examination—FLEX.

Regarding relicensure or recertification, I think the fact that the issue has been raised by task forces, commissions, and others over the last 50 years reflects a legitimate concern that physicians and other health professionals continue to provide high quality care for as long as they practice. But again the reported bill is an overreaction to the problem. States and specialty boards already are actively working in this area. Two States have enacted laws on relicensure and 22 out of the 23 speciality boards are considering recertification.

Finally, I am particularly gratified with the unanimous support of my colleagues for a proposal I suggested be added to the substitute measure. This amendment to the legislation would provide incentives for experienced doctors and other health personnel to relocate in rural and underserved areas. Through the implementation of this provision, I envision a retired doctor living in a crowded area of the country choosing to live his latter years serving a more remote area. Such a doctor may choose such an area in New Mexico for his own health even working only part-time. My amendment will permit States to develop ways and means to better encourage doctors to do this. Through the enactment of this provision that possibility may become a reality.

In summary, S. 3585 as reported by the Labor and Public Welfare Committee deals with the right problems, but tends to exaggerate them. It proposes solutions which are not in the best interests of this Nation. The substitute proposed by Senators BEALL, DOMINICK, and TAFT has put the problems of health manpower in proper perspective and proposes solutions which fit the problems.

TAX REFORM

Mr. MOSS. Mr. President, tomorrow the economic summit conference begins its search for answers to our economic crisis. I hope that a clear-cut anti-inflation counterrecession program will emerge. Time for economic summits is running out.

We are in the midst of our sixth postwar recession and many economists are predicting that it will be our longest and most severe The stock market has dropped to a 12-year low, interest rates are the highest in our history, the building industry is on the edge of collapse, productivity increases are nonexistent, and inflation threatens to push the Western world into depression. There are rising doubts about the ability of the economy to guarantee the achievement of economic prosperity. As the average worker sees his real income decline, he becomes more aware of the growing gap between the rich and the rest of the population. He knows that many individuals and corporations escape the payment of taxes through tax preferences and loopholes. If the current economic trends continue the awareness of this inequality will increase as will the realization that economic expectations can best be achieved only if income and wealth are more fairly distributed.

A more equitable distribution of income can be accomplished in several ways; by Government programs and subsidies that go to the less affluent but are paid for by the more affluent, such as welfare benefits; by tax-funded Government programs such as national health insurance, which would replace expensive commercial health insurance plans; through educational programs that enable people to obtain better jobs; or through tax reform.

The Federal income tax has long been considered the logical device to guarantee a fair or equitable income distribution but it has not functioned this way because it is riddled with loopholes and preferences for the rich and powerful. Mr. President, the Federal income tax system has the potential of being one of the most effective weapons in dealing with the inequities of our economy. However, without tax reform there is little hope that these inequities can be eliminated.

The administration is hinting of tax relief for the lower income workers to help them cope with inflation. This represents a significant change in direction and one that must not go unnoticed by this Congress. We must capitalize on this change in direction now and enact legislation that will give meaningful relief for those hit hardest by inflation.

On September 12, 1974, the Senate Democratic Conference adopted an agenda for an anti-inflation counterrecession program. Part 4 of this agenda reads as follows:

> A tax policy which assures that no segment of the economy will enrich itself by capturing excessive profits during the present period of economic hardship and recognizes that special relief must be accorded to those hit hardest by inflation—those in low and moderate income categories and those on modest fixed incomes.

Only tax reform can achieve this. The Congress has made it clear to the President that they stand ready to reconvene in November to act on major legislation to meet our economic crisis. Tax reform should be high on this list of major legislation.

Tax reform came unexpectedly to the foreground as a political issue during the 1972 Presidential campaign. However, it was soon elbowed aside by the prospect of peace in Vietnam and charges of political corruption. The need for tax reform has not diminished. In fact the recent inflation has increased the urgency for meaningful reform. Tax reform provides an opportunity for the Congress to not only minimize the effects of inflation, but an opportunity to fight inflation.

Many experts believe that inflation is a natural result of large budget deficits and that if inflation is to be halted a balanced budget is required. I agree that we must move toward a balanced budget. Certainly an elimination of wasteful Government spending is a necessary first step. But we should move with care. To recommend a cut in spending is easy. To evaluate the results of such a cut is difficult. Nevertheless, cutting expenditures to achieve a balanced budget has received "great press." I urge that equal attention be given to the possibility of reducing our deficits by increasing our revenues through tax reform. In my view, the budget picture in the years ahead will not only continue to be a tight one but expenditures will outstrip built-in revenue growth. Legislation for additional tax revenue will most likely be needed. Tax reform should be a key part of any such legislation. There are specific reforms for both corporation and individual income tax systems that will not only improve the "fairness" of the tax system but will also raise revenues to offset any budget deficits.

One of the largest tax loopholes is the tax treatment of capital gains. Any capital gain on the sale of an asset at a profit above its original cost is more lightly taxed than ordinary income, and there is no capital gains tax at all if the asset is held until death and then transferred to the heirs. The great bulk of all capital gains benefit goes to the wealthy few. In 1972, taxpayers with incomes of $100,000 or more saved an average of $39,000 each in capital gains tax breaks. Those in the $20,000 and under group—90 percent of all taxpayers—saved an average of $14 each. In light of these facts, it seems incredible that the House is discussing proposals that will reduce even further the tax rate on capital gains.

The essence of the proposal is to reduce the proportion of capital gain included in taxable income from its present level of 50 percent. After the first 5 years capital gains tax will be reduced 1 percent a year for each year the asset is held, not to exceed 20 percent. This means that a taxpayer holding an asset for 25 years or longer will be able to exclude 70 percent of the capital gain from his taxable income. Those favoring this legislation argue that current inflation justifies a reappraisal of capital gains taxation. They contend that much of any capital gain is simply due to inflation. For example, an individual who owns an asset that doubles in value at the same time the consumer price index doubles in value is really no better off in terms of purchasing power. In the name of tax equity, so the argument goes, adjustment of this inflation should be by the tax system. This argument sounds good, but I fail to see how reducing capital gain by 1 percent a year for each year an asset is held is an equitable solution. This will result in lavish benefits to the wealthy and in most cases more than compensate them for the effect of inflation on their assets.

The easiest and most efficient way to eliminate the effect of inflation in the measurement of long-term capital gains is to express both the original cost of the asset and the sale price of the asset in comparable terms and thereby determine the real gain. Once this real gain is determined, then ordinary income tax rates should be applied to compute the tax liability. Equity requires that we make some adjustments for inflation in taxing capital gains. I share the view that the inflation component of capital gains should not be taxed with the tax applying only to real gains;

that is gains adjusted to compensate for inflation. But equity is a two-edged sword and when equity requires determination of real capital gains for the tax base, equity also requires that these real gains be taxed at ordinary income rates. To allow the equity issue to cut in only one direction—that of the favoring the wealthy—is highly unjust.

Assume a taxpayer is in the 40 percent income tax bracket, invests in some stock in 1936 for $1,000 and sells the same stock in 1973 for $7,000. Under these conditions this taxpayer's current capital gains tax liability would be $1,200. If the proposal by the House should be enacted this taxpayer's capital gains tax would be cut almost in half, resulting in a capital gains liability of only $720. However, if this capital gain liability were adjusted for inflation and then taxed at his ordinary income rate as I suggest, his capital gains tax liability would be $1,480 or $280 more than he is now required to pay under current capital gains rates.

It is important to note that the current House proposal would mean a $700 million loss in revenues. Under my proposal this loss could be avoided and some additional revenue generated.

Mr. President, at issue here is the question of equity. Is it fair to increase the benefits for capital gains by an estimated 700 million, most of which would go to the top 1 percent of taxpayers, while the low- and moderate-income categories receive little relief?

Any tax reform must be sensitive to the extreme capital shortage facing American business. At a time when bottlenecks and shortages are contributing to inflation we must be careful to avoid tax measures that would lead to serious investment disincentives. Many have argued that a reduction or elimination of the oil depletion allowance would lead to such disincentives. I cannot agree. The elimination of the oil depletion allowance should be a goal of this Congress. The depletion allowance has been justified as necessary to stimulate production. There is little evidence that the depletion allowance has stimulated the production of oil while there is overwhelming evidence that depletion allowance has fattened the profits of the oil companies. In light of the current increase in oil prices, as much as $6 a barrel or 150 percent, the depletion allowance is an unnecessary incentive that is costing the American taxpayer up to $2 billion a year. A subsidy of this size to an industry whose profits increased by 52 percent the last year and paid an average of only 8 percent of its income in taxes cannot be tolerated any longer.

The capital gains tax and oil depletion allowance are only two sections of the tax system that are in need of reform. Other reforms are necessary to generate revenues that will offset revenues lost by tax reduction and relief to low- and moderate-income categories. Relief for the low- and moderate-income groups can most easily be accomplished by revisions of the social security tax system. The present system is a flat 5.85 percent tax on the first $13,200 of income each year instead of being a progressive tax based on the worker's ability to pay. Every dollar earned is taxed the same, so that the same percentage of income is collected from the poorest worker as from the middle-income worker making $13,200.

Since income above $13,200 is not taxed, a maximum of $772 a year is the highest any taxpayer can pay. Therefore, the overall rate, as a percentage of income, drops for the wealthier taxpayer. For a person with $30,000 of income per year, the $772 is really only a 2.57 percent tax rather than the 5.8 percent it is supposed to be. For this reason the tax is regressive and violates the underlying principle of the tax system; namely, that the greatest burden should fall on those who are in the best position to bear it.

The 5.85 percent paid by the wage earner should be reduced. This is too much for the modest- and low-income groups to pay. It would be well to examine the possibility of setting a floor on income and those below that floor would be excluded from social security tax. This would help reduce the regressiveness of this tax and provide tax relief to those groups who have always carried the burden of social security taxes. Efforts should also be made to raise the limit on the income subject to social security taxes from $13,200 to $20,000. This would help pass the burden of these taxes on to the higher income groups who are better able to afford it.

Mr. President, a comprehensive tax reform bill must be enacted in this session of Congress. I have examined some of the most important areas for reform; capital gains, depletion allowance, and social security taxes. There are many others. It is only through tax reform that we can find our way back to fiscal responsibility and equitable tax treatment for the average American taxpayer.

In these times we must find ways to reduce the burden on our low- and moderate-income families. They are perfectly willing to share the duties and the obligations of citizenship in this country, but they should not be required to bear a disproportionate share.

A REPORT ON THE ACTIVITIES OF THE SENATE SUBCOMMITTEE ON FOUNDATIONS DURING THE 93D CONGRESS

Mr. HARTKE. Mr. President, the Senate Subcommittee on Foundations, which I chair, is one of a series of subcommittees which was established by the Senate Finance Committee during the 93d Congress. I have been privileged to serve on this subcommittee with Senators FULBRIGHT, GRAVEL, CURTIS, and FANNIN. Together, we have sought to examine the role which private foundations are playing in our society today. It is a most important subject, since foundations serve as one alternative to Government philanthropy. At a time when some Government officials are calling for a cutback in Federal social welfare programs, the role of foundations becomes all the more important.

The Subcommittee on Foundations has held hearings to examine the impact of the provisions of the Tax Reform Act of 1969 on foundations and on the recipients of foundation grants. On one of those hearing days, Commissioner Donald C. Alexander, of the Internal Revenue Service, appeared to answer a series of detailed questions pertaining to IRS supervison of tax exempt organizations. As a result of those hearings, it became evident that IRS was unable to provide certain basic information which the subcommittee needed in order to evaluate the impact of the 1969 act.

Commissioner Alexander has informed me that he shared my concern about the inability of his agency to provide the subcommittee with answers to important questions and that he has directed his staff to provide the subcommittee with much of the information which IRS was unable to supply during the hearings. This information should be of significant interest to the subcommittee and to the public.

In addition, Commissioner Alexander has informed me of his intention to make major changes in IRS procedures for auditing exempt organizations. These changes came about in part as a result of the subcommittee's hearings and should have significant long-term effect.

The subcommittee also held hearings into the role of foundations in public broadcasting. This was the first in a series of hearings which will examine the substantive work of foundations. While it is too early to determine the impact which the hearings on public broadcasting will have, I expect that they will result in increased foundation support of public broadcasting and perhaps an improved geographical distribution of foundation grants to public broadcasting.

The staff of the subcommittee has worked very closely with the Filer Commission, a private group of distinguished citizens which is examining the role of private foundations in our society. Much of the work of that Commission parallels the areas of the subcommittee's interest. It is expected that the Commission will have recommendations to make to the foundation community, Congress, and the public by spring, 1975.

I have also asked the staff to prepare a report on recommended legislation which should be high on the list of priorities. That report is expected within the next few days.

Finally, I have asked the staff to prepare a list of topics which may occupy the subcommittee's interests for the next 2 years. That list is divided into two series of hearings: Series No. 1 deals with matters related to the tax law, and Series No. 2 deals with the substantive activities of foundations. I ask unanimous consent to have the lists printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD as follows:

SERIES NO. 1

(1) Experience of Private Foundations Under the Tax Reform Act of 1969:

(NOTE.—Each of the following subdivisions could be a separate hearing:)

(a) 4% Tax on Investment Income:

(1) Justification.

(2) Revenue produced.

(3) Impact on charitable recipients of foundation grants.

(4) Alternatives and proposals for change.

(b) Minimum Payout Provision:

(1) Justification.

(2) Impact on private foundations.

(3) Impact on charitable recipients.

(4) Standards used in setting applicable percentage.

(5) Alternatives and proposals for change.

(c) Excess Business Holdings:

(1) Is the current rule too restrictive?

(2) Application of rule to debt securities.

(d) Program Restrictions:

(1) Legislative and political activities.

(2) Grants to individuals.

(3) Expenditure responsibility.

(e) Birth, Mortality and Transfiguration:

(1) Impact of the 1969 Act on birth, mortality and transfiguration of private foundations.

(2) Use of tax law provisions as a means of escaping private foundation requirements.

(2) Activities and Practices of Public Charities:

(a) Fund Raising Practices.

(b) Administrative and Overhead Costs.

(c) Relationship to Other Exempt Organizations.

(d) Amount of Support from Public.

(e) Degree of Public Involvement and Control.

(f) Degree of Public Financial Disclosure.

(g) Problems of Definition Under the Tax Law.

(h) Duplication of Effort.

(i) Legislative Activities.

(j) Gifts of Appreciated Property.

(3) Small Foundations:

(a) Problems under the 1969 Tax Act.

(b) Contribution to Society.

(c) Proposals for Legislation.

(4) Community Foundations:

(a) Problems under the 1969 Tax Act.

(b) Degree of Public Support.

(c) Proposals for Legislation.

(5) Governmental Supervision of Foundations:

(a) State Governmental Regulation and Relationship with I.R.S.

(b) Federal Governmental Regulation:

(1) Assistant Commissioner.

(2) Need for on-going supervision by independent commission.

(3) Congressional need for information.

(6) Relationship Between Foundations and Government:

(a) Duplication.

(b) Cooperation.

SERIES NO. 2

(1) Problems of the Aging.

(2) Higher Education.

(3) Health.

(4) Environment.

(5) Mental Health.

(6) Minority Needs.

(7) Urban Problems.

(8) Transportation.

(9) Arts.

(10) International Affairs.

Mr. HARTKE. Mr. President, these two lists indicate the challenging scope of work which lies before the subcommittee during the 94th Congress. This is subject matter which has not been covered by Congress since 1969, and much of it was not covered prior to 1969. Involved in these hearings are a variety of subissues such as:

How much benefit is the public receiving from the tax exemption accorded private foundations?

Is too much of private foundation wealth being wasted on duplicative, noninnovative, or self-serving efforts?

Are foundations too isolated from the public and from public concerns?

Do foundations really know what they are doing? How tightly defined is their purpose? How do they make their grant decisions? How effectively do they monitor their grants?

I am also concerned about the impact which the present economic crisis is having on foundations. Recently, the Ford Foundation—which is the Nation's largest—announced that it might have to cut its grants for next year in half, because it has lost $1 billion in assets. If this pattern is repeated throughout the foundation community, the results will be disastrous for many worthwhile programs and activities throughout this country.

The subcommittee has already compiled much information never before available to Congress. By this time next year, I expect that we will know enough about private foundations to make rational policy recommendations for legislation.

INFLATION AND TAXES

Mr. ROTH. Mr. President, recent press reports indicate that the President is considering a proposal to provide tax relief for low-income families by requesting that the Congress enact a tax cut bill. This recent "trial balloon" proposal would reduce the personal income taxes of these families to help them cope with inflation.

But inflation has affected not only the lower income families, but the middle-income families as well. Since 1962, taxes have been consistently cut for the lower-income families at the expense of those in the middle-income categories, who have been pushed into higher and higher tax brackets.

Any tax change that is proposed should be carefully examined to insure that it does not add to inflation while being labeled as a means to provide relief from inflation.

While I have a serious question about this tax proposal, I do not think there is a need for immediate action on a two-step tax reform plan. My proposal would:

First, allow up to $500 per year in interest income from a savings account to be tax exempt.

Second, impose a windfall profits tax on the petroleum industry and phase out their percentage depletion allowance.

This proposal would protect the hard-earned savings of our elderly, aid the housing industry, and insure fiscal responsibility. The estimated revenue loss of $1.5 billion from the savings exemption proposal would be offset by a $1.5 billion tax increase on the petroleum industry.

The net effect of these proposals would be to reduce the inflationary bias of our tax system while at the same time providing a small, but productive, tax break for people strapped by inflation.

The Federal tax system is presently structured in a way that is biased against personal savings and in favor of consumption. This in itself is one of the prime causes of inflation. My savings exemption proposal would remedy this situation and at the same time help the ailing housing industry by funneling more funds into mortgage loans.

In order to pay for this savings incentive, we should adopt a windfall profits tax and phase out the depletion allowance. These actions will reduce the windfall profits of the oil industry and produce the necessary revenues to insure a balanced budget.

The free market system should be used to resolve the energy problem we are now experiencing. The petroleum industry is experiencing the highest profits in its history, and it should be able to get along without the crutch of a Government tax subsidy.

Mr. President, the one consensus that has emerged from the series of presummit conferences is the need for a balanced budget. I intend to recommend policies to achieve a balanced budget at the Economic Summit Conference tomorrow, along with policies to promote productivity and investment. I also will reiterate the proposals I have just made for a savings incentive and increased taxes on the oil industry.

Inflation is our most serious problem, and we have to realize that there are no easy answers. The Federal tax laws are too complex and interrelated to make quickie changes to produce instant results. Any changes that are made should take into account the full effects on the Federal budget and inflation.

Inflation is a cruel burden on every American, and we should take a long, hard look at our tax laws to formulate changes to reduce inflation, not just the tax bite.

THE REAL ECONOMIC THREAT

Mr. MONDALE. Mr. President, the September 22 New York Times contained a superb editorial entitled "The Real Economic Threat."

That threat is the quadrupling of world oil prices by the OPEC cartel, and the enormous strains this is putting on the world economic and political system.

It has been widely assumed that, because the gas lines have gone, the energy crisis is over. It is not. It has been transformed from an acute but temporary inconvenience to a much broader, more fundamental, more complex, and more serious set of problems.

It is no longer a relatively simple question of supply and demand. It now involves the stability of nations, the continuing viability of many political and economic institutions, and the longrun chances for world peace.

The Times editorial discussion of the implications of this threat, and the directions in which we must begin to look for solutions, is wide ranging, thoughtful, and imaginative.

I urge my colleagues to read it, and I hope that we can join together with the administration, and with other nations, to begin to deal with this terribly difficult and urgent problem.

I ask unanimous consent that the Times editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE REAL ECONOMIC THREAT

The United States and the rest of the non-Communist world are facing an extreme threat to the global economy that is receiving only peripheral attention in the conferences President Ford has initiated to fight "public enemy No. 1"—inflation. The threat is unprecedented; it involves sudden and massive transfers of income, wealth and power to the small group of oil-exporting countries, with corresponding drain of staggering dimensions upon the resources of oil-importing countries. Only a few days ago the oil exporters, meeting in Vienna, again made clear their determination to maintain and even increase their "take."

I. DIMENSIONS OF THE CHALLENGE

As a result of a quadrupling of oil prices in the last year, the accumulation of foreign funds by the Arab states and other members of the international oil cartel will in this year alone amount to some $75 billion.

The problem will intensify the longer it lasts—and there is no end in sight. With two to three billion dollars flowing to the oil producers *every week* for years to come, the World Bank estimates that the Organization of Petroleum Exporting Countries (OPEC) could accumulate $650 billion within five years and $1.2 trillion by 1985. By comparison, the international reserves of foreign exchange and gold owned by the United States now amount to $14 billion, and those held by Germany—at present the largest holder of gold and foreign exchange in the world—total $34 billion.

If anything like the shift of wealth indicated by the World Bank's projections comes about, the oil-producing states of the Middle East will become the center of world wealth and power. Those nations will be able to import vast quantities of armaments and advanced military technology from the West, as they have already begun to do. They will have a growing influence over the business and government establishments of many other countries and will be able to acquire vast holdings of industrial and real estate properties in the West.

The sudden skyrocketing of oil prices by the international monopoly is now a major source of inflation and balance-of-payments instability, as importing nations struggle to meet their foreign oil bills. For many countries, the oil bill simply cannot be paid if present prices hold. Nations with weak economies and weak international payments positions—such as India and Italy—are being driven into insolvency. Their breakdown could spread to other nations and financial institutions throughout the world.

The internal prices of most oil-importing countries have already risen in sharp response to the rise in the international price of oil, thus moving toward a theoretical balance at a highly inflated level. But if the oil importers permit international balance to be achieved in this way the results will be disastrous. The worldwide inflationary spiral would surely get out of hand, undermining the value of all currencies. In any event, the oil producers appear determined to maintain their new relative price advantages by raising oil prices further as inflation continues. Some are prepared to cut back their oil production in order to keep prices up and in fact have already begun to do so.

II. NEED FOR A COUNTERFORCE

The time has come to speak plainly. The United States and its allies must take effective economic action against the international oil cartel.

A viable program is now urgent to counter the double threat of world inflation and world depression. The first requirement is to recognize, at the series of conferences President Ford is holding with economists, business, labor and other leaders, that inflation cannot be solved without a fundamental attack on the worldwide energy problem. Simply stated, the price of oil must be brought down, and this country and others must develop alternative sources of energy on a "crash" basis.

Optimistic economists have contended that the problem of "recycling" oil dollars can be dealt with by normal capital markets—this on the theory that the oil-producing states must invest their money "somewhere." Unfortunately, an automatic re-establishment of equilibrium is not a realistic possibility; the flows are simply too huge. The international imbalances grow daily.

Unless equilibrium is restored to the world economy by sharply reducing the oil price, not only the United States and other oil-importing states but the oil-producing countries themselves will suffer in a general economic catastrophe. Their seeming wealth will prove worthless paper; their development programs will founder; their security will be jeopardized.

Powerful though such considerations should be, the United States cannot depend on their force alone to bring down the oil price, nor can it meet the challenge by simply offering its own economic cooperation to foreign development programs.

The only effective counterforce will be a demonstration by the United States and its allies that they mean business, that they are prepared to act in their own defense to safeguard the world economy from breakdown.

III. PROGRAM FOR SURVIVAL

Since the primary obligation will rest on this country, an essential starting point is a call by President Ford for an all-out program of energy conservation, beginning here at home. This means a Presidential call on all Americans to make genuine sacrifices far beyond anything implied by former President Nixon's "Project Independence." Such a plan will necessitate a program to restrict, or penalize the wasteful use of petroleum, whether in autos, air-conditioning, heat or industrial use.

To the degree possible, such an austerity program should depend on voluntary measures and on taxation designed to limit energy consumption. In the interests of fairness to all citizens and of balance to the economic system, a stand-by program of rationing and fuel allocation may also be required.

The United States has to be prepared to put forward specific plans for sharing its own fuel with those who will be affected even more severely by the necessity for energy conservation. At the same time, the President will have to revitalize the faltering efforts initiated a year ago to provide this country and others with alternative fuel sources. Similar efforts to conserve fuel and to develop energy sources will be needed in other industrialized nations, most of which are vastly more dependent on Middle East oil than is the United States.

In recognition of that disparity, the United States must do now what it would have to do in any case by the end of this century: develop other energy sources including especially coal, natural gas and nuclear and solar energy.

This country has enormous recoverable coal reserves—33,588 quadrillion B.T.U.'s of energy, more than seven times the oil reserves of the entire Persian Gulf and North Africa. To develop its own coal and other energy resources, the United States will have to insure an adequate price for coal and other fuels. American producers and investors will need the assurance of a profitable long-term supply price if they are to be willing to make the billions of dollars in necessary investment.

The difficulties of such a program cannot be underestimated. There will be transitional problems of production and employment as some industries retract and change their technologies and others expand; national policies to facilitate the conversion and ease the burdens on particular industries and workers may be necessary.

The preservation of environmental quality, without lowering current and projected standards of improvement, presents difficult problems that can and must be overcome by willingness to meet the necessary expenditures for continued environmental protection.

To carry through the needed conversion without sacrificing protection and improvement of the natural environment will necessitate intelligent social planning and a readiness to cover the costs, through a combination of adjustments in energy prices, profits and taxes, and through governmental subsidies to protect the nation's air, water and earth.

IV. INTERNATIONAL COOPERATION

The President should offer the full cooperation of the United States to other countries in a major program of research and development for existing and new forms of energy. And this country should work with others in building up stocks of fuel that will enable it and its partners to withstand the threats, blackmail or embargoes of the members of the international oil cartel. Work in that direction has already begun through the Energy Coordinating Group nations of North America, Western Europe and Japan, but that work needs vast acceleration, with heads of state giving the task highest priority.

The United States and other major industrial countries which have been treated as a safe haven for the growing hoard of petrodollars could bring additional pressures on the oil-exporting countries by limiting their right to invest in these safe countries beyond the amounts needed to cover the deficits in balance of payments. Such action might persuade the cartel to see the necessity of reducing oil prices and restoring relative equilibrium to the world trading system.

American leadership could head off a mad and needless world economic catastrophe as fraught with danger to political stability and peace as was the Great Depression. The solution to both domestic and world inflation hinges on the international energy problem, as does the hope of avoiding a world depression and breakdown in trade and payments.

V. MR. FORD'S OPPORTUNITY

The nation now needs a short-term and long-term plan on energy. Here is the President's opportunity to enable the nation to regain control over its own destiny and to serve the interests of the entire world in the process.

If Mr. Ford will tell the nation the truth about the urgency and scope of the energy crisis and the necessity of meeting it with a full-scale conservation and development program, he will find Americans ready to respond as they have to other threats to their security and well-being. And if the United States takes the lead and proves it is ready to make the necessary sacrifices and expenditures of money and effort, other threatened oil-importing nations will almost surely join in.

It is impossible to know in advance precisely what will be required to drive down the price of oil and lessen Western dependence on the oil cartel, or how long it will take. Flexible tactics and strategy will be essential, depending on the fruits of research and development, the response of other oil-importing countries, and the countermoves of the international oil cartel.

If the United States and its partners succeed in breaking the cartel or bringing oil-producing states to their senses, with a consequent fall in the price of oil, the scale and rates of Western energy conservation and development would be affected but the need for such a program would not be eliminated. Indeed, the greatest argument for an all-out effort now is that it will not only help to prevent a worldwide economic and political disaster in the short run but that it is vital to world economic development in the long run.

The world economy must convert, within the next few decades, from dependence on the limited and disappearing supply of petroleum to other energy resources and technologies. Sensible conservation measures are crucial to bridge the transition. And it is essential to find practical ways to combine energy development with environmental protection, for the sake of human survival as well as the economic well-being of all people. There should be no further delay in this country's launching of an energy program capable of meeting both the immediate and long-range challenges.

SUPPORT FOR EXTENSION OF REVENUE SHARING, S. 3903

Mr. DOMENICI. Mr. President, I am pleased to be a cosponsor to S. 3903, a bill to extend the original Revenue Sharing Act. I would like to share with my colleagues some of my reasons for supporting this bill.

Revenue sharing is undoubtedly one of the most genuinely effective and responsive programs ever undertaken by the Federal government. Simply said, it helps put the money where the problems are. That is a simple concept and what makes it even more acceptable is that it works.

My distinguished colleagues who introduced this bill have already pointed out that in hearings held by the Intergovernmental Relations Subcommittee this spring there was unanimous approval and strong support for the program from local and State officials, regardless of party. This is support for the program as a real live operation, not just as a concept of government.

In my own State of New Mexico I conducted a survey of all the local government recipients of revenue sharing funds to learn how they feel the program is working. Of the 170 local governments contacted there was only one adverse comment.

I request unanimous consent that the letter of inquiry I sent to the local officials, together with the questionnaire which accompanied it, be printed in the RECORD as exhibit No. 1 at the conclusion of my remarks. I further request unanimous consent that three replies I received which are typical of the general response be printed in the RECORD as exhibits No. 2, 3, and 4. These replies are from the county of Sante Fe, the city of Albuquerque, and the San Juan Indian Pueblo.

I intend in the near future to present the results of this survey in a formal manner to the appropriate subcommittees and committees of the House and Senate. For the purpose of explaining my support for this bill, I will say simply that the strong points of revenue sharing from the point of view of local officials in New Mexico are at least these:

First, as I mentioned earlier, it just makes sense to put the money where the responsibility and the burden are—at the State and local level for most governmental activities.

Second. General revenue sharing has met a critical need for fiscal relief for local governments.

Third. It is being spent where most citizens want and need it to be spent.

Fourth. Revenue sharing is inexpensive to administer, especially compared to most grant-in-aid programs.

Fifth. Citizens participation in government is being improved as new mechanisms are developed to set more realistic priorities for its expenditure.

Sixth. It is easy for all types and sizes of governments to meet the relatively few requirements attached to the shared money.

In summary, this survey showed that the vast majority of local officials in New Mexico are pleased with revenue sharing. What is even more important is that revenue sharing was unanimously praised as being less expensive to administer, less tied down by redtape, and more responsive to local needs than the categorical grant-in-aid system.

So, it is obvious that revenue sharing is a valuable program for local government. That value will be greatly reduced, however, if it cannot be counted on in the budget process that local government must wrestle with constantly. This bill, S. 3903, would eliminate that uncertainty by extending revenue sharing before the budget process becomes a factor.

I fully realize that there is room for improvement and that modification of some particular aspects of the program may be in order. I encourage congressional activities to determine the best approaches to modification for improvement purposes and I will participate in those activities armed with the best and most complete information and advice I can obtain.

In the meantime, however, I urge my colleagues to support this bill and work toward its swift enactment.

There being no objection, the three replies were ordered to be printed in the RECORD, as follows:

EXHIBIT 1

U.S. SENATE,
Washington, D.C., June 21, 1974.

DEAR FELLOW PUBLIC OFFICIAL: Much discussion has centered in recent days on Revenue Sharing. In order for me to accurately represent the views of public officials who actually deal with Revenue in our state, I must have your opinion.

As you know, Senator Muskie of Maine is now in the process of holding oversight hearings on Revenue Sharing in the Intergovernmental Relations Subcommittee. If you would take just a moment to fill in the attached questionnaire, and mail it back to me as soon as possible, your views will become part of my presentation to Senator Muskie and a speech on the Senate floor.

I have been working toward decentralization of government and giving more power back to local entities. I would like to know whether Revenue Sharing is, in the opinion of people who actually work with the program, the way to achieve that goal. I often hear from people who are not involved with the actual administration of Revenue Sharing; now I would like to hear from you.

I hope that I can receive from our public officials a cross-section of opinion on Revenue Sharing that accurately reflects our state's experience with this new program.

Thank you for your time and interest.

Very truly yours,
PETE V. DOMENICI,
U.S. Senator.

P.S.—If you are especially pressed for time, and cannot answer in full, please answer the questions with an asterisk to give me a brief impression of your experience.

QUESTIONNAIRE FOR REVENUE SHARING

1. Do you believe that Revenue Sharing should be continued as a federal program or cease to exist?

Revenue sharing should continue to exist.

2. For what purposes have you been using your Revenue Sharing funds. (Please use additional space to answer if necessary.)

a. avoid tax increase.

b. provide much needed capital improvements.

c. purchase necessary materials and equipment to meet new Federal Safety Standards, begin to implement Federal and State regulations regarding land fills, water and sewer treatment and law enforcement procedures.

3. Who and how do you decide where Revenue Sharing monies will be used? Are groups, organizations and other constituents given a voice in the decision process?

Public meetings are used to decide how and where Revenue Sharing monies will be used.

4. Do you have any complaints about the administration, procedures, or uses permitted?

The present administration, procedures and uses permitted are equitable.

5. Have you wished to use your Revenue Sharing funds for purposes that you discovered were prohibited by the federal Revenue Sharing legislation? What programs?

Negative.

FOR THOSE WITH GRANT-IN-AID EXPERIENCE

1. In your judgment is Revenue Sharing an effective program compared to the Grant-In-Aid, categorical program?

Revenue sharing is more effective.

Sincerely,
BERNARD C. TAYLOR,
City Manager.

2. Does Revenue Sharing require fewer administration employees than the Grant-In-Aid program?

3. How would you compare overhead expenses of Revenue Sharing compared to Grants-In-Aid?

4. How would you compare the time and effort it takes to administer a Grant-In-Aid program compared to the Revenue Sharing program?

5. How would you compare the time elapsed between appropriation of Revenue Sharing funds to time of actual use by you? Is this time-frame faster than or slower than using Grants-In-Aid?

6. Please add here any comments you wish about Revenue Sharing and the Grant-In-Aid concept not covered in the above questions.

EXHIBIT 2

SANTA FE COUNTY,
Santa Fe, N. Mex., August 9, 1974.

Re: General Revenue Sharing.

Hon. PETE DOMENICI,
U.S. Senator, New Senate Office Building, Washington, D.C.

DEAR SENATOR DOMENICI: Commission Chairman, Ben Lujan, has asked me to answer your recent correspondence regarding your questions on the local effects of General Revenue Sharing.

I would like to say that I was very much interested in your remarks directed at local government officials at our New Mexico Association of Counties Convention in Albuquerque last May regarding the decentralization of government giving more power back to local entities. I hope that the Congress will persue this philosophy in allowing local government to decide for themselves the priorities in their respective areas.

For your information, I offer the following answers and comments to your questionaire:

1. We believe that Revenue Sharing funds should continue to be sent down to local governments. However, we do not think that it is absolutely necessary to account in detail for the expenditure of the funds to the Federal Government. By this we mean that the money received from General Revenue Sharing should be added to the local government budgets and be considered a permanent source of revenue, subsequently distributed to all areas of local government and not limited to the several categories as now outlined by the program.

2. For your information, I will mail you a copy of our Actual Use Expenditure Report as soon as it has been prepared. In answer to your question, however, the Commission has approved the following under General Revenue Sharing:

Public safety, law enforcement (vehicles)	$11,859
Fire protection (fire fighting equipment, emergency equipment and housing facilities for four districts in the county)	53,611
Environmental protection: Comprehensive Land Use Plan	32,500
Solid waste disposal equipment (one bull dozer)	45,000
Public transportation, streets and roads:	
City of Santa Fe (this amount was allocated to the City of Santa Fe for street maintenance and repair within the City of Santa Fe)	50,000
County roads (Santa Fe County has over 600 miles of road to maintain; this amount would include gravel, asphalt, salaries for additional personnel picked up under the discontinuance of the Emergency Employment Act	200,000
Structures:	
Bridge Crossing in Nambe	24,000
Cuyamungue Bridge (50 percent of the cost provided by the State Highway Department)	200,000
Overflow sections, various	40,000
Various pieces of equipment and vehicles	186,000
Maintenance Shop (the maintenance shop currently in use is a dilapidated tin structure which is completely obsolete	195,000
Health: Headstart medical program—**La Clinica de la Gente,** Model Cities Clinic and New Vistas	38,000
Recreation: various recreation programs in the different Santa Fe County communities	10,000
Library: Santa Fe Municipal Rural Library program	7,500
Social Services for the poor and aged:	
Legal Aid	25,000
Community facilities, construction of the community center at Chimayo, N. Mex	60,000
Administration:	
County attorney	15,000
Furniture and fixtures in the Santa Fe County Courthouse	35,000
Courthouse remodeling	52,000
Re-roofing and general repairs to other county-owned buildings and facilities	6,000

In addition, it is expected that we will enter into a contract shortly for the construction of additional Courthouse space at a cost of approximately $160,000. As you can see, the great majority of funds have been expended on Capital Outlay items. However, they are essential items to serving the publics needs.

3. Decisions regarding the use of Revenue Sharing monies are made at public meetings of the County Commission. The last meeting held in May of 1974 was publicized and various groups were invited to attend and offer their advice and consideration of the many proposals before the Commission. Obviously, some proposals had to be turned down simply because there was not enough money to go around. All subsequent meetings of the County Commission relative to General Revenue Sharing allocation of funds will again be adequately publicized in order to insure public participation.

4. The only complaints we have received are from a local private school regarding the ineligibility of General Revenue Sharing monies for educational purposes.

5. No.

In comparing General Revenue Sharing to grant-in-aid programs, I would say that the general administration of Revenue Sharing monies is relatively inexpensive in that there are no lengthy reporting procedures to be completed by the local government as compared to the very lengthy reports for grant-in-aid projects. Obviously as time goes by and as we receive more money and institute new programs we will have to employ additional people, but of course, the money will be available through General Revenue Sharing.

I hope that the above information will help to promote the concept of General Revenue Sharing in the future. Please advise if we can be of further assistance in this regard.

With kindest personal regards I remain,

Sincerely,

DONALD M. SANDOVAL,
County Manager.

EXHIBIT 3

CITY OF ALBUQUERQUE,
Albuquerque, N. Mex., July 3, 1974.

Re: City of Albuquerque comments on general revenue sharing.

Hon. PETE V. DOMENICI,
U.S. Senator, New Senate Office Building, Washington, D.C.

DEAR PETE: Your interest in local government's perception of the General Revenue Sharing Program is greatly appreciated. As you know, we are often the first to be held accountable for government programs and the last to be asked for early design input. This opportunity to share our experience with you in a positive manner is a major step toward federal/local cooperation.

It is my intent in this communication to answer each of your questions in a concise but comprehensive manner. Before I get to the questions, however, I would like to express my general agreement with your basic position that local governmental entities ought to be a keystone of the New Federalism. The "no-strings" approach offered by Revenue Sharing is one of the major strategic elements in reaching the goal of a decentralized government. The new Mayor/Council form of government recently mandated by the voters of Albuquerque is a strong expression of the local concern for more responsive government. As we begin this new government, we shall be looking toward the federal establishment for active cooperation and participation.

Question No. 1: In answer to your first question, I strongly believe that Revenue Sharing should be continued as a federal pragram which is very effective in providing much needed resources for high priority local needs. In fact, our allocations have been primarily for continuing operating expenses, (see next response). Our ability to replace about $7 million per year without local taxing authority is very limited.

Question No. 2: The following table is a brief summary of our Revenue Sharing appropriations for Fiscal Year 1974:

Appropriation	Amount	Percent
Streets	[1] $1,081,749	14.59
Fire	[1] 2,922,683	39.42
Sworn police	1,278,420	17.24
Civilian police	128,193	1.74
Crime prevention	64,060	.86
Courts	227,188	3.06
City personnel	342,848	4.62
City vehicles	619,554	8.36
Open space	120,000	1.62
Fund balance	629,341	8.49
Fiscal year 1974 total	7,414,036	100.00

[1] These amounts do not totally represent net new moneys in these areas. Money made available in this manner were reallocated to other priority areas according to the revenue sharing regulations.

Question No. 3: The initial five year plan for local use of Revenue Sharing money was drawn up by a task force consisting of Department Heads of the City of Albuquerque. Groups, organizations and other constituents had input to the decision-making process only to the extent that they submitted requests for Revenue Sharing assistance. However, we conducted a telephone survey, held two public meetings, and notified interested parties through the press. These efforts generated about $145 million worth of request for about $30 million in available funds. The actual choices that were made however did not include these other non-City groups. As of July 1, 1974, Albuquerque's new Mayor/Council form of government will be reviewing all City commitments including the basic five year Revenue Sharing Plan. It is anticipated that the new districted Councillors and the Mayor will have significant input into the future commitments made from Revenue Sharings Funds.

Question No. 4: The City of Albuquerque has no complaints about the administration, procedures, or uses permitted. In fact the opposite is the case. We feel that this program is considerably advanced in terms of local effort expended to achieve substantial benefits. The flexibility of use of Revenue Sharing Funds is considerable and appreciated at the local level.

Question No. 5: To date we have not discovered uses for Revenue Sharing Funds which are prohibited by the legislation. There have been, however, a couple of instances where the issue of local match from Revenue Sharing Funds would have been desirable in the areas of Crime Prevention and Emergency Medical Services.

GRANT-IN-AID EXPERIENCE

Question No. 1: Compared to the grant-in-aid categorical programs (e.g. Model Cities, Urban Renewal, Neighborhood Development, Comprehensive Manpower Programs, LEAA Grants, Transportation Grants), the Revenue Sharing Program promotes a substantially greater *proportion* of funds for *direct impact* on problem areas. This is primarily due to lower administrative costs. The amount of Revenue Sharing available at this time would not adequately replace the level of effort in categorical programs, however. In the City of Albuquerque, Revenue Sharing currently represents about one-third of total Federal dollars being spent. The bulk of Federal money in Albuquerque is also badly needed in such areas as the ones mentioned above.

Therefore in terms of effectiveness, we can fairly state that Revenue Sharing is easier to administer but grants-in-aid play a substantial and larger role in meeting local demands.

Question No. 2: Revenue Sharing does require fewer administrative employees than grant-in-aid programs. The major reasons for this area:

a. Revenue Sharing Funds must be spent in accordance with the laws and procedures applicable to all other City revenues.

b. Revenue Sharing requires two simple and short reports generated from regular city record keeping practices as compared to a complicated application-implementation-operation-evaluation reporting package generally required by grant-in-aid programs.

c. The number of employees required to generate reports for grant-in-aid programs is obviously much higher than the requirements for Revenue Sharing Programs.

Question No. 3: As explained in Question No. 2, the overhead expenses related to Revenue Sharing would be considerably *less* than the overhead expenses for grant-in-aid programs.

Question No. 4: Primarily because of the differing paper requirements and the additional administrative personnel, a grant-in-aid program generally takes considerably more time and effort to administer. Revenue Sharing Programs generally make use of existing administrative organizations.

Question No. 5: As alluded to Question No. 2 above the more complicated grants-in-aid procedures often delay a local expenditure until Federal officials are satisfied that all implementation procedures have been met. The availability of Revenue Sharing funds from a local bank is quite another situation and considerably faster. Besides being readily available, the Revenue Sharing Funds can also be earning interest which increases their local use potential.

Question No. 6: The issue of local tax incentive as provided by a Revenue Sharing allocation formula is of special concern to the new Mayor Council government at this time. The formula basically rewards greater local tax effort with a greater share of Revenue Sharing funds. As Mayor of the City of Albuquerque I would appreciate more clarification about the role of tax monies collected by state government and distributed to local government. These taxes include the sales tax, gasoline tax, cigarette tax, and the motor vehicle tax. It is important to Albuquerque citizens to be able to clearly understand why these taxes that come out of their pockets and are spent locally (even though channeled through the State), do not count toward a greater proportion of Revenue Sharing dollars for local use.

Another issue of concern locally is a "hold harmless provision." As the legislation currently stands, we in Albuquerque are tied to every other taxing jurisdiction in the United States. Thus, it is conceivable (and it does happen to some cities) that our annual allocation could decrease. This would result in a reduction of local services if Revenue Sharing dollars could not be replaced (a very likely event). Therefore we would request some form of guarantee that our Revenue Sharing planning efforts can be fulfilled without a yearly apprehension about possible reductions in the face of inflationary pressures.

I hope these comments are useful in your presentation to the Intergovernmental Relations Subcommittee of the United States Senate. We thank you for your efforts to obtain local input for these important hearings.

Thank you for your continuing interest in the basic problems of local government.

Sincerely,

HARRY E. KINNEY,
Mayor.

EXHIBIT 4

QUESTIONNAIRE FOR REVENUE SHARING

1. Do you believe that Revenue Sharing should be continued as a federal program or cease to exist?

Wholeheartedly believe Revenue sharing should be continued as a federal program, but modify guidelines for expending the monies not to be so restrictive.

2. For what purposes have you been using your Revenue Sharing funds? (Please use additional space to answer if necessary.)

For partially funding the Pueblo's Law & Order, consisting of 2 patrolmen, 1 Tribal Judge. Also to alleviate other Tribal Govt expenses.

3. Who and how do you decide where Revenue Sharing monies will be used? Are groups, organizations and other constituents given a voice in the decision process?

Revenue Sharing monies should be administered by the Governor of the Pueblo with provision that expenditures for major proportions be authorized by the Pueblo Council.

4. Do you have any complaints about the administration, procedures, or uses permitted?

Only on the restriction for purchase of heavy equipment. The Pueblo is in dire need of Irrigation Ditch digging equipment.

5. Have you wished to use your Revenue Sharing funds for purposes that you discovered were prohibited by the federal Revenue Sharing legislation? What programs?

Due to high delinquency of our youth which in turn has resulted in high vandalism. In order to alleviate this situation would recommend Revenue Sharing monies be authorized to build recreational facilities for our youth.

FOR THOSE WITH GRANT-IN-AID EXPERIENCE

1. In your judgment is Revenue Sharing an effective program compared to the Grant-In-Aid, categorical program?

Yes.

2. Does Revenue Sharing require fewer administration employees than the Grant-In-Aid program?

Revenue Sharing at San Juan Pueblo has not required special administrative employees. We have been able to administer Revenue Sharing from existing Pueblo Govt. Staff at no additional cost.

3. How would you compare overhead expenses of Revenue Sharing compared to Grants-In-Air?

See above.

4. How would you compare the time and effort it takes to administer a Grants-In-Aid program compared to the Revenue Sharing program?

Favorable.

5. How would you compare the time elapsed between appropriation of Revenue Sharing funds to time of actual use by you? Is this time-frame faster than or slower than using Grants-In-Aid?

Would favor funds made available for the entire amount at beginning of Fiscal Year.

6. Please add here any comments you wish about Revenue Sharing and the Grants-in-Aid concept not covered in the above questions.

For Revenue Sharing versus Grant-In-Aid concept.

ED CATO,
San Juan Pueblo Governor.

A LIVING MEMORIAL TO PEACE

Mr. CRANSTON. Mr. President, I am pleased to call to the attention of this body an event of great significance in the city of Los Angeles and for those who hold the performing arts in esteem.

On November 10 the Los Angeles Music Center will observe its 10th anniversary, an event that will be marked by a special concert of the Los Angeles Philharmonic Orchestra conducted by the world-renowned Zubin Mehta.

It was this great musician who 10 years ago, on December 6, 1964, conducted the first performance at the music center, a complex of three beautiful theaters at the summit of the civic center in downtown Los Angeles.

The music center was conceived, financed and built by private citizens of Los Angeles, from many thousands of donations.

But the one person who made it all possible, whose driving dream for this project spans almost 20 years of continuing effort, is Dorothy Buffum Chandler, the wife of Norman Chandler.

Her description of the music center, written 10 years ago for the dedication of this monumental project, gives a clue to the vision and to the strength of purpose of Dorothy Buffum Chandler in bringing into being this fine center for the performing arts. She said:

> The Music Center is many things to many people. To some it represents a magnificent addition to our civic center, a bright new jewel in the diadem of a great city. To others it heralds a brilliant era in the cultural life of the west with facilities for presentation of the performing arts unexcelled anywhere in the world. To others it is especially significant as a place where exciting new talent—in music, drama, dance—will find expression and fulfillment. It is these things and more. To me the Music Center is important as a challenge—a challenge to the intelligence, imagination and taste of our children and their children and, hopefully, to their children. In a world more immediately imperiled by mediocrity than by intercontinental missiles, the Music Center will stand forever as a symbol of what creative man can accomplish when he sets high his standards and his vision far beyond our present horizons.

Mr. President, Los Angeles today has one of the finest music and theater centers in the world thanks to Dorothy Buffum Chandler and the hundreds of dedicated citizens and artists who joined with her on countless occasions to work for, plan and finance the music center.

The center is dedicated as "A Living Memorial to Peace."

More than that, it is a living memorial to those who dreamed very large dreams, indeed, and who knew how to translate a vision into reality.

I salute Dorothy Buffum Chandler for the leadership, the courage and the dedication that made the music center a reality.

I salute those thousands of Los Angelenos who joined with Mrs. Chandler in supporting the project.

And I salute the hundreds of thousands of theater-goers and music lovers who have proved through their attendance and their support that the theater of the mind, the creative genius of man and woman, and the inner spirit that lights the artist are indeed alive and well in Los Angeles.

To the music center and its patrons;

To Dorothy Buffum Chandler and her friends;

To Los Angeles;

Congratulations, and many long years of great success.

THE UNWISE HAIG APPOINTMENT

Mr. PROXMIRE. Mr. President, there is a very thoughtful article in today's Washington Post by J. Robert Schaetzel, former Deputy Assistant Secretary of State and U.S. Ambassador to the European Communities.

Mr. Schaetzel is critical of the President's appointment of Gen. Alexander Haig to be Supreme Allied Commander Europe on two counts. First he notes that the quality of previous SACEUR's was not notable compared to General Haig's lack of command experience. The second is that the diplomatic service has once again become the dumping ground for political leftovers of former administrations.

The American practice, he states, regarding diplomatic assignment is bizarre and in stark contrast with the procedure of both ally and foreign adversary.

Whether or not the Senate will ever get to consider the case Mr. Schaetzel makes is problematic at best. If the Armed Services Committee would call hearings on the Haig appointment, then good sense and Senate jurisdiction would be served.

I hope the Senate will not allow this opportunity to slip by and establish the precedent that where there is controversy we should take the easy way out.

Mr. President I ask unanimous consent that the Schaetzel analysis be printed in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE HAIG APPOINTMENT

(By J. Robert Schaetzel)

The appointment of General Alexander M. Haig Jr. to be NATO's Supreme Allied Commander (SACEUR) is offensive on two counts. The first concerns the appointment itself. The second concerns what it reveals about Washington's approach to high-level diplomatic appointments. If the full implications of the Haig appointment can be appreciated, especially at this time of intensive awareness of governmental deficiencies, they may serve as the catalyst to produce the long-needed reform in the way we go about this aspect of our international affairs.

The quality of the previous SACEURs was notable—Eisenhower, Ridgeway, Grunther, Norsad, Lemnitzer, Goodpaster—and only emphasizes Haig's weakness: lack of command experience, innocence of Alliance affairs, the taint of Watergate. It is one more episode in the dreary history of Americans being assigned abroad for every reason but relevant knowledge or experience. Without reservation we send an owner of parking lots to The Hague, a publisher of "TV Guide" to London. This complaint should not be construed as a plea for ambassadorial positions to be the exclusive preserve of the Foreign Service. Left to its own devices the career service is entirely capable of naming incompetents who are the match of those from private life. And the Foreign Service would be hard-pressed to equal men of the quality of David Bruce or Edwin Reischauer.

We are accustomed to the political use of comfortable ambassadorial assignments for purposes of canceling a debt or resolving an awkward party problem. The President and the Republican leaders are repaying an obligation to Haig. He had sensitively gone out of his way to advise and assist Ford as Vice President, a decency to be rewarded. The conservative Republican leaders felt indebted to Haig for his role in Nixon's resignation. Hence, a place for him had to be found. Certainly the military were not about to accept back gracefully the 1969 colonel turned instant four-star general (Rtd.). We have had a spate of these cases: the fight against inflation meant that Rush had to be eased out of town and thus to Paris; Bush, of all things, to Peking; and, where political obligations are obscure, Flanigan, to aid the Spanish transition.

An essential adjunct to this peculiar, self-serving practice is American indifference to foreign sensibilities or foreigners' resentment of the individuals imposed upon them. The fact that our allies have been discreet should not be interpreted as contentment with the Haig nomination. For years Americans and Europeans devoted to NATO affairs have sought to make SACEUR an "Alliance" commander, not merely an American commander in Europe to take charge of European mercenaries in time of military crisis. The Greek-Turkish confrontation and the pressure to reduce American troops abroad make the Alliance connotation more urgent. In justification the administration responds, "But the Europeans did not protest; they welcomed the Haig appointment." For good reason. Our allies have discovered that, if frustrated in such matters, Washington can be exceedingly nasty. Overwhelming European reservations to Haig were a piece of cake. The trick was first to line up the Germans. They have the greatest stake in NATO—geographic vulnerability, plus the fact that they make the principal contribution of men and money and are most threatened by the prospect of American troop withdrawal. Bonn's acquiescence collapsed any chance of organized European resistance to Haig. Grudging, unanimous agreement was achieved, but at a price. The episode adds credibility to those Europeans who see in the Alliance not evidence of an Atlantic partnership, but rather of an American abuse of power.

One should be able to assume that the State Department, in exercising its responsibilities for foreign relations, with respect to senior appointments overseas, would insist on competent candidates and, conversely, would protest unqualified nominees where foreign displeasure could be anticipated. In fact, Kissinger has yet to spend any of his fund of political capital to block bad appointments. As he places no stock in the institutions of foreign affairs or, specifically, in the utility of overseas missions, he would see no reason for concern over European unease at the Haig appointment. If the Secretary of State cares little about the foreign reaction, no one can expect the White House to take seriously adverse Allied opinion.

I have lost the capacity for surprise, if not for embarrassment, at the callousness with which the government treats its own people. Without a word General Goodpaster is thrown from the end of the sleigh. Years of distinguished public service, many of them as aide to Eisenhower, in which he earned the admiration of the allies and the Congress stimulated only proforum White House acknowledgement of our national debt to this extraordinary officer. This all too typical, graceless neglect says unpleasant things to foreigners about the American government's values.

Vietnam, Cambodia and now Chile have provoked congressional huffing and puffing about Executive Branch license in foreign affairs. Yet in the area of presidential appointment, where the Senate's collateral, constitutional prerogatives, are explicit, to look for content in the exercise of "advice and consent" is like waiting for Godot. Legislative posturing and condemnation of Executive excesses are easier than perusing efforts to excuse responsibility. The Haig appointment, as several senators have pointed out, obliges the Congress to examine critical questions: the separation of the military from civilian activity, the matter of qualifications, the question of whether Haig would advance American interests abroad. But then, senatorial laxity should come as no surprise when one recalls the docile acceptance of Firestone for Belgium, for example, or Farkas for Luxembourg.

The American practice regarding diplomatic assignment is bizarre and in stark contrast with the procedure of both ally and foreign adversary. Others choose their envoys from professional diplomatic ranks, only occasionally bending this practice to name an ex-minister or distinguished parliamentarian. If we are disinclined to take these overseas missions seriously, then why accept the expense as well as the embarrassment to other countries which our practice engenders?

If the Foreign Relations Committee were interested in fulfilling the Senate's constitutional responsibilities, content could be put into those words "advice and consent." With a procedure derived from the American Bar Association's informal appraisal of proposed nominations to the judiciary, the Committee could establish a senior, nonpartisan panel of private experts to review presidential nominations prior to consideration by the Committee. The panel would be expected to advise the Committee whether the candidates met minimum qualifications for confirmation. The first act of such a panel could be to develop in cooperation with the committee the criteria to be used in judging the nominations. The mere establishment of such a procedure would have an ennobling effect on both the Senate and the President, constraining the President from the habit of employing diplomacy as the easy way of solving irksome political personnel problems.

WEEK OF CONCERN FOR WORLD HUNGER

Mr. PERCY. Mr. President, this is the Week of Concern for World Hunger, sponsored by the World Hunger Action Coalition, which represents more than 70 organizations. In addition to the national observance, 13 States and 19 cities have also proclaimed September 22–29, 1974, to be a Week of Concern locally.

All Americans are well aware of the food and nutrition difficulties we face here at home. We have recurring shortages of meat and some fruits and vegetables. We have had substantial grain crop losses that will affect our eating habits for months to come. We are faced with skyrocketing prices for all kinds of food, with little relief in sight. Yet these problems are minuscule when compared to the very real threat of starvation and death from malnutrition-related diseases faced by millions of our fellow human beings.

The Week of Concern for World Hunger seeks to achieve three major goals: One, to bring to the attention of all Americans the fact that millions of people in Africa and Asia face imminent death from lack of food; two, to convince all Americans of our moral responsibility to share with the people of those nations who have so much less; and, three, to encourage widespread, grassroot support for the activities and goals of the World Food Conference to be held in Rome in November.

Mr. President, I believe the Week of Concern for World Hunger is achieving these goals, and the World Hunger Action Coalition, whose advisory commission I cochair with Gov. Milton J. Shapp of Pennsylvania, is to be commended for the fine organizational work they have provided. I wish also to commend my home State of Illinois for designating this week as the Week of Concern for World Hunger in Illinois.

I ask unanimous consent that Gov. Dan Walker's proclamation be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION

Although hunger is a problem that knows no political or geographical boundaries, its victims are usually the poor and vulnerable. For those of us who live in the developed nations, the worldwide shortages and rising prices represent an inconvenience, certainly, but for nearly a billion people in the poorest countries of the world, there is more than discomfort; there is the deadly threat of starvation.

Solutions clearly are needed for not only the short-range problem of hunger, but also the longer-range one of improving agricultural production in the developing countries. With this in mind, several organizations in the United States which concentrate on the problems of international development and conduct programs to feed the hungry abroad have formed a World Hunger Action Coalition to stimulate public concern about the problem of hunger and to focus attention on the United Nations-sponsored World Food Conference in Rome in November. The conference has been called on an urgent basis to deal with this new and widespread threat. The World Hunger Action Coalition hopes to send a delegation to the World Food Conference to discuss the role of our agriculturally rich land in the development of food programs for the world. The Coalition's campaign for public concern will culminate in their National Week of Concern for World Hunger, September 29.

Since the world's approach to the problems of food and famine are so important to this state which is the largest exporter of agricultural products in the nation and whose largest industry is agriculture, I, Dan Walker, Governor of the State of Illinois, designate September 22–29, 1974, Week of Concern for World Hunger in Illinois.

DISASTER IN HONDURAS

Mr. KENNEDY. Mr. President, a few days ago, one of the most destructive hurricanes of the century hit the people of Honduras—leaving behind a massive human tragedy, and an awesome trail of destruction and death.

The Honduras Government, disaster relief teams and journalists report that swirling floodwaters have cut off entire communities—destroying roads, severing communications, and preventing the much needed arrival of emergency relief supplies. Whole towns and villages have been swept away. The banana crop—the major source of foreign exchange—is all but destroyed. Clean water is scarce—and so is food. Disaster refugees number in the hundreds of thousands. Thousands of people have lost their lives—and the lives of thousands more are threatened by exposure, malnutrition, and disease.

The immediate and longer term effects of the hurricane are not fully known. But all sources confirm that a neighbor country has suffered great tragedy, and that emergency relief needs, let alone rehabilitation and reconstruction, are urgent and massive.

As chairman of the Subcommittee on Refugees, I rise today to express my deep personal sympathy and concern to the Government and people of Honduras—and to urge that the United Nations Disaster Relief Office—UNDRO—with the support of our own Government and others, spare no effort in helping to meet the humanitarian needs of the Honduran people.

AID officials have indicated that a number of initiatives are already underway by our Government. In addition to making disaster relief personnel and aircraft available, medical supplies, blankets, food, and water purifiers are being airlifted to the area. Some $350,000 has been allocated for Honduras relief, and private voluntary agencies are also giving their support to the relief efforts. The administration should be commended for its early response to the disaster in Honduras, and I am confident that the continuing American contribution to international relief efforts will fully reflect our traditional concern for people in need.

In conclusion, Mr. President, I would like to call to the attention of Senators amendment No. 1878 to the pending foreign assistance authorization bill. This disaster relief amendment—which I introduced on September 17 in behalf of myself and the senior Senator from Wyoming (Mr. McGEE)—has several cosponsors, and provides some $120,000,000 for humanitarian purposes in Cyprus, Bangladesh, the drought region of Africa, and other potential areas of humanitarian need. Clearly, Honduras would benefit from the enactment of this amendment.

And I am extremely hopeful that, given the very urgent human needs in so many areas of the world, the amendment will be adopted by the Senate, and the foreign assistance legislation will be expedited toward enactment.

MEETING HEALTH MANPOWER NEEDS

Mr. MUSKIE. Mr. President, S. 3585, the Health Professions Educational Assistance Act of 1974, which was passed by the Senate this week, addresses among the most critical of our health problems: The lack of sufficient medical manpower, distributed adequately among all areas of the Nation, and equipped to serve all the health needs of our people. Medical manpower problems demand a firm response from the Federal Government, including financial support for health manpower training, and incentives for producing the health personnel we need most, located where the need is greatest.

Present physician manpower resources are beset with four acute problems: Geographical maldistribution, specialty maldistribution, a too-heavy reliance on foreign-trained physicians, and an uncoordinated system of licensing doctors—and dentists—to practice.

The problem of geographical maldistribution, for instance, is illustrated by the concentration of physicians in a few "doctor-rich" locations while rural areas and inner cities are underserved. In Maine the ratio of doctors to the civilian population is only three-fourths of the national average, and the ratio is even lower in some counties of my State. Geographical maldistribution is growing worse, with the physician-population ratio increasing almost four times as fast in "doctor-rich" areas as in "doctor-poor" areas.

The problem of "specialty maldistribution" has been marked by a disappearance of the family doctor—the general practitioner equipped to serve the normal health needs of the public. With more and more physicians choosing to practice specialized forms of medicine, the patient is often faced with the challenge of diagnosing himself before he can decide which doctor to see. Specialty maldistribution is increasing: Nationwide, the number of physicians in general practice has declined from 50 percent in 1949 to 36 percent in 1960, and to 22 percent in 1970; in Maine, the number of doctors in general practice declined by 11 percent from 1968 to 1972, from 282 to 251.

A third physician manpower problem is the increased reliance on foreign medical graduates, needed to make up for the inadequate capacity of domestic training facilities. Today, graduates of foreign medical schools make up one out of five physicians practicing in this country and one-third of all physicians in residence training programs, and receive about one-half of the new licenses granted annually to physicians in the United States. The vast majority of the foreign-trained physicians entering this country in 1972 came from developing countries, who themselves have acute medical manpower needs. And although many foreign trained physicians have received a good medical education, many others receive training inferior to that provided by domestic medical schools, with the result that citizens they serve may receive substandard care.

The fourth physician manpower problem is the variation in license requirements for physicians and dentists from State to State. Although almost all States now require a national examination for licensure, the standards for success or failure on the same test differ. And some States do not recognize physicians licensed elsewhere, restricting the entry of doctors. The varying licensure requirements are particularly important in the case of foreign medical graduates, who practice in some locations without fully meeting licensing requirements, and sometimes with inadequate command of English.

Mr. President, adequate medical manpower resources will be essential to the goal of giving every American access to high quality health care. To achieve that goal, the Federal commitment to strengthening health manpower resources must be firm and clear.

This week, the Senate considered several legislative proposals designed to meet our health manpower needs. The basic legislative proposal before the Senate was the bill reported by the Labor and Public Welfare Committee as S. 3585. In its original form, that bill would not only have allocated substantial Federal funds for health manpower training, but would have also required the immediate implementation of a system of obligated service for all medical students, Federal standards for licensing and relicensing physicians and dentists, and Federal determination of the distribution of medical manpower training in various specialties. The obligated service provisions of the bill would have required each medical school receiving Federal assistance to assure that it would require entering students to contract with the Federal Government to serve for at least 2 years after graduation in medically underserved areas as designated by the Secretary of HEW. The bill would also have required the Secretary of HEW to establish minimum national standards to licensure of physicians and dentists, including provisions for relicensure—by meeting requirements other than written examinations—at least once every 6 years. These minimum national standards would have taken effect in 2 years in States whose standards did not meet or exceed those proposed by the Federal Government. Further, that bill would have established a system of national and regional councils to recommend limits on the number of training positions for physicians after graduation in each of the medical specialties, in order to insure that enough doctors would enter general family practice rather than entering specialties which already have sufficient manpower.

I had serious reservations, Mr. President, about establishing Federal control in this form over the health professions—particularly the requirement of Federal standards for licensure and relicensure of physicians and dentists, and the mandatory requirement that all students entering medical school be obligated to serve, after graduation, at the designation of the Federal Government. Although our medical manpower needs are serious, the case has not yet been made, in my judgment, for immediate implementation of those provisions.

When this measure came before the Senate earlier this week, two alternative substitute proposals for the original version of S. 3585 were proposed. One proposal, advanced by the Senator from Maryland, contained no provisions relating to licensure, relicensure, or specialty distribution, and instead of the mandatory obligated service provision would require medical schools to reserve at least 25 percent of their entering classes for students who made voluntary commitments to serve in areas with the most severe medical manpower needs. A second proposal, advanced by my distinguished colleague from Massachusetts (Mr. KENNEDY) would have retained the funding structure of S. 3585 as originally reported, but limited the effect of the bill to only 2 years, and deferred the implementation of the system of obligated service, national licensure, and specialty training limits until 1980. Under that substitute, the existing system of voluntary programs would have been given a renewed opportunity to solve health manpower problems before the more severe federally controlled solution to them would have been implemented. I supported the second alternative because in my judgment it best expressed a strong commitment to achieving significant improvements in health manpower. Before final Senate action, however, that alternative was disapproved, in favor of the substitute proposed by Senator BEALL.

Despite disagreements about the specific form of future Federal action to support improved health manpower, I believe the Senate's final action yesterday in passing S. 3585 as amended did demonstrate broad consensus on the importance of that goal. I hope that House action on a comparable measure can be swift, so our commitment can be written into law this year.

THE CAMPAIGN REFORM BILL

Mr. TAFT. Mr. President, next week the conferees will reconvene in an attempt to put the final touches on comprehensive campaign reform legislation. It is no exaggeration to say that this legislation will affect in fundamental ways the workings of our system of government. While there are important positive provisions in both the House and the Senate bills, there are also serious problems remaining to be resolved. I believe it is important that these problems be highlighted at this time.

It is obvious that in the aftermath of Watergate, basic reforms in campaign financing are essential so that our citizens will be certain that their Government is not being operated to satisfy the interests of a few large contributors, rather than the Nation as a whole.

In my judgment, the most important step we can take in this direction is to place strict limitations on the amounts which individuals, or organizations in particular, can contribute to any single candidate. Unfortunately, it appears that the conferees are leaning toward the House provisions in this regard. While the House provisions are certainly an improvement over present law, they still allow unduly large organizational contributions of up to $10,000 per candidate for the primary and general elections combined.

This amount of money could be extremely significant, for House campaigns in particular. To the extent the conference committee sets low overall spending ceilings on House campaigns, which seems likely to occur, $10,000 would become even more important. Furthermore, the maximum contribution amount for these "special interest" organizations, which identify themselves so completely with specific legislative positions and votes, would be five times the amount which individuals can contribute.

The Senate bill instead allows special interest groups to give twice as much as individuals and a total amount of $6,000 for the primary and general elections. This provision is not ideal, but it goes much further than the House bill toward eliminating big money-related special interest influences from politics.

In view of the essentiality of low contributions limits on individuals and organizations, it is crucial that these limits be free of loopholes. In particular, wealthy individuals and affiliated special interest groups must be prohibited from proliferating their political committees to circumvent the contribution limitations. Under present law, some of these groups control up to 20 contributing committees. Although this problem is mentioned in the House committee report, it is not adequately remedied by either the House or the Senate bill. The conferees should definitely address themselves to it.

Low contributions limits in themselves will exacerbate the task of raising enough campaign funds for both incumbent and challenger to make their views known to the public. This raises the unresolved issue of public financing of congressional campaigns. Unfortunately, the conference bills are the extremes. The House bill provides no public financing, while the Senate bill provides full public financing for general elections and public matching of small private contributions, once a "threshold amount" of private funds has been raised, for primary elections. The proposal which some of my colleagues and I offered on the Senate floor would have provided partial public financing, under a matching system, for congressional general election campaigns. This approach would have alleviated to a significant extent the problem of raising adequate campaign funds. At the same time it would have avoided the increased costs, mushrooming of wasteful campaign expenditures at taxpayers' expense and unnecessary elimination of a meaningful role for grassroots fundraising involving small contributors, which are likely to result from full public financing. That proposal was defeated by a key vote of 46 to 45.

It now appears that rather than adopt such an approach, the conferees will take one of the approaches in the bills before them. If that is the case, it may be better to accept spending limit reforms without public financing and to add public financing later if necessary. The Senate conferees could expect to extract other concessions for taking this approach. Furthermore, at least this would give us the opportunity of observing how full public financing for the general election and partial public financing for the primary election work in the 1976 Presidential race.

A bill which drops all public financing for Congress but imposes the strict contribution limitations could create problems for challengers, who naturally have a much rougher time raising campaign funds than incumbents. A much more serious problem in this regard, however, may be the legislation's limits on overall campaign spending. Particularly in the case of the House bill's proposed limit on spending for House elections of $60,000 per campaign, with important exemptions including fundraising costs, I fear that these spending ceilings could more aptly be described as "incumbent insurance" than reform. In 1972, House incumbents won well over 95 percent of the time, and the 12 challengers who did beat incumbents averaged expenditures of $125,000.

There is more than a question of equity involved here. Congress can hardly expect greater confidence from the public if a legislative response to Watergate amounts to increasing its own job security. The conferees should therefore take the higher ceilings on overall campaign spending.

Another danger point in the conference which could exacerbate the challenger problem greatly is the House bill's treatment of National and State party committees. By limiting contributions from these committees to $5,000, the House bill would severely curtail these committees' activities. The $5,000 limitation would be particularly absurd in Presidential races and senatorial races in large States.

Political parties are the most broadly based groups involved intricately in the political process. They have a great potential for serving as a focus and rallying point for the public interest on various issues, allowing individuals to become more involved in the workings of our system and generally contributing to a stable and sound American Government. By carrying out the nominating process, they also serve an important and unique function in our political system. It would be nonsensical to adopt legislation which dictates that they have no more financial standing in the system than the Associated Lumbermen, the Amalgamated Bricklayers, or any other special interest group. As I indicated, the strict limits on the financial role of party committees would also contribute in an important way to incumbents' advantage since political parties are the organizations best able to marshall the resources and funds needed to beat well-known incumbents.

Rather than the House provision, the conferees should accept the Senate provision allowing party committees to expend $10,000 for each candidate's House campaign and $20,000 or 2 cents per voter, whichever is greater, in both senatorial and Presidential races. This provision would allow the parties to play a stronger role in the electoral process, while at the same time placing ample limitations upon their activities.

The conferees should keep in mind continually that regardless of the effects I have mentioned of all these provisions on challengers, incumbents will continue to have formidable advantages over them. These advantages include staff allowances for ongoing legislative work, the franking privilege and ready access to the media. The franking privilege allowing certain free mailing, in particular, is a tremendous advantage even if used only legitimately. Unfortunately, in many instances of late, the uses to which that privilege has been employed have with justification come under serious question. The conferees should certainly accept the Senate's limited measures to curtail use of the franking privilege for campaign purposes.

The primary focus of the conferees should be to protect our democratic processes from abuse. The purpose of campaign reform legislation is to protect the freedom and open access to our electoral systems for all citizens. We must be extremely careful to avoid legislating ourselves into lifetime jobs by tilting the reform into a job insurance plan for incumbents. The people will not countenance such an assault upon the system.

Lastly, but of extreme importance, is the question of the enforcement provisions. Our campaign reform efforts will be a sham if the new laws do not provide adequately for impartial and diligent enforcement efforts.

In that connection, I support the Senate's provision allowing an independent Federal Elections Commission to probe and prosecute criminal violations of campaign laws without going through the Department of Justice. Unfortunately, the Department of Justice's past record in this field is questionable. Since the enactment of the Federal Corrupt Practices Act in 1925, there has never been a prosecution under these laws of a sitting Member of Congress. Even if one explains away that record, the notorious lack of priority and manpower which the Department gave to the enforcement of the Federal Elections Campaign Act for the 1972 elections was clearly disappointing.

This situation must definitely be changed. Endowing the independent Commission with the necessary strong enforcement powers would seem to be the best way to do so.

In the interest of both enforcement and promotion of political education by the campaign finance disclosure provisions as intended, it is important that unnecessary complexity in these and other provisions be eliminated. Unnecessary complexity in the bill could also lead to many unintended violations and even discourage people from entering or remaining in politics.

The conferees should review carefully the rather extensive list of exemptions from the definition of "expenditure" and of "contribution" in the House bill, with these thoughts in mind. Rather than exemptions from spending limits and disclosure provisions which may be well-intended but create complications and could be abused, it would be better to move in the direction of all-inclusive spending limits and disclosure provisions. Such a movement may necessitate a slight upward adjustment in spending ceilings.

The campaign reform bill is potentially the most positive legislative result of Watergate. I am hopeful that these remaining problems can be resolved responsibly, so that the 93d Congress can make that claim as unequivocally as possible.

CALIFORNIA'S LEGISLATURE ACTS FOR THE AGING

Mr. TUNNEY. Mr. President, a recent issue of Perspective on Aging, the publication of the National Council on the Aging, contained an article entitled "California's Legislature Acts for the Aging" by Mrs. Janet J. Levy. Mrs. Levy is the highly respected consultant to the California Joint Legislative Committee on Aging, and previously had served as the State's first commissioner on aging. Mrs. Levy's article chronicles the excellent work done in California and the joint committee. As a member of the Senate Special Committee on Aging, such issues are of great interest to me, and I am particularly proud to share with you the fine record that has been and is continually being established in California.

Mr. President, at this time I ask unanimous consent to print this article in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CALIFORNIA'S LEGISLATURE ACTS FOR THE AGING

(By Janet J. Levy)

California's concern for its older residents goes back to the early 1950s, when the first Governor's Conference on Aging was held in that state. Over the years, however, leadership in the expression of this concern had trouble finding a base. Today such base is firmly established in the state legislature's Joint Committee on Aging.

The Committee's antecedents go back to 1955 when, acting on one of the recommendations which emerged from that first Governor's conference, the state legislature created a Citizens Advisory Committee on Aging composed of eight citizen members and four representatives from the legislature's two houses, the Assembly and the Senate.

The following ten years were marked by considerable progress and included the development of such programs and services as the Older Worker Specialist employment service, Protective Services for Older Adults, an annual cost-of-living increase in assistance grants for the aging, and an appropriation for a statewide community services project for older persons. With the enactment in 1965 of the Older Americans Act (OAA), the Citizens Advisory Committee was terminated and replaced by the California Commission on Aging, whose responsibilities included approval and supervision of the OAA's Title III Community Service projects.

With that additional load to carry, and with a comparatively limited staff to serve California's 58 counties, the Commission necessarily focused virtually all its efforts on maintaining community services and acting as the liaison among federal, state, and local resources. It could give little or no attention to studying the problems confronting older Americans in the state and recommending appropriate legislative action, with the result that the momentum of the preceding years began to ebb away.

BREAKTHROUGH

Then in 1971 came the adoption of a resolution drafted by Assemblyman Leo McCarthy of San Francisco and Senator Joseph Kennick of Long Beach (both of whom had formerly been Commission on Aging members) creating the Joint Committee on Aging. As part of its mandate to study, analyze, and support legislation related to the economic, health, and social needs of older adults, the Committee was charged with taking appropriate action as regards the operation, effect, administration, enforcement, and revision of all state laws bearing on the welfare of the aged.

Membership of the Committee is composed of three members from each house of the legislature. In addition to Assemblyman McCarthy, as the chairman, and Senator Kennick, they are Assemblymen Bob Moretti of Van Nuys and Frank Murphy of Santa Cruz, and Senators Peter H. Behr of Marin

County (as vice chairman) and George Zenovich of Fresno.

In that first year of the Joint Committee's work, Chairman McCarthy introduced a wide-ranging series of legislative measures on behalf of the elderly, with other Committee members as coauthors. Included in the package were a bill revising the formula for tax exemption under the state's Senior Citizens Property Tax Assistance Law so as to allow a greater exemption for those with annual household incomes of less than $5,800; another bill appropriating $400,000 to be used by members of ethnic or economically disadvantaged aging groups to meet the matching ten percent called for under the OAA's Title VII nutrition grants program; and a bill raising the state needs level for all adult aid recipients by $12.00 toward allowing those eligible to receive a 20 percent Social Security increase. Each of these bills was quickly enacted into law.

And there were other actions as well during that first year, including a resolution addressed first, to the increasing statewide need for training resources for those working with the elderly, and second to the growing demand for continuing education for older men and women. As adopted by the legislature, this resolution required the University of California system, the State Universities and Colleges system, and the Community College system to assess their curriculums in the field of gerontology and to formulate recommendations for future action. In a related development, these three groups of postsecondary institutions also were involved in a "Higher Education for the Aging" project made possible by a grant under the OAA's Title III. Although only tax-supported institutions were covered by the resolution mandate, the Andrus Gerontology Center at the private University of Southern California is represented on the project steering committee to assure participation of the nonpublic universities and colleges in comprehensive planning.

THE PACE QUICKENS

In its second year, 1973, the Joint Committee sponsored a legislative package that Chairman McCarthy hoped "would revolutionize California's care of its elderly citizens." Two primary objectives lay behind this legislation—to correct the intolerable conditions borne by many of the 80,000 elderly Californians confined to nursing homes and other extended care facilities, and to provide services aimed at helping older persons remain in their own familiar settings as long as possible. As a preliminary to introducing this legislation the Joint Committee held a series of five hearings in the state's largest cities, on the subject of Nursing Home and Alternative Care. The witnesses included consumers (usually represented by a family member or friend), providers (either the administrator, manager, or board member of a facility), and officials of appropriate local agencies (Public Health, Social Welfare, or Health Care Services).

In addition to citing the major issues and problems relating to nursing home facilities, the sessions included discussions of specific potential ways of dealing with these issues and problems and of improving the quality of care generally. In place after place the Committee heard complaints about high turnover of staff, primarily because many aides were paid less than legal minimum wages; the lack of on-the-job training opportunities for the staff; low reimbursement for Medi-Cal (Medicaid) patients, resulting in dietary deficiencies; infrequent changing of linen; lack of activity programs; and insufficient visits by physicians.

Drawing on these public hearings, Chairman McCarthy and the Committee members coauthored a package of six bills designed to improve the quality of nursing home care while concomitantly providing an array of in-home services which would so far as possible allow older persons to remain in their own houses if they preferred. Toward protecting nursing home patients, the legislation included penalties for violations of standards pertaining to safety and health; set up more rigid licensing procedures; and increased the reimbursement rates for Medi-Cal patients in nursing homes (with a sliding scale of reimbursements keyed to the quality of care received and the amount of services rendered). The bills in addition called for the provision of comprehensive supportive services at home through Medi-Cal and rehabilitation funding, and a demonstration project to provide public health nurses at senior centers, public and low-cost housing facilities, and other locations where older persons congregate.

A CONTINUING EFFORT

The citation, licensing, and public health nurse bills have now been signed into law, but the reimbursement raise, the sliding scale formula, and the provisions for in-home supportive services were vetoed by the Governor. Chairman McCarthy insists that these issues are not dead, however, and that legislation covering them will be reintroduced.

Meanwhile the Joint Committee on Aging is going forward on a number of fronts. Its most visible efforts have to do with holding public hearings, publishing summaries of pending and final state legislative action, and conferring with local, state, and federal officials. In addition, however, Committee members and the consultant staff participate in many conferences, workshops, and special activities sponsored by senior organizations, educational institutions, churches, and public and voluntary agencies. Through such involvement and exposure, the Committee has established channels of communication and working relationships which Chairman McCarthy describes as essential to the Committee's success.

As Chairman McCarthy and his colleagues see it, one of the most important functions of a Committee such as theirs is to serve as a communications resource—for other members of the legislature and for community groups, individuals, and agencies seeking to deal with some extremely complex issues. Similarly, the Committee serves as a pipeline to and from the Federal government, and its members have formed a productive working relationship with the U.S. Senate's Special Committee on Aging.

Progressive legislation for the elderly does not just happen. From concept to enactment, the necessary ingredient is expert leadership, and that is what the California legislature's Joint Committee on Aging is seeking to provide.

MEALS ON WHEELS WEEK

Mr. PERCY. Mr. President, I am very pleased that the Senate has approved Senate Resolution 409, designating this week as Meals on Wheels Week. The first National Conference of Meals on Wheels "kitchens" is taking place here in Washington this week, so this Senate recognition is most appropriate.

Meals on wheels is a nonprofit religious and civic-operated program to deliver nutritionally balanced hot and cold meals to the homebound elderly and convalescent. There is currently no national organization of the private meals on wheels kitchens. The purposes of the first national conference, to which representatives from each State and from Canada have been invited, is to promote nutrition for the elderly and to establish more kitchens throughout North America. The conference is hosted by the Washington, D.C., Meals on Wheels Confederation, representing 26 kitchens in the Washington area.

I hope this first national conference will be a most successful one. Certainly the knowledge and experiences gained by local kitchens should be shared with other groups so that meals on wheels programs everywhere can expand and improve. The hundreds of thousands of elderly and convalescent people who beneft from meals on wheels have much to gain from such a sharing of views.

I wish to commend each of the meals on wheels kitchens across the country for their fine contributions to the health and happiness of so many people. The Washington, D.C., Meals on Wheels Confederation is to be especially congratulated for its fine work in sponsoring and organizing the conference. I also wish at this time to welcome to Washington Mrs. Cornelia Jerigan who is here representing Illinois.

Mr. President, my support for and interest in the meals on wheels program is well-known. I regret I cannot greet all of the representatives personally and that I will not be able to participate personally in the luncheon tomorrow honoring both meals on wheels volunteers and recipients. I know the occassion will be an exciting and happy one.

I wish all of the kitchens represented at the First National Conference of Meals on Wheels successful and expanded programs in the coming year.

THE GOLDEN ANNIVERSARY OF NORTH SCRANTON JUNIOR HIGH SCHOOL

Mr. BIDEN. Mr. President, today I am submitting for printing in the RECORD a resolution written by the North Scranton, Pa., Junior High School to commemorate its "Golden Jubilee," whose motto is "We're Making It Happen."

I take great pleasure in calling this anniversary to the attention of the Senate. The school, amid troubled times for our secondary educational system, is an example of what teamwork between school and community can accomplish. As a native of Scranton, I know about the tremendous accomplishment of this school. Many graduates are distinguishing themselves in their adult lives.

Mr. President, I ask unanimous consent that the resolution I referred to be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

THE GOLDEN ANNIVERSARY OF NORTH SCRANTON, PA., JUNIOR HIGH SCHOOL

Whereas, the North Scranton Junior High School has been endowed during the past half century with an illustrious administrative and instruction staff; and

Whereas, the students of this educational institution have always conducted themselves in an exemplary manner, ever mindful that they are the best representatives of the high ideals instilled in them by their mentors; and

Whereas, the alumni of this center of learning have often distinguished themselves in the public and private sectors of their communities, thus bringing renown to their Alma Mater; and

Whereas, the elected officials of the Scranton City School District have always viewed with justifiable pleasure and pride this institution's exceptional secondary education program which is specifically designed to serve the varied social, emotional and physical needs of the emerging adolescents in the North Scranton sector of their city; and

Whereas, on the occasion of the Golden Jubilee of the North Scranton Junior High School, the entire city of Scranton now joins with the faculty, student body, and innumerable numbers of its alumni, in celebration and wishing them even greater success and happiness for the future; now therefore be it

Resolved that the official motto of this anniversary program shall be: "We're Making It Happen!"

THE DEATH OF THEODORE McKELDIN

Mr. BROOKE. Mr. President, Cicero once wrote that "A man of courage is also full of faith." So it was with Theodore McKeldin, whose recent passing has taken from the American scene a man of fearless integrity and unwavering faith—qualities which gave to his public and private life alike a characteristic courage. It was my privilege to count him as a personal friend of many years standing, and the memory of that friendship will continue to be a source of inspiration.

Theodore McKeldin's career has been noted and praised across the land since his death in Baltimore last month at the age of 73. As mayor of that city and as Governor of Maryland he served the people of his city and State faithfully and well for nearly two decades. And these two decades were turbulent times for our Nation.

Governor McKeldin was one who championed the cause of civil rights for all Americans long before it became a popular national issue. He moved boldly and vigorously, in the face of bitter resentment from some, to implement the promise of American democracy for equal opportunity and equal rights. He believed passionately in human dignity and he acted upon that belief. Imbued with the vision to see what needed to be done, he was also gifted with the courage to do it. His generosity of spirit and personal warmth were readily communicated to men and women from every social and ethnic background.

His many services to Baltimore and to Maryland constitute lasting benefits which will be remembered as an important part of his legacy. But, in the long run, his memory will be especially honored for his independent spirit, his dedication to justice for all people, and his discernment of the signs of the times. He recognized that the time had come for America to fulfill the letter and the spirit of the Constitution and in so doing to further the brotherhood of man under the fatherhood of God. I salute his idealism, his courage, and his character, and to his loved ones—his widow, his children, and his grandchildren—I extend my deepest sympathy. May they take comfort in the timeless assurance of the Book of Proverbs:

> The path of the just is as the shining light, that shineth more and more unto the perfect day.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, today I wish to address myself to critics of the Genocide Convention who claim that the treaty is too weak to serve as a substantive agreement among nations for the punishment of crimes of genocide. The significance of the treaty lies in the fact of 78 or more nations coming together to identfy genocide as a heinous international crime—and to strengthen the authority of international organizations created to defend human rights worldwide. Obviously, if a nation as powerful as the United States does not ratify the treaty, then its effectiveness will be considerably lessened. With the Genocide Convention, and other U.N. conventions, we have the "opportunity and responsibility" to promote and protect humane principles for all peoples.

In its March 1974 report, "Human Rights in the World Community: A Call for U.S. Leadership," the International Organizations and Movements Subcommittee of the House Foreign Affairs Committee, recommends U.S. foreign policy measures for "strengthening the capacity of international organizations to insure protection of human rights."

The Genocide Convention of 1949 is such a measure, and again, Mr. President, I urge that we endorse this treaty now.

BALANCE OF TRADE HITS RECORD DEFICIT

Mr. DOMENICI. Mr. President, somewhere along the line this Nation's drive toward energy self-sufficiency has faltered. We read of increased dependency, not less. We see rising costs and an eroding balance-of-payments situation, dramatized by this morning's news stories on our record balance-of-trade deficit.

As the reports make clear, the underlying problem is the cost of imported petroleum. Last month this Nation paid $1.7 billion more for petroleum than a year ago, even though the volume of petroleum imports was down.

I suspect that the American people are ahead of the Congress on this issue. I think that Americans are still willing to adopt an austerity conservation program that will reduce our dependency on imported oil and move toward increasing our self-sufficiency. I would hope that the Congress would follow what I believe is the lead of the people in this area and begin to consider adopting austerity measures. For example, I have received letters recommending gas rationing. I have received letters saying that some people are willing to change their lifestyles to meet the energy crisis. Unfortunately, we have failed to translate this willingness among the American people into consistent, rational policies to reduce our dependency.

Bluntly, we face a national energy crisis at least as severe as that created by the oil embargo. In this we are a part of the plight of all oil-importing nations.

I hope to speak at greater length on this vital issue. However, let me say now in conclusion that the impact of increasing energy costs has been felt in all sectors of this Nation and in the oil-importing world. Leadership is needed and Congress has a great opportunity to provide this leadership. On the eve of the Domestic Economic Summit Conference, we should all consider ways to manifest this need for leadership.

Mr. President, I ask unanimous consent that the Washington Post article, "Balance of Trade Hits Record Deficit," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BALANCE OF TRADE HITS RECORD DEFICIT

(By James L. Rowe, Jr.)

The United States had the largest monthly trade deficit in its history in August as sky-high oil prices continued to push the nation's import bill upward.

The $1.13 billion deficit is much higher than the previous month's $728.4 million and well over the previous record deficit of $800 million in October, 1971, because of a dock strike.

The nation has already imported $2.1 billion more than it has exported in 1974 and for the year as a whole will run a deficit much larger than the administration had hoped.

Secretary of Commerce Frederick B. Dent said "the cumulative deficits are causing severe problems in our balance of payments that result in strains on our domestic economy."

The balance of trade is a basic indicator of the international economic health of a country. In normal times deficits this size would mean that foreigners would end up owning more dollars than they want.

That would lead to a weakening of the dollar—meaning it would take more dollars to purchase a German Deutsche mark, for example, which would raise the cost of imports and intensify domestic inflation.

Today, however, many nations are running large deficits to pay for their oil. Further, the oil-rich Arab countries seem to want to invest most of their new wealth in things they can buy for dollars, so the old rules are not working the same way. A top administration economic official said that the higher oil prices are having an inflationary impact on the U.S. economy, but that the dollar is not weakening severely and may even gain some strength in international markets.

While U.S. imports rose across the board, especially those of iron and steel, Dent said, "There is no doubt that the underlying problem is petroleum. In August alone, the cost of petroleum was $1.7 billion higher than a year ago, even though the volume of petroleum imports was down approximately 10 per cent."

For the year so far, the nation has imported 1.465 billion barrels of petroleum and petroleum products, 2.5 per cent less than the 1.5 billion it imported for the first seven months of 1973. But the cost of this year's oil imports was $15.8 billion, 3½ times more than the $44 billion it cost last year.

On Monday President Ford warned oil producers that the price of oil cannot be maintained at current high levels much longer and told the producers that the high prices represented a "very great risk" to themselves.

Yesterday, the secretary general of the Organization of Petroleum Exporting Countries said in Vienna that OPEC producers might decide to increase the price of oil 1 per cent a month in 1965 if the organization experts see a worldwide inflation rate of 12 per cent.

Abderrahman Khene denied, however, that he made a flat prediction last week that OPEC prices would rise 12 per cent next year and said OPEC experts would meet Oct. 23 to review the price situation.

Secretary Dent said that U.S. imports rose for the eighth consecutive month—to $9.5 billion—while exports increased modestly to $8.4 billion. A year ago, August, the nation recorded a small, $31.5 million, trade surplus.

If the monthly deficit continues for the next four months at the pace it has for the last four, the nation will be in the red by $5 billion in 1974. The administration had predicted earlier that the 1974 deficit would be in the neighborhood of $1.7 billion, a figure that has already been exceeded.

Last year, after two devaluations of the dollar, the nation's exports were $1.4 billion higher than its imports, the first trade surplus since 1970.

On another basis, in which the cost of insurance and freight is figured into the value of imports, the deficit was $1.8 billion in August and $6.77 billion for the year to date.

ECONOMIC SUMMIT CONFERENCE

Mr. NUNN. Mr. President, there are those who have criticized the economic summit conference, scheduled to begin tomorrow, on the basis that such a large and diverse gathering in the glare of television lights cannot hope to come up with any solutions that the experts have not already proposed. They conclude that the meeting is doomed to be a waste and a failure.

I believe that these critics have missed the point and the purpose of the summit. None of us who has urged this meeting expects it to work economic miracles. None of us is so naive as to expect that so diverse a group will be able to forge a single, common action plan for meeting our economic ills. None of us anticipates quick cures, surprising solutions, or easy agreement. But all of us believe that a meeting of the top public and private leadership is essential if we are to take effective action as a Nation to restore our *national* economy. And all of us are firmly convinced that nothing less than a concerted national effort can put our country back on the road to economic recovery and restore prosperity to the American people.

It is important that we keep in mind that the Federal Government is not alone responsible for our economic problems nor can it alone correct them. Every sector of the economy has contributed to the current inflation as it has pursued—understandably—its own interests. Likewise every segment is a victim of inflation. Mushrooming costs rob salaries, erode savings, squeeze profits, and make a mockery of the budgets and programs of Federal, State, and local governments.

The causes of the current situation are many, complex, and in dispute. The specific remedies available are individually of limited impact. Taken together they could be effective or, if uncoordinated, destructive. No element in our society working independently—not the President, not the Congress, not the Federal Reserve, not State and local governments, nor business, nor labor, nor finance, nor agriculture—can hope to combat this truly national problem effectively. And unless the common problem is overcome, no sector can expect to achieve any real and lasting relief for itself.

The tools available to combat inflation are limited essentially to fiscal and monetary policy, wage and price policies which most not reject as unworkable, productivity efforts, and specific actions to relieve specific structural obstacles in the economy. The President and the Congress have direct control over fiscal policy and, in principle, can change Federal spending and revenues as economic conditions appear to indicate. In practice, we all too rarely work together and often work at cross purposes. Today, coordination between us is essential.

The Federal Reserve Board has direct control over monetary policy and acts largely independently. This may be a boon or a bane to the economy. In the past we have seen expansionary fiscal policies countered by restrictive monetary policies, and we have seen the economy jerked about by fits and starts with the administration pushing on the accelerator and the Federal Reserve pulling on the brakes. Today, a coordinated approach is indispensable.

Wage and price policies, unless we are to return to the direct controls that have failed us so badly in the past, cannot be legislated. They depend on the full and willing commitment of producers and workers alike. To turn, however, to fiscal and monetary policy to combat inflation in the absence of wage and price restraint would be about as effective as clapping with just one hand. In many cases, voluntary action is more immediate, effective, and lasting than legislation can hope to be.

Such considerations as these make it evident to me that the Federal Government cannot hope to act effectively to combat our inflation unless, first, it coordinates its plan of action internally among the executive, the Congress, and the Federal Reserve, and second, unless it develops the full understanding and participation of all vital sectors of the economy, including the American people.

With productivity down for a second quarter, and prices and unemployment continuing to climb, the urgency of the problems facing the economic summit are underscored.

No one is under any illusion that we will be able to solve all our economic problems in a few hours at one meeting. I believe we will require a series of meetings over some time, to propose, plan and implement action.

When my four colleagues and I called for a domestic economic summit conference last July, I stressed the necessity of engaging the American people in a dialog on our economic problems.

This dialog was to serve as a means of getting the best ideas available from private sectors, informing all Americans as to the problems before us, and creating a climate of cooperation and common purpose to generate solutions to our present difficulties.

This concept was followed in the series of presummit conferences held throughout the country in the past month.

I personally attended one of these minisummits in Pittsburgh which dealt with the specific problems of business and industry. As a result of this conference and others around the country, it has become apparent that there are at least six steps which must be taken to curb inflation and return the Nation to a productive economy: First, cut the Federal budget; second, ease the present restrictive monetary policy; third, increase productivity; fourth, encourage savings; fifth, lower world crude oil prices; and sixth, provide relief for low income Americans and those on fixed incomes. In my opinion, these items should be among the first topics discussed when the summit convenes tomorrow.

It is my hope that the summit conference will provide the means for the development and implementation of a plan of action; and hopefully, it will bring forth from all who take part the commitment to compromise and work together for the common good that our common peril requires.

Mr. President, I firmly believe that our Nation must work together to overcome the most serious domestic difficulty that has faced this Nation in two generations. I urge my colleagues and all Americans to give this effort their fullest support.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The **ACTING PRESIDENT** pro tempore. Is there further morning business? If not, morning business is closed.

HELLS CANYON NATIONAL RECREATION AREA

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 1114, S. 2233.

The **ACTING PRESIDENT** pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2233) to establish the Hells Canyon National Recreation Area in the States of Idaho, Oregon, and Washington, and for other purposes.

The **ACTING PRESIDENT** pro tempore. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert in lieu thereof the following:

That (a) to assure that the natural beauty, and historical and archeological values of the Hells Canyon area and the one hundred and one and four-tenths mile segment of the Snake River between Hells Canyon Dam in Idaho and Asotin, Washington, together with portions of certain of its tributaries and adjacent lands, are preserved for this and future generations, and that the recreational and ecologic values and public enjoyment of the area are thereby enhanced, there is hereby established the Hells Canyon National Recreation Area.

(b) The Hells Canyon National Recreation Area (hereinafter referred to as the "recreation area"), which includes the Hells Canyon Wilderness Areas (hereinafter referred to as the "wilderness area"), the components of the Wild and Scenic Rivers System designtaed in section 3 of this Act, and the wilderness study areas designated in subsection 8(d) of this Act, shall comprise the lands and waters generally depicted on the map entitled "Hells Canyon National Recreation Area" dated July 1974, which shall be on file and available for public inspection in the office of the Chief, Forest Service, Department of Agriculture. The Secretary of Agriculture (hereinafter referred to as "the Secretary"), shall, as soon as practicable, publish a detailed boundary description of the recreation area, the wilderness study areas designated in subsection 8(d) of this Act, and the wilderness areas established in section 2 of this Act in the Federal Register.

SEC. 2. (a) The lands depicted as the "Hells Canyon Wilderness Areas" on the map referred to in subsection 1(b) of this Act are hereby designated as wilderness.

(b) The wilderness areas designated by this Act shall be administered by the Secretary in accordance with the provisions of this Act or in accordance with the provisions of the Wilderness Act (78 Stat. 893), whichever is the more restrictive, except that any reference in such provisions of the Wilderness Act to the effective date of that Act shall be deemed to be a reference to the effective date of this Act. The provisions of section 9(b) and section 11 shall apply to the wilderness areas. The Secretary shall make such boundary revisions to the wilderness areas as may be necessary due to the exercise of his authority under subsection 3(b) of this Act.

SEC. 3. (a) The Congress hereby incorporates the Rapid River and the Snake River into the National Wild and Scenic Rivers System in the status listed—

(1) Rapid River, Idaho.—The segment from the headwaters of the main stem to the national forest boundary and the segment from the headwaters of the west fork to the confluence with the main stem, as a wild river.

(2) Snake, Idaho, Oregon, and Washington.—The segment from Hells Canyon Dam downstream to Pittsburg Landing, as a wild river; the segment from Pittsburg Landing to Dough Creek, as a scenic river; and the segment from Dough Creek downstream to the town of Asotin, Washington, as a recreational river.

(b) The segments of the Snake River and the Rapid River designated as wild, scenic, or recreational river areas by this Act shall be administered by the Secretary in accordance with the provisions of the Wild and Scenic Rivers Act (82 Stat. 906), as amended: *Provided*, That the Secretary shall establish a uniform corridor along such segments and may not undertake or permit to be undertaken any activities on adjacent public lands which would impair the water quality of the Rapid River segment: *Provided further*, That the Secretary is authorized to make such minor boundary revisions in the corridors as he deems necessary for the provision of such facilities as are permitted under the applicable provisions of the Wild and Scenic Rivers Act (82 Stat. 906).

SEC. 4. (a) Notwithstanding any other provision of law, or any authorization heretofore given pursuant to law, the Federal Power Commission may not license the construction of any dam, water conduit, reservoir, powerhouse, transmission line, or other project work under the Federal Power Act (41 Stat. 1063), as amended (16 U.S.C. 791a et seq.), within the recreation area: *Provided*, That the provisions of the Federal Power Act (41 Stat. 1963) shall continue to apply to any project (as defined in such Act), and all of the facilities and improvements required or used in connection with the operation and maintenance of said project, in existence within the recreation area which project is already constructed or under construction on the date of enactment of this Act.

(b) No department or agency of the United States may assist by loan, grant, license, or otherwise the construction of any water resource facility within the recreation area which the Secretary determines would have a direct and adverse effect on the values for which the waters of the area are protected.

SEC. 5. The Asotin Dam, authorized under the provisions of the Flood Control Act of 1962 (76 Stat. 1173), is hereby deauthorized.

SEC. 6. (a) No provision of the Wild and Scenic Rivers Act (82 Stat. 906), nor of this Act, nor any guidelines, rules, or regulations issued hereunder, shall in any way limit, restrict, or conflict with present and future use of the waters of the Snake River and its tributaries upstream from the boundaries of the Hells Canyon National Recreation Area created hereby, for beneficial uses, whether consumptive or nonconsumptive, now or hereafter existing, including, but not limited to, domestic, municipal, stockwater, irrigation, mining, power, or industrial uses.

(b) No flow requirements of any kind may be imposed on the waters of the Snake River below Hells Canyon Dam under the provisions of the Wild and Scenic Rivers Act (82 Stat. 906), of this Act, or any guidelines, rules, or regulations adopted pursuant thereto.

SEC. 7. (a) Except as otherwise provided in sections 2 and 3 of this Act, and subject to the provisions of section 10 of this Act, the Secretary shall administer the recreation area in accordance with the laws, rules, and regulations applicable to the national forests for public outdoor recreation in a manner compatible with the following objectives.

(1) the maintenance and protection of the free-flowing nature of the rivers within the recreation area;

(2) conservation of scenic, wilderness, cultural, scientific, and other values contributing to the public benefit;

(3) preservation, especially in the area generally known as Hells Canyon, of all features and peculiarities believed to be biologically unique including, but not limited to, rare and endemic plant species, rare combinations of aquatic, terrestrial, and atmospheric habitats, and the rare combinations of outstanding and diverse ecosystems and parts of ecosystems associated therewith;

(4) protection and maintenance of fish and wildlife habitat;

(5) protection of archeological and paleontologic sites and interpretation of these sites for the public benefit and knowledge insofar as it is compatible with protection;

(6) preservation and restoration of historic sites associated with and typifying the economic and social history of the region and the American West; and

(7) such management, utilization, and disposal of natural resources on federally owned lands, including, but not limited to, timber harvesting by selective cutting, mining, and grazing and the continuation of such existing uses and developments as are compatible with the provisions of this Act.

SEC. 8. (a) Within five years from the date of enactment of this Act the Secretary shall develop a comprehensive management plan for the recreation area which shall provide for a broad range of land uses and recreation opportunities.

(b) In the development of such plan, the Secretary shall consider the historic, archeological, and palentological resources within the recreation area which offer significant opportunities for anthropological research. The Secretary shall inventory such resources and may recommend such areas as he deems suitable for listing in the National Register of Historic Places. The Secretary's comprehensive plan shall include recommendations for future protection and controlled research use of all such resources.

(c) The Secretary shall, as a part of his comprehensive planning process, conduct a detailed study of the need for, and alternative routes of, scenic roads and other means of transit to and within the recreation area. In conducting such study the Secretary shall consider the alternative of upgrading existing roads and shall, in particular, study the need for and alternative routes of roads or other means of transit providing access to scenic views of and from the western rim of Hells Canyon.

(d) The Secretary shall review, as to their suitability or nonsuitability for preservation as wilderness, the areas generally depicted on the map referred to in section 1 of this Act as the "Lord Flat-Somers Point Plateau Wilderness Study Area" and the West Side Reservoir Face Wilderness Study Area" and report his findings to the President. The Secretary shall complete his review and the President shall, within five years from the date of enactment of this Act, advise the United States Senate and House of Representatives of his recommendations with respect to the designation of lands within such area as wilderness. In conducting his review the Secretary shall comply with the provisions of section 3(d) of the Wilderness Act and shall give public notice at least sixty days in advance of any hearing or other public meeting concerning the wilderness study area. The Secretary shall administer all Federal lands within the study areas so as not to preclude their possible future designation by the Congress as wilderness. Nothing contained herein shall limit the President in proposing, as part of this recommendation to Congress, the designation as wilderness of any additional area within the recreation area which is predominantly of wilderness value.

(e) In conducting the reviews and preparing the comprehensive management plan required by this section, the Secretary shall provide for full public participation and shall consider the views of all interested agencies, organizations, and individuals including, but not limited to, the Nez Perce Tribe of Indians, the States of Idaho, Oregon, and Washington. The Secretaries or Directors of all Federal departments, agencies, and commissions having relevant expertise are hereby authorized and directed to cooperate with the Secretary in his review and to make such studies as the Secretary may request on a cost reimbursable basis.

SEC. 9. (a) The Secretary is authorized to acquire such lands or interests in land (including, but not limited to, scenic easements) as he deems necessary to accomplish the purposes of this Act by purchase with donated or appropriated funds with the consent of the owner, donation, or exchange.

(b) The Secretary is further authorized to acquire by purchase with donated or appropriated funds such lands or interests in lands without the consent of the owner only if (1) he deems that all reasonable efforts to acquire such lands or interests therein by negotiation have failed, and (2) the total acreage of all other lands within the recreation area to which he has acquired fee simple title or lesser interests therein without the consent of the owner is less than 5 per centum of the total acreage which is privately owned within the recreation area on the date of enactment of this Act: *Provided*, That the Secretary may acquire scenic easements in lands without the consent of the owner and without restriction to such 5 per centum limitation: *Provided further*, That the Secretary may only acquire scenic easements in lands without the consent of the owner after the date of publication of the regulations required by section 10 of this Act when he determines that such lands are being used, or are in imminent danger of being used, in a manner incompatible with such regulations.

(c) Any land or interest in land owned by the States of Oregon or Washington or any of their political subdivisions may be acquired only by donation. Any land or interest in land owned by the State of Idaho or any of its political subdivisions may be acquired only by donation or exchange.

(d) As used in this Act the term "scenic easement" means the right to control the use of land in order to protect esthetic values for the purposes of this Act, but shall not preclude the continuation of any farming or pastoral use exercised by the owner as of the date of this Act.

(e) The Secretary shall give prompt and careful consideration to any offer made by a person owning land within the recreation area to sell such land to the Secretary. The Secretary shall specifically consider any hardship to such person which might result from an undue delay in acquiring his property.

(f) In exercising his authority to acquire property by exchange, the Secretary may accept title to any non-Federal property, or interests therein, located within the recreation area and, notwithstanding any other provision of law, he may convey in exchange therefor any federally owned property within the same State which he classifies as suitable for exchange and which is under his administrative jurisdiction: *Provided*, That the values of the properties so exchanged shall be approximately equal, or if they are not approximately equal, they shall be equalized by the payment of cash to the grantor or to the Secretary as the circumstances require. In the exercise of his exchange authority, the Secretary may utilize authorities and procedures available to him in connection with exchanges of national forest lands.

(g) Notwithstanding any other provision of law, except for the provisions of subsection (a) of this section, the Secretary is authorized to acquire mineral interests in lands within the recreation area, with or without the consent of the owner. Upon acquisition of any such interest, the lands and/or minerals covered by such interest are by this Act withdrawn from entry or appropriation under the United States mining laws and from disposition under all laws pertaining to mineral leasing and all amendments thereto.

(h) Notwithstanding any other provision of law, any Federal property located within the recreation area may, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary for use by him in carrying out the purposes of this Act.

Sec. 10. The Secretary shall promulgate, and may amend, such rules and regulations as he deems necessary to accomplish the purposes of this Act. Such rules and regulations shall include, but are not limited to—

(a) standards for the use and development of privately owned property within the recreation area, which rules or regulations the Secretary may, to the extent he deems advisable, implement with the authorities delegated to him in section 9 of this Act, and which may differ among the various parcels of land within the recreation area;

(b) standards and guidelines to insure the full protection and preservation of the historic, archaeological, and paleontological resources in the recreation area;

(c) provision for the control of the use of motorized and mechanical equipment for transportation over, or alteration of, the surface of any Federal land within the recreation area; and

(d) provision for the control of the use and number of motorized and nonmotorized river craft: *Provided*, That the use of such craft is hereby recognized as a valid use of the Snake River within the recreation area.

Sec. 11. Notwithstanding the provisions of section 4(d) (2) of the Wilderness Act and subject to valid existing rights, all Federal lands located in the recreation area are hereby withdrawn from all forms of location, entry, and patent under the mining laws of the United States, and from disposition under all laws pertaining to mineral leasing and all amendments thereto.

Sec. 12. The Secretary shall permit hunting and fishing on lands and waters under his jurisdiction within the boundaries of the recreation area in accordance with applicable laws of the United States and the States wherein the lands and waters relocated except that the Secretary may designate zones where, and establish periods when, no hunting or fishing shall be permitted for reasons of public safety, administration, or public use and enjoyment. Except in emergencies, any regulations of the Secretary pursuant to this section shall be put into effect only after consultation with the appropriate State fish and game department.

Sec. 13. Ranching, grazing, farming, and the occupation of homes and lands associated therewith, as they exist on the date of enactment of this Act, are recognized as traditional and valid uses of the recreation area.

Sec. 14. Nothing in this Act shall diminish, enlarge, or modify any right of the States of Idaho, Oregon, Washington, or any political subdivisions thereof, to exercise civil and criminal jurisdiction within the recreation area or of rights to tax persons, corporations, franchises, or property, including mineral or other interests, in or on lands or waters within the recreation area.

Sec. 15. The Secretary may cooperate with other Federal agencies, with State and local public agencies, and with private individuals and agencies in the development and operation of facilities and services in the area in furtherance of the purposes of this Act, including, but not limited to, restoration and maintenance of the historic setting and background of towns and settlements within the recreation area.

Sec. 16. (a) There is hereby authorized to be appropriated the sum of not more than $60,000,000 for improvements of—

(1) the existing road from the town of Imnaha, Oregon, to Dug Bar on the Snake River;

(2) the existing road from White Bird, Idaho, over Pittsburg Saddle to Pittsburg Landing on the Snake River;

(3) either the existing road from Imnaha, Oregon, to Five Mile Point, or an alternative road following generally the same route to Five Mile Point, and thence to Hat Point Lookout above the Snake River;

(4) the existing road from Riggins, Idaho, to Heaven's Gate Lookout above the Snake River.

(b) There is hereby authorized to be appropriated the sum of not more than $10,000,000 for the acquisition of lands and interests in lands.

(c) There is hereby authorized to be appropriated the sum of not more than $10,000,000 for the development of recreation facilities (principally campgrounds) along the four roads as described in subsection (a) of this section and for the development of interpretive visitors' centers at Hat Point in Oregon and at Heaven's Gate in Idaho.

(d) There is hereby authorized to be appropriated the sum of not more than $1,500,000 for the inventory, identification, development, and protection of the historic and archeological sites described in section 5 of this Act.

Sec. 17. If any provision of this Act is declared to be invalid, such declaration shall not affect the validity of any other provision hereof.

Mr. CHURCH. Mr. President, this legislation is jointly sponsored by myself, Senator McClure, Senator Hatfield, and Senator Packwood. The Senate Committee on Interior and Insular Affairs, to which the bill was referred, has considered the legislation and favorably reports the bill with an amendment and recommends that the bill as amended do pass.

As a sponsor, I am pleased to offer the Hells Canyon National Recreation Area proposal for Senate consideration. The bill is designed to assure that the Hells Canyon area in Idaho and Oregon will be maintained for the enjoyment and benefit of the people. Passage will mark the culmination of a long debate over the future use of the last free-flowing stretch of the mighty Snake River.

Since 1954, the fate of Hells Canyon has been in question. Hydroelectric interests have pressed for Federal Power Commission authorization to construct a dam on this stretch of the river. As a result of determined opposition by groups of concerned citizens throughout the Pacific Northwest, the Supreme Court of the United States ruled that the Federal Power Commission should reconsider an order issued by that Agency in 1964 which licensed construction of the High Mountain Sheep Dam. Subsequent to that decision, I introduced, along with former Senator Len Jordan, a 10-year Middle Snake River moratorium bill. That proposal passed the Senate on two different occasions but was never acted on by the House of Representatives. In February 1971, an administrative law judge of the Federal Power Commission rendered an initial decision on this matter and recommended that an FPC moratorium be placed on construction of any project until September 11, 1975, in order to give Congress time to work out a management plan for the Hells Canyon region. The time is drawing near for a final legislative determination to be made.

Unless action is taken in this Congress, I fear that the FPC may license construction of a high dam—a dam whose kilowatt production capacity would only be enough to satisfy a few months' growth in the Northwest's energy demand. Such an irreversible step, which will not solve any long-term energy needs, is totally unacceptable to me. The administration agrees. In testimony before the Interior Committee, numerous executive agencies, including the Army Corps of Engineers, the Forest Service, the Environmental Protection Agency, the Department of Interior and the Federal Energy Administration recommended the Middle Snake for inclusion in the Wild and Scenic River System.

Furthermore, to accommodate various resource user groups, including mining and timber interests, and recognizing the nationwide need for both minerals and timber, the total acreage in Idaho has been cut back by nearly half.

This decision will not jeopardize the basic goal of the act which is to prevent construction of a dam on the Snake River in the Hells Canyon area, to preserve the canyon—the deepest gorge on the North American continent—in its natural state, and to maintain the water quality in the Rapid River drainage.

The combined, dedicated efforts of a great many Idahoans is represented by this legislation. Also, the Senators from Idaho and Oregon have spent a good many hours together, molding what I believe is a well-balanced measure designed to manage the Hells Canyon region.

The Hells Canyon National Recreation Area bill was introduced more than a year ago. Public hearings have been held in LaGrande, Oregon, and in Lewiston, Idaho. Further, the Subcommittee on Parks and Recreation of the Senate Interior Committee held hearings in Washington, and both the subcommittee and the full committee have favorably considered this bill.

Sponsors of this bill never intended the initial draft, which was submitted in July 1973, to be the final version. The Interior Committee made changes in which the sponsors concur. These changes were made at the behest of those who testified, representing many different user groups—recreation, timber, mineral, to name only a few.

Of considerable importance on the Idaho side was a redrawing of boundaries, which I mentioned earlier, to exclude the Rapid River drainage. This area is vitally important to the anadromous fishery of the entire Pacific Northwest. Thus, although the drainage is left outside the boundaries of the national recreation area, it is provided in the bill that the water quality of the Rapid River will be sustained by including the Rapid River in the wild and scenic rivers system. Moreover, the entire drainage area is to be managed in such a manner as to be consonant with the objective of preserving the water quality of that river.

Our purpose has been to create a management plan for the Hell's Canyon area. To be included are two wilderness areas, several study areas, and the designation of certain segments of the Snake and Rapid Rivers as recreation, scenic or wild. Except for the designation of the rivers, which the administration itself recommends in the case of the Snake, the management scheme is similar in concept to that of the Sawtooth National Recreation Area bill, enacted in 1972.

Certain exceptions have been made to the Wilderness Act and the Wild and Scenic Rivers Act in this effort to develop a comprehensive management plan. I am not unmindful of these exceptions. I was floor manager of the Wilderness Act and author of the Wild and Scenic Rivers Act. However, I do not—and it is not the intent of the Senate Interior and Insular Affairs Committee—to view these exceptions as a vehicle for setting new precedents on interpretation or administration of these basic enabling statutes.

Mr. President, I ask unanimous consent that the section-by-section analysis of this bill, which appears in the Senate Interior Committee report on S. 2233, be printed in the RECORD.

There being no objection, the section-by-section analysis of the bill was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Section 1(a) defines the purpose of the Act which is to preserve the Hells Canyon area, portions of the Snake River and Rapid River in Idaho, including certain tributaries and adjacent lands, by establishing a Hells Canyon National Recreation Area.

Section 1(b) describes the boundaries of the Hells Canyon National Recreation Area, including Hells Canyon Wilderness Areas, components to the Wild and Scenic River System, and certain wilderness study areas, located in the State of Oregon.

The Committee intends by creation of a national recreation area to develop a specific form of management for the area involved. While certain portions of the Hells Canyon National Recreation Area are also included with the Wilderness System and the Wild and Scenic Rivers System, this Act is not intended to set a precedent for inclusion of future areas into either the Wilderness System or the Wild and Scenic Rivers System. Special exceptions to the Wilderness Act and the Wild and Scenic Rivers Act have been made in this Act in order to structure a comprehensive management plan which includes wild, scenic, and recreational rivers, wilderness areas and recreation areas.

Section 2(a) establishes, by reference to an official map, the Hells Canyon Wilderness Areas which are designated as wilderness and thereby incorporated into the Wilderness System.

Section 2(b) requires that the wilderness areas, designated by this Act, shall be administered under provisions of this Act or the Wilderness Act, whichever is the more restrictive. Section 9(b) and section 11 of this Act apply to the wilderness areas designated herein and where appropriate are meant to be specific exceptions to the Wilderness Act.

The Secretary is also directed to make boundary revisions to the wilderness areas which border lands adjacent to and designated part of those segments of the Snake River incorporated into the Wild and Scenic Rivers System where such revision would be required by a boundary adjustment pursuant to subsection 3(b).

Section 3(a) designates and classifies portions of the Snake River and the Rapid River for inclusion in the Wild and Scenic Rivers System. The Rapid River, from the headwaters of the main fork to the present national forest boundary (20.3 river miles) and from the headwaters of the west fork to its confluence with the main stem of the Rapid River (10.5 river miles) is designated a wild river. The Snake River, from Hells Canyon Dam downstream to Pittsburg Landing (32.4 river miles) is designated a wild river; from Pittsburg Landing to Dough Creek (43.8 river miles) is designated a scenic river; and, from Dough Creek to Asotin, Washington (25.1 river miles) is designated a recreational river.

Section 3(b) provides that those segments of the Snake River and the Rapid River designated under this Act shall be administered under provisions of the Wild and Scenic Rivers Act. However, the Secretary is required to establish a generally uniform corridor along the river segments involved.

While not constituting an exception to subsection 3(b) of the Wild and Scenic Rivers Act which directs that such river corridors shall include an average of not more than 320 acres per mile on both sides of the river, this subsection directs the Secretary to establish river corridors which generally do not include varying amounts of land groupings per river mile, causing irregular boundaries. This provision is necessitated due to the wilderness areas which abut the river on both sides.

The Secretary is not to undertake or permit to be undertaken any activity on public lands in the Rapid River drainage which would impair the water quality of those portions of the Rapid River designated as wild river. The Committee intends, therefore, that such activities as may take place in the drainage area shall be in consonance with the objectives sought by the Committee in maintaining the water quality of the Rapid River. The Rapid River Salmon Hatchery, located in the Rapid River drainage area, is meant to sustain the anadromous fishery in the Snake, Salmon and Clearwater drainages. The success of this hatchery is due, in large part, to the water quality of the Rapid River and associated watershed resources. The entire drainage area shall, thus, be managed to protect the water quality of this river. In developing management policies for this watershed, the Secretary should consider, as an example, the severe watershed degradation done in the adjoining Indian Creek drainage as a result of existing resource management practices. The Committee intends that such degradation should not occur in the Rapid River drainage which would thereby impair the water quality of the Rapid River itself.

The Secretary is authorized to make such minor boundary changes in the corridors of the rivers as he deems necessary to provide for such facilities and structures for public use as are permitted under the Wild and Scenic Rivers Act. By setting back the wilderness boundaries from the banks of the Snake River and establishing a corridor of land adjacent to the river which is included within the Wild and Scenic River designation, the Committee believes that the Secretary shall clearly be allowed to permit such permanent structures along the banks of the Snake River as he deems necessary to support public use.

Section 4(a) provides that the Federal Power Commission shall not license the construction of any dam or other work project heretofore authorized by law within the national recreation area. However, such projects as are already constructed or under construction on the date of enactment of this Act and within the recreation area shall not be affected by provisions of this subsection.

Section 4(b) prohibits any department or agency of the United States from assisting in any way in the construction of any water resource facility within the recreation area which would have an adverse effect on the values for which the waters within the recreation area are to be protected. Concern was expressed during public hearings that this subsection, as originally worded, might be interpreted as a prohibition on the use of Federal funds for upstream water development. The Committee amended the original bill to assure that the limitation on Federal government assistance applies only within the recreation area.

Section 5 deauthorizes Asotin Dam.

Section 6(a) provides that no provisions of the Wild and Scenic Rivers Act, nor this Act, nor any guidelines, rules or regulations issued pursuant to this Act shall limit, restrict or conflict with the present or future upstream water uses. The Committee intends, by this language, to protect and preserve the present and future rights of the water users upstream in the State of Idaho.

Section 6(b) prohibits the establishment of any minimum flow requirements through that portion of the Snake River included within the Wild and Scenic Rivers system.

Section 7(a) directs that the Secretary shall administer the recreation area for public outdoor recreation and in a manner compatible with the following objectives:

(1) to maintain and protect the free-flowing nature of rivers within the recreation area,

(2) to conserve the scenic, wilderness, cultural, scientific and other values contributing to the public benefit,

(3) to preserve features and peculiarities believed to be biologically unique,

(4) to protect and maintain fish and wildlife habitat,

(5) to protect and interpret archeological and paleontologic sites,

(6) to preserve and restore certain historic sites associated with the economic and social history of the region,

(7) to manage, utilize and dispose of federally owned natural resources, including timber harvesting by selective cutting, min-

ing and grazing and other such uses as are compatible with the Act. The Committee intends, by this language to allow selective clearcutting, but such activity violates the policy of this Act and consequently, should only be allowed under the most exceptional of circumstances and not in detriment to the other objections contained herein.

The provisions of this subsection shall be superseded in those areas of the recreation area otherwise provided for under sections 2 and 3 and 10 of this Act dealing with wilderness designation (section 2), wild, scenic and recreational river designation (section 3), and promulgation of regulations for certain activities within the recreation area (section 10).

Section 8(a) prescribes that within five years from the date of enactment of this Act the Secretary develop a comprehensive management plan for the recreation area.

Section 8(b) provides that in developing a comprehensive management plan as provided under subsection 8(a), the Secretary is directed to give special attention to the historic, archeological and paleontological resources of the area; to inventory such resources; and, where appropriate to recommend such areas for listing in the National Register of Historic Places. The Secretary's comprehensive plan is to include recommendations for future protection and controlled research use of all such resources.

Section 8(c) directs the Secretary, as part of his comprehensive planning process, to conduct a detailed study of the need for scenic roads and other means of transit into the recreation area. The Secretary is directed to give particular attention to the need for providing roads and other means of transit which would provide access to scenic views of and from the western rim of Hells Canyon. The Secretary is also required, in his study, to consider the alternative of upgrading existing roads. The Committee intends that the Secretary, in conducting this study, shall engage advanced engineering consultation, within or without the Department of Agriculture. Furthermore, all alternative means of transit, including mass transit, and alternative locations of routes should be fully considered so that such recommendations will be in consonance with the overall purposes of the recreation area.

Section 8(d) directs the Secretary to review certain areas within the recreation area in Oregon for suitability or non-suitability as wilderness. Within five years the Secretary is to complete his review and the President is to inform the Congress of such recommendation. Further, the Secretary is required to conduct such review in accordance with section 3(d) of the Wilderness Act and shall give 60 days public notice of any hearing on such study areas. The Secretary is not precluded from recommending other areas within the recreation area for inclusion within the wilderness system.

The Committee intends that the studies called for in this subsection and the road and transportation study called for in section 8(c) shall be conducted in close coordination because much of the same terrain is involved in both studies. Direction to study roads and other access alternatives is not intended in any way to prejudice full study and consideration of wilderness along the rim of the canyon, but neither is the wilderness study requirement intended to in any way prejudice full study of roads and other access alternatives to and along the rim. Rather, it is the objective of these provisions to assure that the Secretary, the public and the Congress will be provided the fullest and most objective study of all alternatives, so that ultimate development and wilderness designation decisions may be arrived at on the basis of the most thorough and informed consideration.

Section 8(e) directs the Secretary in preparing the comprehensive management plan to provide full public participation and to consider the views of all interested public and private bodies. Such interested agencies, organizations and individuals could include, for example, the principal universities of the three states involved and the governmental and nongovernmental agencies and organizations concerned with historical ecological and land use studies. The Committee anticipates that the Secretary will fully consider the views and recommendations of these interested parties.

Section 9(a) provides that the Secretary is authorized to acquire lands or interests in land accomplish the purposes of this Act by donation, exchange or purchase from willing sellers with donated or appropriated funds.

Section 9(b) provides that the Secretary may acquire without the consent of the owner lands and interests in land only if two requirements are met. (1) The Secretary deems that all reasonable efforts to acquire such lands or interests in land by negotiation have failed; and (2) no more than 5 per centum of the total private owned land within the recreation area shall have been acquired without the consent of the owner. Notwithstanding the 5 per centum limitation on land acquisition in the recreation area, the Secretary is authorized to acquire scenic easements in land without the consent of the owner. Furthermore, as provided in subsection 9(g) the 5 per centum limitation shall not apply to the acquisition of mineral interests. After regulations required by section 10 of this Act have been published the Secretary may only acquire scenic easements in lands without the consent of the owner and then, only if such lands are being used, or are in imminent danger of being used in a manner incompatible with such regulations. The Committee intends by provisions of this subsection to limit the power of the Secretary to acquire lands or interests therein without the consent of the owner. The acquisition of scenic easements is intended to be a principal method by which conformance to the overall purposes of this Act is to be achieved; that is why no limitation, like that placed on the acquisition of land or other interests therein, save mineral interests, is imposed in the case of scenic easements.

Section 9(c) provides that lands or interests in land owned by the States of Oregon or Washington or a political subdivision may be acquired only by donation. Such land or interests in land owned by the State of Idaho may be acquired only by donation or exchange. Provisions of the Idaho Admissions Act prohibit the State of Idaho from donating any State school section lands. The Committee recognizes the difficulty thus created for the State of Idaho in light of the fact that the Committee has adoped a policy of requiring a State to donate lands which are utilized for the same recreation purposes as that anticipated by the Federal government. However, it is still the policy of the Committee to retain the requirement of donation of State lands under such circumstances.

Section 9(d) defines "scenic easement" to mean the right to control the use of land to protect esthetic values but not to preclude farming or pastoral uses already existing.

Section 9(e) requires the Secretary to give prompt consideration to any offer made to sell private inholdings within the recreation area and to specifically consider any undue hardship to such property owner caused by an undue delay.

Section 9(f) provides that the Secretary may accept title to any non-Federal property in the recreation area and exchange for such property any federally owned property within the same State. Where values of such exchanged properties are not equal, such value may be equalized by the payment of cash from the party required to equalize the exchange.

Section 9(g) provides that the Secretary is authorized to acquire mineral interests in lands within the recreation area. Such acquired lands or mineral interest shall be withdrawn from further mineral entry.

Section 9(h) provides that lands under the jurisdiction of another agency may be transferred to the administrative jurisdiction of the Secretary.

Section 10(a) directs the Secretary to promulgate rules and regulations for the use and development of private lands within the recreation area. While regulations may differ from parcel to parcel, they shall be in furtherance of the purposes of this Act.

Section 10(b) directs the Secretary to promulgate standards and guidelines for the protection of historic, archaeological and paleontological resources in the recreation area as further defined in subsection 8(b) of this Act.

Section 10(c) directs the Secretary to promulgate such regulations as may be necessary to control the use of motorized and mechanical equipment for transportation over Federal lands within the recreation area. The Committee intends by this subsection to draw special attention to the need to take action to regulate the use of and protect the surface values of, the Federal lands in the recreation area, and thus directs that rules and regulations necessary to carry out this subsection shall be promulgated and issued by the Secretary.

Section 10(d) directs the Secretary to promulgate rules and regulations to control the use of motorized and nonmotorized river craft. However, the Committee specifically recognizes that the use of such motorized craft as jet boats are a valid use and thereby allowed within the recreation area.

Section 11 provides that all Federal lands located within the recreation area are withdrawn from all forms of mineral location, entry and patent notwithstanding subsection 4(d)(2) of the Wilderness Act.

Section 12 directs the Secretary to permit hunting and fishing within the boundaries of the recreation area in accordance with applicable federal and state laws, except that he may designate zones where and establish periods when, no hunting or fishing shall be permitted for reasons of public safety, administration or public use and enjoyment. Except in an emergency the Secretary must first consult with appropriate State fish and game departments regarding regulations under this section. The Committee intends by the language of this subsection to assure that the States involved will continue present jurisdiction over hunting and fishing.

Section 13 provides that ranching, grazing, farming and the associated occupation of lands and homes shall be considered valid uses of the recreation area.

Section 14 clarifies that nothing in this Act shall diminish, enlarge or modify the civil and/or criminal jurisdiction of the States involved over lands within the recreation area.

Section 15 provides that the Secretary may cooperate with other governmental bodies in the development and operation of facilities and services in the area which are in furtherance of the purposes of this Act.

Section 16(a) authorizes to be appropriated the sum of not more than $60,000,000 for improvements of existing roads or alternate roads into and within the recreation area.

Section 16(b) authorizes to be appropriated the sum of not more than $10,000,000 for the acquisition of lands or interests in land within the recreation area.

Section 16(c) authorizes to be appropriated the sum of not more than $10,000,000 for the development of certain recreation facilities.

Section 16(d) authorizes to be appropriated the sum of not more than $1,500,000 for identification, development and protection of historical and archeological sites described in section 5 of this Act.

Section 17 provides where any provision of this Act may be declared invalid, such will not affect the validity of other provisions of this Act.

Mr. CHURCH. Mr. President, I ask unanimous consent to have printed in the Record a statement by the distinguished Senator from Oregon (Mr. Hatfield) who is unable to be here today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Statement by Senator Hatfield

I strongly support S. 2233 as reported by the Senate Interior Committee and I urge the Senate to pass this legislation.

Protection of the Hells Canyon area is hardly a new issue. We have been dealing with measures affecting this area for many years. The Senate has twice passed legislation I cosponsored with the senior Senator from Idaho (Mr. Church) and Len Jordan, our former colleague from Idaho, which would have prohibited dam construction on this magnificent stretch of the Middle Snake River until 1978. Unfortunately, the House of Representatives never approved this bill.

The legislation before us today is the result of numerous meetings and discussions in which my colleague from Oregon (Mr. Packwood) and I have been involved with Senators Church and McClure. S. 2233 has been the subject of field hearings in both La Grande, Oregon and Lewiston, Idaho, as well as hearings here in Washington. It has been carefully considered by the Parks and Recreation Subcommittee and the full Senate Interior Committee. I believe the bill has been examined by all interested parties and that we must now resolve the issues relating to the future disposition of Hells Canyon and the surrounding area.

Two major issues are addressed by this legislation: dam construction and land use. In prohibiting the construction of dams or other water resource facilities within the area, we are recognizing that environmental values cannot be disregarded in our attempt to provide additional energy. I believe that our decision is in the best long term interests of the citizens of the Pacific Northwest and of the nation. Rather than convert the deepest gorge in the Pacific Northwest into a reservoir, we must fully develop the potential of existing hydroelectric projects. Congress has appropriated funds for this purpose and the Senate has passed legislation to put the Bonneville Power Administration on a self-financing program. Enactment of this bill will virtually guarantee that the BPA will be able to fulfill its responsibilities in helping to meet the growing energy needs of the Northwest in the next two decades and beyond. In addition to these efforts, we must move to develop the vast geothermal energy resource of the Northwest, as well as other potential supplies. Prohibition of dam construction on the Middle Snake River is a recognition of the best use to which this area can be put, which is the opportunities for recreation and spiritual renewal which are offered by this unique and exciting area.

The issue of how the lands surrounding the Middle Snake River will be managed is of equal importance to the question of dam construction. Since most of the lands within the area are currently managed by the Agriculture Department's Forest Service, we have directed the Secretary of Agriculture to develop a comprehensive management plan for the area within 5 years of the enactment of this Act. While recreation will be the primary use of the area, grazing and timber harvest can also take place, since these activities can be compatible with recreation.

In addition to some "instant wilderness" within the rim of Hells Canyon, the Lord Flat-Somers Point and the West Side Reservoir Face areas will be studied specifically for their suitability or nonsuitability as wilderness. The Secretary of Agriculture is also directed to conduct a detailed study of the transportation needs within the National Recreation Area. The study of roads and access alternatives should not prejudice the full study and consideration of wilderness along the rim, just as the wilderness study provision should not prejudice the full study of transportation needs. Our intention is to insure that all wilderness and access alternatives are given equal consideration before final decisions are made.

One important concern of many individuals owning lands within the boundaries of the National Recreation Area is that of condemnation. Section 9(b)(2) of this bill actually restricts the power of the government to acquire fee simple title without the consent of the owner. I believe each of us who has worked on this legislation shares the view that condemnation should be kept to the absolute minimum. When it is necessary to acquire private lands, or an interest in them, negotiations between the owner and the government should take place instead of condemnation. If no agreement can be reached, and acquisition of an interest in the land in question seems imperative to the protection of the area, then condemnation for the purpose of obtaining a scenic easement is encouraged.

All four Senators from Oregon and Idaho have worked hard to produce a bill which all of us can support. We have such a bill in S. 2233, and I urge the Senate to adopt it.

In addition, I am hopeful that the House of Representatives will act quickly to approve legislation to protect Hells Canyon. I have had the opportunity to work with Congressman Al Ullman, who represents the district which includes the Oregon side of this National Recreation Area, on this issue and he has introduced H.R. 2624, which is similar to the bill the Senate is considering today. There are some differences between the two bills, but I am confident that they can be resolved.

It has been a rewarding experience to work with Senator Church, Senator McClure, Senator Packwood, and Congressman Ullman on this important legislation, and I hope that this Congress will see the enactment and signing into law of legislation to protect the Hells Canyon Area.

Mr. CHURCH. Mr. President, I would like to say, in that connection, that I am personally most grateful to my colleague, Senator McClure, and to the two distinguished Senators from Oregon—I see Senator Packwood in the Chamber—for the cooperation that they have extended in effort to fashion a bill that could have and, indeed, does have, so large a measure of public support in both States. It was Senator Packwood who first proposed the creation of a special management plan for the Hells Canyon region of the river, and I think that the concerted efforts of the four Senators, over the past many months, have now brought that dream closer to reality.

I hope today that the Senate will enact this legislation so the House may have an opportunity to consider such action as it may choose to take before the close of this session.

Mr. HASKELL. Mr. President, I rise today in opposition to S. 2233.

This position has not been an easy one for me. I do believe that the Hells Canyon area is an extraordinary natural wonder and that its land and the waters of the Snake and Rapid Rivers merit the best form of protection we can give them. Surely, we must face up to our responsibility to provide that protection so that future generations can marvel at the scenic wonders the area so liberally offers to us. I also wish to express my appreciation to the four Senators from Idaho and Oregon who, as cosponsors of this proposal, have assumed the burden of leadership for us in meeting this responsibility. I most particularly wish to commend my colleague, the senior Senator from Idaho, for his untiring efforts on behalf of this bill and over the years in attempting to put this particular legislative package together.

S. 2233 is the culmination of his long, unstinting, and often lonely fight to preserve the uncluttered landscape and free-flowing waters of this area.

My opposition to S. 2233 thus does not relate to its purpose—which is a proper and, indeed, noble one—but to the manner in which that purpose would be effected.

It is my firm belief that the provisions of this bill in designating, and providing management mandates for, two national forest wilderness areas and segments of two rivers as wild and scenic rivers, may be establishing wilderness and wild and scenic river policy contrary to that embodied in the law and practiced by the Senate Interior Committee and the Senate as a whole. Of course, if enacted, this bill would, as to the particular lands affected, amend the Wilderness Act and the National Wild and Scenic Rivers Act and might indicate an official change in committee and congressional policy. I believe, however, that the precedents this bill would set would do severe damage to the future of the national wilderness preservation system and the National Wild and Scenic Rivers System. But, Mr. President, preservation of the Hell's Canyon area is so critical a task that I for one would assume such a risk did I believe it necessary; but I believe it is not.

Yesterday, I addressed a letter to Chief Forester John R. McGuire, U.S. Forest Service, posing questions to him which I felt were not adequately responded to during the Interior Committee's markup of this bill. I ask unanimous consent that this letter be printed in the Record at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HASKELL. Although there has not been time for a formal response to this letter, I have received information from the Forest Service which troubles me deeply.

Mr. President, contrary to actions of the Interior Committee of this very Congress, S. 2233 designates "instant" wildernesses and "instant" wild and scenic rivers in the absence of the intensive studies concerning their suitability for designation provided for in the Wilderness Act and the Wild and Scenic Rivers Act. We do not have either the study reports of the Department of Agriculture or the recommendations of the President on these areas and rivers.

During committee markup, my colleagues from Idaho hastened to reassure me that we were not, however, legislating in the dark for these areas and rivers have been studied extensively despite the absence of official wilderness and wild and scenic river studies. I submit that if we are not asked to cast our votes in darkness, it is at best only the dimmest of light. These alternative studies are wholly inadequate.

In the past, the junior Senator from Idaho and ranking minority member of the Public Lands Subcommittee on which I serve as chairman, has adamantly required that, before we designate a wilderness, a full-fledged U.S. Geological Survey-Bureau of Mines Mineral Survey be conducted in a proposed wilderness area and the report be submitted to Congress together with the official wilderness study and the President's recommendations. He has scrutinized those reports to determine what minerals we may be including in wilderness; and he has expressed concern over the inadequacy of the methodology employed in the USGS-Bureau of Mines surveys.

When I raised the question of an official mineral survey in committee markup I was surprised to learn that my colleague was cosponsoring a bill which designates two instant wildernesses in which no official mineral surveys have been conducted. My colleague suggested that numerous other mineral studies had been conducted in the area.

Mr. President, despite these reassurances, the fact is only one-fourth of the two wilderness areas has received any significant mineral study. The Idaho Bureau of Mines, in 1954, conducted a generalized study and, in 1974, published a Synopsis of Mineral Reconnaissance Examination" for the Seven Devils Region. This area is the south half of the wilderness on the Idaho side. According to the Forest Service, no similar work has been done on the north side of the Idaho wilderness or in the Oregon wilderness. Oregon State is presently developing a geologic map of the entire area but this is not a mineral evaluation. Aside from this work, there are only limited mineral studies, conducted in conjunction with water resource proposals, of the channels and shores of the two rivers, outside of the two wilderness areas.

This is not all the information we should have on proposed wilderness areas before we designate them as components of the national wilderness preservation system. On other legislation designating wilderness areas the junior Senator from Idaho has asked and I have had staff be prepared to provide him with figures on the acre-feet of commercial timber; percentage of allowable cut involved; extent, nature, and value of inholdings, with particular focus on mining claims; and roads, timber cutting, or other development, in the wilderness areas. Without official wilderness studies on S. 2233's wilderness areas, much of this information was not available to the committee. I have had to ask for it in my letter to the chief forester.

We also have no official wild and scenic river studies. And, again although my colleagues from Idaho have asserted that alternative studies exist, we have clear and convincing evidence that they are inadequate. Mr. President, section 4(a) of the Wild and Scenic Rivers Act specifically requires that the Secretary of Agriculture provide information on the "current status of land ownership and use in the area." This is not an obscure requirement, it is the second item in a short list of requirements.

Mr. President, when the Senate Interior Committee has acted to designate other wild and scenic rivers—particularly the lower St. Croix and Chattooga Rivers—this most basic piece of information was part of the administration's reports which were made available to the committee well before the final markup sessions on the proposals. Yet, this information was not even known to the committee members when S. 2233 was reported from the Subcommittee on Parks and Recreation.

After the subcommittee reported the bill, the committee chairman had to write to the chief forester and ask him for the basic data on percentage of private property along the wild and scenic rivers. This information was supplied to the committee only a day or two before ful committee markup of S. 2233. Mr. President, I reiterate, if we had first placed these rivers in the study category, we would have had this information well before any consideration would be given to designating them as wild and scenic rivers.

My colleagues are correct in noting that alternative studies have been made of the rivers in connection with water resource projects. They say these have been exhaustively studied as a prelude to the numerous water resource projects' proposals. I do not know if these studies fully coincide with and cover the entire length of each river segment designated as components in the Wild and Scenic River System by S. 2233. I do know this, however: Such studies are not substitutes for official wild and scenic river studies. Mr. President, earlier this Congress, the Senate passed S. 2439 to direct a wild and scenic river study be conducted on a segment of the New River.

Some of my colleagues argued that the river should be immediately designated as a wild and scenic river, rather than studied. Certainly, no river segment has been more exhaustively studied from a water resource project standpoint. The Federal Power Commission has conducted 9 years' worth of studies and hearings on the Blue Ridge project proposal. Yet this committee firmly held that a water resource project study—even with an impact statement analysis of alternative uses, including preservation of the river in a freeflowing state—cannot substitute for a wild and scenic river study. We instead required that the river be studied under the Wild and Scenic Rivers Act before congressional consideration could be given to its designation as a component of the system. The policy we set in S. 2439, we now reject in S. 2233.

Mr. President, this is what concerns me. This session alone our committee has altered bills sponsored by a half dozen of my colleagues calling for "instant" designation of wild and scenic rivers and, instead, required that the rivers be studied first. In addition, my Subcommittee on Public Lands has refused to designate wilderness areas in the States of Utah and California because no official wilderness study or USGS-Bureau Mineral Survey had been conducted on those areas. In S. 2233, we ignore our position taken in relation to proposals of Senators not on the Interior Committee.

S. 2233, in addition to failing to follow the study procedures set out in the Wilderness Act and Wild and Scenic Rivers Act, sets out a number of management provisions contrary to both those laws. In briefest form, I will describe the differences.

These exceptions concern the designation of river corridor boundaries, treatment of mining in the river corridors and the wilderness areas, use of upstream waters, condemnation in the river corridors and wilderness areas, exchange of lands with the States, and control of hunting and fishing in the wilderness. Mr. President, in the interest of time I will submit to be printed in the RECORD at the conclusion of my remarks excerpts from a memorandum on public lands roughed-out for me from subcommittee counsel the morning of full committee markup of S. 2233. This memorandum discusses these policy exceptions.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HASKELL. My colleagues from the State of Idaho made persuasive arguments that all these exceptions to existing law and congressional policy were required because of a unique set of circumstances in the Hell's Canyon area. In addition, the senior Senator from Idaho argued that there was precedent for these exceptions in other national recreation area laws. This is, in fact, what concerns me.

With all due deference, I would like to remind my colleague that the precedent is not strong. There is only one law creating a national recreation area in a national forest—the Sawtooth area in Idaho.

This law does designate wilderness and contains a number of provisions relating to wilderness which now appear in S. 2233. However, it did not establish a wild and scenic river and there is no precedent for the exceptions to existing policy on wild and scenic rivers found in S. 2233.

My concern, however, is focused on the fact that the Sawtooth Act is now cited as precedent for S. 2233. And yet the unique provisions in the Sawtooth Act were once argued for on the basis of necessity bred of unique circumstances. How soon will the unique circumstances requiring S. 2233's language be forgotten in efforts to employ that language as precedent to justify similar provisions in future legislation?

Mr. President, I stated at the outset that I support the purpose of this bill.

I believe that purpose can be served by deleting the wilderness and wild and scenic river designations and setting forth the river segments and areas in study categories. The Wilderness Act and Wild and Scenic Rivers Act would provide complete protection to the potential wilderness areas and wild and scenic rivers during the study period. In the alternative, we could simply have a national recreation area without wilderness or wild and scenic rivers and, instead provide the required management mandate to protect those areas and rivers. Those mandates would then remain peculiar to that one national recreation area.

In conclusion, Mr. President, and despite all I have said, I would like to compliment the senior Senator from Idaho particularly on developing this legislative package. I personally, as I have said, feel that from a precedent viewpoint we should have proceeded differently. But, nevertheless, the number of years that the senior Senator has worked on this problem, and the imagination and intelligence that he has brought to bear in putting this bill together—and the unique quality of the Hells Canyon area which must be preserved—all lead me to compliment him very highly.

Mr. President, although I oppose this bill for the reasons stated, I will not call for the yeas and nays for two reasons. The first, very practical reason, is that the land is in Oregon and Idaho, and the Senators from Oregon and Idaho are for it.

But more importantly, even if I felt that I did at this point have the necessary votes to block this bill, I think it would be a mistake to do so because of the urgent need for its passage to protect the area which the senior Senator from Idaho has so forcefully outlined for us.

I yield the floor.

EXHIBIT 1

WASHINGTON, D.C., *September 25, 1974.*

Hon. JOHN R. MCGUIRE,
Chief, Forest Service,
U.S. Department of Agriculture,
Washington, D.C.

DEAR CHIEF MCGUIRE: On September 23, 1974, the Committee on Interior and Insular Affairs ordered reported S. 2233, the Hell's Canyon National Recreation Area Act. Although S. 2233 was originally considered in the Parks and Recreation Subcommittee, because its subject matter is also within the jurisdiction of the Subcommittee on Public Lands, on which I serve as Chairman, I have taken a particular interest in the measure. I am concerned that, in designating two national forest wilderness areas and segments of two rivers as wild and scenic rivers, this bill may be establishing wilderness and wild and scenic river policy contrary to that embodied in the law and practiced by the Committee.

At my request, Counsel to the Public Lands Subcommittee raised several questions in this regard at the September 23, 1974 markup session. Unfortunately the responses did not fully answer my concerns. Therefore, I would hope you might provide me with answers to the following questions:

(1) Have full-fledged wilderness studies been conducted by the Forest Service on the two "instant" wilderness areas? If so, when were the President's recommendations submitted to Congress; what was their substance; and how do they compare with the final boundaries of the wilderness areas designated by S. 2233?

(2) If no wilderness studies were conducted were these areas ever primitive areas or have they ever been classified as a result of a full-fledged planning process including local public hearings in any management category providing for their management as *de facto* wilderness?

(3) Have official USGS-Bureau of Mines mineral surveys been conducted on the two areas and have the resulting reports been published or submitted to Congress?

(4) If no such studies have been completed, what other mineral surveys have been conducted in the two areas? Where were these surveys conducted and what percentage of the land in the two areas did they encompass? How detailed (field surveys? core samples?) were these surveys? Were they more or less intensive than the standard USGS-Bureau of Mines survey?

(5) Are there any inholdings? If so, what are their sizes; how developed are they; and what is their estimated value? In particular, please relate these questions to any mining patents or claims.

(6) Is there timber of commercial value in the two areas? If so, what is its estimated board feet and what percentage of allowable cut of the national forest does it constitute?

(7) Are there any existing or proposed roads in the two wilderness areas? If so, where are they located and what is their condition?

(8) Has there been any timber cutting in the two areas?

(9) Have official wild and scenic river studies been conducted on the segments of the Snake and Rapid Rivers which, under S. 3022, would enjoy instant wild and scenic river status? If so, when were the President's or your recommendations submitted to Congress; what was their substance; and how do they compare with the final boundaries and management categories designated by S. 2233? (If the studies were completed, then I am particularly concerned about the method of their transmittal to Congress. I note, for example, that even after the bill was reported from Subcommittee a question was posed to you by the Committee concerning the percentage of private land in the corridors of the river segments. Yet, the second item on which you are required to report by section 4(a) of the Wild and Scenic Rivers Act is the "current status of land ownership and use in the area." Clearly, in the past when the Public Lands Subcommittee and the full Committee have acted to designate components of the wild and scenic rivers system (Lower St. Croix River Act, 86 Stat. 1174, and the Act of May 10, 1974, 88 Stat. 122) this most basic piece of information was part of the Administration's reports which were made available to the Committee well before the final markup of the proposals.)

(10) If no official studies have been conducted, what portions of the river segments have been fully studied for their value in a free-flowing state and by what agencies? How do these studies compare to the wild and scenic river studies which the Forest Service conducts?

(11) Could you also please provide responses concerning mineral surveys, inholdings, mining rights, development, and timber values for the wild and scenic river segments similar to those which you provide for the two wilderness areas?

I urge you to provide these answers as promptly as possible. The bill may be called up for debate within the next several days.

Sincerely,

FLOYD K. HASKELL,
Chairman,
Subcommittee on Public Lands.

EXHIBIT 2

WASHINGTON, D.C., *September 11, 1974.*

MEMORANDUM

To: Senator Floyd K. Haskell.
From: Steven P. Quarles (By Dictation).
Re: S. 2233, the Proposed Hell's Canyon Recreation Area bill: A Strong Departure from Existing Policy.

* * * * *

You also asked me to outline briefly the numerous, major exceptions to the Committee's wild and scenic river policy and the Committee's wilderness policy which S. 2233 would establish.

B. WILD AND SCENIC RIVER POLICY EXCEPTIONS

The Act would provide five major exceptions to the Wild and Scenic Rivers Act.

First, the Act would designate "instant" components of the wild and scenic river system without proceeding first through the statutorily mandated process of studying their "potential" for addition to the system. Of course, by skipping the study process established in the original Act, we have much less information as to mineral values, alternative uses of the river, ownership patterns, costs of administration, etc. You will recall that this session the Subcommittee on Public Lands turned down attempts by several Senators to create "instant" rivers without first subjecting the rivers to study.

Second, the lack of a study and the information it would generate is made more dramatic by S. 2233's provisions withdrawing the area from the operation of the mining and mineral leasing laws. As you know, the Wild and Scenic Rivers Act clearly allows mining on all wild and scenic rivers with a minor exception for a narrow corridor along wild rivers.

Third, of particular concern to me is the possible value of the precedent of the third exception. This exception would prohibit the averaging of distances to determine corridor boundaries. As you know, the original Wild and Scenic Rivers Act provides for river corridors the boundaries of which include an average of not more than 320 acres per mile on both sides of each river. The Hell's Canyon bill, on the other hand, removes this flexibility in designating the boundaries (a flexibility which has been of great assistance in providing river protection) from the Secretary of the Interior or the Secretary of Agriculture and instead declares a uniform corridor along all of the segments of the two rivers. Clearly, this exception to the original Act will generate plenty of pressure to make this boiler plate language for future bills designating wild and scenic rivers.

Fourth, in my mind, *the most troubling* exception to the Wild and Scenic Rivers Act concerns the use of upstream waters. Subsections 6(a) and (b) of S. 2233 provide that nothing in the Wild and Scenic Rivers Act or S. 2233 shall be construed as in any way (1) limiting use of the present or future use of upstream waters, whether consumptive or non-consumptive, and (2) imposing flow requirements. The two Secretaries have always interpreted the original Act to provide them at least a measure of authority over both matters. In effect, this provision could be a built-in time bomb which, in a few short years, could result in the destruction of the wild and scenic river characteristics of the two rivers. This provision contains the unfortunate potential of serving as a particularly significant precedent for future legislation.

Fifth, the bill also appears to provide a number of new limitations on, and expansions of, the Secretary's authority to acquire land within wild and scenic river corridors. For example, exchange of lands with a State (Idaho) is permitted. As you will recall, earlier this year Senator McClure objected to an amendment to the Wild and Scenic Rivers

Act which would have allowed land exchanges with the State as a general land acquisition practice in the wild and scenic rivers system. Furthermore, the Act limits condemnation to only 5% of the total acreage which is privately owned within the recreation area. This is clearly contrary to the condemnation formula in the Wild and Scenic Rivers Act.

* * * * *

C. WILDERNESS POLICY EXCEPTIONS

Many of the exceptions to established Wilderness policy are similar to the wild and scenic river policy exceptions discussed above.

1. As above, there has been no study of the proposed wilderness areas. Among other things, this means that no official mineral survey reports have been filed with this Committee.

2. Clearly, the lack of study gains additional importance in light of this 2nd exception. This exception would immediately withdraw the Wilderness areas from the operation of the mining laws and from disposition under the mineral leasing laws. As you will recall, the Wilderness Act would allow the continued operation of these laws until January 1, 1984.

3. S. 2233 would allow limited condemnation within a wilderness area contrary to the provision of the Wilderness Act which prohibits the use of condemnation authority within the wilderness system.

4. Whereas the Wilderness Act specifically provided that jurisdiction for hunting and fishing would remain with the States, S. 2233 provides the Secretary with authority to specifically control hunting and fishing. . . .

Mr. CHURCH. Mr. President, first of all, I want to thank the distinguished Senator from Colorado for the generosity of his remarks. I understand the reasons why he has pressed his case as he has this morning.

Senator HASKELL is the chairman of the Subcommittee on Public Lands of the Committee on Interior and Insular Affairs. His subcommittee has jurisdiction over both the Wilderness Act and the Wild and Scenic Rivers Act. He is quite right to raise questions concerning the procedures which should govern the addition of new land to the wilderness system or new rivers to the wild and scenic rivers system. I have no quarrel with him on that score.

I was, many years ago, the floor manager of the original Wilderness Act in the Senate. I am the author of the Wild and Scenic Rivers Act. As a consequence, I am fully conversant with the procedures called for in those two bills. I do not debate the fact that if we were confronted here with the simple question of whether or not this particular last remaining undeveloped segment of the great Snake River, flowing through the deepest gorge on the North American Continent, Hells Canyon, should be included as a part of the national wild-rivers system, then all those procedures set out in the underlying act should be fully observed.

Likewise, if the question were whether or not the designated areas on the inner face of the Hells Canyon should be incorporated into the national wilderness system, I would not only agree with the Senator, but I would also stand with him in insisting that the regular procedures set out in the Wilderness Act be followed.

But I suggest to the Senator that we have, in the pending bill, something quite different from either adding to the Wild and Scenic Rivers System or adding to the wilderness system. This bill creates a national recreation area. Whenever the Congress, in the past, has undertaken to enact authorizing legislation to create a national recreation area, it has done so with a separate bill, which lays out a general management plan, the elements of which extend far beyond designating the rivers or the wilderness sectors of the proposed area.

In other words, creating a national recreation area, I submit, is not unlike a bill authorizing the creation of a national park. To be sure, the management plan is of a different kind, but national recreation areas are sometimes referred to as the Forest Service's answer to the National Park System.

Earlier in the distinguished Senator's remarks, he referred to the passage of the Sawtooth National Recreation Area. It is true that certain exceptions were made in that bill to the normal procedures with respect to adding areas to the National Wilderness System. But these exceptions were made only because the wilderness part of the national recreation area created by the bill was just one segment which had to fit into a general management plan.

I believe strongly that this bill does conform to the precedents, insofar as they relate to the creation of national recreation areas, which is the purpose of the bill. It is in this context that I feel that the objections raised by the distinguished Senator from Colorado are not sufficiently well-grounded to justify a decision by the Senate against this legislation.

I assure the Senator that, in the future, whenever the question has to do simply with adding to the wild rivers system or adding to the wilderness system, I will support him in his insistence that the regular procedures set up in the law for that purpose be observed. But, in connection with this bill, we are doing much more than creating new wilderness or creating new wild rivers. The bill encompasses the entire region. It creates a national recreation area. Even though part of it may be "instant" wilderness, that is precedented in earlier bills of this kind. Even though two rivers are designated as wild rivers, they are directly related to the national recreation area, itself.

Moreover, with respect to the Snake River, at least, the administration approves of the designation and supports it.

So I hope, Mr. President, that the Senate will see fit to support the bill. I do not want to belabor the matter any further with the distinguished Senator from Colorado. I think he understands my position, as I understand his.

I know that my colleague wishes to speak, as does the Senator from Oregon. However, I do hope that the Senator understands that I see a definite distinction between creating a national recreation area and simply adding new segments to the national wild river system or to the national wilderness system.

Mr. HASKELL. Mr. President, I appreciate the remarks and I appreciate the position of the distinguished Senator from Idaho. I merely feel that it was important to get on the record the matters that we have discussed.

Again I say to the distinguished Senator from Idaho that this is such an important national resource that even should I feel that I had adequate votes to block the bill, I would not do so. It would be tragic to have a dam and a powerplant inundate this area before we could protect it.

Again, I congratulate the senior Senator from Idaho on his imagination and vision.

Mr. CHURCH. I appreciate the Senator's remarks.

Mr. PACKWOOD. Mr. President, there are a variety of ways to make a record and to study an issue. So far as Hells Canyon and the Snake River are concerned, this has been a paramount issue in the Northwest for the last 20 years, at a minimum. It was the principal political issue in the Oregon senatorial election in 1956 and in the congressional district involving the district adjacent to the Snake River in 1956.

The Federal Power Commission licensed the dam in Hells Canyon in 1964, and that was subsequently overturned by the Supreme Court.

I think it is fair to say that there is no plot of land—if this great acreage can be referred to as that—that has been so studied and restudied and debated and redebated by power groups, by environmental groups, and by every conceivable type of organization that has an interest.

Even if we have not made what might be regarded as the formal record before the appropriate committees of the Senate—and I think we have—this issue has been studied for so long that the proposed legislation does not do violence to any Senate or House procedure which would require further study.

Mr. President, this is indeed a momentous event. After years of struggle, the Senate is today passing legislation to preserve forever, in a natural state, the yet-free-flowing Middle Snake River which runs through the deepest gorge on the North American continent. This is the last stretch of the Snake River free of impoundments, the last remaining stretch which can offer us a recreation and wilderness experience and the solitude of eons past.

Mr. President, I would like here to briefly recount the history of our struggle to protect the Middle Snake from dams and the adjacent lands from commercial and residential development.

In 1964 the Federal Power Commission granted the Pacific Northwest Power Co. a license to build the High Mountain Sheep project. The license was appealed to the U.S. court of appeals, which affirmed the FPC decision in 1966. The matter then went to the Supreme Court, and in a decision on June 5, 1967, the Court remanded the project to the Federal Power Commission for further consideration. In January 1970, I introduced for the first time a Hells Canyon/Snake National River bill. On May 5, 1970, the Senate passed an 8-year moratorium on dam construction, although the House took no action on this measure which was introduced by Senator CHURCH. In

September of 1970, the Secretaries of the Interior and Agriculture recommended that portions of the Middle Snake in Hell Canyon be studied for inclusion in the National Wild and Scenic Rivers System. On February 1, 1971, Senators CHURCH and JORDAN reintroduced their moratorium bill which died with the 91st Congress because of no action in the House. On February 10, 1971, I again introduced my Hell Canyon/Snake National River bill.

Once again, no action was taken past hearings. After many hearings transcripts and several unsuccessful attempts to get protective legislation enacted, the two Senators from Oregon, Senator HATFIELD, and me, and the two Senators from Idaho, Senators CHURCH and McCLURE got together and drafted legislation satisfactory to us and the many divergent interests who all held the common view that there should be no more dams constructed on the Snake River and that the Middle Snake should be maintained in a free-flowing state once and for all.

The culmination of all this is now to be Senate passage of a very fine piece of legislation, legislation which resulted from lengthy deliberations among many divergent forces. We have brought together, from opposite ends of the political spectrum, an impressive list of individuals and groups who all hold the common view that the Middle Snake should be preserved for all time for the enjoyment of present and future generations. The legislation before us is an embodiment of the ideas of many people looking toward a common goal, and I am hopeful that House action will follow quickly upon the Senate action today.

Already a subcommittee mark-up has been scheduled for October 8 on the House version of the Hells Canyon bill introduced by Congressman ULLMAN, my colleague from Oregon. I remain confident that differences between the Senate and House versions will be easily resolved. Already we are so close in our respective measures that there is every reason to believe all our earlier efforts will culminate this year in enactment of the Hells Canyon/Snake River legislation.

The measure before us today will establish the Hells Canyon National Recreation area in the States of Idaho, Oregon, and Washington. The 101-mile segment of the Snake River between Hells Canyon Dam in Idaho and Asotin, Wash., will become a component of the National Wild and Scenic Rivers System and the construction of dams on that stretch of the river will be prohibited for all time. In addition, the Asotin Dam in Washington is deauthorized.

Approximately 25 miles of the Snake River would be classified as "recreational," 45 miles as "scenic," and 30 miles as "wild." The Rapid River in Idaho, from the headwaters of the main fork to the present national forest boundary and from the headwaters of the west fork to its confluence with the main stem of the Rapid River is designated a wild river.

In addition, a national recreation area is established in Oregon and Idaho comprising approximately 700,000 acres, including a Hells Canyon Wilderness Area of approximately 270,000 acres. Within 5 years from the date of enactment of this act, the Secretary of Agriculture shall develop a comprehensive management plan for the recreation area providing for a broad range of land uses and recreation opportunities.

The Secretary is further directed to review certain areas within the national recreation area in Oregon for their Wilderness potential. Two areas in Oregon are specifically identified to be studied as to their suitability or nonsuitability as wilderness. These are the "Lord Flat-Somers Point Plateau Wilderness Study Area" and the "West Side Face Wilderness Study Area." While only two areas are specifically identified for wilderness study, the Secretary of Agriculture is not precluded from recommending other areas within the recreation area for inclusion within the Wilderness System.

The legislation limits the Secretary's acquisition authority to no more than 5 percent of the total privately owned land within the recreation area, although the Secretary may acquire scenic easements without the consent of the owner if such lands are being used, or are in imminent danger of being used, in a manner incompatible with the purposes of this act.

Under this legislation, there is authorized to be appropriated approximately $81,500,000 for the improvement of existing roads, for acquisition of lands, for the development of recreation facilities and visitor centers, and for inventory, identification, development, and protection of historic and archeological sites.

Mr. President, the importance of our action today in passing this bill cannot be overemphasized. We have reached another milestone toward enactment of legislation to protect once and for all the last free-flowing segment of the Snake River and adjacent lands. We now have an opportunity to save a truly unique area of this country so that it may continue to be enjoyed by future generations. In enacting this measure we will have met the issue head-on and will have made a decision in the best interests of present and future generations.

Mr. McCLURE. Mr. President, today the Senate is considering a bill (S. 2233) to establish the Hells Canyon National Recreation Area in the States of Idaho, Oregon, and Washington. This is a unique approach which attempts to meld a variety of uses, as well as to provide appropriate protection, to the deepest gorge on the North American continent. In my opening statement on July 23, 1973, when Senators CHURCH, HATFIELD, PACKWOOD, and myself introduced S. 2233, I noted the 25 years of political controversy over Hells Canyon which began with spirited debates over dams or no dams, high versus low dams, and the ultimate decision to build Brownlee, Oxbow, and Hells Canyon Dams.

In further review, I noted that my objectivity over this legislation was necessarily clouded by my deep affection for this area that was so much a part of my youth. The hills, streams, pastures and forests that make up the area form a worthy legacy for future generations of Idahoans, as well as all Americans. This bill provides appropriate opportunities for continuing the economy of the area through providing for judicious use of natural resources. At the same time the bill protects the free flowing state of the Snake River from Hells Canyon Dam to the town of Asotin, Wash.

The mighty Snake, as Senator Len Jordan put it so well, is a working river. The waters that enter the middle reaches of the Snake River below Hells Canyon Dam have already traveled from the western slopes of the Tetons in Wyoming across the entire width of southern Idaho. The sheep and cattle herds, fields of sugar beets and potatoes that make up the Magic Valley of southern Idaho are a proud heritage that testify to the strength of this working river. This river also supports a fish and game population that is the envy of any State. That is why one of the provisions of the bill, section 6, protects the present and future uses of upstream water from any limitation, restriction, or conflict. It further provides that no flow requirements shall be imposed on the waters of the Snake River below Hells Canyon Dam under the provisions of the Wild and Scenic Rivers Act, of this act, or any guidelines, rules, or regulations adopted pursuant thereto.

After contributing to the agriculture, energy, and recreation needs of southern Idaho, the Snake gathers strength as it enters Hells Canyon. Its awsome power is evident in the sculpture of the canyon walls that have been carved by nature through the ages. The wild and scenic rivers provisions of this bill seek to preserve the free flowing state, and at the same time provides for appropriate river use, based on existing uses at the time of enactment.

The bill as introduced has been changed to reflect a serious examination of the input from field hearings as well as hearings in Washington, D.C. This effort has resulted in a bill that protects the Middle Snake River. It does more than that. It protects the options for continued existing uses of our resources while preserving a truly unique American treasure.

Mr. President, my colleague from Idaho, Senator CHURCH, has suggested that if action is not concluded on this legislation in this session of Congress that the Federal Power Commission might license a dam in this section of the Snake River. I am sure that any such action would be challenged in the courts and that such challenge would take some considerable time. Before any such action might become final, I will join in moratorium legislation to block that action until this matter can be resolved.

Mr. President, the junior Senator from Colorado has raised questions about this bill which I think are necessarily raised and proper; but at the same time that he raised the questions indicating his opposition to the proposed legislation, he also said that it is such a unique opportunity to move that we ought to move in spite of his objections. That, of course, is precisely why we have taken the action we have in regard to the passage of this measure.

I fully agree with my senior colleague from Idaho that this kind of legislation, in the creation of an overall management plan for an entire region, is an exception to the general rules of specific wilderness or scenic river bill application. This area has been studied. If they can point to another area such as this that has had the kind of study this has had over the last quarter of a century, in which matters relative to it have gone to the Supreme Court on two different occasions and have been remanded for further study, then I think, indeed, we can see that there is an adequate basis upon which to move.

Mr. President, I wonder whether my colleague from Idaho will agree with me that we are fully mindful of the fact that this wild and scenic river segment is not the upstream segment of the river but downstream from other sections which are already being put to use and which may, in the future, be put to use, and that we try to protect the options of the State of Idaho and its citizens in making further application for the use of those areas upstream.

Mr. CHURCH. Yes, indeed, I fully agree with by colleague on the question of protecting upstream water rights.

I think the reluctant provision of the bill ought to be included at this point in the Record, and I ask unanimous consent that sections 6 (a) and (b) of the bill be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Sec. 6. (a) No provision of the Wild and Scenic Rivers Act (82 Stat. 906), nor of this Act, nor any guidelines, rules, or regulations issued hereunder, shall in any way limit, restrict, or conflict with present and future use of the waters of the Snake River and its tributaries upstream from the boundaries of the Hells Canyon National Recreation Area created hereby, for beneficial uses, whether consumptive or nonconsumptive, now or hereafter existing, including, but not limited to, domestic, municipal, stockwater, irrigation, mining, power, or industrial uses.

(b) No flow requirements of any kind may be imposed on the waters of the Snake River below Hells Canyon Dam under the *provisions of* the Wild and Scenic Rivers Act (82 Stat. 906), of this Act, or any guidelines, rules, or regulations adopted pursuant thereto.

Mr. CHURCH. A reading of this language, which was supplied, incidentally, by the counsel for the Idaho Water Users Association, should make it evident that every possible protection has been given statutory language can confer on the upstream water users, not only with respect to existing water rights but with respect to future diversions as well.

Furthermore, the language makes it equally clear that no flow requirements of any kind may be imposed on the waters of the Snake River below Hells Canyon Dam—that is to say, in the area covered by the bill, as a consequence of the enactment of this legislation. So we have undertaken to protect upstream water users in every way possible.

I think it can be said accurately that this bill extends protection to upstream water users as completely as it can be done in statutory form.

Moreover, I believe that this is the first time, in connection with any Federal statute, that such express protection has been conferred. It follows, I submit, that the upstream water users are better off with the protective language in this bill than they are today without the benefit of such language in any Federal law.

I invite the comment of my colleague on this score.

Mr. McCLURE. Mr. President, I fully agree with the comments that have been made by my colleague from Idaho. I think it is worthy of note that this matter has been fully discussed in all of the many hearings that have preceded the passage of this legislation, and that the record of the field hearings, of the hearings in Washington, of the executive sessions of the subcommittee and of the full committee, are full of references of the absolute necessity for the protection of the rights of the upstream water users, both present and future, under the State laws of the State of Idaho.

I think any look at the economy of Idaho would have to recognize the importance of the consumptive use of water. Idaho is one of the leading States in the Nation in acreage of irrigated farmland. In the Snake River Plain of southern Idaho, we now irrigate something like 3 million acres of land. We have, in addition, millions of other acres that may be subject to irrigation in the future. As a matter of fact, a limiting factor on the development of additional irrigated farmlands is the availability of water, not the availability of land.

People who are acquainted with the tremendous productive capacity of that desert land when it is subjected to irrigation must also recognize how little it produces without the water. As a result, the people of Idaho have always been sensitive to the demands upon the river and the protection of the water rights that are essential to the welfare of the State and its people.

The water rights were being protected prior to the time that the State of Idaho was created. There was an informal arrangement, in much the same way that the miners in California in 1849 had protective arrangements for their claims to mining land, prior to the time that there was any organized territory of the State of Idaho.

I recite that history only because it underscores the intense dedication of the people of Idaho to the protection of the uses of their water and the right to determine their own future. This kind of protection is reflected in the language of this bill so far as it is possible to write into legislation. I thank my colleague from Idaho for his contribution on this particular aspect of this legislation and the legislative history which surrounds it.

Mr. CHURCH. I thank the distinguished Senator very much, not only for his closing remarks but for the whole effort he has made to help fashion this legislation, to help steer it through the committee, and to bring it to the Senate floor for action this morning. I wish to express my personal gratitude to him.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The ACTING PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The ACTING PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 2233) was passed, as follows:

S. 2233

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) to assure that the natural beauty, and historical and archeological values of the Hells Canyon area and the one hundred and one and four-tenths mile segment of the Snake River between Hells Canyon Dam in Idaho and Asotin, Washington, together with portions of certain of its tributaries and adjacent lands, are preserved for this and future generations, and that the recreational and ecologic values and public enjoyment of the area are thereby enhanced, there is hereby established the Hells Canyon National Recreation Area.

(b) The Hells Canyon National Recreation Area (hereinafter referred to as the "recreation area"), which includes the Hells Canyon Wilderness Areas (hereinafter referred to as the "wilderness areas"), the components of the Wild and Scenic Rivers System designated in section 3 of this Act, and the wilderness study areas designated in subsection 8(d) of this Act, shall comprise the lands and waters generally depicted on the map entitled "Hells Canyon National Recreation Area" dated July 1974, which shall be on file and available for public inspection in the office of the Chief, Forest Service, Department of Agriculture. The Secretary of Agriculture (hereinafter referred to as "the Secretary"), shall, as soon as practicable, publish a detailed boundary description of the recreation area, the wilderness study areas designated in subsection 8 (d) of this Act, and the wilderness areas established in section 2 of this Act in the Federal Register.

Sec. 2. (a) The lands depicted as the "Hells Canyon Wilderness Areas" on the map referred to in subsection 1(b) of this Act are hereby designated as wilderness.

(b) The wilderness areas designated by this Act shall be administered by the Secretary in accordance with the provisions of this Act or in accordance with the provisions of the Wilderness Act (78 Stat. 893), whichever is the more restrictive, except that any reference in such provisions of the Wilderness Act to the effective date of that Act shall be deemed to be a reference to the effective date of this Act. The provisions of section 9(b) and section 11 shall apply to the wilderness areas. The Secretary shall make such boundary revisions to the wilderness areas as may be necessary due to the exercise of his authority under subsection 3(b) of this Act.

Sec. 3. (a) The Congress hereby incorporates the Rapid River and the Snake River into the National Wild and Scenic Rivers System in the status listed—

(1) Rapid River, Idaho.—The segment from the headwaters of the main stem to the national forest boundary and the segment from the headwaters of the west fork to the confluence with the main stem, as a wild river.

(2) Snake, Idaho, Oregon, and Washington.—The segment from Hells Canyon Dam downstream to Pittsburg Landing, as a wild

river; the segment from Pittsburg Landing to Dough Creek, as a scenic river; and the segment from Dough Creek downstream to the town of Asotin, Washington, as a recreational river.

(b) The segments of the Snake River and the Rapid River designated as wild, scenic, or recreational river areas by this Act shall be administered by the Secretary in accordance with the provisions of the Wild and Scenic Rivers Act (82 Stat. 906), as amended: *Provided*, That the Secretary shall establish a uniform corridor along such segments and may not undertake or permit to be undertaken any activities on adjacent public lands which would impair the water quality of the Rapid River segment: *Provided further*, That the Secretary is authorized to make such minor boundary revisions in the corridors as he deems necessary for the provision of such facilities as are permitted under the applicable provisions of the Wild and Scenic Rivers Act (82 Stat. 906).

Sec. 4. (a) Notwithstanding any other provision of law, or any authorization heretofore given pursuant to law, the Federal Power Commission may not license the construction of any dam, water conduit, reservoir, powerhouse, transmission line, or other project work under the Federal Power Act (41 Stat. 1063), as amended (16 U.S.C. 791a et seq.), within the recreation area: *Provided*, That the provisions of the Federal Power Act (41 Stat. 1063) shall continue to apply to any project (as defined in such Act), and all of the facilities and improvements required or used in connection with the operation and maintenance of said project, in existence within the recreation area which project is already constructed or under construction on the date of enactment of this Act.

(b) No department or agency of the United States may assist by loan, grant, license, or otherwise the construction of any water resource facility within the recreation area which the Secretary determines would have a direct and adverse effect on the values for which the waters of the area are protected.

Sec. 5. The Asotin Dam, authorized under the provisions of the Flood Control Act of 1962 (76 Stat. 1173), is hereby deauthorized.

Sec. 6. (a) No provision of the Wild and Scenic Rivers Act (82 Stat. 906), nor of this Act, nor any guidelines, rules, or regulations issued hereunder, shall in any way limit, restrict, or conflict with present and future use of the waters of the Snake River and its tributaries upstream from the boundaries of the Hells Canyon National Recreation Area created hereby, for beneficial uses, whether consumptive or nonconsumptive, now or hereafter existing, including, but not limited to, domestic, municipal, stockwater, irrigation, mining, power, or industrial uses.

(b) No flow requirements of any kind may be imposed on the waters of the Snake River below Hells Canyon Dam under the provisions of the Wild and Scenic Rivers Act (82 Stat. 906), of this Act, or any guidelines, rules, or regulations adopted pursuant thereto.

Sec. 7. (a) Except as otherwise provided in sections 2 and 3 of this Act, and subject to the provisions of section 10 of this Act, the Secretary shall administer the recreation area in accordance with the laws, rules, and regulations applicable to the national forests for public outdoor recreation in a manner compatible with the following objectives.

(1) the maintenance and protection of the free-flowing nature of the rivers within the recreation area;

(2) conservation of scenic, wilderness, cultural, scientific, and other values contributing to the public benefit;

(3) preservation, especially in the area generally known as Hells Canyon, of all features and peculiarities believed to be biologically unique including, but not limited to, rare and endemic plant species, rare combinations of aquatic, terrestrial, and atmospheric habitats, and the rare combinations of outstanding and diverse ecosystems and parts of ecosystems associated therewith;

(4) protection and maintenance of fish and wildlife habitat;

(5) protection of archeological and paleontologic sites and interpretation of these sites for the public benefit and knowledge insofar as it is compatible with protection;

(6) preservation and restoration of historic sites associated with and typifying the economic and social history of the region and the American West; and

(7) such management, utilization, and disposal of natural resources on federally owned lands, including, but not limited to, timber harvesting by selective cutting, mining, and grazing and the continuation of such existing uses and developments as are compatible with the provisions of this Act.

Sec. 8. (a) Within five years from the date of enactment of this Act the Secretary shall develop a comprehensive management plan for the recreation area which shall provide for a broad range of land uses and recreation opportunities.

(b) In the development of such plan, the Secretary shall consider the historic, archeological, and paleontological resources within the recreation area which offer significant opportunities for anthropological research. The Secretary shall inventory such resources and may recommend such areas as he deems suitable for listing in the National Register of Historic Places. The Secretary's comprehensive plan shall include recommendations for future protection and controlled research use of all such resources.

(c) The Secretary shall, as a part of his comprehensive planning process, conduct a detailed study of the need for, and alternative routes of, scenic roads and other means of transit to and within the recreation area. In conducting such study the Secretary shall consider the alternative of upgrading existing roads and shall, in particular, study the need for and alternative routes or other means of transit providing access to scenic views of and from the western rim of Hells Canyon.

(d) The Secretary shall review, as to their suitability or nonsuitability for preservation as wilderness, the areas generally depicted on the map referred to in section 1 of this Act as the "Lord Flat-Somers Point Plateau Wilderness Study Area" and the West Side Reservoir Face Wilderness Study Area" and report his findings to the President. The Secretary shall complete his review and the President shall, within five years from the date of enactment of this Act, advise the United States Senate and House of Representatives of his recommendations with respect to the designation of lands within such area as wilderness. In conducting his review the Secretary shall comply with the provisions of section 3(d) of the Wilderness Act and shall give public notice at least sixty days in advance of any hearing or other public meeting concerning the wilderness study area. The Secretary shall administer all Federal lands within the study areas so as to preclude their possible future designation by the Congress as wilderness. Nothing contained herein shall limit the President in proposing, as part of this recommendation to Congress, the designation as wilderness of any additional area within the recreation area which is predominantly of wilderness value.

(e) In conducting the reviews and preparing the comprehensive management plan required by this section, the Secretary shall provide for full public participation and shall consider the views of all interested agencies, organizations, and individuals including, but not limited to, the Nez Perce Tribe of Indians, the States of Idaho, Oregon, and Washington. The Secretaries or Directors of all Federal departments, agencies, and commissions having relevant expertise are hereby authorized and directed to cooperate with the Secretary in his review and to make such studies as the Secretary may request on a cost reimbursable basis.

Sec. 9. (a) The Secretary is authorized to acquire such lands or interests in land (including, but not limited to, scenic easements) as he deems necessary to accomplish the purposes of this Act by purchase with donated or appropriated funds with the consent of the owner, donation, or exchange.

(b) The Secretary is further authorized to acquire by purchase with donated or appropriated funds such lands or interests in lands without the consent of the owner only if (1) he deems that all reasonable efforts to acquire such lands or interests therein by negotiation have failed, and (2) the total acreage of all other lands within the recreation area to which he has acquired fee simple title or, lesser interests therein without the consent of the owner is less than 5 per centum of the total acreage which is privately owned within the recreation area on the date of enactment of this Act: *Provided*, That the Secretary may acquire scenic easements in lands without the consent of the owner and without restriction to such 5 per centum limitation: *Provided further*, That the Secretary may only acquire scenic easements in lands without the consent of the owner after the date of publication of the regulations required by section 10 of this Act when he determines that such lands are being used, or are in imminent danger of being used, in a manner incompatible with such regulations.

(c) Any land or interest in land owned by the States of Oregon or Washington or any of their political subdivisions may be acquired only by donation. Any land or interest in land owned by the State of Idaho or any of its political subdivisions may be acquired only by donation or exchange.

(d) As used in this Act the term "scenic easement" means the right to control the use of land in order to protect esthetic values for the purposes of this Act, but shall not preclude the continuation of any farming or pastoral use exercised by the owner as of the date of this Act.

(e) The Secretary shall give prompt and careful consideration to any offer made by a person owning land within the recreation area to sell such land to the Secretary. The Secretary shall specifically consider any hardship to such person which might result from an undue delay in acquiring his property.

(f) In exercising his authority to acquire property by exchange, the Secretary may accept title to any non-Federal property, or interests therein, located within the recreation area and, notwithstanding any other provision of law, he may convey in exchange therefor any federally owned property within the same State which he classifies as suitable for exchange and which is under his administrative jurisdiction: *Provided*, That the values of the properties so exchanged shall be approximately equal, or if they are not approximately equal, they shall be equalized by the payment of cash to the grantor or to the Secretary as the circumstances require. In the exercise of his exchange authority, the Secretary may utilize authorities and procedures available to him in connection with exchanges of national forest lands.

(g) Nothwithstanding any other provision of law, except for the provisions of subsection (a) of this section, the Secretary is authorized to acquire mineral interests in lands within the recreation area, with or without the consent of the owner. Upon acquisition of any such interest, the lands and/or minerals covered by such interest are by this Act withdrawn from entry or appropriation under the United States mining laws and from disposition under all laws pertaining to mineral leasing and all amendments thereto.

(h) Notwithstanding any other provision

of law, any Federal property located within the recreation area may, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary for use by him in carrying out the purposes of this Act.

SEC. 10. The Secretary shall promulgate, and may amend, such rules and regulations as he deems necessary to accomplish the purposes of this Act. Such rules and regulations shall include, but are not limited to—

(a) standards for the use and development of privately owned property within the recreation area, which rules or regulations the Secretary may, to the extent he deems advisable, implement with the authorities delegated to him in section 9 of this Act, and which may differ among the various parcels of land within the recreation area;

(b) standards and guidelines to insure the full protection and preservation of the historic, archaeological, and paleontological resources in the recreation area;

(c) provision for the control of the use of motorized and mechanical equipment for transportation over, or alteration of, the surface of any Federal land within the recreation area; and

(d) provision for the control of the use and number of motorized and nonmotorized river craft: *Provided*, That the use of such craft is hereby recognized as a valid use of the Snake River within the recreation area.

SEC. 11. Notwithstanding the provisions of section 4(d)(2) of the Wilderness Act and subject to valid existing rights, all Federal lands located in the recreation area are hereby withdrawn from all forms of location, entry, and patent under the mining laws of the United States, and from disposition under all laws pertaining to mineral leasing and all amendments thereto.

SEC. 12. The Secretary shall permit hunting and fishing on lands and waters under his jurisdiction within the boundaries of the recreation area in accordance with applicable laws of the United States and the States wherein the lands and waters are located except that the Secretary may designate zones where, and establish periods when, no hunting or fishing shall be permitted for reasons of public safety, administration, or public use and enjoyment. Except in emergencies, any regulations of the Secretary pursuant to this section shall be put into effect only after consultation with the appropriate State fish and game department.

SEC. 13. Ranching, grazing, farming, and the occupation of homes and lands associated therewith, as they exist on the date of enactment of this Act, are recognized as traditional and valid uses of the recreation area.

SEC. 14. Nothing in this Act shall diminish, enlarge, or modify any right of the States of Idaho, Oregon, Washington, or any political subdivisions thereof, to exercise civil and criminal jurisdiction within the recreation area or of rights to tax persons, corporations, franchises, or property, including mineral or other interests, in or on lands or waters within the recreation area.

SEC. 15. The Secretary may cooperate with other Federal agencies, with State and local public agencies, and with private individuals and agencies in the development and operation of facilities and services in the area in furtherance of the purposes of this Act, including, but not limited to, restoration and maintenance of the historic setting and background of towns and settlements within the recreation area.

SEC. 16. (a) There is hereby authorized to be appropriated the sum of not more than $60,000,000 for improvements of—

(1) the existing road from the town of Imnaha, Oregon, to Dug Bar on the Snake River;

(2) the existing road from White Bird, Idaho, over Pittsburg Saddle to Pittsburg Landing on the Snake River;

(3) either the existing road from Imnaha, Oregon, to Five Mile Point, or an alternative road following generally the same route to Five Mile Point, and thence to Hat Point Lookout above the Snake River;

(4) the existing road from Riggins, Idaho, to Heaven's Gate Lookout above the Snake River.

(b) There is hereby authorized to be appropriated the sum of not more than $10,000,000 for the acquisition of lands and interests in lands.

(c) There is hereby authorized to be appropriated the sum of not more than $10,000,000 for the development of recreation facilities (principally campgrounds) along the four roads as described in subsection (a) of this section and for the development of interpretive visitors' centers at Hat Point in Oregon and at Heaven's Gate in Idaho.

(d) There is hereby authorized to be appropriated the sum of not more than $1,500,000 for the inventory, identification, development, and protection of the historic and archeological sites described in section 5 of this Act.

SEC. 17. If any provision of this Act is declared to be invalid, such declaration shall not affect the validity of any other provision hereof.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. McCLURE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FOREIGN ASSISTANCE ACT OF 1974 (S. 3394) LAID ASIDE UNTIL CONCLUSION OF BUSINESS TODAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business (S. 3394) be laid aside until the conclusion of business today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF THE EMERGENCY DAYLIGHT SAVING TIME ENERGY CONSERVATION ACT OF 1973

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 1111, H.R. 16102, be laid before the Senate as the pending business, and that the Senate proceed to its consideration.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

> A bill (H.R. 16102) to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973 to exempt from its provisions the period from the last Sunday in October 1974 through the last Sunday in February 1975.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana? Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TUNNEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. TUNNEY. Mr. President, I ask unanimous consent that during the consideration of this bill, my staff assistant, Mr. Dan Jaffe, be permitted the privilege of the floor, during votes as well as during debate.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. TUNNEY. I request the privilege also for Lawrence Asch, of my staff.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I ask unanimous consent that Roy Greenaway and Jon Fleming, of my staff, may have the privilege of the floor during consideration of this bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, last December 15 Congress approved year-round daylight saving time on a 2-year experimental basis to save energy during a serious energy shortage. I had earlier proposed legislation limiting the experimental period to 1 year. But because the Department of Transportation and the Office of Energy Conservation said it would take 2 years to assemble the necessary data to analyze the effects of year-round daylight saving time, Congress provided for a 2-year experimental period.

As part of the experiment, the Department of Transportation was required to provide the Congress with an interim report on the effects of year-round daylight saving time by June 30, 1974. That report supported all the claims which were made for temporary year-round daylight saving time when the Congress approved it.

The report noted:

> The analysis indicates that YRDST probably reduces electricity demand during the winter months, with the savings amounting to approximately one percent.

The report also concluded that—

> No significant effects on traffic safety can be attributed to YRDST . . . fatalities involving school-age children over the entire day in both January and February, 1974, are reduced from the previous year.

Despite the positive results of this experiment with year-round daylight saving time, the Department of Transportation study found that a majority of the American people would prefer daylight saving time from March through October—an 8-month period.

The study also concludes that more data concerning energy savings and traffic effects are needed and urges that the daylight saving time experiment be continued on a modified basis.

I believe these conclusions make good sense. The Senate Commerce Committee agreed and favorably reported this bill, H.R. 16102, to repeal year-round daylight saving time and provide instead for 8 months—March through October—of daylight saving time. The Arab oil embargo has been lifted, and the immediate energy emergency has eased. With 8-month daylight saving time we can continue to achieve energy savings and at the same time respond to the public preference for standard time from November through February. To avoid the public inconvenience associated with dark mornings, it makes sense to return to standard time during November, December, January, and February.

September and October are months during which we have observed daylight saving time since enactment of the Uniform Time Act in 1966. Significantly, the length of the days and the time of sunrise in March and April are approximately the same as in September and October. According to the Department of Transportation report, a majority of the public approved daylight saving time during the months of March and April, as well as the months of September and October. This bill would extend daylight saving time to 8 months by making it effective in March and April.

Mr. President, I introduced a bill on July 23, 1974, to achieve the same purpose as H.R. 16102. The Commerce Committee reported out the House-passed version because there was no substantive difference, and there was the heightened possibility of quick enactment by passing the unmodified House version.

The Senate passed an amendment to the Energy Reorganization Act of 1974 on August 15, 1974. The amendment was a substitute presented by Senator DOLE to amendment No. 1768 offered by Senator TAFT. That amendment had the same substantive effect as my proposed change in the time law. Chairman MAGNUSON and the other members of the Senate Commerce Committee decided to proceed with H.R. 16102 because of the need for quick action.

The committee report describes in detail the impact of this bill on the various States which have requested exemption from the original emergency daylight saving time bill provisions. In summary, every State that has received any exemption under the emergency daylight saving bill has been accommodated under this amendment. The Department of Transportation is prepared to move quickly to address the problems of central Kentucky caused by the time zone line change of last fall. The States of Idaho and Michigan will have the opportunity through their State legislatures to shift to daylight saving time the last Sunday in February if they so choose. If they take no further legislative action, the exemption for those two States from daylight saving time will expire on the last Sunday in April 1974. This parallels the request of the respective officials in those States. And finally, States which have historically not observed daylight saving time in the summer months—Arizona, Hawaii, Puerto Rico, the Virgin Islands, American Samoa, and the eastern time zone in Indiana—will not have their status changed by this amendment.

The Department of Transportation will still be required to file a final report and analysis of the impact of winter daylight saving time. The amendment would allow DOT an additional month to accumulate accurate data in calendar year 1975. The chairman of the Committee on Commerce has indicated to me that he intends to hold hearings on the DOT report when it is received next summer. At that time, the Commerce Committee will review the state of the Nation's time laws and determine whether permanent change in the time laws would be beneficial.

This is an amendment to the Emergency Time Act which was passed last year. It does not change the Uniform Standard Time Act of 1966 which will again take effect on the last Sunday of April, 1975.

I urge its favorable consideration by the Senate.

Mr. DOLE. Mr. President, if the Senator will yield I am in complete accord with the statements of the Senator from Illinois (Mr. STEVENSON).

I am pleased to see the daylight saving time bill before the Senate today. Most people from Kansas would prefer 6 months of daylight saving time and 6 months of standard time. Many farmers and rural residents in my State would prefer no advanced time at all. However, many people in urban areas have indicated a desire for 9 months of DST, as the Senator from Washington has said.

EFFECTIVE COMPROMISE

I believe this bill is an effective compromise which comes nearest to meeting the different desires of our urban and rural populations. It would permit some energy savings during this period when energy is still a major concern and expenditure for the Nation.

This bill, if enacted, will represent an acceptable compromise until the emergency Daylight Saving Time Act expires in 1975 and the Nation reverts back to the preenergy crisis time schedule of 6 months of DST.

LIKE EARLIER AMENDMENT

This bill should not be controversial. It is nearly identical to a daylight saving time amendment which I introduced on August 15 and which was passed by the Senate with no dissenting votes.

The essential need at this point is to pass this bill quickly so that legislation can be signed into law in time to prepare for changing the time schedules before the last Sunday in October.

LESS DANGER

The most terrible impact of the year-round daylight saving time bill has been in the numerous deaths of school children in the early morning hours when it is still dark under daylight saving time. The tragic instances which occurred last winter have been well publicized. Numerous parents have contacted me protesting the increased danger daylight saving time has meant for their children, and I share their concern. Every other member of Congress is undoubtedly well aware of this danger. For this reason alone, daylight saving time should be stopped for the 4 months I have proposed.

In spite of the fact that the casualties among school children declined last winter under daylight saving time, it appears that moving the clock backward has been the major factor in reducing the safety of students going to school in the morning. The decline in student fatalities undoubtedly was at least partially a result of the lower speed limits and the lighter volume of traffic during the energy shortage last winter. The increased danger from daylight saving time is indicated by the increase of fatalities among school children during the early hours of the day. Numerous people from the State of Kansas have contacted me here to emphasize this fact and I have personally spoken to many more people of the same opinion in my trips to the State in recent months.

ENERGY SAVINGS IN DOUBT

Many Kansans have pointed out to me that year-round daylight saving time has actually resulted in additional expenditure of energy in some cases, contrary to the original objective of saving energy.

For example, in schools the heat and lights must be turned on at an earlier time under daylight saving time. In addition, many parents find it preferable to drive their children to school rather than have them walk in darkness. Both of these consequences of year-round daylight saving time result in additional expenditures of fuel and point to the need for modifying the Emergency Daylight Saving Time Act.

However, the committee report shows that there is a substantial basis for concluding that year-round daylight saving time does result in an energy savings of about 1 percent of our national energy consumption. This amounts to a saving equivalent to about 100,000 barrels per day.

This compromise DST bill will permit some energy saving while providing greater convenience to our citizens.

IMPACT ON AGRICULTURE AND BUSINESSES

In addition, daylight saving time has been detrimental to many businesses and to farmers. This bill would permit a more rational time system to be enacted.

The impact of daylight saving time is especially severe for farmers. Farmers, by the nature of their activities, must do most of their work during daylight hours. Those working with dairy herds and other livestock find it especially unnatural to use the daylight saving time schedule. This legislation would help reduce this hardship, although the total repeal of daylight saving time during winter months would be much more desirable for the farm population.

In addition, many other businesses have found daylight saving time to be objectionable. Many workers are not as productive during the early hours when it is still dark. Many businesses have found that their sales have declined because of daylight saving time.

Mr. President, a large number of Kansans have clearly stated their position on year-round daylight saving time to me, and it is obvious that a reduction in the period for daylight saving time is necessary. This bill provides that daylight saving time shall exist for a shorter period, and I urge every Senator to support this measure.

Mr. MAGNUSON. Mr. President, last winter, we all recall the severe energy shortages which faced our Nation. The President requested that the Ntaion use every possible way to save energy. In particular, he asked Congress to pass a temporary change in the Nation's time law and place the Nation on year-round daylight saving time. The Congress responded immediately, and the Emergency Daylight Saving Time Energy Conservation Act of 1973 was passed within a few days of the President's Energy Message. New Public Law 93–182 provided that the Nation remain on daylight saving time through April 1975.

The Secretary of Transportation conducted a study of the national experience under year-round daylight saving time for the first few months of 1974. His interim report on the impact of daylight saving time was forwarded to the Congress on June 30, 1974. That report shows significant but small energy savings in electricity consumption due to daylight saving time in the winter months. Unfortunately, the data base was insufficient to draw final conclusions. And, it is clear from the public opinion polls that people's attitude toward winter daylight saving time changed significantly after the time change on January 4, 1974.

H.R. 16102 amends Public Law 93–182 to reflect the change in popular opinion with regard in winter daylight saving time. The bill proposes to place the Nation back on nonadvanced time beginning the last Sunday in October this fall and continuing through the last Sunday in February 1975. So the Nation will be on an 8-month daylight saving time, 4-month regular time system over the next 12 months.

The bill amends the temporary Daylight Saving Time Act. It does not change the underlying Uniform Time Act of 1966. When the Emergency Act expires on the last Sunday in April 1975, the Nation will revert to the Uniform Time Act of 1966, and we will again be on a 6-month daylight saving time, 6-month standard time system nationwide. Next summer, the Secretary of Transportation will again forward to the Congress a report on the overall national experience under advanced time in winter months. The Senate Commerce Committee will review then the time laws of the Nation and determine whether or not a permanent change in the time statutes is warranted based on the evidence at hand.

I sincerely hope that H.R. 16102 will quickly pass the Senate. Many industries across the Nation are dependent upon advance schedule planning based on clock time. We owe it to all our citizens to provide certainty as to the time changes ahead as quickly as possible. I believe that H.R. 16102 is a consensus bill which is widely acceptable to all the citizens of our Nation.

Mr. CLARK. Mr. President, I have consistently supported the repeal of year-round daylight saving time. I am pleased that the Commerce Committee has reported out this bill, and that Congress is considering repeal now, before the dark mornings set in again.

I would have preferred to return to the traditional system of 6 months of daylight saving time and 6 months of standard time. Many people in Iowa and across the country would agree with me. But, clearly, there is more support in Congress for the provisions of this bill—8 months of daylight saving time and 4 months of standard time—and I will certainly vote for the bill since it means that the Sun will rise in time for the opening of schools and businesses during the darkest and coldest months of winter.

I have worked for repeal of year-round daylight saving time this year for several reasons. First, year-round daylight saving time was intended as an energy conservation measure, but, according to the Department of Transportation report, it has been only minimally effective in conserving energy.

Second, year-round daylight saving time was supposed to join the country together in support of the energy conservation effort. Instead, it has caused more disruption and divisiveness than any other energy measure we have adopted.

And third, I—and many other people—believe that sending small children to wait for school buses on unlighted rural roads in the dark must increase the danger of their being hit by automobiles—and that is an unnecessary risk.

For these reasons, I do not believe that daylight saving time should be observed during the winter months and I am happy to support the legislation being considered today.

Mr. DOMENICI. Mr. President, the Senate is now debating a simple but very warranted piece of legislation in H.R. 16102. I strongly support this bill because it removes the rather dangerous burden that many New Mexicans have been forced to experience during the winter months.

During the height of the energy shortage I supported a move to establish a national time schedule because it was our belief that this was a positive move in conserving energy. After witnessing the detrimental affects of this legislation last winter I am convinced that there is small energy savings, if any, and such does not offset this unreasonable burden it placed on many segments of our constituents.

We have all heard of the hardships this time schedule has caused especially to our children who were forced to walk to school in the dark. I have received many letters from New Mexicans which typify the problems caused by daylight savings time during the winter months.

Mr. President, I ask unanimous consent that the letters be printed in the Record. I feel their comments are very warranted and would hope that my colleagues would join with me in support of H.R. 16102.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Alamogordo, N. Mex.,
August 4, 1974.

Dear Senator: I was very gratified to read that you are trying to do away with Daylight Time during the winter months. I hope you are successful in this endeavor.

I am also glad you only want standard time during November, December, January, and February. I always thought that Daylight time should start earlier than the last Sunday in April. March would be just fine.

Good luck.

Sincerely,

Ron W. Johnson.

Farmington Municipal School
District No. 5,
Farmington, N. Mex., July 5, 1974.

Hon. Pete V. Domenici,
U.S. Senate,
Washington, D.C.

Dear Senator Domenici: A major effect of the year-round daylight-saving time, precipitated by the energy crisis, is of deep concern to us in the Farmington Municipal Schools.

Children walking to school in the winter darkness and waiting for busses present hazards to their life that we find impossible to rationalize or justify for energy conservation. Though no children were killed or injured in Farmington last winter, members of the Board of Education and many school patrons feel a deep urgency to remove the conditions created by daylight-saving during winter months. Reports from other communities in New Mexico and from other states also point to deep concern for the threat to children's safety created by the law.

We, therefore, request that you and other congressmen take steps to repeal the legislation that created year-round daylight time, returning it to the former calendar of the last Sunday in April through the last Sunday in October.

This request is also being made of other New Mexico congressmen, in the hope that the law will be repealed before this winter.

We thank you in advance for your consideration of this issue.

Cordially,

Board of Education,
James S. Coggins,
Vice President.

Silver City, N. Mex.,
January 28, 1974.

Senator Pete V. Domenici,
U.S. Senate,
Dirksen Office Building,
Washington, D.C.

Dear Senator Domenici: I am writing in the hope that you can either answer a question for me or refer my letter to someone who can clarify the matter.

Simply put, I do not understand the advantage of year-round daylight saving time. I do see how energy can be saved in the summer months, but find no saving in getting up in the dark, and thus turning on lights and heat. To me, and to all I ask about it, winter daylight saving time is nothing but a big fat pain to no avail. I should, therefore, like an explanation of the rationale behind its institution.

Thank you for any explanation you can furnish me.

Sincerely,

John E. Cunningham.

Mr. TAFT. Mr. President, the Senate has before it H.R. 16102, a bill to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973. This bill will terminate daylight saving time from the last Sunday in October, 1974 through the last Sunday in February, 1975. This bill has already passed the House of Representatives. The bill is identical to the amendment which I cosponsored to the Energy Research and Development Act in August and which has already passed the Senate. That legislation is now in a House-Senate conference.

I opposed winter daylight saving time when it was first proposed last December, during the energy crisis. At that time, I did not feel that winter DST would result in a substantial savings of energy, and I was correct. The Department of Transportation report on the effects of winter daylight saving time show, at most that only 1 percent of our electricity is saved. Even this small amount of conservation results predominantly in savings of coal, not petroleum. We are not short of coal. The study showed that winter DST probably even increased gasoline use in March and April.

My constituents in Ohio have been particularly concerned about winter daylight saving time, because many of them live on the western edge of the eastern standard time zone and it does not get light until nearly 9 a.m. during the winter months with DST. The Columbus Board of Education noted fears of parents whose children had to go to school in the darkness last winter. The board sent questionnaires to parents, and 66.4 percent of the schools indicated they would prefer a later school starting time. Many school boards around the State are planning to go on later starting schedules, if winter DST is not repealed by the Congress. Hopefully we will act in the Senate and the President will sign the bill into law before the end of October and no schedules will have to be adjusted.

Mr. STENNIS. Mr. President, I was opposed to the imposition of year-around daylight saving time at the time that legislation was passed, and I support the passage of H.R. 16102, which would put the nation on a schedule of 8 months of daylight saving time and 4 months of standard time.

It will be recalled that winter daylight saving time was prescribed in an emergency energy measure, in December 1973, in the hope that some electricity could be saved, to ease to some degree the impact of the oil embargo. The time change went into effect on the fourth Sunday thereafter, on January 6, 1974.

Within a month it was apparent to me that the drawbacks to winter daylight saving time were exceeding the very negligible benefits, and in remarks on the floor on February 4, I advocated a return to the time system to which people were accustomed—6 months of daylight time and 6 months of Standard Time. I was particularly concerned about young children having to be out before dawn, walking to school in the darkness or waiting in the cold for school busses. It was my view, and I said so in my radio and TV broadcasts to Mississippi that week, that if Congress could not agree on 6 months of each time, then I would advocate a compromise of using 4 months of standard time, during the heart of the winter. Conditions in March and April are not as difficult for school children, and daylight saving could be tolerable in those 2 months if necessary.

By summer, Congress had not acted to repeal year-round daylight saving time, and we were approaching a new school year. School districts and families needed to know what kind of a schedule they would be following. So, on July 22 I introduced a new bill, to return to 6 months of standard and 6 months of daylight time, and I asked for early hearings and prompt consideration by the Senate.

I pointed out that there were three good reasons why this should be done. First, the report by the Secretary of Transportation on the results of the first winter of daylight saving time did not show savings of energy. Second, it was clear that schoolchildren were facing difficult and even hazardous conditions in trying to get to school in the dark mornings. Third, there was disruption and hardship in families, particularly where both parents worked, because some school districts were changing the opening hour of school in order to protect the children.

In August both Houses of Congress agreed on the compromise of 8 months of daylight saving and 4 of standard time—the House in a separate bill and the Senate in an amendment to the Energy Reorganization Act.

We have before us, of course, the House bill. I urge that the Senate pass it promptly, so that it can go then to the White House for signature as soon as possible. This is a good compromise. Some areas of the Nation did not object strenuously to year-round daylight saving. Some would have preferred 9 months, and 3 of standard time. I would have preferred 6 and 6, but this will give the people standard time in the heart of winter—November through February—and that is the critical period.

I support this bill and urge its prompt passage.

Mr. PELL. Mr. President, I am deeply concerned by the efforts of the Senate today to amend the Emergency Daylight Saving Time Energy Conservation Act. The recent findings of the Department of Transportation's interim report, although inconclusive, indicate no direct evidence that this energy conservation measure was either harmful or caused a serious adverse economic impact on the majority of individuals.

The Emergency Daylight Saving Time Energy Conservation Act was passed at a time when the United States was confronted with a critical shortage of energy supplies. Although the severe shortage of supplies does not currently exist, we are still faced with a long-term energy problem as well as an immediate concern, the possibility of a prolonged coal strike during the coming winter months. In view of these facts, one of the most significant findings of the DOT report is the determination that the observance of daylight saving time during the winter months probably resulted in a reduction in the consumption of electrical energy of between three-quarters and 1 percent. This I understand translates into energy savings of—

Approximately 14,500 barrels per day of oil;

Approximately 106 million cubic feet of natural gas—equivalent to 19,500 barrels of oil per day;

Approximately 9,650 tons of coal per day—equivalent to another 42,320 barrels per day; and

Approximately 24,000 barrels of oil per day equivalent of nuclear and hydro power.

Mr. President, I recognize that many of my colleagues are deeply concerned about one aspect of year-round DST—the danger to school-age children during the early morning hours. I, too, share that concern very much, however, I understand on the basis of the DOT report that fatalities involving school-age children over the entire day during the critical period—January and February 1974—were reduced from the previous year. Furthermore, during the period in question, between 6 and 9 a.m., although the DOT cites an increase in school-age fatalities for the month of February, the National Safety Council during the transition month of January, cites no increase in fatalities involving school-age children. Hence, the findings for the early morning period appear to be inconclusive and one can conclude there was an overall reduction in fatalities from YRDST on the basis of information currently available.

Mr. President, it is unclear to me why we should amend YRDST at this time in view of the long-term energy crisis we face. The Secretary of Transportation concluded in his interim report that another year's experiment with DST was in the public interest. He further indicated that additional information would enable the DOT to better determine the effects of YRDST on energy conservation, traffic patterns, safety, and other areas of concern. Furthermore, I might add that in my own State of Rhode Island, year-round daylight savings time has had strong support and as a result of energy savings, meant a great deal to those who are paying energy costs in excess of those paid by the United States as a whole.

I believe, Mr. President, that at a time when we face continued energy shortages, when it is absolutely essential to promote the energy conservation ethic, a fact that was acknowledged by my colleagues through extension of the 55 miles per hour national speed limit, that it would be in the best interests of the country to continue this measure for another year. YRDST is an energy conservation step that up to this point, has resulted in significant energy savings and created little or no major inconvenience to the public. Therefore, I cannot support the effort to amend the Emergency Daylight Saving Time Energy Conservation Act.

AMENDMENT NO. 1935

Mr. TUNNEY. Mr. President, I send an amendment to the desk.

The **ACTING PRESIDENT** pro tempore. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. TUNNEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 2, after line 12, insert the following new section:

SEC. 4. (a) (1) Congrses finds that the imposition by one State of State taxes, regulations, prohibitions, and requirements which discriminate against wine produced outside the State, and the imposition of unreasonable requirements as conditions for shipment into and sale or distribution of wine in a State materially restrain, impair, and obstruct commerce among the several States.

(2) Congress declares that, in the exercise of power to regulate commerce among the several States granted to it by article I, section 8, clause 3 of the United States Constitution its purpose and intent in enacting this Act is to eliminate the obstructions to the free flow of commerce in wine among the several States resulting from acts of the States which impose discriminatory and unreasonable burdens upon such commerce.

(b) (1) Wherever the law of any State permits the transportation or importation of wine into that State, such State may not impose with respect to any wine produced outside the State, or from materials originating outside the State, any tax, regulation, prohibition, or requirement which is not equally applicable with respect to wine of the same class (established under section 5041(b) of the Internal Revenue Code of 1954) (1) produced in, or from materials originating in, the State imposing such tax, regulation, prohibition, or requirement, or (2) produced outside the State, or produced from products produced outside the State.

(2) A State which permits the sale of wine wtihin the State shall permit the transportation or importation of wine of the same class (established under section 5041(b) of the Internal Revenue Code of 1954) produced outside the State, or from materials originating outside the State, into such State for sale therein upon terms and conditions equally applicable to all wine of the same class (established under section 5041 (b) of the Internal Revenue Code of 1954) sold in the State.

(c)(1) Notwithstanding the provisions of subsection (b) of this Act, each State retains the right—

(i) to engage in the purchase, sale, or distribution of wine; and

(ii) to exercise discretion in the selection and listing of wine to be purchased or sold by each such State.

(2) No State which exercises the rights set forth in subsection (c)(1) may impose with respect to wine of any class (established under section 5041(b) of the Internal Revenue Code of 1954) any tax, regulation, license fee, prohibition or markup, which discriminates against wine of such class produced outside such State.

(d) Whenever any interested person has reason to believe that any State has violated any of the provisions of subsection (b) or (c)(2) of this Act, such person may file in a district court of the United States of competent jurisdiction a civil action to enjoin the enforcement thereof. Such court shall have jurisdiction to hear and determine such action, and to enter therein such preliminary and permanent orders, decrees, and judgments as it shall determine to be required to prevent any violation of subsection (b) or (c) (2).

(e) As used in this Act—

(1) the term "State" means any State of the United States, any political subdivision of any such State, any department, agency, or instrumentality of one or more such States or political subdivisions, and the Commonwealth of Puerto Rico; and

(2) the term "person" means any individual and any corporation, partnership, association, or other business entity organized and existing under the law of the United States or of any State.

Mr. TUNNEY. Mr. President—and I would like to have the attention of the distinguished Senator from Georgia (Mr. TALMADGE)—I ask unanimous consent that the debate on this amendment be limited to 1 hour.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. TALMADGE. Mr. President, I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. TUNNEY. Mr. President, I ask unanimous consent that the yeas and nays on this amendment occur no later than 3 p.m. today.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. TALMADGE. Mr. President, I object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Mr. TUNNEY. Mr. President, the sole purpose of this amendment is to abolish discriminatory taxes, license fees, and other discriminatory burdens imposed by some States on wines produced outside the State or from materials produced outside of the State.

The legislation does no more than require that each State treat any such wine as favorably as any other wine of the same class sold in the State. If any State prohibits the production, distribution, and sale of wine within its borders, this legislation would not interfere in any way with that prohibition.

In summary, this legislation would:

First. Make a congressional finding that the imposition by one State of discriminatory taxes or other measures on wine produced in other States or from materials produced in other States, and the imposition of unreasonable requirements for shipment into and sale or distribution of wine in a State obstructs commerce among the several States.

Second. Make a congressional declaration that the legislation is enacted as an exercise of the power conferred upon Congress by article I, section 8, clause 3 of the U.S. Constitution to regulate commerce among the several States.

Third. Prohibit any State from imposing discriminatory taxes or other discriminatory measures on wines produced outside of the State or from materials produced outside of the State.

Fourth. Makes clear that each State retains the right to engage in the purchase, sale, and distribution of wine and the right to exercise business discretion in selection and listing of any wines purchased, sold, and listed or distributed by the State.

Fifth. Gives any interested person standing to file suit in a District Court of the United States of competent jurisdiction to enjoin any discriminatory measures proscribed by the legislation.

Now, this amendment neither advocates nor discourages the consumption of wine. I would like to point out, however, that the growing importance of wine as a product is not limited just to California, New York, and other wine-producing States, but is of importance to the entire country because wine is becoming a major consumer product.

In my own State of California, the wholesale business of wine now amounts to about $1 billion. Consumption of wine in the United States for the last decade has more than doubled, from about 168 million gallons in 1962 to approximately 350 million gallons in 1972.

As the consumption of wine has increased, the search for suitable areas in which to grow grapes has spread to more States. Where sufficient grape production has resulted, wineries have been established near vineyards. If we permit the continuation, or worse yet, the further proliferation, of trade barriers which have been imposed by some States against out-of-State wines or products used in the production of wine, we will return the United States, at least in the area of wine, to the era of the Articles of Confederation in which it was possible to discriminate against the products of a neighboring State.

Consumers in some States today are limited or obstructed in their freedom of choice of wines, and must pay substantially more for the opportunity to purchase wine they choose merely because it is produced outside of the State or from products which were produced outside of the State.

Current taxing policies then not only run contrary to the Constitution, they constitute an additional hardship on the consumer, and tax him on his freedom of choice.

Because of the importance of the wine industry in those States which are our major producers, I have heard it said that this legislation is an attempt by the major wine-producing States to use their muscle against the small producers in other States.

Therefore, it may be very interesting for the Senate to consider the numerical facts, for while the wine industry of the State of California is of enormous importance to that State, by and large, that industry is made up of very small wine growers, some of whom have their own labels, their own wineries, and some of whom do not, but sell to those individuals who do have wineries.

As a comparison there are 237 wineries in the State of California smaller than the major winery in Arkansas; there are 117 wineries in the State of California smaller than the Georgia winery. New York and Ohio are other major producers. In New York there are 21 smaller wineries than the Arkansas winery, in Ohio 23 smaller. In New York there are again 21 smaller wineries than the Georgia winery and in Ohio 24 smaller.

Employment figures should be considered. Collectively the wine industry is of great importance to the State of California. Nearly 70,000 Californians earn their living directly in this industry. In the State of New York it is estimated that 6,000 to 7,000 citizens earn their livelihoods directly through the wine industry of that State. Likewise in Ohio and Illinois, large numbers of citizens are engaged in the industry which produces wines of which America can be proud. By comparison, only 300 Georgia citizens earn livelihoods directly through that State's wine industry, as opposed to the 70,000 in the State of California.

Clearly this legislation is not a case of a few major producers trying to take over the marketplace. Rather, it is an attempt to insure the free flow of commerce in the best interests of Americans who would like to be able to buy and consume the wine of their choice.

Also, it is clearly in keeping with the traditions as outlined in the Commerce Clause of the Constitution that one State will not discriminate against the products of another State.

I might add that it was this common market approach to our national consumers that has enabled the United States to become the major industrial power in the world. If the same rule had been applied to other commodities as is now attempted to be applied to wine by some parties, it would mean that this country would never have grown into the major industrial power that it is today.

I would just like to add, Mr. President, why this amendment is being offered to this bill.

In the House of Representatives this legislation passed by a substantial margin, but it went to the House Interstate and Foreign Commerce Committee, it did not go to the House Ways and Means Committee.

However, because of the rules of the Senate, the legislation—this amendment I am offering, which is identical to the legislation that Senator CRANSTON and I introduced earlier—was referred to the Finance Committee rather than to the Commerce Committee. There was an attempt to get favorable consideration of it by the Finance Committee.

Unfortunately, we were not able to get the bill to a vote in the Finance Committee, although I happen to believe we had enough votes to pass the bill out of the Finance Committee, we were not able to get the bill taken up for a vote.

So the only alternative left to us in order to have this measure considered by the Senate as a whole, is the amendment process in which we are now engaged.

We offer this amendment today, not trying in any way to circumvent the committee structure of Congress. Far from that. We have tried to utilize the committee structure as it exists. But, we use the amendment because we would like to have the Senate express an opinion on this bill.

As I say, it is a $1 billion industry in California.

Seventy thousand people are directly affected by the wine industry and by this legislation.

We feel in a country that is as strong and as great as ours, and as democratic as ours, that we are entitled to a vote by the U.S. Senate on a bill that the House of Representatives has overwhelmingly passed.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. TUNNEY. Yes; I am happy to yield to the Senator.

Mr. TALMADGE. I thank my distinguished friend for yielding to me.

The Senator, of course, is aware of the fact that the 21st amendment to the Constitution of the United States which repealed the 18th provides that alcoholic beverages may be introduced and sold in a State only in accordance with the laws of that State, is he not?

Mr. TUNNEY. Yes, I am.

Mr. TALMADGE. The Senator is also aware of the fact that the Supreme Court of the United States on innumerable occasions when interpreting that amendment to the Constitution has held that States may be discriminatory, to wit, more favorable taxation of their own domestic wines than other wines, is that not a fact?

Mr. TUNNEY. Well, it is a fact that States have discriminated.

Mr. TALMADGE. It is a fact that the Supreme Court of the United States has affirmed that, too, is it not?

Mr. TUNNEY. The Supreme Court of the United States has said that it is not unconstitutional. They have not suggested that the Congress of the United States does not have a right to legislate by utilizing the commerce clause.

Mr. TALMADGE. The Senator has not offered a constitutional amendment, has he?

Mr. TUNNEY. No. But it is not necessary to offer a constitutional amendment.

Mr. TALMADGE. Is the Senator of the opinion that the Constitution of the United States can be changed by legislation?

Mr. TUNNEY. No, I am not of the opinion that the Constitution of the United States can be changed, but I am not offering an amendment which attempts to change the Constitution.

What I am doing is offering an amendment which clarifies the application of the commerce clause of the Constitution, which has as much force and effect as the 21st amendment.

Mr. TALMADGE. Well, the Senator knows that no statute can have the force and effect of an amendment of the Constitution, does he not?

Mr. TUNNEY. But I am aware of the fact that the Supreme Court has not decided the issue as it relates to the Congress passing legislation implementing the commerce clause.

Mr. TALMADGE. Is it not a fact that what the Senator wants to do is try by legislation to repeal the Supreme Court's interpretation of the Constitution of the United States?

Mr. TUNNEY. No, it certainly is not.

As a matter of fact, on this point I would like to quote from Erwin Griswold, the former Solicitor General of the United States, in a letter to the Committee on Finance, August 1, 1974:

> It is clear that there has been a development in the decisions, from the early cases, in the 1930s, to the more recent cases in the past ten years. It is now clearly established that Section 2 of the 21st Amendment does not "repeal" the Commerce Clause or the Export-Import Clause with respect to intoxicating liquors. The court has said that these clauses and the 21st Amendment are all parts of the same Constitution, and must be construed together. In so construing the entire Constitution, the Court has found various areas where the constitutional provision, and the power of Congress, remain effective despite the adoption of the 21st Amendment.
>
> Although I know of no case explicitly saying so, it is clear that the same principle is applicable to the Due Process Clause and the Equal Protection Clause of the 14th Amendment. For example, suppose that a state should enact that only red-headed persons could import liquor from outside the state. Is there any doubt that this would violate the Equal Protection Clause—or, that Congress could, in the exercise of its power, under Section 5 of the 14th Amendment, enact a statute invalidating this requirement. Or, to present the same point another way, suppose that a state enacted a statute saying that the liquor business in the state could only be carried on by white Anglo Saxon Protestants. It seems equally clear that the Equal Protection Clause, or the power of Congress to enforce the Equal Protection Clause, would be applicable to invalidate such a discriminatory provision.
>
> It is in this light, then, that we consider the power of Congress to deal with state taxing statutes which discriminates against extra-state wine. It is clear that under the Twenty-First Amendment, the states have very wide powers to "regulate" traffic in intoxicating liquors. They can forbid it entirely, and they can provide requirements, including stringent requirements, designed to protect the state and its inhabitants against illegal conduct of the liquor business.
>
> But the taxes to which H.R. 2096 is directed are not regulatory in nature. They do not operate to control the liquor business, in a regulatory sense. On the contrary, their objective is economic, not regulatory, as appears clearly in the Hearings before this Committee on January 21, 1974. Various statements before the Committee show that the purpose of these statutes is to act like a tariff barrier—not to exclude out-of-state wine, and not to regulate out-of-state or domestic wine, but simply to provide a greater margin of profit for domestic producers. Such an objective, it may well be contended, is outside the proper scope of the power given to the states by Section 2 of the Twenty-First Amendment; and it is equally the sort of action which is barred by both the Commerce Clause and the Equal Protection Clause, or by a statute enacted by Congress pursuant to its powers under one or another or both of those clauses.

In other words, what Dean Griswold is saying is that the Congress has a perfect right to enact this legislation, and that it would not be in violation of the Constitution or the 21st amendment to the Constitution. As a matter of fact, it would be enacting legislation under the powers that have been granted to it by the Constitution and in compliance with its responsibilities under the commerce clause.

Mr. TALMADGE. Will the Senator yield further?

Mr. TUNNEY. I yield.

Mr. TALMADGE. Was Dean Griswold acting as counsel for the California Wine Institute at the time he wrote that?

Mr. TUNNEY. That is correct.

Mr. TALMADGE. In other words, he was the paid spokesman for the industry and their professional lawyer?

Mr. TUNNEY. He was their professional lawyer, paid as their professional lawyer, giving his opinion as to the constitutionality of the legislation that is before us.

Mr. TALMADGE. And his business was to look after the interests of his client.

Mr. TUNNEY. That is the Senator's viewpoint. He is an eminent lawyer. He was an eminent Solicitor General. He is recognized as a constitutional authority.

Mr. TALMADGE. But at that time he wrote that August 1, 1974, letter, he was looking after the interests of his client in a professional capacity; was he not?

Mr. TUNNEY. He makes a very good constitutional argument.

In rendering his opinion though, he was certainly being paid by the California Wine Institute.

Mr. TALMADGE. Does the Senator know how much his fee was?

Mr. TUNNEY. I have no idea how much his fee was?

Mr. TALMADGE. It was significant, I imagine; was it not?

Mr. TUNNEY. I do not know.

Mr. TALMADGE. Will the Senator tell me what percentage of the market in the United States the California wine industry has now?

Mr. TUNNEY. Yes. In production it is 82.6 percent.

Mr. TALMADGE. Eighty-two percent of the total domestic market?

Mr. TUNNEY. 82.6 of production.

Mr. TALMADGE. And New York has about 10 percent does it not?

Mr. TUNNEY. About 10 percent, correct.

Mr. TALMADGE. So when we combine the two States, New York and California, they have a total production of approximately 95 percent of the domestic market at the present time.

Mr. TUNNEY. Well, not to quibble, but it is about 93 percent.

Mr. TALMADGE. We will settle for 93 percent. I will take the Senator's word for it.

Mr. TUNNEY. We have 20 percent of the population as well.

Mr. TALMADGE. What the Senator's amendment would do, then, is to array the interests of 93 percent of the production of domestic wine against the interest of the poor, unfortunate, weak, humble 7 percent; is that not a fact?

Mr. TUNNEY. California has never made an attempt to discriminate against Georgia peanuts.

Mr. TALMADGE. I have a list of discriminations California is guilty of knee-high. Before this debate is over I intend to acquaint the Senator from California with them.

Mr. CHILES. If the Senator will yield, does the Senator know that California has discriminated against Florida citrus and Florida avocados, and has made a practice of discriminating against many of the agricultural products from the State of Florida which we attempt to send to that great State of California?

Mr. TUNNEY. I yield to my distinguished colleague (Mr. CRANSTON) on that issue, and for any other comments that he would like to make on this matter.

There is no one who has taken a greater interest in this problem than Senator CRANSTON during his tenure in the Senate.

Mr. CRANSTON. I thank the Senator for yielding.

I thank him for his good and effective work and the leadership he has offered in regard to this amendment. I am delighted to join with him in cosponsoring this legislation.

There is no agricultural product that I am aware of that is subject to any deliberate discrimination of the sort that certain States have erected against California wines.

Mr. CHILES. Perhaps you can allow me to elucidate a little bit on that point.

Mr. CRANSTON. Let me first say that our State's agriculture laws are legitimate exercises of the State's police powers to protect against the importation of plant diseases from other States, diseases which are not native to California.

Mr. CHILES. I think a Federal court has held that that is not correct, that they were put up strictly as trade barriers in regard to avocados, and they were not a legitimate exercise of police powers. Finally, after going to the Federal courts, they struck down the State of California trying to keep out our little avocados.

Mr. CRANSTON. I happen to agree with that position. I think they were unfair. That has been eliminated. We are now seeking to eliminate an unfair discrimination against one of our products.

Mr. CHILES. Then California ought to go to court, as Florida did. We were successful in doing that. That would be a better way to do it.

Mr. CRANSTON. The 21st amendment, as you well know, did not apply to avocados. It applied to alcoholic beverages. So there is a slight difference in the matters that we are talking about.

Mr. CHILES. But when you speak of unfair trade practices and you speak of trade discrimination, then you are speaking of matters that certainly should resolve themselves in the courts of the land. That is where Florida went with part of its problems with California. We are still having problems in California with some of our grapefruit. We have problems with our tangerines. But with the problems of avocados we went to the courts of the land and sought relief, and were able finally to get relief, because there were unfair trade practices.

The junior Senator from California has set forth, and I understand the senior Senator is setting forth, that these are discriminatory practices.

Mr. TUNNEY. If I might explain to the Senator, there is case law now which interprets the 21st amendment to the Constitution, which makes it clear that the winegrowers and producers cannot go into the courts to eliminate this trade discrimination because of anomaly in the constitutional law. I can assure the Senator that the drafters of the 21st amendment had no intention of creating a situation in which one could discriminate against the wine products of one State by another State.

Mr. CHILES. I am delighted with the Senator's use of the word "anomaly," because I have read those cases. I think maybe it is an anomaly because the anomaly was on the basis of States rights. Today that is kind of an anomaly because there are not many States rights left, and you cannot find many places where you find the anomaly of having States rights.

Mr. TUNNEY. In other words, the Senator thinks States rights apply to a State being able to discriminate unfairly in its tax structure against the products of another State. He stands for that?

Mr. CHILES. I am for States being able to do something to try to protect a fledgling industry that they are trying to start.

Mr. TUNNEY. In other words, to have discriminatory tactics against products of another State; is that what the Senator is for?

Mr. CHILES. As long, again, as the courts have held it to be proper under the Constitution, I would rather say that I am for that than I would do something like California did on avocados, which was held to be discriminatory, held to be against trade practices, and held to be unfair.

Mr. TUNNEY. I can only say I am glad that the Senator from Florida was not a delegate to the Constitutional Convention because we would not have had the kind of country that we do today; certainly not one with the economic power we enjoy today.

Mr. CHILES. I am delighted that I was not, too, because had I been a delegate, I would not be here today to try to stop the Senator from taking over my little State and the little bit of grape growing that we are trying to start, if I had lived back in those days.

Mr. TUNNEY. What does Florida export? Oranges, right? How would you like it if New York applied a discriminatory tax against Florida oranges?

Mr. CHILES. We do not like it when California keeps our oranges and tangerines out now on the basis of what they set forth as being some health regulations, but they are various obstructions to our trade. We do not like it.

Mr. TUNNEY. I have bought many Florida oranges in California. We do not keep your oranges out of California. This problem cannot be reduced to hypothetical situations where you have worms in oranges that are not passed by the Agricultural Commission in California.

Mr. CHILES. A situation that winds its way up into the Federal courts is not hypothetical. As to avocados it was not, and it was so held by the court, that it was not, on the basis of purported oil content or some kind of health reason, or other things. It was purely discriminatory.

Mr. TUNNEY. I cannot speak for every law and defend every law that California has passed. I am very pleased that if California had a discriminatory State statute, it was stricken down. We should not have discriminatory statutes as they relate to taxing products from out of State. It is wrong to do it, and it is completely contrary to the thrust of the Constitution, which eliminated tariff barriers among the States. That was the thing that made this country the great industrial Nation that it is. The Senator from Florida knows it and I know it.

We have here an anomaly in the law which allows States to discriminate unfairly against wine products that are produced in other States, New York, and California being two good examples, but other States receive the same kind of discrimination.

I do not see how the Senator can justify the existence of this type of discrimination by pulling out of the air a statute which the courts recognized that California was discriminating against a Florida product, and so struck down that statute. I am glad that Florida won that case. I would hope that the Senator would be on our side in this fight against those States that are trying to discriminate against our wine products.

Mr. CHILES. I am delighted that the Senator now is glad that if California was wrong, they got caught and that in the case of avocados, they have stopped doing that.

The Senator said to the Senator from Georgia, "We do not discriminate against your peanuts, and we do not discriminate against anyone else," but at the same time he did not seem to be concerned that California, like other States, perhaps including my own, has made a practice of trying to promote and help their own products. It is right when one State does it but not all right when another State does it.

We are simply saying that, under the Constitution, we are not doing anything improper. The Supreme Court has held that we are not. This, under the 21st amendment, is a vestige—and it is one of the remaining vestiges—of States rights, where the States have the right to control and the right to exercise that control. That is no reason now, because the Constitution gives that right, that we should come in, on the basis of trade or anything else, and say we are going to take it away.

Mr. BUCKLEY. Mr. President, I commend my friend from California (Mr. TUNNEY) for his initiative on this matter. He has fully described the economic factors which require adoption of his amendment, as well as the equities that are involved.

I would like to examine a little further the constitutional and policy aspects.

Mr. President, a sound principle of American politics and interstate commerce is that goods should move between the States without suffering from discrimination enacted to protect locally owned enterprises. The expansion of State tariffs and other discriminatory practices soon after the American Revolution was a major factor in sealing the doom of the government created by Articles of Confederation. The constitutional provision giving the Congress the authority to regulate interstate commerce was the response to prevent the continuation of this type of restrictive legislation.

Today, a number of States tax wines moving in interstate commerce, but exempt locally grown wines from similar treatment. These State-supported preferences cause consumers to pay artificially higher prices for wines that have been produced outside the State. The sole purpose of this amendment is "to abolish discriminatory taxes, license fees, and other discriminatory burdens imposed by some States on wines produced outside the State or from materials produced outside the State."

A number of legitimate concerns have been expressed about this amendment, but each has been addressed and explained. Those States which presently restrict the sale of spirits to State-owned stores will in no way be compromised by this amendment. If they choose, they may continue that practice. What it does do is to bar discriminatory treatment of wines of the same class.

Another is the question whether the Congress has the authority to legislate on this matter in light of the 21st amendment to the Constitution. It has been argued by some that the 21st amendment prohibits any Federal regulation on the sale of spirits within a State. On March 19, 1974, I, with several colleagues, addressed that point in a letter to the members of the Senate Finance Committee:

> We believe . . . that the original purpose of the amendment was to permit dry states to protect themselves from the importation of liquor rather than to permit liquor-producing states to erect trade barriers against out-of-state products.

The Supreme Court of the United States has never determined to what extent, if any, the 21st amendment affects the power of the Congress under the Commerce Clause. (*Heublein, Inc.* v. *South Carolina Tax Commission* 409 U.S. 275 (1972). Failing such a determination to the contrary, it is, I think, sound public policy that the Congress support the free and nondiscriminatory flow of goods, including wine, across State lines.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. TUNNEY. I yield.

Mr. McCLELLAN. Is my understanding correct—I believe it is—that this particular amendment, drawn as it is so as to give the States the right to protect themselves and to have their independent laws with respect to alcohol and liquors, is one of the considerations that was advanced in support of repeal of the prohibition amendment? They had to use this as an inducement to get repeal of the prohibition amendment. Is that correct?

Mr. CHILES. I have read that that was one of the things.

Mr. McCLELLAN. That was one of the reasons.

Mr. CHILES. My memory does not tell me that.

Mr. McCLELLAN. I was around here at that time. Some other Senators were not. I recall it very well.

Mr. CHILES. I would certainly take the Senator's word.

Mr. TUNNEY. I can understand why the Senator from Florida is speaking as he does. Florida imposes a tax on out-of-State wine containing not more than 14 percent alcohol by weight of $1.15 per gallon, while similar wine produced from Florida fruits is taxed at 37 cents per gallon. Now I am beginning to understand the motive behind the Senator's States rights argument. That is a pretty good ripoff of the California wine producers, the New York wine producers, and the Florida consumer who wants to buy California and New York wines.

I would like to know how the Florida consumers would like to hear and know from their Senator that he is in favor of an additional tax of almost $1 per gallon on wines that they want to drink.

Mr. CHILES. I am delighted that the Senator from California gives me this opportunity, because that tax goes to send our children to school. It goes to provide some kind of education for our children. If the people who drink the California wine—which is a wonderful product that is getting higher and higher in cost—can afford it, they certainly ought to be willing to pay their share to provide for schoolchildren in our State and see that they get an education. For that reason, the Florida consumer, I think, is delighted. Perhaps the wine drinkers are a little upset about it at times, but I am here to speak for the schoolchildren.

Mr. TUNNEY. Is the Senator saying that there is a difference in the quality of the tax dollar for the education of children, when it is raised from out-of-State wine production rather than in-State wine production?

If this is such a great tax and creates such a wonderful benefit to the citizens of Florida, why not increase the tax on Florida's wine from 37 cents to $1.15, so that the benefits can be spread out even more?

Mr. CHILES. We try to do that. We make orange wine in Florida. I do not know whether the Senator from California has ever tried to drink any of it. It is not too good, to tell the truth. [Laughter.] But it is a way of trying to get some of the orange crop into use if there is no other way of using it. That, in turn, is going to be good for the people who work in the orange groves and for the people generally in Florida. We try to put a few oranges and blackberries into it. We are even trying to grow a few grapes in the panhandle of Florida, in what has been an economically depressed area. We are trying to provide jobs for our people. That is the basis upon which we in the State of Florida think it is fine to promote an industry.

By the same token, if you have 82 percent of the market, do not put all our little winegrowers out of business. Do not put them completely to the wall. It is not as though they are hurting you in any way. We are just trying to get a foot in the door. We are just trying to keep going.

Mr. TUNNEY. I wonder whether the average Florida wine drinker who drinks California and New York wines would like to hear his Senator arguing for a higher tax on those wines.

Mr. CHILES. I cannot get across to the Senator from California that I am not speaking for the average wine drinker. I am trying to speak for the people of Florida.

Mr. TUNNEY. Are the wine drinkers not people?

Mr. CHILES. They certainly are people. But I am more concerned about the livelihood of the people in Florida. I am more concerned about the kids we are trying to send to school in Florida than the guy who is able to afford California wine.

Mr. TUNNEY. I suggest, then, that Florida raise the tax on Florida wine products to the same level as the one imposed on out-of-State wine products. In this way, Florida will be able to do even more for the schoolchildren of the State. At the same time, it would not be unfairly discriminating against the products of another State.

It seems clear to me that if this argument were being raised in the case of a tax, we will say, by New York against Florida oranges, which would be discriminatory, the Senator from Florida would be the first one on the floor of the Senate arguing that there should not be discriminatory taxes among the States. He would be talking about how our country has become great because we do have a common market and do not have tariff barriers and trade discrimination.

Mr. CHILES. I will admit that if I had an opportunity to testify against California in the avocado case, I would say that I thought that was an unfair provision, to try to use something like an oil content, as saying that that governed whether Florida avocados could come in or not. We are all protective of our own States.

Mr. TUNNEY. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. TUNNEY. Mr. President, I yield to my senior colleague.

Mr. CRANSTON. Mr. President, first, I ask unanimous consent to have printed in the RECORD a statement by Senator JAVITS, who is necessarily absent today, in connection with this amendment and in support of it.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR JAVITS

This amendment would require that each state treat any wine produced outside of the state as favorably as any other wine of the same class sold in the state. If any state prohibits the production, distribution and sale of wine within its borders this legislation would not interfere in any way with that prohibition.

The language makes very clear that the so-called "control states" (that is those states which themselves engage in the sale and distribution of alcoholic beverages) retain their authority to engage in the purchase, distribution of wine and its sale, and to exercise business discretion in the selection and listing of wines to be purchased, sold or distributed in those states. Included of course, would be the right of any state to exercise business discretion to remove wine or any wine from its listings.

This legislation passed the House by a vote of 248 to 152. I understand that Congresswoman Green of Oregon, a control state, raised some questions on the House floor, questions that had been put in her hands by the Oregon State Liquor Control Commission and from the office of her state's Governor. After she was assured of the protective language in the legislation as reported, Mrs. Green voted for the bill.

In addition, Representative Heinz of Pennsylvania, also a control state, voted for the bill and summarized his reasons by saying, "I, for one, am very proud to support any legislation which recognizes and supports a free, open and healthy economic system in the United States."

This amendment would:

(1) Make a congressional finding that the imposition by one State of discriminatory taxes or other measures on wine produced in other States or from materials produced in other States, and the imposition of unreasonable requirements for shipment into and sale or distribution of wine in a State, obstructs commerce among the several States;

(2) Make a congressional declaration that the legislation is enacted as an exercise of the power conferred on Congress by Article I, section 8, clause 3 of the United States Constitution to regulate commerce among the several States—the Commerce Clause (section 1 (B));

(3) Prohibit any State from imposing discriminatory taxes or other discriminatory measures on wines produced (A) outside of the State, or (B) from materials produced outside of the State (section 2);

(4) Make clear that each State retains the right to engage in the purchase, sale, or distribution of wine and the right to exercise business discretion in the selection and listing of any wines purchased, sold, listed, or distributed by the State (section 3);

(5) Give any interested person standing to file suit in a district court of the United States of competent jurisdiction to enjoin any discriminatory measures proscribed by the legislation (section 4).

I am delighted to join as a cosponsor of this important amendment and strongly urge its adoption by the Senate.

Mr. CRANSTON. Mr. President, I should like briefly to speak about this amendment, which is designed to prohibit discriminatory State taxation and imposts on wine.

This amendment, introduced by my distinguished colleague from California and myself, is virtually identical to H.R. 2096, which was passed over 1 year ago on September 11, 1973, by a vote of 248 to 152. Hearings on H.R. 2096 were held last winter in the Subcommittee on State Taxation of Interstate Commerce. The record of the hearings has been available since April.

This legislation is of great importance to California and to nearly 70,000 of its citizens who derive employment from the wine industry.

The sole purpose of the legislation is to prohibit a State from enacting discriminatory legislation against wine produced in some other State.

It is important to make clear what this legislation does and does not do. It does propose an end to artificial trade barriers by prohibiting States from imposing discriminatory taxes and imposts on wine produced in other States.

This legislation in no way affects the right of a State to regulate and control the manufacture, sale, or distribution of wine within its borders.

This legislation in no way affects the right of a State to legislate in any way necessary to its police powers.

This legislation does not affect the right of a State to prohibit the sale of alcoholic beverages.

This legislation does not affect the right of a State to levy excise or other taxes or license fees upon wine—but such legislation must treat all wines of the same classification alike, it may not discriminate against wines produced outside the State.

Wine is the only alcoholic beverage that is subject to substantial discriminatory taxation. Only one State imposes a very modest differential tax on beer brewed out of the State and two States impose similar differential taxes on distilled spirits from out of State. But eight States impose discriminatory taxes on out-of-State wines. The differentials are great, as much as $1.50 per gallon in one instance.

These taxes are anticompetitive and restrict access to major metropolitan markets. They raise prices to consumers. They clearly constitute a burden on interstate commerce. They are inflationary. They are exactly the sort of inhibitions to productivity and business that are concerning so many people in connection with the summit conference on inflation convened by the President of the United States.

The day of protective tariffs raised by one State against the produce of another State was supposed to have ended with the Articles of Confederation in 1787. Unfortunately, trade tariffs between States persist in the form of discriminatory taxes levied on wines produced in other States.

Our amendment is designed to end this discriminatory practice.

Mr. President, I now ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. CRANSTON. A question has been raised concerning the power of Congress to enact this legislation in view of the 21st amendment. I think this point has been laid to rest by the Supreme Court's remarks in *Heublein* v. *South Carolina Tax Commission*, 409 U.S. 275 (1972).

Mr. CHILES. Will the Senator yield on that point?

Mr. CRANSTON. Certainly.

Mr. CHILES. Will the Senator tell me what the Supreme Court said on that and where it appeared in that case?

Mr. CRANSTON. In that case, the Court invited Congress to enact legislation if, in its judgment, that is wise or desirable. That was a footnote in the opinion.

Mr. CHILES. It was a footnote, so it was not even dictum in the case. It was a footnote somewhere in the case.

Mr. CRANSTON. Well, it represented the viewpoint of the Court.

Mr. CHILES. I am not sure that one can cite that as saying that the Supreme Court has spoken out, in view of the fact that it was not even dictum in the case. The case was not on all fours with that, and there is simply a footnote that has been cited.

I think maybe the Senator is stretching it a little bit to say that the Supreme Court has now gone on record. I say that I doubt very seriously that the Senator would find even Dean Griswold, even being in the pay of the wine industry, would stretch that point that far, to say that.

Mr. CRANSTON. Dean Griswold cited that in the opinion which I shall place in the RECORD shortly. I think that Dean Griswold is a widely respected man who would not render a legal opinion that he does not believe is a sound one.

The Court has made it clear, Mr. President, that the 21st amendment has not "repealed" the commerce clause or the equal protection clause. On the contrary, the Court has said explicitly that all of the provisions of the Constitution must be construed together, in order to make a coherent whole.

Former Solicitor General Erwin N. Griswold, whom we have already referred to in this discussion, has prepared a legal opinion under retainer from the Wine Institute in which he reaches the conclusion:

> That there is no decision which forecloses the question of the constitutionality of H.R. 2096, and that it is entirely appropriate for Congress to legislate in this area.

The Department of Justice in comments on this legislation has said:

> That if the Congress were to enact H.R. 2096, it would be necessary for the Supreme Court to reverse a well established line of precedent in order for this legislation to be sustained.

Former Solicitor General Griswold states:

I do not think that this point is well taken. There are, in fact, no decisions of the Supreme Court which decide a question involving the power of Congress to deal with a question of this sort; and the more recent decisions of the Court clearly leave that question an open one.

Mr. President, I ask unanimous consent that Mr. Griswold's letter to the Finance Committee be included in the Record, together with an excellent letter on the same issues prepared by Mr. Jefferson Peyser, longtime general counsel of the Wine Institute and an outstanding legal scholar on the legislative history of the 21st amendment and its subsequent interpretations by the Supreme Court.

There being no objection, the letters were ordered to be printed in the Record, as follows:

August 1, 1974.

Committee on Finance,
U.S. Senate,
Washington, D.C.

Gentlemen: H.R. 2096 was passed by the House on September 11, 1973, and is now under consideration by this Committee. The purpose of this Bill is to eliminate discriminatory taxation by the states against wine produced outside the state. One of the questions before the Committee is the constitutionality of an Act of Congress on this subject.

This letter is written in a professional capacity. I have been retained by the Wine Institute to consider this question, and to give my opinion on it. Accordingly, I have examined the constitutional provisions, particularly the Twenty-First Amendment, the decisions of the Supreme Court which bear on this question, and also the material presented in the hearings which were held before this Committee on January 21, 1974. On the basis of this consideration, I have reached the conclusion that there is no decision which forecloses the question of the constitutionality of H.R. 2096, and that it is entirely appropriate for Congress to legislate in this area. The ultimate question of the constitutionality of the statute can be determined only by the Supreme Court. There is, however, in my opinion, a considerable likelihood that the Court would hold such a statute valid. And, it may be added that that question cannot be presented to the Court for decision unless the Congress expresses its views and policy in the area by the enactment of such a statute.

The Twenty-First Amendment to the Constitution was adopted in 1933. The first section of that Amendment repealed the Eighteenth Amendment. The second section of the Twenty-First Amendment reads as follows:

"The transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the law thereof, is hereby prohibited."

In the first few years after the adoption of the Twenty-First Amendment, four cases came before the Supreme Court involving its construction and application. The opinions in all of these cases were written by Justice Brandeis. The first of these cases is *State Board* v. *Young's Market Co.,* 299 U.S. 59 (1936). This case involved a statute of California providing for a license fee of $500 for the privilege of importing beer into the state. In reaching this result, the Court used some broad language. It said, with respect to the second section of the Twenty-First Amendment, that "The words used are apt to confer upon the state the power to forbid all importations which do not comply with the conditions which it prescribes." 299 U.S. at 62. And it added "If it may permit the domestic manufacture of beer and exclude all made without the state, may it not, instead of absolute exclusion, subject the foreign article to a heavy importation fee?" 299 U.S. at 63.

This language is undeniably broad. However, the decision in the case must be examined with the aid of the standard tools of constitutional history and construction. Often the law starts its growth and development through a decision which, though involving a narrow issue, uses broad or sweeping language. Thereafter, the initial decision is narrowed and sharpened as new cases arise involving different facts and other constitutional considerations.

In this light, several observations may be made about the decision in the *Young's Market* case. In the first place, it did not involve any Act of Congress. Thus, the decision, as such, does not deal with the power of Congress to enact legislation to prevent discrimination in this area. In the second place, when the opinion of the Court in *Young's Market* is examined more closely, it becomes apparent that the case did not involve any invidious discrimination. Everyone agrees that, under the Twenty-First Amendment, each state has unlimited power to exclude intoxicating liquors, and also that it has very broad powers to regulate storage, transportation, sale, and other traffic in intoxicating liquors within the state, whether these liquors are locally produced or come into the state from outside its borders. The Supreme Court recognized that this would be enough to support the validity of the statute, for it said that "we cannot say that the exaction of a high license fee for importation may not . . . serve as an aid in policing the liquor traffic." 299 U.S. at 63. Moreover, the Court finally reached its conclusion in the *Young's Market* case on the ground that there was in fact no adverse discrimination so that the Equal Protection Clause would not be violated if it is applicable. It pointed out that the domestic brewer in California is required to pay a license fee of $750 a year for the privilege of manufacturing beer. It then observed: "The brewer of the foreign article cannot be so taxed [for manufacturing]; only the importer can be reached. He is subject to a license fee of $500." 299 U.S. at 64.

Thus, though some of the language in the *Young's Market* opinion is quite broad, the actual decision is very narrow. It was not necessary for the Court to discuss the general applicability of the Commerce Clause, since it recognized that the fee bore a reasonable relation to clearly proper regulation by California. And it was not necessary for the Court to discuss the Equal Protection Clause, since, as the Court pointed out, the importer's fee was actually less than the manufacturer's fee, and thus there was no discrimination.

Two years later, the case of *Mahoney* v. *Joseph Triner Corp.,* 304 U.S. 401 (1938), came before the Court. This involved the validity of a Minnesota statute which provided that no liquors could be imported for sale in Minnesota "unless such brand or brands shall be duly registered in the Patent Office of the United States." The Court held that this regulation was valid.

Again, the Court used sweeping language. "That, under the amendment, discrimination against imported liquor is permissible although it is not an incident of reasonable regulation of the liquor traffic, was settled by *State Board of Equalization* v. *Young's Market Co.,* 299 U.S. 59, 62, 63." 304 U.S. at 403.

Again, there is no difficulty with the result of the decision, although the language quoted is broad. No question of taxation was involved. And the statute does not in any way involve the validity of an Act of Congress in the area. Moreover, the Minnesota statute was clearly an incident to its regulation of the liquor traffic within its borders, and thus clearly within the terms and purpose of Section 2 of the Twenty-First Amendment.

In the next year, two cases were decided, which presented substantially identical questions. These were *Indianapolis Brewing Co.* v. *Liquor Control Commission,* 305 U.S. 391 (1939), and *Joseph S. Finch & Co.* v. *McKittrick,* 305 U.S. 395 (1939). Both of these cases involved retaliatory statutes. In the *Indianapolis Brewing Co.* case, Michigan had a law forbidding dealers in Michigan to sell beer manufactured in a state which discriminated against Michigan beer. The Court held that this was valid. It said (305 U.S. at 394):

"Since the Twenty-first Amendment, as held in the *Young* case, the right of a state to prohibit or regulate the importation of intoxicating liquor is not limited by the commerce clause; and, as held by that case and *Mahoney* v. *Joseph Triner Corp.,* 304 U.S. 401, discrimination between domestic and imported intoxicating liquors, or between imported intoxicating liquors, is not prohibited by the equal protection clause."

Similarly, in the *Joseph S. Finch* case, likewise involving an antidiscrimination statute, the Court said that, since the Twenty-First Amendment, "the right of a State to prohibit or regulate the importation of intoxicating liquor is not limited by the commerce clause." 305 U.S. at 398. In support of this statement, Justice Brandeis cited his opinions in the *Young's Market, Triner,* and the *Indianapolis Brewing Co.* cases.

These early decisions are, of course, very important and significant. Their language is undeniably broad. The actual decisions, however, are relatively narrow, and much of the language used in the several opinions was not necessary to the actual decision. Moreover, none of the cases involved the validity of an Act of Congress in this area.

If these cases were all that is available on the construction of the Twenty-First Amendment, they would present a serious, though not necessarily fatal, obstacle to the validity of H.R. 2096. However, there have been subsequent decisions; and the cases decided in the 1930s must be considered in the light of the more recent decisions of the Court in any effort to determine the present status of constitutional law and doctrine in this area.

Within the next few years, it became apparent that the power of Congress under the Commerce Clause with respect to intoxicating liquors was not wholly terminated by the adoption of the Twenty-First Amendment. Indeed, this was plainly decided almost contemporaneously with the latest of the four decisions referred to above. In *Jameson & Co.* v. *Morganthau,* 307 U.S. 171 (1939), the appellant contended that federal regulations with respect to the labeling of imported whiskey were invalid, and that the Federal Alcohol Administration Act was unconstitutional and void. This argument was based on "the ground that the Twenty-First Amendment to the federal constitution gives to the States complete and exclusive control over commerce in intoxicating liquors, unlimited by the Commerce Clause, and hence that Congress has no longer authority to control the importation of these commodities into the United States." The Court dealt with this summarily in a Per Curiam opinion. It said: "We see no substance in this contention." 307 U.S. at 173.

Then, a few years later, in *United States* v. *Frankfort Distilleries,* 324 U.S. 293 (1945), the Court held that a federal prosecution under the Sherman Act for fixing retail prices of alcoholic beverages was not proscribed by the Twenty-First Amendment. The Court pointed out that this was not "a case in which the Sherman Act is applied to defeat the policy of the state." It then said: "That would raise questions of moment which need not be decided until they are presented." 324 U.S. at 299. Thus, the Court clearly indicated that such questions under the Commerce Clause were still open for consideration, and were not foreclosed by the prior decisions of the Court.

Similarly, a number of cases held that the price control laws enacted by Congress, during World War II, were applicable to intoxicating liquors. *Jatrose* v. *Bowles*, 143 F. 2d 453 (C.A. 6th, 1944); *Barnett* v. *Bowles*, 151 F. 2d 77 (Em.Ct.App. 1945), certiorari denied, 326 U.S. 766 (1945); *Dowling Brothers Distilling Co.* v. *United States*, 153 F. 2d 353, 357 (C.A. 6th, 1946), certiorari denied, 328 U.S. 848 (1946). In the *Jatrose* case, the Court said that the Twenty-First Amendment "does not, however, deprive the national government of all authority to legislate in respect to interstate commerce in intoxicants." 143 F. 2d at 455. It is true that these cases involve an exercise by Congress of the War Power as well as the Commerce Power. However, the Commerce Power was relied upon in the opinions. And, if the War Power survives the Twenty-First Amendment, as it clearly does, there is no reason why the other clauses of the Constitution may not retain some vitality in appropriate circumstances.

See also *Duckworth* v. *Arkansas*, 314 U.S. 390 (1941), and *Carter* v. *Virginia*, 321 U.S. 133 (1944), where, in cases involving the transportation of liquor through a state, the Court proceeded in terms of the Commerce Power, "independently of the Twenty-first Amendment." 321 U.S. at 135.

In the past ten years, there have been at least four decisions by the Supreme Court which substantially affect the problem. The first of these is *Hostetter* v. *Idlewild Bon Voyage Liquor Corp.*, 377 U.S. 324 (1964), in which the opinion was written by Justice Stewart. The case involved the sale of liquor at Idlewild airport, delivered to departing passengers after their plane had left the country. These transactions were carried out in accordance with United States Customs regulations. The New York State Liquor Authority ruled that the business was illegal under the New York Alcoholic Beverage Control Law "because the business was unlicensed and unlicenseable under that law." 377 U.S. at 326. The dealer then brought suit for an injunction and declaratory judgment, relying on the Commerce Clause and the Supremacy Clause of the Federal Constitution.

The Court decided in favor of the dealer. It said (377 U.S. at 331):

"To draw a conclusion from this line of decisions that the Twenty-first Amendment has somehow operated to 'repeal' the Commerce Clause wherever regulation of intoxicating liquors is concerned would, however, be an absurd over-simplification. If the Commerce Clause has been *pro tanto* 'repealed,' then Congress would be left with no regulatory power over interstate or foreign commerce in intoxicating liquor. Such a conclusion would be patently bizarre and is demonstrably incorrect. In *Jameson & Co.* v. *Morgenthau*, 307 U.S. 171, 'the Federal Alcohol Administration Act was attacked upon the ground that the Twenty-first Amendment to the Federal Constitution gives to the States complete and exclusive control over commerce in intoxicating liquors, unlimited by the commerce clause, and hence that Congress has no longer authority to control the importation of these commodities into the United States.' The Court's response to this theory was a blunt one: 'We see no substance in this contention.' Id., 307 U.S. at 172–173. See also *United States* v. *Frankfort Distilleries*, 324 U.S. 293. (Sherman Act.)

"Both the Twenty-first Amendment and the Commerce Clause are parts of the same Constitution. Like other provisions of the Constitution, each must be considered in the light of the other, and in the context of the issues and interests at stake in any concrete case."

This decision is of very great significance on the present problem. The Court's emphatic statement that "the Twenty-first Amendment and the Commerce Clause are parts of the same Constitution" would seem to be equally applicable to the Equal Protection Clause and to other Constitutional provisions. This does not mean that the Commerce Clause and the Equal Protection Clause are unaffected by the Twenty-First Amendment. It does mean clearly that the Commerce Clause and the Equal Protection Clause and other provisions of the Constitution are not completely eliminated when set up along side the Twenty-First Amendment. The several provisions of the Constitution must be construed together and the Twenty-First Amendment does not eliminate the powers of Congress beyond what is necessary to achieve the purpose of the Twenty-First Amendment.

On the same day, the Court decided another significant case, also in an opinion by Justice Stewart. This is *Department of Revenue* v. *James B. Beam Distilling Co.*, 377 U.S. 3417 (1964). The case involved a tax imposed by Kentucky on whiskey imported from abroad. The Court held that this was barred by the Export-Import Clause of the Constitution, Article I, Section 10, clause 2. Despite the unqualified terms of Section 2 of the Twenty-First Amendment, and the broad language of its early decisions in this area, the Court said:

"This Court has never so much as intimated that the Twenty-first Amendment has operated to permit what the Export-Import Clause precisely and explicitly forbids." 377 U.S. at 344.

The next decision is *Joseph E. Seagram & Sons* v. *Hostetter*, 384 U.S. 35 (1966). Here again the opinion was written by Justice Stewart. The *Seagrams* case raised the question of the validity of price control regulations made by New York with respect to liquor sold in the state. The Court held that these regulations were valid, and did not violate the Commerce Clause. In reaching this result, the Court referred to its decision in *Hostetter* v. *Idlewild Liquor Corp.*, 377 U.S. 324 (1964), discussed above, and said: "As the *Idlewild* case made clear, however, the second section of the Twenty-first Amendment has not operated totally to repeal the commerce clause in the area of the regulation of traffic in liquor." 384 U.S. at 42. The Court held that the New York statute did not violate the Commerce Clause. It then went on to consider questions raised under the Supremacy Clause, the Due Process Clause, and the Equal Protection Clause 384 U.S. at 45–51. It considered each of these questions on the merits, and did not suggest that any of these clauses was wholly superseded by the Twenty-First Amendment. With respect to the Equal Protection Clause, the Court said: "We do not find that these differentiations constitute invidious discrimination." 384 U.S. at 50. Thus, the Court left room for the inference that if there was invidious discrimination, the Equal Protection Clause might be applicable. Moreover, the decision does not deal in any way with the question of the validity of an Act of Congress in this area, based upon the Commerce Clause, if the Congress should find that such a state requirement was an undue burden on interstate commerce, inadequately related to the powers given to the states by Section 2 of the Twenty-First Amendment.

The most recent decision of the Court in this area is *Heublein, Inc.* v. *South Carolina Tax Commission*, 409 U.S. 273 (972). This case involved a statute of South Carolina which required an importer of liquor into the state to take actions in the state which were sufficient to subject it to the state's income tax, within the provisions of the Act of Congress of September 14, 1959, 5 U.S.C. 381(a).

The Court held that the regulation made by South Carolina was valid under the Twenty-First Amendment, as "an appropriate element in the State's system of regulating the sale of liquor." 409 U.S. at 283. This case, it should be noted, does involve an Act of Congress under the Commerce Clause. However, the Act was not held invalid. It was simply construed as inapplicable under the circumstances. The Court did not deal with the question of the power of Congress to act, under the Commerce Clause, so as to invalidate a state tax in a situation like that before the Court. Indeed, the Court expressly left that question open. It said, in the opinion of Justice Marshall (409 U.S. at 282, n.9):

"And, though the relation between the Twenty-First Amendment and the force of the Commerce Clause in the absence of congressional action has occasionally been explored by this Court, we have never squarely determined how that Amendment affects Congress' power under the Commerce Clause. Cf. *Schwegmann Bros.* v. *Calvert Distillers Corp.*, 341 U.S. 384 (1951).

This completes my review of the decisions of the Supreme Court in this area. How should they be evaluated?

It is clear that there has been a development in the decisions, from the early cases, in the 1930s, to the more recent cases in the past ten years. It is now clearly established that Section 2 of the Twenty-First Amendment does not "repeal" the Commerce Clause or the Export-Import Clause with respect to intoxicating liquors. The Court has said that these clauses and the Twenty-First Amendment are all parts of the same Constitution, and must be construed together. In so construing the entire Constitution, the Court has found various areas where the constitutional provisions, and the power of Congress, remain effective despite the adoption of the Twenty-First Amendment.

Although I know of no case explicitly saying so, it is clear that the same principle is applicable to the Due Process Clause and the Equal Protection Clause of the Fourteenth Amendment. For example, suppose that a state should enact that only red-headed persons could import liquor from outside the state. Is there any doubt that this would violate the Equal Protection Clause—or, that Congress could, in the exercise of its power, under Section 5 of the Fourteenth Amendment, enact a statute invalidating this requirement? Or, to present the same point another way, suppose that a state enacted a statute saying that the liquor business in the state could only be carried on by white Anglo Saxon Protestants. It seems equally clear that the Equal Protection Clause, or the power of Congress to enforce the Equal Protection Clause, would be applicable to invalidate such a discriminatory provision.

It is in this light, then, that we consider the power of Congress to deal with state taxing statutes which discriminate against extra-state wine. It is clear that under the Twenty-First Amendment, the states have very wide powers to "regulate" traffic in intoxicating liquors. They can forbid it entirely, and they can provide requirements, including stringent requirements, designed to protect the state and its inhabitants against illegal conduct of the liquor business.

But the taxes to which H.R. 2096 is directed are not regulatory in nature. They do not operate to control the liquor business, in a regulatory sense. On the contrary, their objective is economic, not regulatory, as appears clearly in the Hearings before this Committee on January 21, 1974. Various statements before the Committee show that the purpose of these statutes is to act like a tariff barrier—not to exclude out-of-state wine, and not to regulate out-of-state or domestic wine, but simply to provide a greater margin of profit for domestic producers. Such an objective, it may well be contended, is outside the proper scope of the power given to the states by Section 2 of the Twenty-First Amendment; and it is equally the sort of action which is barred by both the Commerce Clause and the Equal Protection Clause, or by a statute enacted by Congress pursuant to its powers under one or another or both of those clauses.

An early commentator said that "state liquor legislation escapes the interdict of the Commerce Clause and other constitutional limitations only when representing a valid exercise of state police powers." "The Twenty-First Amendment v. The Interstate Commerce Clause," 55 Yale L.J. 815, 816. Of course, the power given to the states by Section 2 of the Twenty-First Amendment either to prohibit or to regulate the liquor traffic is very great. But, in the light of its history, it is a power to prohibit or to regulate, and not a power to impose invidious discriminations which bear no relation to regulation. The point was made in another case, not involving the Twenty-First Amendment, where the New York Milk Control Act was invalidated. The Court said:

"Neither the power to tax nor the police power may be used by the state of destination with the aim and effect of establishing an economic barrier against competition with the products of another state or the labor of its residents." *Baldwin* v. *GAF Seelig*, 294 U.S. 511, 527 (1935).

Thus, it is my conclusion that the validity of H.R. 2096 is at least a wide open question and that strong arguments can be made, based on the more recent decisions, that H.R. 2096 is constitutionally valid. As I have indicated, the Court has made it clear that the Twenty-First Amendment has not "repealed" the Commerce Clause, or the Equal Protection Clause. On the contrary, the Court has said explicitly that all of the provisions of the Constitution must be construed together, in order to make a coherent whole. No case has held an Act of Congress in this area to be invalid; and the Court has, in its most recent decision, invited Congress to enact legislation if, in its judgment, that is wise or desirable. *Heublein, Inc.* v. *South Carolina Tax Commission*, 409 U.S. 275, 282, n. 9. It is clear, in my opinion, that enactment of H.R. 2096 would in no sense be an affront to the Court, or in conflict with the present current of its decisions.

The Department of Justice has said "that if the Congress were to enact H.R. 2096, it would be necessary for the Supreme Court to reverse a well established line of precedent in order for this legislation to be sustained." Hearing before the Subcommittee on State Taxation of Interstate Commerce, January 21, 1974, p. 2. See also, Id., p. 28. As I have shown above, I do not think that this point is well taken. There are, in fact, no decisions of the Supreme Court which decide a question involving the power of Congress to deal with a question of this sort; and the more recent decisions of the Court clearly leave that question an open one.

H.R. 2096, as drafted, relies, in Section 1, wholly on the Commerce Clause. I would suggest that it be amended so as to rely also on the power given to Congress by Section 5 of the Fourteenth Amendment to enforce the Equal Protection Clause and other provisions of that Amendment. I would only add that, with respect to wine imported from outside the country, these discriminatory state taxes may amount, in substance and effect, to a tax on imports, and thus be invalid under Article I, Section 10, clause 2 of the Constitution, the Export-Import Clause, as already decided by the Supreme Court in *Department of Revenue* v. *James B. Beam Distilling Co.*, 377 U.S. 341 (1964).

Very truly yours,

ERWIN N. GRISWOLD.

FEBRUARY 6, 1974.

Re H.R. 2096.
Hon. WALTER F. MONDALE,
Chairman, Senate Subcommittee on State Taxation of Interstate Commerce, New Senate Office Building, Washington, D.C.

DEAR CHAIRMAN MONDALE: At the hearing concerning H.R. 2096 before the Subcommittee on State Taxation of Interstate Commerce of the Committee on Finance held on January 21, 1974, you expressed interest in the propriety of Federal legislation to prohibit discrimination against out-of-state wines.

An answer is provided by Justice Louis Brandeis (whose Supreme Court decisions interpreting the Twenty-First Amendment made state discrimination against wines possible). On January 9, 1915, less than a year and a half before he was elevated to the Supreme Court, Louis Brandeis addressed the House Committee on Interstate and Foreign Commerce, the same Committee which reported H.R. 2096 in 1973, as follows:

"Congress has the ultimate power to decide the matter of public policy for the nation. The Supreme Court has the right to determine what is public policy in a limited number of cases *as long as Congress has not declared what it is. If the Supreme Court has made an error, it is the duty of Congress to correct the error.* (Emphasis supplied.)

"In a very large number of cases where questions of strict law are before the court we have to accept the decision of the court as the highest authority. But on a question of public policy it is no disrespect to the Supreme Court to say that the majority of the court were mistaken. There is no reason why five gentlemen of the Supreme Court should know better what public policy demands than five gentlemen of Congress. (Emphasis supplied.)

"In the absence of legislation by Congress, the Supreme Court expresses its idea of public policy, but in the last analysis it is the function of the legislative branch of the government to declare the public policy of the United States. There are a great many rules which the Supreme Court lays down which may afterwards be changed, and are afterwards changed, by legislation. It is no disrespect to the Supreme Court to do it. *Their interpretations of law may be set aside by a new law.*

"It may be expressed by constitutional amendment or by act of Congress." Quoted in the Brandeis Guide to the Modern World 64–65 (A. Lief ed. 1941.) (Emphasis supplied)

H.R.2096 is manifestly the kind of act of Congress to which Mr. Brandeis referred. It cannot be doubted that a central policy of the Founding Fathers was to establish a single trading union among the several states.

In the Brandeis decisions, the Supreme Court has established a policy which allows states to discriminate against wines produced in other states. H.R. 2096 seeks merely to remedy the economic evils caused by discriminatory trade barriers erected pursuant to what we feel are incorrect judicial interpretations of the Twenty-First Amendment.

The Commerce Clause was clearly adopted by the framers of the Constitution to prevent economic balkanization. However, because of the judicial interpretations of the Twenty-First Amendment, the wine industry has been denied the protection afforded by the Commerce Clause. It is necessary to look to the Congressional debates at the time. Section 2 of the Twenty-First Amendment was drafted in order to determine the public policy underlying the enactment of that Section.

There can be no question that the sole purpose of Section 2 was to protect states which wished to remain dry states after the repeal of the Eighteenth Amendment (Prohibition). At the hearing before your Subcommittee I discussed the remarks of Senator Borah during the Senate debate on Section 2. The debates contain other similar examples of Congressional intent, some of which I wish to reproduce for the record.

Senator Fess stated:

"The second section of the joint resolution that is now before us is designed to permit the federal authority to assist the states that want to be dry to remain dry. I am in favor of that." (76 Cong. Rec. 4168.)

Senator Robinson, who had moved to strike Section 2, withdrew his motion and stated:

"I do not wish the Senate to put itself in the position of denying any measure of protection to dry territory." (76 Cong. Rec. 4171.)

In the House of Representatives, Representative Tierney, who supported the resolution, had the following to say:

"I feel that one of the strongest elements in this measure is the feature which gives to each state the right to regulate its own liquor traffic free from wet states' interference or so-called regulation by the present government's discredited prohibition service. It will aid and protect the so-called dry states in permitting them to exclude, if their citizens so wish, all liquor traffic in their domains." (76 Cong. Rec. 4526.)

Numerous other quotes indicating that Section 2 of the Twenty-First Amendment was aimed solely at allowing states to remain dry could be included. Suffice it to say that nowhere in the Congressional debates is there any indication that Congress wished to allow wet states to discriminate against alcoholic beverages produced outside the state. The policy of Congress was clear, states wishing to prohibit alcoholic beverages could do so.

The Supreme Court, in the Brandeis decisions, engaged in judicial legislation by allowing states to discriminate against out-of-state wines. H.R. 2096 merely would restore the law to its status prior to Prohibition and would assert Congressional policy as expressed in the debates on the Twenty-First Amendment.

Recently, in the case of *Heublein v. South Carolina Tax Commission* 409 U.S. 275 (1972). Justice Marshall writing for the majority of the court noted:

"And though the relation between the Twenty-First Amendment and the force of the Commerce Clause in the absence of Congressional action has occasionally been explored by this Court, we have never squarely determined how that Amendment affects Congress' power under the Commerce Clause."

H.R. 2096 would provide the vehicle for determining the relationship between the Commerce Clause and the Twenty-First Amendment. (It would be futile to attempt a court case where a state discriminates against out-of-state wines without Congressional action expressing its intent pursuant to its Commerce powers, indicating that discrimination against wine shall not be allowed.) The futility of an effort to bring a court case in the absence of legislation such as H.R. 2096 is made manifest by the fact that all of the Brandeis decisions and subsequent cases challenging the Twenty-First Amendment have upheld the rights of a state to discriminate.

At the Subcommittee hearing on January 21st, opponents of the bill claimed that the measure was contrary to the interests of small wineries. One owner of a winery who testified against the bill has a storage capacity of two million gallons. In California, there are 134 wineries with storage capacity of less than two million gallons and 103 wineries in

California with a storage capacity of less than 500,000 gallons. These wineries operating in a state that does not discriminate do not appear to need protective legislation in order to survive. In New York, 21 wineries have a storage capacity of less than two million gallons and 19 of those wineries have a storage capacity of less than 500,000 gallons. The majority of the New York wineries, as well as the vast majority of California wineries, are smaller than the opponent of the measure yet the number of wineries in New York and California continues to grow. Wine, like other products, should be sold on the basis of quality and consumer demand and not by virtue of protectionist barriers.

Very truly yours,

JEFFERSON E. PEYSER,
General Counsel, Wine Institute.

Mr. CRANSTON. Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. McCLELLAN. Mr. President.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. McCLELLAN. Mr. President, before the motion to table is made, I want to make one or two very brief observations.

I oppose the pending amendment and I oppose the bill pending in the Senate, which I understand is identical to the amendment. I oppose both of them because this amendment is tantamount to amending the Constitution of the United States, or to attempt to do so.

I oppose it because, if enacted, the tendency of it and the effect and result of it will be to perpetuate and strengthen an already existing monopoly in the wine industry in this country.

I oppose it because it transgresses, as I said, the Constitution of the United States in that the amendment to the Constitution which it contravenes was adopted with a provision that was to accommodate the several States of the Nation, particularly those who wanted to have absolute control over alcoholic beverages in their State.

That is a concession that was involved in the repeal of the prohibition amendment. That language in the Constitution, Mr. President, is so plain and unambiguous that it is susceptible of no other interpretation except that it restored to the States in the matter of alcoholic beverages the right to control alcoholic liquors in their States irrespective of the commerce clause of the Constitution of the United States. The 21st amendment, among other things, says:

> The transportation or importation into any State, territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the law thereof, is hereby prohibited.

Mr. President, had they wanted, in this amendment, to have the commerce clause in the Constitution apply, it would have been easy to have said so. But it absolutely, Mr. President, with respect to this one commodity, this one product, would supersede the commerce clause of the Constitution, and give absolute control to the several States.

Mr. President, I do not wish to speak at length. I simply wanted to lay this foundation. There will no doubt be considerable discussion of this amendment long before any vote is had on it. There are a number of Senators who cannot be here this afternoon, I understand, who wish to speak on it or who oppose it, and they should be given that opportunity.

Mr. President, I made the statement a moment ago that the adoption of this amendment or the passage of the bill with which this amendment is identical would have the effect of perpetuating what already exists, and strengthening a monopoly with respect to the production of wine in the United States. This is unconscionable. Two States, California and New York, now produce 92.7 percent of all the wine produced in the United States. Add two other States to that list, Illinois and New Jersey, and what they produce, and those four States produce 97 percent of the wine produced in the United States.

There are 10 other States that produce the remaining 3 percent of the wine produced in the United States. My State of Arkansas produces three-tenths of 1 percent, or, that is, three bottles out of every thousand that are produced in the United States. A number of other States produce similar amounts. Georgia is the same, Ohio is the same, and other States. Florida produces only five-hundredths of 1 percent, Oregon 1 percent, and Mississippi 1 percent.

Mr. President, this is, it appears to me, a most unreasonable and most unjustified attempt to impose or to gain absolute control of one product by two or three States that I can possibly conceive of. The wineries in these States like Arkansas—I am more familiar with it, of course, than the others—obviously are all in about the same situation. A State like Arkansas, which can and does produce very good grapes, has an infant industry. It produces grapes and sells them to the grape juice producing companies, and now it is undertaking to develop wine production. We have two or three companies that are in the business of trying to produce wine and build up a business for that purpose. But, Mr. President, when they go up against these giants that are spending not a few dollars, but millions and millions of dollars advertising throughout the country when they have already gained nearly 93 percent of the market of the United States. Having already done that, they have the money to spend for advertising, and these little infant industries, struggling to get a start with their own native products, products that grow in their States, trying to develop a market for them in the wine industry, are to be restrained by a blatant attempt to abrogate the Constitution. This is something that I think the Senate should take notice of, give it the kind of treatment that it deserves, and defeat this amendment. It should be tabled, and I hope that a motion will be made to lay it on the table, and that the result will be the adoption of the motion.

Mr. President, one other point in connection with this matter is that when a small business is struggling against the power of the giants to crush it, if this clause in the Constitution will not hold—and one of the purposes of it was to give States exclusive power to control the importation of alcoholic liquors into the State, to regulate it, and to abrogate the commerce clause of the Constitution insofar as this product is concerned—insofar as it relates to the States that want to control alcoholic beverages, it is going pretty far when we take an amendment like this and undertake, Mr. President, to circumvent the Constitution in this fashion.

There have been a number of cases—I do not need to recite them at this time, but later we shall furnish them for the Record—where the court has sustained the position that I have asserted here with respect to the constitutional amendment. These cases should be of some guidance to the Senate in taking into account whether it wants to enact an unconstitutional law.

Another thing, Mr. President, that seems to me to be wrong with this proposal is that the original bill is pending in the Senate, the bill to which this amendment, being offered here on another bill, is identical. Mr. President, that bill has been in committee all this year. I do not remember when it was introduced, but I remember I testified before the Committee on Finance on that measure sometime in January of this year. That bill has been pending there, with the opportunity for due process under the rules of the Senate. But that bill not having been brought out of that committee in its own right, to offer this wine proposal as an amendment to a bill dealing with daylight saving time, I think, might be held, Mr. President, to be not only unrelated to the bill, but not germane to the time.

People, as far as I know, drink wine in daylight and drink wine at night, and whether the sun is shining or the moon is shining does not have anything to do with whether one buys a keg of wine or whether he takes a drink of it.

I think the amendment is not germane. This is not the proper place to consider it and, therefore, these things should be taken into account.

We are here trying to circumvent in this amendment the orderly procedure under the rules of the Senate, and I just think that we ought to take that into account.

I am glad to yield to the distinguished Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator for yielding, and I shall be brief.

First, I think he has made an unanswerable argument here on the merits or the demerits of the amendment itself, even though not a single Member here is indifferent to any problem our friends, the Senators from California, have.

I have been for a long time interested in the daylight saving bill, and I have been, along with many others, working on this bill for months. I have not found a single Senator who was against the idea of making some adjustment in the present law as to daylight saving.

But there is a difference of opinion among us. Some wanted to have 6 months of daylight saving time and 6 months of what I call regular time, and others wanted the division of 8 and 4. Others wanted 9 and 3.

So after conferring, discussing and debating ideas we finally came to a conclusion we could all stand on together, and this bill provides for the 8 and 4 division of the months, the 4 months being November, December, January, and February.

I think it is generally agreed that there is no substantial saving in energy today by the present law, and it is also agreed that there are many other very strong reasons, including the idea of the schools and school children getting back on a more practical time. So I certainly hope the bill will pass in its present form and it will not even have to go back to conference, just go directly to the White House where, I am sure, it will be favorably received.

Many of our transportation systems and many other interested parties will get a chance to change schedules, adjust to it. It is not something that can be done overnight. We owe it to those people to give them a reasonable time.

I thank the Senator very much for yielding.

Mr. McCLELLAN. Yes, Mr. President, I want to support the pending bill. I would like to see it enacted because I favor its provisions.

But, Mr. President, this bill will be slow of enactment if this amendment should be attached to it, and I hope that will not occur.

I understand the distinguished Senator from Kansas (Mr. DOLE) wishes to make a motion to table the amendment, but before he does so I would like to yield the floor to the distinguished Senator from Alabama (Mr. ALLEN).

Mr. ALLEN. I thank the distinguished Senator from Arkansas, and also the distinguished Senator from Kansas for allowing me to say a few words before he makes the motion to table which, I hope, of course, will prevail.

Mr. President, this is a special interest amendment if there was ever a special interest amendment. It is an amendment for the special interest of the wine producers in California and in New York.

Mr. TUNNEY. Mr. President, will the Senator yield for a question?

Mr. ALLEN. Yes; I yield.

Mr. TUNNEY. Is it not in the special interests of the consumers of Alabama and other States who must pay higher prices for wine that is produced in California and New York and Illinois because there are discriminatory taxes?

Mr. ALLEN. Frankly, I do not believe the distinguished Senator from California is worried about the consumers in Alabama. I think his interests—since he has asked—are the wine producers of California.

Mr. TUNNEY. Is the Senator from Alabama concerned about the consumers of Alabama?

Mr. ALLEN. Yes; I am very much concerned about them.

Mr. TUNNEY. Well, would they not receive a cheaper priced wine, California wine?

Mr. ALLEN. I do not want to get into an argument with the Senator. I merely yielded for him to make a comment. I do not want him to use my time listening to his argument. He occupied the floor for some 30 minutes, and I was interrupted after making one statement.

But, Mr. President, this is a special-interest amendment sought to be added to a bill of general public interest. The bill before the Senate, managed by the distinguished Senator from Illinois (Mr. STEVENSON), is a bill that will return to the old system of time and will do away with year-round daylight saving time; leaving, I believe, 8 months without daylight saving and 4 months with daylight saving.

This amendment sought to be added by the distinguished Senator from California to the daylight saving bill would benefit the wine producers in California and in New York who already corner 93 percent of the market in this product, as stated by the distinguished Senator from California.

Mr. President, I am reminded of the old Biblical story of David and Bathsheba. After David had taken Bathsheba away from Uriah the Hittite, and had made her his wife after Uriah was killed, the prophet Nathan came to denounce David for having done this, and he told this parable about the rich man who had, I believe, 99 sheep, and the poor man who had one little lamb.

The rich man with the 99 sheep—not 93 percent as the California and New York States together have but 99 sheep—when he had company visiting him he wanted to prepare a banquet for the company. So instead of killing one of his own sheep he went and got or stole the lamb of the poor man who had only one lamb, and he killed that and made a feast for his company. David asked Nathan who the man was so that he could be punished and Nathan said to David, "Thou art that man."

So here we have the possessors of 93 percent of the market trying to get the rest of the market and preventing the States which wish to impose conditions on the entry of New York and California wine into their States, from imposing those conditions which are clearly permitted by the 21st amendment to the Constitution which repealed the 18th amendment.

Here in a statement in behalf of the bill, of which the amendment is a counterpart, the witness in behalf of the Wine Institute, in giving some legislative history says:

> The legislative history of the 21st amendment, as indicated by the debates relative to the repeal of the 18th amendment, discloses that there were three subject matters of prime concern: repeal of the 18th amendment; second, assurance that there should be no return of the saloon; and, three, that the integrity of the dry States be protected.

Now, in order to protect the integrity of the dry States they added this language to the 21st amendment before its submission:

> The transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.

That meant the State could impose such conditions as it saw fit on the entry of intoxicating beverages into a State. Now, in the case of that provision, which is now a part of the Constitution as the 21st amendment, the Tunney amendment would seek, contrary to the provisions of the Constitution, to forbid States from imposing conditions on the entry of wine into their State.

We do have a State system, not having licensees for the sale of whisky, have a State system which has worked very, very successfully.

I have a telegram here which I ask to be inserted in the RECORD from Gov. George C. Wallace of Alabama, which states that House bill 2096, which is the counterpart of the amendment, will destroy Alabama's system of regulation and control of wines, urging strongest opposition possible to this bill and support of the minority report on this bill.

This has reference to the bill, rather than the amendment, the question is identical.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> MONTGOMERY, ALA.,
> *September 25, 1973.*
>
> Hon. JIM ALLEN,
> *U.S. Senator, Senate Office Building, Washington, D.C.:*
>
> House bill 2096 will destroy Alabama's system of regulation and control of wines. Urge your strongest opposition possible to this bill and your support of the minority report on this bill.
>
> Sincerely yours,
> GEORGE C. WALLACE.

Mr. ALLEN. I believe that this is a purely special interest bill, and if there is anybody I do not believe needs any help at this time, it is people engaged in the producing of wine. I do not see why we should take up the time of the Senate in seeking to give the wine producers of New York and California more of the market for this product than they already have.

Mr. CRANSTON. Will the Senator yield?

Mr. ALLEN. Yes, I will yield to the distinguished Senator.

Mr. CRANSTON. I would just like to state that I do not believe this is a special interest amendment because it does not seek to serve the interests of any one winery.

It seeks to assist a billion dollar business that creates 70,000 jobs in California, it provides wine for many people at very proper cost in our country and elsewhere, it contributes to our balance of trade, because the United States now ranks sixth in world production and export sales of wine.

That helps tremendously in terms of our problems of balance of payments.

It seems to me that the Senators opposing this because of one winery in their State are those providing special interest opposition to a general interest amendment.

I do not know whether the Senator from Alabama has any one winery that he is speaking on behalf of, but I know there are Senators who have that situation.

It seems to me they are speaking against the best interests of the consumers of this country generally and the consumers in their States who do not have the free choice at the same price of wine.

Mr. ALLEN. I am glad that the distinguished Senator has made that point because I do not know whether there is a wine-producing concern in Alabama.

Mr. CRANSTON. I made it clear that I do not know, either.

Mr. ALLEN. I do not know whether there is a drop of wine produced in the State of Alabama.

What I do object to is the Senators from California saying to the State of Alabama that they cannot impose conditions on the entry of wine into the State of Alabama, and that is what this amendment would provide.

I yield the floor.

Mr. TUNNEY. Mr. President, there is just one point I would like to make. The Senators from California, in the amendment they have offered, are not trying to tell the State of Alabama which wines can be sold, nor whether wines can even be sold. The State of Alabama would have a perfect right to decide these issues for itself.

The only thing the amendment says is that if Alabama decides to sell wine it should not discriminate against wine that is produced out of State any more than it should be able to discriminate against any other product that is produced out of State.

I might say to the Senator from Alabama that in his State the annual license fee for all manufacturers of alcoholic beverages, including wine, is $1,000 for place of manufacture. But, the annual fee is only $25 for wine manufacturers producing wine in which 75 percent or more of the fruit or produce used in the manufacture of such wine is grown in Alabama.

In other words, an Alabama winemaker utilizing more than 25 percent of fruit grown out of State to make his wine would be discriminated against by being required to pay an annual license fee of $1,000, and that is a very substantial discrimination.

Of course, it is clear that that additional cost is going to be passed on to the consumers of Alabama if they want to drink California wines, New York wines, or any other out-of-State wine. I just do not believe it is fair to the consumers of Alabama any more than it would be fair to the consumers of California for our State to impose a big tax on Alabama cotton.

We have got a great grade of cotton in Alabama and I like cotton shirts. I think it would be an outrage if in New York or California we put a big tax on Alabama cotton.

I do not think Alabama should put a big tax on California wine.

Mr. DOLE. Mr. President, I yield to the Senator from Illinois.

Mr. STEVENSON. I thank the Senator from Kansas.

Mr. President, the Commerce Committee has taken no position on this amendment. I, personally, think it is a sound amendment, and that no State should discriminate in its taxation against out-of-State wines from those States with the soil and sun and all the other conditions which have made New York and California and certain other States the predominant wine producers of the country.

Those State laws tend to give the consumers in the States which have them a choice between a higher priced good wine on the one hand and a local and frequently inferior wine on the other.

This amendment would eliminate that discriminatory treatment which I personally think is unfair to the consumers of the States which have the laws. But I am afraid this amendment may also have the effect of killing the legislation to return the country to standard time.

Under the legislation, the Nation would be scheduled to go back to standard time at the end of October. We have very little time remaining. The transportation industry must be given notice whether the Nation is going to be on daylight saving time or standard time in order to make scheduling changes. Unless this amendment is tabled, it is very possible that we will be unable to give the transportation industry sufficient advance notice.

If, on the other hand, the amendment is tabled, it would be possible to approve this bill (H.R. 16102) and by doing so send it directly to the President where it would be signed, become law, and place the Nation back on standard time on the last Sunday of October.

So, for only that reason, I shall support the motion which I believe will now be made by the Senator from Kansas to table this amendment.

Mr. DOLE. Mr. President.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, there are a number of us who have taken no position on the amendment itself offered by the distinguished Senators from California and the distinguished Senators from New York, but it has been indicated by a number of Senators that it hardly belongs on a bill that we believe should have been enacted many weeks ago.

As the distinguished Senator from Illinois just pointed out, and earlier the Senator from Mississippi and others, a number of transportation schedules must reflect the new time change. We have a little more than 30 days in which to achieve that.

It just seems to many of us, who are still undecided on the issue of wine on whether or not this amendment should be adopted, that it should not be attached to this particular bill.

There is great concern in my State, great concern in every State in the country, with reference to year-round daylight savings time.

Some would prefer 6 and 6, some prefer 9 and 3, some prefer 8 and 4, and that is what this bill does.

It is an effort to compromise the different views of different people and different Members of the Senate. So, for the reason appearing to the junior Senator from Kansas, on matters of importance, the important thing today is to act on the amendment to the Emergency Daylight Saving Time Energy Conservation Act of 1973.

I, therefore, move to table the amendment offered by the distinguished Senators from California, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the negative). On this vote I have a pair with the Senator from Georgia (Mr. TALMADGE). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Missouri (Mr. EAGLETON), the Senator from North Carolina (Mr. ERVIN), the Senator from Hawaii (Mr. INOUYE), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I also announce that the Senator from Ohio (Mr. METZENBAUM) and the Senator from Connecticut (Mr. RIBICOFF) are absent because of Jewish holy day.

I further announce that, if present and voting, the Senator from Ohio (Mr. METZENBAUM) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Maryland (Mr. BEALL), the Senator from Oklahoma (Mr. BELLMON), the Senator from Tennessee (Mr. BROCK), the Senator from Kentucky (Mr. COOK), the Senator from Colorado (Mr. DOMINICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. HATFIELD), the Senator from New York (Mr. JAVITS), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. JAVITS) would vote "nay."

The result was announced—yeas 39, nays 43, as follows:

[No. 426 Leg.]

YEAS—39

Aiken
Allen
Bartlett
Bennett
Biden
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Chiles
Cotton
Dole
Eastland
Fong
Fulbright
Griffin
Hansen
Helms
Hollings
Hughes
Johnston
Long
McClellan
McIntyre
Muskie
Nelson
Nunn
Pearson
Proxmire
Randolph
Roth
Scott,
  Wililam L.
Sparkman
Stafford
Stennis
Stevenson
Taft
Thurmond
Tower
Young

NAYS—43

Abourezk
Bentsen
Bible
Brooke
Buckley
Cannon
Case
Church
Clark
Cranston
Curtis
Domenici
Fannin
Gravel
Gurney
Hart
Hartke
Haskell
Hathaway
Hruska
Huddleston
Humphrey
Jackson
Kennedy
Magnuson
McClure
McGee
McGovern
Metcalf
Mondale
Montoya
Moss
Packwood
Pastore
Pell
Percy
Schweiker
Scott, Hugh
Stevens
Symington
Tunney
Weicker
Williams

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Mansfield, against.

NOT VOTING—17

Baker
Bayh
Beall
Bellmon
Brock
Cook
Dominick
Eagleton
Ervin
Goldwater
Hatfield
Inouye
Javits
Mathias
Metzenbaum
Ribicoff
Talmadge

So the motion to table was rejected.

Mr. TUNNEY. Mr. President, I do not see any reason why we cannot now have a vote on the merits of this amendment. It is very clear that a majority of the Senators favor eliminating this unfair, discriminatory tax policy as it relates to the Nation's wines. I should like to see the amendment now voted on, as I am sure that everyone who believes that it is important that the Senate have the opportunity to work its will on an amendment feels the same as I do.

I should like to move the adoption of the amendment.

Mr. McCLELLAN. Mr. President, I think it is a little premature to ask for a vote right now. I am sure that there is more involved here than has been mentioned in the very brief discussion prior to this motion to table.

Then, too, Mr. President, my observation, if it is correct, indicates that there are now about 60 Senators present who were not present during the previous discussion, so it is going to take a little time this afternoon to get all of the facts in the RECORD that it should reflect before final judgment is made.

As I said a little earlier——

Mr. HUMPHREY. Will the Senator yield?

Mr. McCLELLAN. Yes.

Mr. HUMPHREY. Does the Senator think also the Senate might be in session tomorrow?

Mr. McCLELLAN. I do not know what the leadership's plans are.

I did say earlier that there are some Senators who are out of town today and, did not expect an amendment to be offered on a daylight savings time bill; it was not anticipated. They are out of town because of other commitments and they would like to be heard. They would like to participate in the debate.

I think that a matter of this consequence, involving the Constitution of the United States, ought to have a little discussion, and they ought to have the opportunity. Some of them are very worried about the Constitution, and I am sure they can make a very able contribution to the RECORD.

Mr. TUNNEY. Will the Senator yield?

Mr. McCLELLAN. Yes.

Mr. TUNNEY. Will the Senator agree to a unanimous-consent request to have a vote on this amendment, let us say, on Monday at 2 o'clock?

Mr. McCLELLAN. I am not prepared to make such agreement without previous consultation. I should not want hastily to make commitments. I see some other Senators here that I know want to discuss it. I have not conferred with them. I do not know whether they want to talk under daylight saving time now or under the new time that is anticipated. I therefore shall not be able to make a commitment for them.

I hope the Senator understands.

Mr. TUNNEY. I completely understand. The Senator also understands that there was an attempt made in the Committee on Finance to get a vote on this particular amendment. This was a bill before the Committee on Finance. The Senator knows that we had a majority of votes in the Committee on Finance but we could not get the measure to a vote.

Mr. McCLELLAN. This Senator does not know that; I am sorry. I have not been so advised.

Mr. TUNNEY. We all believe in democracy, the rights of the minority and the rights of the majority to have their day in court—to have a hearing at the appropriate time and place. This is all that we are asking for, a vote on the merits.

I know that the very distinguished Senator from Arkansas would not want to deny those of us who have far less influence in this body than he does an opportunity just to have a little vote on the merits of the amendment to the bill.

Mr. McCLELLAN. As this Senator and as the Senator from California well know, I cannot accept, of course, his exaggeration about my influence. Everyone here knows that is an exaggeration. But he is very gracious in trying to suggest it.

The Senator well knows that even if I had all the influence that he claims, under the rules of the Senate, I could not block a vote. It takes a whole lot more than one to block a vote, and that is not what I am trying to do at the moment. I am trying to give those Senators who want their day in court, who want to be heard, an opportunity.

I am sure the Senator does not want to deny them that opportunity. I think we agree on the principles of democracy, and I am sure we both subscribe to the rules of the Senate.

The Senator has a right to offer this wine bill on a daylight saving bill; I know that. As I said in my opening remarks, it is true that people drink wine in the daytime, in the daylight, and they drink wine at night in the moonlight. So I do not see anything that is so important about attaching it to a daylight saving time bill.

It does not belong there. It belongs in the due course of proceeding under the rules of the Senate. That is all I am asking for. The Senator says he has not been able to get it out of the Committee on Commerce.

Mr. TUNNEY. The Committee on Finance.

Mr. McCLELLAN. The Committee on Finance, I am sorry. I am not a member of that committee. I want to keep the chairmanship there exercising its will.

When there is an attempt to take a bill to permit a $7 million wine industry to have a monopoly on the wine business throughout the country, and try to impose it on a little daylight saving bill that everyone is interested in, and do that in violation of the Constitution as I interpret it, why, of course I want to delay it until I can get some reinforcements. The Senator from California understands that. He has his forces all marshaled here, sitting ready, and almost took us by surprise when he offered this amendment on this bill.

I know we are going to discuss it. Others will want to discuss it and debate the matter thoroughly. I do not want to take up undue time, other than to insure their right to be heard in our democracy. I hope we can agree on that, and that the Senator will not insist on a vote today. I hope he will not do that.

Mr. TUNNEY. The Senator from Arkansas is so sincere in the way he presents his case. I think that if the Senator from California had a glass of wine under his belt he would probably now have tears in his eyes.

Mr. McCLELLAN. We do not make much wine in Arkansas. As I pointed out earlier, we produce only three bottles out of every 1,000 produced in the United States, and the Senator's State produces 92 and—how many?

Mr. ALLEN. 92.7 percent.

Mr. McCLELLAN. 92.7 percent of all that is produced in the United States. We are the little folks here this afternoon.

Mr. TUNNEY. That is right.

Mr. McCLELLAN. We do not want to have this pushed over on us. Give us a chance to stretch our muscles and fight back a little.

This monopoly should not be perpetuated. It really should not. These little folks should have their chance to develop a business. That is what we are trying to do in Arkansas. It will mean a few jobs, and it will mean that the Constitution of the United States will not be abridged, or an attempt made to abridge it, by an amendment on the daylight saving time bill that would tend to perpetuate that wine monopoly in this country.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. COTTON. There are other rights threatened by this amendment than those of States which happen to produce wine. This is not a new issue. It has come up several times during the past 5 years.

There are at least 15 States, of which the State I represent is one, where no wine is allowed to be sold by anyone but the State, in State stores. The Liquor Commission of my State is very apprehensive about this bill, now being offered as an amendment, since they select the liquor that is sold in State stores, and no other brands may be sold. I do not know that they differentiate between California and Arkansas, or anywhere else. They select the popular brands. But they fear that if this amendment should prevail, they might be compelled to stock every brand of wine tendered to it. That could be as many as 40,000 brands of wine, and would practically ruin the whole operation.

Also they are fearful of the effect this could have on revenue from our control State system, which annually results in some $26 million of revenue in New Hampshire which is turned over to the general fund.

That may or may not be so. But, they also feel very strongly that it is in violation of the 21st amendment, and that the several States now have a right to do this. However, I am very sure that the proponents of the bill will say that such fears are unfounded.

Right now many of us are engaged in the committee of conference on the HEW appropriation bill. A lot of Senators, I am sure, wish to be heard on this proposal, and not just Senators from the wine States.

Mr. McCLELLAN. Mr. President, the Senator from New Hampshire may be correct that it has more far-reaching implications than just to the little wine industry in my State which I represent, which is a struggling, small business.

This proposal involves, as I said earlier and say again, the Constitution of the United States, and it can be very far-reaching. It needs study. It ought not to be put on this bill.

If it stays on the Senate floor here, it can be debated; it can be beaten down. But this method, this procedure, while legal and proper under the rules of the Senate, is not advisable under these circumstances.

Mr. TUNNEY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. TUNNEY. I just want to point out to my distinguished friend and colleague from New Hampshire that the House of Representatives committee report recognizes the problem that he has raised. In order to allay the concern many people had that this legislation could be construed to require control States which stock any brand and variety of wine to stock every brand that was tendered to it by a supplier, the committee revised the appropriate section. The revised section clearly does not require a State to list, much less stock, all brands of wine that this country produces. The amendment in no way proscribes any State in promulgating laws and regulations for the sale of alcoholic beverages.

The first point I would like to make to the Senator from Arkansas is that when we talk about the poor, struggling wine industry in certain States, for instance Arkansas, Arkansas has a refinery which is larger than 200——

Mr. McCLELLAN. I believe it has two. Very small.

Mr. TUNNEY. And one of the major——

Mr. McCLELLAN. All in the same location, the same little community, where we grow some grapes.

Mr. TUNNEY. Well at any rate, it is bigger than 237 of the wineries in California. It is not a little winery; it is a fairly good-sized winery.

I can fully understand how the Senator feels. Perhaps, he would like to wait until next week so that we will have an opportunity to have other people present to vote, and that is fine with me.

Would the Senator like to agree to a unanimous-consent request to have a vote at 12 o'clock on Tuesday; would that be satisfactory?

Mr. McCLELLAN. I advised the distinguished Senator from California a while ago that I am not in a position to make commitments for others who are interested, and I could not make or grant a consent request for them. I know they want to be heard. As I said, now, whether they want to be heard until Tuesday or Wednesday I am not advised at the moment.

Mr. TUNNEY. The only thing I want the farmers of my State to know is that it is not the Senators from California who are delaying this daylight saving bill. The Senators from California would like to vote on the daylight saving bill this afternoon. This Senator is prepared to vote Monday, Tuesday, Wednesday, or any time that we can get a unanimous consent request for a vote from those who apparently do not want a vote on this very important amendment.

Mr. McCLELLAN. I would be glad to certify with the Senator to the farmers of his State and with the farmers of everyone else's State that this daylight saving bill would have passed this afternoon except for his amendment. [Laughter.] I would be glad to do that.

Mr. PASTORE. Mr. President, will the Senator from California yield to me?

Mr. TUNNEY. Yes; I yield to the Senator from Rhode Island.

Mr. PASTORE. There has been a lot of rhetoric and a lot of debate, some rather facetious and some very, very serious. Let us get serious for the moment. I mean, what is the Senator's complaint, that he has been unable to have a hearing on his bill in the Finance Committee?

Mr. TUNNEY. No. We have had a hearing. We cannot get a vote because there are some Senators who feel that they would like to talk rather than let the Senator act.

Mr. PASTORE. The Senator says they have not been able to have a vote; does he mean a vote in the Finance Committee?

Mr. TUNNEY. In the Finance Committee.

This bill passed the House of Representatives. But over in the House of Representatives it was passed out of the Interstate and Foreign Commerce Committee. So in the House of Representatives it is a Commerce Committee bill.

If it were attached to this bill it could go to conference and it could be accepted. At that point, it could be passed relatively shortly, hopefully within the next few days, because the amendment would not represent a germaneness problem for the House.

Mr. PASTORE. Well now, as I size up the situation on the floor of the Senate, here it is 3:30 in the afternoon. It looks to me like we are not going to have a vote on this amendment in which the Senator from California is interested and, in the meantime, it is going to have the effect of killing this daylight saving bill.

I was wondering if there is any compromise that we can reach without insisting upon a vote on a day certain.

Mr. TUNNEY. I would be delighted. The Senator from California would be pleased, to have——

Mr. PASTORE. Is there any way that the Senator can draw up his wine bill and send it over to the Commerce Committee of the Senate? I am on that committee and I would take a good look at these intoxicating liquors.

Mr. TUNNEY. Well, the problem is, unfortunately, that the Parliamentarian has rules in the Senate that this particular type of legislation must be referred to the Finance Committee.

Mr. PASTORE. Not if the Senator dressed it up in interstate commerce. There is a way of drawing an amendment so that it will go to the Commerce Committee. I will help the Senator do that.

Mr. TUNNEY. I really am very appreciative of my very dear friend, the Senator from Rhode Island, for offering that as a suggestion, and I wish I could accept it.

This bill has been pending for 3 years now, and it just seems to me that the Senate ought to have an opportunity to voice its opinion.

Now, there are only a very few Senators who want to talk about the legislation, who want to talk about it perhaps indefinitely. But I think the majority of Senators ought to be able to have a chance to work their will, and if we remove this amendment from the bill, there is no chance of getting it through on any other bill because the same kind of a filibuster is going to be present.

Mr. PASTORE. I know, but are we not actually getting nowhere at all? After all, the daylight saving bill is important. I did support the Senator on the first vote on the motion to lay on the table. There are other Senators here who are beginning to reconsider that vote in view of the fact that here we are stalemated, and we are dealing in priorities. The fact still remains there are a lot of people in this country who want something done about daylight saving time, and that is essential and it is important, and I do not think we ought to frustrate ourselves.

Mr. TUNNEY. Yes; I understand that.

Mr. PASTORE. Would I hurt the Senator's feelings if I move again to lay it on the table?

Mr. TUNNEY. I would like to discuss it with the Senator before he makes that motion.

The thing that concerns me——

Mr. PASTORE. I do not want to hurt the Senator's feelings and that is why I asked if I would hurt his feelings. I do not want to drive him to wine.

[Laughter.]

Mr. TUNNEY. The thing that concerns me is here we have had an opportunity for the Senate to express itself. It is clear to me also from what the Senators told me privately when they voted to table that they were for the legislation but they were voting to table because they wanted to get the daylight saving bill through. A very substantial majority of Senators want this legislation to pass—probably more than two-thirds; although that is questionable, but it is a very substantial majority—and the will of the majority is being frustrated by a very small minority.

I do not know why the suggestion is not made to those who are filibustering that they might want to see the daylight saving bill passed and that they withdraw.

Mr. McCLELLAN. Mr. President, do I have the floor? If I have the floor, I would like to interrupt the Senator. I think it is a little premature to declare a filibuster here within 2 hours after the amendment was brought up.

I said others wanted to talk. I cannot make a commitment for them, whether they want to talk longer or shorter, but I just make the point that this is hardly a filibuster yet.

I would say we wish to have an opportunity for free and open debate on the merits of the amendment, and also on the inadvisability of latching on to this daylight saving bill.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. McCLELLAN. It is delaying the progress of the bill, that is true. I do not mind taking my share of the responsibility for that. But the initial responsibility for delay is the amendment itself, the sponsored amendment.

I yield to the distinguished Senator from Florida (Mr. CHILES).

Mr. CHILES. If the discussion went on until Christmas there probably would be a filibuster by that time, would there not?

Mr. McCLELLAN. It would what?

Mr. CHILES. If it went on to Christmas, it would probably be a filibuster.

Mr. McCLELLAN. Or even Christmas Eve. I would not insist that it go on to Christmas day. But the point is when one brings up an amendment of this nature that is not germane to the bill, altogether foreign to the subject matter of the bill that is under consideration, I do not think it is a filibuster if we talk about it for an hour or two.

Mr. President, I still have the floor, and if no one else wants to ask me any questions, I would be glad to proceed uninterruptedly for a minute or two.

In my earlier remarks before the motion to lay on the table, I had made reference to the Constitution or what it provides and, Mr. President, I said that this bill had been pending—I think the author of the amendment now says it has been pending—for 3 years. I did not know it had been pending that long. But I did appear before the Committee on Finance on January 21 of this year and testified briefly in opposition to this bill, the bill with which this amendment is identical.

I pointed out at that time, Mr. President, that there are limits prescribed by the Constitution to the powers which Congress can exercise. This amendment would seek to nullify the powers that are clearly granted to the States by the 21st amendment to the Constitution.

Mr. President, the constitutional provision in the amendment to which I allude states:

> The transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.

I emphasize, Mr. President, that the language could not be clearer, it could not be more definite, it needs no interpretation. It is self-interpretative. It says what it means and it means what it says.

This amendment, the amendment to this bill, would attempt to tamper with, if it could be enacted and made to pass as a part of the pending daylight saving bill, would be an attempt, Mr. President, to circumvent or to abrogate, this provision of the Constitution.

The Supreme Court has consistently held—and, Mr. President, during the course of this debate I think it would be well for these decisions to be cited, and certainly important rulings that are recorded therein be incorporated, in the RECORD of this debate, and that I shall do if other Senators do not do it before I reach that part of my discussion.

But in a series of interpretative decisions rendered shortly after the ratification of the constitutional amendment to which I have referred, the Supreme Court said that States have the authority and the right under this 21st amendment to adopt legislation discriminating against intoxicating liquors imported from other States in favor of those from the home State.

To that extent, Mr President, the 21st amendment amends or repeals the commerce clause amendment to the extent that it makes this exception to it, because the States are given the absolute power to discriminate against liquors not produced in that State, and the Supreme Court has so held.

The Court has also said that such discrimination is not limited by the commerce clause.

It has stated that, Mr. President, specifically, and if the Supreme Court says again what it said before, unless it overrules itself on decision, unless it changes the law of the land again, it has said that the law of the land is that the State has a right to discriminate against liquors produced outside of that State and brought into that State if that State chooses to do so in favor of the liquors produced within the State.

I do not know whether the Supreme Court, if this amendment should be adopted and the case go to the Supreme Court, would change its mind or not, but we have to assume for the purpose of considering legislation, as to what is constitutional and what is not, that the Supreme Court having spoken on the issue once will say next time what it said the first time.

If it does, Mr. President, we are engaged here in a great deal of futility and a waste of time of the Senate in considering this amendment, because if it is enacted, this amendment should be adopted and tested in the courts and the court should hold what it has held heretofore, all of the effort here to circumvent the Constitution or to change it will be futile and in vain.

I think when we suggest a filibuster, we might consider that, too, because that will involve a lot of expense, a lot of delay, someone will have to take it to the Court and that will be as bad as a filibuster, and worse as far as the proponents of this amendment getting any relief for their States.

Now I kind of sympathize with these States that are producing wine, one of them producing 82 percent and the other 10 percent of all of the wine in the country. They need the profit, apparently, the little bit of profit that States like mine may be making out of the wine industry, trying to build up a wine industry, the profit that my producers are making on three bottles that they sell or produce out of every 1,000 produced in the United States.

I would not want it charged that anyone is greedy, that these big wine companies are grasping, without cause. Mr. President, may be they need this little bit of profit, but so do our people who are struggling to build a little industry.

We produce pretty good grapes. We may not have all the techniques yet necessary to fully compete with these rich and powerful producers of wine. They can hire experts and make experiments, they have the money to do that which the little people of my State cannot do right now, but it seems to me with those advantages that they ought to be satisfied, Mr. President, and not insist that they have a greater competitive advantage by trying to abrogate the laws of the States like mine and like 10 others that are trying to build a little wine industry of their own.

The case of State Board of Equalization of California *v.* Young's Market Company was decided in 1936, it is in 299 U.S. Report, page 59.

In that case, it was argued that it would be a violation of the commerce clause—Mr. President, this confirms what I have already said—that it would be a violation of the commerce clause and of the equal protection clause for a State to require a fee of persons importing beer from outside the State.

In this case, the State was upheld, noting that such discrimination would have violated the commerce clause before the adoption of the 21st amendment.

Mr. President, prior to the adoption of the 21st amendment, the present statutes of my State would have been unconstitutional, but they are not unconstitutional since the adoption of the 21st amendment.

Noting that such discrimination would have violated the commerce clause before adoption of the 21st amendment, the Court, speaking through Mr. Justice Brandeis, held that since the adoption of the amendment—the 21st amendment—a State was no longer required, and I quote,

> To let imported liquors compete with the domestic on equal terms.

Now, Mr. President, that is what the Supreme Court said. They were talking about liquors. We are talking about wines here. We are talking about liquors, the same thing that was before the Court in that case, the identical product, Mr. President.

Then the Court went on and said:

> To say that would involve not a construction of the Amendment, but a rewriting of it.

Mr. President, that is what the Court said, that to place such a construction on the amendment would be rewriting it. This pending amendment is clearly an attempt here to legislatively rewrite amendment No. 21 to the Constitution of the United States. The Court said that it cannot be done.

Mr. President, to adopt this amendment would be to attempt to do indirectly what can only be done directly by rewriting the 21st amendment to the Constitution. In other words, Mr. President, to do what this amendment attempts to do, and to make it legal, we would have to rewrite the 21st amendment to the Constitution. The Senate and the Congress are not empowered to do that by legislation. Procedures are provided in the Constitution as to how this amendment could be changed, how it could be rewritten. But the method attempted here, Mr. President, is not the approved or constitutional method to change this amendment in the Constitution.

The wording of the amendment is so clear, and the Supreme Court's interpretation thereof sustains the fact, that the States have the power under the Constitution to impose the taxes in question. That means, Mr. President, that this attempt by the big, giant wine producers in this country to grasp and take by this process the little bit of wine, Mr. President—the other 7 percent—from the other 10 States producing wine in this country is not warranted. It ought to be rejected out of hand. Under the Constitution, it cannot be imposed in the fashion here attempted.

Apparently the Department of Justice agrees with the views that I have expressed. In commenting on this legislation, the Department has stated that, "If the Congress were to enact H.R. 2096"—that is the amendment now before us. It is identical with H.R. 2096. Whatever the Department of Justice said about H.R. 2096 would apply identically to this amendment.

The State of Arkansas has chosen, under the powers granted to it by this amendment to the Constitution to protect its own small wine industry. The impact of Arkansas wine on the national market is minimal. You could take all of the wine produced in all of the United States, except in the State of California and the State of New York, all of that wine, 7 percent of the total, and I think that could accurately be described as minimal.

Mr. MANSFIELD. Will the Senator yield to me without losing his right to the floor?

Mr. McCLELLAN. I am glad to yield.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I understand that it is not possible today to enter another motion to table the amendment. It is possible, though, for someone who voted in the negative to move to reconsider, and that motion would be subject to a tabling motion. In talking with various interested parties, I would like at this time to raise the following postulate: That the pending business be laid aside until next Tuesday or Wednesday—and I do this reluctantly because of the need for a uniform daylight saving bill throughout the country at this time—with the understanding that at that time, when it is called up, another motion to table will be offered.

Would the Senator give that proposal some consideration?

Mr. McCLELLAN. I will give it some consideration.

I would like to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. If I understand the distinguished leader's suggestion correctly, it is that we simply set aside the pending business without prejudice to anyone's rights, or to any right to a rule of the Senate, to set it aside until next Tuesday or Wednesday and not bring this up again until that time.

At that time, it will have, as I understand, the same status before the Senate, and every Senator will have every right then that he has at this hour, at this time, with respect to discussing the amendment or making any motions thereon, or offering any amendments thereto.

Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLELLAN. There would be no sacrificing of rights or jeopardizing of rights in any fashion whatsoever, if we agree to this as a unanimous consent agreement.

Mr. MANSFIELD. None whatsoever.

Mr. McCLELLAN. Am I correct? I would like to have the Chair rule.

The PRESIDING OFFICER. The Chair is in a little bit of doubt as to the question propounded by the Senator from Arkansas. Does he mean that he would have the floor when he said the status would be the same? Then I would have to ask the Senator from Montana if that is what he meant.

Mr. MANSFIELD. Absolutely.

Mr. McCLELLAN. I understand I would have the floor, and no right under the rules of the Senate in any respect would be placed in jeopardy or interfered with by reason of entering into such an agreement.

The PRESIDING OFFICER. The Senator is correct in the way he stated it.

Is there objection to the unanimous consent request?

Mr. McCLELLAN. Reserving the right to object——

Mr. MANSFIELD. May I say this, that it is my understanding that if this is agreed to, a motion to table will be made almost immediately after the bill is called up.

Mr. McCLELLAN. It would be in order, but if I have the floor I would assume I would have to yield for that purpose.

Mr. MANSFIELD. Yes, indeed.

Mr. McCLELLAN. Am I correct?

The PRESIDING OFFICER. The Senator from Arkansas is correct.

Mr. THURMOND. Will the distinguished majority leader yield?

Mr. MANSFIELD. I yield.

Mr. THURMOND. Mr. President, I would like to inquire if the distinguished Senator from Arkansas, for any reason, does not resume the floor at that time, could the Senator from South Carolina be notified before any action is taken so he would be present in order to protect his rights on the floor?

Mr. MANSFIELD. Absolutely.

Mr. McCLELLAN. I suggest to the distinguished leader that he add to that request that a quorum call be placed and a quorum obtained before any action is taken on the bill. I think that would protect everyone.

Mr. MANSFIELD. I make that request, too.

Mr. McCLELLAN. Let that be included.

The PRESIDING OFFICER. That request will be included.

Is there any objection to the request of the Senator from Montana, including the right of the Senator from Arkansas to the floor at the time the proceedings start on this bill on Tuesday or Wednesday?

Mr. THURMOND. On that basis, I have no objection.

Mr. McCLELLAN. Would the distinguished leader let us know which day as soon as he can?

Mr. MANSFIELD. Yes. I asked it for Tuesday or Wednesday so that the leadership could take advantage of the possibilities of an appropriate time.

Mr. McCLELLAN. That is the way I understood it.

The PRESIDING OFFICER. Is there objection?

Mr. TUNNEY. Mr. President, reserving the right to object—and I shall not object—I think this represents a good compromise of interests, and I would hope that we could have a vote as soon as possible on Tuesday.

I have no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CRANSTON. Mr. President, I should like to respond very briefly to one point that was made by the Senator from Arkansas, if it is not out of order.

The Senator, I believe, said that the Supreme Court has held that the States have an absolute right under the 21st amendment to discriminate.

I believe that is not the case.

The Supreme Court has ruled that the export-import clause of the Constitution limits the power of the State to regulate alcoholic beverages under the 21st amendment.

I point out that under the court's decision in *Department of Revenue* v. *James B. Beam Distilling Co.,* 377 U.S. 341 (1964), discriminatory taxes may amount to a tax on imports when levied against foreign wine.

Thus, we may have the situation in which French wine cannot be taxed in a discriminatory fashion, but California, New York, and Arkansas wine can be so taxed.

Arkansas wine is very good wine. About 25 percent of its business is now in exports to other States. As it develops further business, it is quite possible that it will find itself subject to the discriminatory laws that the Senators from California and many others are objecting to; and we might then find the Senators from Arkansas joining us in opposition to such laws by States.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BUCKLEY). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that today, September 26, 1974, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 3320. An act to extend the appropriation authorization for reporting of weather modification activities; and

S.J. Res. 244. A joint resolution to extend the termination date of the Export-Import Bank.

ORDER FOR ADJOURNMENT TO 11 A.M. ON MONDAY NEXT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 11 o'clock on Monday morning next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO SET ASIDE S. 3394, FOREIGN ASSISTANCE ACT OF 1974, ON MONDAY NEXT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business, S. 3394, a bill to amend the Foreign Assistance Act of 1974, be set aside for the duration of the discussion on House Joint Resolution 1131, a joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes, and other legislative matters which will be considered on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. It is the intention to lay before the Senate the continuing resolution, after all special orders have been fulfilled, the joint leadership has been recognized, and the morning hour has been concluded.

Mr. McCLELLAN. That will be next Monday?

Mr. MANSFIELD. Next Monday.

Mr. McCLELLAN. And the Senate is convening at 11 a.m.?

Mr. MANSFIELD. That is correct.

Mr. McCLELLAN. Following routine speeches and the recognition of the leaders, this will be the pending business?

Mr. MANSFIELD. I would hazard a guess that it would be about 11:30.

Mr. McCLELLAN. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROLLCALL VOTES TO OCCUR AFTER 4 P.M. ON MONDAY, SEPTEMBER 30, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if any rollcall votes are ordered on Monday, prior to 4 p.m., they not occur before 4 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENT OF GEN. FREDERICK C. WEYAND AS ARMY CHIEF OF STAFF

Mr. THURMOND. Mr. President, today the announcement was made of the appointment of a new Army Chief of Staff, Gen. Frederick C. Weyand. I just want to say that I have known General Weyand for a number of years. He was here as Chief of Legislative Liaison before he went to Vietnam, and I cannot recall an officer who has worked with Congress who has been more astute in his relationships with Members of Congress and accommodating Members of Congress in trying to do everything he could to build good relations with Congress for the Army.

General Weyand has a very fine record. He served ably and capably in Vietnam. He became the top commander over there after General Abrams left, and he is regarded in military circles as a very fine general. He is also regarded by the people who know him as an outstanding citizen, a scholar, and a gentleman.

I feel that the Army, the Defense Department, and the President have made a wise choice in appointing Gen. Fred Weyand as the new Chief of Staff of the Army. I congratulate General Weyand upon this appointment, and I congratulate our Government upon having a man like him to serve in this important capacity.

QUORUM CALL

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR GRIFFIN AND SENATOR ROBERT C. BYRD AND FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY, SEPTEMBER 30, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the standing order, Mr. GRIFFIN and Mr. ROBERT C. BYRD be recognized, each for not to exceed 10 minutes, and in that order; after which there be a brief period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—HOUSE JOINT RESOLUTION 1131, MAKING FURTHER CONTINUING APROPRIATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, that at the conclusion of routine morning business on Monday, the Senate proceed to the consideration of House Joint Resolution 1131, a joint resolution making further continuing appropriations.

The PRESIDING OFFICER. Is there objection? The Chair hear none, and it is so ordered.

NORTH CENTRAL EDUCATIONAL TELEVISION, INC.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1119, S. 2752.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2752) for the relief of North Central Educational Television, Incorporated.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with an amendment on page 1, in line 6, strike out "$67,081.86" and insert in lieu thereof "$26,231.92", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to North Central Educational Television, Incorporated, the sum of $26,231.92, in full settlement of all its claims against the United States for reimbursement of additional expenses incurred as the result of administrative error by personnel of the Federal Communications Commission in connection with that corporation's application for a television station.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93–1175), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT

PURPOSE

The purpose of the proposed legislation, as amended, is to authorize and direct the Secretary of the Treasury to pay, out of any money in the Treasury not otherwise appropriated, to North Central Educational Television, Incorporated, the sum of $26,231.92, in full settlement of all its claims against the United States for reimbursement of expenses incurred as the result of administrative error by personnel of the Federal Communications Commission in connection with that corporation's application for a television station.

STATEMENT

In November, 1971, North Central Educational Television, Inc., a non-profit educational television network, incorporated in North Dakota, filed an application with the Federal Communications Commission for an educational television station to operate on

Channel 2, assigned to Grand Forks, North Dakota.

North Central Educational Television is permittee of Station KFME-TV operated out of Fargo, North Dakota, and this application for expansion of its coverage was the result of many years of fund raising at the local level along with negotiations with the Department of Health, Education and Welfare for financial assistance in the amount of $305,163 for construction of the new satellite station at Grand Forks, North Dakota. Approval of the application by the Federal Communications Commission was contingent upon successful negotiation with the Department of Health, Education and Welfare for the grant.

North Central's application was processed by the Federal Communications Commission and on January 6, 1972, was accepted as meeting the minimum mileage separation requirements both as to domestic and foreign (Canadian) channel allocations and station assignments. A further staff engineering study by the FCC revealed conflicting data and, after notification of this was forwarded to North Central, a revised application was submitted on February 11, 1972.

On March 22, 1972, the modified proposal was considered technically acceptable to the FCC engineering staff and was turned over to legal and accounting personnel for further processing. Although the application was fully processed by April, 1972, it was placed in a pending file until the Commission received further financial data, specifically, notification that the grant application had been approved by the Department of Health, Education and Welfare.

During this period, the Canadian Government advised the Federal Communications Commission of its proposal to allocate Channel 2 to Brandon, Manitoba, pursuant to the Canadian-USA Television Agreement of 1952. This proposal was reviewed and accepted by the Broadcast Bureau staff of the FCC, and the Canadian Department of Communications was notified on June 14, 1972, that the Commission had no objection to their proposal for Brandon. Contained in the Canadian Government's proposal to the FCC was a clear specification that any future assignment on Channel 2 in the United States would be no more than 190 miles from Grand Forks in order to maintain the minimum required co-channel spacing from Brandon, Manitoba.

The Television Applications Branch at the Commission, which had already processed the North Central application, failed to review that application when giving its approval to the Brandon proposal. The proposed Grand Forks transmitter site was only 147 miles from the Brandon reference point. Had that been noted, the Canadian proposal would not have been considered acceptable to the Commission.

In early 1973, North Central filed additional financial data with the FCC, followed, on April 16, 1973, by an approval of their application for funding by the Department of Health, Education and Welfare. The Commission then granted a construction permit to North Central on May 3, 1973. On June 13, 1973, the Commission notified the Canadian Government of the Grand Forks Channel 2 allocation, and by letter dated June 29, 1973, the Canadian Government registered its objection on the basis of the 43 mile short-spacing to the Brandon allocation. North Central was advised of this immediately by the Commission and it was recommended that they suspend construction, which had been underway for approximately two months, while the conflict was under study.

It should be noted that the grant from the Department of Health, Education and Welfare to North Central was predicated upon the construction of an antenna, at no additional charge, on an existing 1,461-foot structure belong to Station WDAZ-TV, Devils Lake, North Dakota. In the original construction permit, North Central was granted authority to operate on Channel 2 with a maximum visual effective radiated power of 100 kilowatts utilizing an omnidirectional (all directions) antenna system with an antenna height of 1,330 feet above average terrain. This was in conformance with their plans to use the antenna structure at Devils Lake.

In the negotiations with Canada, following the discovery of the FCC's error, an agreement was reached whereby North Central could operate with 100 kilowatts, as proposed, but the effective radiated power in the direction of Brandon would be restricted to 40 kilowatts for an antenna height of 1,330 feet above average terrain.

Inasmuch as North Central was limited in its choice of antenna height, being dependent upon the WDAZ-TV structure, they modified their application, upon being advised of the Canadian-FCC agreement, to include the use of a directional antenna system with a maximum effective radiated power of 100 kilowatts, with maximum radiation toward Brandon to be restricted to 30.9 kilowatts, and an antenna height above average terrain of 1,340 feet.

This modified proposal was subsequently approved by the Federal Communications Commission.

FCC ACKNOWLEDGES RESPONSIBILITY AND LIABILITY

The Federal Communications Commission has accepted full responsibility for the error as a result of its failure to cross-reference the two Channel 2 proposals. The Commission, in a letter to Senator Quentin N. Burdick, dated August 6, 1973, signed by Chairman Dean Burch, said that "the Federal Communications Commission committed an egregious 'goof.' " In further correspondence from the Commission, addressed to Senator James O. Eastland, Chairman of the Judiciary Committee, and dated March 7, 1974, Chairman Burch wrote, "In short, this was a plain staff error, without the saving grace of being attributable to an error of judgment. It was simply a failure to do a thorough job under applicable Commission procedures."

The FCC also indicated in its letter of March 7, 1974, that it would not oppose a private relief bill for the payment of out-of-pocket losses directly arising as the result of this error.

DETERMINATION OF DAMAGES

The original construction permit to North Central allowed for an omnidirectional antenna system, which, after the Canadian-FCC agreement, had to be modified to a directional antenna system. North Central had accepted the bid of Harris-Intertype Corporation, Contract No. 7305–085A, for the original television transmitting antenna, a Gates Model TY–404, which was unit priced at $40,000.00. The modified antenna system, a Gates Model TY–404–A, is unit priced at $56,000.00, for an increased cost to North Central TV of $16,000.00. (Copies of Harris-Intertype Corporation Proposal and Acceptance are on file with the Committee.)

Under the agreement between Canada and the FCC, North Central is required to add precise frequency control to their transmitter. This control will reduce the problem of interference in the fringe area between the two stations operating on the same channel. Inasmuch as the Canadian station is not on the air at this time, precise frequency control has not been purchased and installed, however, this is expected to be completed at the time the Canadian station becomes operational. A quoted price from the Harris-Intertype Corporation lists the price of precise frequency control equipment at $5,182.50. North Central has estimated shipping and installation costs at $125.00 for a total of $5,307.50 increased cost due to the necessity of adding this equipment. (On file with the Committee is a letter from Marmet Professional Corporation, attorneys representing North Central Educational Television, Inc., to the Secretary, Federal Communications Commission, confirming North Central's willingness to add precise frequency control equipment, and an invoice from Harris-Intertype Corporation to KFME–TV listing the price of the precise frequency control equipment is also filed with the Committee.)

Further costs incurred by North Central during negotiations with the Commission as a result of the modification of the original application required when the error by the FCC was discovered include: attorney's fees, directly related to resolving the dispute over Channel 2 and the license modification, at $1,500 (copies of Marmet Professional Corporation billing, dated October 11, 1973, for services to North Central Educational Television, Inc., including service itemizations, are on file with the Committee); travel expenses incurred by the General Manager of North Central Educational Television, Inc., for a trip to Washington, D.C., to clarify and expedite a solution to the problem arising from the FCC error, at $375.28 (copies of invoices are on file with the Committee); and telephone expenses for calls directly related to the required modifications, at $106.14 (copies of telephone billings to North Central Educational Television, Inc., are on file with the Committee).

Finally, North Central suffered lost net revenue directly as a consequence of the FCC error. This lost revenue has been calculated as the difference between the expected revenue from signed school contracts to furnish educational programs during the 1973–74 school year (copies of school contracts on file with Committee) and the estimated operating expenses for the period from October 15, 1973 (the planned on-air date), and September 15, 1974 (the date on which new school contracts would begin generating revenue). Signed school contracts were in the amount of $26,514. Since the on-air date prior to the FCC error was set at mid-October, North Central anticipated 8/9's of that amount, or $23,568, as income from school contracts.[1]

The annual projected operating costs of Channel 2 are estimated to be $22,500 (estimates on file with FCC). Since the school contracts constituted the major source of revenue to the station, the Committee determined the proper period for determining net lost revenue would be the 11 month period from October 1973, to September 1974, when new school contracts would begin. The operating expenses for this 11 month period would be $20,625 (11/12 of $22,500). Thus, the net revenue lost was calculated as $23,568 minus $20,625, or the sum of $2,943.

CLAIMED ITEMS DENIED

Several additional items constituting items claimed in the original bill have been deleted by the Committee. These include:

Staff Salary Costs at 1,658.75 for period covering negotiations with FCC. This item represented an allocation of existing salaries for personnel of the parent station. It was denied because it did not represent an out-of-pocket loss.

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[1] Although it would have been possible to undertake winter construction at an additional cost of approximately $5,000 and to complete construction by February of 1974, the final portions of the educational programs would have been of little value to the schools at that stage of the school year. Thus, the amount of damages would not have been different even had North Central pushed to complete construction at the earliest possible date.

Winter Construction Fees at $5,600.00, estimated 10-day delay at rate of $560 per day. The station determined to delay construction until the spring of 1974, thus it incurred no loss for winter construction fees.

Lost Revenue: Contributions at $7,000.00, estimated voluntary contributions from listeners and community businesses and groups during the minimum 4-month delay period caused by the error. The estimate was based on a comparison with the parent station's $60,000 in donations in 1972. This item was considered to be too speculative. In addition, it represented *voluntary* contributions, and the Committee questioned whether it should be considered an appropriate element of contractual loss.

Lost Revenue: Salary at $4,500.00, representing 50% of the salary of one of the parent station's producers which the University of North Dakota had agreed to pay. Because the station did not go on the air as scheduled, it lost that salary assistance. The Committee denied this claim because the producer did not have to devote a portion of his time to the satellite station, his services were thus fully available to the parent station and no out-of-pocket loss occurred.

RECOMMENDATION

North Central Educational Television, Inc., has suffered losses directly because of an error of the Federal Communications Commission which has been acknowledged by the Commission. In agreement with the recommendation of the Federal Communications Commission, the Senate Committee on the Judiciary considers this bill to be meritorious and believes that the station should be reimbursed for its direct losses. The Committee, therefore, recommends that the bill, as amended, do pass.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on Monday the Senate will convene at the hour of 11 a.m. After the two leaders or their designees have been recognized under the standing order, Mr. GRIFFIN will be recognized for not to exceed 10 minutes, after which Mr. ROBERT C. BYRD will be recognized for not to exceed 10 minutes; after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes; at the conclusion of which the Senate will proceed to the consideration of Calendar Order No. 1118, House Joint Resolution 1131, a joint resolution making further continuing appropriations for the fiscal year 1975, and for other purposes.

Rollcall votes may occur in relation thereto. No rollcall votes will occur on Monday prior to the hour of 4 p.m. in accordance with the consent order previously entered.

At 4 p.m. on Monday the Senate will vote on the adoption of the consular convention with the Czechoslovak Socialist Republic. That will be a rollcall vote.

Among other measures which are eligible to be called up next week, but not necessarily in the order listed, are the following: S. 2022, a bill to provide increased employment opportunity by executive agencies of the U.S. Government for persons unable to work standard working hours; H.R. 16102, an act to amend the Emergency Daylight Saving Time Energy Conservation Act of 1973; S. 1988, which has to do with the jurisdiction of the United States over certain ocean areas; S. 3378, the bill of rights for the disabled; H.R. 13370, an act to suspend until June 30, 1976, duties on certain minerals; H.R. 10337, the measure authorizing the partition of the surface rights in the joint use area of the 1882 Executive Order Hopi Reservation; S. 4016, which has been reported out of the Committee on Government Operations, a bill to protect and preserve certain tape recordings, and other materials.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. If the Senator will allow me to complete my statement, I shall be happy to yield.

Senate Joint Resolution 240, requiring full public disclosure of the facts connected with and relating to so-called Watergate matters; Senate Resolution 399, expressing the sense of the Senate that a full public disclosure be made of certain facts in connection with Watergate matters; and a bill, S. 2106, which I introduced and which was reported by the Committee on the Judiciary yesterday, which relates to the tenure of office for the Director of the Federal Bureau of Investigation.

Conference reports may be called up at any time, of course, they being privileged matters. Other calendar measures for action may also be called up.

I am glad to yield.

Mr. TOWER. If the Senator would yield, I am given to understand that these are probable in terms of being taken up, and this is not a scheduling process we are going through.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. TOWER. And we would still be protected in putting a hold on any of these?

Mr. ROBERT C. BYRD. The Senator is correct. The measures will not be called up necessarily in the order listed.

Mr. TOWER. These are simply things the Senator anticipates may be called up.

Mr. ROBERT C. BYRD. Yes. The mere enumeration of these measures does not guarantee that all of them will come up next week.

Mr. TOWER. I thank the Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the Senator.

ADJOURNMENT TO 11 A.M. MONDAY, SEPTEMBER 30, 1974

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 11 o'clock a.m. on Monday next.

The motion was agreed to; and at 4:36 p.m. the Senate adjourned until Monday, September 30, 1974, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate September 26, 1974:

FEDERAL RESERVE SYSTEM

Philip Edward Coldwell, of Texas, to be a Member of the Board of Governors of the Federal Reserve System for the unexpired term of 14 years from February 1, 1966, vice Andrew F. Brimmer, resigned.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

The following-named persons to be Members of the National Commission on Libraries and Information Science for terms expiring July 19, 1979:

Joseph Becker, of California. (Reappointment)

Carlos A. Cuadra, of California. (Reappointment)

John E. Velde, Jr., of Illinois. (Reappointment)

IN THE ARMY

Gen. Frederick Carlton Weyand, [redacted] Army of the United States (major general, U.S. Army), for appointment as Chief of Staff, U.S. Army, under the provisions of title 10, United States Code, section 3034.

NATO COUNCIL REPRESENTATIVE

David K. E. Bruce, of Virginia, to be the U.S. Permanent Representative on the Council of the North Atlantic Treaty Organization, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 26, 1974:

FEDERAL TRADE COMMISSION

Paul Rand Dixon, of Tennessee, to be a Federal Trade Commissioner for the term of 7 years from September 26, 1974.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Oceanic and Atmospheric Administration nominations beginning Theodore Wyzewski, to be commander and ending Lewis W. Walker, to be ensign, which nominations were received by the Senate and appeared in the Congressional Record on September 17, 1974.

HOUSE OF REPRESENTATIVES—*Thursday, September 26, 1974*

The House met at 12 o'clock noon.

The Reverend Philip C. Morris, Walker Memorial Church of God, Princess Anne, Md., offered the following prayer:

As Your people, we offer thanksgiving for our heritage of freedom, giving hope to the world's oppressed; for our fraternal successes showing the uniqueness of love; for our stark inefficacies opening new shafts of insight.

As Your people, we offer submission of our abundant resources for the enrichment of others; of our warm propitiation for the pardon of penitents; of our human understanding for the resurrection of peace.

As Your people, we offer confession to preoccupation with things rather than with inspired precepts; to preference for divisions rather than for new partnerships; to promotion of selfish gain rather than of selfless glory.

As Your people, we offer petition for personal integrity, for communal veracity, for national humility, for terrestrial morality, for universal righteousness, and for divine guidance. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On September 18, 1974:

H.J. Res. 1070. Joint resolution authorizing the President to proclaim the period of September 15, 1974, through October 15, 1974, as "Johnny Horizon '76 Clean Up America Month."

On September 19, 1974:

H.R. 13267. An act to authorize Federal agricultural assistance to Guam for certain purposes; and

H.R. 15406. An act to amend title 37, United States Code, to refine the procedures for adjustments in military compensation, and for other purposes.

On September 21, 1974:

H.R. 9456. An act to extend the Drug Abuse Education Act of 1970 for 3 years.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15404) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes."

The message also announced that the Senate agreed to the amendments of the House to the amendments of the Senate numbered 28 and 33, to the foregoing bill.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3812. An act to authorize the appropriation of such sums as may be necessary to rehabilitate Eniwetok Atoll, Trust Territory of the Pacific Islands.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I ask for this time for the purpose of asking the distinguished majority leader the program for next week.

Mr. O'NEILL. Mr. Speaker, if the gentleman will yield, I shall be happy to respond.

Mr. MICHEL. I yield to the distinguished majority leader.

Mr. O'NEILL. Mr. Speaker, the program for the House of Representatives for the week of September 30, 1974, is as follows:

On Monday and for the balance of the week we will have House Resolution 988, committee reform amendments. There is an open rule with 4 hours of debate.

On Tuesday we will have the Private Calendar. We will also have H.R. 16900, supplemental appropriations for fiscal year 1975; H.R. 16901, the agriculture-environmental and consumer protection appropriations for fiscal year 1975; and H.R. 13002, safe drinking water, subject to a rule being granted.

Conference reports may be brought up at any time, and any further program will be announced at a later date.

Mr. MICHEL. Mr. Speaker, is it anticipated that the rule on Monday will be of a controversial nature and that a rollcall will be involved?

Mr. O'NEILL. Mr. Speaker, I would have to say that very definitely there will be a rollcall on the rule.

Mr. MICHEL. Mr. Speaker, I thank the gentleman from Massachusetts.

ADJOURNMENT OVER TO MONDAY, SEPTEMBER, 30, 1974

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, may I ask the distinguished majority leader when it is anticipated the House will get the foreign giveaway program calling for the spending of $4 or $5 billion?

Mr. O'NEILL. Mr. Speaker, in reply to the gentleman's question, as I understand it, President Ford's foreign aid program has not been reported by the committee as yet. It is now anticipated that it will not be brought before the House until after we come back from our recess.

Of course, I am aware of the fact that the gentleman is on the committee and has more knowledge of this than I have.

Mr. GROSS. Yes, I am on the committee, and I was amazed this morning that there was no markup meeting. That has been delayed and delayed. We are in 1 or 2 days, and then go over to another week for the markup session.

I just do not understand why this is probably the largest authorization spending bill still outstanding, although I do not know the extent of the deficiency appropriation bill, what this will be, the third deficiency appropriation bill this year?

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Speaker, the supplemental is made up with indicated items as a result of legislation that was finally passed into law, and for which there was no authorization.

That cannot be considered a deficiency, as the gentleman terms it, because it was budgeted, and frankly, half of it is for the year's funding.

Mr. GROSS. I do not care what kind of sugar-coated words are used to describe a deficit appropriation bill.

I would be very much surprised if there is not some deficiency appropriation money in this so-called supplemental. But getting back to the foreign handout program, why is this being delayed until after the election and put in the hands of a lameduck Congress? This is the time to work on it and slash it down to size.

Mr. O'NEILL. We are awaiting the action of the committee. We cannot schedule the bill until it has been reported, and it receives a rule from the Committee on Rules.

Certainly, as a member of the committee, the gentleman realizes why this is. The gentleman has far more knowledge than I have as to that.

Mr. GROSS. The trouble is that I am not aware of why there is deliberate stalling with respect to this bill. That is my problem, and that is the reason I am asking the distinguished majority leader why this is being postponed.

Mr. O'NEILL. Our obligation is to try to get the legislation on the floor. With regard to that, we have not had it reported, and this matter likely will not be reported to the House until after we have adjourned for the recess to allow the gentlemen who are running for office to campaign.

Mr. GROSS. That is scarcely a valid reply, I would say, with all due respect to my friend, the distinguished majority leader.

Mr. O'NEILL. Valid or not, I understand that that is what is going to happen.

Mr. GROSS. It is my understanding that the foreign handout appropriation bill has been marked up by the Subcommittee on Appropriations. It would not be at all unusual if that bill were called up under a rule in the absence of authorizing legislation. I just cannot understand what kind of maneuvering is going on around here that stops the multibillion-dollar foreign giveaway bill from coming before the House at this time.

Mr. O'NEILL. I appreciate the fact that the gentleman is pressing for an answer, and I am not in a position to give him an answer. I know the gentleman is knowledgeable as to everything that is going on in this House.

Mr. GROSS. I am not privy to all of the closed-door meetings that take place. The gentleman may describe it in any way that he wishes, but I am not privy to all that goes on in those areas and arenas.

Mr. O'NEILL. As I understand it, the present bill will be reported when we return.

Mr. GROSS. I would say to my friend that I would not be asking these questions if I was knowledgeable as to what goes on. I do know, and I emphasize what I have previously said, that the multi-billion-dollar annual and so-called foreign aid authorization has been deliberately stalled in the process of being made ready for consideration on the House floor. Three months of the fiscal year to which the authorization would apply have already gone. It makes no difference whether this slowdown has been engineered by the administration in the White House, State Department, or the House, or all three. It is bad legislative procedure and I want this RECORD to show that I do not like it.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MAHON. Mr. Speaker, reserving the right to object, and I shall not object, is it the plan of the leadership that before we recess for the elections, we will pass the supplemental appropriation bill, totaling about $8 billion, and relating principally to education and to housing? Will we pass it in the House and expect to have it enacted into law promptly? Will we also handle the substitute to the vetoed agricultural appropriation bill on the same basis?

Is it the plan of the leadership of both bodies that we will pass these bills through the House and Senate and get them to the President before the election recess?

Mr. O'NEILL. The answer is in the affirmative. We hope we can clear them through the House without any difficulty.

Mr. MAHON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EULOGIZING THE LATE HONORABLE EMMET F. BYRNE

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, it is with deep sadness that I report to the House the death of our former colleague, Emmet F. Byrne, on September 25, 1974. Emmet served in the House during the 85th Congress.

He was born in Chicago and attended Loyola University and De Paul University Law School. Upon his graduation, he commenced the practice of law in Chicago. He served as assistant corporation counsel for the city of Chicago and later as an assistant State's attorney for Cook County, Ill., for 5 years. Emmet was a veteran of World War I, and during World War II, he served as chairman of a Selective Service Draft Board. After his service in the Congress, he resumed the practice of law and continued his interest in government and politics. His most recent assignment was his appointment as a member of the Chicago Regional Export Expansion Council by the Secretary of Commerce in 1970.

Emmet Byrne was a dedicated public official, but above all, those of us who remember him recognize that he was a wonderful friend, a man of great ability, wit, and charm, and during his career as an attorney and in his various public responsibilities, he exemplified the highest ideals of public service.

PERMISSION FOR MANAGERS TO HAVE UNTIL MIDNIGHT, SEPTEMBER 27, 1974, TO FILE CONFERENCE REPORT ON H.R. 13113, COMMODITY FUTURES TRADING COMMISSION ACT OF 1974

Mr. POAGE. Mr. Speaker, I ask unanimous consent that the managers have until midnight, Friday, September 27, 1974, to file a conference report on H.R. 13113, to amend the Commodity Exchange Act and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE GROWING CONCENTRATION OF BANKING INTERESTS IN THE UNITED STATES

(Mr. PATMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATMAN. Mr. Speaker, I am inserting in the RECORD today, with the permission of the House, a statement concerning the growing concentration of banking and concerning the many other concentrations that are going on and which are having a bad effect on our country, and including some of the things that should be corrected in order to prevent these undue concentrations.

I will also ask to insert a letter to the Attorney General of the United States in which I point out these problems and ask for his evaluation and ask whether or not he is going to do anything about them. I am disappointed that I have not heard from the Attorney General on the merits of my letter, which was written August 2, 1974.

Mr. Speaker, I also will ask to insert a study by the Independent Bankers Association of America concerning the bank holding company legislation.

ENERGY WASTE DESIGNED IN DETROIT

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, it is more than ironic circumstances that the World Energy Conference opened Monday in Detroit, the world capital of energy waste design.

President Ford's message to the oil-producing states was overdue and necessary—but he should have also directed a warning to Detroit's automakers. They continue to design and produce automobiles as if our oil supplies were cheap and abundant.

After a temporary spurt of small car production, the automobile industry shows signs of returning to business as usual. The emphasis in 1975 models is on bigger engines, more gadgetry, and built-in energy waste.

The announced automobile production plans for 1975 are already beginning to deemphasize gasoline efficiency. Ford Motor Co. has already announced that they are requiring buyers of their lowest price car, the Pinto two-door sedan, to buy a bigger engine as standard equipment. At the same time the standard Ford Torino is being offered with a previously optional bigger engine, automatic transmission, and other gasoline-consuming extras. Chrysler Corp. is also dropping its lowest priced standard car. No manufacturer promotes a simple, efficient, stripped-down model automobile for basic transportation. It appears that this is only a sign of things to come.

Mr. Speaker, this sorry industry response to an urgent national need is merely the product of serious mismanagement in Detroit. The high-salaried managers of the auto industry ignored signs of the energy crisis until these shortages threatened to paralyze the Nation. Now that we have come to understand that our energy problems are not transitory—but will be a fact of life for us in years to come—the Detroit automakers still do not seem to understand our national problem—and make no effort to help. We have yet to see a firm commitment by the auto industry to the national program of energy conservation. It is time we insist on some measure of public accountability—some sense of social responsibility—from these leaders of American industry.

REPEAL OF OSHA

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ROUSSELOT. Mr. Speaker, this morning I testified before the Select Subcommittee on Labor of the House Education and Labor Committee in support of legislation I have cosponsored, H.R. 11602, to repeal the Occupational Safety and Health Act of 1970.

It is my firm belief that nothing short of complete repeal of OSHA will be satisfactory because, as I pointed out this morning to the subcommittee:

First. The Act itself is unconstitutional on at least two grounds;

Second. OSHA constitutes an unwarranted interference by the Federal Government in the collective bargaining process; and

Third. The burden of complying with the multitude of rules, regulations, and orders that have been issued as a result of OSHA is actually forcing the small employer out of business.

I urge all my colleagues to join me in support of a complete repeal of OSHA (H.R. 11602).

The full text of my statement follows:

TESTIMONY OF HON. JOHN H. ROUSSELOT

Mr. Chairman and Members of the Select Subcommittee on Labor: The opportunity being provided by this Subcommittee today is greatly appreciated by many Members of Congress such as myself, because substantial numbers of both consumers and small businessmen are showing a growing concern for the problems created by the Occupational Safety and Health Act of 1970.

Consumers have indicated their sense of regret because they realize that overzealous bureaucratic Federal government can create add-on costs to products and services.

Small and medium size businessmen are concerned because they are not able to deliver products and services when overpaternalistic and aggressive Federal government lacks total understanding of how these products and services are brought to the marketplace.

During the course of these hearings there has been considerable testimony offered on behalf of businesses and industries which have suffered grievously at the hands of OSHA. Many suggestions have been made as to how the Act can be amended to make it possible to "live with" OSHA. I sympathize with these efforts, because I realize that they have been made in a sincere attempt to come to terms with a regulatory climate which is becoming increasingly hostile and threatening. However, it is my belief that the Act is so defective that nothing short of repeal of the statute, which repeal I have cosponsored through H.R. 11602, will suffice, and I urge the Subcommittee to move expeditiously toward this end.

There are three major reasons why I consider repeal of OSHA to be imperative, and I shall state them briefly at this time:

1. *The Act itself is unconstitutional on at least two grounds.* First, I can find no basis in the Constitution for the assumption by the Federal government of broad power to manage all aspects of the working environments of citizens which might affect their safety and health. The "Congressional finding" that "personal injuries and illnesses arising out of work impose a substantial burden upon interstate commerce" seems contrived to me as well as inconsistent with the concept of limited government which is the foundation of the Constitution.

Secondly, the duties of employers—(1) "to provide his employees with employment and a place of employment free from recognized hazards so as to provide safe and healthy working conditions" and (2) to "comply with health and safety standards and rules, regulations and orders promulgated under this act, except as provided in section 16 (relating to State jurisdiction and State plans)—are so vaguely stated as to fail to give notice of the nature of the conduct which is proscribed. Thus, the statute violates the concept of fundamental fairness embodied in the Due Process clause of the Fifth Amendment.

It may be suggested that Congress should defer to the Supreme Court and to other Federal courts on the issue of Constitutionality, but I believe that the Constitutional defects of this or any other statute are the proper concern of Congress in the first instance. In view of the oath which we take to uphold the Constitution, it is irresponsible for us to pass legislation of doubtful Constitutionality and pass the buck to a judiciary which operates according to the principle that it should decide cases on other grounds wherever possible. There is a presumption of Constitutionality which assumes that we do our job as legislators to insure that our product meets Constitutional standards. In my judgment, we have failed to do this in the case of the Occupational Safety and Health Act, but we can correct our effort by repealing the statute.

2. *OSHA constitutes an unwarranted interference by the Federal government in the collective bargaining process.* It seems clear to me that the subject matter of this legislation, which is stated to be "safe and healthful working conditions" for employees, falls within the definition of "terms and conditions of employment" which are mandatory subjects of collective bargaining under the Taft-Hartley Act. We have seen an unfortunate tendency develop in recent years for parties who are dissatisfied with their collective bargaining postures to come running to the Federal government for protection in the form of legislation which requires the parties to undertake obligations as a matter of law rather than as a result of negotiation and agreement.

I do not mean to single out labor as the sole party responsible for encouraging government intervention. One of the chief arguments made on behalf of wage and price controls, the authority for which I have also sought to repeal, has been that management would not be able to successfully resist the wage demands of labor in the absence of controls, I believe that the free process of collective bargaining should be preserved and not weakened or abandoned whenever real or contrived "crises" make it appear to be expedient to do so.

3. *OSHA has contributed significantly to the hostile and punitive attitude toward business which has developed in this country as a result of the "consumerism" and "environmentalism" movements.* While these movements have given expression to a healthy concern for important values, the excesses in which these movements have indulged threaten to destroy our economy if we do not take immediate and effective steps to curb them. With particular regard to OSHA, I see three major adverse effects:

1. The burden of complying with the multitude of rules, regulations, and orders resulting from OSHA will fall most heavily upon small employers, who are least able to bear it. By forcing small employers to abandon their businesses, this will accelerate an existing trend toward economic concentration.

2. The combination of OSHA and EPA regulations will require such large capital investments for unproductive "overhead" that business will not have sufficient funds remaining to undertake modernization and expansion programs which are necessary to keep pace with unregulated foreign competitors and to provide jobs.

3. The cost of compliance with OSHA, EPA, and other costly Federal regulatory programs, when passed on to the consumer, will contribute to the erosion of our standard of living which is already taking place as a result of the fiscal and monetary excesses of the Federal government.

To summarize, the Occupational Safety and Health Act of 1970 is an unconstitutional and unwarranted Federal interference with our free economy which may have disastrous consequences if it is not repealed. Well-meant efforts to learn to "live with" its provisions will only postpone the inevitable day of reckoning. We should repeal OSHA now, before its stifling enforcement mechanism has become firmly entrenched and while there is still time to prevent the widespread economic hardship which is in store for the nation if we fail to act.

QUESTIONS ABOUT NATIONAL HEALTH INSURANCE

(Mr. BLACKBURN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BLACKBURN. Mr. Speaker, a great deal of talk continues about the wonderful benefits which will accrue to our society if a form of universal health care becomes law. A recent article appearing in the Atlanta Constitution on Friday, September 13, 1974, relates a rather frightening story regarding the attention received by Opal Fry and her dealings with medicare.

The conclusion to be drawn from this article points up that when the bureaucracy of government is faced with a decision which will best serve humane considerations or the cold regulations of the bureaucratic machine, the latter will prevail.

I enclose the article from the Atlanta Constitution for your information:

QUESTIONS ABOUT NATIONAL HEALTH INSURANCE

CHICAGO.—Here are some sobering questions about the coming of national health insurance.

When comprehensive health care is guaranteed by law to all Americans as a matter of right, will that mean one level of health care for all Americans?

There are some fortunate people who already enjoy all the top quality health care they need. Will the level and quality of health care available to them be reduced? Or will the health care available to everybody else in the country be raised to the level of those fortunate ones?

In other words, will the level of health care for all Americans be determined by the lowest common denominator?

Let me tell you why I ask these questions.

Early this year, I told the story of Opal Fry's problem with Medicare. She had been hospitalized in Emporia, Kans., suffering from osteomyelitis complicated by diabetes when it developed that a life-saving operation was required on her left foot. The surgeon called in on the case said all he could do was amputate the foot, but that an orthopedic surgeon could probably save it. The closest orthopedic surgeon was in Wichita, Kans., so Opal Fry was taken there in an ambulance. The operation was performed and three weeks later she was back home, walking on both feet.

Medicare refused to pay the ambulance bill because it said the hospital in Emporia had adequate facilities to perform the necessary surgery on her left foot. Whether there was an orthopedic surgeon there to do it or not didn't matter.

Besides, medicare has some sort of crazy guideline that says if a patient needs a specific doctor or specialist who is located at a distant point, it might pay the expenses for the doctor to travel to the patient but not for the patient to travel to the doctor!

After the story got in the papers, Opal Fry's ambulance bill got all the way up to James B. Cardwell, the commissioner of social security. He got a report on the case from Thomas M. Tierney, director of the bureau of health insurance, medicare's top banana. I've got a copy of that report and I think it exposes the danger that for the sake of expediency, health care in America might end up being prescribed by a computer rather than by a live doctor exercising individual judgment in each case.

In his report to the commissioner, the director says, "the heart of the issue is whether, administratively, we can determine that a hospital is inappropriate or inadequate to provide the hospital services required by the patient simply because specialists may not be available. We believe we do not have this latitude."

Then he goes on to say, "I agree that this limited approach may have had some results, as in Mrs. Fry's case, which we would wish to avoid. However, the potential problems the program would encounter with either broader-based benefit or," now get this, "one in which individual judgment is used in each case seems much worse."

That kind of attitude is frightening, especially when you consider who Mr. Tierney is. There has to be some type of safety valve installed into whatever kind of national health insurance we get so that it will be possible to quickly overrule the computer when it becomes obvious that a case requires that individual judgment be used.

H.R. 10837: AIRPORT AND AIRWAY REVENUE ACT OF 1974

(Mr. KARTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KARTH. Mr. Speaker, one of the provisions of the Airport and Airway Revenue Act of 1970 required the airline passenger ticket and the advertising to show only the total of the fare and the passenger ticket tax. After the passage of that act, concern was expressed that the new law had the unintended effect of hiding the amount of the tax from the purchaser of the ticket. To clear up this misunderstanding and maintain the basic intent of the legislation—namely, to fully inform travelers as to the total cost of their transportation—Congress amended the provision to remove the requirement which prohibited the breakdown of the total amount to be paid, between the tax and the fare, so that the ticket and the advertising could show the amount of the tax and the fare separately so long as the total cost also is shown.

Although the law at present allows the tickets to show separately the amount of the fare and the tax, it requires the total amount to be shown not only for the total cost of the transportation, but also for each trip segment. Since the fare information from the segments is for administrative use and of significance only to airline personnel, this bill removes the requirement that the airline ticket show in the case of each segment of the trip the total amount paid including the tax paid with respect to the segment. This means that on a ticket showing separate segments of a trip, there needs to be shown only the basic fare for each segment. The bill continues, however, the rule of existing law which requires the ticket—and the advertising—to show the overall total amount including the tax paid by the passenger.

Mr. Speaker, this bill has been reported unanimously by the Ways and Means Committee and the Treasury Department has indicated that it has no objection to its enactment. I urge that the bill be adopted.

REPORT OF THE SECRETARY OF AGRICULTURE ON FARMERS HOME ADMINISTRATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Agriculture:

To the Congress of the United States:

I am transmitting herewith the report of the Secretary of Agriculture as required by 7 U.S.C. 1981.

This report sets forth the activities by the Farmers Home Administration in contracting for consultant and feasibility evaluation studies for the purpose of processing Business and Industrial Loans under authority of the Consolidated Farm and Rural Development Act, as amended.

GERALD R. FORD.

THE WHITE HOUSE, *September 26, 1974.*

THE FEDERAL BUDGET AND INFLATION—FACTS AND MYTHS

The SPEAKER pro tempore (Mr. MCFALL). Under a previous order of the House, the gentleman from California (Mr. HOLIFIELD) is recognized for 30 minutes.

Mr. HOLIFIELD. Mr. Speaker, 4 years ago I addressed the Members of this House on the subject of Federal spending and economic inflation. At that time, I sought to expose and explode the myths and shibboleths which were then being spoon fed to the general public by the administration.

The purpose of the administration in 1970 was twofold. First, they sought an oversimplified excuse for concurrent high rates of inflation and high rates of unemployment. Second, by seeking to couple inflation with Federal spending, they sought to kill socially oriented programs. I believe that the record is clear on these points.

Since these same economic myths have again been revived by the present administration, it is timely that we again look at the facts rather than the myths of Federal spending as it may affect inflation.

The conventional myth is that most of our current inflation is caused by Federal spending.

The convenitonal shibboleth holds that if Federal spending is somehow reduced, inflation will by some magic come to an end.

Another popular myth is that the Federal debt is the root of inflation.

The conventional shibboleth holds that if the Federal Government were not required to borrow money and pay interest, inflation again would come to an end.

These convenient myths and oversimplified solutions not only overlook the economic realities of the day, but their repetition in high places—in the Congress as well as in the administration—simply misleads the American people.

The repetition of these ideas will foster the false belief that the Federal Government, by manipulating the small "controllable" portion of the Federal budget, can control a total national economy of more than $1,387 billion. The public is given to believe that a $7 billion cut in the Federal budget can control double-digit inflation which permeates the entire $1,387 billion economy and is partly attributable to foreign sources which are absolutely beyond the control of the Congress and the administration.

The myopic view that Federal spending is responsible for inflation entirely overlooks the true causes of inflation. For example, little is said about shortages of materials and energy supplies; about excessive interest rates.

We hear the old cliche, "Too much money chasing too few goods." This is not true in today's economy. Inventories are in surplus. There is no scarcity in automobiles, refrigerators, appliances, furniture, clothing, et cetera.

Our productive capacity is in most instances capable of greater production of goods and will respond when effective purchasing power demands increases in production.

Seemingly lost in today's rhetoric are the excessive profits of some industries caused by managed prices, and few seem to understand the collective inflationary effect of the wage-price-interest spiral in a time of relatively plentiful supply of consumer goods and reasonably high satisfaction of demand.

There is little consideration given to the inflationary effect of environmental controls which have been placed on industries of all types and passed on to consumers in the form of higher prices. Nor is sufficient attention being given to the terrific inflationary pressure caused by increases in the price of the oil which we must import from abroad.

Those who spread the myth that the Federal budget is the root of inflation have also failed to learn the lesson that Federal policies affecting the economy are often more inflationary than Federal spending by several orders of magnitude.

FEDERAL VERSUS OTHER SPENDING

Before we engage in the self-delusion that the Federal budget can be manipulated to even make a noticeable change in the current rate of inflation, we should take a look at the facts.

Fact: Total Federal outlays for fiscal year 1974 for all purposes were approximately $269 billion, and are estimated to rise to $305 billion in fiscal year 1975.

Of the $269 billion, only $107 billion of these Federal outlays went for the purchase of goods and services—that is, in competition with the private sector for people and goods. Of the remainder, $106 billion went to social security, old-age assistance, and other income maintenance programs. More than $43 billion went to grants to State and local governments, including $6 billion in revenue sharing. And we had to pay $28 billion in interest—at inflated interest rates—on the Federal debt. The remainder went to aid to veterans, subsidies, other programs and a small amount to foreign aid.

Fact: The Federal budget is subject to the same inflation which affects the entire economy. Therefore, more dollars must be allocated to the public sector to maintain the same amount of national defense and the same level of Federal services.

Between 1968 and July 1974 our economy has experienced an inflation of 38 percent—14½ percent of this has been experienced in the 18 months which ended on July 1 of this year. Federal outlays for goods and services during those same 5½- and 1½-year periods increased 16 percent versus 38 percent and 9 percent versus 14½ percent.

National defense outlays are actually down 2 percent over 1968 and have increased only 2 percent since 1972.

Fact: Only 30 percent of the Federal budget can be labeled as "relatively controllable." The remaining 70 percent is fixed by law and includes the items which I have just mentioned. A reduction in the "relatively controllable" part of the budget of $5 billion would be equivalent to the entire controllable budgets of the following programs: Manpower assistance; foreign food program (P.L. 480); tax collection and taxpayer service; higher education; Environmental Protection Agency; Corps of Engineers; aid to Indochina; programs for Indians; and foreign military Assistance.

If the budget were to be cut by $7 billion as some members of the Ford administration have indicated, we could add the entire budget for the Federal Aviation Administration and about three-fourths of the child nutrition program.

Others, including Members of Congress, have proposed budget cuts up to $10 billion. This, of course, could be done if we add the budgets of the Atomic Energy Commission and NASA to the above list.

In the alternative, we could of course further weaken our national defense and reduce veterans' medical care by cutting those programs.

At the expense of more unemployment, more welfare, more human misery and fewer essential services, the Federal budget can be reduced but at unacceptable social and human costs. For example, the administration proposes, it seems, to employ the scientists, engineers and technicians who will become unemployed in some 800,000 to 900,000 menial public service jobs. But, the question remains, would cutting the Federal budget in any way accomplish its advertised end? Would it slow inflation?

WHO SPENDS AND HOW MUCH?

To paraphrase Gertrude Stein: A dollar is a dollar is a dollar. In other words, a dollar placed into the economy from one source has an equal inflationary potential with a dollar placed into the economy from any other source. This general principle applies to the defense dollar and the dividend dollar, the veterans aid dollar and the vacation dollar, the oil dollar and the old-age assistance dollar.

If we examine the Economic Indicators, published by our Joint Economic Committee and the Council of Economic Advisers, we can readily compare the expenditures made by various groups which make up our total economy, which is called the gross national product. These expenditures were, as of the end of June 1974, as follows:

[In billions]

Federal Government purchases of goods and services	$114.3
Non-Federal Government purchases of goods and services	190.1
Personal (private) consumption expenditures	869.1
Gross private domestic investment (factories, equipment, homes)	211.8
Total Federal	114.3
Total private	1,271

While these figures do not include every dollar placed into the economy from every source, they do accurately illustrate the percentage of the total $1,387 billion economy directly derived from the Federal budget—about 8 percent.

This should also illustrate the fallacious reasoning behind the idea that a reduction of $7 billion in the Federal budget—five one-hundredths of 1 percent of the total GNP and 2.3 percent of the budget—will have any effect upon the current rate of inflation.

To expect $5 billion or $7 billion or $10 billion in Federal expenditures to measurably affect a $1.4 trillion economy, is to expect a very small tail to wag a very large dog. It is the proverbial flea approaching the elephant with amorous intent.

POLICIES VERSUS EXPENDITURES

As I have indicated before, the policies of the Federal Government in a great many cases have caused far more inflation than Federal spending.

Perhaps we should place at the head of the list of inflationary policies the antitrust policies followed over the past several years. The failure of the executive branch to enforce antitrust laws, and the reluctance of Congress to toughen the laws, has resulted in the creation of giant conglomerates which can, and are, managing prices without regard to competition or fair margins of profits. This is particularly true in the agribusiness and energy areas.

A prime example of a policy action which pumped inflation into our economy, without expenditure of Federal funds, was the action by the Cost of Living Council in December of 1973 relating to oil prices. By this action, the Council permitted all "old oil" to increase in price by about 23 percent, or $1 per barrel. Overnight, this action pumped an extra $5½ million to $6 million per day of inflation into the economy. We are now paying more than $2 billion a year more for domestic oil.

In addition, the Cost of Living Council permitted so-called new oil to rise dramatically by as much as $6 per barrel. This has caused additional inflation at the rate of $18 million per day or $6½ billion per year.

In connection with energy price inflation, our Federal policy of dependence on foreign countries for oil is costing us heavily. During the first 6 months of this year we have suffered nearly $8 billion in additional inflation due to increased foreign oil prices, and we will suffer more than $16 billion of additional inflation from that source alone before the year is out. Again, because of Federal policy—not Federal spending.

Another example of the effect of Federal policy upon inflation should be fresh on our minds. I refer to the Soviet grain deal which has cost the consuming public hundreds of millions of dollars in increased bread, beef, pork, and poultry prices. The disruptions in the food industry caused by this ill-advised action are still being felt through rampant inflation of food prices.

In addition we have heard the Secretary of Agriculture actually encourage increases in farm prices, while other spokesmen for the administration were decrying inflation resulting from "Federal spending."

As a result of these policies, without spending a dime from the Federal Treasury, retail food prices have risen 30 percent during the 19 months since December 1972. Wholesale prices rose at an annual rate of 46 percent in the month of August.

Those who have purchased a new home or automobile or who have sought increases in farm prices, while other testify to the inflationary effects of a high interest rate policy. This policy has not only inflated the private sector of the economy, it has inflated Federal, State, and local budgets as well. Because of record high interest rates Government entities are finding that it is increasingly difficult to service their debts. The same is true of business. This additional interest burden is, of course, finally passed along to the consumer as additional taxes and price increases which, in turn, create additional pressures for wage and salary increases.

The interest bearing debt of the Federal Government stood at $486.3 billion at the end of 1974 and is expected to rise to about $509 billion in 1975. Of this debt $346.1 and $359.8 billion is held by the public and approximately one-third of these amounts must be refinanced each year—primarily through short-term bonds.

During the year 1968, the average interest rate on short-term Federal bonds was about 5½ percent. The average interest rate on these Government obligations today is about 8.8 percent—an increase of 60 percent over a 5-year period. These rates are 25 percent higher than the 1973 average and are costing the taxpayer approximately $11 billion in additional interest each year.

The impact of high interest rates on the Federal debt pales almost into insignificance when compared with the inflated interest cost in the non-Federal sector of the economy.

Total corporate and individual debt at the end of 1973, according to the Library of Congress, was the enormous sum of $1,659.4 billion. Total non-Federal debt—including the debt of State and local governments—was $1,843.9 billion. This debt has been increasing at the rate of about $170 billion per year over the past 5 years. All categories of debt, except the Federal debt, have been increasing each year at an increasing rate.

What of this huge non-Federal debt which is nearly four times the Federal debt? When applied to this huge debt have not unnecessary and unrestrained high interest rates brought on new inflationary pressures? The answer is definitely "Yes."

When an interest rate increase of only 2 percent in the mortgage interest rate is applied to $135 billion in new construction and $101 billion in new construction financing, as was the case during the past year, an additional $2 billion in inflation has been cranked into the economy, and for many years to come in long-term mortgages.

The huge corporate debt of this country—approximately $1,050 billion—is financed largely by corporate bonds and prime commercial paper. This debt has been growing at the rate of about $100 billion per year. The highest quality of these bonds in August, sold at rates in excess of 9 percent—1.35 percentage points above last year and nearly 3 percentage points above 1968. The next higher quality bonds were approaching interest rates of 10 percent in August, 1.25 percentage points above 1973, and 3 percentage points above 1968. The rate on prime commercial paper—about 12 percent—is about 3½ percentage points above the 1973 average and has doubled the 5.9 percent 1968 average.

These facts spell inflation—and with a big "I." If only one-fourth of the corporate debt were to be refinanced at only 2½ percent increase in interest rates, inflation increases by $6¼ billion annually. And an increase in interest of only 1 percent, when applied to the entire non-Federal debt, means additional inflation of $18.4 billion each year. Remember, it is the consumer who pays the interest.

Also contributing to domestic inflation are the policies of exporting scarce commodities. This was well illustrated several months ago when the unrestrained exports of lumber and scrap iron drove domestic prices upward by 100 percent or more and placed tremendous strains on the housing and steel industries, especially on the west coast.

Environmental policies continue to contribute to our inflationary spiral. Mandates for clean air and clean water have forced industry into highly expensive antipollution programs over a relatively short period of time. The effectiveness of many of these measures is largely unknown in many instances and is highly questionable in others. Some, no doubt will result in total waste. When the costs of these programs, and the equipment required to carry them out is passed on, consumers are now paying, and will pay, untold hundreds of billions of extra dollars in product prices and increased utility bills.

Federal, State, and local environmental laws have added to inflation in perhaps unintended ways. I speak of "the law's delay" which requires tier after tier of review and licensing requirements for almost any project, whether the project is a needed transportation system, a water project or a powerplant. For example, local governments in the Los Angeles area have perhaps literally studied our proposed rapid transit system to death. The cost of delaying this system into the present period of financial difficulty may well make it impossible to finance.

The approval of a single nuclear powerplant in southern California was unnecessarily delayed by a period of 5 years which will cost its customers an additional $250 million during the life of the plant.

We, in the Congress, have participated in most of the policy decisions which have added to inflation—and I am referring to decisions which do not involve Federal spending. We passed the Clean Air Acts, the Environmental Policy Act, automobile safety, strip mining, and many other laws without regard to their economic costs. In many cases we have delegated regulatory authority over these laws to the bureaucracy and, as in the case of the Clean Air Acts, have not permitted the bureaucrats the flexibility of considering the economic impact of their actions.

TIME FOR DECISION

In the 4½-year period, since the end of 1968, we have experienced a $400.9 billion inflationary gap in our economy. While our economic growth during that period increased by 17 percent, as expressed in steady dollars, the same growth expressed in current dollars was 60.5 percent. Thus, while real growth has increased at an average rate of 3.8 percent per year, inflation has been increasing at an average rate of about 10 percent per year.

The inflationary gap can be illustrated by what happened during the first 6 months of 1974. During that period, production actually declined by about $10.4 billion—in steady dollars—while the current dollar value of goods and services produced increased by $92.4 billion. Put another way, because of inflation Americans paid $92.4 billion more for $10.4 billion less in goods and services in only 6 months, creating an additional inflation gap of $102.8 billion over the 1973 average.

During this period, consumer prices increased by 11.4 percent over 1973 averages and wholesale prices went up by 20 percent. Is there any wonder that the people are concerned? Is there any wonder that those who try to exist on social security are asking for an increase? When the weekly purchasing power of the average factory worker was $5.17 less in July of 1974 than the 1973 average, and $4.48 less than his 1972 average, is there any wonder about pressures for wage increases?

I am gratified that President Ford has chosen to emphasize the ruinous effects of accelerating inflation. I am glad to see that he is attempting to determine its cause and is searching for effective measures with which to fight it.

Someone once said that only two economists understand the complicated causes of inflation—and they disagree. I suggest that the President will find this to be the case when he has heard all of the pet theories of the economic experts.

But I suggest that the President will conclude that the causes of inflation are many; that some of the causes and remedies are beyond the control of the Federal Government; that the Federal budget cannot be manipulated in such a way as to halt the forces of inflation.

I believe that we are faced with some hard choices at this time. We can either live with inflation by doing nothing, or we can make some very hard political and economic decisions.

If the President and the Congress choose to do nothing and let inflation continue at its present rate, or worse, or do too little, we will simply price more and more people out of more and more markets. Millions of Americans, for example, have already been priced out of the housing market. Building permits for new private homes are down 50 percent from last year—the lowest point in over 4 years. The decline in new car production indicates that millions of people are also being priced out of that market. Production of new cars is about 25 percent lower than in 1973. And it should be obvious to all that millions of Americans of low and moderate incomes have already been priced out of the red meat, poultry, and fish market. There are reports that many people have even resorted to dog food as a protein source. These, in addition to the stock brokers, are the human casualties of inflation, and there will be more and more if the rate of inflation continues.

The snowballing effect of higher prices, reduced production and mounting unemployment can only bring greater demands for Federal aid in the forms of business subsidies, loans, public service jobs, welfare payments, social security increases and unemployment compensation. In my opinion, the social costs of inaction on the inflation problem are much too high and may well drive the country needlessly into a severe recession or depression.

Accelerating inflation of the character now pervading our economy demands strong measures and soon, not "guidelines" or "jawboning" and not next year or next Congress as have been suggested.

I see no possibility of the President, or anyone else convincing monopolistic and concentrated businesses to voluntarily lower their prices or engage in competition.

I see no possibility that organized or unorganized labor will voluntarily reduce their demands in view of ever increasing prices.

And I see no possibility that those who control the interest rates in this country will voluntarily reduce interests rates or otherwise reduce pressures in the money market.

While inflation is rampant, I do not expect the consumers of this country to voluntarily reduce their purchases of goods and services. The psychology of inflation is to "buy now, the price may be 20 percent higher next year."

These are the problems which confront the Congress as well as the President. These are the problems which will demand political courage as well as reasoned action if there is to be any abatement of inflation short of economic collapse. The President and the Congress have three choices as I see it: We can choose to be blamed for inflation; we can choose to be blamed for recession or depression; or we can choose to be blamed for the economic measures necessary to control inflation. In any case, we will be blamed.

We must avoid decisions which will worsen unemployment and cause further reductions in production.

We must avoid economic controls—and I believe that there must be controls—which are half-hearted and unevenly applied for political reasons. Such measures will only create more casualties.

And we must avoid misleading the people in the false premise that if we reduce the Federal budget just a little bit, everything will be rosy.

The Federal Government—including the Congress—is going to have to reassess its policies. I think that we should realize that, in many cases, we have not helped in the solution but that we have become part of the problem.

Perhaps we need a National Economic Policy Act and an Economic Protection Agency—although I have no intention of introducing any such legislation. However, we do need some sort of mechanism by which we can assess the future impact of Federal actions upon the economy. An example of this is the current movement within the administration to decontrol the price of "old oil" and thus let 5.4 million barrels of oil per day increase in price from $5.25 to $10.25 per barrel. By simple arithmetic this would increase inflation by yet another $10 billion per year.

We need some mechanism by which to balance the probable real benefits, for example, to public health or highway safety, against the probable costs of the programs which are imposed on the people. It makes little sense to impose vastly expensive programs with unrealistic deadlines, as we did in the clean air program, when the technology necessary to carry out the program is not available, the methods are yet untried, and the results are unknown.

In conclusion, I will return to the subject of the Federal budget and Federal spending. I know that this is a subject which will be dwelt upon by politician, taxpayer, and by the National Association of Manufacturers in both good times and bad.

We tend to forget the purpose of the Federal budget, which is to allocate sufficient resources to public use for the purpose of carrying out our responsibilities under the Constitution. These responsibilities, of course, include the national defense, the public welfare, the regulation of commerce and many other constitutional duties.

The taxing and spending powers, as far as I can determine from the Constitution, were never intended as devices to manipulate the entire economy, although this has been tried. I would hope that the Federal budget never becomes so large that this is possible.

If, in following the myths of the past, we fail to allocate sufficient resources to carry out our constitutional duties, we will be failing the people, and, while making their plight worse, we will also have failed to make the slightest change in the rate or inflation.

We should recognize that by controlling inflation we, at the same time, will be controlling Federal spending by reducing pressures on both controllable and uncontrollable expenditures.

CAUTION IS NEEDED

Whatever the result of the many conferences on inflation and the final "summit" conference, more caution must be exercised than has been the case in the past. It is important that we recognize that the economy is in a decline and, therefore, the conventional anti-inflationary measures will only send us into a period of deeper recession.

Caution must also be used when economic controls are eventually reinstated. This time, we cannot afford partial controls which ignore exports, imports, and entire basic segments of the economy such as the food industry. Despite the fact that controls are unpopular with labor, with business and to some extent with the ordinary citizen, I submit that controls are more desirable than the alternative—economic ruin. But, this time, we must have the support of the President, the Congress, and of the people. The consequences of nonsupport are much too great.

By controls I do not mean selective or partial controls. I mean across the board controls on all economic segments of the economy such as prices, wages, interest rates, export of capital and capital goods, credit restrictions, profits, and so forth.

To those who say controls will not work I say they did work during World War II. Sure, there were problems and some maladjustments and some black market practice. But in the overall national sense price controls worked. Some rationing measures were used, and people accepted them, although we all grumbled. Runaway inflation was greatly reduced during the war when goods were really scarce and when we did have a great pentup supply of unspent funds. It was only after the war ended that inflation began, with the elimination of real controls before we converted from war goods production to peacetime goods.

When the war ended, we moved too fast and ended controls abruptly. We should have given the producers of consumer goods time to gear their factories over to consumer goods. With the removal of controls the large pool of unspent wartime earnings rushed into the scarce consumer goods market and inflationary prices and wages surged upward.

No such scarcity of consumer goods exist today. We do not have to absorb more than 14 million returning servicemen into our economy.

If we faced our present inflationary spiral realistically, we would do two things:

First. Freeze the economy across the board; and

Second. Set up the necessary economic stabilization boards to correct the inequities that exist at the time of the freeze.

A loud and bitter cry will go up by bankers, labor, and every interest segment. I fear that neither Congress nor the President will have the courage to take such bitter medicine. Nevertheless our economic inflationary illness is so serious it cannot be solved by nostrums and salves. The fever of inflation is destroying the values of stocks, bonds, savings, fixed incomes, and the value of the dollar at home and abroad. The people are demanding action, and they deserve action. We must act soon by choosing a course of action and vigorously pursuing that course.

PUBLIC DOCUMENTS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, I am today, on behalf of myself and the distinguished Republican from Idaho, Mr. ORVAL HANSEN, introducing the Public Documents Act, a measure to authorize a comprehensive study of the disposition and preservation of records and documents of Federal officials.

A companion measure is being introduced in the Senate by the distinguished Senator from Rhode Island, CLAIBORNE PELL.

Mr. Speaker, the preservation of official papers of public officials is of continuing value, particularly to those who study the history of the United States. This issue has taken on special significance because of the question of the disposition of the papers and tapes of former President Nixon.

Mr. Speaker, under a longstanding historical tradition, extending back to the time of George Washington, the papers and records of the Presidents of the United States are regarded as his own personal property, subject to his control and ownership.

On the other hand, although there is no specific law or judicial precedent to the contrary, closely related legal precedents holding that papers produced by certain public officials, other than the President, be regarded as public documents would suggest that the papers and records of former Presidents should more properly be regarded as public property.

This question has, of course, taken on immediate importance because of the uncertainty concerning the disposition of Mr. Nixon's papers and tapes. A few weeks ago we learned that President Ford had entered into a private agreement with Mr. Nixon that is premised on the assumption of private ownership of the Nixon papers and includes a provision which would require the destruction of the magnetic tapes and other materials of value for historical research by 1984 or on Mr. Nixon's death.

Mr. Speaker, I believe this situation regarding the disposition of Mr. Nixon's papers and tapes is intolerable. The disposition of official papers and documents—of former Presidents and all other Federal officials—should not be left to shifting legal opinions and bad precedents.

Many of our colleagues have proposed legislation which would declare that all such records and documents should be considered public documents and be turned over to a Federal agency for preservation.

The range of issues involved in the disposition of papers and documents of former Presidents and other Federal officials is so varied and complex, we believe they warrant a comprehensive study before any permanent legislation is adopted. The bill we are introducing today would take care of the long-range problem of the disposition and preservation of public documents.

Mr. Speaker, the bill Mr. HANSEN and I are introducing today would establish a 14-member Commission to undertake a comprehensive study of this question. This Commission would be composed of two Members of the House of Representatives; two Senators; three appointees of the President, selected on a bipartisan basis; appointees of the Chief Justice of the Supreme Court, the Secretary of State, the Secretary of Defense, the Attorney General, and the Administrator of General Services and a prominent historian and prominent archivist.

The Commission would be authorized to draw on the special expertise and knowledge of the Archivist of the United States and the Librarian of Congress, expertise and knowledge gained through the handling of Presidential papers for special support services.

The Commission would be directed to make specific recommendations for legislation and other appropriate rules and procedures relevant to the control, disposition and preservation of such records and documents. This report must be submitted to Congress and the President by December 31, 1975, with a view toward enacting legislation based on these recommendations in the 2d session of the 94th Congress.

Mr. Speaker, this legislation is of crucial importance and I am hopeful that Congress will act on it yet this year. The Subcommittee on Printing, of which I am chairman, of the House Administration Committee, has jurisdiction over measures relating to the disposition of public documents, and I am pleased to announce that the subcommittee has scheduled hearings on Monday, September 30, and Friday, October 4, on this and all related measures. The hearings on both Monday and Friday will be held at 9 a.m. in room 2175 of the Rayburn House Office Building.

Lead-off witnesses on September 30 will be Dr. James B. Rhoads, Archivist of the United States and Congressmen JONATHAN B. BINGHAM, of New York, and THOMAS A. LUKEN, of Ohio, who have sponsored other bills relating to the disposition of Presidential documents.

Mr. Speaker, the subject of the measure I have described I believe is of interest to all Members of the House of Representatives, I include at this point the text of the "Public Documents Act":

H.R. 16902

A bill to establish a commission to study rules and procedures for the disposition and preservation of records and documents of Federal officials.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Public Documents Act".

SEC. 2. Chapter 33 of title 44, United States Code, is amended by adding at the end thereof, the following new sections:

"DEFINITIONS

"SEC. 3315. For purposes of section 3316 through section 3324—

"(1) the term 'Federal office' means the office of President or Vice President of the United States, or Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States; and

"(2) the term 'Commission' means the National Study Commission on Federal Records and Papers of Elected Officials.

"(3) the term 'records and documents' shall include handwritten and typewritten documents, motion pictures, television tapes and recordings, magnetic tapes, automated data processing documentation in various forms, and other records that reveal the history of the nation.

"ESTABLISHMENT OF COMMISSION

"SEC. 3316. There is established a commission to be known as the National Study Commission on Federal Records and Documents of Federal Officials.

"DUTIES OF COMMISSION

"SEC. 3317. It shall be the duty of the Commission to study problems and questions with respect to the control, disposition, and preservation of records and documents produced by or on behalf of individuals holding Federal office and officers of the Federal Government, with a view toward the development of appropriate legislative recommendations and other appropriate rules and procedures with respect to such control disposition, and preservation. Such study shall include consideration of—

"(1) whether the historical practice of regarding the records and documents produced by or on behalf of Presidents of the United States should be rejected or accepted and whether such policy should be made applicable with respect to individuals holding Federal office and of officers of the Federal Government, including Members of the Congress and members of the Federal judiciary;

"(2) the relationship of such conclusions and findings to the provisions of section 1901 through section 1914 and section 2101 through section 2108 of title 44, United States Code, and other Federal laws regarding the disposition and preservation of papers of elected or appointed officials;

"(3) whether such findings and conclusions should affect the control and disposition of records and documents of agencies within the Executive Office of the President created for short-term purposes by the President;

"(4) the recordkeeping procedures of the White House Office, with a view toward establishing means to determine which papers and documents are produced by or on behalf of the President of the United States;

"(5) the nature of rules and procedures which should apply to the control, disposition, and preservation of papers and documents produced by Presidential task forces, commissions, and boards;

"(6) criteria which may be used generally in determining the scope of materials which should be considered to be the papers and documents of individuals holding Federal office; and

"(7) any other problems, questions, or issues which the Commission considers relevant to carrying out its duties under section 3315 through section 3324.

"MEMBERSHIP

"SEC. 3318. (a)(1) The Commission shall be composed of 14 members as follows—

"(A) one Member of the House of Representatives appointed by the Speaker of the House upon recommendation made by the majority leader of the House;

"(B) one Member of the House of Representatives appointed by the Speaker of the House upon recommendation made by the minority leader of the House;

"(C) one Member of the Senate appointed by the President of the Senate upon recommendation made by the majority leader of the Senate;

"(D) one Member of the Senate appointed by the Preisdent of the Senate upon recommendation made by the minority leader of the Senate;

"(E) one Justice of the Supreme Court, appointed by the Chief Justice of the Supreme Court;

"(F) three appointed by the President, by and with the advice and consent of the Senate, from persons who are not officers or employees of any government who are specially qualified to serve on the Commission by virtue of their education, training, or experience;

"(G) one representative of the Department of State, appointed by the Secretary of State;

"(H) one representative of the Department of Defense, appointed by the Secretary of Defense;

"(I) one representative of the Department of Justice, appointed by the Attorney General;

"(J) the Administrator of General Services (or his delegate);

"(K) one member of the American Historical Association, appointed by the counsel of such Association; and

"(L) one member of the Society of American Archivists, appointed by such Society.

"(2) No more than 2 members appointed under paragraph (1)(F) may be of the same political party.

"(b) A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

"(c) If any member of the Commission who was appointed to the Commission as a Member of the Congress leaves such office, or if any member of the Commission who was appointed from persons who are not officers or employees of any government becomes an officer or employee of a government, he may continue as a member of the Commission for no longer than the 60-day period beginning on the date he leaves such office or becomes such an officer or employee, as the case may be.

"(d) Members shall be appointed for the life of the Commission.

"(e)(1) Members of the Commission who are full-time officers or employees of the United States or Members of the Congress shall receive no additional pay on account of their services on the Commission.

"(2) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses in the same manner as persons employed intermittently in the service of the Federal Government are allowed expenses under section 5703(b) of title 5, United States Code, except that per diem in lieu of subsistence shall be paid only to those members of the Commission who are not full-time officers or employees of the United States or Members of the Congress.

"(f) The chairman of the Commission shall be designated by the President from among members appointed under subsection (a)(1)(F).

"(g) The Commission shall meet at the call of the chairman or a majority of its members.

"DIRECTOR AND STAFF; EXPERTS AND CONSULTANTS

"Sec. 3319. (a) The Commission shall appoint a director who shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316).

"(b) The Commission may appoint and fix the pay of such additional personnel as it deems necessary.

"(c)(1) The Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–15 of the General Schedule (5 U.S.C. 5332).

"(2) In procuring services under this subsection, the Commission shall seek to obtain the advice and assistance of constitutional scholars and members of the historical, archival, and journalistic professions.

"(d) Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist it in carrying out its duties under section 3315 through 3324.

"POWERS OF COMMISSION

"Sec. 3320. (a) The Commission may, for the purpose of carrying out its duties under section 3315 through 3324, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission may deem desirable.

"(b) When so authorized by the Commission, any member or agent of the Commission may take any action which the Commission is authorized to take by this section.

"(c) The Commission may secure directly from any department or agency of the United States information necessary to enable the Commission to carry out its duties under section 3315 through section 3324. Upon request of the chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

"SUPPORT SERVICES

"Sec. 3321. (a) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services and assistance as the Commission may request.

"(b) The Librarian of Congress and the Archivist of the United States shall provide to the Commission on a reimbursable basis such technical and expert advice, consultation, and support assistance as the Commission may request.

"REPORT

"Sec. 3322. The Commission shall transmit to the President and to each House of the Congress a report not later than December 31, 1975. Such report shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for such legislation, administrative actions, and other actions, as it deems appropriate.

"TERMINATION

"Sec. 3323. The Commission shall cease to exist 60 days after transmitting its report under section 3322.

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 3324. There is authorized to be appropriated such sums as may be necessary to carry out section 3315 through section 3324."

Sec. 3. The table of sections for chapter 33 of title 44, United States Code, is amended by adding at the end thereof the following new items:

"3315. Definitions.
"3316. Establishment of Commission.
"3317. Duties of Commission.
"3318. Membership.
"3319. Director and Staff; Experts and Consultants.
"3320. Powers of Commission.
"3321. Support Services.
"3322. Report.
"3323. Termination.
"3324. Authorization of Appropriations.".

THE GROWING CONCERN OVER ECONOMIC CONCENTRATION IN BANKING

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Texas (Mr. Patman) is recognized for 60 minutes.

Mr. PATMAN. Mr. Speaker, for a long time now, I have been seriously concerned about growing economic concentration in commercial banking. This increasingly alarming situation has manifested itself in a number of areas, including rapid bank holding company expansion through bank acquisitions, as well as bank mergers; increased bank activity in the securities field, including trust department operations, automatic stock investment plans, management of closed end investment plans and other activities; and substantial movement by bank holding companies into a growing number of nonbanking activities with the approval of the Federal Reserve Board.

In light of the above, I would like to include in the Record at this point a letter to the Assistant Attorney General for Antitrust on August 2, 1974, asking that he include banking in his study on concentrated industries in our economy; and a new study by the Independent Bankers Association of America, presenting some alarming figures on the growing concentration in our banking system, particularly through the growth of bank holding companies. This growing problem should receive serious legislative consideration at the beginning of the new Congress.

The material follows:

Washington, D.C.,
August 2, 1974.

Mr. Thomas Kauper,
Assistant Attorney General, Antitrust Division, Department of Justice, Washington, D.C.

Dear Mr Kauper: With great interest I noted your recent statement concerning the strong relationship between anti-competitive conditions and economic concentration and the current inflationary and the economic problems facing our country. I also noted your statement that the Antitrust Division was studying several basic industries in which concentration levels were high in order to reduce concentration and improve economic conditions.

It seems to me that no industry would have a greater reason to qualify under your criteria for intense scrutiny than the banking industry. It is highly concentrated; it is fundamental to the health of our economy; it has been marked with severe inflationary conditions; and it has shown extremely high profit margins, indicating the likelihood of lack of competition.

Let me elaborate further on the serious concentration problems that exist in our banking system.

Since the bank merger wave of the 1950's and early 1960's, concentration in commercial banking in the United States has been quite high. For example, in the year 1966, when the Bank Merger Act that is presently on the books was enacted, the 50 largest banking institutions in the United States held 44.4 percent of all commercial bank deposits.

While the Bank Merger Act of 1966 has practically eliminated major bank mergers between large direct competitors, statistics show that in the seven-year period from 1966 through the end of 1972 the concentration in banking, as judged by all commercial bank deposits, has nevertheless significantly increased. By the end of 1972, the 50 largest banking institutions had increased their percentage of all commercial bank deposits by 4.9 percent over the 1966 figure, to 49.3 percent of all commercial bank deposits of U.S. banks. Perhaps more significant is the fact that the seven-year upward trend was constant, increasing by between .3 percent and 1.1 percent each year.

It is also important to note that these 50 commercial banking institutions are not scattered evenly throughout the country, but are themselves concentrated in a few major markets. At the end of 1972, 29 of the 50 largest commercial banking institutions in the United States were located in six banking markets: New York City; northern and southern California; Chicago; Philadelphia and Detroit.

It is clear that bank mergers have not been a major factor in concentration among the 50 largest commercial banking institutions. What has principally accounted for this increase in concentration is acquisitions of subsidiary banks by large bank holding company operations. Since passage of the Bank Holding Company amendments in 1970, there have been over 633 bank acquisitions by bank holding companies.

Of course, commercial bank activities are only part of the activities of major commercial banks. Until 1968 and the publication by the House Banking and Currency Committee of the study *Commercial Banks and Their Trust Activities*, serious consideration of the impact of trust departments on the overall operation of banks was virtually ignored.

This study revealed, among other important facts, that the trust side of commercial banking was even more highly concentrated than the commercial banking side. It showed that the 100 largest commercial banks by trust asset size controlled together over 82 percent of all trust assets in the Nation's approximately 3,200 commercial bank trust departments. The top 20 banks by trust asset size controlled over 50 percent of all commercial bank trust assets. Twelve of these 20 banks were located in only two cities, New York and Chicago.

In the area of employee benefit accounts managed by trust departments, principally pension funds, the concentration is even greater. Pension fund assets are the fastest growing part of trust department assets.

According to our 1968 study, the 16 largest trust departments in terms of managing employee benefit accounts hold just under 84 percent of all trust department-managed employee benefit accounts in the country. And only 6 of these 16 held 48 percent of the total.

The most recent statistics, provided by the Federal bank regulatory agencies, show that the concentration situation in trust departments by the end of 1972 had changed little. The 25 largest trust departments held 49.3 percent of all bank trust assets in the country. In other words, a handful of major banking institutions control the vast majority of trust assets.

It should also be pointed out that 22 of the 25 largest trust department banks are included in the list of 50 largest banks by deposit size. Therefore, just 53 banking institutions control a combined total of $503 billion of financial assets, or 49.3 percent of $1.02 trillion of financial assets in the banking system.

It is clear from these figures that concentration both on the commercial banking side and on the trust management side of banking, already substantial, is likely to grow even worse between now and the end of the 1970's. This will inevitably lead to an even greater position of potential power over the American economy by a handful of major commercial banks in the United States.

Because of the fundamental position of the banking system in providing the most essential ingredient for fostering competition, innovation, increased efficiency, and, therefore, lower costs for goods and services for the American people—credit and capital—it seems to me imperative that one of the top priorities, if we are to bring our economy back to health, is the re-creation of a vigorous and competitive banking system. When the availability of credit and capital is controlled by a handful of giant banking organizations, this superconcentration over the fundamental decision of who will obtain capital and who will not, is not likely to produce the kind of results which will further free competitive forces in our economy as a whole.

In light of the above, let me urge you to include the banking industry in your plans for studying basic industries which are now concentrated but must be competitive if we are to inject greater competition into our economy.

Sincerely yours,
WRIGHT PATMAN,
Chairman.

BANKING'S 1984: IBAA OPEN LETTER TO CONGRESS ON BHC LEGISLATION

(By Lewis I. Markus)

In 1966 humorist Art Buchwald projected a United States controlled by two giant corporations, which merged into one giant corporation. That 1984 of concentration is just over the horizon as far as banking is concerned. Recent bank holding company spread has so accelerated concentration that congressional review of bank holding company legislation is urgently needed. Such review is made doubly imperative by the Supreme Court's recent decision in *U.S. v. Marine Bancorporation*, which appears to make BHC growth through market-extension mergers immune from challenge under the antitrust laws in some 31 states limiting *de novo* entry.

BHC GROWTH, 1968–73

Between 1968 and 1973, BHCs sharply expanded their influence in commercial banking. The number of BHCs more than doubled (from 813 to 1,677); their deposits quadrupled (from $89.5 billion to $446.6 billion); and their share of all U.S. commercial bank deposits rose from 22% to 65%. While the BHC growth rate slowed somewhat after the 1970 Bank Holding Company Act amendments, BHC share of commercial bank deposits continued to expand, increasing between December 1971 and December 1973 from 55.1% to 65.4% for an annual average increase rate of 5.15 percentage points. At that growth rate, BHCs will control more than 90% of all commercial bank deposits by the end of 1978.

BHC CONCENTRATION

While BHC deposit control varies from state to state, it had risen to an alarming degree in 21 states by the end of 1973.

BHC share of deposits

[In percent]

Rhode Island	95.4
California	93.3
New York	90.3
Massachusetts	84.7
Oregon	81.1
Utah	80.8
Florida	78.5
Colorado	78.1
Virginia	77.4
Maine	72.0
Connecticut	71.5
New Mexico	69.2
Minnesota	68.3
North Carolina	68.2
Montana	68.2
Michigan	67.8
Nevada	66.6
Missouri	63.4
Tennessee	62.2
Maryland	61.2
South Dakota	60.6

BHC control of state deposits is closely associated with statewide concentration. In 13 of the 21 states listed, BHCs were among the five largest banks or bank groups—in 6 states (California, Massachusetts, New Mexico, Minnesota, New York, Montana). BHCs were the five largest banks or bank groups: in 5 states (Rhode Island, Utah, Maine, North Carolina, Connecticut) they constituted four of the five largest banks.

Data on banking concentration in local markets suggests that BHC control of deposits is even more pronounced than statewide figures indicate. Of the 13 states with high BHC concentration, for instance, 12 show substantially higher concentration levels in the standard metropolitan statistical areas than statewide. By the end of June 1973, share of deposits held by the five largest Montana banks or bank groups was 56.07% statewide, 92.6–93.8% in the two SMSAs. In New York, 56.42% statewide compared with 63.6–98% in the 10 SMSAs. In Connecticut, comparable figures were 61.64% statewide, 85.4–100% in the 11 SMSAs. In Rhode Island alone of the 13 aforementioned states were the statewide and local percentages of deposit shares held by the five largest banks roughly the same—92.82% statewide, 91.9% in the state's one SMSA.

BHC CONCENTRATION IN 13 STATES

State	Deposits share statewide: 5 largest banks (percent)	Deposits share in SMSAs: 5 largest banks (percent)	Number of SMSA's
Nevada	97.03	99.3–99.9	2
Rhode Island	92.82	91.9	1
Oregon	85.32	85.8–96.9	3
California	76.93	71.9–97.7	17
Utah	74.12	75.5–81.9	2
Maine	71.82	97.8–100	2
North Carolina	69.22	83.8–96.9	7
Massachusetts	65.03	83.9–100	10
New Mexico	64.08	95.4	1
Connecticut	61.64	85.4–100	11
Minnesota	57.47	44.3–95.3	4
New York	56.42	63.6–98.0	10
Montana	56.07	92.6–93.8	2

BEHIND THE RISING CONCENTRATION

A major factor responsible for rising concentration in commercial banking is the favorable climate for rapid growth of BHCs and large banks in states which permit statewide branching. In 60% of the 20 statewide-branching states, the five largest bank groups held from 72–97% of deposits in 1973. By contrast, concentration was below 35% in half of the 16 limited-branching states and 60% of the 15 unit-banking states.

The influence of state banking laws on concentration becomes apparent when a state relaxes its branching laws. Virginia, for example, changed its law in 1962 to permit statewide branching by merger. Between 1961 and 1973 the five largest banking organizations in Virginia almost doubled their share of the state's deposits—from 27.1% to 50.7%. There was also a significant rise in the number and influence of BHCs in New Jersey after the state modified its branching laws in 1969.

Another factor responsible for the rising trend of statewide concentration is BHC acquisition of independent banks. During 1968–73, BHC acquisitions increased concentration in 24 states. Increases in excess of 10 percentage points occurred in six states (Florida, Missouri, Wyoming, Alabama, New Mexico, and Maine), five of them unit-banking or limited-branching states. Banks must rely entirely on HC acquisitions for expansion in unit-banking states or in limited-branching states outside the areas where they can branch. In statewide-banching states, on the other hand, banks can expand anywhere in the state through branching, so that there is far less need for HC acquisitions.

In the 38 states permitting multibank expansion, the impact of BHC acquisitions was limited almost entirely to states with low or moderate concentration levels. The low and moderately concentrated states are mostly unit-banking and limited-branching states. The highly concentrated states are entirely statewide-branching states, where there is little pressure to expand through BHC acquisitions and greater regulatory resistance to acquisitions by the largest banks.

During 1968–73, MHC expansion was prohibited in 13 states—Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Mississippi, Nebraska, North Dakota, Oklahoma, Pennsylvania, Vermont, and Washington. All but two of these are unit-banking or limited-branching states. In 8 of the 13, statewide concentration was under 35% in 1973, which demonstrates that restrictions on MHC growth by acquisitions in unit-banking and limited-branching states constitute a very effective deterrent to concentration.

BHC ACT ADMINISTRATION

MRCs have been regulated by the Federal Reserve Board since 1956 under the Bank Holding Company Act, amended in 1966 and 1970. The major purposes of this Act were to control BHC expansion subject to competitive considerations, to limit acquisitions across state lines, and to preserve the historical separation of banking and commerce.

The Act directs the Federal Reserve's Board of Governors to deny any bank acquisitions which may substantially lessen competition or tend to create a monopoly, unless convenience and need clearly outweigh such anticompetitive effects. The guiding principle in administration of the Act is the preservation of the number of competing firms. Early Fed rulings were directed toward preserving the number of local competitors in the same market.

Antitrust enforcement in applying Section 7 of the Clayton Act to bank mergers in the 1960's established the clarity and stringency of the legal rules governing horizontal bank mergers. Consequently the expansionist tendencies of BHC managements in recent years have taken the form of geographic market-extension mergers and acquisitions. Instead of looking for local partners, large MHCs have sought to acquire banks in markets where the MHCs do not engage in business, thereby raising serious antitrust questions relating to preservation of opportunities for future or potential competition.

In the last few years the Justice Department's Antitrust Division has been forced to challenge banking acquisitions of the geographic market-extension type under the potential-competition doctrine when there was no evidence of competitive overlap in *local markets* affected by the acquisition. In moving against these mergers, the government's stated main concern was to prevent domination of commercial banking in a state by a very few banking institutions. Antitrust was attempting to establish a rule of law that in effect said the largest organizations cannot combine with other large banking organizations in states where concentration is high, i.e., where the top four banks are doing well over half the banking business.

In pursuit of this goal, the Department of Justice filed 21 antitrust suits to enjoin mergers. The district courts ruled against the government in the eight consecutive potential-competition cases which went to trial. In the first such case to reach the Supreme Court on appeal, the Greeley case, the lower court was sustained by a 4–4 vote.

The potential-competition doctrine was fully examined for the first time by the Supreme Court in *U.S.* v. *Marine Bancorporation.*

The Supreme Court's opinion appears to hold that neither the Antitrust Division nor the Federal Reserve can utilize the doctrine of potential competition to challenge BHC geographic market-extension mergers and acquisitions in states which restrict *de novo* entry. The states which now will be denied this protection appear to be the 31 limited-branching and unit-banking states. In other words, BHC market-extension acquisitions in these states cannot be challenged under the antitrust laws under the potential-competition doctrine, which is the only basis upon which a challenge can presently be mounted under Section 7 of the Clayton Act without evidence of horizontal competition.

This is most unfortunate from the viewpoint of preserving the maximum number of effective competitors in commercial banking in the 31 states most immediately affected by the Court ruling. It is in these states that BHCs are beginning to dominate banking markets, and there is no longer any effective legal restraint to blunt their expansionist policies through merger.

IBAA RECOMMENDATIONS

There is a most pressing need for Congress to assess the impact of *Marine Bancorporation* on the ability of regulatory and antitrust agencies to fulfill the objectives of the BHC Act. Congress might try restoring the government's enforcement capability by amending the BHC Act, making the state the appropriate relevant geographic market for testing the legality of BHC market-extension mergers. This would eliminate the need to rely on the doctrine of potential competition, which now can be used to challenge such mergers only in states permitting *de novo* entry into local markets, i.e., the statewide-branching states.

Concentration has already reached dangerously high levels—more than 50% control of deposits by the five largest banks—in almost half the states and the District of Columbia. Congress should examine the anticompetitive effects of concentration in these states; the need for remedial legislation to invigorate competition; and the need to establish concentration limits or guidelines for preventing the growth of concentration in commercial banking within each state.

REV. PHILIP C. MORRIS OFFERS HOUSE PRAYER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BAUMAN) is recognized for 5 minutes.

Mr. BAUMAN. Mr. Speaker, I am sure that we were all inspired at the opening of the session today when the prayer was offered by Rev. Philip C. Morris, who is the pastor of the Walker Memorial Church of God in Princess Anne, Md., which is located in my congressional district. Reverend Morris was accompanied today by his wife, Mary Smith Morris, who is the assistant professor of music at the University of Maryland in Princess Anne and his sons, Philip and Ralph, as well as friends of the family.

Reverend Morris is a respected clergyman from Somerset County, Md., which is truly the heart of the Eastern Shore. He was educated at Lee College, Cleveland, Tenn., and did graduate work at the University of Tennessee. He has taught at both Lee College and Salisbury State College in Maryland.

Reverend Morris is the founder and pastor of Walker Memorial Church of God and has been active in a number of civic and other endeavors. He is a member of the Delmarva Youth and Christian Education Council for the Churches of God, a member and past president of the Princess Anne Ministerial Association, the past treasurer of the Princess Anne Rotary Club, a member of the Planning and Zoning Advisory Board of Somerset County and the Somerset County Bicentennial Commission. He has also been quite active in aiding the elderly as a member of the M.A.C. Task Force for Somerset County.

I know that all members join with me in expressing gratitude to Reverend Morris for being with us today and for his prayer.

INSPIRATIONAL BICENTENNIAL REMARKS BY CONGRESSMAN McCORMACK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 5 minutes.

Mr. O'NEILL. Mr. Speaker, it has been brought to my attention that the closing remarks of Congressman MIKE McCORMACK, chairman of the Committee on Arrangements for the commemoration of the 200th anniversary of the First Continental Congress, were inadvertently omitted from yesterday's CONGRESSIONAL RECORD. Because these remarks were so inspirational and because they carry a profoundly important message for the Congress and the American people as a whole, I would like to insert them in the RECORD at this time:

CLOSING COMMENTS BY CONGRESSMAN MIKE McCORMACK

Thank you Mr. Cooke.

It may be appropriate, as we close this 200th anniversary ceremony, to recall that even with "the frailties of human nature" to which James Madison referred, the Congress and the House of Representatives has established a brilliant record of accomplishment in protecting and expanding freedom and human dignity; a record that is unique in the annals of history.

When Alexander Hamilton informed his British guest that, "here, Sir, the people govern", he could hardly have foreseen the remarkable progress that has been made here in the House of Representatives, giving meaning to his words.

This is a far better country, and indeed a far better world, for the accomplishments of the men who founded this Congress, and by their successors, who have, during the last 200 years, been dedicated to, as our founding fathers expressed it, "the great service of securing and perpetuating freedom."

Of course, no government of human beings can be free from error—let alone perfect—and the people of America have always been a daring, optimistic, generous people, willing to experiment—to try new ideas—to admit to mistakes, to laugh or cry together over successes or failures, and, learning from both, pick up the pieces and build for the future. It's been a great adventure—with a lot of ups and downs, but through it all we've kept—and expanded—our freedoms.

In 1787, the Northwest Ordinance excluded slavery in the new Northern States, and assured all new States equality with the original thirteen. That same year, the Constitution was adopted, and two years later, the Bill of Rights.

In 1801, the Alien Sedition Laws were repealed, thus protecting freedom of the Press.

In the 1860's the Morrill Act, extending higher education opportunities to average Americans, and the Homestead Act, making federal land available for individual citizens were enacted, and the 13th, 14th, and 15th Amendments, abolishing slavery and providing equal protection under the law, were ratified.

In 1919 Child Labor Laws were enacted and the next year suffrage for women was ratified.

The last forty years have witnessed a tide of significant legislation: the Social Security Act, the Fair Labor Standards Act, the G.I. Bill, Civil Rights Legislation, open housing, Equal Rights for Women, Aid to Education, the Repeal of the Emergency Detention Act, the Housing Bill, Medicare, the War Powers Act, and Environmental Protection and Consumer Protection Laws.

We have given generously of our manhood and our wealth to preserve peace and freedom, and help feed and uplift the rest of the world.

Most of this legislation has been passed here in this room by average and not so average Americans, and we, and all of our countrymen, can take justifiable pride in the fact that this less-than-perfect government of less-than-perfect men and women has accomplished so much to keep faith with the aspirations and dreams of its founders; and to give deeper meaning to the first three words of the Constitution, "We the People".

Now, as we look to challenge of the future, let us dedicate ourselves to the commitment that that future will be even brighter than the past, and that this chamber, and this House of Representatives will always be "the place where the people govern".

NEW RICE PROGRAM WILL COMBAT MOUNTING TRADE DEFICIT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 5 minutes.

Mr. ALEXANDER. Mr. Speaker, yesterday, Secretary of Commerce Dent announced that the August deficit in our balance of trade was over $1.1 billion. This was an increase of $370 million over the July deficit. This record deficit indicates that a move by Congress is imperative to promote more favorable trade terms.

Food is the most plentiful commodity we export, and our production of rice makes us the world's leading exporter of this major food staple. The Rice Act of 1974, currently before the Rules Committee, will help in our fight against inflation by promoting our agricultural goods in payment for our increased imports of oil and steel.

On the other hand, the present rice program prohibits competition in the rice industry, which will lead to eventual destruction of that industry. If our agricultural policy toward rice continues to be restrictive, our economy will lose foreign dollar sales, domestic jobs, and capital. We will continue to subsidize foreign economies unless we change our agricultural policies.

Our economy is facing an unstable future, and we in Congress have yet to take the lead in solving the problems before us. The time for special interests and rhetoric is passed.

REMARKS ON THE PRESIDENTIAL INABILITY BILL

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, in 1965 Congress passed a bill known as the presidential inability bill which is now the 25th amendment to the Constitution. I was one of the few Members who voted against this bill because I strongly felt that it established a dangerous precedent which we would one day regret. However, the bill quickly made its way through Congress, was ratified by the appropriate number of States, and became part of our Constitution.

At this time I would like to include my comments from the Texas Observer of May 1965, which explains my vote:

Congressman Henry B. Gonzalez of San Antonio was one of a handful of congressmen who voted against the presidential inability bill passed by the Congress to provide a new method of replacing the President with the Vice-President. The Observer asked him why he so voted, and this is his reply.

Thank you for asking. Here is why I voted against the presidential inability bill:

As you probably know I was one of the first Members of Congress to introduce legislation on the subject of a vacancy in the office of the Vice Presidency. My bill, H.J. Res. 893, was introduced on January 21, 1964, and I reintroduced it in the present session as H.J. Res. 53 on January 4, 1965. The procedure described in my bill has been incorporated in the presidential inability bill passed on April 14.

But the bill that was passed goes too far. The section on presidential inability is most objectionable to my mind. It establishes a dangerous precedent which we may one day regret. This section provides for the transfer of executive power from the President to the Vice President in times of the President's inability. The transfer can occur with the President's consent, or against his protest. There is a vagueness in the language of this section which I believe should not be incorporated into our Constitution. The transfer of power is to be brought about upon the President's declaration that he is unable to discharge the powers and duties of his office. Never is the term "inability" defined. In an area as crucial and consequential as the Presidency of the United States, such a lack of definition can be disastrous.

There are far more serious objections to the presidential inability section of this bill. And before it is finally passed by Congress, and acted upon by the state legislatures, this question should be answered: Does the bill set up a new way in which a President might be wrongfully or mistakenly removed from office by the Vice President and a majority of the President's Cabinet?

By the way, as another example of the vagueness of this bill, the bill itself does not use the term "Cabinet." Instead, there is a reference to "the principal officers of the Executive Departments, or such other body as Congress may by law provide." Whatever is meant by "such other body" has never been spelled out or discussed to my satisfaction. It has been widely assumed that the reference is to the Cabinet. But as I read it, Congress could set up almost any group of federal officers under this provision.

In order to answer the question I have raised, it is necessary to understand the mechanism set up in this bill by which a President may be involuntarily removed from office. According to Section 4 of the bill, all that is needed is for the Vice President, joined by a majority of the "principal officers of the Executive Departments," to transmit to the Speaker of the House and President Pro Tempore of the Senate a written declaration that the President is unable to discharge the powers and duties of his office. At that point, immediately and without any further procedure and consideration, without any examination or investigation, the Vice President becomes the Acting President. The bill goes on to set out the steps by which the President may regain his office. These steps include his own written declaration that no disability exists, and the assembling of Congress, within five days, to decide the issue.

The fatal flaw in the bill, in my judgment, is the almost unchecked ease with which the President can be removed by either an unscrupulous or mistaken subordinate. However temporary this removal might be, in this nuclear age of push-button and instantaneous devastation it almost certainly would be too long. It is true that the people of this nation have so far been extremely wise and fortunate in the caliber and moral character of the men we have chosen to be President and Vice President. It would be naive, however, for us to suppose that men are infallible, that men do not make grievous mistakes, or even that bloodless *coups d'etat* have not occurred in other countries during our own lifetimes.

For these reasons I voted against the presidential inability bill, and in the months to follow I hope to help bring about further discussion and a public dialogue on this measure. Probably a year or two will expire before final ratification of the proposed amendment can occur. If the people are informed and awakened, there is still time to correct the mistake that was so blithely steamrollered through Congress.

Today I am introducing a bill to repeal the 25th amendment. I have spoken against it on numerous occasions, but little did I realize that the tide of history would find this provision in use so soon. At this very time in our Nation we have a President chosen by his predecessor who was forced to resign from office under the threat of impeachment. And we will soon have a Vice President appointed by a sitting President as provided for under the 25th amendment.

This transition has been orderly and there have been no attempts by violent and power-hungry men to wrest away the control of our government. But this does assure our Nation that sometime in the future we could not have a situation that would work in the reverse.

As long as the 25th amendment is a part of the Constitution the electorate of our country cannot be sure that the two highest offices in our democratic government could not be filled by persons who have arrived at these positions through unscrupulous, corrupt, or perhaps even violent means.

Mr. Speaker, I hope my colleagues agree with me on the urgency of repealing the 25th amendment and will work with me to achieve this goal.

MATSUNAGA INTRODUCES A BILL TO AID NON-ENGLISH-SPEAKING RESIDENTS IN HEALTH PROBLEMS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 10 minutes.

Mr. MATSUNAGA. Mr. Speaker, earlier today I introduced the Bilingual Health Opportunities Act of 1974. This bill is similar to the one introduced by

Senators Cranston, Kennedy, and Montoya in the other body, and the substance of which has been incorporated into the health manpower bill which the Senate has passed. Favorable action by this house will be an important first step in the campaign to provide high quality health and medical services equally to everybody.

My bill would provide a means of assuring non-English-speaking persons that health services will be available to them in the communities where they live. It would provide training for bilingual personnel and offer English-speaking personnel an opportunity to become familiar with the culture of the individuals whom they serve. There are six components of bilingual services which would be provided by my bill. These are:

First. The development of special programs at medical and nursing schools to make health personnel aware of the cultural sensitivities of individuals with limited English-speaking ability. Such programs are not to be limited to students in training but are also to be made available, as a part of continuing education, to health personnel practicing in the community, particularly in those communities where a substantial proportion of the population served is of limited English-speaking ability.

Second. Special programs to recruit and retain bilingual students in the health professions, in nursing and in the allied health professions.

Third. The establishment of up to four bilingual/bicultural health training clinical centers in communities where a substantial proportion of the population is of limited English-speaking ability. Such centers' special emphasis shall be on the recruitment and training of bilingual individuals and on training English-speaking professionals in the language and cultural heritage of the population served.

Fourth. A requirement that health centers, serving populations where a substantial proportion is of limited English-speaking ability, identify on their staff an individual who is bilingual and whose responsibilities shall be to conduct seminars for staff—including staff for contract providers—to increase their awareness about the cultural sensitivities related to health of the population served, and to help staff and patients in bridging language and cultural differences.

Fifth. A requirement that such centers utilize outreach workers who are bilingual to encourage appropriate utilization of community health resources and other community resources by the residents who are of limited English-speaking ability.

Sixth. The conduct of a special study to evaluate the effectiveness of admissions examinations to health training institutions and schools of higher education to test fairly an individual's ability to participate and succeed in the educational programs, taking into account the need to eliminate any cultural and linguistic bias which may be built into the tests. The findings of the study must be reported to the Congress along with recommendations for any necessary action, including recommendations for any necessary legislation.

Language and cultural differences are among the largest obstacles to providing universal high quality services. We have heard much, in many contexts, of gaps in communication, and of ineffective communications. The placement of non-English-speaking people in the confusing, complex American medical system is a case of the absence of effective positive communication. In fact, an atmosphere of terror is often the result of the communication which does occur.

Little wonder then that so often vitally needed services are never sought nor received. So often, also, when attention is requested it is too late—and woefully too little as well. Much suffering and human tragedy could be avoided if the right kinds of attention were truly available to all at all times.

My bill would provide a means of solving this problem. It makes provision for the creative long-range solution to each of the successive problems which the non-English-speaking person has in availing himself of the services which are provided to all Americans. In a two-pronged attack on the problem, my bill would find those individuals who previously have been excluded from receiving services by virtue of their cultural differences and fear of the system, and brings them to a system which will have become more cognizant of their special cultural and linguistic needs and more responsive to them.

Mr. Speaker, this is really a very modest proposal, but one which is long overdue. In the very short time remaining to us in this session, I hope that we will be able to enact this legislation of great importance to millions of Americans with limited ability in the use of the English language.

PRESIDENT GIOVANNI LEONE OF ITALY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Annunzio) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, it is a privilege for me to join millions of Americans in extending our warm welcome and our good will to the President of Italy, Giovanni Leone, on his visit to the United States.

Italy is a member of NATO and has been one of America's stanchest supporters in NATO and on the European Continent. Since 1945 Italy has restructured her entire government and her people have enjoyed a rise in their standard of living, more employment, and more of the material things that life has to offer.

Unfortunately, Italy today is suffering because of high inflation and the prospect of high unemployment. All of us know that public enemy No. 1 is inflation, that inflation is a worldwide disease, and consequently, it must be attacked by the leaders of the world.

I am certain that meetings being conducted with the representatives of government, business, and labor, will bring about better understanding and a solution to the problem of inflation. I join my fellow Americans in the hope that President Gerald Ford, in his meetings with President Giovanni Leone, can reach general agreement on constructive ways to attack the problem of inflation.

An editorial from the September 25 Washington Post, entitled "The Italian Visitor," follows:

The Italian Visitor

> Italy has become, to its misfortune, the extreme example of the disruption inflicted on industrial countries by the revolution in oil prices. The arrival here today of Italy's president, Giovanni Leone, may consequently serve a larger purpose than anyone had in mind when the visit was first proposed months ago. Italy's current economic troubles are not unique. To the contrary, the Italians are only more exposed to the effects of the new prices than the rest of us. Imported oil contributes some 80 per cent of the primary energy supply in Italy—compared, for example, to 17 per cent in the United States. President Ford's conversations with his visitor, on the event of the economic summit meeting, are going to sharpen his own sense of the international meaning of the oil issue. Since American attitudes on this crucial subject are still very fluid, and since the President is only beginning to develop his own foreign policy, the Italian visit could hardly have come at a better moment from our point of view.
>
> But this meeting will serve another purpose, in terms of Italian politics, that is only barely visible from Washington. All state visits are symbolic gestures, and this one comes at a time when, for the first time since 1948, the Communist role in Italian politics is a matter of open discussion among the other parties. By coming here now, President Leone, as the senior figure in the Christian Democratic party, seems to be casting his weight in favor of the traditional alliance and against any new reliance upon Communist support in Italy's domestic affairs.
>
> The present inflation and the prospect of higher unemployment this winter are putting great strain on the Italian government, perhaps more than can be met through another routine, reshuffling of center-left coalition cabinets. Actually bringing the Communists into the cabinet does not seem to be a possibility. But some of the other parties' political managers are now trying to devise ways to assure some measure of Communist cooperation in the hard decisions ahead. The long isolation of the Communists may be ending. But although President Leone's office is largely ceremonial, he himself remains a man of considerable influence in the party that has dominated every Italian government since World War II, and he is using this trip to make his own opinion clear. He, like President Ford, is anxiously exploring the possibilities of bringing an old alliance to bear on new perplexities. This is reason enough to give the meetings between the two men special significance.

COMMITTEE REFORM OR COMMITTEE CONFUSION?

(Mr. HOLIFIELD asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HOLIFIELD. Mr. Speaker, all of us have concerns about one aspect or another of the resolution for House committee reform. I will make these brief observations from the vantage point of one who will not be in Congress next year, who will not have to live with these reforms. My remarks are, in that sense, disinterested.

Of course, I am very much interested in congressional reform, as shown by my record of 32 years in Congress. I supported congressional reform in 1946, and I have been active in other reform efforts, such as curbing arbitrary power in past years of the Rules Committee, updating the House precedents, and gaining acceptance of electronic voting to conserve legislative time.

We must keep in mind the distinction between reform and change. House Resolution 988 offers many changes, but I am not sure that they all add up to reforms. Perhaps I should say that there is some reaction mixed in with the reform.

ONE-THIRD MINORITY STAFFING

Take the one-third staffing provision. In theory, it accords the minority a fair share of the staff resources. The hard, political facts are that the one-third staffing provision gives the Republicans effective control of a much larger proportion of the staff resources on policy and planning, up to one-half.

Why do I say that? First, because the regular committee staff provides legislative support and works for both the majority and the minority, while the minority staff works only for the minority. Second, because a large share of the regular staff activities is administrative and nonpartisan in nature. The majority has to bear that workload, not the minority. Subtract the nonpartisan workload and the result is that the minority has a larger proportion of partisan staff resources than the majority.

Apart from the question of Democratic versus Republican control of the staff, this resolution will authorize large staff additions to all committees whether they are needed or not, and there will be numerous new constellations of staff around subcommittees. An earlier proposal to limit the number of subcommittees to six apparently has been abandoned. The proliferation of subcommittees and the readjustment of jurisdictions will see committee staffs all over the place. The Committee on Government Operations will more than double its staff if it assimilates the staffs associated with the functions transferred to the committee. There will be staffs in every nook and cranny and crevice of the House office buildings, the House side of the Capitol, and the other structures owned or rented by the House. The Congress is on the way to developing the biggest bureaucracy in its history, and the greater the staff of that bureaucracy, the less independent the Member.

GOVERNMENT OPERATIONS COMMITTEE

Under House Resolution 988 the Government Operations Committee would acquire new jurisdiction over: Census and statistics from Post Office and Civil Service; holidays from Judiciary; the Hatch Act from House Administration; revenue sharing from Ways and Means; territories and Indians from Interior; and internal security from Internal Security.

An analysis by my staff shows that at least 59 staff members are now performing committee functions in the committees which now have jurisdiction over those matters. In other words, if the Bolling plan is passed, the Government Operations Committee staff will have to be increased to a total of 109 persons just to barely carry the additional load.

If, as proposed in House Resolution 988, the professional staffs are increased by 12 and the clerical staffs are increased by 6, in order to make committees more effective, the Government Operations Committee staff would stand at about 127 persons. Presumably one-third would be under the sole control of the minority.

Also, I do not see how the committee could possibly do its work without at least four additional subcommittees—an increase from 7 to 11 or 12 subcommittees. Each Member would be required to serve on four subcommittees instead of two—as is now the case. This in addition to service on the so-called B committees and joint committees.

In terms of committee workload, an analysis by the Congressional Research Service shows that if the Government Operations Committee had exercised jurisdiction over the matters which are proposed to be transferred to it in the 92nd Congress, 891 additional bills would have been referred to it.

TURBULENCE AND TURMOIL IN THE NEXT CONGRESS

Another price we pay for reform, when it comes in big packages, is turbulence and turmoil in the next Congress. Members will be reassigned to conform to new committee jurisdictions and staffs will be transferred. The single track system, if it prevails, will require painful choices; in many cases, the loss of subcommittee chairmanships and, undoubtedly, a frantic search for new ones.

How long will the sorting out process take? One session? A whole Congress? What will be the end result? Abstractly, I was inclined to favor a single track system in the House, but on further reflection, I wonder whether it will serve any useful purpose, or even whether it can be enforced. If service is confined to a single major committee, then Members will seek diversity in subcommittees, with the consequent proliferation I mentioned above.

SINGLE TRACK SYSTEM A FARCE

The single track system will not apply to seven "B" committees and to joint committees. That leaves at least 200 committee positions available for second assignments. Who will get them? I assume that Members with more seniority will get first choice. Those with less seniority and new Members will be confined to single service. This may be a valid consequence of seniority, but it does not have much of a reform aspect.

OVERSIGHT CONFUSION

The single track system, as I understand it, is linked with reorganization of committee jurisdictions. If Members are to be confined to a single major committee, it has to have sufficient importance and workload to justify such specialization. Whether the reconstituted committee structure will improve committee posture and performance is a question not easily answered. One of the intriguing aspects is a seemingly deliberate attempt to pit committees one against another—legislative jurisdiction here, oversight jurisdiction there. Is this check-and-balance technique designed to keep committees honest and on their toes, or will it lead to more duplication, interference, and animosity?

Examples of this check-and-balance technique are not hard to find. Armed Services will have legislative jurisdiction over defense research and development, but Science and Technology will do the oversight. Foreign Affairs will have legislative control over arms control and disarmament, but Armed Services will do the oversight. Public Works and Transportation will have legislative jurisdiction over regional development and the TVA, but Energy and Environment will oversee the TVA. Energy and Environment will have legislative jurisdiction over certain energy matters, but not over energy R. & D.—the most fundamental of all energy tasks. Its role here is confined to oversight, while the legislative responsibility for energy R. & D. goes to Science and Technology.

JOINT COMMITTEE ON ATOMIC ENERGY GUTTED

Let me pursue the energy complications further. House Resolution 988 takes from the Joint Committee on Atomic Energy that part of its statutory jurisdiction relating to "nonmilitary nuclear energy." The Joint Committee is left dangling with an ill-defined, truncated jurisdiction. I say ill-defined because it is extremely difficult to separate, in AEC laboratory complexes, military and nonmilitary nuclear energy activities.

One wonders how the shift of jurisdiction is accomplished. Is the Atomic Energy Act, which assigns jurisdiction over all atomic energy matters to the Joint Committee, amended by implication and on the assumption that when the House makes changes in its rules, it may disregard statutes because a higher constitutional duty is involved?

Now observe how the fruits of the shift are to be divided. Energy and Environment will acquire legislative jurisdiction over nonmilitary nuclear energy, except for nonmilitary nuclear R. & D., which will go to Science and Technology. In the AEC, practically all its nuclear activities are in the R. & D. field. How nonmilitary nuclear activities will be divided between R. & D. and non-R. & D. for assignment between these two new committees is a real puzzler.

In any case, for nuclear energy as a whole, two House committees and one joint committee will share in legislative jurisdiction. The oversight responsibilities, one can only assume, are up for grabs.

Would House Resolution 988 create statutory problems relative to the atomic energy problem? The answer is yes. By attempting to change requirements of the Atomic Energy Act by unilateral House action, rather than by straightforward amendment of the Atomic Energy Act, a residue of statutory problems will result which legal ingenuity evidently cannot surmount at this stage. In several key places in the Atomic Energy Act and related statutes such as authorization acts, there are requirements for formal submissions to the Joint Committee of the bases of certain significant actions proposed to be taken by the Atomic Energy Commission in the exercise of its responsibilities under the Atomic Energy Act. Also, chapter 17 of the Atomic Energy Act of 1954, as amended—42 U.S.C. 2251–2257—specifically provides for several important features, such as the requirement that the AEC keep the Joint Committee fully and currently informed with respect to all of the AEC's activities. This statutory requirement has been of the utmost importance in penetrating the bureaucratic administrative jungle. Though these features will have relevance to matters that House Resolution 988 would reassign to other committee jurisdictions, there is apparently no legally sound way for this resolution to substitute the new committees for the Joint Committee on Atomic Energy.

DIVISION OF OVERSIGHT DUTIES UNWORKABLE

Dividing oversight and legislative jurisdiction among sets of committees means, in effect, that the oversight function is being directed not only against the executive but against committees of the Congress. This will not only confuse the administrators but sharpen congressional committee contests for their time and attention.

House Resolution 988 really goes overboard on the subject of oversight. Such functions are to be performed in at least four criss-crossing and possibly conflicting ways:

First. Certain committees are charged with specific oversight functions when other committees have legislative jurisdiction on the same subject.

Second. Each committee is to have broadened oversight jurisdiction and an oversight subcommittee to help it perform this function.

Third. The Committee on Government Operations is to coordinate the oversight programs of all other committees; and

Fourth. The Committee on Government Operations is to continue its mandate to study the operation of Government activities at all levels for economy and efficiency, and additionally, is authorized to investigate any matter in the jurisdiction of any committee.

GOVERNMENT OPERATIONS COMMITTEE SWAMPED

The Committee on Government Operations, with which I have been associated for about 28 years, gets unusual authority and prominence under this resolution, for which I, or at least my successor, is supposed to be grateful and rejoice. But the hard realities take away the joy. The committee is to be assigned new jurisdiction of such diverse matters as Indian affairs, territories and insular possessions, and the census and Government statistics generally, the Hatch Act, holidays and celebrations, National Archives, general revenue sharing, and internal security.

What that means, in effect, is that the committee will be so occupied with legislative chores—many highly technical or minor in nature—that it will have little time and resources left over to conduct its investigations and maintain its oversight, unless, as I said earlier, the committee resources are more than doubled. If they are doubled, our committee staff will have to double its quarters to maintain about 127 persons.

One thing is certain. The resolution invites our committee to become the most heartily disliked in the Congress. We are asked to sit in judgment on what other committees plan to investigate, although I see no means of enforcing our judgment. We will be able to investigate without worrying about other committees' investigations. We will be privileged to include our findings and recommendations in other committees' reports. We will have privileged status on the floor to offer amendments to other committees' bills.

DUAL REFERRAL

Let me comment on one more provision of House Resolution 988.

Referring bills to more than one committee, either simultaneously, in sequence, or by splitting them, is unworkable except in special, infrequent cases. Committee jurisdictions inevitably overlap. The single referral is a necessary discipline for legislative procedures.

Multiple referrals create problems of scheduling and cause much delay, as the Senate experience shows. Also, to protect their jurisdiction, committees will generate numerous complaints requiring adjudication. The power of the Rules Committee to adjudicate referrals (at the Speaker's option) greatly enhances its power.

A DRASTIC, UNWISE, AND ILL-TIMED MEASURE

I oppose House Resolution 988 for several reasons, the very least of which relate to any desire to retain any power or prestige which may accrue to a committee chairman.

This country is now facing simultaneously two interrelated crises—energy and the economy. The solutions to either or both of these crises will require decisive and the most intelligent action of which we, as legislators, are capable. It is a situation which will require great political courage as well.

These problems cannot be solved in the environment of the great confusion and upheavel which, in my opinion, House Resolution 988 will create.

At the very least, I foresee a year or more of scrambling, organizing, and grasping for power. I can foresee the very probable lack of expertise by committees and their staffs, which will be struggling to understand complex new subjects and laws with which they have no familiarity.

For example, I know no expertise in any other committee of the House on the subject of atomic energy comparable to that of the Joint Committee, and it requires years of work and study in the field to develop such expertise.

Who will be the loser if we cause this great upheaval to take place in the name of "reform?" I believe that the Members of the House will be the first losers. While, this fall, one may point with pride to a vote for "reform," the public and press for the next 2 years or so can well view with alarm a House in confusion and deadlocked over important issues.

But the people will be the real losers as we fall further behind in the development of our energy resources, fail to adequately deal with economic problems, and pass poor legislation generally.

If my advice were requested, I would recommend that this matter be put over until the 94th Congress and then considered piece by piece. I realize that a great deal of work has been done on House Resolution 988 and there are those who want the fruits of that work before this Congress adjourns. But why the haste? What is wrong with reform, done in such a manner that the Members can consider and adjust to a few changes at a time?

I believe that such a policy is best here since I would not want to risk the consequences of the confusion and divisiveness which is bound to be the case over the next 2 years if House Resolution 988 is written into the rules of the House with its major deficiencies uncorrected.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN to address the House, today, for 60 minutes, and revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. ANDERSON of Illinois) and to revise and extend their remarks and include extraneous matter:)

Mr. BAUMAN, for 5 minutes, today.

Mr. BLACKBURN, for 5 minutes, today.

(The following Members (at the request of Mr. SARBANES) to revise and extend their remarks and include extraneous material:)

Mr. O'NEILL, for 5 minutes, today.

Mr. ALEXANDER, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. MATSUNAGA, for 10 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks was granted to:

(The following Members (at the request of Mr. ANDERSON of Illinois) and to include extraneous matter:)

Mr. DERWINSKI in three instances.

Mr. RUPPE.

Mr. CHAMBERLAIN.

Mr. ANDERSON of Illinois in two instances.

(The following Members (at the request of Mr. SARBANES) and to include extraneous material:)

Mr. BADILLO.

Mr. HAMILTON in two instances.

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. ANDERSON of California in two instances.

Mr. VAN DEERLIN.

Mr. KARTH.

Mr. LONG of Maryland.

Mr. DRINAN.

Mr. STUDDS.

Mr. MAHON.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3812. An act to authorize the appropriation of such sums as may be necessary to rehabilitate Eniwetok Atoll, Trust Territory of the Pacific Islands; to the Committee on Interior and Insular Affairs.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 11559. An act to place certain submerged lands within the jurisdiction of the governments of Guam, the Virgin Islands, and American Samoa, and for other purposes; and

H.R. 15404. An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 244. A joint resolution to extend termination date of Export-Import Bank.

ADJOURNMENT

Mr. SARBANES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 19 minutes p.m.), under its previous order, the House adjourned until Monday, September 30, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2793. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a listing of contract award dates for the period September 15-December 15, 1974, pursuant to 10 U.S.C. 139; to the Committee on Armed Services.

2794. A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting a report on Department of Defense procurement from small and other business firms for July, 1973-June, 1974, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Banking and Currency.

2795. A letter from the Chairman, Federal Power Commission, transmitting a copy of the publication entitled "The National Power Survey 'Environmental Research Task Force' "; to the Committee on Interstate and Foreign Commerce.

2796. A letter from the Acting Executive Director, Blinded Veterans Association, transmitting the audit of the accounts of the Association for the year ending June 30, 1974; to the Committee on the Judiciary.

2797. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on prospective reimbursement studies, experiments, and demonstrations, prepared by the Social Security Administration pursuant to section 222(a)(5) of the Social Security Amendments of 1972 (Public Law 92-603); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 5385. A bill to restore and maintain a healthy transportation system, to provide financial assistance, to improve competitive equity among surface transportation modes, to improve the process of Government regulation, and for other purposes; with amendment (Rept. No. 93–1381). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 16204. A bill to amend the Public Health Service Act to assure the development of a national health policy and of effective area and State health planning and resources development programs; with amendment (Rept. No. 93–1382). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRADEMAS (for himself and Mr. Hansen of Idaho):

H.R. 16902. A bill to establish a commission to study rules and procedures for the disposition and preservation of records and documents of Federal officials; to the Committee on House Administration.

By Mr. FASCELL:

H.R. 16903. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for the portion of certain Cuban expropriation losses which did not result in a reduction of taxes in prior taxable years; to the Committee on Ways and Means.

By Mr. FRENZEL:

H.R. 16904. A bill to prohibit changes in the missing status classification of members of the uniformed services unless certain requirements are complied with; to the Committee on Armed Services.

H.R. 16905. A bill to establish a Joint Committee on Intelligence Oversight; to the Committee on Rules.

By Mr. FUQUA:

H.R. 16906. A bill to amend the Consolidated Farm and Rural Development Act to assist young farmers to obtain real estate loans more easily under such act, and for other purposes; to the Committee on Agriculture.

H.R. 16907. A bill to amend title 10 of the United States Code in order to eliminate or reduce certain deductible payments by patients for treatment under the uniformed services health benefits program; to the Committee on Armed Services.

H.R. 16908. A bill to amend section 13(c) of the Fair Labor Standards Act of 1938 to exempt from the child labor provisions of such act certain individuals employed at public sporting or recreational events; to the Committee on Education and Labor.

By Mr. KARTH:

H.R. 16909. A bill to amend section 7275 of the Internal Revenue Code of 1954 with respect to airline tickets; to the Committee on Ways and Means.

By Mr. MATSUNAGA:

H.R. 16910. A bill to amend the Public Health Service Act to promote the training of bilingual persons in the health, nursing, and allied health professions, to establish bilingual health training centers for such purpose, to provide for a special study of health education institution admissions examinations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER:

H.R. 16911. A bill to amend the Federal Aviation Act of 1958 to deal with discriminatory and unfair competitive practices in international air transportation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 16912. A bill to amend section 410 of the Federal Aviation Act of 1958 to provide financial assistance during the energy crisis to U.S. air carriers engaged in overseas and foreign air transportation; to the Committee on Interstate and Foreign Commerce.

By Mr. PEPPER (for himself, Mr. Eilberg, Mr. Gaydos, Mr. Gibbons, Mr. Hosmer, Mr. O'Hara, Mr. Mollohan, Mrs. Schroeder, Mr. Won Pat, and Mr. Seiberling):

H.R. 16913. A bill to establish the Reconstruction Finance Corporation to make loans and loan guarantees to business concerns which would otherwise be unable to obtain needed financing; to the Committee on Banking and Currency.

By Mr. SEIBERLING (for himself, Mr. Koch, Mr. Badillo, Mr. Carney of Ohio, Ms. Collins of Illinois, Mr. Conyers, Mr. Eilberg, Mr. Hanrahan, Mr. Harrington, Mr. Hechler of West Virginia, Ms. Heckler of Massachusetts, Mr. Helstoski, Mr. Hicks, Mr. Johnson of Pennsylvania, Mr. Mathis of Georgia, Mr. McSpadden, Mr. Metcalfe, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Murtha, Mr. Nix, Mr. Preyer, Mr. Rodino, and Mr. Sarbanes):

H.R. 16914. A bill to authorize the Secretary of Labor to make grants for the conduct of older American home-repair projects, and for other purposes; to the Committee on Education and Labor.

By Mr. SEIBERLING (for himself, Mr. Koch, Mr. Stark, Mr. Symington, Mr. Won Pat, and Mr. Young of Georgia):

H.R. 16915. A bill to authorize the Secretary of Labor to make grants for the conduct of older American home-repair projects, and for other purposes; to the Committee on Education and Labor.

By Mr. STAGGERS:

H.R. 16916. A bill to amend the Federal Trade Commission Act (15 U.S.C. 44, 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed per se unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. GONZALEZ:

H.J. Res. 1148. Joint resolution proposing an amendment to the Constitution of the United States to repeal the 25th amendment to that Constitution; to the Committee on the Judiciary.

By Mr. O'HARA:

H. Res. 1396. Resolution to disapprove certain regulations submitted to the House by the Commissioner of Education in accordance with section 411 of the Higher Education Act of 1965, as amended, relating to the family contribution schedule under the basic educational opportunity grant program; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLACKBURN:

H.R. 16917. A bill to authorize Benjamin S. Persons to accept appointment as Vice Consul (Honorary) of the Republic of El Salvador in Atlanta, Ga.; to the Committee on Foreign Affairs.

By Mr. FISH:

H.R. 16918. A bill for the relief of Robert C. Fales; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

YOM KIPPUR STATEMENT

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1974

Mr. LONG of Maryland. Mr. Speaker, today is the Day of Atonement for those of the Jewish faith. It is the most solemn day of the Jewish year. On this day last year, Israel was subjected to a treacherous surprise attack which cost thousands of lives and casualties and billions in national treasure. Israel withstood this onslaught but with high losses and the need to call for help from her friends. Beyond the damage wrought in the Middle East by this conflict, the world economy suffered and continues to suffer from the disruptions caused by the Arab embargo on oil production. The Middle East continues to remain perhaps the most explosive area of the world. Each successive conflict endangers the peace not only of Israel, but of the world.

Israel has survived for over 25 years, but with great sacrifice, not only to its own economic growth, but to the well-being of its people. The cost of lost opportunities is a problem for the Arab States which have poured national resources into arming instead of into improving the lots of their peoples. Peace, permanent peace, in the Middle East is essential.

The fact that the United States has supported Israel is well known. But the fact that the Arabs have received even more aid from the United States is less well known. Much of this aid to the Arabs has been in the form of tax credits to American oil companies for Arab oil royalties, credits which have diverted billions from the U.S. Treasury to Arab treasuries. Israel receives aid only from the United States whereas the Arabs have been courted by most of Europe and other nations—all eager to barter arms for oil.

This Congress, with my urging, saw the need to continue support of Israel in its approval of $2.2 billion in emergency assistance to Israel to maintain the status quo after Israel's heavy losses in the Yom Kippur war. Congress continues to recognize the need for a strong Israel, as in the House Foreign Affairs Committee's recent approval of increased aid for Israel beyond the administration's request, both in security supporting assistance and in military credit sales. I led the fight for full funding of the $2.2 billion emergency aid Israel needed last winter and shall be alert to support full funding of further aid to this nation.

But continuing aid to Israel will mean little unless there develops a permanent peace. In addition to a resolution of territorial problems between Israel and the Arabs, two steps are needed to move toward permanent peace in the Middle East.

The first step should be a curbing of the flow of sophisticated weapons, military aid, and training into the Middle East and the Persian Gulf. In the last 2 years alone, the United States has itself sold several billions of dollars worth of sophisticated weapons to Persian Gulf countries. The Soviet Union has rearmed Syria, to a level higher than that at the onset of the Yom Kippur war. Other arms suppliers have eagerly bartered arms for oil. An arms race in the Persian Gulf could easily infect the Middle East; an armed conflict could draw in all the adversaries in this troubled area.

I have called repeatedly for an Arms Sales Limitation Conference for the Middle East, in which the United States with the cooperation of the Soviet Union and other major arms suppliers, would agree to cut arms sales. Without such a conference, the arms pouring into the Middle East remain ready for another round of expensive, probably futile fighting, and possible great power involvement. My congressional resolution calling for this conference has received some support, but greater support is necessary—especially from the administration.

The second step which must be taken is the rethinking of our policy on foreign sales of nuclear reactors and enriched uranium fuel. Nuclear powerplants like the one tentatively offered to Egypt make plutonium as a byproduct of their operation. Nuclear bombs are made of plutonium.

With the potential for nuclear weapons capabilities in the hands of Middle Eastern adversaries, one can easily see the danger. Rivalries exist not only between Israel and the Arab States but among the Arabs themselves. If other Arab States thought that one of their number had atomic weapons, those states would be pushed internally to develop such weapons. In any new period of tension, all would be tempted to undertake some sort of preemptive strike, fearing the horror of nuclear attack on themselves.

International nuclear safeguards exist but only to detect, not preclude, the improper diversion of potentially lethal plutonium from nuclear reactors. It is doubtful whether this system of safeguards is even meeting its detection standards. These safeguards must be strengthened, if nuclear power for peaceful purposes is to be made available to other countries.

Until the international nuclear safeguards are strengthened on paper and in practice, the United States must closely scrutinize every suggestion for spreading nuclear know-how. The Executive and Congress must insist, in any agreements to supply nuclear reactors and other nuclear technology, on absolute assurances that no U.S.-supplied nuclear technology will be used to make nuclear bombs. Congress should insist on approving in advance every proposal for selling nuclear technology abroad. In adopting my amendment to the International Nuclear Agreements Congressional Review Act by a 194 to 191 vote, the House affirmed this position. If my amendment were enacted into law, it would be necessary for the administration to convince Congress—both the House and Senate—of the wisdom of sending nuclear technology and materials to foreign nations. In turn, this would put pressure on the administration to make the necessary overtures toward strengthening international safeguards on nuclear powerplants. However, to date, the administration has opposed my amendment to the International Nuclear Agreements Congressional Review Act.

The Yom Kippur war was tragic. The Arab States possibly do not realize how much they lost while Israel and its citizens know only too well the price they paid in the unprovoked attack. That price is too high for either side to pay again. The two steps which I have recommended will go a long way toward establishing a firm peace for and enabling a renascence of all the peoples of the Middle East.

MORE MONEY TO FIGHT CRIME

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1974

Mr. DERWINSKI. Mr. Speaker, I wish to direct the special attention of the Members to an editorial from WBBM-TV, Chicago, on the subject of crime prevention and apprehension of repeating criminal offenders. This editorial outlines several points to which I subscribe, for we must recognize that effective law enforcement supported by the public and the courts provides the key to protect innocent victims from criminal attacks and reduce the tremendous loss caused by major crime. The editorial follows:

MORE MONEY TO FIGHT CRIME?

It was inevitable that as soon as the annual FBI report on crime in the U.S. was released, legal experts and enforcement authorities would begin playing what is commonly called the comparison game. This is where you find out which major cities have the most and the least crime, and how your city rates.

It's a nice game, but lends nothing to the problem of stopping the rising spiral of major crime. The answer perhaps rests in having the best policemen in the street and plugging the leaks in our judicial system that allow criminals to prey on the innocent.

Some would say the answer is in technology. Chicago has one of the most technically advanced police departments in the country. The headquarters building at 11th and State is a popular tourist attraction. Yet crime in the metropolitan area is up 15%.

Attorney General William Saxbe says the nation's courts and police must devote greater energy to putting career criminals behind bars. He wants programs to identify the career criminal for rapid apprehension.

Perhaps the real answer to beating crime is seen in the method adopted by Orange, California. The Orange city manager offered the city's policemen a definite salary boost for a percentage drop in crime. With this incentive, the Orange cops went to work with extra fervor and crime went down.

And the taxpayers didn't mind spending the extra money. In the end, perhaps fighting crime boils down to simply providing the necessary money to afford the best in facilities, personnel and incentives to fight what is now a losing battle. Taxpayers must realize if they want the best, they are going to have to pay for it. It's either more money to fight crime . . . or more crime to fight.

That is the opinion of the management of WBBM-TV.

VETERANS' LEGISLATION IN THE 93D CONGRESS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1974

Mr. HAMILTON. Mr. Speaker, our Nation's 29 million living veterans are among our most esteemed citizens. The veterans sacrified their personal ambitions, normal family relationships, and financial security when they were needed in a time of national danger. It is largely because of their efforts that our country is strong and free.

We must never forget the contributions made by our veterans to the national welfare. They deserve to be remembered and honored by the enactment of legislation dealing with their particular concerns. In recognition of the country's responsibility to those who wore the uniforms of the Armed Forces, the 93d Congress—1973–74—has passed several laws relating to the veteran, all of which I supported. The laws will:

Provide a burial plot allowance of $150, in addition to the present allowance for funeral expenses of $250, payable if the veteran is buried in a private cemetery.

Give the Administrator of the Veterans' Administration authority to set flexible interest rates on loans to veterans under the home, farm, and business loan programs.

Expand veterans' health care to the dependents of veterans with permanent service-connected disabilities, and to the widows and dependent children of veterans who died as a result of service-connected disability. This law also extends eligibility for VA outpatient care and medicines, and directs the VA Administrator to maintain the bed and treatment capacities of all VA hospitals so as to insure the availability of bed and treatment to all eligible veterans.

Increase the rates of pension for 2.13 million veterans and their widows by 10 percent.

Provide full-time coverage under the servicemen's group life insurance—SGLI—program for members of the Reserves. This law also increases the maximum SGLI coverage from $15,000 to $20,000.

Increase the rates of disability compensation for veterans and dependency and indemnity compensation for certain veterans' survivors.

Give Vietnam-era veterans 10 years instead of 8 years in which to use GI bill benefits.

By passing these laws, Congress brightened the future of many veterans. I support additional action, however, to further improve the situation of the veteran.

I am hopeful that the Congress will soon complete action on a bill to increase veterans' educational benefits. Differences between the House and Senate versions are now being worked out.

It is important that the 93d Congress complete this action so that veterans can receive the educational benefits they deserve. They have contributed a great deal to the strength and security of this country, and their contribution should be recognized by enactment of this bill. Besides, it makes economic good sense, since a better trained and educated veteran will have higher earnings and thus return more to the Government in increased income taxes than the Government paid out in educational benefits.

Another one of our top priorities should be legislation which will increase the pensions of World War I veterans and the widows of World War I veterans. An increase is of critical importance to them. Most World War I veterans, whose average age exceeds 76, are retired and are dependent on the Nation to protect them from the problems of old age. The House Veterans' Affairs Committee began consideration of pension reform measures in July 1974, but final action is not expected this year. We should press on with this legislation and help those aging veterans who served so well in the great war.

Furthermore, we should prevent inflation from eroding the effectiveness of veterans' benefits. I introduced legislation last year to prevent social security increases from causing any reduction or loss of VA pensions. Unfortunately, this bill did not come to the floor of the House for consideration. Similar legislation is being considered this year, but the staff of the House Committee on Veterans' Affairs has advised me that it is more likely that an increase in income limitations will be eventually authorized than an exclusion of social security benefits in the computation of veteran benefits.

Another critical veteran need is adequate treatment and rehabilitation for drug addiction and alcoholism. The Veterans' Administration projects that 22,000 veterans will be treated for drug addiction this year. Also, the VA estimates that one-third of the 9 million alcoholics in the country are veterans. The Senate passed and sent to the House a bill which would provide for a comprehensive drug and alcohol treatment and rehabilitation program for the veterans. Hopefully, the House will consider this bill during this session of the Congress.

All Americans have a duty to see that the veteran is not neglected. The President, the Congress, the VA, the public—all must express gratitude in deeds as well as words to those who served in the armed services.

The 93d Congress has made considerable advancements in meeting the country's obligations to the veterans. But we must not be content with this record; we should add to it by acting promptly on those pieces of veterans' legislation which remain in this session.

THE WORLD FOOD SHORTAGE—NEW IRRIGATION TECHNIQUES NEEDED

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1974

Mr. SEIBERLING. Mr. Speaker, this week has been proclaimed a National Week of Concern for World Hunger by the World Hunger Action Coalition. In support of the coalition's efforts to draw public attention to the need for immediate action to increase global food supplies, I reintroduced the Food Research and Development Act of 1974 earlier this week. The bill has been revised to include new irrigation techniques as one of the areas of research eligible for funding under the R. & D. program established by the bill.

It may come as a surprise to some people only 10 percent of the world's land area is currently devoted to agricultural purposes. Of this area, less than one-tenth of 1 percent is under irrigation. The remainder depends entirely on rainfall. Farming in the rain dependent areas is often a risky business, as American farmers in the Midwest know very well from their experience with this summer's drought. For peasant farmers in the Sahel region of Africa where there has been 5 years of rainless weather, it is a matter of life and death.

Some way must be found to irrigate more of the world's lands if we are going to cope with climatic changes and meet the enormous food needs of the future, which demographic experts predict will double within the next generation. Research is already underway on two new techniques which have the potential to convert millions of acres of unarable land into productive breadbaskets. One technique involves the funneling of rainwater collected over large areas of desert coated with paraffin wax into fertile strips of cropland. The other technique involves making genetic changes in food crops so they can be irrigated with seawater.

Our ability to feed the world's population now and in the years ahead depends on the development of these and other new agricultural techniques. For the benefit of my colleagues, I am inserting two articles describing them in greater detail below:

Strip-Farming Experiments May Vitalize Arizona Desert

Tucson, Ariz.—In Israel's Negev Desert, centuries before the Christian era, a population of 50,000 was sustained by an ingenious agricultural technique, which is now finding new vitality in the desert of modern Arizona.

Though farming a limited plot, the Negev farmer would channel the rainwater runoff from a large adjoining area to irrigate his crops.

Now University of Arizona agronomists are adapting that technique to the arid U.S. Southwest. These crop scientists employ instrumentation never dreamed of the Negev farmer. Their instrumentation includes an electronic computer, recorders of temperature, and gauges that measure precipitation, soil moisture, evaporation, and runoff from both the collection area and cultivated ground.

RESULTS GIVEN

The experiments have demonstrated that in an average Arizona growing season "desert strip farming" can produce a crop of sorghum grain that average roughly a third of the 4,000 pounds per acre that is average for irrigated farms in this region. "Not commercial" is the researchers' tentative verdict, but efforts to obtain better results are being continued.

This research is centered on a patch of ordinary Arizona desert known as Atterbury Watershed, 16 miles southeast of Tucson. Half an acre was fenced to keep out cattle and rabbits, and divided into small plots. A collection area of 16 acres was left untouched except for earthen dikes to direct runoff toward the plots.

Sorghum was chosen as the test crop. The results:

In the 1970 season, rainfall was 7.8 inches, and 1,400 pounds of sorghum was grown per acre; in 1971, 9.7 inches and 1,800 pounds per acre; and in 1972, only 5.4 inches of rain and 450 pounds per acre.

Results differ not only because of different total amounts of water but also because the water was not applied exactly when the sorghum needed it, as under normal irrigation. Rain is erratic anywhere and especially so in Arizona.

Arizona farmers are beginning to ask what would happen if all the rain on the collection area could be applied to the crop, instead of some being absorbed into the ground where it falls. This is possible, in view of a discovery at the U.S. Water Conservation Labratory in Phoenix.

The laboratory has been carrying on water-harvesting tests for over a decade, mainly with the idea of collecting water in ponds or covered storage for wildlife and range livestock. Asphalt and many other waterproofing materials have been tried but at best their life is limited, and they are fairly expensive.

PARAFFIN USED

Now the experimenters have hit on a material that is inexpensive and apparently will endure forever if protected. It is paraffin wax, produced in large quantities at petroleum refineries and sold for a few cents a pound.

If ground to a powder and spread over smoothed land, that wax is melted by the sun to a thin film that sheds 90 percent of the rain that falls, compared to only 30 percent recovery from untreated surface. The film is still intact on the first tract so treated, in July, 1972, and weathering does not seem to affect it at all.

Several farmers are considering a little desert strip farming research on their own, with paraffin. J. S. Stephens, president of the Arizona Cotton Growers Association, suggests that the collected runoff need not supply all the water needed to produce a crop, but it can greatly reduce the cost of supplying all that water by pumping, which is expensive in Harquahala Valley where Mr. Stephens farms. But he will wait for another year or two of water laboratory and University of Arizona research before undertaking any private experiments.

One thing certain, Arizona has ample room for desert strip farming if it proves practical. For lack of water, less than 1 percent of its 113,956 square miles is farmed.

GROWING PLANTS WITH SEAWATER—A GENETICIST IS TRYING TO DEVELOP PLANTS THAT CAN BE IRRIGATED WITH SALT WATER

(By Sheila Moramarco)

Imagine a world overpopulated, overpolluted and underfed. According to population experts Joseph L. Fisher and Neal Potter, the population of the world will be about 110 percent larger in the year 2000 than it was in 1960. It will take about a 320 percent increase in food output to feed the seven billion human beings who will populate the earth by the end of the 20th century. Where can we begin to look for a solution to the food crisis which is already an intimate fact of life for "between 1 and 2 billion malnourished or undernourished" inhabitants of the earth (SN: 5/11/74, p. 306)?

Anne Radlow, a plant geneticist at the Scripps Institution of Oceanography in La Jolla, Calif., is working on a series of experiments designed to create new crops that can be irrigated with seawater so that some of the estimated 12 million acres of land in the world not now usable for agriculture may be made arable. Her work is funded by the Foundation for Ocean Research.

If Radlow succeeds in isolating the pair of genes responsible for creating salt tolerance (the ability of plants to germinate, grow, reproduce and fruit in solutions of seawater) in plants, she and other scientists will then be able to develop a greater variety of plants that can thrive under varying degrees of salt stress. Once she is successful in locating the controlling genes, she then will be able to alter the genetic makeup of plants in order to render them salt tolerant.

The first step in Radlow's project involves the collection and study of halophytes (plants that grow in saline conditions). At present, she is working with wild plants that grow only in the salt marshes of California. Although these plants are tolerant, they have, in themselves, no crop value. After all of these plants are collected, the ultimate goal is to cross them with close relatives that grow in nonsaline habitats to see if salt tolerance can be transferred. This process of crossing plants is very lengthy, as generations and generations of plants are involved in order to observe this expression of salt tolerance from parent plants to their progeny. A plant is considered salt tolerant only if it can germinate, grow and fruit in saline solutions.

Such observations can provide information as to whether the row of ploidy (number of chromosomes) or simple Mendelian laws of inheritance (numbers of genes) is the underlying system for the expression of salt tolerance. Only in wild plant material whose genetic constitution has not been tampered with through decades of plant breeding can the full expression of plants' responses to salt stress be seen. Knowledge based on these observations would then be applied to various crops with food value whose genetic constitutions have been constantly rearranged throughout the course of domestication of that crop.

Radlow begins her genetic experiments with two wild populations, one of which she knows is tolerant because it is found growing in a salt marsh. The second population will be gathered from an area such as a flood plain or vernal pool in which salinities are known to be quite low. Tolerance is represented genetically by TT; sensitivity by tt. The geneticist then makes two different types of crosses. In the first case, the homozygous plants TT and tt are crossed, producing an F_1 population with the heterozygous composition of Tt. At that point, she performs two additional kinds of cross, creating an F_2 population. In *selfing*, a cross is made between Tt and Tt, producing offspring, if one pair of genes is involved, in a ratio of three tolerant plants to one sensitive plant—indicating that tolerance to salt is dominant in expression over salt sensitiveness. Next the geneticist conducts a *back cross* of the F_1 plants to the sensitive parent (TT x tt). If the progeny of this cross are found to be in a 2:1 ratio of tolerant plants to sensitive plants, it can be assumed that tolerance is controlled by one gene as well as being dominant to sensitiveness.

What do salt tolerant plants look like and how do they differ from sensitive plants? To determine these differences, Radlow has germinated 10,000 seeds in different concentrations of salt and observed their physical characteristics such as height (growth), number of flowers and buds, and number of seeds produced by the plants as they grow in the seawater. She also measures their physiological characteristics—amounts of chloride and sodium taken up by plant tissues. "If we find statistically significant differences between the tolerant and sensitive plants in any of the above characteristics, and can trace this difference through the series of crosses—i.e., chloride uptake varies in a 2:1 ratio in a back cross—we would then assume that this aspect of salt tolerance is controlled genetically by one pair of genes," says Radlow. "If the results of the back cross support the results (ratio) of the selfing of the F_1, then we feel doubly assured that we have delineated a one-gene effect."

Success in isolating the genes for salt tolerance will be of immense importance to Israel, India and other countries of similar climate and topography. In an age of exploding world population, work such as Anne Radlow's may eventually provide at least a partial answer to the planet's ever-increasing need for food.

AMNESTY—A JUST SOLUTION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1974

Mr. DERWINSKI. Mr. Speaker, I wish to call the attention of the Members to an editorial broadcast over Chicago's WBBM radio on September 17, which discusses President Ford's amnesty program for draft evaders and deserters. President Ford's decision regarding amnesty was proposed in such a fashion as to reconcile differences between draft evaders and deserters and those who have served our country in the Vietnam conflict.

I believe even though there has been substantial criticism of the President's program, conditional amnesty is, in fact, a practical, workable, and favorable decision.

The editorial follows:

AMNESTY—A JUST SOLUTION

President Ford's decision to grant conditional amnesty to draft evaders and deserters is both compassionate and fair.

Like the Vietnam war it involves, it will evoke strong negative and positive reactions, but on balance it seems to have an equal regard for those people who fought in the war and those who would not.

This conditional amnesty is more lenient than those granted earlier in the century. Indeed, Presidents Coolidge and Roosevelt restricted their pardon to restoring citizenship and President Truman pardoned only one-tenth of the World War II evaders. But the circumstances of Vietnam were different. The spirit of pride and righteousness present in fighting men of earlier wars was absent in Vietnam. Indeed, there was a deep national divisiveness over our presence there.

But the question today is to deal fairly simultaneously with the evaders and deserters while paying appropriate respect to those thousands of young men who fought and died in Vietnam. We believe President

Ford has done this with his proposal of conditional amnesty. It provides an opportunity for reconciliation, but it does not demean the service of the veterans.

If this country is to have a solid framework within which we can all operate, we must have ground rules that apply across the board. There are times when the national interest must supercede individual interest. President Ford recognizes this, and with his decision to offer a conditional pardon, he has reaffirmed the principle.

IS UNITED STATES SENDING SAIGON TO ITS DOOM?

HON. BEN B. BLACKBURN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1974

Mr. BLACKBURN. Mr. Speaker, to judge from the performance of Congress and the opinions of some of our eminent commentators, the decent interval for the Republic of Vietnam is just about over.

The idea, warmly embraced by the antiwar faction, was that if Kissinger could work out a formula that would insure a decent interval between our departure from the Republic of Vietnam and the takeover of the country by the North Vietnamese Communists, American honor would be vindicated. The implication was that what happened after that was no concern of ours.

Whatever validity this cynical sellout may have had so far as the administration was concerned, it has had a determining influence on the Congress in the matter of support for South Vietnam since the so-called peace agreement was concluded in January 1973. Since the American withdrawal, Congress has wielded a merciless ax on economic and military aid appropriations for the Saigon government.

Over the last year, the North Vietnamese have made strenuous efforts to build up their lines of communication into the south. Roads and airfields have been constructed in areas controlled by Hanoi's army. The prepositioning of supplies, including ammunition and fuel, heavy tanks and long-range artillery, has been going on at a feverish pace.

The preparations for a major new offensive are almost complete. The South Vietnamese themselves calculate that by the end of October, the North will be able to launch an allout offensive at any time on a few days' notice. The expectation is that it will be an offensive quite unlike any that has been mounted so far.

This time, it is expected, the Saigon forces will be outgunned and very probably outmanned wherever the leaders in Hanoi decide to launch their major blows. And this time also—for the first time since the war began—the North Vietnamese are expected to take full advantage of their airpower, which now greatly exceeds that of the South Vietnamese.

I include herewith the special report in the U.S. News & World Report of September 30, 1974, from a leading U.S. observer of the Vietnamese scene, Maj. Gen. John Murray, until recently U.S. defense attaché in Saigon:

Is United States Sending Saigon to Its Doom?

In 1974, the first full calendar year of the so-called cease-fire in Vietnam, Saigon seems likely to suffer the greatest military casualties of any single year of its long struggle with North Vietnam.

A leading U.S. observer of this almost-forgotten war has been Maj. Gen. John Murray. As U.S. defense attaché, he was this country's top military officer in South Vietnam after the withdrawal of American forces, and the supervisor of U.S. arms aid to Saigon. General Murray, recently retired, now feels free to speak out.

The mounting casualties. General Murray says that if current casualties are projected until the end of the year, South Vietnam will suffer 158,000 killed, wounded and missing during 1974.

This compares with 87,000 in 1973, with 150,000 in 1972, with 72,000 in 1971, and with 70,000 in 1970.

Today, says General Murray, there are 31,000 wounded in the hospitals—more than ever before.

So far this year, South Vietnamese forces have suffered 500 dead a week—the equivalent, proportionally, of 250,000 Americans killed in a year.

Military facts of life. General Murray gives this assessment of the military situation:

While the North Vietnamese forces are being supplied with the latest in Soviet weapons, the South Vietnamese are starved for ammunition and guns.

In the first 18 months of the cease-fire, Southern forces lost about 150 outposts among the 5,000 spread around the country.

Two drawn-out battles are now in progress, either of which could threaten Saigon's survival.

In the Saigon-Iron Triangle area, a division-size battle is going on, although now stalemated into an exchange of artillery fire.

Farther north in Quang Nam Province, two North Vietnamese divisions have engaged the reinforced Third South Vietnam Division. Hanoi's target is believed to be a push to the South China Sea to cut Da Nang, the nation's second-largest city, from the rest of South Vietnam.

Hanoi's growing strength. Altogether, says General Murray, North Vietnam has 10 divisions and separate regiments totaling another three divisions deployed in South Vietnam. The number of combat regiments below the border has risen from 60 in 1969, when U.S. troop strength was greatest, to 133 today, including five armored regiments

When U.S. ground troops were in Southeast Asia, he notes, they never had to face the numbers or types of tanks North Vietnam has since thrown into the war. Estimates are that as many as 700 Russian-made tanks are now deployed in South Vietnam, of which up to 200 are in Military Region III, where Saigon is located.

The general puts forward these further figures:

North Vietnam has 120,000 tons of supplies stockpiled in the northern half of the country and another 40,000 tons stored away in the south.

A pipeline to keep Hanoi's trucks and tanks refueled was expected to reach the Saigon environs in September or October.

In addition to 1,600 antiaircraft guns, the North Vietnamese units have 35 SA-2 missile launchers and the hand-held SA-7 missile issued to troops of all combat regiments.

General Murray's size-up:

"North Vietnamese troops have had two years to build up their supply of arms. Their ammunition stockpiles are up. Today, without question, Hanoi has by far the strongest, best-positioned and best-supported military machine it has ever fielded in South Vietnam."

On Saigon's needs—. "The South Vietamese armed forces," General Murray reports, "have much less material resources today than when they faced previous major enemy offensives. Unless we match the enemy's aid, the current equilibrium will certainly vanish soon—if, indeed, it has not already."

Points he makes about shortages:

South Vietnamese soldiers were once issued 10 hand grenades—now only two.

Available in South Vietnam now is about as much ammunition as was fired in one month in 1972—and its cost has almost doubled.

Inflation has eaten heavily into the supplies Saigon can afford. Fuel costs are expected to go from 78 million dollars a year to 137 million. A soldier's daily ration of rice has increased from 41 cents to $1.03 in the past 12 months.

Action by U.S. "Current U.S. policies are sending South Vietnam to its doom," says General Murray. He is not sure that Congress realizes the effect of its cutting the aid budget from 1 billion dollars to 700 million. Neither do the American people, he believes, understands the high level of fighting going on in Vietnam.

By giving the South Vietnamese too little to match Hanoi's growing strength, he said: "We are helping them and sticking a knife in their backs at the same time."

Looking ahead—. General Murray assesses the future in these terms:

South Vietnam: "Its ability to fight depends on its status as our fiscal ward for the foreseeable future."

North Vietnam: "When the time is ripe, Hanoi will strike."

GOLD STAR MOTHER'S DAY

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1974

Mr. FINDLEY. Mr. Speaker, this Sunday is Gold Star Mother's Day. For the past 40 years, the last Sunday in September has been set aside to honor the mothers of those American men who died while serving their country as a member of its Armed Forces. In doing so, we honor all loved ones of those who died. It is the greatest sacrifice which a mother or father or wife can make.

Although the memory of the Vietnam war is something which many would like to put out of mind, as a Nation we can never forget the great toll exacted from our Nation's young, their parents, and their loved ones. Those who died during the Vietnam war deserve every honor which a greatful nation can bestow. So do their parents and wives.

Gold Star Mothers were founded to perpetuate the memory of those who died and to honor the parents who live on. Their purpose is "to keep alive and develop the spirit that promoted world service, to maintain the ties of fellowship born of that service and to assist and further all patriotic works, to inculcate a sense of individual obligation to the community, State, and Nation, to assist veterans and their dependents whenever possible and to aid, in any way in our power, men and women who were wounded or incapacitated, to perpetuate the memory of those whose lives were sacrificed, to extend needful assistance to all Gold Star Mothers and to maintain true allegiance to the United States of America." A more laudatory purpose can scarcely be imagined.

Some Gold Star Mothers fulfill this pledge by working in veterans hospitals. Others act in other ways. All carry with them the memory of the loved one lost in the service to his country.

It is altogether fitting that our Nation honor these parents this Sunday, for as their children gave the last full measure of devotion to country, so have they.

NATIONWIDE SUPPORT FOR A HOUSE COMMITTEE ON URBAN AFFAIRS

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1974

Mr. **BADILLO**. Mr. Speaker, I am pleased that House Resolution 988, the committee reform bill, has finally been granted a rule. Whatever the final result of the floor debate will be on this measure, I regard a restructuring and modernization of our committee alignment as one of our most significant actions in the 93d Congress.

As I announced earlier this year, I intend to offer an amendment to the resolution that would authorize the creation of a standing Committee on Urban Affairs in the House. This proposal has earned wide support from mayors, Governors, and other local officials from every part of the country, and while space limitations preclude the printing of every letter of endorsement I have received, I attach hereto a sampling to indicate to my colleagues the depth of feeling that urban concerns are not being given a fair hearing in the Federal Government today under existing procedures.

The letters follow:

CITY OF ROCHESTER, N.Y.,
May 13, 1974.

Congressman HERMAN BADILLO,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BADILLO: Thank you for informing me of your proposal to establish a standing Committee on Urban Affairs in the U.S. House of Representatives.

I am in total agreement that the needs of cities around the nation are currently not being met. Your amendment to the Select Committee on Committees reform bill, establishing a Committee specifically for City needs, is an excellent one, and certainly long overdue.

The lack of a comprehensive approach to our urban crisis has led to serious and overwhelming problems for local governments. The adoption of a proposal such as yours would be a first step towards reordering our national priorities, a step desperately needed.

My personal thanks to you for your efforts on behalf of this nation's cities.

Sincerely,

THOMAS P. RYAN, Jr.,
Mayor.

CITY AND COUNTY OF HONOLULU,
HAWAII,
May 16, 1974.

Hon. HERMAN BADILLO,
Member of Congress, U.S. House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE BADILLO: I read with much interest your House floor speech on the needs for an Urban Affairs Committee. As you have noted, the present approach to the urban affairs is inadequate. If the accelerating and pressing urban problems both in terms of type and magnitude are to be solved, there is a need for a generalist or coordinated approach. The present system has caused an inordinate demand on local agencies to plan and coordinate programs related to federal assistance. Despite the existing federal program and funding situation, timely availability of programs and funds must coincide with local urban requirements.

I have noted that the House has recommitted the House reforms proposals to a caucus subcommittee. The House reforms proposals are in the right direction of committee restructuring and redefinition of major areas of jurisdiction. It appears that the fate of the reform proposals rests with Representative Julia B. Hansen, Chairman of the Caucus Subcommittee.

Despite the difficulties before you in your proposal to create an Urban Affairs Committee, I wish to strongly endorse your concept.

Warm personal regards.

Sincerely,

FRANK F. FASI,
Mayor.

CITY OF OMAHA, NEBR.,
May 16, 1974.

Hon. HERMAN BADILLO,
Member of Congress,
Washington, D.C.

DEAR CONGRESSMAN BADILLO: As Mayor of a medium size metropolitan city in the Mid-West, I applaud and support your amendment to the Bolling Committee Reform Bill exactly for the reasons you stated in your House floor speech of April 30, 1974.

As an element of necessary Congressional reform, I believe such a standing committee as you suggest would be of vital interest to American cities and, at the same time, meet the overall objective of streamlining the committee structure of the House of Representatives to be more responsive to the needs of our people.

Confident that such a committee should enjoy broad bipartisan support, I am enclosing a copy of this letter to our Congressman, John Y. McCollister, and to John Gunther of the United States Conference of Mayors urging their support of the Badillo Amendment to the Bolling Committee Reform Bill.

Sincerely,

EDWARD ZORINSKY,
Mayor.

CITY OF ST. PAUL, MINN.,
May 16, 1974.

Hon. HERMAN BADILLO,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BADILLO: I am totally in accord with your proposal to establish a standing Committee on Urban Affairs in the United States House of Representatives, and I would fully support any moves to establish such a committee.

You are to be commended for considering such a progressive and necessary move.

My best personal wishes for success in this effort.

Cordially,

LAWRENCE D. COHEN,
Mayor.

MINNEAPOLIS, MINN.,
May 21, 1974.

Hon. HERMAN BADILLO,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BADILLO: Thank you for the letter explaining your proposal to establish a standing committee on urban affairs in the U.S. House of Representatives.

We in Minneapolis are painfully aware of the failure of the federal government to provide essential aid to the cities, especially during the past few years. We're thankful for Congressmen like you and our own Don Fraser who work tirelessly to force Congress and the Administration to come to grips with urban problems. Your proposal would seem to facilitate this process and I support it.

Sincerely,

ALBERT J. HOFSTEDE,
Mayor of Minneapolis.

CITY OF HIALEAH, FLA.,
May 28, 1974.

Hon. HERMAN BADILLO,
House of Representatives,
Washington, D.C.

DEAR MR. REPRESENTATIVE: I am taking the liberty of answering your letter to the late Henry Milander as the new Mayor of Hialeah.

Please accept my endorsement of your proposal to establish a Standing Committee on Urban Affairs in the United States House of Representatives.

Your grasp of urban problems is heartening. Please be assured of our cooperation.

Should you be successful in your endeavors, I do hope that the Committee will be cognizant and cooperative in meeting the problems of not only the large municipalities but also the medium-sized ones such as Hialeah.

By copy of this letter I am asking for the support of Hialeah's two Congressional Representatives, Claude Pepper and William Lehman.

Sincerely,

DALE G. BENNETT,
Mayor.

CITY OF MIAMI, FLA.,
May 29, 1974.

Hon. HERMAN BADILLO,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BADILLO: This will acknowledge receipt of your May 6 letter and its attachment concerning your proposal to establish a standing Committee on Urban Affairs in the U.S. House of Representatives.

I agree wholeheartedly with your statements and you may count on my support.

Sincerely,

MAURICE A. FERRE,
Mayor.

CITY OF LOUISVILLE, KY.,
OFFICE OF THE MAYOR,
May 29, 1974.

Hon. HERMAN BADILLO,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE BADILLO: I am writing to express my support of your proposal to establish a standing Committee on Urban Affairs in the U.S. House of Representatives by offering an amendment to the Bolling committee reform bill.

I believe that the existence of such a centralized committee with jurisdiction over urban development, housing, environmental protection and similar matters would be most helpful and beneficial to urban officials such as myself.

I have written to Representative Ron Mazzoli of Kentucky to express my support for your proposal. Good luck and best wishes.

Sincerely.

Harvey I. Sloane.

Jersey City, N.J.,
May 29, 1974.

Hon. Herman Badillo,
U.S. Congress, House Office Building, Washington, D.C.

Dear Congressmans Badillo: I have read your House floor speech proposing the establishment of a standing Committee on Urban Affairs in the U.S. House of Representatives.

I fully agree with your proposal as an important measure in helping to focus national attention upon the grave problems of urban areas and as a mechanism for comprehensive consideration of matters of importance to cities.

The present fragmented approach has proven to be ineffective in solving the urban crisis as you have well noted in your floor remarks.

I am requesting Congressman Daniels to support your efforts in behalf of this crucial matter and I remain most willing to further support this proposal in whatever way might be appropriate.

Very truly yours,

Paul T. Jordan, M.D.,
Mayor.

City of San Bernardino, Calif.,
May 30, 1974.

Re Standing Committee on Urban Affairs.

Hon. Herman Badillo,
Member of Congress,
Washington, D.C.

Dear Congressman Badillo: I wish to commend you for your efforts in trying to establish a standing Committee on Urban Affairs. this demonstrates a high degree of sensitivity to the major problems facing our nation.

Please feel free to call on me for any support I might render.

Very truly yours,

W. R. "Bob" Holcomb,
Mayor.

City of Providence, R.I.,
June 3, 1974.

Hon. Herman Badillo,
House of Representatives,
Washington, D.C.

Dear Congressman Badillo: I wish to express my full support of your efforts to establish a standing Committee on Urban Affairs in the House of Representatives.

As the mayor of an old but proud city I am well aware of the need for such a committee to re-order priorities and to make the necessary funding and legislation available to cities to meet the challenges of renewal and rehabilitation.

I encourage you to continue in your efforts to establish this very worthwhile and needed committee.

Sincerely,

Joseph A. Doorley, Jr.,
Mayor of Providence.

City of Los Angeles,
Office of the Mayor,
June 5, 1974.

Hon. Herman Badillo,
U.S. House of Representatives,
Washington, D.C.

Dear Herman: Thank you for your recent letter requesting my support for the creation of a Standing Committee on Urban Affairs.

I am in the process of reviewing your proposal and consulting with other elected officials regarding the proposal. Following my review of this proposed congressional reform I will forward my comments.

I can assure you that I share your concern about the need for the Congress to respond in the most effective and dynamic way to the "urban crisis" and the needs of the City. As Mayor, and President of the National League of Cities, I look forward to working with you on this important challenge.

Sincerely,

Tom Bradley, *Mayor.*

City of Madison, Wis.,
June 5, 1974.

Hon. Herman Badillo,
House of Representatives,
Washington, D.C.

Dear Congressman Badillo: I'm in receipt of your letter of May 29th and find your proposal to create a House Urban Affairs Committee to be quite useful. I don't think it is necessary for me to critique the failures of the administration dealing with urban problems. As the Mayor of a mid-sized city, I would like to point out that we are not beset as critically with urban decay as is New York, Detroit, or Los Angeles. We, too, need a strong voice and greater responsiveness in Washington.

Because urban affairs has traditionally been left to the administration of the Department of Housing and Urban Development, Congress has not been able to effectively deal with the problem. I do believe that a strong committed House effort would be of particular benefit so that the nation's cities might take an effective and aggressive role rather than simply being on the defensive.

Sincerely,

Paul R. Soglin, *Mayor.*

City of New Haven, Conn.,
June 6, 1974.

Hon. Herman Badillo,
Member of Congress,
Washington, D.C.

Dear Congressman Badillo: Thank you for your letter of May 23, 1974. I want you to know that your amendment to the Bolling Committee reform bill has my full support. As the Mayor of an urban center I would welcome the existence of a committee established to address problems that are unique to large cities.

An urban affairs Committee would be an excellent forum for the discussion of problems and the development of activities and programs that would move toward their solution.

Sincerely,

Bartholomew F. Guida, *Mayor.*

City of Grand Rapids, Mich.,
June 19, 1974.

Hon. Herman Badillo, M.C.,
House of Representatives,
Washington, D.C.

Dear Congressman Badillo: Thank you very much for your recent letter informing me of your proposed Committee on Urban Affairs.

I find myself generally in support of your proposal. However, I caution you not to promote this Committee as the sole Congressional body to deal with the urban crisis, for the concerns of American cities are of such complexity that no single committee would be able to give them adequate consideration. The partial centralization of Congressional response to urban problems which the proposed committee's jurisdiction implies is commendable; a more extensive centralization including education, crime, drugs and employment would be unwise.

I believe your committee would become an effective rallying point for urban congressmen. This would be its most important benefit.

Within the next few days, I will contact our Congressman, Richard Vander Veen, and indicate to him my support of your amendments.

Sincerely,

Lyman S. Parks, *Mayor.*

State of Arkansas,
Office of the Governor,
Little Rock, June 24, 1974.

Hon. Herman Badillo,
House of Representatives,
Washington, D.C.

Dear Mr. Badillo: I have your letter of June 19 with the enclosed page from the Congressional Record on the proposal to establish a standing House Committee on Urban Affairs.

While Arkansas has not experienced the intense urban sprawl of the Northeast, the problems of unbridled urban growth have begun to raise their ugly heads in several of our communities.

My initial reaction is to be against the proliferation of any further congressional committees, and yet, the problem you highlight is of considerable magnitude and certainly worthy of standing committee status. Assuming there is no other vehicle in the Congress to handle these problems, I heartily endorse your proposal.

Thank you for bringing the matter to my attention. I will follow its progress with great interest.

Kindest regards.

Sincerely,

Dale Bumpers.

City of Berkeley, Calif.,
June 25, 1974.

Hon. Herman Badillo,
House of Representatives,
Washington, D.C.

Dear Congressman Badillo: Thank you for advising me of your proposal to establish a Standing Committee on Urban Affairs in the U.S. House of Representatives. I agree with you that something should be done to change the attitudes on important measures relating to aid for cities in education, housing, mass transit and other vital issues. Your amendment to the Bolling Committee's reform bill is a valuable step toward making these necessary changes. A committee on Urban Affairs would be the essential key.

I will be happy to be of service in any way possible in this endeavor.

Sincerely,

Warren Widener, *Mayor.*

State of Delaware,
Executive Department,
Dover, Del., July 3, 1974.

Hon. Herman Badillo,
U.S. House of Representatives,
Washington, D.C.

Dear Representative Badillo: Thank you for your letter of June 19, 1974 concerning the need for a standing House Committee on Urban Affairs. I am happy to have the opportunity to comment on your proposal.

I support your amendment on the new standing committee. For too long the problems of our nation's cities have been handled without the benefit of a coordinated plan. The chronicles of congressional committees either duplicating the efforts of one another, or worse yet, working at cross purposes, have tragically demonstrated the need for a reform along the lines that you propose. In addition, government services should be easily accessible. As is so often the case, urban dwellers who most need assistance, do not know which congressional committee is responsible for a particular program. If, however, all urban area problems were placed under "one roof", urban residents could more easily make their needs and demands known.

As you point out, various states have already begun to recognize the need for a concerted effort to remedy what is now called the urban crisis. In 1970, Delaware underwent extensive reorganization from a Commission to a Cabinet system. At that time, a Department of Community Affairs and Economic Development was created. The thrust of its assignment is urban affairs. The Department includes the Division of Housing, the office of Minority Business Enterprise, the Office of Human Relations, and the Office of Economic Opportunity. Therefore, in terms of Delaware's table of organization, it would enhance administrative efficiency if a congressional committee dealing with similar concerns were established.

Certainly it must be realized that urban problems cannot be handled in isolation. Urban maladies reflect much more than what goes on in the inner city. Yet, unquestionably, a commitment and a coordination of effort is needed as a necessary step in the eradication of the larger societal problems.

Thank you again for allowing me to reply to your amendment. I wish you every success.

Sincerely,

Sherman W. Tribbitt,
Governor.

New York Conference of Mayors and Municipal Officials,
Albany, N.Y., July 8, 1974.

Hon. Herman Badillo,
Member of Congress,
Washington, D.C.

Dear Congressman Badillo: Thank you for your letter of June 24th and for the support you are giving to the effort to assure adequate rail service for New York State. This looks like a long, hard battle and your continuing support will be greatly appreciated.

Thank you, too, for the copy of your floor speech on the creation of a Committee on Urban Affairs in the House. The creation of such a committee could do much to help urban America. Focusing the concern and the responsibility for urban problems and programs in one committee should result in a much better organization and integration of the efforts to remedy urban problems. This improvement, hopefully, would reflect better concepts and more effective programs as well as the elimination of duplication and of inter-program competition.

Hopefully, too, the creation of such a committee would hasten the realization that urban problems and needs exist in many communities of less than 50,000 population. Those communities should be included in the responsibility of a Committee on Urban Affairs. Uniting their voices with those of cities over 50,000 population is important just as is uniting the voices of the various members of Congress interested in urban affairs.

Please keep us informed of developments you know of both in the field of rail transportation and in the field of a Committee on Urban Affairs.

Sincerely,

Raymond J. Cothran,
Executive Director.

City of Raleigh, N.C.,
July 9, 1974.

Hon. Herman Badillo,
House of Representatives,
Washington, D.C.

Dear Mr. Badillo: This is in response to your recent letter, advising me of your proposal to establish a standing Committee on Urban Affairs in the U.S. House of Representatives. I fully agree that the urban crisis is not being responded to anywhere in the Federal government.

Our great cities, the economic and cultural centers of the Nation, are falling into decay because of the absence of a national commitment to attack their problems. With the flight of the articulate and affluent to the suburbs, political power and the focus of legislation have fled with them. The fact that the Community Development and Housing Bill, pending in Congress today, with all Federal housing programs expired on June 30, is a prime example of this absence of congressional focus. I, therefore, agree that the Committee of Urban Affairs legislate jurisdiction of which shall include: public and private housing; urban development; urban mass transportation; relocation assistance; and regional planning for urban affairs, including environmental protection, economic development, residential patterns and other matters which have related or simultaneous impact on a large metropolitan center and adjoining suburbs or nearby cities and towns.

Accept my congratulations on your efforts and I sincerely hope you will be successful. If in the future I may be of any assistance to you, please do not hesitate to call on me at the address below or by phone at 919-755-6794.

Sincerely,

Clarence E. Lightner,
Mayor.

Office of the Governor,
Salt Lake City, Utah, July 17, 1974.

Congressman Herman Badillo,
Washington, D.C.

Dear Congressman Badillo: Thank you for your letter of June 20, 1974 in regard to the establishment of a standing House Committee on Urban Affairs.

I support your basic proposal that a House Committee on Urban Affairs be established in order to provide a coordinated, comprehensive approach to the problems of our cities. The establishment of such a committee would create an alternative to the overlapping jurisdiction of the present committee structure. In this way a more efficient and easily accessible system of legislative study and coordination of urban programs can be formulated.

However, it is my position that such a system should primarily provide the states with the instrumentality by which they can gain ready access to the Congress to present statewide plans for their cities. It should not become a means whereby each city approaches the committee with its individual plans, totally bypassing state efforts in this area. The states must play a full and proper role of direction and coordination of the federal approach to urban problems. The assignment of responsibility for project review and coordination at the state level means strengthening the state-regional-local partnership in which local and state projects fit into a comprehensive set of community development objectives, a policy to which I am committed.

I appreciate the opportunity to comment on your proposal. With my expressed reservations as to the role the committee will play in state-local relations, I support its establishment.

Sincerely,

Galvin L. Rampton,
Governor.

THE NATIONAL INSTITUTE FOR BURN MEDICINE

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1974

Mr. RUPPE. Mr. Speaker, I am pleased to join today in the recognition of the National Institute for Burn Medicine. It is gratifying to hear of the superlative efforts which are being exerted this week on behalf of the Institute. Thousands of Michigan residents will be joining together to collect funds for the Institute, and to remind all of us of the all to easily forgotten problem of burns and their treatment.

Each year, about 75,000 Americans are burned seriously enough to require hospitalization. The treatment is expensive, and may require prolonged treatment over several years. There is a very real shortage of facilities which can treat burn victims. The Institute has been addressing some of these problems through their various programs. Medical personnel are provided with specialized training by the Institute. Planning consultation and funding is provided for communities without burn treatment centers. Burn prevention information is also disseminated through the country. Research is supported by the Institute to provide better infection control, burn-care equipment, and improved surgical techniques which have gone so far to help bring relief to burn victims. And finally, there is a library on burn treatment, and a National Burn Information Exchange which helps the flow of information to doctors and hospitals around the world.

There can be little question that the current fund-raising drive will meet with great success. I hope that the special order today will help draw support from Americans in all walks of life for this most worthwhile organization. With our support, both financial and moral, the National Institute for Burn Medicine cannot help but to continue with the fine work it has done in the past, by providing in the years ahead the latest advances in treatment and information to deal with this distressing medical problem.

STUDDS-MAGNUSON 200-MILE BILL

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1974

Mr. STUDDS. Mr. Speaker, on September 19 television station WCVB-TV in Boston, Mass., reversed its editorial stand and endorsed the Studds-Magnuson 200-mile fish conservation zone bill. There are now 169 cosponsors of Studds-Magnuson in the House and the Senate is expected to vote soon on final passage. I would like to enter in the Record at this point WCVB-TV's editorial for the further information of my colleagues:

Coming to the Rescue of New England's Fishermen

During the past 15 years, the New England fishing industry has suffered tremendously from an invading foreign fleet of modern vessels that has decimated our traditional fishing grounds and reduced our share of the catch by more than 70 percent.

New England's 20,000 fishermen look to Washington for salvation. Their hopes are pinned directly to legislation filed by Massachusetts Congressman Gerry Studds and Senator Warren Magnuson of Washington. The Studds-Magnuson bill would extend United States control over fishing from 12 to 200 miles off our coast.

Last December, we editorialized against the 200-mile bill. We said then that the wisest course to follow was not unilateral action by the United States, but an international agreement on fisheries jurisdiction.

But things have changed in the past 10 months. Russia and America have dropped their previous opposition to the 200-mile concept. And most importantly, the hoped for progress at the United Nations Law of the Sea Conference this summer did not materialize. Like many others, we had looked to this international gathering for some agreement that would help our fishing industry.

While we still would prefer an international solution, we must now agree with those in New England who say that our fishermen can wait no longer. Momentum towards passage of the Studds-Magnuson bill is growing. There is less and less justification for further delay.

By acting now Congress can help to preserve what remains of our once proud New England fishing fleet. The fishermen have waited long enough.

ENFORCING THE LAW ON AID TO TURKEY

HON. PAUL S. SARBANES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1974

Mr. SARBANES. Mr. Speaker, the action taken by this House on Tuesday of this week with respect to U.S. military assistance to Turkey was a most important reaffirmation of the rule of law and a significant contribution to the effort to achieve a balanced and constructive U.S. policy in the Cyprus crisis. In this regard I commend to my colleagues the following editorials which appeared this morning in the Washington Post and the New York Times commenting on this critical issue:

[From the New York Times, Sept. 26, 1974]

Toward Cyprus Peace

The overwhelming (307-to-90) approval by the House of a binding cutoff in military aid to Turkey until "substantial progress" is made toward a Cyprus settlement dramatizes American revulsion against the massive Turkish aggression on the island. The action was also aimed at forcing Administration compliance with laws that mandate such a cutoff when a recipient country misuses American military assistance.

Secretary of State Kissinger warned Congress that this move would be "destructive" of his efforts to advance a solution for Cyprus, but the exact opposite seems more plausible. Washington will now find it very difficult to maintain anything like the normal flow of military aid unless Turkey—currently the strongest party by far in the dispute—will demonstrate greater willingness to order the troop and territorial withdrawals that will make fruitful negotiations possible. Mr. Kissinger is now in a stronger position to make that point than he was before the House voted.

One hopeful development is an indication from the Turks that the negotiations between leaders of the two Cyprus communities should move on from the agreement on prisoner exchange and strictly humanitarian matters to issues of political substance. These talks can continue even while Greece and Turkey are preoccupied with their election campaigns.

Prospects for a Cyprus settlement and solutions for other combustible Greek-Turkish questions—including those involving oil drilling rights, territorial waters and air space in the Aegean—will be greatly enhanced if both countries emerge from the elections with strong majority governments. Each will then be in better position to make essential concessions.

Mr. Kissinger is again offering "my direct involvement," if necessary, to help produce a Cyprus solution. But the most useful function he can perform at present is not that of mediation; Greece could not accept him in that role. Instead, he should try, quietly but incessantly, to persuade Turkey not merely to avoid any further provocation, but to make a start toward reconciliation by pulling out some troops and by ordering at least a limited withdrawal from the 40 per cent of Cyprus it now occupies.

[From the Washington Post, Sept. 26, 1974]

Enforcing the Law on Aid to Turkey

The Ford administration is in an absolutely intolerable position in refusing to cut off military aid to Turkey. The Foreign Assistance Act requires such a cutoff if aid is used for other than defensive purposes. Majorities in both Houses of Congress believe, correctly, that Turkey has used American aid for improper purposes in conducting an invasion of Cyprus and in continuing a military occupation there, and that aid should therefore be halted. By Secretary of State Henry Kissinger's own admission, State Department lawyers accept this reading. Yet the Ford administration refuses to enforce the law. "It will have very adverse foreign relations consequences for an important ally," Dr. Kissinger lamely explains, as though he were free to pick and choose among laws before deciding which of them it was convenient to observe at any given time.

The administration argues, of course, that whatever the legal merits, it would be a policy disaster to cut aid off. But here its case becomes soggier by the day. When the Turkish landing force finally rolled to a halt some six weeks ago, it may have made some sense to hope that the mere implied threat of an aid cutoff would push those troops back. There is no sign, however, that the administration wielded such a threat, or that the Turks understood one. Rather, the Turks seem to have gotten the idea that they could throw their weight around on Cyprus without fear of incurring any real American challenge. That is precisely why things have come to the present impasse. Dr. Kissinger said Monday at the United Nations that the real need on Cyprus is for a reduction of "armed forces." Quite true. He neglected only to add that one good way to bring this about is to follow U.S. law and turn off the aid with which those "armed forces" are sustained.

Having heard Dr. Kissinger's defense of administration law-winking, the House voted 307 to 90 to suspend aid until "substantial progress" toward a Cyprus settlement has been made. The vote came on an amendment to a veto-proof appropriations bill. The Senate, where sentiment is equally sharp on the issue, is about to vote on the same amendment. Dr. Kissinger protests that a mandated aid cutoff will undercut the American effort to facilitate a negotiated settlement. He would do better to turn the cutoff to diplomatic use as a lever in his conversations with the Turks. He should explain that the Congress regards Turkey as a valuable ally and NATO partner, and sympathize with Turkey's legitimate interests in safeguarding the rights of the Turkish minority on Cyprus, but that the Congress cannot allow its own duly enacted legislation to be ignored at the whim of the Secretary of State and/or the President.

INFLATION: NO. 1 PROBLEM

HON. DAVID TOWELL

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1974

Mr. TOWELL of Nevada. Mr. Speaker, in light of the current discussions being conducted by Congress and the executive branch on the serious problem of inflation, I wanted to bring to the attention of my colleagues a recent address given by Robert C. Weems, dean of the College of Business Administration, University of Nevada, Reno. Dean Weems delivered this address to the Reno Rotary Club and he has outlined several recommendations which I believe will be of interest to the Members of the House:

Inflation: The Nation's No. 1 Problem

(By Robert C. Weems, Jr.)

Mark Twain observed that everybody talks about the weather but nobody does anything about it. The same can be said today concerning inflation, the nation's admitted number one problem. There is an important difference, however; that is, if nobody does anything about the weather, and mostly they don't, the situation always runs its course in a few days and the weather returns to normal. Not so with inflation; if no one does anything about it, it gets worse and worse and finally disarranges our economy so much that those who are supposed to know how to manage both in government and business become totally confused and lost. On June 24, 1974 financial columnist Sylvia Porter had this to say:

"A week from today will be the midpoint of 1974, and for the first time in memory most respected economists I know quietly admit they still aren't sure how to describe where our economy has been this year, or where it is now—much less, where it is heading.

"All of us know we've been in, and are in, a period of double-digit inflation with as a result, dangerously high interest rates and a stock market nothing short of disastrous. These brutal facts are not only making this an era of economic nightmare, but they also are distorting all the statistics—and this is a key reason the over-all economic picture is so befuddled.

"The standard scenario calls for a rebound in the economy and a lower rate of inflation in the second half. But many experts I regularly interview are skeptical, while others simply offer half-hearted forecasts and grimly add 'subject to change without notice.' What a sad commentary in itself."

I have seen the economists without answers, but when Sylvia Porter doesn't have one, I say we are in deep, deep trouble. There is much, very much, that could have been done about inflation and there is much that can be done even now.

In order to discuss inflation, we must try to sweep away some of the confusion. I hope that I can give you some explanations based on fundamentals which will be understandable to us as heads of businesses and families.

First of all, we must know what inflation is, secondly, we should know the harm it is doing to ourselves and our country, thirdly, we should ask ourselves how we allowed it to happen, fourthly, we should understand its causes and finally we should decide what specific steps you and I must take in order to stop it.

Lets start with item one—what is inflation? It is perhaps the simplest term in the elementary textbook—it is defined as rising prices. That is all. You can have a little inflation or a lot of inflation. A little can go on unnoticed for quite some time, for example, the thirty years preceding our recent outburst. What we are referring to today is not just inflation, but inflation out of control with the total uncertainty as to what the degree of inflation will be tomorrow, next month, and for the years to come. In other words, we don't know what the once almighty dollar is going to buy in the future with the result that we have lost our sense of planning for ourselves and our families.

In a modern society the greatest planning device is the contract. Practically all economic growth and progress takes place through contracts which call for a specified amount of goods and services to be paid for in a specified number of dollars. These dollars are often called the sum certain, and are supposed to mean just that, certain, both in numbers of dollars and in the continuing purchasing power of those dollars. Our entire economy is held together by such contracts—rent, home mortgage payments, bank accounts, installment accounts, General Motors planning a new model five years hence, long term bonds, taxes, life insurance, city, county, and state budgets, and huge building projects like BART which may take ten years to complete. With the value of our nation's money undependable and unpredicable, individuals and business managers begin to face insurmountable difficulties in planning future business ventures.

If you wonder what is the trouble with the stock market today, that is the answer. Our corporations, large and small, can't guarantee performance in terms of dollars they will have to spend. One Reno contractor told me a few days ago that he had bid on 37 million dollars worth of contracts recently and that all bids were turned down because they were too high. I am sure that he would also tell you that all the bids were heavily increased because of the unknown future costs of wages, supplies, and materials. An inflationary world is one of unknowns, uncertainties and anxieties.

But inflation is not only a business problem—it is also a social evil which because of its subtlety is little understood. The traditional virtues of society such as saving and thrift go unrewarded. Money that is saved buys less, the virtuous become less affluent and have a smaller voice in our society, and the reckless plunger-speculator, who has never denied himself anything, becomes the hero of the day and the person who calls the signals and influences political decisions. If we could assume that a reversal of inflation would eventually take place, that the scoundrels would be punished, that virtue would ultimately be rewarded and the plunger-speculator finally lose his shirt, then our Horatio Alger story would be complete. Alas, it doesn't work that way. For over thirty years we have seen prices go only one way—at first slowly, then more rapidly, now almost run-away—with an accompanying degeneration of moral fiber that has elevated criminal tactics, and I dare say criminal power, to the highest levels of government and business. When economic and political power is held by those who don't share the public's sense of social justice, we should all be on an intense alert to protect ourselves and our country.

How on earth did we allow our nation to get into an inflationary binge like this with its destruction of our savings accounts, life insurance, pension funds and a reversal of moral values? Surely with all our knowledge, being the greatest economic power, and the nation other nations copy, we should have set an example for ourselves and others. Instead, we decided to go down the flume with the other nations, trying to convince ourselves that we are entitled to as much sin as they are. What we lost sight of was that the greatest nation on earth had a solemn duty to maintain itself as a bulwark of strength in order to assist the many other nations which were attempting to maintain or regain financial integrity.

One very plausable explanation of our fallibility was that we assumed that our country was in capable hands, that inflation was being kept under reasonable control, and that prices that went up would someday come down or at least stabilize. What we didn't know was that our own ignorance and stupidity prevailed to the highest echelons of government, business, and politics. We kept telling ourselves that these men at the top surely had the knowledge to manage the country's affairs to the benefit of all of us. Now we know that our leaders were Wizards of Oz.

One of the now recognized stupefactions occurred in the profession of economics. During the Great Depression of the 1930's a whole new set of economic ideas developed, at least we thought they were new. They were supposed to assure us of continuous prosperity, high employment, and no future recessions. Economists who had learned to condemn inflation from thousands of years of recorded history suddenly concluded that the deliberate resort to inflationary policy was the way to come out of the depression. A whole new school of economics developed, now usually referred to as depression economics. The basic idea was that if an inflationary stimulus, although known to be habit forming, could make the country confident enough to get back to work, the benefits would be greater than the evils. What was not predicted by the economists was that (1) the patient, once introduced to the drug, did not care to give it up; and that (2) a still newer breed of economists had developed that decided that we could make the patient even more productive by continuing the drug in good times as well as bad. In fact, if we could get him as high as a kite, the unemployment rate might reach zero. Some of the latter economists became advisors to presidents and somehow managed to have extra shots of the inflationary dope during election years. No wonder today we are all whooping addicts.

Members of Congress had never enjoyed economists so much. The very measures the economists recommended were unbalanced budgets and a plentiful supply of money and credit at low interest rates. Now with all due regard to many fine economists who maintain today that just the reverse should take place, and that we should now raise taxes and balance budgets in order to get us off the binge, do you really expect the politicians to give up their popularity so readily? The one great fault of economists is that they assume that politicians will take their advice in good times as well as bad.

And corporation presidents took credit for ever increasing sales and profits without questioning the fact that most of the increases in profits were coming from inflation through excessive valuation of inventories, and from not reducing stated profits by an amount sufficient to replace plants and equipment, in the future.

And what were you and I doing? Practically nothing, not even asking ourselves where we might be headed until the inflationary bubble started bursting. Of course we played it smart by investing in stocks, mutual funds, and Real Estate Investment Trusts which would offset the ever decreasing purchasing power of our dollar.

It is now late, very late—we are caught with a crash in stocks and bonds, the highest interest rates in history, and runaway prices.

There is no doubt that inflation is for real, that it is not stopping, although it may slow down temporarily, and that it has become the top news in Fortune, Harvard Business Review, Readers Digest and Time. Still we don't see very much coming from the experts on how to stop it—even from those who should be breaking ranks and emerging as new leaders and, possibly, heroes. We see far more articles on how to live with it than how to control it. One of the current recommendations for living with it is by indexing or changing the terms of contracts as the dollar loses its value.

The use of indexing in Brazil is often given as an example for the United States. What is not pointed out is that inflation in Brazil had already destroyed their life insurance companies. mortgage banks, savings and loans, and pension funds, but long term contracts were still possible by naming United States dollars as a means of payment instead of the cruzeiro.

What can the United States turn to? There is no other currency on which to lean.

Milton Friedman, who was on the right track in urging a limitation on the money supply, became my Judas Iscariot when he came out for indexing. Believe me, indexing is only another way of providing convenient excuses for everybody to justify price increases and wage increases and enlarging the same sorry mess we are in. I have some respect left for Judas because he sold out for thirty pieces of hard money and did not create three hundred recipes for making paper money worthless.

If we are going to fight inflation we must know what causes it and why it will not just go away without action from you and me.

As has been known for thousands of years, in fact in almost every civilization, inflation is a desease of governments. Governments issue money and regulate its supply. When they maintain the right amount to accommodate the needs of commerce prices are stable. But the temptation is ever there to issue more, because when they do the extra money quickly seeks out goods and services for which to exchange. This gives a quick stimulus to business by providing selling prices above previous production costs, and unexpected profits which stimulate businessmen temporarily into expansion and adding employees, thus for the moment reducing unemployment.

How do governments manage to get the extra money? Remember it has to be additional money so it can't come from taxes. Numerous ways have been devised throughout history. The Romans down through Henry VIII of England did it by removing some of the precious metal from the coins. As coins began to wear smooth the royal treasury melted them up, replaced some of the gold or silver with copper and re-minted them. It took the public some time to distinguish between the old and the new but when they finally did they, themselves, held on to the old; thus Gresham's Law—that bad money drives the good money from circulation. Also if anyone had objections to receiving the new money they cut off his head.

John Law, who was head of the Bank of France in the early 1700's, did it with unlimited supplies of irredeemable paper money.

But today's way is much more sophisticated—we use bank credit mostly so today's inflation comes via the banking system. Banks generate loans and loans generate deposits and banks would never stop creating new money if we did not have the Federal Reserve System to hold them in check. But when the Federal Reserve System decides to go along with inflation, we've had it. This is the situation today. Apparently the Federal Reserve System has concluded that it is its duty to supply as much money as is demanded to carry on trade at whatever price and wage level is established by business and unions. There are no restraints. It is almost as though the FBI had decided not to fight crime anymore.

Once started, inflation becomes a way of life. By way of life, I mean the introduction of fresh new increases in either prices or wages as a means of making up for previous cost increases, thus setting in motion a succession of cures which are bound to fail because each adds to the cost of living or cost of production and creates the justification for the next round of increases. With the banking system supplying the money needed, the inflationary spiral is completed. This combinaiton has been well known in history, is today going on rapidly in most governments, and literally has no end except the collapse of the currency. It takes bold decisions to stop it, and most of the action has to come from government. The United States is the one country large enough and powerful enough to lead the world away from the ravages of inflation, but it must act decisively and quickly.

The relationships between inflations and the progress of civilization are absolutely fascinating.

The Romans were plagued with inflation throughout a very large part of their history. Most of their periods of corruption, heavy relief rolls, and assassinations were associated with inflation. One of their finest times lasted about a century and embraced the birth of Christianity, including the entire earthly lifetime of Jesus Christ. The budget was in balance, the relief rolls had been cut almost in half, and there was no inflation. Augustus and Tiberius were good Caesars and Pontius Pilate was an efficient regional governor. Mary and Joseph had come to Bethlehem to pay their just taxes, and without protest, when Jesus was born. After doing this bit of research on Bethlehem, I told my wife that that fine city possibly deserved more than one star. She said she agreed but cautioned me to handle my comments carefully in the presence of clergymen.

Anyway, Jesus named a tax collector as one of his disciples and is quoted as saying "Render unto Caesar that which is Caesar's." I wonder if he would feel the same confidence in the government of our country today.

Another classic example of inflation occurred in the early 1700's when John Law, occupying a position in France similar to that of our Arthur Burns, discovered that an endless supply of paper money secured by the country of France and all its possessions in America and Canada, including the lands drained by the St. Lawrence River, the Great Lakes, the Mississippi River and all its tributaries, was the way to make everyone and every investor prosperous. This is now known as the famous Mississippi Bubble and it really did burst rendering all French money valueless. No wonder the French farmer buries his gold to this day in his backyard—a privilege denied to us by the officials elected by us. Sounds funny to me—too bad its true.

Not many of us realize that the United States had once been through the inflationary wringer—with all the glorious things about the birth of our country just celebrated two weeks ago, the fact remains that we fought the Revolutionary War on a paper currency that became absolutely worthless, giving rise to the slogan we carry to this day—"Not worth a Continental," so you see it can happen here.

Now what can we do to stop inflation? It isn't easy. Every segment of the economy can point with good reason as to why it should have increased incomes because it is hampered by increased costs. That is why most inflationary binges continue until money, such as life insurance, bonds, and bank deposits finally become worthless, or nearly so.

Before we make our attack on inflation let's be sure we are not trapped by some common snares and delusions. We must never accept inflation as a cause of inflation. When we do we lose our balance and get our reasoning caught up in the same kind of spiral. For example, to say that "because of inflation the cost of construction will rise" is like the doctor saying "if the patient's fever goes higher he will be sicker," I would rather my doctor would be looking for the cause of the fever.

And indeed inflation does have a cause—too many dollars chasing after too few goods and services.

And lets not get caught in another delusion—that inflation will cure itself. Controlling inflation must be deliberate otherwise it will not be controlled. In a free economy we try to let goods and services regulate themselves but we must limit the number of dollars to fit the demand for them without increasing prices.

Thus, we come to concentrate on those things which allow the excess dollars to go into circulation.

Next we must accept the fact that we as individuals can do very little about inflation. We have allowed ourselves to be abused too much by constant reminders from Arthur Burns and our political leaders that it is our fault, not theirs. All the self discipline we have will not cure inflation if money is fed into the system as fast as we restrain. In inflation, you and I are about as helpless as lambs waiting to be shorn.

Now we come to the meat in the coconut.

What we are really zeroing in on is the control of the money issued by the banking system. That brings us quickly to the Federal Reserve System. There is not time to explain its mysterious workings but it will suffice to say (1) that the "Fed" can force the banks to contain the money supply at any level it chooses and (2) that being an agency which was created by and can be abolished by Congress, it will be responsive to the will of Congress. Of course it will not win any popularity contests when it becomes known that the Fed is not going to supply the rocket fuel to propel both wages and prices to the stratosphere. It takes guts and that is why Federal Reserve Governors are given 14 years terms.

The one body in the world with the final power to control inflation is the United States Congress. How do I know this? Because the Constitution says so. I quote Article I, Section 8: "The Congress shall have the power to coin money—regulate the value thereof." The courts have held that this is the power to control the banking system as well and Congress established the Federal Reserve System under that authority to do just that.

So, my first move has to be to communicate with my Congressman or my candidate for election to Congress. Practically everything that can be done must be done through him. So, I must be firm. I must have a recommended plan of action for him and I must insist that he will not get my vote unless he does practically all of the following:

1. Recognize that the control of inflation is his problem, not mine, and that only he can do what is necessary.

2. He must identify inflation as the nation's number one problem—not in words, as at present, but indeed with his attention going to that instead of practically everything else.

3. He must have a specific plan for stopping inflation, and he must tell me and the public what it is.

4. Such a plan should include his introduction of or support of a bill giving instructions to the Federal Reserve System that their highest priority should be to maintain the purchasing power of the dollar. In 1946 Congress instructed the Federal Reserve System to utilize its inflationary powers to battle unemployment but it never instructed them to keep a sound dollar. That law is still in effect and should be repealed. There are many ways of creating jobs other than destruction of our savings.

5. The plan should also include a statement that the Congressman would oppose an increase in the debt ceiling. The continual deficits in the federal budget have been the greatest single cause of inflation because they result in borrowing from banks, which in turn adds to the money supply. A corollary to this would be that he would not vote for any bill which would unbalance the budget.

6. The plan should also include a statement that he would not vote for a bill that would contribute to inflation. I have in mind such things as constantly increasing minimum wages, steadily increasing the costs of government by loading government contracts with compliance requirements on safety, equal opportunity and wage levels, and increasing social security benefits without regard for the adequacy of tax revenues. I am not opposing these things as such; only as to whether they contribute to inflation. In this regard I should like to see Congress establish within the General Accounting Office (G.A.O.) a department charged with the responsibility of studying the inflationary aspects of all Congressional bills, present and proposed—a watch dog function the G.A.O. does so well in other areas.

7. Another thing I should like my Congressman to take a stand on would be getting the banks and bank holding companies out of the non-banking business. You can't regulate a bank if you don't know what it is.

8. My Congressman should pledge himself to end government guarantees of every business that can't make an honest profit, whether it be Penn Central, Amtrack, Lockheed or the Washington D.C. Subway System. Every federally guaranteed loan is one which can be monetized under certain conditions.

9. My Congressman should vigorously oppose sending Paul Volker and other emmissaries to plush resorts twice a year to convince other nations to adopt a worldwide monetary unit that has no provision for the preservation of its purchasing power. If the dollar had such protection the world wouldn't need another unit—it would have it.

Gentlemen, as you can see by now, Congress is the only body that will stop inflation. I am hopeful that in the elections candidates will assure us that they will take our advice.

But just in case we are not successful in electing fully cooperative Congressmen then I have an ace in the hole.

All Congressmen are required to swear under oath that they will defend and support the Constitution of the United States. It is one means by which the people can speak to Congress with the assurance that if Congress doesn't carry out their wishes the courts will intercede. For once, we the people should tell Congress what to do.

Therefore I propose a Consitutional Amendment. I should hope that some Congressman would introduce it under his name. Until we find him, however, it shall be known as the "Weems Anti-Inflation Amendment."

Like amendments should be, it is simple and I think it would be effective. It reads as follows: "In order to maintain and preserve the sanctity of contracts, Congress is herewith directed to hold the purchasing power of the dollar at the level prevailing at the time of adoption of this amendment."

It would be the first time to my knowledge that a nation had incorporated sound money into its basic guarantees.

Now I suppose that additional safeguards would hardly be necessary but to make our meaning clear, the amendment should have a second part. It would read as follows: "In order to assure diligence in carrying out the first part of this amendment, salaries of Congressmen shall be permanently frozen at existing levels in United States dollars."

Thus we would have a new standard of value, for only by fighting inflation would a Congressman be certain that his own take home pay would maintain its purchasing power.

I believe my recommendations make sense. We have tried everything else—why not get back to fundamentals?

MONDALE FOR PRESIDENT

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1974

Mr. KARTH. Mr. Speaker. Senator Kennedy's decision not to seek the 1976 Democratic Presidential nomination has left the field wide open and many potential candidates are sure to come forth in the coming months. But none can offer the leadership qualities that the senior Senator from Minnesota, Walter F. Mondale, can bring to the Nation's toughest job. I urge Senator Mondale to declare his candidacy for President and to begin the hard work that can lead him to the White House where he can give the Nation the leadership it desperately needs. I am not alone in these sentiments. The Minnesota AFL–CIO at its recent convention in Duluth, Minn., offered its support and encouragement to Senator Mondale to run for President. Concurring in that expression of support were three of Minnesota's political leaders. Senator Hubert Humphrey, Gov. Wendell Anderson, and Attorney General Warren Spannaus.

Senator Mondale has served in the U.S. Senate for almost 10 years. He has offered farsighted leadership in seeking to improve the social well-being of our citizens. He has constantly been in the forefront of efforts to improve the lives of our elderly, our children, and our poor. Before coming to the Senate, Senator Mondale served as attorney general of Minnesota where he established the tradition that that office should be a strong consumer advocate. One of his legacies to our State is that Minnesota now leads the Nation in protecting the interests of its consumers.

What are the qualities that Senator Mondale would bring to the Presidency? There are many. They include unquestionable personal integrity, intelligence combined with commonsense, strength of character, and a strong desire to serve the Nation. He offers the kind of progressive leadership this Nation can unite behind.

A look at the committee assignments Senator Mondale has sought out shows a lot about the man. He is a member of the Senate Committee on Finance where he is chairman of the Subcommittee on Taxation of Interstate Commerce. He recently gained a seat on the new Budget Committee, a prized position that offers great opportunities to reform our budget making system. He is also a member of the Labor and Public Welfare Committee and serves as chairman of that unit's Subcommittee on Children and Youth. He also serves on the Select Committee on Nutrition and Human Needs and on the Special Committee on Aging. He chairs the special committee's Subcommittee on Retirement and the Individual. These committee posts illustrate two important qualities about Senator Mondale. One, he has earned the respect of his colleagues who have time and again given him important committee assignments. Two, he has shown major concern for our poor, our children, and our elderly and has done all in his power to make the dream of America a reality for them.

The qualities that have impressed the people of Minnesota and the Members of the U.S. Senate can offer great leadership to all of America. I urge Senator Mondale to become a candidate and offer his great capacity for constructive leadership to the Nation.

Following are important endorsements of Senator Mondale's candidacy:

Resolution No. 108

Subject: Senator Mondale for President.
Referred to: Resolutions Committee.
Submitted by: Minnesota State Building & Construction Trades Council.

Whereas Senator Mondale is very much concerned with the leadership of this country; and

Whereas Senator Mondale has been feeling out the sentiments of this country as to his candidacy; and

Whereas Senator Mondale has displayed great leadership in several areas of Legislation; and

Whereas He has been supported by Labor in all elections and has treated Labor fairly; now, therefore, be it

Resolved That the 17th Constitutional Convention of the Minnesota AFL–CIO support and encourage Senator Mondale to enter the 1976 Presidential election, and that he be sent a letter of support.

State of Minnesota,
St. Paul, September 24, 1974.

Mr. David Roe,
President, Minnesota AFL–CIO, AFL–CIO Convention, Duluth, Minn.

Dear Dave: Let me add my enthusiastic voice to those who are supporting Senator Fritz Mondale as a candidate for President of the United States.

Fritz Mondale has been my candidate for President ever since the 1972 elections. He has the strength of character, the ability, the intelligence and good sense the office needs. His hopes for America are the hopes of the Minnesota AFL–CIO and all progressive Minnesotans and Americans.

Fritz Mondale is a man who can keep our national party together. Fritz Mondale is a man who can win the nomination. And Fritz Mondale is a man who can be the kind of President America needs.

Sincerely,

Wendell R. Anderson.

[Telegram]

St. Paul, Minn.

Dear Dave: Sorry I cannot be with you to applaud my good friend Walter Mondale. Your Resolution urging Senator Mondale to seek the Democratic nomination for President is both timely and far-sighted.

I hope Fritz will use this opportunity to announce his candidacy. America is in dire need of his leadership.

Warren Spannaus,
Attorney General.

U.S. Senate,
Washington, D.C., September 24, 1974.

Mr. David Roe,
Minnesota AFL–CIO,
Duluth, Minn.

Dear Dave: I am pleased to join tonight in your endorsement of Fritz Mondale. The Democratic Party needs Senator Mondale as its candidate for President. He has had broad experience as Minnesota's Attorney General, an effective U.S. Senator, and a successful political leader.

Fritz Mondale will carry the message of progressive democracy to the people. He knows how to fight. He knows how to win. I am for him.

Sincerely,

Hubert H. Humphrey.

LET US HAVE PERTINENT QUESTIONS

HON. CHARLES E. CHAMBERLAIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1974

Mr. CHAMBERLAIN. Mr. Speaker, the most recent Presidential press conference has given rise to considerable comment on the scope of the questions addressed to the President. The State Journal of Lansing, Mich., of September 19, 1974, carried a pointed editorial which addressed this subject.

The editors of the State Journal are also inviting readers to submit questions which they would like to have presented to the President. This is an innovative idea which will be followed with interest.

The editorial follows:

Let Us Have Pertinent Questions

During his last years in office former President Nixon all but eliminated the traditional White House press conference. Now President Ford is bringing it back, and if the Washington press corps wants to restore it to a meaningful forum on issues of importance to American citizens, its members will have to do a better job than they did Monday night.

President Ford appeared as a man ready to answer questions forthrightly and bluntly, and he did. Unfortunately, the Monday session produced mostly grandstanders in the news ranks who seemed more intent on expounding their own philosophies than in asking questions of importance to most citizens.

More irritating was the fact that about two-thirds of the questions dealt with President Ford's controversial pardon of the ex-President. It was to be expected this issue would be raised since it was the first formal press meeting since Ford made the pardon decision a week earlier.

President Ford responded directly, reviewing his decision, his rationale for making it, and acknowledged that public reaction was far more unfavorable than he expected. In spite of this, the news people kept boring in, asking essentially the same questions over and over again.

Throughout, there seemed to be a tone of "yes, you answered the questions, but we don't like your answers so do it again." All this gets a little ridiculous after awhile. Whether one agrees with the pardon action or not, we think President Ford has explained his position and obviously does not intend to change it.

Sadly, there was only one question about the state of the nation's economy—an issue we believe is uppermost in the minds of most Americans in these days of raging inflation.

Ford said he was sure there would be no depression and stressed that measures were being planned to make sure the economy improves in the months ahead. But no one followed up and asked him why he felt this way, what measures were planned or how soon some relief might be apparent.

Nor were there any questions about how Mr. Ford plans to deal with Congress on such issues as tax reform, consumer protection bills, crime, campaign finance reform, energy problems and jobs, and there was only one indirect question about the President's conditional amnesty plan which did not get to the mechanics of the proposal.

The Washington press corps has complained for years that presidential press conferences were too few and did not produce much significant news. That's right. But the blame certainly has to be placed in part on the correspondents themselves for their redundant questions and, in too many cases, for posturing before the television cameras.

In some instances the questions have been downright silly. Other times they are so ponderous and theoretical that it would take a panel of college professors to figure out what the question is, let alone give an answer.

Washington columnist David Broder made a strong point in a recent column when he said that news representatives in Washington need to start working on issues which are really bugging the American people from the biggest cities to the smallest villages. In fact, we think a non-journalist might produce more news if he or she walked into a presidential press conference and asked the chief executive what suggestions he might have to help people afford a pound of hamburger or a loaf of bread.

We would like to see some bread and butter questions directed to the President for a change.

In this regard, we invite you to submit questions on matters that really concern you on the form printed below. We'll compile a list of the 10 greatest concerns sent in and attempt to get President Ford's response.

We can't guarantee what will result. But perhaps the effort will provide a cue for Washington news media people in the future press conferences.

Return to:
Ask Ford,
The State Journal,
120 E. Lenawee Street,
Lansing, Mich., 48919
Name ----------------------------------
Address ------------------------------

JOINT COMMITTEE ON INTELLIGENCE OVERSIGHT

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1974

Mr. FRENZEL. Mr. Speaker, yesterday I voted "nay" on the Rosenthal amendment to prohibit funds appropriated under a continuing resolution to be used by the CIA for purposes of destabilization of foreign governments.

I have already indicated my disapproval of CIA actions which interfere with foreign governments. As a matter of fact, I do approve of the purposes of the Rosenthal amendment, but I voted against it because I felt that since there was no real debate or explanation about the nature of activities that were being prohibited, I believe that if it had been adopted, nobody, including the Congress or the CIA, would understand what was prohibited.

I hope that resolutions intended to prohibit the CIA from undue interference are resubmitted, subjected to public hearings, carefully developed and finally passed into law. I think it is important for the United States, a nation which we expect to operate under the rule of law, not to be messing around in the activities of foreign governments.

However, I think it is equally important that we do not prohibit what may be necessary information-gathering activities and other legitimate duties of the CIA.

My no vote yesterday does not indicate any approval of the CIA operations in Chile, which have been recently revealed. I think the U.S. Government has no business in that kind of activity.

Because of this strong feeling, I have introduced a House version of S. 4019—Senators BAKER and WEICKER—establishing a Joint Committee on Intelligence Oversight.

A 120-DAY MORATORIUM ON FEDERAL SPENDING

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1974

Mr. DERWINSKI. Mr. Speaker, today, I am introducing a resolution calling for a 120-day moratorium on Federal spending programs, except in the instance of a national emergency, that would be authorized from the date of enactment.

The purpose of the measure is to support the President and to join in combating inflation which Mr. Ford has so accurately described as "our domestic public enemy No. 1." I need not tell the Members of the fact that inflation is very much a major concern of the American public.

I again call the attention of the Members to some valuable and sobering comments by AFL–CIO President George Meany which have been directed to my attention:

> The raging inflation that started in the second half of 1972 continues with devastating impact on workers' buying power and living standards.

Chairman Gabriel Hauge of Manufacturers Hanover Trust also pointed out:

> We see the best of our citizens, those who have saved and whose savings have built our country, suffering substantial losses in those savings. And we see those least able to fend for themselves, the poor and the elderly, forced to suffer disproportionately more than anyone else through the regressive taxation that inflation actually is.

It is my thought that the practical effect of this proposal would permit the newly elected Congress to address the subject of Government spending and its relationship to inflation when it convenes in January 1975.

STICK UP FOR BREAKFAST DAY

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 26, 1974

Mr. DRINAN. Mr. Speaker, I am pleased to share with my colleagues a recent article from the Boston Herald American which describes a most unique event scheduled for October 5 in the town of Framingham—"Stick Up for Breakfast Day."

The unusual event is being hailed as the first community education project designed to teach an entire town, in a single day, the importance of eating a better breakfast. Some 3,000 Framingham residents will join together for what is being billed as the "world's largest community breakfast," followed by sports events, a parade for nutrition throughout the town, and an old-fashioned family fair.

Activities for the day are being organized by the South Middlesex Area Chamber of Commerce, the Framingham Parks and Recreation Department, and Framingham State College.

I join with Framingham town officials in the hope that the success of "Stick Up for Breakfast Day" will inspire thousands of other communities to stage similar celebrations for good health and good nutrition.

The article follows:

"STICK UP FOR BREAKFAST DAY" IS SET IN FRAMINGHAM ON OCTOBER 15

(By Virginia Bohlin)

> Dad, do you just grab a doughnut on the run because there never seems to be time for a sit-down breakfast on workdays?
>
> Mom, do you have just a cup of coffee because you're counting calories?
>
> And do your teen-aged kids skip breakfast completely because they insist they can't face food in the morning?
>
> Well, then consider yourselves typical of the eight out of 10 Americans who are starting off their day wrong.
>
> Medical and nutrition experts have long extolled breakfast as the most important meal of the day. Their message has been . . . and is . . . that an adequate breakfast is essential for maximum physical and mental efficiency, especially during morning hours.
>
> But unfortunately only about 20 percent of the American population seems to be getting the message.
>
> So the town of Framingham is going to do something to try to change the trend. With September "Better Breakfast Month" across the nation, plans are underway to stage a "Stick Up for Breakfast Day" in Framingham Oct. 5.
>
> It's being hailed as the first community education project designed to teach an entire town . . . in a single day . . . the importance of eating a better breakfast.
>
> This unique pilot program to encourage nutrition awareness will involve all 65,000 residents of Framingham and will consist of a series of outdoor events, all pegged to a nutrition theme.

Town officials say they hope that the suc-
inspire thousands of other health-minded
cess of "Stick Up For Breakfast Day" may
communities to stage similar celebrations.

The answer to just how successful this experiment in total community involvement will be, will come from a comprehensive "attitude survey" to be conducted by Framingham State College. Framingham State is one of the country's leading academic centers for the teaching of nutrition dietetics and home economics.

"Stick Up for Breakfast Day" will begin at 7:30 a.m. with what Framinghamites are billing as "the world's biggest community breakfast." Some 3,000 residents will sit down together to a free box breakfast . . . of juice, cereal and milk and Danish pastry . . . at Bowditch Field.

Following the community breakfast the Framingham residents will, at a given signal, raise their hands and repeat a solemn pledge to eat a better, more nutritious breakfast every day.

Since exercise goes hand in hand with nutrition for good health, the next activity will be a six event sport-a-Rama athletic competition for youngsters.

Other highlights of the day will include a "parade for nutrition" through town, complete with brass bands and floats, as well as an old-fashioned family fair with games, stunts, awards and exhibitions to be held on the village green.

At the fair there will be a nutrition booth where persons can receive information on physical fitness and nutrition.

Activities for Framingham "Stick Up for Breakfast Day," are being organized by the South Middlesex Area Chamber of Commerce, the Framingham Parks and Recreation Department, and Framingham State College.

The program is under the direction of Gen. Ralph Noonan, retired U.S. National Guard officer and currently executive secretary of the Framingham Board of Selectmen, and Timothy Kilduff, director of marketing for the Chamber of Commerce.

Stick Up for Breakfast Day is being underwritten by a grant from the Kellogg Co. of Battle Creek, Mich. And why was Framingham chosen as the scene of this educational event?

Because, official say, of "its tremendous interest, enthusiasm and long-demonstrated concern for good health." Framingham is nationally recognized in scientific and medical circles as the site for numerous major research programs, including the American Heart Association's famed "Heart Study," which led to related studies in the fields of hypertension and eye disorders.

Framingham State College will conduct a "before and after" attitude survey to determine whether Stick Up for Breakfast Day ultimately affects breakfast eating habits among townspeople.

"We're very proud to be the first community to join hands in a public demonstration for good health," states Noonan.

"If we succeed in driving home the message of good nutrition to our town, then we'll be setting an example for other communities to follow . . . towns that believe, as we do, that a healthier America is a stronger America."